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**EZENET LIMITED**

**(TO BE RENAMED ORO VERDE LIMITED)**

**ACN 083 646 477**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 11:00am (WST)

**DATE:** 28 November 2011

**PLACE:** The George  
216 St Georges Terrace  
Perth, Western Australia

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting then please contact the Company Secretary on (+61 8) 9481 2555.*

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**CONTENTS PAGE**

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Notice of Annual General Meeting (setting out the proposed Resolutions)	6
Explanatory Statement (explaining the proposed Resolutions)	16
Glossary	54
Schedule 1 – Terms and Conditions of Broker Options	56
Schedule 2 – Terms and Conditions of Options	57
Schedule 3 – Summary of Option Plan	58
Schedule 4 – Valuation of Options	60
Schedule 5 – Pro Forma Balance Sheet	61
Appendix 1 – Independent Geologist’s Report	
Appendix 2 – Solicitor’s Report on Mining Concessions	
Proxy Form	

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**CRITICAL DATES<sup>1</sup>**

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<b>Event</b>	<b>Date</b>
Dispatch Notice of Meeting	26 October 2011
Lodgement of Prospectus with the ASIC	31 October 2011
Suspension of the Company’s securities from trading on the ASX (at the opening of trade)	28 November 2011
Annual General Meeting	28 November 2011
Closing Date under the Prospectus	1 December 2011
Company to send notice to each security holder confirming the number of securities held post-Consolidation	7 December 2011
Dispatch of holding statements – Capital Raising	7 December 2011
Settlement of Acquisitions	12 December 2011
Expected date for re-quotation on ASX	18 December 2011

Note 1 - This timetable is indicative only and subject to change. The Directors of the Company reserve the right to amend the timetable.

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

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### VENUE

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The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11:00am (WST) on 28 November 2011 at:

The George  
216 St Georges Terrace  
Perth, Western Australia

### YOUR VOTE IS IMPORTANT

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The business of the Annual General Meeting affects your shareholding and your vote is important.

### VOTING IN PERSON

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To vote in person, attend the Annual General Meeting on the date and at the place set out above.

### VOTING BY PROXY

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

#### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

#### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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**LETTER TO SHAREHOLDERS**

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Dear Shareholder

I have pleasure in presenting a notice of annual general meeting to be held on 28 November 2011 to secure the approval of shareholders for a change in the nature and scale of your company's activities from a technology software and services company to a mineral resources exploration and production company.

Shareholders will also be requested to approve a number of resolutions related to the acquisition of mining exploration projects in Chile, the consolidation of the capital of the Company, a capital raising, the issue of options, a change of name of the Company and the adoption of a new constitution.

The proposed change in the activities of the Company involves the acquisition of two prospective mining exploration projects in Chile that present Ezenet Limited (to be renamed "Oro Verde Limited") with an exciting opportunity and offers the potential of significant future growth for the Company.

I ask that you read the Notice of Meeting and attached Explanatory Statement carefully, and trust you will agree with the Board that this change of direction is a significant transformational opportunity for your Company.

Yours sincerely



**Dr Wolf Martinick**  
**Chairman and Managing Director**  
**EZENET LIMITED**  
**(To be renamed "ORO VERDE LIMITED")**

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders will be held at 11:00am (WST) on 28 November 2011 at:

The George  
216 St Georges Terrace  
Perth, Western Australia

The Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 7.00pm (Sydney time) on 26 November 2011.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

### AGENDA

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#### ORDINARY BUSINESS

##### Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

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#### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2011."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

*A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:*

- (a) *a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or*
- (b) *a Closely Related Party of such a member.*

*However, a person described above may vote on this Resolution if:*

- (c) *the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and*
- (d) *the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.*

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## 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – BRAD FARRELL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 3.3 of the Constitution and for all other purposes, Dr Brad Farrell, a Director who was appointed on 10 August 2011, retires, and being eligible, is re-elected as a Director.”*

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## 3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – ROSS O’DEA

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 3.6 of the Constitution and for all other purposes, Mr Ross O’Dea, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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## 4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 23,662,500 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 5. RESOLUTION 5 – APPROVAL FOR CHANGE IN NATURE AND SCALE OF ACTIVITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolutions 6 to 8, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change in the nature and scale of its activities from a technology software and services company to a mineral resources exploration and production company, including approval for the Company to acquire the Chuminga Project and the Vega Project on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution is passed, and any associates of those persons. However, the company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 6. RESOLUTION 6 – CONSOLIDATION OF CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolutions 5, 7 and 8, for the purpose of Section 254H of the Corporations Act, Clause 32.3 of the Constitution and for all other purposes, the issued capital of the Company be consolidated on the basis that every 3 Shares be consolidated into 1 Share and where this consolidation results in a fraction of a Share being held by a Shareholder, the Directors be authorised to round that fraction up to the nearest whole Share."*

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**7. RESOLUTION 7 – ISSUE OF SHARES TO SCM COMPANIA MINERA CHUMINGA**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolutions 5, 6 and 8, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue that number of Shares (on a post-Consolidation basis) equal to US\$300,000 divided by A\$0.15 to SCM Compania Minera Chuminga on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**8. RESOLUTION 8 – CAPITAL RAISING**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolutions 5 to 7, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 35,000,000 Shares at an issue price of \$0.20 each (on a post-Consolidation basis) raising a total of up to \$7,000,000 on the terms and conditions set out in the Explanatory Statement."*

**Voting exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**9. RESOLUTION 9 – PARTICIPATION BY WOLF MARTINICK IN CAPITAL RAISING**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolutions 5 to 8, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for Dr Wolf Martinick (or his nominee) to subscribe for up to 500,000 of the Shares to be issued pursuant to the Capital Raising the subject of Resolution 8, on the terms and conditions set out in the Explanatory Statement."*



**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Dr Martinick (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**10. RESOLUTION 10 – PARTICIPATION BY BRAD FARRELL IN CAPITAL RAISING**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolutions 5 to 8, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for Dr Brad Farrell (or his nominee) to subscribe for up to 500,000 of the Shares to be issued pursuant to the Capital Raising the subject of Resolution 8, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Dr Farrell (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**11. RESOLUTION 11 – PARTICIPATION BY ROSS O’DEA IN CAPITAL RAISING**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolutions 5 to 8, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for Mr Ross O’Dea (or his nominee) to subscribe for up to 250,000 of the Shares to be issued pursuant to the Capital Raising the subject of Resolution 8, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr O’Dea (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**12. RESOLUTION 12 – PARTICIPATION BY DAVID WARD IN CAPITAL RAISING**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolutions 5 to 8, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for Mr David Ward (or his nominee) to subscribe for up to 250,000 of the Shares to be issued pursuant to the Capital Raising the subject of Resolution 8, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Ward (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**13. RESOLUTION 13 – CHANGE OF NAME**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*“That, subject to the passing of Resolutions 5 to 8, for the purpose of Section 157(1) of the Corporations Act and for all other purposes, the name of the Company be changed to “Oro Verde Limited”. ”*

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**14. RESOLUTION 14 – ADOPTION OF A NEW CONSTITUTION**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*“That, for the purpose of Section 136(2) of the Corporations Act and for all other purposes, the Company adopts a new constitution in the form as signed by the Chairman of the Annual General Meeting for identification purposes, in lieu of the existing constitution of the Company, at the close of the Annual General Meeting.”*

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**15. RESOLUTION 15 – ISSUE OF BROKER OPTIONS TO DJ CARMICHAEL PTY LTD**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue 2,500,000 Broker Options (on a post-Consolidation basis) to DJ Carmichael Pty Ltd on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**16. RESOLUTION 16 – NON-EXECUTIVE DIRECTORS’ REMUNERATION**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Clause 10.2 of the Constitution, ASX Listing Rule 10.17 and all other purposes, approval is given for the maximum aggregate amount that may be paid to Non-Executive Directors as remuneration for their services in each financial year to be set at \$400,000, which may be divided among those Directors in the manner determined by the Board of the Company from time to time.”*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by a Director of the Company and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **Voting Prohibition Statement**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## **17. RESOLUTION 17 – ADOPTION OF OPTION PLAN**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Company to adopt the Option Plan and to issue securities under that plan on the terms and conditions summarised in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any employee incentive plan in relation to the Company) and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **Voting Prohibition Statement**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and

- (d) *the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.*

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## 18. RESOLUTION 18 - ISSUE OF OPTIONS TO WOLF MARTINICK

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolution 17, for the purpose of Section 208 of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to grant 7,500,000 Options (on a post-Consolidation basis) to Dr Wolf Martinick or his nominee under the Company’s Option Plan on the terms and conditions set out in the Explanatory Statement”.*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any employee incentive plan in relation to the Company) and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **Voting Prohibition Statement**

*A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:*

- (a) *the proxy is either:*
- (i) *a member of the Key Management Personnel; or*
  - (ii) *a Closely Related Party of such a member; and*
- (b) *the appointment does not specify the way the proxy is to vote on this Resolution.*

*However, the above prohibition does not apply if:*

- (c) *the proxy is the Chair of the Meeting; and*
- (d) *the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.*

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## 19. RESOLUTION 19 - ISSUE OF OPTIONS TO BRAD FARRELL

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolution 17, for the purpose of Section 208 of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to grant 7,500,000 Options (on a post-Consolidation basis) to Dr Brad Farrell or his nominee under the Company’s Option Plan on the terms and conditions set out in the Explanatory Statement”.*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any employee incentive plan in

relation to the Company) and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **Voting Prohibition Statement**

*A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:*

- (a) *the proxy is either:*
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) *the appointment does not specify the way the proxy is to vote on this Resolution.*

*However, the above prohibition does not apply if:*

- (c) *the proxy is the Chair of the Meeting; and*
- (d) *the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.*

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## **20. RESOLUTION 20 - ISSUE OF OPTIONS TO ROSS O'DEA**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolution 17, for the purpose of Section 208 of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to grant 500,000 Options (on a post-Consolidation basis) to Mr Ross O'Dea or his nominee under the Company's Option Plan on the terms and conditions set out in the Explanatory Statement".*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any employee incentive plan in relation to the Company) and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **Voting Prohibition Statement**

*A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:*

- (a) *the proxy is either:*
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) *the appointment does not specify the way the proxy is to vote on this Resolution.*

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 21. RESOLUTION 21 - ISSUE OF OPTIONS TO DAVID WARD

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolution 17, for the purpose of Section 208 of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to grant 500,000 Options (on a post-Consolidation basis) to Mr David Ward or his nominee under the Company’s Option Plan on the terms and conditions set out in the Explanatory Statement”.*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any employee incentive plan in relation to the Company) and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **Voting Prohibition Statement**

*A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:*

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 22. RESOLUTION 22 – ISSUE OF OPTIONS TO CONTRACTORS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 3,250,000 Options to contractors of the Company on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**23. RESOLUTION 23 – EXERCISE OF CHUMINGA OPTION**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolutions 5, 6, 7 and 8, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 8,397,190 Shares (on a post-Consolidation basis) to SCM Compania Minera Chuminga upon the exercise of the Chuminga Option on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**24. RESOLUTION 24 – EXERCISE OF SUBSCRIPTION RIGHT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolutions 5, 6, 7, 8 and 22, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 13,257,237 Shares (on a post-Consolidation basis) to SCM Compania Minera Chuminga on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**DATED: 10 OCTOBER 2011**

**BY ORDER OF THE BOARD**



**BRETT DICKSON  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 11:00am (WST) on 28 November 2011 at:

The George  
216 St Georges Terrace  
Perth, Western Australia

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.ezenet.com.au](http://www.ezenet.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2012 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting (**Spill Meeting**) within 90 days of the Company's 2012 annual general meeting. All of the Directors who were in office when the Company's 2012 Directors' report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ended 30 June 2011.



A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

## 2.2 Proxy Restrictions

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or any Closely Related Party of that member as your proxy to vote on this Resolution 1, *you must direct the proxy how they are to vote*. Where you do not direct the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or Closely Related Party of that member on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 1.

## 2.3 Definitions

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2011.

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## 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – BRAD FARRELL

Clause 3.3 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Dr Brad Farrell was appointed as a Director on 10 August 2011 and will retire in accordance with clause 3.3 of the Constitution and, being eligible, seeks re-election.

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#### 4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – ROSS O’DEA

Clause 3.6 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third, shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 3.6 of the Constitution is eligible for re-election.

The Company currently has four Directors and accordingly one must retire.

Ross O’Dea, the Director longest in office since his last election, retires by rotation and seeks re-election.

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#### 5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES

##### 5.1 General

On 10 June 2011, the Company issued 23,662,500 Shares to institutional and sophisticated investor clients of DJ Carmichael Pty Ltd at an issue price of \$0.04 per Share to raise \$946,500.

None of the subscribers pursuant to this issue were related parties of the Company.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Share Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

##### 5.2 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 23,662,500 Shares were allotted;

- (b) the issue price was \$0.04 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. In accordance with Appendix 9B of the ASX Listing Rules, it is likely that ASX will apply escrow provisions to some of the Shares issued under Resolution 4. As at the date of this Notice of Meeting, ASX has not made a determination in this regard but expects to do so prior to any final approval for the reinstatement of the Company's securities on ASX;
- (d) the Shares were allotted and issued to institutional and sophisticated investor clients of DJ Carmichael Pty Ltd, none of whom were related parties of the Company; and
- (e) the funds raised from this issue were used for working capital purposes.

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## **6. RESOLUTION 5 – APPROVAL FOR CHANGE IN NATURE AND SCALE OF ACTIVITIES**

### **6.1 Overview of change of activities**

Ezenet is a public company listed on the official list of the ASX (ASX code: EZE).

The Company has until recently operated as an Australian based technology software and services company, marketing and selling technology enabling access to the internet via television sets.

As first announced to ASX on 2 June 2011, Ezenet intends to change the nature and scale of its activities to focus on copper and gold exploration in Chile.

Accordingly, Resolution 5 seeks approval from Shareholders for a change in the nature and scale of the activities of the Company from a technology software and services company to a mineral resources exploration and production company together with authority to be given to the Company's Board of Directors to acquire the Chuminga and Vega Projects in accordance with the terms of the relevant agreements. The acquisition of the Chuminga and Vega Projects and the Company's intention to focus the Company's direction on mining exploration activities in Chile constitutes a significant change in the nature and scale of the Company's activities, and consequently requires approval pursuant to ASX Listing Rule 11.1.2.

Shareholders should note that the passing of Resolution 5 is conditional upon Resolutions 6, 7 and 8 also being passed.

### **6.2 ASX Listing Rule 11.1**

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and

- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the Company were applying for admission to the official list of ASX

ASX has indicated to the Company that, given the significant change in the nature and scale of the activities of the Company upon completion of the acquisition of the Initial Interest in Chuminga Project and the acquisition of the Vega Project, it requires the Company to:

- (a) obtain the approval of its Shareholders for the proposed change of activities; and
- (b) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under ASX Listing Rule 11.1.2.

### **6.3 Acquisition of Chilean Assets**

#### ***Chuminga Project***

As announced to ASX on 2 June 2011, Ezenet, through its wholly owned Chilean subsidiary company, Green Mining Ltda (**Green Mining**), has entered into a sale and purchase agreement (**Chuminga Acquisition Agreement**) (summarised in Section 6.4 below) with a Chilean company, SCM Compania Minera Chuminga (**SCM**), to purchase certain Chilean mining exploration concessions (**Mining Concessions**) held by SCM. Specifically, the Mining Concessions contain the Chuminga Project, a copper and gold project located on the north coast of Chile, 115 kilometres south of the port city of Antofagasta.

In consideration of the acquisition of an initial 20% interest in the Mining Concessions, Green Mining has paid to SCM US\$1,000,000 in cash and the Company, subject to securing Shareholder approval, will allot to SCM that number of Shares equal to US\$300,000 divided by A\$0.05. In consideration of the acquisition of the final 80% interest in the Mining Concessions, Green Mining will pay to SCM US\$5,000,000 in either cash or a combination of cash and Shares. Full details of the consideration payable are set out in Section 6.4 below.

Information regarding the Chuminga Project and the Chuminga Mining Concessions is set out in Section 6.5 below and in the Independent Geologist's Report in Appendix 1.

#### ***Vega Project***

As announced to ASX on 10 June 2011, Ezenet, through its subsidiary company, Green Mining, has entered into a sale and purchase agreement (**Vega Acquisition Agreement**) (summarised in Section 6.6 below) with Compania Calcia Limitada (**CCL**) to acquire the Vega Project comprising 10 gold exploration Mining Concessions covering an area of 28 square kilometres, located 22 kilometres north of the El Indio Gold Mining Centre in the Fourth Region of Chile (**Vega Mining Concessions**).

In consideration of the acquisition of a 100 % interest in the Vega Project, Green Mining will pay CCL the sum of US\$40,000 on a non-refundable basis, further cash payments on the anniversary of settlement of the Vega Acquisition Agreement, and a 3% net smelter royalty together with the right to buy out the Royalty. Full details of the consideration payable are set out in Section 6.6 below.

Information regarding the Vega Project and the Vega Mining Concessions is set out in Section 6.7 below and in the Independent Geologist's Report in Appendix 1 to this Notice of Meeting.

The information in this Notice of Meeting that relates to Exploration Results is based on information compiled by Dr Brad Farrell who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Farrell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Dr Farrell consents to the inclusion in this Notice of Meeting of the matters based on his information in the form and context in which it appears.

#### 6.4 Summary of Chuminga Acquisition Agreement

Pursuant to the Chuminga Acquisition Agreement (as amended by the parties on 26 July 2011), from 30 June 2011 Ezenet has the right to acquire a 100% interest in the Chuminga Project (through its wholly owned subsidiary, Green Mining) for a total consideration of US\$6,300,000 on the following key terms:

- (a) **(Acquisition of 20% interest)**: Subject to Ezenet obtaining Shareholder approval for the purpose of ASX Listing Rule 11.1.2, the Company shall acquire a 20% interest in the Chuminga Project (**Initial Interest**) in consideration for:
  - (i) a cash payment of US\$1,000,000 (which was paid by Ezenet on 30 June 2011 (**Initial Payment Date**)); and
  - (ii) US\$300,000 in Ezenet Shares (at an issue price of A\$0.05 per Share, on a pre-Consolidation basis).

From the Initial Payment Date, Ezenet shall have the right to carry out further due diligence on the Chuminga Project and such further exploration as it deems necessary over a period of 18 months;

- (b) **(Option to acquire 80% interest)**: Upon acquiring the Initial Interest in the Chuminga Project, the Company shall have the option to acquire the remaining 80% of the Chuminga Project within 18 months from the Initial Payment Date (**Chuminga Option**) for a consideration of US\$5,000,000 payable, at SCM's election, in cash or a combination of cash and Ezenet Shares (at a deemed issue price of A\$0.05 per Share on a pre-Consolidation basis), provided that the maximum number of Shares which SCM may hold upon the exercise of the Chuminga Option (including any Shares issued in consideration for the Initial Interest) is 31,423,458 Shares (on a pre-Consolidation basis) (**Maximum Scrip Consideration**);
- (c) **(Subscription Right)**: if, after the Company has exercised the Chuminga Option and provided that SCM elected to acquire the Maximum Scrip Consideration upon the exercise of the Chuminga Option, SCM holds less than 19.9% of the issued share capital of the Company SCM may, subject to the parties obtaining any requisite approvals or waivers, subscribe for Ezenet Shares to achieve a shareholding of 19.9% of the Company at a price per Share equal to 90% of the volume weighted average price of Ezenet Shares traded on ASX over the 10 trading days prior to the date upon which the Company exercises the Chuminga Option;

- (d) **(Non-production payment)** If Ezenet exercises the Chuminga Option, and the Chuminga Project is not in production by 31 December 2018, Ezenet must pay SCM US\$250,000 annually commencing on 1 January 2019 and ending upon the commencement of production from the Chuminga Project; and
- (e) **(Royalty):** Ezenet shall pay SCM a royalty of 1% of the net smelter return from the Chuminga Project.

## 6.5 The Chuminga Project

The Chuminga Project is located on the Pacific coast of Chile, about 115 kilometres south of the port city of Antofagasta within a region containing large, world class copper mines, such as Mantos Blancos, Chuquicamata and Escondida. It comprises two granted exploitation concessions (Chumi 1 and Chumi 2) covering an area of 600 hectares, plus an adjoining exploitation concession application (Chumi 3) of a further 300 hectares.

A road accessing the key exploration targets of the Chuminga Project is being constructed and is anticipated to be completed in late October 2011. The Chuminga Project is a well mineralised hydrothermal copper-gold stock work breccia developed at a coastal location on the western contact of a gabbro-diorite stock on a mountain side at 500 metres to 600 metres above sea level. The mineralized body is generally tabular, dipping 60° to 70° to the east, and from various reports, has the following dimensions; a width of 60 metres to 150 metres and a 800 metre to 1,200 metre strike in a north-south direction. Sericite-chlorite-amphibole-magnetite-haematite-tourmaline alteration forms a halo around a central copper mineralized core. Mineralisation consists of a sulphide association dominated by chalcopyrite-chalcocite-incipient bornite with pyrrhotite-pyrite-sphalerite-magnetite which is present as disseminations and fracture fillings. These sulphides have been oxidized to both iron oxides (haematite-goethite-limonite) and copper oxides (atacamite-chrysocolla) which occurs in fracture fillings.

The project has been prospected by surface trenching on an outcrop area measuring 250 metres by 100 metres between 550 metres to 600 metres above sea level. The weighted average results of the three trenches being 1.21% Cu; 0.41g/t Au and 3 g/t Ag. Most of the recognized mineralized strike of the body is scree covered as rock debris is continually moving down a 40° mountain slope. The trenching results led to prospecting of the mineralised breccia by tunnels at 520m and 460m above sea level below the outcrop area. These tunnels did not transect the full width of the mineralized breccia. Weighted average sampling results returned were 115 metres @ 0.90% Cu and 0.48g/t Au for the upper level. Subsequent re-sampling has indicated an increase in weighted mean values for the body to 1.4% Cu, 0.40g/t Au and 1% Zn.

Expectation based on prospecting to date is an exploration target of 50 to 60 million tonnes of 1.0 to 1.1% Cu; 0.30 to 0.40g/t Au; 0.9% to 1.0% Zn. The potential quantity and grade of this 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.

Further information relating to the Chuminga Project is set out in the Independent Geologist's Report in Appendix 1 to this Notice of Meeting.

## 6.6 Summary of Vega Acquisition Agreement

Pursuant to the Vega Acquisition Agreement (as amended by the parties on 21 July 2011), Ezenet has the right to acquire a 100% interest in the Vega Project (through its wholly owned subsidiary, Green Mining) on the following key terms:

- (a) Settlement of the acquisition of the Vega Project is conditional upon:
  - (i) the Company obtaining all necessary shareholder approvals required by the Corporations Act and ASX Listing Rules in relation to the transaction (including Shareholder approvals for the purpose of ASX Listing rule 11.1.2 in respect of the change of activities, and Section 254H of the Corporations Act in respect of the Consolidation);
  - (ii) 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;
  - (iii) the Company completing due diligence on the exploration concessions to its satisfaction; and
  - (iv) the parties obtaining all necessary government approvals.
- (b) The consideration payable for the acquisition of the Vega Project is as follows:
  - (i) 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:
    - (A) all mining exploration taxes outstanding at the date of execution of the Agreement (approximately US\$5,000); and
    - (B) US\$20,000 in cash,(such amounts having been paid by the Company in July 2011);
  - (ii) on the earlier of the date of settlement of the Vega Acquisition Agreement (**Vega Settlement Date**) or 15 August 2011, payment of US\$20,000 in cash on a non refundable basis (such amount having been paid on 15 August 2011);
  - (iii) 12 months after the Vega Settlement Date:
    - (A) US\$50,000 cash; and
    - (B) US\$50,000 in cash or Ezenet Shares in such proportions as Ezenet may elect in its sole discretion; and
  - (iv) subject to paragraph (v) below, on every anniversary of the Vega Settlement Date (with effect from the date two years after the Vega Settlement Date):
    - (A) 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,

- (B) 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);
  - (v) subject to Ezenet's right to make payment in full satisfaction of its obligations as outlined in paragraph (c) below, the payments due in terms of paragraphs (iii) and (iv) above shall be payable until the Royalty referred to in paragraph (vi) on an annualised basis is equal to or exceeds the annual payments referred to in paragraphs (iii) and (iv) above; and
  - (vi) subject to Ezenet's right to make payment in full satisfaction of its obligations as outlined in paragraph (c) below, a royalty payable on a quarterly basis equal to 3% of the net smelter return derived from the Vega Mining Concessions in any quarter from the beginning of production.
- (c) Ezenet has the right at any time after the Vega Settlement Date to make a payment of US\$3,000,000 in full and final satisfaction of its obligations under the Vega Acquisition Agreement.

## 6.7 The Vega Project

The Vega Project covers an area of 28 square kilometres, 22 kilometres 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 (**Barrick**), the dominant miner in the region.

The Vega Project is about 20 kilometres north of the famous, now closed, El Indio Gold Mining Centre owned by Barrick. El Indio 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. Barrick mined 16.8 million tonnes of ore at an overall recovered grade of 8.33 g/t gold, 46.3 g/t silver and 2.81% copper. El Indio was famous for its production of direct shipping ore in the beginning of its mining life, when 190,000 tonnes of ore produced 1.2 million ounces of gold at an overall average grade of 6.3 ounces of gold per tonne.

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.

Further information relating to the Vega Project is set out in the Independent Geologist's Report in Appendix 1 to this Notice of Meeting.

## **6.8 Mining Tenure in Chile**

Set out below is a description of the legislative and regulatory regime for mining in Chile. For further details, including details regarding the status of the Chuminga Concessions and the Vega Concessions, please refer to the Solicitor's Report on Mining Concessions contained in Appendix 2 to this Notice.

### ***Overview***

A mining concession is a *real* property right conferred by the State to explore or exploit licensable mineral substances found within the area of the concession. The mining concession is independent from ownership of the surface land, enforceable against the State and any other person, and capable of being transferred, mortgaged and subject to any other act or agreement.

