

30 January 2015

December 2014 QUARTERLY ACTIVITIES REPORT

ASX Symbol: ENT

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#### BOARD OF DIRECTORS

 Dr Jingbin Wang  
 Chairman

 Mr Dermot Ryan  
 Managing Director

 Ms Anna Mao  
 Non-Executive Director

 Dr Allan Trench  
 Non-Executive Director

 Mr Barry Bourne  
 Non-Executive Director

#### COMPANY SECRETARY

Mrs Susan Hunter

#### CHIEF FINANCIAL OFFICER

Mr Piers Lewis

#### PROJECTS

 Nickel/Copper  
 Fraser Range

 Copper/Zinc/Gold  
 Doolgunna

 Gold/Copper/Zinc  
 Darlot  
 Yalgoo  
 Wattagee

#### HIGHLIGHTS

##### Fraser Range Nickel-Copper Project

- 29 Fixed Loop EM (FLEM) surveys completed at Plato South, Highway, Oceanus and Plato East prospects. Late time responses were observed at all prospects and are likely to be sourced by moderate to weak conductors.
- Six RC drill holes at Plato South intersected minor sulphide mineralisation in olivine gabbro-norite. The geology is encouraging in terms of ore environment for magmatic nickel-copper sulphides. Selected zones were sent for assaying.
- Highway, Oceanus and Plato East FLEM targets are being assessed for follow up EM and aircore or RC drill testing.

##### Doolgunna Copper-Zinc (Gold) Project

- Pyrites from the western margin of Borg prospect analysed by advanced laser ablation technology reveal characteristics of a high potential gold source rock that can be used as a sedimentary marker to define gold-copper targets. The pyrite in one hole have the chemistry of distal SEDEX Zn halo pyrite. Results support Borg as high priority base metal target.
- Pyrites from previous RC drill holes at other Doolgunna targets are being analysed by the same laser ablation technique.
- \$150,000 awarded for drilling at the Borg Prospect under the WA State Government Co-funded Drilling program.

#### CORPORATE

- Total of \$344,000 raised from Share Purchase Plan (\$109,000 from 2,725,000 new shares) and private placement (\$235,000 from 5,875,000 new shares) at 4 cents/share. Total of 8.6 million shares issued on 24<sup>th</sup> December 2014.
- Overseas Directors to waive fees. Staffing dramatically reduced. New lower cost office to open on 1st February 2015.
- 2011/2012 R&D refund of \$124,000 expected from ATO.
- Tenement portfolio re-focussed and reduced, resulting in lower DMP annual rents and Shire Rates.

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## SUMMARY OF EXPLORATION ACTIVITIES

### FRASER RANGE PROJECT

The Fraser Range Project covers 797km<sup>2</sup> and is located approximately 100km east of Norseman, within the Albany-Fraser Orogen. Enterprise's landholding is located between Sirius Resources Ltd's Nova and Crux prospects. (Refer Figure 1)

