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If you have sold or transferred all of your Existing Ordinary Shares in Medavinci plc, please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold part only of your holding of Existing Ordinary Shares in Medavinci plc, you should retain these documents.

Application will be made for the entire issued, and to be issued, ordinary share capital of Medavinci plc to be admitted to trading on the AIM market of London Stock Exchange plc ("AIM"). It is expected that Admission will become effective, and dealings in the Enlarged Share Capital will commence, on 7 March 2011.

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. Each AIM company is required pursuant to the AIM Rules for Companies published by London Stock Exchange plc (the "AIM Rules") to have a nominated adviser. The nominated adviser is required to make a declaration to London Stock Exchange plc on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. London Stock Exchange plc has not itself examined or approved the contents of this document.

The Directors and Proposed Directors, whose names appear on page 4 of this document, accept responsibility, individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Proposed 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 does not omit anything likely to affect the import of such information.

A copy of this document, which is drawn up as an admission document in accordance with the AIM Rules, has been issued in connection with the application for admission to trading on AIM of the issued and to be issued ordinary share capital of the Company. This document does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and, accordingly, this document does not constitute a prospectus for the purposes of FSMA and the Prospectus Rules and has not been pre-approved by the Financial Services Authority ("FSA") pursuant to section 85 of FSMA. Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Zeus Capital Limited, 3 Ralli Courts, West Riverside, Manchester M3 5FT and the registered office of the Company, Medavinci plc, 14 Kinnerton Place South, London SW1X 8EH from the date of this document until one month from the date of Admission in accordance with the AIM Rules.

The distribution of this document and/or the accompanying Form of Proxy in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman which is set out on pages 9 to 17 of this document and which recommends that you vote in favour of the resolutions to be proposed at the General Meeting referred to below, the Risk Factors set out in Part II of this document and the information in Parts III, IV and V of this document.

MEDAVINCI PLC

(Incorporated and registered in England and Wales with registered number 05379931)

Proposed Acquisition of outstanding interest in Orogen Gold Limited

Change of Strategy

Change of Name to Orogen Gold Plc

Admission to trading on AIM

and

Notice of General Meeting

Nominated Adviser and Joint Broker – Zeus Capital Limited

Joint Broker – XCAP Securities plc

SHARE CAPITAL AT THE DATE OF THIS DOCUMENT AND IMMEDIATELY FOLLOWING COMPLETION OF THE PROPOSALS

	<i>Number</i>	<i>Issued and fully paid Amount</i>
Current		
Ordinary shares of 0.1p as at the date of this document	1,353,660,817	£1,353,661
Deferred shares of 0.9p as at the date of this document	73,599,817	£662,398
At Admission		
Ordinary shares of 0.1p following completion of the Proposals	1,669,012,453	£1,669,012
Deferred shares of 0.9p following completion of the Proposals	73,599,817	£662,398

Notice convening a General Meeting of Medavinci plc to be held at 4 Park Place, London SW1A 1LP on 4 March 2011 at 11.00 a.m. is set out at the end of this document. Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. To be valid, the Form of Proxy must be signed and returned in accordance with the instructions printed thereon so as to be received by Capita Registrars, PXS, 34 Beckenham Road, Kent BR3 4TU as soon as possible but in any event by not later than 11.00 a.m. on 2 March 2011. Completion and posting of the Form of Proxy does not prevent a Shareholder from attending and voting in person at the General Meeting.

Zeus Capital Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as nominated adviser and joint broker to Medavinci plc and is acting for no-one else in connection with the Proposals and will not be responsible to anyone other than Medavinci plc for providing the protections afforded to clients of Zeus Capital Limited nor for providing advice in connection with the Proposals or any other matter

referred to herein. Zeus Capital Limited has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Zeus Capital Limited for the accuracy of any information or opinions contained in this document or for the omission of any information.

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This document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy, Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer, invitation or solicitation. In particular, this document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States of America, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the Existing Ordinary Shares may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, the United States of America, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The Existing Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States of America, any province or territory of Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa and they may not be offered or sold, directly or indirectly, within the United States of America or Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa or to or for the account or benefit of any national, citizen or resident of the United States of America, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa or to any US person (within the definition of Regulation S made under the United States Securities Act 1933 (as amended)).

The distribution of this document outside the UK may be restricted by law. No action has been taken by the Company, Zeus Capital Limited or XCAP Securities plc that would permit a public offer of shares in the Company or possession of this document where action for that purpose is required. Persons outside the UK who come into possession of this document should inform themselves about the distribution of this document in their particular jurisdiction. Failure to comply with those restrictions may constitute a violation of the securities laws of such jurisdictions.

FORWARD-LOOKING STATEMENTS

Certain statements contained herein constitute forward-looking statements. The forward-looking statements contained herein include statements about the expected effects of the Proposals, the expected timing and scope of the Proposals and other statements other than in relation to historical facts. Forward-looking statements including, without limitation, statements typically containing words such as "intends", "anticipates", "targets", "estimates", "believes", "should", "plans", "will", "expects" and similar expressions or statements that are not historical facts are intended to identify those expressions or statements as forward-looking statements. The statements are based on the current expectations of Medavinci plc and are naturally subject to uncertainty and changes in circumstances. By their nature, forward-looking statements involve risk and uncertainty and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. There are also a number of other factors that could cause actual results or developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, local and global political and economic conditions, interest rate fluctuations (including those from any potential credit rating decline) and legal or regulatory developments and changes. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements.

Neither Medavinci plc, Zeus Capital Limited, XCAP Securities plc nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied by any forward-looking statements contained herein will actually occur. Other than in accordance with their legal or regulatory obligations (including under the AIM Rules, the Disclosure and Transparency Rules of the Financial Services Authority and the City Code on Takeovers and Mergers), neither Medavinci plc, Zeus Capital Limited or XCAP Securities plc is under any obligation and each of them expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Adam Reynolds (<i>Executive Chairman</i>) Paul Foulger (<i>Finance Director</i>) Michael Nolan (<i>Non-Executive Director</i>) Glyn Hirsch (<i>Non-Executive Director</i>) Michael Hough (<i>Non-Executive Director</i>)
Proposed Directors	John Barry (<i>Non-Executive Chairman</i>) Edward Slowey (<i>Chief Executive Officer</i>) Alan Mooney (<i>Finance Director</i>) all of: 14 Kinnerton Place South London SW1X 8EH
Company Secretary	Paul Foulger
Company Website	www.medavinciplc.com
Company Telephone Number	0207 245 1100
Nominated Adviser and Joint Broker	Zeus Capital Limited 3 Ralli Courts West Riverside Manchester M3 5FT
Joint Broker	XCAP Securities plc 24 Cornhill London EC3V 3ND
Technical Adviser to Zeus Capital	SLR Consulting (Ireland) Limited 7 Dundrum Business Park Windy Arbour Dundrum Dublin 14
Reporting Accountants and Auditors to the Company	Jeffreys Henry LLP 5-7 Cranwood Street London EC1V 9EE
Solicitors to the Company	BPE Solicitors LLP St James' House St James' Square Cheltenham GL50 3PR
Registrars to the Company	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

DEFINITIONS

“Acquisition”	the proposed acquisition by the Company of the remaining 51 per cent. of the issued share capital of Orogen Gold that it does not already hold, to be effected by the exercise of the Option pursuant to the Investment Agreement
“Act”	the Companies Act 2006
“Admission”	admission of the existing and to be issued ordinary share capital of the Company to trading on AIM becoming effective in accordance with rule 6 of the AIM Rules
“AIM”	a market operated by London Stock Exchange plc
“AIM Rules”	the AIM Rules for Companies published by London Stock Exchange plc from time to time (including, without limitation, any guidance notes or statements of practice) which govern the rules and responsibilities of companies whose shares are admitted to trading on AIM
“Board”	the board of directors of the Company at the date of this document
“Change of Name”	the proposed change of name of the Company to Orogen Gold plc, further details of which are set out in paragraph 14 of Part I of this document
“Company” or “Medavinci”	Medavinci plc
“Completion”	legal completion of the Acquisition in accordance with the Investment Agreement
“Consideration Shares”	the 315,351,636 Ordinary Shares to be issued to the Vendors on Completion pursuant to the Investment Agreement
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI2001 No. 3755), as amended, and any applicable rules made under those regulations
“Deli Jovan Gold Project”	a 69 sq km permit area in eastern Serbia covering two shallow underground gold mines, the subject of a licence for exploration from the Serbian Ministry of Mining and Energy in favour of DJE dated 5 October 2010
“Deferred Shares”	the deferred shares of 0.9p each in the capital of the Company
“Directors”	the directors of the Company at the date of this document
“DJE”	Deli Jovan Exploration d.o.o., the joint venture company in which Orogen Gold has the right to earn an interest pursuant to the Earn-in Agreement
“Earn-in Agreement”	an agreement dated 15 December 2010, between Orogen Gold, Reservoir, REL and DJE governing the joint venture in respect of the Deli Jovan Gold Project

“Enlarged Group”	the Company and its subsidiaries following completion of the Acquisition
“Enlarged Ordinary Share Capital”	the entire issued ordinary share capital of the Company as enlarged by the issue of the Consideration Shares
“Existing Ordinary Shares”	existing ordinary shares of 0.1p each in the capital of the Company as at the date of this document
“Existing Share Capital”	the Existing Ordinary Shares
“Exploration Licence”	the exploration permit in respect of the Deli Jovan Gold Project
“Form of Proxy”	the form of proxy enclosed with this document for use by Shareholders in connection with the GM
“General Meeting” or “GM”	the general meeting of the Company, convened for 11.00 a.m. on 4 March 2011 and any adjournment thereof, notice of which is set out at the end of this document
“Group”	the Company and its subsidiaries
“IFRS”	International Financial Reporting Standards
“Investment Agreement”	the investment agreement dated 9 August 2010 between (1) the Company, (2) BCOMP 400 Limited (3) the Vendors, (4) Orogen Gold and (5) Orogen Gold (Serbia) Limited, further details of which are set out in paragraph 2 of Part I of this document
“Locked-in Persons”	Wilton International Marketing Limited and the Vendors
“London Stock Exchange”	London Stock Exchange plc
“Medavinci Gold Limited”	a company incorporated and registered in England and Wales with company number 07256538 being a wholly owned subsidiary of Medavinci
“Notice”	the notice of the General Meeting set out at the end of this document
“Ordinary Shares”	ordinary shares of 0.1p each in the capital of the Company
“Orogen Gold”	Orogen Gold Limited, a company registered in Ireland with registered no. 482834
“Orogen Gold (Serbia) Limited”	a company incorporated and registered in Ireland with registered no. 486997, being a wholly owned subsidiary of Orogen Gold
“Option”	the option to acquire the remaining 51 per cent. of the issued share capital of Orogen Gold, pursuant to the Investment Agreement
“Proposals”	the acquisition of the remaining 51 per cent. of Orogen Gold pursuant to the Investment Agreement, the Change of Name and Admission
“Proposed Directors”	John Barry, Edward Slowey and Alan Mooney
“REL”	Reservoir Exploration (BVI) Limited, a wholly owned subsidiary of Reservoir

“Registrars”	Capita Registrars, The Registry, 34 Beckenham Road, Kent BR3 4TU
“Reservoir”	Reservoir Capital Corporation, a TSX listed company
“Resolutions”	the resolutions to be proposed at the General Meeting, details of which are set out in the Notice
“RIS”	Regulatory Information Service
“SEE”	SEE d.o.o., a wholly owned subsidiary of REL
“Share Option Plan”	the unapproved share option plan created by the Company, further details of which are set out in paragraph 4.2 of Part V of this document
“Shareholders”	holders of Ordinary Shares
“SLR Consulting”	SLR Consulting (Ireland) Limited, the technical adviser to Zeus Capital
“SRK Consulting”	SRK Consulting (UK) Limited
“UK”	the United Kingdom of Great Britain and Northern Ireland
“Vendors”	the shareholders of Orogen Gold being Edward Slowey, Michael Nolan and Alan Mooney (all directors of Orogen Gold) and Irina Barry, the spouse of John Barry, chairman of Orogen Gold
“Wilton International Marketing Limited”	a company jointly owned by Adam Reynolds and Paul Foulger which is the beneficial owner of 86 million Ordinary Shares
“Zeus Capital”	Zeus Capital Limited, a company registered in England and Wales with registered no. 4417845

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2011

Admission document publication date	16 February
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 2 March
Time and date of General Meeting	11.00 a.m. on 4 March
Completion of the Acquisition, Admission and commencement of dealings in the Enlarged Share Capital	8.00 a.m. on 7 March
Change of Name to become effective	7 March

Notes:

1. References to time in this document are to London time. If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on an RIS.
2. The timing of events in the above timetable is indicative only.

KEY STATISTICS

Existing Share Capital

Total number of Existing Ordinary Shares at the date of this document	1,353,660,817
Number of Deferred Shares in issue at the date of this document	73,599,817

Acquisition

Consideration Shares	315,351,636
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Upon Admission

Total number of Ordinary Shares in issue immediately following Admission	1,669,012,453
Market capitalisation of the Company following Admission*	£15,855,618
AIM trading symbol following Admission	ORE.L

*Based on the middle market price of 0.95p per Ordinary Share at the close of business on 15 February 2011, being the latest practicable date prior to publication of this document.

PART I

LETTER FROM THE CHAIRMAN

MEDAVINCI PLC

(Incorporated and registered in England and Wales with registered number 05379931)

Directors:

Adam Reynolds (*Executive Chairman*)
Paul Foulger (*Finance Director*)
Michael Nolan (*Non-Executive Director*)
Glyn Hirsch (*Non-Executive Director*)
Michael Hough (*Non-Executive Director*)

Registered Office:

14 Kinnerton Place South
London
SW1X 8EH

Proposed Directors:

John Barry (*Non-Executive Chairman*)
Edward Slowey (*Chief Executive Officer*)
Alan Mooney (*Finance Director*)

16 February 2011

To the holders of Existing Ordinary Shares

Dear Shareholders,

Proposed Acquisition of outstanding interest in Orogen Gold Limited, Change of Strategy, Change of Name to Orogen Gold Plc and Admission to trading on AIM

1. Introduction

As announced on 9 August 2010, the Company entered into the Investment Agreement pursuant to which it acquired 49 per cent. of the issued share capital of Orogen Gold, a company formed in April 2010 to explore, appraise and develop one or more gold deposits in Europe, with an initial focus on the Deli Jovan Gold Project in Serbia. Under the terms of the Investment Agreement, the Company had an option to acquire the remaining 51 per cent. of the issued share capital of Orogen Gold within 12 months.

The Board has today announced that the Company has, subject, *inter alia*, to Shareholder approval, exercised the Option for a consideration of £3.0 million, to be satisfied by the issue of 315,351,636 new Ordinary Shares. If the Option is exercised, Orogen Gold will become the Company's main trading subsidiary and the Company will move from being an investing company to a holding company whose main activities (via its subsidiaries) consist of exploring, appraising, and developing gold deposits in Europe. Under the AIM Rules the Acquisition will give rise to a fundamental change of the Company's business and of the Board's composition and as such the Acquisition will constitute a "reverse takeover". The exercise of the Option is therefore conditional, *inter alia*, on obtaining prior Shareholder approval and the publication of an Admission Document, which this document comprises. Shareholder approval is to be sought at the General Meeting, notice of which is set out at the end of this document.

The exercise of the Option is a related party transaction under the AIM Rules as Michael Nolan, a Director, is also one of the Vendors.

Upon Admission, John Barry, Edward Slowey and Alan Mooney, directors of Orogen Gold, will immediately join the Board as non-executive Chairman, Chief Executive Officer and Finance Director respectively and the name of the Company will be changed to Orogen Gold Plc. Adam Reynolds will remain on the Board as a non-executive Director and Paul Foulger, Glyn Hirsch and Michael Hough will stand down from the Board with effect from Admission.

The purpose of this document is to provide further details on Orogen Gold and the Company's future strategy and to explain why your Directors consider the Acquisition to be in the best interests of the Company.

You should read the whole of this document and not just rely on the information contained in this letter. In particular, you should consider carefully the "Risk Factors" set out in Part II of this document and the Competent Person's Report in Part III of this document. Your attention is also drawn to the information set out in Parts IV and V of this document.

A General Meeting of the Company has been convened for 11.00 a.m. on 4 March 2011 at 4 Park Place, London SW1A 1LP at which the Resolutions will be proposed. A notice convening the General Meeting is set out at the end of this document.

2. Rationale for the Acquisition of Orogen Gold

On 9 August 2010, the Board announced a change in investing strategy to allow the Company to invest in companies involved in mineral exploration and production within Europe. The Board also announced that the Company had entered into the Investment Agreement to acquire 49 per cent. of the issued share capital of Orogen Gold. At the same time the Company raised £842,000, before expenses, by way of a placing of new Ordinary Shares at 0.2p per share.

In December 2010, the Company raised a further £1.5 million, before expenses, by way of a placing of new Ordinary Shares at 0.4p per share.

Subsequent to the initial investment, an independent consultant, SRK Consulting, was engaged to provide advice on the re-opening of the old mines at Rusman and Ginduša at Deli Jovan (with re-opening for exploration access planned for February 2011), and input on the economic parameters for development of a future gold mine. SRK Consulting's report stated: *"SRK Consulting considers it likely that a small scale mining operation can be established and sustained at Deli Jovan using handheld pneumatic drilling equipment. The current constraints on operations are the unknown processing recovery and the limited information on the continuation of the ore zone outside the known working areas. The target of 30,000 ounces per annum as set by Deli Jovan Exploration d.o.o ("DE") could be achieved, on the condition that the historically reported widths and grades can be substantiated by the DE exploration programme."*

In Part III of this document is a report dated 16 February 2011 by SLR Consultancy (Technical Adviser to Zeus Capital) on the Deli Jovan Gold Project. A summary of their report is set out in paragraph 5 below.

The Board and the Proposed Directors believe that the completion of the Acquisition, which will change the strategy of the Company from being an investing company to a holding company whose main activities (via its subsidiaries) consist of exploring, appraising, and developing gold deposits in Europe, represents an exciting opportunity for the Company with the potential to significantly enhance shareholder value.

3. Background on Orogen Gold

Orogen Gold is an Irish company incorporated, in April 2010, for the purpose of holding investments in companies involved in mineral exploration and related activities and is seeking to explore, appraise and develop one or more gold deposits in Europe. Its initial focus is on the Deli Jovan Gold Project, a 69 sq km permit area in eastern Serbia covering two shallow underground gold mines that were last in production in the 1930's, where Orogen Gold is party to the Earn-in Agreement. Orogen Gold is also reviewing a number of other mineral exploration opportunities in Europe and Asia that are at varying stages of advancement.

The directors and founders of Orogen Gold, John Barry, Edward Slowey, Alan Mooney and Michael Nolan, all have significant geological and corporate expertise gained by working on mineral exploration and production projects worldwide and are connected to an international network of senior advisors in exploration, mining, commercial operations and financing. Through these contacts, the Board and the Proposed Directors believe that Orogen Gold will have access to a pipe-line of gold project exploration and development opportunities in Europe. Upon Admission, John Barry, Edward Slowey and Alan Mooney will also join the Board and further details on their experience are contained in paragraph 11 below. With effect from Admission, Adam Reynolds will remain on the Board as a non-executive Director and Paul Foulger, Glyn Hirsch and Michael Hough will stand down from the Board.

4. The Deli Jovan Gold Project

The Deli Jovan Gold Project comprises a permit area of 69 sq km in eastern Serbia covering two shallow underground gold mines that were last in production in the 1930's. Serbia is a European Union Applicant and foreign investors may acquire concession rights on natural resources. A number of international exploration companies are currently active in Serbia including Rio Tinto, Freeport McMoRan and Reservoir Capital Corporation, a TSX listed company.

Under the Earn-in Agreement Orogen Gold has the right to an initial interest of 55 per cent. in the Deli Jovan Gold Project through DJE if it spends a minimum of C\$1.5 million on exploration by 23 June 2012 and a further interest of 20 per cent. will be obtained upon an additional spend of C\$2.0 million by 23 December 2013, giving Orogen Gold an aggregate interest in 75 per cent. of the Deli Jovan Gold Project.

The initial objective of the detailed and phased Exploration Programme is to demonstrate an initial 100,000 oz inferred gold resource at the Rusman and Ginduša Mines at Deli Jovan which is envisaged to be sufficient to underpin two to three years of mine production. DJE holds the Exploration Permit on behalf of Orogen Gold and Reservoir under the terms of the Earn-in Agreement.

In December 2010, DJE contracted SRK Consulting, an international consulting company specialising in mining, to undertake a high level independent review of the Deli Jovan gold project, focussed on the planned re-opening of the historic gold mines at Rusman and Ginduša, including health and safety aspects, mine development options, ore processing routes and preliminary economic considerations.

On 18 January 2011, SRK Consulting reported as follows:

"SRK considers it likely that a small scale mining operation can be established and sustained at Deli Jovan using handheld pneumatic drilling equipment. The current constraints on operations are the unknown processing recovery and the limited information on the continuation of the ore zone outside the known working areas. The target of 30,000 ounces per annum as set by Deli Jovan Exploration d.o.o could be achieved, on the condition that the historically reported widths and grades can be substantiated by the Deli Jovan Exploration d.o.o exploration programme."

A plan for the re-opening of access to the historic mines was prepared and submitted to the Serbian Ministry of Mining and Energy at the end of December 2010. Once the required approvals have been received, which are expected shortly, DJE proposes to appoint a local contractor to commence the rehabilitation of the old mine workings which will facilitate detailed mapping and sampling of the workings. The planned DJE underground and surface exploration programme is aimed at demonstrating the continuity and grade of the Deli Jovan mineralisation and obtaining samples for ore processing recovery test work, which will feed into planning for the re-development of this historic gold mining district.

The initial stage Phase I Exploration Programme will comprise surface trenching, re-opening and re-sampling three underground levels at the Rusman and Ginduša Mines and may also include some diamond drilling. This phase will also include reconnaissance exploration along the eight kilometre trend which includes gold prospects at Perina Cuka and Seliste. The first stage Phase 1 works will cost approximately £600,000 (C\$950,000) and are expected to take 12 months having commenced in November 2010. The second stage Phase I exploration programme will involve driving new underground development with detailed channel sampling intended to confirm lateral continuity of mineralisation. More systematic diamond drilling from the surface, which is intended to confirm further lateral and depth continuity of the mineralised structures, is expected to cost approximately £1.1 million (C\$1.74 million) and to take a further 9 months, commencing in November 2011.

In December 2010, the Company successfully raised £1.5 million, before expenses. The net proceeds of this placing, together with the existing resources of the Company, will be used to fund both stages of the Company's Phase I Exploration Programme. Although the Directors and Proposed Directors believe that the Company will have sufficient resources to fund both stages of the Phase I Exploration Programme at Deli Jovan, if the Company decides to proceed with the Phase II Exploration Programme the Company will need to raise further funds.

Contingent on success in Phase I and the raising of additional funds, a Phase II Exploration Programme will commence which will include diamond drilling and new underground development and sampling to determine whether there are sufficient gold resources to support an initial two to three years of production.

It is estimated that Phase II will cost £1.25 million (C\$1.97 million) and will take 12 months. Once in production the intention is to fund the blocking out of new resources from cashflow and this will involve extending underground headings to determine grade and drilling to establish continuity in the lodes.

Subsequently, and outside the immediate areas of the old mines, drill targets will be identified with the aim of making new discoveries within the area covered by the Exploration Permit. The Company's medium term strategy is to develop Deli Jovan as a revenue generating project which will provide a base to expand into other gold project exploration development opportunities in Europe and further east.

5. Competent Person's Report

In Part III of this document is a report dated 15 February 2011 by SLR Consulting on the Deli Jovan Gold Project. A summary of their report is set out below although Shareholders are advised to read the whole report.

SLR Consulting state that:

"Prior to World War II there was extensive gold lode mining down to a shallow depth of 100m at the Ginduša and Rusman mines on the Deli Jovan permit. There are no existing gold production records but judging by the volume and gold grade required to make the mines profitable an unverifiable mention in historical reports that 20 tonnes of gold (625,000 ounces) may have been produced from mines in the area is credible to the author. Since mining ceased at Deli Jovan in 1938 political and economic conditions did not favour narrow lode gold mining in Serbia and the region remained underexplored until conditions began to improve in recent years. In 2011, Serbia is a stable democracy with a good infrastructure and a strong mining tradition to support any prospective mining development.

Orogen Gold, whose management is experienced and capable in gold exploration and evaluation, is now initiating a systematic exploration programme, building on work performed by Reservoir since 2005 on the project. Orogen Gold has stated that their exploration "threshold" objective for Deli Jovan is to demonstrate the potential for a minimum 500,000 ounce gold resource, with scope for substantial additional resources. Initially, Orogen Gold will target an Inferred Resource of 100,000 ounces of gold. Their aim is to develop Mineral Resources that would support two to three years of production at an annualised production of 30,000 to 40,000 ounces of gold. This is to be achieved through safely re-opening and detailed mapping and sampling of the old mine workings and diamond drilling to delineate resources.

There is a high probability that other gold occurrences are present under soil cover elsewhere on the property, which may be located by a combination of geological mapping, soil geochemistry and ground geophysics and would merit investigation by drilling. As the soil cover in much of the large prospective area appears to be less than a couple of metres thick, soil geochemical sampling could well locate new prospects for investigation. There is also scope for geophysical investigation, especially Induced Polarization (IP) surveys on selected areas where disseminated pyrite similar to that occurring in the known gold veins is anticipated, especially in the vicinity of the old mines and mineral occurrences. Lacking the capability of diamond drilling the work of previous times had to rely on finding gold in outcrop or under shallow cover. New discoveries to be made following improved, modern methods may be as good as or better than known prospects.

A geological model is proposed, which may be continually refined, to establish the tectonic setting and genesis of the gold mineralisation with the objective of providing guidance for mine discovery."

6. Principal Terms of the Option

Under the Investment Agreement, dated 9 August 2010, the Company was granted an option to acquire the remaining 51 per cent. of the issued share capital of Orogen Gold it does not already own. The Option would lapse if not exercised within 12 months of the date of the Investment Agreement.

On exercise of the Option the Company will issue to the Vendors 315,351,636 new Ordinary Shares which, based on the closing share price as at 15 February 2010 of 0.95p per share, are valued at £3 million. Following the exercise of the Option the Vendors will be interested in 377,851,636 Ordinary Shares representing 22.64 per cent. of the Enlarged Issued Ordinary Share Capital.

The Vendors are subject to the lock-in agreements as set out in paragraph 16 of this Part I.

7. The Exploration Permit

DJE was granted a permit for geological exploration of gold mineralisation and associated polymetallic mineralisation within the Deli Jovan Gold Project, exploration area No. 1677, by the Serbian Ministry of Mining and Energy Resolution No. 310 -02-890/2006 on 5 October 2010.

Serbia issues Exploration Permits annually. Under the terms of the Exploration Permit, exploration work must commence within 30 days of the date upon which it is granted. The results of the exploration activities must be reported to the Ministry of Energy and Mines within 60 days of the end of the Permit year. There is no minimum expenditure requirement, however, the permit holder must complete an approved work programme. Exploration permits have been renewed annually in respect of the Deli Jovan Gold Project since 2006. The new permit is valid until 5 October 2011 and the Company would expect the permit to be renewed on its next anniversary.

8. Future Strategy

The Proposed Directors and Michael Nolan all have significant geological and corporate expertise gained by working on mineral exploration and production projects worldwide and are connected to an extensive international network of senior advisors in exploration, mining, commercial operations and financing. Through these contacts, the Board and the Proposed Directors believe that Orogen Gold will have access to a pipe-line of gold project exploration and development opportunities in Europe. The Board continues to seek a purchaser for its investment in Emotion Fitness, the Hungarian gym business. However, the value of the Company's investment in Emotion Fitness has now been written down to £200,000 as at 31 December 2010.

