

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, accountant, solicitor or other independent professional adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

The Directors of the Company, whose names appear on page 3 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and makes no omission likely to affect the import of such information.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

London Stock Exchange plc has not itself examined or approved the contents of this document.

Greystar Resources Ltd.

APPENDIX

FURTHER INFORMATION ON GREYSTAR RESOURCES LTD. IN CONNECTION WITH ITS PROPOSED ADMISSION TO AIM

This Appendix has been prepared in accordance with the Supplement to Schedule One of the AIM Rules published by London Stock Exchange plc. It includes, *inter alia*, all information that would otherwise have had to be included in the Company's Admission Document and which is not found in the current public disclosure record, or in current public disclosure filed by the directors and senior officers of the Company, all as filed with the Canadian securities regulatory authorities (collectively, the "Public Record"). The Public Record can be accessed freely on www.sedar.com and www.sedi.ca. This Appendix should be read in conjunction with the Form of Announcement to be made by an applicant at least 20 business days prior to Admission (the "Announcement Form") and the Public Record. This Appendix and the Announcement Form together constitute "the Announcement".

A copy of this document, which is dated 26 July 2004, will be available via the Company's website at www.greystarresources.com from 26 July 2004 until the date one month from the date of Admission.

Insinger de Beaufort, which is regulated by The Financial Services Authority, is acting as the Company's Nominated Adviser for the purposes of the AIM Rules and as such, its responsibilities are owed solely to the London Stock Exchange plc and are not owed to the Company or to any director. Insinger de Beaufort will not be responsible to anyone other than the Company for providing the protections afforded to clients of Insinger de Beaufort or for advising any person in relation to the contents of this Announcement. No liability is accepted by Insinger de Beaufort for the accuracy of any information or opinions contained in, or for the omission of any material information from, this Announcement for which the Directors are solely responsible.

Ocean Equities Limited, which is a member of the London Stock Exchange plc and regulated by The Financial Services Authority, is acting as the Company's Broker for the purposes of the AIM Rules. Ocean Equities Limited is not acting for any other person and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Ocean Equities Limited or for advising any person in relation to the contents of this Announcement. No liability is accepted by Ocean Equities Limited for the accuracy of any information or opinions contained in, or for the omission of any material information from, this Announcement for which the Directors are solely responsible.

DEFINITIONS

“Admission”	admission of the Common Shares to trading on AIM in accordance with the AIM Rules
“AIM”	the AIM Market of London Stock Exchange plc
“AIM Rules”	the rules for AIM companies as published by London Stock Exchange plc from time to time
“Articles”	the articles of the Company at the date of this document
“Belle Isle”	Belle Isle Investments Ltd.
“Board” or “Directors”	the directors of the Company whose names are set out on page 3 of this Appendix
“Cdn\$”	Canadian dollars
"Company" or "Greystar"	Greystar Resources Ltd.
“Common Shares”	the Common shares without par value in the capital of the Company
“CREST”	the system for paperless settlement of trades and holdings of uncertificated shares administered by CRESTCo Limited
"Group"	the Company and its subsidiary
“Memorandum”	the memorandum of the Company at the date of this document
“Placing”	the conditional placing of new Common Shares by Ocean Equities Limited pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 28 June 2004 relating to the Placing, summary details of which are set out in paragraph 10 of this document
“Placing Shares”	the new Common Shares the subject of the Placing
“Shareholder(s)”	(a) holder(s) of Common Shares
"Stock Option Plan"	the Amended and Restated Incentive Stock Option Plan of the Company dated 7 April, 2004
“UK”	the United Kingdom of Great Britain and Northern Ireland
“US\$”	United States dollars

DIRECTORS, SECRETARY AND ADVISERS

Directors	David Bruce Rovig Brian Eric Bayley Attilio Georgio Spat Fernando Suescún Mutis Rocco Anthony Meliambro	President Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
	all of whose business address is: Suite 300 - 570 Granville Street, Vancouver, British Columbia, V6C 3P1, Canada	
Company Secretary	Sandra Lee	
Registered Office	3000 Royal Centre, 1055 West Georgia Street, Vancouver, British Columbia, V6E 3R3, Canada	
Nominated Adviser	Insinger de Beaufort 44 Worship Street, London EC2A 2JT	
Broker	Ocean Equities Limited Ocean House, 10/12 Little Trinity Lane, London EC4V 2AR	
UK Solicitors to the Company	Field Fisher Waterhouse 35 Vine Street, London EC3N 2AA	
Canadian Solicitors to the Company	Bull, Housser & Tupper 3000 Royal Centre, PO Box 11130, 1055 West Georgia Street Vancouver, British Columbia, V6E 3R3, Canada	
Auditors	KPMG LLP Box 10426, 777 Dunsmuir Street, Vancouver, British Columbia, V7Y 1K3, Canada	
Registrar and Transfer Agents	Computershare Trust Company of Canada 4 th Floor – 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, Canada	

1. GREYSTAR

Greystar is an exploration company whose principal project is the Angostura gold and silver project in the Departments of Santander and Norte de Santander, Columbia.

2. INCORPORATION

Greystar was formed by the amalgamation of Greystar Resources Ltd. and Churchill Resources Ltd. under the British Columbia *Company Act* on August 15, 1997.

The liability of the Shareholders is limited.

3. SHARE CAPITAL

3.1 The authorised and issued share capital of the Company as at 22 July 2004 (being the latest practicable date prior to the issue of this Announcement), was as follows:

Authorised Number	Type of Security	Issued and Fully Paid Number
100,000,000 Common Shares	Common Shares without par value	20,265,762 Common Shares

3.2 There are no limits on the duration of the authorisation of the Directors to issue any of the authorised share capital of the Company.

3.3 All the issued Common Shares are fully paid.

3.4 All the issued Common Shares rank *pari passu* as to voting rights, participation and distribution of the Company's assets on liquidation, dissolution or winding-up and the entitlement to dividends. Holders of Common Shares are entitled to receive notice of, attend and vote at all meetings of Shareholders. Each Common Share carries one vote at such meetings.

