

# Enterprise Metals Limited

ABN 43 123 567 073

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West Perth  
Western Australia 6005

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FLAT 123  
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THE SAMPLE HILL  
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SAMPLEVILLE VIC 3030

9 November 2012

Dear Shareholder,

## **ENTERPRISE METALS LIMITED (COMPANY) - REPLACEMENT 2012 AGM MEETING DOCUMENTS**

We enclose a replacement Notice of Annual General Meeting and Explanatory Memorandum (**AGM Meeting Documents**) for the Company's Annual General Meeting scheduled for 2pm on Wednesday, 28 November 2012.

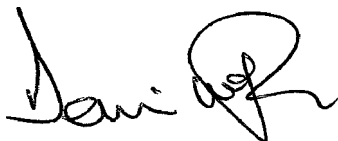
These AGM Meeting Documents replace the Notice of Annual General Meeting and Explanatory Memorandum dated 18 October 2012 lodged with ASX on 26 October 2012 and sent to Shareholders on the same date. All proxy arrangements are not affected.

There is no change to the Proxy Form, the AGM date, time or venue under the replacement AGM Meeting Documents.

There were a number of mistakes in the original Notice of Annual General Meeting which have been rectified in the replacement AGM Meeting Documents.

If you have any queries or require further information, please contact me on +61 8 9389 2199.

Yours faithfully,



**Dennis Wilkins**  
Company Secretary

ENTERPRISE METALS LIMITED  
ABN 43 123 567 073

REPLACEMENT NOTICE OF ANNUAL GENERAL MEETING  
EXPLANATORY MEMORANDUM

**Date of Meeting**

Wednesday, 28 November 2012

**Time of Meeting**

2:00 pm (WST)

**Place of Meeting**

Next Generation Kings Park  
21 Kings Park Road  
WEST PERTH WA 6005

*This Notice of Annual General Meeting replaces the Notice of Annual General Meeting which is dated 18 October 2012. It should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

*The **2012 Annual Report** may be viewed on the Company's website at [www.enterprisemetals.com.au](http://www.enterprisemetals.com.au)*

For personal use only

**ENTERPRISE METALS LIMITED**  
**ABN 43 123 567 073**  
**REPLACEMENT NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Shareholders of Enterprise Metals Limited (**Company**) will be held at Next Generation Kings Park, 21 Kings Park Road, West Perth, Western Australia on Wednesday, 28 November 2012 at 2:00 pm (WST) (**Meeting**) for the purpose of transacting the following business.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the meeting. The Explanatory Memorandum and the Proxy Form, which accompanied the original Notice of Annual General Meeting dated 18 October 2012 are part of this Notice.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Memorandum.

**2012 Financial Statements**

To receive the financial statements of the Company for the year ended 30 June 2012, consisting of the annual financial report, the Directors' report and the auditor's report.

**Resolution 1 – Re-election of Dr Jingbin Wang as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That Dr Jingbin Wang, having retired as a Director of the Company in accordance with the Company's Constitution and, being eligible, having offered himself for re-election, be re-elected a Director of the Company."*

**Short Explanation:** Pursuant to the Company's Constitution, one-third of the Directors of the Company (other than the Managing Director) must retire at each AGM and, being eligible, may offer themselves for re-election at that AGM.

**Resolution 2 – Re-election of Anna Mao as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That Anna Mao, having retired as a Director of the Company in accordance with the Company's Constitution and, being eligible, having offered herself for re-election, be re-elected a Director of the Company."*

**Short Explanation:** Pursuant to the Company's Constitution, one-third of the Directors of the Company (other than the Managing Director) must retire at each AGM and, being eligible, may offer themselves for re-election at that AGM.

**Resolution 3 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution**:

*"That, for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2012 Annual Report be and is hereby adopted."*

**Short Explanation:** Section 250R of the Corporations Act requires a listed company to put to Shareholders at each AGM a resolution adopting the report on the remuneration of the Company's Directors, executives and senior managers included in the Company's Annual Report. The above Resolution is being proposed to comply with this requirement. The vote on this Resolution is advisory and neither binds the Company's Directors nor the Company. A reasonable opportunity will be provided to Shareholders for discussion of the Remuneration Report at the AGM.

**Voting Prohibition:** The Company will, in accordance with the Corporations Act, disregard any votes cast on Resolution 3 by a member of the key management personnel or a Closely Related Party of such a member. However, the Company will not disregard a vote if it is cast by such a person if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair of the Meeting and the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

**Resolution 4 – Approval of 10% Placement Facility**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”*

**Short Explanation:** Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the AGM. The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7. Please refer to the Explanatory Memorandum for details.

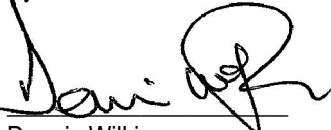
**Voting Exclusion:** The Company will, in accordance with the Listing Rules of the ASX, disregard any votes cast on Resolution 4 by any person who may participate in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any Associate of that person. However, the Company will not disregard a vote cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

A Proxy Form is attached to the original Notice of Annual General Meeting dated 18 October 2012.