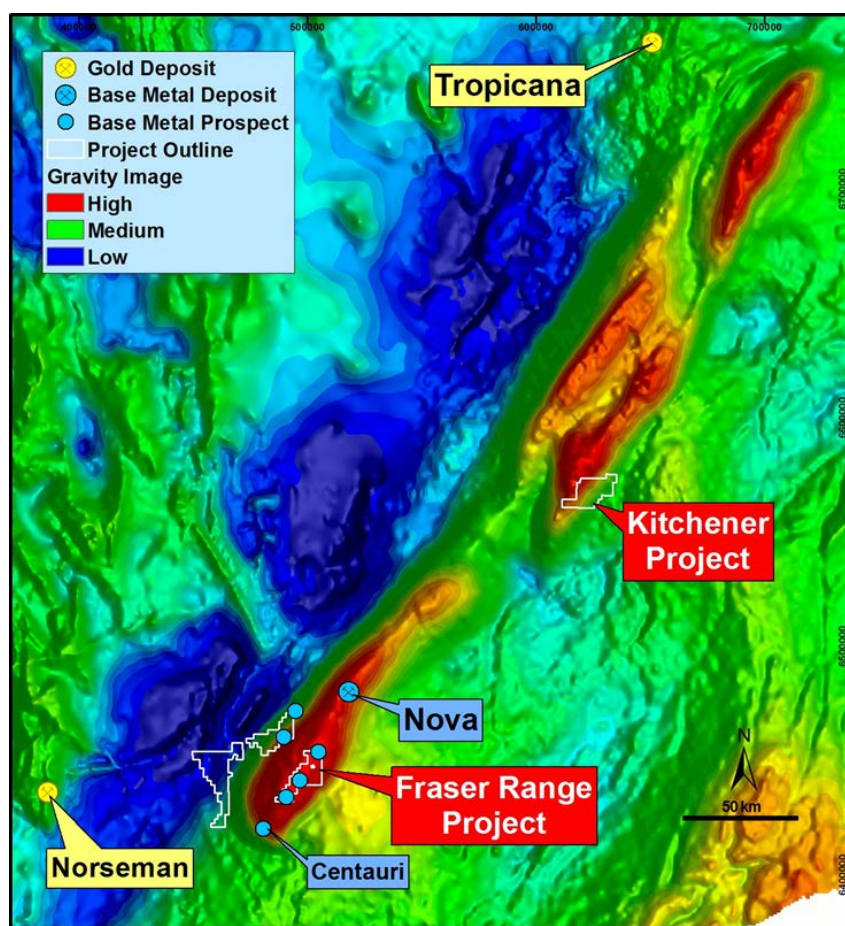


Figure 1. Fraser Range Gravity Image Showing Enterprise's Tenements

The Project is considered prospective for copper/nickel/PGE and gold mineralisation and covers the core of the Fraser Range gravity feature, which defines the prospective nickel-copper belt containing Sirius' Nova deposit.

During the December Quarter, the Company completed 29 fixed loop electromagnetic (FLEM) surveys over various geochemical/magnetic targets and completed six scout RC holes at Plato South. (Refer ASX releases 27 October and 11 November 2014 for details)

The FLEM data highlighted conductive features at Plato South, Plato East, Oceanus and Highway. The conductive bodies are evident in the channel 26 z amplitude images, refer Figure 2 overleaf. Modelling and interpretation of the data suggested that Moving Loop EM could be employed to better define some features.



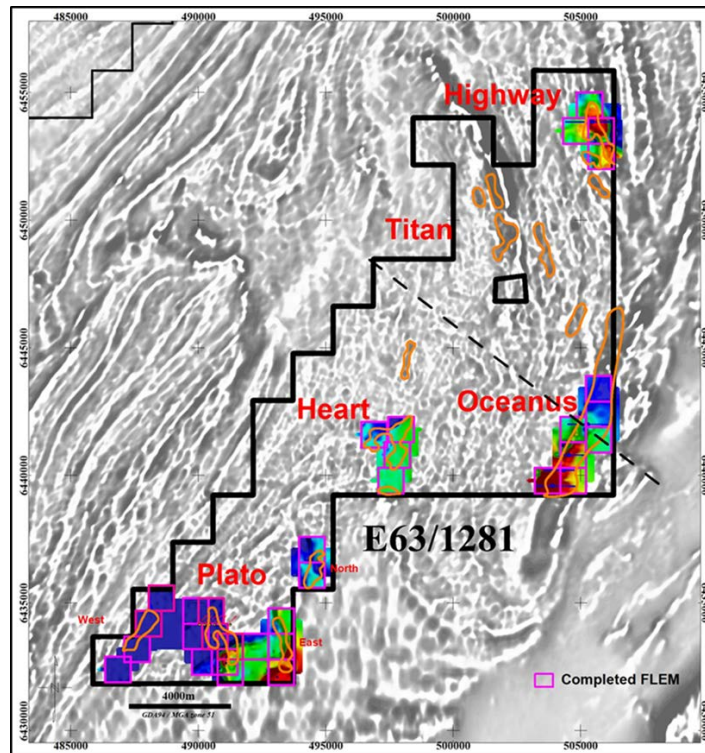


Figure 2. Channel 26 Fixed Loop EM Amplitude Contours over 1st VD Magnetics

### Plato South and Plato East Prospects

The Plato South EM anomaly was modelled and six reverse circulation (RC) drill holes were completed in November 2014 to test the interpreted sources. Initial logging and visual inspection of the drill chips identified only minor nickel sulphides. Four of the six holes were PVC cased in preparation for downhole EM to search off-hole, and two holes were unable to be cased due to hole collapse. Selected intervals have been sent for geochemical analysis.

