

31 January 2017

December 2016 QUARTERLY ACTIVITIES REPORT

#### CORPORATE

ASX Symbol: ENT  
ACN 123 567 073

At 31 December 2016  
Shares on issue: 315,133,979  
Market Cap: \$3.78 million

#### CONTACT DETAILS

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#### BOARD OF DIRECTORS

Dr Allan Trench  
Non-Executive Chairman

Mr Dermot Ryan  
Managing Director

Dr Zhijun He  
Non-Executive Director

Mr Sam Middlemas  
Company Secretary/CFO

#### PROJECTS

Copper/Zinc/Gold  
Doolgunna

Nickel/Copper  
Fraser Range

Gold/Copper/Zinc  
Darlot  
Yalgoo

#### Doolgunna Cu-Zn(Au) Project

- On 12<sup>th</sup> October 2016 Enterprise Metals announced that it had entered into an Agreement with Sandfire Resources NL (ASX: SFR) for a farm-in and joint venture over all of Enterprise's Doolgunna Project tenements
- ENT received \$300,000 worth of SFR shares [58,431 SFR] at commencement
- SFR to spend a minimum of \$1.5M on exploration over 2 years, and after the minimum spend, SFR has the option to sole fund exploration to define a minimum Mineral Resource containing 50,000t Cu metal or equivalent
- SFR will earn a 75% interest in the Project when the minimum Mineral Resource is defined, and ENT and SFR will then form a JV and fund their respective interests.
- SFR has lodged a Program of Work (PoW) with the Department of Mines and Petroleum (DMP) and proposes to commence an extensive grid based aircore (AC) drilling program on a 400m x 100m spacing within ENT's E52/2049 in early 2017.

#### Darlot Cu-Zn(Au) Project

- Induced Polarisation (IP) surveys completed over two areas of anomalous gold in shallow historic drill holes at West Ockerburry Well (E36/778) and south Overland Well (E37/859)
- IP anomalies detected and follow up drilling planned.

#### Other-New Projects

- The Company is continuing its search for an advanced gold project.

#### Corporate

- ENT's cash position at 31 December 2016 was \$293,000.
- Fair market value of ENT's investments (ASX listed shares) held at 31 December 2016 was \$1.43 million.

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## SUMMARY OF ACTIVITIES

### DOOLGUNNA PROJECT

On 12<sup>th</sup> October 2016 Enterprise Metals announced that it had entered into an Agreement with Sandfire Resources NL (ASX: SFR) for a farm-in and joint venture over all of Enterprise’s Doolgunna Project tenements. For details of the terms of the Agreement please refer to ASX announcement: <http://www.asx.com.au/asxpdf/20161012/pdf/43bxjg396bgnwn.pdf>

Sandfire has recently informed Enterprise that it has lodged a Program of Work (PoW) with the Department of Mines and Petroleum (DMP) and is seeking approval to commence an extensive grid based aircore (AC) drilling program on a 400m x 100m spacing within Enterprise’s E52/2049 in early 2017. Sandfire intends to analyse its AC samples for a multi-element suite designed to indicate vectors towards mineralisation, as well as indicating known mineralisation.

