

# **ENTERPRISE METALS LIMITED**

**ABN 43 123 567 073**

## **INTERIM FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED**

**31 DECEMBER 2013**

**This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2013 and any public announcements made by Enterprise Metals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.**

**ENTERPRISE METALS LIMITED**

**31 DECEMBER 2013**

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## ENTERPRISE METALS LIMITED

31 DECEMBER 2013

### CORPORATE DIRECTORY

#### Directors

Dr Jingbin Wang	Non-Executive Chairman
Mr Dermot Ryan	Managing Director
Ms Anna Mao	Non-Executive Director
Mr Paul Hallam	Non-Executive Director
Dr Allan Trench	Non-Executive Director

#### Company Secretary

Mr Damian Delaney

#### Principal registered office

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WEST PERTH WA 6005  
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#### Auditor

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10 Kings Park Road  
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#### Share Registry

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

#### Australian Securities Exchange

ASX Code – ENT

# ENTERPRISE METALS LIMITED

31 DECEMBER 2013

## DIRECTORS' REPORT

Your directors submit their report on the consolidated entity consisting of Enterprise Metals Limited ('Enterprise' or the 'Company') and the entities it controlled at the end of, or during, the half-year ended 31 December 2013.

### DIRECTORS

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

Dr Jingbin Wang

Dermot Ryan

Paul Hallam

Anna Mao

Dr Allan Trench

### REVIEW AND RESULTS OF OPERATIONS

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

	2013		2012	
	Revenues	Results	Revenues	Results
	\$	\$	\$	\$
Consolidated entity revenues and profit/(loss)	97,923	(1,515,574)	2,971,966	906,591

### OVERVIEW

#### Doolgunna Copper-Gold Project

Geochemical analysis of previously collected regional mag-lag samples highlighted areas prospective for copper-gold within sediments of the Doolgunna basin and also along the Southern Boundary Fault.

Ground EM (GEM) and gravity surveys were completed over these geochemical anomalies to define seven high priority reverse circulation (RC) drill targets.

Heritage surveys were completed and a Program of Work (PoW) application for drilling commencement was approved by the Western Australian Department of Mines & Petroleum. Drilling commenced in February 2014.

#### Fraser Range Nickel-Copper Project

The Company was awarded \$150,000 for RC drilling at Plato under the Royalties for Regions Co-funded Government – Industry Drilling Program.

A Program of Work for RC drilling at Plato, Heart, Highway and McPhersons prospects was approved by the Western Australian Department of Mines & Petroleum.

Native Title heritage clearance surveys for proposed drill areas were delayed by rain until March 2014. RC drilling is now planned to commence mid to late March 2014.

## ENTERPRISE METALS LIMITED

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### Darlot Gold-Copper-Zinc Project

The Company entered into a farm-out agreement with Independence Group NL (IGO) for the Darlot Project. IGO have committed to spend approximately \$500,000 before they can withdraw with no interest, or continue to spend and form a joint venture (JV) and earn up to 70-80% interest

IGO have commenced exploration and their preliminary soil sampling results have identified a discrete, coincident Cu-Zn-Ni-Y-Cd-Co-Mg anomaly over an area of historic RC drilling with anomalous copper and zinc. The minor elements in the geochemical suite (Y, cd, Co) act as "pathfinders" to copper-zinc mineralisation. That is, they add extra scientific weight to those copper-zinc soil anomalies where all metals occur to anomalous levels.

### OTHER

Potential farm-out and JV opportunities have been identified for several non-core projects following a review of all the Company's projects and future exploration commitments.

### CORPORATE

Late in 2013 the Company raised approximately \$1.08 million through a Placement of 26.9 million shares at 4 cents per share (with a 1:2 free attaching option exercisable at 8 cents on or before 30 November 2016). Funds raised from the Placement will be primarily used to progress high impact exploration and drilling at the Fraser Range and Doolgunna Projects, and for working capital.

The majority of the Placement (25.775m shares to raise \$1.03 million) settled in a first tranche under the Company's existing capacity pursuant to ASX Listing Rule 7.1. Shareholder approval was required for the issue of the balance of 1.125m shares (\$45,000 attributable to Enterprise Directors) as well as all of the attaching 13.45m options associated with the Placement. The securities were issued in a second tranche following shareholder approval at a General Meeting of Shareholders held on 17 January 2014. Five million options were also issued to advisors for the placement.

SinoTech Minerals Exploration Co Ltd, the major shareholder of Enterprise, participated in the Placement for \$330,000 to approximately maintain its interest in the Company. Refer ASX release dated 28 November 2013.

