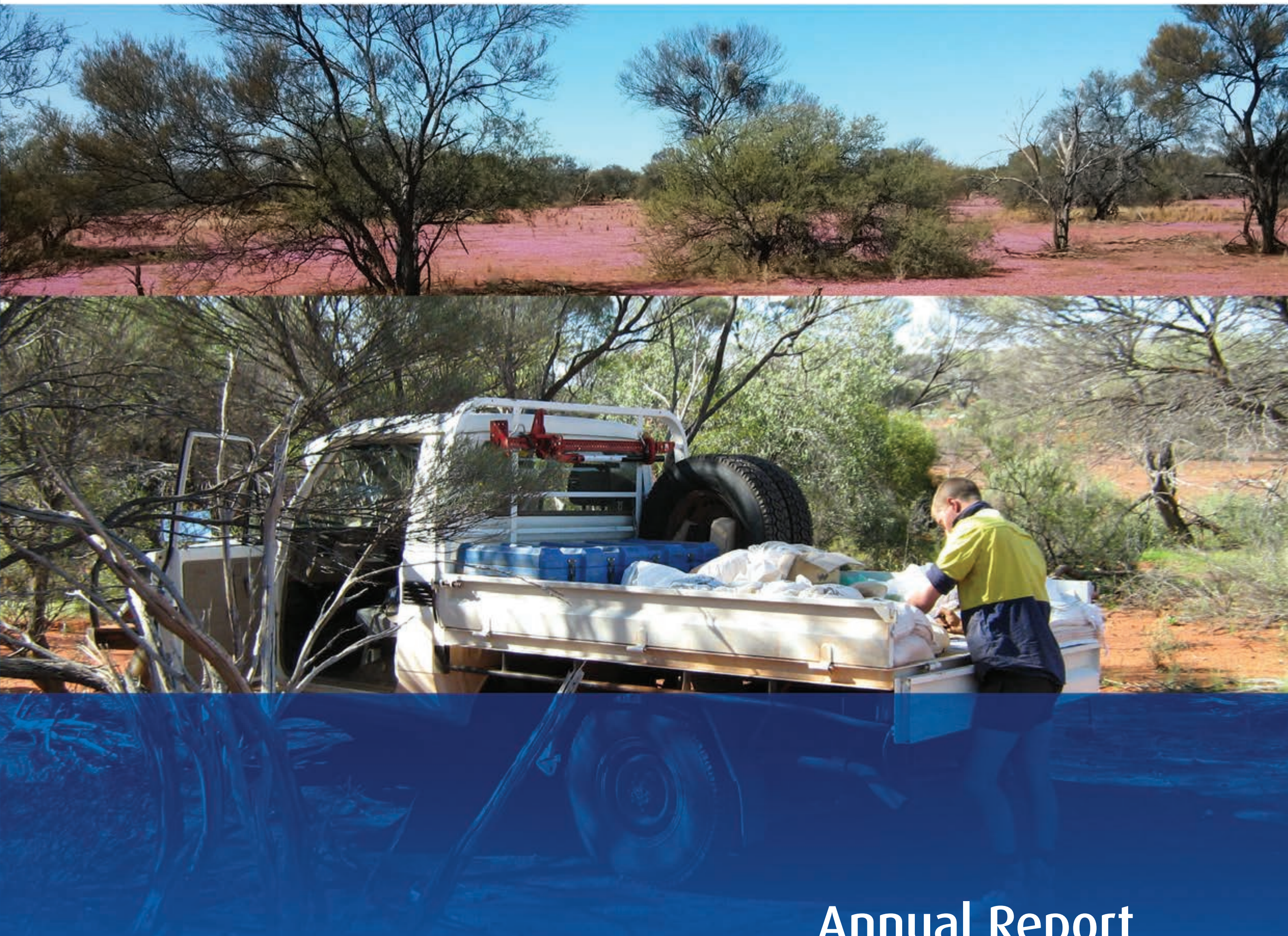
Enterprise Metals Limited

ABN 43 123 567 073



Annual Report 2017

Contents

Corporate Directory

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

Company Secretary
Sam Middlemas

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Australian Securities Exchange: ASX Code – ENT

Dear Fellow Enterprise Metals Shareholder

Over the past 12 months, the Company's primary projects at Doolgunna and Fraser Range have been well managed and fully funded by Sandfire Resources NL (ASX: SFR) and Apollo Minerals Ltd. (ASX: AON) respectively. Exploration on the Company's secondary projects at Darlot and Yalgoo were managed and funded wholly by Enterprise Metals.

Our exploration team also assessed a number of potential gold, copper-zinc, and copper-nickel-cobalt acquisition opportunities during the year. Although no advanced projects were acquired, the Company identified the area northeast of Cue in Western Australia as being very prospective geologically for gold and copper-zinc, but under-explored due to surficial cover. As a result, the Company applied for some small tenements in its own right, and also acquired three granted tenements (for scrip) from Zelda Therapeutics (ASX: ZLD) just north of Cue and north of the historical Emily Well copper-zinc gossan.

Post 30 June 2017 the Company announced in early October 2017 the acquisition of private explorer Calypso Minerals Pty Ltd, whose main assets are seven tenement applications (the Murchison Project, contiguous with the former Zelda tenements) which are prospective for gold and copper-zinc, and a large comprehensive database. The Company also announced in late September 2017 the acquisition of a 90% interest in two tenements (the Ballard Project) prospective for gold in the Mt Ida Greenstone Belt.

The Company is continuing to assess opportunities to acquire advanced gold and/or copper-nickel-cobalt projects both here in Western Australia and overseas.

Enterprise's farm-in and joint venture with Sandfire, the owner of the DeGrussa and Monty copper-gold mines north of Meekatharra in Western Australia, commenced in October 2016. In early 2017, Sandfire began the implementation of an aggressive geochemical, geophysical and drilling program on Enterprise's tenements along the southern boundary of the Bryah Basin.

The terms of the farm-in and joint venture with Sandfire are very favourable in that Enterprise 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.

In the Fraser Range, Apollo undertook a review of all available data and has identified a number of priority targets, including two airborne electromagnetic ("HeliTEM") anomalies that had not been previously identified and a conceptual drill target at the Plato Prospect. Apollo reported at 30 June that planning had begun for gravity, field verification and surface sampling programs, which will provide the opportunity to assess logistical requirements for the ground based EM surveys to follow. Apollo are 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.

Independence Group NL (ASX: IGO), which acquired the Nova nickel project in September 2015 has recently moved to secure a greater land position in the Fraser Range, which confirms your Board's belief that the Fraser Range is still highly prospective and that our Fraser Range project has significant value. Following IGO's withdrawal from our Darlot joint venture in early 2016, Enterprise has continued to fund and explore three small Darlot tenements, and conducted an induced polarization (IP) survey at Overland Well which has defined several gold drill targets. Enterprise is currently assessing its future options at Darlot.

In October 2016, the Company announced the resignation of Dr Jingbin Wang as Chairman of the Company, and my appointment to that role. Dr Wang was Chairman of the Company for the 5 years up to 2016, and has been a strong supporter of our gold and base metal objectives. At the same time, we welcomed an accomplished geologist, Dr Zhijun He as a director of Enterprise. Dr He brings a wealth of international experience to the board. In addition, Mr Sam Middlemas replaced Ms Susan Hunter as Company Secretary and Chief Financial Officer in July 2016.

The issued capital of the Company remained at 315,133,979 fully paid ordinary shares throughout the financial year, and exploration, new project generation and working capital was provided by the sale of some of its shareholding investments. In December 2016, Enterprise sold on market 1.5 million Alto Metals Ltd (ASX: AME) shares for gross proceeds of $180,049, but still holds 12 million Alto shares which have a current fair market value of $1.09 million based on the current AME share price of 9.1 cents/share. Also during the year, Enterprise sold on market the 58,431 Sandfire (SFR) and 500,000 Apollo Minerals (AON) shares that it held for gross proceeds of $484,863.

We thank you as shareholders for your support of the company over the last year and look forward to an exciting period for the company in 2017-2018 as exploration advances across our project portfolio.

Dr Allan Trench
Chairman
9 October 2017

The Company's objective continues to be the "discovery and/or acquisition of large highgrade 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 main projects at Doolgunna and Fraser Range are within a Proterozoic basin and an orogenic zone respectively, marginal to the Archaean Yilgarn Craton, in non-remote parts of Australia.

