FULL RICHES INVESTMENTS LTD.
("Full Riches")

NOTICE OF SPECIAL MEETING

AND

INFORMATION CIRCULAR DATED NOVEMBER 28, 2003

CONCERNING THE BUSINESS COMBINATION OF FULL RICHES AND GOLD MINES OF SARDINIA PLC, INCLUDING, AMONG OTHER THINGS, THE AMALGAMATION OF FULL RICHES WITH MEDORO RESOURCES LTD.

All information contained in this Information Circular with respect to Gold Mines of Sardinia Plc and its affiliated companies, including Medoro Resources Ltd., was supplied by Gold Mines of Sardinia Plc for inclusion herein.

These materials require your immediate attention. If you are in doubt as to how to deal with these materials, or the matters referred to herein, please consult your investment dealer, stockbroker, bank manager or other professional advisor.

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SCHEDULES

FULL RICHES INVESTMENTS LTD.
Suite 3123, Three Bentall Centre
595 Burrard Street
Vancouver, British Columbia
V7X 1J1

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON TUESDAY, JANUARY 6, 2004

NOTICE IS HEREBY GIVEN that a special meeting of the shareholders (the "Meeting") of Full Riches Investments Ltd. ("Full Riches") will be held at the offices of Full Riches, located at Suite 3123, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1, at 11:00 a.m., Vancouver time, on Tuesday, January 6, 2004, for the following purposes.

1. To consider and, if thought fit, to pass a special resolution in the form attached to the Information Circular accompanying this Notice of Meeting authorizing the continuance of Full Riches from British Columbia to the Yukon Territory.

2. To consider and, if thought fit, to pass a resolution in the form included in the Information Circular accompanying this Notice of Meeting to confirm the adoption of By-law Number 1 upon the continuance of Full Riches from the *Company Act* (British Columbia) to the *Yukon Business Corporations Act*.

3. To consider and, if thought fit, to pass a special resolution in the form attached to the Information Circular accompanying this Notice of Meeting approving the proposed amalgamation of Full Riches and Medoro Resources Ltd., a wholly-owned subsidiary of Gold Mines of Sardinia plc, under the *Yukon Business Corporations Act*, as described in the Information Circular.

4. To consider and, if thought fit, to pass a resolution in the form included in the Information Circular accompanying this Notice of Meeting approving a stock option plan for Full Riches and its successors, and reserving the number of common shares of Full Riches for issuance thereunder.

5. To transact such other business as may properly be brought before the Meeting.

Information relating to the matters to be dealt with at the Meeting is set forth in the Information Circular which accompanies this Notice of Meeting.

Take notice that pursuant to the *Company Act* (British Columbia) (the "BCCA"), you may until January 4, 2004 give Full Riches a notice of dissent by registered mail addressed to Full Riches at Suite 3123, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1, with respect to the resolution authorizing Full Riches to apply for a certificate of continuance continuing Full Riches under the *Yukon Business Corporations Act*. As a result of giving a notice of dissent you may, on receiving from Full Riches a notice of intention to act under section 207 of the BCCA, require Full Riches to purchase all your shares in respect of which the notice of dissent was given.

Take further notice that pursuant to the BCCA, you may until seven days after the date on which the amalgamation agreement is approved by the shareholders of Full Riches, GMS Canada and GMS England give Full Riches a notice of dissent by registered mail addressed to Full Riches at Suite 3123, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1. As a result of giving a notice of dissent you may, on receiving from Full Riches a notice of intention to act under section 207 of the BCCA, require Full Riches to purchase all your shares in respect of which the notice of dissent was given.

DATED this 28th day of November, 2003.

BY ORDER OF THE BOARD

"Gordon Keep"
Gordon Keep
President and Chief Executive Officer

IMPORTANT

Only holders of Common Shares of Full Riches of record at the close of business on November 18, 2003 are entitled to notice of the Meeting and only those holders of the Common Shares of Full Riches of record at the close of business on November 18, 2003, or who subsequently become shareholders and comply with the provisions of the BCCA, are entitled to vote at the Meeting.

It is important that your Common Shares are represented at the Meeting. If you are unable to attend in person, kindly fill in, sign and return the enclosed Instrument of Proxy in the envelope provided for that purpose.

Proxies, to be valid, must be deposited at the office of the registrar and transfer agent of Full Riches, Pacific Corporate Trust Company, 625 Howe Street, 10th Floor, Vancouver, British Columbia, V6C 3B8, not less than 48 hours (excluding Saturdays, Sundays and holidays) preceding the Meeting or any adjournment of the Meeting.

GLOSSARY OF TERMS

The following is a glossary of terms and abbreviations used frequently throughout this Information Circular and the Schedules hereto.

"AIM" means the Alternative Investment Market of the London Stock Exchange.

"Agent's Warrants" means up to 1,374,000 agent's warrants anticipated to be issued by Full Riches in connection with private placements to be completed by Full Riches prior to the completion of the Amalgamation, each entitling the holder to acquire one Common Share at a price of $0.35 per share for a period of two years.

"Amalco" means the YBCA corporation formed upon completion of the amalgamation of Full Riches and GMS Canada, which corporation will be named "Medoro Resources Ltd."

"Amalco Common Shares" means the common shares in the capital of Amalco.

"Amalco Full Riches Replacement Options" means the 2,500,000 stock options of Amalco to be issued in replacement for the 5,000,000 outstanding Options, each entitling the holder to acquire one Amalco Common Share at a price of $0.20 per share until October 8, 2008 in accordance with their terms.

"Amalco Full Riches Replacement Warrants" up to 687,000 agent's warrants of Amalco to be issued in replacement for the Agent's Warrants anticipated to be issued in connection with private placements to be completed by Full Riches prior to the completion of the Amalgamation, each entitling the holder to acquire one Amalco Common Share at a price of $0.70 per share for a period of two years.

"Amalco GMS Entitlement Options" means 1,182,888 stock options of Amalco to be issued to the holders of currently outstanding GMS England Options, entitling the holders to acquire Amalco Common Shares at the prices and for the terms set out in the Amalgamation Agreement.

"Amalco GMS Fee Shares" means 319,857 Amalco Common Shares to be issued to Williams de Bröe in consideration of services performed by it in connection with the Amalgamation.

"Amalco GMS Replacement Warrants" means 5,793,918 warrants of Amalco to be issued to the holders of currently outstanding GMS Warrants, entitling the holders to acquire Amalco Common Shares at the prices and for the terms set out in the Amalgamation Agreement.

"Amalco Stock Option Plan" means the incentive stock option plan of Amalco to be approved by the directors of Amalco, as well as the shareholders of Full Riches at the Meeting.

"Amalgamation" means the amalgamation of Full Riches and GMS Canada pursuant to the terms of the Amalgamation Agreement and otherwise in accordance with the YBCA. See "Particulars of Matters to be Acted Upon – Summary".

"Amalgamation Agreement" means the amalgamation agreement made as of November 28, 2003 governing the terms of the Amalgamation. See "Particulars of Matters to be Acted Upon - Description of the Amalgamation Agreement".

"associate", **"affiliate"**, **"insider"** and **"promoter"** have the respective meanings ascribed thereto in the *Securities Act* (British Columbia).

"BCCA" means the *Company Act* (British Columbia), RSBC 1996, chapter 62, as from time to time amended, and including any regulations promulgated thereunder.

"Business Day" means any day other than a Saturday or Sunday or a day when banks in Vancouver, British Columbia are not generally open for business.

"Certificate of Amalgamation" means the certificate of amalgamation for the Amalgamation issued by the Registrar pursuant to Subsection 187(4) of the YBCA.

"Certificate of Continuance" means the certificate of continuance for Full Riches issued by the Registrar pursuant to Subsection 180(4) of the YBCA.

"Closing" means the closing of the Amalgamation pursuant to the Amalgamation Agreement, which is expected to be on or about February 13, 2004.

"Common Shares" means the authorized common shares without par value of Full Riches.

"Continuance" means the proposed continuance of Full Riches out of the jurisdiction of British Columbia under the BCCA and into the jurisdiction of the Yukon Territory under the YBCA.

"Control Person" means a person or company, or combination of persons or companies, that holds more than 20% of the voting shares of a corporation, or a sufficient number of shares so as to materially affect its control.

"Effective Date" means the effective date of the Amalgamation, which is expected to be on or about February 13, 2004.

"GMS Australia" means Gold Mines of Sardinia Pty Limited, a wholly-owned subsidiary of GMS England formed under the laws of Australia. See "Information Concerning Gold Mines of Sardinia".

"GMS Canada" means Medoro Resources Ltd., a wholly-owned subsidiary of GMS England incorporated under the YBCA. See "Information Concerning Gold Mines of Sardinia".

"GMS England" means Gold Mines of Sardinia Plc, a public company formed under the laws of England and Wales. See "Information Concerning Gold Mines of Sardinia".

"**GMS England Agreements**" means certain agreements of GMS England to be assigned to, and assumed by, Amalco in connection with the completion of the Amalgamation, including GMS England's agreements with Sargold Resource Corporation and Bolivar Gold Corp. See "Information Concerning Gold Mines of Sardinia".

"**GMS England Capital Reduction**" means the reduction of the share capital of GMS England and the cancellation of the share premium account of GMS England to be completed for purposes of the distribution of Amalco Common Shares to the shareholders of GMS England, as described in GMS England's Notice of Extraordinary General Meeting delivered to GMS England's shareholders in connection with its shareholders meeting to be held on or about December 23, 2003.

"**GMS England Court Approval**" means the order of the Companies Court, Chancery Division, High Court of Justice in England and Wales confirming the GMS England Capital Reduction becoming effective upon its registration under the *Companies Act 1985* (England), as amended.

"GMS England Options" means the stock options of GMS England granted to certain directors, officers and consultants of GMS England as set out in the Amalgamation Agreement.

"GMS Warrants" means share purchase warrants of GMS England held by parties to the GMS England Agreements other than GMS England.

"GMS Reorganization" means the transfer of all of the issued and outstanding shares in the capital of GMS Australia by GMS England to GMS Canada.

"Information Circular" means this information circular of Full Riches to be forwarded by Full Riches to its shareholders in connection with the Meeting.

"Letter of Transmittal" means the letter of transmittal to be used by holders of Common Shares for the purpose of surrendering certificates representing the Common Shares and exchanging them for certificates representing Amalco Common Shares.

"Meeting" means the special meeting of the shareholders of Full Riches to be held on January 6, 2004.

"Micon" means Micon International Inc. of Toronto, Ontario.

"Micon Report" means the independent technical report in respect of the Furtei, Osilo and Monte Ollasteddu Properties in Sardinia, Italy in which GMS England has interests prepared by Micon on November 15, 2003 and revised on November 24, 2003.

"NI43-101" means National Instrument 43-101, *Standards of Disclosure for Mineral Projects*.

"Options" means the 5,000,000 outstanding stock options of Full Riches, each entitling the holder thereof to acquire one Common Share at a price of $0.10 per share until October 8, 2008 in accordance with their terms.

"PCTC" means Pacific Corporate Trust Company of Canada.

"Person" means a natural person, firm, corporation, trust, partnership, joint venture, governmental body or agency or association.

Private Placements" means the private placement of equity securities by Full Riches for minimum aggregate gross proceeds to Full Riches of at least $10,000,000. See "Business Overview of Full Riches - The Business Combination - Private Placements".

"Registrar" means the Registrar of Corporations appointed under the YBCA.

"Related Parties" means the promoters, officers, directors, other insiders of a company, and associates or affiliates thereof.

"Sardinia Gold" means Sardinia Gold Mining S.p.A., a company incorporated under the laws of Italy and a subsidiary of GMS England. See "Information Concerning Gold Mines of Sardinia – Intercorporate Relationships".

"Special Warrants" means the up to 40,500,000 special warrants of Full Riches issued pursuant to certain private placements to be completed prior to the completion of the Amalgamation. Each Special Warrant is exercisable, for no additional consideration, to acquire one Common Share. See "Business Overview of Full Riches - The Business Combination - Private Placements".

"Sponsor" means McFarlane Gordon Inc.

"Subscription Receipts" means the up to 22,900,000 subscription receipts of Full Riches to be issued pursuant to certain private placements to be completed prior to the completion of the Amalgamation. Each Subscription Receipt is exercisable, for no additional consideration, to acquire one Common Share. See "Business Overview of Full Riches - The Business Combination - Private Placements".

"TSXVE" means the TSX Venture Exchange.

"YBCA" means the *Yukon Business Corporations Act*, RSY 2002, chapter 20, as from time to time amended, and including any regulations promulgated thereunder.

All references to dollars in this Information Circular refer to Canadian dollars, unless otherwise indicated.

FULL RICHES INVESTMENTS LTD.
Suite 3123, Three Bentall Centre
595 Burrard Street
Vancouver, British Columbia
V7X 1J1

INFORMATION CIRCULAR

PURPOSE OF SOLICITATION

THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF FULL RICHES FOR USE AT THE SPECIAL MEETING OF SHAREHOLDERS OF FULL RICHES (THE "MEETING") TO BE HELD ON TUESDAY, JANUARY 6, 2004, AT 11:00 A.M., VANCOUVER TIME, AT THE OFFICES OF FULL RICHES, LOCATED AT SUITE 3123, THREE BENTALL CENTRE, 595 BURRARD STREET, VANCOUVER, BRITISH COLUMBIA, V7X 1J1, AND AT ANY ADJOURNMENT THEREOF FOR THE PURPOSES SET OUT IN THE ACCOMPANYING NOTICE OF MEETING. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone by directors or officers of Full Riches. Arrangements will also be made with brokerage houses and other custodians, nominees, and fiduciaries to forward proxy solicitation material to the beneficial owners of Common Shares pursuant to the requirements of National Instrument 54-101. The cost of any such solicitation will be borne by Full Riches.

VOTING OF PROXIES

All Common Shares represented at the Meeting by properly executed proxies will be voted and where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the proxy will be voted in accordance with such specifications. **IN THE ABSENCE OF ANY SUCH SPECIFICATIONS, THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, WILL VOTE IN FAVOUR OF ALL THE MATTERS SET OUT HEREIN.**

THE ENCLOSED INSTRUMENT OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE MANAGEMENT DESIGNEES, OR OTHER PERSONS NAMED AS PROXY, WITH RESPECT TO AMENDMENTS TO OR VARIATIONS OF MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND ANY OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING. AT THE DATE OF THIS INFORMATION CIRCULAR, MANAGEMENT IS NOT AWARE OF ANY AMENDMENTS TO, OR VARIATIONS OF, OR OTHER MATTERS WHICH MAY COME BEFORE, THE MEETING. IN THE EVENT THAT OTHER MATTERS COME BEFORE THE MEETING, THE MANAGEMENT DESIGNEES INTEND TO VOTE IN ACCORDANCE WITH THE DISCRETION OF SUCH MANAGEMENT DESIGNEES.

Proxies, to be valid, must be deposited at the office of the registrar and transfer agent of Full Riches, PCTC, located at 625 Howe Street, Vancouver, British Columbia, V6C 3B8**,** not less than 48 hours (excluding Saturdays, Sundays and holidays) preceding the Meeting or any adjournment of the Meeting.

APPOINTMENT OF PROXY

A SHAREHOLDER HAS THE RIGHT TO DESIGNATE A PERSON (WHO NEED NOT BE A SHAREHOLDER) OTHER THAN GORDON KEEP AND NEIL WOODYER, THE MANAGEMENT DESIGNEES, TO ATTEND AND ACT FOR THE SHAREHOLDER AT THE MEETING. Such right may be exercised by inserting in the blank space provided, the name of the person to be designated and deleting therefrom the names of the management designees or by completing another proper instrument

of proxy and, in either case, depositing the instrument of proxy with the registrar and transfer agent of Full Riches, PCTC, located at 625 Howe Street, 10th Floor, Vancouver, British Columbia, V6C 3B8, at any time, not less than 48 hours (excluding Saturdays, Sundays and holidays) preceding the Meeting or any adjournment of the Meeting.

REVOCATION OF PROXIES

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy.

A shareholder may revoke a proxy by depositing an instrument in writing, executed by the shareholder or the shareholder's attorney authorized in writing:

(a) at the offices of the registrar and transfer agent, PCTC, located at 625 Howe Street, 10th Floor, Vancouver, British Columbia, V6C 3B8**,** at any time, not less than 48 hours (excluding Saturdays, Sundays and holidays) preceding the Meeting or any adjournment of the Meeting at which the proxy is to be used;

(b) at the registered office of Full Riches, Suite 3123, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1, at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used; or

(c) with the chairman of the Meeting on the day of the Meeting or any adjournment of the Meeting.

In addition, a proxy may be revoked by the shareholder personally attending the Meeting and voting his or her shares.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES ON VOTING COMMON SHARES

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of Full Riches as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in the shareholder's name on the records of Full Riches. Such Common Shares will likely be registered in the name of the shareholder's broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the nominee of The Canadian Depository for Securities Limited, which acts as depositary for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate Person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which instructions should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the

broker) is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Independent Investor Communications Corporation ("IICC"). IICC typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to IICC. IICC then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at a meeting. **A Beneficial Shareholder receiving a proxy with an IICC sticker on it cannot use that proxy to vote Common Shares directly at the Meeting. Beneficial Shareholders must return the proxy to IICC in advance of the Meeting in order to have their shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or an agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Full Riches is authorized to issue 500,000,000 Common Shares, without nominal or par value, of which as at the date hereof 12,021,849 Common Shares are issued and outstanding.

The holders of Common Shares of record at the close of business on the record date, set by the directors to be November 18, 2003, are entitled to vote their Common Shares at the Meeting on the basis of one vote for each Common Share held, except to the extent that:

(a) such Person transfers his or her Common Shares after the record date; and

(b) the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes his or her ownership to the Common Shares;

and makes a demand to the registrar and transfer agent, not later than 10 days before the Meeting, that his or her name be included on the shareholders' list.

The articles of Full Riches provide that two (2) Persons present and representing in person or by proxy not less than five percent (5%) of the issued shares entitled to vote at the Meeting constitute a quorum for the Meeting.

To the knowledge of the directors and senior officers of Full Riches, as at the date hereof, no Person beneficially owns, directly or indirectly, Common Shares carrying more than 10% of the voting rights attaching to the outstanding Common Shares other than Endeavour Mining Capital Corp. See "Information Concerning Full Riches Investments Ltd. – Principal Holders of Full Riches Shares".

A. PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the directors of Full Riches, the only matters to be dealt with at the Meeting are those matters set forth in the accompanying Notice of Meeting relating to: (i) the approval of the special resolution authorizing Full Riches to continue out of the jurisdiction of British Columbia under the BCCA and into the jurisdiction of the Yukon under the YBCA; (ii) the adoption of By-law Number 1 upon the

continuance of Full Riches into the jurisdiction of the Yukon under the YBCA; (iii) the approval of the special resolution approving the Amalgamation; and (iv) the approval of the Amalco Stock Option Plan.

I. CONTINUANCE UNDER THE YBCA

At the Meeting, shareholders will be asked to consider and, if thought fit, to pass the special resolution substantially as set forth in Schedule D hereto (the "Continuance Resolution") authorizing the Continuance, whereby Full Riches will continue under the YBCA. In connection with the Continuance, Full Riches will adopt the articles of continuance substantially in the form attached as Schedule D-1 hereto.

General

The YBCA provides that a corporation which is incorporated otherwise than under the YBCA, may, if so authorized by the law where it is incorporated, apply to the Registrar appointed under the YBCA for a certificate of continuance under the YBCA. The BCCA entitles a corporation incorporated thereunder to be continued under the YBCA, if authorized by a special resolution of its shareholders and by the registrar appointed under the BCCA.

GMS Canada is incorporated under the YBCA. Management of Full Riches believes that it would be advantageous for Full Riches to be governed by the YBCA in order to facilitate the Amalgamation. Upon issuance of the Certificate of Continuance, Full Riches will cease to be a corporation governed by the BCCA and will be governed by the YBCA. Further to the issuance of the Certificate of Continuance, all rights of creditors against the property, rights and assets of Full Riches and all liens on the property, rights and assets of Full Riches will be unimpaired by the continuation, and all debts, contracts, liabilities and duties of Full Riches from then on will attach to the continued corporation and may be enforced against it.

Recommendation

The board of directors recommends that shareholders vote to approve the Continuance Resolution as it is a condition for the completion of the Amalgamation.

Shareholder Approval

A special resolution is defined in the BCCA as a resolution requiring the approval of not less than three-fourths (3/4) of the votes cast in person or by proxy at the Meeting. Consequently, the continuance of Full Riches will be authorized and approved when the Continuance Resolution, the text of which are set forth in Schedule D hereto, has been passed, with or without variation, by at least three-fourths (3/4) of the votes cast in respect of the Continuance Resolution by the holders of the Common Shares present or voting by proxy at the Meeting.

If named as proxy, the management designees intend to vote the Common Shares represented by such proxy at the Meeting for the approval of the Continuance Resolution, unless otherwise directed in the instrument of proxy.

Right of Dissent

Registered Shareholders (as defined below) have the right to dissent to the Continuance Resolution pursuant to section 37 of the BCCA. In accordance with section 37 of the BCCA, Registered Shareholders have until two days before the Meeting within which action must be taken to perfect their dissent rights. **It is recommended that any shareholder wishing to avail himself or herself of his or her dissent rights seek legal advice, as failure to comply strictly with the provisions of section 37 of the BCCA may prejudice any such rights**.

A "Registered Shareholder" is a shareholder whose Common Shares are registered in his or her name on the shareholder register of Full Riches. If a shareholder holds his or her Common Shares through an investment dealer, broker or market intermediary, he or she will not be a Registered Shareholder as such Common Shares will be registered in the name of such investment dealer, broker or market intermediary. Any holder of Common Shares who wishes to invoke his or her dissent rights should register his or her Common Shares in his or her name or arrange for the Registered Shareholder to dissent. Any holder of Common Shares who wishes to invoke his or her dissent rights is urged to consult with his or her legal or investment advisor to determine whether they are Registered Shareholders and to be advised of the strict provisions of section 37 of the BCCA. Any shareholder who wishes to register his or her Common Shares in his or her own name is urged to consult with his or her legal or investment advisor or the registrar and transfer agent of Full Riches at the following address:

Pacific Corporate Trust Company
625 Howe Street, 10th Floor
Vancouver, British Columbia
V6C 3B8

If the Continuance Resolution is adopted and becomes effective, any Registered Shareholder who dissents in respect of the Continuance Resolution in compliance with section 37 of the BCCA ("a dissenting shareholder") will be entitled to be paid by Full Riches a sum representing the fair value of his or her Common Shares.

A dissenting shareholder must send to Full Riches, not less than two days before the Meeting, a written objection to the Continuance Resolution ("a dissent notice"). A vote against the Continuance Resolution does not constitute a dissent notice. A shareholder may dissent with respect to all or any number of the Common Shares held by him or her or on behalf of any one beneficial owner whose shares are registered in his or her name. An application by Full Riches, or by a shareholder if he or she has sent a dissent notice as described above, may be made to the Supreme Court of British Columbia (the "Court") by originating notice, after the adoption of the Continuance Resolution to set the price and terms of the purchase and sale. The price of the Common Shares to be purchased from dissenting shareholders by Full Riches is to be determined as of the close of business on the last business day before the date on which the Continuance Resolution was adopted and is to include any appreciation or depreciation in anticipation of the vote on the Continuance Resolution.

Upon a dissenting shareholder exercising his or her right to require Full Riches to purchase his or her Common Shares for which a dissent notice was given, a dissenting shareholder ceases to have any rights as a shareholder of Full Riches other than the right to be paid the fair value of his or her Common Shares in the amount fixed by the Court. Until that time, the dissenting shareholder may withdraw his or her dissent notice only with the consent of Full Riches.

Dissenting shareholders will not have any right other than those granted under the BCCA to have their Common Shares appraised or to receive the fair value thereof, other than in connection with the Amalgamation.

The foregoing summary is expressly subject to section 37 of the BCCA, the text of which is reproduced in its entirety in Schedule G hereto.

II. ADOPTION OF GENERAL BY-LAWS

Pursuant to the proposed Continuance, it will be necessary to adopt By-law Number 1, being a by-law to govern the administration of Full Riches under the YBCA. Pursuant to the YBCA, the directors will by resolution prior to the Meeting, and subject to the completion of the Continuance under the YBCA, approve and adopt By-law Number 1, and the shareholders are required, by ordinary resolution, to confirm, reject or amend By-law Number 1. A copy of By-law Number 1 may be obtained at no charge by each registered shareholder upon request made to the secretary of Full Riches at its registered office located at Suite 3123, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1.

At the Meeting, shareholders will be asked to consider and, if thought fit, to pass the following resolution:

"BE IT RESOLVED THAT:

1. Pursuant and subject to the continuance of Full Riches under the *Yukon Business Corporations Act* (the "YBCA"), By-law Number 1, being a by-law to govern the administration of Full Riches under the YBCA, be and is hereby confirmed as a by-law of Full Riches.

2. Any one director or officer of Full Riches be authorized to make all such arrangements and do all acts and things, and to sign and execute all documents and instruments in writing, whether under the corporate seal of Full Riches or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."

The resolution must be approved by a majority of the votes cast in person or by proxy at the Meeting.

If named as proxy, the management designees intend to vote the Common Shares represented by such proxy at the Meeting for the approval of the above resolution, unless otherwise directed in the instrument of proxy.

III. APPROVAL OF THE AMALGAMATION WITH GMS CANADA UNDER THE YBCA

Description of the Amalgamation Agreement

Full Riches, GMS Canada and GMS England have entered into the Amalgamation Agreement, pursuant to which Full Riches and GMS Canada have agreed to amalgamate under the YBCA to form a new corporation called "Medoro Resources Ltd.". The Amalgamation Agreement is attached to this Information Circular as Schedule F.

Pursuant to the Amalgamation, the shareholders of Full Riches will receive an aggregate of 42,835,925 Amalco Common Shares in exchange for or replacement of all of the issued and outstanding shares of Full Riches (including Common Shares issuable upon exercise of the Special Warrants and the Subscription Receipts). In addition, Amalco shall issue: (i) 2,500,000 Amalco Replacement Options to the holders of the Options; and (ii) up to 687,000 Amalco Full Riches Replacement Warrants to the holders of the Agent's Warrants.

Pursuant to the Amalgamation, the securityholders of GMS Canada will receive an aggregate of 38,726,261 Amalco Common Shares in exchange for or replacement of all of the issued and outstanding

shares of GMS Canada. In addition, Amalco shall issue: (i) 1,182,888 Amalco GMS Entitlement Options to the holders of GMS England Options; (ii) 5,793,918 Amalco GMS Replacement Warrants to the holders of the GMS Warrants, as consideration for the assignment to Amalco of certain of the GMS England Agreements between GMS England and certain holders of the GMS Warrants; and (iii) the 319,857 Amalco GMS Fee Shares to Williams de Bröe.

A full description of the background, history, business, affairs, management and share structure of GMS England and its affiliated companies, including GMS Canada, is contained in this Information Circular under the heading "Information Concerning Gold Mines of Sardinia".

The Amalco Common Shares and Amalco Replacement Options, as well as the securities to be issued upon exercise of these securities, will be issued pursuant to exemptions from registration and prospectus requirements contained in the *Securities Act* (British Columbia), the *Securities Act* (Yukon) and the securities legislation in other jurisdictions.

The Closing of the Amalgamation contemplated by the Amalgamation Agreement is subject to several mutual conditions, including the following:

(a) the Amalgamation shall have been approved by the required majority of the votes of the shareholders of Full Riches who, being entitled to do so, vote in person or by proxy at the Meeting in accordance with the provisions of the BCCA;

(b) all necessary regulatory approvals shall have been obtained, including any required approvals in connection with the issuance and distribution of the Amalco Common Shares and the Amalco Replacement Options;

(c) the Amalco Common Shares to be issued upon the completion of the Amalgamation, and upon exercise of the Amalco Replacement Options shall have been accepted for listing by the TSXVE, subject to Amalco fulfilling TSXVE listing requirements;

(d) TSXVE shall have granted conditional approval to the Amalgamation;

(e) all consents, orders and approvals, including, without limitation, regulatory approvals, required or necessary or desirable for the completion of the Amalgamation shall have been obtained or received from the Persons having jurisdiction in the circumstances, all on terms satisfactory to Full Riches, GMS Canada and GMS England;

(f) the Amalgamation shall have been approved by GMS England as the sole shareholder of GMS Canada in accordance with the provisions of the YBCA, and all approvals of the shareholders of GMS England necessary for the Amalgamation and the other steps under the Business Combination shall have been approved by the shareholders of GMS England in accordance with the provisions of the laws of England and Wales; and

(g) there shall not be in force any order or decree restraining or enjoining the completion of the Amalgamation.

The Closing of the Amalgamation is subject to certain conditions in favour of Full Riches, including the following:

(a) the receipt of the GMS England Court Approval (see "Business Overview of Full Riches – The Business Combination"); and

(b) the completion of the GMS Reorganization (see "Business Overview of Full Riches – The Business Combination").

The Closing of the Amalgamation is subject to certain conditions in favour of GMS England and GMS Canada, including the following:

(a) the successful completion of the Private Placements for gross proceeds to Full Riches of not less than $10,000,000 (as hereinafter defined; see "Business Overview of Full Riches – The Business Combination");

(b) the execution and delivery of the Third Party Joint Venture Agreement (as hereinafter defined; see "Business Overview of Full Riches – The Business Combination");

(c) approval for the admission to trading of the Amalco Common Shares on AIM upon closing of the Amalgamation; and

(d) the receipt of all required approvals and consents for the assignment and assumption of the GMS England Agreements by Amalco upon closing of the Amalgamation.

Pursuant to the Amalgamation Agreement, Full Riches, GMS England and GMS Canada may waive those of the above conditions which are in their favour.

The full text of the Amalgamation Agreement is reproduced in Schedule F hereto.

Details of the Amalgamation

Pursuant to the Amalgamation, Full Riches and GMS Canada will amalgamate and continue as one corporation to be named "Medoro Resources Ltd.". On the Effective Date:

(a) each Common Share (including Common Shares issuable upon exercise of the Special Warrants and the Subscription Receipts) shall be exchanged for one-half (0.5) fully-paid and non-assessable Amalco Common Share;

(b) each Option shall be replaced with one-half (0.5) Amalco Replacement Option;

(c) each Agent's Warrant shall be replaced with one-half (0.5) Amalco Full Riches Replacement Warrant; and

(d) each GMS Canada Common Share shall be exchanged for one (1) fully-paid and non-assessable Amalco Common Share.

In addition, Amalco shall issue: (i) 1,182,888 Amalco GMS Entitlement Options to the holders of GMS England Options; (ii) as consideration for the assignment to, and assumption by, Amalco of certain of the GMS England Agreements between GMS England and certain holders of the GMS Warrants, 5,793,918 Amalco GMS Replacement Warrants to the holders of the GMS Warrants; and (iii) the 319,857 Amalco GMS Fee Shares to Williams de Bröe.

No fractional shares will be issued by Amalco and no cash will be paid in lieu thereof. Any fraction resulting will be rounded to the nearest whole number with fractions of one-half or greater being rounded to the next higher whole number and fractions of less than one-half being rounded to the next lower whole number.

Completion of the Amalgamation is subject to compliance with the terms and conditions set forth in the Amalgamation Agreement. Upon the Amalgamation becoming effective, Amalco will own all of the assets, properties, rights, privileges and franchises and be subject to all of the liabilities, contracts and obligations of each of Full Riches and GMS Canada. Prior to the completion of the Amalgamation, GMS England will transfer all of the issued and outstanding shares of its subsidiary, GMS Australia, to GMS Canada. See "Business Overview of Full Riches – The Business Combination" and "Business Overview of GMS England".

If the shareholders of each of Full Riches and GMS Canada approve the Amalgamation and the other terms and conditions of the Amalgamation Agreement are satisfied, articles of amalgamation are expected to be filed with the Registrar under the YBCA on the date of Closing. The YBCA provides that, upon receipt of articles of amalgamation in prescribed form, the Registrar shall issue a certificate of amalgamation, whereupon the Amalgamation will become effective.

Risk Factors Concerning Full Riches, GMS England and Amalco

If the Amalgamation is successfully completed, Amalco will carry on the mining and mineral exploration business of GMS England. There are a number of risk factors affecting Full Riches, GMS England and Amalco. These business risks should be considered in the context of GMS England's business which is described under "Information Concerning Gold Mines of Sardinia – Business Overview and Properties of GMS England".

(a) The resource properties in which GMS England has interests are primarily in the exploration stages. Exploration and development of natural resources involve a high degree of risk and few properties which are explored are ultimately developed into producing properties. Although the mineral resource figures set out in this Information Circular have been carefully prepared and reviewed or verified by an independent mining expert, these amounts are estimates only and no assurance can be given that an identified mineral resource will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Estimates of mineral resources can also be affected by such factors as environmental permitting regulations and requirements, fluctuations in the price of gold, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. The long term profitability of Amalco's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

(b) Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

(c) Exploration for natural resources involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which Amalco will have a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage. Although it is intended that Amalco will obtain liability insurance in an amount which is considered adequate, the nature of these risks is such

that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or Amalco might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event Amalco could incur significant costs that could have a material adverse effect upon its financial condition.

(d) Amalco's revenues, if any, are expected to be in large part derived from the extraction and sale of precious metals such as gold. The price of these commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors which will be beyond Amalco's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of precious metals, and therefore the economic viability of any of Amalco's exploration projects, cannot accurately be predicted.

(e) All phases of Amalco's operations will be subject to environmental regulation in Sardinia. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Amalco's operations. As Amalco develops its properties in Sardinia, it will be required to obtain and comply with environmental permits under Italian law. Failure to obtain or, once obtained, comply with the provisions of such permits could result in regulatory action being taken against Amalco by Italian authorities and Amalco's inability to continue development or exploitation of the relevant property.

(f) There is no guarantee that title to Amalco's mining properties, or any other property in which Amalco will have an interest, will not be challenged or impugned.

(g) Amalco's business will be dependent on retaining the services of a small number of key personnel of the appropriate calibre as the business develops. The success of Amalco will be to a significant extent, dependent on the expertise and experience of its directors and senior management and the loss of one or more could have a materially adverse effect on Amalco.

(h) Amalco may require additional financing in order to make further investments or take advantage of unanticipated opportunities. The ability of Amalco to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as the business success of Amalco. There can be no assurance that Amalco will be successful in its efforts to arrange additional financing on terms satisfactory to Amalco. If additional financing is raised by the issuance of shares from treasury, control of Amalco may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, Amalco may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

(i) As the Common Shares are currently listed on the TSXVE, and the Amalco Common Shares will be listed on the TSXVE, factors such as announcements of quarterly variations in operating results, or new actions by competitors of Amalco, as well as market conditions, may have a significant impact on the market price of the Amalco Common Shares. The stock market has from time to time experienced extreme price and volume

fluctuations that have often been unrelated to the operations of particular companies. Share prices for companies in the mining and resource industry have experienced wide fluctuations that have been often unrelated to the operations of the companies themselves. In addition, there can be no assurance that an active public market will develop or be sustained for the Amalco Common Shares. The market price of the Amalco Common Shares could be subject to significant fluctuations in response to quarterly variations and operating results of Amalco, changes in financial estimates by securities analysts or other events or factors, many of which will be beyond Amalco's control.

Recommendation

The board of directors recommends that the shareholders vote in favour of the Amalgamation.

Shareholder Approval

At the Meeting, shareholders will be asked to consider and, if thought fit, to pass the special resolution set forth in Schedule E hereto (the "Amalgamation Resolution") approving the Amalgamation.

A special resolution is defined under the YBCA as a resolution requiring the approval of not less than three-fourths (3/4) of the votes cast in person or by proxy at the Meeting. Consequently, the Amalgamation will be approved when the Amalgamation Resolution has been passed, with or without variation, by at least three-fourths (3/4) of the votes cast in respect of the Amalgamation Resolution by the holders of Common Shares, present in person or voting by proxy, at the Meeting.

If named as proxy, the management designees intend to vote the Common Shares represented by such proxy at the Meeting for the approval of the Amalgamation Resolution, unless otherwise directed in the instrument of proxy.

Right of Dissent

Registered Shareholders have the right to dissent to the Amalgamation pursuant to section 249 of the BCCA. In accordance with section 249(3) of the BCCA, Registered Shareholders have until seven (7) days after the Amalgamation is adopted by both Full Riches and GMS Canada within which action must be taken to perfect their dissent rights. It is recommended that any shareholder wishing to avail himself or herself of his or her dissent rights seek legal advice, as failure to comply strictly with the provisions of section 249(3) of the BCCA may prejudice any such rights.

A "Registered Shareholder" is a shareholder whose Common Shares are registered in his or her name on the shareholder register of Full Riches. If a shareholder holds his or her Common Shares through an investment dealer, broker or market intermediary, he or she will not be a Registered Shareholder as such Common Shares will be registered in the name of such investment dealer, broker or market intermediary. Any holder of Common Shares who wishes to invoke his or her dissent rights should register his or her Common Shares in his or her name or arrange for the Registered Shareholder to dissent. Any holder of Common Shares who wishes to invoke his or her dissent rights is urged to consult with his or her legal or investment advisor to determine whether they are Registered Shareholders and to be advised of the strict provisions of section 249 of the BCCA. Any shareholder who wishes to register his or her Common Shares in his or her own name is urged to consult with his or her legal or investment advisor or the registrar and transfer agent of Full Riches at the following address:

Pacific Corporate Trust Company
625 Howe Street
10th Floor
Vancouver, British Columbia
V6C 3B8

If the Amalgamation is adopted and becomes effective, any holder who dissents in respect of the Amalgamation Resolution in compliance with section 249(3) of the BCCA ("a dissenting shareholder") will be entitled to be paid by Full Riches or Amalco a sum representing the fair value of his or her Common Shares.

A dissenting shareholder must send to Full Riches, not more than seven (7) days after the Amalgamation is adopted by both Full Riches and GMS Canada, a written objection to the Amalgamation (a "dissent notice"). A vote against the Amalgamation Resolution does not constitute a dissent notice; and a dissent notice ceases to be effective if the dissenting shareholder consents to or votes in favour of the Amalgamation Resolution unless the consent or vote is given solely as a proxy holder for a shareholder whose proxy required an affirmative vote. A shareholder may dissent with respect to all or any number of the Common Shares held by him or her or on behalf of any one beneficial owner whose Common Shares are registered in his or her name.

If Full Riches receives any dissent notice, the Amalgamation Resolution is passed and Full Riches proposes to act on the authority of the Amalgamation Resolution and proceed with the Amalgamation, Full Riches is required to first give to all dissenting shareholders written notice of the intention to act (a "notice of intention") and advise the dissenting shareholders of their rights under section 207 of the BCCA.

Under section 207 of the BCCA, upon receiving a notice of intention, a dissenting shareholder is entitled to require Full Riches to purchase all of the Common Shares specified in the dissent notice given by the dissenting shareholder. Dissenting shareholders must exercise such right by delivering to the registered office of Full Riches, located at Suite 3123, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1, within 14 days after Full Riches gives the notice of intention, a written notice stating that the dissenting shareholder requires Full Riches to purchase all of the Common Shares specified in the dissenting shareholder's dissent notice, together with the share certificates representing all of such Common Shares. On delivery of the foregoing notice and share certificates, the dissenting shareholder is bound to sell all of his or her Common Shares specified in the dissent notice to Full Riches (or Amalco) and Full Riches (or Amalco) is bound to purchase them.

Each dissenting shareholder who has complied with the foregoing requirements, Full Riches or Amalco may apply to the Supreme Court of British Columbia and such court may (a) require the dissenting shareholder to sell, and Full Riches (or Amalco) to purchase, the Common Shares specified in the dissent notice given by the dissenting shareholder, (b) set the price and terms of the purchase and sale, or order that the price and terms be established by arbitration, in either case having due regard for the rights of creditors, (c) join in the application any other dissenting shareholder who has complied with the foregoing requirements, and (d) make consequential orders and give directions it considers appropriate. Full Riches is required to pay to dissenting shareholders the fair value for the Common Shares determined as of the day before the date on which the Amalgamation Resolution is passed, which price is to include any appreciation or depreciation in anticipation of the vote on the Amalgamation Resolution. Every dissenting shareholder who complied with the requirements relating to the exercise of dissent rights is to be paid the same price.

Upon a dissenting shareholder exercising his or her right to require Full Riches to purchase his or her Common Shares for which a dissent notice was given, a dissenting shareholder ceases to have any rights

as a shareholder of Full Riches in respect of the Common shares for which the dissent notice was given other than the right to be paid the fair value of his or her Common Shares. Until that time, the dissenting shareholder may withdraw his or her dissent notice only with the consent of Full Riches.

This summary is expressly subject to section 249 of the BCCA, the text of which is reproduced in its entirety in Schedule G hereto.

Procedure for Exchange of Shares

The procedures for the exchange of Common Shares for Amalco Common Shares are set out in the Letter of Transmittal. Additional copies of the Letter of Transmittal may be obtained from Full Riches.

If the Amalgamation does not become effective, the Letter of Transmittal will be of no effect and all deposited certificates representing Common Shares will be returned forthwith to the holders entitled thereto. If the Amalgamation becomes effective, as soon as practicable after the Effective Date, certificates representing Amalco Common Shares will be forwarded to former holders of Common Shares who have duly completed a Letter of Transmittal.

Lost or Destroyed Share Certificates

Where a certificate representing Common Shares has been lost, destroyed or wrongfully taken, the holder of such certificates should immediately contact PCTC, the registrar and transfer agent of the Common Shares, so that arrangements can be made to issue a replacement share certificate to such holder upon such holder satisfying such reasonable requirements as may be imposed by Full Riches or Amalco in connection with the issuance of such replacement share certificate.

Canadian Federal Income Tax Considerations

The following summary describes the principal Canadian federal income tax considerations generally applicable to certain holders of Common Shares in respect of the Continuance and the Amalgamation and the exercise of dissent rights as described herein. This summary applies generally to such holders who, for purposes of the *Income Tax Act* (Canada) (the "Tax Act") at all relevant times: (i) are resident in Canada; (ii) hold their Common Shares as capital property; (iii) deal at arm's length with Full Riches and Amalco; (iv) are not affiliated with Full Riches or Amalco; and (v) are not "financial institutions" as defined in Section 142.2 of the Tax Act (the "Shareholders").

This summary is based on the current provisions of the Tax Act, the regulations made thereunder in force on the date hereof, all proposed amendments (the "Proposed Amendments") to the Tax Act and regulations publicly announced by the Minister of Finance prior to the date hereof and the published administrative policies and assessing practices of the Canada Customs and Revenue Agency ("CCRA").

This summary does not take into account or anticipate provincial, territorial or foreign tax considerations, which considerations may differ significantly from those discussed herein. This summary assumes that the Proposed Amendments will be enacted in their present form; however, no assurances can be given in this regard. This summary does not otherwise take into account or anticipate any changes in law or in the administrative polices or assessing practices of CCRA, whether by judicial, legislative or governmental action or decision.

This summary is not exhaustive of all Canadian federal income tax considerations and is of a general nature only. It is not intended to be, and should not be construed to be, legal or tax advice to any particular shareholder. Accordingly, shareholders should consult their own tax advisors with respect to the income tax consequences to them of the Amalgamation and the exercise of dissent rights under

federal, provincial, territorial and other applicable tax legislation. The discussion below is qualified accordingly.

The Common Shares will generally be considered to constitute capital property to a shareholder unless either: (i) such holder holds such shares in the course of carrying on a business; or (ii) such holder holds such shares as inventory in a business considered to be an adventure in the nature of trade. Certain shareholders resident in Canada whose Common Shares might not otherwise qualify as "capital property" may be entitled to make an irrevocable election pursuant to subsection 39(4) of the Tax Act to have the Common Shares and all other "Canadian securities" deemed to be capital property.

Continuance

No disposition of Common Shares will occur, and shareholders (other than shareholders who exercise their dissent rights) will not realize any gain or loss as a result of the Continuance.

Amalgamation

Shareholders (other than shareholders who exercise their dissent right in respect of the Amalgamation) will realize neither a capital gain nor a capital loss on the Amalgamation as a result of which the Common Shares will be exchanged for Amalco Common Shares. The aggregate adjusted cost base of the Amalco Common Shares received by a shareholder on the Amalgamation will be equal to the aggregate adjusted cost base to the shareholder of the Common Shares disposed of in exchange for such Amalco Common Shares by virtue of the Amalgamation.

Dissenting Shareholders

Shareholders are advised to consult with their own tax advisors with respect to the tax treatment of any payments received as a result of the exercise of their dissent rights described above in respect of the Continuance or the Amalgamation under "Particulars of Matters to be Acted Upon".

A shareholder who dissents with respect to the Continuance and is paid fair value consideration for shares of Full Riches, as the case may be, will generally be deemed for purposes of the Tax Act to have received: (i) a taxable dividend equal to the amount by which that payment exceeds the "paid-up capital" of the shares purchased; and (ii) proceeds of disposition equal to the amount of such payment less any portion thereof that is deemed to be a dividend or that is interest. In the case of a shareholder that is a corporation, in some circumstances the deemed dividend may be considered not to be a dividend, but rather to be proceeds of disposition.

Any dividend deemed to be received by a shareholder who is an individual will be subject to the normal gross-up and dividend tax credit rules applicable to taxable dividends received by individual shareholders from taxable Canadian corporations. Where a dividend is deemed to be received by a shareholder that is a corporation, the dividend will be included in computing the corporation's income and will ordinarily be deductible in computing its taxable income. Private corporations (as defined in the Tax Act) and certain other corporations may be liable to pay a refundable tax under Part IV of the Tax Act at a rate of $33^{1/3}\%$ on the amount of the deemed dividend.

The appropriate income tax treatment of an amount received by a shareholder who exercises a right to dissent to the Amalgamation is unclear under the provisions of the Tax Act. The uncertainty relates principally to whether the entire amount received will be treated as proceeds of disposition, or some portion of it will be treated as a deemed dividend.

CCRA's published administrative position is that the entire payment received by shareholders who dissent to an amalgamation (excluding any portion thereof in respect of interest) is proceeds of disposition of those shares.

Shareholders who exercise their dissent rights in respect of the Continuance or the Amalgamation will realize a capital gain, or capital loss, to the extent that the proceeds of disposition of their Common Shares exceed, or are exceeded by, the aggregate of the adjusted cost base of the Common Shares to the dissenting shareholders and any reasonable costs of disposition.

A capital loss realized on the disposition of a share, by a corporate shareholder may be reduced by the amount of dividends received or deemed to be received on that share to the extent and under the circumstances described in the Tax Act. Similar rules may apply where shares are owned by a trust or partnership of which a corporation, trust or partnership is a beneficiary or member.

Shareholders will generally be required to include in computing their income one-half of any capital gain (a "taxable capital gain") and may deduct one-half of any capital loss against taxable capital gains in accordance with the detailed rules contained in the Tax Act. Individual shareholders who realize a capital gain may be subject to the alternative minimum tax under the Tax Act.

A "Canadian-controlled private corporation" as defined in the Tax Act may be liable to pay an additional refundable tax of $6^{2/3}\%$ determined by reference to its aggregate investment income for the year, which is defined to include an amount in respect of taxable capital gains.

A dissenting shareholder who receives an amount in respect of interest on a payment for Common Shares will be required to include the full amount thereof in their income.

Qualified Investment and Foreign Property

Provided the Amalco Common Shares are listed on a prescribed stock exchange (which includes the TSXVE), the Amalco Common Shares will be qualified investments for trusts governed by registered retirement savings plans, deferred profit sharing plans, registered retirement income funds and registered education savings plans.

Shareholders should consult with their own tax advisors as to the question of whether the Amalco Common Shares will constitute "foreign property" for purposes of Part XI of the Tax Act at any particular time.

IV. APPROVAL OF AMALCO STOCK OPTION PLAN

If Full Riches or Amalco desires to implement a formal stock option plan, it must comply with the policies of the TSXVE. Pursuant to the policies of the TSXVE, Full Riches and its successors are permitted to maintain a "rolling" stock option plan reserving a maximum number of shares for issuance pursuant to the plan equal to ten percent (10%) of the issued and outstanding shares of Full Riches and its successors at the time of grant of a stock option under the plan, as approved by the shareholders of Full Riches and subject to the policies of the TSXVE. The directors of Full Riches are of the opinion it is in the best interests of Amalco to implement the Amalco Stock Option Plan, a "rolling" stock option plan, in compliance with the rules and policies of the TSXVE. The directors have approved the Amalco Stock Option Plan in the form attached hereto as Schedule H. The TSXVE requires the Amalco Stock Option Plan to be approved by the shareholders of Full Riches.

At the Meeting, shareholders will be asked to consider and, if thought fit, to pass the following resolution relating to the approval of the Amalco Stock Option Plan and fixing the number of Amalco Common Shares to be reserved under the Amalco Stock Option Plan:

"**BE IT RESOLVED THAT**:

1. the Amalco Stock Option Plan be and is hereby authorized and approved; and

2. the number of Amalco Common Shares reserved for issuance pursuant to the Amalco Stock Option Plan shall be equal to ten percent (10%) of the issued and outstanding shares of Full Riches and its successors from time to time as issuable under the terms of the Amalco Stock Option Plan , or such maximum lesser number as the TSX Venture Exchange may approve."

The resolution must be approved by a majority of the votes cast in person or by proxy by the shareholders at the Meeting.

If named as proxy, the management designees intend to vote the Common Shares represented by such proxy at the Meeting to approve the foregoing resolution, unless otherwise directed in the instrument of proxy.

B. INFORMATION CONCERNING FULL RICHES INVESTMENTS LTD.

CORPORATE STRUCTURE AND HISTORY OF FULL RICHES

Full Riches was incorporated as Field Petroleum Corp. on December 1, 1980 by registration of its memorandum and articles and the issuance of a certificate of incorporation pursuant to the provisions of the BCCA. The memorandum of Full Riches was amended: (i) on January 2, 1990 to increase the authorized capital from 10,000,000 shares without par value to 100,000,000 shares without par value; (ii) on April 12, 1990 to change the name to "L & D Property Operations (Canada) Ltd."; (iii) on April 22, 1992 to (A) change the name to "Uni-Way Pacific Holdings Ltd.", and (B) increase the authorized capital from 100,000,000 shares without par value to 500,000,000 shares without par value; (iv) on September 16, 1993 to (A) consolidate the authorized 500,000,000 shares without par value into 100,000,000 shares without par value, (B) increase the authorized capital from 100,000,000 shares without par value to 500,000,000 shares without par value, and (C) change the name to "New Uni-Way Holdings Ltd."; and (v) on February 25, 1998 to change the name to "Full Riches Investments Ltd.".

The head office and registered office of Full Riches is located at Suite 3123, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1.

Full Riches is a reporting issuer in the provinces of Alberta and British Columbia and is listed on the NEX board of the TSXVE under the symbol FIL.H. Full Riches currently has no subsidiaries other than Hawley Investments Limited ("Hawley").

BUSINESS OVERVIEW OF FULL RICHES

Full Riches was founded as Field Petroleum Corp., and operated until April 1990 as a natural resource company engaged in the acquisition, exploration and development of petroleum and natural gas properties. Commencing in April 1990, Full Riches was engaged in the business of property investments. In March 1992, Full Riches acquired Hawley for a consideration of 18 million shares and a $5.3 million promissory note, and through Hawley, a town home project with 102 units located in Houston, Texas, which project was held for rental income. In October 1992, Full Riches sold all of its then owned

subsidiaries (with the exception of Hawley and Hawley's wholly-owned subsidiary, Ranklight Investment Inc. ("Ranklight")) for a total purchase price of $1.12 million. Full Riches then entered into an arrangement with a major shareholder, China Investments Ltd., to jointly develop a trading business between North America and Asia.

From 1993 until September 2002, Full Riches investigated numerous opportunities to establish or collaborate in businesses located in Asia, including businesses involved in telecommunications, paper manufacturing, real property investment, manufacturing and pharmaceutical technology, none of which proved viable. On September 16, 2002, Full Riches completed the sale of its subsidiary Ranklight, for the aggregate selling price of $350,000, $150,000 of which was paid in cash and $200,000 of which was satisfied by the issuance to Full Riches of a promissory note. The promissory note was subsequently settled by Full Riches for $50,000 in full satisfaction of the note.

