

31 January 2018

December 2017 Quarterly Activities Report**CORPORATE**

ASX Symbol: ENT
ACN 123 567 073

At 31 December 2017
Shares on issue: 355,652,435

CONTACT DETAILS

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BOARD OF DIRECTORS

Dr Allan Trench
Non-Executive Chairman

Mr Dermot Ryan
Managing Director

Dr Zhijun He
Non-Executive Director

Mr Sam Middlemas
Company Secretary/CFO

PROJECTS

Copper/Zinc/Gold
Doolgunna

Nickel/Copper
Fraser Range

Gold/Copper/Zinc
Murchison
Ballard
Darlot
Yalgoo

HIGHLIGHTS**Doolgunna Cu-Zn(Au) Project: SFR Farm-In, ENT 100%**

- Sandfire Resources NL (ASX: SFR) continued with intensive drilling programs and geophysical surveys during the Quarter.
- 5 deep RC drill holes and one diamond pre-collar completed at Vulcan and Vulcan West Prospects. SFR report favourable indications of VMS host environments including magnetic, chemogenic sediments with jasper, minor chalcopyrite and strong chlorite alteration in these holes.
- Follow up diamond tails planned on these holes to achieve planned depth for downhole electromagnetic surveys.

Fraser Range (Ni-Cu) Project: AON 70%, ENT 30%

- Apollo Minerals Ltd (ASX: AON) completed field programs to further assess nickel sulphide and gold prospectivity on E63/1281 and E63/1282.
- Soil sampling, geological prospecting and rock sampling on two targets, with 1,056 soil samples and 16 rock/grab samples collected.
- Detailed follow-up soil sampling on target 1282_Gold confirmed presence of a historic gold-in-soil anomaly and identified other anomalous areas for follow-up.

Murchison (Cu/Zn/Au) Project: ENT 100%

- Enterprise acquired 100% of Calypso Minerals P/L which holds seven tenement applications (820km²) north of Cue prospective for Au and Cu/Zn.
- Murchison Project covers northern extensions of structures hosting Cuddingwarra Au deposits and Emily Well /Wattagee Cu-Zn mineralization.
- Project is located between several major gold deposits and existing production facilities at Tuckabiana and Mt Magnet.

Corporate

- Cash and liquid assets at 31 December 2017: \$1.234 million.
- Comprised of Cash: \$334,000 and \$900,000 worth of Alto Metals Ltd shares. (12 million AME @7.5cents/share)

SUMMARY OF ACTIVITIES

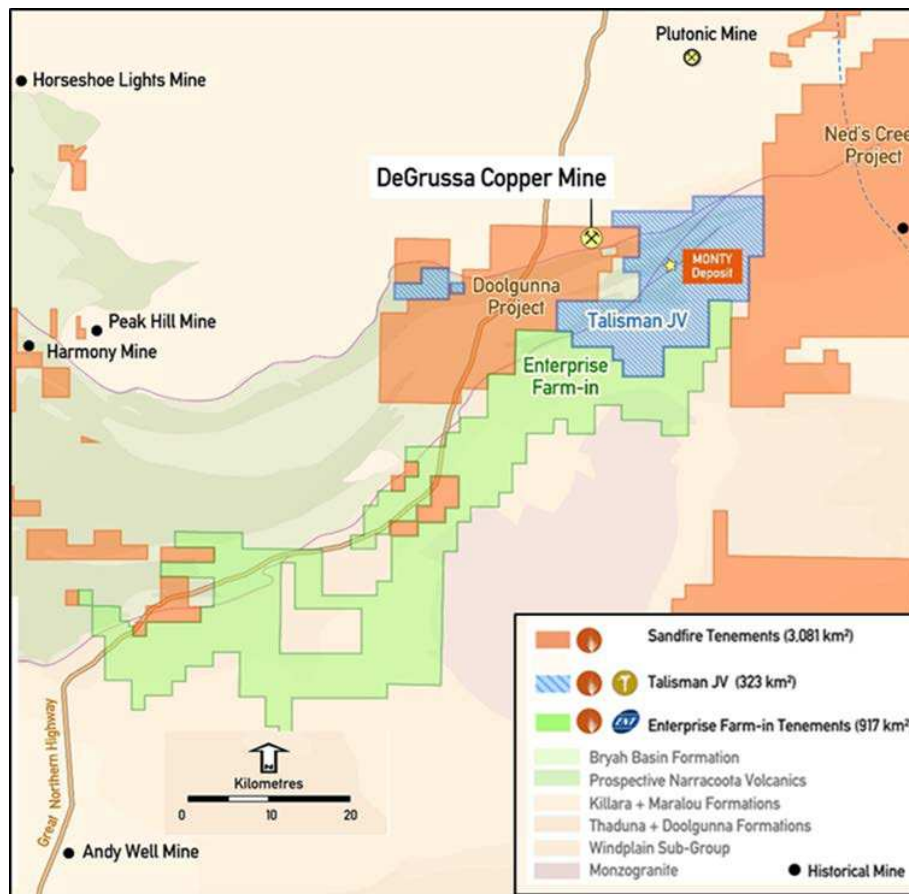
DOOLGUNNA PROJECT

(SFR have right to earn up to 75%)

Sandfire Resources NI (ASX: SFR) entered into a Farm-in Agreement with Enterprise Metals Limited in October 2016 to earn up to a 75% interest in Enterprise’s Doolgunna Project, which adjoins Sandfire’s Doolgunna tenements.

