



ACN 159 819 173

# PROSPECTUS

Prospectus for the offer of 25,500,000 Shares at an issue price of 20 cents each, to raise a total of \$5,100,000, together with a provision to accept oversubscriptions of up to 5,000,000 further Shares, to raise up to a further \$1,000,000. 1 listed Attaching Option will be granted for nil consideration for every 2 shares allotted, exercisable at \$0.25 by 31 March 2014.

The Prospectus incorporates a pro rata offer on a 1 for 100 basis of up to 2,132,207 Shares at an issue price of 20 cents each to shareholders of Enterprise Metals Limited registered on a record date of 29 October 2012

**Lead Manager**  
**Patersons Securities Limited**



**The Offer pursuant to this Prospectus is conditional on ASX listing of the Company as outlined in Section 5.2 of this Prospectus.**

**The Offer is not underwritten.**

**This is an important document. Please consult your professional adviser(s) if you have any questions. The mineral properties described in this Prospectus are at the exploration and evaluation stage and accordingly investment in the Shares offered by this Prospectus should be regarded as speculative in nature.**

### IMPORTANT NOTICE

This Prospectus is dated 19 October 2012 and was lodged with the ASIC on that date. No Securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Neither the ASIC nor ASX take any responsibility for the content of this Prospectus or the merits of the investment to which this Prospectus relates. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

It is important that you read this Prospectus carefully, in its entirety and seek professional advice where necessary before deciding to invest in the Company. In particular, in considering the prospects for the Company, you should consider the risk factors in Section 4 that could affect the performance of the Company. The Offer does not take into account your investment objectives, financial situation and particular needs. Accordingly, you should carefully consider the risk factors in light of your personal circumstances and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. The Securities the subject of this Prospectus should be considered speculative. No person is authorised to provide any information or make any representation in connection with the Offer in this Prospectus, which is not contained in this Prospectus.

### WEB SITE – ELECTRONIC PROSPECTUS

This Prospectus may be downloaded from the Company's website at [www.enterpriseuranium.com.au](http://www.enterpriseuranium.com.au). 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. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. The Corporations Act prohibits any persons passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any persons may obtain a hard copy of this Prospectus free of charge by contacting the Company by telephone on (08) 9436 9240 during normal business hours.

### EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act. Applications for Securities under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications before the expiry of the Exposure Period.

### COMPETENT PERSON STATEMENT

Section 6 of this Prospectus that relates to geology and exploration results is based on information compiled by geologist Mr Trevor Saul who is an employee of Enterprise Uranium Limited. He has sufficient experience relevant to the styles of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a "Competent Person", as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr Saul consents to the inclusion in this Prospectus of the matters compiled by him in the form and context in which they appear.

**GLOSSARY** Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary at the end of the Prospectus.



## 1. INVESTMENT SUMMARY

### KEY ADVANTAGES TO INVESTMENT:

- Five 100% owned exploration projects in Western Australia (total 5,931km<sup>2</sup>), all prospective for Tier 1 uranium discoveries.
- Projects cover strong surficial uranium anomalies identified from recent WA Government and Company airborne radiometric surveys, showing some areas for first time to be highly prospective for uranium - first mover advantage!
- Initial aircore drilling following up one airborne uranium anomaly at Yalgoo has discovered economic grades of uranium and further drilling is planned.
- Airborne electromagnetic surveys flown by the Company over the surficial uranium anomalies have identified deep palaeochannels prospective for sand hosted uranium.
- Immediate targets identified for drill testing, due to commence around time of ASX Listing.
- Experienced Board and Management with proven track records in resources sector, combined with strong support from Enterprise Metals Ltd and its Chinese shareholders.
- World demand for uranium expected to rise with increasing demand for electricity, particularly in southeast Asia, where a substantial number of new generators are under construction or planned.

### KEY RISKS OF INVESTMENT:

- The WA State government may be replaced in the WA State elections in March 2013 by a Labor government which has committed to reimpose a ban on uranium mining;
- Uranium exploration is comparatively more expensive due to safety and radiation monitoring requirements incurring additional personnel and overheads;
- Community concern about uranium can create negative perceptions affecting the share price; this can be managed and possibly overcome by community and local stakeholders relationship building;
- The natural environment may hinder exploration work all year round; projects are located in natural flood plains at risk from winter rains or summer monsoonal floods;
- The environmental compliance regime before mining is onerous; for WA's most advanced uranium project owned by Toro Energy Ltd, a 3 year approval process has resulted in State approval, but not yet Federal approval;
- Share price may fluctuate as uranium prices fluctuate - sensitive to supply and demand curve.

### TIMETABLE (subject to change at the discretion of the Board and the Sponsoring Broker)

<b>Date of Prospectus</b>	<b>19 October 2012</b>
<b>General Offer opens</b>	<b>26 October 2012</b>
<b>ENT Offer Record Date</b>	<b>29 October 2012</b>
<b>ENT Offer Closing Date</b>	<b>16 November 2012</b>
<b>General Offer Closing Date</b>	<b>30 November 2012</b>
<b>Expected Allotment date</b>	<b>6 December 2012</b>
<b>Expected despatch of holding statements</b>	<b>7 December 2012</b>
<b>Anticipated date to begin trading Shares on ASX</b>	<b>12 December 2012</b>

### PRO FORMA CAPITAL STRUCTURE

Shares currently on issue	42,644,155
Shares offered by Prospectus – minimum subscription	25,500,000
Shares offered by Prospectus – maximum subscription	30,500,000
<b>Total Shares on issue upon listing – minimum subscription (\$5.1m)</b>	<b>68,144,155</b>
<b>Total Shares on issue upon listing – maximum subscription (\$6.1m)</b>	<b>73,144,155</b>
<b>Attaching Options offered by Prospectus – minimum subscription</b>	<b>12,750,000</b>
<b>Attaching Options offered by Prospectus – maximum subscription</b>	<b>15,250,000</b>

**This summary is selective. It is not intended to provide complete information to you. Please read the Prospectus and consider the investment risks in Section 4 before applying for Shares.**

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## 2. CORPORATE DIRECTORY

<b>Directors</b>	<p>Ms Anna Mao (Non-Executive Chairperson)          Mr Trevor Saul (Managing Director)          Mr Dermot Ryan (Non Executive Director)          Dr Zhen Huang (Non-Executive Director)          Mr Michael Atkins (Non-Executive Director)</p>
<b>Registered Office</b>	<p>Level 1, 640 Murray Street          West Perth WA 6005          Ph: +61 (0)8 9436 9240          Fax: +61 (0)8 9436 9220          Email: <a href="mailto:info@enterpriseuranium.com.au">info@enterpriseuranium.com.au</a></p>
<b>Company Secretary and Corporate Advisor to the Company</b>	<p>Dennis Wilkins          DWCorporate Pty Ltd          Ground Floor, 20 Kings Park Road          West Perth WA 6005</p>
<b>Web site</b>	<p><a href="http://www.enterpriseuranium.com.au">www.enterpriseuranium.com.au</a></p>
<b>Lead Manager and Corporate Advisor to the Issue</b>	<p>Patersons Securities Limited          Level 23, Exchange Plaza          2 The Esplanade          Perth WA 6000</p>
<b>Independent Geologist</b>	<p>Coffey Mining Pty Limited          1162 Hay Street          West Perth WA 6005</p>
<b>Investigating Accountant</b>	<p>BDO Corporate Finance (WA) Pty Ltd          38 Station Street          Subiaco WA 6008</p>
<b>Solicitor to the Offer and Independent Solicitor Reporting on Tenements</b>	<p>Hilary Macdonald          Suite 23, 18 Stirling Highway          Nedlands WA 6009</p>
<b>Auditor*</b>	<p>Grant Thornton Audit Pty Ltd          Level 1, 10 Kings Park Road          West Perth WA 6005</p>
<b>Share Registry*</b>	<p>Computershare Registry Services Pty Ltd          Level 2, 45 St Georges Terrace          Perth WA 6000          Ph: +61 (0)8 9323 2000 or 1300 55 70 10 (within Australia)          Fax: +61 (0)8 9323 2033</p>
<b>Proposed ASX code</b>	<p>ENU          ENUO</p>

*\* named for information purposes only and not involved in the preparation of this Prospectus*

### 3. CHAIRPERSON'S LETTER



Dear Investor,

On behalf of the Directors, I look forward to welcoming you as a shareholder of Enterprise Uranium Limited. The Company is based in Western Australia and focused solely on uranium exploration in Australia. Our objective is to discover and develop one or more "Tier 1" or world class uranium resources in order to meet the rising worldwide demand for uranium to meet electricity generation requirements.

The Company was incorporated by its former parent company Enterprise Metals Limited ("ENT") in August 2012, following a strategic review by the ENT Board of its assets and a decision by the ENT Board to demerge its uranium assets into Enterprise Uranium Ltd ("ENU").

ENT Shareholders approved the demerger on 15 October 2012 following which ENU acquired the uranium assets of ENT and its wholly owned subsidiaries in return for the issue of 42,644,154 ENU shares to ENT. A capital reduction to be effected by way of ENT making a distribution in specie of all the 42,644,155 ENU Shares held by ENT to the ENT Shareholders registered on 23 October 2012 will occur on 30 October 2012.

As a result, there are currently 42,644,155 Shares on issue and they are all currently held by ENT Shareholders who participated in the ENT distribution in specie.

The purpose of this Offer is to expand the Company's shareholder base, potentially introducing one or two cornerstone investors to the Company's shareholder register, raise sufficient funds to conduct effective exploration and drilling programs for uranium on the Company's projects, and at the same time, as a condition of the Offer, seek a listing of ENU on ASX.

Enterprise Uranium has assembled a balanced portfolio of projects and a balanced Board of Directors who have extensive skills in exploration, mining, accounting, corporate governance and provision of corporate advice. The Board is excited about the potential of the Company's projects, and the predicted future high growth in demand for uranium.

I encourage you to read the Prospectus, request that you consider the risks of investment in Section 4, and invite you to become a shareholder in Enterprise Uranium, which I believe has great potential.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Anna Mao', written over a light blue background.

Anna Mao,  
Non Executive Chairperson

## 4. INVESTMENT RISKS

As a prospective investor you should consider the risk factors described below and understand that an investment in ENU Securities is highly speculative. You should consult your professional advisers in deciding whether to invest in Securities. An investment in ENU carries a high risk of little or no return on your investment, for a variety of reasons.

In particular, ENU is subject to risks relating to the exploration and development of uranium, which risks are not generally associated with exploration for other commodities in Australia, and, ENU is subject to risks relating to exploration and development of mineral properties which are not generally associated with other businesses outside the mineral exploration industry. Many of the circumstances giving rise to these risks are beyond the control of ENU, the Directors and management. The Directors have considered and identified the following areas of risk associated with an investment in ENU Securities. These are not exhaustive.

### 4.1 History of uranium mining ban – Western Australia

In 2008, the Western Australian Liberal government lifted a six-year ban on uranium mining that was imposed by the previous Labor government in Western Australia. If Labor return to power in Western Australia following the March 2013 election, Labor's leader has made it clear that Labor remains opposed to uranium mining in Western Australia and will ban uranium mining, although exceptions would be made to allow mining of uranium projects to proceed where government approvals had already been obtained. There is therefore a risk that if there is a change of government in 2013, the previous ban on uranium mining may be re-imposed, which is likely to adversely affect ENU and the value of its Securities. Exploration may continue but with an uncertain future.

### 4.2 Uranium Mining projects in Western Australia

New uranium mining projects in Australia face technical, regulatory and financial hurdles peculiar to the uranium production industry, before mine feasibility studies can be completed, and before construction and uranium production can commence.

There are currently no uranium mines in Western Australia. In May 2012 the Environment Protection Authority ("EPA") recommended that environmental approval be granted for Toro Energy Limited's ("Toro Energy") uranium mine project at Wiluna in the Mid West of Western Australia (the most advanced uranium project in Western Australia) subject to draft conditions to meet the EPA's objectives in relation to radiation management, transport, mine closure and rehabilitation, groundwater and water supply, surface water, air quality, flora and vegetation, fauna, habitat and Indigenous heritage. Appeals were lodged against the conditions, and the Western Australian government's Environment Minister made a determination on those on 20 September 2012, resulting in amendment of some of the EPA draft conditions. The effect of the changed conditions is to require more protection for fauna and groundwater dependent vegetation, surface water flows, dust management and rehabilitation. The Western Australian government's Environment Minister has now granted the environmental approvals but Federal Government approvals are still required. If all necessary approvals are obtained, Toro Energy expects to be in production during 2014/15. The environmental approvals process was commenced by Toro Energy in October 2009.

In June 2012, BHP Billiton put its environmental approvals process on hold in relation to its proposed Yeelirrie uranium mining project in the Mid West of Western Australia. BHP Billiton had previously targeted first production in the 2014/15 financial year. Subsequently BHP Billiton announced the sale of Yeelirrie to Cameco Corporation in August 2012 for US\$430 million.

### 4.3 Tenure risk

There is no guarantee that a tenement application will be granted. In the case of the Byro Project, no Radio Quiet Management Plans have been submitted for approval yet, in relation to the tenement applications. There are 21 granted tenements and 12 tenement applications within the Company's projects. Each licence 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 tenements if licence conditions are not or cannot be met or if insufficient funds are available to meet licence conditions.

Mining and exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements.

There is no guarantee that current or future tenements or future applications for production tenements will be approved.

#### **4.4 Access risk and Aboriginal Sites of Significance**

The Company's tenements are on areas over which Native Title claims have been registered. Where Native Title rights may in the future be found to exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner or Aboriginal Reserve residents or Native Title claimants), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

In addition, Commonwealth and State legislation obliges the Company to protect sites of significance to Aboriginal custom and tradition. Further details of this legislation are set out in the Independent Solicitors' Report in Section 11 of this Prospectus. Some sites of significance may be identified within the Tenements. It is therefore possible that one or more sites of significance will exist in an area which the Company considers to be prospective. The Company's policy is to carry out clearance surveys prior to conducting exploration which would cause a disturbance to the land surface, consistent with the WA Heritage Act. All Projects will require Heritage Act clearance before access for surface disturbing exploration is possible.

#### **4.5 Exploration and evaluation risks**

Whether income will result from ENU's exploration projects depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development.

The success of ENU depends on the delineation of economically mineable reserves and resources in Western Australia, obtaining all state and federal consents and approvals necessary under mining and environmental legislation for the conduct of uranium exploration and mining activities on terms which are viable for ENU, access to required development capital, movement in the price of commodities, and securing and maintaining (and renewing) licences for ENU's exploration and in due course, mining tenements. Exploration on ENU's existing exploration tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of ENU and possible relinquishment of the exploration tenements.

In the case of exploration targets, it should be noted that these are conceptual in nature, there has been insufficient exploration to define a JORC compliant Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource. It may not always be possible for ENU to exploit successful discoveries which may be made in areas in which ENU has an interest. Such exploration would involve obtaining the necessary licences or clearances from the relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploration may require participation of other companies whose interests and objectives may not be the same as ENU's, if farmin and joint venture relationships are entered into by ENU.

Also, the Company's projects are located in natural flood plains which are vulnerable to winter floods and summer monsoonal rains which may interfere with exploration activity.

#### **4.6 Environmental risks**

All phases of ENU operations are subject to a higher standard of environmental regulation in Western Australia in comparison to exploration for other minerals. These regulations mandate, among other things, the maintenance of air, soil and water quality standards. They also set limitations on the generation, transportation, storage and disposal of solid and hazardous waste. The attendance of registered radiation safety officers, and continuous monitoring and safety procedures for handling all material generated through exploration work adds to the exploration costs for uranium.

Environmental legislation generally and in relation to uranium, is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect ENU's operations.

Environmental hazards may exist on the properties on which the Company holds interests which are unknown to ENU at present and which have been caused by previous or existing owners or operators of the properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.



#### **4.7 Legislative control over ENU's activities**

Current legislation and amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies more generally, or more stringent implementation, could have a material adverse impact on ENU and cause increases in exploration expenses, capital expenditures, or production costs, or reduction in levels of production at producing properties, or require abandonment or delays in development of new mining properties.

The Company's Byro project is within the DMP's Radio Telescope Mineral Resource Management Area which extends 70km from the Murchison Radio-astronomy Observatory, which is the selected site for the Australian Square Kilometre Array project, a global radio-telescope being planned and constructed by a consortium of 20 countries worldwide. The Mid West Radio Quiet Zone has been established to deliver the required radio-quiet environment for the construction and operation of the SKA and for its two precursors, prototypes which are currently under construction, the SKA Pathfinder and the Murchison Widefield Array. The practical effect of this on the Company's Byro project is that no radio frequency above predetermined levels will be received at the centre of the Murchison Radio-astronomy Observatory during the lifetime of its operation. The Company will be required to conduct exploration within the radio frequency levels set by its Radio Quiet Management Plan, which has been approved by the Director General of DMP, for the granted E59/1617 tenement only.

This RQMP does not deliver certainty that any RQMP's will be approved for the current tenement applications on the Byro Project.

#### **4.8 Resource estimations**

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should ENU encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect ENU's operations.

#### **4.9 Mining and development risk**

Mineral exploration and mining are speculative operations that may be hampered by circumstances beyond the control of ENU. Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management. Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events. ENU's business operations are subject to risks and hazards inherent in the exploration and mining industry. The exploration for and the development of mineral deposits involves significant risks, including: environmental hazards; industrial accidents; metallurgical and other processing problems; unusual or unexpected rock formations; structure cave-in or slides; flooding; fires and interruption due to inclement or hazardous weather conditions. These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability.

#### **4.10 Future capital requirements**

ENU's activities will require substantial expenditure. The funds raised through the Offer by ENU will need to be supplemented in the future in order to successfully develop and mine on one or more of the Company's existing projects. There can be no guarantee that ENU will raise the funds required to achieve its objectives in future years once the objectives stated in this Prospectus have been met. Any additional equity financing may be dilutive to ENU Shareholders and any debt financing if available may involve restrictive covenants, which may limit ENU's operations and business strategy. ENU's failure to raise capital if and when needed could delay or suspend ENU's business strategy and could have a material adverse effect on ENU's activities.

#### **4.11 Potential Acquisitions**

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

#### **4.12 Reliance on Key Personnel**

ENU is reliant on key personnel employed or engaged by ENU, in particular its Managing Director Trevor Saul and one of its non executive Directors, Dermot Ryan, both of whom have uranium exploration experience and a deep knowledge and understanding of the Company's existing projects. Loss of such personnel may have a material adverse impact on the performance of ENU. In addition, the recruiting of qualified personnel is critical to ENU's success. As ENU's business grows, it will require additional key exploration, financial, administrative, mining personnel as well as additional staff for operations. While ENU believes that it will be successful in attracting and retaining qualified personnel, and has put supply contracts in place to assist in this, there can be no assurance of such success.

#### **4.13 Insurance and uninsured risks**

Although ENU maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all risks and ENU may decide not to insure against certain risks because of high premiums. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not likely to be generally available to ENU on acceptable terms. Losses from these events may cause ENU to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

#### **4.14 Liquidity and Stock exchange prices**

There may be relatively few buyers or sellers of ENU Securities on ASX at any given time. This may affect the volatility of the market price of the Securities and the prevailing market price at which ENU Shareholders are able to sell their ENU Securities. This may result in ENU Shareholders receiving a market price for their ENU Securities that is less or more than the price paid under the Offer. The market price of an ENU Security will be affected by many variables not all of which are directly related to the success of ENU. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance or underlying asset values of such companies. There can be no assurance that such fluctuations will not affect the price of ENU Securities.

#### **4.15 Commodity price and exchange rate risks**

If and to the extent that ENU is involved in mineral production in the future, the revenue to be derived through the sale of commodities may expose the potential income of ENU to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of ENU such as supply and demand for uranium. Furthermore, international prices of uranium are commonly denominated in United States dollars, whereas the income and expenditure of ENU are and will be taken into account in Australian currency, exposing ENU to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets. In addition to adversely affecting the reserve estimates of ENU and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

#### **4.16 Economic risks**

General economic conditions in Australia and internationally, movements in interest, inflation and currency exchange rates, the global security situation and the possibility of terrorist disturbances, and changes which may occur to the taxation of companies, may each have an adverse effect on ENU's exploration, development and future mining and production activities, as well as on its ability to fund those activities.

## 5. HOW TO APPLY FOR SECURITIES UNDER THE OFFER

### 5.1 Minimum Subscription and Oversubscriptions

This Prospectus invites investors to apply for a minimum of 25,500,000 Shares to raise \$5,100,000, and up to a maximum of 30,500,000 Shares to raise up to \$6,100,000, at a price of \$0.20 for each Share, before the costs of the Offer. The minimum subscription to be raised under this Prospectus is \$5,100,000. In addition, 1 Attaching Option will be granted for nil consideration for every 2 Shares allotted, exercisable at \$0.25 by 31 March 2014.

No Securities will be issued pursuant to this Prospectus until the minimum subscription has been achieved and until ASX has granted in principle approval to admit ENU to the Official List on conditions which the Directors are confident can be satisfied. Should the minimum subscription not be reached within 4 months after the date of this Prospectus, all applications monies will be dealt with in accordance with the Corporations Act.

The Company believes the minimum subscription provides the Company with sufficient working capital to achieve its objectives as set out in Section 7.10 of this Prospectus.

All Shares to be issued under this Prospectus will rank equally with existing Shares on issue, the terms of which appear in Section 14. The Attaching Options will be granted on the terms appearing in Section 14.

The Offer comprises a General Offer, which also incorporates the ENT Offer to Eligible ENT Shareholders. Any Securities the subject of the ENT Offer which are not applied for by Eligible ENT Shareholders by the ENT Offer Closing Date and accepted by the Company, may be issued and allotted to applicants under the General Offer. The ENT Offer closes approximately two weeks before the General Offer closes, to facilitate this process.

### 5.2 Application For Securities – General Offer

An Application for Securities can only be made on the Application Form contained at the back of this Prospectus. The Application Form must be completed in accordance with the instructions set out on the Application Form. Applications must be for a minimum of 10,000 Shares (being minimum application monies of \$2,000), and thereafter in multiples of 1,000 Shares (\$200). The Application Form must be accompanied by a cheque in Australian dollars, for the full amount of your application monies. Cheques must be made payable to “**Enterprise Uranium Limited – Application Account**” and should be crossed “**Not Negotiable**”. There is no need to specify how many Attaching Options are being applied for.

Application Forms must not be circulated to prospective investors unless accompanied by a copy of this Prospectus. All application monies are payable in full on application. Completed Application Forms and accompanying cheques must be received by no later than 5.00 pm (WST) on the General Offer Closing Date by the Share Registry:

#### By Delivery to:

Computershare Registry Services Pty Ltd  
Level 2, 45 St Georges Terrace  
Perth WA 6000

#### By Post to:

Computershare Registry Services Pty Ltd  
GPO Box D182  
Perth WA 6840

The Company reserves the right to extend the Offer or close the Offer early without notice. Applicants are therefore urged to lodge their Application Form as soon as possible. An original, completed and lodged Application Form, together with a cheque for the application monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon allotment of the Securities.

If the Application Form is not completed correctly, or if the accompanying payment of the application monies is for the wrong amount, it may still be treated as valid. The Directors’ decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the application monies. The acceptance by the Company of any Application for Shares under the General Offer is not guaranteed and may be accepted in whole, in part or not at all depending on demand for Securities and other considerations the Board will have regard to such as achieving the necessary spread of shareholders to satisfy the ASX rules of admission to the Official List.

### 5.3 Application For Securities – ENT Offer

An Application for Securities under the ENT Offer can only be made on the personalised entitlement and acceptance form, the ENT Offer Form, which will be mailed to the ENT Shareholders who are registered as an ENT Shareholder on the ENT Offer Record Date, and therefore eligible to participate in the ENT Offer. The ENT Offer is being made to Eligible ENT Shareholders in order to satisfy ASX requirements under Listing Rule 11.4 applicable to ENT as a result of ENT and its various subsidiaries assigning the tenements to ENU comprising its five projects. The ENT Offer is not renounceable and it cannot be transferred.

A pool of 2,132,207 Shares is available to meet demand under the ENT Offer, which is based on a pro rata entitlement of Eligible ENT Shareholders to apply for 1 Share for every 100 ENT Shares held on the Record Date. Any Shares within that pool which are not applied for by Eligible ENT Shareholders by the ENT Offer Closing Date and accepted by the Company, may be issued and allotted to Applicants under the General Offer.

Eligible ENT Shareholders may apply for Securities under the General Offer instead of or in addition to an application under the ENT Offer. In that case, one cheque should be used for the total number of Shares applied for under both the General Offer and the ENT Offer.

The ENT Offer Form must be completed in accordance with the instructions set out on the ENT Offer Form. Applications must be for a minimum of 10,000 Shares (being minimum application monies of \$2,000), and thereafter in multiples of 1,000 Shares (\$200). This may mean for some Eligible ENT Shareholders that they must top up their entitlement under the ENT Offer in order to be able to make an Application for Shares, if their entitlement is such that the number of Shares they are entitled to apply for is less than 10,000 Shares. The ENT Offer Form must be accompanied by a cheque in Australian dollars, for the full amount of your application monies. Cheques must be made payable to “**Enterprise Uranium Limited – Application Account**” and should be crossed “**Not Negotiable**”.

ENT Offer Forms must not be circulated to prospective investors unless accompanied by a copy of this Prospectus. All application monies are payable in full on application. Completed Application Forms and accompanying cheques must be received by no later than 5.00 pm (WST) on the Closing Date by the Share Registry:

**By Delivery to:**

Computershare Registry Services Pty Ltd  
Level 2, 45 St Georges Terrace  
Perth WA 6000

**By Post to:**

Computershare Registry Services Pty Ltd  
GPO Box D182  
Perth WA 6840

#### 5.4 Brokerage Fees

No brokerage or stamp duty is payable by Applicants in respect of Applications for Securities under this Prospectus. The Lead Manager to the Offer, Patersons Securities Pty Ltd, will receive a fee equal to 5% of the total gross amount placed in the Offer. This fee will be rebated to the Company in relation to the Company introduced investors who subscribe for greater than \$20,000 and Shares which ENT applies for. All selling fees in relation to any valid applications lodged by any member organisation of ASX, licensed securities dealer or the holder of an Australian Financial Securities Licence, and accepted by the Company, will be paid by Patersons from this fee. More details about the fees paid to the Lead Manager are set out in Sections 15.4 and 16.6 of this Prospectus.

#### 5.5 Allocation and Allotment of Securities

The Company reserves the right to:

- (a) reject any Application;
- (b) allocate to any Applicant fewer Securities than the number applied for, (other than under the ENT Offer), or
- (c) reject or aggregate multiple applications in determining final allocations.

If an Application is not accepted or accepted in part only, the relevant portion of the application monies will be returned to Applicants, without interest. The Company reserves the right not to proceed with the Offer or any part of it at any time before the allocation of the Securities to Applicants. If the Offer or any part of it is cancelled, all application monies, or the relevant application monies will be refunded. The Company also reserves the right to close the Offer or any part of it early, or extend the Offer or any part of it, or accept late Applications Forms either generally or in particular cases. The allotment of Securities to Applicants will occur as soon as practicable after Application Forms and application monies have been received for the minimum subscription of Securities being offered and the General Offer has closed, and subject to ASX in principle approval for listing being received by the Company on terms the Directors are confident can be met, following which statements of shareholding will be dispatched.



### **5.6 Application Money Held in Trust**

All application monies will be deposited into a separate bank account of the Company and held in trust for Applicants until the Securities are issued or application monies returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

### **5.7 Applicants Outside Australia**

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. 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 such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to permit a public offering of the Securities in any jurisdiction outside Australia.





## 6. THE COMPANY'S PROJECTS

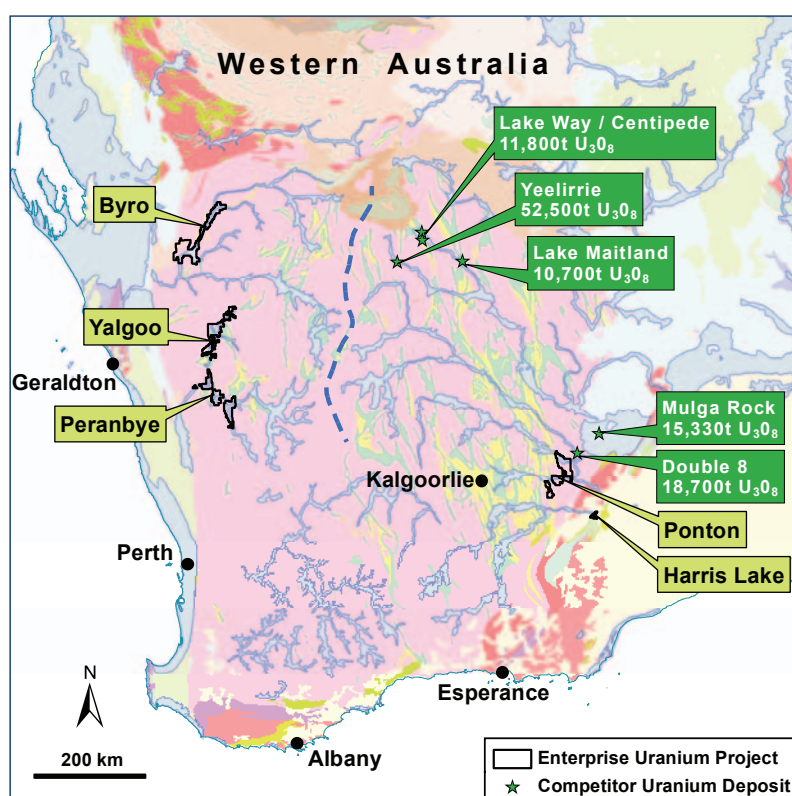
Following the acquisition of its five uranium exploration projects from Enterprise Metals Limited and its wholly owned subsidiaries in October 2012, Enterprise Uranium Limited is currently exploring five uranium projects targeting calcrete and sand hosted uranium mineralisation. Some of these projects also include other commodities as a secondary target. These projects are all located on the Yilgarn Craton in Western Australia, and are:

Project	Granted Tenements	Ungranted Tenements	Area (km <sup>2</sup> )	DMP annual minimum Expenditure	DMP annual minimum Expenditure (all granted)
Byro	1	4	1,943	\$166,000	\$635,000
Yalgoo	10	5	1,254	\$305,787	\$445,787
Peranbye	4	3	1,442	\$273,000	\$483,000
Ponton	5	0	1,216	\$412,000	\$412,000
Harris Lake	1	0	76	\$26,000	\$26,000
<b>Total</b>	<b>21</b>	<b>12</b>	<b>5,931</b>	<b>\$1,182,787</b>	<b>\$2,001,787</b>

**Table 1: Uranium Projects Tenement Summary**

Enterprise Uranium Limited's proposed exploration plans in the first year will focus on drill targets generated from the geophysical data, including magnetics, radiometrics and airborne electromagnetics. Planned works comprise initial Aboriginal heritage surveys and other stakeholder engagements, followed by drilling reconnaissance lines over first pass targets. All holes will be gamma probe logged and any uraniferous intervals will be submitted for chemical analysis.

Results from the first year will be followed up in the second year with infill and step out drilling. Metallurgical studies on drill samples will be done to identify any uranium mineralisation species and possible extraction methods.



**Figure 1: Enterprise Uranium Limited, Projects Location (and showing locations of uranium resources held by other companies).**

Investors should note that proximity to other discoveries is not a guarantee of success in relation to the Company's projects.

### 6.1 Byro Project

The Byro Project is located approximately 250km northeast of Geraldton and 600km north of Perth in the Murchison Province of Western Australia. The Project covers a 160km length of the drainage channels of the Murchison River.

The Project comprises one granted Exploration Licence (EL) and four Exploration Licence applications for a combined area of 1,943km<sup>2</sup>. Approximately 65% of the project area is covered by the Murchison Radio Astronomy Quiet Zone to which special conditions apply governing the emission of radio frequency radiation. A Radio Quiet Management Plan (RQMP) is approved for granted E 59/1617 which allows Enterprise Uranium to conduct on ground exploration. This RQMP does not deliver certainty that any RQMP's will be approved for the current tenement applications on the Byro Project.

Approximately 80-90% of the Project area is covered by Cainozoic alluvium, colluvium and river delta sediments. Hardpan, locally known as coffee rock, is extensively developed in the area. Calcrete also crops out sporadically along the drainage margins and also on the margins of Wooleen Lake.

Airborne radiometric survey data show an elevated uranium signature covering an area of 2.5 by 4.75km, on the interpreted palaeodelta and adjacent to mapped calcrete on the western margin of Wooleen Lake. An airborne electromagnetic (AEM) survey flown by the Enterprise Metals Limited in July 2012 over the Project suggests buried palaeochannels prospective for calcrete-hosted and sandstone-hosted uranium mineralisation are present in the Project area.

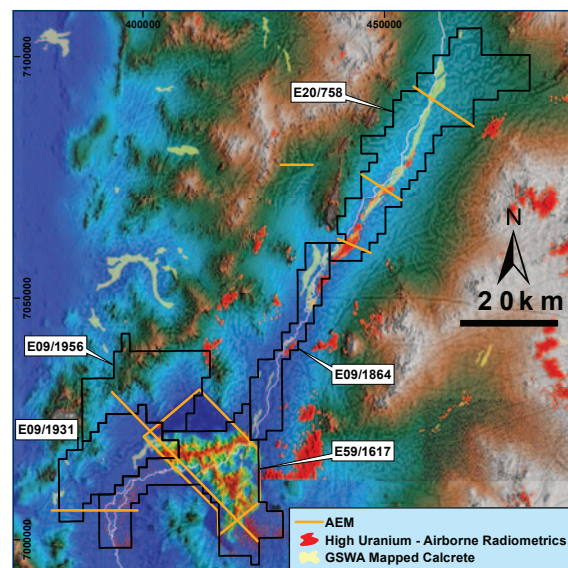


Figure 2: Byro Project, High Uranium and AEM survey Over Topography.

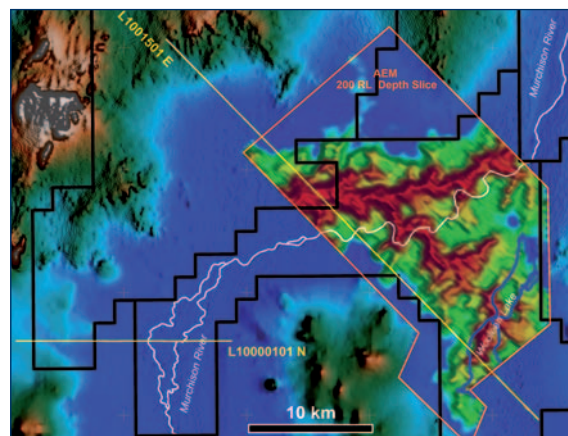


Figure 3: Detailed 400m Line Spaced AEM Survey Image over Inland Delta, ~100m Depth Slice.

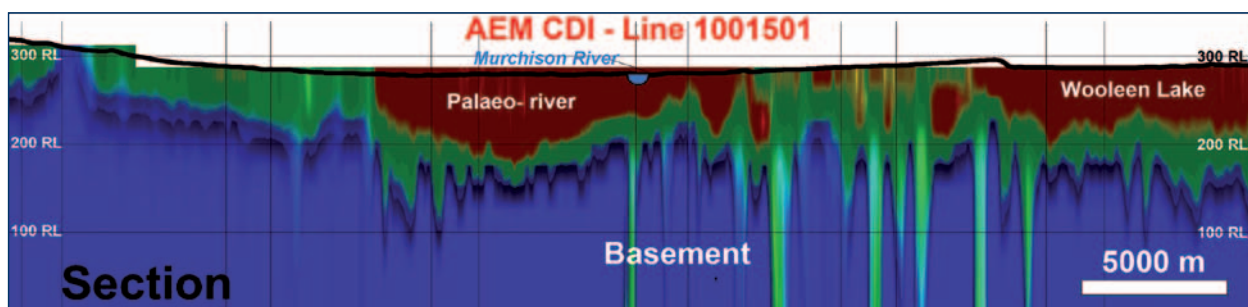


Figure 4: Exploration Licence 59/1617, AEM Conductivity Depth Image (CDI) Line 1001501.



## 6.2 Yalgoo Project

The Yalgoo Project is located around the township of Yalgoo in the Murchison region of Western Australia and is approximately 400km north of Perth. The Project comprises seven granted Exploration Licences, four EL applications, three granted Prospecting Licences and one Prospecting Licence (PL) application covering a total area of 1,254km<sup>2</sup>.

The Project area is located within the Salinaland physiographic division, which is characterised by wide valleys, comprised of colluvial material between areas of high ground with Archean granite-greenstone outcrop and Cainozoic sand plain. The Project area occurs within the Lake Mellenbye Basin with internal drainage to the south-southeast into the Salt River and the Burra Salt Lake.

Enterprise Metals Limited completed an airborne radiometric survey over the northern parts of the Yalgoo Project following up uranium anomalies identified in the government-flown data. The survey identified two major uranium anomalies for initial follow-up at Muggaburna Well and Salt Creek. The Muggaburna anomaly is directly related to a broad drainage channel 3.5km long and up to 700m wide. Eighteen of twenty four calcrete samples collected from within a drainage channel returned elevated uranium values ranging from 149 ppm to 418 ppm U. The remaining six samples ranged from 37ppm to 138ppm.

Preliminary shallow aircore drilling at Muggaburna in 2012 returned encouraging results from down hole natural gamma logging with nine holes yielding grade x thickness values over 200ppm eU<sub>3</sub>O<sub>8</sub>\*metres. The mineralised intersections are shallow (0-4m depth) and are centred on the uraniferous calcrete exposure in the Muggaburna creek bed in a zone 200-450m wide and 900m long. Mineralisation appears open to the NW and SE. Laboratory analytical results correlate with gamma logging results.

The Project tenements include many large areas of calcrete, with no apparent exploration history for uranium. These areas are often associated with elevated U channel response from the airborne radiometric survey data and remain prospective for calcrete-hosted uranium deposits. Palaeochannel sand-hosted uranium mineralisation is also a potential target in the Project area.

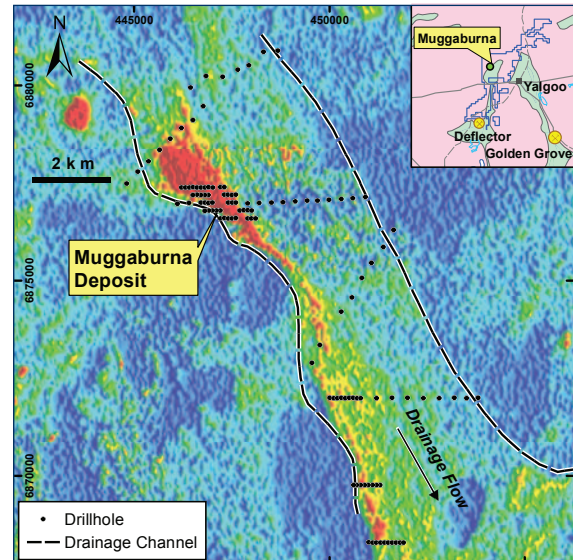


Figure 5: Muggaburna Prospect, Uranium Channel Radiometric Image with Rockchip Locations.

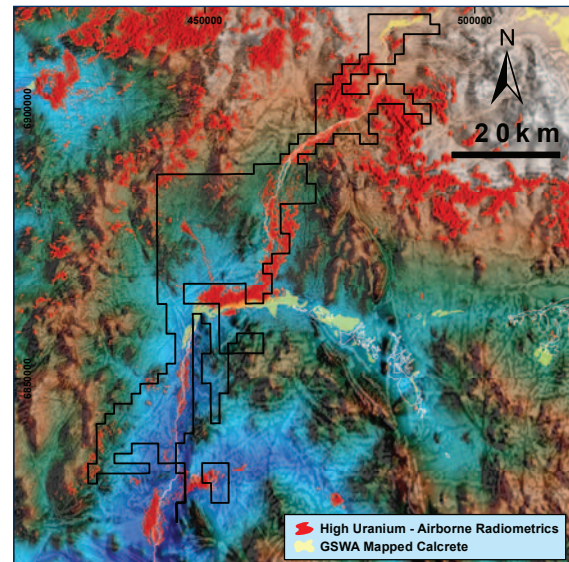


Figure 6: Yalgoo Project DTM, clipped U and calcrete map.



Figure 7: Calcrete in Muggaburna Creek.



### 6.3 Peranbye Project

The Peranbye Project is approximately 300km north of Perth close to the agricultural towns of Morawa and Perenjori and covers the drainage and tributaries that drain south and westwards through Lakes Moore, Monger and Weelhamby, terminating in the Yarra Yarra Lakes near Three Springs.

The Project comprises four granted Exploration Licences and three EL applications, covering an area of 1,442km<sup>2</sup>. The area is extensively covered by alluvial, colluvial, calcrete, and lacustrine deposits associated with the Moore, Monger and Weelhamby drainage systems. The depth of the cover sediments generally ranges from a few metres up to an estimated 80m.

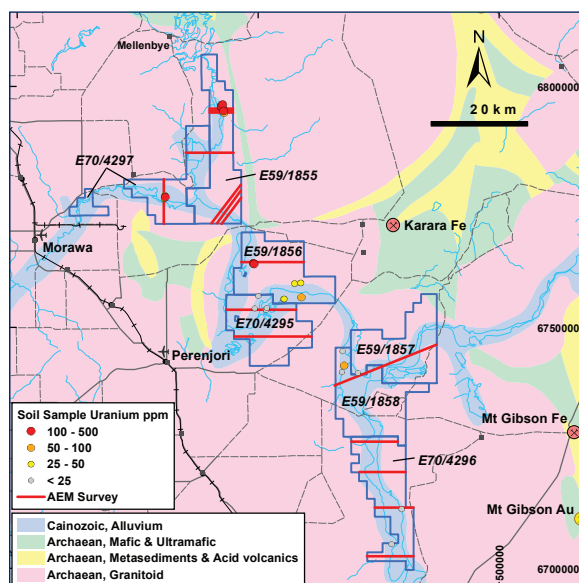
Following public release of the airborne geophysical survey data covering the Murgoo, Yalgoo and Perenjori mapsheets in February 2012 by the Geological Survey of Western Australian, Enterprise Metals Limited identified uranium anomalies in the data which were related to the major drainage systems and were often associated with mapped calcrete.

The EL applications were lodged and selected airborne radiometric anomalies were prioritised for follow-up with ground radiometrics and bulk soil sampling. The highest and most consistent spectrometer results were found at anomaly YG1 and eight bulk soil samples returned laboratory assays of up to 504 ppm U. The anomalous samples were associated with either gypsiferous clay, clay with calcrete nodules, or calcrete rubble.

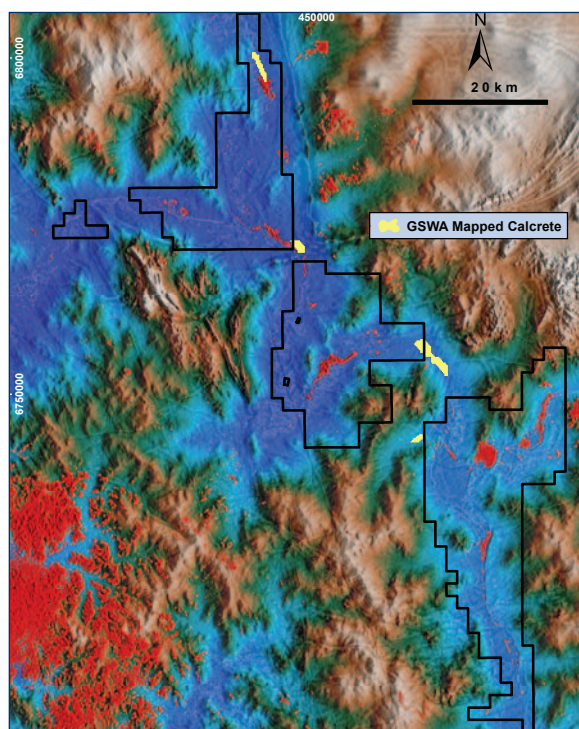
Significant anomalous U responses in spectrometer readings were also found at the PJ3 anomaly. The highest laboratory assay from bulk soil samples was 555 ppm U, with other strongly anomalous samples, including 406 ppm U. All the anomalous samples were associated with gypsiferous lacustrine clay.

The lowest assay result of the soil sampling of 2 ppm U was collected from the shoreline of Mongers Lake.

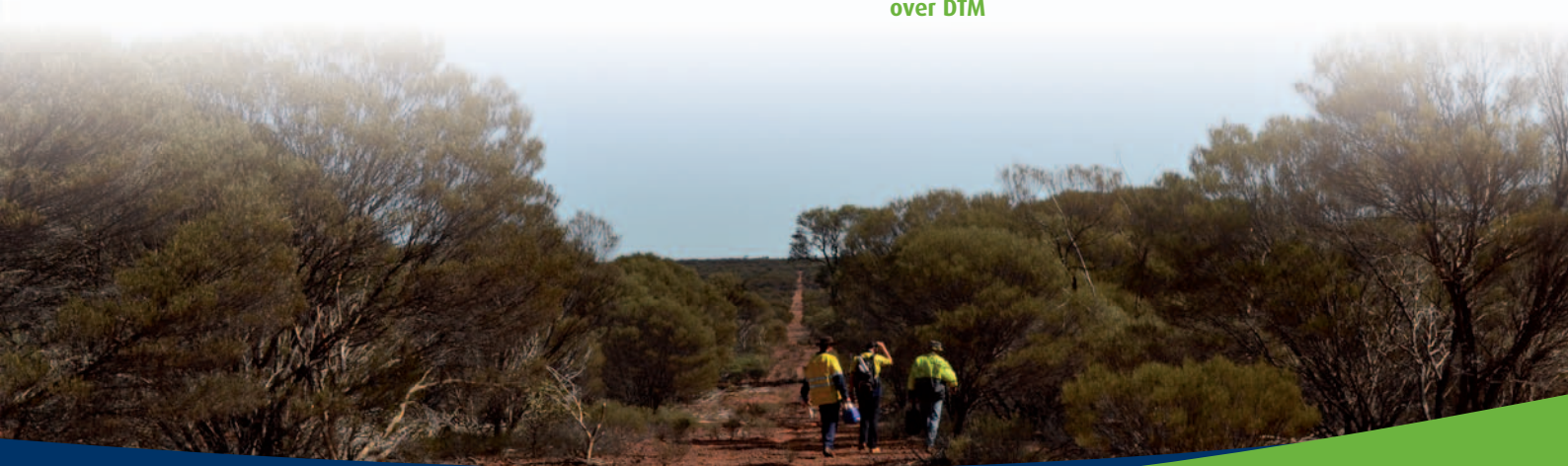
The extensive surface U anomalism confirms the movement of significant amounts of U through the palaeodrainage systems and suggests that with the appropriate trap site a significant deposit might be formed. An AEM survey completed in June 2012 confirmed the presence of extensive and deep palaeochannels below the present day lake and river systems. In several cases these directly correlate with uranium anomalies detected from the airborne radiometric survey data.