3.5 Holders of Common Shares are entitled to dividends if and when declared by the Directors and, upon liquidation, to receive such portion of the assets of the Company as may be distributable to such holders.

3.6 The Common Shares are not subject to call or assessment rights or any pre-emptive or conversion rights. There are no provisions attached to the Common Shares for redemption, purchase for cancellation or surrender.

3.7 As at 22 July 2004 (being the latest practicable date prior to the issue of this Announcement), the following warrants to purchase Common Shares in the capital of the Company were outstanding:

Number of Warrants	Exercise Price (Cdn\$)	Expiry Date
100,000	\$1.97	September 15, 2004
500,000	\$2.50	June 3, 2006
50,000	\$2.50	June 3, 2006

3.8 As at 22 July 2004 (being the latest practicable date prior to the issue of this Announcement), the following incentive stock options were outstanding under the Stock Option Plan:

	Number of Stock Options	Exercise Price (Cdn\$)	Expiry Date
Directors	75,000	\$4.75	June 23, 2004
	60,000	\$1.00	December 15, 2005
	187,000	\$1.05	February 1, 2007
	20,000	\$1.70	April 26, 2007
	195,000	\$1.40	October 21, 2007
	295,000	\$1.90	February 6, 2008
	32,500	\$1.40	June 9, 2008
	550,000	\$2.75	November 12, 2008
	220,000	\$2.10	June 7, 2009
Others	19,000	\$4.75	June 23, 2004
	20,000	\$1.00	December 15, 2005
	58,400	\$1.05	February 1, 2007
	75,000	\$1.40	October 21, 2007
	180,000	\$1.90	February 6, 2008
	72,500	\$1.40	June 9, 2008
	347,000	\$2.75	November 12, 2008
	100,000 ⁽¹⁾	\$2.05	March 1, 2009
	50,000	\$2.50	April 6, 2009
	160,000	\$2.10	June 7, 2009
Total	2,716,400		

Note:

⁽¹⁾ This option vested as to 50,000 shares on June 1, 2004 and will vest as to the remaining 50,000 shares on September 1, 2004.

Except as disclosed in this Appendix or in the Public Record, no share capital of the Company is under option, or is agreed, conditionally or unconditionally, to be put under option.

3.9 The Company does not have in issue any listed or unlisted securities not representing share capital and, save for the options and warrants described in 3.7 and 3.8 above, there are no convertible securities of the Company outstanding other than a convertible promissory note (the “Convertible Note”) dated June 3, 2004 in the principal amount of Cdn\$2 million issued by the Company to Belle Isle, pursuant to the loan agreement described in paragraph 10(c) of this document. Simple interest accrues on the unpaid principal at a rate of 0.5% per month from the date of advance to June 15, 2004 and, thereafter, at a rate of 3% per annum. Belle Isle has the right to convert, at any time and from time to time, all or any portion of such principal into Common Shares at a price of Cdn\$2.50 per share. To the extent not previously converted, the Company must pay the outstanding principal and accrued interest on or before June 15, 2006. The Company may elect to pay all or part of accrued interest by issuing Common Shares at the following prices: for interest accrued on or before June 15, 2004, Cdn\$1.56 per share and for any interest accrued after that date, Cdn\$1.79 per share.

Under a shareholders rights plan agreement (the “Rights Plan”) between the Company and Computershare Trust Company of Canada, as rights agent, dated as of November 19, 2003, one right (a “Right”) was issued and attached to each outstanding Common Share and attaches automatically to each Common Share issued thereafter. The Rights will trigger (i.e., separate from the Common Shares) and become exercisable ten trading days after a person (an “Acquiring Person”) has acquired 20% or more of, or commences or announces a take-over bid for, the Company’s outstanding Common Shares other than by an acquisition pursuant to a Permitted Bid or a Competing Permitted Bid, as defined in the Rights Plan. The acquisition by an Acquiring Person of 20% or more of the Common Shares is a “Flip-In Event”. When a Flip-In Event occurs, each Right becomes a right to purchase from the Company, upon exercise thereof in accordance with the terms of the Rights Plan, that number of Common Shares having an aggregate market price on the date of consummation or occurrence of such Flip-In Event equal to twice the exercise price for amount in cash equal to the exercise price i.e. at a 50% discount. Any Rights held by an Acquiring Person become void upon the occurrence of a Flip-In Event.

Prior to the rights being triggered, they will have no value and will have no dilutive effect on the Common Shares

Investment advisors (acting in the ordinary course of their business), trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds, administrators of registered pension plans, and crown agents acquiring greater than 20% of the Common Shares are exempt from triggering a Flip-In Event, provided that they are not making, or are not part of a group making, a take-over bid.

The Rights Plan will remain in effect until the close of business on December 19, 2007.

Prior to separation, the Rights are evidenced by a legend stamped on the Common Share certificates and are not transferable separately from the Common Shares. From and after separation, the Rights will be evidenced by rights certificates and will be transferable separately from the Common Shares.

The Board may, in certain circumstances, waive the application of the Rights Plan to a particular Flip-In Event (an “Exempt Acquisition”). The Board may also, at any time prior to occurrence of a Flip-In Event, redeem all of the outstanding Rights at Cdn \$0.0001 per Right. The Rights will deem to have been redeemed by the Board following completion of a Permitted Bid, Competing Permitted Bid or Exempt Acquisition.

- 3.10 It is anticipated that the Placing Shares will be subject to selling restrictions in accordance with the requirements of the Toronto Stock Exchange and applicable Canadian securities laws. The Company proposes to deposit a legended certificate with Deposit Trust Corporation as a separate security in the name of CREST Depository Limited against which CREST will issue CREST International Depository Instruments which are admitted to trading on AIM. Further details are set out in paragraph 12 of this document.