Mining concessions are regulated by the Constitutional Organic Law on Mining Concessions and the Mining Code.

In Chile, there are two kinds of mining concessions: for exploration and exploitation claims.

### ***Exploration concessions***

An exploration concession is a right granted for a limited term (two periods of two years as from the date court decision establishing such concession), which grants to its holder (within its corresponding territorial extension) the exclusive rights to investigate the existence of grantable mineral substances and to request one or more mining exploitation concessions.

The constitution of an exploration concession is started by a writ called a "pedimento" (petition).

An exploration concession may have a maximum area of 5,000 hectares, and a minimum area of 100 hectares.

The initial term of an exploration concession is two years from the date of the court order granting the concession. The holder may apply for a second term of two years provided that 50% of the initial area is abandoned upon renewal.

### ***Exploitation concessions***

A mining exploitation concession is a right of indefinite duration, which grants to the holder the exclusive rights of investigating the existence of grantable mineral

substances, extracting such grantable mineral substances and becoming the owner of such substances.

The constitution of an exploitation concession starts by lodgement of an application known as a "manifestacion" (manifest or exposure).

An exploitation concession may have a minimum area of one hectare and maximum area of one thousand hectares.

### ***Grant of mining concessions***

Mining concessions are granted by a judicial decision rendered by a competent court of justice in the context of a non-contentious proceeding filed with such court. The purpose of such proceeding is to identify, define and create the concession, whether for exploration or exploitation.

The judgement that constituted the mining concession must be registered, after its publication in the pertinent Official Mining Bulletin, within the term of 120 days as of the date when it was granted, in the Custodian of mines of the place where the concession is located.

Once these procedures are completed, the concession holder will be entitled to all the rights that the law grants the owners of a mining concession.

### ***Fees***

The holder of a mining concession must pay an annual fee (mining patent) to maintain ownership of the concession, calculated on UTM (Tax Monthly Unit).

Fees are payable at the rate of:

- (a) 1/50<sup>th</sup> of a UTM per hectare for exploration concessions; and
- (b) 1/10<sup>th</sup> of a UTM per hectare for exploitation concessions.

If the holder of a mining concession fails to pay the mining patent by the due date, the Chilean Treasury has the right to commence legal proceedings to obtain such payment by sale of the mining concession in a public auction. The statute of limitation for pursuing such payment is three years commencing from April 1 of the year in which the mining payment should have been paid.

In addition to the annual fees, the applicant must pay a fee to the court within 30 days after the date on which the mining petition or mining claim has been lodged with the court. Failure to pay this fee may result in termination of the corresponding constitution proceeding.

### ***Agreements over mining concessions***

Mining concessions (being exploration or exploitation concessions), as well as mining petitions or claims, are real property rights, capable of being transferred or mortgaged, and may be subject to any acts or agreements.

The Mining Code also specifically permits an option to be granted over any rights governed by the Mining Code. Option agreements must be granted by a public deed registered in the corresponding Mines Conservator. Once an option agreement is granted, it must be honoured by the grantor and also any third party such that if the grantor executes an agreement affecting or limiting the tenure, possession or ownership of the assets covered by the option while the

option is pending, such act shall be considered null and void once the option is exercised. An option agreement creates an encumbrance over the assets granted in the option.

To exercise an option, the grantee declares by public deed that it accepts the option agreement and the grantee does not require any further consent from the grantor.

### ***Grounds for annulment of a mining concession***

An action to declare a mining concession void may be filed by any person with an interest in the affected area within a 4 year period commencing from the publication of the excerpt of the court award that granted the concession.

If this 4 year period elapses without an annulment action having been brought before the court, the right to pursue such an action ceases in accordance with the statute of limitations.

The Mining Code also provides that the holder of a mining petition, exploration concession or exploitation concession may, under certain circumstances, be entitled to oppose the constitution of mining exploitation concessions that overlap their petition or concession. If such oppositions are not filed, the petition or concession holder will forfeit the preferential rights granted by the law in the corresponding area.

### ***Rights of access to the surface of land***

Owners of mining concessions are entitled to require rights of way over surface land and other mining concessions owned by third parties for the exclusive purpose of facilitating mineral exploration and exploitation on their concessions, subject to the payment of compensation to the third party. This access may be agreed upon by the interested parties, or, failing agreement, by virtue of a court decision.

### ***Water rights***

The holder of a mining concession has the right to use the water resources found while developing the concession, but only for the purposes of the exploration or exploitation on the concession. In the event that no water resources are found on the concession, a water source may be obtained by securing water rights from the State of Chile in accordance with the terms and conditions provided by the law, or by purchasing water rights from third parties.

### ***Environmental and administrative authorizations***

All mining works require the following administrative authorizations:

- (a) in accordance with the environmental legislation in Chile, any mining activity that moves more than 5,000 tonnes per month, or which produces significant changes to the area or that forces people living there to be relocated, shall be obliged to submit an Environmental Impact Declaration or an Environmental Impact Study, which must be approved by the corresponding Regional Environmental Authorities (COREMA). If water is used in the process, as it would be for gold or copper production, the declaration will be an Environmental study and the time frame for it to be approved is not less than a year. If the production is under 5,000 tonnes a month, the only permits needed will be sectorial permits, such as, transport permits;

- (b) the National Service of Geology and Mining (SERNAGEOMIN) must be notified at the onset of any mining activities that involve either exploration, mining or smelting minerals. This notification must contain information regarding the location of the deposits, the holder of the concession, the type of work to be performed, the number of workers and supervisors, the use of machinery and vehicles for transporting material and personnel, the use of electricity and any communications systems, what fuels will be used and how they will be stored and disposed of, the same regarding explosives, where mining waste will be disposed of and the hygienic conditions of the works;
- (c) they must comply with labour regulations regarding employment contracts, occupational health and safety, and hygiene;
- (d) they must comply with the municipal regulations as regards the payment of patents; and
- (e) they must request an authorization from the General Water Board if tailings tanks with a capacity of over 50,000 cubic metres or whose walls are over 5 metres high are to be used in the operations.

### ***Foreign investment in Chile***

Foreign investment in Chile is characterized by clear, non-discriminatory and non-discretionary rules. The rules ensure that all people, regardless of their nationality are “to be treated by the State and its bodies in economic matters without arbitrary discriminations”.

Therefore, foreign investors have the same rights and guarantees as local investors. The principle of non-discretionary treatment governs the activities in every economic sector and is based on the existence of clear, well-known and transparent rules, which assure foreign investors that they will be treated fairly and impartially.

Foreign investors in Chile can own up to 100% of a Chilean company, and there is no time limit on property rights. They also have free access to all productive activities and sectors of the economy, except for a few restrictions in areas that include fishing, air transport and communications.

## **6.9 Pro-forma capital structure**

<b>Shares</b>	<b>Number</b>
Shares on issue as at the date of this Notice	181,569,497
<b>Total Shares before Consolidation</b>	<b>181,569,497</b>
<b>Total Shares after 1 for 3 Consolidation<sup>1</sup></b>	<b>60,523,166</b>
Issue of Shares to SCM for acquisition of Initial Interest <sup>2</sup>	2,077,296
Issue of Shares pursuant to Capital Raising <sup>3</sup>	35,000,000
<b>Total Shares on issue on completion of Capital Raising</b>	<b>97,600,462</b>
Issue of Shares to SCM upon exercise of Chuminga Option <sup>4</sup>	8,397,190
Issue of Shares to SCM pursuant to the Subscription Right <sup>5</sup>	13,257,237
<b>Total Shares on issue after exercise of Option and Subscription Right</b>	<b>119,254,889</b>

<b>Options</b>	<b>Number</b>
Options on issue as at the date of this Notice	Nil
<b>Total Options after 1 for 3 Consolidation</b>	<b>Nil</b>
Issue of Broker Options to DJ Carmichael <sup>6</sup>	2,500,000
Issue of Options to Directors, employees and consultants <sup>7</sup>	21,750,000
<b>Total Options on issue after completion of change of activities<sup>8</sup></b>	<b>24,250,000</b>

Notes:

1. Refer to Section 7 of this Explanatory Statement for details of the Consolidation.
2. These Shares relate to the acquisition of the initial 20% interest in the Chuminga Project, and are proposed to be issued on a pre-Consolidation basis. The consideration for this acquisition is US\$300,000, to be satisfied by the issue of Shares at A\$0.05 per Share on a pre-Consolidation basis, or A\$0.15 on a post-Consolidation basis. The figure of 2,077,296 is based on a USD/AUD exchange rate of 0.96279, being the prevailing exchange rate as at 3 October 2011. The actual number of Shares issued to SCM may vary as a consequence of a fluctuation in the USD/AUD exchange rate between 3 October 2011 and the date of issue of the Shares.
3. Assumes that the Capital Raising is fully subscribed and Capital Raising Shares are issued on a post Consolidation basis.
4. This figure is expressed on a post Consolidation basis. Refer to Section 18 of this Explanatory Statement for details of the Chuminga Option.
5. This figure is expressed on a post Consolidation basis. Refer to Section 19 of this Explanatory Statement for details of the Subscription Right.
6. This figure is expressed on a post Consolidation basis. Refer to Section 13 of this Explanatory Statement for details of the Broker Options.
7. This figure is expressed on a post Consolidation basis. Subject to Resolution 17 being passed, the Board proposes to issue a total of 21,750,000 Options to key directors, executives, personnel and consultants of the Company, including 16,000,000 Options to related parties of the Company. Refer to Sections 15 and 16 of this Explanatory Statement for further details of the issue of Options to related parties.
8. As announced to ASX on 4 October 2011, the Company intends to make a non-renounceable issue of options to all Shareholders who are registered at the record date approximately 3 months after the date upon which the Company is re-admitted to the Official List. The Board presently intends to make the offer on the basis of 1 option for every 2 Shares held on the record date, at a price of 1 cent per option, with the options to be listed and exercisable at \$0.20 on or before 31 December 2013. Further details regarding the proposed issue will be announced to ASX in due course.

## 6.10 Indicative timetable

The anticipated timetable for the Company's change of activities under the ASX Listing Rules, the settlement of the acquisition of the Initial Interest in the Chuminga Project, the settlement of the acquisition of the Vega Project, and the balance of the matters referred to above, is set out below<sup>1</sup>.

<b>Event</b>	<b>Date</b>
Dispatch Notice of Meeting	21 October 2011
Lodgement of Prospectus with the ASIC	31 October 2011
Suspension of the Company's securities from trading on the ASX (at the opening of trade)	28 November 2011

Annual General Meeting	28 November 2011
Closing Date under the Prospectus	1 December 2011
Company to send notice to each security holder confirming the number of securities held post-Consolidation	7 December 2011
Dispatch of holding statements – Capital Raising	7 December 2011
Settlement of Acquisitions	12 December 2011
Expected date for re-quotations on ASX	18 December 2011

Note 1 - This timetable is indicative only and subject to change. The Directors of the Company reserve the right to amend the timetable.

### 6.11 Advantages of the Acquisitions

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolutions 5 - 8:

- (a) The mineral resources exploration and production activities in Chile represent a significant growth opportunity for the Company in the established copper and gold mining regions of Chile.
- (b) The Chuminga Copper/Gold Project in particular is a reasonably well advanced project with very promising historical exploration results that could be confirmed by the initial drilling program.
- (c) The Company has established close ties with the highly respected Errazuriz Hochschild Chilean Mining Group which holds significant mining and mineral treatment operations in Chile and has the right, upon the Company acquiring a 100% interest in the Chuminga Project, to take up a 19.9% equity position in the Company.
- (d) The Board of Directors will provide an experienced set of skills to guide the growth of the Company.
- (e) The Company has established a business presence in Santiago, the capital of Chile, through its wholly owned subsidiary company Green Mining Ltda, and will employ experienced management to operate its business in Chile.
- (f) The Company has two projects in Chile that offer opportunities for considerable growth in two commodities – gold and copper – that are very much in demand worldwide.
- (g) The change of activities by the Company includes the opportunity to undertake a significant capital raising that will enable the Company to properly conduct its exploration programs in Chile.
- (h) The acquisition of potentially valuable mineral projects in Chile provides the Company with the opportunity, upon successful drilling results being achieved, to substantially increase the value of the Company.

- (i) The Consolidation of the Company's capital structure will result in greater value for Shareholders and investors.

## **6.12 Disadvantages of the Acquisitions**

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolutions 5 - 8:

- (a) The Acquisitions and Capital Raising will result in the issue of Shares to SCM Minera Chuminga and to new investors, which will have a dilutionary effect on the current holdings of Shareholders.
- (b) There are risks associated with the change of nature of the Company's activities and with the Acquisitions, which are detailed in section 6.13 below.
- (c) In the event that initial drilling at the Chuminga Project and Vega Project is successful, the Company will need to raise further funds to meet future drilling expenditure.
- (d) The Acquisitions involve future financial commitments to the vendors which will need to be financed by the Company from the Capital Raising or through further capital raisings in the future.

## **6.13 Risk factors**

There are a number of risks that the Company will be exposed to following the proposed change of the nature and scale of its activities contemplated by Resolution 5. These risks may adversely affect the Company's financial position, prospects and price of its listed securities. In particular, the Company is subject to risks relating to the exploration and development of the Mining Concessions which are not generally associated with other businesses.

Set out below are specific risks that may adversely affect the Company.

### ***Risks relating to the change in nature and scale of activities***

#### **Re-Quotation of Shares on ASX**

The acquisition of the Chuminga Project and Vega Project constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.

#### **Counterparty and Contractual Risk**

Pursuant to both the Chuminga and Vega Acquisition Agreements (summarised above) the Company has agreed to acquire 100% of each of the two projects subject to the fulfilment of certain conditions precedent, including the Company

re-complying with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX.

The ability of the Company to achieve its stated objectives will depend on the performance by SCM and CCL of their respective obligations under these agreements. If SCM and CCL or any other counterparty defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy.

Legal action instituted in Australia or overseas can be costly. Furthermore, the Chuminga and Vega Acquisition Agreements are governed by laws of jurisdictions outside Australia. There is a risk that the Company may not be able to seek the legal redress that it could expect under Australian law, and generally there can be no guarantee that a legal remedy will ultimately be granted on the appropriate terms.

### ***Risks relating to the Company's operations***

#### **Exploration Risks**

The business of mineral exploration involves risks by its very nature. To prosper, it depends on the successful exploration appraisal and development of economic reserves.

The outcome of exploration programs will affect the future performance of the Company and its Shares. Exploration operations may be curtailed or shut down for considerable periods of time due to any of the following factors:

- (a) disruptions to the transport chain;
- (b) government regulation; and
- (c) force majeure.

These curtailments may continue for a considerable period of time resulting in a material adverse effect on the results of operations and financial condition of Ezenet.

Further, the exploration for and production of minerals involves certain operating hazards, such as:

- (a) failure and or breakdown of equipment;
- (b) adverse geological, seismic and geotechnical conditions;
- (c) industrial accidents;
- (d) labour disputes;
- (e) adverse weather conditions;
- (f) pollution; and
- (g) other environmental hazards and risks.

Any of these hazards could cause the Company to suffer substantial losses if they occur.



The future exploration activities of the Company may not be successful. Unsuccessful exploration activities could have a material adverse effect on the results of operations and financial condition. Although the Company has identified an initial exploration target at the Chuminga Project of 50 to 60 million tonnes of 1.0 to 1.1% Cu; 0.30 to 0.40g/t Au; 0.9% to 1.0% Zn, it cannot guarantee that it will be able to commence production from the target.

The potential quantity and grade of these copper and gold minerals targets within the Chuminga and Vega Projects is conceptual at present as there has been insufficient exploration to define mineral resources, and it is uncertain whether further exploration will result in the delineation or discovery of mineral resources within either of the Projects. Therefore, there is no guarantee that exploration activities will lead to commercial mining operations.

### **Licence applications and renewal risk**

The Mining Concessions are located in Chile. The licences are subject to applications for renewal or grant (as the case may be). The renewal or grant of the terms of each licence is usually at the discretion of the relevant government authority. Additionally, licences are subject to a number of specific legislative conditions. The inability to meet these conditions could affect the standing of a licence or restrict its ability to be renewed.

If a licence is not renewed or granted, the Company may suffer significant damage through the loss of opportunity to develop and discover mineral resources on that licence.

### **Environmental risk**

The Chuminga and Vega Projects are subject to rules and regulations regarding environmental matters including obtaining the approval of an environmental impact study or assessment depending on location and impacts. As with all mineral projects, the Chuminga and Vega Projects are expected to have a variety of environmental impacts should development proceed. Development of the Projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's costs of doing business or affect its operations in any area.

### **Seismic risk**

Chile lies adjacent to the convergent boundary between the Nazca and South American tectonic plates. As such it is subject to frequent seismic activity and is home to numerous active volcanoes.

The Chuminga and Vega Projects are potentially at risk from future seismic and volcanic events.

### **Sovereign risks**

While Chile is considered to be one of South America's most politically stable and prosperous nations, it may nevertheless be subject to social and economic uncertainty. Civil and political unrest and outbreaks of hostilities in Chile could

affect the Company's access to the Chuminga and Vega Projects and subsequent exploration and development.

Adverse changes in government policies or legislation in Chile affecting foreign ownership of mineral interests, taxation, profit repatriation, royalties, land access, labour relations, and mining and exploration activities may affect the operations of the Company.

### **Commodity price fluctuations**

In the event of exploration and development success, any future revenue derived through any future sales of copper and/or gold exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, forward selling by producers and the level of production costs in major commodity-producing regions. Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities.

### **Exchange rate fluctuations**

The expenditure of the Company is and will be taken into account in Australian, US and Chilean currencies, exposing the Company to the fluctuations and volatility of the rates of exchange between the US dollar, the Australian dollar and the Chilean peso as determined in international markets.

### ***General risks***

#### **Economic Risks**

Factors such as inflation, currency fluctuations, interest rates, supply and demand of capital and industrial disruption have an impact on business costs, commodity prices and stock market prices. The Company's operating costs, possible future revenues and future profitability can be affected by these factors, which are beyond the control of the Company.

#### **Regulatory Risk**

The Company's proposed mining operations and exploration and development activities are subject to extensive laws and regulations relating to numerous matters, including various resource licence consent conditions pertaining to environmental compliance and rehabilitation, taxation, social and labour relations, health and worker safety, waste disposal, water use, protection of the environment, successful land claims and heritage matters, protection of endangered and protected species and other matters. The Company regularly requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company may not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In

extreme cases, failure could result in suspension of the Company's activities or forfeiture of mining concessions.

### **Potential Acquisitions**

As part of its business strategy, the Company intends to make acquisitions of, or significant investments in, complementary companies or projects. Any such future transactions would be accompanied by the risks commonly encountered in making such acquisitions.

### **Reliance on Key Personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

### **Estimates of Copper and Gold Mineralisation**

The copper and gold mineralisation estimates for the Chuminga and Vega Projects are estimates only and no assurance can be given that an identified copper or gold mineralisation will ever qualify to be commercially mineable ore bodies that can be economically exploited or that any particular yield of copper or gold from copper or gold reserves will in fact be realised. The Company's estimates comply with the JORC Code. However, copper and gold mineralisation estimates are expressions of judgment based on knowledge, experience and industry practice.

The estimating of copper and gold mineralisation is a subjective process and the accuracy of estimates is a function of the quantity and quality of available data and the assumptions used and judgments made in interpreting engineering and geological information. There is significant uncertainty in any mineralisation estimate and the actual deposits encountered and the economic viability of mining a deposit may differ materially from the Company's estimates. The exploration of copper and gold is speculative in nature and is frequently unsuccessful.

Market price fluctuations for copper and gold, increased production costs or reduced yields, or other factors may render the copper and gold deposits of the Company uneconomical or unprofitable to develop at a particular site or sites.

### **Mine Development**

The Company's ability to commence production is dependent upon the successful outcome of exploration activities on the Chuminga and Vega Projects and the receipt of regulatory operations to commence mining. There is no guarantee that any prospecting right in which the Company has an interest will be commercially feasible. If the Company is unable to develop new copper or gold resources, it will not be able to meet its planned production levels. Reduced production or non commencement of production could have a material adverse effect on future cash flows, results of operations and the financial condition of the Company.

Feasibility studies are used to determine the economic viability of a deposit. Many factors are involved in the determination of the economic viability of a deposit, including the achievement of satisfactory copper and gold reserve estimates, the level of estimated copper and gold yields, capital and operating

cost estimates and the estimate of future copper and gold prices. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and yields to be mined and processed, the configuration of the ore body, ground and mining conditions and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties and as a result, the Company cannot give any assurance that its development or exploration projects will become operating mines. If a mine is developed, actual operating results may differ from those anticipated in a feasibility study.

### **Environmental Health and Safety Matters**

The Company's exploration and future mining (if any) operations will be subject to extensive Chilean health and safety and environmental laws and regulations which could impose significant costs and burdens on the Company (the extent of which cannot be predicted). Financial provision for the estimated costs of rehabilitating disturbances caused by prospecting and mining activities must be provided to the National Service for Geology and Mining (or SERNAGEOMIN) and the Regional Environmental Authority (or COREMA) over the life of the operation. These laws and regulations provide for penalties and other liabilities for violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety and environmental laws and regulations and even permanently in the case of extreme breaches.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of copper and gold exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. The Company's proposed operations have been designed to comply with known or reasonably predictable conditions, however, it is not possible to predict all prevailing conditions that may affect the Company's operations at all times in the future. Events, such as unpredictable rainfall may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

Approvals are required for rehabilitation or mine closure plan that establishes the Company's obligation to rehabilitate the land after copper and gold have been mined from the site. Rehabilitation by the Company of its exploration and mining sites takes place both during and after the active life of exploration and mining activities.

## **Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Company's securities.

### **6.14 Directors' recommendation**

The Directors' believe that the proposed change of activities is in the best interests of Shareholders and recommend that Shareholders vote in favour of Resolutions 5 to 8.

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## **7. RESOLUTION 6 – CONSOLIDATION OF CAPITAL**

### **7.1 Background**

The Directors are seeking Shareholder approval to consolidate the number of Shares on issue on a 1 for 3 basis. The Consolidation of the capital structure of the Company is necessary for the Company to meet the requirements of Chapters 1 and 2 of the ASX Listing Rules.

Section 254H of the Corporations Act provides that a company may, by a resolution passed in a general meeting of shareholders, convert all or any of its shares into a larger or smaller number of shares.

If Resolution 6 is passed, the number of Shares on issue will be reduced from 181,569,497 to approximately 60,523,166.

As from the effective date of the Resolution (being the date of the Annual General Meeting ), all holding statements for Shares will cease to have any force and effect, except as evidence of entitlement to a certain number of post-Consolidation Shares. After the Consolidation becomes effective, the Company will arrange for new holding statements to be issued to Shareholders.

### **7.2 Fractional entitlements and taxation**

Not all Shareholders will hold that number of Shares which can be evenly divided by the consolidation ratio. Where a fractional entitlement occurs, the Directors will round that fraction up to the nearest whole Share.

It is not considered that any taxation consequences will exist for Shareholders arising from the Consolidation. However, Shareholders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, the Directors, nor the Company's advisers accept any responsibility for the individual taxation consequences arising from the Consolidation.

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## **8. RESOLUTION 7 – ISSUE OF SHARES TO SCM COMPANIA MINERA CHUMINGA**

### **8.1 General**

Resolution 7 seeks Shareholder approval for the allotment and issue of approximately 1,780,540 Shares (on a post-Consolidation basis) at a deemed issue price of A\$0.15 per Share to SCM as part consideration for acquisition of the 20% Initial Interest in the Chuminga Project pursuant to the Chuminga Acquisition Agreement. In accordance with Appendix 9B of the ASX Listing Rules, it is likely that ASX will apply escrow provisions to all of the Shares issued under Resolution

7. As at the date of this Notice of Meeting, ASX has not made a determination in this regard but expects to do so prior to any final approval for the reinstatement of the Company's securities on ASX.

The terms of the Chuminga Acquisition Agreement are summarised in Section 6.4 above.

SCM is not a related party of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

The effect of Resolution 7 will be to allow the Directors to issue the Shares to SCM during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## **8.2 Technical information required by ASX Listing Rule 7.3**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Shares to SCM:

- (a) the maximum number of Shares to be issued is that number of Shares equal to US\$300,000 divided by A\$0.05 (or if the Shares are issued post-Consolidation, divided by A\$0.15), calculated as at the date the Shares are issued. As at 3 October 2011, the number of post-Consolidation Shares to be issued would be 2,077,296 based on the spot exchange rate of 0.96279 USD/AUD. However this figure may fluctuate depending on the spot exchange rate on the date of issue;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the deemed issue price will be A\$0.05 per Share if issued pre-Consolidation, or A\$0.15 per Share if issued post-Consolidation;
- (d) the Shares will be allotted and issued to SCM;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company is issuing the Shares as consideration for the Initial Interest in the Chuminga Agreement pursuant to the Chuminga Acquisition Agreement (a summary of which is set out in Section 6.4 of this Explanatory Statement). Accordingly, no funds will be raised from the issue.

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## **9. RESOLUTION 8 – CAPITAL RAISING**

### **9.1 Background**

Resolution 8 seeks Shareholder approval for the allotment and issue of up to 35,000,000 Shares (on a post-Consolidation basis) at an issue price of \$0.20 per Share to raise up to a total of \$7,000,000 (**Capital Raising**).

The Company intends to conduct the Capital Raising through the issue of a Prospectus as part of its re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

The Capital Raising will be undertaken pursuant to a prospectus to be issued on or about 31 October 2011 (**Prospectus**).

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

The effect of Resolution 8 will be to allow the Directors to issue the Shares pursuant to the Capital Raising during the period of 3 months after the Annual General Meeting (or a longer period, if allowed by ASX), without using the Company's annual 15% placement capacity.

