

Enterprise Metals Limited

ABN 43 123 567 073

Annual Financial Report

for the year ended 30 June 2011

**ENTERPRISE METALS LIMITED
AND CONTROLLED ENTITIES**
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ANNUAL REPORT 30 JUNE 2011

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CORPORATE DIRECTORY

Directors

Dr Jingbin Wang	Non-Executive Chairman
Dermot Ryan	Managing Director
Bruce Hawley	Non-Executive Director
Paul Larsen	Non-Executive Director
Dennis Wilkins	Non-Executive Director
Ann Mao	Non-Executive Director
Dr Zhen Huang	Non-Executive Director

Company Secretary

Dennis Wilkins

Principal registered office

Level 1
640 Murray Street
WEST PERTH WA 6005
Telephone 08 9436 9200
Facsimile 08 9436 9220
Website: www.enterprisemetals.com.au
email: info@enterprisemetals.com.au

Auditor

Grant Thornton Audit Pty Ltd
Level 1
10 Kings Park Road
West Perth WA 6005
Telephone 08 480 2000
Facsimile 08 9322 7787
Website: www.grantthornton.com.au
Email: admin@grantthornton.com.au

Share Registry

Computershare Registry Services
Level 2, 45 St Georges Terrace
Perth WA 6000

Australian Stock Exchange

ASX Code –ENT

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CORPORATE GOVERNANCE STATEMENT

As the framework of how the Board of Directors of Enterprise Metals Limited ("**Company**") carries out its duties and obligations, the Board has considered the eight principles of corporate governance as set out in the ASX Good Corporate Governance and Best Practice Recommendations.

The essential corporate governance principles are:

- 1 Lay solid foundations for management and oversight;
- 2 Structure the Board to add value;
- 3 Promote ethical and responsible decision-making;
- 4 Safeguard integrity in financial reporting;
- 5 Make timely and balanced disclosure;
- 6 Respect the rights of shareholders;
- 7 Recognise and manage risk;
- 8 Remunerate fairly and responsibly.

The following table sets out the Company's present position in relation to each of the corporate governance principles.

ASX Principle	Status	Reference/comment
Principle 1: Lay solid foundations for management and oversight		
1.1	A	The Board Charter includes matters reserved for the Board and is included on the Company website in the Corporate Governance section.
1.2	N/A	The Company has a Remuneration Policy which establishes a Remuneration Committee to review and make decisions in relation to senior executive remuneration and incentive policies. No other process is currently adopted for evaluating the performance of senior executives however, the Board concurs with the full implementation of this Principle and will review appropriate ways of compliance as and when further senior executives are engaged.
1.3	A	
Principle 2: Structure the board to add value		
2.1	N/A	The Board comprises seven directors, six of whom are non-executive, however only Dennis Wilkins is classified as independent. The Board believes that this is both appropriate and acceptable at this stage of the Company's development.
<i>A = Adopted</i>		
<i>N/A = Not adopted</i>		

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	ASX Principle	Status	Reference/comment
2.2	The chair should be an independent director	A	The Chairman is not independent, however, the roles of the Chairman and the Managing Director are separate. The Chairman is responsible for leading the Board in its duties, and facilitating effective discussions at Board level. The Managing Director is responsible for the efficient and effective operation of the Company. The Board considers that this is both appropriate and acceptable at this stage of the Company's development.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual	A	These positions are held by separate persons.
2.4	The board should establish a nomination committee	A	The Company has established and operates under the Nomination Committee Charter which is included on the Company's website.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors	A	Disclosed under the Nomination Committee Charter which is available on the Company's website.
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2	A	The skills and experience of Directors are set out in the Company's Annual Report and on its website.
Principle 3: Promote ethical and responsible decision-making			
3.1	Companies should establish a code of conduct and disclose the code	A	The board has established a Corporate Code of Conduct which all employees and directors are expected to follow. The Corporate Code of Conduct is available on the Company's website.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them	N/A	The Company has not established a Diversity Policy, however, the Company has appointed a female non-executive director, Ms Anna Mao, to the Board. As the Company grows and requires more employees, the Company will adopt a Diversity Policy with a view to establishing measurable objectives for achieving gender diversity.
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them	N/A	The Company has not established a Diversity Policy, however, the Company has appointed a female non-executive director to the Board. As the Company grows and requires more employees, the Company will adopt a Diversity Policy with a view to establishing measurable objectives for achieving gender diversity.
<i>A = Adopted</i> <i>N/A = Not adopted</i>			
	ASX Principle	Status	Reference/comment

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3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	A	There is one female director, Ms Anna Mao, on the Board, The Company does not have any female employees or senior executives.
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3	A	
Principle 4: Safeguard integrity in financial reporting			
4.1	The board should establish an audit committee	A	
4.2	The audit committee should be structured so that it:		
	<ul style="list-style-type: none"> • consists only of non-executive directors 	A	
	<ul style="list-style-type: none"> • consists of a majority of independent directors 	N/A	The Company has established an Audit and Risk Committee consisting of three non-executive directors, only one of whom is classified as independent. Sourcing alternative directors to strictly comply with this Principle is considered expensive with costs outweighing the potential benefits. The Composition of the Committee is considered to be appropriate given the Company's size and stage of development.
	<ul style="list-style-type: none"> • is chaired by an independent chair, who is not chair of the board 	N/A	The Company has established an Audit and Risk Committee consisting of three non-executive directors, only one of whom is classified as independent. The Audit and Risk Committee is chaired by Dennis Wilkins, an independent Director of the Company. Sourcing alternative directors to strictly comply with this Principle is considered expensive with costs outweighing the potential benefits.
	<ul style="list-style-type: none"> • has at least three members 	A	
4.3	The audit committee should have a formal charter	A	The Audit and Risk Committee operates under the Audit and Risk Committee Charter which lists the main responsibilities of the Committee and is available on the Company's website.
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4	A	
Principle 5: Make timely and balanced disclosure			
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance	A	The Company has adopted a Continuous Disclosure Policy, a copy of which is available on the Company's website.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5	A	

A = Adopted

N/A = Not adopted

	ASX Principle	Status	Reference/comment
Principle 6: Respect the rights of shareholders			
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings	A	The Company has a Shareholder Communications Strategy (Policy), a copy of which is available on the Company's website. The Policy sets out the manner in which information is communicated to shareholders so that they are informed of all major developments affecting the Company's state of affairs.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6	A	
Principle 7: Recognise and manage risk			
7.1	Companies should establish policies for the oversight and management of material business risks	A	The Company has established an Audit and Risk Committee to monitor and review on behalf of the Board the system of risk management which the Group has established. This system aims to identify, assess, monitor and manage operational and compliance risks.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively	N/A	The Board determines the Group's 'risk profile' and has delegated to the Audit and Risk Committee the responsibility for overseeing and approving risk management strategy and policies, internal compliance and non-financial internal control. The Audit and Risk Committee will report to the Board on this system of risk management and make appropriate recommendations to ensure the adequacy of the system.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks	A	The Board has received the required assurance and declaration.
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7	A	
<i>A = Adopted</i>			
<i>N/A = Not Adopted</i>			

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	ASX Principle	Status	Reference/Comment
	Principle 8: Remunerate fairly and responsibly		
8.1	The board should establish a remuneration committee	A	
8.2	The remuneration committee should be structured so that it: <ul style="list-style-type: none"> • consists of a majority of independent directors • is chaired by an independent director • has atleast three members 	N/A	The Company has established a Remuneration Committee consisting of three non-executive directors, however none of these Directors are classified as independent. Sourcing alternative directors to strictly comply with this Principle is considered expensive, with costs outweighing the potential benefits.
		N/A	The Company has established a Remuneration Committee consisting of three non-executive directors, however none of these Directors are classified as independent. Sourcing alternative directors to strictly comply with this Principle is considered expensive, with costs outweighing the potential benefits.
		A	
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives	A	The Company has established a Remuneration Committee consisting of three non-executive directors, however none of these are classified as independent. The composition of the Committee is considered to be appropriate given the Company's size and stage of development. The Remuneration Committee operates under the Remuneration Committee Charter. The Charter states the Remuneration Committee should consider and make recommendations to the Board on the remuneration for each executive Director having regard to the executive remuneration policy.
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8	A	
	<i>A = Adopted</i>		
	<i>N/A = Not adopted</i>		

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DIRECTORS' REPORT

Your Directors present their report on the Group for the financial year ended 30 June 2011.

Directors

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

Dr Jingbin Wang (appointed 13 July 2011)
Mr Dermot Ryan
Mr Bruce Hawley
Mr Paul Larsen
Mr Dennis Wilkins (appointed 14 July 2011)
Ms Anna Mao (appointed 13 July 2011)
Dr Zhen Huang (appointed 13 July 2011)

Directors have been in office since the start of the financial year to the date of this Report unless otherwise stated.

