



Annual Report 2021

ABN 43 123 567 073

Corporate Directory

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ASX code: ENT

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Chairman's Letter



Dear Fellow Enterprise Metals Ltd (the "Company" or "Enterprise) Shareholder

Thank you for your ongoing support.

It has been an exciting year. Your Company continues to be free-carried across three sizeable exploration projects in Western Australia managed by our joint venture partners prospective for gold, copper and nickel sulphide mineralisation respectively.

Evolution Mining (ASX: EVN) has commenced drill-testing of structures prospective for gold at the Murchison gold project, Sandfire Resources NL (ASX: SFR) continues to drill-test stratigraphy with the potential to host high-grade copper mineralisation at the Doolgunna project and Constellation Resources Ltd (ASX: CR1) has identified shallow nickel mineralisation in geochemical drilling, indicative of the nickel-copper sulphide potential at the Fraser Range project. Each joint venture partner continued the search for economic discoveries during 2020-2021 at no cost to Enterprise shareholders, thanks to our free-carried joint venture interests in each of these projects.

In addition, your Company has advanced exploration activities during the year in its own right both in the Southern Cross Region around the historical Bullfinch gold mine and within the Kalgoorlie-Kambalda region of the Eastern Goldfields, notably in the Mandilla area near Widgiemooltha, adjacent to the emerging discovery of gold held by Anglo Australian Resources NL (ASX:AAR).

Your company also has a wholly-owned sulphate of potash project in Western Australia at Perenjori, where geophysics indicates a significant drainage system prospective for potash.

As always, our corporate overheads remain among the very lowest of exploration companies listed on the Australian Stock Exchange.

As a shareholder in Enterprise, I very much look forward to the year ahead, and to outcomes from the planned drilling both by your Company and by our joint venture partners. Exploration success at any one of our projects has the clear potential to achieve a positive re-rating of the company's value.

I sincerely thank you all for your support of the company through 2020-2021. Finally, I would like to thank fellow board members, company secretary, joint venture partners and the professionals who have assisted the Company with exploration and administrative tasks of maintaining a public company.

Yours sincerely,

Dr Allan Trench – Non-Executive Chairman
30 September 2021

All projects of Enterprise Metal Limited (“Enterprise” or the “Company”) and its controlled entities (the “Group”) are in Western Australia. At 30 June 2021 Enterprise had three major projects, Murchison (gold/copper/zinc), Doolgunna (copper/zinc/gold) and Fraser Range (nickel/copper), all fully funded by joint venture partners. In addition, the Company had option agreements over a number of gold projects in the Yilgarn Region, and one wholly owned potash exploration project in the Perenjori district. (Figure 1.)

FRASER RANGE PROJECT:
Ni (Cu-Co) ENT 30% free carried to BFS
(CR1 70% managing & funding)

The Fraser Range Project is located within the Albany-Fraser Orogen approximately 100km east of Norseman and covers in excess of 500km² in a prospective portion of the Fraser Range. Constellation Resources Ltd (ASX: CR1) holds a 70% interest and manages and wholly funds exploration on the three granted Orpheus Joint Venture tenements (E28/2403, E63/1281 and E63/1282) and one mineral exploration licence application (E63/1695). Enterprise holds a 30% free carried interest to completion of a bankable feasibility stage (BFS) on any discovery.

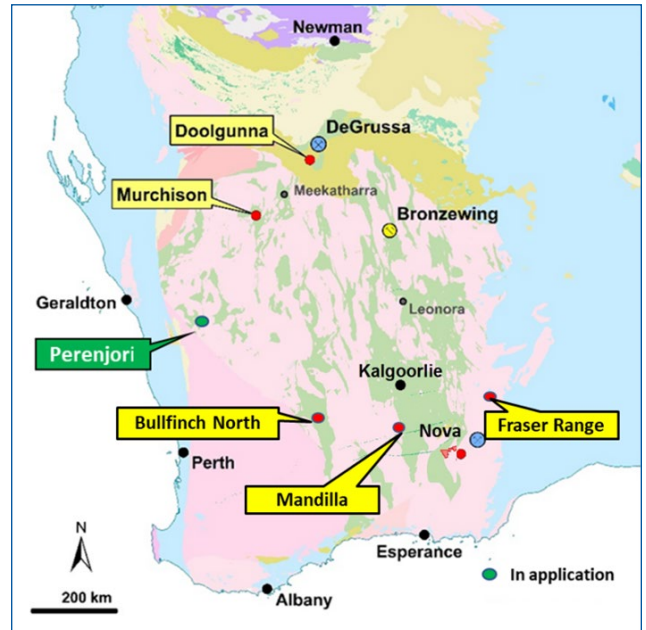


Figure 1. Location of Enterprise’s Projects



Review of Operations

In the Fraser Range, certain Proterozoic mafic/ultramafic intrusion suites are prospective to host nickel-copper sulphide mineralisation. The region is currently experiencing high levels of exploration activity for nickel following the Nova, Silver Knight, Mawson and Lantern nickel discoveries.

The northern most Exploration Licence 28/2403 of the joint venture lies approximately 25km SSW of Legend Mining Ltd's (ASX: LEG) Mawson nickel sulphide discovery, first reported in December 2019. (Figure 2).

Highlights during and subsequent to the end of the 2021 financial year include:

- Air-Core ("AC") drilling results have defined a highly prospective Ni-Cu-Co-PGE (Nickel-Copper-Platinum Group Element) geochemical target that is interpreted to be over three kilometres in strike and up to 300 metres wide – named the "Eyre Anomaly". There is strong evidence for the occurrence of magmatic nickel sulphides as being the source of the Eyre Anomaly which supports the prospectivity of the other established Ni-Cu-Co-PGE anomalies as a pathfinder to nickel sulphides in the basement intrusive.
- Completion of a number of AC drilling programs, totalling 24 holes for a total of 2,367 metres over E28/2403.
- Based on assay results from the Eyre Anomaly, Constellation has reported that it intends to accelerate the nickel sulphide drilling effort to include follow-up AC drilling in the September Quarter 2021, followed by a diamond drilling program.

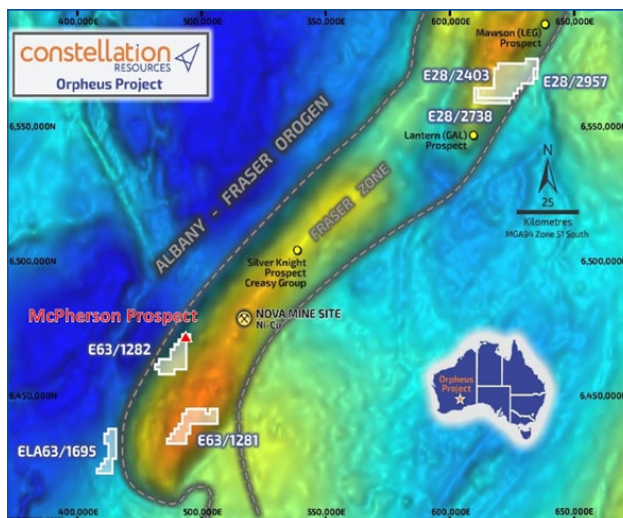


Figure 2. Fraser Range Location Plan and Orpheus Joint Venture Tenements

Note:

E28/2403: 70% CR1, 30% ENT.

E28/2738 & 2957 : 100% CR1



The southern Eyre Anomaly (Figure 3) has returned promising reconnaissance spaced drill intersections to date that include:

- KAC0156: 13m @ 0.14% Ni, 0.04% Cu, 0.01% Co, 5 ppb Pt+Pd¹
incl. 4m @ 0.21% Ni, 0.06% Cu, 0.01% Co, 5 ppb Pt+Pd
- KAC0172: 20m @ 0.24% Ni, 0.03% Cu, 0.03% Co, 14 ppb Pt+Pd²
incl. 6m @ 0.42% Ni, 0.04% Cu, 0.03% Co, 9 ppb Pt+Pd
- KAC0177: 24m @ 0.13% Ni, 0.05% Cu, 0.02% Co, 10 ppb Pt+Pd²
incl. 2m @ 0.26% Ni, 0.13% Cu, 0.03% Co, 20 ppb Pt+Pd
- KAC0186: 6m @ 0.12% Ni, 0.01% Cu, 0.02% Co, 10 ppb Pt+Pd
- KAC0190: 20m @ 0.21% Ni, 0.02% Cu, 0.02% Co, 9ppb Pt+Pd²
- KAC0091: 21m @ 0.21% Ni, 0.08% Cu, 0.03% Co, 52 ppb (Pt+Pd)
- KAC0124: 18m @ 0.21% Ni, 0.02% Cu, 0.05% Co, 14 ppb (Pt+Pd)²

¹ Trace Cu-Fe sulphides and ² Trace Ni-Cu-Fe sulphides identified from optical petrology in “bottom of hole” sample. Refer Constellation Resources Ltd ASX releases 30 July and 22 September 2021.

