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ENTERPRISE METALS LIMITED

ABN 43 123 567 073

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2012

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 2012 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 2012

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ENTERPRISE METALS LIMITED

31 DECEMBER 2012

DIRECTORS' REPORT

Your directors submit their report on the consolidated entity consisting of Enterprise Metals Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2012.

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

Ann Mao

Dr Allan Trench

Dr Zhen Huang *resigned 17 October 2012*

Bruce Hawley *resigned 31 August 2012*

REVIEW AND RESULTS OF OPERATIONS

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

	2012		2011	
	Revenues	Results	Revenues	Results
	\$	\$	\$	\$
Consolidated entity revenues and profit/(loss)	2,971,966	906,591	373,464	(638,339)

CORPORATE

The main corporate activity during the period July - December 2012 was the de-merging of the Company's uranium assets into Enterprise Uranium Ltd ("ENU") via an in-specie distribution of ENU shares to ENT shareholders on a 1 ENU for 5 ENT held basis.

The reduction in capital and de-merger of the Company's uranium assets into Enterprise Uranium Ltd, and the distribution in-specie of ENU shares to ENT shareholders on a 1 ENU for 5 ENT held basis was approved at a General Meeting of Shareholders held on 15th October 2012.

The Company then subscribed for 13,500,000 new Enterprise Uranium Ltd ("ASX:ENU") shares and 6,750,000 ENU Options at a cost of \$2.7 million via a Prospectus dated 19th October 2012. When Enterprise Uranium Ltd was admitted to the official list of the ASX, and commenced trading on 20 December 2012, Enterprise Metals Ltd held approximately 19.8% of ENU's issued capital.

On 17th October 2012, the Company announced the resignation of Non-Executive Director Dr Zhen Huang. Dr Huang joined the Board in July 2011 and has been instrumental in assisting the Company develop its exploration strategy. Concurrently with his resignation from the ENT Board, Dr Huang took up the role of Non-Executive Director, Enterprise Uranium Ltd.

Prior to this, on 12th July 2012 SinoTech (Hong Kong) Corporation Limited exercised 10 million 25 cent ENT Options thereby raising \$2.5 million for the Company. As a result of the early exercise of these Options by SinoTech, and subject to the Subscription Agreement dated 21st May 2011 which was approved at a General Meeting of Shareholders on 30th June 2011, SinoTech were issued with a further 11 million 25 cent ENT Options with an expiry date of 12th July 2014.

ENTERPRISE METALS LIMITED

31 DECEMBER 2012

DIRECTORS' REPORT (continued)

Following the exercise of the 10 million ENT Options, SinoTech's shareholding in the Company increased from 62 million ordinary shares to 72 million ordinary shares, and SinoTech's interest in the Company increased from 30.51% to 33.77%.

In addition, 10 million 25 cent ENT options with an expiry date of 12th July 2014 were purchased by ENT from the Receiver of RI Group Pty Ltd and cancelled.

On 11th September 2012, the Company issued 7,600,000 Options with an exercise price of 17.7 cents to Directors of the Company. The expiry date is 11th September 2015.

On 31st October 2012, the Company's Annual Report for 2011 was dispatched to Shareholders.