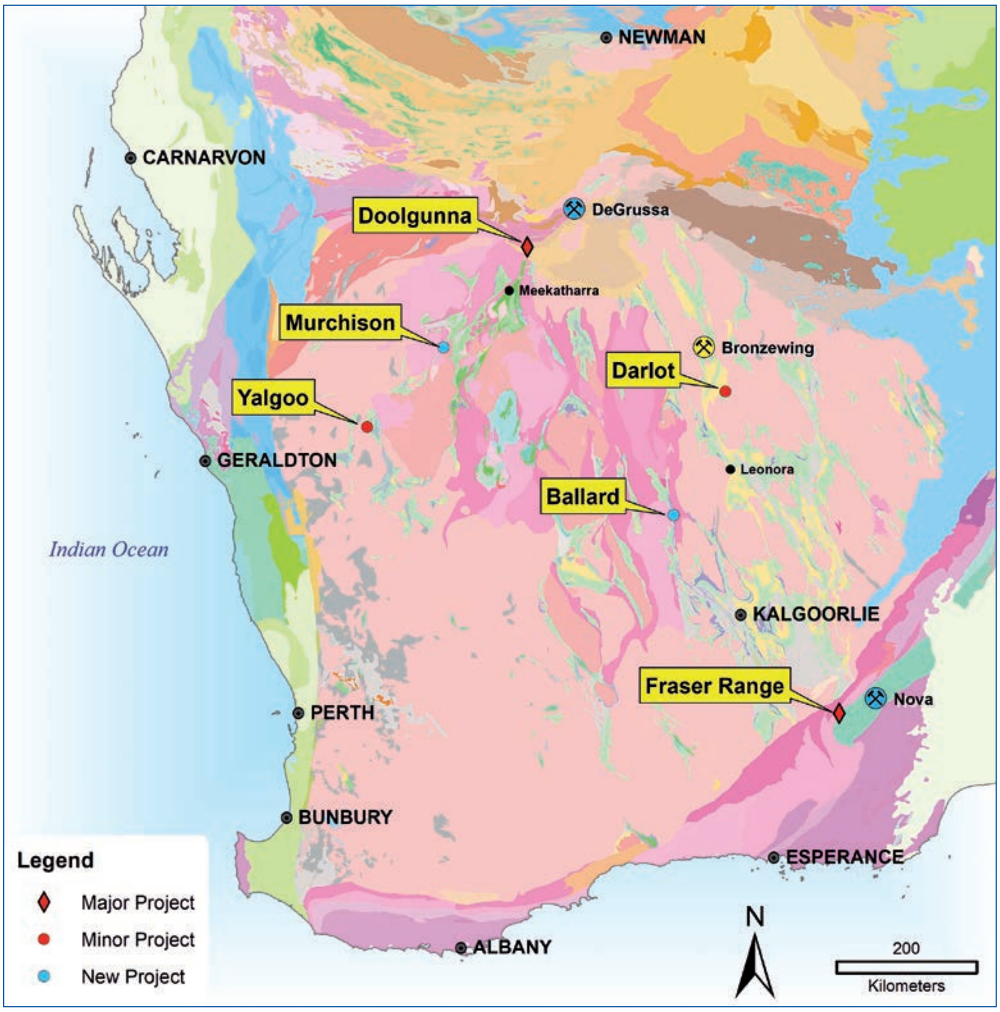


Figure 1. Project Locations on Western Australian Geology Plan

Over the past 12 months, the Company's primary projects at Doolgunna and Fraser Range have been managed and funded by Sandfire Resources NL (ASX: SFR) and Apollo Minerals Ltd. (ASX: AON) respectively. Exploration on the Company's secondary projects at Darlot and Yalgoo were managed and funded wholly by Enterprise Metals Ltd.

The Company also undertook project generation activities, and assessed a number of potential copper/zinc, copper-nickel-cobalt and gold acquisition opportunities. No major acquisitions were undertaken during the year, but the search for advanced projects in these commodities is continuing.

DOOLGUNNA PROJECT
(Enterprise 100%, Sandfire Resources NL has right to earn 75%)

In October 2016 Enterprise entered into a farm-in and joint venture agreement with ASX listed Sandfire Resources NL over all of Enterprise's Doolgunna Project tenements, which lie immediately to the south of Sandfire's extensive landholdings.

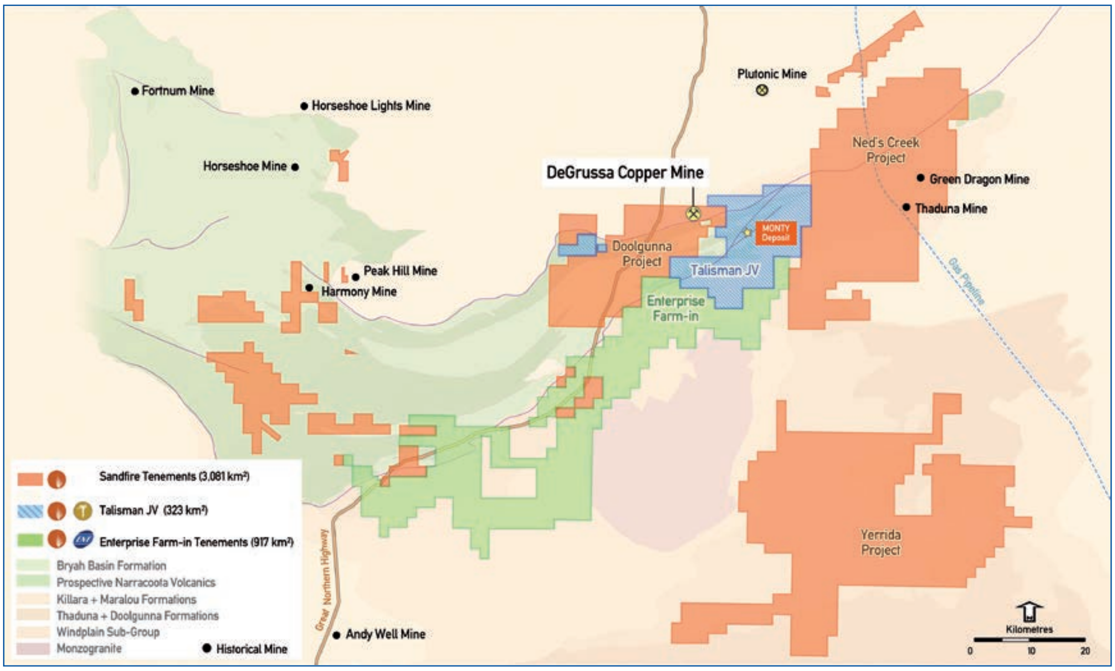
The Doolgunna Project covers an area of ~917km^2 and contains over 60km strike of the southern boundary of the Bryah Basin and the northern part of the Yerrida Basin. The southern Bryah Basin contains the Narracoota-Karalundi Formations which host Sandfire's DeGrussa and Monty copper-gold deposits. Sandfire issued $300,000 worth of SFR shares to Enterprise, and Sandfire can earn up to a 75% interest in the project by sole funding and managing the project and discovering a minimum JORC (2012) compliant resource of at least 50,000 tonnes contained copper (or equivalent).

Following a review of Enterprise's extensive surface and drill hole geochemical data sets, and Enterprise's ground electromagnetic (EM) and airborne EM (AEM) datasets, Sandfire in early 2017 commenced a regional 600 hole aircore drilling program over 10 strike kilometres of the interpreted Narracoota-Karalundi Formations.

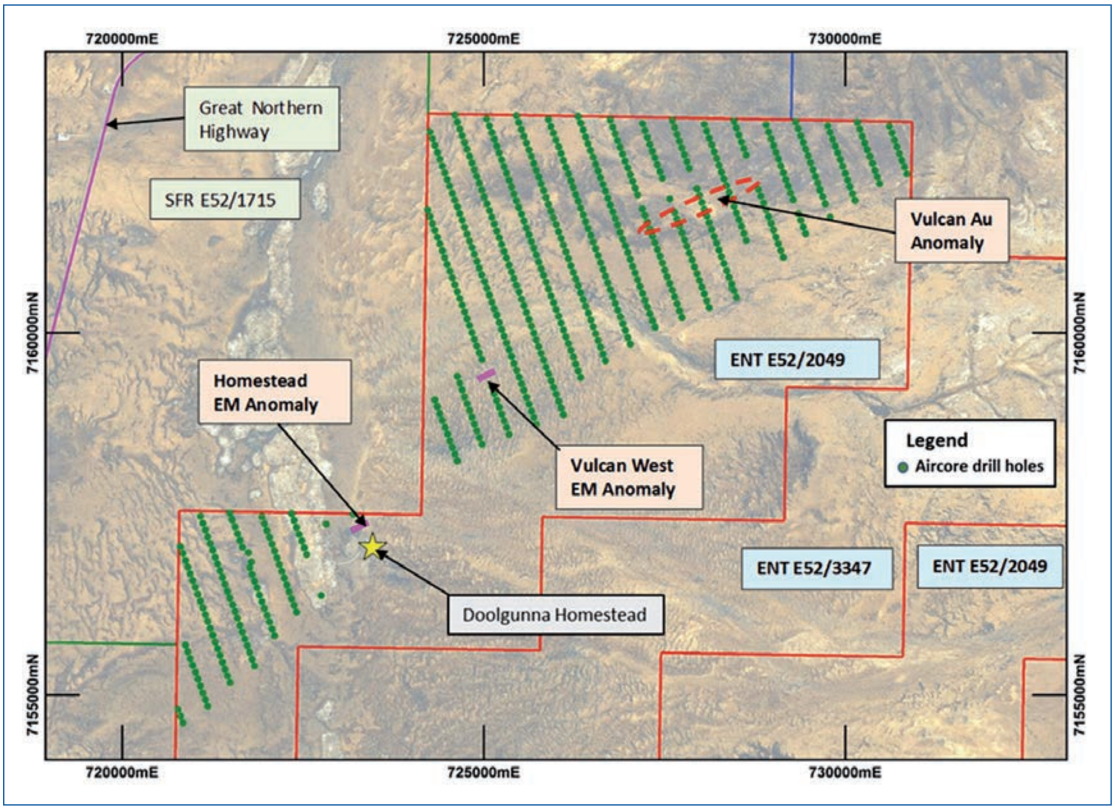
Drilling consisted of an offset 400m x 100m line and hole spaced grid pattern designed to provide geochemical coverage and aid detailed geological interpretation to be used for further targeting. At 30 June 2017, Sandfire reported that 583 aircore drill holes were completed for a total advance of 48,627m, with the program nearing completion.

