

Enterprise Metals Limited

ABN 43 123 567 073

CONDENSED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2021

This condensed 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 2021 and any public announcements made by Enterprise Metals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

CORPORATE DIRECTORY

Directors

Dr Allan Trench - non-executive chairman
Mr Dermot Ryan - non-executive director
Dr Changshun Jia - non-executive director
Mr Chris Stevens - non-executive director

Auditor

Pitcher Partners BA&A Pty Ltd
Level 11, 12-14 The Esplanade
Perth WA 6000
Telephone 08 9322 2022

Company Secretary

Mr Graeme Smith

Share Registry

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Australian Securities Exchange

ASX Code – ENT

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Enterprise Metals Limited

Directors' report

Your Directors submit their report together with the condensed interim financial report of Enterprise Metals Limited (the "Company") and the entities it controlled (together "Enterprise" or "the Group") for the half-year ended 31 December 2021 and the auditor's review report thereon.

DIRECTORS

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

Dr Allan Trench
Mr Dermot Ryan
Dr Changshun Jia
Mr Chris Stevens (appointed 1 October 2021)

Directors were in office for this entire half-year unless otherwise stated.

REVIEW AND RESULTS OF OPERATIONS

The Group incurred a net loss of \$576,430 for the half-year ended 31 December 2021 (31 December 2020: \$674,258) and experienced net cash outflows used in operating activities of \$497,787 (31 December 2020: \$583,646). As at 31 December 2021, the Group had net current assets of \$867,729 (30 June 2021: \$1,403,773).

Corporate

On 4 October 2021, the Company announced the appointment of non-executive director Chris Stevens. Mr Stevens received 3 million options with an exercise price of \$0.03 each, and an expiry date of 30/11/2023, as part of the appointment.

Projects

All projects of Enterprise Metals Limited and its controlled entities are in Western Australia. At 31 December 2021 the Group 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 had option agreements over a number of gold, base metal and lithium projects in the Yilgarn Region, and one wholly owned potash exploration project in the Perenjori district. (Figure 1).

Figure 1. Location of Enterprise's Projects in Western Australia



Enterprise Metals Limited

Directors' report

Bullfinch North Project: Gold, Nickel, Lithium - under option to purchase 100%

Enterprise has two "Options to Purchase" relating to ~50 strike km's (238 km²) of granted tenements over the Southern Cross Greenstone Belt north of the historic 1.5Moz Copperhead gold mine at Bullfinch.

The tenements are considered to be prospective for orogenic gold deposits, high-grade massive sulphide nickel-copper deposits and lithium. Historic exploration has focused largely on areas of outcrop, but areas with cover of sand, soil, scree and lake sediment have not been adequately explored.

During the period the following work was completed:

- Compilation of historical exploration data into a database format (soil geochemical data, drill hole data including collar file and assays) and geophysical data by Terra Resources.
- Completion of the review of the geology and geophysics of the project area and identification of 10 High Priority Gold Exploration Targets. The study was broadly based on known Yilgarn gold deposit analogues, with an emphasis on models of major gold deposits in the Southern Cross Greenstone Belt.
- Identification of high-grade gold systems at the Ennuin prospect and Hughes Hill.
- Completion of a review of the geological setting of prominent lithium deposits in the Yilgarn Block of Western Australia. This review has determined that the Bullfinch North Project contains similar geological settings to the major pegmatite-hosted lithium deposits in the greenstone belts of Southern Cross, Norseman-Wiluna, Ravensthorpe, and Balingup.

A follow up reverse circulation drilling program to test gold targets is expected to commence in the 1st half of 2022, subject to Native Title Heritage clearances and drill rig availability.

Following the end of this reporting period, the Company announced that it had received elevated values of lithium between 65ppm and 106ppm from its orientation soil sampling for lithium at the Matheson Pegmatite just west of the Maries Find-Bingin gold workings. A systematic soil sampling program over the Matheson Pegmatite and its southern extensions on the eastern margins has been planned for 1st Quarter of 2022.

Murchison Project: Gold & Base metals

Enterprise's 100% owned Murchison 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 823km² over a buried greenstone belt.

The combination of favourable host rocks, large scale alteration systems, significant gold deposits and Cu-Zn intersections, regional faults and shears make the tenements a highly prospective area for both VMS Cu-Zn and gold deposits.

During the period the Company announced that it has resumed control of the Murchison Project following the withdrawal by Evolution Mining Ltd (ASX: EVN) from the JV. Evolution's focus over the past 30 months has been exploration for a major gold deposit along the NE continuation of the Big Bell and Cuddingwarra Shear Zones.