**Figure 8: Peranbye Project local geology dominated by drainage areas.**



**Figure 9: Peranbye Project, High Clipped Uranium over DTM**



#### 6.4 Ponton Project

The Ponton Project is located approximately 130km east of Kalgoorlie and 680km east-northeast of Perth. It comprises five granted Exploration Licences covering an area of 1,216km<sup>2</sup>. The Project covers the Lake Rebecca, Lake Yindana and Lake Roe drainage systems and tributaries. Away from these drainage systems, the area is covered by sand plains and low laterite plateaus near the Lake Yindana and Lake Rebecca playas. The salt lakes themselves are located close to the confluence of several major palaeodrainages up to 10km wide and greater than 100m deep which traverse the Yilgarn Craton and join to form the Ponton River, which drains into the western margin of the Eucla Basin.

To the immediate northeast of the Ponton Project lies Manhattan Corporation Ltd's Double 8 uranium deposit (17.2 Mlb U<sub>3</sub>O<sub>8</sub> at a 200ppm cutoff), and further to the northeast lies the Energy and Minerals Australia Ltd's Mulga Rock uranium deposit (54.04 Mlb U<sub>3</sub>O<sub>8</sub> at a 200ppm cutoff). At Mulga Rock, uranium mineralisation occurs in Eocene sediments within palaeochannels eroded into underlying Permian mudstones. At the Double 8 Deposit, uranium mineralisation is hosted by carbonaceous sand in Tertiary palaeochannels below 40 to 60m of sedimentary cover. These are hosted by equivalent palaeoenvironments and represent comparable styles of mineralisation to those being targeted by Enterprise Uranium at Ponton. Investors should note that proximity to other discoveries is not a guarantee of success in relation to the Company's projects.

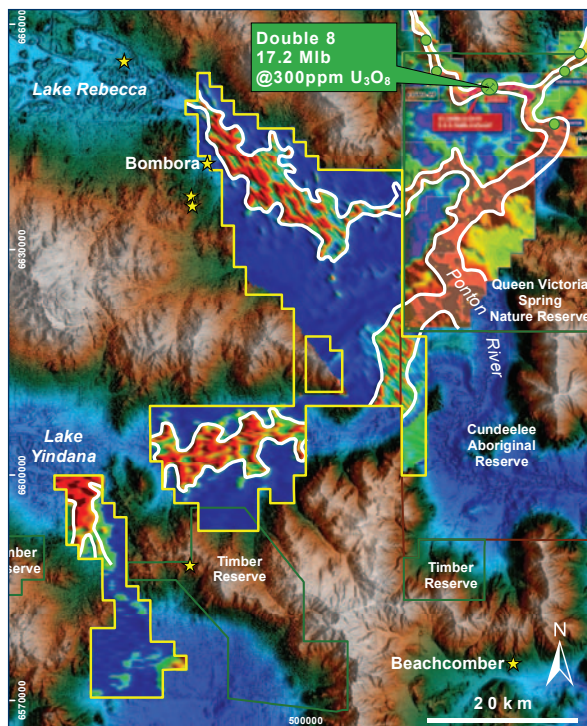


Figure 10. AEM Defined Paleochannels on DTM Image

In July 2012, Enterprise Metals Limited commissioned an AEM survey over the project on 1 km flight line spacing. This survey has confirmed the presence of broad, deep palaeochannels up to 150m deep which are prospective for sand/sandstone hosted uranium mineralisation. Airborne magnetic survey data also suggest the Project contains concealed extensions of greenstone belts known to host gold mineralisation immediately adjacent to the Project.

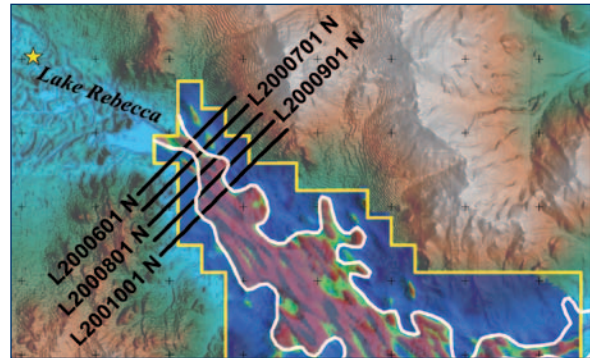


Figure 11. E28/2206: Location of Sample CDI Lines

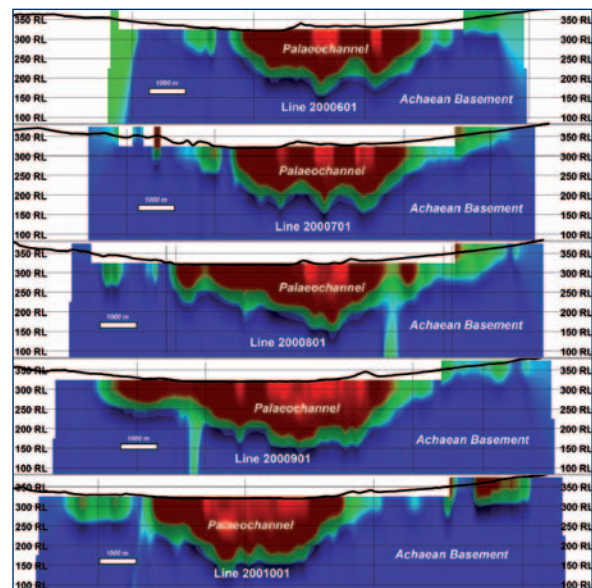


Figure 12. Sample Conductivity Depth Images (CDI's).



### 6.5 Harris Lake Project

The Harris Lake Project is located 25km south of Zanthus and 200km east of Kalgoorlie. The Project is held as a single granted Exploration Licence covering 76.4km<sup>2</sup>. Harris Lake dominates the central and northwestern part of the tenement area and marks the confluence of several channels draining from the south, west and northwest. The remainder of the licence is covered by extensive alluvial and colluvial sand and silt with little topographic variation.

Exploration focused on the drainage systems associated with Harris Lake and Lake Rivers was completed by Uranerz (Australia) Pty Ltd (**URL**) during 1974-1978. Their drilling identified several palaeochannels and a maximum value of 138ppm U<sub>3</sub>O<sub>8</sub> from 22-23m depth was intersected 7km to the north of the Project. Prospecting around the western and northern edges of Harris Lake revealed strong radioactivity over polygonal fractures in ferruginous cover where seepages were encountered.

Most of the seepages lie to the west, although some are associated with radiometric responses within the company's tenement. Five samples were collected from an auger hole on one of the anomalies at the north end of the lake. All samples were strongly radioactive but they all assayed below detection limits for U<sub>3</sub>O<sub>8</sub>. URL concluded that at least part of the large surface anomaly tested by them was due to daughter products of uranium (radium and radon) which were emanating from a uranium source within a palaeochannel.

A detailed aeromagnetic and radiometric survey covering the Project was flown by Enterprise Metals Limited in March 2011 and identified four radiometric anomalies associated with the Harris Lake drainage system. An airborne EM survey flown in July 2012 has confirmed the presence of a concealed deep palaeochannel traversing the licence area. This represents an immediate target for initial reconnaissance drill testing.

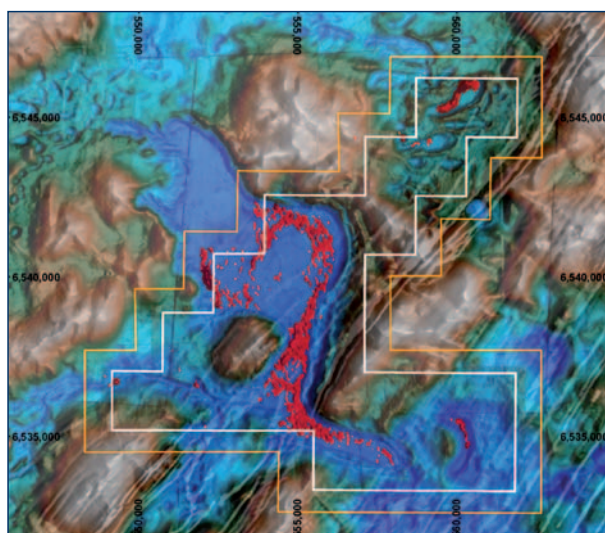


Figure 13. DTM with clipped U and AEM area.

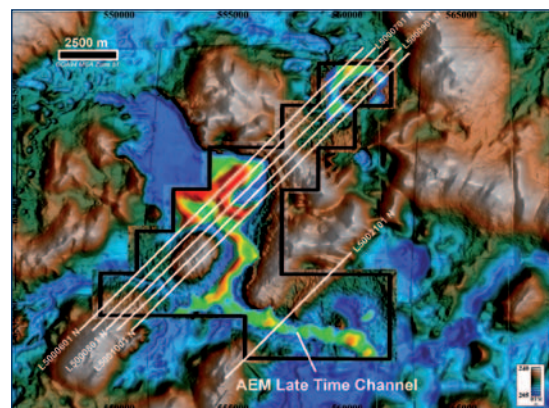


Figure 14. AEM Image over DTM, with Sample Flight Lines Shown.

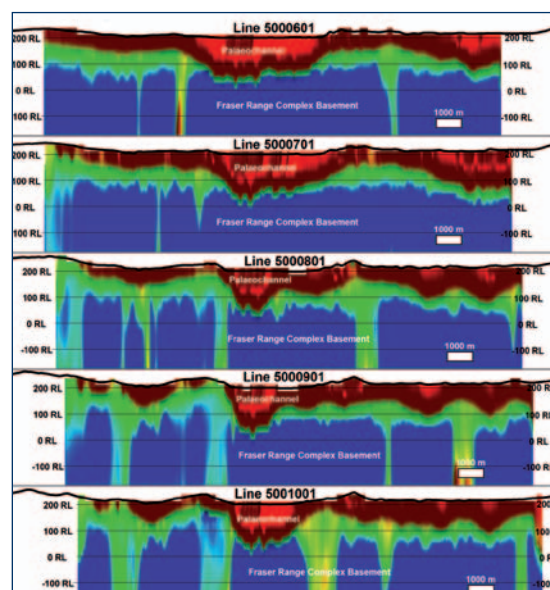


Figure 15. Sample CDI's from Northern Area

## 7. PURPOSE OF OFFER AND USE OF FUNDS RAISED BY THE OFFER

### 7.1 Purpose of the Offer

The purpose of the Offer is to:

- (a) raise capital to finance the exploration and evaluation activities on the Company's projects in accordance with the work programs referred to below and in the Independent Geological Report in Section 10 of the Prospectus;
- (b) achieve admission of Enterprise Uranium to the Official List of ASX, which will provide the Company with improved access to capital markets and deliver increased liquidity to the current Enterprise Uranium Shareholders, and
- (c) secure one or two cornerstone investors if possible and allow the public to invest in Enterprise Uranium and to allow its existing Shareholders to increase their shareholdings in Enterprise Uranium.

As a result of the Demerger which is due to be completed on 30 October 2012, the shareholders of Enterprise Metals Limited will hold approximately 58% of the Securities on issue post listing following a successful listing on ASX. Enterprise Metals Limited has expressed an intention to apply for up to 13,500,000 Shares in order to hold approximately 18% of the total Securities on issue. In addition, the ENU Board are keen to have one or two cornerstone investors on the Company's share register, to hold up to approximately 7% each in the Company on post listing following a successful listing on ASX.

### 7.2 Use of Proceeds of Offer

The objective is to raise a minimum of \$5,100,000 by the issue of 25,500,000 Shares (and 12,750,000 Attaching Options) to:

- (a) fund the exploration and evaluation of the Company's granted tenements in accordance with the work programs detailed in Sections 7.10-7.12;
- (b) fund the corporate and administrative activities of the Company;
- (c) meet the costs of the Issue; and
- (d) provide working capital and funding should the Company's tenement applications be granted, and for any future acquisitions, including as a result of any exercise of the Attaching Options.

The Board has elected to accept oversubscriptions of up to a total of 5,000,000 additional Shares (and 15,250,000 Attaching Options), to raise up to a total aggregate of \$6,100,000 to fund the additional exploration detailed in Sections 7.10-7.12.

### 7.3 ASX Listing

The Company will apply to ASX within 7 days after the date of this Prospectus for admission to the Official List and for Official Quotation of the Shares and Attaching Options, other than those existing Shares and Attaching Options that the ASX is likely to treat as restricted securities as defined in the ASX Listing Rules. Further information in relation to escrow is provided in Section 17.3.

If the Shares are not admitted to official quotation within 3 months after the date of this Prospectus, the Shares offered by this Prospectus will not be allotted or issued in accordance with the timetable in Section 1, and all Applications will be dealt with in accordance with the Corporations Act.

The fact that ASX may admit the Company to the Official List is not to be taken in any way as an indication of the merits of the Company or the Securities. ASX, its officers and employees, take no responsibility for the contents of this Prospectus.

### 7.4 Funds available to the Company

	\$5.1 million raising	\$6.1 million raising
Pre-float funds*	nil	nil
Total IPO funds	\$5,100,000	\$6,100,000

\* The Company has funded its expenses in relation to making this Offer out of a loan facility made available to the Company by Enterprise Metals Limited, its former parent company prior to the Demerger. The terms of the loan and repayment terms are detailed in Section 15.5.



### 7.5 Application of funds

The budgeted expenditure figures for the Company for the first two years following listing are set out below:

	Minimum	Maximum
Use of funds over 2 years	\$	\$
Pre-Offer cash and receivables (Loan)	500,000	500,000
Total raised in the Offer	5,100,000	6,100,000
<b>Total Funds Available</b>	<b>5,600,000</b>	<b>6,600,000</b>
<b>Exploration Expenditure - Year 1</b>		
Byro Project	202,000	270,000
Yalgoo Project	308,000	325,000
Peranbye Project	275,000	297,000
Ponton Project	412,000	415,000
Harris Lake Project	203,000	242,000
<b>Exploration Expenditure - Year 2</b>		
Byro Project	202,000	270,000
Yalgoo Project	308,000	341,000
Peranbye Project	275,000	297,000
Ponton Project	412,000	412,000
Harris Lake Project	203,000	242,000
<b>Exploration Expenditure - sub total</b>	<b>2,800,000</b>	<b>3,111,000</b>
Expenses of the offer	302,831	374,181
Administration and Capital Items	1,007,380	1,011,507
Repayment of Loan to Enterprise Metals Limited	500,000	500,000
Unallocated exploration expenditure	989,789	1,603,313
<b>Total Funds Applied</b>	<b>5,600,000</b>	<b>6,600,000</b>

The amount available as working capital will be applied if and when current exploration licence applications become granted, and where appropriate, to accelerate exploration expenditure on the Company's current granted tenure. Sections 7.10-7.12 of the Prospectus detail the intended exploration programs and budgets for current granted tenements and for current tenement applications which may become granted in the first year after listing on ASX.

The above table is a statement of current intentions as at the date of lodgement of the Prospectus with ASIC. As with any budget, intervening events and new circumstances have the potential to affect the way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

### 7.6 Capital Structure

As at the date of this Prospectus, the issued share capital of the Company is 42,644,155 Shares. The capital structure at completion of the Offer, assuming the Offer is fully subscribed, is set out below:

Capital Structure	Number Of Securities (minimum subscription)	% of Shares*	Number Of Securities (maximum subscription)	% of Shares*
Shares on issue as at the date of the Prospectus	42,644,155	63%	42,644,155	58%
Shares to be issued pursuant to the Prospectus	25,500,000	37%	30,500,000	42%
<b>Total Shares on issue at the close of the Offer</b>	<b>68,144,155</b>	<b>100%</b>	<b>73,144,155</b>	<b>100%</b>
<b>Attaching Options to be issued pursuant to the Prospectus</b>	<b>12,750,000</b>		<b>15,250,000</b>	

\* If between \$5.1 million and \$6.1 million is raised, these percentage figures will change.

The Company currently has no Options on issue. The terms of the Attaching Options appear in Section 14.

The Directors' respective voting power in the Company is disclosed in Section 15.8 of the Prospectus.

Details about anticipated escrow arrangements which ASX are expected to impose on Shares and Attaching Options are provided in Section 17.3 of the Prospectus.

### 7.7 Dividend Policy

The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Company's projects. These activities are expected to dominate the two year period following the issue of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period. The Directors will consider paying dividends in subsequent years, subject to available cash flow and capital requirements.

### 7.8 Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the Company is a mineral exploration company. Due to the speculative nature of exploration, there are significant uncertainties associated with forecasting future revenues from the Company's proposed activities.

### 7.9 Costs of the Issue

It is estimated that the following costs of the issue will be incurred by the Company:

<b>Costs of issue Summary</b>	<b>Minimum \$</b>	<b>Maximum \$</b>
Broker Fee	75,000	145,000
Corporate Advisory Fees	80,000	80,000
Investigating Accountant's Fee	10,000	10,000
Prospectus design, printing and posting	18,000	18,000
ASIC and ASX Fees	64,831	64,831
Independent Geologist's Fee	25,000	25,000
Legal Fees associated with the Offer	20,000	20,000
Independent Solicitor's Report	5,000	5,000
Miscellaneous Contingency	5,000	5,000
<b>Total Estimated Costs of the Issue</b>	<b>302,831</b>	<b>374,181</b>

### 7.10 Summary Of Exploration Budgets - tenements currently granted

The exploration budget for all the tenements which are currently granted if the minimum subscription is raised (\$5.1 million) and if the Offer is fully subscribed (\$6.1 million) is as follows:-

	<b>\$5.1 million raising</b>			<b>\$6.1 million raising</b>		
	<b>Year 1</b>	<b>Year 2</b>	<b>Total</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Total</b>
Byro	\$202,000	\$202,000	\$404,000	\$270,000	\$270,000	\$540,000
Yalgoo	\$308,000	\$308,000	\$616,000	\$325,000	\$341,000	\$666,000
Peranbye	\$275,000	\$275,000	\$550,000	\$297,000	\$297,000	\$594,000
Ponton	\$412,000	\$412,000	\$824,000	\$415,000	\$412,000	\$827,000
Harris Lake	\$203,000	\$203,000	\$406,000	\$242,000	\$242,000	\$484,000
<b>Total</b>	<b>\$1,400,000</b>	<b>\$1,400,000</b>	<b>\$2,800,000</b>	<b>\$1,549,000</b>	<b>\$1,562,000</b>	<b>\$3,111,000</b>

The following table provides more detail about how the budget for each Project in the table above will be expended in order to meet the Company's objectives on the Projects.

## Application of Exploration Funds on Tenements (granted at Listing):

<b>Byro Project</b>			<b>\$5.1 million raising</b>			<b>\$6.1 million raising</b>		
Activity Cost	Year 1	Year 2	Total	Year 1	Year 2	Total		
Native title and stakeholder	\$45,000	\$45,000	\$90,000	\$45,000	\$45,000	\$90,000		
Geological Activities	\$15,000	\$15,000	\$30,000	\$20,000	\$20,000	\$40,000		
Geophysical Activities	\$0	\$0	\$0	\$0	\$0	\$0		
Drilling Activities and assaying	\$124,000	\$124,000	\$248,000	\$180,000	\$180,000	\$360,000		
Direct Project Administration	\$18,000	\$18,000	\$36,000	\$25,000	\$25,000	\$50,000		
<b>Byro Total</b>	<b>\$202,000</b>	<b>\$202,000</b>	<b>\$404,000</b>	<b>\$270,000</b>	<b>\$270,000</b>	<b>\$540,000</b>		
<b>Yalgoo Project</b>			<b>\$5.1 million raising</b>			<b>\$6.1 million raising</b>		
Activity Cost	Year 1	Year 2	Total	Year 1	Year 2	Total		
Native title and stakeholder	\$55,000	\$50,000	\$105,000	\$55,000	\$55,000	\$110,000		
Geological Activities	\$35,000	\$20,000	\$55,000	\$40,000	\$25,000	\$65,000		
Geophysical Activities	\$0	\$50,000	\$50,000	\$0	\$70,000	\$70,000		
Drilling Activities and assaying	\$190,000	\$160,000	\$350,000	\$200,000	\$160,000	\$360,000		
Direct Project Administration	\$28,000	\$28,000	\$56,000	\$30,000	\$31,000	\$61,000		
<b>Yalgoo Total</b>	<b>\$308,000</b>	<b>\$308,000</b>	<b>\$616,000</b>	<b>\$325,000</b>	<b>\$341,000</b>	<b>\$666,000</b>		
<b>Peranbye Project</b>			<b>\$5.1 million raising</b>			<b>\$6.1 million raising</b>		
Activity Cost	Year 1	Year 2	Total	Year 1	Year 2	Total		
Native title and stakeholder	\$50,000	\$50,000	\$100,000	\$50,000	\$50,000	\$100,000		
Geological Activities	\$25,000	\$15,000	\$40,000	\$30,000	\$20,000	\$50,000		
Geophysical Activities	\$0	\$50,000	\$50,000	\$0	\$50,000	\$50,000		
Drilling Activities and assaying	\$175,000	\$135,000	\$310,000	\$190,000	\$150,000	\$340,000		
Direct Project Administration	\$25,000	\$25,000	\$50,000	\$27,000	\$27,000	\$54,000		
<b>Peranbye Total</b>	<b>\$275,000</b>	<b>\$275,000</b>	<b>\$550,000</b>	<b>\$297,000</b>	<b>\$297,000</b>	<b>\$594,000</b>		
<b>Ponton Project</b>			<b>\$5.1 million raising</b>			<b>\$6.1 million raising</b>		
Activity Cost	Year 1	Year 2	Total	Year 1	Year 2	Total		
Native title and stakeholder	\$55,000	\$0	\$55,000	\$55,000	\$0	\$55,000		
Geological Activities	\$30,000	\$20,000	\$50,000	\$33,000	\$20,000	\$53,000		
Geophysical Activities	\$0	\$70,000	\$70,000	\$0	\$70,000	\$70,000		
Drilling Activities and assaying	\$290,000	\$285,000	\$575,000	\$290,000	\$285,000	\$575,000		
Direct Project Administration	\$37,000	\$37,000	\$74,000	\$37,000	\$37,000	\$74,000		
<b>Ponton Total</b>	<b>\$412,000</b>	<b>\$412,000</b>	<b>\$824,000</b>	<b>\$415,000</b>	<b>\$412,000</b>	<b>\$827,000</b>		
<b>Harris Lake Project</b>			<b>\$5.1 million raising</b>			<b>\$6.1 million raising</b>		
Activity Cost	Year 1	Year 2	Total	Year 1	Year 2	Total		
Native title and stakeholder	\$50,000	\$50,000	\$100,000	\$50,000	\$50,000	\$100,000		
Geological Activities	\$15,000	\$15,000	\$30,000	\$20,000	\$20,000	\$40,000		
Geophysical Activities	\$0	\$0	\$0	\$0	\$0	\$0		
Drilling Activities and assaying	\$120,000	\$120,000	\$240,000	\$150,000	\$150,000	\$300,000		
Native title and stakeholder	\$18,000	\$18,000	\$36,000	\$22,000	\$22,000	\$44,000		
<b>Harris Lake Total</b>	<b>\$203,000</b>	<b>\$203,000</b>	<b>\$406,000</b>	<b>\$242,000</b>	<b>\$242,000</b>	<b>\$484,000</b>		
<b>Total</b>	<b>\$1,400,000</b>	<b>\$1,400,000</b>	<b>\$2,800,000</b>	<b>\$1,549,000</b>	<b>\$1,562,000</b>	<b>\$3,111,000</b>		

### 7.11 Summary Of Exploration Budgets –for all granted tenements and if all tenement applications are granted within first year after listing

The exploration budget for all the current granted tenements and assuming that all of the current tenement applications are granted within the first year after listing on ASX if the minimum subscription is raised (\$5.1 million) and if the Offer is fully subscribed (\$6.1 million) is as follows:

	\$5.1 million raising			\$6.1 million raising		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Byro	\$202,000	\$202,000	\$404,000	\$202,000	\$202,000	\$404,000
Yalgoo	\$460,000	\$460,000	\$920,000	\$460,000	\$460,000	\$920,000
Peranbye	\$485,000	\$485,000	\$970,000	\$485,000	\$485,000	\$970,000
Ponton	\$420,000	\$420,000	\$840,000	\$420,000	\$420,000	\$840,000
Harris Lake	\$210,000	\$200,000	\$410,000	\$210,000	\$200,000	\$410,000
<b>Total</b>	<b>\$1,777,000</b>	<b>\$1,767,000</b>	<b>\$3,544,000</b>	<b>\$1,777,000</b>	<b>\$1,767,000</b>	<b>\$3,544,000</b>

The working capital amounts shown in the table in Section 7.5 of the Prospectus are sufficient to cover this expenditure, should it become possible as a result of all the current tenement applications becoming granted within the first year after listing on ASX.

## 8. PROFILES OF DIRECTORS

Enterprise Uranium has assembled an experienced and well-respected board and management team comprising Ms Anna Mao, Mr Trevor Saul, Mr Dermot Ryan, Dr Zhen Huang and Mr Michael Atkins.

### ***Ms Anna Mao - Non-Executive Chairperson, M.B.A.***

Ms Mao is CEO and Director of Worldtex Capital Resources Limited, a privately owned capital and investment company focusing in industry metals, precious metals and coal, incorporated in Hong Kong. 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 organisations, 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.

Ms Mao is a creative leader and entrepreneur with 20 years' rich experience and knowledge in finance and operation. She co-founded and developed several successful businesses both in China and Canada. Ms Anna Mao graduated from Beijing Institute of Technology University in 1991, and obtained her MBA from Richard Ivey Business School of Western Ontario University in 2003. Ms Anna Mao is also a director and Founder of Sino Link Capital Resources Limited, and Non-Executive Director of Enterprise Metals Limited. She is a Canadian Citizen and resident in Beijing.

### ***Mr Trevor Saul - Managing Director, B.Sc. (Geol) Hons***

Mr Saul is a Member of the Australasian Institute of Mining and Metallurgy and is a graduate from New England University in N.S.W. He has 17 years' experience in mining, geotechnical and exploration roles. His experience has been gained in uranium, gold, base metals, mineral sands, iron ore and manganese exploration and development in WA and NT. He has held senior positions in uranium, gold, base metal and bulk mineral exploration companies including as uranium Exploration Manager for ENT from April to October 2012. Mr Saul has no other directorships.

### ***Mr Dermot Ryan - Non-Executive Director, B.App.Sc (Geol)***

Mr Ryan is a Fellow of the Australasian Institute of Mining and Metallurgy, a Fellow of the Australian Institute of Geoscientists, has Chartered Professional (CP) accreditation in the discipline of Geology and is a graduate from Curtin University in Western Australia. He has over 35 years experience in the discovery and successful development of gold, base metals, iron ore, diamond and uranium deposits. He spent 20 years with the CRA (Rio Tinto) group of companies, including ten years as Chief Geologist for CRA Exploration in various parts of Australia and was then GM Exploration for Great Central Mines / Normandy Yandal Operations in the 5 year period up to 2001. Over the past 11 years he has acted as a mineral exploration consultant to private and public exploration companies in Western Australia. Mr Ryan is currently a Non -Executive Director of ASX listed Legend Mining Limited (ASX:LEG) and Managing Director of ASX listed Enterprise Metals Limited.

### ***Dr Zhen Huang - Non-Executive Director PhD (Geol)***

Dr. Huang is currently a Director of Sinotech Minerals Exploration Co., Ltd, founded in 2004 and is now one of the larger mineral exploration companies in the world. Its major shareholder is Beijing Institute of Geology for Mineral Resources. In the past, Sinotech Minerals Exploration Co. Ltd has discovered numerous world class mineral deposits in China, and more recently has discovered a porphyry copper deposit in Chile and a VMS style copper/gold deposit in Ethiopia. Sinotech Minerals Exploration Co. Ltd and its subsidiary SinoTech (Hong Kong) Corporation Limited (currently a 33% shareholder in ENT) are Chinese government owned or controlled entities.

Dr Huang is also Managing Director of SinoDrill Co. Ltd. Prior to his appointment he was Director of Geology Department of China National Nonferrous Metals Industry Corporation. Dr. Huang has 29 years of experience in non-ferrous minerals exploration and ever since 1999, he has actively established four technical service companies covering engineering construction, drilling, environment engineering and mining investment, all of which have made significant achievements. Dr Huang is a resident of Beijing in the People's Republic of China. Dr Huang has recently resigned as a Non-Executive Director of ASX listed Enterprise Metals Limited (ASX:ENT).



***Mr Michael Atkins – Non-Executive Director, B.Comm, FAICD***

Mr Atkins is a Fellow of the Australian Institute of Company Directors. He was a founding partner of a national Chartered Accounting practice from 1979 to 1987 and was a Fellow of the Institute of Chartered Accountants in Australia until resigning in June 2011.

Between 1987 and 1998 he was a Director of, and involved in the executive management of, several publicly listed resource companies with operations in Australia, USA, South East Asia and Africa. From 1990 to 1995 he was Managing Director and later a Non-Executive Director of Claremont Petroleum NL and Beach Petroleum NL during their reconstruction, and then remained as a Non-Executive Director until 1995. He was also founding Executive Chairman of Gallery Gold Limited until 1998, and remained a Non-Executive Director until 2000.

Since February 2009 Mr Atkins has been a Director - Corporate Finance at Patersons Securities Limited where he advises on the formation of, and capital raising for, emerging companies in the Australian resources sector. He is currently Non-Executive Chairman of Australian listed companies Azumah Resources Limited and Legend Mining Limited. Previously he has been a Director of Matsa Resources Limited and Westgold Resources Limited.



*Dr Zhen Huang, Mr Trevor Saul, Ms Anna Mao, Mr Dermot Ryan and Mr Michael Atkins.*

## 9. A SNAPSHOT OF THE URANIUM INDUSTRY

### 9.1 Background to uranium exploration and mining

Uranium is the world's heaviest, naturally occurring element and is found in soil, rocks, human tissue, food, water and the ocean. It is probably as common as tin or zinc. The major primary ore mineral is uraninite ( $\text{UO}_2$ ), or pitchblende (better known as  $\text{U}_3\text{O}_8$ ).

Uranium exploration in Australia began in 1944 at the request of the British government. Mining occurred between 1954 and 1971, declining until the Australian government lifted an export embargo, and predictions of increased world demand for uranium in the early 1970's for the generation of electricity in nuclear power stations stimulated more mining.

Uranium is currently used in the keels of yachts, and as counterweights for aircraft control surfaces, radiation shielding, and, for electricity generation. Most uranium is used to fuel nuclear power stations, to generate electricity as an alternative to fossil fuel (coal, gas) or hydro electric generation. Generally speaking a nuclear power plant operates basically the same way as a fossil fuel plant, except the source of heat in a nuclear plant is the fission (split) of the uranium atoms. The heat boils water to make the steam that turns the turbine-generator. The reactor core is the name given to the part of the nuclear power plant where the fission occurs and the heat is produced.

Many consider that nuclear energy, fuelled by uranium, represents the cleanest, safest and most efficient energy source (in terms of electricity) currently available, because they consider that it reduces or avoids carbon dioxide emissions which they believe account for half of the human-contributed portion of the global warming effect of the atmosphere.

Australia currently has three uranium mines, Ranger in the Northern Territory, Olympic Dam in South Australia, and Beverley in South Australia.

Uranium can be mined in three different ways – open cut, underground and in situ leaching. Once the ore is mined it is finely ground and the uranium is extracted through conventional processes involving mineral separation with acid or alkali, then the ore is concentrated in uranium oxide, also called "yellowcake".

There is currently no mining of uranium in Western Australia. The operating uranium mines in Australia currently supply uranium under long term contracts to electricity utilities in the USA, Japan, some European Union countries (UK, France, Germany, Spain, Sweden, Belgium and Finland) South Korea and Canada. Australia is a signatory to the Nuclear Non – Proliferation Treaty which requires that all signatories will only supply uranium oxide to other signatories, and only for peaceful purposes such as electricity generation.

During exploration the storage and monitoring of uranium is conducted according to strict requirements of the WA Department of Mines and Petroleum ("DMP") Environment Division and other environmental authorities in Australia. Registered radiation safety officers are involved at all stages from exploration to extraction, assaying and return of samples to the ground. Uranium is transported in the form of yellowcake from mine sites in sealed drums for shipping under safety guidelines. For some 40 years other radioactive material has been transported within Western Australia and the rest of Australia without major incident or adverse health effects. Most mineral sands contain uranium or thorium.

The radioactive materials industry is regulated by the DMP's Resources Safety Division and the Environment Division, the Radiological Council of Western Australia (which is part of the Health Department), the WA Department of Environment and Conservation, the WA Environmental Protection Authority, and on a Federal level, by the Department of Environment, Water, Heritage and the Arts; the Department of Resources, Energy and Tourism, The Australian Nuclear Non-Proliferation Office, the Australian Radiological Protection and Nuclear Safeguard Authority and the Nuclear Non-Proliferation Treaty of Australia

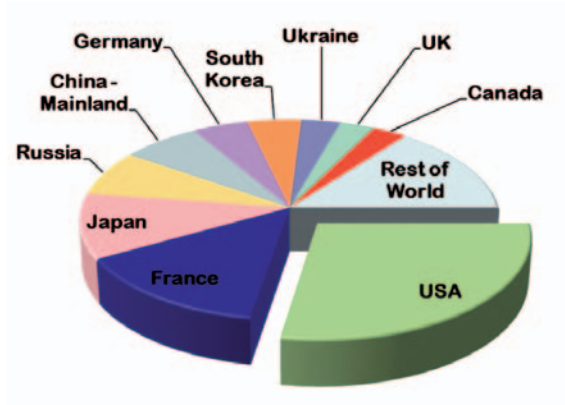
The current WA State Government supports exploration and mining for uranium, demonstrated by the lifting of the ban on uranium mining in November 2008. However the current Western Australian government will not:

- a) support the construction or operation of a nuclear power facility in Western Australia, and has legislation in place to prevent nuclear waste being brought into Western Australia, and
- b) allow the export of uranium through any ports surrounded by residential development.

This means that proposed routes of export of uranium which may become mined in Western Australia typically involve road or rail transport on authorised transport routes into South Australia or the Northern Territory, and export by ship from Port Adelaide or Darwin.

## 9.2 Demand for uranium

World demand for uranium is increasing as demand for electricity increases. It is anticipated by industry commentators that world demand for electricity will require electricity generation to double in a little over 20 years. Nuclear energy is carbon free and can provide reliable base load power at an acceptable cost. The top ten uranium consumers in 2010 are shown below.



Source: World Nuclear Association (WNA) & CRU Group

Country	2010
USA	18,726
France	9,539
Japan	7,130
Russia	4,971
China - Mainland	4,628
Germany	3,255
South Korea	3,139
Ukraine	2,304
UK	2,032
Canada	1,999
<b>Top 10</b>	<b>57,723</b>
Rest of World	9,908
<b>WORLD Total</b>	<b>67,632</b>

The latest 'Uranium Red Book' published in July 2012 says:

*"By the year 2035, world nuclear electricity generating capacity is projected to grow from 375 GWe net (at the end of 2010) to between 540 GWe net in the low demand case and 746 GWe net in the high demand case, increases of 44% and 99% respectively. Accordingly, world annual reactor-related uranium requirements are projected to rise from 63,875 tonnes of uranium metal (tU) at the end of 2010 to between 98,000 tU and 136 000 tU by 2035".*

*"Secondary supplies in a number of forms cover the supply gap that cannot currently be filled by mined uranium each year. The large part of those secondary supplies is former nuclear weapons material, mostly Highly Enriched Uranium (HEU) which is blended down under an arrangement between the United States and Russian Federation governments from military grade to civil reactor grade materials.*

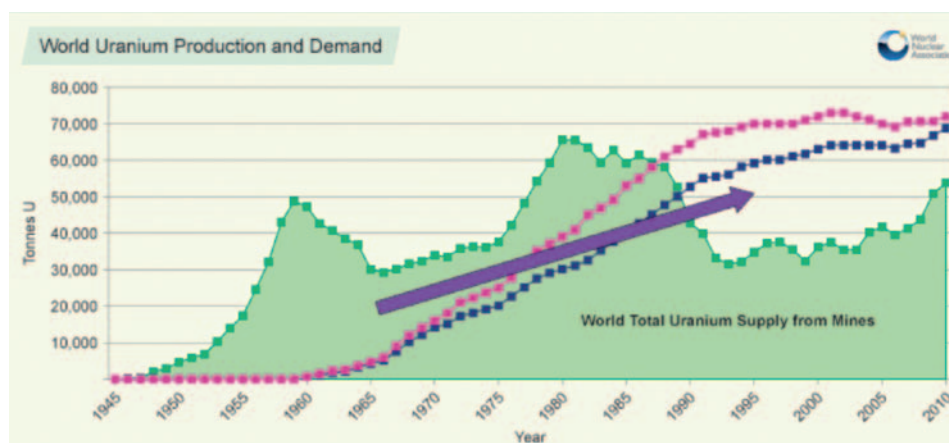
*The agreement under which this material is supplied to civil reactors is due to run out at the end of next year and is currently not expected to be resumed".*

Published every other year, Uranium Resources, Production, and Demand, or the "Red Book" as it is commonly known, is jointly prepared by the OECD Nuclear Energy Agency and the International Atomic Energy Agency. It is the recognised world reference on uranium and is based on official information received from 43 countries. This publication presents the results of a thorough review of world uranium supplies and demand and provides a statistical profile of the world uranium industry in the areas of exploration, resource estimates, production and reactor-related requirements. It provides substantial information from all major uranium production centres in Africa, Australia, Central Asia, Eastern Europe and North America. Projections of nuclear generating capacity and reactor-related uranium requirements are provided as well as a discussion of long-term uranium supply and demand issues.

### 9.3 Australia's supply capability

Australia has the world's largest resources of uranium and currently is the third largest producer of uranium worldwide. Other countries with large resources include Kazakhstan, Canada and South Africa. Australia is well placed to supply uranium to the nuclear energy industry because it is politically stable, has relatively low sovereign risk and enjoys a reputation as an efficient and reliable supplier of natural resources worldwide.

Australian		2006	2007	2008	2009	2010	2011
Production	Tonnes U <sub>3</sub> O <sub>8</sub>	9,581	10,095	10,278	7,150	7,036	7,701
Exports	Tonnes U <sub>3</sub> O <sub>8</sub>	9,518	10,151	10,114	7,555	6,950	
Exports	\$A mill	668	887	1,030	758	610	



Source WNA (<http://www.world-nuclear.org/infomap.aspx>)

### 9.4 Uranium price fluctuation

The Uranium Contract Price is currently well above spot prices. Security of supply is so important that long term contracts are the norm.



Source: Cameco (<http://www.cameco.com>)



## 10. INDEPENDENT GEOLOGICAL REPORT



### Independent Geologists Report

Prepared by Coffey Mining Pty Ltd on behalf of:  
**Enterprise Uranium Limited**

MINEWPER01034AB  
17 October 2012

Coffey Mining Pty Ltd ABN 52 065 481 209  
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## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

### DOCUMENT INFORMATION

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#### Document Review and Sign Off

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Primary Author  
Paul Mazzoni

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Peer Review  
Trevor Bradley

This document has been prepared for the exclusive use of Enterprise Uranium Limited ("Client") on the basis of instructions, information and data supplied by them.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

**Independent Geologists Report**

17 October 2012

The Directors  
Enterprise Uranium Limited

Dear Sirs

Enterprise Uranium Limited ("Enterprise", ACN 159 819 173) has commissioned Coffey Mining Pty Ltd (Coffey Mining) to prepare an Independent Geologist's Report (IGR) on five early stage uranium exploration projects in Western Australia. The IGR has been requested to accompany a prospectus to be prepared by Enterprise and lodged with ASIC on or around 18 October 2012. Enterprise intends raising \$5.1 million through the issuance of 25.5 million shares at 20 cents per share. Of this, a minimum of \$2.601 million has been allocated for in ground exploration to advance the projects. Together with this plan is a provision to accept oversubscriptions of up to 5,000,000 further Shares, to raise a further \$1,000,000 to make a total of \$6.1 million raised capital, of which a minimum of total \$3.11 million will be allocated for in ground exploration to advance the projects.

Project tenements comprise eighteen (18) granted Exploration Licenses (ELs), three (3) granted and one (1) pending Prospecting Licenses (PLs) and eleven (11) EL applications covering 5,931km<sup>2</sup>. The present status of tenements, agreements and legislation described in this report is based on information provided by Enterprise and the report has been prepared on the assumption that exploration and potential development of the projects will prove to be lawfully allowable.

Coffey Mining has based its review of the Projects on information provided by Enterprise, along with technical reports prepared by government agencies, independent consultants, and other relevant published and unpublished data. In addition, site visits were undertaken to the project areas by Mr Shu Zhan between 8 and 10 August 2012. Coffey Mining has endeavoured, by making all reasonable enquiries, to confirm the authenticity and completeness of the technical data upon which the IGR is based and a draft copy of the report was provided to Enterprise for identification of any material errors or omissions.

Coffey Mining is an exploration, mining and resource consulting firm, which has been providing services and advice to the international mineral industry and financial institutions for over 50 years. The primary authors of this report are Mr Paul Mazzoni and Mr Shu Zhan. Mr Mazzoni is a professional geologist with 40 years experience in the exploration, development and mining of base and precious metal properties and industrial mineral properties internationally. Mr Mazzoni is the Chief Geologist at Coffey Mining, is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM), has Chartered Professional (CP) accreditation and is a Member of the Society of Economic Geologists (MSEG). Mr Zhan is a professional geologist with 20 years experience in exploration and evaluation of mineral properties in Australia and overseas. He is a Principal Consulting Geologist with Coffey Mining and is a Member of the Australian Institute of Geoscientists.

Each of the authors has the appropriate relevant qualifications, experience, competence and independence to be considered an "Expert" or "Specialist" under the definitions provided in the VALMIN Code and as "Competent Persons" under the definition provided in the JORC Code. Neither Coffey Mining, nor the authors of this report have, or have had previously, any material interest in Enterprise or the mineral properties or companies in which Enterprise has, or is earning, an interest. Our relationship with Enterprise is solely one of professional association between client and independent consultant. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

This report has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports ("The Valmin Code"), and the rules and guidelines issued by such bodies as the ASIC and Australian Securities Exchange (ASX), which pertain to Independent Expert Reports. The report is also consistent with the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves' as prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia (JORC).

For and on behalf of Coffey Mining Pty Ltd

This is a scanned signature held on file by Coffey Mining. The person and signatory consents to its use for the purpose of this document.

Paul Mazzoni

Chief Geologist

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## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

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Coffey Mining Pty Ltd

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Appendix A – Tenement Schedule



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

### EXECUTIVE SUMMARY

#### Introduction

Enterprise Uranium Limited ("Enterprise") has commissioned Coffey Mining Pty Ltd (Coffey Mining) to prepare an Independent Geologist's Report (IGR) on five early stage uranium exploration projects in Western Australia. The IGR has been requested to accompany a prospectus to be prepared by Enterprise and lodged with ASIC on or around 18 October 2012. Enterprise intends raising \$5.1 million through the issuance of 25.5 million shares at 20 cents per share. Of this, a minimum of \$2.601 million has been allocated for in ground exploration to advance the projects. Together with this plan is a provision to accept oversubscriptions of up to 5,000,000 further Shares, to raise a further \$1,000,000 to make a total of \$6.1 million raised capital, of which a minimum of total \$3.11 million will be allocated for in ground exploration to advance the projects.

Enterprise Metals Limited (and its 100% wholly owned subsidiary Enterprise Uranium) is currently exploring five uranium projects targeting calcrete/channel and sandstone hosted uranium mineralisation. These 5 Projects are all located on the Yilgarn Craton in Western Australia and will be incorporated into the new uranium company. These projects are:

- Byro (Calcrete and Roll Front Uranium)
- Yalgoo (Calcrete and Roll Front Uranium, Vein Gold)
- Peranbye (Calcrete and Roll Front Uranium, Playa Lake Gypsum)
- Ponton (Roll Front Uranium, Paleochannel Gold)
- Harris Lake (Calcrete and Roll Front Uranium)

Project tenements comprise eighteen (18) granted Exploration Licenses (ELs), three (3) granted and one (1) pending Prospecting Licenses (PLs) and eleven (11) EL applications covering 5,931km<sup>2</sup> (Figure 1).

The exploration budget for all the tenements which are currently granted if the minimum subscription is raised (\$5.1 million) and if the Offer is fully subscribed (\$6.1 million) is as follows (Table 1):

Table 1 Summary of Exploration Budgets for Current Granted ELs						
Project	\$5.1 million raising			\$6.1 million raising		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Byro	\$202,000	\$202,000	\$404,000	\$270,000	\$270,000	\$540,000
Yalgoo	\$308,000	\$308,000	\$616,000	\$325,000	\$341,000	\$666,000
Peranbye	\$275,000	\$275,000	\$550,000	\$297,000	\$297,000	\$594,000
Ponton	\$412,000	\$412,000	\$824,000	\$415,000	\$412,000	\$827,000
Harris Lake	\$203,000	\$203,000	\$406,000	\$242,000	\$242,000	\$484,000
<b>Total</b>	<b>\$1,400,000</b>	<b>\$1,400,000</b>	<b>\$2,800,000</b>	<b>\$1,549,000</b>	<b>\$1,562,000</b>	<b>\$3,111,000</b>

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

## Coffey Mining Pty Ltd

The exploration budget for all the current tenement applications if they become granted after the first year after listing on ASX and if the minimum subscription is raised (\$5.1 million) and if the Offer is fully subscribed (\$6.1 million) is as follows (Table 2):

Table 2 Summary of Exploration Budgets for all Current ELs and Applications Granted after 1 year of Listing						
Project	\$5.1 million raising			\$6.1 million raising		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Byro	\$198,000	\$638,000	\$836,000	\$198,000	\$638,000	\$836,000
Yalgoo	\$308,000	\$446,000	\$754,000	\$308,000	\$446,000	\$754,000
Peranbye	\$275,000	\$484,000	\$759,000	\$275,000	\$484,000	\$759,000
Ponton	\$412,000	\$412,000	\$824,000	\$412,000	\$412,000	\$824,000
Harris Lake	\$203,000	\$203,000	\$406,000	\$203,000	\$203,000	\$406,000
<b>Total</b>	<b>\$1,396,000</b>	<b>\$2,183,000</b>	<b>\$3,579,000</b>	<b>\$1,396,000</b>	<b>\$2,183,000</b>	<b>\$3,579,000</b>

The exploration budget for all the current granted tenements and assuming that all of the current tenement applications are granted within the first year after listing on ASX and if the minimum subscription is raised (\$5.1 million) and if the Offer is fully subscribed (\$6.1 million) is as follows (Table 3):

Table 3 Summary of Exploration Budgets for all Current ELs and Applications Granted within 1 year after Listing						
Project	\$5.1 million raising			\$6.1 million raising		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Byro*	\$202,000	\$202,000	\$404,000	\$202,000	\$202,000	\$404,000
Yalgoo	\$460,000	\$460,000	\$920,000	\$460,000	\$460,000	\$920,000
Peranbye	\$485,000	\$485,000	\$970,000	\$485,000	\$485,000	\$970,000
Ponton	\$420,000	\$420,000	\$840,000	\$420,000	\$420,000	\$840,000
Harris Lake	\$210,000	\$200,000	\$410,000	\$210,000	\$200,000	\$410,000
<b>Total</b>	<b>\$1,777,000</b>	<b>\$1,767,000</b>	<b>\$3,544,000</b>	<b>\$1,777,000</b>	<b>\$1,767,000</b>	<b>\$3,544,000</b>

\*Note: Excludes EL Applications as no RQMP will be approved for Byro EL Applications within 12 month after Listing.