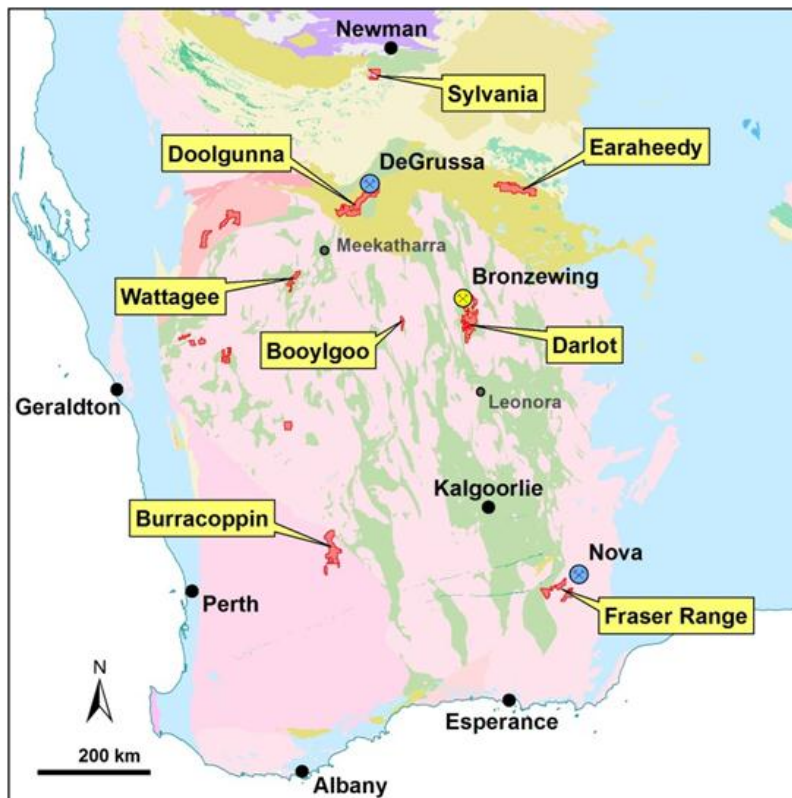
Exploration expenditure by the Company for the six month period July – December 2012 was \$3.2 million.

An additional \$2.7 million was spent on purchasing Enterprise Uranium Ltd shares and options.

Cash held by the Company at 31st December 2012 was \$3.9 million

EXPLORATION

The Company continued exploration activities on its gold/base metals, uranium and iron ore projects in Western Australia. Activities undertaken by the Company are summarised by project below:



Enterprise Projects at 31st December 2012

DOOLGUNNA COPPER/GOLD PROJECT

The Company is searching for copper/gold rich massive sulfide ore deposits within the Narracoota Formation volcanics, approximately 13 km southwest of Sandfire Resources NL's DeGrussa copper mine, and is also searching for stratabound sediment hosted copper deposits (SEDEX) within the Proterozoic sediments flanking the Archaean Goodin Dome.

DIRECTORS' REPORT (continued)

During the 6 month period ending 31 December 2012, the Company collected 2,162 soil samples which were analysed for multi-element geochemistry, and completed 245 regional and infill aircore drill holes for a total of 14,798 metres of drilling. This regional aircore program (200m x 1km line spacing) was designed to test the regolith for a supergene/oxide copper "blanket" which may be developed over deeper primary sulphide mineralisation. The drilling also tested an 8km strike length of the Goodin Fault, which marks the contact between the Narracoota Formation volcanics and Doolgunna Formation sediments.

This work has further defined the 1,500m long **Vulcan** Prospect, and identified four new copper prospects, (**Scotty, Sulu, McCoy & Nimoy**) with associated anomalous Au, As, Bi, Pb and Co. A rockchip sample with visible gold, located NE of the Vulcan soil anomaly, returned 810g/t Au, 0.1% Cu, 18.3g/t Ag, 1.0% Bi, 132ppm Mo and 2.7ppm Sb, which supports the base metal prospectivity of the area. This gold/base metal association is similar to the pathfinder elements reported from the DeGrussa deposit 13km to the northeast. Both DeGrussa and Vulcan are hosted by the Narracoota Formation volcanics, adjacent to major regional faults.

Aircore drill results from the Vulcan Prospect have outlined a plunging pipe like zone containing oxide (laterite) gold mineralisation. The Company considers that the laterite gold mineralisation may overlie a "shoot" of primary sulphide mineralisation.

Further aircore drilling will be undertaken at Vulcan, McCoy, Nimoy, Scotty, Sulu and the Goodin Fault in early 2013 to better define these prospects, and prepare them for deep RC drill testing in the primary zone.

FRASER RANGE NICKEL PROJECT

The Fraser Range Project covering 594km² is located approximately 100km east of Norseman and 650km east of Perth within the Albany-Fraser province. The Project is considered prospective for gold and copper/nickel/PGE mineralisation and is situated some 30km southwest of Sirius Resources NL's Nova nickel-copper discovery.