## **9.2 Technical information required by ASX Listing Rule 7.3**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Capital Raising:

- (a) the maximum number of Shares to be issued pursuant to the Capital Raising is 35,000,000 Shares (on a post-Consolidation basis);
- (b) the Shares will be issued no later than 3 months after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price of the Shares will be \$0.20 each (on a post-Consolidation basis);
- (d) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Directors will determine to whom the Shares will be issued, who are unknown as at the date of this Notice of Meeting, but these persons will not be related parties of the Company (except as permitted in accordance with Resolutions 9 to 12, inclusive, of this Notice); and
- (f) the Company intends to use the amounts raised from the Capital Raising to provide working capital to the Company to enable the Company to fund the purchase and development of the Chuminga and Vega Projects in Chile.

Further details on the use of funds will be set out in the Prospectus that will be issued in respect of the Capital Raising.

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## **10. RESOLUTIONS 9 - 12 – PARTICIPATION BY RELATED PARTIES IN CAPITAL RAISING**

### **10.1 General**

The Directors of the Company have indicated that they may wish to participate in the Capital Raising contemplated by Resolution 8.

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained.

Accordingly, the subscription for Capital Raising Shares by the Directors requires the Company to obtain Shareholder approval because Messrs Martinick, Farrell, O’Dea and Ward are related parties of the Company. The number of Shares to be issued and allotted is a maximum number only and under no circumstances will the Company issue and allot securities such that any related party and its associates would hold more than 19.9% of the issued capital of the Company.

The Directors consider that the subscription for Capital Raising Shares falls within the exception in Section 210 of the Corporations Act, and accordingly, Shareholder approval is not sought for the purpose of Section 208 of the Corporations Act.

## **10.2 Technical information required by ASX Listing Rule 10.13**

Pursuant to ASX Listing Rule 10.13, the following information is provided in relation to the proposed participation by the Directors in the Capital Raising:

- (a) the related parties are Wolf Martinick, Brad Farrell, Ross O’Dea and David Ward, who are related parties by virtue of being Directors of the Company;
- (b) the maximum number of securities to be issued and allotted to the Directors is:
  - (i) 500,000 Shares to Wolf Martinick and/or his nominee;
  - (ii) 500,000 Shares to Brad Farrell and/or his nominee;
  - (iii) 250,000 Shares to Ross O’Dea and/or his nominee; and
  - (iv) 250,000 Shares to David Ward and/or his nominee;
- (c) the Shares will be issued no later than 1 month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the securities will be issued on one date;
- (d) the issue price of the Shares will be \$0.20 per Share;
- (e) the funds raised will be used to provide working capital to the Company to enable the Company to fund the purchase and development of the Chuminga and Vega Projects in Chile; and
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company’s existing Shares.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares to the Directors as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Securities to the Directors will not be included in the 15% calculation of the Company’s annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **11. RESOLUTION 13 – CHANGE OF COMPANY NAME**

The new name proposed to be adopted under Resolution 13 is “Oro Verde Limited”. The Directors believe that the new name more accurately reflects the proposed future operations of the Company.



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## 12. RESOLUTION 14 – ADOPTION OF A NEW CONSTITUTION

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 14 is a special resolution which will enable the Company to adopt a new constitution of the type required for a company limited by shares. The new constitution will take effect from the date the special resolution is passed.

The new constitution to be adopted contains a number of provisions designed to promote the more efficient running of the Company, which should be of long term benefit to the Company and its Shareholders. It has been updated to reflect recent amendments to the Corporations Act and ASX Listing Rules.

It is not practicable to list all of the changes to the constitution in this Explanatory Statement and Shareholders are invited to contact the Company if they have any queries or concerns. For this purpose, a copy of the proposed new constitution is available for review by Shareholders at the office of the Company. A copy of the proposed new constitution will also be sent to shareholders upon request to the Company Secretary ((+61 8) 9481 2555)

The new constitution includes the following clauses which the current Constitution does not provide for.

### ***Business at General Meeting***

The new constitution expressly provides at clause 11.6 that subject to the Corporations Act, only matters that appear in a notice of meeting shall be dealt with at a general meeting or an Annual General Meeting, as the case may be.

### ***Secretary may attend and be heard***

The new constitution expressly provides at clause 15.4 that the Secretary is entitled to attend any meeting of the Directors and is entitled to be heard on any matter dealt with at any meeting of Directors.

### ***Execution documents without a seal***

The new constitution expressly provides at clause 18.2 that the Company may execute a document without using the Seal if the document is signed by two Directors or a Director and a Secretary.

### ***Breach of restriction agreement***

The new constitution expressly provides at clause 21.8 that in the event of a breach of the ASX Listing Rules relating to 'Restricted Securities' (as they are defined in the ASX Listing Rules) or of any escrow arrangement entered into by the Company under the ASX Listing Rules in relation to any Shares which are classified under the ASX Listing Rules or by ASX as Restricted Securities, the Shareholder holding the Shares in question shall cease to be entitled to be paid any dividends in respect of those Shares for so long as the breach subsists.

### ***Directors' access to information***

The new constitution at clause 28 provides that where the Directors consider it appropriate, the Company may:

- (a) give a former Director access to certain papers, including documents provided or available to the Directors and other papers referred to in those documents; and
- (b) bind itself in any contract with a Director or former Director to give the access.

This specific provision reflects the statutory right in Section 198F of the Corporations Act authorising the Company to enter into contracts with Directors agreeing to provide continued access to Board papers.

### ***Dividends***

There have been recent changes to the dividend payment provisions of the Corporations Act which came into effect on 28 June 2010. A new section 254T has been included in the Corporations Act which introduces a three-tiered test that a company will need to satisfy before paying a dividend. This replaces the previous test that the company may only pay dividends from profits.

The new section 254T provides that a company must not pay a dividend unless:

- (c) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (d) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (e) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing constitution of the Company currently reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The new constitution does not contain the profits test and enables the Company to pay dividends in accordance with the new position under the Corporations Act. The Directors consider it appropriate for the constitution of the Company to reflect the recently amended Corporations Act to allow more flexibility in the payment of dividends. This provision is made in clause 21 of the new constitution.

### ***Partial takeover plebiscites***

Pursuant to Section 648G of the Corporations Act, the Company has included in the new constitution a provision whereby a proportional takeover bid for shares in the Company may only proceed after the bid has been approved by a meeting of members held in accordance with the terms set out in the Corporations Act. This provision is made in clause 35 of the new constitution.

This clause will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

The effect of the proposed provision is that where offers have been made under an off market bid in respect of shares included in a class of shares in the Company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the off market bid is prohibited unless and until a resolution to approve an off market bid is passed.

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## **13. RESOLUTION 15 – ISSUE OF BROKER OPTIONS TO DJ CARMICHAEL PTY LTD**

### **13.1 General**

Resolution 15 seeks Shareholder approval for the allotment and issue of up to 2,500,000 (post-Consolidation) Broker Options to DJ Carmichael. In accordance with Appendix 9B of the ASX Listing Rules, it is likely that ASX will apply escrow provisions to all of the Options issued under Resolution 15. As at the date of this Notice of Meeting, ASX has not made a determination in this regard but expects to do so prior to any final approval for the reinstatement of the Company's securities on ASX.

The Company has agreed to provide the Broker Options to DJ Carmichael as part of the consideration for DJ Carmichael providing the following services to the Company:

- (a) corporate advisory services in respect of the Company's capital raisings and its readmission to ASX;
- (b) advice on capital raising requirements;
- (c) investor relations support;
- (d) assistance for broker and fund roadshows;
- (e) advice on equity marketing materials; and
- (f) information notes and research as appropriate.

DJ Carmichael is not a related party of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

The effect of Resolution 15 will be to allow the Directors to issue the Broker Options during the period of 3 months after the Annual General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **13.2 Technical information required by ASX Listing Rule 7.3**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Broker Options to DJ Carmichael:

- (a) the maximum number of Broker Options to be granted is 2,500,000 (on a post-Consolidation basis);
- (b) the Broker Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Broker Options will be issued for nil cash consideration;
- (d) the Broker Options will be allotted and issued to DJ Carmichael Pty Ltd;
- (e) the Broker Options will be issued on the terms and conditions set out in Schedule 1; and

- (f) no funds will be raised from the issue of the Broker Options as they are being issued as consideration for services provided by DJ Carmichael as detailed in Section 13.1 above.

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#### 14. RESOLUTION 16 – NON-EXECUTIVE DIRECTORS’ REMUNERATION

ASX Listing Rule 10.17 and Clause 10.2 of the Company’s current constitution require that the maximum total aggregate remuneration that may be paid to Non-Executive Directors of the Company be set by the Shareholders in general meeting.

Resolution 16 seeks Shareholder approval to increase the maximum aggregate remuneration that may be paid to Non-Executive Directors from \$350,000 per annum to \$400,000 per annum. This aggregate amount has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

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#### 15. RESOLUTION 17 – ADOPTION OF OPTION PLAN

To ensure that the Company has appropriate mechanisms to continue to attract and retain the services of directors and employees of a high calibre, the Board has established the Company’s “Option Plan” (**Plan**).

Resolution 17 seeks Shareholder approval under exception 9(b) of ASX Listing Rule 7.2 to allow the grant of options under the Plan (**Plan Options**), and the issue of Shares on exercise of the Plan Options, as an exception to ASX Listing Rule 7.1.

The grant of Plan Options will only fall within exception 9(b) of ASX Listing Rule 7.2 if the Plan Options are issued under an employee incentive Plan Option plan approved by shareholders within three years before the date of issue.

If Resolution 17 is passed, the Company will have the ability to issue Plan Options to Eligible Participants under the Plan over a period of three years without impacting on the Company’s 15% placement capacity under ASX Listing Rule 7.1. Any issues of Plan Options to Directors will require separate Shareholder approval.

The Directors and employees of the Company have been, and will continue to be, instrumental in the growth of the Company. The Directors consider that the Plan is an appropriate method to:

- (a) reward Directors and employees for their past performance;
- (b) provide long term incentives for participation in the Company’s future growth;
- (c) motivate Directors and generate loyalty from senior employees; and
- (d) assist to retain the services of valuable Directors and employees.

The Plan will be used as part of the remuneration planning for executive Directors and employees. The Corporate Governance Council Principles and Recommendations recommend that executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the company’s circumstances and goals. The Plan will also be used as part of the remuneration planning for non-executive Directors. Although this is not in accordance with the recommendations contained in the Corporate Governance Council Principles and

Recommendations, the Company considers that it is appropriate for non-executive Directors to participate in the Plan given the size of the Company.

No Plan Options have yet been issued under the Plan.

The key terms of the Plan are summarised in Schedule 3. A full copy of the Plan is available for inspection at the Company's registered office until the date of the Meeting.

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## **16. RESOLUTIONS 18 - 21 – ISSUE OF OPTIONS TO RELATED PARTIES**

### **16.1 General**

The Company proposes to issue of Options under the Option Plan to certain related parties of the Company.

The grant of the Options to Wolf Martinick, Brad Farrell, Ross O'Dea and David Ward (or their nominees) requires the Company to obtain Shareholder approval because this constitutes giving a financial benefit and Messrs Martinick, Farrell, O'Dea and Ward are related parties of the Company by virtue of being Directors of the Company (**Related Parties**).

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Options to the Related Parties.

In addition, ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained. The Option Plan is considered to be an employee incentive scheme for the purposes of the ASX Listing Rules

### **16.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.15)**

Pursuant to and in accordance with the requirements of Section 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of the Options:

- (a) the related parties are Messrs Martinick, Farrell, O'Dea and Ward and they are related parties by virtue of being Directors;
- (b) the maximum number of Options (being the nature of the financial benefit being provided) to be granted to the Related Parties (on a post-Consolidation basis) is:

<b>Related Party</b>	<b>Number of Options – post Consolidation basis</b>
Wolf Martinick	7,500,000
Brad Farrell	7,500,000
Ross O’Dea	500,000
David Ward	500,000

It is noted that the Company may issue the Options prior to the completion of the Consolidation, in which case, the following number of Options will be issued (but which shall subsequently be consolidated to the number set out in the table above):

<b>Related Party</b>	<b>Number of Options – pre Consolidation basis</b>
Wolf Martinick	22,500,000
Brad Farrell	22,500,000
Ross O’Dea	1,500,000
David Ward	1,500,000

- (c) the Options will be granted to the Related Parties (or their nominees) no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Options will be issued on one date;
- (d) the Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Options are set out in Schedule 2 and will be issued subject to the terms of the Option Plan which is summarised in Schedule 3. In particular:
  - (i) the exercise price of the Options will be 150% of the volume weighted average price of the Company's Shares in the 5 trading days preceding the date of the Annual General Meeting;
  - (ii) the expiry date of the Options will be 31 December 2014;
  - (iii) the Options to be issued to Wolf Martinick (or his nominee) and Brad Farrell (or his nominee) will be subject to the following vesting conditions:

<b>Vesting Condition</b>	<b>Number of Options (post Consolidation)</b>
Shares trade at a minimum volume weighted average trading price of 30 cents (on a post Consolidation basis) over a 20 day period	2,500,000
Shares trade at a minimum volume weighted average trading price of 35 cents (on a post Consolidation basis) over a 20 day period	2,500,000
Shares trade at a minimum volume weighted average trading price of 40 cents (on a post Consolidation basis) over a 20 day period	2,500,000

- (iv) the Options to be issued to Ross O’Dea and David Ward shall vest after the completion of the Company’s change of activities and re-admission to the Official List;
- (f) the value of the Options and the pricing methodology is set out in Schedule 4;
- (g) no Options have previously been issued to any persons referred to in ASX Listing Rule 10.14;
- (h) the persons referred to in ASX Listing Rule 10.14 who are entitled to participate in the Plan are Wolf Martinick, Brad Farrell, Ross O’Dea and David Ward;
- (i) no loan has or will be provided to the Related Parties in relation to the subsequent exercise of the Options;
- (j) the relevant interests of the Related Parties in securities of the Company (on a post-Consolidation basis) are set out below:

<b>Related Party</b>	<b>Shares</b>	<b>Options</b>
Wolf Martinick <sup>1</sup>	10,836,053	Nil
Brad Farrell <sup>2</sup>	4,864,442	Nil
Ross O’Dea <sup>3</sup>	299,475	Nil
David Ward <sup>4</sup>	830,455	Nil

- 1) Approval is being sought pursuant to Resolution 9 for Dr Martinick to subscribe for up to 500,000 Shares pursuant to the Capital Raising.
- 2) Approval is being sought pursuant to Resolution 10 for Dr Farrell to subscribe for up to 500,000 Shares pursuant to the Capital Raising.
- 3) Approval is being sought pursuant to Resolution 11 for Mr O’Dea to subscribe for up to 250,000 Shares pursuant to the Capital Raising.
- 4) Approval is being sought pursuant to Resolution 12 for Mr Ward to subscribe for up to 250,000 Shares pursuant to the Capital Raising.

- (k) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

<b>Related Party</b>	<b>Current</b>	<b>Previous</b>
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	Financial Year	Financial Year
Wolf Martinick	\$210,000	\$121,186
Brad Farrell <sup>1</sup>	\$50,000	Nil
Ross O'Dea	\$50,000	\$27,986
David Ward	\$50,000	\$27,986

1) In addition to the directors' fees received by Dr Farrell, Berrema Pty Ltd, an entity associated with Dr Farrell, currently receives consulting fees of approximately \$20,000 per month in respect of technical services provided to Green Mining Limitada.

- (l) if the Options granted to the Related Parties are exercised, a total of 16,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 97,600,462 to 113,600,462 (assuming that the Consolidation, and the Share issues contemplated in Resolutions 7 and 8 are completed) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 14.08%, and individual dilution rates of 7.14% for Dr Martinick, 7.14% for Dr Farrell, 0.51% for Mr O'Dea and 0.51% for Mr Ward.

The market price for Shares during the term of the Options would normally determine whether or not the Options are exercised. If, at any time any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company.

- (m) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below (on a pre Consolidation basis):

	Price	Date
Highest	7.2 cents	7 October 2011
Lowest	1.9 cents	12 October 2010
Last	7.2 cents	7 October 2011

- (n) the Board acknowledges the grant of Options to Messrs Martinick, Farrell, O'Dea and Ward is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Options to Messrs Martinick, Farrell, O'Dea and Ward reasonable in the circumstances for the reason set out below;
- (o) the primary purpose of the grant of the Options to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors and in particular, in respect of Messrs Martinick and Farrell for their important roles in managing the Company's mineral exploration opportunities in Chile;
- (p) Wolf Martinick declines to make a recommendation to Shareholders in relation to Resolution 18 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 19, 20



and 21, Dr Martinick recommends that Shareholders vote in favour of those Resolutions for the following reasons:

- (i) the grant of Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
  - (ii) the grant of the Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Options upon the terms proposed;
- (q) Brad Farrell declines to make a recommendation to Shareholders in relation to Resolution 19 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 18, 20 and 21, Dr Farrell recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (p)(i) to (iii);
- (r) Ross O’Dea declines to make a recommendation to Shareholders in relation to Resolution 20 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 18, 19 and 21, Mr O’Dea recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (p)(i) to (iii);
- (s) David Ward declines to make a recommendation to Shareholders in relation to Resolution 21 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 18, 19 and 20, Mr Ward recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (p)(i) to (iii);
- (t) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Options to be granted as well as the exercise price and expiry date of those Options; and
- (u) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 18 to 21.

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## **17. RESOLUTION 22 – ISSUE OF OPTIONS TO CONTRACTORS**

### **17.1 General**

Resolution 22 seeks Shareholder approval for the allotment and issue of up to 3,250,000 Options (on a post-Consolidation basis) to contractors of the Company in consideration of services provided to the Company.

None of the contractors are related parties of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

The effect of Resolution 22 will be to allow the Directors to issue the Options during the period of 3 months after the Annual General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## 17.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Options to contractors:

- (a) the maximum number of Options to be granted is 3,250,000 (on a post-Consolidation basis);
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Options will be issued for nil cash consideration;
- (d) the Options will be allotted and issued to the following contractors of the Company:
  - (i) Rodrigo Dupouy Bunster - legal consultant (500,000 Options);
  - (ii) Teo Leonardi Martinez - accounting consultant (250,000 Options); and
  - (iii) John Traicos - general manager (2,500,000 Options);
- (e) the Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) no funds will be raised from the issue of the Options as they are being issued as consideration for services provided by the contractors to the Company.

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## 18. RESOLUTION 23 – EXERCISE OF CHUMINGA OPTION

### 18.1 General

Resolution 23 seeks Shareholder approval for the allotment and issue of up to 8,397,190 Shares (on a post-Consolidation basis) at a deemed issue price of A\$0.15 per Share to SCM in consideration for acquisition of the remaining 80% of the Chuminga Project pursuant to the Chuminga Acquisition Agreement (**Chuminga Option**). The terms of the Chuminga Acquisition Agreement are summarised in Section 6.4 above.

SCM is not a related party of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

The effect of Resolution 23 will be to allow the Directors to issue the Shares to SCM during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity, in the event that the Directors decide to exercise the Chuminga Option.

## 18.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Shares to SCM:

- (a) the maximum number of Shares that may be issued pursuant to Resolution 23 is 8,397,190.

This figure was calculated based on the spot exchange rate of 0.96279 USD/AUD as follows:

A = 31,423,458 Shares (being the maximum number of shares SCM may hold pursuant to the Chuminga Acquisition Agreement)

B = USD\$300,000 ÷ 0.96279 ÷ AUD\$0.05 = 6,231,889

*A - B = 25,191,569 Shares (pre-Consolidation basis)*

*A - B = 8,397,190 (post-Consolidation basis)*

However, in the event of a fluctuation in the exchange rate, the Company may be obliged to issue more than 8,397,190 Shares to SCM to acquire the Option Interest. Such additional Shares will only be issued subject to compliance with the Corporations Act and the ASX Listing Rules. The Company anticipates that any additional Shares would be issued in reliance on the Company's annual 15% placement capacity, or alternatively would be subject to the Company obtaining further Shareholder approval;

- (b) the Shares will be issued no later than 3 months after the date of the Meeting or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules and it is intended that allotment will occur on the same date. It is noted that the Company intends to apply for a waiver to permit the exercise of the Chuminga Option (and accordingly, the issue of the Shares upon the exercise of the Chuminga Option, if required) at any time between the date of the Annual General Meeting and the expiry of the Chuminga Option exercise period on 31 December 2012;
- (c) the deemed issue price will be A\$0.15 per Share (on a post-Consolidation basis);
- (d) the Shares will be allotted and issued to SCM;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue as the Company will issue the Shares as consideration for the acquisition of the Option Interest in the Chuminga Agreement pursuant to the Chuminga Acquisition Agreement (a summary of which is set out in Section 6.4 of this Explanatory Statement).

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## 19. RESOLUTION 24 – EXERCISE OF SUBSCRIPTION RIGHT

### 19.1 General

As set out in Section 6.4 above, under the Chuminga Acquisition Agreement, the Company has granted SCM the right (**Subscription Right**) to subscribe for Shares to increase its interest in the capital of the Company to 19.9% if and when the Company exercises the Chuminga Option, subject to the following:

- (a) SCM electing to be issued Shares in partial satisfaction of the consideration payable by the Company upon the exercise of the Chuminga Option, up to the maximum prescribed in the Chuminga Acquisition Agreement; and
- (b) the parties obtaining any shareholder and regulatory approvals required to permit the issue of the Shares.

The issue price of the Shares issued pursuant to the exercise of the Subscription Right shall be 90% of the volume weighted average price of Ezenet Shares traded on ASX over the 10 trading days prior to the date upon which the Company exercises the Chuminga Option.

Accordingly, Resolution 24 seeks Shareholder approval for the allotment and issue of up to 13,257,237 Shares (on a post-Consolidation basis) to SCM.

SCM is not a related party of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

The effect of Resolution 24 will be to allow the Directors to issue the Shares to SCM during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 19.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Shares to SCM:

- (a) the maximum number of Shares that may be issued pursuant to Resolution 24 is 13,257,237.

This figure was calculated based on the following assumptions:

- (i) a total of 2,077,296 Shares (on a post-Consolidation basis) are issued to SCM in consideration for the Initial Interest;
- (ii) a total of 8,397,190 Shares (on a post-Consolidation basis) are issued to SCM upon the exercise of the Chuminga Option;
- (iii) 35,000,000 Shares are issued pursuant to the Capital Raising; and
- (iv) no other Shares are issued between the date of this Notice and the date on which the Subscription Right is exercised.

The number of Shares for which SCM may subscribe under the Subscription Right may vary from 13,257,237 in the event that any of the above assumptions are not accurate at the time of the exercise of the

Subscription Right. To the extent that SCM is entitled to subscribe for more than 13,257,237 Shares, the Company anticipates that the additional Shares would be issued in reliance on the Company's annual 15% placement capacity, or alternatively would be subject to the Company obtaining further Shareholder approval. Such additional Shares will only be issued subject to compliance with the Corporations Act and the ASX Listing Rules;

- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date. It is noted that the Company intends to apply for a waiver to permit the exercise of the Chuminga Option (and accordingly, the issue of the Shares under the Subscription Right, if required) at any time between the date of the Annual General Meeting and the expiry of the Chuminga Option exercise period on 31 December 2012;
- (c) the issue price per Shares will be 90% of the volume weighted average price of Ezenet Shares traded on ASX over the 10 trading days prior to the date upon which the Company exercises the Chuminga Option;
- (d) the Shares will be allotted and issued to SCM;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised from the issue of the Shares will be used for the development of the Chuminga and Vega Projects in Chile.

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## **20. ENQUIRIES**

Shareholders may contact Brett Dickson on (+ 61 8) 9481 2555 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**\$ or A\$** means Australian dollars.

**Acquisitions** means:

- (a) the acquisition of a 20% interest in the Chuminga Project; and
- (b) the acquisition of 100% of the Vega Project.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the meaning given to that term in the *Income Tax Assessment Act 1936* (Cth).

**Associated Body Corporate** means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Broker Option** means an option to acquire a Share with the terms and conditions set out in Schedule 1.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Capital Raising** means the issue of up to 35,000,000 Shares to raise up to \$7,000,000, for which approval is being sought pursuant to Resolution 8.

**CCL** means Compania Calcia Limitida (a company incorporated in Chile).

**Chuminga Project** means the Chuminga copper and gold project located in Chile.

**Chuminga Option** means the Company's option to acquire 80% of the Chuminga Project, as summarised in Section 6.4 of this Notice.

**Company** or **Ezenet** means Ezenet Limited (ACN 083 646 477).

**Consolidation** means the consolidation of the issued securities of the Company existing as at the Record Date on a 1 for 3 basis (rounded up to the nearest whole number).

**Constitution** means the current constitution of the Company.

**Corporations Act** means the Corporations Act 2001 (Cth).

**DJ Carmichael** means DJ Carmichael Pty Ltd (ABN 26 003 058 857).

**Directors** means the current directors of the Company.

**Eligible Participant** means, in relation to the Plan, a full or part time employee of the Company or an Associated Body Corporate.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**Green Mining** means Green Mining Ltda (a wholly owned subsidiary of the Company incorporated in Chile).

**Initial Interest** means an interest in 20% of the Chuminga Project.

**Mining Code** means Mining Code (Law number 18248) (1983), regulating and implementing Chile's Organic Mining Law of 1981 (Law number 18097).

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

**Offer** means, in relation to the Plan, an offer made to an Eligible Participant to subscribe for one or more Options under the Plan.

**Option** means an option to acquire a Share with the terms and conditions set out in Schedule 2.

**Optionholder** means a holder of an Option.

**Participant** means, in relation to the Plan, an Eligible Participant to whom Options have been granted under the Plan, or where applicable, an Associate of the Eligible Participant to whom Options have been granted under the Plan.

**Plan** means the Company's Option Plan the subject of Resolution 17.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**SCM** means SCM Compania Minera Chuminga (a company incorporated in Chile).

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Subscription Right** means the right of SCM, following the exercise of the Option Interest, to obtain a shareholding of up to 19.9% in the Company pursuant to the Chuminga Acquisition Agreement.

