

ENTERPRISE METALS LIMITED
ACN 123 567 073

RIGHTS ISSUE AND PLACEMENT
PROSPECTUS

For a pro rata non-renounceable entitlement issue of approximately 12.6 million New Shares and 12.6 million New Options, comprising one New Share for every six Shares held by Shareholders at an issue price of 15 cents per New Share to raise approximately \$1,900,000. For every New Share subscribed, one New Option will be granted for no further consideration (**Entitlement Issue**);

and

If the Shortfall from the Entitlement Issue is less than 5,000,000 New Shares and 5,000,000 New Options, the Company will offer to the Priority Sub-Underwriters (or their nominees) such number of Shares with Options that is equal to the difference between 5,000,000 Shares and Options and the total available Shortfall at an issue price of 15 cents per New Share and otherwise on the same terms as the Entitlement Issue (**Top-up Offer**).

The Entitlement Issue is conditionally underwritten by Argonaut Capital Limited (AFSL 221476). Refer to Section 7.2 for details regarding the terms of the Underwriting Agreement.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

TABLE OF CONTENTS

1.	SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES	2
2.	CORPORATE DIRECTORY	4
3.	DETAILS OF THE OFFERS	5
4.	PURPOSE AND EFFECT OF THE OFFERS.....	8
5.	RIGHTS AND LIABILITIES ATTACHING TO THE NEW SHARES.....	12
6.	RISK FACTORS.....	15
7.	ADDITIONAL INFORMATION.....	19
8.	AUTHORITY OF DIRECTORS	26
9.	DEFINITIONS.....	27

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1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

ENTITLEMENT ISSUE TIMETABLE AND IMPORTANT DATES*

Lodgement of Prospectus with the ASIC	16 June 2009
Ex Date	22 June 2009
Record Date for determining Shareholder entitlements	26 June 2009
Prospectus despatched to Shareholders	29 June 2009
Entitlement Issue Closing Date	13 July 2009
Securities quoted on a deferred settlement basis	14 July 2009
Despatch date/Shares and Options entered into Shareholders' security holdings	21 July 2009

*These dates are determined based upon the current expectations of the Directors and the Underwriter and may be changed.

IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Prospectus is dated 16 June 2009 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The expiry date of the Prospectus is 15 July 2010 (**Expiry Date**). No Shares or Options will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for Shares and Options offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

This Prospectus is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser.

In particular, it is important that you consider the risk factors (see section 6 of this Prospectus) that could affect the performance of the Company before making an investment decision.

Some words and expressions used in this Prospectus have defined meanings which are explained in section 9.

ELECTRONIC PROSPECTUS

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

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2. CORPORATE DIRECTORY

Directors

Paul Larsen – Chairman
Dermot Ryan – Managing Director
Bruce Hawley – Executive Director

Company Secretary

Jay Stephenson

Registered Office

Level 3 / 640 Murray Street
WEST PERTH WA 6005

Telephone: +61 8 9436 9200
Facsimile: +61 8 9436 9299

Lawyers

Pullinger Readhead Lucas
Level 2 / 50 Kings Park Road
WEST PERTH WA 6005

Telephone: +61 8 9325 4999
Facsimile: +61 8 9325 4900

Underwriter

Argonaut Capital Limited
AFSL 221476
Level 30, Allendale Square
77 St Georges Terrace
PERTH WA 6000

Share Registry*

Computershare Registry Services
Level 2, 45 St Georges Terrace
PERTH WA 6000

Telephone: 1300 557 010
Facsimile: +61 8 9323 2033

Auditor*

Grant Thornton
Level 1, 10 Kings Park Road
WEST PERTH WA 6005

Telephone: +61 8 9480 2000
Facsimile: +61 8 9322 7787

* These parties have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

3. DETAILS OF THE OFFERS

The Company is making two separate offers pursuant to this Prospectus. The purpose of the Offers and the use of the funds raised pursuant to the Offers are set out in Section 4 of this Prospectus.

