



10 June 2011

EZENET TO ACQUIRE HIGHLY PROSPECTIVE GOLD EXPLORATION PROJECT IN CHILE'S EL INDIO GOLD CORRIDOR

HIGHLIGHTS

- Agreement executed to acquire 100% interest in the 28km² Vega Gold Exploration Project ("**Project**") located in Chile's El Indio Gold Corridor.
- The Project is targeting an epithermal volcanic system similar to other nearby gold bearing volcanics for a high grade Au-Ag body similar to the "bonanza type" discovery mined at the El Indio Gold Mining Centre (16.8 million tonnes mined at an overall recovered grade of 8.33 g/t Au, 46.3 g/t Ag and 2.81% Cu).
- Acquisition of the Project will complement and enhance the Company's growth strategy in Chile.

Ezenet Limited (ASX: "EZE") ("Ezenet" or "the Company") is pleased to announce that it has executed an agreement ("Agreement") with the Chilean company Compañia Calcia Limitada ("Vendor"), to acquire a 100% interest in the Project comprising 10 gold Exploration Concessions covering an area of 28km² located 22km north of the El Indio Gold Mining Centre in the Fourth Region of Chile (Figure 1 of Appendix A).

THE VEGA PROJECT

The Vega Project lies in the El Indio Gold Corridor in which there are large historic (El Indio - Tambo) and current (Pascua Lama - Veladero) gold mining centres. (Figure 2, Appendix A)

This region has seen the discovery of approximately 50 million ounces of gold and 900 million ounces of silver resources primarily by Barrick Gold Corporation, the dominant miner in the region.

The exploration target is an undrilled, highly anomalous epithermal system emplaced within the Sancarron caldera ring fault, a geological setting similar to other nearby late Tertiary (5-7 million year old) gold bearing volcanic and volcano-clastic rocks. Twenty kilometres to the south of Vega lies the El Indio Gold Mining Centre which

produced 4.5 million ounces of gold, 25 million ounces of silver and 472,000 tonnes of copper from underground and open pit operations in its 23 year life from 1979 to 2002 (16.8 million tonnes mined at an overall recovered grade of 8.33 g/t Au, 46.3 g/t Ag and 2.81% Cu).

Clear drill targets are evident from a CSAMT geophysical survey carried out over the highly anomalous epithermal system and are a priority for drilling in the coming Andean field season in the period October 2011 to April 2012.

Further details of the Project, its key features and background are attached in Appendix A.

Ezenet's Executive Chairman, Dr Wolf Martinick, said:

"The Vega Project is an exciting gold exploration opportunity in a famous and highly prospective gold region of Chile. Our search for projects is ongoing and Vega enables us to grow our Chilean mining interests and to complement our advanced Chuminga Copper-Gold Project, which we will be developing in the Second Region of Chile together with the well known Errazuriz Hochschild Group of Companies."

AGREEMENT TERMS

Ezenet has agreed to acquire 100% of the Project on the following key terms:

1. Settlement of the acquisition of the Project is conditional upon:
 - (a) the Company obtaining all necessary shareholder approvals required by the Corporations Act and Listing Rules in relation to the transaction;
 - (b) the Company receiving conditional approval from the ASX for the re-quotations of its shares on ASX following the Company approving a change to the nature and scale of its activities under the Listing Rules;
 - (c) the Company completing due diligence on the exploration concessions to its satisfaction; and
 - (d) the parties obtaining all necessary government approvals;

2. The consideration payable for the acquisition of the Project is as follows:
 - (a) upon satisfactory legal due diligence as to title, to be satisfied by no later than 30 June 2011, payment on a non refundable basis of:
 - (i) all mining exploration taxes outstanding at the date of execution of the Agreement (approximately US\$5,000); and
 - (ii) US\$20,000 in cash;
 - (b) on the earlier of the Settlement Date or 15 August 2011, payment of US\$20,000 in cash on a non refundable basis;
 - (c) 12 months after the Settlement Date :
 - (i) US\$50,000 cash; and
 - (ii) US\$50,000 in cash or Ezenet Shares in such proportions as Ezenet may elect in its sole discretion; and
 - (d) subject to paragraph 2(e) below, on every anniversary of the Settlement Date with effect from the date two years after the Settlement Date:

- (i) a cash payment that is US\$5,000 more than the amount of the cash payment in the previous year (that is, a payment of US\$55,000 on the second anniversary, a payment of US\$60,000 on the third anniversary, and so on); and,
 - (ii) a payment of US\$5,000 in cash or Ezenet Shares (in the absolute discretion of Ezenet) more than the amount of cash and shares payable in the previous year (that is, a cash payment or share issue of US\$55,000 on the second anniversary, a cash payment or share issue of US\$60,000 on the third anniversary, and so on);
 - (e) subject to Ezenet's right to make payment in full satisfaction of its obligations as outlined in paragraph 2 below, the payments due in terms of paragraphs 1(c) and 1(d) above shall be payable until the Royalty referred to in paragraph 1(f) on an annualised basis is equal to or exceeds the annual payments referred to in paragraphs 1(c) and 1(d) above; and
 - (f) subject to Ezenet's right to make payment in full satisfaction of its obligations as outlined in paragraph 2 below, a Royalty payable on a quarterly basis equal to 3% of the Net Smelter Return derived from the Concessions in any quarter from the beginning of production; and
3. Ezenet has the right at any time after Settlement to make a payment of US\$3 million in full and final satisfaction of its obligations under the Agreement.