**US\$** means United States dollars.

**Vega Project** means the Vega Gold Exploration Project located in Chile.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF BROKER OPTIONS

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The Broker Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Broker Option gives the holder the right to subscribe for one Share.
  - (b) The Broker Options will expire at 5.00pm (WST) on that date which is four years from the date of issue (**Expiry Date**). Any Broker Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
  - (c) The amount payable upon exercise of each Broker Option will be \$0.20 (**Exercise Price**).
  - (d) The Broker Options held by each holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
  - (e) A holder may exercise their Broker Options by lodging with the Company, before the Expiry Date:
    - (i) a written notice of exercise of Broker Options specifying the number of Broker Options being exercised; and
    - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Broker Options being exercised;
- (Exercise Notice).**
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
  - (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Broker Options specified in the Exercise Notice.
  - (h) The Broker Options are transferable.
  - (i) All Shares allotted upon the exercise of Broker Options will upon allotment rank pari passu in all respects with other Shares.
  - (j) The Company will not apply for quotation of the Broker Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
  - (k) If at any time the issued capital of the Company is reconstructed, all rights of a the holder of a Broker Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
  - (l) There are no participating rights or entitlements inherent in the Broker Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Broker Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give holders the opportunity to exercise their Broker Options prior to the date for determining entitlements to participate in any such issue.
  - (m) A Broker Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.



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## SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS

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The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will expire at 5.00pm (WST) on 31 December 2014 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be 150% of the volume weighted average price of the Company's Shares in the 5 trading days preceding the date of the Annual General Meeting (**Exercise Price**).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) Subject to the satisfaction of any vesting conditions, an Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

**(Exercise Notice).**

- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are not transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

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### SCHEDULE 3 – SUMMARY OF OPTION PLAN

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The material terms and conditions of the Option Plan are as follows:

- (a) **Eligibility and Grant of Options:** The Board may grant options under the Plan (**Plan Options**) to any full or part time employee or Director of the Company or an associated body corporate. Plan Options may be granted by the Board at any time.
- (b) **Consideration:** Each Plan Option issued under the Plan will be issued for nil cash consideration.
- (c) **Conversion:** Each Plan Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.
- (d) **Exercise Price and Expiry Date:** The exercise price and expiry date for Plan Options granted under the Plan will be determined by the Board prior to the grant of the Plan Options.
- (e) **Exercise Restrictions:** The Plan Options granted under the Plan may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Plan Options (**Exercise Conditions**). Any restrictions imposed by the Directors must be set out in the offer for the Plan Options.
- (f) **Lapsing of Plan Options:** Subject to the terms of the Offer made to a Participant, an unexercised Plan Option will lapse:
  - (i) on its Expiry Date;
  - (ii) if any Exercise Condition is unable to be met; and
  - (iii) subject to certain exceptions, on the eligible participant ceasing employment with the Company.
- (g) **Share Restriction Period:** Shares issued on the exercise of Plan Options may be subject to a restriction that they may not be transferred or otherwise dealt with until a Restriction Period has expired, as specified in the offer for the Plan Options.
- (h) **Disposal of Plan Options:** Plan Options will not be transferable and will not be quoted on the ASX, unless the offer provides otherwise or the Board in its absolute discretion approves.
- (i) **Trigger Events:** The Company may permit Plan Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.
- (j) **Participation in Rights Issues and Bonus Issues:**
  - (i) There are no participating rights or entitlements inherent in the Plan Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Plan Options.
  - (ii) The Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six (6) Business Days after the issue is announced. This will give Plan Option holders the opportunity to exercise their Plan Options prior to the date for determining entitlements to participate in any such issue.

- (iii) If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Plan Option Exercise Price shall be reduced according to the formula specified in the Listing Rules.
- (iv) In the event of a bonus issue of Shares being made pro-rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Plan Option will include the number of bonus Shares that would have been issued if the Plan Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Plan Option.
- (k) **Reorganisation:** The terms upon which Plan Options will be granted will not prevent the Plan Options being re-organised as required by the Listing Rules on the re-organisation of the capital of the Company.
- (l) **Limitations on Offers:** The Company must take reasonable steps to ensure that the number of Shares to be received on exercise of Plan Options offered under an offer when aggregated with:
  - (i) the number of Shares that would be issued if each outstanding offer for Shares, units of Shares or options to acquire Shares under the Plan or any other employee share scheme of the Company were to be exercised or accepted; and
  - (ii) the number of Shares issued during the previous 5 years from the exercise of Plan Options issued under the Plan (or any other employee share plan of the Company extended only to Eligible Participants),

does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with ASIC Class Order 03/184.

## SCHEDULE 4 – VALUATION OF OPTIONS

The Options to be issued to the Related Parties pursuant to Resolutions 18 to 21 have been independently valued.

Using the binomial option model and based on the assumptions set out below, the Options were ascribed the following value (on a post Consolidation basis):

Name	Wolf Martinick			Brad Farrell			Ross O’Dea	David Ward
	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2	Tranche 3		
Underlying Security spot price	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
Exercise price	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
Share price target	\$0.30	\$0.35	\$0.40	\$0.30	\$0.35	\$0.40	N/A	N/A
Issue date	28 November 2011	28 November 2011	28 November 2011	28 November 2011	28 November 2011	28 November 2011	28 November 2011	28 November 2011
Expiration date	31 December 2014	31 December 2014	31 December 2014	31 December 2014	31 December 2014	31 December 2014	31 December 2014	31 December 2014
Life of the Options	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15
Volatility	110%	110%	110%	110%	110%	110%	110%	110%
Risk free rate	3.68%	3.68%	3.68%	3.68%	3.68%	3.68%	3.68%	3.68%
Number of Options	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	500,000	500,000
Valuation per Option	\$0.124	\$0.124	\$0.123	\$0.124	\$0.124	\$0.123	\$0.124	\$0.124
<b>Valuation per Tranche</b>	<b>\$310,000</b>	<b>\$310,000</b>	<b>\$307,500</b>	<b>\$310,000</b>	<b>\$310,000</b>	<b>\$307,500</b>	<b>\$62,000</b>	<b>\$62,000</b>

Note: The valuation noted above is not necessarily the market price that the Options could be traded at and is not automatically the market price for taxation purposes.

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**SCHEDULE 5 – PRO FORMA BALANCE SHEET**


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**EZENET LIMITED  
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2011**

	AUDITED HISTORICAL	REVIEWED PRO FORMA MINIMUM SUBSCRIPTION	REVIEWED PRO FORMA MAXIMUM SUBSCRIPTION
	(1)	(2)	(3)
	\$	\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	1,519,421	2,012,677	7,652,677
Receivables	23,056	23,056	23,056
Other	5,881	5,881	5,881
<b>Total current assets</b>	<u>1,548,358</u>	<u>2,041,614</u>	<u>7,681,614</u>
<b>Non-current assets</b>			
Available-for-sale financial assets	4,257,225	4,568,819	4,568,819
Plant and equipment	1,576	1,576	1,576
Exploration & evaluation expenditure	900,000	937,744	937,744
<b>Total non-current assets</b>	<u>5,158,801</u>	<u>5,508,139</u>	<u>5,508,139</u>
<b>TOTAL ASSETS</b>	<u>6,707,159</u>	<u>7,549,753</u>	<u>13,189,753</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	279,042	279,042	279,042
Provisions	7,229	7,229	7,229
<b>Total current liabilities</b>	<u>286,271</u>	<u>286,271</u>	<u>286,271</u>
<b>Total liabilities</b>	<u>286,271</u>	<u>286,271</u>	<u>286,271</u>
<b>Net assets</b>	<u>6,420,888</u>	<u>7,263,482</u>	<u>12,903,482</u>
<b>EQUITY</b>			
Issued capital	12,081,365	12,583,959	18,223,959
Reserves	2,453,474	5,520,474	5,520,474
Accumulated losses	(8,113,951)	(10,840,951)	(10,840,951)
<b>Total equity</b>	<u>6,420,888</u>	<u>7,263,482</u>	<u>12,903,482</u>

Source:

- (1) The historical Statement of Financial Position has been extracted from the audited financial statements of Ezenet Limited as at 30 June 2011. Refer to ASX announcement dated 27 September 2011 for full audited financial report at 30 June 2011.
- (2) The pro forma Statement of Financial Position as at 30 June 2011 reflects the pro forma transactions, the application of funds from the minimum subscription less the costs associated with the offer.
- (3) The pro forma Statement of Financial Position as at 30 June 2011 reflects the pro forma transactions, the application of funds from the maximum subscription less the costs associated with the offer.

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*Australian & International Exploration & Evaluation of Mineral Properties*

**INDEPENDENT GEOLOGICAL REPORT**

**ON THE  
CHILEAN MINERAL PROJECTS  
OF**

**EZENET LIMITED**

**IN THE**

**REPUBLIC OF CHILE**

**PREPARED FOR:**

**EZENET LIMITED**

Author: Allen J Maynard BAppSc(Geol), MAIG, MAusIMM  
Company: Al Maynard & Associates Pty Ltd  
Date: 16<sup>th</sup> September, 2011  
Revised: 1<sup>st</sup> October, 2011

## EXECUTIVE SUMMARY

This Independent Geological Report (IGR) has been prepared by Al Maynard & Associates (“AM&A”) at the request of Dr Wolf Martinick, Executive Chairman of Ezenet Limited (“Ezenet” or “Company”) to provide an opinion of the current potential of the Company’s Chilean Projects (Figure 1).

Ezenet has two projects in Chile, namely Chuminga and Vega (Figure 1). All projects are generally well located to major infrastructure. The Chuminga Project is located on the coast in Chile’s Coastal Cordillera, 115km south of Antofagasta in Region 2 of Chile. It is more advanced, as it has three exploration adits into a significant copper-gold breccia body. The Coastal Cordillera of Chile also represents one of the world’s best iron oxide, copper gold (IOCG) provinces which host several significant IOCG deposits, including Candelaria (360Mt of 1.1% Cu and 0.3g/t Au), Mantos Blancos (400Mt of 1% Cu), Manto Verde (250Mt of 0.75% Cu as oxides) and El Soldado (200Mt of 1.5% Cu) (Figure 2).

The **Chuminga Project** contains a well mineralised hydrothermal copper-gold stock-work breccia developed at a coastal location on the western contact of a gabbro-diorite stock on a mountain side at approximately 625 metres above sea level (“masl”). The mineralised body is generally tabular, dipping 60° to 70° to the east, and from various reports has the following dimensions; a width of 60m to 150m and an 800m to 1,200m strike in a north-south direction. Sericite-chlorite-amphibole-magnetite-haematite-tourmaline alteration forms a halo around a central copper mineralised core. Mineralisation consists of a sulphide association dominated by chalcopyrite-chalcocite-incipient bornite with pyrrhotite-pyrite-sphalerite-magnetite which is present as disseminations and fracture fillings. These sulphides have been oxidized to both iron oxides (hematite-goethite-limonite) and copper oxides (atacamite-chrysocolla) which occurs in fracture fillings.

The project was initially prospected by surface trenching over an outcrop area measuring 250m by 100m between 600masl to 700masl. The weighted average results of the three trenches are 1.21% Cu; 0.41g/t Au and 3g/t Ag. Most of the recognized mineralised strike of the body is scree covered as rock debris is continually moving down a 40° mountain slope. The trenching results led to sub-surface prospecting of the mineralised breccia by tunnels at 545masl and 635masl (below the outcrop area). These tunnels did not transect the full width of the mineralised breccia. Weighted average sampling results for the upper level were 115m at 0.90% Cu and 0.48g/t Au. Subsequent re-sampling has indicated an increase in weighted mean values for the body to 1.4% Cu, 0.4g/t Au and 1.0% Zn.

Based on prospecting dimensions and results to date there is an exploration target range of 50 to 60 million tonnes of 1.0 to 1.1% Cu; 0.3 to 0.4g/t Au; 0.5% to 1.0% Zn. 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.

The **Vega Project** is located in accessible Andean terrain, 135km northwest of the coastal city of La Serena in Region 4 of Chile. Vega targets an undrilled epithermal system similar to other gold bearing volcanics close by in the El Indio Gold Belt. The El Indio Gold Belt contains 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 (“Barrick”), the dominant miner in the region.

As with the majority of gold mineralisation in the El Indio Belt, the Vega 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 at shallow depth 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 likelihood of occurrence of a high grade epithermal Au-Ag mineralised 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. A combined Exploration Budget of \$4.26M over two years is proposed with activity in Year 2 dependent on results achieved during Year 1.



Figure 1: Chuminga & Vega Prospect Locations.



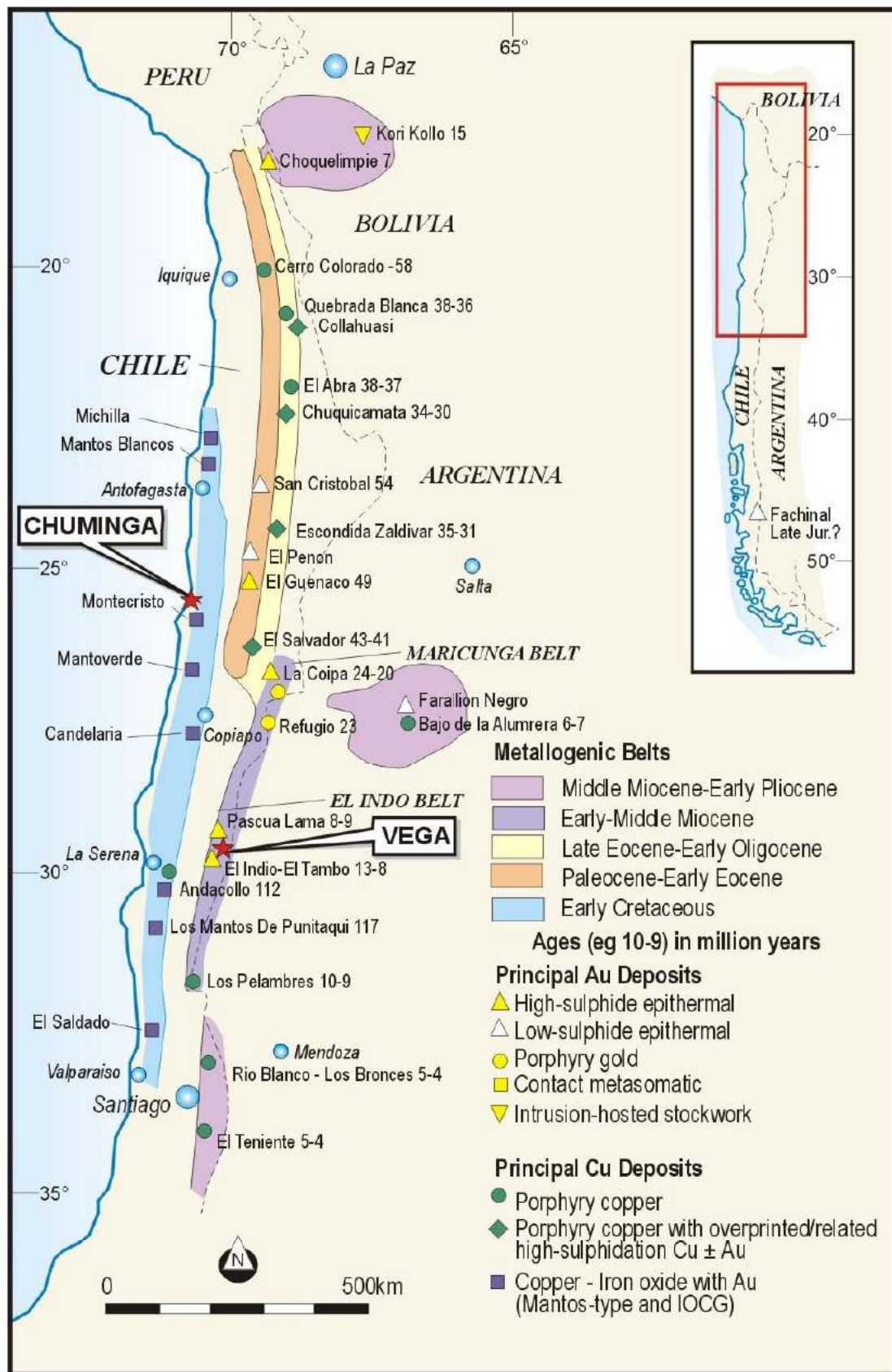


Figure 2: Prospect Locations Related to Metallogenic Belts.

## TABLE OF CONTENTS

1.0	Preamble.....	1
2.0	Background Information.....	3
2.1	Introduction .....	3
3.0	Chuminga Project	4
3.1	Introduction .....	4
3.2	Tenement Details.....	4
3.3	Location and Access.....	5
3.4	Geology .....	5
3.4.1	Regional Geology .....	5
3.4.2	Project Geology .....	6
3.4.2.1	Alteration and Mineralisation .....	7
3.5	Exploration to date .....	7
3.5.1	Gordo Engineering Company.....	8
3.5.2	RTZ Mining and Exploration .....	11
3.5.3	AUR Resources.....	11
3.5.4	SCM Compania Minera Chuminga.....	11
3.5.5	Ezenet Limited.....	12
3.6	Exploration Potential.....	13
3.7	Proposed Exploration Program and Budget.....	14
4.0	Vega Project	15
4.1	Introduction .....	15
4.2	Tenement Details.....	15
4.3	Location and Access.....	15
4.4	Geology .....	16
4.4.1	Regional Setting.....	16
4.4.2	Project Geology .....	17
4.4.2.1	Alteration and Mineralisation .....	21
4.5	Exploration to Date .....	24
4.5.1	Compañía Minera San José Ltda .....	24
4.5.2	Minera Fuego Ltda .....	24
4.5.3	Teck-Cominco .....	24
4.5.4	Compañía Minera Calcia Ltda .....	24
4.5.5	Ezenet Limited .....	25
4.6	Exploration Potential.....	26
4.7	Proposed Exploration Program and Budget.....	26
5.0	Conclusions	27
6.0	Selected References	28
7.0	Glossary of Technical Terms and Abbreviations	29

## List of Figures

<i>Figure 1: Chuminga &amp; Vega Prospect Locations</i> .....	2
<i>Figure 2: Prospect Locations Related to Metallogenic Belts</i> .....	3
<i>Figure 3: Chuminga Regional Geology</i> .....	6
<i>Figure 4: Chuminga District Geology</i> .....	7
<i>Figure 5: Chuminga Exploration Tunnels &amp; Geology</i> .....	8
<i>Figure 6: Chuminga Trench Locations</i> .....	9
<i>Figure 7: Chuminga Cross-Section (A-A' from Fig 5)</i> .....	10
<i>Figure 8: Location of New Trenches (on Fig 5)</i> .....	13
<i>Figure 9: Vega Regional Geology &amp; Other Mines</i> .....	16
<i>Figure 10: Vega Local Geology</i> .....	18
<i>Figure 11: Vega 'Google+ Aster' Image – Alteration Styles (AGARRS)</i> .....	20
<i>Figure 12: Vega – Coincidental Geochemical &amp; Geophysical Anomalous Zones</i> .....	22
<i>Figure 13: Vega – CSMAT Geophysics- Anomalous Zones – Plan &amp; Section</i> .....	23

## List of Tables

<i>Table 1: Chuminga Project Tenement Details</i> .....	4
<i>Table 2: Recent Trench Sampling Details</i> .....	12
<i>Table 3: Chuminga Project Proposed Exploration Budget</i> .....	14
<i>Table 4: Vega Project Tenement Details</i> .....	15
<i>Table 5: Vega Project Proposed Exploration Budget</i> .....	27
<i>Table 6: Combined Projects Proposed Exploration Budget</i> .....	27

The Directors,  
Ezenet Limited,  
Level 1, 30 Richardson Street  
West Perth, WA 6005

1<sup>st</sup> October, 2011

Dear Sirs,

## 1.0 Preamble

Al Maynard and Associates (“AM&A”) was engaged by Ezenet to prepare an Independent Geological Report (“IGR”) of the Company’s mineral assets in Chile for a re-compliance prospectus for the purpose of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for re-listing following a change to the nature and scale of the Company’s activities.

Opinions are presented in accordance with the JORC Code (2004) and other regulations and guidelines that govern the preparation of these reports.

This report is to be included in the prospectus to be lodged by Ezenet with ASIC on or about the 10<sup>th</sup> October, 2011.

The legal status of Ezenet’s mineral assets is subject to a separate Independent Solicitor’s Report which is set out in the Prospectus and these matters have not been independently verified by AM&A. The present status of tenements listed in Section 3.2 of this report is based on information provided by Ezenet and the report has been prepared on the assumption that the tenements will prove lawfully accessible for evaluation and development.

The Ezenet mineral assets comprise two projects that are at various stages of exploration progress with Chuminga being moderately advanced, with significant copper-gold mineralisation outlined in adits; and Vega, at the initial stage of first pass exploration drilling of geochemical and geophysical anomalies. All the projects have potential to host their target commodities as described hereunder and warrant the exploration and testing programs as set out in this IGR. It is noted that proposed programs may be subject to change according to results yielded as work is carried out. We are of the opinion that Ezenet has satisfactorily defined exploration and expenditure programs which are reasonable, having regard to the stated objectives of Ezenet. The locations of the projects are depicted on Figure 1.

In the course of the preparation of this report, access has been provided to all relevant data held by Ezenet and various other technical reports and information quoted in the bibliography. I have made all reasonable endeavours to verify the accuracy and relevance of the database. Ezenet has warranted to AM&A that full disclosure has been made of all material in its possession and that information provided, is to the best of its knowledge, accurate and true. None of the information provided by Ezenet has been specified as being confidential and not to be disclosed in this report. The author is familiar with the structural setting and mineralisation styles and targets within the respective Ezenet project areas. As recommended by the Valmin Code, Ezenet has indemnified AM&A for any liability that may arise from AM&A’s reliance on information provided by Ezenet or not provided by Ezenet.

This report has been prepared by Allen J. Maynard BApp.Sc(Geol), MAIG and MAusIMM, a geologist with 33 years in the industry and 28 years in mineral asset valuation. The writer holds the appropriate qualifications, experience and independence to qualify as an “Independent Expert” under the definitions of the Valmin Code to provide such reports for the purpose of inclusion in public company documents.

This report has been prepared in accordance with the relevant requirements of the Listing Rules of the Australian Securities Exchange Limited (“ASX”), Australian Securities and Investments Commission (“ASIC”) Practice Notes 42 and 43 which were replaced on October 30<sup>th</sup>, 2007 by Regulatory Guidelines (“RGs”) 111 & 112 and the Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert reports (the Valmin Code) which is binding on members of the Australasian Institute of Mining and Metallurgy (“AusIMM”).

AM&A is an independent geological consultancy established 26 years ago and has operated continuously since then. Neither AM&A nor any of its directors, employees or associates have any material interest either direct, indirect or contingent in Ezenet, nor in any of the mineral properties included in this report, nor in any other asset of Ezenet, nor has such interest existed in the past. This report has been prepared by AM&A strictly in the role of an independent expert. Professional fees payable for the preparation of this report constitutes AM&A’s only commercial interest in Ezenet. Payment of fees is in no way contingent upon the conclusions of this report.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Allen J Maynard', with a horizontal line underneath.

Allen J Maynard

BApp.Sc(Geol), MAIG, MAusIMM.

## 2.0 Background Information

### 2.1 Introduction

Ezenet commissioned AM&A to carry out a field reconnaissance and data review of the Chuminga and Vega Projects in northern Chile in late June 2011 and compile an IGR. This was carried out by author of this report, Mr Allen J. Maynard of AM&A in July 2011. His conclusions and recommendations from these reviews are stated in this document. Unfortunately, a field examination of the Vega Project could not be made due to adverse weather conditions (heavy snowfalls) that curtailed access to the project.

The two projects, the subject of this IGR, comprise a combined listing of 13 tenements, comprising 3 exploitation licences (Chuminga) and 10 exploration licences (Vega) that have the potential to host the commodities as described below. The most advanced is the Chuminga Project, followed by the Vega Project. All of the projects tenements are subject to agreements and all details of these agreements are described elsewhere in this Prospectus.

Ezenet Limited was incorporated as Ezenet Pty Ltd on 29<sup>th</sup> July 1998, converted to a public company, Ezenet Limited, on 15<sup>th</sup> October 1999 and listed on the Industrial Board of the ASX on 7<sup>th</sup> December 1999. It proposes to seek Shareholder approval to change its name to Oro Verde Limited as part of the change to the nature and scale of the Company's activities. The company has incorporated an unlisted Chilean subsidiary company, Green Mining Ltda, to execute and administer its mineral interests in Chile.

### 2.2 Regional Geology and Metallogenic Setting of the Projects

The Chuminga and Vega Projects lie in Northern Chile and it is worthwhile for the reader to be aware of the location of the projects in terms of the regional geology and metallogenic setting. Northern Chile has four well defined metallogenic belts which run parallel to the axis of the Andes that decrease in age from the coast to the Andes (Figure 2). As a generalisation, the metallogenic belts are the result of the eastwards tectonic and magmatic evolution of the convergent margins of the Nazca and South America plate <sup>(ref 1, 2)</sup>. From youngest to oldest, these are:

- i. *Upper Tertiary Gold Belt (El Indio Belt and Maricunga Belt)*: located in the main Andean cordillera and characterised by high sulphidation epithermal and porphyry gold systems, including Esperanza, La Coipa, La Pepa, Marte-Lobo, Refugio and Cerro Casale-Aldebaran of the Maricunga Belt; and El Indio-Tambo and Pascua Lama-Veladero of the El Indio Belt.
- ii. *Lower Tertiary Gold Belt*: east of the coastal belt in the back-arc basin, and characterised by both low and high sulphidation epithermals, including San Cristobal, Guanaco and the El Peñon gold and silver deposits.
- iii. *Lower Tertiary Porphyry Copper Belt*: located in the Pre-cordillera (Domeyko Range) and parts of the main Andean Range, containing the giant Cu (Mo-Au) porphyries such as El Teniente, Chuquicamata, Escondida, Zaldivar, Collahuasi, Los Pelambres, Los Bronces, Andina, and others controlled by the Falla Oeste (West Fault), a ~3,000km long regional structural feature.
- iv. *Mesozoic Iron Oxide Copper-Gold Belt (IOCG)*: located along the Coastal Ranges and parts of the Pre-cordillera of Northern Chile. This is part of a Mesozoic volcanic arc characterised by Andean IOCG deposits, which include Los Colorados (Fe), El Algarrobo (Fe), El Romeral (Fe), Mantos Blancos (Cu-Ag), Mantoverde (Cu), Montecristo (Cu-Au-Fe), Candelaria (Cu-Au-Fe), El Soldado (Cu) and Andacollo (Cu-Au).

