ENTERPRISE METALS LIMITED

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AND
CONTROLLED ENTITIES

ACN 123 567 073

ANNUAL REPORT
30 JUNE 2010

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Dermot Ryan	Managing Director
Bruce Hawley	Executive Director

Company Secretary
Jay Stephenson

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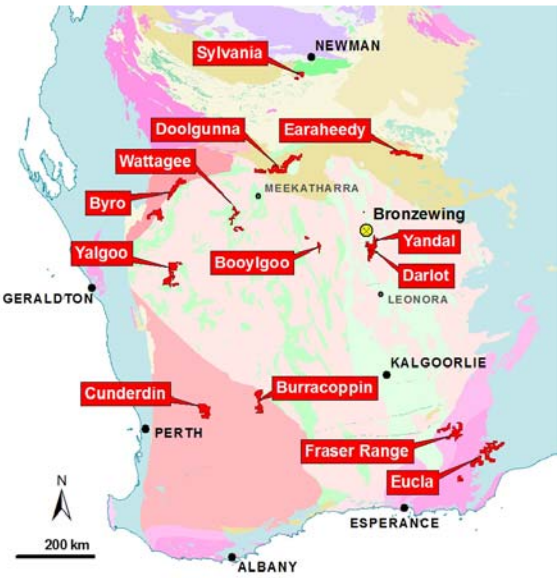
REVIEW OF OPERATIONS

SUMMARY

- **RC drill testing of magnetic targets at Cunderdin for iron ore commenced in September 2010. Results awaited.**
- **Rockchip sampling at Burracoppin locates BIF and massive goethite at surface. Detailed airborne survey underway to define drill targets.**
- **Detailed magnetic and gravity surveys completed over large dense magnetic intrusives near Balladonia on the edge of the Eucla Basin. Drill testing planned for October 2010.**
- **Detailed magnetic and radiometric survey at Sylvania defines channel iron deposit (CID) drill targets.**
- **At Yalgoo, radiometric survey defines discrete uranium targets associated with calcrete.**
- **Targets defined by surface geochemistry and geophysics at Doolgunna Project drill tested in September-November 2009. Low level base metals detected. Soil sampling in 2010 in progress along Goodin Fault and Narracoota volcanic contact.**



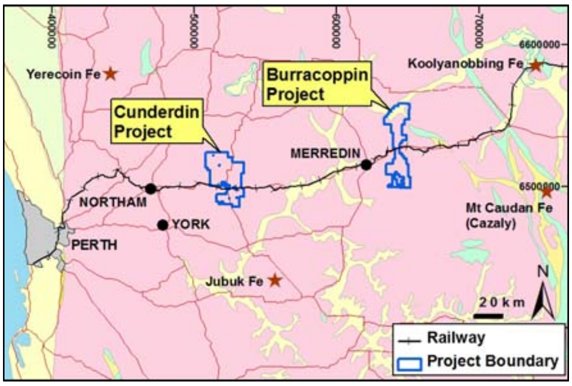
Plan of Project Locations

REVIEW OF OPERATIONS 2009/2010

CUNDERDIN IRON PROJECT

The Cunderdin iron exploration project is centered on the township of Cunderdin approximately 150 km east of Perth in Western Australia, and straddles the Great Eastern Highway and the standard gauge railway line that runs from Kalgoorlie to the port of Kwinana south of Perth. The project consists of wholly owned Exploration Licence 70/3756-I and Exploration Licence application 70/3816 covering a total of approximately 713 km2.

The Company's concept is that granites and granitic gneisses within the Cunderdin area contain enclaves of NW striking metamorphosed greenstone belts, which may also contain meta-sedimentary units including quartz-magnetite/ banded iron formation ("BIF"). However, deep weathering has resulted in little outcrop being left at surface, and hence detailed magnetic and radiometric surveys are critical in outlining these "blind" greenstone belts.



Location - Cunderdin and Burracoppin Projects

The Company recently completed a detailed 200 metre line spaced magnetic and radiometric survey of the Cunderdin Project area. The magnetic imagery displayed a highly folded magnetic unit which was interpreted to be a buried and metamorphosed Archaean greenstone belt possibly containing quartz-magnetite/BIF. Reconnaissance RC drill testing of this magnetic unit was completed along Shire road verges in September 2010. Assay results are awaited.

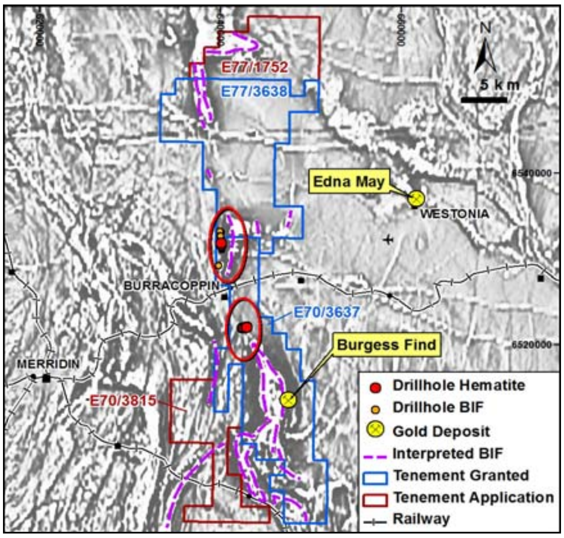
BURRACOPPIN IRON PROJECT

This project area is centred on the small township of Burracoppin, approximately 70km west of the main Southern Cross greenstone belt which hosts the Mt Caudan iron deposit recently discovered by Cazaly Resources Ltd. Four tenements (E70/3637, 3638, 3815 & E77/1752) cover an area of approximately 586 km^2 and overlie the western limb of the poorly known Westonia greenstone belt.

The Company considers that potential exists for substantial deposits of iron ore and possibly gold and base metals concealed below laterite and other thin soil and sand cover. Although there is little to no outcrop in the area, previous mapping has also detected float and scree of Banded Iron Formation ("BIF") and ironstone associated with a number of linear airborne magnetic anomalies. Whilst the Company's initial exploration target is magnetite contained within Archaean quartz-magnetite/BIF units, the ultimate target is one or more large bodies of high grade DSO hematite and/or goethite.

In August 2010 the Company announced that it had located scattered outcrops of Archaean quartz-magnetite/banded iron formation ("BIF") at Burracoppin. A number of the outcrops display intense alteration of magnetite to goethite/hematite which is consistent with the Company's view that the area has the potential to contain significant tonnages of Direct Shipping Ore ("DSO") where intense weathering of BIF has occurred on deeply weathered structures.

The Company collected 16 iron rich samples from outcrops or scattered float from 8 localities. All samples were submitted for iron ore analysis by XRF methods (assays awaited). The locations of these samples are shown below on a magnetic image. Based on the positive results of this first reconnaissance visit to the area, the Company has commissioned a geophysical contractor to fly a low level 100m line spaced airborne magnetic and radiometric survey over its tenements to generate drill targets. This survey commenced in late September 2010.



Burracoppin Project Area - Magnetic Image

SYLVANIA IRON PROJECT

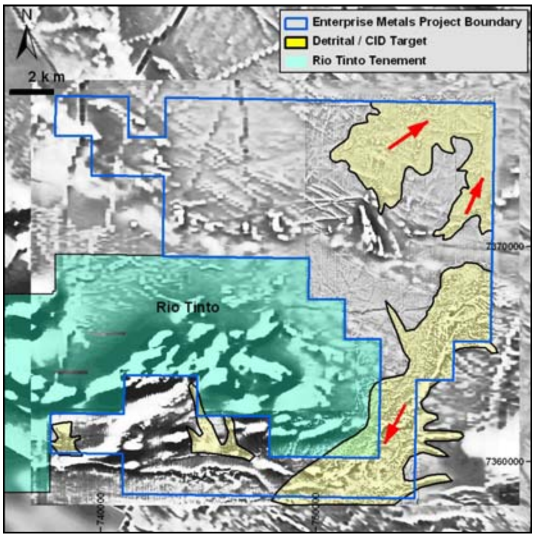
The Sylvania Project is located on the southern margin of the Sylvania Dome in the Pilbara block, approximately 70km WSW of the town of Newman. Known mineralisation in the general area includes iron ore, gold, zinc-lead-silver and uranium.

Hamersley Group banded iron formations (BIF) and hematite outcrop on the northern margin of the southern portion of Enterprise's tenement. They have been drill tested by Rio Tinto/Hamersley Iron immediately to the north of Enterprise's tenement in successive phases since the late 1980's. The BIF units dip shallowly to the south and are interpreted to belong to the Brockman and Weeli Wolli Iron Formations. The iron formations extend into Enterprise's tenement but are partly overlain by clastic rocks assigned to the Wyloo group.

Reconnaissance geological mapping and rock chip sampling by Enterprise in July 2009 located hematite mineralisation (up to 66.3%Fe) transgressing the Rio Tinto/Enterprise Metals tenement boundary. The area is poorly exposed and there is limited scope to advance the search by geological mapping.

In mid 2010, the Company flew a 50m line spaced magnetic and radiometric survey which has highlighted the potential for major Channel Iron Deposits (CID's) on the eastern flank of the project area.

The survey also highlighted two smaller areas in the southern and western parts of the project area where the magnetics indicate CID's are present. Scout RC drilling is planned for early 2011.



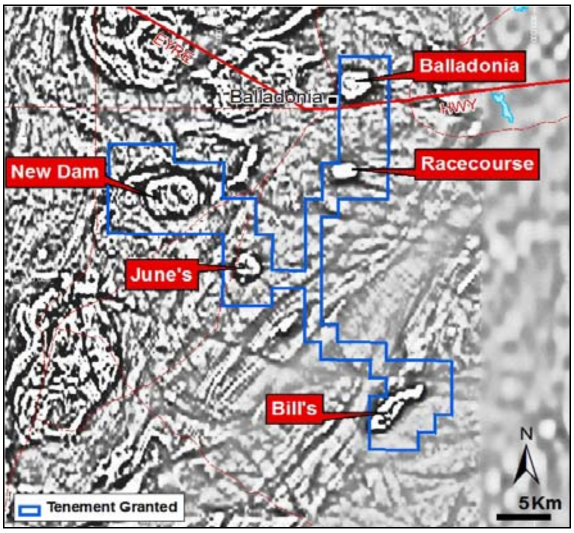
Sylvania Project Area - Magnetic Image

EUCLA BASE METALS PROJECT

Enterprise has a package of tenements centred around Balladonia, a roadhouse approximately 210km east of Norseman on the Eyre Highway. The project consists of one granted tenement E69/2603 and five tenements in application. The tenements, covering an area of 1467km^2 lie to the east of the Proterozoic Fraser Range Orogenic Complex. In 2008, the Geological Survey of Western Australia conducted a regional 400m line spaced magnetic survey over an area west of the NE trending Fraser Range orogenic belt. This survey located a number of strong discrete magnetic anomalies.

In 2009 Enterprise carried out detailed airborne magnetic surveys (100m flight line spacing) over several of these anomalies. Reconnaissance gravity surveys consisting of four lines were then completed in late October 2009, with a total of 69.2 line km of readings. These detailed surveys produced strong discrete magnetic anomalies each several square kilometres in extent including a strongly magnetic circular body with an 8 milligal gravity anomaly approximately 2,300m in diameter.

Enterprise considers that these magnetic targets have the potential to contain or be associated with large world class deposits of iron oxide-copper-gold ("IOCG"), such as Olympic Dam in South Australia, concealed beneath thin cover. It is believed that the area's proximity to major fault breaks make the local geology particularly prospective for shear hosted gold deposits. Most IOCG deposits contain breccia bodies with significant amounts of iron oxide and possibly sulphide mineralization. Drilling is due to commence late September 2010.

