



2 June 2011

EZENET SIGNS AGREEMENT TO ACQUIRE THE ADVANCED CHUMINGA COPPER GOLD PROJECT IN CHILE

HIGHLIGHTS

- Agreement executed to acquire a 100% interest in the advanced and highly prospective Chuminga copper - gold project in Chile.
- Adit sampling has recorded results averaging **115m @ 0.90% copper and 0.48 g/t gold** and surface trenching **40m @ 1.44% copper and 0.45 g/t gold**
- Potential exploration target of **50-60 million tonnes @ 1.0-1.1% Cu, 0.4-0.5g/t Au, 1% Zn¹**.
- Link established with the highly respected Errazuriz Hochschild Chilean mining Group of Companies.
- Company to formalise change of activities from the Industrial to the Mining Board.
- Acquisition funded from a combination of existing funds and share placement.

Ezenet Limited (ASX:"EZE") ("Ezenet" or "the Company") is pleased to announce that it has executed an agreement ("Agreement") with the Chilean company SCM Compania Minera Chuminga ("Vendor"), a member of the well known Chilean Errazuriz Hochschild mining Group of Companies, to acquire a 100% interest in the advanced and highly prospective Chuminga Copper - Gold Project ("Project") in the Second Region of Chile (refer map in Appendix A attached hereto).

Ezenet's Executive Chairman, Dr Wolf Martinick said ***"The Chuminga Project will deliver the Company ownership of an advanced and highly prospective copper/gold project at a time when the outlook for these metals has hardly been better."***

This strategic acquisition meets our objective to secure a high quality, advanced exploration project with the potential for early cash flow in one of the world's most prospective and politically and financially stable countries.

We look forward to working closely with the Errazuriz Hochschild Group of Companies to develop our Chilean interests in a financially and environmentally sustainable manner, and in the process secure significant benefits for shareholders."

CHUMINGA

The Chuminga Project ("**Project**") is located on the Pacific coast of Chile, about 115km 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 600ha, plus an adjoining Exploitation Concession Application (Chumi 3) of a further 300ha.

Note 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.

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

Ezenet will commence a detailed ground geophysical program involving induced polarisation and magnetics in late July this year, over the 1,200m strike of mineralised breccia, specifically to produce a detailed 3D IP and magnetic model of the main area of mineralisation to assist planning of drilling anticipated for the September quarter.

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

AGREEMENT TERMS

Pursuant to the Agreement, Ezenet has the right to acquire a 100% interest in the Project for a total consideration of US \$6.3 million on the following terms –

- (a) Upon payment of US\$1.3 million, payable as US\$1 million in cash and US\$300,000 in Ezenet shares (at A\$0.05 per share) (**Initial Shares**), Ezenet shall acquire
 - (i) the right to acquire a 20 % interest in the Project transferable to Ezenet upon shareholder approval of the change of activities of the Company;
 - (ii) the right to carry out further due diligence on the Project and such further exploration as it deems necessary over a period of 18 months; and
 - (iii) an option to acquire the balance of 80% of the Project (“Option”),
subject to satisfactory legal due diligence as to title, and shareholder approval to the issue of the Initial Shares under ASX Listing Rule 7.1 .
- (b) Upon Ezenet obtaining shareholder approval to the change of activities of the Company, Ezenet shall be entitled to receive transfer of a 20% interest in the Project.
- (c) Subject to obtaining the requisite shareholder approval, the Company shall be entitled to exercise the Option within 18 months after acquiring the rights to the initial 20% interest in the Project, for a consideration of US\$5 million payable, at the Vendor's election, in cash or a combination of cash and Ezenet shares (at A\$0.05 per share), provided that:
 - (i) the Vendor may acquire no more than 19.9% of the issued share capital of the Company in total (calculated as at the date of execution of the Agreement); and
 - (ii) if, after the Company has acquired the remaining 80% of the Project, the Vendor holds less than 19.9% of the issued share capital of the Company (for example, because of dilution through capital raisings after the date of the Agreement) the Vendor may 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 Option.
- (d) If Ezenet exercises the Option, and the Project is not in production by 31 December 2018, Ezenet must pay the Vendor \$250,000 annually commencing on 1 January 2019 and ending upon the commencement of production from the Project.
- (e) Ezenet shall pay the Vendor a royalty of 1% of the net smelter return from the Project.