This AC program also covered the Vulcan Gold Anomaly discovered by Enterprise in 2012. This anomaly occurs within the 1,500m long copper/gold soil anomaly, which has a VMS style multi-element association of Au-Ag-As-Pb-Zn-Mo-Sb-Cd. Sandfire plan to further drill test the area of the Vulcan Gold Anomaly.

Sandfire also completed two diamond core holes at the Homestead Prospect (DGDD415 and DGDD416) to test DHEM targets on the boundary between 100% owned Sandfire tenure and the Sandfire - Enterprise Farm-In tenements. Both holes intersected sedimentary horizons with mineralogical and lithological EM characteristics which could explain the geophysical response. Sandfire considers that the intersected sedimentary horizons intersected hold evidence for active volcanogenic conditions and favourable VMS potential in the area and further drilling is expected after geological interpretation is completed.



Sandfire's Doolgunna Project Area with the Enterprise Farm-In Area Incorporated



Sandfire Completed Activities - Enterprise Project 2017

FRASER RANGE PROJECT

In February 2015 the Company entered into a sale and joint venture agreement with ASX listed Apollo Minerals Ltd whereby Apollo purchased a 70% interest in several of Enterprise's Fraser Range tenements for a consideration of $200,000 cash, and $200,000 worth of Apollo shares. Apollo is free carrying 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.

The Fraser Range Project consists of four tenements covering over 600km² in a highly prospective portion of the world class Fraser Range exploration district, The Project is considered highly 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.

The majority of the Project is strategically located along strike and mid-way between the Nova deposit to the northeast and Independence Group's Crux nickel prospect to the southwest. 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. The presence of magmatic nickel-copper sulphides demonstrate the fertility of the mafic intrusives within the Company's tenement package.

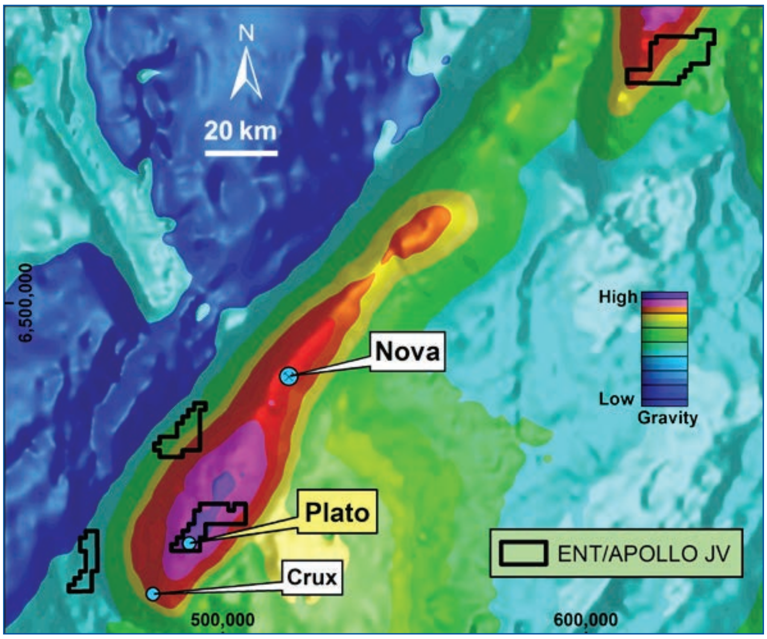
Apollo's comprehensive review of all available data has identified a number of priority targets, both empirical and conceptual, that require ground follow-up. These include two airborne electromagnetic ("HeliTEM") anomalies that had not been previously identified and a conceptual drill target at the Plato Prospect. The HeliTEM anomaly is located approximately10km to the northeast of the known magmatic nickel-copper sulphide mineralisation at the Plato Prospect. A ground based electromagnetic ("EM") survey is planned to follow-up this target after field verification.

A further HeliTEM anomaly was identified, coincident with the intersection of the Fraser Range metamorphic complex and the Snowy Dam formation. This HeliTEM anomaly will also be field checked and followed-up with ground based EM.

At the Plato Prospect, Apollo's review resulted in the identification of a conceptual drill target, hosted in the interpreted strike extensions of the host mafic intrusion, and located adjacent to the intersection with an east-northeast trending structure. There is a coincident broad mid-time ground EM response. The EM response is interpreted as potentially related to deeper weathering due to lithological contrast and/ or the presence of disseminated sulphides enhancing the weathering profile. A traverse of RC drilling with diamond tails has been planned to test this target.

A number of other conceptual targets showing strong features analogous to significant known magmatic nickel-copper sulphide deposits were identified and require further work. Of these, a large magnetic feature on E28/2403 is considered a high priority target. The target is a large zone of magnetic complexity that is running at a high angle to the regional geological fabric suggesting a cross cutting or intruding lithology which lies adjacent to a major northeast trending structural boundary.

Apollo reported at 30 June 2017 that planning had begun for gravity, field verification and surface sampling programs, which will provide the opportunity to assess logistical requirements for the ground based EM surveys to follow.



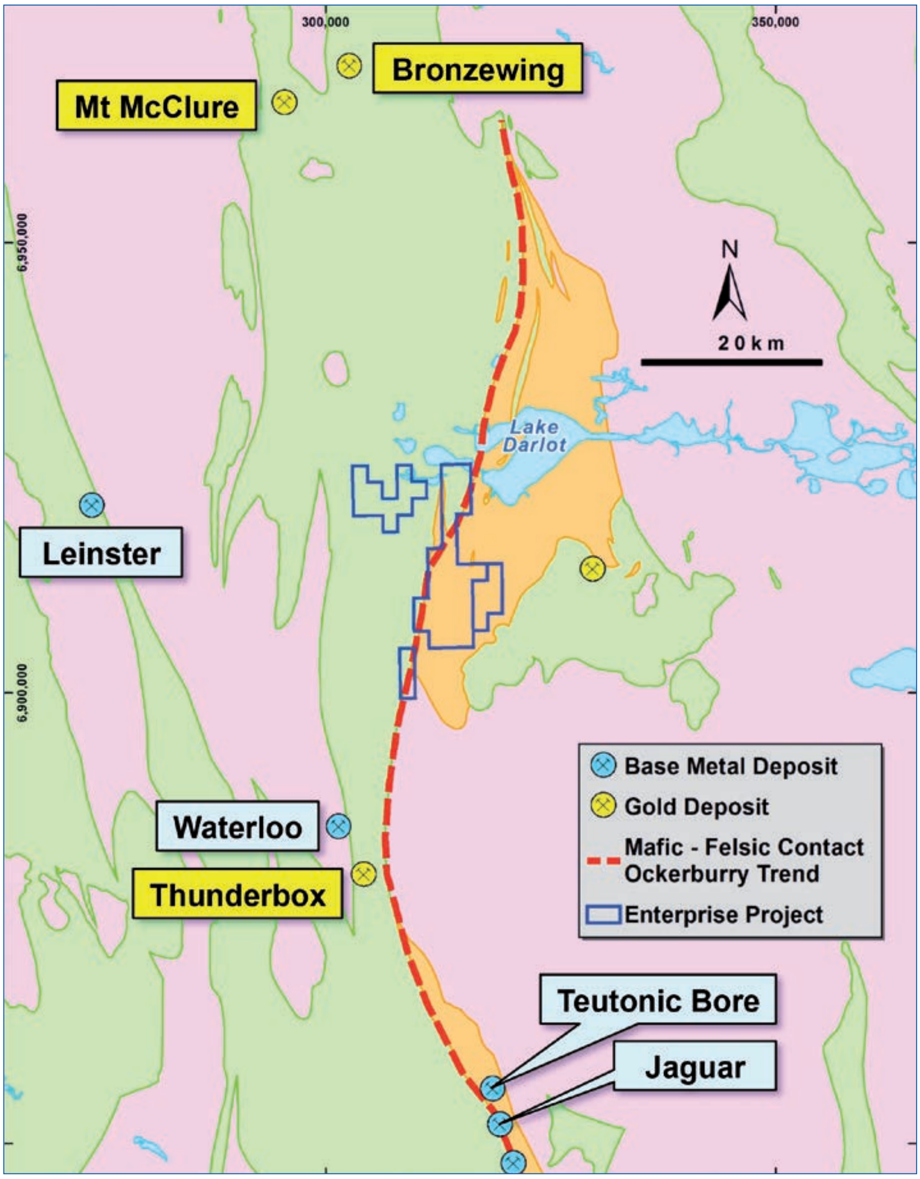
Orpheus JV , Fraser Range Project on Gravity Image

DARLOT PROJECT

In early 2016, Independence Group NL (ASX: IGO) withdrew from the Darlot Project JV with no retained interest save for a 2% Net Smelter Royalty (NSR) on Exploration Licence 37/1031 which covers the Jarrah Well Cu/Zn prospect.

At Jarrah Well, 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.

Following a number of attempts to farm out the entire Darlot Project, the majority of the tenements were surrendered close to their expiry date, with the exception of E37/859 and E36/778 (gold potential) and E37/1031 (Jarrah Well EM target).