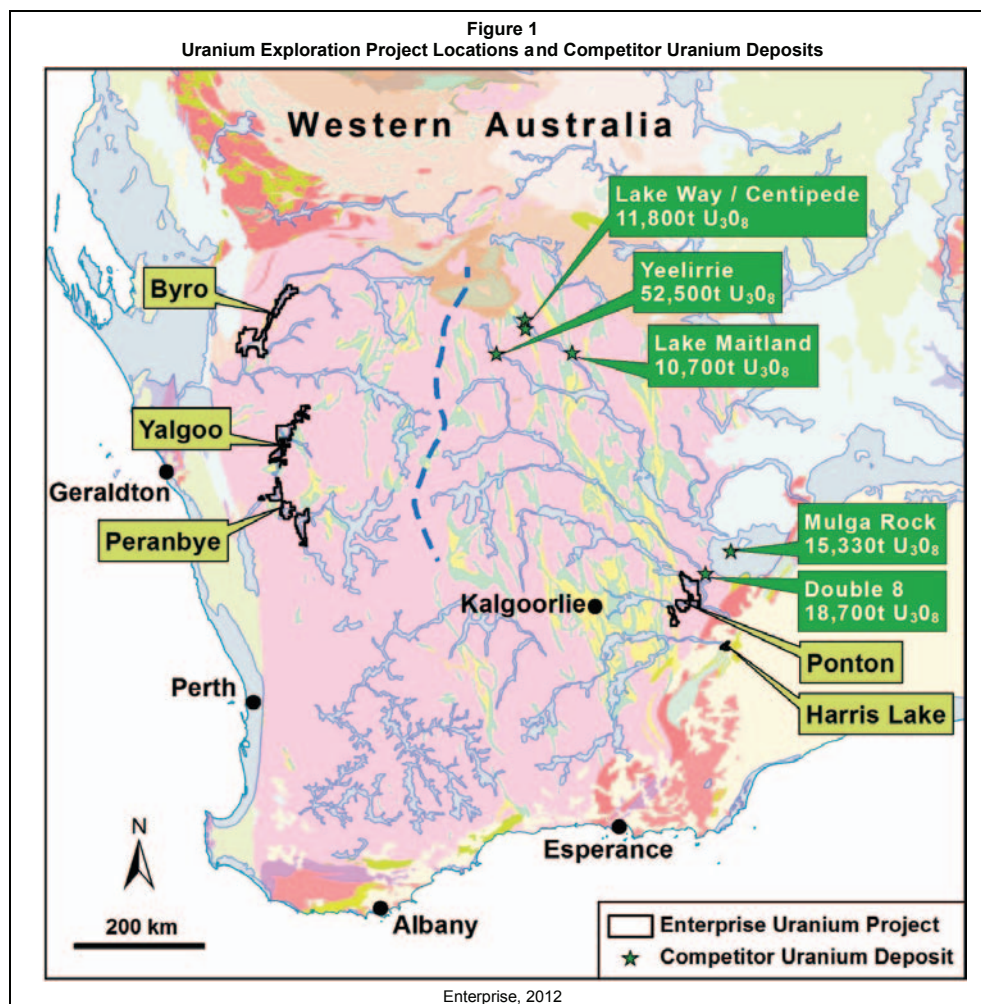
The Independent Geologists Report has been prepared on information available up to and including 15 October 2012. The conclusions expressed in this report are therefore only valid up to this date and may change with time in response to variations in economic, market, legal or political factors, in addition to on-going developments with respect to the planned exploration and development activities. All monetary figures included in this report are expressed in Australian dollars unless otherwise stated.

### Byro Project

The Byro Project is located approximately 250km northeast of Geraldton and 600km north of Perth in the Murchison Province of Western Australia. The Project covers a 160km length of the drainage channels of the Murchison River. The Project comprises one granted Exploration License (EL) and 4 Exploration License applications for a combined area of 1,943km<sup>2</sup>. An approved Radio Quiet Management Plan (RQMP) exists for the granted E59/1617 as approximately 65% is covered by the Murchison Radio Astronomy Quiet Zone to which special conditions apply governing the emission of radio frequency radiation. A RQMP is yet to be submitted for the remainder of the project, which is a requirement for the 4 exploration licence applications to be granted.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd



Approximately 80-90% of the Project area is covered by Cainozoic alluvium, colluvium and river delta sediments. Hardpan, locally known as coffee rock, is extensively developed in the area. Calcrete also crops out sporadically along the drainage margins and also on the margins of Wooleen Lake. Airborne radiometric survey data show an elevated uranium signature covering an area of 2.5 by 4.75km, on the interpreted palaeodelta and adjacent to mapped calcrete on the western margin of Wooleen Lake. An airborne electromagnetic (AEM) survey over the Project suggests buried palaeochannels prospective for calcrete-hosted and sand-hosted uranium mineralisation are present in the Project area. Reconnaissance drill testing of the deep palaeochannels underlying the Delta Target on granted EL 59/1617 is planned to commence on completion of an appropriate heritage survey.



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

### Yalgoo Project

The Yalgoo Project is located around the township of Yalgoo in the Murchison region of Western Australia and approximately 400km north of Perth. The Yalgoo Project comprises seven granted ELs, four EL applications, three granted Prospecting License (PL) and one Prospecting License application covering a total area of 1,254km<sup>2</sup>. The Project area is located within the Salinaland physiographic division, which is characterised by wide valleys, comprised of colluvial material between areas of high ground with Archaean granite-greenstone outcrop and Cainozoic sand plain. The Project area occurs within the Lake Mellenbye Basin with internal drainage to the south-southeast into the Salt River and the Burra Salt Lake.

Enterprise completed an airborne radiometric survey over the northern parts of the Yalgoo Project following up uranium anomalies identified in the government-flown data. The survey identified two major uranium anomalies for initial follow-up at Muggaburna Well and Salt Creek. The Muggaburna anomaly is directly related to a broad drainage channel 3.5km long and up to 700m wide. Rock chip sampling of exposed calcrete returned anomalous uranium assays up to 418ppm U.

Preliminary shallow aircore drilling at Muggaburna returned encouraging results from downhole natural gamma logging with nine holes yielding grade x thickness values over 200ppm eU<sub>3</sub>O<sub>8</sub>\*metres. The better intersections are centred on the uraniferous calcrete exposure in the Muggaburna creek bed in a zone 200-450m wide and 900m long. Mineralisation appears open to the NW and SE. Laboratory analytical results correlate with gamma logging results. The best results were 1m @ 841ppm U<sub>3</sub>O<sub>8</sub>, in hole YGAC083 and 1m @ 447ppm U<sub>3</sub>O<sub>8</sub> in hole YGAC084, 100m away.

The Project tenements include many large areas of calcrete, with no apparent exploration history for uranium. These areas are often associated with elevated U channel responses from the airborne radiometric survey data and remain prospective for calcrete-hosted uranium deposits. Palaeochannel sand-hosted uranium mineralisation is also a potential target in the Project area.

### Peranbye Project

The Peranbye Project is approximately 300km north of Perth close to the agricultural towns of Morawa and Perenjori and covers the drainage and tributaries that drain south and westwards through Lakes Moore, Monger and Weelhamby, terminating in the Yarra Yarra Lakes near Three Springs. These major drainages are remnants of an ancient river system which has been successively superimposed on the Tertiary Plateau and on the present erosion surface. The Project comprises four granted ELs and three EL applications covering an area of 1,442km<sup>2</sup>. The area is extensively covered by alluvial, colluvial, calcrete, and lacustrine deposits associated with the Moore, Monger and Weelhamby drainage systems. The central part of the drainage system is dominated by saline clay and silt bordered by red sand and clay pans. Sand and gravel fringes the drainage and laterite-capped ridges occur in the higher areas of the Project. The depth of the cover sediments generally ranges from a few meters up to an estimated 80m.

Following public release of the airborne geophysical survey data covering the Murgoo, Yalgoo and Perenjori mapsheets in February 2012 by the West Australian Geological Survey, Enterprise identified uranium anomalies in the data which were related to the major drainage systems and were often associated with mapped calcrete. The EL applications were lodged and selected airborne radiometric anomalies were prioritised for follow-up with ground radiometrics and bulk soil sampling.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

### Coffey Mining Pty Ltd

The highest and most consistent spectrometer results were found at anomaly YG1 and eight bulk soil samples returned laboratory assays of up to 504.3ppm U. The anomalous samples were associated with either gypsiferous clay, clay with calcrete nodules, or calcrete rubble.

Significant anomalous U responses in spectrometer readings were also found at the PJ3 anomaly. The highest laboratory assay from bulk soil samples was 553.6ppm and 406.6ppm U. All the anomalous samples were associated with gypsiferous lacustrine clay. The extensive U anomalism confirms the movement of significant amounts of U through the palaeodrainage systems and suggests that with the appropriate trap site a significant deposit might be formed. An AEM survey completed in June 2012 confirmed the presence of extensive and deep palaeochannels below the present day lake and river systems. In several cases these directly correlate with uranium anomalies detected from the airborne radiometric survey data.

### Ponton

The Ponton Project is located approximately 130km east of Kalgoorlie and 680km east-northeast of Perth. It comprises 5 granted ELs covering an area of 1,216km<sup>2</sup>. The Project covers the Lake Rebecca, Lake Yindana and Lake Roe drainage systems and tributaries. Away from these drainage systems, the area is covered by sand plains and low laterite plateaus near the Lake Yindana and Lake Rebecca playas. The salt lakes themselves are located close to the confluence of several major palaeodrainages up to 10km wide and >100m deep which traverse the Yilgarn Craton and join to form the Ponton River, which drains into the western margin of the Eucla Basin.

To the immediate northeast of the Ponton Project lies Manhattan Corporation Ltd's Double 8 uranium deposit (17.2Mlb U<sub>3</sub>O<sub>8</sub> at a 200ppm cutoff), and further to the northeast lies the Energy and Minerals Australia Ltd Mulga Rocks uranium deposit (54.04Mlb U<sub>3</sub>O<sub>8</sub> at a 200ppm cutoff). At Mulga Rocks, uranium mineralisation occurs in Eocene sediments within palaeochannels eroded into underlying Permian mudstones. At the Double 8 Deposit, uranium mineralisation is hosted by carbonaceous sand in Tertiary palaeochannels below 40 to 60m of sedimentary cover. These are hosted by equivalent palaeo-environments and represent comparable styles of mineralisation to those being targeted by Enterprise at Ponton.

In July 2012, Enterprise commissioned an AEM survey over the project on broad 1km flight line spacing. This survey has confirmed the presence of broad, deep palaeochannels up to 150m deep which are prospective for sand/sandstone hosted uranium mineralisation. Airborne magnetic survey data suggest the Project contains concealed extensions of greenstone belts known to host gold mineralisation immediately adjacent to the Project.

### Harris Lake

The Harris Lake Project is located 25km south of Zanthus and 200km east of Kalgoorlie. The Project is held as a single granted EL covering 76.2km<sup>2</sup>. Harris Lake dominates the central and northwestern part of the tenement area and marks the confluence of several channels draining from the south, west and northwest. Lake sediments are mostly lacustrine silt and clay covered by a gypsiferous saline crust. The remainder of the license is covered by extensive alluvial and colluvial sand and silt with little topographic variation.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

### Coffey Mining Pty Ltd

Exploration focused on the drainage systems associated with Harris Lake and Lake Rivers was completed by Uranerz (Australia) Pty Ltd (URL) during 1974-1978. Exploration activities completed included: airborne radiometric surveys, ground spectrometer surveys, geological mapping, water sampling, "drop hammer" seismic lines, auger and RC drilling. The drilling identified several palaeochannels and a maximum value of 138ppm  $U_3O_8$  from 22-23m depth was intersected 7km to the north of the Project. Prospecting around the western and northern edges of Harris Lake revealed strong radioactivity over polygonal fractures in ferruginous cover where seepages were encountered. Most of the seepages lie to the west, although some are associated with radiometric responses within Enterprise's tenement. Five samples were collected from an auger hole on one of the anomalies at the north end of the lake. All samples were strongly radioactive but they all assayed below detection limits for  $U_3O_8$ . URL concluded that at least part of the large surface anomaly tested by them was due to daughter products of uranium (radium and radon) which were emanating from a uranium source within a palaeochannel, but the displacement direction and distance of the surface anomaly were not known.

A detailed aeromagnetic and radiometric survey covering the Project was flown by Enterprise in March 2011 and identified four radiometric anomalies associated with the Harris Lake drainage system. An airborne EM survey flown in July 2012 has confirmed the presence of a concealed deep palaeochannel traversing the license area. This represents an immediate target for initial reconnaissance drill testing.

### Conclusions

Coffey Mining considers that these early stage uranium exploration projects are prospective for the discovery of significant uranium deposits of the target style being sought. The proposed exploration strategies are consistent with the planned objectives. Coffey Mining considers that the allocated exploration expenditures are consistent with the proposed programmes and are justified given the prospectivity of these projects.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

### 1 INTRODUCTION

#### 1.1 Terms of Reference

Enterprise Uranium Limited ("Enterprise") has commissioned Coffey Mining Pty Ltd (Coffey Mining) to prepare an Independent Geologist's Report (IGR) on five early stage uranium exploration projects in Western Australia. The IGR has been requested to accompany a prospectus to be prepared by Enterprise and lodged with ASIC on or around 18 October 2012. Enterprise intends raising \$5.1 million through the issuance of 25.5 million shares at 20 cents per share. Of this, a minimum of \$2.601 million has been allocated for in ground exploration to advance the projects. Together with this plan is a provision to accept oversubscriptions of up to 5,000,000 further Shares, to raise a further \$1,000,000 to make a total of \$6.1 million raised capital, of which a minimum of total \$3.11 million will be allocated for in ground exploration to advance the projects.

Enterprise Metals Limited (and its 100% wholly owned subsidiary Enterprise Uranium) is currently exploring five uranium projects targeting calcrete/channel and sandstone hosted uranium mineralisation. Project tenements comprise eighteen (18) granted Exploration Licenses (ELs), three (3) granted and one (1) pending Prospecting Licenses (PLs) and eleven (11) EL applications covering 5,931km<sup>2</sup> (Figure 1.1\_1). A full tenement schedule is given in Appendix A.

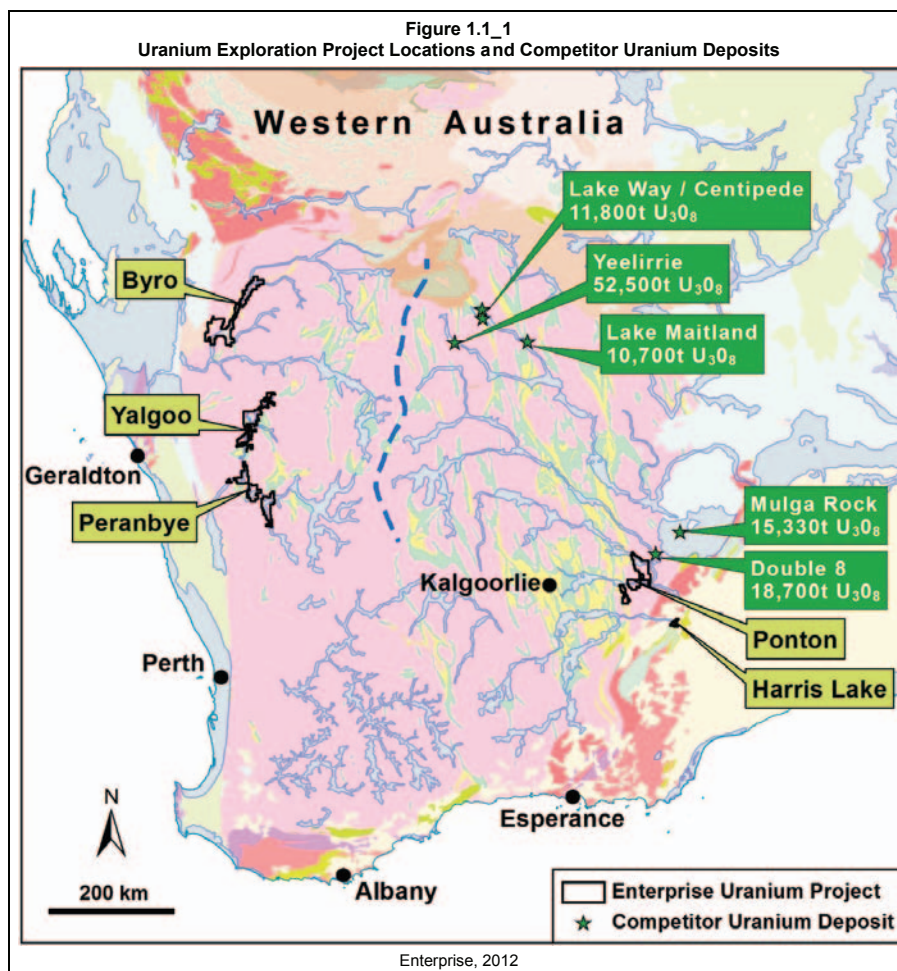
The legal status of the Enterprise assets, and the various agreements covering those interests, has not been independently verified by Coffey Mining. The present status of tenements, agreements and legislation described in this report is based on information provided by Enterprise, and the report has been prepared on the assumption that exploration and potential development of the projects will prove to be lawfully allowable. Coffey Mining is not qualified to comment on the nature of the transactions or arrangements between Enterprise, and other parties.

The Independent Geologists Report has been prepared on information available up to and including 15 October 2012. The conclusions expressed in this report are therefore only valid up to this date and may change with time in response to variations in economic, market, legal or political factors, in addition to on-going developments with respect to the planned exploration and development activities. All monetary figures included in this report are expressed in Australian dollars unless otherwise stated.



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd



## 1.2 Qualifications, Experience and Independence

Coffey Mining is an exploration, mining and resource consulting firm, which has been providing services and advice to the international mineral industry and financial institutions for over 50 years.

The primary authors of this report are Mr Paul Mazzoni and Mr Shu Zhan. Mr Mazzoni is a professional geologist with 40 years experience in the exploration, development and mining of base and precious metal properties and industrial mineral properties internationally. Mr Mazzoni is the Chief Geologist at Coffey Mining, is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM), has Chartered Professional (CP) accreditation and is a Member of the Society of Economic Geologists (MSEG). Mr Zhan is a professional geologist with 20 years experience in exploration and evaluation of mineral properties in Australia and overseas. He is a Principal Consulting Geologist with Coffey Mining and is a Member of the Australian Institute of Geoscientists.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

Each of the authors has the appropriate relevant qualifications, experience, competence and independence to be considered an “Expert” or “Specialist” under the definitions provided in the VALMIN Code, and as “Competent Persons” under the definition provided in the JORC Code.

Neither Coffey Mining, nor the authors of this report have, or have had previously, any material interest in Enterprise or the mineral properties in which Enterprise has an interest. Our relationship with Enterprise is solely one of professional association between client and independent consultant. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

Coffey Mining is not in a position to make direct comment on any interest the directors and promoters of Enterprise may have in the company or its assets, nor is Coffey Mining qualified to comment on or confirm this aspect.

### 1.3 Principal Sources of Information

The principal sources of information used to compile this report comprise technical records, along with technical reports and data variously compiled by Enterprise and its consultants, and government agencies, along with discussions with Enterprise technical and corporate management. A listing of the principal sources of information is included in Section 7 of this report. In addition, site visits were undertaken to the project areas by Mr Shu Zhan between 8 and 10 August 2012. All reasonable enquiries have been made to confirm the authenticity and completeness of the technical data upon which this report is based.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

### 2 BYRO PROJECT

#### 2.1 Introduction

The Byro Project is located approximately 250km northeast of Geraldton and 600km north of Perth in the Murchison Province of Western Australia. The Project covers a 160km length of the drainage channels of the Murchison River extending 130km northwards from their confluence with the Roderick River at Wooleen Lake and south-eastwards, downstream for about another 30km. The drainage areas have a complex but open vegetation cover, being dominated by river tolerant species with sparse, open Mulga on the higher ground beside the channels (Figure 2.1\_1). The climate is arid and hot with median temperatures ranging from 40.8°C in January to 23.1°C in July. The average rainfall of 200mm/year is spread between January and July. Access to the area is via the Carnarvon-Mullewa Road and then east along a network of station tracks.

**Figure 2.1\_1**  
**General Topographic View of Byro Project**



Coffey Mining, 2012

#### 2.2 Mineral Tenure

The Project comprises one granted Exploration License (EL) and 4 Exploration License applications for a combined area of 1,943km<sup>2</sup> (Figure 2.3.1\_1). The granted license E59/1617 is in the name of Amiable Holdings Pty Ltd ("Amiable") and was the subject of a share sale/purchase agreement with Enterprise. Enterprise now owns 100% equity in this tenement with the exception of a 1.5% gross royalty retained by the vendors of Amiable. The E20/758 application is held in the name of Enterprise Metals Limited with a 1.5% gross royalty retained by the vendors of Amiable. All other licenses are held by Enterprise Metals Limited. License details are summarised in the tenement schedule given in Appendix A.

A radiation management plan is in place for the granted Byro EL (E59/1617).

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

A Radio Quiet Management Plan (RQMP) is required for the Byro Project. Approximately 65% of the Project is covered by the Murchison Radio Astronomy Quiet Zone to which special conditions apply governing the emission of radio frequency radiation within the 70km wide Radio Telescope Mineral Resource Management Area (RTMRMA). The plan has been developed as per the Memorandum of Understanding (2007 MoU) signed on behalf of the Commonwealth of Australia and the State of Western Australia in relation to Australia's bid for the Square Kilometre Array (SKA) Project. The radiation management plan for Byro is approved.

The Native Title group for the area of the Byro Project is the Wajarri Yamatji People, represented by Wajarri Consulting Services. Prior to any ground-disturbing activity, an Anthropological and Archaeological Heritage survey will be required. There are several documented heritage sites within the Project area; the largest of these is associated with the current Lake Wooleen.

Coffey Mining has not independently validated the licensing details and the present status of tenements, agreements and legislation described in this report is based on information provided by Enterprise.

### 2.3 Project Geology and Mineralisation

#### 2.3.1 Geology

The Byro project area is located within the Narryer Terrane of the Yilgarn Craton in Western Australia. The Narryer Terrane is made up of 3.4 to 3.7Ga gneiss complexes with narrow intrusions of younger mafic rocks and some metasedimentary rocks and meta-greenstones. The gneiss complexes are thought to be the product of late Archaean high-grade metamorphism of earlier granites (Figure 2.3.1\_1).

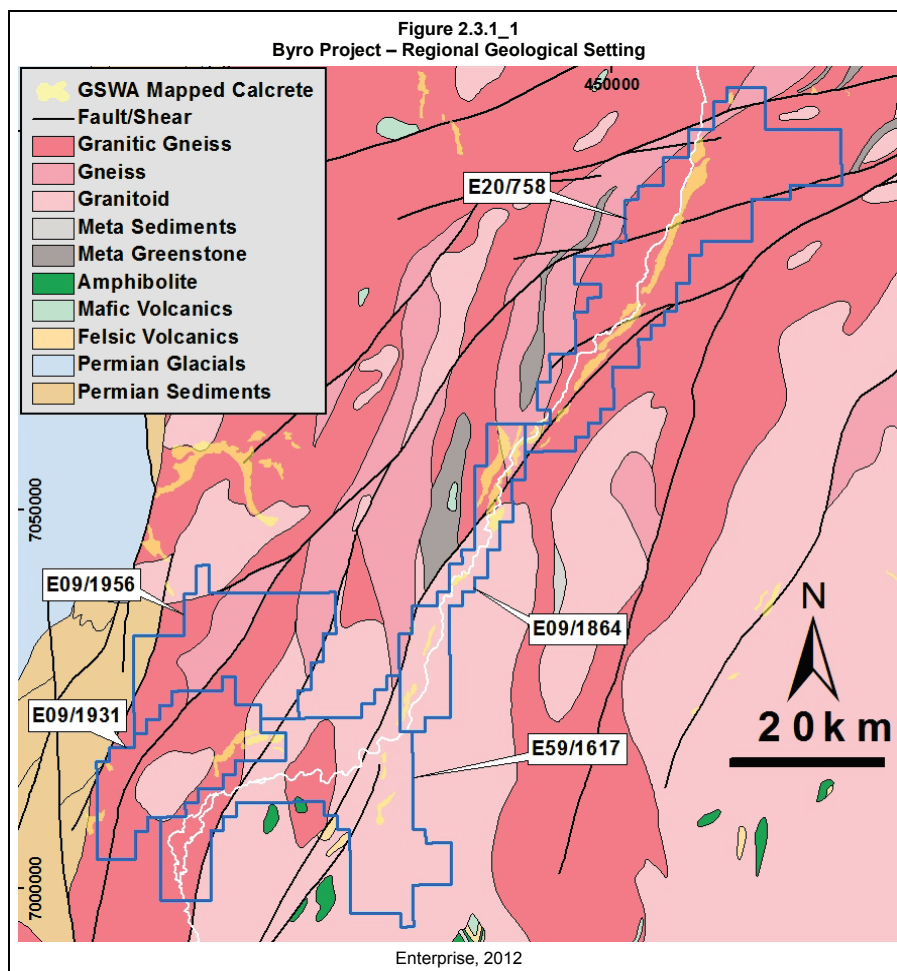
The few Archaean outcrops consist of foliated quartz-microcline-plagioclase granite and coarse amphibolite-grade, porphyritic granite, metamorphosed fine-grained acid volcanic rocks, and actinolite-tremolite rocks. A coarse-grained heterogeneous porphyritic to equigranular amphibolite facies monzogranite (Impey Granite) with inclusions of amphibolite, ultramafic rocks, metasedimentary rocks or gneiss outcrops adjacent to Wooleen Lake. A series of NE-trending dolerite dykes intrude the Impey Granite to the north-east of Wooleen Lake; and intrude the coarse-grained porphyritic and gneissic Balla Granite.

Approximately 80-90% of the Project area is covered by Cainozoic alluvium, colluvium and river delta sediments up to 30m thick. Hardpan, locally known as coffee rock, is extensively developed in the area. Calcrete also crops out sporadically along the drainage margins and also on the margins of Wooleen Lake. E59/1617 contains an unusual confluence between the south-flowing Murchison River and the north-flowing Roderick River. Normal faulting (west block up) resulted in damming of the Murchison and Roderick Rivers forming a large proto-Wooleen Lake, which has subsequently filled with sediment. The present Murchison River, having captured the flow of the Roderick River, cut an incised gorge to the northwest of the uplifted block. The interpreted palaeo-delta associated with the proto-Wooleen Lake occupies much of E59/1617 with calcrete mapped by the GSWA occurring around the margins and adjacent to the west side of Wooleen Lake (Figure 2.3.1\_2).



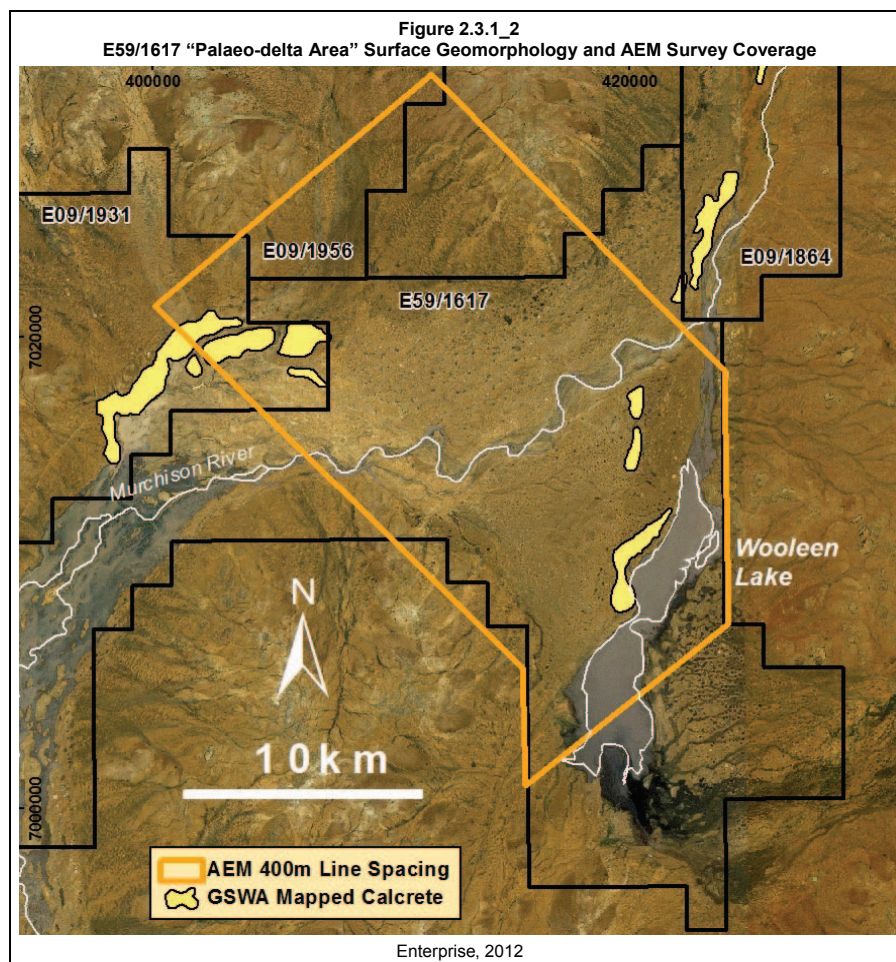
## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

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## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

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### 2.3.2 Mineralisation

GSWA radiometric data over license application E20/758 identified a prominent northeast-trending linear uranium anomaly, some 45km long and 4-5km wide, flanking the Murchison River. Radiometric data from Enterprise's 100m line airborne survey completed in 2011 shows an elevated uranium signature covering an area of 2.5 by 4.75km, on the interpreted palaeodelta and adjacent to mapped calcrete on the western margin of Wooleen Lake. Immediately to the east of Wooleen Lake and upstream along the Roderick River, there is a radiometrically "hot" granitic body correlated with the Impey Granite (Figure 2.4\_1).

Enterprise has applied an exploration model which invokes U leached during weathering of the "hot" granites to the east and transported in solution by groundwaters, and concentrated at postulated redox fronts in sand bodies or pH reactions associated with calcrete deposition. This conceptual model appears reasonable and could be applied to much of the Murchison palaeodrainage along the entire Project length.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

Enterprise considers that all of the triangular palaeodelta is prospective for concealed sandstone-hosted U deposits, as well as calcrete-hosted Yeelirrie-style mineralisation. No uranium mineralisation has been identified in outcrop in the project area to date.

### 2.4 Exploration History and Results

#### Pre-2010

Recorded exploration within the Byro region commenced in the 1960s when Kennecott Exploration and BHP explored for base metals. Sporadic exploration for nickel-copper continued by WMC in the 1970s, followed by a focus on diamonds by CRAE who initiated diamond indicator sampling programmes from the early 1980s onwards. Only limited exploration for uranium occurred within the Byro region prior to Enterprise.

JOC Mineral Resources of Australia Pty Ltd explored for uranium in 1974 in the Sanford River basin, south of the Enterprise Byro Project. Anomalous uranium levels detected in groundwater and the identification of abnormally radioactive granites initially drew attention to the area. A drilling programme of 103 RAB holes returned a poor maximum intercept of 5ft @ 130ppm U and found calcrete-hosted uranium to be limited to the present-day drainage.

Nord Resources explored for uranium to the northwest of E59/1617 in 1979. An anomaly was located associated with the Moogooloo Sandstone. Detailed radiometric surveying and mapping of a ground anomaly showed it to be associated with the base of a laterite profile.

Cazaly Resources Ltd implemented a stream-sediment sampling programme in 2007/08, with 85 samples taken from two separate catchment zones within their Mt Dugal tenement (E09/1420). Samples were assayed for a suite of 37 elements, including uranium, with the results showing the area to be anomalous in some rare earth elements.

Earlier work in the area by Australian Anglo American Prospecting Pty Ltd identified similar anomalism in stream sediment and soil samples. The area was thus considered to have potential for rare earth minerals in both primary sources (alkaline intrusives) and alluvial heavy mineral concentrations in the Murchison River flood plain. Further exploration failed to identify targets for follow-up.

In 2009, Desert Energy Ltd acquired two adjacent tenements, E09/1362 and E09/1363, over drainage channel ground to the north of the Enterprise Byro Project. Publicly available geological maps, LandSat imagery and radiometric survey data were used in target generation for Yeelirrie-style calcrete-hosted uranium deposits. No ground exploration work has been reported to date.

#### 2010-2012 Enterprise

Following the grant of E59/1617 in 2010, Enterprise undertook a detailed literature review and summarised all previous exploration work in the area, and commissioned a detailed airborne magnetic-radiometric survey. The survey was completed on 22 May 2011, and Enterprise subsequently commissioned Value Adding Resources Pty Ltd to image process the survey data.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

During early March 2012, a field visit was made to evaluate uranium anomalies defined from the aerial radiometric survey conducted in 2011. It was thought that the anomalies could be associated with calcrete. A gamma ray spectrometer was used to complete measurements on outcrops with a view to collecting samples for laboratory analysis.

Calcrete shown on the GSWA map sheets to the north of Lake Wooleen was followed up. Spectrometer results were low, rarely rising above 3.0ppm uranium (eU). Further investigation north, along the Murchison River, obtained similar results. Calcrete was analysed in many areas around Wooleen Station itself; very low readings were obtained and no samples were taken.

Another area of interest was followed up northeast of Meeberrie homestead. Three anomalies were investigated. The northern two anomalies were found to be associated with large granite outcrops around Balla Rock. The southern anomaly was found to be associated with a flood plain, with relatively dense vegetation. Spectrometer readings for U were low. Calcrete was sampled in a gravel pit to the south of Meeberrie station. The spectrometer U readings from the calcrete were again low, similar to those at Wooleen.

An airborne electromagnetic (AEM) survey over the Project was flown at 400m line spacing in June 2012 over the interpreted palaeo-delta (E59/1617), and 6 individual lines over selected traverses on the license applications. One of the regional traverses lies outside the current uranium project tenements. The AEM survey was completed to assist with the definition of the extent of palaeochannels which might host concealed U mineralisation and the depth of these channels. Preliminary results suggest buried palaeochannels are present under the modern drainage (Figure 2.4\_1).

### 2.5 Exploration Potential

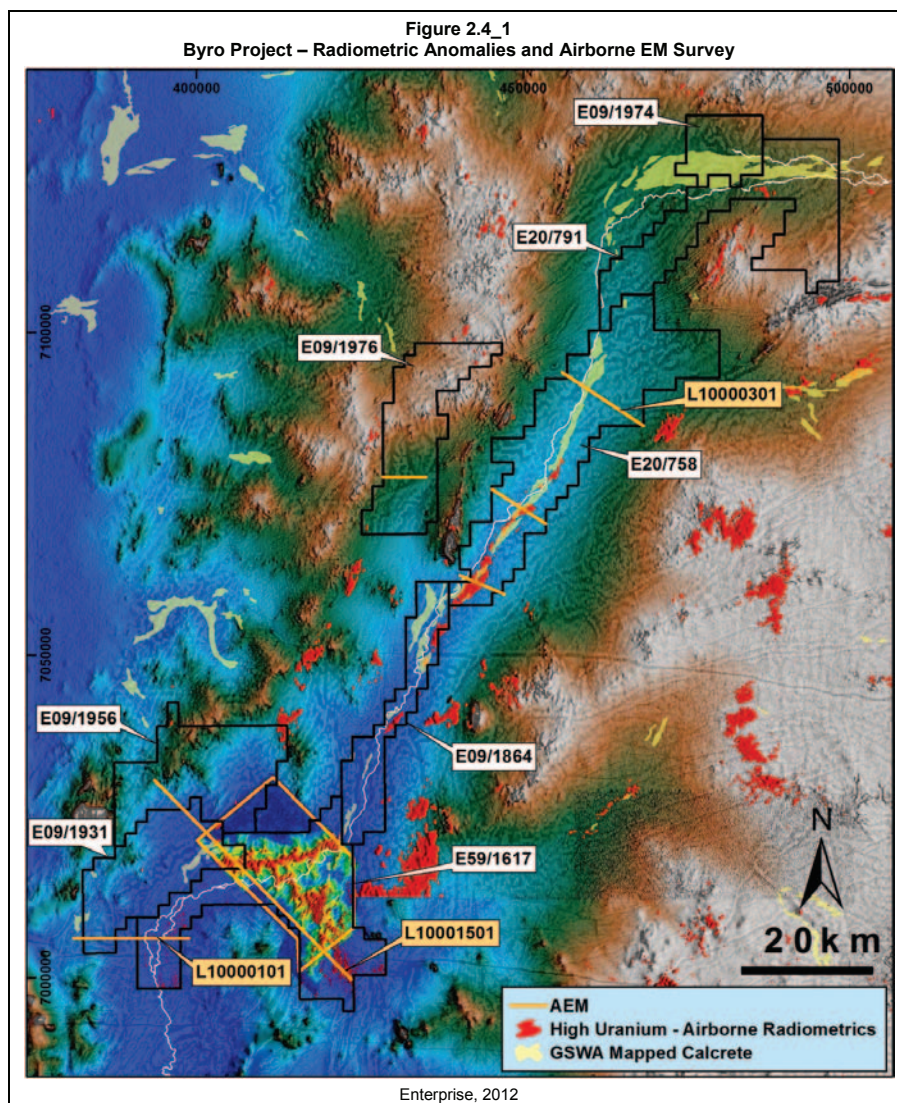
Although no uranium occurrences are exposed, the project area is conceptually prospective for concealed calcrete-hosted and sand-hosted roll front uranium deposits associated with the Murchison River palaeodrainage system. Anomalous U responses in both the GSWA survey data and the Enterprise survey data received initial ground radiometric follow-up with disappointing results. Ground follow-up has yet to explain the airborne anomalous responses.

There is no evidence of past exploration for calcrete- or sandstone-hosted uranium deposits in the Murchison River palaeodrainage in the vicinity of Wooleen Lake. Enterprise proposes that selected drilling traverses be completed across the Murchison River “delta target” and sediments of the Murchison River valley to search for both near-surface calcrete-hosted uranium mineralisation and deeper sand-hosted roll front mineralisation in palaeochannels (Figures 2.5\_1 and 2.5\_2). Coffey Mining considers that this is a reasonable exploration proposal.



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

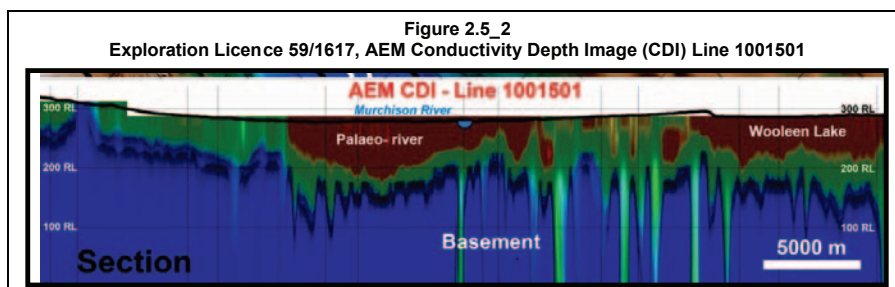
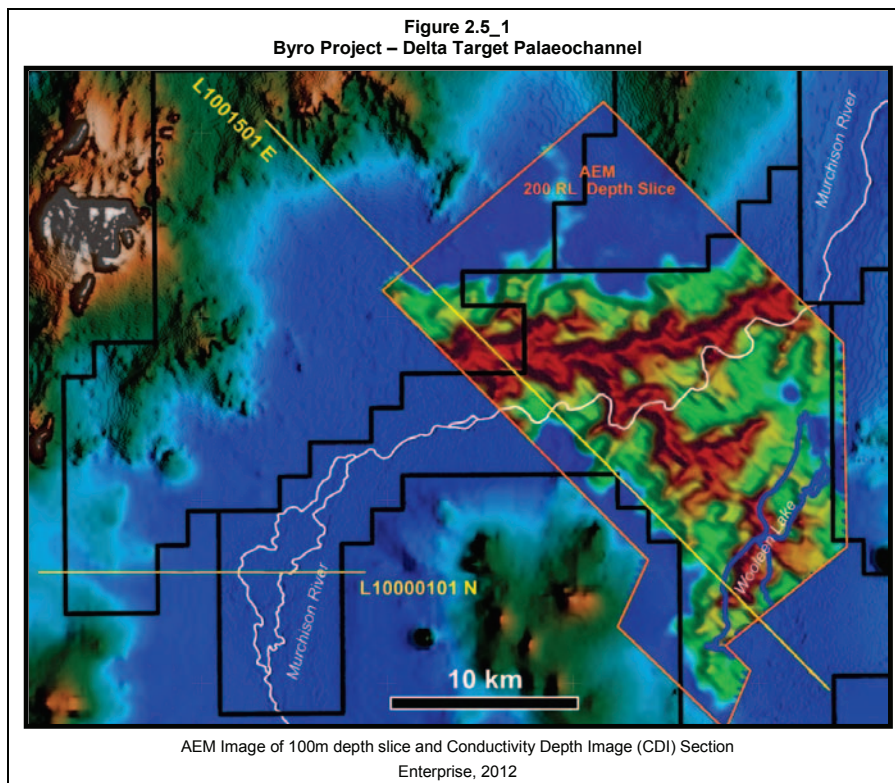


The CDI for the traverse on Line 1000101 (Figure 2.5\_3), which lies downstream to the SW of the Inland Delta, shows the ancient Murchison River to be much broader at this location.

The Government of Western Australia, under the Royalties for Regions Exploration Incentive Scheme, has approved \$120,000 to be paid to Enterprise upon receipt of actual drilling costs of up to \$240,000 on E59/1617.

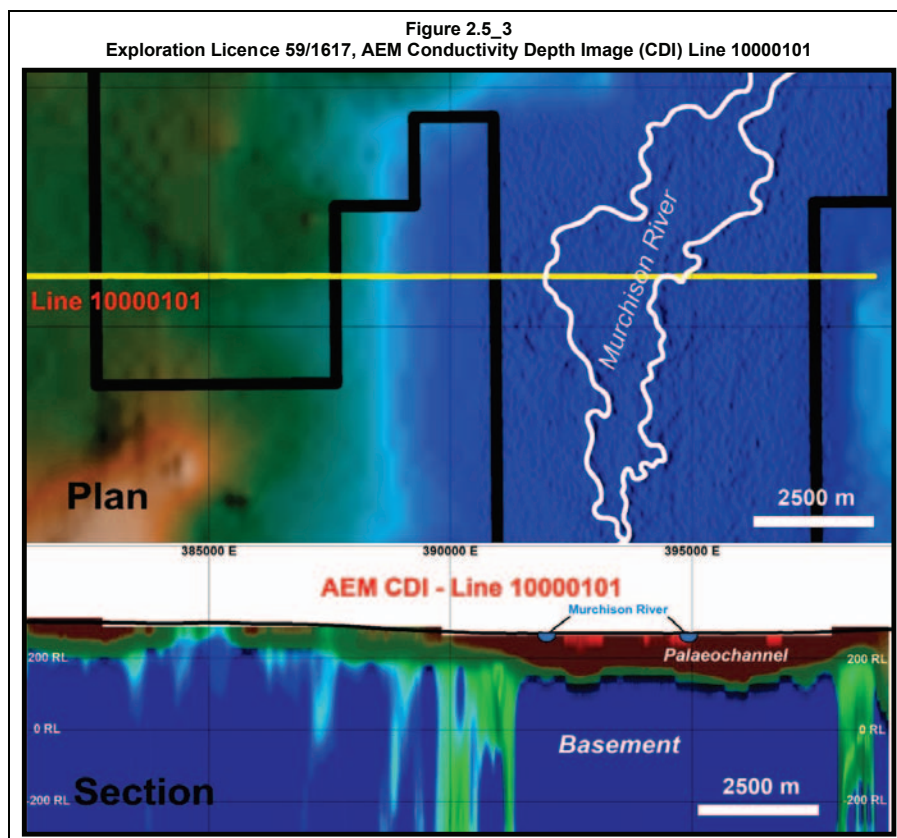
## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

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## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd



## 2.6 Exploration Strategy and Budget

### 2.6.1 Exploration Strategy

Enterprise has proposed a staged exploration program to advance the Byro Project. Statutory DMP approvals and heritage clearances will be required prior to the commencement of any drilling program.

Exploration in the first year will focus on the Wooleen inland delta and selected areas along the Murchison River Drainage. Exploration drill targets will be generated from the geophysical data, including magnetics, radiometrics and EM. Drillholes will be designed to test these initial target areas. Planned work includes:

- Aboriginal Heritage surveys.
- Drilling on recon lines over initial targets. All holes will be gamma probe logged and any uraniferous intervals will be submitted for chemical analyse.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

### Coffey Mining Pty Ltd

Results from the first year will be followed up with infill drilling. Additional step out exploratory holes will build on the knowledge and results obtained from the initial drillholes. ISR Metallurgical studies on drill samples will be done to identify mineralisation species and extraction testwork. Provision has also been made for initial Inferred JORC-compliant resource estimation.

#### 2.6.2 Exploration Budget

Enterprise has provided Coffey Mining with a planned exploration budget for the first two years following listing (Table 2.6.2\_1).