### **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

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



**Dermot Ryan**  
Managing Director

Perth, 12 March 2014

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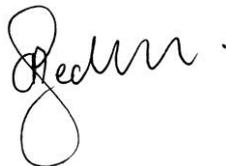
**Auditor's Independence Declaration  
To The Directors of Enterprise Metals Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Enterprise Metals Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



C A Becker  
Partner - Audit & Assurance

Perth, 12 March 2014

Grant Thornton Audit Pty Ltd ACN 130 913 594  
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**ENTERPRISE METALS LIMITED**

**31 DECEMBER 2013**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

		Half-year	
	Note	2013 \$	2012 \$
<b>REVENUE</b>			
Interest received		22,123	178,181
Gain on sale of tenements		-	2,791,785
Other income		75,800	2,000
<b>EXPENDITURE</b>			
Accounting and audit fees		(28,359)	(42,232)
Share registry and listing fees		(36,821)	(102,840)
Employee benefits expense		(99,289)	(668,909)
Computers and software		(21,483)	(37,289)
Depreciation		(48,178)	(85,714)
Insurance		(11,606)	(15,097)
Investor relations		(5,383)	(36,147)
Share-based payment expense		-	(178,152)
Exploration and evaluation costs written off	3	(1,155,228)	(694,157)
Legal fees		(23,284)	(36,290)
Office rent		(73,216)	(55,128)
Office equipment and supplies		-	(10,096)
Travel and accommodation		(10,824)	(39,142)
Other expenses		(99,826)	(64,182)
		(1,515,574)	906,591
<b>PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE</b>			
Income tax expense			-
		(1,515,574)	906,591
<b>PROFIT/(LOSS) FOR THE HALF-YEAR</b>			
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that may be reclassified to profit or loss</i>			
Changes in the fair value of available-for-sale financial assets		67,500	(540,000)
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>		67,500	(540,000)
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF ENTERPRISE METALS LIMITED</b>			
		(1,448,074)	366,591
Basic and diluted earnings/(loss) per share (cents per share)		(0.7)	0.4

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

**ENTERPRISE METALS LIMITED**

**31 DECEMBER 2013**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2013**

	Notes	31 December 2013 \$	30 June 2013 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,783,660	1,585,081
Trade and other receivables		118,243	165,720
<b>TOTAL CURRENT ASSETS</b>		<u>1,901,903</u>	<u>1,750,801</u>
<b>NON-CURRENT ASSETS</b>			
Available-for-sale financial assets		567,000	499,500
Plant and equipment		154,403	221,560
Exploration and evaluation	3	18,056,520	18,800,635
Other financial assets		85,000	125,747
<b>TOTAL NON-CURRENT ASSETS</b>		<u>18,862,923</u>	<u>19,647,442</u>
<b>TOTAL ASSETS</b>		<u>20,764,826</u>	<u>21,398,243</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		206,145	373,382
Provisions		19,239	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>225,384</u>	<u>373,382</u>
<b>TOTAL LIABILITIES</b>		<u>225,384</u>	<u>373,382</u>
<b>NET ASSETS</b>		<u>20,539,442</u>	<u>21,024,861</u>
<b>EQUITY</b>			
Issued capital	4	27,638,635	26,675,980
Reserves		5,922,347	5,854,847
Accumulated losses		(13,021,540)	(11,505,966)
<b>TOTAL EQUITY</b>		<u>20,539,442</u>	<u>21,024,861</u>

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

**ENTERPRISE METALS LIMITED**

**31 DECEMBER 2013**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Note	Issued Capital \$	Options Reserve \$	Available-for- Sale Financial Assets Reserve \$	Accumulated Losses \$	Total \$
<b>BALANCE AT 1 JULY 2012</b>		30,081,867	5,416,650	-	(6,154,628)	29,343,889
Profit for the half-year		-	-	-	906,591	906,591
<b>OTHER COMPREHENSIVE INCOME</b>						
Changes in the fair value of available-for-sale financial assets		-	-	(540,000)	-	(540,000)
<b>TOTAL COMPREHENSIVE INCOME</b>		-	-	(540,000)	906,591	366,591
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>						
Shares issued during the period		2,500,000	-	-	-	2,500,000
In-specie distribution		(5,905,887)	-	-	-	(5,905,887)
Share-based payments		-	178,152	-	-	178,152
<b>BALANCE AT 31 DECEMBER 2012</b>		<b>26,675,980</b>	<b>5,594,802</b>	<b>(540,000)</b>	<b>(5,248,037)</b>	<b>26,482,745</b>
<b>BALANCE AT 1 JULY 2013</b>		<b>26,675,980</b>	<b>5,854,847</b>	<b>-</b>	<b>(11,505,966)</b>	<b>21,024,861</b>
Loss for the half-year		-	-	-	(1,515,574)	(1,515,574)
<b>OTHER COMPREHENSIVE INCOME</b>						
Changes in the fair value of available-for-sale financial assets		-	-	67,500	-	67,500
<b>TOTAL COMPREHENSIVE INCOME</b>		-	-	67,500	(1,515,574)	(1,448,074)
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>						
Shares issued during the period		1,031,000	-	-	-	1,031,000
Costs of share issue		(68,345)	-	-	-	(68,345)
<b>BALANCE AT 31 DECEMBER 2013</b>		<b>27,638,635</b>	<b>5,854,847</b>	<b>67,500</b>	<b>(13,021,540)</b>	<b>20,539,442</b>

