Enterprise Metals Limited

ABN 43 123 567 073

Annual Financial Report

for the year ended 30 June 2012

CONTENTS

CORPORATE DIRECTORY

Directors

Dr Jingbin Wang	Non-Executive Chairman
Mr Dermot Ryan	Managing Director
Ms Anna Mao	Non-Executive Director
Mr Paul Hallam	Non-Executive Director
Dr Zhen Huang	Non-Executive Director
Dr Allan Trench	Non-Executive Director

Company Secretary
Mr Dennis Wilkins

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

Australian Securities Exchange
ASX Code – ENT

CORPORATE GOVERNANCE STATEMENT

The Board of Directors

The Company's constitution provides that the number of directors shall not be less than three and not more than nine.

As and if the Company's activities increase in size, nature and scope the size of the board will be reviewed periodically, and as circumstances demand. The optimum number of directors required to supervise adequately the Company's constitution will be determined within the limitations imposed by the constitution.

In order to ensure the board maintains an optimal mix of skills and diversity, the membership of the board, its activities and composition, is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the board shall include quality of the individual, background of experience and achievement, compatibility with other board members, credibility within the Company's scope of activities, intellectual ability to contribute to board's duties and physical ability to undertake board's duties and responsibilities.

Directors are initially appointed by the full board subject to election by shareholders at the next general meeting. Under the Company's constitution the tenure of a director (other than managing director, and only one managing director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the *Corporations Act 2001*, the board does not subscribe to the principle of retirement age and there is no maximum period of service as a director. A managing director may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, may revoke any appointment.

The board has established Audit & Risk and Remuneration & Nomination committees. The board as a whole is committed to addressing the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

Role of the Board

The board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the board is responsible for oversight of management and the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Appointments to Other Boards

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

Independent Professional Advice

The board has determined that individual directors have the right in connection with their duties and responsibilities as directors, to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to director's rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

Continuous Review of Corporate Governance

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as directors of the Company. Such information must be sufficient to enable the directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions. The directors recognise that mining exploration is an inherently risky business and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Company.

ASX Principles of Good Corporate Governance

To the extent that they are relevant to the organisation, the Company has adopted the Eight Corporate Governance Principles and Best Practice Recommendations as published by the ASX Corporate Governance Council.

As the Company's activities develop in size, nature and scope, the size of the board and the implementation of any additional formal corporate governance committees will be given further consideration.

The following table sets out the Company's present position in relation to each of the Principles.

	ASX Principle	Status	Reference/comment
Principle 1:	**Lay solid foundations for management and oversight**		
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions	**A**	The Board Charter includes matters reserved for the Board and is included on the Company website in the Corporate Governance section.
1.2	Companies should disclose the process for evaluating the performance of senior executives	**N/A**	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.
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1	**A**	
Principle 2:	**Structure the board to add value**		
2.1	A majority of the board should be independent directors	**A**	The Board comprises six directors, five of whom are non-executive and classified as independent. The Board believes that this is both appropriate and acceptable at this stage of the Company's development.
2.2	The chair should be an independent director	**A**	The Chairman is independent and the roles of the Chairman and the Managing Director are separate. The Chairman is responsible for leading the Board in its duties, and facilitating effective discussions at Board level. The Managing Director is responsible for the efficient and effective operation of the Company. The Board considers that this is both appropriate and acceptable at this stage of the Company's development.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual	**A**	These positions are held by separate persons.
2.4	The board should establish a nomination committee	**A**	The Company has established a Remuneration & Nomination Committee, comprised of two non-executive directors and the managing director (Dermot Ryan), which operates under the Remuneration & Nomination Committee Charter, a copy of which is available on the Company's website.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors	**A**	Disclosed under the Board Charter which is available on the Company's website. No formal performance evaluation for the Board has taken place in this reporting period.

A = Adopted

N/A = Not adopted

	ASX Principle	Status	Reference/comment
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2	**A**	The skills and experience of Directors, as well as each Director’s period of office, are set out in the Company’s Annual Report (Directors’ report) and on its website. The materiality thresholds are assessed on a case-by-case basis, taking into account the relevant Director’s specific circumstances, rather than referring to a general materiality threshold.
Principle 3:	**Promote ethical and responsible decision-making**		
3.1	Companies should establish a code of conduct and disclose the code	**A**	The board has established a Corporate Code of Conduct which all employees and directors are expected to follow. The Corporate Code of Conduct is available on the Company’s website.
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	**N/A**	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
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	**N/A**	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.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	**A**	There is one female director, Ms Anna Mao, on the Board. The Company does not have any female employees or senior executives.
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3	**A**	
Principle 4:	**Safeguard integrity in financial reporting**		
4.1	The board should establish an audit committee	**A**	
4.2	The audit committee should be structured so that it: • consists only of non-executive directors	 **A**	

A = Adopted

N/A = Not adopted

	ASX Principle	Status	Reference/comment
	• consists of a majority of independent directors	A	The Company has established an Audit and Risk Committee consisting of the CFO/Company Secretary (Dennis Wilkins) and two non-executive directors (Paul Hallam and Allan Trench), both of whom are classified as independent. The Composition of the Committee is considered to be appropriate given the Company's size and stage of development.
	• is chaired by an independent chair, who is not chair of the board	A	The Audit and Risk Committee is chaired by Paul Hallam.
	• has at least three members	A	
4.3	The audit committee should have a formal charter	A	The Audit and Risk Committee operates under the Audit and Risk Committee Charter which lists the main responsibilities of the Committee and is available on the Company's website.
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4	A	The Committee will meet at least each financial year and additionally as circumstances may require for it to undertake its role effectively.
Principle 5:	**Make timely and balanced disclosure**		
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance	A	The Company has adopted a Continuous Disclosure Policy, a copy of which is available on the Company's website.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5	A	
Principle 6:	**Respect the rights of shareholders**		
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings	A	The Company has a Shareholder Communications Strategy (**Policy**), a copy of which is available on the Company's website. The Policy sets out the manner in which information is communicated to shareholders so that they are informed of all major developments affecting the Company's state of affairs.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6	A	

A = Adopted

N/A = Not Adopted

	ASX Principle	Status	Reference/comment
Principle 7:	**Recognise and manage risk**		
7.1	Companies should establish policies for the oversight and management of material business risks	**A**	The Company has established an Audit and Risk Committee to monitor and review on behalf of the Board the system of risk management which the Group has established. This system aims to identify, assess, monitor and manage operational and compliance risks.
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	**N/A**	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.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks	**A**	The Board has received the required assurance and declaration.
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7	**A**	
Principle 8:	**Remunerate fairly and responsibly**		
8.1	The board should establish a remuneration committee	**A**	
8.2	The remuneration committee should be structured so that it:		
	• consists of a majority of independent directors	**A**	The Company has established a Remuneration & Nomination Committee consisting of three non-executive directors (Jingbin Wang, Paul Hallam and Anna Mao) and the managing director (Dermot Ryan). All the non-executive directors are classified as independent.
	• is chaired by an independent director	**A**	The Remuneration & Nomination Committee is chaired by Jingbin Wang, who is classified as independent.
	• has at least three members	**A**	

A = Adopted

N/A = Not adopted

8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors	**A**	The Remuneration & Nomination Committee operates under the Remuneration & Nomination Committee Charter. The Charter states the Remuneration & Nomination Committee should consider and make recommendations to the Board on

	ASX Principle	Status	Reference/comment
	and senior executives		the remuneration for each executive Director having regard to the executive remuneration policy.
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8	**A**	The executive director and executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

A = Adopted

N/A = Not adopted

DIRECTORS' REPORT

Your Directors present their report on the Group for the financial year ended 30 June 2012.

Directors

The names of Directors in office at any time during or since the end of the year are:

Dr Jingbin Wang (appointed 13 July 2011)
Mr Dermot Ryan
Ms Anna Mao (appointed 13 July 2011)
Dr Zhen Huang (appointed 13 July 2011)
Mr Paul Hallam (appointed 15 November 2011)
Dr Allan Trench (appointed 3 April 2012)
Mr Bruce Hawley (resigned 31 August 2012)
Mr Paul Larsen (resigned 3 April 2012)
Mr Dennis Wilkins (appointed 14 July 2011, resigned 15 November 2011)

Directors have been in office since the start of the financial year to the date of this Report unless otherwise stated.

Company Secretary

The following persons held the position of Company Secretary during or since the end of the financial year:

Mr Dennis Wilkins B.Bus, AICD, ACIS (appointed 1 August 2011)

Mr Wilkins is an accountant who has been a director, company secretary or acted in a corporate advisory capacity to listed resource companies for over 20 years.

Mr Wilkins previously served as the Finance Director and Company Secretary for a mid-tier gold producer and also spent five years working for a leading merchant bank in the United Kingdom. Resource postings to Indonesia, South Africa and New Zealand in managerial roles has broadened his international experience.

Mr Wilkins has extensive experience in capital raising specifically for the resources industry and is the principal of DWCorporate which provides advisory, funding and administrative management services to the resource sector. Mr Wilkins is a director of Key Petroleum Limited and Minemakers Limited.