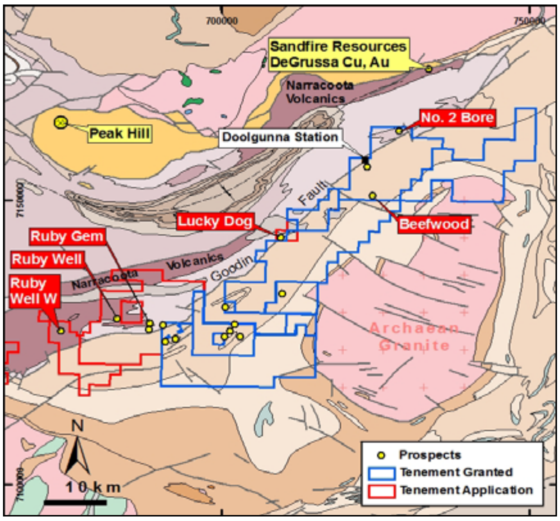


Magnetic Image showing Eucla Magnetic Targets

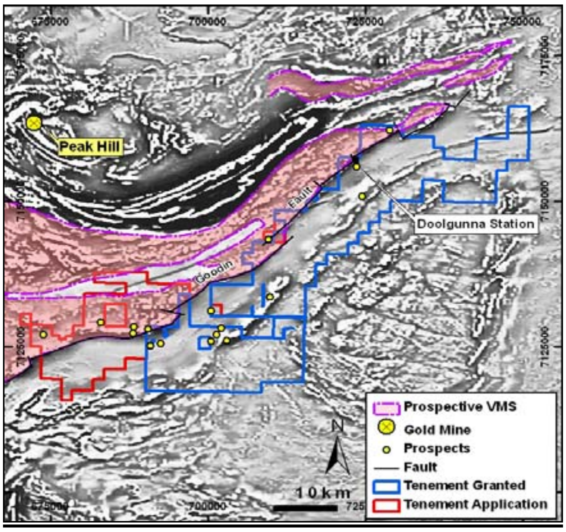
DOOLGUNNA BASE METALS PROJECT

The Company has a strong land position centred approximately 110km northeast of Meekatharra and its tenements cover Palaeoproterozoic rocks affected by the Capricorn Orogen predominantly located within the Yerrida Basin. The primary target sought is one or more large mesothermal-style gold stockwork systems and/or volcangenic massive sulphide systems. Sandfire Resources NL have reported that ground EM surveys identified two major sub-surface conductors in the Narracoota Volcanics, and subsequent drilling defined the DeGrussa mineral resource of 9.62Mt @ 5.5% copper, 1.8g/t gold and 14g/t silver.

The Company controls a significant strike length of the Goodin Fault, which separates the Narracoota Formation volcanics from the Doolgunna Formation sediments. The Goodin Fault has a strike length of approximately 100km, and is interpreted to be a major structure that may have provided conduits for mineralising fluids during collisional tectonics.



Doolgunna Project Geology and Tenement Plan



Doolgunna Project Magnetic Image

Prospective Narracoota Volcanics Highlighted

During 2009 Enterprise's exploration and drilling program focussed on its granted tenements covering the Doolgunna Formation sediments of the Yerrida Basin. This was the first test by deep drilling of the Company's alluvial gold and base metal targets along the 50km long magnetic trend termed the Southern Boundary Fault ("SBF"). Reverse circulation ("RC") drill testing of various gold/copper and geophysical targets was completed in September/November 2009. A total of 40 holes were completed for 8,831 metres.

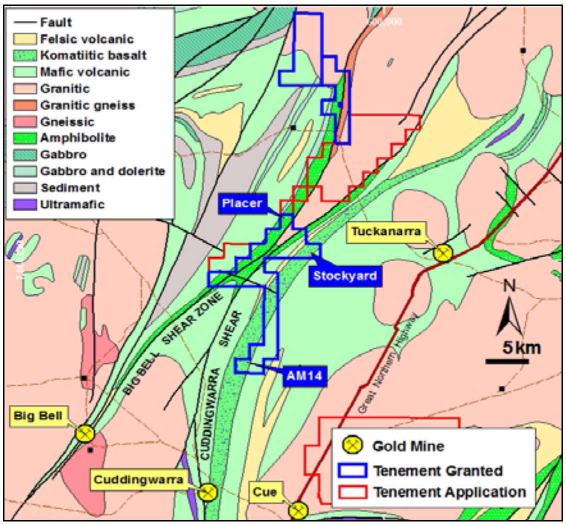
The best 2009 RC drilling results came from geochemical targets in the area around No. 2 Bore, which lies within the Narracoota Formation volcanics, adjacent to the Goodin Fault, approximately 6-9km NE of Doolgunna homestead. The southernmost drillhole (NBRC010) along a fence of holes testing a weak linear NW striking VTEM anomaly and a historical geochemical anomaly intersected narrow veins of chalcopyrite, pyrite and carbonate from 107m-115m, which included 1m @ 0.4g/t Au and 0.9% Cu from 114m.

In 2010, the Company commenced infill soil geochemical along the Goodin Fault where it contacts the Narracoota Volcanics. Although this work is incomplete, a number of significant base metal anomalies have been identified for further infill.

Upon completion of the soil programs, RAB and RC drilling programs will be implemented.

WATTAGEE GOLD PROJECT

The Wattagee area is located in the Murchison Province of the Yilgarn Craton 30 km north of the town of Cue. The Company considers the geology of the project area to be prospective for gold and base metal deposits such as Big Bell and Cuddingwarra, and VMS style base metal deposits similar to Golden Grove. Up to 80% of the prospective stratigraphy within the project area is obscured by a regolith which has hindered previous explorers' efforts. Enterprise is exploring these covered areas for gold and base metals with ground geophysical surveys (IP) and RAB and RC drilling.



Wattagee Project Geology and Prospects

In early 2010 the Company completed 10 RC drill holes on the *Placer*, *Stockyard East/West* and *AM14* prospects. A further 5 RC holes were drilled at the Stockyard East prospect in June 2010. Three of these additional holes were drilled to the south and north along strike from historical hole NCRC006, where gold mineralization of 4m at 17.9g/t was intercepted, and two holes north and south along strike from STERC004 where 8m of gold mineralisation at 5.3g/t was intercepted in April.

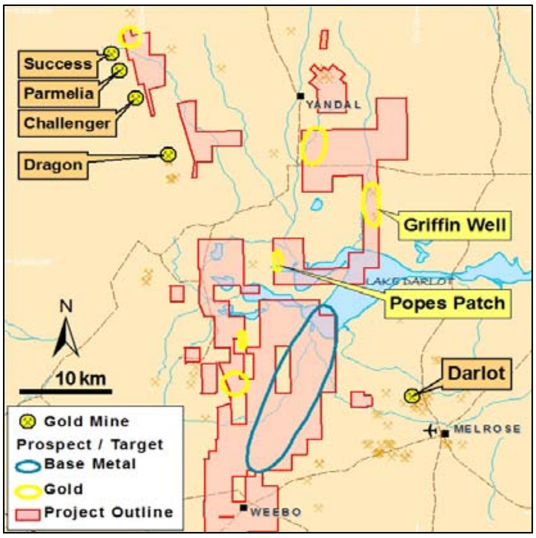
Three of the five new drill holes (STERC007-009) intersected massive or semi-massive sulphides soon after passing into fresh rock. All sulphides were dominantly pyrite with lesser arsenopyrite. Whilst these follow up holes have intersected lower tenor gold mineralization, they have confirmed the general strike and dip of the mineralized zone. The two holes drilled around STERC004 both encountered sulphide rich intervals. These correspond to a subdued IP anomaly. A similar, but larger more intense series of IP zones lie to the west and this possibly indicates other areas of disseminated arsenopyrite rich mineralisation. Further RC drill testing of the Stockyard East prospect is being planned.

Hole No.	Prospect	From (m)	Int (m)	Au (g/t)
STERC003	Stockyard E.	112	4	1.9
STERC004	Stockyard E.	181	8	5.3
STERC005	Stockyard E.	120	4	1.2
STERC007	Stockyard E.	80	4	1.4
Incl.		81	1	3.3
STERC008	Stockyard E.	128	1	1.4
and	Stockyard E.	156	4	1.7
Incl.		157	1	6.3
and		164	1	2.3
STERC009	Stockyard E.	91	1	1.0

Wattagee – Significant 2010 RC Drilling Results

DARLOT GOLD PROJECT

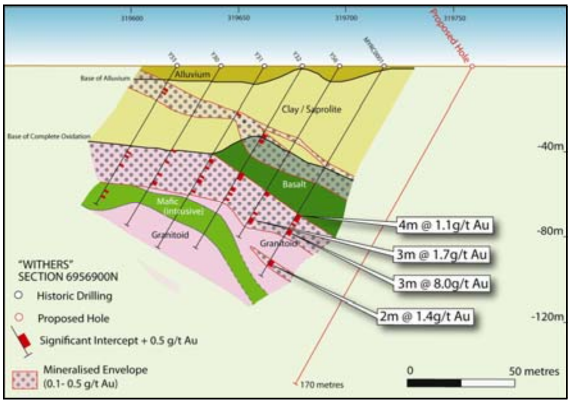
This project covers an area of 486 km^2 over the southern portion of the Archaean Yandal Greenstone belt in Western Australia. The Project is centred approximately midway between the Bronzewing and Darlot gold mines.



Darlot Project Prospect Locations

In 2010, Enterprise purchased tenements near the old Yandal Homestead some 22km SE of the Bronzewing Gold Mine operated by Navigator Resources Ltd. The Company's interest centres on the Withers Find and Little Yanbo gold occurrences discovered by past shallow drilling. A 10km long anomalous oxide gold corridor extends south of Withers Find - Little Yanbo area and through the project tenements, but the fresh rocks below and down-dip from Withers Find and Little Yanbo are essentially untested by deeper drilling.

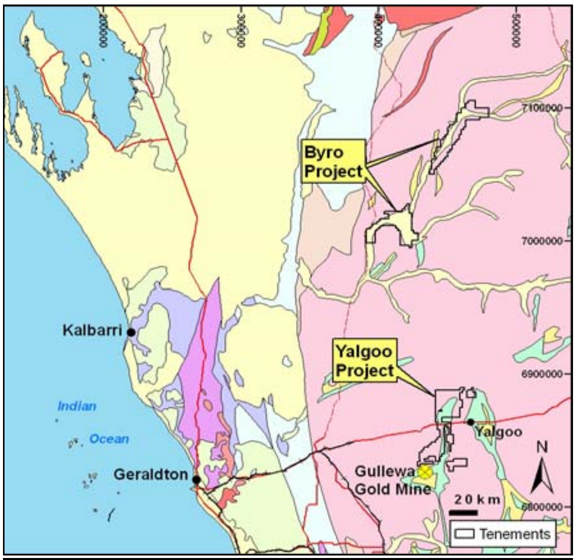
Enterprise has completed two IP traverses across Withers Find and Little Yanbo which revealed chargeability highs down dip from Withers Find and vertically below Little Yanbo. Past exploration data has been compiled and drill sections prepared. An RC drilling program to test the fresh rocks for high grade multiple ore shoots (similar to Bronzewing) has been designed, and is expected to commence in late 2010.



Wither's Find - Drill Section 6956,900N (GDA94)

BYRO URANIUM PROJECT

The Byro Uranium Project is located 300 km NNE of Geraldton, and contains gneiss and migmatite, greenstone belt volcanics, sediments and typical Yilgarn granitoids of the Murchison Province. The project consists of two tenements E20/693 and E59/1617, covering an area of 1,078 km^2.



Byro and Yalgoo Projects Tenements and Location

The focus of this project is to discover a substantial calcrete hosted uranium deposit within or adjacent to the Murchison River on E20/693. GSWA radiometric data shows a prominent NE trending linear uranium anomaly, some 45km long and 4 - 5 km wide, flanking the Murchison River.