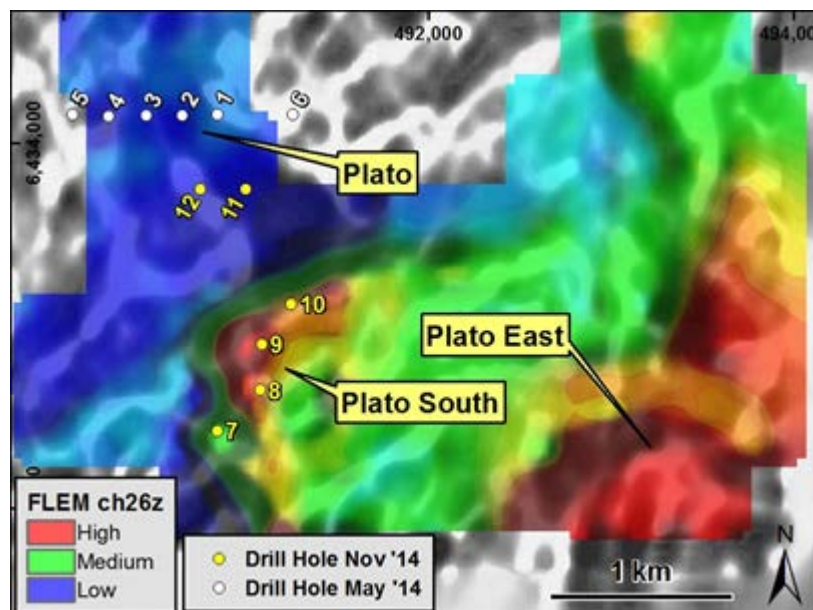


Figure 3. Channel 26 Fixed Loop EM Amplitude Contours over 1st VD Magnetics

The **Plato East** EM anomaly is a larger feature and Moving Loop EM has been recommended to further refine drill targets.

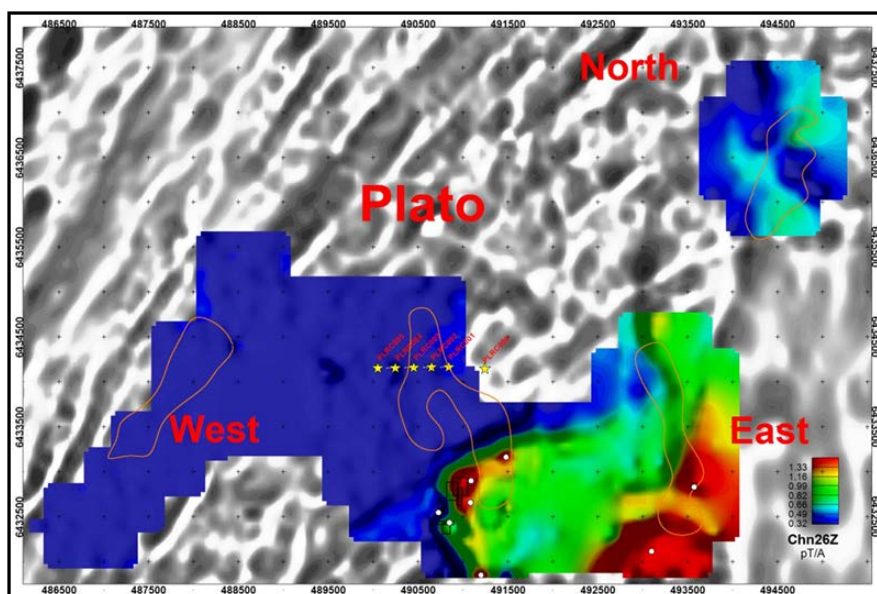


Figure 4. Plato Channel 26 Fixed Loop EM Amplitude Contours over 1st VD Magnetic Image

### Highway Prospect

Soil sampling in 2012 and 2013 at the Highway Prospect detected a coincident Ni-Cu-Co-As anomaly with maximum values of 114ppm Ni, 56ppm Cu, 27ppm Co and 212ppm As. The arsenic anomaly in particular is coherent and coincident with anomalous Bi, Mo, Ni, Pb and Sb and is centred over a large magnetic low. On the periphery of the magnetic low, other anomalous elements include Cd, Co, Cu, Mn, Sc, Sn, Ti and W. (Refer ENT: ASX release 21 June 2013)

FLEM surveying over this coincident geochemical anomaly/magnetic low produced two quite distinct conductive features. (Refer Figure 5 below)

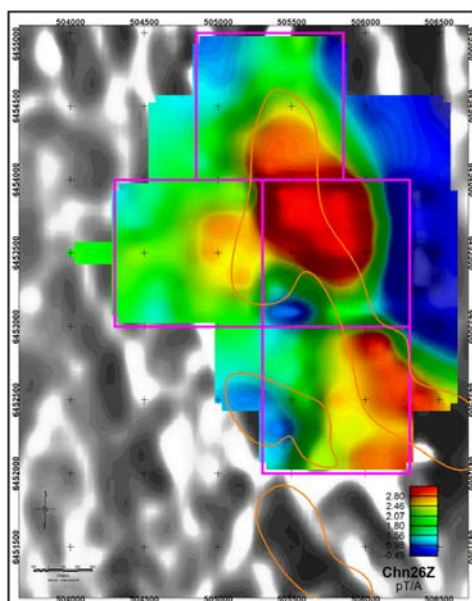


Figure 5. Highway Channel 26 Fixed Loop EM Amplitude Contours over 1st VD Magnetic Image

## Oceanus Prospect

The Oceanus Prospect was defined as a prominent linear magnetic low on the eastern boundary of the Company's Fraser Range tenement package. The early time channels of the Company's 2013 HeliTEM survey showed that this magnetic feature has a shallow conductive overburden which is interpreted as transported material in a drainage channel.