Between July and December 2012, assay results from first-pass regional (nominal 400m x 800m pattern) calcrete (1,744 samples) and bulk soil sampling (1,853 samples) across the Fraser Range tenements were received. Five areas with anomalous coincident Ni-Cu-Co geochemistry (similar metal association as Nova) were identified at the Plato, East Dam, EH1, EH2 and EH3 prospects, along with a gold target at Microwave.

A further 1,320 infill soil samples were collected from the Plato, EH1 & EH3 Ni-Cu-Co anomalies, the McPhersons Cu-Au anomaly and the Microwave gold anomaly. These infill soil samples (nominal 200m x 100m line spacing) were aimed at defining the extent of the geochemical anomalies and providing targets for electrical geophysics and later drill testing.

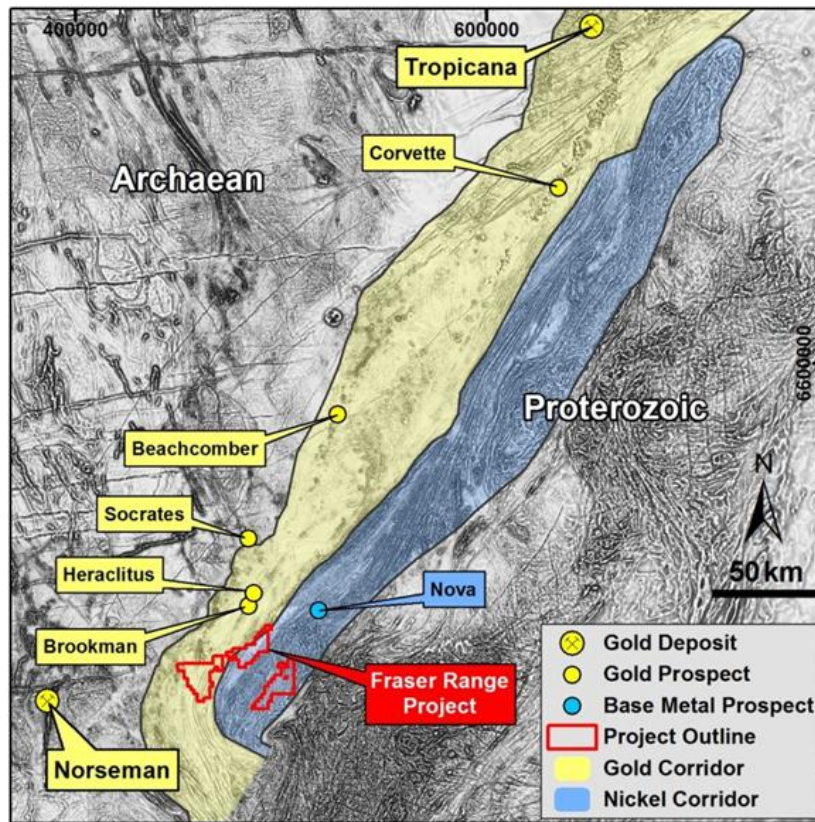
The Plato infill soil program defined an area of coherent Ni-Cu-Co anomalism, with individual maximum values of up to 252ppm Ni, 46ppm Cu and 32ppm Co. The program also returned 14 samples in excess of 100ppm Ni. The nickel anomaly is composed of two lobes, with the larger lobe being 1,400m x 400m, and the smaller lobe to the south west being 400m x 400m.

The co-incident Ni-Cu-Co soil anomalism is also broadly co-incident with a "magnetic low" visible on Enterprise's detailed aeromagnetic data. This "magnetic low" is in fact a strongly magnetic body, interpreted by Enterprise to be a mafic or ultramafic intrusive with reversed polarity.

