

ENTERPRISE METALS LIMITED

ABN 43 123 567 073

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2014

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2014 and any public announcements made by Enterprise Metals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

ENTERPRISE METALS LIMITED

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CORPORATE DIRECTORY

Directors

Dr Jingbin Wang
Mr Dermot Ryan
Ms Anna Mao
Mr Barry Bourne
Dr Allan Trench

Non-Executive Chairman
Managing Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

Company Secretary

Ms Susan Hunter

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Australian Securities Exchange

ASX Code – ENT

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DIRECTORS' REPORT

Your directors submit their report on the consolidated entity consisting of Enterprise Metals Limited ('Enterprise' or the 'Company') and the entities it controlled at the end of, or during, the half-year ended 31 December 2014.

DIRECTORS

The names of the directors who held office during or since the end of the half-year are:

Dr Jingbin Wang

Dermot Ryan

Barry Bourne

Anna Mao

Dr Allan Trench

REVIEW AND RESULTS OF OPERATIONS

A summary of consolidated revenues and results for the half-year is set out below:

	2014		2013	
	Revenues	Results	Revenues	Results
	\$	\$	\$	\$
Consolidated entity revenues and profit/(loss)	66,417	(2,149,111)	97,923	(1,515,574)

OVERVIEW

During the latter half of 2014, the Company focussed exploration on its two key projects at Doolgunna and Fraser Range. Exploration on its third main project, at Darlot, was managed and funded by ASX listed Independence Group NL. Enterprise also substantially reduced its granted landholdings by the surrender of non-core tenements and projects.

Doolgunna Copper-Zinc (Gold) Project

The Doolgunna Project covers approximately 1,069km² and is located 110km northeast of Meekatharra and some 10km southwest of Sandfire Resources NL's De Grussa copper-gold mine. The project is considered prospective for volcanic hosted massive sulphide (VMS) deposits and sediment hosted (SEDEX) base metals deposits. The Doolgunna geological setting is similar in some respects to the Central African Copperbelt, and the Company has identified a number of SEDEX style copper-zinc and gold targets along the Southern Boundary Fault, which marks the southern boundary of the sediment filled Doolgunna graben.

Gravity, maglag geochemistry and electromagnetic surveys completed by the Company in 2013 and 2014 have identified a large 4.5km long bedrock anomaly at the Borg Prospect, interpreted to be due to the introduction of base metals sulphides into the sedimentary sequence. The scout reverse circulation (RC) drilling conducted earlier in 2014 was conducted along the western flank of the anomaly, which was not fully defined by the geophysics and geochemistry at the time the holes were drilled. It is considered that these holes were too shallow and too far to the west.

In mid 2014, the Company submitted pyrite samples from two Borg drill holes (BGRC004 & BGRC014) to the Centre for Excellence in Ore Deposits (CODES, University of Tasmania), which used their Laser Ablation System coupled with ICP-MS to analyse the pyrites for their content of base metal pathfinder elements. CODES identified two disseminated pyrite bands that stood out in terms of their chemistry. From the analysis of the pyrite chemistry they concluded:

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Doolgunna Copper-Zinc (Gold) Project (cont)

"These two bands have sedimentary pyrite enriched in Au (up to and over 1 ppm), Te, Ag, Se, Mo, Cu, Ni and Co. The band in BGRC004 has the higher sulfide content and better geochemistry. This zone in BGRC004 has the characteristics of a high potential gold source rock that can be used as a sedimentary marker to define gold-copper targets. Most of the disseminated pyrite in BGRC004 has the chemistry of distal SEDEX Zn halo pyrite..... A potential SEDEX deposit could be 5 to 15 km along strike from BGRC004."

In December 2014, the Company announced that its application for co-funding for drilling at the Borg Prospect under the WA State Government Co-funded Exploration Drilling program had been approved. The WA State Government will match the Company's expenditure on its planned drilling program (to a maximum of \$150,000) at Borg. (Refer ASX Release 8th December 2014) The Company currently has plans to conduct ground geophysical surveys over Borg which will further define targets for an RC drilling program.