Company Secretary

The following persons held the position of Company Secretary during or since the end of the financial year:

Mr Dennis Wilkins (appointed 1 August 2011)
Mr Jay Richard Stephenson (from the beginning of the financial year until he resigned 1 August 2011)

Principal Activities

The principal activities of the Group during the financial year were the exploration of a number of gold, uranium and iron ore tenements in Western Australia.

Significant Changes in State of Affairs

On 22 October 2010, the Company announced a planned Placement of 15,000,000 Shares at 20 cents per Share, together with 1 free attaching option for every two shares issued (exercisable at 25 cents per share on or before 20 June 2012), to raise \$3,000,000. The Placement was made in two tranches (8 November and 10 December 2010) to sophisticated investors, pursuant to Section 708A of the Corporations Act 2001.

On 28 February 2011, the Company issued 4,000,000 ordinary fully paid Shares in Enterprise Metals Limited and a gross production royalty of 1.5% on all minerals produced to MPF Exploration Pty Ltd and Philip Frederik Hoff, to acquire all of the issued shares in MPF's 100% owned subsidiary Burracoppin Resources Limited. The Share issue and royalty was in satisfaction and completion of a Share Option and Sale Agreement dated 13 August 2010. As well as tenements at Burracoppin, Burracoppin Resources Pty Ltd held a 100% interest in several tenements in the Yandal greenstone belt, and the Harris Lake tenement in the Fraser Range which is prospective for uranium.

On 23 May 2011, the Company announced that it had executed a Subscription Agreement for a private placement regulated by section 708 of the Corporations Act, with SinoTech (Hong Kong) Corporation Limited ("SinoTech") for 62 million ENT shares at an issue price of 20 cents each, to raise \$12.4 million for ongoing exploration. SinoTech was also offered 20,000,000 options at an exercise price of 25 cents each exercisable within two years of the date of grant. If 10,000,000 of these options are exercised by SinoTech within 1 year of their date of grant, then Enterprise will issue to SinoTech a further 11,000,000 options at an exercise price of A\$0.25, each exercisable within two years. On 13 July 2011, the Company announced that the Subscription Agreement had completed, and \$12.4 million of funds had been received from SinoTech. The Company issued 62 million shares at an issue price of 20 cents each and 20,000,000 options at an exercise price of 25 cents each exercisable within two years of the date of grant.

On 23 May 2011, the Company also announced that it had executed an Underwriting Agreement to the placement referred to above, with Worldtex Capital Resources Ltd ("Worldtex"). Enterprise agreed to pay Worldtex an underwriting fee of \$248,000 cash (representing 2% of the funds raised by the SinoTech Placement), and 15,000,000 Attaching Options. On 13 July 2011, the Company announced that the Underwriting Agreement had completed, and the underwriting fee of \$248,000 cash was paid and the 15,000,000 Options with an exercise date of 1 June 2013 were issued.

On 25 May 2011, the Company entered into a conditional Sale and Joint Venture Agreement with Beachfront Resources Limited ("Beachfront") over tenements in the Wattagee and Fraser Range projects. Under the agreement, Beachfront paid Enterprise the sum of \$100,000 cash, and subject to the ASX listing of Beachfront, will pay a further \$100,000 worth of Beachfront shares, for a conditional 70% interest in the projects. Enterprise

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will be free carried to completion of any feasibility study. Beachfront will re-transfer its 70% interest in the Projects to Enterprise if it withdraws from the joint venture before completing a final feasibility study (to mine), or if it fails to keep the tenements in good standing through in-ground exploration expenditure.

On 1 June 2011, the Company allotted 10,000,000 Shares in Enterprise Metals Limited at 20 cents per Share to raise \$2,000,000 to Worldtex Capital Resources Limited (Worldtex). In addition, 3,225,806 unlisted options were issued to Worldtex for nil consideration, exercisable at of \$0.25 on or before 1 June 2013. The Placement was made to sophisticated investors, pursuant to Section 708A(6) of the Corporations Act 2001. The Company issued the Shares without disclosure to investors under Part 6D.2 of the Corporations Act 2001.

Operating Results

The consolidated loss of the Group after providing for income tax amounted to \$2,973,631(2010:\$365,081).

Dividends Paid or Recommended

There were no dividends paid or recommended during the financial year ended 30 June 2011.

Review of Operations

A detailed review of the Group's exploration activities is set out in the section titled "Review of Operations" in this annual report.

Financial Position

The net assets of the Group have increased by \$2,447,970from 30 June 2010 to \$19,444,950at 30 June 2011.

After Reporting Date Events

On 13 July 2011 the Company issued 62 million ordinary shares and 20 million options (exercisable at 25 cents on or before 12 July 2013) to SinoTech on receipt of \$12.4 million cash. Associated with this placement, 15 million underwriting options were issued to Worldtex and 20 million broker options were issued to RI Capital, both exercisable at 25 cents on or before 12 July 2014.

Likely Developments

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

Information on Directors

Dr Jingbin Wang

Experience

- Chairman (Non-Executive)
- Dr Wang is Executive Director of China Nonferrous Metals Resource Geological Survey, a position he has held since 2003. He has also held the title of Vice-President of the China Nonferrous Metals Industry Association since 2008. Dr Wang is a leader in the non-ferrous metals industry in China with great expertise in mineral exploration and mining amassed over his 24 years of experience. He has been granted the title of National Youth Expert for Outstanding Contribution in China in recognition of his success in prospecting results and scientific research. In addition, he is the Chief Scientist of National 973 Program. Dr Wang has been President of the Beijing Institute of Geology for Mineral Resources since 2002, and is currently Chairman of Sinotech Minerals Exploration Co., Ltd. And Chairman of two Canadian public companies: Canaco Resources Inc. and Silvore Fox Minerals Corp. He is an accomplished mining team leader with a track record of discovering major deposits around the world. Dr Wang received a B.Sc in Mineral Prospecting and Exploration from Central-South University of Technology Changsha, China in 1982. Subsequently, he earned Masters and PhD Degrees in magmatic petrology, economic geology from the same university. Dr Wang conducted postdoctoral research at the Institute of Geochemistry, Chines Academy of Sciences (China) in 1991.

Interest in Shares and Options

- Nil Shares
- Nil Options

Special Responsibilities

- Member of the Remuneration Committee.

Directorships held in other listed entities

- Nil

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Mr Dermot Ryan	— Managing Director
Experience	— Mr Ryan spent 20 years with the CRA group of companies from 1977-1996, including 10 years as Chief Geologist for CRA Exploration in various states of Australia. He was GM Exploration for Great Central Mines Ltd (later Normandy Yandal Operations Ltd) from late 1996-2001, and for the past 6 years has run a private mineral exploration consulting group (XServ Pty Ltd). He is a Fellow of the AusIMM, (CP), a Fellow of the AIG, and holds a BApSc (Geol). Managing Director since 14 October 2008.
Interest in Shares and Options	— 12,075,000 Shares 3,500,000Options
Special Responsibilities	— Member of Nominations Committee
Directorships held in other listed entities	— Legend Mining Limited (May 2005 – present).There have been no other directorships in ASX listed companies in the past three years.
Mr Bruce Hawley	— Non-Executive Director (was an Executive Director until 1 August 2011)
Experience	— Mr Hawley has 35 years' experience in the management, evaluation, development and construction of mining projects. He is a Fellow of the AusIMM (CP) andholds a BE (Chem) Hons.
Interest in Shares and Options	— 3,716,168 Shares 3,352,168 Options
Special Responsibilities	— Member of Remuneration Committee, Nominations Committee and Audit and Risk Committee
Directorships held in other listed entities	— Nil
Mr Paul Larsen	— Non-Executive Director (was Chairman until 1 August 2011)
Experience	— Mr Larsen has over 25 years of commercial experience, being the Managing Director of a number of successful private companies. Mr Larsen has also been heavily involved in the construction industry.
Interest in Shares and Options	— 4,671,034 Shares 485,148 Options
Special Responsibilities	— Member of the Remuneration Committeeand Audit and Risk Committee
Directorships held in other listed entities	— Nil
Mr Dennis Wilkins	— Non-Executive Director
Experience	— Mr Wilkins is an accountant who has been a director, company secretary or acted in a corporate advisory capacity to listed resource companies for over 20 years. Mr Wilkins previously served as the Finance Director and Company Secretary for a mid-tier gold producer and also spent five years working for a leading merchant bank in the United Kingdom. Resource postings to Indonesia, South Africa and New Zealand in managerial roles has broadened his international experience. Mr Wilkins has extensive experience in capital raising specifically for the resources industry and is the principal of DWCorporate which provides advisory, funding and administrative management services to the resource sector.
Interest in Shares and Options	— Nil Shares Nil Options
Special Responsibilities	— Member of Audit and Risk Committee
Directorships held in other listed entities	— Key Petroleum Limited (July 2006 – present) and Minemakers Limited (September 2005 – present).

