

# **Enterprise Metals Limited**

**ABN 43 123 567 073**

## **Annual Financial Report**

**for the year ended 30 June 2015**

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# ENTERPRISE METALS LIMITED

30 JUNE 2015

## CONTENTS

Corporate Directory	2
Directors' Report	3
Auditor's Independence Declaration	17
Financial Report	18
Directors' Declaration	49
Independent Auditor's Report	50

## CORPORATE DIRECTORY

### Directors

Dr Jingbin Wang	Non-Executive Chairman
Mr Dermot Ryan	Managing Director
Dr Allan Trench	Non-Executive Director

### Company Secretary

Ms Susan Hunter

### Principal registered office

Suite 2  
91 Hay Street  
SUBIACO WA 6008  
Telephone 08 9381 2808  
Facsimile 08 9381 5545  
Website: [www.enterprisemetals.com.au](http://www.enterprisemetals.com.au)  
email: [info@enterprisemetals.com.au](mailto:info@enterprisemetals.com.au)

### Auditor

Grant Thornton Audit Pty Ltd  
Level 1  
10 Kings Park Road  
West Perth WA 6005  
Telephone 08 9480 2000  
Facsimile 08 9322 7787  
Website: [www.grantthornton.com.au](http://www.grantthornton.com.au)  
Email: [admin@grantthornton.com.au](mailto:admin@grantthornton.com.au)

### Share Registry

Computershare Registry Services  
Level 11, 172 St Georges Terrace  
Perth WA 6000

### Australian Securities Exchange

ASX Code – ENT

# ENTERPRISE METALS LIMITED

30 JUNE 2015

## DIRECTORS' REPORT

Your Directors present their report on the Group for the financial year ended 30 June 2015.

### Directors

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

Dr Jingbin Wang  
Mr Dermot Ryan  
Ms Anna Mao (resigned 30 April 2015)  
Mr Barry Bourne (resigned 30 April 2015)  
Dr Allan Trench

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:

Ms Susan Hunter was appointed as Company Secretary on 1 October 2014.

Ms Hunter has 20 years' experience in the corporate finance industry.

She is founder and managing director of consulting firm Hunter Corporate Pty Ltd, which specialises in provision of corporate governance and company secretarial advice to ASX listed companies, and has previously held senior management roles at Ernst & Young, PricewaterhouseCoopers and Bankwest both in Perth and Sydney.

Ms Hunter holds a Bachelor of Commerce, is a Member of the Australian Institute of Chartered Accountants, a Fellow of the Financial Services Institute of Australasia, a Graduate Member of the Australian Institute of Company Directors and an Associate of the Governance Institute of Australia.

Mr Damian Delaney resigned as Company Secretary 1 October 2014.

### Principal Activities

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

### Significant Changes in State of Affairs

There have been no significant changes in the state of affairs for the Group during the period.

### Operating Results

The consolidated loss of the Group after providing for income tax amounted to \$7,340,517 (2014: \$7,040,430).

### Dividends Paid or Recommended

There were no dividends paid or recommended during the financial year ended 30 June 2015.

# ENTERPRISE METALS LIMITED

30 JUNE 2015

## DIRECTORS' REPORT

### REVIEW OF OPERATIONS

#### OVERVIEW

During the year, the Company focussed on advancing exploration at its **Fraser Range** nickel-copper targets and **Doolgunna** copper-zinc-gold targets. At the same time, costs were minimised by divesting non-core projects and tenements, reducing staff levels and moving to smaller office premises. Exploration on the Company's third main project, at **Darlot**, continued to be managed and funded by ASX listed miner and explorer Independence Group NL (ASX: IGO).

In December 2014, the Company raised \$344,000 for ongoing exploration at Fraser Range and Doolgunna, and for working capital. Of the total, \$109,000 was raised from a Shareholder Purchase Plan (SPP) and \$235,000 was raised from a private placement to sophisticated investors as defined under Section 708 of the Corporations Act (2001).

In early 2015, and following a strategic review, the Board decided to focus the majority of its exploration effort on the Doolgunna project, and seek a competent joint venture partner for its Fraser Range project. This decision proved to be fortuitous, as Sandfire Resources NL (ASX: SFR) on 25 June 2015 announced the discovery of a new massive sulphide copper deposit called Monty, some 10km to the east of the DeGrussa minesite. The discovery diamond drill hole recorded 16.5 metres grading 18.9% Cu and 2.1g/t Au from 409.5m to 426m down-hole, some 365m vertically below surface.

The Monty discovery, along the Goodin Fault zone, north east of the Vulcan-Goodins prospect, where Enterprise achieved shallow copper-gold drill intersections in 2013-14, vindicates the Board's strong commitment to continued exploration at Doolgunna. Post 30 June, Enterprise announced on 31 July 2015 that it had raised \$650,000 (before costs) via an oversubscribed share placement of approximately 19.7 million fully paid ordinary shares at 3.3 cents per share, to strategic, professional and sophisticated investors as defined under Section 708 of the Corporations Act (2001). These funds will be used for RC drilling at the Borg prospect, and for ground EM surveys and drilling at the Vulcan-Goodins prospect in September-October 2015.

The Company also announced in February 2015 that it had entered into a sale and joint venture agreement with ASX listed Apollo Minerals Ltd (ASX: AON), whereby Apollo would purchase a 70% interest in several of Enterprise's Fraser Range tenements for a consideration of \$200,000 cash plus 20 million Apollo shares, and free carry Enterprise's 30% interest to completion of bankable feasibility stage on any discovery. If a bankable feasibility is not completed and Apollo withdraws, it must return 100% ownership of the tenements to Enterprise. Apollo are preparing for ground EM and drilling programs in the latter half of 2015.

Also in February 2015, the Company moved to smaller and less expensive leased premises in Subiaco. Further cost savings were achieved in April 2015 when Enterprise non-executive Directors Ms Anna Mao and Mr Barry Bourne resigned, thereby reducing the Board of Directors from five to three.

#### RESEARCH AND DEVELOPMENT

The Company continued its R & D program which is designed to develop strategies for targeting sediment hosted style mineralisation (SEDEX) under cover in deeply weathered Proterozoic sedimentary sequences. The Doolgunna Project, which covers an extensive area of the Yerrida Basin, is being used to develop these new models for exploration and new techniques.

The nearby Bryah Basin has primarily been the focus of exploration for volcanic hosted massive sulphide (VHMS) deposits since the discovery of the DeGrussa deposit by Sandfire Resources in 2009. However, Enterprise considers that the sedimentary units of the Yerrida Basin are highly prospective for a SEDEX style base metal mineralisation and is developing a number of techniques in order to vector into economic base metal mineralisation.

This is being achieved by improving and integrating various geophysical and geochemical exploration technologies to optimise the location of exploratory drill holes. Pyrite specimens from drill spoil of holes drilled by the Company have and are being analysed by new and evolving Laser Ablation Analytical processes developed by the Centre of Excellence in Ore Deposits ("CODES") at the University of Tasmania Centre, to vector towards SEDEX style mineralisation under cover. Exploration success in this area will herald a new era of exploration activity for sediment hosted base metal deposits in general and open up the entire Yerrida Basin for base metal exploration.

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# ENTERPRISE METALS LIMITED

30 JUNE 2015

## DIRECTORS' REPORT

### **REDUCTION IN LANDHOLDINGS**

During the year, the Company substantially reduced its granted landholdings by the surrender of non-core tenements and projects, which had the effect of reducing its annual exploration expenditure commitment, its shire rates and its tenement rents. The Company currently holds granted tenements in three main project areas. It is wholly funding exploration at the Doolgunna project, and exploration at the Fraser Range and Darlot projects is being wholly funded by other parties.

### **CORPORATE**

On 25 November 2014, the Company announced that it planned to raise up to \$600,000 to advance exploration on the Company's Fraser Range nickel sulphide targets and for working capital purposes. In the order of \$400,000 was planned to be raised through a private equity placement to its largest shareholder Sinotech Minerals and a number of sophisticated investors, and an additional \$200,000 was planned to be raised via a Share Purchase Plan (SPP) offered to all shareholders. Both private placement and SPP were priced at 4 cents per share, which represented a discount of 6% to the Volume Weighted Average Price ("VWAP") for the last 5 days on which sales in Shares were recorded before the SPP was announced.

A total of \$344,000 only was subsequently raised from the issue of 8.6 million new fully paid ordinary shares. Of this amount, \$109,000 was raised from the Shareholder Purchase Plan (2,725,000 new shares) and \$235,000 was raised from a private placement to sophisticated investors (5,875,000 new shares).