Having received all material data associated with the project, including assays for the six diamond drill holes drilled by EVN, the Company is currently reviewing and formulating a gold and base metal exploration strategy and plan for 2022.

Fraser Range Project: Gold & Nickel - Enterprise Metals Ltd 30%

The Fraser Range Project is located within the Albany-Fraser Orogen approximately 100km east of Norseman in Western Australia and covers approximately 423km² in a prospective portion of the Fraser Range. Constellation Resources Ltd ("Constellation" ASX: CR1) holds a 70% interest and funds and manages exploration on the four Orpheus Joint Venture tenements, and Enterprise Metals Ltd holds a 30% free carried interest to completion of a bankable feasibility stage (BFS) of a discovery.

The region is currently experiencing high levels of exploration activity for nickel following the Nova, Silver Knight, Mawson and Lantern discoveries. The Orpheus Joint Venture's northern most Exploration Licence

Enterprise Metals Limited

Directors' report

28/2403 lies approximately 25km SSW of Legend Mining Ltd's (ASX: LEG) Mawson nickel sulphide discovery, first reported in December 2019.

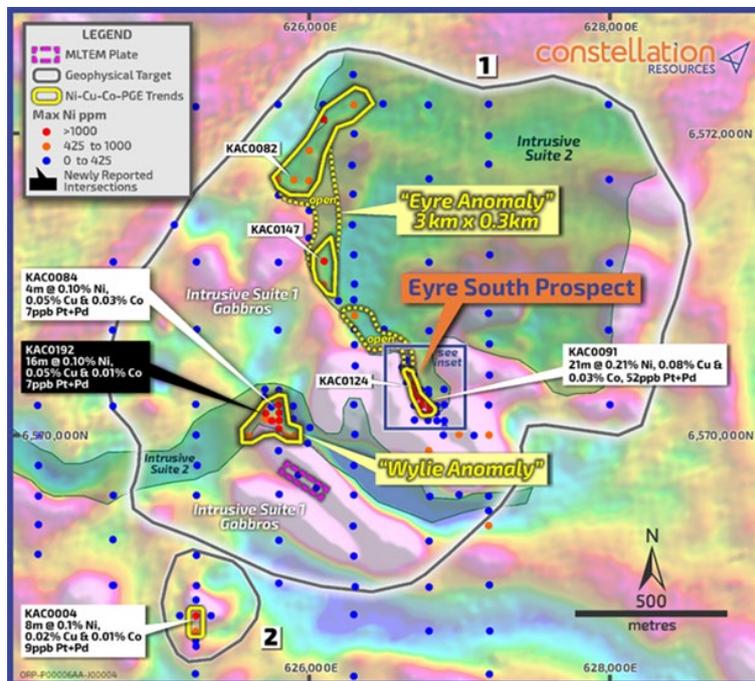
Constellation has reported that AC drilling results to date have defined a highly prospective nickel-copper-cobalt-PGE ("Ni-Cu-Co-PGE") geochemical target that is interpreted to be over three kilometres in strike and up to 300 metres wide – named the "Eyre Anomaly".

During the period the following work was undertaken by Constellation:

- Infill AC drilling completed at the Eyre South Prospect
- Drilling of two diamond core holes spaced 165 metres apart at the Eyre South Prospect. The diamond holes encountered trace levels of magmatic nickel and copper sulphides over several intervals which are hosted in thick units of olivine bearing pyroxenites and gabbro-norites.

Planned work in the Fraser Range in early 2022 includes additional AC drilling programs at the Eyre and Wylie prospects.

Figure 2. Greater Eyre Anomaly Showing Locations of Eyre South Prospect and Wylie Anomaly



Doolgunna Project: Base Metals

Enterprise's 100% owned Doolgunna project (935km²) has been explored and wholly funded since October 2016 by Sandfire Resources NL (ASX: SFR) under a Farm-in Agreement with Enterprise Metals Limited whereby Sandfire can earn up to a 75% interest in the 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.

During the period Sandfire Resources completed RC holes (EFRC066 - EFRC071) at Ruby Well (total 760m). No significant assays were returned during the reporting period.

Sandfire has previously advised that a 60 hole AC program is planned to cover the southwestern extent of the Mount Leake Formation within E51/1303. The current interpretation suggests the Mount Leake Formation in this area may be overlying a portion of the Karalundi Formation.