Subsequent to the completion of the sale of Ranklight on September 16, 2002, management of Full Riches was changed and Full Riches' new management has focused on finding new acquisition opportunities. The proposed business combination of Full Riches and GMS England, including the merger of Full Riches and GMS Canada by way of the Amalgamation, represents such an opportunity.

The Business Combination

On October 3, 2003, Full Riches entered into an arm's length agreement (the "Business Combination Agreement") with GMS England, pursuant to which Full Riches and GMS England agreed to complete a business combination (the "Business Combination") and in furtherance thereof have now entered into the Amalgamation Agreement. GMS England is a gold exploration and development company with interests on the Italian island of Sardinia through its operating subsidiary Sardinia Gold, a 90-10% joint venture with the Sardinian regional government. See "Information Concerning Gold Mines of Sardinia".

Pursuant to the Business Combination, GMS England has incorporated GMS Canada under the YBCA. Pursuant to the terms of the Business Combination, GMS England will complete the GMS Reorganization by selling the shares of its wholly-owned subsidiary, GMS Australia, to GMS Canada in consideration for an aggregate of 38,726,261 shares of GMS Canada. Full Riches will subsequently be continued under the YBCA, and will be amalgamated with GMS Canada to form a new corporation, being Amalco. Pursuant to the terms of the Amalgamation: (i) GMS England, as the sole shareholder of GMS Canada, will have the right to receive Amalco Common Shares representing, in aggregate, 50% of the issued and outstanding Amalco Common Shares (on a fully diluted basis) as of the date of Closing; and (ii) the shareholders of Full Riches will receive Amalco Common Shares representing, in aggregate, 50% of the issued and outstanding Amalco Common Shares (on a fully diluted basis) as of the date of Closing. In conjunction with the completion of the Business Combination, GMS England shall distribute the Amalco Common Shares received on the Amalgamation to its shareholders, through the GMS England Reduction of Capital.

The Business Combination - Private Placements

Completion of the Business Combination is subject to the successful completion of $10,000,000 in equity financings by Full Riches (the "Private Placements"). The use of proceeds of the Private Placements are to finance the Interim Financing (as hereinafter defined), future exploration and development expenses, and general working capital. In connection with the Business Combination, Full Riches announced a non-brokered Private Placement of up to 40,500,000 special warrants (the "Special Warrants") at a price of $0.10 per Special Warrant for gross proceeds of $4,050,000 (the "Initial Private Placement"). Each Special Warrant is exercisable, for no additional consideration, to acquire one Common Share. On October 27, 2003, Full Riches completed the issue and sale of 25,000,000 Special Warrants under the Initial Private Placement for aggregate proceeds of $2,500,000. Full Riches anticipates completing the issue and sale of

the balance of 15,500,000 Special Warrants under the Initial Private Placement for aggregate gross proceeds of $1,550,000 once this Information Circular has been mailed to its shareholders. The Special Warrants will be exercised for Common Shares prior to the completion of the Amalgamation and each Common Share received on such exercise will be exchanged for one-half (0.5) Amalco Common Share pursuant to the Amalgamation.

In connection with the satisfaction of the condition to complete the balance of the Private Placements, Full Riches has retained Griffiths McBurney & Partners to act as agent in connection with a Private Placement of up to 22,900,000 subscription receipts (the "Subscription Receipts") at a price of $0.35 per Subscription Receipt for aggregate gross proceeds of up to $8,015,000 (the "Agency Private Placement"). Each Subscription Receipt is exercisable, for no additional consideration, to acquire one Common Share. In connection with the Agency Private Placement, Full Riches has agreed to pay Griffiths McBurney & Partners, and any other investment dealers acting as agents in connection with the Agency Private Placement, a commission equal to 6.0% of the aggregate gross proceeds from the Agency Private Placement and to issue them up to 1,374,000 Agent's Warrants. There can be no assurance that the Agency Private Placement will be completed. Subject to the satisfaction of certain escrow conditions which are also conditions precedent to the completion of the Amalgamation, the Subscription Receipts will be exercised for Common Shares prior to the completion of the Amalgamation, the proceeds of the Agency Private Placement will be released to Full Riches and each Common Share received on such exercise will be exchanged for one-half (0.5) Amalco Common Share pursuant to the Amalgamation. In addition, each Agent's Warrant will be exchanged for one-half (0.5) Amalco Full Riches Replacement Warrant pursuant to the Amalgamation.

The Business Combination - Joint Venture

Completion of the Business Combination is subject to the execution and delivery by Full Riches of a joint venture agreement with a third party having appropriate mining expertise and financial capacity relating to the exploration, development and/or operation of properties to be acquired by Amalco (the "Third Party Joint Venture Agreement").

Full Riches is currently in negotiations with a third party to enter into the Third Party Joint Venture Agreement. There can be no assurance that the Third Party Joint Venture Agreement will be completed.

The Business Combination - Interim Financing of GMS England

In conjunction with the Business Combination, Full Riches agreed to arrange an interim financing (the "Interim Financing") for GMS England consisting of up to US$1,500,000 to be advanced by Full Riches in two tranches pursuant to a loan agreement between Full Riches and GMS England dated October 3, 2003 (the "GMS Loan Agreement"). The loans bear interest at a rate of 10.0% per annum from the date of issue, payable on maturity, and mature on a date following the completion of the Business Combination such that the obligations of GMS England thereunder will expire on closing of the Business Combination. The loans are direct obligations of GMS England, and are secured by a pledge over GMS England's holding in GMS Australia. All funds advanced under the Interim Financing are paid directly to the account of Sardinia Gold, a subsidiary of GMS England, and are to be used primarily for the expenses of such subsidiary.

The first advance in the principal amount of US$500,000 was made on October 3, 2003. At the request of GMS England, the second advance in the principal amount of US$1,000,000 will be made as soon as practicable upon satisfaction of certain conditions precedent to the completion of the Business Combination, as well as the execution and delivery into escrow on terms satisfactory to Full Riches of a signed joint venture agreement which the parties have agreed to enter into, at the election of Full Riches, if the Business Combination has not been completed by March 1, 2004.

Further to the completion of the first advance of the Interim Financing, Full Riches had the right to appoint two directors to GMS's board of directors. Serafino Iacono and Jose Francisco Arata were appointed to GMS England's board of directors as the nominees of Full Riches on October 22, 2003.

The Business Combination – Endeavour Bridge Facility

In order to complete the first advance of the Interim Financing prior to the completion of the Private Placement, Full Riches obtained a bridge facility (the "Bridge Facility") in the principal amount of US$500,000 with Endeavour Mining Capital Corp. ("Endeavour"). The Bridge Facility matured on October 31, 2003 and bore interest at a rate of 10% per annum, payable on the earlier of the principal repayment date or the maturity date. As security for the Bridge Facility, Full Riches agreed to assign its rights under the Business Combination Agreement to Endeavour. As additional consideration for providing the Bridge Facility to Full Riches, Full Riches issued Endeavour 150,000 Common Shares. The Bridge Financing was repaid by Full Riches, with interest, on October 29, 2003 from the proceeds of the partial closing of the Initial Private Placement.

The Business Combination – Alternate Joint Venture

If the Business Combination is not completed by March 1, 2004, Full Riches and GMS England have agreed that Full Riches will have a right to form a joint venture for the exploration and mining of all project areas held by GMS England or its subsidiaries in Sardinia, Italy, at that date, subject to any agreements GMS England may have entered into with third parties prior to such date. The terms of the joint venture are that the amount due to Full Riches under the Interim Financing will convert to a 15% interest in the properties, and Full Riches will have the right to earn up to a 60% interest upon completion of a bankable feasibility study. Full Riches is under no obligation to enter into such a joint venture agreement. In the event that it does not, Full Riches could demand repayment of the Interim Financing pursuant to the Loan Agreement.

The Business Combination – Miscellaneous

In the event that a delay in completing the Business Combination before March 1, 2004 occurs for reasons outside the reasonable control of Full Riches and GMS England, they will negotiate in good faith to endeavour to agree to a reasonable extension of the date for completing the Business Combination.

In consideration for their services in introducing the parties, assistance with the Italian authorities, due diligence, assisting with the Interim Financing and continued services in completing the Business Combination, a total of 10,000,000 Common Shares will be issued to Next com Italia srl (3,000,000 Common Shares), Jose Francisco Arata (3,000,000 Common Shares) and Endeavour Financial (4,000,000 Common Shares). The issuance of these Common Shares is subject to the approval of the TSXVE.

It is the intention of Full Riches and GMS England to apply to have the Amalco Common Shares admitted to trading on the AIM as well as the TSXVE and the concurrent admission to trading on AIM is a condition of Closing.

The completion of the Business Combination is subject to the approval of the TSXVE and all other necessary regulatory approvals. The completion of the Business Combination is also subject to additional conditions precedent, including the approval of the shareholders of Full Riches and GMS England.

The Business Combination – The Sponsor

Full Riches has retained the Sponsor to act as sponsor in connection with the Business Combination in accordance with the policies of the TSXVE. The address of the Sponsor is 26 Wellington Street East, Suite

900, Toronto, Ontario M5E 1S2. None of Full Riches, GMS England or GMS Canada is a related or connected issuer to the Sponsor. As consideration for the services to be rendered by the Sponsor, Full Riches has agreed to issue 250,000 Common Shares to the Sponsor. Pursuant to the Amalgamation, each of these shares will be exchanged for one-half (1/2) Amalco Common Share.

ACQUISITIONS AND DISPOSITIONS BY FULL RICHES

Full Riches has not completed any material acquisitions or dispositions since October 1, 2000 other than the sale by Full Riches of its wholly-owned subsidiary, Ranklight, for an aggregate sale price of $350,000, on September 16, 2002. See "Information Concerning Full Riches – Business Overview of Full Riches".

Full Riches does not currently own or lease any real estate.

MANAGEMENT, KEY PERSONNEL AND EMPLOYEES OF FULL RICHES

Management and Key Personnel

Gordon Keep, ***President and a director of Full Riches.*** Gordon Keep has been a director and President of Full Riches since April 15, 2003. Mr. Keep is the Managing Director, Corporate Finance of Endeavour Financial. His career in corporate finance has spanned over 20 years, where his responsibilities have included financings, mergers and acquisitions and public company administration. Previously, he held positions as Senior Vice President of Lions Gate Entertainment Corp. and Vice President of Corporate Finance with Yorkton Securities Inc.

Perry Dellelce, ***Secretary of Full Riches.*** Perry Dellelce has been the Secretary of Full Riches since October 6, 2003. Mr. Dellelce, age 40, has been a partner with the law firm Wildeboer Rand Thomson Apps & Dellelce, LLP since February 1993 and practices corporate and securities law. Mr. Dellelce represents several investment dealers and public and private companies. Wildeboer Rand Thomson Apps & Dellelce, LLP has been securities counsel to Full Riches since September 2003.

Employees

Full Riches currently has no employees and/or consultants.

DIRECTORS AND SENIOR OFFICERS OF FULL RICHES

The following table describes the names and the municipalities of residence of the directors, senior officers, executive officers and the management of Full Riches, their positions and offices with Full Riches, their principal occupations during the past five years and their shareholdings in Full Riches.

Name and Municipality of Residence	Position	Principal Occupation, and Positions with Reporting Issuers during the Past Five Years	Number and Class of Shares Owned and Percentage of Class Owned [7]
Gordon Keep, Vancouver, British Columbia	President and Director	President and a director of Full Riches since April 15, 2003. Mr. Keep is the Managing Director, Corporate Finance of Endeavour Financial. Previously, he held positions of Senior Vice President of Lions Gate Entertainment Corp. and Vice President of Corporate Finance with Yorkton Securities Inc.	Nil[2]

Name and Municipality of Residence	Position	Principal Occupation, and Positions with Reporting Issuers during the Past Five Years	Number and Class of Shares Owned and Percentage of Class Owned [7]
Miguel de la Campa[1] Madrid, Spain	Director	President, Chief Operating Officer and a director of Bolivar Gold Corp., a mineral resource exploration and development company with interests in Venezuela (TSX:BGC), since September 2002. From September 1993 to October 2001, Mr. de la Campa's principal occupation was as Executive Director of Bolivar Goldfields Ltd. (now BluePoint Data Storage, Inc.).	1,112,500 Common Shares[3] (9.25%)
Robert E. Doyle[1] Toronto, Ontario	Director	Chief Financial Officer of Bolivar Gold Corp. (TSX:BGC), a mineral resource exploration and development company with interests in Venezuela, since January, 2003. From November 2001 to December 2002, Executive Vice President and Chief Financial Officer of HMZ Metals Inc., a corporation engaged in mining and smelting activities in China. From August 1997 to October 2000, Director of Equity Research at Credit Suisse First Boston Securities (Canada) Inc.	Nil[4]
Neil Woodyer[1] London, England	Director	Managing Director of Endeavour Financial, where he is responsible for directing advisory mandates and investment-related services.	300,000 Common Share s[5] (2.50%)
Perry Dellelce Toronto, Ontario	Secretary	Partner with the law firm Wildeboer Rand Thomson Apps & Dellelce, LLP since 1993. Also a director of Bolivar Gold Corp. (TSX:BGC) from June 16, 2003 to November 27, 2003.	Nil[6]

Notes:

(1) As part of Full Riches' reorganization process in connection with the Business Combination, on October 6, 2003, Full Riches accepted the resignations of John Proust and Art Ettlinger as directors and appointed Robert Doyle, Miguel de la Campa and Neil Woodyer to the board of directors.

(2) Mr. Keep has also been granted, subject to the approval of the TSXVE, 500,000 Options, each entitling the holder to purchase one Common Share at a price of $0.10 per share until October 8, 2008, and has also subscribed for 450,000 Special Warrants pursuant to the Initial Private Placement which will be issued when the balance of the Initial Private Placement is completed.

(3) Mr. de la Campa has also been granted, subject to the approval of the TSXVE, 900,000 Options, each entitling the holder to purchase one Common Share at a price of $0.10 per share until October 8, 2008, and has also subscribed for 500,000 Special Warrants pursuant to the Initial Private Placement which will be issued when the balance of the Initial Private Placement is completed.

(4) Mr. Doyle has also been granted, subject to the approval of the TSXVE, 500,000 Options, each entitling the holder to purchase one Common Share at a price of $0.10 per share until October 8, 2008, and has also subscribed for 500,000 Special Warrants pursuant to the Initial Private Placement which will be issued when the balance of the Initial Private Placement is completed.

(5) Mr. Woodyer has also been granted, subject to the approval of the TSXVE, 500,000 Options, each entitling the holder to purchase one Common Share at a price of $0.10 per share until October 8, 2008.

(6) Mr. Dellelce has also been granted, subject to the approval of the TSXVE, 100,000 Options, each entitling the holder to purchase one Common Share at a price of $0.10 per share until October 8, 2008, and has also subscribed for 500,000 Special Warrants pursuant to the Initial Private Placement which will be issued when the balance of the Initial Private Placement is completed.

(7) Based on 12,021,849 Common Shares issued and outstanding. As disclosed herein, up to 63,400,000 Common Shares will be issued prior to completion of the Amalgamation in connection with the Private Placements, and 10,000,000 Common Shares will be issued to certain individuals in connection with services rendered to Full Riches. See "Business Overview of Full Riches – The Business Combination – Private Placements" and "Business Overview of Full Riches – The Business Combination – Miscellaneous".

Corporate Cease Trade Orders or Bankruptcies

Except as follows, none of the directors or officers of Full Riches or a shareholder of Full Riches holding a sufficient number of Common Shares to affect materially control of Full Riches is or, within 10 years before the date of this Information Circular, has been a director or officer of another reporting issuer that, while the person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under securities laws, for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. Miguel de la Campa is a director and/or officer of Chivor Emerald Corporation Limited, which was the subject of a cease trade order of the Ontario Securities Commission dated June 15, 2000 due to the failure to file financial statements within prescribed time periods. These statements were not filed due to Chivor Emerald Corporation Limited's lack of sufficient funds to pay for an audit of such financial statements. The cease trade order remains in effect as of the date hereof.

Penalties or Sanctions

No director or senior officer of Full Riches has, within the 10 years prior to the date of this Information Circular, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded issuer, or theft or fraud.

COMPENSATION OF DIRECTORS AND OFFICERS OF FULL RICHES

Executive Compensation

The following table sets forth all compensation, including compensation paid by the issuance of securities, for the three financial years ended October 31, 2002, 2001 and 2000 paid to the President and Chief Executive Officer of Full Riches (the "Named Executive Officer"). No other executive officer of Full Riches earned in excess of $100,000 during the year ended October 31, 2002.

Summary Compensation Table

Annual Compensation					Long-Term Compensation			
					Awards		Payouts	
Name and Principal Position[1]	**Year**	**(Salary) ($/annum)**	**Bonus ($)**	**Other Annual Compensation ($)**	**Securities Under Options/ SARs Granted (#)**	**Restricted Shares or Restricted Share Units ($)**	**LTIP Payouts ($)**	**All Other Compensation ($)**
(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**
Patrick Lo President and Chief Executive Officer [2]	2002 2001 2000	Nil N/A N/A	Nil N/A N/A	Nil N/A N/A	Nil N/A N/A	Nil N/A N/A	Nil N/A N/A	Nil N/A N/A
Tze Sing (Tony) Fu President and Chief Executive Officer [3]	2002 2001 2000	Nil Nil N/A	Nil Nil N/A	Nil Nil N/A	Nil Nil N/A	Nil Nil N/A	Nil Nil N/A	Nil Nil 29,872.44

Notes:

(1) In this Information Circular, "Named Executive Officer" means an individual who at any time during the year was the Chairman of the Board, the Vice-Chairman, the Chief Executive Officer, the President, a Vice-President, or any officer or any other person who performed a policy-making function in respect of Full Riches, and who had individual aggregate salaries and bonuses during the last fiscal year in excess of $100,000.

(2) Mr. Lo was appointed President, Chief Executive Officer and Director of Full Riches on January 23, 2002. Mr. Lo resigned as President, Chief Executive Officer and Director of Full Riches on April 15, 2003.

(3) Mr. Fu resigned as President, Chief Executive Officer and Director of Full Riches on January 23, 2002.

Full Riches does not currently pay any compensation to any executive officers. Since May 2003, Full Riches has paid Endeavour Financial a management fee of $2,500 per month. During the nine-month period ended July 31, 2003, Full Riches paid Endeavour Financial aggregate management fees of $7,500. Gordon Keep, the President and a director of Full Riches, is the Managing Director, Corporate Finance of Endeavour Financial.

Current Employment and/or Consulting Agreements

Full Riches is not a party to any employment and consulting agreements with its Named Executive Officers.

Compensation of Directors

During the year ended October 31, 2002, Full Riches paid or accrued an aggregate of $42,700 to former directors for employment or consulting services as follows: $15,500 was paid to or accrued to Perry Ng for consulting services; $26,000 was paid to or accrued to Albert Yiu for salary; and $1,200 was paid to Safeguard Management Consultants Ltd., a company controlled by Stanley Kwan, for consulting services. Messrs. Ng, Yiu and Kwan ceased to be directors of Full Riches on April 15, 2003.

Plans and Share Options

Full Riches does not currently have any stock, pension or retirement plans. On October 8, 2003, Full Riches granted a total of 5,000,000 options to certain directors, officers, management company employees

and consultants. The options are exercisable for Common Shares at an exercise price of $0.10 per share until October 8, 2008. The issuance of these options is subject to the approval of the TSXVE.

TRADING RANGE OF THE COMMON SHARES OF FULL RICHES

The following table sets forth information relating to the trading of the Common Shares on the TSXVE (and prior thereto, the Canadian Venture Exchange Inc.) since November 1, 2001.

Month/Year	High	Low	Last	Volume	Value
November 2003	$ –	$ –	$ –	–	$ –
October 2003	$ –	$ –	$ –	–	$ –
September 2003	$0.04	$ –	$ –	100	$4.00
August 2003	$ –	$ –	$ –	–	$ –
May-July 2003	$0.06	$0.06	$0.06	1,000	$60.00
February-April 2003	$0.06	$0.03	$ –	18,788	$827.88
November 2002-January 2003	$ –	$ –	$ –	200	$2.00
August-October 2002	$0.03	$ –	$ –	2,801	$68.08
May-July 2002	$0.05	$0.01	$ –	19,100	$891.00
February-April 2002	$0.03	$0.02	$ –	4,000	$110.00
November 2001-January 2002	$0.02	$0.01	$ –	9,100	$86.00

Trading in the Common Shares was halted on the TSXVE on September 17, 2003 in connection with the announcement of the Business Combination. Trading in the Common Shares will remain halted pending receipt and review of acceptable documentation regarding the Amalgamation by the TSXVE.

DESCRIPTION OF SHARE CAPITAL OF FULL RICHES

The authorized capital of Full Riches consists of 500,000,000 Common Shares (without nominal or par value), of which 12,021,849 Common Shares are outstanding as at the date hereof. The holders of Common Shares are entitled to dividends if, as and when declared by the directors, to one vote per share at meetings of the members of Full Riches and, upon liquidation, to receive the remaining assets of Full Riches as are distributable to holders of Common Shares.

Full Riches Share Issuances

Since October 1, 2002, Full Riches has issued Common Shares as follows:

Date	Number and Class of Shares	Issue Price Per Share	Aggregate Issue Price	Nature of Consideration Received
November 11, 2003	150,000 Common Shares	$0.10	$15,000	services[1]

Notes:

(1) The Common Shares were issued to Endeavour as additional consideration for Endeavour providing the Bridge Facility to Full Riches. See "Business Overview of Full Riches – The Business Combination".

Full Riches Private Placement

The Amalgamation is subject to the successful completion by Full Riches of the Private Placements for aggregate gross proceeds of $10,000,000. See "Business Overview of Full Riches – The Business Combination".

On October 27, 2003, Full Riches closed a portion of the Initial Private Placement by way of the issuance and sale of 25,000,000 Special Warrants at a price of $0.10 per Special Warrant for aggregate gross proceeds to Full Riches of $2,500,000. Full Riches anticipates the balance of the Initial Private Placement will be completed, by way of the issuance and sale of 15,500,000 Special Warrants at a price of $0.10 per Special Warrant for aggregate gross proceeds to Full Riches of $1,550,000, once this Information Circular has been mailed to its shareholders.

In connection with the satisfaction of the balance of the Private Placements condition, Full Riches has retained Griffiths McBurney & Partners to act as agent in connection with the Agency Private Placement. There can be no assurance that the Agency Private Placement will be completed. See "Business Overview of Full Riches – The Business Combination".

The gross proceeds derived from the Private Placements have been or will be used by Full Riches to finance the Interim Financing, and future exploration and development expenses, and general working capital of Amalco, including transactional costs.

As at the date hereof, Full Riches cannot specify with certainty all of the particular uses for the net proceeds received from the Private Placement. Accordingly, management of Full Riches will have discretion in the application of such net proceeds.

Pending utilization of the net proceeds derived from the Private Placements, Full Riches intends to invest the funds in short-term, interest bearing obligations.

ESCROWED SECURITIES OF FULL RICHES

Designation of Class	Number of Securities Held in Escrow	Percentage of Class
Common Shares	2,556,000 (1)	21.3%

Notes:

(1) These Common Shares are held by John Proust (433,895 Common Shares) , Miguel de la Campa (1,062,105 Common Shares) and Endeavour (1,060,000 Common Shares). These Common Shares are held in escrow pursuant to a TSXVE Surplus Security Escrow Agreement dated May 15, 2002, which provides for their release over a period of 72 months.

CAPITALIZATION OF FULL RICHES

The capitalization of Full Riches as at the dates indicated is as follows:

	Authorized	Outstanding as at October 31, 2002(1) (audited)	Outstanding as at November 18, 2003 (unaudited)	Outstanding after completion of Full Riches Initial Private Placement (unaudited)
Short-term debt	N/A	Nil	Nil	Nil
Long-term debt	N/A	Nil	Nil	Nil
Common Shares	500,000,000	$6,706,001 (11,871,849 shares)	6,721,001 (12,021,849 shares)	6,721,001 (12,021,849 shares)
Special Warrants	40,500,000	Nil	$2,500,000 (25,000,000 special warrants)	$4,050,000 (40,500,000 special warrants)

Notes:

(1) The deficit of Full Riches as at October 31, 2002, the date of its most recent audited annual financial statements, was $6,272,280.

PRINCIPAL HOLDERS OF FULL RICHES SHARES

As at the date hereof, to the knowledge of the directors and senior officers of Full Riches, no Person, or combination of Persons, beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding Common Shares other than as set out in the table below.

Name	Number and Percentage of Common Shares Beneficially Owned
Endeavour Mining Capital Corp.	1,210,000 (10.07%)

To the knowledge of Full Riches, as at the date hereof, the directors, senior officers, executive officers and promoters of Full Riches and associates of such individuals, as a group, beneficially own, directly or indirectly, 1,412,500 Common Shares, representing 11.7% of the issued and outstanding Common Shares.

MATERIAL CONTRACTS OF FULL RICHES

The following are the contracts entered into by Full Riches in the past two years that can reasonably be considered to be material to Full Riches taken as a whole:

1. The Business Combination Agreement with GMS England. See "Business Overview of Full Riches – The Business Combination".

2. The GMS Loan Agreement. See "Business Overview of Full Riches – The Business Combination".

3. Special Warrant indenture between Full Riches and PCTC dated October 27, 2003 pursuant to which the Special Warrants have been issued.

4. The Amalgamation Agreement. See "Particulars of Matters to be Acted Upon - Description of the Amalgamation Agreement".

Copies of these agreements will be available for inspection at the office of counsel to Full Riches, Wildeboer Rand Thomson Apps & Dellelce LLP, located at Suite 810, 1 First Canadian Place, 100 King Street West, Toronto, Ontario, at any time during ordinary business hours up to and including the date of the Meeting.

INDEBTEDNESS OF FULL RICHES TO DIRECTORS, OFFICERS, PROMOTERS AND SHAREHOLDERS

Full Riches is not currently indebted to any director, senior officer, executive officer, promoter or principal shareholder of, or any associates or affiliates thereof, Full Riches as of the date hereof. No director, senior officer, executive officer, promoter or principal shareholder of Full Riches, or any associates or affiliates thereof, is indebted to Full Riches as of the date hereof, or was indebted to Full Riches since the date of incorporation of Full Riches.

INTERESTS OF INSIDERS OF FULL RICHES IN MATERIAL TRANSACTIONS

Other than as described below, since October 1, 2000, none of the directors, senior officers, executive officers, promoters or principal shareholders of Full Riches, or any associates or affiliates thereof, has or has had any material interest in any transaction of Full Riches or in any proposed transaction which has materially affected or will materially affect Full Riches. See "Information Concerning Full Riches - Acquisitions and Dispositions of Full Riches" and "Information Concerning Full Riches – Indebtedness of Full Riches to Directors, Officers, Promoters and Shareholders".

Mr. Woodyer, a director of Full Riches, is a director and officer of Endeavour, which provided the Bridge Facility to Full Riches. See "Business Overview of Full Riches".

CONFLICTS OF INTEREST OF FULL RICHES

There are potential conflicts of interest to which some of the directors, senior officers, executive officers and promoters of Full Riches will be subject in connection with the operations of Full Riches. Upon Continuance, conflicts, if any, will be subject to the procedures and remedies under the YBCA.

To the knowledge of management of Full Riches, no director, senior officer, executive officer or promoter of Full Riches is a Related Party to the Sponsor.

DIVIDEND POLICY OF FULL RICHES

No dividends have been paid on any Common Shares of Full Riches since the date of its incorporation and it is not contemplated that any dividends will be paid in the immediate or foreseeable future.

LEGAL PROCEEDINGS CONCERNING FULL RICHES

Management is not aware of any material litigation outstanding, threatened or pending, as of the date hereof, by or against Full Riches, which would be material to a purchaser of securities of Full Riches.

AUDITORS OF FULL RICHES

The auditors of Full Riches are Wong, Robinson & Co., Chartered Accountants, 1708 West 6th Avenue, Vancouver, British Columbia V6J 5E8.

TRANSFER AGENT OF FULL RICHES

The transfer agent of Full Riches is PCTC, 625 Howe Street, 10th Floor, Vancouver, British Columbia V6C 3B8.

RELATIONSHIP BETWEEN FULL RICHES AND PROFESSIONAL PERSONS

The legal counsel of Full Riches is Wildeboer Rand Thomson Apps & Dellelce, LLP, Suite 810, 1 First Canadian Place, Toronto, Ontario, M5X 1A9.

The partners and associates of Wildeboer Rand Thomson Apps & Dellelce, LLP do not own any Common Shares. Perry N. Dellelce, a partner of Wildeboer Rand Thomson Apps & Dellelce, LLP, is the Secretary of Full Riches and has, subject to the approval of the TSXVE, been granted options to purchase 100,000 Common Shares at a price of $0.10 per share, which options expire on October 8, 2008. Mr. Dellelce has also subscribed for 500,000 Special Warrants pursuant to the Initial Private Placement which will be issued when the balance of the Initial Private Placement is completed

The partners and associates of Wong, Robinson & Co., Chartered Accountants, do not own any Common Shares.

FINANCIAL STATEMENTS OF FULL RICHES AND PRO FORMA FINANCIAL STATEMENTS

Attached as Schedule A to this Information Circular are: (i) the unaudited financial statements of Full Riches for the nine-month periods ended July 31, 2003 and 2002; and (ii) the audited financial statements of Full Riches for the financial years ended October 31, 2002, October 31, 2001 and October 31, 2000.

Attached as Schedule C to this Information Circular is a pro forma balance sheet as at July 31, 2003, after giving effect to the Amalgamation as at such date.

C. INFORMATION CONCERNING GOLD MINES OF SARDINIA

CORPORATE HISTORY

GMS Canada was incorporated under the YBCA on November 14, 2003. GMS Canada has been incorporated for the sole purpose of completing the Business Combination through the Amalgamation. Prior to the Amalgamation, GMS England will transfer all of the issued and outstanding shares of GMS Australia to GMS Canada.

GMS England is a company limited by shares, incorporated on July 5, 2000 under the laws of England and Wales. GMS England was incorporated as a holding company in order to facilitate the restructuring of GMS England's current subsidiaries under a Scheme of Arrangement under Australian law completed on November 20, 2002. The Scheme of Arrangement was undertaken in order to move the domicile of the Gold Mines of Sardinia group of companies from Australia to England. At the time of the Scheme of Arrangement, GMS Australia was named Gold Mines of Sardinia Limited and was listed on the Australian Stock Exchange and the AIM. Under the Scheme of Arrangement, GMS England acquired all the shares in GMS Australia by issuing an equal number of shares in GMS England in exchange, on the basis of one ordinary share of GMS England for every one existing share of GMS Australia, with the result that GMS Australia became a wholly owned subsidiary of GMS England. On November 20, 2002, GMS Australia was de-listed from the Australian Stock Exchange and the AIM and GMS England was admitted to the AIM.

The registered office of GMS England is located at The Little House, Quenington, Cirencester, Gloucestershire, GL7 5BW, United Kingdom; Tel: +44 (0) 1285 750005; Fax: +44 (0) 1285 750002.

INTERCORPORATE RELATIONSHIPS

GMS England owns all of the issued and outstanding shares of GMS Australia. GMS Australia owns all of the issued and outstanding shares of Euro Mining Pty Ltd. ("Euro Mining") and Mediterranean Gold Mines Pty Ltd. ("Mediterranean"), both of which are incorporated under the laws of Western Australia. Euro Mining and Mediterranean each own 45% of the issued and outstanding shares of Sardinia Gold, a company incorporated under the laws of Italy. The remaining 10% of the issued and outstanding shares of Sardinia Gold are owned by Progemisa S.p.A. ("Progemisa"), a corporation owned by the Sardinian regional government.

GMS Australia was incorporated under the laws of Australia on May 8, 1987 as Bronte Holdings Ltd. On August 5, 1987, it changed its name to GEMCOR Limited and, on October 16, 1995, changed its name again to Gold Mines of Sardinia Limited. Following the Scheme of Arrangement and with effect as and from March 25, 2003, Gold Mines of Sardinia Limited converted in accordance with the Corporations Act 2001 of Australia from a public company limited by shares to a proprietary company limited by shares. The name of the company accordingly changed to Gold Mines of Sardinia Pty Ltd.. Euro Mining was incorporated under the laws of Western Australia on June 4, 1980. Mediterranean was incorporated under the laws of Western Australia on October 9, 1987. Sardinia Gold was incorporated under the laws of Italy on December 23, 1993.

BUSINESS OVERVIEW AND PROPERTIES OF GMS ENGLAND

Business Overview

GMS England is a gold exploration and development company with interests on the Italian island of Sardinia through its operating subsidiary Sardinia Gold. Sardinia Gold, a 90-10% joint venture with the Sardinian regional government, commenced activities in 1995 following the discovery of epithermal gold mineralization at Furtei, in the south of Sardinia, and Osilo, in the north of Sardinia, by the University of Cagliari in 1988. After completing resource drilling and feasibility studies at Furtei, Sardinia Gold commissioned a mine on the Furtei property in 1997. At Osilo, Sardinia Gold is planning an underground trial mine on 2 of 20 known veins in preparation for full scale development. In addition, Sardinia Gold geologists have identified numerous exploration targets over Sardinia. Sardinia Gold's principal exploration target is the newly discovered Monte Ollasteddu prospect.

Micon Report

On November 24, 2003, Micon completed a NI43-101 technical report (revising an earlier report dated November 15, 2003) on the Furtei, Osilo and Monte Ollasteddu properties described below prepared by David M. Rigg, P.Geo. (Senior Associate Geologist). The author of the Micon report has no interest, direct or indirect, in such properties or the securities of Full Riches, GMS England, GMS Canada or the GMS Subsidiaries. A copy of the Micon Report has been filed on SEDAR at www.sedar.com and is incorporated by reference in this Information Circular. The Micon Report can be viewed by shareholders of Full Riches at the offices of Full Riches at Suite 3123, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1, at any time until the date of the completion of the Amalgamation. The information presented in this section should be read in conjunction with the Micon Report for a complete description of the risks associated with the properties of GMS England and the GMS Subsidiaries.

Jim Miller-Tait, P. Geo reported on the technical aspects of the Furtei property in a report dated May 20, 2003 and filed on SEDAR (www.sedar.com) by Sargold Resource Corporation ("Sargold") on October 15, 2003 in connection with an evaluation of the Furtei property in April 2003 commissioned and conducted by Canley Developments Inc. ("Canley"). The Micon review was conducted independently of the Canley review. Due to the recent filing of the Miller-Tait (May 2003) report however, the contents of the Micon Report do not reproduce that data. The Miller-Tait (May 2003) report is referred to for all aspects of items 6 through 11 required by Form 43-101F1 under NI43-101 to the extent that the required information has been previously filed in a report for the property and there has not been any change in the information. In addition, reference is made to the Miller-Tait report in the Micon Report for technical reporting required on the Furtei property where relevant, and to avoid repetition.

Micon has not personally verified the content of option agreements, letters of intent or property titles. Reliance has been placed on several very recent press releases from GMS England and verbal communication. Property tenements were reported to Micon by Mr. Steve Nicol, B.Sc. (Mining), Managing Director of Sardinia Gold. Mr. Nicol is a member of the AusIMM and is deemed a competent person under NI43-101. With respect to certain restrictions pertaining to some tenements reported in the Micon Report, Mr. Nicol has also provided Micon with independent legal advice where issues may influence continued exploration or development thereof. Micon is not qualified to comment thereon and relies on these statements.

Resource calculations at the Furtei property and at the Osilo property were performed by Mr. Jeff Rayner, B.Sc. (Hons.) Geology, an employee of Sardinia Gold and a member of AusIMM (Membership Number 203406). Mr. Rayner is deemed a competent person under NI43-101. Resources are reported under JORC code on an annual basis. Micon's responsibility was restricted to the assessment of their applicability under the CIMM definitions contained in NI43-101 and restatement of these resources.

The Micon Report was not required to include the information required in items 6 through 11 of Form 43-101F1 under NI43-101 to the extent that the required information has been previously filed in a report for the property being reported on, the previous report is referred to in the technical report and there has not been any change in the information.

Properties – Accessibility, Climate, Local Resources, Infrastructure and Physiography

A general description of Sardinia and the Furtei only project site is provided in Miller-Tait (May, 2003) and has been excerpted in the Micon Report as follows:

> "……. Sardinia is an island that falls under the rule of Italy, and has a population of approximately 1.7 million people.

The (Furtei) property is located immediately east of a four-lane highway (S131), and is accessed from the highway via a network of paved and dirt roads. A small hydro-electric power generating facility is also located within the property limits.

The (Furtei) property ranges in elevation from 75 meters to 370 meters above sea level (Costantini, 2003). The low-lying areas comprise agricultural fields, predominantly producing artichokes. The higher ground is used for goat farming.

Sardinia generally has a Mediterranean climate, but there are local variations. The southwest part of the island is semi-arid with less than 500 millimeters of rain per annum. The southern part of the island is subtropical and receives 500 – 700 millimeters rainfall per year, whereas much of the remainder of the island, except two small regions (1,100 millimeters of rain per annum), has a temperate to warm climate, receiving in the order of 500 – 800 millimeters of rain per annum (http://www.usd.edu/erp/Sardinia/geograph.htm). Fifty percent of the rain falls between November and February, and less than 3% during July and August. Temperatures average between 11 degrees and 16.9 degrees.

PROPERTIES – FURTEI PROJECT

History

The Furtei project comprises a mining concession, one research permit and one exploration licence, covering a total of 6,085 hectares (the "Furtei Project"). The Furtei Project is located in south central Sardinia, approximately 40 kilometers north of the city of Cagliari between the towns of Furtei and Serrenti.

The Furtei deposit was explored between 1988 and 1991, through a regional exploration campaign conducted by Progemisa. Four outcropping deposits were identified, Monte S. Miali, Monte S. Miali Est, Is Concas and Sa Perrima. Between 1989 and 1992, approximately 14,000 metres of diamond drilling and 5,000 metres of reverse circulation (RC) drilling were completed to evaluate the deposit. An additional 8,000 metres of diamond drilling and 15,000 metres of RC drilling were completed by Sardinia Gold. GMS Australia formed a joint venture agreement with Progemisa in 1993, creating Sardinia Gold. After completing resource drilling and feasibility studies at Furtei, Sardinia Gold constructed a carbon-in-leach (CIL) plant, mill and tailings structure, developed the property for production and commenced open pit mining and milling of oxide reserves in 1997. In addition, low grade, run-of-mine material was processed by heap leaching on a pad adjacent to the mill. A flotation circuit was constructed during 2000 and commissioned in April 2001 to treat refractory sulphide ores accessible in the open pits beneath the oxide material. Until early 2001, mill feed was solely oxide material. During 2001, mining passed through transitional zones and arrived at the sulphide zones in late 2001. Most of the exploration activity during the period to the end of 2002 was focussed on discovering near surface resources (preferably oxide ore) to maintain mining operations. The mine ceased production in February 2003 after all economic open pit ore sources were mined and oxide resources were depleted, pending a decision to exploit sulphide mineralization from underground operations. Sardinia Gold has evaluated possible underground mining of known sulphide resources lying beneath the exhausted surface pits. Internal studies have shown this to be marginally economic and dependent upon potential local government grants, due to the extremely small amount of mineable resource, the capital requirement and the low revenue expected from the sale of sulphide concentrate.

With the depletion of the oxide resource, GMS England commissioned two Australian consulting geologists, Geoff Balfe and Russell Fountain, to undertake and supervise a micro gravity and self potential (SP) survey on the Furtei Project with the objective of identifying new targets for exploration. The consultants mapped in detail the geology and alteration of the Furtei volcanic complex. In addition

to the work conducted by the consulting geologists, GMS England in-house geological staff conducted a detailed review of previous geochemical and geophysical surveys, including soil sampling, ground magnetics, IP surveys, alteration mapping and LandSat Image interpretation.

A total of 28 new targets in and around the Furtei mine corridor was generated from this work. The first 17 targets are to be tested in the first 12 months commencing October 2003 by Sargold Resource Corporation, a TSXVE listed exploration company earning a 45% interest in the Furtei Project by spending €15 million on exploration and development on the Furtei Project over eight (8) years.

Geological Setting

The Furtei Project is located in the Furtei volcanic complex, a major Tertiary age sub-aerial calc-alkaline volcanic centre five (5) kilometers in diameter. The volcano-sedimentary sequence is dominated by andesitic lavas and domes, block and ash deposits, interlayered pyroclastics and sedimentary rocks. A central diatreme, measuring 1000 meters north-south by 600 meters east-west, crosscuts the volcano-sedimentary sequence. Miocene limestone overlies the Furtei volcanic complex to the east and west.

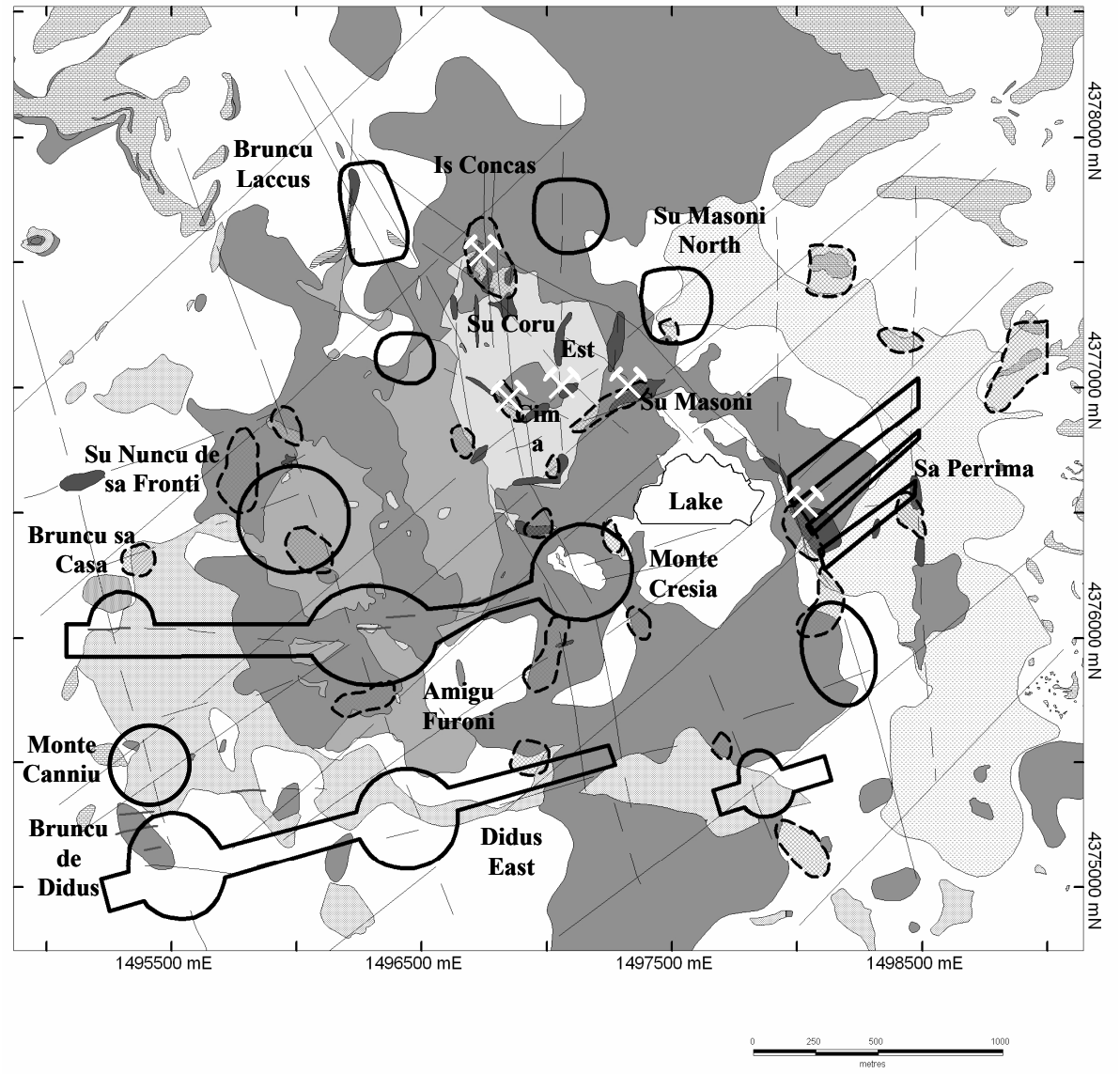
The Furtei volcanic complex is characterized by an Oligocene to Miocene volcanic-sedimentary sequence, which lies on meta-sandstones, metapelites and quartzites of the Paleozoic basement, and late Eocene to early Miocene sedimentary units. The Eocene sedimentary rocks unconformably overlie the Paleozoic basement and consist of marine marlstone and sandstone, fluvio-lacustrine conglomerate, sandstone and shale. The Oligocene to Miocene units are covered by marine conglomerates, sandstones, marlstones, and limestone's of Miocene (Aquitan-Langhian) age. Locally, late Oligocene fluvio-lacustrine conglomerates, sandstones, and shales, or a Pliocene-Pleistocene sequence of conglomerates, sandstones, and marlstones, overlie the Oligocene to Miocene rocks.

The principal stratigraphic elements of the region suggest that the volcanism in the Furtei area occurred during the late Oligocene to early Miocene between 25.5 ± 1.1 and 23.6 ± 0.9 Ma. The volcano-sedimentary sequence includes explosive products (mainly fall, surge, and ash-flow deposits) and volcanic to subvolcanic rocks (lava domes), with associated block and ash deposits, interlayered with epiclastic and sedimentary rocks. The sequence can be divided into six lithostratigraphic units. Significant among these is the Monte Santu Miali Unit (MSMU), interpreted to consist of diatreme breccias, talus and apron breccias, resulting from probably more than one phreatic and/or phreatomagmatic explosions. The presumed diatreme conduit has a funnel shape, with a diameter of 600 to 1000 meters, surrounded by andesitic domes. The contacts between domes and the breccia are subvertical and characterized by mechanical breccias, pebble dikes, mud dikes and rock dikes. The breccia is polylithic, chaotic, and heterometric; it contains clasts of porphyritic andesite and lesser Paleozoic basement rocks, phreatomagmatic tuffs, and minor phreatic breccia clasts, vuggy silica clasts, and sulphide fragments. Large blocks (up to 100 – 150 meters in length) of porphyritic andesite lava, probably detached from the walls of the diatreme during its emplacement, occur within the conduit.

Recent mapping has identified additional diatreme breccias and related rocks in the Sa Perrima area to the southeast and in several areas to the southwest near Costa Sa Tira and Amigo Furoni.

The overall structural framework is characterized by block faulting and gentle tilting to the east of the volcano – sedimentary sequence. Four main sets of lineaments (N 140°, N-S, E-W, and N 30° - 60°) are recognized and related to a compressive N-S regime (tensional vein orientation) and conjugate shears at approximately N120 (dextral) and N50 (sinistral). The intersections of the conjugate shears plunges SW and loci are especially noteworthy because their intersection is often the focus of hydrothermal activity and mineralization (e.g. Est Zone). The volcanic field represents a structural high with respect to the Campidano graben to the west, and the Aquitanian-Langhian sediments to the east. The central horst is in turn dissected into structurally high (Monte Santu Miali, Coronas Arrubias) and low (Sa Perrima) areas. Fault throws are estimated to be less than 100 meters and a significant strike-slip dextral component (on the order of some tens of meters) is observed.

The following diagram illustrates the Furtei Project geological map and mining targets.



LEGEND:

- Pliocene to Quaternary sedimentary rocks
- Miocene limestones and marls

FURTEI VOLCANIC COMPLEX

OLIGOCENE-MIOCENE

- Tuff apron breccia
- Diatreme breccia
- Upper Volcanoclastics
- Lower Volcanoclastics
- Hornblende porphyry andesites

- Eocene conglomerate
- Paleozoic basement
- Main trends
- Known Au mineralisations
- SP Targets
- Targets generated from multi data sets
- Existing pits

FIG 1: Furtei Geological map and targets

Mineralization

The Furtei Volcanic Complex is host to three principal types of gold mineralization:

- Stratabound high sulphidation epithermal mineralization of Coronas Arrubias (Sa Perrima – oxide open pit) characterized by pyrite and sphalerite;
- High sulphidation epithermal enargite-pyrite mineralization of the numerous exploited and remaining deposits (including Santu Miali Est, West, Nord and Cima, Su Masoni, Is Concas, Su Coru and S'Arruga and characterized by vuggy quartz with minor tetrahedrite, tennantite and chalcopyrite (at depth); and
- Epithermal veining and disseminated mineralization characterized by low to intermediate sulphidation and higher Ag – Pb of Bruncu Murdegu and areas to the southwest and west.

The main mineralized areas are described briefly below.

The earliest phase of gold mineralization is hosted in sheeted microfractures developed in flat lying sediments and ignimbrite sandwiched between andesite flows. Gold is associated with silica, pyrite and lesser sphalerite. This style of mineralization is termed "stratabound" and represents a large tonnage, low grade (2g/t) gold target. It has been intersected over a large area, 600 meters north-west, south-east and 500 meters south-west, north-east in the Sa Perrima-Coronas Arrubias (SP-CA) area, and at the Bruncu Murdegu prospect. Mineralization varies in thickness between 5 and 30 meters and average grades are 1.5 to 2.1 grams per tonne (g/t) of gold (Au).

The stratabound mineralization is crosscut by the diatreme breccia and the latter is the predominant host to sub-vertical vuggy silica sulphide structures containing pyrite, enargite (copper sulphide) and gold mineralization. The structures are irregular in continuity and shape. They vary from a few centimetres to 50 meters in width and up to 100 meters in length. They can occur as vertical shoots (e.g. Est, Cima) or as discrete pods (Is Concas, Su Coru). The location of intersecting faults and mega-blocks of andesite within the diatreme are the dominant controls on the higher grade zones.

Late and distal intermediate to low sulphidation epithermal quartz veins and disseminated mineralization occurs to the south-west at Bruncu Murdegu, Bruncu de Didus, Didus Est and Amigu Furoni. The gold mineralization is characterised by high silver to gold ratios and tellurides. A number of high grade gold structures have been identified and sampled at surface and remain to be tested by drilling.

The principal mineralized zones (deposits) discovered and explored to date at the Furtei Project include the following:

Su Coru

The Su Coru deposit was discovered in late 2000 and is located between the Is Concas and Cima deposits at the intersection of two large structures. It is a high-sulphidation deposit containing gold and copper that is associated predominantly with refractory enargite and pyrite. The mineralization is hosted in veins of enargite radiating outwards as a stockwork from a number of vuggy silica structures and is almost entirely confined within a large block of andesite lying within the diatreme breccia. It is a "blind" deposit and does not outcrop at surface, starting at a depth of around 70 meters. The deposit appears to be

truncated to the north by a major sub-vertical structure. The deposit is surrounded by andesites exhibiting varying degrees of argillic alteration. The Su Coru deposit remains open at depth.

Cima

The Cima deposit has been one of the principal sources of oxide and sulphide ore at Furtei. The mineralization has been mined to a vertical depth of 90 meters by open pit mining. The Cima mineralization is a high sulphidation deposit located in the centre of the diatreme along a contact with a large andesite block. It contains gold and copper that are associated with refractory enargite and pyrite and minor tetrahedrite. The mineralization, predominantly in vuggy silica alteration, is hosted both in andesite and breccia, and is surrounded by a large halo of argillic alteration. Cima is controlled by two structures trending North-South and N50. The N50 structure links Cima with the Est deposit.

Est

The Est deposit is located 200 meters to the North-East of Cima. It is a high grade Au and Cu pipe-like structure located at the intersection of the two major structures oriented N50 (Cima structure) and N130 (Sa Perrima fault) located along a vertical contact between andesite and diatreme breccia. The Est deposit has been mined by open pit mining for both oxide and sulphides to a vertical depth of 45 meters. It is a high sulphidation deposit mineralized with vuggy silica alteration and enargite+pyrite with minor tetrahedrite. It contains high grade copper and gold strictly associated with the enargite. The deposit is surrounded by a halo of argillic alteration. Est has been explored by drilling for 300 meters of vertical extension and remains open at depth.