Mr Jay Richard Stephenson (from the beginning of the financial year until he resigned 1 August 2011)

Principal Activities

The principal activities of the Group during the financial year were the exploration of a number of gold, uranium and iron ore tenements in Western Australia.

Significant Changes in State of Affairs

On 23 May 2011, the Company announced that it had executed a Subscription Agreement for a private placement regulated by section 708 of the Corporations Act, with SinoTech (Hong Kong) Corporation Limited ("SinoTech") for 62 million ENT shares at an issue price of 20 cents each, to raise $12.4 million for ongoing exploration. SinoTech was also offered 20,000,000 options at an exercise price of 25 cents each exercisable within two years of the date of grant. If 10,000,000 of these options are exercised by SinoTech within 1 year of their date of grant, then Enterprise will issue to SinoTech a further 11,000,000 options at an exercise price of A$0.25, each exercisable within two years. On 13 July 2011, the Company announced that the Subscription Agreement had completed, and $12.4 million of funds had been received from SinoTech. The Company issued 62 million shares at an issue price of 20 cents each and 20,000,000 options at an exercise price of 25 cents each exercisable within two years of the date of grant.

On 23 May 2011, the Company also announced that it had executed an Underwriting Agreement to the placement referred to above, with Worldtex Capital Resources Ltd ("Worldtex"). Enterprise agreed to pay Worldtex an underwriting fee of $248,000 cash (representing 2% of the funds raised by the SinoTech Placement), and 15,000,000 Attaching Options. On 13 July 2011, the Company announced that the Underwriting Agreement had completed, and the underwriting fee of $248,000 cash was paid and the 15,000,000 Options with an exercise date of 1 June 2013 were issued.

Operating Results

The consolidated loss of the Group after providing for income tax amounted to $1,663,560 (2011: $2,973,631).

Dividends Paid or Recommended

There were no dividends paid or recommended during the financial year ended 30 June 2012.

Review of Operations

A detailed review of the Group's exploration activities is set out in the section titled "Review of Operations" in this annual report.

Financial Position

The net assets of the Group have increased by $9,898,939 from 30 June 2011 to $29,343,889 at 30 June 2012.

After Reporting Date Events

On 11 July 2012 Sinotech exercised 10 million options, thereby injecting $2,500,000 additional funds into the Group. As a result of the early exercise of the options by Sinotech, and subject to the Subscription Agreement dated 21 May 2011 which was approved at a General Meeting of Shareholders on 30 June 2011, Sinotech was issued with a further 11 million 25 cent options with an expiry date of 12 July 2014.

On 17 August 2012 10 million 25 cent options expiring on 12 July 2014 were terminated pursuant to agreement between the Group and the optionholder.

On 11 September 2012, following approval at a General Meeting of Shareholders on 29 August 2012, 7.6 million 17.7 cent options expiring on 11 September 2015 were issued to directors.

On 17 September 2012 the Company announced its intention to separate of the Company's uranium assets, into a sole purpose vehicle. The separated vehicle (Enterprise Uranium) will have its own management and technical expertise and it is intended to secure its own funding via an IPO offering following de merger.

The demerger will be via an in specie distribution of the shares in Enterprise Uranium to shareholders of Enterprise. The current intention is to seek a listing for Enterprise Uranium on ASX and to raise $5M in an IPO.

Current Enterprise shareholders will also be given a priority in application for new Enterprise Uranium shares.

Likely Developments

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

Information on Directors

Dr Jingbin Wang	— Chairman (Non-Executive)
Experience	— Dr Wang is Executive Director of China Nonferrous Metals Resource Geological Survey, a position he has held since 2003. He has also held the title of Vice-President of the China Nonferrous Metals Industry Association since 2008. Dr Wang is a leader in the non-ferrous metals industry in China with great expertise in mineral exploration and mining amassed over his 24 years of experience. He has been granted the title of National Youth Expert for Outstanding Contribution in China in recognition of his success in prospecting results and scientific research. In addition, he is the Chief Scientist of National 973 Program. Dr Wang has been President of the Beijing Institute of Geology for Mineral Resources since 2002, and is currently Chairman of Sinotech Minerals Exploration Co., Ltd. And Chairman of two Canadian public companies: Canaco Resources Inc. and Silvore Fox Minerals Corp. He is an accomplished mining team leader with a track record of discovering major deposits around the world. Dr Wang received a B.Sc in Mineral Prospecting and Exploration from Central-South University of Technology Changsha, China in 1982. Subsequently, he earned Masters and PhD Degrees in magmatic petrology, economic geology from the same university. Dr Wang conducted postdoctoral research at the Institute of Geochemistry, Chines Academy of Sciences (China) in 1991.
Interest in Shares and Options	— Nil Shares 1,500,000 Options
Special Responsibilities	— Chairman of the Remuneration & Nomination Committee.
Directorships held in other listed entities	— Nil

Mr Dermot Ryan	— Managing Director
Experience	— Mr Ryan spent 20 years with the CRA group of companies from 1977-1996, including 10 years as Chief Geologist for CRA Exploration in various states of Australia. He was GM Exploration for Great Central Mines Ltd (later Normandy Yandal Operations Ltd) from late 1996-2001, and for the past 6 years has run a private mineral exploration consulting group (XServ Pty Ltd). He is a Fellow of the AusIMM, (CP), a Fellow of the AIG, and holds a BApSc (Geol). Managing Director since 14 October 2008.
Interest in Shares and Options	— 12,075,000 Shares 4,000,000 Options
Special Responsibilities	— Member of the Remuneration & Nomination Committee
Directorships held in other listed entities	— Legend Mining Limited (May 2005 – present). There have been no other directorships in ASX listed companies in the past three years.
Ms Anna Mao	— Non-Executive Director
Experience	— Ms Mao is CEO and director of Worldtex Capital Resources Limited, a capital and investment company incorporated in Hong Kong. She is a creative leader and entrepreneur with 19 years' experience and knowledge in finance and operation. She co-founded and developed several successful businesses both in China and Canada. Ms Mao graduated from Beijing Institute of Technology University in 1991, and obtained her MBA from Richard Ivey Business School of Western Ontario University in 2001. Ms Mao is also a director and founder of Sino Link Capital Resources Limited.
Interest in Shares and Options	— 6,500,000 Shares 17,996,774 Options
Special Responsibilities	— Member of the Remuneration & Nomination Committee
Directorships held in other listed entities	— Nil
Dr Zhen Huang	— Non-Executive Director
Experience	— Dr Huang is currently a director of Sinotech Minerals Exploration Co., Ltd. He 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.
Interest in Shares and Options	— Nil Shares 900,000 Options
Special Responsibilities	— None
Directorships held in other listed entities	— Nil
Mr Paul Hallam	— Non-Executive Director
Experience	— Mr Hallam is qualified mining engineer with a BE(Hons) Mining from Melbourne University, a Certificate of Mineral Economics from Curtin University and a Company Director's Diploma from the Australian Institute of Company Directors. He has over 30 years technical and managerial experience in major Australian and international resource companies. His former roles include Director Operations for Fortescue Metals Group Ltd, Executive General Manager Development & Projects for Newcrest Mining Ltd, Director Victorian Operations for Alcoa and Executive General Manager Base and Precious Metals for North Ltd, and also mine management/development roles for Battle Mountain Gold Company in Chile, Bolivia and Australia, and for Newmont in Australia. He is a Fellow of the Australian Institute of Company Directors and the Australasian Institute of Mining & Metallurgy.
Interest in Shares and Options	— 436,667 Shares 900,000 Options
Special Responsibilities	— Chairman of the Audit & Risk Committee and Member of the Remuneration & Nomination Committee.
Directorships held in other listed entities	— Gindalbie Metals Ltd

Dr Allan Trench	— Non-Executive Director
Experience	— Allan Trench is a mineral economist, geophysicist and business management consultant with a BSc (Hons) Geology from the Royal School of Mines, London, a Ph.D (Geophysics) from Glasgow University, an MBA (Distinction) from Oxford University and an MSc (Distinction) in Mineral Economics from the WA School of Mines (WASM). His former roles include management of nickel and gold/base metal exploration teams in the Yilgarn region of WA, initially for WMC and subsequently for a group of junior ASX listed companies. From 2002 Dr Trench worked as a business consultant for McKinsey and Company, then as a manager at KCGM Pty Ltd and Woodside Petroleum, and more lately as a consultant with CRU Group, providing business analysis and intelligence on the global mining and metals and markets. He is currently Adjunct Professor (Spatial Sciences) at WASM, Curtin University, Research Professor, Progressive Risk & Value, Centre for Exploration Targeting, University of Western Australia and Professor, Department of Energy & Mineral Economics, Curtin University Graduate School of Business. He is also non-executive independent director of a number of emerging overseas and Australian-listed resources companies.
Interest in Shares and Options	— 50,000 Shares 900,000 Options
Special Responsibilities	— Member of the Audit & Risk Committee
Directorships held in other listed entities	— Pioneer Resources Limited (September 2003 – present), Navigator Resources Limited (November 2005 – present), Hot Chili Limited (July 2010 – present), Kimberley Rare Earths Limited (December 2010 – present), Trafford Resources Limited (May 2012 – present), and Venturex Resources Limited (November 2008 – present). There have been no other directorships in ASX listed companies in the past three years.

