

**31 October 2019****September 2019 Quarterly Activities Report****CORPORATE**

ASX Symbol: ENT  
ACN 123 567 073

At 30 September 2019:  
Shares on issue: 401,412,753

**CONTACT DETAILS**

Suite 9, 12-14 Thelma Street  
PO Box 1014  
WEST PERTH 6872  
Western Australia

Ph: +61 8 6381 0392  
Fx: +61 8 9381 5545

**BOARD OF DIRECTORS**

Dr Allan Trench  
Non-Executive Chairman

Mr Dermot Ryan  
Non-Executive Director

Dr Zhijun He  
Non-Executive Director

Mr Graeme Smith  
Company Secretary

Mrs Daniella Scaffidi  
Chief Financial Officer

**PROJECTS**

Evolution Mining EJV  
Gold (Zinc/Copper)  
Murchison

Sandfire Resources EJV  
Copper/Zinc (Gold)  
Doolgunna

Constellation Resources JV  
Nickel/Copper (gold)  
Fraser Range

**Murchison Au (Cu-Zn) Project: EVN Farm-In, ENT 100%**

- During the September Quarter, Evolution undertook extensive heritage clearance surveys and completed planning for two substantial aircore drilling programs (total 452 holes) covering the northern extensions of the Big Bell and Cuddingwarra Shear Zones. Drilling is expected to commence in the December Quarter.
- The entire Project area was covered with 5,641 gravity station readings, which are being integrated with previously flown detailed magnetic data to map out lithologies, structure and depth of regolith. Data processing is underway.

**Doolgunna Cu-Zn (Au) Project: SFR Farm-In, ENT 100%**

- Sandfire Resources NL (ASX: SFR) has reported that four reverse circulation (RC) drill holes (total 1,288m) were completed during the September Quarter. The holes were designed to test geochemical anomalism from earlier AC drilling. No significant assays were received from the RC drilling.

**Fraser Range Ni-Cu (Au) Project: CR1 70%, ENT 30%**

- Constellation Resources Ltd (ASX:CR1) has reported that during the September Quarter it undertook a review of historic and recent nickel exploration conducted on E63/1281 surrounding the nickel sulphide drill intercepts encountered at Plato, prospect.
- Key Points from this study were:

*Plato is one of a few exploration projects in the Fraser Range to encounter good tenor nickel sulphides*

*The state of knowledge regarding the Plato intrusive geometry and internal rock zonation's is poorly understood due to lack of drilling completed to date;*

*EM results to date are tenuous and need to be integrated with geochemical and other geophysical data to refine the next stage of drilling at Plato.*

**Corporate**

- Cash and liquid assets at 30 September 2019 totaled \$0.69 million, comprised of \$221,000 cash and 12 million Alto Metals Ltd (ASX: AME) shares worth ~\$480,000.
- Enterprise is continuing to seek out first class exploration opportunities that have the potential to add significant shareholder value.

**MURCHISON PROJECT**

*(EVN have right to earn up to 80%)*

The earn-in JV agreement (“EJVA”) on the Murchison Project by Evolution Mining Limited (ASX: EVN) formally commenced on the 1st June 2019. The Murchison Province of central Western Australia hosts a gold endowment in excess of 30 million ounces

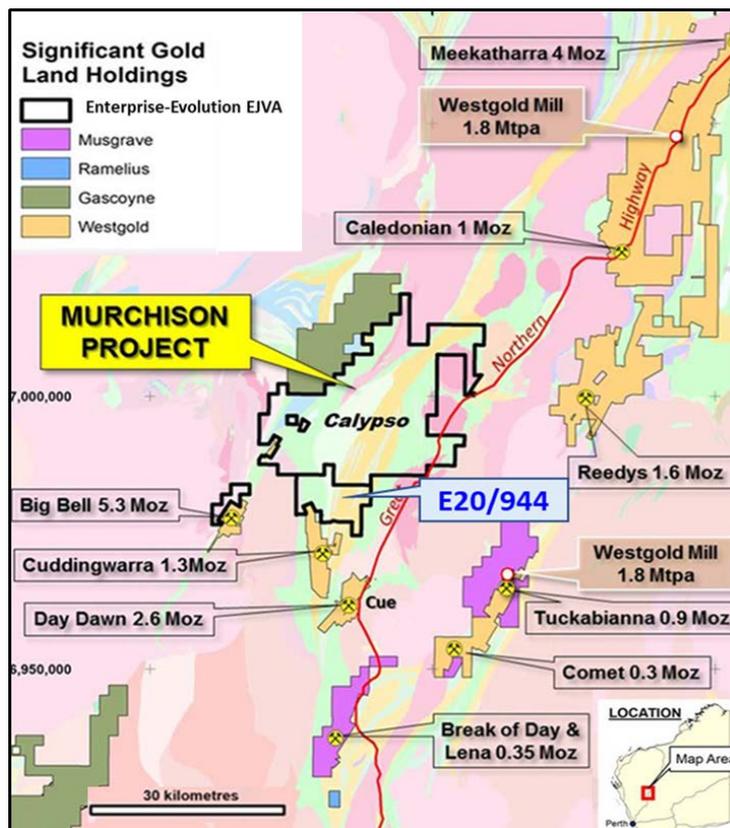
During the September Quarter, Evolution undertook extensive heritage clearance surveys and completed planning for two aircore drilling programs (total 452 holes) covering the northern extensions of the Big Bell and Cuddingwarra Shear Zones. Drilling is expected to commence in the December Quarter 2019.