PLACEMENT / BROKER MANDATE

Ezenet will fund the 20% acquisition in the Project from its current finances and liquid assets. To supplement working capital, the Company proposes to undertake a placement of 23.6 million Ezenet shares at 4 cents per share to sophisticated clients of D J Carmichael.

The Company has agreed, subject to shareholder approval, to grant to D J Carmichael 7.5 million Ezenet options exercisable at 5 cents over a period of 4 years as part consideration for services to be rendered in terms of an agreed mandate to raise due diligence funds and provide corporate assistance in the transition to the mining board of ASX.

ESTABLISHMENT OF CHILEAN OPERATIONS

Ezenet has identified several promising copper-gold and gold exploration prospects in Chile and firmly believes that Chile, with its strong mining culture, political and financial stability, good infrastructure and excellent service industries, provides exciting opportunities for junior resource companies.

To pursue such opportunities the Company has:

- (a) Registered a wholly owned subsidiary company in Chile known as Green Mining Ltda.
- (b) Established an office in Santiago, the capital of Chile.
- (c) Employed an experienced Chilean project engineer as general manager to represent its interests in the country.

Over the last few months Ezenet has established close links with the highly respected Errazuriz Hochschild Group of Companies. Upon the acquisition by Ezenet of the Chuminga project, the Group will become a substantial shareholder of Ezenet and a valuable partner in the Ezenet's future activities in Chile.

The Errazuriz Hochschild Group has significant mining and mineral treatment operations near the regional mining centre of Copiapo, some 470km south of Chuminga. The Group is expanding its existing operations and is establishing a number of new operations. It is a leader in mining and metal recovery, and has a pipeline of projects in its possession.

CHANGE OF ACTIVITIES

As the proposed acquisition of the Chuminga Project constitutes a change in the nature of the Company's activities, Ezenet is required, pursuant to Listing Rule 11 of the ASX Listing Rules, to obtain approval from Ezenet's shareholders at a general meeting and re-comply with ASX Listing Rules 1 and 2. The indicative timetable to achieve this is set out below.

If the transaction is approved by Ezenet's shareholders, the Company's securities will be suspended from trading following the general meeting until the requirements of Chapters 1 and 2 of the Listing Rules have been satisfied.

Further information regarding the acquisition and the change of activities will be available in the notice of meeting convening the general meeting, to be dispatched to shareholders in due course.

ESCROW

ASX has indicated that all of the shares to be issued to the Vendor will be subject to escrow and that any shares issued pursuant to a capital raising which takes place prior to Ezenet re-complying with Chapters 1 and 2 of the Listing Rules may be subject to escrow.

INDICATIVE TIMETABLE

Action	Target Dates
Dispatch of Notice of Meeting to approve change of activities and issue of shares to Vendor.	1 August 2011
Lodgement of Prospectus with ASIC.	15 August 2011
Opening offer under Prospectus.	15 August 2011
General Meeting of Shareholders.	2 September 2011
Suspension of securities.	2 September 2011
Closing date under Prospectus.	9 September 2011
Anticipated date of lifting of suspension and commencement of trading of securities.	12 September 2011

INDICATIVE CAPITAL STRUCTURE

	Shares	Options
Current issued capital	157,906,997	-
Issue of shares – 20% Project acquisition	5,685,194 ¹	-
Issue of shares – 80% Project acquisition	31,423,458 ²	
Issue of shares – capital raising	23,600,000	-
Broker options	-	7,500,000
Total	218,615,649	7,500,000

Note 1 – this figure based on an exchange rate of 1.05537 USD/AUD, being the spot exchange rate as at 24 May 2011;

Note 2 – this figure is the maximum number of Ezenet shares that may be issued as consideration for the acquisition of the 80% interest in the Project. Subject to the receipt of any requisite waivers of the ASX Listing Rules, the Vendor also has the right to subscribe for additional shares to top up its interest in the Company to 19.9%, which would be an additional 7,984,847 Ezenet shares assuming that (1) 5,685,194 Ezenet shares are issued as consideration for the initial 20% interest and (2) Ezenet issues 23,600,000 Ezenet shares pursuant to the capital raising and (3) no other shares are issued by Ezenet.

