



ENTERPRISE METALS LIMITED

ACN 123 567 073

Notice of General Meeting and Explanatory Statement

General Meeting to be held at Training Room 2, QV1 Building, 250 St Georges Terrace, Perth, Western Australia on 30 June 2011 at 10.30 am (WST)

This Notice of General Meeting and Explanatory Statement should be read in its entirety.
Shareholders in doubt as to how they should vote should seek advice from their professional advisers.

An independent expert's report is attached to this Notice, in Annexure D, as required by ASIC Regulatory Guide 74. The report concludes that the transaction the subject of Resolutions 6, 7, 8 and 9 in this Notice of Meeting is fair and reasonable.

Corporate Directory

Directors	Paul Larsen (Non-Executive Chairman)) Dermot Ryan (Managing Director) Bruce Hawley (Executive Director)
Company Secretary	Jay Stephenson
Principal & Registered Office	Level 1, 640 Murray Street West Perth WA 6005 Telephone: (08) 9436 9200 Email: info@enterprisemetals.com.au
Share Registry	Computershare Registry Services Level 2, 45 St Georges Terrace Perth WA 600
Auditor	Grant Thornton Audit Pty Ltd Level 1, 10 Kings Park Road West Perth WA 6005
ASX Codes	ENT ENTO
Website	www.enterprisemetals.com.au

Notice of General Meeting

A General Meeting of Enterprise Metals Limited will be held at Training Room 2, QV1 Building, 250 St Georges Terrace, Perth, Western Australia on 30 June 2011 at 10.30 am (WST). The Explanatory Statement which forms part of this Notice of General Meeting describes the various matters to be considered. Shareholders are asked to refer to the Glossary at the end of the Explanatory Statement which contains definitions of the terminology used in this Notice of General Meeting and the Explanatory Statement.

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

Special Business:

Resolution 1: Election of Dr Jingbin Wang as a Director

“Conditional on Resolutions 7 or 8 being passed, that for all purposes Dr Jingbin Wang be elected as a Director with effect from completion of the underwritten Placement.”

Resolution 2: Election of Dr Zhen Huang as a Director

“Conditional on Resolutions 7 or 8 being passed, that for all purposes Dr Zhen Huang be elected as a Director with effect from completion of the underwritten Placement.”

Resolution 3: Election of Ms Anna Mao as a Director

“Conditional on Resolutions 7 or 8 being passed, that for all purposes Ms Anna Mao be elected as a Director with effect from completion of the underwritten Placement.”

Resolution 4: Election of Mr Ed Eshuys as a Director

“Conditional on Resolutions 7 or 8 being passed, that for all purposes Mr Ed Eshuys be elected as a Director with effect from completion of the underwritten Placement.”

Resolution 5: Ratify issue of Placement Shares and Options to Worldtex

“That, for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders ratify the issue of 10,000,000 Shares and 3,225,806 Options to Worldtex, for the purpose and on the terms set out in the Explanatory Statement.”

Resolution 6: Approve issue of Bonus Options and Shares to Worldtex

“That, for the purposes of Listing Rule 7.1, section 611 Corporations Act and for all other purposes, the Shareholders approve the issue of 1,774,194 Options and the exercise of up to 5,000,000 Options, for the purpose and on the terms set out in the Explanatory Statement.”

Resolution 7: Approval for the Issue of Placement Shares and Options to SinoTech

“That the Shareholders approve the issue of up to 62,000,000 Shares and up to 31,000,000 Options, and the exercise of up to 31,000,000 Options, in accordance with Listing Rule 7.1, section 611 Corporations Act and for all other purposes, to the investors, for the purpose and on the terms set out in the Explanatory Statement.”

Resolution 8: Approval for the Issue of Underwritten Shares and Options to Worldtex as Underwriter

“That the Shareholders approve the issue of up to 62,000,000 Shares and up to 31,000,000 Options, and the exercise of up to 31,000,000 Options, in accordance with Listing Rule 7.1, section 611 Corporations Act and for all other purposes, to Worldtex for the purpose and on the terms set out in the Explanatory Statement.”

Resolution 9: Approval for the Issue of Underwriting Fee Options to Worldtex

“That the Shareholders approve the issue of 15,000,000 Underwriter Options in accordance with Listing Rule 10.11, and the exercise of up to 15,000,000 Underwriter Options in accordance with section 611 Corporations Act and for all other purposes, to Worldtex for the purpose and on the terms set out in the Explanatory Statement.”

Resolution 10: Approval for the Issue of Broker Options to RI Capital Pty Ltd

“That the Shareholders approve the issue of 20,000,000 Broker Options in accordance with Listing Rule 7.1 and for all other purposes, to RI Capital Pty Ltd for the purpose and on the terms set out in the Explanatory Statement.”

Voting exclusions

For the purposes of resolution 5, under ASX Listing Rule 7.5.6, the Company will disregard any votes cast on this resolution by any person who participated in the issue and any of their Associates;

For the purposes of resolution 10 under Listing Rule 7.3 the Company will disregard any votes cast 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, if the resolution is passed, and any of their Associates;

For the purposes of resolutions 6, 7, 8, and 9 under Listing Rule 7.3 and Item 7 of Section 611 of the Corporations Act, the Company will disregard any votes cast on resolutions 6, 7, 8, and 9 by any person who may participate in the proposed issue, and by any person proposing to acquire Voting Power in the Company in excess of 20% by way of the proposed subscription and any of their Associates;

however, votes cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form) or 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) will be taken into account.

Proxies

Please note that:

- (a) a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

Snap-shot time

The Company may specify a time, not more than 48 hours before the meeting, at which a “snap-shot” of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting. The Directors have determined that all shares of the Company that are quoted on ASX at 5pm WST on 28

June 2011 shall be taken to be held by the persons registered as holding the shares at that time, for the purposes of determining voting entitlements at the General Meeting.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the meeting or handed in at the meeting when registering as a corporate representative. An appointment of Corporate Representative form is enclosed if required.

Signed in accordance with a resolution of the Directors dated 2 June 2011

Jay Stephenson
Company Secretary
Dated 2 June 2011

Explanatory Statement

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions. This Explanatory Statement should be read in conjunction with the Notice of General Meeting. Shareholders are asked to refer to the Glossary at the end of the Explanatory Statement which contains definitions of the terminology used.

Overview of business being considered at the Meeting

The Resolutions being put to the Company's shareholders at the Meeting relate to capital raising the subject of ASX announcements on 28 April 2011 and 10 May 2011, comprising one Share placement of 10 million Shares at \$0.20 each and 3,225,806 Options to Worldtex Capital Resources Ltd ("**Worldtex**") conducted without requiring shareholder approval which raised \$2,000,000 on 30 May 2011, and one fully underwritten Share and Option placement to SinoTech (Hong Kong) Corporation Limited ("**SinoTech**") to be conducted during 2011 subject to certain conditions first being satisfied, to raise \$12,400,000. The underwriter is Worldtex.

The conditions of the Subscription Agreement comprise due diligence enquiries being conducted to the satisfaction of SinoTech by 27 May 2011 (which has been satisfied), compliance by SinoTech with the notification procedures required by the foreign investment policy of Australia (which condition requires satisfaction by 30 September 2011 and is currently being considered by FIRB), and shareholder approval of the Company for the purposes of exception 7 in section 611 of the Corporations Act, and Listing Rule 7.2 exception 16 (which condition requires satisfaction by 30 June 2011).

The conditions of the Underwriting Agreement comprise due diligence enquiries being conducted to the satisfaction of SinoTech by 27 May 2011 (which condition has been satisfied), and shareholder approval of the Company for the purposes of exception 7 in section 611 of the Corporations Act, and Listing Rule 7.2 exception 16 (which condition requires satisfaction by 30 June 2011).

Use of Funds

The two placements will raise an immediate total of \$14,400,000 before the costs of the issue. The funds raised will provide the Company with additional funding for exploration and possible development of current projects.

In addition if:

- (a) Options forming part of the placements and granted to the investors are exercised within two years in the future, and/ or
- (b) Options granted to the Company's broker and the underwriter are exercised within three years in the future,

up to a further \$17,750,000 may be raised. The funds raised will provide the Company with additional funding for exploration and possible development of current projects.

Composition of the Board of Directors

The Company's Board structure will alter as part of the successful capital raising. The changes to the Board are conditional on the Shareholders approving the SinoTech placement and the Worldtex underwriting.

Information about SinoTech and Worldtex

Sinotech is a subsidiary of Sinotech Minerals Exploration Co. Ltd, founded in 2004 and is now one of the largest mineral exploration companies in the world. Its major shareholder is Beijing Institute of Geology for Mineral Resources.. In the past, Sinotech Minerals Exploration Co. Ltd has discovered numerous world class mineral deposits in China, and more recently has discovered a porphyry copper deposit in Chile and a VMS style copper/gold deposit in Ethiopia. Sinotech Minerals Exploration Co. Ltd and its subsidiary SinoTech are

Chinese government owned or controlled entities and as a result the foreign investment policy of Australia requires SinoTech to follow a notification process for this direct equity investment in the Company.

Worldtex Capital Resources Limited, a privately owned company incorporated in Hong Kong, is a capital and investment firm focusing in industry metals, precious metals and coal. Worldtex is well funded, and its primary investors and shareholders are from the commercial real estate industry, financial industry and mining industry in China, which comprise both private and public organizations, and individuals. Currently, Worldtex is actively pursuing investment opportunities in Canada, Australia and Africa, and looking for mining projects and exploration companies with great potential and good management teams.

The Resolutions

Resolutions 1 to 3 deal with the Board appointments by Worldtex and SinoTech which are conditional on the Shareholders approving the placement by SinoTech. Resolution 4 is also conditional on the Shareholders approving the SinoTech placement. This Board appointment is a requirement of the Company's brokers who were retained by a mandate executed by the Company in April 2011 to introduce new investors to the Company.

Resolution 5 is included to ensure the Company's 15% capacity to issue equity securities is restored after having been utilised in part by the first placement of 10 million Shares and 3,225,806 Options to Worldtex without requiring Shareholder approval because it fell within the Company's 15% capacity in Listing Rule 7.1 to issue equity securities without requiring shareholder approval in advance.

Resolution 6 is included because the terms of grant of the Options to Worldtex mentioned in Resolution 5 include the right of Worldtex to receive an additional 1,774,194 Options, called Bonus Options, if Worldtex exercises at least 1,612,903 Options within their first year of grant. Shareholder approval is sought for the grant of those Bonus Options to Worldtex, and the issue of Shares resulting from any exercise of the Bonus Options and the Options ratified in Resolution 5, to allow Worldtex to take a grant of and exercise the Options and any Bonus Options without being in breach of the takeovers prohibition in section 606 of the Corporations Act.

As part of the approval which is also being sought for Resolutions 6, 7 and 8 under Listing Rule 7.1, the Company has applied to ASX for a waiver from the requirement that the Bonus Options be granted within 3 months of the Meeting date, since the terms of grant are such that up to one year may pass from grant of the Options to Worldtex or SinoTech for Worldtex or SinoTech to be eligible to receive a grant of the Bonus Options. At the time of printing this Notice of Meeting the ASX waiver was still being considered by ASX. If the waiver is not granted by the date of the Meeting, or if the conditions of grant of any waiver issued by ASX are not capable of being satisfied or communicated to Shareholders before the Meeting, the waiver will not be relied on by the Company and any Shareholder approval provided for the purposes of Listing Rule 7.1 will expire three months after the Meeting. In order to issue the Bonus Options beyond the three month after the Meeting, the Company may need to seek Shareholder approval at the time if its 15% capacity under Listing Rule 7.1 is not sufficient at that time to issue the Bonus Options to Worldtex.

Resolution 7 is required for the SinoTech placement, because the issue of equity securities will be in excess of the Company's 15% capacity under Listing Rule 7.1. In addition as a result of the increase in SinoTech's Voting Power caused by the placement of the Shares to SinoTech, and the possible exercise of the placement Options by SinoTech, SinoTech requires Shareholder approval for the purposes of section 611 of the Corporations Act, otherwise SinoTech will be in breach of the 20% takeovers prohibition under section 606 of the Corporations Act.

For the same reasons, Resolutions 8 and 9 seek the same Shareholder approvals to allow Worldtex to perform its underwriting obligations should this become necessary under the Underwriting Agreement and to exercise the Options forming part of the underwritten securities and part of the Underwriting Fee without being in breach of the 20% takeovers prohibition.

Resolution 10 is included to ensure that the Company's 15% capacity under Listing Rule 7.1 to issue securities remains intact and is not diminished by the grant of Options to the Company's broker as part of the fee structure agreed by the Company in its mandate with the Company.