Meetings of Directors

During the financial year, nine meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

			COMMITTEE MEETINGS			
	DIRECTORS' MEETINGS		REMUNERATION & NOMINATION COMMITTEE		AUDIT & RISK COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Dr Jingbin Wang	9	9	-	-	-	-
Dermot Ryan	9	9	-	-	-	-
Bruce Hawley	9	9	-	-	-	-
Anna Mao	9	9	-	-	-	-
Dr Zhen Huang	9	7	-	-	-	-
Paul Hallam	5	5	-	-	-	-
Dr Allan Trench	2	1	-	-	-	-
Paul Larsen	8	6	-	-	-	-
Dennis Wilkins	3	2	-	-	-	-

Indemnifying Officers or Auditor

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- The Company has entered into agreements to indemnify all Directors and provide access to documents, against any liability arising from a claim brought by a third party against the Company. The agreement provides for the Company to pay all damages and costs which may be awarded against the Directors.

- The Company has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was $14,080.

- No indemnity has been paid to auditors.

Options

At the date of this report, the un-issued ordinary shares of Enterprise Metals Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
23 July 2008	22 November 2012	$0.25	1,500,000
23 July 2008	30 June 2013	$0.50	2,500,000
14 October 2008	22 November 2012	$0.25	1,500,000
1 Jun 2011	1 June 2013	$0.25	3,225,806
12 July 2011	12 July 2013	$0.25	10,000,000
12 July 2011	12 July 2014	$0.25	25,000,000
11 July 2012	12 July 2014	$0.25	11,000,000
29 August 2012	11 September 2015	$0.177	7,600,000
			63,325,806

No person entitled to exercise the option has or has any right by virtue of the option to participate in any share issue of any other body corporate.

Environmental Regulations

The Group is subject to significant environmental regulation in respect to its exploration activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Group are not aware of any breach of environmental legislation for the year under review.

Non-audit Services

The following non-audit services were provided by the entity's auditor, Grant Thornton Audit Pty Ltd, or associated entities. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Grant Thornton Audit Pty Ltd, or associated entities, received or are due to receive the following amounts for the provision of non-audit services:

	2012	2011
	$	$
Tax consulting services	11,550	1,900

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each Director of Enterprise Metals Limited and key management receiving the highest remuneration.

A. Remuneration Policy

The remuneration policy of Enterprise Metals Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Enterprise Metals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Group is as follows:

The remuneration policy, setting the terms and conditions for the executive Directors and other senior executives, was developed by the Remuneration & Nomination Committee and approved by the Board. All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, and options as performance incentives. The Remuneration & Nomination Committee reviews executive packages annually by reference to the Group's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries.

Executives are also entitled to participate in the employee share and option arrangements.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed. Options given to Directors and employees are valued using the Black-Scholes methodology.

The Board policy is to remunerate non-executive Directors at the lower end of market rates for comparable companies for time, commitment, and responsibilities. The non-executive Directors have been provided with options that are designed to incentivise the non-executive Directors. The Remuneration & Nomination Committee determines payments to the non-executive Directors and reviews their remuneration annually based on market practice, duties, and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors' and executives' performance. Currently, this is facilitated through the issue of options to the majority of Directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. For details of Directors' and executives' interests in options at year end, refer to note 5 of the financial statements.

Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2012.

Voting and comments made at the Company's 2011 Annual General Meeting

The Company received approximately 78% of "yes" votes on its remuneration report for the 2011 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

B. Details of Remuneration for Year Ended 30 June 2012

There were no cash bonuses paid during the year and there are no set performance criteria for achieving cash bonuses. The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group.

Table of Benefits and Payments for the Year Ended 30 June 2012

2012

Key Management Personnel	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	Remuneration that is performance based
	Salary, fees and leave	Cash from other activities	Non-monetary	Other	Super-annuation	Other	Equity	Options		
	$	$	$	$	$	$	$	$	$	%
Dr Jingbin Wang	57,043	-	-	-	-	-	-	-	57,043	-
Dermot Ryan[(1)]	-	175,987	-	-	-	-	-	-	175,987	-
Bruce Hawley	40,000	15,875	-	-	-	-	-	-	55,875	-
Anna Mao	38,710	-	-	-	-	-	-	-	38,710	-
Dr Zhen Huang	38,710	-	-	-	-	-	-	-	38,710	-
Paul Hallam	22,440	6,000	-	-	2,560	-	-	-	31,000	-
Dr Allan Trench	10,645	-	-	-	-	-	-	-	10,645	-
Paul Larsen	29,937	-	-	-	2,694	-	-	-	32,631	-
Dennis Wilkins[(2)]	13,332	-	-	-	-	-	-	-	13,332	-
Jay Stephenson[(3)]	-	-	-	-	-	-	-	-	-	-
	250,817	197,862	-	-	5,254	-	-	-	453,933	-

2011

Key Management Personnel	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	Remuneration that is performance based
	Salary, fees and leave	Cash from other activities	Non-monetary	Other	Super-annuation	Other	Equity	Options		
	$	$	$	$	$	$	$	$	$	%
Paul Larsen	40,000	-	-	-	2,700	-	-	-	42,700	-
Dermot Ryan[(1)]	-	114,739	-	-	-	-	-	-	114,739	-
Bruce Hawley	30,000	58,950	-	-	-	-	-	-	88,950	-
Jay Stephenson[(3)]	-	-	-	-	-	-	-	-	-	-
	70,000	173,689	-	-	2,700	-	-	-	246,389	-

(1) Dermot Ryan is paid by a related party of the Group – refer Note 19 for disclosure of related party transactions. The amount shown above is an assessment of the amount paid for his services.

(2) Dennis Wilkins is paid by a related party of the Group – refer Note 19 for disclosure of related party transactions. The amount shown above is an assessment of the amount paid for his services as a director .

(3) Jay Stephenson was paid by a related party of the Group – refer Note 19 for disclosure of related party transactions.

C. Service Agreements

The Company has no service agreements with any Directors.

The employment contract stipulates a one month resignation period. The Company may terminate the employment contract without cause by providing one month's written notice, or making payment in lieu of notice based on the individual's annual salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

D. Share-based compensation

Incentive Option Scheme

Options are granted under the Enterprise Metals Limited Incentive Option Scheme. All staff who have been continuously employed by the Company for a period of at least one year are eligible to participate in the plan. Options are granted under the plan for no consideration. Options are granted for a five year period.

Options granted under the plan carry no dividend or voting rights.

The ability for the employee to exercise the options is restricted in accordance with the terms and conditions detailed in the Incentive Option Scheme. Each option will automatically lapse if not exercised within five years of the date of issue. The exercise period may also be affected by other events as detailed in the terms and conditions in the Incentive Option Scheme.

The options vest when they are issued.

Director and Key Management Personnel Options

There were no options issued to Directors and Key Management Personnel during the 2012 financial year.

End of Remuneration Report

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 17 of the Annual Report.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

DM Ryan

Dermot Ryan
MANAGING DIRECTOR

Dated this 27 day of September 2012

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Auditor's Independence Declaration
To the Directors of Enterprise Metals Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Enterprise Metals Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner - Audit & Assurance