Entitlement Issue

Under the Entitlement Issue, the Company offers for subscription approximately 12.6 million New Shares pursuant to a pro-rata non-renounceable entitlement issue to Shareholders of one New Share for every six Shares held on the Record Date at an issue price of 15 cents per New Share. Fractional entitlements will be rounded up to the nearest whole number. For every New Share subscribed, one New Option will be granted for no further consideration. The New Options will be quoted on ASX and be exercisable at 25 cents on or before 20 June 2012. Full terms and conditions are set out in Section 5.

The Entitlement issue will raise approximately \$1.9 million before the costs of the Issue.

Holders of Options will not be entitled to participate in the Entitlement Issue without exercising the Options. The Company currently has 7,500,000 unquoted Options on issue as at the date of this Prospectus, which may be exercised by the option holder prior to the Record Date in order to participate in the Entitlement Issue.

Top-up Offer

If the Shortfall is less than 5,000,000 New Shares and 5,000,000 New Options, the Company will offer to the Priority Sub-Underwriters (or their nominees) such number of New Shares and New Options that is equal to the difference between 5,000,000 Shares and Options and the total available Shortfall at an issue price of 15 cents per New Share. For every New Share subscribed, one New Option will be granted for no further consideration. The New Options will be quoted on ASX and be exercisable at 25 cents on or before 20 June 2012. The New Shares and New Options issued under the Top-up Offer are otherwise on the same terms as the Entitlement Issue. The maximum amount that can be raised under the Top-up Offer is \$750,000.

The Top-up Offer is open to the Priority Sub-Underwriters and their nominees.

Further details in relation to the Top-up Offer are set out in Section 3.5 of this Prospectus.

3.1 How to Accept the Entitlement Issue

Your acceptance of the Entitlement must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Entitlement as follows:

- (a) if you wish to accept your Entitlement in full:
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and

- (ii) attach your cheque for the amount indicated on that relevant Entitlement and Acceptance Form; or
- (b) if you only wish to accept part of your Entitlement:
- (i) fill in the number of New Shares and New Options you wish to accept in the space provided on the Entitlement and Acceptance Form; and
- (ii) attach your cheque for the appropriate application monies (at 15 cents per New Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Enterprise Metals Limited – Trust Account" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5.00pm WST on the Closing Date.

The Entitlement Issue is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

3.2 Minimum Subscription

The minimum subscription in respect of the Offers is \$1,896,912 (being the full subscription under the Entitlement Issue based on the Company's current issued shares).

3.3 Underwriting

The Entitlement Issue is conditionally underwritten by Argonaut Capital Limited.

Refer to Section 7.2 of this Prospectus for further details of the terms of the underwriting.

3.4 Shortfall

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall and will be dealt with by the Directors in consultation with the Underwriter, in accordance with the terms of the Underwriting Agreement.

3.5 Top-up Offer

The Company has agreed that the Priority Sub-Underwriters (and their nominees) will be entitled to subscribe for 5,000,000 Shares and Options. The Priority Sub-Underwriters are clients of Argonaut. The Priority Sub-Underwriters are not a related party of the Company, any of its Directors, or the Underwriter.

In the event that the Shortfall is less than 5,000,000 New Shares and 5,000,000 New Options, the Company will offer to the Priority Sub-Underwriter (or its nominees) such number of Top-up Shares and Top-up Options that is equal to the difference between 5,000,000 Shares and 5,000,000 Options and the total available Shortfall at an issue price of 15 cents per Share. For every Top-up Share subscribed, one Top-up Option will be

granted for no further consideration and otherwise on the same terms as the Entitlement Issue.

A maximum of 5,000,000 Top-up Shares (and 5,000,000 Top-up Options) can be offered pursuant to the Top-up Offer which could raise up to \$750,000, before expenses. All proceeds raised from the Top-up Offer will be used for working capital purposes.