The entire Project area was covered with 5,641 gravity station readings. This gravity data is being integrated with the previously flown detailed airborne magnetic data in order to map out lithologies, structure and depth of regolith. Data processing is underway and results will be reported when available.

Enterprise announced on 30<sup>th</sup> September 2019 that application for Exploration Licence 20/944, immediately north along strike of the former Cuddingwarra gold mine, had been granted. The tenement is located 15km north west of Cue, and 18km east north east of the Big Bell Gold Mine

Exploration Licence 20/944 is subject to the terms and conditions of the Enterprise - Evolution EAJV. The total EJVA area is now 835km<sup>2</sup>. Refer Figure 1 below.

**Figure 1. Location Plan, Murchison Project (EJVA) and Gold Endowment of Nearby deposits & Competitor landholdings**



On 17<sup>th</sup> September 2019, Evolution also announced that it had entered into a new earn-in agreement with Musgrave Minerals Limited (ASX: MGV) (“Musgrave”) over their Cue Project, which is located approximately 15km south of Cue township, and 50km south of the Enterprise-Evolution Murchison joint venture ground. This further move into the Murchison Province by Evolution is testament to Evolution’s commitment to exploration in the Murchison Province.

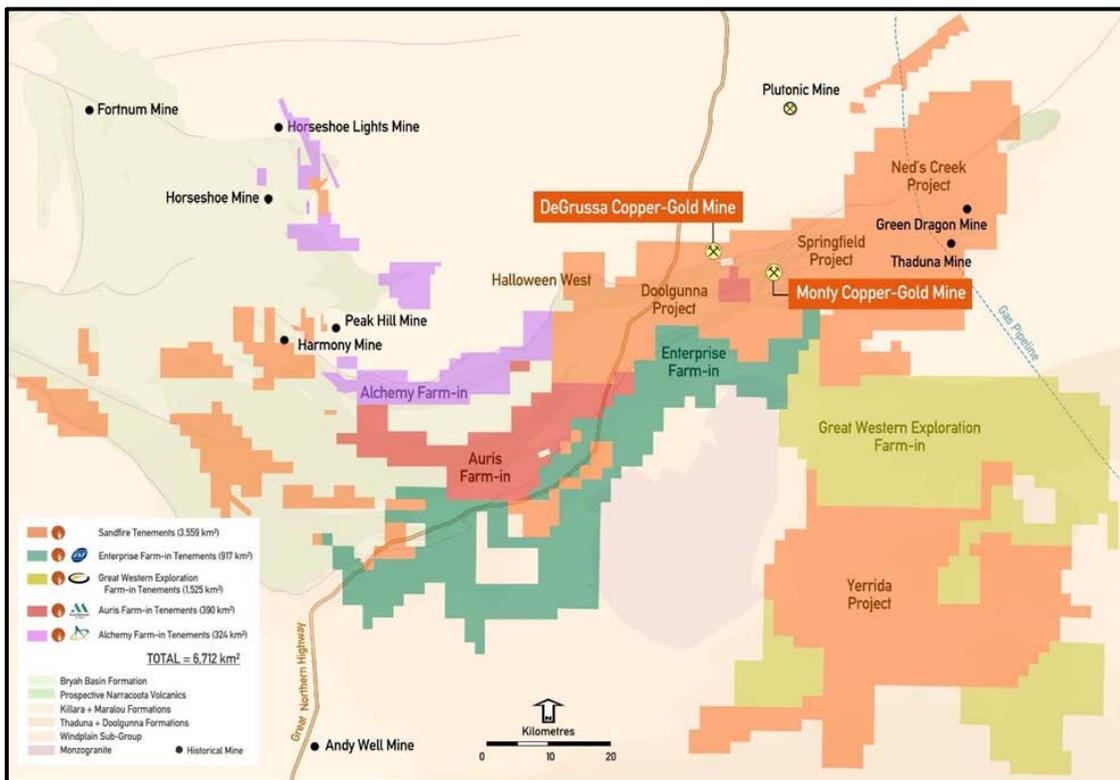
**DOOLGUNNA PROJECT**

*(SFR have right to earn up to 75%)*

Sandfire Resources NL (ASX: SFR) (“Sandfire”) entered into a Farm-in Agreement with Enterprise Metals Limited in October 2016 to earn up to a 75% interest in Enterprise’s Doolgunna Project by sole funding exploration on the tenements to define a JORC (2012) compliant mineral resource of 50,000 tonnes of contained copper or copper equivalent.

The Enterprise tenements cover 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 considers that the Enterprise tenements offer the potential for new copper-gold discoveries. Refer Figure 2.