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Ms Anna Mao

Experience

- Non-Executive Director
- Ms Mao is CEO and director of Worldtex Capital Resources Limited, a capital and investment company incorporated in Hong Kong. She is a creative leader and entrepreneur with 19 years' experience and knowledge in finance and operation. She co-founded and developed several successful businesses both in China and Canada. Ms Mao graduated from Beijing Institute of Technology University in 1991, and obtained her MBA from Richard Ivey Business School of Western Ontario University in 2001. Ms Mao is also a director and founder of Sino Link Capital Resources Limited, and a director of Enpar Technologies Inc.

Interest in Shares and
Options

- 6,500,000 Shares
- 2,096,774 Options

Special Responsibilities

- Member of Nominations Committee

Directorships held in other
listed entities

- Nil

Dr Zhen Huang

Experience

- Non-Executive Director
- Dr Huang is currently a director of Sinotech Minerals Exploration Co., Ltd. and Australian company Golden Phoenix Resources Limited. He is also Managing Director of SinoDrill Co. Ltd. Prior to his appointment he was director of Geology Department of China National Nonferrous Metals Industry Corporation. Dr Huang has 29 years of experience in non-ferrous minerals exploration and ever since 1999, he has actively established four technical service companies covering engineering construction, drilling, environment engineering and mining investment, all of which have made significant achievements.

Interest in Shares and
Options

- Nil Shares
- Nil Options

Special Responsibilities

- None

Directorships held in other
listed entities

- Nil

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Meetings of Directors

During the financial year, five meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

	COMMITTEE MEETINGS					
	DIRECTORS' MEETINGS		REMUNERATION COMMITTEE		AUDIT COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Paul Larsen	5	5	-	-	-	-
Dermot Ryan	5	5	-	-	-	-
Bruce Hawley	5	5	-	-	-	-

Indemnifying Officers or Auditor

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- The Company has entered into agreements to indemnify all Directors and provide access to documents, against any liability arising from a claim brought by a third party against the Company. The agreement provides for the Company to pay all damages and costs which may be awarded against the Directors.
- The Company has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was \$13,200.
- No indemnity has been paid to auditors.

Options

At the date of this report, the un-issued ordinary shares of Enterprise Metals Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
23 July 2008	22 November 2012	\$0.25	1,500,000
23 July 2008	30 June 2013	\$0.50	2,500,000
14 October 2008	22 November 2012	\$0.25	1,500,000
13 July 2009	20 June 2012	\$0.25	9,281,966
27 July 2009	20 June 2012	\$0.25	6,000,000
13 December 2010	20 June 2012	\$0.25	7,500,035
1 Jun 2011	1 June 2013	\$0.25	3,225,806
12 July 2011	12 July 2013	\$0.25	20,000,000
12 July 2011	12 July 2014	\$0.25	35,000,000
			86,507,807

No person entitled to exercise the option has or has any right by virtue of the option to participate in any share issue of any other body corporate.

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Environmental Regulations

In the normal course of business, there are no environmental regulations or requirements that the Group is subject to.

Non-audit Services

The following non-audit services were provided by the entity's auditor, Grant Thornton Audit Pty Ltd, or associated entities. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

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

	2011	2010
	\$	\$
Tax consulting services	1,900	-

Proceedings on Behalf of Company

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

The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 17 of the Annual Report.

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REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each Director of Enterprise Metals Limited and key management receiving the highest remuneration.

A. Remuneration Policy

The remuneration policy of Enterprise Metals Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Enterprise Metals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

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

The remuneration policy, setting the terms and conditions for the executive Directors and other senior executives, was developed by the Remuneration Committee and approved by the Board. All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, and options as performance incentives. The Remuneration Committee reviews executive packages annually by reference to the Group's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries.

Executives are also entitled to participate in the employee share and option arrangements.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed. Options given to Directors and employees are valued using the Black-Scholes methodology.

The Board policy is to remunerate non-executive Directors at the lower end of market rates for comparable companies for time, commitment, and responsibilities. The non-executive Directors have been provided with options that are designed to incentivise the non-executive Directors. The Remuneration Committee determines payments to the non-executive Directors and reviews their remuneration annually based on market practice, duties, and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors' and executives' performance. Currently, this is facilitated through the issue of options to the majority of Directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. For details of Directors' and executives' interests in options at year end, refer to note 5 of the financial statements.

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REMUNERATION REPORT (AUDITED)

B. Details of Remuneration for Year Ended 30 June 2011

There were no cash bonuses paid during the year and there are no set performance criteria for achieving cash bonuses. The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group. Key management personnel are also specified executives.

Table of Benefits and Payments for the Year Ended 30 June 2011

2011

Key Management Personnel	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	Remuneration that is performance based
	Salary, fees and leave	Cash from other activities	Non-monetary	Other	Super-annuation	Other	Equity	Options		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Paul Larsen	40,000	-	-	-	2,700	-	-	-	42,700	-
Dermot Ryan*	-	114,739	-	-	-	-	-	-	114,739	-
Bruce Hawley	30,000	58,950	-	-	-	-	-	-	88,950	-
Jay Stephenson**	-	-	-	-	-	-	-	-	-	-
	70,000	173,689	-	-	2,700	-	-	-	246,389	-

2010

Key Management Personnel	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	Remuneration that is performance based
	Salary, fees and leave	Cash from other activities	Non-monetary	Other	Super-annuation	Other	Equity	Options		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Paul Larsen	40,000	-	-	-	-	-	-	-	40,000	-
Dermot Ryan*	-	156,450	-	-	-	-	-	-	156,450	-
Bruce Hawley	30,000	104,433	-	-	-	-	-	-	134,433	-
Jay Stephenson**	-	-	-	-	-	-	-	-	-	-
	70,000	260,883	-	-	-	-	-	-	330,883	-

* Dermot Ryan is paid by a related party of the Group – refer Note 20 for disclosure of related party transactions. The amount shown above is an assessment of the amount paid for his services.

**Jay Stephenson is paid by a related party of the Group – refer Note 20 for disclosure of related party transactions.

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REMUNERATION REPORT (AUDITED)

C. Service Agreements

The Company has no service agreements with any Directors.

The employment contract stipulates a one month resignation period. The Company may terminate the employment contract without cause by providing one month's written notice, or making payment in lieu of notice based on the individual's annual salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

D. Share-based compensation

Incentive Option Scheme

Options are granted under the Enterprise Metals Limited Incentive Option Scheme. All staff who have been continuously employed by the Company for a period of at least one year are eligible to participate in the plan. Options are granted under the plan for no consideration. Options are granted for a five year period.

Options granted under the plan carry no dividend or voting rights.

The ability for the employee to exercise the options is restricted in accordance with the terms and conditions detailed in the Incentive Option Scheme. Each option will automatically lapse if not exercised within five years of the date of issue. The exercise period may also be affected by other events as detailed in the terms and conditions in the Incentive Option Scheme.

The options vest when they are issued.

Director and Key Management Personnel Options

There were no options issued to Director and Key Management Personnel during the 2011 financial year.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.



Dermot Ryan
MANAGING DIRECTOR

Dated this 30th day of September 2011

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

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Enterprise Metals Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Director - Audit & Assurance

Perth, 30 September 2011

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Revenue	2	319,141	236,600
Accounting and Audit Fees		(42,697)	(37,344)
Share registry and Listing Fees		(65,538)	(110,141)
Employee Benefits Expense		(247,423)	(222,943)
Computers and Software		(1,883)	(2,135)
Depreciation	3	(31,127)	(14,551)
Insurance		(17,712)	(22,672)
Investor Relations		(19,373)	(21,288)
Legal Fees		(28,126)	-
Office Equipment and Supplies		(8,383)	-
Office Rental Expense	3	(7,487)	(7,828)
Travel and Accommodation		(71,288)	-
Exploration and Evaluation Expenses not capitalised	3	(50,777)	(28,285)
Impairment of Exploration and Evaluation	3	(2,653,308)	(62,093)
Other expenses		(46,422)	(72,401)
Loss before income tax	3	(2,972,403)	(365,081)
Income tax expense	4	(1,228)	-
Loss from continuing operations		(2,973,631)	(365,081)
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year		(2,973,631)	(365,081)
Total comprehensive loss attributable to members of the parent entity		(2,973,631)	(365,081)
Overall Operations			
Basic loss per share (cents per share)	7	(2.421)	(0.374)
Diluted loss per share (cents per share)	7	(2.421)	(0.374)

The accompanying notes form part of these financial statements.

