



Enterprise Metals

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Enterprise Metals: China's Sinotech invests at premium to market

Enterprise Metals' (ASX: ENT) major shareholder SinoTech (Hong Kong) Corporation has shown it holds very high hopes for its investment in the Company, acquiring further shares through an early exercise of options.

SinoTech exercised half of its 20 million options in the company at \$0.25 each, adding A\$2.5 million to Enterprise's net cash reserves of \$10.7m.

SinoTech is known to be extremely "bullish" on the Company's core exploration projects. Enterprise has gold and base metal, iron ore and uranium exploration projects in Western Australia.

Visible gold mineralisation was recently discovered from drilling by Enterprise at its Doolgunna Prospect.

Also, downhole gamma logging results received from the Yalgoo drilling program by Enterprise encountered significant uranium intersections.

Tellingly, SinoTech's initial investment in Enterprise's marked its first equity deal in Australia.

SinoTech, which now holds a 33.77% interest in Enterprise's, is a subsidiary of Sinotech Minerals Exploration Co, a major Chinese exploration and mine development company.

However, it is its major shareholder, the Beijing Institute of Geology for Mineral Resources (BIGM) a Chinese government owned or controlled entity which should provide clues for investors.

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.

It has mineral exploration projects in mainland China and more than 10 countries worldwide.

Sinotech's strategy is to create an international exploration and mining company by partnering with locally based exploration companies.

Dermot Ryan, managing director of Enterprise Metals, commented on the investment: "The early exercise of the options at a premium to the market price and the \$2,500,000 cash injection into the company is a strong endorsement of the company's exploration strategy and activities in Western Australia.

"The Board welcomes the strong support it has received, and continues to receive from SinoTech."

Enterprise Metals will now issue SinoTech a further 11 million \$0.25 ENT options exercisable on or before 12 July 2014 as a result of the early exercise of the existing options.

The investment will take Enterprise Metals cash in hand to almost A\$11 million, with a cash balance of around \$8.2 million at the end of the June 2012 quarter.

Extensive portfolio

Price: A\$0.22

Market Cap: A\$45.84M

1 Year Share Price Graph



Share Information

Code: ENT

Listing: ASX

Sector: General Mining

Website: www.enterprisemetals.com.au

Company Synopsis:

Enterprise Metals (ASX: ENT) is an exploration company with a portfolio of prospective gold, uranium and iron ore projects in Western Australia.

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Enterprise Metals has a broad portfolio of base metals, gold, iron ore and uranium projects in some of the most mineral rich provinces in Western Australia.

The company recently discovered gold in air core drilling at its Doolgunna Prospect, which is located in the same region that hosts Sandfire Resources' (ASX: SFR) 10.67 million tonne Degruusa VMS discovery.

Enterprise Metals intersected up to 3 metres at 2.09 grams per tonne (g/t) gold from 1 metre at Doolgunna.

Other highlight intersections included:

- 11 metres at 0.58g/t gold from 92 metres;
- 48 metres at 0.25g/t gold from about 4 metres; and
- 40 metres at 0.05g/t gold from about 52 metres.

Importantly, the drill hole was oxidised over its entire length, with low level gold from 4 metres to 92 metres.

Increasing gold content towards the base of the drill hole suggests that there is potential for primary mineralisation in fresh rock below.

Meanwhile, the company is also unearthing high grade gold from its Darlot Gold-Base Metal Project, with intersections of 6 metres at 2.33g/t gold from 57 metres, 4 metres at 1.42g/t gold from 99 metres, and 7 metres at 1.44g/t gold from 108 metres returned from reverse circulation drilling at Withers Find and Little Yanbo.

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