Independent Expert's Report

The independent expert's report included at the end of this Notice of Meeting in Annexure D concerns the proposed issue of the Securities (and exercise of the convertible securities) under Resolutions 6, 7, 8, and 9 and whether the price paid for the potential change of control of the Company is fair and/or reasonable. ASIC policy set out in Regulatory Guide 74 requires Shareholders to be fully informed, by the Company:

- (a) providing Shareholders with certain information which is set out in the Explanatory Statement, and
- (b) an assessment of whether the premium being paid by SinoTech and Worldtex for the potential change in control of the Company is considered by an independent expert to be fair and reasonable, or not. The Company have engaged Stantons International to provide this report. Before voting Shareholders are encouraged to read the report in its entirety.

The report concludes that the proposed acquisition of Shares and Options by the parties named in Resolutions 6, 7, 8, and 9 is fair and reasonable.

Capital Structure of ENT

No. of Shares	
130,970,776	On issue at the date of this Notice of Meeting
10,000,000	Issued to Worldtex under the Worldtex Placement Agreement
62,000,000	To be issued to SinoTech under the Subscription Agreement (assumes Shareholder approve)
202,970,776	Total Issued Shares immediately following Completion of the Subscription Agreement
20,000,000	To be issued following any exercise of SinoTech Options within two years of grant of SinoTech Options
11,000,000	To be issued following any exercise of SinoTech Bonus Options within two years of grant
3,225,806	To be issued following any exercise of Worldtex Options within two years of grant of Worldtex Options
1,774,194	To be issued following any exercise of Worldtex Bonus Options within two years of grant
20,000,000	To be issued following any exercise of Broker Options within three years of grant
15,000,000	To be issued following any exercise of Worldtex Underwriting Options within three years of grant

No. of Options	Expiry Date	Exercise Price	No. quoted on ASX
On Issue at the date of this Notice of Meeting			
22,782,001	20 June 2012	\$0.25	22,782,001
3,000,000	22 November 2012	\$0.25	nil
2,500,000	30 June 2012	\$0.50	nil
3,225,806 Worldtex Options	2 years after date of grant	\$0.25	nil
On Issue following Completion of the Subscription Agreement			
22,782,001	20 June 2012	\$0.25	22,782,001
3,000,000	22 November 2012	\$0.25	nil
2,500,000	30 June 2012	\$0.50	nil
20,000,000 SinoTech Options	2 years after date of grant	\$0.25	nil
11,000,000 SinoTech Bonus Options	2 years after date of grant (the SinoTech Bonus Options will be issued only if the Subscriber exercises at least 10,000,000 SinoTech Options within one year of grant of the SinoTech Options)	\$0.25	nil
1,774,194 Worldtex Bonus Options	2 years after date of grant (the Worldtex Bonus Options will be issued only if Worldtex exercises at least 1,612,903 Worldtex Options within one year of grant of the Worldtex Options)	\$0.25	nil
15,000,000 Worldtex Underwriting Options	3 years after date of grant	\$0.25	nil
20,000,000 Broker Options	3 years after date of grant	\$0.25	nil

Indicative Timetable for Capital Raising

Notice of Meeting is submitted to ASX for approval	23 May 2011
Worldtex and SinoTech confirm satisfactory due diligence enquiries	27 May 2011
Worldtex \$2 million subscription funds are remitted to the Company	30 May 2011
Worldtex \$2 million placement completes	2 June 2011
General Meeting of the Company	30 June 2011
Conditions of SinoTech placement subscription are satisfied (last date)	30 September 2011
Latest date for Company to issue and allot Placement Securities	3 October 2011
Underwriting complete (if required – last date)	10 October 2011
Latest date for Company to issue and allot Underwritten Securities (if required)	10 October 2011
Expected trading of Underwritten Shares on ASX	10 October 2011

Resolution 1: Election of Dr Jingbin Wang as a Director

Shareholders are being asked to approve the appointment of Dr Jingbin Wang as a Director of the Company which is conditional upon Resolutions 7 or 8 being approved by Shareholders.

Dr. Wang is Executive Director of China Nonferrous Metals Resource Geological Survey, a position he has held since 2003. He has also held the title of Vice-President of the China Nonferrous Metals Industry Association since 2008. Dr. Wang is a leader in the non-ferrous metals industry in China with great expertise in mineral exploration and mining amassed over his 24 years of experience. He has been granted the title of National Youth Expert for Outstanding Contribution in China in recognition of his success in prospecting results and scientific research. In addition, he is the Chief Scientist of National 973 Program. Dr. Wang has been President of the Beijing Institute of Geology for Mineral Resources since 2002, and is currently Chairman of Sinotech Minerals Exploration Co., Ltd. and Chairman of two Canadian public companies, i.e. Canaco Resources Inc. and Silvore Fox Minerals Corp. He is an accomplished mining team leader with a track record of discovering major deposits around the world. Dr Wang received a B.Sc in Mineral Prospecting and Exploration from Central – South University of Technology Changsha, China in 1982. Subsequently, he earned Masters and PhD Degrees in magmatic petrology, economic geology from the same university. Dr. Wang conducted Postdoctoral research at the Institute of Geochemistry, Chinese Academy of Sciences (China) in 1991.

Dr. Wang is a resident of Beijing in the People's Republic of China.

Resolution 2: Election of Dr. Zhen Huang as a Director

Shareholders are being asked to approve the appointment of Dr. Zhen Huang as a Director of the Company which is conditional upon Resolutions 7 or 8 being approved by Shareholders.

Dr. Huang is currently a Director of Sinotech Minerals Exploration Co., Ltd. and an Australian company Golden Phoenix Resources Limited. He is also Managing Director of SinoDrill Co. Ltd. Prior to his appointment he was Director of Geology Department of China National Nonferrous Metals Industry Corporation. Dr. Huang has 29 years of experience in non-ferrous minerals exploration and ever since 1999,

he has actively established four technical service companies covering engineering construction, drilling, environment engineering and mining investment, all of which have made significant achievements. Dr Huang is a resident of Beijing in the People's Republic of China.

Resolution 3: Election of Ms Anna Mao as a Director

Shareholders are being asked to approve the appointment of Ms Anna Mao as a Director of the Company which is conditional upon Resolutions 7 or 8 being approved by Shareholders.

Ms. Anna Mao is CEO and director of Worldtex Capital Resources Limited, a capital and investment company incorporated in Hong Kong. She is a creative leader and entrepreneur with 19 years' rich experience and knowledge in finance and operation. She co-founded and developed several successful businesses both in China and Canada. Ms. Anna Mao graduated from Beijing Institute of Technology University in 1991, and obtained her MBA from Richard Ivey Business School of Western Ontario University in 2001.

Ms. Anna Mao is also a director and Founder of Sino Link Capital Resources Limited, and director of Enpar Technologies Inc. (ENP: TSX-V). She is a Canadian Citizen and resident in Beijing.

Resolution 4: Election of Mr Ed Eshuys as a Director

Shareholders are being asked to approve the appointment of Mr Eduard Eshuys as a Director of the Company which is conditional upon Resolutions 7 or 8 being approved by Shareholders.

Mr. Eduard Eshuys BSc (University of Tasmania) FAUSIMM, FAICD is a geologist with several decades of exploration experience in Australia. His successes as Joseph Gutnick's exploration director are well known. In the late 1980s and early 1990s he led the teams that discovered the Plutonic, Bronzewing and Jundee gold deposits, and the Cawse nickel project. He has also had involvement in the Maggie Hays and Mariners nickel discoveries in the 1970's. More recently he was the Managing Director and CEO of St Barbara Limited from July 2004 to March 2009. Mr. Eshuys is currently the Executive Chairman of Drummond Gold Ltd, a position he has held July 2010. Mr Eshuys is a resident of Melbourne, Australia.

Resolution 5: Ratify the Issue of 20 million Shares and 3,225,806 Options to Worldtex

Shareholders are being asked to approve Resolution 5 in connection with a placement of 20,000,000 Shares and 3,225,806 Options which occurred on 2 June 2011 to Worldtex at an issue price of 20 cents each. Worldtex is not a related party of the Company. The grant of the 3,225,806 Options carries the right for Worldtex to receive the grant of an additional 1,774,194 Options if 1,612,903 Options of the 3,225,806 Options are exercised within the first year of grant. Shareholder approval is now sought to ratify the grant of the 3,225,806 Options granted on 2 June 2011 under Listing Rule 7.4.

Listing Rules 7.1 and 7.4 provide generally that a company may not issue securities equal to more than 15% of the Company's issued share capital in any 12 months without obtaining shareholder approval. Listing Rule 7.4 states that an issue of securities by the Company without prior approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 only if the issue did not breach Listing Rule 7.1 at the time the issue occurred, and shareholder approval is subsequently obtained.

Shareholder approval will enable the Company to disregard the issue of the Shares to the investors named in the table above, for the purposes of calculating the Company's 15% existing capacity under Listing Rule 7.1 in the next 12 months.

Resolution 5- Listing Rule 7.4 disclosures

The Shares were issued on the same terms as existing Shares on issue, the terms of which are already in the public domain.

3,225,806 Options were granted on the terms in Annexure A on 2 June 2011.

The funds raised (approximately \$2 million) will be applied by the Company to continue the Company's exploration and development programs and for working capital purposes.

Worldtex is not a Related Party of the Company.

The Directors recommend that the Shareholders vote in favour of Resolution 5 in order to provide maximum flexibility to the Company for future capital raising in the following 12 month period.

Resolution 6: Issue of 1,774,194 Bonus Options and up to 5,000,000 Shares to Worldtex

Shareholders are being asked to approve Resolution 6 for the purposes of Listing Rule 7.1 and item 7 of section 611 of the Corporations Act.

The terms of grant of the Options to Worldtex mentioned in Resolution 5 include the right of Worldtex to receive an additional 1,774,194 Options, called the Worldtex Bonus Options, if Worldtex exercises at least 1,612,903 Options which are issued under Resolution 5, within their first year of grant. Shareholder approval is sought for exercise of the 3,225,806 Options granted and ratified under Resolution 5, the grant of 1,774,194 Worldtex Bonus Options, and the issue of Shares resulting from any exercise of the resulting total 5,000,000 Options, to allow Worldtex to take exercise the Options in Resolution 5 and take a grant of and exercise any Bonus Options without being in breach of the takeovers prohibition in section 606 of the Corporations Act.

The disclosures in relation to s611 of the Corporations Act for Resolution 6 are set out below since Resolutions 7, 8 and 9 require the similar compliance disclosures and repetition is avoided by addressing all of the s611 Corporations Act requirements at the same time for Resolutions 6, 7, 8 and 9.

In addition, Shareholder approval is being sought for the issue of the Bonus Options and Shares resulting from their exercise, for the purposes of Listing Rule 7.1 in order to preserve the company's 15% capacity to issue equity securities. Listing Rule 7.1 provides generally that a company may not issue securities equal to more than 15% of the Company's issued share capital in any 12 months without obtaining shareholder approval.

A requirement of Listing Rule 7.1 approval is that the securities are issued within 3 months of the date of the Meeting. Since the Bonus Options can be issued if and when Worldtex exercises at least 1,612,903 Options which are issued under Resolution 5 within the first year of grant, there is a possibility that the Bonus Options will be issued up to one year after the date of the Meeting, and not within 3 months after the Meeting.

As a result, the Company has applied to ASX for a waiver from the requirement that the Bonus Options be granted within 3 months of the Meeting date. At the time of printing this Notice of Meeting the ASX waiver was still being considered by ASX. If the waiver is not granted by the date of the Meeting, or if the conditions of grant of any waiver issued by ASX are not capable of being satisfied or communicated to Shareholders before the Meeting, the waiver will not be relied on by the Company and any Shareholder approval provided for the purposes of Listing Rule 7.1 will expire three months after the Meeting. If the Company wished to issue Bonus Options after three months from the Meeting the Company will need to do so out of its 15% capacity under

Listing Rule 7.1 without Shareholder approval, or, seek Shareholder approval at a subsequent general meeting.

Shareholder approval under Listing Rule 7.1 will enable the Company to disregard the issue of the Shares to the investors named in the table above, for the purposes of calculating the Company's 15% existing capacity under Listing Rule 7.1 in the next 12 months.

Resolution 6 - Listing Rule 7.1 disclosures

The Bonus Options will be issued up to a year after the date of the Meeting if the ASX waiver referred to above is granted. If the waiver is not granted or relied upon Shareholders are being asked to approve the grant of the Bonus Options within three months after the Meeting, which may be granted progressively depending on the manner in which SinoTech exercises the Options giving rise to the eligibility to receive a grant of the Bonus Options.

If the 1,774,194 Bonus Options are granted they will be granted to SinoTech on the terms in Annexure A for nil consideration.

