THIS AGREEMENT is dated as of the 22nd day of March, 2004

BY AND BETWEEN:

INVESTIMENTI MINERARI s.r.l., a corporation incorporated under the laws of Italy, with a registered office at Turin, via Carlo Alberto, 6 - fiscal code 08479810015- (the "Seller")

and

MEDORO RESOURCES LTD., a corporation amalgamated under the laws of the Yukon Territory, Canada**,** with its head office at 110 Yonge Street, Suite 1502, Toronto, Ontario Canada M5C 1T4 (the "Purchaser")

WHEREAS:

1) MINIERE DI PESTARENA s.r.l. ("MDP") is an Italian company with a registered office in 28845 Domodossola (Verbania) , Via Bonomelli n. 28, and registered capital of € 96,000 registered with the Registrar of Companies of Verbania as n. 00921270039;
2) MDP is the owner of two mining concessions (the "Concessions") known as "Lavanchetto" and "Pestarena" as provided by Decree MICA of 10.08.1994 prot. 7643 and prot. 7644 and, with regards to Pestarena, as modified in 2003, following new boundary authorized from Regione Piemonte (copies of which are attached hereto as Exhibits 1, 2, 3 and 4 herein referred to as the "Decrees") for the exploitation of existing gold mines;
3) MDP obtained on 28 December 2000 a grant for mining research (the "Research Grant") from the Italian Ministry of Industry in the amount of Lit. 1,439,100,000 (€ 743,233.12), which is equal to 50% of the estimated expense of Lit. 2,986,200,000 required for the exploration of the mining project (a copy of which grant, with authorized new 2002 and 2003 scheduling and the brand-new request dated the 22th of December 2003 regarding technical relationship are attached hereto as Exhibit 5);
4) MDP, in addition to the Concessions owns the rights to build three small hydro-electrical stations, as well as some real and personal property relating to an investment in tourism facilities, all of which has been sold or will be sold to a third party pursuant to the terms of the agreement (the "Third Party Agreement") attached hereto as Exhibit 6 (all of which assets are collectively referred to herein as the "Non-Mining Assets");
5) All of MDP's capital stock, equal to € 96,000 (the "MDP Shares"), is owned by the Seller as shown on the notarised copy of the shareholders' registry attached hereto as Exhibit 7;
6) The Purchaser, subject to the prior rights of the third party identified in Recital 4 above, is interested in buying all of the issued and outstanding shares of MDP; and
7) The Seller is interested in selling its shares in MDP, all on the terms and conditions hereinafter set forth.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which each party acknowledges, the parties agree as follows**:**

1. **Agreement to Sell:** The Seller hereby agrees to sell to the Purchaser, and the Purchaser hereby agrees to purchase from the Seller, the MDP Shares, effective the Closing Date.

2. **Sale of Non-Mining Assets:** The Purchaser agrees to observe and comply with, and to cause MDP to observe and comply with, all of its rights and obligations arising from the agreement to sell the Non-Mining Assets attached as Exhibit 6 to this agreement. The Purchaser hereby expressly warrants that its interest in buying MDP is exclusively in relation to the exploration and exploitation of the Concessions and not in relation to the hydro-electrical and tourism assets of MDP. The Seller agrees that the Non-Mining Assets, their sale and development shall not in any manner hamper or interfere with the Purchaser's or MDP's ability to explore and development the Concessions, and further agrees that the purchase agreement for the Non-Mining Assets shall contain a covenant to such effect.

3. **Consideration:** In consideration for and concurrently with the transfer of the MDP Shares, the Purchaser agrees to: (a) pay to the Seller the amount of € 600,000 (the "Cash Consideration"), and (b) issue from its treasury to the Seller, or as it may direct, 4,000,000 free-trading common shares in its capital (the "Consideration Shares") which, for purposes of valuation, the parties acknowledge the Purchaser used a price per share to determine the number of shares issuable to the Seller was C$0.70. The Cash Consideration shall be delivered to the Seller by certified cheque, money order or wire transfer no later than March 15, 2004 (the "Closing Date") and shall consist of two payments, the first equal to € 550,000, payable to the Seller, and the second equal to € 50,000, payable for the receipt of the exploration and exploitation applications on the Concessions, to be paid as the Seller and the Purchaser mutually agree. The Consideration Shares will be issued by the Purchaser only upon receipt by it of a technical report (prepared in compliance with National Instrument 43-101 of the Canadian Securities Administrators) on the Concessions. The Purchaser shall be responsible for the expense of preparing such technical report.