At present, Oceanus is interpreted as a late stage (ultramafic?) intrusive that has intruded the magnetic basement rocks of the Fraser Range Complex following displacement of the basement rocks by a prominent north-west trending fault. The FLEM data (refer Figure 6 below) suggests that this intrusive is more conductive immediately to the south of this NW trending structure.

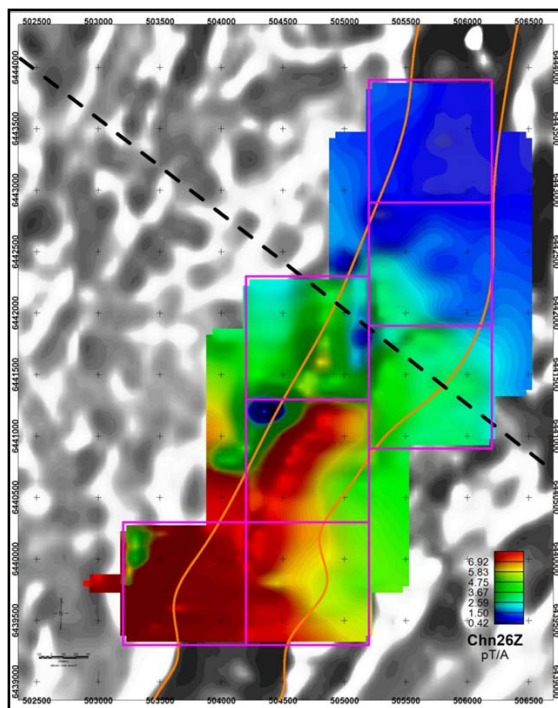


Figure 6. Oceanus Channel 26 Fixed Loop EM Amplitude Contours over 1st VD Magnetic Image

## **DOOLGUNNA PROJECT**

The Doolgunna Project covers approximately 1,069km<sup>2</sup> and is located 110km northeast of Meekatharra and some 10km southwest of Sandfire Resources NL's DeGrussa copper-gold mine. The project is considered prospective for volcanic hosted massive sulphide deposits (VMS) and sediment hosted base metals deposits (SEDEX copper). The Doolgunna geological setting is similar in some respects to the Central African Copperbelt, and the Company has identified a number of SEDEX style copper-zinc and gold targets along the Southern Boundary Fault, which marks the southern boundary of the sediment filled Doolgunna basin.

The Company's gravity, soil geochemistry and electromagnetic surveys have identified a large 4.5km long bedrock anomaly at the Borg Prospect, interpreted to be due to the introduction of base metals sulphides into the sedimentary sequence. The scout RC drilling conducted earlier in 2014 is interpreted to be too shallow and was conducted along the western flank of the anomaly, which was not fully defined by the geophysics and geochemistry at the time the holes were drilled.