Associated with many of the above are copper and gold-rich veins, supergene oxide and sulphide copper and oxide copper mantos, skarns and exotica-type (eg copper cemented palaeo-gravel deposits) and supergene mantos Ag-Au deposits.

With reference to Figure 2 the Chuminga Project lies within the Mesozoic IOCG belt in the Coastal Ranges, north of the Montecristo IOCG deposit, whilst the Vega Project is located in the Upper Tertiary gold belt (El Indio Belt) between El Indio-Tambo and Pascua Lama-Veladero.

### 3.0 Chuminga Project

#### 3.1 Introduction

The Chuminga Copper-Gold Project lies on the Pacific coast in Region 2 of Chile, 115km due south of the coastal city of Antofagasta, which has a population of 320,000 persons and services the nearby large copper mines in the hinterland, such as Chuquicamata, Mantos Blancos and Escondida (Figure 2).

Ezenet has entered into a purchase agreement to acquire a 100% interest in the advanced Chuminga Project from SCM Compania Minera Chuminga, a member company of a group of companies controlled by a branch of the well known Chilean mining family, the Errazuriz Hochschild.

The Errazuriz Hochschild Group is currently mining and treating 400,000tpa of 1.2% Cu, 0.35 g/t Au near Copiapo, some 470km to the south of Chuminga. As they are currently expanding their mining and treatment operations in the Copiapo district to around 1.0 million tpa capacity and the sole asset of SCM Compania Minera Chuminga, the Chuminga Project, is remote from their core mining activities, a corporate decision has been made by the Errazuriz Hochschild Group to divest the Chuminga Project.

Ezenet is developing a close working relationship with the Errazuriz Hochschild Group of Companies to develop Chuminga in a financially and environmentally sustainable manner, and in the process secure significant benefits for shareholders.

#### 3.2 Tenement Details

The details of the tenement holdings, comprising 3 Exploitation Licences covering a contiguous area of 900ha for the Chuminga Project, are presented in Table 1 below.

Licence	Holder (1)	% Held	Licence Type	Area (ha)	Mining Patents 2011-12 US\$ (2)	Expend. Commit.	Expiry Date for Concession (3)	Comments (4)
Chumi 1	CMChumi	100	Exploitation	300	2,407.26	None	Open Date	Constituted
Chumi 2	CMChumi	100	Exploitation	300	2,407.26	None	Open Date	Constituted
Chumi 3	CMChumi	100	Exploitation	300	482.42	None	Open Date	Constituted

**\* Notes:**

(1) CMChumi is Compania Minera Chumi, which is currently 100% owned by SCM Compania Minera Chuminga. Green Mining Ltda (Ezenet Limited's Chilean subsidiary) has the right to acquire a 20% interest in CMChumi and has an option to increase its interest to 100% through a purchase agreement between Ezenet Limited, Green Mining Ltda and SCM Compania Minera Chuminga

(2) Mining Patents represent yearly rent and rate fees for mining rights in Chile. Values may suffer variation according to the value of the Monthly Tax Unit which is established and adjusted on a monthly basis through a monetary unit known as UTM which has a US\$ exchange rate.

(3) In the case of a Exploitation Concession, the concession does not expire unless the owner, in this case CM Chumi, does not pay the patents in due time. Chumi 3 payment is a pro-rata payment for the 2011-12 title year.

(4) Constituted is the Chilean equivalent of granted.

**Table 1: Chuminga Project Tenement Details.**

### 3.3 Location and Access

The Chuminga Project lies on the Pacific coast of Chile, 115km due south of the coastal city of Antofagasta (Figures 1 and 2). Access is via Route 1 from Antofagasta which connects to the coastal city of Taltal. Route 1 traverses the western periphery of the 900ha project area centred on UTM coordinates 7,269,500mN 343,500mE at approximately 700masl on the mid-slope of the coastal mountain range (Figure 4).

### 3.4 Geology

#### 3.4.1 Regional Geology

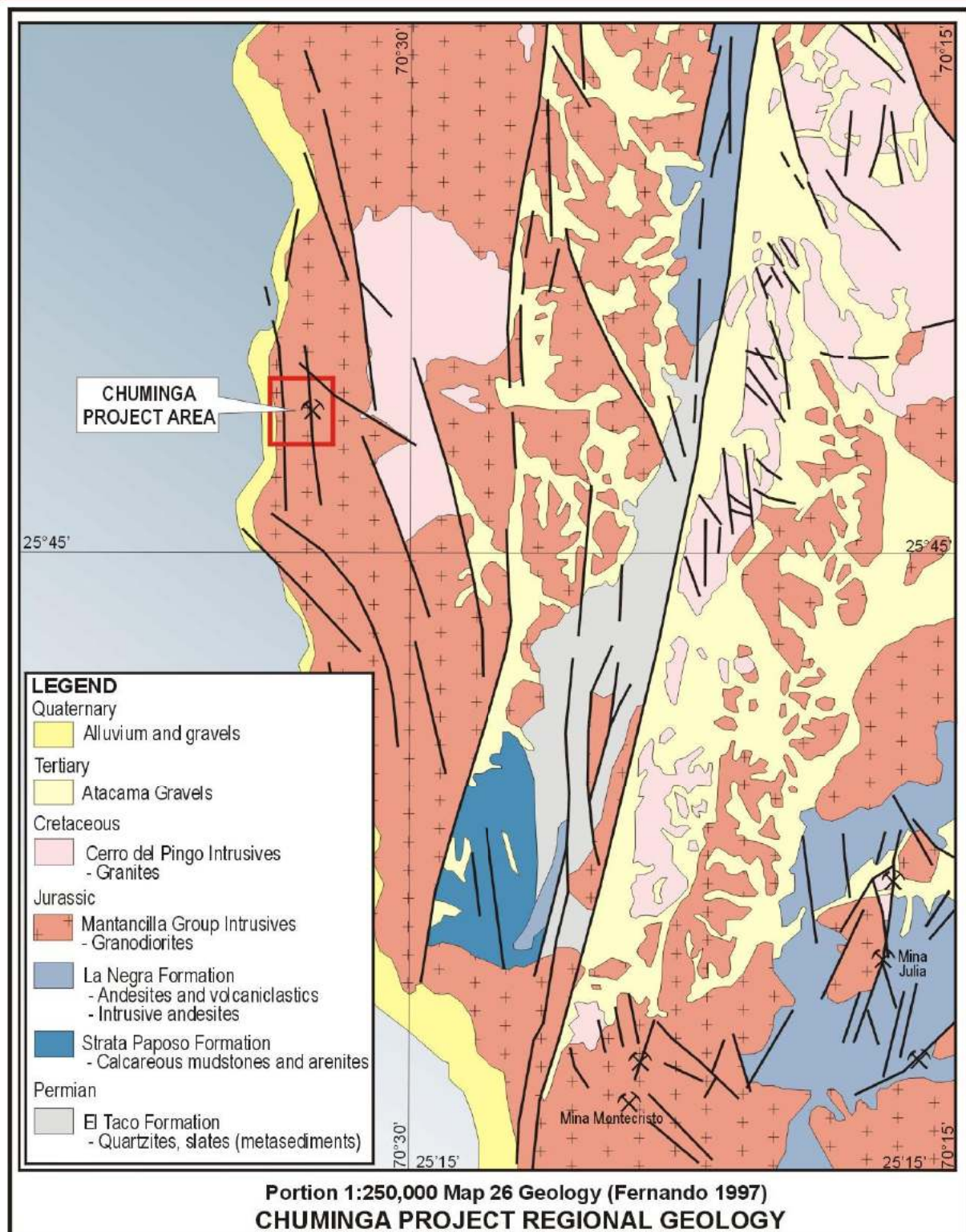
The immediate regional geological setting is best described from the 1:250,000 scale geological sheet of the area <sup>(ref 5)</sup>. The general region surrounding the Chuminga Project is underlain by the following geology (Figure 3). Fifteen kilometres to the east, Palaeozoic meta-sedimentary basement lithologies of the El Toco Formation outcrop as a north-northeast trending continuous strip in faulted juxtaposition to a north-northeast trending regional fault related to the Atacama Fault. These Palaeozoic sediments, corresponding to a sequence of quartzites, slates, phyllites and mica schists, are overlain unconformably by Lower Jurassic calcareous mudstones and arenites of the Strata Paposo Formation and Upper Jurassic andesites with interbedded andesitic breccia and tuff of the La Negra Formation and in turn by Middle to Late Tertiary age Atacama Gravels.

The Palaeozoic and Mesozoic formations have been intruded by the Middle Jurassic Matancilla Plutonic Group (mainly granodiorites and tonalites, with variations, ie monzodiorites, diorites and granites) and the Lower Cretaceous Cerro del Pingo Plutonic Group (mainly diorites, granodiorites, granites and leucocratic adamellites) which dominate the landscape and are often unconformably overlain by Middle to Late Tertiary age Atacama Gravels.

Three regional fault systems are recognised; a north-south system, a northeast system and a northwest system. The north-south system is a main structural feature in northern Chile, and is prominent along the Coastal Cordillera where it controls coastal geomorphology and is responsible for the development of the prominent cliff morphology which can vary between 200masl to 800masl in height. The maximum age of this fault system is Jurassic because it affects Matancilla Plutonic Group intrusive rocks of the pluton. However, there is evidence of reactivation of this structure during Cretaceous and Tertiary times.

The northeast system faults are generally restricted local common faults, and have a general northeast-southwest orientation. Many copper deposits in the region, such as Montecristo, Santo Domingo and Julia, southeast of the Project area, are located on these structures and are post Matancilla Pluton Group in age (Figure 3). The northwest system, like the previous ones, is widely distributed in the area. These faults are post mineral and cut and displace the northeast system faults.





**Figure 3: Chuminga Regional Geology.**

### 3.4.2 Project Geology

The project area and its general environs is underlain by Jurassic age Mantancilla Group granite and granodiorites that have been intruded by latter Middle Cretaceous age Cerro del Pingo Group diorites and younger gabbro-diorite stocks<sup>(ref 10)</sup> (Figure 4). Mineralisation in the project area is associated with the emplacement of a young gabbro-diorite stock on a north-south striking structure related to the Atacama Fault, a major structure, 15km east of the project area that is associated with significant iron oxide copper gold (“IOCG”) deposits in the region. A well mineralised hydrothermal copper-gold stock work breccia has developed on the western contact of the stock and outcrops on a mountain side at 600masl to 700masl (Figure 4). The

mineralised body is generally tabular dipping 60° to 70° to the east, and from various reports has the following dimensions; a width of 60m to 150m and a 800m to 1,200m strike in a north-south (006°) direction (ref 3, 4, 7, 8, 10).

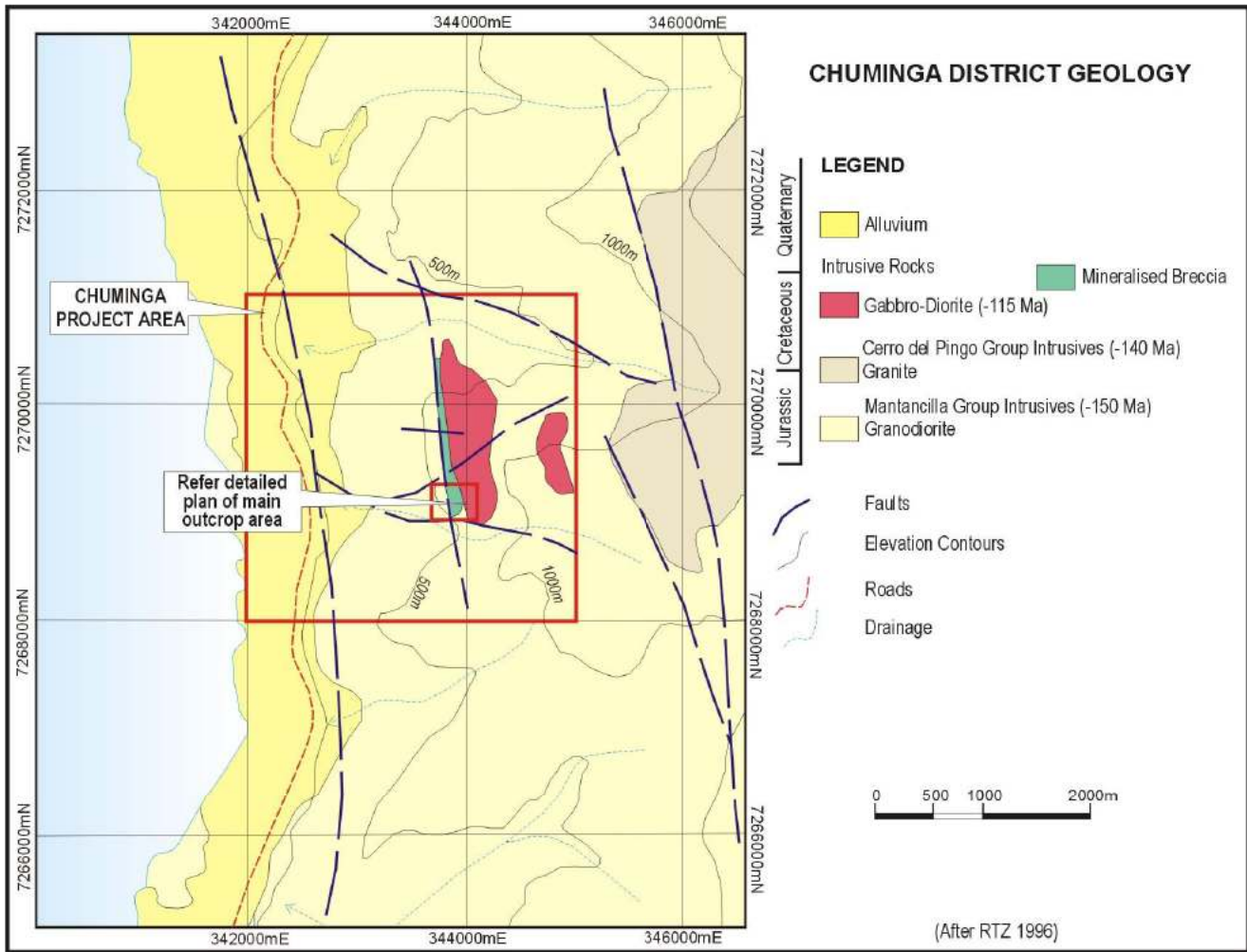


Figure 4: Chuminga District Geology.

### 3.4.2.1 Alteration and Mineralisation

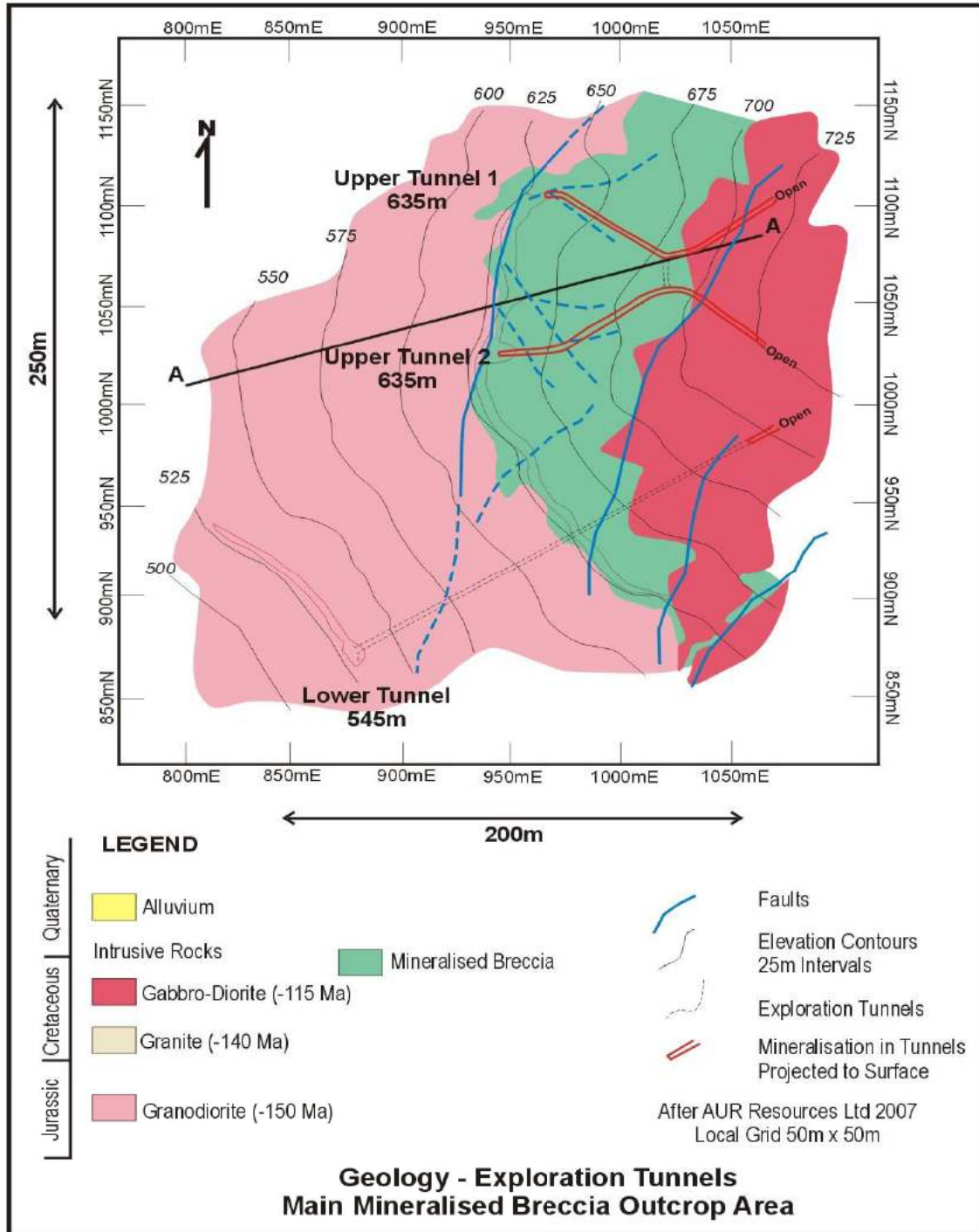
With respect to the breccia mineralisation, general alteration represented by the mineral assemblage, sericite-chlorite-amphibole-magnetite-haematite-tourmaline, forms a halo around a central copper mineralised core (ref 4, 8, 10). Mineralisation consists of a sulphide association dominated by chalcopyrite-chalcocite-incipient bornite with pyrrhotite-pyrite-sphalerite-magnetite which is present as disseminations and fracture fillings. The sulphides are often small ovoid nuclei surrounded by both iron oxides (haematite-goethite-limonite) and copper oxides (atacamite-chrysocolla) which also occurs in fracture fillings (ref 4, 8, 10).

### 3.5 Exploration to date

The Chuminga Project area has seen two owners since the discovery of the copper-gold mineralisation in 1981; the discoverer, Eulogio Gordo y Cia (“Gordo Engineering Company”) over the period 1981 to 2005, and SCM Compania Minera Chuminga, 2005 to the present. Meaningful exploration of the Chuminga Project area has been limited to the original owner over the initial discovery phase period, 1981 to 1987. Since that time the project has been the subject of reviews by various companies as part of a possible acquisition or joint venture on the mineral asset with the Gordo Engineering Company.

### 3.5.1 Gordo Engineering Company

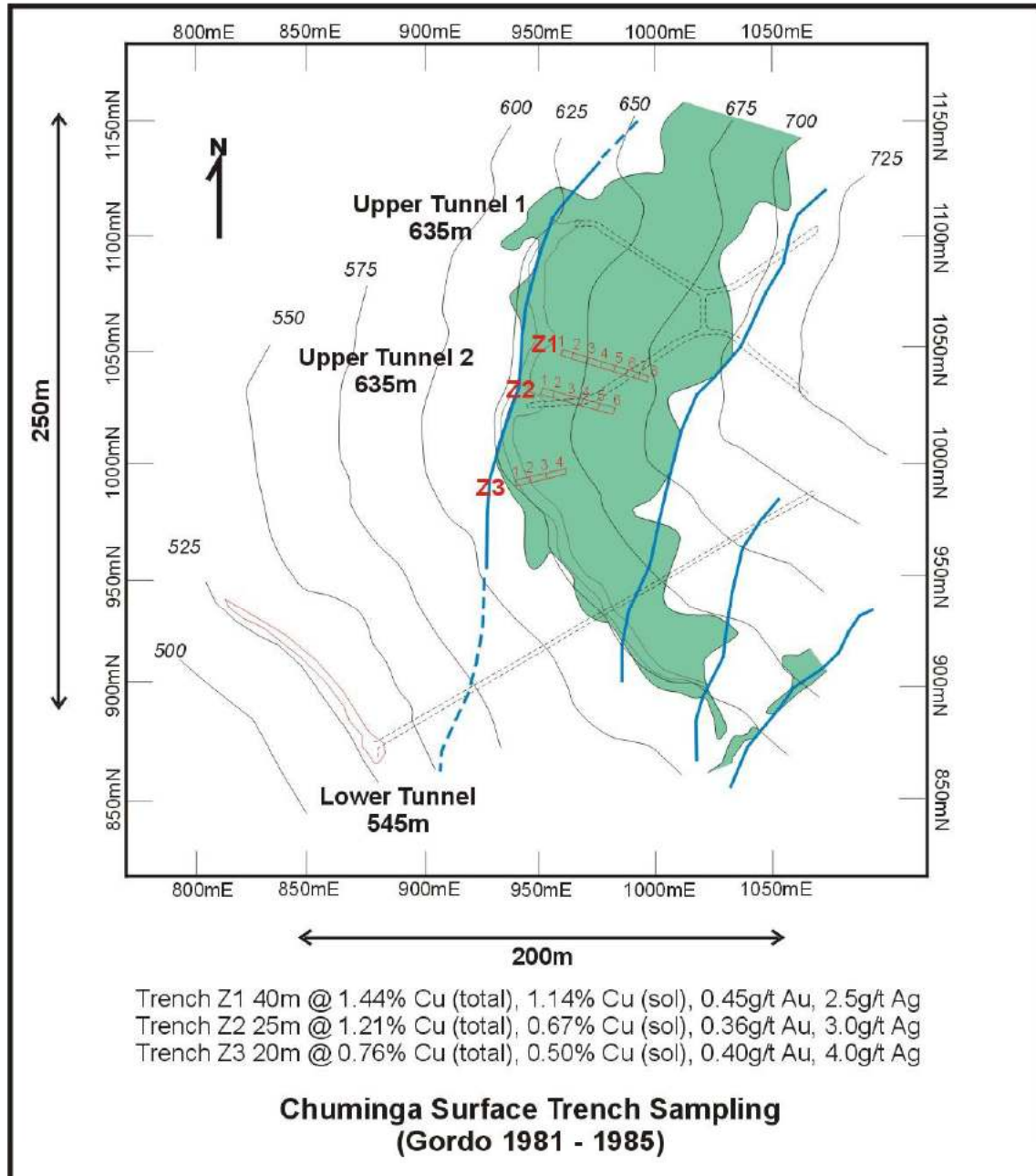
The Mining Division of the Gordo Engineering Company discovered the mineralisation in 1981 by the recognition of oxidised chalcopyrite-pyrite-magnetite boulders down slope of the scree covered zone of mineralisation at the base of the mountain side. The company was then actively mining Cu-Fe ores at Santa Domingo, Paposo, 48km directly south of Chuminga. The company carried out intensive exploration during the period 1981 to 1987 especially where the mineralisation outcrops over an area of 250m north-south by 100m east-west between 600masl to 700masl <sup>(ref 4)</sup> (Figure 5).