### **POST 30 JUNE CAPITAL RAISING**

On the 31 July 2015 the Company announced that it had successfully raised a total of \$650,000 (before costs) via an oversubscribed share placement of approximately 19.7 million fully paid ordinary shares at 3.3 cents per share. The placement of shares was offered to and taken up by strategic, professional and sophisticated investors as defined under Section 708 of the Corporations Act (2001). Following the settlement and issue of the placement shares on the 12<sup>th</sup> August, Enterprise has approximately 294 million ordinary shares on issue.

The funds were raised to progress copper-gold exploration at the Doolgunna project with a focus on the Vulcan - Goodins prospect, located south west along the Goodin Fault from Sandfire Resources NL's (ASX: SFR) and Talisman Mining Ltd's (ASX: TLM) recent Monty discovery.

### **IMPORTANT INFORMATION AND DISCLAIMER**

#### ***Competent Persons Statement***

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

#### ***Exploration and Resource Targets***

Any discussion in relation to the potential quantity and grade of Exploration Targets is only conceptual in nature. There has been insufficient exploration to date to define any mineral resources and it is uncertain if further exploration will result in the determination of any JORC compliant Mineral Resources.

# ENTERPRISE METALS LIMITED

30 JUNE 2015

## DIRECTORS' REPORT

### ***Forward Looking Statements***

Certain statements made during or in connection with this statement contain or comprise certain forward-looking statements regarding Enterprise Metals Limited's exploration operations, cash flow, capital expenditure, operating costs and other economic performance and financial condition as well as general market outlook. Although Enterprise believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statements and no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in government approvals, success of exploration initiatives, or changes in the regulatory environment. Except for statutory liability which cannot be excluded, each of Enterprise, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this statement and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this statement or any error or omission. Enterprise undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly you should not place undue reliance on any forward looking statement.

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# ENTERPRISE METALS LIMITED

30 JUNE 2015

## DIRECTORS' REPORT

### Financial Position

The net assets of the Group have decreased by \$7,152,294 from 30 June 2014 to \$9,243,035 at 30 June 2015.

### After Reporting Date Events

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years, except for the following:

On 10 August 2015 the Company issued a total of 20,176,971 ordinary shares at a price of \$0.033 per share, of the total issued 19,696,971 shares were issued to raise \$650,000 before costs and the remaining 480,000 shares were issued to a contractor of the Company as consideration of services rendered for \$15,840.

### Future Developments, Prospects and Business Strategies

Over the next 12 months, the Company plans to focus on exploring VHMS and SEDEX style copper-zinc (gold) deposits at its Doolgunna Project. This will involve a substantial moving loop EM survey at Vulcan-Goodins prospect, followed by deep RC and diamond core drilling and downhole EM. The Borg prospect is the first of a number of SEDEX style targets that the Company will drill test for economic deposits of base metals within the Doolgunna Graben.

Funding for the exploration of the Fraser Range nickel-copper and Darlot copper-zinc projects will respectively come from Enterprise's joint venture partners, Apollo Minerals Ltd at Fraser Range and Independence Group NL at Darlot.

Although the Company has reduced its focus to one active exploration program at Doolgunna, it still holds some minor tenement applications and granted tenements at Darlot, Fraser Range and Yalgoo which may be joint ventured or surrendered. The Company will also consider acquiring a more advanced project if and when a suitable opportunity is identified or offered.

### Exploration Risk

Mineral exploration and development are high-risk undertakings, and there is no assurance that exploration of the Tenements will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to permitting requirements, availability of appropriate exploration equipment, exploration costs, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents and many other factors beyond the control of the Company.

### Information on Directors

#### Dr Jingbin Wang

Experience

- Chairman (Non-Executive), appointed 13 July 2011.
- 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. 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, China's Academy of Sciences (China) in 1991.

# ENTERPRISE METALS LIMITED

30 JUNE 2015

## DIRECTORS' REPORT

- Interest in Shares and Options  
Special Responsibilities  
Directorships held in other listed entities
- Nil Shares  
1,500,000 Options  
— Chairman of the Remuneration & Nomination Committee.  
— Nickel North Exploration (TSX) (August 2012 to present), East Africa Metals Inc. (TSX) (July 2013 – present), and Orca Gold Inc (TSX) (June 2009 – present).
- Mr Dermot Ryan**  
Experience
- Managing Director, appointed 13 October 2008.  
— Mr Ryan spent 20 years with 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 mid 1996-2001, and from 2001 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  
Special Responsibilities  
Directorships held in other listed entities
- 13,275,000 Shares  
2,750,000 Options  
— Member of the Remuneration & Nomination Committee  
— Legend Mining Limited (May 2005 – October 2013), and Enterprise Uranium Limited (Dec 2012 – present). There have been no other listed entity directorships in the last 3 years.
- Dr Allan Trench**  
Experience
- Independent Non-Executive Director, appointed 3 April 2012.  
— Allan Trench is a mineral economist, geophysicist and business management consultant with a BSc (Hons) Geology from the Royal School of Mines, London, a Ph.D (Geophysics) from Glasgow University, an MBA (Distinction) from Oxford University and an MSc (Distinction) in Mineral Economics from the WA School of Mines (WASM). His former roles include management of nickel and gold/base metal exploration teams in the Yilgarn region of WA, initially for WMC and subsequently for a group of junior ASX listed companies. From 2002 Dr Trench worked as a business consultant for McKinsey and Company, then as a manager at KCGM Pty Ltd and Woodside Petroleum, and more lately as a consultant with CRU Group, providing business analysis and intelligence on the global mining and metals and markets. He is currently Adjunct Professor (Spatial Sciences) at WASM, Curtin University, Research Professor, Progressive Risk & Value, Centre for Exploration Targeting, University of Western Australia and Professor, Department of Energy & Mineral Economics, Curtin University Graduate School of Business. He is also non-executive independent director of a number of emerging overseas and Australian-listed resources companies.
- Interest in Shares and Options  
Special Responsibilities  
Directorships held in other listed entities
- 282,500 Shares  
962,500 Options  
— Chairman of the Audit & Risk Committee and Member of Remuneration & Nomination Committee  
— Pioneer Resources Limited (September 2003 – present), Navigator Resources Limited (November 2005 – resigned December 2013), Hot Chili Limited (July 2010 – present), Anova Metals Limited (formerly Kimberley Rare Earths Limited, December 2010 – February 2013), Trafford Resources Limited (May 2012 – May 2015), Venturex Resources Limited (November 2008 – April 2013), and Emmerson Resources Limited (March 2015). There have been no other directorships in ASX listed companies in the past three years.
- Ms Anna Mao**  
Experience
- Non-Executive Director (resigned 30 April 2015)  
— Ms Mao 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.

# ENTERPRISE METALS LIMITED

30 JUNE 2015

## DIRECTORS' REPORT

Interest in Shares and Options — Nil Shares  
900,000 Options

Special Responsibilities — Member of the Remuneration & Nomination Committee and the Audit & Risk Committee.

Directorships held in other listed entities — Chairperson of Enterprise Uranium Limited (Aug 2012 – present), Nickel North Exploration (TSX) (February 2013 – present), East Africa Metals Limited. (TSX) (June 2014 – present), and Golden Share Mining Corp (TSX) (July 2013 – present).

### Mr Barry Bourne Experience

— Non-Executive Director (resigned 30 April 2015)

— Barry Bourne is a qualified geologist/geophysicist with a BSc (Hons) Geology from the University of Western Australia. He is a Fellow of the Australian Institute of Geoscientists, an active member of the Australian Society of Exploration Geophysicists, and a member of the Australian Institute of Company Directors. He is also on the external advisory committee of the University of Western Australia Centre for Exploration Targeting. Mr Bourne has an extensive mineral exploration skill-set built up over a 20 year career, with international experience in countries in East and West Africa, North and South America and Papua New Guinea. Until 2013 he was Chief Geophysicist for Barrick Gold's Global Exploration Group and is now a mineral exploration consultant to private and public international exploration groups. Prior to Barrick Gold, Mr Bourne was employed by Homestake Gold, and he began his career as a geophysicist with CRA/ Rio Tinto Exploration, working on base metal, uranium and diamond exploration projects in Australia.

Interest in Shares and Options — Nil Shares  
Nil Options

Special Responsibilities — Member of the Audit & Risk Committee and Remuneration & Nomination Committee

Directorships held in other listed entities — Nil.