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



During the Quarter, Sandfire reported to Enterprise the completion of four reverse circulation (RC) exploration drill holes (total 1,288m). These holes were designed to test geochemical anomalism identified in first-pass AC drilling conducted in the area. No significant assays were received from RC drilling during the September Quarter.

Three of the RC drill holes (total 840m) were completed at the Ruby Well Prospect. Drilling was designed to test significant copper anomalies associated with Au and Sb. This was part of a 1.6km-long geochemical trend identified across first-pass AC and initial RC drilling. DHEM surveys of the RC holes completed this Quarter will be completed in the next reporting period.

One RC drill hole (total 448m) was completed at the Mount Leake Prospect, and was designed to test low level copper geochemical anomalism identified in a first-pass AC drill hole. EFRC0060 intersected dolerite to a depth of 379m before entering a mixed sedimentary package of siltstones, lithic wackes, conglomerates and minor breccia’s. No significant mineralisation was observed. All lithologies are interpreted to be part of the DeGrussa Member of the Karalundi Formation. No further RC or diamond drilling is currently planned in the area. DHEM surveying of EFRC0060 should be completed in the next reporting period.

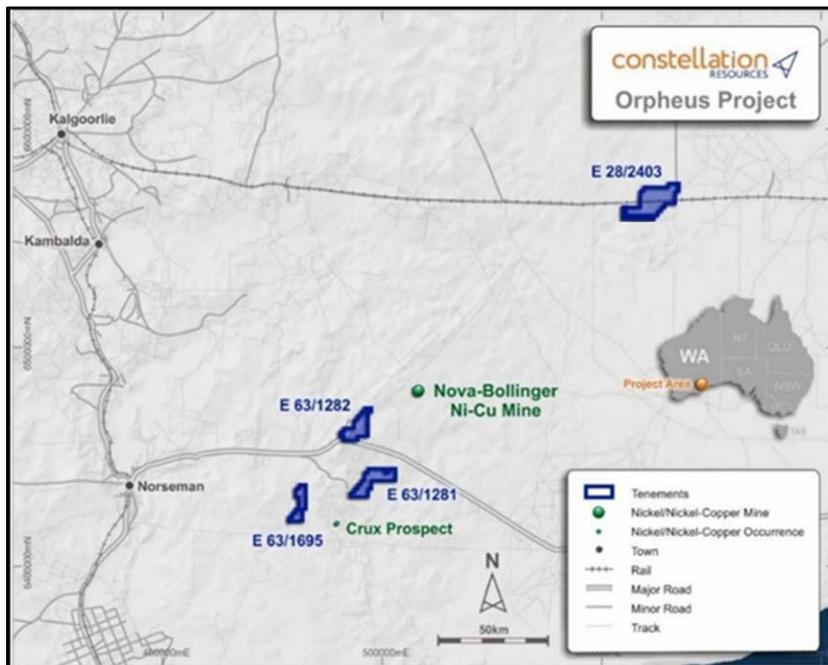
**FRASER RANGE PROJECT**

*(CR1 70% managing & funding, ENT 30% free carried to BFS)*

The Fraser Range Project is located within the Albany-Fraser Orogen approximately 100km east of Norseman (see Figure 3). Enterprise entered into a Sale and Joint Venture Agreement in February 2015 with Apollo Minerals Ltd (ASX: AON) over the Fraser Range tenements, whereby Apollo purchased a 70% interest in the tenements and would free carry Enterprise’s 30% interest to completion of a bankable feasibility stage (BFS) on any discovery.