CHANGE OF ACTIVITIES

Ezenet announced to the market on 2 June 2011 that it had signed an agreement for the acquisition of the advanced Chuminga Copper-Gold Project from the Chilean company SCM Compania Minera Chuminga, a member of the well known Chilean Errazuriz Hochschild Mining Group of Companies.

As a result of the proposed acquisition of the Chuminga Project, Ezenet indicated that it would be seeking shareholder approval to a change of activities from the industrial to the mining board of the ASX in terms of Listing Rule 11.

In undertaking the change of activities the Company will be re-complying with the provisions Listing Rules 1 and 2.

It is intended that the acquisition of the Vega Project will be included in the Company's mining assets in support of the Company's change of activities.

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The information in this report that relates to Exploration Results is based on information compiled by Brad Farrell, BSc Hons Eco Geol, MSc, PhD, a consultant to the Company. Dr Brad Farrell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. This qualifies Dr Farrell as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Farrell consents to the inclusion in the report of the foregoing matters based on his information in the form and context in which it appears. Dr Farrell is a Fellow of the Australasian Institute of Mining & Metallurgy, a Chartered Professional Geologist of that body and a Member of the Mineral Industry Consultants Association (the Consultants Society of the Australasian Institute of Mining & Metallurgy).

APPENDIX A

**VEGA PROJECT
REGION 4, CHILE**

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9 July 2011

CONTENTS

Summary Overview	3.
Introduction	4.
1. Project Geology and Mineralisation	4.
2. Past Exploration Activities	4.
3. Conclusions from Past Exploration Activities at Vega	7.
4. Proposed Ezenet Evaluation Program	7.
References	

FIGURES

Figure 1 Vega Project - Location Map	
Figure 2 Vega Project – El Indio Belt Regional Geological Setting	
Figure 3 Vega Project – Location With Respect to Barrick Gold Properties	
Figure 4 Vega Project – Local Geology	
Figure 5 Vega Project – Structural Interpretation of Volcanic Complex	
Figure 6 Vega Project – Location of CSAMT Geophysical Lines Over Highly Altered Volcanics	
Figure 7 Vega Project – Interpretation of CSAMT Geophysical Line 3	
Figure 8 Vega Project – Photo Plate 1	
Figure 9 Vega Project – Photo Plate 2	

VEGA PROJECT REGION 4, CHILE

Summary Overview

- **Ezenet Limited (“Ezenet”) has entered into an agreement with Compañia Minera Calcia Ltda to acquire a 100% interest in the Vega Gold Project, an area of 28km², 22km north of the El Indio Gold Mining Centre, in the Fourth Region of Chile.**
- **The Vega Project lies in the El Indio Gold Belt in which there are recent large, past (El Indio - Tambo) and present (Pascua Lama - Veladero) gold mining centres. Some 50 million ounces of gold and 900 million ounces of silver as global resources have been discovered to date by mainly Barrick Gold Corporation, the dominant miner in the region. (1)**
- **As with the majority of gold mineralisation in the El Indio Belt, the project area is underlain by Upper Oligocene to Miocene age volcanics of the Dona Ana Formation, which in the project area are acid sulphate altered, coarse (near vent source) pyroclastic tuffs and breccias that have been emplaced within the Sancarron caldera ring fault. The presence of highly anomalous arsenic, native sulphur and extensive sulphates indicates high level solfataric activity within an epithermal environment similar to other gold bearing volcanics close by.**
- **Clear drill targets are evident from CSAMT geophysical data over the Sancarron ring caldera structure and the associated highly altered volcanics involving structure and bodies of silicification. Those geophysical targets that correlate with surface geochemistry are a priority target for drilling in the coming Andean field season in the period October 2011 to April 2012.**
- **On the data to hand it is reasonable to suggest the possibility of occurrence of a high grade epithermal Au-Ag body in the Vega Project area, similar to the ‘bonanza type’ body that was mined at El Indio. Drilling has yet to occur and is required for such a target to be realized. It is possible that future exploration may or may not outline such a target.**

VEGA PROJECT REGION 4, CHILE

Introduction

The Vega Gold Project lies in Chile's Fourth region, in the high Andes, 20km north of the El Indio Gold Mining Centre and 135km due northwest from the coastal city of La Serena which is in turn 460km north of Santiago, the capital of Chile (Figure 1).

The project occupies an area of 28km² centred on UTM coordinates 625500mN 401500mE at approximately 3,850m above sea level ("asl"). The area is accessible Andean terrain between 3,600m and 4,100masl with the concessions occupying both sides of the valley of the Sancarron River, which flows north-west as a tributary of the Rio del Carmen, passing through the town of Vallenar, and reaching the sea at Huasco, in Chile's Third Region.

Ezenet has entered into an agreement with Compañía Minera Calcia Ltda ("CMC") to acquire a 100% interest in 10 individual and contiguous Mineral Exploration Concessions, named Vega 1 to Vega 10, covering an area of 28km².

1. Project Geology and Mineralisation

The Vega Gold Project lies in the northern part of the 150km long "El Indio Belt" of Tertiary age volcanic rocks straddling the Chile/Argentina border in which a number of precious metal discoveries have been made (El Indio, Tambo, Sancarron, Pascua Lama, Veladero), midway between the El Indio and the Pascua Lama-Veladero gold mining centres (Figure 2).