The Enterprise tenements cover over 60km of strike of the southern boundary of the Bryah Basin and the northern part of the Yerrida Basin. The southern Bryah Basin contains the Narracoota/Karalundi Formations which host the DeGrussa and Monty copper-gold deposits. Sandfire considers that the Enterprise tenements offer the potential for new copper-gold discoveries. (Figure 1).

Figure 1. Sandfire’s Doolgunna Project Area with the Enterprise Farm-In Area Incorporated.



Sandfire have reported that they undertook diamond core, reverse circulation (RC) and aircore (AC) drilling throughout the December Quarter.

Refer Sandfire Resources NI’s December 2017 Quarterly Report dated 30 January 2018.

<https://www.asx.com.au/asxpdf/20180130/pdf/43r4099f3fr2my.pdf>

Within the Vulcan and Vulcan West Prospects, RC drilling targeted prospective sediment horizons at various levels in the stratigraphy, as well as anomalous geochemistry identified in initial AC drilling completed by Sandfire, and historical RAB drilling and soil sampling conducted by Enterprise Metals.

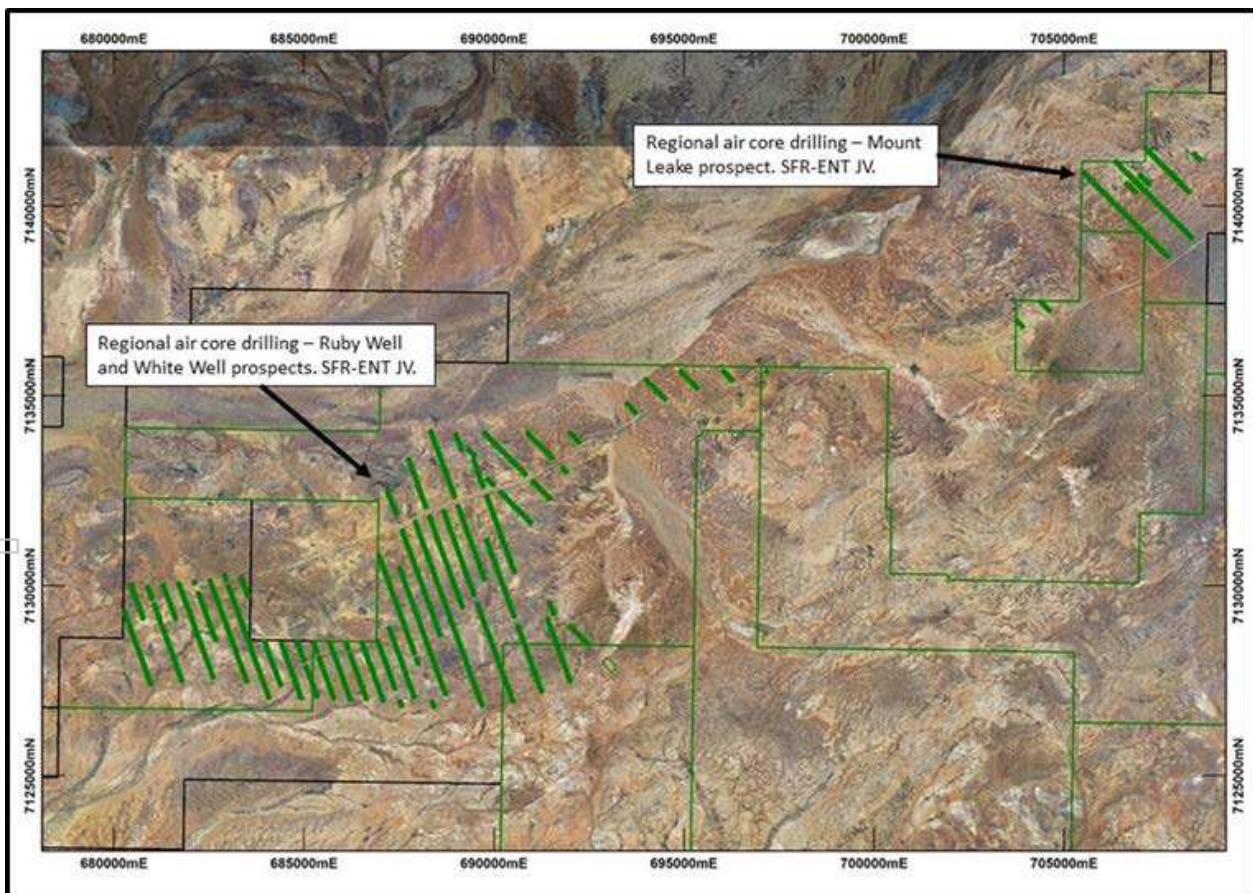
Two diamond drill holes were also completed within the Vulcan West Prospect. Both of these were designed to target the prospective horizon. Both holes intersected encouraging geology indicative of being proximal to an exhalative environment, including zones of chlorite and hematite-altered siltstone with jasper and magnetite. However, assays returned and DHEM surveys completed identified no significant anomalies.

Sandfire reported that ongoing drilling has further highlighted the complexity and prospectivity of the area. The prospective horizon within these prospects likely contains multiple horizons with VMS potential at differing stratigraphic levels. Exploration in this area is planned to continue in the next quarter.