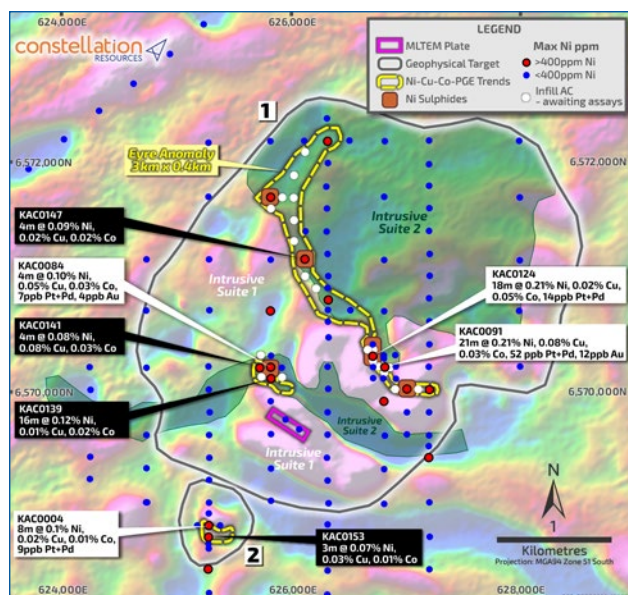


Figure 3. E28/2403 AC drill results incl. Eyre Anomaly, Geochemical footprints and Moving Loop Transient ElectroMagnetic (MLTEM) Anomaly over Aeromagnetic Image

The Northern Eyre Anomaly infill drilling was completed to 50 metre centres. Well-developed regolith profiles were formed over the basement units. The pending assay results from the July 2021 AC drilling program will guide the next steps in the area. (Figure 3)

Eyre South Prospect (Southern limit of the Eyre Trend)

Results from infill AC holes have confirmed a number of positive attributes underpinning target prospectivity including:

- **Presence of nickel-copper sulphides:** Optical petrological analysis from bottom of hole AC chips sourced within the “feeder zone”, have confirmed the presence of trace levels of magmatic nickel-copper sulphides in multiple holes, underpinning the concepts fertility (Figures 2 and 3, Table 2).
- **A coherent blanket of anomalous assays:** A continuous, thick nickel-copper-cobalt-PGE (“Ni-Cu-Co-PGE”) regolith blanket that is currently 380 metres in strike, up to 300 metres wide and remains open at depth (Figures 1 and 2); and
- **A potential intrusive feeder-system geochemical signature:** Mappable concentric zonation of high magnesium rich minerals in the basement units (increasing olivine and pyroxene content) that is located directly beneath the regolith anomaly. The zoned pattern could represent a feeder zone for the greater intrusion, a recognised favourable setting for the possible accumulation of nickel sulphides (Figures 2 and 3).

The planned diamond drill programs will provide important geological information on the feeder zone and establish platforms to undertake downhole electromagnetic (DHEM) surveys.

Review of Operations

Wylie Target – Promising results from early-stage nickel-copper prospect

A broad geochemical dispersion at Wylie was initially identified in reconnaissance AC hole KAC0084 returning **4m @ 0.10% Ni, 0.05% Cu, 0.03% Co, 7ppb (Pt+Pd)**. Recent infill and extensional AC holes have successfully expanded the footprint of the Wylie Target (Figure 3). Key results include:

- KAC0139: 16m @ 0.12% Ni, 0.01% Cu, 0.02% Co, 4 ppb Pt+Pd
- KAC0141: 4m @ 0.08% Ni, 0.08% Cu, 0.03% Co, 13 ppb Pt+Pd
- KAC0192: 16m @ 0.11% Ni, 0.05% Cu, 0.01% Co, 7 ppb Pt+Pd, incl. 9m @ 0.15% Ni, 0.07% Cu, 0.02% Co, 10 ppb Pt+Pd

Constellation have reported that assay and petrology results from the Wylie target continue to display promising host rocks and pathfinder geochemistry patterns whilst acknowledging the early stage of evaluation for this emerging target area.

Constellation plans to complete diamond drill testing at the Eyre South target in the December quarter 2021 subject to rig availability and weather conditions. A DHEM geophysical survey is planned for each hole. Assay and petrology results are likely to be returned in the January quarter 2022 which once received and assessed, will govern the next work programs to progress the target.

Subsequent to the completion of the diamond drilling at the Eyre South target, further infill AC programs are planned at the Wylie and the Greater Eyre targets to achieve drill densities down to 50 metre centres.

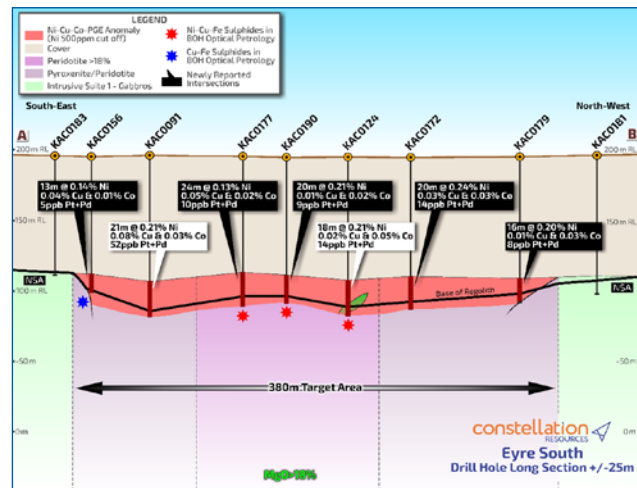


Figure 4. Eyre South Drill Hole Long Section



MURCHISON PROJECT:
Au (Cu-Zn) ENT 100%, EVN Farm-In
(EVN have right to earn up to 80%)

Enterprise Metals Murchison Project is centred 30km north of Cue and 35km north-east of the Big Bell Gold Mine and forms a semi-contiguous landholding of approximately 760km² over a buried Archaean greenstone belt. The Project area is prospective for Archaean orogenic gold deposits and sits within a well-endowed region, with major gold deposits such as Big Bell (5.3 Moz production, operated by Westgold Resources Ltd) and the nearby historical Day Dawn mine (2.6 Moz production). Historic exploration has also indicated potential for volcanogenic high-grade copper/zinc deposits.

Evolution Mining Limited (ASX: EVN) entered into an earn-in joint venture agreement (Murchison EJV) with Enterprise over the Project on 1 June 2019 and is focussed on exploring the untested poorly tested northward continuations of the Big Bell and Cuddingwarra Shear Zones. Evolution can earn an 80% interest in the project by spending A\$6 million on exploration over a four-year period. (Figure 5).

Since commencing exploration, Evolution has undertaken an extensive and detailed ground gravity survey (6,118 stations, which, when married with Enterprise’s detailed magnetic surveys, highlighted major lithological units and shear zones. Evolution has also drilled 262 AC holes for 19,132m which targeted shear zones along strike to the north and northeast of the Big Bell Gold Mine and Cuddingwarra Mining Centre.

Evolution also completed of 17.5 line km of 50m spaced Passive Seismic surveying over the northern extension of the Big Bell Shear Zone and Southern Area of the Cuddingwarra Shear Zone to understand the depth and 3-D geometry of transported cover.

Regional mapping at 1:10,000 scale was undertaken over priority areas, and 250 rock chip and historic drill samples were taken to be analysed for gold and multi-elements. In the Behring area, thick differentiated dolerites were identified from mapping and examination of drill hole material.

During the June 2021 quarter, Evolution completed 4 RC/diamond core holes and (partial completion of a 5th hole) for a total of 1,428.7m on the Big Bell Shear Zone. These holes were following up anomalous results from AC drilling testing a structural target at the Behring Prospect. Assays are currently pending for the majority of this drilling program and are expected to be reported in October 2021.

The location of anomalous AC gold drill results on the Big Bell and Cuddingwarra Shear Zones are shown below. (Figure 6).

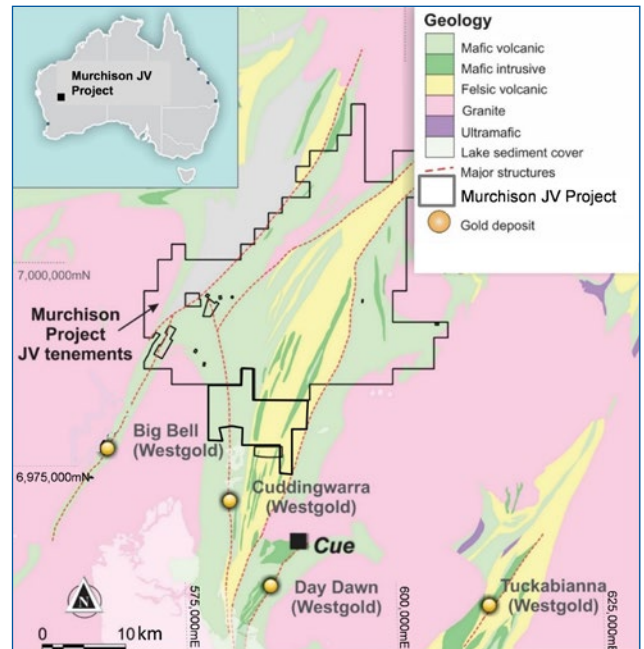


Figure 5. Murchison Project, Geology & Enterprise Landholdings

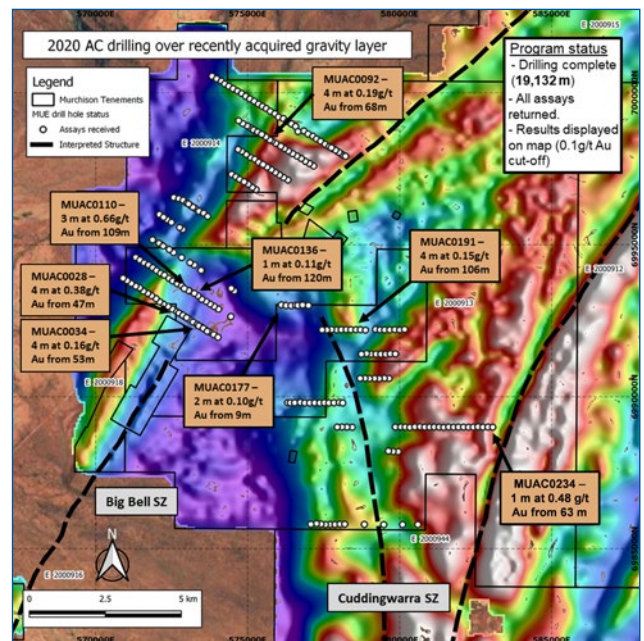


Figure 6. Gravity Image Over Big Bell and Cuddingwarra Shear Zones with Anomalous Aircore Gold Drill Results