Compañía Minera San José Ltda, ("St Jose"), a subsidiary of St. Joe Minerals Corporation, discovered El Indio in 1975. Chevron Minerals Corporation and others in joint venture with San José also became involved in El Indio, and dominated regional exploration of the 150km long El Indio gold belt until the property assets were acquired by Barrick Gold Corporation ("Barrick") in 1994 (Figure 3). South of the Vega Project, the El Indio – Tambo complex produced 5.8 million ounces of gold. El Indio itself produced 4.5 million ounces of gold, 25 million ounces of silver and 472,000 tonnes of copper from underground and open pit operations in its 23 year life from 1979 to 2002 (16.8 million tonnes mined at an overall recovered grade of 8.33 g/t Au, 46.3 g/t Ag and 2.81% Cu). El Indio was famous for its production of direct shipping ore in the beginning of its mining life; 190,000 tonnes for 1.2 million ounces with some shipments grading 100 ounces of gold per tonne. Barrick's mining activities have moved to Pascua Lama-Veladero, 60km to the north in the belt straddling the Chile-Argentina border. Here a number of classic, high sulphidation Au-Ag-Cu epithermal deposits have been discovered, containing some 38 million ounces of gold and 900 million ounces of silver. Mining has commenced at Veladero just inside Argentina at 600,000 ozs per annum whilst Pascua Lama is expected to be in production in early 2013 at an annual rate of 750,000-800,000 ounces of gold and 35 million ounces of silver.

El Indio is a classic, high sulphidation epithermal deposit which was emplaced in two well

defined sericite haloes with subsequent replacement in part of the enargite mineralisation by tennantite (another copper arsenic sulphide mineral) chalcopyrite and gold and a phase of latter low sulphidation bonanza gold-quartz veins in alteration halos of illite and quartz. The latter was the source of the early bonanza production.

The majority of mineralisation in the El Indio Belt is hosted by Upper Oligocene to Miocene age volcanics of the Dona Ana Formation, which unconformably overlies “basement”. This formation consists of the Tilito Member, rhyolitic-dacitic pyroclastics (ash flow tuffs); overlain by the Escabroso Member, fine grained to porphyritic andesites, which have emanated from various identifiable volcanic centres in the region. El Indio, Tambo, Vacas Heladas, Libra and Sancarron are the more prominent of these partially eroded volcanoes. The latter two are respectively just southeast and northeast of Vega. All have undergone contemporaneous hydrothermal (steam induced) alteration affecting the individual strato-volcanic piles and limited areas of surrounding host rock. The effusive centres are generally elliptical in plan, reflecting the prominent north-south fault zones along which these were emplaced. Detailed mapping by past explorers has identified many ‘parasitic’ cones in the El Indio district, of the order of 100m in diameter, formed of tuffs, angular breccias and rounded “pebble” breccias in their central parts, indicating extreme re-working of the clasts in an explosive environment.

The region has had considerable tectonic thrusting and dislocation, and the Tertiary volcanic belt is preserved in a north-south trough on the eastern side of the upthrust, Palaeozoic age Elqui-Limari Batholiths which form the basement to the region with unconformably overlying Upper Jurassic to Lower Cretaceous lavas, volcanoclastic sediments and limestones which are named the Baños del Toro Formation. Apart from a prominent regional north-south sinuous series of thrusts, many subordinate normal faults line up in northeast-southwest and northwest-southeast swarms, and the former host the bonanza type gold-silver ores. At El Indio these minor mineralised faults, near surface, “horse-tail” and even deteriorate into zones of indeterminate fracturing and stock work. With depth, the faults and their accompanying veins consolidate into more identifiable mineable structures which grade from precious-metals near surface to copper-zinc rich at depths of below 400m.

Vega Project Local Geology

Vega is placed at the northern end of a local concentration of hydrothermally altered volcanic centres of dacite tuffs which are clustered either side of El Indio for a distance of 50km north-south by 15km east-west (Figure 4). Further north, the alteration picks up again at Rio Apolinario, and continues to the new mining district of Barrick at Pascua Lama-Veladaro and beyond.

The argillic-silicic altered volcanics at Vega, belonging to the Tilito Member of the Dona Ana Formation, are exposed over an area of 5km x 1.5km and are emplaced on a caldera ring fault marked by the curving Sancarron River. This is very evident on Google satellite imagery (Figure 5). Outside the caldera rim to the south of the Sancarron River are bright red to grey andesitic lavas and volcanoclastic conglomerates, strongly hematite stained, which dip radially away from the volcanic centre of altered dacitic and rhyolitic tuffs, itself topped with andesite flows occupying the higher ground north of the Sancarron River. Unlike the sharper peaks of

nearby Libra and Sancarron, the interior of the Vega project where the centre lies, is a relatively domed topographic feature outlined by an approximately circular drainage pattern on its northern and southwestern sides. The diameter of this caldera is about 5km.

The altered volcanics at Vega are dacitic and rhyolitic tuffs of an ill-sorted pyroclastic sequence, striking northeast 15° to 25° and dipping from sub-horizontal to 25° to the southeast. The strongly altered volcanics are well exposed on the northern slopes of the Sancarron River valley, between 3,600m and 3,900masl, and because of this have been the target in the past of detailed surface mapping and prospecting involving geochemical sampling.

On the eastern (upstream portion) of the project area, the pyroclastics are coarse, consolidated and brecciated. Following the outcrops of the altered tuffs downstream, they become finer and more widespread, occupying higher ground on both sides of the valley, and appear to infill old topographic channels, suggesting an airborne source at the northwest limit of the project area.

The argillically altered tuffs have common kaolinite, gypcrete and jarosite and are intruded by silicified breccias in small patches, lenses and faults. At the top of the sequence is native sulphur. Gypcrete and sulphur are concentrated in areas which were originally solfataric and are also found close to the silicified zones. Patches of gypcrete and jarosite occur as hard crusts with a maximum surface dimension of 40m x 20m. Jarosite is also associated with quartz-sericite zones, either disseminated, or as small vugh fillings in silicic breccias.