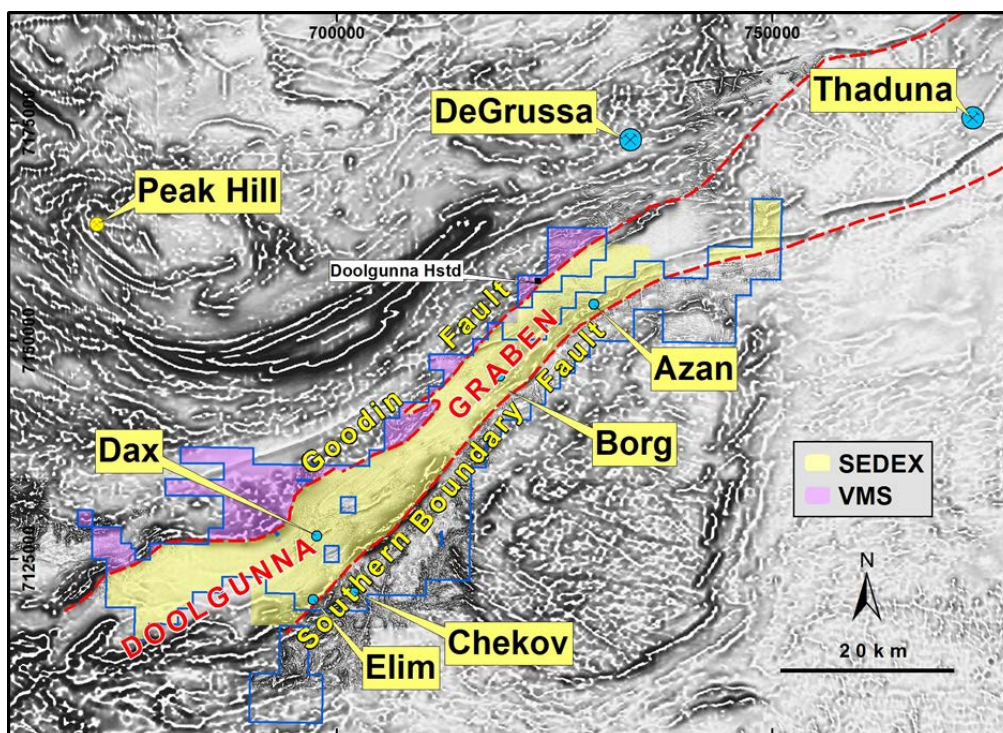


Figure 7. Location of Borg Prospect over 1<sup>st</sup> VD magnetic Imagery

The Centre for Excellence in Ore Deposits (CODES, University of Tasmania) used their Laser Ablation System coupled with ICP-MS to analyse the pyrites in two drill holes (BGRC004 & BGRC014) for the content of base metal pathfinder elements. CODES identified two disseminated pyrite bands that stood out in terms of their chemistry. From the analysis of their chemistry they concluded:

***“These two bands have sedimentary pyrite enriched in Au (up to and over 1 ppm), Te, Ag, Se, Mo, Cu, Ni and Co. The band in BGRC004 has the higher sulfide content and better geochemistry. This zone in BGRC004 has the characteristics of a high potential gold source rock that can be used as a sedimentary marker to define gold-copper targets. Most of the disseminated pyrite in BGRC004 has the chemistry of distal SEDEX Zn halo pyrite..... A potential SEDEX deposit could be 5 to 15 km along strike from BGRC004.”***

In December 2014, the Company announced that its application for co-funding for drilling at the Borg Prospect under the WA State Government Co-funded Exploration Drilling program had been approved. The WA State Government will match the Company’s expenditure on its planned drilling program (to a maximum of \$150,000) at Borg. (Refer ASX Release 8<sup>th</sup> December 2014)

The Company has prepared and lodged with the Department of Mines and Petroleum a Program of Work (PoW) to drill test the Borg SEDEX target with four RC drill traverse series. Subject to statutory approvals and weather, this work could commence towards the end of the first Quarter 2015.

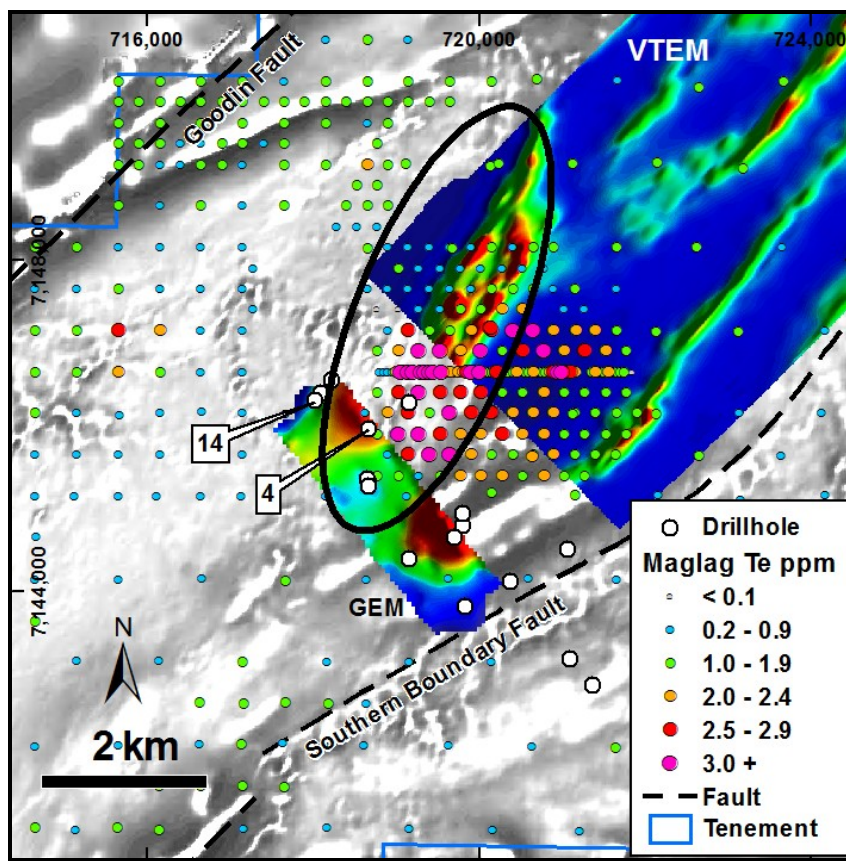


Figure 8. Borg Prospect: RC holes over Coloured Ground EM & VTEM Imagery with Te Maglag Geochem