Enterprise Metals Limited

Directors' report

Enterprise notes that Sandfire and other parties, including DGO Gold Limited (ASX: DGO) have commenced exploration in parts the Yerrida Basin for base metals. DGO have acquired a large land position in the Yerrida Basin and announced that “the Yerrida Basin is prospective for both DeGrussa style copper-gold mineralisation and stratiform sediment hosted copper deposits analogous to the world-class Zambian Copper Belt”. (DGO Annual Report 30 June 2021)

Mandilla Prospect: Gold - under option to purchase 100%

In March 2020 Enterprise announced that it had 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 in WA. Enterprise's target is a large primary gold deposit, similar to the 748,000 oz gold deposit discovered on the western margin of the Mandilla Syenite by Anglo Australian Resources NL (“Anglo”, ASX: AAR).

The Mandilla Prospect is located in the northern Widgiemooltha greenstone belt in the western part of the Kalgoorlie geological domain, some 100 kilometres south of Kalgoorlie by road and 20 kilometres southwest of Kambalda. The prospect lies on the margins of a porphyritic intrusion, the Mandilla Syenite. The syenite intrudes volcanoclastic sedimentary rocks in the area which form part of the Spargoville Group.

Exploration activity prior to the current reporting period included the compilation of historic drill data, the drilling of 121 aircore (AC) drill holes (2,408m), a 3D-Induced Polarisation (IP) survey and the completion of 22 slimline reverse circulation (RC) drill holes (1,808m) over elevated gold and IP anomalies. During the current period Enterprise extended the option term for a further 9 months.

Further drilling targeting structurally favourable positions for gold mineralisation closer to and on the eastern margin of the syenite is being evaluated.

Perenjori Project: Potash

During the half-year Enterprise surrendered two granted tenements (E70/5308 and E59/2393) at its Perenjori Project and applied for two new tenements E70/6038 and E59/2678.

The tenement applications have a total area of 274 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. Previous airborne geophysical surveys 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.

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.

ROUNDING OF AMOUNTS

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' report and in the condensed interim financial report have been rounded to the nearest dollar.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group other than as referred to elsewhere in this condensed interim financial report and in the condensed interim financial statements and notes attached thereto.

Enterprise Metals Limited

Directors' report

SUBSEQUENT EVENTS

On 31 January 2022, the Company announced a 1 for 8, non-renounceable entitlements issue to raise up to \$1,002,000 "The Offer". Under the terms of The Offer eligible shareholders were able to subscribe for one new share for every eight shares they currently held and for every three new shares subscribed, they received a free option with an exercise price of \$0.025 and an expiry of 24 months from date of issue. The Offer closed on 3 March 2022. On 7 March 2022, the Company announced that \$621,000 had been raised under the offer and that any shortfall may be placed within three months of the offer closing date.

On 2 March 2022, the Company announced that it had entered into an agreement to purchase tenement E77/2562. As consideration for the tenement the Company will issue to the vendor, 8,333,333 shares in the Company at \$0.015 per share and a net smelter return royalty of 1%. The acquisition increases the Company's land holding at the Bullfinch North Project by 45%.

No other matters or circumstances have arisen since the end of the half-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.

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 presented in accordance with a resolution of the Board of Directors made pursuant to s.306(3)(a) of the *Corporations Act 2001* and is signed for and on behalf of the Directors by:

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

Allan Trench

Chairman

Perth, 16 March 2022

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ENTERPRISE METALS LIMITED
AND ITS CONTROLLED ENTITIES**

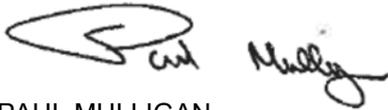
In relation to the independent review for the half-year ended 31 December 2021, to the best of my knowledge and belief there have been:

- (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 period.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 16 March 2022

Enterprise Metals Limited**Condensed consolidated statement of profit or loss and other comprehensive income**

For the six months ended 31 December 2021

	Notes	31 December 2021 \$	31 December 2020 \$
OTHER INCOME			
Interest received		314	3,330
Government payments		-	10,000
EXPENDITURE			
Share registry and listing fees		(38,462)	(28,633)
Employee benefits expense		(79,175)	(74,331)
Corporate and consulting fees		(7,931)	(21,534)
Depreciation		(14,084)	(7,311)
Exploration expense		(323,089)	(429,690)
Impairment of capitalised exploration expenses	4	(34,668)	-
Other administration expense		(58,853)	(38,247)
Interest expense on lease liability		(936)	(557)
Share-based payment expense	3	(19,545)	(87,285)
(LOSS) BEFORE INCOME TAX EXPENSE		(576,743)	(674,258)
Income tax expense		-	-
(LOSS) FOR THE HALF-YEAR		(576,430)	(674,258)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF ENTERPRISE METALS LIMITED		(576,430)	(674,258)
Basic and diluted (loss) per share (cents per share)		(0.09)	(0.13)