The silicified areas are irregular within the argillic-altered zone, predominantly occupying a brecciated zone at the eastern end of the alteration in the project area at “Vega East” at 6725500N 403500E. Narrow fault structures (typically to 1m in width) are outlined by silicification, and where most intense, these approximate veining with or without brecciation. Silicification also occurs; in irregular patches (“bolsones”), apparently related to the original rock permeability, associated with dykes, and minor fractures, and also affecting individual clasts. A geophysical survey, discussed below in section 2, suggests that increased silicification of the volcanic extends below the valley floor for possibly several hundreds of metres vertically, widening at depth.

Quartz-sericite alteration appears in ill-defined zones roughly enveloping the more silicified rocks. In detail, sericitisation is seen to affect the feldspars within a moderately silicified groundmass of the dacitic tuffs.

Compared with the ex Barrick Sancarron project, located 5km east and northeast of Vega, the Vega alteration has similar argillic and silicic components, but less alunite, which is common in Sancarron. The altered zones at Libra immediately southeast of Vega are however, very similar to Vega (Figure 5).

The argillic-silicic alteration of the tuffs terminates abruptly against the overlying and adjacent Escabroso Member andesites at approximately 3,900m to 4,000masl on the northern side of the Sancarron valley (Figure 4). These andesites are flows probably originating from higher ground 6km to 8km to the east, or from within the same caldera. The abruptness may indicate

merely an unconformable relationship, but it may also indicate a fault separation of the two units, however, this is not clear in the field.

The overlying Escabroso Member fine grained to porphyritic andesites, have ubiquitous mild propylitic alteration and a variable red-stained hematite content. These flows occupy terrain between 3,900m and 4,300masl at the centre of the caldera, east of the project area.

The major structural feature of the area is a northwest-southeast trending regional fault following the Sancarron valley in the south west sector of the Vega project area which becomes curvi-linear in a northeasterly continuation upstream of the Sancarron River. This was the controlling structure along which the pyroclastics were emplaced, and along which hydrothermal fluids emanated. Minor faults, emphasised by silicification, strike northwest 60⁰ to 80°, and a second set strike northeast 45⁰ to 65° with lesser dykes, faults and minor shears.

The accumulation of acid sulphate altered, coarse (near vent source) pyroclastic tuffs and breccias, indicates a linear vent style emplacement and accompanying, vertically sourced, infusion of hydrothermal fluids that may have carried precious metals which is important for precious metal potential of the project area. On this point, Libra the prominent altered parasitic cone that is obvious on Google imagery, just southeast of the Vega Project, is a good analogy for Vega as it is a nearby proved epithermal mineral system. The principal of the vendor CMC, an ex San José exploration manager, has reported up to 2% arsenic with accompanying low order precious metals values was encountered in San Jose's Libra drill holes in the 1980s.

2. Past Exploration Activities

Compañía Minera San José Ltda

As previously mentioned above, the hydrothermal volcanic centres of the El Indio Belt were identified in the 1970s and variously explored by the San José joint venture until the assets of the joint venture were bought by Barrick. The area now covered by the Vega Project was explored by San José over a short season in 1983; by geological mapping, lithological sampling and analysis. The geochemical values were not striking enough to encourage San José to continue with any further exploration method such as geophysics or drilling, and their focus continued on their higher priority targets, Libra, Sancarron, Nevada (now the Pascua-Lama mine) and several other properties along the extensively altered belt north and south of Vega.

Minera Fuego Ltda

San José relinquished the concessions over the Vega area in the late 1980s, allowing a local company SCM Legal Minera Manila Uno, to place new concessions there, named Manila 1-15. In 1996, Minera Fuego Ltda ("MFL"), a subsidiary of Yamana Resources Inc of Toronto, signed an option agreement to acquire the concessions.

In the 1996-97 field season, MFL carried out geological mapping with geochemical sampling and a subsequent geophysical survey. The 317 surface samples collected

comprised 295 rock chip samples taken over the general alteration area and 22 stream sediment samples. These samples were analysed for Au, Ag, As, Sb, Hg, Mo, Cu, Pb and Zn. Quantec Geoscience was contracted by MFL to undertake a Controlled Source Audio-Frequency Magneto Tellurics (“CSAMT”) geophysical survey over 5 north-south lines, crossing the altered volcanics at Vega, located predominantly north of the Sancarron River valley floor. Each line averaged 3,000m for a total line survey of 15.1km (Figure 6). CSAMT uses natural signals from the earth’s magnetic field to derive a resistivity versus depth image of the subsurface. At a basic level of interpretation resistivity is correlated with different rock types and importantly structure. The CASMT data was of excellent quality and anomalies were detected at the time, but MFL’s option lapsed.

Teck-Cominco

The Manila concessions eventually expired in 2000 and Teck-Cominco placed exploration concessions over a larger area inclusive of Vega, presumably exploring for copper-gold, holding the ground until late 2009. It is not known what exploration methods were employed by Teck-Cominco, other than some regional geochemical work was carried out during this period, or where their exploration work within their project area was focused.

Compañía Minera Calcia Ltda

Following the abandonment of the concessions by Teck-Cominco, CMC placed new exploration concession applications, Vega 1 to 10, over the area in June-July 2010 which were granted in early 2011. The impetus for this was a review of the MFL geochemical and geophysical data obtained by CMC.

