



Enterprise Metals Limited

ABN 43 123 567 073

2020 ANNUAL REPORT

CORPORATE DIRECTORY

Directors

Dr Allan Trench (Non-Executive Chairman)
Mr Dermot Ryan (Non-Executive Director)
Dr Changshun Jia (Non-Executive Director)

Company Secretary

Mr Graeme Smith

Principal registered office

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Telephone 08 6381 0392
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Australian Securities Exchange

ASX code: ENT

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DISCLAIMER AND CAUTIONARY STATEMENTS

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This document may contain certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement. The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward looking statements will be or are likely to be fulfilled. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements). The information in this document does not take into account the objectives, financial situation or particular needs of any person. Nothing contained in this document constitutes investment, legal, tax or other advice.

CHAIRMAN'S LETTER

Dear Fellow Enterprise Metals Shareholder

Thank you for your ongoing support. Your Company now has an expanded exploration portfolio across Western Australia including the three projects managed by our joint venture partners in the search for gold, copper and nickel sulphide mineralisation.

Evolution Mining (ASX: EVN) is our partner at the Murchison gold project, Sandfire Resources NL (ASX: SFR) at the Doolgunna copper-gold project and Constellation Resources Ltd (ASX: CR1) at the Fraser Range project. Each continued the search for economic discoveries during 2019-2020 at no cost to Enterprise shareholders, thanks to our free-carried joint venture interests in each of these projects.



For the year ahead we expect to see continued exploration being undertaken by all our joint venture partners.

In addition, your Company made timely acquisition agreements during the 2019-2020 year over a number of exciting gold projects in Western Australia, both in the Southern Cross Region around the historical Bullfinch gold mine and the Kalgoorlie-Kambalda region of the Eastern Goldfields, including the Mandilla area near Widgiemooltha. All these areas are considered highly prospective for new gold discoveries.

In the Murchison, Evolution are undertaking drilling aimed at locating gold mineralisation within endowed structures under areas of surficial cover. At Doolgunna, Sandfire continue to test for favourable geological horizons that may host De Grussa-style high-grade copper-gold mineralisation. In the Fraser Range, Constellation have outlined nickel-copper anomalism in shallow geochemical drilling that confirms the potential for nickel sulphides in fresh rock.

As a board we continue to scan the business environment for new exploration opportunities. For example, your company has a sulphate of potash project in the application stage in Western Australia. Whether this project will advance is dependent upon securing exploration access to the relevant areas.

Once again this year, our corporate overheads remain among the very lowest of exploration companies listed on the Australian Stock Exchange, a fact of which we remain proud. Following the year-end, the Company relocated office to further reduce fixed costs.

In June, we welcomed Dr Changshun Jia to the board, who brings with him extensive global mineral and mining industry experience.

As a shareholder in Enterprise, I again look forward to the year ahead, and to outcomes from the planned drilling both by your Company and by our joint venture partners. While the steady rise in the value of the company's shares over the year is highly encouraging, exploration success at any one of our projects has the clear potential to achieve a positive re-rating of the company's value.

I sincerely thank you for your support of the company through 2019-2020. Lastly, I would like to thank fellow board members, company secretary, joint venture partners and the professionals who have assisted the Company with exploration and administrative tasks of maintaining a public company.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Allan Trench', with a horizontal line underneath.

Dr Allan Trench – Chairman

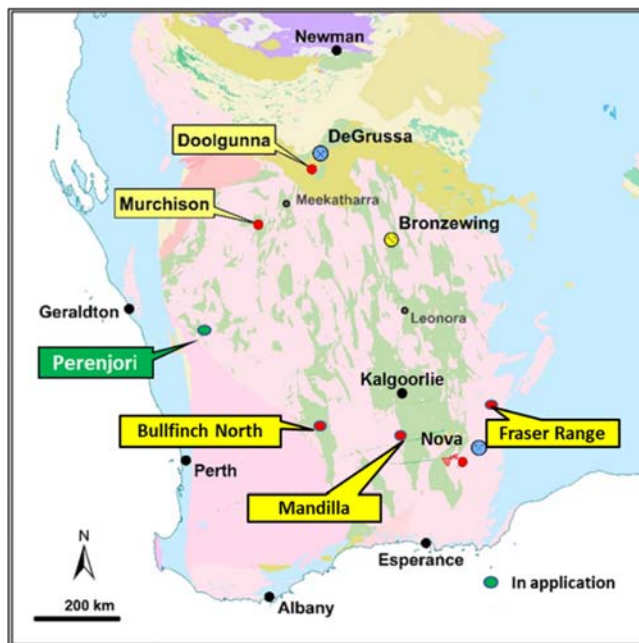
29 September 2020

REVIEW OF OPERATIONS

All of Enterprise Metal Limited's ("Enterprise" or the "Company") and its controlled entities (the "Group") projects are in Western Australia.

At 30 June 2020, Enterprise had three major projects, Murchison (gold/copper/zinc), Doolgunna (copper/zinc/gold) and Fraser Range (nickel/copper), all fully funded by joint venture partners. In addition, the Company has option agreements over a number of gold projects in the Yilgarn Region, and one wholly-owned potash project in the Perenjori district.

Figure 1. Location of Enterprise's Projects

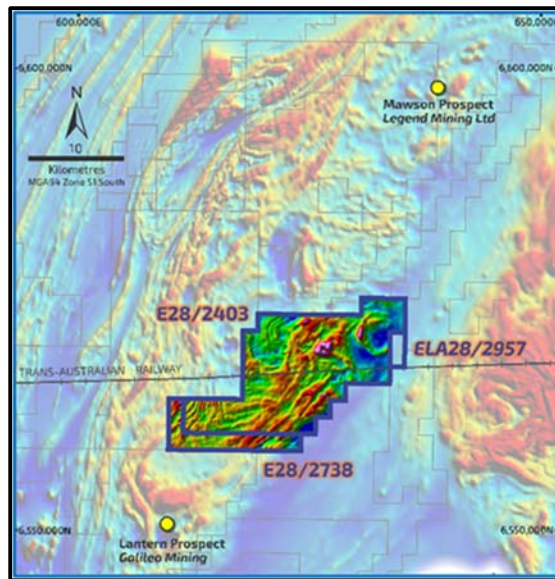


FRASER RANGE PROJECT: Ni (Cu-Co) ENT 30% free carried to BFS (CR1 70% managing & funding)

The Fraser Range Project is located within the Albany-Fraser Orogen approximately 100km east of Norseman and covers in excess of 500km² in a prospective portion of the Fraser Range. Constellation Resources Ltd (ASX: CR1) holds a 70% interest and funds and manages exploration on the four Orpheus Joint Venture tenements and Enterprise holds a 30% free carried interest to completion of a bankable feasibility stage (BFS) on any discovery.

The Orpheus Joint Venture's northern most Exploration Licence 28/2403 lies approximately 25km SSW of Legend Mining Ltd's (ASX: LEG) Mawson nickel sulphide discovery, first reported in December 2019. (Figure 2).

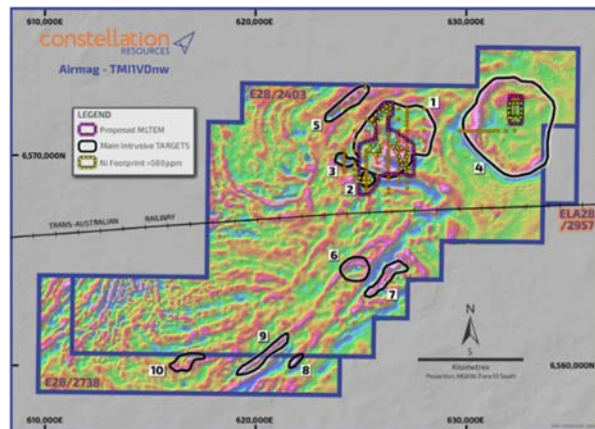
Figure 2. Magnetic Image, Tenement E28/2403



In April 2020, Constellation commenced a maiden air core drilling program to test five of ten high priority geophysical targets that were identified across the northern “Transline” tenements. The 21 hole drilling program comprised of 15,102m on a broad 500m x 400m grid pattern, with selected traverses reduced to 200m centres, identified Ni-Cu-Co anomalous zones along with an interpreted intrusive suite of olivine gabbros, pyroxenites and ultramafic rocks. The positive results support the potential for Ni-Cu-Co sulphides to be hosted within mafic intrusions in the area.

Assay results returned from the drilling highlighted five discrete Ni-Cu-Co geochemical footprints over geophysical Targets 1, 2 and 4 with a cumulative area of over 1.4km² (Figure 3). Constellation is presently undertaking a Low Frequency (~0.125Hz) MLTEM survey over these targets with the aim of identifying basement conductors linked to the geochemical footprints. Deeper drilling (reverse circulation and/or diamond) to determine whether the conductor source is due to the presence of massive nickel sulphides will be undertaken.

Figure 3. E28/2403 & E28/2738 - Drill Targets over Magnetic Data Image



Note: E28/2403: 70% CR1, 30% ENT. E28/2738: 100% CR1

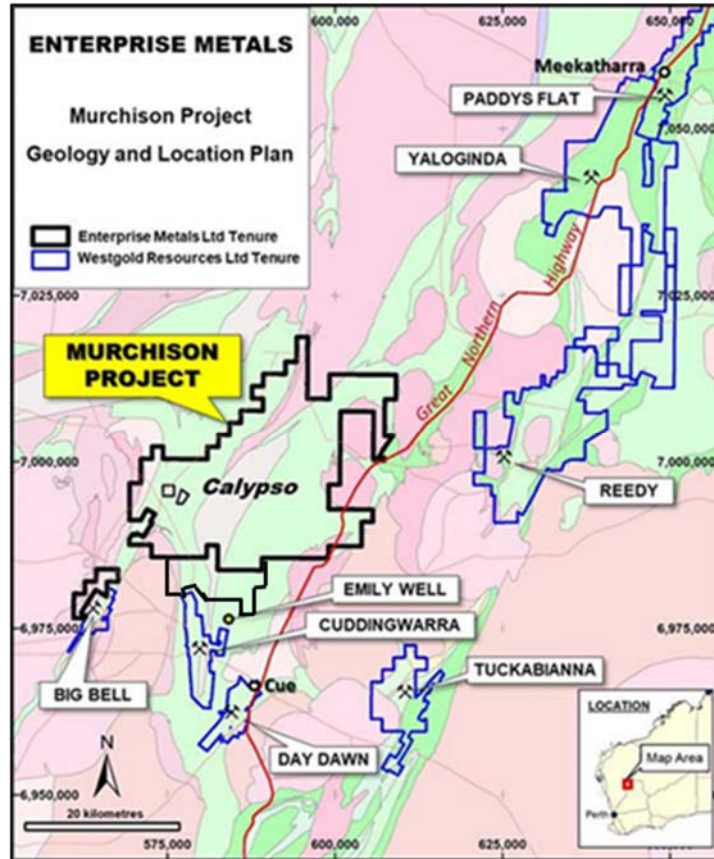
MURCHISON PROJECT: Au (Cu-Zn) ENT 100%, EVN Farm-In (EVN have right to earn up to 80%)

Enterprise's Murchison Project landholdings are centred 30km north of Cue and 35km north-east of the Big Bell Gold Mine and form a semi-contiguous landholding of approximately 750km² over a buried greenstone belt.

This portion of the greenstone belt has been under-explored due to the presence of regolith cover and lack of outcrop and represents an exciting exploration target for gold and copper/zinc.