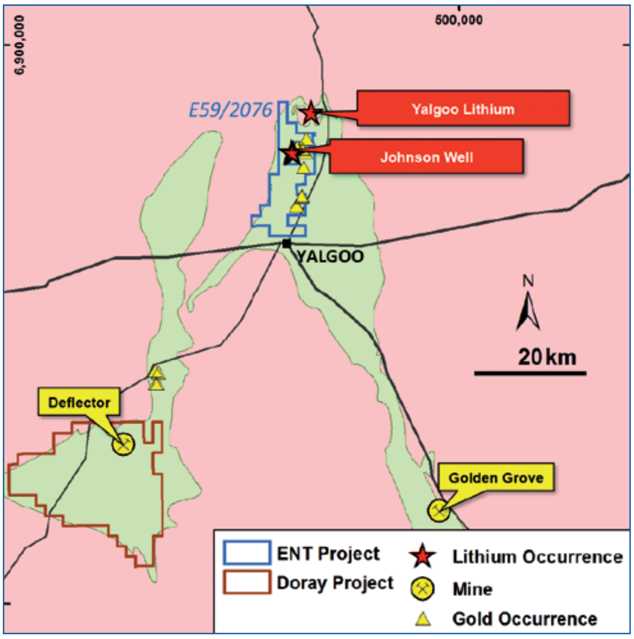


Darlot Project Geology and Enterprise Metals Tenements

YALGOO PROJECT

The Yalgoo Project covers the north western portion of the Yalgoo Greenstone Belt. These greenstone belt hosts the Yalgoo historical gold mines together with the Golden Grove Base Metal Mine to the southeast

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 had little modern systematic exploration This project is at an early stage, but the tenement is prospective for Archaean orogenic gold deposits under cover, Archaean copper/zinc VHMS style deposits like Deflector and Golden Grove, and lithium deposits.



Yalgoo Project Geology and Enterprise Metals Tenement

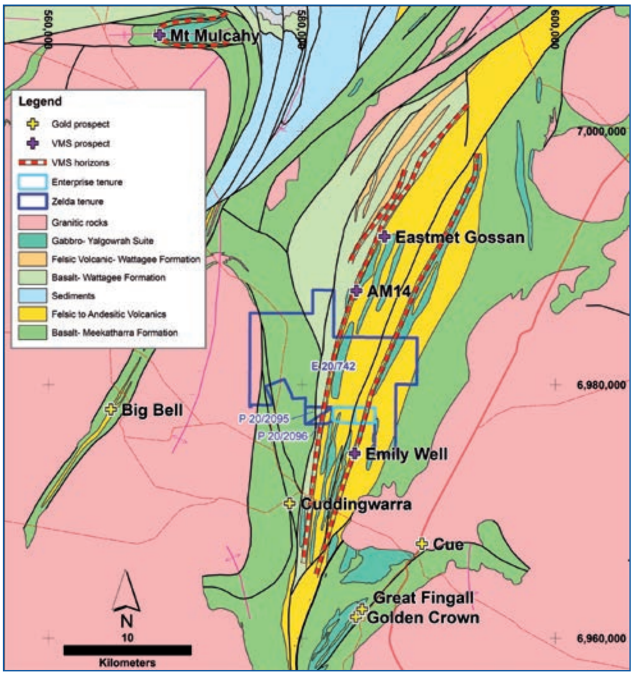
MURCHISON PROJECT

In March 2017, Enterprise lodged applications for 2 prospecting licences with Cu/Zn potential, just north of Emily Well and the township of Cue in the Murchison Goldfields of Western Australia.

Post the end of the year, on 26 July 2017, Enterprise announced the acquisition of Exploration Licence 20/742 and Prospecting Licences 20/2095 and 20/2096 from Zelda Therapeutics Ltd ("Zelda" ASX: ZLD). These tenements abut Enterprise 100% owned prospecting licences, and are located 15km north west of Cue, and 18km east northeast of the Big Bell Gold Mine.

The Purchase price was $100,000 in ENT shares, at an issue price based on a 5 day VWAP prior to completion. Enterprise issued 4,351,610 ordinary fully paid shares to Zelda on 8 August 2017 for a 100% interest in the tenements.

The project covers 90km^2 of Archaean greenstones prospective for orogenic gold and volcanogenic massive sulphide ("VMS") copper-zinc mineralization, and includes over 11km of extensions of the Wattagee and Emily Well VMS mineralised horizons, and strike extensions of the gold mineralised Cuddingwarra, Mt Magnet and Emily Shear Zones. Enterprise considers the tenements can be quickly and effectively tested using modern airborne geophysics, in combination with modern advanced geochemical tools utilizing historical drill spoil from predominantly broad spaced historical gold exploration programs.



Location of E20/742 & PL's 20/2095 -2096 - over Geology and trace of Wattagee and Emily Well Cu-Zn VMS Horizons

Review of Operations

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

On 15 July 2016, the Company announced the resignation of Ms Susan Hunter as Company Secretary and Chief Financial Officer and the appointment of Mr Sam Middlemas to those roles.

On 12 October 2016, the Company announced the resignation of Dr Jingbin Wang as Chairman of the Company, and the appointment of Dr Allan Trench to that role. Dr Zhijun He was also appointed to the board of Directors at that time.

There were no share issues or capital raisings during the year, and the issued capital remained at 315,133,979 fully paid ordinary shares at 30 June 2017.

INVESTMENTS

At 30 June 2016, Enterprise held 13.5 million shares of the issued capital in Alto Metals Limited ("Alto", ASX: AME) which acquired the Sandstone Gold Project in the East Murchison Mineral Field in Western Australia in mid-2016. On 9 December 2016, Enterprise sold on market 1.5 million AME shares for gross proceeds of $180,049.

At 30 June 2017, Enterprise's 7.9% interest (12 million shares) in Alto had a fair market value of $0.864 million based on the AME share price of 7.2 cents/share.

Also during the year, Enterprise sold on market the 58,431 Sandfire (SFR) and 500,000 Apollo Minerals (AON) shares that it held for gross proceeds of $484,863.

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 Fellow 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.

Future Developments, Prospects and Business Strategies

Over the next 12 months, it is expected that Sandfire Resources NL and Apollo Minerals Ltd will continue to manage and fund exploration of the Company's Doolgunna and Fraser Range Project tenements respectively.

To conserve cash during the downturn in the exploration industry, the Company has reduced its non-joint ventured landholdings down to 2 exploration licences at Darlot and one exploration licence at Yalgoo. However, the Company will continue to seek to acquire a more advanced Cu/Zn/Au or Ni/Cu/Co project in Australia or overseas in the coming year.

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.

Your Directors present their report on the Group for the financial year ended 30 June 2017.

Directors

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

Dr Allan Trench
Mr Dermot Ryan
Dr Zhijun He (appointed 12 October 2016)
Dr Jingbin Wang (resigned 12 October 2016)

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 Allan Trench	—	Chairman (Non-Executive), appointed 3 April 2012.
Experience	—	Dr 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 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, UWA Business School. He is also non-executive independent director of a number of emerging overseas and Australian-listed resources companies.
Special Responsibilities	—	Chairman of the Audit and Risk Committee and a Member of the Remuneration & Nomination Committee.
Directorships held in other listed entities	—	Pioneer Resources Limited (September 2003 – present), Hot Chili Limited (July 2010 – present), Trafford Resources Limited (May 2012 – May 2015), Emmerson Resources Limited (March 2015). There.have been no other listed entity directorships in the last 3 years.
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	—	Alto Metals Limited (Dec 2012 – present). There have been no other listed entity directorships in the last 3 years.

Dr Zhijun He	—	Independent Non-Executive Director, appointed 12 October 2016.
Experience	—	Dr Zhijun holds a PhD degree in Petrology and Economic Geology from China University of Geosciences (Beijing) and is a member of AusIMM. He has over 20 years of experience in geological research, mineral exploration and geological services. Dr He is a Winner of the 11th Silver Hammer Prize in Geological Science awarded by the Geological Society of China, and has won several provincial and ministerial Technology Awards for mineral exploration and scientific research, including two First Prizes of the Prospecting Achievement Award from China Nonferrous Metals Industry Association. He currently serves as the Deputy General Manager of Sinotech Minerals Exploration Co., Ltd. ("Sinotech") and holds the position as director of East Africa Metals Inc. (TSX-V).
Special Responsibilities	—	Member of the Audit & Risk Committee and Remuneration & Nomination Committee
Directorships held in other listed entities	—	East Africa Metals Inc (TSX-V). There have been no directorships in ASX listed companies in the past three years.
Dr Jingbin Wang	—	Resigned from the board on 12 October 2016.

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/gold, and copper/nickel 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 $521,020 (2016: $2,870,837).

Dividends Paid or Recommended

There were no dividends paid or recommended during the financial year ended 30 June 2017.

REVIEW OF OPERATIONS

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This aircore program also covered the Vulcan Gold Anomaly discovered by Enterprise in 2012. This anomaly occurs within the 1,500m long copper/gold soil anomaly, which has a VMS style multi-element association of Au-Ag-As-Pb-Zn-Mo-Sb-Cd. Sandfire plan to further drill test the area of the Vulcan Gold Anomaly.

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FRASER RANGE PROJECT

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The majority of the Project is strategically located along strike and mid-way between the Nova deposit to the northeast and Independence Group's Crux nickel prospect to the southwest. 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. The presence of magmatic nickel-copper sulphides demonstrate the fertility of the mafic intrusives within the Company's tenement package.

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A further HeliTEM anomaly was identified, coincident with the intersection of the Fraser Range metamorphic complex and the Snowy Dam formation. This HeliTEM anomaly will also be field checked and followed-up with ground based EM.