**ENTERPRISE METALS LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
Current Assets			
Cash and cash equivalents	8	2,839,508	2,166,400
Trade and other receivables	9	165,232	134,017
Total Current Assets		3,004,740	2,300,417
Non-Current Assets			
Plant and equipment	10	94,371	91,037
Exploration and evaluation	11	16,597,534	14,926,587
Other financial assets	12	393	73
Total Non-Current Assets		16,692,298	15,017,697
TOTAL ASSETS		19,697,038	17,318,114
Current Liabilities			
Trade and other payables	13	252,088	321,134
Total Current Liabilities		252,088	321,134
TOTAL LIABILITIES		252,088	321,134
NET ASSETS		19,444,950	16,996,980
Equity			
Issued capital	15	23,058,868	17,637,267
Options reserve	16	877,150	877,150
Accumulated losses		(4,491,068)	(1,517,437)
TOTAL EQUITY		19,444,950	16,996,980

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEARENDED 30 JUNE 2011

	Issued Capital	Accumulated Losses	Options Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2009	11,210,098	(1,152,356)	877,150	10,934,892
Loss attributable to members of the parent entity for the year	-	(365,081)	-	(365,081)
Other comprehensive Income	-	-	-	-
Total comprehensive income for the year	-	(365,081)	-	(365,081)
Transaction with owners, directly in equity				
Shares issued during the year – net of costs	6,427,169	-	-	6,427,169
Balance at 30 June 2010	17,637,267	(1,517,437)	877,150	16,996,980
Balance at 1 July 2010	17,637,267	(1,517,437)	877,150	16,996,980
Loss attributable to members of the parent entity for the year	-	(2,973,631)	-	(2,973,631)
Other comprehensive Income	-	-	-	-
Total comprehensive income for the year	-	(2,973,631)	-	(2,973,631)
Transaction with owners, directly in equity				
Shares issued during the year – net of costs	5,421,601	-	-	5,421,601
Balance at 30 June 2011	23,058,868	(4,491,068)	877,150	19,444,950

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		92,228	68,920
Rent and other receipts		224,375	184,447
Payments to suppliers and employees		(752,564)	(454,453)
Net cash used in operating activities	17a	(435,961)	(201,086)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(34,461)	(97,080)
Payments for exploration and evaluation expenditure		(3,558,118)	(3,975,064)
Purchase of controlled entities, net of cash acquired	14	48	(108,793)
Net cash used in investing activities		(3,592,531)	(4,180,937)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of costs		4,701,600	5,512,169
Net cash provided by financing activities		4,701,600	5,512,169
Net increase in cash and cash equivalents held		673,108	1,130,146
Cash and cash equivalents at 1 July		2,166,400	1,036,254
Cash and cash equivalents at 30 June	8	2,839,508	2,166,400

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the consolidated financial statements and notes of Enterprise Metals Limited and controlled entities ('Consolidated Group' or 'Group'). Enterprise Metals Limited is a listed public company, incorporated and domiciled in Australia.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue by the directors on 30 September 2011. The directors have the power to amend and reissue the financial statements.

Going Concern

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

The consolidated entity incurred a net loss after income tax of \$2,973,631(2010: \$365,081) and had cash outflows from operations of \$435,961(2010: \$201,086) during the year ended 30 June 2011.

Due to the capital raising program completed to SinoTech (refer note 19) the directors believe that the Group has sufficient funds for atleast the next 12 months.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Enterprise Metals Limited at the end of the reporting period. A controlled entity is any entity over which Enterprise Metals Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

A list of controlled entities is contained in Note 12 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (ie parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

(b) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(c) Property, Plant, and Equipment

Each class of property, plant, and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the historical cost basis.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs, and an appropriate proportion of fixed and variable overheads.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20%
Computers	33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Group are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(f) Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the statement of comprehensive income unless they are designated as hedges.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Derecognition

Financial assets are derecognised where the contractual rights to cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(g) Impairment of Non-Financial Assets

At each the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(h) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The Group operates an Incentive Option Scheme share-based compensation plan. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the statement of comprehensive income. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

(i) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will results and that outflow can be reliably measured.

(j) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(k) Revenue and Other Income

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

Rental income is recognised on an accrual basis.

Management fees are recognised on portion of completion basis.

All revenue is stated net of the amount of goods and services tax (GST).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(l) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(n) Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of financing activities, which are disclosed as operating cash flow.

(o) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(p) Earnings Per Share

i. Basic earnings per share

Basic earnings per share is determined by dividing the profit attributable to equity holders of the company, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(q) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(r) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Key Estimates — Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the consolidated entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

The Directors considered the impairment of their investment in subsidiaries and loans receivable from subsidiaries based on the fair value less costs to sell of the underlying mineral tenements. The inter-company loans have no interest or repayment terms and are effectively investments in controlled entities and are reflected at cost.

No impairment has been recorded for the year.

Key Estimates – Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes formula. Details of the estimates used to determine the fair value are detailed in Note 18.

Key Judgments – Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at \$16,597,534 (2010: \$14,926,587). An impairment of \$2,653,308 (2010: Nil) was recognised during the year ended 30 June 2011.

Key Judgments – Carbon Tax

On 10 July 2011, the Commonwealth Government announced the “Securing a Clean Energy Future – the Australian Government’s Climate Change Plan”. Whilst the announcement provides further details of the framework for a carbon pricing mechanism, uncertainties continue to exist on the impact of any carbon pricing mechanism on the Group as legislation must be voted on and passed by both houses of Parliament. In addition, as the Group will not fall within the “Top 500 Australian Polluters”, the impact of the Carbon Scheme will be through indirect effects of increased prices on many production inputs and general business expenses as suppliers subject to the carbon pricing mechanism are likely to pass on their carbon price burden to their customers in the form of increased prices. Directors expect that this will not have a significant impact upon the operation costs within the business, and therefore will not have an impact upon the valuation of assets and/or going concern of the business.

(s) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined the potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;

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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
 - a. the objective of the entity's business model for managing the financial assets; and
 - b. the characteristics of the contractual cash flows.
- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Group.
- AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Group.
- AASB 2009–14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.
- AASB 2010-04: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13] (for annual reporting periods commencing on or after 1 July 2011).

Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments.

Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions.

Clarify that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.

The Group does not anticipate the early adoption of any of the above Australian Accounting Standards.

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NOTE 2: REVENUE	2011	2010
	\$	\$
Rental and other income	226,913	167,679
Interest received from other parties	92,228	68,921
Total Revenue	319,141	236,600

NOTE 3: LOSS FOR THE YEAR	2011	2010
	\$	\$
(a) Expenses		
Exploration expenses not capitalised	50,777	28,285
Depreciation of plant and equipment	31,127	14,551
Office rental expense	7,487	7,828
(b) Significant Revenues and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
Impairment of Exploration and Evaluation	2,653,308	62,093

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	Note	2011 \$	2010 \$
NOTE 4: INCOME TAX			
(a) Income tax expense			
Current tax		-	-
Deferred tax		-	-
Adjustments for current tax of prior periods		1,228	-
		<hr/> 1,228	<hr/> -
Deferred income tax expense included in income tax expense comprises:			
- (Increase) in deferred tax assets	4(c)	(247,443)	(1,181,814)
- Increase in deferred tax liabilities	4(d)	247,443	1,181,814
		<hr/> -	<hr/> -
(b) Reconciliation of income tax expense to prima facie tax payable			
The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Prima facie tax on operating loss at 30%		(891,721)	(109,524)
Add / (Less) tax effect of:			
Non-deductible expenses		587	1,446
Deferred tax asset not brought to account		891,134	108,078
Adjustments for current tax of prior periods		1,228	-
Income tax attributable to operating loss		<hr/> 1,228	<hr/> -
The applicable weighted average effective tax rates are as follows:			
		nil%	nil%

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	Note	2011 \$	2010 \$
NOTE 4: INCOME TAX (cont.)			
(c) Deferred tax assets			
Tax Losses		2,031,166	1,801,187
Provisions and Accrual		4,500	6,000
Other		18,964	-
		<hr/> 2,054,630	<hr/> 1,807,187
Set-off deferred tax liabilities	4(d)	<hr/> (2,054,630)	<hr/> (1,807,187)
Net deferred tax assets		<hr/> -	<hr/> -
(d) Deferred tax liabilities			
Exploration expenditure		2,054,630	1,807,187
		<hr/> 2,054,630	<hr/> 1,807,187
Set-off deferred tax assets	4(c)	<hr/> (2,054,630)	<hr/> (1,807,187)
Net deferred tax liabilities		<hr/> -	<hr/> -
(e) Tax losses			
Unused tax losses for which no deferred tax asset has been recognised		1,411,489	490,517
		<hr/> 1,411,489	<hr/> 490,517

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2011 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

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

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NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Key management personnel (KMP) compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid to each member of the Group's KMP for the year ended 30 June 2010.