Only the Priority Sub-Underwriters or their nominees should complete the Top-up Offer Application Form attached to this Prospectus.

3.6 Australian Securities Exchange Listing

Application for official quotation by ASX of the Securities offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as modified by the ASIC), the Company will not issue any Securities and will repay all application monies within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Shares and Options is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

3.7 Allotment of Securities

Securities issued pursuant to the Offers will be allotted as soon as practicable after the Closing Date. The Company will allot Shares and Options under the Entitlement Issue on the basis of a Shareholder's Entitlement. Surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date in accordance with the Corporations Act.

Pending the allotment and issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

3.8 Overseas Shareholders

This Entitlement Issue does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Entitlement Issue is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

Shareholders resident in New Zealand should consult their professional advisors as to whether any government or other consents are required, or other formalities need to be observed, to enable them to exercise their Entitlements under the Entitlement Issue.

4. PURPOSE AND EFFECT OF THE OFFERS

4.1 Purpose of the Entitlement Issue

The purpose of the Entitlement Issue is to raise up to approximately \$1.9 million (before expenses). The proceeds of the Entitlement Issue are planned to be used in accordance with the table set out below:

Proceeds of the Entitlement Issue¹	\$
Work programs on the Revere (Doolgunna) Project	1,000,000
Work programs on Other Projects	415,500
Overheads	360,000
Expenses of the Entitlement Issue ²	124,500
Total	1,900,000

Notes:

1. In addition to the Entitlement Issue, a maximum of 5,000,000 Top-up Shares and 5,000,000
2. can be offered pursuant to the Top-up Offer which could raise up to an additional \$750,000 (before expenses). Refer to Notes 2 and 3 below, and Section 3.5 for further details relating to the Top-up Offer.
3. Refer to Section 7.7 for further details relating to the estimated expenses of the Offers.
4. Any proceeds raised from the Top-up Offer will be applied towards working capital to all the Company's projects.

4.2 Effect of the Entitlement Issue and Pro Forma Consolidated Balance Sheet

The principal effect of the Entitlement Issue will be to:

- (a) increase the cash reserves by \$1,750,000 immediately after completion of the Entitlement Issue after deducting the estimated expenses of the Entitlement Issue;
- (b) increase the number of Shares on issue from 75,876,500, to approximately 88,522,583 Shares following completion of the Entitlement Issue; and
- (c) increase the number of Options on issue from 7,500,000 Options to a total of 21,146,084 Options. As a result of the issue of 12,646,084 Options under the Entitlements Issue and 1,000,000 Options to the Underwriter (further details of which are provided in Section 7.2), if exercised the Options will generate subscription funds of \$3,411,521.

4.3 Consolidated Balance Sheet

The unaudited Balance Sheet as at 31 March 2009 and the unaudited Pro Forma Balance Sheet as at 31 March 2009 set out below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. They have been prepared on the assumption that all Securities pursuant to the Entitlement Issue are issued but no Top-up Shares are issued.

The unaudited Balance Sheets have been prepared to provide Shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Consolidated Balance Sheet and Pro Forma Balance Sheet as at 31 March 2009 (unaudited)

	31 March 09 Actual \$	31 March 09 Pro-forma \$
CURRENT ASSETS		
Cash and cash equivalents	1,709,851	3,459,851
Trade and other receivables	58,874	58,874
Other	33,040	33,040
TOTAL CURRENT ASSETS	1,801,765	3,551,765
NON-CURRENT ASSETS		
Plant and equipment	30,264	30,264
Exploration and evaluation costs	9,268,872	9,268,872
Other	603	603
TOTAL NON-CURRENT ASSETS	9,299,739	9,299,739
TOTAL ASSETS	11,101,504	12,851,504
CURRENT LIABILITIES		
Trade and other payables	173,351	173,351
Provisions	0	0
TOTAL CURRENT LIABILITIES	173,351	173,351
TOTAL LIABILITIES	173,351	173,351
NET ASSETS	10,928,153	12,678,153
EQUITY		
Issued capital	11,154,598	12,904,598
Reserves	474,300	474,300
Accumulated Losses	(700,745)	(700,745)