### Meetings of Directors

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

#### COMMITTEE MEETINGS

	DIRECTORS' MEETINGS		REMUNERATION & NOMINATION COMMITTEE		AUDIT & RISK COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Dr Jingbin Wang	5	4	1	1	-	-
Dermot Ryan	5	5	1	1	-	-
Anna Mao	4	4	1	1	2	2
Dr Allan Trench	5	5	1	1	2	2
Barry Bourne	4	4	1	1	2	2

# ENTERPRISE METALS LIMITED

30 JUNE 2015

## DIRECTORS' REPORT

### 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 \$17,352 (2014: \$17,637).
- No indemnity has been given to the 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
29 August 2012	11 September 2015	\$0.149	7,600,000
29 January 2014	30 November 2016	\$0.08	16,662,500
30 June 2014	15 June 2016	\$0.10	12,000,000
			<hr/> <u>36,262,500</u>

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.

### Environmental Regulations

The Group is subject to significant environmental regulation in respect to its exploration activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Group are not aware of any breach of environmental legislation for the year under review.

### 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:

	2015	2014
	\$	\$
Tax compliance services	8,000	10,670

# ENTERPRISE METALS LIMITED

30 JUNE 2015

## DIRECTORS' REPORT

### 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.

### REMUNERATION REPORT (AUDITED)

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

#### 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 & Nomination 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 & Nomination 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, unless it is work done in relation to the geological assets of the Company, in which case it is capitalised in accordance with the Accounting Policy of the Company. 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 & Nomination 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.

# ENTERPRISE METALS LIMITED

30 JUNE 2015

## REMUNERATION REPORT (AUDITED)

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.

### Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2015.

### Voting and comments made at the Company's 2014 Annual General Meeting

The Company received approximately 98% of "yes" votes based on the number of proxy votes received on its remuneration report for the 2014 financial year.

### B. Details of Remuneration for Year Ended 30 June 2015

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.

Table of Benefits and Payments for the Year Ended 30 June 2015

2015

#### Key Management Personnel

	Short-term benefits			Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	Performance based
	Salary, fees and leave	Cash from other activities	Non-monetary	Super-annuation	Other	Equity	Options		
	\$	\$	\$	\$	\$	\$	\$	\$	%
Dr Jingbin Wang - Chairman	-	-	-	-	-	-	-	-	-
Dermot Ryan – Managing Director (1)	145,460	-	-	-	-	-	-	145,460	-
Anna Mao – Non-executive director (2)	-	-	-	-	-	-	-	-	-
Dr Allan Trench – Non-executive director	38,333	-	-	-	-	-	-	38,333	-
Barry Bourne – Non-executive director (3)	30,077	-	-	1,591	-	-	-	31,668	-
Damian Delaney – Company Secretary (4)	20,000	-	-	-	-	-	-	20,000	-
	223,870	-	-	1,591	-	-	-	235,461	-

(1) Dermot Ryan is paid by a related party of the Group. The amount shown above is the amount paid for his services as Managing Director. In addition, a Company related to Dermot Ryan (XServ Pty Ltd) is paid by the Group for geological consulting service, these amounts are not shown above but are in the related party transactions on page 14.

(2) Anna Mao resigned as a director on 30 April 2015.

(3) Barry Bourne resigned as a director on 30 April 2015.

(4) Damian Delaney resigned as the Company Secretary on 1 October 2014.

ENTERPRISE METALS LIMITED

30 JUNE 2015

REMUNERATION REPORT (AUDITED)

2014

Key Management Personnel

	Short-term benefits			Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	Performance based
	Salary, fees and leave	Cash from other activities	Non-monetary	Super-annuation	Other	Equity	Options		
	\$	\$	\$	\$	\$	\$	\$	\$	%
Dr Jingbin Wang - Chairman	-	-	-	-	-	-	-	-	-
Dermot Ryan – Managing Director (1)	165,736	-	-	-	-	-	-	165,736	-
Anna Mao – Non-executive director	-	-	-	-	-	-	-	-	-
Paul Hallam – Non-executive director (2)	15,256	-	-	1,411	-	-	-	16,667	-
Dr Allan Trench – Non-executive director	20,000	-	-	-	-	-	-	20,000	-
Barry Bourne Trench – Non-executive director (3)	3,051	-	-	282	-	-	-	3,333	-
Damian Delaney – Company Secretary	55,840	-	-	-	-	-	-	55,840	-
	259,883	-	-	1,693	-	-	-	261,576	-

(1) The amount shown above is the amount paid to Dermot Ryan in his capacity as Managing Director. In addition, a Company related to Dermot Ryan (XServ Pty Ltd) is paid by the Group for geological consulting service, these amounts are not shown above but are in the related party transactions on page 14.

(2) Paul Hallam resigned as a director on 13 May 2014.

(3) Barry Bourne appointed as a director on 13 May 2014.

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 period is as follows:

	Balance at the beginning of year	Granted as remuneration during the year	Lapsed/ 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
<b>2015</b>							
Jingbin Wang	1,500,000	-	-	-	1,500,000	1,500,000	-
Dermot Ryan	2,750,000	-	-	-	2,750,000	2,750,000	-
Anna Mao <sup>(1)</sup>	15,900,000	-	-	(15,000,000)	900,000	900,000	-
Allan Trench	962,500	-	-	-	962,500	962,500	-
Barry Bourne <sup>(2)</sup>	-	-	-	-	-	-	-
	21,112,500	-	-	(15,000,000)	6,112,500	6,112,500	-

(1) Anna Mao resigned as a director on 30 April 2015. At her resignation date she held 900,000 options.

(2) Barry Bourne resigned as a director on 30 April 2015.

**ENTERPRISE METALS LIMITED**

**30 JUNE 2015**

**REMUNERATION REPORT (AUDITED)**

**Equity instrument disclosures relating to KMP (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:

	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
<b>Directors</b>					
<b>Ordinary Shares</b>					
Jingbin Wang	-	-	-	-	-
Dermot Ryan	12,900,000	-	-	375,000	13,275,000
Anna Mao <sup>(1)</sup>	1,500,000	-	-	(1,500,000)	-
Allan Trench	245,000	-	-	37,500	282,500
Barry Bourne <sup>(2)</sup>	-	-	-	-	-
<b>Total</b>	<b>14,645,000</b>	<b>-</b>	<b>-</b>	<b>(1,087,500)</b>	<b>13,557,500</b>

<sup>(1)</sup> Anna Mao resigned as a director on 30 April 2015. No shares were held at her resignation date.

<sup>(2)</sup> Barry Bourne resigned as a director on 30 April 2015. No shares were held at his resignation date.

**Loans to KMP**

There are no loans made to KMP as at 30 June 2015 (2014 – Nil).

**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 below:

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.

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>XServ Pty Ltd</b>		
Mr Ryan is a Director/Shareholder of XServ Pty Ltd. Mr Ryan's Company provides geological consulting services to Enterprise Metals Limited in addition to his Directors fees. The services include the provision of geological and technical staff, field equipment and vehicles as well as computer, database and administrative support services.		
Mineral Exploration Services	67,428	162,954

As at 30 June 2015, \$39,430 (2014: \$77,202) was payable to XServ Pty Ltd, and \$812 (2014: \$1,056) was receivable from XServ Pty Ltd.

# ENTERPRISE METALS LIMITED

30 JUNE 2015

## REMUNERATION REPORT (AUDITED)

### Other transactions with KMP (cont)

	2015 \$	2014 \$
<b>Enterprise Uranium Limited</b>		
Mr Ryan is a Director of Enterprise Uranium Limited. Enterprise Metals Limited provides shared office services to Enterprise Uranium Limited.		
Reimbursement of shared costs charged to Enterprise Uranium Ltd	156,691	207,581
Rental of office space, purchase of plant and equipment and office administration expenses charged to Enterprise Metals Ltd	36,764	-
	<hr/>	<hr/>

As at 30 June 2015, \$32,687 (2014: \$17,879) was receivable from and \$30,870 (2014: \$3,242) was payable to Enterprise Uranium Limited.

### Mega Capital Resources Ltd

Ms Mao is a director of Mega Capital Resources Ltd. Mega Capital Resources Ltd provides consulting services to Enterprise Metals Limited.

Consulting Services	85,333	48,000
	<hr/>	<hr/>

As at 30 June 2015, \$25,333 (2014: \$8,000) was payable to Mega Capital Resources Ltd.