Su Masoni

The Su Masoni deposit is located at the NW extreme of the Diatreme plug that characterizes the central Furtei Mine area. The deposit has been mined to 25 meters depth by open pit mining. Mineralization is controlled by a dextral N-S fault which intersects the Su Masoni 050 structure where the fault structures pass through andesites, diatreme breccias and vuggy silica units. Highest grades are directly associated with increasing sulpide content (both enargite and pyrite). The deposit strikes for a distance of 180 meters towards N 050° and dips at 90 to 70° SW. The deposit has been drilled to a vertical depth of 120 meters and remains open at depth. The body is relatively tabular in shape varying in thickness along strike from 5 to 20 meters. At depth, the Su Masoni system intersects and overprints the underlying mineralized pyroclastic stratabound unit, although considerable tonnage at low to medium grade exists in this area. No estimation of a resource has been calculated due to insufficient information.

Coronas Arrubias –Sa Perrima

The strataform mineralization of Sa Perrima is hosted in pyroclastic rocks generally at depths of between 15 and 40 meters below surface. The mineralized zone is tabular in form and trends NW-SE. The dimensions of the currently outlined mineralization are 600 meters NW-SE and 500 meters SW-NE and of varying thickness between 5 and 30 meters. Mineralization outcrops at Sa Perrima (oxide) in the west and at the Coronas Arrubias (oxide) in the east. The bulk of the deposit is pyritic (5 - 10%) and unexploited. Gold is associated with predominantly pyrite with lesser sphalerite and enargite (both in very low concentrations). The sulphide ore is refractory, and test work indicates that gold recovery would be between 30 to 40 % using conventional CIL treatment. Initial flotation test work suggests a Au recovery closer to 78% in pyrite concentrates.

Higher grades tend to be concentrated in the upper part (2-5 meters) of the pyroclastic horizon. Sampling in the Sa Perrima open pit, the western area of the zone exploited for oxide material, has also recently confirmed a higher grade, structurally controlled mineralizing trend of N040, subparallel to the

predominant drilling direction of prior delineation drilling (235 holes). Additional drilling is proposed to identify if these trends can be applied to the entire deposit resulting in higher grade areas amenable to open pit mining in this area of relatively high stripping ratios. Extra infill drilling is required in certain sections of the stratabound mineralization to increase the drill density and to fill large gaps in the current drill pattern.

Bruncu Murdegu

Mineralization at Bruncu Murdegu is characterized by intermediate sulphidation alteration with refractory gold associated with pyrite mineralization and minor quartz veining. Four diamond drill holes and approximately 14 RC holes have been completed to date, with a best intercept of 54 meters at 4.36 g/t Au. Mineralization is controlled by a stratabound zone near the basement of Paleozoic rocks and interpreted to be a zone of autobrecciation parallel to a tuff horizon within andesitic rocks lying above the unconformity. No mineralization or significant alteration at, or below, the unconformity was identified in four holes that penetrated the unconformity. The zone has very restricted surface outcrop in an area of fields and agriculture. Mineralization is considered to be of low temperature, associated with calcite-barite-chalcedonic quartz veining within startaform zones, and formed by acid solutions with low As, high mercury signature. Sampling on veined portions of the mineralization suggests a strong component of high grade but very narrow veins (3ozAu/10cm – comprised of calcite-barite-enargite-tennantite) within an overall low grade strataform zone (average grade of approx. 1.5 g/t Au).

Future Exploration – Drilling

Deeper diamond drilling is planned to test previous high grade diamond drill results beneath Su Masoni of 5 meters at 7.12 g/t Au from 180 meters in drill hole MAD 108 and 3 meters at 20.07 g/t Au and 2.98% Cu from 174 meters in drill hole MAD 107. A programme of 7,000 meters of diamond and RC drilling commenced recently as part of the recently concluded joint venture with Sargold. Sargold will spend €1 million in the first year of exploration and a further €14 million over the next seven (7) years to earn 45% of the Furtei Project.

As mentioned above, the review and interpretation of all existing exploration data sets in conjunction with recently completed geophysical self-potential and (micro) gravity surveys resulted in the generation of 28 new targets for drill testing in the Furtei mine corridor. The initial first year programme is designed to test up to 17 separate targets defined in the Furtei mine corridor.

Since 1991, a total of 78,468 meters of RC and 43,415 meters of diamond drilling has been completed. Much of the drilling was focused on identifying and delineating the shallow oxide mineralization in concentrated areas, which have been largely exploited by the open pit mines. Very little deep drilling has been carried out elsewhere on the Furtei property.

Production

The total reported production from all ore types is given in the following table.

Furtei Mine – Reported Production

ORE TYPE	TONNES	GRADE, gAu/t	GRADE, %Cu
DUMP LEACH	440,331	1.03	N/A
OXIDE	1,189,173	3.20	N/A
SULPHIDE	268,338	4.15	1.09
TOTAL	1,897,842	2.83	N/A

Total production at the Furtei mine has been 4.1 tonnes of gold, 6.19 tonnes of silver and approximately 1,650 tonnes of copper. Reconciliation of mined material with estimated resources/reserves is currently impossible, due to inclusion of mined oxide resources from zones outside resource models and mined sulphide ore from poorly defined, near-surface sulphide zones accessed from open pit, in particular Is Concas. In general, mining has returned a positive reconciliation with reserves. The oxide reserves were mined for four years, exceeding the initial two year oxide mine life.

Sardinia Gold has evaluated possible underground mining of known sulphide mineralization lying beneath the exhausted surface pits. Internal studies have shown this to be marginally economic and dependent upon potential local government grants, due to the extremely small amount of mineable resource, the capital requirement and the low revenue expected from the sale of sulphide concentrate. Sardinia Gold has commenced a wider exploration program in the mine corridor to identify larger resources suitable for development.

Sampling Method and Approach

Sardinia Gold and Progemisa completed an extensive soil sampling programme between 1989 and 1990 and 1994 to present. A total of 9,410 samples have been collected and assayed for Au (ppb) and a select group of multi-elements. Two lower detection limits were used for Au in soils: (i) 1 ppb Au for 3,443 samples; and (ii) 10ppb Au for 5,966 samples. Samples were assayed at SOLMINE Labs, ECOSYSTEM Labs and Progemisa Labs. The analytical technique used for Au was always an Aqua Regia digest (50-gram) with AAS finish, and ICP for multi-elements. The sample grid was orientated in a NNW direction, with samples being taken over a grid spacing varying from 50 meters x 50 meters to 200 meters x 50 meters.

The sample collection method varied over time. The initial 3,443 samples taken in 1989-90 were taken as follows: (i) vegetation, humus-organic material was scraped off, and was usually around 5-10 centimetre in depth; (ii) a hole was dug with a small pick / shovel to a depth of 30-40 centimetre; (iii) a 3 – 5kg soil sample was collected; (iv) the sample was dried, either by Sardinia Gold employees or by the lab responsible for the assaying; (v) after drying, the sample was sieved to minus 200mesh *(75um).* A 50gram split of this undersize was then analysed using the Aqua Regia method. Sample collection from 1994 -

present (5,966 samples) were taken as follows: (i) vegetation, etc. was removed; (ii) a hole was dug using an Auger (conditions permitting) to 50 centimetre depth; and (iii) the remainder of the procedure is the same as the above example.

For core sampling procedures, the following were undertaken: (i) core extracted from tube and placed into 5 meter aluminium core trays with core blocks inserted at run ends and to mark core loss; (ii) core transported to core shed; (iii) core is marked up i.e. each meter marked and centre line drawn down axis of core; (iv) core is logged by a geologist; (v) samples are marked up on core by geologist and any mineralized material is sampled to one meter lengths with every tenth meter of unmineralized country rock being sampled; and (vi) once marked up the core is halved and bagged with the remainder of the core being left in the tray and conserved with a core tray lid.

For RC sampling methods, the following were undertaken: (i) sample is collected from the cyclone underflow into 20 pound plastic bags then either spear sampled with plastic tube or riffle split to produce samples weigh in 3 kilograms and sent for analysis; (ii) the cyclone and riffle splitter are cleaned regularly depending on drilling conditions i.e. in a wet hole the cyclone will be cleaned much more regularly than in dry hard rock conditions; (iii) the riffle splitter is cleaned with compressed air after every use; (iv) the remainder of the drilled section is often kept for re-sampling. In cases where the split is not kept a repeat is usually taken.

Sample Preparation, Analysis and Security

Pre-prepared sample standards (provided by Geostats Perth Australia) are sent with every batch of samples either to Omac, SGS or Progemisa labs. The standards sent with each batch are chosen to try and replicate as closely as possible the expected grade range of the overall sample set i.e. for low grade geochemical soil or stream samples a low grade standard for both Au and multielements is sent. In addition 1 in 20 pulp samples are selected for check assay at a different commercial laboratory. On return of sample results from the lab, the standards and check assays are confronted with the expected value and correlation plots are produced. This usually takes place every month or quarterly.

Data Verification

Sardinia Gold demonstrated a vigilance and appreciation of concerns over QA & QC throughout the site visit with all historic project reporting incorporating reviews specific to each area. Recommendations from independent consultants, and specifically resulting from a 1998 review by McDonald Speijer on data collection procedures (internal report), were seen to have been implemented by Sardinia Gold. Standard insertion of blanks or standards (1 in 10 samples) meet or exceed standard industry practice. Follow up monitoring and evaluation is to industry standards.

The Furtei area has been under exploration by Progemisa and subsequently by Sardinia Gold since the early 1990's. Early sampling by Progemisa was analysed at Progemisa laboratories and prior to 1997 not subject to regular QA & QC. Subsequent Sardinia Gold sampling has been undertaken at Progemisa, OMAC (Ireland), SGS France and Solmine using Aqua Regia–Atomic Absorption (Progemisa) and Fire Assay. Considerable effort has been placed on determining reliability of assay labs and reproducibility of results. (e.g. 717 Au checks at Sa Perrima with 0.98 correlation coefficient between Progemisa and FA results). No independent sampling was undertaken during the property visit, on the basis of historical production from the property and industry standard to above-industry standard QA & QC practices during programs conducted by Sardinia Gold. Miller-Tait (2000) reports data verification and independent sampling undertaken in March 2003.

Mineral Processing and Metallurgical Testing

The Furtei property has had a short history of production where oxide and refractory sulphide ores were processed by an on-site milling facility. The concentrating plant comprised a crushing and grinding section, a cyanide leaching and carbon stripping plant, a gold room, and a flotation plant. When processing the now exhausted oxide ores, gold was recovered as doré metal and a recovery from the ore was approximately 90%. Later processing of the sulphide ores yielded a copper-gold concentrate which contained high values of arsenic, mercury, antimony, bismuth and tellurium, all of which are penalty elements in typical smelter contracts. Very few smelters would accept such a concentrate and the only contract that was negotiated imposed a severe penalty for arsenic content. The quality of a recently produced concentrate is given in Table 1. The plant has been maintained since the cessation of production and would be available to restart on short notice. The tailings deposition area has a small remaining capacity for extra production but dams could be raised to provide future additional volume.

Table 1

Impurity Levels Contained in a Recently Produced Concentrate from the Furtei property, Sardinia

ELEMENT	QUANTITY	UNIT
Copper	20	%
Gold	600	G/t
Silver	120	G/t
Mercury	150	Ppm
Arsenic	8	%
Bismuth	270	Ppm
Tellurium	1200	Ppm

Mineral Resources and Mineral Reserve Estimates

Mining of the oxide resources contained on the Furtei property continued to a point where virtually all of the reserves contained in this category have been depleted. Only a minor quantity of oxide material remains on the Furtei property and is considered to be of insufficient quantity to be economically exploitable. Estimates of the remaining in-situ copper-gold sulphide resource located immediately beneath the existing open pits have been made by mine staff. Subsequent review and further work revealed that only a small portion of this in-situ resource could be extractable using underground mining methods. A preliminary economic analysis indicated that these selective resources would not generate an acceptable economic return.

A significant investment on power and water infrastructure was made in the 1970's in the area of the mine as part of an island-wide infrastructure program. Under EU funding, a water reservoir was built (Sa Forada Dam), underground pipelines and hydro electric generating plant developed, and high-tension electricity power grid established. A water pipeline extends to the water reservoir in the central area of the Furtei mine property from the northeast (inflow) and water pipelines extend to the southwest (outflow – power generation), east (unused – water treatment plant) and west (irrigation near Furtei

townsite). A relatively extensive system of high-tension power lines also crisscrosses the property. Micon received several opinions from Sardinia Gold staff on mining restrictions related to this infrastructure adjacent to the Sa Forada Dam and reservoir. Vibration restrictions near infrastructure also restrict blasting or modify blasting patterns in some areas. The relocation of some powerline infrastructure may be required upon new discovery and subsequent mining development and infrastructure may hinder extensive new open pit or underground development.

Micon's Interpretation and Conclusions

Micon has reviewed with mine staff the details of a program comprising 11 RC holes and 18 diamond drill holes previously proposed by Geoff Balfe and Sardinia Gold staff in 2003 and estimated to require a total of €967,000. Micon agrees with the goals and objectives of the proposed exploration program.

Micon Recommendations

Micon has concluded that the Furtei property contains the potential of hosting additional occurrences of gold mineralization and has recommended that the exploration program previously proposed by Geoff Balfe and Sardinia Gold staff be executed.

PROPERTIES – OSILO PROJECT

History

The Osilo project is situated in the North Western part of the Island of Sardinia and surrounds the historic town of Osilo. Exploration in the Osilo area was initially conducted by Progemisa. Sardinia Gold, subsequent to agreement with Progemisa, has been exploring the extensive low sulphidation, epithermal vein systems in the Osilo region since 1995. Five principal vein areas have been explored by Progemisa and Sardinia Gold to date. Historical resources were estimated according to JORC code in 2000 on the Pala Edra, Bunnari, Fieldies, Sa Pala De Sa Fae and Pedra Bianca vein systems by Sardinia Gold under the supervision of Jeff Rayner, (member of AusIMM and competent person). A trial mining programme to extract ore from underground mining methods have been proposed at the Pala Edra and Bunnari prospects in preparation for subsequent full scale mining on these veins.

The southern edge of the tenements covering a subterranean water drainage area is also currently restricted to exploration due to conflict with a mineral spring-water bottling plant. This restriction currently hampers exploration of one prospective target area on the Pedra Carnarza Vein system and exploration over approximately one third of the southern part of the Osilo tenements.

Geological Setting

The veins in the Osilo vein field are classic examples of low-sulphidation Epithermal Vein systems. They are hosted in Upper Oligocene to Lower Miocene andesites, dacites and basalts which occur as lava flows and domes centered on the Osilo Volcanic Complex in northern Sardinia. The Osilo complex is covered to the west by vast areas of Lower-Middle Miocene marine and continental sediments and the eastern side of the Osilo complex is bordered by Oligocene - Miocene rhyolitic to rhyodacitic, calcalkaline volcanics consisting of ignimbrites, lava domes and flows.

Mineralization

The Osilo veins trend to the East North East and border magnetic trends on regional magnetic surveys. Vein structures can be interpreted to be related to regional NE-SW compression of the Osilo area with resulting conjugate shearing along ENE (dextral) and WNW (sinistral) trends. Veins developed within these conjugate shears demonstrate true widths ranging from 1-11 meters in thickness. All veins dip steeply with the lowest angle of dip being recorded in the Sa Pala De Sa Fae vein which dips 55 degrees.

Veins are very well defined within the structures and usually have clear cut boundaries with the adjacent country rock, and only in the case of Pedra Bianca does brecciated mineralization exist in the hanging wall and foot wall of the vein. The highest gold values exist where the vein is more vesicular fractured in nature than where it is massive white bucky style quartz.

Oxidation persists to depths of 20 to 40 meters down dip on the structure and veins may act as permeable conduits to greater depths. Surrounding country rock remains relatively unweathered. In areas of intense wall rock alteration weathering at the contacts between the vein and the wall rock can be pervasive up to 1 metre. This may have considerable implications when deciding future mining methods and ground support techniques.

Core loss in veins such as Bunnari and Pala Edra has been previously identified by Sardinia Gold as related to this high level of weathering/oxidation of the softer associated carbonates and sulphates in the veins, which, once subjected to grinding and introduction of water, completely disintegrate. Argillic alteration around the vein itself also adds to the problem of ground stability and core loss at the contact of the vein with surrounding country rock.

Pala Edra Vein System

The vein system exhibits a 400 meters strike and is drill tested (23 holes) to approximately 300 – 350 meters depth. The zone is closed off to the east and at depth, but open to the west where the Pala Edra Vein branches and splits in the area of, and immediately to the west of, the higher grade area with an apparent jog in the trend of the vein. These high grade parallel hanging wall veins have been intersected in drilling in holes 12, 14 and 15. The shoot may have strike dimension of approximately 100 meters and vertical extent of approximately 300 meters, to the depth of drilling. Au:Ag ratios increase from 1:10 to 1:2 from the lower grade peripheral zones to the high grade cores of the vein systems.

Fieldies Vein System

The vein near surface exhibits a strike length of 200 meters and 9 holes have intersected the zone to give a vertical indication of 200 to 250 meters. The zone is drilled on a wide spacing and intercepts are narrow giving low tonnes/vertical meter. A high grade, subvertical shoot may be present in holes 2, 1, 4 and possibly 9 and 12. The shoot may have strike dimension of approximately 100 meters and vertical extent of approx 250 meters, to the depth of drilling.

Bunnari Vein System

The zone is interpreted to be two subvertical veins, stacked vertically and offset approximately 12 meters at a subhorizontal sedimentary contact. The upper vein is defined by 8 holes and has vertical dimensions of 100 to 150 meters over a strike of 300 meters. The lower vein has similar horizontal and vertical limits and is open to depth. A high grade, subhorizontal shoot may be present in holes 1, 9 and 8 along the upper part of the lower vein. The shoot would have a strike dimension of 300 meters and vertical extent of approx 50 meters. The apparent offset of the upper vein and lower vein could be related to a dilational jog in the vein structure similar to interpretations for mineralized veining in the Sa Pala vein system and

not previously considered by Sardinia Gold. Higher grade mineralization may be controlled by this subhorizontal structure. The higher grade area may present an interesting target for an underground development program but if undertaken, additional drilling is recommended to confirm geological controls, continuity and grade prior to underground development.

Sa Pala and Pedra Bianca Veins

The Sa Pala and Pedra Bianca Veins have been tested by relatively systematic drilling over strike lengths of 3 kilometers and 1 kilometers respectively. Resources have been estimated in several pods along the vein structures. Pedra Bianca hosts one pod from surface to a depth of 100 meters over a strike length of 150 meters delineated in 10 holes. Sa Pala hosts two pods, the largest of which lies 100 meters below surface and has a strike of 300 meters. Within this zone, mineralization is related to an interpreted sub-horizontally plunging, dilational jog. The second zone at Sa Pala is located 850 meters to the west and is delineated by three holes. Mineralization in these holes is relatively narrow. Mineralized areas in Sa Pala and Pedra Bianca are not considered to be of high economic potential.

Exploration

Sardinia Gold has performed regional magnetic surveys and a program of regional soil geochemistry, as a result of which it has identified over 20 vein systems in the Osilo area that offer potential for low sulphidation epithermal gold and silver veins over a project area of over 100 square kilometers and over potential strike lengths of over 50 linear kilometers. A number of these veins have received only limited exploration and a variety of positive indicators have been identified.

Sampling Method and Approach

Reference is made to SRK (2000) and Miller-Tait (2003). Extensive soil sampling has been undertaken since 1994 by Sardinia Gold across the Osilo tenements. Sample intervals were on minimum 200 meter sample grid lines with samples collected every 50 meters on the grid lines. 2.5 kilograms soil samples were collected by auger drilling at depths of 40 – 50 centimeters and bagged. Infill sampling and detailed sampling was conducted near surface outcrops of veins or in areas of positive response. Where possible channel samples have been taken across the veins using a diamond saw.

Almost all drilling has been carried out with HQ size diamond drill core. The mineralized intervals were marked up to the vein contacts and either sampled in metre intervals or in smaller intervals where a change in quartz vein morphology was observed. The core was subsequently cut in half and dispatched for assay. The remaining half core is stored on site.

Sampling Preparation and Security

Reference is made to SRK (2000) and Miller-Tait (2003). Soil auger samples were sieved and the +80 mesh fraction was analysed for multi-elements including pathfinders Au, As, Sb, Cu, Pb, Zn, Ag and Te at Omac, Genalysis (Perth) and SGS Filabs (France).

Drill core samples were despatched to Omac or Progemisa and jaw crushed to 2 millimeters. The sample was then ground to 90% passing 100um at Omac and 90% passing 75um at Progemisa. A 30gm split of the pulps were taken for fire assay analysis at Omac and for Aqua Regia digest with AAS finish at Omac.

The majority of assay data used for resource estimation were from Omac. Gold was analysed by low level fire assay (ppb) with an AAS finish.

Mineral Resource Estimates

Micon observed and reviewed data and reports produced by Sardinia Gold. Mineralization has been interpreted geologically on cross section and longitudinal section using vein boundary constraints and a minimum 3 gAu/t over 1.0 m true width cut off. High grade intercepts were cut to 30 gAu/t. For the Bunnari, Fieldies, Sa Pala and Pedra Bianca zones, resource estimates have been made using a polygonal block method on areas of outlined mineralization which show relatively good continuity on strike and dip, through relatively wide spaced drilling. Rock volumes have been estimated using the estimated true widths of contiguous, mineralized intercepts with the surface area of identified blocks projected to mid-points between drill holes. Mineralization at Pala Edra was block modeled (GEMCOM) using wire-framed outlines developed from geologically interpreted sections and using the same general constraints as above. Blocks were 20 meters x 10 meters x 3 meters with grade determined using inverse square distances and spherical 100 meters search parameters. Modeling was on vein material only, with specific gravity determined at 2.5 g/cc (n=59). In several areas of significantly thickened veins, interpreted as dilational jogs or vein-splays along the veins, the contribution of thickened areas from individual drill holes to the overall volume estimates for the zones was reduced to less than mid-point distances to adjacent holes. Wide spaced drilling of these structures precludes more detailed interpretation and this approach is relatively conservative and considered acceptable. Continuity of veining within the identified resources appears to be well supported and continuity between intercepts on cross-section and longitudinal section appears satisfactory.

An estimate was made under JORC code of undiluted resources on the five vein areas by Sardinia Gold in 2000 and concluded with an Indicated Resource of 793,795 tonnes @ 6.54 gAu/t and 38.80 gAg/t and an Inferred Resource of 863,792 tonnes @ 7.53 gAu/t and 21.28 gAg/t. Resource reconciliation is discussed in section 7.12 of the Micon Report.

Density determinations were made on numerous core samples using waxed rock samples recovered from drill core. This approach, used also at Furtei, provides reliable density determinations on the specific samples tested.

After review of 15 drill holes during the site visit, Micon would raise concerns in the current Resource estimate with respect to core losses and possible over estimation of densities in some parts of the vein systems.

Resource drilling encountered core recovery problems in the veined and mineralized parts of several of the drill holes in each of the zones, an issue also raised by SRK (2000). A combination of prophyllitic and argillic alteration in, and adjacent to, the epithermal veins, combined with deeper oxidation and weathering along the veins, has contributed to locally significant core loss during drilling of the mineralized structure. Some core sections have been ground or washed out during drilling.

Sardinia Gold have developed an approach to reconcile these core losses. Within intersections where such core loss (100% loss) occurs, sections with no core recovery are assessed the same grade as the average grade of the whole intersection. Where partial core recovery occurs (e.g. 70%), core is assumed to be 'ground' i.e. core recovered is assumed to represent the core that was lost, in terms of density and grade.

Sardinia Gold published their Osilo resource estimate in their 2000 annual report and received initial approval for a trial mining and bulk sampling program in late 2000. This approval was subsequently appealed. Activities in the Osilo project remain restricted into 2003 as Sardinia Gold awaits the outcome of the pending legal dispute.

Sardinia Gold has received notice in 2003 that the Council of State has upheld the appeal of the Sassari Ministry of Environment and Cultural Heritage against a previous ruling of the Sardinian Regional

Administration Tribunal which overturned the veto on the commencement of trial underground mining at Osilo. Sardinia Gold reports that it has received Italian legal advice on this matter and, based upon this advice, is confident that the matter should be satisfactorily resolved in due course.

Sardinia Gold has previously undertaken exploration drilling along the Pedra Canarza vein system at the southern limit of the tenements. Reverse circulation drilling encountered an artesian subterranean water reservoir and one drill hole produced significant outflows of ground water. The event was timed with the loss of water at a bottling plant in a valley lying one kilometer immediately to the south of the property. The bottling plant is currently in legal dispute with Sardinia Gold and additional drilling within the area of the water reservoir and across the southern portion of the tenements is considered not advisable. Sardinia Gold have indicated to Micon that the dispute is resolvable (pers. Com. S. Nicol). The presentation to the court of the study prepared by the court appointed expert in the San Martino case, which was set to occur in December 2001, was eventually presented in October 2002. The next hearing of this case will now occur in 2003. Sardinia Gold expects this to be resolved within the next 12 months.

Interpretation and Conclusions

Micon was requested to review the potential for areas in the resource models where "above average resource grade continuity" may be identified. Higher grade areas require confirmatory drilling in all cases due to spacing of drill holes and interpretive nature of the process. Higher grade areas appear to coincide with either subvertical plunging areas in the vein systems where veins splay or split; or subhorizontal plunging areas where the vein systems appear to step in an *en echelon* manner – possibly as dilational jogs. This supports an initial concept that fundamental vein geometries due to structural controls in the vein systems may support recognition of higher grade areas within current resources.

Micon Recommendations

Micon recommends that the previously estimated Indicated and Inferred Resources (JORC Code) be reported as Inferred Resources (CIMM) due to concerns over the grade estimates for the mineralization, the general wide spacing of drill intercepts, and the lack of surface trenching or underground development to confirm grade. The grade of the Inferred Resource (CIMM) has not been adjusted and is considered as an estimate based on several years of observation and study by Sardinia Gold. A recalculation of the resource is recommended using Nil-Grades for partial- or total-core losses to evaluate sensitivity of the estimate to this problem. Two programs of work are recommended. The contribution of core loss can be assessed initially by a combination of relogging of preserved split core, notes from original logging reporting core loss and comparison with original photographs of unsplit core preserved by Sardinia Gold (pers. Com. J.Rayner).

Under Canadian CIMM Resource and Reserve definitions, an "Indicated Resource is a resource of sufficient quality to support a Preliminary Feasibility Study which can serve as the basis for major development decisions". The numerous references by previous workers to additional work, and the uncertainty with respect to grade of mineralization, do not support an Indicated Resource classification under these definitions.

Micon recommends that the resources be restated under CIMM regulations, based on Sardinia Gold modeling and estimatations , to an inferred resource of 1.66 MT grading 7.0 gAu/T and 29.5 gAg/T (undiluted).

In Micon's opinion, mineralization in the Sa Pala and Pedra Bianca zones are not considered to be of high economic potential. Vein widths at Fieldies are relatively narrow and will also challenge economic viability.

Sardinia Gold have estimated an inferred resource of 1.66 MT grading 7.0 gAu/T and 29.5 gAg/T (undiluted) in five vein areas within the Osilo tenements. It is Micon's opinion that Sardinia Gold has also outlined a large area in the Oslio region that has good potential for the discovery of additional gold mineralization within low sulphidation epithermal veins.

The identified problems with core loss or poor core recoveries need to be further assessed. Several approaches are recommended:

1. Review of Current Resources. Apply a **nil grade** to all areas of reduced core recovery using weighted average calculations to sections with reduced recovery as determined in core logging, relogging or inspection of the photographic record of the original core recovered. This will provide a "minimum grade" to the resource. Financial evaluations, if economic at the minimum grade, should be "worst case scenarios". Clearly, a negative economic result would confirm that core loss represents a significant concern. Suitable density measurements on weathered samples from surface trenches could be applied through weighted averaging to areas of low recovery or lost core as part of this approach. Weathering on surface may be greater than at depth and would also provide a "worst case scenario".

2. Infill Drilling and Redrilling. In future, attempts to obtain 100% core recovery could be undertaken, using various drilling muds to enhance recoveries and under the tight supervision of a drill foreman experienced with this approach. It is however likely that the recovery problem will persist. Prior attempts to use muds during drilling were unsuccessful however this could be partially due to inexperience of the drill contractors (pers.com. J. Rayner). Alternative approaches, including injecting "fillers" through a primary diamond drill hole and over-drilling with larger diameter RC holes, should be reviewed. Fillers should be of a type to evaporate during heating and prior to assaying.

3. Bulk Sampling Program. The most definitive program to resolve questions concerning density and grade will be an underground program of drifting and bulk sampling on a vein system. Go-ahead for this program cannot however be given until all legal matters over permitting are resolved. An alternative program of mapping and direct sampling of the vein in a suitable surface stripped area would allow the character and contribution of various sectors in the vein to be assessed.

The potential for the discovery of additional vein systems and mineralization in the Osilo area is considered good. Targets will be of similar nature to currently identified mineralization and can be targeted from Sardinia Gold's current historic results and geophysical and regional geochemical (Au, As, Te) data. Structural controls on higher grade zones within the current vein systems need to be clearly demonstrated and defined, through additional detailed drilling in resource areas. Recognition of these controls will allow earlier detection of higher grade potential in new discoveries.

PROPERTIES – MONTE OLLASTEDDU PROJECT

History

The Monte Ollasteddu prospect is located 50 kilometers NE of Cagliari and 12 kilometers south of the town of Perdasdefogu in east-central Sardinia. The property is located along the incised and precipitous flanks of the southern margin of an elevated tableland at an elevation of 600 meters above sea level. Sardinia Gold geologists discovered the Monte Ollasteddu gold prospect in the Eastern Palaeozoics in September-October 2000.

The property is held by Sardinia Gold under prospecting licenses and lies along the southwestern limits of a military reservation. An exploration license, which would allow drilling programs in the area, has been granted but finalization of all approvals providing access to the area is still pending.

The tenement for Monte Ollasteddu has been granted by the Italian Mines Department. However, drill permit access to the prospect is presently awaiting formal approval from the Ministry of Defence in Rome. Paved road access comes to within 2 kilometers of the area on the northern side of the plateau and an unpaved and sinuous track provides poor access to the south of the property at the base of the valley. Road access to the northern side of the property is possible year-round but only with military permission.

The property was optioned to Homestake Mining Company of California ("Homestake") (now a subsidiary of Barrick Gold Corporation) in 2002. The option was terminated during 2003. The property was subsequently optioned to Bolivar Gold Corp ("Bolivar") in September, 2003. Bolivar has entered into a letter of intent with Gold Fields Limited on October 10, 2003 concerning the property.

Geology

The prominent tableland of the Monte Ollasteddu property is underlain by Silurian, porphyritic meta-rhyolites ("porphyroids") which are interpreted to having been overthrust onto Ordivician pelitic meta-sediments ("shists") during Hercynian deformation. Rhyolites demonstrate a strong S1 penetrative cleavage, axial planar to the Nappe structure and subparallel to bedding. S1 dips at approx. 20 degrees to the north across the exposures visited on the leading edge of the tableland/ peneplane.

On a regional basis, two periods of peneplanation took place. The first occurred after Hercynian deformation and was followed by deposition of Triassic limestones. Subsequent to N-S trending faulting ascribed to Alpine tectonism, a further period of peneplanation developed during Eocene times. Eocene fluvio-deltaic silts, sands and local conglomerates occur to the immediate east of the Monte Ollasteddu prospect, lie as a prominent hill on this peneplane and cover the eastward strike extension of mineralization as defined by soil sampling in the Monte Ollasteddu area.

Two east-west trending, regional shears are postulated in the immediate area – the Monte South Shear and Monte North Shear. The Monte South Shear lies several kilometers south of the property and coincides with a number of small historical mining situations. The Monte North shear is proposed to lie to the immediate south of the property. It has not been mapped to date on the property but may be recognized several kilometers to the east in Sardinia Gold reconnaissance mapping. Sinistral movement along the Monte South Shear is postulated to have caused 070-trending tensional or secondary structures which potentially control the mesothermal, low sulphidation veining and mineralization in the Monte Ollasteddu area.

The area of Hercynian thrustbelts in eastern Sardinia have been known historically as a metallogenic district favourable for As, Sb, Pb, Zn, Cu and W mineralization. Mineralization is considered by Sardinia

Gold to be related to a phase of syn- to late-Hercynian Plutonism dated elsewhere in Europe between 310 – 270 Mya. Historic work prior to Sardinia Gold has not recognized or sampled for gold.

Regional stream sediment sampling by Sardinia Gold in 1996 gave indications of gold in the Monte Ollasteddu area. Persistent, follow-up ridge and spur soil sampling programs, across very difficult terrain, eventually led to the detection of an extensive 50- and 100- ppb.Au contoured soil anomaly extending over 3.2 kilometers along the edge of the tableland (Annual Report 2000). The plateau area is covered by poorly developed soils and thick brush. Outcrops are mostly exposed as low mounds protruding from soil or on cliff faces in rugged terrain along the edge of the tableland. Steep slopes are largely comprised of scree and elluvium. Rock outcrops comprise less than 20% of the area. Channel samples have been taken with a hammer and chisel on rock surface outcrops bearing auriferous quartz veining and arsenopyrite mineralization.

Two east-west trending, regional shears are postulated in the immediate area. The Monte North shear is proposed to lie to the immediate south of the property. Sinistral movement along the Monte South Shear is postulated to have created 070-trending tensional or secondary structures which potentially control mesothermal, low sulphidation veining and mineralization in the Monte Ollasteddu area. Two folding events are evident in the project area superimposed on the Hercynian Nappes (F1 folds):

- an east-west trending open folding (D2) with associated cleavage. F2 axial planes are steep to subvertical.

- a NW-SE trending open folding (D3) with subvertical cleavage (S3).

The prospect is characterized by an extensive 50- and 100- ppbAu contoured soil anomaly extending over 3.2 kilometers along the edge of the tableland within which surface outcrops bearing auriferous quartz veining and arsenopyrite mineralization have been mapped and sampled. Two stages of quartz veining are observed:

- Early, milky quartz with irregular patches and disseminations of arsenopyrite, locally very coarse grained, and,

- Later, dark grey quartz with fine-grained massive arsenopyrite, minor pyrite and associated with local potassic alteration (Alkali Feldspar), sericite and ankerite.

Auriferous mineralization appears related to veining and arsenopyrite mineralization in cross cutting veins, fractures and threads within the host porphyritic rhyolite. The Monte Ollasteddu prospect is an early stage exploration project with good potential for hosting mineralization either as low grade-large tonnage zones, or, higher grade–lower tonnage zones. Micon expects the distribution of mineralization will be complex and interpretation difficult. Potentially complex structural controls were observed during the site visit. In addition, mineralization appears to demonstrate a potentially strong nugget effect due to reported visible gold, the discontinuous character of some veins, and the irregular distribution of sulphides associated with veining and fracturing.

Mineralization

Mineralization is exposed over a distance of 3.2 kilometers along the edge of the tableland and extends down the cliffs and very steep slopes for a vertical distance of approximately 170 meters. Mineralization appears to have been introduced along 070 trending/steep dipping structures that cross the edge of the prominent escarpment. These structures are commonly marked by tree-lined gullies and escarpments along the trend. Better grade areas of mineralization appear to correlate with these structures and where successfully sampled on surface, the grades may average between 4 and 8 gAu/t over moderate widths

in chip sampling. The width, distribution and grade of lower grade, or nil grade material between these structures will significantly influence the assessment of low grade-high tonnage zones in the area.

The mineralization appears to be contained in a series of narrow veins in parallel vertical, east-west trending fault zones that can be mapped at least 3 kilometers along the strike. The widths of the fault zones vary from a few metres to +100 meters and the steep topography demonstrates vertical continuity over 200 meters.

Very preliminary metallurgical tests have been conducted with some of the surface samples retrieved during initial exploration. Arsenic occurs in the samples. The majority of the samples yielded gold extraction in the range of 90% by direct cyanide leaching. The age, character and potential of this new style of mineralization in Sardinia remain largely unknown.

Gold is associated with stockwork and sheeted quartz veining, silicification and arsenopyrite mineralization in porphyritic rhyolite. Two stages of quartz veining are observed within outcrops in the area of the soil anomaly:

- Early, milky quartz with irregular patches and disseminations of arsenopyrite, locally very coarse grained, and,

- Later, dark grey quartz with fine grained massive arsenopyrite, minor pyrite and associated with local potassic alteration (Alkali Feldspar), sericite and ankerite.

Gold is associated with arsenopyrite in quartz veins and sulphide fractures. During Micon's site inspection, quartz veining was observed to be common in several orientations – subparallel to the S1 foliation, parallel to axial planes of F2 Folds along the crests of F2 antiformal fold closures, and, potentially along S3 fabrics. Late grey quartz-Aspy mineralization clearly overprints earlier milky quartz veining and locally invades surrounding rocks along prominent steep-dipping fractures. In some areas narrow quartz veins (less than 5 centimeters.) are observed to be regularly spaced on a 2 to 3 meter spacing within areas demonstrating a low grade (0.2 to 0.6 gAu/T) of background mineralization in Sardinia Gold samples.

An extensive gold-in-soil anomaly, 3.5 kilometers long and up to 1 kilometer wide, measures 10 parts per billion (ppb) Au, with several +50ppb Au zones including one 2 kilometers long and 500 meters wide. Gold grades from the soils are quite high, with up to 12 grams per tonne (g/t) in the central part of the area. The soil anomaly is open along strike to the east and west. It more than likely continues for 4 kilometers to the east, under shallow Eocene sandstone cover, to the Baccu Locci group of old workings. These were previously mined for arsenic but return up to 12g/t Au from quartz veins in underground stopes.

Rock chip samples have been collected from outcrops, which comprise less than 20% of the area. The best exposures are in the steep slopes and cliffs, and the creeks of the deeply dissected plateau. Selective sampling of the individual quartz-sulphide veins has returned quite high grades, generally 15-50g/t Au and up to 220g/t Au. Although these have been taken from widths of less than one metre, they offer the added possibility of discrete bonanza-style veins within the larger bulk tonnage stockwork vein and disseminated sulphide target. Preliminary results from 15 samples submitted for 24hr cyanide leach show an average 87.5% gold recovery.

Elsewhere in the Eastern Palaeozoic belt, systematic ridge and spur soil sampling is continuing on wide-spaced lines 1km apart. The Monte Ollasteddu to Baccu Locci zone of gold-arsenopyrite mineralization totals in excess of 12 kilometers and is still open to the east and west.

Highly anomalous soil samples have come from Escalaplano, an area 6 kilometers to the west of Monte Ollasteddu. Best results include 639, 602, 556, 97, 93 and 78ppb Au. The structure may continue to the Genna Ureu prospect, where grab sampling of quartz veins with arsenopyrite mineralization has returned up to 16g/t Au, giving the mineralized structure a potential strike length of 35 kilometers.

The gold-arsenopyrite-silver mineralization, sometimes associated with lead and zinc, at Monte Ollasteddu and Baccu Locci is thought to be part of a regional-scale gold-antimony-bismuth-tungsten-molybdenum intrusive-related system that developed in response to crustal scale melting following the Hercynian deformation. These systems commonly show metal zoning on a regional scale and there appears to be metal zoning in the Eastern Palaeozoics, with molybdenum in the far east and gold-arsenic plus base metals close by at Baccu Locci.

Gold, tungsten and antimony occur in the more distal areas such as Genna Ureu and Corti Rosas in the west, and Villasalto in the south. The Sarrabus silver lode, the zinc deposits at Sa Lilla and the lead-fluorite mineralization at the Silius mine are gold-poor but are thought to be part of the overall metallogenic event. The causative intrusion for the metals is at probably more than 1-5 kilometers.

Data acquisition and interpretation of previous radiometric surveys completed over parts of northeastern and southwest Sardinia is nearing completion. The radiometric data will assist in delineating the strike continuity and new mineralized gold bearing structures associated with the orogenic gold event during the Hercynian Deformation. Such mineralized structures occur at the bulk tonnage gold targets at Monte Ollasteddu and San Vito and the high-grade veins at Torpe`.

Exploration

Exploration on the property has been limited since 2001. No diamond drilling has been undertaken.

Sampling Method and Approach

The original discovery at Monte Ollasteddu resulted from follow up of a stream sediment anomaly of 300 ppbAu from –80 mesh material taken from 1.5 kilometers. downstream from the outcropping mineralization. This was followed by ridge and spur sampling soil sampling. Samples were taken at the B/C horizon at a depth of 5 – 10 centimeters, with the +2mm material screened off to minimize any nugget effect. Soil sampling has concentrated upon the Eocene peneplain surface and the ridge tops between N-S drainage and has resulted in the discovery of a large gold in soil anomaly, with values in excess of 100 ppb Au extending over a strike length of some 3.2 kilometers.It is likely there is very little dispersion or smearing of soil values due to topography.

A significant number of surface samples have subsequently been taken by Sardinia Gold and Homestake (now Barrick) during the course of exploration. Methods include hammer chip samples (250gm/meter sample, Sardinia Gold), hammer and chisel samples (2.5 kilograms per meter, Sardinia Gold), saw cut samples (2.5 kg per meter, Homestake) and chisel-saw cut samples (2.5 kg per sample meter, Sardinia Gold). These samples have been taken with industry standard QA and QC, often in areas where sampling has been repeated during several sampling programs. Repeat samples and changing sample methods have attempted to evaluate variable reported gold grades in part caused by sampling method, variability in quartz vein continuity and nugget effect in mineralization. Sampling has been locally completed in extremely difficult terrain. Sampling is basically orthogonal to the dominant trend of veining and mineralization in the area but to date consists of surface sampling only in outcrop areas and limited by topography.

Micon did not repeat any sampling on the project in light of the large number of repeat samples and repeat pulp samples at multiple labs using both fire assay/atomic absorption, fire assay/gravimetric

finish and multi-element analyses and considerable effort by both Sardinia Gold and senior companies to evaluate sample variability. Sampling by Micon would have been inconclusive given the number, frequency, variable method and number of companies that had previously sampled in the area.

Mineral Processing and Metallurgical Testing

Knowledge of the Monte Olasteddu mineralization is limited to assays conducted on a large number of surface samples and two sets of preliminary cyanide leaching tests conducted at Omac Laboratories, Ireland, shown to Micon by Sardinia Gold. The samples assayed show a good average gold content and also indicated the presence of varying arsenic levels, averaging 0.65% As for the sample population.

Results of the first set of tests, conducted on 7, mostly low (gold) grade samples, showed a gold recovery, well above 90%, for the majority of samples, but several were below 80%. The second set of samples, all high grade with a range of gold content of 2-20 g/t, provided more consistent results. Of the seven samples tested, five produced leach extractions above 90%, and two showed extraction values of approximately 82%.

The project is at a very early stage of exploration and additional test work is required as the project develops.

Mineral Resource Estimates

There are no mineral resources on the property or evidence of prior workings.

Drilling

Proposed drilling programs over the last three years have been delayed due to delays in converting the licenses from prospecting licenses to exploration permits. The Monte Ollasteddu Research Permit has now been received (Decreto No. 263, 21/05/02) by Sardinia Gold and grants Sardinia Gold the right to conduct a drilling program. The permit includes the condition that Sardinia Gold must receive permission from the Polygonal Interforce Salto di Quirra (PISQ) and from the Ministry of Defence in Rome. Permission from PISQ is required as the initial area of principal geological interest at Monte Ollasteddu lies within the confines of this military base. PISQ is an Italian military base utilized by Italian forces for a variety of activities including missile testing and is used jointly by the airforce, navy and land forces. Negotiations have been ongoing and the Ministry of Defence has indicated that it has no objections to Sardinia Gold carrying out exploration at a time and in a fashion to be agreed between the parties.

In addition, Sardinia Gold must present a program of proposed drilling for approval to various regional and national departments prior to carrying out any work. Approvals have been received from Soperintendenza Archeologicala, Servizio Tutela del Paesaggio, and SIVEA, with approval denied only by the Ripartimentale Forestale (the "Forestry"). The denial on the part of the Forestry is the subject of an appeal.

Although the Monte Ollasteddu mineralization lies within the military base, it is considered warranted by Sardinia Gold to proceed with investment in exploration work since:

- The area concerned lies on the edge of the PISQ (in the safety buffer zone which surrounds the base) and is not land actively used by the military. Sardinia Gold consider it is reasonable to hypothesize an eventual modification to the PISQ boundary to release the area of interest for the purposes of future mining activities should it be required.

- Sardinia Gold consider the potential of the mineralized area is such that hypothetical mining activity would involve significant investment and job creation which would receive governmental support. A request for access for mining would carry significant political weight. This assessment will need to be revisited at each stage of proposed drilling programs.

Micon's Interpretations and Conclusions

The Monte Ollasteddu prospect is an early stage exploration project with good potential for hosting mineralization either as low grade-large tonnage zones, or, higher grade–lower tonnage zones. Topography will challenge exploration drilling programs where drilling is conducted south of the tablelands.

Micon expects that the distribution of mineralization will be complex. Potentially complex structural controls were observed during Micon's site visit. In addition, mineralization appears to demonstrate a potentially strong nugget effect due to reported visible gold, the discontinuous character of some veins, and the irregular distribution of sulphides associated with veining and fracturing. Mineralization appears to have been introduced along 070 trending/steep dipping structures that cross the edge of the prominent escarpment. These structures are commonly marked by tree-lined gullies and escarpments along the trend. The better grade areas of mineralization appear to correlate with these structures, where successfully sampled on surface and grades often average between 4 and 8 gAu/t over moderate widths in reported chip sampling. The width, distribution and grade of lower grade or nil grade material between these structures will significantly influence the assessment of low grade-high tonnage zones in the area. Mineralization and veining appears to have exploited S1, F2 and S3 fabrics where these have allowed egress of mineralizing fluids into more permeable areas. Contoured soil anomalies support this interpretation with contour trends potentially reflecting local S1, F2 and S3 trends.

Micon's Recommendations

An initial €375,000 program of nine diamond drill holes (2,000 meters) has been previously recommended by Sardinia Gold staff and is supported by Micon. Micon further recommends use of oriented drill core and careful attention and documentation of vein densities, spacing and orientation. A parallel program of surface mapping is also recommended. The program would consist of a two-month program of surface mapping with a budget of €25,000. Alternative exploration proposals reducing the number of diamond drill holes and supplementing the program with additional RC drilling are not recommended. RC drilling will give assay numbers and basic information from chip-logging but will not help develop understanding on mineralization controls.

The controls on mineralization need to be addressed at the very early stages of the program. Their resolution will assist with the evaluation of large scale mining versus selective mining opportunities and the ability to employ cheaper RC drilling in selected areas. Micon recommends:

- Oriented Drill Core – various tools are available to provide incision marks on drill core to allow orientation of recovered core. As the program develops, S1/S3 foliations may be potentially used to orient core for accurate physical measurements of strikes and dips of core features.

- Careful attention and documentation of vein densities and spacing in relation to mineralization to define components of low grade background and spaced higher grade veining/fracturing.

- Careful documentation of the orientation of mineralization and veining in relation to S0, S1 and S3 fabrics and F2 trends,

- Careful documentation of various components of mineralization to the overall cumulative results – several veins and trends can be seen in individual areas e.g. S1 subparallel and S3 parallel veining, S1 subparallel and F2 parallel veining, S1 dominant, etc.

A parallel program of surface mapping is also recommended:

- Develop a 25 meters spaced surface grid (transit lines due to topography)
- Detailed surface mapping with emphasis on structure and mineralization.

Micon recommends that a series of samples should be taken from the core drilling program for initial metallurgical tests, aimed at establishing expected gold extraction and the occurrence of any deleterious elements. Concerns towards possible refractory nature of mineralization should be addressed.

PROPERTIES - JOINT VENTURE AGREEMENTS

Joint Venture – Sargold Resource Corporation ("Sargold") (formerly Canley Developments Inc.)

On March 27, 2003, GMS England and Sardinia Gold entered into a Heads of Agreement with Canley Developments Inc. ("Canley"), a Canadian corporation, under which Canley was granted the option to earn up to a 45% equity interest in the Furtei Project. On May 28, 2003, as provided for in the Heads of Agreement, GMS England and Canley subsequently executed a more formal option agreement and joint venture terms (collectively, the "Canley Agreement") that embodies the terms of the Heads of Agreement. On May 28, 2003, GMS England also placed 11,111,111 ordinary shares with Canley at a price of 9 pence per share, to raise £1 million. Each share was accompanied by an unlisted warrant, which entitles the holder to subscribe for one ordinary share in GMS England at a price of 11 pence, exercisable for a period of two years from the date of issue.

Under the Canley Agreement, Canley has an option over a 45% interest in the Furtei Project comprising the mine and its surrounding exploration tenements in return for spending 100% of the exploration and mining expenditure required for the Furtei Project, to an amount of €15 million. The term of the option is eight years. Canley can earn its interest in two stages of 22.5% for each €7.5 million spent, at a minimum rate of €1 million in the first year, and €2 million in each successive year. Canley's earn-in expenditure will be carried out in joint venture with GMS England and Sardinia Gold, of which Sardinia Gold will act as manager. The final structure of the joint venture at Furtei is expected to be effectively 45% each to GMS England and Canley, and 10% to Progemisa.

After Canley has earned its 45% interest, it will pay 50% of all future costs for the Furtei Project, and GMS England, which presently funds the whole of the Furtei Project's expenditure requirements under separate arrangement with Progemisa, the remaining 50%. If Canley earns only a 22.5% interest, it will pay 25% of project costs and GMS England will effectively pay 75%.

Under the Canley Agreement, Canley also has a right, exercisable for six months, to nominate two areas of up to 100 square kilometres other than the Monte Ollasteddu prospect. Canley will then have the exclusive ability for three months to negotiate with GMS England on the terms of a possible joint venture for exploration and mining on the nominated areas. On October 16, 2003, Sargold nominated the Osilo Project Area and will have until January 16, 2004 to negotiate exclusively with GMS England with respect to this area.

Under the Canley Agreement and in addition to operations carried out at Canley's sole cost, GMS England retains the right to utilise the Furtei mining plant for processing material from sources outside the Furtei Project, and also to carry on operations on its own account, on a total cost recovery basis.

In July 2003, Canley changed its name to Sargold Resource Corporation.

Joint Venture – Bolivar Gold Corp.

On August 12, 2003, GMS England signed a letter of intent with Bolivar, pursuant to which the two companies agreed to form a joint venture to develop GMS England's Monte Ollasteddu gold project. Under the terms of the agreement, Bolivar will be able to earn up to a 70% interest in the project on the successful completion of certain development milestones. The joint venture will seek to undertake extensive drilling to quantify the site's gold resources with a view to the establishment of production. Bolivar will finance 100% of project expenditure until the bankable feasibility study has been completed.

Under the proposals outlined in the letter of intent, Bolivar will earn a 15% direct interest in the project upon receipt of all necessary research and access rights to the Monte Ollasteddu prospect, a further 40% on completion of a pre-feasibility study and an additional 15% upon completion of a bankable feasibility study. Should Bolivar earn its full 70% interest in the project, GMS England will retain a 20% participating interest and Progemisa will retain a 10% carried interest.

Completion of the transaction is subject to various regulatory approvals and the execution of a detailed joint venture agreement. After the parties have entered into the detailed joint venture agreement, GMS England will grant Bolivar options to acquire GMS England stock, exercisable for five years at an exercise price calculated as the weighted average sale price for stock exchange trades for the 10 trading days immediately prior to grant. The number of options will not exceed the equivalent of 10% of the issued share capital of GMS England as at September 5, 2003. The options will be exercisable only when Bolivar has commenced a drilling program approved by the joint venture for the Monte Ollasteddu project.