9. Share Consolidation

On 9 August 2010, the Company stated that, on exercise of the Option, it would be its intention to undertake a share consolidation of the Ordinary Share Capital. Since that date the share price of the Company has risen from 0.2p (the price at which the placing was undertaken) to 0.95p on 15 February 2011. The Board has decided, after careful consideration, not, at this time, to proceed with a share consolidation. In reaching this decision the Board has taken into account the share price and the number of Ordinary Shares that will be in issue at Admission. The Board however, will continue to review whether, in the future, a share consolidation would be in the best interest of Shareholders.

10. Current Trading and Prospects for the Enlarged Group

The Company's audited results for the 9 months ended 31 December 2010, the Company's new accounting reference date, were announced earlier today. The Company generated £nil income in the 9 months ended 31 December 2010 (12 months ended 31 March 2010: £nil) and a loss after tax of £435,000 (12 months ended 31 March 2010: £662,000). The Company had cash of £1,546,000 and net assets of £2,223,000 as at 31 December 2010. The Company's audited financial statements for the years ended 31 March 2008, 31 March 2009, 31 March 2010 and the nine months ended 31 December 2010 are available on the Company's website, www.medavinciplc.com.

Since 31 December 2010, the Company has continued to trade in line with the expectations of the Board.

The results for Orogen Gold for the period from incorporation to 31 December 2010 are set out in Part IV Section A of this document.

11. Directors and Proposed Directors

The Board currently comprises of the following directors:

Adam Reynolds, Executive Chairman (aged 48)

Adam began his career as a stockbroker before moving into investor relations. In 2000 he established Hansard Group plc, a financial PR firm, listing it on AIM in November 2000, before jointly leading a management buy-out of the business in 2004. Adam is also the chairman of Porta Communications plc, a non-executive director of EKF Diagnostics plc and a director of Wilton International Marketing Group.

Further details in relation to Mr Reynolds, as required by the AIM Rules, are set out in paragraph 9 of Part V of this document.

Michael Nolan, Non-Executive Director (aged 48)

Michael is a Chartered Accountant and has worked in the resources industry for 16 years. He is currently chairman of Vancouver-based Rathdowney Resources Limited, a private natural resources company operating in Ireland and Poland, Finance Director of AIM-traded Cove Energy plc and a Director of AIM-traded Tiger Resource Finance plc. He acted as chief executive officer of AIM-listed mining company Minmet Plc from 1999 to August 2007. He also serves on the board of several resources exploration and investment companies.

Further details in relation to Mr Nolan, as required by the AIM Rules, are set out in paragraph 9 of Part V of this document.

Paul Foulger, Finance Director, Glyn Hirsch, Non-Executive Director and Michael Hough, Non-Executive Director, intend to stand down from the Board upon completion of the Acquisition. Paul Foulger will remain as Company Secretary following completion of the Acquisition.

Upon Completion, John Barry, Edward Slowey and Alan Mooney will join the Board as non-executive Chairman, Chief Executive Officer and Finance Director, respectively. Adam Reynolds will remain on the Board as a non-executive Director.

Further details of the Proposed Directors are set out below:

John Barry (aged 55)

John Barry has worked in the exploration and mining industry since 1988 and has consulted to the industry as a Qualified Person on a range of gold and base metal deposits in Europe, Africa, Australia and South-East Asia. He has degrees in Geology from The State University of New York and The Pennsylvania State University and an MBA from the Edinburgh Business School at the Heriot-Watt University in Scotland. He has worked for over 20 years on a range of gold and base metal deposits in Europe, Africa, Australia and Asia and has been involved in the discovery, sourcing and supervision of feasibility studies on multi-million ounce gold deposits in Ghana (Ahafo), Tanzania (Nyanzaga) and Mali (Yanfolila). He is currently Chief Executive of Vancouver-based Rathdowney Resources Limited which is involved in base metal exploration in Europe and he is Exploration Director of Sovereign Mines of Africa plc, exploring for gold in sub Saharan Africa currently focused on Guinea.

He has extensive experience in the specialist areas of mineral exploration, project management and the technical and financial appraisal of mineral exploration and mining projects. He is a professional member in good standing of the European Federation of Geologists, the Institute of Geologists of Ireland and the AusIMM, and therefore qualifies as a competent person under the terms of the VALMIN Code and by reciprocity, Canadian National Instrument NI43-101.

Further details in relation to Mr Barry, as required by the AIM Rules, are set out in paragraph 9 of Part V of this document.

Edward Slowey (aged 60)

Edward Slowey has worked throughout his career as an economic geologist in the minerals sector. He is currently Managing Director of a private, London-based junior explorer, Silvrex Limited, with gold projects in Africa and also continues to undertake independent consulting assignments covering a range of commodities. Previously he had been attached to the CSA Consultancy Group working out of London and Dublin as Project Manager responsible for independent review, valuation and due diligence in mining and exploration, covering base metals, bulk commodities, precious metals and diamonds in Europe, Africa, Asia and America. Work included completion of Competent Person's Reports and 43-101 independent reports for the AIM, OFEX (now PLUS) and TSX markets. Other roles undertaken in a consultancy capacity include Exploration Manager, Russia for AIM-listed Eurasia Mining Plc, as well as minerals project management through feasibility studies, including at the giant Sukhoi Log gold deposit in Siberia (>12Moz). He has also worked in the Balkans on a range of base metal projects, primarily in Macedonia and Kosovo.

Previously, he managed the Irish exploration arm of Rio Tinto over a 12-year period, focussing on base and precious metals in carbonate, volcanic and metamorphic terrain. This work led to the discovery of the small, high-grade Cavanacaw gold deposit in Northern Ireland. Prior to that, he worked as an exploration geologist in Ireland for a Canadian junior company and as an underground mine geologist at the world-class Navan zinc-lead deposit. Ed holds a geology degree from University College, Dublin and is a professional member of the Institute of Geologists of Ireland and the European Federation of Geologists.

Further details in relation to Mr Slowey, as required by the AIM Rules, are set out in paragraph 9 of Part V of this document.

Alan Mooney (aged 60)

Alan Mooney has worked in the natural resource sector since 2001 with Cove Energy plc, Minmet plc, Tiger Resource Finance plc, GoldQuest Mining Corp and Rathdowney Resources Limited. He was previously divisional CFO at Sonae SA, Portugal's largest commercial group. Prior to that he worked with Continental AG the German tyre manufacturer and was Finance Director of their operations in the UK and in Portugal. He also worked in Mergers and Acquisitions at Continental's headquarters in Hanover, Germany and formally as Chief Accountant at their Irish tyre manufacturing plant. He speaks Portuguese, German and French. He is a Chartered Accountant and MBA. He trained with PWC in Dublin.

Further details in relation to Mr Mooney, as required by the AIM Rules, are set out in paragraph 9 of Part V of this document.

12. Corporate Governance and Internal Controls

The Directors acknowledge the importance of the principles set out in the Combined Code issued by the Committee on Corporate Governance (the "Combined Code"). Although the Combined Code is not compulsory for AIM quoted companies, the Directors have applied the principles as far as practicable and appropriate for a relatively small public company as follows:

The Board meets regularly to consider strategy, performance, approval of major capital projects and the framework of internal controls. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole. In addition, procedures are in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. Subject to the terms of the executive Directors' service contracts, Directors are subject to retirement by rotation and re-election by the Shareholders at Annual General Meetings each year, as required by the Articles of Association and any Director appointed by the Board shall hold office only until the next Annual General Meeting and shall then be eligible for election.

The Directors have established Audit and Remuneration Committees.

Upon Admission the Audit Committee will comprise Michael Nolan as Chairman and Adam Reynolds and will have primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of the Company is properly measured and reported on and reviewing reports from the Company's auditors relating to the Company's accounting and internal controls, in all cases having due regard to the interests of Shareholders. The Audit Committee will meet at least once a year.

Upon Admission the Remuneration Committee will comprise Adam Reynolds as Chairman and Michael Nolan who will review the performance of the executive directors and determine their terms and conditions of service, including their remuneration and the grant of options, having due regard to the interests of Shareholders. The Remuneration Committee will meet no less than once every year.

The Directors comply with Rule 21 of the AIM Rules relating to Directors' dealings and there are procedures in place to ensure compliance by the Company's applicable employees. The Company has a share dealing code which is appropriate for an AIM quoted company.

13. Share-based payments

The Company established the Share Option Plan in February 2011 and now proposes to grant options to the Directors and Proposed Directors under the terms of this plan as follows:

Each of John Barry, Edward Slowey, Alan Mooney and Michael Nolan (either personally or through his consultancy company) has, subject to Admission, been granted options over 40 million new Ordinary Shares. Through Wilton International Marketing Limited, Adam Reynolds has, subject to Admission, been granted options over 80 million new Ordinary Shares. The options are intended to reward Adam Reynolds, Michael Nolan and the Proposed Directors for the delivery of certain objectives and the creation of shareholder value. The options will have an exercise price of 0.95p per share. The options will vest as to 50 per cent. upon the first anniversary of Admission and the balance upon the second anniversary of Admission. The options are subject to performance criteria, being the attainment of certain targets relating to the exploration of gold deposits at the Deli Jovan Gold Project. The targets to be achieved for the exercise of the first tranche of the option shares include completion of all exploration work scheduled for the initial stage of the Phase 1 Exploration Programme (i.e. confirmation of underground scale, continuity and grade potential of the gold vein system) and commencement of drilling to confirm the continuity of lodes. The targets to be achieved for the exercise of the second tranche of the option shares include completion of all exploration work scheduled for the second stage of the Phase 1 Exploration Programme (i.e. completion of driving and sampling of further underground development and completion of drilling to confirm lateral continuity of mineralisation) and commencement of the Phase II Exploration Programme (i.e. completion of drilling to define a 100,000 oz inferred gold resource). The performance conditions are subject to variation or waiver by the Board.

There is no intention to make any further awards under the terms of the Share Option Plan.

The awards, which are over an aggregate of 240 million Ordinary Shares in total, will upon exercise (assuming that there are no further allotments of Ordinary Shares) represent approximately 12.57 per cent. of the issued share capital as enlarged.

Further details are contained in paragraph 4.2 of Part V of this document.

14. Change of Name

It is proposed to change the name of the Company to Orogen Gold Plc following the General Meeting. Following the change of name the Company will issue new share certificates to those Shareholders not holding shares in uncertificated form. Following the issue of new share certificates, share certificates in respect of existing Ordinary Shares will no longer be valid. Shareholders will still be able to trade in Ordinary Shares during the period between the passing of the Resolutions and the date on which Shareholders receive new share certificates.

15. Dividend Policy

The Directors do not intend to pay a dividend in the current financial year.

16. Lock-in Arrangements

At Admission, the Locked-in Persons will be interested in 463,851,636 Ordinary Shares which together will represent 27.79 per cent. of the Enlarged Ordinary Share Capital. The Locked-In Persons have each undertaken that, save in limited circumstances set out in AIM Rule 7 of the AIM Rules for Companies, they will not (and will procure, in so far as they are able, that any person with whom they are connected for the purposes of Sections 252 to 254 of the Act will not), during a period of twelve months from the date of Admission, dispose of any interest in Ordinary Shares held by them.

In addition, the Locked-in Persons have agreed that for a further 12 months they will only dispose of shares under the terms of an orderly marketing arrangement, further details of which are set out in paragraph 10.1.8 of Part V.

17. Related Party Transaction

The Acquisition is classified as a related party transaction under the AIM Rules as Michael Nolan, a director of the Company, is also one of the Vendors. Where a company enters into a related party transaction the independent directors of the company are required by the AIM Rules to consult with the company's Nominated Adviser.

The independent directors of the Company, in respect of the Acquisition, having consulted with Zeus Capital in its capacity as Nominated Adviser, consider the related party transaction to be fair and reasonable in so far as Shareholders are concerned. In providing such advice Zeus Capital has taken into account the independent directors' commercial considerations.

For the same reasons, the Acquisition also falls within Section 190 of the Act and requires the approval of Shareholders at the General Meeting.

18. General Meeting

Set out at the end of this document is the notice convening the General Meeting to be held at 4 Park Place, London SW1A 1LP on 4 March 2011 at 11.00 a.m. at which the Resolutions will be proposed:

- (i) To approve the Acquisition;
- (ii) To approve the Change of Name;
- (iii) To authorise the Directors to allot up to £1,065,351.64 nominal amount of Ordinary Shares; and
- (iv) To disapply the statutory pre-emption provisions to enable the Directors in certain circumstances to allot up to £750,000 nominal amount of Ordinary Shares for cash other than pro rata to Shareholders.

Upon completion of the Acquisition and the allotment of the Consideration Shares, the Directors will have the authority to allot 750,000,000 Ordinary Shares (representing approximately 44.94 per cent. of the Enlarged Issued Share Capital) for cash on a non pre-emptive basis.

Whilst the Directors have no current intention of issuing further Ordinary Shares (other than pursuant to the warrants set out in paragraph 4.1 of Part V and the options under the Share Option Plan as set out in paragraph 13 of this Part I), they believe that it is important to have the flexibility to issue up to a further 500,000,000 new Ordinary Shares without seeking prior Shareholder approval.

19. Action to be taken by Shareholders

A white Form of Proxy for use at the General Meeting accompanies this document. The white Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Kent BR3 4TU as soon as possible, but in any event so as to be received by no later than 11.00 a.m. on 2 March 2011. The completion and return of a white Form of Proxy will not preclude a Shareholder from attending the General Meeting and voting in person should he or she so wish.

20. Risk factors

The Board and the Proposed Directors will seek to minimise the risks associated with investment in a mineral exploration company, however, investors and shareholders should be aware in particular of the potential risk factors set out in Part II of this document and to the section entitled "Forward Looking Statements" on page 2 of this document. Potential investors should, in addition to all other information set out in this document, carefully consider the risks described in those sections before making a decision to invest in the Company.

21. Additional Information

You should read the whole of this document and not just rely on the information contained in this letter. Your attention is drawn to the information set out in Parts II to V (inclusive) of this document.

22. Recommendation

The Directors, other than Michael Nolan in respect of resolution number 1, who has abstained due to the Acquisition being a related party transaction, consider the Proposals to be in the best interests of Shareholders as a whole and unanimously recommend you to vote in favour of all of the resolutions to be proposed at the General Meeting as they intend to do in respect of their aggregate shareholdings of 321,000,000 Existing Ordinary Shares representing 23.71 per cent. of the Company's Existing Share Capital.

Yours faithfully

Adam Reynolds

Executive Chairman

PART II

RISK FACTORS

The investment offered in this document may not be suitable for all of its recipients. If you are in any doubt about the action you should take, you should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

In addition to the usual risks associated with an investment in a company, the Board consider that the factors and risks described below are the most significant in relation to an investment in the Enlarged Group and should be carefully considered, together with all the information contained in this document, prior to investing in the Ordinary Shares. It should be noted that the risks described below are not the only risks faced by the Enlarged Group and there may be additional risks that the Board currently consider not to be material or of which they are currently not aware.

If any of the events described in the following risks actually occur, the Enlarged Group's business, financial condition, results or future operations could be materially affected. In such circumstances, the price of the Ordinary Shares could decline and investors could lose all or part of their investment. The information set out below is not set out in any order of priority. The Enlarged Group's performance may be affected by changes in legal, regulatory and tax requirements in any of the jurisdictions in which it operates or intends to operate as well as overall global financial conditions.

Risks Specific to the Enlarged Group

Exploration Risks

Mineral exploration is speculative in nature, involves many risks and is frequently unsuccessful. There can be no assurance that any mineralisation discovered will result in any proven and probable reserves. If reserves are developed, it can take a number of years from the initial phases of drilling and identification of mineralisation until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish ore reserves through drilling, to determine metallurgical processes to extract metals from ore and, in the case of new properties, to construct mining and processing facilities. As a result of these uncertainties, no assurance can be given that the exploration programmes undertaken by Orogen Gold will result in any new commercial mining operations being brought into operation.

Reopening of Mines

The mines at the Deli Jovan Gold Project have not been in production since the 1930's and there is limited information available on the level of production that was achieved when the mines were last active. There is no guarantee that the Company will be able to establish a commercially viable mining operation at the Deli Jovan Gold Project.

General Exploration, Mining and Operational Risks

The market price of gold is volatile and is affected by numerous factors which are beyond the Company's control. The price of gold has fluctuated in recent years and future significant price falls could cause commercial production to be uneconomic and have a material adverse impact on the business, operations and financial performance of Orogen Gold and the Company.

Narrow high-grade gold lodes such as are present at Deli Jovan are inherently irregular in linear continuity, width and grade, in places pinching out altogether and elsewhere widening, sometimes having bonanza grade shoots. There is a risk that the lodes may prove to be too thin, discontinuous and low grade to be mineable.

The exploration, development and production of natural resources are activities that involve financial risk.

Exploration, Mining and Processing Licences

Orogen Gold's mining and processing activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. Although the Company and Orogen Gold believe that the licences, concessions, leases, permits and consents required will be granted there is no guarantee. Likewise, if required, when they expire, according to the current laws applicable in the respective countries, there can be no assurance that they will be renewed or as to the terms of any such renewal.

A discharge permit may be required for the dewatering of the old mines as part of the planned Phase I Exploration Programme which, depending on water quality, will need environmental approval.

Political, Fiscal and Legal System

Although political conditions in Serbia are generally stable, changes may occur in its political, fiscal and legal systems which might affect the ownership or operation of Oregon Gold's interests, including, *inter alia*, changes in exchange control regulations, expropriation of mining rights, changes in government and in legislative and regulatory regimes.

Further Fundraisings

Although the Directors and Proposed Directors believe that the Company will have sufficient resources to fund both stages of the Phase I Exploration Programme at Deli Jovan, if the Company decides to proceed with the Phase II Exploration Programme the Company will need to raise further funds. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at the same price, or a higher price, than the price originally paid by an existing investor. Shareholders may be materially diluted by any further issue of Ordinary Shares by the Company.

Limited operating history

The Enlarged Group does not have an established track record. The Enlarged Group's operations are at an early stage of development and success will depend upon the Proposed Directors' ability to manage the current project and to identify and take advantage of further opportunities which may arise. The Enlarged Group has no properties producing cash flow and its ultimate success will depend upon its ability to generate cash flow from properties in the future. The Group has not earned profits to date and there is no assurance that it will do so in future.

General Risk Factors

Forward looking Statements

All statements other than statements of historical fact included in this document, including, without limitation, those regarding the Enlarged Group's financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to Shareholder returns, dividends or any statements preceded by, followed by or that include the words "targets", "estimates", "envisages", "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expressions or the negative thereof, are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors beyond the Enlarged Group's control that could cause the actual results and performance to be materially different from future results and performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Enlarged Group's present and future business strategies and the environment in which the Enlarged Group will operate in the future.

These forward looking statements speak only as of the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Enlarged Group's expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority.

Areas of Investment Risk

The prices of publicly quoted securities can be volatile. The price of securities is dependent upon a number of factors, some of which are general or market or sector specific and others that are specific to the Enlarged Group.

The Ordinary Shares will not be listed on the Official List of the UK Listing Authority and although the Ordinary Shares will be traded on AIM, this should not be taken as implying that there will always be a liquid market in the Ordinary Shares. In addition, the market for shares in smaller public companies is less liquid than for larger public companies. Therefore an investment in the Ordinary Shares may be difficult to realise and the price of the Ordinary Shares may be subject to greater fluctuations than might otherwise be the case.

An investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List of the UK Listing Authority. AIM has been in existence since June 1995 but its future success and liquidity in the market for the Ordinary Shares cannot be guaranteed. Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment.

The price at which investors may dispose of their Ordinary Shares may be influenced by a number of factors, some of which may pertain to the Company and others which are extraneous. On any disposal of their Ordinary Shares, investors may realise less than the original amount invested.

Economic, political, judicial, administrative or other regulatory matters

The Enlarged Group may be adversely affected by changes in economic, political, judicial, administrative or other regulatory factors, as well as other unforeseen matters.

Taxation

The attention of potential investors is drawn to paragraph 11 of Part V headed "Taxation". The tax rules and their interpretation relating to an investment in the Enlarged Group may change during its life.

Any change in the Enlarged Group's tax status or in taxation legislation or its interpretation could affect the value of the investments held in the Enlarged Group or the Enlarged Group's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders. Representations in this document concerning the taxation of the Enlarged Group and its investors are based upon current tax law and practice which is, in principle, subject to change.

Prospective investors are strongly recommended to consult an investment adviser authorised under FSMA, who specialises in advising on investments of this nature before making any decision to invest in the Ordinary Shares.

PART III

COMPETENT PERSON'S REPORT

MedaVinci
Deli Jovan CPR

The Directors
MedaVinci plc
14 Kinnerton Place South
London
SW1X 8EH



The Directors
Zeus Capital Ltd
3 Ralli Courts
West Riverside
Manchester
M3 5FT
UK

16 February 2011

CPR FOR THE DELI JOVAN PROSPECT, ZAJEČAR, SERBIA

SCOPE AND PURPOSE OF THE COMPETENT PERSON'S REPORT

SLR Consulting (Ireland) Ltd ('SLR') of 7 Dundrum Business Park, Windy Arbour, Dublin 14, Ireland, has been commissioned by MedaVinci Plc ('MedaVinci') and Zeus Capital Limited ('Zeus Capital') to complete a Competent Person's Report (CPR) on its interest in the Deli Jovan prospect in Serbia. The CPR has been commissioned by MedaVinci and Zeus Capital to support readmission on AIM.

MedaVinci confirms that the CPR is not intended for use in any other manner than outlined above and that MedaVinci will only use the Deli Jovan CPR, February 2011 or part thereof for any purpose other than specified without first seeking and obtaining the express written permission of SLR.

The Deli Jovan CPR, February 2011

The Deli Jovan CPR, February 2011 has been prepared by Mr. Victor Kelly PEng, FAusIMM and based on 1) information from a site visit by him to the gold project in Serbia, August 2010, 2) information supplied to SLR Consulting by MedaVinci in 2010, 3) information from relevant academic and industry sources including relevant information in the public domain.

Mr Kelly is a Member of the Association of Professional Engineers of Ontario (PEng) and a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and thereby respectively qualified under the Canadian National Instrument NI43-101 and the Joint Ore Reserves Committee (JORC) Code. Mr Kelly has over 40 years experience in mineral exploration with corporate responsibility for a range of commodities including copper, zinc, platinum group metals, gold uranium and potash, and as a mine geologist in Canada, from 1961 to 1994. Since then he has been resident in Ireland and has consulted to the industry on gold and base metal deposits in the USA, Europe, Africa, and northern Asia.

The report has been reviewed by Roisin Goodman PGeo, EurGeol. Ms Goodman has over 20 years experience as an exploration geologist, and has worked since 1991 with CSA, specialising in mineral exploration programme management, due diligence and evaluation. She worked over a number of years on the delineation of, and subsequent bankable feasibility study on, the major Lisheen base metal deposit in Ireland as well as Independent Review and Valuation assignments in Ireland, Norway, Tunisia, Macedonia, Albania and Southern Africa.

SLR Consulting (Ireland) Ltd. has extensive experience of independent expert studies and has completed Expert Reports and Valuations for listings on the London, Copenhagen, Dublin, Vancouver, Luxembourg and Australian Stock Exchanges.

Pursuant to its engagement, SLR has relied upon and assumed the accuracy and fair representation of all technical and financial information provided by MedaVinci, including geological notes, reports, exploration licence and expenditure information. Subject to the exercise of professional judgement and except as expressly described herein, SLR has not verified the original data sets provided.

At no time during the course of the Deli Jovan CPR, February 2011 did SLR become aware of either the withholding of information or of the changing of records to influence the conclusions of the Deli Jovan CPR, February 2011.

INDEPENDENCE OF SLR

Other than for the purposes of completing the Deli Jovan CPR, February 2011, neither SLR nor any SLR staff involved in its preparation have any commercial interest in MedaVinci or any associated companies. Neither SLR nor any SLR staff will receive any interest in MedaVinci or any associated companies as a result of undertaking the Deli Jovan CPR, February 2011. SLR will be paid normal professional rates for completing the Deli Jovan CPR, February 2011 for MedaVinci as laid down in the contract for Job no. 0203.0001.

Yours faithfully,

Dr. Deirdre Lewis
Technical Director
SLR Consulting (Ireland) Ltd.

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CPR FOR THE DELI JOVAN PERMIT AREA IN ZAJEČAR

1.0 SUMMARY

SLR Consulting has prepared the following CPR on the Deli Jovan permit area in Zaječar municipality of northeast Serbia on behalf of MedaVinci plc. The 69km² Permit No 1677 is held by a Serbian registered company, Deli Jovan Exploration d.o.o (DE) which will manage and operate the gold project. MedaVinci may gain a seventy five percent interest in the Project by the acquisition of Orogen Gold Limited (Orogen), a private Irish-registered company, which has a Joint Venture agreement with Reservoir Capital Corporation (Reservoir), a Canadian public company of which DE is a wholly owned subsidiary.

Prior to World War II there was extensive gold lode mining down to a shallow depth of 100 metres at the Ginduša and Rusman mines on the Deli Jovan permit. There are no existing gold production records but judging by the volume and gold grade required to make the mines profitable an unverifiable mention in historical reports that 20 tonnes gold (625,000 ounces) may have been produced from mines in the area is credible to the author. Since mining ceased at Deli Jovan in 1938 political and economic conditions did not favour narrow lode gold mining in Serbia and the region remained underexplored until conditions began to improve in recent years. In 2011 Serbia is a stable democracy with a good infrastructure and a strong mining tradition to support any prospective mining development.

Orogen, whose management is experienced and capable in gold exploration and evaluation, is now initiating a systematic exploration programme, building on work performed by Reservoir since 2005 on the project. Orogen has stated their exploration “threshold” objective for Deli Jovan is to demonstrate the potential for a minimum 500,000 ounce gold resource, with scope for substantial additional resources. Initially Orogen will target an Inferred Resource of 100,000 ounces of gold. Their aim is to develop Mineral Resources that would support two to three years of production targeting an annualised production of 30,000 to 40,000 ounces of gold. This is to be achieved through safely re-opening and detailed mapping and sampling of the old mine workings and diamond drilling to delineate resources.

There is a high probability that other gold occurrences are present under soil cover elsewhere on the property, which may be located by a combination of geological mapping, soil geochemistry and ground geophysics and would merit investigation by drilling. As the soil cover in much of the large prospective area appears to be less than a couple of metres thick, soil geochemical sampling could well locate new prospects for investigation. There is also scope for geophysical investigation, especially Induced Polarization (IP) surveys on selected areas where disseminated pyrite similar to that occurring in the known gold veins is anticipated, especially in the vicinity of the old mines and mineral occurrences. Lacking the capability of diamond drilling the work of previous times had to rely on finding gold in outcrop or under shallow cover. New discoveries to be made following improved, modern methods may be as good as or better than known prospects.

A geological model is proposed, which may be continually refined, to establish the tectonic setting and genesis of the gold mineralisation with the objective of providing guidance for mine discovery.

2.0 INTRODUCTION AND TERMS OF REFERENCE

2.1 Introduction

2.2 Purpose of Report

MedaVinci plc has refocused its investment business to that of a gold mineral exploration and production company in Europe. This was accomplished in September 2010 by acquiring 49 percent of the issued share capital of Orogen with an option to acquire the remaining 51 percent within 12 months.

Orogen has a Joint Venture earn in agreement with Reservoir to gain an initial 55% interest by June 2012 in the Deli Jovan Gold project in Zaječar municipality of the Republic of Serbia and may increase its interest to 75 percent by incurring additional specified exploration expenditures by December 2013.

- Under the Alternative Investment Market (AIM) rules, exercise of its option to acquire the remaining 51% interest in Orogen Gold, will require MedaVinci to produce an admission document under the AIM rules for commodities and the necessity for a Competent Person's Report (CPR) on the Company's mineral assets.