Regional AC drilling also continued within the Enterprise Project during the December Quarter, focused on the White Well, Ruby Well and Mount Leake Prospects. A total of 903 holes were completed for a total advance of 56,574m.

Sandfire report that follow up infill drilling will be undertaken to better delineate any anomalous footprints. A recently completed airborne electromagnetic survey has also been used in conjunction with newly acquired aeromagnetic data for geological interpretation and target generation. The locations of all AC drill holes are displayed in Figure 2.

Figure 2. Doolgunna, Sandfire Resources NL, location of Regional Air-core Drilling for Q4.

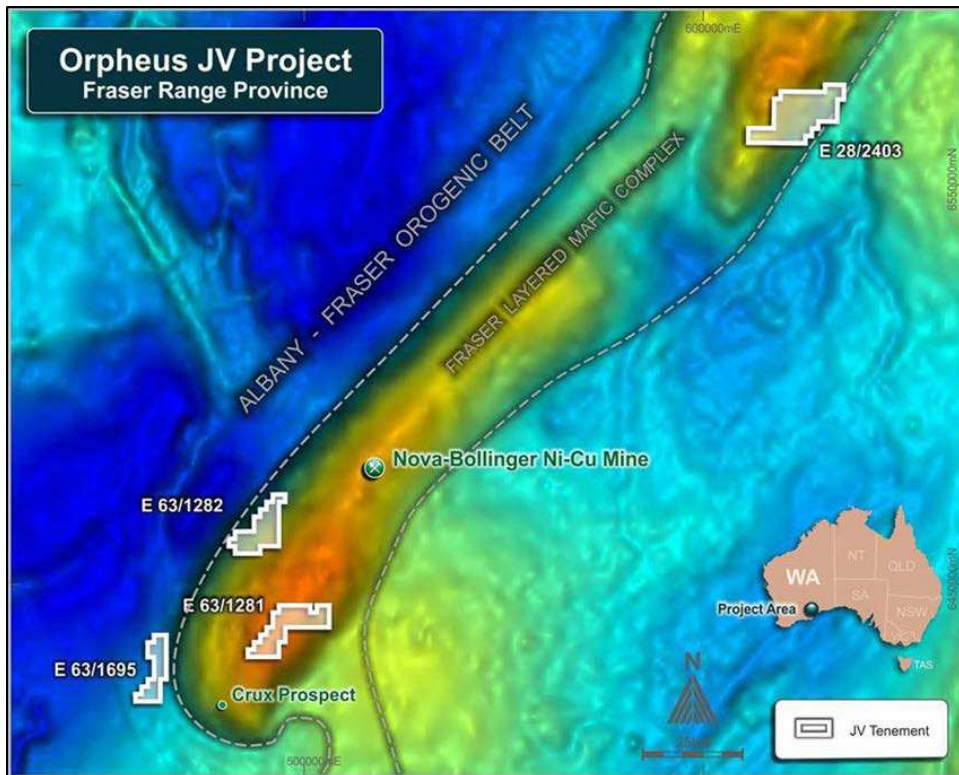


FRASER RANGE PROJECT (AON 70% managing & funding, ENT 30% free carried to BFS)

The Fraser Range Project is located within the Albany-Fraser Orogen approximately 100km east of Norseman (Figure 3).

On 13 February 2015, Enterprise announced it had entered into a Sale and Joint Venture Agreement with Apollo Minerals Ltd (ASX: AON) over the Fraser Range tenements. Apollo purchased a 70% interest in the tenements and is free carrying Enterprise’s 30% interest to completion of a bankable feasibility stage (BFS) on any discovery.

Figure 3. Tenement Plan – Orpheus JV Project, Fraser Range province on gravity image



The Project area consists of four tenements covering over 500km² in a highly prospective portion of the world class Fraser Range exploration district, host to Independence Group’s (ASX: IGO) major Nova nickel and copper deposit.

The Fraser Range province is highly prospective for nickel, copper and gold, and has attracted significant exploration since the discovery of the Nova deposit in 2012 in mafic and ultramafic rock types. The bulk of the Project is strategically located along strike and mid-way between the Nova deposit to the northeast and Independence Group’s Crux nickel prospect to the southwest.

During the December Quarter, Apollo reported that a number of field programs were completed to further assess the nickel sulphide and gold prospectivity on tenements E63/1281 and E63/1282.

Refer Apollo Minerals Ltd’s December 2017 Quarterly Report dated 29 January 2018.

<https://www.asx.com.au/asxpdf/20180129/pdf/43r2z8nvpw5wwr.pdf>

Soil sampling and geological prospecting/rock sampling was concentrated on two target areas (1281_HeliTEM and 1282_Gold) during the Quarter. A total of 1,056 soil samples and 16 rock/grab samples were collected over two areas. All samples were submitted for multi-element and/or gold analysis.

Within E63/1281, analytical results from the 426 soil samples collected on target 1281_HeliTEM returned maximum values of 108ppm nickel, 70ppm copper and 40ppm cobalt and identified a coincident nickel-cobalt anomaly in the north-eastern portion of the sampled area (Figures 4 & 5).