The Project area sits within a well-endowed region, with major gold deposits such as Big Bell (5.3 Moz production, operated by Westgold Resources Ltd) and the nearby historical Day Dawn mine (2.6 Moz production). (Figure 4)

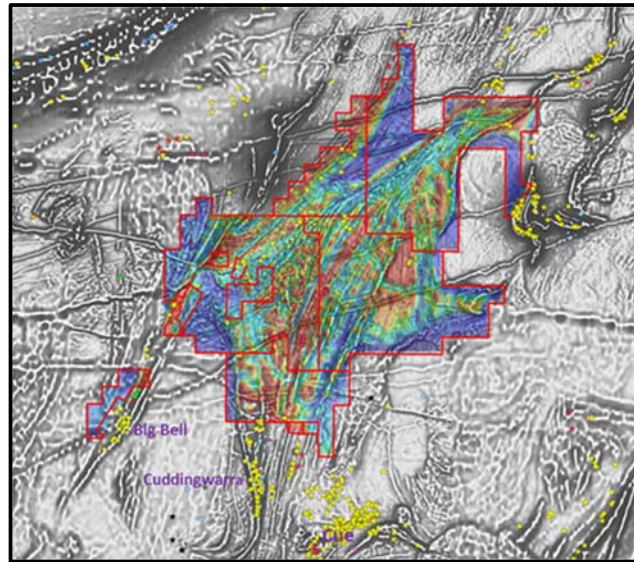
Figure 4. Murchison Project, Geology & Major Competitor Landholdings



Following the grant of the Murchison tenements in May 2018, Enterprise completed two detailed airborne magnetic and radiometric surveys, each with a line spacing of 50m and flying height of 30m. To complement Enterprise's initial work, Evolution covered the entire project area with 5,641 gravity station readings and completed planning for 26,000m of aircore drilling (total 452 holes) over the northern extensions of the Big Bell and Cuddingwarra Shear Zones. Evolution also completed extensive heritage clearance surveys over the planned drilling areas.

Evolution completed 50 line km of Passive Seismic and 101 AC holes (6,923m) over the Big Bell and Cuddingwarra areas prior to suspending field work in late March 2020 due to COVID-19 lockdowns. Aircore drilling re-commenced on 30 June 2020, and final details and results of this ongoing program are awaited.

Figure 5. Murchison Project, Grey Scale 1st VD Magnetic Imagery over Coloured Detailed Gravity VD1 Imagery with Metallogenic Data.



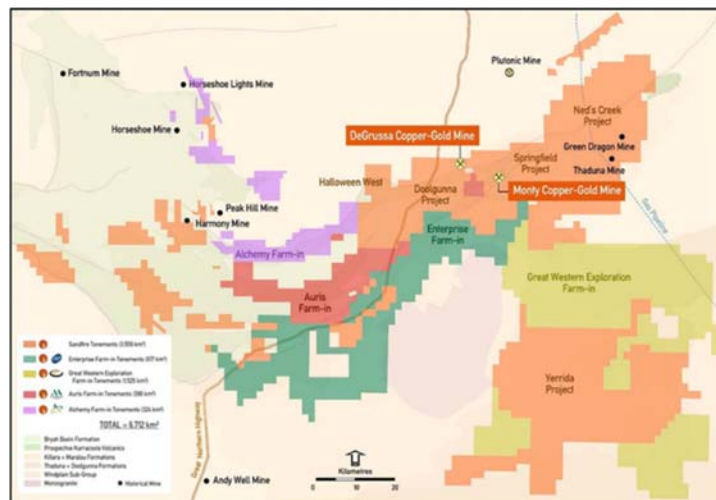
DOOLGUNNA PROJECT: Cu-Zn (Au) ENT 100%, SFR Farm-In (SFR have right to earn up to 75%)

Enterprise's Doolgunna Project covers over 60km of strike of the southern boundary of the Bryah Basin and the northern part of the Yerrida Basin. The southern Bryah Basin contains the Karalundi Formation which hosts the DeGrussa and Monty copper-gold deposits.

Sandfire Resources NL (ASX: SFR) entered into a farm-in agreement with Enterprise Metals in October 2016 to earn up to a 75% interest in the project by sole funding exploration to define a JORC (2012) compliant mineral resource of at least 50,000 tonnes of contained copper or copper equivalent. Sandfire have been operating and wholly funding exploration on the project area over the past 4 years, and have undertaken extensive airborne and ground geophysical surveys, aircore, reverse circulation and diamond core drilling programs.

In July 2020, Sandfire advised that a number of late-time anomalous responses had been identified in MLEM surveying during the June quarter over the Homestead-Vulcan West trend and the Ruby Well prospect area. Diamond drill holes were planned for these targets and results are awaited from Sandfire.

Figure 6. Location of the Enterprise - Sandfire Farm-In Area

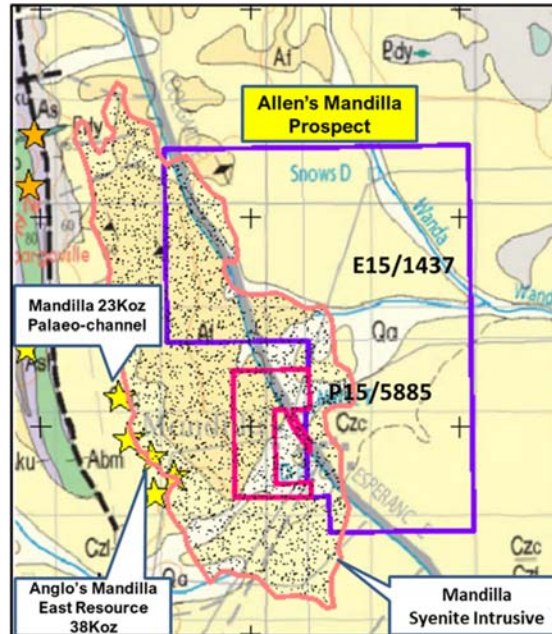


MANDILLA PROSPECT: Au, ENT Option to Purchase (Vera Allen 100% owned)

In March 2020, Enterprise entered into an 18 month Option Agreement with Mrs Vera Allen to purchase her Mandilla Gold Prospect (Exploration Licence 15/1437 and Prospecting Licence 15/5885) located approximately 20 km south of Kambalda. Enterprise's target is high-grade primary gold mineralisation, similar to that already discovered on the western margin of the Mandilla Syenite by Anglo Australian Resources ("Anglo", ASX: AAR) at its Mandilla Gold Project.

Between 2006-2007, Anglo produced ~23,000oz Au from an open cut palaeo-channel located along the western margin of the syenite. Anglo subsequently reported an Inferred bedrock resource of ~360,000t at 3.3 g/t Au [~38,000 oz Au] at Mandilla East, on the western margin of the Mandilla Syenite. (Figure 7)

Figure 7. GSWA Geology Interpretation Outlining the Mandilla Syenite Below Cover

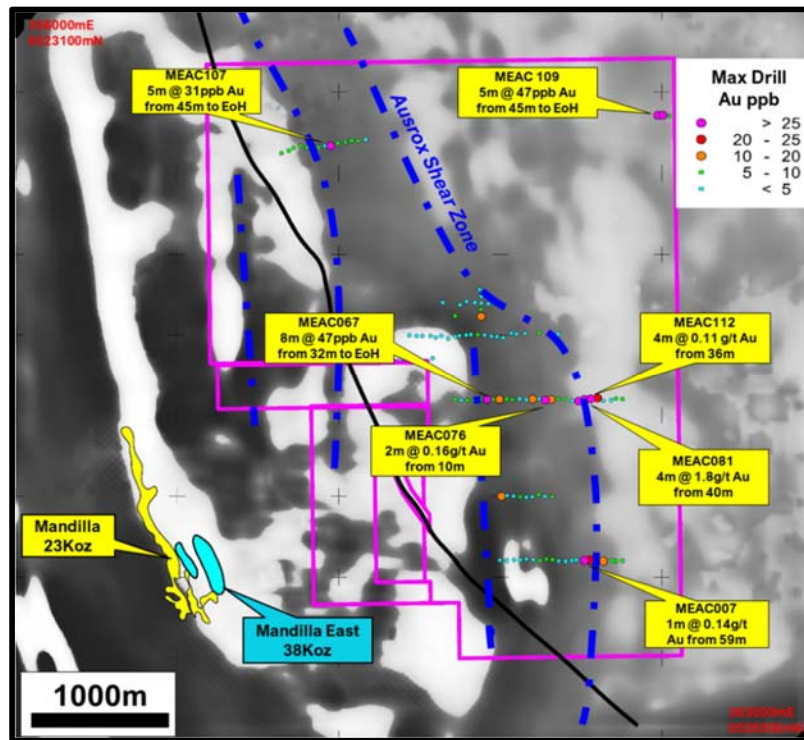


In June 2020, the Department of Mines, Industry Regulation and Safety approved Enterprise's Program of Work (PoW) for approximately 150 aircore drill holes to test the soil covered eastern margin of the Mandilla Syenite. A scout program of 121 vertical aircore holes (2,408m) was subsequently completed east of the Coolgardie-Esperance Highway in August 2020. The holes planned west of the highway could not be drilled due to heritage issues. A small passive seismic survey was also conducted, to map the depth of the Cainozoic cover sequence and weathered basement rocks.

The aircore drilling program on eight widely spaced east-west drill lines was completed at end August, with 4m composite sample assay results received in late September. The drilling has identified several deeply weathered northerly trending shear zones or corridors which contain anomalous amounts of gold and arsenic in saprolitic clays above bedrock. Four metre composite assay results from this program were reported to the market on 21 September 2020 and included 4m at 1.8g/t Au from 44m depth Au in hole MEAC081. This hole also averaged 615ppm arsenic over the 60m interval from 8m depth.

Further and deeper drilling is planned to confirm the Company's interpretation of these mineralised shear zones, and to test for economic gold mineralisation at depth in the bedrock.

Figure 8. Mandilla Magnetic Image with Enterprise AC Drill Hole Collars Colour Coded by Maximum Gold Values



BULLFINCH NORTH PROJECT: Au, (Ni-Cu-Co) ENT Option to Purchase

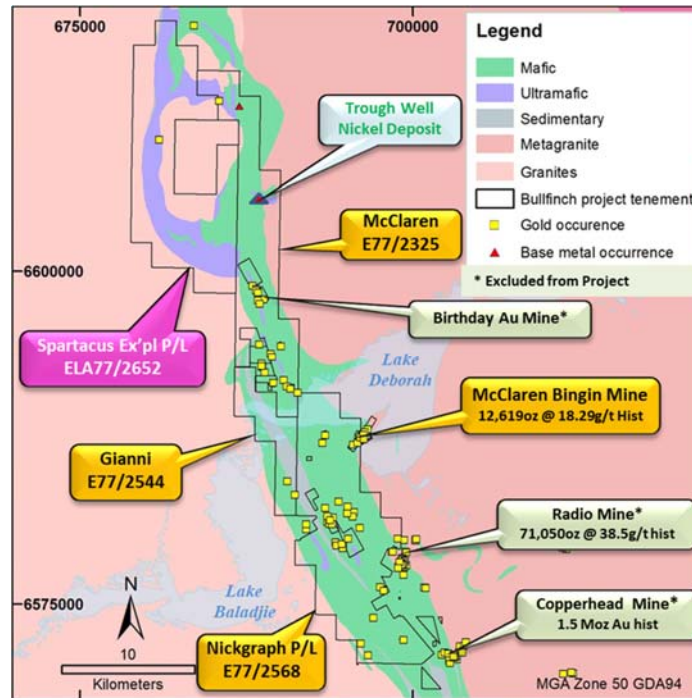
In February 2020, Enterprise entered into Binding Terms Sheets which gave Enterprise an exclusive 3 month period to conduct due diligence on 50 strike kilometres of the Archaean Southern Cross greenstone belt. The tenement package stretches from Bullfinch in the south to Trough Well in the north and is prospective for orogenic gold deposits and massive nickel sulphide deposits.