2.3 Terms of Reference

- In August 2010 the author visited the area and made an independent review for MedaVinci of gold prospects in the 69 km² Exploration Permit area No 1677, then held by SEE d.o.o. a subsidiary of Reservoir in the Bor district of eastern Serbia. A new permit is now held for area No 1677 by Deli Jovan Exploration d.o.o (DE) a wholly owned subsidiary of Reservoir. For simplicity work carried out by both SEE d.o.o. and Reservoir will be attributed to Reservoir in this document.
- Following MedaVinci's investment in Orogen and the Deli Jovan project, SLR Consulting (Dublin, Ireland) has been engaged to undertake this CPR.
- The report includes descriptions and technical assessments of Orogen's Deli Jovan gold prospects in eastern Serbia. The report includes an analysis of the Deli Jovan geological and structural setting and proposes a genetic model for gold mineralisation occurrence and prospectivity. Additionally, the Serbian mineral investment climate and mineral permit tenure is discussed as is the appropriateness of the exploration programmes.
- Orogen's proposed exploration programme to attain their objective of a 500,000 ounce gold resource capable of sustaining a 30,000 ounce annual output for several years is discussed.

2.4 Review Procedure

In preparing this report the author, Victor Kelly, visited the Bor district of northeastern Serbia during the period of 4-6th August 2010 to carry out an independent review for MedaVinci of gold prospects in the 69 km² Deli Jovan Exploration, Permit No 1677. The

author was accompanied by Adam Reynolds and Paul Foulger on behalf of MedaVinci, Ross Andrews on behalf of Zeus Capital, and Edward Slowey and Alan Mooney on behalf of Orogen.

The group made a site visit to the Deli Jovan project where the regional geology was briefly assessed, the decayed sites of ancient Roman mining activity noted and old pre 1940's pits examined. A very pertinent underground tour of the Ginduša exploration adit was undertaken and the site at the old Rusman mine was visited.

Useful discussions on the project were held with all parties, especially with Aleksandar Obrenovic of Reservoir, Dušan Bjelotomic and Ivan Nenadovic of SEE d.o.o. Serbia. The review involved an examination of all available geological and exploration data at Reservoir's Belgrade office. Relevant geological papers in the public domain were subsequently consulted.

This report consists of descriptions and technical assessments of Orogen's Deli Jovan gold prospects in eastern Serbia, namely the Deli Jovan gold exploration project based on the review as described.

3.0 SERBIA

3.1 Political Status



Figure 1: Serbia Location Map

Serbia is centrally situated in the Balkan Peninsula. It covers a relatively small area of about 88,000km² and has a population of 7.3 million. Deli Jovan is shown in Figure 1, as being about 20km northeast of the major porphyry copper mining town of Bor.

The Chief of State, President Boris Tadic has been in office since 2004. Its Constitution was adopted 8th November 2006. Serbia is working to reform its justice sector and

harmonise its judicial systems with EU standards. Specific legislation outlining guarantees and safeguards for foreign investors has been enacted.

3.2 History

What is now Serbia formed part of the Roman Empire and part of the legacy of this is evidence of old Roman mine workings for gold in eastern Serbia and elsewhere. By the 14th century the first Serbian state was established but was later added to the Ottoman Empire until Serbia and others gained independence after the Balkan war of 1912-1913.

After World War I in 1918, Serbia became part of the Kingdom of the Serbs, Croats, and Slovenes. King Peter I of Serbia became the first monarch; his son, Alexander I, succeeded him in 1921. In 1929 the king, using dictatorial powers, attempted to unify the Serb dominated country and founded the new state of Yugoslavia.

With the German occupation of Yugoslavia in 1941 two partisan groups, one supporting the monarchy and the other led by Tito, made resistance warfare against the occupier. In 1943 Tito formed a provisional government and in 1945 won a federal election and abolished the monarchy. Subsequently in 1948 Tito broke with the Soviet Block to follow a communist 'middle way', keeping control of politics and the economy until his death in 1980.

By 1989 Slobodan Milošević became president and there followed a bitter civil war and ethnic killing which only ended with the final intervention of NATO in 1999.

First elected in 2004, President Tadic's coalition won parliamentary elections in 2008. In 2011 Serbia is a stable country aspiring to meeting requirements for membership of the European Union and is implementing financial reform with International Monetary Fund (IMF) assistance.

In the 1920's King Alexander I had an interest in the Neresnica gold processing plant at Glogovica and mining at Deli Jovan. At that time gold prices in real terms would have encouraged investment, as was the case up to his death in 1934. During World War II gold mining everywhere was much curtailed. After the war the United States guaranteed the price of gold at \$35 per ounce. With post-war inflation the incentive to invest in primary gold mining ventures was poor and it was not until 1971 that this convertibility was terminated. There followed a gradual increase in the gold price and by 1980, with decreasing production from South Africa, production elsewhere gradually increased.

In Yugoslavia under the communist regime mining was central to the economy for State industrial purposes and reached its peak before the breakup the State in the early 1990's. However at that time there would have been little interest in developing small to medium sized primary gold deposits. By the end of the NATO conflict in 1999 mining activity had seriously declined but with the stability achieved in recent years efforts have been made to improve inward investment.

The political history of Serbia is relevant to mining investment in the country. A link can be seen that may suggest why mining development took place at times and at others times fell into abeyance. The sometimes turbulent events of the last century may help in understanding why the country's mineral endowment has been underexplored by comparison with other countries employing modern exploration methodologies most likely to meet economic success.

3.3 Physiography, Climate, Local Resources and Infrastructure

Serbia is a landlocked country (Figure 1), in the Balkan Peninsula, separated on the west from the Adriatic part of the Mediterranean by Bosnia- Herzegovina and Montenegro. The Danube flows southeast from Hungary through the Serbian capital, Belgrade, to Romania where it marks the border between the two countries.

The northern part of Serbia forms part of the Central European Pannonian Plain. In western Serbia the Dinaridian mountains trend southeast parallel to the Adriatic coast. The Carpathian mountain range, which extends east- northeast across much of Central Europe, terminates in northeast Serbia. The Balkan mountain chain extends northwest from Romania into southeast Serbia, and the Dinaridian mountains trend southeast through the southwest side of the country.

Deli Jovan is less than 100km south of the Carpathian Mountains in an area of well drained, broadleaf wooded hills with farms on the lower land.

The climate of Serbia varies from a continental climate in the north, with cold winters and hot and humid summers, and well-distributed rainfall during the year, to a Mediterranean climate in the south of the country with hot and dry summers, and relatively cold winters with heavy snow inland.

Average minimum temperature in January in Belgrade is -3°C, while the average maximum temperature is 3°C. Summer temperatures are warm, with average minimum temperatures in July in Belgrade of 16°C, and average maximum temperatures of 27°C.

The rainfall varies between 560 and 1900 mm per year, depending on elevation and exposure. Precipitation tends to a summer maximum of about 60-80mm monthly. Winter precipitation occurs for the most part in the form of snow. There are 40 days with snow in the northern plains and more than 120 days a year with snow in the southern mountains.

As is typical of most European countries, Serbia has a good airline service and benefits from well maintained road and rail systems, electrical power and communication networks. The Danube is economically important for waterborne trade and as an outlet to the maritime world. Serbia is an important route for travellers from adjoining countries to the west in transit by road to central Europe and Turkey.

The region has an experienced workforce with a strong mining tradition suited to industrial, transportation and equipment maintenance activities. Mineral exploration benefits from the assistance of in country technical expertise in such work, both as technicians and as geological personnel familiar with the regional geology. Infrastructure in general is quite adequate for mineral exploration and development.

4.0 PROPERTY DESCRIPTION, TENURE AND REGULATIONS

4.1 Deli Jovan Location

The Deli Jovan Permit (No 1677) has good road access and is about a three and a half hour's drive southeast from the Serbian capital, Belgrade.

The permit is held by DE and situated in the territory of Zaječar municipality and is defined by Northing and Easting coordinates in points 1 to 7, as shown below.

	<u>Northing</u>	<u>Easting</u>
1:	4 895 000	7 596 000
2:	4 895 000	7 599 000
3:	4 892 000	7 602 000
4:	4 892 000	7 604 000
5:	4 890 000	7 606 000
6:	4 882 500	7 606 000
7:	4 885 000	7 600 000

The 69 km² Permit area and local geology are shown on Figure 2.

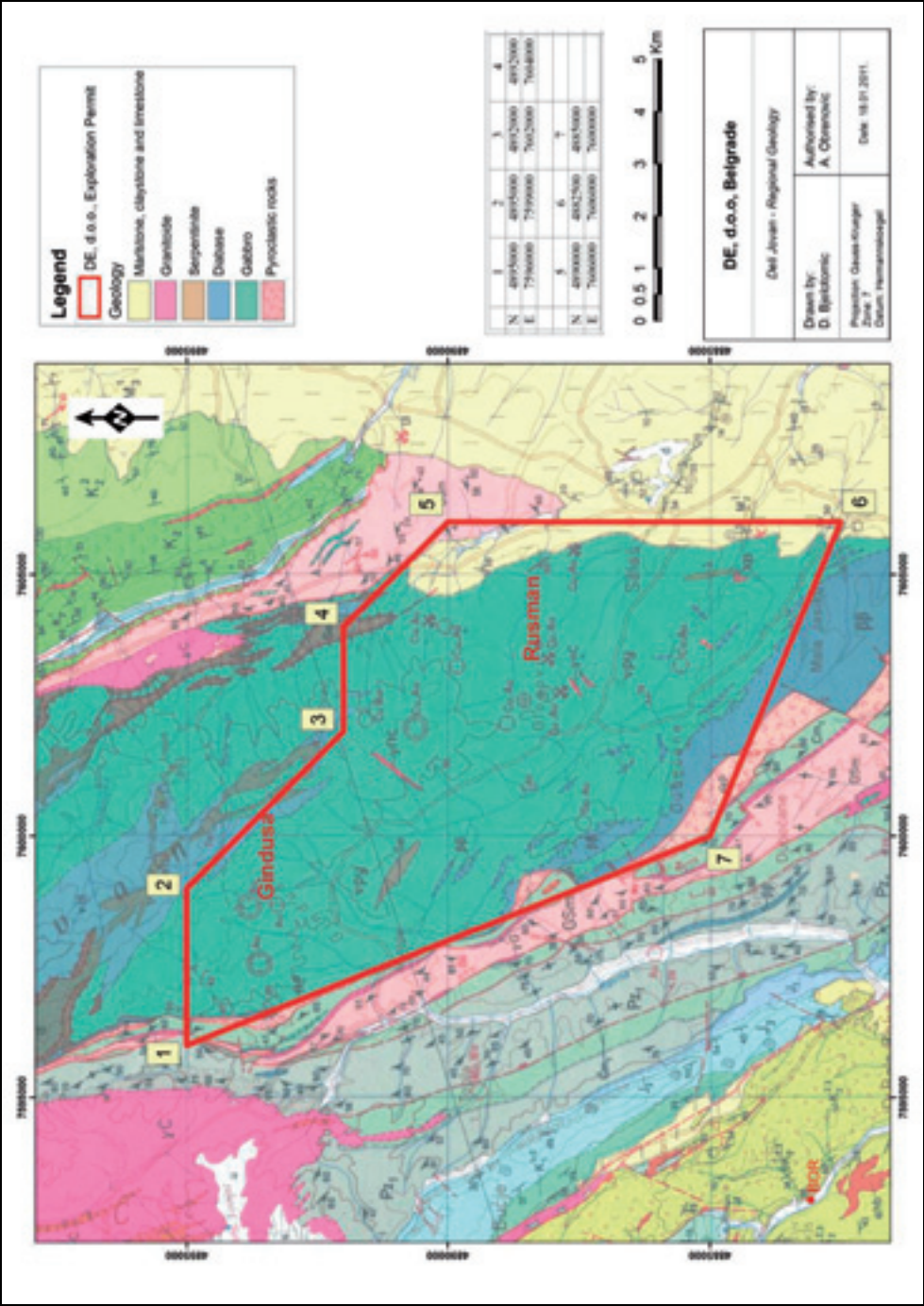


Figure 2: Deli Jovan Permit Area Geology

4.2 Deli Jovan Permit Tenure

In May 2006, SEE d.o.o., a wholly owned subsidiary of Reservoir, was granted a permit for geological exploration of gold mineralisation and associated polymetallic mineralisation within the Deli Jovan permit, Exploration Permit No. 1677, by the Serbian Ministry of Mining and Energy Resolution No. 310-02-029/2006-06.

The permit was granted pursuant to Article 10 of the Ministries Act (Official Gazette RS No. 65/08), Article 29 of the Geological Exploration Act (Official Gazette RS No. 44/95) and Articles 89 and 192 of the General Administrative Procedure Act (Official Gazette FRY No. 55/96, 33/97). The Deli Jovan permit has been renewed annually since 2006.

It is noted that under the Amendments and Supplements of the Mining Law, published in the Official Gazette of the Republic of Serbia, No.34/2006 from April 18th, 2006, the State, in accordance with Article 16, exacts a royalty for all metallic raw materials of 3 percent of net smelter return income. Additionally, there is a royalty of 2 percent on gold and 1 percent on any other metals produced to Eurasian Minerals Inc., Vancouver, Canada in relation to the Deli Jovan permit area.

A Serbian registered company, Deli Jovan Exploration d.o.o (DE), a wholly owned subsidiary of Reservoir, now holds a recently granted Deli Jovan permit for the same 69km² Exploration Permit No 1677 and will operate the Deli Jovan project. The Permit is valid until 5th October 2011 and its annual extension depends on presenting an acceptable work programme before the Permit expiry date to the Ministry of Energy and Mining. DE's current work programme has been accepted for Permit area No 1677 carries a work commitment of €189,000 for its first year to October 5, 2011.

Serbia issues exploration permits annually and under the terms of a permit, exploration work must commence within one month (30 days) of the date upon which it was granted. The results of the exploration activities must be reported to the Ministry of Energy and Mines within 60 days of the end of the permit year. The work programme submitted with the application for an extension of an exploration is regarded as a commitment for the permit year. The application procedures for an exploration permit include obtaining statements from the appropriate authorities for environmental protection and the protection of cultural monuments.

Mining approval is issued on the application of the permit holder in compliance with Article 17 of Mining Law 34/2006-7.

5.0 REGIONAL GEOLOGY

5.1 Geological Setting

Repetitive rifting followed by collision of mini-continental plates in the Eastern Mediterranean area occurred during the Cretaceous Period (145-65Ma) as Africa moved progressively towards Europe producing the Alpine orogeny. The western margin of the Moesian Platform (Figure 3) forms part of a related mini-plate, with a long, narrow, metallogenic belt, looping around its western margin in eastern Serbia.

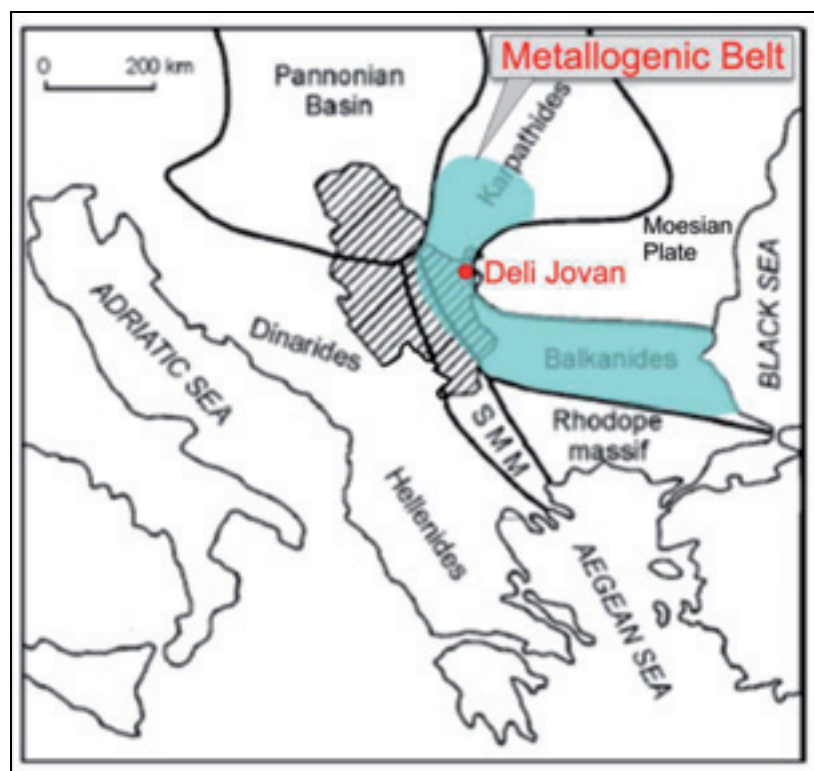


Figure 3: Balkan Peninsula Tectonic Map and Metallogenic Belt

In eastern Serbia the belt includes the 50km long, north trending Timok volcano-plutonic complex. Several large Upper Cretaceous porphyry copper deposits with minor gold association occur within this regime. The giant Bor Cu-Au deposit is situated in the south part of the complex and has a resource of a half billion tonnes grading 0.3% Cu and 0.07g/t Au. The Deli Jovan area lies in a parallel former rift, 20km east northeast from Bor, close to the margin of the Moesian platform and hosts a number of gold deposits.

Both the Deli Jovan gold lode and the Bor type porphyry deposits to the west, lie in that portion of the metallogenetic belt between the moderately deep Serbo-Macedonian Massif (SMM) tectonic zone, with thickened crust, and the very deep Moesian Plate. The SMM comprises a thick Proterozoic sequence (2500-542 Ma) with intruded Tertiary granites and metamorphosed volcanic rocks (251-200 Ma). This tectonic and lithological association may have special mineralisation significance for the region between these two massive blocks.

Earth tomography has been used to show, by comparison of the velocity of different types of seismic waves, the depth of the mohorovicic discontinuity which marks the boundary between the earth's solid crust and the more fluid underlying mantle. Crustal thickness beneath the oceans is generally about 8km. However, in the Timok Magmatic Complex and Deli Jovan ophiolite areas it is about 30-35km and under the Moesian Platform it is about 180km due to structural thickening as a result of tectonic compression.

The great contrast in crustal thicknesses between the Deli Jovan area and the Moesian Plate may have favourable implication for gold mineralisation. It is postulated that in the early development of the tectonic plate, when the earth was very hot that heavy elements had not yet fully differentiated from the crustal rocks in the Hadian Period (informal age 4500-4000Ma).

In this situation it is conceivable that deep rifting and later rift closing accompanied by delaminating and thrusting of the crust from the mantle may have provided the driving force and pathways for metal rich fluids to move into the crustal rocks.

5.2 Conceptual Geological Model

The Deli Jovan gabbro formed above the earth's ductile mantle (Figure 4A), at the base of a basaltic volcanic sequence which developed in the late Devonian Period 360 million years ago (Ma). The rift developed as a result of seafloor spreading along a north trending rift which developed in the southern part of the Hercynian/Variscan orogenic belt (480Ma).

With the subsequent oceanic closure in the early Cretaceous (145-120Ma), caused by movement of tectonic plates, it is interpreted that the gabbro/basalt of the Deli Jovan area was squeezed upwards and outwards to form a high mountain range. Much of the extruded rock would have spread out under the influence of gravity onto the surrounding Devonian land surface as giant, lobe like nappes (Figure 4B). Deep within the closing rift the increased temperatures and pressures would have resulted in partial melting and differentiation of the basaltic rocks into denser and lighter fractions. This, combined with the melting of some of the deeper continental crustal rocks is interpreted to have resulted in the formation of granitic rocks.

Most of the world's gold is associated with Archean (4000-2500Ma) volcanic rocks formed during crustal development. However the gold in these cases is normally found in the Archean rocks themselves. In the case of the Deli Jovan area the later partial melting of these deep, ancient rocks may have subsequently recycled gold into a younger rock system. This process may have been especially efficacious where rifting took place through the deep continental rocks of the Moesian Plate, providing a rich crustal source of gold in the Deli Jovan area, and possibly copper with some gold for the Upper Cretaceous porphyry deposits in the Bor area to the west.

The development of fractures in the continental rocks due to later variable movements in the tectonic plates may have permitted the upward movement of small lens like granitic bodies of Permian age (299-251Ma) into the gabbros. The heat from these later granitic intrusions may have helped to drive the hydrothermal systems and thus contributed to gold deposition in permeable, fracture zones in the gabbros.

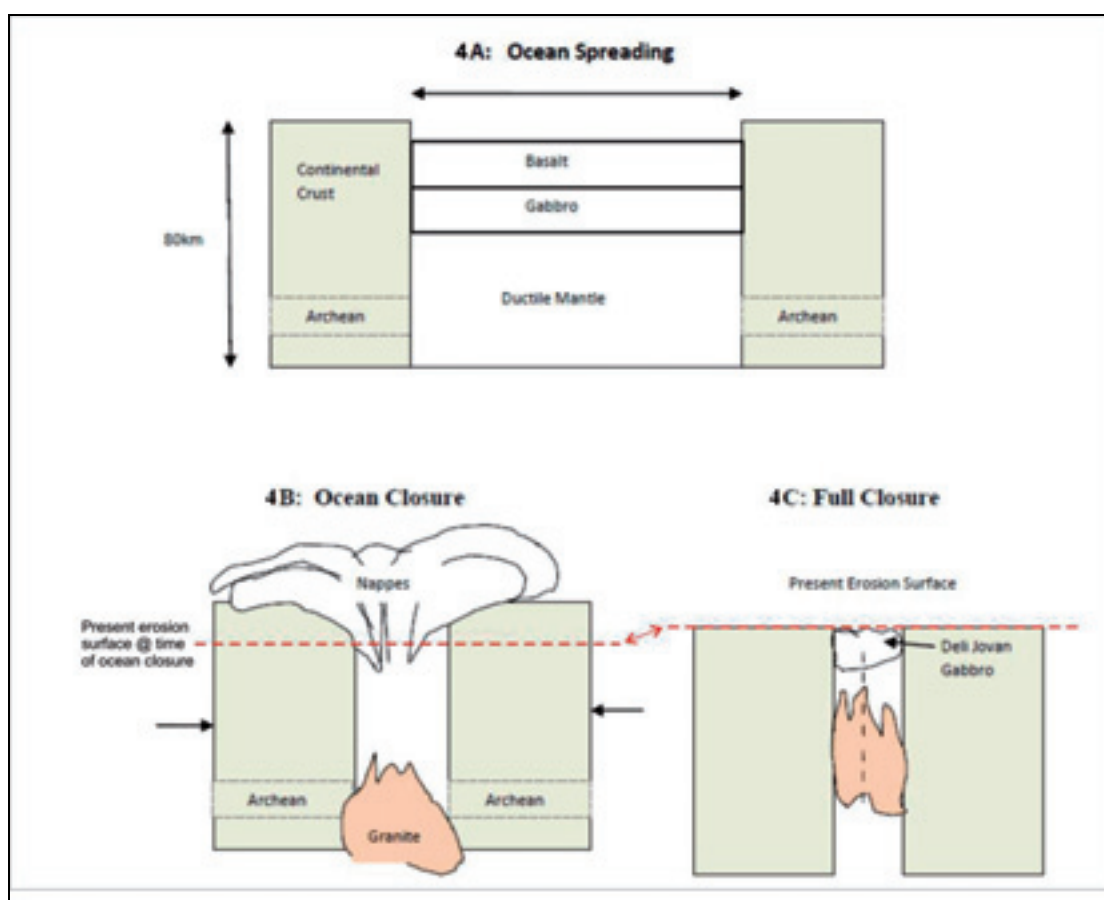


Figure 4: Postulated Evolutionary Development of Gold Hosting Deli Jovan Gabbro

Figure 4C shows the geological situation after rift closure, resulting from plate collision events, following a long erosion period to the present. Late, post granite, Oligocene (23Ma) hydrothermal activity released by differential shearing could account for the auriferous pyrite occurring along shears and quartz veins in the Deli Jovan gabbro. It is thought that gold deposition took place at a possible depth of 5 to 8km depth below surface in a mesothermal regime of about 200 to 300°C.

6.0 GOLD MINERALISATION CONTROLS

6.1 Structural Controls

It is interpreted that the reactivation of movement from time to time along the closed Deli Jovan rift penetrated through the full succession and displaced the younger cover rocks.

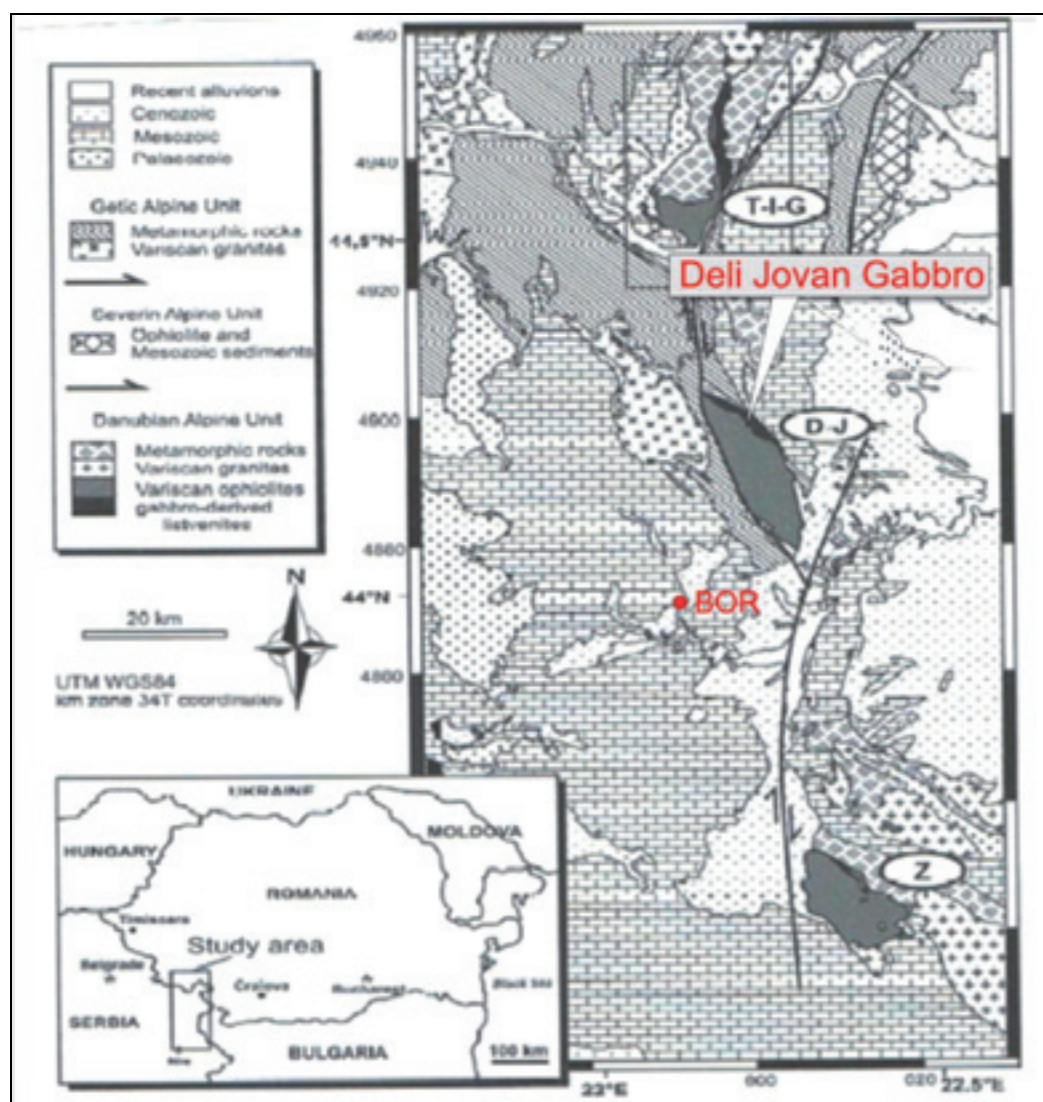


Figure 5: Regional Geology after Plissard 2009

The position on the map of the Deli Jovan gabbro, indicated by 'D-J' on Figure 5, may be moved north along the fault to match up perfectly with the gabbro body marked 'T-I-G', indicating a 40 km differential, north-south, lateral movement. It is noteworthy that in this reconstructed position the Deli Jovan gabbro would have had a north-northeast orientation whereas it has now assumed a north-northwest trend. Such partial rotational movement would have greatly influenced the direction of subsidiary shear and quartz filled dilation zones critical to gold deposition, which are actually related to later events. It also suggests that the direction of some of the subsidiary shear zones may be at variable angles that changed over time to the main northerly trending fault.