Perth, 27 September 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 $	2011 $
Revenue	2	672,230	319,141
Accounting and Audit Fees		(50,554)	(42,697)
Share registry and Listing Fees		(63,538)	(65,538)
Employee Benefits Expense		(645,859)	(247,423)
Computers and Software		(40,293)	(1,883)
Depreciation	3	(62,133)	(31,127)
Insurance		(23,088)	(17,712)
Investor Relations		(43,121)	(19,373)
Legal Fees		(5,184)	(28,126)
Office Equipment and Supplies		(15,179)	(8,383)
Office Rental Expense	3	(128,141)	(7,487)
Travel and Accommodation		(100,200)	(71,288)
Exploration and Evaluation Expenses not capitalised	3	-	(50,777)
Impairment of Exploration and Evaluation	3	(1,007,701)	(2,653,308)
Other expenses		(150,799)	(46,422)
Loss before income tax	3	(1,663,560)	(2,972,403)
Income tax expense	4	-	(1,228)
Loss from continuing operations		(1,663,560)	(2,973,631)
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year		(1,663,560)	(2,973,631)
Total comprehensive loss attributable to members of the parent entity		(1,663,560)	(2,973,631)
Overall Operations			
Basic loss per share (cents per share)	7	(0.828)	(2.421)
Diluted loss per share (cents per share)	7	(0.828)	(2.421)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	Note	2012	2011
		$	$
Current Assets			
Cash and cash equivalents	8	8,191,882	2,839,508
Trade and other receivables	9	353,340	165,232
Total Current Assets		**8,545,222**	**3,004,740**
Non-Current Assets			
Plant and equipment	10	265,644	94,371
Exploration and evaluation	11	21,249,099	16,597,534
Other financial assets	12	393	393
Total Non-Current Assets		**21,515,136**	**16,692,298**
TOTAL ASSETS		**30,060,358**	**19,697,038**
Current Liabilities			
Trade and other payables	13	716,469	252,088
Total Current Liabilities		**716,469**	**252,088**
TOTAL LIABILITIES		**716,469**	**252,088**
NET ASSETS		**29,343,889**	**19,444,950**
Equity			
Issued capital	14	30,081,867	23,058,868
Options reserve	15	5,416,650	877,150
Accumulated losses		(6,154,628)	(4,491,068)
TOTAL EQUITY		**29,343,889**	**19,444,950**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	Issued Capital	Accumulated Losses	Options Reserve	Total
	$	$	$	$
Balance at 1 July 2010	17,637,267	(1,517,437)	877,150	16,996,980
Loss attributable to members of the parent entity for the year	-	(2,973,631)	-	(2,973,631)
Other comprehensive Income	-	-	-	-
Total comprehensive income for the year	-	(2,973,631)	-	(2,973,631)
Transaction with owners, directly in equity				
Shares issued during the year – net of costs	5,421,601	-	-	5,421,601
Balance at 30 June 2011	23,058,868	(4,491,068)	877,150	19,444,950
Balance at 1 July 2011	23,058,868	(4,491,068)	877,150	19,444,950
Loss attributable to members of the parent entity for the year	-	(1,663,560)	-	(1,663,560)
Other comprehensive Income	-	-	-	-
Total comprehensive income for the year	-	(1,663,560)	-	(1,663,560)
Transaction with owners, directly in equity				
Shares issued during the year – net of costs	11,562,499	-	-	11,562,499
Share-based payments treated as capital raising costs	(4,539,500)	-	4,539,500	-
Balance at 30 June 2012	30,081,867	(6,154,628)	5,416,650	29,343,889

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 $	2011 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		553,764	92,228
Rent and other receipts		54,333	224,375
Payments to suppliers and employees		(1,396,428)	(752,564)
Net cash used in operating activities	16a	**(788,331)**	**(435,961)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on the sale of plant and equipment		8,000	-
Purchase of plant and equipment		(193,684)	(34,461)
Payments for exploration and evaluation expenditure		(5,188,610)	(3,558,118)
Purchase of controlled entities, net of cash acquired		-	48
Net cash used in investing activities		(5,374,294)	(3,592,531)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of costs		11,514,999	4,701,600
Net cash provided by financing activities		11,514,999	4,701,600
Net increase in cash and cash equivalents held		5,352,374	673,108
Cash and cash equivalents at 1 July		2,839,508	2,166,400
Cash and cash equivalents at 30 June	8	**8,191,882**	**2,839,508**

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the consolidated financial statements and notes of Enterprise Metals Limited and controlled entities ('Consolidated Group' or 'Group'). Enterprise Metals Limited is a listed public company, incorporated and domiciled in Australia.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Enterprise Mining Limited is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue by the directors on 27 September 2012. The directors have the power to amend and reissue the financial statements.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Enterprise Metals Limited at the end of the reporting period. A controlled entity is any entity over which Enterprise Metals Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

A list of controlled entities is contained in Note 12 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (ie parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

(b) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised 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 and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(c) Property, Plant, and Equipment

Each class of property, plant, and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the historical cost basis.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs, and an appropriate proportion of fixed and variable overheads.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	25%
Computers	33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Group are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(f) Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the statement of comprehensive income unless they are designated as hedges.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Derecognition

Financial assets are derecognised where the contractual rights to cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(g) Impairment of Non-Financial Assets

At each the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(h) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The Group operates an Incentive Option Scheme share-based compensation plan. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the statement of comprehensive income. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

(i) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will results and that outflow can be reliably measured.

(j) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(k) Revenue and Other Income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Rental income is recognised on an accrual basis.

Management fees are recognised on portion of completion basis.

All revenue is stated net of the amount of goods and services tax (GST).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(l) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(n) Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of financing activities, which are disclosed as operating cash flow.

(o) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(p) Earnings Per Share

i. Basic earnings per share

Basic earnings per share is determined by dividing the profit attributable to equity holders of the company, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(q) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(r) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Key Estimates — Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the consolidated entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

The Directors considered the impairment of the parent entity's investment in subsidiaries and loans receivable from subsidiaries based on the fair value less costs to sell of the underlying mineral tenements. The inter-company loans have no interest or repayment terms and are effectively investments in controlled entities and are reflected at cost.

No impairment has been recorded for the year.

Key Estimates – Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes formula. Details of the estimates used to determine the fair value are detailed in Note 17.

Key Judgments – Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at $21,249,099 (2011: $16,597,534). An impairment of $1,007,701 (2011: $2,653,308) was recognised during the year ended 30 June 2012.

Key Judgments – Carbon Tax

On 10 July 2011, the Commonwealth Government announced the "Securing a Clean Energy Future – the Australian Government's Climate Change Plan". Whilst the announcement provides further details of the framework for a carbon pricing mechanism, uncertainties continue to exist on the impact of any carbon pricing mechanism on the Group as legislation must be voted on and passed by both houses of Parliament. In addition, as the Group will not fall within the "Top 500 Australian Polluters", the impact of the Carbon Scheme will be through indirect effects of increased prices on many production inputs and general business expenses as suppliers subject to the carbon pricing mechanism are likely to pass on their carbon price burden to their customers in the form of increased prices. Directors expect that this will not have an significant impact upon the operation costs within the business, and therefore will not have an impact upon the valuation of assets and/or going concern of the business.

(s) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 9: Financial Instruments and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 1 January 2013).

  These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined the potential impact on the financial statements.

  The changes made to accounting requirements include:

  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - simplifying the requirements for embedded derivatives;
  - removing the tainting rules associated with held-to-maturity assets;

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:

  a. the objective of the entity's business model for managing the financial assets; and

  b. the characteristics of the contractual cash flows.

- AASB 10: Consolidated Financial Statements (applies to periods beginning on or after 1 January 2013)

  This Standard establishes a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and Interpretation 112 Consolidation – Special Purpose Entities.

  The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. This Standard is not expected to impact the Group.

- AASB 13: Fair Value Measurement (applies to periods beginning on or after 1 January 2013)

  This Standard establishes a single source of guidance under AASB for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under AASB when fair value is required or permitted by AASB. Application of this definition may result in different fair values being determined for the relevant assets.

  AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. The Group has not yet determined any potential impact on the financial statements.

- Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine (applicable for annual reporting periods commencing on or after 1 January 2013)

  This interpretation applies to stripping costs incurred during the production phase of a surface mine. Production stripping costs are to be capitalised as part of an asset, if an entity can demonstrate that it is probable future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of an ore body for which access has been improved. This asset is to be called the “stripping activity asset”.

  The stripping activity asset shall be depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method shall be applied unless another method is more appropriate.

The Group does not anticipate the early adoption of any of the above Australian Accounting Standards.

NOTE 2: REVENUE	2012 $	2011 $
Rental and other income	53,987	226,913
Interest received from other parties	618,243	92,228
Total Revenue	672,230	319,141

NOTE 3: LOSS FOR THE YEAR

(a) Expenses

Exploration expenses not capitalised	-	50,777
Depreciation of plant and equipment	62,133	31,127
Office rental expense	128,141	7,487

(b) Significant Revenues and Expenses

The following significant revenue and expense items are relevant in explaining the financial performance:

Impairment of Exploration and Evaluation	1,007,701	2,653,308

NOTE 4: INCOME TAX

(a) Income tax expense

Current tax		-	-
Deferred tax		-	-
Adjustments for current tax of prior periods		-	1,228
		-	1,228
Deferred income tax expense included in income tax expense comprises:			
- (Increase) in deferred tax assets	4(c)	(1,395,470)	(247,443)
- Increase in deferred tax liabilities	4(d)	1,395,470	247,443
		-	-

(b) Reconciliation of income tax expense to prima facie tax payable

The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie tax on operating loss at 30%	(499,068)	(891,721)
Add / (Less) tax effect of:		
Non-deductible expenses	208	587
Deferred tax asset not brought to account	498,860	891,134
Adjustments for current tax of prior periods	-	1,228
Income tax attributable to operating loss	-	1,228
The applicable weighted average effective tax rates are as follows:	nil%	nil%

NOTE 4: INCOME TAX (cont.)	Note	2012 $	2011 $
(c) Deferred tax assets			
Tax Losses		3,419,703	2,031,166
Provisions and Accrual		9,656	4,500
Other		20,740	18,964
		3,450,099	2,054,630
Set-off deferred tax liabilities	4(d)	(3,450,099)	(2,054,630)
Net deferred tax assets		-	-
(d) Deferred tax liabilities			
Exploration expenditure		3,450,099	2,054,630
		3,450,099	2,054,630
Set-off deferred tax assets	4(c)	(3,450,099)	(2,054,630)
Net deferred tax liabilities		-	-
(e) Tax losses			
Unused tax losses for which no deferred tax asset has been recognised		1,988,204	1,411,489
Temporary differences for which no deferred tax asset has been recognised – Equity		266,110	-

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2012 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- the Group continues to comply with conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss and exploration expenditure.