4. **Additional Payment:** The Purchaser shall pay to the Seller an additional amount equal to the contribution that the Italian Ministry of Industry will distribute to MDP pursuant to the Research Grant (the "Additional Payment"). The Additional Payment shall be made by the Purchaser to the Seller within five days from the date of effective distribution of such grant from the Italian Ministry of Industry to MDP. If the Italian Ministry of Industry distributes the Research Grant in several instalments, the Purchaser shall pay to the Seller a sum equal to such instalment within five days from the date of receipt.

5. **Application to Exchange**: The parties acknowledge that the ability of the Purchaser to issue common stock is dependent upon approval from the TSX Venture Exchange to the Purchaser's acquisition of MDP and the consideration paid therefor. Each of the parties agrees to abide by any restrictions placed by the TSX Venture Exchange on the Concessions and related business, including any escrow conditions placed upon the Consideration Shares.

6. **Exploration Obligation:** The Purchaser hereby acknowledges that its interests are best served by immediately commencing exploration on the Concessions and agrees, in order to preserve the Seller's right to receive the Additional Payment, to undertake to invest in exploration at the Concessions not less than € 1,700,000 within two years from the date of the acquisition of the MDP Shares. The exploration to be carried out on the Concessions will be in respect of, and to carry out, the program required by the Ministry of Industry in order for MDP to earn such Research Grant.

7. **Failure to Comply:** In order to ensure that the Purchaser complies with its obligations to carry out the exploration program herein provided for, the Seller and the Purchaser agree that, if within two years from the Closing Date the Purchaser or MDP shall not have expended € 1,700,000 on such exploration program, all of the MDP Shares shall be returned by the Purchaser to the Seller for no consideration and subject to the condition that any right to reclaim any or all of the payments made by the Purchaser to the Seller as at such date shall be forfeited.

8. **Representations and Warranties of the Seller:** The Seller represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying upon such representations and warranties in connection with the entering into of this agreement and the consummation of the transactions contemplated hereby:

   (a) The MDP Shares are free and clear of any encumbrances, claims, security interests or rights of a third party. No person has any agreement or option, or any right or privilege capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any of the unissued shares or securities convertible into unissued shares in the capital of MDP.

(b) The Concessions are accurately described herein, the Decrees constitute clear and sufficient title of MDP to the Concessions, and there are no agreements creating a royalty or other interest whatsoever in the Concessions or MDP. Neither the Seller nor MDP are a party to or bound by any guarantee, indemnification, surety or similar obligation pertaining to the Concessions and except for this agreement and the Third Party Agreement, no material contracts have been entered between the Seller and any other person with respect to the Concessions or MDP.

(c) MDP has good mining title over the Concessions and except for the rights of the Purchaser hereunder, neither MDP, the Seller nor any of their affiliates has done any act or suffered or permitted any action to be done whereby any person may acquire any interest in or to the Concessions or minerals to be produced from the Concessions. The Third Party Agreement creates no rights in any third party to all or any part of the Concessions or the mining assets and rights associated with the Concessions.

(d) The Concessions are in good standing with respect to any and all governmental authorities and it is free and clear of all encumbrances, claims or defects in title. MDP holds clear and sufficient title to the Concessions and the lands thereof, allowing it to occupy it on an exclusive basis and to conduct exploration and mining activities as proposed to be conducted by it. The Concessions have all environmental and other permits necessary to carry out exploration activities on the concessions and such permits are valid and in force, and have been materially complied with.

(e) Except as disclosed in Exhibits 8, 9, 10 and 11 attached hereto, there is no actual, threatened or, to the best of its knowledge, contemplated administrative or judicial investigation, internal or public procedure, litigation, claim, judgment, order or challenge relating to the Concessions or MDP that would have a material effect upon the Concessions.

(f) All taxes, assessments, rentals, levies and other payments, as well as all reports, relating to the Concessions or MDP and required to be made, performed and filed to and with any governmental authority in order to maintain the Concessions in good standing have been so made, performed or filed.

(g) MDP is a corporation duly incorporated and validly existing under the laws of Italy and has all necessary corporate power, authority and capacity to own or lease the Concessions and to carry on its business as presently conducted.