Table 2.6.2_1 Byro Project - Exploration Budget for Current Granted ELs						
Byro Project	Minimum Subscription Currently Granted			Maximum Subscription Currently Granted		
Activity Cost	Year 1	Year 2	Total	Year 1	Year 2	Total
Native Title and Stakeholder Management	\$45,000	\$45,000	\$90,000	\$45,000	\$45,000	\$90,000
Geological activities and interpretations	\$15,000	\$15,000	\$30,000	\$20,000	\$20,000	\$40,000
Geophysical activities and interpretations	\$0	\$0	\$0	\$0	\$0	\$0
Drilling activities and assaying	\$124,000	\$124,000	\$248,000	\$180,000	\$180,000	\$360,000
Direct project administration costs	\$18,000	\$18,000	\$36,000	\$25,000	\$25,000	\$50,000
<b>Total</b>	<b>\$202,000</b>	<b>\$202,000</b>	<b>\$404,000</b>	<b>\$270,000</b>	<b>\$270,000</b>	<b>\$540,000</b>

#### 2.6.3 Alternate Exploration Budget

The exploration budget for all the current tenement applications if they become granted after the first year after listing on ASX, if the Offer of the minimum subscription is raised (\$5.1 million) and if the Offer is fully subscribed (\$6.1 million), is as follows (Table 2.6.3\_1):

Table 2.6.3_1 Byro Project - Exploration Budget for all Granted ELs and EL Applications Granted after first Year after Listing						
Byro Project	Minimum Subscription 100% Tenement Grant			Maximum Subscription 100% Tenement Grant		
Activity Cost	Year 1	Year 2	Total	Year 1	Year 2	Total
Native Title and Stakeholder Management	\$45,000	\$45,000	\$90,000	\$45,000	\$45,000	\$90,000
Geological activities and interpretations	\$15,000	\$25,000	\$40,000	\$15,000	\$25,000	\$40,000
Geophysical activities and interpretations	\$0	\$80,000	\$80,000	\$0	\$80,000	\$80,000
Drilling activities and assaying	\$120,000	\$430,000	\$550,000	\$120,000	\$430,000	\$550,000
Direct project administration costs	\$18,000	\$58,000	\$76,000	\$18,000	\$58,000	\$76,000
<b>Total</b>	<b>\$198,000</b>	<b>\$638,000</b>	<b>\$836,000</b>	<b>\$198,000</b>	<b>\$638,000</b>	<b>\$836,000</b>

An exploration budget for all the current granted tenements and assuming that all of the current tenement applications are granted within the first year after listing on ASX if the Offer of the minimum subscription is raised (\$5.1 million) and if the Offer is fully subscribed (\$6.1 million), is as follows (Table 2.6.3\_2), even though the required RQMPs are not yet submitted:



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

Table 2.6.3_2 Byro Project - Exploration Budget for the Granted EL within first Year after Listing*						
Byro Project	Minimum Subscription 100% Tenement Grant			Maximum Subscription 100% Tenement Grant		
Activity Cost	Year 1	Year 2	Total	Year 1	Year 2	Total
Native Title and Stakeholder Management	\$45,000	\$45,000	\$90,000	\$45,000	\$45,000	\$90,000
Geological activities and interpretations	\$15,000	\$15,000	\$30,000	\$15,000	\$15,000	\$30,000
Geophysical activities and interpretations	\$0	\$0	\$0	\$0	\$0	\$0
Drilling activities and assaying	\$124,000	\$124,000	\$248,000	\$124,000	\$124,000	\$248,000
Direct project administration costs	\$18,000	\$18,000	\$36,000	\$18,000	\$18,000	\$36,000
<b>Total</b>	<b>\$202,000</b>	<b>\$202,000</b>	<b>\$404,000</b>	<b>\$202,000</b>	<b>\$202,000</b>	<b>\$404,000</b>

\*Note: Excludes EL Applications as no RQMP will be approved for Byro EL Applications within 12 month after Listing.

Planned work includes:

- Aboriginal Heritage surveys.
- Drilling on recon lines over initial targets. All holes will be gamma probe logged and any uraniferous intervals will be submitted for chemical analyse.

Exploration in the first year will focus on the Wooleen delta. Exploration targets will be generated from the geophysical data, including magnetics, radiometrics and EM. RC holes will be drilled over these initial target areas. Results from the first year will be followed up with infill drilling.

#### 2.6.4 Co-Funded Drilling

The Government of Western Australia, under the Royalties for Regions Exploration Incentive Scheme, has approved \$120,000 to be paid to Enterprise upon receipt of actual drilling costs of up to \$240,000. Note this co-funding is valid on the granted lease E59/1617, and additional drilling on northern parts of the Murchison River Drainage will not receive funding at this time.

#### 2.6.5 Coffey Mining Conclusions and Recommendations

The exploration strategies and budgets proposed by Enterprise are appropriate for the opportunity and commensurate with the prospectivity of the Byro Project. The planned exploration expenditure is also sufficient to meet the statutory expenditure requirements for the Project. Early drill testing for sand hosted uranium mineralisation is clearly warranted for the deep palaeochannels underlying the Inland Delta target on granted EL 59/1617.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

### 3 YALGOO PROJECT

#### 3.1 Introduction

The Yalgoo Project is located around the township of Yalgoo in the Murchison region of Western Australia and approximately 400km north of Perth (Figure 1.1\_1). Access is via the sealed Geraldton–Mt Magnet road which passes through the central Project area, the sealed Morawa–Yalgoo road passing through the southern area and the all-weather Dalgara gravel road to the north. Numerous station and exploration tracks can also be used for access within the tenements.

The Project covers a subdued and weathered terrain, characterised by wide valleys, composed of colluvial and alluvial material between low hills of outcropping Archaean granite-greenstone terrane and Cainozoic sand plain in areas away from active drainages. The climate is semi-arid with an average annual rainfall of 290mm, half of which falls between May and August. The median maximum temperatures range from 37.2°C in January to 18.4°C in July. Vegetation comprises Mulga scrubland (Figure 3.1\_1).

Figure 3.1\_1  
Yalgoo Project - Muggaburna Well



Coffey Mining, 2012

#### 3.2 Mineral Tenure

The Yalgoo Project comprises seven granted ELs, four EL applications, three granted Prospecting License (PL) and one Prospecting License application covering a total area of 1,254km<sup>2</sup> (Figure 3.3.1\_1). All tenements are held by Enterprise Metals Limited (ACN 123 567 073) or through Enterprise Gold Pty Ltd (ACN 009 121 760) or Enterprise Uranium Pty Ltd (ACN 125 615 232). Summary details are shown in the tenement schedule presented in Appendix A.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

An approved Radiation Management Plan (RMP) is in place for E29/1437, E59/1632 and E59/1655. Enterprise has applied to have the RMP extended to include ELs: E59/1655, E59/1633, E59/1645 and E59/1728.

Tenements of the southwestern parts of the project are within the former Barnong Station pastoral lease, which is managed by the Department of Environment and Conservation (DEC). A Conservation Management Plan (CMP) requires submission and approval prior to on-ground work commencing.

The Project is covered by four overlapping Native Title claims: Mullewa Wadjari Community claim (No. WC1996/093), Wajarri Yamatji claim (No. WC04/10), Widi Mob (No. WC1997/072), and Amangu People (No. WC2004/002). A number of documented heritage sites exist within the project area which could impact on work programs. Heritage surveys have been successfully concluded over past work areas including drilling traverses and the Heritage groups are said to be approachable and willing to work with mining companies.

Coffey Mining has not independently validated the licensing details and the present status of tenements, agreements and legislation described in this report is based on information provided by Enterprise.

### 3.3 Project Geology and Mineralisation

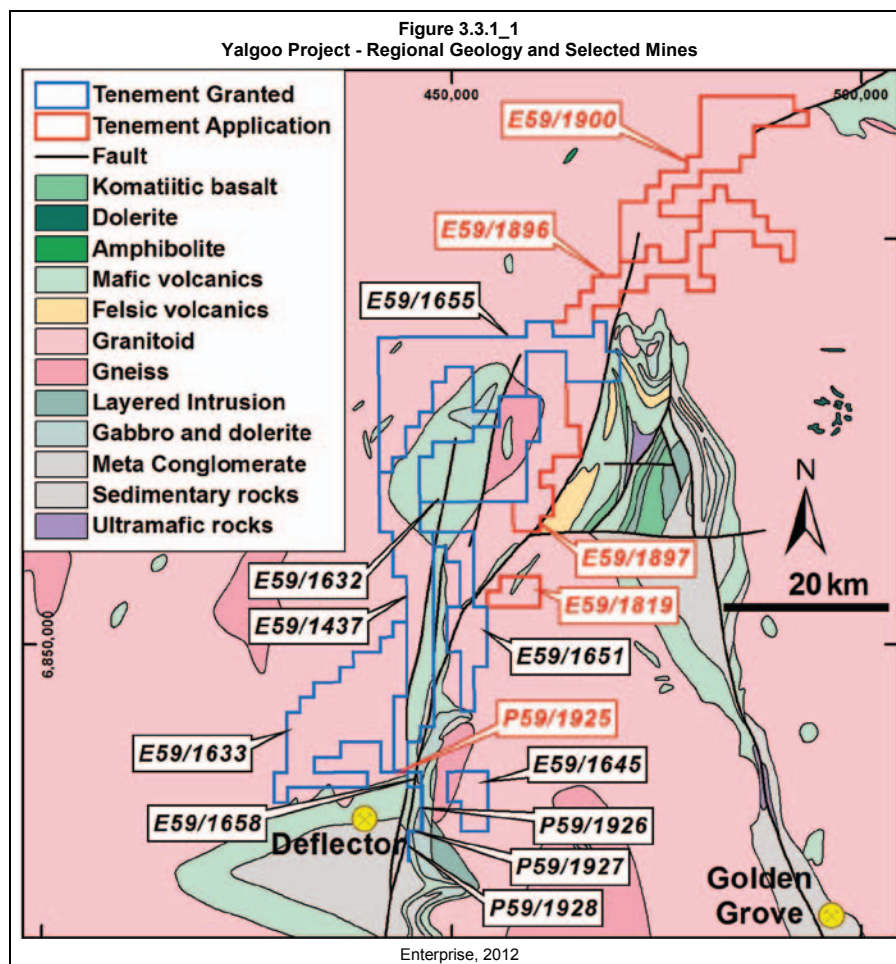
#### 3.3.1 Geology

The Yalgoo Project is situated within the western region of the Archaean Yilgarn Province and covers part of the northern portion of the Yalgoo-Gullewa Greenstone Belt. The Yalgoo-Gullewa Greenstone Belt is one of the most westerly belts of greenstone within the larger Murchison Province (Figure 3.3.1\_1). The rocks in the area have undergone prolonged lateritic weathering during the Tertiary, followed by desiccation and deposition of Quaternary sediments in colluvial, alluvial, lacustrine and aeolian settings. This has produced the variable landforms and geomorphology of the region.

The Project area is located approximately 300-350m above sea level within the Salinaland physiographic division, which is characterised by wide valleys, comprised of colluvial material between areas of high ground with outcrop and Cainozoic sand plain. Drainage within the Salinaland division is internal and the Project area occurs within the Lake Mellenbye Basin. Drainage is generally to the south-southeast into the Salt River, which empties into the Burra Salt Lake to the south.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd



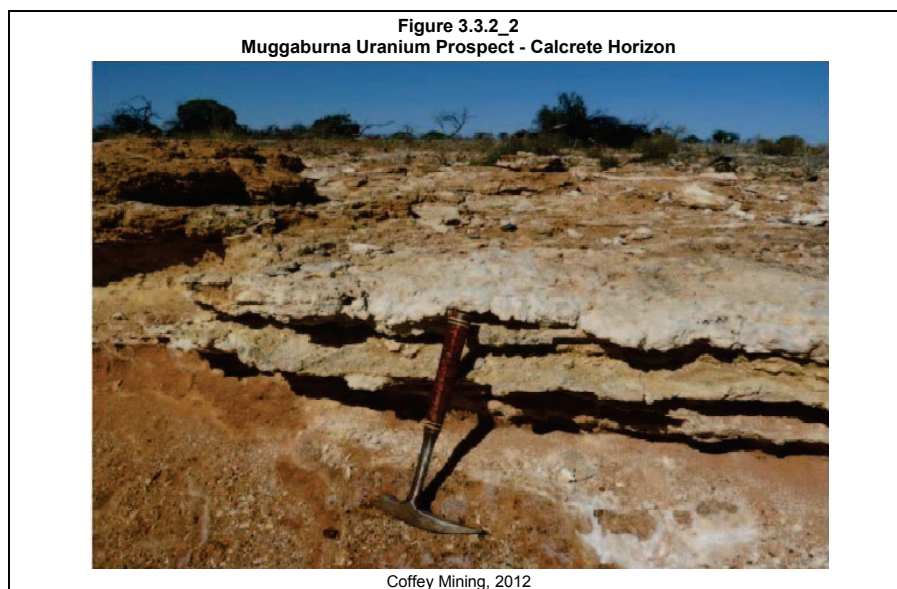
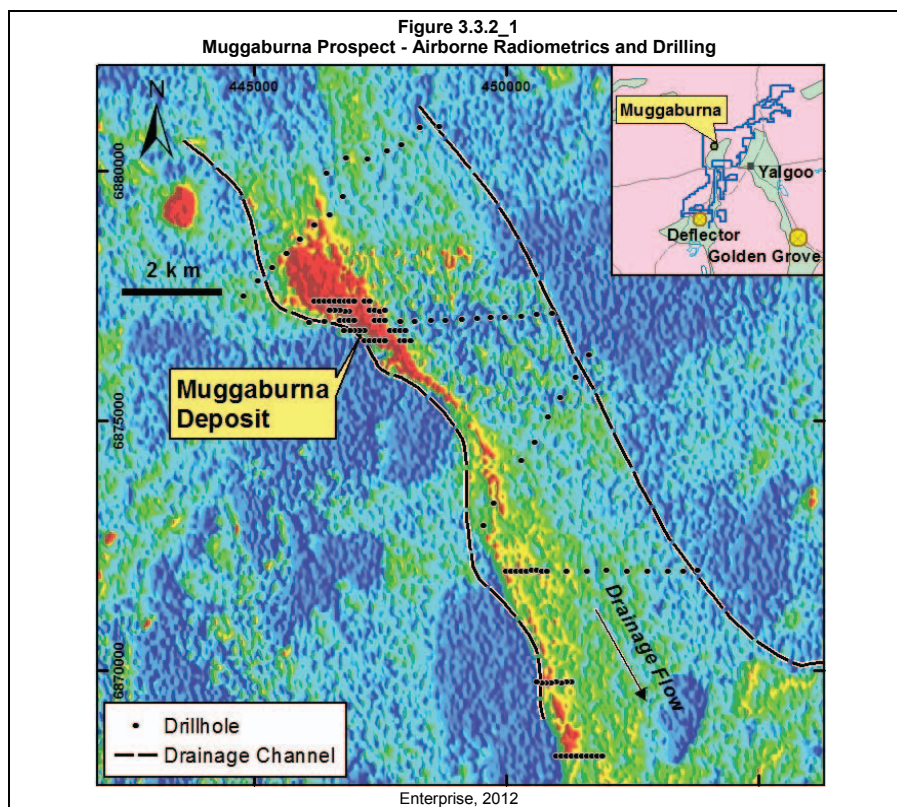
### 3.3.2 Mineralisation

Enterprise commissioned an airborne radiometric survey over the northern parts of the Yalgoo Project in early 2010 following up uranium anomalies identified in the government-flown 400m line data. The survey identified the Muggaburna anomaly, directly related to a broad drainage channel (both ancient and modern), approximately 3.5km long and up to 700m wide (Figure 3.3.2\_1). The majority of the anomaly is covered by red-brown sandy alluvium with no outcrop and rare calcrete float. A modern drainage channel up to 30m wide and 2m deep has removed the alluvium, exposing a well-developed "layered" calcrete profile (Figure 3.3.2\_2). It is likely that this calcrete unit is widespread in the region, but covered by alluvium. Rock chip sampling of exposed calcrete returned anomalous uranium assays of up to 418ppm U (Figure 3.3.2\_3).



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

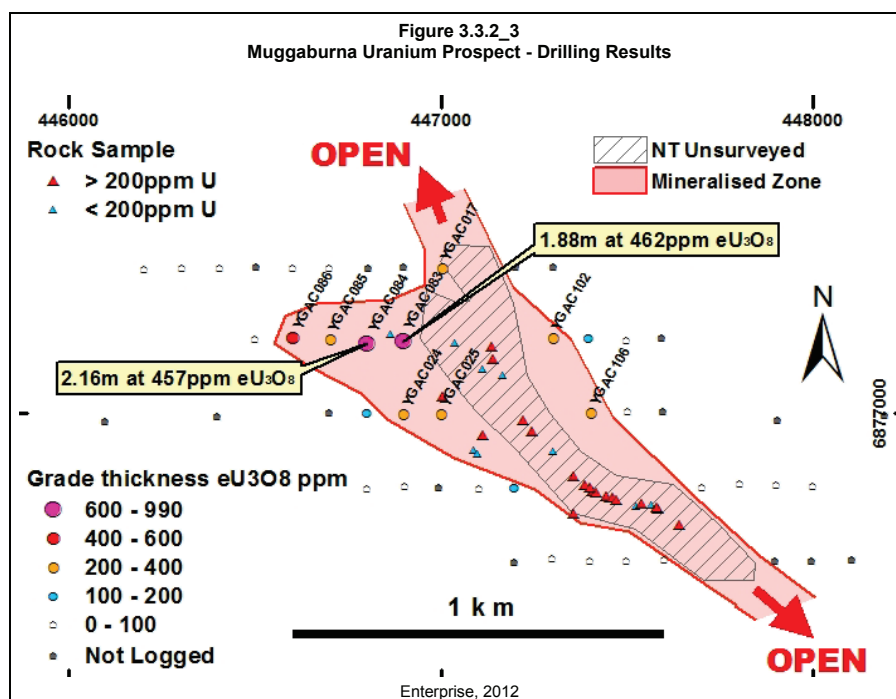
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## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

Aircore drilling on a 100m x 200m grid around the uranium-anomalous calcrete was completed and returned encouraging results from downhole natural gamma logging with nine holes yielding grade x thickness values over 200ppm  $eU_3O_8$ \*metres. The best intersections occur in two adjacent holes (100m apart) with **1.88m at 462ppm  $eU_3O_8$**  from 1.26m in hole YGAC083 and **2.16m at 457ppm  $eU_3O_8$**  from 1.17m in hole YGAC084 (Table 3.4.2\_1). Most anomalous intersections occurred between 0-4m vertically below surface. The better intersections are centred on the uraniferous calcrete exposure in the Muggaburna creek bed in a zone 200-450m wide and 900m long. This mineralisation appears open to the NW and SE (Figure 3.3.2\_3).



A total of 114 selected drill samples were submitted for uranium assay (ICP) and the laboratory analytical results returned >100ppm U for 21 of the samples. The results appear to correlate reasonably well spatially and quantitatively with  $eU_3O_8$  from downhole logging. The highest analytical result was 713.19ppm U (841ppm  $U_3O_8$ ) from 2-3m, with 213.54ppm U (252ppm  $U_3O_8$ ) from 3-4m, in hole YGAC083. Hole YGAC084 returned the next highest assays with 379.27ppm U (447ppm  $U_3O_8$ ) from 3-4m and 302.36ppm U (356ppm  $U_3O_8$ ) from 2-3m.

The samples with the three highest laboratory U assays all contain less than 10ppm V and the highest U value (713.19ppm) is associated with only 5ppm V. These results are inconsistent with the presence of carnotite, suggesting the U is largely held in some other form. No mineralogical investigations have been completed to date but the strong association between U and Ca in the laboratory analytical results confirms the role of calcrete as host to the mineralisation.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

### 3.4 Exploration History

#### 3.4.1 Pre-2010 Exploration

The Yalgoo Project area covers parts of the Gullewa and Yalgoo Greenstone Belts which host the nearby Gullewa Gold Mine, the Deflector Gold-Copper Mine and the Yalgoo historical gold mines together with the Golden Grove Base Metal Mine. These greenstone belts have been the subject of intense exploration for gold, base metals and iron ore. The Project area has had little recorded uranium exploration. There is only one open file (WAMEX) record of previous exploration relating to uranium. This relates to work carried out by Magma Mining NL between 2007 and 2009 within the area of E59/1645. Magma completed ground-based spectrometer surveys (33 lines for 1,480 readings) and mobile metal ion (MMI) soil sampling (209 samples) over four uranium targets identified from regional airborne radiometric data. An 18-hole vertical aircore programme (584m) was subsequently completed, following up elevated spectrometer values and a maximum soil value of 23.6ppm U. No anomalous results were returned from the drilling.

#### 3.4.2 Enterprise Exploration

Enterprise commissioned an airborne radiometric survey over the northern parts of the Yalgoo Project in early 2010 following up uranium anomalies identified in regional government-flown 400m line data. The 2,488 line-km survey collected radiometric, magnetic and digital terrain modelling (DTM) data at 100m line spacing over E59/1437. In 2011, the airborne survey was extended to cover an additional 721km<sup>2</sup> of the Project (8,900 line-km). Enterprise identified two main uranium prospects at Salt Creek and at Muggaburna. The significantly stronger but small Muggaburna anomaly was associated with a broad drainage channel approximately 3.5km long and up to 700m wide.

Reconnaissance work at Muggaburna involved calcrete rock chip sampling over the uranium anomaly, with 24 calcrete samples collected from a major drainage channel over a length of 950m. Eighteen of the 24 samples returned anomalous uranium results ranging from 149ppm to 418ppm U. The sampling was restricted to areas of exposed calcrete within the drainage channel and isolated occurrences of calcrete in areas of thin alluvial cover.

Aircore drilling at Muggaburna, comprising 43 holes on 100m x 200m spacing, was completed around the uranium-bearing calcrete exposed in the drainage channel. Drilling excluded a 100m-wide corridor around the creek itself which has yet to be Aboriginal heritage surveyed. Several regional aircore traverses were also completed targeting potentially deeper sand-hosted uranium mineralisation associated with large palaeodrainage channels identified in the airborne survey. A total of 115 aircore holes were drilled and downhole logging (magnetic susceptibility and natural gamma radiation) completed at effectively 10cm intervals. Following drilling and logging, a total of 114 selected anomalous samples were submitted for U analysis (four acid digest/ICPMS) for a mixed suite of elements including Ca, U and V.

Among those drill holes, 9 of them yield the grade × thickness values over 200ppm\* metres eU3O8 calculated from downhole geophysical gamma logging results (Table 3.4.2\_1).

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

Table 3.4.2_1 Yalgoo Project - Muggaburna Prospect - Downhole Gamma Logging Results						
Hole Number	MGA94_East	MGA94_North	From (m)	To (m)	Intercept (m)	eU <sub>3</sub> O <sub>8</sub> (ppm)*
YGAC017	497003	6877383	1.66	2.06	0.40	272
YGAC017	497003	6877383	2.6	3.38	0.78	290
YGAC023	446802	6876999	1.76	2.16	0.40	282
YGAC024	446900	6876996	1.40	1.86	0.46	260
YGAC024	446900	6876996	1.88	2.46	0.58	252
YGAC025	447001	6876998	1.19	2.45	1.26	317
YGAC083	446899	6877197	1.26	3.14	1.88	462
YGAC084	446801	6877195	1.17	3.33	2.16	457
YGAC085	446702	6877199	0.16	1.16	1.00	326
YGAC102	447303	6877201	1.02	1.60	0.58	461
YGAC106	447405	6877000	1.00	1.22	0.22	269
YGAC106	447405	6877000	1.76	2.42	0.66	368

Holes were logged at 2cm intervals by calibrated wireline gamma probe, in open holes, through drill rods, or through PVC casing in the case of mineralised holes. Equivalent U3O8 values (denoted as eU3O8) were calculated by 3D Exploration Pty Ltd, assuming there is no disequilibrium\*.

*\*Note: Equilibrium is untested at Yalgoo, and actual uranium grades may vary significantly from those estimated if significant disequilibrium exists. The use of wireline probe data to estimate uranium grades is a standard industry practise, as it defines mineralised zones more precisely and is an acceptable grade estimation technique under the JORC Code.*

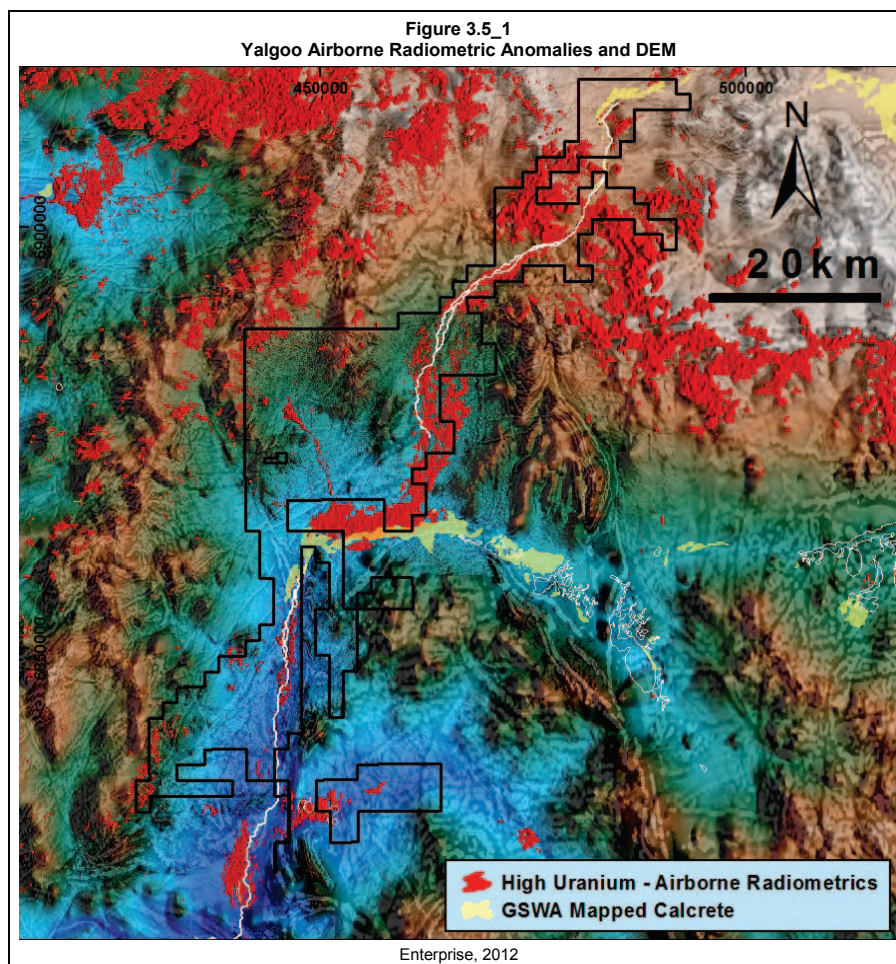
### 3.5 Exploration Potential

The Project tenements include many large areas of calcrete, with no apparent exploration history for uranium. These areas are commonly associated with elevated U channel response from the airborne radiometric survey data and remain prospective for calcrete-hosted uranium deposits (Figure 3.5\_1). Drilling at the Muggaburna Prospect has demonstrated that calcrete-hosted uranium mineralisation is present at the Yalgoo Project. Palaeochannel sand-hosted uranium mineralisation is also a potential target in the Project area.



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd



### 3.6 Exploration Strategy and Budget

#### 3.6.1 Exploration Strategy

Enterprise has provided Coffey Mining with a proposed exploration program for the first two years following listing. Exploration in the first year will focus on the uranium targets generated from the geophysical data, including magnetics and radiometrics, within the granted tenure. Additional exploration will occur over known gold and base metals targets. Planned work in the first year includes:

- Aboriginal Heritage surveys.
- Broad spaced drilling on recon lines over initial uranium targets. All holes will be gamma probe logged and any uraniferous intervals will be submitted for chemical analyse.
- Focused drilling and broad spaced soil sampling over gold and base metals targets.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

### Coffey Mining Pty Ltd

In the second year, results from the uranium exploration will be followed up with infill and step out drilling. Provision has also been made for initial Inferred JORC-compliant resource estimation. Geophysical AEM surveys will be flown over prospective uranium bearing drainage to help map any buried palaeodrainage. Follow up drilling is planned for gold and base metal targets generated from both the soil sampling and first year drilling results.

#### 3.6.2 Exploration Budget

Enterprise has provided Coffey Mining with a planned exploration budget for the current granted ELs for the first two years following listing (Table 3.6.2\_1).

Table 3.6.2_1 Yalgoo Project - Exploration Budget for Current Granted ELs						
Yalgoo Project	Minimum Subscription Currently Granted			Maximum Subscription Currently Granted		
Activity Cost	Year 1	Year 2	Total	Year 1	Year 2	Total
Native Title and Stakeholder Management	\$55,000	\$50,000	\$105,000	\$55,000	\$55,000	\$110,000
Geological activities and interpretations	\$35,000	\$20,000	\$55,000	\$40,000	\$25,000	\$65,000
Geophysical activities and interpretations	\$0	\$50,000	\$50,000	\$0	\$70,000	\$70,000
Drilling activities and assaying	\$190,000	\$160,000	\$350,000	\$200,000	\$160,000	\$360,000
Direct project administration costs	\$28,000	\$28,000	\$56,000	\$30,000	\$31,000	\$61,000
<b>Total</b>	<b>\$308,000</b>	<b>\$308,000</b>	<b>\$616,000</b>	<b>\$325,000</b>	<b>\$341,000</b>	<b>\$666,000</b>

#### 3.6.3 Alternate Exploration Budget

The exploration budget for all the current tenement applications if they become granted after the first year after listing on ASX, if the Offer of the minimum subscription is raised (\$5.1 million) and if the Offer is fully subscribed (\$6.1 million), is as follows (Table 2.6.3\_1):

Table 3.6.3_1 Yalgoo Project - Exploration Budget for all Granted ELs and EL Applications Granted after first Year after Listing						
Yalgoo Project	Minimum Subscription 100% Tenement Grant			Maximum Subscription 100% Tenement Grant		
Activity Cost	Year 1	Year 2	Total	Year 1	Year 2	Total
Native Title and Stakeholder Management	\$55,000	\$50,000	\$105,000	\$55,000	\$50,000	\$105,000
Geological activities and interpretations	\$35,000	\$20,000	\$55,000	\$35,000	\$20,000	\$55,000
Geophysical activities and interpretations	\$0	\$50,000	\$50,000	\$0	\$50,000	\$50,000
Drilling activities and assaying	\$190,000	\$285,000	\$475,000	\$190,000	\$285,000	\$475,000
Direct project administration costs	\$28,000	\$41,000	\$69,000	\$28,000	\$41,000	\$69,000
<b>Total</b>	<b>\$308,000</b>	<b>\$446,000</b>	<b>\$754,000</b>	<b>\$308,000</b>	<b>\$446,000</b>	<b>\$754,000</b>

The exploration budget for all the current granted tenements and assuming that all of the current tenement applications are granted within the first year after listing on ASX if the Offer of the minimum subscription is raised (\$5.1 million) and if the Offer is fully subscribed (\$6.1 million), is as follows (Table 3.6.3\_2):

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

Table 3.6.3_2 Yalgoo Project - Exploration Budget for all Granted ELs and EL Applications Granted within first Year after Listing						
Yalgoo Project	Minimum Subscription 100% Tenement Grant			Maximum Subscription 100% Tenement Grant		
Activity Cost	Year 1	Year 2	Total	Year 1	Year 2	Total
Native Title and Stakeholder Management	\$80,000	\$80,000	\$160,000	\$80,000	\$80,000	\$160,000
Geological activities and interpretations	\$50,000	\$40,000	\$90,000	\$50,000	\$40,000	\$90,000
Geophysical activities and interpretations	\$0	\$70,000	\$70,000	\$0	\$70,000	\$70,000
Drilling activities and assaying	\$290,000	\$230,000	\$520,000	\$290,000	\$230,000	\$520,000
Direct project administration costs	\$40,000	\$40,000	\$80,000	\$40,000	\$40,000	\$80,000
<b>Total</b>	<b>\$460,000</b>	<b>\$460,000</b>	<b>\$920,000</b>	<b>\$460,000</b>	<b>\$460,000</b>	<b>\$920,000</b>

Planned work includes:

- Aboriginal Heritage surveys.
- Broad spaced drilling on recon lines over initial uranium targets. All holes will be gamma probe logged and any uraniferous intervals will be submitted for chemical analyse.
- Focused drilling and broad spaced soil sampling over gold and base metals targets.

In the second year, results from the uranium exploration will be followed up with infill and step out drilling. Provision has also been made for initial Inferred JORC-compliant resource estimation. Geophysical AEM surveys will be flown over prospective uranium bearing drainage to help map any buried palaeodrainage. Follow up drilling is planned for gold and base metal targets generated from both the soil sampling and first year drilling results.

#### 3.6.4 Co-Funded Drilling

The Government of Western Australia, under the royalties for regions scheme, has paid Enterprise Metals Limited \$20,000 for actual Aircore drilling costs at the Muggaburna Prospect in 2012.

#### 3.6.5 Coffey Mining Conclusions and Recommendations

The exploration strategies and budgets proposed by Enterprise are appropriate for the opportunity and commensurate with the prospectivity of the Yalgoo Project. Planned expenditure is sufficient to meet all statutory expenditure requirements for the Project tenements. Generation and drill testing of additional exploration targets for calcrete hosted or sand hosted U mineralisation associated with the major drainage palaeochannels in the Project area is clearly warranted given the evidence of "mineralisation" at Muggaburna. It is likely that the size of this prospect will be limited by the size of the third order drainage system in which it occurs. However follow up drilling to establish the full extent of U mineralisation at Muggaburna should be completed.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

### 4 PERANBYE PROJECT

#### 4.1 Introduction

The Peranbye Project is approximately 300km north of Perth close to the agricultural towns of Morawa and Perenjori and extends south to the northeastern Wheat Belt and as far east as Paynes Find (Figure 1.1\_1). The Project covers the drainage and tributaries that drain south and westwards through Lakes Moore, Monger and Weelhamby, terminating in the Yarra Yarra Lakes near Three Springs. These major drainages are remnants of an ancient river system which has been successively superimposed on the Tertiary Plateau and on the present erosion surface.

The project covers a mix of Pastoral Licenses, private properties (agricultural) and DEC-controlled lands. The climate is semi-arid with average rainfall of 297mm/year, of which 50% falls between May and August. The median maximum temperatures range from 37.3°C in January to 18.5°C in July.

#### 4.2 Mineral Tenure

The Peranbye Project comprises 4 granted exploration licences and 3 exploration licence applications, covering an area of 1,443km<sup>2</sup>. Summary details are presented in Appendix A of this report. Coffey Mining has not independently validated the licensing details and the present status of tenements, agreements and legislation described in this report is based on information provided by Enterprise.

DEC manages a significant amount of the land in the project area, mostly former sheep stations which have been allowed to revert to nature. Apart from destocking the land, they have maintained many access tracks and sometimes installed recreational facilities for visitors. Some areas are alienated as reserves and these include timber reserves to the west of Morawa on E70/4297 and E59/1855 (Figure 4.3.2\_1).

The radiation management plan for Peranbye covering the tenements of E59/1856, E59/1857, E70/4295 and E70/4296 was submitted during the week beginning 8/10/2012.

The Native Title Groups are Amangu People and Widi Mob. No Agreements have been signed with either group. It is expected that agreements will be signed, and will not differ too much from other agreements already signed with other groups.

#### 4.3 Project Geology and Mineralisation

##### 4.3.1 Geology

The project area is located within the Salinaland physiographic division of Jutson (1950), which is characterised by wide valleys, comprising colluvial material between areas of high ground with outcrop and Cainozoic sand plain. Drainage within the Salinaland division is internal and the project area is extensively (>95%) covered by alluvial, colluvial, calcrete, and lacustrine deposits associated with the Moore, Monger and Weelhamby drainage systems (Figure 4.3.1\_1).



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

**Figure 4.3.1\_1**  
**General Topographic View**

Peranbye North (504ppm U in bulk soil sample)



Peranbye South (555ppm U in bulk soil sample)

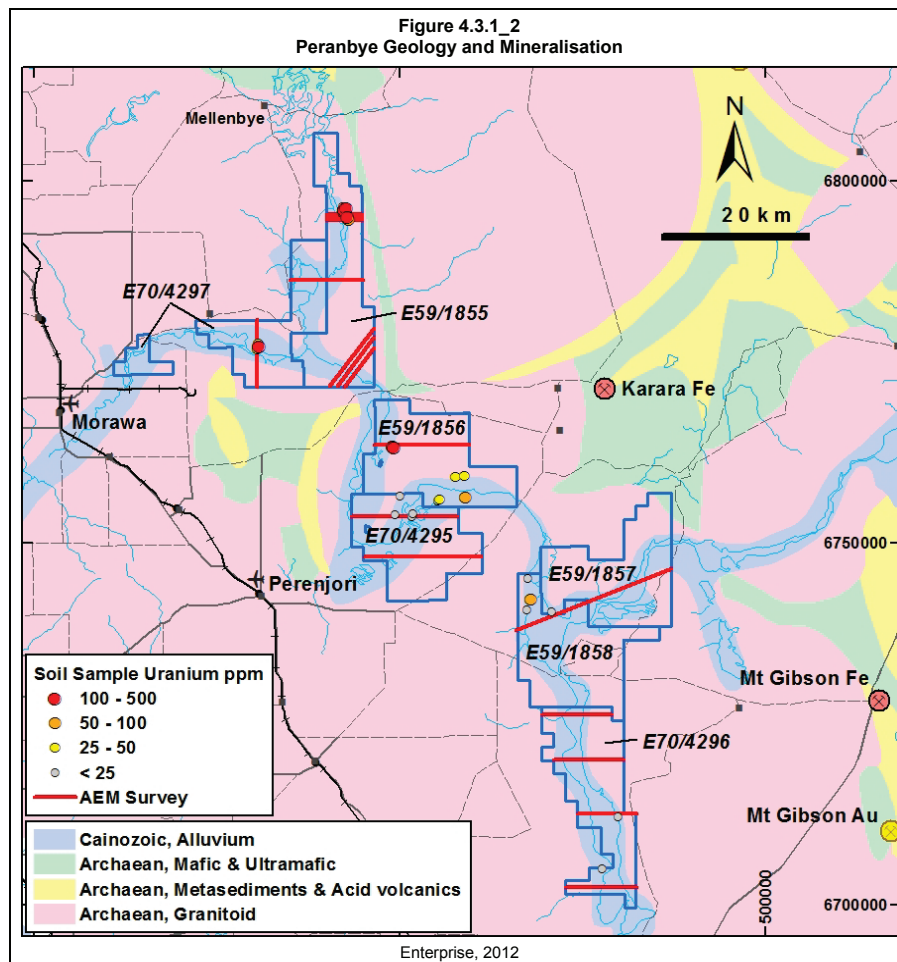


Coffey Mining, 2012

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

The central part of the drainage system is dominated by saline clay and silt bordered by red sand and clay pans. Sand and gravel fringes the drainage and laterite-capped ridges occur in the higher areas of the Project. The depth of the cover sediments generally ranges from a few meters up to an estimated 80m. The local geology and geochemistry is presented by Figure 4.3.1\_2.



### 4.3.2 Mineralisation

Following public release of the airborne geophysical survey data covering the Murgoo, Yalgoo and Perenjori mapsheets in February 2012 by the West Australian Geological Survey, Enterprise applied for the exploration licenses. Enterprise had identified uranium anomalies in the public data, many of which were related to the major drainage systems and were commonly associated with mapped calcrete.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

## Coffey Mining Pty Ltd

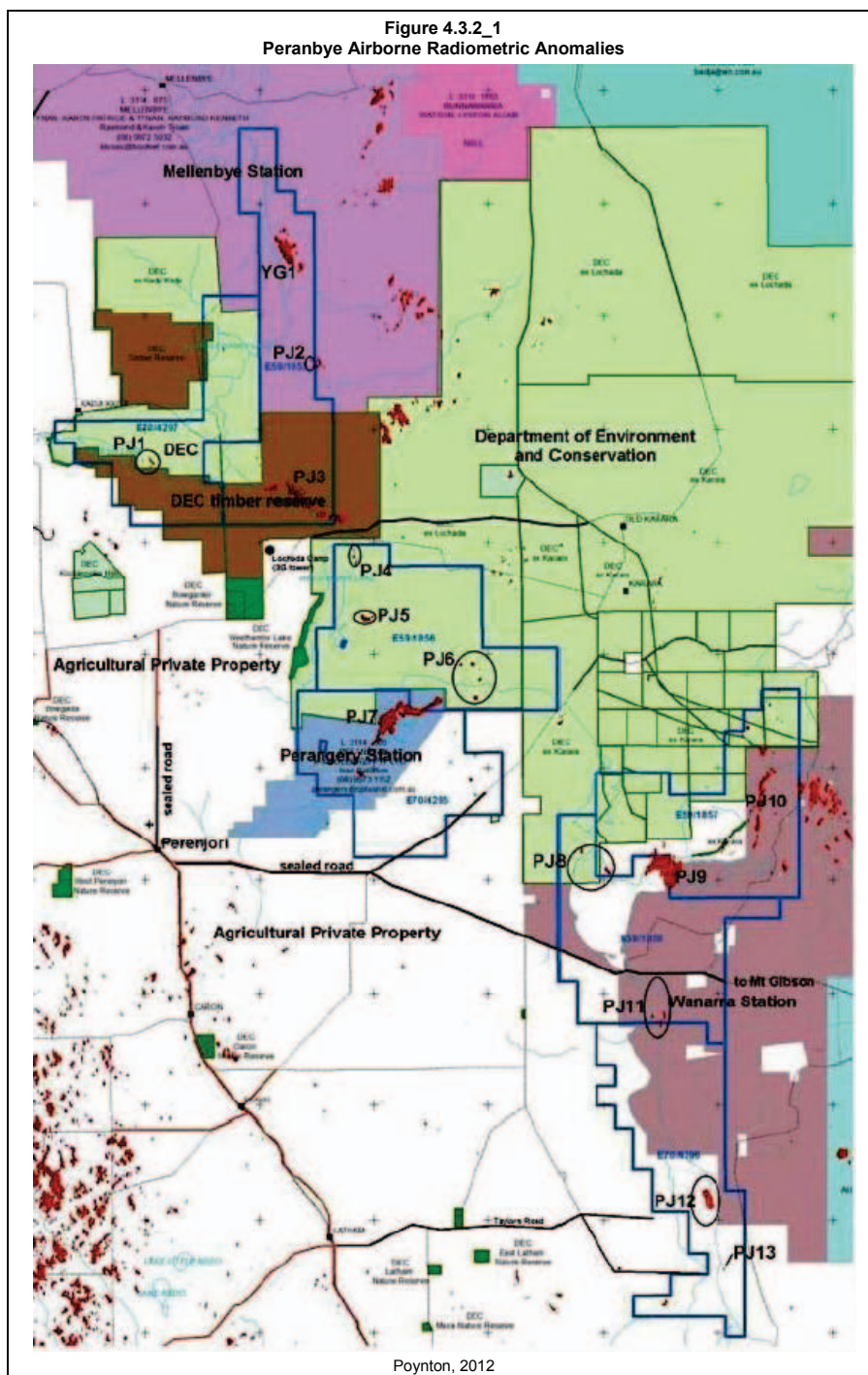
Selected airborne radiometric anomalies were prioritised for follow-up and numbered PJ1 through PJ13 (Perenjori GSWA 1:250 000 geological map sheet) and YG1 (Yalgoo map sheet). PJ1 was the only radiometric anomaly in E70/4297. E59/1855 contained three radiometric anomalies: YG1, PJ2 and PJ3. E59/1856 also contained three anomalies: PJ4 on the shores of Weelhamby Lake, whereas PJ5 and PJ6 were both on unnamed clay pans. Most of PJ7 was on E70/4295 in an overflow channel from Mongers Lake. PJ8 and PJ9 were between E59/1857 and E59/1858, on the northern end of Mongers Lake and PJ10 and PJ11 were both on Wanarra Station. Anomalies PJ12 and PJ 13 were both on the southern end of Mongers Lake (Figure 4.3.2\_1).

The highest and most consistent spectrometer results were found at YG1 in the northern part of E59/1855. Eight surface bulk soil grab samples from YG1 returned laboratory assays with up to 504.3ppm U; five other samples yielded between 109.8 and 191.4ppm U (laboratory assays by ICPMS after a four acid digest). Table 4.3.2\_1 presents the assay results from this anomaly. The anomalous samples were associated with either gypsiferous clay, clay with calcrete nodules or calcrete rubble.

Table 4.3.2_1						
Peranbye Project - Surface Sample Results Following Up Airborne Uranium Anomalies on YG1						
Sample ID	MGA94 East	MGA94 North	Cps	Comments	U (ppm)	V (ppm)
9401	430692	6777023	366	vegetated overbank clay & gypsum	102	85
9402	430484	6776708	337	saltbush claypan	43	73
9403	430611	6777418	323	overbank claypan	44	102
9404	442449	6795612	668	vegetated gilgai clay	140	96
9405	442473	6795714	708	gilgai clay	191	90
9406	442347	6795855	841	clay and abundant selenite	110	101
9407	442672	6796186	1,062	clay with calcrete nodules	158	77
9408	442615	6796202	1,512	calcrete scree	160	75
9409	442178	6796384	2,100	calcrete rubble and clay	15	32
9410	442933	6794531	403	lacustrine clay with halite crust	55	49
9411	442835	6794931	817	lacustrine clay with halite crust	504	74
9421	449010	6763285	694	hot gypsum in lake	203	99
9422	449123	6763178	863	hot gypsum in lake	118	75
9425	451626	6753639	710	lakeshore gyps sand + halite	17	25
9426	451753	6753985	796	lakeshore gyps sand + halite	12	22
9427	455153	6755817	390	silcrete	6	10
9428	455373	6755914	694	calcrete + clay gypsum/selenite	26	23
9429	450022	6756497	656	ferrug lag over rd-bn regolith	4	358
9430	449294	6753915	622	ferrug lag over rd-bn regolith	4	237
9431	458987	6756278	614	gypsum and clay vegetated pan	55	113
9432	457546	6759081	668	clay and gypsum vegetated pan	48	64
9433	458802	6759199	616	shoreline of clay-gypsum pan	36	43
9435	467490	6745088	502	claypan	20	65
9436	470652	6740522	609	shoreline of Mongers Lake	2	15

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd





## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

Significant anomalous U responses in spectrometer readings were also found at the PJ3 anomaly in the southeastern corner of E59/1855. The anomaly is associated with a tributary of the Yarra Yarra Lakes catchment. This palaeochannel drains a large area, including Mongers Lake, Weelhamby Lake and Lake Moore. The highest laboratory assay from bulk soil grab samples 553.6ppm, 406.6ppm, 216.7ppm and 99.9ppm returned from the samples submitted for assay. All the anomalous samples were associated with gypsiferous lacustrine clay.

Initial follow-up sampling at the PJ5 anomaly on E59/1856 returned elevated uranium assays of 118.23 and 203.2ppm U from the only two samples submitted for assay. These were associated with very strong ground spectrometer response over a lacustrine gypsum deposit on the west side of the playa lake. Extensive calcrete formation along the north shore of the lake gave only subdued response at surface. Extensive calcrete development was also confirmed at the PJ6 and PJ7 anomalies, but no significant anomalous U results were obtained from nine samples. Best laboratory assay results from bulk soil samples were 54.81ppm U associated with gypsiferous clay at PJ6 and 26.5ppm U associated with calcareous and gypsiferous clay at PJ7.

Also of interest were the anomalous K values of between 2.08% and 2.36% for all three samples collected for assay during ground follow-up of the PJ1 anomaly.

### 4.4 Exploration History

Very little historical exploration of the drainage and palaeochannel areas on the Peranbye Project has been recorded. Only two companies, Aurora Minerals Ltd and E & B Exploration Ltd, have explored for uranium. All exploration undertaken on the surrounding areas has focused on gold, base metals and iron ore in the Yalgoo-Gullewa Greenstone Belt, the Warriedar Fold Belt and the Koolanooka Synform.

In 1979, E and B Exploration Ltd conducted uranium-focused exploration in the region. Fourteen holes were drilled, and two fall within the northern part of E59/1855. The remaining holes were within the Salt River system north and upstream of this license. The highest reading recorded was 19ppm U in hole MB8, hosted by sandy clays at 2-3m depth. Aurora Minerals Ltd investigated the possibility of uranium in the area in 2009 but conducted no exploration on the ground. Similarly, BHP Billiton acquired some tenements in 2011-2012, but also appear to have conducted no exploration on the ground.

Enterprise applied for the exploration licenses in February 2012 following public release of the airborne geophysical survey data covering the Murgoo, Yalgoo and Perenjori mapsheets by the West Australian Geological Survey. Enterprise identified uranium anomalies in the public data, many of which were related to the major drainage systems and commonly associated with mapped calcrete.