ENDS

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

CHUMINGA PROJECT REGION 2, CHILE

Summary Overview

- *Ezenet Limited (“Ezenet”) has entered into an agreement to acquire a 100% interest in the advanced Chuminga Copper-Gold Project, in the Second Region of Chile, with the owners of SCM Compania Minera Chuminga, a member company of a group of companies controlled by a branch of the well known Chilean mining family, Errazuriz Hochschild.*
- *Chuminga 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 500m to 600m 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 60m to 150m and a 800m to 1,200m 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 250m by 100m between 550m to 600m 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 115m @ 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 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.*

Introduction

The Chuminga Copper-Gold Project lies on the Pacific coast 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 1).

The project occupies an area of 900ha centred on UTM coordinates 7269500mN 343500mE at approximately 700m above sea level on the mid-slope of the coastal mountain range.

Ezenet has entered into an agreement to acquire a 100% interest in the advanced Chuminga Project with the owners of 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. SCM Compania Minera Chuminga's sole asset is the Chuminga Project, which comprises two granted Exploitation Concessions, Chumi 1 and 2, an area of 600ha, and a northern adjacent Exploitation Concession application (Chumi 3) for a further 300ha.

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.

1. Project Geology and Mineralisation

The project area is underlain by Jurassic age Mantancilla Group granite and granodiorites that have been intruded by a latter Middle Cretaceous age Cerro del Pango Group gabbro-diorite stock. The emplacement of the gabbro-diorite stock is controlled by a north-south striking structure related to the Atacama Fault, a major structure, 8km 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 on a mountain side at 500m to 600m above sea level (Figure 2). 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 to 150m and a 800 to 1,200m strike in a north-south direction.

General alteration represented by sericite-chlorite-amphibole-magnetite-haematite-tourmaline 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. 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.

2. Past Exploration Activities

Gordo Engineering Company

The Mining Division of Eulogio Gordo y Cia ("Gordo Engineering Company") discovered the mineralization in 1981. The company was 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 mineralization outcrops over an area of 250m north-south by 100m east-west.

Most of the recognized mineralized strike of the body is scree covered as rock debris 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 the 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, led to the opening of three tunnels into the mineralized breccias (Figure 3). These tunnels were placed orthogonally to the strike of the mineralized breccias - two tunnels 100m apart, which were latter interconnected, at 552m above sea level; and a third tunnel, 93 metres below the first two, at 460m above sea level.

The upper tunnels, 100m apart and 120m and 180m in length, were reported to have intersected mineralization through the entire run of the tunnels, but did not transect the full width of the mineralized breccia. The southern-most, upper tunnel was comprehensively sampled, but not over its entire length. 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 (Figure 4). 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 50m.

The lower tunnel is some 218m long intersecting mineralization in the last 30m of tunnel. It was not completed through the mineralized breccias due to financial problems with the company at that time. The walls and the roof of the tunnel were sampled over the interval 197.5 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 (Figure 4). The ratio of soluble copper 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 which is a function of the less oxidized nature of the mineralised body at an approximate vertical depth of 110m. This observation may be just a reflection of the fewer number of analysed samples in the lower tunnel (4 compared to 23) and the representivity of the sampling, 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 (Rojas 2009) refer below.

Overall Gordo 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.

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. It was considered a significant mineralised body, but was not of sufficient size for RTZ.

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. 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 lab 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 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.

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. 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, is reported to occur in the ore mineral suite. 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 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 mineralized breccia as being 1.1 to 1.2% Cu; 0.30 to 0.40 g/t Au; 0.9 to 1.0% Zn.

Rojas estimated from a study of the mineralized 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 30m in extent (Figure 5). 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 hydrothermal breccias at depth. Rojas suggested it could extend to a vertical depth of 300m or more. 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.

Considering the area of mineralization on surface and lateral and vertical depth of the tunnels Rojas estimated an overall exploration target 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. Conclusions from Past Exploration Activities at Chuminga

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) mineralization (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) 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 mineralization will occur in the near future on Ezenet carrying out systematic exploration programs involving geophysics, drilling and metallurgical testing.

4. Proposed Ezenet Evaluation Program

Ezenet will commence an initial detailed ground geophysical program involving induced polarization and magnetics in late June-July over the 1,200m strike of the mineralized breccia. The aim of the program is;

1. To build a detailed 3D IP and magnetic model for the main area of the mineralization in the area of the exploration tunnels below surface mineralisation to a depth of at least 300 to 400m to assist drill planning and possible resource estimations using current sampling data of the tunnels.
2. To prospect for extensions to the north of the main surface area of the mineralization under scree, ie north of the area of the exploration tunnels along the breccia zone in the structure on the western contact of the gabbro-diorite body. The magnetic data obtained may be the basis for a subsequent small detailed aeromagnetic survey to target further structurally controlled mineralized breccias on both the western and also the eastern contact of the gabbro-diorite body.

