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Technical Director on Chilean Project and Geological Report

Open Briefing with Technical Director Dr Brad
Farrell



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Ezenet Limited (ASX: EZE) announced in June 2011 that it had acquired the rights to 100% interests in prospective copper and gold projects in Chile. Towards the end of November 2011, subject to formal shareholder approval and compliance with ASX Listing Rules, Ezenet Ltd (Ezenet) will relist as Oro Verde Limited, a mining exploration company focused on developing its interests in Chile. Since the June releases Ezenet has undertaken construction of a road to the Chuminga mineralization to enable drilling to commence in late October 2011. In addition the Company has completed channel sampling over 204 metres of available strike of the copper-gold mineralized breccia at Chuminga and has received an Independent Geological Report on both its Chilean mineral projects, Chuminga and Vega.

In this Open Briefing®, Technical Director Brad Farrell discusses

- Chuminga Copper-Gold Project and channel sampling results
- Vega gold exploration target
- Independent Geological Report

Open Briefing interview:

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Ezenet plans to acquire the Chuminga copper-gold project, located 115km south of Antofagasta in northern Chile, subject to shareholder approval and due diligence, which are currently underway. The project had been previously reviewed by Rio Tinto Zinc (RTZ) but was not progressed beyond initial exploration. What attracted you to this project and what historical data has been previously collected on Chuminga?

Technical Director Brad Farrell

The project has a number of attractive attributes. First is the potential size of the ore body and its mineralogy. It appears it will deliver good metallurgical recovery. Due to the structure of the breccia body (host rock), it also appears amenable to bulk mining methods, albeit open cut or underground. Also, very importantly, the project area is favourably situated with respect to the basic infrastructure needed for a mining operation.

We have collected data from Gordo Mining (Gordo), the company which discovered the deposit in 1981, and subsequent companies such as RTZ and AUR Resources (now part of Teck-Cominco) and our partner SCM Chuminga. The former examined the Chuminga

property as part of potential farmin negotiations in 1996 and 2007 respectively.

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You have stated that Chuminga is a conceptual exploration target of 50 to 60 million tonnes at 1.0-1.1%Cu, 0.40-0.50g/t Au and 0.5-1.0% Zn.* How have you determined these figures and what exploration and analysis is now required to firm up these numbers?

Technical Director Brad Farrell

These conceptual resource figures were derived from the basic parameters of the mineralised body observed by previous explorers such as Gordo, RTZ and AUR, which is that the body has a strike of 800 -1,200 metres, width of 60 -150 metres and depth of at least 200 metres. Gordo in particular explored the environs of the outcropping mineralisation (an area 300 metres long, by 200 metres width) by driving tunnels into the mineralised breccia that outcrops and dips steeply eastwards into a mountain.

Ezenet will further explore the immediate environs of the outcropping mineralisation by core-drilling sections of the mineralisation. This should give a good estimate of the morphology of the mineralised breccia (true width and grade) and a feel for depth potential. Further exploration on strike will be governed by geophysical programs over the strike structural setting of the mineralisation and followed up by more drilling.

* 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.

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How was the recent channel sampling program at Chuminga conducted and what are the key conclusions from the sampling?

Technical Director Brad Farrell

Much of the mineralised breccia zone is scree covered by rock debris continually moving down the steep 40 degree slope of the mountainside. Three new contiguous trenches were excavated by local contractors along 204 metres of available strike of the north-south striking, mineralised breccia. The contiguous trenches follow the approximate contour of the strike of the basal portion of the mineralised breccia and intersected previous trenching across strike in the central part of the breccia zone.

Once the trenches were in place, they were channel sampled over the 204 metres of available strike of the mineralised breccia at 1 metre sample intervals. The 204 (5-6kg) rock chip samples taken were then subject to the following analytical scheme at Activation Laboratories, Coquimbo, Chile:

- Au by fire assay/AAS on a 30gm sample weight and,
- Ag, Au, Cu, Pb, Zn, As and Mo by AAS following a 4 acid "total digestion".

Continuous mineralization was encountered in 190 metres of 204 metres of strike trenching. The 190 metres of breccia returned a weighted assay of 1.07% Cu and 0.20 g/t Au. Historical results by Gordo in 1983 for tunnel sampling across strike of the breccia body were a weighted 115m @ 0.90% Cu and 0.48 g/t Au.