	31 March 09	31 March 09
	<u>Actual</u>	<u>Pro-forma</u>
TOTAL EQUITY	10,928,153	12,678,153

Notes:

In addition to the Entitlement Issue, a maximum of 5,000,000 Top-up Shares and 5,000,000 Top-up Options can be offered pursuant to the Top-up Offer which could raise up to an additional \$750,000. The Company has agreed to pay the Underwriter a 5% commission on the value of any Shares issued under the Top-up Offer (equivalent to a maximum amount of \$37,500). Accordingly, the effect of the Top-up Offer could be to increase the cash reserves by a maximum additional amount of \$712,500.

4.4 Effect on Capital Structure

Comparative tables of changes in the capital structure of the Company as a consequence of the Offers are set out below, assuming that the Entitlement Issue is fully subscribed.

Shares	
	Number
Shares on issue at date of Prospectus	75,876,500
New Shares offered pursuant to the Entitlement Issue	12,646,084
Top-up Shares offered pursuant to the Top-up Offer (up to)	5,000,000
Total Shares on issue after completion of the Offers¹	93,522,584
Options	
	Number
<i>Options on issue at date of Prospectus</i>	
Unquoted Options exercisable at \$0.25 on or before 31 December 2009	2,000,000
Unquoted Options exercisable at \$0.25 on or before 22 November 2012	3,000,000
Unquoted Options exercisable at \$0.50 on or before 30 June 2013	2,500,000
<i>New and Top-up Options offered</i>	
New Options exercisable at \$0.25 on or before 20 June 2012 under the Entitlements Issue	12,646,084
Top-up Options offered pursuant to the Top-up Offer	5,000,000
New Options exercisable at \$0.25 on or before 20 June 2012 to the Underwriter (refer to Section 7.2 for more details)	1,000,000
Total Options potentially on issue after completion of the	26,146,084

Offer ²	
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Notes:

1. Assumes that no options currently on issue are exercised prior to the Record Date.
2. The Directors consider that there is a possibility that further Shares or Options will be issued after the date of this Prospectus as consideration for tenement acquisition or for drilling services. Such allotments, not likely to exceed 1 million Shares, would be issued out of the Company's 15% capacity to issue securities under Listing Rule 7.
3. Investors' attention is specifically drawn to the announcement made by the Company on 3 June 2009 notifying release from ASX escrow of 15,525,000 Shares on 20 June 2009. The ability of holders of those Shares to sell all or some of the formerly escrowed Shares may affect the trading price of the Company's Shares on ASX in the short term.

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5. RIGHTS AND LIABILITIES ATTACHING TO THE NEW SHARES

The following is a summary of the more significant rights and liabilities attaching to Securities to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1 General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

5.2 Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

5.3 Dividend Rights

The Directors may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a share, all dividends will be declared and paid according to the proportion which the amount paid on the Share is to the total amount payable in respect of the Shares (but any amount paid during the period in respect of which a dividend is declared only entitles the Shareholder to an apportioned amount of that dividend as from the date of payment). The Directors may from time to time pay or credit to the Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

The Directors may from time to time grant to Shareholders or any class of shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for Shares in the Company on such terms and conditions as the Directors think fit. The Directors may, at their discretion, resolve in respect of any dividend which it is proposed

to pay or to declare on any Shares of the Company, that holders of such Shares may elect to forgo their right to the whole or part of the proposed dividend and to receive instead an issue of Shares credited as fully paid to the extent and on the terms and conditions of the Constitution. The Directors may set aside out of the profits of the Company such amounts as they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

5.4 Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

5.5 Transfer of Shares and Options

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

5.6 Future Increase in Capital

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

5.7 Variation of Rights

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

5.8 New Option Terms

Each Option shall entitle the Option holder, when exercised, to one Share.