Following due diligence, Enterprise entered into the 2 year “*Option to Purchase*” phase in May 2020, with tenement holders Kym McClaren, Nickgraph Pty Ltd, West Australian Prospectors Pty Ltd and Kevin Williams. A separate option agreement was also negotiated over the western margin of the greenstone belt and Lake Deborah with Peter Gianni.

The Southern Cross greenstone belt hosts more than 150 known gold deposits, which have collectively produced more than 10 million ounces of gold. The major gold deposits such as Frasers at Southern Cross, Marvel Loch, Nevorla, Great Victoria, Yilgarn Star and Copperhead (at Bullfinch) have produced the majority of these ounces.

By comparison, the northern part of the belt (ie. north of Bullfinch), although containing many high-grade gold occurrences, has received little modern effective exploration. **Note:** The “Spartacus” ELA 77/2652 was added later in June 2020 and is subject to a separate binding term sheet agreement.

Figure 9. Location of Bullfinch North Project Area



PERENJORI POTASH PROJECT ENT 100%

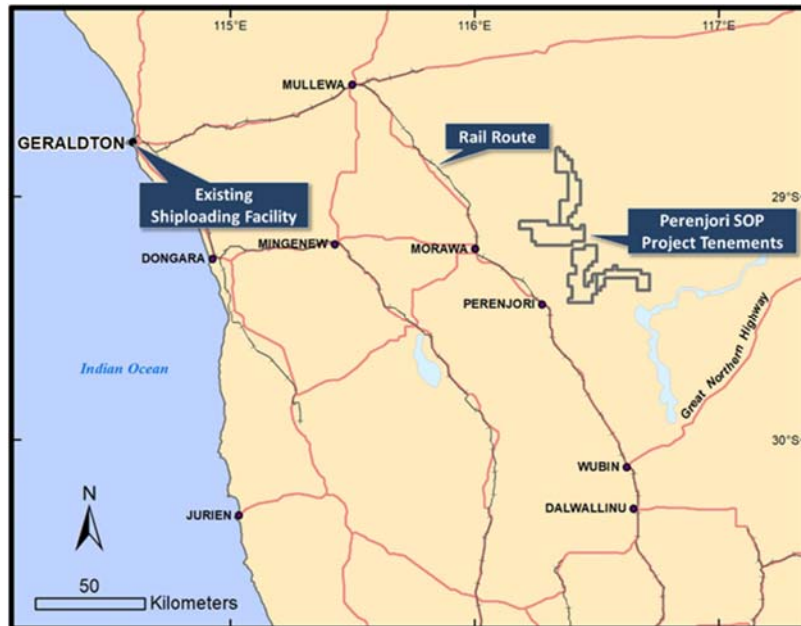
In October 2019, Enterprise lodged applications for four large exploration licences over deep palaeo-valleys centred approximately 35km north-northeast of the wheatbelt town of Perenjori. (Figure 10)

The tenement applications have a total area of 697 km² and cover ~120 km of ancient (+34 million years old) drainage systems which have their headwaters in the central part of the Yilgarn Craton. Airborne geophysical surveys previously conducted by Enterprise provide evidence that deeply incised (100m - 150m depth) palaeo-valleys lie buried below the broad shallow valleys and lakes NNE of Perenjori.

Subject to the tenements being granted, Enterprise plans to explore the palaeo-valleys for sub-surface *brine deposits* using aircore drilling methods. The ultimate goal is to produce Sulphate of Potash (K₂SO₄ or SOP) via surface evaporation (and processing) outside of salt lakes, within PVC lined evaporation ponds.

The Perenjori Project area is well serviced with a 245km railway from Perenjori to the port of Geraldton and has established infrastructure in the nearby wheatbelt towns of Morawa and Perenjori.

Figure 10. Location Plan, Perenjori Potash Exploration Project



OTHER PROJECTS

In June 2020, Enterprise entered into two Binding Terms Sheets which gave the Company an exclusive right to conduct formal due diligence on four exploration licence applications (ELA's) covering ~264km² of Archaean greenstone belts north and northeast of Southern Cross. The ELA's are considered potentially prospective for orogenic gold deposits, massive sulphide nickel-copper deposits, iron ore and lithium.

The largest tenement in the package ('Trough Well West' ELA77/2652 103km²) is held by Spartacus Exploration Pty Ltd and covers prospective mafic and ultramafic greenstone units and is contiguous with Enterprise's existing 236km² Bullfinch North Project (Figure 9). Other tenement applications included in the agreements are Elvire ELA77/2651, Carina ELA77/2653 and Ward Springs ELA 30/525 in the Mount Marmion greenstone belt. Enterprise has an Option to Purchase all the issued shares in Spartacus Exploration Pty Ltd, with the option lapsing 2 months post grant of Elvire ELA77/2651.

Corporate

In November 2019, Enterprise announced to the market, a pro-rata "1 for 8" Non-Renounceable Entitlements Issue to existing shareholders to raise approximately \$501,000. The funds were to be used to advance the Perenjori potash project and continue the Company's search for an advanced gold project. The issue price was \$0.01 per share, and with every two New Shares subscribed for, shareholders received one free attaching option. The New Options were unlisted and had an exercise price of \$0.015 and an expiry date of 30 June 2021.

The Company closed the Entitlements Issue on 17 December 2019, and advised that including additional shares applied for, shareholders subscribed for a total of 11,406,204 New Shares and 5,703,102 attaching Options for a total of \$114,062, which were issued on 24 December 2019. The maximum number of shares under the issue was 50,176,899 resulting in a shortfall of 38,770,695 shares.

Section 4.12 of the Prospectus dated 6 November 2019 gave the Company the right to place, within three months following the Closing Date, any Shortfall Shares (with attaching Options) not taken up by Eligible Shareholders, at the same price as the Entitlement, that being \$0.01. On 4 March 2020, the Company announced that it had accepted subscriptions for an additional 31,050,000 New shares and 15,525,000 attaching Options under the provisions of section 4.12 (Shortfall Offer) of the pro-rata Entitlements Issue

Prospectus, thereby raising an additional \$310,500. The listing of the 31,050,000 Shortfall Shares and Issue of 15,525,000 attaching Options was undertaken on 10 March 2020.

On 27 April 2020, the Company announced that it had sold on market its holding of 12 million Alto Metals Ltd (AME) shares for \$780,000 (at 6.5 cents/share).

On 28 April 2020, the Company announced that it had raised \$300,000 from Sophisticated Investors [under Section 708(10) of the Corporations Act] at an issue price of \$0.01 per New Share, with one free attaching Option for every two New Shares issued. This resulted in the issue of 30 million New Shares and 15 million Options (exercisable at \$0.015 on or before 30 June 2021). The issue price of the New Shares and the terms of the attaching Options were identical to the terms of the shareholder Entitlement Offer dated 7 November 2019, which had a considerable shortfall at the time. The funds were raised to allow the Company to option and or acquire gold projects in Western Australia's Yilgarn region.

Competent Person Statement

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

Historical exploration results referred to in this Report were previously reported by numerous ASX listed companies. Enterprise Metals Limited understands that this information has not been updated since to comply with the JORC Code (2012) but believes the information has not materially changed since it was last reported.

Forward Looking Statements

Certain statements in this document are or maybe "forward-looking statements" and represent Enterprise's intentions, projections, expectations or beliefs concerning among other things, future exploration activities. The projections, estimates and beliefs contained in such forward-looking statements don't necessarily involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Enterprise, and which may cause Enterprise's actual performance in future periods to differ materially from any express or implied estimates or projections. Nothing in this document is a promise or representation as to the future. Statements or assumptions in this document as to future matters may prove to be incorrect and differences may be material. Enterprise does not make any representation or warranty as to the accuracy of such statements or assumptions.

DIRECTORS' REPORT

Your Directors submit their report together with the financial report of Enterprise Metals Limited (“Enterprise” or the “Company”) and the entities it controlled (together “the Group”) for the year ended 30 June 2020 and the auditor’s review report thereon.

Directors

The names of the Directors who held office during or since the end of the year are:

Dr Allan Trench
Mr Dermot Ryan
Dr Changshun Jia (appointed 2 June 2020)
Dr Zhijun He (Resigned 2 June 2020)

Directors were in office for the entire year unless otherwise stated.

Information on Directors

Dr Allan Trench (Non-Executive Chairman, appointed 3 April 2012)

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.

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 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.

Directorships held in other listed entities: Pioneer Resources Limited (September 2003 – 31 March 2020)
Hot Chili Limited (July 2010 – present)
Emmerson Resources Limited (March 2015 – present)

There have been no other listed entity directorships in the last 3 years.

Dermot Ryan (Non-Executive Director, appointed 12 December 2018 formerly Managing Director, 13 October 2008 – 12 December 2018)

Mr Ryan spent 20 years with CRA Ltd from 1977-1996, including 10 years as Chief Geologist for CRA Exploration in various states of Australia. He was General Manager Exploration for Great Central Mines Ltd (later Normandy Yandal Operations Ltd) and Johnsons Well Mining NL (now Regis Resources Ltd) from late 1996-2000, and provided geological consulting services to Mark Creasy from 2001 to 2008, before founding Enterprise Metals Limited. For the past 14 years he has been a director of private mineral exploration consulting company XServ Pty Ltd. He is a Fellow of the AusIMM, (CP), a Fellow of the AIG, and holds a BAppSc (Geol).

Directorships held in other listed entities: Alto Metals Limited (December 2012 – February 2019)

There have been no other listed entity directorships in the last 3 years.

Dr Changshun Jia (Non-Executive Director, appointed 2 June 2020)

Dr Jia is a geologist with extensive global mineral and mining industry experience in Asia, South America, Africa and Australia. Dr Jia has been pivotal in the successful exploration of the Sandstone Greenstone Belt by Alto Metals Ltd, which has attracted strong corporate interest and resulted in multiple takeover offers for Alto Metals Ltd from third parties. Dr Jia was previously General Manager of Minera Altamira Chile, South America and senior management of Enterprise Metals Ltd. Dr Jia is a member of the Australian Institute of Geoscientists and

registered geologist of the China Nonferrous Metals Industry Association, with expertise in mineral exploration and mining. Dr Jia is also a founder and director of Luna Resources Pty Ltd, providing corporate and technical advisory services to public and private entities. Dr Jia has a BSc in Hydrogeology & Engineering Geology from North China University of Water Resources and Electric Power, China, and a PhD in Economic Geology from the University of Science & Technology, Beijing.

There have been no listed entity directorships in the last 3 years.

Dr Zhijun He (Non-Executive Director, appointed 12 October 2016, resigned 3 June 2020)

Dr He held 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 was a Winner of the 11th Silver Hammer Prize in Geological Science awarded by the Geological Society of China and 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 holds the position as director of East Africa Metals Inc. (TSX-V:EAM) and Nickel North Exploration Corp.(TSXV:NNX).