Review of Operations

DOOLGUNNA PROJECT: Cu-Zn (Au) ENT 100%, SFR Farm-In (SFR have right to earn 75%)

Enterprise Metals Doolgunna Project covers 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 Karalundi Formation which hosts the DeGrussa and Monty copper-gold deposits. (Figure 7.)

Sandfire Resources NL (ASX: SFR) entered into a farm-in agreement with Enterprise Metals in October 2016 to earn a 75% interest in the project by sole funding exploration to define a JORC (2012) compliant mineral resource of at least 50,000 tonnes of contained copper or copper equivalent.

During the year, Sandfire drilled a number of deep diamond and reverse circulation holes to test Moving Loop Electromagnetic (MLEM) anomalies at the Vulcan West and Ruby Well projects. in the Karalundi Formation of the Bryah Basin.

At the Vulcan West prospect, diamond hole EFDD0009A tested an extensive series of MLEM geophysical plates and intersected a significant zone of fractured massive siltstone with graphite on fracture faces coincident with the position of the plates. Weak potentially VMS-related chlorite alteration and trace stringer sulphide mineralisation was observed from 644m- 717m. Diamond drill hole EFDD0010 also tested a series of anomalous MLEM geophysical plates. A second deep diamond hole EFDD0012 (total 1,105.1m) tested the southern extent of a significant geophysical plate modelled from a late-time anomalous response identified in ARMITv4 MLEM data. Multiple graphite-bearing brittle-ductile zones were identified at 544.1m - 546.2m, 593.2m - 595.1m and 649.3m - 650m. These graphitic structures were interpreted to be the likely source of the conductive response identified in the ARMITv4 MLEM survey.

At the Ruby Well prospect, diamond drill hole EFDD0011 (total 736.9m) was designed to test a 250m x 250m geophysical plate derived from a MLEM anomaly. No significant mineralisation was observed in any of the holes.

RC hole EFRC0063 was planned to test a large magnetic anomaly but was abandoned due to excessive groundwater. The hole intersected an interval of peperitic basalts and siltstone containing fine chalcopyrite stringers and associated trace sphalerite in the DeGrussa Member of the Karalundi Formation. The magnetic, Fe-oxide rich dolerite is likely the source of magnetic anomaly. A DHEM survey was completed but no anomalies consistent with bedrock conductors were observed. RC hole EFRC0065 tested the area ~1km along-strike to the south west of EFDD0011. The hole intersected a thick package of Narracoota Formation basalts along-strike from the geophysical plate being targeted by EFDD0011, with no significant mineralisation observed. EFRC0067 and EFRC0068 were drilled to test a potential host sediment position south of a large granophyric dolerite.

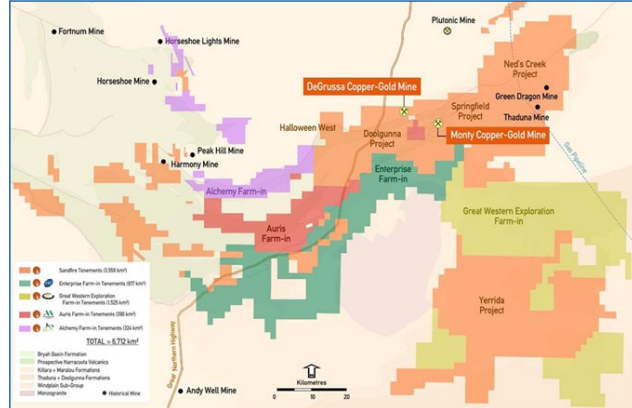


Figure 7. Location of the Enterprise's Doolgunna Tenements (in Green)

Down Hole EM surveys confirmed that the MLEM anomalies were related to lithological units and Sandfire has indicated that no further work is currently planned for Ruby Well and Vulcan West.

Enterprise has a significant landholding position in the northern Yerrida Basin, which is considered to be stratigraphically equivalent to the adjacent Bryah Basin hosting DeGrussa, Monty and the Morck Well deposit. Sandfire has indicated that it will be undertaking early-stage exploration in the Yerrida Basin for Sedex style base metals.

Enterprise notes that DGO Gold Limited (ASX: DGO) recently reported on the progress of diamond drilling at Yerrida, 75km south of the DeGrussa mine. DGO's maiden diamond hole (21YEDD001) tested a coincident magnetic and airborne electromagnetic (AEM) anomaly and was completed at a depth of 634.3m. The hole intersected a broad interval of stratabound bands of pyrrhotite-pyrite with disseminated chalcopyrite from 295 to 334m including a 1.8m interval of semi-massive pyrrhotite-pyrite from 302.2m. (Refer DGO: ASX release 22 July 2021)

BULLFINCH NORTH PROJECT: Au, (Ni-Cu-Co, Li) ENT Option to Purchase

In May 2020 Enterprise entered into a 2 year “Option to Purchase” phase of a Binding Terms Sheet covering the Bullfinch North Project in the Southern Cross Greenstone Belt of WA. The tenement package is owned by Nickgraph Pty Ltd. A separate 2 year option agreement was negotiated over the western margin of the greenstone belt and Lake Deborah with Mr Peter Gianni.

The project area stretches from Bullfinch in the south to Trough Well in the north and covers approximately 50 strike km’s (238 km²) of granted tenements over Archaean greenstone lithologies prospective for orogenic gold deposits, high-grade massive sulphide nickel-copper deposits, iron ore and lithium. (Figure 8)

The Southern Cross Greenstone Belt hosts more than 150 known gold deposits, which have collectively produced more than 10 million ounces of gold. The major gold deposits such as Frasers at Southern Cross, Marvel Loch, Nevoria, Great Victoria, Yilgarn Star and Copperhead (at Bullfinch) have produced the majority of these ounces.

By comparison, competitor exploration on the northern part of the Southern Cross Greenstone Belt (ie. north of Bullfinch) was largely focussed on relatively shallow drill testing of small historic outcropping gold workings, which has failed to find any major new deposits. Other impediments to successful exploration included the historic fragmented tenement ownership and transported overburden on the eastern and western flanks of the belt.

In mid 2020 Enterprise commissioned Perth consulting group Terra Resources Pty Ltd to undertake:

- a comprehensive review of existing data over the project area,
- a compilation of relevant drilling and soil assay information into a searchable database,
- a geological interpretation of the project area, using available detailed magnetic data and Enterprise’s 2020 detailed gravity survey, and
- a targeting study, using the assembled data to identify targets based on models of major Yilgarn gold deposits.

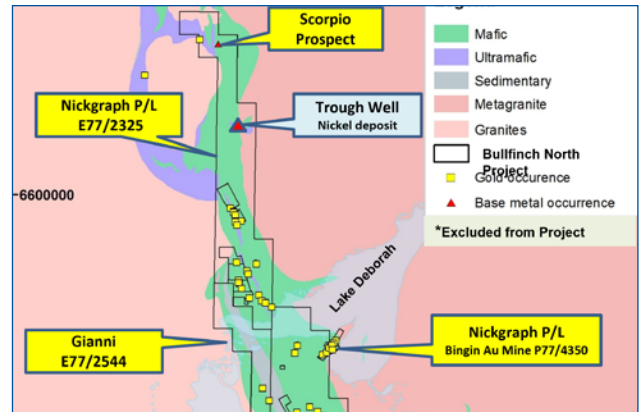


Figure 8. Bullfinch North Project, Optioned Tenements over Geology



Review of Operations

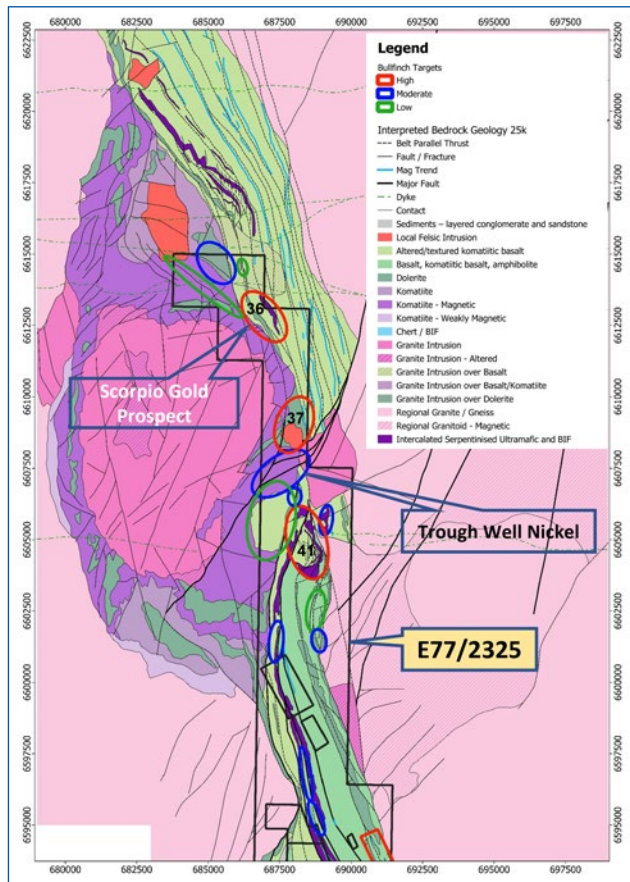


Figure 9. Bullfinch North, Terra Resources Targets over Bedrock Geology - North Sheet

