

ENTERPRISE METALS LIMITED

ABN 43 123 567 073

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2015

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2015 and any public announcements made by Enterprise Metals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

ENTERPRISE METALS LIMITED

31 DECEMBER 2015

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ENTERPRISE METALS LIMITED

31 DECEMBER 2015

CORPORATE DIRECTORY

Directors

Dr Jingbin Wang
Mr Dermot Ryan
Dr Allan Trench

Non-Executive Chairman
Managing Director
Non-Executive Director

Company Secretary

Ms Susan Hunter

Principal registered office

Suite 2
91 Hay Street
SUBIACO WA 6005
Telephone 08 9381 2808
Facsimile 08 9381 5545
Website: www.enterprisemetals.com.au
email: info@enterprisemetals.com.au

Auditor

Grant Thornton Audit Pty Ltd
Level 1
10 Kings Park Road
West Perth WA 6005
Telephone 08 9480 2000
Facsimile 08 9322 7787
Website: www.grantthornton.com.au
Email: info.wa@au.gt.com

Share Registry

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

Australian Securities Exchange

ASX Code – ENT

ENTERPRISE METALS LIMITED

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DIRECTORS' REPORT

Your Directors submit their report on the consolidated entity consisting of Enterprise Metals Limited ('Enterprise' or the 'Company') and the entities it controlled at the end of, or during, the half-year ended 31 December 2015.

DIRECTORS

The names of the Directors who held office during or since the end of the half-year are:

Dr Jingbin Wang

Dermot Ryan

Dr Allan Trench

REVIEW AND RESULTS OF OPERATIONS

A summary of consolidated revenues and results for the half-year is set out below:

	2015		2014	
	Revenues	Results	Revenues	Results
	\$	\$	\$	\$
Consolidated entity revenues and profit/(loss)	27,141	(1,982,933)	66,417	(2,149,111)

REVIEW OF OPERATIONS

The consolidated entity ("Enterprise" or "the Company") recorded an operating loss after income tax for the half year ended 31 December 2015 of \$1,982,933 compared to the 31 December 2014 operating loss after income tax of \$2,149,111. The result for the half year ended 31 December 2015 included exploration write-offs totalling \$1,758,345 (31 December 2014: \$1,628,136) primarily related to the consolidated entities exploration on the Doolgunna and Fraser Range exploration projects.

During the half-year the consolidated entity incurred a total of \$584,229 on exploration expenditure. A significant proportion of this exploration expenditure was directed to the Doolgunna copper/zinc/gold project.

At Doolgunna, the Company's activities focused on generating volcanic hosted and sediment hosted base metal drill targets. Extensive Moving Loop Electromagnetic (MLEM) geophysical surveys were completed at the Vulcan prospect area, and the Borg and Bono prospects.

The Vulcan MLEM survey identified a significant discrete basement conductor ("Vulcan West") located in the volcano-sedimentary stratigraphy of the Narracoota/Karalundi Formations, in a similar stratigraphic position to Sandfire Resources NL's DeGrussa and Monty massive sulphide copper deposits. The conductor was modelled to have a strike length of approximately 380 metres.

Following modelling, one deep reverse circulation (RC) drill hole VWRC001 was drilled into the conductor. From 81m to 192m downhole, a medium grained dolerite, with weak-medium pervasive chlorite-epidote alteration, along with weak-moderate silicification was intersected. The hole then intersected a 64m thick (downhole) zone of alteration consisting of interbedded green-grey shale and **fine-grained dolerite, with red jasper** occurring in or at the boundary with shale before entering an interbedded sulphide-rich shale unit with minor dolerite from 256 to 296m.

The zone from 192 to 256m which displayed red jasper alteration with associated sulphides (including trace chalcopyrite) is considered to be a potential ore horizon.

In February 2016, down hole electromagnetic (DHEM) surveying of hole VWRC001 was undertaken. The processed DHEM data suggests the strike length for the rotated modelled plate is approximately 200m, which leaves approximately 130m strike length of the modelled plate untested by drilling. Given the highly variable nature and geometry of the DeGrussa and Monty massive sulphide bodies, a new drill hole has been proposed to intersect the plate (conductive body) at 280m depth. The drilling of this second hole is subject to funding, rig availability and weather.

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DIRECTORS' REPORT

At the Borg Prospect, MLEM surveys defined two strong basement conductors (Borg and Bono). Nine RC holes were drilled to test the Borg target but due to heavy water inflows the drill holes fell short of their target. Nonetheless, the Borg 1m RC assays show anomalous base metal values consistent with orogenic base metal fluids invading sedimentary strata.