At the **Plato Prospect**, Apollo's review resulted in the identification of a conceptual drill target, hosted in the interpreted strike extensions of the host mafic intrusion, and located adjacent to the intersection with an east-northeast trending structure. There is a coincident broad mid-time ground EM response. The EM response is interpreted as potentially related to deeper weathering due to lithological contrast and/or the presence of disseminated sulphides enhancing the weathering profile. A traverse of RC drilling with diamond tails has been planned to test this target.

A number of other conceptual targets showing strong features analogous to significant known magmatic nickel-copper sulphide deposits were identified and require further work. Of these, a large magnetic feature on E28/2403 is considered a high priority target. The target is a large zone of magnetic complexity that is running at a high angle to the regional geological fabric suggesting a cross cutting or intruding lithology which lies adjacent to a major northeast trending structural boundary.

Apollo reported at 30 June 2017 that planning had begun for gravity, field verification and surface sampling programs, which will provide the opportunity to assess logistical requirements for the ground based EM surveys to follow.

DARLOT PROJECT

In early 2016, Independence Group NL (ASX: IGO) withdrew from the Darlot Project JV with no retained interest save for a 2% Net Smelter Royalty (NSR) on Exploration Licence 37/1031 which covers the Jarrah Well Cu/Zn prospect.

At Jarrah Well, 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.

Following a number of attempts to farm out the entire Darlot Project, the majority of the tenements were surrendered close to their expiry date, with the exception of E37/859 and E36/778 (gold potential) and E37/1031 (Jarrah Well EM target).

MURCHISON PROJECT

In March 2017, Enterprise lodged applications for 2 prospecting licences with Cu/Zn potential, just north of Emily Well and the township of Cue in the Murchison Goldfields of Western Australia.

Post the end of the year, on 26 July 2017, Enterprise announced the acquisition of Exploration Licence 20/742 and Prospecting Licences 20/2095 and 20/2096 from Zelda Therapeutics Ltd ("Zelda" ASX: ZLD). These tenements abut Enterprise 100% owned prospecting licences, and are located 15km north west of Cue, and 18km east northeast of the Big Bell Gold Mine.

The Purchase price was $100,000 in ENT shares, at an issue price based on a 5 day VWAP prior to completion. Enterprise issued 4,351,610 ordinary fully paid shares to Zelda on 8 August 2017 for a 100% interest in the tenements.

The project now covers 90km^2 of Archaean greenstones prospective for orogenic gold and volcanogenic massive sulphide ("VMS") copper-zinc mineralization, and include over 11km of extensions of the Wattagee and Emily Well VMS mineralised horizons, and strike extensions of the gold mineralised Cuddingwarra, Mt Magnet and Emily Shear Zones. Enterprise considers the tenements can be quickly and effectively tested using modern airborne geophysics, in combination with modern advanced geochemical tools utilizing historical drill spoil from predominantly broad spaced historical gold exploration programs.

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

On 15 July 2016, the Company announced the resignation of Ms Susan Hunter as Company Secretary and Chief Financial Officer and the appointment of Mr Sam Middlemas to those roles.

On 12 October 2016, the Company announced the resignation of Dr Jingbin Wang as Chairman of the Company, and the appointment of Dr Allan Trench to that role. Dr Zhijun He was also appointed to the board of Directors at that time.

INVESTMENTS

At 30 June 2016, Enterprise held 13.5 million shares of the issued capital in Alto Metals Limited ("Alto", ASX: AME) which acquired the Sandstone Gold Project in the East Murchison Mineral Field in Western Australia in mid 2016. On 9 December 2016, Enterprise sold on market 1.5 million AME shares for gross proceeds of $180,049.

At 30 June 2017, Enterprise's 7.9% interest (12 million shares) in Alto had a fair market value of $0.864 million based on the AME share price of 7.2 cents/share.

Also during the year, Enterprise sold on market the 58,431 Sandfire (SFR) and 500,000 Apollo Minerals (AON) shares that it held for gross proceeds of $484,863.

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 Fellow 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 $526,892 from 30 June 2016 to $7,535,121 at 30 June 2017.

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, it is expected that Sandfire Resources NL and Apollo Minerals Ltd will continue to manage and fund exploration of the Company's Doolgunna and Fraser Range Project tenements respectively.

To conserve cash during the downturn in the exploration industry, the Company has reduced its non-joint ventured landholdings down to 2 exploration licences at Darlot and one exploration licence at Yalgoo. However, the Company will continue to seek to acquire a more advanced Cu/Zn/Au or Ni/Cu/Co project in Australia or overseas over the coming year.

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 Allan Trench	5	5	1	1	2	2
Dermot Ryan	5	5	1	1	2	2
Dr Zhijun He	3	3	1	–	1	1
Dr Jingbin Wang	2	2	–	–	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 $7,500 (2016: $6,064).
- No indemnity has been given to the auditors.

Options

At the end of the financial year, the un-issued ordinary shares of Enterprise Metals Limited under option are as follows
(NB. they have subsequently expired on 10 August 2017 unexercised):

Grant Date	Date of Expiry	Exercise Price	Number under Option
10 August 2015	10 August 2017	$0.05	2,000,000
			2,000,000

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 5,000,000 options exercisable at 8 cents prior to 30 November 2016 expired unexercised. There were no options issued during the year. Subsequent to year end the 2,000,000 options exercisable at 5 cents prior to 10 August 2017 expired unexercised.

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

	2017 $	2016 $
Tax compliance services	5,350	6,000

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 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 2017.

Voting and comments made at the Company's 2016 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 2016 financial year.

B. Details of Remuneration for Year Ended 30 June 2017

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 2017

2017 *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 Allan Trench Chairman (1)	25,782	–	–	–	–	25,781 (7)	–	51,563	–
Dermot Ryan Managing Director (2)	54,350	–	–	–	–	–	–	54,350	–
Dr Zhijun He Non-executive director (3)	28,748	–	–	–	–	–	–	28,748	–
Dr Jingbin Wang Former Chairman (4)	7,920	–	–	–	–	7,920 (7)	–	15,840	
Sam Middlemas Company Secretary (5)	36,830	–	–	–	–	–	–	36,830	
Susan Hunter former Company Secretary (6)	1,510	–	–	–	–	–	–	1,510	–
Total	**155,140**	**–**	**–**	**–**	**–**	**33,701**	**–**	**188,841**	**–**
2016									
Dr Jingbin Wang – Chairman (4)	28,000	–	–	–	–	28,000 (7)	–	56,000	–
Dermot Ryan Managing Director (2)	142,339	–	–	–	–	–	–	142,339	–
Dr Allan Trench Non-executive director (1)	20,000	–	–	–	–	20,000 (7)	–	40,000	–
Susan Hunter Company Secretary (6)	36,835	–	–	–	–	–	–	36,835	–
Total	**227,174**	**–**	**–**	**–**	**–**	**48,000**	**–**	**275,174**	**–**

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

(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) Dr Zhijun He was appointed on 12 October 2016.

(4) Dr Jingbin Wang resigned on 12 October 2016. All fees paid to Dr Wang were paid through a related party Mega Capital Resources Limited of which he is associated to a director.

(5) Sam Middlemas was appointed as Company Secretary on 15 July 2016. All fees paid to Sam Middlemas are paid through his private company Sparkling Investments Pty Ltd of which he is a director and shareholder.

(6) Susan Hunter resigned as Company Secretary on 15 July 2016. All fees paid to Susan Hunter are paid to her private company Hunter Corporate Pty Ltd of which she is a director and shareholder.

(7) Represents the issuance of shares in lieu of cash for directors services provided.

Equity instrument disclosures relating to KMP

(i) Option holdings

The were no options over ordinary shares held by any KMP of the Group during the financial period. All options expired during 2016.

(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
KMP Ordinary Shares					
Allan Trench	1,463,055	1,812,416	–	–	3,275,471
Dermot Ryan	13,830,555	–	–	–	13,830,555
Zhijun He	–	–	–	–	–
Sam Middlemas	–	–	–	–	–
Susan Hunter	–	–	–	–	–
Jingbin Wang	–	1,823,333	–	–	1,823,333
Total	**15,293,610**	**3,635,749**	–	–	**18,929,359**

Loans to KMP

There are no loans made to KMP as at 30 June 2017 (2016 – 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 2017 totalled $54,350 (2016 - $142,339). 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, and 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 2017 and 2016 financial years no options were issued to Directors or Key Management Personnel as share based compensation. During the year there were no options held by Directors.

End of the Audited Remuneration Report

Auditors Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2017 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.