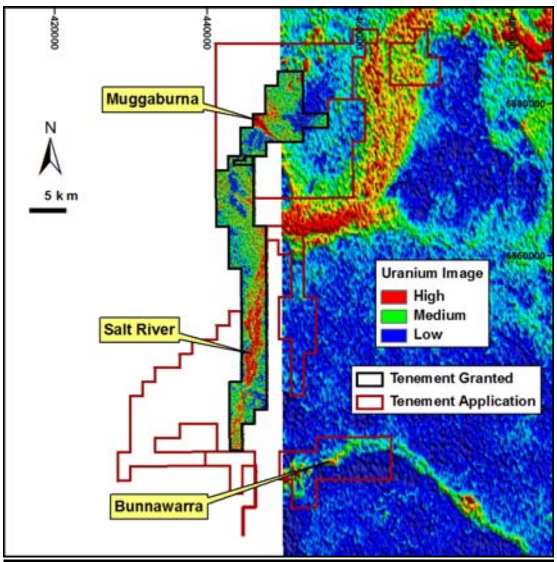
Mapping by the GSWA also shows the radiometric anomaly to be largely coincident with extensive areas of mapped calcrete. The Company intends to commission a detailed airborne radiometric survey to better define the higher grade portions of the extensive channel. Processing of radiometric data will generate specific targets for ground follow up once the tenements are granted.

YALGOO URANIUM PROJECT

The Yalgoo Uranium Project is located approximately 600kms north of Perth and is 23kms west of the township of Yalgoo. The Project is comprised of one granted tenement (Exploration Licence 59/1437) and 3 exploration licence applications (E59/1632, 1633, 1645 and 1651) covering an overall area of 886 km^2.

In early 2010, the Company received 100 metre line spaced magnetic and radiometric data over granted Exploration Licence 59/1437. The imaged data shows a 30km long north-south uranium channel anomaly coincident with the Salt River drainage valley.

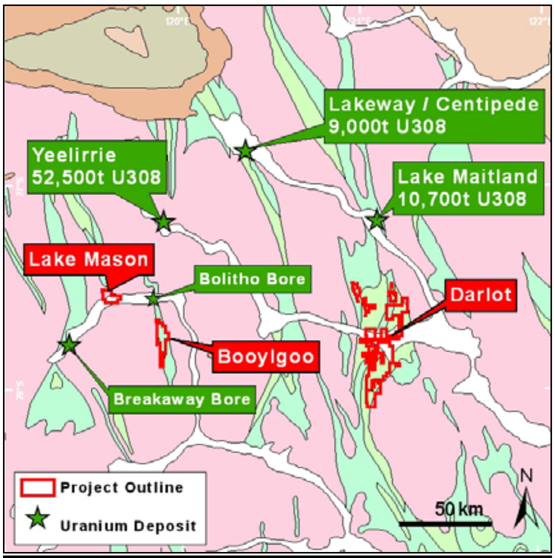
The Salt River drainage system contains mapped calcrete deposits and overlies a north-south trending greenstone belt. Enterprise believes that the Yalgoo Project uranium targets satisfy many of the criteria for the development of calcrete hosted uranium deposits such as Yeelirrie. Along with the Salt River prospect two other anomalies, at Muggaburna and Bunnawarra occur in the project area. These targets are now being assessed for follow up drill testing.



Yalgoo Project Uranium Image

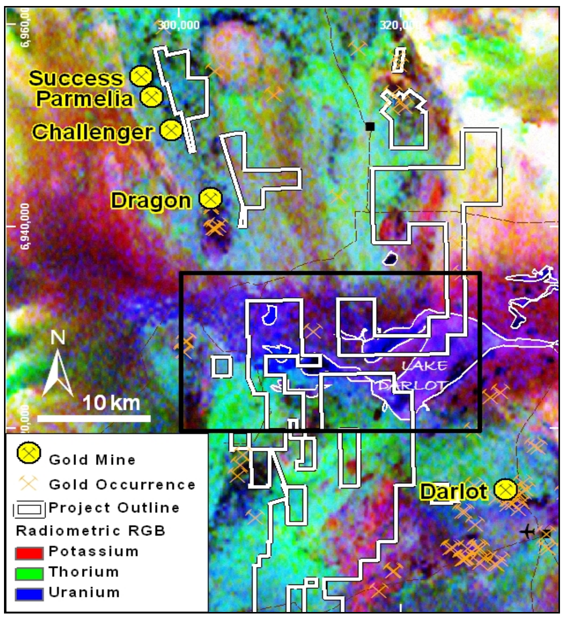
DARLOT URANIUM PROJECT

Lake Darlot occurs within the Company's Darlot tenement package and is 140 km downstream and south east of the Yeelirrie deposit held by BHP Billiton. At Yeelirrie, carnotite mineralisation has precipitated within valley fill calcrete aquifers in response to changes in groundwater chemistry.



Darlot Project Tenements and Geology

Processing of multi-channel radiometric data has identified a concentration of uranium mineralisation along the northern and southern flanks of the Lake Darlot drainage system. The Company has collected soil samples west of Lake Darlot at Boundary Well and Salt Lagoon. The maximum uranium assay was 164 ppm U. The average uranium value returned from all soil sampling in E37/926 was 92 ppm U, whilst around 50% of the samples returned values of >100 ppm U.



Darlot Project RGB (radiometric) Image

OTHER PROJECTS

The **Earaheedy Iron Project** in the Nabberu Basin consists of two elongate tenements which are awaiting grant. When the tenements are granted, it is planned to fly a detailed magnetic survey over the channel areas, and conduct detailed gravity surveys to define RC drill targets.

It is considered that potential exists in the Earaheedy area for substantial channel iron deposits ("CIDs") concealed below thin Cainozoic cover. The Nabberu Basin is similar in age and size to the Hamersley Basin. In part, the basins share similar sedimentation histories and styles of mineralisation.

The **Booylgoo Iron Project** consists of one tenement application covering part of the Archaean Booylgoo Range greenstone belt._There are 20km of mapped BIF on the tenement, but the non-outcrop areas need to be drill tested for potential hematite/goethite deposits.

The **Fraser Range Project** consists of 3 large tenements granted in 2010, which cover rocks of the Fraser Orogenic Complex. The western portion of this tenement group covers the southward extension of the structural/stratigraphic unit which hosts the Tropicana gold deposit, some 350km to the north.

COMPETENT PERSON STATEMENT

The information in this document that relates to Exploration Results has been reviewed by Mr Dermot Ryan, who is a Fellow of the Australian Institute of Geoscientists, a Fellow of the Australian Institute of Mining and Metallurgy, a Chartered Professional and a full time employee of geological consultancy XServ Pty Ltd. Mr Ryan has sufficient relevant experience in the styles of mineralisation and types of deposit under consideration, and in the activity he is undertaking, to qualify as a Competent Person as defied in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and or Reserves" (the JORC Code), and consent to the inclusion of the information in the form and context in which it appears.

CORPORATE GOVERNANCE STATEMENT

As the framework of how the Board of Directors of Enterprise Metals Limited ("Company") carries out its duties and obligations, the Board has considered the eight principles of corporate governance as set out in the ASX Good Corporate Governance and Best Practice Recommendations.

The essential corporate governance principles are:

1 Lay solid foundations for management and oversight;
2 Structure the Board to add value;
3 Promote ethical and responsible decision-making;
4 Safeguard integrity in financial reporting;
5 Make timely and balanced disclosure;
6 Respect the rights of shareholders;
7 Recognise and manage risk;
8 Remunerate fairly and responsibly.

1. Lay solid foundations for management and oversight.

Recommendation 1.1: *Formalise and disclose the functions reserved to the Board and those delegates to management.*

Roles and Responsibilities:

The roles and responsibilities of the Board are to:

- Oversee control and accountability of the Company;
- Set the broad targets, objectives, and strategies;
- Monitor financial performance;
- Assess and review risk exposure and management;
- Oversee compliance, corporate governance, and legal obligations;
- Approve all major purchases, disposals, acquisitions, and issue of new shares;
- Approve the annual and half-year financial statements;
- Appoint and remove the Company's Auditor;
- Appoint and assess the performance of the Managing Director and members of the senior management team;
- Report to shareholders.

2. Structure the Board to add value.

Recommendation 2.1: *A majority of the Board should be independent Directors. – There are no independent Directors. Refer general comment below.*

Recommendation 2.2: *The Chairperson should be an independent Director. – The Chairman is not independent. Refer general comment below.*

Recommendation 2.3: *The roles of the Chairperson and Chief Executive should not be exercised by the same individual.*
Recommendation 2.4: *Establishment of a nominations committee.*

Recommendation 2.5: *Disclose the process for performance evaluation of the board, its committees and individual directors, and key executives.*

Recommendation 2.6: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 2.*

CORPORATE GOVERNANCE STATEMENT

Membership
The Board's membership and structure is selected to provide the Company with the most appropriate direction in the areas of business controlled by the Company. The Board currently consists of three members; a Managing Director, one executive Director and one non-executive Director. The Company is not of a size where a majority of independent Directors is possible. The directors each hold shares in the Company. Refer to the Directors' Report for details of each Director's profile.

Chairman and Managing Director
The roles of the Chairman and the Managing Director are separate. The Chairman is responsible for leading the Board in its duties, and facilitating effective discussions at Board level. The Managing Director is responsible for the efficient and effective operation of the Company.

Nomination Committee
The Company has a formal charter for the Nomination Committee, however, no Committee has been appointed to date. The Board as a whole deals with areas that would normally fall under the charter of the Nomination Committee. These include matters relating to the renewal of Board members and Board performance.

Skills
The Directors bring a range of skills and backgrounds to the Board including mineral exploration, engineering, construction, accountancy and finance.

Experience
The Directors have considerable experience in business at both operational and corporate levels.

Meetings
The Board meets at least bi-monthly on a formal basis.

Independent professional advice
Each Director has the right to seek independent professional advice at the Company's expense for which the prior approval of the Chairman is required, and is not unreasonably withheld.

3. Promote ethical and responsible decision-making.

Recommendation 3.1: *Establish a code of conduct to guide the Directors, the Chief Executive Officer (or equivalent) and any other key executives as to:*

3.1.1 The practices necessary to maintain confidence in the Company's integrity;
3.1.2 The practices necessary to take into account legal obligations and the reasonable expectations of shareholders;
3.1.2 The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Recommendation 3.2: *Disclose the policy concerning trading in Company securities by Directors, officers, and employees.*

Standards
The Company is committed to its Directors and employees maintaining high standards of integrity and ensuring that activities are in compliance with the letter and spirit of both the law and Company policies. Each staff member is issued with the Company's Policies and Procedures manual at the beginning of their employment with the Company.

Recommendation 3.3: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 3.*
A summary of both the Company's Code of Conduct and its Share Trading Policy are included on the Company's website.

4. Safeguard integrity in financial reporting.

Recommendation 4.1: *The Board should establish an audit committee. – Refer general comment below.*

Recommendation 4.2: *Structure the audit committee so that it consists of:*

- *Only non-executive Directors;*
- *A majority of independent Directors;*
- *An independent Chairperson, who is not Chairperson of the Board;*
- *At least three members.*

Recommendation 4.3: *The Audit Committee should have a formal charter.*

Integrity of Company's Financial Condition
The Company's Financial Controller and Company Secretary report in writing to the Board that the consolidated financial statements of the Company and its controlled entities for the half and full financial year present a true and fair view, in all material respects, of the Company's financial condition and operational results are in accordance with relevant accounting standards.

