

28 April 2016

**MARCH 2016 QUARTERLY ACTIVITIES REPORT**

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**BOARD OF DIRECTORS**

Dr Jingbin Wang  
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Mr Dermot Ryan  
Managing Director

Dr Allan Trench  
Non-Executive Director

**COMPANY SECRETARY**

Mrs Susan Hunter

**CHIEF FINANCIAL OFFICER**

Mr Arron Canicais

**PROJECTS**

Copper/Zinc/Gold  
Doolgunna

Nickel/Copper  
Fraser Range

Gold/Copper/Zinc  
Darlot  
Yalgoo

**PROJECT HIGHLIGHTS**

**Doolgunna Cu-Zn (Au) (ENT 100%)**

- RC hole VWRC001 tested Vulcan West EM target in December 2015.
- Down Hole EM surveying in early 2016 has led to planning of an additional RC hole 130m along strike from VWRC001.

**Darlot Cu-Zn (Au)**

- IGO formally withdrew from the Joint Venture on 29<sup>th</sup> March 2016.
- Detailed review of data supplied by IGO on withdrawal shows anomalous Cu/Zn aircore geochemistry and near co-incident MLEM conductors at Jarrah Well Prospect, and highly anomalous Ni-Cu-PGE values in aircore drill samples at Waroonga Well Prospect.

**Fraser Range Ni-Cu (ENT 30%, AON 70%)**

- Apollo Minerals Ltd completed ground Moving Loop EM surveys at Plato and Oceanus prospects in late 2015.
- Apollo announced on 1st March 2016 that modelling and interpretation had located a significant conductor north of Plato.

**Corporate**

- On 31st March 2016 the Company raised \$216,000 under the completed SPP and issued 11,999,986 fully paid ordinary ENT shares at 1.8 cents per share to existing holders.
- ENT's cash position at 31<sup>st</sup> March 2016 was \$359,000.
- Post 31<sup>st</sup> March 2016, a further \$115,000 was raised via a \$100,000 placement from ENT's major shareholder SinoTech Minerals and a \$15,000 placement from an existing ENT sophisticated investor.
- Other liquid assets at 31<sup>st</sup> March 2016 include:
  - 13.5m shares in Enterprise Uranium Limited (ASX: ENU): \$270,000
  - 2.0 m shares Apollo Minerals Limited (ASX: AON): \$ 48,000
- Following ENU's announcement on 23<sup>rd</sup> March 2016 of the acquisition of the Sandstone Gold Project in WA, ENU's share price increased substantially. At close of trade on 27<sup>th</sup> April 2016, Enterprise's 17.45% shareholding in ENU was valued at \$945,000.



SUMMARY OF EXPLORATION ACTIVITIES

DOOLGUNNA PROJECT

In November 2015, geophysical contractor Vortex Pty Ltd acquired MLEM data over the Vulcan-Goodins area north of Doolgunna Homestead. The survey covered approximately 13 strike kilometres of the volcano-sedimentary stratigraphy of the Narracoota and Karalundi Formations, which hosts Sandfire Resources NL’s DeGrussa and Monty massive sulphide deposits.

The MLEM survey located a moderate to strong late time MLEM conductor on Line 17,200E and Line 17,400E. (ENT: ASX releases 22 October & 10 November 2015). The location of the survey and the Vulcan West conductor is shown in Figures 1 & 2 below.

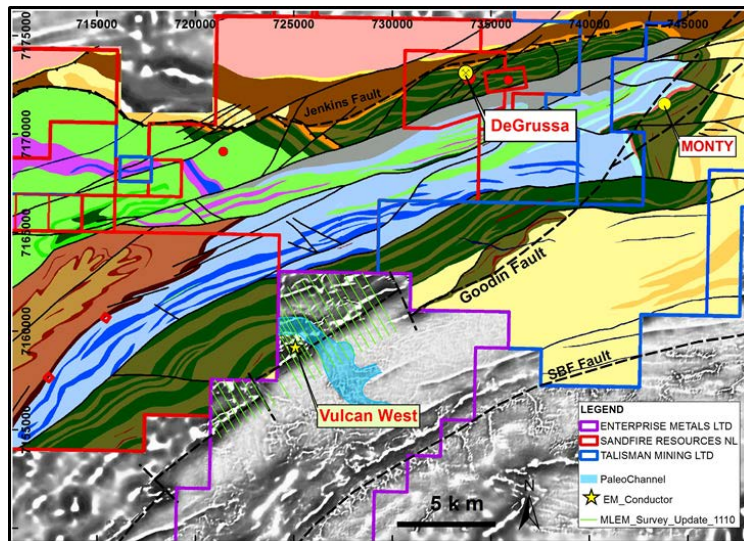


Figure 1. Location & Geology Plan showing Vulcan-West EM Target

A weak conductive EM trend extending across 6 lines (20,000E – 22,000E) was also identified in profiles south east of the Vulcan surface geochemical anomaly. (Red dots in Figure 2)