To be valid, properly completed Proxy Forms must be received by the Company no later than 2:00 pm (WST) on Monday, 26 November 2012:

- by post to:  
Computershare Investor Services Pty Limited  
GPO Box 242, Melbourne Victoria 3001
- by facsimile on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

By order of the Board



Dennis Wilkins

Company Secretary

Date of Replacement Notice: 7 November 2012

**ENTERPRISE METALS LIMITED**

Annual General Meeting 28 November 2012

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**PROXIES**

A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.

A proxy may, but need not be, a Shareholder of the Company.

The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer duly authorised.

The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the registered office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed.

**ENTITLEMENT TO VOTE**

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 5.00 pm Perth time on Monday, 26 November 2012 will be entitled to attend and vote at the AGM.

**CORPORATIONS**

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company before the meeting.

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of Enterprise Metals Limited ABN 43 123 567 073 (**Company**) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at Next Generation Kings Park, 21 Kings Park Road, West Perth, Western Australia, on Wednesday, 28 November 2012 commencing at 2:00 pm (WST).

This Explanatory Memorandum should be read in conjunction with, and form part of, the accompanying notice.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

At the AGM, Shareholders will be asked to consider the following Resolutions:

- re-electing Dr Jingbin Wang as a Director, who retires by rotation in accordance with the Company's Constitution;
- re-electing Anna Mao as a Director, who retires by rotation in accordance with the Company's Constitution;
- adopting the Remuneration Report; and
- approving the 10% Placement Facility.

### Financial and Other Reports

As required by Section 317 of the Corporations Act, the financial statements for the year ended 30 June 2012 and the accompanying Directors report, Directors' declaration and auditor's report will be laid before the meeting.

Neither the Corporations Act, nor the Company's Constitution requires a vote on the reports. However, the Shareholders will have an opportunity to ask questions about the reports at the AGM.

### Resolution 1 – Re-election of Dr Jingbin Wang as a Director

#### 1.1 Introduction

Dr Jingbin Wang was appointed as a Non-Executive Director on 13 July 2011.

In accordance with Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Company's directors must retire at each AGM. Accordingly, Dr Jingbin Wang will retire by rotation and, being eligible, offers himself for re-election.

Resolution 1 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

#### 1.2 Director's Biography

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. 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, Canaco Resources Inc. and Silvore Fox Minerals Corp.

#### 1.3 Directors' Recommendation

All the Directors except Dr Jingbin Wang recommend that Shareholders vote in favour of Resolution 1.

### Resolution 2 – Re-election of Anna Mao as a Director

#### 2.1 Introduction

Anna Mao was appointed as a Non-Executive Director on 13 July 2011.

In accordance with Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Company's directors must retire at each AGM. Accordingly, Anna Mao will retire by rotation and, being eligible, offers herself for re-election.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

## **2.2 Director's Biography**

Ms 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' experience and knowledge in finance and operation. She co-founded and developed several successful businesses both in China and Canada. Ms 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 Mao is also a director and founder of Sino Link Capital Resources Limited.

## **2.3 Directors' Recommendation**

All the Directors except Ms Mao recommend that Shareholders vote in favour of Resolution 2.

## **Resolution 3 – Remuneration Report**

### **3.1 Introduction**

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote. The Remuneration Report contains:

- information about the Board's policy for determining the nature and amount of remuneration of the Directors and senior executives of the Company;
- a description of the relationship between the Company's remuneration policy and the Company's performance;
- a summary of performance conditions for each of the Directors and senior executives, including a summary of why they were chosen and how performance is measured against them; and
- remuneration details for each Director and for each of the Company's specified executives.

The Remuneration Report, which is part of the Annual Report, has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the Annual Report are available by contacting the Company's share register or visiting the Company's web site [www.enterprisemetals.com.au](http://www.enterprisemetals.com.au).

### **3.2 Voting on the Remuneration Report**

In accordance with section 250R(4) of the Corporations Act, a vote on the Remuneration Report Resolution must not be cast (in any capacity) by or on behalf of either the following persons:

- (a) a member of the key management personnel, whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on the Resolution 3 as a proxy if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (c) the person does so as a proxy appointed in writing that directs how the proxy is to vote on Resolution 3; or
- (d) the person is the Chairman and the appointment of the Chairman as proxy:
  - (i) does not specify the way the proxy is to vote on Resolution 3; and
  - (ii) expressly authorises the Chairman to exercise the proxy even if Resolution 3 is connected directly or indirectly with the remuneration of the key management personnel.

The Chairman will cast available proxies in favour of Resolution 3.

Shareholders may choose to direct the Chairman to vote for or against Resolution 3 or to abstain from voting.

