Enterprise Metals Limited

ACN 123 567 073

2016 Annual Report

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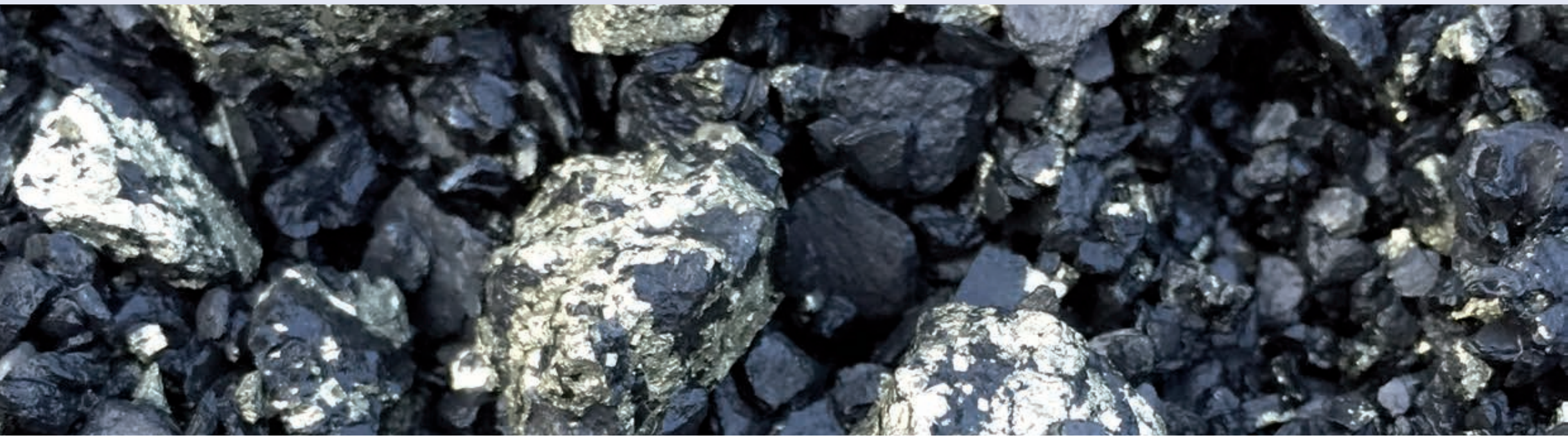

Corporate Directory

Directors

Dr Allan Trench - Non-Executive Chairman
Dermot Ryan - Managing Director
Dr Zhijun He - Non-Executive Director

Company Secretary

Sam Middlemas
Email: smiddlemas@enterprisemetals.com.au

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Suite 23, 18 Stirling Highway
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Telephone: +61 8 9389 1102
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Auditor

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Level 1, 10 Kings Park Road
WEST PERTH WA 6005
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Share Registry

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PERTH WA 6000

Australian Securities Exchange:

ASX Code – ENT

In June 2015 Sandfire Resources NL (ASX: SFR) announced the discovery of the Monty high grade massive sulphide copper deposit north-east along strike from Enterprise's Doolgunna - Vulcan prospect. As a result of this very significant discovery, the Company during the latter half of 2015 focussed its exploration efforts on several copper-zinc-gold targets at Doolgunna. Exploration on the Company's other major projects at Fraser Range and Darlot were managed and funded respectively by Apollo Minerals Ltd (ASX: AON) and Independence Group NL (ASX: IGO).

In late 2015 the Company completed an extensive high powered ground moving loop electromagnetic (MLEM) survey over the Vulcan area and a nine hole drilling program to test a large coincident geochemical/geophysical target at the Borg prospect. A number of the Borg holes intersected long intervals of laminated massive/semi-massive sulphides in carbonaceous shales. While the sulphides were predominantly pyritic in nature, traces of copper, lead and zinc sulphides were observed, and anomalous levels of base metal pathfinder elements were returned from assays. This base metal sediment hosted target requires further drill testing.

The Doolgunna-Vulcan MLEM survey identified a moderate to strong late time conductor at Vulcan West. In December 2015, a 40m thick zone of finely laminated sulphide rich (~5% - 20%) black shale and minor dolerite was intersected in hole VWRC001. A 5 metre zone from 251 to 256 metres averaged 0.17% Cu, 2.2ppm Mo and 0.87ppm Te, with a 1 metre result from 254 to 255 metres downhole of 0.5% Cu, 8.4ppm Mo and 2.7ppm Te. Although these values are not economic, the element association is believed to be typical of the DeGrussa and Monty VHMS style deposits and this zone is possibly the host unit for massive sulphide ore. The strike and down dip extent of this conductor remains untested by drilling.

Post the 30th June 2016, Sandfire Resources NL approached Enterprise and subsequently entered into a farm-in and joint venture agreement, which was announced to the market on 12th October 2016. Enterprise has now received 58,431 SFR shares as an entry fee, and Sandfire must spend a minimum of $1.5M on exploration over 2 years. After $1.5M has been spent, Sandfire has the option to sole fund exploration and earn a 75% interest in the project by discovering and defining Mineral Resources of at least 50,000 tonnes Cu metal or equivalent. Following this discovery, Enterprise and Sandfire would form a joint venture and fund their respective interests.

Following falling nickel prices, Independence Group NL cut its global exploration budget severely and withdrew from the Darlot joint venture in March 2016, with no retained interest save for a 2% Net Smelter Royalty (NSR) on one small exploration licence covering the Jarrah Well Cu/Zn prospect. The withdrawal by IGO has left Enterprise with some excellent base metal targets at Jarrah Well and Waroonga Well, and more importantly, the opportunity to undertake ground geophysics and drilling on a number of gold targets that have emerged from a review of data post IGO's withdrawal.

In the Fraser Range, Apollo Minerals Ltd is free-carrying Enterprise's 30% interest to completion of bankable feasibility stage on any discovery. If a bankable feasibility study is not completed and Apollo withdraws, it must return 100% ownership of the tenements to Enterprise. Apollo has undertaken MLEM surveys at Plato and Oceanus and announced that three bedrock conductors have been identified at Plato. Apollo has reported that anomalous surface soil geochemistry and adjacent Enterprise drill holes which reported significant nickel intersections support their interpretation that the Plato Conductor A is related to primary nickel sulphide mineralisation. Apollo has reported that it plans to drill test Conductor A with WA State Government Co-funded Drilling Program funds.

Independence Group NL's acquisition of Sirius Resources NL and its Nova nickel project in September 2015 has re-ignited investor interest in the Fraser Range, at a time of depressed base metal prices. IGO's recent moves to secure a larger land position in the Fraser Range confirm your Board's belief that the Fraser Range is still highly prospective and that our Fraser Range project has significant value.

Enterprise's SFR shareholding is currently fair market valued at approximately $300,000, and its 12 million Alto Metals Limited (ASX: AME) shareholding is currently fair market valued at approximately $1.68 million.

Lastly, I would like to thank Dr Jingbin Wang who retired from the Enterprise Board on 12th October 2016 for his unwavering support of the Company's objectives and programs since 2011, when he first joined the Board.

Dr Allan Trench
Chairman
19 October 2016

Review of Operations

CORPORATE FOCUS

The Company's objective continues to be the "discovery and/or acquisition of large high grade gold and/or base metals deposits that can form the basis for one or more major highly profitable mines that can provide superior returns to its Shareholders."

The key elements of the Company's strategy to achieve this objective are:

- the identification or acquisition of a number of highly prospective gold and/or base metals projects with potential to become "Tier 1" resources,
- the application of best practice mineral exploration technology (with strong drilling and geophysics components) and
- the support of an experienced team of people with strong technical, management and leadership skills and a proven track record of discovery.

The Company's Darlot and Yalgoo projects are within the Archaean Yilgarn Craton, and the Doolgunna and Fraser Range projects are within a surrounding Proterozoic basin and orogenic zone respectively, where prospectivty is excellent and infrastructure is good relative to other more remote parts of Australia.

Enterprise also believes there is potential to find major new "Tier 1" (World class) deposits in areas of shallow cover in Western Australia. The Company makes extensive use of airborne geophysics to see through shallow cover and identify litho-structural targets.

Figure 1. Project Locations on Western Australian Geology Plan

DOOLGUNNA PROJECT

The Doolgunna Project is located approximately 110km northeast of Meekatharra in Western Australia, and covers over 60km of strike of the southern boundary of the Bryah Basin and the northern part of the Yerrida Basin. The southern Bryah Basin contains the Narracoota/Karalundi Formations which host the high grade DeGrussa and Monty copper deposits.

However Enterprise's Doolgunna project is considered prospective for both volcanic hosted massive sulphide (VHMS) deposits and sediment hosted (SEDEX) base metals deposits.

Post the 30th June 2016, Sandfire Resources NL approached Enterprise and subsequently entered into a farm-in and joint venture agreement, which was announced to the market on 12th October 2016. Enterprise has now received $300,000 worth of Sandfire shares as an entry fee, and Sandfire must spend a minimum of $1.5M on exploration over 2 years.

RC Drilling at Vulcan West Prospect, Doolgunna, WA

After $1.5M has been spent, Sandfire has the option to sole fund exploration and earn a 75% interest in the project by discovering and defining Mineral Resources of at least 50,000 tonnes Cu metal or equivalent. Following this discovery, Enterprise and Sandfire would form a joint venture and fund their respective interests

DARLOT PROJECT

The majority of exploration at the Company's Darlot Project in the Archaean Yandal greenstone belt was funded and managed by Independence Group NL (ASX:IGO) between late 2013 and March 2016. IGO were exploring the Spring Well felsic volcanic units south west of the Darlot gold mine for copper-zinc base metal sulphides, a geological position which is similar to their Bentley-Jaguar copper-zinc mine to the south. IGO undertook EM surveys and limited aircore drilling programs over geochemical and geological targets but withdrew with no interest after spending $1.7 million.