The emplacement of gold in the Deli Jovan gabbro appears to have been initiated by movement along this variable north-northeast – north-northwest orientation of the closed rift. In the gabbroic ophiolite rocks at Deli Jovan as shown on Figure 5 the stratigraphic lower part of the gabbroic sequence (darker grey colour) represents the uppermost part of the mantle rocks. These rocks are called listvenites and are generated by carbon dioxide alteration of the upper mantle. Research in recent years has shown that carbon dioxide and chloride fluids are found to be associated with the deposition of gold bearing pyrite in ophiolites with listvenite association, as is the case at Deli Jovan.

With increasing intensity of the carbon dioxide and chloride alteration a mineralogical suite from quartz-carbonate to sulphide and finally to gold may develop where the metals are available in the system. This type of alteration appears to have an association with many major mesothermal vein deposits worldwide throughout geological time. It is perhaps encouraging that the Deli Jovan gabbros have higher than normal proportions of carbonate. This was evidenced on the site visit to the Ginduša exploration adit where at one place dripping water was observed to be depositing white calcium carbonate on the drift walls.

The development of a rational model which is relevant to the local geology could greatly contribute to understanding why these gabbros are gold hosting. Application of such a geologic model which presents the controls on gold mineralisation to the drill exploration planning may enhance the opportunity for discovery.

7.0 DELI JOVAN GEOLOGY AND MINERALISATION

The geology of the Deli Jovan area is shown in Figure 2. The north-westerly trending ophiolite gabbro is shown in green with the position of the Ginduša and Rusman historical mines marked. Palaeozoic granitoid intrusions, shown in pink, parallel both sides of the gabbros and mark the palaeo-rift boundaries. The granites on the southwest side mark a clear structural break with the Deli Jovan gabbros to the east as they have a more northerly strike than individual gabbroic zones which have a more northwesterly trend. Minor, linear granitic intrusions of younger Permian age cross cut the gabbros with an east-west trend and may have a role in gold deposition. As described listvenite gabbros in ophiolite complexes are commonly associated with high gold potential. In this instance the late emplacement of orogenic granites during the Permian may have provided a mechanism to drive a hydrothermal system that deposits gold in shear controlled dilation zones within a brittle host rock.

The Bor epithermal porphyry copper mine is situated within Upper Cretaceous rocks, along the eastern margin of the Timok complex (Figure 2). The copper and gold epithermal mineralisation at Bor is associated with intense argillic alteration in volcanic breccias. Several other porphyry copper deposits occur in the 50km long north-northwest trending Timok belt. The low grade copper, with minor recoverable gold, may have an indirect genetic relationship to the gold mineralisation at Deli Jovan.

As shown on the satellite image of Figure 6, the Ginduša and Rusman mines occur along a 10km northwest trending shear zone. The Ginduša mine is towards the northwest end of a 6km shear and the Rusman mine lies in a sub-parallel 4km shear further south. The entire 10km length of these structures, and related structures such as at Latovo, are highly prospective.

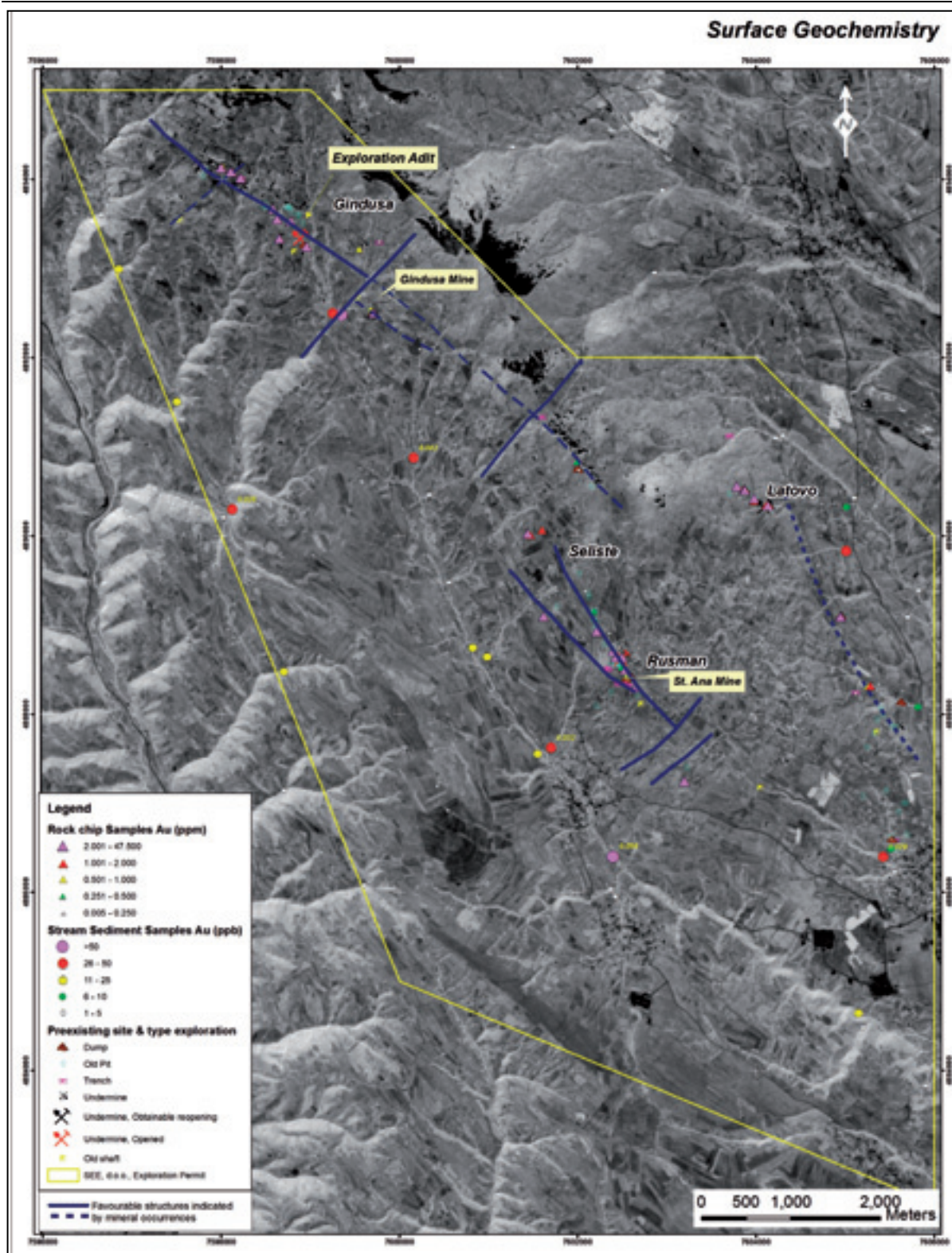


Figure 6: Satellite Image Overview of Deli Jovan Permit with areas of interest

7.1 Ginduša Mine

The Ginduša mine and the adjacent exploration drift to the north are situated within a 6km long northwest structure, with ancillary splays of east-west orientation. The gold occurs in steeply dipping shear zones from 0.25-2.5m thickness, associated with quartz carbonate, within the

gabbro. The gold is rarely visible as it occurs in fine grained pyrite for the most part. However historic descriptions of the mining at Ginduša record the presence of visible gold.

The main north-northwest trending lode at the old Ginduša mine pinches and swells from 0.3 to 1.5m in width consisting of a shear-hosted quartz vein with pyrite. Copper and silver are also distinctly anomalous at the old Ginduša mine. Grab samples collected by Reservoir from the mine dumps assay up to 1.1% Cu, 47.5g/t Au and 48g/t Ag.

In the historical records a subsidiary Western lode is described as varying in width from 0.2 to 0.9m in width, An Eastern lode is also recorded ranging from 0.2 to 0.5m in width. Individual segments of the vein system are described as extending for several hundred metres along strike. Examples of the historic mine plan and sections, reproduced below in Figures 7 and 8, are evidence of the scope of the mining and provide some insight as to the spatial distribution of the mineralised zones.

In plan view, the workings apparently follow along the mineralised structures, however without the benefit of drill hole information, where a vein pinched out the previous miners would have had to tunnel left or right to find another mineralised structure. Therefore the plans may not provide a comprehensive presentation of the structural geometry of the deposit. However in general, the configuration of the level plan workings suggests the presence of sub- parallel and anatomising vein structures.

In the long section (Figure 8) the step-like descent of the workings at the southeast end may indicate that the mineralisation plunges to the northwest. It would appear that mine development took place along the best mineralisation, consequently the workings on the levels shown in the long section may have been destroyed to a greater or lesser degree, because as mining retreated it is likely that shaft pillars in ore were removed at the end of mine life as was common practice. The planned commencement of rehabilitation work by Orogen will determine the scale of any perceived problems.



Figure 7: Ginduša Mine: Old Mine Plan and Longitudinal Section (looking northeast) (The lines in blue and red are from a review of the project by SRK Consulting completed in January 2011)

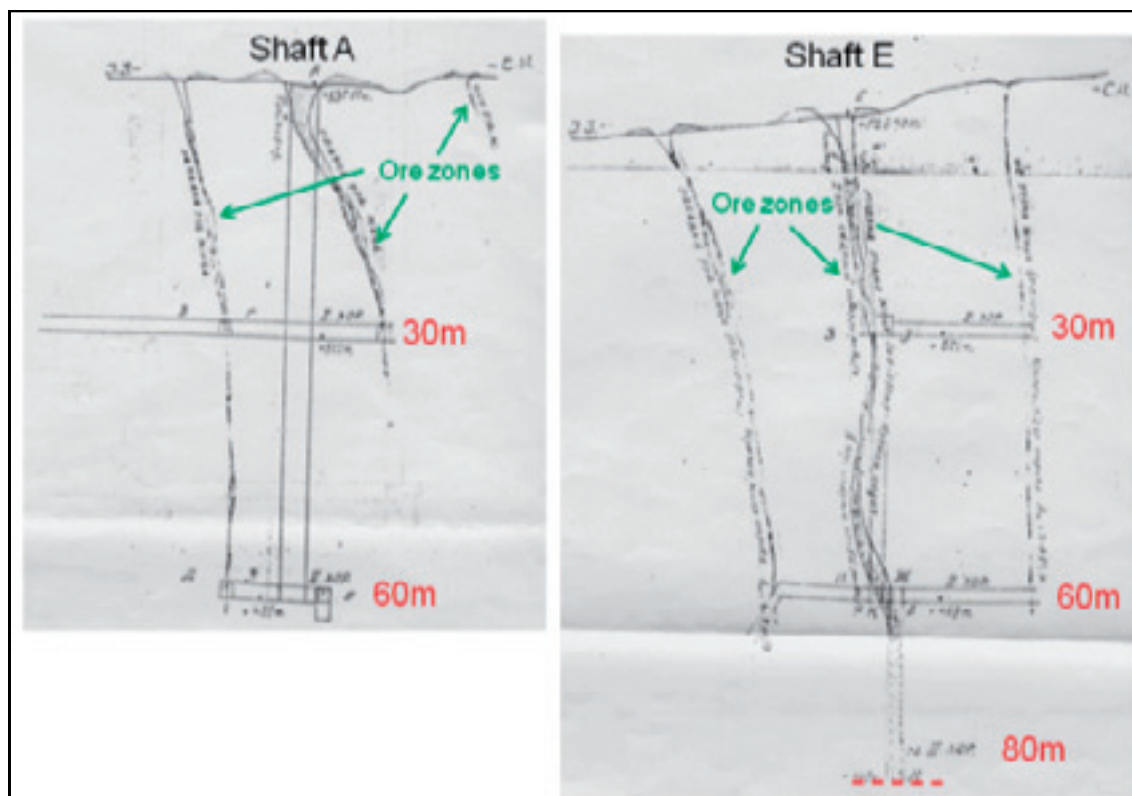


Figure 8: Ginduša Mine Cross Sections; Shafts A and E

7.2 Rusman Mine

At the Rusman Mine mineralisation occurs in a 2km long, en echelon, structure 6km south from Ginduša and sub-parallel to the structures there (Figure 6). Within the 2km zone the layout of the workings suggests a more or less continuously mined zone of about 700m at the south end at St. Ana-Rusman.

8.0 RECENT EXPLORATION

Since 1997, there has been a number of exploration programmes carried out on the Deli Jovan permit to evaluate the recorded results in the area. Details of the work carried out are described below.

In 1997, Kenmare Resources performed some sampling of the underground adits at Ginduša, Rusman and Latovo. A small soil sampling programme on 10 short profiles was also undertaken. Two diamond core holes were also drilled to test across the structure at Rusman.

In 2005, Reservoir initiated rehabilitation of the exploration adit at Ginduša and undertook underground mapping and chip sampling across selected profiles in the adit. Quality Assurance (QA) review of the samples indicates that Reservoir systematically sampled and recorded the results in a satisfactory manner for the large number of samples sent for analysis. The samples were prepared (crushed to 80% <2mm and split to 100g) at Reservoir's sample preparation laboratory. The crushed samples were sent to ALS laboratory in Vancouver, Canada. The laboratory is ISO 9001:1,2000 and 17025:2005 accredited for analysis. Gold was analysed by fire assay with AAS finish. In early 2009 a bulk sample of 110kg was taken by Reservoir from the reopened exploration adit at Ginduša.

A regional programme of grab sampling was carried out at the Seliste copper occurrence, the Latovo old exploration dumps and Perina Cuka mine dumps. Locations are included on Figure 6.

8.1 Ginduša Exploration Adit

Starting in 2005, Reservoir undertook underground chip sampling across selected profiles underground, after rehabilitating the exploration adit (Figures 9 & 10) at Ginduša. All sample profiles were oriented perpendicular to the strike of the quartz vein systems and were collected by experienced samplers under geological supervision.

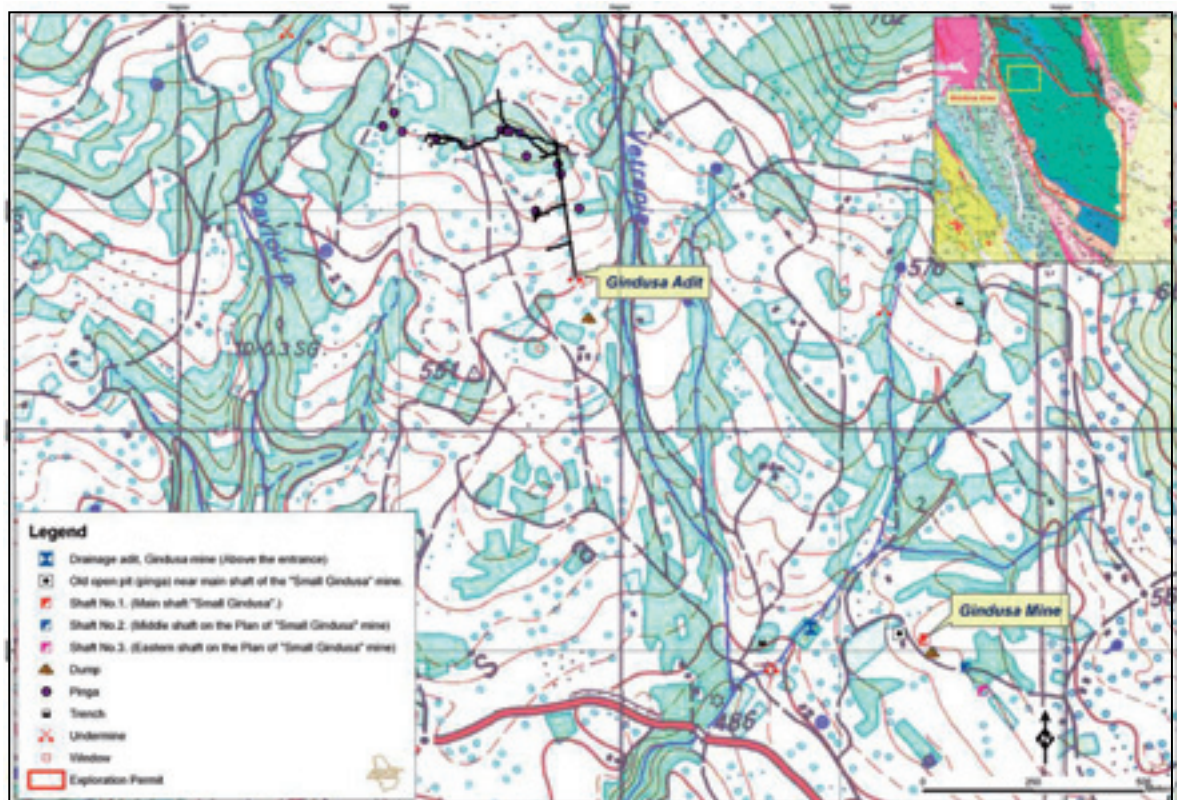


Figure 9: Relationship of Ginduša mine to Ginduša Exploration Adit (Inset map of Figure 2)

The Ginduša exploration adit is situated about 1.0km northwest along the trend from the historic mine of the same name. It is important to emphasise that the Ginduša Mine has not been accessed as part of any modern exploration programmes. The exploration adit appears to follow along more westerly trending ancillary shear splays, rather than the main north-northwest trend. The relationship of these cross cutting, mineralised structures to the north-northwest strike of the old mine workings may be better understood after the proposed more detailed underground mapping is undertaken at the old mine. (Figure 9 shows the exploration adit is possibly on an ancillary structure to the main feature hosting the Ginduša mineralisation).

During the August 2010 site visit the old, rehabilitated Ginduša exploration adit was entered and some of the gold bearing shears and veins, shown in red (Figure 10), examined.

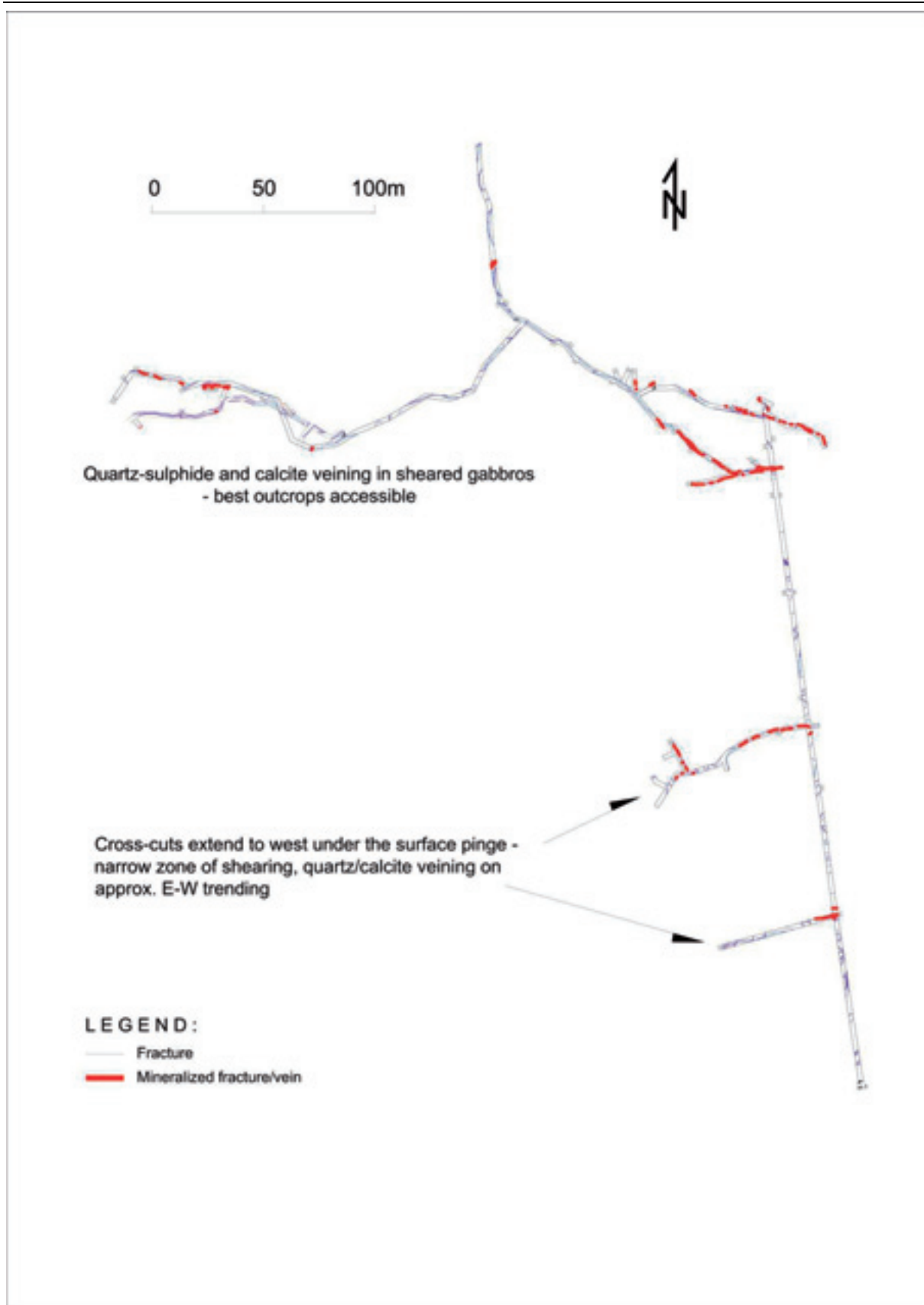


Figure 10: Ginduša Exploration Adit Plan

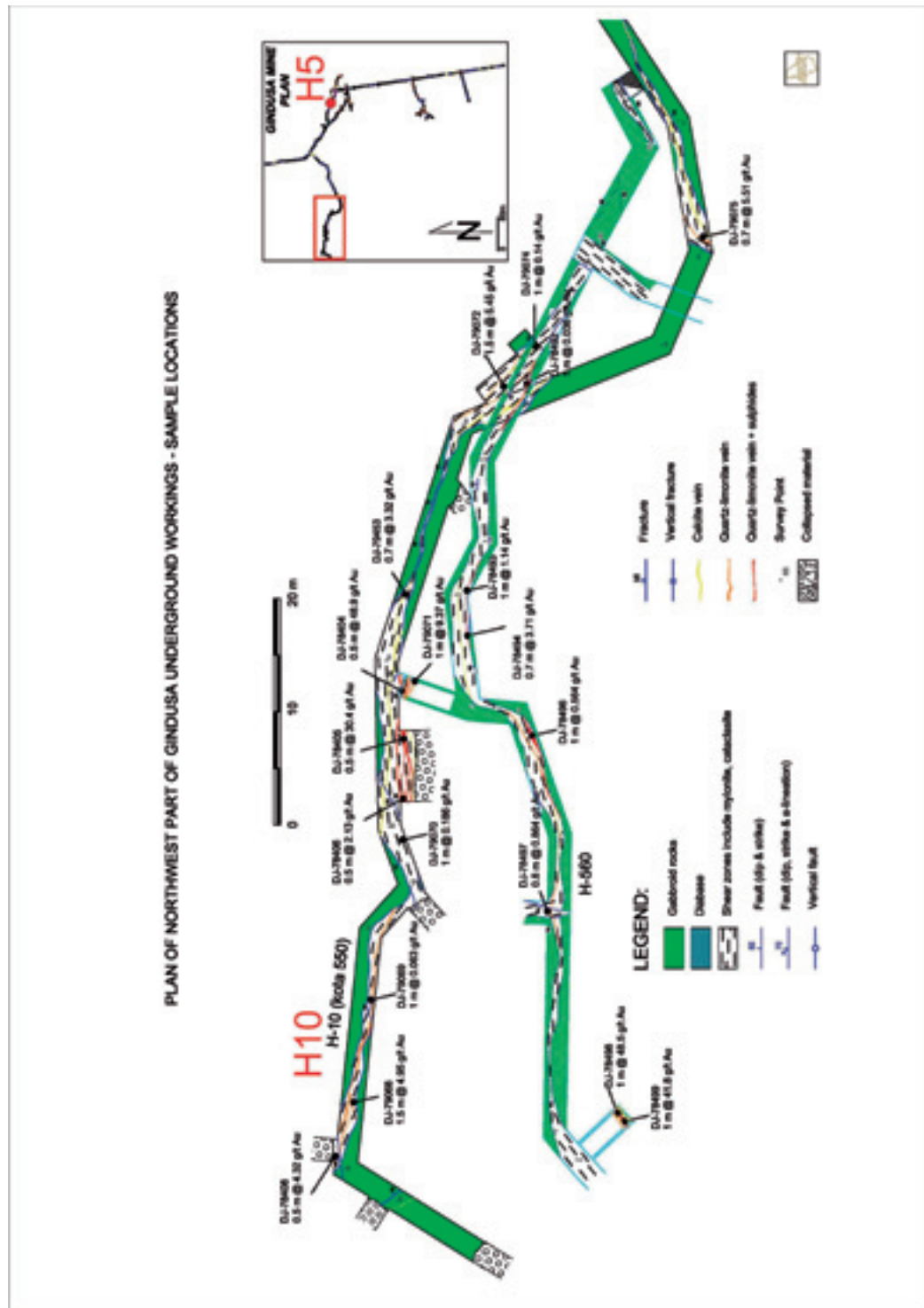


Figure 11: Plan of Northwest Gindusa Exploration Adit: Sample Locations (inset map relates to Figure 10)

The plan in Figure 11 shows 2 levels, 10m apart, at 560m and 550m elevations. The shear associated vein structures were readily observable along the accessible 550m elevation level. Assay results, the best of which are up to 48.9g/t Au, are very variable making it difficult to reliably estimate the gold content along any significant vein length. Average gold grades from channel samples taken at selected intervals from the rehabilitated exploration adit at Ginduša are included in Table 1. A full programme of more representative sampling is planned by Orogen Gold. There appears to have been no stope development.

Ginduša Underground Sampling						
Area	Vein Strike Length (m)	Total Samples	Sample Widths (m)	Minimum Au (g/t)	Maximum Au (g/t)	Average Au (g/t)
H6	38	8	0.3 – 1.0	0.2	33.5	9.71
H4*	30	5	0.4 – 0.5	0.6	27.0	10.57
H10	17	5	0.5 – 1.0	2.13	48.9	18.82

Table 1: Ginduša underground chip/channel samples range 0.2-48.9 g/t Au along vein lengths up to 38m *H4 Includes 3 samples in a 10m length with an average grade of 17.15 g/t Au and individual sample lengths of 0.4 – 0.5m

Underground mapping at the Ginduša exploration adit by Reservoir shows that multiple quartz veining is controlled by two shear directions trending -315° to 330°, following the regional north-northwest shear trend and a sub-orthogonal 260° to 280° (east-west) trend. The latter east-west trend appears to be associated with the highest gold grades but is at a high-angle to the regional mineralised trend.

Old records indicate the presence of strongly defined structures with high Au grades in the adit shows that this past development work is crucial to guiding current exploration. The cost of the adit with 1,433m lateral and 111m raise development must have been substantial for its original investors but is almost a free benefit to the present permit holder.

8.1.1 Ginduša Satellite imagery and regional structures

The satellite image, Figure 6, shows the position of the old pre 1940's Rusman and Ginduša gold mines as well as Reservoir's structural interpretation in heavy blue lines. The structural interpretation is under review and is expected to be refined as additional information becomes available from further work.

It is noteworthy that at the Ginduša prospect area there is a 2km length along the northwest structure where numerous surface rock chip samples returned anomalously high values greater than 2ppm Au.

8.1.2 Ginduša Bulk Sample

A bulk sample of 110kg was taken by Reservoir in early 2009 from the H10 area (70%) and H5 area (30%) at the reopened exploration adit at Ginduša (sites H10 and H5 are included on Figure 11).