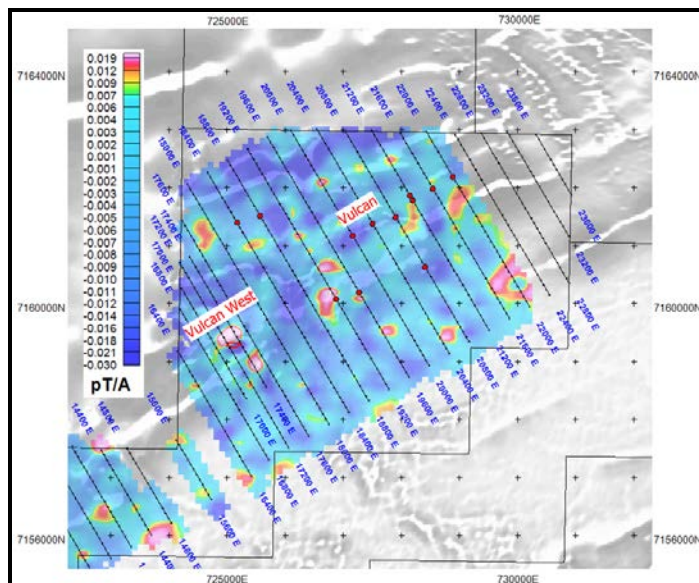


Figure 2. Late time Channel 32 (101.4 msec) Image gridded at 100m grid cell size, overlain on 1<sup>st</sup> VD Magnetic Image. Red dots are weak conductive responses.

In December 2015 drill hole VWRC001 was collared to test the Vulcan West EM anomaly. The hole intersected a 64m thick (downhole) zone of alteration consisting of interbedded green-grey coloured shale and fine-grained dolerite, with red jasper occurring in or at the boundary with shale. Locally minor pyrite (~0.1-1%) and trace chalcopyrite (~0.1%) were associated with the red jasper. The dolerite showed weak-medium-strong chlorite-epidote alteration. The hole then entered a 40m thick zone of finely laminated sulphide-rich (~5% - 20%) black shale and minor dolerite. The sulphides were dominantly pyrite and pyrrhotite. At the contact between the altered mafic zone and the sulphidic sediments, one 4m composite sample assayed 1,510ppm Cu (from 252 metres). (refer ENT: ASX release 29<sup>th</sup> January 2016)

In February 2016 Vortex completed a down hole electromagnetic (DHEM) survey on VWRC001 and the DHEM data was processed by geophysical consultants Terra Resources. The calculated strike length for the rotated modelled plate is ~200m. This 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. (refer ENT: ASX release 19 February 2016)

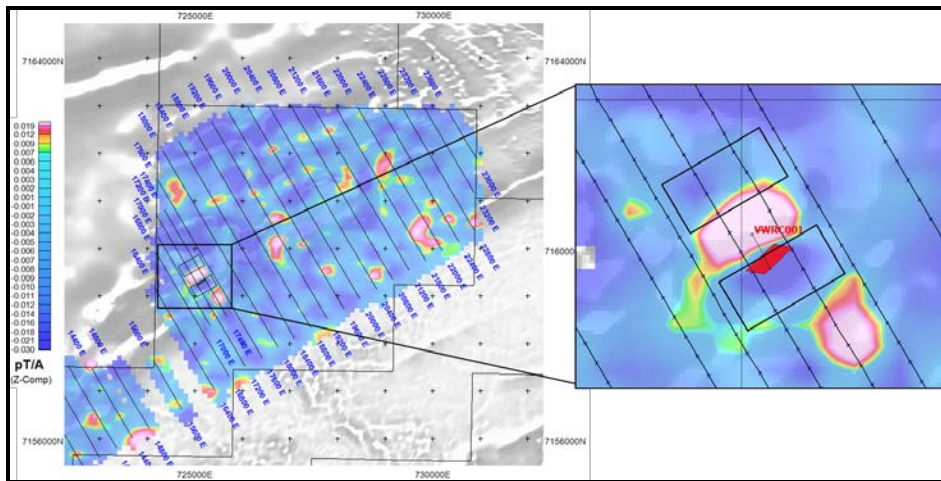


Figure 3. 2015 MLEM Lines & Modelled Vulcan West Conductor. Inset: Plan View of DHEM Loops and Drill hole VWRC001 over MLEM Channel 32 (101.4 msec) Image.