SELECTED CONSOLIDATED FINANCIAL INFORMATION OF GMS AUSTRALIA

Pursuant to the GMS Reorganization, all of the shares of GMS Australia will be transferred to GMS Canada prior to the completion of the Amalgamation. The following table sets forth selected information with respect to: (i) the consolidated financial operations of GMS Australia for the six months ended June 30, 2003, which information has been derived from the unaudited financial statements of GMS Australia for the six months ended June 30, 2003, attached to this Information Circular as Schedule B; and (ii) the consolidated financial operations of GMS Australia for the years ended December 31, 2002 and 2001, which information has been derived from the audited financial statements of GMS Australia for the years ended December 31, 2002 and 2001, attached to this Information Circular as Schedule B.

	Six Months Ended June 30, 2003 (Unaudited) £000's	Year Ended December 31, 2002 (Audited) £000's	Year Ended December 31, 2001 (Audited) £000's
Turnover	331	4,379	5,789
Change in stocks of gold in circuit, refined gold and concentrate	(53)	(181)	(412)
Raw Materials and Consumables	(183)	((1,351)	(1,508)
Staff Costs	(718)	(1,556)	(1,487)
Other External Charges	(695)	(1,545)	(3,286)
Depreciation and Other Amounts Written Off	(232)	(5,166)	(1,654)
Operating Loss	(1,550)	(5,420)	(2,558)
Fixed Assets	10,803	10,050	14,259
Current Assets	1,796	3,165	1,965
Total Assets less Current Liabilities	11,726	11,683	13,921
Shareholders' equity	5,104	5,996	8,146

COMPOSITION OF BOARD OF DIRECTORS

The following table sets forth, for each of the directors and executive officers of GMS England, the person's name, municipality of residence, position with GMS England, principal occupation and holdings of shares.

Name and Municipality of Residence	Position	Principal Occupation, and Positions with Reporting Issuers during the Past Five Years	Number and Class of Shares Owned and Percentage of Class Owned
Jon Pither [1] [2] [3] Esher, Surrey, England	Chairman – Non-Executive Director (appointed on January 12, 2001)	Chairman of the AIM Trust. Formerly the managing director of Amari plc, a director of Selection Trust plc, a director of the London Metal Exchange, a Council Member of the CBI and President of the Aluminium Federation.	150,000 ordinary shares[4] (0.05%)
John C. Morris [1] Perth, Western Australia	Chief Executive (appointed on July 5, 2000)	Director of Sardinia Gold Mining S.p.A. and Uruguay Mineral Exploration Inc.	2,600,000 ordinary shares[5] (0.95%)
Lee Graber San Francisco, California	Non-Executive Director (appointed on November 20, 2002)	Consultant to Endeavour Financial. Prior thereto, he had 23 years service with Homestake Mining as Vice President of Corporate Development. Prior to joining the board of GMS England, he served on managing	Nil[6]

Name and Municipality of Residence	Position	Principal Occupation, and Positions with Reporting Issuers during the Past Five Years	Number and Class of Shares Owned and Percentage of Class Owned
		boards of public and private companies and joint ventures in the resource industry. He is also currently a Director of Asia Pacific Resources Limited.	
Thomas G. Elder (2) (3) Wantage, Oxfordshire, England	Deputy Chairman – Non-Executive Director (appointed on June 6, 2001)	President and Chief Executive Officer of Mano River Resources Inc (MRRI). Before joining MRRI in 1998, he was chief executive officer of Carparthian Gold, a private company with interests in precious metal exploration in Europe. Carried out exploration programmes in the United Kingdom, Spain, Italy, Portugal and Greenland for Cominco Limited. Previously worldwide Exploration Manager for BP Minerals.	Nil(7)
Martin Groak (3) London, England	Non-Executive Director – Finance (appointed on November 20, 2002)	Chartered Accountant with an Economics Degree from London University. He was formerly finance director of Primary Industries Group and is also currently a director of Sardinia Gold Mining S.p.A. and Marker Management Services Limited.	Nil(8)
Serafino Iacono Coral Gables, Florida	Non-Executive Director (appointed on October 22, 2003)	Chairman, Chief Executive Officer and Director of Bolivar Gold Corp. (TSX:BGC) since September 2002 and, from July 1997, Executive Director of Bolivar Gold Corp. From September 1993 to October 2001, Mr. Iacono's principal occupation was as Executive Director of Bolivar Goldfields Ltd. (now BluePoint Data Storage, Inc.), a company unaffiliated with Bolivar Gold Corp.	Nil(9)
José Francisco Arata Pino, Torinese, Italy	Non-Executive Director (appointed on October 22, 2003)	Executive Vice President, Exploration of Bolivar Gold Corp. (TSX:BGC) since September 2002 and, prior thereto, Executive Vice President of Bolivar Gold Corp.	Nil(10)

Notes:

(1) Member of the Nomination Committee.

(2) Member of the Remuneration Committee.

(3) Member of the Audit Committee.

(4) Mr. Pither has also been granted 500,00 options of GMS England, each entitling the holder to purchase one ordinary share of GMS England at a price of £0.16 on or before June 8, 2006.

(5) Mr. Morris has also been granted 500,000 options of GMS England, each entitling the holder to purchase one ordinary share of GMS England at a price of £0.16 on or before June 8, 2006.

(6) Mr. Graber has also been granted 500,000 options of GMS England, each entitling the holder to purchase one ordinary share of GMS England at a price of £0.11 on or before October 2, 2010.

(7) Mr. Elder has also been granted 500,000 options of GMS England, each entitling the holder to purchase one ordinary share of GMS England at a price of £0.15 on or before July 1, 2007.

(8) Mr. Groak has also been granted 500,000 options of GMS England, each entitling the holder to purchase one ordinary share of GMS England at a price of £0.11 on or before October 2, 2010.

(9) Mr. Iacono has also been granted 500,000 options of GMS England, each entitling the holder to purchase one ordinary share of GMS England at a price of £0.11 on or before October 2, 2010.

(10) Mr. Arata has also been granted 500,000 options of GMS England, each entitling the holder to purchase one ordinary share of GMS England at a price of £0.11 on or before October 2, 2010.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS OF GMS

Executive Compensation

The following table sets forth all compensation, including compensation paid by the issuance of securities, for the three financial years ended December 31, 2002, 2001 and 2000 paid to the Chief Executive Officer of GMS England and each of GMS England's four most highly compensated executive officers (the "Named Executive Officers").

Summary Compensation Table[1]

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			All Other Compensation
					Awards		Payouts	
		Salary ($/annum)	Bonus $	Other Annual Compensation $	Securities Under Options/SARs* Granted (#)	Restricted Shares or Restricted Share Units $	LTIP Payouts $	$
John Morris, Executive Director	2002	124,444	Nil	29,978	Nil	Nil	Nil	Nil
	2001	112,378	Nil	21,251	500,000	Nil	Nil	Nil
	2000	125,523	Nil	16,748	Nil	Nil	Nil	Nil
G. Johnston, Operations Director	2002	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2001	114,530	122,150	51,454	Nil	Nil	Nil	Nil
	2000	219,491	Nil	4,217	Nil	Nil	Nil	Nil
P. Chare, Chief Executive	2002	198,757	Nil	Nil	Nil	Nil	Nil	Nil
	2001	113,530	Nil	13,254	Nil	Nil	Nil	Nil
	2000	Nil	Nil	Nil	Nil	Nil	Nil	Nil
P. Hambro, Chairman	2002	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2001	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2000	165,667	Nil	4,217	Nil	Nil	Nil	Nil
U. Capellaci, President, Sardinia Gold	2002	236,807	Nil	Nil	Nil	Nil	Nil	Nil
	2001	102,741	Nil	Nil	Nil	Nil	Nil	Nil
	2000	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) All amounts in this table have been converted into Canadian dollars using the following exchange rates:

	2000	2001	2002
Cdn$1=A$	1.195	1.228	1.125
Cdn$1=€		0.70567	0.603866

Option Grants During the Financial Year Ended 2002

No stock options were granted to the Named Executive Officers during the financial year ended December 31, 2002. GMS granted no SARs during the financial year ended December 31, 2002.

Options Repriced During The Most Recently Completed Financial Year

During the financial year ended December 31, 2002, no options previously granted were repriced.

Options Repriced in Past Financial Years

Other than restating the currency of options from A$ to £, no options previously granted were repriced during the period from January 1, 2000 up to December 31, 2001.

COMPENSATION OF DIRECTORS

The Remuneration Committee of the board of directors of GMS England is responsible for determining and reviewing compensation arrangements for the directors, the chief executive officer and the executive team. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. Such officers are given the opportunity to receive their base emoluments in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the company. To assist in achieving these objectives, the Remuneration Committee links the nature and amount of executive directors' and officers' emoluments to the financial and operational performance of GMS England. All senior executives have the opportunity to qualify for participation in the GMS England employee option plan, which currently provides share option incentives to executives. Details of the nature and amount of each element of the emoluments of each director of GMS England and each of the executive officers of GMS England and the GMS Subsidiaries receiving the highest emoluments for the financial year are as follows:

	Base Fee £	Other £	Termination and Similar Payments* £	Superannuation £	Total £
Jon Pither (i)	35,699	-	-	-	35,699
Thomas G. Elder	16,641	-	-	-	16,641
John C. Morris	49,268	11,868	58,384	8,809	128,329
J. Chappell	8,223				8,223
Lee Graber	1,130	-	-	-	1,130
Martin Groak (ii)	1,135	-	-	-	1,135

* Statutory Annual and Long Service Leave
(i) paid to Surrey Management Services Limited, a company in which Mr. Pither has a financial interest
(ii) paid to Marker Management Services Limited, a company in which Mr. Groak has a financial interest.

Options granted to directors

The current option holdings of the directors of GMS England as at November 28, 2003 (or the date of their appointment to the board if later) and December 31, 2002, were as follows:

	Unlisted Options Held November 28, 2003 *or at date of appointment to Board	Unlisted Options Held December 31, 2002
Jon Pither	500,000	500,000
Thomas C. Elder	500,000	500,000
John C. Morris	500,000	500,000
Lee Graber*	500,000	Nil
Martin Groak*	500,000	Nil
Serafino Iacono*	500,000	Nil
Jose Francisco Arata*	500,000	Nil

Details of options granted over unissued shares in GMS England's employee options plan, being replacement options for options issued under the GMS Australia employee option plan, during or since the end of the year to any director and any of the five most highly remunerated officers of GMS England as part of their remuneration are as follows:

	Options over one ordinary share	Exercise Price £	Expiry Date
Jon Pither	500,000	16p	June 8, 2006
Thomas C. Elder	500,000	15p	July 1, 2007
John C. Morris	500,000	16p	June 8, 2006
Lee Graber	500,000	11p	October 2, 2010
Martin Groak	500,000	11p	October 2, 2010
Serafino Iacono	500,000	11p	October 2, 2010
Jose Francisco Arata	500,000	11p	October 2, 2010

OTHER COMPENSATION

GMS England has not paid any additional compensation to its senior officers or directors since January 1, 2002.

MANAGEMENT CONTRACTS OF GMS ENGLAND

Management of GMS England is performed by the directors, senior officers and executive officers of GMS England and not by any other Person.

INDEBTEDNESS OF DIRECTORS, SENIOR OFFICERS AND PROMOTERS OF GMS ENGLAND

No director, proposed director, senior officer, executive officer, promoter, or other member of the management of GMS England, nor any of their respective associates or affiliates, is or has been at any time since January 1, 2002, indebted to GMS England. In addition, none of such Person's indebtedness to any other company has been the subject of a guarantee, support agreement or letter of credit from GMS England.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as described below, the management of GMS England is not aware of any material interest, direct or indirect, of any director, proposed director, senior officer, executive officer or promoter, or any of their respective associates or affiliates, in any matter to be acted upon at the shareholders meeting of GMS England.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS OF GMS ENGLAND

Other than as set forth elsewhere in this Joint Information Circular, the management of GMS England is not aware of any material interest, direct or indirect, of any insider of GMS England, any nominee for election as a director of GMS England, or any associate or affiliate of any such Person, in any transaction since the date of incorporation, or in any proposed transaction, that has materially affected or would materially affect GMS England. See "Information Concerning GMS England - Interest of Certain Persons in Matters to be Acted Upon".

DESCRIPTION OF SHARE CAPITAL OF GMS CANADA AND GMS ENGLAND

The authorized capital of GMS Canada consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, 1 of which is issued and outstanding and is owned by GMS England. GMS Canada has no other securities outstanding. Prior to the completion of the Amalgamation, a total of 38,726,261 common shares of GMS Canada will be issued to GMS England or to its shareholders, as it may direct, in consideration for the transfer of the shares of GMS Australia to GMS Canada pursuant to the GMS Reorganization. These shares will then be exchanged for Amalco Common Shares upon completion of the Amalgamation.

The authorized capital of GMS England consists of 600,000,000 ordinary shares of 5 pence each, of which 274,350,555 ordinary fully paid shares are issued and outstanding as at the date hereof.

GMS England Options

As of the date hereof, GMS England has 10,888,000 unlisted options issued and outstanding (8,380,000 of which were originally issued under the employee option plan of Sardinia Gold and exchanged for options under the employee stock option plan of GMS England and 2,500,000 were issued to GMS Australia's brokers outside the employee stock option plan and were similarly exchanged. As of the date hereof, the following unlisted options are outstanding:

- 100,000 options exercisable at £0.22 on or before April 22, 2004.
- 2,500,000 options exercisable at £0.15 on or before February 18, 2005
- 250,000 options exercisable at £0.15 on or before May 31, 2005.
- 200,000 options exercisable at £0.14 on or before August 8, 2005.

- 950,000 options exercisable at £0.12 on or before February 1, 2006
- 690,000 options exercisable at £0.13 on or before March 1, 2006
- 1,500,000 options exercisable at £0.16 on or before June 8, 2006
- 2,190,000 options exercisable at £0.13 on or before the date which is 30 months from the Effective Date
- 500,000 options exercisable at £0.15 on or before July 1, 2007
- 2,000,000 options exercisable at £0.11 on or before October 22, 2010

Pursuant to the Amalgamation, Amalco will issue the Amalco GMS Entitlement Options to the holders of GMS England Options.

Warrants and Other Convertible Securities

Sargold owns 11,111,111 unlisted warrants of GMS England, each of which entitles the holder to subscribe for one ordinary share in GMS England at a price of 11 pence, exercisable until May 28, 2005. See "Business Overview and Properties of GMS England – *Properties – Joint Venture Agreements*".

Under the terms of its joint venture with Bolivar, after the parties have entered into the detailed joint venture agreement, GMS England is obligated to grant Bolivar options to acquire GMS England stock, exercisable for five years at an exercise price calculated as the weighted average sale price for stock exchange trades for the 10 trading days immediately prior to grant. The number of options will not exceed the equivalent of 10% of the issued share capital of GMS England as at September 5, 2003. The options will be exercisable only when Bolivar has commenced a drilling program approved by the joint venture for the Monte Ollasteddu project. See "Business Overview and Properties of GMS England – *Properties – Joint Venture Agreements*".

Pursuant to the Amalgamation, the warrants owned by Sargold and the options to be issued to Bolivar will be exchanged for Amalco GMS Replacement Warrants.

TRADING RANGE OF THE COMMON SHARES OF GMS ENGLAND

The following table sets forth information relating to the trading of the GMS England shares on AIM since the GMS England shares were posted for trading on November 20, 2002. The share price is quoted on a daily basis in the Financial Times. Shares may be bought or sold through a stockbroker who is a member of the London Stock Exchange. Trading of the GMS England shares on AIM was suspended on September 30, 2003 as a result of the fundamental change in business resulting from GMS England's decision to proceed with the Amalgamation and related transactions. Trading of the GMS England shares on AIM will resume upon GMS England distributing certain proxy materials to its shareholders relating to the meeting of the shareholders of GMS England to be held in connection with the Amalgamation and related transactions.

Period	Spread £	Mid price £
Upon listing on the AIM (November 20, 2002)	11.75p – 14.75p	13.25p
As at December 31, 2002	10.5p – 13.5p	12.0p
As at March 31, 2003	7.5p – 10.5p	9.0p
Immediately prior to suspension on September 30, 2003		11.0p

PRINCIPAL SHAREHOLDERS

As at the date hereof, to the knowledge of the directors and senior officers of GMS England, no Person, or combination of Persons beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding ordinary shares of GMS England, other than as set out in the table below.

Name	Number and Percentage of Common Shares
Wilbro Nominees Limited [(1)]	58,231,608 (21.23%)
Chase Nominees Limited [(1)]	32,741,900 (11.93%)

Note:

(1) Wilbro Nominees Limited and Chase Nominees Limited are market intermediaries. Shares registered in the name of Wilbro Nominees Limited and Chase Nominees Limited are owned beneficially by other persons, the identities of which are unknown.

DIVIDEND POLICY OF GMS ENGLAND

There was a consolidated loss for the year ended December 31, 2002 after taxation of £5,769,000 (2001: loss of £2,694,000). The directors recommended that no dividend be paid for the year ended December 31, 2002. No dividends have been paid or declared during the year ended December 31, 2002.

LEGAL PROCEEDINGS AGAINST GMS ENGLAND

Management is not aware of any material litigation outstanding, threatened or pending, as of the date hereof, by or against GMS England, GMS Canada or the GMS Subsidiaries, which would be material to a purchaser of securities of Full Riches other than current litigation between Sardinia Gold and San Martino S.r.l., a company which produces and markets mineral water from an area within Pedra Canarza, one of Sardinia Gold's exploration concession areas near Osilo. San Martino alleges that it has suffered loss, attributable in part to a temporary suspension of its operations, as a consequence of Sardinia Gold's exploration drill hole intersecting a mineral water source. San Martino have consequently made a claim against Sardinia Gold, which is disputing the claim.

MATERIAL CONTRACTS OF GMS ENGLAND

The following are the contracts entered into by GMS England or its subsidiaries in the past two years that can reasonably be considered to be material to GMS England taken as a whole:

1. The Business Combination Agreement with Full Riches. See "Business Overview of Full Riches – The Business Combination".
2. The GMS Loan Agreement. See "Business Overview of Full Riches – The Business Combination".
3. The Amalgamation Agreement. See "Particulars of Matters to be Acted Upon - Description of the Amalgamation Agreement".
4. The Canley Agreement. See "Business Overview and Properties of GMS England – Properties – Joint Venture Agreements".
5. The letter of intent with Bolivar. See "Business Overview and Properties of GMS England – Properties – Joint Venture Agreements".

Copies of these agreements will be available for inspection at the registered office of GMS England, at The Little House, Quenington, Cirencester Gloucestershire, GL7 5BW, United Kingdom; Tel: +44 (0)1285 750005; Fax: +44 (0)1285 750002, at any time during ordinary business hours up to and including the date of the GMS Meeting.

CONFLICTS OF INTEREST OF GMS ENGLAND

There are potential conflicts of interest to which some of the directors, proposed directors, senior officers and executive officers of GMS England will be subject in connection with the operations of GMS England, GMS Canada and the GMS Subsidiaries. Situations may arise where some of the business activities of the directors and officers will be in direct competition with GMS England, GMS Canada and the GMS Subsidiaries. Conflicts, if any, will be subject to the procedures and remedies under the *Companies Act* (UK) or other applicable corporate legislation. See "Information Concerning GMS - Interests of Certain Persons in Matters to be Acted Upon".

To the knowledge of management of GMS England, no director, senior officer, executive officer, promoter, or proposed nominee for director, of GMS England, GMS Canada or the GMS Subsidiaries is a Related Party to the Sponsor.

INVESTOR RELATIONS ARRANGEMENTS OF GMS ENGLAND

GMS England has entered into a written agreement with Biddicks Financial Public Relations ("Biddicks") pursuant to which Biddicks provides certain investor relations services to GMS England to assist it in its continuous disclosure activities. The agreement with Biddicks will not be assumed by Amalco and will terminate in February 2004.

AUDITORS, TRANSFER AGENT AND REGISTRAR AND LEGAL COUNSEL

The auditors of GMS England are Grant Thornton, 8 West Walk, Leicester, LE1 7NH, United Kingdom. The auditors of GMS Australia are Ernst & Young, Central Park, 152-158 St. George's Terrace, Perth, Western Australia. The auditors of Sardinia Gold are Grant Thornton S.p.A., Via Dante 18, 09127 Cagliari, Sardinia, Italy.

The registrar and transfer agent of GMS England is Capita Registrars, Bourne House, 34 Beckenham Road, Beckenham, Kent, United Kingdom, BR3 4TU.

Legal counsel to GMS England are: (i) in Australia, The Legal Alliance, Fremantle, W. Australia; (ii) in the United Kingdom, Charles Russell, London, United Kingdom, EC4A 1RS; and (iii) in Canada, Gowling LaFleur Henderson LLP.

RELATIONSHIP BETWEEN GMS ENGLAND AND PROFESSIONAL PERSONS

The partners and associates of each of The Legal Alliance, Charles Russell and Gowling LaFleur Henderson do not own any shares in the capital of Full Riches or GMS England or its subsidiaries.

The partners and associates of Grant Thornton, Ernst & Young and Grant Thornton S.p.A. do not own any shares in the capital of Full Riches or GMS England or its subsidiaries.

FINANCIAL STATEMENTS OF GMS ENGLAND

Attached as Schedule B to this Information Circular are: (i) the audited consolidated financial statements of GMS Australia for the fiscal years ended December 31, 2002 and December 31, 2001; and (ii) the unaudited comparative consolidated interim financial statements of GMS Australia for the six months ended June 30, 2003.

D. INFORMATION CONCERNING AMALCO

CORPORATE HISTORY OF AMALCO

Amalco will be formed by the Amalgamation of Full Riches and GMS Canada under the YBCA. The registered office of Amalco will be located at The Drury Building, 3081 Third Avenue, Whitehorse, Yukon Territory Y1A 4Z7. The head office of Amalco will be located at 110 Yonge Street, Suite 1502, Toronto, Ontario, M5C 1T4.

Upon completion of the Amalgamation, Amalco will own all of the issued and outstanding shares of GMS Australia. GMS Australia owns, and upon completion of the Amalgamation will continue to own, all of the issued and outstanding shares of Euro Mining and Mediterranean. Euro Mining and Mediterranean each own, and upon completion of the Amalgamation will each continue to own, 45% of the issued and outstanding shares of Sardinia Gold. The remaining 10% of the issued and outstanding shares of Sardinia Gold are, and upon completion of the Amalgamation will continue to be, owned by Progemisa.

BUSINESS OF AMALCO AND STATED BUSINESS OBJECTIVES

The business of Amalco following completion of the Amalgamation will be the mining and mineral exploration business currently conducted by GMS England through its subsidiaries. Amalco will be a gold exploration and development company with interests on the Italian island of Sardinia through its 90% owned operating subsidiary Sardinia Gold. See "Information Concerning Gold Mines of Sardinia - Business Overview of GMS England".

FULLY DILUTED SHARE CAPITAL OF AMALCO

The following describes and summarizes the fully-diluted share capital of Amalco:

	Number of Amalco Common Shares	Percentage
Amalco Common Shares issued and outstanding after completion of Amalgamation	81,882,043	88.96%
Securities Reserved for Issuance pursuant to stock options	3,682,888	4.00%
Securities Reserved for Issuance pursuant to warrants	6,480,918	7.04%
Total	**92,045,849**	**100%**

OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES OF AMALCO

After completion of the Amalgamation, the following options, warrants and other rights to purchase Amalco Common Shares will be outstanding:

Nature of Security	Number of Securities	Exercise Price	Expiry Date
Amalco Full Riches Replacement Options	2,500,000	$0.20	October 8, 2008
Amalco GMS Entitlement Options	1,182,888	$1.75 to $3.49	April 22, 2004 to 30 months from Effective Date
Amalco GMS Replacement Warrants	5,793,918	Various	Various
Amalco Full Riches Replacement Warrants	687,000	$0.70	December, 2005

There is no assurance that the options, warrants or other rights described above will be exercised in whole or in part.

ESCROWED SECURITIES OF AMALCO

The Escrowed Securities of Amalco will also include the escrowed securities of Full Riches described under the headings "Information Concerning Full Riches - Escrowed Securities". Adjusted for the exchange ratio of the Common Shares pursuant to the Amalgamation, Amalco will have an aggregate of 1,278,000 Amalco Common Shares in escrow, representing 1.56% of the issued and outstanding Amalco Common Shares. Certain Amalco Common Shares held by principals of Amalco may be subject to escrow restrictions in accordance with the policies of the TSXVE.

DISTRIBUTION OF SECURITIES OF AMALCO

After completion of the Amalgamation, of the aggregate number of 81,882,043 Amalco Common Shares that will be issued and outstanding, 4,777,423 will be owned or controlled, directly or indirectly, by directors, officers, insiders and promoters of Amalco, and their associates and affiliates, and 77,104,620 Amalco Common Shares will be owned by the public.

DIRECTORS AND SENIOR OFFICERS OF AMALCO

The following table sets forth, for each of the proposed directors and executive officers of Amalco, the person's name, municipality of residence, proposed position with Amalco, principal occupation and holdings of shares.

Name and Municipality of Residence	Position	Principal Occupation, and Positions with Reporting Issuers during the Past Five Years	Number and Class of Shares Owned and Percentage of Class Owned
Gordon Keep, Vancouver, B.C.	Director	President and a director of Full Riches since April 15, 2003. Mr. Keep is the Managing Director, Corporate Finance of Endeavour Financial. Previously, he held positions as Senior Vice President of Lions Gate Entertainment Corp. and Vice President of Corporate Finance with Yorkton Securities Inc.	225,000 Amalco Common Shares[1] (0.27%)
Miguel de la Campa Madrid, Spain	Director	President, Chief Operating Officer and a director of Bolivar Gold Corp. (TSX:BGC) since September 2002. From September 1993 to October 2001, Mr. de la Campa's principal occupation was as Executive Director of Bolivar Goldfields Ltd. (now BluePoint Data Storage, Inc.).	806,250 Amalco Common Shares[2] (0.98%)
Neil Woodyer London, England	Director	Managing Director of Endeavour Financial, where he is responsible for directing advisory mandates and investment-related services.	150,000 Amalco Common Shares[3] (0.18%)
Jon Pither Esher, Surrey, England	Director and Chairman	Director of GMS England. Chairman of the AIM Trust. He was formerly the Managing Director of Amari plc, a director of Selection Trust plc, a director of the London Metal Exchange, a Council Member of the CBI, and President of the Aluminium Federation.	21,173 Amalco Common Shares [4] (0.03%)
Martin Groak London, England	Director	Director of GMS England. He was formerly finance director of Primary Industries Group and is also currently a director of Marker Management Services Limited.	Nil Amalco Common Shares [5]
Serafino Iacono Coral Gables, Florida	Director	Chairman and Chief Executive Officer of Bolivar Gold Corp. since September 2002. From September 1993 to October 2001, Mr. Iacono's principal occupation was as Executive Director of Bolivar Goldfields Ltd. (now BluePoint Data Storage, Inc.), a company unaffiliated with Bolivar Gold Corp. Mr. Iacono has been involved in the mineral exploration industry since 1988.	325,000 Amalco Common Shares [6] (0.40%)
Jose Francisco Arata Pino Torinese, Italy	Director	Executive Vice President, Exploration of Bolivar Gold Corp. since September 2002 and, prior thereto, his principal occupation was as Executive Vice President of Bolivar Gold Corp. Mr. Arata has been involved in the mineral and oil and gas exploration industries since 1982.	1,500,000 Amalco Common Shares [7] (1.83%)
Giuseppe Pozzo Turin, Italy	President, Chief Executive Officer and Director	Managing Director, NextCom S.r.L., President Sardinia Gold Mining S.p.A. and Vice-President of the Piemonte Regional Advisory Group of the Forza Italiana party. He was formerly President of Chind S.p.A., Managing Director of GEORESTA S.r.L. and of GEO, RES S.r.L.	1,500,000 Amalco Common Shares [8] (1.83%)

Name and Municipality of Residence	Position	Principal Occupation, and Positions with Reporting Issuers during the Past Five Years	Number and Class of Shares Owned and Percentage of Class Owned
Perry Dellelce Toronto, Ontario	Secretary	Partner with the law firm Wildeboer Rand Thomson Apps & Dellelce, LLP since 1993. Also a director of Bolivar Gold Corp. (TSX:BGC) from June 16, 2003 to November 27, 2003.	250,000 Amalco Common Shares[9] (0.31%)

Notes:

(1) Mr. Keep will also hold 250,000 Amalco Full Riches Replacement Options, each entitling the holder to purchase one Amalco Common Share at a price of $0.20 per share until October 8, 2008.

(2) Mr. de la Campa will also hold 450,000 Amalco Full Riches Replacement Options, each entitling the holder to purchase one Amalco Common Share at a price of $0.20 per share until October 8, 2008.

(3) Mr. Woodyer will also hold 250,000 Amalco Full Riches Replacement Options, each entitling the holder to purchase one Amalco Common Share at a price of $0.20 per share until October 8, 2008.

(4) Mr. Pither will also hold 70,578 Amalco GMS Entitlement Options, each entitling the holder to purchase one Amalco Common Share at a price of $1.13 per share until 30 months after the Effective Date.

(5) Mr. Groak will also hold 70,578 Amalco GMS Entitlement Options, each entitling the holder to purchase one Amalco Common Share at a price of $0.78 per share until 30 months after the Effective Date

(6) Mr. Iacono will also hold 70,578 Amalco GMS Entitlement Options, each entitling the holder to purchase one Amalco Common Share at a price of $0.78 per share until 30 months after the Effective Date. Mr. Iacono will also hold 450,000 Amalco Full Riches Replacement Options, each entitling the holder to purchase one Amalco Common Share at a price of $0.20 per share until October 8, 2008

(7) Prior to the completion of the Amalgamation, Mr. Arata will be issued 3,000,000 Common Shares for services rendered to Full Riches in connection with the Amalgamation and related transactions. Mr. Arata will also hold 70,578 Amalco GMS Entitlement Options, each entitling the holder to purchase one Amalco Common Share at a price of $0.78 per share until 30 months after the Effective Date. Mr. Arata will also hold 450,000 Amalco Full Riches Replacement Options, each entitling the holder to purchase one Amalco Common Share at a price of $0.20 per share until October 8, 2008.

(8) These shares are owned by Next com Italia srl, which, prior to the completion of the Amalgamation, will be issued 3,000,000 Common Shares for services rendered to Full Riches in connection with the Amalgamation and related transactions. Mr. Pozzo will also hold 100,000 Amalco Full Riches Replacement Options, each entitling the holder to purchase one Amalco Common Share at a price of $0.20 per share until October 8,2008.

(9) Mr. Dellelce will also hold 50,000 Amalco Full Riches Replacement Options, each entitling the holder to purchase one Amalco Common Share at a price of $0.20 per share until October 8, 2008.

Reporting Issuer Experience of the Directors and Officers of Amalco

The following table sets out the proposed directors and officers of Amalco that are, or have been within the last five years, directors or officers of other issuers that are or were reporting issuers in any Canadian jurisdiction, other than Full Riches:

Name	Name of Reporting Issuer	Exchange	Position	Period
Gordon Keep	Atlas Cromwell Ltd.	TSXVE	President and Director	Oct. 2003 - Present
	Jonpol Explorations Limited	TSX	Director	Nov. 2003 - Present
	User Friendly Media Inc.	TSXVE	President and Director	Nov. 2003 - Present
	Lions Gate Entertainment Corp.	TSX	Senior Vice President and Director	Oct. 1997 – Present
	Dunsmuir Ventures Ltd.	TSXVE	President and Director	July 2000 – Present
	Adobe Ventures Inc.	TSXVE	Director	Feb. 2003 – Present
	EAGC Ventures Corp.	TSXVE	President and Director	Oct. 2000 – Oct. 2002
	Axcension Capital Inc.	CDN	President and Director	Feb. 1999 – July 1999
	Tenga Laboratories	CDN	President and Director	Aug. 1998 – Dec. 1998
Miguel de la Campa	Bolivar Gold Corp.	TSX	Director	
	Storage@access Technologies Inc.	TSXVE	Executive Director and Director	Sept. 1993 – Oct. 2001
	Chivor Emerald Corporation	TSXVE	Director	June 1996 – Jan. 2003
	Wavve Telcom. Inc.		Director	Oct. 1999 – Oct. 2000
Neil Woodyer	Endeavour Mining Capital Corp.		Director and CEO	July 2002 - Present
	Apollo Gold Corp.		Director	May 2002 – Nov. 2003
	Dunsmuir Ventures Ltd.		Director	July 2000 – Present
	Wheaton River Minerals Ltd.		Director	May 2001 – Present
	Asia Minerals Corp.		Director	June 1999 – July 1999
	Nambian Minerals Corp.		Director	May 2001 – Feb. 2003
	Bema Gold Corporation		Director	Feb. 1990 – Present
	North American Metals Corp.		Director	May 2001 – June 2003
Serafino Iacono	Bolivar Gold Corp.	TSX	Chairman and Director	Sept. 2002 - Present
	Blue Point Data Storage Inc.	TSXVE	Director	Sept. 1993 – Oct. 2001
	Chivor Emerald Corporation	CDN	Director	June 1996 – Present
	Wavve Telecommunications	CDNX	Director	Oct. 1999 – Oct. 2000
Jose Francisco Arata	Bolivar Gold Corp.	TSX	Director and Executive Vice President	December 1996 – Present
Perry Dellelce	Bolivar Gold Corp.	TSX	Director	June 2003 – Nov. 2003
	Axxent Inc.	TSX	Director	Nov. 1999 – April 2001
	The Learning Library Inc.	TSXVE	Director	May 2002 – Oct. 2003
	Capital.com Inc.	TSXVE	Secretary	June 1999 – Dec. 2000

Corporate Cease Trade Orders or Bankruptcies

Except as follows, none of the directors or officers of Amalco or a shareholder of Amalco holding a sufficient number of Amalco Common Shares to affect materially control of Amalco is or, within 5 years before the date of this Information Circular, has been a director or officer of another reporting issuer that, while the person was acting in that capacity, was the subject of a cease trade or similar order, or an order that defined the other issuer access to any exemptions under securities laws, for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appoint to hold its assets: Serafino Iacono and Miguel de la

Campa are directors and/or officers of Chivor Emerald Corporation Limited, which was the subject of a cease trade order of the Ontario Securities Commission dated June 15, 2000 due to the failure to file financial statements within prescribed time periods. These statements were not filed due to Chivor Emerald Corporation Limited's lack of sufficient funds to pay for an audit of such financial statements.

Penalties or Sanctions

No proposed director, senior officer, executive officer or promoter of Amalco has, within the 10 years prior to the date of this Information Circular, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded issuer, or theft or fraud.

Foreign Directors and Officers

Certain of the directors and officers of Amalco will reside outside of Canada. Substantially all of the assets of Amalco may be located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors and officers resident outside of Canada. It may also not be possible to enforce against Amalco and certain of its directors and officers judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Conflicts of Interest

There may be potential conflicts of interest to which the directors and officers of Amalco may be subject in connection with the operations of Amalco. Conflicts, if any, will be subject to the procedures and remedies as provided under the YBCA.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS OF AMALCO

No director, proposed director, senior officer, executive officer, or other member of the management of Amalco, nor any of their respective associates or affiliates, will be indebted to Amalco. In addition, none of such Person's indebtedness to any other company will be the subject of a guarantee, support agreement or letter of credit from Amalco.

PRINCIPAL SECURITYHOLDERS OF AMALCO

No Person will, directly or indirectly, own or direct control or direction over more than 10% of the Amalco Common Share other than as set out in the table below:

Name	Number and Percentage of Amalco Common Shares
Wilbro Nominees Limited [(1)]	8,219,695 (10.4%)

Note:

(1) Wilbro Nominees Limited is a market intermediary. Shares registered in the name of Wilbro Nominees Limited are beneficially owned by other persons, the identities of which are unknown.

PROPOSED EXECUTIVE COMPENSATION OF AMALCO

The proposed executive compensation of the senior officers of Amalco is not known at this time.

WORKING CAPITAL OF AMALCO

Following completion of the Amalgamation, Amalco will have approximately $12,400,000 in initial consolidated working capital. Of this amount, approximately $11,400,000 will be from Full Riches and approximately $1,000,000 will be from the GMS Subsidiaries. Amalco will have no other amounts or sources of other funds available to it, unless it pursues other financing.

Amalco's consolidated working capital will include the proceeds from the Private Placements conducted by Full Riches prior to the completion of the Amalgamation for aggregate gross proceeds of approximately $12,065,000. It is anticipated that net proceeds from the Private Placements after deducting all fees and expenses of Full Riches and GMS England in completing the Private Placements, the Amalgamation and all related transactions will be approximately $10,100,000.

Amalco intends to use the working capital to fund its estimated share of property acquisition costs related to its joint ventures with Sargold and Bolivar, to fund an underground trial mine at its Osilo property, to fund exploration costs in Sardinia, to fund the implementation of the recommendations of the Micon Report (including the initial €375,000 program of nine diamond drill holes previously recommended by Sardinia Gold staff and supported by Micon and the two-month program of surface mapping with a budget of €25,000), all as set out in "Business Overview and Properties of GMS England", and for general working capital. Proposed management of Amalco have not yet identified more specific purposes for the use of the working capital and, accordingly, will have significant discretion in the use of the working capital. Amalco will only direct funds to properties on the basis of written recommendations from independent professional geologists or engineers.

ADMINISTRATION COSTS OF AMALCO

Proposed management of Amalco have not yet estimated the aggregate monthly administration costs to be incurred by Amalco. Proposed management of Amalco anticipate that Amalco's working capital will be sufficient to meet its administration costs for at least 18 months.

PROPOSED AUDITORS AND TRANSFER AGENT OF AMALCO

Subject to regulatory and shareholder approval, the proposed auditors of Amalco are the current auditors of Full Riches, Wong, Robinson & Co., Chartered Accountants, 1708 West 6th Avenue, Vancouver, British Columbia V6J 5E8. The transfer agent for Amalco will be PCTC at its principal offices located at 625 Howe Street, 10th Floor, Vancouver, British Columbia V6C 3B8.

LEGAL PROCEEDINGS AGAINST AMALCO

The proposed directors and senior officers of Amalco are not aware of any material litigation outstanding, threatened or pending, as of the date hereof, by or against Amalco, which would be material to a purchaser of securities of Amalco other than current litigation between Sardinia Gold and San Martino S.r.l., a company which produces and markets mineral water from an area within Pedra Canarza, one of Sardinia Gold's exploration concession areas near Osilo. San Martino alleges that it has suffered loss, attributable in part to a temporary suspension of its operations, as a consequence of Sardinia Gold's

exploration drill hole intersecting a mineral water source. San Martino have consequently made a claim against Sardinia Gold, which is disputing the claim.

MATERIAL CONTRACTS OF AMALCO

The only material contracts that Amalco will be a party to are described under the headings "Information Concerning Full Riches – Material Contracts of Full Riches", and "Information Concerning Gold Mines of Sardinia – Material Contracts of GMS England".

RISK FACTORS

If the Amalgamation is successfully completed, Amalco will carry on the mining and mineral exploration business of GMS England. There are a number of risk factors which will affect Amalco. See"Particulars of Matters to be Acted Upon – Approval of the Amalgamation with GMS Canada Under the YBCA – Risk Factors Concerning Full Riches, GMS England and Amalco". These business risks should be considered in the context of the proposed business of Amalco which is described under "Information Concerning Gold Mines of Sardinia – Business Overview and Properties of GMS England".

E. GENERAL

All matters referred to herein for approval by the shareholders require a simple majority of the shareholders voting, in person or by proxy, at the Meeting, except for the Continuance Resolution and the Amalgamation Resolution, which require approval by at least three-fourths (3/4) of the votes cast in person or by proxy at the Meeting. See "Particulars of Matters to be Acted Upon - Approval of the Amalgamation under the YBCA" and "Particulars of Matters to be Acted Upon – Continuance under the YBCA".

The contents and sending of this Information Circular with respect to Full Riches have been approved by the board of directors of Full Riches.

The contents and sending of this Information Circular with respect to GMS Canada and GMS England have been approved by the boards of directors of GMS Canada and GMS England.

Unless otherwise indicated, this information is given as of the 28th day of November, 2003.

CERTIFICATE OF FULL RICHES

Dated: November 28, 2003

The foregoing and the Schedules which are attached to and form part of this Information Circular, to the extent the foregoing and the Schedules relate to Full Riches Investments Ltd., contain no untrue statement of a material fact and do not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made. The foregoing, to the extent that it relates Full Riches Investments Ltd., constitutes full, true and plain disclosure of all material facts relating to the particular matters to be acted upon by the securityholders concerning Full Riches Investments Ltd.

"Gordon Keep"
Gordon Keep
President

ON BEHALF OF THE BOARD

"Neil Woodyer"
Neil Woodyer
Director

"Robert Doyle"
Robert Doyle
Director

CERTIFICATE OF GMS ENGLAND

Dated: November 28, 2003

The foregoing and the Schedules which are attached to and form part of this Information Circular, to the extent the foregoing and the Schedules relate to GMS England, GMS Canada and the GMS Subsidiaries, contain no untrue statement of a material fact and do not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made. The foregoing, to the extent that it relates to GMS England, GMS Canada and the GMS Subsidiaries, constitutes full, true and plain disclosure of all material facts relating to the particular matters to be acted upon by the security holders concerning GMS England, GMS Canada and the GMS Subsidiaries.

"John C. Morris"
John C. Morris
Chief Executive

"Martin Groak"
Martin Groak
Non-Executive Finance Director

ON BEHALF OF THE BOARD

"Thomas Gee Elder"
Thomas Gee Elder

"Jon Pither"
Jon Pither

THIS IS SCHEDULE A ATTACHED TO AND MADE A PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE SPECIAL MEETING OF THE SHAREHOLDERS OF FULL RICHES INVESTMENTS LTD. TO BE HELD ON JANUARY 6, 2004, AND ANY ADJOURNMENT THEREOF

FINANCIAL STATEMENTS OF FULL RICHES

FULL RICHES INVESTMENTS LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED OCTOBER 31, 2002, 2001 AND 2000

(AUDITED)

AND FOR THE NINE-MONTH PERIODS ENDED JULY 31, 2003 AND 2002

(UNAUDITED)

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Auditors' Report

To the Directors of Full Riches Investments Ltd.

We have audited the consolidated balance sheets of Full Riches Investments Ltd. ("the Company") as at October 31, 2002, 2001 and 2000 and the consolidated statements of loss and deficit, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2002, 2001 and 2000, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Company Act (British Columbia), we report that, in our opinion, these principles have been applied on a consistent basis.

"*Wong, Robinson & Co.*"

Wong, Robinson & Co.

Chartered Accountants

Vancouver, B.C.
February 24, 2003, except as to notes 3 and 10
which are as at November 28, 2003

FULL RICHES INVESTMENTS LTD.
CONSOLIDATED BALANCE SHEET

Assets	*As at July 31, 2003* (unaudited) Cdn $	*As at October 31, 2002* (audited) Cdn $	*As at October 31, 2001* (audited) Cdn $
Current			
Cash	141,674	240,479	752,828
Accounts receivable	3,134	1,361	725
Prepaid and deposit	4,438	4,438	16,576
Promissory note receivable (note 3)	50,000	200,000	0
	199,246	446,278	770,129
Capital assets (note 4)	0	1,941	2,236,018
Deferred foreign exchange losses	0	0	98,230
	0	1,941	2,334,248
Total assets	199,246	448,219	3,104,377
Liabilities			
Current			
Accounts payable and accrued liabilities (note 8)	3,427	14,498	412,013
Long-term debt, current portion	0	0	103,642
	3,427	14,498	515,655
Long-term debt	0	0	1,548,799
	3,427	14,498	2,064,454
Shareholders' equity			
Share capital (note 5)	6,706,001	6,706,001	6,706,001
Deficit	(6,510,182)	(6,272,280)	(5,666,078)
	195,819	433,721	1,039,923
Total liabilities and shareholders' equity	199,246	448,219	3,104,377

Nature and continuance of operations (note 1)

Approved on behalf of the board

"Gordon Keep"
Director

"Neil Woodyer"
Director

(see accompanying notes to consolidated financial statements)

FULL RICHES INVESTMENTS LTD.
CONSOLIDATED STATEMENT OF LOSS AND DEFICIT

	For the nine-month period ended July 31, 2003	*For the nine-month period ended July 31, 2002*	*For the year ended October 31, 2002*	*For the year ended October 31, 2001*	*For the year ended October 31, 2000*
	(unaudited) Cdn $	*(unaudited) Cdn $*	*(audited) Cdn $*	*(audited) Cdn $*	*(audited) Cdn $*
Revenue					
Rental income	0	798,649	798,695	979,116	938,338
Expenses					
Repairs and maintenance		218,425	222,913	354,932	297,692
Interest on long-term debt		102,962	102,968	155,553	177,148
Salaries and benefits		84,004	84,044	133,116	113,246
Foreign exchange loss	8,467	34,342	78,299	34,060	19,696
Amortization of capital assets	97	53,376	71,991	73,419	74,534
Property taxes		71,262	71,266	88,148	63,145
Professional fees	48,779	38,691	56,788	62,672	21,720
Property management fees		35,012	35,014	57,842	45,889
Rent	7,560	13,304	16,917	17,723	24,918
Consulting and directors fees		10,450	15,550	19,500	49,372
Travel and promotion		13,889	13,936	3,438	13,613
Subscriptions and dues		6,067	7,899	5,653	7,347
Telephone		4,318	4,598	5,598	7,389
Office	11,645	3,673	3,768	4,854	5,632
Miscellaneous		3,029	3,767	2,732	9,125
Advertising		412	412	667	21,839
Bank charges and interest		319	327	372	469
License and fees		200	200	297	322
Bad debts expense	150,000				
Transfer agent and filing fees	9,734				
	236,282	693,735	790,657	1,020,576	953,096
Operating (loss)/profit before the following	(236,282)	104,914	8,038	(41,460)	(14,758)
Loss on disposal of shares in Ranklight Investment Inc. (note 6)	(1,844)		(614,897)		
Interest income	224	657	657	15,355	13,662
Net (loss)/profit for the period	(237,902)	105,571	(606,202)	(26,105)	(1,096)
Deficit, beginning of period	(6,272,280)	(5,666,078)	(5,666,078)	(5,639,973)	(5,638,877)
Deficit, end of period	(6,510,182)	(5,560,507)	(6,272,280)	(5,666,078)	(5,639,973)
Earnings/(loss) per share — basic	(0.02)	0.01	(0.05)	(0.00)	(0.00)
Weighted average common shares outstanding	11,871,849	11,871,851	11,871,851	11,871,851	11,871,851

(see accompanying notes to consolidated financial statements)

FULL RICHES INVESTMENTS LTD.
CONSOLIDATED STATEMENT OF CASH FLOWS

	For the nine-month period ended July 31, 2003	*For the nine-month period ended July 31, 2002*	*For the year ended October 31, 2002*	*For the year ended October 31, 2001*	*For the year ended October 31, 2000*
	(unaudited) Cdn $	*(unaudited)* Cdn $	*(audited)* Cdn $	*(audited)* Cdn $	*(audited)* Cdn $
Cash flows from operating activities					
Net (loss)/profit	(237,902)	105,571	(606,202)	(26,105)	(1,096)
Bad Debts	150,000	0	0	0	0
Adjustments for:					
Loss on disposition of capital assets	1,844	0	0	0	0
Deferred foreign exchange losses (credit)	0	36,701	98,230	(16,564)	(38,746)
Amortization of capital assets	97	53,376	71,991	73,419	74,534
	(85,961)	195,648	(435,981)	30,750	34,692
Changes in non-cash working capital					
Decrease (increase) in accounts receivable	(1,773)	(617)	(636)	189	43,120
Decrease in prepaid and deposit	0	(47,442)	12,138	6,044	(11,106)
Increase in promissory note receivable	0	0	(200,000)	0	0
Increase (decrease) in accounts payable and accrued liabilities	(11,071)	(294,163)	(397,515)	233,303	(30,126)
Cash flows from operating activities	(98,805)	(146,574)	(1,021,994)	270,286	36,580
Cash flows from investing activities					
Decrease in capital assets	0	0	2,162,086	0	0
Cash flows from investing activities	0	0	2,162,086	0	0
Cash flows used in financing activities					
Repayment of long-term debt	0	(77,973)	(1,652,441)	(18,870)	(4,390)
Cash flows used in financing activities	0	(77,973)	(1,652,441)	(18,870)	(4,390)
Net increase in cash and cash equivalents	(98,805)	(224,547)	(512,349)	251,416	32,190
Cash and cash equivalents, beginning of period	240,479	752,828	752,828	501,412	469,222
Cash and cash equivalents, end of period	141,674	528,281	240,479	752,828	501,412
Cash and cash equivalents consists of:					
Cash	141,674	528,281	240,479	441,909	174,156
Term deposit	0	0	0	310,919	327,256
	141,674	528,281	240,479	752,828	501,412
Non-cash investing and financing transactions not included in cash flows Promissary note received on sale of investment in Ranklight Investment Inc.	0	0	200,000	0	0
Supplemental cashflow information					
Interest paid	0	102,962	102,968	155,553	177,148

(see accompanying notes to consolidated financial statements)

FULL RICHES INVESTMENTS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2002, 2001 AND 2000
AND FOR THE NINE-MONTH PERIODS ENDING JULY 31, 2003 AND 2002

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company historically has been engaged in property investments. Its principal investment was a town home project with 102 units located in Houston, Texas which was held for rental income. On September 6, 2002, an Extraordinary General meeting of members was held to approve the sale of the Company's wholly-owned subsidiaries, Hawley Investments Inc. and Ranklight Investment Inc. The aggregate selling price of these subsidiaries was Cdn$350,000, with Cdn$150,000 received in cash and Cdn$200,000 by way of a promissory note in favour of the Company. The promissory note is due 12 months from closing, bears interest at 5 per cent. and is secured by, among others things, a guarantee of the purchaser. The transaction received the required approval from both the shareholders and the TSX Venture Exchange. The transaction was successfully completed on September 16, 2002. As a result of this disposition, the company suffered an extraordinary loss of Cdn$614,897. Management is currently focusing on finding new acquisition opportunities. The ability of the Company to continue as a going concern will ultimately depend on the successful completion of an acquisition of an interest in assets or a business and the ability to obtain profitable operations therefrom. The Company has entered into an agreement to acquire a business and obtain equity financing as described in Note 10.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and all subsidiary companies. Acquisitions have been accounted for by the purchase method and, accordingly, the results of operations of such companies have been included in these consolidated financial statements from the respective dates of acquisition. All significant intercompany accounts and transactions have been eliminated.

The wholly-owned subsidiary included in the consolidated financial statements for 2002 is Hawley Investments Inc. The wholly-owned subsidiaries included in the consolidated financial statements for 2001 are Hawley Investments Inc. and Ranklight Investment Inc.

b) Capital assets, amortization

Capital assets are valued at cost. Amortization is provided on a straight-line method over the expected economic useful lives of the assets using the following annual rates:

Building	3 per cent.
Office equipment and furniture	20 per cent.
Computer and software	33 per cent.

In the year of acquisition, amortization is calculated on a pro rata basis from the date of acquisition.

c) Foreign currency translation

The temporal method is used to translate the transactions and balances of the Company that are denominated in foreign currencies and for the Company's subsidiaries which are considered to be integrated with the Company. Under this method, monetary assets and liabilities, and non-monetary items carried at market values, are translated at the year-end exchange rate; other non-monetary items are translated at their historical exchange rate. Revenues and expenses are translated at average exchange rates, except amortization, which is translated at the historical exchange rates applicable to the related assets. All other exchange gains or losses are recognized currently in earnings.

Foreign denominated long-term monetary items are translated at the current rate of exchange. The unrealized translation gains or losses are deferred under the balance sheet caption "Deferred foreign exchange losses" and are amortized over the remaining life of the long-term monetary items.