The funds raised following any exercise of the Options at an exercise price of \$0.25 each, will be applied by the Company to continue the Company's exploration and development programs and for working capital purposes. The Shares resulting from exercise of the Options will be issued to SinoTech on the same terms as the existing Shares on issue, the terms of which are already in the public domain.

SinoTech is not a Related Party of the Company.

The Directors recommend that the Shareholders vote in favour of Resolution 6 in order to provide maximum flexibility to the Company for future capital raising in the following 12 month period.

Resolutions 7, 8 and 9: Issue of Shares and Options

Shareholders are being asked to approve Resolutions 7, 8 and 9 for the purposes of Listing Rule 7.1 and item 7 of section 611 of the Corporations Act. They are not inter conditional resolutions, which means that if one Resolution is not passed, the other Resolutions will still be put to the vote and may still be passed. They are addressed together here because the nature of the Shareholder approvals sought for each resolution is the same.

Listing Rule 7.1 provides generally that a company may not issue securities equal to more than 15% of the Company's issued share capital in any 12 months without obtaining shareholder approval.

Shareholder approval under Listing Rule 7.1 will enable the Company to disregard the issue of the Shares and Options to the investors named in the table below, for the purposes of calculating the Company's 15% existing capacity under Listing Rule 7.1 in the next 12 months. Note that the total number of Shares that may be issued under Resolutions 7 and 8 is 62,000,000, and the total number of Options that may be issued under Resolutions 7 and 8 is 11,000,000, because if SinoTech performs its obligations under the Subscription Agreement then Worldtex will not be obliged to subscribe for the securities in its capacity as Underwriter.

Investor	Resolution	Shares	Options	Bonus Options
SinoTech	7	62,000,000	20,000,000	11,000,000
Worldtex	8	62,000,000	20,000,000	11,000,000
Worldtex	9	nil	15,000,000	nil

Resolution 7 – Listing Rule 7.1 disclosures

The Shares and the Options will be issued within three months of the date of the Meeting, and will not be issued on a progressive basis. The Shares will be issued to SinoTech on the same terms as the existing Shares on issue at a subscription price of \$0.20 each, the terms of which are already in the public domain. SinoTech is not a Related Party of the Company. The funds raised will be applied by the Company to continue the Company's exploration and development programs and for working capital purposes.

The Options to be granted to SinoTech under the Subscription Agreement will be granted on the terms of Annexure A for nil consideration. If the Options granted are exercised the funds raised following exercise of the Options at an exercise price of \$0.25 each, will be applied by the Company to continue the Company's exploration and development programs and for working capital purposes and the Shares issued upon exercise will be issued to SinoTech on the same terms as the existing Shares on issue at a subscription price of \$0.20 each, the terms of which are already in the public domain.

Resolution 8 – Listing Rule 7.1 disclosures

The Shares and the Options will be issued within approximately three months after the date of the Meeting and will not be issued on a progressive basis. The Company has applied to ASX for a waiver seeking the ability to grant the Bonus Options comprising part of the underwritten securities later than three months after the date of the Meeting as required by Listing Rule 7.1. If the waiver is not granted or relied upon Shareholders are being asked to approve the grant of the Bonus Options within three months after the Meeting, which may be granted progressively depending on the manner in which Worldtex exercises the Options giving rise to the eligibility to receive a grant of the Bonus Options.

The Shares will be issued to Worldtex on the same terms as the existing Shares on issue at a subscription price of \$0.20 each, the terms of which are already in the public domain, and will not be issued on a progressive basis. Worldtex is not a Related Party of the Company. The funds raised will be applied by the Company to continue the Company's exploration and development programs and for working capital purposes. The Options to be granted to Worldtex upon performance of the Underwriting Agreement will be granted on the terms of Annexure A for nil consideration. If the Options granted are exercised the funds raised following exercise of the Options at an exercise price of \$0.25 each, will be applied by the Company to continue the Company's exploration and development programs and for working capital purposes and the Shares issued upon exercise will be issued to Worldtex on the same terms as the existing Shares on issue at a subscription price of \$0.20 each, the terms of which are already in the public domain.

Resolution 9 – Listing Rule 7.1 disclosures

The Worldtex Underwriting Options to be granted to Worldtex will be granted on the terms of Annexure C for nil consideration within three months of the date of the Meeting, and will not be granted on a progressive basis. If the Options granted are exercised the funds raised following exercise of the Options at an exercise price of \$0.25 each, will be applied by the Company to continue the Company's exploration and development programs and for working capital purposes and the Shares issued upon exercise will be issued to Worldtex on the same terms as the existing Shares on issue at a subscription price of \$0.20 each, the terms of which are already in the public domain.

Section 611 Corporations Act disclosures – Resolutions 6, 7, 8 and 9

The disclosures required to be made to Shareholders in relation to compliance with item 7 of section 611 of the Corporations Act are as follows, in relation to Resolutions 6-9 inclusive.

Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in the issued voting shares of a company if, because of the acquisition, that person's or another person's Voting Power in the Company

increases to more than 20%. Section 611 of the Corporations Act sets out certain exceptions to the general prohibition and permits an increase in Voting Power over 20%. Item 7 of section 611 of the Corporations Act provides a mechanism by which shareholders may approve an issue of shares in a company to a person which would otherwise result in that person's, or another person's, Voting Power in the Company increasing to more than 20%. Under the Corporations Act a person's Voting Power in a company is the total of the votes attaching to the shares in that company in which that person has a relevant interest, and that person's associates (within the meaning of the Corporations Act) have a relevant interest. The Voting Power of a person in the Company is determined by reference to section 610 Corporations Act. By section 608 Corporations Act, in addition to being the registered holder of shares, a relevant interest in shares is also achieved by having power to exercise or control the exercise of votes or disposal of the shares. In addition, a person will be deemed to have a relevant interest in securities held by a company, if the person has over 20% Voting Power in that company.

Associates are determined as a matter of fact, for example where a person controls or influences the board or the conduct of a company's business affairs, or acts in concert with a person in relation to the entity's business affairs.

In order for the Company to comply with the requirements of the Corporations Act, the Company has provided the information below which ASIC Regulatory Guide 74 requires the Company to provide to Shareholders when seeking approval in accordance with item 7 of section 611 of the Corporations Act, for each of Resolutions 6, 7, 8 and 9. In addition the Directors have appointed Stantons International to prepare the independent expert's report annexed to this Explanatory Statement, in compliance with ASIC Regulatory Guide 74. The objective of commissioning an Independent Experts Report is to provide an opinion for the benefit of Shareholders considering Resolutions 6-9 inclusive, as to whether or not the proposals in Resolutions 6-9 inclusive are fair and reasonable to the Shareholders who are not Associates of SinoTech or Worldtex. Worldtex and SinoTech are not associates of one another. The report is set out in Annexure D and it is recommended that Shareholders read that report in its entirety. The conclusion is that the proposed transactions are fair and reasonable to the non associated Shareholders.

The Company provides the following information in accordance with ASIC Regulatory Guide 74:

Identity of the investors proposing to make the acquisitions, their Associates and Relevant Interests:

	SinoTech	Worldtex
Shares in which investor has a Relevant Interest as at date of Meeting	nil	10,000,000
Options held by investor as at date of Meeting	nil	3,225,806
Number of Shares the subject of Resolution 6	nil	nil
Number of Shares the subject of Resolution 7	62,000,000	nil
Number of Shares the subject of Resolution 8	nil	62,000,000
Number of Shares the subject of Resolution 9	nil	nil
Number of Options the subject of Resolution 6	nil	1,774,194
Number of Options the subject of Resolution 7	31,000,000	nil
Number of Options the subject of Resolution 8	nil	31,000,000
Number of Options the subject of Resolution 9	nil	15,000,000
Number of Shares acquired by the exercise of all Options already held and being granted under Resolutions 6-9 being exercised	31,000,000	51,000,000
Shares in which investor has a Relevant Interest following implementation of Resolutions 6-9 and assuming all Options held are exercised	93,000,000	123,000,000
Shares in which investor has a Voting Power following implementation of Resolutions 6-9 (neither SinoTech nor Worldtex have any Associates who have a Relevant Interest in the Company)	93,000,000	123,000,000

Increase in Voting Power as a result of Resolutions 6-9:

Name of Investor	Voting Power at date of Meeting	Voting Power after implementation of Resolutions 6-9 if no Underwriting is required by Worldtex (assumes all Options held and granted are exercised by the investor)	Voting Power after implementation of Resolutions 6-9 if whole Underwriting obligation is performed by Worldtex (assumes all Options held and granted are exercised by the investor)
SinoTech	nil	36.6% (93 million Shares)	nil
Worldtex	7% (10 million Shares)	11.8% (30 million Shares)	48.4% (123 million Shares)

The table above does not take into account the Broker Options to be granted under Resolution 10 if they are approved by Shareholders. Assuming the Broker Options the subject of Resolution 10 are granted and exercised, the effect on the SinoTech and Worldtex is as follows:

Name of Investor	Voting Power at date of Meeting	Voting Power after implementation of Resolutions 6-10 if no Underwriting is required by Worldtex (assumes all Options held and granted are exercised by the investor)	Voting Power after implementation of Resolutions 6-10 if whole Underwriting obligation is performed by Worldtex (assumes all Options held and granted are exercised by the investor)
SinoTech	nil	33.9% (93 million Shares)	nil
Worldtex	7% (10 million Shares)	10.9% (30 million Shares)	44.8% (123 million Shares)

There are other Options on issue which are detailed earlier in this Explanatory Statement. If they are exercised the effect will be to dilute the Relevant Interests of SinoTech and Worldtex.

Identity, associations with the associates and qualifications of any person who is intended to or will become a Director if the Shareholders agree to the allotment:

If the SinoTech subscription under Resolution 7 proceeds in accordance with the Subscription Agreement, SinoTech are entitled to appoint two Directors to the Company's Board, namely Dr Wang (whose appointment is the subject of Resolution 1) and Dr. Zhen Huang (whose appointment is the subject of Resolution 2).

Dr Jingbin Wang and Dr. Zhen Huang have each been nominated as a Director by SinoTech, to be considered at the Meeting under Resolutions 1 and 2, and expressed to be conditional on the SinoTech subscription in Resolution 7 or the Worldtex underwriting in Resolution 8 being approved by shareholders.

Detailed information is provided about the experience and qualifications of Dr Jingbin Wang and Dr. Zhen Huang under Resolutions 1 and 2 in this Explanatory Statement.

The Underwriting Agreement between the Company and Worldtex entitles Worldtex to appoint a Director to the Board, namely Ms Anna Mao, and if the SinoTech subscription is subscribed for by Worldtex in performance of its underwriting obligations, Worldtex will have the right to appoint two Directors, in place of the two appointments which SinoTech are entitled to make under the Subscription Agreement as casual appointments to the Board following the Meeting. The Company's constitution governs the confirmation of those possible casual Board appointments at a subsequent meeting of the Company.

Ms Anna Mao has been nominated as a Director by Worldtex, whose appointment is the subject of Resolution 3, expressed to be conditional on the Worldtex underwriting in Resolution 8 being approved by shareholders. Detailed information is provided about the experience and qualifications of Ms Anna Mao under Resolution 3 in this Explanatory Statement.

In addition, Shareholders are being asked to approve the appointment of Mr Eduard Eshuys as a Director of the Company which is conditional upon the SinoTech subscription in Resolution 7 or the Worldtex underwriting in Resolution 8, being approved by Shareholders. His appointment is a requirement of the mandate which the Company has executed with brokers RI Capital Pty Ltd who introduced the Company to SinoTech, and to Worldtex.

Mr. Eduard Eshuys BSc (University of Tasmania) FAUSIMM, FAICD is a geologist with several decades of exploration experience in Australia. His successes as Joseph Gutnick's exploration director are well known. In the late 1980s and early 1990s he led the teams that discovered the Plutonic, Bronzewing and Jundee gold deposits, and the Cawse nickel project. He has also had involvement in the Maggie Hays and Mariners nickel discoveries in the 1970's. More recently he was the Managing Director and CEO of St Barbara Limited from July 2004 to March 2009. Mr. Eshuys is currently the Executive Chairman of Drummond Gold Ltd, a position he has held July 2010. Mr Eshuys is a resident of Melbourne, Australia.

Statement of respective objectives and intentions of SinoTech and Worldtex regarding the future of the Company in subscribing for Shares, if Shareholders pass Resolutions 6-9:

The common objective of SinoTech and Worldtex is to turn Enterprise Metals Ltd into a successful mineral explorer and mine developer, with an emphasis on iron ore, uranium, and base and precious metals. This is consistent with the vision and objective of the current Board of the Company.

Terms of the proposed allotment and when it is proposed to be completed:

The Shares will be issued to SinoTech within three months of the Meeting date at a subscription price of \$0.20 each under the terms of the Subscription Agreement. The Options will be granted for nil consideration on the terms in Annexure A to SinoTech under the Subscription Agreement

The Options will be granted to Worldtex on the terms of Annexure A in the case of performance of the Underwriting Agreement, and in the case of the Worldtex Underwriting Options comprising part of the Underwriting fee to Worldtex, they will be granted in the terms of Annexure C.