The work completed by IGO at Jarrah Well and Waroonga Well is of good quality and the IGO legacy is a series of advanced targets for Enterprise to test further with RC drilling.

Enterprise is now reviewing several gold-in-regolith targets at Darlot and is planning Induced Polarisation (IP) surveys to determine if sulphide mineralisation exists in the fresh rock (primary zone) below a number of oxide gold drill intersections.

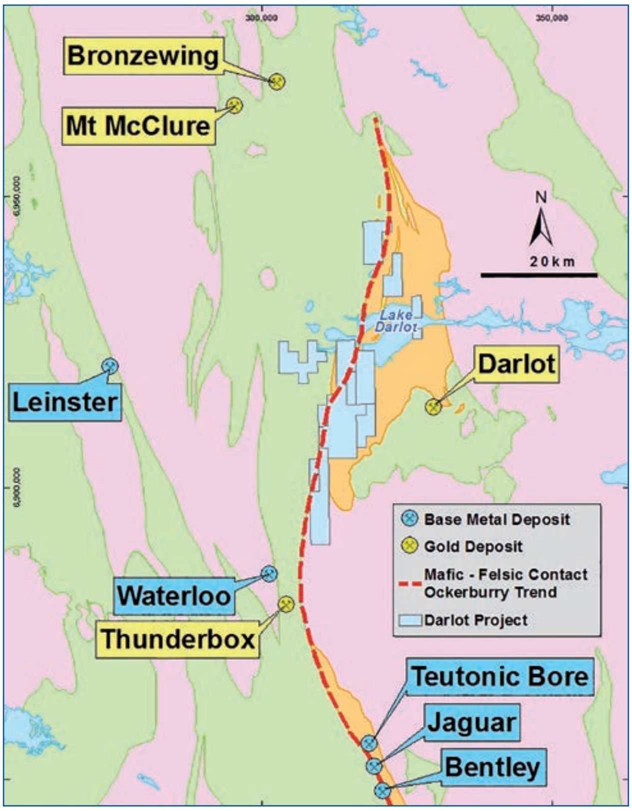


Figure 3. Darlot Project, Regional Geology

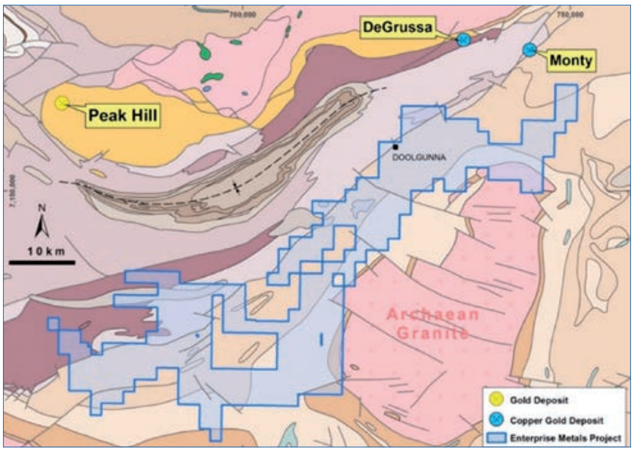
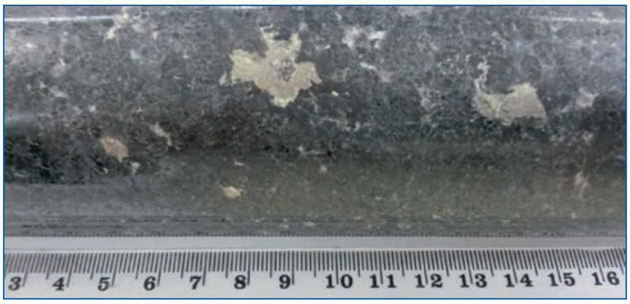


Figure 2. Enterprise's Doolgunna Project Area, Over Regional Geology

FRASER RANGE PROJECT

Enterprise holds a strategic and prospective tenement package over the southern Fraser Range area, to the south of Sirius Resources NL's 2012 discovery of the Nova nickel-copper massive sulphide deposit. In February 2015 the Company entered into a sale and joint venture agreement with ASX listed Apollo Minerals Ltd (ASX: AON), whereby Apollo would purchase a 70% interest in several of Enterprise's Fraser Range tenements for a consideration of $200,000, cash plus 20 million Apollo shares, and free carry Enterprise's 30% interest to completion of bankable feasibility stage on any discovery. If a bankable feasibility is not completed and Apollo withdraws, it must return 100% ownership of the tenements to Enterprise.

During the December 2015 Quarter, Apollo reported that they had completed high powered moving loop electromagnetic (MLEM) surveys at Plato and Oceanus. On 1 March 2016 Apollo announced that three bedrock conductors had been identified from inversion and 3D modelling of their MLEM data by Computational Geoscience Inc. of Canada. Apollo have announced that one of their MLEM conductors (Conductor A), is evident across multiple datasets and represents a significant nickel sulphide drill target. Conductor A dips steeply to the



Drill core from Plato Prospect with magmatic sulphides (PLRCD003 at 340m downhole) east and is spatially associated with the most magnetic part of a 3D magnetic inversion model. Apollo has suggested that anomalous surface soil geochemistry and adjacent Enterprise drill holes which reported significant nickel intersections support their interpretation that Conductor A is related to primary nickel sulphide mineralisation. Apollo has reported that it plans to drill test Conductor A with WA State Government Co-funded Drilling program funds.

YALGOO PROJECT

The Yalgoo Project covers parts of the Gullewa and Yalgoo Greenstone Belts. These greenstone belts host the nearby Gullewa Gold Mine, the Deflector Gold-Copper Mine and the Yalgoo historical gold mines together with the Golden Grove Base Metal Mine in the wider area.

The Golden Grove portion of the belt has been the subject of intense exploration for gold and base metals, however the area around the town of Yalgoo has not had any modern systematic exploration applied. This project is at an early stage, but the tenements are prospective for Archaean orogenic gold deposits under cover, Archaean copper/zinc VHMS style deposits like Deflector and Golden Grove, and lithium deposits.

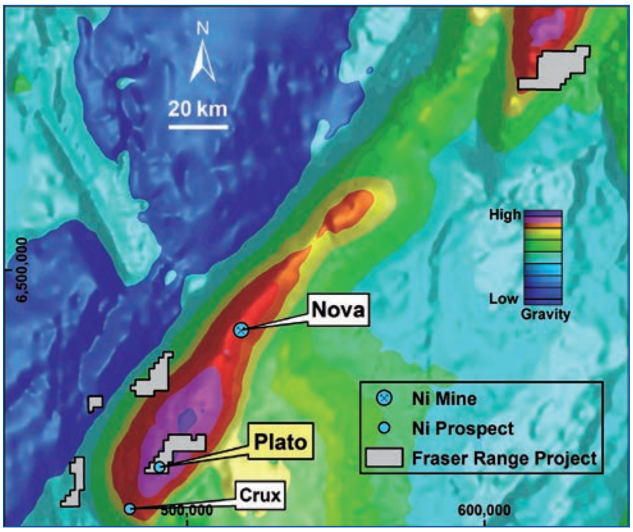


Figure 4. Enterprise's Fraser Range Project Area, Over Regional Gravity

Spring time vegetation at the Doolgunna Project, WA

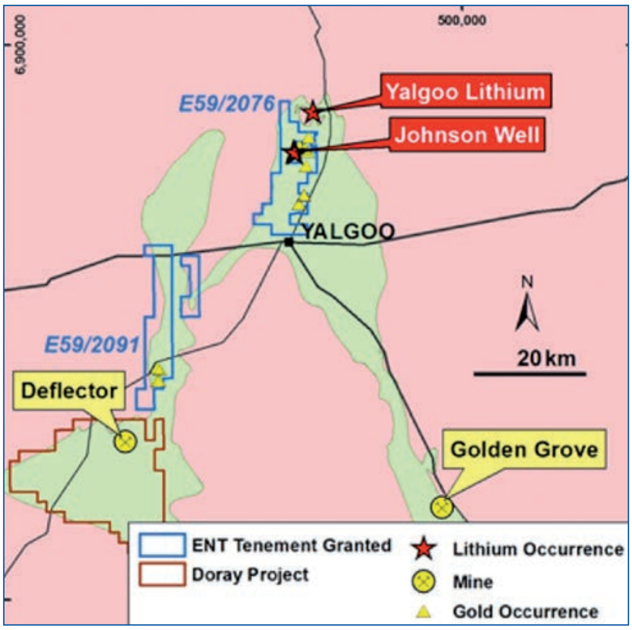


Figure 5. Regional Geology, Yalgoo Greenstone Belt & Tenements

Competent Persons Statement

The information in this report that relates to exploration results and mineral resources is based on information compiled by Mr Dermot Ryan, who is an employee of 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.

Your Directors present their report on the Group for the financial year ended 30 June 2016.

Directors

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

Dr Jingbin Wang

Mr Dermot Ryan

Dr Allan Trench

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

Information on Directors

Dr Jingbin Wang	— Chairman (Non-Executive), appointed 13 July 2011.
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. 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, China's Academy of Sciences (China) in 1991.
Special Responsibilities	— Chairman of the Remuneration & Nomination Committee.
Directorships held in other listed entities	— Nickel North Exploration (TSX) (August 2012 to present), East Africa Metals Inc. (TSX) (July 2013 – present), and Orca Gold Inc (TSX) (June 2009 – present).
Mr Dermot Ryan	— Managing Director, appointed 13 October 2008.
Experience	— Mr Ryan spent 20 years with 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 mid 1996-2001, and from 2001 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.
Special Responsibilities	— Member of the Remuneration & Nomination Committee
Directorships held in other listed entities	— Legend Mining Limited (May 2005 – October 2013), and Enterprise Uranium Limited (Dec 2012 – present). There have been no other listed entity directorships in the last 3 years.

