



ENTERPRISE & WORLDTEx ENTER UNDERWRITING AGREEMENT FOR SINOTECH A\$12.4 MILLION PLACEMENT

SUMMARY

Enterprise Metals Limited (“Enterprise” or “the Company”, ASX: “ENT”) is pleased to announce that Worldtex Capital Resources Limited (“Worldtex”) has entered into an Underwriting Agreement with Enterprise.

Worldtex has agreed to underwrite the SinoTech (Hong Kong) Corporation Limited (“SinoTech”) A\$12.4 million Placement announced to the ASX on 28th April 2011, if the issue and allotment of the Placement shares and options to SinoTech does not occur for any reason by 30th September 2011. The terms and conditions of the Placement and Underwriting are outlined below.

BACKGROUND

On 20th April 2011 Enterprise entered into a Memorandum of Understanding (“MOU”) with SinoTech recording a Placement with terms and conditions as summarised below:

- SinoTech to subscribe for 62,000,000 fully paid ordinary shares in the Company at an issue price of \$0.20 per share to raise A\$12,400,000 million, and
- 20,000,000 options to subscribe for one ENT share at an exercise price of A\$0.25 each exercisable within two years of the date of grant.
- The terms of the options carry the right for SinoTech to receive a further 11,000,000 bonus options if 10,000,000 of the earlier options are exercised by SinoTech within 1 year of their date of grant.
- The 11,000,000 bonus options also have an exercise price of A\$0.25, each exercisable within two years of the date of exercise of the earlier options.
- The SinoTech placement is subject to completion of due diligence by SinoTech, and some conditions which are outside the control of the Company and SinoTech, including receipt of all necessary government approvals required under the Foreign Acquisitions and Takeovers Act and the Foreign Investment Review Board Policy of the Commonwealth of Australia.

Worldtex Capital Resources Limited, a company incorporated in Hong Kong, is a capital and investment firm focusing on 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.

Worldtex has agreed to underwrite the A\$12.4 million SinoTech Placement. If the issue and allotment of the Placement shares and options to SinoTech does not occur for any reason by 30th September 2011, Enterprise will issue a shortfall notice to Worldtex requesting immediate



ENTERPRISE METALS LIMITED

transfer of the subscription funds for the shortfall at A\$0.20 per Share. If a shortfall does arise, then Enterprise will not be issuing the shortfall securities for the purpose of Worldtex selling or transferring them (or granting options over them).

The Company will apply to the ASX for official quotation of the Shares forming part of the shortfall on ASX. (but not the options)

Conditions of Underwriting

Worldtex must complete due diligence on Enterprise to its satisfaction by 25th May 2011, and Enterprise's shareholders must approve the underwriting agreement in accordance with ASX Listing Rule 7 and section 611 of the Corporations Act by 30th June 2011. If the underwriting conditions have not been satisfied by 30th June 2011, then Worldtex has no rights to underwrite the shortfall.

Enterprise has also agreed to appoint Ms Anna Mao of Worldtex as a non-executive director to the ENT Board, effective from the date of allotment of the Worldtex placement shares.

The indicative timetable for the Underwriting is as follows:

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|--|-------------------|
| Last date for Worldtex to confirm DD outcome is satisfactory | 25 May 2011 |
| Last date for Company shareholder approval of the Underwriting | 30 June 2011 |
| Placement End Date and any Shortfall is determined | 30 September 2011 |
| Company issues Shortfall Notice and request for funds | 30 September 2011 |
| Company receives cleared funds from Worldtex | 10 October 2011 |
| Company issues Shortfall securities following funds clearance | 11 October 2011 |
| Expected trading of Shortfall securities on ASX | 13 October 2011 |

When the SinoTech Placement completes, and/or Worldtex takes up the shortfall, Enterprise will pay Worldtex an underwriting fee comprising a cash payment of \$248,000 (representing 2% of the funds raised by the placement), and 15,000,000 options exercisable at \$0.25 at any time within three years of the date of grant. The Options will not to be quoted on ASX and are not transferable.

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