Directorships held in other listed entities: There have been no other listed entity directorships in the last 3 years.

Company Secretary

Graeme Smith BEc, MBA, MComLaw, FCPA, FCIS, FGIA

Mr Smith was appointed Company Secretary on 22 March 2019. Mr Smith is a corporate governance & finance professional with over 25 years' experience in accounting and company administration. He is a Fellow of the Australian Society of Certified Practising Accountants, the Institute of Chartered Secretaries and Administrators and the Governance Institute of Australia. He is the principal of Wembley Corporate which provides Company Secretarial, CFO, and Corporate Governance services to public and private companies.

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.

Operating Results

The loss of the Group after providing for income tax amounted to \$826,073 (2019: \$467,608).

Financial Position

The net assets of the Group at 30 June 2020 are \$7,362,031 (2019: \$7,085,703).

Risk Management

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board. The Board believes that it is crucial for all Board members to be a part of this process, and as such the Board has not established a separate risk management committee. The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders' needs and manage business risk.
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets.

Significant Changes in State of Affairs

There have been no significant changes in the affairs of the Group during the year.

Significant Events After the Reporting date

On 28 June 2020, the Group signed a lease agreement with a term of 24 months for office premises, the lease will commence on 1 July 2020 and therefore no corresponding lease liability is recognised in these accounts. The total present value of leases committed to but not yet commenced is \$25,010. The Group has no other leases.

On 24 September 2020, the Group completed a non-renounceable pro-rata Entitlements Issue to eligible shareholders of ordinary fully paid shares in the Company at an issue price of \$0.022 per share, and on the basis of 1 New Share for every 4 shares held together with 1 Option for every 2 shares issued. The total amount raised under the Entitlements Issue was \$1.486 million.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely Developments and Expected Results

The Group expects to maintain the present status and level of operations and hence there are no likely developments in the Group's operations.

Exploration Risk

Mineral exploration and development are business undertakings that carry an associated high degree of uncertainty, and as a consequence 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.

In order to manage the Group's exploration risk exposure therefore, all exploration properties are constantly reviewed as to whether the best exposure for shareholders is to maintain 100%-ownership by the Group of each project or whether appropriate risk-sharing can be put in place via joint venture agreements with other minerals companies.

The future exploration activities of the Group 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 Group.

Environmental Regulation and Performance

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.

Dividends Paid or Recommended

No dividend has been paid or recommended.

Meetings of Directors

During the financial year, the following meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Dr Allan Trench	6	6
Dr Zhijun He	6	6
Mr Dermot Ryan	6	6
Dr Changshun Jia	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 \$13,012 (2019: \$11,600).
- No indemnity has been given to the auditors.

Options

37,228,122 unlisted options were granted during the financial year. No options were cancelled, lapsed or were forfeited during the financial year. No shares were issued as a result of the exercise of options during the year. The Company has the following options on issue at the date of this report:

Date options granted	Number of unissued shares under option	Exercise price per option	Expiry date of options
24 December 2019	5,703,122	\$0.015	30 June 2021
10 March 2020	15,525,000	\$0.015	30 June 2021
30 March 2020	1,000,000	\$0.015	30 March 2022
28 April 2020	15,000,000	\$0.015	30 June 2021

Non-audit Services

The following non-audit services were provided by the Group's auditor, Pitcher Partners BA&A 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 Board 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 (including Independence Standards)*.
- Pitcher Partners BA&A Pty Ltd, or associated entities, received or are due to receive the following amounts for the provision of non-audit services:

	2020	2019
	\$	\$
Tax compliance services	2,000	-

The following non-audit services were provided by the Group's previous auditor, Grant Thornton Audit Pty Ltd, or associated entities.

Grant Thornton Audit Pty Ltd, or associated entities, received or are due to receive the following amounts for the provision of non-audit services:

	2020	2019
	\$	\$
Tax compliance services	-	3,500

Proceedings on Behalf of Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group 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 (“KMP”).

Remuneration Policy

The Board’s policy for determining the nature and amount of remuneration for Board members and senior executives of the Company is as follows:

All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation if applicable. The Board reviews executive packages periodically by reference to the Company’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. 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 Board determines payments to the Non-Executive Directors and reviews their remuneration periodically 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 Company. However, to align Directors’ interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

There is no relationship between KMP remuneration and the performance of the Company.

Use of remuneration consultants

The Company did not employ the services of any remuneration consultants during the financial year ended 30 June 2020.

Voting and comments made at the Company’s 2019 Annual General Meeting

The Company received approximately 100% of “yes” votes based on the number of proxy votes received on its remuneration report for the 2019 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Details of Remuneration for Year Ended 30 June 2020

There were no cash bonuses paid during the year and there are no set performance criteria for achieving cash bonuses. The following table outlines benefits and payment details, in respect to the financial year, as well as the components of remuneration for each member of the KMP of the Company:

Key Management Personnel	Short-term benefit		Post-employment benefit	Equity-settled share-based payments	Termination benefit	Total	Remuneration performance based
	Salary, fees and leave	Cash from other activities	Super-annuation	Equity			
	\$	\$	\$	\$	\$	\$	%
2020							
Dr A Trench ⁽¹⁾	15,000	-	-	15,000 ⁽⁶⁾	-	30,000	-
D Ryan ⁽²⁾	25,000	-	-	-	-	25,000	-
Dr Z He ⁽³⁾	11,459	-	-	11,458 ⁽⁶⁾	-	22,917	-
Dr C Jia ⁽⁴⁾	2,083	-	-	-	-	2,083	-
	53,542	-	-	26,458	-	80,000	-
2019							
Dr A Trench ⁽¹⁾	15,000	-	-	15,000 ⁽⁶⁾	-	30,000	-
D Ryan ⁽²⁾	40,774	-	-	-	-	40,774	-
Dr Z He ⁽³⁾	18,750	-	-	6,250 ⁽⁶⁾	-	25,000	-
P Holywell ⁽⁵⁾	26,850	-	-	-	9,639	36,489	-
	101,374	-	-	21,250	9,639	132,263	-

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

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

(3) Dr He resigned on 2 June 2020.

(4) Dr Jia was appointed on 2 June 2020. All fees paid to Dr Jia are paid to Luna Resources Pty Ltd of which he is a shareholder.

(5) Patrick Holywell resigned as Company Secretary on 20 May 2019. All fees are paid PWT Corporate Pty Ltd.

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

Equity instrument disclosures relating to KMP

Shareholdings

The number of ordinary shares in Enterprise Metals Limited held by each KMP of the Company during the financial year is as follows:

	Balance at the start of the period	Received during the period as compensation	Other changes during the period ⁽¹⁾	Balance at the end of the period
2020				
Ordinary Shares				
Dr A Trench	6,995,373	1,500,000	750,877	9,246,250
D Ryan	15,728,759	-	1,966,095	17,694,854
Dr Z He	2,396,188	1,250,000	-	3,646,188
Dr C Jia	922,211	-	-	922,211
Total	26,042,531	2,750,000	2,716,972	31,509,503

(1) Acquired on market.

Option holdings

The following table outlines options over ordinary shares held by KMP of the Company during the financial year:

	Balance at the start of the period	Received during the period as compensation	Other changes during the period ⁽¹⁾	Balance at the end of the period	Vested and exercisable
2020					
Options					
Dr A Trench	-	-	375,439	375,439	375,439
D Ryan	-	-	983,048	983,048	983,048
Dr Z He	-	-	-	-	-
Dr C Jia	-	-	-	-	-
Total	-	-	1,358,487	1,358,487	1,358,487

(1) Acquired on market.

Loans to KMP

There were no loans made to KMP as at 30 June 2020, nor were any made during the financial year.

Other Transactions with Directors and Key Management Personnel

In addition to Director services, Mr Ryan provides technical services to the Company. Mr Ryan is remunerated for such services, at a commercial rate, under the terms set out in a technical services agreement between the Company and Xserv Pty Ltd, and the Company and Montana Exploration Services Pty Ltd, both related parties of Mr Ryan. During the year \$120,614 (2019: \$35,145) and \$54,250 (2019: \$nil) was paid to XServ Pty Ltd and Montana Exploration Services Pty Ltd respectively for the provision of technical services. At 30 June 2020 an amount of \$37,812 (2019: \$8,843) and \$2,292 (2019: \$2,292) respectively was outstanding.

Incentive Option Scheme

Options, where appropriate, may be granted under the Enterprise Metals Limited Employee Share Option Plan ("ESOP"). Options are granted under the plan for no consideration on terms and conditions considered appropriate by the Board at the time of issue. Options are granted for up to a five year period. Options granted under the plan carry no dividend or voting rights.

The ability for the employee to exercise the options is restricted in accordance with the terms and conditions detailed in the ESOP. 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 ESOP. The options vest as specified when the options are issued. The following options have been issued under the ESOP in the current period to an employee.

Date options granted	Number of unissued shares under option	Exercise price per option	Expiry date of options
30 March 2020	1,000,000	\$0.015	30 March 2022

Director and Key Management Personnel Options

There were no options issued to Directors and Key Management Personnel during the 2020 financial year (2019: nil).

Group's Performance

The table below sets out information about the Group's earnings and movements in shareholder wealth for the past five years up to and including the current financial year.

	2020	2019	2018	2017	2016
Net (loss)/profit after tax (\$)*	(826,073)	(467,608)	(862,616)	(570,520)	(2,209,337)
Basic (loss)/profit per share (cents)*	(0.20)	(0.12)	(0.25)	(0.16)	(0.96)
Share Price at year end (cents)	1.3	0.8	2.0	2.6	1.4
Total dividends (cents per share)	-	-	-	-	-

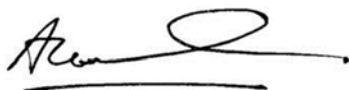
*Historical results have not been assessed and adjusted for the impact of new accounting standards.

----- End of Audited Remuneration Report -----

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2020 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.