Dr Allan Trench	—	Independent Non-Executive Director, appointed 3 April 2012.
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.
Experience	—	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.
Special Responsibilities	—	Chairman of the Audit & Risk Committee and Member of Remuneration & Nomination Committee
Directorships held in other listed entities	—	Pioneer Resources Limited (September 2003 – present), Navigator Resources Limited (November 2005 – resigned December 2013), Hot Chili Limited (July 2010 – present), Anova Metals Limited (formerly Kimberley Rare Earths Limited, December 2010 – February 2013), Trafford Resources Limited (May 2012 – May 2015), Venturex Resources Limited (November 2008 – April 2013), and Emmerson Resources Limited (March 2015). There have been no other directorships in ASX listed companies in the past three years.

Company Secretary

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

Sam Middlemas was appointed Company Secretary and Chief Financial Officer on 15 July 2016. Sam is a chartered accountant with more than 15 years' experience in various financial and company secretarial roles with a number of listed public companies operating in the resources sector. He is the principal of a corporate advisory company which provides financial and secretarial services specialising in capital raisings and initial public offerings. Previously Mr Middlemas worked for an international accountancy firm. His fields of expertise include corporate secretarial practice, financial and management reporting in the mining industry, treasury and cash flow management and corporate governance.

Ms Susan Hunter resigned as Company Secretary 15 July 2016.

Principal Activities

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

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs for the Group during the period.

Operating Results

The consolidated loss of the Group after providing for income tax amounted to $2,870,837 (2015: $7,340,517).

Dividends Paid or Recommended

There were no dividends paid or recommended during the financial year ended 30 June 2016.

REVIEW OF OPERATIONS

During 2015/16, the Company focussed on advancing exploration at its VHMS and SEDX copper-zinc-gold targets at the Doolgunna Project. Exploration on the Company's Fraser Range Project was managed and funded by Apollo Minerals Ltd. (ASX: AON), and exploration on the Darlot Project was managed and funded by Independence Group NL (ASX: IGO) until March 2016.

DOOLGUNNA PROJECT

On 2 June 2015, Sandfire Resources NL (ASX: SFR) announced the discovery of a new massive sulphide copper deposit called Monty, north-east along strike from Enterprise's Doolgunna - Vulcan prospect, where previously Enterprise had achieved numerous shallow copper-gold drill intersections.

Following a $650,000 capital raising by Enterprise in August 2015, the Company commenced an extensive high powered ground (moving loop) electromagnetic (MLEM) survey over Vulcan to cover the south-westerly extension of the Narracoota and Karalundi Formation suite of rocks believed to be hosting Monty, and an RC drilling program to test a large coincident geochemical/EM target at Borg.

In October 2015, the Company completed a nine hole RC drill program at **Borg** (BNRC001 to BNRC009). The planned holes had target depths of +300m, but due to high water inflows and collapsing holes, all holes fell short of target depth. A number of the drill holes intersected long intervals of laminated and massive and semi-massive sulphides in carbonaceous shales, interpreted to be Johnson Cairn Formation. While the sulphides were predominantly pyritic in nature, traces of copper, lead and zinc sulphides were observed.

Further and deeper drill testing of both Borg and Bono SEDEX style targets was recommended, and the Company was awarded up to $200,000 for a deep drill test of the Bono SEDEX MLEM target under the WA State Government's Co-funded Drilling program. These funds are available to be used up until 31 December 2016.

In November 2015, the Company reported that its 93 line km Doolgunna - Vulcan MLEM survey had identified a moderate to strong late time conductor ("Vulcan – West"). In December, one RC hole (VWRC001) was drilled to 318m to test Vulcan West EM target. The assays from the 1 metre samples show a 5 metre zone from 251 to 256 metres averaging 0.17% Cu, 2.2ppm Mo and 0.87ppm Te, with a maximum 1 metre result, from 254 to 255 metres, of **0.5% Cu, 8.4ppm Mo and 2.7ppm Te.** Although these absolute assay values are not economic, the element association is believed to be typical of the DeGrussa and Monty VHMS Besshi style deposits.

In February 2016, contractors completed a downhole electromagnetic (DHEM) survey on VWRC001 and the DHEM data was processed by geophysical consultants. 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, Enterprise considers that the target is still open and requires further drill testing. A new drill hole has been proposed to intersect the plate (conductive body) at 280m depth, but has not yet been drilled at the date of this report.

FRASER RANGE PROJECT

in February 2015 the Company entered into a sale and joint venture agreement with ASX listed Apollo Minerals Ltd (ASX: AON), whereby Apollo would purchase a 70% interest in several of Enterprise's Fraser Range tenements for a consideration of $200,000, cash plus 20 million Apollo shares, and free carry Enterprise's 30% interest to completion of bankable feasibility stage on any discovery. If a bankable feasibility is not completed and Apolllo withdraws, it must return 100% ownership of the tenements to Enterprise.

During the December 2015 Quarter, Apollo reported that they had completed high powered moving loop electromagnetic (MLEM) surveys at Plato and Oceanus. On 1 March 2016 Apollo announced that three bedrock conductors had been identified from inversion and 3D modelling of their MLEM data by Computational Geoscience Inc. of Canada. Apollo have announced that one of their MLEM conductors (Conductor A), is evident across multiple datasets and represents a significant nickel sulphide drill target. Conductor A dips steeply to the east and is spatially associated with the most magnetic part of a 3D magnetic inversion model.

Apollo has suggested that anomalous surface soil geochemistry and adjacent Enterprise drill holes which reported significant nickel intersections support their interpretation that Conductor A is related to primary nickel sulphide mineralisation. Apollo has reported that it plans to drill test Conductor A with WA State Government Co-funded Drilling program funds.

DARLOT PROJECT

In late 2013, Independence Group NL (ASX: IGO) entered into a joint venture agreement with Enterprise over Enterprise's substantial Darlot landholdings. Throughout 2014 and 2015, IGO completed auger sampling, aircore drilling programs and MLEM surveys over several Cu/Zn and Ni/Cu prospects. In early 2016, following falling nickel prices, IGO severely cut its global exploration budget and withdrew from the Darlot JV with no retained interest in the tenements save for a 2% Net Smelter Royalty (NSR) on Exploration Licence 37/1031 which covers the Jarrah well prospect.

At the Jarrah Well Prospect, IGO drilled 94 aircore drill holes (for 3,355m) and completed MLEM surveys (6 lines at 200m line spacing, 9.35km total). This work successfully delineated a number of anomalous conductive responses coincident with aircore Cu/Zn geochemical anomalies, which require follow up RC drilling.

The work completed by IGO at Jarrah Well is of good quality and the IGO legacy is a series of advanced targets for Enterprise to test further with RC drilling.

RESEARCH AND DEVELOPMENT

The Company continued its R & D program which is designed to develop strategies and techniques for targeting sediment hosted style mineralisation (SEDEX) under cover in deeply weathered Proterozic sedimentary sequences. The Doolgunna Project, which covers an extensive area of the Yerrida Basin, is being used to develop these new models and new techniques. The nearby Bryah Basin has primarily been the focus of exploration for volcanic hosted massive sulphide (VHMS) deposits since the discovery of the DeGrussa deposit by Sandfire in 2009. However, Enterprise considers that the sedimentary units of the Yerrida Basin are highly prospective for a SEDEX style base metal mineralisation and is developing a number of techniques in order to vector into economic base metal sulphide mineralisation.

This is being achieved by improving and integrating various geophysical and geochemical exploration technologies to optimise the location of exploratory drill holes. Pyrite specimens from drill spoil of holes drilled by the Company have and are being analysed by new and evolving Laser Ablation Analytical processes developed by the Centre of Excellence in Ore Deposits ("CODES") at the University of Tasmania Centre, to vector towards SEDEX style mineralisation under cover. Exploration success in this area will herald a new era of exploration activity for sediment hosted base metal deposits in general, and open up the entire Yerrida Basin for base metal exploration.

REDUCTION IN LANDHOLDINGS

During the year, the Company substantially reduced its granted landholdings by the surrender of non-core tenements and projects, which had the effect of reducing its annual exploration expenditure commitment, its shire rates and its tenement rents

CORPORATE

The Company announced on the 31 July 2015 that it had raised a total of $650,000 (before costs) via a share placement of approximately 19.7 million fully paid ordinary shares at 3.3 cents per share to strategic, professional and sophisticated investors as defined under Section 708 of the Corporations Act (2001). The funds were raised to progress copper-gold exploration at the Company's Doolgunna project with a focus on the Vulcan - Goodins prospect located south west along the Goodin Fault from Sandfire's Monty discovery.

On 17 February 2016, the Company announced to the market a Share Purchase Plan (SPP) and a simultaneous placement to the Company's largest shareholder Sinotech (Hong Kong) Corporation Limited. The Company raised $216,000 under the SPP and issued 11,999,986 fully paid ordinary ENT shares at 1.8 cents per share to existing holders. A further $115,000 was raised through the issue of an additional 6,388,889 fully paid ordinary ENT shares, with SinoTech subscribing $100,000 and a sophisticated and existing professional shareholder of the Company subscribing $15,000. This brought the total fully paid ordinary Enterprise shares on issue to 315,133,979.

INVESTMENTS

Enterprise holds 13.5 million shares of the issued capital in Enterprise Uranium Limited (ASX: ENU), now re-named Alto Metals Limited ("Alto", ASX: AME). On 29 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.

Since the discovery of gold at the end of the 19th Century, the Sandstone Greenstone Belt has produced over 1.3 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 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.