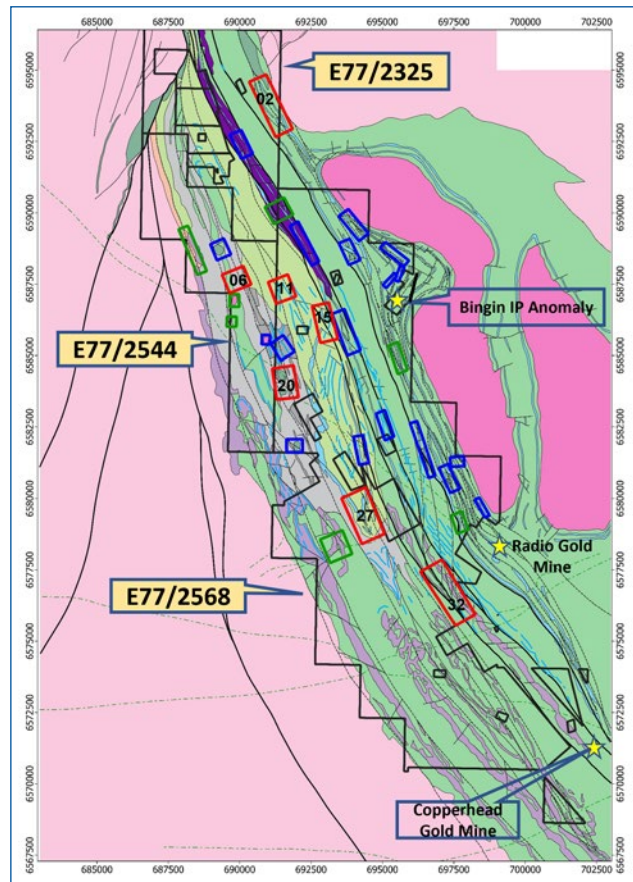


Figure 10. Bullfinch North, Terra Resources Targets over Bedrock Geology - South Sheet

The recently completed Terra Resources targeting study has produced ten high priority targets for follow up and drill testing. In particular, the study has highlighted a series of coincident magnetic/gravity targets within the poorly exposed and soil covered Archaean sedimentary sequence which lies unconformably over the Archaean greenstone sequences. These and other “Terra Targets” are planned for drill testing in the 2021 December Quarter. (Figures 9 and 10)

Field inspection of the high priority Terra Targets commenced in August, along with compilation of any historic exploration and drilling associated with the high priority targets. This process is ongoing and follow up reverse circulation drilling is expected to commence in October.

In December 2020 Enterprise undertook a 3D Induced Polarisation (3D-IP) survey along the interpreted Maries Find-Greater Bingin line of gold workings. In January 2021, Terra Resources reported that the survey had delineated a subtle but coherent chargeable anomaly coincident with a resistive anomaly on the southwest corner of the survey area. Further IP data acquisition with a dipole-dipole survey configuration was recommended by Terra Resources before any drill testing.

**MANDILLA PROSPECT:
Au, ENT Option to Purchase**
(Vera Allen 100% owned)

In 2020 Enterprise entered into an Option Agreement with Mrs Vera Allen to purchase her Mandilla Gold Prospect (Exploration Licence 15/1437 and Prospecting Licence 15/5885) located approximately 20 km south of Kambalda. Enterprise’s target is primary gold mineralisation, similar but higher grade than that already discovered on the western margin of the Mandilla Syenite by Anglo Australian Resources (“Anglo”, ASX: AAR) at its Mandilla Gold Project.

Between 2006-2007, Anglo produced ~23,000oz Au from an open cut palaeo-channel located along the western margin of the syenite. Anglo has subsequently reported a bedrock resource of 646Koz at Mandilla East & South, on the western margin of the Mandilla Syenite. (Figures 11 and 12)

In August 2020, Enterprise completed a scout program of 121 vertical AC holes (2,408m) east of the Coolgardie-Esperance Highway. The holes planned west of the highway could not be drilled due to heritage issues.

The AC program on eight widely spaced east-west drill lines identified several deeply weathered northerly trending shear zones or corridors which contain anomalous amounts of gold and arsenic in saprolitic clays above bedrock. One of a number of anomalous four metre composite assays from this program included 4m at 1.8g/t Au from 44m depth in hole MEAC081. This hole also averaged 615ppm arsenic over the 60m interval from 8m depth.

In May 2021 a “slimline” RC drill program of 21 holes (total 1,808m) was completed to test a number of these low level gold anomalies, and a historical (Newmont 1984) Induced Polarisation anomaly. While RC holes testing the IP anomaly intersected pyritic volcanoclastic sediments, a number of the other holes intersected low level gold mineralisation, particularly at the Star Anomaly on the eastern margin of the strongly magnetic Mandilla Syenite. (Figures 11 & 12)

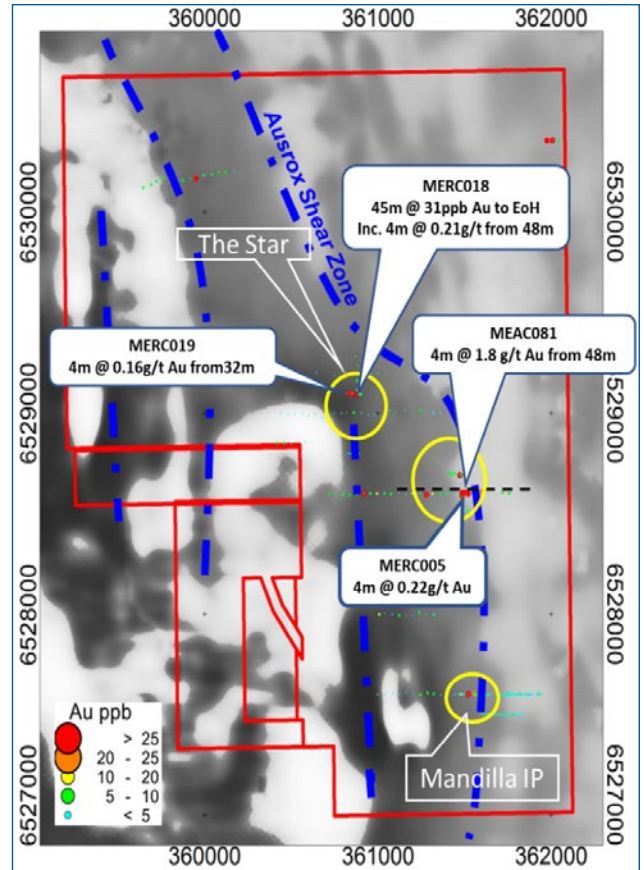


Figure 11. Magnetic Image Showing Location of Star Anomaly

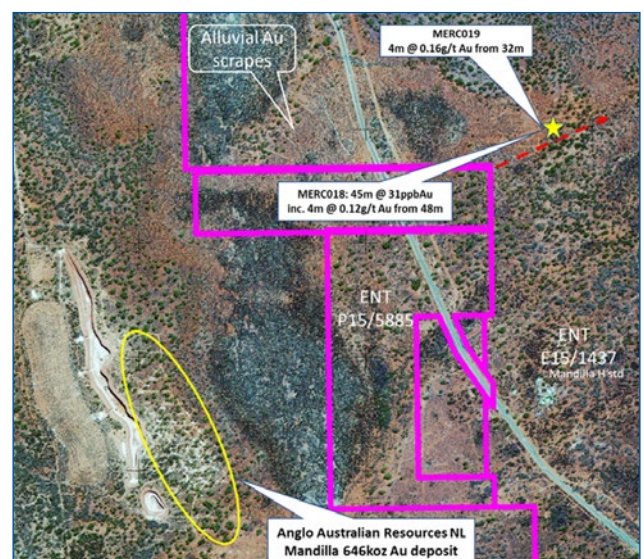


Figure 12. Location of Gold Anomalous RC Holes at Star Anomaly

Review of Operations

PERENJORI POTASH PROJECT ENT 100%

In October 2019, Enterprise lodged applications for four large exploration licences over deep palaeo-valleys centred approximately 35km north-northeast of the wheatbelt town of Perenjori.