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Key management personnel (KMP) compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid to each member of the Group's KMP for the year ended 30 June 2012.

The totals of remuneration paid to KMP during the year are as follows:

	2012 $	2011 $
Short-term employee benefits	448,679	243,689
Post-employment benefits	5,254	2,700
Total	453,933	246,389

(b) Equity instrument disclosures relating to KMP

(i) Option holdings

The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

2012	Balance at the beginning of year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year	Vested during the year
Directors of Enterprise Metals Limited							
Jingbin Wang	-	-	-	-	-	-	-
Dermot Ryan	3,500,000	-	-	(2,000,000)	1,500,000	1,500,000	
Bruce Hawley	3,352,168	-	-	(91,667)	3,260,501	3,260,501	-
Anna Mao	-	-	-	17,096,774	17,096,774	17,096,774	-
Zhen Huang	-	-	-	-	-	-	-
Paul Hallam	-	-	-	-[(1)]	-	-	-
Allan Trench	-	-	-	-	-	-	-
Paul Larsen	485,148	-	-	(485,148)[(2)]	-	-	-
Dennis Wilkins	-	-	-	-	-	-	-
	7,337,316	-	-	14,519,959	21,857,275	21,857,275	-

(1) Mr Hallam held 16,667 options at the date of appointment which expired prior to year end.

(2) Represents the balance held at the date of resignation.

2011	Balance at the beginning of year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year	Vested during the year
Directors of Enterprise Metals Limited							
Paul Larsen	485,148	-	-	-	485,148	485,148	-
Dermot Ryan	3,500,000	-	-	-	3,500,000	3,500,000	-
Bruce Hawley	3,352,168	-	-	-	3,352,168	3,352,168	-
	7,337,316	-	-	-	7,337,316	7,337,316	-

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION (cont.)

(ii) Shareholdings

The number of ordinary shares in Enterprise Metals Limited held by each KMP of the Group during the financial year is as follows:

2012	Balance at the start of the year	Received during the year as compensation	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors					
Ordinary Shares					
Jingbin Wang	-	-	-	-	-
Dermot Ryan	12,075,000	-	-	-	12,075,000
Bruce Hawley	3,716,168	-	-	-	3,716,168
Anna Mao	-	-	-	6,500,000[(1)]	6,500,000
Zhen Huang	-	-	-	-	-
Paul Hallam	-	-	-	436,667	436,667
Allan Trench	-	-	-	-	-
Paul Larsen	4,671,034	-	-	(4,671,034)[(2)]	-
Dennis Wilkins	-	-	-	-	-
Total	20,462,202	-	-	2,265,633	22,727,835

(1) Represents balance held at date of appointment.

(2) Represents the balance held at the date of resignation.

2011	Balance at the start of the year	Received during the year as compensation	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors					
Ordinary Shares					
Paul Larsen	5,046,034	-	-	(375,000)	4,671,034
Dermot Ryan	12,075,000	-	-	-	12,075,000
Bruce Hawley	3,526,168	-	-	190,000	3,716,168
Total	20,647,202	-	-	(185,000)	20,462,202

(c) Loans to KMP

There are no loans made to KMP as at 30 June 2012.

(d) Other transactions with KMP

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP, refer Note 19: Related party transactions.

NOTE 6: AUDITORS' REMUNERATION	Note	2012 $	2011 $
Remuneration of the auditor of the parent entity for:			
- Auditing or reviewing the financial report		34,000	32,268
Remuneration of the auditor, or associated entities, of the parent entity for non-audit services:			
- Tax consulting services		11,550	1,900

NOTE 7: LOSS PER SHARE	2012 $	2011 $
(a) Reconciliation of earnings to loss		
Earnings used in the calculation of basic EPS	(1,663,560)	(2,973,631)
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	200,899,055	122,814,638
Basic / Diluted loss per share (cents per share)	(0.828)	(2.421)

Options are out of the money as at 30 June 2012 and are therefore anti-dilutive.

NOTE 8: CASH AND CASH EQUIVALENTS	2012 $	2011 $
Cash at bank	2,029,739	2,235,594
Cash in term deposit	6,162,143	603,914
	8,191,882	2,839,508
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	8,191,882	2,839,508

Cash at bank earns an effective interest rate of 4.95% (2011: 4.29%).

Cash in term deposit rolls every 30 days and earns an effective interest rate of 5.93% (2011: 4.97%).

NOTE 9: TRADE AND OTHER RECEIVABLES	2012 $	2011 $
CURRENT		
GST receivable	239,282	140,087
Trade receivables	101,412	14,179
Prepayments	12,646	10,966
	353,340	165,232

There are no balances within trade and other receivables that contain assets that are impaired and are past due. The trade receivables relate to withholding tax receivable and interest receivable. It is expected these balances will be received when due.

NOTE 10: PLANT AND EQUIPMENT	2012 $	2011 $
NON-CURRENT		
Computer equipment – cost	61,823	19,888
Accumulated depreciation	(19,644)	(9,014)
	42,179	10,874
Plant and equipment – cost	161,477	81,808
Accumulated depreciation	(56,439)	(24,605)
	105,038	57,203
Furniture and fittings – cost	19,920	8,371
Accumulated depreciation	(9,126)	(4,879)
	10,794	3,492
Motor vehicles - cost	55,000	23,660
Accumulated depreciation	(11,414)	(11,552)
	43,586	12,108
Software - cost	68,308	11,247
Accumulated depreciation	(4,261)	(553)
	64,047	10,694
Total plant and equipment	265,644	94,371

NOTE 10: PLANT AND EQUIPMENT (cont.)

a) Reconciliation of Carrying Amounts

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	2012 $	2011 $
Computer equipment		
Opening balance	10,874	4,600
- Additions	41,935	9,722
- Depreciation expense	(10,630)	(3,448)
Carrying amount at the end of the year	42,179	10,874
Plant and equipment		
Opening balance	57,203	62,831
- Additions	79,670	13,492
- Depreciation expense	(31,835)	(19,120)
Carrying amount at the end of the year	105,038	57,203
Furniture and fittings		
Opening balance	3,492	5,584
- Additions	11,549	-
- Depreciation expense	(4,247)	(2,092)
Carrying amount at the end of the year	10,794	3,492
Motor vehicles		
Opening balance	12,108	18,022
- Additions	55,000	-
- Disposals	(11,808)	-
- Depreciation expense	(11,714)	(5,914)
Carrying amount at the end of the year	43,586	12,108
Software		
Opening balance	10,694	-
- Additions	57,060	11,247
- Depreciation expense	(3,707)	(553)
Carrying amount at the end of the year	64,047	10,694
Totals		
Opening balance	94,371	91,037
- Additions	245,214	34,461
- Disposals	(11,808)	-
- Depreciation expense	(62,133)	(31,127)
Carrying amount at the end of year	265,644	94,371

NOTE 11: EXPLORATION AND EVALUATION	2012$	2011 $
Exploration and evaluation phases – at cost	21,249,099	16,597,534
(a) Exploration and evaluation		
Opening balance	16,597,534	14,926,587
Exploration expenditure	5,659,266	3,558,118
Acquisition through business combination	-	766,137
Impairment expense	(1,007,701)	(2,653,308)
Closing balance	21,249,099	16,597,534

The Directors' assessment of the carrying amount for the Group's exploration properties was after consideration of prevailing market conditions; previous expenditure for exploration work carried out on the tenements; and the potential for mineralisation based on the Group's and independent geological reports. The ultimate value of these assets is dependent upon recoupment by commercial development or the sale of the whole or part of the Group's interests in these exploration properties for an amount at least equal to the carrying value. There may exist on the Group's exploration properties, areas subject to claim under Native Title or containing sacred sites or sites of significance to Aboriginal people. As a result, the Group's exploration properties or areas within the tenements may be subject to exploration and mining restrictions.

NOTE 12: OTHER FINANCIAL ASSETS	2012 $	2011 $
NON-CURRENT		
Formation costs	393	393

Details of Controlled Entities	Country of Incorporation	Class of Shares	Percentage Owned % 2012	Percentage Owned % 2011
Murchison Exploration Pty Limited	Australia	Ordinary	100	100
Enterprise Uranium Pty Ltd	Australia	Ordinary	100	100
Enterprise Exploration Pty Ltd	Australia	Ordinary	100	100
Enterprise Gold Pty Ltd - (previously Australasian Mining and Exploration Pty Ltd)	Australia	Ordinary	100	100
Enterprise Iron Pty Ltd - (previously Traynor Pty Ltd)	Australia	Ordinary	100	100
Glintan Pty Ltd	Australia	Ordinary	100	100
Amiable Holdings Pty Ltd	Australia	Ordinary	100	100
Burracoppin Resources Pty Ltd	Australia	Ordinary	100	100

NOTE 13: TRADE AND OTHER PAYABLES

	2012 $	2011 $
CURRENT – unsecured liabilities		
Trade payables	646,515	160,812
Accrued Expenses	69,954	80,933
GST payable	-	10,343
	716,469	252,088

NOTE 14: ISSUED CAPITAL

	Note	2012 $	2011 $
203,220,776 (2011: 140,970,776) Fully paid ordinary shares	**14a**	30,081,867	23,058,868

The Company has no authorised share capital. Shares have no par value.