With respect to the rock chip geochemical data, CMC noted, arsenic, an important gold pathfinder element in the gold discoveries of the El Indio and Tambo districts in the 1980s, had eight clusters of anomalous values within the overall altered zone, which cover three separate geographical areas with overall average As values of 1,004ppm. These results relate to the more siliceous outcrops (fumarole sinters) such as the rocky outcrops reported above at Vega East. However, CMC also noted the accompanying precious and base metal results were disappointing considering the intensity of alteration and the early focus by MFL on potentially mineralised structures in the project area. Notwithstanding this observation, CMC did not consider the geochemical values alone as downgrading the project as the infusion of quartz is indicative of high level flooding and even silica capping, which may shallowly cover economic values. Silica flooding is noted to occur at both Barrick’s Tambo and Pascua-Lama projects, and in both cases the high level, intense silicification has a virtual absence of precious metals. But, in both cases, a short distance away, below or laterally, high grades have been discovered by drilling. However with respect to the general rock geochemistry, CMC concluded that the presence of highly anomalous arsenic, native sulphur and extensive sulphates indicated high level solfataric activity within an epithermal environment similar to other gold bearing volcanics close by.

CSAMT geophysics had been used successfully by Barrick in its El Indio exploration programs to identify and delineate the limits, orientation and depth extent of silicified zones and controlling structures that may be associated with gold mineralization, and the depth of alteration and contact relationships between altered and non altered volcanic lithologies. With

respect to the Vega CSAMT data, CMC recognized clear drill targets from CSAMT data on lines 1 to 5, involving structure and bodies of silicification, the latter in part being correlated to surface outcrops.

3. Ezenet Technical Diligence

Ezenet has carried out a review of the MFL geophysical and geochemical data as part of its technical diligence of the project. At Ezenet's request, CMC supplied the line profiles of the Quantec CSAMT for an independent interpretation by a Perth based geophysical consultant and the geochemical data for interpretation by the writer.

Unfortunately the geochemistry was not supplied as a digital data base, but only in the form of assay sheets from two different laboratories for analytical results for 165 samples; not the whole 265 MFL sample data base. The results for these samples, comprising 152 rock chips and 22 stream sediment samples, were plotted according to a supplied sample location plan and re-interpreted. Notwithstanding problems with analytical data from different laboratories, (ie varying lower detection limits and reading intervals for analysed elements and some incomplete data for Hg), and sample location problems (a few missing and some duplicated sites for which some results are anomalous) there are anomalous elemental patterns in the alteration area, some of which are coincidental and are also associated with anomalous geophysical features, (ie structure and silicification) especially on CSAMT lines 2 to 5.

From the independent interpretation of the CSAMT geophysical survey, there are clear drill targets from lines 1 to 5 inclusive, all accessible from the road which follows the Rio Sancarron valley, and in some cases, by using access roads already cut on the north side of the valley. The targets are the wider portions of the siliceous body noted on the profiles which appears to be one unit (or possibly a series of broken but faulted adjacent blocks), with a considerable portion extending to several hundred metres in depth immediately below the valley floor within the Sancarron caldera ring fault, as well as the sharp (fault?) contacts with both intrusive features and andesites at higher elevations on the northern side of the valley.

4. Conclusions from Past Exploration Activities at Vega

The Vega Project targets an accumulation of acid sulphate altered, coarse (near vent source) pyroclastic tuffs and breccias that have been emplaced within the Sancarron caldera ring fault. The presence of highly anomalous arsenic, native sulphur and extensive sulphates indicates high level solfataric activity within an epithermal environment similar to other gold bearing volcanics close by. Indeed, the nearby Libra altered parasitic cone, that is obvious on Google imagery, just southeast of the Vega Project, is a good analogy for Vega as it is a known epithermal mineral system, from the reported values ranging from detection limits up to 2% arsenic with accompanying low order precious metals encountered in drilling by San Jose in the 1980s.

Notwithstanding low order precious metals results occurring at surface, high level silica flooding and even silica capping is indicated, particularly from CSAMT geophysical data, to

be present at Vega which may shallowly cover economic precious metal values. This has been shown to be the case elsewhere in the El Indio belt, where drilling, a short distance, below or laterally to it has discovered economic mineralization.

CSAMT geophysics had been used successfully by Barrick in its El Indio exploration programs to identify and delineate the limits, orientation and depth extent of these silicified zones and controlling structures that may be associated with gold mineralization. The results of the CSAMT survey carried out over the Vega Project are particularly encouraging in that a siliceous body or bodies are noted on the profiles. This may be one unit or possibly a series of broken, but faulted adjacent block bodies within the Sancarron caldera ring fault extending to several hundred metres in depth within the Sancarron caldera ring fault. Some of these bodies of silicification on CSAMT can in part being correlated to surface outcrops and anomalous elemental patterns in the alteration area.

Clear drill targets are evident from CSAMT data in the Sancarron valley involving structure and bodies of silicification. Those geophysical targets that correlate with surface geochemistry are a priority target for drilling.

In conclusion, it is reasonable on the data to date, to suggest the occurrence of a high grade epithermal Au-Ag body in the Vega Project area. However, drilling has yet to occur and is required for such a target to be realized. It is also possible that future exploration may or may not find such a target.

