
**\$12.4M PLACEMENT AGREEMENT EXECUTED BY SINOTECH,
WORLDTEX EXECUTES UNDERWRITING AGREEMENT.**

- **SinoTech and Enterprise have executed a Subscription Agreement for 62 million ENT shares at 20 cents to raise \$12.4 million for exploration.**
 - **Worldtex and Enterprise have executed an Underwriting Agreement.**
 - **Both agreements are subject to successful completion of due diligence by the parties by 27 May 2011, shareholder approval on 30 June 2011, and notification to FIRB by SinoTech by 27 May 2011.**
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Enterprise Metals Limited (“Enterprise” or “the Company”, ASX: “ENT”) is pleased to announce that it has executed a **Subscription Agreement** for a private placement regulated by section 708 of the Corporations Act, with SinoTech (Hong Kong) Corporation Limited (“SinoTech”) for 62 million ENT shares at an issue price of 20 cents each, to raise \$12.4 million for ongoing exploration.

SinoTech has also been offered 20,000,000 options at an exercise price of A\$0.25 each exercisable within two years of the date of grant. If 10,000,000 of these options are exercised by SinoTech within 1 year of their date of grant, then Enterprise will issue to SinoTech a further 11,000,000 options at an exercise price of A\$0.25, each exercisable within two years.

Enterprise is also pleased to announce that it has executed an **Underwriting Agreement** to the placement referred to above, with Worldtex Capital Resources Ltd (“Worldtex”). Enterprise has agreed to pay Worldtex an underwriting fee of \$248,000 cash (representing 2% of the funds raised by the SinoTech Placement), and 15,000,000 Attaching Options, provided the Underwriting Conditions have been satisfied by 30 June 2011.

Enterprise has also offered Worldtex a placement of 10 million ENT shares at an issue price of 20 cents each, to raise \$2 million. Worldtex has also been offered 3,225,806 options at an exercise price of A\$0.25 each exercisable within two years of the date of grant. If 1,612,903 of these options are exercised by Worldtex within 1 year of their date of grant, then Enterprise will issue to Worldtex a further 1,774,194 options at an exercise price of A\$0.25, each exercisable within two years.

Worldtex has not lodged an application for these shares and options at this time, although Enterprise understands that Worldtex has completed its due diligence enquiries and will formally advise Enterprise of the outcome of these by 27 May 2011.

Summary of SinoTech Placement Agreement

- SinoTech will subscribe for 62,000,000 fully paid ordinary shares in Enterprise at a price of A\$0.20, subject to certain conditions.
- The Placement will raise \$12,400,000 excluding costs of the Placement. Upon the allotment of the shares, SinoTech will have a shareholding of 30.546% in Enterprise assuming no other shares are issued by the Company, with the exception of the 10 million share placement to Worldtex.
- Enterprise will also issue SinoTech 20,000,000 unlisted options for nil consideration, with an exercise price of A\$0.25 each, and with an exercise period of two years. If 10,000,000 of the options are exercised within 12 months of the allotment date, then Enterprise will issue to SinoTech an additional 11,000,000 25 cent unlisted options for nil consideration with a 2 year exercise period.
- The Agreement is subject to SinoTech notifying Enterprise of completion of successful due diligence by 27 May 2011, and notifying the Foreign Investment Review Board (“FIRB”) of the proposed placement by 27 May 2011.
- The Agreement is also subject to the Company’s shareholders approving SinoTech’s acquisition of the Placement Securities at a general meeting of shareholders to be conducted on 30 June 2011, for the purposes of ASX Listing Rule 7.2, exception 16 and exception 7 to section 611 of the Corporations Act.
- Enterprise has agreed that SinoTech may nominate two directors to the board of Enterprise, and the Company will, on issue of the securities, procure Enterprise’s board appoints these two nominees to fill casual vacancies on the board, subject to endorsement by shareholders at a general meeting of the Company.

Summary of Worldtex Underwriting Agreement

- Worldtex must complete its due diligence by 27 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 30 June 2011. If the underwriting conditions have not been satisfied by 30 June 2011, then Worldtex has no rights to underwrite the shortfall.
- If the issue and allotment of the Placement shares and options to SinoTech does not occur for any reason by 30 September 2011, Enterprise will issue a shortfall notice to Worldtex requesting immediate transfer of the subscription funds for the shortfall at A\$0.20 per Share.
- 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

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Options will not to be quoted on ASX and are not transferable.

Summary of Worldtex Placement Offer

- Worldtex has been offered the opportunity to subscribe for 10,000,000 fully paid ordinary shares in Enterprise at a price of A\$0.20, subject to certain conditions.
- The Placement will raise \$2,000,000 excluding costs of the Placement. Upon the allotment of the shares, Worldtex will have an initial shareholding of approximately 7.1% in Enterprise. Following the placement to SinoTech, Worldtex's shareholding of in Enterprise will decrease to approximately 4.9%.
- Worldtex has also been offered 3,225,806 unlisted options for nil consideration, at an exercise price of A\$0.25 each exercisable within two years of the date of grant. If 1,612,903 of these options are exercised by Worldtex within 1 year of their date of grant, then Enterprise will issue to Worldtex a further 1,774,194 unlisted options for nil consideration with a 2 year exercise period.
- Enterprise has agreed that Worldtex may nominate one director to the board of Enterprise, and the Company will, on issue of the securities, procure Enterprise's board to appoint Ms Anna Mao of Worldtex to fill a casual vacancy on the board, subject to endorsement by shareholders at a general meeting of the Company.

Background on SinoTech

SinoTech is a subsidiary of Sinotech Minerals Exploration Co., Ltd., a major Chinese exploration and mine development company. Sinotech has mineral exploration projects in mainland China and more than 10 countries worldwide. Its major shareholder is Beijing Institute of Geology for Mineral Resources (BIGM) a Chinese government owned or controlled entity. In the past, Sinotech has discovered a number of world class mineral deposits in China, and more recently has discovered a VMS style copper/gold deposit in Ethiopia and is conducting exploration on a porphyry copper deposit in Chile. It has a presence in most continents of the world, but subject to various approvals and conditions, Enterprise will be its first equity investment in Australia.

Background on Worldtex

Worldtex is a capital and investment company incorporated in Hong Kong, and focussed 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.

The indicative timetable for the Placements and Underwriting is as follows:

Last date for SinoTech and Worldtex to confirm DD outcome is satisfactory	27 May 2011
Last date for ENT 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



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