Apollo’s interest in the Orpheus Joint Venture was subsequently transferred into Constellation Resources Ltd which raised \$7.0 million and listed the ASX on 30 July 2018. Constellation now manages and 100% funds exploration on the 4 joint venture tenements which cover in excess of 500km<sup>2</sup> in a prospective portion of the Fraser Range province of Western Australia.

**Figure 3. Location of Orpheus JV tenements in the Fraser Range**



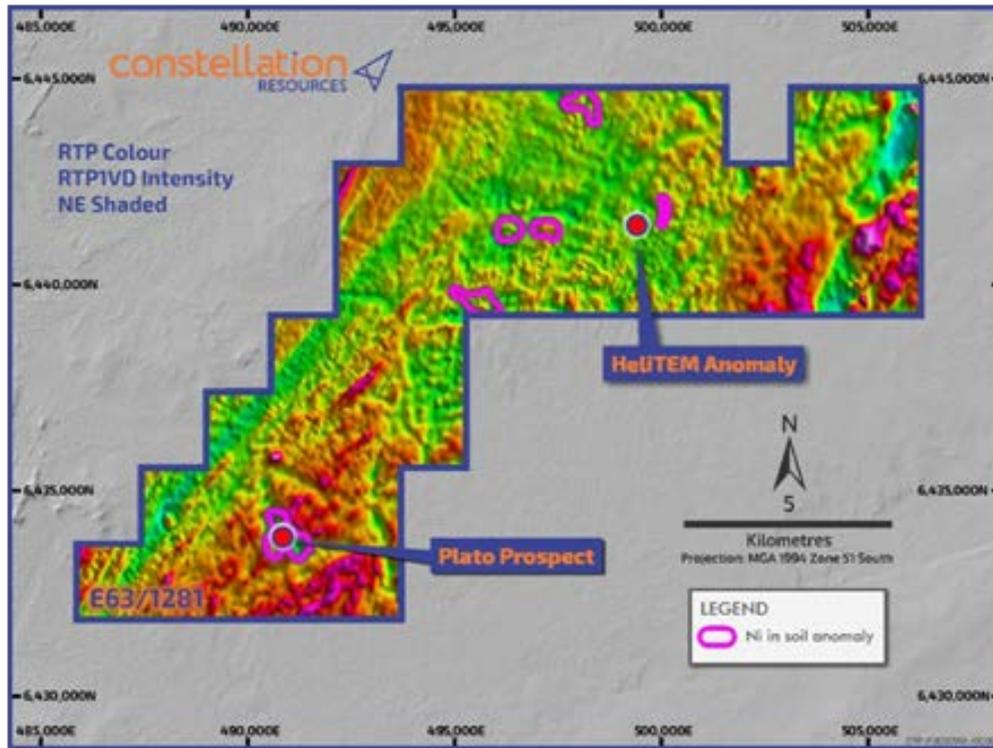
During the September 2019 Quarter, Constellation undertook a review of historic and recent Nickel exploration conducted on E63/1281 using geological and geophysical consultants with recent experience in the search for mafic hosted nickel systems. The purpose of the review was to examine the historic exploration data surrounding the nickel sulphide drill intercepts encountered at Plato prospect which, while small scale, demonstrate that the potential for magmatic nickel sulphide exists at Plato.

Key Points from this study were:

- Plato is one of a few exploration projects in the Fraser Range to encounter good tenor nickel sulphides;
- The state of knowledge regarding the Plato intrusive geometry and internal rock zonation remains poorly understood due to small amount of wide spaced drilling completed to date;
- EM results to date are tenuous and need to be integrated with geochemical and other geophysical data to refine the next stage of drilling at Plato; and
- Review the case for a detailed ground gravity survey to be conducted over the wider Plato area. The key aim of a gravity survey is to better determine the potential intrusive shape and in particular the olive bearing units (SG 3.2) against orthogneiss gabbros (SG - 2.7-2.8).

Late in the September Quarter, data for a higher resolution (50 x 50m spaced) Airborne Magnetic survey for the southern half of E63/1281 (which covers the Plato prospect) was placed on Open File and therefore available for Constellation to acquire. The newly acquired data has increased resolution compared to the current (100m x 100m spaced) data which should assist in highlighting cross cutting features to the regional stratigraphy and better define magnetic lows.