During the current financial year, two tenements were granted (total 377km²) and two tenements remain in remain in application (320km²). The granted tenement and tenement applications cover ~120 km of ancient (+34 million years old) drainage systems which have their headwaters in the central part of the Yilgarn Craton. Airborne geophysical surveys previously conducted by Enterprise provide evidence that deeply incised (100m - 150m depth) palaeo-valleys lie buried below the broad shallow valleys NNE of Perenjori.

Enterprise plans to explore the palaeo-valleys for sub-surface brine deposits using aircore drilling methods. The ultimate goal is to produce Sulphate of Potash (K₂SO₄ or SOP) via surface evaporation (and processing) outside of salt lakes, within PVC lined evaporation ponds. The Perenjori Project area is well serviced with a 245km railway from Perenjori to the port of Geraldton and has established infrastructure in the nearby wheatbelt towns of Morawa and Perenjori. (Figure 13)



Figure 13. Location Plan, Perenjori Potash Exploration Project



Corporate

On 22 September 2020 the Company closed a non-renounceable pro-rata Entitlements Issue to eligible shareholders of ordinary fully paid shares in the Company at an issue price of \$0.022 per share, on the basis of 1 New Share for every 4 shares held together with one Option for every two shares issued.

Eligible Shareholders subscribed for a total of 67,530,078 New shares (inclusive of additional shares applied for) and 33,765,006 attaching Options for a total of \$1,485,662. The Options will be exercisable at \$0.03 each on or before 31 August 2022.

The total New Shares issued was comprised of 30,418,835 Entitlement Shares and 37,111,243 additionally subscribed shares. The quotation of New Shares and issue of Options was completed 29 September 2020.

During financial year, the Company raised \$433,067 through the exercise of options.

Other than noted elsewhere in this report, no matters or circumstances have arisen since the end of the half year, that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Dermot Ryan, who is a director of Montana Exploration Services 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.

Historical exploration results referred to in this Report were previously reported by numerous ASX listed companies. Enterprise Metals Limited understands that this information has not been updated since to comply with the JORC Code (2012) but believes the information has not materially changed since it was last reported.

Forward Looking Statements

Certain statements in this document are or maybe “forward-looking statements” and represent Enterprise’s intentions, projections, expectations or beliefs concerning among other things, future exploration activities. The projections, estimates and beliefs contained in such forward-looking statements don’t necessarily involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Enterprise, and which may cause Enterprise’s actual performance in future periods to differ materially from any express or implied estimates or projections. Nothing in this document is a promise or representation as to the future. Statements or assumptions in this document as to future matters may prove to be incorrect and differences may be material. Enterprise does not make any representation or warranty as to the accuracy of such statements or assumptions.

Directors' Report

Your Directors submit their report together with the financial report of Enterprise Metals Limited (“Enterprise” or the “Company”) and the entities it controlled (together “the Group”) for the year ended 30 June 2021 and the independent auditor’s report thereon.

Directors

The names of the Directors who held office during or since the end of the year are:

Dr Allan Trench
Mr Dermot Ryan
Dr Changshun Jia

Directors were in office for the entire year unless otherwise stated.

Information on Directors

Dr Allan Trench (Non-Executive Chairman, appointed 3 April 2012)

Dr Trench is a mineral economist, geophysicist and business management consultant with a BSc (Hons) Geology from the Royal School of Mines, London, a Ph.D (Geophysics) from Glasgow University, an MBA (Distinction) from Oxford University and an MSc (Distinction) in Mineral Economics from the WA School of Mines (WASM). His former roles include management of nickel and gold/base metal exploration teams in the Yilgarn region of WA, initially for WMC and subsequently for a group of junior Australian Securities Exchange (“ASX”) listed companies.

Dr Trench worked as a business consultant for McKinsey and Company, then as a manager at KCGM Pty Ltd and Woodside Petroleum, and more lately as a consultant with CRU Group, providing business analysis and intelligence on the global mining and metals and markets. He is currently Research Professor, Progressive Risk & Value, Centre for Exploration Targeting, University of Western Australia and Professor, UWA Business School. He is also Non-Executive independent Director of a number of emerging overseas and Australian-listed resources companies.

Directorships held in other listed entities in the last 3 years:

Hot Chili Limited (July 2010 – present)
Emmerson Resources Limited (March 2015 – present)

Dermot Ryan (Non-Executive Director, appointed 12 December 2018 formerly Managing Director, 13 October 2008 – 12 December 2018)

Mr Ryan spent 20 years with CRA Ltd from 1977-1996, including 10 years as Chief Geologist for CRA Exploration in various states of Australia. He was General Manager Exploration for Great Central Mines Ltd (later Normandy Yandal Operations Ltd) and Johnsons Well Mining NL (now Regis Resources Ltd) from late 1996-2000 and provided geological consulting services to Mark Creasy from 2001 to 2008, before founding Enterprise. For the past 14 years he has been a Director of private mineral exploration consulting company XServ Pty Ltd and for the past 2 years he has been a Director of Montana Exploration Services Pty Ltd. He is a Fellow of the AusIMM, (CP Geo), a Fellow of the AIG, and holds a BAPSc (Geol).

Directorships held in other listed entities in the last 3 years:

Alto Metals Limited (December 2012 – February 2019)

Dr Changshun Jia (Non-Executive Director, appointed 2 June 2020)

Dr Jia is a geologist with extensive global mineral and mining industry experience in Asia, South America, Africa and Australia. Dr Jia has been pivotal in the successful exploration of the Sandstone Greenstone Belt by Alto Metals Ltd, which has attracted strong corporate interest and resulted in multiple takeover offers for Alto Metals

Ltd from third parties. Dr Jia was previously General Manager of Minera Altamira Chile, South America and senior management of Enterprise. Dr Jia is a member of the Australian Institute of Geoscientists and registered geologist of the China Nonferrous Metals Industry Association, with expertise in mineral exploration and mining. Dr Jia is also a founder and director of Luna Resources Pty Ltd, providing corporate and technical advisory services to public and private entities. Dr Jia has a BSc in Hydrogeology & Engineering Geology from North China University of Water Resources and Electric Power, China, and a PhD in Economic Geology from the University of Science & Technology, Beijing.

Dr Jia has held no listed entity directorships in the last 3 years.

Company Secretary

Graeme Smith BEc, MBA, MComLaw, FCPA, FCIS, FGIA

Mr Smith was appointed Company Secretary on 22 March 2019. Mr Smith is a corporate governance & finance professional with over 25 years' experience in accounting and company administration. He is a Fellow of the Australian Society of Certified Practising Accountants, the Institute of Chartered Secretaries and Administrators and the Governance Institute of Australia. He is the principal of Wembley Corporate which provides Company Secretarial, CFO, and Corporate Governance services to public and private companies.

Principal Activities

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

Operating Results

The loss of the Group after providing for income tax amounted to \$1,654,354 (2020: \$826,073).

Financial Position

The net assets of the Group at 30 June 2021 are \$7,700,095 (2020: \$7,362,031).

Business Strategies and Prospects for Future Financial Years

The objective of the Company is to create long-term shareholder value through the discovery, development and acquisition of technically and economically viable mineral deposits. To date, the Company has not commenced production of any minerals, nor has it identified a Mineral Resource in accordance with the JORC Code. To achieve its objective, the Company and its joint venture partners currently intend over the medium term to conduct further exploration activities including field work to follow up targets identified at the Fraser Range, Murchison, Doolgunna and Bullfinch North Projects. These activities are inherently risky and the Board of Directors (the "Board") is unable to provide certainty of the expected results of these activities, or that any or all of these likely developments will be achieved. The material business risks faced by the Company that could have an effect on the Company's future prospects, and how the Company manages these risks include:

The Company's and its joint venture exploration programs may not identify an economic deposit

Despite positive exploration results on a number of projects, current and potential investors should understand that mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards. The success of the Company also depends, among other things on successful exploration and/or acquisition of reserves, securing and maintaining title to tenements and consents, successful design, construction, commissioning and operating of mining and processing facilities, successful development and production in accordance with forecasts and successful management of the operations. Exploration and mining activities may also be hampered by force majeure circumstances, land claims and unforeseen mining problems. There is no assurance that exploration and development of the mineral interests owned by the Company, or any other projects that may be acquired in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited. If such commercial viability is never attained, the Company may seek to transfer its

Directors' Report

property interests or otherwise realise value, or the Company may even be required to abandon its business and fail as a "going concern";

The Company's operations may be adversely affected by the COVID-19 pandemic

The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, commodity prices and foreign exchange. To date, the COVID-19 pandemic has not had any material impact on the Company's operations, however, any infections occurring on site at the Company's projects could result in the Company's operations being suspended and otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as adverse implications on the Company's future cash flows, profitability and financial condition. Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects. Governmental or industry measures taken in response to COVID-19 may materially adversely impact the Company's operations and are likely to be beyond the control of the Company. To date, the measures imposed by Government or industry, including the restrictions in place as at the date of this report, have not had a material adverse impact on the Company's operations. However, future measures imposed by Government or industry may affect the Company's ability to freely move people and equipment to and from exploration projects, which may cause delays or cost increases.