4. ARTICLES AND BY-LAWS

- 4.1 The Company is governed by its Memorandum and Articles and pursuant to the provisions of the British Columbia *Business Corporations Act* (the “Act”).

- 4.2 The Memorandum and the Articles of the Company, and the Act where applicable, contain provisions to the following effect:

(a) Directors

The Articles provide that at each annual general meeting of the shareholders, the directors of the Company shall retire from office and the shareholders entitled to vote at the annual general meeting shall elect a new board of directors. The number of directors of the Company will be that number of directors as are appointed or elected. Thereafter, the number of directors can be fixed from time to time by an ordinary resolution of the shareholders of the Company but at no time can the number of directors be less than three.

The directors hold office for a term expiring at the close of the next annual general meeting of the shareholders following such election or, if an annual general meeting is not held in accordance with the Act, then on the last day on which an annual general meeting could have been held pursuant to the Articles.

Under the Articles, the existing board of directors may, between successive annual general meetings, appoint one or more additional directors to serve until the next annual general meeting provided that the number of additional directors so appointed shall not exceed one third of the number of directors elected at the preceding annual general meeting.

The directors may fill any casual vacancies that arise in the board between annual general meetings.

Every question decided at a meeting of the board of directors shall be decided by a majority of the votes cast on each question. In the case of an equality of votes, the chairman shall not have a second or casting vote.

The directors may by resolution constitute, dissolve or reconstitute an Executive Committee or any other committees as the board sees fit. Each committee shall have the powers, authorities and discretions delegated to it by the board of directors.

The directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for reasonable travelling, hotel and other expenses properly incurred by them in and about the business of the Company. If a director performs any professional or other services for the Company that in the opinion of the directors are outside of the ordinary duties of a director, such director may be paid an amount to be fixed by the board and may be in addition to any other remuneration received.

(b) Officers

The board of directors has the authority to appoint those officers as it determines are necessary and to terminate any such appointments. It also has the authority to determine the duties and functions of, and the remuneration paid to, each officer.

(c) Disclosure of Conflicts

Subject to the Act and the Articles, a director or senior officer who (i) has a material interest in a contract or transaction, or (ii) is a director or senior officer of (or has a material interest in) a person who has a material interest in a contract or transaction, that is material to the Company and that the Company has entered, or proposes to enter, must disclose the nature and extent of his or her interest at the directors' meeting at which the contract or transaction is first considered or at the first meeting after he or she becomes interested, or if an individual who is interested in a contract or transaction later becomes a director, at the first meeting after he or she becomes a director. An interested director shall not vote on any resolution to approve the contract or transaction except as provided by the Act.

(d) Indemnity

Subject to the provisions of the Act, the directors shall cause the Company to indemnify a current or former director or officer of the Company, and the directors may cause the Company to indemnify a current or former director or officer who, at the request of the Company, held the position of director or officer of a corporation affiliated to the Company or an equivalent position in a partnership, trust, joint venture or other unincorporated entity, and the heirs and personal representatives of such persons, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment or penalty, actually and reasonably incurred by him or her, including an amount paid to settle an action or satisfy a judgment in a civil, criminal or administrative action or proceeding to which he or she is made a party by reason of his or her being or having been a director or officer of the Company, a director or officer (or equivalent position) of an affiliated corporation or other organization. The Company shall apply to the court for all approvals of the court which may be required to make any such indemnity effective and enforceable.

(e) Share Allotment and Issuance

Subject to any resolutions passed at a general meeting of the shareholders authorising any increase or alteration of capital, the shares of the Company are under the control of the directors who may, subject to any applicable securities legislation and to the rights of the then existing shareholders, issue, allot, sell or otherwise dispose of, and grant options on, or otherwise deal in, the shares of the Company in such manner as they, in their absolute discretion, see fit.

(f) Transferability of Shares

The Act provides that shares of a company are transferable as provided by the articles of that company. The Articles of the Company do not contain any restrictions on the transfer of its shares.

(g) General Meetings

The Company must hold an annual general meeting once during each calendar year and no later than 13 months after the date of the last annual general meeting unless all shareholders entitled to attend and vote at the annual general meeting consent in writing to all matters that are required to be transacted at the annual general meeting.

Unless requisitioned by the shareholders in accordance with the Act, the directors may convene extraordinary general meetings of the shareholders whenever they see fit.

The Act provides that the directors may set a record date for the purpose of determining which shareholders will be entitled to attend and vote at a general meeting. If no record date is set, then the record date is as of 5:00 p.m. on the day immediately preceding the day on which notice of the meeting was sent to the shareholders or, if no notice was sent, at the beginning of the meeting.

Quorum for general meetings is two persons present and being, or representing by proxy, members holding not less than one-twentieth of the issued shares entitled to be voted at the meeting.

(h) Voting Rights

Each Common Share entitles the holder to one vote at a meeting of shareholders. Subject to the Act, any question at a meeting of the shareholders shall be decided by a show of hands and every member who is present in person and entitled to vote thereat shall have one vote. A declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost or not carried by a particular majority and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall not be entitled to a second or casting vote.

A shareholder which is a corporation may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any general meetings or class meetings. Evidence of the appointment of this representative may be sent to the Company by written instrument by any method of transmitting legibly recorded messages.

A shareholder entitled to vote at a meeting of the shareholders may, by proxy, appoint a proxyholder or one or more alternate proxyholders, as his or her nominee to attend and act at a meeting in the manner, to the extent and with the power conferred by the proxy.

On any question proposed for consideration at a meeting of the shareholders, either before or on the declaration of the result of the show of hands vote, the chairman may direct a poll or it may be demanded by at least one shareholder entitled to vote who is present in person or in proxy except that a poll may not be demanded on the election of a chairman. A poll so required or demanded shall be taken in such manner as the Chairman of the meeting shall direct. If a poll is taken, each shareholder shall have one vote for each share of which he or she is the registered holder and may exercise the vote either in person or by proxy, and the result of the poll so taken shall be the decision of the shareholders upon said question. In any dispute as to the admission or rejection of a vote, the decision of the chairman made in good faith shall be final and conclusive.

