
ENTERPRISE METALS LIMITED

ACN 123 567 073

NOTICE OF GENERAL MEETING EXPLANATORY STATEMENT AND PROXY FORM

TIME: 10am (WST)

DATE: 8 September 2014

PLACE: The Park Business Centre, 45 Ventnor Avenue, West Perth, WA 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9436 9200.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10am (WST) on 8 September 2014 at The Park Business Centre, 45 Ventnor Avenue, West Perth, WA 6005

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Enterprise Metals Limited, Level 1, 640 Murray Street, West Perth WA 6005; or
- (b) facsimile to the Company on facsimile number +61 8 9436 9220.

so that it is received not later than 10 am (WST) on 6 September 2014.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders will be held at 10 am (WST) on 8 September 2014 at The Park Business Centre, 45 Ventnor Avenue, West Perth, WA 6005.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 5.00 pm (WST) on 6 September 2014.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 24,000,000 Shares at an issue price of \$0.05 per Share and the grant of one attaching option on a one for two basis, exercisable at \$0.10 by 15 June 2016, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. The Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – PLACEMENT OF SHARES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, the Shareholders approve the issue of up to 30,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons, if the Resolution is passed. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – APPROVAL FOR THE ISSUE OF SECURITIES UNDER THE ENTERPRISE METALS LIMITED EMPLOYEE SHARE OPTION PLAN 2012

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

"That approval for the establishment and operation of an employee share option plan be refreshed for the purposes of ASX Listing Rule 7.2 exception 9, called the Enterprise Metals Limited Employee Share Option Plan 2012, for the provision of incentives to employees and consultants of the Company and its subsidiaries

by issuing options on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Voting exclusion: For the purposes of ASX Listing Rule 7.2 exception 9 the Company will disregard any votes cast by any director and any of their associates except a director who is ineligible to participate in the Plan. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

DATED: 6 AUGUST 2014

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'DAMIAN DELANEY', written over a faint, illegible background.

**DAMIAN DELANEY
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at a General Meeting to be held at 10 am (WST) on 8 September 2014 at The Park Business Centre, 45 Ventnor Avenue, West Perth, WA.

The purpose of this Explanatory Statement is to provide information which the directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTION 1 – RATIFICATION OF ISSUE OF SECURITIES

On 23 June 2014, the Company announced to ASX that it had arranged a private placement to raise up to \$1.25 million (before issue costs). The Placement occurred on 30 June 2014 comprising an issue of 24,000,000 Shares (**New Shares**) and the grant of 12,000,000 Options exercisable at \$0.10 on or before 15 June 2016 (**New Options**) on the basis of one New Option being granted for every two New Shares issued under the Placement.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The purpose and effect of such a ratification is to restore the Company's discretionary power to issue further shares up to 15% of the issued capital of the Company under Listing Rule 7.1 without requiring Shareholder approval.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 24,000,000 New Shares and the grant of the 12,000,000 New Options comprising the Placement (**Ratification**), which were issued on 30 June 2014. As a result of the Ratification, the Company will retain the flexibility to issue equity securities in the future up to the 15% threshold set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval. The Company confirms that the issue of the Placement securities did not breach ASX Listing Rule 7.1.

Technical Information Required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) a total of 24,000,000 New Shares and 12,000,000 New Options were issued to sophisticated and institutional investors on 30 June 2014. The placees were not Related Parties of the Company;
- (b) the issue price per New Share was \$0.05; the New Options were granted for nil consideration;
- (c) the New Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as, and ranking equally (from the date of their issue) with, the Company's existing Shares. The New Options are exercisable at \$0.10 each on or before 15 June 2016 and otherwise on the terms in Annexure A;
- (d) the funds raised by the issue of the New Shares, \$1,200,000 (before the costs of the Placement), will be used to progress exploration and drilling at the Company's Fraser Range Project. No funds were raised by the grant of the New Options. If the New Options are exercised, the funds raised, of up to \$1,200,000, will also be used to progress exploration and drilling at the Company's Fraser Range Project and for general working capital;
- (e) a voting exclusion statement is included in the Notice of Meeting.

2. RESOLUTION 2 – PLACEMENT OF SHARES

This resolution seeks approval for the issue of up to 30,000,000 Shares.

A summary of ASX Listing Rule 7.1 is set out in relation to Resolution 1.

By approving this issue of up to 30,000,000 Shares under Resolution 2, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 (as the case may be) without the requirement to obtain prior Shareholder approval.

Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided to Shareholders:

- (a) the maximum number of Shares to be issued under this Resolution is 30,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue will occur on the one date;
- (c) the issue price per Share will be not less than 85% of the volume weighted average price of Shares in the 5 days prior to the date of issue on which trading in Shares occurred on ASX;
- (d) the Shares will be granted to sophisticated and institutional investors who are not Related Parties of the Company;
- (e) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as, and ranking equally (from the date of their issue) with, the Company's existing Shares; and
- (f) Funds will be raised by the issue of the Shares but the amount of funds to be raised will be unknown until the issue price can be determined. The funds raised will be used to progress exploration and drilling at the Company's Fraser Range and Doolgunna Projects and to strengthen the Company's working capital position.