This program will lead to the commencement in September Quarter 2011 of an extensive drilling program with preliminary metallurgical work to determine the target potential of Chuminga.

Brad Farrell

BSc Hons Econ Geol, MSc, PhD, FAusIMM, CPGeol, MMICA.

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

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- RTZ 1984 Miscellaneous Notes, Chuminga & Other Taltal Region Projects. 3 pages (author G Ossandon)
- RTZ 1996 Miscellaneous Maps & Notes 3 pages
- RTZ 1996 Miscellaneous Notes Chuminga Petrology (authors A Ledlie, W Chavez) 8 pages
- RTZ 1996 Notes & General Impressions Chuminga (Author R Taylor) 10 pages
- Zamorra A 2007 Chuminga Prospect, Coastal Mountain Range, Region 2, Antofagasta, Chile. AUR Rpt, April 2007, 24 pages in Spanish

LOCATION MAP
CHUMINGA



Figure 1



Oct 21, 2010

7268678N 343403E

550m RL

**Outline of Chuminga
surface mineralisation
and its strike under
mountain scree cover**

7268630N 342759E

**CHUMINGA TOPOGRAPHY
& MINERALISATION ON
SATELLITE IMAGERY**

Source Google

© 2011 Cnes/Spot Image
© 2011 DMapas

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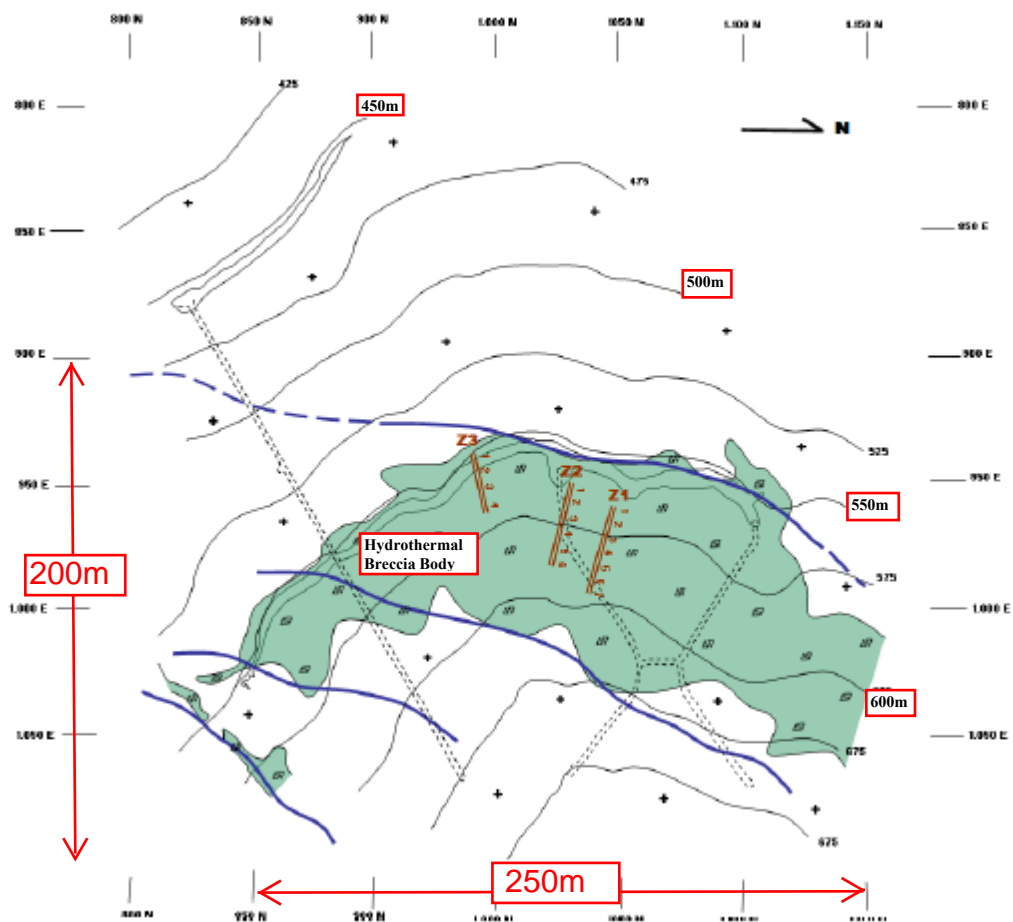
678 m