The Options are exercisable wholly or in part at any time prior to 5.00 pm (WST) on 20 June 2012 (**Expiry Date**). Options not exercised by that date shall lapse.

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.

The Option exercise price is \$0.25 per Option.

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.

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.

The Company will apply for quotation on ASX of the Options.

The Company will apply for quotation on ASX of all Shares issued upon exercise of the Options.

Subject to the Corporations Act, the Constitution and the Listing Rules, the Options are freely transferable.

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 10 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.

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.

6. RISK FACTORS

Applicants should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities. Potential Applicants should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.1 Operating Risks

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (a) adverse geological conditions;
- (b) limitations on activities due to seasonal weather patterns and cyclone activity;
- (c) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- (d) mechanical failure of operating plant and equipment;
- (e) industrial and environmental accidents, industrial disputes and other force majeure events;
- (f) unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations;
- (g) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (h) inability to obtain necessary consents or approvals.

6.2 Licensing and Government Regulation

The Company's activities are subject to extensive laws and regulations controlling not only the mining of and exploration for minerals, but also the possible effects of such activities upon the environment and upon interests of indigenous people. Permits from a number of regulatory authorities are required for many aspects of mining operations. Future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in the development of the Company's assets, the extent of which cannot be predicted.

6.3 Exploration

Minerals exploration and development is by its nature a high risk undertaking. The proposed exploration expenditure of the Company is based upon certain assumptions with respect to the method and timing of exploration and feasibility work. By their nature, these estimates and assumptions are subject to significant uncertainties. Actual costs may materially differ from these estimates and assumptions.

There can be no assurance that the Company's costs estimates and underlying assumptions will be realised in practice. Further, there can be no assurance that exploration will result in the discovery of a significant mineral resource. Even if a significant mineral resource is identified, there can be no guarantee that it can be economically exploited.

Furthermore, feasibility studies on the potential development of operations to exploit any mineral resources that are delineated may not prove positive.

6.4 Environmental Risks and Regulations

The Company's projects are subject to relevant environmental legislation and will have varying levels and types of potential impact on the natural environment. Like most countries, Australia has laws and regulations regarding environmental matters, including disturbance, rehabilitation and the discharge of hazardous waste and materials. These will be dealt with in the normal course of operations.

Exploration work is intended to be carried out in a way that causes minimum impact on the environment. Consistent with this, it may be necessary in some cases to undertake base line environmental studies prior to certain exploration and mining activity, so that environmental impact can be monitored, and as far as possible, minimised. While the Company is not aware of any endangered species of fauna and or flora within any of its project areas, no base line environmental studies have been completed to date and discovery of such, could limit or even prevent further work in certain areas.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

6.5 Mineralisation Estimations

Mineralisation estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, mineralisation estimates are inherently imprecise and rely to some extent on interpretations made.

Additionally, mineralisation estimates may change over time as new information becomes available. If the Company encounters mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, any mineralisation estimates may need to be altered in a way that could adversely affect the Company's operations.

6.6 Commodity Price Volatility

Commodities prices, including current and expected future prices of all metals fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world wide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative affect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

6.7 Foreign Exchange Risk

Although the Company operates in Australia, if it is successful in building a mining company it will most likely sell its products internationally and in a foreign currency and is therefore exposed to the effects of changes in currency exchange rates. In particular, commodity prices (and therefore the potential future revenue of the Company) are typically denominated in United States' dollars, whereas the Company's costs (capital and revenues) are incurred in Australian dollars. The Company does not currently hedge those currency risks.

6.8 Title Risk and Native Title

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of tenements. Each tenement is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in its permits if permit conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and production phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

6.9 Reliance on Key Personnel

The Company's success largely depends on the core competencies of its Directors and management and their familiarisation with an ability to operate in the mining industry.