Fraser Range Nickel-Copper Project

The Company's maiden Fraser Range RC drilling program (with diamond core tails) was completed in May 2014 at the Plato prospect, assisted by \$150,000 of drilling funds from the Royalties for Regions Co-funded Government – Industry Drilling Program. Six reverse circulation ("RC") pre-collar holes were drilled for 1,672m of drilling in one east – west traverse across the coincident magnetic, soil geochemical and electromagnetic ("EM") target, with two holes intersecting disseminated nickel and copper sulphide mineralisation. The Company then completed four diamond core extensions or "tails" to holes PLRC003, PLRC001, PLRC005 and PLRC006 for a total of 708.8m of diamond coring.

During the second half of 2014, the Company undertook mineralogical and geochemical studies on chips and core to clarify the relationship between the Plato and Nova nickel sulphide deposit.

In late 2014, the Company completed 33 fixed loop electromagnetic (FLEM) surveys over various geochemical/magnetic targets and completed six scout RC holes at Plato South. (Refer ASX releases 27 October and 11 November 2014)

The FLEM data highlighted conductive features at Plato South, Plato East, Oceanus and Highway. The conductive bodies were evident in the channel 26 z amplitude images. Modelling and interpretation of the data suggested that Moving Loop EM could be employed to better define some features.

The **Plato South** EM anomaly was modelled and six reverse circulation (RC) drill holes were completed in November 2014 to test the interpreted sources. Initial logging and visual inspection of the drill chips identified only minor nickel sulphides and selected intervals were sent for geochemical analysis.

The **Plato East** EM anomaly is a larger feature and Moving Loop EM has been recommended to further refine drill targets.

Soil sampling in 2012 and 2013 at the **Highway Prospect** detected a coincident Ni-Cu-Co-As anomaly with maximum values of 114ppm Ni, 56ppm Cu, 27ppm Co and 212ppm As. The arsenic anomaly in particular is coherent and coincident with anomalous Bi, Mo, Ni, Pb and Sb and is centred over a large magnetic low. On the periphery of the magnetic low, other anomalous elements include Cd, Co, Cu, Mn, Sc, Sn, Ti and W. (Refer ENT: ASX release 21 June 2013) FLEM surveying over this coincident geochemical anomaly/magnetic low produced two quite distinct conductive features that require follow up with aircore and/or RC drilling.

The **Oceanus Prospect** was defined as a prominent linear magnetic low on the eastern boundary of the Company's Fraser Range tenement package. The early time channels of the Company's 2013 HeliTEM survey showed that this magnetic feature has a shallow conductive overburden which is interpreted as transported material in a drainage channel. Oceanus is currently interpreted as a possible late stage ultramafic intrusive that has intruded the magnetic basement rocks of the Fraser Range Complex following displacement of the basement rocks by a prominent north-west trending fault. The FLEM data suggests that this intrusive is more conductive immediately to the south of this NW trending structure.

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Fraser Range Nickel-Copper Project (cont)

Subsequent to the end of the half year, Enterprise announced on 12 February 2015 that it had entered into a sale and joint venture agreement with Fraser Range Exploration Pty Ltd (FRE), a wholly owned subsidiary of ASX listed Apollo Minerals Ltd (ASX:AON), the terms of which include:

- FRE to purchase a 70% interest in 4 Fraser Range tenements, and free carry ENT at 30% interest to completion of any Bankable Feasibility Study on any Mining Area,
- The consideration is the payment of a \$100,000 non-refundable deposit, and the payment of a further \$100,000 on the Completion Date, and the issue of 20 million fully paid ordinary shares in the capital of AON to ENT on the Completion Date which is to occur within 14 days from the date of the Agreement.
- FRE to sole fund all JV activities on the tenements until the date when FRE delivers to ENT a Bankable Feasibility Study for a discovery in a defined Mining Area,
- The tenements outside the Mining Area will remain subject to the exploration agreement and FRE will remain responsible for sole funding all exploration, and if either party withdraws from any tenement or the joint venture area in total, then the remaining party retains a 100% interest in the tenement or total project area as appropriate.