The interests of the Directors and their recommendation in relation to Resolutions 6-9:

The Directors have no personal interest in the Resolutions and recommend that Shareholders vote in favour of all the Resolutions to allow the Company to proceed with its capital raising on terms which the Directors have negotiated on terms they believe are reasonable.

Resolution 10: Issue of Broker Options

Shareholders are being asked to approve Resolution 10 for the purposes of Listing Rule 7.1 which provides generally that a company may not issue securities equal to more than 15% of the Company's issued share capital in any 12 months without obtaining shareholder approval. Resolution 10 is necessary in accordance with this principle.

Resolution 10 – Listing Rule 7.1 disclosures

No funds will be raised by the issue of the 20,000,000 Broker Options for nil consideration to RI Capital Pty Ltd (which is not a Related Party of the Company) on the terms in Annexure B, within three months of the Meeting date and will not be issued on a progressive basis. If they are exercised at the exercise price of \$0.25 each, the funds raised of \$5,000,000 will be applied by the Company to continue the Company's exploration and development programs and for working capital purposes.

Glossary

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Annexure	an annexure to this Explanatory Statement
ASIC	Australian Securities and Investments Commission
Associate	Has the meaning given in the Corporations Act
ASX	ASX Limited
Board	the board of Directors
Bonus Options	Means either or both of the SinoTech Bonus Options and the Worldtex Bonus Options
Broker Options	Means the Options to be granted to RI Capital Pty Ltd pursuant to the mandate between the Company and RI Capital Pty Ltd, on the terms in Annexure B
Company	Enterprise Metals Limited
Constitution	constitution of the Company
Corporations Act	Corporations Act 2001 (Cth)
Director	Director of the Company
Listing Rules	the ASX Listing Rules
Meeting	The General Meeting of the Company to be held on 30 June 2011
Option	an option to subscribe for a Share
Placement	Means the placement to SinoTech contemplated in Resolution 7 of the Notice of Meeting
Related Party	Has the meaning given in the Corporations Act
Relevant Interest	Has the meaning given in the Corporations Act
Share	A fully paid ordinary share in the capital of the Company
Shareholder	A shareholder of the Company
SinoTech	Means SinoTech (Hong Kong) Corporation Limited, a company incorporated under the legislation of Hong Kong

SinoTech Bonus Options	Means the Options to be issued to SinoTech if SinoTech is issued and then exercises within one year of grant at least 10,000,000 Options
SinoTech Options	Means the Options to be granted to SinoTech under the Subscription Agreement
Subscription Agreement	Means the subscription agreement dated 21 May 2011 between the Company and SinoTech
Voting Power	Has the meaning given in the Corporations Act
Underwriting Agreement	Means the underwriting agreement between the Company and Worldtex dated 21 May 2011
Underwritten Securities	Means the Shares and Options to be issued to SinoTech under the Subscription Agreement, to the extent that all or some of them form a shortfall under the Underwriting Agreement
Worldtex	Means Worldtex Capital Resources Limited, a company incorporated under the legislation of Hong Kong
Worldtex Bonus Options	Means the Options to be issued to Worldtex if Worldtex exercises within one year of grant at least 1,612,903 Options
Worldtex Options	Means the Options issued to Worldtex under the Worldtex Placement Agreement on the terms in Annexure A
Worldtex Placement Agreement	Means the invitation issued by the Company dated 27 April 2011 and accepted by Worldtex on 30 May 2011 for the issue of 10 million Shares and 3,225,806 Options to Worldtex
Worldtex Underwriting Options	Means the 15,000,000 Options to be issued on the terms in Annexure C to Worldtex in its capacity as underwriter under the terms of the Underwriting Agreement provided the conditions of the Underwriting Agreement have been satisfied by 30 June 2011

Annexure A: Terms of Options

- (a) Each Option shall entitle the Option holder, when exercised, to one fully paid ordinary share in the Company ("Share").
 - (b) The Options are exercisable wholly or in part at any time prior to 5.00 pm (WST) within three years of the date of grant ("Expiry Date"). Options not exercised by that date shall lapse.
 - (c) Each Option may be exercised by notice in writing to the Company, together with the payment for the number of Shares in respect of which the Options are exercised, at any time before the Expiry Date. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
 - (d) The Option exercise price is \$0.25 per Option.
 - (e) An Option does not confer the right to a change in exercise price or a change in the number of the underlying Shares over which the Option can be exercised.
 - (f) Shares issued upon exercise of the Options will be issued following receipt of all the relevant documents and payments and will:
 - (i) rank equally in all respect with the then issued Shares; and
 - (ii) be free from all Encumbrances, other than those provided for in the Constitution.
 - (g) The Options are not to be quoted on ASX and the Company is under no obligation to apply for quotation of the Options on ASX.
 - (h) The Company will apply for quotation on ASX of all Shares issued upon exercise of the Options. Immediately on issue of the Shares upon the exercise of the Options, the Company will give ASX a cleansing notice in accordance with section 708A of the Corporations Act in respect of all Shares issued upon exercise of the Options.
 - (i) The Options are not transferable unless the Board of the Company consents in writing.
 - (j) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of securities 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 6 Business Days after the issue is announced so as to give Option holders the opportunity to exercise their Options before the date for determining entitlements to participate in any issue.
 - (k) If at any time the issued capital of the Company is reorganised, the rights of an Option holder are to be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
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Annexure B: Terms of Broker Options

- (a) Each Option shall entitle the Option holder, when exercised, to one fully paid ordinary share in the Company ("Share").
 - (b) The Options are exercisable wholly or in part at any time prior to 5.00 pm (WST) within three years of the date of grant ("Expiry Date"). Options not exercised by that date shall lapse.
 - (c) Each Option may be exercised by notice in writing to the Company, together with the payment for the number of Shares in respect of which the Options are exercised, at any time before the Expiry Date. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
 - (d) The Option exercise price is \$0.25 per Option.
 - (e) An Option does not confer the right to a change in exercise price or a change in the number of the underlying Shares over which the Option can be exercised.
 - (f) Shares issued upon exercise of the Options will be issued following receipt of all the relevant documents and payments and will rank equally in all respect with the then issued Shares.
 - (g) The Options are not to be quoted on ASX and the Company is under no obligation to apply for quotation of the Options on ASX.
 - (h) The Company will apply for quotation on ASX of all Shares issued upon exercise of the Options.
 - (i) The Options are not transferable unless the Board of the Company consents in writing.
 - (j) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of securities 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 6 Business Days after the issue is announced so as to give Option holders the opportunity to exercise their Options before the date for determining entitlements to participate in any issue.
 - (k) If at any time the issued capital of the Company is reorganised, the rights of an Option holder are to be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
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Annexure C: Terms of Worldtex Underwriting Options

- (a) Each Option shall entitle the Option holder, when exercised, to one fully paid ordinary share in the Company ("Share").
 - (b) The Options are exercisable wholly or in part at any time prior to 5.00 pm (WST) within three years of the date of grant ("Expiry Date"). Options not exercised by that date shall lapse.
 - (c) Each Option may be exercised by notice in writing to the Company, together with the payment for the number of Shares in respect of which the Options are exercised, at any time before the Expiry Date. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
 - (d) The Option exercise price is \$0.25 per Option.
 - (e) An Option does not confer the right to a change in exercise price or a change in the number of the underlying Shares over which the Option can be exercised.
 - (f) Shares issued upon exercise of the Options will be issued following receipt of all the relevant documents and payments and will:
 - (i) rank equally in all respect with the then issued Shares; and
 - (ii) be free from all Encumbrances, other than those provided for in the Constitution.
 - (g) The Options are not to be quoted on ASX and the Company is under no obligation to apply for quotation of the Options on ASX.
 - (h) The Company will apply for quotation on ASX of all Shares issued upon exercise of the Options. Immediately on issue of the Shares upon the exercise of the Options, the Company will give ASX a cleansing notice in accordance with section 708A of the Corporations Act in respect of all Shares issued upon exercise of the Options.
 - (i) The Options are not transferable unless the Board of the Company consents in writing.
 - (j) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of securities 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 6 Business Days after the issue is announced so as to give Option holders the opportunity to exercise their Options before the date for determining entitlements to participate in any issue.
 - (k) If at any time the issued capital of the Company is reorganised, the rights of an Option holder are to be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
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Annexure D

Independent Expert's Report

24 May 2011

The Directors
Enterprise Metals Limited
Level 1, Menzies House
640 Murray Street
WEST PERTH WA 6005

Dear Sirs

RE: ENTERPRISE METALS LIMITED ("ENTERPRISE" OR "THE COMPANY") (ACN 123 567 073) ON THE PROPOSALS THAT SHAREHOLDERS APPROVE THE ISSUE OF SHARES AT 20 CENTS EACH TO SINO TECH (HONG KONG) CORPORATION LIMITED ("SINO TECH") TO RAISE \$12.4 MILLION AND ALLOW WORLDTX CAPITAL RESOURCES LIMITED ("WORLDTX") TO UNDERWRITE THE PLACEMENT OF SHARES TO SINO TECH AND BE ISSUED OTHER SHARES AND SHARE OPTIONS. MEETING PURSUANT TO SECTION 611 (ITEM 7) OF THE CORPORATIONS ACT 2001

1. Introduction

- 1.1 We have been requested by the Directors of Enterprise to prepare an Independent Expert's Report to determine the fairness and reasonableness relating to the proposal to issue 62,000,000 ordinary shares in Enterprise at an issue price of 20 cents each to raise a gross \$12,400,000 to SinoTech (and allow the issue and exercise of up to 31,000,000 share options in Enterprise as noted in paragraph 1.2 below). Resolution 7 in the Notice of Meeting ("Notice") and the Explanatory Statement attached to the Notice refers to further details. The proposed issue of 62,000,000 shares to SinoTech is known for the purposes of this report as the Placement. In addition, we have been requested to report on the fairness and reasonableness of the proposal for Worldtex to underwrite the Placement as noted in paragraph 1.3 below (that includes allowing the exercise of up to 31,000,000 share options). Resolution 8 in the Notice and the Explanatory Statement attaching to the Notice refers to further details. We have also been requested to report on the fairness and reasonableness of issuing 10,000,000 shares and 3,225,806 free attached share options to Worldtex (resolution 5). Furthermore we have been requested to report on the fairness and reasonableness of the issue of 1,774,194 share options (and allow the exercise of 5,000,000 share options) to Worldtex (resolution 6) and report on the fairness and reasonableness of the proposal to issue 15,000,000 share options to Worldtex and allow the exercise of such share options (resolution 9). Paragraph 1.2 and 1.3 below refer to further details on all relevant shares and share options. Resolutions 5, 6 8 and 9 need to be looked at as a package of shares and share options that may be issued to Worldtex as Worldtex acting as an underwriter to the issue of up to 62,000,000 shares and up to 31,000,000 share options proposed to be issued to SinoTech (except the 10,000,000 shares and 3,225,806 share options noted above and in paragraphs 1.2 and 1.3 below).