D M Ryan

Dermot Ryan
MANAGING DIRECTOR
Dated this 28th day of September 2017

Grant Thornton

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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 2017, 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 P Hingeley
Partner - Audit & Assurance

Perth, 28 September 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the Year Ended 30 June 2017

	Note	2017 $	2016 $
Other revenue		3,825	7,630
Other income	2	316,321	47,818
Accounting and audit fees		(27,248)	(35,499)
Share registry and listing fees		(30,271)	(43,684)
Employee benefits expense		(7,970)	(83,962)
Corporate and consulting fees		(190,258)	(206,601)
Computers and software		(22,077)	(15,460)
Depreciation and Amortisation	3	(8,552)	(34,480)
Insurance		(14,989)	(21,101)
Investor relations		(9,561)	(9,165)
Legal fees		(240)	(2,120)
Office rental expense	3	(31,265)	(30,453)
Travel and accommodation		(4,948)	(7,663)
Impairment of available for sale financial assets	3	–	(32,000)
Impairment of capitalised exploration expenses	3	(472,547)	(2,414,439)
Share based payments		–	–
Other expenses		(21,240)	10,342
Loss before income tax		**(521,020)**	**(2,870,837)**
Income tax expense	4	–	–
Loss for the year		**(521,020)**	**(2,870,837)**
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	24,000	661,500
Gain on AFS asset recycled through P&L on sale		(73,500)	–
Other comprehensive income, net of tax		**(49,500)**	**661,500**
Total comprehensive loss for the year		**(570,520)**	**(2,209,337)**
Total comprehensive loss attributable to members of the parent entity		**(570,520)**	**(2,209,337)**
Basic loss per share (cents per share)	7	(0.16)	(0.96)
Diluted loss per share (cents per share)	7	(0.16)	(0.96)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

as at 30 June 2017

	Note	2017 $	2016 $
Current Assets			
Cash and cash equivalents	8	389,738	281,121
Trade and other receivables	9	24,021	31,265
Total Current Assets		**413,759**	**312,386**
Non-Current Assets			
Available-for-sale financial assets	10	864,000	975,000
Plant and equipment	11	1,000	4,430
Intangible assets	12	1,327	6,451
Exploration and evaluation assets	13	6,454,337	6,893,870
Total Non-Current Assets		**7,320,664**	**7,879,751**
TOTAL ASSETS		**7,734,423**	**8,192,137**
Current Liabilities			
Trade and other payables	14	199,303	130,125
Total Current Liabilities		**199,303**	**130,125**
TOTAL LIABILITIES		**199,303**	**130,125**
NET ASSETS		**7,535,120**	**8,062,012**
Equity			
Issued capital	15	30,106,736	30,063,107
Reserves	16	6,707,155	6,756,655
Accumulated losses		(29,278,770)	(28,757,750)
TOTAL EQUITY		**7,535,121**	**8,062,012**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

for the Year Ended 30 June 2017

	NOTE	Issued Capital $	Options Reserve $	AFS Asset Reserve $	Accumulated Losses $	Total $
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**
Balance at 1 July 2016		**30,063,107**	**6,095,155**	**661,500**	**(28,757,750)**	**8,062,012**
Loss attributable to members of the parent entity for the year		–	–	–	(521,020)	(521,020)
Other comprehensive income, net of tax		–	–	(49,500)	–	(49,500)
Total comprehensive loss for the year		**–**	**–**	**(49,500)**	**(521,020)**	**(570,520)**
Transaction with owners, directly in equity						
Shares issued during the year		43,629	–	–	–	43,629
Balance at 30 June 2017		**30,106,736**	**6,095,155**	**612,000**	**(29,278,770)**	**7,535,121**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

for the Year Ended 30 June 2017

	Note	2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		3,825	7,601
Rent and other receipts		12,909	52,102
Payments to suppliers and employees		(283,645)	(547,639)
Net cash used in operating activities	17a	**(266,911)**	**(487,936)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on the sale of investments		664,912	–
Payments for exploration and evaluation expenditure		(467,198)	(563,350)
Grant funding received		134,185	–
Proceeds from sale of interest in exploration and evaluation asset		–	–
Net cash used in investing activities		**331,899**	**(563,350)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		43,629	1,062,182
Share raising costs		–	(33,886)
Net cash provided by financing activities		**43,629**	**1,028,296**
Net increase/(decrease) in cash and cash equivalents held		108,617	(22,990)
Cash and cash equivalents at 1 July		281,121	304,111
Cash and cash equivalents at 30 June	8	**389,738**	**281,121**

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 2017, the Group incurred a loss before tax of $521,020 (2016: $2,870,837) including a non-cash impairment charge for exploration of $472,547 (2016: $2,414,439). For the year ended at 30 June 2017, the Group incurred net operating cash outflows of $266,911 (2016: $487,936) and at reporting date, had a net current asset balance of $214,456 (2016: $182,261).

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;
- 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.

(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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 upon receipt. 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.

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.)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

A value of $24,000 (2016: impairment of $32,000) has been recorded as an increase 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 $6,454,337 (2016: $6,893,870). An impairment of $472,547 (2016: $2,414,439) was recognised during the year ended 30 June 2017.

(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. The adoption of these 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 reported for the current or prior periods.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

There are 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 standard that is currently issued for future reporting periods and relevant to the Group is as follows:

New / revised pronouncement

AASB 9 *Financial Instruments*

Superseded pronouncement

AASB 139 *Financial Instruments: Recognition and Measurement*

Nature of change

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

a Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows.

b Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

c Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.

d Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

e Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

- the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI)
- the remaining change is presented in profit or loss

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- classification and measurement of financial liabilities; and
- derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.

Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

Effective date (annual reporting periods beginning on or after...)

1 January 2018

Likely impact on initial application

The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

NOTE 2: REVENUE AND OTHER INCOME

	Note	2017 $	2016 $
Revenue			
Interest received		3,825	7,630
Other income			
Rental and other income[1]		12,909	47,818
Profit on the sale of AFS Financial assets		303,412	–
Total		**316,321**	**47,818**

NOTE 3: LOSS FOR THE YEAR

(a) Expenses

	Note	2017 $	2016 $
Depreciation of plant and equipment		8,552	34,480
Office rental expense		31,265	30,453
Defined contribution superannuation expense		6,650	11,416

(b) Significant Revenues and Expenses

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

	Note	2017 $	2016 $
Impairment of Exploration and Evaluation	13	472,547	2,414,439
Impairment of available for sale financial assets	10	–	32,000

NOTE 4: INCOME TAX

(a) Income tax expense

	2017 $	2016 $
Current tax	–	–
Deferred tax	–	–
Adjustments for current tax of prior periods	–	–
	–	–

(b) 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:

	2017 $	2016 $
Prima facie tax on operating loss at 30%	(163,493)	(861,251)
Add / (Less) tax effect of:		
Impairment of capitalised exploration expenses	–	–
Other assessable amount	87	–
Non-assessable items	–	–
Non-deductible items	99	69
Deferred tax asset not brought to account	163,307	861,176
Income tax attributable to operating loss	–	–
The applicable weighted average effective tax rates are as follows:	nil%	nil%

NOTE 4: INCOME TAX (CONTINUED)

		Note	2017 $	2016 $
(c)	**Deferred tax assets**			
	Tax Losses		1,723,978	1,996,200
	Provisions and Accrual		8,965	8,991
	Other		32,842	52,913
			1,765,785	2,058,104
	Set-off deferred tax liabilities	4(c)	(1,765,785)	(2,058,104)
	Net deferred tax assets		–	–
(d)	**Deferred tax liabilities**			
	Exploration expenditure		(1,765,644)	(2,057,095)
	Other		(141)	(1,009)
			(1,765,785)	(2,058,104)
	Set-off deferred tax assets	4(b)	1,765,785	2,058,104
	Net deferred tax liabilities		–	–
(e)	**Unrecognised deferred tax assets**			
	Unused tax losses for which no deferred tax asset has been recognised		8,973,413	9,556,885
	Other		422,400	577,500
			9,395,813	10,134,385

Potential deferred tax assets have not been recognised at 30 June 2017 because the Directors do not believe it is appropriate to regard the realisation of the potential deferred tax assets as probable at this point in time. These benefit of the tax and capital losses will only be obtained if:

- the Group derives future assessable income of a nature and amount to enable the benefit of the losses to be realised;
- the Group continues to comply with the conditions for deductibility imposed by tax law; and
- no changes in tax law adversely affect the Group from realising the benefit of the tax losses.

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 2017

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

	2017 $	2016 $
Short-term employee benefits	155,140	227,174
Post-employment benefits	–	–
Equity settled share based payments	33,701	48,000
Total	188,841	275,174

NOTE 6: AUDITOR'S REMUNERATION

	Note	2017 $	2016 $
Remuneration of the auditor of the parent entity for:			
– Auditing or reviewing the financial report by Grant Thornton Audit Pty Ltd		21,998	29,499
Remuneration of the auditor, or associated entities, of the parent entity for non-audit services:			
– Tax compliance services		5,250	6,000

NOTE 7: LOSS PER SHARE

	2017 $	2016 $
(a) Reconciliation of earnings to loss for the year		
Earnings used in the calculation of basic EPS	(521,020)	(2,870,837)
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	317,186,372	297,977,605
Basic / Diluted loss per share (cents per share)	(0.16)	(0.96)

All options on issue are out of the money as at 30 June 2017 and are therefore anti-dilutive. At 30 June 2017,

2,000,000 options were outstanding (2016: 18,262,500)

NOTE 8: CASH AND CASH EQUIVALENTS

	2017 $	2016 $
Cash at bank	389,738	281,121
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:		
Cash and cash equivalents	389,738	281,121

Cash at bank earns an effective interest rate of 1.65% (2016:1.91%).