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

**ENTERPRISE METALS LIMITED****31 DECEMBER 2013****CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Half-year	
	2013	2012
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(372,945)	(1,039,094)
Interest received	22,792	243,862
Other income	77,933	4,949
<b>Net cash used in operating activities</b>	<u>(272,220)</u>	<u>(790,283)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for exploration and evaluation expenditure	(566,582)	(3,201,662)
Payments for purchases of plant and equipment	(5,831)	(105,896)
Proceeds on sale of plant and equipment	24,810	-
Proceeds from deposits expired	40,747	-
Payments for purchase of available-for-sale financial assets	-	(2,700,000)
<b>Net cash used in investing activities</b>	<u>(506,856)</u>	<u>(6,007,558)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of ordinary shares	1,001,000	2,500,000
Proceeds for shares not yet issued	45,000	-
Payments of share issue transaction costs	(68,345)	-
<b>Net cash provided by financing activities</b>	<u>977,655</u>	<u>2,500,000</u>
Net (decrease)/increase in cash and cash equivalents	198,579	(4,297,841)
Cash and cash equivalents at the beginning of the half-year	1,585,081	8,191,882
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR</b>	<u>1,783,660</u>	<u>3,894,041</u>

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

## ENTERPRISE METALS LIMITED

31 DECEMBER 2013

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

This consolidated interim financial report for the half-year reporting period ended 31 December 2013 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by Enterprise Metals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

#### Going Concern

During the period ended 31 December 2013, the Group incurred net operating cash outflows of \$272,220 (31 December 2012: \$790,283) and payments for exploration and evaluation expenditure of \$566,582 (31 December 2012: \$3,201,662). The Group has minimum exploration commitments of \$1,386,350 (30 June 2013: \$2,315,460) for the next twelve months on tenements held at the reporting date. The directors have reviewed the working capital requirements of the Group for the period of a year from the date of the directors' report, and determined that subject to an additional capital raising being formalised and undertaken in the next twelve months, the Group will be able to continue to pay its debts as and when they fall due.

The above facts indicate a material uncertainty in relation to the applicability of the going concern concept as it pertains to these financial statements. If the Company does not complete the capital raising then it may not be able to realise its assets and settle its liabilities in the ordinary course of business and at the amounts shown in the financial statements.

#### Adoption of new and revised Accounting Standards

The accounting policies and methods of compilation adopted are consistent with those of the previous financial year, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

##### AASB 11 Joint Arrangements

AASB 11 supersedes AASB 131 Interests in Joint Ventures and Interpretation 113 Jointly Controlled Entities – Non-Monetary-Contributions by Venturers. It aligns more closely the accounting by the investors with their rights and obligations relating to the joint arrangement. In addition, AASB 131's option of using proportionate consolidation for joint ventures has been eliminated. AASB 11 now requires the use of the equity accounting method, which is currently used for investments in associates.

The Company has concluded there are no effects on the statement of financial position and statement of profit or loss and other comprehensive income as a result of this change

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current half year. Furthermore, the Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half year ended 31 December 2013. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to the Company's accounting policies.