The sample grading approximately 30g/t Au, was found by test work carried out at the Bor Institute to be readily amenable to flotation yielding a high gold recovery to a flotation concentrate. Under mineralogical microscope examination native gold was observed to occur as small globules down to submicron size within pyrite. The smaller part of the sample was

taken from the location H5 shown on Figure 10 where a single in situ sample recorded a very high value of 209g/t Au.

8.2 Rusman Mine

At the Rusman Mine mineralisation occurs in a 2km long, en echelon, structure 6km south from Ginduša and sub-parallel to the structures there (Figure 6). Within the 2km zone the layout of the workings suggests a more or less continuously mined zone of about 700m at the south end at St. Ana-Rusman. There are further scattered pits and workings along the rest of the 2km zone from the area of the Kenmare DDHs to Seliste.

The site of the Rusman exploration adit crosscut into the main structure was visited but was not entered because of poor ground conditions. Only 103m of the old Rusman exploration adit was rehabilitated by Reservoir because of adverse ground conditions. At a collapse zone within the adit, believed to represent the main mineralised structure, grab samples taken by Reservoir of pyritic quartz boulders returned values of up to 98.8g/t Au. Assay results are listed in Table 2 below.

Rusman Adit Collapse Zone	
Sample No.	Au g/t
1	98.8
2	3.16
3	0.59
4	30.6
5	84.6

Table 2: Rusman grab samples from u/g collapse zone with an average of 43.5g/t Au

As a result of the structural similarity between the sites it is considered likely that the type of mineralisation and gold grade at the Rusman Mine is very similar to that at Ginduša, in any event planned exploration will evaluate its potential. Figure 12, a longitudinal section of the mine provides a good impression of its extent.

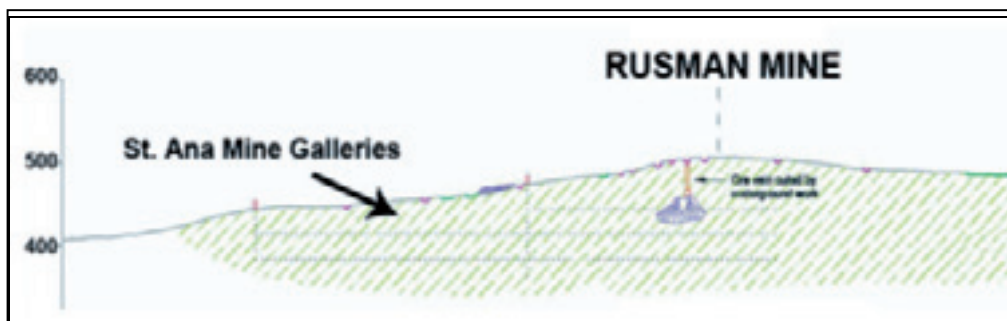


Figure 12: A longitudinal section of the Rusman Mine area

The Rusman mine section above shows the potentially prospective area below the mine.

In previous exploration in 1997, Kenmare Resources (LSE) performed some sampling of the underground adits at Ginduša, Rusman and Latovo. A small soil sampling programme on 10 short profiles was also undertaken.

Two diamond core holes (Figure 13) were drilled to test across the structure at Rusman without apparent success.

DDH B-1 (7602460; 4888753) was drilled at azimuth $\sim 225^\circ$ at $\sim 70^\circ$ dip to a depth of 200m. The hole was in coarse grained gabbro throughout with several shear structures associated calcitic zones up to 3m thickness from 22.5m to 96m depth in the hole.

The second hole, DDH B-2 (7602356; 4888915) was drilled at an uncertain azimuth and dip, but, presumably similar to that of DDH B1, to a depth of ~ 120 m. The hole intersected similar lithologies to that in the first hole. A point of interest is that 62.0m to 65.8m the hole intersected 62.0m – 65.8m of calcitic gabbro with finely disseminated sulphide, presumably pyrite.

However the holes may have been poorly sited at a gap in the historic pits/pinga distribution which may indicate a similar gap in the continuity of the auriferous lodes in bedrock.

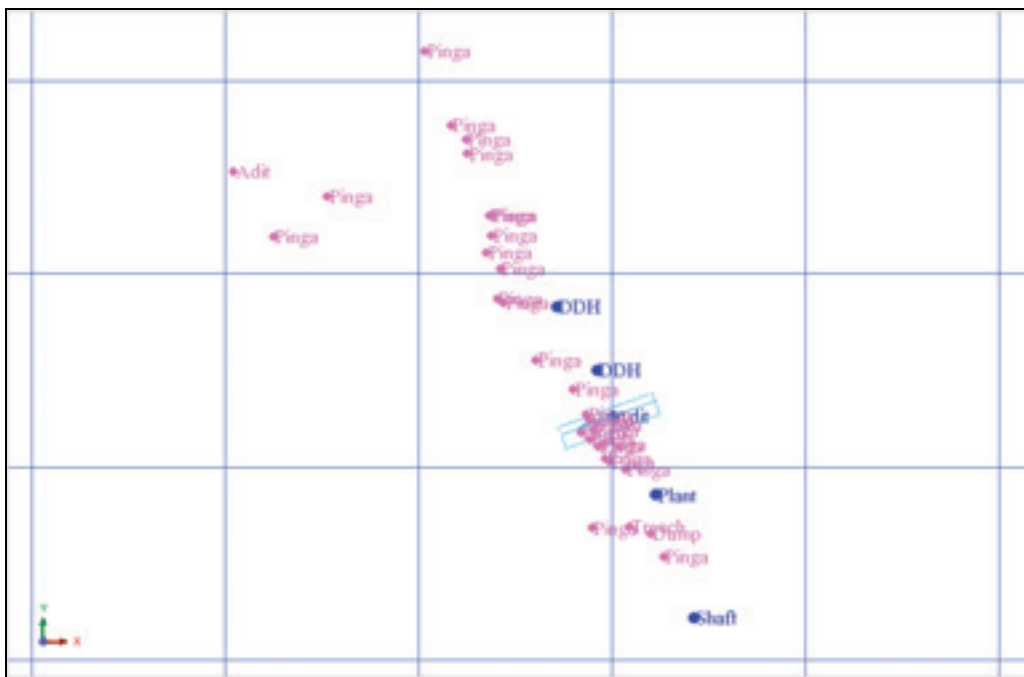


Figure 13: Rusman Adit (at centre and surrounded by Pingas), Kenmare DDHs and Pingas (from Fuykschot, 2011)

The alignment of old, collapsed pingas/pits marks the Rusman mineralisation trend for over 2km north-northwest from the St. Ana shaft. Surface drilling in a systematic way may greatly improve on current understanding of the vein structures and their economic potential.

8.3 Other Gold and Copper Occurrences

The Seliste copper occurrence (Figure 6) was also visited during the SLR site inspection and minor malachite, of possible exploration significance, noted in a fairly large outcrop area with shallow pits. The mineralisation at Seliste occurs as vein/fracture stockworks in the gabbros. Different, non representative grab samples assay up to 4.72% Cu and 41g/t Au.

At Latovo samples from dumps at old exploration workings returned values up to 298g/t Au.

In the area of rock chip geochemical sampling completed by Reservoir it may be significant that at Latovo (Figure 6) two rock chip samples returned values greater than 2g/t Au. These and other mineral occurrences in the permit area merit thorough investigation.

At other mineral occurrences, such as at Perina Cuka, grab samples were taken by Reservoir from old dumps with values up to 12.3g/t Au.

9.0 ASSESSMENT PAST TO PRESENT

9.1 Ginduša and Rusman

Intensive mining activity at Ginduša and Rusman commenced between the years 1895 and 1912, while the Rusman processing plant was built in 1900. Interest in the Ginduša and Rusman mines may have initiated along a series of collapsed Roman and possibly medieval mining pits, which possibly led to shallow underground workings. The Balkan War (1912), World War I and ensuing poor gold prices precluded production from 1912. Mining was recommenced by King Aleksandar Karadjordjevic in 1930 and continued to 1938, four years after his assassination, when mining ceased permanently.

Historical records indicate that at Ginduša and Rusman, mining was undertaken on three levels down to 100m depth, with internal shafts of 20m. Historical reports indicate that gold content of the veins varied from 4g/t to highs of 70g/t; average mineralisation grade is unknown. Ore processing and mercury amalgamation would have been carried out onsite.

While there are no verifiable gold production figures it has been suggested that about 20 tonnes of gold (625,000 ounces) were produced from the district. Judging by the amount of mining apparently carried out over at least 25 years active mining, it is credible that a considerable quantity of gold was produced by 1938. Thereafter the revival of what would have appeared to be relatively small scale mining may not have been in keeping with the State's economic policy. It was not until the late 1970's that narrow vein mining became generally economic worldwide thereby spurring exploration and development. Events and investment policy in Serbia did not become favourable until the last decade or so in facilitating a revival in mineral exploration and mine production.

10.0 EXPLORATION AND DEVELOPMENT OBJECTIVES

10.1 Exploration to Develop Gold Resource

Orogen has stated their exploration objective for Deli Jovan is to demonstrate the potential for a minimum 500,000 ounce gold Resource, with scope for substantial additional resources. Initially Orogen will target an Inferred Resource of 100,000 ounces of gold. Their aim is to develop Mineral Resources that would support an initial two to three years of production at an annualised production of 30,000 to 40,000 ounces of gold. This is to be achieved through re-opening and detailed mapping and sampling of the old mine workings and diamond drilling to confirm and extend the resource.

Neither the old Rusman nor the Ginduša underground mine have been accessed since World War II. The immediate objective of Orogen is to secure safe access to the historic mines, including ground support and dewatering to provide for detailed sampling followed by drilling to delineate the structure and new development to outline a mineable resource of sufficient quantity to restart the mines.

In both mines, development is believed to have taken place on two or three levels, to a depth of approximately 100m, accessed by shafts. The two historic mines at Ginduša and Rusman are

believed to have only been superficially exploited and remain largely unexplored outside of the workings. Orogen believes that there is the potential for undiscovered sub-cropping lodes and the opportunity to mine material significantly less than 30g/t Au which may have been previously considered sub-economic over 100 years ago. Orogen considers that an average ore grade of 10g/t Au or above at a cut-off grade of 5g/t Au could be mined profitably.

10.2 Proposed Work Plan

The exploration programme has been initiated and plans submitted to the Serbian Ministry of Energy and Mining for the re-opening of the two former mines at Deli Jovan to enable detailed underground structural mapping and close-spaced channel sampling. The issuance of the new exploration permit to Deli Jovan Exploration d.o.o (DE) for Permit area No 1677 carries a work commitment of €189,000 for its first year to October 5, 2011 but planned exploration expenditures may reach €600,000.

In addition to accessing the Ginduša and Rusman workings to perform structural mapping, vein outcropping and detailed sampling, soil geochemical sampling is planned to cover an area along the belt between Rusman and Ginduša to define drill targets on the interpreted extension of the main structure. Diamond drilling will also be undertaken to test for extensions of gold mineralisation beneath the old mines. A limited amount of trenching will be undertaken along the strike of the two deposits to uncover possible gold bearing structures prior to initiating a diamond drilling programme.

Induced Polarisation (IP) surveys over limited prospective areas could be considered as a method of detecting disseminated pyrite known to be associated with gold mineralisation at Deli Jovan.

11.0 CONCLUSIONS

The following has been determined:

- The concept of defining a 500,000 ounce resource to support a 30,000-40,000 ounce annual gold production over several years is credible,
- The exploration programme presented by Orogen is well designed to achieve its objectives,
- Early rehabilitation work at the Ginduša and Rusman mines will establish ground conditions and allow for any reassessment and remedial action if necessary.

Several factors having a bearing on exploration and development success have improved in recent years as follows:

- Political and economic factors, both local and global, since the cessation of mining in 1938 led gold exploration in the area to be neglected until recently,
- Consequently, modern exploration methods, not least diamond drilling, have been under-utilised in the Deli Jovan area,
- The exploration risk is tempered by the historically proven prospectivity of the Project area,
- Current improved geologic understanding of gold occurrence associated with ophiolite complexes favours successful exploration.

12.0 CLOSURE

This report has been prepared by SLR Consulting Limited with all reasonable skill, care and diligence, and taking account of the manpower and resources devoted to it by agreement with the client. Information reported herein is based on the interpretation of data collected and has been accepted in good faith as being accurate and valid.

This report is for the exclusive use of MedaVinci plc and Zeus Capital no warranties or guarantees are expressed or should be inferred by any third parties. This report may not be relied upon by other parties without written consent from SLR.

SLR disclaims any responsibility to the client and others in respect of any matters outside the agreed scope of the work.

13.0 GLOSSARY

Anomaly Any departure from the norm, relating to geochemistry or geophysics, which may indicate the presence of mineralization in the underlying or nearby bedrock.

Adit A horizontal tunnel driven from surface into rock.

Argillic alteration Rock altered to clay minerals.

Assay A chemical test performed on a sample of ores or minerals to determine the amount of a particular element or valuable metals contained.

Au Chemical symbol for gold.

Bedrock Solid underlying surficial deposits.

Breccia Rock containing angular fragments enclosed in a matrix.

Carbonate A group of minerals, all containing the carbonate radical (CO₃), e.g, calcite (CaCO₃).

Chalcopyrite A brassy yellow copper sulphide mineral (CuFeS₂). An important copper ore.

Collar Surface manifestation of a drill hole.

Concentrate The product of ore processing, in which the metal bearing ore minerals have been separated from the wasterock.

Country rock The rock hosting/immediately adjacent to a mineralized body.

Dilution The contamination of ore with barren wall rock typically during mining.

Dip The angle of inclination of a rock body measured as degrees from the horizontal.

Disseminated Widely dispersed minerals in a rock body.

Down-dip Parallel to, or in the general direction of the dip of, the stratum, vein seam or bed.

Drift A tunnel along a rock formation, vein or along a shear structure.

Drillhole A circular hole drilled in rock to obtain a rock (core) sample.

Earth Tomography A seismic method to determine the depth to the Moho.

Economic In reference to ore deposits, refers to a mineralised body that can be mined at a profit.

Epithermal Volcanic related hydrothermal mineral deposition, usually with argillic alteration, at shallow depths of less than 1km.

Extrusion Volcanic material ejected or extruded onto the surface of the earth.

Fault A break in the earth's crust, in which the two sides have moved relative to one another.

Float Residual pieces of bedrock found on the surface. Can be indicative of underlying bedrock geology.

g/t Grammes per tonne, equivalent to parts per million, ppm.

Gabbro An intrusive mafic igneous rock containing abundant plagioclase feldspar, olivine, and pyroxene.

Genetic model A theoretical model explaining the genesis (formation) of an ore deposit.

Geochemical Chemical compositions related to the geology of an area or sample.

Geophysical Properties related to the geology of an area or sample based on magnetism, conductivity and gravity measurements.

Grade The amount of metal contained in a rock.

Granite A coarse-grained silica-rich igneous intrusive rock containing abundant quartz and feldspar.

Hydrothermal Aqueous fluid (often mineralized) with elevated temperature often derived from magmatic processes.

Igneous Originating from a molten state.

Induced polarization Geophysical survey method in which an electrical charge is sent into the ground, with the resultant special variation in measurements indicating likely areas of possible mineralization.

Intrusion An injection of magma into existing country rock. Rather than reaching the surface, the magma cools and solidifies in place.

Listvenite Serpentites generated by carbon dioxide alteration of the upper mantle.

Lode A linear mineral deposit with well defined boundaries.

Mafic Descriptive of rocks composed dominantly of magnesium and iron forming silicates. Examples include basalt and gabbro.

Magma Molten rock.

Magmatic Processes involving magma.

Magnetometer An instrument used to measure variations in the earth's magnetic field.

Metamorphism The mineralogical, structural and chemical changes induced within solid rock through the actions of heat, pressure or the introduction of new chemicals.

Mesothermal An environment of mineral formation situated at considerable depth within the Earth's crust where temperature lies in the range of 200 to 300°C.

Metallurgical Ore processing term referring to the process of extracting metal from the ore minerals.

Milling Grinding of the ore to a smaller size.

Mineralisation Any anomalous concentration of metal or ore minerals in a body of rock.

Mohorovicic Discontinuity (Moho) Defines the boundary between the earth's crust and mantle.

Nappe Structures caused by plate collisions, when folds are thrust up and laterally so as to slide over adjacent rocks.

Ophiolites Volcanism associated with ocean floor spreading, thin sediments above pillow lavas, then sheeted basalt grading downwards to coarser grained gabbro, followed by denser rocks below.

Overburden Soil and other loosely consolidated material that overlies bedrock.

Pingas Ancient collapsed pits sunk through overburden to bedrock to test for mineralisation and, if successful shallow, underground mining between the pits.

Porphyry An igneous intrusive rock containing both fine and coarse grained crystals - usually indicative of emplacement.

ppb Parts per billion.

ppm Parts per million.

Pyrite An iron sulphide mineral (FeS_2).

Quartz A common mineral composed entirely of silica (SiO_2).

Raise A term for a mine opening driven vertically, or at a steep angle, to connect a lower level with a higher level.

Schist A metamorphic rock of variable composition in which the elongate or platy minerals are arranged into a preferred orientation.

Serpentine Rock formed by hydration and metamorphic transformation of ultramafic rock from the Earth's mantle.

Shear A fault that forms during high heat and pressure conditions, giving rise to plastic, rather than brittle deformation.

Silicified An alteration product in which additional silica has been introduced to a rock, usually in the form of quartz.

Stope An underground mine opening from which ore, economic grade rock, is extracted.

Medavinci Plc – London Stock Exchange abbreviation MVC.

14.0 REFERENCES

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PART IV
SECTION A
ACCOUNTANT'S REPORT ON OROGEN GOLD LIMITED

16 February 2011

The Directors
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Registered Auditors

Business Advisors

Tax Specialists

Financial Services

Corporate Recovery

Accounting Outsourcing

Corporate Finance

Dear Sirs,

Orogen Gold Limited and Subsidiaries (“Orogen” or “Group”)

Introduction

We report on the financial information set out below. This financial information has been prepared for inclusion in the admission document (the “Admission Document”), dated 16 February 2011 of Medavinci Plc on the basis of the accounting policies set out in section 1. This report is required by item 20.1 of Annex 1 of the AIM Rules and for no other purpose. It does not constitute audited statutory accounts.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of preparation

The financial information set out below is based on the audited consolidated financial statements (“financial statements”) of Orogen for the period from 7 April 2010 to 31 December 2010, in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union, the financial statements have been prepared on the basis set out in note 1 below after making such adjustments, as we considered necessary.

Responsibilities

The directors of Medavinci are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with IFRS. It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary 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

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Orogen as at 31 December 2010 and of its income statement, cash flows and statement of changes in equity for the period then ended, and has been prepared in accordance with IFRS in a form that is consistent with the accounting policies set out in note 1.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

The financial information included herein comprises:

- a statement of accounting policies;
- consolidated income statement, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement;
- notes to the income statement, cash flow statement and the balance sheet.

Yours faithfully,

Jeffreys Henry LLP

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 General Information

Orogen Gold Limited is a company incorporated and domiciled in Ireland. The Company is a private limited company.

Orogen's functional currency is Euro ("€") and the financial statements of Orogen are presented in €.

Orogen is involved in minerals exploration and primarily gold exploration in Europe and has signed an earn-in agreement to acquire up to 75 per cent. of a gold exploration project at Deli Jovan in Serbia. Orogen's operations from the date of incorporation, or 7 April 2010, have been focused on developing this project.

1.2 Statement of compliance

The Group Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and in accordance with the Companies Acts, 1963 to 2009.

1.3 Standards issued but not yet effective

The following standards and interpretations have been issued but are not yet effective and have not been early adopted. They may result in consequential changes to the accounting policies and other note disclosures. The impact of such changes on the financial statements is not expected to be material. These are outlined in the table below:

<i>Reference</i>	<i>Title</i>	<i>Summary</i>	<i>Application date of standard</i>	<i>Application date for group</i>
Amendments to IFRS7	Disclosures – Transfers of Financial Assets.	Increases disclosure requirements for transactions involving transfers of financial assets.	Annual periods commencing after 1 July 2011	1 January 2012
IFRS 9	Financial instruments.	The financial instruments within scope of IAS39 are measured at amortised cost.	Periods commencing after 1 January 2013	1 January 2013
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments.	Accounting guidance for the extinguishment of a financial liability by issue of equity.	Annual periods commencing after 1 July 2010	1 January 2011

The directors anticipate that the adoption of these standards and the interpretations in future periods will have no material impact on the financial statements of Orogen.

1.4 Use of estimates and judgments

Preparation of financial statements in conformity with EU IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

In particular, significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are in the following areas:

- *Tax provisions (Note 6.5)*

Assessing the outcome of uncertain tax provisions requires judgements to be made regarding the result of negotiations with and enquiries from tax authorities in a number of jurisdictions. The assessments made are based on the advice from independent tax advisers and the status of ongoing discussions with the relevant tax authorities.

- *Exploration and evaluation expenditure (Note 6.7)*

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely either from future exploration or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of a Joint Ore Reserves Committee (JORC) resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in the statement of comprehensive income in the period when the new information becomes available.

- *Impairment of assets (Notes 6.7, 6.8, 6.9 and 6.10)*

The Group assesses each cash generating unit annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Management has assessed its cash generating units as being an individual operating site, which is the lowest level for which cash inflows are largely independent of those of other assets.

- *Recovery of deferred tax assets (Note 6.13)*

Judgment is required in determining whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

1.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred, which is considered to occur when title passes to the customer. This generally occurs when product is physically transferred onto a vessel, train, conveyor or other delivery mechanisms. Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

1.6 Consolidation

The Consolidated Financial Statements comprise the financial statements of Orogen Gold Limited and its subsidiary Orogen Gold (Serbia) Limited for the period from the 7 April 2010 (date of incorporation) to 31 December 2010. The subsidiary was dormant in the period.

The subsidiary is an entity controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In accessing control, potential voting rights that are currently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

Intergroup balances and any unrealised gains or losses or income or expenses arising from intergroup transactions are eliminated in preparing the Group financial statements.

1.7 Intangible fixed assets

Pre-licence costs

Pre-license costs are expensed in the period in which they are incurred.

Exploration and evaluation costs

Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to the statement of comprehensive income as incurred, unless the directors conclude that a future economic benefit is more likely than not to be realised. These costs include materials and fuel used, surveying costs, drilling costs and payments made to contractors.

In evaluating if expenditures meet the criteria to be capitalised, several different sources of information are utilised. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.

1.8 Impairment

The carrying values of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any impairment in those values. Where impairment is considered necessary the relevant assets' recoverable values are estimated. Recoverable values of Intangible Assets that have indefinite lives or that are not yet available for use are estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset and groups. Impairment losses are recognised in the Statement of Comprehensive Income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any

goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

1.9 Property, plant and equipment and mine properties

Items of property, plant and equipment and mine properties are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of a finance lease is also included within property, plant and equipment.

Depreciation/amortisation

Other plant and equipment such as mobile mine equipment is generally depreciated on a straight-line basis over their estimated useful lives as follows:

- Buildings – 20 years
- Plant and equipment – 5 to 15 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income when the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation/amortisation are reviewed at each reporting period, and adjusted prospectively if appropriate.

1.10 Investment in subsidiaries

Investments in subsidiaries are stated at cost less provision for any impairment in value.

1.11 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Statement Of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates recognised in equity. Enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following:

- The initial recognition of goodwill;
- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- Differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.12 Earn-in arrangements

The Group is party to an earn-in agreement, whereby it contributes towards the exploration costs in developing certain projects up to the agreed earn-in value. The Group accounts for its expenditure under earn in arrangements in the same way as directly incurred exploration and evaluation expenditure, included in intangible assets.

1.13 Foreign currencies

Monetary assets and liabilities denominated in non Euro currencies are translated into Euro at the exchange rate ruling at the balance sheet date. Revenues, costs and non monetary assets are translated at exchange rates ruling at the dates of the transactions. All exchange differences are dealt with through the income statement.

On consolidation, the assets and liabilities of subsidiary companies not already reporting in €, are translated into € at the rates of exchange prevailing at the balance sheet date. Exchange differences arising from restatement of the opening balance sheets of subsidiary companies are dealt with through the reserves. The operating results of subsidiaries not reporting in €, are translated into € at the average rates applicable during the year.

1.14 Share issue expenses and share premium account

Share issue expenses are written off against the premium arising on the issue of share capital.

1.15 Earnings per share (Note 6.6)

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

1.16 Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loan and other receivables, quoted and unquoted financial instruments, and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in finance costs.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either: (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced and reflected in the Statement of Comprehensive Income.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdraft, loans and borrowings, financial guarantee contracts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading, and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Comprehensive Income.

The Group has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

Trade and other payables

After initial recognition, trade and other payables are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. And the difference in the respective carrying amounts is recognised in the Statement of Comprehensive Income.

1.17 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and at hand and short-term deposits with an original maturity of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

1.18 Share capital

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised directly in equity.

2. GROUP STATEMENT OF COMPREHENSIVE INCOME

		From 7 April 2010 to 31 December 2010 €'000
	Notes	
Administrative expenses		(74)
Group operating loss	6.2	(74)
Finance revenue	6.3	1
Loss on ordinary activities before taxation		(73)
Income tax charge	6.5	–
Loss for the period		(73)
Total comprehensive income for the period attributable to the equity holders of the parent		(73)
Continuing operations		
None of the Group's activities were discontinued during the current period.		
		Cents
Net loss per share from continuing operations		
Basic & diluted	6.6	(0.29)

3. GROUP STATEMENT OF FINANCIAL POSITION

		As at 31 December 2010 €'000
	Notes	
Assets		
Non-current assets		
Intangible fixed assets	6.7	37
		37
Current assets		
Trade and other receivables	6.8	24
Cash and cash equivalents	6.9	226
		250
Total assets		287
Equity and liabilities		
Equity attributable to owners of the parent		
Called up share capital	6.11	37
Share premium account	6.11	283
Accumulated losses	6.12	(73)
Attributable to equity shareholders		247
Liabilities		
Current liabilities		
Trade and other payables	6.10	40
Total liabilities		40
Total equity and liabilities		287

4. GROUP STATEMENT OF CHANGES IN EQUITY

	<i>Called up share capital €'000</i>	<i>Share premium account €'000</i>	<i>Accumulated losses €'000</i>	<i>Total €'000</i>
As at 7 April 2010	–	–	–	–
Total comprehensive income for the period	–	–	(73)	(73)
Issue of share capital	37	283	–	320
Balance at 31 December 2010	<u>37</u>	<u>283</u>	<u>(73)</u>	<u>247</u>

Share premium account

The share premium reserve represents the consideration that has been received in excess of the nominal value on issue of share capital.

Accumulated losses

The accumulated losses represent profits and losses retained in the current period.

5. GROUP STATEMENT OF CASHFLOWS

	<i>Notes</i>	<i>From 7 April 2010 to 31 December 2010 €'000</i>
Cash flows from operating activities		
Group operating loss	6.2	(74)
Adjustment for:		
Increase in debtors		(24)
Increase in creditors		40
Net cash used in operating activities		<u>(58)</u>
Cash flows from investing activities		
Expenditure on exploration activities	6.7	(37)
Interest received	6.3	1
Net cash used in investing activities		<u>(36)</u>
Cash flows from financing activities		
Net proceeds from issue of share capital	6.11	320
Net cash from financing activities		<u>320</u>
Net increase in cash and cash equivalents		226
Cash and cash equivalents at beginning of period		–
Cash and cash equivalents at end of period	6.9	<u>226</u>

6. NOTES TO THE FINANCIAL INFORMATION

6.1 Segmental reporting

The business of Orogen consists of one business area, gold and minerals' exploration. As geographical information, Orogen reports one geographical, Europe.

Internal management reporting is used to monitor the development of operations on the basis of operational projects. Reporting on operational results is on a continuous basis and financial reporting is on a monthly basis to senior management.

Orogen's highest operative decision maker, (CODM, Chief Operating Decision Maker according to IFRS 8) is the Group Chief Executive Officer, with the support of the Board of Management (comprising the Chairman, the Group Chief Executive Officer and the Group Finance Director) and in some cases the full Board of Directors.

