

CANLEY DEVELOPMENTS INC.

NEWS RELEASE

“CANLEY DEVELOPMENTS & GOLD MINES OF SARDINIA ANNOUNCE JOINT VENTURE AGREEMENT AND STRATEGIC ALLIANCE”

March 26, 2003

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Highlights

- Canley Developments Inc. ("Canley") has reached an agreement with Gold Mines of Sardinia ("GMS") to joint venture the Furtei Gold Mine on the island of Sardinia, Italy. This open pit operation consists of a full production facility capable of processing 1,000,000 tons of ore annually, a 600,000 oz gold resource, freehold land and buildings and over 10 sq. km's of exploration property.

- The Furtei Mine Complex and surrounding property has over 13 high priority targets, identified by a close spaced micro gravity and a recent Self Potential ("SP") surveys within a 5km diameter volcanic center. Three of these targets have been tested by limited drilling; all are within 70 metres of the surface and are open to depth. Highlights include the following results:

Su Coru:

- 67m grading 8.58g/t Au & 2.37% Cu
- 65m grading 6.91 g/t Au & 2.90 % Cu

Brunco Murdego:

- 54m grading 5g/t Au

Su Masoni:

- 48m of 5.13 g/t Au
- 13m of 7.02 g/t Au.
- 68m of 2.12 g/t Au.

Very significant exploration potential exists at the Furtei gold mine to rapidly increase the resource at depth and peripheral to the existing pits.

- Canley also has the option to select two other areas on the island of Sardinia to joint venture with GMS, including the Osilo epithermal vein district which contains 1,600,000 tonnes grading at 7.1g/t Au and 30g/t Ag.

FURTEI GOLD MINE

The Furtei deposit is located 40km north of Cagliari, the capital of Sardinia, is accessible via highway, and is the first and only modern gold mine in Sardinia, Italy. It is a high sulphidation gold-copper system associated with diatreme breccias and peripheral high grade, intermediate sulphidation gold veins, hosted within a 5km diameter, andesite-dominated volcanic centre.

Several styles of mineralization have been recognized/mined at Furtei, including:

- High grade gold-copper breccia pipes;
- Large tonnage, low grade disseminated, strata bound, gold mineralization hosted in highly porous pyroclastic horizons;
- High grade, epithermal and intermediate sulphidation, gold veins peripheral to the volcanic centre.

The Furtei mine commenced operations in 1997, and produced 120,000 ounces of gold up to 2002 from

predominantly oxide resources. The inferred mineral resource stands at 9.3Mt grading 2.2 g/t gold for a total of 600,000 ounces of gold as stated and published by GMS.

In addition to the targets of Su Coru, Brunco Murdego, and Su Masoni, recent field mapping and out-crop channel sampling in the western part of the volcanic complex has identified numerous intermediate sulphidation vein targets similar to the Brunco Murdego system. These include:

- Brunco de Didus - 2m at 20g/t Au; 2m at 6.6g/t Au; 1m at 20.9g/t Au
- Amigo Furuni - 2m at 11g/t Au; 1m at 43g/t Au
- Brunco sa Casa - 2.6m at 1.5g/t Au; 1m at 167g/t Ag
- Brunco Pisiguni - 2m at 4g/t Au
- Brunco Murdego - 9m at 16g/t Au

In summary, the potential at Furtei for the discovery of multiple gold deposits with +1Moz gold potential is considered excellent. This is supported by the recent work on structural targeting and by the results of the new geophysical surveys.

Other key Sardinian projects of GMS

OSILO

The Osilo district is a low sulphidation epithermal vein field located in northwestern Sardinia. Exploration to date has identified in excess of 22 mineralized veins, with a cumulative strike length of over 50kms. Drilling has been restricted to seven of the veins, with most of the drilling focused on the Pala Edra and Bunnari veins (which appear to be part of the same vein, covering a strike length of 5km). The Bunnari vein outcrops at surface. The current resource for the Osilo district stands at 1.66Mt grading 7.1g/t gold and 30g/t silver, for a resource of 376,000 ounces of gold and 1.06 million ounces of silver. (As published by GMS)

Eastern Paleozoics

The Eastern Paleozoic rocks have been found to host orogenic gold systems in a number of areas. Outcropping gold mineralization has been traced along one structural corridor over a 40Km distance, often with very high gold grades (i.e. 11m grading at 10.3g/t Au). This area has great potential for hosting a very large gold system.

Terms of Joint Venture

- GMS holds a 90% interest in Sardinia Gold Mining SpA, with the balance of 10% owned by Progemisa SpA, a corporation owned by the Sardinia Government. Canley has the option to spend €15M over an 8 year period to earn 50% of GMS's working interest (equivalent to a 45% direct interest).

- Canley has agreed to subscribe for a £1M placement in the shares of GMS.

After reviewing projects over the last year, Canley decided to pursue an alliance with GMS. Sardinia with its location, climate, excellent infrastructure and incredible gold potential should offer our shareholders an exciting future. For further information please email the Company at info@canleydevelopments.com or call 604.687.1717.

ON BEHALF OF THE BOARD OF DIRECTORS,

/s/ "Richard Warke"

Richard W. Warke
President

The TSX Venture Exchange has not reviewed and does not accept responsibility
for the adequacy or accuracy of this News Release.