Further and deeper drill testing of both Borg and Bono SEDEX style targets is recommended for 2016, and the Company has been advised that it has been awarded up to \$200,000 for a deep drill test of the Bono SEDEX MLEM target under the WA Government's Co-funded Drilling Program.

At the Fraser Range Ni/Cu Project, the Company's joint venture partner Apollo Minerals Ltd ("Apollo", ASX: AON, 70%, ENT: 30% free carried to completion of bankable feasibility study) completed MLEM surveys at the Oceanus and Plato prospects. At Plato, Apollo reported that a deep conductive body had been modelled to the north of Enterprise's 2014 drill section which contained magmatic nickel sulphides.

At the Darlot Cu/Zn/Au Project, the Company's joint venture partner Independence Group NL ("Independence", ASX: IGO, earning 51% interest) reported to Enterprise that it had carried out aircore drilling and MLEM surveys at a number of prospects, with conductive bodies modelled at the 20ft Well and Jarrah Well Prospects. Due to budgetary constraints, IGO has signalled that it plans to withdraw from the joint venture, subject to negotiation of suitable withdrawal terms.

During the half-year, the Company completed a capital raising \$650,000 (before costs), comprised of the placement of 19,696,971 fully paid ordinary shares at 3.3 cents per share to strategic, professional and sophisticated investors under the Company's ASX Listing Rule 7.1, 15% placement capacity. The placement was undertaken to fund the MLEM surveys and drilling at Doolgunna.

An additional 480,000 fully paid ordinary shares were issued at 3.3 cents per share for a total amount of \$15,840 in consideration of services rendered by contractors to the Company, and 2,000,000 options exercisable at \$0.05 each on or before 10 August 2017 were issued for a value of \$75,708 per a Black Scholes valuation in consideration of consultancy investor relations services provided to the Company.

On 15 January 2016, an additional 625,000 fully paid ordinary shares in Enterprise were issued at nil cost per share in lieu of 50% of outstanding 2015 Director's fees, as approved by shareholders at the 2015 Annual General Meeting held on 24 November 2015.

The Company's cash position at the end of the half-year was \$255,568. The consolidated entity's cash position will be further supplemented by a refund pertaining to Research and Development activities from the Australian Tax Office of \$84,000.

On 17 February 2016, the Company announced to the ASX that the Company was offering to eligible shareholders new ENT shares at an issue price of \$0.018 per new ENT share by way of a Shareholder Purchase Plan (SPP) to raise up to \$500,000, this represents an approximately 20% discount to the 20 day VWAP of ENT shares. On 9 March 2016 the SPP was extended to the 21 March 2016 to provide additional time to shareholders to apply for shares under the plan. The SPP is progressing well with funds raised to be applied towards exploration work at the Company's exploration projects, including ground EM surveying at the Ruby Prospect at Doolgunna, to be followed by drill testing where appropriate, and to cover the costs of the capital raising and provide working capital.

In addition to the funds raised via the SPP, the Company's major shareholder, SinoTech (Hong Kong) Corporation Limited ("SinoTech") has accepted an offer to take up a placement of 5.555 million fully paid ordinary shares in Enterprise (under the Company's available ASX Listing Rule 15% capacity) also at \$0.018 per share raising a total of \$100,000. SinoTech has confirmed that it will not be participating in the SPP.

ENTERPRISE METALS LIMITED

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AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the next page.

This report is made in accordance with a resolution of Directors.



Dermot Ryan

Managing Director

Perth, 15 March 2016

Level 1
10 Kings Park Road
West Perth WA 6005

Correspondence to:
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

**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 review of Enterprise Metals Limited for the half-year ended 31 December 2015, 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 review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