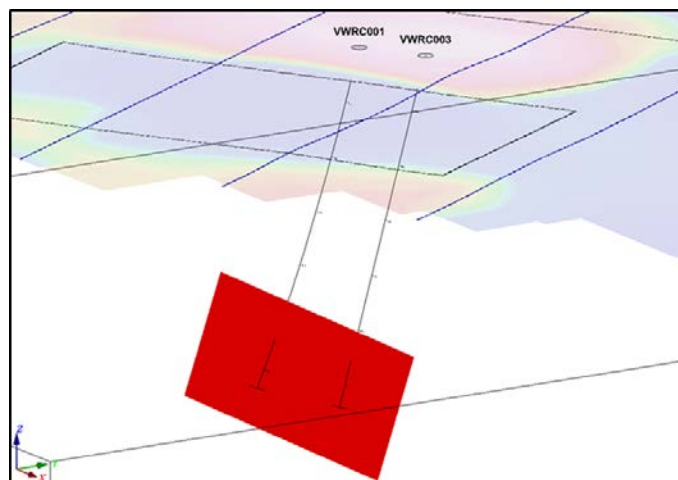


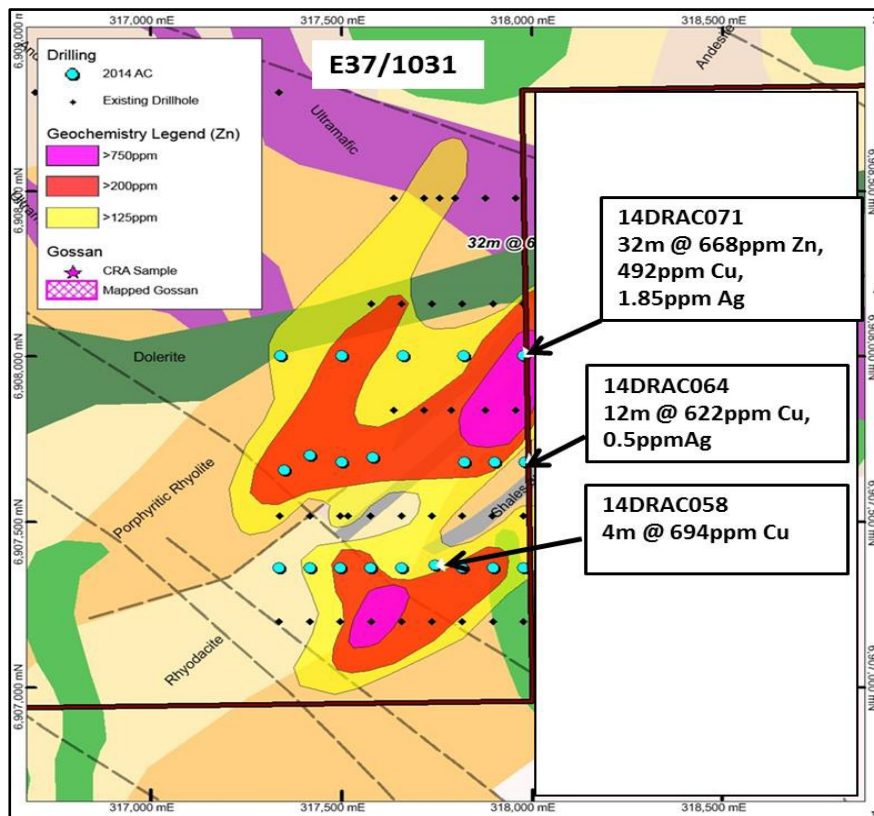
Figure 4. Isometric Projection of Modelled Plate from DHEM data, with drill hole VWRC001 and proposed second RC hole.

**DARLOT PROJECT**

At the end on March 2016, Independence Group NL (IGO) formally withdrew from Enterprise’s Darlot Project with no retained interest save for a 2% Net Smelter Royalty (NSR) on E37/1031. This tenement covers the Jarrah Well Cu/Zn target as defined by IGO.