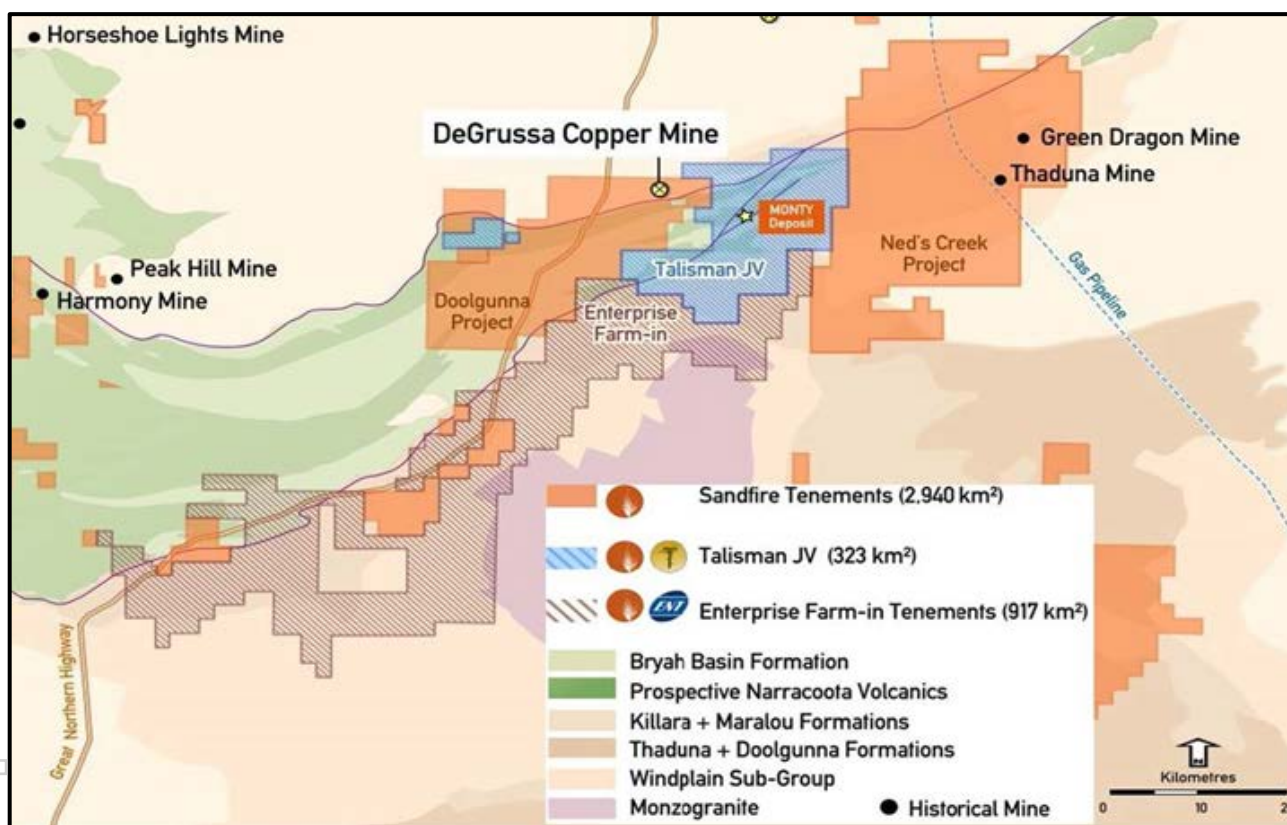


Figure 1. Enterprise’s Doolgunna Project Area Incorporated into Sandfire’s Doolgunna Project

**DARLOT PROJECT**

Enterprise's Darlot Project is centred within the Archaean Yandal Greenstone Belt in Western Australia approximately 15km west of the Darlot gold mine. The Project is considered prospective for gold and copper-zinc mineralisation and lies at the boundary between mafic and felsic volcanic suites. Following a review of several Darlot gold-in-regolith targets, Enterprise commissioned in late 2016 two Induced Polarisation (IP) surveys to determine if sulphide mineralisation potentially exists in the fresh rock (primary zone) below a number of these oxide gold drill intersections. (refer separate ENT ASX release 30 January 2017)

The IP surveys were undertaken to detect pyrite basement sources within the vicinity of known gold mineralisation in historic drill holes at West Ockerburry Well and South Overland Well prospects. Gold mineralisation in fresh rock within the Yandal Belt is commonly associated with pyrite which can be mapped with IP surveys. For example, the Darlot and Centenary deposits are known to have IP responses associated with gold mineralisation in fresh rock.

Zonge Engineering completed the off-set dipole-dipole (100m dipoles) IP surveys within Enterprise's exploration licences E36/778 and E37/859, both located on Weebo Station in the Archaean Yandal Greenstone Belt. The data quality is considered to be good, and all data was modelled with ZONGE 2D Smooth Model Inversion software with a vertical bias weighting, by consultant geophysicist Bill Robertson of Value Adding Resources Pty Ltd.

Programs of Work are being prepared to test these basement IP targets with RC drill holes.

**West Ockerburry Well Prospect**

The main Ockerburry Well prospect has received a considerable amount of historical drilling, predominantly scout rotary airblast (RAB) and aircore drilling on 800m spaced lines, followed by close spaced RC drilling.