- 1.2 Following discussions in April 2011, Enterprise, on 28 April 2011 entered into a Binding Memorandum of Understanding ("MOU") (and subsequently updated via a Subscription Agreement) with SinoTech for SinoTech to subscribe for 62,000,000 shares in Enterprise at an issue price of 20 cents each ("Placement Shares") for Enterprise to raise a gross \$12,400,000. In addition, SinoTech will be issued 20,000,000 free attached share options, exercisable at 25 cents each, on or before two years ("Placement Options") from the Allotment Date. If 10,000,000 of the Placement Options are exercised by SinoTech within 12 months from the Allotment Date (SinoTech would need to pay Enterprise \$2,500,000), then Enterprise will issue a further 11,000,000 share options ("Placement Bonus Options") in Enterprise, exercisable at 25 cents each, on or before 2 years after the exercise of the 10,000,000 Placement Options. The Placement is inter-alia, subject to shareholder approval and FIRB approval and is being made to provide further working capital for expenditure on the Company's existing mineral projects and allow extra funds to seek new business opportunities in the minerals industry. In addition, SinoTech is to nominate 2 directors to the Enterprise Board of Directors with effect from the date of the allotment of the Placement Shares and that one of the nominees will become the Deputy Chairman of Enterprise. A break fee of \$124,000 applies to either party should the approvals required to proceed with the Placement are not obtained. In addition, it has been agreed that the Company will employ an appropriately qualified and experienced person nominated by SinoTech to participate in the Company's technical management team subject to usual employment terms with the Company. The MOU and Subscription Agreement acknowledged that a placement ("Worldtex Placement") of 10,000,000 shares at 20 cents each to raise \$2,000,000 ("Worldtex Shares") will be issued to Worldtex and that Worldtex would also be issued 3,225,806 free attaching share options exercisable at 25 cents each, on or before 2 years from the date of grant ("Worldtex Options"). Resolution 5 in the Notice refers to the issue of the Worldtex Shares and Worldtex Options and the exercise of such Worldtex Options. If 1,612,903 of the Worldtex Options are exercised by Worldtex within 12 months from the Grant Date (Worldtex would need to pay Enterprise \$403,225.75), then Enterprise will issue a further 1,774,194 share options ("Worldtex Bonus Options") in Enterprise, exercisable at 25 cents each, on or before 2 years after the exercise of the 1,612,903 Worldtex Options. Resolution 6 refers to the potential issue of the Worldtex Bonus Options and exercise thereof. These terms were announced to the market on 28 April 2011.
- 1.3 On 6 May 2011, Enterprise entered into an agreement ("Preliminary Underwriting Agreement") with Worldtex for Worldtex to underwrite the Placement of the Placement Shares to SinoTech. Worldtex is only obliged to subscribe for any shortfall in the Placement envisaged with SinoTech that SinoTech has not subscribed and paid for by 30 September 2011. The maximum shortfall could be the maximum of the 62,000,000 Placement Shares (and the 20,000,000 free Placement Options that would have been issued to SinoTech). In the event of a shortfall, Worldtex is obliged to subscribe and pay for the Shortfall Shares by 11 October 2011. Resolution 8 refers to the underwritten shares and share options proposed to be issued to SinoTech. The underwriting fee is a payment of \$248,000 (representing 2% of the funds raised by the Placement) and 15,000,000 share options in Enterprise, exercisable at 25 cents each, on or before 3 years from date of grant ("Underwriting Options"). Resolution 9 refers to the issue of the Underwriting Options and the exercise thereof. The Preliminary Underwriting Agreement terms were announced to the market on 6 May 2011.

- 1.4 Under Section 606 of The Corporations Act ("TCA"), a person must not acquire a relevant interest in issued voting shares in a company if because of the transaction, that persons or someone else's voting power in the company increases:

- (a) from 20% or below to more than 20%; or
- (b) from a starting point that is above 20% and below 90%.

Under Section 611 (Item 7) of TCA, Section 606 does not apply in relation to any acquisition of shares in a company approved by resolution passed at a general meeting at which no votes were cast in favour of the resolution by the acquirer or the disposer or their respective associates. An independent expert is required to report on the fairness and reasonableness of the transaction pursuant to a Section 611 (Item 7) meeting.

- 1.5 After the Placement to the Placement Shares to SinoTech, SinoTech would increase their current shareholding from nil shares to 62,000,000 shares (approximately 30.55%) that assumed the issue of the 10,000,000 Worldtex Shares via the Worldtex Placement but before the exercise of any share options. There would be 202,970,776 shares on issue. If SinoTech exercised all of the Placement Options and no other shares were issued or no other share options were exercised, SinoTech would own 82,000,000 ordinary shares in Enterprise representing approximately 36.78% of the expanded issued capital of Enterprise assuming no further shares are issued. If SinoTech exercised 10,000,000 of the Placement Options, SinoTech would be issued 11,000,000 Placement Bonus Options and if these were also exercised, SinoTech could own between 83,000,000 shares (if only 10,000,000 Placement Options exercised) and 93,000,000 shares (20,000,000 Placement Options exercised) in Enterprise and SinoTech's shareholding percentage may fall in the range of approximately 37.06% and 39.75% assuming no other share issues. These percentages could fall in the event that other shares were issued via new placements/rights issues or exercise of share options.

In the event that SinoTech does not subscribe for all of the Placement Shares, Worldtex under the Preliminary Underwriting Agreement would need to subscribe for the shortfall of up to 62,000,000 Placement Shares in Enterprise. If the maximum shortfall was 62,000,000 Placement Shares (and 20,000,000 free attached Placement Share Options), Worldtex's shareholding would be 72,000,000 shares in Enterprise (it is subscribing for 10,000,000 Worldtex Shares as noted in paragraph 1.2 above). In this case, SinoTech would own no shares but Worldtex's shareholding percentage would be approximately 35.47% (it would be approximately 4.93% without taking up any Shortfall Shares). In the event that Worldtex owned 72,000,000 shares in Enterprise and also exercised the 20,000,000 Placement Options, Worldtex's shareholding would increase to 92,000,000 shares in Enterprise representing approximately 41.26% of the expanded issued capital of Enterprise. In the event that Worldtex owned 72,000,000 shares in Enterprise and also exercised the 20,000,000 Placement Options and the 3,225,806 Worldtex Options, Worldtex would increase its shareholding in Enterprise to 95,225,806 shares representing approximately 42.10% of the expanded issued capital of Enterprise (assuming no other share issues). If Worldtex exercised 1,612,903 of the Worldtex Options, Worldtex would be issued 1,774,194 Worldtex Bonus Options and if these were also exercised, Worldtex could own between 75,387,097 shares (if only 1,612,903 Worldtex Options exercised) and 77,000,000 shares (if only 3,225,806 Worldtex Options exercised, - ignores 20,000,000 Placement Options being exercised) in Enterprise

and Worldtex's shareholding percentage may fall in the range of approximately 36.53% and 37.2% assuming no other share issues. If Worldtex was also granted the 11,000,000 Placement Bonus Options and these were also exercised, Worldtex could increase its shareholding interest in Enterprise to between 96,387,097 shares and 108,000,000 shares representing between approximately 42.39% and 45.19% of the expanded issued capital of Enterprise (and no other shares issued to other parties). In the event that in addition to the above share issues to Worldtex (that includes the exercise of all of the Placement Options, the Placement Bonus Options, the Worldtex Options and the Worldtex Bonus Options), if Worldtex also exercised the 15,000,000 Underwriting Options, Worldtex could own up to 123,000,000 shares in Enterprise representing approximately 48.43% of the expanded issued capital of Enterprise of 253,970,776 shares (in the absence of no other share issues). These percentages could fall in the event that other shares were issued via new placements/rights issues or exercise of other share options.

- 1.6 Therefore a notice prepared in relation to a meeting of shareholders convened for the purposes of Section 611 (Item 7) of TCA should be accompanied by an Independent Expert's Report stating whether it is fair and reasonable to the non associated shareholders of Enterprise to allow the issue of the Placement Shares to SinoTech at 20 cents each to raise a gross \$12,400,000 and allow the exercise of the Placement Options and the Placement Bonus Options. Furthermore in the circumstances where Worldtex may increase its shareholding to over 20% in Enterprise by taking up Shortfall Shares (in addition to the 10,000,000 Worldtex Shares) and exercising all or some of the Placement Options, Placement Bonus Options, Worldtex Options, Worldtex Bonus Options and the Underwriting Options, the Company requires shareholder approval and an Independent Expert's Report stating whether such issues of shares to Worldtex are fair and reasonable to the non associated shareholders of Enterprise. To assist shareholders in making a decision on the proposal outlined in resolutions 5 to 9 the directors have requested that Stantons International Securities prepare an Independent Expert's Report, which must state whether, in the opinion of the Independent Expert, the proposals are fair and reasonable to the non-associated shareholders of Enterprise (not associated with SinoTech, Worldtex or their associates).
- 1.7 There are five other resolutions being put to the shareholders of Enterprise. Resolutions 1, 2 and 3 relate to the proposed appointment of representatives of SinoTech (resolutions 1 and 2) and a representative of Worldtex (resolution 3). Resolution 4 relates to the appointment of Eduard Eshuys as a director of Enterprise. Paragraph 2.4 below refers to these appointments. Resolution 10 refers to the proposal to issue 20,000,000 Broker Options as noted in paragraph 2.3 of this report. We are not reporting on the merits or otherwise of these proposals (resolutions 1 to 4 and resolution 10).
- 1.8 Apart from this introduction, this report considers the following:
 - Summary of opinion
 - Implications of the proposals
 - Corporate history and nature of business
 - Future direction of Enterprise
 - Basis of valuation of Enterprise shares (and options)
 - Premium for control
 - Consideration as to fairness and reasonableness
 - Conclusion as to fairness and reasonableness

- Sources of information
- Appendix A and Financial Services Guide

- 1.9 In determining the fairness and reasonableness of the transactions pursuant to resolutions 5 to 9 we have had regard for the definitions set out by the Australian Securities and Investments Commission ("ASIC") in its Regulatory Guide 111, "Content of Expert Reports". Regulatory Guide 111 states that an opinion as to whether an offer is fair and/or reasonable shall entail a comparison between the offer price and the value that may be attributed to the securities under offer (fairness) and an examination to determine whether there is justification for the offer price on objective grounds after reference to that value (reasonableness). The concept of "fairness" is taken to be the value of the offer price, or the consideration, being equal to or greater than the value of the securities in the above mentioned offer. Furthermore, this comparison should be made assuming 100% ownership of the "target" and irrespective of whether the consideration is scrip or cash. An offer is "reasonable" if it is fair. An offer may also be reasonable, if despite not being "fair", there are sufficient grounds for security holders to accept the offer in the absence of any higher bid before the close of the offer. It also states that, where an acquisition of shares by way of an allotment is to be approved by shareholders pursuant to Section 611 (Item 7) of TCA, it is desirable to commission a report by an independent expert stating whether or not the proposal is fair and reasonable, having regards to the proposed allottees and whether a premium for potential control is being paid by the allottees. Regulatory Statement 111 also provides that such an allotment should involve a comparison of the advantages and disadvantages likely to accrue to non associated shareholders if the transactions proceed compared with if they do not.

Accordingly, our report in relation to resolution 7 comprising the approval to issue 62,000,000 Placement Shares to SinoTech, and allow up to 20,000,000 Placement Options and 11,000,000 Placement Bonus Options to be exercised is concerned with the fairness and reasonableness of the proposal with respect to the existing non-associated shareholders of Enterprise and whether SinoTech is paying a premium for control.

Accordingly, our report in relation to resolutions 5, 6, 8 and 9 comprising the approval to allow Worldtex to subscribe for shares under the Worldtex Placement and under the underwriting obligations as noted above (that includes the subscription of up to 62,000,000 Shortfall Shares, the exercise of up to 20,000,000 Shortfall Options, the exercise of up to 3,225,806 Worldtex Options, the exercise of up to 1,774,195 Worldtex Bonus Options, the exercise of up to 15,000,000 Underwriting Options and the issue of the 10,000,000 Worldtex Shares) is concerned with the fairness and reasonableness of the proposals with respect to the existing non-associated shareholders of Enterprise and whether Worldtex would be paying a premium for control. It is noted that in the event that Worldtex has no need to subscribe for any Shortfall Shares, Worldtex's shareholding will be an initial 10,000,000 shares representing approximately 4.93% of the expanded issued capital of the Company before the issue of any other shares (except the Placement Shares to SinoTech). Worldtex's shareholding interest if it also exercised the Underwriting Options would increase its shareholding in Enterprise to 25,000,000 shares and the percentage interest of Worldtex would approximate 11.47% in the absence of any other share issues.

- 1.10 For the purposes of Section 611 (item 7) of TCA, resolution 7 in relation to the approval to issue 62,000,000 Placement Shares in Enterprise to SinoTech and allow SinoTech to exercise the Placement Options and Placement Bonus Options, is in our opinion taking into account the factors noted elsewhere in this report including the factors (positive, negative and other factors) noted in section 7 of this report, fair and reasonable to the shareholders of Enterprise not associated with SinoTech and its associates.
- 1.11 For the purposes of Section 611 (item 7) of TCA, resolutions 5,6 8 and 9 in relation to the approval to issue various shares and allow the exercise of various share options to Worldtex as noted in paragraphs 1.2 and 1.3 is in our opinion taking into account the factors noted elsewhere in this report including the factors (positive, negative and other factors) noted in section 7 of this report fair and reasonable to the shareholders of Enterprise not associated with Worldtex and its associates.

2. Implications of the Proposals

- 2.1 As at 23 May 2011, there are 130,970,776 ordinary fully paid shares on issue in Enterprise. The significant registered fully paid shareholders as at 18 May 2011, based on the top 20 shareholders list were believed to be:

	No. of fully paid shares	% of issued fully paid shares
Dermot Michael Ryan & Vivienne Eleanor Ryan (RF Super Fund Account)	6,075,000	4.64
Dermot Michael Ryan & Vivienne Eleanor Ryan (The Enterprise Account)	6,000,000	4.58
Philip Hoff (Cornucopia account)	5,625,000	4.29
Wandong Valley Pty Ltd (Wheeler Family Account)	3,823,008	2.92
Philip Hoff (UHW Super Fund Account)	3,765,929	2.88
	<u>25,288,937</u>	<u>19.31</u>

The top 20 shareholders at 18 May 2011 owned approximately 39.13% of the ordinary issued capital of the Company.