Figure 2

19 J 342991.41 m E 7268545.13 m S elev 340 m

Eye alt 2.51 km

CHUMINGA SURFACE TRENCH SAMPLING (GORDO 1981 - 1985)



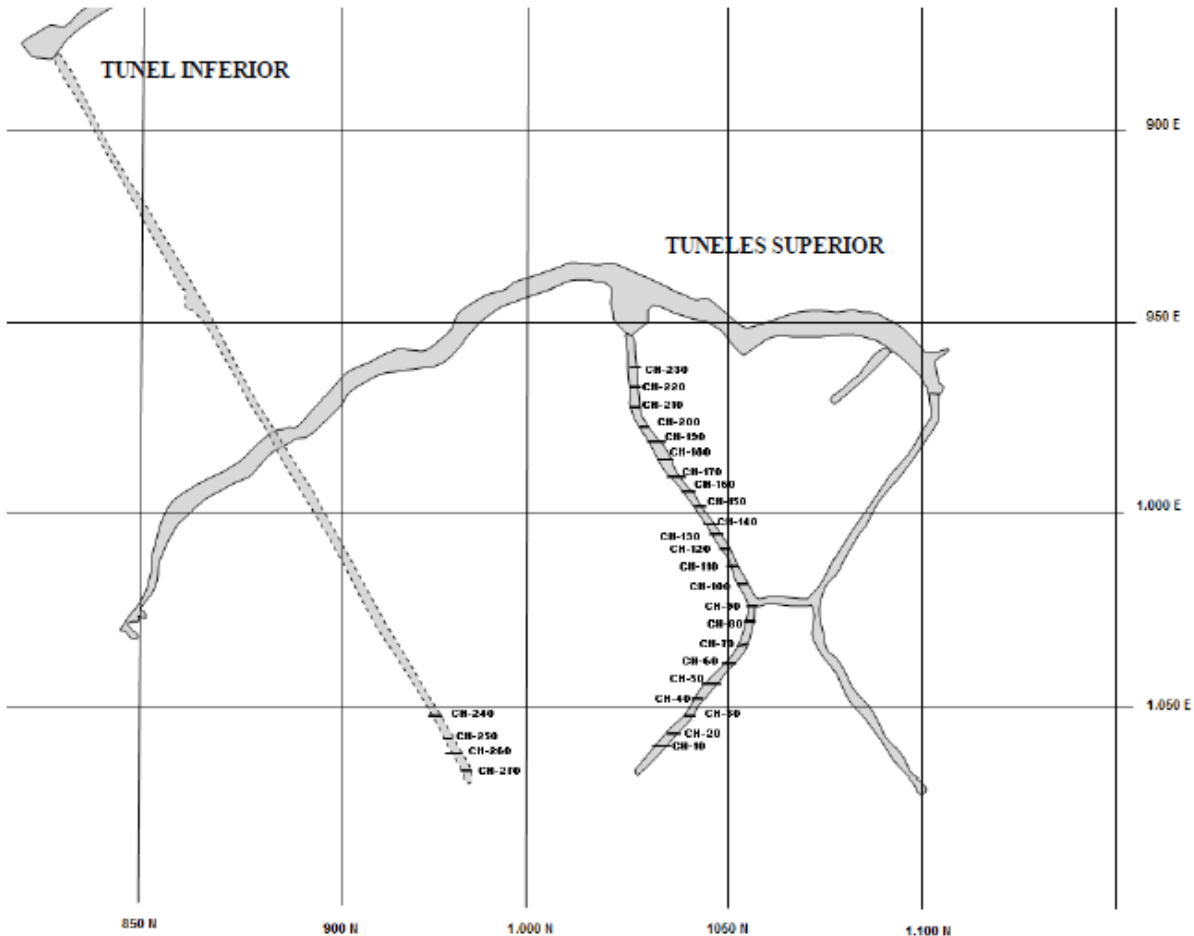
Trench Z1 40m @ 0.77% Cu, 0.49g/t Au, <1g/t Ag