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

Enterprise Metals Limited
Condensed consolidated statement of financial position
As at 31 December 2021

	Notes	31 December 2021 \$	30 June 2021 \$
CURRENT ASSETS			
Cash and cash equivalents		955,960	1,481,540
Trade and other receivables		35,977	54,265
Prepayments		34,041	24,990
TOTAL CURRENT ASSETS		<u>1,025,978</u>	<u>1,560,795</u>
NON-CURRENT ASSETS			
Plant and equipment		9,865	9,970
Right-of-use assets		34,373	47,084
Exploration and evaluation assets	4	6,248,397	6,262,607
TOTAL NON-CURRENT ASSETS		<u>6,292,635</u>	<u>6,319,661</u>
TOTAL ASSETS		<u>7,318,613</u>	<u>7,880,456</u>
CURRENT LIABILITIES			
Trade and other payables		133,331	126,925
Lease liabilities		18,590	24,519
Provisions		6,328	5,578
TOTAL CURRENT LIABILITIES		<u>158,249</u>	<u>157,022</u>
NON-CURRENT LIABILITIES			
Lease liabilities		17,154	23,339
TOTAL NON-CURRENT LIABILITIES		<u>17,154</u>	<u>23,339</u>
TOTAL LIABILITIES		<u>175,403</u>	<u>180,361</u>
NET ASSETS		<u>7,143,210</u>	<u>7,700,095</u>
EQUITY			
Issued capital	5	34,079,595	34,079,595
Reserves		110,211	90,666
Accumulated losses		(27,046,596)	(26,470,166)
TOTAL EQUITY		<u>7,143,210</u>	<u>7,700,095</u>

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

Enterprise Metals Limited
Condensed consolidated statement of changes in equity
For the six months ended 31 December 2021

	Issued capital	Options reserve	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2020	32,174,462	3,381	(24,815,812)	7,362,031
Loss for the half-year	-	-	(674,258)	(674,258)
Other comprehensive income				
Other comprehensive income (loss), net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(674,258)	(674,258)
Transactions with owners in their capacity as owners				
Shares issued during the year	1,476,143	-	-	1,476,143
Issue of options - expensed	-	87,285	-	87,285
Balance at 31 December 2020	33,650,605	90,666	(25,490,070)	8,251,201
Balance at 1 July 2021	34,079,595	90,666	(26,470,166)	7,700,095
Loss for the half-year	-	-	(576,430)	(576,430)
Other comprehensive income				
Other comprehensive income (loss), net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(576,430)	(576,430)
Transactions with owners in their capacity as owners				
Issue of options - expensed	-	19,545	-	19,545
Balance at 31 December 2021	34,079,595	110,211	(27,046,596)	7,143,210

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

Enterprise Metals Limited
Condensed consolidated statement of cash flows
For the six months ended 31 December 2021

	31 December 2021	31 December 2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	314	3,330
Government grants	-	10,000
Payments for exploration and evaluation expenditure	(321,878)	(407,320)
Payments to suppliers and employees	(176,223)	(189,656)
Net cash used in operating activities	(497,787)	(583,646)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from exploration and evaluation refunds	-	5,909
Payments for capitalised exploration and evaluation expenditure	(14,551)	(1,564)
Payments for plant and equipment	(1,267)	(4,394)
Net cash used in investing activities	(15,818)	(49)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	-	1,489,739
Payments of share issue transaction costs	-	(13,596)
Payments of lease liabilities	(11,975)	(6,450)
Net cash used in by financing activities	(11,975)	1,469,693
Net (decrease) / increase in cash and cash equivalents	(525,580)	885,998
Cash and cash equivalents at the beginning of the period	1,481,540	1,006,975
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	955,960	1,892,973

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

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

Reporting entity

Enterprise Metals Limited (“Enterprise” or the “Company”) is a company limited by shares, incorporated and domiciled in Australia. The condensed interim financial report as at and for the half-year ended 31 December 2021 covers the consolidated group of Enterprise Metals Limited and the entities it controlled (together “the Group”). The Group is a for-profit entity.

