

28 October 2016

SEPTEMBER 2016 QUARTERLY ACTIVITIES REPORT

#### **CORPORATE**

ASX Symbol: ENT  
ACN 123 567 073

At 30 September 2016  
Shares on issue: 315,133,979  
Market Cap: \$4.41 million

#### **CONTACT DETAILS**

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#### **BOARD OF DIRECTORS**

Dr Allan Trench  
Non-Executive Chairman

Mr Dermot Ryan  
Managing Director

Dr Zhijun He  
Non-Executive Director

Mr Sam Middlemas  
Company Secretary/CFO

#### **PROJECTS**

Copper/Zinc/Gold  
Doolgunna

Nickel/Copper  
Fraser Range

Gold/Copper/Zinc  
Darlot  
Yalgoo

## **SUMMARY**

### **Doolgunna Cu-Zn(Au)**

- On 12 October 2016 Enterprise Metals announced that it had entered into an Agreement with Sandfire Resources NL (ASX: SFR) for a farm-in and joint venture over all of Enterprise's Doolgunna Project tenements.
- Summary terms are:
  - Enterprise to receive \$300,000 worth of Sandfire shares at commencement,
  - Sandfire to spend minimum of \$1.5M over 2 years on exploration,
  - After minimum spend, Sandfire has the option to sole fund exploration to define minimum Mineral Resources containing 50,000 tonnes Cu metal or equivalent,
  - Sandfire to earn a 75% interest when minimum Mineral Resource is defined,
  - Enterprise and Sandfire then a form JV and fund their respective interests.
- Enterprise has now received the 58,431 SFR shares and Sandfire has commenced management of the Doolgunna Project.

### **Corporate**

- Mr Sam Middlemas was appointed Company Secretary and Chief Financial Officer on 15 July 2016.
- Dr Allan Trench was appointed Non-Executive Chairman upon the resignation of Dr Jingbin Wang on 12 October 2016.
- Dr Zhijun He was appointed Non-Executive Director on 12 October 2016.
- ENT's cash position at 30 September 2016 was \$315,740.
- Fair market value of liquid assets (ASX listed shares) held at 26 October 2016 is \$2.043 million.



## SUMMARY OF ACTIVITIES

### DOOLGUNNA PROJECT

Enterprise has held a strategic and prospective land position at Doolgunna since 2008, before Sandfire Resources NL discovered the high grade DeGrussa copper-gold (zinc) deposit in 2009 and the high grade Monty copper-gold (zinc) deposit in 2015. Enterprise's Doolgunna tenement holding covers over 60km of strike of the southern boundary of the Bryah Basin, which contains the Narracoota/Karalundi Formations which are the host the DeGrussa and Monty high-grade copper deposits.

In late 2015, Enterprise completed an extensive moving loop electromagnetic (EM) survey at the Vulcan-Goodins VHMS prospect, immediately north of the Doolgunna homestead, where it detected a steeply dipping conductor (Vulcan West). This conductor was tested by one deep RC hole in late 2015, but further drill testing is required. South-west of the Doolgunna homestead, Enterprise completed a maiden nine hole drill test of the Borg copper-zinc SEDEX target, and intersected low grade base metal sulphides which also require follow up drill testing.

On 12 October 2016 Enterprise Metals announced that it had entered into an Agreement with Sandfire Resources NL (ASX: SFR) for a farm-in and joint venture over all of Enterprise's Doolgunna Project tenements. The key terms of the agreement are summarised below:

#### **1. Farm-In Stage: Enterprise Free-Carried until discovery**

- Sandfire to issue \$300,000 worth of SFR shares to Enterprise. The issue price is to be the volume weighted average price of Sandfire shares on the ASX during the 5 days prior to the date of execution of the Agreement. *[Completed with issue of 58,431 SFR fully paid shares]*
- Sandfire must incur a minimum of \$1.5 million on Exploration within two years, and Sandfire can withdraw at any time after it has satisfied the Minimum Expenditure Condition without penalty.
- Sandfire then has the option to sole fund Exploration on the Tenements to define a JORC 2012 compliant Mineral Resource of 50,000 tonnes of contained copper or copper equivalent resource, to earn a 75% interest in the Tenements. There is no time limit for Sandfire to satisfy the Earn-In.
- While Sandfire is sole funding Exploration on the Tenements, Sandfire must keep the Tenements in good standing by satisfying expenditure obligations and paying all fees, rent, rates and other similar charges, and not permit the creation of any encumbrance or sell, assign or dispose of any part of its interest in the Tenements without the prior consent of Enterprise.