MARetic

M A Petricevic
Partner - Audit & Assurance

Perth, 15 March 2016

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ENTERPRISE METALS LIMITED

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

		Half-year	
	Note	2015 \$	2014 \$
REVENUE			
Interest received		5,387	11,983
Other income		21,754	54,434
EXPENDITURE			
Accounting and audit fees		(9,599)	(25,362)
Share registry and listing fees		(33,571)	(47,925)
Employee benefits expense		(43,332)	(74,766)
Corporate and consulting fees		(62,838)	(162,732)
Computers and software		(8,234)	(10,800)
Depreciation		(19,888)	(43,099)
Insurance		(12,069)	(14,067)
Investor relations		(7,935)	(6,669)
Legal fees		(1,000)	(7,040)
Office equipment and supplies		-	(545)
Office rental expense		(10,498)	(87,871)
Travel and accommodation		(5,415)	(13,632)
Impairment of available for sale financial assets		-	(67,500)
Impairment of capitalised exploration expenses	3	(1,758,345)	(1,628,136)
Other expenses		(37,350)	(25,384)
		(1,982,933)	(2,149,111)
(LOSS) BEFORE INCOME TAX EXPENSE			
Income tax expense		-	-
		(1,982,933)	(2,149,111)
(LOSS) FOR THE HALF-YEAR			
OTHER COMPREHENSIVE INCOME			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Changes in the fair value of available-for-sale financial assets		11,500	-
Reclassification of financial assets to profit or loss		-	(162,000)
OTHER COMPREHENSIVE INCOME, NET OF TAX		11,500	(162,000)
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF ENTERPRISE METALS LIMITED		(1,971,433)	(2,311,111)
Basic and diluted (loss) per share (cents per share)		(0.7)	(0.8)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

ENTERPRISE METALS LIMITED

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	Note	31 December 2015 \$	30 June 2015 \$
CURRENT ASSETS			
Cash and cash equivalents		255,568	304,111
Trade and other receivables		93,344	183,840
TOTAL CURRENT ASSETS		348,912	487,951
NON-CURRENT ASSETS			
Available-for-sale financial assets		357,000	345,500
Plant and equipment		25,473	17,937
Intangible assets		-	27,424
Exploration and evaluation	3	7,467,802	8,641,918
Other assets	4	32,613	23,846
TOTAL NON-CURRENT ASSETS		7,882,888	9,056,625
TOTAL ASSETS		8,231,800	9,544,576
CURRENT LIABILITIES			
Trade and other payables		252,593	301,541
TOTAL CURRENT LIABILITIES		252,593	301,541
TOTAL LIABILITIES		252,593	301,541
NET ASSETS		7,979,207	9,243,035
EQUITY			
Issued capital	5	29,742,398	29,110,501
Reserves		6,106,655	6,019,447
Accumulated losses		(27,869,846)	(25,886,913)
TOTAL EQUITY		7,979,207	9,243,035

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

ENTERPRISE METALS LIMITED

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Note	Issued Capital \$	Options Reserve \$	Available-for- Sale Financial Assets Reserve \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2014		28,760,278	6,019,447	162,000	(18,546,396)	16,395,329
Loss for the half-year		-	-	-	(2,149,111)	(2,149,111)
OTHER COMPREHENSIVE INCOME						
Other comprehensive income		-	-	(162,000)	-	(162,000)
TOTAL COMPREHENSIVE INCOME		-	-	(162,000)	(2,149,111)	(2,311,111)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:						
Shares issued during the period		369,000	-	-	-	369,000
Costs of share issue		(18,777)	-	-	-	(18,777)
BALANCE AT 31 DECEMBER 2014		29,110,501	6,019,447	-	(20,695,507)	14,434,441
BALANCE AT 1 JULY 2015		29,110,501	6,019,447	-	(25,886,913)	9,243,035
Loss for the half-year		-	-	-	(1,982,933)	(1,982,933)
OTHER COMPREHENSIVE INCOME						
Other comprehensive income		-	-	11,500	-	11,500
TOTAL COMPREHENSIVE INCOME		-	-	11,500	(1,982,933)	(1,971,433)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:						
Shares issued during the period		731,183	-	-	-	731,183
Options issued during the period		(75,708)	75,708	-	-	-
Costs of share issue		(23,578)	-	-	-	(23,578)
BALANCE AT 31 DECEMBER 2015		29,742,398	6,095,155	11,500	(27,869,846)	7,979,207

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Half-year	
	2015	2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	5,667	13,904
Other income	26,038	52,256
Payments to suppliers and employees	(293,463)	(456,254)
Net cash used in operating activities	(261,758)	(390,094)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure	(413,208)	(1,424,842)
Proceeds from deposits expired	-	60,000
Net cash used in investing activities	(413,208)	(1,364,842)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	650,000	369,000
Payments of share issue transaction costs	(23,577)	(54,777)
Net cash provided by financing activities	626,423	314,223
Net (decrease)/increase in cash and cash equivalents	(48,543)	(1,440,713)
Cash and cash equivalents at the beginning of the period	304,111	1,960,437
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	255,568	519,724

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

ENTERPRISE METALS LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This consolidated interim financial report for the half-year reporting period ended 31 December 2015 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by Enterprise Metals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Going Concern

The financial statements have been prepared on a going concern basis which the Directors believe to be appropriate. The Directors are confident that the Group will be able to maintain sufficient levels of working capital to continue as a going concern and continue to pay its debts as and when they fall due.