At 30 June 2016, Enterprise's shareholding in Alto was fair market valued at approximately $945,000 (based on AME share price of $0.07).

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Dermot Ryan, who is an employee of 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.

Exploration and Resource Targets

Any discussion in relation to the potential quantity and grade of Exploration Targets is only conceptual in nature. There has been insufficient exploration to date to define any mineral resources and it is uncertain if further exploration will result in the determination of any JORC compliant Mineral Resources.

Financial Position

The net assets of the Group have decreased by $1,181,023 from 30 June 2015 to $8,062,012 at 30 June 2016.

After Reporting Date Events

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Future Developments, Prospects and Business Strategies

Over the next 12 months, the Company plans to continue to explore for VHMS and SEDEX style copper-zinc (gold) deposits at its Doolgunna Project. The Company has been awarded $200,000 of WA State Government Co-funded Drilling program funds for a deep drill test of the Borg SEDEX target.

Funding for the exploration of the Fraser Range nickel-copper will come from Enterprise's joint venture partner Apollo Minerals Ltd.

Although the Company has reduced its focus to one active exploration program at Doolgunna, it still holds some minor tenement applications and granted tenements at Darlot, Fraser Range and Yalgoo which may be joint ventured. The Company will also consider acquiring a more advanced project if and when a suitable opportunity is identified or offered.

Exploration Risk

Mineral exploration and development are high-risk undertakings, and there is no assurance that exploration of the Tenements will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to permitting requirements, availability of appropriate exploration equipment, exploration costs, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents and many other factors beyond the control of the Company.

Meetings of Directors

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

	DIRECTORS' MEETINGS		COMMITTEE MEETINGS: REMUNERATION & NOMINATION COMMITTEE		COMMITTEE MEETINGS: AUDIT & RISK COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Dr Jingbin Wang	4	3	1	–	1	–
Dermot Ryan	4	4	1	1	1	1
Dr Allan Trench	4	4	1	1	1	1

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 $6,064 (2015: $17,637).
- No indemnity has been given to the 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
29 January 2014	30 November 2016	$0.08	16,662,500
10 August 2015	10 August 2017	$0.05	2,000,000
			18,662,500

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.

During the year 7,600,000 options exercisable at 14.9 cents prior to 11 September 2015, and 12,000,000 options exercisable at 10 cents prior to 15 June 2016 expired unexercised. The only options issued during the year were 2,000,000 options exercisable at 5 cents prior to 10 August 2017 issued to an investor relation consultant on 10 August 2015.

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 nonaudit services were provided by the entity's auditor, Grant Thornton Audit Pty Ltd, or associated entities. The Directors are satisfied that the provision of nonaudit 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 nonaudit services:

	2016 $	2015 $
Tax compliance services	6,000	8,000

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 other key management personnel.

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, unless it is work done in relation to the geological assets of the Company, in which case it is capitalised in accordance with the Accounting Policy of the Company. 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.

Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2016.

Voting and comments made at the Company's 2015 Annual General Meeting

The Company received approximately 99.9% of "yes" votes based on the number of proxy votes received on its remuneration report for the 2015 financial year.

B. Details of Remuneration for Year Ended 30 June 2016

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 2016

2016

Key Management Personnel	Short-term benefits			Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	Performance based
	Salary, fees and leave	Cash from other activities	Non-monetary	Super-annuation	Other	Equity	Options		
	$	$	$	$	$	$	$	$	%
Dr Jingbin Wang – Chairman [1]	28,000	–	–	–	–	28,000	–	56,000	–
Dermot Ryan – Managing Director [2]	142,339	–	–	–	–	–	–	142,339	–
Dr Allan Trench – Non-executive director [3]	20,000	–	–	–	–	20,000	–	40,000	–
Susan Hunter – Company Secretary [4]	36,835	–	–	–	–	–	–	36,835	–
	227,174	–	–	–	–	48,000	–	275,174	–

(1) All fees paid to Dr Jingbin Wang are paid through a reated party Mega Capital Resources Limited of which he is associated to a director.

(2) All fees paid to Dermot Ryan are paid to his private company XServ Pty Ltd of which he is a director and shareholder.

(3) All fees paid to Dr Allan Trench are paid to his private company Judicial Holdings Pty Ltd of which he is a director and shareholder.

(4) All fees paid to Ms Susan Hunter are paid to her private company Hunter Corporate Pty Ltd of which she is a director and shareholder.

Remuneration Report (Audited)

2015

Key Management Personnel	Short-term benefits			Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	Performance based
	Salary, fees and leave	Cash from other activities	Non-monetary	Super-annuation	Other	Equity	Options		
	$	$	$	$	$	$	$	$	%
Dr Jingbin Wang – Chairman (1)	–	–	–	–	–	–	–	–	–
Dermot Ryan – Managing Director (2)	145,460	–	–	–	–	–	–	145,460	–
Anna Mao – Non-executive director (5)	–	–	–	–	–	–	–	–	–
Dr Allan Trench – Non-executive director (3)	38,333	–	–	–	–	–	–	38,333	–
Barry Bourne Trench – Non-executive director (6)	30,077	–	–	1,591	–	–	–	31,668	–
Damian Delaney – Company Secretary (7)	20,000	–	–	–	–	–	–	20,000	–
	233,870	–	–	1,591	–	–	–	235,461	–

(1) All fees paid to Dr Jingbin Wang are paid through a reated party Mega Capital Resources Limited of which he is associated to a director.

(2) All fees paid to Dermot Ryan are paid to his private company XServ Pty Ltd of which he is a director and shareholder.

(3) All fees paid to Dr Allan Trench are paid to his private company Judicial Holdings Pty Ltd of which he is a director and shareholder.

(4) All fees paid to Ms Susan Hunter are paid to her private company Hunter Corporate Pty Ltd of which she is a director and shareholder.

(5) All fees paid to Anna Mao are paid through a related party Mega Capital Resources Limited of which she is a director. Ms Mao resigned as a director on 30 May 2015.

(6) Barry Bourne resigned as a director on 30 April 2015.

(7) Damian Delaney resigned as Company Secretary on 1 October 2014.

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 period is as follows:

2016	Balance at the beginning of year	Granted as remuneration during the year	Lapsed/ 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
Jingbin Wang	1,500,000	–	(1,500,000)	–	–	–	–
Dermot Ryan	2,750,000	–	(2,500,000)	–	250,000	250,000	–
Allan Trench	962,500	–	(900,000)	–	62,500	62,500	–
	5,212,500	–	(4,900,000)	–	312,500	312,500	–

(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:

	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	13,275,000	–	–	555,555	13,830,555
Allan Trench	282,500	–	–	1,180,555	1,463,055
Total	13,557,500	–	–	1,736,110	15,293,610

Loans to KMP

There are no loans made to KMP as at 30 June 2016 (2015 – Nil).

Other transactions with KMP

There have been no other transactions involving equity instruments other than those described in the tables above.

C. Service Agreements

The Company has a service agreement with the following Directors:

Mr Ryan commenced as Managing Director on 14th October 2008. Mr Ryan is remunerated at normal commercial rates pursuant to the terms of an ongoing Consultancy Agreement to fulfil the duties of the Managing Director. Fees attributable to Mr Ryan's services were at the rate of $1,039 per day and for the year ended 30 June 2016 totaled $142,339 (2015 - $145,460). The agreement may be terminated (other than for gross misconduct) by either party on three months' written notice.

D. Share-based compensation

Incentive Option Scheme

Options may be granted under the Enterprise Metals Employee Share Option Scheme 2012 whereby all staff and consultants who have been employed by the Company for a qualifying period are eligible to participate in the plan subject to Board discretion. 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

During the 2016 and 2015 financial years no options were issued to Directors or Key Management Personnel as share based compensation. During the year 4,900,000 options held by Directors convertible at 14.9 cents any time prior to 11 September 2015 expired unexercised.

End of the Audited Remuneration Report

Auditors Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on the following page.

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

Dermot Ryan
MANAGING DIRECTOR
Dated this 27th day of September 2016

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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 2016, 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

M A Petricevic
Partner - Audit & Assurance

Perth, 27 September 2016

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the Year Ended 30 June 2016

	Note	2016 $	2015 $
Other revenue		7,630	16,542
Other income	2	47,818	154,008
Accounting and audit fees		(35,499)	(62,619)
Share registry and listing fees		(43,684)	(53,287)
Employee benefits expense		(83,962)	(106,161)
Corporate and consulting fees		(206,601)	(344,686)
Computers and software		(15,460)	(16,564)
Depreciation and Amortisation	3	(34,480)	(69,112)
Insurance		(21,101)	(24,384)
Investor relations		(9,165)	(7,929)
Legal fees		(2,120)	(11,253)
Office rental expense	3	(30,453)	(110,444)
Travel and accommodation		(7,663)	(18,623)
Impairment of available for sale financial assets	3	(32,000)	(354,000)
Impairment of capitalised exploration expenses	3	(2,414,439)	(6,286,974)
Share based payments		–	–
Other expenses		10,342	(45,031)
Loss before income tax		**(2,870,837)**	**(7,340,517)**
Income tax expense	4	–	–
Loss for the year		**(2,870,837)**	**(7,340,517)**
Other comprehensive income, net of tax			
Items that may be subsequently reclassified to profit or loss			
Unrealised gain / (loss) on revaluation of AFS asset	10	661,500	(162,000)
Other comprehensive income, net of tax		**661,500**	**(162,000)**
Total comprehensive loss for the year		**(2,209,337)**	**(7,502,517)**
Total comprehensive loss attributable to members of the parent entity		**(2,209,337)**	**(7,502,517)**
Basic loss per share (cents per share)	7	(0.96)	(2.70)
Diluted loss per share (cents per share)	7	(0.96)	(2.70)

The accompanying notes form part of these financial statements.