#### **2. Joint Venture Stage: Enterprise to hold 25% of any future high-grade Cu discovery**

- Once Sandfire has elected to acquire the 75% Interest, Sandfire and Enterprise will be deemed to have formed a joint venture for the exploration and evaluation of the Tenements, and, if warranted, development and exploitation of any minerals within the Tenements (**Doolgunna Joint Venture**).

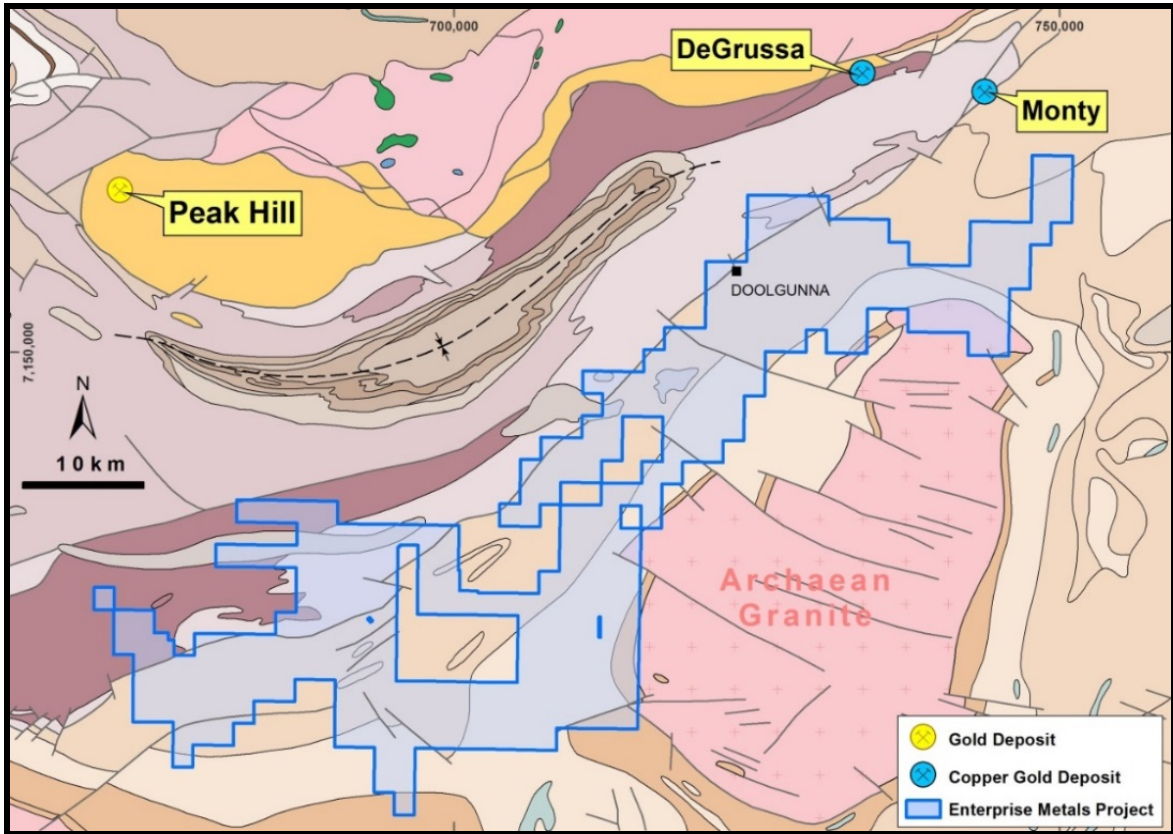


Figure 1. Enterprise’s 917km<sup>2</sup> Doolgunna Project Area, Over Regional Geology