However, a significant gold in regolith anomaly lies 2.5km to the west of the Ockerburry Well prospect, within Enterprise's E36/778. This was identified by RAB drilling undertaken by Mines and Resources Australia Pty Ltd (MRA) RAB 1997. This area has not been extensively explored to date. The West Ockerburry Well IP survey identified a large strong IP basement feature open to the north and south, which is recommended for drill testing. (Figures 2 & 3 overleaf)

**South Overland Well Prospect**

The Overland Well Prospect was identified by Western Mining Corporation (WMC) during a reconnaissance rotary airblast (RAB) program in 1994 on the Mt Von Mueller project (MVM). Follow up RAB, aircore and RC drilling delineated a north-south zone of significant regolith gold mineralisation, the southern-most part of which lies within Enterprise's E37/859.

The South Overland Well IP survey identified moderate IP basement features which are open to the north and south. This IP source is recommended for RC drill testing. Walk up drill targets are located immediately to the west of the historic gold mineralisation encountered by Western Mining Corporation. (Figures 4 & 5 overleaf)

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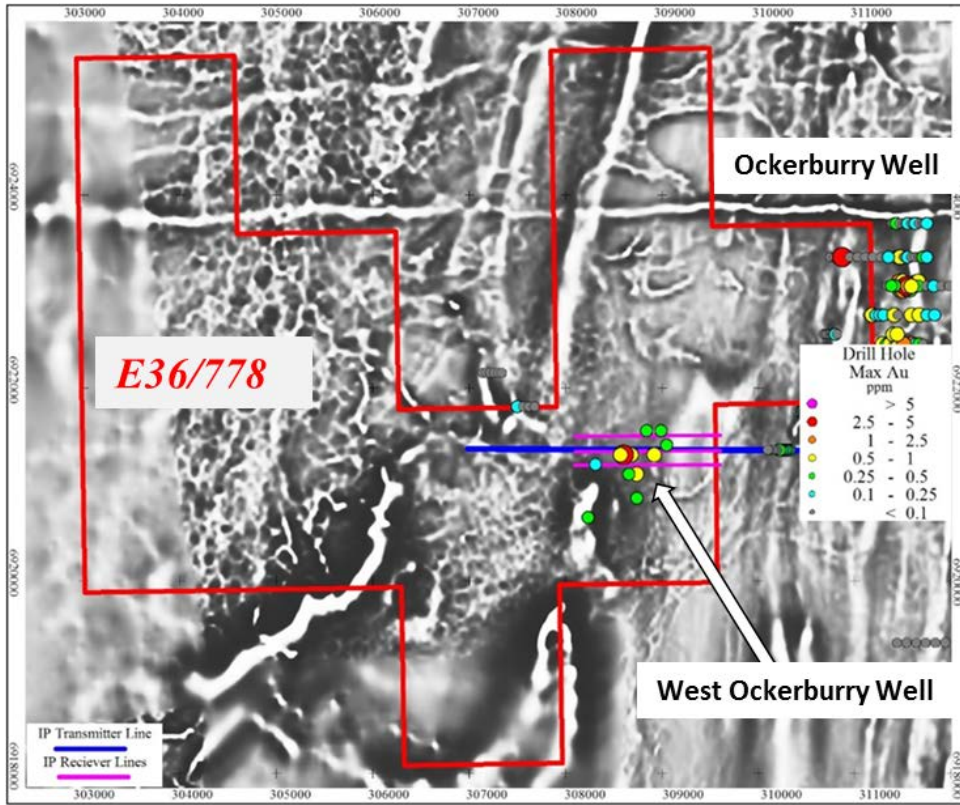


Figure 2. E37/778, 2016 IP Survey Lines & Max Au in Drill Holes - Over 1<sup>st</sup> VD Magnetic Image

