



## INDONESIA ACTIVITIES UPDATE

The Directors of Perth-based explorer, **Ethan Minerals Limited (ASX: ETH)** are pleased to provide an update on its activities in Indonesia.

### HIGHLIGHTS

#### Gunung Mas Gold Project

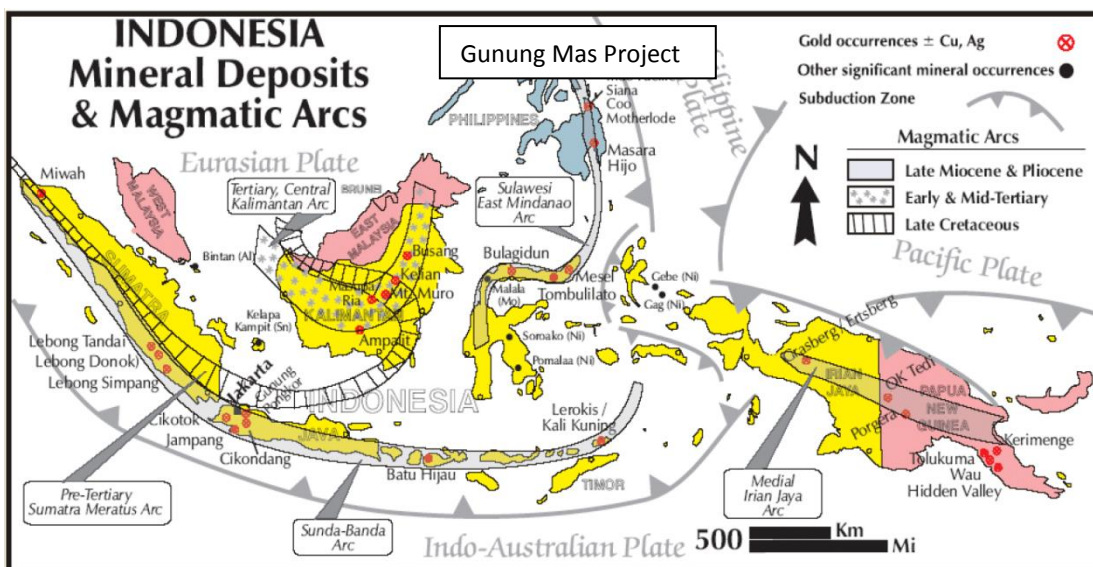
- Exclusivity arrangement secured over advanced Gold Project
- 5,000 Ha area
- Within 30km of previous open cut operation
- Limited RC drilling with reported intersections up to 115g/t Au over 1m intervals
- All mineralisation located to date remains open
- Due Diligence commenced

#### Gold Tiger Project

- Technical Due Diligence completed
- Existing MoU terminated
- Further negotiations with the vendor for commercial development of the project are continuing

### Gunung Mas Gold Project

The Company is pleased to advise that it has secured an exclusive arrangement for up to six months to undertake Due Diligence and negotiate a potential transaction with the vendor. Due Diligence has commenced to determine the veracity of the existing technical data, tenure, etc.





### **Geology and Mineralisation**

The Gunung Mas Project lies in Central Kalimantan near the Company's Gold Tiger Project. The geology comprises andesitic intrusive, with metamorphic lying to the south. A large tonalite intrusive had intruded the entire package. Several basalt dykes and plugs intrude the entire sequence.

Gold mineralisation is known along the contact between the tonalite and the metamorphics. This appears to be a stockwork style, with individual veins ranging from 5cm to 1m in width. Sulphides are not noted as a major constituent of the mineralisation located to date. Alluvial gold occurrences are also known to occur in active drainage to the south of the bedrock mineralisation.

### **Work Completed to Date**

Work completed by the owners to date has consisted of geomorphological studies, surface geological mapping, surface sampling (soils, outcrops), aerial photography, landsat data interpretation, 40km of geological traverses, 227 stream sediment samples, 46 rock chip samples, 6 RC holes to a maximum depth of 100m each, numerous shallow auger holes and test pits. The latter were mainly to test for alluvial potential.