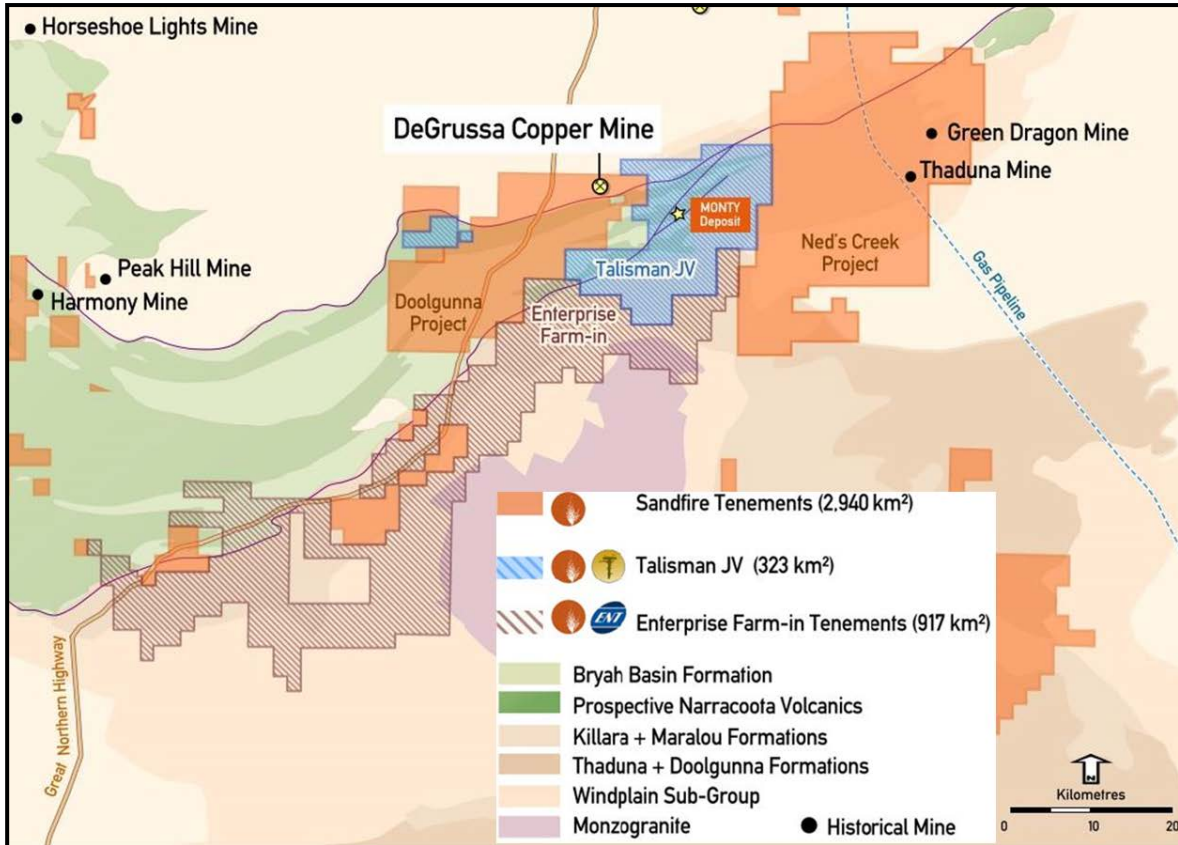


Figure 2. Enterprise’s Doolgunna Project Area Incorporated into Sandfire’s Doolgunna Project

**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 early 2015 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.