Allan Trench

Chairman

Dated this day 29 of September 2020

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ENTERPRISE METALS LIMITED**

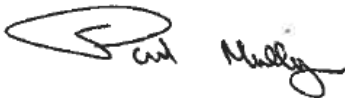
In relation to the independent audit for the year ended 30 June 2020, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Enterprise Metals Limited and the entities it controlled during the year.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 29 September 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2020 \$	2019 \$
Revenue			
Revenue from contracts with customers		-	-
		-	-
Other income			
Interest income		2,105	5,482
Government payments		10,000	-
		12,105	5,482
Expenditure			
Accounting and audit fees		(32,246)	(14,424)
Share registry and listing fees		(38,590)	(39,421)
Employee benefits expense		(8,054)	(4,314)
Corporate and consulting fees		(132,966)	(146,018)
Computers and software		(7,794)	(7,866)
Insurance		(17,591)	(16,128)
Investor relations		(2,420)	(8,668)
Legal fees		-	(450)
Office rental expense		(14,874)	(19,249)
Impairment of capitalised exploration and evaluation assets	2	(26,596)	(170,852)
Exploration expense	2	(519,795)	-
Share based payment	16	(3,381)	-
Other expenses		(33,871)	(45,700)
(Loss) before income tax expense		(826,073)	(467,608)
Income tax expense	3	-	-
(Loss) for the year		(826,073)	(467,608)
Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods			
Changes in the fair value of equity instruments carried at fair value through other comprehensive income, net of tax		380,100	(384,000)
Total other comprehensive income / (loss) for the year, net of tax		380,100	(384,000)
Total comprehensive (loss) attributable to members of the Company		(445,973)	(851,608)
Basic loss per share (cents per share)	5	(0.20)	(0.12)
Diluted loss per share (cents per share)	5	(0.20)	(0.12)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2020 \$	2019 \$
Current Assets			
Cash and cash equivalents	6	1,006,975	330,305
Trade and other receivables	7	24,806	16,357
Prepayments		43,265	6,644
Total Current Assets		1,075,046	353,306
Non-Current Assets			
Equity instruments at fair value through other comprehensive income	8	-	396,000
Plant and equipment	9	1,000	1,000
Intangible assets	10	-	-
Exploration and evaluation assets	11	6,407,788	6,422,246
Total Non-Current Assets		6,408,788	6,819,246
TOTAL ASSETS		7,483,834	7,172,552
Current Liabilities			
Trade and other payables	12	117,470	85,721
Provisions		4,333	1,128
Total Current Liabilities		121,803	86,849
TOTAL LIABILITIES		121,803	86,849
NET ASSETS		7,362,031	7,085,703
Equity			
Issued capital	13	32,174,462	31,455,542
Reserves	14	3,381	144,000
Accumulated losses		(24,815,812)	(24,513,839)
TOTAL EQUITY		7,362,031	7,085,703

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Options Reserve	Equity Instruments at FVOCI Reserve	AFS Asset Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	30,784,960	6,095,155	-	528,000	(30,141,386)	7,266,729
Loss for the year	-	-	-	-	(467,608)	(467,608)
Change in accounting policy arising from AASB 9	-	-	528,000	(528,000)	-	-
Other comprehensive income						
Other comprehensive income/(loss), net of tax	-	-	(384,000)	-	-	(384,000)
Total comprehensive income/(loss)	-	-	144,000	(528,000)	(467,608)	(851,608)
Transactions with owners in their capacity as owners						
Shares issued during the year	670,582	-	-	-	-	670,582
Transfer of share based payment reserve upon the expiry of share options	-	(6,095,155)	-	-	6,095,155	-
Balance at 30 June 2019	31,455,542	-	144,000	-	(24,513,839)	7,085,703
Balance at 1 July 2019	31,455,542	-	144,000	-	(24,513,839)	7,085,703
Loss for the year	-	-	-	-	(826,073)	(826,073)
Other comprehensive income						
Other comprehensive income/(loss), net of tax	-	-	380,100	-	-	380,100
Total comprehensive income/(loss) for the year	-	-	380,100	-	(826,073)	(445,973)
Transactions with owners in their capacity as owners						
Transfer of equity instruments at FVOCI reserve on sale of equity instruments	-	-	(524,100)	-	524,100	-
Shares issued during the year	718,920	-	-	-	-	718,920
Share based payments	-	3,381	-	-	-	3,381
Balance at 30 June 2020	32,174,462	3,381	-	-	(24,815,812)	7,362,031

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		2,104	5,482
Other receipts		10,000	-
Payments to suppliers and employees		(298,025)	(396,910)
Net cash used in operating activities	15a	(285,921)	(391,428)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation expenditure		(504,929)	(260,773)
Proceeds from sale of investment		776,100	-
Net cash provided by investing activities		271,171	(110,773)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		724,562	637,600
Payments of share issue transaction costs		(33,142)	(21,304)
Net cash provided by financing activities		691,420	616,296
Net increase in cash and cash equivalents		676,670	114,095
Cash and cash equivalents at the beginning of the year		330,305	216,210
Cash and cash equivalents at the end of the year	6	1,006,975	330,305

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

Enterprise Metals Limited (“Enterprise” or the “Company”) is a company limited by shares, incorporated and domiciled in Australia. The financial statements as at and for the year ended 30 June 2020 cover the consolidated group of Enterprise Metals Limited and the entities it controlled (together “the Group”). The Group is a for-profit entity.

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 statements have been prepared on an accruals basis and are 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.

b) Going Concern

The Group incurred a net loss of \$826,073 for the year ended 30 June 2020 (30 June 2019: \$467,608) and generated an operating cash outflow of \$285,921 (30 June 2019: \$391,428), and as at 30 June 2020, had net current assets of \$953,243 (30 June 2019: \$266,457) and net assets of \$7,362,031 (30 June 2019: \$7,085,703).

The financial report has been prepared on a going concern basis. In arriving at this position the Directors have had regard to the fact that based on the matters noted below the Group has, or in the Directors opinion, will have access to, sufficient cash to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing this report.

In forming this view the Directors have taken into consideration the following:

- Subsequent to year end, on 24 September 2020, the Group completed a non-renounceable pro-rate Entitlements Issue to eligible shareholders. The total amount raised under the Entitlements Issue was \$1.486 million;
- Should the Group require additional capital to continue as a going concern, the Directors are confident that their combined experience in the capital markets and track record to raise monies will ensure funds are raised in a timely manner in order to fund the ongoing activities of the Group; and
- Reducing both administrative and exploration expenditure (on the basis exploration expenditure is discretionary and expenditure requirements are minimal) as required through careful cash management.

Should the Group not achieve the matters set out above there is significant uncertainty whether the Group will continue as a going concern and therefore 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 adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern and meet its debts as and when they fall due.

c) 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 17.

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.

d) 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.

e) 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 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:

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.

f) Intangible Assets

Recognition of 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.

g) 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 when the Group holds tenure over the area of interest and 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.

h) Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following category upon initial recognition:

- equity instruments at fair value through other comprehensive income (FVOCI)
- amortised cost

Classification is determined by both:

- The Group's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under this category, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss.

Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). The Group has not designated any financial liabilities at FVPL.

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.

j) 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. The fair value of options is ascertained using the Black-Scholes pricing model which incorporates all market vesting conditions.

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) Other Income

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Government payments (grants) are recognised at fair value where there is reasonable assurance that the grant will be received, and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs it is compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line 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) 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 investing and financing activities, which are disclosed as operating cash flow.

p) 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:

- Equity instruments at FVOCI reserve – comprises gains and losses relating to these types of equity instruments.
- Retained earnings include all current and prior period retained profits.

q) Earnings per Share

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.

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.

r) 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.

s) Critical Accounting Estimates and Judgments

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2019.

Key Estimates — Impairment of Assets

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.

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

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 \$6,407,788 (2019: \$6,422,246). An impairment of \$26,596 (2019: \$170,852) was recognised during the year ended 30 June 2020.

Key Judgments – Benefit from Deferred Tax Losses

The future recoverability of the carried forward tax losses are dependent upon Group's ability to generate taxable profits in the future in the same tax jurisdiction in which the losses arise. This is also subject to determinations and assessments made by the taxation authorities. The recognition of a deferred tax asset on carried forward tax losses (in excess of taxable temporary differences) is dependent on management's assessment of these two factors. The ultimate recoupment and the benefit of these tax losses could differ materially from management's assessment.

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2020 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

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

t) New and Amended Standards Adopted by the Group in this Financial Report

The following significant Australian Accounting Standard has been issued and is applicable to the financial statements of the Group:

AASB No.	Standard / Interpretation	Effective date for the group
AASB 16	Leases	1 July 2019

AASB 16: *Leases* (“AASB 16”) replaced AASB 117: *Leases* and introduces a single lessee accounting model that will require a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at their cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

- (a) right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for in accordance with a cost model unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:
 1. investment property, the lessee applies the fair value model in AASB 140: *Investment Property* to the right-of-use asset; or
 2. property, plant or equipment, the lessee can elect to apply the revaluation model in AASB 116: *Property, Plant and Equipment* to all of the right-of-use assets that relate to that class of property, plant and equipment; and
- (b) lease liabilities are accounted for on a similar basis as other financial liabilities, whereby interest expense is recognised in respect of the liability and the carrying amount of the liability is reduced to reflect lease payments made.

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117.

In accordance with the transition requirements of AASB 16, the Group has elected to apply AASB 16 retrospectively to those contracts that were previously identified as leases under the predecessor standard, with the cumulative effect of initially applying the new standard recognised at the beginning of the current reporting period (i.e. at 1 July 2019). Accordingly, comparative information has not been restated.

The Group has assessed its office rental arrangements in existence as at 1 July 2019 to determine whether they fall within the scope of AASB 16. It was determined that these arrangements are not a ‘lease’ as defined in AASB 16 because the Group does not have the right to control any of the underlying assets to which the leases relate. Rental payments made in relation to these arrangements have therefore continued to be recognised as an expense on a straight-line basis over the term.

In addition, leases relating to exploration assets are outside the scope of AASB 16 and hence have also not been recognised in the financial statements.

Except for the impact of adopting AASB 16 Leases from 1 July 2019, the accounting policies and methods of computation adopted in the preparation of this annual financial report are consistent with those adopted and disclosed in the Group’s annual financial report for the financial year ended 30 June 2019. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year. The Group has considered the implications of new amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

u) 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. Details of these standards and interpretations are set out below:

AASB No.	Standard / Interpretation	Effective date for the group
AASB 2018-7	Amendments to Australian Accounting Standards – Definition of Material	1 July 2020

AASB 2018-7 principally amends AASB 101: Presentation of Financial Statements and AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.

AASB 2018-7 mandatorily applies to annual reporting periods commencing on or after 1 January 2020 and will be first applied by the Group in the financial year commencing 1 July 2020.

AASB No.	Standard / Interpretation	Effective date for the group
AASB 2019-3	Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform	1 July 2020

The reliefs apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

AASB 2019-3 mandatorily applies to annual reporting periods commencing on or after 1 January 2020 and will be first applied by the Group in the financial year commencing 1 July 2020.

AASB No.	Standard / Interpretation	Effective date for the group
AASB 2019-5	Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia	1 January 2020

AASB 2019-5 makes amendments to AASB 1054 Australian Additional Disclosures by adding a disclosure requirement for an entity intending to comply with IFRS Standards to disclose the information required by paragraph 30 of AASB 108 (regarding disclosing the effect of new standards not yet issued) to IFRS Standards that have not yet been issued by the Australian Accounting Standards Board.

AASB 2019-5 mandatorily applies to annual reporting periods commencing on or after 1 January 2020 and will be first applied by the Group in the financial year commencing 1 July 2020.

AASB No.	Standard / Interpretation	Effective date for the group
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	1 January 2022

AASB 2020-1 amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

AASB 2020-1 mandatorily applies to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the Group in the financial year commencing 1 July 2022.

AASB No.	Standard / Interpretation	Effective date for the group
AASB 2020-3	Amendments to Australian Accounting Standards – Annual Improvements 2018 – 2020 and Other Amendments	1 January 2022

AASB 2020-3 amends AASB 1 First-time Adoption of Australian Accounting Standards, AASB 3 Business Combinations, AASB 9 Financial Instruments, AASB 116 Property, Plant and Equipment, AASB 137 Provisions, Contingent Liabilities and Contingent Assets and AASB 141 Agriculture as a consequence of the recent issuance by IASB of the following IFRS: Annual Improvements to IFRS Standards 2018-2020, Reference to the Conceptual Framework, Property, Plant and Equipment: Proceeds before Intended Use and Onerous Contracts – Cost of Fulfilling a Contract.

AASB 2020-3 mandatorily applies to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the Group in the financial year commencing 1 July 2022.

AASB No.	Standard / Interpretation	Effective date for the group
AASB 2020-4	Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions	1 June 2020

AASB 2020-4 amends AASB 16: Leases to provide an optional practical expedient to lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such concessions in the same way as they would if they were not lease modifications. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all the following conditions are met:

- a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- b) any reduction in lease payments affects only payments due on or before 30 June 2021; and
- c) there is no substantive change to other terms and conditions of the lease.