RC drilling has reportedly located values up to 115g/t over one metre intervals at 75 metres, with elevated values up and down hole. The precise details of this drilling will be determined during the Due Diligence Study which is currently underway. First pass appraisal of the available data suggests that this mineralisation has similarities to many other deposits widely known in the region and the company plans to complete the Due Diligence before undertaking any more detailed work.

### **Terms of transaction**

Subject to satisfactory Due Diligence, the Company will negotiate terms to acquire the project. Whilst the Company is confident terms can be agreed, no assurance is given.



**Vein Outcrop – Gunung Mas**



### **Gold Tiger Project**

The Company has completed its Technical Due Diligence, which included a site visit, extended field program, mapping, sampling and detailed evaluation/assessment of gold bearing alluvial areas.

Ethan's Technical Due Diligence was designed to verify the results of a geological survey conducted by an independent Indonesian-based geological survey company in 2006, and in particular to provide an assessment of the project's stated potential gold and minerals occurrences and more specifically the stated alluvial deposit gold reserve. The completion of the Technical Due Diligence was significantly delayed by both adverse weather and the data supporting the 2006 Independent Report not being released to Ethan by the Indonesian-based geological survey company.

The independent 2006 geological survey report indicated that the mining concession areas contained an estimated tonnage ranging between 100,000,000 and 200,000,000 of alluvial material at an estimated grade range between 5 g/t and 10 g/t gold. Over 500 samples were taken by the geological survey company during their field survey activities comprising of mapping, sampling for geochemistry and test pit program. The reserve was calculated from sampling and analysis taken from seventeen (17) test pits. The 17 pits are 17 of a total of 26 pits excavated in the overall project area. The only information provided relating to the test pit program is in summary and table form. No data on sampling methodology, sample volume and sample preparation has been made available. Analysis method is simply stated as "amalgamation", no analysis methodology or original results report sheets data has been provided.

The Ethan Technical Team conducted their own test pit program in an attempt to reproduce the results of the 2006 Report.

In summary, the Technical Due Diligence confirmed that indications that gold bearing alluvials exist and their deposition may have been derived from hard rock sources within the project area and further afield.

However, the Ethan Technical Team concluded that more detailed work is required to better understand the project's potential, including bulk sampling of the alluvial deposits identified and regional exploration of the primary hard rock potential.

Consequently the Ethan Board has resolved to terminate the existing Memorandum of Understanding relating to the Gold Tiger Project and is currently in negotiations with the vendor for a revised agreement covering the future development of the Project and in carrying out the exploration program recommendations of the Ethan Technical Team arising from the due diligence.

#### **For more information contact:**

**Mr Ken Fitzgerald**  
Executive Director  
Ethan Minerals Limited  
Tel: +61 8 9472 5502  
Mob: +61 (0)417 099 167

**Mr Graham Anderson**  
Chairman  
Ethan Minerals Limited  
Tel: +61 8 93222700

**Mr Rod North**  
Managing Director  
Bourse Communications Pty Ltd  
Tel: +61 3 9510 8309  
Mob: +61 (0)408 670 706



*The information in this update pertaining to mineral resources and exploration results was compiled by Mr. M P Sullivan who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Sullivan is a consultant to Ethan Minerals Limited and has sufficient experience which is relevant to the style of mineralization and the type of deposit that is 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, Mineral Resources and Ore Reserves". Mr. Sullivan consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.*

### **About Ethan Minerals Limited**

Ethan Minerals Limited successfully listed fully oversubscribed on the ASX on the 4<sup>th</sup> December, 2009 having raised over \$5 million dollars. Ethan is an Australian-based exploration company focused on the successful discovery and development of quality base and precious metals deposits in Western Australia, focussing initially on its Northampton Project north of Geraldton.

The Company's strategy is to develop its lead project, the Mary Springs Project, where a JORC compliant Inferred Resource of 145,000 tonnes at 11.5%Pb has been quoted by Independent Consultants, MineMap. Ethan will also look to secure projects that have attracted project economics or prior exploration activity offering a robust exploration model and are thereby essentially 'drill ready'. Utilising advanced exploration models, coupled with proven analytical and geophysical techniques Ethan will identify and delineate additional drill targets within the Northampton Project in an effort to develop new, commercial base metal projects.