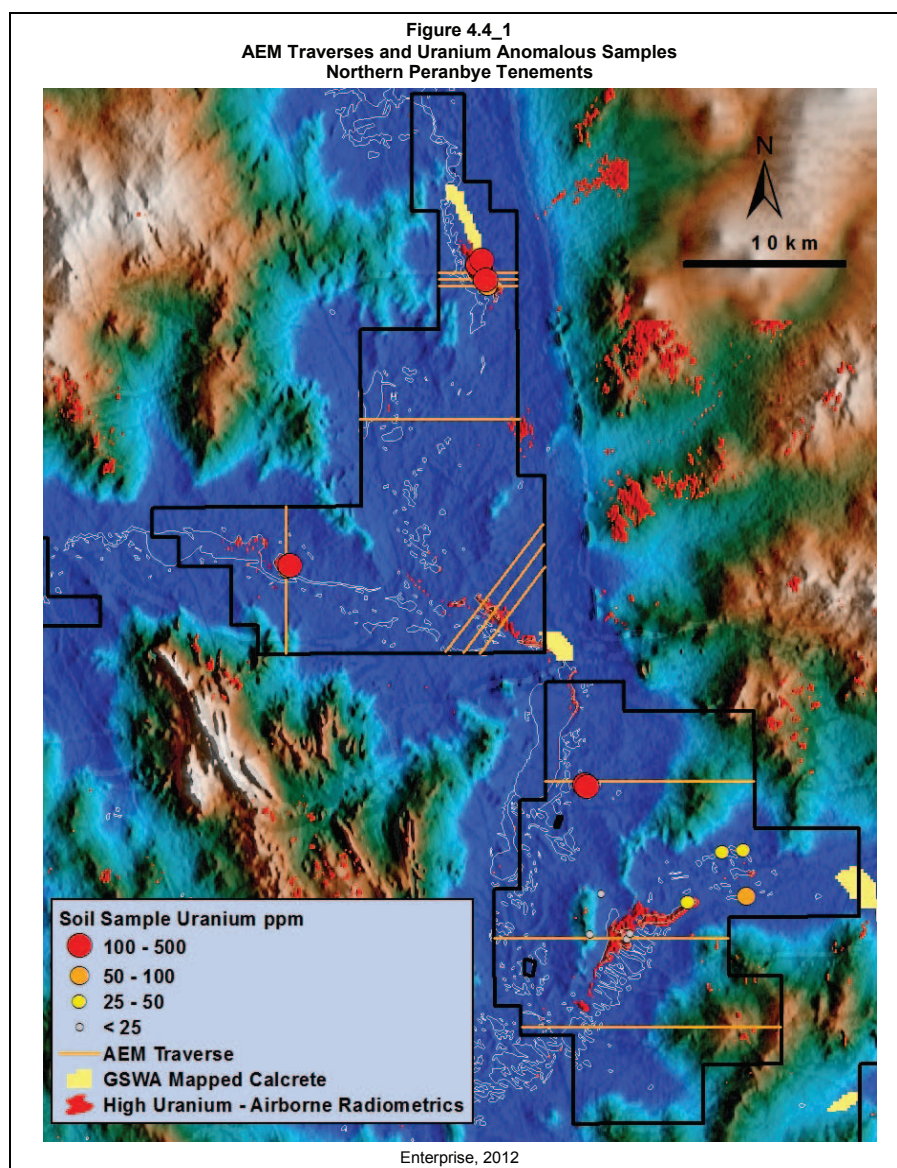
Initial field follow-up in April–May 2012 consisted of ground traversing over targeted airborne radiometric anomalies with a hand-held spectrometer and scintillometer. These traverses confirmed a number of U anomalous areas in gypsiferous and calcareous clays and calcrete developed within the palaeodrainage channels and lake systems. A total of 43 grab samples were collected and spectrometer determinations of K, Th and U content made.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

Samples were then submitted for ICP analysis at Genalysis in Perth. Assays for most of the samples were received by 18 June 2012 and have been discussed in Section 4.3.2.

A reconnaissance TEMPEST AEM survey was flown on 16 selected traverses in June 2012, with the objective of providing initial information on the location and depth extent of palaeodrainage channels and associated sediment-fill. The locations of these flight lines are shown on Figure 4.4\_1.



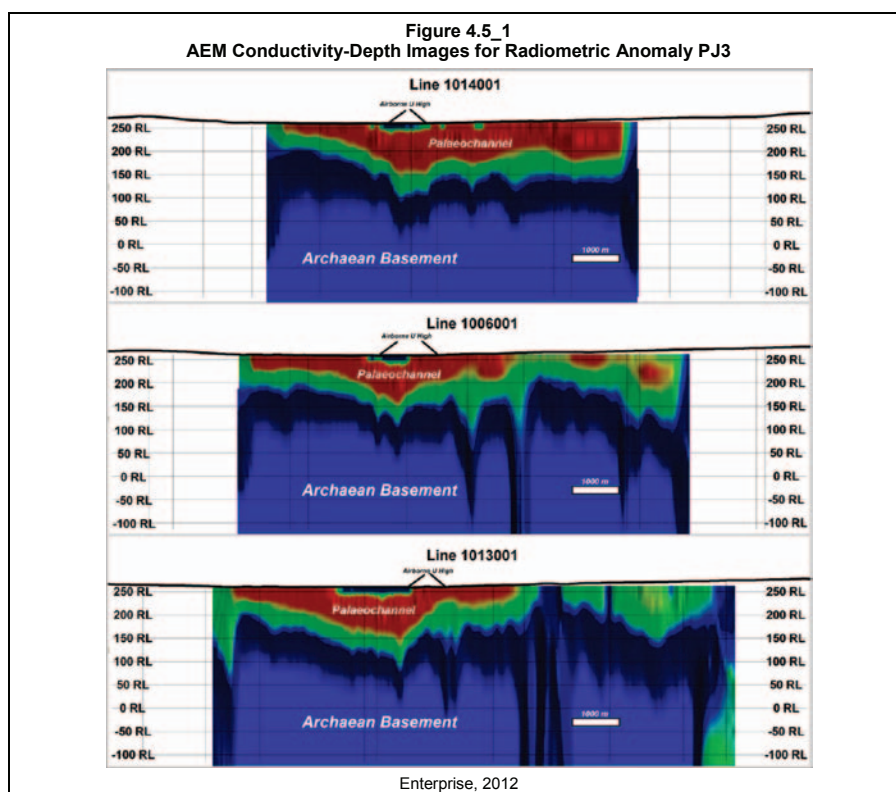
## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

### 4.5 Exploration Potential

The Peranbye Project tenements were applied for over newly identified and extensive radiometric anomalies associated with large internal drainage and palaeodrainage systems prospective for both calcrete- and sand-hosted U mineralisation. Very little work has been done on the ground to date. Sparse initial surface reconnaissance completed in April-May of 2012 has confirmed the presence of remobilised uranium associated with these drainage systems and identified strong uranium anomalism at several prospects which require systematic follow-up once the licenses have been granted. The strongly anomalous uranium values found during initial reconnaissance have been largely associated with gypsum and gypsiferous sediments rather than with the calcrete outcrops measured or sampled. This, however, does not detract from the prospectivity of the Project for shallowly-concealed calcrete-hosted mineralisation or sand-hosted mineralisation associated with deeper palaeochannels.

The extensive U anomalism confirms the movement of significant amounts of U through the palaeodrainage systems and suggests that with the appropriate trap site a significant deposit might be formed. The recently-flown airborne EM survey has confirmed the presence of extensive and deep palaeochannels below the present day lake and river systems. In several cases these directly correlate with uranium anomalies detected from the airborne radiometric survey data (Figure 4.5\_1).



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

### 4.6 Exploration Strategy and Budget

#### 4.6.1 Exploration Strategy

Enterprise has provided Coffey Mining with a proposed exploration program for the first two years following listing.

Exploration in the first year will focus on the uranium targets generated from the geophysical data, including magnetics, radiometrics and AEM within the granted tenure. Planned work in the first year includes:

- Aboriginal Heritage surveys.
- Community relations with local populations.
- Geophysical AEM surveys to identify buried paleochannels.
- Initial drilling on recon lines over initial uranium targets. All holes will be gamma probe logged and any uraniferous intervals will be submitted for chemical analyse.

In the second year, results from the uranium exploration will be followed up with infill and step out drilling. AEM surveys over and around areas of significant uranium mineralisation. Provision has also been made for initial Inferred JORC-compliant resource estimation. Initial ISR Metallurgical studies on drill samples to identify mineralisation species and extraction testwork.

#### 4.6.2 Exploration Budget

Enterprise has provided Coffey Mining with planned exploration budgets for the current ELs for the first two years following listing (Table 4.6.2\_1).

Table 4.6.2_1 Peranbye Project - Exploration Budget for Current Granted ELs						
Peranbye Project	Minimum Subscription 100% Grant			Maximum Subscription 100% Grant		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Activity Cost						
Native Title and Stakeholder Management	\$50,000	\$50,000	\$100,000	\$50,000	\$50,000	\$100,000
Geological activities and interpretations	\$25,000	\$15,000	\$40,000	\$30,000	\$20,000	\$50,000
Geophysical activities and interpretations	\$0	\$50,000	\$50,000	\$0	\$50,000	\$50,000
Drilling activities and assaying	\$175,000	\$135,000	\$310,000	\$190,000	\$150,000	\$340,000
Direct project administration costs	\$25,000	\$25,000	\$50,000	\$27,000	\$27,000	\$54,000
<b>Total</b>	<b>\$275,000</b>	<b>\$275,000</b>	<b>\$550,000</b>	<b>\$297,000</b>	<b>\$297,000</b>	<b>\$594,000</b>

#### 4.6.3 Alternate Exploration Budgets

The exploration budget for all the current tenement applications if they become granted after the first year after listing on ASX, if the Offer of the minimum subscription is raised (\$5.1 million) and if the Offer is fully subscribed (\$6.1 million), is as follows (Table 4.6.3\_1):



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

Table 4.6.3_1 Peranbye Project - Exploration Budget for all Granted ELs and EL Applications Granted after first Year after Listing						
Peranbye Project	Minimum Subscription 100% Tenement Grant			Maximum Subscription 100% Tenement Grant		
Activity Cost	Year 1	Year 2	Total	Year 1	Year 2	Total
Native Title and Stakeholder Management	\$50,000	\$50,000	\$100,000	\$50,000	\$50,000	\$100,000
Geological activities and interpretations	\$25,000	\$25,000	\$50,000	\$25,000	\$25,000	\$50,000
Geophysical activities and interpretations	\$0	\$50,000	\$50,000	\$0	\$50,000	\$50,000
Drilling activities and assaying	\$175,000	\$315,000	\$490,000	\$175,000	\$315,000	\$490,000
Direct project administration costs	\$25,000	\$44,000	\$69,000	\$25,000	\$44,000	\$69,000
<b>Total</b>	<b>\$275,000</b>	<b>\$484,000</b>	<b>\$759,000</b>	<b>\$275,000</b>	<b>\$484,000</b>	<b>\$759,000</b>

The exploration budget for all the current granted tenements and assuming that all of the current tenement applications are granted within the first year after listing on ASX if the Offer of the minimum subscription is raised (\$5.1 million) and if the Offer is fully subscribed (\$6.1 million), is as follows (Table 4.6.3\_2):

Table 4.6.3_2 Peranbye Project - Exploration Budget for all Granted ELs and EL Applications Granted within first Year after Listing						
Peranbye Project	Minimum Subscription 100% Tenement Grant			Maximum Subscription 100% Tenement Grant		
Activity Cost	Year 1	Year 2	Total	Year 1	Year 2	Total
Native Title and Stakeholder Management	\$60,000	\$60,000	\$120,000	\$60,000	\$60,000	\$120,000
Geological activities and interpretations	\$40,000	\$40,000	\$80,000	\$40,000	\$40,000	\$80,000
Geophysical activities and interpretations	\$0	\$70,000	\$70,000	\$0	\$70,000	\$70,000
Drilling activities and assaying	\$340,000	\$270,000	\$610,000	\$340,000	\$270,000	\$610,000
Direct project administration costs	\$45,000	\$45,000	\$90,000	\$45,000	\$45,000	\$90,000
<b>Total</b>	<b>\$485,000</b>	<b>\$485,000</b>	<b>\$970,000</b>	<b>\$485,000</b>	<b>\$485,000</b>	<b>\$970,000</b>

Planned work includes:

- Aboriginal Heritage surveys.
- Community relations with local populations.
- Geophysical AEM surveys to identify buried paleochannels.
- Initial drilling on recon lines over initial uranium targets. All holes will be gamma probe logged and any uraniferous intervals will be submitted for chemical analyse.

In the second year, results from the uranium exploration will be followed up with infill and step out drilling. AEM surveys over and around areas of significant uranium mineralisation. Provision has also been made for initial Inferred JORC-compliant resource estimation. Initial ISR Metallurgical studies on drill samples to identify mineralisation species and extraction testwork.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

### 4.6.4 Coffey Mining Conclusions and Recommendations

The extensive U anomalism confirms the movement of significant amounts of U through the palaeodrainage systems and suggests that with the appropriate trap site a significant deposit might be formed. The recently-flown airborne EM survey has confirmed the presence of extensive and deep palaeochannels below the present day lake and river systems which require initial drill testing.

The exploration strategies and budgets proposed by Enterprise are appropriate for the opportunity and commensurate with the prospectivity of the Peranbye Project. Planned expenditure is sufficient to meet all statutory expenditure requirements for the Project tenements.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

### 5 PONTON PROJECT

#### 5.1 Introduction

The Ponton Project is located approximately 130km east of Kalgoorlie and 680km east-northeast of Perth. The Project is north of the Trans-Australian Railway line in the southeastern part of the Yilgarn Mineral Field. Access is via Trans Access Road to the Coonana Siding (170km) then by local Pastoral Lease tracks. Vegetation comprises Mallee and heathland biospecies in the alluvial and drainage areas, with Eucalyptus woodlands on the laterite plateaus. The climate is arid and temperate. The average rainfall of 270mm/year is spread over the year. The median maximum temperatures range from 33.7°C in January to 16.7°C in July.

#### 5.2 Mineral Tenure

The Ponton Project comprises 5 granted exploration licences lodged on 13 October 2011 and covers an area of 1,216km<sup>2</sup>. All tenement applications have been made in the name of Enterprise Uranium Pty Ltd. Coffey Mining has not independently validated the licensing details and the present status of tenements, agreements and legislation described in this report is based on information provided by Enterprise.

The radiation management plan for Ponton requires submission. The RMP is in draft form, and can only be completed after the tenements are granted.

The Project is covered by 1 Native Title Claim Group (No. WC99/030). A Native Title Agreement was signed with the group on 30 July 2012 and the Group has withdrawn their objection to granting.

#### 5.3 Geology and Mineralisation

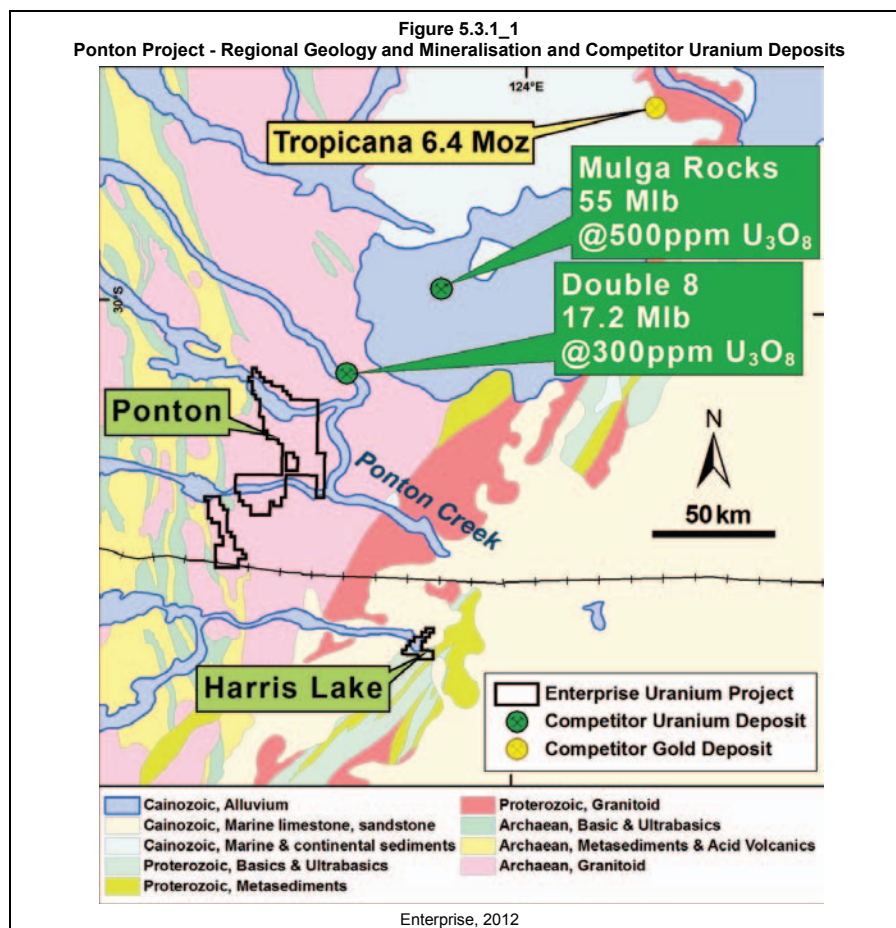
##### 5.3.1 Regional Geology and Mineralisation

The Ponton tenement area is located toward the SE margin of the Archaean Yilgarn Province of Western Australia, to the east of the Edjudina Greenstone Belt on the Celia-Pinjin lineament. A major granitoid gneiss (Kargella) unit underlies the majority of the tenements. Several regional NNW-trending faults, which include the Pinjin Fault, are interpreted to cut through the granite-greenstone terrane.

The Project covers the Lake Rebecca, Lake Yindana and Lake Roe drainage systems and tributaries. Away from these drainage systems, the area is covered by sand plains and low laterite plateaus, with breakaways occurring near the Lake Yindana and Lake Rebecca salt lake systems. The salt lakes themselves are located close to the confluence of several of these major palaeodrainages which traverse the Yilgarn of Western Australia from a north-westerly to south-easterly direction. Immediately east of Enterprise's Ponton Project tenements, these major drainages join to form the Ponton River, which drains into the western margin of the Eucla Basin (Figure 5.3.1\_1).

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd



There are two nearby uranium projects at Mulga Rocks and Double 8 with declared Mineral Resources. These represent comparable styles of mineralisation to those being targeted by Enterprise at Ponton.

At Mulga Rocks, uranium mineralisation occurs in sediments within palaeochannels eroded into underlying Permian mudstones of the Paterson Formation. The base of the sequence comprises Cretaceous lacustrine sediments which grade upwards into a sequence of quartz sand and sandy clays. Tertiary fluvial-lacustrine sediments (~80m thick) conformably overlie the Cretaceous sands. The Tertiary sediments consist of a sequence of interbedded clay, peaty clay and peat.



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

The uranium mineralisation is hosted by the peat and clayey peat layers of Middle Eocene age and occurs immediately below the redox boundary at the base of the weathered zone. The mineralised zones average about 2m thick, are flat-lying and are from 20 to 50m below surface. Conformably overlying this is a sequence of quartz sand, silt and clay up to 30m thick, which has been completely oxidised. Quaternary sediments (~20m thick) consisting of aeolian sand, laterite and silcrete overlie the whole region.

The Mulga Rock deposits comprise three separate zones of mineralisation: Shogun, Emperor and Ambassador. These occur along the outer margin of a broad bend in the palaeochannel. Current published Mineral Resources are: 24.14Mt @ 500ppm  $U_3O_8$  at Emperor, 3.96Mt @ 590ppm at Shogun, and 16.53mt @ 630ppm at Ambassador.

The Manhattan Corporation Limited Ponton Project comprises carbonaceous sand-hosted uranium mineralisation in Tertiary palaeochannels below 40-60ms of cover. Mineralisation has now been defined in drilling over a length of 55km at Stallion, Stallion South, Double 8, Ponton, Highway South and Highway prospects. The Double 8 Deposit has current published Inferred Resource of 17.2Mlb  $U_3O_8$  at a 200ppm cutoff.

### 5.3.2 Project Geology and Mineralisation

Approximately 75% of the project is covered by recent sediments of the lower reaches of the Lake Rebecca and Lake Roe/Yindana drainage systems. These salt lake systems overlie major palaeodrainages up to 10km wide and >100m deep, which have developed since the Cretaceous period over predominantly Archaean granitoid and greenstone basement (Figure 5.3.2\_1).

From airborne magnetic, radiometric and DTM, Enterprise has identified a number of areas prospective for sandstone-hosted uranium deposits occurring over the confluence of Lake Rebecca, Lake Yindana and the Ponton River on the southeastern margin of the Archaean Yilgarn Craton. To the immediate northeast of the Ponton Project lies the Double 8 Deposit (Figure 5.3.2\_2).

## 5.4 Exploration History

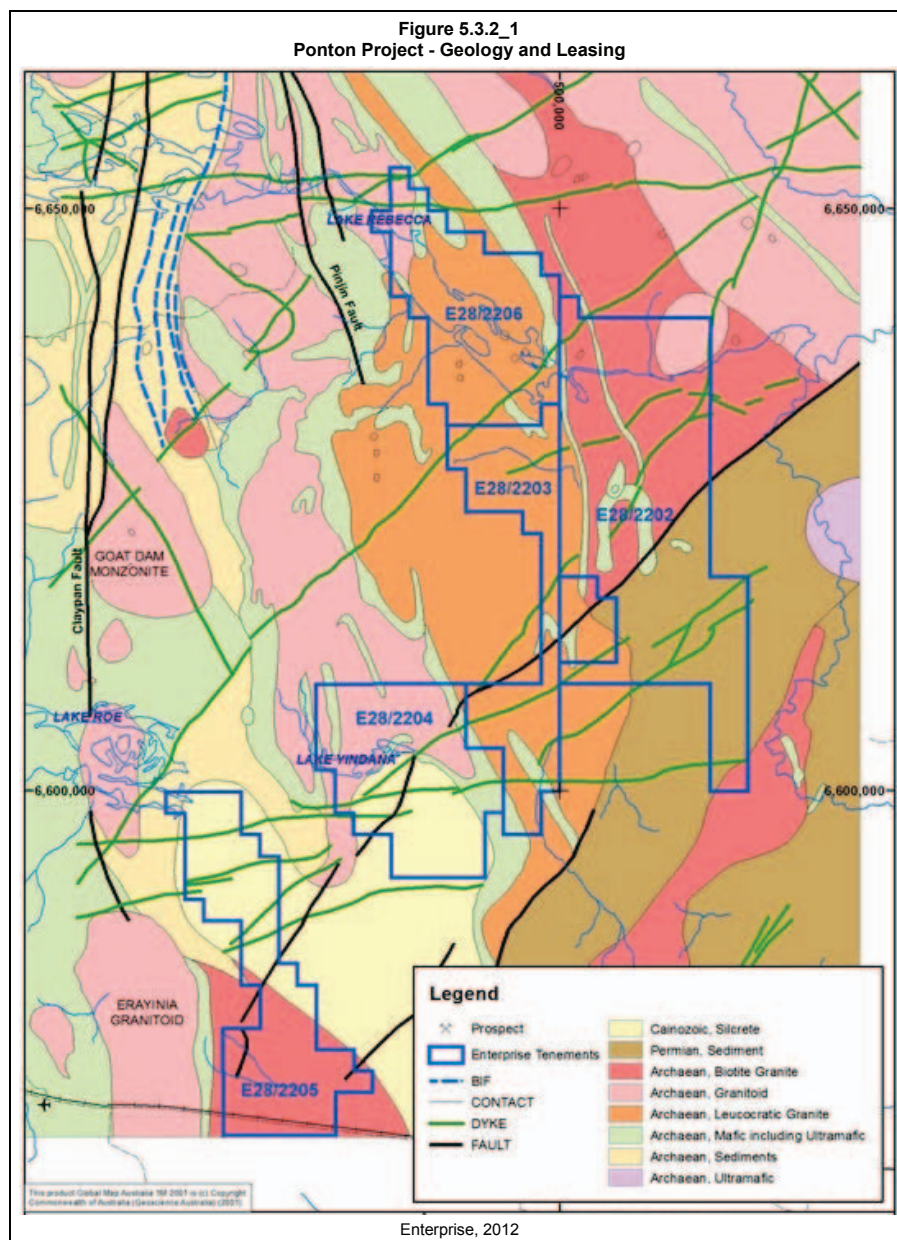
### 5.4.1 Gold and Base Metals

The Archaean greenstones in the Cunderlee area on and west of E28/ 2204, 2205, and 2206 have been extensively explored for gold and base metals over the last 30 years. There are at least 30 reports in the WAMEX system dealing with past exploration in the Project area. A number of prospects were defined and drilled. These include:

- *Rowes Find* prospect located between leases E28/2204 and E28/2205.
- *Round Hill* in the lake rebecca area.
- *Redskin* prospect is approximately 5km due east of E28/2206.
- *Mendal* prospect on and west of E28/2206.
- *Bombora* prospect, which straddles the western margin of E28/2206 with weak gold mineralisation intersected in historical drilling inside E28/2206.

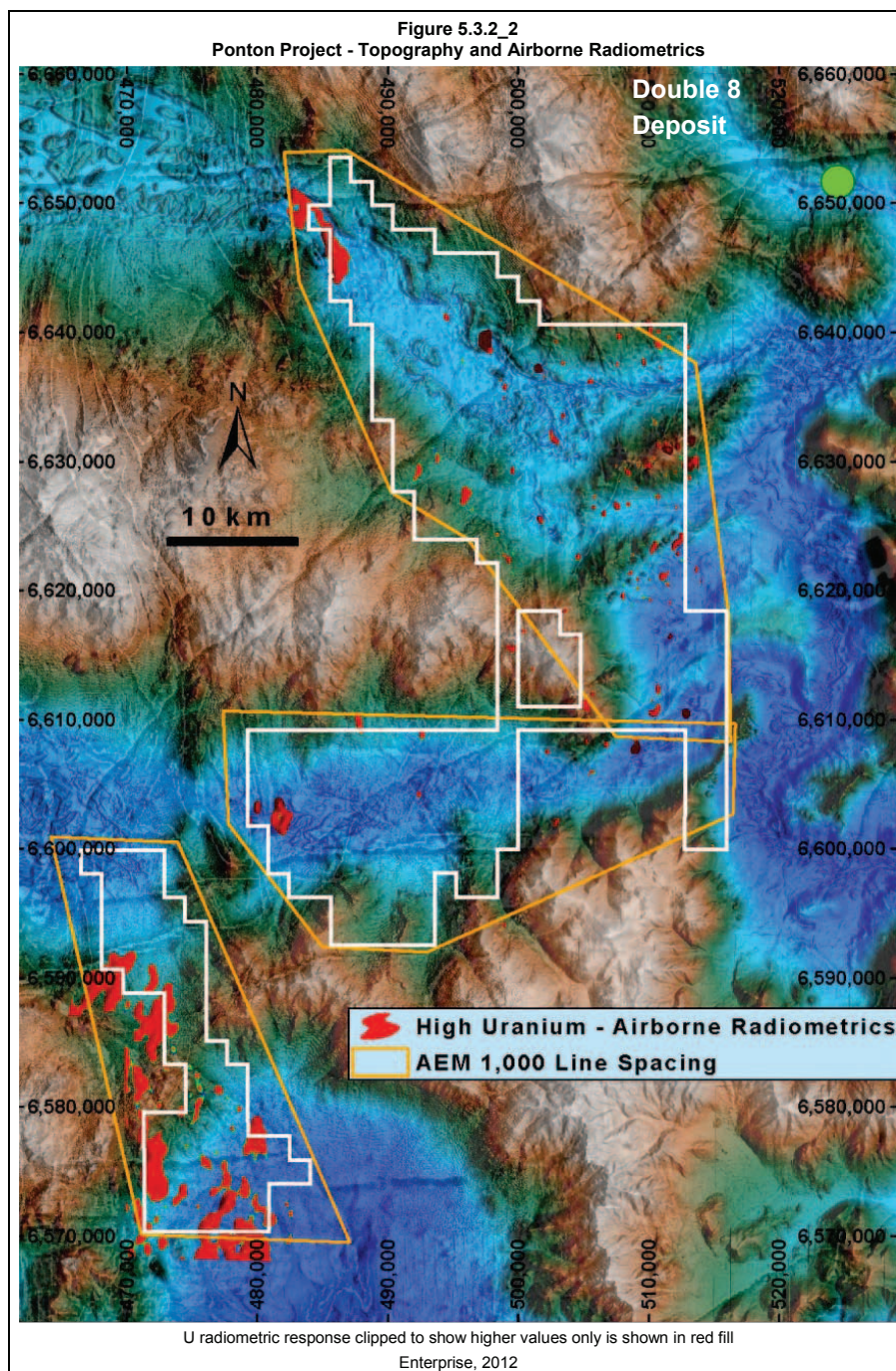
## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd





## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

Exploration for nickel and associated base metals has led to the discovery of the **Green Dam** prospect, some 15km west of Enterprise's E28/2203. Extensive drilling has defined a 1.2km long zone of greater than 0.5% nickel anomalism in komatiites in the middle of a north-south-trending ultramafic unit.

A number of companies have explored a large circular magnetic feature to the east of E28/2202 known as the Starwulf Anomaly which was initially considered to be a carbonatite, but later shown to be a layered ultramafic intrusive complex with disseminated sulphide mineralisation containing background PGE values.

### 5.4.2 Uranium

During the period 1984 to 1990, BHP and Uranerz Pty Ltd explored the Lake Rebecca palaeochannel system, which is expressed at the surface by the Lake Rebecca chain of salt lakes. Scout drilling across the channel intersected uranium values up to 150ppm in thin carbonaceous clays, as well as gold values of between 1g/t and 2g/t in the basal 1-2m of the channel.

BHP investigated another palaeochannel system extending between Lake Paddock and Lake Roe, in a line ENE of E28/2205. A few RC drill intercepts were anomalous for gold with the best being a 1m interval of 1.2g/t gold. The interpreted orientation of this palaeochannel was towards E28/2204. Drill spoil was analysed for most economic metallic elements; however, uranium results were not reported. BHP's downhole gamma logs did show some distinct zones of radioactive anomalism.

Enterprise applied for its Ponton Project exploration licenses in October 2011. No on-ground exploration by Enterprise has occurred, with initial work restricted to compilation of historical exploration data. In July 2012, Enterprise commissioned an AEM survey to be flown over the project on broad 1km flight line spacing. The final processed data from this survey has confirmed the presence of broad, deep palaeochannels prospective for sand/sandstone hosted uranium mineralisation (Figure 5.4.2\_1). The deepest channels are interpreted to be approximately 150m deep.

### 5.5 Exploration Potential

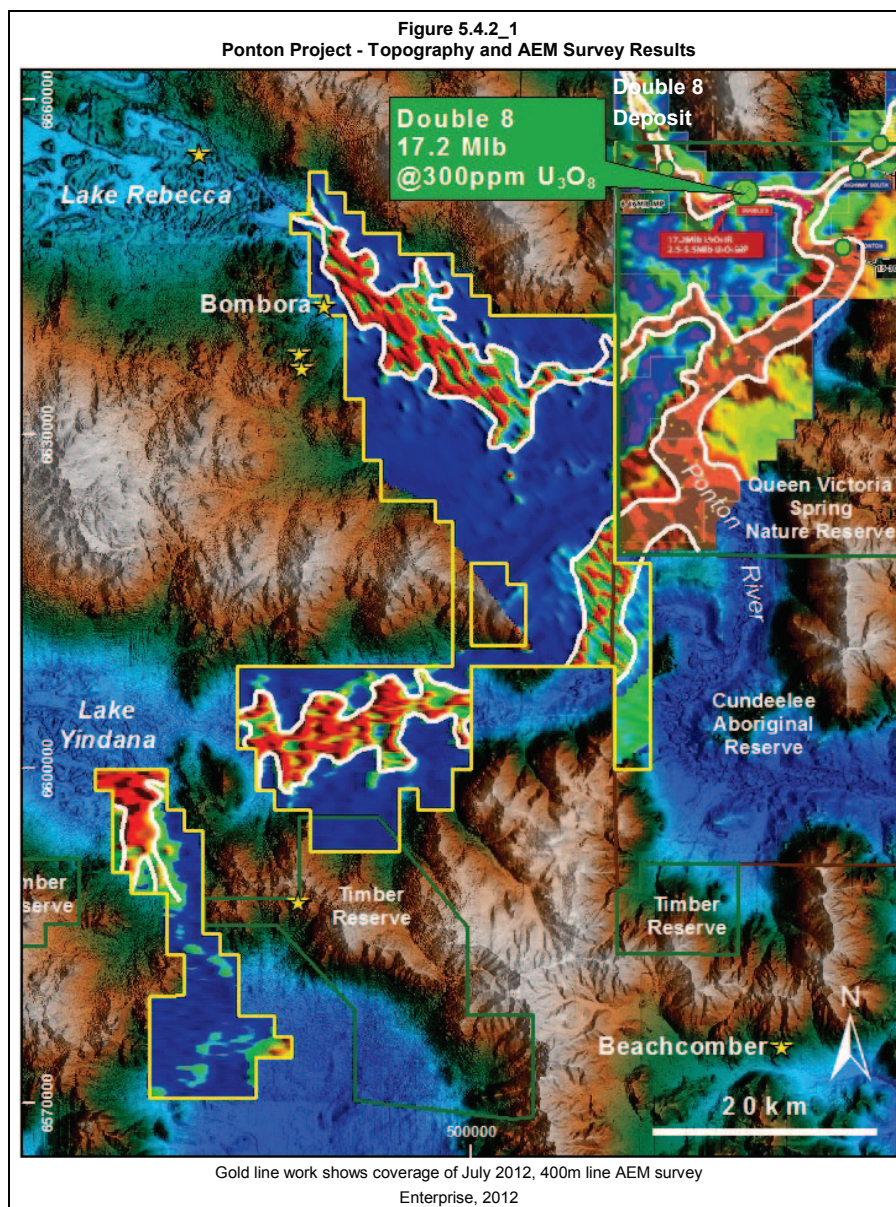
Enterprise identified a number of areas prospective for sandstone-hosted uranium deposits occurring over the confluence of Lake Rebecca, Lake Yindana and the Ponton River on the southeastern margin of the Yilgarn Craton. Five exploration licenses were applied for to cover these targets. A review of historical exploration data found very little previous uranium exploration had occurred over these areas.

To the immediate northeast of the Ponton Project lies Manhattan Corporation Ltd's Double 8 uranium deposit, reported to contain an inferred resource of 26Mt grading 300ppm  $U_3O_8$  containing 7,800 tonnes (17.2Mlb) of uranium oxide at a 200ppm  $U_3O_8$  cutoff. (The reported Resources are based on RC drilling by PNC Exploration ("PNC") in the mid 1980's and are classified as Inferred in accordance with the JORC Code (2004), Sourced from <http://manhattancorp.com.au/projects/ponton/double-8>, 25 September 2012).



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd



Further to the northeast lies the Energy and Minerals Australia Ltd Mulga Rock Deposits which have reported Inferred Resources of 44.63Mt at 549ppm  $U_3O_8$  containing 24,510t (54.04Mlb) of uranium oxide at a 200ppm cutoff (<http://www.eama.com.au/projects/mulga>).

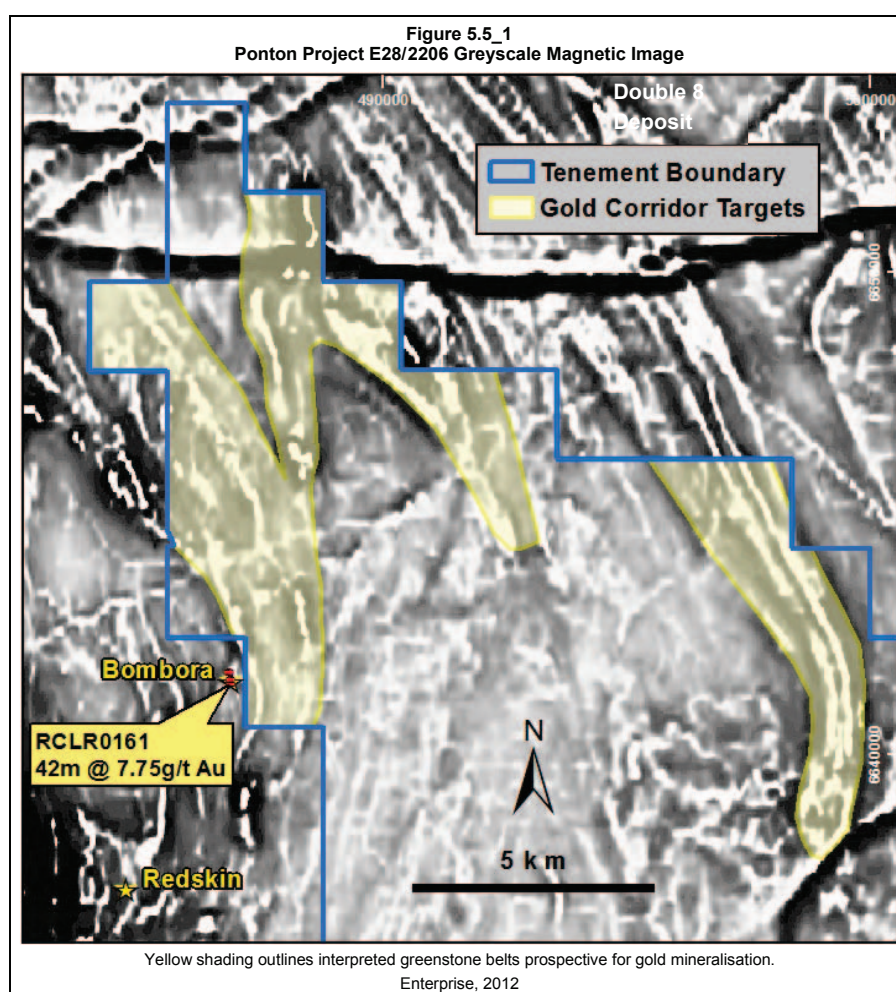
The recently completed AEM survey has confirmed the presence of broad, up to 150m deep, palaeochannels prospective for sand/sandstone hosted uranium mineralisation within the Project tenements.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

It could reasonably be expected that the concealed palaeodrainage systems confirmed within the Enterprise Ponton Project are similar to those at Double 8 and Mulga Rocks (Figure 5.4.2\_1). They developed during similar climatic and erosional conditions over a common basement. On this basis, they are considered equally prospective for uranium and the deepest channels have been targeted by Enterprise for RC drill testing.

The NW corner of E28/2206 contains several concealed greenstone belt segments including the northern extensions of the greenstone belt hosting Apollo Consolidated Ltd's Bombora Gold Prospect (<http://www.apolloconsolidated.com.au/investor-centre/announcements>). Enterprise plans to test the gold potential of these greenstone belts in conjunction with its uranium exploration drilling (Figure 5.5\_1).



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

### 5.6 Exploration Strategy and Budget

#### 5.6.1 Exploration Strategy

Enterprise has provided Coffey Mining with a proposed exploration program for the first two years following listing.

Exploration in the first year will focus on the uranium targets generated from the geophysical data, including magnetics, radiometrics and AEM within the granted tenure. Additional gold drilling targets have been identified that will require RC drilling to test. Planned work in the first year includes:

- Aboriginal Heritage surveys.
- Initial broad spaced drilling on recon lines over initial uranium targets. All holes will be gamma probe logged and any uraniferous intervals will be submitted for chemical analyse.
- Initial verification drilling over gold targets.

In the second year, results from the uranium exploration will be followed up with infill and step out drilling. Verified gold targets will be followed up with additional confirmation drillholes. Provision has also been made for initial Inferred JORC-compliant Uranium resource estimation. Closer spaced Geophysical AEM surveys will be flown over uranium bearing paleochannels areas identified from results of the first year. Initial ISR Metallurgical studies on drill samples will be done to identify mineralisation species and extraction testwork.

#### 5.6.2 Exploration Budget

Enterprise has provided Coffey Mining a planned exploration budgets for the current granted ELs (Table 5.6.2\_1).

Table 5.6.2_1 Ponton Project - Exploration Budget for Current Granted ELs						
Ponton Project	Minimum Subscription 100% Grant			Maximum Subscription 100% Grant		
Activity Cost	Year 1	Year 2	Total	Year 1	Year 2	Total
Native Title and Stakeholder Management	\$55,000	\$0	\$55,000	\$55,000	\$0	\$55,000
Geological activities and interpretations	\$30,000	\$20,000	\$50,000	\$33,000	\$20,000	\$53,000
Geophysical activities and interpretations	\$0	\$70,000	\$70,000	\$0	\$70,000	\$70,000
Drilling activities and assaying	\$290,000	\$285,000	\$575,000	\$290,000	\$285,000	\$575,000
Direct project administration costs	\$37,000	\$37,000	\$74,000	\$37,000	\$37,000	\$74,000
<b>Total</b>	<b>\$412,000</b>	<b>\$412,000</b>	<b>\$824,000</b>	<b>\$415,000</b>	<b>\$412,000</b>	<b>\$827,000</b>

#### 5.6.3 Alternate Exploration Budget

The exploration budget for all the current tenement applications if they become granted after the first year after listing on ASX, if the Offer of the minimum subscription is raised (\$5.1 million) and if the Offer is fully subscribed (\$6.1 million), is as follows (Table 5.6.3\_1):



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

Table 5.6.3_1 Ponton Project - Exploration Budget for all Granted ELs and EL Applications Granted after first Year after Listing						
Ponton Project	Minimum Subscription 100% Tenement Grant			Maximum Subscription 100% Tenement Grant		
Activity Cost	Year 1	Year 2	Total	Year 1	Year 2	Total
Native Title and Stakeholder Management	\$55,000	\$0	\$55,000	\$55,000	\$0	\$55,000
Geological activities and interpretations	\$30,000	\$20,000	\$50,000	\$30,000	\$20,000	\$50,000
Geophysical activities and interpretations	\$0	\$70,000	\$70,000	\$0	\$70,000	\$70,000
Drilling activities and assaying	\$290,000	\$285,000	\$575,000	\$290,000	\$285,000	\$575,000
Direct project administration costs	\$37,000	\$37,000	\$74,000	\$37,000	\$37,000	\$74,000
<b>Total</b>	<b>\$412,000</b>	<b>\$412,000</b>	<b>\$824,000</b>	<b>\$412,000</b>	<b>\$412,000</b>	<b>\$824,000</b>

The exploration budget for all the current granted tenements and assuming that all of the current tenement applications are granted within the first year after listing on ASX if the Offer of the minimum subscription is raised (\$5.1 million) and if the Offer is fully subscribed (\$6.1 million), is as follows (Table 5.6.3\_2):

Table 5.6.3_2 Ponton Project - Exploration Budget for all Granted ELs and EL Applications Granted within first Year after Listing						
Ponton Project	Minimum Subscription 100% Tenement Grant			Maximum Subscription 100% Tenement Grant		
Activity Cost	Year 1	Year 2	Total	Year 1	Year 2	Total
Native Title and Stakeholder Management	\$50,000	\$50,000	\$100,000	\$50,000	\$50,000	\$100,000
Geological activities and interpretations	\$20,000	\$20,000	\$40,000	\$20,000	\$20,000	\$40,000
Geophysical activities and interpretations	\$0	\$70,000	\$65,000	\$0	\$70,000	\$70,000
Drilling activities and assaying	\$310,000	\$240,000	\$550,000	\$310,000	\$240,000	\$550,000
Direct project administration costs	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$80,000
<b>Total</b>	<b>\$420,000</b>	<b>\$420,000</b>	<b>\$840,000</b>	<b>\$420,000</b>	<b>\$420,000</b>	<b>\$840,000</b>

### 5.6.4 Coffey Mining Conclusions and Recommendations

The Ponton Project lies in an area of known U endowment with significant Mineral Resources already established by other explorers on adjacent properties. The Ponton AEM survey data have confirmed the presence of broad, deep palaeochannels highly prospective for similar sand/sandstone/lignite hosted uranium deposits. These clearly warrant reconnaissance drill testing. At least some of the initial drill testing should be planned to penetrate the complete palaeochannel stratigraphy. The NW portion of the Project contains several concealed greenstone belt segments prospective for gold and base metals and initial exploration to follow up these areas is also warranted.

The exploration strategies and budgets proposed by Enterprise are appropriate for the opportunity and commensurate with the prospectivity of the Ponton Project. Planned expenditure is sufficient to meet all statutory expenditure requirements for the Project tenements. Coffey Mining supports the early reconnaissance drilling of identified palaeochannel targets to establish the presence of U mineralisation.



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

### 6 HARRIS LAKE PROJECT

#### 6.1 Introduction

The Harris Lake Project is located 25km south of Zanthus on the Trans-Australian rail line and 200km east of Kalgoorlie. Access to Zanthus from Kalgoorlie is along the Trans Access Road to Zanthus, then 25km south along the Balladonia-Zanthus road (4wd only).

Vegetation comprises Mallee and heathland biospecies in the alluvial and drainage areas, with Eucalyptus woodlands on the laterite plateaus. The climate is overall arid and temperate. The average rainfall of 270mm/year is spread over the year. The median maximum temperatures range from 33.7°C in January to 16.7°C in July.

#### 6.2 Mineral Tenure

The Harris Lake Project is located 25km south of the town of Zanthus on the trans-Australian rail line and 200km east of Kalgoorlie. Access to Zanthus from Kalgoorlie is along the Trans Access Road to Zanthus, then 25km south along the Balladonia Zanthus Road (4wd only).

The Harris Lake Project is held as a single granted exploration licence held in the name of Burracoppin Resources Pty Ltd, a 100%-owned subsidiary of Enterprise Metals Ltd. E28/1958, covering 76.3km<sup>2</sup>, was granted on 8 March 2010. The license is subject to a 1.5% Gross Royalty (Hoff, Robertson). License details are summarised in Appendix A.

The Project is situated on Vacant Crown Land; however, most of the tenement is also the subject of a Proposed Nature Reserve. The area is contained within the Lake Harris Nature Reserve is a 'C' Class nature reserve, vested in the NPNCA for the purpose of conservation of flora and fauna. E28/1958 covers a substantial portion of the Harris Lake salt lake system including the southern outlet of the lake, which drains the Archaean Yilgarn Craton and traverses the iron rich western units of the Proterozoic Albany-Fraser Orogen.

Vegetation comprises Mallee and heathland biospecies in the alluvial and drainage areas, with Eucalyptus woodlands on the laterite plateaus. The climate is overall arid and temperate. The average rainfall of 270mm/year is spread over the year. The median max temperatures range from 33.7 degrees C in January to 16.7 degrees C in July.

The Project is covered by the Ngadju Native Title Claim Group. A Native Title Agreement was signed in September 2009 and is administered by the Goldfields Land Sea & Council. A radiation management plan for Harris Lake was approved on 18 July 2012 and is valid for two years.

Coffey Mining has not independently validated the licensing details and the present status of tenements, agreements and legislation described in this report is based on information provided by Enterprise.