Basis of preparation

This condensed interim financial report is a consolidated general-purpose financial report which has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* (“AASB 134”) and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Standards IAS 34 *Interim Financial Reporting*. The condensed interim financial report has been prepared under the historical cost convention.

This condensed interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the annual financial statements. Accordingly, this condensed interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by Enterprise Metals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Going Concern

The Group incurred a net loss of \$576,430 for the half-year ended 31 December 2021 (31 December 2020: \$674,258) and experienced net cash outflows used in operating activities of \$497,787 (31 December 2020: \$583,646) and as at that date, had net current assets of \$867,729 (30 June 2021: \$1,403,773) and net assets of \$7,143,210 (30 June 2021: \$ 7,700,095).

The Group has prepared the condensed interim financial statements on the basis that it will continue as a going concern, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

In arriving at this position the Directors have had regard to the fact that 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:

- Planned capital raisings at a level that provides sufficient financial resources, combined with funds held as at the date of this report, to fund forecasted operational expenditure for a period of at least 12 months from the date of signing this financial report.
- Reducing discretionary exploration expenditure by joint venturing wholly owned tenements and/or projects or commodities.

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 report. The financial report does 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.

Impact of new and amended accounting standard

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 30 June 2021. The Group has considered the implications of new and amended Accounting

Enterprise Metals Limited
Notes to the condensed consolidated financial statements
31 December 2021

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

Standards and has determined that their application to the financial statements is either not relevant or not material.

Impact of new or amended Accounting Standards and Interpretations not yet effective

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. New and amended standards and interpretations that may be relevant to the Group but applicable in future reporting periods are set out below:

<i>AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	<i>Effective for annual reporting periods beginning on or after 1 January 2022</i>
<i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	<i>Effective for annual reporting periods beginning on or after 1 January 2023</i>
<i>AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current – Deferral of Effective</i>	<i>Effective for annual reporting periods beginning on or after 1 July 2023</i>
<i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	<i>Effective for annual reporting periods beginning on or after 1 January 2023</i>

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: SHARE-BASED PAYMENTS

Options issued

On 4 October 2021, the Company issued 3,000,000 options with an exercise price of \$0.03 and an expiry date of 30 November 2023, to non-executive director, Chris Stevens. 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 \$19,545 was recognised in full as a share-based payment in the half-year ended 31 December 2021. Share-based payments recognised in the previous half-year end are set out below:

	31 December 2021	31 December 2020
Options issued to Directors	19,545	87,285

Valuation of share-based payments

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

	31 December 2021	31 December 2020
Number of options	3,000,000	9,000,000
Date of grant	4-Oct-21	24-Nov-20
Share price at grant date	\$0.0140	\$0.0160
Volatility factor	118.00%	120.95%
Risk free rate	0.58%	0.11%
Expected life of option	3 Years	3 Years
Valuation per option	\$0.01	\$0.01
Exercise price per option	\$0.03	\$0.03
Vesting conditions	None	None

Enterprise Metals Limited
Notes to the condensed consolidated financial statements
31 December 2021

NOTE 4: EXPLORATION AND EVALUATION

	31 December 2021	30 June 2021
	\$	\$
Capitalised exploration and evaluation expenditure	6,248,397	6,262,607
Balance at beginning of period	6,262,607	6,407,788
<u>Movement</u>		
Exploration and evaluation expenditure capitalised in the period	20,458	23,594
Proceeds from exploration and evaluation refund	-	(5,909)
Proceeds from earn in and exploration joint venture agreement	-	(150,000)
Impairment of capitalised exploration and evaluation expenditure	(34,668)	(12,866)
Balance at end of period	6,248,397	6,262,607

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 or sale 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.

During the half-year the Group's exploration assets were reviewed for impairment indicators in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources. No indicators of impairment were identified. During the current period, an impairment of \$34,668 (31 December 2020: \$Nil) was recognised in relation to expenditure on tenements surrendered or withdrawn.