(a) Ordinary shares	2012 $	2011 $
At the beginning of the reporting period	23,058,868	17,637,267
Shares issued during the year		
• 62,000,000 on 13 July 2011 at $0.20 per share	12,400,000	-
• 250,000 on 7 November 2011 at $0.19 per share as consideration for tenement acquisition	47,500	-
• 14,999,936 on 30 November 2010 at $0.20 per share	-	2,999,987
• 4,000,000 on 28 February 2011 at $0.18 per share for the acquisition of Burracoppin Resources Pty Ltd	-	720,000
• 10,000,000 on 1 June 2011 at $0.20 per share	-	2,000,000
Transaction costs relating to share issues	(5,424,501)	(298,386)
At reporting date	30,081,867	23,058,868

	2012 No.	2011 No.
At the beginning of the reporting period	140,970,776	111,970,840
Shares issued during the year		
• 62,000,000 on 13 July 2011 at $0.20 per share	62,000,000	-
• 250,000 on 7 November 2011 at $0.19 per share as consideration for tenement acquisition	250,000	-
• 14,999,936 on 30 November 2011 at $0.20 per share	-	14,999,936
• 4,000,000 on 28 February 2012 at $0.20 per share for the acquisition of Burracoppin Resources Pty Ltd	-	4,000,000
• 10,000,000 on 1 June 2012 at $0.20 per share	-	10,000,000
At reporting date	203,220,776	140,970,776

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands.

NOTE 14: ISSUED CAPITAL (cont.)

b) Movement in options on issue

	2012 No.	2011 No.
At the beginning of the reporting period	31,507,807	20,781,966
Issued during the year:		
• Exercisable at 25 cents, on or before 20 June 2012	-	7,500,035
• Exercisable at 25 cents, on or before 1 June 2013	-	3,225,806
• Exercisable at 25 cents, on or before 12 July 2013	20,000,000	-
• Exercisable at 25 cents, on or before 12 July 2014	35,000,000	-
Expired during the year		
• Exercisable at 25 cents, on or before 20 June 2012	(22,782,001)	-
At reporting date	63,725,806	31,507,807

(c) Capital Management

The Directors' objectives when managing capital are to ensure that the Group can fund its operations and continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The Group has no debt therefore has no externally imposed capital restrictions.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2012 and 30 June 2011 are as follows:

	2012 $	2011 $
Cash and cash equivalents	8,191,882	2,839,508
Trade and other receivables	353,340	165,232
Trade and other payables	(716,469)	(252,088)
Working capital position	7,828,753	2,752,652

NOTE 15: OPTIONS RESERVE

	2012 $	2011 $
Options Reserve	5,416,650	877,150
Movements during the year:		
At the beginning of the reporting period	877,150	877,150
Share-based payments	4,539,500	-
At reporting date	5,416,650	877,150

The Options Reserve records the value of share based payments.

NOTE 16: CASHFLOW INFORMATION	2012 $	2011 $
(a) Reconciliation of Cash Flow from Operations with loss after Income Tax		
Loss after income tax	(1,663,560)	(2,973,631)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss from ordinary activities		
Depreciation	62,133	31,127
Loss on disposal of plant and equipment	3,807	-
Impairment of Exploration and Evaluation	1,007,701	2,653,308
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase) in receivables	(170,860)	(68,008)
(Increase) in prepayments	(1,680)	(723)
(Decrease) in payables	(25,872)	(78,034)
Cash flow used in operations	(788,331)	(435,961)

(b) Credit Standby Facilities

The Company had no credit standby facilities as at 30 June 2012.

(c) Non-Cash Financing and Investing activities

Share issues

For the year ended 30 June 2012

On 7 November 2011, 250,000 ordinary shares were issued at $0.19 each as the consideration for the purchase of tenements. The issue was based on the market price at the date of purchase.

Share issues

For the year ended 30 June 2011

On 28 February 2011, 4,000,000 ordinary shares were issued at $0.18 each as the consideration for the purchase of Burracoppin Resources Pty Ltd. The issue was based on the market price at the date of purchase.

NOTE 17: SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2012:

On 23 July 2008, 1,500,000 share options were granted to Directors to take up ordinary shares at an exercise price of $0.25 each. The options are exercisable on or before 22 November 2012.

On 23 July 2008, 2,500,000 share options were granted to Directors to take up ordinary shares at an exercise price of $0.50 each. The options are exercisable on or before 30 June 2013.

On 14 October 2008, 1,500,000 share options were granted to Directors to take up ordinary shares at an exercise price of $0.25 each. The options are exercisable on or before 22 November 2012.

On 13 July 2009, 9,281,966 share options were granted to take up ordinary shares at an exercise price of $0.25 each. These options expired on 20 June 2012.

On 27 July 2009, 6,000,000 share options were granted to take up ordinary shares at an exercise price of $0.25 each. These options expired on 20 June 2012.

On 12 July 2011, 35,000,000 share options were granted to underwriters and brokers to take up ordinary shares at an exercise price of $0.25 each. The options are exercisable on or before 12 July 2014.

All options granted are ordinary shares in Enterprise Metals Limited, which confer a right to one ordinary share for every option held.

A summary of the movements of all company share-based payment options issued is as follows:

	2012 Number of Options	2011 Number of Options	2012 Weighted Average Exercise Price $	2011 Weighted Average Exercise Price $
Outstanding at beginning of the year	20,781,966	20,781,966	$0.28	$0.28
Granted	35,000,000	-	$0.25	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	(15,281,966)	-	$0.25	-
Outstanding at year-end	40,500,000	20,781,966	$0.27	$0.28
Exercisable at year-end	40,500,000	20,781,966	$0.27	$0.28

The options outstanding at 30 June 2012 had a weighted average exercise price of $0.27 and a remaining weighted average contractual life of 1.82 years. The exercise price of the options ranged from 25 to 50 cents.

The weighted average fair value of the options granted during the year was 12.97 cents (2011: N/A). The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	2012	2011
Weighted average exercise price (cents)	25.0	-
Weighted average life of the option (years)	3.0	-
Weighted average underlying share price (cents)	20.0	-
Expected share price volatility	110.0%	-
Weighted average risk free interest rate	4.76%	-

NOTE 18: EVENTS SUBSEQUENT TO REPORTING DATE

On 11 July 2012 Sinotech exercised 10 million options, thereby injecting $2,500,000 additional funds into the Group. As a result of the early exercise of the options by Sinotech, and subject to the Subscription Agreement dated 21 May 2011 which was approved at a General Meeting of Shareholders on 30 June 2011, Sinotech was issued with a further 11 million 25 cent options with an expiry date of 12 July 2014.

On 17 August 2012 10 million 25 cent options expiring on 12 July 2014 were terminated pursuant to agreement between the Group and the optionholder.

On 11 September 2012, following approval at a General Meeting of Shareholders on 29 August 2012, 7.6 million 17.7 cent options expiring on 11 September 2015 were issued to directors.

On 17 September 2012 the Company announced its intention to separate of the Company's uranium assets, into a sole purpose vehicle. The separated vehicle (Enterprise Uranium) will have its own management and technical expertise and it is intended to secure its own funding via an IPO offering following de merger.

The demerger will be via an in specie distribution of the shares in Enterprise Uranium to shareholders of Enterprise. The current intention is to seek a listing for Enterprise Uranium on ASX and to raise $5M in an IPO.

Current Enterprise shareholders will also be given a priority in application for new Enterprise Uranium shares.

NOTE 19: RELATED PARTY TRANSACTIONS	2012 $	2011 $

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties, inclusive of Directors' Remuneration:

XServ Pty Ltd

Mr Ryan is a Director Shareholder of XServ Pty Ltd. Mr Ryan's Company provides geological consulting services to Enterprise Metals Limited in addition to his Directors fees. The services include the provision of geological and technical staff, field equipment and vehicles as well as computer, database and administrative support services.

	2012 $	2011 $
Mineral Exploration Services	1,100,854	971,021

As at 30 June 2012, $115,284 (2011: $49,173) was payable to XServ Pty Ltd, and $7,821 (2011: Nil) was receivable from XServ Pty Ltd.

West Coast Projects Pty Ltd

Mr Hawley is a Director Shareholder of West Coast Projects Pty Ltd. Mr Hawley provides consultancy services in the area of technical support for Enterprise Metals Limited in addition to his Directors Fees.