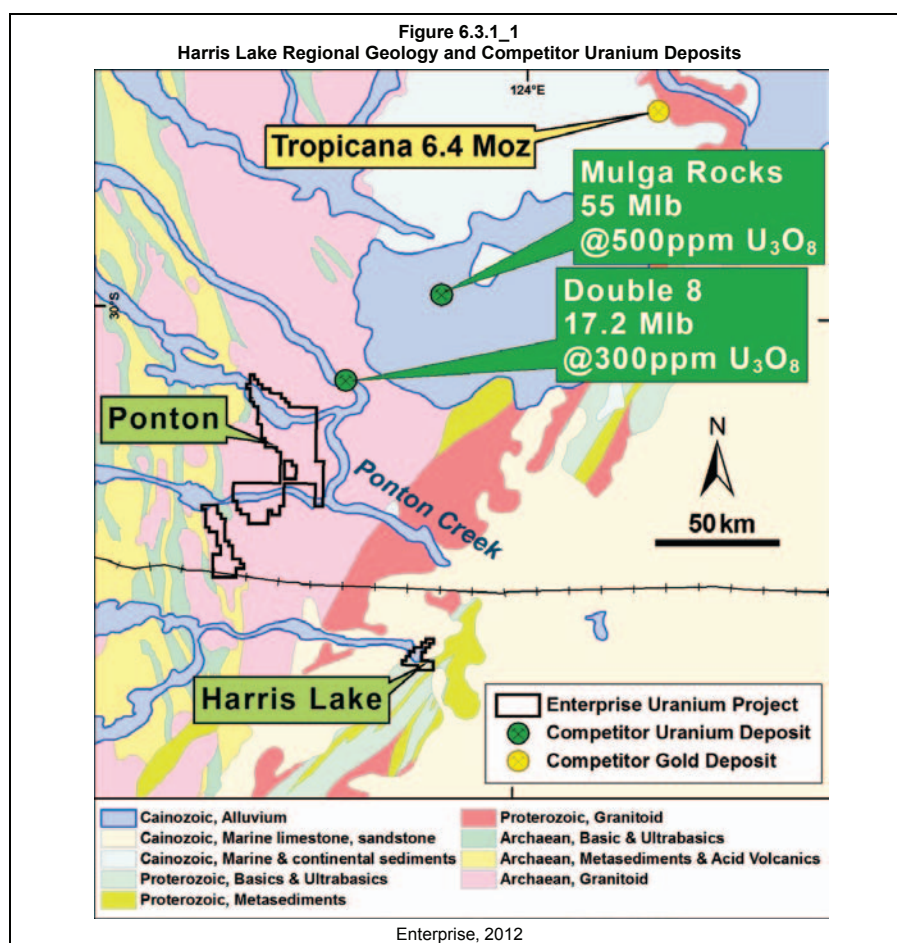
## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

### 6.3 Project Geology and Mineralisation

#### 6.3.1 Geology

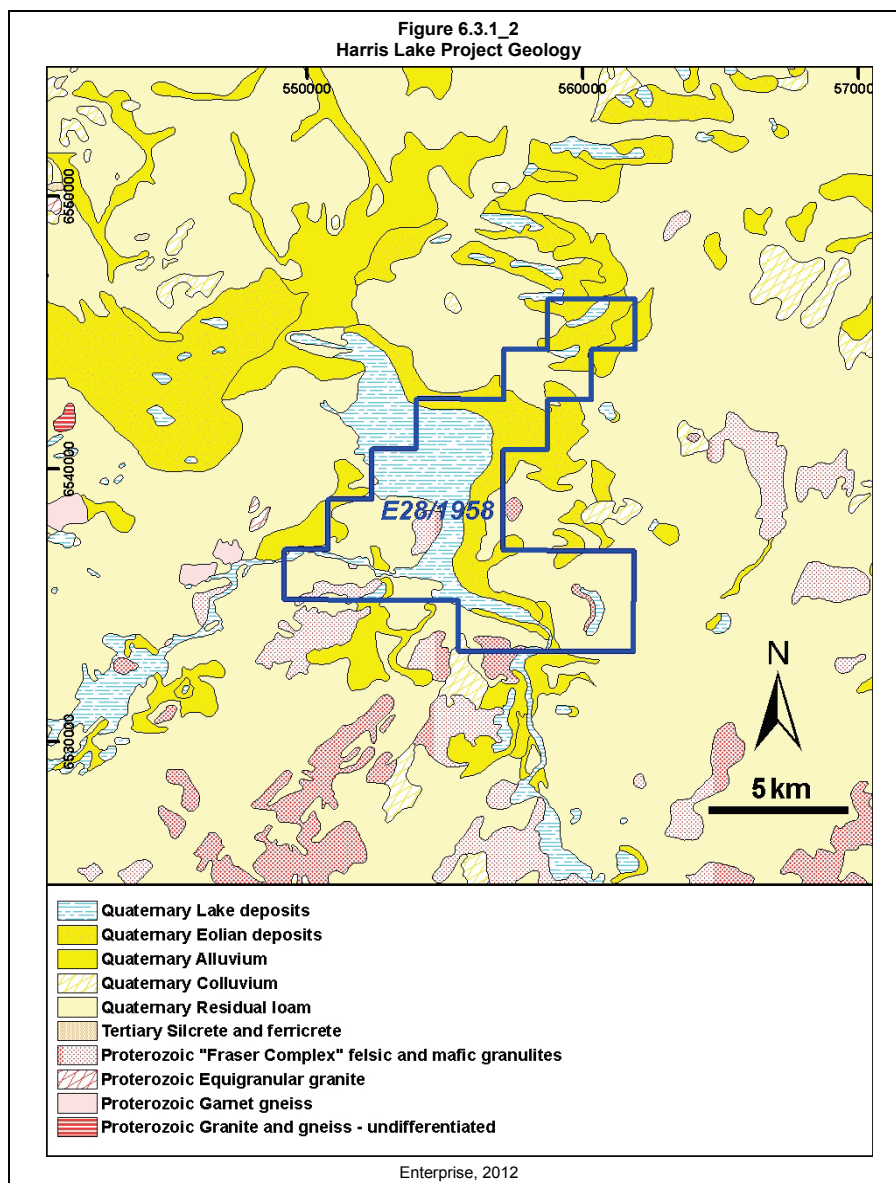
The Exploration License is located in the Albany-Fraser Province which extends along the southern and southeastern margin of the Yilgarn Craton. It consists mainly of orthogneiss and granite but also includes large sheets of metagabbro, remnants of mafic dykes and widespread metasedimentary rocks. The orthogneisses are derived from Late Archaean and Palaeo- and Mesoproterozoic granitic rocks that were deformed and metamorphosed during Mesoproterozoic orogenic activity. The regional geology of the Project is shown on Figure 6.3.1\_1.



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

Harris Lake dominates the central and northwestern part of the tenement area and is comprised of lacustrine silt and clay mainly covered by a gypsiferous saline crust. The lake marks the confluence of several channels draining from the south, west and northwest. The remainder of the license is covered by extensively alluvial and colluvial sand and silt with little topographic variation. The highest points are sand dunes and rare rounded granulite or gabbro outcrops. Smaller salt pans are commonly located in the swales between the dunes. The local geology is shown in Figure 6.3.1\_2.



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

### 6.4 Exploration History

A small amount of historical exploration activity dating from the late 1960s focused on gold and base metals in basement rocks in and around the license area.

URL undertook extensive exploration for uranium in the region during 1974-1978. The work focused on the drainage systems associated with Harris Lake and Lake Rivers. Exploration activities completed included: airborne radiometric surveys, ground spectrometer surveys, geological mapping, water sampling, "drop hammer" seismic lines, auger and RC drilling. The drilling identified several palaeochannels and a maximum value of 138ppm  $U_3O_8$  from 22-23m depth was intersected in hole ZR6, located 7km to the north of E28/1958.

Following the discovery of radiometric anomalies at the northern end of Harris Lake by their airborne radiometric survey, URL conducted an exploration programme in the Harris Lake area between 1974 and 1977. Their targets were stratabound and channel-filled deposits in Eocene intake and outlets to Harris Lake. A secondary target was vein-type mineralisation associated with faulting in rocks of the Fraser Belt. Most of URL's exploration was conducted upstream, to the north and west of Harris Lake, but they did drill nine holes within the boundaries of E28/1958. Because access to the lake surface was limited due to heavy rain, all but 2 of the holes were drilled close to the lake margin, away from the peak values of the anomaly and returned no anomalous U assays.

During 1974, eighteen auger holes totalling 427m were drilled mainly around the western and northern margins of Harris Lake. The drilling targeted the area to the northwest of Harris Lake for the existence of palaeochannels and possible uranium host rocks. Only 2 holes, HL17 and HL18, were drilled on E28/1958 at the southeastern corner of Harris Lake, but off the lake surface. These holes were drilled to 6m and 8m respectively before hitting basement. No palaeochannels or anomalous uranium values were intersected.

At the northwestern end of Harris Lake, however, the drilling intersected basement at variable depths, indicating the presence of a channel structure. In three holes (HL10, HL11 and HL13), a thick sequence of sand, often very carbonaceous, was encountered before basement. Pieces of lignite and sand cemented by marcasite were encountered in one hole (HL11). These results indicate the presence of a palaeochannel striking approximately west from the lake and entering it from the north.

Prospecting around the western and northern edges of Harris Lake revealed extensive ferruginous magnetic features associated with radioactive saline seepages. Very strong radioactivity was encountered over polygonal fractures in ferruginous cover where the seepages were encountered. Most of the seepages lie to the west of E28/1958, although some are associated with radiometric responses within Enterprise's tenement.



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

During 1977, URL drilled 17 auger holes and 7 RC holes in the Harris Lake area. Seven auger holes, AH11-AH17, were drilled on E28/1958. All holes were logged with a McPhar downhole logger and 20 samples were submitted for uranium assay. Hole AH11, on the western margin of the lake, was drilled over a strongly radioactive spring associated with a highly ferruginised, porous surface crust directly overlying basement intersected at 3m depth.

Five samples were collected from an auger hole on one of the anomalies at the northern end of the lake. All samples were strongly radioactive, but they all assayed below detection limits for  $U_3O_8$  (<10ppm). No uranium was detected when the samples were subjected to analysis by X-ray diffraction. Subsequently 5 more samples, including 2 water samples, were collected. The 2 water samples were found to decrease considerably in radioactivity over a four-day period. Further analysis established that there was a strong disequilibrium between uranium and its daughter products  $^{226}Ra$  and  $^{222}Rn$ . This was responsible for the situation where strong radiometric uranium (eU) responses were associated with low U analytical results.

URL concluded that at least part of the large surface anomaly tested by them was due to daughter products of uranium (radium and radon) which were emanating from a uranium source within a palaeochannel. Wide-spaced drilling on the lake surface did not locate the uranium source beneath the airborne radiometric anomaly. This indicated that the surface anomaly had moved away from its source but the direction and distance of this movement is not known.

CRA Exploration Pty Ltd (CRA) explored a large area, including the Harris Lake region, for brown coal (lignite) between 1980 and 1982. Their work concentrated on the Upper Eocene Werillup Formation. CRA drilled 43 RC holes (1468m), of which 2, ZRH12 and ZRH14, are located on E28/1958. CRA did not assay for uranium and no downhole radiometric logging was done.

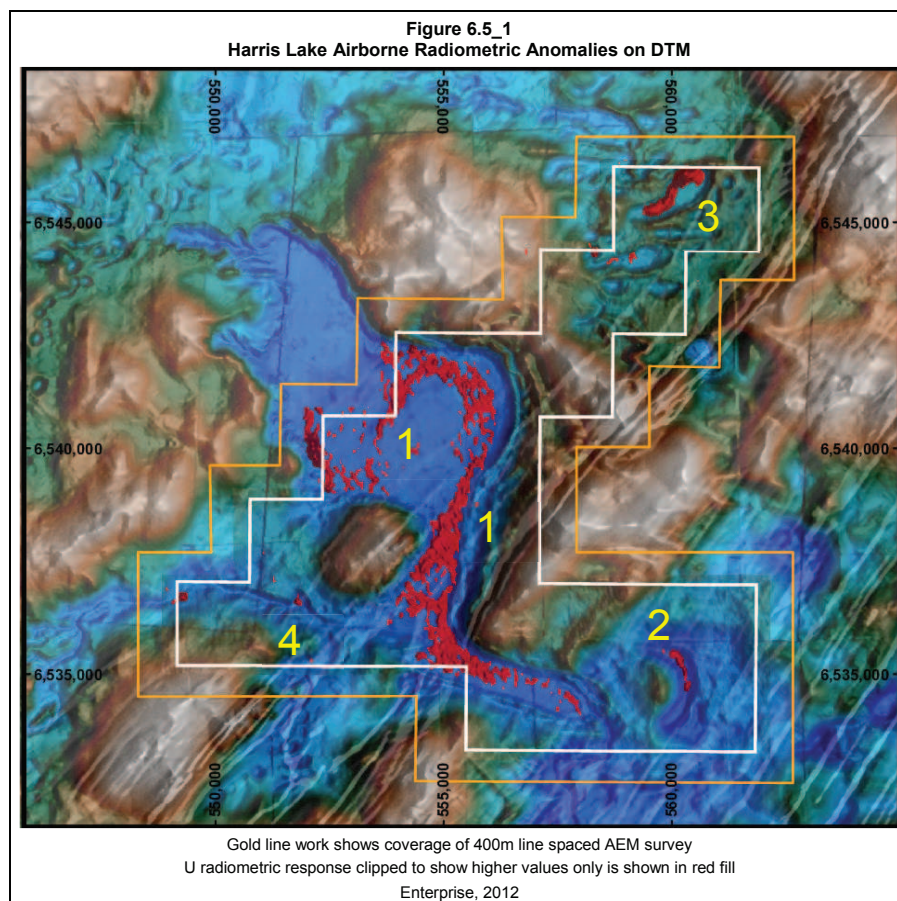
Since applying for the license, Enterprise Metals Ltd completed an extensive literature review of previous exploration reports, compiled historic geochemical and drilling data over the project area and immediate surrounds. A detailed aeromagnetic and radiometric survey covering the entire project area of 76.3km<sup>2</sup> was flown in March 2011. The radiometric data acquired clearly shows the anomalous radiometric response of the Harris Lake drainage system. An AEM survey on 400m line spacing was flown over the Project in July 2012 (Figure 6.5\_1) with the intent of defining palaeochannels and basement topography in the license area.

### 6.5 Exploration Potential

At Harris Lake, four target areas (numbered 1 to 4) with anomalous uranium responses from the March 2011 airborne radiometric survey have been identified for follow-up by Enterprise (Figure 6.5\_1).

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

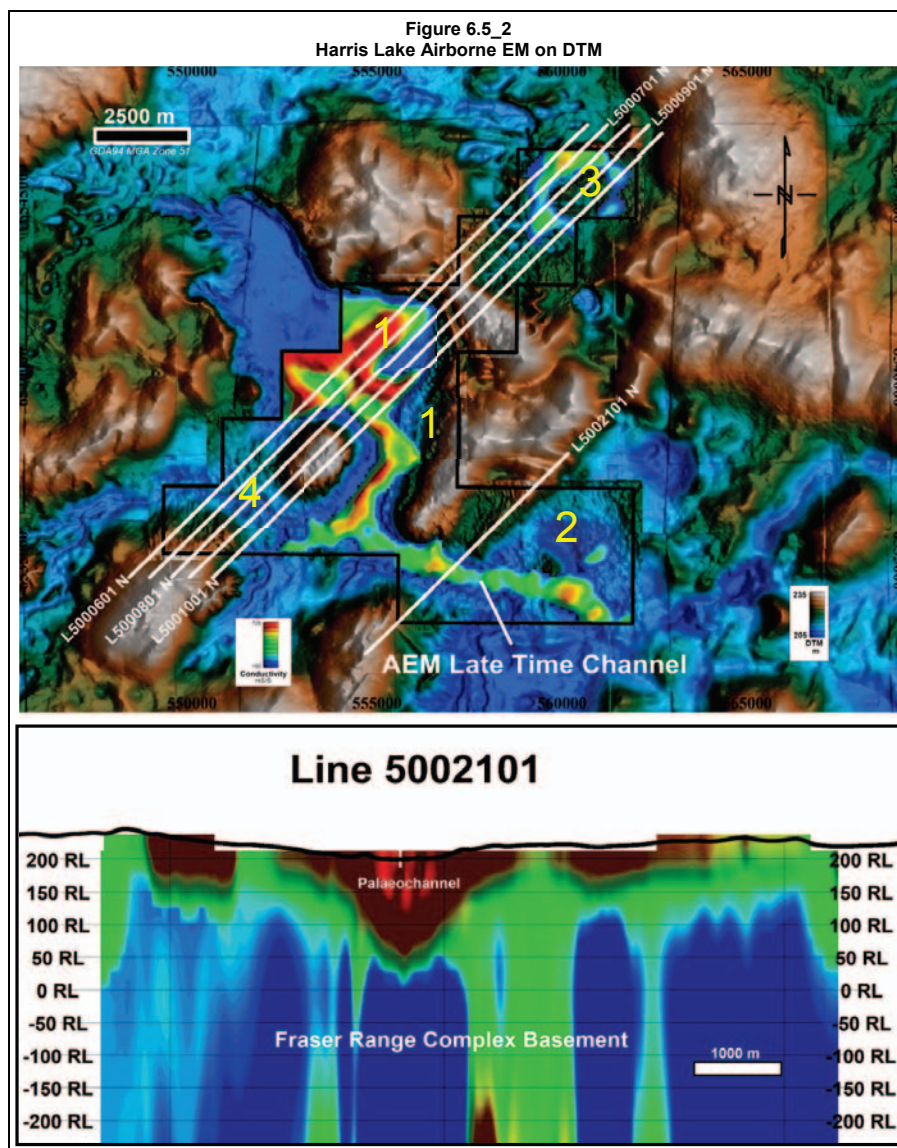
Coffey Mining Pty Ltd



Previous exploration in this area by URL concluded the much of the surface radioactivity associated with the airborne radiometric anomalies in the Harris Lake area was due to radium and radon daughter products (in disequilibrium) with uranium. These were interpreted to be associated to a uranium source, possibly within a concealed palaeochannel, vertically or laterally displaced from the strong daughter product anomalies at surface. The presence of a major concealed palaeochannel is evident in the processed data from the July 2012 AEM survey and presents an immediate target for drill testing (Figure 6.5\_2).

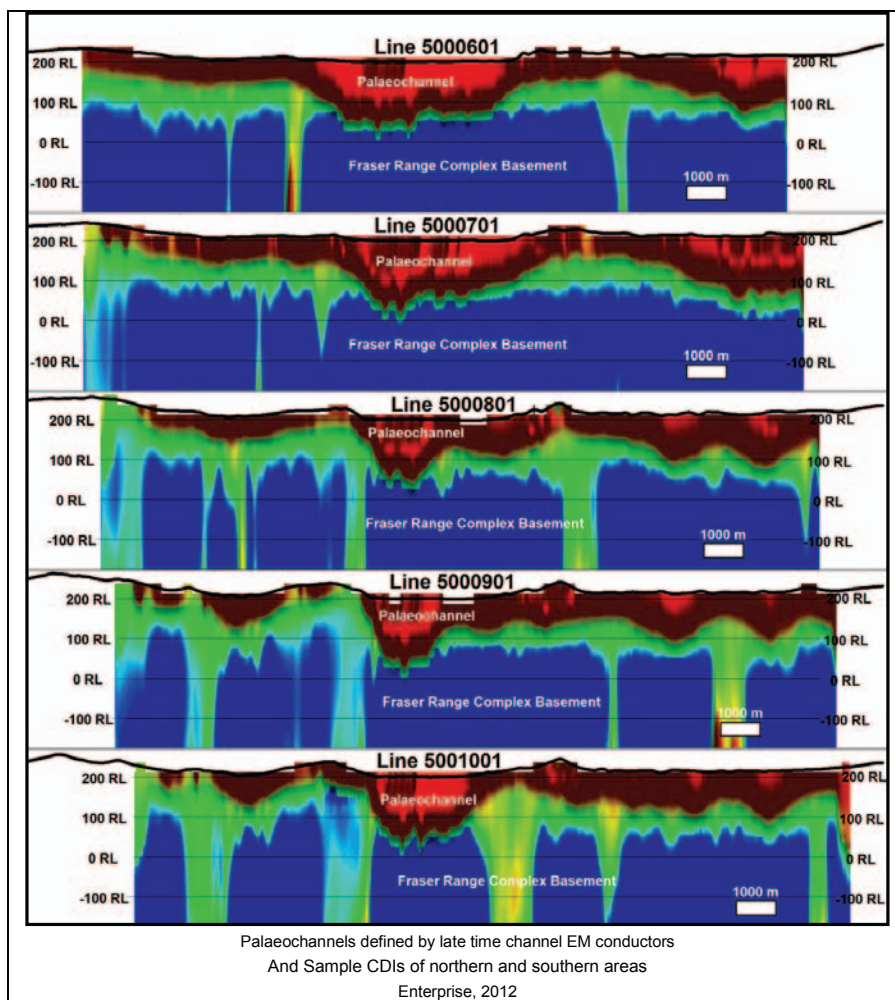
## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd



### 6.6 Exploration Strategy and Budget

#### 6.6.1 Exploration Strategy

Enterprise has provided Coffey Mining with a proposed exploration program for the first two years following listing. Exploration in the first year will focus on the uranium targets generated from the geophysical data, including magnetics, radiometrics, and AEM, within the granted tenure. Planned work in the first year includes:

- Aboriginal Heritage surveys.
- Conservation Management Plans and surveys prior to drilling activities.
- Initial drilling on recon lines over initial uranium targets. All holes will be gamma probe logged and any uraniferous intervals will be submitted for chemical analyse.



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

## Coffey Mining Pty Ltd

In the second year, results from the uranium exploration will be followed up with infill and step out drilling. Provision has also been made for initial Inferred JORC-compliant resource estimation. Another conservation management survey may be required prior to drilling.

### 6.6.2 Exploration Budget

Enterprise has provided Coffey Mining with planned exploration budgets for the current granted EL for the first two years following listing (Table 6.6.2\_1).

Table 6.6.2_1 Harris Lake Project - Exploration Budget for Current Granted EL						
Harris Lake Project	Minimum Subscription 100% Grant			Maximum Subscription 100% Grant		
Activity Cost	Year 1	Year 2	Total	Year 1	Year 2	Total
Native Title and Stakeholder Management	\$50,000	\$50,000	\$100,000	\$50,000	\$50,000	\$100,000
Geological activities and interpretations	\$15,000	\$15,000	\$30,000	\$20,000	\$20,000	\$40,000
Geophysical activities and interpretations	\$0	\$0	\$0	\$0	\$0	\$0
Drilling activities and assaying	\$120,000	\$120,000	\$240,000	\$150,000	\$150,000	\$300,000
Direct project administration costs	\$18,000	\$18,000	\$36,000	\$22,000	\$22,000	\$44,000
<b>Total</b>	<b>\$203,000</b>	<b>\$203,000</b>	<b>\$406,000</b>	<b>\$242,000</b>	<b>\$242,000</b>	<b>\$484,000</b>

### 6.6.3 Alternate Exploration Budget

The exploration budget for the current granted tenement, if the Offer of the minimum subscription is raised (\$5.1 million) and if the Offer is fully subscribed (\$6.1 million), is as follows (Table 6.6.3\_1):

Table 6.6.3_1 Harris Lake Project - Exploration Budget for Granted EL						
Harris Lake Project	Minimum Subscription 100% Tenement Grant			Maximum Subscription 100% Tenement Grant		
Activity Cost	Year 1	Year 2	Total	Year 1	Year 2	Total
Native Title and Stakeholder Management	\$50,000	\$50,000	\$100,000	\$50,000	\$50,000	\$100,000
Geological activities and interpretations	\$15,000	\$15,000	\$30,000	\$15,000	\$15,000	\$30,000
Geophysical activities and interpretations	\$0	\$0	\$0	\$0	\$0	\$0
Drilling activities and assaying	\$120,000	\$120,000	\$240,000	\$120,000	\$120,000	\$240,000
Direct project administration costs	\$18,000	\$18,000	\$36,000	\$18,000	\$18,000	\$36,000
<b>Total</b>	<b>\$203,000</b>	<b>\$203,000</b>	<b>\$406,000</b>	<b>\$203,000</b>	<b>\$203,000</b>	<b>\$406,000</b>

The exploration budget for the current granted tenement if the Offer of the minimum subscription is raised (\$5.1 million) and if the Offer is fully subscribed (\$6.1 million), is as follows (Table 6.6.3\_2):

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

Table 6.6.3_2 Harris Lake Project - Exploration Budget for Granted EL						
Harris Lake Project	Minimum Subscription 100% Tenement Grant			Maximum Subscription 100% Tenement Grant		
Activity Cost	Year 1	Year 2	Total	Year 1	Year 2	Total
Native Title and Stakeholder Management	\$50,000	\$50,000	\$100,000	\$50,000	\$50,000	\$100,000
Geological activities and interpretations	\$20,000	\$10,000	\$30,000	\$20,000	\$10,000	\$30,000
Geophysical activities and interpretations	\$0	\$0	\$0	\$0	\$0	\$0
Drilling activities and assaying	\$120,000	\$120,000	\$240,000	\$120,000	\$120,000	\$240,000
Direct project administration costs	\$20,000	\$20,000	\$40,000	\$20,000	\$20,000	\$40,000
<b>Total</b>	<b>\$210,000</b>	<b>\$200,000</b>	<b>\$410,000</b>	<b>\$210,000</b>	<b>\$200,000</b>	<b>\$410,000</b>

### 6.6.4 Coffey Mining Conclusions and Recommendations

Widespread surface radioactivity generating airborne radiometric anomalies in the Harris Lake area appear due to radium and radon daughter products. These are potentially vertically or laterally displaced from concealed primary uranium mineralisation hosted within one or more buried palaeochannel segments. The presence of a major concealed palaeochannel evident in the July 2012 AEM survey data presents an immediate target for reconnaissance drill testing. At least some of the initial drill testing should be planned to penetrate the complete palaeochannel stratigraphy.

The exploration strategies and budgets proposed by Enterprise are appropriate for the opportunity and commensurate with the prospectivity of the Harris Lake Project. Planned expenditure is sufficient to meet all statutory expenditure requirements for the Project tenements.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

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## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

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Coffey Mining Pty Ltd

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## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

### 8 GLOSSARY OF TECHNICAL TERMS

%	Percent.
-40 mesh sampling	A method of stream sediment or soil sampling which involves the collection of sieved material less than 360 microns in diameter.
-80 mesh sampling	A method of stream sediment or soil sampling which involves the collection of sieved material less than 180 microns in diameter.
-80 mesh	Material fraction passing a screen size equivalent to approximately 80 apertures per inch, equating to an aperture size of 180µm.
AEM	Airborne Electromagnetic geophysical survey which measures the electrical conductivity of the earth's surface.
aeolian	Formed or deposited by the action of wind.
aeromagnetic	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the earth's magnetic field.
AIG	Australian Institute of Geoscientists.
airborne geophysical data	Data pertaining to the physical properties of the earth's crust at or near surface and collected from an aircraft.
airborne geophysical survey	Survey pertaining to the physical properties of the earth's crust at or near surface and collected from an aircraft.
airborne magnetic survey	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the earth's magnetic field.
airborne magnetics	Data collected from a survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording the magnetic characteristics of rocks by measuring deviations in the earth's magnetic field.
airborne radiometrics	Data collected from a survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording natural radioactivity emitted by rocks.
aircore drilling	An air drilling technique, employed in poorly consolidated rocks and typically for geochemical sampling, where the sample is returned via an inner tube within the drill rods.
alluvium	Clay silt, sand, gravel, or other rock materials transported by flowing water and deposited in comparatively recent geologic time as sorted or semi-sorted sediments in riverbeds, estuaries, and flood plains, on lakes, shores and in fans at the base of mountain slopes and estuaries.
alteration	Change in mineral and chemical composition of rock, commonly brought about by reactions to weathering or to hydrothermal solutions.
alteration halo	The volume of rock, which is chemically altered and surrounding a mineral deposit.
amphibolite facies	An assemblage of minerals formed at moderate to high temperatures (450° to 700°) during regional metamorphism, characterised by the presence of the minerals hornblende and biotite.
andesite	A mafic volcanic rock containing between 55% and 65% SiO <sub>2</sub> , and composed essentially of andesine and one or more mafic minerals.
anomalous	An area where exploration has revealed results higher (or sometimes lower) than the local background level.
anticlinal axis	The median plane of a folded anticline, from which the strata dip away on either side.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

## Coffey Mining Pty Ltd

<i>anticline</i>	A fold in rocks in which strata dip in opposite directions away from the central axis and whose core contains older rocks.
<i>antiform</i>	An anticline-like structure.
<i>aplite</i>	A pale coloured (felsic) dyke with a fine-grained texture, typically similar to granite in composition.
<i>assay</i>	The testing and quantification of the abundance of elements of compounds of interest within a sample.
<i>AusIMM</i>	The Australasian Institute of Mining and Metallurgy.
<i>basal</i>	Refers to the lowermost stratum in a sedimentary sequence.
<i>base metal</i>	A non-precious metal, usually referring to copper, lead and zinc.
<i>base of oxidation</i>	Term referring to the subsurface horizon below which no weathering has occurred.
<i>basement</i>	Crust of the earth underlying younger sedimentary deposits.
<i>basin</i>	A large depression within which sediments are sequentially deposited and lithified.
<i>bias</i>	In assays, the characteristic of one set of data being consistently higher or lower than the other.
<i>Cainozoic</i>	The era of geological time spanning the period from 65 million years ago to the present.
<i>calcite</i>	A mineral of composition $\text{CaCO}_3$ (calcium carbonate) which is an essential constituent of limestones and marbles.
<i>calcrete</i>	Superficial residual deposits cemented by or precipitated from groundwater as secondary calcium carbonate as a result of evaporation.
<i>carbonate</i>	Rock of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium or iron and $\text{CO}_3$ .
<i>CDI</i>	Conductivity Depth Image.
<i>channel sample</i>	Sample taken from the wall of a mine opening, or along a surface exposure, trench or costean, in which a furrow is made and the sample is combined over designated intervals for analysis.
<i>chip sampling</i>	The collection of selective or representative samples of rock fragments within a limited area for analysis.
<i>clastic rock</i>	Consolidated sedimentary rock composed principally of broken fragments that are derived from pre-existing rocks.
<i>clasts</i>	A fragment of rock or pebble surrounded by matrix in a breccia or conglomerate.
<i>claystone</i>	A term applicable to indurated clay in the same sense as sandstone is applicable to indurated or cemented sand.
<i>conformable</i>	The relationship of stratigraphic units emplaced in an uninterrupted succession, or structural features with an attitude consistent with this succession.
<i>conglomerate</i>	A rock composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water.
<i>Cretaceous</i>	Applied to the third and final period of the Mesozoic era, 141 to 65 million years ago.
<i>craton</i>	A relatively large and stable block of the earth's crust.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

<i>cross-section</i>	A profile portraying an interpretation of a vertical section of the earth explored by geophysical and/or geological methods.
<i>cutoff</i>	The value of an ore variable below which material is classified as waste.
<i>DEC</i>	Department of Conservation and Environment.
<i>deformed</i>	A general term for the process of folding, faulting, shearing, compression or extension of rocks as a result of stress.
<i>DEM</i>	Refer to DTM.
<i>detection limit</i>	Lower threshold of detection for a laboratory analytical method.
<i>detrital</i>	Term applied to particles of minerals, or rock that have been derived from pre-existing rock by weathering and erosion.
<i>dip</i>	The angle at which a rock stratum or structure is inclined from the horizontal.
<i>disconformably</i>	Time break between parallel strata demonstrating erosional relief.
<i>dolerite</i>	A medium-grained mafic intrusive igneous rock composed mostly of pyroxenes and sodium-calcium feldspar.
<i>dolomite</i>	A rock or mineral composed of calcium and magnesium carbonate.
<i>dome</i>	An anticlinal structure that plunges in all directions.
<i>DTM</i>	Digital terrain model, equivalent to digital elevation model or DEM.
<i>dyke</i>	A tabular body of intrusive igneous rock, crosscutting the host strata at an oblique angle.
<i>Eocene</i>	An epoch of the Tertiary period between 45 million and 38 million years before the present.
<i>epiclastic</i>	Consisting of the consolidated detritus of pre-existent rocks, not of volcanic origin.
<i>epigenetic</i>	Mineralisation deposited later than the enveloping rocks.
<i>eU</i>	Uranium equivalent, estimated from ground or airborne radiometric survey data.
<i>eU<sub>3</sub>O<sub>8</sub></i>	Equivalent U <sub>3</sub> O <sub>8</sub> value determined by measurement with airborne, downhole, or hand held gamma ray spectrometer.
<i>evaporite</i>	Sediment, including various salts, deposited from aqueous solution as a result of evaporation.
<i>fault</i>	A fracture in a rock along which there has been relative movement either vertically or horizontally.
<i>felsic</i>	Light colour rocks containing an abundance of any of the following - feldspars, feldspathoids and silica.
<i>ferromagnesian minerals</i>	Minerals containing iron and magnesium usually in the form of amphibole, pyroxene, biotite and olivine.
<i>ferruginous</i>	Iron rich.
<i>fold</i>	A planar sequence of rocks or a feature bent about an axis.
<i>footwall</i>	The mass of rock lying below a fault, vein or zone of mineralisation.
<i>gabbro</i>	A fine- to coarse-grained, dark coloured, igneous rock composed mainly of calcic plagioclase, clinopyroxene and sometimes olivine.
<i>gneiss</i>	A coarse grained, banded, high grade metamorphic rock.



## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

<i>goethite</i>	A hydrated oxide mineral of iron, FeO(OH).
<i>granite (granitoid)</i>	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas. (granite-like rock, <i>sensu lato</i> ).
<i>granodiorite</i>	A coarse grained intermediate igneous intrusive rock composed of quartz, feldspar and hornblende and/or biotite.
<i>greenschist facies</i>	A classification of the metamorphic grade of a rock, diagnostically defined by the metamorphic formation of chlorite at generally lower pressures and temperatures.
GSWA	Geological Survey of Western Australia.
<i>gypsiferous</i>	Containing the mineral gypsum.
<i>gypsum</i>	A calcium sulphate mineral common in evaporite deposits.
<i>hangingwall</i>	The mass of rock above a fault, vein or zone of mineralisation.
<i>hematite</i>	Iron oxide mineral, Fe <sub>2</sub> O <sub>3</sub> .
<i>host rocks</i>	A body of rock serving as a host for other rocks or for mineral deposits; e.g. a pluton containing xenoliths, or any rock in which ore deposits occur. It is a somewhat more specific term than country rock.
ICPMS	Inductively Coupled Plasma Mass Spectrometry or ICP-MS is an analytical technique used for elemental determinations. The ICP source converts the atoms of the elements in the sample to ions. These ions are then separated and detected by the mass spectrometer.
<i>intrusion</i>	A body of igneous rock which has forced itself into pre-existing rocks.
K	The chemical symbol for potassium.
<i>lignite</i>	A brownish-black coal in which the alteration of vegetal material has proceeded further than in peat but not so far as sub-bituminous coal.
<i>lithological</i>	Pertaining to the compositional character of the rock.
<i>lithological contacts</i>	The contacts between different rock types.
ISR	In situ recovery.
Ma	Million years ago.
<i>mafic</i>	Pertaining to, or composed dominantly of, the dark coloured ferromagnesian rock forming silicates.
<i>magnetic anomaly</i>	Zones where the magnitude and orientation of the earth's magnetic field is distorted by magnetic rocks.
<i>metamorphic grade</i>	The intensity or rank of metamorphism, measured by the amount or degree of difference between the original parent rock and the metamorphic rock. It indicates in a general way the pressure-temperature environment or facies in which the metamorphism took place.
<i>metasedimentary</i>	A rock formed by metamorphism of sedimentary rocks.
<i>metavolcanic rocks</i>	Rocks derived from volcanic activity and subsequently metamorphosed.
<i>mineralisation</i>	The concentration of metals and their chemical compounds within a body of rock.
<i>Miocene</i>	The fourth of the five epochs into which the Tertiary period is divided, between 25 million years and 5 million years before present.
<i>monzogranite</i>	A granular plutonic rock containing approximately equal amounts of orthoclase and plagioclase feldspar, but usually with a low quartz content.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

### Coffey Mining Pty Ltd

<i>MMI</i>	Mobile metal ion.
<i>monzonite</i>	A granular plutonic rock containing approximately equal amounts of orthoclase and plagioclase and thus, intermediate between syenite and diorite.
<i>Oligocene</i>	Epoch of the Tertiary period between 23 million years and 38 million years before the present.
<i>outcrop</i>	Surface expression of underlying rocks.
<i>oxidation</i>	Alteration of rock, most commonly by due to natural weathering.
<i>palaeochannel</i>	A preserved, inactive river channel in-filled with partially consolidated fluvial sediments.
<i>Permian</i>	The last geological Period of the Palaeozoic era, between about 298 million years and 251 million years ago.
<i>playa lake</i>	Broad shallow lakes that quickly fill with water and quickly evaporate, characteristic of deserts.
<i>Pleistocene</i>	A period of time which is a sub-division of the Tertiary, ranging between 11 million and 1.8 million years before present.
<i>pluton</i>	A body of igneous rock that has formed beneath the surface of the earth by consolidation from magma.
<i>ppm</i>	Parts per million, quantitative equivalent of g/t.
<i>Proterozoic</i>	An era of geological time spanning the period from 2,500 million years to 570 million years before present.
<i>protolith</i>	The parent rock prior to alteration or metamorphism.
<i>Quaternary</i>	That period of time between 1.8 million years before present and the present day.
<i>radiometric</i>	Data relating to the radioactivity emitted by rocks at or near the earth's surface.
<i>RC drilling</i>	Drilling method employing a percussive action to break the rock, and in which sample material is delivered to the surface inside the rod string by compressed air.
<i>Ra</i>	The chemical symbol for radium.
<i>Recent</i>	A geological Epoch of the Quaternary Period.
<i>Rn</i>	The chemical symbol for radon.
<i>sandstone</i>	A sedimentary rock composed of cemented or compacted detrital minerals, principally quartz grains.
<i>scarp</i>	An escarpment, cliff or steep slope along the margin of a plateau, mesa, terrace or bench.
<i>schist</i>	A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals.
<i>shield</i>	A large area of earth's crust consisting mainly of Precambrian rocks which is generally shield-like in form.
<i>silica</i>	Dioxide of silicon, SiO <sub>2</sub> , usually found as the various forms of quartz.
<i>silicification</i>	Replacement by, or introduction of, appreciable quantities of silica.
<i>spectrometer (gamma ray)</i>	Measures the amount of natural gamma radiation in a number of bands (frequencies or wavelengths) which correspond to gamma radiation most commonly caused by the presence of uranium or thorium or potassium.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Coffey Mining Pty Ltd

<i>stream sediment sample</i>	Bulk or sieved sample of sand or silt collected from an active or ephemeral stream-bed and analysed as representative of the area drained by the stream.
<i>stringer</i>	A small discontinuous or irregular veinlet.
<i>subcrop</i>	Poorly exposed bedrock.
<i>syncline</i>	A fold in rocks in which the strata dip inward from both sides towards the axis.
<i>Tertiary</i>	Subdivision of geological time covering the period from 65 million years to 1.8 million years ago.
<i>Th</i>	The chemical symbol for thorium.
<i>Thrust fault</i>	Reverse fault, defined as a fault on which the principal movement is top block over the bottom block, with a low angle of dip on the fault plane.
<i>Tonalite</i>	A coarse-grained granitic rock composed of quartz, sodium-calcium feldspar and a high proportion of iron rich minerals.
<i>Transient electromagnetic (TEM)</i>	A geophysical technique whereby transmitted electromagnetic fields are used to energise and detect conductive material beneath the earth's surface.
<i>trench</i>	In geological exploration, a narrow, shallow ditch cut across a mineral deposit to obtain samples or to observe character.
<i>U</i>	The chemical symbol for uranium.
<i>unconformity</i>	A term applied to a contact between stratigraphic units emplaced in an interrupted succession and not in parallel position.
<i>WAMEX</i>	Western Australian Mineral Exploration Index.
<i>V</i>	The chemical symbol for Vanadium.
<i>XRD</i>	X-Ray diffraction technique, whereby the molecular structure of minerals can be measured.
<i>XRF</i>	X-ray Refraction, an analytical method using the refractive properties of the sample constituents to X-rays.

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

### Appendix A

#### Tenement Schedule

## 10. INDEPENDENT GEOLOGICAL REPORT (CONTINUED)

Project Name	Lease ID	Holder	ACN number	Royalty	TenStatus	Grant Date	Expiry	Area (km <sup>2</sup> )
Byro	E59/1617	AMIABLE HOLDINGS PTY LTD	138 805 759	1.5% Gross (Amiable)	LIVE	13-Sep-10	12-Sep-15	506.7098
	E09/1864	ENTERPRISE METALS LIMITED	123 567 073		PENDING			204.9721
	E09/1931	ENTERPRISE METALS LIMITED	123 567 073		PENDING			290.1467
	E09/1956	ENTERPRISE METALS LIMITED	123 567 073		PENDING			333.2808
Harris Lake	E20/758	ENTERPRISE METALS LIMITED	123 567 073	1.5% Gross (Amiable)	PENDING			607.7487
	E28/1958	BURRACOPPIN RESOURCES PTY LTD	143 042 451	1.5% Gross (Hoff)	LIVE	08-Mar-10	07-Mar-15	76.19082
	E59/1855	ENTERPRISE URANIUM PTY LTD	125 615 232		PENDING			209.7296
	E59/1856	ENTERPRISE URANIUM PTY LTD	125 615 232		LIVE	05-Oct-12	04-Oct-17	209.2867
Peranbye	E59/1857	ENTERPRISE URANIUM PTY LTD	125 615 232		LIVE	05-Oct-12	04-Oct-17	208.9933
	E59/1858	ENTERPRISE URANIUM PTY LTD	125 615 232		PENDING			208.7949
	E70/4295	ENTERPRISE URANIUM PTY LTD	125 615 232		LIVE	03-Oct-12	02-Oct-17	187.582
	E70/4296	ENTERPRISE URANIUM PTY LTD	125 615 232		LIVE	03-Oct-12	02-Oct-17	208.445
Ponton	E70/4297	ENTERPRISE URANIUM PTY LTD	125 615 232		PENDING			209.6302
	E28/2202	ENTERPRISE URANIUM PTY LTD	125 615 232		LIVE	12/10/2012	11/10/2013	431.1833
	E28/2203	ENTERPRISE URANIUM PTY LTD	125 615 232		LIVE	12/10/2012	11/10/2013	168.218
	E28/2204	ENTERPRISE URANIUM PTY LTD	125 615 232		LIVE	12/10/2012	11/10/2013	203.3678
Yalgoo	E28/2205	ENTERPRISE URANIUM PTY LTD	125 615 232		LIVE	12/10/2012	11/10/2013	205.9749
	E28/2206	ENTERPRISE URANIUM PTY LTD	125 615 232		LIVE	12/10/2012	11/10/2013	207.056
	E59/1437	ENTERPRISE GOLD PTY LTD	009 121 760		LIVE	25-Sep-09	24-Sep-14	210.866
	E59/1632	ENTERPRISE METALS LIMITED	123 567 073		LIVE	26-Oct-10	25-Oct-15	126.7639
	E59/1633	ENTERPRISE METALS LIMITED	123 567 073		LIVE	09-May-11	08-May-16	174.5995
	E59/1645	ENTERPRISE METALS LIMITED	123 567 073		LIVE	26-Oct-10	25-Oct-15	30.0767
	E59/1651	ENTERPRISE METALS LIMITED	123 567 073		LIVE	07-Dec-10	06-Dec-15	66.29459
	E59/1655	ENTERPRISE METALS LIMITED	123 567 073		LIVE	18-Jan-11	17-Jan-16	211.3881
	E59/1658	ENTERPRISE METALS LIMITED	123 567 073		LIVE	03-Jul-12	02-Jul-17	18.04869
	E59/1819	ENTERPRISE METALS LIMITED	123 567 073		PENDING			57.276
	E59/1896	ENTERPRISE URANIUM PTY LTD	125 615 232		PENDING			114.9172
	E59/1897	ENTERPRISE URANIUM PTY LTD	125 615 232		PENDING			90.56541
	E59/1900	ENTERPRISE URANIUM PTY LTD	125 615 232		PENDING			151.3436
	P59/1925	ENTERPRISE METALS LIMITED	123 567 073		PENDING			0.226551
	P59/1926	ENTERPRISE METALS LIMITED	123 567 073		LIVE	25-Sept-12	14-Sept-17	0.775303
	P59/1927	ENTERPRISE METALS LIMITED	123 567 073		LIVE	25-Sept-12	14-Sept-17	0.2069
	P59/1928	ENTERPRISE METALS LIMITED	123 567 073		LIVE	25-Sept-12	14-Sept-17	0.497498

Appendix A – Tenement Schedule



## 11. INDEPENDENT SOLICITOR'S REPORT

18 October 2012

The Board of Directors  
Enterprise Uranium Limited  
Level 1, 640 Murray Street  
West Perth WA 6005

Dear Sirs,

### **IPO PROSPECTUS TO BE DATED ON OR ABOUT 18 OCTOBER 2012**

This Independent Solicitor's Report ("Report") is prepared for inclusion in a Prospectus to be issued by Enterprise Uranium Limited (ACN 159 819 173) ("Company") for the issue of up to 30,500,000 fully paid ordinary shares at \$0.20 each in the Company to raise up to \$6,100,000 with a minimum subscription of \$5,100,000, to be dated on or about 15 October 2012 ("Prospectus"). Attaching listed options to subscribe for fully paid ordinary shares in the Company will be granted on the basis of one option for every two shares allotted under the Prospectus, exercisable at \$0.25 each by 31 March 2014.

The Report details the legal tenure owned by the Company in Western Australia, summarised in Schedule A to this Report ("Tenements").

For the purpose of this Report, information concerning the Tenements provided by the Western Australian Department of Mines and Petroleum ("DMP") on 27 September 2012 has been reviewed and considered. Where appropriate, information compiled by the DMP in relation to any native title claims registered over the area of the Tenements has been taken into account.

### **LEGAL OPINION**

This Report provides accurate details in relation to the Tenements as at the date of this Report, subject to the assumptions and qualifications set out below:

- a) the accuracy and completeness of any instructions, documents and information given by the Company or any of its officers, agents or representatives;
- b) compliance with the requirements necessary to maintain a tenement in good standing (unless non compliance is disclosed in Schedule A);
- c) where a tenement has been granted, that the future act provisions of the Native Title Act 1993 have been complied with;
- d) in relation to any application for the grant of a tenement, that there is no certainty that the application will be granted;
- e) in relation to applications which are not capable of being legally transferred, we have assumed a constructive trust as the means by which a beneficial interest is created in the application;
- f) the accuracy and completeness of the information obtained from DMP; and
- g) compliance by the Company with the terms and conditions of the relevant legislation and any applicable agreements.