Figure 4. Nickel-in-soils over 1281_HeliTEM target (TMI RTP magnetic image background)

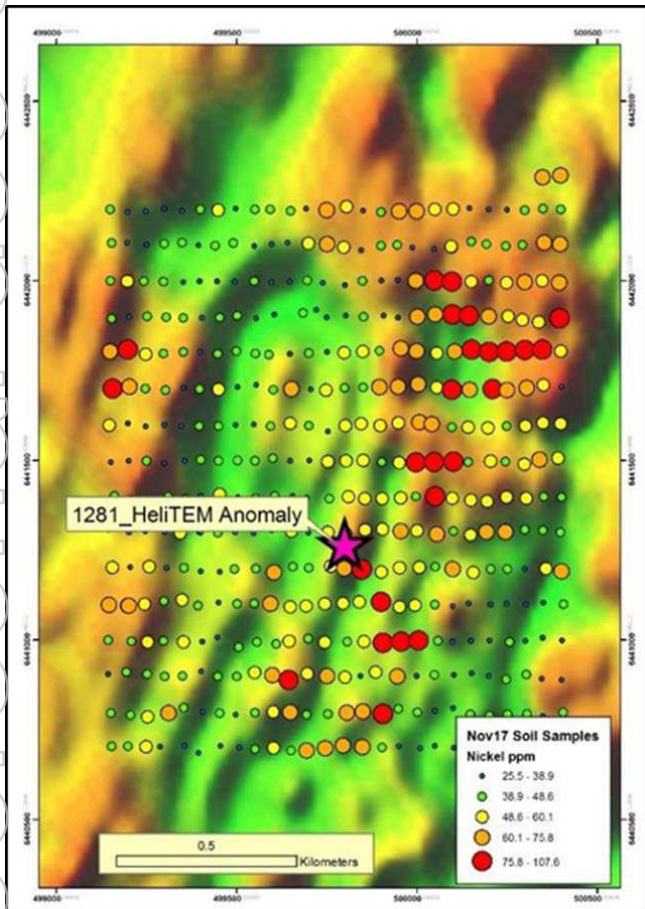
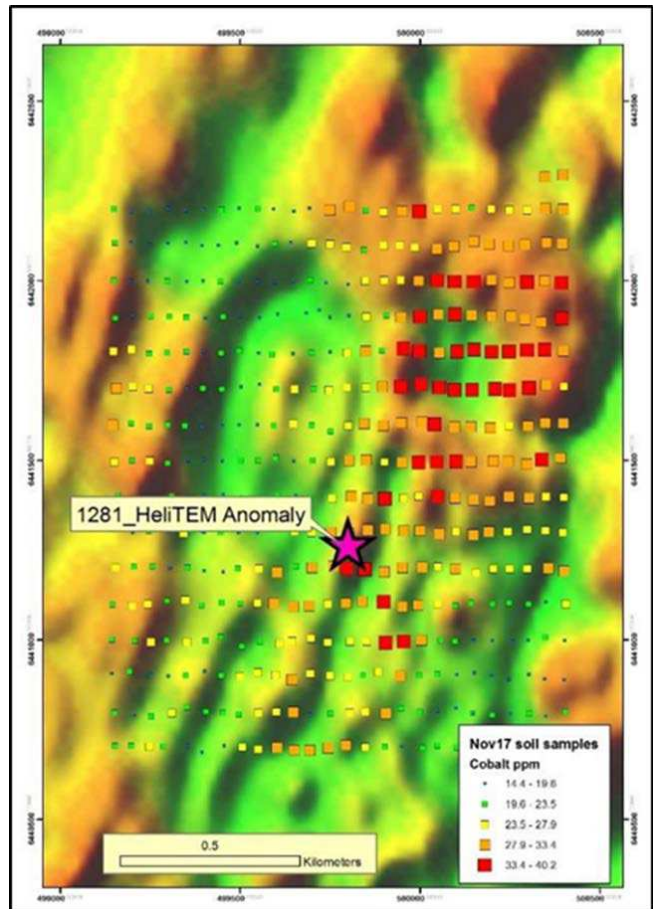


Figure 5. Cobalt -in-soils over 1281_HeliTEM target (TMI RTP magnetic image background)