	2012 $	2011 $
West Coast Projects	30,802	93,434

As at 30 June 2012, $nil (2011: $nil) was payable to West Coast Projects Pty Ltd.

Phillip Hoff Taxation Consultant

Mr Phillip Hoff is a taxation consultant and is a significant shareholder of Enterprise Metals Limited.

	2012 $	2011 $
Phillip Hoff Taxation Consultant	-	4,036

As at 30 June 2012, $nil (2011: $964) was payable to Phillip Hoff Pty Ltd.

NOTE 19: RELATED PARTY TRANSACTIONS (cont.)	2012 $	2011 $
DWCorporate Pty Ltd		
Mr Wilkins is a Director of DWCorporate Pty Ltd. Mr Wilkins provided Company Secretarial and Chief Financial Officer services for Enterprise Metals Limited. In addition, DWCorporate provides accounting, administration and Corporate Advisory Services to Enterprise Metals Limited.		
DWCorporate Pty Ltd	89,197	-

As at 30 June 2012, $nil (2011: n/a) was payable to DWCorporate Pty Ltd.

Legend Mining Limited

Mr Ryan is a Director of ASX listed Legend Mining Limited. During the year, there were transactions between the Group and Legend Mining Limited for the following:

	2012 $	2011 $
Purchase of fixed assets from Legend Mining Limited	85,000	1,430
Payment of administration expenses to Legend Mining Limited	976	129
Consulting services provided by the Group to Legend Mining Limited	7,720	6,600

As at 30 June 2012, $nil (2011: $129) was payable to Legend Mining Limited, and $1,754 (2011: $756) was receivable from Legend Mining Limited.

Wolfstar Group Pty Ltd

Mr Stephenson is a Director of Wolfstar Group Pty Ltd. Mr Stephenson provided Company Secretarial and Chief Financial Officer services for Enterprise Metals Limited. In addition, Wolfstar provided accounting, administration and Corporate Advisory Services to Enterprise Metals Limited.

	2012 $	2011 $
Wolfstar Group Pty Ltd	6,844	41,050

As at 30 June 2012, $nil (2011: $nil) was payable to Wolfstar Group Pty Ltd.

NOTE 20: CAPITAL AND LEASING COMMITMENTS	2012 $	2011 $
Capital expenditure commitments:		
Capital expenditure commitments contracted for:		
Exploration tenement minimum expenditure requirements		
Amounts payable:		
- not later than 12 months	2,616,000	2,470,720
- between 12 months and 5 years	10,464,000	14,005,200
- greater than 5 years		-
	13,080,000	16,475,920

Commitments relate to granted exploration and prospecting tenements.

NOTE 21: FINANCIAL INSTRUMENTS

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, and accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for Group operations.

The Group does not speculate in the trading of derivative instruments.

A summary of the Group's financial assets and liabilities is shown below.

2012	Floating Interest Rate	Fixed Interest maturing in 1 year or less	Fixed Interest maturing over 1 to 5 years	Non-interest bearing	Total
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	2,029,739	6,162,143	-	-	8,191,882
Loans and receivables	-	-	-	353,340	353,340
Total Financial assets	2,029,739	6,162,143	-	353,340	8,545,222
Weighted average interest rate – cash assets	4.95%	5.93%			
Financial Liabilities at amortised cost					
Trade and other payables	-	-	-	716,469	716,469
Total Financial Liabilities	-	-	-	716,469	716,469
Net financial assets	2,029,739	6,162,143	-	(363,129)	7,828,753

2011	Floating Interest Rate	Fixed Interest maturing in 1 year or less	Fixed Interest maturing over 1 to 5 years	Non-interest bearing	Total
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	2,839,508	-	-	-	2,839,508
Loans and receivables	-	-	-	165,232	165,232
Total Financial assets	2,839,508	-	-	165,232	3,004,740
Weighted average interest rate – cash assets	4.60%				
Financial Liabilities at amortised cost					
Trade and other payables	-	-	-	252,088	252,088
Total Financial Liabilities	-	-	-	252,088	252,088
Net financial assets	2,839,508	-	-	(86,856)	2,752,652

NOTE 21: FINANCIAL INSTRUMENTS (cont.)

Specific Financial Risk Exposures and Management

The main risk the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

Credit risk exposures

The maximum exposure to credit risk is that to its alliance partners and that is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

There are no other material amounts of collateral held as security at 30 June 2012. Trade and other receivables are expected to be settled within 30 days.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	2012 $	2011 $
Cash and cash equivalents - AA Rated	8	8,191,882	2,839,508

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

NOTE 21: FINANCIAL INSTRUMENTS (cont.)

c. Market risk

The Board meets on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

i. *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed by closely monitoring the interest rates at various financial institutions. The Company has no debt and as such the interest rate risk is limited to the Company's investments in term deposits and other interest bearing investments.

Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated Group	
	Profit	**Equity**
Year ended 30 June 2012	**$**	**$**
+/-1% in interest rates	+/- 107,369	+/- 107,369
Year ended 30 June 2011		
+/-1% in interest rates	+/- 20,046	+/- 20,046

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

For unlisted investments where there is no organised financial market, the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment. Other assets and other liabilities approximate their carrying value.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at reporting date:

NOTE 21: FINANCIAL INSTRUMENTS (cont.)

	2012 Carrying Amount $	2012 Net Fair Value $	2011 Carrying Amount $	2011 Net Fair Value $
Financial Assets				
Cash and cash equivalents	8,191,882	8,191,882	2,839,508	2,839,508
Loans and receivables	353,340	353,340	165,232	165,232
Total Financial Assets	8,545,222	8,545,222	3,004,740	3,004,740
Financial Liabilities at amortised cost				
Trade and other payables	716,469	716,469	252,088	252,088
Total Financial Liabilities	716,469	716,469	252,088	252,088

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term investments in nature whose carrying value is equivalent to fair value.

	2012	2011
NOTE 22: PARENT ENTITY DISCLOSURES	**$**	**$**
(a) Financial Position of Enterprise Metals Limited		
CURRENT ASSETS		
Cash and cash equivalents	8,145,982	2,787,980
Trade and other receivables	1,851,625	1,667,133
TOTAL CURRENT ASSETS	9,997,607	4,455,113
NON-CURRENT ASSETS		
Plant and equipment	265,644	94,371
Exploration and evaluation	12,277,851	7,626,287
Other financial assets	8,152,194	8,152,194
TOTAL NON-CURRENT ASSETS	20,695,689	15,872,852
TOTAL ASSETS	30,693,296	20,327,965
CURRENT LIABILITIES		
Trade and other payables	716,386	252,014
TOTAL CURRENT LIABILITIES	716,386	252,014
TOTAL LIABILITIES	716,386	252,014
NET ASSETS	29,976,910	20,075,951
EQUITY		
Issued Capital	30,081,867	23,058,868
Options Reserve	5,416,650	877,150
Accumulated Losses	(5,521,607)	(3,860,067)
TOTAL EQUITY	29,976,910	20,075,951
(b) Financial Performance of Enterprise Metals Limited		
Loss for the year	(1,661,540)	(2,281,612)
Other comprehensive income, net of tax	-	-
Total comprehensive loss	(1,661,540)	(2,281,612)

NOTE 22: PARENT ENTITY DISCLOSURES (cont.)

(c) Guarantees entered into by Enterprise Metals Limited to the debts of its subsidiaries

There are no guarantees entered into by Enterprise Metals Limited for the debts of its subsidiaries as at 30 June 2012 (2011: none).

(d) Contingent liabilities of Enterprise Metals Limited

As at 30 June 2012 the Company has bank guarantees to the value of $50,000 to secure tenement bonds and $60,000 to secure a credit card facility (2011: none).

(e) Commitments by Enterprise Metals Limited

	2012	**2011**
Capital expenditure commitments contracted for:	**$**	**$**
Exploration tenement minimum expenditure requirements		
Not longer than 1 year	2,600,000	2,470,720
Longer than 1 year and not longer than 5 years	10,400,000	14,005,200
Longer than 5 years		-
Total	13,000,000	16,475,920

Commitments relate to granted exploration and prospecting tenements.

NOTE 23: CONTINGENT LIABILITIES

As at 30 June 2012 the Group has bank guarantees to the value of $50,000 to secure tenement bonds and $60,000 to secure a credit card facility (2011: none).

NOTE 24: OPERATING SEGMENTS

The Directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

The Group remains focused on mineral exploration over areas of interest solely in Western Australia.

NOTE 25: COMPANY DETAILS

The registered office and principal place of business of the Company is:

Enterprise Metals Limited
Level 1
640 Murray Street
WEST PERTH WA 6005

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 18 to 49, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Accounting Standards; and

   (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and

   (c) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the Group;

2. the Chief Executive Officer and Chief Finance Officer have each declared that:

   (a) the financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;

   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and

   (c) the financial statements and notes for the financial year give a true and fair view;

3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

DMRyan

Dermot Ryan
MANAGING DIRECTOR

Dated 27 September 2012, Perth WA

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Independent Auditor's Report
To the Members of Enterprise Metals Limited

Report on the financial report

We have audited the accompanying financial report of Enterprise Metals Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

a the financial report of Enterprise Metals Limited is in accordance with the Corporations Act 2001, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 14 to 16 of the directors' report for the year ended 30 June 2012. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Enterprise Metals Limited for the year ended 30 June 2012, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner - Audit & Assurance

Perth, 27 September 2012

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the ASX Ltd in respect of listed public companies only.