**ENTERPRISE METALS LIMITED**

**31 DECEMBER 2013**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**NOTE 2: SEGMENT INFORMATION**

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

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

**NOTE 3: EXPLORATION AND EVALUATION**

	<b>31 December 2013</b>	<b>30 June 2013</b>
	\$	\$
<b>Balance at beginning of period</b>	18,800,635	21,249,099
Exploration expenditure	411,113	4,603,970
Tenements sold to ENU	-	(3,114,102)
Impairment expense	(1,155,228)	(3,938,332)
<b>Balance at end of period</b>	18,056,520	18,800,635

**NOTE 4: CHANGES IN EQUITY SECURITIES ON ISSUE**

	<b>31 December 2013</b>	<b>30 June 2013</b>		
238,995,776 (30 June 2013: 213,220,776) Fully paid ordinary shares	27,638,635	26,675,980		
	<b>31 December 2013 Shares</b>	<b>31 December 2013 \$</b>	<b>30 June 2013 Shares</b>	<b>30 June 2013 \$</b>
<b>Balance at beginning of period</b>	213,220,776	26,675,980	203,220,776	30,081,867
<b>Issues of ordinary shares during the half-year</b>				
25,775,000 shares at \$0.04 on 9 December 2013 – Placement	25,775,000	1,031,000	-	-
10,000,000 shares issued on conversion of \$0.25 options	-	-	10,000,000	2,500,000
In-specie distribution	-	-	-	(5,905,887)
Transaction costs	-	(68,345)	-	-
	238,995,776	27,638,635	213,220,776	26,675,980

## ENTERPRISE METALS LIMITED

31 DECEMBER 2013

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

##### b) Movement in options on issue

	31 December 2013 Number	30 June 2013 Number
At the beginning of the reporting period	53,600,000	63,725,806
Issued during the year:		
• Exercisable at 25 cents (reduced to 22.2 cents <sup>(1)</sup> ), on or before 12 July 2014	-	11,000,000
• Exercisable at 17.7 cents (reduced to 14.9 cents <sup>(1)</sup> ), on or before 11 September 2015	-	7,600,000
Exercised during the year		
• Exercisable at 25 cents (reduced to 22.2 cents <sup>(1)</sup> ), on or before 12 July 2014	-	(10,000,000)
Expired during the year		
• Exercisable at 22.9 cents on or before 12 July 2013	(10,000,000)	
• Exercisable at 25 cents (reduced to 22.2 cents <sup>(1)</sup> ), on or before 22 November 2012	-	(3,000,000)
• Exercisable at 25 cents (reduced to 22.2 cents <sup>(1)</sup> ), on or before 1 June 2013	-	(3,225,806)
• Exercisable at 50 cents (reduced to 47.2 cents <sup>(1)</sup> ), on or before 30 June 2013	-	(2,500,000)
Terminated during the year		
• Exercisable at 25 cents (reduced to 22.2 cents <sup>(1)</sup> ), on or before 12 July 2014	-	(10,000,000)
<b>At reporting date</b>	<b>43,600,000</b>	<b>53,600,000</b>

(1) Following the in-specie distribution of Enterprise Uranium Limited on 30 October 2012, all exercise prices of options were reduced by 2.8 cents in accordance with ASX Listing Rule 7.22.3. This is not considered a modification of the share-based payments as the terms and conditions of the options note that the exercise price may change as a result of a capital restructure (such as through an in-specie distribution).

#### NOTE 5: CONTINGENCIES

The Company has \$85,000 in bank guarantees to secure a credit card facility and tenement deposits.

#### NOTE 6: SUBSEQUENT EVENTS

On 17 January 2014 a General Meeting of Shareholders approved the issue of the second tranche of the balance of 1.125m shares (\$45,000 attributable to Enterprise Directors) as well as all of the attaching 13.45m options associated with the Placement announced on 28 November 2013 and completed on 9 December 2013. The securities were issued in a second tranche following shareholder approval at a General Meeting of Shareholders held on 17 January 2014. The General Meeting also approved the issue of 5m options to advisors relating to the placement.

No other matter or circumstance has arisen since 31 December 2013, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

## ENTERPRISE METALS LIMITED

31 DECEMBER 2013

### DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 7 to 13 are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Enterprise Metals Limited will be able to pay its debts as and when they become due and payable.

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



**Dermot Ryan**  
Managing Director

Perth, 12 March 2014

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

We have reviewed the accompanying half-year financial report of Enterprise Metals Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

### **Directors' responsibility for the half-year financial report**

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

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Enterprise Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### **Independence**

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

### **Conclusion**

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

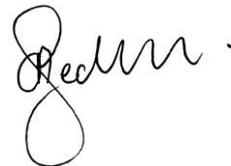
- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

### **Material uncertainty regarding continuation as a going concern**

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the consolidated entity incurred a net loss of \$1,515,574 and cash outflows from operating activities of \$272,220 for the period ended 31 December 2013. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



C A Becker  
Partner - Audit & Assurance

Perth, 12 March 2014