Trench Z2 25m @ 1.20% Cu, 0.64g/t Au, <1g/t Ag

Trench Z3 20m @ 1.44% Cu, 0.46g/t Au, <1g/t Ag

Figure 3

CHUMINGA TUNNEL SAMPLING (GORDO 1981 - 1985)



Lower Tunnel (Inferior) ~460m above mean sea level

From 197.5m to 217.5m 20m @ 0.64% Cu, 0.30 g/t Au

(Open mineralisation as tunnel didn't transect full mineralised breccia)

Upper Tunnel (Superior) ~RL552m above mean sea level

From 0 to 115m 115m @ 0.90% Cu, 0.48 g/t Au

(Open mineralisation as tunnel didn't transect full mineralised breccia)

AUR Resources 2007 check sampling increased the results by 20%

CHUMINGA MAPS & SECTIONS

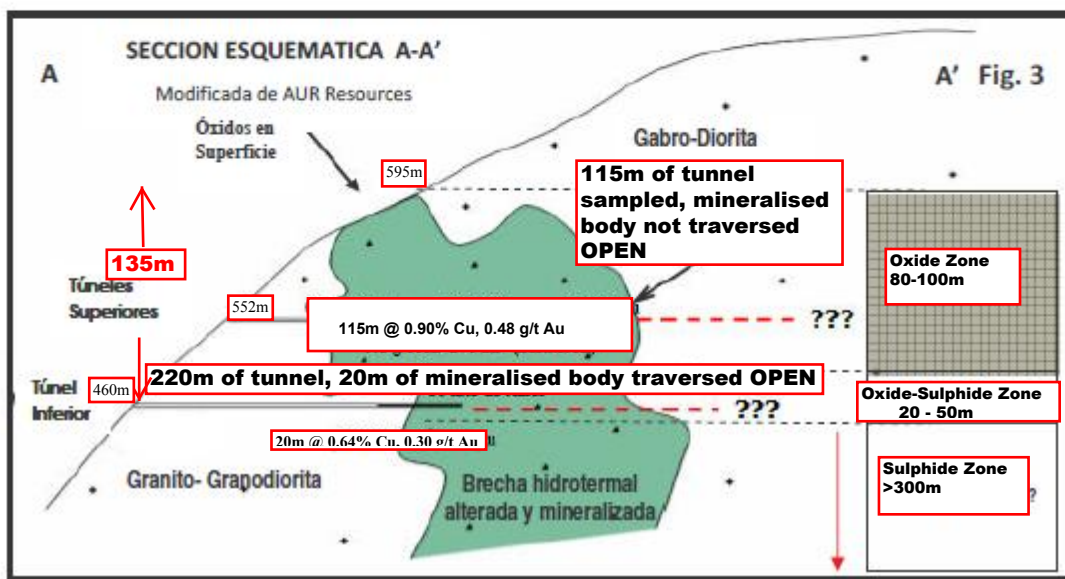
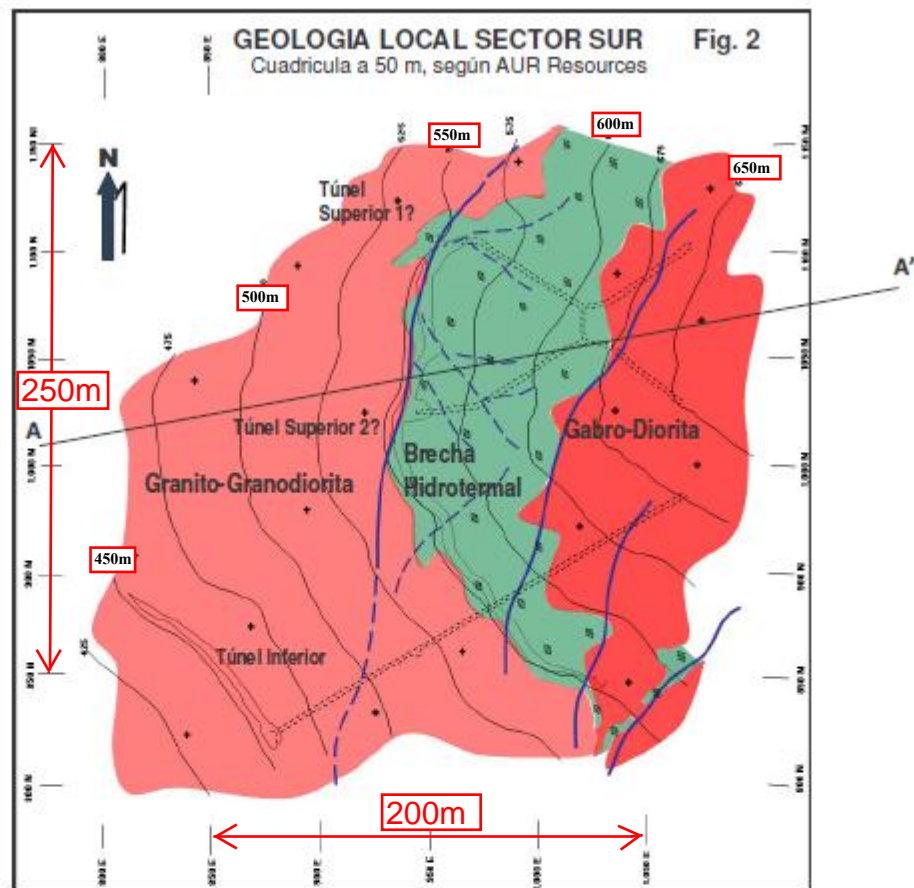
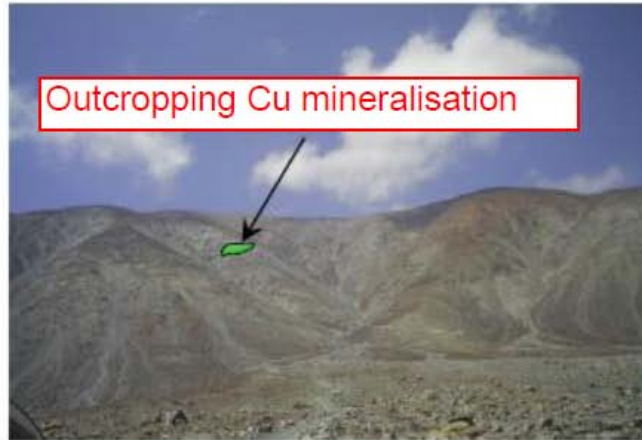
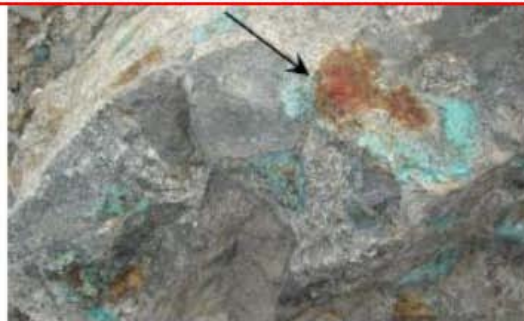