- 2.2 As at 23 May 2011, the following share options are on issue:

- 22,782,001 listed options exercisable at 25 cents each by 30 June 2012;
- 3,000,000 unlisted options exercisable at 25 cents each by 30 November 2012; and
- 2,500,000 unlisted options exercisable at 50 cents each by 30 June 2013.

It is proposed that 20,000,000 Placement Options and 3,225,806 Worldtex Options would be issued for nil consideration (attached to the Placement Shares and Worldtex Shares) and all such options will be exercisable at 25 cents each, on or before two years from grant date. If exercised, Enterprise would receive a total of \$5,806,451.50

If 10,000,000 of the Placement Options are exercised by SinoTech within 12 months from the Allotment Date (SinoTech would need to pay Enterprise \$2,000,000), then Enterprise will issue a further 11,000,000 share options ("Placement Bonus Options") in Enterprise, exercisable at 25 cents each, on or before 2 years after the exercise of the 10,000,000 Placement Options.

If 1,612,903 of the Worldtex Options are exercised by Worldtex within 12 months from the Grant Date (Worldtex would need to pay Enterprise \$403,225.75), then Enterprise will issue a further 1,774,194 share options ("Bonus Worldtex Options") in Enterprise, exercisable at 25 cents each, on or before 2 years after the exercise of the 1,612,903 Worldtex Options.

In addition, Worldtex as part of the underwriting fee will be issued 15,000,000 Underwriting Options, exercisable at 25 cents on or before 3 years from grant date. It is also proposed that 20,000,000 Broker Options exercisable at 25 cents on or before 3 years from grant date (after allotment of the Placement Shares and Worldtex Shares) will be issued to RI Capital Pty Ltd as part of RI Group Pty Ltd ("RIG") as corporate adviser to the proposed transactions with SinoTech and Worldtex.

- 2.3 If the Placement is made of 62,000,000 Placement Shares and 10,000,000 Worldtex Shares the number of total ordinary shares on issue would increase to 202,970,776 and the number of ordinary shares held by SinoTech would be 62,000,000 representing approximately 30.55% of the expanded issued capital of the Company (Worldtex would own 10,000,000 shares representing approximately 4.93%). The Company would receive \$12,400,000 from SinoTech and \$2,000,000 from Worldtex for a total gross sum of \$14,400,000. A cash underwriting fee of 2% (\$248,000) of the funds raised from the Placement is payable to Worldtex. In addition 15,000,000 Underwriting Options will be issued to Worldtex as part of the underwriting fee. Resolution 9 refers to the proposed issue and exercise of the Underwriting Options. RIG will also receive a fee of \$720,000 representing 5% of the cash raised from the Placement and issue of the Worldtex Shares.
- 2.4 The current Board of Directors is expected to change in the near future following the passing of resolutions 1 to 10. Mr Eduard Eshuys has agreed to be appointed a director (Chairman) of Enterprise following completion of the Placement. In addition 2 representatives of SinoTech and 1 representative of Worldtex will be appointed to the Board following completion of the Placement of the Placement Shares and issue of the Worldtex Shares. Resolutions 1 to 4 in the Notice refer to the proposed appointments.

3. Corporate History and Nature of Business

- 3.1 Enterprise which is listed on the ASX is a resource company primarily focused on the exploration and potential development of mineral projects. The Company's major projects are as follows:
- Doolgunna Project – this project that is located approximately 110km northeast of Meekatharra in Western Australia is considered prospective for base metals and gold;
 - Burracoppin Project – this project located near Burracoppin 280km east of Perth is considered prospective for iron ore and also gold;

- Yalgoo Project – this project located approximately 20km west of the township of Yalgoo in Western Australia is considered prospective for gold, base metals (wolfram/tungsten) and uranium;
 - Fraser Range Project - this project located approximately 100km west of the township of Norseman in Western Australia is considered prospective for gold;
 - Harris Lake Project - this project located approximately 200km west of the township of Kalgoorlie in Western Australia is considered prospective for uranium;
 - Darlot Project - this project in Western Australia is considered prospective for uranium;
 - Earraheedy Project - this project located approximately 200km west of the township of Wiluna in Western Australia is considered prospective for iron ore;
 - Byro Project - this project located approximately 200km west of the township of Wiluna in Western Australia is considered prospective for uranium;
 - Sylvania Project - this project in Western Australia is considered prospective for uranium;
 - Wattagee Project - this project located approximately in Western Australia is considered prospective for gold; and
 - Cunderin Project - this project in Western Australia is considered prospective for iron ore.
- 3.2 A summarised unaudited consolidated statement of financial position (balance sheet) of the Enterprise Group is outlined in paragraph 5.4.1 of this report.
- 3.3 Details on the background of SinoTech and Worldtex are outlined in the Explanatory Statement attached to the Notice.

4. Future Directions of Enterprise

- 4.1 We have been advised by the directors and management of Enterprise that:
- There are no proposals currently contemplated either whereby Enterprise will acquire any properties or assets from SinoTech or Worldtex or where Enterprise would transfer any of its property or assets to SinoTech and Worldtex;
 - The composition of the Board will change as noted in paragraph 2.4 above;
 - The Company is raising further working capital through the issue of 62,000,000 Placement Shares and 10,000,000 Worldtex Shares at an issue price of 20 cents per share. The gross monies received from the Placement and Worldtex issue if approved would be \$14,400,000 (net \$13,432,000 after cash capital raising costs of \$968,000) and would be used to provide further working capital for expenditure on the Company's existing mineral projects and allow extra funds to seek new opportunities in the minerals industry;
 - No dividend policy has been set and it is not proposed to be set until such time as the Company is profitable and has a positive cash flow; and
 - The Company will endeavour to enhance the value of its interests in its existing mineral assets and seek new opportunities in the mining industry.

5. Basis of Valuation of Enterprise Shares and Options

5.1 Shares

- 5.1.1 In considering the proposals as outlined in resolution 7 (and 8), we have sought to determine whether the issue price of the Placement Shares to SinoTech (and possible Shortfall Shares to Worldtex) is in excess of the current fair value of the

shares in Enterprise on issue and whether the proposed Placement is at a price that Enterprise could make to other unrelated third parties and then conclude whether the proposal is fair and reasonable to the existing non associated shareholders of Enterprise.

5.1.2 The valuation methodologies we have considered in determining a theoretical value of an Enterprise share are:

- Capitalised maintainable earnings/discounted cash flow;
- Takeover bid - the price at which an alternative acquirer might be willing to offer;
- Adjusted net asset backing and windup value; and
- The recent market prices of Enterprise shares.

5.2 Capitalised maintainable earnings and discounted cash flows.

5.2.1 Due to Enterprise's current operations, a lack of profit history arising from business undertakings and the lack of a reliable future cash flow from a current business activity, we have considered these methods of valuation not to be relevant for the purpose of this report. The exploration and development of any of existing and new projects cannot proceed without further expenditure on exploration and evaluation and ultimately further funds for capital and working capital expenditure. Currently, Enterprise does not have sufficient funds and thus any perceived technical values of the current projects is theoretical as without funds further exploration activities and development will not be possible. Refer below for details on the net asset backing of the Enterprise group as at 30 April 2011.

5.3 Takeover Bid

5.3.1 It is possible that a potential bidder for Enterprise could purchase all or part of the existing shares, however no certainty can be attached to this occurrence. To our knowledge, there are no current bids in the market place and the directors of Enterprise and ourselves based on information in the market place have formed the view that there is unlikely to be any takeover bids made for Enterprise in the immediate future. However, if the 62,000,000 Placement Shares are issued, SinoTech will increase control to approximately 30.55% of the expanded ordinary issued capital of Enterprise before the exercise of any outstanding share options. See paragraph 1.5 above for possible percentage interests in Enterprise of SinoTech and Worldtex.

5.4 Adjusted Net Asset Backing

5.4.1 We set out below an unaudited consolidated statement of financial position (balance sheet) of Enterprise as at 30 April 2011.

Enterprise (unaudited) 30 April 2011 \$000's	
Current Assets	
Cash assets	1,831
Receivables	110
	1,941

Enterprise (unaudited) 30 April 2011 \$000's	
Non Current Assets	
Available for sale financial assets	-
Plant and equipment	96
Exploration and evaluation expenditure	18,318
	<u>18,414</u>
Total Assets	<u>20,355</u>
Current Liabilities	
Creditors and other payables	298
	<u>298</u>
Total Liabilities	<u>298</u>
Net Assets	<u>20,057</u>
Equity	
Issued capital	21,257
Reserves	877
Accumulated losses	(2,077)
Net Equity	<u>20,057</u>
Number of shares on issue	130, 970,776
Net book value per share (cents)	15.31

5.4.2 The unaudited book net tangible asset backing as at 30 April 2011 equates to approximately 15.31 cents per share based on 130,970,776 ordinary shares on issue. Assuming the issue of 62,000,000 Placement Shares and 10,000,000 Worldtex Shares at 20 cents per share to raise a gross \$14,400,000 and a net \$13,432,000 after capital raising costs of \$968,000 but allowing for costs in relation to the Notice and negotiations with SinoTech and Worldtex of say \$100,000 and ignoring losses incurred post 30 April 2011, the net asset backing would rise to approximately \$33,389,000 and the number of shares on issue would be 202,970,776 for a net asset backing per share of approximately 16.45 cents.

5.4.3 We have accepted the book amounts of Enterprise for all current assets and non current assets. We have been assured by the management of Enterprise that they believe the carrying value of all current assets and liabilities at 30 April 2011 are fair and not materially misstated. However, we note that the majority of the net assets of Enterprise comprise capitalised exploration costs (\$18.318 million) ("Mineral Assets"). An external technical valuation of the mineral assets of Enterprise has not been undertaken as it is considered more appropriate (for the purpose of considering the fairness and reasonableness of the proposed issue of the Placement Shares to SinoTech) to consider the market value of the Enterprise shares based on recent sales and taking into account the issue price of shares. Refer to paragraph 5.5 below.

5.4.4 We note that the market has been informed of all of the current projects, joint ventures and farm in/farm out arrangements entered into between Enterprise and other parties. We also note it is not the present intention of the Directors of Enterprise to liquidate the Company and therefore any theoretical value based upon wind up value or even net book value (as adjusted), is just that, theoretical. The shareholders, existing and future, must acquire shares in Enterprise based on the market perceptions of what the market considers an Enterprise share to be worth. The market has either generally valued the vast majority of junior/mid size mineral exploration and development companies at significant discounts or premiums to appraised technical values and this has been the case for a number of years although we also note that there is an orderly market for Enterprise shares and the market is kept fully informed of the activities of the Company.

5.5 Market Price of Enterprise Fully Paid Ordinary Shares

5.5.1 We set out below a summary of the fully paid share prices of Enterprise since 1 January 2011 to the date immediately prior to the announcement of the details of the capital raising via the proposed Placement on 28 April 2011.

2011	High Cents	Low Cents	Last Sale Cents	Volume Trade 000's
January	22.0	19.0	19.0	3,193
February	19.5	16.0	18.0	2,348
March	19.0	15.5	17.0	1,903
April (to 27 th)	17.5	16.0	17.0	873

5.5.2 Generally, the market is a fair indicator of what a share is worth, however the theoretical technical value based on the underlying value of assets and liabilities may be lower or higher. In the case of Enterprise, current liquidity is not strong and it is noted that cash as at 30 April 2011 totalled \$1,831,000 whilst trade creditors and other payables totalled \$298,000. The Company lost approximately \$559,000 in the 10 months ended 30 April 2011. The Company may need to undertake a capital raising of some significance to provide for general working capital to use to advance its current operations for the evaluation other mining opportunities. Based on the unaudited adjusted 30 April 2011 book values of Enterprise's assets, Enterprise has net equity of \$20,057,000 and a value per share of approximately 15.31 cents although the theoretical technical value may be higher or lower. It may be arguably more suitable to value an Enterprise share more towards the net asset backing and a lesser weight on the market trades in January 2011 to 27 April 2011 due to the moderate level of liquidity in the shares. However the net assets of the Company as at 30 April 2011 include the mineral assets as noted above. The true or recoverable values of these mineral assets may be higher or lower depending on whether they could be successfully exploited through their sale or through further exploration and development. The Company currently does not have the funds to exploit all of these assets without significant capital raisings which are somewhat difficult in the current market. Our preferred valuation methodology is to use the preannouncement prices with limited consideration of the unaudited net book asset backing. It is our view that based on preannouncement share prices, the fair market value of an Enterprise share lies in the range of 16 cents to 19 cents.