The success of the Company in part will also depend on the ability of the Directors, management team and other executive personnel (employed by the Company or its business partners) to develop the Company's project portfolio and enhance project value. Should one or more of the key personnel cease to be involved, for whatever reason, then the capacity of the Company may be expected to be impaired pending a suitable replacement being identified and obtained by the Company or its business partners.

6.10 Future Capital Needs and Additional Funding

The Company has limited working capital. The Company anticipates that it will be required to raise additional equity and/or debt capital to finance its future activities. The Company's ability to raise further capital within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the

Company may not be able to further develop its projects and it may impact on the Company's' ability to continue as a going concern.

6.11 Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of or significant investments in other resource projects. Any such transactions would be accompanied by risks commonly encountered in making such acquisitions.

6.12 General Economic Risks

Changes in both Australian and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

6.13 Legislative Changes

Changes in relevant taxes, legal and administration regimes, accounting practices and government policies in Australia may adversely affect the financial performance of the Company.

7. ADDITIONAL INFORMATION

7.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s Securities.

This Prospectus is a “transaction specific prospectus”. In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act.

- (ii) Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the 2008 audited financial statements:

Date	Description of Announcement
14/10/2008	Acquisition of Enterprise Complete – New MD appointed
17/10/2008	Change of Director's Interest Notice
29/10/2008	Notice of Annual General Meeting/Proxy Form
30/10/2008	Quarterly Cashflow Report
30/10/2008	Quarterly Activities Report
10/11/2008	Change of Director's Interest Notice
18/11/2008	Initial Director's Interest Notice
20/11/2008	Response to ASX Query – Director's Interest Notice
21/11/2008	Uranium Exploration Plans and Tenement Update
24/11/2008	Change of Director's Interest Notice
28/11/2008	Results of Meeting
28/11/2008	AGM Presentation
10/12/2008	Change of Name and ASX Code
11/12/2008	Name Change and new ASX Code – replacement
29/12/2009	Change of Director's Interest Notice
15/01/2009	Resignation of Director
15/01/2009	Final Director's Interest Notice
28/01/2009	Quarterly Cashflow Report
28/01/2009	Quarterly Activities Report
6/02/2009	Change of Director's Interest Notice
9/02/2009	Drill Program to commence at Maitland Uranium Project
25/02/2009	Change of Director's Interest Notice
16/03/2009	Half Year Accounts
18/03/2009	Change of Director's Interest Notice x 2
20/03/2009	Half Year Accounts - Amended
20/03/2009	Change of Director's Interest Notice
1/04/2009	Lake Maitland Drill Program Intersects Uranium
29/04/2009	Quarterly Cashflow Report
29/04/2009	Quarterly Activities Report
13/05/2009	Discrete Anomalies Detected at Revere Gold Project
14/05/2009	ENT - Revere Project Update - Mr Dermot Ryan, MD (Audio stream)
18/05/2009	Revere Gold Project - Line 3 of IP Survey Completed
19/05/2009	Change of Director's Interest Notice
22/05/2009	RC Drilling Planned for Au and Au/Cu Targets at Revere
29/05/2009	Change of Director's Interest Notice
03/06/2009	Appendix 3B
09/06/2009	Change of Director's Interest Notice
12/06/2009	Update on Exploration Activities and Investor Presentation
12/06/2009	Presentation to Investors
16/06/2009	Change of Director's Interest Notice
16/06/2009	Investor Presentation - Amended

ASX maintains files containing publicly available information for all listed companies.

The Company's file is available for inspection at ASX during normal office hours and at www.asx.com.au.

The announcements are also available through the Company's website at www.enterprisemetals.com.au.

7.2 Underwriting Agreement

Pursuant to an agreement between Argonaut Capital Limited (**Underwriter**) and the Company (**Underwriting Agreement**), the Underwriter has agreed to conditionally underwrite the Entitlement Issue for 12,646,084 New Shares and 12,646,084 New Options (**Underwritten Shares**). The Top-up Offer is not underwritten.