As a generalisation, there appears to be consistency in magnitude of grade and metres, both along strike and width, in the area of the known outcropping breccia mineralisation in both the historical and recent trenching data sets. This confirms a good bulk tonnage target (1.07% Cu + 0.20 g/t Au) in the environs of the known outcrop area of the breccia mineralisation. An initial 1,500 metres diamond drilling program commencing at the end of October 2011 will test this concept.

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What do you hope to achieve from the planned first phase drilling programme scheduled to commence in late October 2011?

Technical Director Brad Farrell

The aim is to firm up the conceptual target previously identified and confirm the mineralogy that so far appears consistent with the data we have collated. We are testing a bulk tonnage Cu-Au target. Core drilling sections of the mineralisation should give us a good idea of the morphology of the mineralised breccia, particularly true width, grade, and a feel for depth potential. Importantly, it will also give us an idea of metallurgy so we can be confident we have a significant bulk tonnage target grading of 1.07% Cu + 0.2 g/t Au at Chuminga.

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Ezenet has entered into an agreement with Compania Minera Calcia Limitada (CMC) to acquire 100% interest in the Vega Gold Project, an area 28km², 22km north of the El Indio Gold Mining Centre in the Fourth Region of Chile. Since 1983 a number of companies have collected data on the prospect but none have pursued further drilling. What do you see in the data that encouraged you to acquire the prospect?

Technical Director Brad Farrell

Vega is an epithermal gold target. The highly altered volcanics have been surface prospected in the past by large significant gold mining companies, such as Barrick Gold and Yamana Gold. One positive indicator is highly anomalous arsenic, an important gold pathfinder element in the El Indio area, with spotty, relative low order gold results from rock sampling at surface.

Secondly and most importantly is the CSAMT geophysical data CMC has in its possession indicating the possibility of gold mineralization at depth associated with major structures and silicification. Major structures and silicification are key parameters to the emplacement of the gold ore bodies at the large Pascua Lama and Veladero gold discoveries, some 40km to the north of Vega, that are being exploited by Barrick Gold. About 50 million ounces of gold and 900 million ounces of silver resources have been discovered to date in this region. CSAMT geophysical surveys have been credited with significant discoveries of ore bodies at both Pascua Lama and Veladero and have become the primary exploration tool for Barrick Gold in the El Indio volcanic belt.

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Drilling of Vega has been scheduled for the coming Andes field season which stretches from October 2011 to April 2012. How have you identified the targets for this program and what are you hoping to identify with this first round of exploration drilling? When do you expect to see the results from this drilling program?

Technical Director Brad Farrell

An RC drilling rig has been booked to carry out a 2,000 metres drilling program in late

January-February 2012. It will test eight CSAMT anomalies from a re-interpretation of the CSAMT data that CMC has given to us. Some of these geophysical targets have coincidental, at surface anomalous gold and arsenic rock chip sampling results.

There is potential to discover a high grade hidden bonanza gold system which would be a real company maker discovery for a small company like Ezenet. El Indio in its early life produced some 1.2 million ounces of gold from 190,000 tonnes of ore at a fabulous average grade of 196.4 ounces of gold per tonne. The results of the drilling program should become available in late March 2012.

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What are the key conclusions of the Independent Geological Report produced by Al Maynard & Associates in October 2011 and to what extent do the conclusions support your early assessments of both the Chuminga and Vega projects ?

Technical Director Brad Farrell

The key conclusion is that, based on the data to hand, both Chuminga and Vega have high potential for the discovery of an economic ore deposit. In the case of Chuminga, a significant large bulk tonnage Cu-Au deposit; and in the case of Vega, the possibility of a bonanza gold deposit.

Of significance is that neither prospect has been tested by any drilling which Ezenet, under its new name of Oro Verde, will aggressively carry out in a number of programs in the near future.

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Thank you Brad

For more information on Ezenet Limited, visit www.ezenet.com.au or call General Manager John Traicos on 08 9481 2555 or 0417 885 279

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The information in this report that relates to Exploration Results and Exploration Targets is based upon information compiled by Brad Farrell, BSc Hons EcoGeol, MSc, PhD, a consultant to Ezenet Limited. Dr Brad Farrell has sufficient experience which is relevant to the style of mineralization 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 & Metallurgy).