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

	2011	2010
	\$	\$
Short-term employee benefits	243,689	330,883
Post employment benefits	2,700	-
Total	246,389	330,883

(b) Equity instrument disclosures relating to KMP

(i) Option holdings

The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

2011	Balance at the beginning of year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year	Vested during the year
Directors of Enterprise Metals Limited							
Paul Larsen	485,148	-	-	-	485,148	485,148	-
Dermot Ryan	3,500,000	-	-	-	3,500,000	3,500,000	-
Bruce Hawley	3,352,168	-	-	-	3,352,168	3,352,168	-
	7,337,316	-	-	-	7,337,316	7,337,316	-

2010	Balance at the beginning of year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year	Vested during the year
Directors of Enterprise Metals Limited							
Paul Larsen	500,000	-	(500,000)	485,148	485,148	485,148	-
Dermot Ryan	1,500,000	-	-	2,000,000	3,500,000	3,500,000	-
Bruce Hawley	3,000,000	-	-	352,168	3,352,168	3,352,168	-
	5,000,000	-	(500,000)	2,837,316	7,337,316	7,337,316	-

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NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION (cont.)

(ii) Shareholdings

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

2011	Balance at the start of the year	Received during the year as compensation	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors					
Ordinary Shares					
Paul Larsen	5,046,034	-	-	(375,000)	4,671,034
Dermot Ryan	12,075,000	-	-	-	12,075,000
Bruce Hawley	3,526,168	-	-	190,000	3,716,168
Total	20,647,202	-	-	(185,000)	20,462,202

2010	Balance at the start of the year	Received during the year as compensation	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors					
Ordinary Shares					
Paul Larsen	2,910,886	-	500,000	1,635,148	5,046,034
Dermot Ryan	12,000,000	-	-	75,000	12,075,000
Bruce Hawley	1,914,000	-	-	1,612,168	3,526,168
Total	16,824,886	-	500,000	3,322,316	20,647,202

(c) Loans to KMP

There are no loans made to KMP as at 30 June 2011.

(d) Other transactions with KMP

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP, refer Note 20: Related party transactions.

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	Note	2011	2010
		\$	\$
NOTE 6: AUDITORS' REMUNERATION			
Remuneration of the auditor of the parent entity for:			
- Auditing or reviewing the financial report		32,268	25,825
Remuneration of the auditor, or associated entities, of the parent entity for non-audit services:			
- Tax consulting services		1,900	-

		2011	2010
		\$	\$
NOTE 7: LOSS PER SHARE			
(a) Reconciliation of earnings to loss			
Earnings used in the calculation of basic EPS		(2,973,631)	(365,081)
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS			
		122,814,638	97,561,725
Basic loss per share (cents per share)		(2.421)	(0.374)

Options are out of the money as at 30 June 2011 and are therefore anti-dilutive.

		2011	2010
		\$	\$
NOTE 8: CASH AND CASH EQUIVALENTS			
Cash at bank		2,235,594	158,000
Cash in term deposit		603,914	2,008,400
		2,839,508	2,166,400
Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents		2,839,508	2,166,400

Cash at bank earns an effective interest rate of 4.29% (2010: 2.84%).

Cash in term deposit rolls every 30 days and earns an effective interest rate of 4.97% (2010: 3.92%).

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NOTE 9: TRADE AND OTHER RECEIVABLES	2011	2010
	\$	\$
CURRENT		
GST receivable	140,087	107,792
Trade receivables	14,179	15,982
Prepayments	10,966	10,243
	<hr/>	<hr/>
	165,232	134,017
	<hr/>	<hr/>

There are no balances within trade and other receivables that contain assets that are impaired and are past due. The trade receivables relate to withholding tax receivable and interest receivable. It is expected these balances will be received when due.

NOTE 10: PLANT AND EQUIPMENT	2011	2010
	\$	\$
NON-CURRENT		
Computer equipment – cost	19,888	10,166
Accumulated depreciation	(9,014)	(5,566)
	<hr/>	<hr/>
	10,874	4,600
Plant and equipment – cost	81,808	68,316
Accumulated depreciation	(24,605)	(5,485)
	<hr/>	<hr/>
	57,203	62,831
Furniture and fittings – cost	8,371	8,371
Accumulated depreciation	(4,879)	(2,787)
	<hr/>	<hr/>
	3,492	5,584
Motor vehicles - cost	23,660	23,660
Accumulated depreciation	(11,552)	(5,638)
	<hr/>	<hr/>
	12,108	18,022
Software - cost	11,247	-
Accumulated depreciation	(553)	-
	<hr/>	<hr/>
	10,694	-
Total plant and equipment	<hr/>	<hr/>
	94,371	91,037
	<hr/>	<hr/>

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	2011	2010
	\$	\$
NOTE 10: PLANT AND EQUIPMENT (cont.)		
a) Reconciliation of Carrying Amounts		
Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:		
<u>Computer equipment</u>		
Opening balance	4,600	4,375
- Additions	9,722	3,273
- Depreciation expense	(3,448)	(3,048)
Carrying amount at the end of the year	10,874	4,600
<u>Plant and equipment</u>		
Opening balance	62,831	2,650
- Additions	13,492	64,414
- Depreciation expense	(19,120)	(4,233)
Carrying amount at the end of the year	57,203	62,831
<u>Furniture and fittings</u>		
Opening balance	5,584	1,483
- Additions	-	5,734
- Depreciation expense	(2,092)	(1,633)
Carrying amount at the end of the year	3,492	5,584
<u>Motor vehicles</u>		
Opening balance	18,022	-
- Additions	-	23,659
- Depreciation expense	(5,914)	(5,637)
Carrying amount at the end of the year	12,108	18,022
<u>Software</u>		
Opening balance	-	-
- Additions	11,247	-
- Depreciation expense	(553)	-
Carrying amount at the end of the year	10,694	-
<u>Totals</u>		
Opening balance	91,037	8,508
- Additions	34,461	97,080
- Depreciation expense	(31,127)	(14,551)
Carrying amount at the end of year	94,371	91,037

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	Note	2011\$	2010 \$
NOTE 11: EXPLORATION AND EVALUATION			
Exploration and evaluation phases – at cost		16,597,534	14,926,587
(a) Exploration and evaluation			
Opening balance		14,926,587	9,989,822
Exploration expenditure		3,558,118	3,887,743
Acquisition through business combination	14	766,137	1,049,022
Impairment expense		(2,653,308)	-
Closing balance		16,597,534	14,926,587

The Directors' assessment of the carrying amount for the Group's exploration properties was after consideration of prevailing market conditions; previous expenditure for exploration work carried out on the tenements; and the potential for mineralisation based on the Group's and independent geological reports. The ultimate value of these assets is dependent upon recoupment by commercial development or the sale of the whole or part of the Group's interests in these exploration properties for an amount at least equal to the carrying value. There may exist on the Group's exploration properties, areas subject to claim under Native Title or containing sacred sites or sites of significance to Aboriginal people. As a result, the Group's exploration properties or areas within the tenements may be subject to exploration and mining restrictions.

NOTE 12: OTHER FINANCIAL ASSETS	2011 \$	2010 \$
NON-CURRENT		
Formation costs	393	73

Details of Controlled Entities	Country of Incorporation	Class of Shares	Percentage Owned %	
			2011	2010
Murchison Exploration Pty Limited	Australia	Ordinary	100	100
Enterprise Uranium Pty Ltd	Australia	Ordinary	100	100
Enterprise Exploration Pty Ltd	Australia	Ordinary	100	100
Enterprise Gold Pty Ltd - (previously Australasian Mining and Exploration Pty Ltd)	Australia	Ordinary	100	100
Enterprise Iron Pty Ltd - (previously Traynor Pty Ltd)	Australia	Ordinary	100	100
Glintan Pty Ltd	Australia	Ordinary	100	100
Amiable Holdings Pty Ltd	Australia	Ordinary	100	100
Burracoppin Resources Pty Ltd	Australia	Ordinary	100	-

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	Note	2011	2010
		\$	\$
NOTE 13: TRADE AND OTHER PAYABLES			
CURRENT – unsecured liabilities			
Trade payables		160,812	194,996
Accrued Expenses		80,933	108,398
Provision for Dividends		-	1,195
GST payable		10,343	14,162
Amount due to related parties		-	2,383
		252,088	321,134

NOTE 14: ACQUISITION OF ENTITIES

Acquisition of Burracoppin Resources Pty Ltd

On 28 February 2011, 100% of Burracoppin Resources Pty Ltd (“Burracoppin”) was acquired. Burracoppin was a private Australian company which had been assessing resource investment opportunities within Australia. The purchase was satisfied by the issue of 4,000,000 ordinary shares at a fair value of \$0.18, and a 1.5% gross production royalty on all minerals produced or obtained from the area the subject of the agreement. The issue was based on the market price at the date of purchase.

This acquisition has not been accounted for as a business combination under AASB 3: *Business Combinations* as Burracoppin's assets were not considered to constitute a business. Accordingly, the Burracoppin acquisition has been accounted for as an acquisition of assets, at cost based on the fair value of shares used for the acquisition.