Further information can be obtained from Enterprise's ASX announcement on 12 February 2015.

Darlot Copper-Zinc (Gold) Project

In late 2013 the Company entered into an agreement with Independence Group NL (ASX:IGO) whereby IGO has the right to earn a 70% - 80% interest in Enterprise's Darlot Project covering some 740km² of tenure approximately 60km north from IGO's Jaguar Project.

The project, which covers similar volcanic stratigraphy to the Jaguar Project, has strategic value to IGO in that any base metals discoveries are potentially within economically viable trucking distance of its Jaguar processing facility. IGO commenced exploration with soil sampling which identified a discrete, coincident Cu-Zn-Ni-Y-Cd-Co-Mg anomaly over an area of historic RC drilling with anomalous copper and zinc. The minor elements in the geochemical suite (Y, Cd, Co) act as "pathfinders" to copper-zinc mineralisation. That is, they add extra scientific weight to those copper-zinc soil anomalies where all metals occur to anomalous levels.

During the December 2014 Quarter, IGO reported that two targets with prospective stratigraphy and anomalous base metals geochemistry had been selected for testing by a moving loop transient electromagnetic (MLTEM) survey. The survey, which commenced in the December 2014 Quarter, is scheduled for completion in the March 2015 Quarter. (Refer IGO December 2014 Quarterly Report dated 28 January 2015.)

RESEARCH AND DEVELOPMENT

The Company continued its R & D program which is designed to develop strategies for targeting sediment hosted style mineralisation (SEDEX) under cover in deeply weathered Proterozoic sedimentary sequences. The Doolgunna Project, which covers an extensive area of the Yerrida Basin, is being used to develop these new models for exploration and new techniques.

The nearby Bryah Basin has primarily been the focus of exploration for volcanic hosted massive sulphide (VHMS) deposits since the discovery of the DeGrussa deposit by Sandfire Resources in 2009. However, Enterprise considers that the sedimentary units of the Yerrida Basin are highly prospective for a SEDEX style base metal mineralisation and is developing a number of techniques in order to vector into economic base metal mineralisation.

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

REDUCTION IN LANDHOLDINGS

During the latter half of 2014, the Company substantially reduced its granted landholdings by the surrender of non-core tenements and projects, which had the effect of reducing its annual exploration expenditure commitment, its shire rates and its tenement rents. The Company currently holds 1,367km² of granted tenements which it is exploring exclusively, and holds a further 1,303km² of granted tenements for which exploration is being managed and wholly funded by its joint venture partners. Landholdings at 31 December 2014 are tabulated in Appendix 1 and 2.

CORPORATE

On 25 November 2014, the Company announced that it planned to raise in the order of \$400,000 through a planned private equity placement to its largest shareholder Sinotech Minerals and a number of sophisticated investors, plus an accompanying Share Purchase Plan (SPP) to all shareholders targeting an additional \$200,000 in equity funding, to advance exploration on the Company's highly prospective Fraser Range nickel sulphide targets. Both private placement and SPP were priced at 4 cents per share, which represented a discount of 6% to the Volume Weighted Average Price ("VWAP") for the last 5 days on which sales in Shares were recorded before the SPP was announced.

A total of \$344,000 was raised from the issue of 8.6 million new fully paid ordinary shares. Of this amount, \$109,000 was raised from the Shareholder Purchase Plan (2,725,000 new shares) and \$235,000 was raised from a private placement to sophisticated investors (5,875,000 new shares).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

This report is made in accordance with a resolution of directors.