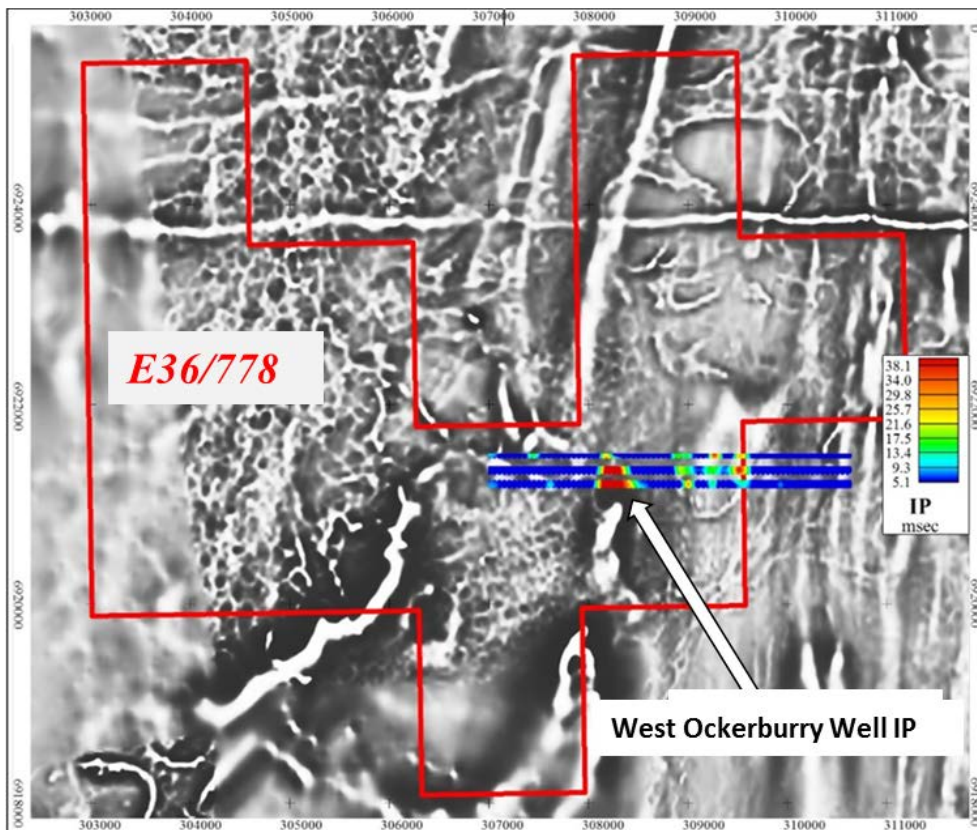


Figure 3. 2D IP Model 300m RL depth Slice on 1st VD Magnetic Image

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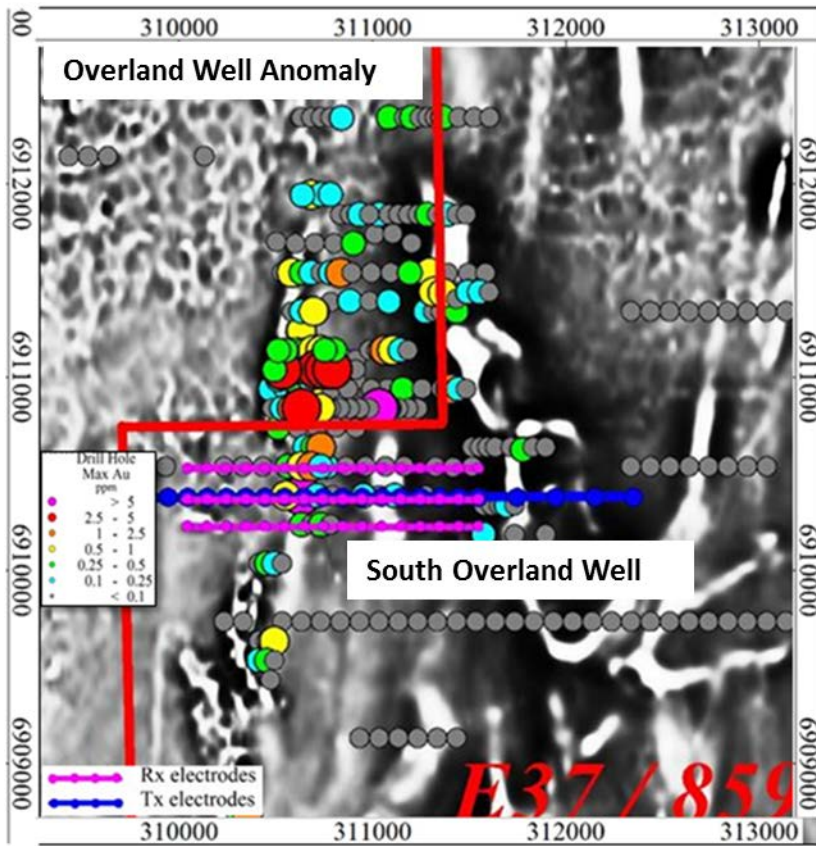


Figure 4. E37/859, 2016 IP Survey & Max Au in Drill Holes - Over 1<sup>st</sup> VD Magnetic Image