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

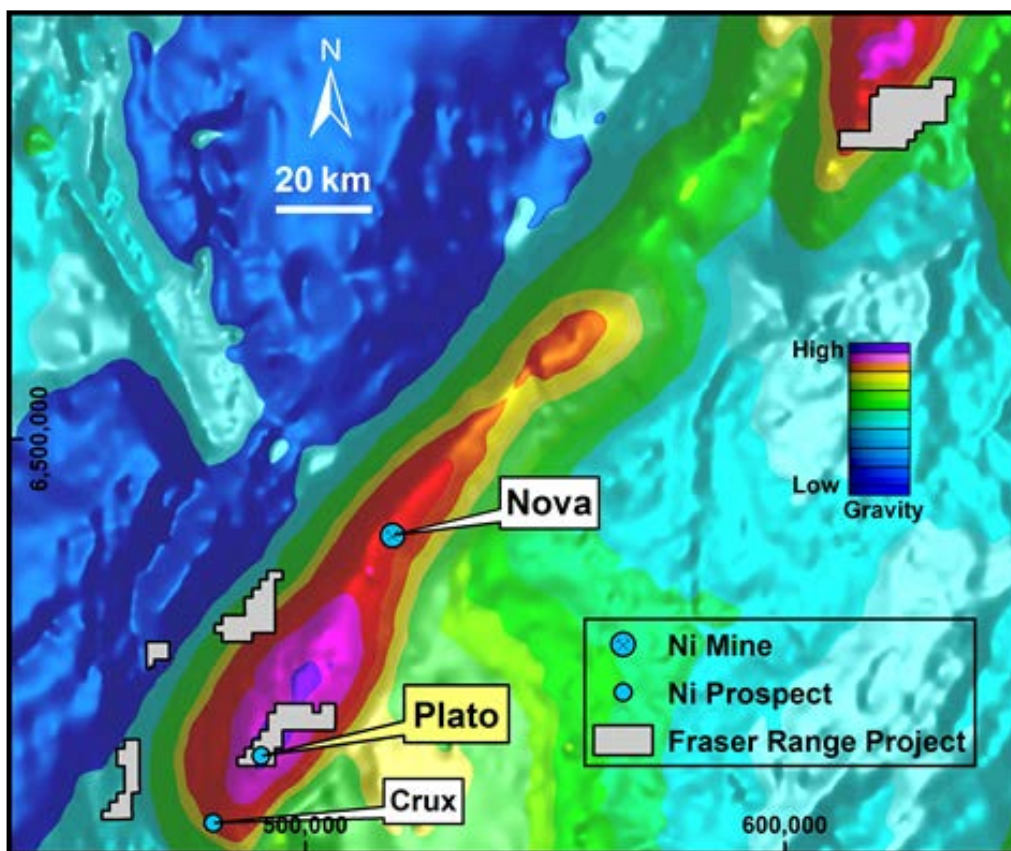
**FRASER RANGE PROJECT**

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

In mid-2014, the Company’s maiden drilling program at Plato intersected disseminated and “blebby” nickel-copper sulphide mineralisation over significant widths within rocks which were originally cumulate mafic rocks. Subsequently, in the latter half of 2014, 33 high powered fixed loop EM surveys were undertaken over various anomalous areas identified from the Company’s earlier geochemical, geological and geophysical work.

In order to focus the Company’s exploration efforts on Doolgunna in 2015/16, the Company entered into a sale and joint venture agreement with Apollo Minerals Ltd (ASX: AON) over the Fraser Range tenements.

Apollo purchased a 70% interest in the tenements and must carry Enterprise’s 30% interest to completion of a bankable feasibility stage (BFS) on any discovery. If a BFS is not completed or Apollo withdraws, it must return 100% ownership of the tenements to Enterprise. Apollo has undertaken a series of high powered ground EM surveys and we expect that a substantial drilling program will follow in 2016/17.



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

**YALGOO PROJECT**

Enterprise has a strategic landholding of 3 granted exploration licences over the north-western half of the Yalgoo greenstone belt, immediately north of Doray Minerals Ltd’s (ASX: DRM) Deflector gold/copper mine. Enterprise is currently compiling data and planning a Yalgoo exploration program.