During 2014 IGO completed reconnaissance aircore drilling programs over several Cu/Zn and Ni/Cu prospects within the Darlot JV area, and follow up drilling was undertaken at the Jarrah Well and 20Ft prospects in 2015. MLEM surveys were also conducted. (refer ENT: ASX release 6 April 2016)

At the Jarrah Well Prospect, 94 aircore drill holes (for 3,355m) and MLEM surveys (6 lines at 200m line spacing, 9.35km total) were completed. The MLEM survey delineated a number of anomalous conductive responses coincident with aircore Cu/Zn geochemical anomalies.



**Figure 5. Location of 2014 AC Drilling (blue circles) at the Jarrah Well Prospect.**

At the Waroonga Well Prospect, a single traverse of six aircore drill holes (for 565m) and a MLEM survey were completed. The prospect was first tested in the mid 1990’s by Western Mining Corporation (WMC) when they completed a series of shallow RC holes targeting gold. WMC hole MVMC180 intersected 2m @ 0.5% Cu & 0.5% Ni in cumulate ultramafic. Several of the IGO holes intersected highly anomalous Ni-Cu-PGE values, including:

- Hole 14DRAC001:** 8m @ 781ppm Ni, 972ppm Cu & 575ppm Cr from 84m.
- Hole 14DRAC002:** 56m @ 0.26% Ni & 28ppb Pt-Pd from 24m,  
Inc. 12m @ 0.46% Ni, 0.42% Cr, 30ppb Pt-Pd & 517ppm Zn from 28m.

Geological observations indicate that the Ni-Cu anomaly at Waroonga Well is hosted within a medium-grained, serpentinite-chlorite-epidote cumulate ultramafic with trace disseminated and blebby sulphides. The unit is clearly identified as a high-amplitude, NNE-trending, linear feature in aeromagnetic data, has not been fully tested by previous drilling, and requires further drill testing.

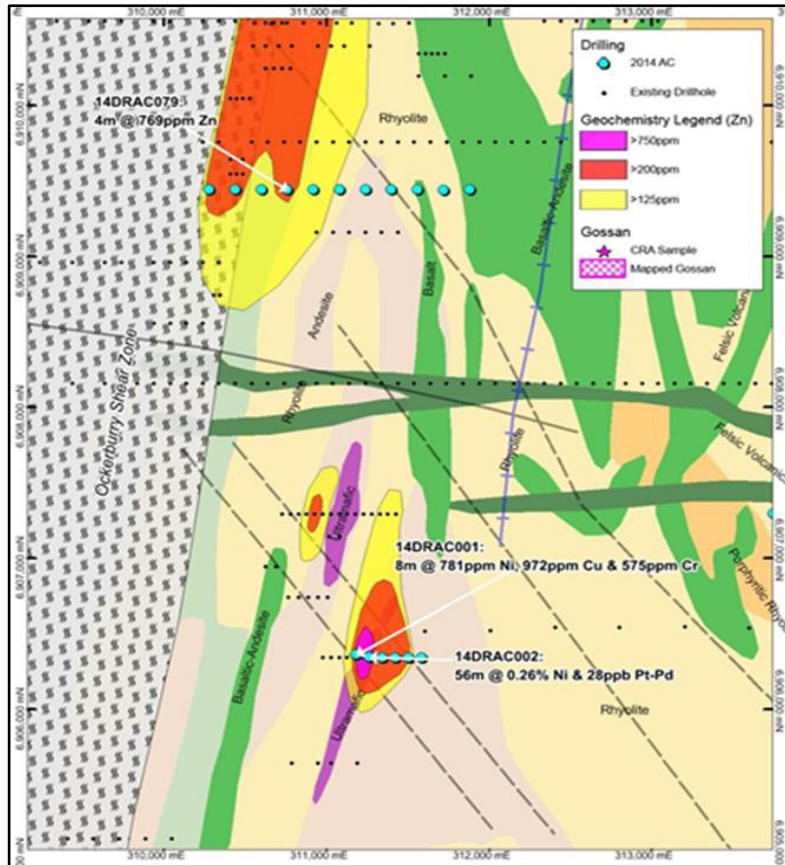


Figure 6. IGO AC Drill holes (blue circles) at the Waroonga & Overland Well Prospects

## FRASER RANGE PROJECT

The Fraser Range Project is located within the Albany-Fraser Orogen approximately 100km east of Norseman. The Project is considered prospective for copper/nickel and gold mineralisation and covers the core of the Fraser Range gravity feature, which defines the prospective nickel-copper belt containing Independence Group NL's (ASX: IGO) Nova deposit.