The purchase price was allocated to the identifiable assets and liabilities of Burracoppin at the date of acquisition as follows:

	\$
Cash	48
Other financial assets	320
Exploration assets	766,137
Trade and other payables	(46,505)
	720,000
Acquisition date fair value of consideration:	
Shares issued	720,000

The cashflow on acquisition is the cash acquired with the subsidiary of \$48.

In the opinion of the Directors the gross royalty component is not probable and cannot be measured reliably, as required by AASB 3. For this reason the contingent consideration has not been recognised.

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	Note	2011	2010
		\$	\$
NOTE 15: ISSUED CAPITAL			
140,970,776(2010: 111,970,840) Fully paid ordinary shares	15a	23,058,868	17,637,267

The Company has no authorised share capital. Shares have no par value.

	2011	2010
	\$	\$
(a) Ordinary shares		
At the beginning of the reporting period	17,637,267	11,210,098
Shares issued during the year		
• 10,209,743 on 13 July 2009 at \$0.15 per share	-	1,532,761
• 5,000,000 on 27 July 2009 at \$0.15 per share	-	750,000
• 1,009,668 options exercised on 16 October 2009 at \$0.25 per share	-	252,417
• 914,775 options exercised on 2 November 2009 at \$0.25 per share	-	228,694
• 3,334 options exercised on 3 November 2009 at \$0.25 per share	-	834
• 1,500,000 on 10 February 2010 at \$0.21 per share for the acquisition of Amiable Pty Ltd	-	315,000
• 3,000,000 on 3 March 2010 at \$0.20 per share for the acquisition of Glintan Pty Ltd	-	600,000
• 1,000,000 on 4 March 2010 at \$0.20 per share	-	200,000
• 1,250,000 on 8 March 2010 at \$0.20 per share	-	250,000
• 8,806,820 on 12 March 2010 at \$0.20 per share	-	1,761,364
• 2,500,000 on 15 March 2010 at \$0.20 per share	-	500,000
• 400,000 on 19 March 2010 at \$0.20 per share	-	80,000
• 500,000 on 29 March 2010 at \$0.20 per share	-	100,000
• 14,999,936 on 30 November 2010 at \$0.20 per share	2,999,987	-
• 4,000,000 on 28 February 2011 at \$0.18 per share for the acquisition of Burracoppin Resources Pty Ltd	720,000	-
• 10,000,000 on 1 June 2011 at \$0.20 per share	2,000,000	-
Transaction costs relating to share issues	(298,386)	(143,901)
At reporting date	23,058,868	17,637,267

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	2011 No.	2010 No.
At the beginning of the reporting period	111,970,840	75,876,500
Shares issued during the year		
• 10,209,743 on 13 July 2009 at \$0.15 per share	-	10,209,743
• 5,000,000 on 27 July 2009 at \$0.15 per share	-	5,000,000
• 1,009,668 options exercised on 16 October 2009 at \$0.25 per share	-	1,009,668
• 914,775 options exercised on 2 November 2009 at \$0.25 per share	-	914,775
• 3,334 options exercised on 3 November 2009 at \$0.25 per share	-	3,334
• 1,500,000 on 10 February 2010 at \$0.21 per share for the acquisition of Amiable Pty Ltd	-	1,500,000
• 3,000,000 on 3 March 2010 at \$0.20 per share for the acquisition of Glintan Pty Ltd	-	3,000,000
• 1,000,000 on 4 March 2010 at \$0.20 per share	-	1,000,000
• 1,250,000 on 8 March 2010 at \$0.20 per share	-	1,250,000
• 8,806,820 on 12 March 2010 at \$0.20 per share	-	8,806,820
• 2,500,000 on 15 March 2010 at \$0.20 per share	-	2,500,000
• 400,000 on 19 March 2010 at \$0.20 per share	-	400,000
• 500,000 on 29 March 2010 at \$0.20 per share	-	500,000
• 14,999,936 on 30 November 2010 at \$0.20 per share	14,999,936	-
• 4,000,000 on 28 February 2011 at \$0.20 per share for the acquisition of Burracoppin Resources Pty Ltd	4,000,000	-
• 10,000,000 on 1 June 2011 at \$0.20 per share	10,000,000	-
At reporting date	140,970,776	111,970,840

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands.

b) Movement in options on issue

	2011 No.	2010 No.
At the beginning of the reporting period	20,781,966	7,500,000
Issued during the year:		
• Exercisable at 25 cents, on or before 20 June 2012	7,500,035	16,209,743
• Exercisable at 25 cents, on or before 1 June 2013	3,225,806	-
Exercised/expired during the year:		
• Exercised at 25 cents, on or before 31 December 2009	-	(1,000,000)
• Exercised at 25 cents, on or before 20 June 2012	-	(927,777)
• Expired on 31 December 2009, exercisable at 25 cents	-	(1,000,000)
At reporting date	31,507,807	20,781,966

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NOTE 15: ISSUED CAPITAL (cont.)

(c) Capital Management

The Directors' objectives when managing capital are to ensure that the Group can fund its operations and continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The Group has no debt therefore has no externally imposed capital restrictions.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2011 and 30 June 2010 are as follows:

	2011	2010
	\$	\$
Cash and cash equivalents	2,839,508	2,166,400
Trade and other receivables	165,232	134,017
Trade and other payables	(252,088)	(321,134)
Working capital position	<u>2,752,652</u>	<u>1,979,283</u>

NOTE 16: OPTIONS RESERVE	2011	2010
	\$	\$
Options Reserve	<u>877,150</u>	<u>877,150</u>

The Options Reserve records the value of share based payments.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
NOTE 17: CASHFLOW INFORMATION		
(a) Reconciliation of Cash Flow from Operations with loss after Income Tax		
Loss after income tax	(2,973,631)	(365,081)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss from ordinary activities		
Depreciation	31,127	14,551
Amortisation of formation expenses	-	458
Impairment of Exploration and Evaluation	2,653,308	62,093
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase) in receivables	(68,008)	(45,731)
(Increase) in prepayments	(723)	(1,463)
(Decrease)/Increase in payables	(78,034)	134,087
Cash flow used in operations	(435,961)	(201,086)

(b) Acquisition of Entities

Refer Note 14 for details.

(c) Credit Standby Facilities

The Company had no credit standby facilities as at 30 June 2011.

(d) Non-Cash Financing and Investing activities

Share issues

For the year ended 30 June 2011

On 28 February 2011, 4,000,000 ordinary shares were issued at \$0.18 each as the consideration for the purchase of Burracoppin Resources Pty Ltd. The issue was based on the market price at the date of purchase.

For the year ended 30 June 2010

On 10 February 2010, 1,500,000 ordinary shares were issued at \$0.21 each as part of the consideration for the purchase of Amiable Holdings Pty Ltd. The issue was based on the market price at the date of purchase.

On 3 March 2010, 3,000,000 ordinary shares were issued at \$0.20 each as part of the consideration for the purchase of Glintan Pty Ltd. The issue was based on the market price at the date of purchase.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 18: SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2011:

On 23 July 2008, 1,500,000 share options were granted to Directors to take up ordinary shares at an exercise price of \$0.25 each. The options are exercisable on or before 22 November 2012.

On 23 July 2008, 2,500,000 share options were granted to Directors to take up ordinary shares at an exercise price of \$0.50 each. The options are exercisable on or before 30 June 2013.

On 14 October 2008, 1,500,000 share options were granted to Directors to take up ordinary shares at an exercise price of \$0.25 each. The options are exercisable on or before 22 November 2012.

On 13 July 2009, 9,281,966 share options were granted to take up ordinary shares at an exercise price of \$0.25 each. The options are exercisable on or before 20 June 2012.

On 27 July 2009, 6,000,000 share options were granted to take up ordinary shares at an exercise price of \$0.25 each. The options are exercisable on or before 20 June 2012.

All options granted to key management personnel are ordinary shares in Enterprise Metals Limited, which confer a right to one ordinary share for every option held.

A summary of the movements of all company options issued is as follows:

	2011	2010	2011	2010
	Number of	Number of	Weighted	Weighted
	Options	Options	Average	Average
			Exercise Price	Exercise Price
			\$	\$
Outstanding at beginning of the year	20,781,966	7,500,000	\$0.28	\$0.33
Granted	-	15,281,966	-	\$0.25
Forfeited	-	-	-	-
Exercised	-	(1,000,000)	-	\$0.25
Expired	-	(1,000,000)	-	\$0.25
Outstanding at year-end	20,781,966	20,781,966	\$0.28	\$0.28
Exercisable at year-end	20,781,966	20,781,966	\$0.28	\$0.28

The options outstanding at 30 June 2011 had a weighted average exercise price of \$0.28 and a remaining weighted average contractual life of 1.88 years. The exercise price of the options ranged from 25 to 50 cents.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE

On 13 July 2011 the Company issued 62 million ordinary shares and 20 million options (exercisable at 25 cents on or before 12 July 2013) to SinoTech on receipt of \$12.4 million cash. Associated with this placement, 15 million underwriting options were issued to Worldtex and 20 million broker options were issued to RI Capital, both exercisable at 25 cents on or before 12 July 2014.