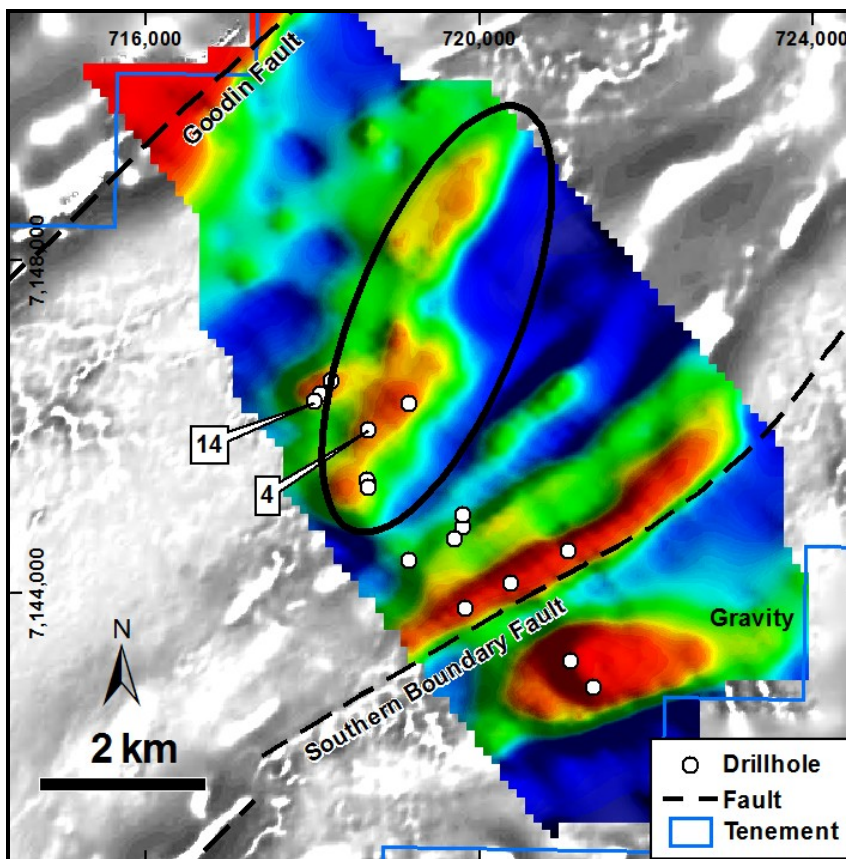


Figure 9. Borg Prospect E51/1304: RC drill holes over Coloured Gravity Imagery



## DARLOT PROJECT

During the December 2013 Quarter the Company entered into an agreement with Independence Group NL (ASX:IGO) whereby IGO has the right to earn a 70% - 80% interest in Enterprise's Darlot Project covering some 740km<sup>2</sup> of tenure approximately 60km north from IGO's Jaguar Project (Figure 10)

The project, which covers similar volcanic stratigraphy to the Jaguar Project, has strategic value to IGO in that any base metals discoveries are potentially within economically viable trucking distance of its Jaguar processing facility. IGO have reported as follows:

*"During the December 2014 Quarter two targets with prospective stratigraphy and anomalous base metals geochemistry have been selected for testing by a moving loop transient electromagnetic (MLTEM) survey.*

*The survey, which commenced in the December 2014 Quarter, is scheduled for completion in the March 2015 Quarter."*

Refer IGO December 2014 Quarterly Report dated 28 January 2015.