3. RESOLUTION 3 – APPROVAL FOR THE ISSUE OF SECURITIES UNDER THE ENTERPRISE METALS LIMITED EMPLOYEE SHARE OPTION PLAN 2012

Resolution 3 seeks to refresh the approval for the Enterprise Metals Limited Employee Share Option Plan 2012 (“Plan”) for the purposes of Listing Rule 7.2 Exception 9. The Plan provides the Board with the discretion to grant Options to eligible employees, Directors and consultants that will vest subject to the satisfaction of a vesting period, or as otherwise determined by the Board.

As at the date of this Notice, the following Options have been issued under the Plan:

7,600,000 options have been issued under the Plan as approved by shareholders in general meeting on 29 August 2012.

At the date of this notice the Company has not resolved to issue any other options under the Plan.

The Plan satisfies certain ASIC class order conditions, relieving the Company from the obligation to issue a prospectus for the offer of Options to participants other than consultants under the Plan. Offers of Options under the Plan which are made to consultants will constitute excluded offers under section 708(12) of the Corporations Act which exempts the Company from the obligation to issue a prospectus.

Listing Rule 7.1 provides that without the approval of the holders of ordinary securities, an entity must not issue or agree to issue equity securities which amount to more than 15% of its issued share capital in any rolling 12 month period. However, Listing Rule 7.2 sets out a number of exceptions to Listing Rule 7.1. These exceptions include Exception 9 which is an issue under an employee incentive scheme if within 3 years before the date of issue the holders of ordinary securities have approved the issue of securities under the scheme as an exception to this rule. Shareholder approval is now sought for the Plan for a 3 year period. The last approval was sought and obtained in general meeting in August 2012 and the Board consider it is prudent to

now refresh that approval for a further 3 year period. No changes have been made to the Plan which was approved in 2012.

The effect of passing the resolution will provide the Company with an opportunity to incentivise its employees and consultants without affecting its capacity to issue equity securities under ASX Listing Rule 7.1, because Shares issued under the Plan during the three years following the date of the Meeting will not be taken into account for calculations of the Company's 15% capacity under ASX Listing Rule 7.1.

A summary of the rules of the Plan follows, for the purposes of ASX Listing Rule 7.2 Exception 9:

- All employees (full and part-time) and consultants will be eligible to participate in the Plan subject to any qualifying period of employment or engagement by the Company, as set out in the offer from the Board.
- If permitted by the Board, Options may be issued to an employee's nominee (for example a spouse or family company).
- Each Option entitles the holder to subscribe for one fully paid ordinary share in the Company and will expire up to five (5) years from (and including) its date of issue. The Board will determine the expiry date applicable to each offer of Options within this five year limit, in the offer from the Board.
- Options will be issued free.
- The exercise price of Options will be determined by the Board at the time it resolves to offer the Options.
- Subject to certain exceptions, the total number of Shares on issue as a result of exercise of Options issued under the Plan must not exceed 5% of the Company's issued share capital.
- If, prior to the expiry date of Options, a person ceases to be an employee of the Company for any reason other than retirement, permanent disability, redundancy or death, the Options held by that person (or that person's nominee) must be exercised within one (1) month thereafter (or such later date that the Board determines in its sole discretion), otherwise they will automatically lapse. If a person dies, the Options held by that person will be exercisable by that person's legal personal representative.
- Options cannot be transferred other than to the legal personal representative of a deceased Option holder. The Company will not apply for official quotation of any Options issued pursuant to the Plan.
- Shares issued as a result of the exercise of Options will rank equally with the Company's Shares currently on issue, and application for official quotation of those Shares will be made by the Company within the timeframe required by ASX.
- Option holders may only participate in new issues of securities by first exercising their Options.
- If there is a bonus share issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
- If there is a pro rata issue (other than a bonus issue) to the holders of Shares, the exercise price of an Option will be reduced to take account of the effect of the pro rata issues as per the calculated formula.
- If there is a reorganisation of the issued capital of the Company, unexercised Options will be reorganised in accordance with the ASX Listing Rules.
- The Board may amend the rules to the Plan subject to the requirements of the Listing Rules.

All of the Directors are eligible to participate in the Plan and all of the Directors and their associates are excluded from voting in relation to Resolution 3. None of the Directors make a recommendation in relation to Resolution 3.

GLOSSARY

\$ means Australian dollars.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company means Enterprise Metals Limited (ACN 123 567 073).

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current Directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

General Meeting means the meeting convened by the Notice of Meeting.

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the explanatory statement.

Option means an option to subscribe for one Share.

