

27 April 2017

March 2017 QUARTERLY ACTIVITIES REPORT

#### **CORPORATE**

ASX Symbol: ENT  
ACN 123 567 073

At 31 March 2017  
Shares on issue: 315,133,979  
Market Cap: \$6.618 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  
Murchison

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

- Sandfire Resources NL (ASX: SFR) commenced an extensive aircore (AC) drilling program on a 400m x 100m spacing within ENT's E52/2049 in mid-April 2017.
- SFR have planned two 600m deep reverse circulation/diamond core (RC/DC) holes to further test ENT's Vulcan West MLEM target and Vulcan Regolith prospect.

#### **Darlot Au(Cu-Zn) Project**

- Aircore drill testing of Induced Polarisation (IP) anomalies at West Ockerburry Well (E36/778) and south Overland Well (E37/859) planned for 2<sup>nd</sup> Quarter 2017. IP anomalies are associated with anomalous gold in shallow historic drill holes.

#### **Yalgoo Au(Cu-Zn) Project**

- Field reconnaissance completed and 5 target areas recommended for further work.

#### **Other - New Projects**

- The Company has applied for several small tenements prospective for Cu/Zn north of Emily Well (Cue, WA)
- The Company is continuing its search for an advanced gold project.

#### **Corporate**

- ENT's cash position at 31 March 2017 was \$405,000.
- Fair market value of ENT's investments (ASX listed shares) held at 31 March 2017 was \$1.12 million.
- During the Quarter, ENT sold its remaining shares in SFR realising net cash of \$191,000, and sold all its AON shares for net cash of \$115,000.

**SUMMARY OF ACTIVITIES**

**DOOLGUNNA PROJECT**

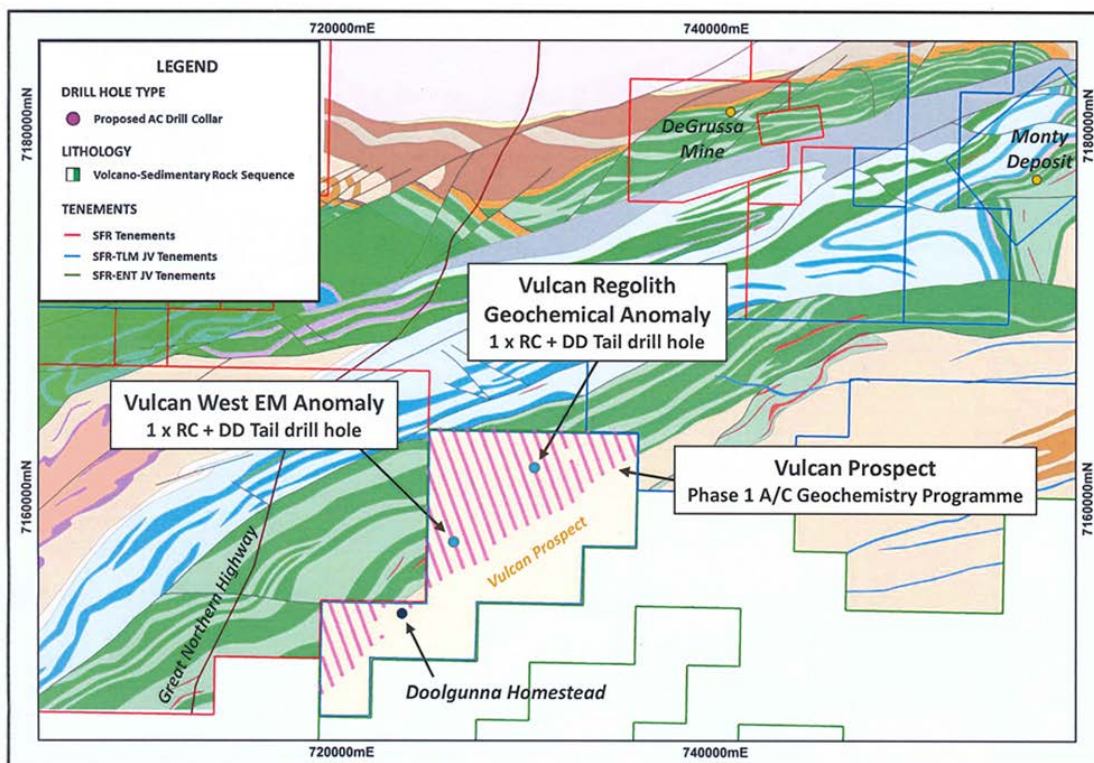
On 12 October 2016 Enterprise Metals Limited (“Enterprise” or “the Company”) (ASX: ENT) announced that it had entered into an Agreement with Sandfire Resources NL (ASX: SFR) for a farm-in and joint venture over all of Enterprise’s Doolgunna Project tenements. For details of the terms of the Agreement please refer to ASX announcement:

<http://www.asx.com.au/asxpdf/20161012/pdf/43bxjg396bgnwn.pdf>

On 18 April 2017, Enterprise announced that Sandfire had commenced a substantial aircore drilling program along the southern margin of the Bryah Basin, northeast of the Doolgunna homestead on Enterprise’s Exploration Licence 52/2049.

Sandfire has planned approximately 600 AC drill holes on a 400m x 100m spacing. The program covers approximately 10 strike kilometres of the favourable volcano-sedimentary sequence interpreted to belong to the Narracoota/Karalundi Formations, which is host to Sandfire’s DeGrussa and Monty copper/gold deposits. Samples will be analysed for a multi-element chemical suite designed to indicate vectors towards mineralisation, as well as indicating known mineralisation.

Sandfire have also advised Enterprise that they intend to drill two 600m deep drill holes RC holes with diamond core tails over the next few months. One hole is planned as a deep test of Enterprise’s Vulcan West MLEM target, and one hole will test Enterprise’s Vulcan Regolith target. Refer Figure 1 below for location of proposed drill program, and Figure 2 overleaf for location of Enterprise’s Sandfire Farm-In area.



**Figure 1. Sandfire’s Proposed Vulcan Exploration Drilling Plan over Interpreted Geology**

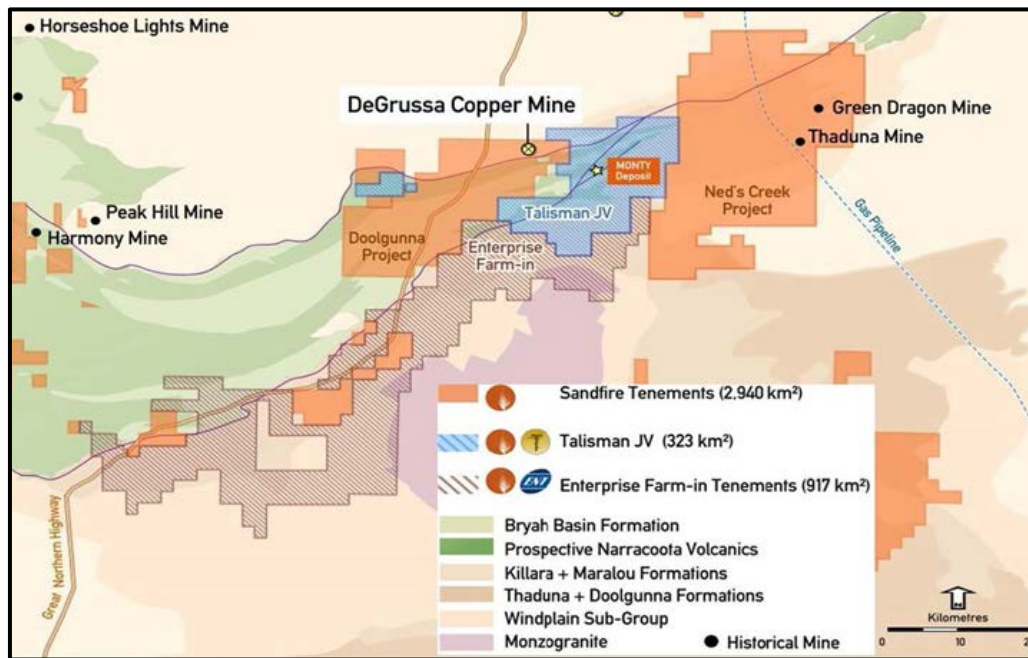


Figure 2. Sandfire’s Doolgunna Project Area with the Enterprise Farm-In Area Incorporated