The Company subsequently completed several long lines of Induced Polarisation ("IP") survey over the Plato Ni/Cu soil anomaly. The three lines (7.75 km of 100m dipole-dipole IP) were designed to follow-up the prominent coincident Ni-Cu-Co soil anomaly (values up to 147 ppm Ni and 33 ppm Cu).

Seven IP chargeable zones were identified which are associated with the coincident Ni/Cu geochemical/magnetic anomaly. The Company is interpreting these IP chargeable zones as being sourced by disseminated Ni/Cu sulphides and will be testing this interpretation by drilling early in 2013.

DIRECTORS' REPORT (continued)



Fraser Range Project, Project Location Plan over Magnetics

DARLOT GOLD & BASE METALS PROJECT

A regional review of the base metal potential of the Darlot Project was completed, focussing on the lithological/stratigraphic **contact between mafic and felsic volcanics**. This 75km long contact zone represents the northern extension of the favourable horizon which hosts volcanogenic massive sulphide (VMS) deposits at Teutonic Bore, Jaguar and Bentley owned by Independence Group (ASX:IGO).

Bottom-of-hole drill samples from 671 previous holes were submitted for multi-spectral scanning ("**Hylogger**") aimed at identifying alteration signatures related to VMS mineralisation. The samples were also analysed for an extensive multi-element base metal suite. Results from the spectral analysis suggests that the character of white mica and chlorite may be indicative of hydrothermal alteration, however further work is required to define drill targets.

A review of the gold potential of the entire Darlot Project has identified several targets for follow up in the Griffin Well (NE) and Mt Von Mueller (south) areas, as well as a linear zone of discontinuous gold mineralisation, called the Ockerburry Trend ("OT"). The OT lies sub-parallel to the north-south trending Ockerburry Fault (approximately 2-3km to the east) and also runs parallel to and is semi contiguous with the zone considered prospective for VMS deposits, see above. The OT is extensively covered by transported overburden and has not been drill tested over much of its length.

The next phase of exploration at Darlot will involve regional aircore/RC traverses targeting a combination of broad zones of alteration/anomalism identified by the Hylogger and multi-element analysis and gold targets within the Ockerburry Trend.

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DIRECTORS' REPORT (continued)

BOOYLGOO IRON PROJECT

The Booylgoo Project is centred approximately 80km WNW of Leinster in Western Australia and contains a patchy carapace of hematite and goethite overlying banded iron formation (BIF). It lies 100km to the south of Golden West Resources Ltd's *Wiluna West* hematite project (127.2Mt at 60.2% Fe) which is hosted in similar rocks.

During July 2012 a scout RC drilling program comprising 30 holes for 2,076m along seven traverses was completed. Individual drillholes were sited to test the depth potential beneath outcropping hematite/goethite, which returned significant iron grades (+50% Fe) in rockchip samples. The drilling commonly intersected a ferruginous hard cap or ferricrete to 10-15m, followed by an alternating sequence of BIF and felsic tuff, overlying a mafic volcanic containing abundant magnetite. BIF, with an average downhole thickness of 20m was intersected beneath the iron rich surficial material (+50% Fe) in most holes, however limited iron enrichment was noted at depth, apart from several narrow 3-6m intervals. The assay results confirm the character of the BIF observed in the drilling, with average values of: 33.8% Fe, 39.3% SiO₂, 6.1% Al₂O₃, 0.043% P and 5.3% LOI.

EARAHEEDY IRON PROJECT

At Earahedy, the Company has defined a series of major magnetic palaeochannels draining south from the outcropping BIF's of the Lee Steere Ranges, along the northern margin of the Proterozoic Earahedy Basin. The Project is 1,056km² in area and is located 300km southeast of the town of Newman. The Company considers that these channels have the potential to host substantial CID and/or detrital iron deposits (DID), similar to the Yandicoogina or Koodaideri deposits in the Hamersley Basin. A 139 hole RC drilling program targeting these channels has been planned but Government approval and heritage clearance has not yet been obtained.

SYLVANIA IRON PROJECT

At Sylvania, a second heritage clearance survey was completed over proposed RC drill sites in the western portion of the Project, with no sites of significance identified. An RC drilling program has been approved by the Department of Mines and Petroleum, but drilling has not yet been scheduled by the Company.