### C. Service Agreements

The Company has a service agreement with the following Directors:

Mr Ryan commenced as Managing Director on 14<sup>th</sup> October 2008. Mr Ryan is remunerated at normal commercial rates pursuant to the terms of an ongoing Consultancy Agreement to fulfil the duties of the Managing Director. Fees attributable to Mr Ryan's services were at the rate of \$1,039 per day and for the year ended 30 June 2015 totalled \$145,460. The agreement may be terminated (other than for gross misconduct) by either party on three months' written notice.

### D. Share-based compensation Incentive Option Scheme

Options may be granted under the Enterprise Metals Employee Share Option Scheme 2012 whereby all staff and consultants who have been employed by the Company for a qualifying period are eligible to participate in the plan subject to Board discretion. 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

During the 2015 and 2014 financial years no options were issued to Directors or Key Management Personnel as share based compensation.

### End of the Audited Remuneration Report

**ENTERPRISE METALS LIMITED**

**30 JUNE 2015**

**DIRECTORS' REPORT**

**Auditors Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 17 of the Annual Report.

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

A handwritten signature in black ink, appearing to read 'DM Ryan', is written over the printed name and title.

**Dermot Ryan**  
MANAGING DIRECTOR

Dated this 25<sup>th</sup> day of September 2015

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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 2015, 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*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

*MARetic*

M A Petricevic  
Partner - Audit & Assurance

Perth, 25 September 2015

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**ENTERPRISE METALS LIMITED**

**30 JUNE 2015**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
Other revenue		16,542	43,857
Other income	2	154,008	141,663
Accounting and audit fees		(62,619)	(53,934)
Share registry and listing fees		(53,287)	(48,159)
Employee benefits expense		(106,161)	(140,220)
Corporate and consulting fees		(344,686)	(190,110)
Computers and software		(16,564)	(36,913)
Depreciation	3	(69,112)	(98,533)
Insurance		(24,384)	(24,219)
Investor relations		(7,929)	(11,790)
Legal fees		(11,253)	(33,724)
Office equipment and supplies		(81)	(398)
Office rental expense	3	(110,363)	(143,358)
Travel and accommodation		(18,623)	(29,530)
Impairment of available for sale financial assets	3	(354,000)	-
Impairment of capitalised exploration expenses	3	(6,286,974)	(6,361,132)
Share based payments		-	-
Other expenses		(45,031)	(53,317)
<b>Loss before income tax</b>		<b>(7,340,517)</b>	<b>(7,040,430)</b>
Income tax expense	4	-	-
<b>Loss for the year</b>		<b>(7,340,517)</b>	<b>(7,040,430)</b>
<b>Other comprehensive income, net of tax</b>			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Unrealised (loss)/ gain on revaluation of AFS asset	10	(162,000)	162,000
<b>Other comprehensive income, net of tax</b>		<b>(162,000)</b>	<b>162,000</b>
<b>Total comprehensive loss for the year</b>		<b>(7,502,517)</b>	<b>(6,878,430)</b>
<b>Total comprehensive loss attributable to members of the parent entity</b>		<b>(7,502,517)</b>	<b>(6,878,430)</b>
Basic loss per share (cents per share)	7	(2.7)	(3.1)
Diluted loss per share (cents per share)	7	(2.7)	(3.1)

The accompanying notes form part of these financial statements.

**ENTERPRISE METALS LIMITED**

**30 JUNE 2015**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>Current Assets</b>			
Cash and cash equivalents	8	304,111	1,960,437
Trade and other receivables	9	183,840	193,503
<b>Total Current Assets</b>		<b>487,951</b>	<b>2,153,940</b>
<b>Non-Current Assets</b>			
Available-for-sale financial assets	10	345,500	661,500
Other financial assets	14	-	70,000
Plant and equipment	11	17,937	63,185
Intangible assets	12	27,424	51,287
Exploration and evaluation assets	13	8,665,764	14,203,319
<b>Total Non-Current Assets</b>		<b>9,056,625</b>	<b>15,049,291</b>
<b>TOTAL ASSETS</b>		<b>9,544,576</b>	<b>17,203,231</b>
<b>Current Liabilities</b>			
Trade and other payables	15	301,541	807,902
<b>Total Current Liabilities</b>		<b>301,541</b>	<b>807,902</b>
<b>TOTAL LIABILITIES</b>		<b>301,541</b>	<b>807,902</b>
<b>NET ASSETS</b>		<b>9,243,035</b>	<b>16,395,329</b>
<b>Equity</b>			
Issued capital	16	29,110,501	28,760,278
Reserves	17	6,019,447	6,181,447
Accumulated losses		(25,886,913)	(18,546,396)
<b>TOTAL EQUITY</b>		<b>9,243,035</b>	<b>16,395,329</b>

The accompanying notes form part of these financial statements.

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**ENTERPRISE METALS LIMITED**

**30 JUNE 2015**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015**

NOTE	Issued Capital \$	Options Reserve \$	AFS Asset Reserve \$	Accumulated Losses \$	Total \$
<b>Balance at 1 July 2013</b>	26,675,980	5,854,847	-	(11,505,966)	21,024,861
Loss attributable to members of the parent entity for the year	-	-	-	(7,040,430)	(7,040,430)
Other comprehensive income, net of tax	-	-	162,000	-	162,000
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>162,000</b>	<b>(7,040,430)</b>	<b>(6,878,430)</b>
<b>Transaction with owners, directly in equity</b>					
Shares issued during the year	2,394,000	-	-	-	2,394,000
Capital raising costs	(145,102)	-	-	-	(145,102)
Share based payments for share issue costs	(164,600)	164,600	-	-	-
<b>Balance at 30 June 2014</b>	<b>28,760,278</b>	<b>6,019,447</b>	<b>162,000</b>	<b>(18,546,396)</b>	<b>16,395,329</b>
<b>Balance at 1 July 2014</b>	<b>28,760,278</b>	<b>6,019,447</b>	<b>162,000</b>	<b>(18,546,396)</b>	<b>16,395,329</b>
Loss attributable to members of the parent entity for the year	-	-	-	(7,340,517)	(7,340,517)
Other comprehensive income, net of tax	-	-	(162,000)	-	(162,000)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(162,000)</b>	<b>(7,340,517)</b>	<b>(7,502,517)</b>
<b>Transaction with owners, directly in equity</b>					
Shares issued during the year	369,000	-	-	-	369,000
Capital raising costs	(18,777)	-	-	-	(18,777)
<b>Balance at 30 June 2015</b>	<b>29,110,501</b>	<b>6,019,447</b>	<b>-</b>	<b>(25,886,913)</b>	<b>9,243,035</b>

The accompanying notes form part of these financial statements.

**ENTERPRISE METALS LIMITED**

**30 JUNE 2015**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		18,183	46,055
Rent and other receipts		62,534	140,439
Payments to suppliers and employees		(591,858)	(700,925)
<b>Net cash used in operating activities</b>	18a	<b>(511,141)</b>	<b>(514,431)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds on the sale of plant and equipment		2,382	24,810
Purchase of plant and equipment		-	(16,255)
Payments for exploration and evaluation expenditure		(1,792,877)	(1,634,039)
Grant funding received		131,087	230,373
Proceeds from sale of interest in exploration and evaluation asset		200,000	-
<b>Net cash used in investing activities</b>		<b>(1,459,408)</b>	<b>(1,395,111)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		369,000	2,394,000
Share raising costs		(54,777)	(109,102)
<b>Net cash provided by financing activities</b>		<b>314,223</b>	<b>2,284,898</b>
<b>Net increase in cash and cash equivalents held</b>		<b>(1,656,326)</b>	<b>375,356</b>
Cash and cash equivalents at 1 July		1,960,437	1,585,081
Cash and cash equivalents at 30 June	8	<b>304,111</b>	<b>1,960,437</b>

The accompanying notes form part of these financial statements.

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# ENTERPRISE METALS LIMITED

30 JUNE 2015

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

#### Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Enterprise Metals Limited is a for-profit entity for the purpose of preparing the financial statements.

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 functional currency of the Group is Australian dollars.

The financial statements were authorised for issue by the Directors on 25<sup>th</sup> September 2015. The Directors have the power to amend and reissue the financial statements.

#### (a) Going Concern

The financial statements have been prepared on a going concern basis which the Directors believe to be appropriate. The Directors are confident that the Group will be able to maintain sufficient levels of working capital to continue as a going concern and continue to pay its debts as and when they fall due.