**Figure 5: Chuminga Exploration Tunnels & Geology.**

Most of the recognized mineralised strike of the body is scree covered by rock debris which is continually moving down a 40° mountain slope. Exploration work carried out included initial

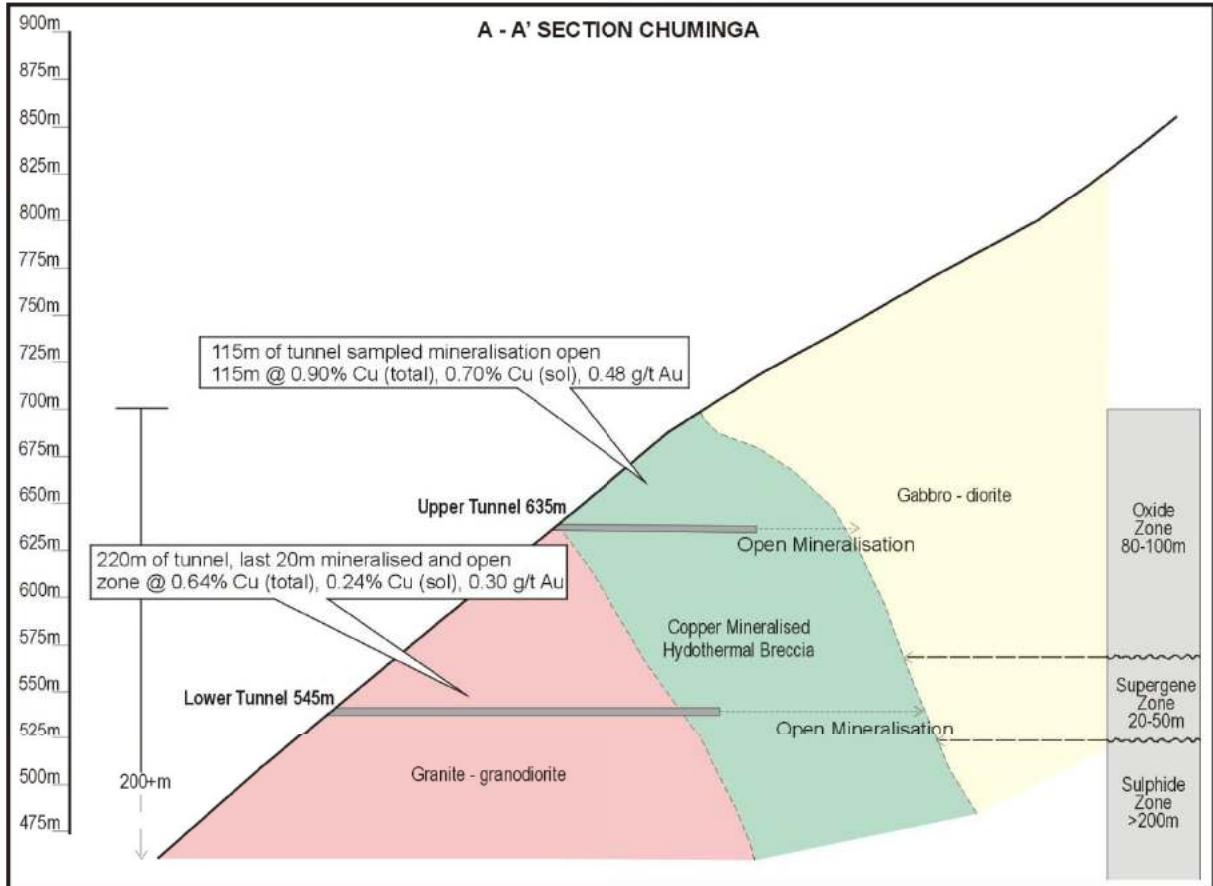
prospect geological mapping, with surface sampling and trenching on the outcrop area between 550m and 600m above sea level. The favourable Cu-Au-Ag results of three trenches; i.e. Trench Z1 - 40m @ 1.44% Cu, 0.45 g/t Au, 2.5g/t Ag; Trench Z2 - 25m @ 1.21% Cu, 0.36 g/t Au, 3 g/t Ag and Trench Z3 - 20m @ 0.75% Cu, 0.40 g/t Au, 4 g/t Ag having a weighted average result of 1.21% Cu; 0.41 g/t Au; 3 g/t Ag (Figure 6), led to the opening of three tunnels into the mineralised breccia. These tunnels were placed orthogonally to the strike of the mineralised breccia - two tunnels 100m apart at 635masl, which were latter interconnected; and a third tunnel, 90 metres below the first two, at 545masl (ref 4, 8, 10) (Figure 5).



**Figure 6: Chuminga Trench Locations.**

The upper tunnels, 100m apart and 120m and 180m in length, were reported to have intersected mineralisation through the entire run of the tunnels, but did not transect the full width of the mineralised breccia. The southern-most, upper tunnel was comprehensively sampled, but not over its entire length (Figure 5). This sampling consisted of both the northern and southern walls being initially chip sampled over a 2.5m sampling interval for the first 60m length of the

tunnel. The roof of the tunnel was subsequently sampled over a 5m sampling interval for a 115m length of the tunnel. The weighted average of the results obtained was 115m @ 0.90% Cu (total), 0.70% Cu (soluble) and 0.48 g/t Au<sup>(ref 4, 10)</sup> (Figure 7). The ratio of soluble copper to total Cu grade analyses of these tunnel samples expressed as a recovery of Cu (78%) indicates good metallurgical characteristics of the oxidized copper mineralisation at an approximate vertical depth of 60m.



**Figure 7: Chuminga Cross-Section (A-A' from Fig 5).**

The lower tunnel is some 218m long intersecting mineralisation in the last 30m of tunnel. It was not completed through the mineralised breccia due to financial problems with the company at that time. The walls and the roof of the tunnel were sampled over the interval 197.5m to 217.5m and the weighted average of the results obtained was 20m @ 0.64% Cu (total), 0.24% Cu (soluble) and 0.30g/t Au<sup>(ref 4, 10)</sup> (Figure 7). The ratio of soluble Cu to total Cu grade analyses of these tunnel samples expressed as a recovery of Cu (38%) indicates the metallurgical characteristics of the copper mineralisation has changed. This is a function of the less oxidized nature of the mineralised body at an approximate vertical depth of 155m. This observation may be just a reflection of the fewer number of analysed samples in the lower tunnel (4 compared to 23) and the selection of the sampling positions, as the lower tunnel had just entered the mineralised body where it stopped. However, a change of mineralogical characteristics (decreasing oxides to sulphides with depth) has been commented upon by other parties particularly Rojas (2009) (ref 8), refer section 3.5.4 below.

Overall Gordo Engineering Company concluded that the exploration target potential of the copper mineralised breccia was between 7.5 to 45 million tonnes at 0.90 to 1.21% Cu and 0.40 to 0.48 g/t Au. The potential quantity and grade of this 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.

### 3.5.2 RTZ Mining and Exploration

No further work was undertaken by the Gordo Engineering Company post 1987. In 1996, RTZ Mining and Exploration Ltda (“RTZ”) examined the property as part of possible acquisitions of the mining assets of the company. RTZ carried out some limited sampling and indicated that the extent of the mineralised body was 1,000m, possibly to 1,200m, as the gabbro-diorite was shown to extend that distance, and its width was up to 100m<sup>(ref 3, 6, 7, 9)</sup>. It was considered a significant mineralised body, but was not of sufficient size for RTZ.

### 3.5.3 AUR Resources

SCM Compania Minera Chuminga acquired Chuminga in 2005. In 2007, the local subsidiary of Canadian miner, AUR Resources Inc (“AUR”) examined the property and the data base before that company was taken over by Teck-Cominco Inc. in the same year. AUR carried out a re-sampling exercise of surface trenches and tunnels by re-sampling 20% of the same sample points of the Gordo Engineering Company<sup>(ref 10)</sup>. Total copper had a marked positive bias in favour of sampling done by AUR, the average grade being 49% higher, whilst gold had a marked lower bias in favour of sampling by AUR, the average being 66% lower. It was noted both gold values data sets had an inverse relationship with copper. From an observation of the AUR versus Gordo Engineering Company soluble Cu and total Cu data for the same sample points, the soluble copper to total Cu ratio for these particular sample points is far higher than AUR (93% to 80%). This suggests the Gordo Engineering Company mine laboratory did not use a total Cu analytical method as compared to the commercial laboratory used by AUR for their analyses. However, the reason for the difference in gold analytical results between the laboratories cannot be readily explained and could again be due to different laboratory analytical methods for gold analyses.

AUR confirmed the mineralised breccia body discovered by Gordo Engineering as being an exploration target of 7.5 to 45 million tonnes of 1.30 to 1.40% Cu and 0.30 to 0.40g/t Au. However, grade ranges cannot be verified from the available data. The potential quantity and grade of this target is also 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.

### 3.5.4 SCM Compania Minera Chuminga

In 2009, SCM Compania Minera Chuminga requested Chilean consulting group, Rojas and Associates (“Rojas”) to give a technical opinion on the property after conducting both a field examination of the Chuminga Prospect and a review of all available data.

Rojas noted the grades of samples taken from the tunnels by AUR showed significant increases in Cu grade compared to the original work of the Gordo Engineering Company and also a 1% mean Zn content for the body was estimated from the AUR sample data<sup>(ref 10)</sup>. The Zn content cannot be confirmed as the AUR analytical data in full has not been seen. However, the Zn content is not unexpected as sphalerite, a zinc sulphide mineral, was reported by RTZ to occur in the ore mineral suite<sup>(ref 7, 9)</sup>. No comment was made by Rojas on the Au content of the body, though it appears a gold grade of 0.4g/t was estimated and the reason behind this estimate is not known. It is noted however, that the weighted average grade of the Gordo Engineering Company surface trench samples, 1.21% Cu and 0.41% Au, (with the latter addition of Zn) appears to have been accepted by Rojas and was incorporated into his estimate of the grade of the mineralised breccia as being 1.1 to 1.2% Cu; 0.30 to 0.40 g/t Au; 0.9 to 1.0% Zn.

Rojas<sup>(ref 10)</sup> estimated from a study of the mineralised breccia body that there is an upper 80m to 100m of oxide copper mineralisation below which is a probable mixture of oxides and supergene sulphides which from regional analogies may be 20m to 50m in extent (Figure 7). The floor of this mixed zone was prognosed to be located a few metres below the elevation of the lower tunnel, and underlying this should be a primary sulphide zone, inferred by the

presence of mixed oxide and sulphide minerals in the lower tunnel and relics of copper sulphides in the oxides in the upper tunnels. The extension of this primary zone at depth depends on the existence of the hydrothermal breccia at depth. Rojas suggested it could extend to a vertical depth of 300m or more below the lower tunnel. It was noted that as most of the sulphides have been oxidized in situ and vertical movement of copper appears limited, one might expect restricted supergene sulphide development (as these sulphides should now be oxidized) and as a consequence the grade of the primary sulphide zone should not vary significantly from the grade of the oxidized zone.

By considering the area of mineralisation on surface, the lateral and vertical depth of the tunnels and the general strike extent of the mineralisation, Rojas estimated an overall exploration target at Chuminga of between 50 to 60 million tonnes at 1.1 to 1.2% Cu; 0.30 to 0.40 g/t Au; 0.9 to 1.0% Zn. The potential quantity and grade of this 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.

### 3.5.5 Ezenet Limited

During September 2011, EZE conducted sampling of three new contiguous trenches located as shown in Figure 8. These trenches were dug following the approximate contour of the strike of the mineralised breccia. The averaged results are summarised below in Table 2.

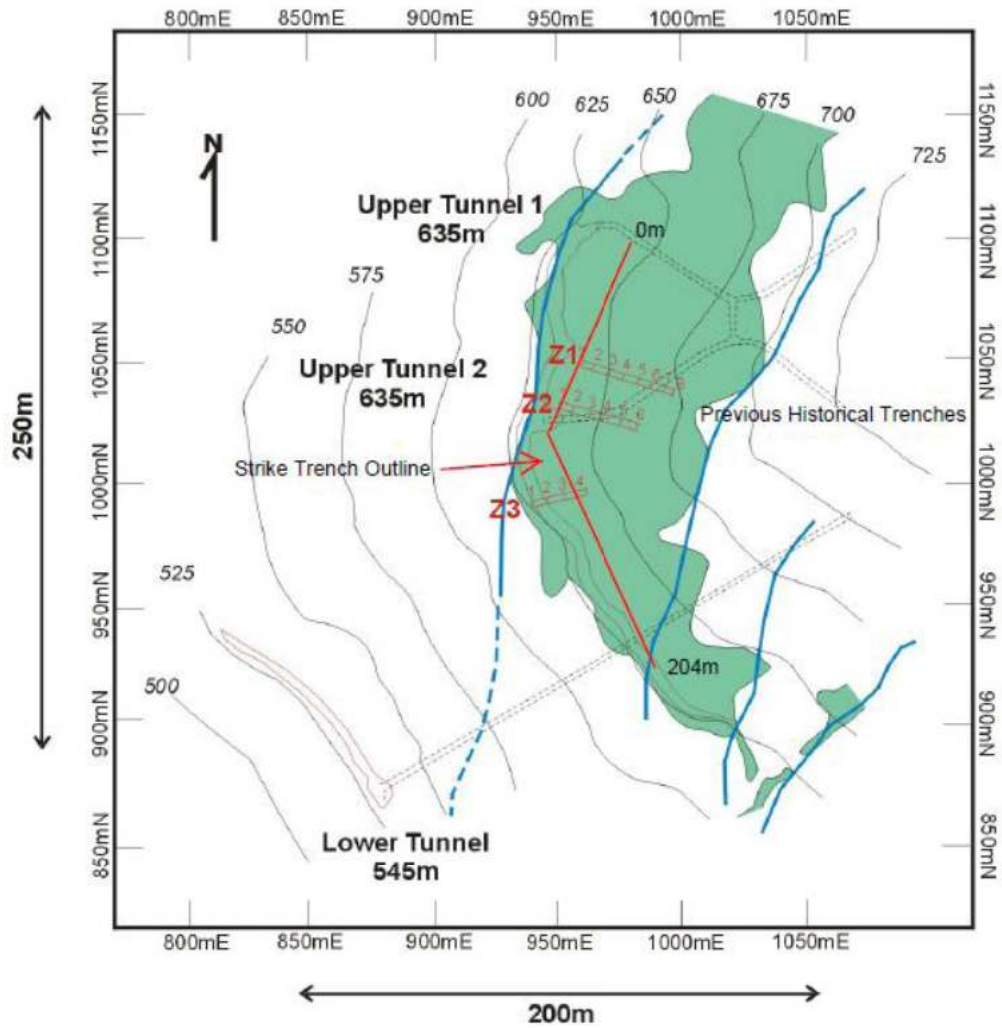
Trench	Strike From m	Strike To m	Interval m	Au g/t	Ag g/t	Cu %	Pb ppm	Zn ppm	As ppm	Mo ppm
Trench 1 north	0	12	12	0.01	0.2	0.01	6	38	30	4
	12	66	54	0.19	1.4	1.09	4	86	83	20
Trench 2 central	0	150	150	0.21	1.3	1.03	6	96	53	18
Trench 3 south	0	31	31	0.20	0.6	1.14	9	61	58	25
	31	32	2	<0.05	0.2	0.02	5	36	32	3
Summary Strike	0	12	12	0.01	0.2	0.01	6	38	30	4
	12	202	190	0.20	1.2	1.07	7	87	62	20
	202	204	2	<0.05	0.2	0.02	5	36	32	3

**Table 2: Recent Trench Sampling Details.**

The highlighted Cu and Au results of the continuous breccia mineralisation encountered along strike (190m @ 1.07% Cu, 0.20 g/t Au) are similar to the historic results and thereby help to confirm the earlier exploration results. The Zn results do not match with earlier results by way of being extremely low.

This is interpreted as being caused by mineralisation zoning with respect to elevation of the deposit with various elements, Zn in particular and Mo to a lesser extent, being susceptible to differential precipitation as pH and Eh levels varied as the mineralising fluids solidified to form the occurrences now delineated. So this results in a vertical stratification of Zn mineralisation in particular as these new trenches were dug along strike rather across strike and thus produced these current results. This does not diminish the previous work as described above except for the Zn results.

Consequently the grade range for the zinc component of the exploration potential estimate is reduced from the previous range of 0.9% to 1.0% Zn to 0.5% to 1.0% Zn. Please note that all exploration targets are conceptual in nature and future work may not delineate all or any of the potential target.



**Figure 8: Location of New Trenches (on Fig 5).**

### 3.6 Exploration Potential

Whilst there are some varying grade results in the Chuminga data to hand, there is evidence from the original owner of Chuminga, and importantly independent data reviews of the Chuminga Project by large reputable companies as part of farm in or purchase diligence deliberations on the project, using the above parameters of the mineralised body, to suggest the existence of a large exploration target of medium grade Cu-Au-(Zn) mineralisation (50 to 60 million tonnes of 1.0 to 1.1% Cu; 0.30 to 0.40g/t Au; 0.5 to 1.0% Zn) which appears to have good metallurgical characteristics and a geometry amenable to bulk mining methods. Drilling, in particular, has yet to occur on the mineralised breccia body, and is a primary requirement to realise the conceptual tonnage-grade expectations at Chuminga based on exploration carried out to date. 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.

A better understanding of the true potential of this mineralisation will occur in the near future with Ezenet carrying out systematic exploration programs involving geophysics, drilling and metallurgical testing.



### 3.7 Proposed Exploration Program and Budget

Ezenet will commence initial detailed ground geophysical programs involving magnetics and induced polarization in August over the 1,200m strike of the mineralised breccia. The aim of the program is;

1. To build a detailed 3D magnetic and IP model of the strike of the mineralised breccia body to a depth of at least 300 to 400m to assist drill planning and possible resource estimations using current sampling data of the tunnels and subsequent diamond drilling results.
2. To prospect for further structurally-controlled mineralised breccias on both the western and also the eastern contact of the young intrusive gabbro-diorite bodies that are known or are suspected to occur in the eastern half of the 9km<sup>2</sup> prospect area which are mainly concealed by scree moving downslope on the mountain side.

This geophysical program, concurrent with road access to drill sites in the environs of the upper tunnels, will lead to the commencement of an initial diamond drilling program in September Quarter 2011, with subsequent preliminary metallurgical work to determine the target potential of Chuminga. Six NQ core holes will be drilled for 1,460m on 3 sections. Two holes, "scissored" on each of the sections, should outline the width (morphology) and grade of the mineralised breccia and determine the vertical extent of the oxidised and supergene mineralisation of the primary breccia mineralisation over the 250m to 300m strike of the breccia mineralisation in the environs of the tunnels. Further step out on-strike drilling is planned based on the results of the geophysical program.

A proposed budget for exploration activities in Years 1 and 2 is outlined below in Table 2. This budget will be subject to change as it is results dependent on the outlined activities.

Activity	Year 1 \$	Year 2 \$	Total \$
Base plan preparation including low level air photogrammetry and surveying	20,000		20,000
Ground Geophysical Surveys plus interpretation	100,000		100,000
Surface Mapping, Targeting Geophysical Anomalies, Trenching & Sampling	50,000		50,000
Road Access	500,000	100,000	600,000
Diamond Drilling	310,000	1,000,000	1,310,000
Analytical	40,000	100,000	140,000
Metallurgical Testing	10,000	50,000	60,000
Resource Estimation	15,000	30,000	45,000
Mining Engineering		50,000	50,000
Field Supervision	50,000	100,000	150,000
Administration	80,000	100,000	180,000
<b>TOTAL</b>	<b>1,175,000</b>	<b>1,530,000</b>	<b>2,705,000</b>

**Table 3: Chuminga Project Proposed Exploration Budget.**

## 4.0 Vega Project

### 4.1 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 (Figures 1 and 2).

Vega targets an undrilled epithermal system similar to other gold bearing volcanics close by in the El Indio Gold Belt. The El Indio Gold Belt contains 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<sup>(ref 11)</sup>.

### 4.2 Tenement Details

The details of the tenement holdings, comprising 10 Exploration Licences covering a contiguous area of 28km<sup>2</sup> for the Vega Project, are presented in Table 3 below.

Licence ID	Holder (1)	% Interest	Licence Type	Area (ha)	Mining Patents 2011-12 US\$ (2)	Expenditure Commitment	Expiry Date for Concession	Comments (3)
Vega 1	CMC	100	Exploration	200	324.18	None	10/12/2014	Constituted
Vega 2	CMC	100	Exploration	300	486.28	None	10/12/2014	Constituted
Vega 3	CMC	100	Exploration	300	486.28	None	10/12/2014	Constituted
Vega 4	CMC	100	Exploration	300	486.28	None	10/12/2014	Constituted
Vega 5	CMC	100	Exploration	300	486.28	None	10/12/2014	Constituted
Vega 6	CMC	100	Exploration	300	486.28	None	10/12/2014	Constituted
Vega 7	CMC	100	Exploration	300	486.28	None	10/12/2014	Constituted
Vega 8	CMC	100	Exploration	300	486.28	None	10/12/2014	Constituted
Vega 9	CMC	100	Exploration	300	486.28	None	10/12/2014	Constituted
Vega 10	CMC	100	Exploration	200	324.18	None	10/12/2014	Constituted

Note:

(1) CMC is Compañía Minera Calcia Ltda. Pursuant to a purchase agreement between Ezenet, is Green Mining Ltda (Ezenet Limited's Chilean subsidiary) and CMC, Green Mining has the right to acquire the Vega Concessions subject to the satisfaction of certain conditions.

(2) Mining Patents represent yearly rent and rate fees for mining rights in Chile. Values may suffer variation according to the value of the Monthly Tax Unit which is established and adjusted on a monthly basis through a monetary unit known as UTM.

(3) Constituted is the Chilean equivalent of granted.

**Table 4: Vega Project Tenement Details.**

### 4.3 Location and Access

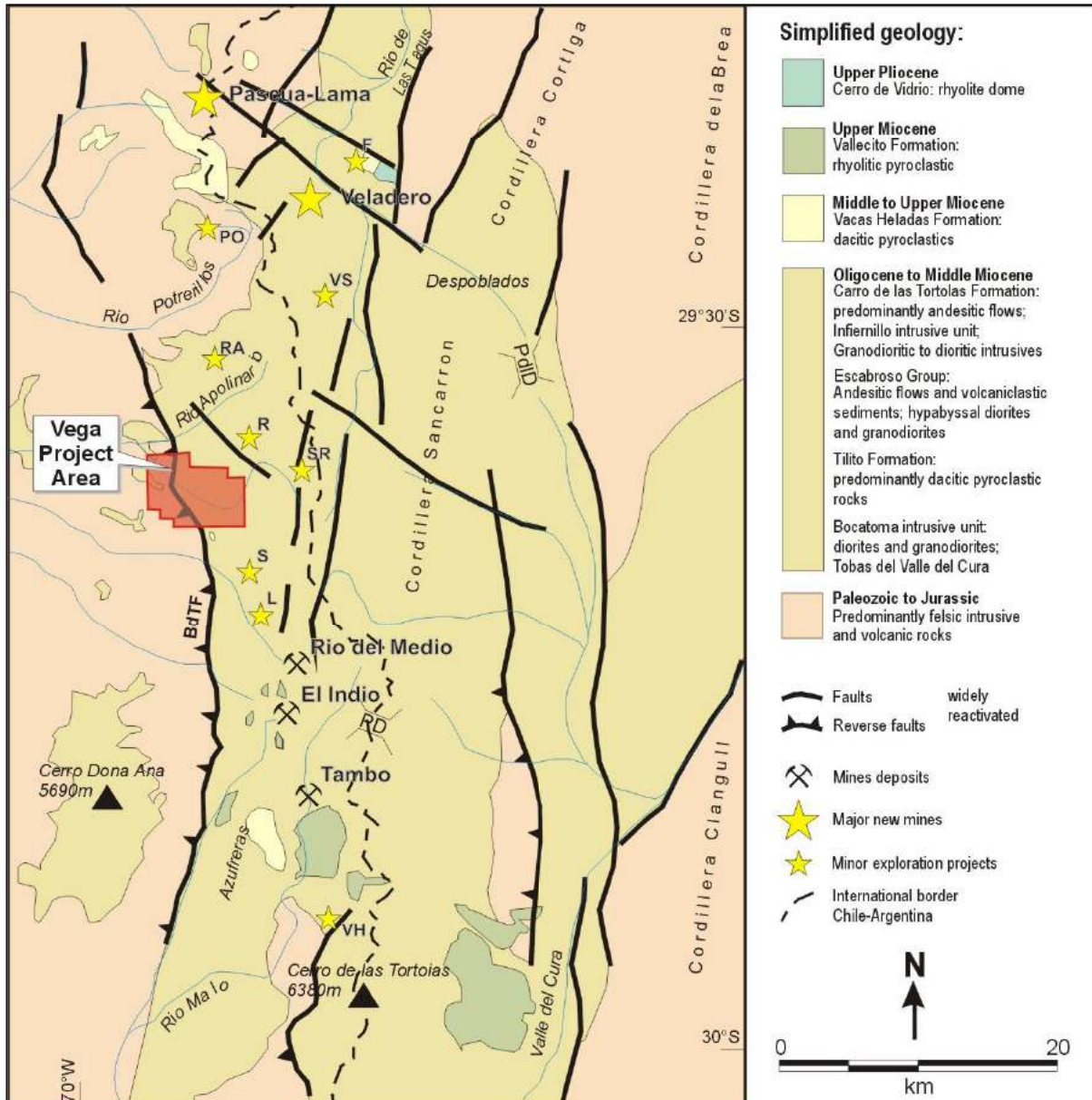
Project access is via the coastal city of La Serena, following the Elqui valley 160km east along Route 41, the highway to Argentina, through Vicuña, to the border post at Junta del Toro. A 26km gravel highway is then taken northwards to Barrick's closed El Indio mine. Vega lies 20km further north of El Indio, following a non-maintained dirt road, which continues upstream a further 5km to Barrick's Sancarron gold project (Figure 8), at the Argentine/Chile border.

The project occupies an area of 28km<sup>2</sup> centred on UTM coordinates 6,725,500mN 401,500mE at approximately 3,850masl. The area is accessible Andean terrain between 3,600masl 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.

## 4.4 Geology

### 4.4.1 Regional Setting

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 8).



**Simplified geology and major faults of the El Indio-Pascua belt.**

Abbreviations for alteration systems and exploration projects: F = Faciana, L = Libre, P = Potrerillos, R = Renaca, RA = Rio Apolinario, S = Sanco, SR = Sancarron, VH = Vacas Heladas, VS = Veladero Sur. Other abbreviations: BdTF = Banos del Toro fault, PD = Paso Deidad, PDID = Portezuelo de los Despoblados.

**Figure 9: Vega Regional Geology & Other Mines.**

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 in 1994.

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)<sup>(ref 17)</sup>. 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 at an overall average grade of 6.3 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 ounces 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<sup>(ref 11)</sup>.

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 (both copper arsenic sulphide minerals) 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<sup>(ref 17)</sup>.