Audit Committee
The Company has a formal charter for an Audit Committee, however no Committee has been appointed to date. All members of the Board currently provide an active role in the following activities:

- Review the Company's accounting policies;
- Review the content of financial statements;
- Review the scope of the external audit, its effectiveness, and independence of the external audit;
- Ensure accounting records are maintained in accordance with statutory and accounting standard requirements;
- Monitor systems used to ensure financial and other information provided is reliable, accurate, and timely;
- Review the audit process with the external auditors to ensure full and frank discussion of audit issues;
- Present half and full year financial statements to the Board.

5. Make timely and balanced disclosure.

Recommendation 5.1: *Establish written policies and procedures designed to ensure compliance with ASX Listing rules disclosure requirements and to ensure accountability at a senior management level for that compliance.*

Being a listed entity on the ASX, the Company has an obligation under the ASX Listing Rules to maintain an informed market with respect to its securities. Accordingly, the Company advises the market of all information required to be disclosed under the Rules which the Board believes would have a material affect on the price of the Company's securities.

The Company Secretary has been appointed as the person responsible for communication with the Australian Stock Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules, and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

CORPORATE GOVERNANCE STATEMENT

All shareholders receive a copy of the Company's annual report via the Enterprise Metals Limited website (www.enterprisemetals.com.au) or a hard copy will be posted on request.

Recommendation 5.2: *Provide the information indicated in the ASX Corporate Governance Councils' Guide to Reporting on Principle 5.*
Disclosure is reviewed as a routine agenda item at each Board meeting.

6. Respect the rights of shareholders.

Recommendation 6.1: *Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.*

Recommendation 6.2: *Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.*

The Company is committed to keeping shareholders fully informed of significant developments at the Company. In addition to public announcements of its financial statements and significant matters, the Company provides the opportunity for shareholders to question the Board and management about its activities at the Company's annual general meeting.

The Company's auditor, Grant Thornton, will be in attendance at the annual general meeting and will also be available to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

7. Recognise and manage risk

Recommendation 7.1: *The board or appropriate board committee should establish policies on risk oversight and management.*

Recommendation 7.2: *The chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the board that:*

7.2.1 The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.

7.2.2 The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

Recommendation 7.3: *The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a system of risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks.*

Recommendation 7.4: *Provide the information indicated in the ASX Corporate Governance Council's Guide to reporting on Principle 7.*

The Board oversees the Company's risk profile. The financial position of the Company and matters of risk are considered by the Board on a daily basis. The Board is responsible for ensuring that controls and procedures to identify, analyse, assess, prioritise, monitor and manage risk are in place, being maintained and adhered to.

CORPORATE GOVERNANCE STATEMENT

The Chief Financial Officer/Company Secretary, Mr Jay Stephenson states in writing to the board that:

- The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.

- The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

8. Remunerate fairly and responsibly

Recommendation 8.1: *The Board should establish a Remuneration Committee.*

Recommendation 8.2: *Clearly distinguish the structure of non-executive Directors' remuneration from that of executives.*

Recommendation 8.3: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 8.*

Principles used to determine the nature and amount of remuneration
The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate to the results delivered. The framework aligns executive reward with the creation of value for shareholders, and conforms to market best practice.

The remuneration committee ensures that executive rewards satisfy the following key criteria for good reward governance practices:

- Competitiveness and reasonableness;
- Acceptability to the shareholders;
- Performance linked;
- Transparency;
- Capital management.

The Company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Remuneration Committee
Members of the Remuneration Committee are Messrs Larsen and Ryan although the remuneration meetings are part of the regular board meetings and the entire board act on remuneration issues.

Directors' Remuneration
Further information on Directors' and executives' remuneration is set out in the Directors' Report.

DIRECTORS' REPORT

Your Directors present their report on the Group for the financial year ended 30 June 2010.

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

Mr Paul Larsen
Mr Dermot Ryan
Mr Bruce Hawley

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 person held the position of Company Secretary at the end of the financial year:

Mr Jay Richard Stephenson - Fellow of Certified Practicing Accountants; Certified Management Accountant; Member of Australian Institute of Company Directors; Master of Business Administration; Fellow of Institute of Chartered Secretaries Australia. Mr Stephenson was appointed as Company Secretary for Enterprise Metals Limited on 23 January 2007. Mr Stephenson also performs the role of Chief Financial Officer for the Company.

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

Significant Changes in State of Affairs
On 9 March 2010, the Company completed a Share Purchase Plan by allotting 7,556,820 shares from 192 Shareholders at $0.20 per share to raise $1,511,364. The Company also announced that it had placed 6.million shares to sophisticated investors through a private placement at $0.20 per share to raise $1,200,000.

On 16 February 2010, the Company announced it had acquired 100% of the Cunderdin iron exploration project by purchasing 100% of the issued capital in Glintan Pty Ltd. The consideration for the Glintan acquisition was $60,000 cash and 3 million shares in the Company and a gross production royalty of 1.5% on all minerals produced.

On 20 January 2010, the Company announced it had acquired 100% of the Byro Uranium project by purchasing 100% of the issued capital in Amiable Holdings Pty Ltd. The consideration for the Amiable acquisition was $50,000 cash and 1.5 million shares in the Company and a gross production royalty of 1.5% on all minerals produced.

On 16 July 2009, the Company announced it had completed its Entitlement Issue with the issue of 15,209,743 Shares and 15,209,743 free attaching Options at an issue price of $0.15 per Share to raise $2,281,461.

Operating Results
The consolidated loss of the consolidated entity after providing for income tax amounted to $365,081 (2009:$876,445).

Dividends Paid or Recommended
There were no dividends paid or recommended during the financial year ended 30 June 2010.

Review of Operations
A detailed review of the Group's exploration activities is set out in the section titled "Review of Operations" in this annual report.

DIRECTORS' REPORT

Financial Position

The net assets of the Group have increased by $6,062,088 from 30 June 2009 to $16,996,980 at 30 June 2010.

After Reporting Date Events

There are no after reporting date events.

Likely Developments

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

Information on Directors

Mr Paul Larsen	— Chairman (Non-Executive).
Experience	— Mr Larsen has over 25 years of commercial experience, being the Managing Director of a number of successful private companies. Mr Larsen has also been heavily involved in the construction industry.
Interest in Shares and Options	— 5,046,034 Shares 485,148 Options
Special Responsibilities	— Member of the Due Diligence Committee and Remuneration Committee.
Directorships held in other listed entities	— Nil

Mr Dermot Ryan	— Managing Director
Experience	— Mr Ryan spent 20 years with the 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 late 1996-2001, and for the past 6 years 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	— 12,075,000 Shares 3,500,000 Options
Special Responsibilities	— Member of Remuneration Committee.
Directorships held in other listed entities	— Legend Mining Limited. There have been no other directorships in ASX listed companies in the past three years.

Mr Bruce Hawley	— Executive Director
Experience	— Mr Hawley has 35 years experience in the management, evaluation, development and construction of mining projects. He is a Fellow of the AusIMM (CP) andholds a BE (Chem) Hons.
Interest in Shares and Options	— 3,526,168 Shares 3,352,168 Options
Special Responsibilities	— None
Directorships held in other listed entities	— Nil

DIRECTORS' REPORT

Meetings of Directors

During the financial year, 5 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

			COMMITTEE MEETINGS					
	DIRECTORS' MEETINGS		DUE DILIGENCE COMMITTEE		REMUNERATION COMMITTEE		AUDIT COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Paul Larson	5	5	-	-	-	-	-	-
Dermot Ryan	5	5	-	-	-	-	-	-
Bruce Hawley	5	5	-	-	-	-	-	-

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 willful breach of duty in relation to the Company. The amount of the premium was $13,570.

- No indemnity has been paid to 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
23 July 2008	22 November 2012	$0.25	1,500,000
23 July 2008	30 June 2013	$0.50	2,500,000
14 October 2008	22 November 2012	$0.25	1,500,000
13 July 2009	20 June 2012	$0.25	9,281,966
27 July 2009	20 June 2012	$0.25	6,000,000
			20,781,966

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.

DIRECTORS' REPORT

Environmental Regulations
In the normal course of business, there are no environmental regulations or requirements that the Group is subject to.

Non-audit Services

No non-audit services were provided to the Group for the year ended 30 June 2010.

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.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 23 of the Annual Report.

REMUNERATION REPORT (AUDITED)

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

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 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 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. 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 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.

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. For details of Directors' and executives' interests in options at year end, refer to note 5 of the financial statements.

REMUNERATION REPORT (AUDITED)

B. Details of Remuneration for Year Ended 30 June 2010

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. Key management personnel are also specified executives.

Table of Benefits and Payments for the Year Ended 30 June 2010

2010

Key Management Personnel	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	Remuneration that is performance based
	Salary, fees and leave	Cash from other activities	Non-monetary	Other	Superannuation	Other	Equity	Options		
	$	$	$	$	$	$	$	$	$	%
Paul Larsen	40,000	-	-	-	-	-	-	-	40,000	-
Dermot Ryan*	-	156,450	-	-	-	-	-	-	156,450	-
Bruce Hawley	30,000	104,433	-	-	-	-	-	-	134,433	-
Jay Stephenson**	-	-	-	-	-	-	-	-	-	-
	70,000	260,883	-	-	-	-	-	-	330,883	-

2009

Key Management Personnel	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	Remuneration that is performance based
	Salary, fees and leave	Cash from other activities	Non-monetary	Other	Superannuation	Other	Equity	Options		
	$	$	$	$	$	$	**$**	**$**	**$**	%
Paul Larsen	15,000	-	-	-	-	-	**-**		**15,000**	-
Dermot Ryan*	-	45,400	-	-	-	-	**-**		**45,400**	-
Peter Del Fante	15,000	6,000	-	-	-	-	**-**	**149,800**	**170,800**	88
Bruce Hawley	20,000	13,750	-	-	-	-	**-**	**470,550**	**504,300**	93
Jay Stephenson**	-	-	-	-	-	-	**-**		**-**	-
	50,000	65,150	-	-	-	-	**-**	**620,350**	**735,500**	84

* Dermot Ryan is paid by a related party of the Group – refer Note 20 for disclosure of related party transactions. The amount shown above is an assessment of the amount paid for his services.

**Jay Stephenson is paid by a related party of the Group – refer Note 20 for disclosure of related party transactions.

REMUNERATION REPORT (AUDITED)

C. Service Agreements

The Company has no service agreements with any Directors.

The employment contract stipulates a one month resignation period. The Company may terminate the employment contract without cause by providing one month's written notice, or making payment in lieu of notice based on the individual's annual salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

D. Share-based compensation
Incentive Option Scheme

Options are granted under the Enterprise Metals Limited Incentive Option Scheme. All staff who have been continuously employed by the Company for a period of at least one year are eligible to participate in the plan. 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

There were no options issued to Director and Key Management Personnel during the 2010 financial year.

Options Granted

	Grant details			For the financial year ended 30 June 2010					Overall		
	Date	No.	Value $	Exercised no.	Exercised $	Lapsed no.	Lapsed $	Vested no.	Vested %	Unvested %	Lapsed %
Group Key Management Personnel			**(Note 1)**	**(Note 2)**	**(Note 3)**		**(Note 4)**				
Paul Larsen	20 March 2007	500,000	27,450	500,000	125,000	-	-	-	-	-	-
Dermot Ryan	14 October 2008	1,500,000	121,500	-	-	-	-	1,500,000	100	-	-
Peter Del Fante	20 March 2007	500,000	27,450	500,000	125,000	-	-	-	-	-	-
	23 July 2008	1,000,000	45,000	-	-	-	-	1,000,000	100	-	-
Bruce Hawley	23 July 2008	1,500,000	101,250	-	-	-	-	1,500,000	100	-	-
	23 July 2008	1,500,000	67,500	-	-	-	-	1,500,000	100	-	-
				1,000,000	-	-	-	5,500,000			

Note 1 The value of options granted as remuneration and as shown in the above table has been determined in accordance with applicable accounting standards.