	Note	2016	2015
		$	$
Current Assets			
Cash and cash equivalents	8	281,121	304,111
Trade and other receivables	9	31,265	183,840
Total Current Assets		**312,386**	**487,951**
Non-Current Assets			
Available-for-sale financial assets	10	975,000	345,500
Plant and equipment	11	4,430	17,937
Intangible assets	12	6,451	27,424
Exploration and evaluation assets	13	6,893,870	8,665,764
Total Non-Current Assets		**7,879,751**	**9,056,625**
TOTAL ASSETS		**8,192,137**	**9,544,576**
Current Liabilities			
Trade and other payables	14	130,125	301,541
Total Current Liabilities		**130,125**	**301,541**
TOTAL LIABILITIES		**130,125**	**301,541**
NET ASSETS		**8,062,012**	**9,243,035**
Equity			
Issued capital	15	30,063,107	29,110,501
Reserves	16	6,756,655	6,019,447
Accumulated losses		(28,757,750)	(25,886,913)
TOTAL EQUITY		**8,062,012**	**9,243,035**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

for the Year Ended 30 June 2016

	NOTE	Issued Capital	Options Reserve	AFS Asset Reserve	Accumulated Losses	Total
		$	$	$	$	$
Balance at *1 July 2014*		**28,760,278**	**6,019,447**	**162,000**	**(18,546,396)**	**16,395,329**
Loss attributable to members of the parent entity for the year		–	–	–	(7,340,517)	(7,340,517)
Other comprehensive income, net of tax		–	–	(162,000)	–	(162,000)
Total comprehensive loss for the year		**–**	**–**	**(162,000)**	**(7,340,517)**	**(7,502,517)**
Transaction with owners, directly in equity						
Shares issued during the year		369,000	–	–	–	369,000
Capital raising costs		(18,777)	–	–	–	(18,777)
Balance at 30 June 2015		**29,110,501**	**6,019,447**	**–**	**(25,886,913)**	**9,243,035**
Balance at 1 July 2015		**29,110,501**	**6,019,447**	**–**	**(25,886,913)**	**9,243,035**
Loss attributable to members of the parent entity for the year		–	–	–	(2,870,837)	(2,870,837)
Other comprehensive income, net of tax		–	–	661,500	–	661,500
Total comprehensive loss for the year		**–**	**–**	**661,500**	**(2,870,837)**	**(2,209,337)**
Transaction with owners, directly in equity						
Shares issued during the year		1,062,200	–	–	–	1,062,200
Options issued during the year		(75,708)	75,708	–	–	–
Capital raising costs		(33,886)	–		–	(33,886)
Balance at 30 June 2016		**30,063,107**	**6,095,155**	**661,500**	**(28,757,750)**	**8,062,012**

The accompanying notes form part of these financial statements.

	Note	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		7,601	18,183
Rent and other receipts		52,102	62,534
Payments to suppliers and employees		(547,639)	(591,858)
Net cash used in operating activities	17a	**(487,936)**	**(511,141)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on the sale of plant and equipment		–	2,382
Payments for exploration and evaluation expenditure		(563,350)	(1,792,877)
Grant funding received		–	131,087
Proceeds from sale of interest in exploration and evaluation asset		–	200,000
Net cash used in investing activities		**(563,350)**	**(1,459,408)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,062,182	369,000
Share raising costs		(33,886)	(54,777)
Net cash provided by financing activities		**1,028,296**	**314,223**
Net decrease in cash and cash equivalents held		(22,990)	(1,656,326)
Cash and cash equivalents at 1 July		304,111	1,960,437
Cash and cash equivalents at 30 June	8	**281,121**	**304,111**

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 ('The Company') 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 Metals 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 functional currency of the Group is Australian dollars.

The financial statements were authorised for issue by the Directors. The Directors have the power to amend and reissue the financial statements.

(a) 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 30 June 2016, the Group incurred a loss before tax of $2,870,837 (2015: $7,340,517) including a non-cash impairment charge for exploration of $2,414,439 (2015: $6,286,974). For the year ended at 30 June 2016, the Group incurred net operating cash outflows of $487,936 (2015: $511,141) and at reporting date, had a net current asset balance of $182,261 (2015: $186,410).

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 are mindful of the funding requirements to meet these objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- The current cash of the Group relative to its fixed and discretionary commitments;
- The contingent nature of certain of the Groups' project expenditure commitments;
- The value of the Group's available for sale investment portfolio (refer Note 20);
- 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 (i.e. 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 are confident that the Group can continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

Should the Group be unable to undertake the initiatives disclosed above, there is significant uncertainty which may cast 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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Enterprise Metals Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 19.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

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.

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 profit or loss 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 profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) 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.

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.

(d) Property, Plant, and Equipment

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

Plant and equipment

Plant and equipment are measured on the historical cost basis.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	25%
Computer equipment	33%
Furniture and fittings	25%
Motor vehicle	25%

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 profit or loss.

(e) Intangible assets

Recognition of intangible assets

Acquired intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

Subsequent measurement

All intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing.

The following useful lives are applied:

Software: 4 years

Amortisation has been included within depreciation, amortisation and impairment of non-financial assets. Subsequent expenditures on the maintenance of computer software are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

(f) 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.

The Company receives R&D grants from the Australian Taxation Office. Where an R&D rebate can be directly attributable to an area of interest the R&D rebate is applied against the area of interest. For any amounts that cannot be directly attributable to an existing area of interest the amount will be recognised as grant income in the profit or loss.

(g) 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(h) 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 (i.e. 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.)

Available for sale ('AFS') financial assets

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's AFS financial assets include listed securities.

All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'finance income'.

Reversals of impairment losses are recognised in other comprehensive income, except for financial assets that are debt securities which are recognised in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

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 profit or loss 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 or 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 profit or loss and other comprehensive income.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 they expire. 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.

(i) Impairment of Non-Financial Assets

At 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 profit or loss.

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.

(i) 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 wholly 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 profit or loss. 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.

(k) 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 result and that outflow can be reliably measured.

(l) 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.

(m) 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).

(n) 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 remw ains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) 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 profit and loss in the period in which they are incurred.

(p) 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.

(q) Equity and reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the following:

AFS financial assets and cash-flow hedge reserves – comprises gains and losses relating to these types of financial instruments. Retained earnings include all current and prior period retained profits.

(r) 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.

(s) Comparative Figures

When required by the 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.

(t) 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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A value of $32,000 (2015: $354,000) has been recorded as impairment on available for sale financial assets during 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 18.

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 $6,893,870 (2015: $8,665,764). An impairment of $2,414,439 (2015: $6,286,974) was recognised during the year ended 30 June 2016.

(u) New and amended standards adopted by the Group in this financial report

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 reporting period. Those that are considered relevant are:

- 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)*

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.

(v) Impact of standards issued but not yet applied by the Group

A number of new standards, amendments to standards and interpretations issued by the AASB which are applicable to future reporting periods. The Group has not early adopted any of these standards or interpretations. The new or revised accounting standards and interpretations that are currently issued for future reporting periods that are relevant to the Group are considered to be:

AASB 9	*Financial Instruments*
AASB 16	*Leases*
AASB 1057	*Application of Australian Accounting Standards*
AASB 2014-3	*Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations*
AASB 2014-4	*Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*
AASB 2014-9	*Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements*
AASB 2014-10	*Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The entity is yet to undertake a detailed assessment of the impact of any of these new standards, however, based on the entity's preliminary assessment, none of the Standards are expected to have a material impact on the transactions and balances recognised in the financial statements when they are first adopted for the years 1 January 2016 through to the year ending 30 June 2019.

NOTE 2: REVENUE AND OTHER INCOME

	Note	2016 $	2015 $
Revenue			
Interest received		7,630	16,542
Other income			
Rental and other income[1]		47,818	154,008
Total		**55,448**	**170,550**

(1) Refer to note 21 related party transactions for transactions with related parties.

NOTE 3: LOSS FOR THE YEAR

(a) Expenses

	Note	2016 $	2015 $
Depreciation of plant and equipment		34,480	69,112
Office rental expense		30,453	110,444
Defined contribution superannuation expense		11,416	20,720

(b) Significant Revenues and Expenses

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

	Note	2016 $	2015 $
Impairment of Exploration and Evaluation	13	2,414,439	6,286,974
Impairment of available for sale financial assets	10	32,000	354,000

NOTE 4: INCOME TAX

(a) Income tax expense

	2016 $	2015 $
Current tax	–	–
Deferred tax	–	–
Adjustments for current tax of prior periods	–	–
	–	–

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:

	2016 $	2015 $
Prima facie tax on operating loss at 30%	(861,251)	(2,202,156)
Add / (Less) tax effect of:		
Impairment of capitalised exploration expenses	–	–
Non-assessable items	–	(24,361)
Non-deductible items	69	207
Deferred tax asset not brought to account	861,176	2,226,309
Income tax attributable to operating loss	–	–
The applicable weighted average effective tax rates are as follows:	nil%	nil%

NOTE 4: INCOME TAX (CONTINUED)

		Note	2016 $	2015 $
(b)	**Deferred tax assets**			
	Tax Losses		1,996,200	2,476,202
	Provisions and Accrual		8,991	10,202
	Other		52,913	101,438
			2,058,104	2,587,842
	Set-off deferred tax liabilities	4(c)	(2,058,104)	(2,587,842)
	Net deferred tax assets		–	–
(c)	**Deferred tax liabilities**			
	Exploration expenditure		(2,057,095)	(2,587,742)
	Other		(1,009)	(100)
			(2,058,104)	(2,587,842)
	Set-off deferred tax assets	4(b)	2,058,104	2,587,842
	Net deferred tax liabilities		–	–
(d)	**Tax losses**			
	Unused tax losses for which no deferred tax asset has been recognised		9,556,885	8,743,203
	Other		577,500	706,350
			10,134,385	9,449,553