It is noted that over the past several years, the vast majority of mineral companies listed on the ASX are trading at significant discounts or premiums to appraised

technical values and in some cases have traded at a discount to cash asset backing. In the case of Enterprise, the monthly volume of trades on the ASX, although not large is reasonable and large enough to argue that an orderly market exists for the Company's shares. The "market" arguably is fully informed of the Company's activities. It is in our opinion appropriate to use a range of recent pre-announcement trading market values as fair values to attribute to the 62,000,000 Placement Shares noted in paragraph 1.2 to be issued to SinoTech (or possibly Worldtex under an underwriting agreement). It is noted that the directors of Enterprise considered that the fair value of an Enterprise share at the time of discussions with the directors of SinoTech was in the range of 16 cents to 17 cents being the share price of an Enterprise share trading on ASX in April 2011. The closing price of an Enterprise share on ASX as at 20 April 2011 (last sale before 28 April 2011) was 17 cents. The shares in Enterprise post the announcement have traded on the ASX at between 16 cents and 19 cents with a last sale on 20 May 2011 of 18.5 cents (last sale to 23 May 2011).

Considering ASX Listing Rule 7.3.3 allows the issue of shares at a discount of up to 20% of the market value (weighted average over five days where the issue price is not predetermined) then it is accepted that the ability of issuing shares to SinoTech and Worldtex pursuant to resolutions 5, 7 and 8 is in the range of 12.8 cents to 15.2 cents, being 80% of 16 cent and 19 cents share prices. It is noted that over the past 36 months or so there have been a number of share issues at discounts of up to 50% of market values as the ability to raise capital particularly in 2008 and 2009 has been severely reduced and this is so particularly for mineral exploration companies although over the past 12 months the discounts have possibly reduced. Anecdotal evidence would suggest that a discount to the 27 April 2011 share price (the last sale price before the day of the announcement to make a Placement with SinoTech) of 17.0 cents would need to be in the range of 13.6 cents (15% discount) to 15.30 cents (10% discount). We note that at the time negotiations with SinoTech commenced and were finalised, the share price of an Enterprise share trading on ASX was around 16 to 17 cents and thus an issue price at 20 cents (as proposed) is in fact at a premium to market of between 17.64% and 25.0%.

5.5.3 The future value of an Enterprise share will depend upon, inter alia:

- The future commercialisation of the existing mineral interests and the successful exploitation of potential new acquisitions;
- The state of the gold, uranium, iron ore and other base metal markets (and prices) and foreign exchange rates;
- Cash position of Enterprise;
- The state of Australian and overseas stock markets;
- Membership and control of the Board and senior management;
- General economic conditions; and
- Liquidity of shares in Enterprise.

5.5.4 Our view is that less weighting should be given to the asset backing of an Enterprise share, particularly in view of the Company's relatively low cash position as more cash is required to spend on the Company's current projects some of which are considered prospective. Although the share prices may not necessarily reflect fair values in the current economic circumstances of the Company our preferred methodology is to ascribe a value to an Enterprise share based on the pre announcement share prices. In conclusion, we consider that the fair value of an Enterprise share falls in the range of 16 cents to 19 cents, with a preference towards the middle range. On this basis our preferred value of an Enterprise share

is 17.5 cents per share. It is noted that the Directors of Enterprise considered that the fair value of Enterprise shares at the time of discussions with SinoTech was in the range of 16 to 17 cents but acknowledging that there is upside potential to the Enterprise share price.

6. PREMIUM FOR CONTROL

- 6.1 Premium for control for the purposes of this report, has been defined as the difference between the price per share, which a buyer would be prepared to pay to obtain or improve a controlling interest in the Company and the price per share which the same person would be required to pay per share, which does not carry with it control or the ability to improve (increase) control of the Company.
- 6.2 Under TCA, control may be deemed to occur when a shareholder or group of associated shareholders control more than 20% of the issued capital. As noted above, SinoTech's beneficial interest in Enterprise would increase from nil% to approximately 30.55% if SinoTech subscribed for the 62,000,000 Placement Shares at 20 cents each as envisages under resolution1. In the event that Worldtex was required to take up all Shortfall Shares (62,000,000) that would increase Worldtex's percentage interest to over 20% Worldtex would be the company obtaining legal "control". Worldtex would need to own over 40,594,515 shares in Enterprise assuming 62,000,000 Placement Shares and 10,000,000 Worldtex Shares are issued at 20 cents each to obtain legal control that is over 20% of the issued capital of Enterprise. Accordingly, we have addressed whether premiums for control will be paid.
- 6.3 The pre announcement of the Placement market value of an Enterprise share lies in the range of approximately 16 cents to 19 cents. As SinoTech (or possibly Worldtex) is acquiring Placement Shares at 20 cents each it could be argued that on balance SinoTech (or Worldtex) is probably paying a premium for control of between 5.26% and 25%. However the shareholders of Enterprise are arguably better off as the Company would receive an estimated net \$13,432,000 in September or October 2011 that will provide cash for working capital on the Company's projects and cash for assessing new mineral projects. It is noted that a premium for control in a full takeover or partial takeover of over 50% of a company is normally in the range of 20% to 40% with 25% considered an acceptable premium for control. It is noted that under the proposals with SinoTech (or possibly Worldtex) control will initially not exceed 35.47% before the exercise of any Placement Options, Placement Bonus Options, Worldtex Options, Worldtex Bonus Options, Underwriting Options, Broker Options or any other share options. All of the Placement Options, Placement Bonus Options, Worldtex Options, Worldtex Bonus Options, Underwriting Options and Broker Options are exercisable at 25 cents each. However, SinoTech or Worldtex would need to pay cash to Enterprise to exercise such share options (Placement Options, Placement Bonus Options, Worldtex Options, Worldtex Bonus Options, Underwriting Options). The amount payable to exercise the Placement Options in full would be \$5,000,000; to exercise the Placement Bonus Options \$2,750,000; the Worldtex Options \$806,452; the Worldtex Bonus Options \$443,548 and the Underwriting Options (in the case of Worldtex) \$3,750,000. If all such share options are exercised, Enterprise would receive approximately \$12,750,000 and a total of 51,000,000 new ordinary shares in Enterprise would be issued. Refer paragraph 7.11 for details on the theoretical cost under Australian Equivalent of International Financial Reporting Standards ('A-IFRS') of issuing such share options.

- 6.4 We note that currently SinoTech or Worldtex does not have representation on the Enterprise Board. Following the completion of the Placement it is envisaged that SinoTech will appoint two representatives to the Board of Enterprise and Worldtex will appoint one representative to the Enterprise Board. SinoTech or Worldtex will thus not "control" the Board. We have been informed that SinoTech and Worldtex are not associates/related parties of each other.

7. Fairness and Reasonableness of the Proposed Placement and Possible Issue of Shares On Exercise of the Share Options to be Issued to SinoTech or Worldtex

- 7.1 We set out below some of the advantages and disadvantages and other factors pertaining to the proposed Placement of 62,000,000 Placement Shares to SinoTech) or Worldtex pursuant to obligations under the Preliminary Underwriting Agreement) and the exercise of the Placement Options, Placement Bonus Options, Worldtex Shares, Worldtex Options, Worldtex Bonus Options and possibly the 15,000,000 Underwriting Options pursuant to resolutions 5 to 9 of the Notice.

Advantages

- 7.2 By entering into the proposals with SinoTech and Worldtex, Enterprise will initially increase its cash reserves (it will raise a net \$13,432,000 from the Placement and Worldtex Placement). Obtaining access to a significant amount of cash funds in the current environment is extremely difficult and thus the Company and its shareholders should benefit. As at 30 April 2011 cash was only around \$1,831,000 and trade creditors were around \$298,000. This should allow the Company sufficient working capital in the medium term to provide on going working capital requirements for exploration and evaluation on the Company's existing mineral assets and for seeking new opportunities in the mining industry.
- 7.3 In the event that the capital raising does not proceed or the Company cannot raise adequate working capital, there is the strong likelihood that the share price of an Enterprise share may fall from present prices.
- 7.4 The issue price of the Placement Shares (and the Worldtex Shares) is at a premium to market prices of Enterprise shares trading on ASX in April 2011 (and since 28 April 2011 to 23 May 2011). In the current market it is difficult for exploration companies such as Enterprise to raise equity and if raised significant discounts to recent traded share prices would normally need to be offered. It is not uncommon to offer discounts in the current market of between 10% and 25%. Arguably it could be higher for mineral exploration/producer companies that are not profitable and have negative cash flows. It was estimated by Enterprise that to undertake a capital raising of around \$14,700,000 the issue price would normally be in the range of 12 cents to 16 cents. If the lower prices were used, the number of shares that would need to be issued would approximate 90,000,000 to 120,000,000. At any price below 20 cents per share would result in more shares being issued than the 62,000,000 Placement Shares proposed to be issued to SinoTech and the 10,000,000 Worldtex Shares to Worldtex.
- 7.5 There is an incentive for SinoTech and/or Worldtex to ensure Enterprise becomes a viable mineral exploration and development company as SinoTech and/or Worldtex will have a significant shareholding interest in Enterprise (as well as Board representation). SinoTech and/or Worldtex are taking a significant risk in investing further funds into Enterprise as to a large extent, Enterprise's future

share price may be determined by the exploitation and/or commercial success (or otherwise) of its exploration portfolio. There is a huge incentive for SinoTech and/or Worldtex to make Enterprise a successful company and have the share price rise considerably. All shareholders would benefit from a rise in the share price.

- 7.6 The Company currently has several main exploration areas of interest that are undeveloped. Such projects and other potential exploration opportunities cannot be explored without additional funding being made available. The Placement and the Worldtex Placement would raise significant additional funds to assist the Company in advancing such projects.
- 7.7 The amount payable to exercise the Placement Options in full would be \$5,000,000; to exercise the Placement Bonus Options \$2,750,000; the Worldtex Options \$806,451; the Worldtex Bonus Options \$443,548 and the Underwriting Options (in the case of Worldtex) \$3,750,000. If all such share options are exercised, Enterprise would receive approximately \$12,750,000 and a total of 51,000,000 new ordinary shares in Enterprise would be issued.
- 7.8 The proposed issue price under the Placement and the issue of the Worldtex Shares is above the net asset backing per share value of approximately 15.31 cents which would suggest that the non associated shareholders are not disadvantaged. However, we do not consider that undue weighting should be given to asset backing as share issues of ASX listed companies are normally undertaken based on share prices and more often that not at a discount to market. However, it is noted that the unaudited net book asset backing is only a few cents less than share prices of Enterprise shares trading on ASX in April 2011.

Disadvantages

- 7.9 The number of fully paid ordinary shares on issue initially rises by 72,000,000 to 202,970,776. This represents an approximate 54.97% increase in the ordinary shares of the Company on issue as at 23 May 2011. The number of shares may increase further if all of the 51,000,000 share options that could be exercised by SinoTech and/or Worldtex are exercised (but the Company would receive up to \$12,750,000).
- 7.10 An influential shareholding of the Company is being given to SinoTech (or possibly Worldtex) in that SinoTech would immediately have voting control of approximately 35.05% (or Worldtex approximately 35.47% if it was obliged to take up all of the Placement Shares) of the expanded ordinary issued capital after the successful ratification and implementation of resolutions 7 and/or 8. Either SinoTech or Worldtex can stop special resolutions being passed as one of their new shareholdings will exceed 25%.

Other factors

- 7.11 The issue of the Placement Options and the Worldtex Options are at no accounting cost to Enterprise as they are free attaching to the Placement Shares and Worldtex Shares respectively. However, there is an accounting cost attributable to the Underwriting Options (and the Broker Options that we are not opining on). Under A-IFRS, the estimated accounting cost (that is not a cash cost), attributable to the Underwriting Options may be over \$1,300,000 using the Black Scholes option valuation methodology. Similarly, there would be an accounting (non cash) cost attributable to the Broker Options noted above. The

cost of the issue of the Underwriting Options and the Broker Options is charged against share equity and does not affect accumulated losses.

- 7.12 Piggy back share options are being issued to SinoTech (the potential 11,000,000 Placement Bonus Options) if SinoTech (or Worldtex) exercises at least 10,000,000 of the Placement Options within 12 months of the issue of the Placement Options. Piggy back share options are being issued to Worldtex (the potential 1,774,194 Worldtex Bonus Options) if Worldtex exercises at least 1,612,903 of the Worldtex Options within 12 months of the issue of the Worldtex Options. The shareholdings of SinoTech and Worldtex may increase substantially if the Placement Options, Placement Bonus Options, Worldtex Options, Worldtex Bonus Options and Underwriting Options are exercised by SinoTech (where relevant) and Worldtex (where relevant). Refer paragraph 1.5 above for possible percentage interests of SinoTech and/or Worldtex if relevant share options are exercised. However, if all of the named share options are exercised in full, Enterprise would receive a further \$12,750,000. The exercise price of the relevant options is 25 cents each and the share price of an Enterprise share trading on ASX would probably be in excess of the current share price of around 19 cents (19 May 2011) and the proposed 20 cents for the Placement Shares. All shareholders benefit from a rising share price. However by having share options exercisable at 25 cents each may be dilutionary as the share price may well be in excess of 25 cents at time of exercise of the relevant share options and there is always the possibility that the Company could issue new shares at a higher share price than 25 cents.

