



26 September 2011

## **CHUMINGA PROJECT UPDATE**

### **HIGHLIGHTS**

- **Road scheduled for completion in mid-late October 2011**
- **Proposed Drilling Programme finalised**
- **Channel sampling of copper-gold breccia completed, analytical results pending**

**Ezenet Limited** (ASX:EZE) ("Ezenet"), to be renamed Oro Verde Limited, is pleased to provide the following update on its due diligence activities at the Chuminga Copper-Gold Project which is located in a highly prospective copper-gold region of northern Chile.

### **Road Construction**

Work on the approximately 5km long zigzag road from the coastal access road to the Chuminga mineralisation located about 650 metres above sea level is progressing with about 3.2 km having been completed (see photo in figures 1 & 2). Construction of the road and seven drill pads along the immediate strike of the outcropping mineralisation should be sufficiently advanced to permit drilling to commence in late October, 2011. Efforts are being made to establish a road route that will require minimal blasting, and thus reduce costs, and be trafficable by trucks. Steep scree slopes of loose rocks render road construction challenging.

### **Drilling Programme**

Ezenet's wholly owned Chilean subsidiary Green Mining Ltda, will engage the Sali Hochschild drilling company, of the Errazuriz-Hochschild Mining Group to drill seven holes for a total of about 1,400 meters of diamond drilling. This highlights the valuable relationship Ezenet has established with the Errazuriz-Hochschild Mining Group as drilling rigs are almost impossible to secure in Chile because of the huge amount of drilling being undertaken in Chile and neighbouring countries. Drilling of Chuminga's prospective copper-gold breccia mineralisation is expected to commence in late October 2011.

First drilling results are expected in late November 2011 and they should confirm the potential identified by such major international mining houses as AUR Resources (now part of Teck Cominco) and Rio Tinto Mining and Exploration.

### **Magnetic and Induced Polarisation (IP) Surveys**

A ground magnetic survey commenced in August, but was halted because of safety concerns with road construction and potential rock falls. The survey will be recommenced on completion of road construction and will be followed by an IP survey to more accurately outline Chuminga's mineralisation.

### **Channel and Sediment Sampling**

As part of the Due Diligence process, channel sampling over 1 metre sample intervals of the 201 metres of available strike of the copper-gold mineralised breccia was completed on 21 September, and it is expected that analytical results of the 201 samples taken will be available in early October 2011 and that they will further support the prospectivity of Chuminga.

A stream sediment sampling programme over the strike environs of the Chuminga mineralised zone will commence within a week as an orientation study to possible further localised regional prospecting by stream sediment sampling for repetitions of the Chuminga copper-gold breccia mineralisation.

**Dr Wolf Martinick, Ezenet's Chairman and Managing Director said:**

*“Brad Farrell (Ezenet's technical director) and I have just returned from a two week visit to Chile and the Chuminga Project. We are very pleased with the progress of the road being constructed to the Chuminga site. The road contractor is doing a sterling job, dealing very well with blasting and earth moving operations on steep slopes covered by loose rocks. We expect road and drill pad construction to be sufficiently advanced to permit drilling to commence in early November.*

*The need to temporarily postpone the geophysical surveys was disappointing but will not cause any delays to designing a detailed second phase drilling programme for early next year.*

*I expect results from the channel sampling to provide further support for our request to shareholders to approve the acquisition of Chuminga at a shareholder meeting proposed for late November 2011. I am confident that drilling results are likely to be available in late November from our first phase drilling project and that these will further substantiate our confidence in the mineral prospectivity of Chuminga that, as stated in previous releases, has the potential to consist of 50-60 million tonnes containing 1.0-1.1% Cu, 0.40-0.50g/t Au and 1% Zn<sup>1</sup>.*

*I am happy to confirm that we enjoy a strong and trusting business relationship with the Errazuriz-Hochschild family which I am certain will be of considerable benefit and value to Ezenet in its ongoing Chilean activities.*

*The recently announced sale of Ezenet's Dundee Precious Metals shares, together with the sale of smaller investments in two other companies has increased our “cash in the bank“ to about \$1.8m. Together with our investment in Weatherly, currently worth about \$2.1m, we have sufficient cash to readily fund the outlined exploration activities and expenses associated with Ezenet's change of activity.”*

- ENDS -

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1. The potential quantity and grade of the target is conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

## CHUMINGA

Chuminga is located on the Pacific coast of northern Chile, approximately 60km north of the regional mining town of Taltal and about 115 km south of the regional city and port of Antofagasta. The region has excellent infrastructure and supports many mines including the world class Mantos Blancos, Chuquicimata and Escondida copper mines.

The Chuminga Project has an exploration target of 50-60 million tonnes at 1.0-1.1% Cu, 0.40-0.50 g/t Au and 1% Zn, indicated from both surface exploration, involving prospecting and trenching, and underground exploration by three tunnels on a copper- gold stock work breccia body which has a width of 60 to 100m and a strike extent of 800 to 1,200m. The potential quantity and grade of the target is conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

*Figures 1 & 2. Road construction at Chuminga. The Cu-Au breccia body lies just above cloud level in the photo figure below.*



The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Dr Brad Farrell, BSc Hons Eco Geol, MSc, PhD, a consultant to the Company. Dr 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 and 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 and Metallurgy).