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2016 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 2016

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

	2016 $	2015 $
Short-term employee benefits	227,174	233,870
Post-employment benefits	–	1,591
Equity settled share based payments	48,000	–
Total	275,174	235,461

NOTE 6: AUDITOR'S REMUNERATION

	Note	2016 $	2015 $
Remuneration of the auditor of the parent entity for:			
- Auditing or reviewing the financial report by Grant Thornton Audit Pty Ltd		29,499	34,316
Remuneration of the auditor, or associated entities, of the parent entity for non-audit services:			
- Tax compliance services		6,000	8,000

NOTE 7: LOSS PER SHARE

		2016 $	2015 $
(a)	**Reconciliation of earnings to loss for the year**		
	Earnings used in the calculation of basic EPS	(2,870,837)	(7,340,517)
(b)	**Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS**	297,977,605	270,253,961
	Basic / Diluted loss per share (cents per share)	(0.95)	(2.7)

All options on issue are out of the money as at 30 June 2016 and are therefore anti-dilutive. At 30 June 2016, 18,262,500 options were outstanding (2015: 36,262,500)

NOTE 8: CASH AND CASH EQUIVALENTS

	2016 $	2015 $
Cash at bank	281,121	279,111
Cash in term deposit	–	25,000
	281,121	304,111

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:

	2016 $	2015 $
Cash and cash equivalents	281,121	304,111

Cash at bank earns an effective interest rate of 1.91% (2015: 1.73%).

NOTE 9: TRADE AND OTHER RECEIVABLES

	2016 $	2015 $
CURRENT		
GST receivable	9,898	16,186
Trade and other receivables	16,900	159,401
Prepayments	4,467	8,253
	31,265	183,840

There are no balances within trade and other receivables that contain assets that are impaired and are past due. The trade receivables relate to reimbursed expenditures receivable and interest receivable. It is expected these balances will be received when due. Refer to note 21 related party transactions for receivable balances with related parties.

NOTE 10: AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2016 $	2015 $
NON-CURRENT		
Opening balance	345,500	661,500
Additions	–	200,000
Impairment [1]	(32,000)	(354,000)
Revaluations	661,500	(162,000)
	975,000	345,500

(1) During the reporting period, an impairment of $32,000 (2015 - impairment loss of $354,000) and a revaluation was recognised as some available for sale financial assets increased in value.

Available-for-sale financial asset are shares held in an ASX listed entity and were revalued in the current period based on the share sale price at balance date.

Fair value has been determined by reference to quoted market prices as per comments made in note 23(d).

NOTE 11: PLANT AND EQUIPMENT

	2016 $	2015 $
NON-CURRENT		
Computer equipment – cost	64,956	64,956
Accumulated depreciation	(64,833)	(63,963)
	123	993
Plant and equipment – cost	153,863	153,863
Accumulated depreciation	(150,556)	(140,262)
	3,307	13,601
Furniture and fittings – cost	18,320	18,320
Accumulated depreciation	(17,320)	(17,313)
	1,000	1,007
Motor vehicles - cost	55,000	55,000
Accumulated depreciation	(55,000)	(52,664)
	–	2,336
Total plant and equipment	4,430	17,937

NOTE 11: 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:

	2016 $	2015 $
Computer equipment		
Opening balance	993	10,690
- Additions	–	–
- Depreciation expense	(870)	(9,697)
Carrying amount at the end of the year	123	993
Plant and equipment		
Opening balance	13,601	32,787
- Disposals	–	–
- Depreciation expense	(10,294)	(19,186)
Carrying amount at the end of the year	3,307	13,601
Furniture and fittings		
Opening balance	1,007	3,622
- Disposals	–	(1,600)
- Depreciation expense	(7)	(1,015)
Carrying amount at the end of the year	1,000	1,007
Motor vehicles		
Opening balance	2,336	16,086
- Additions	–	–
- Depreciation expense	(2,336)	(13,750)
Carrying amount at the end of the year	–	2,336
Totals		
Opening balance	17,937	63,185
- Additions	–	–
- Disposals	–	(1,600)
- Depreciation expense	(13,507)	(43,648)
Carrying amount at the end of year	4,430	17,937

NOTE 12: INTANGIBLE ASSETS

	2016 $	2015 $
NON-CURRENT		
Software – cost	106,436	106,436
Accumulated amortisation	(99,985)	(79,012)
	6,451	27,424

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:

	2016 $	2015 $
Software		
Opening balance	27,424	51,287
- Additions	–	–
- Amortisation expense	(20,973)	(23,863)
Carrying amount at the end of the year	6,451	27,424

NOTE 13: EXPLORATION AND EVALUATION

	2016 $	2015 $
Exploration and evaluation phases – at cost	6,893,870	8,665,764
(a) Exploration and evaluation		
Opening balance	8,665,764	14,203,319
Exploration expenditure	642,545	1,149,419
Tenements sold to unrelated party	–	(400,000)
Impairment of capitalised exploration expenses	(2,414,439)	(6,286,974)
Closing balance	6,893,870	8,665,764

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.

During the reporting period, the Group impaired its capitalised exploration and evaluation asset by $2,414,439 (2015: $6,286,974) as the Group has either partially or fully relinquished its non-core tenements. Accordingly, in complying with the requirements of AASB 6, it has impaired the costs that had been previously capitalised to those tenements which have now been partially or fully relinquished.

NOTE 14: TRADE AND OTHER PAYABLES

	2016 $	2015 $
CURRENT – unsecured liabilities		
Trade payables	102,161	259,797
Accrued expenses	27,964	41,744
	130,125	301,541

All amounts are short-term. The carrying value is considered to be a reasonable approximation of the fair value. Refer to note 21 related party transactions for trade payable balances with related parties.

NOTE 15: ISSUED CAPITAL

	Note	2016 $	2015 $
315,134,979 (2015: 274,508,276) Fully paid ordinary shares	15a	30,063,107	29,110,501

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

(a) Ordinary shares

	2016 $	2015 $
At the beginning of the reporting period	29,110,501	28,760,278
Shares issued during the year		
• 20,176,971 on 10 August 2015 at $0.033 per share	665,840	–
• 1,916,666 on 24 November 2015 at $0.032 per share	61,333	–
• 143,191 on 24 November 2015 at $0.028 per share	4,009	–
• 6,389,889 on 21 April 2016 at $0.018 per share	115,018	–
• 11,999,986 on 17 February 2016 at $0.018 per share	216,000	–
Prior year		
• 312,500 on 6 October 2014 at $0.08 per share	–	25,000
• 8,600,000 on 24 December 2014 at $0.04 per share	–	344,000
Options issued during the year	(75,708)	–
Transaction costs relating to share issues	(33,886)	(18,777)
At reporting date	30,063,107	29,110,501

	2016 No.	2015 No.
At the beginning of the reporting period	274,508,276	265,595,776
Shares issued during the year		
• 20,176,971 on 10 August 2015 at $0.033 per share	20,176,971	–
• 1,916,666 on 24 November 2015 at $0.032 per share	1,916,666	–
• 143,191 on 24 November 2015 at $0.028 per share	143,191	–
• 6,389,889 on 21 April 2016 at $0.018 per share	6,389,889	–
• 11,999,986 on 17 February 2016 at $0.018 per share	11,999,986	–
Prior year		
• 312,500 on 6 October 2014 at $0.08 per share	–	312,500
• 8,600,000 on 24 December 2014 at $0.04 per share	–	8,600,000
At reporting date	315,134,979	274,508,276

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 15: ISSUED CAPITAL (Cont.)

(b) Movement in options on issue	2016 No.	2015 No.
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 14.9 cents, on or before 11 September 2015[1]	(7,600,000)	–
• Exercisable at 22.2 cents, on or before 20 June 2014[1]	–	(36,000,000)
At reporting date	30,662,500	36,262,500

(1) Following the in-specie distribution of Enterprise Uranium Limited on 30 October 2012, all exercise prices of options were reduced by 2.8 cents in accordance with ASX Listing Rule 7.22.3. This is not considered a modification of the share-based payments as the terms and conditions of the options note that the exercise price may change as a result of a capital restructure (such as through an in-specie distribution).

(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 2016 and 30 June 2015 are as follows:

	2016 $	2015 $
Cash and cash equivalents	281,121	304,111
Trade and other receivables	31,265	183,840
Other financial assets	-	-
Trade and other payables	(130,125)	(301,541)
Working capital position	182,261	186,410

NOTE 16: RESERVES

	Note	2016 $	2015 $
Options Reserve		6,095,155	6,019,447
AFS Asset Reserve		661,500	–
		6,756,655	6,019,447
Options Reserve			
Movements during the year:			
At the beginning of the reporting period		6,019,447	6,019,447
Share-based payments		75,708	–
At reporting date		6,095,155	6,019,447

The Options Reserve records the value of share based payments (refer note 18).

	Note	2016 $	2015 $
AFS Asset Reserve			
Movements during the year:			
At the beginning of the reporting period		–	162,000
Fair value gains/(loss) on available-for-sale financial assets	10	661,500	(162,000)
At reporting date		661,500	–

The AFS Asset Reserve records revaluation of financial assets.

NOTE 17: CASH FLOW INFORMATION

(a) Reconciliation of Cash Flow from Operations with loss after Income Tax

	2016 $	2015 $
Loss after income tax	(2,870,837)	(7,340,517)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss from ordinary activities:		
Depreciation and amortisation	34,480	69,112
Impairment of exploration and evaluation	2,414,439	6,286,974
Impairment of available for sale financial assets	32,000	354,000
Profit on sale of tenements	-	(2,382)
Changes in assets and liabilities:		
(Increase)/ decrease in receivables	34,999	(15,984)
(Increase) in prepayments and other assets	-	99,569
Increase/ (decrease) in payables	(133,017)	38,087
Cash flow used in operations	(487,936)	(511,141)

(b) Credit Standby Facilities

The Company had no credit standby facilities as at 30 June 2016 (2015: nil).