NOTE 20: RELATED PARTY TRANSACTIONS	2011	2010
	\$	\$
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
Transactions with related parties, inclusive of Directors' Remuneration:		
XServ Pty Ltd		
Mr Ryan is a Director Shareholder of XServ Pty Ltd. Mr Ryan provides Geological Consulting Services for Enterprise Metals Limited in addition to his Directors fees.		
Management Fees earned from XServ Pty Ltd	-	3,301
Mineral Exploration Services	971,021	1,241,118
<hr/>		
As at 30 June 2011, \$49,173(2010: \$nil) was payable to XServ Pty Ltd		

West Coast Projects Pty Ltd

Mr Hawley is a Director Shareholder of West Coast Projects Pty Ltd. Mr Hawley provides consultancy services in the area of technical support for Enterprise Metals Limited in addition to his Directors Fees.

West Coast Projects	93,434	104,433
<hr/>		
As at 30 June 2011, \$nil (2010: \$nil) was payable to West Coast Projects Pty Ltd		

Phillip Hoff Taxation Consultant

Mr Phillip Hoff is a taxation consultant and is a significant shareholder of Enterprise Metals Limited.

Phillip Hoff Taxation Consultant	4,036	4,769
<hr/>		
As at 30 June 2011, \$964 (2010: \$2,383) was payable to Phillip Hoff Pty Ltd		

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
NOTE 20: RELATED PARTY TRANSACTIONS (cont.)		
Wolfstar Group Pty Ltd		
Mr Stephenson is a Director of Wolfstar Group Pty Ltd. Mr Stephenson provided Company Secretarial and Chief Financial Officer services for Enterprise Metals Limited. In addition, Wolfstar provides accounting, administration and Corporate Advisory Services to Enterprise Metals Limited.		
Wolfstar Group Pty Ltd	41,050	40,800
As at 30 June 2011, \$nil (2010: \$nil) was payable to Wolfstar Group Pty Ltd		

Legend Mining Limited

Mr Ryan is a Director of ASX listed Legend Mining Limited. During the year, there were transactions between the Group and Legend Mining Limited for the following:

Purchase of fixed assets from Legend Mining Limited	1,430	-
Payment of administration expenses to Legend Mining Limited	129	-
Consulting services provided by the Group to Legend Mining Limited	6,600	-

As at 30 June 2011, \$129 (2010: \$nil) was payable to Legend Mining Limited, and \$756 (2010: \$nil) was receivable from Legend Mining Limited

	2011	2010
	\$	\$
NOTE 21: CAPITAL AND LEASING COMMITMENTS		
Capital expenditure commitments:		
Capital expenditure commitments contracted for:		
Exploration tenement minimum expenditure requirements		
Amounts payable:		
- not later than 12 months	2,470,720	1,518,960
- between 12 months and 5 years	14,005,200	4,582,684
- greater than 5 years	-	1,151
	16,475,920	6,102,795

Commitments relate to granted exploration and prospecting tenements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 22: FINANCIAL INSTRUMENTS

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, and accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for Group operations.

The Group does not speculate in the trading of derivative instruments.

A summary of the Group's financial assets and liabilities is shown below.

2011	Floating Interest Rate	Fixed Interest maturing in 1 year or less	Fixed Interest maturing over 1 to 5 years	Non- interest bearing	Total
	\$	\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	2,839,508	-	-	-	2,839,508
Loans and receivables	-	-	-	165,232	165,232
Total Financial assets	2,839,508	-	-	165,232	3,004,740
Weighted average interest rate – cash assets	4.60%				
Financial Liabilities at amortised cost					
Trade and other payables	-	-	-	252,088	252,088
Total Financial Liabilities	-	-	-	252,088	252,088
Net financial assets	2,839,508	-	-	(86,856)	2,752,652
2010	Floating Interest Rate	Fixed Interest maturing in 1 year or less	Fixed Interest maturing over 1 to 5 years	Non- interest bearing	Total
	\$	\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	2,166,400	-	-	-	2,166,400
Loans and receivables	-	-	-	134,017	134,017
Total Financial assets	2,166,400	-	-	134,017	2,300,417
Weighted average interest rate – cash assets	3.56%				
Financial Liabilities at amortised cost					
Trade and other payables	-	-	-	321,134	321,134
Total Financial Liabilities	-	-	-	321,134	321,134
Net financial assets	2,166,400	-	-	(187,117)	1,979,283

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 22: FINANCIAL INSTRUMENTS (cont.)

Specific Financial Risk Exposures and Management

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

a. Credit risk

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

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

Credit risk exposures

The maximum exposure to credit risk is that to its alliance partners and that is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

There are no other material amounts of collateral held as security at 30 June 2011. Trade and other receivables are expected to be settled within 30 days.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	2011 \$	2010 \$
Cash and cash equivalents			
- AA Rated	8	2,839,508	2,166,400

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

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NOTE 22: FINANCIAL INSTRUMENTS (cont.)

c. Market risk

The Board meets on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed by closely monitoring the interest rates at various financial institutions. The Company has no debt and as such the interest rate risk is limited to the Company's investments in term deposits and other interest bearing investments.

Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated Group	
	Profit	Equity
Year ended 30 June 2011	\$	\$
+/-1% in interest rates	+/- 20,046	+/- 20,046
Year ended 30 June 2010		
+/-1% in interest rates	+/- 19,339	+/- 19,339

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

For unlisted investments where there is no organised financial market, the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment. Other assets and other liabilities approximate their carrying value.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 22: FINANCIAL INSTRUMENTS (cont.)

	2011	2011	2010	2010
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	2,839,508	2,839,508	2,166,400	2,166,400
Loans and receivables	165,232	165,232	134,017	134,017
Total Financial Assets	3,004,740	3,004,740	2,300,417	2,300,417
Financial Liabilities at amortised cost				
Trade and other payables	252,088	252,088	321,134	321,134
Total Financial Liabilities	252,088	252,088	321,134	321,134

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
NOTE 23: PARENT ENTITY DISCLOSURES		
(a) Financial Position of Enterprise Metals Limited		
CURRENT ASSETS		
Cash and cash equivalents	2,787,980	2,110,506
Trade and other receivables	1,667,133	868,208
TOTAL CURRENT ASSETS	<u>4,455,113</u>	<u>2,978,714</u>
NON-CURRENT ASSETS		
Plant and equipment	94,371	91,037
Exploration and evaluation	7,626,287	6,007,683
Other financial assets	8,152,194	8,152,194
TOTAL NON-CURRENT ASSETS	<u>15,872,852</u>	<u>14,250,914</u>
TOTAL ASSETS	<u>20,327,965</u>	<u>17,229,628</u>
CURRENT LIABILITIES		
Trade and other payables	252,014	293,666
TOTAL CURRENT LIABILITIES	<u>252,014</u>	<u>293,666</u>
TOTAL LIABILITIES	<u>252,014</u>	<u>293,666</u>
NET ASSETS	<u>20,075,951</u>	<u>16,935,962</u>
EQUITY		
Issued Capital	23,058,868	17,637,267
Options Reserve	877,150	877,150
Accumulated Losses	(3,860,067)	(1,578,455)
TOTAL EQUITY	<u>20,075,951</u>	<u>16,935,962</u>
(b) Financial Performance of Enterprise Metals Limited		
Loss for the year	(2,281,612)	(384,868)
Other comprehensive income, net of tax	-	-
Total comprehensive loss	<u>(2,281,612)</u>	<u>(384,868)</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 23: PARENT ENTITY DISCLOSURES (cont.)

(c) Guarantees entered into by Enterprise Metals Limited to the debts of its subsidiaries

There are no guarantees entered into by Enterprise Metals Limited for the debts of its subsidiaries as at 30 June 2011 (2010: none).

(d) Contingent liabilities of Enterprise Metals Limited

There are no contingent liabilities as at 30 June 2011 (2010: none).

(e) Commitments by Enterprise Metals Limited

	2011	2010
	\$	\$
Capital expenditure commitments contracted for:		
Exploration tenement minimum expenditure requirements		
Not longer than 1 year	2,470,720	1,518,960
Longer than 1 year and not longer than 5 years	14,005,200	4,582,684
Longer than 5 years	-	1,151
Total	16,475,920	6,102,795

Commitments relate to granted exploration and prospecting tenements.

NOTE 24: CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2011 (2010: none).

NOTE 25: OPERATING SEGMENTS

The Directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

The Group remains focused on mineral exploration over areas of interest solely in Western Australia.