At the balance sheet date, monetary items denominated in a foreign currency, are adjusted to reflect the exchange rate in effect at that date. Non-monetary balance sheet and income and expense items are translated using the exchange rate in effect at the date of the transaction.

d) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, particularly the recoverability of accounts receivable, capital and intangible assets and accrued liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from estimates.

e) Fair value of financial instruments

Carrying value of certain of the Company's financial instruments, including cash, accounts receivable, promissory note receivable and accounts payable and accrued liabilities approximates fair value due to their short maturities.

3. PROMISSORY NOTE RECEIVABLE

The promissory note receivable in the amount of Cdn$200,000 from Offshore Tradition Ltd. (an unrelated company to whom the Company sold its investment in Ranklight Investment Inc. (Note 6)) bears interest at 5 per cent. per annum and is repayable in full on the 16th day of September, 2003. Subsequent to July 31, 2003, the promissory note was settled and the net proceeds received were Cdn$50,000.

4. CAPITAL ASSETS

	As at July 31, 2003 *(unaudited)* *Net book value Cdn $*	*As at October 31, 2002* *(audited)* *Net book value Cdn $*	*As at October 31, 2001* *(audited)* *Net book value Cdn $*
Land	0	0	603,632
Building	0	0	1,626,291
Office equipment and furniture	0	1,941	4,873
Computer and software	0	0	1,222
	$0	$1,941	$2,236,018

5. SHARE CAPITAL

a) Authorized:

500,000,000 common shares without par value

b) Issued:

	As at July 31, 2003 *(unaudited)*		*As at October 31, 2002* *(audited)*		*As at October 31, 2001* *(audited)*	
	Number of shares	*Amount Cdn $*	*Number of shares*	*Amount Cdn $*	*Number of shares*	*Amount Cdn $*
Balance, beginning of period	11,871,851	6,706,001	11,871,851	6,706,001	11,871,851	6,706,001
Returned to Treasury	2	0	0	0	0	0
Balance, end of period	11,871,849	6,706,001	11,871,851	6,706,001	11,871,851	6,706,001

c) 2,556,000 common shares as at July 31, 2003 and 2,840,000 common shares as at October 31, 2000, October 31, 2001 and October 31, 2002 and July 31, 2002 are held in escrow subject to release upon approval by regulatory authorities.

6. LOSS ON DISPOSAL OF SHARES IN RANKLIGHT INVESTMENT INC.

The company has disposed of the shares of wholly-owned subsidiary Ranklight Investment Inc. on September 16, 2002. Ranklight Investment Inc. owns the Sunswept Townhomes property in Houston, Texas. The proceeds of disposition consisted of cash, the amount of Cdn$150,000 and a promissory note of Cdn$200,000 (Note 3).

	Cdn $
Proceeds of disposition of shares	350,000
Less: legal fees	(17,732)
Net proceeds of disposition of shares	332,268
Less: Net assets of Ranklight Investment Inc.	(947,165)
Loss on disposal of shares in Ranklight Investment Inc.	$(614,897)

7. INCOME TAXES

As at October 31, 2002, the Company has Cdn$1,071,598 non-capital losses and Cdn$971,480 capital losses available to reduce future non-capital income and taxable capital gains respectively for tax purposes, the benefits of which have not been reflected in the financial statements. The non-capital losses will expire as follows:

	Cdn $
2005	302,422
2006	142,446
2007	247,974
2008	205,302
2009	94,019
2010	79,435
	$1,071,598

8. RELATED PARTY TRANSACTIONS

During the year, the Company paid to directors for consulting services or remuneration or professional fees as follows:

	For the nine-month period ending July 31, 2003	*For the nine-month period ending July 31, 2002*	*For the year ended October 31, 2002*	*For the year ended October 31, 2001*	*For the year ended October 31, 2000*
	(unaudited) Cdn $	*(unaudited) Cdn $*	*(audited) Cdn $*	*(audited) Cdn $*	*(audited) Cdn $*
Consulting fees	29,900	6,800	15,550	19,500	19,800
Remuneration	0	0	26,000	49,200	0
Professional fees	0	0	1,200	0	0
	29,900	6,800	42,750	68,700	19,800

The transaction is in the normal course of operation, is measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

At October 31, 2002, the following amounts due from or to the related parties were included in the balance sheet.

	July 31, 2003 (unaudited) Cdn $	*October 31, 2002* (audited) Cdn $	*October 31, 2001* (audited) Cdn $
Accounts payable to directors, for consulting services or remuneration or professional fees	0	2,900	4,905

9. SEGMENTED INFORMATION

For the years ended October 31, 2002, 2001 and 2000 and for the nine-month period ending July 31, 2002, the Company and its subsidiaries operated principally in Canada and the United States. For the nine-month period ended July 31, 2003, the Company and its subsidiary operated exclusively in Canada. Intersegment sales are accounted for at prices which approximate market value. Operations and identifiable assets by geographic region are presented below:

For the nine-month period ended July 31, 2003 (unaudited)

	Canada Cdn $	*United States* Cdn $	*Consolidation* Cdn $
Revenue			
Sales to external customers	0	0	0
	0	0	0
Interest income	224	0	224
Total revenue	224	0	224
Segment income (loss)	(238,126)	0	(238,126)
Interest expense			0
Interest income			224
Net loss			(237,902)
Identifiable assets	57,572	0	57,572
Corporate assets	141,674	0	141,674
Total assets			199,246

For the nine-month period ended July 31, 2002 (unaudited)

	Canada Cdn $	*United States* Cdn $	*Consolidation* Cdn $
Revenue			
Sales to external customers	0	798,649	798,649
	0	798,649	798,649
Interest income	657	0	657
Total revenue	657	798,649	799,306
Segment income (loss)	(87,118)	295,000	207,882
Interest expense			(102,968)
Interest income			657
Net loss			105,571
Identifiable assets	11,383	2,585,950	2,597,333
Corporate assets	79,628	160,851	240,479
Total assets			2,837,812

For the year ended October 31, 2002

	Canada Cdn $	*United States Cdn $*	*Eliminations Cdn $*	*Consolidation Cdn $*
Revenue				
Sales to external customers	0	798,695	0	798,695
Intersegment sales	18,883	0	(18,883)	0
	18,883	798,695	(18,883)	798,695
Interest income	657	0	0	657
Total revenue	19,540	798,695	(18,883)	799,352
Segment income (loss)	(98,077)	227,966	(18,883)	111,006
Interest expense				(102,968)
Interest income				657
Loss on disposal of shares in Ranklight Investment Inc.				(614,897)
Net loss				(606,202)
Identifiable assets	240,479	0		240,479
Corporate assets	207,740	0		207,740
Total assets				448,219

For the year ended October 31, 2001

	Canada Cdn $	*United States Cdn $*	*Eliminations Cdn $*	*Consolidation Cdn $*
Revenue				
Sales to external customers	0	979,116	0	979,116
Intersegment sales	36,960	0	(36,960)	0
	36,960	979,116	(36,960)	979,116
Interest income	8,145	7,213	(3)	15,355
Total revenue	45,105	986,329	(36,963)	994,471
Segment income (loss)	(219,443)	370,499	(36,963)	114,093
Interest expense				(155,553)
Interest income				15,355
Net loss				(26,105)
Identifiable assets	9,852	2,341,697		2,351,549
Corporate assets	248,663	504,165		752,828
Total assets				3,104,377

For the year ended October 31, 2000

	Canada *Cdn $*	*United States* *Cdn $*	*Eliminations* *Cdn $*	*Consolidation* *Cdn $*
Revenue				
Sales to external customers	0	938,338	0	938,338
Intersegment sales	35,847	0	(35,847)	0
	35,847	938,338	(35,847)	938,338
Interest income	8,745	4,917	0	13,662
Total revenue	44,592	943,255	(35,847)	952,000
Segment income (loss)	(247,944)	446,181	(35,847)	162,390
Interest expense				(177,148)
Interest income				13,662
Net loss				(1,096)
Identifiable assets	22,509	2,392,128		2,414,637
Corporate assets	285,020	216,392		501,412
Total assets				2,916,049

10. SUBSEQUENT EVENTS

The Business Combination

On October 3, 2003, the Company entered into an arm's length agreement (the "Business Combination Agreement") with Gold Mines of Sardinia plc, a public company formed under the laws of England and Wales ("GMS England") pursuant to which Full Riches and GMS England agreed to complete a business combination (the "Business Combination"). GMS England is a gold exploration and development company with interests on the Italian island of Sardinia through its operating subsidiary Sardinia Gold Mining SpA, a 90-10 per cent. joint venture with the Sardinian regional Government.

Pursuant to the Business Combination, GMS England has incorporated GMS Canada ("Medoro Resources Ltd") under the laws of the Yukon. Pursuant to the terms of the Business Combination, GMS England will transfer all of the issued and outstanding shares in the capital of Gold Mines of Sardinia Pty Limited, a wholly-owned subsidiary of GMS England formed under the laws of Australia ("GMS Australia") from GMS England to GMS Canada in consideration for an aggregate of 38,726,261 shares of GMS Canada. The Company will subsequently be continued under the laws of the Yukon, and will be amalgamated with GMS Canada to form a new corporation being NewCo. Pursuant to the terms of the Amalgamation:

(i) GMS England, as the sole shareholder of GMS Canada, will receive common shares of NewCo representing, in aggregate, 50 per cent. of NewCo's issued and outstanding common shares (on a fully diluted basis) as of the date of the completion of the amalgamation (the "Closing Date"); and

(ii) the shareholders of the Company will receive common shares of NewCo representing, in aggregate, 50 per cent. of NewCo's issued and outstanding common shares (on a fully diluted basis) as of the Closing Date.

In conjunction with the completion of the Business Combination, GMS England shall distribute the shares of NewCo received on the Amalgamation to its shareholders, through a winding-up or reduction of capital, or in some other manner.

The Business Combination – Private Placements

Completion of the Business Combination is subject to the successful completion of Cdn$10,000,000 (gross) in equity financings by the Company (the "Private Placements"). The use of proceeds of the financings will be used for future exploration and development expenses and general working capital. In connection with the Business Combination, the Company announced a non-brokered private placement of up to 40,500,000 special warrants (the "Special Warrants") at a price of Cdn$0.10 per Special Warrant for gross proceeds of Cdn$4,050,000 (the "Initial Private Placement"). Each Special Warrant is exercisable, for no additional consideration, to acquire one Common Share. On October 27, 2003, the Company completed the issue and sale of 25,000,000 Special Warrants under the Initial Private Placement for aggregate proceeds of Cdn$2,500,000.

The Company anticipates completing the issue and sale of the balance of 15,500,000 Special Warrants under the Initial Private Placement for aggregate gross proceeds of Cdn$1,550,000 once an Information Circular has been mailed to its shareholders. The Special Warrants will be exercised for Common Shares prior to the completion of the Amalgamation and each Common Share received on such exercise will be exchanged for 0.5 NewCo Common Shares pursuant to Amalgamation.

In connection with the satisfaction of the condition to complete the balance of the Private Placements, Full Riches has retained an agent ("the Agent") in connection with a private placement of up to 22,900,000 subscription receipts (the "Subscription Receipts") at a price of Cdn$0.35 per Subscription Receipt for aggregate gross proceeds of up to Cdn$8,015,000 (the "Agency Private Placement"). Each Subscription Receipt is exercisable, for no additional consideration, to acquire one Common Share. In connection with the Agency Private Placement, the Company has agreed to pay the Agent, and any other investment dealers acting as agents in connection with the Agency Private Placement, a commission equal to 6.0 per cent. of the aggregate gross proceeds from the Agency Private Placement and to issue up to 1,374,000 Agent's Warrants. There can be no assurance that the Agency Private Placement will be completed. Subject to the satisfaction of certain escrow conditions which are also conditions precedent to the completion of the Amalgamation, the Subscription Receipts will be exercised for Common Shares prior to the completion of the Amalgamation and each Common Share received on such exercise will be exchanged for 0.5 NewCo Common Shares pursuant to the Amalgamation.

The Business Combination – Joint Venture

Completion of the Business Combination is subject to the execution and delivery by the Company of a joint venture agreement with a third party relating to the exploration, development and/or operation of properties to be acquired by NewCo with the appropriate mining expertise and financial capacity (the "Third Party Joint Venture Agreement").

The Company is currently in negotiations with a third party to enter into the Third Party Joint Venture Agreement. There can be no assurance that the Third Party Joint Venture Agreement will be completed.

The Business Combination – Interim Financing of GMS England

In conjunction with the Business Combination, Full Riches agreed to arrange an interim financing (the "Interim Financing") for GMS England consisting of up to US$1,500,000 of convertible debentures (the "Debentures") of GMS England to be issued to the Company in two tranches pursuant to a loan agreement between the Company and GMS England dated October 3, 2003 (the "GMS Loan Agreement"). The debentures bear interest at a rate of 10.0 per cent. per annum from the date of issue, payable on maturity, and mature on a date following the completion of the Business Combination such that the obligations of GMS England thereunder will expire on closing of the Business Combination. The Debentures are direct obligations of GMS England, secured by a charge over the shares of GMS Australia. All funds advanced under the Interim Financing are paid to and are to be used primarily for the expenses of such subsidiary.

The first tranche of the Debentures in the principal amount of US$500,000 was advanced on October 3, 2003. At the request of GMS England, the second tranche of the Debentures in the principal amount of US$1,000,000 will be issued as soon as practicable upon satisfaction of certain conditions precedent to the completion of the Business Combination, as well as the execution and delivery into escrow on terms satisfactory to the Company of a signed joint venture agreement which the parties have agreed to enter into, at the election of the Company, if the Business Combination has not been completed by March 1, 2004.

Further to the completion of the first tranche of the Interim Financing, the Company had the right to appoint two directors to GMS England's board of directors. Two such directors were appointed to GMS England's board of directors as the nominees of Full Riches on October 22, 2003.

The Business Combination – Endeavour Bridge Facility

In order to complete the first tranche of the Interim Financing prior to the completion of the Private Placement, the Company obtained a bridge facility (the "Bridge Facility") in the principal amount of US$500,000 with Endeavour Mining Capital Corp. ("Endeavour"). The Bridge Facility matured on October 31, 2003 and bore interest at a rate of 10 per cent. per annum, payable on the earlier of the principal repayment date or the maturity date. As security for the Bridge Facility, the Company agreed

to assign its rights under the Business Combination Agreement to Endeavour. As additional consideration for providing the Bridge Facility to the Company, the Company issued Endeavour 150,000 Common Shares. The Bridge Financing was repaid by the Company, with interest, on October 29, 2003 from the proceeds of partial closing of the Initial Private Placement.

The Business Combination – Alternate Joint Venture

If the Business Combination is not completed by March 1, 2004, the Company and GMS have agreed to form a joint venture for the exploration and mining of all project areas held by GMS or its subsidiaries in Sardinia, Italy at that date, subject to any agreements GMS may enter into with third parties prior to such date. The terms of the joint venture are that the amount due to the Company under the Interim Financing will convert to a 15 per cent. interest in the properties, and the Company will have the right to earn up to 60 per cent. interest upon completion of a bankable feasibility study.

The Business Combination – Miscellaneous

In the event that a delay in completing the Business Combination before March 1, 2004 occurs for reasons outside the reasonable control of the Company and GMS, they will negotiate in good faith to endeavour to agree to a reasonable extension of the date for completing the Business Combination.

In consideration for their services in introducing the parties, assistance with the Italian authorities, due diligence, assisting with the financing and continued services in completing the Business Combination a total of 10,000,000 Common Shares will be issued to Next com Italia srl, José Francisco Arata and Endeavour Financial.

It is the intention of the Company and GMS to apply to have NewCo listed on the AIM as well as the TSX Venture.

The completion of the Business Combination is subject to the approval of the TSX Venture and all other necessary regulatory approval. The completion of the Business Combination is also subject to additional conditions precedent including the approval of the shareholders of the Company and GMS.

THIS IS SCHEDULE B ATTACHED TO AND MADE A PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE SPECIAL MEETING OF THE SHAREHOLDERS OF FULL RICHES INVESTMENTS LTD. TO BE HELD ON JANUARY 6, 2004, AND ANY ADJOURNMENT THEREOF

FINANCIAL STATEMENTS OF GMS AUSTRALIA

GOLD MINES OF SARDINIA PTY LTD

Interim Report

30 June 2003

DIRECTORS' REPORT

The directors present their interim report on the results for the six months ended 30 June 2003.

PRINCIPAL ACTIVITIES

The principal continuing activity of entities within the group is investing in mineral resource projects, primarily gold in Sardinia, Italy. There have been no significant changes in the nature of those activities during the period.

SIGNIFICANT EVENTS

- ***Full Riches Investments Ltd.***

As at 3 October 2003, the parent company, Gold Mines of Sardinia plc (GMS plc), has entered into a Business Combination Agreement with Full Riches Investments Limited of Canada. Full details can be found on the website: www.gmsplc.com.

- ***Canley Developments Inc – Joint Venture***

As announced on 27 March, 2003 the parent company, Gold Mines of Sardinia plc (GMS plc) and its Italian subsidiary, Sardinia Gold Mining S.p.A. (SGM) entered into a Heads of Agreement with Canley Developments Inc, a Canadian corporation, under which Canley had the option to earn up to a 45% equity interest in the company's Furtei mining and explorations concessions in Sardinia.

On May 28, 2003, as provided for in the Heads of Agreement, the company announced that it has now executed a more formal Option Agreement and Joint Venture Terms with Canley, which embodies the terms of the Heads of Agreement.

Under the Option Agreement, Canley has an option over a 45% interest in the Furtei Project comprising the mine and its surrounding exploration tenements in return for spending 100% of the exploration and mining expenditure required for the Furtei project, to an amount of €15 million. The term of the option is eight years. Canley can earn its interest in two stages of 22.5% for each €7.5 million spent, at a minimum rate of €1 million in the first year, and €2 million in each successive year.

Canley's earn-in expenditure will be carried out in joint venture ('JV') with GMS plc and SGM, and SGM will act as manager. The final structure of the joint venture at Furtei is expected to be effectively 45% each to GMS plc and Canley, and 10% to Progemisa S.p.A., a corporation owned by the Sardinian Government. After Canley has earned its 45% interest, it will pay 50% of all future Furtei project costs, and GMS plc, which presently funds the whole of the project's expenditure requirements under separate arrangement with Progemisa, the remaining 50%. If Canley earns only a 22.5% interest, it will pay 25% of project costs and GMS plc will effectively pay 75%.

Canley also has a right, exercisable for six months, to nominate two areas of up to 100 square kilometres other than the Monte Ollasteddu prospect. Canley will then have the exclusive ability for 3 months to negotiate with GMS plc on the terms of a possible JV for exploration and mining on the nominated areas.

Under the Option Agreement and in addition to operations carried out at Canley's sole cost, GMS plc retains the right to utilise the Furtei mining plant for processing material from sources outside the Furtei Project, and also to carry on operations on its own account, on a total cost recovery basis.

DIRECTORS' REPORT (CONTINUED)

- ***Canley Developments Inc – Placement***

On May 28, 2003, GMS plc announced that it had placed 11,111,111 ordinary shares to Canley Developments Inc., at a price of 9 pence per share, to raise £1 million. Each share is accompanied by an unlisted warrant, which entitles the holder to subscribe for one ordinary share in GMS plc at a price of 11 pence, exercisable for a period of two years from the date of issue.

Nb: In July 2003, Canley Developments Inc changed its name to Sargold Resource Corporation.

- ***Barrick Gold Corporation / Homestake Mining Company of California***

As announced by Gold Mines of Sardinia Pty Limited (GMS Pty Ltd) in January 2002, an agreement was entered into by GMS Pty Ltd, SGM and Homestake Mining Company of California (Homestake) (now a subsidiary of Barrick Gold Corporation, pursuant to which options were granted to Homestake to joint venture two areas in Sardinia.

The first option related to the Monte Ollasteddu area and was exercisable by the later of 30 June 2003, or 31 days after the primary data from an initial drilling programme on the area had been received.

GMS plc announced on 5 September 2003 that Barrick / Homestake have now withdrawn from the Monte Ollasteddu venture for strategic reasons. This decision was formalised by the execution of a Mutual Release and Termination Agreement between GMS plc, SGM and Homestake.

The second option for Homestake to joint venture a second area nominated by Homestake within Sardinia was not exercised and expired on 31 December 2002.

- ***Bolivar Gold Corporation - Post 30 June 2003 developments***

On 5 September 2003, GMS plc announced that it had signed a letter of intent with Bolivar Gold Corporation. (TSX: BGC) ("Bolivar"). The two companies will form a JV to develop GMS's Monte Ollasteddu gold project in Sardinia, Italy. Under the terms of the agreement Bolivar will be able to earn up to a 70% interest in the project on the successful completion of certain development milestones. The JV will seek to undertake extensive drilling to quantify the site's gold resources with a view to the establishment of production.

Under the proposals outlined in the letter of intent, Bolivar will earn a 15% direct interest in the project upon receipt of all necessary research and access rights to the Monte Ollasteddu prospect, a further 40% on completion of a pre-feasibility study and an additional 15% upon completion of a bankable feasibility study. Bolivar will finance 100% of project expenditure until the bankable feasibility study has been completed.

Should Bolivar earn its full 70% interest in the project, GMS plc will retain a 20% participating interest and Progemisa S.p.A. (a corporation owned by the Sardinian Government) will retain a 10% carried interest.

Completion of the transaction is subject to various regulatory approvals and the execution of a detailed JV agreement, which is expected to be completed within 60 days.

After the parties have entered into the detailed JV agreement, GMS plc will grant Bolivar options to acquire GMS plc stock, exercisable for five years at an exercise price calculated as the weighted average sale price for stock exchange trades for the ten trading days immediately prior to grant. The number of options will not exceed the equivalent of 10% of the presently issued share capital. The options will be exercisable only when Bolivar has commenced a drilling program approved by the JV for the Monte Ollasteddu project.

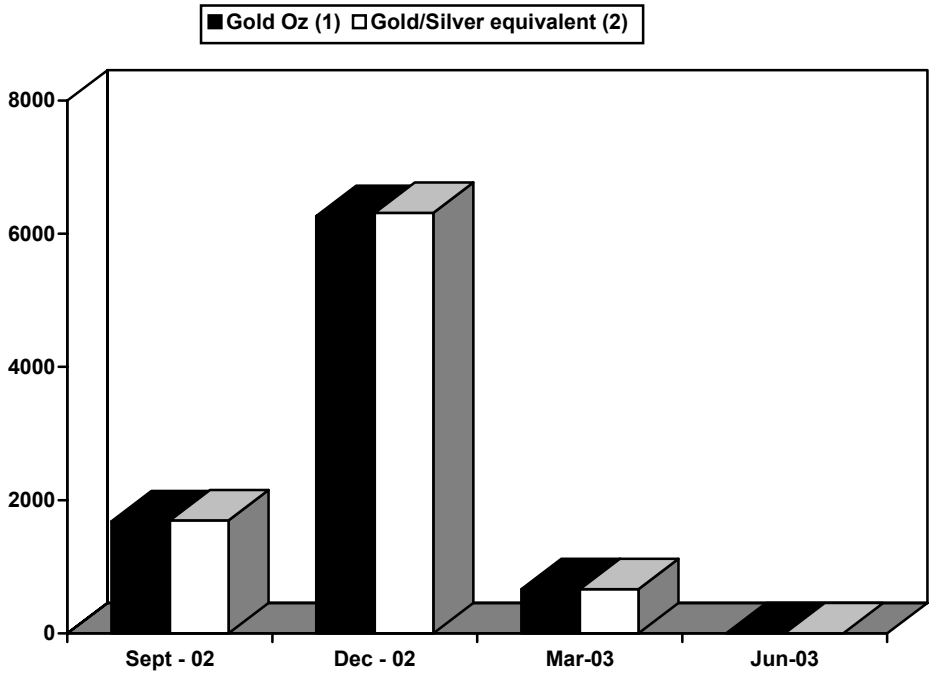
- ***Change of status of subsidiary company***

With effect as and from 25 March 2003 Gold Mines of Sardinia Limited converted in accordance with the Corporations Act 2001 of Australia from a public company limited by shares to a proprietary company limited by shares. The name of the company accordingly changed from Gold Mines of Sardinia Limited to Gold Mines of Sardinia Pty Ltd. The company's Australian Company Number remains unchanged.

REVIEW OF OPERATIONS

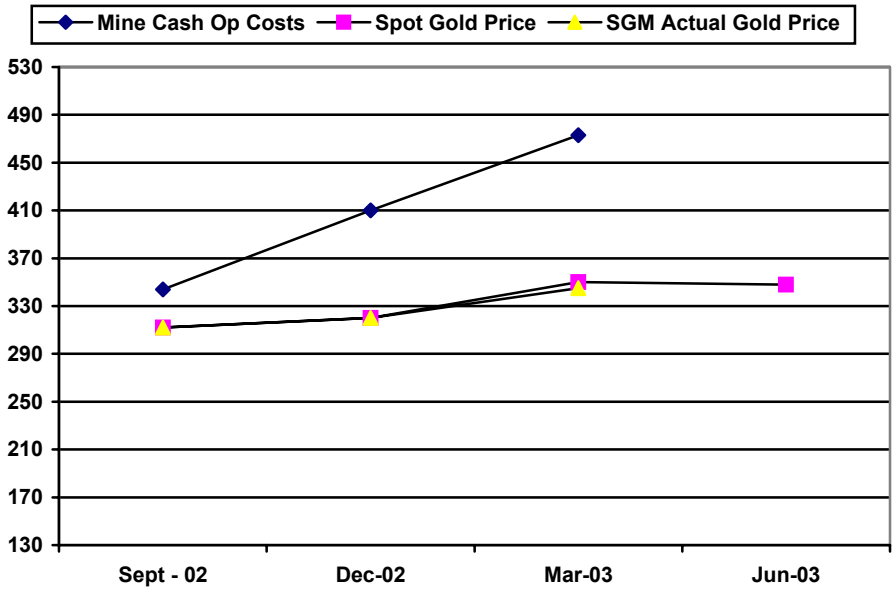
KEY PERFORMANCE HIGHLIGHTS

CHART ONE: BULLION AND CONCENTRATE SALES (ounces)



(1) Gold in bullion and in concentrate; (2) Gold and silver in bullion and in concentrate

CHART TWO: MINE CASH OPERATING COSTS (US$/oz)
(Per the Gold Institute Production Cost Standard)



REVIEW OF OPERATIONS (CONTINUED)

FURTEI EXPLORATION

HIGHLIGHTS

- Reverse Circulation (RC) drilling performed on the Su Masoni deposit at Furtei returned positive results of 21m @ 4.85 g/t Au and 16m @ 3.16 g/t Au.
- Sargold Resource Corporation (formerly Canley Developments Inc.) to inject a minimum of €1 million in first year and a total of €15 million over 8 years to earn up to 45% of the Furtei Project. Diamond and RC drilling as part of the Sargold Joint Venture to commence in September 2003.
- A review and interpretation of all existing exploration data sets in conjunction with recently completed geophysical self-potential and (micro) gravity surveys resulted in the generation of 28 new targets for drill testing in the Furtei Mine corridor.
- New vein structures have been identified in the Bruncu de Didus area in the southwest part of Furtei. Rock chip grab samples returned 28.8 g/t Au, 15 g/t Au, 9.32 g/t Au, 9.0 g/t Au and up to 77 g/t Ag. Best channel samples include 3m @ 6.06 g/t Au. The mineralised structures form part of the intermediate sulphidation epithermal structures, which can be traced for 2-3 km along the strike at surface.

EXPLORATION

A short programme of RC drilling was performed at the Su Masoni deposit to close off high-grade sulphide mineralisation at the eastern end in preparation for re-evaluation of the resource for open cut mining. A total of four holes were drilled, best results include:

MAR 213, 21m @ 4.85 g/t Au (from 54m) and
MAR 217, 16m @ 3.16 g/t Au (from 54m).

The mineralisation remains open to the east and at depth. Deeper diamond drilling is planned as part of the Sargold Joint Venture to test previous high grade diamond drill results beneath Su Masoni of 5m @7.12 g/t Au from 180m in drill hole MAD 108 and 3m @ 20.07 g/t Au and 2.98% Cu from 174m in drill hole MAD 107.

In the southwest of the Furtei area, from Bruncu de Didus to Didus Est (Fig 1) quartz-carbonate-barite veins crop out in 3 separate structural zones of up to 3 km strike length. These mineralised zones are interpreted to be of intermediate sulphidation style and contain high gold and silver grades in surface sampling. Recent sample results include; 3m @ 6.6 g/t Au in channel sampling and 28.8 g/t Au, 9 g/t Au and 77 g/t Ag from grab samples at Monte Canniu and 15 g/t Au and 9.32 g/t Au from grab sampling at Bruncu de Didus Est.

A comprehensive review and re-interpretation of all previous exploration data sets such as ground magnetics, geophysical Induced Polarisation surveys, geochemical sampling, drilling data, Landsat imagery, geological and alteration mapping has been performed for the Furtei Mine corridor area. This has resulted in an integrated geophysical, geological and geochemical interpretation to construct a predictive model on the controls on the three main mineralising styles at Furtei.

The recently completed geophysical self-potential (SP) survey performed over the entire Mine corridor area (designed to locate conductive bodies; for example sulphide mineralisation) shows very good correlation of SP minima with all known and outcropping high sulphidation styles of epithermal mineralisation. The SP geophysical technique can potentially detect conductive bodies at depth that have no surface expression to depths greater than 500 metres below the surface.

There are numerous other SP anomalies that are coincident with favourable sites for new gold deposits that are interpreted in the mineralisation model above. A total of 28 new drill targets have been generated and each has the potential to host significant mineralisation.

REVIEW OF OPERATIONS (CONTINUED)

A close spaced (micro) gravity survey was completed along with the SP survey. A close spatial relationship with gravity highs underlies the northeast-southwest and north-south mineralised trends. In addition, new circular features, possibly representing ring structures around volcanic centres, have been identified in between Cima-Est and Bruncu de Didus and major basement faults have been delineated.

A programme of 7,000m of diamond and RC drilling will commence in September 2003 as part of the recently concluded Joint Venture with Canadian listed Sargold Resource Corporation. Sargold are to spend €1 million in the first year of exploration and a further €14 million over the next 7 years to earn 45% of the Furtei Project. The initial first year programme is designed to test up to 17 separate targets defined by the complete review of the structural controls of gold mineralisation in the Furtei mine corridor. Some of the targets are close to the defined underground reserves at Furtei.

REGIONAL EXPLORATION

Data acquisition and interpretation of previous radiometric surveys completed over parts of northeastern and southwest Sardinia is nearing completion. The radiometric data will assist in delineating the strike continuity and new mineralised gold bearing structures associated with the orogenic gold event during the Hercynian Deformation. Such mineralised structures occur at the bulk tonnage gold targets at Monte Ollasteddu and San Vito and the high-grade veins at Torpe`.

The tenement for Monte Ollasteddu has been granted by the Mines Department. However, drill permit access to the prospect is presently awaiting formal approval from the Ministry of Defence in Rome. A programme of RC and diamond drilling has been planned to test the central and western zones of the 4km long quartz-sulphide mineralised zone.

FURTEI MINE PRODUCTION

The treatment plant completed treatment of stockpiled ores early in the second month of the year, leading to the complete suspension of all treatment plant activities shortly after. This resulted in the treatment plant employees joining the mine employees in "Cassa Integrazione" which enables them to remain SGM employees but with a reduced salary paid by the Italian Government.

During the shutdown period maintenance work is ongoing on both the mining fleet and the treatment plant, and the Dump Leach remains in operation.

Total Gold Production for the half year was 1,153oz.

Production Statistics

	6 Months to 30 June 2003	6 Months to 31 Dec 2002	6 months to 30 June 2002
Dry Tonnes Milled	18,763	95,289	117,110
Total Gold Produced (Oz)	1,153	8,832	11,453
Total Copper Produced (t)	16.0	384.0	863.0
Total Mine Cash Op Cost (per Oz)	US $473	US $376	US $286

OSILO PROJECT

There was no significant movement in the Osilo Project during the period.

GOLD AND OTHER METAL SALES

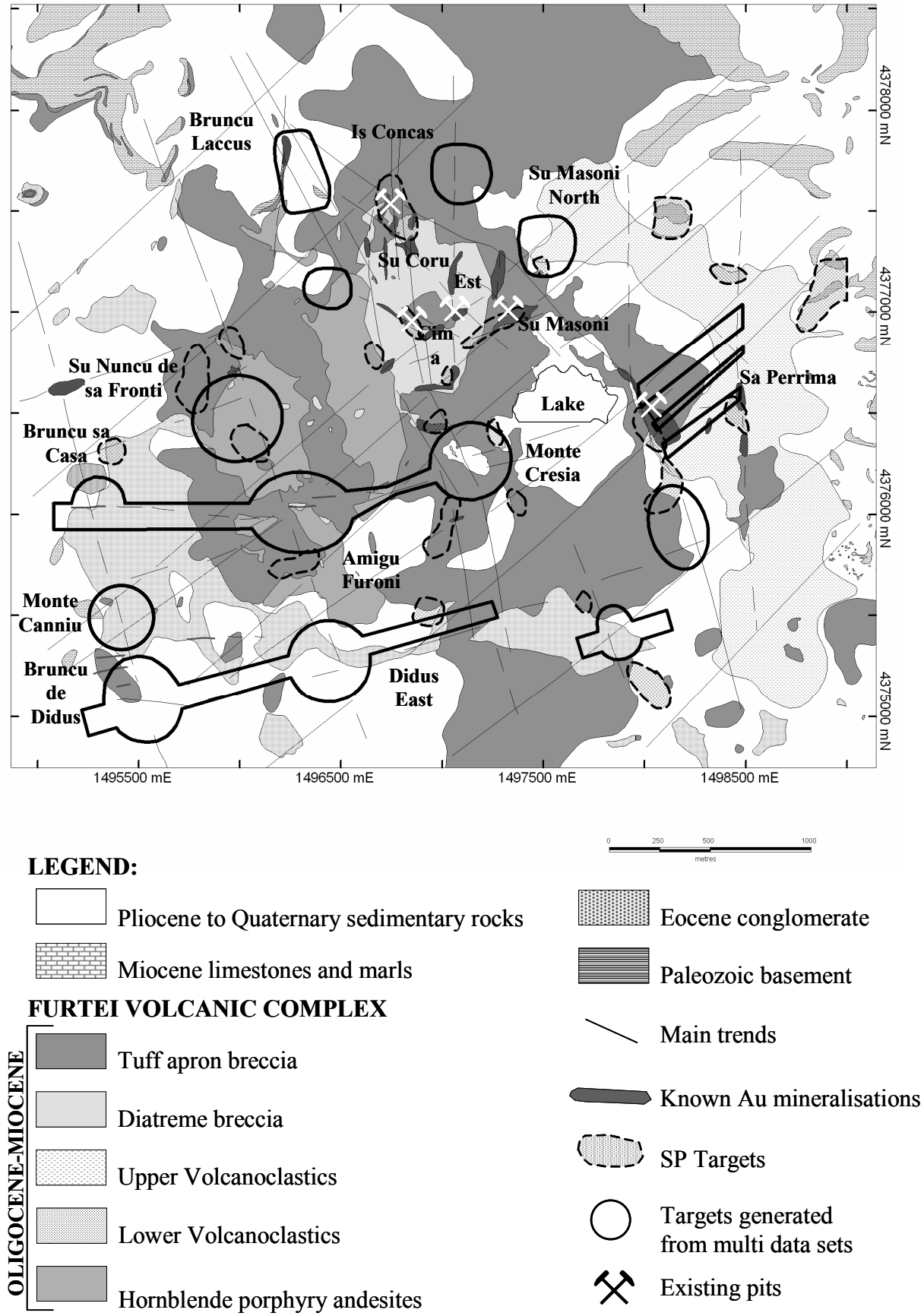
A total of 845 ounces of gold was sold during the reporting period; 662 ounces of gold in bullion and 183 ounces of gold in concentrate (2002: 6,167 oz in bullion and 6,465 oz in concentrate). The average realised gold price for gold in bullion and gold in concentrate for the six months to 30 June 2003 was US$345 (2002: US$297). All gold (and silver) sales were at the spot price on the day of delivery.

			6 months ended 30 June 2003	**6 months ended 30 June 2002**
(i)	**Bullion Sales**			
	Gold	Oz	662	6,167
	Silver	Oz	103	1,900
	Gold Equivalent Factor		76	64
	Gold Equivalent	Oz	663	6,197
(ii)	**Concentrate Sales**			
	Gold	Oz	183	6,465
	Copper	Tonnes	-	870
(iii)	**Average Realised Price**			
	Gold	US$/oz	345	297
	Silver	US$/oz	4.5	4.4
	Copper in Concentrate	US$/t	n/a	1,523
(iv)	**Total Sales Revenue**			
	Gold	US$	228,338	1,835,789
	Silver	US$	467	8,455
	Net Concentrate Revenue	US$	62,278	903,158

Mr. Jeff Rayner B.Sc. (Hons.), Chief Geologist for Sardinia Gold Mining S.p.A., has been responsible for the preparation of the geological sections of this report. Mr. Rayner is a corporate Member of the AusIMM and has more than five years' experience in the estimation, assessment and evaluation of mineral resources and ore reserves, which is relevant to the style of mineralisation under consideration.

* * * * *

FIG 1: FURTEI GEOLOGICAL MAP AND TARGETS



CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE SIX MONTHS ENDED 30 JUNE 2003

	6 months to 30 June 2003 (Unaudited) £000	6 months to 30 June 2002 (Unaudited) £000
TURNOVER	**331**	2,711
Change in stocks of gold in circuit, refined gold and concentrate	**(53)**	(110)
Raw materials and consumables	**(183)**	(556)
Other external charges	**(695)**	(1,375)
Staff costs	**(718)**	(837)
Depreciation and other amounts written off, tangible and intangible	**(232)**	(3,727)
OPERATING LOSS	**(1,550)**	(3,894)
Interest payable	**(26)**	(49)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	**(1,576)**	(3,943)
Tax on loss on ordinary activities	**-**	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	**(1,576)**	(3,943)
Minority interests		
Equity	**-**	27
RETAINED LOSS ATTRIBUTABLE TO SHAREHOLDERS	**(1,576)**	(3,916)

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Loss for the financial period attributable to members	**(1,576)**	(3,916)
Exchange differences on re-translation of net assets of subsidiary undertaking	**(658)**	(375)
Total recognised gains and losses relating to the year	**(2,234)**	(4,291)

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2003

	30 June 2003 (Unaudited) £000	30 June 2002 (Unaudited) £000
FIXED ASSETS		
Intangible assets	**8,231**	7,987
Tangible assets	**2,572**	3,060
Investments	**-**	240
	10,803	11,287
CURRENT ASSETS		
Stocks	**371**	556
Debtors: amounts falling due within one year	**1,026**	1,421
Cash at bank and in hand	**399**	2,482
	1,796	4,459
Creditors: amounts falling due within one year	**(873)**	(1,821)
NET CURRENT ASSETS	**923**	2,638
TOTAL ASSETS LESS CURRENT LIABILITIES	**11,726**	13,925
Creditors: amounts falling due after more than one year	**(3,952)**	(3,403)
PROVISIONS FOR LIABILITIES AND CHARGES	**(1,296)**	(1,169)
ACCRUALS AND DEFERRED INCOME	**(1,374)**	(1,334)
	5,104	8,019
CAPITAL AND RESERVES		
Called up share capital	**30,937**	30,937
Profit and loss account	**(25,833)**	(22,918)
Total Shareholders' Funds	**5,104**	8,019
Minority interests (all equity)	**-**	-
Total capital employed	**5,104**	8,019

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2003

	30 June 2003 (Unaudited) £000	30 June 2002 (Unaudited) £000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	**(319)**	(1,052)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid	**(26)**	(49)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	**(46)**	(48)
Sale of investments	**-**	95
Exploration, evaluation and development expenditure	**(324)**	(318)
Exceptional item – Scheme of Arrangement costs	**-**	-
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	**(370)**	(271)
FINANCING		
Issue of ordinary share capital by GMS Pty Ltd	**-**	3,398
Expenses paid in connection with share issues	**-**	(25)
Receipts from borrowings	**-**	175
Repayment of borrowings	**(118)**	-
NET CASH (OUTFLOW)/INFLOW FROM FINANCING	**(118)**	3,548
(DECREASE)/INCREASE IN CASH	**(833)**	2,176

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

1. The interim financial statements were approved by a Committee of the Board of Directors on 3 October 2003. The statements, which are unaudited, have been prepared on the basis of the accounting policies published in the statutory accounts for the year ended 31 December 2002. The financial information set out in this interim report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985.

2. These interim financial statements have been prepared on a Going Concern basis predicated on the draw-down of a loan which forms part of the Business Combination Agreement with Full Riches Investments Ltd., signed on 3 October 2003, details of which were released earlier. If the Business Combination is not completed by March 1 2004, FRI and GMS have agreed to form a Joint Venture for the exploration and mining of all Project Areas held by GMS or its subsidiaries in Sardinia, Italy, at that date, subject to any agreements GMS may have entered into with third parties prior to such date. The terms of the joint venture are that FRI will receive a 15% vested interest in the properties upon forgiving the amount due under the interim financing, and FRI will have the right to earn up to a total of 60% interest upon completion of a bankable feasibility study. Alternatively, FRI could, within two weeks following March 1 2004, opt not to go ahead with the JV and instead seek repayment of all the interim financing within 90 days of that date. At this point GMS will seek alternative financing arrangements

3. No tax is payable as a result of the loss for the period. Unrelieved tax losses remain available to offset against future taxable profits. These losses have not been recognised within the interim financial statements as they do not meet the conditions required in accordance with FRS 19. Under Italian Law, losses are only available for carry forward for a maximum of five years.

4. The directors do not recommend the payment of an interim dividend.

5. No figures have been calculated for earnings per share on the basis that the company is a wholly-owned subsidiary of Gold Mines of Sardinia plc.

6. The financial information in these interim financial statements has been prepared in accordance with accounting principles generally accepted in the United Kingdom, which differ in certain aspects from those principles and practices that the company would have followed had the financial information been prepared in accordance with accounting principles generally accepted in Canada. There are no material differences that impact upon the financial information as presented, other than a number of minor presentational, disclosure and classification matters within the balance sheet, profit and loss account and cash flow statement.

Grant Thornton

The Directors
Full Riches Investments Limited
Suite 3123
Three Bentall Centre
595 Burrard Street
Vancouver
British Columbia
Canada V7X 1J1

28 November 2003

GOLD MINES OF SARDINIA PTY LIMITED ("THE COMPANY") AND ITS SUBSIDIARIES (TOGETHER "THE GROUP")

1 INTRODUCTION

1.1 We report on the financial information set out in paragraphs 2 to 8. This financial information has been prepared for inclusion in the Circular issued by Full Riches Investments Limited, dated 28 November 2003.

Basis of preparation

1.2 The financial information set out in paragraphs 2 to 8 below is based on the audited consolidated financial statements of Gold Mines of Sardinia Pty Limited, a subsidiary of Gold Mines of Sardinia plc, for the two years ended 31 December 2002 and has been prepared on the basis set out in paragraph 3 after making such adjustments as we considered necessary. Information in respect of the year ended 31 December 2000 has not been presented, as in the opinion of the Directors it is not relevant to shareholders' understanding of the proposed transaction. This has been accepted by the TSX Venture Exchange and they have waived the requirement for inclusion of this information in the Circular.

Responsibility

1.3 Such financial statements are the responsibility of the Directors of the Company who approved their issue.

1.4 The Directors of Full Riches Investments Limited are responsible for the contents of the Circular in which this report is included.

1.5 It is our responsibility to compile the financial information set out in our report from the financial statements, to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

1.6 We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Such work was supported by work that complied with International Auditing Standards to the extent that they are applicable to this engagement. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. The evidence included that previously recorded by the auditors who audited certain of the financial statements underlying the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

1.7 We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

1.8 In our opinion the financial information gives, for the purposes of the Circular dated 28 November 2003, a true and fair view of the results and cash flows of the Group for the two years ended 31 December 2002 and the state of affairs of the Group at the end of each of those years in accordance with United Kingdom generally accepted accounting principles (UK GAAP).

1.9 A reconciliation of the financial information under UK GAAP to the financial information that would have been presented under Canadian generally accepted accounting principles is contained in Note 8.24 of this report.

2 STATUTORY INFORMATION

2.1 The Company was incorporated in Australia under the name Bronte Holdings Limited on 8 May 1987. The Company changed its name to Gemcor Limited on 5 August 1987, and then to Gold Mines of Sardinia Limited on 16 October 1995. The Company changed its status, causing a name change to Gold Mines of Sardinia Pty Limited on 25 March 2003.

2.2 At the date of this report the Company's share capital comprised 263,239,404 ordinary shares, which have been issued and fully paid.

2.3 The Company's principal activity is investing in mineral resource projects, primarily gold in Sardinia, Italy.

2.4 The Company's subsidiary undertakings, together with the percentage interest held, as of the date of this report are:

- Mediterranean Gold Mines Pty Limited (incorporated in Australia) (100%)
- Euro Mining Pty Limited (incorporated in Australia) (100%)
- Sardinia Gold Mining SpA (incorporated in Italy)(90%)

3 ACCOUNTING POLICIES

3.1 **Basis of preparation**

The financial information has been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

The principal accounting policies of the Group have remained unchanged throughout the period and are set out below.

3.2 Basis of consolidation

The consolidated financial information is that of the group, comprising Gold Mines of Sardinia Pty Ltd and all entities which it controlled during each year and at the balance sheet dates, and therefore excludes the results and financial position of GMS plc. Financial information of subsidiaries is included from the date the company obtains control until such time as control ceases. Where there is loss of control of a subsidiary, the consolidated financial information includes the results for the part of the reporting period during which the company has control.

Subsidiary acquisitions are accounted for using the purchase method of accounting. The financial information of subsidiaries is prepared for the same reporting period as the company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

3.3 Going concern

After making appropriate enquiries, and in light of the joint ventures and strategic alliances entered into with Sargold Resource Corp and Bolivar Gold Corporation since 31 December 2002 and the proposed amalgamation with Full Riches Investments Limited, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing this financial information.

3.4 Depreciation

Depreciation is provided on all tangible fixed assets (except freehold land) at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset over its expected useful life, as follows:

- Plant and machinery - over 5 to 15 years on a straight line basis
- Furtei processing plant - on production basis over life of mine.

3.5 Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax with the following exceptions.

Provision is made for tax on gains arising from the disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that they will be recovered.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

3.6 Restoration costs

Restoration costs that are expected to be incurred are provided as a part of the exploration, evaluation, development, construction or production phases that give rise to the need for restoration. Accordingly, these costs are recognised over the life of the facility based on costs incurred as these phases occur. The costs include obligations relating to reclamation, waste site closure, plant closure, plant removal and other costs associated with the restoration of the site. Estimates of the restoration obligations are based on anticipated technology and legal requirements and future costs, which have not been discounted to their present value. Any changes in the estimates are adjusted on a retrospective basis. In determining the restoration obligations, the entity has assumed no significant changes will occur in relevant legislation in relation to restoration of such mineral mines in the future.

3.7 Employee entitlements

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

3.8 Stocks

Stocks of consumable supplies and spare parts are valued at the lower of cost and net realisable value.

Gold is valued at the lower of cost and net realisable value, using market price at year end or where applicable a forward contract price. Gold in circuit includes gold in circuit and gold contained in stockpiled ore as determined by production records. The cost of gold in circuit includes the cost of direct materials, labour and variable and fixed overheads relating to mining activities.

3.9 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be readily measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of gold

Revenue from production of gold is recognised when the risks and rewards of ownership have passed to the buyer. This will be when all of the following recognition criteria have been met:

- the product is in a form suitable for delivery and no further processing is required by or on behalf of the group;
- the quantity and quality of the product can be determined with reasonable accuracy;
- the selling price can be determined with reasonable accuracy; and
- the product has been despatched to a refiner and is no longer under the physical control of the group.

3.10 Investments

All non-current investments are carried at the lower of cost and net realisable value.

3.11 Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership. All leases in the period were operating leases.

Operating Leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis over the period of the lease.

3.12 Foreign currencies

Transactions in foreign currencies are translated at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate.

The accounts of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings to the extent that they are used to finance or provide a hedge against group equity investments in foreign enterprises, which are taken directly to reserves together with the exchange differences on the net investment in these enterprises.

3.13 Deferred exploration and evaluation

Costs carried forward

Costs arising from exploration and evaluation activities are carried forward provided such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not, at the reporting date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. Such assessments are based on a professional evaluation of mineral reserves. Costs are not carried forward where the directors believe the recovery of those assets is not probable. Costs carried forward in respect of an area of interest that is abandoned are written off in the period in which the decision to abandon is made.

Amortisation

Costs on productive areas are amortised over the life of the interest to which such costs relate on the production output basis.

4 CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Note	Year ended 31 December 2002 £'000	2001 £'000
Turnover	8.1	4,379	5,789
Changes in stocks of gold in circuit, refined gold and concentrate		(181)	(412)
Raw materials and consumables	8.3	(1,351)	(1,508)
Other external charges		(1,545)	(3,286)
Staff costs		(1,556)	(1,487)
Depreciation and other amounts written off, tangible and intangible		(5,166)	(1,654)
Operating loss	8.1	(5,420)	(2,558)
Interest payable	8.4	(91)	(136)
Loss on ordinary activities before taxation		(5,511)	(2,694)
Tax on loss on ordinary activities	8.5	-	-
Loss on ordinary activities after taxation		(5,511)	(2,694)
Minority interests Equity	8.22	25	130
Retained loss attributable to shareholders	8.17	(5,486)	(2,564)

5 CONSOLIDATED BALANCE SHEET

	Note	At 31 December 2002 £'000	2001 £'000
Fixed assets			
Intangible assets	8.6	7,480	9,508
Tangible assets	8.7	2,570	4,295
Investments	8.8	-	456
		10,050	14,259
Current assets			
Stocks	8.9	424	666
Debtors: amounts falling due within one year	8.10	1,467	947
Debtors: amounts falling due after one year	8.10	42	46
Cash at bank and in hand		1,232	306
		3,165	1,965
Creditors: amounts falling due within one year	8.11	(1,532)	(2,303)
Net current assets / (liabilities)		1,633	(338)
Total assets less current liabilities		11,683	13,921
Creditors: amounts falling due after more than one year	8.11	(3,433)	(3,205)
Provisions for liabilities and charges	8.13	(889)	(784)
Accruals and deferred income	8.14	(1,365)	(1,786)
		5,996	8,146
Capital and reserves			
Called up share capital	8.15	29,595	26,056
Profit and loss account	8.16	(23,599)	(17,935)
Total shareholders' funds	8.17	5,996	8,121
Minority interests (all equity)	8.22	-	25
Total capital employed		5,996	8,146

6 CONSOLIDATED CASH FLOW STATEMENT

	Note	Year ended 31 December 2002 £'000	2001 £'000
Net cash outflow from operating activities	8.21	(1,891)	(643)
Returns on investments and servicing of finance			
Interest paid		(91)	(136)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(48)	(1,686)
Sale of investments		95	2,676
Exploration, evaluation and development expenditure		(393)	(1,285)
Net cash outflow from capital expenditure and financial investment		(346)	(295)
Financing			
Issue of ordinary share capital		3,398	73
Expenses paid in connection with share issues		(25)	-
Receipts from borrowings		-	312
Repayment of borrowings		(109)	(998)
Net cash inflow / (outflow) from financing		3,264	(613)
Increase / (decrease) in cash	8.21	936	(1,687)

7 CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Year ended 31 December 2002 £'000	2001 £'000
Loss for the financial year attributable to members	(5,486)	(2,564)
Exchange differences on re-translation of net assets of subsidiary undertaking	(178)	882
Total recognised gains and losses relating to the year	(5,664)	(1,682)

8 NOTES TO THE FINANCIAL INFORMATION

8.1 Turnover and operating loss

Turnover and operating loss relate entirely to the group's principal continuing area of activity, that of the acquisition, exploration and development of gold and metal deposits in Italy.