NOTE 9: TRADE AND OTHER RECEIVABLES

	2017 $	2016 $
CURRENT		
GST receivable	18,934	9,898
Trade and other receivables	1,542	16,900
Prepayments	3,545	4,467
	24,021	31,265

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

	2017 $	2016 $
NON-CURRENT		
Opening balance	975,000	345,500
Additions	300,000	–
Disposals	(435,000)	
Impairment [1]	–	(32,000)
Revaluations	24,000	661,500
	864,000	975,000

(1) During the reporting period, an impairment of $ - (2016 - impairment loss of $32,000) and a revaluation of 24,000 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

	2017 $	2016 $
NON-CURRENT		
Computer equipment – cost	64,956	64,956
Accumulated depreciation	(64,956)	(64,833)
	–	123
Plant and equipment – cost	153,863	153,863
Accumulated depreciation	(153,863)	(150,556)
	–	3,307
Furniture and fittings – cost	18,320	18,320
Accumulated depreciation	(17,320)	(17,320)
	1,000	1,000
Motor vehicles - cost	55,000	55,000
Accumulated depreciation	(55,000)	(55,000)
	–	–
Total plant and equipment	1,000	4,430

NOTE 11: PLANT AND EQUIPMENT (CONTINUED)

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:

	2017 $	2016 $
Computer equipment		
Opening balance	123	993
– Additions	–	–
– Depreciation expense	(123)	(870)
Carrying amount at the end of the year	–	123
Plant and equipment		
Opening balance	3,307	13,601
– Disposals	–	–
– Depreciation expense	(3,307)	(10,294)
Carrying amount at the end of the year	–	3,307
Furniture and fittings		
Opening balance	1,000	1,007
– Disposals	–	–
– Depreciation expense	–	(7)
Carrying amount at the end of the year	1,000	1,000
Motor vehicles		
Opening balance	–	2,336
– Additions	–	–
– Depreciation expense	–	(2,336)
Carrying amount at the end of the year	–	–
Totals		
Opening balance	4,430	17,937
– Additions	–	–
– Disposals	–	–
– Depreciation expense	(3430)	(13,507)
Carrying amount at the end of year	1,000	4,430

NOTE 12: INTANGIBLE ASSETS

	2017 $	2016 $
NON-CURRENT		
Software – cost	106,436	106,436
Accumulated amortisation	(105,109)	(99,985)
	1,327	6,451

(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:

	2017 $	2016 $
Software		
Opening balance	6,451	27,424
– Additions	–	–
– Amortisation expense	(5,124)	(20,973)
Carrying amount at the end of the year	1,327	6,451

NOTE 13: EXPLORATION AND EVALUATION

	2017 $	2016 $
Exploration and evaluation phases – at cost	6,454,337	6,893,870

(a) Exploration and evaluation

	2017 $	2016 $
Opening balance	6,893,870	8,665,764
Exploration expenditure	467,199	642,545
Joint Venture prepayment received (Sandfire shares)	(300,000)	–
R&D funds received (net of costs)	(134,185)	–
Impairment of capitalised exploration expenses	(472,547)	(2,414,439)
Closing balance	6,454,337	6,893,870

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 $472,547 (2016: $2,414,439) 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

	2017 $	2016 $
CURRENT – unsecured liabilities		
Trade payables	116,344	102,161
Accrued expenses	82,959	27,964
	199,303	130,125

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	2017 $	2016 $
318,769,728 (2016: 315,134,979) Fully paid ordinary shares	15a	30,106,736	30,063,107
The Company has no authorised share capital. Shares have no par value.			

(a) Ordinary shares

	2017 $	2016 $
At the beginning of the reporting period	30,063,107	29,110,501
Shares issued during the year		
• 3,634,749 on 7 December 2016 at $0.012 per share	43,629	–
Prior 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
Options issued during the year	–	(75,708)
Transaction costs relating to share issues	–	(33,886)
At reporting date	30,106,736	30,063,107

	2017 No.	2016 No.
At the beginning of the reporting period	315,134,979	274,508,276
Shares issued during the year		
• 3,634,749 on 7 December 2016 at $0.012 per share	3,634,749	–
Prior 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
At reporting date	318,769,728	315,134,979

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

(b) Movement in options on issue

	2017 No.	2016 No.
At the beginning of the reporting period	18,662,500	36,262,500
Issued during the year:		
• Exercisable at 5 cents, on or before 10 August 2017	–	2,000,000
• Expired during the year		
• Exercisable at 8 cents on or before 30 November 2016	(16,662,500)	
• Exercisable at 14.9 cents, on or before 11 September 2015	–	(7,600,000)
• Exercisable at 8 cents, on or before 30 November 2015[1]	–	(12,000,000)
At reporting date	2,000,000	18,662,500

Subsequent to year end on 10 August 2017 the 2,000,000 options on issue at 30 June 2017 expired unexercised.

(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 2017 and 30 June 2016 are as follows:

	2017 $	2016 $
Cash and cash equivalents	389,738	281,121
Trade and other receivables	24,021	31,265
Trade and other payables	(199,303)	(130,125)
Working capital position	214,456	182,261

NOTE 16: RESERVES

	Note	2017 $	2016 $
Options Reserve		6,095,155	6,095,155
AFS Asset Reserve		612,000	661,500
		6,707,155	6,756,655
Options Reserve			
Movements during the year:			
At the beginning of the reporting period		6,095,155	6,019,447
Share-based payments		–	75,708
At reporting date		6,095,155	6,095,155

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

	Note	2017 $	2016 $
AFS Asset Reserve			
Movements during the year:			
At the beginning of the reporting period		661,500	–
Fair value gains/(loss) on available-for-sale financial assets	10	24,000	661,500
Gain on AFS recycled through P&L upon sale		(73,500)	–
At reporting date		612,000	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

	2017 $	2016 $
Loss after income tax	(594,520)	(2,870,837)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss from ordinary activities:		
Depreciation and amortisation	8,552	34,480
Impairment of exploration and evaluation	472,547	2,414,439
Impairment of available for sale financial assets	–	32,000
Profit on sale of AFS Investments	(229,913)	–
Changes in assets and liabilities:		
(Increase)/ decrease in receivables	4,507	34,999
(Increase) in prepayments and other assets	–	–
Increase/ (decrease) in payables	71,916	(133,017)
Cash flow used in operations	(266,911)	(487,936)

(b) Credit Standby Facilities

The Company had no credit standby facilities as at 30 June 2017 (2016: nil).

NOTE 17: CASH FLOW INFORMATION (CONTINUED)

(c) Non-Cash Financing and Investing activities

Share issues

For the year ended 30 June 2017 and 30 June 2016

On 7 December 2016, 3,635,749 fully paid ordinary shares were issued to directors in lieu of 50% of directors fees for Dr Allan Trench and Dr Wang. No other shares were issued during the financial year.

NOTE 18: SHARE-BASED PAYMENTS

Option issues

The following share-based payment arrangements existed at 30 June 2017:

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. Subsequent to year end these options have expired unexercised.

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 were exercisable on or before 30 November 2016, and none were exercised and have now expired.

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:

	2017 Number of Options	2016 Number of Options	2017 Weighted Average Exercise Price $	2016 Weighted Average Exercise Price $
Outstanding at beginning of the year	18,662,500	36,262,500	$0.071	$0.14
Granted	–	2,000,000	–	$0.05
Forfeited	–	–	–	–
Exercised	–	–	–	–
Expired	(16,662,500)	(19,600,000)	$0.08	$0.149
Outstanding at year-end	2,000,000	18,662,500	$0.05	$0.071
Exercisable at year-end	2,000,000	18,662,500	$0.05	$0.071

The options outstanding at 30 June 2017 had a weighted average exercise price of $0.05 (2016: $0.071) and a remaining weighted average contractual life of 0.12 years (2016: 0.61 years). The exercise price of the options was 5 cents.

There were no options issued during the year ended 30 June 2017. The weighted average fair value of the options granted during the 2016 year was 3.78 cents. The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	2017	2016
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 % 2017	Percentage Owned % 2016
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) (1)	Australia	Ordinary	0	100
Glintan Pty Ltd (1)	Australia	Ordinary	0	100
Amiable Holdings Pty Ltd	Australia	Ordinary	100	100
Burracoppin Resources Pty Ltd (1)	Australia	Ordinary	0	100

The principal activities of the above entities is exploration.

(1) These subsidiaries were deregistered under the Corporations Act on 1 September 2016

NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE

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

	2017 $	2016 $
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	54,350	142,339
As at 30 June 2017, $Nil (2016: $Nil) was payable to XServ Pty Ltd, and $Nil (2016: $Nil) was receivable from XServ Pty Ltd.		

NOTE 21: RELATED PARTY TRANSACTIONS (CONTINUED)

	2017 $	2016 $
Alto Metals 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	61,289	42,822
As at 30 June 2017, $4,361 (2016: $12,546) was receivable from and $9,474 (2016: $11,939) was payable to Alto Metals Limited		
Mega Capital Resources Ltd		
Dr Wang was a 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
As at 30 June 2017, $Nil (2016: $28,000) 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	51,563	40,000
As at 30 June 2017, $21,000 (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:

Australian tenements	432,400	1,021,334

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.

2017	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	389,738	–	–	–	389,738
Loans and receivables	–	–	–	24,022	24,022
Other financial assets	–	–	–	–	–
Total Financial Assets	389,738	–	–	24,022	413,760
Weighted average interest rate – cash assets	1.65%	–	–		
Financial Liabilities at amortised cost					
Trade and other payables	–	–	–	(199,303)	(199,303)
Total Financial Liabilities	–	–	–	(199,303)	(199,303)
Net financial assets	389,738	–	–	(175,281)	214,457

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
Available for sale 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

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.

NOTE 23: FINANCIAL INSTRUMENTS (CONTINUED)

(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 2017. 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	2017 $	2016 $
Cash and cash equivalents			
- AA Rated	8	389,738	281,121

(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 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 +/- $3,897 (2016 +/- $2,811) and equity +/- $3,897 (2016 +/- $2,811).