The Company has agreed to pay the Underwriter an underwriting fee of 5% of the value of the Underwritten Shares plus a management fee of \$30,000 and incidental fees up to \$5,000. In addition, subject to the successful completion of the Entitlements Issue the Underwriter will have the right to apply for 1,000,000 Options at an issue price of 0.1 cents per Option (total cost of \$1,000). The Underwriter will also receive a 5% commission on the value of any Shares issued under the Top-up Offer.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

7.3 Potential Change of Control of the Company

The Underwriter has entered into priority sub-underwriting agreements with the Priority Sub-Underwriters to sub-underwrite the first 5,000,000 Shortfall Shares. The Priority Sub-Underwriters and parties introduced by the Priority Sub-Underwriters (who subscribe for Shortfall Shares) will have less than 10% interest (in aggregate) in the Company upon completion of the Entitlement Issue and Top-up Offer. The Priority Sub-Underwriters are not a related party or an associate of the Company, any of its Directors, or the Underwriter.

The Underwriter has advised the Company that it has entered into (or will enter into) general sub-underwriting agreements with clients for at least 5,000,000 Shortfall Shares out of the remaining 7,646,084 Shortfall Shares, such that neither the Underwriter nor any of its sub-underwriters, individually, will have a voting power in the Company in excess of 20%.

The Underwriter has a voting power of 1,000,000 Shares (1.3%). The Underwriter intends to take up its full Entitlement. The Underwriter has advised that it does not intend to acquire any additional Shares prior to the Record Date.

In the unlikely circumstances that all Shareholders decide not to take up their Entitlement and the sub-underwriters do not perform, and the Underwriting Agreement has not been terminated, the voting power of the Underwriter could increase to approximately 15%.

7.4 Director's Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers pursuant to this Prospectus; or
- (c) the Offers pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or Offers pursuant to this Prospectus.

Directors' interests in Securities of the Company at the date of this Prospectus are:

Name	Shares	Options	Entitlement ¹
Paul Larsen	2,231,442	500,000	371,907
Dermot Ryan	12,000,000	1,500,000	2,000,000
Bruce Hawley	1,718,993	3,000,000	286,499

Notes:

1. Each of the Directors has indicated that it is their present intention to subscribe for their full Entitlement under the Entitlement Issue and they have no intention to dispose of their Shares prior to the allotment date.

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares. The Company paid to the Directors a total of \$42,451 the year ended 30 June 2007 and \$215,017 for the year ended 30 June 2008. In addition to the above, the Directors have been paid fees totalling \$74,760 from the end of the previous financial year until the date of this Prospectus. Directors, companies associated with the directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

7.5 Interests and Consents of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company; or

- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers of Shares and Options pursuant to this Prospectus; or
- (c) the Offer of Shares and Options pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offers pursuant to this Prospectus.

Pursuant to Section 716 of the Corporations Act, Argonaut Capital Limited has given and has not withdrawn its consent to being named as Underwriter to the Entitlement Issue in the form and context in which it is named. Argonaut Capital Limited has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

Argonaut Capital Limited will be paid an underwriting fee of approximately \$95,000 and a management fee of \$30,000 in respect of this Entitlement Issue. Subject to the successful completion of the Entitlements Issue the Underwriter will have the right to apply for 1,000,000 Options at an issue price of 0.1 cents per Option (total cost of \$1,000). The Underwriter will also be entitled to a 5% commission on the value of any Shares issued under the Top-up Offer, potentially as additional fee of \$37,500.

Pullinger Readhead Lucas will receive legal fees of approximately \$10,000 in respect of services provided in relation to the Entitlement Issue and due diligence enquiries. In the past two years the sum of \$2,500 has been paid to Pullinger Readhead Lucas for legal services.