AASB 2020-4 mandatorily applies to annual reporting periods commencing on or after 1 June 2020 and is available for earlier application. It will be applied by the Group in the financial year commencing 1 July 2020.

The Group has reviewed the above new and amended standards and interpretations and concludes that none are expected to have a significant impact on the Group's consolidated financial statements.

NOTE 2: EXPENDITURE

	Note	2020 \$	2019 \$
(a) Significant Expenses			
The following significant revenue and expense items are relevant in explaining the financial performance:			
Exploration expenditure		519,795	-
Impairment of capitalised exploration and evaluation assets	11	26,596	170,852

NOTE 3: INCOME TAX

	2020 \$	2019* Restated \$
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
Adjustments for current tax of prior periods	-	-
	<hr/>	<hr/>
	-	-

(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:

Prima facie tax on operating loss at 30% (2019: 30%)	(247,823)	(140,282)
Add / (Less) tax effect of:		
Share based payments	1,014	-
Impairment of capitalised exploration and evaluation assets	-	(38,531)
Non-assessable income	(3,000)	-
Deferred tax asset not brought to account	249,809	178,813
Income tax attributable to operating loss	<hr/>	<hr/>
	-	-

(c) Deferred tax assets

Deferred tax assets balance comprises:

Tax losses	3(g)	12,272,587	10,198,474
Equity instruments		-	601,200
Provisions and accruals		15,135	7,194
Other		12,066	14,110
		<hr/>	<hr/>
		12,299,788	10,820,978
Set-off deferred tax liabilities		<hr/>	<hr/>
		(12,299,788)	(10,820,978)
Net deferred tax assets		<hr/>	<hr/>
		-	-

(d) Deferred tax liabilities

Deferred tax liabilities balance comprises:

Exploration expenditure	(1,792,246)	(1,916,530)
Other	(12,980)	(1,993)
	(1,805,226)	(1,918,523)
Set-off deferred tax assets	1,805,226	1,918,523
Net deferred tax liabilities	-	-

e) Deferred income tax (revenue)/expense included in income tax expense comprises:

Decrease / (increase) in deferred tax assets	(201,162)	(106,721)
(Decrease) / increase in deferred tax liabilities	(58,589)	(72,092)
DTA not recognised	3(b) 259,751	178,813
	-	-

f) Deferred income tax related to items charged or credited directly to equity

Decrease / (increase) in deferred tax assets	494,773	601,200
(Decrease) / increase in deferred tax liabilities	-	-
DTA not recognised	3(b) (9,943)	(601,200)
Capital losses not recognised	(484,830)	-
	-	-

g) Deferred tax assets not brought to account

Temporary differences	(1,778,024)	601,200
Operating tax losses	12,272,587	10,198,474
Capital losses	484,830	-
	10,979,393	10,799,674

* Amounts within the Income Tax note disclosures for 30 June 2019 have been restated following a full review of the tax treatment of equity instruments held in Alto Metals Limited upon the sale in the current year.

Potential deferred tax assets have not been recognised at 30 June 2020 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 benefits 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 4: AUDITOR'S REMUNERATION

	2020	2019
	\$	\$
Remuneration of the auditor of the parent entity for:		
- Auditing or reviewing the financial report by Grant Thornton Audit Pty Ltd	-	21,167
- Auditing or reviewing the financial report by Pitcher Partners BA&A Pty Ltd	24,000	-
	<hr/>	<hr/>
Remuneration of the auditor, or associated entities, of the parent entity for non-audit services:		
- Tax compliance services	2,000	3,500
	<hr/>	<hr/>

NOTE 5: LOSS PER SHARE

	2020	2019
	\$	\$
(a) Reconciliation of earnings to loss for the year		
Earnings used in the calculation of basic EPS	(826,073)	(467,608)
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	423,281,975	390,988,780
Basic loss per share (cents per share)	(0.20)	(0.12)
Diluted loss per share (cents per share)	(0.20)	(0.12)

NOTE 6: CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash at bank	1,006,975	330,305
	<hr/>	<hr/>
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	1,006,975	330,305
	<hr/>	<hr/>

NOTE 7: TRADE AND OTHER RECEIVABLES

	2020	2019
	\$	\$
CURRENT		
GST receivable	20,466	16,357
Trade and other receivables	4,340	-
	<hr/>	<hr/>
	24,806	16,357
	<hr/>	<hr/>

There are no balances within trade and other receivables that contain assets that are impaired and are past due. It is expected these balances will be received when due.

NOTE 8: EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The carrying amount of financial assets and liabilities is at amortised cost, which is considered a reasonable approximation of fair value. Equity instruments are carried at fair value through other comprehensive income, with fair value movements summarised below.

Equity instruments at fair value through other comprehensive income

	2020	2019
	\$	\$
Opening balance	396,000	-
Revaluation	380,100	(384,000)
Reclassification arising from the adoption of AASB 9	-	780,000
Disposal	(776,100)	-
	<u>-</u>	<u>396,000</u>

Equity instruments are shares held in an ASX listed entity, Alto Metals Ltd. Fair value has been determined by reference to quoted market prices.

NOTE 9: PLANT AND EQUIPMENT

	Computer Equipment	Plant and Equipment	Furniture and Fittings	Motor Vehicles	Total
Cost					
Balance at 1 July 2019	64,956	153,863	18,320	-	237,139
Additions	-	-	-	-	-
Disposals	(54,362)	(110,099)	(15,732)	-	(180,193)
Balance at 30 June 2020	10,594	43,764	2,588	-	56,946
Balance at 1 July 2018	64,956	153,863	18,320	55,000	292,139
Additions	-	-	-	-	-
Disposals	-	-	-	(55,000)	(55,000)
Balance at 30 June 2019	64,956	153,863	18,320	-	237,139
Accumulated Depreciation					
Balance at 1 July 2019	64,956	153,863	17,320	-	236,139
Additions	-	-	-	-	-
Disposals	(54,362)	(110,099)	(15,732)	-	(180,193)
Balance at 30 June 2020	10,594	43,764	1,588	-	55,946
Balance at 1 July 2018	64,956	153,863	17,320	55,000	291,139
Additions	-	-	-	-	-
Disposals	-	-	-	(55,000)	(55,000)
Balance at 30 June 2019	64,956	153,863	17,320	-	236,139
Carrying Amounts					
At 1 July 2018	-	-	1,000	-	1,000
At 30 June 2019	-	-	1,000	-	1,000
At 30 June 2020	-	-	1,000	-	1,000

NOTE 10: INTANGIBLE ASSETS

NON-CURRENT	2020	2019
	\$	\$
Cost		
Opening Balance	106,436	106,436
Additions	-	-
Disposals	(91,186)	-
Balance at the end of year	<u>15,250</u>	<u>106,436</u>
Accumulated Depreciation		
Opening Balance	106,436	106,436
Additions	-	-
Disposals	(91,186)	-
Balance at the end of year	<u>15,250</u>	<u>106,436</u>
Carrying Amounts		
Opening Balance	-	-
Balance at the end of year	<u>-</u>	<u>-</u>

NOTE 11: EXPLORATION AND EVALUATION ASSETS

	2020	2019
	\$	\$
Exploration and evaluation phases – at cost	6,407,788	6,422,246
Exploration and evaluation - movement		
Opening balance	6,422,246	6,464,661
Exploration expenditure capitalised	12,138	278,437
Proceeds from earn in and exploration joint venture agreement	-	(150,000)
Impairment of capitalised exploration and evaluation assets	(26,596)	(170,852)
Balance at the end of the year	<u>6,407,788</u>	<u>6,422,246</u>

The Directors' assessment of whether any triggers of impairment for the Group's exploration and evaluation assets existed as at 30 June 2020 was after consideration factors such as prevailing market conditions; previous expenditure for exploration work carried out on the tenements; maintaining rights to tenure; 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.

As at 30 June 2020, the Directors have concluded that there remains an expectation that the carrying amount of the Group's exploration and evaluation assets will be recovered in full on the basis of the above factors, and hence no impairment triggers exist. Consequently, no detailed impairment assessment has been performed as at 30 June 2020. However, 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 year, an impairment of \$26,596 (30 June 2019: \$170,852) was recognised as a result of expenditure on tenements not yet granted.

NOTE 12: TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
CURRENT – UNSECURED LIABILITIES		
Trade payables	52,637	64,356
Accrued expenses	64,833	21,365
	<u>117,470</u>	<u>85,721</u>

All amounts are short-term. The carrying value is considered to be a reasonable approximation of the fair value. Refer to note 19 related party transactions for trade payable balances with related parties.

NOTE 13: ISSUED CAPITAL**1. Ordinary Shares**

	2020	2019
	\$	\$
476,618,957 (2019: 401,412,753) Fully paid ordinary shares	32,174,462	31,455,542
The Company has no authorised share capital. Shares have no par value.		
	\$	\$
At the beginning of the reporting period	31,455,542	30,784,960
Shares issued during the year		
11,406,204 on 24 December 2019 at \$0.01 per share	114,062	-
1,500,000 on 24 December 2019 at \$0.01 per share ¹	15,000	-
1,250,000 on 24 December 2019 at \$0.01 per share ¹	12,500	-
31,050,000 on 10 March 2020 at \$0.01 per share	310,500	-
30,000,000 on 28 April 2020 at \$0.01 per share	300,000	-
Prior year		
28,005,556 on 20 July 2018 at \$0.018 per share	-	504,100
833,334 on 27 December 2018 at \$0.018 per share	-	15,000
3,571,428 on 27 December 2018 at \$0.011 per share	-	39,286
13,350,000 on 11 April 2019 at \$0.01 per share	-	133,500
Transaction costs relating to share issues	(33,142)	(21,304)
At reporting date	<u>32,174,462</u>	<u>31,455,542</u>
	No.	No.
At the beginning of the reporting period	401,412,753	355,652,435
Shares issued during the year		
11,406,204 on 24 December 2019 at \$0.01 per share	11,406,204	-
1,500,000 on 24 December 2019 at \$0.01 per share ¹	1,500,000	-
1,250,000 on 24 December 2019 at \$0.01 per share ¹	1,250,000	-
31,050,000 on 10 March 2020 at \$0.01 per share	31,050,000	-
30,000,000 on 28 April 2020 at \$0.01 per share	30,000,000	-
Prior year		
28,005,556 on 20 July 2018 at \$0.018 per share	-	28,005,556
833,334 on 27 December 2018 at \$0.018 per share	-	833,334
3,571,428 on 27 December 2018 at \$0.011 per share	-	3,571,428
13,350,000 on 11 April 2019 at \$0.01 per share	-	13,350,000
At reporting date	<u>476,618,957</u>	<u>401,412,753</u>

¹ Issue of shares to Dr Trench and Dr He in lieu of director fees. Refer to note 16.

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.

2. Unlisted Options

	No.	No.
At the beginning of the reporting period	-	-
Issued during the year:		
Exercisable at 1.5 cents, on or before 30 June 2021 ¹	36,228,122	-
Exercisable at 1.5 cents, on or before 30 Mar 2022 ²	1,000,000	-
At reporting date	<u>37,228,122</u>	-

At 30 June 2019, there were no options issued during the year and there were no options outstanding.