For the period ended 30 June 2015, the Group incurred a loss before tax of \$7,340,517 (2014: \$7,040,430) including a non-cash impairment charge of \$6,286,974 (2014: \$6,361,132). For the year ended at 30 June 2015, the Group incurred net operating cash outflows of \$511,141 (2014: \$514,431) and at reporting date, had a net current asset balance of \$186,410 (2014 \$1,346,038).

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

The going concern of the Group is dependent upon it maintaining sufficient funds for its operations and commitments. The Directors continue to be focused on meeting the Group's business objectives and are mindful of the funding requirements to meet these objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- On 10 August 2015 the Company issued a total of 20,176,971 ordinary shares at a price of \$0.033 per share, of the total issued 19,696,971 shares were issued to raise \$650,000 before costs and the remaining 480,000 shares were issued to a contractor of the Company as consideration of services rendered for \$15,840;
- The current cash of the Group relative to its fixed and discretionary commitments;
- The contingent nature of certain of the Groups' project expenditure commitments;
- The ability of the Group to be receive rebates from research and development and other government grants;
- The underlying prospects for the Group to raise funds from the capital markets; and
- The fact that future exploration and evaluation expenditure are generally discretionary in nature (i.e. at the discretion of the Directors having regard to an assessment of the progress of works undertaken to date and the prospects for the same). Subject to meeting certain expenditure commitments, further exploration activities may be slowed or suspended as part of the management of the Group's working capital. The Group also expects to be able to claim exemptions from expenditure for a number of the Group's areas of interest due to past expenditure.
- If necessary a potential sale of the Company's available for sale financial assets.

The Directors are confident that the Group can continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

Should the Group be unable to undertake the initiatives disclosed above, there is uncertainty which may cast doubt as to whether or not the Group will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) **Going Concern (cont.)**

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

(b) **Principles of Consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Enterprise Metals Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 20.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

**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.

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 profit or loss unless the change in value can be identified as existing at acquisition date.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

**Business Combinations (cont.)**

All transaction costs incurred in relation to the business combination are expensed to the profit or loss.

**(c) 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.

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.

**(d) Property, Plant, and Equipment**

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

**Plant and equipment**

Plant and equipment are measured on the historical cost basis.

**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.

# ENTERPRISE METALS LIMITED

30 JUNE 2015

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	25%
Computer equipment	33%
Furniture and fittings	25%
Motor vehicle	25%

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 profit or loss.

#### (e) Intangible assets

Recognition of intangible assets

*Acquired intangible assets*

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

*Subsequent measurement*

All intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing.

The following useful lives are applied:

Software: 4 years

Amortisation has been included within depreciation, amortisation and impairment of non-financial assets. Subsequent expenditures on the maintenance of computer software are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

#### (f) 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.

The Company receives R&D grants from the Australian Taxation Office. Where an R&D rebate can be directly attributable to an area of interest the R&D rebate is applied against the area of interest. For any amounts that cannot be directly attributable to an existing area of interest the amount will be recognised as grant income in the profit or loss.

#### (g) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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.

**(h) 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 (i.e. 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.)

**Available for sale ('AFS') financial assets**

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's AFS financial assets include listed securities.

All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'finance income'.

Reversals of impairment losses are recognised in other comprehensive income, except for financial assets that are debt securities which are recognised in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

**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 profit or loss 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 or 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 profit or loss and other comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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 they expire. 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.

**(i) Impairment of Non-Financial Assets**

At 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 profit or loss.

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.

**(i) 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 wholly 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 profit or loss. 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.

**(k) 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 result and that outflow can be reliably measured.

**(l) 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.

**(m) 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).

**(n) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(o) **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 profit and loss in the period in which they are incurred.

(p) **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.

(q) **Equity and reserves**

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the following:

*AFS financial assets and cash-flow hedge reserves* – comprises gains and losses relating to these types of financial instruments Retained earnings include all current and prior period retained profits.

(r) **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.

(s) **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.

(t) **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.

*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 the parent entity's 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.

A value of \$354,000 (2014: nil) has been recorded as impairment on available for sale financial assets during the year, no impairment of available for sale financial assets was required last period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

*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 19.

*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 \$8,665,764 (2014: \$14,203,319). An impairment of \$6,286,974 (2014: \$6,361,132) was recognised during the year ended 30 June 2015.

**(u) New and revised standards that are effective for these financial statements**

The Group has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

**(v) Standards and Interpretations in issue but not yet adopted**

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group in future years are set out below. The Group does not plan to adopt these standards early.

**AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)**

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The 2010 revisions introduce additional changes relating to financial liabilities.

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Key changes made to this standard that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the Directors anticipate that the adoption of AASB 9 may have an impact on the Company's financial instruments, including hedging activity, it is impractical at this stage to provide a reasonable estimate of such impact.

- *Other standards not yet applicable*

When this standard is first adopted it is not expected to have a material impact on the entity.

# ENTERPRISE METALS LIMITED

30 JUNE 2015

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### AASB 15 Revenue from Contracts with Customers (Applicable for annual reporting period commencing 1 January 2017)

AASB 15 replaces AASB 118: Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations. In summary, AASB 15:

- establishes a new revenue recognition model;
- changes the basis for deciding whether revenue is to be recognised over time at a point in time;
- provides a new and more detailed guidance on specific topics (eg multiple element arrangements, variable pricing, rights of return and warranties); and
- expands and improves disclosures about revenue.

When this Standard is first adopted for the year ending 30 June 2018, there is not expected to be any material impact on the transactions and balances recognised in the financial statements.

### NOTE 2: REVENUE AND OTHER INCOME

	Note	2015 \$	2014 \$
<b>Revenue</b>			
Interest received		16,542	43,857
<b>Other income</b>			
Rental and other income <sup>1</sup>		154,008	141,663
<b>Total</b>		<b>170,550</b>	<b>185,520</b>

1 - Refer to note 22 related party transactions for transactions with related parties.

### NOTE 3: LOSS FOR THE YEAR

#### (a) Expenses

Depreciation of plant and equipment		69,112	98,533
Office rental expense		110,363	143,358
Defined contribution superannuation expense		20,720	41,903

#### (b) Significant Revenues and Expenses

The following significant revenue and expense items are relevant in explaining the financial performance:

Impairment of Exploration and Evaluation	12	6,286,974	6,361,132
Impairment of available for sale financial assets	10	354,000	-

### NOTE 4: INCOME TAX

#### (a) Income tax expense

Current tax		-	-
Deferred tax		-	-
Adjustments for current tax of prior periods		-	-
		-	-

**ENTERPRISE METALS LIMITED**

**30 JUNE 2015**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 4: INCOME TAX (cont.)**

	Note	2015 \$	2014 \$
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**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%		(2,202,156)	(2,112,129)
Add / (Less) tax effect of:			
Impairment of capitalised exploration expenses		-	1,604,157
Non-assessable items		(24,361)	-
Non-deductible items		207	231
Deferred tax asset not brought to account		2,226,309	507,741
Income tax attributable to operating loss		-	-
The applicable weighted average effective tax rates are as follows:		nil%	nil%

**(b) Deferred tax assets**

Tax Losses		2,476,202	4,063,513
Provisions and Accrual		10,202	14,568
Other		101,438	239,816
		2,587,842	4,317,897
Set-off deferred tax liabilities	4(c)	(2,587,842)	(4,317,897)
Net deferred tax assets		-	-

**(c) Deferred tax liabilities**

Exploration expenditure		(2,587,742)	(4,317,198)
Other		(100)	(699)
		(2,587,842)	4,317,897
Set-off deferred tax assets	4(b)	2,587,842	4,317,897
Net deferred tax liabilities		-	-

**(d) Tax losses**

Unused tax losses for which no deferred tax asset has been recognised		8,743,203	6,717,763
Other		706,350	-
		9,449,553	6,717,763

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2015 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.