Operating loss is stated after charging:

	2002 £'000	2001 £'000
Auditors remuneration:		
Audit services - Australia (Ernst & Young)	16	35
Audit services - Italy (2002: Grant Thornton, 2001: Ernst & Young)	9	8
Non-audit services - Australia (Ernst & Young)	12	12
Impairment of deferred exploration, evaluation and development costs	559	-
Amortisation of deferred exploration, evaluation and development costs	1,604	896
Depreciation of tangible fixed assets	2,478	758
Impairment of tangible fixed assets	525	-

8.2 Directors' emoluments

Emoluments in respect of Directors for each year were as follows:

	2002 £	2001 £
Directors' emoluments	172,629	390,942

The emoluments of the highest paid Director in each year were as follows:

	2002 £	2001 £
Directors' emoluments	117,428	123,924

Directors' emoluments

Year ended 31 December 2002

	Annual emoluments				Long term emoluments			
	Fees	Bonus	Other	Termination	Options granted		Pension	Total 2002
	£	£	£	£	No	£	£	£
J Pither	35,699	-	-	-	-	-	-	35,699
T Elder	12,905	-	-	-	-	-	-	12,905
J Morris	38,426	-	11,868	58,384	-	-	8,809	117,427
J Chappell	6,598	-	-	-	-	-	-	6,598
L Graber	-	-	-	-	-	-	-	-
M Groak	-	-	-	-	-	-	-	-

Mr Pither's remuneration was paid to Surrey Management Services Limited, a company in which Mr Pither has a financial interest.

Details of options granted over unissued shares in the Gold Mines of Sardinia Employee Option Plan, being replacement options for options issued under the Gold Mines of Sardinia Limited Employee Option Plan, during the year or since the end of the year to any director as part of their remuneration are shown above.

Year ended 31 December 2001

	Annual emoluments				Long term emoluments			
	Fees	Bonus	Other	Termination	Options granted		Pension	Total 2001
	£	£	£	£	No	£	£	£
J Pither	27,002	-	3,419	-	500,000	31,791	-	62,212
T Elder	5,160	-	1,407	-	-	-	-	6,567
P Chare	49,245	-	5,750	-	-	-	-	54,995
J Morris	48,746	-	9,218	-	500,000	31,791	9,537	99,292
J Chappell	8,742	-	3,419	-	500,000	31,791	-	43,952
G Johnston	49,679	52,985	2,010	19,250	-	-	-	123,924

Mr Chappell is a director and has a financial interest in Nalmor Pty Ltd, which received a total of £2,119 for geological services provided throughout the year ended 31 December 2001.

Mr Johnston was a director until 18 October 2001 and has a financial interest in Davidson Management Pty Ltd, which received a total of £123,924 during the year ended 31 December 2001.

Options granted as part of remuneration have been valued using the Black and Scholes option pricing model which takes account of factors such as the option exercise price, the current level of volatility of the underlying share price and the time to maturity of the option. The terms of the options do not allow the options to be transferred and they can only be exercised if the option holder is a director at the time they are exercised. These restrictions are contrary to the assumptions underlying the model used to value the options. Due to these restrictive terms and the fact that the options are not to be listed, we believe it is appropriate to apply a marketability discount of between 30% and 50% to the value of the options assessed using the model. Accordingly a value of 18 cents has been applied to the options.

Options have been granted over unissued shares in the Gold Mines of Sardinia plc Employee Options Plan, being replacement options for options issued under the Gold Mines of Sardinia Limited Employee Option Plan. There are no outstanding share options in the company.

8.3 Employees

The aggregate remuneration and associated costs of the group's employees were:

	2002 £'000	2001 £'000
Wages and salaries	1,046	1,017
Social security costs	430	407
Other pension costs	-	-
Post retirement benefits other than pensions	80	63
	1,556	1,487

The average numbers of employees of the group during each year was:

	2002	2001
Australia	3	3
Italy	61	64
United Kingdom	2	2
United States of America	1	-
	67	69

8.4 Interest payable

	2002 £'000	2001 £'000
Interest payable and similar charges	91	136

8.5 Tax loss on ordinary activities

No tax arises on the loss for the year (2001 : £nil). The tax assessed for the period differs from the standard rate of corporation tax in the UK of 30% (2001 : 30%). The differences are explained as follows:

	2002 £'000	2001 £'000
Loss on ordinary activities before tax	(5,511)	(2,694)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001 : 30%)	(1,653)	(808)
Effect of:		
Expenses not deductible for tax purposes	270	245
Carry forward of unutilised tax losses	1,383	563
Current tax charge for period	-	-

Unrelieved tax losses remain available to offset against future taxable profits. These losses have not been recognised within the financial information as they do not meet the conditions required in accordance with FRS 19. Losses by country at 31 December 2002 are as follows:

Australia	Losses of £3,300,000	- tax effect is £1,000,000
Italy	Losses of £12,350,000	- tax effect is £4,450,000

Under Italian law, losses are only available for carry forward for a maximum of 5 years.

8.6 Intangible fixed assets

	Deferred exploration, evaluation and development costs		
	Production £'000	Pre-Production £'000	Total £'000
Cost			
At 1 January 2001	8,902	5,568	14,470
Exchange difference	(301)	(188)	(489)
Capitalised during the year	-	1,295	1,295
At 31 December 2001	8,601	6,675	15,276
Exchange difference	350	272	622
Capitalised during the year	183	210	393
Transfer to plant and machinery	(637)	-	(637)
At 31 December 2002	8,497	7,157	15,654
Amortisation			
At 1 January 2001	(4,737)	(305)	(5,042)
Exchange difference	160	10	170
Charge for the year	(294)	(602)	(896)
At 31 December 2001	(4,871)	(897)	(5,768)
Exchange difference	(205)	(38)	(243)
Charge for the year	(1,504)	(100)	(1,604)
Impairment losses	-	(559)	(559)
At 31 December 2002	(6,580)	(1,594)	(8,174)
Net book value 31 December 2002	1,917	5,563	7,480
Net book value 31 December 2001	3,730	5,778	9,508

Included in the pre-production exploration expenditure above at 31 December 2002 is £4,931,000 relating to Sardinia Gold Mining SpA's exploration concession areas near Osilo. During the year ended 31 December 2002 £559,000 of exploration costs relating to the Bunnari exploration site within the Osilo area were impaired following a successful legal challenge to the company's continued activity there by the local authority. The company is planning to develop the rest of its Osilo concession, and therefore these costs have been carried forward.

8.7 Tangible fixed assets

	Freehold land £'000	Plant and machinery £'000	Total £'000
Cost			
At 1 January 2001	282	8,689	8,971
Exchange difference	(10)	(294)	(304)
Additions	-	1,692	1,692
At 31 December 2001	272	10,087	10,359
Exchange difference	16	577	593
Additions	9	39	48
Transfer from intangible assets	-	637	637
At 31 December 2002	297	11,340	11,637
Depreciation			
At 1 January 2001	-	(5,306)	(5,306)
Charge for the year	-	(758)	(758)
At 31 December 2001	-	(6,064)	(6,064)
Charge for the year	-	(2,478)	(2,478)
Impairment losses	-	(525)	(525)
At 31 December 2002	-	(9,067)	(9,067)
Net book value 31 December 2002	297	2,273	2,570
Net book value 31 December 2001	272	4,023	4,295

Included within plant and machinery above at 31 December 2002 are assets relating to the Furtei processing plant with a net book value of £1,313,000 (2001: £2,015,000) which are depreciated on a unit of production basis. Assets totalling £525,000 have been impaired in the year ended 31 December 2002 following a review of the mining operations at Furtei.

8.8 Investments

Other fixed asset investments

	Listed £'000	Unlisted £'000	Total £'000
Cost:			
At 1 January 2001	2,358	61	2,419
Exchange differences	(109)	(3)	(112)
Disposals	(1,225)	(33)	(1,258)
At 31 December 2001	1,024	25	1,049
Disposals	(227)	-	(227)
At 31 December 2002	797	25	822
Amounts provided:			
At 1 January 2001	-	(11)	(11)
During the year	(568)	(14)	(582)
At 31 December 2001	(568)	(25)	(593)
During the year	(229)	-	(229)
At 31 December 2002	(797)	(25)	(822)
Net book value at 31 December 2002	-	-	-
Net book value at 31 December 2001	456	-	456

Gold Mines of Sardinia Pty Limited has the following subsidiaries:

	Cost		% Interest Held by Group		Class of Shares
Name	**Year Ended 31/12/02 £000**	**Year Ended 31/12/01 £000**	**Year Ended 31/12/02 %**	**Year Ended 31/12/01 %**	
Mediterranean Gold Mines Pty Limited (Incorporated in Australia)(ii)	-	-	100	100	Ordinary
Euro Mining Pty Ltd (Incorporated in Australia) (ii)	-	-	100	100	Ordinary
Sardinia Gold Mining SpA (Incorporated in Italy)(i)	-	-	90	90	Ordinary

The overseas controlled entities carry on business in the country of incorporation

(i) Sardinia Gold Mining SpA is engaged in mining and exploration operations.

(ii) These are non-trading intermediate holding companies, which meet the definition of a small proprietary limited company as set out in the Australian Corporations Act 2001.

8.9 Stocks

	2002 £'000	2001 £'000
Gold in circuit, refined gold and concentrate	320	501
Raw materials and consumables	104	165
	424	666

8.10 Debtors

	2002 £'000	2001 £'000
Amounts receivable within one year		
Grants receivable	909	605
Trade and other debtors	355	342
Due from parent company	203	-
	1,467	947
Amounts receivable after more than one year		
Other debtors	42	46
	42	46

8.11 Creditors

	2002 £'000	2001 £'000
Amounts falling due within one year		
Trade creditors	682	1,156
Loans	850	1,147
	1,532	2,303
Amounts falling due after more than one year		
Loans	3,433	3,205

8.12 Loans

	2002 £'000	2001 £'000
Amounts falling due		
In one year or less, or on demand	850	1,147
Between one and two years	-	-
Between two and five years	-	-
In five years or more	3,433	3,205

The group is entitled to a government grant under Italian special Law 221 enacted to encourage development in areas which are in economic crisis. Under the terms of the grant, the group has received 80% of the grant totalling € 3,108,355 (£2,175,000) for the Furtei Gold Project. The group will repay a bridging loan provided for the third part of the grant (€ 777,089 - £545,000) provided by *Banca di Sassari* for € 516,457 (£361,000). The last tranche of the grant is expected to be received in 2003.

The company is entitled to a government grant under Italian special Law 752/1982 enacted to encourage exploration activity in the mining industry. Under the terms of this income grant, the company has been considered eligible for a grant totalling € 2,840,513 (£2,000,000) of which € 1,537,898 (£1,075,000) is for Furtei and € 1,279,909 (£895,000) is for Osilo. The Ministry of Industry reduced the amount of the grant initially approved for the Osilo Project to € 850,529 (£595,000) as per decree of May 6, 2003. The grant available for the exploration activity in 2003 and 2004 is € 250,000 (£175,000), net of the quota of grant matured for the exploration program carried out during the years 1999-2002.

Funding relating to these Decrees will be received during 2003, which will be received according to the timetable provided by the Ministry of Industry. However the company applied for bridging finance against these grants, as it has done in the past, with local Italian banks. This bank funding is secured against these grants receivable, with interest charged at normal commercial rates.

A bridging loan of € 568,102 (£398,000) had been received at the end of the year 2000 against the quota of the grant matured during the year 1999, and bridging finance of € 504,912 (£353,000) has been received at the beginning of the year 2000 from the local bank *Banca di Sassari* against the quota of the grant matured during the year 2000.

During the year 2002 the company cashed € 259,647 (£180,000) and received a decree for € 614,413 (£430,000) to be cashed in 2003. As the amount received by Banca di Sassari was for € 1,044,458 (£730,000) against a total of € 874,060 (£610,000) received, the company will have to reimburse the bank for the difference equal to € 170,397 (£120,000).

8.13 Provisions for liabilities and charges

	Provision for employee entitlements £'000	Provision for mine restoration £'000	Total £'000
Group			
At 1 January 2001	336	413	749
Arising during the year	34	1	35
At 31 December 2001	370	414	784
Arising during the year	71	77	148
Utilised	(43)	-	(43)
At 31 December 2002	398	491	889

The provision for employee entitlements relates to long service leave and termination payments required under Italian law.

8.14 Accruals and deferred income

	2002 £'000	2001 £'000
Accruals	412	604
Deferred grant income	953	1,182
	1,365	1,786

8.15 Share capital

	2002 £'000	2001 £'000
Issued and fully paid		
2002 : 263,239,404 Ordinary Shares (2001 : 237,644,404 Ordinary Shares)	29,595	26,056

Shares issued

On February 18, 2002, the Company raised approximately £3.29m by way of a private placement to new and existing institutional investors of 25,345,000 new ordinary shares at a price of £0.13. Net proceeds after commission and out of pocket expenses amounted to £3.265m. In addition 2,500,000 unlisted options were allotted to the broker who placed the new shares at an exercise price of £0.15. These options may be exercised at any time on or before February 18, 2005. Following completion of the Scheme of Arrangement (to put Gold Mines of Sardinia plc in place as the Company's parent) in November 2002, these options were exchanged for options in Gold Mines of Sardinia plc.

During the year ended 31 December 2002 250,000 options were exercised for a net consideration of Aus$70,000.

During the year ended 31 December 2001 575,000 options were exercised for a net consideration of Aus$207,000.

Share options

During the year ended 31 December 2002 the following unlisted options were allotted:

- 2,430,000 options exercisable at 33c on or before March 22, 2007
- 2,500,000 options exercisable at 42c on or before February 18, 2005

At November 2002 (the date of the Scheme of Arrangement) the following unlisted options to acquire ordinary shares were outstanding.

- 480,000 options exercisable at 44c on or before January 15, 2003
- 1,900,000 options exercisable at 54c on or before February 26, 2003
- 600,000 options exercisable at 52c on or before April 24, 2003
- 125,000 options exercisable at 42c on or before October 30, 2003.
- 100,000 options exercisable at 61c on or before April 22, 2004.
- 250,000 options exercisable at 43c on or before May 31, 2005.
- 200,000 options exercisable at 39c on or before August 8, 2005.
- 950,000 options exercisable at 33c on or before February 1, 2006
- 690,000 options exercisable at 38c on or before March 1, 2006
- 1,500,000 options exercisable at 45c on or before June 6, 2006
- 2,430,000 options exercisable at 33c on or before March 22, 2007
- 2,500,000 options exercisable at 42c on or before February 18, 2005

However, Eligible Employees under the Company's ESOP entered into a Deed whereby each Eligible Employee exchanged an equal number of his/her existing options in the Company for new options in the Gold Mines of Sardinia Plc Employee Option Plan which became effective upon completion of the Scheme of Arrangement. At 31 December 2002 and at the date of this report, there are no options in the Company.

Share options in Gold Mines of Sardinia plc will be exchanged for equivalent options in the company to be formed to facilitate the proposed amalgamation with Full Riches Investments Limited.

8.16 Profit and loss account

	2002 £'000	2001 £'000
Brought forward	(17,935)	(16,253)
Exchange differences on retranslation of net assets of subsidiary undertakings	(178)	882
Loss for year	(5,486)	(2,564)
Carried forward	(23,599)	(17,935)

8.17 Reconciliation of movement in shareholders' funds

	2002 £'000	2001 £'000
Loss for the financial year	(5,486)	(2,564)
Shares issued	3,539	73
Exchange differences on retranslation of net assets of subsidiary	(178)	882
Net decrease in shareholders' funds	(2,125)	(1,609)
Shareholders' funds brought forward	8,121	9,730
Shareholders' funds carried forward	5,996	8,121

8.18 Capital commitments

There were no formal capital expenditure commitments as at 31 December 2002 other than those incidental to exploration in the normal course of business.

8.19 Contingent liabilities

Sardinia Gold Mining SpA has been granted a 3.0 billion Lire facility (€ 1,560,914 - £1,090,000) from Banca di Sassari, 1 billion Lire (€ 516,456 - £361,000) against the final 20% tranche of the Law 221 grant (€ 777,088 - £544,000) supported by a guarantee from Gold Mines of Sardinia plc for an amount of 1.5 billion Lire (€ 774,685 - £540,000) and approximately 2 billion Lire (€ 1,044,458 - £730,000) against a government grant under special Law 752/1982 which has been partially reimbursed in December (€ 259,640 - £180,000) and the remaining part in March 2003.

The group is currently in litigation with San Martino S.r.l., a company which produces and markets mineral water from an area within Pedra Canarza, one of the group's entity's exploration concession areas near Osilo. San Martino alleges that it has suffered loss, attributable in part to a temporary suspension of its operations, as a consequence of a Sardinia Gold Mining SpA exploration drill hole intersecting a mineral water source. San Martino have consequently made a claim against the group. The group is vigorously contesting the claim and the Directors are satisfied that no material liability will fall on the Group.

8.20 Related party transactions

There are no loans between any of the directors and the Company, or any other related party transactions that fall to be disclosed, other than directors' emoluments which are disclosed within section 8.2 of this report.

8.21 Notes to the cash flow statement

(a) 8.21a Reconciliation of operating loss to net cash outflow from operating activities

	2002 £'000	2001 £'000
Operating loss	(5,420)	(2,558)
Depreciation and write down of plant and equipment	2,478	758
Amortisation - exploration development	1,604	896
Plant and equipment impaired	525	-
Exploration costs impaired	559	-
Foreign currency translation gain / (loss)	(966)	130
Loss / (profit) on sale of investments	132	(1,455)
Provision against value of investments	229	582
(Increase) / decrease in debtors	(516)	219
Decrease in stocks	242	354
(Decrease) / increase in creditors	(1,028)	364
Increase in provisions	105	67
Net cash outflow from operating activities	(1,891)	(643)

(b) 8.21b Reconciliation of net cash flow movement to movement in net debt

	2002 £'000	2001 £'000
Increase / (decrease) in cash in the year	936	(1,687)
Net cash outflow from loan financing	(109)	(686)
Exchange differences	168	-
Movement in net debt in the year	995	(2,373)
Net debt brought forward	(4,046)	(1,673)
Net debt carried forward	(3,051)	(4,046)

(c) 8.21c Analysis of net debt

	2002 £'000	2001 £'000
Cash at bank and in hand	1,232	306
Loans	(4,283)	(4,352)
Net debt	(3,051)	(4,046)

8.22 Minority interests

The minority interests represent a holding of 10% of the shares in the subsidiary company Sardinia Gold Mines SpA. The holders of those shares have no rights against any other group company.

	2002 £'000	2001 £'000
Balance brought forward	25	155
Net loss attributable to outside equity interests	(25)	(130)
	-	25

8.23 Post balance sheet events -

- *Sargold Resources Corp – Joint Venture:*

As of 18 March 2003 the parent company, Gold Mines of Sardinia Plc (GMS Plc) and the Company's Italian subsidiary, Sardinia Gold Mining SpA (SGM) entered into a Heads of Agreement with Sargold Resources Corp (formerly Canley Developments Inc), a Canadian corporation, under which Canley had the option to earn up to a 45% equity interest in the company's Furtei mining and explorations concessions in Sardinia.

On May 28, 2003, as provided for in the Heads of Agreement, the Company announced that it has now executed a more formal Option Agreement and Joint Venture Terms with Canley, which embodies the terms of the Heads of Agreement.
Under the Option Agreement, Canley has an option to a 45% interest in the Furtei Project comprising the mine and its surrounding exploration tenements in return for spending 100% of the exploration and mining expenditure required for the Furtei project, to an amount of €15 million (£10.5 million). The term of the option is eight years. Canley can earn its interest in two stages of 22.5% for each €7.5 million (£5.25 million) spent, at a minimum rate of €1 million (£700,000) in the first year, and €2 million (£1.4 million) in each successive year.

Canley's earn-in expenditure will be carried out in joint venture with the Company and the Company's operating subsidiary Sardinian Gold Mining SpA, (SGM), and SGM will act as manager. The final structure of the joint venture at Furtei is expected to be effectively 45% each to the Company and Canley, and 10% Progemisa, a corporation owned by the Sardinian Government. After Canley has earned its 45% interest, it will pay 50% of all future Furtei project costs, and the Company, which presently funds the whole of the project's expenditure requirements under separate arrangement with Progemisa, the remaining 50%. If Canley earns only a 22.5% interest, it will pay 25% of Project Costs and the Company will effectively pay 75%.

Canley also has a right, exercisable for six months, to nominate two areas of up to 100 square kilometres other than the Monte Ollasteddu prospect. Canley will then have the exclusive ability for 3 months to negotiate with the Company on the terms of a possible joint venture for exploration and mining on the nominated areas. On 16 October 2003, Canley nominated the Osilo project for such negotiations.

Under the Option Agreement and in addition to operations carried out at Canley's sole cost, the Company retains the right to utilise the Furtei mining plant for processing material from sources outside the Furtei Project, and also to carry on operations on its own account, on a total cost recovery basis.

- ***Barrick Gold Corporation/Homestake Mining Company of California:***

An agreement was entered by Gold Mines of Sardinia Pty Limited (GMS Pty Ltd.) and Sardinia Gold Mining SpA (SGM), and Homestake Mining Company of California (Homestake) (now a subsidiary of Barrick Gold Corporation) as of 1 October 2001 pursuant to which options were granted to Homestake to joint venture two areas in Sardinia. Details of the agreement were announced by GMS Pty Ltd. in January 2002.

The options have now either lapsed without being exercised or been the subject of a formal Termination Agreement.

- ***Bolivar Gold Corporation***

On 5 September 2003, GMS plc announced that it had signed a letter of intent with Bolivar Gold Corporation. (TSX: BGC) ("Bolivar"). The two companies will form a JV to develop SGM's Monte Ollasteddu gold project in Sardinia, Italy. Under the terms of the agreement Bolivar will be able to earn up to a 70% interest in the project on the successful completion of certain development milestones. The JV will seek to undertake extensive drilling to quantify the site's gold resources with a view to the establishment of production.

Under the proposals outlined in the letter of intent, Bolivar will earn a 15% direct interest in the project upon receipt of all necessary research and access rights to the Monte Ollasteddu prospect, a further 40% on completion of a pre-feasibility study and an additional 15% upon completion of a bankable feasibility study.

Bolivar will finance 100% of project expenditure until the bankable feasibility study has been completed.

Should Bolivar earn its full 70% interest in the project, GMS plc will retain a 20% participating interest and Progemisa S.p.A. (a corporation owned by the Sardinian Government) will retain a 10% carried interest.

Completion of the transaction is subject to various regulatory approvals and the execution of a detailed JV agreement, which is expected to be completed within 60 days.

After the parties have entered into the detailed JV agreement, the company will grant Bolivar options to acquire GMS plc stock, exercisable for five years at an exercise price calculated as the weighted average sale price for stock exchange trades for the ten trading days immediately prior to grant. The number of options will not exceed the equivalent of 10% of the presently issued share capital. The options will be exercisable only when Bolivar has commenced a drilling program approved by the JV for the Monte Ollasteddu project.

- *Financing*

Under the terms of an Umbrella Agreement (explained in more detail elsewhere in this Circular) with Full Riches Investments Limited (FRI), signed on 3 October 2003, FRI has advanced the sum of US$500,000 (£320,000) to Gold Mines of Sardinia plc to support the group's operations in Sardinia, and it is expected that a further US$1,000,000 (£640,000) will be advanced imminently. Gold Mines of Sardinia plc has granted FRI a charge over its shares in the Company to secure this loan. Interest is chargeable at 10% per annum.

- ***Change of Status of Company***

With effect as and from 25 March 2003 Gold Mines of Sardinia Limited converted in accordance with the Corporations Act 2001 of Australia from a public company limited by shares to a proprietary company limited by shares. The name of the company accordingly changed from Gold Mines of Sardinia Limited to Gold Mines of Sardinia Pty Ltd. The company's Australian Company Number remains unchanged.

The Business Combination

On October 3, 2003, the Company entered into an arm's length agreement (the "Business Combination Agreement") with Full Riches Investment Ltd ("FRI"), pursuant to which FRI and the company agreed to complete a business combination (the "Business Combination").

Pursuant to the Business Combination, the company has incorporated GMS Canada ("Medoro Resources Ltd.") under the laws of the Yukon. Pursuant to the terms of the Business Combination, the company will transfer of all of the issued and outstanding shares in the capital of Gold Mines of Sardinia Pty Limited to GMS Canada in consideration for an aggregate of 38,726,261 shares of GMS Canada. FRI will subsequently be continued under the laws of the Yukon, and will be amalgamated with GMS Canada to form a new corporation, being Amalco. Pursuant to the terms of the Amalgamation:

(i) the company, as the sole shareholder of GMS Canada, will receive common shares of Amalco representing, in aggregate, 50% of Amalco's issued and outstanding common shares (on a fully diluted basis) as of the date of the completion of the amalgamation (the "Closing Date"); and

(ii) the shareholders of FRI will receive common shares of Amalco representing, in aggregate, 50% of Amalco's issued and outstanding common shares (on a fully diluted basis) as of the Closing Date.

In conjunction with the completion of the Business Combination, the company shall distribute the shares of Amalco received on the Amalgamation to its shareholders, through a winding-up or reduction of capital, or in some other manner.

The Business Combination - Private Placements

Completion of the Business Combination is subject to the successful completion of $10,000,000 in equity financings by the FRI (the "Private Placements"), at least $4,000,000 of which was required to have been completed before the execution of the Amalgamation Agreement. The use of proceeds of the financings are to finance the Interim Financing (as defined below), future exploration and development expenses and general working capital. In connection with the Business Combination, FRI announced a non-brokered private placement of up to 40,500,000 special warrants (the "Special Warrants") at a price of $0.10 per Special Warrant for gross proceeds of $4,050,000 (the "Initial Private Placement"). Each Special Warrant is exercisable, for no additional consideration, to acquire one Common Share. On October 27, 2003, FRI completed the issue and sale of 25,000,000 Special Warrants under the Initial Private Placement for aggregate proceeds of $2,500,000. FRI anticipates completing the issue and sale of the balance of 15,500,000 Special Warrants under the Initial Private Placement for aggregate gross proceeds of $1,550,000 once an Information Circular has been mailed to its shareholders. The Special Warrants will be exercised for Common Shares prior to the completion of the Amalgamation and each Common Share received on such exercise will be exchanged for 0.5 Amalco Common Shares pursuant to the Amalgamation.

In connection with the satisfaction of the condition to complete the balance of the Private Placements, FRI has retained an agent ("the Agent") in connection with a private placement of up to 22,900,000 subscription receipts (the "Subscription Receipts") at a price of $0.35 per Subscription Receipt for aggregate gross proceeds of up to $8,015,000 (the "Agency Private Placement"). Each Subscription Receipt is exercisable, for no additional consideration, to acquire one Common Share. In connection with the Agency Private Placement, FRI has agreed to pay the Agent, and any other investment dealers acting as agents in connection with the Agency Private Placement, a commission equal to 6.0% of the aggregate gross proceeds from the Agency Private Placement and to issue the up to 1,374,000 Agent's Warrants. There can be no assurance that the Agency Private Placement will be completed. Subject to the

satisfaction of certain escrow conditions which are also conditions precedent to the completion of the Amalgamation, the Subscription Receipts will be exercised for Common Shares prior to the completion of the Amalgamation and each Common Share received on such exercise will be exchanged for 0.5 Amalco Common Shares pursuant to the Amalgamation.

The Business Combination - Joint Venture

Completion of the Business Combination is subject to the execution and delivery by FRI of a joint venture agreement with a third party relating to the exploration, development and/or operation of properties to be acquired by Amalco with the appropriate mining expertise and financial capacity (the "Third Party Joint Venture Agreement").

FRI is currently in negotiations with a third party to enter into the Third Party Joint Venture Agreement. There can be no assurance that the Third Party Joint Venture Agreement will be completed.

The Business Combination - Interim Financing of GMS plc

In conjunction with the Business Combination, FRI agreed to arrange an interim financing (the "Interim Financing") for GMS plc consisting of up to US$1,500,000 of convertible debentures (the "Debentures") of GMS plc to be issued to FRI in two tranches pursuant to a loan agreement between FRI and GMS plc dated October 3, 2003 (the "GMS Loan Agreement"). The Debentures bear interest at a rate of 10.0% per annum from the date of issue, payable on maturity and mature on a date following the completion of the Business Combination such that the obligations of GMS plc thereunder will expire on closing of the Business Combination. The Debentures are direct obligations of GMS plc, , secured by a charge over the shares of Gold Mines of Sardinia Pty Ltd. All funds advanced under the Interim Financing are paid directly to the account of Sardinia Gold Mining SpA, a subsidiary of GMS plc, and are to be used primarily for the expenses of such subsidiary.

The first tranche of the Debentures in the principal amount of US$500,000 was advanced on October 3, 2003. At the request of GMS plc, the second tranche of the Debentures in the principal amount of US$1,000,000 will be issued as soon as practicable upon satisfaction of certain conditions precedent to the completion of the Business Combination, as well as the execution and delivery into escrow on terms satisfactory to FRI of a signed joint venture agreement which the parties have agreed to enter into, at the election of FRI, if the Business Combination has not been completed by March 1, 2004.

Further to the completion of the first tranche of the Interim Financing, FRI had the right to appoint two directors to GMS plc's board of directors. Two such directors were appointed to GMS plc's board of directors as the nominees of FRI on October 22, 2003.

The Business Combination – Endeavour Bridge Facility

In order to complete the first tranche of the Interim Financing prior to the completion of the Private Placement, FRI obtained a bridge facility (the "Bridge Facility") in the principal amount of US$500,000 with Endeavour Mining Capital Corp. ("Endeavour"). The Bridge Facility matured on October 31, 2003 and bore interest at a rate of 10% per annum, payable on the earlier of the principal repayment date or the maturity date. As security for the Bridge Facility, FRI agreed to assign its rights under the Business Combination Agreement to Endeavour. As additional consideration for providing the Bridge Facility to FRI, FRI issued Endeavour 150,000 Common Shares. The Bridge Financing was repaid by FRI, with interest, on October 29, 2003 from the proceeds of the partial closing of the Initial Private Placement.

The Business Combination – Alternate Joint Venture

If the Business Combination is not completed by March 1, 2004, FRI and GMS plc have agreed to form a joint venture for the exploration and mining of all project areas held by GMS plc or its subsidiaries in Sardinia, Italy at that date, subject to any agreements GMS plc may entered into with third parties prior to such date. The terms of the joint venture are that the amount due to FRI under the Interim Financing will convert to a 15% interest in the properties, and FRI will have the right to earn up to a 60% interest upon completion of a bankable feasibility study.

The Business Combination - Miscellaneous

In the event that a delay in completing the Business Combination before March 1, 2004 occurs for reasons outside the reasonable control of FRI and GMS plc, they will negotiate in good faith to endeavour to agree to a reasonable extension of the date for completing the Business Combination.

In consideration for their services in introducing the parties, assistance with the Italian authorities, due diligence, assisting with the financing and continued services in completing the Business Combination a

total of 10,000,000 Common Shares will be issued by FRI to Next com Italia srl, a director of GMS plc and Endeavour Financial.

It is the intention of FRI and GMS plc to apply to have Amalco listed on the AIM as well as the TSXVE.

The completion of the Business Combination is subject to the approval of the TSXVE and all other necessary regulatory approval. The completion of the Business Combination is also subject to additional conditions precedent, including the approval of the shareholders of FRI and GMS plc.

8.24 Canadian GAAP Disclosures and Differences

Canadian GAAP Disclosures

Accounting for Share Options and Warrants under Canadian GAAP

The company applies the intrinsic value method of accounting for stock-based compensation granted to employees and directors. Accordingly, no compensation expense has been recognised for stock options granted to employees and directors. Had compensation expense been determined based on the fair value at grant date for stock options, the company's loss on ordinary activities after taxation would have been increased to the pro forma amounts indicated below:

	Year ended December 31, 2002
	£'000
Loss on ordinary activities after taxation	
As reported	5,511
Pro forma	5,708

The fair value of the options granted was estimated using the Black-Scholes option pricing model, assuming a risk-fee interest rate of 4.0%, a dividend yield of 0%, expected volatility of 58.2%, and an expected life option of 5 years.

Differences between UK and Canadian generally accepted accounting principles and practices

The financial information has been prepared in accordance with accounting principles generally accepted in the United Kingdom ("UK GAAP"), which differ in certain respects from those principles and practices that the company would have followed had the financial information have been prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP").

The differences between the UK and Canadian bases that affect this financial information are as follows:

(1) Under UK GAAP, no account is taken of share options issued to external consultants. Under Canadian GAAP, such options (which are not issued to employees or directors) are accounted for at the date of grant. In this case, as the shares were issued in consideration for services provided in connection with the issue of shares via private placement, then the cost of the grant of options, calculated based on fair value at the date of grant using the Black-Scholes option pricing model, has been charged against the shares issued. The fair value at the date of grant totalled £151,000, assuming a risk-fee interest rate of 4.0%, a dividend yield of 0%, expected volatility of 60.26%, and an expected life option of 3 years. The above GAAP difference has no impact upon the reported results for the periods.

There are no other material differences that impact upon the financial information as presented, other than a number of minor presentational, disclosure and classification matters within the balance sheet, profit and loss account and cash flow statement.

THIS IS SCHEDULE C ATTACHED TO AND MADE A PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE SPECIAL MEETING OF THE SHAREHOLDERS OF FULL RICHES INVESTMENTS LTD. TO BE HELD ON JANUARY 6, 2004, AND ANY ADJOURNMENT THEREOF

PRO FORMA FINANCIAL STATEMENTS

Compilation Report

Grant Thornton

To the Directors of Full Riches Investments Ltd.

We have read the accompanying unaudited pro forma consolidated balance sheet of Full Riches Investments Ltd. (the Company) as at July 31, 2003 and have performed the following procedures.

1. Compared the figures in the columns captioned Full Riches Investments Ltd. ("FRI") to the unaudited financial statements of the Company as at and for the nine months ended July 31, 2003, and found them to be in agreement.

2. Compared the figures in the columns captioned Gold Mines of Sardinia Pty Limited ("GMS Pty") to the unaudited financial statements of GMS Pty as at and for the six month period ended June 30, 2003, and found them to be in agreement, after conversion to Canadian dollars at the exchange rate at that date.

3. Made enquiries of certain officials of the company who have responsibility for financial and accounting matters about:

   (a) the basis for determination of the pro forma adjustments; and

   (b) whether the pro forma financial statements comply as to form in all material respects with the requirements of the TSX Venture Exchange ("TSXVE").

   The officials:

   (a) described to us the basis for determination of the pro forma adjustments, and

   (b) stated that the pro forma statements comply as to form in all material respects with the requirements of the TSXVE.

4. Read the notes to the pro forma statements, and found them to be consistent with the basis described to us for determination of the pro forma adjustments.

5. Recalculated the application of the pro forma adjustments to the aggregate of the amounts in the columns captioned FRI and GMS Pty as at July 31, 2003 and June 30, 2003 respectively and found the amounts in the column captioned "Pro forma net assets" to be arithmetically correct.

A pro forma financial statement is based on management assumptions and adjustments which are inherently subjective. The foregoing procedures are substantially less than either an audit or a review, the objective of which is the expression of assurance with respect to management's assumptions, the pro forma adjustments, and the application of the adjustments to the historical financial information. Accordingly, we express no such assurance. The foregoing procedures would not necessarily reveal matters of significance to the pro forma financial statements, and we therefore make no representation about the sufficiency of the procedures for the purposes of a reader of such statements.

Grant Thornton
Leicester, United Kingdom

November 28, 2003

Full Riches Investments Ltd.
Pro forma Consolidated Balance Sheet

As at July 31, 2003

(Unaudited)

	FRI As at July 31, 2002 Cdn. $'000	GMS Pty As at June 30, 2003 Cdn. $'000	Notes	Pro Forma Adjustments Cdn. $'000	Pro Forma Net Assets Cdn. $'000
Assets					
Current					
Cash	142	894	2(a)(b)	11,584	12,620
Accounts receivable/ Prepaid expenses	7	2,299		-	2,306
Promissory note receivable	50	-		-	50
Inventories	-	831		-	831
	199	4,024		11,584	15,807
Non-current Assets					
Capital assets	-	5,764		-	5,764
Intangible assets	-	18,446	2(e)	(1,155)	17,291
Total assets	199	28,234		10,429	38,862
Liabilities and shareholders' equity					
Current Liabilities					
Accounts payable and accrued liabilities	3	1,956	2(d)	1,450	3,409
Long term debt, current portion	-	-		-	-
Total current liabilities	3	1,956		1,450	3,409
Non-current liabilities					
Long term debt	-	8,856		-	8,856
Accruals and deferred income	-	3,079		-	3,079
Liabilities and charges	-	2,904		-	2,904
Total liabilities	3	16,795		1,450	18,248
Shareholders' equity					
Share capital	6,706	69,330	2(a)(b)(c)(e)	(48,897)	27,139
Deficit	(6,510)	(57,891)	2(e)	57,876	(6,525)
	196	11,439		8,979	20,614
Total liabilities and shareholders' equity	199	28,234		10,429	38,862

Full Riches Investments Ltd.
Notes to the Pro forma Consolidated Balance Sheet

July 31, 2003

(Unaudited)

1. Basis of presentation

This pro forma consolidated balance sheet has been prepared from information derived from the unaudited interim financial statements of Full Riches Investment Ltd. ("FRI") as at and for the nine month period ended July 31, 2003, the unaudited interim financial statements for Gold Mines of Sardinia Pty Limited ("GMS Pty") as at and for the six month period ended June 30, 2003, the Amalgamation Agreement and from other information available to the company. In the opinion of management, this pro forma consolidated balance sheet includes all adjustments necessary for a fair presentation.

The pro forma consolidated balance sheet should be read in conjunction with the rest of this Information Circular.

In preparing this pro forma balance sheet, the amalgamation has been reflected as an acquisition by FRI of GMS Pty, with the resulting accounting entries to effect that acquisition (note 2(e)).

2. Pro forma assumptions and adjustments

The pro forma consolidated balance sheet gives effect to the following transactions as if they had occurred at July 31, 2003 and incorporates the following pro forma assumptions and adjustments:

(a) Initial Private Placement

In connection with the Business Combination, FRI announced a non-brokered Private Placement of up to 40,500,000 special warrants (the "Special Warrants") at a price of $0.10 per Special Warrant for gross proceeds of $4,050,000 (the "Initial Private Placement"). Each Special Warrant is exercisable, for no additional consideration, to acquire one Common Share. On October 27, 2003, Full Riches completed the issue and sale of 25,000,000 Special Warrants under the Initial Private Placement for aggregate proceeds of $2,500,000. FRI anticipates completing the issue and sale of the balance of 15,500,000 Special Warrants under the Initial Private Placement for aggregate gross proceeds of $1,550,000 once the Circular has been mailed to its shareholders.

For the purpose of this pro forma, FRI has issued in October 2003 25,000,000 special warrants for cash consideration of $2,500,000 with no cash costs, and is assumed to have issued a further 15,500,000 special warrants for cash consideration of $1,550,000 with no cash costs.

(b) Agency Private Placement

In connection with the satisfaction of the condition to complete the balance of the Private Placements, FRI has retained Griffiths McBurney & Partners to act as agent in connection with a Private Placement of up to 22,900,000 subscription receipts (the "Subscription Receipts") at a price of $0.35 per Subscription Receipt for aggregate gross proceeds of up to $8,015,000 (the "Agency Private Placement"). Each Subscription Receipt is exercisable, for no additional consideration, to acquire one Common Share. In connection with the Agency Private Placement, FRI has agreed to pay Griffiths McBurney & Partners, and any other investment dealers acting as agents in connection with the Agency Private Placement, a commission equal to 6.0% of the aggregate gross proceeds from the Agency Private Placement and to issue up to 1,374,000 Agent's Warrants.

Full Riches Investments Limited
Notes to the Pro forma Consolidated Balance Sheet

July 31, 2003

(Unaudited)

2. Pro forma assumptions and adjustments (Continued)

(b) Agency Private Placement (Continued)

For the purpose of this pro forma, FRI is assumed to have completed the Agency Private Placement with related cash costs representing 6.0% of the gross proceeds ($480,900).

(c) Shares issued to advisors

(i) As set out in the Information Circular, as additional consideration for providing the Bridge Facility, FRI issued Endeavour 150,000 FRI Common Shares. For the purposes of this pro forma, the issue of these shares (totalling $15,000) has been included, with the resultant expense charged to the profit and loss account.

(ii) In consideration for their services in introducing the parties to the Business Combination, assistance with the Italian authorities, due diligence, assisting with the Interim Financing and continued services in completing the Business Combination, a total of 10,000,000 Common Shares will be issued to Next com Italia srl, Jose Francisco Arata and Endeavour Financial Corporation. For the purposes of this pro forma, the issue of these shares (totalling $1,000,000) has recorded as a cost of the Business Combination (Note 2(e)).

(iii) FRI has retained McFarlane Gordon Inc to act as sponsor in connection with the Business Combination in accordance with the policies of the TSXVE. In consideration for their services, a total of 250,000 FRI Common Shares will be issued to them. For the purposes of this pro forma, the issue of these shares (totalling $25,000) has been recorded as a cost of the Business Combination (Note 2(e)).

(iv) In consideration for their services, a total of 319,857 post amalgamation common shares will be issued to Williams de Broë. For the purposes of this pro forma, the issue of these shares (totalling $64,000) has been recorded as a cost of the Business Combination (Note 2(e)).

(d) Other professional fees

For the purposes of this pro forma balance sheet, $1,450,000 of professional fees have been assumed to be incurred to effect the foregoing transactions and are also recorded as a cost of the Business Combination (Note 2(e)).

(e) The Business Combination

On October 3, 2003, GMS Pty's parent company (Gold Mines of Sardinia plc, a public company formed under the laws of England and Wales (GMS England)) and FRI agreed to complete a business combination and have entered into an Amalgamation Agreement. Under this amalgamation, GMS England will incorporate a company under the Yukon Business Corporations Act ("YBCA") to be named "Medoro Resources Ltd." ("Medoro"). GMS England will then sell GMS Pty to Medoro Resources Ltd. The consideration for this sale will be 38,726,261 shares of Medoro. FRI will then be continued under the YBCA and will be amalgamated with Medoro.

Full Riches Investments Limited
Notes to the Pro forma Consolidated Balance Sheet

July 31, 2003
(Unaudited)

2. Pro forma assumptions and adjustments (Continued)

(e) The Business Combination (Continued)

For accounting purposes, the incorporation of Medoro by GMS England and the subsequent sale of GMS Pty to Medoro will be accounted for in accordance with EIC-89 "Exchanges of ownership interests between enterprises under common control – wholly and partially-owned subsidiaries". Under EIC-89, the sale of GMS Pty to Medoro will be recorded at its net book value as reported in the financial statements of GMS Pty.

The amalgamation of FRI and Medoro will be accounted for by the purchase method with FRI being the acquirer. The share consideration issued in this business combination will be the 38,726,261 post-amalgamation common shares plus direct costs associated with the transaction. The shares issued in this business transaction have been recorded at an estimate of their fair value ($0.20 Cdn per share).

The following table summarizes the results of assumptions made with respect to the allocation of the aggregate purchase price of GMS Pty by FRI:

Net identifiable assets acquired

	Cdn $'000
Cash	894
Accounts receivable	2,299
Inventories	831
Capital assets	5,764
Intangible assets	17,291
Accounts payable and accrued liabilities	(1,956)
Term debt	(8,856)
Accruals and deferred income	(3,079)
Liabilities and charges	(2,904)
	10,284
Consideration	
38,726,261 Common Shares	7,745
Acquisition costs	2,539
	10,284

2. Pro forma assumptions and adjustments (Continued)

(e) The Business Combination (Continued)

Acquisition costs consist of:

	Cdn $'000
Shares issued to Next com Italia srl, Jose Francisco Arata and Endeavour Financial Corporation (Note 2(c)(ii))	1,000
Shares issued to sponsor (Note 2(c)(iii))	25
Post-amalgamation common shares issued to Williams de Broë (Note 2(c)(iv))	64
Other professional fees	1,450
	2,539

3. Capital stock

Pro forma capital stock at July 31, 2003:

	Number	**Amount Cdn $'000**
FRI common shares outstanding at July 31, 2003	11,871,849	6,706
Assumed issuance of special warrants as part of the Initial Private Placement (Note 2(a))	40,500,000	4,050
Assumed issuance of Subscription Receipts as part of the Agency Private Placement net of Agent's fee (Note 2(b))	22,900,000	7,534
Additional shares issued to professional advisors (Note 2(c)(i), (ii), (iii))	10,400,000	1,040
FRI common shares assumed to be outstanding before amalgamation	85,671,849	19,330
Amalgamation adjustment	(42,835,925)	-
Shares issued to GMS England on amalgamation (Note 2(e))	38,726,261	7,745
Post amalgamation shares issued to Williams de Broë (Note 2(c)(iv))	319,857	64
	81,882,042	27,139

THIS IS SCHEDULE D ATTACHED TO AND MADE A PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE SPECIAL MEETING OF SHAREHOLDERS OF FULL RICHES INVESTMENTS LTD. TO BE HELD ON JANUARY 6, 2004, AND ANY ADJOURNMENT THEREOF

SPECIAL RESOLUTION CONCERNING CONTINUANCE UNDER THE YBCA

BE AND IT IS HEREBY RESOLVED AS A SPECIAL RESOLUTION THAT:

1. Full Riches Investments Ltd. ("Full Riches") be authorized to make application to the Registrar of Companies pursuant to section 37 of the *Company Act* (British Columbia) for the issuance of a consent to apply under section 190 of the *Yukon Business Corporations Act* (the "YBCA") to continue Full Riches as if it had been incorporated under the YBCA.

2. Pursuant to section 37 of the *Company Act* (British Columbia), the directors of Full Riches are hereby authorized, directed and empowered to apply pursuant to section 190 of the YBCA to the Registrar of Corporations under the YBCA for a Certificate of Continuance continuing Full Riches as if it had been incorporated thereunder (the "Continuance").

3. Effective on the date of such Continuance, Full Riches adopt the articles of continuance substantially in the form attached as Schedule D-1 to the Information Circular of Full Riches dated November 28, 2003 (the "Articles of Continuance").

4. Full Riches be authorized to file the Articles of Continuance with the Registrar of Corporations appointed under the YBCA to continue Full Riches under the TBCA.

5. Any one officer or director of Full Riches be as is hereby authorized and directed to do and perform all things, including the execution of documents, which may be necessary or desirable to give effect to this resolution.

6. Notwithstanding that this special resolution has been duly passed by the shareholders of Full Riches, the directors of Full Riches be, and they hereby are, authorized and empowered to revoke this special resolution at any time before it is acted on and to determine not to proceed with the continuance of Full Riches under the YBCA without further approval of the shareholders.

THIS IS SCHEDULE D-1 ATTACHED TO AND MADE A PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE SPECIAL MEETING OF SHAREHOLDERS OF FULL RICHES INVESTMENTS LTD. TO BE HELD ON JANUARY 6, 2004, AND ANY ADJOURNMENT THEREOF

YUKON
JUSTICE

YUKON BUSINESS CORPORATIONS ACT
(Section 181)

Form 3-01
ARTICLES OF CONTINUANCE

1. Name of Corporation:

   FULL RICHES INVESTMENTS LTD.

2. The classes and any maximum number of shares that the Corporation is authorized to issue:

   An unlimited number of common shares.

3. Restrictions, if any, on share transfers:

   None.

4. Number (or minimum and maximum number) of directors:

   Minimum 3 - Maximum 15.

5. Restrictions, if any, on business the Corporation may carry on:

   The Corporation is restricted from carrying on the business of a railway, steamship, air transport, canal, telegraph, telephone or irrigation company.

6. If change of name effected, previous name:

   Not applicable.

7. Details of incorporation:

   Incorporated on December 1, 1980 under the *Company Act* (British Columbia).

8. Other provisions, if any:

   The attached Schedule "A" is incorporated into and forms part of this form.

9. Date	Signature	Title

SCHEDULE "A"

TO ARTICLES OF CONTINUANCE OF

FULL RICHES INVESTMENTS LTD.

(the "Corporation")

1. The directors may, between annual general meetings, appoint one or more additional directors of the Corporation to serve until the next annual general meeting, but the number of additional directors shall not at any time exceed one third of the number of directors who held office at the expiration of the last annual meeting of the Corporation.

2. Shareholder meetings may be held in any municipality in the world outside of the Yukon Territory as the directors, in their absolute discretion, may determine appropriate.

THIS IS SCHEDULE E ATTACHED TO AND MADE A PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE SPECIAL MEETING OF SHAREHOLDERS OF FULL RICHES INVESTMENTS LTD. TO BE HELD ON JANUARY 6, 2004, AND ANY ADJOURNMENT THEREOF

SPECIAL RESOLUTION CONCERNING THE AMALGAMATION

BE AND IT IS HEREBY RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The amalgamation of Full Riches Investments Ltd. ("Full Riches") and Medoro Resources Ltd. ("GMS Canada") be and the same is hereby approved and the amalgamation agreement dated as of November 28, 2003 between Full Riches and GMS Canada be and is hereby approved.

2. Any one officer or director be and hereby is authorized and directed to do and perform all things, including the execution of documents, which may be necessary or desirable to give effect to this resolution.

3. Notwithstanding that this special resolution has been duly passed by the shareholders, the directors be, and they hereby are, authorized and empowered to revoke this special resolution at any time before the issue of a certificate of amalgamation and to determine not to proceed with the amalgamation of Full Riches and GMS Canada without further approval of the shareholders.

THIS IS SCHEDULE F ATTACHED TO AND MADE A PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE SPECIAL MEETING OF SHAREHOLDERS OF FULL RICHES INVESTMENTS LTD. TO BE HELD ON JANUARY 6, 2004, AND ANY ADJOURNMENT THEREOF

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT made as of the 28th day of November, 2003.

BETWEEN:

FULL RICHES INVESTMENTS LTD., a body corporate incorporated under the laws of British Columbia

(hereinafter called "Full Riches")

OF THE FIRST PART

- and -

MEDORO RESOURCES LTD., a body corporate incorporated under the laws of the Yukon

(hereinafter called "GMS Canada")

OF THE SECOND PART

- and -

GOLD MINES OF SARDINIA PLC, a body corporate incorporated under the laws of England and Wales

(hereinafter called "GMS England")

OF THE THIRD PART

WHEREAS GMS Canada is a wholly-owned subsidiary of GMS England;

AND WHEREAS Full Riches and GMS Canada wish to amalgamate and continue as one corporation in accordance with the terms and conditions hereof;

AND WHEREAS to facilitate the amalgamation Full Riches has agreed, subject to shareholder approval, to continue under the *Business Corporations Act* (Yukon);

AND WHEREAS upon the Amalgamation becoming effective, GMS England wishes to assign to Amalco, and Amalco wishes to assume, all of GMS England's right, title, interest and obligations in and to the GMS England Agreements;

AND WHEREAS, following completion of the Amalgamation, Amalco will have its shares listed on the TSXVE and AIM;

AND WHEREAS the parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to the proposed amalgamation;

NOW THEREFORE THIS AGREEMENT WITNESSETH in consideration of the above premises and of the covenants, agreements, representations and warranties hereinafter contained, the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 **Definitions**. In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following defined terms shall have the meanings hereinafter set forth:

(a) **"Admission"** means the admission to trading of the shares of Amalco on AIM, on the Amalgamation being effective pursuant to paragraph 6 of the AIM Rules.

(b) **"Agent's Warrants"** means up to 1,374,000 agent's warrants anticipated to be issued by Full Riches in connection with private placements to be completed by Full Riches prior to the completion of the Amalgamation, each entitling the holders to acquire one Common Share at a price of $0.35 per share for a period of two years.

(c) **"Agreement"**, "this Agreement", "herein", "hereby", "hereof", "hereunder" and similar expressions mean or refer to this agreement, together with the schedules hereto and any amendments hereto.

(d) "**AIM**" means the Alternative Investment Market of the London Stock Exchange;

(e) **"AIM Rules"** means the rules and regulations for companies whose securities are admitted to trading on AIM published by the London Stock Exchange plc, as amended from time to time.

(f) **"Amalco"** means the continuing corporation to be constituted upon completion of the Amalgamation.