The Company's exploration activities being delayed due to lack of available equipment and services

The exploration activities of the Company requires the involvement of a number of third parties, including drilling contractors, assay laboratories, consultants, other contractors and suppliers. Demand for drilling equipment and exploration related services in Western Australia is currently very high and has resulted in higher exploration costs, delays in completing the Company's exploration activities, and delays in the assessment and reporting of the results. Should there continue to be high demand for exploration equipment and related services, there may be further delays in undertaking exploration activities, which may result in increased exploration costs and/or increased working capital requirements for the Company and may have a material impact on the Company's operations and performance.

The Company's operations will require further capital

The exploration and any development of the Company's exploration properties will require substantial additional financing. Failure to obtain sufficient financing may result in delaying, or the indefinite postponement of, exploration and any development of the Company's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

The Company may be adversely affected by fluctuations in commodity prices

The price of commodities fluctuate widely and are affected by numerous factors beyond the control of the Company. Future production, if any, from the Company's mineral properties will be dependent upon the price of commodities being adequate to make these properties economic. The Company currently does not engage in any hedging or derivative transactions to manage commodity price risk. As the Company's operations change, this policy will be reviewed periodically going forward.

Global financial conditions may adversely affect the Company's growth and profitability

Many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. Due to the current nature of the Company's activities, a slowdown in the financial markets or other economic conditions may adversely affect the Company's growth and ability to finance its activities.

Significant Changes in State of Affairs

There have been no significant changes in the affairs of the Group during the year.

Significant Events After the Reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely Developments and Expected Results

The Group expects to maintain the present status and level of operations and hence there are no likely developments in the Group's operations.

Environmental Regulation and Performance

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

Dividends Paid or Recommended

No dividend has been paid or recommended.

Meetings of Directors

During the financial year, the following meetings of Directors were held. Attendances by each Director during the year were as follows:

Directors' Meetings		
	Number eligible to attend	Number attended
Dr Allan Trench	6	6
Mr Dermot Ryan	6	6
Dr Changshun Jia	6	6

Indemnifying Officers or Auditor

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- The Company has entered into agreements to indemnify all Directors and provide access to documents, against any liability arising from a claim brought by a third party against the Company. The agreement provides for the Company to pay all damages and costs which may be awarded against the Directors.
- The Company has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was \$14,375 (2020: \$13,012).
- No indemnity has been given to the auditors.

Directors' Report

Unissued Shares Under Option

Unissued shares of the Company under option at the date of this report are:

Date options granted	Expiry date	Exercise price \$	Number under option
30/03/2020	30/03/2022	0.015	1,000,000
29/09/2020	31/08/2022	0.03	33,765,006
24/11/2020	30/11/2023	0.03	9,000,000

Shares issued as a result of exercise of options

During the financial year there were 28,871,110 shares issued as a result of the exercise of options. Refer to Note 14

Non-audit Services

The following non-audit services were provided by the Group's auditor, Pitcher Partners BA&A Pty Ltd, or associated entities. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Pitcher Partners BA&A Pty Ltd, or associated entities, received or are due to receive the following amounts for the provision of non-audit services:

	2021 \$	2020 \$
Tax compliance services	3,500	2,000

Proceedings on Behalf of Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each key management personnel ("KMP") of the Company.

Key Management Personnel

The KMP of the Company during or since the end of the financial year were as follows:

Non-Executive Directors:

Changshun Jia
Dermot Ryan
Allan Trench

Unless otherwise disclosed, the KMP held their position from 1 July 2020 until the date of this report.

Remuneration Policy

The Board's policy for determining the nature and amount of remuneration for Non-Executive Directors of the Company is as follows:

All Non-Executive Directors receive a base fee (which is based on factors such as length of service and experience) and may receive options as performance incentives.

All fees paid Non-Executive Directors are 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 Board determines payments to the Non-Executive Directors and reviews their remuneration periodically 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 Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

There is no relationship between fees paid to Non-Executive Directors and the performance of the Company.

Use of remuneration consultants

The Company did not employ the services of any remuneration consultants during the financial year ended 30 June 2021.

Voting and comments made at the Company's 2020 Annual General Meeting ("AGM")

The Company received 100% of "yes" votes based on the number of proxy votes received on its remuneration report for the 2020 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Details of Remuneration for Year Ended 30 June 2021

There were no cash bonuses paid during the year and there are no set performance criteria for achieving cash bonuses. The following table outlines benefits and payment details, in respect to the financial year, as well as the components of remuneration for each member of the KMP of the Company:

REMUNERATION REPORT (AUDITED) CONTINUED

Key Management Personnel	Short-term benefit		Post-employment benefit	Equity-settled share based payments		Total	Remuneration Performance based
	Fees	Cash from other activities	Super-annuation	Options ⁽⁵⁾	Equity ⁽⁶⁾		
	\$	\$	\$	\$	\$		
2021							
Dr A Trench ⁽¹⁾	30,000	-	-	29,095	-	59,095	-
D Ryan ⁽²⁾	25,000	-	-	29,095	-	54,095	-
Dr C Jia ⁽³⁾	25,000	-	-	29,095	-	54,095	-
	80,000	-	-	87,285	-	167,285	-
2020							
Dr A Trench ⁽¹⁾	15,000	-	-	-	15,000	30,000	-
D Ryan ⁽²⁾	25,000	-	-	-	-	25,000	-
Dr C Jia ⁽³⁾	2,083	-	-	-	-	2,083	-
Dr Z He ⁽⁴⁾	11,459	-	-	-	11,458	22,917	-
	53,542	-	-	-	26,458	80,000	-

(1) All fees paid to Dr Allan Trench are paid to Judicial Holdings Pty Ltd of which he is a shareholder.

(2) All fees paid to Dermot Ryan are paid to XServ Pty Ltd of which he is a shareholder.

(3) Dr Jia was appointed on 2 June 2020. All fees paid to Dr Jia are paid to Luna Resources Pty Ltd of which he is a shareholder.

(4) Dr He resigned on 2 June 2020.

(5) During the year the Company issued 3,000,000 Options to each of the Directors

(6) Represents the issuance of shares in lieu of cash for directors' services provided.

Equity instrument disclosures relating to KMP

Shareholdings

The number of ordinary shares in Enterprise Metals Limited held by each KMP of the Company during the financial year is as follows:

	Balance at the start of the period	Received during the period as compensation	Other changes during the period ⁽¹⁾	Balance at the end of the period
2021				
Ordinary Shares				
Dr A Trench	9,246,250	-	713,439	9,959,689
D Ryan	17,694,854	-	5,288,193	22,983,047
Dr C Jia	922,211	-	-	922,211
Total	27,863,315	-	6,001,632	33,864,947

(1) Acquired on market.

REMUNERATION REPORT (AUDITED) CONTINUED

Option holdings

The following tables outline options over ordinary shares held by KMP of the Company during the financial year: No options were cancelled, forfeited or lapsed during the year.

	Balance at the start of the period	Received during the period as compensation	Exercised during the period	Other changes during the period ⁽¹⁾	Balance at the end of the period	Vested and exercisable
2021 Options						
Dr A Trench	375,439	3,000,000	(375,439)	169,000	3,169,000	3,169,000
D Ryan	983,048	3,000,000	(983,048)	2,152,572	5,152,572	5,152,572
Dr C Jia	-	3,000,000	-	-	3,000,000	3,000,000
Total	1,358,487	9,000,000	(1,358,487)	2,321,572	11,321,572	11,321,572

(1) Acquired on market.

	Vested and exercisable at 30 June 2021	Grant Date	Fair value per option at grant date	Exercise price	Expiry date
2021 Options					
Dr A Trench	169,000	29-Sept-20	\$0.0112	\$0.03	31-Aug-22
	3,000,000	01-Dec-20	\$0.0097	\$0.03	30-Nov-23
D Ryan	2,152,572	29-Sept-20	\$0.0112	\$0.03	31-Aug-22
	3,000,000	01-Dec-20	\$0.0097	\$0.03	30-Nov-23
Dr C Jia	3,000,000	01-Dec-20	\$0.0097	\$0.03	30-Nov-23

The options granted carry no voting rights.

The options granted vest on issue and have no attaching conditions.

Loans to KMP

There were no loans made to KMP as at 30 June 2021, nor were any made during the financial year.

Other Transactions with Key Management Personnel

During the year, technical consulting and other exploration services were provided by Xserv Pty Ltd and Montana Exploration Services Pty Ltd, both related parties of Mr Ryan, a Non-Executive Director of the Company. Fees are paid to XServ Pty Ltd and Montana Exploration Services Pty Ltd at commercial rates, under the terms set out in the technical services agreements.

During the year \$18,994 (2020: \$120,614) and \$238,372 (2019: \$54,250) net of GST, was invoiced by XServ Pty Ltd and Montana Exploration Services Pty Ltd respectively for the provision of technical and other services. At 30 June 2021 an amount of \$14,043 (2020: \$2,292) and \$32,937 (2020: \$37,812) respectively was included in trade and other payables.

Service Agreements

Other than mentioned elsewhere in this report, there are no service agreements in place with KMP.

REMUNERATION REPORT (AUDITED) CONTINUED

Group's Performance

The table below sets out information about the Group's earnings and movements in shareholder wealth for the past five years up to and including the current financial year.