# ENTERPRISE METALS LIMITED

30 JUNE 2015

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 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 2015

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

	2015 \$	2014 \$
Short-term employee benefits	233,870	259,883
Post-employment benefits	1,591	1,693
Equity settled share based payments	-	-
<b>Total</b>	<b>235,461</b>	<b>261,576</b>

### NOTE 6: AUDITOR'S REMUNERATION

Note

Remuneration of the auditor of the parent entity for:

- Auditing or reviewing the financial report by Grant Thornton Audit Pty Ltd

	2015 \$	2014 \$
	34,316	32,727
	<b>34,316</b>	<b>32,727</b>

Remuneration of the auditor, or associated entities, of the parent entity for non-audit services:

- Tax compliance services

	8,000	10,670
	<b>8,000</b>	<b>10,670</b>

### NOTE 7: LOSS PER SHARE

(a) Reconciliation of earnings to loss for the year

Earnings used in the calculation of basic EPS

	2015 \$	2014 \$
	(7,340,517)	(7,040,430)

(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS

	270,253,961	228,223,242
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Basic / Diluted loss per share (cents per share)

	(2.7)	(3.1)
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All options on issue are out of the money as at 30 June 2015 and are therefore anti-dilutive. At 30 June 2015, 36,262,500 options were outstanding (2014: 72,575,000)

### NOTE 8: CASH AND CASH EQUIVALENTS

Cash at bank

Cash in term deposit

	2015 \$	2014 \$
	279,111	1,945,437
	25,000	15,000
	<b>304,111</b>	<b>1,960,437</b>

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

	304,111	1,960,437
	<b>304,111</b>	<b>1,960,437</b>

Cash at bank earns an effective interest rate of 1.73% (2014: 2.70%).

Cash in term deposit rolls every 30 days and earns an effective interest rate of 3.00% (2014: 2.44%).

**ENTERPRISE METALS LIMITED**

**30 JUNE 2015**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**NOTE 9: TRADE AND OTHER RECEIVABLES**

	<b>2015</b>	<b>2014</b>
	\$	\$
<b>CURRENT</b>		
GST receivable	16,186	122,297
Trade and other receivables	159,401	53,464
Prepayments	8,253	17,742
	<u>183,840</u>	<u>193,503</u>

There are no balances within trade and other receivables that contain assets that are impaired and are past due. The trade receivables relate to reimbursed expenditures receivable and interest receivable. It is expected these balances will be received when due. Refer to note 22 related party transactions for receivable balances with related parties.

**NOTE 10: AVAILABLE-FOR-SALE FINANCIAL ASSETS**

	<b>2015</b>	<b>2014</b>
	\$	\$
<b>NON-CURRENT</b>		
Opening balance	661,500	499,500
Additions	200,000	-
Impairment <sup>1</sup>	(354,000)	-
Revaluations	(162,000)	162,000
	<u>345,500</u>	<u>661,500</u>

1 – During the reporting period, an impairment loss of \$354,000 (2014: Nil) was recognised as some available for sale financial assets decreased below their cost value.

Available-for-sale financial asset are shares held in an ASX listed entity and were impaired in the current period based on the share sale price at balance date.

Fair value has been determined by reference to quoted market prices as per comments made in note 24(d).

An impairment of available-for-sale financial asset was booked as there was evidence of a permanent reduction in the share price of the available for sale financial asset.

**NOTE 11: PLANT AND EQUIPMENT**

	<b>2015</b>	<b>2014</b>
	\$	\$
<b>NON-CURRENT</b>		
Computer equipment – cost	64,956	64,956
Accumulated depreciation	(63,963)	(54,266)
	<u>993</u>	<u>10,690</u>
Plant and equipment – cost	153,863	153,863
Accumulated depreciation	(140,262)	(121,076)
	<u>13,601</u>	<u>32,787</u>
Furniture and fittings – cost	18,320	19,920
Accumulated depreciation	(17,313)	(16,298)
	<u>1,007</u>	<u>3,622</u>
Motor vehicles - cost	55,000	55,000
Accumulated depreciation	(52,664)	(38,914)
	<u>2,336</u>	<u>16,086</u>
Total plant and equipment	<u>17,937</u>	<u>63,185</u>

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**ENTERPRISE METALS LIMITED**

**30 JUNE 2015**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**NOTE 11: PLANT AND EQUIPMENT (cont.)**

**2015**  
\$

**2014**  
\$

**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:

Computer equipment

Opening balance	10,690	25,819
- Additions	-	1,818
- Depreciation expense	(9,697)	(16,947)
Carrying amount at the end of the year	<u>993</u>	<u>10,690</u>

Plant and equipment

Opening balance	32,787	91,786
- Disposals	-	(24,810)
- Depreciation expense	(19,186)	(34,189)
Carrying amount at the end of the year	<u>13,601</u>	<u>32,787</u>

Furniture and fittings

Opening balance	3,622	6,547
- Disposals	(1,600)	-
- Depreciation expense	(1,015)	(2,925)
Carrying amount at the end of the year	<u>1,007</u>	<u>3,622</u>

Motor vehicles

Opening balance	16,086	29,836
- Additions	-	-
- Depreciation expense	(13,750)	(13,750)
Carrying amount at the end of the year	<u>2,336</u>	<u>16,086</u>

Totals

Opening balance	63,185	153,988
- Additions	-	1,818
- Disposals	(1,600)	(24,810)
- Depreciation expense	(43,648)	(67,811)
Carrying amount at the end of year	<u>17,937</u>	<u>63,185</u>

**NOTE 12: INTANGIBLE ASSETS**

**2015**  
\$

**2014**  
\$

**NON-CURRENT**

Software – cost	106,436	106,436
Accumulated amortisation	(79,012)	(55,149)
	<u>27,424</u>	<u>51,287</u>

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**ENTERPRISE METALS LIMITED**

**30 JUNE 2015**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**NOTE 12: INTANGIBLE ASSETS (cont.)**

**2015**                      **2014**  
\$                                      \$

**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:

Software

Opening balance	51,287	67,572
- Additions	-	14,437
- Amortisation expense	(23,863)	(30,722)
Carrying amount at the end of the year	27,424	51,287

**NOTE 13: EXPLORATION AND EVALUATION**

**2015**                      **2014**  
\$                                      \$

Exploration and evaluation phases – at cost

8,665,764      14,203,319

**(a) Exploration and evaluation**

Opening balance	14,203,319	18,800,635
Exploration expenditure	1,149,419	1,763,816
Tenements sold to unrelated party	(400,000)	-
Impairment of capitalised exploration expenses	(6,286,974)	(6,361,132)
Closing balance	8,665,764	14,203,319

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.

During the reporting period, the Group impaired its capitalised exploration and evaluation asset by \$6,286,974 (2014: \$6,361,132) as the Group has either partially or fully relinquished its non-core tenements. Accordingly, in complying with the requirements of AASB 6, it has impaired the costs that had been previously capitalised to those tenements which have now been partially or fully relinquished.

**NOTE 14: OTHER FINANCIAL ASSETS**

**2015**                      **2014**  
\$                                      \$

**NON-CURRENT**

Restricted cash at term deposits	-	70,000
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Restricted cash relates to bank guarantees to secure tenement bonds and a credit card facility (refer note 26).

**ENTERPRISE METALS LIMITED**

**30 JUNE 2015**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**NOTE 15: TRADE AND OTHER PAYABLES**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT – unsecured liabilities</b>		
Trade payables	259,797	712,902
Accrued Expenses	41,744	95,000
	301,541	807,902

All amounts are short-term. The carrying value is considered to be a reasonable approximation of the fair value. Refer to note 22 related party transactions for trade payable balances with related parties.

**NOTE 16: ISSUED CAPITAL**

	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
274,508,276 (2014: 265,595,776) Fully paid ordinary shares	16a	29,110,501	28,760,278

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Ordinary shares</b>		
At the beginning of the reporting period	28,760,278	26,675,980
Shares issued during the year		
• 312,500 on 6 October 2014 at \$0.08 per share	25,000	-
• 8,600,000 on 24 December 2014 at \$0.04 per share	344,000	-
Prior year		
• 25,775,000 on 9 December 2013 at \$0.04 per share	-	1,031,000
• 1,125,000 on 29 January 2014 at \$0.04 per share	-	45,000
• 1,100,000 on 9 May 2014 at \$0.08 per share	-	88,000
• 375,000 on 20 May 2014 at \$0.08 per share	-	30,000
• 24,000,000 on 30 June 2014 at \$0.05 per share	-	1,200,000
Transaction costs relating to share issues	(18,777)	(309,702)
At reporting date	29,110,501	28,760,278

# ENTERPRISE METALS LIMITED

30 JUNE 2015

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### NOTE 16: ISSUED CAPITAL (cont.)