### **GENERAL BACKGROUND TO MINING TENEMENTS IN WESTERN AUSTRALIA**

In Western Australia, mineral exploration and mining operations are managed under the State legislation, the Mining Act 1978 (WA) and the Mining Regulations 1981. This structure provides for different types of tenure, called mining tenements, to be issued for different mining activities. These include prospecting, exploration

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## 11. INDEPENDENT SOLICITOR'S REPORT (CONTINUED)

and miscellaneous licences, and mining and general purposes leases. The regulation of environmental issues associated with mining are managed under the Mining Act, and in addition other environmental legislation applies such as the Environmental Protection Act 1986 (WA), the Conservation and Land Management Act 1984 (WA), and the Wildlife Conservation Act 1950 (WA). Tenements may be granted subject to conditions to ensure adherence to environmental and other aspects of land use. During the grant process, the DMP's Environment Division assesses the tenement application and has the responsibility to ensure that work carried out is consistent with the DMP's principles of responsible and ecologically sustainable exploration and development. Responsible development means that exploration and mining is conducted to meet leading practice environmental and rehabilitation standards from the exploration phase, through the operational phase to the decommissioning and mine closure phases.

In addition to the tenure granted under the Mining Act, when an exploration company wants to explore for minerals in Western Australia they are required to complete and submit a Programme of Work ("PoW") to the Minerals Branch of the Environment Division of DMP. The PoW is used to detail the exploration work to be undertaken, the total area of hectares to be disturbed, under what land tenure the work is to be carried out, what the existing environment is like, how it is to be managed environmentally and what rehabilitation practices are to be used.

A PoW may also:

- a) identify Aboriginal heritage sites and the conditions of grant of a tenement may require Aboriginal Heritage Surveys to be completed consistent with section 18 WA Heritage Act consents process, and
- b) address other specific requirements in other legislation, such as uranium exploration requirements in Western Australia. In addition to the PoW specific environmental management and rehabilitation lodged by uranium explorers, a Radiation Management Plan must also be lodged with DMP. This includes information for example on the baseline radiation levels of the area and proposes how dust levels will be managed. Mining proposals will also require a Radiation Waste Management Plan as well.

### GENERAL BACKGROUND TO LEGISLATIVE CONTROLS OVER URANIUM EXPLORATION AND MINING IN WESTERN AUSTRALIA

The Company's tenements are all prospective for uranium.

The current Western Australian government revoked the prohibition on uranium mining on 17 November 2008. Exploration for uranium has been conducted in Western Australia since the 1940's. DMP is part of a uranium industry and government group, the Uranium Council, with the objective of ensuring that the world's best environmental, health and safety standards are used by the uranium sector. There are no uranium mines in Western Australia currently although there are a few significantly advanced exploration projects which are planned to come into production over the next few years, assuming the current Western Australian government policy and legislation does not change and the project operators consider they are economically viable.

Radioactive material is mined in Western Australia now. Most mineral sands (those which include monazite, which contains thorium and uranium) and tantalum contain radioactive material and these have been mined, transported within and outside WA for the last 40 years.

The mining of uranium in Western Australia will be subject to regulation under the Environmental Protection Act and the Commonwealth Environment Protection and Biodiversity Conservation Act. The transportation of material from uranium mining sites in Western Australia will be regulated by Commonwealth and Western Australian legislation in compliance with the Code of Practice for the Safe Transport of Radioactive Substances 1990.

## 11. INDEPENDENT SOLICITOR'S REPORT (CONTINUED)

The processed uranium oxide concentrate ("UOC" or "yellowcake") will be stored in metal drums in a defined secure registered compound before it is transported in sealed locked shipping containers on specific transport routes authorised for uranium transportation. Workers will wear monitors so that they are constantly monitored to measure their exposure to radiation.

Note that the current Western Australian government will not

- a) support the construction or operation of a nuclear power facility in Western Australia, and has legislation in place to prevent nuclear waste being brought into Western Australia, and
- b) allow the export of uranium through any ports surrounded by residential development. This means that proposed routes of export of uranium in Western Australia to date typically involve road or rail transport on authorised transport routes into South Australia or the Northern Territory, and export by ship from Port Adelaide or Darwin.

The radioactive materials industry is regulated by the DMP's Resources Safety Division and the Environment Division, the Radiological Council of Western Australia (which is part of the Health Department), the WA Department of Environment and Conservation, the WA Environmental Protection Authority, and on a Federal level, by the Department of Environment, Water, Heritage and the Arts; the Department of Resources, Energy and Tourism, The Australian Nuclear Non-Proliferation Office, the Australian Radiological Protection and Nuclear Safeguard Authority and the Nuclear Non-Proliferation Treaty Australia also imposes international obligations on Australia for example uranium mined in Australia is only sold to other countries that have signed the Treaty. Signature of the Treaty means that the country agrees to process uranium for only peaceful purposes (eg. electricity generation).

### GENERAL BACKGROUND TO THE AUSTRALIAN SQUARE KILOMETRE ARRAY ("SKA") PROJECT

This affects the Company's Byro project because of the radio quiet restrictions which are currently in place, affecting the conduct of exploration, both airborne and on the ground.

The SKA is a next generation global radio-telescope currently being planned by institutions from over 20 countries including Australia, New Zealand, and countries in Europe, Asia, Africa, and the Americas. The SKA will use 3,000 dishes, each about 15m wide, located within a 15km radius of the core site. Two other types of receptor, known as aperture arrays, will also be used to observe very large areas of the sky simultaneously. Most of the receptors will be arranged in five spiral arms extending from a central core, within 200km of the core site. The objective is to construct the largest and most capable radio telescope ever constructed and it is anticipated that during its 50+ year lifetime, it will give astronomers remarkable insights into the formation of the early Universe, including the emergence of the first stars, galaxies and other structures. Designing the telescope requires technological developments in computing, communications and radio frequency devices.

CSIRO, on behalf of the Australasian SKA Consortium, submitted a proposal to host the SKA in Australia in December 2005. In September 2006 the Australian site was short listed, along with southern Africa, to host this global facility. In August 2009 Australia and New Zealand signed an agreement to make a joint bid for the SKA. On May 25 2012, the SKA Organisation announced its intention to share the SKA between Australia-New Zealand and southern Africa.

Australia has established the site for radio astronomy in the sparsely populated Mid West region of Western Australia. The Murchison Radio-astronomy Observatory is the Australia-New Zealand SKA core site as well as the home of the two pre cursor telescopes equivalent to 1% of the full size SKA, the Australian SKA Pathfinder (a prototype currently being built, for completion in 2013) and the Murchison Widefield Array (for completion in 2013). Construction of the full size SKA is anticipated to begin in 2016 with full operation around 2024.

The region around the Murchison Radio-astronomy Observatory is characterised by an extremely low population density, excellent observing conditions and a pristine radio-quiet environment. Australia has protected the radio quietness of the site through the establishment of the Mid West Radio Quiet Zone. This

## 11. INDEPENDENT SOLICITOR'S REPORT (CONTINUED)

has been created to limit radio frequency transmissions that may interfere with the telescope's operation, including transmissions from mining and exploration activities in the vicinity of the Murchison Radio-astronomy Observatory.

During exploration activities, equipment such as electric motors, generators, power tools all make emissions which can interfere with radio communication. DMP has issued guidelines for exploration and mining activities within a specified Mineral Resource Management Area which extends 70km from the Murchison Radio-astronomy Observatory. Holders of any tenements within this area must submit a plan of activities for approval by the Director General of DMP, demonstrating that electromagnetic emissions from the proposed activities will not interfere with the radio-quiet requirements of the Murchison Radio-astronomy Observatory. Approval of the Radio Quiet Management Plan will be a necessary requirement for approval of a Programme of Work or mining proposal by DMP under the Mining Act.

A tenement holder's Radio Quiet Management Plan will include information about the equipment and activities proposed for the tenement, an analysis of the power density within frequency ranges and conclusions. If the plan is approved by DMP, DMP advises the Murchison Radio-astronomy Observatory management, and the exploration activities must comply with the terms and conditions of the approved plan. If the plan is not approved, modification will be necessary in order to ensure it is approved and to allow approval of the Programme of Work.

The Company's Radio Quiet Management Plan for the only granted tenement on the Byro project has been approved. No Radio Quiet Management Plans have been submitted to date in relation to the tenement applications forming the rest of the Byro project.

### EXPLANATION OF THE COMPANY'S TENURE

The Company's Tenements comprise granted exploration licences, granted prospecting licences, applications for exploration licences and an application for a prospecting licence, issued under the Mining Act 1978 (WA).

The Company has 100% beneficial ownership in the granted Tenements and is entitled to become the 100% registered legal holder of the granted Tenements subject to lodgement of stamped transfers with DMP. Duly executed registrable transfers are in the possession of the Company. The Tenements were all acquired from Enterprise Metals Limited and its subsidiaries pursuant to tenement sale agreements dated 5 October 2012 which all completed on 15 October 2012.

There are two royalties affecting three of the tenements, detailed in the tenement notes to Schedule A, which the Company has assumed the obligation to pay, by a deed of covenant and deed poll in favour of the royalty holders.

### Exploration Licences

All of the granted exploration licences were granted or applied for after 10 February 2006, which means that they (and the exploration licences which may result from grant of the applications) will remain in force for a period of five years.

The exploration licences (and if granted, the applications) may be extended by one period of five years and by a further period or periods of two years, provided the application for extension is based on, and accepted by DMP to be within, the prescribed grounds for extension which are set out in the Mining Act regulations.

Applications for extension need to be made during the last year of the term, and until the application is determined by DMP the tenure continues as if the term had not expired. Examples of grounds for extension are if the exploration program could not be undertaken or were restricted by impracticable conditions because of unfavourable climatic conditions, or, delays caused in obtaining approvals for exploration or conducting Aboriginal heritage surveys or arising from environmental or other government requirements. Other grounds include where work already carried out under the existing exploration licence justifies further exploration.

## 11. INDEPENDENT SOLICITOR'S REPORT (CONTINUED)

Where an application for extension is lodged and the exploration licence is then transferred, the transferee is treated as the applicant for the extension and the extension application process continues uninterrupted.

An exploration licence cannot be assigned during the first year of its term without the prior written consent of the Minister for State Development ("Minister").

If one or more of the applications are granted in the future, legal title cannot be assigned during the first year of its term without the prior written consent of the Minister.

An exploration licence typically must be at least one block in area and no more than 70 blocks unless the area is within particular regions of Western Australia which have been so designated by the Minister allowing up to 200 blocks in area.

At the end of the fifth year, and assuming an application for extension of term for the tenement will be made, 40% of the area of the exploration licence must be surrendered by the Company. Alternatively any mining lease or general purpose lease granted over such ground is taken to be in satisfaction of the compulsory surrender requirement. It is possible to apply to the Minister to defer compulsory surrender by a period of one year, if the prescribed grounds in the regulations are satisfied. They are similar to the grounds mentioned above for applications to extend the term of exploration licences. Where an application for deferral of surrender is made, the compulsory surrender is postponed until the application for deferral is determined.

For three months after the term of an exploration licence expires, or for three months after compulsory surrender of ground within an exploration licence, section 69 of the Mining Act prohibits the registered holder of the exploration licence in question from applying for an exploration licence or a prospecting licence over the same ground. This cooling off provision also applies to any person who "had an interest in" the exploration licence or who was "related" to the holder, before the date of compulsory surrender.

The purpose of exploration licences is to allow the holder to conduct sufficient exploration to determine if there is mineralisation in economic quantities in the ground the subject of a tenement, and if so, to apply for a mining lease in order to have exclusive long term rights to conduct mining operations on the ground. The tenement authorises the registered holder to enter land for the purpose of conducting exploration for minerals other than iron ore, with employees and contractors using machinery, vehicles and equipment as necessary. No more than 1000 tonnes of mineral bearing substances can be excavated and extracted over the term of the licence without prior approval of the Minister. The exploration licences carry with them the right to use water and divert water for any purpose in connection with the exploration for minerals, subject to the procedures and licences required by the Rights in Water and Irrigation Act 1914, administered by the Water Corporation.

The holder of an exploration licence has a prior right over others to apply for one or more mining leases in relation to all or part of the same land, when accompanied by a notice of intent to commence productive mining operations or a mineralisation report which indicates that following the exploration conducted, there is a reasonable prospect of minerals being obtained by mining operations. If the exploration licence expires prior to determination of the mining lease application, the rights and obligations of the licence apply as if it is still current, until the determination of the mining lease application. A mining lease remains in force for a period of 21 years and may be renewed for successive periods of 21 years. A mining lease cannot be assigned without the prior written consent of the Minister.

### **Applications for Exploration Licences**

Legal title in applications for exploration licences are not capable of being transferred under the Mining Act. It is possible for a beneficial interest in relation to an application to be held on trust but no transfers will be accepted by the DMP in respect of an application for an exploration licence.

It is possible for third parties to object to applications made for exploration licences, typically by holders of miscellaneous licences which can exist concurrently with exploration licences in relation to all or part of the same ground the subject of the exploration licence application.



## 11. INDEPENDENT SOLICITOR'S REPORT (CONTINUED)

### Prospecting Licences

A prospecting licence remains in force for four years from the date of grant, allowing the holder to enter the land, and conduct necessary activities to prospect for and extract a limited amount of minerals. A prospecting licence may be extended for another four years on one occasion, at the discretion of the Minister if the requisite grounds set out in the Mining Regulations are established, such as delays caused by climate or unworkable ground. A prospecting licence may be converted into a mining lease and a holder has priority in applications for a mining lease over any area covered by the prospecting licence. A prospecting licence for which such an application has been lodged remains in force until the application is determined. Forfeiture is possible if minimum annual expenditure is not met by the holder during the term of the prospecting licence and grounds for exemption applications lodged within the requisite period are rejected.

The holder of a prospecting licence can apply to convert their licence to a mining lease over the land the subject of the prospecting licence. A mining lease remains in force for a period of 21 years and may be renewed for successive periods of 21 years. A mining lease cannot be assigned or sublet without the prior written consent of the Minister.

### Tenement Conditions

Tenements are granted subject to various conditions prescribed by the Mining Act. The conditions regulate the payment of rent and expenditure and also reporting requirements. Additional conditions may also be imposed, such as those to address environmental issues. The tenement notes in Schedule A refer to endorsements and conditions of particular note. They are not an exhaustive list of all the applicable conditions relating to the Tenements. The primary obligation to comply with the conditions of grant of the Tenements rests with the registered legal owner of the Tenements.

### ACCESS TO LAND IN WESTERN AUSTRALIA FOR EXPLORATION AND MINING PURPOSES

Access to land in Australia for the purpose of conducting exploration and mining is governed by certain Commonwealth and State legislation which outlines procedures that must be followed to gain access to land and also steps that must be taken to ensure that Aboriginal sites are protected from any damage. Broadly speaking this covers native title legislation, heritage protection legislation and legislation protecting Aboriginal sites. Aboriginal heritage is protected both by Commonwealth legislation as well as legislation in each State and Territory.

### NATIVE TITLE

The law in Australia recognises native title. The grant of a Tenement may affect native title. The *Native Title Act 1993* ("NTA") contains procedures which ensure the validity of each Tenements should it affect native title. The following examines those matters.

#### An explanation: Native Title

On 3 June 1992, the High Court of Australia held in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1 that the common law of Australia recognises a form of native title. Native title rights to land are recognised where the claimants can establish that they have maintained a continuous connection with the land in accordance with their traditional laws and customs, and that the native title rights have not been lawfully extinguished. Native title rights can be lawfully extinguished in different ways, including voluntary surrender, death of the last survivor of a community entitled to native title, abandonment of the land or via government legislation. The NTA came into effect on 1 January 1994, largely in response to the Mabo decision. The *Native Title Amendment Act 1998* later amended the NTA.

#### Native Title Claims

The NTA sets out a process by which indigenous Australians may seek a determination by the Federal Court that they hold native title rights. Whilst the Federal Court is assessing the claimed native title rights, a

## 11. INDEPENDENT SOLICITOR'S REPORT (CONTINUED)

Registrar of the National Native Title Tribunal ("NNTT") will assess whether the claim meets certain registration requirements set out in the NTA, and if so, the claim will be entered in the Register of Native Title Claims ("RNTC"). If the Federal Court determines that the claimed native rights exist, details of the determined claim are then entered on the National Native Title Register ("NNTR"). Whilst a claim for native title is entered on the RNTC, or a determined claim is entered on the NNTR, the NTA provides the claimants / holders with certain rights, including procedural rights where a "future act" is proposed. An example of a "future act" is the proposed grant of a mining tenement.

### **"Future Acts"**

Generally, a future act is an "act" (for example, the grant of a lease or licence) occurring after 1 January 1994 which affects native title. Such "acts" include the proposed grant of any mining tenement and the proposed grant of any mining lease over any portion of a prospecting licence or exploration licence.

The NTA sets out various circumstances in which, and procedures by which, "acts" (for example, the grant of a lease or licence) will be valid should they affect native title.

Such circumstance include if the "act" was done in certain circumstances prior to 23 December 1996 or if the "act" is permitted by Indigenous Land Use Agreement ("ILUA").

Such procedures include the Right to Negotiate Procedure and the Expedited Procedure (together "Future Act Procedures").

### **Future Acts prior to 23 December 1996.**

The NTA permits, and all States and Territories have passed, legislation validating certain "intermediate acts" (including mining tenements) done prior to 23 December 1996 over land or water where a freehold estate or lease (including a pastoral lease but not a mining lease) had been validly granted.

### **ILUA**

An ILUA is an agreement which has been authorised by the native title claim group and has been registered with the NNTT. If the ILUA provides that any one or more mining tenements may be granted, then the relevant mining tenement(s) may be granted without following any other procedures, including the Right to Negotiate Procedure and the Expedited Procedure.

### **Right to Negotiate Procedure**

The Right To Negotiate Procedure commences with the relevant State or Territory ("Government Party") giving notice of the proposed future act (ie proposed grant of a mining tenement) ("S29 Notice"). Then any native title party whose details are registered on the RNTC or NNTR, the applicant for the mining tenement and the Government Party (collectively the "Negotiation Parties") are required to negotiate in good faith with a view to the native title party agreeing to the proposed future act.

### **Scope of negotiations**

The scope of the negotiations includes any matters relating to the effect of the grant of the future act on the claimed or determined native title rights. The scope can include any other matters about which the parties are willing to negotiate. Where the future act is the proposed grant of an exploration or prospecting licence, usually an agreement is reached which aims to protect Aboriginal heritage. Where the future act is the proposed grant of a mining lease, the negotiations and resulting agreement are usually more complex. It is usual for the resulting agreement to address employment and training, environmental rehabilitation, cultural awareness and the payment of compensation to the native title party.

### **What if negotiations break down?**

If the Negotiation Parties "negotiate in good faith" but cannot reach agreement as to the doing of the future act, then provided at least 6 months have elapsed since the S29 Notice, any party may apply to the NNTT for a

## 11. INDEPENDENT SOLICITOR'S REPORT (CONTINUED)

determination as to whether the future act may be done, and if so, on what conditions. Accordingly, the doing of a future act (ie grant of a mining tenement) may be dependent on the Negotiation Parties reaching agreement, or the NNTT making a determination that the future act may be done.

### Expedited Procedure

If the relevant State or Territory believes the future act will have a minimal impact on native title rights, it may in the S29 Notice elect to use the "*expedited procedure*". If the relevant State or Territory gives such notice, any native title party whose details are registered on the RNTC or NNTR may object to the use of the "*expedited procedure*". If no objection is lodged, the tenement can be granted without delay. If an objection is lodged, the NNTT must determine the validity of the objection. If the objection is dismissed, the tenement can be granted without delay. If the objection is not dismissed, the Right To Negotiate Procedure outlined above applies.

### Compensation

In certain circumstances holders of native title are entitled to apply under the NTA to the Federal Court for compensation for any effect on their native title. The Mining Act provides that holders of mining tenements are liable for such compensation where awarded by reason of their mining tenements having affected native title. Consequently, if it has been, or is in the future, determined that native title exists over any of the land the subject of the Tenements and the holders of the native title apply to the Federal Court for compensation, the holder of the mining tenements may be liable and directed to pay any compensation determined. To date, few claims have been lodged with the Federal Court for compensation and no award for compensation has been made by the Federal Court.

### Registered Native Title Claims, Native Title Determinations and ILUAs

Our searches indicate that the Tenements lie wholly within the registered native title claims identified in the following table and that no Tenements lie with any area of determined native title.

Tenement number	Registered Native Title Claims
<b>Yalgoo Project</b>	
E59/1437	Wajarri Yamatji (NTC) WC04/10 (55.8%) Amangu People (NTC) WC04/2 (21.4%) Mullewa Wadjari Community (NTC) WC96/93 (100.0%) Widi Mob (NTC) WC97/72 (100.0%)
E59/1632	Wajarri Yamatji (NTC) WC04/10 (64.7%) Mullewa Wadjari Community (NTC) WC96/93 (100.0%) Widi Mob (NTC) WC97/72 (100.0%)
E59/1633	Amangu People (NTC) WC04/2 (99.9%) Mullewa Wadjari Community (NTC) WC96/93 (100.0%) Widi Mob (NTC) WC97/72 (100.0%)
E59/1645	Mullewa Wadjari Community (NTC) WC96/93 (85.5%) Widi Mob (NTC) WC97/72 (100.0%)
E59/1651	Wajarri Yamatji (NTC) WC04/10 (3.8%) Mullewa Wadjari Community (NTC) WC96/93 (100.0%) Widi Mob (NTC) WC97/72 (100.0%)
E59/1655	Wajarri Yamatji (NTC) WC04/10 (99.6%) Mullewa Wadjari Community (NTC) WC96/93 (91.5%) Widi Mob (NTC) WC97/72 (100.0%)

## 11. INDEPENDENT SOLICITOR'S REPORT (CONTINUED)

E59/1658	Amangu People (NTC) WC04/2 (1.3%) Mullewa Wadjari Community (NTC) WC96/93 (100.0%) Widi Mob (NTC) WC97/72 (100.0%)
E59/1819	Mullewa Wadjari Community (NTC) WC96/93 (100.0%) Widi Mob (NTC) WC97/72 (100.0%)
P59/1925	Amangu People (NTC) WC04/2 (91.9%) Mullewa Wadjari Community (NTC) WC96/93 (100.0%) Widi Mob (NTC) WC97/72 (100.0%)
P59/1926	Mullewa Wadjari Community (NTC) WC96/93 (100.0%) Widi Mob (NTC) WC97/72 (100.0%)
P59/1927	Mullewa Wadjari Community (NTC) WC96/93 (100.0%) Widi Mob (NTC) WC97/72 (100.0%)
P59/1928	Mullewa Wadjari Community (NTC) WC96/93 (100.0%) Widi Mob (NTC) WC97/72 (100.0%)
E59/1896	Wajarri Yamatji (NTC) WC04/10 (100.0%) Mullewa Wadjari Community (NTC) WC96/93 (13.5%) Widi Mob (NTC) WC97/72 (31.2%)
E59/1897	Wajarri Yamatji (NTC) WC04/10 (71.0%) Mullewa Wadjari Community (NTC) WC96/93 (100.0%) Widi Mob (NTC) WC97/72 (100.0%)
E59/1900	Wajarri Yamatji (NTC) WC04/10 (100.0%)
<b>Byro Project</b>	
E59/1617	Wajarri Yamatji (NTC) WC04/10 (100.0%) Mullewa Wadjari Community (NTC) WC96/93 (0.3%)
E09/1864	Wajarri Yamatji (NTC) WC04/10 (100.0%)
E09/1931	Wajarri Yamatji (NTC) WC04/10 (100.0%) Mullewa Wadjari Community (NTC) WC96/93 (7.9%)
E09/1956	Wajarri Yamatji (NTC) WC04/10 (100.0%)
E20/758	Wajarri Yamatji (NTC) WC04/10 (100.0%)
<b>Harris Lake Project</b>	
E28/1958	Ngadju (NTC) WC99/2 (100.0%)
<b>Peranbye Project</b>	
E59/1855	Amangu People (NTC) WC04/2 (28.5%) Widi Mob (NTC) WC97/72 (100.0%)
E59/1856	Widi Mob (NTC) WC97/72 (100.0%)
E59/1857	Widi Mob (NTC) WC97/72 (100.0%)
E59/1858	Widi Mob (NTC) WC97/72 (100.0%)
E70/4295	Amangu People (NTC) WC04/2 (<0.1%) Widi Mob (NTC) WC97/72 (100.0%)
E70/4296	Widi Mob (NTC) WC97/72 (100.0%)
E70/4297	Amangu People (NTC) WC04/2 (81.5%) Mullewa Wadjari Community (NTC) WC96/93 (6.0%) Widi Mob (NTC) WC97/72 (100.0%)

## 11. INDEPENDENT SOLICITOR'S REPORT (CONTINUED)

Ponton Project	
E28/2202	Central East Goldfields People (NTC) WC99/30 (100.0%)
E28/2203	Central East Goldfields People (NTC) WC99/30 (100.0%)
E28/2204	Central East Goldfields People (NTC) WC99/30 (100.0%)
E28/2205	Central East Goldfields People (NTC) WC99/30 (100.0%)
E28/2206	Central East Goldfields People (NTC) WC99/30 (100.0%)

The status of each registered native title claim referred to above is as follows:

NNTT No	Federal Court No	Application Name	Registered on RNTC	Status
WC04/10	WAD6033/98	Wajarri Yamatji	Yes	Active
WC04/2	WAD6002/04	Amangu People	Yes	Active
WC96/93	WAD6119/98	Mullewa Wadjari Community	Yes	Active
WC97/72	WAD6193/98	Widi Mob	Yes	Active
WC99/2	WAD6020/98	Ngadju	Yes	Active
WC99/30	WAD70/98	Central East Goldfields People	Yes	Active

### Validity of Granted Tenements

Searches indicate that none of the Tenements were granted before 23 December 2006 and none are within areas the subject of ILUAs.

Consequently, to the extent any granted Tenement affects native title, it will be valid only if it was granted in accordance with the Future Act Provisions. This is assumed to be the case.

### ABORIGINAL HERITAGE

Aboriginal heritage is protected both by Commonwealth legislation as well as legislation in each State and Territory.

### COMMONWEALTH LEGISLATION

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) ("Commonwealth Heritage Act") permits the Commonwealth Minister to make protective declarations in relation to areas or objects which satisfy the criteria set out in that Act. Those criteria include that the area is a "significant Aboriginal area" and that the object is a "significant Aboriginal object". It is an offence to contravene a declaration made under the Commonwealth Heritage Act. The author of this Report has not undertaken any searches under the Commonwealth Heritage Act for the purposes of this Report.

### WESTERN AUSTRALIAN HERITAGE LEGISLATION

The *Aboriginal Heritage Act 1972* (WA) ("WA Heritage Act") provides for the establishment of a Register of Aboriginal Sites in Western Australia and the assessment and registration of Aboriginal sites on that Register. It is an offence under the WA Heritage Act to excavate, destroy, damage, conceal or in any way alter an Aboriginal site or any object on or under an Aboriginal site, unless the person is acting with the authority of the Registrar or the consent of the Minister. The offence applies regardless of whether the Aboriginal site has



## 11. INDEPENDENT SOLICITOR'S REPORT (CONTINUED)

been entered on the Register of Aboriginal Sites. It is a defence if the person charged can prove that he did not know and could not reasonably be expected to have known, that the place or object was protected by the WA Heritage Act. The WA Heritage Act accordingly applies to activities on a mining tenement. Tenements in Western Australia are granted subject to an endorsement reminding the tenement holder of its obligation to comply with the requirements of the WA Heritage Act. The author of this Report has procured searches of the Register of Aboriginal Sites using the online Aboriginal Heritage Enquiry System maintained by the Department for Indigenous Affairs ("DIA") for the area of each Tenement. Whilst none of the searches identified any Aboriginal sites which have been entered on the Register of Aboriginal Sites, the searches identified a number of "Other Heritage Places" which have yet to be assessed for such registration. Further details are set out in Schedule A.

Under section 17 of the WA Heritage Act a person who alters an Aboriginal site in any way eg. exploration work, commits an offence unless consent is obtained under section 18 of the WA Heritage Act from the Minister of Indigenous Affairs (or authorisation is obtained under section 16 of the WA Heritage Act from the Registrar of Aboriginal Sites). If there is no likelihood of damage or destruction to an Aboriginal heritage site it is not compulsory to apply for consent under section 18 of the WA Heritage Act. If the likelihood of damage to an Aboriginal site has been assessed as likely (based on the intended programme of work), consultation with Aboriginal groups is necessary to determine whether an Aboriginal Heritage Survey is needed, and a search of the Register of Aboriginal sites may assist in confirming whether any Aboriginal sites are located in the area in question. The register is not exhaustive and unregistered sites are also protected by the WA Heritage Act but it is a useful reference tool and is a fundamental part of a land user's Aboriginal heritage due diligence.

Where it has been identified that a proposed programme of work will disturb an Aboriginal site, consultation is necessary with the Department of Indigenous Affairs and if site avoidance measures are impossible, an application for consent under section 18 of the WA Heritage Act (or authorisation under section 16) will be necessary. An Aboriginal Heritage Survey must be conducted to support the application for consent and in the application, applicants need to propose the commitments they are prepared to make to ensure protection of Aboriginal sites. The Survey may recommend against the proposal proceeding, or recommend conditions, which the applicant can seek to rebut.

### RELIANCE ON THIS REPORT

This Report is provided for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus. It cannot be relied on by others or be disclosed or reproduced in whole or in part without prior written consent. As at the date of this Report, consent to being named in this Prospectus as the author of this Report and for inclusion of this Report in the Prospectus in the form and context in which it appears, has been given and has not been withdrawn before the lodgement of the Prospectus.

Yours faithfully



Hilary Macdonald  
Corporate & Resources Lawyer

## 11. INDEPENDENT SOLICITOR'S REPORT (CONTINUED)

Schedule A: Tenement Schedule

Project & Tenement number	Registered holder or applicant	Date of grant or application	Expiry date	Annual minimum expenditure	Tenement notes
<b>Yalgoo</b>					
E59/1437	Enterprise Gold	25/09/09	24/09/15	\$70,000	1, 2, 2,67,69,73, 79
E59/1632	ENT	26/10/10	25/10/15	\$42,000	1,81
E59/1633	ENT	9/05/11	8/05/16	\$58,000	1, 2,64, 66, 67, 68, 69,81
E59/1645	ENT	26/10/10	25/10/15	\$26,667	3,64, 65,81
E59/1651	ENT	7/12/10	6/12/15	\$22,000	1, 2, 4, 5,62, 63, 64,81
E59/1655	ENT	18/01/11	17/01/16	\$70,000	60, 61,81
E59/1658	ENT	2/02/10	02/07/2017	n/a	1, 81
E59/1819	ENT	Application 8/09/11	n/a	n/a	81
P59/1925	ENT	Application 2/02/10	n/a	n/a	1,81
P59/1926	ENT	25/09/12	24/09/16	\$3,120	1,64, 77, 78,81
P59/1927	ENT	25/09/12	24/09/16	\$2,000	1,64, 77, 78,81
P59/1928	ENT	25/09/12	24/09/16	\$2,000	1,64, 77, 78,81
E59/1896	Enterprise Uranium Pty Ltd	Application 11/07/12	n/a	n/a	83
E59/1897	Enterprise Uranium Pty Ltd	Application 11/07/12	n/a	n/a	83
E59/1900	Enterprise Uranium Pty Ltd	Application 11/07/12	n/a	n/a	83
<b>Byro</b>					
E59/1617	Amiable	13/09/10	12/09/15	\$166,000	6, 7, 8, 9, 10, 11, 12, 67, 69, 70, 71, 72, 80, 85 royalty
E09/1864	ENT	Application 25/02/11	n/a	n/a	13, 14, 15,81, 86
E09/1931	ENT	Application 1/08/11	n/a	n/a	16, 17, 18,81, 86
E09/1956	ENT	Application 2/12/11	n/a	n/a	16, 19,81, 86

## 11. INDEPENDENT SOLICITOR'S REPORT (CONTINUED)

E20/758	ENT	Application 1/10/10	n/a	n/a	81, 85 royalty, 86
<b>Harris Lake</b>					
E28/1958	Burracoppin	8/03/10	7/03/15	\$26,000	74,75,76,82, 84 royalty
<b>Peranbye</b>					
E59/1855	Enterprise Uranium Pty Ltd	Application 9/2/12	n/a	n/a	1, 20, 21, 22, 23, 24, 25, 26, 27,83, 87
E59/1856	Enterprise Uranium Pty Ltd	5/10/12	4/10/17	\$70,000	20,28, 29, 30,83, 87, 92
E59/1857	Enterprise Uranium Pty Ltd	5/10/12	4/10/17	\$70,000	20,31,83 87, 93, 94
E59/1858	Enterprise Uranium Pty Ltd	Application 9/2/12	n/a	n/a	20, 31, 32, 33,83, 87,
E70/4295	Enterprise Uranium Pty Ltd	03/10/12	02/10/17	\$63,000	20, 34, 35, 36, 37, 38, 39, 40, 83, 87, 88, 89
E70/4296	Enterprise Uranium Pty Ltd	03/10/12	02/10/17	\$70,000	20, 41, 42,83, 87, 90, 91
E70/4297	Enterprise Uranium Pty Ltd	Application 9/2/12	n/a	n/a	20, 22, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54,83, 87
<b>Ponton</b>					
E28/2202	Enterprise Uranium Pty Ltd	12/10/12	11/10/17	\$146,000	83, 95, 96
E28/2203	Enterprise Uranium Pty Ltd	12/10/12	11/10/17	\$57,000	83, 96
E28/2204	Enterprise Uranium Pty Ltd	12/10/12	11/10/17	\$69,000	83, 96, 97
E28/2205	Enterprise Uranium Pty Ltd	12/10/12	11/10/17	\$70,000	83, 96
E28/2206	Enterprise Uranium Pty Ltd	12/10/12	11/10/17	\$70,000	55,83, 96

Legend:

"ENT" means Enterprise Metals Limited (ACN 123 567 073);

"Enterprise Gold" means Enterprise Gold Pty Ltd (ACN 009 121 680), a wholly owned subsidiary of ENT;

"Enterprise Uranium Pty Limited" means Enterprise Uranium Pty Ltd (ACN 125 615 232), a wholly owned subsidiary of ENT, and a different entity from ENU issuing the Prospectus in which this Report appears. At the time of lodging applications for the relevant Tenements, this entity had the name Enterprise Uranium Pty Ltd (ACN 125 615 232) and

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## 11. INDEPENDENT SOLICITOR'S REPORT (CONTINUED)

that is the holder's name appearing on the DMP's register. At the date of this Report this entity has the name Enterprise Uranium Limited (ACN 125 615 232). The entity is in the course of changing its name and company type to 125 615 232 Pty Ltd (ACN 125 615 232), which will become effective on 25 October 2012;

"Amiable" means Amiable Holdings Pty Ltd (ACN 138 805 759), a wholly owned subsidiary of ENT;

"Burracoppin" means Burracoppin Resources Pty Ltd (ACN 143 042 451); a wholly owned subsidiary of Enterprise Iron Pty Ltd Limited (ACN 009 312 421) which is a wholly owned subsidiary of ENT.

### Tenement Notes:

- 1-59. The Western Australian Aboriginal Heritage Enquiry System records either an "*Other Heritage Place*", or a "*Registered Heritage Place*" within these tenements having unspecified site names or site types, or specifying site names and site types
60. The consent of the Minister is required before commencing any exploration activities on the Emu Proof Fence Reserve 12300.
61. Particular environmental approval procedures apply for the area designated as CPL 53 in Tengraph.
62. The consent of the Minister is required before commencing any exploration activities on State Infrastructure Corridor Reserve 48372.
63. Safety zone applies - no mining within 25 metres of either side of gas/petroleum pipeline contained within PV 43 as shown on Tengraph; surface excavation restrictions apply; approval of State Mining Engineer DMP required for surface excavations; consent of pipeline operator required for any drainage interference or movement of equipment or vehicles; restricted explosives storage and use; pipeline access easement exists for operator of gas pipeline employees and contractors.
64. Particular environmental approval procedures apply for the area designated as CPL 24 in Tengraph.
65. The consent of the Minister is required before commencing any exploration activities on Water Supply, Rabbit Proof Fence Reserve 10268 and Emu Proof Fence Reserve 12300.
66. Does not include any private land referred to in section 29(2) Mining Act except that below 30 metres from the natural surface of the land.
67. No interference with transmission line and ingress and egress preserved to the owners of the transmission line.
68. Rights of ingress and egress from Miscellaneous Licence 59/70 (Batavia Mining Ltd) preserved to the licensee and no interference with the purpose or installations.
69. No interference with the use of the Aerial Landing Ground and mining is restricted to below a depth of 15 metres from the natural surface.
70. The consent of the Minister is required before commencing any exploration activities on the Use and Benefit of Aborigines Reserve 297.
71. Consent to mine on the De Grey Mullewa Stock Route Reserve 9701 granted provided exploration activities do not restrict the use of the Reserve.
72. Radio Quiet Management Plan - Prior to carrying out any on-ground activities, and to be included with any programme of work or mining proposal, the Licensee must develop a plan of activities to ensure that electromagnetic emissions from those activities will not interfere with the radio-quiet requirements of the Murchison Radio-astronomy Observatory, the plan to be submitted to the Australian Square Kilometre Array Project Co-ordination Committee's co-ordinator for land management issues at DMP for approval by Director General of DMP.
73. No mining within 25 metres of gas/petroleum pipeline contained within FNA 2851 as shown in Tengraph.
74. In respect to the area of land designated nature reserve PNR/91 in Tengraph, consultation with the DMP Environmental Officer is required, washing down vehicles and other preventative measures to prevent the spread of soil borne diseases.
75. Prior to any activity involving disturbance to vegetation and soils, including exploration access or sampling, the licensee is required to prepare a detailed program for approval by the Director, Environment, DMP in consultation with the Department of Environment and Conservation, which program must describe the environmental impact of the proposed work and how that is to be managed and rehabilitated, with annual reporting.
76. Access to and from the movement of vehicles is restricted to ground or seasonal conditions and routes approved under the program approved by the Department of Environment and Conservation.
77. Endorsements apply in relation to Water Resource Management Areas, Artesian Aquifers and Wells, Waterways, and Proclaimed Ground Water Areas. Rights of egress and ingress apply for officers of the Department of Water for inspection purposes.
78. Restrictions on storage of petroleum hydrocarbons and potentially hazardous substances apply under the DMP Water Quality Protection Notes and Guidelines.

## 11. INDEPENDENT SOLICITOR'S REPORT (CONTINUED)

79. Acquired by Tenement Sale Agreement dated 5 October 2012 between the Company and Enterprise Gold Pty Ltd (ACN 009 121 680), a wholly owned subsidiary of ENT, completed on 15 October 2012.
80. Acquired by Tenement Sale Agreement dated 5 October 2012 between the Company and Amiable Holdings Pty Ltd (ACN 138 805 759), a wholly owned subsidiary of ENT, completed on 15 October 2012..
81. Acquired by Tenement Sale Agreement dated 5 October 2012 between the Company and Enterprise Metals Limited (ACN 123 567 073), completed on 15 October 2012.
82. Acquired by Tenement Sale Agreement dated 5 October 2012 between the Company and Burracoppin Resources Pty Ltd (ACN 143 042 451), a wholly owned subsidiary of Enterprise Iron Pty Ltd Limited (ACN 009 312 421) which is a wholly owned subsidiary of ENT, completed on 15 October 2012.
83. Acquired by Tenement Sale Agreement dated 5 October 2012 between the Company and 125 615 232 (ACN 125 615 232), a wholly owned subsidiary of ENT, completed on 15 October 2012.
84. Subject to a 1.5% gross sales royalty in favour of Philip Frederik Hoff as trustee for Cornucopia, pursuant to a Deed of Covenant between the Company, Enterprise Iron Pty Limited and Philip Frederik Hoff as trustee for Cornucopia dated 18 September 2012 pursuant to which the Company assumed the obligation of Enterprise Iron Pty Ltd to pay the royalty with effect from the date of completion of the Tenement Sale Agreement mentioned in note 82.
85. Subject to a 1.5% gross production royalty on all minerals produced from the Tenements (E59/1617 and ELA 20/758), pursuant to a Deed of Covenant and Deed Poll between the Company, Amiable Holdings Pty Ltd, and Enterprise Metals Limited in favour of James Stephen Hart, WA Capital Pty Ltd, William Robertson, June Robertson, Maxwell Morrell and Neil Provins, dated 18 October 2012 pursuant to which the Company assumed the obligation of Enterprise Metals Ltd to pay the royalty with effect from the date of completion of the Tenement Sale Agreement mentioned in note 80.
86. Within the DMP's Mineral Resource Management Area, in relation to Australia's Square Kilometre Array project and will require a Radio Quiet Management Plan, if granted; refer to note 72.
87. An approved Conservation Management Plan will be necessary following grant, to access the tenement.
88. Minister's consent is required before commencing any exploration activities on Camping Reserve 18415; Water Reserves 983 & 13301 and Water Rabbit Department Reserve 9486
89. In respect to the area designated as CPL 23, Lochada in Tengraph conditions apply to protect and conserve the environment to the satisfaction of the DMP Environment Division.
90. The prior written consent of the Minister responsible for the Mining Act 1978 is required before commencing any exploration activities on Water Reserve 15250 and Vermin Proof Fence Reserve 30865.
91. Mining on a strip of land 30 metres wide with the Rabbit Proof Fence is restricted to below a depth of 15 metres from the natural surface.
92. Particular environmental approval procedures apply for the area designated as CPL 16 & 23 in Tengraph.
93. Particular environmental approval procedures apply for the area designated as CPL 23 in Tengraph.
94. The consent of the Minister is required before commencing any exploration activities on Emu Proof Fence Reserve 36657, Water Reserve 20818 and Water Reserve 20819.
95. The prior written consent of the Minister responsible for the Mining Act 1978 must be obtained before commencing any exploration activities on Use and Benefit of Aboriginal Inhabitants Reserve 22100.
96. Particular environmental approval procedures apply for the area. Unless the written approval of the Environmental Officer, DMP is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
97. The prior written consent of the Minister responsible for the Mining Act 1978 must be obtained before commencing any exploration activities on Coonana Timber Reserve 19640 (Timber Sandalwood 5(1)(g)).



## 12. INDEPENDENT ACCOUNTANT'S REPORT



## 12. INDEPENDENT ACCOUNTANT'S REPORT (CONTINUED)



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18 October 2012

The Directors  
Enterprise Uranium Limited  
Level 1, 640 Murray Street  
WEST PERTH WA 6005

Dear Directors

### INVESTIGATING ACCOUNTANT'S REPORT

#### 1. Introduction

We have prepared this Investigating Accountant's Report ("**Report**") on historical financial information of Enterprise Uranium Limited ("**ENU**" or "**the Company**") for inclusion in the Prospectus. Broadly, the Prospectus will offer up to 25.5 million shares at an issue price of \$0.20 each to raise \$5.1 million before costs with a provision to accept oversubscriptions of up to 5 million further shares to raise up to a further \$1 million, in addition 1 option with an exercise price of 25 cents and an expiry date of 31 March 2014 will be issued for every two shares issued ("**the Offer**").

The Offer is subject to a minimum subscription level of 25.5 million shares to raise \$5.1 million.

#### 2. Basis of Preparation

This Report has been prepared to provide investors with information on the historical statements of comprehensive income, statement of financial position, and statement of changes in equity, and the pro-forma statement of financial position and statement of changes in equity, as noted in the appendices to this report.

This Report does not address the rights attaching to the shares to be issued in accordance with the Prospectus, nor the risks associated with the investment, and has been prepared based on the complete Offer being achieved. Neither BDO Corporate Finance (WA) Pty Ltd nor its related entities ("**BDO**") has been requested to consider the prospects for the Company, the shares on offer or related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly has not done so, and does not purport to do so. BDO accordingly takes no responsibility for these matters or for any matter or omission in the Prospectus, other than responsibility for this Report. Risk factors are set out in the Prospectus.

Expressions defined in the Prospectus have the same meaning in this Report.

This is a draft document and must not be relied on or disclosed or referred to in any document. We accept no duty of care or liability to you or any third party for any loss suffered in connection with the use of this document.

## 12. INDEPENDENT ACCOUNTANT'S REPORT (CONTINUED)

### 3. Background

The Company was incorporated by its former parent company Enterprise Metals Limited ("ENT") in August 2012, following a strategic review by the ENT Board of its assets and a decision by the ENT Board to demerge the uranium assets of ENT into ENU. ENT Shareholders approved the demerger on 15 October 2012 following which ENU acquired the uranium assets of ENT and its wholly owned subsidiaries in return for the issue of 42,644,154 ENU shares to ENT. A capital reduction to be effected by way of ENT making a distribution in specie of all the 42, 644,155 ENU Shares held by ENT to the ENT Shareholders registered on or around 26 October 2012 will occur on or around 31 October 2012.

Full details of the Company's operations may be found in the Prospectus.

### 4. Scope

You have requested BDO to prepare an Investigating Accountant's Report covering the following financial information:

- the historical statement of financial position as at 15 October 2012, and the statement of comprehensive income and statement of changes in equity for the period ended 15 October 2012, for Enterprise Uranium;
- the pro-forma statement of financial position as at 15 October 2012, and the pro-forma statement of changes in equity for the period ended on that date, reflecting the actual position as at that date, major transactions between that date and the date of our report and the proposed capital raising under the Prospectus; and
- the accounting policies applied by Company in preparing its financial statements, (the "Financial Information").

The Company has no audited statements of comprehensive income as there are no historical operations with the Company being incorporated in August 2012.

The Directors are responsible for the preparation of the historical financial information including determination of the adjustments.

We have conducted our review of the historical financial information in accordance with the Australian Auditing and Assurance Standard ASRE 2405 "Review of Historical Financial Information Other than a Financial Report". We made such inquiries and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a review of work papers, accounting records and other documents pertaining to balances in existence at 15 October 2012;
- a review of the assumptions used to compile the pro-forma Statement of Financial Position;
- a review of the adjustments made to the pro-forma historical financial information;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Company disclosed in the appendices to this Report; and
- enquiry of Directors and others.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Our review was limited primarily to an examination of the historical financial information, the pro-forma financial information, analytical review procedures and discussions with both

## 12. INDEPENDENT ACCOUNTANT'S REPORT (CONTINUED)

management and directors. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the historical information or pro-forma financial information included in this Report or elsewhere in the Prospectus.

In relation to the information presented in this Report:

- support by another person, corporation or an unrelated entity has not been assumed;
- the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report; and
- the going concern basis of accounting has been adopted.

### 5. Conclusion

#### Statement on Historical Financial Information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the historical financial information as set out in the Appendices to this report does not present fairly the financial performance for the period ended 15 October 2012 or the financial position as at 15 October 2012 in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

#### Statement on Pro-forma Financial Information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the pro-forma financial information does not present fairly the financial position of the Company as at 15 October 2012, in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the pro-forma transactions had occurred on that date.