**DARLOT PROJECT**

Enterprise’s Darlot Project is centred in the Archaean Yandal Greenstone Belt in Western Australia approximately 15km west of the Darlot gold mine. The Project is considered prospective for gold and copper-zinc mineralisation and lies at the boundary between mafic and felsic volcanic suites.

In late 2016 Enterprise completed two Induced Polarisation (IP) surveys at West Ockerburry Well and South Overland Well prospects to determine if sulphide mineralisation potentially exists in the fresh rock (primary zone) below a number of historical oxide gold drill intersections. For details, please refer ENT ASX release 30 January 2017.

<http://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=01823070>

Programs of Work have been prepared to test these basement IP targets with AC/RC drill holes.

**West Ockerburry Well Prospect**

A significant gold in regolith anomaly lies 2.5km to the west of the main Ockerburry Well prospect, within Enterprise’s E36/778. This was identified by rotary airblast (RAB) drilling undertaken by Mines and Resources Australia Pty Ltd (MRA) in 1997. The West Ockerburry Well IP survey identified a large, strong IP basement feature open to the north and south, which requires drill testing.

**South Overland Well Prospect**

The Overland Well Prospect was identified in 1994 by Western Mining Corporation (WMC) during a reconnaissance RAB program on the Mt Von Mueller project (MVM). Follow up RAB, aircore and RC drilling delineated a north-south zone of significant regolith gold mineralisation, the southern-most part of which lies within Enterprise’s E37/859. The South Overland Well IP survey identified moderate IP basement features which are open to the north and south. This IP source was also recommended for RC drill testing.

**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.

On 13 February 2015, Enterprise announced it had 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.

Apollo has advised Enterprise that it has recently completed a comprehensive review of all available data within the Orpheus JV Project area.

Several priority targets have been identified that require ground follow-up, including two airborne EM (HeliTEM) anomalies that had not been previously identified. A conceptual drill target has also been identified at the Plato Prospect located within E63/1281. Some of the targets identified are analogous to significant known nickel-copper sulphide deposits and exploration work programs have been designed to assess these targets

Apollo is currently appraising the findings of the review process and will develop a detailed plan for the next phase of nickel, copper and gold exploration within the Orpheus JV Project area during the June quarter.