5. Proposed Ezenet Evaluation Program

Based on the geophysical survey, there are clear drill targets from lines 1 to 5 inclusive that can be accessed by the Sancarron Valley road, and in some cases, by using access roads already cut on the north side of the valley. It is estimated that 2,000m of reverse circulation drilling (8 holes to a depth of 250m each) would test the area as a first pass exploration program. The drill program could be completed easily within the first field season, between October 2011 and April 2012, with a minimum of field preparation. This drilling would target the silicified zones in structure detected by the geophysical survey, with some ancillary support in some instances from the geochemistry, to locate encouraging gold values as veins enclosed in a silicified host or as disseminations at depth. Based on the results of this program, a quick decision could be made to continue and expand the drilling program or curtail exploration at Vega.

Brad Farrell

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The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Brad Farrell, BSc Hons Eco Geol, MSc, PhD, a consultant to the Company. Dr Brad Farrell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. This qualifies Dr Farrell as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Farrell consents to the inclusion in the report of the foregoing matters based on his information in the form and context in which it appears. Dr Farrell is a Fellow of the Australasian Institute of Mining & Metallurgy, a Chartered Professional Geologist of that body and a Member of the Mineral Industry Consultants Association (the Consultants Society of the Australasian Institute of Mining & Metallurgy).

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LOCATION VEGA GOLD PROJECT

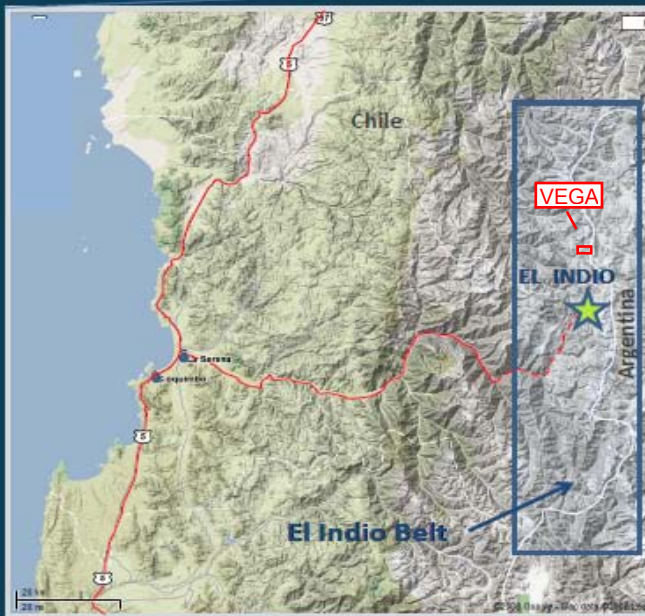


Figure 1



VEGA PROJECT - EL INDIO BELT REGIONAL GEOLOGICAL SETTING

EL INDIO BELT

Tertiary Volcanic Setting and
Regional Structural Controls

After Heather, 2000

LEGEND

-  Intrusive rocks
-  Volcanic and sedimentary rocks

SOURCE BARRICK GOLD MINES - EL INDIO PRESENTATION
All deposits on the map are owned by Barrick.