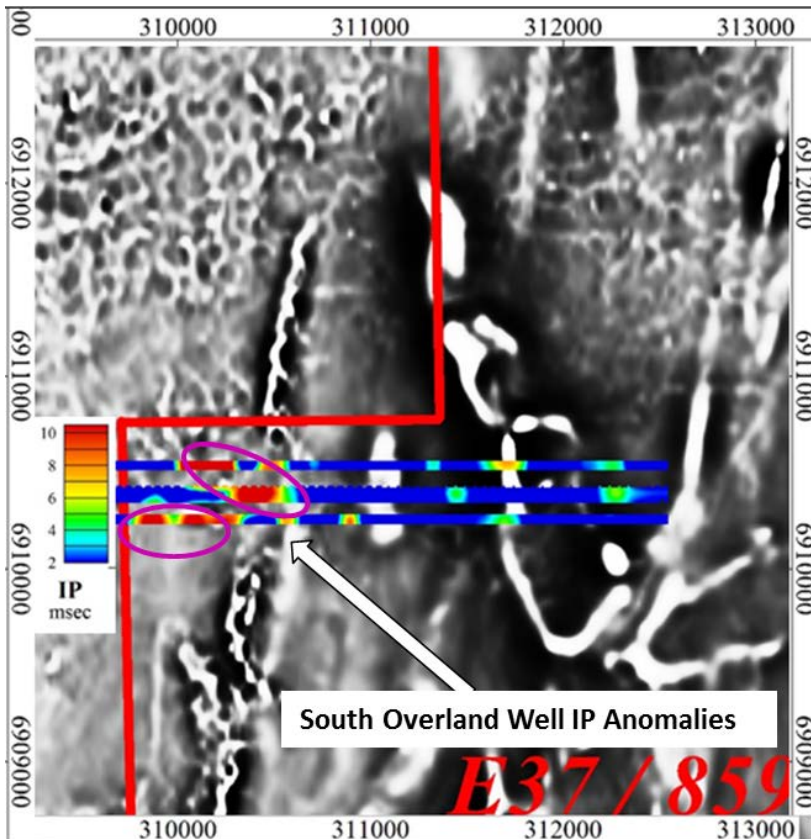


Figure 5. 2D IP Model 300m RL depth Slice on 1st VD Magnetic Image (IP targets in Magenta)

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**FRASER RANGE PROJECT**

Enterprise’s Fraser Range Project is located within the Albany-Fraser Orogen approximately 100km east of Norseman. The Project is considered prospective for copper/nickel and gold mineralisation and covers the core of the Fraser Range gravity feature, which defines the prospective nickel-copper belt containing Independence Group NL’s (ASX: IGO) Nova deposit.

In mid-2014, the Company’s maiden drilling program at Plato intersected disseminated and “blebby” nickel-copper sulphide mineralisation over significant widths within rocks which were originally cumulate mafic rocks. Subsequently, in the latter half of 2014, 33 high powered fixed loop EM surveys were undertaken over various anomalous areas identified from the Company’s earlier geochemical, geological and geophysical work.

On 13<sup>th</sup> February 2013, Enterprise announced that it had entered into a Sale and Joint Venture Agreement with Apollo Minerals Limited Ltd (ASX: AON) over the Fraser Range tenements. Apollo purchased a 70% interest in the tenements and must carry Enterprise’s 30% interest to completion of a bankable feasibility stage (BFS) on any discovery. If a BFS is not completed or Apollo withdraws, it must return 100% ownership of the tenements to Enterprise. Apollo has undertaken a series of high powered ground EM surveys and we expect that a substantial drilling program will follow in 2017.