(i) Dividends

The directors may from time to time declare dividends to the shareholders in accordance with the Act and any special rights and restrictions attached to each class of shares. Dividends declared by the Company may be paid in cash or in assets, including securities of the Company.

Dividends that are declared may be paid on any date that is fixed by the directors of the Company. The directors may fix a record date for the purpose of determining which shareholders will be entitled to receive a dividend that is declared, which date may not precede the date on which the dividend will be declared by more than 2 months. If a record date is not set by the directors, then the record date is as of 5:00 p.m. on the date on which the directors' resolution declaring the dividend is passed by the board.

The Act provides that a company may not declare or pay a dividend if there are reasonable grounds for believing that the company is insolvent or that the payment of the dividend would render the company insolvent.

(j) Purchase and Redemption

Subject to the special rights and restrictions attached to any class or series of shares, the Company may, by a resolution of the directors and in compliance with the Act, purchase any of its shares at the price and upon the terms specified in such resolution or redeem any class or series of shares in accordance with the special rights and restrictions attaching to the class of shares in question. None of the authorised shares of the Company are redeemable.

Subject to the provisions of the Act and the Articles of the Company, if the Company wishes to purchase its shares, it must make its offer to purchase pro rata to every member who holds shares of the class or series to be purchased, as the case may be.

The Act provides that the Company may not purchase or redeem its shares if there are reasonable grounds for believing that the Company is insolvent or that making the payment or providing the consideration for the shares would render the Company insolvent.

(k) Alteration of Capital

Subject to the provisions of the Act, the Company may, by passing an ordinary resolution, amend its capital to create a new class of shares or to increase the existing number of authorised shares of a particular class. In order for an ordinary resolution to be passed, a majority of the votes of the shareholders who are entitled to attend and vote at a meeting of the shareholders must be obtained. With respect to all other capital alterations, the Company must be authorised by a majority of at least 75% of the votes of the shareholders who are entitled to attend and vote at a meeting of the shareholders.

In all cases, if any class of shareholders will be affected by a change to the capital of the Company, regardless of whether the class of shareholders was entitled to vote on the general resolution or not, a separate special resolution (requiring a 75% majority) must be passed by that class of shareholders approving of the proposed amendment to the Company's capital.

The Act was brought into force on March 29, 2004 and replaced the previous *Company Act* (British Columbia). The Act requires that every pre-existing company complete a mandatory transition whereby its memorandum will be replaced by a Notice of Articles and certain mandatory changes will be made to its articles by March 28, 2006. The directors may by resolution authorise the Company to undertake this transition. The Company has not undergone this mandatory transition to date and, until it does, it will not be able to make any amendments to its Memorandum and Articles, including any amendments to its capital.

(l) Borrowing Powers

The Articles authorise the directors to (i) borrow money in such manner and amount, and on such security, and on such terms and conditions as they see fit, (ii) to guarantee the repayment of money by, or the performance of any obligations of, any other person, (iii) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person, and (iv) mortgage, charge, whether by way of specific or floating charge, or give other security on the undertaking, or on the whole or any part of the property and assets, of the Company (both present and future).

(m) Liquidation and Dissolution of the Company

In the event of any liquidation, dissolution or winding-up of the Company or other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, whether voluntary or involuntary, each shareholder of the Company will be entitled to receive the property of the Company that is remaining on a pro rata basis based on his, her or its proportionate shareholdings in the capital of the Company

5. DIRECTORS' INTERESTS

- 5.1 As at 22 July 2004, the latest practicable date prior to the issue of this Announcement, the interests of the Directors, including the interests of any persons connected with them (within the meaning of Section 346 of the Companies Act 1985 (UK)), all of which are beneficial, in the issued share capital of the Company, are as follows:

Name	Number of Common Shares	Percentage of issued and outstanding Common Shares
David B. Rovig	171,500	0.85%
Brian E. Bayley	3,100	0.02%
Attilio G. Spat	50,000	0.25%
Fernando Suescún Mutis	Nil	N/A
Rocco Meliambro	Nil	N/A

- 5.2 The following table sets out the names of the Directors to whom stock options have been granted and the number of Common Shares subject to such stock options as at 22 July 2004, being the latest practicable date prior to the issue of this Announcement:

Name	Number of Common Shares under Option	Exercise Price Cdn\$	Expiration Date
David B. Rovig	30,000	\$4.75	June 23, 2004
Attilio G. Spat	25,000	\$4.75	June 23, 2004
Brian E. Bayley	10,000	\$4.75	June 23, 2004
Fernando Suescun	10,000	\$4.75	June 23, 2004
David B. Rovig	20,000	\$1.00	December 15, 2005
Brian E. Bayley	20,000	\$1.00	December 15, 2005
Fernando Suescún	20,000	\$1.00	December 15, 2005
David Rovig	90,000	\$1.05	February 1, 2007
Attilio G. Spat	47,000	\$1.05	February 1, 2007
Brian E. Bayley	40,000	\$1.05	February 1, 2007
Fernando Suescun	10,000	\$1.05	February 1, 2007
Rocco Meliambro	20,000	\$1.70	April 26, 2007
David B. Rovig	75,000	\$1.40	October 21, 2007
Brian E. Bayley	30,000	\$1.40	October 21, 2007
Attilio G. Spat	30,000	\$1.40	October 21, 2007
Fernando Suescun	30,000	\$1.40	October 21, 2007
Rocco Meliambro	30,000	\$1.40	October 21, 2007
David B. Rovig	115,000	\$1.90	February 6, 2008
Brian E. Bayley	45,000	\$1.90	February 6, 2008
Attilio G. Spat	45,000	\$1.90	February 6, 2008
Fernando Suescun	45,000	\$1.90	February 6, 2008
Rocco Meliambro	45,000	\$1.90	February 6, 2008
David B. Rovig	32,500	\$1.40	June 9, 2008
David B. Rovig	300,000	\$2.75	November 12, 2008
Attilio Spat	75,000	\$2.75	November 12, 2008