VEGA PROJECT

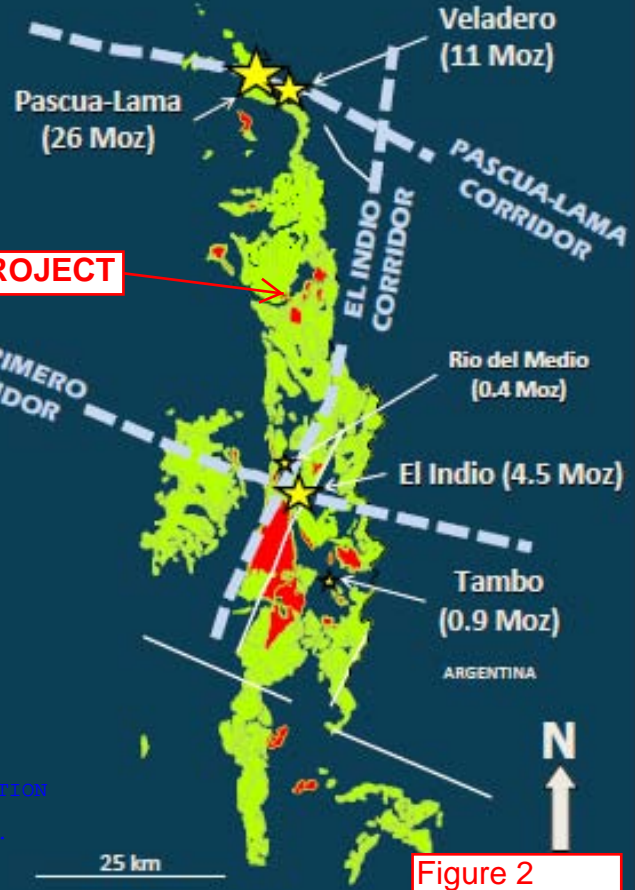
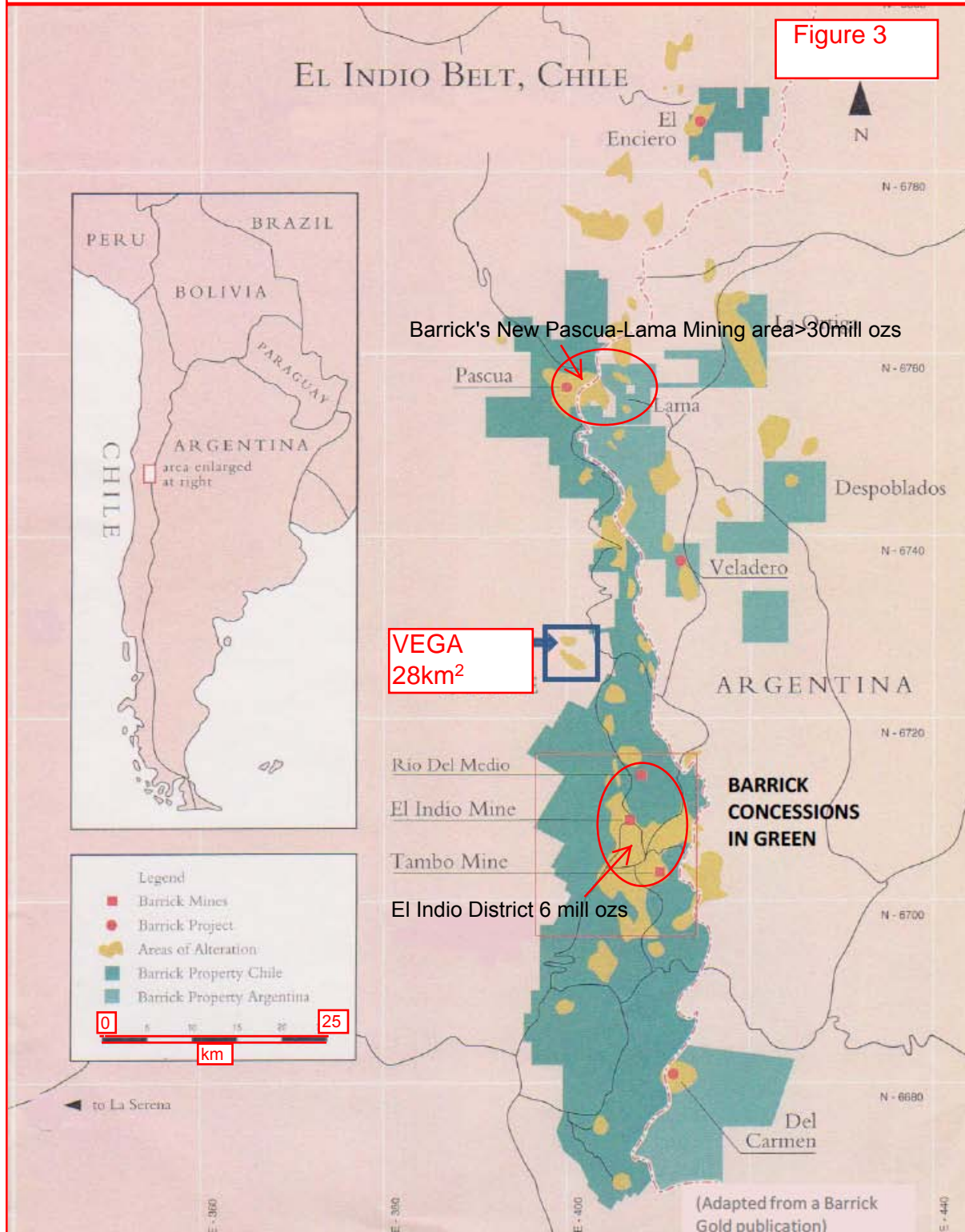
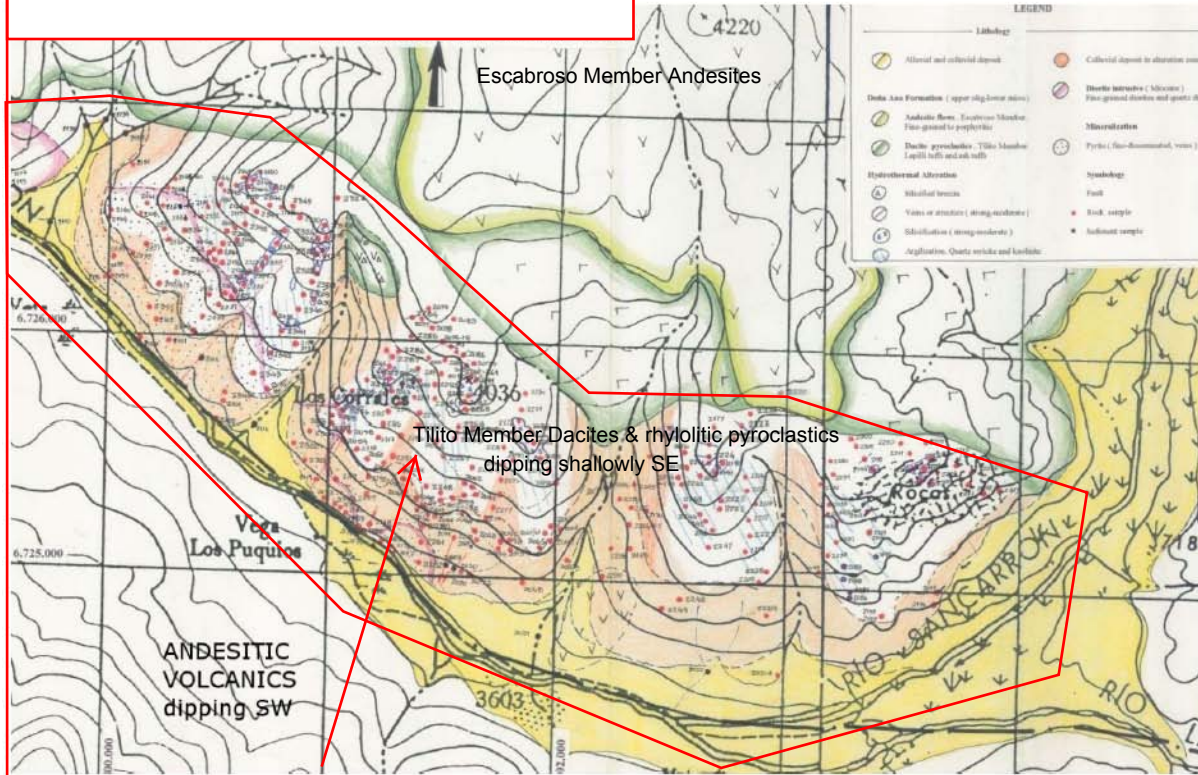