Dermot Ryan
Managing Director

Perth, 16 March 2015

**Auditor's Independence Declaration
To The Directors of Enterprise Metals Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Enterprise Metals Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M A Petricevic
Partner - Audit & Assurance

Perth, 16 March 2015

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

		Half-year	
	Note	2014 \$	2013 \$
REVENUE			
Interest received		11,983	22,123
Other income		54,434	75,800
EXPENDITURE			
Accounting and audit fees		(25,362)	(28,359)
Share registry and listing fees		(47,925)	(36,821)
Employee benefits expense		(237,498)	(99,289)
Computers and software		(10,800)	(21,483)
Depreciation		(43,099)	(48,178)
Insurance		(14,067)	(11,606)
Investor relations		(6,669)	(5,383)
Impairment of financial assets		(67,500)	-
Exploration and evaluation costs written off	3	(1,628,136)	(1,155,228)
Legal fees		(7,040)	(23,284)
Office rent		(87,871)	(73,216)
Office equipment and supplies		(545)	-
Travel and accommodation		(13,632)	(10,824)
Other expenses		(25,384)	(99,826)
		(2,149,111)	(1,515,574)
(LOSS) BEFORE INCOME TAX EXPENSE			
Income tax expense			
		(2,149,111)	(1,515,574)
(LOSS) FOR THE HALF-YEAR			
OTHER COMPREHENSIVE INCOME			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Changes in the fair value of available-for-sale financial assets		-	67,500
Reclassification of financial assets to profit or loss		(162,000)	-
OTHER COMPREHENSIVE INCOME, NET OF TAX		(162,000)	67,500
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF ENTERPRISE METALS LIMITED		(2,311,111)	(1,448,074)
Basic and diluted (loss) per share (cents per share)		(0.8)	(0.7)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Notes	31 December 2014 \$	30 June 2014 \$
CURRENT ASSETS			
Cash and cash equivalents		519,724	1,960,437
Trade and other receivables		153,016	193,503
TOTAL CURRENT ASSETS		672,740	2,153,940
NON-CURRENT ASSETS			
Available-for-sale financial assets		432,000	661,500
Plant and equipment		71,373	114,472
Exploration and evaluation	3	13,622,354	14,203,319
Other financial assets		10,000	70,000
TOTAL NON-CURRENT ASSETS		14,135,727	15,049,291
TOTAL ASSETS		14,808,467	17,203,231
CURRENT LIABILITIES			
Trade and other payables		374,026	807,902
TOTAL CURRENT LIABILITIES		374,026	807,902
TOTAL LIABILITIES		374,026	807,902
NET ASSETS		14,434,441	16,395,329
EQUITY			
Issued capital	4	29,110,501	28,760,287
Reserves		6,019,447	6,181,447
Accumulated losses		(20,695,507)	(18,546,396)
TOTAL EQUITY		14,434,441	16,395,329

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	Issued Capital \$	Options Reserve \$	Available-for- Sale Financial Assets Reserve \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2013		26,675,980	5,854,847	-	(11,505,966)	21,024,861
Loss for the half-year		-	-	-	(1,515,574)	(1,515,574)
OTHER COMPREHENSIVE INCOME						
Changes in the fair value of available-for-sale financial assets		-	-	67,500	-	67,500
TOTAL COMPREHENSIVE INCOME		-	-	67,500	(1,515,574)	(1,448,074)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the period		1,031,000	-	-	-	1,031,000
Share-based payments		(68,345)	-	-	-	(68,345)
BALANCE AT 31 DECEMBER 2013		27,638,635	5,854,847	67,500	(13,021,540)	20,539,442
BALANCE AT 1 JULY 2014		28,760,278	6,019,447	162,000	(18,546,396)	16,395,329
Loss for the half-year		-	-	-	(2,149,111)	(2,149,111)
OTHER COMPREHENSIVE INCOME						
Reclassification to profit or loss of available-for-sale financial assets		-	-	(162,000)	-	(162,000)
TOTAL COMPREHENSIVE INCOME		-	-	(162,000)	(2,149,111)	(2,311,111)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the period		369,000	-	-	-	369,000
Costs of share issue		(18,777)	-	-	-	(18,777)
BALANCE AT 31 DECEMBER 2014		29,110,501	6,019,447	-	(20,695,507)	14,434,441