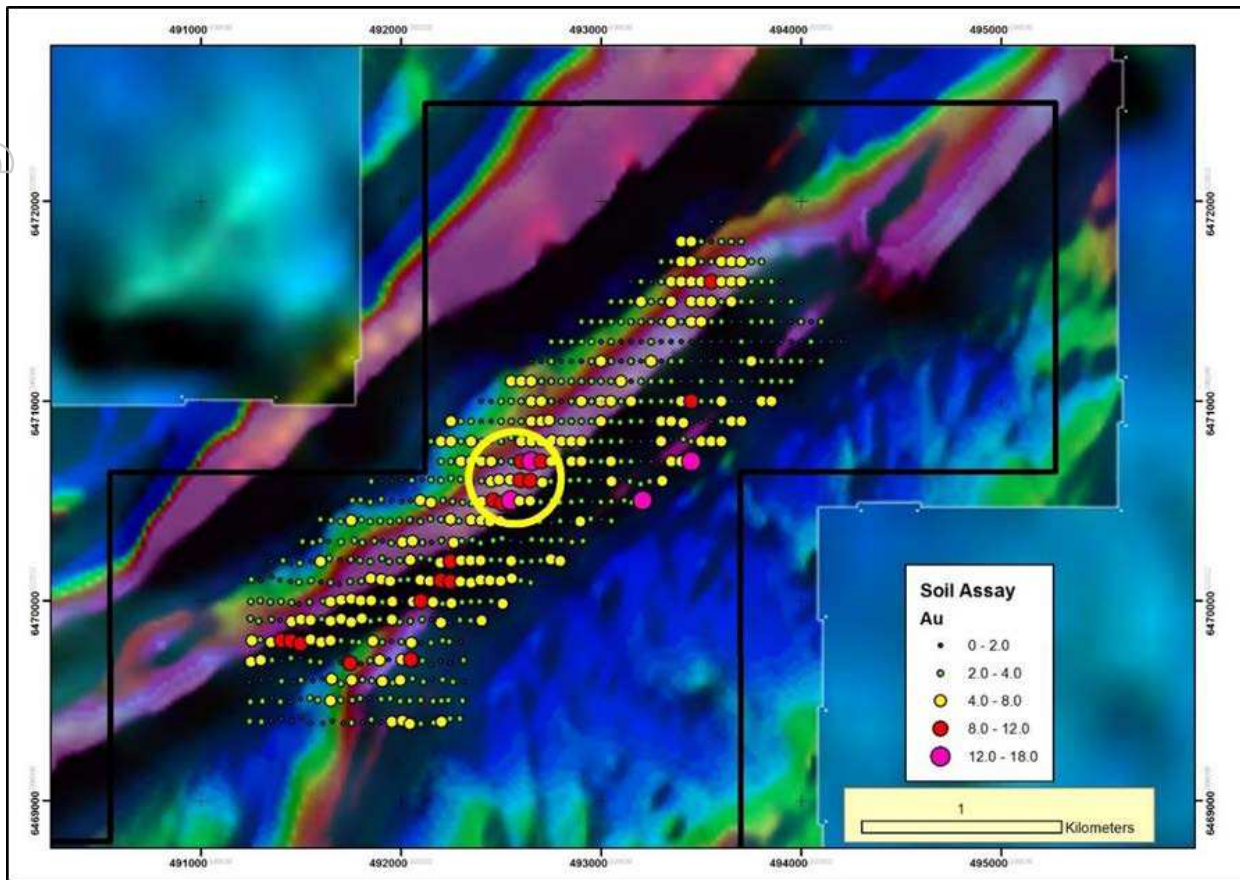


Target 1282_Gold is a gold-in-soil anomaly identified from wide spaced soil sampling associated with a well-defined northeast-southwest trending magnetic anomaly under thin cover. Detailed follow-up soil sampling was completed during the quarter and samples were assayed for gold only.

The follow-up soil sampling was completed on a 100m x 50m east-west grid and has confirmed the presence of the historic gold-in-soil anomaly outlining a coherent 500m x 150m gold anomaly in the centre of the sampled area (Figure 6). There are also a number of other anomalous gold-in-soil areas identified from this survey.

The next phase of work will include drill testing this coherent anomaly and further field assessment of the other areas of elevated gold.

Figure 6: Target 1282_HeliTEM and Target 1282_Gold locations on Regional TMI_RTP magnetics



MURCHISON PROJECT

(Enterprise 100%)

On 25 October 2018 Enterprise completed the purchase of 100% of the issued capital of Calypso Minerals Pty Ltd, the holder of seven “1st in time” Exploration Licence applications covering 733km² of greenstone belt in the Murchison Goldfields of Western Australia (Figure 7). Enterprise issued the vendor 6 million fully paid ordinary shares in Enterprise, valued at \$120,000 based on the 5 day VWAP prior to execution of the agreement. There is no royalty attached to the acquisition.

Enterprise’s new Murchison landholdings are centered 30km north of Cue and 35km north-east of the Big Bell Gold Mine, and form a contiguous block with the tenure Enterprise acquired from Zelda Therapeutics Ltd. Enterprise’ landholdings near Cue now total approximately 820 km².