¹ The unlisted options were issued on the basis of one option for every two shares issued as follows:

	No.
Options issued pursuant to entitlement offer	5,703,122
Options issued pursuant to shortfall placement	15,525,000
Options issued pursuant to share placement	<u>15,000,000</u>
	<u>36,228,122</u>

² The unlisted options were issued to employees on 30 March 2020. The fair value of the options granted was estimated as at the date of grant using the Black Scholes model taking into account the terms and conditions upon which the options were granted and factors such as the share price at grant date, volatility of the share price and risk free rate. As there were no vesting conditions attached, the expense of \$3,381 was recognised in full in the year ended 30 June 2020. Details are set out in note 16.

3. 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 2020 and 30 June 2019 are as follows:

	2020	2019
	\$	\$
Cash and cash equivalents	1,006,975	330,305
Trade and other receivables	24,806	23,001
Trade and other payables	<u>(117,470)</u>	<u>(85,721)</u>
Working capital position	<u>914,311</u>	<u>267,585</u>

NOTE 14: RESERVES

	2020	2019
	\$	\$
Options Reserve	3,381	-
Equity Instruments at FVOCI Reserve	-	144,000
	<u>3,381</u>	<u>144,000</u>

Options Reserve

	Note	2020 \$	2019 \$
Movements during the year:			
At the beginning of the reporting period		-	6,095,155
Share-based payments	16	3,381	-
Transfer of share based payment reserve upon the expiry of share options		-	(6,095,155)
At reporting date		<u>3,381</u>	<u>-</u>

The Options Reserve records the value of share based payments.

Equity Instruments at FVOCI Reserve

	Note	2020 \$	2019 \$
Movements during the year:			
At the beginning of the reporting period		144,000	-
Adjustment due to adoption of AASB 9		-	528,000
Fair value gains/(loss) on equity instruments at FVOCI	8	380,100	(384,000)
Transfer to accumulated losses on disposal of investment		(524,100)	-
At reporting date		<u>-</u>	<u>144,000</u>

The Equity Instruments at FVOCI Reserve records revaluation of equity instruments at fair value through other comprehensive income.

NOTE 15: CASH FLOW INFORMATION

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

	2020 \$	2019 \$
Loss after income tax	(826,073)	(467,608)
Cash flows excluded from loss attributable to operating activities		
Exploration expenditure	519,795	-
Non-cash flows in loss from ordinary activities:		
Impairment of exploration and evaluation assets	26,596	170,852
Director/former director fees paid in shares	27,500	15,000
Share based payments	3,381	-
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(8,449)	(4,801)
(Increase)/decrease in prepayments and other assets	(1,983)	(2,725)
Increase/(decrease) in payables	(26,688)	(102,146)
Cash flow used in operations	<u>(285,921)</u>	<u>(391,428)</u>

(b) Credit Standby Facilities

The Group had no credit standby facilities as at 30 June 2020 (2019: nil).

NOTE 16: SHARE-BASED PAYMENTS

Share issues

On 24 December 2019, the Company issued 2,750,000 at an issue price of \$0.01 per share to directors in lieu of cash for Directors fees. An expense of \$27,500 was recognised in respect of these shares, in full, within corporate and consulting fees in the year ended 30 June 2020.

Option issues

On 30 March 2020, the Company issued 1,000,000 options with an exercise price of \$0.015 to employees of the Company. The fair value of the options granted was estimated as at the date of grant using the Black Scholes model taking into account the terms and conditions upon which the options were granted and factors such as the share price at grant date, volatility of the share price and risk free rate. As there were no vesting conditions attached, the expense of \$3,381 was recognised in full in the year ended 30 June 2020.

Valuation of Share Based Payment

A summary of the key assumptions used in applying the Black Scholes model to the share based payments recognised in the year is as follows:

Number of options/rights	1,000,000
Date of grant	30 March 2020
Share price at grant date	\$0.007
Volatility factor	126.82%
Risk free rate	0.26%
Expected life of option/right (years)	2 years
Valuation per option/right	\$0.0034
Exercise price per option/right	\$0.015
Vesting conditions	None
Number of options/rights exercisable as at 30 June 2020	1,000,000

There were no options issued during the year ended 30 June 2019 and there were no options outstanding.

NOTE 17: CONTROLLED ENTITIES

Details of controlled entities	Country of incorporation	Class of shares	Percentage Owned %	
			2020	2019
Murchison Exploration Pty Ltd	Australia	Ordinary	100	100
ACN 125 615 232 Pty Ltd (previously known as Enterprise Uranium Pty Ltd)	Australia	Ordinary	100	100
Enterprise Exploration Pty Ltd	Australia	Ordinary	100	100
Enterprise Gold Pty Ltd (previously known as Australasian Mining and Exploration Pty Ltd)	Australia	Ordinary	100	100
Amiable Holdings Pty Ltd	Australia	Ordinary	100	100
Calypso Minerals Pty Ltd	Australia	Ordinary	100	100

NOTE 18: EVENTS SUBSEQUENT TO REPORTING DATE

On 28 June 2020, the Group signed a lease agreement with a term of 24 months for office premises, the lease will commence on 1 July 2020 and therefore no corresponding lease liability is recognised in these accounts. The total present value of leases committed to but not yet commenced is \$25,010. The Group has no other leases.

On 24 September 2020, the Group completed a non-renounceable pro-rata Entitlements Issue to eligible shareholders of ordinary fully paid shares in the Company at an issue price of \$0.022 per share, and on the basis of 1 New Share for every 4 shares held together with one Option for every two shares issued. The total amount raised under the Entitlements Issue was \$1.486 million.

Other than noted elsewhere in this report, no matters or circumstances have arisen since the end of the year, that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 19: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

Key Management Personnel 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 2020. The totals of remuneration paid to KMP during the year are as follows:

	2020	2019
	\$	\$
Short-term employee benefits	53,542	101,374
Post-employment benefits	-	-
Termination benefit	-	9,639
Equity settled share based payments	26,458	21,250
	<u>80,000</u>	<u>132,263</u>

Other Related Party Transactions

During the year, Mr Ryan, a Non-Executive Director of the Company provided technical consulting services to the Company. Mr Ryan is remunerated for such services, at a commercial rate, under the terms set out in a technical services agreement between the Company and Xserv Pty Ltd, and the Company and Montana Exploration Services Pty Ltd both related parties of Mr Ryan. During the year \$120,614 (2019: \$35,145) and \$54,250 (2019: \$nil) was paid to XServ Pty Ltd and Montana Exploration Services Pty Ltd respectively for the provision of technical services. At 30 June 2020 an amount of \$37,812 (2019: \$8,843) and \$2,292 (2019: \$2,292) respectively was outstanding.

NOTE 20: FINANCIAL INSTRUMENTS RISK

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, investment in equity instruments and accounts 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.

The main risk the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

Credit risk exposures

There are no other material amounts of collateral held as security at 30 June 2020. Trade and other receivables are expected to be settled within 30 days and there is no history of credit losses.

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	2020	2019
		\$	\$
Cash and cash equivalents			
- AA Rated	6	1,006,975	330,305

(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.

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.

A summary of the Group's financial assets and liabilities exposed to interest rate risk is shown below:

	Floating Interest Rate	Fixed Interest maturing in 1 year or less	Fixed Interest maturing over 1 to 5 years	Non- interest bearing	Total
	\$	\$	\$	\$	\$
2020					
Financial Assets					
Cash and cash equivalents	1,006,975	-	-	-	1,006,975
Trade and other receivables	-	-	-	24,806	24,806
Total Financial Assets	1,006,975	-	-	24,806	1,031,781
Weighted average interest rate – cash assets	0.93%	-	-		
Financial Liabilities at amortised cost					
Trade and other payables	-	-	-	(117,470)	(117,470)
Total Financial Liabilities	-	-	-	(117,470)	(117,470)
Net financial assets	1,006,975	-	-	(92,664)	(914,311)
2019					
Financial Assets					
Cash and cash equivalents	330,305	-	-	-	330,305
Trade and other receivables	-	-	-	23,001	23,001
Total Financial Assets	330,305	-	-	23,001	353,306
Weighted average interest rate – cash assets	1.75%	-	-		
Financial Liabilities at amortised cost					
Trade and other payables	-	-	-	(85,721)	(85,721)
Total Financial Liabilities	-	-	-	(85,721)	(85,721)
Net financial assets	330,305	-	-	(62,720)	267,585

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.

	Profit \$	Equity \$
Period ended 30 June 2019		
+1/-1 in interest rates	+/- 10,069	+/- 10,069
Period ended 30 June 2020		
+1/-1 in interest rates	+/- 3,303	+/- 3,303

Equity price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the statement of financial position as equity instruments at fair value through other comprehensive income.

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 2020, 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:

	Carrying Amount	Listed equity price - 10%		Listed equity price +10%	
	\$	Net Loss	Equity	Net Loss	Equity
	\$	\$	\$	\$	\$
30 June 2020	-	-	-	-	-
30 June 2019	396,000	(39,600)	(39,600)	39,600	39,600

(d) Net Fair Values

Cash and cash equivalents, trade and other receivables, equity instruments and trade and other payables are short-term investments in nature whose carrying value is equivalent to fair value.

Fair value measurement hierarchy

AASB 13 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets and liabilities;
- (b) Level 2 – a valuation technique is used using inputs other than quoted priced within Level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices); or
- (c) Level 3 – a valuation technique is used using inputs that are not based on observable market data (unobservable inputs).

The table below classifies financial instruments recognised in the consolidated Statement of Financial Position according to the fair value measurement hierarchy stipulated in AASB 13 Financial Instruments: Disclosures.

Valuation techniques used to derive level 2 and level 3 fair values

The fair value of financial instruments traded in active markets is based upon quoted market prices at the end of the reporting period. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group makes a number of assumptions based upon observable market data existing at each reporting period. The Group does not have any level 2 or 3 assets or liabilities.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Year ended 30 June 2020				
Financial Assets				
Equity instruments at FVOCI	-	-	-	-
Year ended 30 June 2019				
Financial Assets				
Equity instruments at FVOCI	396,000	-	-	396,000

NOTE 21: PARENT ENTITY DISCLOSURES

	2020	2019
	\$	\$
(a) Financial Position of Enterprise Metals Limited		
CURRENT ASSETS		
Cash and cash equivalents	1,006,975	330,305
Trade and other receivables	24,806	23,001
Prepayments	43,265	-
TOTAL CURRENT ASSETS	<u>1,075,046</u>	<u>353,306</u>
NON-CURRENT ASSETS		
Plant and equipment	1,000	1,000
Intangible assets	-	-
Exploration and evaluation assets	3,232,100	3,230,279
Other financial assets	3,175,688	3,587,967
TOTAL NON-CURRENT ASSETS	<u>6,408,788</u>	<u>6,819,246</u>
TOTAL ASSETS	<u>7,483,834</u>	<u>7,172,552</u>
CURRENT LIABILITIES		
Trade and other payables	117,470	85,721
Provisions	4,333	1,128
TOTAL CURRENT LIABILITIES	<u>121,803</u>	<u>86,849</u>
TOTAL LIABILITIES	<u>121,803</u>	<u>86,849</u>
NET ASSETS	<u>7,362,031</u>	<u>7,085,703</u>
EQUITY		
Issued capital	32,174,462	31,455,542
Reserves	3,381	144,000
Accumulated losses	(24,815,812)	(24,513,839)
TOTAL EQUITY	<u>7,362,031</u>	<u>7,085,703</u>
(b) Financial Performance of Enterprise Metals Limited		
Loss for the year	(818,580)	(461,344)
Changes in the fair value of equity instruments carried at fair value through other comprehensive income	380,100	(384,000)
Total comprehensive loss	<u>(445,973)</u>	<u>(845,344)</u>

NOTE 22: COMMITMENTS AND CONTINGENCIES**Commitments**

The Group has entered into certain obligations to perform minimum work on mineral tenements held. The Group is required to meet tenement minimum expenditure requirement which are set out below. These may be varied or deferred on application and are expenditures expected to be met in the normal course of business.