For the period ended 31 December 2015, the Group incurred a loss before tax of \$1,982,933 (31 December 2014: loss of \$2,149,111) including a non-cash impairment charge relating to exploration expenditure of \$1,758,345 (31 December 2014: \$1,628,136). For the half year ended at 31 December 2015, the Group incurred net operating cash outflows of \$261,758 (31 December 2014: outflow of \$390,094)

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The going concern of the Group is dependent upon it maintaining sufficient funds for its operations and commitments. The Directors continue to be focused on meeting the Group's business objectives and is mindful of the funding requirements to meet these objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- Raising additional capital via capital raisings subsequent to the period end (Refer to note 9);
- The current cash of the Group relative to its fixed and discretionary commitments;
- The contingent nature of certain of the Groups' project expenditure commitments, which were \$694,000 at 31 December 2015 (30 June 2015: \$829,353);
- The ability of the Group to be receive rebates from research and development and other government grants;
- The underlying prospects for the Group to raise funds from the capital markets; and
- The fact that future exploration and evaluation expenditure are generally discretionary in nature (ie. at the discretion of the Directors having regard to an assessment of the progress of works undertaken to date and the prospects for the same). Subject to meeting certain expenditure commitments, further exploration activities may be slowed or suspended as part of the management of the Group's working capital. The Group also expects to be able to claim exemptions from expenditure for a number of the Group's areas of interest due to past expenditure.
- The directors have provided their support to the Group by undertaking to not call upon the company for payment of outstanding fees until the Group is in a position to repay.

Accordingly, the Directors believe that subject to prevailing equity market conditions, the Group will obtain sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

Should the Group be unable to undertake the initiatives disclosed above, there is a material uncertainty which may cast significant doubt as to whether or not the Group will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

ENTERPRISE METALS LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

Going Concern (continued)

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

New and amended standards adopted by the Group

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australia Accounting Standards Board (AASB) that are relevant to its operations and effective for the current half year reporting period. These include:

- Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Part C: Financial Instruments)
- AASB 2014-1 Amendments to Australian Accounting Standards (Part E: Financial Instruments)
- AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010)
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality
- AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent

The adoption of all of the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has had no effect on the amounts reporting for the current or prior periods.

Impact of standards issued but not yet applied by the Group

There are no standards that are not yet effective and that are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. The Group has not early adopted any of the standards, interpretations or amendments that have been issued but are not yet effective.

Comparatives

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

NOTE 2: SEGMENT INFORMATION

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.

ENTERPRISE METALS LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3: EXPLORATION AND EVALUATION

	31 December 2015	30 June 2015
	\$	\$
Exploration and evaluation	7,467,802	8,665,764
Balance at end of period	7,467,802	8,665,764

	31 December 2015	30 June 2015
	\$	\$
Balance at beginning of period	8,641,918	14,203,319
Exploration expenditure	584,229	1,149,419
Tenements sold to unrelated party	-	(400,000)
Transfer to other assets	4	(23,846)
Impairment of capitalised exploration expenses	(1,758,345)	(6,286,974)
Balance at end of period	7,467,802	8,641,918

The Directors' assessment of the carrying amount for the Company'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 Company'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 Company's interests in these exploration properties for an amount at least equal to the carrying value. There may exist on the Company'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 Company's exploration properties or areas within the tenements may be subject to exploration and mining restrictions.

During the current period impairment of \$1,758,345 (30 June 2014: \$6,286,974) was recognised due to the surrender of tenements.

NOTE 4: OTHER ASSETS

	31 December 2015	30 June 2015
	\$	\$
Prepaid tenement rent	32,613	23,846
Balance at end of period	32,613	23,846

The above amounts relate to prepaid application fees for tenements which have not yet been granted to the Company.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5: ISSUED CAPITAL

	31 December 2015	30 June 2015	
	\$	\$	
296,745,104 (30 June 2015: 274,508,276) Fully paid ordinary shares	29,742,398	29,110,501	
	31 December 2015	31 December 2015	30 June 2015
	Shares	\$	Shares
			30 June 2015
			\$
Balance at beginning of period	274,508,276	29,110,501	265,595,776
Issues of ordinary shares during the half-year			28,760,278
20,176,971 shares at \$0.033 on 11 August 2015	20,176,971	665,840	-
1,916,666 shares at \$0.032 on 9 December 2015	1,916,666	61,333	-
143,191 shares at \$0.028 on 9 December 2015	143,191	4,009	-
312,500 shares at \$0.08 on 6 October 2014	-	-	312,500
8,600,000 shares at \$0.04 on 24 December 2014	-	-	8,600,000
Share issue costs	-	(99,285)	-
	296,745,104	29,742,398	274,508,276
			29,110,501

Refer to note 8 for share issues to Directors and related parties.