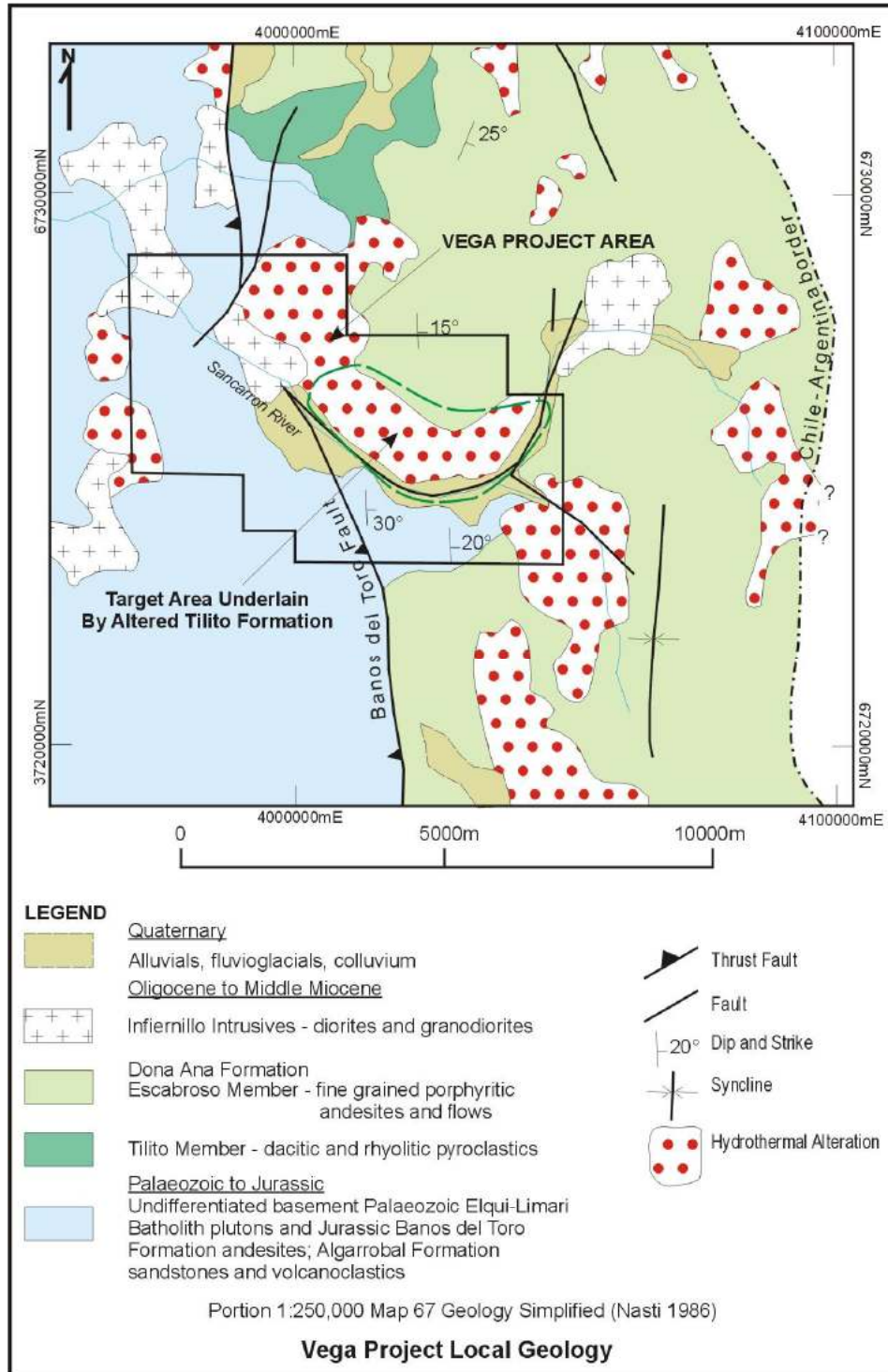
The majority of mineralisation in the El Indio Belt is hosted by Upper Oligocene to Miocene age volcanics of the Dona Ana Formation, which unconformably overlies "basement"<sup>(ref 12)</sup>. This formation consists of the Tilito Member, rhyolitic-dacitic pyroclastics (ash flow tuffs); overlain by the 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 and have been prime exploration targets for Barrick<sup>(ref 12)</sup>. The latter two are respectively just southeast and northeast of Vega (Figure 8). 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<sup>(ref 19)</sup>.

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 and Algarrobo Formation<sup>(ref 12)</sup> (Figure 8). 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.

#### 4.4.2 Project 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. The more significant of these centres have been the focus of Barrick's

exploration activity (Figure 8). 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 as is a younger diorite of the Infiernillo Group in the northwest of the immediate prospect area which is intrusive into the Tilito Member<sup>(ref 18)</sup> (Figure 9).



**Figure 10: Vega Local Geology.**

The altered volcanics are very evident on Google and ASTER satellite imagery (Figure 10). 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 <sup>(ref 19)</sup>.

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 3,600masl and 3,900masl, and because of this have been the target in the past of detailed surface mapping and prospecting involving geochemical sampling <sup>(ref 19)</sup>.

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 argillic-silicic alteration of the tuffs terminates abruptly against the overlying and adjacent Escabroso Member comprising fine grained to porphyritic andesites at approximately 3,900masl to 4,000masl on the northern side of the Sancarron valley (Figure 9). These andesites are flows probably originating from higher ground 6km to 8km to the east, or from within the same caldera and occupy terrain between 3,900masl and 4,300masl. The abruptness with the Tilito Member 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 Escabroso Member andesites have ubiquitous mild propylitic alteration and variable red-stained hematite content <sup>(ref 19)</sup>.

The major structural features of the area is the north trending Banos del Toro Fault which outlines the eastern margin of the upthrust basement and 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 <sup>(ref 18, 19)</sup> (Figure 9). This was the controlling structure along which the pyroclastics were emplaced, and along which hydrothermal fluids emanated. Minor faults, emphasised by silicification, strike northwest 60° to 80°, and a second set strike northeast 45° 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 and is also the prominent alteration area on Figure 10 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 from detection limits up to 2% arsenic with accompanying low order precious metals values was encountered in San Jose's Libra drill holes in the 1980s <sup>(ref 15, 19)</sup>.

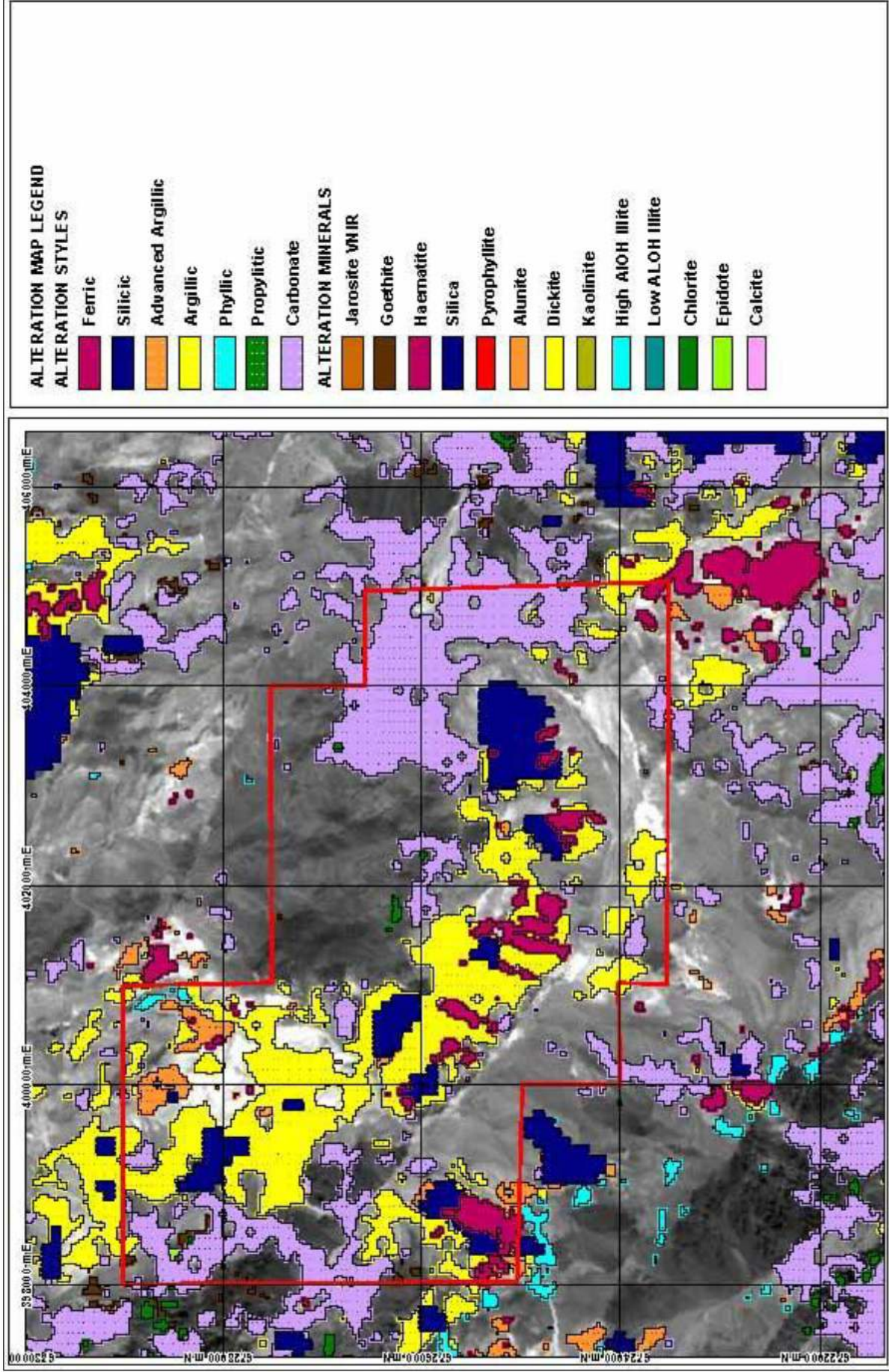


Figure 11: Vega 'Google+Aster' Image – Alteration Styles (AGARRS).

#### 4.4.2.1 Alteration and Mineralisation

The argillically altered tuffs of the Tilito Member 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 <sup>(ref 19)</sup>. Figure 10, an ASTER alteration image of the Vega Prospect area summarises alteration features of the immediate prospect area and the environs of the exploration concessions.

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 <sup>(ref 16)</sup>. (Figure 11).

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 6,725,500N 403,500E. 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 (Figure 12), discussed below in section 4.5.5, suggests that increased silicification of the volcanic extends below the valley floor for possibly several hundreds of metres vertically, widening at depth <sup>(ref 13)</sup>.

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(ref 20).

The argillic-silicic alteration of the tuffs terminates abruptly against the overlying and adjacent Escabroso Member andesites at approximately 3,900masl to 4,000masl on the northern side of the Sancarron valley (Figure 9). These andesites have ubiquitous mild propylitic alteration and a variable red-stained hematite content.

No primary mineralisation (sulphides or gold) has been observed on the Vega Project, though on litho-geochemical grounds, sulphides must be present at depth below the zone of leaching and oxidation. Sulphides thought to be present are disseminated pyrite from the presence of jarosite at surface and arsenopyrite, sphalerite and/or galena from highly anomalous rocks samples; ie As from detection limits up to 2.94%, Pb from detection limits to >0.10% and Zn from detection limits up to 0.76% (ref 16).



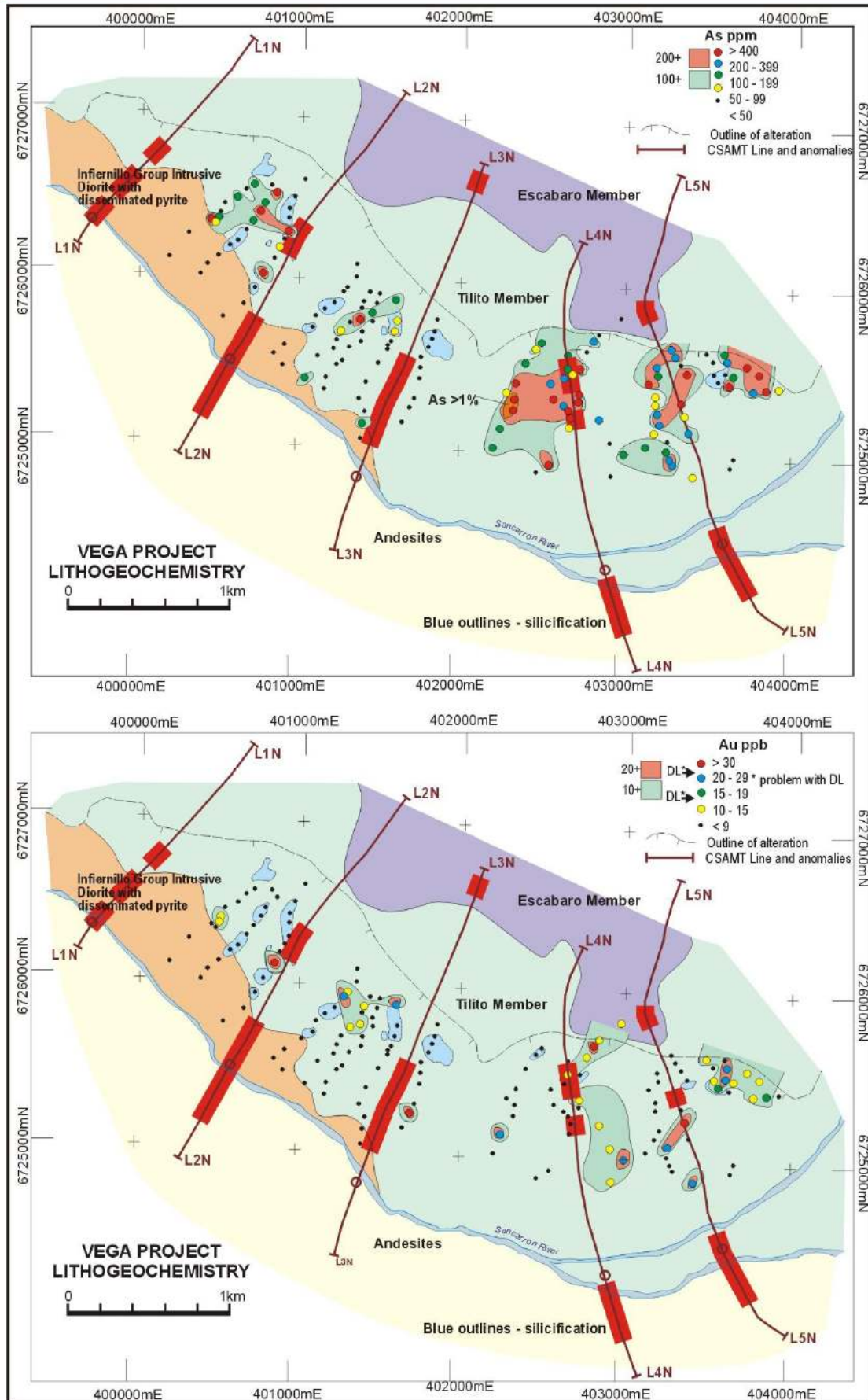


Figure 12: Vega – Coincidental Geochemical & Geophysical Anomalous Zones.

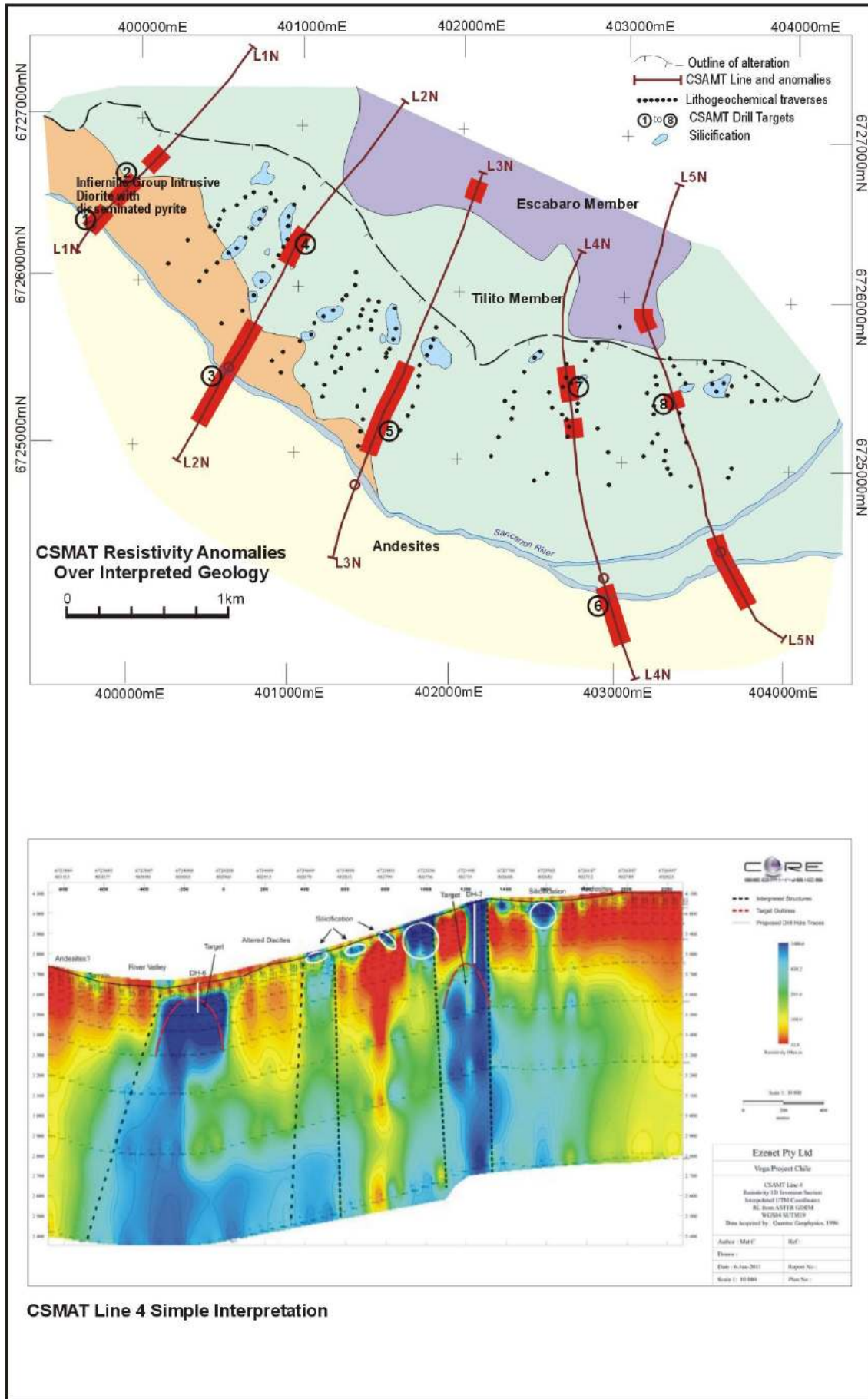


Figure 13: Vega – CSAMT Geophysics- Anomalous Zones – Plan & Section.

## 4.5 Exploration to Date

### 4.5.1 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 <sup>(ref 19)</sup>.

### 4.5.2 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 <sup>(ref 19)</sup>.

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. 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 <sup>(ref 19)</sup>.

### 4.5.3 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 <sup>(ref 19)</sup>.

### 4.5.4 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 (ref 19).

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 (ref 19).

CSAMT geophysics had been used successfully by Barrick in its El Indio Belt gold exploration programs (ref 14, 19). to identify and delineate the limits, orientation and depth extent of silicified zones and controlling structures that may be associated with gold mineralisation, 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.

#### **4.5.5 Ezenet Limited**

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 following for independent interpretation by separate geophysical and geochemical consultants; namely the line profiles of the Quantec CSAMT geophysical survey (ref 13), and non digital data of a litho-geochemical survey being a sample location plan and assay sheets from two different laboratories for Au, Ag, As, Sb, Hg, Mo, Cu, Pb and Zn analytical results for the sampling program (ref 16).

From the independent interpretation of the CSAMT geophysical survey (ref 13) there are eight clear drill targets from lines 1 to 5 inclusive (Figure 12 ); five of which are accessible from the road which follows the Rio Sancarron valley, and three, by using access roads already cut on the north side of the valley. The targets are extensive, highly resistive anomalies indicative of silicification or siliceous bodies that show similarities to published responses over the Pascua-Lama and Valadero deposits (ref 13,14). The wider portions of the siliceous body noted on the profiles 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.

The MFL geochemical data supplied was for analytical results for 165 samples; not the whole 265 sample data base. The results for these 165 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 (ref 16). (Figure 11).

## 4.6 Exploration Potential

The Vega Project targets hidden epithermal gold mineralisation within 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 (Figure 11), 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 (Figure 11), 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 mineralisation <sup>(ref 19)</sup>.

CSAMT geophysics had been used successfully by Barrick in its El Indio Belt 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 mineralisation <sup>(ref 14, 19)</sup>.

The results of the CSAMT survey carried out over the Vega Project are particularly encouraging in that siliceous 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 <sup>(ref 15, 16)</sup>.

In conclusion, it is reasonable on the data to date, to suggest the possibility of 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.

## 4.7 Proposed Exploration Program and Budget

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.

A proposed budget for exploration activities in Years 1 and 2 is outlined below in Table 4. This budget will be subject to change as it is results dependent on the outlined activities.

Activity	Year 1 \$	Year 2 \$	Total \$
Access	15,000	50,000	65,000
RC Drilling Phase 1	200,000	0	200,000
Detailed Ground Geophysical Surveys	0	100,000	100,000
RC Drilling Phase 2	0	500,000	500,000
Diamond Drilling	0	300,000	300,000
Analytical	40,000	80,000	120,000
Metallurgical Testing	0	50,000	50,000
Resource Estimation	0	50,000	50,000
Mining Engineering	0	20,000	20,000
Administration	50,000	100,000	150,000
<b>TOTAL</b>	<b>305,000</b>	<b>1,250,000</b>	<b>1,555,000</b>

**Table 5: Vega Project Proposed Exploration Budget.**

## 5.0 Conclusions

The exploration targets at the two project areas have distinct potential to be expanded as described above based on the results of the previous exploration and interpretation of the geological, geochemical, remote-sensing & geophysical surveys carried out.

At all locations, the tenements require drill evaluation before any real conclusions can be drawn about the full potential of the projects.

Project	Year 1 \$	Year 2 \$	Total \$
Chuminga	1,175,000	1,530,000	2,705,000
Vega	305,000	1,250,000	1,555,000
<b>TOTAL</b>	<b>1,480,000</b>	<b>2,780,000</b>	<b>4,260,000</b>

**Table 6: Combined Projects Proposed Exploration Budget.**

A combined Exploration Budget of approximately \$4.26M over two years is proposed with activity in Year 2 dependent on Year 1 results.

Yours faithfully,



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17. Heberlein D, 2008 Spatial and Temporal Zonation at El Indio Cu-Au-Ag Deposit, Chile: Evidence for an Evolving High Sulphidation Epithermal System. (ppt Terry Leach Symposium Sydney, October 17, 2008.)
18. Nansi et al, 1986 Hoja Guanta. 1:250,000 Geologia Carte de Chile No. 67, Serv. Nat. Geol. Miner.
19. Siddley G, 2010 Vega Geology Report for Compañía Minera Calcia Ltda. 13p.

## 7.0 Glossary of Technical Terms and Abbreviations

<b>Alteration Zone</b>	Zone within which rock - forming minerals have been chemically changed.
<b>Anomaly</b>	Value higher or lower than the expected or norm.
<b>Anomalous</b>	Outlining a zone of potential exploration interest but not necessarily of commercial significance.
<b>Axis</b>	Hinge-line of a fold.
<b>Basalt</b>	A fine-grained volcanic rock composed primarily of plagioclase Feldspar and mafic minerals
<b>Dip</b>	The angle at which a rock layer, fault of any other planar structure is inclined from the horizontal.
<b>Domain</b>	The areal extent of given lithology or environment.
<b>Fault</b>	A fracture in rocks on which there has been movement on one of the sides relative to the other, parallel to the fracture.
<b>Fold</b>	
	A bend in the rock strata or planar structure.
<b>Footwall</b>	Rocks underlying mineralisation.
<b>Gabbro</b>	A coarse-grained rock consisting of plagioclase and mafic minerals.
<b>Geophysics</b>	Study of the earth by quantitative physical methods.
<b>Hangingwall</b>	
	Rocks overlying mineralisation.
<b>Igneous</b>	Formed by solidification from a molten or partly molten state.
<b>JORC</b>	Joint Ore Reserves Committee- Australasian Code for Reporting of Identified Resources and Ore Reserves
<b>Metamorphism</b>	The mineralogical, structural and chemical changes induced within solid rocks through the actions of heat, pressure or the introduction of new chemicals. Rocks so altered are prefixed "meta" as in "metabasalt".
<b>Mineralisation</b>	In economic geology, the introduction of valuable elements into a rock body.
<b>Open-cut</b>	Descriptive of a mine worked open from the surface.
<b>Ore</b>	A mixture of minerals, host rock and waste material which is expected to be mineable at a profit.
<b>Outcrop</b>	The surface expression of a rock layer (verb: to crop out).
<b>Porphyry</b>	A rock with conspicuous crystals in a fine-grained ground mass.
<b>Primary mineralisation</b>	Mineralisation which has not been affected by near surface oxidising process.
<b>Resource</b>	In-situ mineral occurrence from which valuable or useful minerals may be recovered, but from which only a broad knowledge of the geological character of the deposit is based on relatively few samples or measurements.
<b>Shear (zone)</b>	A zone in which shearing has occurred on a large scale so that the rock is crushed and brecciated.
<b>Silicified</b>	Containing a high proportion of silicon dioxide.
<b>Soil sampling</b>	Systematic collection of soil samples at a series of different locations in order to study the distribution of soil geochemical values.
<b>Strike</b>	The direction or bearing of the outcrop of an inclined bed or structure on a level surface



<b>Stringer</b>	A narrow vein or irregular filament of mineral traversing a rock mass.
<b>Subcrop</b>	The surface expression of a mostly concealed rock layer.
<b>Syncline</b>	A fold where the rock strata dip inwards towards the axis (antonym: anticline).
<b>Ultramafic</b>	Igneous rocks with very high magnesium and iron content containing less than 45% silicon dioxide.
<b>Unconformity</b>	Lack of parallelism between rock strata in sequential contact, caused by a time break in sedimentation.
<b>Vein</b>	A narrow intrusive mineral body.
<b>Weathering</b>	A process of chemical change to rocks brought about by their exposure to oxygen and water.