8. Conclusion as to Fairness and Reasonableness

- 8.1 **For the purposes of Section 611 (item 7) of TCA, resolution 7 in relation to the approval to issue 62,000,000 Placement Shares in Enterprise to SinoTech and allow SinoTech to exercise the Placement Options and Placement Bonus Options, is in our opinion taking into account the factors noted elsewhere in this report including the factors (positive, negative and other factors) noted in section 7 of this report, fair and reasonable to the shareholders of Enterprise not associated with SinoTech and its associates.**
- 8.2 **For the purposes of Section 611 (item 7) of TCA, resolutions 5,6, 8 and 9 in relation to the approval to issue various shares and allow the exercise of various share options to Worldtex as noted in paragraphs 1.2 and 1.3 is in our opinion taking into account the factors noted elsewhere in this report including the factors (positive, negative and other factors) noted in section 7 of this report fair and reasonable to the shareholders of Enterprise not associated with Worldtex and its associates.**

9. Sources of Information

- 9.1 In making our assessment as to whether the proposals as outlined in resolutions 5 to 9 are fair and reasonable, we have reviewed relevant published available information and other unpublished information of the Company and its mining assets that is relevant to the current circumstances. In addition, we have held discussions with the management of Enterprise about the present and future operations of the Company. Statements and opinions contained in this report are given in good faith but in the preparation of this report, we have relied in part on information provided by the directors and management of Enterprise.

9.2 Information we have received includes, but is not limited to:

- Draft Notices and Explanatory Statements to Shareholders of Enterprise prepared to 23 May 2011;
- The MOU and Subscription Agreement between Enterprise and SinoTech of April 2011;
- Discussions with management and directors of Enterprise;
- Details of historical market trading of Enterprise ordinary fully paid shares recorded by ASX for the period 1 July 2010 to 23 May 2011;
- Top 20 shareholding details of Enterprise as at 18 May 2011;
- Announcements made by Enterprise to the ASX from 1 January 2010 to 23 May 2011;
- The cash flow forecasts of Enterprise for 2011;
- Audit reviewed consolidated accounts of Enterprise for the six months ended 31 December 2010 and un-audited consolidated accounts of Enterprise for the 10 months ended 30 April 2011; and
- Preliminary Underwriting Agreement between Enterprise and Worldtex dated 6 May 2011.

9.3 Our report includes Appendix A and our Financial Services Guide attached to this report.

Yours faithfully

STANTONS INTERNATIONAL PTY LTD
(Trading as Stantons International Securities)



J P Van Dieren - FCA
Director

APPENDIX A

AUTHOR INDEPENDENCE AND INDEMNITY

This annexure forms part of and should be read in conjunction with the report of Stantons International Securities dated 24 May 2011, relating to the proposals as outlined in resolutions 5 to 9 in the Notice of Meeting to Shareholders proposed to be distributed to shareholders in late May 2011 for a shareholders meeting planned to be held on 30 June 2011.

At the date of this report, Stantons International Securities does not have any interest in the outcome of the proposal. There are no relationships with Enterprise, SinoTech and Worldtex other than acting as an independent expert for the purposes of this report. There are no existing relationships between Stantons International Securities and the parties participating in the transaction detailed in this report which would affect our ability to provide an independent opinion. The fee to be received for the preparation of this report is based on the time spent at normal professional rates plus out of pocket expenses and is estimated at \$15,000. The fee is payable regardless of the outcome. With the exception of the fee, neither Stantons International Securities nor John P Van Dieren have received, nor will, or may they receive, any pecuniary or other benefits, whether directly or indirectly, for or in connection with the making of this report.

Stantons International Securities does not hold any securities in Enterprise, SinoTech and Worldtex. There are no pecuniary or other interests of Stantons International Securities that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons International Securities and Mr J Van Dieren have consented to the inclusion of this report in the form and context in which it is included as an annexure to the Notice.

QUALIFICATIONS

We advise Stantons International Securities is the holder of an Australian Financial Services Licence (no 319600) under the Corporations Act 2001 relating to advice and reporting on mergers, takeovers and acquisitions that involve securities. A number of the directors of Stantons International Pty Ltd are the directors of Stantons International Securities and its affiliated company Stantons International Audit and Consulting Pty Ltd. Stantons International Securities and Stantons International Audit and Consulting Pty Ltd have extensive experience in providing advice pertaining to mergers, acquisitions and strategic for both listed and unlisted companies and businesses.

Mr John P Van Dieren, FCA, the person responsible for the preparation of this report, has extensive experience in the preparation of valuations for companies and in advising corporations on takeovers generally and in particular on the valuation and financial aspects thereof, including the fairness and reasonableness of the consideration offered.

The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the task they have performed.

DECLARATION

This report has been prepared at the request of the Directors of Enterprise in order to assist them to assess the merits of the proposal as outlined in resolutions 5 to 9 and the Explanatory Statement to which this report relates. This report has been prepared for the benefit of Enterprise's shareholders and does not provide a general expression of Stantons International Securities opinion as to the longer term value of Enterprise and its assets. Stantons International Securities does not imply, and it should not be construed, that it has carried out any form of audit on the accounting or other records of the Enterprise Group. Neither the whole nor any part of this report, nor any reference thereto may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons International Securities to the form and context in which it appears.

DISCLAIMER

This report has been prepared by Stantons International Securities with due care and diligence. However, except for those responsibilities, which by law cannot be excluded, no responsibility arising in any way whatsoever for errors or omission (including responsibility to any person for negligence) is assumed by Stantons International Securities, Stantons International Pty Ltd, and Stantons International Audit and Consulting Pty Ltd, their directors, employees or consultants for the preparation of this report.

DECLARATION AND INDEMNITY

Recognising that Stantons International Securities may rely on information provided by Enterprise and its officers (save whether it would not be reasonable to rely on the information having regard to Stantons International Securities experience and qualifications), Enterprise has agreed:

- a) To make no claim by it or its officers against Stantons International Securities (and Stantons International Pty Ltd and Stantons International Audit and Consulting Pty Ltd) to recover any loss or damage which Enterprise may suffer as a result of reasonable reliance by Stantons International Securities on the information provided by Enterprise; and
- (b) To indemnify Stantons International Securities (and Stantons International Pty Ltd and Stantons International Audit and Consulting Pty Ltd)) against any claim arising (wholly or in part) from Enterprise or any of its officers providing Stantons International Securities any false or misleading information or in the failure of Enterprise or its officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons International Securities.

A draft of this report was presented to Enterprise Directors for a review of factual information contained in the report. Comments received relating to factual matters were taken into account, however the valuation methodologies and conclusions did not alter.

**FINANCIAL SERVICES GUIDE
FOR STANTONS INTERNATIONAL PTY LTD
(Trading as Stantons International Securities)
Dated 24 May 2011**

1. Stantons International Securities ACN 103 088 697 ("SIS" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.
2. Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
 - the services we are authorised to provide under our Australian Financial Services Licence, Licence No: 319600;
 - remuneration that we and/or our staff and any associated receive in connection with the general financial product advice;
 - any relevant associations or relationships we have; and
 - our complaints handling procedures and how you may access them.
3. Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and notes)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

5. Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither SIS, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

7. Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. Associations and relationships

SIS is ultimately a wholly division of Stantons International Pty Ltd a professional advisory and accounting practice. Our directors may be directors in Stantons International Pty Ltd and Stantons International Audit and Consulting Pty Ltd ("SIAC").

From time to time, SIS, Stantons International Pty Ltd and SIAC and/or their related entities may provide professional services, including audit, corporate and financial advisory services, to financial product issuers in the ordinary course of its business. SIAC charges Stantons International Securities management fees in the normal course of business.

9. Complaints resolution

9.1 Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons International Securities Pty Ltd
Level 1
1 Havelock Street
WEST PERTH WA 6005

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaints within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

9.2 Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited ("FOSL"). FOSL is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOSL are available at the FOSL website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
PO Box 3
MELBOURNE VIC 8007

Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399

10. Contact details

You may contact us using the details set out at the top of our letterhead on page 1 of this FSG.

Shareholder Details

Contact Telephone No.:

Contact Name (if different from above):

Appointment of Proxy

I/We being a shareholder/s of Enterprise Metals Limited and entitled to attend and vote hereby appoint

☐The Chairman of the Meeting (mark with 'X') **OR***(Write in this box the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.)*

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and 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 General Meeting of Enterprise Metals Limited to be held at Training Room 2, QV1 Building, 250 St Georges Terrace, Perth Western Australia on 30 June 2011 at 10.30am (WST) and at any adjournment of that meeting.

IMPORTANT: If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote, please place a mark in this box with an 'X'. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of any of the resolutions and that votes cast by him, other than as a proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on each resolution and your votes will not be counted in computing the required majority if a poll is called. **The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution.**

☐**Voting directions to your proxy – please mark ☒ to indicate your directions**

		For	Against	Abstain*
Resolution 1	Election of Dr Jingbin Wang	☐	☐	☐
Resolution 2	Election of Dr Zhen Huang	☐	☐	☐
Resolution 3	Election of Ms Anna Mao	☐	☐	☐
Resolution 4	Election of Ed Eshuys	☐	☐	☐
Resolution 5	Ratify Issue of Shares and Options to Worldtex	☐	☐	☐
Resolution 6	Issue of Bonus Options and Shares to Worldtex	☐	☐	☐
Resolution 7	Issue of Shares and Options to SinoTech	☐	☐	☐
Resolution 8	Issue of Shares and Options to Worldtex in Underwriting	☐	☐	☐
Resolution 9	Issue of Options to Worldtex as Underwriter	☐	☐	☐
Resolution 10	Issue of Options to Broker	☐	☐	☐

*If you mark the Abstain box for the Resolution, 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.
Appointment of a second proxy (see instructions overleaf). If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form, in this box:

PLEASE SIGN HERE: This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Shareholder 1

Sole Director and
Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

How to complete the Proxy Form

Your Name and Address

Your name and address is as it appears on your holding statement and the Company's share register. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a Shareholder of the Company.

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the Resolution. All your Shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the Resolution, your proxy may vote as he or she chooses. If you mark more than one box on the Resolution your vote on the Resolution will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two 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 Secretary Jay Stephenson on +61 8 9228 0703 or you may photocopy this form. To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Signing Instructions

You must sign this form as follows in the spaces provided:

- | | |
|--------------------|--|
| Individual: | where the holding is in one name, the holder must sign. |
| Joint Holding: | where the holding is in more than one name, all of the shareholders should 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 can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place. |

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate is included in the Notice of General Meeting and may also be obtained from the Company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting i.e. no later than 10.30am (WST) on 28 June 2011. Any Proxy Form received after that time will not be valid for the scheduled meeting.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the Company's registered office at Level 1, 640 Murray Street, West Perth WA 6005 or sent by facsimile to the registered office on + 61 8 9436 9220

Appointment of Corporate Representative

Section 250D of the Corporations Act 2001

Shareholder Details

This is to certify that by a resolution of the Directors of:

..... (Company),
Insert name of shareholder company

the Company has appointed:

.....,
Insert name of corporate representative

in accordance with the provisions of section 250D of the Corporations Act 2001, to act as the body corporate representative of that company at [the meeting of the members of Enterprise Metals Limited to be held on 30 June 2011 and at any adjournments of that meeting][all meetings of the members of Enterprise Metals Limited].

DATED 2011

Please sign here

Executed by the Company)
in accordance with its constituent documents)

.....
Signed by authorised representative

.....
Signed by authorised representative

.....
Name of authorised representative (print)

.....
Name of authorised representative (print)

.....
Position of authorised representative (print)

.....
Position of authorised representative (print)

Instructions for Completion

1. Insert name of appointor Company and the name or position of the appointee (eg "John Smith" or "each director of the Company").
 2. Execute the Certificate following the procedure required by your Constitution or other constituent documents ensuring that if the appointor company is a sole director company, that this is stated,
-

otherwise that two officers sign on behalf of the appointor company, otherwise the appointment is invalid and votes cast will not count.

3. Print the name and position (eg director) of each company officer who signs this Certificate on behalf of the company.
 4. Insert the date of execution where indicated.
 5. Send or deliver the Certificate to the registered office at Level 1, 640 Murray Street, West Perth WA 6005 or sent by facsimile to the registered office on 08 9436 9220 or present it to the Company before the Meeting commences.
-