	2020	2019
	\$	\$
Not later than one year	179,145	-
Later than one year and not later than five years	305,588	-
	<u>484,733</u>	<u>-</u>

Contingent Assets

On 1 April 2019, the Company entered into an earn-in joint venture agreement with Evolution Mining Ltd (“Evolution”) over the Murchison exploration project. Under the terms of the agreement, Evolution would make an additional \$150,000 cash payment to Enterprise Metals should the agreement remain in place after two years.

Contingent Liabilities

As at 30 June 2020, the Group has contingent liabilities to the value of \$nil (2019: \$nil).

NOTE 23: 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 24: COMPANY DETAILS

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

Enterprise Metals Limited
Suite 5 44 Kings Park Road
WEST PERTH WA 6005

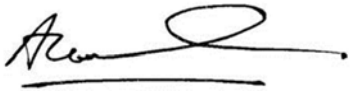
DIRECTORS' DECLARATION

In accordance with a resolution of the Board of Directors of Enterprise Metals Limited, I state that:

In the opinion of the Directors:

- the financial statements and notes set out on pages 24 to 51 are in accordance with the *Corporations Act 2001*, including:
 - complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
 - giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial year ended on that date;
 - the audited remuneration disclosures set out on pages 19 to 22 of the Directors' report comply with Accounting Standards AASB 124 Related Party Disclosures and the *Corporations Regulations 2001*; and
 - the financial statements and notes also comply with International Financial Reporting Standards.
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2020.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Allan Trench', with a horizontal line underneath it.

Allan Trench

Chairman

29 September 2020

ENTERPRISE METALS LIMITED
ABN 43 123 567 073
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 controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the 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 2020 and of its financial performance for the year then ended; 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 auditor 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 (including Independence Standards)* ("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.

**ENTERPRISE METALS LIMITED
ABN 43 123 567 073**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ENTERPRISE METALS LIMITED**

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.

Key Audit Matter	How our audit addressed the key audit matter
<p>Capitalisation of exploration and evaluation expenditure</p> <p>Refer to Note 11 to the financial report.</p> <p>As at 30 June 2020, the Group held capitalised exploration and evaluation expenditure of \$6,407,788.</p> <p>The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the capitalised exploration and evaluation expenditure may exceed its recoverable amount.</p> <p>The determination as to whether there are any indicators to require the capitalised exploration and evaluation expenditure to be assessed for impairment involves a number of judgments including but not limited to:</p> <ul style="list-style-type: none"> • Whether the Group has tenure of the relevant area of interest; • Whether the Group has sufficient funds to meet the relevant area of interest minimum expenditure requirements; and • Whether there is sufficient information for a decision to be made that the relevant area of interest is not commercially viable. <p>Due to the significance to the Group's financial report and the level of judgment involved in assessing whether there are impairment indicators present and in the calculation of the recoverable amount of the capitalised exploration and evaluation expenditure, we consider this to be a key audit matter.</p>	<p>Our procedures included, amongst others:</p> <p>Obtaining an understating of and evaluating the processes and controls associated with the capitalisation of exploration and evaluation expenditure, and those associated with the assessment of impairment indicators.</p> <p>Examining the Group's right to explore in the relevant area of interest, which included obtaining and assessing supporting documentation. We also considered the status of the exploration licences as it related to tenure.</p> <p>Considering the Group's intention to carry out significant exploration and evaluation activity in the relevant area of interest, including an assessment of the Group's cash-flow forecast models, discussions with senior management and directors as to the intentions and strategy of the Group.</p> <p>Reviewing management's evaluation and judgement as to whether the exploration activities within each relevant area of interest have reached a stage where the commercial viability of extracting the resource could be determined.</p> <p>Assessing the adequacy of the disclosures included within the financial report.</p>

Other Information

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 2020, but does not include the financial report and our auditor's report thereon.

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

ENTERPRISE METALS LIMITED
ABN 43 123 567 073

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ENTERPRISE METALS LIMITED

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 ability of the Group 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

ENTERPRISE METALS LIMITED
ABN 43 123 567 073
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ENTERPRISE METALS LIMITED

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

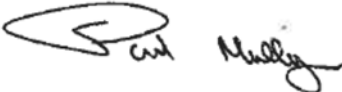
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 22 of the directors' report for the year ended 30 June 2020. In our opinion, the Remuneration Report of Enterprise Metals Limited, for the year ended 30 June 2020, 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.

Pitcher Partners BA&A PTY LTD
PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 29 September 2020

ADDITIONAL ASX INFORMATION

Additional information required by the ASX Listing Rules and not shown elsewhere in the report is as follows. The information is current as at 15 September 2020.

(a) Twenty largest holders of quoted equity securities

Position	Holder Name	Holding	%
1	SINOTECH (HONG KONG) CORPORATION LIMITED	88,305,556	18.53%
2	MR ROBERT HECTOR MCKENNA	20,000,000	4.20%
3	MR DERMOT MICHAEL RYAN & MRS VIVIENNE ELEANOR RYAN <RF SUPER FUND A/C>	17,694,854	3.71%
4	OSSART HOLDINGS PTY LTD <THE OT FAMILY A/C>	14,000,000	2.94%
5	WINDSONG VALLEY PTY LTD <WHEELER FAMILY A/C>	13,544,255	2.84%
6	DR COLIN ROSE	11,161,403	2.34%
7	CITICORP NOMINEES PTY LIMITED	10,455,643	2.19%
8	REYNE NOMINEES PTY LTD	10,000,000	2.10%
9	MRS JINGHUA ZHANG	8,300,000	1.74%
10	G GOW PTY LTD <GOW S/F A/C>	7,976,843	1.67%
11	DR ALLAN TRENCH & MRS SUZANNE LOUISE TRENCH <TRENCH SUPER FUND A/C>	6,757,886	1.42%
12	GUINA GLOBAL INVESTMENTS PTY LIMITED	6,500,000	1.36%
13	MISS JIE LIU <YU FAMILY A/C>	6,079,000	1.28%
14	MR WILLIAM JOHN ROBERTSON & MRS JUNE DIANE ROBERTSON <ROBERTSON SUPER FUND A/C>	5,989,656	1.26%
15	AM-AUSTRALIAN MINERALS EXPLORATION PTY LTD <THE LEGENDRE SUPER FUND A/C>	5,913,777	1.24%
16	MR PAUL DUNCAN HALLAM & MRS CHRISTINE JOY HALLAM <HALLAM SUPER FUND A/C>	5,334,871	1.12%
17	MS LOIS DEBORAH BLACKWOOD	5,000,000	1.05%
18	BOWMAN GATE PTY LTD <THE DISCOVERY A/C>	4,697,912	0.99%
19	PRANCER SUPER PTY LTD <ALFIERI SUPER FUND A/C>	4,501,567	0.94%
20	MR XIN JIANG	4,500,000	0.94%
	Total	256,713,223	53.86%
	Total issued capital - selected security class(es)	476,651,769	100.00%

(b) **Substantial Shareholders**

The names of the substantial shareholders and the number of shares in which they have a relevant interest are:

Holder Name	Holding Balance	%
SINOTECH (HONG KONG) CORPORATION LIMITED	88,305,556	18.53%

(c) **Distribution of equity securities**

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	93	10,471	0.00%
above 1,000 up to and including 5,000	152	477,760	0.10%
above 5,000 up to and including 10,000	174	1,464,863	0.31%
above 10,000 up to and including 100,000	596	23,817,586	5.00%
above 100,000	351	450,881,089	94.59%
Totals	1,366	476,651,769	100.00%

The number of fully paid ordinary shareholdings held in less than marketable parcels is 597 (based on a share price of \$0.024).

(d) **Voting rights**

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(e) **Corporate governance statement**

The Directors support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the corporate governance statement and the Appendix 4G released to ASX and posted on the Company website. The Directors are focused on fulfilling their responsibilities individually, and as a Board, for the benefit of all the Company's stakeholders. That involves recognition of, and a need to adopt, principles of good corporate governance. The Board supports the guidelines on the "Principles of Good Corporate Governance and Recommendations – 3rd Edition" established by the ASX Corporate Governance Council. Given the size and structure of the Company, the nature of its business activities, the stage of its development and the cost of strict and detailed compliance with all of the recommendations, it has adopted a range of modified systems, procedures and practices which enables it to meet the principles of good corporate governance. The Company's practices are mainly consistent with those of the guidelines and where they do not correlate with the recommendations in the guidelines the Company considers that its adopted practices are appropriate to it.

TENEMENT REPORT

Enterprise Metals Ltd & its 100% Owned Subsidiaries, on a Consolidated Basis

ENT 100% Interest (Doolgunna Farm-In Joint Venture Tenements*)

Project	Lease	ENT Interest	State	Status
Doolgunna	E51/1168	100%*	WA	Granted
Doolgunna	E51/1301	100%*	WA	Granted
Doolgunna	E51/1303	100%*	WA	Granted
Doolgunna	E51/1304	100%*	WA	Granted
Doolgunna	E51/1539	100%*	WA	Granted
Doolgunna	E52/2049	100%*	WA	Granted
Doolgunna	E51/1683	100%*	WA	Granted
Doolgunna	E52/3347	100%*	WA	Granted

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

ENT 100% Interest (Murchison Earn-In Joint Venture) Tenements**

Project	Lease	ENT Interest	State	Status
Murchison	E20/911	100%	WA	Granted
Murchison	E20/912	100%	WA	Granted
Murchison	E20/913	100%	WA	Granted
Murchison	E20/914	100%	WA	Granted
Murchison	E20/915	100%	WA	Granted
Murchison	E20/916	100%	WA	Granted
Murchison	E20/918	100%	WA	Granted
Murchison	P20/2302	100%	WA	Granted
Murchison	P20/2303	100%	WA	Granted
Murchison	E20/944	100%	WA	Granted

**ENT or wholly owned subsidiary the registered holder of 100% interest, with Evolution Mining Ltd (EVN) managing and funding to earn an 80% interest in the Murchison Project by spending \$6M over 4 years.

ENT 70% Interest (Orpheus – Fraser Range Joint Venture) Tenements***

Project	Lease	ENT Interest***	CR1 Interest	State	Status
Fraser Range	E63/1281	30%	70%	WA	Granted
Fraser Range	E63/1282	30%	70%	WA	Granted
Fraser Range	E63/1695	30%	70%	WA	Application
Fraser Range	E28/2403	30%	70%	WA	Granted

***ENT registered holder of 30% interest, with Constellation Resources (CR1) managing and solely funding to completion of any Bankable Feasibility Study.

ENT 100% Interest – Doolgunna and Perenjori Applications

Project	Lease	ENT Interest	State	Status
Doolgunna	E51/1945	100%	WA	Application
Perenjori	E59/2393	100%	WA	Application
Perenjori	E59/2394	100%	WA	Application
Perenjori	E70/5307	100%	WA	Application
Perenjori	E70/5308	100%	WA	Application