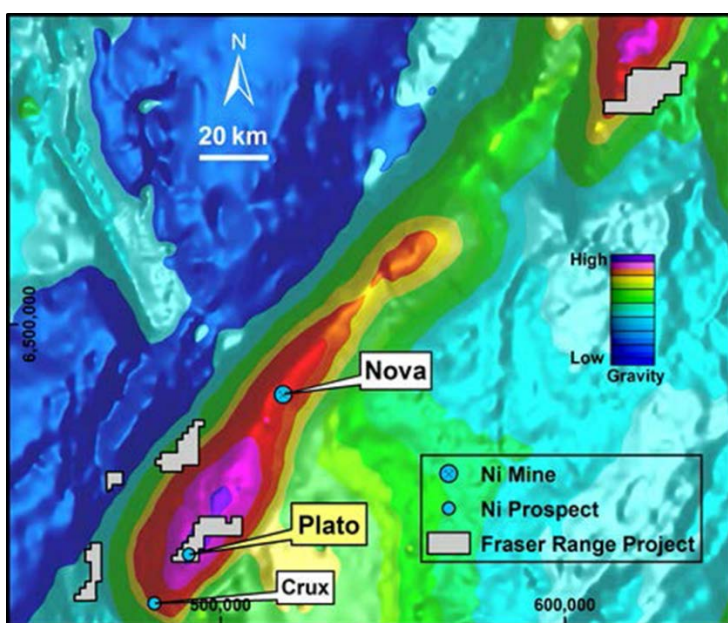


Figure 3. ENT-AON Fraser Range Orpheus JV Project Area, over Regional Gravity

**YALGOO PROJECT**

During the Quarter, Enterprise conducted a field survey of Exploration Licence 59/2076, which covers the western half of the Archaean Yalgoo Greenstone Belt, immediately north of Yalgoo township. The tenement is prospective for gold and base metals, and komatiite hosted nickel sulphides and to a lesser extent pegmatite hosted lithium deposits. Historical exploration has identified widespread gold, mostly associated with quartz veining in mafic units and banded iron formation.

Five key target areas, including seventeen aeromagnetic targets, nine soil and/or rock chip anomalies have been identified for further investigation. A work program has been proposed which includes ground IP surveys, aircore drilling and reverse circulation drilling.