Fraser Range Exploration Pty Ltd ("FRE") a wholly owned subsidiary of Apollo Minerals Ltd, holds a 70% beneficial interest in Enterprise's granted Exploration Licences 63/1281, 63/1282 and 28/2403, and Exploration Licence application 63/1695. Apollo is sole funding and managing all exploration to completion of Bankable Feasibility Study (BFS) on any discovery. Upon completion of a BFS and delineation of a mining area, the JV parties will contribute proportionally to the development of the Project towards mining.

During the December 2015 Quarter, Apollo completed high powered MLEM surveys at Plato and Oceanus, and in March 2016 they announced that three bedrock conductors had been identified from inversion and 3D modelling of the Plato MLEM data by Computational Geoscience Inc of

Canada. (AON: ASX release 1 March 2016)

## ENTERPRISE METALS' INVESTMENT IN ENTERPRISE URANIUM LIMITED

Enterprise Metals Limited holds approximately 17.45% (13.5 million shares) of the issued capital in Enterprise Uranium Limited (ASX: ENU).

On 29<sup>th</sup> March 2016, ENU announced that it had entered into a share sale and purchase agreement to acquire all of the issued capital of privately owned Sandstone Exploration Pty Ltd. Sandstone's only asset, the Sandstone Gold Project, is located approximately 600km northeast of Perth in the East Murchison Mineral Field in Western Australia and is centred on the small township of Sandstone. (Refer Figure 7 below)

### Sandstone Gold Project

Since the discovery of gold at the end of the 19<sup>th</sup> Century, the Sandstone Greenstone Belt has produced approximately 1 million ounces of gold from numerous underground and open pit mining operations. Of this, some 612,000 ounces was produced between 1999 and 2010 from the open-pit mining of shallow oxide ore by ASX listed companies Herald Resources Ltd and Troy Resources Ltd.

The numerous former open pits, prospects and gold occurrences being acquired by Enterprise Uranium Ltd include Lord Nelson, Lord Henry, Havilah, Bull Oaks Reef, Vanguard, Ladybird, Maninga Marley, Sandstone North, Oroya, Tiger Moth, Musketeer, Piper and Bulchina.

On the basis that Sandstone's tenement applications are granted, ~75% of the Sandstone Greenstone Belt will for the first time have no encumbrances other than pursuant to the terms of the agreement with the two vendors of Sandstone's share capital.