Note 2 All options exercised resulted in the issue of ordinary shares in Enterprise Metals Limited on a 1:1 basis. All persons exercising options paid the relevant exercise price in its entirety.

Note 3 The value of options that have been exercised during the year as shown in the above table was determined as at the time of their exercise.

Note 4 The value of options that have lapsed during the year due to vesting conditions not being satisfied has been determined at the time of their lapsing as if vesting conditions had been satisfied.

REMUNERATION REPORT

Description of Options Issued as Remuneration

Details of the options granted as remuneration to those key management personnel listed in the previous table are as follows:

Grant date	Issuer	Entitlement on exercise	Dates exercisable	Exercise price $	Value per option at grant date $	Amount paid/ payable by recipient $
20 March 2007	Enterprise Metals Limited	1:1 Ordinary Shares in Enterprise Metals Limited	From vesting date to 31 December 2009 (expiry)	$0.25	$0.0549	-
23 July 2008	Enterprise Metals Limited	1:1 Ordinary Shares in Enterprise Metals Limited	From vesting date to 22 November 2012 (expiry)	$0.25	$0.1639	-
23 July 2008	Enterprise Metals Limited	1:1 Ordinary Shares in Enterprise Metals Limited	From vesting date to 30 June 2013 (expiry)	$0.50	$0.1498	-
14 October 2008	Enterprise Metals Limited	1:1 Ordinary Shares in Enterprise Metals Limited	From vesting date to 22 November 2012 (expiry)	$0.25	$0.0980	-

Option values at grant date were determined using the Black-Scholes method.

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

Paul Larsen
DIRECTOR

Dated this 30th day of September 2010

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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 2010, 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

C A Becker
Director - Audit & Assurance

Perth, 30 September 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
Revenue	2	236,600	135,280
Accounting and Audit Fees		(37,344)	(37,286)
Share registry and Listing Fees		(110,141)	(45,786)
Employee Benefits Expense		(222,943)	(135,655)
Computers and Software		(2,135)	(1,371)
Investor Relations		(21,288)	(3,883)
Insurance		(22,672)	(24,220)
Depreciation	3	(14,551)	(2,785)
Office Rental Expense	3	(7,828)	(79,699)
Share-based payments expense	3,18	-	(620,350)
Exploration and Evaluation Expenses (not capitalised)/recouped	3	(28,285)	30,126
Impairment of Exploration and Evaluation	3	(62,093)	-
Other expenses		(72,401)	(90,816)
Loss before income tax	3	(365,081)	(876,445)
Income tax expense	4	-	-
Loss from continuing operations		(365,081)	(876,445)
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year		(365,081)	(876,445)
Total comprehensive loss attributable to members of the parent entity		(365,081)	(876,445)
Overall Operations			
Basic loss per share (cents per share)	7	(0.004)	(0.013)
Diluted loss per share (cents per share)	7	(0.004)	(0.013)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	2010	2009
		$	$
Current Assets			
Cash and cash equivalents	8	2,166,400	1,036,254
Trade and other receivables	9	134,017	110,421
Total Current Assets		**2,300,417**	**1,146,675**
Non-Current Assets			
Plant and equipment	10	91,037	8,508
Exploration and evaluation	11	14,926,587	9,989,822
Other financial assets	12	73	529
Total Non-Current Assets		**15,017,697**	**9,998,859**
TOTAL ASSETS		**17,318,114**	**11,145,534**
Current Liabilities			
Trade and other payables	13	321,134	210,642
Total Current Liabilities		**321,134**	**210,642**
TOTAL LIABILITIES		**321,134**	**210,642**
NET ASSETS		**16,996,980**	**10,934,892**
Equity			
Issued capital	15	17,637,267	11,210,098
Options reserve	16	877,150	877,150
Accumulated losses		(1,517,437)	(1,152,356)
TOTAL EQUITY		**16,996,980**	**10,934,892**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Issued Capital	Accumulated Losses	Options Reserve	Total
	$	$	$	$
Balance at 1 July 2008	5,604,598	(275,911)	109,800	5,438,487
Loss attributable to members of the parent entity	-	(876,445)	-	(876,445)
Other comprehensive Income	-	-	-	-
Total comprehensive income for the year	-	(876,445)	-	(876,445)
Transaction with owners, directly in equity				
Shares issued during the year – net of costs	5,605,500	-	-	5,605,500
Share-based payment	-	-	767,350	767,350
Balance at 30 June 2009	11,210,098	(1,152,356)	877,150	10,934,892
Balance at 1 July 2009	11,210,098	(1,152,356)	877,150	10,934,892
Loss attributable to members of the parent entity for the year	-	(365,081)	-	(365,081)
Other comprehensive Income	-	-	-	-
Total comprehensive income for the year	-	(365,081)	-	(365,081)
Transaction with owners, directly in equity				
Shares issued during the year – net of costs	6,427,169	-	-	6,427,169
Balance at 30 June 2010	17,637,267	(1,517,437)	877,150	16,996,980

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		68,920	110,382
Rent and other receipts		184,447	27,388
Payments to suppliers and employees		(454,453)	(486,950)
Exploration and evaluation expenditure		(3,975,064)	(1,234,405)
Net cash used in operating activities	**17a**	**(4,176,150)**	**(1,583,585)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(97,080)	(3,730)
Purchase of controlled entities, net of cash acquired	14	(108,793)	(23,391)
Net cash used in investing activities		(205,873)	(27,121)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of costs		5,512,169	-
Net cash provided by financing activities		5,512,169	-
Net increase/(decrease) in cash and cash equivalents held		1,130,146	(1,610,706)
Cash and cash equivalents at 1 July		1,036,254	2,646,960
Cash and cash equivalents at 30 June	8	**2,166,400**	**1,036,254**

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

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.

Going Concern

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

The consolidated entity incurred a net loss of $365,081 and has cash outflows from operations of $4,284,943 during the year ended 30 June 2010.

The ability of the consolidated entity to continue paying its debts as and when they fall due is dependent upon the consolidated entity's ability to raise additional equity funds and finance funding (as and when required) or limiting the consolidated entity's cash burn rate.

In the event that the consolidated entity is unable to continue as a going concern, it may be required to realise all assets at amounts different from that recorded in the statement of financial position, settle liabilities other than in the ordinary course of business, and make provision for other costs which may arise as a result of cessation or curtailment of normal business procedures.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Enterprise Metals Limited at the end of the reporting period. A controlled entity is any entity over which Enterprise Metals Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

A list of controlled entities is contained in Note 12 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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 statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

(b) 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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.

(c) Property, Plant, and Equipment

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

Plant and equipment

Plant and equipment are measured on the historical cost basis.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs, and an appropriate proportion of fixed and variable overheads.

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.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20%
Computers	33%

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 statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(e) 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.

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.

(f) 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 (ie 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.

Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

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.)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.)

If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets).

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 statement of comprehensive income 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 and 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 comprehensive income.

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 expired. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(g) Impairment of Non-Financial Assets

At each the end of 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 statement of comprehensive income.

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.

(h) 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 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 statement of comprehensive income. 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.

(i) 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 results and that outflow can be reliably measured.

(j) 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.

(k) 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).

(l) 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 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(m) 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 income in the period in which they are incurred.

(n) 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.

(o) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(p) 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.

(q) 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.

(r) 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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 their 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.

No impairment has been recorded for the year.

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 18.

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 $14,926,587.

(s) Adoption of New and Revised Accounting Standards

During the current year the Group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Enterprise Metals Limited.

AASB 3: Business Combinations

In March 2008 the Australian Accounting Standards Board revised AASB 3 and as a result, some aspects of business combination accounting have changed. The changes apply only to business combinations which occur from 1 July 2009.

Recognition and measurement impact

Recognition of acquisition costs — The revised version of AASB 3 requires that all costs associated with a business combination be expensed in the period in which they were incurred. Previously such costs were capitalised as part of the cost of the business combination.

Measurement of contingent considerations — The revised AASB 3 requires that contingent considerations associated with a business combination be included as part of the cost of the business combination. They are recognised at the fair value of the payment calculated having regard to probability of settlement. Any subsequent changes in the fair value or probability of payment are recognised in the statement of comprehensive income except to the extent where they relate to conditions or events existing at acquisition date, in which case the consideration paid is adjusted. The previous version of AASB 3 allowed such changes to be recognised as a cost of the combination impacting goodwill.

Measurement of non-controlling interest — For each business combination, the acquirer must measure any non-controlling interest in the acquiree either at the fair value of the non-controlling interest (the *full goodwill method*) or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. Under the previous version of AASB 3 only the latter option was permitted.

Recognition of contingencies — The revised AASB 3 prohibits entities from recognising contingencies associated with a business combination, unless they meet the definition of a liability

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations achieved in stages — The revised AASB 3 requires that where a business combination is achieved in stages, any previously held equity interest is to be remeasured to fair value and the resulting gain or loss, being the difference between fair value and historical cost, is to be recognised in the statement of comprehensive income. The previous version of AASB 3 accounted for each exchange transaction separately, using cost and fair value information at the date of each exchange to determine the amount of any goodwill associated with the acquisition. It was therefore possible to compare the cost of each individual investment with the fair value of identifiable net assets acquired at each step.

Disclosure impact

The revised AASB 3 contains a number of additional disclosure requirements not required by the previous version of AASB 3. The revised disclosures are designed to ensure that users of the Group's financial statements are able to understand the nature and financial impact of any business combinations on the financial statements.

AASB 8: Operating Segments

In February 2007 the Australian Accounting Standards Board issued AASB 8 which replaced AASB 114: Segment Reporting. As a result, some of the required operating segment disclosures have changed with the addition of a possible impact on the impairment testing of goodwill allocated to the cash generating units (CGUs) of the entity. Below is an overview of the key changes and the impact on the Group's financial statements.

Measurement impact

Identification and measurement of segments — AASB 8 requires the 'management approach' to the identification measurement and disclosure of operating segments. The 'management approach' requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker, for the purpose of allocating resources and assessing performance. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments. Under AASB 114, segments were identified by business and geographical areas, and only segments deriving revenue from external sources were considered.

The adoption of the 'management approach' to segment reporting has resulted in the identification of reportable segments largely consistent with the prior year.

Under AASB 8, operating segments are determined based on management reports using the 'management approach', whereas under AASB 114 financial results of such segments were recognised and measured in accordance with Australian Accounting Standards. This has resulted in changes to the presentation of segment results, with inter-segment sales and expenses such as depreciation and impairment now being reported for each segment rather than in aggregate for total group operations, as this is how they are reviewed by the chief operating decision maker.

Impairment testing of the segment's goodwill

AASB 136: Impairment of Assets, para 80 requires that goodwill acquired in a business combination shall be allocated to each of the acquirer's CGUs, or group of CGUs that are expected to benefit from the synergies of the combination. Each cash generating unit (CGU) which the goodwill is allocated to must represent the lowest level within the entity at which goodwill is monitored, however it cannot be larger than an operating segment. Therefore, due to the changes in the identification of segments, there is a risk that goodwill previously allocated to a CGU which was part of a larger segment could now be allocated across multiple segments if a segment had to be split as a result of changes to AASB 8.

Management have considered the requirements of AASB 136 and determined the implementation of AASB 8 has not impacted the CGUs of each operating segment.

Disclosure impact

AASB 8 requires a number of additional quantitative and qualitative disclosures, not previously required under AASB 114, where such information is utilised by the chief operating decision maker. This information is now disclosed as part of the financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Group's financial statements.

Disclosure impact

Terminology changes — the revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — the revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — the revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Group's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

(t) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

  These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined the potential impact on the financial statements.

  The changes made to accounting requirements include:

  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - simplifying the requirements for embedded derivatives;
  - removing the tainting rules associated with held-to-maturity assets;
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
  - - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:

  a. the objective of the entity's business model for managing the financial assets; and

  b. the characteristics of the contractual cash flows.

- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Group.

- AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

  This standard details numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

- AASB 2009–8: Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Group.

- AASB 2009–9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Group.

- AASB 2009–10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

  These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Group.

- AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Group.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

- AASB 2009–13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

  This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Group.

- AASB 2009–14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

- AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

  This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Group.

- AASB 2010-01: Limited exemption from comparative AASB 7 disclosures for first time adopters (Amendments to AASB 1 and AASB 7) – Amendments to AASB 1: First-time adoption of Australian Accounting Standards and AASB 7 Financial Instruments: Disclosures (applicable for annual reporting periods commencing on or after 1 July 2010).

  These amendments principally give effect to extending the transition provisions of AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments to first-time adopters of Australian Accounting Standards.

- AASB 2010-03: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139] (applicable for annual reporting periods commencing on or after 1 July 2010).

  Limits the scope of the measurement choices of non-controlling interest at proportionate share of net assets in the event of liquidation. Other components of NCI are measured at fair value.

  Requires an entity (in a business combination) to account for the replacement of the acquiree□s share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses. Clarifies that contingent consideration from a business combination that occurred before the effective date of AASB 3 Revised is not restated.

  Eliminates the requirement to restate financial statements for a reporting period when significant influence or joint control is lost and the reporting entity accounts for the remaining investment under AASB 139. This includes the effect on accumulated foreign exchange differences on such investments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

- AASB 2010-04: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13] (for annual reporting periods commencing on or after 1 July 2011).

  Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments.

  Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

  Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions.

  Clarify that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.

The Group does not anticipate the early adoption of any of the above Australian Accounting Standards.

	Note	2010 $	2009 $
NOTE 2: REVENUE			
Rental and other income		167,679	24,898
Interest received from other parties		68,921	110,382
Total Revenue		236,600	135,280

	2010 $	2009 $
NOTE 3: LOSS FOR THE YEAR		
(a) Expenses		
Exploration expenses not capitalised/(recouped)	28,285	(30,126)
Depreciation of plant and equipment	14,551	2,785
Office rental expense	7,828	79,699
(b) Significant Revenues and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
Impairment of Exploration and Evaluation	62,093	-
Share-based payments expense	-	620,350

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
NOTE 4: INCOME TAX			
(a) Income tax expense			
Current tax		-	-
Deferred tax		-	-
		-	-
Deferred income tax expense included in income tax expense comprises:			
- (Increase) in deferred tax assets	4(c)	(1,181,814)	(625,373)
- Increase in deferred tax liabilities	4(d)	1,181,814	625,373
		-	-
(b) 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%		(109,524)	(262,933)
Add / (Less) tax effect of:			
Non-deductible expenses		1,446	625,022
Deferred tax asset not brought to account		108,078	(362,089)
Income tax attributable to operating loss		-	-
The applicable weighted average effective tax rates are as follows:		nil%	nil%
Balance of franking account at year end		nil	nil

	Note	2010 $	2009 $
NOTE 4: INCOME TAX (cont.)			
(c) Deferred tax assets			
Tax Losses		1,801,187	603,938
Provisions and Accrual		6,000	4,500
Other			16,935
		1,807,187	625,373
Set-off deferred tax liabilities	4(d)	(1,807,187)	(625,373)
Net deferred tax assets		-	-
(d) Deferred tax liabilities			
Exploration expenditure		1,807,187	625,373
		1,807,187	625,373
Set-off deferred tax assets	4(c)	(1,807,187)	(625,673)
Net deferred tax liabilities		-	-
(e) Tax losses			
Unused tax losses for which no deferred tax asset has been recognised		490,517	388,288

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2010 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 company in realising the benefit from the deductions for the loss and exploration expenditure.

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 2010.

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

	2010 $	2009 $
Short-term employee benefits	330,883	115,150
Share based payments	-	620,350
Total	330,883	735,500

(b) 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 year is as follows:

2010	Balance at the beginning of year	Granted as remuneration during the year	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
Directors of Enterprise Metals Limited						
Paul Larsen	500,000	-	(500,000)	485,148	485,148	485,148
Dermot Ryan	1,500,000	-	-	2,000,000	3,500,000	3,500,000
Bruce Hawley	3,000,000	-	-	352,168	3,352,168	3,352,168
	5,000,000	-	(500,000)	2,837,316	7,337,316	7,337,316

2009	Balance at the beginning of year	Granted as remuneration during the year	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
Directors of Enterprise Metals Limited						
Paul Larsen	500,000	-	-	-	500,000	500,000
Dermot Ryan – Appointed 14/10/2008	-	-	-	1,500,000	1,500,000	1,500,000
Bruce Hawley	-	3,000,000	-	-	3,000,000	3,000,000
Peter Del Fante – Resigned 10/01/2009	500,000	1,000,000	-	-	1,500,000	1,500,000
	1,000,000	4,000,000	-	1,500,000	6,500,000	6,500,000

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION (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:

2010	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
Directors					
Ordinary Shares					
Paul Larsen	2,910,886	-	500,000	1,635,148	5,046,034
Dermot Ryan	12,000,000	-	-	75,000	12,075,000
Bruce Hawley	1,914,000	-	-	1,612,168	3,526,168
Total	16,824,886	-	500,000	3,322,316	20,647,202

2009	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
Directors					
Ordinary Shares					
Paul Larsen	1,945,842	-	-	965,044	2,910,886
Dermot Ryan				12,000,000	12,000,000
Bruce Hawley	263,243	-	-	1,650,757	1,914,000
Peter Del Fante	956,444	-	-	(956,444)	-
Total	3,165,529	-	-	13,659,357	16,824,886

(c) Loans to KMP

There are no loans made to KMP as at 30 June 2010.

(d) 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 note 20: Related party transactions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
NOTE 6: AUDITORS' REMUNERATION			
Remuneration of the auditor of the parent entity for:			
- Auditing or reviewing the financial report		25,825	31,800

	2010 $	2009 $
NOTE 7: LOSS PER SHARE		
(a) Reconciliation of earnings to loss		
Earnings used in the calculation of basic EPS	(365,081)	(876,445)
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	97,561,725	64,853,486
Basic loss per share (cents per share)	(0.004)	(0.013)

Options are out of the money as at 30 June 2010 and are therefore anti-dilutive.

	2010 $	2009 $
NOTE 8: CASH AND CASH EQUIVALENTS		
Cash at bank	158,000	57,010
Cash in term deposit	2,008,400	979,244
	2,166,400	1,036,254
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	2,166,400	1,036,254

Cash at bank earns an effective interest rate of 2.84 (2009: 1.07%).

Cash in term deposit rolls every 30 days and earns an effective interest rate of 3.92% (2009: 5.72%).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
NOTE 9: TRADE AND OTHER RECEIVABLES			
CURRENT			
GST receivable		107,792	84,169
Trade receivables		15,982	17,472
Prepayments		10,243	8,780
		134,017	110,421

There are no balances within trade and other receivables that contain assets that are impaired and are past due. The trade receivables relate to withholding tax receivable and interest receivable. It is expected these balances will be received when due.

	2010 $	2009 $
NOTE 10: PLANT AND EQUIPMENT		
NON-CURRENT		
Computer equipment – cost	10,166	6,893
Accumulated depreciation	(5,566)	(2,519)
Plant and equipment – cost	68,316	3,903
Accumulated depreciation	(5,485)	(1,252)
Furniture and fittings – cost	8,371	2,637
Accumulated depreciation	(2,787)	(1,154)
Motor vehicles - cost	23,660	-
Accumulated depreciation	(5,638)	-
	91,037	8,508

NOTE 10: PLANT AND EQUIPMENT (cont.)

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:

	Note	2010 $	2009 $
Computer equipment			
Opening balance		4,375	2,474
- Additions		3,273	3,182
- Depreciation expense		(3,048)	(1,281)
Carrying amount at the end of the year		4,600	4,375
Plant and equipment			
Opening balance		2,650	2,946
- Additions		64,414	548
- Depreciation expense		(4,233)	(844)
Carrying amount at the end of the year		62,831	2,650
Furniture and fittings			
Opening balance		1,483	2,143
- Additions		5,734	-
- Depreciation expense		(1,633)	(660)
Carrying amount at the end of the year		5,584	1,483
Motor vehicles			
Opening balance		-	-
- Additions		23,659	-
- Depreciation expense		(5,637)	-
Carrying amount at the end of the year		18,022	-
Totals			
Opening balance		8,508	7,563
- Additions		97,080	3,730
- Depreciation expense		(14,551)	(2,785)
Carrying amount at the end of year		91,037	8,508

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 11: EXPLORATION AND EVALUATION	Note	2010 $	2009 $
Exploration and evaluation phases – at cost		14,926,587	9,989,822
(a) Exploration and evaluation			
Opening balance		9,989,822	2,874,017
Exploration expenditure		3,887,743	1,289,902
Acquisition through business combination	14	1,049,022	5,825,903
Closing balance		14,926,587	9,989,822

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.

NOTE 12: OTHER FINANCIAL ASSETS	2010 $	2009 $
NON-CURRENT		
Formation costs	73	529

Details of Controlled Entities	Country of Incorporation	Class of Shares	Percentage Owned % 2010	Percentage Owned % 2009
Murchison Exploration Pty Limited	Australia	Ordinary	100	100
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	-
Amiable Holdings Pty Ltd	Australia	Ordinary	100	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
NOTE 13: TRADE AND OTHER PAYABLES			
CURRENT – unsecured liabilities			
Trade payables		194,996	174,676
Accrued Expenses		108,398	33,400
Provision for Dividends		1,195	-
GST payable		14,162	2,566
Amount due to related parties		2,383	-
		321,134	210,642

NOTE 14: ACQUISITION OF ENTITIES

Acquisition of Amiable Holdings Pty Ltd

On 10 February 2010, 100% of Amiable Holdings Pty Ltd was acquired. The purchase was satisfied by the issue of 1,500,000 ordinary shares at a fair value of $0.21,,the payment of $50,000 and a 1.5% gross production royalty on all minerals produced or obtained from the area the subject of the agreement. The issue was based on the market price at the date of purchase.

Purchase consideration:	**$**
Costs of acquisition	50,000
Cash acquired	(8)
Net cash paid	49,992
Share capital issued	315,000
	364,992
Assets and liabilities at acquisition date:	
Exploration and evaluation	49,992
Excess value of exploration assets on acquisition	315,000
	364,992

In the opinion of the Directors the gross royalty component is not probable and cannot be measured reliably, as required by AASB 3. For this reason the contingent consideration has not been recognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 14: ACQUISITION OF ENTITIES

Acquisition of Glintan Pty Ltd

On 3 March 2010, 100% of Glintan Pty Ltd was acquired. The purchase was satisfied by the issue of 3,000,000 ordinary shares at a fair value of $0.20, the payment of $60,000 and a 1.5% gross production royalty on all minerals produced or obtained from the area the subject of the agreement. The issue was based on the market price at the date of purchase.

Purchase consideration:	$
Costs of acquisition	60,000
Cash acquired	(1,199)
Net cash paid	58,801
Share capital issued	600,000
	658,801
Assets and liabilities at acquisition date:	
Exploration and evaluation	1,215
Trade and other payables	(25,229)
	(24,014)
Excess value of exploration assets on acquisition	682,815
	658,801

In the opinion of the Directors the gross royalty component is not probable and cannot be measured reliably, as required by AASB 3. For this reason the contingent consideration has not been recognised.