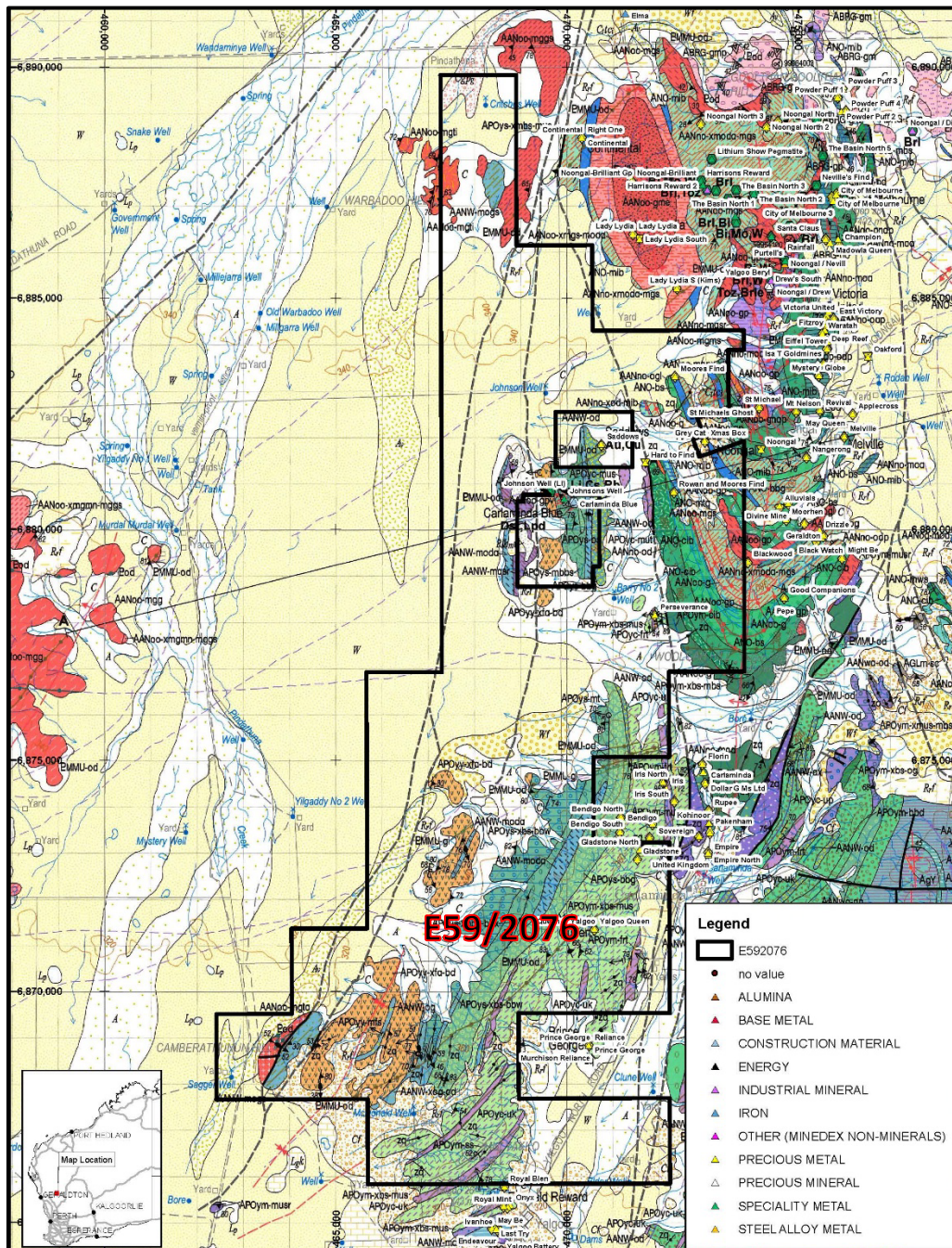


Figure 4. E59/2076 Yalgoo, Surface Geology with Gold & Other Metal Occurrences

**NEW MURCHISON TENEMENTS**

The Company has applied for two Prospecting Licences (P20/2302 and P20/2303) approximately 20km north northeast of the town of Cue in Western Australia. The tenement applications cover the northern extension of the Emily Well copper-zinc anomaly, as shown in Figure 5 below.

The Emily Well VMS system was discovered in the period 1970-72, through auger drilling of airborne electromagnetic (EM) anomalies. The auger drilling outlined a strong supergene/ hypogene Cu-Pb-Zn blanket associated with strongly chlorite altered felsic volcanics, with a differentiated gabbro apparently cross cutting the system

Recent geochemical work by the Geological Survey of Western Australia (GSWA) indicates that the felsic volcanics in the Emily Well horizon have geochemical characters consistent with VMS fertile packages across the Yilgarn and Canadian Abitibi Provinces.

The Company intends to undertake electromagnetic (EM) surveying over the prospective horizon when the tenements are granted.