NOTE 26: COMPANY DETAILS

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

Enterprise Metals Limited
Level 1
640 Murray Street
WEST PERTH WA 6005

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DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 18 to 52, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards; and
 - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and
 - (c) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the Group;
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
 - (a) the financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Dermot Ryan
MANAGING DIRECTOR

Dated 30 September 2011, Perth WA

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West Perth WA 6005
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West Perth WA 6872

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W www.grantthornton.com.au

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

Report on the financial report

We have audited the accompanying financial report of Enterprise Metals Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Electronic presentation of audited financial report

This auditor's report relates to the financial report of Enterprise Metals Limited and its controlled entities for the year ended 30 June 2011 included on the Company's web site. The Company's Directors are responsible for the integrity of its web site. We have not been engaged to report on the integrity of the Company's web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Independence

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

Auditor's opinion

In our opinion:

- a the financial report of Enterprise Metals Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 27 to 29 of the directors' report for the year ended 30 June 2011. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Enterprise Metals Limited for the year ended 30 June 2011, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Director - Audit & Assurance

Perth, 30 September 2011

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ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Stock Exchange Ltd in respect of listed public companies only.

1 Shareholding as at 29 September 2011

(a) Distribution of Shareholders

Category (size of holding)	Number Holders	Number Shares
1 – 1,000	63	7,117
1,001 – 5,000	161	514,088
5,001 – 10,000	171	1,457,820
10,001 – 100,000	547	20,054,317
100,001 – and over	205	180,937,434
	1,147	202,970,776

(b) The number of shareholdings held in less than marketable parcels is 146 (185,474 shares).

(c) Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

(d) 20 Largest Shareholders — Ordinary Shares as at 29 September 2011

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1 National Nominees Limited	33,422,328	6.54
2 JP Morgan Nominees Australia Limited	22,982,137	4.50
3 HSBC Custody Nominees (Australia) Limited	21,376,904	4.19
4 Zero Nominees Limited	19,015,187	3.72
5 Citicorp Nominees Pty Limited	17,895,265	3.50
6 Topseed Pty Ltd <Skinner No 1 Super A/C>	16,900,429	3.31
7 UBS Nominees Pty Ltd	14,000,000	2.74
8 Mr James David Taylor	13,095,933	2.56
9 Mr Graham Douglas Riley + Mrs Anne Marie Riley <The Riley Super Fund A/C>	8,349,838	1.64
10 Citicorp Nominees Pty Limited <Cwlth Bank Off Super A/C>	7,935,766	1.55
11 Pouvoir Pty Ltd <Brimage Super Fund A/C>	6,605,929	1.29
12 Ian Sandover & Associates Pty Ltd <Sandover Super A/C>	5,500,000	1.08
13 Mr Kenneth John Bull	5,000,000	0.98
14 Escor Investments Pty Ltd	4,794,905	0.94
15 Mrs Janice Ivy Skinner <Topseed Pty Ltd No 2 A/C>	4,550,000	0.89
16 Bond Street Custodians Ltd <Macq Aust Microcap Fund A/C>	4,340,439	0.85
17 Navigator Australia Ltd <Navigator Pers Plan Sett A/C>	3,584,808	0.70

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18	Mr Anthony Poli + Mrs Milvia Poli	3,450,000	0.68
19	Miss Caroline Rita Marianne Creyf	3,090,000	0.61
20	Mr Saro Vinzi Carbone <The Carbone Family A/C>	3,067,125	0.60
		218,956,993	42.88

2 The name of the Company Secretary is Dennis Wilkins.

3 The address of the principal registered office in Australia is Level 1, 640 Murray Street, West Perth WA 6005. Telephone Number: 08 9436 9200.

4 Registers of securities are held at the following addresses

Western Australia	Computershare Registry Services Level 2, 45 St Georges Terrace PERTH WA 6000
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5 Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Stock Exchange Limited.

6 Unquoted Securities

Options over Un-issued Shares

A total of 86,507,807 options are on issue of which 9,434,090 are on issue to the seven Directors.

7 Use of Funds

The Company has used its funds in accordance with its initial business objectives.

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TENEMENT REPORT

Tenement	Lease Status	Project	% Held
E04/2068	Application	Kimberley	0%
E04/2069	Application	Kimberley	0%
E04/2070	Application	Kimberley	0%
E09/1731	Application	Mt Philips	0%
E09/1732	Application	Mt Philips	0%
E09/1864	Application	Byro	100%
E20/620	Granted	Wattagee*	100%
E20/726	Granted	Wattagee*	100%
E20/756	Application	Wattagee*	100%
E20/758	Application	Byro	100%
E28/1958	Granted	Harris Lake	100%
E36/706	Granted	Darlot	80%
E36/731	Granted	Darlot	100%
E36/768	Application	Darlot	100%
E36/778	Application	Darlot	100%
E36/781	Application	Darlot	100%
E37/1009	Granted	Darlot	100%
E37/1025	Granted	Darlot	100%
E37/1031	Granted	Darlot	100%
E37/1075	Granted	Darlot	100%
E37/1105	Application	Darlot	100%
E37/1112	Application	Yandal	100%
E37/818	Granted	Darlot	100%
E37/859	Granted	Darlot	80%
E37/926	Granted	Darlot	100%
E37/927	Granted	Darlot	100%
E37/939	Granted	Darlot	100%
E37/947	Granted	Darlot	100%
E51/1079	Granted	Doolgunna	100%
E51/1168	Granted	Doolgunna	100%
E51/1301	Application	Doolgunna	100%
E51/1302	Granted	Doolgunna	100%
E51/1303	Granted	Doolgunna	100%
E51/1304	Granted	Doolgunna	100%
E51/1337	Application	Doolgunna	100%
E51/1385	Application	Doolgunna	100%
E51/1466	Application	Wattagee*	100%
E51/941	Granted	Doolgunna	100%
E52/1689-I	Granted	Sylvania	100%

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E52/2049	Granted	Doolgunna	100%
E52/2349	Granted	Sylvania	100%
E52/2404	Granted	Doolgunna	100%
E52/2406	Granted	Doolgunna	100%
E57/834	Application	Booylgoo	100%
E59/1437	Granted	Yalgoo	100%
E59/1617	Granted	Byro	100%
E59/1632	Granted	Yalgoo	100%
E59/1633	Granted	Yalgoo	100%
E59/1645	Granted	Yalgoo	100%
E59/1651	Granted	Yalgoo	100%
E59/1655	Granted	Yalgoo	100%
E59/1658	Application	Yalgoo	100%
E63/1281	Granted	Fraser*	100%
E63/1282	Granted	Fraser*	100%
E63/1283	Granted	Fraser*	100%
E63/1448	Application	Fraser*	100%
E69/2607	Granted	Earaheedy	100%
E69/2636	Application	Earaheedy	100%
E69/2674	Application	Eucla	100%
E69/2689	Application	Eucla	100%
E70/3637	Granted	Burracoppin	100%
E70/3638	Granted	Burracoppin	100%
E70/3756	Granted	Cunderdin	100%
E70/3815	Granted	Burracoppin	100%
E70/3816	Granted	Cunderdin	100%
E70/4133	Application	Burracoppin	100%
E70/4150	Application	Burracoppin	100%
E70/4171	Application	Burracoppin	100%
E77/1752	Granted	Burracoppin	100%
E77/1970	Application	Burracoppin	100%
E77/1973	Application	Burracoppin	100%
M37/1288	Granted	Darlot	100%
M51/818	Granted	Doolgunna	100%
P20/2155	Application	Wattagee*	100%
P36/1660	Granted	Darlot	100%
P36/1661	Granted	Darlot	100%
P37/7081	Granted	Darlot	100%
P37/7082	Granted	Darlot	100%
P37/7083	Granted	Darlot	100%
P37/7084	Granted	Darlot	100%

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Tenement	Lease Status	Project	% Held
P37/7085	Granted	Darlot	100%
P37/7745	Granted	Darlot	100%
P37/7746	Granted	Darlot	100%
P37/7747	Granted	Darlot	100%
P37/7748	Granted	Darlot	100%
P37/7749	Granted	Darlot	100%
P37/7750	Granted	Darlot	100%
P51/2516	Granted	Doolgunna	100%
P51/2517	Granted	Doolgunna	100%
P51/2624	Granted	Doolgunna	100%
P51/2625	Granted	Doolgunna	100%
P51/2626	Granted	Doolgunna	100%
P51/2627	Granted	Doolgunna	100%
P53/1273	Granted	Paddy Well	100%
P53/1274	Granted	Paddy Well	100%
P53/1275	Granted	Paddy Well	100%
P59/1925	Application	Yalgoo	100%
P59/1926	Application	Yalgoo	100%
P59/1927	Application	Yalgoo	100%
P59/1928	Application	Yalgoo	100%
P59/1928	Application	Yalgoo	100%

*Conditional Sale and Joint Venture Agreement signed with Beachfront Resources Ltd for Fraser Range and Wattagee Projects, but not yet Completed.