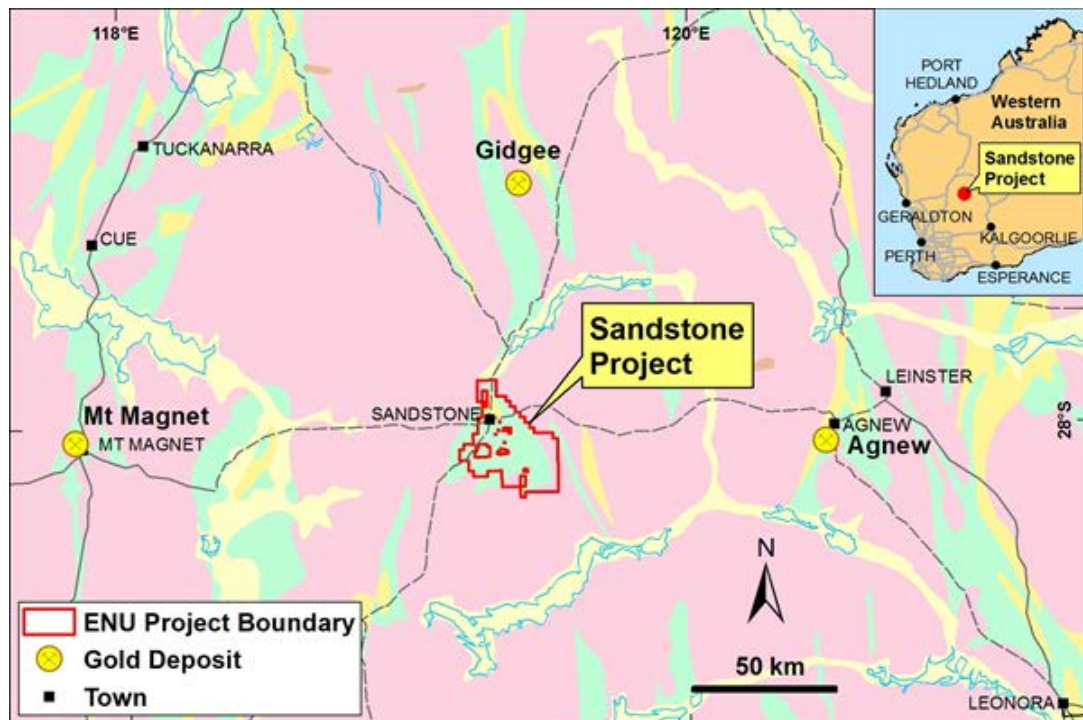
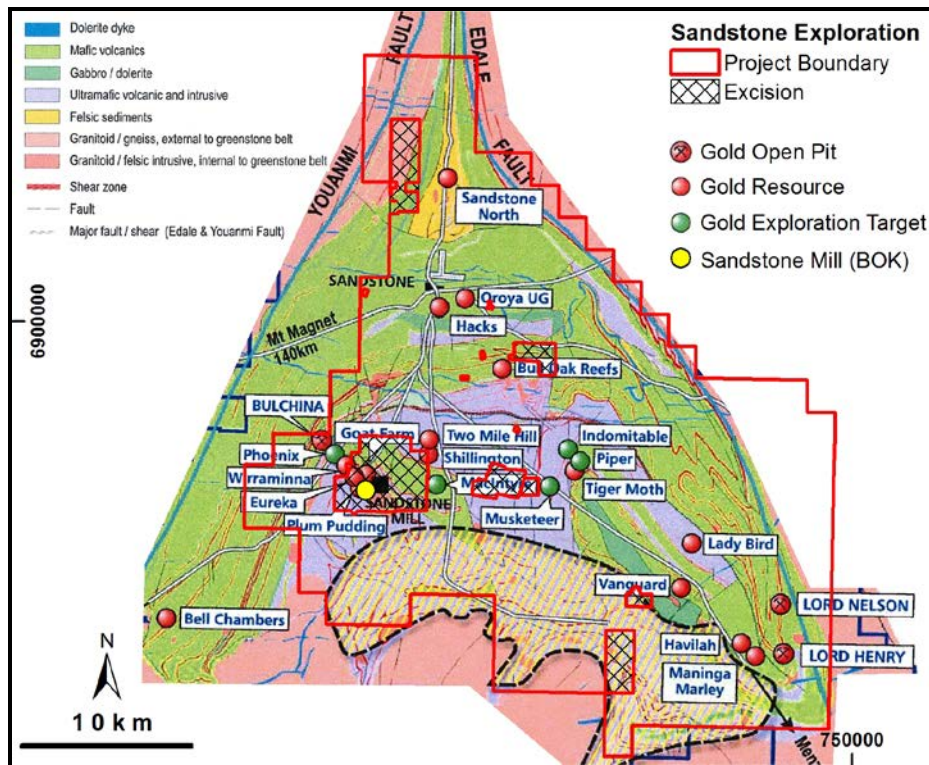


Figure 7. Location Plan: Sandstone Gold Project

The Sandstone Gold Project excludes Mining Leases 57/128 and 57/129 owned by Black Oak Minerals Ltd (ASX: BOK, *In Liquidation*) which contains some deep gold mineralisation and the former Troy 600,000tpa Sandstone Mill (Refer Figure 8, Exclusion Zone).



**Figure 8. Sandstone Gold Project Tenure Outline and Gold Occurrences Over Troy Resources Ltd Geological Interpretation**

Modern exploration at Sandstone was largely focussed on finding shallow oxide ore to feed the Herald/Troy mill at a time when the Australian dollar gold price was lower than it is today. ENU considers the current robust Australian gold price and competitive cost environment will enable it to consider, following a reappraisal of existing data and planned new work, several areas for early mining. In addition to gold, there is evidence from previous exploration programs that the area is also prospective for komatiite hosted nickel-copper sulphide deposits.

Given that Enterprise Uranium Ltd has announced that its first priority will be to delineate relatively shallow oxide gold mineralisation that can be economically mined and trucked to one of several gold treatment facilities in the region, Enterprise Metals Ltd believes that it has a valuable strategic shareholding in ENU. Enterprise’s investment in ENU is valued at **\$877,500** at the date of this report (28<sup>th</sup> April 2016).