The Group Financial Director in conjunction with the Board of Directors assesses the Group's financial position and its development based on the operational commitments and prospects of the business.

Segment information of the business is presented below:

		<i>Gold and minerals' exploration</i>
		<i>Period to 31 December 2010</i>
		<i>€'000</i>
Administrative expenses		(74)
Finance revenue	Note 6.3	1
Group operating loss		(73)

	<i>Carrying value of Segment Assets</i>	<i>Additions to non-current assets and intangible assets</i>	<i>Total liabilities</i>
	<i>31 December 2010</i>	<i>31 December 2010</i>	<i>31 December 2010</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
By geographical area by origin:			
Europe	287	37	40
	<u>287</u>	<u>37</u>	<u>40</u>
By business segments:			
Gold and minerals exploration	287	37	40
	<u>287</u>	<u>37</u>	<u>40</u>

6.2 Operating loss

	<i>Period to 31 December 2010</i>
	<i>€'000</i>
Operating loss is stated after charging:	
Loss on foreign currencies	2
Fees payable to the auditor for audit of the consolidated financial statements	3

The Group and the Company have no employees and therefore no staff costs are reported.

6.3 Finance revenue

*Period to
31 December
2010
€'000*

Bank interest	<u>1</u>
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6.4 Directors' emoluments

*Period to
31 December
2010
€'000*

Directors' remuneration	<u>17</u>
	<u>17</u>

Highest paid director: Aggregate remuneration	8
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6.5 Tax loss on ordinary activities

No charge to taxation arises in the period ended 31 December 2010 as there were no taxable profits in the period.

Tax reconciliation:

*Period to
31 December
2010
€'000*

Loss before tax	(73)
Effective tax charge at 12.25%	(9)
Effect of:	
– Non taxation income/(non-deductible expenses)	–
– Tax effect of unrecognised deferred tax assets	<u>9</u>
Effective tax rate	<u>–</u>

6.6 Loss per share

The basic and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

*Period to
31 December
2010
€'000*

Loss after tax for the period attributable to equity holders of the parent	(73)
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>24,634,329</u>
Basic loss per ordinary share (in €)	<u>(0.0029)</u>

6.7 Intangibles fixed assets

	<i>Exploration Costs 2010 €'000</i>
Cost	
Additions	37
At 31 December 2010	37
Net book value at 31 December	37

The cost of exploration additions represents CAD50,000 transferred to the Group's joint venture partners to finance the start-up of the Deli Jovan exploration programme. This is the first payment made as part of the earn-in agreement between the Company and Reservoir Capital Corporation. The amount paid is subject to forfeit if the total first phase earn-in commitment of CAD1,500,000 is not paid by 20 June 2012.

Expenditure on exploration activities is deferred on areas of interest until a reasonable assessment can be determined of the existence or otherwise of economically recoverable reserves. No amortisation has been charged in the period. The Directors have reviewed the carrying values of deferred exploration expenditure and consider it to be fairly stated and not impaired at 31 December 2010. Recoverability of the intangible assets is dependent upon the successful development or disposal of the mineral interests held.

6.8 Trade and other receivables

	<i>31 December 2010 €'000</i>
Amounts falling due within one year:	
Other debtors	22
Director's advance on expenses	2
	24

Trade and other receivables of the Group have been reviewed and are considered not to be impaired and all amounts held are considered to be fully recoverable in value terms to the Group.

6.9 Cash and cash equivalents

	<i>31 December 2010 €'000</i>
Cash at bank	226
	226

6.10 Trade and other payables

	31 December 2010 €'000
Trade payables	10
Accruals	30
	<u>40</u>

6.11 Share capital

Authorised Share Capital at 31 December 2010

	Number of shares	€'000
Ordinary shares of €0.001 each	100,000,000	100
Deferred shares of €0.001 each	650,000,000	650

Issued Share Capital – Ordinary Shares of €0.001 each

	Number of shares	Share Capital €'000	Share Premium €'000	Total Consideration €'000
Issue of ordinary shares during 2010	37,000,000	37	283	320
31 December 2010	<u>37,000,000</u>	<u>37</u>	<u>283</u>	<u>320</u>

At 31 December 2010 there were no deferred shares of €0.001 each issued.

In April 2010, 4 new ordinary shares of €0.001 each were issued to the founders of the Company and in June 2010 a further 24,999,996 ordinary shares were issued to the founders. These shares were issued for cash consideration at par value.

In September 2010, 12,000,000 new ordinary shares of €0.001 each were issued, for cash consideration of €294,807.77 (being the € equivalent of £245,000 received by the Company), to a subsidiary of Medavinci following agreement with Medavinci to invest in the Company.

6.12 Accumulated losses

	2010 €'000
Loss for the period	(73)
As at 31 December 2010	<u>(73)</u>

A loss for the period of €72,606 has been dealt with in the income statement of the Parent Company.

6.13 Deferred taxation

At the Statement of Financial Position date, the Group has unused tax losses of €71,175 available for offset against future trading profits subject to corporation tax in Ireland.

No related deferred tax asset has been recognised on the Irish losses due to the unpredictability of future profit streams. Losses may be carried forward indefinitely and may be recoverable if suitable taxable profits arise in future periods.

6.14 Related party transactions

In accordance with International Accounting Standard 24 – Related Party Disclosures, transactions between group entities that have been eliminated on consolidation are not disclosed.

JS Consult Limited

JS Consult Limited, a company in which Michael Nolan is a director and shareholder, provided office facilities to the Group at a cost of €2,000 during the period.

Balvairde Capital Limited

Balvairde Capital Limited, a company in which Michael Nolan and Alan Mooney are directors and shareholders provided administration and management consultancy services to the Group during the period at a cost of €7,911. With effect from 1 November 2010 Balvairde Capital Limited has agreed with the Company to provide Company Secretarial, accounting and management consulting services for the Group at a fee of £40,000 per annum which is invoiced on a monthly basis.

Silver Investments Limited

Silver Investments Limited, a company in which Edward Slowey is a director and shareholder provided geological and management consultancy services to the Group during the period at a cost of €5,804. In addition Silver Investments Limited held a cash advance from the Group of €1,500 at 31 December 2010 to cover out of pocket expenses of Edward Slowey.

With effect from 1 November 2010 Edward Slowey has agreed with the Group to charge £50,000 p.a. for geological and management consultancy services. A further €24,000 p.a. is charged on a monthly basis to the operating company on the Deli Jovan exploration project in relation to direct geological services provided on this project, the remainder of the agreed fee is charged to the Group on a monthly basis.

Irus Consulting Limited

Irus Consulting Limited, a company in which John Barry is a director and shareholder charged the Company €3,534 for director's fees and management consulting services relating to the period.

Medavinci plc

The Company paid certain expenses on behalf of Medavinci during the year amounting to GBP13,469, which amount is receivable by the Group from Medavinci at 31 December 2010. Medavinci holds a 49 per cent. beneficial interest in the issued share capital of the Company.

6.15 Financial instruments and financial risk management

The Group's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to provide finance for the Group's operations. The Group has various other financial assets and liabilities such as receivables and trade payables, which arise directly from operations.

It is, and has been the policy of the Group, since incorporation,, that no trading derivatives are contracted.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, liquidity risk, interest rate risk and capital risk. Management reviews and agrees policies for matching each of these risks which are summarised below.

Foreign currency risk

The Group undertakes certain transactions in foreign currencies. Hence, exposures to exchange rate fluctuations do arise. Exchange rate exposures are managed within approved policy parameters utilising forward exchange contracts where appropriate.

As at 31 December 2010 the Group had no open forward exchange contracts.

The Group incurs foreign currency risk on purchases denominated in currencies other than Euro. The principle currencies that give rise to this risk are Pounds Sterling, Canadian Dollars and Serbian Dinars. Exposure to foreign currency risk at the date of the Group Statement of Financial Position report is as follows:

	<i>31 December 2010 €'000</i>
Financial Assets	
Trade receivables denominated in GBP	16
Cash and cash equivalents denominated in GBP	12
	<hr/> 28 <hr/>
Financial Liabilities	
Trade and other payables	<hr/> – <hr/>

At present the Group does not have any formal policy for hedging against exchange exposure. The Group may, when considered necessary, enter into foreign currency forward contracts to hedge against exposure from currency fluctuations, however, the Group has not entered into any currency forward contracts to date.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As the Group does not, as yet, have any sales to third parties, this risk is limited.

The Group's financial assets comprise receivables and cash and cash equivalents. The credit risk on cash and cash equivalents is limited because the counterparties are banks whose deposits are covered by Irish government guarantee. The credit risk on trade and other receivables is limited to the Group's receivables of €24,770. The exposure of the Group to credit risk arises from default of its counterparty, with maximum exposure equal to the carrying amount of cash and cash equivalents in the Group's Statement of Financial Position. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are connected entities.

The Group does not hold any collateral as security.

Liquidity risk management

Liquidity risk is the risk that the Group will not have sufficient funds to meet its liabilities. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework, for the management of short, medium and long-term funding of the Group. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Cash forecasts are regularly produced to identify the liquidity requirements of the Group. To date, the Group has relied on shareholder funding to finance its operations. The Group has no borrowing facilities at 31 December 2010.

The financial liabilities and the financial assets (excluding prepayments) of the Group as at 31 December 2010 were all payable within one month.

The Group expects to meet its other obligations from operating cash flows with an appropriate mix of funds and equity instruments.

The Group had no derivative financial instruments as at 31 December 2010.

Interest rate risk

The exposure of the Group to the risk of changes in market interest rates relates primarily to cash and short term deposit holdings of the Group. The policy of the Group, as part of a disciplined

management and budgetary process is to place surplus funds on short term deposit and to maximise interest earned.

Capital risk management

The Group manages its capital to ensure that entities within the Group will be able to continue individually as going concerns, while maximising the return to shareholders through the optimisation of debt and equity balances. The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust or issue new shares or raise debt.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained losses as disclosed in the Consolidated Statement of Changes in Equity.

Fair values

The carrying amounts of the Group's financial assets and financial liabilities are a reasonable approximation of their fair values.

Hedging

At the 31 December 2010, the Group had no outstanding contracts designated as hedges.

Financial assets and liabilities by category

	<i>31 December 2010 €'000</i>
Financial assets:	
Cash and cash equivalents	226
Trade and other receivables	24
	<hr/>
Total financial assets	250
	<hr/>
Financial liabilities:	
Trade and other payables	40
	<hr/>
Total financial liabilities	40
	<hr/>

Cash and cash equivalents comprise cash held by the Group and short term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

The directors consider the carrying value of trade and other receivables as approximating both their realisable and fair values.

6.16 Subsequent events

There are no significant events subsequent to 31 December 2010 to report at the date of this report.

6.17 Auditors

The auditors' of Orogen for the period ended 31 December 2010 were Reardon & Co whose address is 23 The Crescent, Monkstown, Co. Dublin.

PART IV

SECTION B

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS FOR THE ENLARGED GROUP

Set out below is an unaudited pro forma statement of net assets based on the net assets of Medavinci and the consolidated net assets of Orogen Gold. This unaudited pro forma statement of net assets is provided for illustrative purposes only to show the effect of the Acquisition as if it had occurred on 31 December 2010.

Because of the nature of pro forma information, this information addresses a hypothetical situation and does not therefore represent the actual financial position or results of Medavinci or the Enlarged Group.

The statement of pro forma net assets set out below is based on the audited balance sheet of Medavinci as at 31 December 2010 (as set out in the audited accounts) and Orogen Gold (as extracted without material adjustment from Orogen Gold's financial information in Part IV of this document), and other adjustments on the basis described in the notes below. The Enlarged Group will adopt Medavinci's accounting policies.

Unaudited pro forma statement of net assets as at 31 December 2010

	<i>Medavinci</i> £'000	<i>Orogen Gold</i> £'000	<i>Consideration shares</i> £'000	<i>Acquisition costs</i> £'000	<i>Consolidation adjustments</i> £'000	<i>Consolidated position enlarged group</i> £'000
Non current assets						
Goodwill	–	–	–	–	3,627	3,627
Exploration costs	–	32	–	–	–	32
Investments	370	–	3,469	–	(3,839)	–
Investment in Associate	200	–	–	–	–	200
	<u>570</u>	<u>32</u>	<u>3,469</u>	<u>–</u>	<u>(212)</u>	<u>3,859</u>
Current assets						
Trade and other receivables	246	21	–	–	–	267
Cash and cash equivalents	1,546	193	–	(164)	–	1,575
	<u>1,792</u>	<u>214</u>	<u>–</u>	<u>(164)</u>	<u>–</u>	<u>1,842</u>
Total assets	<u>2,362</u>	<u>246</u>	<u>3,469</u>	<u>(164)</u>	<u>(212)</u>	<u>5,701</u>
Current liabilities						
Trade and other payables	(139)	(34)	–	–	–	(173)
	<u>(139)</u>	<u>(34)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(173)</u>
Total liabilities	<u>(139)</u>	<u>(34)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(173)</u>
Net assets	<u>2,223</u>	<u>212</u>	<u>3,469</u>	<u>(164)</u>	<u>(212)</u>	<u>5,528</u>

Notes:

1. The financial information in respect of the Medavinci as at 31 December 2010 has been extracted, without material adjustment, from the audited annual financial statements as at 31 December 2010, as set out on the Company website.
2. The financial information in respect of the Orogen Gold as at 31 December 2010 has been translated from Euro to GBP at an exchange rate of 0.8568 and extracted, without material adjustment, from the consolidated financial information as at 31 December 2010, as set out in Part IV Section A of this document.

3. The pro forma net asset statement has been prepared on the basis that the consideration payable pursuant to the Acquisition of 51 per cent. of Orogen Gold will be settled by the issue of the Consideration Shares at a price of 1.1p per share and that there will be approximately £164,000 of fees incurred by Medavinci in respect of this transaction.
4. The pro forma financial information does not constitute statutory accounts within the meaning of section 485 of CA 2006.
5. Apart from the above, no other adjustments have been made to reflect any trading, changes in working capital or other movements since 31 December 2010 for either Medavinci or Orogen Gold.

PART V

ADDITIONAL INFORMATION

1. Responsibility

The Directors and the Proposed Directors, whose names appear on page 9 of this document, and the Company, accept responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge of the Directors, the Proposed Directors and the Company, 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 does not omit anything likely to affect the import of such information.

2. The Group

- 2.1 The Company was incorporated and registered in England and Wales on 2 March 2005 under the Companies Act 1985 as a public company limited by shares and with registered number 05379931. The Company's certificate to commence business was issued on 23 March 2005. The Company's entire issued share capital was admitted to trading on AIM on 31 March 2005.
- 2.2 The principal legislation under which the Company operates is the Act and the regulations made thereunder. The liability of the members of the Company is limited.
- 2.3 The Company's registered office and its principal place of business is at 14 Kinnerton Place South, London SW1X 8EH. The telephone number at the Company's principal place of business is 0207 245 1100.
- 2.4 The principal activity of the Company is that of a holding company and the business of the Group is to invest in businesses in the UK and Europe which operate in mineral exploration and production, support services, retail, media and healthcare.
- 2.5 The Company's subsidiaries are all (save for Medavinci Health Care Services B.V.) registered in England and Wales and their details are as follows:

<i>Company</i>	<i>Activity</i>	<i>Ownership (%)</i>
Emotion Fitness Limited (company number 07030123)	Investment in 47% of Emotion Fitness Kft	100
Medavinci Gold Limited (company number 07256538)	Investment in 49% of Orogen Gold Limited	100
Medavinci Health Care Services B.V. (incorporated in the Netherlands company number 34261283)	Investment in 49% of ErgoDynamics Participations B.V.* Investment in 5% of Medavinci Development B.V. Investment in 30% of Demecal Europe B.V.* **	100

* The Company's investments in each of ErgoDynamics Participations B.V. and Demecal Europe B.V. have been written down to nil.

** Demecal Europe B.V. was declared bankrupt by the Dutch courts on 26 May 2009.

Save as set out above there are no undertakings in which the Company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profit and losses.

- 2.6 The following companies will, following completion of the Acquisition, become subsidiaries of the Company, and their details are as follows:

<i>Company</i>	<i>Place of Incorporation</i>	<i>Activity</i>	<i>Ownership (%)</i>
Orogen Gold Limited (company number 482834)	Republic of Ireland	Holding Company of Orogen Gold (Serbia) Limited	100
Orogen Gold (Serbia) Limited (company number 486997)	Republic of Ireland	Gold Exploration	100

- 2.7 Since 1 April 2007 the Company has acquired or disposed of the following companies or businesses:

- 2.7.1 on 1 August 2007, the Company acquired 30 per cent. of the issued share capital of Demecal Europe B.V.;
- 2.7.2 on 1 September 2010, the Company acquired 49 per cent. of the issued share capital of Orogen Gold Limited through its subsidiary Medavinci Gold Limited;
- 2.7.3 on 7 October 2009, the Company's interest in Emotion Fitness Kft was transferred by the Company to its wholly owned subsidiary Emotion Fitness Limited.

- 2.8 Except as set out above, there are no other companies in which the Company has an interest.

3 Share Capital

- 3.1 As at 1 April 2007 the authorised share capital of the Company was £1,000,000 divided into 100,000,000 ordinary shares of 1p each and the issued share capital of the Company was £41,187,817 divided into 41,187,817 ordinary shares of 1p each.
- 3.2 On 31 July 2007, 17,500,000 ordinary shares of 1p each were issued by the Company at 12p per ordinary share as consideration in respect of the acquisition of 30 per cent. of the issued share capital of Demecal Europe B.V.
- 3.3 On 12 November 2007 a resolution was passed to increase the authorised share capital of the Company to £5,000,000 by the creation of 400,000,000 new ordinary shares of 1p each.
- 3.4 On 4 January 2008 14,912,000 ordinary shares of 1p each were issued for cash at 6.5p per ordinary share pursuant to a placing and open offer.
- 3.5 On 26 May 2009 the Company undertook a share capital reorganisation pursuant to which each ordinary share of 1p was divided into one ordinary share of 0.1p and one deferred share of 0.9p each, following which the Company had an authorised share capital at that date comprising 5,000,000,000 Ordinary Shares of 0.1p and 73,599,817 deferred shares and an issued share capital of 73,599,817 ordinary shares of 0.1p each and 73,599,817 deferred shares of 0.9p each.
- 3.6 On 8 July 2009 421,540,000 Ordinary Shares were issued for cash at par pursuant to a placing.
- 3.7 On 1 September 2010 62,500,000 Ordinary Shares were issued for cash at 0.2p per share as consideration in respect of the acquisition by Medavinci Gold Limited of 49 per cent. of the issued share capital of Orogen Gold Limited.
- 3.8 On 1 September 2010 421,021,000 Ordinary Shares were issued for cash at 0.2p per share pursuant to a placing.
- 3.9 On 3 December 2010 375,000,000 Ordinary Shares were issued for cash at 0.4p per share pursuant to a placing.
- 3.10 The Company has granted options or warrants over 250,000,000 Ordinary Shares (none of which have lapsed) further details of which are set out in paragraph 4 of this Part V.

- 3.11 Save for the options and warrants referred to in paragraph 3.10 of this Part V and as otherwise set out in this document, the Company does not have in issue any securities not representing share capital and there are no outstanding convertible securities, exchangeable securities or securities with warrants issued or proposed to be issued by the Company.
- 3.12 At a general meeting held on 16 November 2010, a resolution of the Company was passed that removed the authorised share capital of the Company so that the Company, from that date, has no authorised share capital.
- 3.13 At the Company's General Meeting proposed to be held on 4 March 2011 resolutions of the Company will be proposed as follows:
- 3.13.1 that the Directors be generally and unconditionally authorised pursuant to section 551 of the Act to exercise all and any powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £1,065,351.64 equating to approximately 70 per cent. of the issued ordinary share capital of the Company immediately following the passing of the resolution. The authority will expire (unless previously renewed, varied, or revoked by the Company in general meeting) at the earlier of the conclusion of the annual general meeting of the Company next following the passing of the resolution. The Company will be able, at any time prior to the expiry of the authority, to make an offer or agreement which would or might require shares to be allotted or Rights to be granted after the expiry of the authority and the Directors will be able to allot shares or grant Rights in pursuance of such an offer or agreement as if the authority had not expired; and
- 3.13.2 the Directors be given power in accordance with section 570 of the Act (with such power expiring at the same time as the authority referred to in paragraph 3.13.1 above to allot equity securities (as defined in section 560 of the Act) for cash pursuant to such authority as if section 561 of the Act did not apply to any such allotment save that the power will be limited to:
- (a) the allotment of equity securities pursuant to a rights issue or similar offer to shareholders of the Company where the interests of all shareholders of the Company were proportionate or as nearly proportionate as practical to the numbers of Ordinary Shares held by them subject only to such exclusions or other arrangements as the directors may consider appropriate to deal with fractional elements or legal or practical difficulties; and
 - (b) the allotment (otherwise than pursuant to paragraphs 3.13.2 (a) above for cash of equity securities up to an aggregate nominal amount of £750,000 equating to approximately 44.94 per cent. of the issued ordinary share capital of the Company immediately following the passing of the resolution.
- 3.14 The provisions of section 570 of the Act, which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash (other than by way of allotment to employees under an employees' share scheme), will apply to the extent not disapplied as described in paragraph 3.13.2 above.
- 3.15 The Directors intend to exercise the authorities described in paragraphs 3.13.1 to issue the Consideration Shares pursuant to the Acquisition (representing 18.89 per cent. of the Enlarged Ordinary Share Capital).

3.16 The Company's share capital as at 31 December 2010 (being the last audited balance sheet date) was as follows:

Number of Ordinary Shares issued fully paid	1,353,660,817
Par value of Ordinary Shares	0.1p
Total issued Ordinary Share capital	£1,353,660.82
Number of Deferred Shares	73,599,817
Par value of Deferred Shares	0.9p
Total issued Deferred Share capital	£662,398.35

There have been no movements in the Company's share capital since 31 December 2010.

3.17 The Acquisition will result in the issue of 315,351,636 new Ordinary Shares on Admission. The Company's issued share capital at the date of this document is, and it is expected to be immediately following Admission:

	<i>At the date of this document</i>		<i>Following Admission</i>	
	<i>Number of Shares</i>	<i>Amount (£)</i>	<i>Number of Shares</i>	<i>Amount (£)</i>
Ordinary	1,353,660,817	1,353,660.82	1,669,012,453	1,669,012.45
Deferred	73,599,817	662,398.35	73,599,817	662,398.35

3.18 The issue of the Consideration Shares will dilute the Existing Share Capital by 18.89 per cent.

4. Warrants and Share Option Schemes

4.1 As at the date of this document the Company has issued the following warrants:

<i>Interested Party</i>	<i>Ordinary Shares under warrant</i>	<i>Price per share (p)</i>	<i>Date of Grant</i>	<i>Exercise Period</i>
Zeus Capital Limited	5,000,000	0.2	1 September 2010	01.09.10-31.08.15
XCAP Securities plc	5,000,000	0.4	8 December 2010	08.12.10-07.12.15

4.2 In addition to the warrants set out in paragraph 4.1 above, the Company established the Medavinci plc Unapproved Share Option Plan in February 2011. The Share Option Plan is administered by the Board through its Remuneration Committee. The main features of the Share Option Plan may be summarised as follows:

4.2.1 Eligibility

The Company has absolute discretion as to the selection of persons who are to be invited to participate in the Share Option Plan. The Remuneration Committee will select the persons who are invited to participate.

4.2.2 Grant

Option awards will normally be made within the period of 42 days commencing on the date of announcement of the annual or half year results of the Company in any year. Option awards will be by way of grant of options.

4.2.3 Vesting

Option awards will vest as to 50 per cent. upon the first anniversary of Admission and as to the balance upon the second anniversary of Admission but subject always to the satisfaction of the performance conditions set out below.

4.2.4 Performance Conditions

Each Share Option Plan award is subject to performance conditions based upon the achievement of certain targets relating to the exploration of gold deposits being conducted at the Deli Jovan Gold Project. The options will only be capable of exercise after the first anniversary of grant as to 50 per cent. of the options to the extent that the relevant targets

have been achieved. The targets to be achieved for the exercise of the first tranche of the option shares include completion of all exploration work scheduled for the initial stage of the Phase 1 Exploration Programme (i.e. confirmation of underground scale, continuity and grade potential of the gold vein system) and commencement of drilling to confirm the continuity of lodes. The remaining 50 per cent. of the options will only be capable of exercise after the second anniversary to the extent that the relevant secondary targets have been achieved. The targets to be achieved for the exercise of the second tranche of the option shares include completion of all exploration work scheduled for the second stage of the Phase 1 Exploration Programme (i.e. completion of driving and sampling of further underground development and completion of drilling to confirm lateral continuity of mineralisation) and commencement of the Phase II Exploration Programme (i.e. completion of drilling to define a 100,000 oz inferred gold resource).

The performance conditions are subject to variation or waiver by the Board.

4.2.5 *Individual Limit*

The number of Ordinary Shares over which an option shall be granted under the Share Option Plan to any person is not subject to any maximum.

4.2.6 *Plan Limit*

The number of Ordinary Shares issuable pursuant to awards made under the Share Option Plan when aggregated with the number of Ordinary Shares issued or issuable pursuant to all rights granted under the Share Option Plan may not exceed 240 million Ordinary Shares.

4.2.7 *Transfer*

An option granted under the Share Option Plan cannot be assigned or transferred (other than to the personal representatives of an option holder who has died).

4.2.8 *Lapse*

If the grantee ceases to be a director of the Company at any time the Share Option Plan award will lapse immediately unless the Remuneration Committee determines otherwise in which case the grantee will be entitled to exercise his option to the extent that it has vested and the relevant performance targets have been achieved. Cessation of directorship will not (except in certain circumstances) trigger the lapse of options granted to Adam Reynolds. If the grantee dies, his personal representatives have 12 months from his death to exercise the option (but only to the extent that it has vested and the performance criteria have been satisfied at the date of death).

4.2.9 *Takeover, reconstruction, amalgamation or winding up*

In the event of a takeover, reconstruction or amalgamation of the Company, a grantee may be requested to exchange his Share Option Plan award for awards over shares in the acquiring company. If no such exchange is offered by the acquiring company or accepted by the grantee, the option may (subject to any determination by the Remuneration Committee) be exercised over the number of Ordinary Shares subject to the Share Option Plan award subject to vesting and to the relevant performance conditions having been satisfied. If not so exercised the awards shall lapse.

4.2.10 *Variation*

In the event of a variation in the share capital of the Company, the number of Ordinary Shares comprised in each Share Option Plan award shall be adjusted in such manner as the Remuneration Committee determines and the auditors of the Company confirm in writing to be fair and reasonable.

4.2.11 *Allotment of Ordinary shares*

The Ordinary Shares allotted under the Share Option Plan will rank *pari passu* with the Company's issued Ordinary Shares except that they will not rank for any dividend payable by reference to a record date before the date of allotment of such shares.

4.2.12 *Amendment*

The Board has power to administer, interpret and amend the Share Option Plan. No amendment may adversely affect the rights of an existing option holder unless approved by shareholders.

4.2.13 *PAYE/NICs*

The Share Option Plan includes a tax indemnity by the grantee in favour of the Company in respect of income tax payable via PAYE and employees' National Insurance contributions.

4.2.14 *Outstanding options*

The following share options have been granted (conditional upon Admission) and were outstanding over Ordinary Shares in respect of the Share Option Plan as at the date of this document:

<i>Date Option Granted</i>	<i>Option price per share (£)</i>	<i>Date exercisable from</i>	<i>Number of options</i>
16 February 2011	0.95p	7 March 2012	240,000,000

- 4.3 As at the date of this document there are no other share option schemes or incentive schemes in place in respect of the Company.