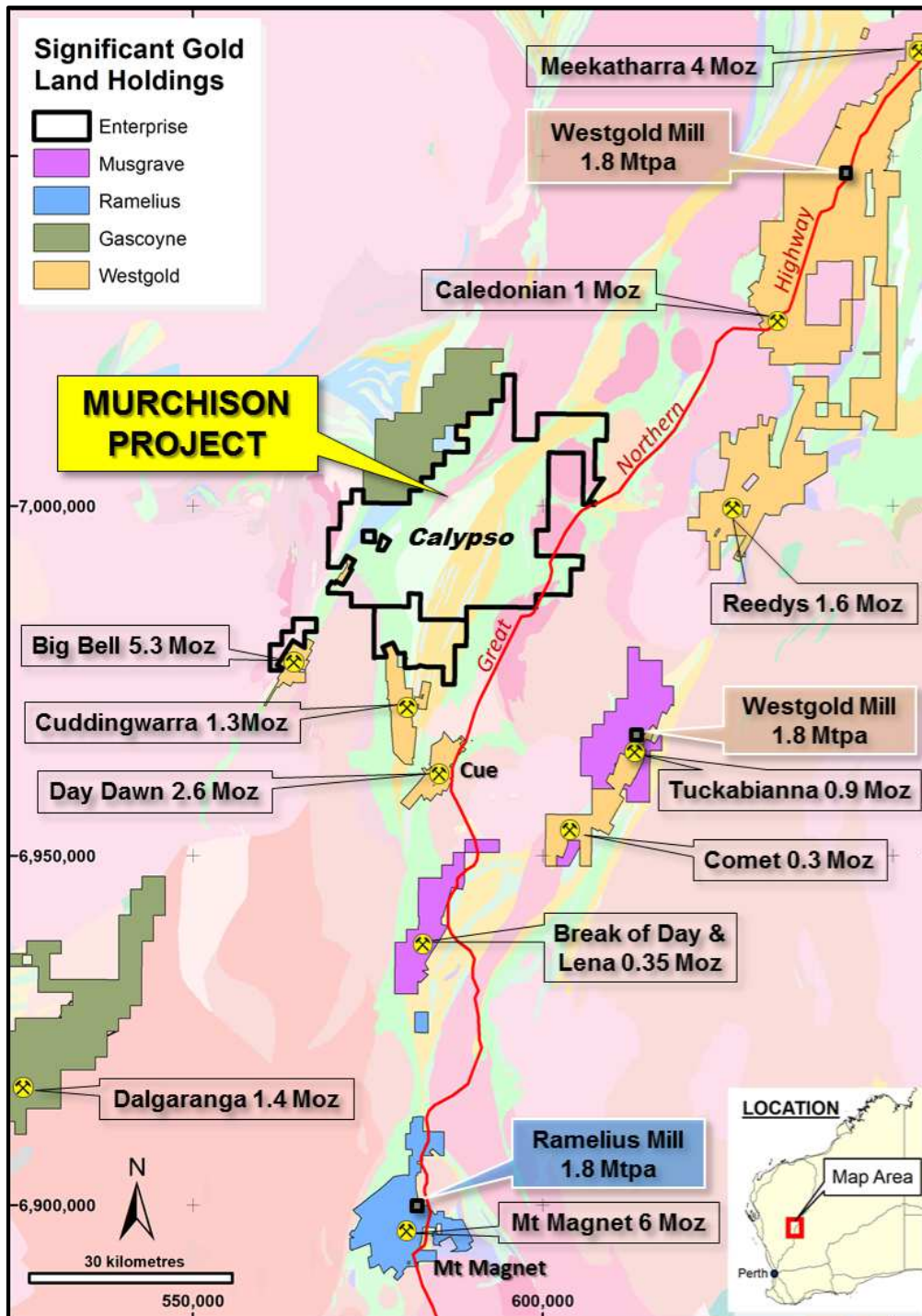
The project covers the northern and north-eastern extensions of the same greenstone belts and shear zones that host the Big Bell and Cuddingwarra gold deposits and extensions of the Chieftain (or “Mt Magnet”) and Emily Well shear zones, which also host gold mineralization (Figure 8).

The Cue district contains several major gold mines, including Westgold’s Big Bell (2.8 Moz historical production, and 2.5 Moz resource), Day Dawn (Great Fingall and Golden Crown mines, 1.7 Moz historical production and 0.89 Moz resource) and Cuddingwarra camp gold mines (Cuddingwarra produced 0.8 Moz with current resources of 0.55 Moz). [Source: Westgold Resources Ltd, Diggers & Dealers presentation August 2017]

In addition to the gold potential, the new tenement package contains two stratigraphic horizons with VMS style mineralization identified by previous explorers.

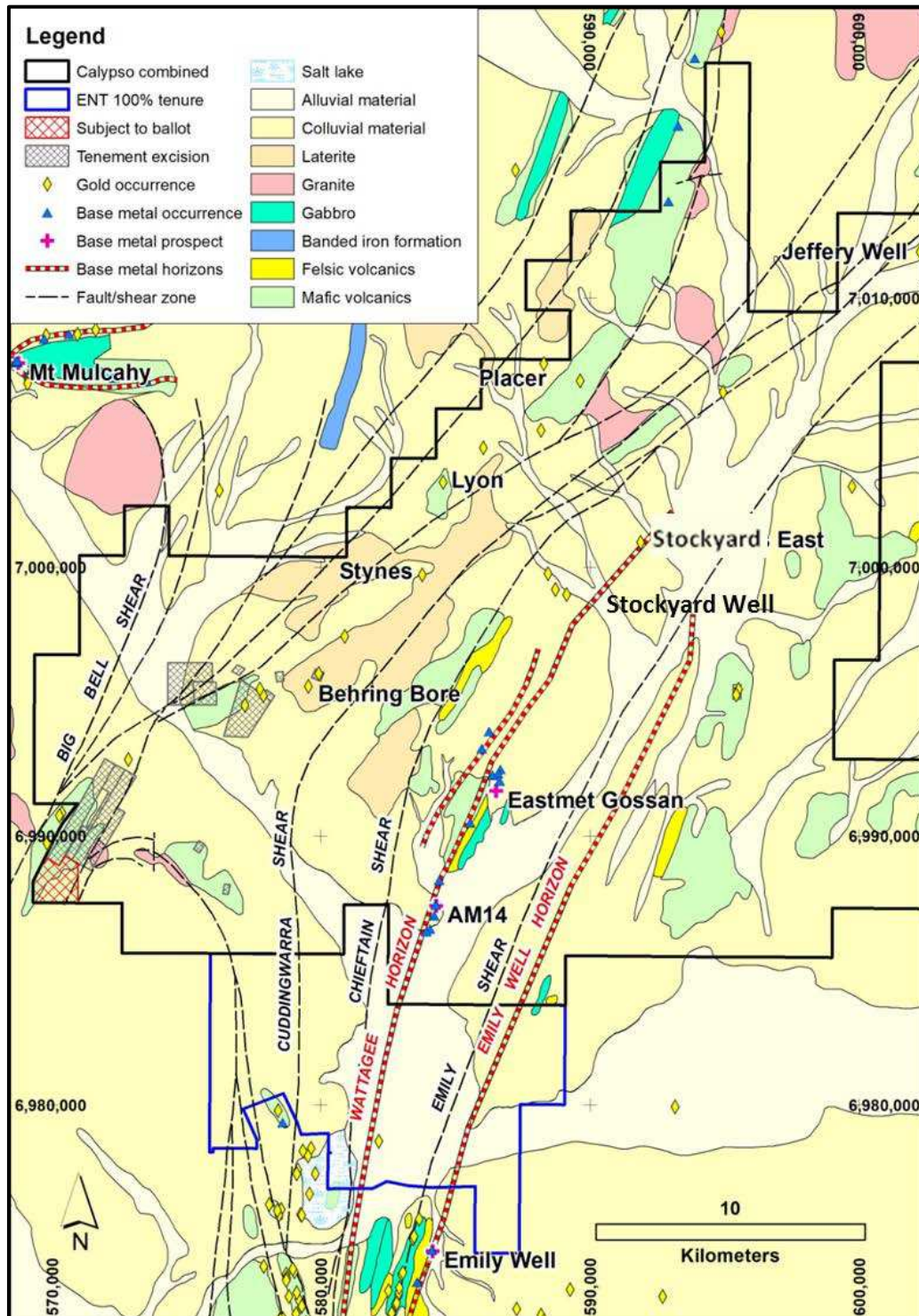
The tenements contain 21km of strike of the Wattagee horizon, containing the AM14, Wattagee Hill and Metals Ex gossans or prospects, and 16km of strike of the Emily Well horizon, with VMS mineralization and gossans located at or near Emily Well.