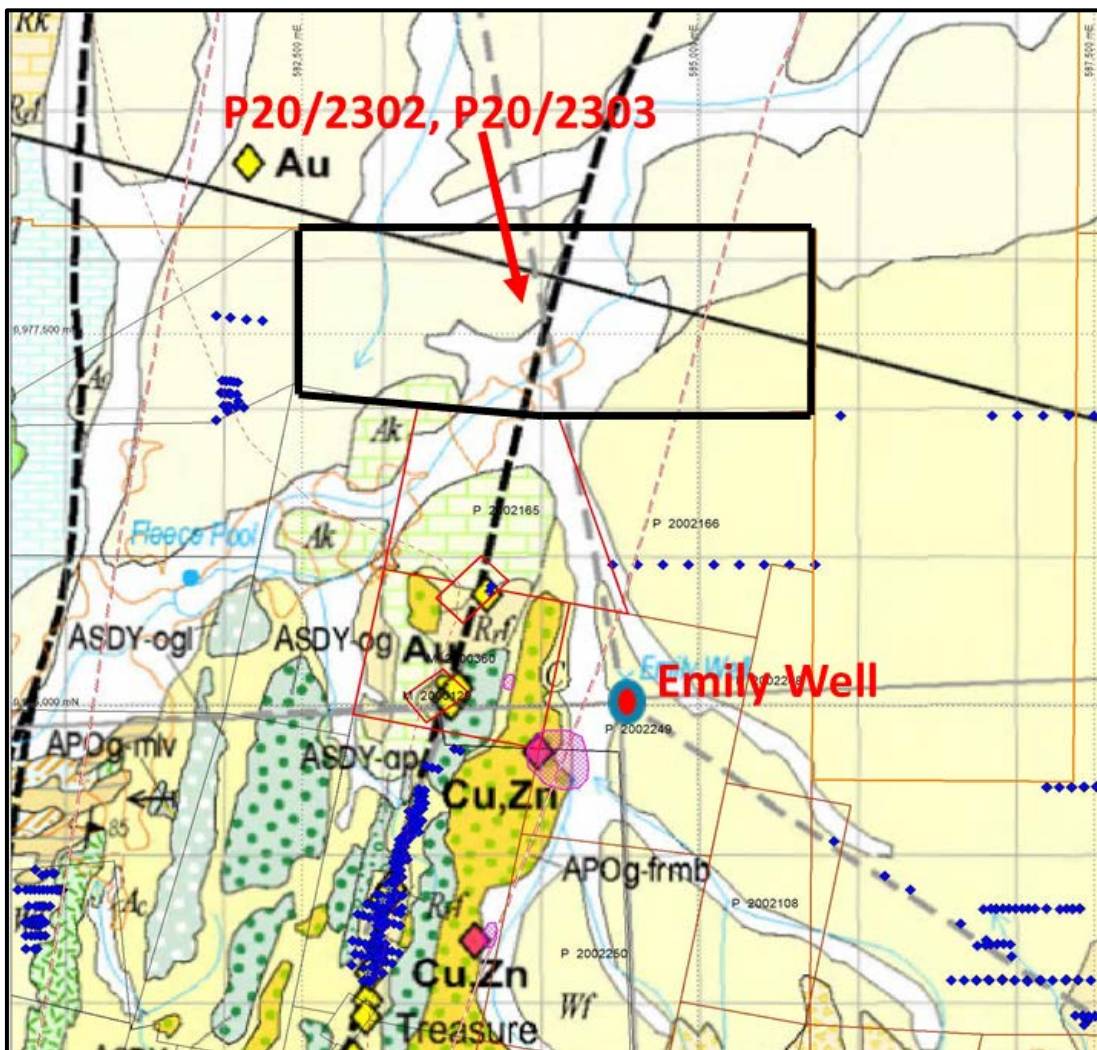


Figure 5. Enterprise’s P20/2302 & 2303 Tenements over GSWA Geology Showing Emily Well Cu, Zn Occurrences

**INVESTMENTS****Alto Metals Limited**

Enterprise currently holds a 7.9% interest (12 million shares) in Alto Metals Limited (ASX: AME, or "Alto"). On 23 June 2016 Alto announced that it had completed the acquisition of most of the Archaean Sandstone Greenstone Belt in Western Australia, which has produced over 1.3 million ounces of gold. Enterprise's 12 million Alto shares had a fair market value of \$1.16M based on a 31 March 2017 share price of 9.3 cents/share.

**Sandfire Resources NL**

On 12 October 2016 Enterprise 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. Between December 2016 and March 2017, Enterprise progressively sold these shares for a net amount of \$369,863.

**Apollo Minerals Limited**

On 13 February 2015, 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 held 500,000 AON shares, which were sold in March 2017 for a net amount of \$115,000.

**INVESTMENT IN ALTO METALS LTD - FAIR MARKET VALUE AT 31 MARCH 2017**

Security Name	No. of Securities	Share Price	Fair Market value
Alto Metals Ltd (ASX: AME)	12,000,000	\$0.093	\$1,116,000

**ISSUED CAPITAL AT 31 MARCH 2017**

<b>Ordinary Fully Paid Shares on Issue</b>	<b>315,133,979</b>		
<b>Unlisted Options</b>	<b>Exercise Price</b>		<b>Expiry Date</b>
2,000,000	\$0.05		10/08/2017

**CASH POSITION AT 31 MARCH 2017**

Cash at bank: **\$405,000**

**Further information, contact:**

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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 31<sup>st</sup> March 2017

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	Granted
Doolgunna	E52/3347	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
Murchison	P20/2302	100%	WA	Application
Murchison	P20/2303	100%	WA	Application

\* ENT registered holder of 100% interest, with Sandfire Resources NL managing and funding to earn a 75% in the Doolgunna Project tenements subject to discovery of a resource of 50,000t contained copper or equivalent.

#### APPENDIX 2: Darlot Joint Venture Tenements at 31<sup>st</sup> March 2017

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

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

#### APPENDIX 3: Fraser Range Joint Venture Tenements at 31<sup>st</sup> March 2017

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.