	<b>2015 No.</b>	<b>2014 No.</b>
At the beginning of the reporting period	265,595,776	213,220,776
Shares issued during the year		
• 312,500 on 6 October 2014 at \$0.08 per share	312,500	-
• 8,600,000 on 24 December 2014 at \$0.04 per share	8,600,000	-
Prior year		
• 25,775,000 on 9 December 2013 at \$0.04 per share	-	25,775,000
• 1,125,000 on 29 January 2014 at \$0.04 per share	-	1,125,000
• 1,100,000 on 9 May 2014 at \$0.08 per share	-	1,100,000
• 375,000 on 20 May 2014 at \$0.08 per share	-	375,000
• 24,000,000 on 30 June 2014 at \$0.05 per share	-	24,000,000
Transaction costs relating to share issues	-	-
At reporting date	274,508,276	265,595,776

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

	<b>2015 No.</b>	<b>2014 No.</b>
At the beginning of the reporting period	72,575,000	53,600,000
Issued during the year:		
• Exercisable at 8 cents, on or before 30 November 2016	-	18,450,000
• Exercisable at 10 cents, on or before 15 June 2016	-	12,000,000
Exercised during the year		
• Exercisable at 8 cents, on or before 30 November 2016	(312,500)	(1,475,000)
Expired during the year		
• Exercisable at 22.2 cents, on or before 12 July 2014 <sup>(1)</sup>	(36,000,000)	-
• Exercisable at 22.2 cents, on or before 20 June 2012 <sup>(1)</sup>	-	(10,000,000)
At reporting date	36,262,500	72,575,000

(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).

**ENTERPRISE METALS LIMITED**

**30 JUNE 2015**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**NOTE 16: 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 2015 and 30 June 2014 are as follows:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	304,111	1,960,437
Trade and other receivables	183,840	193,503
Other financial assets	-	70,000
Trade and other payables	(301,541)	(807,902)
Working capital position	<u>186,410</u>	<u>1,416,038</u>

**NOTE 17: RESERVES**

<b>Note</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Options Reserve	6,019,447	6,019,447
AFS Asset Reserve	-	162,000
	<u>6,019,447</u>	<u>6,181,447</u>

**Options Reserve**

Movements during the year:

At the beginning of the reporting period	6,019,447	5,854,847
Share-based payments	-	164,600
At reporting date	<u>6,019,447</u>	<u>6,019,447</u>

The Options Reserve records the value of share based payments (refer note 19).

**AFS Asset Reserve**

Movements during the year:

At the beginning of the reporting period	162,000	-
Fair value gains/(loss) on available-for-sale financial assets	10 (162,000)	162,000
At reporting date	<u>-</u>	<u>162,000</u>

The AFS Asset Reserve records revaluation of financial assets.

**ENTERPRISE METALS LIMITED**

**30 JUNE 2015**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 18: CASH FLOW INFORMATION**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Reconciliation of Cash Flow from Operations with loss after Income Tax</b>		
Loss after income tax	(7,340,517)	(7,040,430)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss from ordinary activities		
Depreciation	69,112	98,533
Impairment of exploration and evaluation	6,286,974	6,361,132
Impairment of available for sale financial assets	354,000	-
Share based payments	-	-
Profit on sale of tenements	(2,382)	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/ decrease in receivables	(15,984)	2,024
(Increase) in prepayments and other assets	99,569	55,747
Increase/ (decrease) in payables	38,087	8,563
Cash flow used in operations	(511,141)	(514,431)

**(b) Credit Standby Facilities**

The Company had no credit standby facilities as at 30 June 2015 (2014: nil).

**(c) Non-Cash Financing and Investing activities**

**Share issues**

**For the year ended 30 June 2015 and 30 June 2014**

**Option issues**

On 29 January 2014, 5,000,000 share options were granted to brokers to take up ordinary shares at an exercise price of \$0.08 each. The options are exercisable on or before 30 November 2016.

**NOTE 19: SHARE-BASED PAYMENTS**

**Option issues**

The following share-based payment arrangements existed at 30 June 2015:

On 29 January 2014, 5,000,000 share options were granted to brokers to take up ordinary shares at an exercise price of \$0.08 each. The options are exercisable on or before 30 November 2016.

On 14 September 2012, 7,600,000 share options were granted to Directors to take up ordinary shares at an exercise price of \$0.149 each. The options are exercisable on or before 11 September 2015.

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

**ENTERPRISE METALS LIMITED**

**30 JUNE 2015**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**NOTE 19: SHARE-BASED PAYMENTS (cont.)**

A summary of the movements of all company share-based payment options issued is as follows:

	2015	2014	2015	2014
	Number of Options	Number of Options	Weighted Average Exercise Price \$	Weighted Average Exercise Price \$
Outstanding at beginning of the year	37,600,000	32,600,000	\$0.201	\$0.201
Granted	-	5,000,000	-	\$0.08
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	25,000,000	-	\$0.25	-
Outstanding at year-end	12,600,000	37,600,000	\$0.14	\$0.19
Exercisable at year-end	12,600,000	37,600,000	\$0.14	\$0.19

The options outstanding at 30 June 2015 had a weighted average exercise price of \$0.14 (2014: \$0.19) and a remaining weighted average contractual life of 0.68 years (2014: 0.59 years). The exercise price of the options ranged from 8.0 to 18 cents.

No options were granted in the 2015 financial year. The weighted average fair value of the options granted during the prior year was 3.29 cents. The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	2014
Weighted average exercise price (cents)	8.0
Weighted average life of the option (years)	2.84
Weighted average underlying share price (cents)	5.2
Expected share price volatility <sup>(1)</sup>	120.0%
Weighted average risk free interest rate	3.25%

(1) Volatility was based on historical price information.

**NOTE 20: CONTROLLED ENTITIES**

Details of Controlled Entities	Country of Incorporation	Class of Shares	Percentage Owned %	
			2015	2014
Murchison Exploration Pty Limited	Australia	Ordinary	100	100
ACN 125 615 232 (previously 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	100

The principle activities of the above entities is exploration.

# ENTERPRISE METALS LIMITED

30 JUNE 2015

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### NOTE 21: EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years, except for the following:

On 10 August 2015 the Company issued a total of 20,176,971 ordinary shares at a price of \$0.033 per share, of the total issued 19,696,971 shares were issued to raise \$650,000 before costs and the remaining 480,000 shares were issued to a contractor of the Company as consideration of services rendered for \$15,840.

### NOTE 22: RELATED PARTY TRANSACTIONS

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's Company provides geological consulting services to Enterprise Metals Limited in addition to his Directors fees. The services include the provision of geological and technical staff, field equipment and vehicles as well as computer, database and administrative support services.

	2015	2014
	\$	\$
Mineral Exploration Services	67,428	162,954

As at 30 June 2015, \$39,430 (2014: \$77,202) was payable to XServ Pty Ltd, and \$812 (2014: \$1,056) was receivable from XServ Pty Ltd.

#### **Enterprise Uranium Limited**

Mr Ryan is a Director of Enterprise Uranium Limited. Enterprise Metals Limited provides shared office services to Enterprise Uranium Limited.

Reimbursement of shared costs charged to Enterprise Uranium Ltd	156,691	207,581
Rental of office space, purchase of plant and equipment and office administration expenses charged to Enterprise Metals Ltd	36,764	-

As at 30 June 2015, \$32,687 (2014: \$17,879) was receivable from and \$30,870 (2014: \$3,242) was payable to Enterprise Uranium Limited.

#### **Mega Capital Resources Ltd**

Ms Mao is director of Mega Capital Resources Ltd. Mega Capital Resources Ltd provides consulting services to Enterprise Uranium Limited.

Consulting Services	85,333	48,000
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As at 30 June 2015, \$25,333 (2014: \$8,000) was payable to Mega Capital Resources Ltd.

**ENTERPRISE METALS LIMITED**

**30 JUNE 2015**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**NOTE 23: CAPITAL AND LEASING COMMITMENTS**

**2015**                      **2014**  
\$                                      \$

**Expenditure commitments**

The Group is planning exploration work on its exploration tenements in order to retain the rights of tenure. These obligations will be met, subject to availability of funds and can be reduced by selective relinquishment of exploration tenure or application for expenditure exemptions. Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is very difficult to forecast the nature and amount of future expenditure. The Group's planned exploration and expected commitments, subject to available funds – refer note 1(a), for the next year are as follows:

Australian tenements	829,353	995,295
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**NOTE 24: 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.