(c) Non-Cash Financing and Investing activities

Share issues

For the year ended 30 June 2016 and 30 June 2015

Option issues

On 29 January 2014, 5,000,000 share options were granted to brokers to take up ordinary shares at an exercise price of $0.08 each. The options are exercisable on or before 30 November 2016.

NOTE 18: SHARE-BASED PAYMENTS

Option issues

The following share-based payment arrangements existed at 30 June 2016:

On 11 August 2015, 2,000,000 share options were granted to brokers to take up ordinary shares at an exercise price of $0.05 each. The options are exercisable on or before 10 August 2017.

On 29 January 2014, 5,000,000 share options were granted to Directors to take up ordinary shares at an exercise price of $0.08 each. The options are exercisable on or before 30 November 2016.

All options granted confer the right to convert into one ordinary share in Enterprise Metals Limited for every option held.

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

	2016 Number of Options	2015 Number of Options	2016 Weighted Average Exercise Price $	2015 Weighted Average Exercise Price $
Outstanding at beginning of the year	12,600,000	37,600,000	$0.14	$0.201
Granted	2,000,000	–	$0.05	–
Forfeited	–	–	–	–
Exercised	–	–	–	–
Expired	(7,600,000)	(25,000,000)	$0.149	$0.25
Outstanding at year-end	7,000,000	12,600,000	$0.071	$0.14
Exercisable at year-end	7,000,000	12,600,000	$0.071	$0.14

The options outstanding at 30 June 2016 had a weighted average exercise price of $0.071 (2015: $0.14) and a remaining weighted average contractual life of 0.61 years (2015: 0.68 years). The exercise price of the options ranged from 5 to 8 cents.

The weighted average fair value of the options granted during the year was 3.78 cents (2015 – Nil). The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	2016	2015
Weighted average exercise price (cents)	5.0	–
Weighted average life of the option (years)	2.0	–
Weighted average underlying share price (cents)	5.0	–
Expected share price volatility [(1)]	162%	–
Weighted average risk free interest rate	3.64%	–

[(1)] Volatility was based on historical price information.

NOTE 19: CONTROLLED ENTITIES

Details of Controlled Entities	Country of Incorporation	Class of Shares	Percentage Owned % 2016	Percentage Owned % 2015
Murchison Exploration Pty Limited	Australia	Ordinary	100	100
ACN 125 615 232 (previously 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

The principle activities of the above entities is exploration.

NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to reporting date the Company has disposed of 1.5m AME shares on market generating $178,068 of funds (net of transaction costs).

Apart from the above, there has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

NOTE 21: RELATED PARTY TRANSACTIONS

	2016 $	2015 $
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 and 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.		
Mineral Exploration Services	142,339	145,460
As at 30 June 2016, $Nil (2015: $39,430) was payable to XServ Pty Ltd, and $Nil (2015: $812) was receivable from XServ Pty Ltd.		
Alto Metals Limited (formerly Enterprise Uranium Limited)		
Mr Ryan is a Director of Alto Metals Limited. Enterprise Metals Limited provides shared office services to Alto Metals Limited.		
Reimbursement of shared costs charged to Alto Metals Ltd including staff, rental of office space and office administration	42,822	193,455
As at 30 June 2016, $12,546 (2015: 32,687) was receivable from and $11,939 (2015: $30,870) was payable to Alto Metals Limited		

NOTE 21: RELATED PARTY TRANSACTIONS (Cont.)

	2016 $	2015 $
Mega Capital Resources Ltd		
Dr Wang is director of Mega Capital Resources Ltd. Mega Capital Resources Ltd provides consulting services to Enterprise Metals Limited and Chairman services.		
Consulting/Chairman Services	56,002	85,333
As at 30 June 2016, $28,000 (2015: $25,333) was payable to Mega Capital Resources Ltd.		
Judicial Holdings Pty Ltd		
Dr Allen Trench is director of Judicial Holdings Pty Ltd. The Company provides director and consulting services to Enterprise Metals Limited.		
Consulting/Chairman Services	40,000	–
As at 30 June 2016, $15,000 was payable to Judicial Holdings Pty Ltd.		

NOTE 22: CAPITAL AND LEASING COMMITMENTS

Expenditure commitments

The Group is planning exploration work on its exploration tenements in order to retain the rights of tenure. These obligations will be met, subject to availability of funds and can be reduced by entering into joint venture arrangements, selective relinquishment of exploration tenure or application for expenditure exemptions. Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is very difficult to forecast the nature and amount of future expenditure. The Group's planned exploration and expected commitments, subject to available funds – refer note 1(a), for the next year are as follows:

	2016	2015
Australian tenements	1,021,334	829,353

NOTE 23: 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.

2016	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	281,121	–	–	–	281,121
Loans and receivables	–	–	–	31,265	31,265
Other financial assets	–	–	–	–	–
Total Financial Assets	281,121	–	–	31,265	312,386
Weighted average interest rate – cash assets	1.91%	–	–		
Financial Liabilities at amortised cost					
Trade and other payables	–	–	–	(130,125)	(130,125)
Total Financial Liabilities	–	–	–	(130,125)	(130,125)
Net financial assets	281,121	–	–	(98,860)	182,261

NOTE 23: FINANCIAL INSTRUMENTS (Cont.)

	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	279,111	25,000	–	–	304,111
Loans and receivables	–	–	–	183,840	183,840
Available for sale financial assets	–	–	–	345,500	345,500
Total Financial Assets	279,111	25,000	–	529,340	833,451
Weighted average interest rate – cash assets	1.73%	3.00%			
Financial Liabilities at amortised cost					
Trade and other payables	–	–	–	(301,541)	(301,541)
Total Financial Liabilities	–	–	–	(301,541)	(301,541)
Net financial assets	279,111	25,000	–	227,799	531,910

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

There are no other material amounts of collateral held as security at 30 June 2016. 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	2016	2015
		$	$
Cash and cash equivalents			
- AA Rated	8	281,121	304,111

(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

NOTE 23: FINANCIAL INSTRUMENTS (Cont.)

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.

(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. The effect of a +/- movement of 1% in interest rates would impact on profit by +/- $2,811 (2015 +/- $3,038) and equity +/- $2,811 (2015 +/- $3,038).

(d) Price risk on AFS assets

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified on the balance sheet as available for sale.

Listed investments have been valued at the quoted market bid price at the end of reporting period, adjusted for transaction costs expected to be incurred. At 30 June 2016, the effect on profit and equity as a result of changes in listed equity prices, with all other variables remaining constant would be as follows:

		Listed equity price -10%		Listed equity price +10%	
	Carrying amount	Net loss	Equity	Net loss	Equity
30 June 2016	975,000	(97,500)	(97,500)	97,500	97,500
30 June 2015	345,500	(34,550)	(34,550)	34,550	34,550

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 value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For unlisted investments where there is no organised financial market, the 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.

NOTE 23: FINANCIAL INSTRUMENTS (Cont.)

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

	2016 Carrying Amount $	2016 Fair Value $	2015 Carrying Amount $	2015 Fair Value $
Financial Assets				
Cash and cash equivalents	281,121	281,121	304,111	304,111
Loans and receivables	31,265	31,265	183,840	183,840
Available for sale financial assets	975,000	975,000	345,500	345,500
Total Financial Assets	1,287,386	1,287,386	833,451	833,451
Financial Liabilities at amortised cost				
Trade and other payables	130,125	130,125	301,541	301,541
Total Financial Liabilities	130,125	130,125	301,541	301,541

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.

Fair Value of financial instruments

The methods of estimating fair value are outlined in the relevant notes to the financial statements. All financial assets and liabilities recognised in the statement of financial position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair values unless otherwise stated in the applicable notes.

The following tables detail the Group's fair values for financial instruments categorised into the following levels:

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 (as prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Consolidated 2016	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets	975,000	–	–	975,000
Total assets	975,000	–	–	975,000

Consolidated 2015	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets	345,500	–	–	345,500
Total assets	345,500	–	–	345,500

NOTE 24: PARENT ENTITY DISCLOSURES

		2016	2015
		$	$
(a)	**Financial Position of Enterprise Metals Limited**		
	CURRENT ASSETS		
	Cash and cash equivalents	281,121	304,111
	Trade and other receivables	31,265	62,502
	TOTAL CURRENT ASSETS	312,386	366,613
	NON-CURRENT ASSETS		
	Plant and equipment	4,430	17,937
	Intangible assets	6,451	27,424
	Exploration and evaluation	3,607,239	3,355,292
	Other financial assets	4,261,631	5,777,310
	TOTAL NON-CURRENT ASSETS	7,879,751	9,177,963
	TOTAL ASSETS	8,192,137	9,544,576
	CURRENT LIABILITIES		
	Trade and other payables	130,125	301,541
	TOTAL CURRENT LIABILITIES	130,125	301,541
	TOTAL LIABILITIES	130,125	301,541
	NET ASSETS	8,062,012	9,243,035
	EQUITY		
	Issued capital	30,063,090	29,110,501
	Option reserve	6,724,655	6,019,447
	AFS financial asset reserve	-	-
	Accumulated losses	(28,725,733)	(25,886,913)
	TOTAL EQUITY	8,062,012	9,243,035
(b)	**Financial Performance of Enterprise Metals Limited**		
	Loss for the year	(2,838,820)	(7,340,517)
	Unrealised gain on revaluation of AFS asset	-	-
	Total comprehensive loss	(2,838,820)	(7,340,517)

(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 2016 (2015: none).