Figure 4. Current Prospects on E63/1281 on magnetic airborne data



**OTHER ACTIVITIES**

A key part of Enterprise’s business strategy is to continue to seek out first class exploration opportunities that have the potential to add significantly to shareholder value.

Post the end of the September Quarter, Enterprise announced on 16 October 2019 that it has lodged four large exploration licences over deep palaeovalleys centred approximately 35km north-northeast of the wheatbelt town of Perenjori in Western Australia. Refer Figure 5.

The tenement applications have a total area of 697 km<sup>2</sup> 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\* conducted by Enterprise provide evidence that deeply incised (100m - 150m depth) palaeovalleys lie buried below the broad shallow valleys and lakes NNE of Perenjori.

When the tenements are granted, Enterprise plans to explore the palaeovalleys for sub-surface **brine deposits** using a mineral systems approach, involving **source, transport & deposition**. The ultimate goal is to produce Sulphate of Potash (K<sub>2</sub>SO<sub>4</sub> or SOP) via surface evaporation (and processing) outside of lakes, within PVC lined evaporation ponds.

Unlike many other SOP projects in Western Australia, 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 5. Location Plan, Perenjori Potash Exploration Project



**CORPORATE**

At 30 September 2019, the total fully paid ordinary on issue by Enterprise Metals Ltd was **401,412,753**.

Enterprise currently holds 12 million shares in **Alto Metals Limited** (ASX: AME, or “Alto”). Alto’s main asset is the Sandstone Gold Project, which covers ~ 85% of the Sandstone Greenstone Belt in Western Australia. This greenstone belt has produced over 1.3 million ounces of gold.

At 30 September 2019, Enterprise’s 12 million Alto shares had a fair market value of \$0.480 million.

**CASH POSITION AT 30 SEPTEMBER 2019**

<b>Cash:</b>	<b>\$211,000</b>
<b>ASX listed AME Shares:</b>	<b>\$480,000</b>
<hr/>	
<b>Total Cash and liquid securities at end of the June Quarter:</b>	<b>\$0.691 million</b>

**Further information, contact:**

Dermot Ryan - Director  
+61 8 9381 2808

Email: [admin@enterprisemetals.com.au](mailto:admin@enterprisemetals.com.au)

**Competent Person Statement**

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

*The Exploration Results referred to in this Report were compiled by Mr Ryan from Sandfire Resources NL's and Constellation Resources Ltd's September 2019 Quarterly Reports. Enterprise Metals Ltd understands that this information has not been materially changed since it was last reported.*

**Forward Looking Statements**

*Statements regarding plans with respect to Enterprise's joint ventured projects are forward-looking statements. There can be no assurance that the Company's plans for exploration and development of its projects by its joint venture partners will proceed as currently expected. These forward-looking statements are based on the Company's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement*

**Tenement Information as Required by Listing Rule 5.3.3**  
**Enterprise Metals Ltd & Its 100% Owned Subsidiaries,**  
**on a Consolidated Basis at 30 September 2019**

**APPENDIX 1: 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 a wholly owned subsidiary in 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.

**APPENDIX 2: 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 is 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 is the Beneficial Holder of E20/944 and is awaiting Transfer of this tenement into ENT's name. All Murchison Project tenements are subject to the Murchison Earn-In Joint Venture with EVN.

**APPENDIX 3: 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 is the Registered Holder of 30% interest, with Constellation Resources (CR1) managing and solely funding to completion of any Bankable Feasibility Study.

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Enterprise Metals Limited

### ABN

43 123 567 073

### Quarter ended ("current quarter")

30 Sept 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(26)	(26)
(b) development		
(c) production		
(d) staff costs	(33)	(33)
(e) administration and corporate costs	(61)	(61)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(119)</b>	<b>(119)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (funds received from JV partner)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>		
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>		
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	330	330
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(119)	(119)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)		
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>211</b>	<b>211</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	211	330
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>211</b>	<b>330</b>
Shares held in ASX Listed Companies	480	396
<b>Total cash and liquid securities at the end of the quarter</b>	<b>691</b>	<b>726</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

40

Directors fees and consulting fees.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

20

Shared office costs (rent, occupancy and admin costs).

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

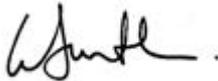
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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	(10)
9.2 Development	
9.3 Production	
9.4 Staff costs	(15)
9.5 Administration and corporate costs	(40)
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>(65)</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E20/944 Murchison	Tenement Granted	0%	100%

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  ..... Date: .....31 October 2019.....  
(Company secretary)

Print name: Graeme Smith

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.