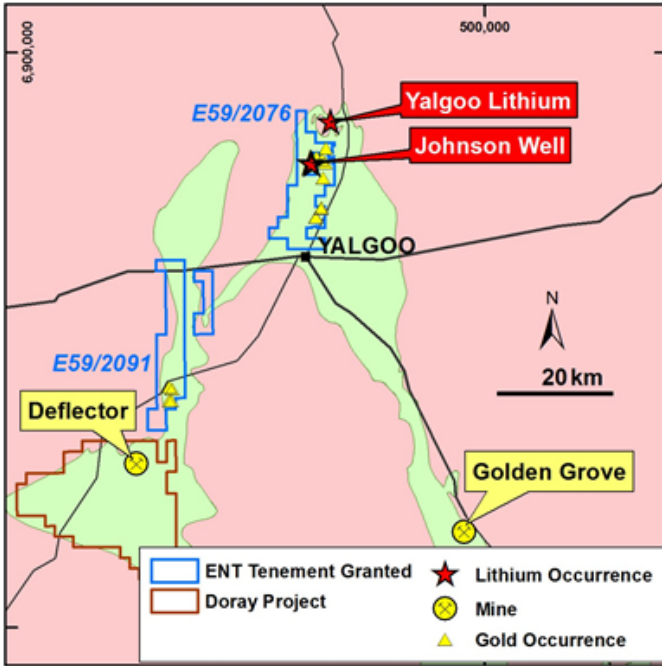


Figure 5.

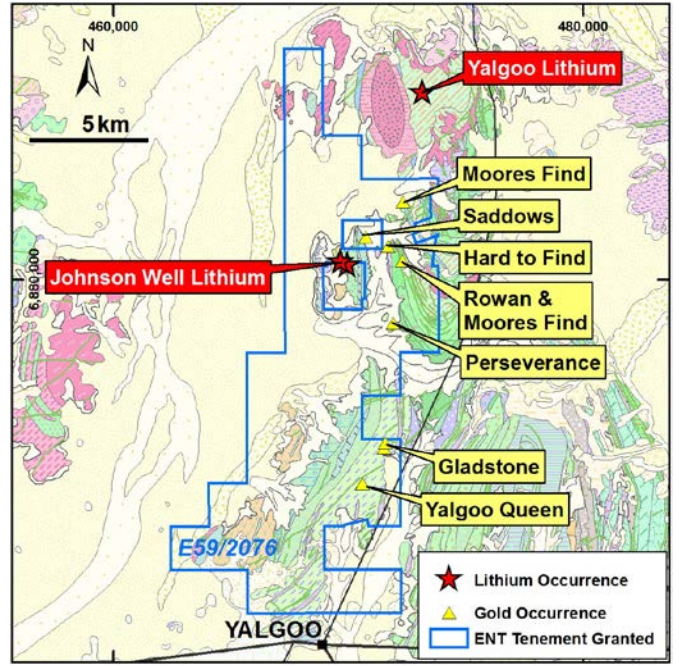
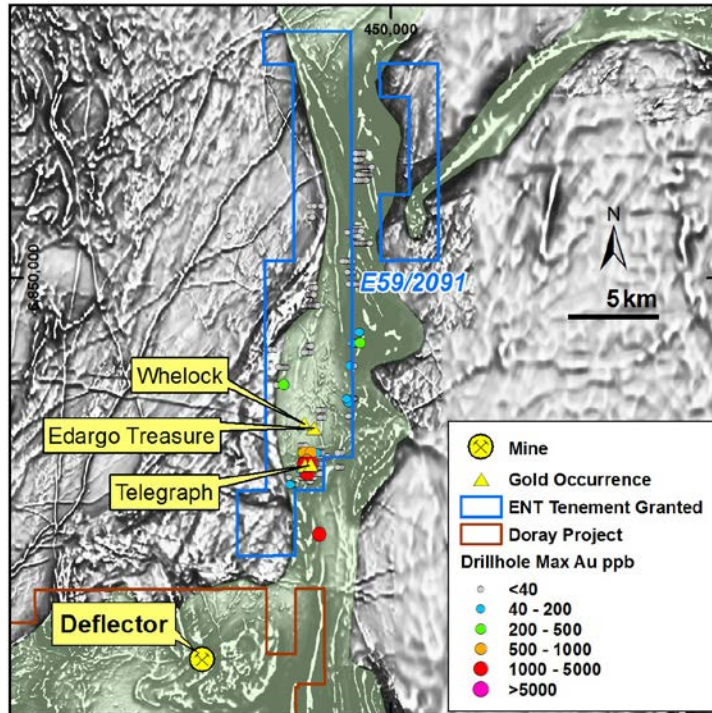


Figure 6.