(g) **"Amalco Common Shares"** means the common shares in the capital of Amalco.

(h) **"Amalco Full Riches Replacement Options"** means 2,500,000 stock options of Amalco to be issued in replacement for 5,000,000 currently outstanding Full Riches Options, each entitling the holder to acquire one Amalco Common Share at a price of $0.20 per share until October 8, 2008.

(i) **"Amalco Full Riches Replacement Warrants**" up to 687,000 agent's warrants of Amalco to be issued in replacement for the Agent's Warrants, each entitling the holders to acquire one Amalco Common Share at a price of $0.70 per share for a period of two years.

(j) **"Amalco GMS Entitlement Options"** means 1,182,888 stock options of Amalco to be issued to the holders of currently outstanding GMS England Options, entitling the holders to acquire one Amalco Common Share at the prices and for the terms set out on Schedule "B".

(k) **"Amalco GMS Fee Shares"** means 319,857 Amalco Common Shares to be issued to Williams de Bröe in consideration of services performed by it in connection with the Amalgamation.

(l) **"Amalco GMS Replacement Warrants"** means 5,793,918 warrants of Amalco to be issued to the holders of currently outstanding GMS Warrants, entitling the holders to acquire one Amalco Common Share at the prices and for the terms set out on Schedule "B".

(m) **"Amalco Stock Option Plan"** means the incentive stock option plan of Amalco to be approved by the directors of Amalco, as well as the shareholders of Full Riches at the Full Riches Meeting.

(n) **"Amalgamation"** means the amalgamation of Full Riches and GMS Canada pursuant to Subsection 183(1) of the YBCA provided for herein.

(o) **"Articles of Amalgamation"** means the articles of amalgamation with respect to the Amalgamation, substantially in the form attached hereto as Schedule A.

(p) **"associate"**, **"affiliate"**, **"insider"** and **"promoter"** have the respective meanings ascribed thereto in the *Securities Act* (British Columbia).

(q) **"BCCA"** means the *Company Act* (British Columbia), RSBC 1996, chapter 62, as from time to time amended or re-enacted, and including any regulations promulgated thereunder.

(r) **"Business Day"** means any day other than a Saturday or Sunday or a day when banks in Vancouver, British Columbia are not generally open for business.

(s) **"Certificate of Amalgamation"** means the certificate of amalgamation for the Amalgamation issued by the Registrar pursuant to Subsection 187(4) of the YBCA.

(t) **"Closing"** means the closing of the Amalgamation contemplated herein, which shall take place at the offices of counsel to Full Riches located at Suite 810, P.O. Box 4, 1 First Canadian Place, Toronto, Ontario M5X 1A9 on the Closing Date.

(u) **"Closing Date"** means the date of the Closing, which shall be, subject to the satisfaction of the conditions precedent to the completion of the Amalgamation set out in this Agreement, within seven (7) Business Days following the later of the date of the Full Riches Meeting and the date of the GMS England Court Approval, or such other date as Full Riches and GMS Canada may mutually agree.

(v) **"CRESTCo"** means CRESTCo Limited, a company incorporated in England and Wales.

(w) **"CREST System"** means the settlement system operated by CRESTCo.

(x) **"Depositary"** means Pacific Corporate Trust Company.

(y) **"Effective Date"** means the effective date of the Amalgamation, which shall be the date of the Certificate of Amalgamation.

(z) **"Executive Director"** means the Executive Director of the British Columbia Securities Commission.

(aa) **"Full Riches"** means Full Riches Investments Ltd., a corporation incorporated under the laws of British Columbia.

(bb) **"Full Riches Certificate of Continuance"** means the certificate of continuance for Full Riches issued by the Registrar pursuant to Subsection 180(4) of the YBCA.

(cc) **"Full Riches Continuance"** means the proposed continuance of Full Riches out of the jurisdiction of British Columbia under the BCCA and into the jurisdiction of the Yukon under the YBCA.

(dd) **"Full Riches Information Circular"** means the notice of special meeting and information circular of Full Riches to be forwarded by Full Riches to its shareholders in connection with the Full Riches Meeting.

(ee) **"Full Riches Letter of Transmittal"** means the letter of transmittal form to be used by holders of Full Riches Shares for the purpose of returning certificates representing the Full Riches Shares and exchanging them for Amalco Common Shares.

(ff) **"Full Riches Meeting"** means the special meeting of the shareholders of Full Riches to approve the Amalgamation, as well as to provide approval for the Full Riches Continuance under the BCCA, the Amalgamation under the YBCA, and certain other matters.

(gg) **"Full Riches Options"** means the existing 5,000,000 stock options of Full Riches granted to existing directors, officers and consultants of Full Riches, each entitling the holder to acquire one Full Riches Share at a price of $0.10 per share until October 8, 2008.

(hh) **"Full Riches Private Placements"** means the private placement of equity securities by Full Riches for minimum aggregate gross proceeds to Full Riches of at least $10,000,000.

(ii) **"Full Riches Shares"** means the issued and outstanding common shares in the capital of Full Riches.

(jj) **"Full Riches Special Resolution"** means the special resolution of the shareholders of Full Riches approving the Amalgamation.

(kk) **"Full Riches Subsidiary"** means Hawley Investments Limited.

(ll) **"GMS Australia"** means Gold Mines of Sardinia Pty Limited, a corporation incorporated under the laws of Western Australia.

(mm) **"GMS Canada"** means Medoro Resources Ltd., a corporation incorporated under the laws of the Yukon.

(nn) **"GMS Canada Common Shares"** means the one (1) issued and outstanding common share in the capital of GMS Canada on the date hereof, and which, following the completion of the GMS Reorganization and prior to the completion of the Amalgamation, shall mean the 38,726,261 issued and outstanding common shares in the capital of GMS Canada.

(oo) **"GMS Canada Special Resolution"** means the special resolution of the shareholders of GMS Canada approving the Amalgamation.

(pp) **"GMS England"** means Gold Mines of Sardinia Plc., a corporation incorporated under the laws of England and Wales.

(qq) "**GMS England Agreements**" means: (i) GMS England's agreement with Sargold Resource Corporation; (ii) GMS England's agreement with Bolivar Gold Corp.; (iii) the loan agreement between Full Riches and GMS England dated October 3, 2003 (including all agreements ancillary to the loan agreement); (iv) the Settlement Agreement between GMS England and London International TV dated September 11, 2003; (v) the indemnity agreement between GMS England and Banca di Sassari dated November 17, 2003; (vi) GMS England's general letter of comfort and guarantee undertaking to fund Sardinia Gold Mining S.p.A.; and (vii) GMS England's agreements for the provision of services to

the GMS Subsidiaries with Gemana, Westeur GDS, Skye Mining Services and Global Mining Services.

(rr) "**GMS England Capital Reduction**" means the reduction of the share capital of GMS England and the cancellation of the share premium account of GMS England, as described in the GMS England Circular.

(ss) **"GMS England Circular"** means the circular and notice of extraordinary general meeting to be sent to the shareholders of GMS England to approve the transactions contemplated by the Amalgamation and the GMS England Capital Reduction.

(tt) "**GMS England Court Approval**" means the order of the Companies Court, Chancery Division, High Court of Justice in England and Wales confirming the GMS England Capital Reduction becoming effective upon its registration under the *Companies Act 1985* (England), as amended.

(uu) "**GMS England Options**" means the stock options of GMS England granted to certain directors, officers, employees and consultants of GMS England and the GMS Subsidiaries and to William de Bröe plc as set out on Schedule "B".

(vv) **"GMS Warrants"** means the warrants of GMS England issued to Sargold Resource Corp. and Bolivar Gold Corp. as set out in Schedule B.

(ww) "**GMS Loan**" means the interim financing for GMS England consisting of up to US$1,500,000 of notes of GMS England issued to Full Riches in two tranches pursuant to a loan agreement between Full Riches and GMS England dated October 3, 2003.

(xx) **"GMS Reorganization"** means the transfer of all of the issued and outstanding shares in the capital of GMS Australia by GMS England to GMS Canada.

(yy) "**GMS Subsidiaries**" means Gold Mines of Sardinia Pty Limited, Euro Mining Pty Ltd., Mediterranean Gold Mines Pty Ltd. and Sardinia Gold Mining S.p.A.

(zz) "**Joint Venture Agreement**" means a joint venture agreement of Amalco with a third party with the appropriate mining expertise and financial capacity and satisfactory to GMS England to be negotiated by Full Riches relating to the exploration, development and/or operation of properties to be acquired by Amalco as a result of the Amalgamation.

(aaa) **"London Stock Exchange"** means the London Stock Exchange plc.

(bbb) **"Person"** means a natural person, firm, corporation, trust, partnership, joint venture, governmental body or agency or association.

(ccc) **"Policy"** means Policy 5.2 of the TSXVE Corporate Finance Manual.

(ddd) **"Registrar"** means the registrar appointed under the YBCA.

(eee) **"Related Parties"** means the promoters, officers, directors and other insiders of a company, and associates or affiliates thereof.

(fff) **"Special Warrants"** means the up to 40,500,000 special warrants of Full Riches to be issued pursuant to certain private placements to be completed prior to the completion of the Amalgamation. Each Special Warrant is exercisable, for no additional consideration, to acquire one Full Riches Share.

(ggg) **"Subscription Receipts"** means the up to 22,900,000 subscription receipts of Full Riches to be issued pursuant to certain private placements to be completed prior to the completion of the Amalgamation. Each Subscription Receipt is exercisable, for no additional consideration, to acquire one Full Riches Share.

(hhh) **"Termination Date"** shall have the meaning attributed to such term in Section 7.2.

(iii) "**Transactions**" means the Full Riches Continuance, Full Riches Private Placements, GMS Reorganization, GMS England Capital Reduction, GMS Loan, the entering into of the Joint Venture Agreement, the Amalgamation and all actions necessary or incidental to the foregoing;

(jjj) **"TSXVE"** means the TSX Venture Exchange.

(kkk) **"YBCA"** means the *Business Corporations Act* (Yukon), RSY 2002, chapter 20, as from time to time amended or re-enacted, and including any regulations promulgated thereunder.

1.2 **Interpretation Not Affected by Headings, etc.** The division of this Agreement into articles, sections and subsections is for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein", and "hereunder" and similar expressions refer to this Agreement and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

1.3 **Number, etc.** Words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include all gender.

1.4 **Date for Any Action**. In the event that any date on which any action is required to be taken hereunder by any of the parties is not a Business Day in the place where an action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.5 **Rounding**. In performing the various mathematical calculations required to be performed hereunder all numbers shall be rounded to the nearest five decimal places.

1.6 **Currency**. Unless otherwise indicated, all sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

1.7 **Knowledge**. Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of GMS Canada or Full Riches, it shall be deemed to refer to the actual knowledge after having made due inquiry of, in the case of GMS Canada, Martin Groak, and of, in the case of Full Riches, Gordon Keep.

1.8 **Control**. For the purposes of this Agreement, a body corporate will be considered to be controlled by a Person if: (a) securities of the body corporate to which are attached more than 50 per cent of the votes that may be cast to elect directors of the body corporate are held, other than by way of security only, by or for the benefit of that Person; and (b) the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate.

ARTICLE 2
AMALGAMATION

2.1 **GMS Reorganization, GMS England Capital Reduction and Full Riches Continuance.** On or before the Closing Date, and subject to the terms and conditions of this Agreement, GMS England shall take all necessary steps to give effect to the GMS Reorganization and the GMS England Capital Reduction and, without limitation, use all reasonable efforts to apply for and to obtain the approval of its shareholders and all other consents, orders or approvals as counsel may advise are necessary or desirable for the implementation of the GMS Reorganization and the GMS England Capital Reduction, including the GMS England Court Approval. On or before the Closing Date and subject to the terms and conditions of this Agreement, Full Riches shall take all necessary steps to give effect to the Full Riches Continuance and, without limitation, use all reasonable efforts to apply for and to obtain the approval of its shareholders and all other consents, orders or approvals as counsel may advise are necessary or desirable for the implementation of the Full Riches Continuance and the filing of Articles of Continuance pursuant to the YBCA.

2.2 **Amalgamation**. On or before the Closing Date, subject to the terms and conditions of this Agreement, Full Riches and GMS Canada shall take all steps required to complete the Amalgamation and, without limitation, use all reasonable efforts to apply for and to obtain the approval of their respective shareholders and all other consents, orders or approvals as counsel may advise are necessary or desirable for the implementation of the Amalgamation and the filing of the Articles of Amalgamation with the Registrar pursuant to Subsection 187(1) of the YBCA.

2.3 **Name**. The name of Amalco shall be "Medoro Resources Ltd.", or such other name as is acceptable to GMS Canada and Full Riches.

2.4 **Registered Office**. The registered office of Amalco shall be situate at The Drury Building, 3081 Third Avenue, Whitehorse, Yukon Territory, Y1A 4Z7.

2.5 **Authorized Capital**. Amalco shall be authorized to issue two classes of shares consisting of an unlimited number of Amalco Common Shares and an unlimited number of preferred shares, issuable in series, which shall have the rights, privileges, restrictions and conditions attaching to each such class of shares as set forth in the Articles of Amalgamation.

2.6 **Restrictions on Share Transfer.** The transfer of shares of Amalco shall not be subject to any restrictions under the Articles of Amalgamation.

2.7 **Number of Directors**. The minimum number of directors of Amalco shall be three (3) and the maximum number of directors of Amalco shall be fifteen (15).

2.8 **First Directors**. The number of first directors of Amalco shall be eight (8). The first directors of Amalco shall be the persons whose names and addresses are set forth below:

Name	**Address**
Gordon Keep	5476 Angus Drive Vancouver, British Columbia Canada V6M 3N4
Serafino Iacono	12990 Lerida Street Coral Gable, Florida United States of America 33156
Neil Woodyer	8 Riverside Tower Imperial Wharf

	Townmead Road London, United Kingdom SW6 2SU
Miguel de la Campa	Calle Altos de la Moraleja Alcobendas, Madrid, Spain 28109
Jose Francisco Arata	Via Stura 615 10025 Pino Torinese, Italy
Jon Pither	Mulberry House 6 Clare Hill Esher, United Kingdom KT10 9NA
Martin Groak	40 Victoria Drive London, United Kingdom SW19 6BG
Giuseppe Pozzo	Via San Francesco d'Assisi 35 10121 Torino, Italy

The first directors shall hold office until the first annual or general meeting of the shareholders of Amalco, or until their successors are duly appointed or elected. The subsequent directors shall be elected each year thereafter as provided for in the YBCA, in the Articles of Amalgamation and in the by-laws of Amalco. The management and operation of the business and affairs of Amalco shall be under the control of the board of directors as it is constituted from time to time.

2.9 **First Auditor**. The first auditor of Amalco shall be Wong, Robinson & Co., Chartered Accountants, of Vancouver, British Columbia. The first auditor of Amalco shall hold office until the first annual meeting of Amalco following the Amalgamation, or until its successor is appointed.

2.10 **Fiscal Year**. The fiscal year end of Amalco shall be December 31, the current fiscal year end of GMS England.

2.11 **Restrictions on Business**. Amalco shall be restricted from carrying on the business of a railway, steamship, air transport, canal, telegraph, telephone or irrigation company.

2.12 **Articles of Amalgamation and By-laws.** The Articles of Amalgamation shall be substantially in the form set forth in Schedule A attached hereto. The by-laws of Amalco shall be the by-laws of Full Riches.

2.13 **Effect of Certificate of Amalgamation**. On the Effective Date:

(a) the Amalgamation of Full Riches and GMS Canada and their continuance as one corporation shall become effective;

(b) the property of each of Full Riches and GMS Canada shall continue to be the property of Amalco;

(c) Amalco shall continue to be liable for the obligations of each of Full Riches and GMS Canada;

(d) any existing cause of action, claim or liability to prosecution of either Full Riches or GMS Canada shall be unaffected;

(e) any civil, criminal or administrative action or proceeding pending by or against either Full Riches or GMS Canada may be continued to be prosecuted by or against Amalco;

(f) a conviction against, or ruling, order or judgment in favour of or against, either Full Riches or GMS Canada may be enforced by or against Amalco; and

(g) the Articles of Amalgamation shall be deemed to be the articles of incorporation of Amalco and the Certificate of Amalgamation shall be deemed to be the certificate of incorporation for Amalco.

2.14 **Manner of Conversion of Issued Securities**. On the Effective Date:

(a) each GMS Canada Common Share shall be converted into one (1) fully paid and non-assessable Amalco Common Shares;

(b) each Full Riches Share shall be converted into 0.50 fully paid and non-assessable Amalco Common Shares;

(c) each Full Riches Option shall be replaced with 0.50 Amalco Full Riches Replacement Options; and

(d) each Agent's Warrant shall be replaced with 0.50 Amalco Full Riches Replacement Warrant;

provided that no fractional Amalco Common Shares will be issued by Amalco and no cash will be paid in lieu thereof. Any fraction resulting will be rounded to the nearest whole number with fractions of one half or greater being rounded to the next higher whole number and fractions of less than one half being rounded to the next lower whole number.

In addition, on the Effective Date, the holders of the GMS England Options shall be issued the Amalco GMS Entitlement Options, in the amounts and having the exercise prices and terms identified in Schedule "B", and the Amalco GMS Fee Shares shall be issued to Williams de Bröe.

2.15 **Stated Capital**. On the Effective Date, the aggregate stated capital of Amalco shall be an amount equal to the aggregate paid up capital for purposes of the *Income Tax Act* (Canada) of GMS Canada and Full Riches immediately prior to such time and such stated capital shall be allocated on an equal basis to each Amalco Common Share issued on the Amalgamation.

2.16 **Restrictions on Securities.** The parties acknowledge and agree that the Amalco Common Shares to be issued to the shareholders of GMS Canada pursuant to Section 2.14 will be subject to compliance with applicable securities laws and the policies of the TSXVE with respect to the resale of such securities.

2.17 **Certificates**. On the Effective Date:

(a) the registered holders of GMS Canada Common Shares shall cease to be holders of GMS Canada Common Shares and shall be deemed to be the registered holders of such number of Amalco Common Shares to which they are entitled in accordance with Section 2.14, and the holders of certificates representing GMS Canada Common Shares may surrender such certificates to either the Depositary or to GMS Canada and, upon such surrender, shall be entitled to receive certificates representing the number of Amalco Common Shares to which they are so entitled. Full Riches acknowledges that, in

connection with the GMS Reorganization, GMS England may direct GMS Canada to issue the GMS Canada Common Shares issuable to GMS England in consideration for the transfer of the shares of GMS Australia directly to the shareholders of GMS England. In such an event, the parties agree that no certificates representing the GMS Canada Common Shares issuable to the shareholders of GMS England shall be issued and, upon completion of the Amalgamation, Amalco shall deliver certificates representing the Amalco Common Shares to which such shareholders are entitled as directed by GMS England or, where applicable, credit to CREST accounts of these shareholders who have requested Amalco Common Shares in dematerialised/uncertificated form;

(b) the registered holders of Full Riches Shares shall cease to be holders of Full Riches Shares, and shall be deemed to be registered holders of such number of Amalco Common Shares to which they are entitled in accordance with Section 2.14, and the holders of certificates representing Full Riches Shares may surrender such certificates to the Depositary, together with a completed Full Riches Letter of Transmittal and, upon such surrender shall be entitled to receive certificates representing the number of Amalco Common Shares to which they are entitled in accordance with Section 2.14, as soon as practicable, but in any event no later than five (5) Business Days following the later of the Effective Date and the date of deposit of the Full Riches Letter of Transmittal;

(c) the holders of the GMS Warrants shall be deemed to be the registered holders of the Amalco GMS Replacement Warrants to which they are entitled in accordance with Section 2.14, and shall receive executed agreements and/or certificates evidencing such securities of Amalco against surrender and termination of the GMS Warrants;

(d) the holders of the Full Riches Options shall cease to be holders of such securities and shall be deemed to be the registered holders of the Amalco Full Riches Replacement Options, to which they are entitled in accordance with Section 2.14, and shall receive executed agreements and/or certificates evidencing such securities of Amalco;

(e) the holders of the Agent's Warrants shall cease to be holders of such securities and shall be deemed to be the registered holders of the Amalco Full Riches Replacement Warrants, to which they are entitled in accordance with Section 2.14, and shall receive executed agreements and/or certificates evidencing such securities of Amalco;

(f) the holders of the GMS England Options shall be deemed to be the registered holders of the Amalco GMS Entitlement Options, to which they are entitled in accordance with Section 2.14, and shall receive executed agreements and/or certificates evidencing such securities of Amalco; and

(g) Williams de Bröe shall be deemed to be the registered holder of the Amalco GMS Fee Shares, to which it is entitled in accordance with Section 2.14, and shall receive executed agreements and/or certificates evidencing such securities of Amalco.

2.18 **Stock Option Plan.** The stock option plan of Amalco shall be the Amalco Stock Option Plan, which is the new stock option plan to be approved by the directors of Full Riches and GMS Canada, as well as the shareholders of Full Riches at the Full Riches Meeting.

2.19 **Assignment and Assumption of GMS England Agreements.** Subject to completion of the Amalgamation, GMS England hereby assigns to Amalco, effective as of the Effective Date, all of its right, title, interest and obligations in and to the GMS England Agreements. Full Riches and GMS England hereby agree to cause Amalco to assume all obligations and liabilities of GMS England under the GMS England Agreements as of the Effective Date. As consideration for the assignment of certain of the GMS England Agreements between GMS England and the holders of the GMS Warrants, Amalco shall issue to

the holders of the GMS Warrants 0.1412 Amalco GMS Replacement Warrants for each GMS Warrant held by such holder. In connection with the foregoing assignment and assumption, it is agreed that the GMS Loan (together with all rights and obligations relating to any intercompany debts between GMS England and the GMS Subsidiaries related to the GMS Loan) will be novated to Amalco and that all rights and obligations of GMS England thereunder shall become those of Amalco and GMS England will be wholly discharged and released from any obligations under the Loan Agreement. GMS England and Full Riches shall, upon the request and at the sole expense of Amalco, from time to time, do all such further acts and things and execute and deliver all such further deeds, transfers, assignments, discharges, releases and other instruments as may be necessary or desirable to give effect to this assignment and assumption. Full Riches and GMS Canada hereby agree to cause Amalco to indemnify GMS England for all obligations and liabilities of GMS England under the GMS England agreements to be assigned to, and assumed by, Amalco.

ARTICLE 3
COVENANTS

3.1 **Covenants of GMS Canada and GMS England.** Each of GMS Canada and GMS England covenants and agrees with Full Riches that it will not, and in the case of GMS England, will not cause any of the GMS Subsidiaries to, from the date hereof up to and including the earlier of: (i) the termination of this Agreement; and (ii) the Effective Date, except in connection with the Transactions or as required by applicable law or regulatory authority or in the proper exercise of directors fiduciary duties or, with the prior written consent of Full Riches, such consent not to be unreasonably withheld or delayed:

(a) declare, pay or set aside any dividends or provide for any distribution of its properties or assets, or make any payment by way of return of capital, to its shareholders;

(b) split, combine or reclassify any outstanding shares;

(c) except pursuant to the GMS Reorganization, enter into any material contract (being a contract with a value of more than £10,000), other than in the ordinary course of business consistent with past practice;

(d) redeem, purchase or offer to purchase any of its shares or other securities;

(e) reorganize, amalgamate or merge with any other Person or other business organization whatsoever;

(f) acquire or agree to acquire (by merger, amalgamation, acquisition of securities or assets or otherwise) any Person or other business organization or division or any assets or properties of a material nature;

(g) incur or commit to incur any indebtedness for borrowed money, or issue any debt securities, in an aggregate amount exceeding £15,000, other than in the ordinary course of business or for indebtedness advanced against government grants to be received by GMS England or a GMS Subsidiary;

(h) issue or commit to issue any shares of its capital stock, or rights, warrants or options to purchase such shares, or any securities convertible into such shares, warrants or options, except for the issuance of: (i) securities issuable pursuant to the terms of arrangements outstanding on the date hereof; or (ii) securities issuable in respect of the GMS Reorganization;

(i) alter or amend in any way its constating documents as the same exist at the date of this Agreement;

(j) take any action which would be outside the ordinary course of business or which may result in a material adverse change in its affairs including, without limiting the generality of the foregoing, the entering into of any employment, consultancy or severance agreements or other arrangements with any of its directors, officers or employees;

(k) except to the extent GMS England is required to negotiate with Sargold Resources Corp. and Bolivar Gold Corp. and except to the extent of any binding agreement arising from any such negotiations, sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber (or permit any of its subsidiaries to sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber) any of its assets other than in the ordinary course;

(l) engage in any business enterprise or other activity materially different from that carried on or intended to be carried on as at the date hereof;

(m) enter into any transaction with or make payments to a party or parties with which it does not deal at arm's length;

(n) grant to the directors, officers or employees who have policy-making functions any increase in compensation or in severance or termination pay (whether or not such compensation or pay is payable in cash), or enter into any employment or consulting agreements with any such directors, officers or employees, or hire or promote any such persons, in an aggregate amount exceeding £50,000 for all such persons collectively; or

(o) perform any act or enter into any transaction or negotiation which might materially adversely interfere or be materially inconsistent with the consummation of the transactions contemplated under this Agreement (for greater certainty, the performance of any act or entering into of any transaction by GMS England or a GMS Subsidiary pursuant to its agreements with Sargold Resources Corp. and Bolivar Gold Corp. will not be considered to materially adversely interfere or be materially inconsistent with the consummation of the transactions contemplated under this Agreement).

3.2 **Further Covenants of GMS Canada and GMS England**. Each of GMS Canada and GMS England further covenants and agrees with Full Riches that it will, from the date hereof up to and including the earlier of: (i) the termination of this Agreement; and (ii) the Effective Date:

(a) use all commercially reasonable efforts to obtain all necessary consents, assignments or waivers from third parties and amendments or terminations to any instrument or agreement and take such other measures as may be necessary to fulfil its obligations under and to carry out the transactions contemplated by this Agreement;

(b) upon reasonable request, provide Full Riches, on a timely basis, with all relevant information concerning GMS Canada, GMS England and the GMS Subsidiaries and their businesses, properties, operations and financial statements for inclusion in the Full Riches Information Circular, and will execute a certificate to be attached to the Full Riches Information Circular certifying that all information concerning GMS Canada, GMS England and the GMS Subsidiaries contained in the Full Riches Information Circular constitutes full, true and plain disclosure of all material facts relating to the particular matters to be acted upon by the securityholders of Full Riches at the Full Riches Meeting concerning GMS Canada, and that the information contained in the Full

Riches Information Circular does not contain an untrue statement of a material fact with respect to GMS Canada, GMS England and the GMS Subsidiaries;

(c) on or before the Closing Date, pass or cause to be passed the GMS Canada Special Resolution approving the Amalgamation in accordance with the YBCA;

(d) except for proxies and other non-substantive communications with securityholders, furnish promptly to Full Riches a copy of each notice, report, schedule or other document delivered, filed or received by it in connection with: (i) the Amalgamation; (ii) any filings under applicable laws; and (iii) any dealings with regulatory agencies in connection with the transactions contemplated herein;

(e) make other necessary filings and applications under applicable national, federal, provincial and territorial laws and regulations required on the part of GMS Canada in connection with the transactions contemplated herein, and take all reasonable action necessary to be in compliance with such laws and regulations;

(f) use all commercially reasonable efforts to conduct its affairs so that all of its representations and warranties contained herein shall be true and correct on and as of the Effective Date as if made on the Effective Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;

(g) except as contemplated by this Agreement, and except for United Kingdom tax clearances applied for and notified to Full Riches, not make any election under any provision of applicable tax laws;

(h) within two Business Days of receiving any written audit inquiry, assessment, reassessment, confirmation or variation of an assessment, indication that an assessment is being considered, request for filing of a waiver or extension of time or any other notice in writing relating to taxes, interest, penalties, losses or tax pools (an "Assessment"), deliver to Full Riches a copy thereof together with a statement setting out, to the extent then determinable, an estimate of the obligations, if any, of GMS Canada or the GMS Subsidiaries, on the assumption that such Assessment is valid and binding;

(i) use all commercially reasonable efforts to cause compliance with each of the conditions precedent set forth in Sections 5.1 and 5.3;

(j) subject to the satisfaction of the conditions in Sections 5.1 and 5.2, thereafter jointly with Full Riches file with the Registrar the Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation on or before the Termination Date;

(k) forthwith upon completion of the Amalgamation, complete the GMS England Capital Reduction and, if such action has not been previously taken, distribute the Amalco Common Shares received by GMS England in connection with the Amalgamation proportionally to the shareholders of GMS England; and

(l) notify Full Riches immediately upon becoming aware that any of the representations and warranties of GMS Canada or GMS England, as the case may be, contained in Section 4.2 or Section 4.3, respectively, are no longer true and accurate in any material respect.

3.3 **Covenants of Full Riches**. Full Riches covenants and agrees with GMS Canada and GMS England that it will not, and will not cause the Full Riches Subsidiary to, from the date hereof up to and

including the earlier of (i) the termination of this Agreement and (ii) the Effective Date, except in connection with the Transactions or as required by applicable law or regulatory authority or in the proper exercise of directors fiduciary duties or, with the prior written consent of GMS England, such consent not to be unreasonably withheld or delayed:

(a) declare, pay or set aside any dividends or provide for any distribution of its properties or assets, or make any payment by way of return of capital, to its shareholders;

(b) split, combine or reclassify any outstanding shares;

(c) enter into any material contract;

(d) redeem, purchase or offer to purchase any of its shares or other securities;

(e) reorganize, amalgamate or merge with any other Person or other business organization whatsoever;

(f) acquire or agree to acquire (by merger, amalgamation, acquisition of securities or assets or otherwise) any Person or other business organization or division, or any assets or properties;

(g) incur or commit to incur any indebtedness for borrowed money, or issue any debt securities;

(h) issue or commit to issue any shares of its capital stock, or rights, warrants or options to purchase such shares, or any securities convertible into such shares, warrants or options, other than in connection with the Full Riches Private Placements and the exercise of the Full Riches Options;

(i) alter or amend in any way its constating documents or by-laws as the same exist at the date of this Agreement;

(j) take any action which may result in a material adverse change in the affairs of Full Riches including, without limiting the generality of the foregoing, the entering into of employment, consultancy or severance agreements or other arrangements with any director or officer of Full Riches;

(k) engage in any business enterprise or other activity, other than as contemplated herein and as required as a public company;

(l) enter into any transaction with or make payments to a party or parties with whom Full Riches does not deal at arm's length, other than in the ordinary course of business consistent with past practice;

(m) grant any director, officer or employee who has a policy-making function any increase in compensation or in severance or termination pay (whether or not such compensation or pay is payable in cash), or enter into any employment or consulting agreement with any such director, officer or employee, or hire or promote any such person;

(n) perform any act or enter into any transaction or negotiation which might interfere or be inconsistent with the consummation of the transactions contemplated under this Agreement; or

(o) sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber (or permit any of its subsidiaries to sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber) any of its assets.

3.4 **Further Covenants of Full Riches**. Full Riches covenants and agrees with GMS Canada and GMS England that it will, from the date hereof up to and including the earlier of: (i) the termination of this Agreement; and (ii) the Effective Date:

(a) use all commercially reasonable efforts to obtain all necessary consents, assignments or waivers from third parties and amendments or terminations to any instrument or agreement and take such other measures as may be necessary to fulfil its obligations under and to carry out the transactions contemplated by this Agreement;

(b) mail to its shareholders the Full Riches Information Circular and other documentation required in connection with the Full Riches Meeting;

(c) upon reasonable request provide GMS England, on a timely basis, with all relevant information concerning Full Riches and its business, properties, operations and financial statements for inclusion in the GMS England Circular, and will execute a certificate to be attached to the GMS England Circular certifying that all information concerning Full Riches contained in the GMS England Circular constitutes full, true and plain disclosure of all material facts relating to the particular matters to be acted upon by the securityholders of GMS England in connection with the Transactions, and that the information contained in the GMS England Circular does not contain an untrue statement of a material fact with respect to Full Riches;

(d) on or before the Termination Date, convene the Full Riches Meeting for the purpose of approving the Amalgamation, as well as to approve the Full Riches Continuance, the Amalgamation under the YBCA, the Amalco Stock Option Plan, and to solicit proxies to be voted at the Full Riches Meeting in favour of the approval of all of such matters;

(e) except for proxies and other non-substantive communications with securityholders, furnish promptly to GMS Canada a copy of each notice, report, schedule or other document delivered, filed or received by Full Riches in connection with: (i) the Full Riches Continuance; (ii) the Amalgamation; (iii) any filings under applicable laws; and (iv) any dealings with regulatory agencies in connection with the transactions contemplated herein;

(f) make other necessary filings and applications under applicable federal, provincial and territorial laws and regulations required on the part of Full Riches in connection with the transactions contemplated herein and take all reasonable action necessary to be in compliance with such laws and regulations;

(g) use all commercially reasonable efforts to conduct its affairs so that Full Riches' representations and warranties contained herein shall be true and correct on and as of the Effective Date as if made on the Effective Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;

(h) except as contemplated by this Agreement, not make any election under any provision of applicable tax laws

(m) within two Business Days of receiving any written audit inquiry, assessment, reassessment, confirmation or variation of an assessment, indication that an assessment is being considered, request for filing of a waiver or extension of time or any other notice in writing relating to taxes, interest, penalties, losses or tax pools (an "Assessment"), deliver to GMS England a copy thereof together with a statement setting out, to the extent then determinable, an estimate of the obligations, if any, of Full Riches, on the assumption that such Assessment is valid and binding;

(i) use all commercially reasonable efforts to cause compliance with each of the conditions precedent set forth in Sections 5.1 and 5.2;

(j) subject to the satisfaction of the conditions precedent in Sections 5.1 and 5.3, thereafter jointly with GMS Canada file with the Registrar the Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation on or before the Termination Date; and

(k) notify GMS Canada immediately upon becoming aware that any of the representations and warranties of Full Riches contained in Section 4.1 are no longer true and correct in any material respect.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 **Representations and Warranties of Full Riches**. Full Riches represents and warrants to and in favour of GMS Canada and GMS England (which representations and warranties shall not survive the termination of this Agreement or the completion of the transactions contemplated hereby), and acknowledges that GMS Canada and GMS England are relying upon such representations and warranties, that, save and except as disclosed in the GMS England Circular or the Full Riches Information Circular:

(a) Full Riches is a corporation duly incorporated under the laws of British Columbia and is a valid and subsisting corporation under the BCCA and is in compliance, in all material respects, with the requirements of the BCCA. Full Riches has no subsidiaries, other than the Full Riches Subsidiary;

(b) Full Riches is a "reporting issuer" as that term is defined in the *Securities Act* (Alberta) and the *Securities Act* (British Columbia), is not in default of the requirements of such legislation or the regulations and rules thereto, and the issued and outstanding Full Riches Shares are currently listed and posted for trading on the NEX board of the TSXVE;

(c) no cease trade order has been issued against Full Riches or the Full Riches Shares in any jurisdiction, and, to the knowledge of Full Riches, no cease trade order is pending or threatened;

(d) Full Riches has the requisite power, capacity and authority to enter into this Agreement on the terms and conditions herein set forth;

(e) the authorized capital of Full Riches consists of an unlimited number of common shares, of which 12,021,849 common shares are issued and outstanding (excluding shares to be issued in connection with the Transactions);

(f) except as disclosed herein or pursuant to this Agreement, no Person has any agreement, option or right to acquire or capable of becoming an agreement for the purchase or

acquisition of any of the unissued share capital of Full Riches or the Full Riches Subsidiary, or any other securities of Full Riches or the Full Riches Subsidiary;

(g) there are no disputes, claims, actions, suits, litigation or proceedings (including without limitation local zoning or building ordinance proceedings), arbitrations or investigations, either administrative or judicial, pending or, to the knowledge of Full Riches, threatened or contemplated, by or against or affecting any of Full Riches or the Full Riches Subsidiary or its business, before or by any court or governmental or regulatory official, body or authority, or before an arbitrator of any kind. Full Riches has no knowledge of any condition or state of facts or the occurrence of any event that might reasonably form the basis of any claim, liability or litigation against any of Full Riches or the Full Riches Subsidiary with respect to its assets or its business;

(h) Full Riches is a taxable Canadian corporation as defined in the *Income Tax Act* (Canada) and is not liable, in any material respects, for any Canadian federal, provincial, municipal or local taxes, sales tax assessments, withholding taxes, employee or other remittances, or other imposts or penalties due and unpaid at the date hereof in respect of its income, capital, employees, business or property, or for the payment of any tax instalment due in respect of its current taxation year (but not including taxes accruing due) or any previous taxation years, and no such taxes, assessments, imposts, remittances or penalties are required to be reserved against. All such taxes, assessments, imposts, remittances and penalties have been properly calculated by Full Riches, in all material respects. Full Riches is not in default in filing any returns or reports covering any Canadian federal, provincial, municipal or local taxes, assessments or other imposts in respect of its income, business or property and Full Riches has complied with all withholding, collection, remittance and other obligations under any applicable taxing statute;

(i) Full Riches is not in breach of any laws, rules or regulations where a breach would have a material adverse affect on the consolidated affairs, assets or financial condition of Full Riches, or the transactions contemplated herein;

(j) Full Riches has not experienced nor, to the knowledge of Full Riches, is it aware of any occurrence or event which has had, or might reasonably be expected to have, a materially adverse effect on its consolidated affairs or financial condition;

(k) the entering into and performance of this Agreement and the transactions contemplated herein by Full Riches will not violate:

(i) the memorandum or articles of Full Riches or the Full Riches Subsidiary;

(ii) any agreement to which Full Riches or the Full Riches Subsidiary is a party and will not give any Person any right to terminate or cancel any agreement or any right enjoyed by Full Riches because of such agreement, and will not result in the creation or imposition of any lien, encumbrance or restriction of any nature whatsoever in favour of a third party upon or against Full Riches or the Full Riches Subsidiary or their assets; or

(iii) any statute, regulation, by-law, order, judgment, or decree by which Full Riches or the Full Riches Subsidiary are bound, except for such violations which would not have a material adverse effect on the consolidated financial condition, assets or affairs of Full Riches;

(l) Neither Full Riches nor the Full Riches Subsidiary has incurred any obligation or liability, contingent or otherwise, for broker's fees, commissions or finder's fees or other similar

fees in respect of the transactions contemplated herein other than in connection with the Transactions;

(m) since October 31, 2002, there has not been any material adverse change in the consolidated condition or operation of Full Riches or in its assets, liabilities or financial condition, other than has been reflected in the July 31, 2003 unaudited financial statements of Full Riches and in connection with the write down of certain receivables as disclosed to GMS England;

(n) the consolidated audited financial statements of Full Riches for the year ended October 31, 2002, and the consolidated unaudited financial statements of Full Riches for the period ended July 31, 2003, and the notes thereto, are true and correct and present fairly, in all material respects, the consolidated financial position of Full Riches as at such date and the results of its consolidated operations and changes in financial position for the period indicated in the said statements, and have been prepared in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of prior periods;

(o) Neither Full Riches nor the Full Riches Subsidiary has any material liabilities, contingent or otherwise, except those set out in the financial statements referred to in Section 4.1(n), and neither Full Riches nor the Full Riches Subsidiary has guaranteed or indemnified, or agreed to guarantee or indemnify, any debt, liability or other obligation of any Person;

(p) other than as disclosed in the consolidated financial statements of Full Riches which will be contained in the Full Riches Information Circular, and referred to in Section 4.1(n), neither Full Riches nor the Full Riches Subsidiary is indebted to:

(i) any director, officer or shareholder of Full Riches;

(ii) any individual related to any of the foregoing by blood, marriage or adoption; or

(iii) any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in Sections 4.1(p)(i) and (ii);

(q) none of those Persons referred to in Section 4.1(p) is indebted to Full Riches or the Full Riches Subsidiary;

(r) no Person has any written or oral agreement, option, understanding or commitment or any right or privilege capable of becoming an agreement for the purchase, exchange, transfer or other disposition from Full Riches or the Full Riches Subsidiary of any of their assets;

(s) the information concerning Full Riches and the Full Riches Subsidiary to be set forth in the Full Riches Information Circular and the GMS England Circular will contain no untrue statement of a material fact and will not omit to state a material fact that is required to be stated or that is necessary to make a statement therein not misleading in the light of the circumstances in which it will be made, and such information in the Full Riches Information Circular and the GMS England Circular will constitute full, true and plain disclosure of all material facts relating to the particular matters concerning Full Riches to be acted upon by the securityholders of Full Riches at the Full Riches Meeting and the shareholders of GMS England at the meeting of the shareholders of GMS England to be held in connection with the Transactions, respectively;

(t) the execution and delivery of this Agreement and the completion of the transactions contemplated herein have been, or in respect of the transactions contemplated herein will have been prior to Closing, duly approved by the board of directors of Full Riches and this Agreement constitutes a valid and binding obligation of Full Riches enforceable against it in accordance with its terms, subject, however, to limitations imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance or injunction are granted at the discretion of a court of competent jurisdiction;

(u) the Full Riches Information Circular will contain a list of all material contracts, agreements and commitments (whether written or oral) to which Full Riches or the Full Riches Subsidiary is a party, and all of such material contracts, agreements and commitments are in full force and effect and neither Full Riches nor the Full Riches Subsidiary is in default, in any material respect, under any of such contracts, agreements or commitments;

(v) neither Full Riches nor the Full Riches Subsidiary owns or leases any real property; and

(w) all information requested from Full Riches by or on behalf of GMS England for the purposes of the legal due diligence report prepared by Gowling Lafleur Henderson LLP was, when provided, true and accurate and no information has been withheld by Full Riches, the absence of which would make misleading the information provided.

4.2 **Representations and Warranties of GMS Canada.** GMS Canada represents and warrants to and in favour of Full Riches as follows (which representations and warranties shall not survive the termination of this Agreement or the completion of the transactions contemplated hereby), and acknowledges that Full Riches is relying upon such representations and warranties, that, save and except as disclosed in the GMS England Circular or the Full Riches Information Circular:

(a) since the date of its incorporation, GMS Canada has not carried on any business, acquired any assets or incurred any liabilities,

(b) no Person has any agreement, option, warrant or right to acquire or capable of becoming an agreement for the purchase or acquisition of any of the unissued share capital of GMS Canada, and there are no outstanding securities or instruments which are convertible into or exchangeable for GMS Canada Common Shares; and

(c) no Person has any written or oral agreement, option, understanding or commitment or any right or privilege capable of becoming an agreement for the purchase, exchange, transfer or other disposition from GMS Canada of any of its assets, other than as will be disclosed in the Full Riches Information Circular or as is in the ordinary course of business of GMS Canada consistent with past practice.

4.3 **Representations and Warranties of GMS England.** GMS England represents and warrants to and in favour of Full Riches (which representations and warranties shall not survive the termination of this Agreement or the completion of the transactions contemplated hereby), and acknowledges that Full Riches is relying upon such representations and warranties that, save and except as disclosed in the GMS England Circular or the Full Riches Information Circular:

(a) GMS England is a company duly incorporated under the laws England and Wales and is a valid and subsisting company under the *Companies Act 1985* (England) and is in compliance, in all material respects, with the requirements of such legislation;

(b) GMS England has no subsidiaries other than GMS Canada and the GMS Subsidiaries;

(c) on or prior to the date of the Full Riches Information Circular, the authorized capital of GMS England will be as described in the Full Riches Information Circular;

(d) no Person has any agreement, option, warrant or right to acquire or capable of becoming an agreement for the purchase or acquisition of any of the unissued share capital of GMS England, GMS Canada or the GMS Subsidiaries, and there are no outstanding securities or instruments which are convertible into or exchangeable for securities of GMS England or the GMS Subsidiaries;

(e) the information concerning GMS England and the GMS Subsidiaries provided by GMS England for inclusion in the Full Riches Information Circular will contain no untrue statement of a material fact and will not omit to state a material fact that is required to be stated or that is necessary to make a statement therein not misleading in light of the circumstances in which it will be made, and such information in the Full Riches Information Circular will constitute full, true and plain disclosure of all material facts relating to the particular matters to be acted upon by the shareholders of Full Riches at the Full Riches Meeting concerning GMS England, GMS Canada and the GMS Subsidiaries;

(f) there are no disputes, claims, actions, suits, litigation or proceedings (including without limitation local zoning or building ordinance proceedings), arbitrations or investigations, either administrative or judicial, pending or, to the knowledge of GMS England, threatened or contemplated, by or against or affecting any of GMS England, GMS Canada and the GMS Subsidiaries or its business, before or by any court or governmental or regulatory official, body or authority, or before an arbitrator of any kind other than a dispute with respect to certain drilling activities by GMS England as disclosed in its most recent annual report. GMS England has no knowledge of any condition or state of facts or the occurrence of any event that might reasonably form the basis of any claim, liability or litigation against any of GMS England, GMS Canada and the GMS Subsidiaries with respect to its assets or its business;

(g) except as has been disclosed in the unaudited consolidated financial statements of GMS England for the period ended June 30, 2003, or in previous audited consolidated financial statements of GMS England, none of GMS England, GMS Canada and, so far as GMS England is aware, the GMS Subsidiaries is liable, in any material respects, for any national, federal, provincial, territorial, municipal or local taxes, assessments, withholding taxes, employee or other remittances, or other imposts or penalties due and unpaid at the date hereof in respect of its income, employees, business or property, or for the payment of any tax instalment due in respect of its current taxation year (but not including taxes accruing due) or any previous taxation years, and no such taxes, assessments, imposts, remittances or penalties are required to be reserved against. Each of GMS England, GMS Canada and, so far as GMS England is aware, the GMS Subsidiaries is not in any material respect in default in filing any returns or reports covering any federal, provincial, municipal or local taxes, assessments or other imposts in respect of its income, business or property and each of GMS England, GMS Canada and the GMS Subsidiaries has complied in all material respects with all withholding, collection, remittance and other obligations under any applicable taxing statute. So far as GMS England is aware, no Australian stamp duty tax will be payable by any of GMS England, GMS Canada and the GMS Subsidiaries as a result of the completion of the transactions contemplated by this Agreement other than the GMS Reorganization;

(h) since June 30, 2003, there has not been any material adverse change in the condition or operation of GMS England on a consolidated basis or in its assets, liabilities or financial condition, other than as disclosed by GMS England to Full Riches in writing;

(i) the audited consolidated financial statements for GMS England for the financial years ended December 31, 2002 and 2001, and the notes thereto, give a true and fair view of the financial position of GMS England on a consolidated basis as at such dates and were prepared in accordance with generally accepted accounting principles of the United Kingdom, and unaudited consolidated financial statements of GMS England for the period ended June 30, 2003 and the notes thereto were properly compiled in accordance with all applicable UK statements of standard accounting practice issued by the Account Standards Committee and Financial Reporting Standards issued by the Accounting Standards Board and are on a basis consistent with the accounting policies and principles applied in the preparation of the consolidated audited accounts of GMS England for the year ended December 31, 2002, except, in each case, insofar as inappropriate in respect of the preparation of interim results;

(j) other than as disclosed by GMS England in writing to Full Riches or in the financial statements of GMS England contained in the Full Riches Information Circular and referred to in Section 4.3(i), and save for any outstanding remuneration due and payable by GMS England or any GMS Subsidiary, none of GMS England, GMS Canada or the GMS Subsidiaries is indebted to:

i. any director, officer, employee or shareholder of GMS England and the GMS Subsidiaries;

ii. any individual related to any of the foregoing by blood, marriage or adoption; or

iii. any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in Sections 4.3(j)(i) and (ii);

(k) other than as will be disclosed in writing by GMS England to Full Riches, none of those Persons referred to in Section 4.3(j) is indebted to GMS England or, so far as GMS England is aware, the GMS Subsidiaries;

(l) no Person has any written or oral agreement, option, understanding or commitment or any right or privilege capable of becoming an agreement for the purchase, exchange, transfer or other disposition from any of GMS England and the GMS Subsidiaries of any of its assets having an aggregate value exceeding £50,000, other than as will be disclosed in the Full Riches Information Circular or as is in the ordinary course of business of GMS England consistent with past practice;

(m) the entering into and performance of this Agreement and the transactions contemplated herein by GMS England is not prohibited by:

i. the articles of association of GMS England or the equivalent constating documents of GMS England and the GMS Subsidiaries;

ii. any material agreement to which GMS England or a GMS Subsidiary is a party, and will not give any Person any right to terminate or cancel any material agreement or any right enjoyed by GMS England, GMS Canada or a GMS Subsidiary because of such agreement, and will not insofar as GMS England is aware, result in the creation or imposition of any lien, encumbrance or restriction of any nature whatsoever in favour of a third party upon or against GMS England, GMS Canada and the GMS Subsidiaries or their assets; or

iii. insofar as GMS England is aware, any statute, regulation, order, judgment or decree by which GMS England, GMS Canada or any GMS Subsidiary is bound;

(n) save in relation to guarantees given to government agencies and those given by GMS Australia to Sardinia Gold Mining S.p.A. and Progemisa S.p.A., none of GMS England, GMS Canada and the GMS Subsidiaries has any material liabilities, except those that have been disclosed by GMS England to Full Riches in writing or as set out in the financial statements referred to in Section 4.2(k), and none of GMS England, GMS Canada and the GMS Subsidiaries has guaranteed or indemnified, or agreed to guarantee or indemnify, any debt, liability or other obligation of any Person;

(o) the Full Riches Information Circular will contain a list of all contracts considered by GMS England to be material to which any of GMS England, GMS Canada and the GMS Subsidiaries is a party, and all of such material contracts, agreements and commitments are in full force and effect and none of GMS England, or, so far as GMS England is aware, GMS Canada and the GMS Subsidiaries, is in default under any of such contracts, agreements or commitments, save and except for any breach or default which is not material or which has been waived by the other party to such contract, agreement or commitment;

(p) the execution and delivery of this Agreement and the completion of the transactions contemplated herein have been, or in respect of the transactions contemplated herein will have been prior to Closing, approved by the board of directors of GMS England and this Agreement constitutes a valid and binding obligation of GMS England enforceable against it in accordance with its terms, subject, however, to limitations imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance or injunction are granted at the discretion of a court of competent jurisdiction; and

(q) other than as described in the Full Riches Information Circular, none of GMS England, GMS Canada or the GMS Subsidiaries is a party to any contract, agreement or understanding with any officer, director, employee, shareholder or any other Person not dealing at arm's length with GMS England, GMS Canada or the GMS Subsidiaries.

4.4 No person shall be entitled to make a claim against GMS England under the warranties set out in Section 4.3 unless GMS England is given written notice of the claim no later than immediately prior to the Court Approval. In the event of any such claims, they shall be deemed withdrawn unless legal proceedings in respect thereof have been issued and served by the earlier of the Effective Date and the three months of the aforesaid notice being given and the aggregate liability of GMS England for all claims under Section 4.3 hereto shall be limited to the lesser of the total costs and expenses reasonably and properly incurred by the party bringing such claim in relation to the negotiation of the Transaction of the sum of £200,000.

ARTICLE 5
CONDITIONS PRECEDENT

5.1 **Mutual Conditions Precedent**. The respective obligations of the parties hereto to consummate the transactions contemplated herein are subject to the satisfaction, on or before the Closing Date, of the following conditions any of which may be waived by the mutual consent of such parties without prejudice to their rights to rely on any other of such conditions:

(a) the Amalgamation shall have been approved by the required majority of the votes of the shareholders who, being entitled to do so, vote in person or by proxy at the Full Riches Meeting in accordance with the provisions of the BCCA and the Policy;

(b) the transactions contemplated herein, including the Full Riches Continuance and the Amalgamation, shall have been approved by the required majority of the votes of the shareholders of Full Riches who, being entitled to do so, vote in person or by proxy at the Full Riches Meeting in accordance with the provisions of the BCCA;

(c) all other necessary regulatory approval shall have been obtained, including any approvals in connection with the issuance and distribution of the Amalco Common Shares and the Amalco Full Riches Replacement Options;

(d) the Amalgamation shall have been approved by the holders of the GMS Canada Common Shares in accordance with the provisions of the YBCA and by the shareholders of GMS England;

(e) the Amalco Common Shares to be issued upon the completion of the Amalgamation and the exercise of the Amalco Full Riches Replacement Options shall have been accepted for listing by the TSXVE, subject to Full Riches or Amalco fulfilling the TSXVE's listing requirements;

(f) the TSXVE shall have granted conditional approval to the Amalgamation;

(g) the GMS Court Approval shall have been obtained;

(h) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement, including, without limitation, the Full Riches Continuance and the Amalgamation;

(i) all consents, orders and approvals, including, without limitation, regulatory approvals, required or necessary or desirable for the completion of the transactions provided for in this Agreement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the parties hereto, acting reasonably;

(j) this Agreement shall not have been terminated in accordance with Section 7.2;

(k) Amalco shall have signed employment or consulting agreements with proposed management of Amalco to make available expertise in Italy in form and substance satisfactory to GMS England; and

(l) the approval of AIM shall have been received to Admission occurring and being effective on the Effective Date.