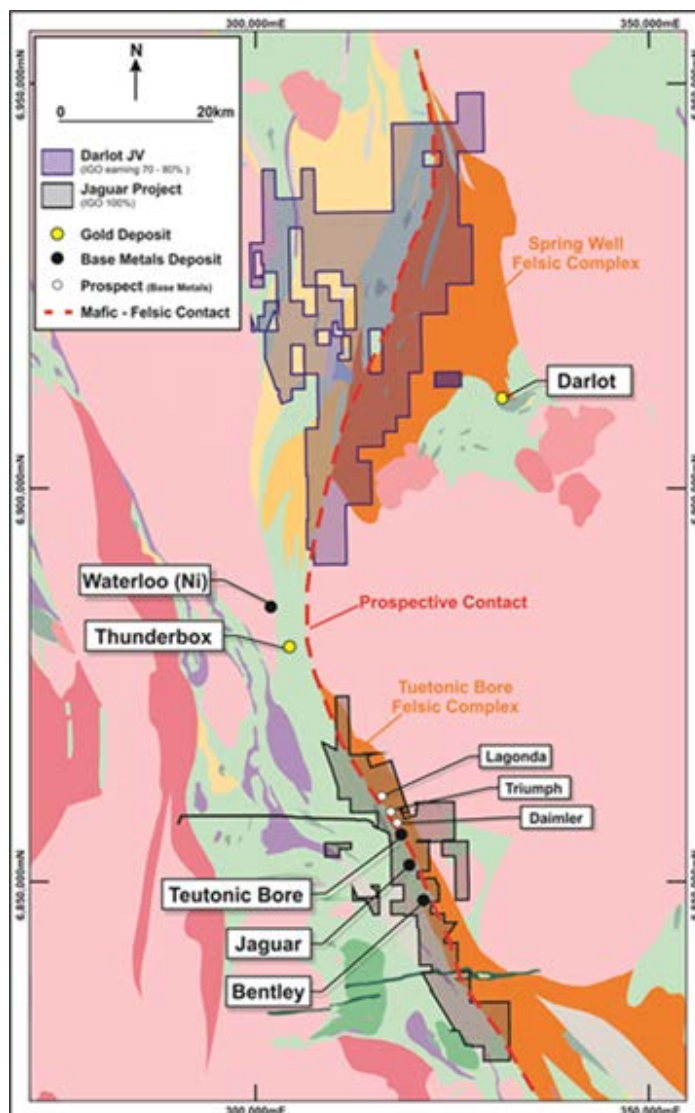


Figure 10. Darlot Project, Regional Geology and Location Plan

## CORPORATE COST REDUCTIONS

During the December Quarter, the Company undertook significant cost reduction initiatives. These included:

- Initiating search for smaller lower cost premises. (New office secured for 1<sup>st</sup> February 2015)
- Overseas based Directors waiving director's fees until further notice.
- Subject to approval at a General Meeting of Shareholders, proposal for other directors to take directors fees as part equity/part cash.
- Major staff reduction, staff level now one full-time employee, all other personnel contracted in "on a needs basis".



## RESEARCH AND DEVELOPMENT CLAIMS IN PROGRESS

The Company will receive from the ATO a refund of \$124,000 based on its 2011/2012 research and development (R & D) program associated with the Darlot Project.

R & D claims for 2012/2013 and 2013/2014 (Doolgunna Project) are being assessed.

## REDUCTION IN LANDHOLDINGS

The Company has reduced its annual expenditure commitment by critically reviewing all projects and surrendering non-core tenements. Landholdings at 31<sup>st</sup> December 2014 are tabulated in Appendix 1 and 2.

## CAPITAL RAISING

On 25<sup>th</sup> November 2014, the Company announced that it planned to raise in the order of \$400,000 through a planned private equity placement to its largest shareholder Sinotech Minerals and a number of sophisticated investors, plus an accompanying Share Purchase Plan (SPP) to all eligible shareholders targeting an additional \$200,000 in equity funding, to advance exploration on the Company's highly prospective Fraser Range nickel sulphide targets. 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.

On 22<sup>nd</sup> December 2014, the Company announced that its Shareholder Purchase Plan (SPP) had closed, and that the Company had received valid applications from existing shareholders totalling \$109,000, for 2,725,000 new shares.

In addition, the Company received \$235,000 (for 5,875,000 shares) from sophisticated investors via a private equity placement, including \$100,000 from Sinotech Minerals, the Company's largest shareholder. Sinotech Minerals thereby maintained its 30% interest in the Company. As a result, a total of 8.6 million new fully paid ordinary shares in Enterprise Metals Limited were issued on 24<sup>th</sup> December 2014.

## ISSUED CAPITAL AT 31<sup>st</sup> DECEMBER 2014

<b>Ordinary Shares</b>	<b>274,508,276</b>	
<b>Unlisted Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
7,600,000	\$0.149	11/9/2015
16,662,500	\$0.08	30/11/2016
12,000,000	\$0.10	15/6/2016

## CASH POSITION

Cash position at 31st December 2014: \$0.52 million.

Other liquid assets (Shares in ASX listed companies) \$0.43 million.