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Half-year	
	2014	2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(456,254)	(372,945)
Interest received	13,904	22,792
Other income	52,256	77,933
Net cash used in operating activities	(390,094)	(272,220)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure	(1,424,842)	(566,582)
Payments for purchases of plant and equipment	-	(5,831)
Proceeds on sale of plant and equipment	-	24,810
Proceeds from deposits expired	60,000	40,747
Payments for purchase of available-for-sale financial assets	-	-
Net cash used in investing activities	(1,364,842)	(506,856)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	369,000	1,001,000
Proceeds for shares not yet issued	-	45,000
Payments of share issue transaction costs	(54,777)	(68,345)
Net cash provided by financing activities	314,223	977,655
Net (decrease)/increase in cash and cash equivalents	(1,440,713)	198,579
Cash and cash equivalents at the beginning of the half-year	1,960,437	1,585,081
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	519,724	1,783,660

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This consolidated interim financial report for the half-year reporting period ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Enterprise Metals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Going Concern

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate. The directors are confident that the Group will be able to maintain sufficient levels of working capital to continue as a going concern and continue to pay its debts as and when they fall due.

For the period ended 31 December 2014, the Group incurred a loss before tax of \$2,149,111 (31 December 2013: loss of \$1,515,574) including a non-cash impairment charge of \$1,628,136 (31 December 2013: loss of \$1,155,228). For the half year ended at 31 December 2014, the Group incurred net operating cash outflows of \$390,094 (31 December 2013: outflow of \$272,220)

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The going concern of the Group is dependent upon it maintaining sufficient funds for its operations and commitments. The Directors continue to be focused on meeting the Group's business objectives and are mindful of the funding requirements to meet these objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- The current cash of the Group relative to its fixed and discretionary commitments;
- The contingent nature of certain of the Groups' project expenditure commitments;
- The ability of the Group to be receive rebates from research and development and other government grants;
- The underlying prospects for the Group to raise funds from the capital markets; and
- The fact that future exploration and evaluation expenditure are generally discretionary in nature (ie. at the discretion of the Directors having regard to an assessment of the progress of works undertaken to date and the prospects for the same). Subject to meeting certain expenditure commitments, further exploration activities may be slowed or suspended as part of the management of the Group's working capital. The Group also expects to be able to claim exemptions from expenditure for a number of the Group's areas of interest due to past expenditure.

The Directors are confident that the Group can continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

Should the Group be unable to undertake the initiatives disclosed above, there is uncertainty which may cast doubt as to whether or not the Group will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

New and amended standards adopted by the Group

The accounting policies adopted in the preparation of the interim financial reports are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2014. A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Impact of standards issued but not yet applied by the Group

There are no standards that are not yet effective and that are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. The Group has not early adopted any of the standards, interpretations or amendments that have been issued but are not yet effective.

NOTE 2: SEGMENT INFORMATION

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 3: EXPLORATION AND EVALUATION

	31 December 2014	30 June 2014
	\$	\$
Balance at beginning of period	14,203,319	18,800,635
Exploration expenditure	1,047,171	1,763,816
Impairment expense	(1,628,136)	(6,361,132)
Balance at end of period	<u>13,622,354</u>	<u>14,203,319</u>

The Directors' assessment of the carrying amount for the Company's exploration properties was after consideration of prevailing market conditions; previous expenditure for exploration work carried out on the tenements; and the potential for mineralisation based on the Company'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 Company's interests in these exploration properties for an amount at least equal to the carrying value. There may exist on the Company'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 Company's exploration properties or areas within the tenements may be subject to exploration and mining restrictions.

During the current period impairment of \$1,628,136 (30 June 2014: \$6,361,132) was recognised due to the surrender of tenements.