5.2 **Conditions to Obligations of GMS Canada and GMS England.** The obligation of GMS Canada and GMS England to consummate the transactions contemplated herein are subject to the satisfaction, on or before the Closing Date, of the following conditions:

(a) each of the acts and undertakings of Full Riches to be performed on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed by Full Riches;

(b) the Full Riches Private Placements shall have been completed, resulting in gross proceeds to Full Riches of not less than $10,000,000;

(c) the Joint Venture Agreement shall have been completed to the satisfaction of GMS Canada and GMS England;

(d) no material adverse change in the business, affairs, assets or operations of Full Riches shall have occurred between the date hereof and the Closing Date;

(e) except as affected by the Transactions contemplated herein, the representations and warranties of Full Riches contained in Section 4.1 shall be true in all material respects immediately prior to Closing with the same effect as though such representations and warranties had been made at and as of such time and GMS Canada and GMS England shall have received a certificate to that effect, dated the Closing Date, from an officer of Full Riches, acceptable to GMS Canada and GMS England, acting reasonably, to the best of his or her knowledge, having made reasonable inquiry;

(f) Full Riches shall have complied with the covenants contained in Sections 3.3 and 3.4 and GMS Canada and GMS England shall have received a certificate of an officer of Full Riches to such effect on the Closing Date;

(g) Full Riches shall have furnished GMS Canada and GMS England with:

(i) certified copies of the resolutions passed by the board of directors of Full Riches approving this Agreement and the consummation of the transactions contemplated herein;

(ii) certified copies of the resolutions passed by the shareholders of Full Riches at the Full Riches Meeting approving the Amalgamation;

(iii) certified copies of the resolutions passed by the shareholders of Full Riches at the Full Riches Meeting approving the Full Riches Continuance and the Amalco Stock Option Plan;

(iv) certified copies of the Full Riches Certificate of Continuance and the articles of continuance of Full Riches; and

(v) a conditional approval letter from the TSXVE approving the Amalgamation upon the terms hereof, approving the listing of the Amalco Common Shares to be issued upon completion of the Amalgamation and upon exercise of any securities of Amalco convertible or exercisable into Amalco Common Shares (including the Amalco GMS Entitlement Options and the Amalco GMS Replacement Warrants), as well as conditionally approving the grant of any new Amalco Options under the Amalco Stock Option Plan subject to the usual conditions;

(h) all such assignments, assumptions, novations and consents as may be required in connection with the assignment and assumption of the GMS England Agreements by Amalco shall have been obtained; and

(j) not more than 10% of the holders of the issued and outstanding Full Riches Shares shall have exercised, and not withdrawn, their dissent rights with respect to the Full Riches Continuance pursuant to the BCCA or the Amalgamation pursuant to the YBCA.

The conditions described above are for the exclusive benefit of GMS Canada and GMS England and may be asserted by GMS Canada and GMS England regardless of the circumstances, or may be waived by GMS Canada and GMS England in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which GMS Canada and GMS England may have hereunder or at law.

5.3 **Conditions to Obligations of Full Riches**. The obligations of Full Riches to consummate the transactions contemplated herein are subject to the satisfaction, on or before the Closing Date, of the following conditions:

(a) each of the acts and undertakings of GMS Canada and GMS England to be performed on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed by GMS Canada;

(b) the GMS Reorganization shall have been completed to the satisfaction of Full Riches;

(c) no material adverse change in the business, affairs, financial condition or operations of GMS Canada, GMS England or the GMS Subsidiaries shall have occurred between the date hereof and the Closing Date;

(d) except as affected by the Transactions contemplated herein, the representations and warranties of GMS Canada and GMS England contained in Section 4.2 and Section 4.3, respectively, shall be true in all material respects immediately prior to Closing with the same effect as though such representations and warranties had been made at and as of such time, and Full Riches shall have received a certificate to such effect, dated the Closing Date, of a senior officer of GMS Canada and GMS England to the best of his knowledge having made reasonable inquiry;

(e) the covenants of GMS Canada and GMS England contained in Sections 3.1 and 3.2 shall have been complied with, and Full Riches shall have received a certificate to such effect, dated the Closing Date, of a senior officer of each of GMS Canada and GMS England;

(f) GMS Canada and GMS England shall have furnished Full Riches with:

(i) certified copies of the closing documentation in connection with the completion of the GMS Reorganization;

(ii) certified copies of the GMS England Court Approval;

(iii) certified copies of the resolutions passed by the board of directors of GMS Canada and GMS England approving this Agreement, as well as the consummation of the transactions contemplated herein; and

(iv) certified copies of the resolutions passed in writing by the shareholders of GMS Canada and GMS England approving the Amalgamation and the other Transactions;

(g) GMS England shall have provided Full Riches with legal opinions related to the properties of the GMS Subsidiaries reasonably satisfactory to Full Riches; and

(h) not more than 10% of the holders of the issued and outstanding GMS Canada Common Shares shall have exercised, and not withdrawn, their dissent rights with respect to the Amalgamation pursuant to the YBCA.

The conditions described above are for the exclusive benefit of Full Riches and may be asserted by Full Riches regardless of the circumstances, or may be waived by Full Riches in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Full Riches may have hereunder or at law.

5.4 **Merger of Conditions**. The conditions set out in Sections 5.1, 5.2 and 5.3 shall be conclusively deemed to have been satisfied, waived or released on the filing by Full Riches and GMS Canada of the Articles of Amalgamation with the Registrar.

ARTICLE 6
NOTICES

6.1 **Notices**. All notices, requests and demands hereunder, which may or are required to be given pursuant to any provision of this Agreement, shall be given or made in writing and shall be delivered by courier or by telecopier as follows:

(a) to GMS Canada and GMS England, addressed to:

The Little House
Quenington, Cirencester
United Kingdom
GL7 5BW

Attention: Martin Groak
Telecopier: 44 20 8789 2136

with a copy to:

Charles Russell
8-10 New Fetter Lane
London EC4A 1RS

Attention: Clive Hopewell
Telecopier: 44 (0)20 7203 0200

and a copy to:

Gowling LaFleur Henderson
Suite 2300, Four Bentall Centre
1055 Dunsmuir Street
Vancouver, British Columbia
Canada V7X 1J2

Attention: Rod McKeen
Telecopier: (604) 689-8610

(b) to Full Riches, addressed to:

Suite 3123
Three Bentall Centre
595 Burrard Street
Vancouver, British Columbia
V5Y 1P5

Attention: Mr. Gordon Keep
Telecopier: (604) 609-6145

with a copy to:

Wildeboer Rand Thomson Apps & Dellelce, LLP
Barristers & Solicitors
Suite 810, P.O. Box 4
1 First Canadian Place
Toronto, Ontario
Canada M5J 2S1

Attention: Mr. Vaughn MacLellan
Telecopier: (416) 361-1790

or to such other address and telecopier numbers as the parties may, from time to time, advise to the other parties hereto by notice in writing. All notices, requests and demands hereunder shall be deemed to have been received, if delivered by courier on the date of delivery and if sent by telecopier, on the date the telecopy was sent.

ARTICLE 7
AMENDMENT AND TERMINATION OF AGREEMENT

7.1 **Amendment**. This Agreement may, at any time and from time to time before or after the holding of the Full Riches Meeting, be amended by written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of their respective shareholders and any such amendment may, without limitation:

(a) change the time for performance of any of the obligations or acts of the parties hereto;

(b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;

(c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the parties hereto; or

(d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment shall change the provisions hereof regarding the consideration to be received by securityholders of Full Riches and the securityholders of GMS Canada without approval by such securityholders of Full Riches and GMS Canada given in the same manner as required for the approval of the Amalgamation.

7.2 **Rights of Termination**. If any of the conditions contained in Article 5 shall not be waived, fulfilled or performed by March 1, 2004 (the "Termination Date") and such condition is contained in:

(a) Section 5.1, either of the parties hereto may terminate this Agreement by notice to the other party;

(b) Section 5.2, GMS Canada and/or GMS England may terminate this Agreement by notice to Full Riches; or

(c) Section 5.3, Full Riches may terminate this Agreement by notice to GMS Canada.

If this Agreement is terminated as aforesaid, the party terminating this Agreement shall be released from all obligations under this Agreement, all rights of specific performance against such party shall terminate and, unless such party can show that the condition or conditions the non-performance of which has caused such party to terminate this Agreement were reasonably capable of being performed by the other party, then the other party shall also be released from all obligations hereunder; and further provided that any of such conditions may be waived in full or in party be either of the parties without prejudice to its rights of termination in the event of the non-fulfilment or non-performance of any other condition.

7.3 **Notice of Unfulfilled Conditions**. If any of Full Riches, GMS Canada or GMS England shall determine at any time prior to the Effective Date that it intends to refuse to consummate the Amalgamation or any of the other transactions contemplated hereby because of any unfulfilled or unperformed condition contained in this Agreement on the part of the other of them to be fulfilled or performed, Full Riches, GMS Canada or GMS England, as the case may be, shall so notify the other of them forthwith upon making such determination in order that such other of them shall have the right and opportunity to take such steps, as its own expense, as may be necessary for the purpose of fulfilling or performing such condition within a reasonable period of time, but in no event later than the Termination Date.

7.4 **Mutual Termination**. This Agreement may, at any time before or after the holding of the Full Riches Meeting, but no later than the last Business Day immediately preceding the Effective Date, be terminated by mutual agreement of the directors of Full Riches and GMS Canada without further action on the part of the shareholders of Full Riches and, if the Amalgamation does not become effective on or before the Termination Date, either Full Riches or GMS Canada may unilaterally terminate this Agreement, which termination will be effective upon a resolution to that effect being passed by its directors and notice thereof being given to the other of them.

ARTICLE 8
GENERAL

8.1 **Stand Still Agreement.** As long as this Agreement is in effect and except as contemplated herein, none of Full Riches, GMS Canada or GMS England (including their respective directors, officers and agents) will solicit any discussions, expressions of interest, proposals or accept any offers from any Person relating to a possible merger, amalgamation, arrangement or relating to the sale of the shares or assets or any equity interest of Full Riches, GMS Canada or GMS England, as applicable, provided however that the board of directors of Full Riches, GMS Canada and GMS England may take action or refrain from taking action as is appropriate to satisfy applicable fiduciary duties or as may be required by applicable laws or regulatory authorities and further provided that Full Riches, GMS Canada and GMS England (including their respective directors, officers and agents) may solicit and accept offers if the Articles of Amalgamation are not filed with the Registrar on or before March 1, 2004.

8.2 **Disclosure of Alternative Transaction.** In the event either GMS Canada, Full Riches or GMS England shall receive an unsolicited proposal, offer or expression of interest in connection with any of those matters referred to in Section 8.1 on or before March 1, 2004, the recipient of such proposal, offer or expression of interest shall notify the other parties hereto and shall provide details of such proposal, offer or expression of interest to the other parties hereto.

8.3 **Entire Agreement.** This Agreement (including the schedules hereto), together with the agreement between the parties dated October 3, 2003 (the "Letter Agreement"), shall constitute the entire agreement between the parties regarding the contents herein and shall supersede all previous oral or written communications, provided that in the event of any inconsistency between the terms of this Agreement and the terms of the Letter Agreement, the terms of this Agreement shall govern.

8.4 **Binding Effect**. This Agreement shall be binding upon and enure to the benefit of the parties hereto.

8.5 **Assignment**. No party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other parties hereto.

8.6 **Public Disclosure**. The parties agree to consult with each other before making any public disclosure or announcement of or pertaining to this Agreement, and that any such disclosure or announcement shall be mutually satisfactory to all parties; provided, however, this Section shall not apply in the event any party hereto is advised by its counsel that certain disclosures or announcements, which the other parties after reasonable notice will not consent to, are required to be made by applicable laws, stock exchange rules or policies of regulatory authorities having jurisdiction.

8.7 **Expenses**. Whether or not the Amalgamation is completed, Full Riches, GMS Canada and GMS England shall each pay for their respective costs and expenses incurred in connection with the documentation prepared in connection with the Amalgamation and the Transactions.

8.8 **Time of Essence**. Time shall be of the essence of this Agreement.

8.9 **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, and the parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of British Columbia.

8.10 **Severability**. In the event that any provisions contained in this Agreement shall be declared invalid, illegal or unenforceable by a court or other lawful authority of competent jurisdiction, this Agreement shall continue in force with respect to the enforceable provisions and all rights and remedies accrued under the enforceable provisions shall survive any such declaration, and any non-enforceable provision shall to the extent permitted by law be replaced by a provision which, being valid, comes closest to the intention underlying the invalid, illegal and unenforceable provision.

8.11 **Confidentiality.** Each of GMS Canada, GMS England and Full Riches will provide such information as to its financial condition, business, properties, title, assets and affairs (including any material contracts) as may reasonably be requested by the other party. Such information which:

(a) has not become generally available to the public; or

(b) was not available to a party or its representatives on a non-confidential basis before the date of this letter; or

(c) does not become available to a party or its representatives on a non-confidential basis from a person who is not, to the knowledge of the party or its representatives, otherwise bound by confidentiality obligations to the provider of such information or otherwise prohibited from transmitting the information to the party or its representatives;

will be kept confidential by each party and shall constitute confidential information (the "confidential information"). No confidential information may be released to third parties without the consent of the provider thereof, except that the parties hereto agree that they will not unreasonably withhold such consent to the extent that such confidential information is compelled to be released by legal process or must be released to regulatory bodies and/or included in public documents.

8.12 **Counterparts and Facsimile Copies**. This Agreement may be executed in separate counterparts, and all such counterparts when taken together shall constitute one agreement. The parties shall be entitled to rely on delivery of a facsimile copy of the executed Agreement and such facsimile copy shall be legally effective to create a valid and binding Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

FULL RICHES INVESTMENTS LTD.

Per: "*Gordon Keep*"
Authorized Signing Officer

MEDORO RESOURCES LTD.

Per: "*Martin Groak*"
Authorized Signing Officer

GOLD MINES OF SARDINIA PLC

Per: "*Martin Groak*"
Authorized Signing Officer

SCHEDULE A

ARTICLES OF AMALGAMATION

YUKON
JUSTICE

YUKON BUSINESS CORPORATIONS ACT
(Section 187)

Form 2-01

ARTICLES OF AMALGAMATION
FOR YUKON CORPORATIONS

1. Name of Corporation:

   MEDORO RESOURCES LTD.

2. The classes and any maximum number of shares that the Corporation is authorized to issue:
   The attached Schedule "A" is incorporated into and forms part of this form.

3. Restrictions, if any, on share transfers:

   None

4. Number (or minimum and maximum number) of directors:

   Minimum 3 - Maximum 15.

5. Restrictions, if any, on business the Corporation may carry on:

   The Corporation is restricted from carrying on the business of a railway, steamship, air transport, canal, telegraph, telephone or irrigation company.

6. Other provisions, if any:

   The attached Schedule "B" is incorporated into and forms part of this form.

7. Names of amalgamating corporations:

   Medoro Resources Ltd.
   Full Riches Investments Ltd.

8. Date	Signature	Title

SCHEDULE "A"

TO ARTICLES OF AMALGAMATION OF

MEDORO RESOURCES LTD.

(the "Corporation")

The Corporation is authorized to issue an unlimited number of shares and the authorized capital of the Corporation is to be divided into:

1. Common Shares, which shall have attached thereto the following preferences, rights, conditions, restrictions, limitations, or prohibitions:

(a) Voting

The holders of common shares shall be entitled to vote at any meeting of the shareholders of the Corporation and have one vote in respect of each common share held by them.

(b) Dividends

The holders of common shares shall be entitled to receive, out of all profits or surplus available for dividends, any dividend declared by the Corporation on the common shares, provided that dividends must not be paid on common shares if to do so would reduce the value of the net assets of the Corporation to less than the aggregate of the redemption amount of the issued preferred shares. No dividend may be declared on the common shares in any fiscal year until the full dividend is declared and paid on the preferred shares.

(c) Participation on Dissolution

In the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the common shares shall be entitled to receive the remaining property of the Corporation after the distribution of the assets of the Corporation to the holders of the preferred shares as set out in paragraph 2(b) hereof.

2. Preferred Shares, which shall have attached thereto the following rights, privileges, restrictions and conditions:

(a) Directors' Authority to Issue in One or More Series

The board of directors of the Corporation may issue the preferred shares at any time and from time to time in one or more series. Before the first shares of a particular series are issued, the board of directors of the Corporation shall fix the number of shares in such series and shall determine, subject to the limitations set out in the articles, the designation, rights, privileges, restrictions and conditions to be attached to the shares of such series including, without limitation, the rate or rates, amount or method or methods of calculation of dividends thereon, the time and place of payment of dividends, whether cumulative or non-cumulative or partially cumulative and whether such rate, amount or method of calculation shall be subject to change or adjustment in the future, the currency or currencies of payment of dividends, the consideration and the terms and conditions of any purchase for cancellation, retraction or redemption rights (if any), the conversion or exchange rights attached thereto (if any), the voting rights attached

thereto (if any), and the terms and conditions of any share purchase plan or sinking fund with respect thereto. Before the issue of the first shares of a series, the board of directors of the Corporation shall send to the Registrar of Corporations (as defined in the Yukon *Business Corporations Act*) articles of amendment containing a description of such series including the designation, rights, privileges, restrictions and conditions determined by the board of directors of the Corporation.

(b) Ranking of Preferred Shares

No rights, privileges, restrictions or conditions attached to a series of preferred shares shall confer upon a series a priority in respect of dividends or return of capital over any other series of preferred shares then outstanding. The preferred shares shall be entitled to priority over the common shares of the Corporation and over any other shares of the Corporation ranking junior to the preferred shares with respect to priority in the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs. If any cumulative dividends or amounts payable on a return of capital in respect of a series of preferred shares are not paid in full, the preferred shares of all series shall participate rateably in respect of such dividends, including accumulations, if any, in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of any repayment of capital in accordance with the sums that would be payable on such repayment of capital if all sums so payable were paid in full; provided however, that in the event of there being insufficient assets to satisfy in full all such claims to dividends and return of capital, the claims of the holders of the preferred shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment and satisfaction of claims in respect of dividends. The preferred shares of any series may also be given such other preferences, not inconsistent with sections 2(a) to 2(d) hereof, over the common shares and over any other shares ranking junior to the preferred shares as may be determined in the case of such series of preferred shares.

(c) Voting Rights

Except as hereinafter referred to or as otherwise required by law or in accordance with any voting rights which may from time to time be attached to any series of preferred shares, the holders of the preferred shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders of the Corporation.

(d) Approval of Holders of Preferred Shares

The rights, privileges, restrictions and conditions attaching to the preferred shares as a class may be added to, changed or removed but only with the approval of the holders of the preferred shares given as hereinafter specified.

The approval of the holders of preferred shares to add to, change or remove any right, privilege, restriction or condition attaching to the preferred shares as a class or to any other matter requiring the consent of the holders of the preferred shares as a class be given in such manner as may then be required by law, subject to a minimum requirement that such approval shall be given by resolution passed by the affirmative vote of at least two-thirds of the votes cast at a meeting of the holders of preferred shares duly called for that purpose. The formalities to be observed in respect of the giving of notice of any such meeting or any adjourned meeting and the conduct thereof shall be those from time to time required by the Yukon *Business Corporations Act* (as from time to time

amended, varied or replaced) and prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at a meeting of holders of preferred shares as a class, each holder entitled to vote thereat shall have one vote in respect of each preferred share held by him.

SCHEDULE "B"

TO ARTICLES OF AMALGAMATION OF

MEDORO RESOURCES LTD.

(the "Corporation")

1. The directors may, between annual general meetings, appoint one or more additional directors of the Corporation to serve until the next annual general meeting, but the number of additional directors shall not at any time exceed one third of the number of directors who held office at the expiration of the last annual meeting of the Corporation.

2. Shareholder meetings may be held in any municipality in the world outside of the Yukon Territory as the directors, in their absolute discretion, may determine appropriate.

SCHEDULE B

1. GMS England Options and Amalco GMS Entitlement Options

Name	Number of GMS Options	GMS Options Exercise Price: £	GMS Options Date of Issue	GMS options Expiry Date	Number of Amalco GMS Entitlement Options	Amalco GMS Entitlement Options Exercise Price: $	Amalco GMS Entitlement Options Expiry Date
Max Baker	100,000	£0.22	20.11.02	20.04.04	14,116	$3.49	20.04.04
Luigi Maccioni	200,000	£0.15	20.11.02	31.05.05	28,231	$2.37	31.05.05
Roberta Vinci	50,000	£0.15	20.11.02	31.05.05	7,058	$2.37	31.05.05
Vittorio Gori	200,000	£0.14	20.11.02	08.08.05	28,231	$2.22	08.08.05
Jeannette P. Smith	300,000	£0.12	20.11.02	01.02.06	42,346	$1.90	01.02.06
Rodney Jacobs	300,000	£0.12	20.11.02	01.02.06	42,346	$1.90	01.02.06
Jeffery Rayner	100,000	£0.12	20.11.02	01.02.06	14,116	$1.90	01.02.06
Sergio Di Giovanni	50,000	£0.12	20.11.02	01.02.06	7,058	$1.90	01.02.06
Peter A. Evans	100,000	£0.12	20.11.02	01.02.06	14,116	$1.90	01.02.06
Stephen J Nicol	100,000	£0.12	20.11.02	01.02.06	14,116	$1.90	01.02.06
Jeffery N. Hewson	100,000	£0.13	20.11.02	01.03.06	14,116	$2.06	01.03.06
Fabio Granitzio	75,000	£0.13	20.11.02	01.03.06	10,586	$2.06	01.03.06
Franceschino Pes	50,000	£0.13	20.11.02	01.03.06	7,058	$2.06	01.03.06
Mauro Diana	50,000	£0.13	20.11.02	01.03.06	7,058	$2.06	01.03.06
Angelo Farci	50,000	£0.13	20.11.02	01.03.06	7,058	$2.06	01.03.06
Jeffery Rayner	100,000	£0.13	20.11.02	01.03.06	14,116	$2.06	01.03.06
Sergio Di Giovanni	50,000	£0.13	20.11.02	01.03.06	7,058	$2.06	01.03.06
Luigi Maccioni	50,000	£0.13	20.11.02	01.03.06	7,058	$2.06	01.03.06
Giorgio Righini	115,000	£0.13	20.11.02	01.03.06	16,232	$2.06	01.03.06
Alessandro Murroni	50,000	£0.13	20.11.02	01.03.06	7,058	$2.06	01.03.06
Jon Pither	500,000	£0.16	20.11.02	08.06.06	70,578	$2.53	30 months
John Morris	500,000	£0.16	20.11.02	08.06.06	70,578	$2.53	30 months
John Chappell	500,000	£0.16	20.11.02	08.06.06	70,578	$2.53	30 months
Milena Ardu	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Leandra Aru	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Massimo Benedetti	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Sergio Boi	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Sandro Broi	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Cecilia Cadau	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Salvatore Caddeo	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Pieraldo	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months

Caddeu							
Orazio Caboni	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Francesco Caria	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Antonello Carrucciu	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Ignazio Carta	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Luciano Cau	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Luciano Cirina	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Gian Filippo Congia	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Gianni Curcu	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Ignazio Corda	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Giuseppina Curreli	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Maria Carla Dessi	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Sergio Di Giovanni	75,000	£0.13	22.03.02	22.03.07	10,587	$2.06	30 months
Pio Di Salvo	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Mauro Diana	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Giuseppe Angelo Farci	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Enrico Lecis	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Giuseppino Leo	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Walter Lilliu	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Sandro Locci	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Andrea Loddo	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Luigi Maccioni	100,000	£0.13	22.03.02	22.03.07	14,116	$2.06	30 months
Emanuele Madeddu	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Stefano Mainas	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Danilo Manis	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Paolo Antonio Mattu	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Marco Matzuzzi	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Toni Melas	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Fabrizio Mereu	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Giuseppe Mocci	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Marianna Murgia	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Alessendro Murroni	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Stephen Nicol	100,000	£0.13	22.03.02	22.03.07	14,116	$2.06	30 months
Giuseppe Obili	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Giorgio Onnis	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Salvatore Orru	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Cristian Pau	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months

Franceschino Pes	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Stepano Pilliu	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Cicollo Porcu	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Giovanni Porru	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Giorgio Righini	75,000	£0.13	22.03.02	22.03.07	10,587	$2.06	30 months
Cecilia Sanna	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Salvatore Tidda	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
PaoloTraversari	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Cristiana Vacca	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Gabriella Zonnedda	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Gialuca Zucca	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Amedeo Muraro	250,000	£0.13	22.03.02	22.03.07	35,289	$2.06	30 months
Enrico Farci	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Maria Laura Melis	30,000	£0.13	22.03.02	22.03.07	4,235	$2.06	30 months
Thomas Gee Elder	500,000	£0.15	01.07.02	01.07.07	70,578	$3.30	
Lee Graber	500,000	£0.11	2.10.03	2.10.10	70,578	$1.75	30 months
Martin Groak	500,000	£0.11	2.10.03	2.10.10	70,578	$1.75	30 months
Serafino Iacono	500,000	£0.11	2.10.03	2.10.10	70,578	$1.75	30 months
Jose Francisco Arata	500,000	£0.11	2.10.03	2.10.10	70,578	$1.75	30 months
TOTAL	**8,380,000**				**1,182,888**		

2. GMS Warrants and Amalco GMS Replacement Warrants

Name	Number of GMS Warrants	GMS Warrants Exercise Price: £	GMS Warrants Date of Issue	GMS Warrants Expiry Date	Number of Amalco GMS Replacement Warrants	Amalco GMS Replacement Warrants Exercise Price	Amalco GMS Replacement Warrants Expiry Date
Sargold Resource Corporation	11,111,111	£0.11		31.07.05	1,568,401	$1.75	31.07.05
Williams de Broë	2,500,000	£0.15		18.02.05	352,890	$3.30	18.02.05
Bolivar Gold Corp.	27,435,055	TBD		TBD	3,872,626	TBD	TBD, 2008
TOTAL	**41,046,166**				**5,793,918**		

THIS IS SCHEDULE G ATTACHED TO AND MADE A PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE SPECIAL MEETING OF SHAREHOLDERS OF FULL RICHES INVESTMENTS LTD. TO BE HELD ON JANUARY 6, 2004, AND ANY ADJOURNMENT THEREOF

SECTION 37 OF THE *COMPANY ACT (BRITISH COLUMBIA)*

Transfer of incorporation from British Columbia

37(1) A company may, if authorized by

(a) a special resolution,

(b) the registrar, and

(c) the laws of another jurisdiction,

apply to the proper officer of that other jurisdiction for an instrument of continuation continuing the company as if it had been incorporated under the laws of that other jurisdiction.

(2) A company ceases to be a company within the meaning of this Act on and after the date on which the company is continued under the laws of the other jurisdiction, and the company must promptly file with the registrar a copy of the instrument of continuation certified by the proper officer of the other jurisdiction.

(3) This section applies only in respect of a jurisdiction that has laws that permit corporations incorporated under its laws to apply for an instrument of continuation under the laws of British Columbia.

(4) A member of a company may, until 2 days before the meeting at which the special resolution referred to in subsection (1) is to be passed, give notice of dissent to the company concerning the member's shares, and in that event section 207 applies.

SECTION 207 OF THE *COMPANY ACT* (BRITISH COLUMBIA)

Dissent Procedure

207 (1) If,

(a) being entitled to give notice of dissent to a resolution as provided in section 37, 103, 126, 222, 244, 249 or 289, a member of a company (in this Act called a "dissenting member") gives notice of dissent,

(b) the resolution referred to in paragraph (a) is passed, and

(c) the company or its liquidator proposes to act on the authority of the resolution referred to in paragraph (a),

the company or the liquidator must first give to the dissenting member notice of the intention to act and advise the dissenting member of the rights of dissenting members under this section.

(2) On receiving a notice of intention to act in accordance with subsection (1), a dissenting member is entitled to require the company to purchase all of the dissenting member's shares in respect of which the notice of dissent was given.

(3) The dissenting member must exercise the right given by subsection (2) by delivering to the registered office of the company, within 14 days after the company, or the liquidator, gives the notice of intention to act,

(a) a notice that the dissenting member requires the company to purchase all of the dissenting member's shares referred to in subsection (2), and

(b) the share certificates representing all of those shares,

and, on delivery of that notice and those share certificates, the dissenting member is bound to sell those shares to the company and the company is bound to purchase them.

(4) A dissenting member who has complied with subsection (3), the company, or, if there has been an amalgamation, the amalgamated company, may apply to the court, and the court may

(a) require the dissenting member to sell, and the company or the amalgamated company to purchase, the shares in respect of which the notice of dissent has been given,

(b) set the price and terms of the purchase and sale, or order that the price and terms be established by arbitration, in either case having due regard for the rights of creditors,

(c) join in the application any other dissenting member who has complied with subsection (3), and

(d) make consequential orders and give directions it considers appropriate.

(5) The price that must be paid to a dissenting member for the shares referred to in subsection (2) is their fair value as of the day before the date on which the resolution referred to in subsection (1) was passed, including any appreciation or depreciation in anticipation of the vote on the resolution, and every dissenting member who has complied with subsection (3) must be paid the same price.

(6) The amalgamation or winding up of the company, or any change in its capital, assets or liabilities resulting from the company acting on the authority of the resolution referred to in subsection (1), does not affect the right of the dissenting member and the company under this section or the price to be paid for the shares.

(7) Every dissenting member who has complied with subsection (3)

(a) may not vote, or exercise or assert any rights of a member, in respect of the shares for which notice of dissent has been given, other than under this section,

(b) may not withdraw the requirement to purchase the shares, unless the company consents, and

(c) until the dissenting member is paid in full, may exercise and assert all the rights of **a** creditor of the company.

(8) If the court determines that a person is not a dissenting member, or is not otherwise entitled to the right provided by subsection (2), the court, without prejudice to any acts or proceedings that the company, its members, or any class of members may have taken during the intervening period, may make the order it considers appropriate to remove the limitations imposed on the person by subsection (7).

(9) The relief provided by this section is not available if, subsequent to giving notice of dissent, the dissenting member acts inconsistently with the dissent, but a request to withdraw the requirement to purchase the dissenting member's shares is not an act inconsistent with the dissent.

(10) A notice of dissent ceases to be effective if the dissenting member consents to or votes in favour of the resolution of the company to which the dissent relates, unless the consent or vote is given solely as a proxy holder for a person whose proxy required an affirmative vote.

SECTION 249(3) OF THE *COMPANY ACT* (BRITISH COLUMBIA)

249…

(3) A member of an amalgamating company, not more than 7 days after the amalgamation agreement is adopted by every amalgamating company, may give a notice of dissent to the amalgamating company of which he, she or it is a member in respect of all the member's shares of the class or kind described in the notice of dissent, in which event section 207 applies.

THIS IS SCHEDULE H ATTACHED TO AND MADE A PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF FULL RICHES INVESTMENTS LTD. TO BE HELD ON JANUARY 6, 2004, AND ANY ADJOURNMENT THEREOF

FORM OF AMALCO STOCK OPTION PLAN

ARTICLE ONE
PURPOSE AND INTERPRETATION

Section 1.01 Purpose. The purpose of the new stock option plan (the "Plan") is to advance the interests of the Corporation by encouraging equity participation in the Corporation through the acquisition of Common Shares of the Corporation by directors, officers, employees and consultants of the Corporation.

Section 1.02 Definitions. In the Plan, the following capitalized words and terms shall have the following meanings:

(a) "**Act**" means the *Business Corporations Act* (Yukon) or its successor, as amended from time to time.

(b) "**Affiliate**" shall have the meaning ascribed thereto in the Securities Act.

(c) "**Associate**" shall have the meaning ascribed thereto in the Securities Act.

(d) "**Board of Directors**" means the board of directors of the Corporation as constituted from time to time, or, if the Board of Directors has delegated administration of the Plan to a compensation committee, then "Board of Directors" shall mean such compensation committee.

(e) "**Change in Control**" shall be deemed to have occurred if:

(i) any person, other than the Corporation or an employee benefit plan of the Corporation, acquires directly or indirectly the beneficial ownership (as such term is defined in the Act) of any voting security of the Corporation and immediately after such acquisition such person is, directly or indirectly, the beneficial owner of voting securities representing 50% or more of the total voting power of all of the then outstanding voting securities of the Corporation;

(ii) the individuals (A) who, as of the date of adoption of this Plan, constitute the Board of Directors (the "Original Directors") or (B) who thereafter are elected to the Board of Directors and whose election, or nomination for election, to the Board of Directors was approved by a vote of at least two-thirds (2/3) of the Original Directors then still in office (such directors becoming "Additional Original Directors" immediately following their election) or (C) who are elected to the Board of Directors and whose election, or nomination for election, to the Board of Directors was approved by a vote of at least two-thirds (2/3) of the Original Directors and Additional Original Directors then still in office (such directors also becoming "Additional Original Directors" immediately following their election) (such individuals being the "Continuing Directors"), cease for any reason to constitute a majority of the members of the Board of Directors;

(iii) the shareholders of the Corporation shall approve a merger, consolidation, recapitalization, or reorganization of the Corporation, a reverse stock split of outstanding voting securities, or consummation of any such transaction if shareholder approval is not sought or obtained, other than any such transaction which would result in at least 75% of the total voting rights represented by the voting securities of the surviving entity outstanding immediately after such transaction being beneficially owned by at least 75% of the holders of outstanding voting securities of the Corporation immediately prior to the transaction, with the voting rights of each such continuing holder relative to other such continuing holders not being substantially altered in the transaction; or

(iv) the shareholders of the Corporation shall approve a plan of complete liquidation of the Corporation or an agreement for the sale or disposition by the Corporation of all or a substantial portion of the Corporation's assets (i.e., 50% or more of the total assets of the Corporation).

(f) "**Common Shares**" means the common shares of the Corporation and any shares or securities of the Corporation into which such Common Shares are changed, converted, subdivided, consolidated or reclassified.

(g) "**Consultant**" shall have the meaning ascribed thereto in Multilateral Instrument 45-105 entitled *Trades to Employees, Senior Officers, Directors, and Consultants*,as amended from time to time.

(h) "**Corporation**" means Full Riches Investments Ltd. and any successor corporation, and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors.

(i) "**Designated Affiliate**" means the Affiliates of the Corporation designated by the Board of Directors for purposes of the Plan from time to time.

(j) "**Disability**" means any disability with respect to a Participant which the Board of Directors, in its sole and unfettered discretion, considers likely to prevent permanently the Participant from:

(i) being employed or engaged by the Corporation, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Corporation or its subsidiaries; or

(ii) acting as a director or officer of the Corporation or its subsidiaries.

(k) "**Exchange** " means the TSX Venture Exchange or such other stock exchange or quotation system as the Common Shares may from time to time be listed or quoted for trading.

(l) "**Holding Company**" shall have the meaning specified in Section 2.02 hereof.

(m) "**Insider**" shall have the meaning ascribed thereto in the Securities Act, other than a person who is an Insider solely by virtue of being a director or senior officer of a subsidiary of the Corporation and any Associate of an Insider.

(n) "**Issuer Bid**" shall have the meaning ascribed thereto in the Securities Act.

(o) "**Option**" means an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Common Shares from treasury at a price to be determined by the Board of Directors.

(p) "**Option Agreements**" shall have the meaning specified in Section 2.14 hereof.

(q) "**Option Period**" means the period of time an Option may be exercised as specified in Subsection 2.08(a) hereof.

(r) "**Participant**" means a participant under the Plan.

(s) "**Plan**" means the share incentive plan provided for herein and as amended from time to time.

(t) "**RRSP**" shall have the meaning specified in Section 2.02 hereof.

(u) "**Securities Act**" means the *Securities Act* (British Columbia) or its successor, as amended from time to time.

(v) "**Share Compensation Arrangement**" means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Corporation to one or more service providers, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise.

(w) "**Take-Over Bid**" shall have the meaning ascribed thereto in the Securities Act.

ARTICLE TWO
SHARE OPTION PLAN

Section 2.01 The Plan. The Plan is hereby established for certain employees, senior officers, directors and Consultants of the Corporation and Designated Affiliates.

Section 2.02 Participants. Participants in the Plan shall be directors, senior officers, employees and Consultants of the Corporation or any of its Designated Affiliates (including officers thereof, whether or not directors) who, by the nature of their positions or jobs are, in the opinion of the Board of Directors, in a position to contribute to the success of the Corporation. At the request of any Participant, Options granted to such Participant may be issued to and registered in the name of a personal holding company wholly-owned and controlled by such Participant ("Holding Company") or to a registered retirement savings plan established for the sole benefit of such Participant ("RRSP") and, in such event, the provisions of this Plan shall apply to such Options mutatis mutandis as though they were issued to and registered in the name of the Participant.

Section 2.03 Amount of Options. The determination regarding the aggregate number of Common Shares subject to Options in favour of any Participant will take into consideration the Participant's present and potential contribution to the success of the Corporation and shall be determined from time to time by the Board of Directors. The aggregate number of Common Shares reserved for issuance upon the exercise of Options pursuant to this Plan, subject to adjustment or increase of such number pursuant to Section 2.11 hereof, shall be such number of Common Shares as is equal to 10% of the number of issued and outstanding Common Shares from time to time. The maximum number of Common Shares reserved

for issuance to any one Participant upon the exercise of Options in any 12 month period shall not exceed 5% of the total number of Common Shares outstanding immediately prior to such issuance, subject to adjustment or increase of such number pursuant to Section 2.11 hereof.

Section 2.04 Limits.

(a) The number of Common Shares issuable to Insiders pursuant to Options granted under the Plan, together with Common Shares issuable to Insiders under any other Share Compensation Arrangement of the Corporation, shall not:

(i) exceed 10% of the number of Common Shares outstanding immediately prior to the grant of any such Option; or

(ii) result in the issuance to Insiders, within a one-year period, of an excess of 10% of the number of Common Shares outstanding immediately prior to the grant of any such Option.

(b) The number of Common Shares issuable to any Insider and such Insider's Associates pursuant to Options granted under the Plan, together with Common Shares issuable to such Insider or such Insider's Associates under any other Share Compensation Arrangement of the Corporation shall not, within a one year period, exceed 5% of the number of Common Shares outstanding immediately prior to the grant of any such Option.

(c) Any Common Shares issuable pursuant to an Option granted to a Participant prior to the Participant becoming an Insider shall be excluded for the purposes of the limits set out in Subsections 2.04(a) and 2.04(b) hereof.

(c) The total number of Common Shares issuable to any one Consultant pursuant to Options granted under the Plan, in any 12 month period, shall not exceed 2% of the number of Common Shares outstanding immediately prior to the grant of any such Options.

(d) The total number of Common Shares issuable to an employee of the Corporation engaged in Investor Relations Activities pursuant to Options granted under the Plan, in any 12 month period, shall not exceed 2% of the number of Common Shares outstanding immediately prior to the grant of any such Options.

Section 2.05 Price. The exercise price per Common Share shall be determined by the Board of Directors at the time the Option is granted, but such price shall not be less than the Discounted Market Price, as defined in the policies of the Exchange. In the event that the Common Shares are not listed and posted for trading on any stock exchange or other quotation system, the exercise price shall be the fair market value of the Common Shares as determined by the Board of Directors in its sole discretion.

Section 2.06 Vesting. The issuance of Options under the Plan will be subject to the vesting periods established by the Board of Directors, in its discretion, pursuant to the terms of any Option Agreement and applicable securities laws and rules of the TSXVE.

Section 2.07 Lapsed Options. In the event that Options granted under the Share Option Plan terminate or expire without being exercised in whole or in part in accordance with the terms of the Plan, the Common Shares reserved for issuance but not purchased under such lapsed Options shall be available for subsequent Options to be granted under the Plan.

Section 2.08 Consideration, Option Period and Payment.

(a) The period during which Options may be exercised shall be determined by the Board of Directors, in its discretion, to a maximum of five years from the date the Option is granted (the "Option Period"), except as the same may be reduced with respect to any Option as provided in Sections 2.09 and 2.10 hereof respecting termination of employment or death of the Participant or amended from time to time by the Board of Directors, in its discretion, subject to the approval of any stock exchange or regulatory requirements.

(b) Subject to any other provision of this Plan, and in particular the vesting provisions set forth in Section 2.06 hereof, an Option may be exercised from time to time during the Option Period, subject to vesting limitations by delivery to the Corporation at its registered office of a written notice of exercise addressed to the Secretary of the Corporation specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by payment in full of the exercise price therefor. Certificates for such Common Shares shall be issued and delivered to the Participant as soon as practicable following receipt of such notice and payment.

(c) Except as set forth in Sections 2.09 and 2.10 hereof, no Option may be exercised unless the Participant is, at the time of such exercise, a director, senior officer, employee or Consultant of the Corporation or any of its Designated Affiliates and shall have been continuously a director, senior officer, employee or Consultant since the grant of his or her Option. Absence on leave with the approval of the Corporation or a Designated Affiliate shall not be considered an interruption of employment for purposes of the Plan.

(d) The exercise of any Option will be contingent upon receipt by the Corporation of cash payment of the full exercise price of the Common Shares, which are the subject of the exercised Option. No Participant or his or her legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Common Shares with respect to which he or she was granted an Option under the Plan, unless and until certificates for such Common Shares are issued to him or her under the terms of the Plan.

(e) Notwithstanding any other provision of this Plan or in any Option granted to a Participant, the Corporation shall not be obligated to issue or deliver Common Shares to a Participant upon the exercise of any Option or take other actions under the Plan until the Corporation shall have determined that applicable federal and state laws, rules, and regulations have been complied with and such approvals of any stock exchange, regulatory or governmental agency have been obtained and contractual obligations to which the grant of the Option exercisable for such Common Shares may be subject have been satisfied. In particular, the Corporation, in its discretion, may postpone the issuance or delivery of Common Shares under any Option until:

(i) completion of such stock exchange listing or registration or other qualification of such Common Shares or obtaining approval of such regulatory authorities as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; and

(ii) the receipt from the Participant of such information, representations, warranties, agreements and undertakings, including as to future dealings in such Common Shares, as the Corporation or its counsel determines to be necessary or advisable in order to ensure compliance with all applicable securities laws.

(f) If there is a Change in Control, Issuer Bid or Take-Over Bid, then the Board of Directors may, by resolution, permit all Options outstanding under the Plan to become immediately exercisable in order to permit Common Shares issuable under such Options to be tendered to the Issuer Bid or Take-Over Bid or otherwise participate in any of such events.

(g) An Option may be exercised at any time after the date the Option has been granted, subject to any vesting provisions attaching thereto, up to 5:00 p.m. local time on the last day of the Option Period and shall not be exercisable thereafter.

Section 2.09 (1) Termination of Employment. Subject to the next following sentence, if a Participant shall cease to be:

(a) a director, senior officer or Consultant of the Corporation or any of its Designated Affiliates (and is not or does not continue to be an employee thereof for any reason other than death or Disability); or

(b) an employee of the Corporation or any of its Designated Affiliates (and is not or does not continue to be a director or senior officer thereof) for any reason (other than death or Disability) or shall receive notice from the Corporation or any of its Designated Affiliates of the termination of his or her employment;

(collectively, "Termination") he or she or it may, but only within 90 days next succeeding such Termination, exercise his or her or its Options to the extent that he or she or it was entitled to exercise such Options at the date of such Termination; provided that in no event shall such right extend beyond the Option Period. Upon the expiry of such 90 day period, such Participant's Options shall cease and terminate and be of no further force and effect. If a Participant is terminated for cause, his or her Options shall expire immediately. This section is subject to any agreement with any Participant with respect to the rights of such Participant upon Termination or Change in Control of the Corporation.

(2) Termination of Investor Relations Activity. Subject to the next following sentence, if a Participant shall cease to be engaged in Investor Relations Activities (the "Termination") he or she or it may, but only within 30 days next succeeding such Termination, exercise his or her or its Options to the extent that he or she or it was entitled to exercise such Options at the date of such Termination; provided that in no event shall such right extend beyond the Option Period. Upon the expiry of such 30 day period, such Participant's Options shall cease and terminate and be of no further force and effect. If a Participant is terminated for cause, his or her Options shall expire immediately.

Section 2.10 Death or Disability of Participant. In the event of the death or Disability of a Participant who is a director, senior officer or Consultant of the Corporation or any of its Designated Affiliates or who is an employee having been continuously in the employ of the Corporation or any of its Designated Affiliates, the Options theretofore granted to him or her shall be exercisable within the six months next succeeding such death or Disability and then only:

(a) by the person or persons to whom the Participant's rights under the Options shall pass by the Participant's will or the laws of descent and distribution; and

(b) to the extent that he or she was entitled to exercise the Options at the date of his or her death or Disability, provided that in no event shall such right extend beyond the Option Period.

Section 2.11 Adjustment in Shares Subject to the Plan. In the event that:

(a) there is any change in the Common Shares of the Corporation through subdivisions or consolidations of the share capital of the Corporation, or otherwise;

(b) the Corporation declares a dividend on Common Shares payable in Common Shares or securities convertible into or exchangeable for Common Shares; or

(c) the Corporation issues Common Shares, or securities convertible into or exchangeable for Common Shares, in respect of, in lieu of, or in exchange for, existing Common Shares,

the number of Common Shares available for option, the Common Shares subject to any Option, and the option price thereof, shall be adjusted appropriately by the Board of Directors in its sole discretion and such adjustment shall be effective and binding for all purposes of the Plan.

Section 2.12 Consolidation, Merger, etc. If there is a consolidation, merger or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities or a transfer of all or substantially all of the assets of the Corporation to another entity, upon the exercise of an Option under the Plan, the holder thereof shall be entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had exercised the Option immediately prior to such event, unless the Board of Directors of the Corporation otherwise determine the basis upon which such Option shall be exercisable in accordance with regulatory policy.

Section 2.13 Record Keeping. The Corporation shall maintain a register in which shall be recorded:

(a) the name and address of each Participant in the Plan; and

(b) the number of Options granted to a Participant and the aggregate number of Options outstanding, the exercise price and the expiry date thereof.

Section 2.14 Option Agreements. All Options granted pursuant to the Plan shall be evidenced by written agreements between the Corporation and each Participant to whom Options are granted hereunder containing such terms and conditions, not inconsistent with the provisions of the Plan, as may be established by the Board of Directors, including the following:

(a) subject to and in accordance with the provisions of Sections 2.03 and 2.04 hereof, the number of Options covered by any grant of Options and the number of Common Shares which such Options shall entitle the Participant the right to purchase;

(b) subject to and in accordance with the provisions of Section 2.05, the price of the Common Shares covered by any Option, stated and payable in Canadian dollars; and

(c) subject to and in accordance with the provisions of Section 2.08, the Option Period.

Section 2.15 Tax Withholding. The Corporation shall have the right to require that any Participant make such provision, or furnish the Corporation such authorization, necessary or desirable so that the Corporation may satisfy its obligation, if any, under applicable laws, to withhold or otherwise pay for income or other taxes of such Participant attributable to the grant or exercise of Options granted under the Plan or the sale of Common Shares issued with respect to Options. This authority shall include authority to withhold or receive Common Shares or other property and to make cash payments in respect thereof in satisfaction of a Participant's tax obligations.

Section 2.16 Securities Law Matters.

Common Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Common Shares pursuant thereto shall comply with all relevant provisions of applicable securities law, including, without limitation, the Securities Act and the requirements of the Exchange or any stock exchange or consolidated stock price reporting system on which prices for the Common Shares are quoted at any given time. As a condition to the exercise of an Option, the Corporation may require the person exercising such Option to represent and warrant at the time of any such exercise that the Common Shares are being purchased only for investment and without any present intention to sell or distribute such Common Shares if, in the opinion of counsel for the Corporation, such a representation is required by law.

ARTICLE THREE
GENERAL

Section 3.01 Assignability and Transferability. The benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be assignable or transferable by the Participant except (i) from the Participant to his or her Holding Company or RRSP or from a Holding Company or RRSP to the Participant and, in either such event, the provisions of this Plan shall apply mutatis mutandis as though they were originally issued to and registered in the name of the Participant, or (ii) as otherwise specifically provided herein. During the lifetime of a Participant, all benefits, rights and Options shall only be exercised by the Participant or by his or her guardian or legal representative.

Section 3.02 Employment. Nothing contained in the Plan shall confer upon any Participant any right with respect to employment or continuance of employment with the Corporation or any Affiliate, or interfere in any way with the right of the Corporation or any Affiliate to terminate the Participant's employment at any time. Participation in the Plan by a Participant shall be voluntary.

Section 3.03 Delegation to Compensation Committee. All of the powers exercisable by the Board of Directors under the Plan may, to the extent permitted by applicable law and authorized by resolution of the Board of Directors of the Corporation, be exercised by a Compensation Committee of not less than three (3) directors. The members of any such Compensation Committee shall not be employees of the Corporation.

Section 3.04 Administration of the Plan. The Board of Directors of the Corporation shall administer the Plan. The Board of Directors shall be authorized to interpret and construe the Plan and may, from time to time, establish, amend or rescind rules and regulations required for carrying out the purposes, provisions and administration of the Plan and determine the Participants to be granted Options, the number of Common Shares covered thereby, the exercise price therefor and the time or times when they may be exercised. Any such interpretation or construction of the Plan shall be final and conclusive. The Corporation shall pay all administrative costs of the Plan. The senior officers of the Corporation are hereby authorized and directed to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the Plan and of the rules and regulations established for administering the Plan.

Section 3.05 Amendment, Modification or Termination of the Plan. Subject to Section 3.03, the Board of Directors reserves the right to amend, modify or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board of Directors. However, any amendment of the Plan which would materially:

(a) increase the benefits under the Plan;

(b) increase the number of Common Shares which may be issued under the Plan; or

(c) modify the requirements as to the eligibility for participation in the Plan;

shall be effective only upon the approval of the shareholders of the Corporation. Any amendment to any provision of the Plan shall be subject to any necessary approvals by the Exchange or other regulatory body having jurisdiction over the securities of the Corporation.

Section 3.06 No Representation or Warranty. The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of the Plan.

Section 3.07 Governing Law. This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia.

Section 3.08 Compliance with Applicable Law. If any provision of the Plan or any Option Agreement contravenes any law or any order policy, by-law or regulation of any regulatory body or Exchange having authority over the Corporation or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

Section 3.09 Rights of Participant. A Participant shall have no rights whatsoever as a shareholder of the Corporation in respect of any of the unexercised Options (including, without limitation, voting gifts or any right to receive dividends, warrants or rights under any rights offering).

Section 3.10 Conflict. In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

Section 3.11 Time of Essence. Time is of the essence of this Plan and each Option Agreement. No extension of time will be determined to be or to operate as a waiver thereof.

Section 3.12 Entire Agreement. This Plan and each Option Agreement set out the entire agreement between the Corporation and the Participant to which any particular Option Agreement relates relative to the subject matter hereof and supercedes all prior agreements, undertakings and understandings, whether oral or written.

Section 3.13 Approval and Effective Date. This Plan shall become effective as and from, and the effective date of the Plan shall be, the date on which the amalgamation of Full Riches Investments Ltd. and Medoro Resources Ltd. becomes effective, subject to receipt of all necessary shareholder and regulatory approvals on or before 12 months from the effective date.