Brian E. Bayley	75,000	\$2.75	November 12, 2008
Fernando Suescun	50,000	\$2.75	November 12, 2008
Rocco Meliambro	50,000	\$2.75	November 12, 2008
David Rovig	100,000	\$2.10	June 7, 2009
Brian E. Bayley	30,000	\$2.10	June 7, 2009
Fernando Suescun	30,000	\$2.10	June 7, 2009
Attilio Spat	30,000	\$2.10	June 7, 2009
Rocco Meliambro	30,000	\$2.10	June 7, 2009

6. ADDITIONAL INFORMATION ON THE DIRECTORS

6.1 The directorships and partnerships of the Directors, other than of the Company and its subsidiaries and associated companies, held at present and within the five years preceding the date of this Announcement are as follows:

Name	Current Directorships and Partnerships	Past Directorships and Partnerships
David B. Rovig aged 61	None	Foxpoint Resources Ltd.
Brian E. Bayley aged 51	American Natural Energy Corp. Arapaho Capital Corp. Bannockburn Resources Limited Crossfield Capital Corp. Cypress Hills Resource Corp. Elgin Resources Inc. Esperanza Silver Corporation Eurasian Minerals Inc. Goodfellow Resources Ltd. Groundstar Resources Limited Hatton Capital Corp. Kirkland Lake Gold Inc. Lagasco Corp. Midway Gold Corp. Navan Capital Corp. Pan-Global Ventures Ltd. PetroFalcon Corporation Quest Capital Corp. Sanu Resources Ltd. Skye Resources Inc. Torque Energy Inc. TransAtlantic Petroleum Corp.	Belvedere Resources Ltd. Berkley Resources Inc. ChondroGene Inc. Fifty-Plus Net International Inc. Glenex Industries Inc. Gothic Energy Corp. Kast Telecom Inc. NeTrue Communications Inc. Quest Investment Corporation Rodin Communications Corp. Roseland Resources Ltd. Upland Resource Corp. Sherwood Petroleum Corp.
Attilio G. Spat aged 76	None	None
Fernando Suescún Mutis aged 55	Catu Ltda. Fiducoldex Salud Productiva S.A.	Luis Soto & Co. y Cia. Ltda. Monómeros Colombo Venezolanos S.A.
Rocco Meliambro aged 49	None	None

- 6.2 Save as set out in paragraph 6.3 below none of the Directors:
- (a) has any unspent convictions in relation to indictable offences; or
 - (b) has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any asset of such Director; or
 - (c) has been a director of any company which, while he was a director or within 12 months after he ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or
 - (d) has been a partner of any partnership which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
 - (e) has had any public criticism by any statutory or regulatory authorities (including designated professional bodies); or
 - (f) has been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.
- 6.3 In the mid 1980's Mr Meliambro was fined Cdn\$3,000 by the Toronto Stock Exchange for failing to secure written authorisation from a client for discretionary trades made whilst employed by Walwyn Stodgell Cochran Murray Ltd.

In December 2000, Mr Meliambro was the subject of a disciplinary penalty imposed by the Ontario District Council of the Investment Dealers Association of Canada arising from his failure during 1995/6 to properly supervise a registered representative who was under his supervision. Mr Meliambro was fined and required to contribute to the Association's investigation costs and to rewrite the Branch Manager's Course exam.

7. DIRECTORS' SERVICE CONTRACTS AND REMUNERATION

- 7.1 Effective January 1, 2004, the Company entered into an agreement (the "Rovig Agreement") with Rovig Minerals Inc. with respect to the provision of the services of David Rovig as President of the Company for a term of three years. The fees payable for Mr. Rovig's services are US\$100,000 per annum, which amount is reviewable annually by the Board. Mr. Rovig also receives benefits and expenses. If the agreement is terminated:
- (a) without cause; or
 - (b) by Rovig Minerals Inc. within three months of the date of occurrence of certain "triggering events"

the Company is obligated to pay, in addition to any fees owing to the date of termination, an amount equal to three times the annual fees then payable. “Triggering events” include: the acquisition by a person or a group of persons, acting in concert, pursuant to a formal bid not recommended by the Board, of Common Shares that, together with the shares already held by such person or group, constitute 20% or more of the outstanding Common Shares; the sale of all or substantially all of the assets of the Company; the sale, exchange or other disposition of a majority of the outstanding shares of the Company in a single or series of related transactions; the termination of the Company’s business or liquidation of its assets; or the merger or amalgamation of the Company in which the Company’s shareholders receive less than 50% of the outstanding shares of the new or continuing corporation.

- 7.2 In the financial year ended 31 December 2003 the aggregate remuneration paid to the Directors was Cdn\$143,312.
- 7.3 On the basis of the arrangements in force at the date of this Announcement, it is estimated that the aggregate remuneration payable to the Directors for the year ending 31 December 2004 will be Cdn\$134,480.

8. PRINCIPAL HOLDERS OF SECURITIES

The Company is aware of the following shareholdings which represent three per cent. or more of the Company’s issued and outstanding Common Shares, as at 22 July 2004, being the latest practicable date prior to the issue of this Announcement:

Shareholder	No. of Common Shares Owned	Percentage of Common Shares
*CDS & Co.	18,516,095	91.4%
Roytor & Co.	1,000,000	4.9%

The Shareholder marked * is a depository which holds Common Shares on behalf of beneficial Shareholders. The Company is not aware of the identity of the beneficial holders of such shares.

9. TAXATION

Shareholders who are in any doubt as to their tax position should consult their professional advisers immediately.