1 Shareholding as at 19 September 2012

(a) Distribution of Shareholders

Category (size of holding)	Number Holders	Number Shares
1 – 1,000	69	4,204
1,001 – 5,000	218	711,201
5,001 – 10,000	224	1,890,287
10,001 – 100,000	584	20,767,300
100,001 – and over	192	189,847,784
	1,287	213,220,776

(b) The number of shareholdings held in less than marketable parcels is 135 (119,964 shares).

(c) Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

— Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

(d) 20 Largest Shareholders — Ordinary Shares as at 19 September 2012

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	Sino Tech (Hong Kong) Corporation Limited	72,000,000	33.77
2	Dermot Michael Ryan & Vivienne Eleanor Ryan <RF Super Fund A/C>	7075,000	3.32
3	William John Robertson & June Diane Robertson <Robertson Super Fund A/C>	5,649,167	2.65
4	Dermot Michael Ryan & Vivienne Eleanor Ryan <The Enterprise A/C>	5,000,000	2.34
5	Worldtex Capital Resources Limited	5,000,000	2.34
6	Phillip Hoff <UHW Super Fund A/C	4,432,595	2.08
7	HSBC Custody Nominees (Australia) Limited	3,829,190	1.80
8	Windsong Valley Pty Ltd <Wheeler Family A/C>	3,823,008	1.79
9	Laresen Superannuation Fund Pty Ltd <Laresn Super Fund A/C>	3,462,825	1.62
10	Comsec Nominees Pty Limited	3,004,943	1.41
11	HSBC Custody Nominees (Australia) Limited - GSCO ECA	2,980,907	1.40
12	Rosane Pty Ltd <Rosane Holdings S/F A/C>	2,927,169	1.37
13	Francis Leslie Owen and Elizabeth Ann Owen <Owen S/F A/C >	2,901,333	1.36
14	Miles George Smyth	2,695,895	1.26
15	Avanteos Investments Limited <2871495 A/C>	2,050,000	0.96
16	Concord Ability Development Ltd	2,000,000	0.94

17	Christine Linda Meeks <Maforca A/C>	1,525,000	0.72
18	Major Millennium Development Ltd	1,500,000	0.70
19	Mega Capital Resources Ltd	1,500,000	0.70
20	Avanteos Investments Limited <2852902 A/C>	1,450,000	0.68
		134,807,032	63.21

2 The name of the Company Secretary is Dennis Wilkins.

3 The address of the principal registered office in Australia is Level 1, 640 Murray Street, West Perth WA 6005. Telephone Number: 08 9436 9200.

4 **Registers of securities are held at the following addresses**

Western Australia	Computershare Registry Services Level 2, 45 St Georges Terrace PERTH WA 6000

5 **Stock Exchange Listing**

Quotation has been granted for all the ordinary shares of the Company ASX Limited.

6 **Unquoted Securities**

Options over Un-issued Shares

A total of 62,325,806 options are on issue of which 26,196,774 are on issue to the six Directors.

7 **Use of Funds**

The Company has used its funds in accordance with its initial business objectives.

TENEMENT REPORT

Tenement	Lease Status	Project	%Held
E04/2068	Application	Derby	0%
E04/2069	Application	Derby	0%
E04/2070	Application	Derby	0%
E09/1731	Granted	Mt Phillips	0%
E09/1864	Application	Byro	100%
E09/1931	Application	Byro	100%
E09/1956	Application	Byro	100%
E09/1974	Application	Byro	100%
E09/1976	Application	Byro	100%
E20/620	Granted	Wattagee	100%
E20/726	Granted	Wattagee	100%
E20/758	Application	Byro	100%
E20/791	Application	Byro	100%
E28/1958	Granted	Harris Lake	100%
E28/2202	Application	Ponton	100%
E28/2203	Application	Ponton	100%
E28/2204	Application	Ponton	100%
E28/2205	Application	Ponton	100%
E28/2206	Application	Ponton	100%
E36/706	Granted	Darlot	80%
E36/731	Granted	Darlot	100%
E36/768	Granted	Darlot	100%
E36/778	Granted	Darlot	100%
E36/781	Application	Darlot	100%
E36/791	Application	Darlot	100%
E37/1009	Granted	Darlot	100%
E37/1025	Granted	Darlot	100%
E37/1031	Granted	Darlot	100%
E37/1075	Granted	Darlot	100%
E37/1105	Granted	Darlot	100%
E37/1112	Granted	Darlot	100%
E37/1117	Application	Darlot	100%
E37/818	Granted	Darlot	100%
E37/859	Granted	Darlot	80%
E37/926	Granted	Darlot	100%
E37/927	Granted	Darlot	100%

Tenement	Lease Status	Project	%Held
E37/939	Granted	Darlot	100%
E37/947	Granted	Darlot	100%
E51/1079	Granted	Doolgunna	100%
E51/1168	Granted	Doolgunna	100%
E51/1301	Granted	Doolgunna	100%
E51/1302	Granted	Doolgunna	100%
E51/1303	Granted	Doolgunna	100%
E51/1304	Granted	Doolgunna	100%
E51/1337	Granted	Doolgunna	100%
E51/1535	Application	Wattagee	100%
E51/941	Granted	Doolgunna	100%
E52/1689-I	Granted	Sylvania	100%
E52/2049	Granted	Doolgunna	100%
E52/2349	Granted	Sylvania	100%
E52/2404	Granted	Doolgunna	80%
E52/2406	Granted	Doolgunna	80%
E52/2451	Granted	Sylvania	100%
E57/834	Granted	Booylgoo	100%
E59/1437	Granted	Yalgoo	100%
E59/1617	Granted	Byro	100%
E59/1632	Granted	Yalgoo	100%
E59/1633	Granted	Yalgoo	100%
E59/1645	Granted	Yalgoo	100%
E59/1651	Granted	Yalgoo	100%
E59/1655	Granted	Yalgoo	100%
E59/1658	Application	Yalgoo	100%
E59/1786	Application	Yalgoo	100%
E59/1787	Granted	Yalgoo	100%
E59/1819	Application	Yalgoo	100%
E59/1855	Application	Peranbye	100%
E59/1856	Application	Peranbye	100%
E59/1857	Application	Peranbye	100%
E59/1858	Application	Peranbye	100%
E59/1870	Application	Thanda	100%
E59/1879	Application	Peranbye	100%
E59/1894	Application	Thanda	100%
E59/1895	Application	Thanda	100%
E59/1896	Application	Yalgoo	100%

Tenement	Lease Status	Project	%Held
E59/1897	Application	Yalgoo	100%
E59/1900	Application	Yalgoo	100%
E59/1907	Application	Yalgoo	100%
E59/1908	Application	Yalgoo	100%
E63/1281	Granted	Fraser Range	100%
E63/1282	Granted	Fraser Range	100%
E63/1283	Granted	Fraser Range	100%
E63/1448	Granted	Fraser Range	100%
E69/2607	Granted	Earaheedy	100%
E69/2636	Application	Earaheedy	100%
E69/3024	Application	Earaheedy	100%
E70/3637	Granted	Burracoppin	100%
E70/3638	Granted	Burracoppin	100%
E70/3815	Granted	Burracoppin	100%
E70/4150	Granted	Burracoppin	100%
E70/4295	Application	Peranbye	100%
E70/4296	Application	Peranbye	100%
E70/4297	Application	Peranbye	100%
E70/4415	Application	Burracoppin	100%
E77/1752	Granted	Burracoppin	100%
E77/1970	Granted	Burracoppin	100%
M37/1288	Granted	Darlot	100%
P20/2155	Granted	Wattagee	100%
P37/7081	Granted	Darlot	100%
P37/7082	Granted	Darlot	100%
P37/7083	Granted	Darlot	100%
P37/7084	Granted	Darlot	100%
P37/7085	Granted	Darlot	100%
P37/7745	Granted	Darlot	100%
P37/7746	Granted	Darlot	100%
P37/7747	Granted	Darlot	100%
P37/7748	Granted	Darlot	100%
P37/7749	Granted	Darlot	100%
P37/7750	Granted	Darlot	100%
P51/2516	Granted	Doolgunna	100%
P51/2517	Granted	Doolgunna	100%
P51/2624	Granted	Doolgunna	100%
P51/2625	Granted	Doolgunna	100%

Tenement	Lease Status	Project	%Held
P51/2626	Granted	Doolgunna	100%
P51/2627	Granted	Doolgunna	100%
P59/1925	Application	Yalgoo	100%
P59/1926	Application	Yalgoo	100%
P59/1927	Application	Yalgoo	100%
P59/1928	Application	Yalgoo	100%