5. **Major Shareholders**

- 5.1 Insofar as has been notified to the Company, and in addition to the holdings of the Directors disclosed in paragraph 7.1 of this Part V, the following persons hold, as at the date of this document, and are expected (based on the information available as at the date of this document), following Admission, to hold directly or indirectly 3 per cent. or more of the Existing Share Capital or Enlarged Share Capital (as appropriate):

<i>Shareholder</i>	<i>Current</i>		<i>Following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of Existing Share Capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital</i>
Anton Bilton	125,000,000	9.23	125,000,000	7.49
David Newton	78,200,000	5.78	78,200,000	4.69
Clare Hughes	49,500,000	3.65	49,500,000	2.97

- 5.2 None of the holders of Ordinary Shares listed above has voting rights different from the other holders of Ordinary Shares.
- 5.3 Save as disclosed in this paragraph 5 and in paragraph 7 of this Part V, neither the Company nor the Directors are aware of any person or persons who either alone or, if connected, jointly following the Acquisition will (directly or indirectly) exercise or could exercise control over the Company.
- 5.4 Insofar as is known to the Company, no arrangements are in place, the operation of which may at a later date result in a change of control of the Company.

6. **Memorandum and Articles of Association**

6.1 *Memorandum of Association*

The objects of the Company are set out in full in its Memorandum of Association, however, pursuant to the Act the provisions of the Memorandum became a deemed article, which, following the adoption of new Articles on 19 June 2009 were deleted. As such the Company's objects are now unrestricted.

6.2 Articles of Association

The Articles which were adopted pursuant to a special resolution of the Company passed on 19 June 2009 and were subsequently amended by Special Resolution of the Company on 1 September 2010. They contain provisions, *inter alia*, to the following effect:

Share Rights

The Ordinary Shares and Deferred Shares rank *pari passu* in all respects except that in respect of the Deferred Shares:

- (a) the holders thereof do not have any right to participate in the profits or income or reserves of the Company;
- (b) on a return of capital on a winding up the holders thereof will only be entitled to an amount equal to the nominal value of the Deferred Shares but only after the holders of Ordinary Shares have received £10,000,000 in respect of each Ordinary Share;
- (c) the holders thereof have no right to receive notice of or attend, speak or vote at any general meeting of the Company;
- (d) the Company may acquire all or any of the Deferred Shares at any time for consideration of not more than £1 for all the Deferred Shares; and
- (e) the Company may at any time cancel all or any of the Deferred Shares for no consideration by means of reduction of capital.

Voting Rights

Subject to any rights or restrictions as to any shares, on a show of hands every member who (being an individual) is present in person (or by proxy) or (being a corporation) is present by its duly authorised representative shall have one vote and on a poll every member present in person or by proxy shall have one vote for every in the capital of the Company held by him. A proxy need not be a member of the Company.

Variation of Rights

If at any time the capital of the Company is divided into different classes of shares, all or any of the special rights attached to any class of shares in the Company may be altered or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class. At every such separate general meeting, the quorum shall be not less than two persons holding or representing by proxy no less than one-third in nominal value of the issued shares of that class, unless there is from time to time only one person.

Alteration of Capital

The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of a larger amount, sub-divide all or any of its shares into shares of a smaller amount and cancel any shares not taken, or agreed to be taken, by any person.

The Company may, subject to the Act, by special resolution reduce or cancel its share capital or any capital redemption reserve or share premium account in any way.

Subject to and in accordance with the provisions of the Act and to any rights for the time being attached to any share, the Company may purchase its own shares of any class (including any redeemable shares).

Transfer of shares

A member of the Company may transfer all or any of his shares (1) in the case of certificated shares by instrument in writing in any usual or common form or in such other form as the Directors may approve; and (2) in the case of uncertificated shares, in accordance with the terms of the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended) and the facilities and

requirements of the relevant system concerned. The instrument of transfer of a share in certified form shall be executed by or on behalf of the transferor and, if the share is not fully paid, by or on behalf of the transferee.

The Directors may in their absolute discretion refuse to register the transfer of any share which is not fully paid or on which the Company has a lien, provided that dealings in the shares are not prevented from taking place on an open and proper basis.

The Directors may also refuse to register the transfer of a share which is in favour of more than four transferees, or which is in respect of more than one class of share or which has not been presented for registration duly stamped accompanied by the share certificates for the shares to which the transfer relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. If the Directors refuse to register a transfer, they shall within two months of the date on which the instrument of transfer was lodged with the Company (or in the case of uncertificated shares the operator-instruction was received by the Company), send to the transferee notice of the refusal.

The registration of transfers of shares or of any class of shares may be suspended (in accordance with the Act) at such times and for such periods as the Directors may determine provided that it shall not be closed for more than thirty days in any year and so that such a suspension shall only apply to uncertificated shares with the prior consent of the operator. No fee shall be payable to the Company for the registration of any transfer or any other document relating to or affecting the title to any share or for otherwise making an entry in the register of members relating to any share.

Dividends

The Company may (subject to the provision of the Act) by ordinary resolution in general meeting declare dividends to be paid to members in accordance with the respective rights and their interests in the profits available for distribution. No dividend shall exceed the amount recommended by the Directors.

Except as otherwise provided by the rights attached to or the terms of issue of shares, all dividends shall be declared on the Ordinary Share capital according to the amounts paid or credited as paid on such shares during any portion or portions of the period in respect of which the dividend is paid. No amount paid or credited as paid in advance of calls shall be regarded as paid on shares for this purpose.

The Company may by ordinary resolution, upon the recommendation of the Directors, direct payment or satisfaction of such dividend wholly or partly out of specific assets and, in particular, of fully paid up shares or debentures of any other company. Any difficulty with such a distribution may be settled by the Directors as they think expedient and in particular may issue fractional certificates or authorise any person to sell or transfer any fractions, or may ignore the fractions all together.

The Directors may from time to time pay such interim dividends as appear to the Directors to be justified by the distributable profits of the Company and the position of the Company, subject to the provisions of the Act. If the share capital is divided into different classes, the Directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividends as well as on shares which confer preferential rights with regard to a dividend. No interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.

The Directors may also pay a dividend payable at a fixed rate at such intervals settled by them if it appears to them that the profits available justify the payment.

The Directors shall not incur any liability to the holders of shares conferring any preferential rights for any loss that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights provided that they act in good faith.

The Company may deduct from any dividend payable all sums of money (if any) due to the Company by the member on account of calls or otherwise and use such monies to satisfy such amount payable.

All dividends unclaimed for a period of 12 years after having been declared shall if the Directors so resolve be forfeited and shall revert to the Company and the Company shall not be constituted a trustee thereof. All dividends unclaimed for a period of 12 months shall be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

There is no fixed date on which an entitlement to dividend arises.

The Board may, if authorised by an ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, offer any holders of Ordinary Shares the right to elect to receive additional Ordinary Shares, credited as fully paid, in lieu of cash in respect of any dividend or any part of any dividend specified by the ordinary resolution.

Suspension of rights

If a member or any other person appearing to be interested in shares held by such shareholder has been duly served with notice under Section 793 of the Act and is in default in supplying to the Company within 28 days (or such other period as may be specified in such notice) the information thereby required, then (unless the directors otherwise determine) such member shall not be entitled to vote or to exercise any right conferred by membership in relation to meetings of the Company in respect of the shares which are the subject of such notice.

Where the holding represents more than 0.25 per cent. of the issued shares of that class, the payment of dividends may be withheld, and such member shall not be entitled to transfer such shares otherwise than by an arm's length sale.

Return of capital

Subject to any preferred, deferred or other special rights, or subject to such conditions or restrictions to which any shares in the capital of the Company may be issued, on a winding-up or other return of capital, the holders of ordinary shares are entitled to share in any surplus assets pro rata to the amount paid up on their ordinary shares.

A Liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required, divide amongst the members in specie the whole or any part of the assets of the Company, those assets to be set at such value as he deems fair. A Liquidator may also vest the whole or any part of the assets of the Company in trustees on trusts for the benefit of the members. No member shall be compelled to accept any assets on which there is a liability.

Pre-emption rights

There are no rights of pre-emption under the Articles of the Company in respect of transfers of issued ordinary shares.

In certain circumstances, the Company's shareholders may have statutory pre-emption rights under the Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment by existing shareholders on a pro rata basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to the Company's shareholders.

By a special resolution passed at the Company's Annual General Meeting on 16 November 2010 the statutory pre-emption rights were disapplied under certain circumstances, until the date of the next Annual General Meeting. It is proposed to increase the amount of such disapplication to £750,000 pursuant to Resolution 4 to be proposed at the General Meeting.

Untraced Shareholders

The Company is entitled to sell at the best price reasonably obtainable any shares in the Company (by instructing the London Stock Exchange to sell) after advertising its intention in both a national daily newspaper published in the UK and in any newspaper circulating in the area in which the last known address of the member, or the address for the service of notice in the Articles is located and waiting for three months following the newspaper advertisement during which time there has been no indication that the member can be traced, if the shares have been in issue for at least twelve years preceding such notification and during that period warrants and cheques for at least three dividends, whether interim or final, in respect of shares of the same class as the shares to be sold have been sent by the Company in a pre-paid letter to the member at his registered address shown in the register of members and remain unclaimed and uncashed or have been returned undelivered.

Upon any such sale the Company will become indebted to the former holder of the shares or the person entitled to them by transmission for an amount equal to the net proceeds of sale.

Directors

The Company may appoint a director by way of ordinary resolution either to fill a vacancy or as an additional director.

The number of directors shall not, unless otherwise determined by an ordinary resolution of the Company, be less than two. The Company may from time to time by way of ordinary resolution fix a maximum number of directors and vary that maximum number.

A director need not be a member of the Company but shall be entitled to receive notice of and to attend and speak at all general meetings of the Company and all separate meetings of the holders of any class of securities of the Company.

The Directors shall be paid out of the funds of the Company by way of remuneration for their services as directors such fees at such rates as the directors may determine provided that such fees do not in aggregate exceed £200,000 p/a or such other sum as the Company in general meeting may determine. Such remuneration shall be divided among the directors in such proportion or manner as may be determined by the directors, or failing agreement, equally.

The Directors shall also be paid out of the funds of the Company all reasonable travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, including expenses of travelling to and from meetings of the Directors, or committee meetings or general meetings. A director may also be paid out of the funds (by way of salary, participation in profits or otherwise as the Directors may determine) of the Company expenses incurred by him in performing services which in the opinion of the directors are outside the scope of his ordinary duties as a director.

The directors may appoint any person to be a director, either to fill a casual vacancy or by way of addition to their number, but the total number of directors shall not exceed the maximum number fixed by or in accordance with the Articles. Any director so appointed shall retire from office at the next annual general meeting of the Company, but shall then be eligible for re-appointment. Such a director shall not be taken into account when determining which directors shall retire by rotation at an annual general meeting. At each annual general meeting any director bound to retire in this way and one third of the other directors (or if the number is not a multiple of three, this shall be rounded down to the nearest whole number) for the time being shall retire from office. A retiring director shall retain office until the close of the meeting at which he retires. Any director who is still in office at the start of the general meeting which falls nearest to the third anniversary of the annual general meeting at which he was appointed or last appointed shall retire by rotation. The directors to retire at each annual general meeting will, first, be the directors who have been longest in office since their last appointment. As between directors who have been in office an equal length of time, the directors to retire shall, unless they shall otherwise agree among themselves, be selected from among them by lot. The retiring directors shall be eligible for re-appointment. If at any meeting at which an appointment of directors ought to take place the office vacated by any retiring director is not filled, the retiring directors shall, if willing, be deemed to continue in office until dissolution of the annual general meeting in the next year, unless at the meeting it is expressly resolved to reduce the number of directors, or unless a resolution for the re-appointment of the retiring director is put to the meeting.

and lost. No other director other than a director retiring at the meeting shall be appointed or reappointed unless not less than seven and no more than forty-two days before the date appointed for the meeting, notice executed by a member entitled to vote at the meeting (and not the person being proposed) has been given to the Company of the intention for that person to be appointed or reappointed, which must state the particulars which would be added to the Company's register of directors, together with notice executed by the person being proposed of his willingness to be appointed. Any director who seventy years of age or older must offer himself for re-election at each annual general meeting.

The directors may establish and maintain or procure the establishment and maintenance of any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments or other benefits for employees, ex-employees, directors of the Company or any of the Company's subsidiaries or companies with which the Company is associated or the relatives or dependents of any such person. The directors may also procure the establishment and subsidy of or subscription to membership of any institutions, associations, clubs or funds calculated to be for the benefit of any such persons or otherwise to advance the interests and well being of the Company or any such other company, or its members, and they may procure payments for or towards the insurance of any such persons and subscriptions or guarantees for charitable or benevolent objects or for any exhibition or for any public, general or useful objects. Subject to the particulars with regard to the proposed payment being disclosed to the members of the Company and the proposal being approved by the Company by way of ordinary resolution (if required by the Act). Any director who holds (or has held) an executive position or agreement for services shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

A director (including an alternate director) may hold any other office or place of profit in the Company, except that of Auditor of the Company or any Subsidiary, and subject to the provisions of any statute no director shall be disqualified from entering into any contract, arrangement, transaction or proposal with the Company either in regard to such other office or place of profit or as vendor, purchaser or otherwise. A director so contracting or so interested shall not be liable to account to the Company for any profit realised by any such transaction or arrangement by reason of such director holding that office or as a result of his fiduciary relationship, but the nature of his interest shall be disclosed by him in accordance with the provisions of the Act and any other act affecting the Company. The directors may use the voting powers of shares held or owned by the Company in such manner as they think fit.

The directors may from time to time appoint any one of their number to be Managing Director or to hold any other executive office on such terms as they think fit. Such a director may receive such remuneration as the directors may determine. Such appointment shall be terminated if he ceases to be a director. The directors may entrust and empower any executive director with any of the powers exercisable by them as directors, other than the power to make calls for forfeiture of shares, upon such terms and conditions and with such restrictions as they think fit.

A director shall not vote in respect of any contract, arrangement, transaction or proposed contract, transaction or arrangement or any other proposals whatsoever in which he (together with any person connected to him) has a material interest other than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. A director shall not be counted in the quorum at a meeting in relation to any resolution from which he is debarred from voting. Notwithstanding the above, a director shall be entitled to vote (and be counted in the quorum) on any resolution concerning any of the following matters:

- (a) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
- (b) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or of any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any contract or arrangement by a director to subscribe for shares, debentures or other securities of or by the Company issued or to be issued pursuant to any offer or invitation to members or

debenture holders of the Company or any class thereof or to the public or any section thereof or in the underwriting of shares, debentures or other securities;

- (d) any contract or arrangement in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;
- (e) any proposal concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to both directors and employees of the Company or any subsidiary and which does not award him any privilege or benefit not awarded to the employees to whom such arrangements relate;
- (f) any proposal or arrangement with another company in which he and any persons connected with him are not to his knowledge interested in shares representing 1 per cent., or more of the equity share capital or the voting rights of such company;
- (g) an arrangement for the benefit of the employees of the Company or any of its subsidiaries which does not award him any privilege or benefit not awarded to the employees to whom such arrangements relate; or
- (h) any proposal concerning the purchase or maintenance of insurance for any officer of the Company including the directors.

The Company may suspend or relax to any extent the restrictions on a director voting in relation to a specific matter and may ratify any transactions not duly authorised due to a breach of the Articles.

Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more directors to any offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each director separately and in that case each of the directors concerned (if not debarred from voting under the Articles) shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment or the arrangement or variation of the terms thereof. If a question arises at a meeting of the directors as to the right of a director to vote, the matter shall be referred to the chairman of the meeting whose ruling shall be conclusive. Where such issue arises in respect of the chairman, the issue shall be decided by a resolution of the directors (not including the chairman).

The Articles do not currently contain the power for the directors to authorise a directors conflict of interest pursuant to section 175 of the Act.

A director shall be removed from office if:

- (a) he ceases to be a director by virtue of any provisions of statute or the Articles or he becomes prohibited by law from being a director;
- (b) he becomes bankrupt or he makes any arrangement or composition with his creditors generally;
- (c) an order is made by a court of competent jurisdiction by reason of his mental disorder for his detention or for appointment of any person to exercise powers with respect to his property or affairs;
- (d) both he and his alternate director (if any) are absent, without the permission of the board, for board meetings for six consecutive months and the board resolves that his office be vacated;
- (e) he is requested to resign by notice in writing signed by all the other directors (without prejudice to any claim for damages which he may have for breach of any contract between him and the Company); or
- (f) he gives to the Company notice of his wish to resign (where no employment contract precludes resignation); or
- (g) he is removed from office by notice in writing served upon him signed by at least three-quarters of his co-directors and all of the other directors are not less than three in number.

Borrowing powers

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets both present and future (including uncalled capital) and, subject to the Acts, to issue debentures, loan stock or any other securities whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. This settlement procedure is reflected in the Articles.

- 6.3 The rights attaching to shares in the Company are set out in its Articles and summarised above. The retention or change of these rights would require the passing of a special resolution passed at a general meeting of the Company to be convened. This would require 21 days written notice for an AGM or 14 days written notice for a general meeting to be given to each holder of shares of the relevant class. Each shareholder would have the right to attend the general meeting in person or by proxy and vote on the resolution to be proposed and would require a majority of not less than three-quarters of shareholders voting in person or by proxy at such general meeting.
- 6.4 The Company must in each year hold a general meeting as its annual general meeting. Not more than 15 months can elapse between AGMs. An AGM must be convened, unless all shareholders entitled to attend and vote agree to short notice, on giving 21 days' notice in writing to the members of the Company.

Other meetings can be convened by the Company from time to time referred to as general meetings. The length of written notice to convene such a meeting varies depending on the nature of the business to be transacted. If the meeting is for the passing of an ordinary resolution, then 14 days' written notice to convene the general meeting is required. If the meeting is for the passing of a special resolution then 14 days' notice must be given. An EGM requires 14 days written notice irrelevant of whether the business to be conducted is the passing of an ordinary or special resolution.

Notice may be validly given where sent in electronic form (as defined in the Act) or made available on the Company's website (once the Company has agreed with a member that such service shall be permitted).

General meetings can be convened on shorter notice with the agreement of shareholders being a majority in number and holding not less than 95 per cent. in nominal value of the shares giving a right to attend and vote at the meeting.

AGMs can be convened on shorter notice with the agreement of all shareholders entitled to attend and vote at that AGM.

Shareholders need not attend a meeting of the Company in person but can do so by way of a validly appointed proxy. Proxies are appointed in accordance with the Articles. In essence, to be validly appointed, details of the proxy must be lodged at the Company's registered office no later than 48 hours before the commencement of the relevant meeting (although a lesser time may be specified by the notice of the meeting) or in the case of a poll which is not taken at or on the same day as the meeting, not less than 24 hours prior to the taking of the poll. Failure to lodge details of the appointed proxy in accordance with the Articles will result in the proxy not being treated as valid.

- 6.5 There are no provisions in the Company's Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.
- 6.6 The provisions of the FSA's Disclosure and Transparency Rules govern the disclosure of interests in shares.

Where a person has material interests in shares where the voting rights attaching to such shares are equal to or more than 3 per cent. of the total voting rights attaching to the Company's share capital then

the person has an obligation to disclose such interest. To the extent that such holding increases or decreases by each percentage point above 3 per cent., that person is obliged to disclose such interests.

- 6.7 There are no conditions imposed by the Memorandum or Articles regarding changes in the Company's capital which are more stringent than required by the laws of England and Wales.
- 6.8 Under the Act, if an offeror made an offer to acquire all the Ordinary Shares and successfully acquired 90 per cent. of the Ordinary Shares within four months of making its offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.
- 6.9 The Act also gives minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares.

The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

- 6.10 There have been no public takeover bids by third parties in respect of the Company's equity in the current financial year or the previous financial year.

7. Directors' Interests

- 7.1 The interests of the Directors and the Proposed Directors in the issued ordinary share capital of the Company (excluding the options referred to in paragraph 7.2 of this Part V), and the interests of each Director's or Proposed Director's family (which shall bear the meaning given to it as set out in the AIM Rules) required to be notified to the Company pursuant to Rule 17 of the AIM Rules and the existence of which is known or which could, with reasonable diligence, be ascertained by a Director or a Proposed Director are, and following Admission will be, as follows:

<i>Director/ Proposed Director</i>	<i>At the date of this document</i>		<i>Upon Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of Existing Share Capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital</i>
Michael Hough	107,500,000	7.94	107,500,000	6.44
Glyn Hirsch	90,000,000	6.65	55,500,000	5.39
Adam Reynolds	111,000,000*	8.20	111,000,000*	6.66
Paul Foulger	111,000,000*	8.20	111,000,000*	6.66
Michael Nolan	12,500,000	0.92	75,570,327	4.53
John Barry	18,750,000	1.39	113,355,491	6.79
Edward Slowey	18,750,000	1.39	113,355,491	6.79
Alan Mooney	12,500,000	0.92	75,570,327	4.53

*Wilton International Marketing Limited holds an aggregate of 86,000,000 Ordinary Shares. Adam Reynolds holds 50 per cent. and Paul Foulger holds 50 per cent. of the voting rights respectively of Wilton International Marketing Limited. Diablo Consulting Limited holds an aggregate of 25,000,000 Ordinary Shares. Adam Reynolds holds 29.9 per cent. and Paul Foulger holds 70.1 per cent. of the voting rights respectively of Diablo Consulting Limited.

- 7.2 The following Directors and Proposed Directors have, subject to Admission, been granted options (directly or through their respective consulting companies) over Ordinary Shares under the Share Option Plan, as set out in paragraph 4.2 of this Part V:

<i>Director</i>	<i>Ordinary Shares under option</i>	<i>Exercise Price per share (p)</i>	<i>Date Option Granted</i>	<i>Exercise Period</i>
Adam Reynolds	80,000,000	0.95	16 February 2011	7 March 2012 – 15 February 2021
Michael Nolan	40,000,000	0.95	16 February 2011	7 March 2012 – 15 February 2021
John Barry	40,000,000	0.95	16 February 2011	7 March 2012 – 15 February 2021
Edward Slowey	40,000,000	0.95	16 February 2011	7 March 2012 – 15 February 2021
Alan Mooney	40,000,000	0.95	16 February 2011	7 March 2012 – 15 February 2021

- 7.3 In respect of the Directors and the Proposed Directors, there are no conflicts of interest between any duties they have to the Company and their private interests and/or other duties they may have.
- 7.4 Save as set out in this document, there are no outstanding loans granted by any member of the Enlarged Group to the Directors or the Proposed Directors or any guarantees provided by any member of the Enlarged Group for the benefit of the Directors or the Proposed Directors.
- 7.5 Save as set out in this document, no Director or Proposed Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or which is or was significant in respect of the business of the Enlarged Group and which was effected by any member of the Enlarged Group during the current or immediately preceding financial year, or which was effected during an earlier financial year and remains in any respect outstanding or unperformed.
- 7.6 None of the Directors or the Proposed Directors nor any member of a Director's or a Proposed Director's family (as defined in the AIM Rules) has a related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares.

8. Directors' Terms of Appointment

- 8.1 The Company has entered into the following agreements (all of which are conditional upon Admission) with the Directors and the Proposed Directors:
- 8.1.1 a letter of appointment dated 16 February 2011, between (1) the Company and (2) Wilton International Marketing Limited pursuant to which Adam Reynolds is appointed as a non-executive director of the Company and Wilton International Marketing Limited provides the services of Adam Reynolds for 2 days per month. The appointment may be terminated by either party serving at least 3 months' written notice on the other. An annual fee of £15,000 is payable to Wilton International Marketing Limited;
- 8.1.2 a letter of appointment dated 16 February 2011, between (1) Orogen Gold and (2) JS Consult Limited pursuant to which Michael Nolan is appointed as a non-executive director of the Company and JS Consult Limited provides the services of Michael Nolan for 2 days per month. The appointment may be terminated by either party serving at least 3 months' written notice on the other. An annual fee of £15,000 is payable to JS Consult Limited;
- 8.1.3 a letter of appointment dated 16 February 2011, between (1) Orogen Gold and (2) Irus Consulting Limited pursuant to which John Barry is appointed as non-executive chairman of the Company, and Irus Consulting Limited provides the services of John Barry to the Enlarged Group for an equivalent of 4 days per month. The appointment may be terminated by either party serving at least 3 months' written notice on the other. An annual fee of £25,000 is payable to Irus Consulting Limited by Orogen Gold. The letter of agreement also contains a discretionary bonus payable by Orogen Gold of up to 50 per cent. of £25,000 upon achievement of certain exploration targets at the Deli Jovan Gold Project payable annually at the end of January;
- 8.1.4 a letter of appointment dated 16 February 2011, between (1) Orogen Gold and (2) Balvairde Capital Limited pursuant to which Alan Mooney is appointed as a Financial Director of the Company, and Balvairde Capital Limited provides the services of Alan Mooney to the Enlarged Group to provide finance director services. The appointment may be terminated by

either party serving at least 3 months' written notice on the other and Alan Mooney must spend 50 per cent. of his working time with the Enlarged Group. An annual fee of £45,000 is payable to Balvairde Capital Limited by Orogen Gold. The letter of agreement also contains a discretionary bonus payable by Orogen Gold of up to 25 per cent. of £45,000 upon achievement of certain exploration targets at the Deli Jovan Gold Project payable annually at the end of January as well as restrictive covenants in relation to non-competition;

- 8.1.5 a letter of appointment dated 16 February 2011, between (1) Orogen Gold and (2) Silver Investments Limited pursuant to which Edward Slowey is appointed as a CEO of the Company, and Silver Investments Limited provides the services of Edward Slowey to the Enlarged Group to provide mining related services. The appointment may be terminated by either party serving at least 3 months' written notice on the others and Edward Slowey must spend the majority of his working time with the Enlarged Group. An annual fee of £50,000 is payable to Silver Investments Limited by Orogen Gold Limited (Mr Slowey is also paid an annual fee of €24,000 by DJE. The letter of agreement also contains a discretionary bonus payable by the Company of up to 25 per cent. of £70,000 upon achievement of certain exploration targets at the Deli Jovan Gold Project payable annually at the end of January as well as restrictive covenants in relation to non-competition;
- 8.2 Save as set out in paragraph 8.1 of this Part V there are no existing or proposed service contracts or consultancy agreements between any of the Directors or the Proposed Directors and the Company or any member of the Enlarged Group. None of the arrangements referred to in paragraph 8.1 of this Part V contains a right to benefits upon termination (other than those during the notice period under the relevant contract).
- 8.3 The Directors and the Proposed Directors have not received and are not entitled to receive any Ordinary Shares or options over Ordinary Shares in lieu of remuneration or as any form of compensation. The share option grants disclosed in paragraph 7.2 of this Part V are made in addition to the remuneration packages disclosed above.
- 8.4 Other than as disclosed in this paragraph 8 no member of the Enlarged Group is party to any service contract with any of the Enlarged Group's directors which provides for benefits on the termination of any such contract.
- 8.5 No sums have been set aside or accrued by the Company or any member of the Enlarged Group to provide pension, retirement, or similar benefits for the Directors or the Proposed Directors.
- 8.6 There is no arrangement under which any Director or Proposed Director has waived or agreed to waive future emoluments.
- 8.7 The report and accounts for the 9 months ended 31 December 2010 records the total aggregate remuneration paid, and benefits-in-kind granted, to the Directors as £21,000.