The following comments are intended as a general guide to the UK and Canadian tax treatment of the acquisition, ownership and disposal of Common Shares for persons who are the absolute beneficial owners of those shares and does not constitute legal or tax advice. The comments are based on the law and understanding of the practice of tax authorities in those jurisdictions at the date of this Announcement. The comments do not apply to certain categories of shareholder, such as persons owning shares as securities to be realized in the course of a trade or trustees. All persons are advised to obtain their own professional advice on the tax implications of acquiring, owning and/or disposing of Common Shares.

- 9.1 UK Taxation on parties resident, ordinarily resident and domiciled only in the UK

Dividends

The Company will not be required to withhold UK tax from dividends paid on the Common Shares. Any Shareholder will generally be subject to UK tax on income in respect of any dividends paid on the Common Shares. As these dividends are foreign income for the purposes of UK taxation, they are subject to a different tax regime from that applying to dividends received from UK companies. In particular, there will be no national tax credit attaching to the dividends.

If the dividend has been subject to Canadian dividend withholding tax (“WHT”) the amount of the dividend received plus the WHT will be included in the taxable income of the UK Shareholder. In these circumstances, the Shareholder should be entitled to a credit for the WHT. The amount of the credit is limited to 15% of the gross dividend under the Double Tax Treaty in place between the UK and Canada. However, the amount of foreign tax credit relief must not exceed the tax chargeable on the dividend.

UK Resident Company

Dividends paid to a UK resident corporate Shareholder will be taxable income of the Shareholder.

If the dividend has been subject to WHT, it will be treated broadly as described above in that the amount of the dividend plus the WHT is included in the taxable income of the UK resident corporate Shareholder which should be entitled to a credit for the WHT. The amount of the credit would not exceed the UK company tax attributable to that dividend income plus the WHT.

If the UK corporate Shareholder is unable to use the foreign tax credits (for example, because of tax losses) it may be able to claim a tax deduction for the foreign tax paid.

Non Portfolio Interest

If a Shareholder which is a UK company has a non portfolio interest (at least 10%) in the Company, it may also be entitled to a credit for Canadian company tax paid on the underlying profits. However, the credit would be limited to the lesser of (a) the underlying tax and the WHT taken together and (b) an amount equal to the rate of UK corporation tax payable by the Company multiplied by the gross dividend and the underlying tax.

Capital Gains

Any Shareholder who is resident or ordinarily resident in the UK in the relevant year of assessment, or who carries on a trade, profession or vocation in the UK to which the Common Shares are attributable, may be subject to UK tax on capital gains in respect of a disposal of Common Shares. In addition, a Shareholder who has previously been resident or ordinarily resident in the UK may in some cases be subject to UK tax on capital gains in respect of a disposal of Common Shares.

In some circumstances a chargeable gain may arise in both the UK and Canada on a disposal of Common Shares. In these circumstances a tax credit or deduction may be available in respect of the Canadian capital gains tax against the UK tax liability arising from the disposal.

The Company is not at present a close company for the purposes of UK taxation nor is it expected to be following Admission.

Inheritance Tax

If any Shareholder is regarded as domiciled in the UK for inheritance tax purposes, inheritance tax may be payable in respect of the Common Shares on the death of the Shareholder or on any gift of the Common Shares.

In the case of a Shareholder who is not regarded as domiciled in the UK for these purposes, no such UK inheritance tax will be payable if the Common Shares are not situated in the UK for inheritance tax purposes. The Common Shares must be regarded as situated in the UK for these purposes if they are registered on the Company's UK branch register. The Company currently does not have a UK branch register.

Stamp Duty and Stamp Duty Reserve Tax

The following comments do not apply to Common Shares issued or transferred into depository or clearance arrangements, to which special rules apply.

Any agreement to transfer, or any transfer of, Common Shares registered on a UK branch register will generally be subject to UK stamp duty or stamp duty reserve tax at the rate of 0.5% of the consideration for the transfer. UK stamp duty may potentially arise on transfers of other Common Shares depending on the circumstances, such as whether the transfer is executed in the UK. The Company currently does not have a UK branch register.

Domicile

Any individual who owns shares and is resident or ordinarily resident in the UK, but who is not regarded as domiciled in the UK for tax purposes, may be subject to UK income tax or capital gains tax as described above only to the extent that his income or disposal proceeds are treated as remitted to or realised in the UK. Any such individual is advised to obtain his own professional advice on the UK tax implications of registration on a UK branch register. The Company currently does not have a UK branch register.

9.2 Canadian Taxation for Non-Residents of Canada

Certain Canadian Federal Income Tax Information for Non-Residents

The following summarises the principal Canadian federal income tax considerations generally applicable to the holding and disposition of Common Shares by a holder who, for the purposes of the *Income Tax Act* (Canada) (the "Tax Act"), is not resident in Canada, deals at arm's length with the Company, holds the Common Shares as capital property and does not use or hold the Common Shares in the course of carrying on, or otherwise in connection with, a business in Canada. Holders who meet all such criteria are referred to herein as a "Non-Resident Holder" or "Non-Resident Holders", and this summary only addresses such Non-Resident Holders. The summary does not deal with special situations, such as particular circumstances or traders or dealers, limited liability companies, tax-exempt entities, insurers, financial institutions (including those to which the market-to-market provisions of the Tax Act apply), or otherwise.

This summary is based on the current provisions of the Tax Act and the regulations thereunder, all proposed amendments to the Tax Act and regulations publicly announced by the Minister of Finance (Canada) to the date hereof, and the current administrative practices of the Canada Revenue Agency. It has been assumed that all currently proposed amendments will be enacted as proposed and that there will be no other relevant change in any governing law or administrative policy, although no assurance can be given in these respects. This summary does not take into account provincial, territorial or foreign income tax considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian income tax consequences. It is not intended as legal or tax advice to any particular holder of Common Shares and should not be so construed. The tax consequences to any particular holder of Common Shares will vary according to the status of that holder as an individual, trust, corporation or member of a partnership, the

jurisdictions in which that holder is subject to taxation and generally, according to that holder's particular circumstances. Each holder should consult the holder's own tax advisor with respect to the income tax consequences applicable to the holder's own particular circumstances. The discussion below is qualified accordingly.