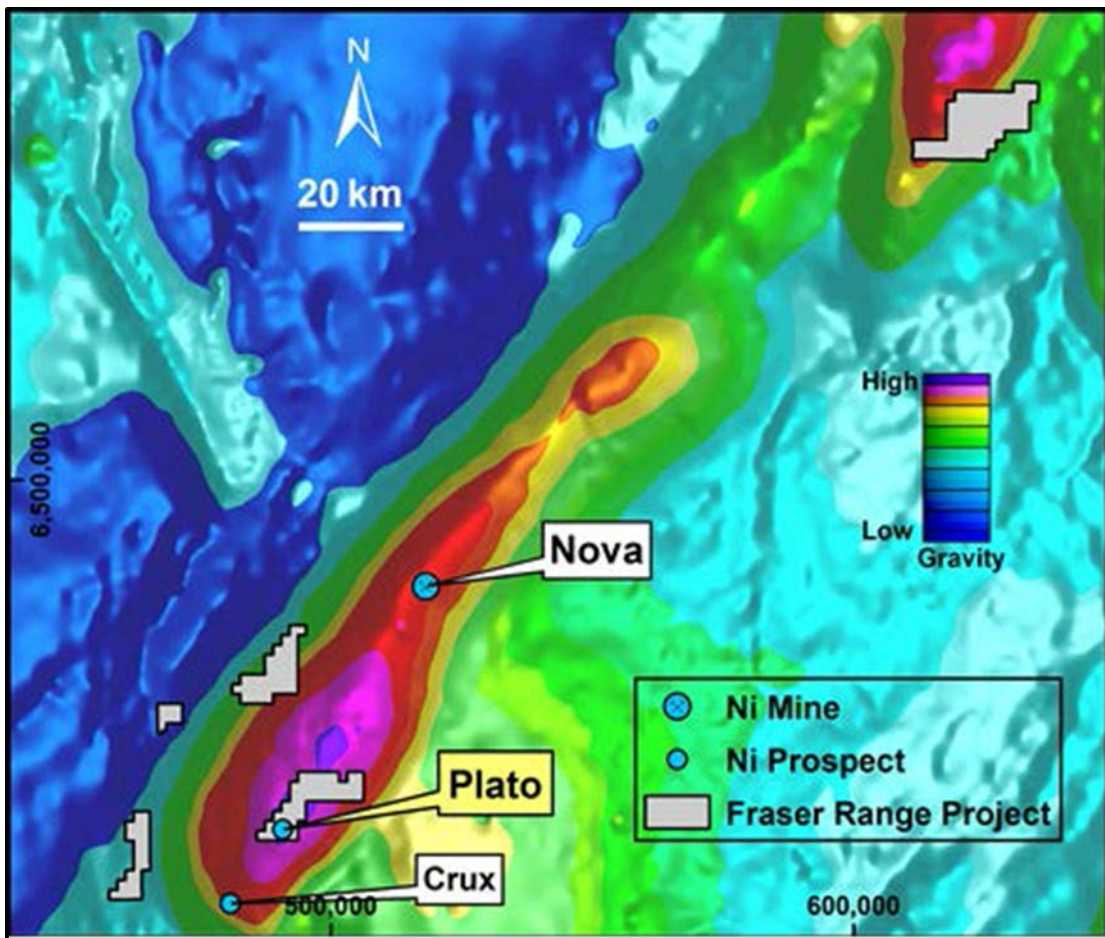


Figure 6. ENT-AON Fraser Range JV Project Area, over Regional Gravity

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**YALGOO PROJECT**

Enterprise has a strategic landholding of 2 granted exploration licences over the north-western half of the Archaean Yalgoo Greenstone Belt, immediately north of Doray Minerals Ltd's (ASX: DRM) Deflector gold/copper mine. Enterprise is currently compiling data and planning a Yalgoo exploration program.

