



## Independence Group Signs Agreement to Explore Darlot Project

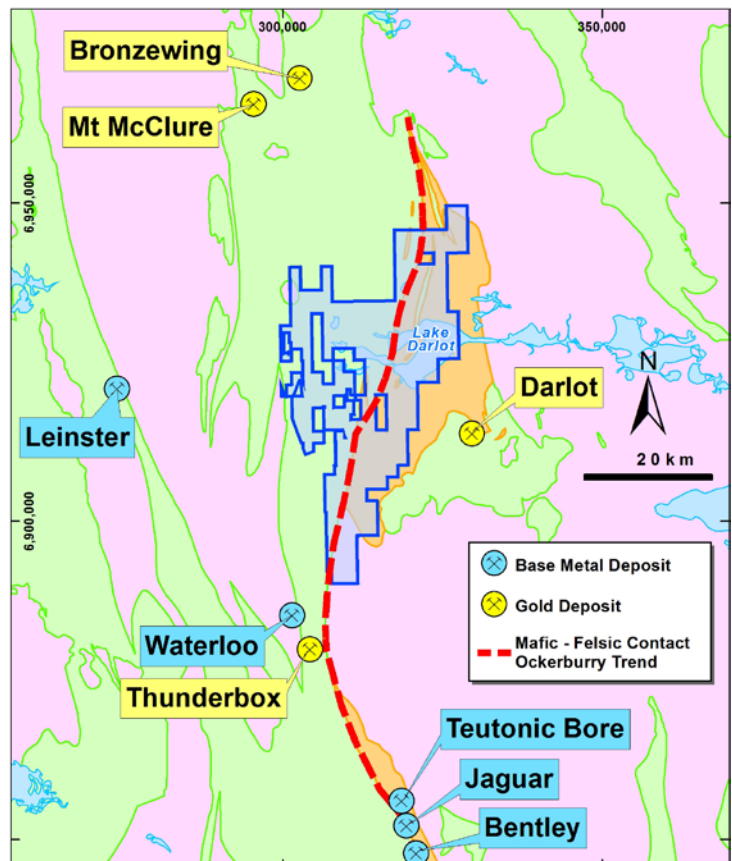
- IGO is required to spend a minimum of \$497,500 on exploration over 12 months prior to commencement of earn-in.
- IGO may elect to earn a 51% interest in the project by spending a further \$1.2 million.
- IGO may earn up to an 80% interest in 14 tenements and a 70% interest in 2 tenements<sup>1</sup> by sole funding and completing a pre-feasibility study on JORC Code 2012 compliant Inferred Mineral Resource, and forming a Joint Venture.
- Darlot Tenements cover 740Km<sup>2</sup> of prospective stratigraphy along strike from IGO's Jaguar/Bentley copper-zinc-silver mining operation.

Enterprise Metals Limited ("Enterprise" or "the Company", ASX: "ENT") wishes to announce that it has signed a Letter Agreement with Independence Group NL (ASX:"IGO") to explore the Company's Darlot gold and base metals project tenements.

The Darlot Project covers an area of 740km<sup>2</sup> and is located about 40km east of Leinster and lies to the northwest of the Darlot gold mine in the Yandal Greenstone Belt. The project is considered prospective for high grade orogenic gold deposits and VMS style copper/zinc base metal deposits.

The Company has identified the stratigraphic contact between the mafic and felsic volcanics as a prospective horizon for VMS mineralisation similar to that at Jaguar, Teutonic Bore and Bentley. Previous exploration for base metals within the belt is limited, with little systematic sampling or drilling.

**Note 1:** E37/859 & E36/706 are owned 80% by ENT and 20% by Alan Rudd and Peter Gianni ("Rudd JV"), where Rudd and Gianni's interest is free carried.





A broad summary of the terms of the agreement follows:

1. IGO to spend \$497,500 on exploration over first 12 months, and has the right to continue exploring the tenements after this point, or withdraw with no interest.
2. If continuing, IGO may spend a further \$1.2 million over 2 years to earn a 51% interest in all of the tenements. (Earn-in Period)
3. At the end of the Earn-in Period IGO may elect to increase its equity by continuing expenditure to the completion of a pre-feasibility study on a JORC-code (2012) compliant Inferred Mineral Resource at which point a Joint Venture will be formed with the following interests:
  - IGO 80%, Enterprise 20% on the ENT tenements, and
  - IGO 70%, Enterprise 10% and Rudd JV 20%.
4. From the formation of this Joint Venture, further exploration expenditure will be contributed: in respect of the ENT tenements, 80% by IGO and 20% by Enterprise; and in respect of the Rudd JV tenements, 87.5% by IGO and 12.5% by Enterprise, taking into account the free carried 20% Rudd joint venture interest.
5. If IGO does not elect to increase its equity as outlined above, it may form a Joint Venture at the end of the Earn-In Period with Enterprise holding a 49% interest in the tenements that were initially wholly owned ENT tenements, and Enterprise holding a 29% interest in Exploration Licences 37/859 and 36/706 which were initially 80% owned ENT tenements under a pre-existing joint venture with Alan Rudd and Peter Gianni<sup>1</sup> ("Rudd JV") where Rudd and Gianni have a 20% free carried interest.
6. If a Joint Venture is formed at the end of the Earn-in Period, further exploration expenditure will be contributed: in respect of the ENT tenements, 51% by IGO and 49% by Enterprise; and in respect of the existing Rudd JV tenements, 63.75% by IGO and 36.25% by Enterprise, taking into account the free carried 20% Rudd joint venture interest.
7. If Enterprise elects not to contribute at point 3 (above) or point 5 (above) it will be diluted by IGO, and if Enterprise dilutes below 5% on the ENT tenements it will revert to a 1% net smelter royalty (NSR). If Enterprise dilutes below 5% on the Rudd-Gianni tenements it will revert to a 0.5% NSR.
8. If Rudd and Gianni elect not to contribute to Mining Operations, and have their interest diluted down to 5%, then that interest will convert to a 1.5% NSR.

Commenting on the Letter Agreement, Enterprise's Chairman Dr Jingbin Wang said:

*"We are very pleased to have attracted a high calibre exploration partner in IGO for our Darlot project. They have proven themselves to be both competent explorers and miners, and we look forward to working with them. Their detailed knowledge of the geological setting of the Jaguar/Bentley copper-zinc-silver deposits will be a definite advantage to successfully exploring the project area.*



*This Agreement with IGO will also help free up the Company's funds so that it can focus on its core project at Fraser Range (nickel-copper) and at Doolgunna (copper-gold)*

*The Company is also examining the joint venturing or divestment of its other non-core projects in Western Australia."*

A handwritten signature in black ink that reads 'Dermot Ryan'.

**Dermot Ryan**  
**Managing Director**

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**Competent Persons statement**

*The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Dermot Ryan, who is an employee of the Company. Mr Ryan is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ryan consents to the inclusion in this report of the matters based on information in the form and context in which it appears.*

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