Figure 5

CHUMINGA MINERAL ZONE PHOTOS PART 1



Breccia mineralisation, Cu sulphide (Cpy) nucleus, borders of Cu oxide, limonite in matrix



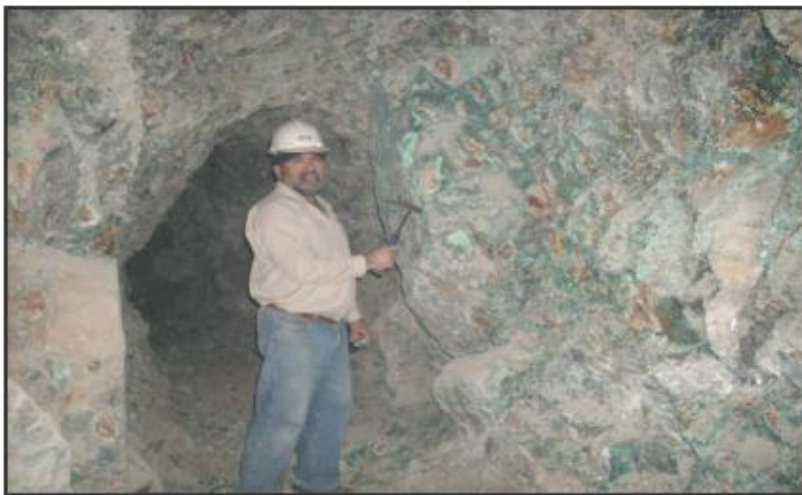
CHUMINGA MINERALISED ZONE PHOTOS PART 2



Mineralised outcrop – alteration with copper oxides in scree slope



Close up of mineralised breccia outcrop with alteration, copper oxides and iron oxides



Mineralised (copper and iron oxides) hydrothermal breccia in upper tunnel