

ASX ANNOUNCEMENT: 2 November 2011

AGM and Change of Activities

Open Briefing with Chairman Dr Wolf Martinick



Ezenet Limited
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In this Open Briefing Chairman Dr Wolf Martinick discusses:

- **Change of company name and activities**
- **Reconstruction of capital**
- **Capital raising and Chile projects update**

Open Briefing interview:

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Ezenet Limited (ASX: EZE) announced in June 2011 that it had acquired the rights to 100% interests in prospective copper and gold projects in Chile. Ezenet will put a resolution to shareholders at its AGM on 28 November seeking approval for a change of activities to mineral resources exploration and production from software and services. What is the significance of this change in company activities for shareholders?

Chairman Wolf Martinick

The proposed change of activities for the company, which will be renamed Oro Verde Limited (OVL), provides several significant benefits for shareholders.

Firstly, it is an excellent opportunity for the company to become a successful copper and gold explorer in Chile through the immediate acquisition of two very prospective projects at Chuminga (copper gold) and at Vega (gold) and the likely acquisition of additional projects.

Secondly, successful exploration of the two projects has the potential to create considerable value for shareholders. At Chuminga in Northern Chile on the Pacific coastline we have an exploration target of 50 to 60 million tonnes at 1.0–1.1% Cu, 0.20-0.50 g/t Au and 0.5-1% Zn¹, the potential of which has been confirmed by major companies such as Rio Tinto Zinc and Aur Resources (now part of Teck Cominco). Then at Vega, which is located in the El Indio Gold Belt of Chile in the high Andes, the epithermal volcanic system of the region provides the potential for a “bonanza” type of discovery previously mined in this famous gold mining region.

Thirdly, the acquisition of an initial 20% interest in the Chuminga Project, together with the right to acquire the remaining 80% after completion of due diligence, also delivers a very important strategic partnership with the very successful Errazuriz–Hochschild Mining Group, controlled by a well known Chilean mining family. We believe that our relationship with the

Errazuriz-Hochschild family, which has the right to hold up to 19.9% of Ezenet, will enable us to successfully progress our Chilean interests. Importantly, it will also enable us to grow through the acquisition of new projects in a country that provides more than 35% of the world's copper plus significant quantities of gold, silver and other precious metals.

Fourthly, Chile is a great place to operate in. Apart from being the world's largest copper producer, Chile has a great mining culture, is politically and financially very stable, has great infrastructure, and its technical and management skills were demonstrated during last year's mine rescue.

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Ezenet is also proposing a capital reconstruction which will entail a one-for-three reduction in the number of shares on issue to 60.5 million from 181.6 million. What is the rationale for this and how will it benefit Ezenet shareholders?

Chairman Wolf Martinick

The reconstruction of Ezenet's share capital is an essential step in the change of activities path we must undergo in compliance with Chapters 1 and 2 of the ASX Listing Rules.

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Another resolution being put to the AGM seeks approval for a capital raising of up to \$7 million via a share placement of 35 million shares at \$0.20 post the capital reconstruction. How will these funds be allocated and will they be sufficient to meet the needs of all Ezenet's current planned activities?

Chairman Wolf Martinick

We are looking to raise between \$5 million to \$7 million. The placement is scheduled to commence in late November 2011 under a prospectus that will be issued in the next few days. We are currently in a strong financial position, holding \$1.5 million in cash together with our investment in Weatherly International Plc of approximately \$1.8 million. We intend to utilise the funds from the capital raising primarily to cover our proposed exploration programmes for the Chuminga and Vega projects (\$4.2 million) plus working capital expenditure and other possible acquisitions.

A successful capital raising will place Ezenet in a strong financial position to pursue its Chilean growth strategies.

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Ezenet will issue about 23.7 million post-consolidation shares to SCM Compania Minera Chuminga (SCM) for the acquisition of the Chuminga Project, with SCM potentially holding up to 19.9% of Ezenet post-transaction. What are SCM's intentions regarding this stake in Ezenet?

Chairman Wolf Martinick

In the event that we exercise our rights to acquire a 100% interest in the Chuminga Project, SCM is entitled to receive a portion of the purchase price in Ezenet shares, up to a maximum holding of 19.9% of the company.

SCM is owned by the Errazuriz–Hochschild Mining Group and the Errazuriz–Hochschild family has indicated its keen interest to acquire a 19.9% interest in Ezenet and in contributing to its development, as Oro Verde, into a significant Chilean based exploration and mining house.

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Post the capital reconstruction and three months after the date on which Ezenet is re-admitted to the ASX official list following completion of its acquisition of the Vega project and its 20% interest in the Chuminga project, Ezenet proposes to make a non-renounceable offer of options to those shareholders who are on the register at that time. What is the rationale for this option offer?

Chairman Wolf Martinick

The board, subject to its right to re-assess the terms and conditions of the proposed options offer based on market and other conditions closer to the time of the offer, has determined to make the offer on the basis of one option for every two shares held, with the consideration payable of 1 cent per option. The options will be listed and exercisable at 20 cents on or before 31 December 2013.

The rationale for the options offer is to reward all shareholders for their loyalty and support during this important period of Ezenet’s history and also to provide an attractive opportunity for shareholders to remain involved in the development of the company’s exciting mineral exploration opportunities in Chile.

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Ezenet recently announced that channel sampling along the strike of the copper gold mineralised breccia at Chuminga had assayed 190 m at 1.07% Cu and 0.20 g/t Au. How do these results align with your expectations for the Chuminga Project?

Chairman Wolf Martinick

We are delighted with the recent channel sampling carried out at Chuminga, which strongly supports the historical results from data produced initially by Gordo Engineering and subsequently by Rio Tinto Zinc, Aur Resources and our partner SCM.

The channel sampling results support our view, which is endorsed by the Independent Geologist Report, that the breccia body at Chuminga will be amenable to bulk mining methods and should deliver good metallurgical recovery.

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If all the AGM resolutions are passed and Ezenet can complete the 100% acquisition of the Chuminga and Vega Projects, what are the next steps for Ezenet and what is the expected timeline for the exploration of Chuminga and Vega?

Chairman Wolf Martinick

Following shareholder approval to acquire Chuminga and Vega, we intend to continue to intensively explore both projects and to continue investigating further mineral project opportunities that add value for shareholders.

At Chuminga, our first phase drilling programme of seven holes over 1,400m of diamond drilling is due to be completed in November 2011. We expect this to give us useful information on the target at Chuminga and enable us to plan the second stage of drilling.

This is likely to start in the first quarter of 2012 and should establish the extent and potential of the Chuminga mineralisation.

Finalisation of geophysical work by early 2012, including magnetic and induced polarisation (IP) studies, together with a detailed 3D IP model, should enable us to determine the best targets for the forthcoming drilling programme.

At Vega, we are finalising a contract to drill eight holes over 2,000m in January and February 2012 to test eight anomalies identified from the geophysical data we hold. By mid 2012, the results from the initial drilling programme at Vega should provide a strong indication of the potential of the Vega mineralisation.

We intend, through our wholly owned Chilean subsidiary company, Green Mining, to work very closely with our partners the Erraziriz-Hochschild Mining Group, to progress our existing interests in Chile and assess new opportunities that will benefit Ezenet and add value for its shareholders.

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Thank you Wolf.

For more information on Ezenet Limited, visit www.ezenet.com.au or call Chairman Dr Wolf Martinick on 0417 942 466 or General Manager Mr John Traicos on 0417 885 279.

For previous Open Briefings with Ezenet Limited, or to receive future Open Briefings by email, visit openbriefing.com

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

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