*D. Ryan*

**Dermot Ryan**  
**Managing Director**

**Contact:** Telephone: 08 9436 9200

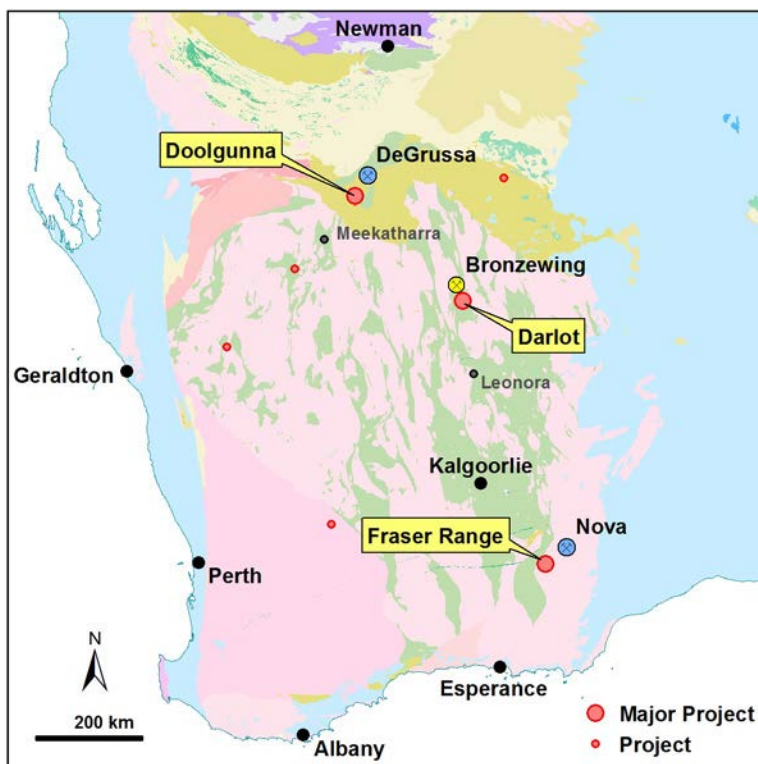
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Email: [admin@enterprisemetals.com.au](mailto:admin@enterprisemetals.com.au)

## 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 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.

## PROJECT LOCATIONS WESTERN AUSTRALIA 31<sup>st</sup> DECEMBER 2014





**APPENDIX 1: Tenement Schedule at 31<sup>st</sup> December 2014**

Project	Lease	Interest Held	State	Status
Burracoppin	E70/4538	100%	WA	Granted
Burracoppin	E77/1752	100%	WA	Granted
Darlot	E36/834	100%	WA	Application
Darlot	E36/835	100%	WA	Application
Darlot	E37/1185	100%	WA	Application
Darlot	E37/1207	100%	WA	Application
Darlot	P36/1790	100%	WA	Granted
Darlot	P36/1791	100%	WA	Granted
Doolgunna	E51/1079	100%	WA	Granted
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	E51/1638	100%	WA	Application
Doolgunna	E51/1646	100%	WA	Application
Doolgunna	E52/2049	100%	WA	Granted
Doolgunna	E52/2404	80%	WA	Granted
Doolgunna	E52/2406	80%	WA	Granted
Earaheedy	E69/3331	100%	WA	Application
Fraser Range	E63/1281	100%	WA	Granted
Fraser Range	E63/1282	100%	WA	Granted
Fraser Range	E63/1283	100%	WA	Granted
Fraser Range	E63/1448	100%	WA	Granted
Fraser Range	E63/1695	100%	WA	Application
Fraser Range	E28/2403	100%	WA	Application
Sylvania	E52/3150	100%	WA	Application
Wattagee	E51/1636	100%	WA	Application
Wattagee	E20/852	100%	WA	Application
Yalgoo	E59/2076	100%	WA	Application
Yalgoo	E59/2091	100%	WA	Application
Yalgoo	E59/2095	100%	WA	Application

**APPENDIX 2: Joint Ventured Tenement Schedule at 31<sup>st</sup> December 2014**

Project	Lease	Interest Held	State	Status
Darlot	E36/706	80%**	WA	Granted
Darlot	E36/731	100%*	WA	Granted
Darlot	E36/768	100%*	WA	Granted
Darlot	E36/778	100%*	WA	Granted
Darlot	E36/781	100%*	WA	Granted
Darlot	E36/795	100%*	WA	Granted
Darlot	E37/1031	100%*	WA	Granted
Darlot	E37/1075	100%*	WA	Granted
Darlot	E37/1105	100%*	WA	Granted
Darlot	E37/1112	100%*	WA	Granted
Darlot	E37/859	80%**	WA	Granted
Darlot	E37/926	100%*	WA	Granted
Darlot	E37/927	100%*	WA	Granted
Darlot	E37/939	100%*	WA	Granted
Darlot	E37/947	100%*	WA	Granted

\*IGO earning an 80% interest

\*\* IGO earning a 70% interest