NOTE 5: ISSUED CAPITAL

Ordinary Shares

	31 December 2021	30 June 2021
	\$	\$
573,020,145 (30 June 2021:573,020,145) Fully paid ordinary shares	34,079,595	34,079,595
	31 December 2021	31 December 2020
	\$	\$
Balance at beginning of period	34,079,595	32,174,462
<u>Movement</u>		
Shares issued during the period	-	-
Options exercised during the period	-	-
Prior period:		
Entitlements offer at \$0.022 per share	-	1,485,662
Options exercised at \$0.015 per share	-	4,077
Transaction costs relating to share issues	-	(13,596)
Balance at end of period	34,079,595	33,650,605

Enterprise Metals Limited
Notes to the condensed consolidated financial statements
31 December 2021

NOTE 5: ISSUED CAPITAL CONTINUED

	<u>No.</u>	<u>No.</u>
Balance at beginning of period	573,020,145	476,618,957
<u>Movement</u>		
Shares issued during the period	-	-
Options exercised during the period	-	-
Prior period		
Entitlements offer at \$0.022 per share	-	67,530,078
Options exercised at \$0.015 per share	-	271,649
Balance at end of period	<u>573,020,145</u>	<u>544,420,684</u>

NOTE 6: COMMITMENTS AND CONTINGENCIES

Tenement Expenditure Commitments

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.

	31 December 2021	30 June 2021
	\$	\$
Not later than one year	191,000	190,000
Later than one year and not later than five years	1,826,000	392,000
	<u>2,017,000</u>	<u>582,000</u>

Contingent Liabilities

As at 31 December 2021, the Group has contingent liabilities to the value of \$nil (30 June 2021: \$nil).

NOTE 7: RELATED PARTY TRANSACTIONS

Option issued to Directors

On 1 October 2021, 3,000,000 unlisted options were issued to Chris Stevens a non-executive director of the Company. Refer to Note 3.

Other Related Party Transactions

During the period, Montana Exploration Services Pty Ltd ("Montana") provided technical consulting services and other exploration services to the Company. Montana is a related party of Mr Ryan, a non-executive director of the Company, Montana charges for such services, at commercial rates, under the terms set out in a technical services agreement between the Company and Montana. During the period \$112,628 (31 December 2020: \$128,610) was paid to Montana for the provision of technical and other services.

NOTE 8: SUBSEQUENT EVENTS

On 31 January 2022, the Company announced a 1 for 8, non-renounceable entitlements issue to raise up to \$1,002,000 "The Offer". Under the terms of The Offer eligible shareholders were able to subscribe for one new share for every eight shares they currently held and for every three new shares subscribed, they received a free option with an exercise price of \$0.025 and an expiry of 24 months from date of issue. The Offer closed on 3 March 2022. On 7 March 2022, the Company announced that \$621,000 had been raised under the offer and that any shortfall may be placed within three months of the offer closing date.

Enterprise Metals Limited

Notes to the condensed consolidated financial statements

31 December 2021

NOTE 8: SUBSEQUENT EVENTS CONTINUED

On 2 March 2022, the Company announced that it had entered into an agreement to purchase tenement E77/2562. As consideration for the tenement the Company will issue to the vendor, 8,333,333 shares in the Company at \$0.015 per share and a net smelter return royalty of 1%. The acquisition increases the Company's land holding at the Bullfinch North Project by 45%.

No matters or circumstances have arisen since the end of the half-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 9: FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial instruments held by the Group include cash and cash equivalents, trade and other receivables and trade and other payables, the balances of which, at 31 December 2021 and 30 June 2021 are shown in the Statement of Financial Position and associated notes. Due to their short-term nature, the carrying amounts of the Company's financial instruments are considered approximate their fair value.

NOTE 10: DIVIDENDS

No dividends were paid or declared during the period (31 December 2020: \$Nil) and no recommendation for payment of dividends has been made.

Directors' declaration

In the opinion of the Directors of Enterprise Metals Limited:

1. the financial statements and notes set out on pages 9 to 17 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the Group's financial position as at 31 December 2021 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.

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

16 March 2022

ENTERPRISE METALS LIMITED
ABN 43 123 567 073

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Enterprise Metals Limited, (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ("ASRE 2410"). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the condensed interim half-year financial report, which indicates that the Group incurred a net loss of \$576,430 for the half-year ended 31 December 2021 and generated an operating cash outflow of \$497,787, and as at that date, had net current assets of \$867,729 and net assets of \$7,143,210. These conditions, along with other matters set forth in Note 1 to the condensed interim half-year financial report, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in this respect.

Responsibility of the Directors for the Half-Year Financial Report

The directors of the Company 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 internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

ENTERPRISE METALS LIMITED
ABN 43 123 567 073

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

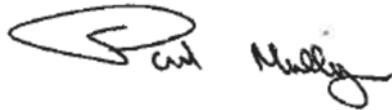
Auditor's Responsibility for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Group's financial position as at 31 December 2021 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*.

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.

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PAUL MULLIGAN
Executive Director
Perth, 16 March 2022