(h) The financial statements of MDP, including the legal opinion relating to pending litigation, are attached hereto as Exhibits 8, 9, 10 and 11 together with a statement of its financial situation at December 31, 2003 (which is attached hereto as Exhibit 12; Exhibits 8 through 12 being collectively referred to herein as the "Financial Statements"). The Financial Statements have been prepared in accordance with generally accepted accounting principles, applied on a consistent basis, and truly and fairly present, in all material respects, the respective assets, liabilities and financial condition of MDP as at the dates indicated and the respective results of its operations for the periods covered by such statements. Since December 31, 2003 there shall not have been material adverse changes (actual, proposed or prospective) in the business, affairs, conditions or prospects of MDP. MDP has no liabilities other than as set forth on the Financial Statements and no material liability is due or past due payment.

(i) MDP has filed all necessary tax returns and notices on a timely basis and has paid all taxes of whatever nature, including all assessments, re-assessments, governmental charges, penalties, interest and fines due and payable by it, to the extent such taxes have become due or have been alleged to be due, and the Seller is not aware of any tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon with respect to MDP.

(j) MDP does not have any employees and are not a party to employment, management or consulting agreements of any kind whatsoever.

9. Expenses: All expenses related to the negotiation of this agreement and the closing of the transactions contemplated hereby shall be borne by the party so incurring them.

10. Miscellaneous:

(a) The parties agree that this shall be a binding and valid agreement and that this agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This agreement or any rights thereof may not be assigned by a party, unless authorized in writing by the other party, acting reasonably.

(b) If any provision of this agreement is held to be invalid, illegal or unenforceable for any reason or in any respect, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to this agreement to the extent possible. In any event, all other provisions of this agreement shall be deemed valid, legal and enforceable to the fullest extent possible. The parties agree that the recitals and Exhibits attached hereto form an integral part of this agreement. For clarity, the following are the Exhibits agreed by the parties to be attached to this agreement:

1. Copy of concession grant for Lavanchetto
2. Copy of concession grant for Pestarena
3. Pestarena new boundary map issued by Regione Piemonte
4. Pestarena map new boundary: excerpt
5. Description of mining project presented to the Italian Ministry of Industry
6. Third Party Agreement
7. MDP shareholders' register
8. Fiscal 2000 financial statements
9. Fiscal 2001 financial statements
10. Fiscal 2002 financial statements
11. Legal opinion on pending litigation
12. Balance sheet as of December 31, 2003

(c) This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, unless otherwise agreed by the parties.

(d) In the event that disputed issues arise under this agreement, the parties agree to enter into good faith discussions to resolve the issues raised to the mutual satisfaction of both parties. If in spite of these good faith efforts the issues raised cannot be resolved, such dispute shall be settled only by way of binding arbitration conducted in Toronto, Canada, under the Rules of Arbitration of the International Chamber of Commerce (I.C.C.). The arbitration proceeding shall commence by a notice in writing sent by the party requesting the arbitration. The notice must indicate the issue to be resolved by arbitration and the name of the arbitrator selected by such party. Within 20 business days after receipt of the arbitration notice, the other party must reply indicating the name of the arbitrator selected by such party. If such party does not select an arbitrator within such period, the I.C.C. will appoint the second arbitrator. The two previously selected arbitrators shall designate the third arbitrator, who shall preside over the arbitration tribunal, within 20 days of the appointment of the second arbitrator. If the two arbitrators are unable to agree on the third arbitrator within such twenty-day period, the I.C.C. will appoint the third arbitrator. Arbitration decisions, taken by a simple majority, shall be binding upon the parties. Arbitration decisions shall be final and shall not be subject to appeal. Judgment upon the award rendered may be entered in any court having jurisdiction, or application may be made to any such court for a judicial acceptance of the award or an order of enforcement as the case may be.

(e) Notices or communications required or permitted to be given under any provision of this agreement shall be addressed as follows:

Seller: Via Carlo Alberto, 6
10123 TORINO
Attention: Sig.ra Paola Antonetto
Fax : +39-011-54.14.75

Purchaser: 110 Yonge Street, Suite 1502
Toronto, Ontario, Canada M5C 1T4
Attention: Chief Financial Officer
Fax: +1-416-360-7783

Any communication shall be in writing and sent by registered mail, courier or fax (to be confirmed by registered mail). Notice shall be deemed to have been received on the first business day after being sent by fax, the third business day after being sent by courier and the fifth business day after being sent by registered mail.

(f) This agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which taken together will constitute one and the same document.

IN WITNESS WHEREOF, the parties have signed and executed this agreement as of this 22nd day of March, 2004.

INVESTIMENTI MINERARI s.r.l.

By:__*"Paola Antonetto"*__
Name: Paola Antonetto
Title: Authorised Signatory

MEDORO RESOURCES LTD.

By:____*"Jose Francisco Arata"*___
Name: Jose Francisco Arata
Title: Auhorised Signatory