#### **ABBREVIATIONS**

<b>g</b>	gram
<b>cm</b>	centimetre
<b>kg</b>	kilogram
<b>km</b>	kilometre
<b>km<sup>2</sup></b>	square kilometre
<b>m</b>	metre
<b>M</b>	million
<b>m<sup>2</sup></b>	square metre
<b>m<sup>3</sup></b>	cubic metre
<b>mm</b>	millimetre
<b>oz</b>	troy ounce, equivalent to 31.103g.
<b>t</b>	tonne

#### **UNITS OF CONCENTRATION**

<b>ppb</b>	parts per billion
<b>ppm</b>	parts per million

October the 4<sup>th</sup> 2011.

The Board of Directors  
Ezenet Limited  
(to be renamed Oro Verde Limited)  
Level 1, 30 Richardson Street  
West Perth WA 6005  
AUSTRALIA

Dear Sirs

**SOLICITOR'S REPORT ON MINING CONCESSIONS**

This Report is prepared for inclusion in a notice of meeting to be issued by Ezenet Limited (**Company**) in respect of the change in the nature and scale of the Company's activities and re-compliance with chapters 1 and 2 of the Listing Rules of the Australian Securities Exchange (**Notice of Meeting**).

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**1. scope**

The Company, through its Chilean subsidiary Green Mining Limitada (**Green Mining**), has the right to acquire an interest in certain mining concessions in the Chuminga and Vega Projects in Chile. The terms and conditions of the acquisition agreements are summarised in Section 6.4 and 6.6 of the Notice of Meeting.

We have been requested to report on:

- (a) the framework of regulations on mining concessions in Chile and an overview of Chilean laws on ownership and foreign investment;
- (b) the status of the Concessions;

- (c) the status of Green Mining and Compañía Minera Chumi (being the joint venture company in respect of the Chuminga Project) (Joint Venture Company); and
- (d) the material Chilean agreements to which Green Mining is a party.

Details of the Concessions are set out in Part 1 of the attached Schedule.

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## 2. Searches

For the purposes of this Report, we have reviewed the following:

- (a) Information relating to the Concessions gathered from:
  - (i) the Civil Court of Taltal;
  - (ii) the Mining Registrar of Taltal;
  - (iii) the National Service of Geology and Mining;
  - (iv) the Official Gazette of Mining of Antofagasta;
  - (v) the General Treasury of the Republic; and
- (b) all material agreements relating to the Concessions provided to us by the Company.

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## 3. regulatory framework for mining concessions in chile

### 3.1 *Overview*

A mining concession is a real property right conferred by the State to explore or exploit licensable mineral substances found within the area of the concession. The mining concession is independent from ownership of the surface land, enforceable against the State and any other person, and capable of being transferred, mortgages and subject to any other act or agreement.

Mining concessions are regulated by the Constitutional Organic Law on Mining Concessions and the Mining Code.

In Chile, there are two kinds of mining concessions: for exploration and exploitation claims.

### **3.2 *Exploration concessions***

An exploration concession is a right granted for a limited term (two periods of two years as from the date of the court decision establishing such concession), which grants to its holder (within its corresponding territorial extension) the exclusive rights to investigate the existence of grantable mineral substances and to request one or more mining exploitation concessions.

The constitution of an exploration concession is started by a writ called a “pedimento” (petition).

An exploration concession may have a maximum area of 5,000 hectares, and a minimum area of 100 hectares.

The initial term of an exploration concession is two years from the date of the court order constituting the concession. The holder may apply for a second term of two years provided that 50% of the initial area is abandoned upon renewal.

### **3.3 *Exploitation concessions***

A mining exploitation concession is a right of indefinite duration, which grants to the holder the exclusive rights of investigating the existence of grantable mineral substances, extracting such grantable mineral substances and becoming the owner of such substances.

The constitution of an exploitation concession starts by lodgement of an application known as a “manifestacion” (manifest or exposure).

An exploitation concession may have a minimum area of one hectare and maximum area of one thousand hectares.

### **3.4 *Grant of mining concessions***

Mining concessions are granted by a judicial decision rendered by a competent court of justice in the context of a non-contentious proceeding file with such court. The purpose of such proceeding is to identify, define and create the concession, whether for exploration or exploitation.

The judgement that constituted the mining concession must be registered, after its publication in the pertinent Official Mining Bulletin, within the term of 120 days as of the date when it was granted, in the Custodian of Mines of the place where the concession is located.

Once these procedures are completed, the concession holder will be entitled to all the rights that the law grants the owners of a mining concession.

### **3.5 *Fees***

The holder of a mining concession must pay an annual fee (mining patent) to maintain ownership of the concession, calculated on UTM (Tax Monthly Unit).

Fees are payable at the rate of:

- (a) 1/50<sup>th</sup> of a UTM per hectare for exploration concessions; and
- (b) 1/10<sup>th</sup> of a UTM per hectare for exploitation concessions.

If the holder of a mining concession fails to pay the mining patent by the due date, the Chilean Treasury has the right to commence legal proceedings to obtain such payment by sale of the mining concession in a public auction. The statute of limitation for pursuing such payment is three years commencing from April 1 of the year in which the mining payment should have been paid.

In addition to the annual fees, the applicant must pay a fee to the court within 30 days after the date on which the mining petition or mining claim has been lodged with the court. Failure to pay this fee may result in termination of the corresponding constitution proceeding.

### **3.6 *Agreements over mining concessions***

Mining concessions (being exploration or exploitation concessions), as well as mining petitions or claims, are real property rights, capable of being transferred or mortgaged, and may be subject to any acts or agreements.

The Mining Code also specifically permits an option to be granted over any rights governed by the Mining Code. Option agreements must be granted by a public deed registered in the corresponding Mines Conservator. Once an option agreement is granted, it must be honoured by the grantor and also any third party such that is the grantor executes an agreement affecting or limiting the tenure, possession or ownership of the assets covered by the option while the option is pending, such act shall be considered null and void once the option is exercised. An option agreement creates an encumbrance over the assets granted in the option.

To exercise an option, the grantee declares by public deed that it accepts the option agreement and the grantee does not require any further consent from the grantor.

### **3.7 *Grounds for annulment of a mining concession***

An action to declare a mining concession void may be filed by any person with an interest in the affected area within a 4 year period commencing from the publication of the excerpt of the court award that granted the concession.

If this 4 year period elapses without an annulment action having been brought before the court, the right to pursue such an action ceases in accordance with the statute of limitations.

The Mining Code also provides that the holder of a mining petition, exploration concession or exploitation concession may, under certain circumstances, be entitled to oppose the constitution of mining exploitation concessions that overlap their petition or concession. If such oppositions are not filed, the petition or concession holder will forfeit the preferential rights granted by the law in the corresponding area.

### **3.8 *Rights of access to the surface of land***

Owners of mining concessions are entitled to require rights of way over surface land and other mining concessions owned by third parties for the exclusive purpose of facilitating mineral exploration and exploitation on their concessions, subject to the payment of

compensation to the third party. This access may be agreed upon by the interested parties, or, failing agreement, by virtue of a court decision.

### **3.9 *Water rights***

The holder of a mining concession has the right to use the water resources found while developing the concession, but only for the purposes of the exploration or exploitation on the concession. In the event that no water resources are found on the concession, a water source may be obtained by securing water rights from the State of Chile in accordance with the terms and conditions provided by the law, or by purchasing water rights from third parties.

### **3.10 *Environmental and administrative authorizations***

All mining works require the following administrative authorizations:

- (a) in accordance with the environmental legislation in Chile, any mining activity that moves more than 5,000 tonnes per month, or which produces significant changes to the area or that forces people living there to be relocated, shall be obliged to submit an Environmental Impact Declaration or an Environmental Impact Study, which must be approved by the corresponding Regional Environmental Authorities (COREMA). If water is used in the process, as it would be for gold or copper production, the declaration will be an Environmental study and the time frame for it to be approved is not less than a year. If the production is under 5,000 tonnes a month, the only permits needed will be sectorial permits, such as transport permits;
- (b) the National Service of Geology and Mining (SERNAGEOMIN) must be notified at the onset of any mining activities that involve either exploration, mining or smelting minerals. This notification must contain information regarding the location of the deposits, the holder of the concession, the type of work to be performed, the number of workers and supervisors, the use of machinery and vehicles for transporting material and personnel, the use of electricity and any communications systems, what fuels will be used and how they will be stored and

disposed of, the same regarding explosives, where mining waste will be disposed of and the hygienic conditions of the works;

- (c) they must comply with labour regulations regarding employment contracts, occupational health and safety, and hygiene;
- (d) they must comply with the municipal regulations as regards the payment of patents; and
- (e) they must request an authorization from the General Water Board if tailings tanks with a capacity of over 50,000 cubic metres or whose walls are over 5 metres high are to be used in the operations.

It is noted that the above administrative authorizations are not required in order to conduct exploration activities on the concessions.

### **3.11 *Foreign investment in Chile***

Foreign investment in Chile is characterized by clear, non-discriminatory and non-discretionary rules. The rules ensure that all people, regardless of their nationality are “to be treated by the State and its bodies in economic matters without arbitrary discriminations”.

Therefore, foreign investors have the same rights and guarantees as local investors. The principle of non-discretionary treatment governs the activities in every economic sector and is based on the existence of clear, well-known and transparent rules, which assure foreign investors that they will be treated fairly and impartially.

Foreign investors in Chile can own up to 100% of a Chilean company, and there is no time limit on property rights. They also have free access to all productive activities and sectors of the economy, except for a few restrictions in areas that include fishing, air transport and communications.



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**4. status of the concessions**

**4.1 Chuminga Concessions**

***Granted Exploitation Concessions:***

Based on the information reviewed by us, we are of the opinion that:

- (a) (Constitution): the Chuminga Concessions include two granted exploitation concessions that have been legally constituted by an order of the court dated 31 October 2007, which was subsequently published on 1 December 2007;
- (b) (Registration): the granted Chuminga Concessions were duly registered on 21 December 2007 in the name of Juan Pablo Errázuriz. These Concessions were subsequently transferred to, and registered in the name of, Compañía Minera Chuminga, and then transferred to, and registered in the name of, the Joint Venture Company, Compañía Minera Chumi on May 31<sup>st</sup> 2011;
- (c) (Fees): the mining patents for the granted Chuminga Concessions have been paid;
- (d) (Third party overlapping interests): there are no third party interests overlapping the granted Chuminga Concessions;
- (e) (Encumbrances, prohibitions and lawsuits): there are no encumbrances, prohibitions or lawsuits currently affecting the granted Chuminga Concessions; and
- (f) (Status): the objection period in relation to the granted Chuminga Concessions expires on 1 December 2011, and as at the date of this Report:
  - (i) the granted Chuminga Concessions are valid and legally in force;
  - (ii) no objections have been lodged against the granted Chuminga Concessions; and
  - (iii) no causes of objection against the validity of the granted Chuminga Concessions are foreseen.

***Exploitation Concession Application:***

Based on the information reviewed by us, we are of the opinion that the Chuminga Concessions include Chumi III, which is an application for an exploitation concession, that was duly published on March 28<sup>th</sup> 2011 and transferred to the Joint Venture Company, Compañía Minera Chumi on March 31<sup>st</sup> 2011. This concession was legally constituted by an order of the court dated 11 March 2011, and the application process is proceeding in the normal course. There are no third party interests overlapping this concession.

**4.2 Vega Concessions**

Based on the information reviewed by us, we are of the opinion that:

- (a) (Constitution): the Vega Concessions comprise ten exploration concessions that were legally constituted by orders of the court dated 10 December 2010 which were subsequently published on 1 March 2011
- (b) (Registration): the Vega Concessions were registered on 5 April 2011 in the name of Compañía Minera Calcia Ltda. The court order constituting the concessions was registered within the requisite period. We note that there is no evidence that Compañía Minera Calcia Ltda has registered the orders in SERNAGEOMIN in order to show the Vega Concessions as “constituted” rather than “in process”. As this is not relevant because of the legal process that the Chilean Mining Code stipulates and has no effect on the possibility of a third party attacking the concessions, Green Mining is informing SERNAGEOMIN of the constitutions of the Vega Concessions so the governmental entity may change the status of those concessions to “constituted”.
- (c) (Fees): the mining patents for the Vega Concessions have been paid;
- (d) (Encumbrances, prohibitions and lawsuits): there are no encumbrances, prohibitions or lawsuits currently affecting the granted Vega Concessions subject to the following:

- (i) Green Mining Ltda has registered a mining mortgage against the Vega Concessions to prevent Compañía Minera Calcia Ltda from transferring or encumbering the Vega Concessions to, or for the benefit of, a third party. The mortgage was inscribed on 16 August 2011.
- (e) (Status): the objection period for the Vega Concessions expires on 1 March 2015. As of the date of this Report, we confirm that:
  - (i) the granted Vega Concessions are valid and legally in force;
  - (ii) no objections have been lodged against the granted Vega Concessions; and
  - (iii) no causes of objection against the validity of the granted Vega Concessions are foreseen.

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## **5. status of Green Mining and Compañía Minera Chumi**

### **5.1 *Green Mining Limitada***

Based on the information reviewed by us, we are of the opinion that:

- (a) Green Mining is a limited liability company incorporated under Chilean law;
- (b) Green Mining is owned by Ezenet Limited in 99.9% and 0.1% is owned by E-Resources Pty Limited (a wholly owned subsidiary of Ezenet Limited); and
- (c) there are no lawsuits, encumbrances or prohibitions against Green Mining.

### **5.2 *Compañía Minera Chumi (being the Joint Venture Company)***

Based on the information reviewed by us, we are of the opinion that:

- (a) the Joint Venture Company is a contractual mining company that was constituted on 30 May 2011 and registered with the Mining Registry of Santiago on 1 June 2011;

- (b) the Joint Venture Company is currently owned 99.9% by Compañía Minera Chuminga and 0.1% owned by José Antonio Errazuriz Hochschild;
- (c) pursuant to the agreement between the Company, Green Mining and Compañía Minera Chuminga in respect of the Chuminga Concessions, Green Mining Ltda has the right, subject to the satisfaction of certain conditions, to acquire an initial interest of 20% of the shares in the Joint Venture Company together with the option to acquire the remaining 80% of the shares in the Joint Venture Company;
- (d) Green Mining has registered a security against the shares of the Joint Venture Company with the Mining Registry of Santiago to prevent Compañía Minera Chuminga from transferring any shares in the Joint Venture Company to a third party. The registry has been instructed by the parties to the Chuminga Agreement to transfer 20% of the shares of the Joint Venture Company to Green Mining as soon as Green Mining demonstrates that USD\$300,000 in Ezenet shares have been issued to Compañía Minera Chuminga;
- (e) there are no lawsuits, encumbrances or prohibitions against the Joint Venture Company, other than the security referred to in paragraph (d) above; and
- (f) the Joint Venture Company currently has four directors, two of whom are the nominees of Green Mining, and two of whom are the nominee of Compañía Minera Chuminga.

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## **6. material agreements**

### **6.1 *Chuminga Agreement***

A summary of the agreement between the Company, Green Mining and Compañía Minera Chuminga is set out in Section 6.4 of the Notice of Meeting. The agreement was executed on 18 May 2011 and amended on 26 July 2011. As required by law, the agreement and the amendment have been subscribed in Spanish under public deed and inscribed in the registry of the 40<sup>th</sup> Public Notary of Santiago.

## **6.2 Vega Agreement**

A summary of the agreement between the Company, Green Mining and Compañía Minera Calcia Ltda is set out in Section 6.6 of the Notice of Meeting. The agreement was executed on 20 May 2011 and amended on 21 July 2011. We confirm that, as required under Chilean law, the agreement has been translated to Spanish under public deed dated 21 July 2011 and inscribed at the registry of the 40<sup>th</sup> Public Notary of Santiago.

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## **7. QUALIFICATIONS AND ASSUMPTIONS**

This Report is subject to the following qualifications and assumptions:

- (a) we have assumed the accuracy and completeness of all information or responses which were obtained from the relevant departments;
- (b) subject to the qualifications identified in this Report, we assume that the registered holder of a Concession has valid legal title to the Concession;
- (c) this Report does not cover any third party interests, including encumbrances, in relation to the Concessions that are not apparent from our searches and the information provided to us;
- (d) we have assumed that any agreements provided to us in relation to the Concessions are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;
- (g) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (h) unless apparent from our searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Concession in good standing;
- (i) with respect to the application for the grant of a Concession, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions

will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;

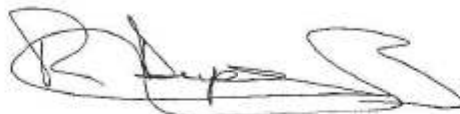
- (j) references in the Schedule to any area of land are taken from details shown on documents obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey; and
- (k) the information in the Schedule is accurate as at the date the relevant searches were obtained. We cannot comment on whether any changes have occurred in respect of the Concessions between the date of the searches and the date of the Notice of Meeting.

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**8. Consent**

This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Notice of Meeting.

Yours faithfully



**RODRIGO DUPOUY  
PARTNER  
DUPOUY MENDEZ & CÍA**

## SCHEDULE – PART 1 – CONCESSIONS

### CHUMINGA CONCESSIONS

Licence ID	Holder (1)	Interest	Licence Type	Area (hectares)	Mining Patents	Expenditure Commitment	Expiry Date (3)	Comments (4)
Chumi 1	Compañía Minera Chumi	100%	Exploitation	300	2,407.26	None	Open Date	Constituted
Chumi 2	Compañía Minera Chumi	100%	Exploitation	300	2,407.26	None	Open Date	Constituted
Chumi 3	Compañía Minera Chumi	100%	Exploitation	300	482.42	None	Open Date	Constituted

**Notes:**

- (1) Pursuant to a purchase agreement between Ezenet Limited, Green Mining Ltda (Ezenet Limited's Chilean subsidiary) and SCM Compañía Minera Chuminga, Green Mining Ltda has the right to acquire a 20% interest in Compañía Minera Chumi (being the Joint Venture Company). As yet the contract is not perfected, as it is subject to Ezenet Limited shareholders approval which is being sought in November 2011. Subject to Ezenet Limited shareholder approval, Green Mining Ltda has an option to increase its interest to 100% through a purchase agreement between Ezenet Limited, Green Mining Ltda and Compañía Minera Chuminga. Green Mining has registered a security with the Mining Registry of Santiago preventing the transfer of any shares in

Compañía Minera Chumi to a third party. The Mining Registry of Santiago will transfer to Green Mining a 20% interest in Compañía Minera Chumi upon the issue to Compañía Minera Chuminga of US \$ 300 000 in Ezenet shares. Refer to Section 6.4 of the Notice of Meeting for further details.

- (2) Mining Patents represent yearly rent and rate fees for mining rights in Chile. Values may vary according to the values of the Monthly Tax Unit which is established and adjusted on a monthly basis through a monetary unit known as UTM. Chumi III payment is a pro-rata payment for the 2011-12 title year.
- (3) In the case of a Exploitation Concession, the concession does not expire unless the owner, in this case Compañía Minera Chumi, does not pay the patents in due time.
- (4) “Constituted” is the Chilean equivalent of “granted”.



### VEGA CONCESSIONS

Licence ID	Holder (1)	Interest	Licence Type	Area (hectares)	Mining Patents 2011-12 US\$ (2)	Expenditure Commitment	Expiry Date (3)	Comments (4)
Vega 1	Compañía Minera Calcía Ltda	100%	Exploration	200	324.18	None	10/12/2012	Constituted
Vega 2	Compañía Minera Calcía Ltda	100%	Exploration	300	486.28	None	10/12/2012	Constituted
Vega 3	Compañía Minera Calcía Ltda	100%	Exploration	300	486.28	None	10/12/2012	Constituted
Vega 4	Compañía Minera Calcía Ltda	100%	Exploration	300	486.28	None	10/12/2012	Constituted
Vega 5	Compañía Minera Calcía Ltda	100%	Exploration	300	486.28	None	10/12/2012	Constituted
Vega 6	Compañía Minera Calcía Ltda	100%	Exploration	300	486.28	None	10/12/2012	Constituted
Vega 7	Compañía Minera Calcía Ltda	100%	Exploration	300	486.28	None	10/12/2012	Constituted
Vega 8	Compañía Minera Calcía Ltda	100%	Exploration	300	486.28	None	10/12/2012	Constituted
Vega 9	Compañía Minera Calcía Ltda	100%	Exploration	300	486.28	None	10/12/2012	Constituted
Vega 10	Compañía Minera Calcía Ltda	100%	Exploration	200	324.18	None	10/12/2012	Constituted

Note:

- (1) Pursuant to a purchase agreement between Ezenet Limited, Green Mining Ltda and Compañía Mineria Calcia Ltda, Green Mining Ltda has the right to acquire the Vega Concessions subject to the satisfaction of certain conditions. Green Mining Ltda has registered a mining mortgage against the concessions to prevent Compañía Mineria Calcia Ltda from transferring or encumbering the concessions. Refer to Section 6.6 of the Notice of Meeting for further details.
- (2) Mining Patents represent yearly rent and rate fees for mining rights in Chile. Values may vary according to the values of the Monthly Tax Unit which is established and adjusted on a monthly basis through a monetary unit known as UTM.
- (3) The Exploration concessions have a two year term, but can be renewed for another two years, subject to 50% reduction in area.
- (4) “Constituted” is the Chilean equivalent of “granted”.

**PROXY FORM**

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**EZENET LIMITED**

ABN: 84 083 646 477

**REGISTERED OFFICE:**

Level 1  
30 Richardson Street  
WEST PERTH WA 6005

**SHARE REGISTRY:**

Security Transfer Registrars Pty Ltd  
**All Correspondence to:**  
**PO BOX 535,**  
**APPLECROSS WA 6953 AUSTRALIA**  
770 Canning Highway,  
APPLECROSS WA 6153 AUSTRALIA  
T: +61 8 9315 2333 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

Code:

Holder Number:

**SECTION A: Appointment of Proxy**

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

OR

**The meeting Chairperson  
(mark with an "X")**

**The name of the person you are appointing  
(if this person is someone other than the Chairperson of the meeting).**

or failing the person named, or if no person is named, the Chairperson of the Meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 11.00am (WST) on Monday 28 November 2011 at The George, 216 St Georges Terrace, Perth, Western Australia and at any adjournment of that meeting.

**SECTION B: Voting Directions to your Proxy**

Please mark "X" in the box to indicate your voting directions to your Proxy.

Resolution	For	Against	Abstain*	Resolution	For	Against	Abstain*
1. ADOPTION OF REMUNERATION REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. CHANGE OF NAME	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. RE-ELECTION OF DIRECTOR - BRAD FARRELL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. ADOPTION OF A NEW CONSTITUTION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. RE-ELECTION OF DIRECTOR - ROSS O'DEA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. ISSUE OF BROKER OPTIONS TO DJ CARMICHAEL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. RATIFICATION OF SHARE ISSUE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16. NON-EXECUTIVE DIRECTORS' FEES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. APPROVAL FOR CHANGE IN NATURE AND SCALE OF ACTIVITIES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17. ADOPTION OF OPTION PLAN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. CONSOLIDATION OF CAPITAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18. ISSUE OF OPTIONS TO WOLF MARTINICK	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. ISSUE OF SHARES FOR ACQUISITION OF INITIAL INTEREST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19. ISSUE OF OPTIONS TO BRAD FARRELL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. CAPITAL RAISING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20. ISSUE OF OPTIONS TO ROSS O'DEA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. PARTICIPATION BY WOLF MARTINICK IN CAPITAL RAISING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	21. ISSUE OF OPTIONS TO DAVID WARD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. PARTICIPATION BY BRAD FARRELL IN CAPITAL RAISING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	22. ISSUE OF OPTIONS TO CONTRACTORS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. PARTICIPATION BY ROSS O'DEA IN CAPITAL RAISING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	23. EXERCISE OF CHUMINGA OPTION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. PARTICIPATION BY DAVID WARD IN CAPITAL RAISING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	24. EXERCISE OF SUBSCRIPTION RIGHT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**If no directions are given the Chair will vote in favour of all the resolutions.**

\* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do not wish to direct your proxy how to vote as your proxy in respect of the Resolutions please place a mark in this box.**

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of a Resolution and that votes cast by the Chair of the Annual General Meeting for the Resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the Resolutions and your votes will not be counted in calculating the required majority if a poll is called on the resolutions.

**Important for Resolution 1:** Notwithstanding the above, if the Chair of the Annual General Meeting is your proxy and you do not direct him how to vote on Resolution 1, the Chair will be prevented from casting your votes on Resolution 1. If the Chair is your proxy, in order for your votes to be counted on Resolution 1, you must direct your proxy how to vote on Resolution 1 by marking for or against in the boxes above.

**SECTION C: Please Sign Below**

**This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.**

Individual or Security Holder

Sole Director and Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director / Company Secretary

**0958084497**

Reference Number:

1

EZE

1

My/Our contact details in case of enquiries are:

NAME

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TELEPHONE NUMBER

( 

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## NOTES

### 1. Name and Address

This is the name and address on the Share Register of Ezenet Limited. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

### 2. Appointment of a Proxy

If you wish to appoint the Chairperson of the Meeting as your Proxy please mark "X" in the box in Section A. Please also refer to Section B of this proxy form and ensure you mark the box in that section if you wish to appoint the Chairperson as your Proxy.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a Shareholder of Ezenet Limited.

### 3. Directing your Proxy how to vote

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

### 4. Appointment of a Second Proxy

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by telephoning the Company's share registry +61 8 9315 2333 or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

### 5. Signing Instructions

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

### 6. Lodgement of Proxy

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than 11.00am (WST) on Saturday 26 November 2011, being 48 hours before the time for holding the meeting. Any Proxy form received after that time will not be valid for the scheduled meeting.

**Security Transfer Registrars Pty Ltd**  
**PO BOX 535**  
**Applecross, Western Australia 6953**

**Street Address:**  
**Alexandrea House, Suite 1**  
**770 Canning Highway**  
**Applecross, Western Australia 6153**

**Telephone +61 8 9315 2333**

**Facsimile +61 8 9315 2233**

**Email registrar@securitytransfer.com.au**

## PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.