Future treatment of contingent consideration:

Under AASB 3 any subsequent changes in the probability of payment are to be recognised in the statement of comprehensive income except to the extent where they relate to conditions or events existing at acquisition date, in which case the considerations paid are to be adjusted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
NOTE 15: ISSUED CAPITAL			
111,970,840 (2009: 75,876,500) Fully paid ordinary shares	**15a**	17,637,267	11,210,098

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

(a) Ordinary shares	2010 $	2009 $
At the beginning of the reporting period	11,210,098	5,604,598
Shares issued during the year		
• 37,000,000 on 14 October 2008 @ $0.15 per share	-	5,550,000
• 300,000 on 3 June 2009 @ $0.185 per share	-	55,500
• 10,209,743 on 13 July 2009 at $0.15 per share	1,532,761	-
• 5,000,000 on 27 July 2009 at $0.15 per share	750,000	-
• 1,009,668 options exercised on 16 October 2009 at $0.25 per share	252,417	
• 914,775 options exercised on 2 November 2009 at $0.25 per share	228,694	-
• 3,334 options exercised on 3 November 2009 at $0.25 per share	834	-
• 1,500,000 on 10 February 2010 at $0.21 per share for the acquisition of Amiable Pty Ltd	315,000	-
• 3,000,000 on 3 March 2010 at $0.20 per share for the acquisition of Glintan Pty Ltd	600,000	-
• 1,000,000 on 4 March 2010 at $0.20 per share	200,000	-
• 1,250,000 on 8 March 2010 at $0.20 per share	250,000	-
• 8,806,820 on 12 March 2010 at $0.20 per share	1,761,364	-
• 2,500,000 on 15 March 2010 at $0.20 per share	500,000	-
• 400,000 on 19 March 2010 at $0.20 per share	80,000	-
• 500,000 on 29 March 2010 at $0.20 per share	100,000	-
Transaction costs relating to share issues	(143,901)	-
At reporting date	17,637,267	11,210,098

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010 No.	2009 No.
At the beginning of the reporting period	75,876,500	38,576,500
Shares issued during the year		
• 37,000,000 on 14 October 2008 @ $0.15 per share	-	37,000,000
• 300,000 on 3 June 2009 @ $0.185 per share	-	300,000
• 10,209,743 on 13 July 2009 at $0.15 per share	10,209,743	-
• 5,000,000 on 27 July 2009 at $0.15 per share	5,000,000	-
• 1,009,668 options exercised on 16 October 2009 at $0.25 per share	1,009,668	-
• 914,775 options exercised on 2 November 2009 at $0.25 per share	914,775	-
• 3,334 options exercised on 3 November 2009 at $0.25 per share	3,334	-
• 1,500,000 on 10 February 2010 at $0.21 per share for the acquisition of Amiable Pty Ltd	1,500,000	-
• 3,000,000 on 3 March 2010 at $0.20 per share for the acquisition of Glintan Pty Ltd	3,000,000	-
• 1,000,000 on 4 March 2010 at $0.20 per share	1,000,000	-
• 1,250,000 on 8 March 2010 at $0.20 per share	1,250,000	-
• 8,806,820 on 12 March 2010 at $0.20 per share	8,806,820	-
• 2,500,000 on 15 March 2010 at $0.20 per share	2,500,000	-
• 400,000 on 19 March 2010 at $0.20 per share	400,000	-
• 500,000 on 29 March 2010 at $0.20 per share	500,000	-
At reporting date	111,970,840	75,876,500

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) Incentive share scheme

For information relating to the Enterprise Metals Limited Employee Share Scheme, including details of options issued during the financial year, refer to Note 18.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 15: 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.

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 2010 and 30 June 2009 are as follows:

	2010	2009
	$	$
Cash and cash equivalents	2,166,400	1,036,254
Trade and other receivables	134,017	110,421
Trade and other payables	(321,134)	(210,644)
Working capital position	1,979,283	936,031

NOTE 16: OPTIONS RESERVE	2010 $	2009 $
Options Reserve	877,150	877,150

The Options Reserve records the value of share based payments.

NOTE 17: CASH FLOW INFORMATION

	2010 $	2009 $
(a) Reconciliation of Cash Flow from Operations with loss after Income Tax		
Loss after income tax	(365,081)	(876,445)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit from ordinary activities		
Depreciation	14,551	2,785
Share based payments	-	620,350
Amortisation of formation expenses	458	-
Impairment of Exploration and Evaluation	62,093	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Increase in receivables	(45,731)	(60,901)
(Increase)/Decrease in prepayments	(1,463)	19,406
Increase in other non-current assets	(3,975,065)	(1,234,405)
Increase/(Decrease) in payables	134,088	(54,375)
Cash flow used in operations	(4,176,150)	(1,583,585)

(b) Acquisition of Entities

Refer Note 14 for details.

(c) Credit Standby Facilities

The Company had no credit standby facilities as at 30 June 2010.

(d) Non-Cash Financing and Investing activities

Share issue

On 10 February 2010, 1,500,000 ordinary shares were issued at $0.21 each as part of the consideration for the purchase of Amiable Holdings Pty Ltd. The issue was based on the market price at the date of purchase.

On 3 March 2010, 3,000,000 ordinary shares were issued at $0.20 each as part of the consideration for the purchase of Glintan Pty Ltd. The issue was based on the market price at the date of purchase.

There were no non-cash activities in the previous financial year.

NOTE 18: SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2010:

On 23 July 2008, 1,500,000 share options were granted to Directors to take up ordinary shares at an exercise price of $0.25 each. The options are exercisable on or before 22 November 2012.

On 23 July 2008, 2,500,000 share options were granted to Directors to take up ordinary shares at an exercise price of $0.50 each. The options are exercisable on or before 30 June 2013.

On 14 October 2008, 1,500,000 share options were granted to Directors to take up ordinary shares at an exercise price of $0.25 each. The options are exercisable on or before 22 November 2012.

On 13 July 2009, 9,281,966 share options were granted to take up ordinary shares at an exercise price of $0.25 each. The options are exercisable on or before 20 June 2012.

On 27 July 2009, 6,000,000 share options were granted to take up ordinary shares at an exercise price of $0.25 each. The options are exercisable on or before 20 June 2012.

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

A summary of the movements of all company options issued is as follows:

	2010	2009	2010	2009
	Number of Options	Number of Options	Weighted Average Exercise Price $	Weighted Average Exercise Price $
Outstanding at the beginning of the year	7,500,000	2,000,000	$0.33	$0.25
Granted	15,281,966	5,500,000	$0.25	$0.36
Forfeited	-	-	-	-
Exercised	(1,000,000)	-	$0.25	-
Expired	(1,000,000)	-	$0.25	-
Outstanding at year-end	20,781,966	7,500,000	$0.28	$0.33
Exercisable at year-end	20,781,966	7,500,000	$0.28	$0.33

The options outstanding at 30 June 2010 had a weighted average exercise price of $0.28 and a remaining weighted average contractual life of 2.16 years.

NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE

There were no subsequent reporting events.

NOTE 20: RELATED PARTY TRANSACTIONS	2010 $	2009 $

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 provides Geological Consulting Services for Enterprise Metals Limited in addition to his Directors fees.

	2010 $	2009 $
Management Fees earned from XServ Pty Ltd	3,301	-
Mineral Exploration Services	1,241,118	689,819

As at 30 June 2010, $nil (2009: $nil) was payable to XServ Pty Ltd

Corporate Tenement Services Pty Ltd

Mr Del Fante is a Director Shareholder of Corporate Tenement Services Pty Ltd. Mr Del Fante provides Tenement Management Services for Enterprise Metals Limited in addition to his Directors fees.

	2010 $	2009 $
Tenement Management Services	-	21,000

As at 30 June 2010, $nil (2009:$8,300) was payable to Corporate Tenement Services Pty Ltd

West Coast Projects Pty Ltd

Mr Hawley is a Director Shareholder of West Coast Projects Pty Ltd. Mr Hawley provides consultancy services in the area of technical support for Enterprise Metals Limited in addition to his Directors Fees.

	2010 $	2009 $
West Coast Projects	104,433	33,750

As at 30 June 2010, $nil (2009: $nil) was payable to West Coast Projects Pty Ltd

Phillip Hoff Taxation Consultant

Mr Phillip Hoff is a taxation consultant and is a significant shareholder of Enterprise Metals Limited.

	2010 $	2009 $
Phillip Hoff Taxation Consultant	4,769	13,656

As at 30 June 2010, $2,383 (2009: $nil) was payable to Phillip Hoff Pty Ltd

In addition Philip Hoff was a party to a share option and sale agreement entered into by Enterprise Iron Pty Ltd. Mr Hoff received $75,000 as an option fee. The purpose of the arrangement is to give Enterprise Iron Pty Ltd an option to purchase MPF Exploration Limited within a 12 month option period.

Philip Hoff was also a party to the Glintan acquisition disclosed in note 14 to the financial statements. Prior to the sale Mr Hoff acted as a trustee for funds owning a 50% share in the issued share capital of Glintan Pty Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010 $	2009 $
NOTE 20: RELATED PARTY TRANSACTIONS (cont.)		
Wolfstar Group Pty Ltd		
Mr Stephenson is a Director of Wolfstar Group Pty Ltd. Mr Stephenson provides Company Secretarial and Chief Financial Officer services for Enterprise Metals Limited. In addition, Wolfstar provides accounting, administration and Corporate Advisory Services to Enterprise Metals Limited.		
Wolfstar Group Pty Ltd	40,800	56,540

As at 30 June 2010, $nil (2009: $3,400) was payable to Wolfstar Group Pty Ltd

	2010 $	2009 $
NOTE 21: CAPITAL AND LEASING COMMITMENTS		
Capital expenditure commitments:		
Capital expenditure commitments contracted for:		
Exploration tenement minimum expenditure requirements		
Amounts payable:		
- not later than 12 months	1,518,960	659,180
- between 12 months and 5 years	4,582,684	1,444,381
- greater than 5 years	1,151	-
	6,102,795	2,103,561

Commitments relate to granted exploration and prospecting tenements.

	2010 $	2009 $
Operating lease commitments:		
Non-cancellable operating lease contracted for but not capitalised in the financial statements:		
Amounts payable:		
- not later than 12 months	-	32,070

The property lease is a non-cancellable lease with a 14-month term, with rent payable monthly in advance with an option to renew the lease at the end of the term for an additional term of 12 months.

NOTE 22: 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.

2010	Floating Interest Rate	Fixed Interest maturing in 1 year or less	Fixed Interest maturing over 1 to 5 years	Non-interest bearing	Total
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	2,166,400	-	-	-	2,166,400
Loans and receivables	-	-	-	134,017	134,017
Total Financial assets	2,166,400	-	-	134,017	2,300,417
Weighted average interest rate – cash assets	3.56%				
Financial Liabilities at amortised cost					
Trade and other payables	-	-	-	321,134	321,134
Total Financial Liabilities	-	-	-	321,134	321,134
Net financial assets	2,166,400	-	-	(187,117)	1,979,283

2009	Floating Interest Rate	Fixed Interest maturing in 1 year or less	Fixed Interest maturing over 1 to 5 years	Non-interest bearing	Total
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	1,036,254	-	-	-	1,036,254
Loans and receivables	-	-	-	110,421	110,421
Total Financial assets	1,036,254	-	-	110,421	1,146,675
Weighted average interest rate – cash assets	5.61%				
Financial Liabilities at amortised cost					
Trade and other payables	-	-	-	210,644	210,644
Total Financial Liabilities	-	-	-	210,644	210,644
Net financial assets	1,036,254	-	-	(100,223)	936,031

NOTE 22: FINANCIAL INSTRUMENTS (cont.)

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 2010. 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	2010	2009
		$	$
Cash and cash equivalents			
- AA Rated	8	2,166,400	1,036,254

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.

NOTE 22: FINANCIAL INSTRUMENTS (cont.)

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**
Year ended 30 June 2010	**$**	**$**
+/-1% in interest rates	+/- 19,339	+/- 19,339
Year ended 30 June 2009		
+/-1% in interest rates	+/- 19,677	+/- 19,677

Net Fair Values

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 values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 22: FINANCIAL INSTRUMENTS (cont.)