2015	Floating Interest Rate	Fixed Interest maturing in 1 year or less	Fixed Interest maturing over 1 to 5 years	Non- interest bearing	Total
	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalents	279,111	25,000	-	-	304,111
Loans and receivables	-	-	-	183,840	183,840
Available for sale financial assets	-	-	-	345,500	345,500
Other financial assets	-	-	-	-	-
<b>Total Financial Assets</b>	279,111	25,000	-	529,340	833,451
Weighted average interest rate – cash assets	1.73%	3.00%			
<b>Financial Liabilities at amortised cost</b>					
Trade and other payables	-	-	-	(301,541)	(301,541)
<b>Total Financial Liabilities</b>	-	-	-	(301,541)	(301,541)
Net financial assets	279,111	25,000	-	227,799	531,910

**ENTERPRISE METALS LIMITED**

**30 JUNE 2015**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**NOTE 24: FINANCIAL INSTRUMENTS (cont.)**

2014	Floating Interest Rate	Fixed Interest maturing in 1 year or less	Fixed Interest maturing over 1 to 5 years	Non- interest bearing	Total
	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalents	1,945,437	15,000	-	-	1,960,437
Loans and receivables	-	-	-	193,503	193,503
Available for sale financial assets	-	-	-	661,500	661,500
Other financial assets	-	-	70,000	-	70,000
<b>Total Financial Assets</b>	<b>1,945,437</b>	<b>15,000</b>	<b>70,000</b>	<b>855,003</b>	<b>2,885,440</b>
Weighted average interest rate – cash assets	2.70%	2.44%	2.75%		
<b>Financial Liabilities at amortised cost</b>					
Trade and other payables	-	-	-	(807,902)	(807,902)
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(807,902)</b>	<b>(807,902)</b>
Net financial assets	1,945,437	15,000	70,000	47,101	2,077,538

**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 2015. 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	2015 \$	2014 \$
Cash and cash equivalents			
- AA Rated	8	304,111	1,960,437

# ENTERPRISE METALS LIMITED

30 JUNE 2015

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### NOTE 24: FINANCIAL INSTRUMENTS (cont.)

#### 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.

#### 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
<b>Year ended 30 June 2015</b>	<b>\$</b>	<b>\$</b>
+/-1% in interest rates	+/- 3,038	+/- 3,038
<b>Year ended 30 June 2014</b>		
+/-1% in interest rates	+/- 32,245	+/- 32,245

**ENTERPRISE METALS LIMITED**

**30 JUNE 2015**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**NOTE 24: FINANCIAL INSTRUMENTS (cont.)**

**d. Price risk on AFS assets**

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified on the balance sheet as available for sale.

Listed investments have been valued at the quoted market bid price at the end of reporting period, adjusted for transaction costs expected to be incurred. At 30 June 2015, the effect on profit and equity as a result of changes in listed equity prices, with all other variables remaining constant would be as follows:

	Carrying amount	Listed equity price -10% Net loss	Equity	Listed equity price +10% Net loss	Equity
30 June 2015	345,500	(34,550)	(34,550)	34,550	34,550
30 June 2014	661,500	(66,150)	(66,150)	66,150	66,150

**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 value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For unlisted investments where there is no organised financial market, the 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 fair values and carrying amounts of financial assets and financial liabilities at reporting date:

	<b>2015</b> Carrying Amount \$	<b>2015</b> Fair Value \$	<b>2014</b> Carrying Amount \$	<b>2014</b> Fair Value \$
<b>Financial Assets</b>				
Cash and cash equivalents	304,111	304,111	1,960,437	1,960,437
Loans and receivables	183,840	183,840	193,503	193,503
Available for sale financial assets	345,500	345,500	661,500	661,500
Other financial assets	-	-	70,000	70,000
<b>Total Financial Assets</b>	<b>833,451</b>	<b>833,451</b>	<b>2,885,440</b>	<b>2,885,440</b>
<b>Financial Liabilities at amortised cost</b>				
Trade and other payables	301,541	301,541	807,902	807,902
<b>Total Financial Liabilities</b>	<b>301,541</b>	<b>301,541</b>	<b>807,902</b>	<b>807,902</b>

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.

# ENTERPRISE METALS LIMITED

30 JUNE 2015

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### NOTE 24: FINANCIAL INSTRUMENTS (cont.)

#### *Fair Value of financial instruments*

The methods of estimating fair value are outlined in the relevant notes to the financial statements. All financial assets and liabilities recognised in the statement of financial position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair values unless otherwise stated in the applicable notes.

The following tables detail the Group's fair values for financial instruments categorised into the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Consolidated 2015	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Financial assets	345,500	-	-	345,500
Total assets	345,500	-	-	345,500
Consolidated 2014	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Financial assets	661,500	-	-	661,500
Total assets	661,500	-	-	661,500

**ENTERPRISE METALS LIMITED**

**30 JUNE 2015**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

<b>NOTE 25: PARENT ENTITY DISCLOSURES</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Financial Position of Enterprise Metals Limited</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	304,111	1,960,437
Trade and other receivables	62,502	3,017,965
<b>TOTAL CURRENT ASSETS</b>	<b>366,613</b>	<b>4,978,402</b>
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	17,937	63,185
Intangible assets	27,424	51,287
Exploration and evaluation	3,355,292	4,226,777
Other financial assets	5,777,310	8,535,396
<b>TOTAL NON-CURRENT ASSETS</b>	<b>9,177,963</b>	<b>12,876,646</b>
<b>TOTAL ASSETS</b>	<b>9,544,576</b>	<b>17,855,048</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	301,541	1,459,719
<b>TOTAL CURRENT LIABILITIES</b>	<b>301,541</b>	<b>1,459,719</b>
<b>TOTAL LIABILITIES</b>	<b>301,541</b>	<b>1,459,719</b>
<b>NET ASSETS</b>	<b>9,243,035</b>	<b>16,395,329</b>
<b>EQUITY</b>		
Issued capital	29,110,501	28,760,278
Option reserve	6,019,447	6,019,447
AFS financial asset reserve	-	162,000
Accumulated losses	(25,886,913)	(18,546,396)
<b>TOTAL EQUITY</b>	<b>9,243,035</b>	<b>16,395,329</b>
<b>(b) Financial Performance of Enterprise Metals Limited</b>		
Loss for the year	(7,340,517)	(17,388,727)
Unrealised gain on revaluation of AFS asset	-	162,000
<b>Total comprehensive loss</b>	<b>(7,340,517)</b>	<b>(7,226,727)</b>

# ENTERPRISE METALS LIMITED

30 JUNE 2015

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### NOTE 25: 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 2015 (2014: none).

#### (d) Contingent liabilities of Enterprise Metals Limited

As at 30 June 2015 the Company has bank guarantees to the value of \$nil (2014: \$10,000) to secure tenement bonds and \$nil to secure a credit card facility (2014: \$60,000).

#### (e) Commitments by Enterprise Metals Limited

	2015	2014
	\$	\$
<b>Expenditure commitments</b>		
The Company is planning exploration work on its exploration tenements in order to retain the rights of tenure. These obligations will be met, subject to availability of funds and can be reduced by selective relinquishment of exploration tenure or application for expenditure exemptions. Due to the nature of the Company's operations in exploring and evaluating areas of interest, it is very difficult to forecast the nature and amount of future expenditure. The Company's planned exploration and expected commitments, subject to available funds – refer note 1(a), for the next year are as follows:		
Australian tenements	696,942	524,033

### NOTE 26: CONTINGENT LIABILITIES

As at 30 June 2015 the Group has bank guarantees to the value of \$nil (2014: \$10,000) to secure tenement bonds and \$nil to secure a credit card facility (2014: \$60,000).

### NOTE 27: 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 28: COMPANY DETAILS

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

Enterprise Metals Limited  
Suite 2  
91 Hay Street  
SUBIACO WA 6008

**ENTERPRISE METALS LIMITED**

**30 JUNE 2015**

**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 18 to 48, 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 2015 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*; and
  - (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; and
  - (d) they have given the declarations required by Section 295A of the *Corporations Act, 2001* for the financial year ended 30 June 2015.
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 25 September 2015, Perth WA

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## **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 2015, 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 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 in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is 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, the financial statements comply 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. Those standards 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.

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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 of the financial report that gives a true and fair view 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.

#### **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 2015 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.

#### **Emphasis of matter**

Without qualification to the audit opinion expressed above, we draw attention to Note 1(a) to the financial report which indicates that the entity incurred a loss of \$7,340,517 and cash outflows from operating activities of \$511,141 for the year ended 30 June 2015. These conditions, along with other matters as set forth in Note 1(a), indicate the existence of a material uncertainty which may cast doubt about the entity's ability to continue as a going concern and therefore, the 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.

**Report on the remuneration report**

We have audited the remuneration report included in pages 11 to 15 of the directors' report for the year ended 30 June 2015. 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 2015, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



M A Petricevic  
Partner - Audit & Assurance

Perth, 25 September 2015