	2021	2020	2019	2018	2017
Net (loss)/profit after tax (\$)*	(1,654,354)	(826,073)	(467,608)	(862,616)	(570,520)
Basic (loss)/profit per share (cents)*	(0.31)	(0.20)	(0.12)	(0.25)	(0.16)
Share Price at year end (cents)	1.6	1.3	0.8	2.0	2.6
Total dividends (cents per share)	-	-	-	-	-

*Historical results have not been assessed and adjusted for the impact of new accounting standards.

----- End of Audited Remuneration Report -----

Rounding of Amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on the following page.

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



Allan Trench

Chairman

30 September 2021



AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF ENTERPRISE METALS LIMITED

In relation to the independent audit for the year ended 30 June 2021, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Enterprise Metals Limited and the entities it controlled during the year.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

A handwritten signature in black ink, appearing to read 'Paul Mulligan', written over a circular stamp or seal.

PAUL MULLIGAN
Executive Director
Perth, 30 September 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Notes	30 June 2021 \$	30 June 2020 \$
OTHER INCOME			
Interest received		3,735	2,105
Government payments		10,000	10,000
		<u>13,735</u>	<u>12,105</u>
EXPENDITURE			
Accounting and audit fees		(23,855)	(32,246)
Share registry and listing fees		(58,472)	(38,590)
Employee benefits expense		(7,135)	(8,054)
Corporate and consulting fees		(151,421)	(132,966)
Computers and software		(12,640)	(7,794)
Depreciation and amortisation		(18,000)	-
Exploration expense	2	(1,257,745)	(519,795)
Impairment of capitalised exploration expenses	2	(12,866)	(26,596)
Insurance		(21,288)	(17,591)
Investor relations		(2,977)	(2,420)
Other administration expense		(14,405)	(33,871)
Share based payments	3	(87,285)	(3,381)
Short-term lease and occupancy related expenses		-	(14,874)
(LOSS) BEFORE INCOME TAX EXPENSE		(1,654,354)	(826,073)
Income tax expense	4	-	-
(LOSS) FOR THE YEAR		(1,654,354)	(826,073)
OTHER COMPREHENSIVE INCOME			
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>			
Changes in the fair value of equity instruments carried at fair value through other comprehensive income		-	380,100
OTHER COMPREHENSIVE INCOME, NET OF TAX		-	380,100
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF THE COMPANY		(1,654,354)	(445,973)
Basic and diluted (loss) per share (cents per share)	5	(0.31)	(0.20)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	30 June 2021 \$	30 June 2020 \$
CURRENT ASSETS			
Cash and cash equivalents	6	1,481,540	1,006,975
Trade and other receivables	7	54,265	24,806
Prepayments		24,990	43,265
TOTAL CURRENT ASSETS		1,560,795	1,075,046
NON-CURRENT ASSETS			
Equity instruments at fair value through other comprehensive income	8	-	-
Plant and equipment	9	9,970	1,000
Right-of-use assets	10	47,084	-
Intangible asset	11	-	-
Exploration and evaluation assets	12	6,262,607	6,407,788
TOTAL NON-CURRENT ASSETS		6,319,661	6,408,788
TOTAL ASSETS		7,880,456	7,483,834
CURRENT LIABILITIES			
Trade and other payables	13	126,925	117,470
Lease liabilities	10	24,519	-
Provisions		5,578	4,333
TOTAL CURRENT LIABILITIES		157,022	121,803
NON-CURRENT LIABILITIES			
Lease liabilities	10	23,339	-
TOTAL NON-CURRENT LIABILITIES		23,339	-
TOTAL LIABILITIES		180,361	121,803
NET ASSETS		7,700,095	7,362,031
EQUITY			
Issued capital	14	34,079,595	32,174,462
Reserves	15	90,666	3,381
Accumulated losses		(26,470,166)	(24,815,812)
TOTAL EQUITY		7,700,095	7,362,031

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

	Issued capital	Options reserve	Equity instruments at FVOCI reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2019	31,455,542	-	144,000	(24,513,839)	7,085,703
Loss for the year	-	-	-	(826,073)	(826,073)
Other comprehensive income					
Other comprehensive income (loss), net of tax	-	-	380,100	-	380,100
Total comprehensive loss for the year	-	-	380,100	(826,073)	(445,973)
Transactions with owners in their capacity as owners					
Transfer of equity instruments at FVOCI reserve on sale of equity instruments	-	-	(524,100)	524,100	-
Shares issued during the year	718,920	-	-	-	718,920
Share based payments	-	3,381	-	-	3,381
Balance at 30 June 2020	32,174,462	3,381	-	(24,815,812)	7,362,031
Balance at 1 July 2020	32,174,462	3,381	-	(24,815,812)	7,362,031
Loss for the year	-	-	-	(1,654,354)	(1,654,354)
Other comprehensive income					
Other comprehensive income (loss), net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(1,654,354)	(1,654,354)
Transactions with owners in their capacity as owners					
Shares issued during the year	1,905,133	-	-	-	1,905,133
Share based payments	-	87,285	-	-	87,285
Balance at 30 June 2021	34,079,595	90,666	-	(26,470,166)	7,700,095

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cashflows

For the year ended 30 June 2021

	Notes	30 June 2021 \$	30 June 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		3,735	2,104
Government grants		10,000	10,000
Payments for exploration and evaluation expenditure		(1,241,055)	(449,451)
Payments to suppliers and employees		(326,847)	(298,025)
Net cash used in operating activities	16a	(1,554,167)	(735,372)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from exploration and evaluation refunds		5,909	-
Proceeds from joint venture		150,000	-
Payments for capitalised exploration and evaluation expenditure		(6,068)	(55,478)
Payments for plant and equipment		(10,042)	-
Proceeds from sale of investment		-	776,100
Net cash provided by investing activities		139,799	720,622
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		1,918,729	724,562
Payments of share issue transaction costs		(13,596)	(33,142)
Payments of lease liabilities		(16,200)	-
Net cash provided by financing activities		1,888,933	691,420
Net increase in cash and cash equivalents		474,565	676,670
Cash and cash equivalents at the beginning of the period		1,006,975	330,305
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	1,481,540	1,006,975

The above Consolidated Statement of Cashflows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

Enterprise Metals Limited (“Enterprise” or the “Company”) is a company limited by shares, incorporated and domiciled in Australia. The financial statements as at and for the year ended 30 June 2021 cover the consolidated group of Enterprise Metals Limited and the entities it controlled (together “the Group”). The Group is a for-profit entity.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) and the *Corporations Act 2001*. The Company is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected, financial assets. The functional currency of the Group is Australian dollars.

The financial statements were authorised for issue by the Directors on 30 September 2021.

b) Going Concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Group’s assets and the discharge of their liabilities in the normal course of business.

As disclosed in the financial report, the Group recorded an operating loss of \$1,654,354 (2020: \$826,073), net current assets of \$1,403,773 (2020: \$953,243), net cash outflows used in operating activities of \$1,554,167 (2020: \$735,372), net cash outflows provided by investing activities of \$139,799 (2020: \$720,622). As at 30 June 2021 the Company had cash and cash equivalents of \$1,481,540 (2020: \$1,006,975) for the year ended 30 June 2021.

The board considers that the Group is a going concern. In arriving at this position the Directors have had regard to the fact that based on the matters noted below the Group has, or in the Directors opinion, will have access to, sufficient cash to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing this report.

In forming this view the Directors have taken into consideration the following:

Planned capital raisings at a level that provides sufficient financial resources, combined with funds held as at the date of this report, to fund forecasted operational expenditure for a period of at least 12 months from the date of signing this financial report.

Should the Group not achieve the matters set out above there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern and meet its debts as and when they fall due.

c) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of Company and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Company controls. The

Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in note 17.

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

d) Income Tax

The income tax expense (deficit) for the year comprises current income tax expense (deficit) and deferred tax expense (deficit).

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 profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

e) Property, Plant, and Equipment

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

Notes to the Financial Statements

For the year ended 30 June 2021

Plant and equipment are measured on the historical cost basis.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

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

Plant and equipment	25%
Computer equipment	33%
Furniture and fittings	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

f) Intangible Assets

Recognition of intangible assets

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

Subsequent measurement

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

The following useful lives are applied:

Software: 4 years

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

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

g) 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 when the Group holds tenure over the area of interest and 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.

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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.

h) Interest in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposures to each liability of the arrangement. The Company has interests in the following joint operations:

Fraser Range Project - Constellation Resources Ltd holds a 70% interest and manages and wholly funds exploration on the three granted Orpheus Joint Venture tenements (E28/2403, E63/1281 and E63/1282) and one mineral exploration licence application (E63/1695). Enterprise holds a 30% free carried interest to completion of a bankable feasibility stage (BFS) on any discovery.

Doolgunna Project - Sandfire Resources NL entered into a farm-in agreement with Enterprise Metals in October 2016 to earn a 75% interest in the Enterprise's Doolgunna Project by sole funding exploration to define a JORC (2012) compliant mineral resource of at least 50,000 tonnes of contained copper or copper equivalent.