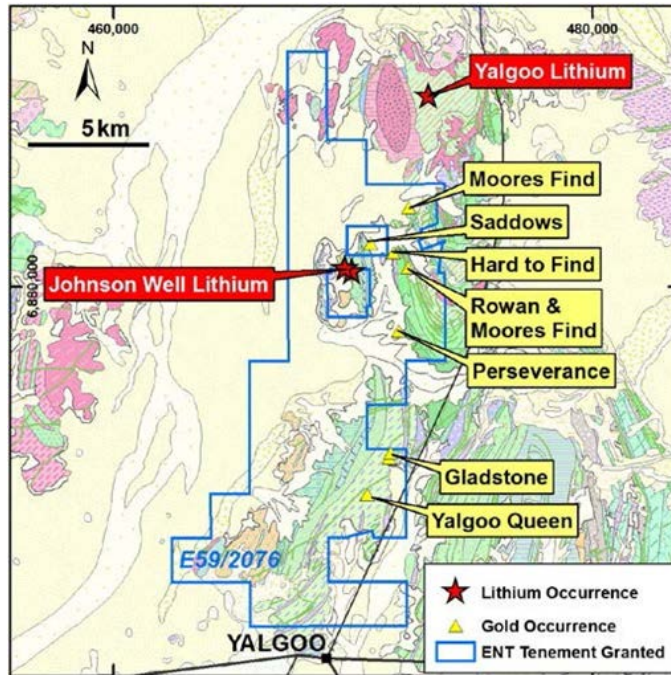


Figure 7. Yalgoo Project, E59/2076 Ggeology & Gold Occurrences

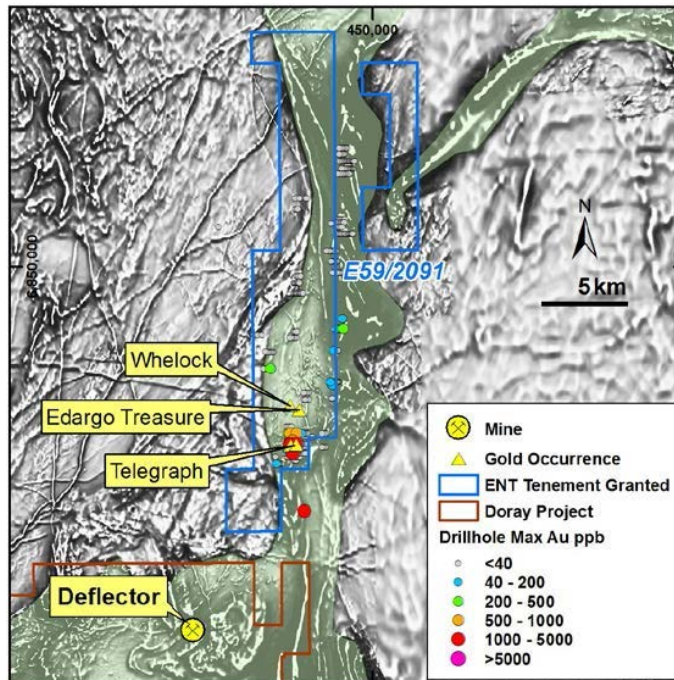


Figure 8. Yalgoo Project, E59/2091 Gold Occurrences over 1<sup>st</sup> VD Magnetic Image

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## CORPORATE

Dr Allan Trench was appointed Non-Executive Chairman on 12th October 2016. Dr Trench holds a BSc (Hons) Geology from the Royal School of Mines and a PhD (Geophysics) from Glasgow University. He was a Research Fellow (Geophysics) at Oxford University and then at the University of Western Australia (UWA). He completed an MBA (Distinction) at Oxford University and an MSc (Distinction) in Mineral Economics at the WA School of Mines. He is a Professor at the UWA Business School and the Centre for Exploration Targeting, UWA. He is Fellow of the Australian Institute of Company Directors and Australian Institute of Mining & Metallurgy and a non-executive director serving a number of Australian-listed resource companies, and has been involved in a number of significant mineral deposit discoveries.

Dr Zhijun He was appointed a Non-Executive Director on 12<sup>th</sup> October 2016. Dr. He holds a PhD in Petrology and Economic Geology from China University of Geosciences (Beijing) and is a member of AusIMM. He has over 20 years of experience in geological research, mineral exploration and geological services. He currently serves as the Deputy General Manager of Sinotech Minerals Exploration Co., Ltd. ("Sinotech") and holds the position as director of East Africa Metals Inc. (TSX-V).

## INVESTMENTS

### Alto Metals Limited

Enterprise currently holds a 7.9% interest (12 million shares) in Alto Metals Limited (ASX: AME, or "Alto"). On 23<sup>rd</sup> June 2016 Alto announced that it had completed the acquisition of the majority of the Archaean Sandstone Greenstone Belt in Western Australia, which has produced over 1.3 million ounces of gold. Enterprise's 12 million Alto shares had a fair market value of \$1.2M based on a 31<sup>st</sup> December 2016 AME share price of 10 cents/share.

### Sandfire Resources NL

On 12<sup>th</sup> October 2016 Enterprise announced that it had entered into an Agreement with Sandfire Resources NL (ASX: SFR) for a farm-in and joint venture over all of Enterprise's Doolgunna Project tenements. Under the terms of this agreement, Sandfire issued 58,431 fully paid SFR shares (valued at \$300,000) to Enterprise. On 2<sup>nd</sup> December 2016, Enterprise sold half of its 58,431 SFR shareholding, being 29,170 SFR shares at a price of \$6.06. Enterprise still holds 29,261 SFR shares, which had a fair market value of \$165,000 based on a 31<sup>st</sup> December 2016 SFR share price of \$5.64/share.