(d) Contingent liabilities of Enterprise Metals Limited

As at 30 June 2016 the Company has bank guarantees to the value of $nil (2015: $nil) to secure tenement bonds and $nil to secure a credit card facility (2015: $nil).

NOTE 24: PARENT ENTITY DISCLOSURES (Cont.)

(e) Commitments by Enterprise Metals Limited

Expenditure commitments

The Company is planning exploration work on its exploration tenements in order to retain the rights of tenure. These obligations will be met, subject to availability of funds and can be reduced by entering into joint venture arrangements, selective relinquishment of exploration tenure or application for expenditure exemptions. Due to the nature of the Company's operations in exploring and evaluating areas of interest, it is very difficult to forecast the nature and amount of future expenditure. The Company's planned exploration and expected commitments, subject to available funds – refer note 1(a), for the next year are as follows:

	2016 $	2015 $
Australian tenements	928,000	696,942

NOTE 25: CONTINGENT LIABILITIES

As at 30 June 2016 the Group has bank guarantees to the value of $nil (2015: $nil) to secure tenement bonds and $nil to secure a credit card facility (2015: $nil).

NOTE 26: 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 27: COMPANY DETAILS

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

Enterprise Metals Limited
Suite 2
91 Hay Street
SUBIACO WA 6008

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 15 to 40, 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 2016 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*; and
   (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; and
   (d) they have given the declarations required by Section 295A of the Corporations Act, 2001 for the financial year ended 30 June 2016.
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.

Dermot Ryan
MANAGING DIRECTOR

Dated 27th September 2015, 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 2016, 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 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. The Directors' responsibility also includes such internal control as the Directors determine 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 2016 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.

Emphasis of matter

Without qualification to the audit opinion expressed above, we draw attention to Note 1(a) to the financial report which indicates that the entity incurred a loss before tax of $2,870,837 and cash outflows from operating activities of $487,936 for the year ended 30 June 2016. These conditions, along with other matters as set forth in Note 1(a), indicate the existence of a material uncertainty which may cast doubt about the entity's ability to continue as a going concern and therefore, the 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

Report on the remuneration report

We have audited the remuneration report included in pages 12 to 16 of the directors' report for the year ended 30 June 2016. 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 2016, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M A Petricevic
Partner - Audit & Assurance

Perth, 27 September 2016

The following additional information is required by the Australian Securities Exchange. The information is current as at 11 October 2016.

(a) Distribution schedule and number of holders of equity securities as at 11 October 2016

Fully Paid Ordinary Shares	Number of Holders	Number of Shares
1 - 1,000	81	9,332
1,001 - 5,000	169	553,209
5,001 - 10,000	222	1,889,479
10,001 - 100,000	605	23,186,887
100,001 - 9,999,999,999	268	289,495,072
Total	**1,345**	**315,133,979**

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 11 October 2016 is 833.

(b) 20 Largest holders of quoted equity securities as at 11 October 2016

The names of the twenty largest holders of fully paid ordinary shares (ASX code: ENT) as at 11 October 2016 are:

Rank	Name	Shares	% of Total Shares
1.	Sinotech (Hong Kong) Corporation Limited	88,305,556	28.02
2.	Miss Jie Liu	10,260,000	3.26
3.	RHB Securities Singapore Pte Ltd <Clients A/C>	9,348,807	2.97
4.	Mr Dermot Michael Ryan + Mrs Vivienne Eleanor Ryan <RF Super Fund A/C>	8,705,555	2.76
5.	Mrs Jinghua Zhang	8,500,000	2.70
6.	Rosane Pty Ltd <Rosane Holdings S/F A/C>	8,428,866	2.67
7.	Mr William John Robertson + Mrs June Diane Robertson <Robertson Super Fund A/C>	5,989,656	1.90
8.	Mr Dermot Michael Ryan + Mrs Vivienne Eleanor Ryan <The Enterprise A/C>	5,000,000	1.59
9.	Prancer Super Pty Ltd <Alfieri Super Fund A/C>	4,501,567	1.43
10.	Mr Zhanjun Fei	4,300,000	1.36
11.	Mr Xin Jiang	4,178,673	1.33
12.	Dr Colin Rose	4,159,577	1.32
13.	Citicorp Nominees Pty Limited	3,547,941	1.13
14.	Mr Francis Leslie Owen + Mrs Elizabeth Ann Owen <Owen S/F A/C>	3,026,333	0.96
15.	Windsong Valley Pty Ltd <Wheeler Family A/C>	3,000,000	0.95
16.	HSBC Custody Nominees (Australia) Limited	2,822,126	0.90
17.	Mr Miles George Smyth	2,695,895	0.86
18.	Alto Metals Limited	2,500,000	0.79
19.	Larsen Superannuation Fund Pty Ltd <Larsen Super Fund A/C>	2,436,600	0.77
20.	Mr Richard Thomas Hayward Daly + Mrs Sarah Kay Daly <Daly Family S/F A/C>	2,348,485	0.75
Totals: Top 20 Holders Of Ordinary Shares (Grouped)		**184,055,637**	**58.41**

The unquoted securities on issue as at 11 October 2016 are detailed below in part (d).

(c) Substantial shareholders

Substantial shareholders in Enterprise Metals Limited and the number of equity securities over which the substantial shareholder are listed below:

Name	Shares
Sinotech (Hong Kong) Corporation Limited	88,305,556

(d) Unquoted Securities

The number of unquoted securities on issue as at 11 October 2016:

Security	Number on issue
Unlisted options exercisable at 5 cents, on or before 10 August 2017.	2,000,000
Unlisted options exercisable at 8 cents, on or before 30 November 2016.	16,662,500

(e) Holder Details of Unquoted Securities

Names of people that hold more than 20% of a given class of unquoted securities (other than unquoted securities issued under an employee incentive scheme) as at 11 October 2016 are below:

Security	Holder Name	Number of Securities	% Held
Unlisted options; 5 cents, 10 August 2017.	Mersound Pty Ltd	400,000	20%
Unlisted options; 5 cents, 10 August 2017.	InSync Equity Services Pty Ltd	800,000	40%
Unlisted options; 5 cents, 10 August 2017.	Glen Goulds	800,000	40%
Unlisted options; 8 cents, 30 November 2016.	Sinotech (Hong Kong) Corporation Limited	4,125,000	24.8%
Unlisted options; 8 cents, 30 November 2016.	Zenix Nominees Pty Ltd	5,000,000	30%

(f) Restricted Securities as at 11 October 2016

There were no restricted securities on issue as at 11 October 2016

(g) Voting Rights

All fully paid ordinary shares carry one vote per ordinary share without restriction.

Unquoted options have no voting rights.

(h) Corporate Governance

The Board of Enterprise Metals Limited is committed to achieving and demonstrating the highest standards of Corporate Governance. The Board is responsible to its Shareholders for the performance of the Company and seeks to communicate extensively with Shareholders. The Board believes that sound Corporate Governance practices will assist in the creation of Shareholder wealth and provide accountability. In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly information about the Company's Corporate Governance practices is set out on the Company's website at www.enterprisemetals.com.au

Tenement	Project	Status	ENT Interest	Holder/Subsidiary
E51/1079	Doolgunna	Live	100%	Murchison Exploration Pty Ltd
E51/1168	Doolgunna	Live	100%	Murchison Exploration Pty Ltd
E51/1301	Doolgunna	Live	100%	Enterprise Metals Limited
E51/1303	Doolgunna	Live	100%	Enterprise Metals Limited
E51/1304	Doolgunna	Live	100%	Enterprise Metals Limited
E51/1539	Doolgunna	Live	100%	Enterprise Metals Limited
E52/2049	Doolgunna	Live	100%	Murchison Exploration Pty Ltd
E51/1683	Doolgunna	Live	100%	Amiable Holdings Pty Ltd
E52/3347	Doolgunna	Live	100%	Amiable Holdings Pty Ltd
E63/1283	Fraser Range	Live	100%	Enterprise Metals Limited
E37/927	Darlot	Live	100%	Enterprise Exploration Limited
E37/947	Darlot	Live	100%	A.C.N. 125 615 232 Pty Ltd
E37/1031	Darlot	Live	100%	Enterprise Metals Limited
E37/1105	Darlot	Live	100%	Enterprise Metals Limited
E37/1112	Darlot	Live	100%	Enterprise Metals Limited
E37/1185	Darlot	Live	100%	Enterprise Metals Limited
E36/768	Darlot	Live	100%	Enterprise Metals Limited
E36/778	Darlot	Live	100%	Enterprise Metals Limited
E59/2076	Yalgoo	Live	100%	Enterprise Gold Pty Ltd
E59/2091	Yalgoo	Live	100%	Enterprise Gold Pty Ltd

Joint Venture Funded

E36/706*	Darlot JV	Live	80%	Enterprise Metals Limited
E37/859*	Darlot JV	Live	80%	A.C.N. 125 615 232 Pty Ltd
E63/1281**	Fraser-AON JV	Live	30%	Enterprise Metals Limited
E63/1282**	Fraser-AON JV	Live	30%	Enterprise Metals Limited
E63/1695**	Fraser-AON JV	Pending	30%	Enterprise Metals Limited
E28/2403**	Fraser-AON JV	Live	30%	Enterprise Metals Limited

Notes

Darlot Rudd Agreement

* *Enterprise Metals Ltd is the of holder of an 80% interest, with Allan Rudd & Peter Gianni holding 20% interest. Enterprise is free carrying Rudd and Gianni's 20% interest to completion of a Bankable Feasibility Study.*

Fraser Range AON Joint Venture

** *Enterprise Metals Ltd is the registered holder of 30% interest. Apollo Minerals Ltd has purchased a 70% interest, and is free carrying Enterprise at 30% interest to completion of any Bankable Feasibility Study.*

Enterprise Metals Limited

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