Figure 7. Enterprise Murchison Project over Interpreted Bedrock Geology and Competitor Landholdings Showing Gold Endowment (Moz produced + Moz current resource)



Recent geochemical work by the GSWA indicates felsic volcanics in both the Wattagee horizon and the Emily Well horizon have geochemical characters consistent with VMS fertile packages across the Yilgarn and Canadian Abitibi Provinces.

Figure 8. Enterprise Murchison Project Tenements over GSWA Surface Geology and trace of the Wattagee and Emily Well Cu-Zn VMS Horizons



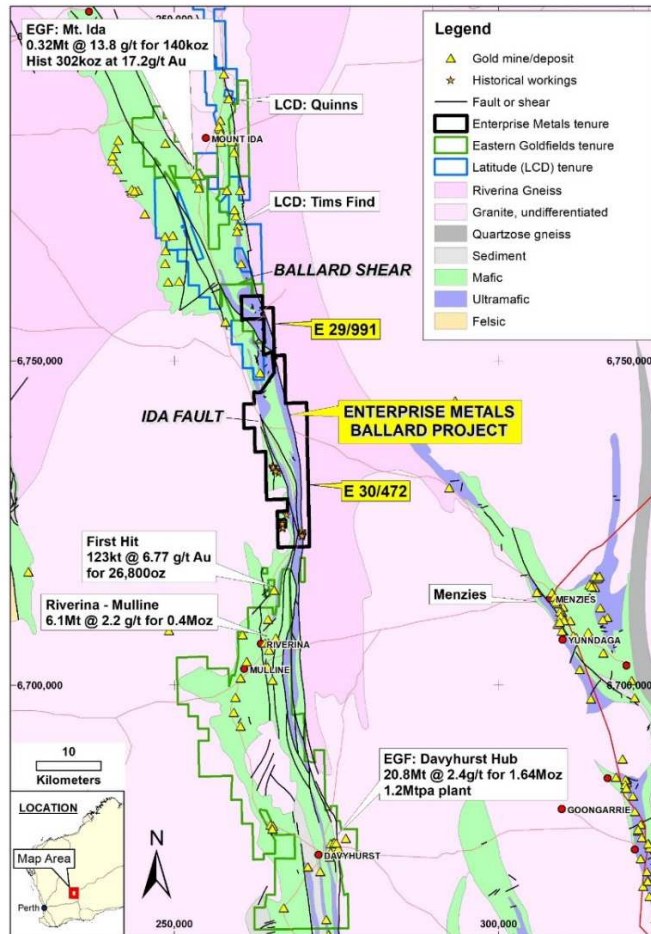
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BALLARD PROJECT

(Enterprise 90% managing and funding , Legendre 10%)

On 25 October 2017 Enterprise acquired a 90% interest in the Ballard Project, comprising granted Exploration Licences 30/472 and 29/991, located 150km NNW of Kalgoorlie, and 60km north of Eastern Goldfields Limited’s (“EGF”) Davyhurst operation, in the Eastern Goldfields of Western Australia (Figure 9).

Figure 9. Location Plan – Ballard Project and nearby historical and current mines



Enterprise issued to Bruce Legendre 3 million fully paid ordinary shares in Enterprise (with a deemed value of \$60,000) for a 90% interest in the tenements. Enterprise will sole fund all activities on the tenements until the date when Enterprise delivers a Bankable Feasibility Study. There is no royalty attached to the acquisition.