## Resolution 4 – Approval of 10% Placement Facility

### 4.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the AGM (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 4.2(c) below).

The Company may seek to issue the Equity Securities under the 10% Placement Facility for the following purposes:

- cash consideration. In such circumstances, the Company intends to use the funds raised towards further exploration of the Doolgunna and Fraser Range Projects, to continue the exploration of its land tenure for further discoveries of resources and pursuit of consolidation opportunities across the region and/or general working capital; or
- non-cash consideration for the acquisition of new resources, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

### 4.2 Description of Listing Rule 7.1A

#### (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an AGM.

#### (b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two classes of Equity Securities, being quoted Shares (save for those that are subject to escrow) and unlisted Options.

#### (c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid shares that became fully paid in the 12 months;
- plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- less the number of fully paid shares cancelled in the 12 months.

*Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%;



E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) *Listing Rule 7.1 and Listing Rule 7.1A*

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 213,220,776 Shares. The Company therefore has a capacity to issue:

- (i) 31,983,116 Equity Securities under Listing Rule 7.1; and
- (ii) 21,322,078 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 4.2(c) above).

(e) *Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) *10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

### 4.3 Listing Rule 7.1A

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### 4.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the meeting; and

- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

| Variable "A" in Listing Rule 7.1A.2                       |                     | Dilution                                |                        |  |
|---|---------------------|---|------------------------|--|
|   |                     | \$0.1175<br>50% decrease in Issue Price | \$0.235<br>Issue Price | \$0.47<br>100% increase in Issue Price |
| Current Variable A<br>213,220,776 Shares                  | 10% voting dilution | 21,322,078 Shares                       | 21,322,078 Shares      | 21,322,078 Shares                      |
|   | Funds raised        | \$2,505,344                             | \$5,010,688            | \$10,021,377                           |
| 50% increase in current Variable A<br>319,831,164 Shares  | 10% voting dilution | 31,983,117 Shares                       | 31,983,117 Shares      | 31,983,117 Shares                      |
|   | Funds raised        | \$3,758,016                             | \$7,516,032            | \$15,032,065                           |
| 100% increase in current Variable A<br>426,441,552 Shares | 10% voting dilution | 42,644,156 Shares                       | 42,644,156 Shares      | 42,644,156 Shares                      |
|   | Funds raised        | \$5,010,688                             | \$10,021,377           | \$20,042,753                           |

The table has been prepared on the following assumptions:

- (i) In calculating the 10% voting dilution under each scenario, all fractions were rounded up.
- (ii) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (iii) No Options are exercised into Shares before the date of the issue of the Equity Securities.
- (iv) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (v) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue price is \$0.235, being the closing price of the Shares on ASX on 18 October 2012.
- (c) The Company will only issue and allot the Equity Securities during the Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) cash consideration. In such circumstances, the Company intends to use the funds raised towards further exploration of the Doolgunna and Fraser Range Projects, to continue the exploration of its land tenure for further discoveries of resources and pursuit of consolidation opportunities across the region and/or general working capital; or

- (ii) non-cash consideration for the acquisition of new resources, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.

- (e) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.
- (f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

|                                    |  |
|------------------------------------|--|
| <b>10% Placement Facility</b>      | has the meaning given in Section 4.1.  |
| <b>10% Placement Period</b>        | has the meaning given in Section 4.2.  |
| <b>AGM</b>                         | means an Annual General Meeting  |
| <b>Annual Report</b>               | means the Directors' report, the annual financial report and auditors report in respect of the financial year ended 30 June 2012.        |
| <b>Associate</b>                   | has the same meaning as defined in Section 11 and Sections 13 to 17 of the Corporations Act.   |
| <b>ASX</b>                         | means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.                |
| <b>Board</b>                       | means the board of Directors of the Company.   |
| <b>Closely Related Party</b>       | has the same meaning as defined in Section 9 of the Corporations Act.  |
| <b>Company</b>                     | means Enterprise Metals Limited ABN 43 123 567 073   |
| <b>Corporations Act</b>            | means Corporations Act 2001 (Cth).   |
| <b>Director</b>                    | means a director of the Company.   |
| <b>Explanatory Memorandum</b>      | means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice. |
| <b>Listing Rules</b>               | means the listing rules of ASX.  |
| <b>Meeting</b>                     | has the meaning in the introductory paragraph of the Notice.   |
| <b>Notice or Notice of Meeting</b> | means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.   |
| <b>Proxy Form</b>                  | means the proxy form attached to the original Notice dated 18 October 2012.  |
| <b>Remuneration Report</b>         | means the remuneration report of the Company outlined in the Annual Report.  |
| <b>Resolution</b>                  | means a resolution contained in the Notice.  |
| <b>Share</b>                       | means a fully paid ordinary share in the capital of the Company.   |
| <b>Shareholder</b>                 | means the holder of a share.   |
| <b>WST</b>                         | means Australian Western Standard Time.  |