BYRO, PERANBYE, PONTON AND HARRIS LAKE URANIUM PROJECTS

In the latter half of 2012, Enterprise Metals Limited commenced exploration on five uranium projects targeting calcrete and palaeo-channel sandstone hosted uranium mineralisation. The five uranium projects, Byro, Yalgoo, Peranbye, Ponton and Harris Lake are all located on the Yilgarn Craton in Western Australia and in October 2012 they transferred into Enterprise Uranium Ltd, a wholly owned subsidiary of Enterprise Metals Limited. Subsequently, Enterprise Uranium Ltd was admitted to the official list of the ASX, and commenced trading on 20 December 2012. Enterprise Metals Ltd holds approximately 19.8% of ENU's issued capital. Work conducted by the Company prior to the transfer of the projects to ENU consisted of extensive airborne electromagnetic surveys (TEMPEST AEM) and some ground follow up. The AEM surveys cost in the vicinity of \$0.5 million, but have been very useful in defining 100m deep sand hosted palaeochannels beneath broad salt lake systems.

Further information as to the Company's exploration activities can be found in the Quarterly Reports located on the Company website.

The information in this report that relates to Exploration Results has been compiled by Mr Dermot Ryan, who is a Fellow of the Australian Institute of Geoscientists, and a full time employee of Enterprise Metals Limited. Mr Ryan has sufficient relevant experience in the techniques being reported and styles of mineralisation and types of deposit under consideration, and in the activity he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code), and consents to the inclusion of the information in the form and context in which it appears.

ENTERPRISE METALS LIMITED

31 DECEMBER 2012

DIRECTORS' REPORT (continued)

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 9.

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



Dermot Ryan
Managing Director

Perth, 14 March 2013

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Grant Thornton Audit Pty Ltd
ACN 130 913 594

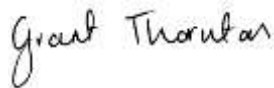
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**Auditor's Independence Declaration
To The Directors of Enterprise Metals Limited**

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 2012, 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, 14 March 2013

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ENTERPRISE METALS LIMITED

31 DECEMBER 2012

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

		Half-year	
	Note	2012	2011
		\$	\$
REVENUE			
Interest received		178,181	368,391
Gain on sale of tenements	7	2,791,785	-
Other income		2,000	5,073
EXPENDITURE			
Accounting and audit fees		(42,232)	(20,189)
Share registry and listing fees		(102,840)	(58,401)
Employee benefits expense		(668,909)	(245,667)
Computers and software		(37,289)	(1,532)
Depreciation		(85,714)	(25,641)
Insurance		(15,097)	(9,891)
Investor relations		(36,147)	(21,789)
Share-based payment expense		(178,152)	-
Exploration and evaluation costs written off		(694,157)	(534,000)
Legal fees		(36,290)	(3,360)
Office rent		(55,128)	(7,669)
Office equipment and supplies		(10,096)	(3,482)
Travel and accommodation		(39,142)	(46,461)
Other expenses		(64,182)	(33,721)
PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE		906,591	(638,339)
Income tax expense		-	-
PROFIT/(LOSS) FOR THE HALF-YEAR		906,591	(638,339)
OTHER COMPREHENSIVE INCOME			
<i>Items that may be reclassified to profit or loss</i>			
Changes in the fair value of available-for-sale financial assets	7	(540,000)	-
OTHER COMPREHENSIVE INCOME, NET OF TAX		(540,000)	-
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF ENTERPRISE METALS LIMITED		366,591	(638,339)
Basic and diluted earnings/(loss) per share (cents per share)		0.4	(0.3)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