Dividends

Dividends paid or deemed to be paid by the Company to a Non-Resident Holder are subject to Canadian withholding tax. The rate of withholding under the Tax Act is 25% of the gross amount of any dividends, unless reduced by any applicable tax treaty between Canada and another country. The application of any relevant tax treaty generally depends on meeting various factual and legal requirements under such applicable treaty (if any), and the Company will withhold at the 25% rate unless and until a lower applicable rate is proven to its satisfaction.

Disposition

A Non-Resident Holder is not subject to tax under the Tax Act in respect of a capital gain realized on the disposition of a Common Share unless the share is "taxable Canadian property" to the holder thereof, and even then only if the Non-Resident Holder is not otherwise entitled to relief under an applicable tax treaty (if any).

Provided that the Company maintains its Toronto Stock Exchange listing or other listing prescribed for purposes of the Tax Act, a Common Share will be taxable Canadian property to a Non-Resident Holder if, at any time during the 60 month period ending at the time of disposition, the Non-Resident Holder or persons or entities with whom the Non-Resident Holder did not deal at arm's length (or the Non-Resident Holder together with such persons or entities) owned, or had options, warrants or other rights to acquire, 25% or more of the issued shares of any class or series in the capital of the Company. The application of any relieving provisions under any relevant tax treaty generally depends on meeting various factual and legal requirements under such applicable treaty, if any.

10. MATERIAL CONTRACTS

In addition to the agreements summarised in the Public Record (which can be found at www.sedar.com), the following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or its subsidiaries during the two years immediately preceding the date of this Announcement and are, or may be, material as of the date of this Announcement:

- (a) the Rovig Agreement (see paragraph 7.1 of this document);
- (b) the agreement dated August 14, 2003, as amended March 2, 2004, June 3, 2004 and June 8, 2004, between the Company and Belle Isle, pursuant to which Belle Isle advanced Cdn\$2 million to the Company. Simple interest accrues on the unpaid principal at a rate of 0.5% per month from the date of advance to June 15, 2004 and, thereafter, at a rate of 3% per annum. Outstanding principal and accrued interest are payable on or before June 15, 2006. Belle Isle and the Company have conversion rights with respect to unpaid principal and interest as described in paragraph 3.9 of this document.

In consideration of the advance, the Company issued to Belle Isle:

- (i) a warrant dated September 15, 2003 which has vested as to the right to purchase up to 300,000 Common Shares at Cdn\$1.56 per share exercisable until June 15, 2004;
 - (ii) a warrant dated March 30, 2004 to purchase up to 100,000 Common Shares at a price of Cdn\$1.97 per share exercisable until September 15, 2004; and
 - (iii) the Convertible Note (see paragraph 3.9 of this document);
- (c) the general security agreement dated September 15, 2003 between the Company and Belle Isle pursuant to which the Company granted to Belle Isle a first ranking general security interest in all of its personal property as security for advances made under the above-referenced loan agreement.
- (d) the subscription agreement dated 3 June 2004 pursuant to which Rab Special Situations LP subscribed for 1 million units of the Company, each comprising one Common Share and half a warrant for aggregate proceeds of Cdn\$1.9 million. The subscription was procured by Ocean Equities Limited ("Ocean") pursuant to a letter of engagement dated 26 May 2004. Pursuant to the letter of engagement, Ocean was paid a placing fee of Cdn\$95,000 and was issued a warrant to purchase 50,000 Common Shares at a price of Cdn\$2.50 per share expiring on 3 June 2006.
- (e) the nominated adviser's agreement dated 28 June 2004 between the Company, the Directors and Insinger de Beaufort pursuant to which Insinger de Beaufort has agreed to act for the Company as nominated adviser from Admission for an initial period of one year and thereafter unless and until terminated by either party on three months' notice. The Company has agreed to pay Insinger de Beaufort an annual retainer of £20,000. The agreement contains an indemnity from the Company in respect of the services provided by Insinger de Beaufort.
- (f) the broker agreement dated 28 June 2004 between the Company, the Directors and Ocean pursuant to which the Company and its Directors have appointed Ocean to act as broker to the Company for the purpose of the AIM Rules. The Company has agreed to pay Ocean a fee of £20,000 per annum for its services as broker, together with all reasonable expenses and VAT. Ocean has agreed to waive this fee for the first twelve months following Admission. The agreement contains certain undertakings and indemnities given by the Company and its Directors in respect of, amongst other things compliance with all applicable laws and regulations. The agreement continues for a fixed period of one year from Admission and thereafter is subject to termination on three months' notice.
- (g) the placing agreement dated 28 June 2004 between Ocean, Insinger de Beaufort, ("Insinger"), the Directors and the Company pursuant to which and conditional upon, amongst other things, Admission having occurred on or before 22 July 2004 or such later date as the Company and Ocean and Insinger may agree, but in any event not later than 31 August 2004, Ocean has agreed to use reasonable endeavours to procure subscribers for new Common Shares at a price to be agreed with the Company.

The agreement contains certain warranties from the Company and each of its Directors in favour of each of Ocean and Insinger and indemnities from the Company in favour of each of Ocean and Insinger. It also contains provisions which enable each of Ocean and Insinger to terminate the agreement before Admission including where the warranties are found not to be true and accurate in any material respect. In addition, the Directors have agreed that they will not dispose of any Common Shares held by them for a period of one year following Admission save in certain limited circumstances. The Company has agreed to pay Insinger a fee of £40,000 and to Ocean a commission of 5 per cent on the aggregate value at the agreed placing price of the new Common Shares for which Ocean procures subscribers.

11. LITIGATION

There are no legal or arbitration proceedings which are active, pending or threatened against, or being brought by, the Company or any member of the Group which are having or may have a significant effect on the Company's or the Group's financial position.