NOTE 4: CHANGES IN EQUITY SECURITIES ON ISSUE

	31 December 2014	30 June 2014
	\$	\$
274,508,276 (30 June 2014: 265,595,776)	29,110,501	28,760,278
Fully paid ordinary shares		

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4: CHANGES IN EQUITY SECURITIES ON ISSUE (continued)

	31 December 2014 Shares	31 December 2014 \$	30 June 2014 Shares	30 June 2014 \$
Balance at beginning of period	265,595,776	28,760,278	213,220,776	26,675,980
Issues of ordinary shares during the half-year				
312,500 shares at \$0.08 on 6 October 2014	312,500	25,000		
8,600,000 shares at \$0.04 on 24 December 2014	8,600,000	344,000		
25,775,000 shares at \$0.04 on 9 December 2013	-	-	25,775,000	1,031,000
1,125,000 shares at \$0.04 on 29 January 2014	-	-	1,125,000	45,000
1,100,000 shares at \$0.08 on 9 May 2014	-	-	1,100,000	88,000
375,000 shares at \$0.08 on 20 May 2014	-	-	375,000	30,000
24,000,000 shares at \$0.05 on 30 June 2014	-	-	24,000,000	1,200,000
Share issue costs	-	(18,777)	-	(309,702)
	<u>274,508,276</u>	<u>29,110,501</u>	<u>265,595,776</u>	<u>28,760,278</u>

b) Movement in options on issue

	31 December 2014 Number	30 June 2014 Number
At the beginning of the reporting period	72,575,000	53,600,000
Issued during the year:		
• Exercisable at 8 cents, on or before 30 November 2016	-	18,450,000
• Exercisable at 10 cents, on or before 15 June 2016	-	12,000,000
Exercised during the year		
• Exercisable at 8 cents, on or before 30 November 2016	(312,500)	(1,475,000)
Expired during the year		
• Exercisable at 22.2 cents, on or before 12 July 2014	(36,000,000)	
• Exercisable at 22.2 cents, on or before 20 June 2012	-	(10,000,000)
At reporting date	<u>36,262,500</u>	<u>72,575,000</u>

NOTE 5: CONTINGENCIES

The Company has \$10,000 (30 June 2014:\$10,000) in bank guarantees to secure a tenement deposits.

ENTERPRISE METALS LIMITED

31 DECEMBER 2014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6: SUBSEQUENT EVENTS

On 12 February 2015 Enterprise Metals Limited entered into a sale and joint venture agreement with Apollo Minerals Ltd the terms of which were that Apollo would acquire 70% of 4 of Enterprise's 6 Fraser Range tenements. A joint venture would be formed between the two entities with Enterprise holding a 30% free carry interest to completion of any Bankable Feasibility Study on any discovery. Further information can be gathered from the ASX announcement made by Enterprise on this date.

No other matter or circumstance has arisen since 31 December 2014, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

NOTE 7: RELATED PARTY TRANSACTIONS

At 31 December 2014 there was an amount of \$5,000 (30 June 2014: Nil) owing to a related entity of Mr Barry Bourne. This was repaid subsequent to the end of the period.

ENTERPRISE METALS LIMITED

31 DECEMBER 2014

DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 9 to 16 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Enterprise Metals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Dermot Ryan
Managing Director

Perth, 16 March 2015

Independent Auditor's Review Report To the Members of Enterprise Metals Limited

We have reviewed the accompanying half-year financial report of Enterprise Metals Limited ("Company"), which comprises the consolidated financial statements being the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising the basis of preparation of the half-year financial report, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of Enterprise Metals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Enterprise Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Enterprise Metals Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material uncertainty regarding continuation as a going concern

Without qualifying our conclusion, we draw attention to Note 1 in the financial report which indicates that the consolidated entity incurred a net loss of \$2,149,111 and cash outflows from operating activities of \$390,094 for the period ended 31 December 2014. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M A Petricevic
Partner - Audit & Assurance

Perth, 16 March 2015