NOTE 23: FINANCIAL INSTRUMENTS (CONTINUED)

(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 2017, 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 2017	864,000	(86,400)	(86,400)	86,400	86,400
30 June 2016	975,000	(97,500)	(97,500)	97,500	97,500

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.

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

	2017 Carrying Amount $	2017 Fair Value $	2016 Carrying Amount $	2016 Fair Value $
Financial Assets				
Cash and cash equivalents	389,738	389,738	281,121	281,121
Loans and receivables	24,021	24,021	31,265	31,265
Available for sale financial assets	864,000	864,000	975,000	975,000
Total Financial Assets	1,277,759	1,277,759	1,287,386	1,287,386
Financial Liabilities at amortised cost				
Trade and other payables	199,303	199,303	130,125	130,125
Total Financial Liabilities	199,303	199,303	130,125	130,125

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)

NOTE 23: FINANCIAL INSTRUMENTS (CONTINUED)

Consolidated 2017	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets	864,000	–	–	864,000
Total assets	864,000	–	–	864,000

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

NOTE 24: PARENT ENTITY DISCLOSURES

(a) Financial Position of Enterprise Metals Limited

	2017 $	2016 $
CURRENT ASSETS		
Cash and cash equivalents	389,738	281,121
Trade and other receivables	24,021	31,265
TOTAL CURRENT ASSETS	413,759	312,386
NON-CURRENT ASSETS		
Plant and equipment	1,000	4,430
Intangible assets	1,328	6,451
Exploration and evaluation	3,490,888	3,607,239
Other financial assets	3,827,448	4,261,631
TOTAL NON-CURRENT ASSETS	7,320,664	7,879,751
TOTAL ASSETS	7,734,423	8,192,137
CURRENT LIABILITIES		
Trade and other payables	199,303	130,125
TOTAL CURRENT LIABILITIES	199,303	130,125
TOTAL LIABILITIES	199,303	130,125
NET ASSETS	7,535,120	8,062,012
EQUITY		
Issued capital	30,106,736	30,063,090
Option reserve	6,780,655	6,724,655
AFS financial asset reserve	–	–
Accumulated losses	(29,352,271)	(28,725,733)
TOTAL EQUITY	7,535,120	8,062,012

NOTE 24: PARENT ENTITY DISCLOSURES (CONTINUED)

		2017 $	2016 $
(b)	**Financial Performance of Enterprise Metals Limited**		
	Loss for the year	(626,538)	(2,838,820)
	Unrealised gain on revaluation of AFS asset	–	–
	Total comprehensive loss	(626,538)	(2,838,820)

(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 2017 (2016: none).

(d) Contingent liabilities of Enterprise Metals Limited

As at 30 June 2017 the Company has bank guarantees to the value of $nil (2016: $nil) to secure tenement bonds and $nil to secure a credit card facility (2016: $nil).

(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:

	2017 $	2016 $
Australian tenements	190,000	928,000

NOTE 25: CONTINGENT LIABILITIES

As at 30 June 2017 the Group has bank guarantees to the value of $nil (2016: $nil) to secure tenement bonds and $nil to secure a credit card facility (2016: $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 9, 12-14 Thelma Street
WEST PERTH WA 6005

Directors’ Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 21 to 49, 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 2017 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 2017.
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 28th September 2017, Perth WA

Grant Thornton

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Independent Auditor's Report to the Members of Enterprise Metals Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Enterprise Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, 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, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

a Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date; and

b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Grant Thornton

Material Uncertainty Related to Going Concern

We draw attention to Note 1 "Going Concern" in the financial statements, which indicates that the Group incurred a net loss of $521,020 during the year ended 30 June 2017. As stated in Note 1, these events or conditions, along with other matters as set forth in the notes, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Exploration and Evaluation Assets – valuation Note 1(f) and Note 13	

At 30 June 2017, the carrying value of Exploration and Evaluation Assets was $6.46 million.
 	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.
 	
The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.
 	
This area is a key audit matter due to the valuation of exploration and evaluation assets being a significant risk.
	Our procedures included, amongst others:
	
	• obtaining the management prepared reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;
	• reviewing management's area of interest considerations against AASB 6;
	• conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including;
	    – tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed;
	    – enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of managements' budgeted expenditure;
	    – understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale;
	• assessing the accuracy of impairment recorded for the year as it pertained to exploration interests; and
	• reviewing the appropriateness of the related disclosures within the financial statements.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Grant Thornton

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' 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* and for 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.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 19 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Enterprise Metals Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M P Hingeley
Partner - Audit & Assurance

Perth, 28 September 2017

The following additional information is required by the Australian Securities Exchange. The information is current as at 6 October 2017.

(a) Distribution schedule and number of holders of equity securities as at 6 October 2017

Fully Paid Ordinary Shares	Number of Holders	Number of Shares
1 - 1,000	88	10,346
1,001 - 5,000	162	529,613
5,001 - 10,000	213	1,812,879
10,001 - 100,000	611	24,075,152
100,001 - 9,999,999,999	286	296,693,258
Total	**1,360**	**323,121,338**

The number of holders with less than a marketable parcel of 25,000 fully paid ordinary shares as at 6 October 2017 is 669 holders, with 6,279,469 shares.

(b) 20 Largest holders of quoted equity securities as at 6 October 2017

The names of the twenty largest holders of fully paid ordinary shares (ASX code: ENT) as at 6 October 2017 are:

Rank	Holder Name	Shares	%
1.	Sinotech (Hong Kong) Corporation Limited	88,305,556	27.33
2.	RHB Securities Singapore Pte Ltd <Clients A/C>	10,048,807	3.11
3.	Mr Dermot Michael Ryan + Mrs Vivienne Eleanor Ryan <RF Super Fund A/C>	8,705,555	2.69
4.	Rosane Pty Ltd <Rosane Holdings S/F A/C>	8,428,866	2.61
5.	Miss Jie Liu	8,310,000	2.57
6.	Mrs Jinghua Zhang	8,300,000	2.57
7.	Mr William John Robertson + Mrs June Diane Robertson <Robertson Super Fund A/C>	5,989,656	1.85
8.	Mr Dermot Michael Ryan + Mrs Vivienne Eleanor Ryan <The Enterprise A/C>	5,000,000	1.55
9.	Prancer Super Pty Ltd <Alfieri Super Fund A/C>	4,501,567	1.39
10.	Mr Xin Jiang	4,500,000	1.39
11.	Zelda Therapeutics Limited	4,351,610	1.35
12.	Mr Zhanjun Fei	3,980,000	1.23
13.	Citicorp Nominees Pty Limited	3,918,975	1.21
14.	Dr Allan Trench & Mrs Suzanne Louise Trench <Trench Super Fund A/C>	3,275,471	1.01
15.	Mr Francis Leslie Owen + Mrs Elizabeth Ann Owen <Owen S/F A/C>	3,026,333	0.94
16.	Windsong Valley Pty Ltd <Wheeler Family A/C>	3,000,000	0.93
17.	Mr Miles George Smyth	2,695,895	0.83
18.	HSBC Custody Nominees (Australia) Limited	2,587,226	0.80
19.	Alto Metals Limited	2,500,000	0.77
20.	Ellamar Pty Ltd <KB Investment A/C>	2,500,000	0.77
	Top 20 Holders	**183,925,517**	**55.92**
	Remaining Holders	**139,195,821**	**43.08**

The unquoted securities on issue as at 9 October 2017 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

Additional ASX Information

(d) Unquoted Securities

The number of unquoted securities on issue as at 9 October 2017:

Security	Number on issue
Nil	

(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 9 October 2017 are below:

Security	Holder Name	Number of Securities	% Held
Nil			

(f) Restricted Securities as at 9 October 2017

There were no restricted securities on issue as at 9 October 2017

(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

Joint Venture Funded

Tenement	Project/ JV	Status	ENT Interest	Registered Holder/Subsidiary
E51/1168*	Doolgunna-SFR JV	Live	100%	Murchison Exploration Pty Ltd
E51/1301*	Doolgunna-SFR JV	Live	100%	Enterprise Metals Limited
E51/1303*	Doolgunna-SFR JV	Live	100%	Enterprise Metals Limited
E51/1304*	Doolgunna-SFR JV	Live	100%	Enterprise Metals Limited
E51/1539*	Doolgunna-SFR JV	Live	100%	Enterprise Metals Limited
E52/2049*	Doolgunna-SFR JV	Live	100%	Murchison Exploration Pty Ltd
E51/1683*	Doolgunna-SFR JV	Live	100%	Amiable Holdings Pty Ltd
E52/3347*	Doolgunna-SFR JV	Live	100%	Amiable Holdings 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

Other

E37/859***	Darlot Farm-In JV	Live	80%	A.C.N. 125 615 232 Pty Ltd
E37/1031	Darlot	Live	100%	Enterprise Metals Limited
E36/778	Darlot	Live	100%	Enterprise Metals Limited
E59/2076	Yalgoo	Live	100%	Enterprise Gold Pty Ltd
P20/2032	Murchison	Pending	100%	Enterprise Metals Limited
P20/2033	Murchison	Pending	100%	Enterprise Metals Limited

Notes

Doolgunna SFR Joint Venture

* Enterprise Metals Ltd is the registered or beneficial holder of 100% interest. Sandfire Resources NL is managing and wholly funding all exploration.

Fraser Range AON "Orpheus" 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.

Darlot Rudd Agreement

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

Enterprise Metals Limited

www.enterprisemetals.com.au