Placement means the placement of New Shares and New Options announced by the Company on 23 June 2014 and described in the Explanatory Statement.

Plan means The Enterprise Metals Limited Employee Share Option Plan 2012.

Resolution means the resolution set out in the Notice of Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A: TERMS OF NEW OPTIONS GRANTED UNDER RESOLUTION 1

- (a) Each Option entitles the holder, on exercise, to one Share.
- (b) There is no issue price for the Options. The exercise price for the Options is \$0.10.
- (c) Shares issued on exercise of Options will rank equally with other Shares.
- (d) The Company will not apply to ASX for official quotation of the Options.
- (e) The Company will apply to ASX for official quotation of Shares issued on the exercise of the Options.
- (f) An Option will lapse upon the expiry date 15 June 2016.
- (g) There are no participating rights or entitlements inherent in the Options and Option holders 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. Option holders shall be afforded the opportunity to exercise all Options which they are entitled to exercise prior to the date for determining entitlements to participate in any such issue.
- (h) If the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves ("**Bonus Issue**"), each Option holder 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 Option holder 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.
- (i) 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 Option holder 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 Listing Rules.
- (j) The Options held by an Option holder may be exercised in whole or in part. If exercised in part, multiples of 25,000 must be exercised on each occasion.
- (k) Subject to (l) the Option holder may exercise the Options by lodging with the Company a written notice of exercise together with a cheque in payment of the total exercise price at \$0.10 per Share made payable to "Enterprise Metals Limited Share Account" and crossed "Not Negotiable". An exercise notice is only effective when the Company has received the full exercise price for all the Options the subject of the exercise notice.
- (l) The Company will issue the Shares within 10 Business Days of receipt of the exercise notice and full payment of the exercise price in cleared funds.
- (m) Option holders do not have the right to attend or vote at general meetings of the Company.
- (n) The Options are transferable.

ENTERPRISE METALS LIMITED
ACN 123 567 073

Instructions for Completing Proxy Form

1. A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a shareholder of the Company.

2. If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the full name of that individual or body corporate in the space provided. If you leave both the box and this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the Company. A proxy may be an individual or a body corporate.

Under recent changes to the Corporations Act, if your appointment of a proxy specifies the way the proxy is to vote on a particular resolution and your appointed proxy is not the Chairman of the meeting and at the meeting a poll is duly demanded on the question that the resolution be passed, then if either your proxy is not recorded as attending the meeting (if a record of attendance is made) or your proxy does not vote on the resolution, the Chairman is taken, before voting on the resolution closes, to have been appointed as your proxy for the purposes of voting on the resolution at that meeting.

3. You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction, unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate place. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Under recent changes to the Corporations Act, if you direct your proxy how to vote on a particular resolution, the proxy need not vote on a show of hands but if the proxy does so, the proxy must vote as directed. If the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands. If the proxy is the Chairman, the proxy must vote on a poll, and must vote as directed and if the proxy is not the Chairman, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as directed.

4. Where a member's holding is in one name the holder must sign. Where the holding is in more than one name, all members should sign.

5. Where a Proxy Form of a corporate representative is lodged and is executed under a power of attorney, the power of attorney must be lodged in like manner as this Proxy Form.

6. Corporate members should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- 2 directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

7. Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
8. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Enterprise Metals Limited, Level 1, 640 Murray Street, West Perth WA 6005; or
 - (b) facsimile to the Company on facsimile number +61 8 9436 9220

so that it is received not later than 10 am (WST) on 6 September 2014.

Proxy forms received later than this time will be invalid.

ENTERPRISE METALS LIMITED

ACN 123 567 073

PROXY FORM

The Company Secretary
Enterprise Metals Limited
Level 1, 640 Murray Street
West Perth WA 6005

Ph (+61 8) 9436 9200/Fax (+61 8) 9436 9220

GENERAL MEETING

I/We

being a member(s) of Enterprise Metals Limited and entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

Mark this box if you wish to appoint the Chair of the General Meeting as your proxy

or failing the person/body corporate so named or, if no person/body corporate is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting of the Company to be held at 10am (WST), on 8 September 2014 at The Park Business Centre, 45 Ventnor Avenue, West Perth, WA 6005, and at any adjournment thereof.

If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each item of business.

The Chair of the Meeting intends to vote all undirected proxies, which the Chairman is entitled to vote, in favour of each item of business.

Voting on Business of the General Meeting

Resolution 1 – Ratification of issue of Securities

FOR

AGAINST

ABSTAIN

Resolution 2– Approval for issue of Shares

Resolution 3– Approval for issue of Securities under Employee Share Option Plan

If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is

Signed this _____ day of _____ 2014 _____ %

By: Individuals and joint holders Companies (affix common seal if appropriate)

Signature

Director

Signature

Director/Company Secretary

Signature

Sole Director and Sole Company Secretary
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