ENTERPRISE METALS LIMITED

31 DECEMBER 2012

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012**

	Notes	31 December 2012 \$	30 June 2012 \$
CURRENT ASSETS			
Cash and cash equivalents		3,894,041	8,191,882
Trade and other receivables		224,847	353,340
TOTAL CURRENT ASSETS		4,118,888	8,545,222
NON-CURRENT ASSETS			
Available-for-sale financial assets	7	2,160,000	-
Plant and equipment		234,298	265,644
Exploration and evaluation	3	20,295,218	21,249,099
Other financial assets		393	393
TOTAL NON-CURRENT ASSETS		22,689,909	21,515,136
TOTAL ASSETS		26,808,797	30,060,358
CURRENT LIABILITIES			
Trade and other payables		326,052	716,469
TOTAL CURRENT LIABILITIES		326,052	716,469
TOTAL LIABILITIES		326,052	716,469
NET ASSETS		26,482,745	29,343,889
EQUITY			
Issued capital	4	26,675,980	30,081,867
Reserves		5,054,802	5,416,650
Accumulated losses		(5,248,037)	(6,154,628)
TOTAL EQUITY		26,482,745	29,343,889

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

ENTERPRISE METALS LIMITED

31 DECEMBER 2012

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	Issued Capital	Options Reserve	Available-for-Sale Financial Assets Reserve	Accumulated Losses	Total
		\$	\$	\$	\$	\$
BALANCE AT 1 JULY 2011		23,058,868	877,150	-	(4,491,068)	19,444,950
Loss for the half-year		-	-	-	(638,339)	(638,339)
TOTAL COMPREHENSIVE LOSS		-	-	-	(638,339)	(638,339)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the period		12,447,500	-	-	-	12,447,500
Share issue transaction costs		(5,424,501)	-	-	-	(5,424,501)
Share-based payments		-	4,539,500	-	-	4,539,500
BALANCE AT 31 DECEMBER 2011		30,081,867	5,416,650	-	(5,129,407)	30,369,110
BALANCE AT 1 JULY 2012		30,081,867	5,416,650	-	(6,154,628)	29,343,889
Profit for the half-year		-	-	-	906,591	906,591
OTHER COMPREHENSIVE INCOME						
Changes in the fair value of available-for-sale financial assets	7	-	-	(540,000)	-	(540,000)
TOTAL COMPREHENSIVE INCOME		-	-	(540,000)	906,591	366,591
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the period		2,500,000	-	-	-	2,500,000
In-specie distribution	7	(5,905,887)	-	-	-	(5,905,887)
Share-based payments		-	178,152	-	-	178,152
BALANCE AT 31 DECEMBER 2012		26,675,980	5,594,802	(540,000)	(5,248,037)	26,482,745

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

ENTERPRISE METALS LIMITED

31 DECEMBER 2012

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Half-year	
	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(1,039,094)	(476,450)
Interest received	243,862	258,254
Other income	4,949	8,303
Net cash used in operating activities	(790,283)	(209,893)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure	(3,201,662)	(2,551,752)
Payments for purchases of plant and equipment	(105,896)	(116,939)
Proceeds on sale of plant and equipment	-	8,000
Payments for purchase of available-for-sale financial assets	(2,700,000)	-
Net cash used in investing activities	(6,007,558)	(2,660,691)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	2,500,000	12,400,000
Payments of share issue transaction costs	-	(883,501)
Net cash provided by financing activities	2,500,000	11,516,499
Net (decrease)/increase in cash and cash equivalents	(4,297,841)	8,645,915
Cash and cash equivalents at the beginning of the half-year	8,191,882	2,839,508
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	3,894,041	11,485,423

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

ENTERPRISE METALS LIMITED

31 DECEMBER 2012

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 2012 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 2012 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 2012, the Group incurred net operating cash outflows of \$790,283 and payments for exploration and evaluation expenditure of \$3,201,662. The Group has minimum exploration commitments of \$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, the Group will be able to continue to pay its debts as and when they fall due.

Although the above facts indicate a material uncertainty in relation to the applicability of the going concern concept as it pertains to these financial statements, the directors are confident of the successful outcome of capital raising activities and therefore the financial report has been prepared on the 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.