**ENT ISSUED CAPITAL AT 31 MARCH 2016**

Ordinary Shares	308,745,090	
Unlisted Options	Exercise Price	Expiry Date
2,000,000	\$0.05	10/08/2017
16,662,500	\$0.08	30/11/2016
12,000,000	\$0.10	15/6/2016

## CASH POSITION

Cash position at 31<sup>st</sup> March 2016: \$359,000\*

\*A further \$115,000 was deposited to the bank post 31<sup>st</sup> March 2016, being proceeds of a \$100,000 placement from ENT's major shareholder SinoTech Minerals and a \$15,000 placement from an existing sophisticated investor in ENT

### Other liquid assets at 31<sup>st</sup> March 2016:

13.5 million shares in ASX listed Enterprise Uranium Limited (ASX: ENU): \$270,000\*\*  
2.0 million shares in ASX listed Apollo Minerals Limited (ASX: AON): \$ 48,000

\*\*Following the announcement by ENU on 23<sup>rd</sup> March 2016 of the acquisition of the Sandstone Gold Project, the price of ENU shares increased substantially on relatively thin trading. At the close of trading on 27<sup>th</sup> April 2016, Enterprise's investment in ENU was valued at approximately \$945,000.

## CORPORATE

On 17<sup>th</sup> February 2016, the Company announced to the market a Share Purchase Plan (SPP) to raise up to \$500,000 and a simultaneous planned Placement to the Company's largest shareholder SinoTech Minerals to raise \$100,000. The funds were being raised to continue exploration for copper and gold at the Company's Doolgunna Project, newly granted tenements at its Yalgoo Project and for working capital purposes.

On 31<sup>st</sup> March 2016 the Company raised \$216,000 under the completed the SPP and issued 11,999,986 fully paid ordinary ENT shares at 1.8 cents per share to existing holders.

On 21<sup>st</sup> April 2016, the Company announced that it had raised \$115,000 through the issue of an additional 6,388,889 fully paid ordinary shares in the Company, via the \$100,000 placement from SinoTech and a further \$15,000 from a sophisticated and existing professional shareholder of the Company. Following this placement, ENT now has a total of 315,133,979 shares on issue.

The combined amount raised under the Share Purchase Plan and the placement was \$331,000.



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

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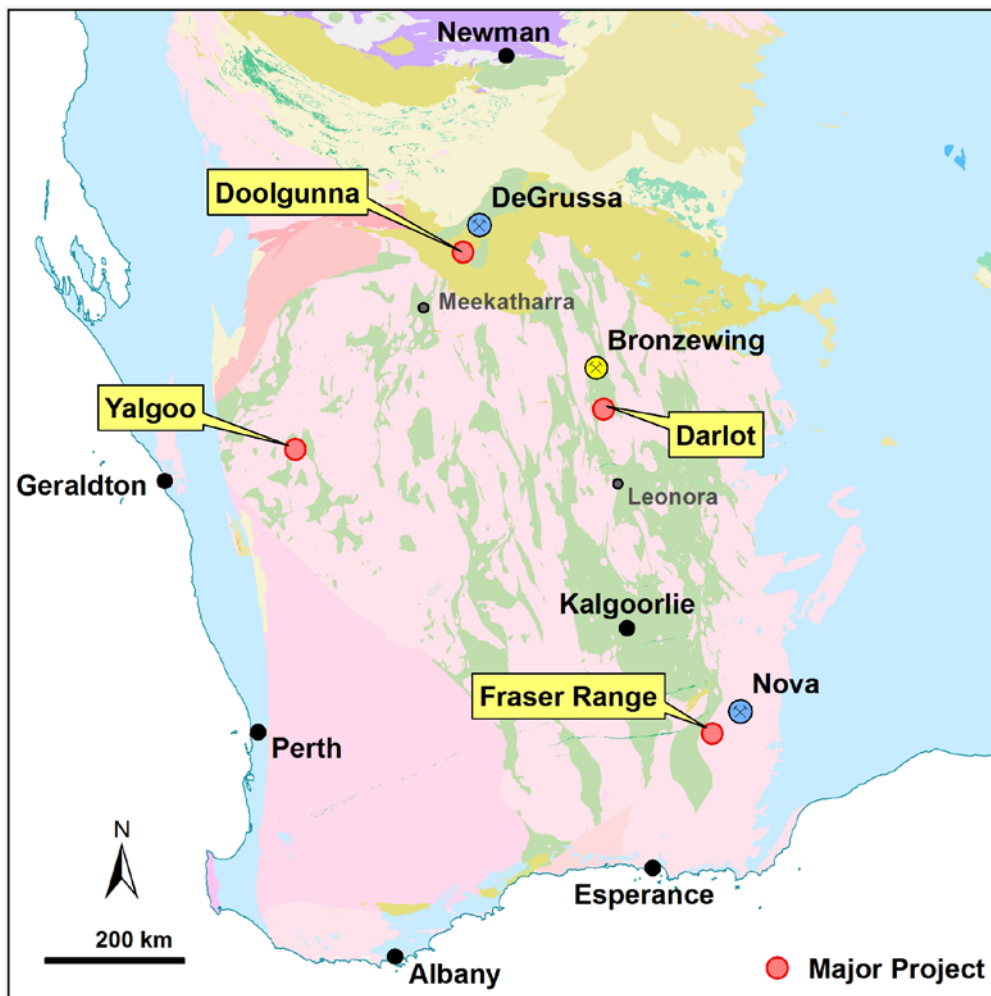