12. ADMISSION, DEALINGS AND SETTLEMENT

The Placing Shares will only be sold in Canada on a private placement basis being exempt from the requirement to prepare and file a prospectus with securities regulatory authorities in the relevant provinces. Unless permitted under applicable securities legislation, any holder of the Placing Shares (whether a resident of Canada or not) shall not trade the Placing Shares in Canada or to or for the benefit of any person resident in Canada before a date that is four months and one day from the date of Admission.

Application has been made to list the Placing Shares on the TSX. However, prior to a date that is four months and one day from the date of Admission, the Placing Shares cannot be traded through the facilities of the TSX since they will not be freely transferable in Canada before that date. Consequently, any certificate representing the Placing Shares will not be "good delivery" in settlement of transactions on the TSX prior to a date that is four months and one day from the date of Admission.

In order to distinguish the Placing Shares from the existing Common Shares over this restricted period, the Placing Shares will have the ISIN "CA3979133020" (CUSIP: 397913302) and will trade under the London Stock Exchange symbol "GSLa". The existing Common Shares, which have the ISIN "CA3979132030" (CUSIP: 397913104), carry no such restrictions. Following the end of the restricted period of four months and one day referred to above, the Placing Shares will assume the ISIN "CA3979132030", will trade under the symbol "GSL" and there will be no re-sale restrictions in Canada.

The shares will be held in CREST in the form of CDIs. CREST is the UK system for paperless settlement of trades in securities and the holding of uncertificated securities. However, under English law, shares of non-UK companies cannot be held and transferred directly in the CREST system. CDIs facilitate trading and settlement of shares of non-UK companies in CREST. CDIs are uncertificated "mirror image" securities representing the shares, constituted under English law.

Under the CREST International Settlement Links Service shares are held in CREST International Nominees Limited on behalf of CDI holders.

13. GENERAL

- 13.1 Other than those disclosed in this Announcement or as otherwise disclosed on the Public Record, there have been no interruptions in the Company's business which may have or have had in the last twelve months a significant effect on the Company's financial position.
- 13.2 Other than those disclosed in this Announcement or as otherwise disclosed on the Public Record, there are no significant investments by the Company under active consideration.
- 13.3 Other than as disclosed in this Announcement or as otherwise disclosed on the Public Record, there are no patents or other intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Company's business.
- 13.4 Other than as disclosed in this Announcement or as otherwise disclosed on the Public Record, the Directors are not aware of any exceptional factors which have influenced the Company's activities.

- 13.5 Save as disclosed in this Announcement and below, there are no persons (excluding professional advisers otherwise disclosed in this Announcement or in the Public Record and trade suppliers) who have received any fees, securities in the Company or other benefit to a value of £10,000 or more, whether directly or indirectly, from the Company within the 12 months preceding the date of this Announcement, or have entered into any contractual arrangements to receive from the Company, directly or indirectly, any such fees, securities or other benefit on or after Admission.

Felder Mineral Exploration Services Ltd. (“Felder Mineral”) and Frederick Felder received Cdn\$271,014 and Cdn\$18,333 respectively in the 12 months preceding the date of this Announcement as compensation for services provided to the Company. Mr. Felder is Executive Vice President of the Company and his services were provided to the Company by Felder Mineral.

Effective April 1, 2004, the Company entered into a new agreement with Mr. Felder with respect to his employment as Executive Vice President of the Company for an annual salary of Cdn\$110,000 per annum plus expenses. If the Company terminates the employment of Mr. Felder within six months of any “change of control” for any reason other than “cause”, the Company is obligated to pay Mr. Felder an amount equal to his annual salary then in effect. “Change of control” means the occurrence of either of the following: the acquisition by a person or group of persons acting in concert, pursuant to a formal bid not recommended by the Board, of Common Shares that, together with shares already held by such person or group, constitute 50% or more of the outstanding Common Shares; or the merger or amalgamation of the Company in a transaction or series of transactions in which the Company’s shareholders receive less than 50% of the outstanding shares of the new or continuing corporation, either of which event is accompanied by the reconstitution of the Board and senior management of the Company.

Effective January 1, 2004, the Company also entered into an agreement with Felder Mineral to provide certain services for a term ending December 31, 2005. Such services include technical computer software licenses and support, library services through the development and maintenance of geological and mining related databases and such other services as may be agreed from time to time. The fees payable for such services are US\$4,775 each month. Felder Mineral is a company the majority of the shares of which are owned by Mr. Felder.

Eduardo Baer received Cdn\$40,000 as fees for investor relations services provided to the Company during the period June 15, 2003 to January 31, 2004 under a consulting services agreement between the Company and Mr. Baer made as of June 15, 2003.

Effective March 15, 2004, the Company entered into a consulting services agreement with Clive Massey under which Mr. Massey is providing investor relations services to the Company for a fee of Cdn\$5,000 per month. Mr Massey has received Cdn\$12,400 in fees to date. Mr Massey was also granted incentive stock options under the Stock Option Plan to purchase 100,000 Common Shares at a price of Cdn\$2.05 per share vesting as to 50,000 on June 15, 2004 and 50,000 on September 15, 2004.

- 13.6 Each of Insinger de Beaufort and Ocean Equities Limited has given and has not withdrawn its respective written consent to the inclusion in this Announcement of references to its respective name in the form and context in which it appears.
- 13.7 The costs, charges and expenses payable by the Company in connection with or incidental to Admission, including registration and stock exchange fees, legal and accounting fees and expenses, but excluding commission payable on the Placing, are estimated to amount to £168,000, excluding VAT (approximately Cdn\$414,000).

13.8 It is emphasised that, although the Common Shares will trade on AIM, the Company is a Canadian company and will not be subject to takeover regulation in the UK and consequently the City Code on Takeovers and Mergers and the Rules Governing Substantial Acquisitions of Shares will not apply to the Company. However, the Company will remain subject to takeover regulation in Canada where, generally speaking, the threshold for mandatory offers is 20 per cent. and not 30 per cent. as it is in the UK.

26 July 2004