	2010 Carrying Amount $	2010 Net Fair Value $	2009 Carrying Amount $	2009 Net Fair Value $
Financial Assets				
Cash and cash equivalents	2,166,400	2,166,400	1,036,254	1,036,254
Loans and receivables	134,017	134,017	110,421	110,421
Total Financial Assets	2,300,417	2,300,417	1,146,675	1,146,675
Financial Liabilities at amortised cost				
Trade and other payables	321,134	321,134	210,644	210,644
Total Financial Liabilities	321,134	321,134	210,644	210,644

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
NOTE 23: PARENT ENTITY DISCLOSURES	**$**	**$**
(a) Financial Position of Enterprise Metals Limited		
CURRENT ASSETS		
Cash and cash equivalents	2,110,506	1,007,047
Trade and other receivables	868,208	181,889
TOTAL CURRENT ASSETS	2,978,714	1,188,936
NON-CURRENT ASSETS		
Plant and equipment	91,037	8,508
Exploration and evaluation	6,007,683	2,089,940
Other financial assets	8,152,194	7,787,194
TOTAL NON-CURRENT ASSETS	14,250,914	9,885,642
TOTAL ASSETS	17,229,628	11,074,578
CURRENT LIABILITIES		
Trade and other payables	293,666	180,918
TOTAL CURRENT LIABILITIES	293,666	180,918
TOTAL LIABILITIES	293,666	180,918
NET ASSETS	16,935,962	10,893,660
EQUITY		
Issued Capital	17,637,267	11,210,098
Options Reserve	877,150	877,150
Accumulated Losses	(1,578,455)	(1,193,588)
TOTAL EQUITY	16,935,962	10,893,660
(b) Financial Performance of Enterprise Metals Limited		
Loss for the year	(384,868)	(897,378)
Other comprehensive income, net of tax	-	-
Total comprehensive loss	(384,868)	(897,378)

NOTE 23: 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 2010 (2009: none).

(d) Contingent liabilities of Enterprise Metals Limited

There are no contingent liabilities as at 30 June 2010 (2009: none).

(e) Commitments by Enterprise Metals Limited

	2010	2009
Capital expenditure commitments contracted for:	$	$
Exploration tenement minimum expenditure requirements		
Not longer than 1 year	1,518,960	659,180
Longer than 1 year and not longer than 5 years	4,582,684	1,444,381
Longer than 5 years	1,151	-
Total	6,102,795	2,103,561

Commitments relate to granted exploration and prospecting tenements.

	2010	2009
Operating lease commitments:	$	$
Non-cancellable operating lease contracted for but not capitalised in the financial statements:		
Amounts payable:		
- not later than 12 months	-	32,070

NOTE 24: CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2010 (2009: none).

NOTE 25: 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 26: COMPANY DETAILS

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

Enterprise Metals Limited

Level 1

640 Murray Street

WEST PERTH WA 6005

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 24 to 64, 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 2010 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*;
   (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;
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.

DIRECTOR

Paul Larsen

Dated 30 September 2010, Perth WA

Grant Thornton

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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 statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes to the financial report and the directors' declaration of the consolidated entity comprising the Company and the entities its 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 and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies 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 which 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.

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 entity's preparation and fair presentation of the financial report 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 entity'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 2010 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) 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.

Material uncertainty regarding continuation as a going concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the consolidated entity incurred a net loss of $365,081 during the year ended 30 June 2010 and, as of that date, the consolidated entity had a cash outflow from operations of $4,176,150. These conditions, along with the matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern, realise its assets and settle liabilities in the ordinary course of business.

Grant Thornton

Report on the remuneration report

We have audited the Remuneration Report included in pages 19 to 22 of the directors' report for the year ended 30 June 2010. 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 2010, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Director - Audit & Assurance

Perth, 30 September 2010

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Stock Exchange Ltd in respect of listed public companies only.

1 Shareholding as at 29 September 2010

(a) Distribution of Shareholders

Category (size of holding)	Number Ordinary
1 – 1,000	22
1,001 – 5,000	164
5,001 – 10,000	184
10,001 – 100,000	488
100,001 – and over	174
	1,032

(b) The number of shareholdings held in less than marketable parcels is 74.

(c) Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

— Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

(d) 20 Largest Shareholders — Ordinary Shares as at 29 September 2010

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	MR DERMOT MICHAEL RYAN + MS VIVIENNE ELEANOR RYAN <RF SUPER FUND A/C>	6,075,000	5.43
2	MR DERMOT MICHAEL RYAN + MRS VIVIENNE ELEANOR RYAN <THE ENTERPRISE A/C>	6,000,000	5.36
3	WINDSONG VALLEY PTY LTD <WHEELER FAMILY A/C>	3,783,008	3.38
4	MR PHILIP HOFF <UHW SUPER FUND A/C>	3,752,848	3.35
5	MR MILES GEORGE SMYTH	2,819,358	2.52
6	MR WILLIAM JOHN ROBERTSON + MS JUNE DIANE ROBERTSON <ROBERTSON SUPER FUND A/C>	2,575,000	2.30
7	ROSANE PTY LTD <ROSANE HOLDINGS S/F A/C>	2,333,334	2.08
8	MR PAUL GRAEME LARSEN	2,208,209	1.97
8	AVANTEOS INVESTMENTS LIMITED <2871495 A/C>	2,050,000	1.83
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,870,441	1.67
11	LARSEN SUPERANNUATION FUND PTY LTD <LARSEN SUPER FUND A/C>	1,837,825	1.64
12	MS CHRISTINE LINDA MEEKS <MAFORCA A/C>	1,800,000	1.61
13	MR PHILIP HOFF <CORNUCOPIA A/C>	1,625,000	1.45

14	AVANTEOS INVESTMENTS LIMITED <2852902 A/C>	1,450,000	1.29
15	MR BEREND JOHN PHILIP HOFF + MRS PETA LINDSAY HOFF <BEREND HOFF SUPER FUND A/C>	1,250,000	1.12
16	MR WILLIAM JOHN ROBERTSON + MRS JUNE DIANE ROBERTSON <THE ROBERTSON FAMILY A/C>	1,220,834	1.09
17	MS SOUKSAVANH GUY	1,166,667	1.04
18	MR LAURENCE PATRICK HEALY + MRS RAELENE KAREN HEALY <LP HEALY SUPER FUND A/C>	1,100,000	0.98
19	MR WILLIAM ROBERT RICHMOND	1,030,000	0.92
20	MR PAUL GRAEME LARSEN	1,000,000	0.89
		49,947,524	41.93

2 The name of the Company Secretary is Jay Richard Stephenson.

3 The address of the principal registered office in Australia is Level 1, 640 Murray Street, West Perth WA 6005. Telephone Number: 08 9436 9200.

4 Registers of securities are held at the following addresses

Western Australia	Computershare Registry Services Level 2, 45 St Georges Terrace PERTH WA 6000

5 Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Stock Exchange Limited.

6 Unquoted Securities

Options over Un-issued Shares

A total of 20,781,966 options are on issue of which 7,337,316 are on issue to the three Directors.

7 Use of Funds

The Company has used its funds in accordance with its initial business objectives.

TENEMENT REPORT

Tenement	Lease Status	Project	% Held
E20/0620	Granted	Wattagee	100%
E20/0693	Application	Byro	100%
E20/0723	Application	Byro	100%
E20/0726	Application	Wattagee	100%
E20/0728	Application	Wattagee	100%
E20/0729	Application	Wattagee	100%
E20/0730	Application	Wattagee	100%
E36/0706	Granted	Darlot	100%
E36/0729	Application	Darlot	100%
E36/0730	Application	Darlot	100%
E36/0731	Application	Darlot	100%
E37/0818	Granted	Yandal Homestead	100%
E37/0859	Granted	Darlot	80%
E37/0926	Granted	Darlot	100%
E37/0927	Granted	Darlot	100%
E37/0939	Granted	Darlot	100%
E37/0947	Granted	Darlot	100%
E37/1025	Application	Darlot	100%
E37/1031	Granted	Darlot	100%
E51/0802	Granted	Doolgunna	100%
E51/0941	Granted	Doolgunna	100%
E51/1022	Granted	Cue JV	80% Option
E51/1079	Granted	Doolgunna	100%
E51/1168	Granted	Doolgunna	100%
E51/1255	Granted	Cue JV	80% Option
E51/1301	Application	Doolgunna	100%
E51/1302	Granted	Doolgunna	100%
E51/1303	Application	Doolgunna	100%
E51/1304	Granted	Doolgunna	100%
E51/1337	Application	Doolgunna	100%
E51/1374	Application	Wattagee	100%
E51/1385	Application	Doolgunna	100%
E52/1689 - I	Granted	Sylvania	100%
E52/2049	Granted	Doolgunna	100%

Tenement	Lease Status	Project	% Held
E52/2349	Granted	Sylvania	100%
E52/2404	Granted	Doolgunna JV	80% Option
E52/2406	Granted	Doolgunna JV	80% Option
E57/0620	Granted	Lake Mason	100%
E57/0690	Granted	Lake Mason	100%
E57/0834	Application	Booylgoo	100%
E59/1437	Granted	Yalgoo	100%
E59/1617	Application	Byro	100%
E59/1632	Application	Yalgoo	100%
E59/1633	Application	Yalgoo	100%
E59/1645	Application	Yalgoo	100%
E59/1651	Application	Yalgoo	100%
E59/1655	Application	Yalgoo	100%
E59/1658	Application	Yalgoo	100%
E63/1281	Granted	Fraser Range	100%
E63/1282	Granted	Fraser Range	100%
E63/1283	Granted	Fraser Range	100%
E69/2574	Granted	Fraser Range	100%
E69/2603	Granted	Eucla	100%
E69/2604	Granted	Eucla	100%
E69/2607	Application	Earaheedy	100%
E69/2636	Application	Earaheedy	100%
E69/2673	Application	Eucla	100%
E69/2674	Application	Eucla	100%
E69/2688	Application	Eucla	100%
E69/2689	Application	Eucla	100%
E69/2787	Application	Eucla	100%
E70/3637	Granted	Burracoppin	100% Option
E70/3638	Granted	Burracoppin	100% Option
E70/3756	Granted	Cunderdin	100%
E70/3815	Application	Burracoppin	100%
E70/3816	Application	Cunderdin	100%
E77/1752	Application	Burracoppin	100%
M37/1288	Application	Yandal Homestead	100%
M51/0818	Application	Doolgunna	100%
P20/2154	Application	Wattagee	100%

Tenement	Lease Status	Project	% Held
P20/2155	Application	Wattagee	100%
P36/1660	Granted	Darlot	100%
P36/1661	Granted	Darlot	100%
P37/6709	Granted	Yandal Homestead	100%
P37/6710	Granted	Yandal Homestead	100%
P37/7081	Granted	Yandal Homestead	100%
P37/7082	Granted	Yandal Homestead	100%
P37/7083	Granted	Yandal Homestead	100%
P37/7084	Granted	Yandal Homestead	100%
P37/7085	Granted	Yandal Homestead	100%
P37/7772	Granted	Darlot	100%
P37/7773	Granted	Darlot	100%
P51/2455	Granted	Cue JV	80% Option
P51/2516	Granted	Doolgunna	100%
P51/2517	Granted	Doolgunna	100%
P51/2624	Application	Doolgunna	100%
P51/2625	Application	Doolgunna	100%
P51/2626	Application	Doolgunna	100%
P51/2627	Application	Doolgunna	100%
P53/1273	Granted	Paddy Well	100%
P53/1274	Granted	Paddy Well	100%
P53/1275	Granted	Paddy Well	100%
P59/1925	Application	Yalgoo	100%
P59/1926	Applicaton	Yalgoo	100%
P59/1927	Application	Yalgoo	100%
P59/1928	Application	Yalgoo	100%