Figure 2

VEGA PROJECT LOCATION WITH RESPECT TO BARRICK GOLD PROPERTIES



VEGA PROJECT - LOCAL GEOLOGY



Target is an epithermal gold deposit in highly acid sulphate altered Upper Oligocene to Miocene Dona Ana Formation (Tilito Member) dacitic & rhyolitic pyroclastics emplaced in a vent, a ring caldera fault feature, as outlined by the Sancarron River.

Figure 4

VEGA PROJECT - STRUCTURAL INTERPRETATION OF VOLCANIC COMPLEX

VEGA ACID SULPHATE ALTERED RHYOLITIC & DACITIC PYROCLASTICS
EMPLACED ALONG CALDERA RING STRUCTURE AS OUTLINED BY SANCARRON RIVER



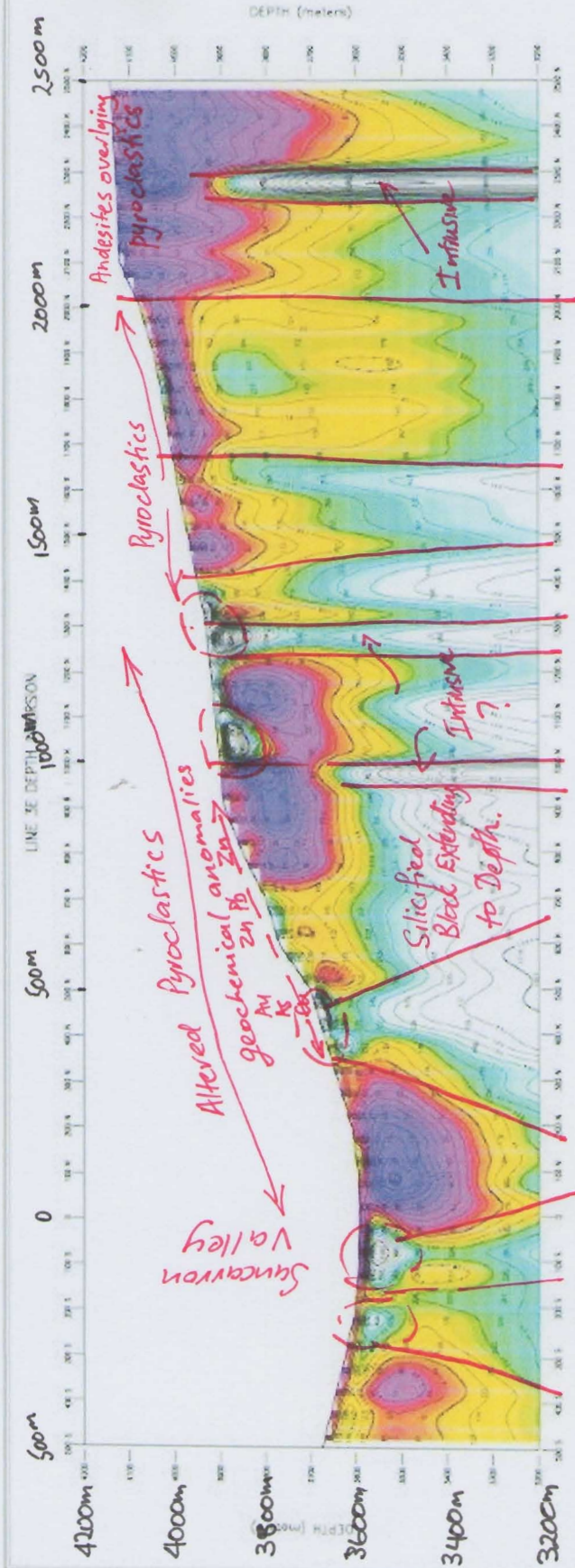
Barrick's Libra Prospect (1) and Sancarron Prospect (2) are altered parasitic volcanic cones, all mineralised and intensely drilled.

VEGA PROJECT - LOCATION OF CSAMT GEOPHYSICAL LINES OVER HIGHLY ALTERED VOLCANICS



VEGA PROJECT - INTERPRETATION OF CSAMT LINE 3

Line 3E Vega



SPECIFICATIONS
 Shows resistivity and phase
 data for the line
 length of 2.5 km
 with 100 m spacing
 and 10 m depth
 interval
 for 100 m depth
 interval
 for 100 m depth
 interval
 for 100 m depth
 interval

PERSONNEL
 Director: Patricia Valencia
 Geophysicist: Patricia Valencia
 Geophysicist: Patricia Valencia
 Geophysicist: Patricia Valencia
 Geophysicist: Patricia Valencia

QUANTEC GEOLOGIA LTDA
LINE-3E
 MARULA PROJECT
 IV REGION, CHILE
 CSAMT (Control-Source Audio-Magnetotelluric Resistivity) Survey
 Sheet No. 10-0000
 Date: 10/10/00

Figure 7

VEGA PROSPECT - PHOTOS 1



VEGA PROJECT. Looking E along Sancarron Valley



VEGA PROJECT - PHOTOS 2



VEGA PROJECT
looking NE from
Sancarron Valley

Figure 9