The Ballard Project covers 190km² of Archaean greenstones prospective for orogenic gold and includes approximately 38km strike of greenstone sandwiched between the Ida Fault and Ballard Shear Zone, both first order structures with potential to focus gold mineralization into proximal subsidiary structures.

The Company’s immediate focus will be to capture the historical soil sampling and drilling in digital form (the bulk of the historical work is presented as plans and sections in historical reports, and not in digital databases) and confirm the historical work, both in location and tenor of mineralization, before planning extension and/or infill sampling and RAB/aircore drilling.

OTHER PROJECTS

DARLOT PROJECT

Enterprise's Darlot Project is centered in the Archaean Yandal Greenstone Belt in Western Australia approximately 15km west of the Darlot gold mine. The Project now consists of only 3 tenements considered prospective for gold and copper-zinc mineralisation which may occur at the boundary between mafic and felsic volcanic suites.

In late 2016 Enterprise completed two Induced Polarisation (IP) surveys at West Ockerbury Well and South Overland Well prospects to determine if sulphide mineralisation potentially exists in the fresh rock (primary zone) below a number of historical oxide gold drill intersections.

YALGOO PROJECT

The Yalgoo Project includes granted Exploration Licence 59/2076, which covers the western half of the Archaean Yalgoo Greenstone Belt, immediately north of Yalgoo township. The tenement is prospective for gold and base metals, and komatiite hosted nickel sulphides and to a lesser extent pegmatite hosted lithium deposits.

Historical exploration has identified widespread gold, mostly associated with quartz veining in mafic units and banded iron formation. Five key target areas, including seventeen aeromagnetic targets, nine soil and/or rock chip anomalies have been identified for further investigation.

SHARE ISSUES DURING QUARTER

Date	Item	Shares issued	Issue Price	Total shares on Issue
25/10/2017	Purchase 90% interest Mt Ida-Ballard tenements	3,000,000	\$0.02	326,121,338
25/10/2017	Purchase Calypso P/L inc. 100% interest in Murchison ELA's	6,000,000	\$0.02	332,121,338
7/12/2017	Issue of shares in lieu of Directors fees	3,890,385	\$0.0218	336,011,723
19/12/2017	Shareholder Purchase Plan (SPP) raised \$328,000	19,640,712	0.0167	355,652,435

ISSUED CAPITAL AT 31 DECEMBER 2017

Ordinary Fully Paid Shares on Issue: **355,652,435**

CASH POSITION AT 31 DECEMBER 2017

Cash at bank: **\$334,000**

Shares held in ASX Listed Companies,

Share value at 31 December 2017: \$900,000

Total Cash and liquid securities at the end of the Quarter: \$1,234,000

INVESTMENTS

Enterprise currently holds 12 million shares in **Alto Metals Limited** (ASX: AME, or “Alto”). Alto’s main asset is the Sandstone Gold Project, which covers ~ 85% of the Sandstone Greenstone Belt in Western Australia. This greenstone belt has produced over 1.3 million ounces of gold.

At 31 December 2017, Enterprise’s 12 million Alto shares had a fair market value of \$0.900M based on a share price of 7.5 cents/share.

Further information, contact:

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Managing Director
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Email: admin@enterprisemetals.com.au

Competent Persons statements

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

Tenement Information as Required by Listing Rule 5.3.3

Enterprise Metals Ltd & Its 100% Owned Subsidiaries, on a Consolidated Basis

APPENDIX 1: ENT 100% Owned Tenements - Sandfire Resources NL Farm-In

Project	Lease	ENT Interest	State	Status
Doolgunna	E51/1168	100%*	WA	Granted
Doolgunna	E51/1301	100%*	WA	Granted
Doolgunna	E51/1303	100%*	WA	Granted
Doolgunna	E51/1304	100%*	WA	Granted
Doolgunna	E51/1539	100%*	WA	Granted
Doolgunna	E52/2049	100%*	WA	Granted
Doolgunna	E51/1683	100%*	WA	Granted
Doolgunna	E52/3347	100%*	WA	Granted

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

APPENDIX 2: ENT 100% Owned Tenements

Project	Lease	ENT Interest	State	Status
Darlot	E37/1031	100%	WA	Granted
Darlot	E36/778	100%	WA	Granted
Yalgoo	E59/2076	100%	WA	Granted
Murchison	E20/742	100%	WA	Granted
Murchison	P20/2095	100%	WA	Granted
Murchison	P20/2096	100%	WA	Granted
Murchison	E20/911	100%	WA	Application
Murchison	E20/912	100%	WA	Application
Murchison	E20/913	100%	WA	Application
Murchison	E20/914	100%	WA	Application
Murchison	E20/915	100%	WA	Application
Murchison	E20/916	100%	WA	Application
Murchison	E20/918	100%	WA	Application
Murchison	P20/2302	100%	WA	Application
Murchison	P20/2303	100%	WA	Application

APPENDIX 3: Fraser Range (Orpheus Joint Venture) Tenements

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

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

APPENDIX 4: Other Joint Venture Tenements

Project	Lease	ENT Interest	Other Party	State	Status
Darlot	E37/859	80%**	20%	WA	Granted
Ballard	E29/991	90%***	10%	WA	Granted
Ballard	E30/472	90%***	10%	WA	Granted

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

*** ENT registered holder of 90% interest, with Bruce Legendre jointly holding a 10% free carried interest to completion of any Bankable Feasibility Study.