**Figures 5 & 6. Yalgoo Project, Regional and Detailed Geology**



**Figure 7. Yalgoo Project, gold Occurrences over 1<sup>st</sup> VD Magnetic Image**

**CORPORATE**

**INVESTMENTS**

**Alto Metals Limited**

Enterprise Metals Limited currently holds 12 million shares in Alto Metals Limited (ASX: AME, or “Alto”) which represents a 7.9% interest in Alto. On 23 March 2016 Alto announced an agreement to acquire the majority of the Sandstone Archaean Greenstone Belt in Western Australia which has produced over 1.3 million oz of gold, and on 20 May 2016, ENU’s shareholders voted to change the name of the Company to Alto Metals Limited.

Enterprise’s 12 million Alto shares currently have a fair market value of \$1,680,000, based on an AME share price of 14 cents/share.

**Sandfire Resources NL**

On 12 October 2016 Enterprise Metals announced that it had entered into an Agreement with Sandfire Resources NL (ASX: SFR) for a farm-in and joint venture over all of Enterprise’s Doolgunna Project tenements. Under the terms of this agreement, Sandfire issued 58,431 fully paid SFR shares (valued at \$300,000) to Enterprise.

Enterprise’s 58,431 Sandfire shares currently have a fair market value of \$295,000 based on an SFR share price of \$5.06/share.

**Apollo Mineras Limited**

On 13 February 2013, Enterprise announced that it had entered into a Sale and Joint Venture Agreement with Apollo Minerals Limited (“Apollo”: ASX: AON) on its’ Fraser Range tenements in WA. Under the terms of the Agreement, Apollo purchased a 70% beneficial interest in Enterprise’s tenements for a consideration of \$200,000 cash and 20 million Apollo (AON) ordinary fully paid shares. Following capital reconstructions by Apollo, (1 for 10 and 1 for 4) in 2015/16, Enterprise currently holds 500,000 AON shares.

Enterprise’s 0.5 million Apollo shares currently have a fair market value of \$67,500 based on an AON share price of 13.5 cents/share.

**INVESTMENTS - FAIR MARKET VALUES AT 27 OCTOBER 2016**

Security Name	No. of Securities	Share Price	Fair Market value
Alto Metals Ltd (ASX: AME)	12,000,000	\$0.14	\$1,680,000
Sandfire Resources NL (ASX:SFR)	58,431	\$5.06	\$ 295,660
<u>Apollo Minerals Ltd (ASX: AON)</u>	<u>500,000</u>	<u>\$0.135</u>	<u>\$ 67,500</u>
		<b>TOTAL</b>	<b>\$2,043,160</b>

## ISSUED CAPITAL AT 30 SEPTEMBER 2016

Ordinary Fully Paid Shares on Issue      **315,133,979**

Unlisted Options	Exercise Price	Expiry Date
2,000,000	\$0.05	10/08/2017
16,662,500	\$0.08	30/11/2016

## CASH POSITION AT 30 SEPTEMBER 2016

Cash position at bank: **\$315,740**



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

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### **Competent Persons statements**

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



## TENEMENT SCHEDULES

### ENTERPRISE METALS LTD AND ITS 100% OWNED SUBSIDIARIES, ON A CONSOLIDATED BASIS

#### APPENDIX 1: ENT 100% Owned Tenements at 30 September 2016

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

#### APPENDIX 2: Darlot JV Tenements at 30 September 2016

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

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

#### APPENDIX 3: Fraser Range Joint Venture Tenements at 30 September 2016

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

\*ENT registered holder of 30% interest, free carried to completion of any Bankable Feasibility Study.