7.6 Legal Proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

7.7 Estimated Expenses of Offers

The estimated expenses of the Offers will be up to \$187,800 comprising ASX and ASIC fees, Underwriting Fees and expenses, legal fees and printing. This includes provision for the 5% commission applicable to the Top-up Offer.

7.8 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.23 on 16 June 2009

Lowest: \$0.071 on 7 March 2009

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.205 on 16 June 2009.

7.9 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, and only if you are a Priority Sub-Underwriter applying for Top-up Shares and Top-up Options, please ensure that you have received the entire Prospectus accompanied by the Top-up Application form. If you have not, please phone the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Top-up Application form from a person responding to the Top-up Offer if it has reason to believe that when that person was given access to the electronic application form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

7.10 Taxation Implications

The Directors do not consider that it is appropriate to give Applicants advice regarding the taxation consequences of applying for Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Applicants. Potential Applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Securities offered pursuant to this Prospectus.

7.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share or option certificates. The Company will apply to ASX to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares and Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.12 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

For personal use only

8. **AUTHORITY OF DIRECTORS**

8.1 **Directors' Consent**

Each of the Directors of Enterprise Metals Limited has consented to the lodgement of this Prospectus with the ASIC in accordance with Section 720 of the Corporations Act.

Dated the 16th day of June 2009



**Signed for and on behalf of
Enterprise Metals Limited
Mr Dermot Ryan
Managing Director**

For personal use only

9. DEFINITIONS

AFSL means Australian Financial Services Licence.

Applicant means a Shareholder, Underwriter, Priority Sub-Underwriter or other party instructed by the Underwriter or Priority Sub-Underwriter who applies for Securities pursuant to the Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASTC Settlement Rules means the settlement rules of the securities clearing house which operates CHESSE.

ASX means the ASX Limited (ACN 008 624 691).

Board means the board of Directors.

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the closing date of the Entitlement Issue (unless extended) set out in the timetable in Section 1.

Company means Enterprise Metals Limited (ACN 123 567 073).

Constitution means the Company's Constitution as at the date of this Prospectus.

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

Directors means the directors of the Company at the date of this Prospectus.

Dollar or "\$" means Australian dollars.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Entitlement Issue.

Entitlement Issue means the offer of one New Share for every six Shares held by Shareholders at an issue price of 15 cents per New Share to raise approximately \$1,900,000. For every New Share subscribed, one New Option will be granted for no further consideration.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus, relating to the Entitlement Issue.

Issue means the issue of Securities offered by this Prospectus.

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

Offers means the Entitlement Issue and the Top-up Offer.

Official List means the official list of ASX.

Options means an option to subscribe for a fully paid ordinary share in the Company.

New Options means an option issued pursuant to the Entitlement Issue on the terms in Section 5.

Priority Sub-Underwriter means the party or parties that have entered into an agreement with the Underwriter to provide priority sub-underwriting to the Entitlements Issue.

Prospectus means this prospectus.

Quotation and Official Quotation means official quotation of the Shares and the New Options and Top-up Options on ASX.

Record Date means 5.00pm (WST) on the date in the timetable in Section 1.

Related Corporation has the meaning given to that term in the Corporations Act.

Securities means the New Shares, Top-up Shares, New Options and Top-up Options offered by this Prospectus.

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

Shareholder means a shareholder of the Company.

Shortfall means those New Shares and New Options under the Entitlement Issue not applied for by Shareholders under their Entitlement.

Top-up Offer means the offer of up to 5,000,000 Top-up Shares and up to 5,000,000 Top-up Options to the Priority Sub-Underwriter (or their nominees) as described in Section 3.5.

Top-up Options means the Options offered by the Top-up Offer.

Top-up Offer Application Form means the Top-Up Offer application form attached to or accompanying this Prospectus to be completed only at the direction of the Underwriter or sub-Underwriter.

Underwriter means Argonaut Capital Limited (ABN 18 099 761 547).

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