### 6. Subsequent Events

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief, no other material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

### 7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro-forma statement of financial position post issue is shown in Appendix 2. This has been prepared based on the reviewed financial statements as at 15 October 2012, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 30.5 million shares at an offer price of \$0.20 each to raise \$6.1 million before costs pursuant to the Prospectus, based on the maximum subscription;
- The issue of 25.5 million shares at an offer price of \$0.20 each to raise \$5.1 million before costs pursuant to the Prospectus, based on the minimum subscription;
- Costs of the Offer are estimated to be \$374,181 for the maximum subscription and \$302,831 for the minimum subscription, which are to be offset against the contributed equity;

## 12. INDEPENDENT ACCOUNTANT'S REPORT (CONTINUED)

### 8. Disclosures

BDO Corporate Finance (WA) Pty Ltd is the corporate advisory arm of BDO in Perth.

Neither BDO Corporate Finance (WA) Pty Ltd nor BDO, nor any director or executive or employee thereof, has any financial interest in the outcome of the proposed transaction except for the normal professional fee due for the preparation of this Report.

Consent to the inclusion of the Investigating Accountant's Report in the Prospectus in the form and context in which it appears, has been given. At the date of this Report, this consent has not been withdrawn.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd



Adam Myers

Director



## 12. INDEPENDENT ACCOUNTANT'S REPORT (CONTINUED)

### APPENDIX 1 ENTERPRISE URANIUM LIMITED STATEMENT OF FINANCIAL POSITION

		Enterprise Uranium Reviewed as at	Minimum Subscription		Maximum Subscription	
		15-Oct-12	Pro-forma adjustments	Pro-forma after issue	Pro-forma adjustments	Pro-forma after issue
		\$	\$	\$	\$	\$
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	2	-	4,797,169	4,797,169	5,725,819	5,725,819
Trade and other receivables		1	-	1	-	1
Other financial assets		-	-	-	-	-
<b>TOTAL CURRENT ASSETS</b>		<b>1</b>	<b>4,797,169</b>	<b>4,797,170</b>	<b>5,725,819</b>	<b>5,725,820</b>
<b>NON CURRENT ASSETS</b>						
Plant & equipment		-		-		-
Deferred tax asset		-		-		-
Exploration expenditure		5,906,000	-	5,906,000	-	5,906,000
<b>TOTAL NON CURRENT ASSETS</b>		<b>5,906,000</b>	<b>-</b>	<b>5,906,000</b>	<b>-</b>	<b>5,906,000</b>
<b>TOTAL ASSETS</b>		<b>5,906,001</b>	<b>4,797,169</b>	<b>10,703,170</b>	<b>5,725,819</b>	<b>11,631,820</b>
<b>CURRENT LIABILITIES</b>						
Trade and other payables		-	-	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS</b>		<b>5,906,001</b>	<b>4,797,169</b>	<b>10,703,170</b>	<b>5,725,819</b>	<b>11,631,820</b>
<b>EQUITY</b>						
Contributed equity	3	5,906,001	4,797,169	10,703,170	5,725,819	11,631,820
Reserves		-	-	-	-	-
Accumulated losses		-	-	-	-	-
<b>TOTAL EQUITY</b>		<b>5,906,001</b>	<b>4,797,169</b>	<b>10,703,170</b>	<b>5,725,819</b>	<b>11,631,820</b>

The pro-forma Statement of Financial Position after Issue is as per the Statement of Financial Position before Issue adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3. No statement of comprehensive income has been included in our IAR as there are no historical operations.

## 12. INDEPENDENT ACCOUNTANT'S REPORT (CONTINUED)

APPENDIX 2  
ENTERPRISE URANIUM LIMITED  
STATEMENT OF CHANGES IN EQUITY

Reviewed	Ordinary Shares	Retained Earnings/ (Accumulated Losses)	Total
	\$	\$	\$
Balance at Incorporation	1	-	1
Issue of 42,644,154 shares for the acquisition of tenements	5,906,000	-	5,906,001
Profit attributable to the members of the entity	-	-	-
Total other comprehensive income for the year	-	-	-
<b>Subtotal</b>	<b>5,906,001</b>	<b>-</b>	<b>5,906,001</b>
Dividends paid or provided for	-	-	-
<b>Balance at 15 October 2012</b>	<b>5,906,001</b>	<b>-</b>	<b>5,906,001</b>

The issue of 42,644,154 shares for the acquisition of tenements were valued based on the value of the tenements as determined by Coffey Mining Pty Ltd in a independent specialist's valuation report dated 16 August 2012. These shares were issued to ENT and subsidiaries of ENT under acquisition agreements. On 15 October 2012 ENT Shareholders approved the demerger and an in specie distribution of all 42,644,155 ENU Shares held by ENT to it's Shareholders registered on or around 26 October 2012 will occur on or around 31 October 2012.

The above statement of changes in equity is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3.

## 12. INDEPENDENT ACCOUNTANT'S REPORT (CONTINUED)

### APPENDIX 3

#### ENTERPRISE URANIUM LIMITED

#### NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

##### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

##### (a) Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ("AIFRS"), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial information has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal group's held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

##### (b) Going Concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

##### (c) Reporting Basis and Conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

## 12. INDEPENDENT ACCOUNTANT'S REPORT (CONTINUED)

### (d) Income Tax

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognized from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

### (e) Cash and Cash Equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

### (f) Trade and other receivables

Trade receivables are recognised as the amount receivable and are due for settlement no more than 90 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

### (g) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of GST.

#### *Interest*

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

## 12. INDEPENDENT ACCOUNTANT'S REPORT (CONTINUED)

### (h) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

### (i) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days of recognition.

### (j) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

### (k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### (l) Exploration and Evaluation Expenditure

Costs incurred in the exploration, evaluation and development stages of specific areas of interest are accumulated. Such costs are written off unless the directors consider that the costs are expected to be fully recouped through the successful development and exploitation of the areas, or where activities to date have not reached a stage to allow reasonable assessment regarding existence of economically recoverable reserves.

Costs are written off as soon as an area has been abandoned or is considered to be non commercial. Expenditure is not carried forward in respect of any area of interest/mineral resource unless the company's rights of tenure to that area of interest are current.

Each year the directors consider the recoverable value of the area being carried forward and where they believe those values to be lower than the costs, write down the costs accordingly. In determining recoverable amount, the expected net cash flows have not been discounted to their present value.



## 12. INDEPENDENT ACCOUNTANT'S REPORT (CONTINUED)

Once production commences, expenditure accumulated in respect of areas of interest is amortised on a unit of production basis against the total proven and probable economically recoverable reserves

### **(m) Impairment of assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### *Financial Assets*

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

#### *Non-Financial Assets*

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

### **(n) Restoration, Rehabilitation and Environmental Costs**

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are accrued at the time of those activities and treated as exploration and evaluation expenditure. Costs are estimated on the basis of current undiscounted costs, current legal requirements and current technology.

### **(o) Joint Ventures**

Interests in joint venture operations are brought to account by including in the respective classifications the company's share of individual assets employed, liabilities and expenses incurred. The company's interest in joint ventures will be brought to account using the cost method.

Where part of a joint venture interest is farmed out in consideration of the farminee undertaking to incur further expenditure on behalf of both the farminee and the entity in the joint venture

## 12. INDEPENDENT ACCOUNTANT'S REPORT (CONTINUED)

area of interest, exploration expenditure incurred and carried forward prior to farmout continues to be carried forward without adjustment. Any cash received in consideration for farming out part of a joint venture interest is treated as a reduction in the carrying value of the related mineral property.

### **(p) Contributed Equity**

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

### **(q) Financial Instruments**

#### *Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

#### *Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

### **(r) Financial assets at fair value through profit and loss**

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in the category if it is held principally for the purpose of selling in the short term. Assets in the category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying value being include in profit or loss.

### **(s) Employee Benefits**

#### *Wages and Salaries, Annual Leave and Sick Leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the statement of financial position date are recognised in respect of employees' services rendered up to statement of financial position date and measured at amounts expected to be paid when the liabilities are settled.

Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of Other

## 12. INDEPENDENT ACCOUNTANT'S REPORT (CONTINUED)

Payables and liabilities for annual and sick leave are included as part of Employee Benefit Provisions.

### *Long Service Leave*

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the statement of financial position date using the projected unit credit method. Consideration is given to expect future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the statement of financial position date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

### *Share-based payments transactions*

The Company provides benefits to employees (including directors) of the Company in the form of share options. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employee becomes unconditionally entitled to the options. The fair value of the options granted is measured using Black-Scholes valuation model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight line basis over the period from grant date to the date on which the relevant employees become fully entitled to the award ("vesting date"). The amount recognised as an expense is adjusted to reflect the actual number that vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

### **(t) Accounting estimates and judgements**

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

### *Valuation of share based payment transactions*

The valuation of share-based payment transactions is measured by reference to the fair value of the goods or services where the fair value can be reliably estimated, failing this the value is the value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

### *Options*

The fair value of options issued is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

### *Determination of fair values on exploration and evaluation assets acquired in business combinations*

On initial recognition, the assets and liabilities of the acquired business are included in the statement of financial position at their fair values. In measuring fair value of exploration projects, management considers generally accepted technical valuation methodologies and comparable transactions in determining the fair value. Due to the subjective nature of valuation

## 12. INDEPENDENT ACCOUNTANT'S REPORT (CONTINUED)

with respect to exploration projects with limited exploration results, management have determined the price paid to be indicative of its fair value.

### *Recoverability of capitalised exploration and evaluation expenditure*

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

### *Taxation*

The Company is subject to income taxes in Australia. Significant judgement is required when determining the Company's provision for income taxes. The Company estimates its tax liabilities based on the Company's understanding of the tax law.

	Reviewed 15-Oct-12	Minimum Subscription Pro-forma After issue	Maximum Subscription Pro-forma After issue
<b>NOTE 2. CASH AND CASH EQUIVALENTS</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	-	4,797,169	5,725,819
<i>Adjustments to arise at the pro-forma balance:</i>			
Reviewed balance of Enterprise Uranium as at 15 October 2012		-	-
<i>Pro-forma adjustments:</i>			
Proceeds from shares issued under this Prospectus		5,100,000	6,100,000
Capital raising costs		(302,831)	(374,181)
		4,797,169	5,725,819
Pro-forma Balance		4,797,169	5,725,819

## 12. INDEPENDENT ACCOUNTANT'S REPORT (CONTINUED)

		Reviewed 15-Oct-12	Minimum Subscription Pro-forma After issue	Maximum Subscription Pro-forma After issue
NOTE 3. CONTRIBUTED EQUITY		\$	\$	\$
Contributed equity		5,906,000	10,703,169	11,631,820
	Minimum Subscription Number of shares	\$	Maximum Subscription Number of shares	\$
<i>Adjustments to arise at the pro-forma balance:</i>				
Fully paid ordinary share capital of ENU	42,644,155	5,906,001	42,644,155	5,906,001
<i>Pro-forma adjustments:</i>				
Proceeds from shares issued under this Prospectus	25,500,000	5,100,000	35,500,000	6,100,000
Capital raising costs	-	(302,831)	-	(374,181)
	25,500,000	4,797,169	35,500,000	5,725,819
Pro-forma Balance	68,144,155	10,703,170	73,144,155	11,631,820



### 13. CORPORATE GOVERNANCE

All ASX listed entities are required to disclose against the recommendations and disclosure obligations contained in the revised ASX Corporate Governance Council Corporate Governance Principles and Recommendations (Second Edition) in the annual report and in initial public offer documents.

To the extent they are applicable, the Company has adopted the second edition of the Corporate Governance Principles and Recommendations ("Recommendations") as published by the ASX Corporate Governance Council. Copies of the Company's corporate governance policies are set out in the "Corporate Governance Policies" available on the Company's website. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be given further consideration. In view of the size of the Company and the nature of its activities, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The Company reports the following departures from the ASX Principles and Recommendations:

**Recommendation 1.2:** Companies should disclose the process for evaluating the performance of senior executives.

**Explanation for Departure:** The Company has a Remuneration Committee Charter which establishes a Remuneration & Nomination Committee to review and make decisions in relation to senior executive remuneration and incentive policies. No other process is currently adopted for evaluating the performance of senior executives. However, the Board concurs with the full implementation of this Principle and will review appropriate ways of compliance as and when further senior executives are engaged.

**Recommendation 3.2:** Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.

**Explanation for Departure:** The Company has adopted a diversity policy which can be viewed on its website. The Company recognises that a diverse and talented workforce is a competitive advantage and encourages a culture that embraces diversity. The Company does not think that it is appropriate to state measurable objectives for achieving gender diversity due to its size and stage of development.

**Recommendation 3.3:** Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.

**Explanation for Departure:** The Company has adopted a diversity policy which can be viewed on its website. The Company recognises that a diverse and talented workforce is a competitive advantage and encourages a culture that embraces diversity. However, the policy does not include requirements for the board to establish measurable objectives for achieving gender diversity. Given the Company's size and stage of development as an exploration company, the board does not think it is yet appropriate to include measurable objectives in relation to gender. As the Company grows and requires more employees, the Company will review this policy and amend as appropriate.

**Recommendation 7.2:** The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively.

**Explanation for Departure:** The Board determines the Group's 'risk profile' and has delegated to the Audit and Risk Committee the responsibility for overseeing and approving risk management strategy and policies, internal compliance and non-financial internal control. The Audit and Risk Committee will report to the Board on this system of risk management and make appropriate recommendations to ensure the adequacy of the system.

## 14. RIGHTS ATTACHING TO SHARES

### 14.1 Rights Attaching To Shares

The Shares to be issued pursuant to this Prospectus are ordinary shares and will as from their allotment rank equally in all respects with all ordinary fully paid shares in the Company.

The rights attaching to the Shares arise from a combination of the Company's Constitution, the Corporations Act, the ASX Listing Rules and general law. A copy of the Company's Constitution is available for inspection during business hours at its registered office.

A summary of the more significant rights is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's shareholders. To obtain such a statement, persons should seek independent legal advice.

#### (a) Voting Rights

Subject to the Constitution of the Company and any rights or restrictions at the time being attached to a class of shares, at a general meeting of the Company every Shareholder present in person, or by proxy, attorney or representative has one vote on a show of hands, and upon a poll, one vote for each Share held by the Shareholder and for each partly paid share held, a fraction of one vote equal to the proportion which the amount paid up bears to the amounts paid or payable on that share. In the case of an equality of votes, the chairperson has a casting vote.

#### (b) Dividends

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, the Company may pay dividends as the Directors resolve but only out of profits of the Company. The Directors may determine the method and time for payment of the dividend.

#### (c) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company in proportion which the amount paid on the shares bears to the total amount paid and payable on the shares of all shareholders of the Company.

#### (d) Transfer of Shares

Generally, shares are freely transferable, subject to satisfying the requirements of the ASX Listing Rules and the Corporations Act. The Directors may decline to register any transfer of Shares but only where permitted to do so by the Corporations Act and the ASX Listing Rules or under the Company's Constitution.

#### (e) Directors

The Constitution and the ASX Listing Rules contain provisions relating to the rotation and election of Directors.

#### (f) Calls on Shares

Subject to the Corporations Act and the terms of issue of a share, the Company may, at any time, make calls on the shareholders of a share for all, or any part of, the amount unpaid on the share. If a shareholder fails to pay a call or instalment of a call, the Company may, subject to the Corporations Act and ASX Listing Rules, commence legal action for all, or part of the amount due, enforce a lien on the share in respect of which the call was made or forfeit the share in respect of which the call was made.

#### (g) Further Increases in Capital

Subject to the Corporations Act, the ASX Listing Rules and the Constitution, the Company (under the control of the Directors) may allot and issue shares and grant options over shares, on any terms, at any time and for any consideration, as the Directors resolve.

#### (h) Variation of Rights Attaching to Shares

Subject to the Corporations Act, the ASX Listing Rules, and the terms of issue of shares in a particular class, the Company may vary or cancel rights attached to shares in that class by either special resolution passed at a general meeting of the holders of the shares in that class, or with the written consent of the holders of at least 75% of the votes in that class.

#### (i) General Meeting

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the ASX Listing Rules.

### 14.2 Terms of Attaching Options

Each Attaching Option shall entitle the Attaching Option holder, when exercised, to one fully paid ordinary share in the Company ("Share").

- a) The Attaching Options are exercisable wholly or in part at any time prior to 5.00 pm (WST) on 31 March 2014 ("Expiry Date"). Options not exercised by that date shall lapse.
- b) Each Attaching 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 Attaching Options are exercised, at any time before the Expiry Date. Any notice of exercise of an Attaching Option received by the Company will be deemed to be a notice of the exercise of that Attaching Option as at the date of receipt.
- c) The Attaching Option exercise price is \$0.25 per Attaching Option.
- d) An Attaching 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 Attaching Option can be exercised.
- e) Shares issued upon exercise of the Attaching Options will be issued following receipt of all the relevant documents and payments and will:
  - i. rank equally in all respect with the then issued Shares; and
  - ii. be free from all encumbrances, other than those provided for in the constitution of the Company
- f) The Company will apply for quotation on ASX of all Attaching Options, and all Shares issued upon exercise of the Attaching Options.
- g) There are no participating rights or entitlements inherent in the Attaching Options and Attaching Option holders will not be entitled to participate in new issues of securities offered to Shareholders during the currency of the Attaching Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced so as to give Attaching Option holders the opportunity to exercise their Attaching Options before the date for determining entitlements to participate in any issue.
- h) If at any time the issued capital of the Company is reorganised, the rights of an Attaching 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.

### 14.3 Rights attaching to employee share plan option scheme (ESOP) Options

The Board has resolved to adopt an employee share option plan ("ESOP"), although no options have been granted or resolved to be granted to date. The ESOP is subject to the following rules:

- (a) The Board may offer free Options to people ("Eligible Persons") who are full-time or part-time employees or consultants (including Directors) of the Company or any subsidiary from time to time. Although Directors are eligible to be offered Options under the Plan, this first requires specific Shareholder approval due to the requirements of the ASX Listing Rules and the Corporations Act.
- (b) Offers of Options under the ESOP may be based on a number of criteria including contribution to the Company, period of employment, potential contribution to the Company in the future and other factors the Board considers relevant.
- (c) Upon receipt of such an offer, the Eligible Person may nominate an associate to be issued with the Options.
- (d) The maximum number of Options issued under the Plan at any one time is 5% of the total number of Shares on issue in the Company provided that the Board may increase this percentage, subject to the Corporations Act and the ASX Listing Rules.
- (e) Each Option entitles the holder, on exercise, to one ordinary fully paid share in the Company.
- (f) There is no issue price for the Options. The exercise price for the Options will be such price as determined by the Board (in its discretion) on or before the date of issue provided that in no event shall the exercise price be less than the weighted average sale price of Shares sold on ASX during the five Business Days prior to the date of issue or such other period as determined by the Board (in its discretion).

- (g) Shares issued on exercise of Options will rank equally with other ordinary shares of the Company.
- (h) Options may not be transferred other than to a nominee (defined under Australian taxation legislation) of the holder. Quotation of Options on ASX will not be sought. However, the Company will apply to ASX for official quotation of Shares issued on the exercise of Options.
- (i) An Option may only be exercised after that Option has vested and any other conditions imposed by the Board on exercise satisfied. The Board may determine the vesting period (if any). An Option will lapse upon the first to occur of the expiry date, the holder acting fraudulently or dishonestly in relation to the Company, the employee ceasing to be employed by the Company or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.
- (j) If, in the opinion of the Board any of the following has occurred or is likely to occur, the Company entering into a scheme of arrangement, the commencement of a takeover bid for the Company's Shares, or a party acquiring a sufficient interest in the Company to enable them to replace the Board, the Board may declare an Option to be free of any conditions of exercise. Options which are so declared may, subject to the lapsing conditions set out above, be exercised at any time on or before their expiry date and in any number.
- (k) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least 6 Business Days after the issue is announced. Optionholders shall be afforded the opportunity to exercise all Options which they are entitled to exercise pursuant to the Plan prior to the date for determining entitlements to participate in any such issue.
- (l) If the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves ("Bonus Issue"), each Optionholder holding any Options which have not expired at the time of the record date for determining entitlements to the Bonus Issue shall be entitled to have issued to him upon exercise of any of those Options the number of Shares which would have been issued under the Bonus Issue ("Bonus Shares") to a person registered as holding the same number of Shares as that number of Shares to which the Optionholder may subscribe pursuant to the exercise of those Options immediately before the record date determining entitlements under the Bonus Issue (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise). The Bonus Shares will be paid by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the Bonus Issue and upon issue rank pari passu in all respects with the other Shares issued upon exercise of the Options.
- (m) In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any Options, the number of Options to which each Optionholder is entitled or the exercise price of his or her Options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the ASX Listing Rules.
- (n) Under current taxation laws any taxation liability in relation to the Options, or the Shares issued on exercise of the Options, will fall on the participants. The Company will not be liable to fringe benefits tax in relation to Options or Shares issued under the ESOP.

## 15. DISCLOSURES ABOUT DIRECTORS' INTERESTS

Consistent with ASIC Regulatory Guide 228, this section of the Prospectus discloses related party transactions where the Company has entered into agreements with Related Parties (which includes a Director, an entity controlled by a Director, a Director's spouse or children), and explains whether shareholder approval has been provided in the past in accordance with the provisions of Chapter 2E of the Corporations Act, and if not, why not. It also discloses the risks to the Company under such transactions.

The Board follows the statutory requirements in sections 191, 192 and 195 of the Corporations Act, in declaring any material personal interest a Director may have, and in considering whether that Director may remain present in Board meetings to discuss and vote on the matter notwithstanding that interest.

### 15.1 Director & Officer Deeds

The Company has entered into Director Deeds ("**Deed**") with each Director and the Company Secretary ("**Officers**"). Under the Deed, the Company indemnifies the relevant Officer to the maximum extent permitted by law against legal proceedings, damage, loss, liability, cost, charge, exchange, outgoing or payment suffered, paid or incurred by the officer in connection with the Officer being an officer of the Company, the employment of the Officer with the Company or a breach by the Company of its obligations under the Deed. The Company is required to insure the Officers against liability arising from any claim against the Officers in their capacity as officers of the Company, to the extent permitted by law. The Company will pay insurance premiums in respect of the above insurance, to the extent permitted by law.

The main risk the Company is exposed to under this agreement is that the Corporations Act or other legislation will alter in relation to how the Company is permitted to pay for insurance premiums for directors and officers insurance, or that indemnity provisions in relation to the liability of directors will change under the Corporations Act. The agreements facilitate changes in the legislation by allowing what is permitted by law from time to time.

Shareholder approval has not been sought in relation to this financial benefit to the Directors because the arms length terms exception in section 210 of the Corporations Act was considered by the remaining Directors to apply at the time when each Director entered into the deed upon their appointment.

### 15.2 Executive Employment Agreement with Managing Director Trevor Saul

The Company has entered into an Executive Employment Agreement with Trevor Saul dated 5 October 2012 effective on 15 October 2012 employing him as Managing Director for an indefinite term, for a base salary of \$213,045 per annum, and 9% superannuation. The agreement requires Mr Saul to devote all his normal business hours to performing his role as Managing Director of the Company.

The agreement may be terminated by either party giving three months written notice, or it may be terminated immediately with cause. Restraint and non solicitation provisions will apply for six months following termination of the contract, and other usual and appropriate commercial conditions of employment are included to protect the interests of the Company during and following his term of employment.

The main risks which the Company is exposed to under this agreement are the risks that Mr Saul will resign or that he will not perform the tasks assigned to him adequately. It is considered by the Board that 3 months is sufficient time in which to recruit an appropriate replacement for Mr Saul, should he resign or should a replacement be deemed desirable.

The Board excluding Mr Saul consider that the terms of the agreement provide for reasonable remuneration to Mr Saul. Shareholder approval has not been sought in relation to this financial benefit to Mr Saul because the reasonable remuneration exception in section 211 of the Corporations Act is considered by the remaining Directors to apply.

### 15.3 Technical Services Agreement with XServ Pty Ltd, an entity controlled by Mr Dermot Ryan

The Company has entered into an Technical Services Agreement with XServ Pty Ltd dated 15 October 2012 for the supply of technical services to the Company including exploration services, administration and accounts management, supply of field equipment, drilling and sampling equipment, camp facilities, vehicles and the supply of consultants from technical consultants at an hourly rate of \$50 through to principal consulting geologists at a daily rate of \$2000. The rates of supply are subject to annual review by XServ Pty Ltd.

The agreement may be terminated by either party giving three months written notice, or it may be terminated immediately with cause. Non solicitation provisions for the benefit of XServ against poaching of its personnel will apply for six months following termination of the contract.



The main risks which the Company is exposed to under this agreement are the risks that the personnel the Company prefers to have supplied by XServ are not available from time to time or for a particular task, since XServ supplies exploration personnel and equipment to other exploration companies. XServ has sole discretion to supply its choice of personnel provided they are within the categories requested by the Company. The Company may approve of the identity of the personnel supplied, acting reasonably, but there is no guarantee that a particular consultant will be supplied upon request.

XServ is a company controlled by Non Executive Director Dermot Ryan. The Board excluding Mr Ryan, consider that the terms of the agreement are on arms length terms. Shareholder approval has not been sought in relation to this financial benefit to Mr Ryan because the arms length exception in section 210 of the Corporations Act is considered by the remaining Directors to apply.

#### 15.4 Mandate with Patersons Securities Limited

The Company has entered into a mandate with Patersons Securities Limited dated 28 August 2012 engaging Patersons as the Lead Manager to the Offer, for the provision of corporate advisory services in relation to the Offer, and to assist the Company in achieving sufficient shareholder spread in order to satisfy the ASX admission requirements. Patersons is not underwriting the Offer. As Lead Manager Patersons is not obliged to deliver spread in the form of sufficient and appropriate applications for Shares. The Company will pay Patersons:

- (a) a corporate advisory fees of \$60,000 (plus GST) (in addition to corporate advisory fees which ENT has agreed to pay to Patersons for advice in relation to the preliminary structure of the Company prior to the Demerger);
- (b) a Lead Manager fee of 1% of the total gross amount raised by the Offer, and
- (c) a placement fee of 5% of the total gross amount raised by the Offer. This will be rebated to the Company from investors introduced by the Company, applications received under the ENT offer to the extent of any applications lodged by applicants greater than \$20,000 and any applications lodged by ENT for Shares.

The Mandate has usual and appropriate warranties and indemnities in favour of each party.

A non executive Director of the Company, Mr Michael Atkins, is a Director of Corporate Finance at Patersons and a shareholder and as such is expected to derive a financial benefit from the fees payable by the Company and the possible enhanced publicity of Patersons as a result of Patersons' association with the Offer. The extent of the financial benefit which Mr Atkins is likely to receive as a direct result of the Lead Manager mandate is not possible to quantify accurately for present purposes. The Board excluding Mr Atkins consider that the terms of the agreement are on arms length terms based on other mandates the Company's peers in the exploration sector of Western Australia generally enter into in similar transactions. Shareholder approval has not been sought in relation to this financial benefit to Mr Atkins because the arm's length exception in section 210 of the Corporations Act is considered by the remaining Directors to apply.

#### 15.5 Loan Agreement

Under a loan agreement dated 5 October 2012 between the Company and ENT, ENT has agreed to make available a loan facility of \$500,000 to the Company for an unlimited period from the date of execution on an unsecured, interest free basis, provided the full amount is repaid by 31 December 2012. The loan is strictly for the following purposes:

- (a) \$100,000 for working capital purposes in preparing for and conducting an initial public offer of ENU's securities and seeking admission to the Official List of ASX;
- (b) \$240,000 for direct drilling costs on the Byro, Yalgoo and Harris Lake Projects (to be conducted by the Borrower in accordance with the WA Government's Co-Funded Exploration Drilling Program 2012, the benefit of which has been assigned to ENU by ENT on 5 October 2012), and
- (c) \$160,000 for the costs of conducting heritage surveys on ENU's projects.

These drilling programs and the heritage survey work are planned to commence in mid to late November, making the most of a window of opportunity open to the Company to secure the necessary approvals and conduct drilling in time to utilise a dollar for dollar matching grant, to a maximum contribution by the WA Government of \$120,000. The Directors of ENU decided it was preferable to proceed with the approvals and the drilling work before the grant deadline for drilling of 31 December 2012.

ENT has agreed not to demand repayment of the funds advanced under the loan agreement prior to 31 December 2012 unless an Event of Default applies (insolvency grounds) although the Company may repay the loan at any time. If the loan funds have not been repaid by 31 December 2012 then interest at 7% per annum will apply on a capitalised basis until the loan is repaid.

Two of the Directors are also directors in ENT (Mr Dermot Ryan and Ms Anna Mao) and both are shareholders in ENT, with respective voting powers of 5.6% and 3%. Accordingly each of those Directors may benefit indirectly as a result of their shareholdings in ENT, from any payment of interest which may arise if the loan is not repaid, since the interest payments will enhance the financial position of ENT. Shareholder approval has not been sought in relation to this financial benefit to Mr Ryan and Mrs Mao because the arms length exception in section 210 of the Corporations Act is considered by the remaining Directors to apply.

### 15.6 Remuneration of Directors

In accordance with the Constitution, and as approved in general meeting, the maximum fees that may be paid in each financial year to non executive Directors is \$300,000 per annum on the basis that each non-executive director is entitled to receive fees of \$50,000 per annum and the Chairman of Directors is entitled to receive \$70,000 per annum, inclusive of superannuation if they provide their services as non executive Directors as employees of the Company.

The executive Director Trevor Saul has waived any entitlement to Directors fees.

The letters of appointment for the non executive Directors provide that they may also be paid fees of up to \$2,000 per day as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a non executive Director. Any such payments would remain subject to shareholder approval for the purposes of section 208 of the Corporations Act unless a majority of the Board excluding the proposed recipient considered at the time that the reasonable remuneration or arms length exceptions in sections 211 or 210 applied to such a proposed financial benefit to a related party of the Company. In addition the Board would be required to reconsider the Company's compliance with the ASX Corporate Governance Council's Principles and Recommendations if the proposed payment would cause the recipient to lose his or her status as an independent director for corporate governance purposes.

A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

### 15.7 Directors' Security holdings in the Company

The Directors may apply for Shares under this Prospectus.

In addition, the Directors will have interests in the Shares detailed in the table below as a result of the distribution in specie by ENT of Shares under the Demerger (whether registered in their name directly or indirectly through another registered holder controlled by the Director), assuming there is no change to these holdings from the date of this Prospectus.

Details about the escrow restrictions which ASX are expected to impose in relation to these Securities are detailed in Section 17.3 of the Prospectus.

Director	Shares
Ms Anna Mao	1,300,000
Mr Trevor Saul	20,000
Mr Dermot Ryan	2,415,000
Dr Zhen Huang	nil
Mr Michael Atkins	nil

### 15.8 Director's Voting Power before and after listing on ASX

The following table demonstrates the voting power of the Directors immediately after the Demerger and the distribution in specie has taken place.

This also assumes that none of the Directors or their associates are allotted Securities under this Offer. This is not to be taken as a statement of intention by any Director. It is possible that one or more of the Directors may apply for Securities and may receive an allotment of Securities under the Offer (whether under the General Offer or under the ENT Offer). All of the Directors other than Dr Huang and Mr Atkins are shareholders in ENT on the date of this Prospectus and may be entitled to participate in the distribution in specie under the Demerger.

The voting power of a person is the relevant interest of a person in Shares, plus the relevant interest of that person's associates in Shares. "Relevant Interest" is a legal term defined in section 608 of the Corporations Act and generally means having the power to exercise or control the exercise of a right to vote which is attached to a share, or the power to dispose of or control the exercise of a power to dispose of the securities. In some circumstances it is possible to have a deemed relevant interest in shares eg. in the situation where a person, Mr X, holds more than 20% of shares in company A; if company A holds a relevant interest of 15% in shares in company B, then Mr X is deemed to have the same relevant interest which company A has in company B; in other words in this example Mr X would have a relevant interest of 15% in company B (in addition to any shares Mr X also holds directly in company B).

"Associates" are also legal terms defined in the Corporations Act and in this context an associate of a director is someone with whom:

- (a) a Director has entered into or proposes to enter into a formal or informal agreement or arrangement for the purpose of controlling or influencing the composition of the Company's board of directors or the conduct of the Company's affairs; or
- (b) a Director is acting, or proposing to act, in concert in relation to the Company's affairs.

The voting power of the Directors after the Demerger and after Listing will be:

Director	% voting power after Demerger, before Listing	% voting power after Listing (minimum subscription)	% voting power after Listing (maximum subscription)
Ms Anna Mao	3.05%	1.9%	1.7%
Mr Trevor Saul	0.05%	0.03%	0.027%
Mr Dermot Ryan	5.67%	3.54%	3.3%
Dr Zhen Huang	nil	nil	nil
Mr Michael Atkins	nil	nil	nil

This assumes any Attaching Options held are not exercised.

#### **15.9 Interests of Directors - specific statutory disclosures under section 711 of the Corporations Act**

Other than as set out in Section 15 of this Prospectus, no Director (or proposed Director) holds, or held at any time during the 2 years before lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (c) the Offer; and
- no amounts, whether cash or shares or otherwise, have been paid or agreed to be paid, and no benefits have been given or agreed to be given:
- (d) to any Director, either to induce them to become, or to qualify as, a Director of the Company; and
- (e) for services provided by a Director in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.

## 16. CONSENTS AND INTERESTS OF PEOPLE NAMED IN PROSPECTUS

### 16.1 Disclaimer

Each of the parties referred to in this section:

- (a) does not make, or purport to make any statement in this Prospectus or make a statement on which a statement made in this Prospectus is based, other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

### 16.2 Legal adviser and independent solicitor reporting on tenements

Hilary Macdonald has given and has not, before lodgement of this Prospectus, withdrawn her consent to:

- (a) being named as solicitor to the Offer;
  - (b) being named as the independent solicitor reporting on tenements;
  - (c) inclusion of the Independent Solicitor's Report in Section 11 of the Prospectus; and
  - (d) all statements in the Prospectus referring to that report,
- in the form and context in which they are included.

### 16.3 Independent Geologist

Coffey Mining Pty Ltd has given and has not, before lodgement of this Prospectus, withdrawn its consent to:

- (a) being named as the independent geologist;
  - (b) the inclusion of the Independent Geological Report in Section 10 of the Prospectus; and
  - (c) all statements in the Prospectus referring to that report,
- in the form and context in which they are included.

### 16.4 Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd has given and has not, before lodgement of this Prospectus, withdrawn its consent to:

- (a) being named as the investigating accountant;
  - (b) the inclusion of the Investigating Accountant's Report included in Section 12 of the Prospectus; and
  - (c) all statements in the Prospectus referring to that report,
- in the form and context in which they are included.

### 16.5 Lead Manager

Patersons Securities Limited has given and has not, before lodgement of this Prospectus, withdrawn its consent to:

- (a) being named as the Lead Manager to the Offer in the form and context in which it is named; and
  - (b) inclusion of all statements in the Prospectus referring to the Mandate,
- in the form and context in which they are included.

### 16.6 Corporate Advisor DWCorporate Pty Ltd

DWCorporate Pty Ltd (an entity associated with ENU's Company Secretary Dennis Wilkins) has given and has not, before lodgement of this Prospectus, withdrawn its consent to:

- (a) being named as a corporate advisor to the Company in the form and context in which it is named; and
  - (b) inclusion of all statements in the Prospectus referring to corporate advisory fees in relation to this Offer,
- in the form and context in which they are included.

**16.7 Interests Of Experts And Advisers - specific statutory disclosures under section 711(2) of the Corporations Act**

Other than as set out in Section 16 of this Prospectus:

- (a) no 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, any promoter of the Company holds, or held at any time during the 2 years before lodgement of this Prospectus with the ASIC, any interest in:
  - (i) the formation or promotion of the Company;
  - (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; or
  - (iii) the Offer; and
- (b) no amounts have been paid or agreed to be paid, and no benefits have been given or agreed to be given, to any of those persons in connection with the formation or promotion of the Company or the Offer.

**Legal fees**

Hilary Macdonald has acted as solicitor to the Offer, and provided advice and assistance in relation to this Prospectus, the Company's due diligence regime and admission to ASX, and prepared the Independent Solicitor's Report. In respect of these services, Hilary Macdonald will be paid \$25,000 (plus GST). The Company has incurred no other legal fees for legal services provided in the past by Hilary Macdonald.

**Geologists fees**

Coffey Mining Pty Ltd has acted as the independent geologist and has prepared the Independent Geological Report included in Section 6 of this Prospectus. Coffey Mining Pty Ltd will be paid \$25,000 (plus GST) in respect of these services. No other fees have previously been incurred by the Company in the past.

**Investigating Accountant fees**

BDO Corporate Finance (WA) Pty Ltd has acted as the independent accountant to the Offer and prepared the Independent Accountant's Report included in Section 13 of this Prospectus. BDO will be paid \$10,000 (plus GST) in respect of these services. No other fees have previously been incurred by the Company in the past.

**Lead Manager fees**

Patersons Securities Limited has acted as the Lead Manager to the Offer. Patersons will receive the following payments:

- (a) a corporate advisory fees of \$60,000 (in addition to corporate advisory fees which ENT has agreed to pay to Patersons for advice in relation to the preliminary structure of the Company prior to the Demerger);
- (b) a Lead Manager fee of 1% of the total gross amount raised by the Offer, and
- (c) a placement fee of 5% of the total gross amount raised by the Offer. This fee will be rebated to the Company to the extent of any applications lodged by applicants greater than \$20,000 from investors introduced by the Company, applications received under the ENT offer and any applications lodged by ENT for Shares.

**Corporate Advisor's Fees**

DWCorporate Pty Ltd will receive fees of \$20,000 for corporate advisory and company secretarial services to the Company in connection with the Offer.



## 17. ADDITIONAL INFORMATION

### 17.1 Contract for the supply of radiation safety officers

The Company retains the services of Radiation Professionals Pty Ltd to provide radiation safety officers, necessary specialist equipment used during uranium exploration, and to supervise in the transportation of radioactive samples from the exploration site to the assay laboratories. Terms are open to unilateral variation by Radiation Professionals Pty Ltd on 7 days notice. Day rates for a radiation safety officer are approximately \$1800. The Board regards this contractor as a key contractor in relation to the Company's exploration activities because attendance of a radiation safety officer is usually always necessary for the duration of the exploration programme on site, and to supervise transportation of sample to the assay lab and back to the project. There are few businesses who supply radiation safety officers to exploration companies. None of the Directors are associates of Radiation Professionals Pty Ltd.

### 17.2 Litigation

Legal proceedings may arise from time to time in the course of the Company's business. As at the date of this Prospectus, litigation searches confirm that the Company is not involved in any legal proceedings, nor so far as the Directors are aware, are any legal proceedings pending or threatened against the Company the outcome of which will have a material adverse effect on the business or financial position of the Company.

### 17.3 Restricted Securities

ASX may classify certain existing Shares on issue in the Company (as opposed to those to be issued under this Prospectus) as being subject to the restricted securities provisions of the ASX Listing Rules. If so classified, such Shares would be required to be held in escrow for a period determined by ASX and would not be able to be sold, mortgaged, pledged, assigned or transferred for that period without the prior approval of ASX.

It is anticipated that the following securities will be restricted securities:

Name of shareholder	Number of Shares and likely restriction period
Ms Anna Mao	1,300,000 24 months commencing on the date on which the Company is admitted to the official list of ASX
Mr Dermot Ryan	2,415,000 24 months commencing on the date on which the Company is admitted to the official list of ASX
Mr Trevor Saul	20,000 24 months commencing on the date on which the Company is admitted to the official list of ASX

The above persons, each a director of the Company and an ENT shareholder, acquired their shares in the Company as a result of the distribution in specie of shares to ENT shareholders. ASX has classified the shares held by the above persons as restricted securities and requires them to be held in escrow until 24 months from the date that the Company is admitted to the official list of ASX.

#### 17.4 CHESS

The Company will apply to participate in the Clearing House Electronic Sub-register System ("**CHESS**"). CHESS is operated by ASX Settlement and Transfer Corporation Pty Ltd ("**ASTC**"), a wholly owned subsidiary of ASX, in accordance with the ASX Listing Rules and the ASTC Settlement Rules. Under CHESS, the Company will not issue certificates to Shareholders. Instead, Shareholders will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASTC will send a CHESS statement. Chess

#### 17.5 Tax Considerations

Investors should seek and rely on their own professional taxation advice in relation to an investment in the Company.

#### 17.6 Privacy

The Application Form accompanying this Prospectus requires you to provide information that may be personal information for the purposes of the *Privacy Act 1988 (Cth) (as amended)*. The Company (and its share registry on behalf of the Company) may collect, hold and use that person information in order to assess your Application, service your needs as a Shareholder and provide facilities and services that you request and to administer the Company.

Access to information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy.

If you do not provide the information requested of you in the Application Form, the Company's share registry may not be able to process your Application or administer your holding of Shares appropriately. Under the *Privacy Act 1988 (Cth) (as amended)*, you may request access to your personal information held by (or on behalf of) the Company. You can request access to your personal information by telephoning or writing to the Company to the attention of the Privacy Officer.

## Directors' Statement

This Prospectus is used by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 19th October 2012



**Trevor Saul**

**Managing Director**

For and on behalf of

**Enterprise Uranium Limited**

## Glossary

The following defined terms apply throughout this Prospectus unless the context requires otherwise:

“\$” means Australian dollars unless otherwise specified;

“Applicant(s)” means a person who applies for Securities;

“Application” means an application for Securities pursuant to this Prospectus;

“Application Form” means the application form attached to this Prospectus for use in relation to the General Offer;

“ASIC” means the Australian Securities & Investments Commission;

“ASX” means ASX Limited (ACN 008 624 691);

“ASX Listing Rules” means the Listing Rules of ASX as amended from time to time;

“Board” means the board of Directors;

“Closing Date” means the last date on which Application Forms may be submitted as stated in the timetable in Section 1 of this Prospectus;

“Company” or “ENU” or “Enterprise Uranium” means Enterprise Uranium Limited (ACN 159 819 173);

“Constitution” means the Constitution of the Company;

“Corporations Act” means the Corporations Act 2001 (Cth);

“Demerger” means the demerger by ENT of the uranium tenements comprising the Projects into ENU and the distribution in specie of Shares to ENT Shareholders, approved by ENT Shareholders in general meeting on 15 October 2012;

“Demerger Date” means the date the Demerger will occur, on 30 October 2012;

“Directors” means the directors of the Company as at the date of this Prospectus;

“Electronic Prospectus” means an electronic version of the Prospectus;

“Eligible ENT Shareholders” means ENT Shareholders who are registered on the ENT Offer Record Date;

“ENT Shareholders” means shareholders in Enterprise Metals Limited;

“ENT Offer” means a pro rata entitlement offer of Securities to Eligible ENT Shareholders;

“ENT Offer Form” means a personalised application form to be sent to Eligible ENT Shareholders in relation to the ENT Offer;

“ENT Offer Record Date” means the date indicated in the timetable in Section 1;

“Exposure Period” means the period of 7 days after the date of lodgement of this Prospectus with the ASIC, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act;

“Enterprise Metals Limited” or “ENT” means Enterprise Metals Limited (ACN 123 567 073);

“General Offer” means the offer of Securities to the public under this Prospectus, to be distinguished from the ENT Offer;

“Issue” means the issue of Securities under this Prospectus;

“Listing” means admission of the Company to the Official List;

“Offer” means the offer of Securities pursuant to this Prospectus under the General Offer and the ENT Offer;

“Official List” means the official list of ASX;

“Opening Date” means the first date on which Application Forms can be received as stated in the timetable in Section 1 of this Prospectus;

“Option” means an Option to acquire one Share;

“Patersons” means Patersons Securities Limited;

“Projects” means the Company’s projects described in Section 6;

“Prospectus” means this prospectus;

“SCH Business Rules” means the SCH Business Rules as referred to in the Company’s Constitution and which are now known as the ASIC Settlement Rules;

“Section” means a section of this Prospectus;

“Share(s)” means fully paid ordinary share(s) in the capital of the Company;

“Shareholder” means the registered holder of a Share(s);

“Share Registry” means Computershare Registry Services Pty Ltd

“WST” means Australian Western Standard Time.



## Application Form

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional adviser without delay. You should read the entire prospectus carefully before completing this form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the prospectus.

Broker Code

Adviser Code

**A** I/we apply for

**B** I/we lodge full Application Money

Number of Shares in Enterprise Uranium Limited at A\$0.20 per Share or such lesser number of Shares which may be allocated to me/us plus 1 free Attaching Option for every 2 Shares allotted

**C** Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)

Title or Company Name	Given Name(s)	Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

**D** Enter your postal address - Include State and Postcode

Unit	Street Number	Street Name or PO Box /Other Information

City / Suburb / Town	State	Postcode

**E** Enter your contact details

Contact Name	Telephone Number - Business Hours / After Hours
	( )

**F** CHESS Participant

Holder Identification Number (HIN)	Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any securities issued as a result of the IPO will be held on the Issuer Sponsored subregister.
X	

**Payment details – Please note that funds are unable to be directly debited from your bank account**

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A\$

Make your cheque or bank draft payable to Enterprise Uranium Limited - Application Account

By submitting this Application Form, I/we declare that this application is completed and lodged according to the Prospectus and the declarations/statements on the reverse of this Application form and I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate. I/we agree to be bound by the Constitution of the Company.



# How to complete this form

A

Shares Applied for

Enter the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares. Applications for greater than 10,000 shares must be in multiples of 1,000 shares.

B

Application Monies

Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares by the price per Share.

C

Applicant Name(s)

Enter the full name you wish to appear on the statement of share holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHES) participants should complete their name identically to that presently registered in the CHES system.

D

Postal Address

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E

Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

F

CHES

Enterprise Uranium Limited (the Company) will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Securities Exchange Limited. In CHES, the company will operate an electronic CHES Subregister of security holdings and an electronic Issuer Sponsored Subregister of security holdings. Together the two Subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of Shares allotted. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold Shares allotted to you under this Application on the CHES Subregister, enter your CHES HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

G

Payment

Make your cheque or bank draft payable to Enterprise Uranium Limited - Application Account in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B. **Please note that funds are unable to be directly debited from your bank account.**

**Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.**

Before completing the Application Form the applicant(s) should read the prospectus to which this application relates. By lodging the Application Form, the applicant agrees that this application form for Shares and Attaching Options in Enterprise Uranium Limited is upon and subject to the terms of the prospectus and the Constitution of Enterprise Uranium Limited, agrees to take any number of Shares and Attaching Options that may be allotted to the Applicant(s) pursuant to the prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

**Lodgement of Application**  
Application Forms must be received by Computershare Investor Services Pty Limited Perth by no later than 5.00pm (WST) on the General Offer closing date. You should allow sufficient time for this to occur. Return the Application Form with cheque(s) attached to:  
  
Computershare Investor Services Pty Limited  
GPO Box D182  
PERTH WA 6840

Neither CIS nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means.

**Privacy Statement**  
Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS"), as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail [privacy@computershare.com.au](mailto:privacy@computershare.com.au)

If you have any enquiries concerning your application, please contact the Computershare Investor Services Pty Limited on 1300 850 505.

**Correct forms of registrable title(s)**  
Note that ONLY legal entities are allowed to hold Shares. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable title(s) below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual - Use given name(s) in full, not initials	Mr John Alfred Smith	J.A Smith
Joint - Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company - Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s) - Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates - Use executor(s) personal name(s) - Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) - Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships - Use partners personal name(s) - Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names - Use office bearer(s) personal name(s) - Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

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