9. Additional Information on the Directors

- 9.1 Other than directorships of the Company, the Directors and the Proposed Directors have held the following directorships or been partners in the following partnerships within the five years prior to the date of this document:

<i>Name</i>	<i>Current</i>	<i>Past</i>
Adam Reynolds	Hansard Communications Limited Hansard Corporate Limited Alan Bailey (Studios) Limited EKF Diagnostics Holdings plc Medavinci Gold Limited Emotion Fitness Limited Boldwood Limited Wilton International Marketing Limited Wilton International Consulting Limited Biolustre UK Limited	Curidium Medica Limited Plectrum Petroleum Limited Marlwood plc Maidborough Limited (dissolved 27 May 2009) Hansard Group Limited (dissolved 25 November 2009) Wilton International Management Group Limited (dissolved 25 November 2009) Sandford Limited (dissolved 20 August 2008) TSE Brands Limited

<i>Name</i>	<i>Current</i>	<i>Past</i>
Adam Reynolds (cont)	Diablo Consulting Limited Porta Communications plc Orogen Gold Limited Hub Capital Partners Limited	(dissolved 14 January 2009) TSE Learning Limited (dissolved 20 August 2008) Wallgate Group plc (in liquidation) Marchpole Holdings plc (in liquidation)
Paul Andrew Peter Foulger	Alan Bailey (Studios) Limited Hansard Communications Limited Hansard Corporate Limited EKF Diagnostics Holdings plc Boldwood Limited Wilton International Marketing Limited TSE Consulting SA EKF Diagnostics Limited Wilton International Consulting Limited Porta Communications plc Diablo Consulting Limited Biolustre UK Limited Emotion Fitness Limited Hub Capital Partners Limited International Brand Licensing AG	Curidium Medica Limited Marlwood plc Hansard Group Limited (dissolved 25 November 2009) Wilton International Management Group Limited (dissolved 25 November 2009) Sandford Limited (dissolved 20 August 2008) TSE Brands Limited (dissolved 14 January 2009) TSE Learning Limited (dissolved 20 August 2008)
Glyn Vincent Hirsch	Liontrust Asset Management Limited Raven Mount Limited Raven Property Group plc Swan Hill Staff Pension Trust Limited Misereavere Limited Raven Mount Group Limited	Glotel Limited
Michael James Hough	Goldbill Limited 30 St. James's Square Investments Limited Proventec plc The Panther Group Limited	Altium Capital Limited Altium Capital Holdings Limited Arrowclaim Limited
Michael Henry Nolan	Mayfly Resources Limited Connary Minerals plc BalVairde Capital Limited J S Consult Limited Adelaide Capital Corp Limited Beechwood Football Club Limited Exploration and Discovery Limited Terra Energy Limited Orogen Gold Limited Tiger Resource Finance plc Cove Energy plc Global Hydrocarbons Limited Lapp Plats AB Svenska Skifferolje AB Cove Energy East Africa Limited Cove Energy Tanzania Mnazi Bay Limited	Bjorkdalsgruvan AB Partamento Guld AB Barsele Gold AB Minmet plc GoldQuest Mining Corp Minmet (Isle of Man) Limited Dormant Minerals AB

<i>Name</i>	<i>Current</i>	<i>Past</i>
Michael Henry Nolan (cont)	Cove Energy Rovuma Offshore Limited Cove Energy Rovuma Onshore Limited Cove Energy Tanzania Mnazi Bay Limited Cove Moçambique Energia Limitad Cove Moçambique Terra Limitada Rathdowney Resources Limited Steffilux Investments S.à r.l. Rathdowney Polska Sp. Z o.o.	
John Barry	Irus Consulting Limited Rathdowney Resources Limited Rathdowney Resources (Luxembourg) S.a.r.l. Exploration and Discovery Limited Sovereign Mines of Guinea Rathdowney Polska Sp. Z o.o. Mayfly Resources Limited Sovereign Mines of Africa plc Orogen Gold Limited	
Edward Slowey	Silver Investments Limited Silvrex Limited Silvrex Mexico S.A de C.V. Tamidec Limited	
Alan Mooney	Connary Minerals Limited Lapp Plats AB Orogen Gold (Serbia) Limited Balvaide Capital Limited Orogen Gold Limited Terra Energy Limited	

- 9.1.1 Adam Reynolds was appointed as a director of Wallgate Group plc for a period of 5 months commencing from his appointment on 3 July 2008 and ending with his resignation on 28 November 2008. Subsequent to his resignation, Wallgate Group plc was put into administration on 12 December 2008 and became subject to creditors' voluntary liquidation on 15 December 2009. The directors' statement of affairs dated 12 December 2008 showed a creditor shortfall of £427,704.87. Adam Reynolds did not and has not received any compensation in respect of his position as a director of Wallgate Group plc and was not the subject of public criticism by the liquidator in connection with the liquidation.
- 9.1.2 Adam Reynolds was appointed as a director of Greenhills plc on 22 December 1994. He resigned on 24 January 1996. Greenhills plc was put into receivership on 8 August 1996, and an order to wind up was made on 19 February 1997. Adam Reynolds has not been the subject of public criticism.
- 9.1.3 Adam Reynolds was appointed a director of Marchpole Holdings plc on 8 June 2001. He resigned on 8 March 2002. Marchpole Holdings plc was placed into administrative receivership on 10 November 2008 at which time its statement of affairs showed that it had a net asset deficiency of £18,375,828. Adam Reynolds was not the subject of public criticism in connection with the administrative receivership or liquidation.
- 9.1.4 Hall of Names Limited (England & Wales registered company) was placed in Creditors Voluntary Liquidation in 1993. Michael Nolan was a director at the time of its formal liquidation. The liquidators' report makes no adverse comment with regard to Mr. Nolan's directorship and there were no public criticisms by statutory or regulatory authorities.

9.1.5 Euroglen Limited (England & Wales registered company) was placed in Creditors Voluntary Liquidation in 1995. Michael Nolan was a director at the time of its formal liquidation. The liquidators' report makes no adverse comment with regard to Mr. Nolan's directorship and there were no public criticisms by statutory or regulatory authorities.

9.2 Save as disclosed in this document, none of the Directors or the Proposed Directors has:

- (a) any unspent convictions in relation to indictable offences;
- (b) been subject to any bankruptcies or individual voluntary arrangements;
- (c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors, whilst he was a director of that company or within the 12 months after he had ceased to be a director of that company;
- (d) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement, whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (e) been the owner of any asset which has been placed in receivership or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months preceding such events;
- (f) been publicly criticised by any statutory or regulatory authorities (including recognised professional bodies); or
- (g) 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 a company.

There are no further disclosures to be made in accordance with schedule 2 (g) of the AIM Rules.

10. Material Contracts

10.1 *The Group*

The following contracts (a) have been entered into by the Group within the two years immediately preceding the date of this document, not being contracts entered into in the ordinary course of business; or (b) are, or may be, contracts entered into by the Group which are material or contain, or may contain, provisions under which any member of the Group has an obligation or entitlement which is material to the Group as at the date of this document:

10.1.1 two agreements dated 8 July 2009 made between the Company, the Directors and Zeus Capital pursuant to which Zeus Capital were appointed as nominated adviser and broker. Under the agreements, the Company pays to Zeus an annual retainer of £25,000 plus VAT per year quarterly in advance. The agreements initially ran for a period of 1 year from the date of the agreements and after this period are terminable by either party on 3 months' notice;

10.1.2 an agreement dated 9 August 2010 between (1) the Company (2) BCOMP 400 Limited (now Medavinci Gold Limited) (3) the Vendors (4) Orogen Gold Limited and (5) Orogen Gold (Serbia) Limited pursuant to which the Company through its subsidiary Medavinci Gold Limited acquired 49 per cent. of Orogen Gold Limited on 1 September 2010 with an option to acquire the remaining 51 per cent. over the period of 12 months from the date of the agreement and at the same time the Company subscribed £254,000 for 12,000,000 ordinary shares of Euro0.001 each in the capital of Orogen Gold Limited. The consideration for the acquisition was the sum of £370,000 which was satisfied by the issue of 62,500,000 Ordinary Shares of 0.1p each in the capital of the Company at 0.2p per share and the consideration for the balance of 51 per cent. of the issued share capital of Orogen Gold Limited will be the issue of 315,351,636 Ordinary Shares credited as fully paid;

- 10.1.3 a deed of warrant dated 1 September 2010 between (1) the Company and (2) Zeus Capital Limited pursuant to which the Company granted warrants over 5,000,000 Ordinary Shares of 0.1p each with an exercise price of 0.2p per share with an exercise period of 5 years from the date of grant;
- 10.1.4 an agreement dated 28 October 2010, made between (1) the Company and (2) XCAP Securities plc, whereby XCAP Securities plc agreed to act as joint broker to the Company. Under the agreement, the Company pays XCAP Securities plc an annual retainer of £25,000 plus VAT per year. The agreement is subject to termination on 1 months' notice by either party at any time;
- 10.1.5 an agreement dated 3 December 2010 between (1) the Company (2) XCAP Securities plc and (3) Zeus Capital Limited pursuant to which XCAP Securities plc agreed to act as the Company's agent and to use its reasonable endeavors to procure subscribers for up to 375,000,000 Ordinary Shares of 0.1p each at a price of 0.4p per share. XCAP Securities plc was paid a commission of 5 per cent. of all sums raised (except for sums raised from placees who were not its existing clients and in respect of whom it was paid a commission of 1 per cent. of sums raised);
- 10.1.6 a deed of warrant dated 8 December 2010 between (1) the Company and (2) XCAP Securities plc pursuant to which the Company granted warrants over 5,000,000 Ordinary Shares of 0.1p each at an exercise price of 0.4p per share with an exercise period of 5 years from the date of grant (being 8 December 2010);
- 10.1.7 a sale and purchase agreement dated 7 October 2009 between (1) Medavinci Health Care Services B.V. (2) Emotion Fitness Limited (3) Corpus Quadratus Holding B.V. (4) Health Europe Limited (5) Mouthaan & Stekelenburg B.V. and (6) Emotion Fitness Mag Kft. pursuant to which Emotion Fitness Limited purchased 47.37 per cent. of the issued share capital in Emotion Fitness Mag Kft from Medavinci Health Care Services B.V. for consideration of €540,000. Further, pursuant to this agreement Medavinci Health Care Services B.V. granted a loan of €625,000 to Emotion Fitness Mag Kft. The terms of the loan were that (1) the term ends on 1 January 2012 (prior to which no redemption payments need be made) (2) no interest is payable (3) the loan is subordinate to other creditors but ranks pari passu with loans made by other shareholders. This loan was immediately assigned pursuant to this agreement from Medavinci Health Care Services B.V. to Emotion Fitness Limited leaving a balance outstanding from Emotion Fitness Mag Kft to Emotion Fitness Limited of €625,000. The agreement is governed by the law of England and Wales;
- 10.1.8 a lock-in agreement dated 16 February 2011 and made between (1) the Company (2) Zeus Capital and (3) the Locked-in Persons pursuant to which the Locked-in Persons have agreed with the Company and Zeus Capital not to dispose of any Ordinary Shares held in the capital of the Company for a period of 12 months from the date of Admission except in limited circumstances in accordance with Rule 7 of the AIM Rules. The Locked-in Persons have also agreed for a further 12 months thereafter to deal in their Ordinary Shares only with the prior written consent of Zeus Capital; and
- 10.1.9 an admission agreement dated 16 February 2011 between (1) the Company, (2) the Directors, (3) Zeus Capital, (4) XCAP and (5) the Proposed Directors pursuant to which Zeus Capital has agreed to make the application for the Enlarged Ordinary Share Capital to be admitted to trading on AIM in consideration of which the Company has agreed to pay Zeus Capital a fee of £55,000 (plus VAT if applicable). The agreement is subject to various conditions and the Company and the Directors and Proposed Directors have given to Zeus Capital and XCAP normal warranties for a transaction of this nature in respect of the business and affairs of the Enlarged Group. The Company has also given normal indemnities for a transaction of this nature to Zeus Capital and XCAP.

10.2 Orogen Gold

The following contracts (a) have been entered into by Orogen Gold and/or Orogen Gold (Serbia) Limited within the two years immediately preceding the date of this document, not being contracts entered into in the ordinary course of business; or (b) are, or may be, contracts entered into by

Orogen Gold and/or Orogen Gold (Serbia) Limited which are material or contain, or may contain, provisions under which any member of Orogen Gold and/or Orogen Gold (Serbia) Limited has an obligation or entitlement which is material to Orogen Gold and/or Orogen Gold (Serbia) Limited as at the date of this document:

10.2.1. the agreement set out in 10.1.2;

10.2.2 an Earn-in Agreement dated 15 December 2010 pursuant to which Reservoir acting through REL has granted an option to Orogen Gold to acquire up to 75 per cent. of the Deli Jovan Project (namely the issued share capital of DJE) on the following conditions:

- 55 per cent. of the issued share capital of DJE upon the expenditure of C\$1,500,000 within 24 months of 23 June 2010 ("First Option"); and
- a further 20 per cent. of the issued share capital of DJE upon the expenditure of a further C\$2,000,000 within 42 months of 23 June 2010 ("Second Option").

Following the exercise of the First Option (if Orogen Gold elects not to exercise the Second Option) or following exercise of the Second Option, both Orogen Gold and Reservoir/REL will become bound by the joint venture terms set out in schedule B of the Earn-in Agreement which governs the relationship between the parties both option exercise.

The Earn-In Agreement shall terminate if (1) Orogen Gold fails to make any expenditure or payment within the set time limits or (2) Orogen Gold gives notice to Reservoir/REL. The Earn-In Agreement is governed by the laws of British Columbia and the federal laws of Canada, save for any issues surrounding the property which are governed by the laws of the Republic of Serbia. To the extent there is a dispute between the parties.

10.2.3 a services agreement dated 1 November 2010 and made between SEE and DJE relating to the provision of geological and administrative services in respect of the Deli Jovan Project pursuant to which SEE has agreed to provide various office and field services to DJE on the basis of agreed day rates for such services.

11. United Kingdom Taxation

The following summary, which is intended as a general guide only, outlines certain aspects of current UK tax legislation, and what is understood to be the current practice of HMRC in the United Kingdom regarding the ownership and disposal of ordinary shares. This summary is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of Ordinary Shares. It addresses certain limited aspects of the UK taxation position of UK resident, ordinarily resident and domiciled Shareholders who are beneficial owners of their Ordinary Shares and who hold their Ordinary Shares as an investment. Any person who is in any doubt as to his tax position or who is subject to taxation in a jurisdiction other than the UK should consult his professional advisers immediately as to the taxation consequences of their purchase, ownership and disposition of Ordinary Shares. This summary is based on current United Kingdom tax legislation. Shareholders should be aware that future legislative, administrative and judicial changes could affect the taxation consequences described below.

11.1 Taxation of dividends

No tax will be withheld by the Company when it pays a dividend.

A UK resident individual shareholder who receives a dividend from the Company will be entitled to a tax credit, currently at the rate of 1/9th of the cash dividend paid (or 10 per cent. of the aggregate of the net dividend and related tax credit). The individual is treated as receiving for tax purposes gross income equal to the cash dividend plus the tax credit. The tax credit is set against the individual's tax liability on that gross income. The lower rate of income tax on dividend income is currently 10 per cent.

An individual shareholder who is not liable to income tax at a rate greater than the basic rate (currently 20 per cent.) will have no income tax to pay in respect of the dividend.

The higher rate of income tax on dividends is currently 32.5 per cent. within the 40 per cent. income tax bracket and 42.5 per cent. within the 50 per cent. bracket. This means that an individual shareholder who is taxed on the dividend in the 40 per cent. bracket will have further income tax to pay at a rate of 22.5 per cent. of the cash dividend paid plus the related tax credit (or 25 per cent. of the net dividend). An individual shareholder in the 50 per cent. bracket will have further income tax to pay at a rate of 32.5 per cent. of the cash dividend paid plus the related tax credit (or approximately 36.1 per cent. of the net dividend).

UK resident shareholders who do not pay income tax or whose liability to income tax on the dividend and related tax credit is less than the tax credit, including pension funds, charities and certain individuals are not generally entitled to claim repayment of any part of the tax credit associated with the dividend from HM Revenue & Customs.

A UK resident corporate shareholder will not generally be liable to corporation tax on any dividend received from the Company and the dividend received and related tax credit will constitute franked investment income.

Whether a shareholder who is not resident in the UK for tax purposes is entitled to a tax credit in respect of dividends paid by the Company and to claim payment of any part of the tax credit will depend, in general, on the provisions of any double taxation convention which exists between the shareholder's country of residence and the UK. A non-UK resident shareholder may also be subject to foreign taxation on dividend income.

Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions or what relief or credit may be claimed in the jurisdiction in which they are resident.

11.2 *Taxation of chargeable gain*

For the purpose of UK tax on chargeable gains, the issue of Ordinary Shares pursuant to the Acquisition will be regarded as an acquisition of a new holding in the share capital of the Company.

The Ordinary Shares so allotted will, for the purpose of tax on chargeable gains, be treated as acquired on the date of allotment. The amount paid for the Ordinary Shares will usually constitute the base cost of a shareholder's holding. If a Shareholder disposes of all or some of his Ordinary Shares a liability to tax on chargeable gains may, depending on their circumstances arise. UK resident individuals and trustees are generally subject to capital gains tax at a current flat rate of 28 per cent. (reduced to 18 per cent. where a gain falls within an individual's unused basic rate income tax band).

Gains made by UK resident companies are subject to corporation tax but there is an entitlement to indexation allowance which may reduce the chargeable gain.

A Shareholder who is neither resident nor ordinarily resident in the UK for tax purposes, but who carries on a trade, profession or vocation in the UK through a permanent establishment (where the Shareholder is a company) or through a branch or agency (where the Shareholder is not a company) and has used, held or acquired the Ordinary Shares for the purposes of such trade, profession or vocation or such permanent establishment, branch or agency (as appropriate) will be subject to UK tax on capital gains on the disposal of Ordinary Shares.

In addition, any holders of Ordinary Shares who are individuals and who dispose of shares while they are temporarily non resident may be treated as disposing of them in the tax year in which they again become resident in the UK.

11.3 *Stamp duty and stamp duty reserve tax*

No UK stamp duty will be payable on the issue by the Company of Ordinary Shares. Transfers of Ordinary Shares for value will generally give rise to a liability to pay UK ad valorem stamp duty, or stamp duty reserve tax, at the rate in each case of 50 pence per £100 of the amount or value of the consideration (rounded up in the case of stamp duty to the nearest £5).

12. Employees

12.1 *The Group*

The average number of persons employed by the Group during each of the three financial periods ended 31 December 2010 and for the period since that date up to the date of this document was as follows:

	2008	2009	2010	Jan 2011 – Feb 2011
Administration	–	–	–	–
Management	3	3	–	–
Operational	–	–	–	–

12.2 *Orogen Gold*

The average number of persons employed by Orogen Gold since inception up to the date of this document was as follows:

	2010	April - Jan 2011 – Feb 2011
Administration	–	–
Management	4	5
Operational	–	–

All employees are employed at the offices of Orogen Gold in Ireland.

13. Related Party Transactions

13.1 Apart from the agreements set out in paragraphs 8.1.1 and 8.1.2 of Part V of this document (which are conditional upon Admission) during the period from 1 April 2007 to 14 February 2011 (being the last practical date prior to the publication of this document), and save as set out elsewhere in this document, the Company entered into the following related party transactions:

- (a) During the 9 month period to 31 December 2010, £267,900 was paid to Diablo Consulting Limited and Wilton International Marketing Limited, companies in which A Reynolds and P Foulger were directors, for corporate finance advisory fees, commissions on fundraisings and administration services;
- (b) During the 9 month period to 31 December 2010, £21,197 was paid to Hansard Communications Limited, a company in which A Reynolds and P Foulger were directors, for public relation services, disbursements and related services;
- (c) During the 9 month period to 31 December 2010, Orogen Gold Limited charged £13,469 for costs relating to share issues;
- (d) During the 12 month period to 31 March 2010, £39,250 was paid to Wilton International Marketing Limited, a company in which A Reynolds and P Foulger were directors, for corporate finance and administration services;
- (e) During the 12 month period to 31 March 2010, £30,109 was paid to Hansard Communications Limited, a company in which A Reynolds and P Foulger were directors, for public relation services, disbursements and related services;
- (f) During the 12 month period to 31 March 2009, £5,875 was paid to HHSS LLP for the services of a director, a company in which M Hough was also a director;
- (g) During the 12 month period to 31 March 2009, £3,169 was paid to Hansard Communications Limited for the services of a director, a company in which A Reynolds was a director;
- (h) During the 12 month period to 31 March 2009, £4,792 was paid to Diablo Consulting Limited for the services of a director, a company in which A Reynolds was a director;
- (i) During the 12 month period to 31 March 2008, £11,750 was paid to HHSS LLP for the services of a director, a company in which M Hough was also a director;
- (j) During the 12 month period to 31 March 2008, £11,750 was paid to Emisan Limited for the services of a director, a company in which G Hirsch is also a director.

13.2 Save for those agreements or arrangements set out in paragraph 17 of Part I of this document and paragraph 6.14 of Section A of Part IV of this document and paragraphs 8.1.2 to 8.1.5 (inclusive) of Part V of this document, Orogen Gold is not party to any related party transactions.

14. Working Capital

The Directors and the Proposed Directors are of the opinion, having made due and careful enquiry, that, taking into account the existing resources available to the Enlarged Group, the Enlarged Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of Admission.

15. Litigation

15.1 The Group

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) which may have or have had in the 12 months preceding the date of this document a significant effect on the Company or the Group's financial position or profitability.

15.2 Orogen Gold

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Orogen Gold is aware) which may have or have had in the 12 months preceding the date of this document a significant effect on Orogen Gold or Orogen Gold (Serbia) Limited or their respective financial positions or profitability.

16. Significant Change

16.1 The Group

There has been no significant change in the financial or trading position of the Group since 31 December 2010, being the date to which the Group's latest audited financial information was prepared.

16.2 Orogen Gold

There has been no significant change in the financial or trading position of Orogen Gold or Orogen Gold (Serbia) Limited since 31 December 2010, being the date to which Orogen Gold's (and Orogen Gold (Serbia) Limited's) latest financial information was prepared.

17. General

17.1 It is estimated that the total expenses payable by the Company in connection with the Acquisition will amount to approximately £164,000 (excluding VAT).

17.2 Zeus Capital has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.

17.3 Jeffreys Henry LLP has given and not withdrawn its written consent to the inclusion in this document of its name and reports and the references thereto in the form and context in which they appear.

17.4 SLR Consultancy has given and not withdrawn its written consent to the inclusion in this document of its name and report and the references thereto in the form and context in which they appear.

17.5 XCAP Securities plc has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.

17.6 Save as set out in paragraph 7 of Part I of this document, there are no patents or licences, industrial, commercial or financial contracts which are material to the Enlarged Group's business or profitability.

- 17.7 There have been no interruptions in the business of the Enlarged Group, which may have or have had in the 12 months preceding the publication of this document a significant effect on the financial position of the Enlarged Group or which are likely to have a material effect on the prospects of the Enlarged Group for the next 12 months.
- 17.8 Save as set out in Part I of this document, the Directors and the Proposed Directors are not aware of (i) any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Enlarged Group's prospects in the period commencing on the date of this document until 31 December 2011 or (ii) any trends in production, sales and inventory, and costs and selling prices between 31 December 2010 and the date of this document
- 17.9 The Ordinary Shares are in registered form and may be held in certificated or uncertificated form. No temporary documents of title will be issued. The ISIN number of the Ordinary Shares is GB00B06LPZ62.
- 17.10 Save as disclosed in this document, there have been no payments by the Enlarged Group to promoters in the two years prior to the date of this document and no fees have been paid in the 12 months preceding the date of this document (other than to trade suppliers) in the sum of £10,000 or more in cash or in kind.
- 17.11 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:
- (a) received, directly or indirectly from the Enlarged Group within the 12 months preceding the date of the application for Admission; or
 - (b) entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Enlarged Group, on or after Admission:
- any of the following:
- (i) fees totalling £10,000 or more;
 - (ii) securities in the Company where these have a value of £10,000 or more calculated by reference to the opening price of Ordinary Shares upon Admission; or
 - (iii) any other benefit with the value of £10,000 or more at the date of Admission.
- 17.12 Save for the Acquisition, there are no investments in progress which are significant to the Enlarged Group.
- 17.13 The Directors and the Proposed Directors are not aware of any environmental issues that may affect the Enlarged Group's utilisation of its tangible fixed assets.
- 17.14 Within this document, where information has been sourced from a third party, the Company confirms that this information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by that party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

18. Documents available for inspection

Copies of the following documents may be inspected at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until one month following Admission:

- 18.1 the memorandum of association and Articles of Association of the Company;
- 18.2 the audited consolidated accounts of the Company for the financial years ended 31 March 2008, 31 March 2009, 31 March 2010 and the 9 months ended 31 December 2010;
- 18.3 the consultancy agreements for the Directors referred to in paragraph 8 of Part V of this document;
- 18.4 the consent letters referred to in paragraphs 17.2, 17.3, 17.4 and 17.5 of Part V of this document;
- 18.5 the report and letter from Jeffreys Henry LLP set out in Part IV of this document;

- 18.6 the memorandum of association and articles of association of Orogen Gold;
- 18.7 the audited accounts of Orogen Gold for the period from inception to 31 December 2010;
- 18.8 the material contracts referred to in paragraph 10 of Part V of this document; and
- 18.9 this document.

Dated: 16 February 2011

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting ("**Meeting**") of Medavinci plc ("the Company") will be held at the 4 Park Place, London, SW1A 1LP on 4 March 2011 at 11.00 a.m. at which resolutions will be proposed as follows:

1. THAT the acquisition by the Company of the balance of the issued share capital of Orogen Gold Limited not already owned by the Company be and is hereby approved for the purposes of section 190 Companies Act 2006 and the AIM Rules for Companies published by London Stock Exchange plc. (Ordinary Resolution)
2. THAT, subject to the passing of the resolution numbered 1 in this Notice, the name of the Company shall be changed to Orogen Gold plc. (Special Resolution)
3. THAT the Directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Act to exercise all powers of the Company to allot relevant securities up to an aggregate maximum nominal amount equal to £1,065,351.64, provided that the authority hereby conferred shall operate in substitution for and to the exclusion of any previous authority given to the Directors pursuant to section 80 of the Companies Act 1985 or section 551 of the Act and shall expire on the date falling 12 months from the date of the passing of this resolution unless such authority is renewed, varied or revoked by the Company in general meeting save that the Company may at any time before such expiry make an offer or agreement which might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired. (Ordinary Resolution)
4. THAT subject to and conditional upon passing of resolution 3 the Directors be and they are hereby empowered pursuant to Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) for cash as if Section 561 (1) of the Act did not apply to any such allotment PROVIDED THAT such power shall be limited to:
 - (a) the allotment of equity securities in connection with a rights issue or any other pre-emptive offer in favour of holders of equity securities (as required by the rights of such securities) in proportion (as nearly as may be) to the respective amounts of equity securities held by them subject only to such exclusions or other arrangements as the directors may consider appropriate to deal with treasury shares, fractional entitlements, record dates or legal or practical difficulties under the laws of any territory or the requirements of any recognised regulatory body or stock exchange in any territory or otherwise; and
 - (b) the allotment (otherwise than pursuant to sub paragraph (a) above) of equity securities up to an aggregate nominal amount of £750,000,

and the power hereby conferred shall operate in substitution for and to the exclusion of any previous power given to the directors pursuant to section 95 of the Companies Act 1985 or section 561 (1) of the Act and shall expire on the date falling 12 months from the date of the passing of this Resolution unless such power is renewed, varied or revoked by the Company in general meeting except that the Company may before the expiry of any power contained in this Resolution make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired. (Special Resolution).

By Order of the Board
Paul Foulger
Secretary
16 February 2011

14 Kinnerton Place South
London
SW1X 8EH

NOTES:

1. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders of the Company on the register at 11.00 a.m. on 2 March 2011 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this Admission Document. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's registrars at the address set out in note 5.
5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
 - (a) completed and signed;
 - (b) sent or delivered to Capita Registrars, PXS, 34 Beckenham Road, Kent BR3 4TU; and
 - (c) received by Capita Registrars no later than 48 hours before the scheduled time of the meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
7. Members who have general queries about the meeting should call the Company Secretary on 020 7245 1100 (no other methods of communication will be accepted).
8. As at 5.00 p.m. on the day immediately prior to the date of posting of this notice of General Meeting, the Company's issued share capital comprised 1,353,660,817 ordinary shares of 0.1p each and 73,599,817 deferred shares of 0.9p each. Each ordinary share carries the right to one vote at a general meeting of the Company and the deferred shares carry no rights to vote at such a meeting and, therefore, the total number of voting rights in the Company as at 5.00 p.m. on the day immediately prior to the date of posting of this Circular was 1,353,660,817.