**Competent Persons statements**

The information in this report that relates to 2015 & 2016 Geophysical Exploration Results at Doolgunna is based on information compiled by Mr Barry Bourne, who is employed as a Consultant to the Company through geophysical consultancy Terra Resources Pty Ltd. Mr Bourne is a fellow of the Australian Institute of Geoscientists and a member of the Australian Society of Exploration Geophysicists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bourne consents to the inclusion in the report of matters based on information in the form and context in which it appears.

The information in this report that relates to non-geophysical Exploration Results is based on information compiled by Mr Dermot Ryan, who is an employee of Xserv Pty Ltd and a Director and security holder of the Company. Mr Ryan is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ryan consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

**PROJECT LOCATIONS WESTERN AUSTRALIA  
31 March 2016**



**TENEMENT SCHEDULES  
ENTERPRISE METALS LTD AND ITS 100% OWNED SUBSIDIARIES,  
ON A CONSOLIDATED BASIS**

**APPENDIX 1: ENT 100% Owned Tenements at 31 March 2016**

Project	Lease	ENT Interest	State	Status
Doolgunna	E51/1079	100%	WA	Granted
Doolgunna	E51/1168	100%	WA	Granted
Doolgunna	E51/1301	100%	WA	Granted
Doolgunna	E51/1303	100%	WA	Granted
Doolgunna	E51/1304	100%	WA	Granted
Doolgunna	E51/1539	100%	WA	Granted
Doolgunna	E52/2049	100%	WA	Granted
Doolgunna	E51/1683	100%	WA	Application
Doolgunna	E52/3347	100%	WA	Application
Fraser Range	E63/1283	100%	WA	Granted
Darlot	E37/1112	100%	WA	Granted
Darlot	E37/1185	100%	WA	Granted
Darlot	E37/1105	100%	WA	Granted
Darlot	E36/768	100%	WA	Granted
Darlot	E37/1031	100%	WA	Granted
Darlot	E37/927	100%	WA	Granted
Darlot	E37/947	100%	WA	Granted
Darlot	E36/778	100%	WA	Granted
Yalgoo	E59/2076	100%	WA	Granted
Yalgoo	E59/2091	100%	WA	Granted

**APPENDIX 2: Darlot JV Tenements at 31 March 2016**

Project	Lease	ENT Interest	Rudd-Gianni Interest	State	Status
Darlot	E36/706	80%*	20%	WA	Granted
Darlot	E37/859	80%*	20%	WA	Granted

\* ENT registered holder of 80% interest, with Allan Rudd & Peter Gianni jointly holding a 20% free carried interest to completion of any Bankable Feasibility Study.

**APPENDIX 3: Fraser Range Joint Venture Tenements at 31 March 2016**

Project	Lease	ENT Interest*	AON Interest	State	Status
Fraser Range	E63/1281	30%	70%	WA	Granted
Fraser Range	E63/1282	30%	70%	WA	Granted
Fraser Range	E63/1695	30%	70%	WA	Application
Fraser Range	E28/2403	30%	70%	WA	Granted

\*ENT registered holder of 100% interest, but awaiting Transfer of 70% interest to Apollo Minerals Ltd, with ENT 30% free carried to completion of any Bankable Feasibility Study.