### Apollo Minerals Limited

On 13<sup>th</sup> February 2013, Enterprise announced that it had entered into a Sale and Joint Venture Agreement with Apollo Minerals Limited ("Apollo": ASX: AON) on its' Fraser Range tenements in WA. Under the terms of the Agreement, Apollo purchased a 70% beneficial interest in Enterprise's tenements for a consideration of \$200,000 cash and 20 million Apollo (AON) ordinary fully paid shares. Following capital reconstructions by Apollo (1 for 10 and 1 for 4) in 2015/16, Enterprise now holds 0.50M AON shares, which had a fair market value of \$70,000 based on a 31<sup>st</sup> December 2016 AON share price of 14 cents/share.



**Investments - Fair Market Values at 31 December 2016**

Security Name	No. of Securities	Share Price	Fair Market value
Alto Metals Ltd (ASX: AME)	12,000,000	\$0.10	\$1,200,000
Sandfire Resources NL (ASX:SFR)	29,261	\$5.64	\$ 165,032
Apollo Minerals Ltd (ASX: AON)	<u>500,000</u>	<u>\$0.14</u>	<u>\$ 70,000</u>
		<b>TOTAL</b>	<b>\$1,435,032</b>

**ISSUED CAPITAL AT 31 DECEMBER 2016**

**Ordinary Fully Paid Shares on Issue**                      **315,133,979**

Unlisted Options	Exercise Price	Expiry Date
2,000,000	\$0.05	10/08/2017

**Note:** 16,662,500 Unlisted ENT Options with an exercise price of 8 cents expired on 30<sup>th</sup> November 2016.

**CASH POSITION AT 31 DECEMBER 2016**

Cash position at bank: **\$294,000**



Dermot Ryan  
**Managing Director**

**Contact:** Telephone: 08 9381 2808      Facsimile: 08 9381 5545                      Email: [admin@enterprisemetals.com.au](mailto:admin@enterprisemetals.com.au)

**Competent Persons statements**

*The information in this report that relates to Exploration Results 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.*

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**TENEMENT SCHEDULES**

**ENTERPRISE METALS LTD AND ITS 100% OWNED  
SUBSIDIARIES, ON A CONSOLIDATED BASIS**

**APPENDIX 1: ENT 100% Owned Tenements at 31<sup>st</sup> December 2016**

Project	Lease	ENT Interest	State	Status
Doolgunna	E51/1168	100%*	WA	Granted
Doolgunna	E51/1301	100%*	WA	Granted
Doolgunna	E51/1303	100%*	WA	Granted
Doolgunna	E51/1304	100%*	WA	Granted
Doolgunna	E51/1539	100%*	WA	Granted
Doolgunna	E52/2049	100%*	WA	Granted
Doolgunna	E51/1683	100%*	WA	Granted
Doolgunna	E52/3347	100%*	WA	Granted
Fraser Range	E63/1283	100%	WA	Granted
Darlot	E37/1031	100%	WA	Granted
Darlot	E36/778	100%	WA	Granted
Yalgoo	E59/2076	100%	WA	Granted
Yalgoo	E59/2091	100%	WA	Granted

\* ENT registered holder of 100% interest, with Sandfire Resources Ltd managing and funding to earn a 75% in the Doolgunna Project tenements subject to discovery of a resource of 50,000t contained copper or equivalent.

**APPENDIX 2: Darlot Joint Venture Tenements at 31<sup>st</sup> December 2016**

Project	Lease	ENT Interest	Rudd-Gianni Interest	State	Status
Darlot	E36/706	80%**	20%	WA	Granted
Darlot	E37/859	80%**	20%	WA	Granted

\*\* ENT registered holder of 80% interest, with Allan Rudd & Peter Gianni jointly holding a 20% free carried interest to completion of any Bankable Feasibility Study.

**APPENDIX 3: Fraser Range Joint Venture Tenements at 31<sup>st</sup> December 2016**

Project	Lease	ENT Interest*	AON Interest	State	Status
Fraser Range	E63/1281	30%	70%	WA	Granted
Fraser Range	E63/1282	30%	70%	WA	Granted
Fraser Range	E63/1695	30%	70%	WA	Application
Fraser Range	E28/2403	30%	70%	WA	Granted

\* ENT registered holder of 30% interest, free carried to completion of any Bankable Feasibility Study.