	31 December 2015	30 June 2015
	Number	Number
Movement in options on issue		
At the beginning of the reporting period	36,262,500	72,575,000
Issued during the year:		
Exercisable at 5 cents, on or before 10 August 2017	2,000,000	-
Exercised during the year:		
Exercisable at 8 cents, on or before 30 November 2016	-	(312,500)
Expired during the year		
Exercisable at 22.2 cents, on or before 12 July 2014	-	(36,000,000)
Exercisable at 17.7 cents, on or before 11 September 2015	(7,600,000)	-
At reporting date	30,662,500	36,262,500

The total fair value of the options issued during the period is \$75,708, which has been treated as capital raising costs for the period. The options issued during the reporting period were valued using the Black-Scholes option valuation methodology with the following inputs:

Date Granted	Number of Options	Exercise Price	Expiry Date	Risk Free Rate	Volatility	Total Option Value (1)
10 August 2015	2,000,000	5 cents	10 August 2017	3.64%	162%	3.7 cents

(1) Volatility was based on historical price information.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6: CONTINGENCIES

The Company has no contingencies in place at the reporting date.

NOTE 7: FAIR VALUE

Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices); and
- Level 3: inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The Group's financial assets are measured using level 1 inputs and are recognised at fair value based on listed market prices for the shares held at 31 December 2015. There has been no change to this methodology (apart from changes in quote prices at balance dates) from 30 June 2015.

NOTE 8: RELATED PARTY TRANSACTIONS

On 9 December 2015 Enterprise Metals Limited issued 1,500,000 fully paid ordinary shares to Director Dr Trench and a nominee of Dr Wang in lieu of 50% of outstanding Directors' fees for the period 1 January 2015 to 31 December 2015.

NOTE 9: SUBSEQUENT EVENTS

On 17 February 2016, the Company announced to the ASX that the Company was offering to eligible shareholders new ENT shares at an issue price of \$0.018 per new ENT share by way of a Shareholder Purchase Plan (SPP) to raise up to \$500,000, this represents an approximately 20% discount to the 20 day VWAP of ENT shares. On 9 March 2016 the SPP was extended to the 21 March 2016 to provide additional time to shareholders to apply for shares under the plan. The SPP is progressing well with funds raised to be applied towards exploration work at the Company's exploration projects, including ground EM surveying at the Ruby Prospect at Doolgunna, to be followed by drill testing where appropriate, and to cover the costs of the capital raising and provide working capital.

In addition to the funds raised via the SPP, the Company's major shareholder, SinoTech (Hong Kong) Corporation Limited ("SinoTech") has accepted an offer to take up a placement of 5.555 million fully paid ordinary shares in Enterprise (under the Company's available ASX Listing Rule 15% capacity) also at \$0.018 per share raising a total of \$100,000. SinoTech has confirmed that it will not be participating in the SPP.

No other matter or circumstance has arisen since 31 December 2015, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

ENTERPRISE METALS LIMITED

31 DECEMBER 2015

DIRECTORS' DECLARATION

In the Directors' opinion:

1. the financial statements and notes set out on pages 8 to 17 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with AASB 134: Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Enterprise Metals Limited 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 Directors.



Dermot Ryan
Managing Director

Perth, 15 March 2016

Level 1
10 Kings Park Road
West Perth WA 6005

Correspondence to:
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

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

We have reviewed the accompanying half-year financial report of Enterprise Metals Limited (“the Company”), which comprises the consolidated financial statements being the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’s end or from time to time during the half-year.

Directors’ responsibility for the half-year financial report

The directors of Enterprise Metals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001: including giving a true and fair view of the consolidated entity’s financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Enterprise Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Enterprise Metals Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material uncertainty regarding continuation as a going concern

Without qualifying our conclusion, we draw attention to Note 1 in the financial report which indicates that the entity incurred a net loss of \$1,982,933 and cash outflows from operating activities of \$261,758 for the period ended 31 December 2015. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M A Petricevic
Partner - Audit & Assurance

Perth, 15 March 2016