Adoption of new and revised Accounting Standards

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Company include:

- Amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income*.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported for the current or prior half-years. However, the application of AASB 2011-9 has resulted in changes to the Company's presentation of, or disclosure in, its half-year financial statements.

Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income. The amendments also require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. The amendments have been applied retrospectively and the application of the amendments to AASB 101 do not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

ENTERPRISE METALS LIMITED

31 DECEMBER 2012

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

	\$
Opening balance 30 June 2012	21,249,099
Exploration expenditure	2,854,378
Tenements sold to ENU (note 7)	(3,114,102)
Impairment expense	(694,157)
Closing balance 31 December 2012	<u>20,295,218</u>

NOTE 4: CHANGES IN EQUITY SECURITIES ON ISSUE

	2012 Shares	2012 \$	2011 Shares	2011 \$
Issues of ordinary shares during the half-year				
Shares issued on conversion of 25 cent options	10,000,000	2,500,000	-	-
In-specie distribution	-	(5,905,887)	-	-
Shares issued as consideration for tenement acquisition	-	-	250,000	47,500
Share placement at 20 cents per share	-	-	62,000,000	12,400,000
Transaction costs	-	-	-	(5,424,501)
	<u>10,000,000</u>	<u>(3,405,887)</u>	62,250,000	7,022,999

ENTERPRISE METALS LIMITED

31 DECEMBER 2012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

	Number of options	
	2012	2011
Movements of options during the half-year		
Issued, exercisable at 17.7 cents (reduced to 14.9 cents ⁽¹⁾), expiring 11 September 2015	7,600,000	-
Issued, exercisable at 25 cents (reduced to 22.2 cents ⁽¹⁾), expiring 12 July 2013	-	20,000,000
Issued, exercisable at 25 cents (reduced to 22.2 cents ⁽¹⁾), expiring 12 July 2014	11,000,000	35,000,000
Exercised at 25 cents, expiring 12 July 2013	(10,000,000)	-
Expired on 22 November 2012, exercisable 25 cents (reduced to 22.2 cents ⁽¹⁾)	(3,000,000)	-
Cancelled, exercisable at 25 cents (reduced to 22.2 cents ⁽¹⁾), expiring 12 July 2014	(10,000,000)	-
	(4,400,000)	55,000,000

- (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

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

NOTE 6: SUBSEQUENT EVENTS

No matter or circumstance has arisen since 31 December 2012, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

NOTE 7: ENTERPRISE URANIUM LIMITED TRANSACTION

Enterprise Uranium Limited ("ENU") was incorporated on 8 August 2012 with Enterprise Metals Limited as the sole shareholder. At a general meeting of shareholders on 15 October 2012 approval was obtained for a reduction in capital and distribution in-specie of ENU shares.

Shareholder agreement resulted in the completion of various tenement sale agreements between the Group and ENU. The net result of the tenement sales was a gain of \$2,791,785.

The reduction in capital of \$5,905,887 was based on an independent valuation of the tenements sold by the Group to ENU.

Following the in-specie distribution ENU completed an Initial Public Offering and was admitted to the official list of ASX in December 2012. The Group subscribed for 13,500,000 ordinary shares at IPO at 20 cents per share, for an investment of \$2,700,000. The investment is classified as an available-for-sale financial asset. At 31 December 2012 the share price of ENU was 16 cents, representing a change in fair value of \$540,000 for the period.

ENTERPRISE METALS LIMITED

31 DECEMBER 2012

DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 10 to 16 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 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, 14 March 2013

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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 2012, and the statement of comprehensive income, statement of changes in equity and 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 the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such 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 2012 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:

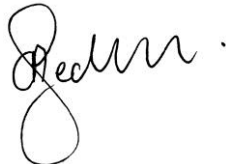
- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material uncertainty regarding continuation as a going concern

Without qualifying our conclusion, we draw attention to Note 1 in the financial report which indicates that the consolidated entity incurred net operating cash outflows of \$790,283 and payments for exploration and evaluation expenditure of \$3,201,662 during the period ended 31 December 2012. 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, the 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, 14 March 2013