Murchison Project - Evolution Mining Limited entered into an earn-in joint venture agreement (Murchison EJV) with Enterprise over the Murchison Project on 1 June 2019. Evolution can earn an 80% interest in the project by spending A\$6 million on exploration over a four-year period.

i) Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15 Revenue from Contracts with Customers, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following category upon initial recognition:

- equity instruments at fair value through other comprehensive income (FVOCI)
- amortised cost

Classification is determined by both:

- The Group's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;

Notes to the Financial Statements

For the year ended 30 June 2021

Loss allowance is not recognised for:

- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach General approach

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- there is no significant increase in credit risk since initial recognition,

the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income. The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Equity instruments at fair value through other comprehensive income (“FVOCI”)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under this category, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss.

Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss (“FVPL”). Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). The Group has not designated any financial liabilities at FVPL.

j) Leases

The Group assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. For all leases with a term of more than 12 months and unless the underlying asset is of low value, the Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

At the commencement date, a lessee shall measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise:

- (a) the amount of the initial measurement of the lease liability, as described in paragraph
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the lessee; and
- (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

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Lease liabilities

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

After the commencement date, a lessee shall measure the lease liability by:

- (a) increasing the carrying amount to reflect interest on the lease liability;
- (b) reducing the carrying amount to reflect the lease payments made; and
- (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

k) Impairment of Non-Financial Assets

At each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

l) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled wholly within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The Group operates an Incentive Option Scheme share-based compensation plan. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in profit or loss. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted. The fair value of options is ascertained using the Black-Scholes pricing model which incorporates all market vesting conditions.

m) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

n) 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.

o) Other Income

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Notes to the Financial Statements

For the year ended 30 June 2021

Government payments (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 it is 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.

All revenue is stated net of the amount of goods and services tax (GST).

p) 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.

q) 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 investing and financing activities, which are disclosed as operating cash flow.

Commitments are presented on a gross basis.

r) Equity and Reserves

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

Other components of equity include the following:

- Equity instruments at FVOCI reserve – comprises gains and losses relating to these types of equity instruments.
- Retained earnings include all current and prior period retained profits.

s) Earnings per Share

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.

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.

t) Comparative Figures

When required by the 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.

u) Rounding of Amounts

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

v) Critical Accounting Estimates and Judgments

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2020.

Key Estimates — Impairment of Assets

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.

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

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.

Key Judgments – Benefit from Deferred Tax Losses

The future recoverability of the carried forward tax losses are dependent upon Group's ability to generate taxable profits in the future in the same tax jurisdiction in which the losses arise. This is also subject to determinations and assessments made by the taxation authorities. The recognition of a deferred tax asset on carried forward tax losses (in excess of taxable temporary differences) is dependent on management's assessment of these two factors. The ultimate recoupment and the benefit of these tax losses could differ materially from management's assessment.

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2021 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- the Group continues to comply with conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss and exploration expenditure.

Notes to the Financial Statements

For the year ended 30 June 2021

Key Estimates – Share Option Scheme

On 1 December 2020, the Company issued 9,000,000 performance rights to its key management personnel. The rights convert on a one-to-one basis into fully paid ordinary shares as specified in note 3. The fair value of the options granted was estimated as at the date of grant using the Black Scholes model taking into account the terms and conditions upon which the options were granted and factors such as the share price at grant date, volatility of the share price and risk free rate. As there were no vesting conditions attached, the expense of \$87,285 (2020: Nil) was recognised in full as a share-based payment.

Key Estimates – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in its leases. Therefore, it uses the relevant incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

w) New and Amended Standards Adopted by the Group in this Financial Report

The accounting policies and methods of computation adopted in the preparation of this annual financial report are consistent with those adopted and disclosed in the Group's annual financial report for the financial year ended 30 June 2020. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year. The Group has considered the implications of new amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

x) Impact of Standards Issued but not yet Applied by the Group

There are a number of new standards, amendments to standards and interpretations issued by the AASB which are applicable to future reporting periods. The Group has not early adopted any of these standards or interpretations. The Group has reviewed the following new and amended standards and interpretations and concludes that none are expected to have a significant impact on the Group's consolidated financial statements.

- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material [AASB 101 and AASB 108]
- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business [AASB 3]
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform [AASB 9, AASB 139 and AASB 7]
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet issued in Australia [AASB 1054]
- Conceptual Framework for Financial Reporting and AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework.
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018- 2020 and Other Amendments [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141].
- AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19- Related Rent Concessions [AASB 16]

NOTE 2: EXPENDITURE

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

	Notes	2021 \$	2020 \$
Exploration expenditure ¹		1,257,745	519,795
Impairment of capitalised exploration and evaluation assets	12	12,866	26,596

¹ Exploration on areas over which the Company does not hold rights of tenure is expensed as incurred.

NOTE 3: SHARE-BASED PAYMENTS

Option issues

On 1 December 2020, following shareholder approval at the 2020 AGM, the Company issued 9,000,000 options with an exercise price of \$0.03 and an expiry date of 30 November 2023, to the Directors of the Company as remuneration. The fair value of the options granted was estimated as at the date of grant using the Black Scholes model taking into account the terms and conditions upon which the options were granted and factors such as the share price at grant date, volatility of the share price and risk free rate. As there were no vesting conditions attached, the expense of \$87,285 (2020: Nil) was recognised in full as a share-based payment.

During the year ended 30 June 2020, the Company issued 1,000,000 options with an exercise price of \$0.015 to employees of the Company. The fair value of the options granted was estimated as at the date of grant using the Black Scholes model taking into account the terms and conditions upon which the options were granted and factors such as the share price at grant date, volatility of the share price and risk free rate. As there were no vesting conditions attached, the expense of \$3,381 was recognised in full in the year ended 30 June 2020.

Valuation of Share Based Payment

A summary of the key assumptions used in applying the Black Scholes model to the share based payments recognised in the year is as follows:

	2021	2020
Number of options/rights	9,000,000	1,000,000
Date of grant	24 Nov 2020	30 Mar 2020
Share price at grant date	\$0.016	\$0.007
Volatility factor	120.95%	126.82%
Risk free rate	0.11%	0.26%
Expected life of option/right (years)	3 years	2 years
Valuation per option/right	\$0.0097	\$0.0034
Exercise price per option/right	\$0.030	\$0.015
Vesting conditions	None	None

Notes to the Financial Statements

For the year ended 30 June 2021

Incentive Option Scheme

Options, where appropriate, may be granted under the Enterprise Metals Limited Employee Share Option Plan ("ESOP"). Options are granted under the plan for no consideration on terms and conditions considered appropriate by the Board at the time of issue. Options are granted for up to 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 ESOP. 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 ESOP. The options vest as specified when the options are issued.

The fair value of the options granted is estimated as at the date of grant using the Black Scholes model taking into account the terms and conditions upon which the options were granted and factors such as the share price at grant date, volatility of the share price and risk free rate. Were no vesting conditions are attached, the expense is recognised in full as a share-based payment. There were no options issued under the plan during the year ended 30 June 2021 (2020: \$3,381).

NOTE 4: INCOME TAX

	2021	2020
	\$	\$
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
Adjustments for current tax of prior periods	-	-
	<u>-</u>	<u>-</u>
(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% (2019: 30%)	(496,306)	(247,823)
Add / (Less) tax effect of:		
Share based payments	26,186	1,014
Non-assessable income	(3,000)	(3,000)
Deferred tax asset not brought to account	473,120	249,809
Income tax attributable to operating loss	<u>-</u>	<u>-</u>
(c) Deferred tax assets		
Deferred tax assets balance comprises:		
Plant and equipment	642	-
Plant and equipment under lease	232	-
Provisions and accruals	10,326	15,135
Capital raising costs	9229	-
Other	-	12,066
Tax losses	12,709,629	12,272,587
Offset against DTL/Non-recognition	<u>(12,730,058)</u>	<u>(12,299,788)</u>
Net deferred tax assets	-	-

Notes to the Financial Statements

For the year ended 30 June 2021

(d) Deferred tax liabilities

Deferred tax liabilities balance comprises:

Prepayments	(7,497)	-
Exploration expenditure	(1,748,691)	(1,792,246)
Other	-	(12,980)
Set-off deferred tax assets	1,756,188	(1,805,226)
Net deferred tax liabilities	-	-

e) Deferred income tax (revenue)/expense included in income tax expense comprises:

Decrease / (increase) in deferred tax assets	(447,398)	(201,162)
(Decrease) / increase in deferred tax liabilities	(29,804)	(58,589)
DTA not recognised	477,202	259,751
	-	-

f) Deferred income tax related to items charged or credited directly to equity

Decrease / (increase) in deferred tax assets	4,079	494,773
(Decrease) / increase in deferred tax liabilities	-	(9,943)
DTA not recognised	(4,079)	(484,830)
	-	-

g) Deferred tax assets not brought to account

Temporary differences	(1,735,759)	(1,778,024)
Operating tax losses	12,709,629	12,272,587
Capital losses	-	484,830
	10,973,870	10,979,393

Potential deferred tax assets have not been recognised at 30 June 2021 because the Directors do not believe it is appropriate to regard the realisation of the potential deferred tax assets as probable at this point in time. These benefits of the tax and capital losses will only be obtained if:

- the Group derives future assessable income of a nature and amount to enable the benefit of the losses to be realised;
- the Group continues to comply with the conditions for deductibility imposed by tax law; and no changes in tax law adversely affect the Group from realising the benefit of the tax losses.

NOTE 5: LOSS PER SHARE

	2021	2020
	\$	\$
(a) Reconciliation of earnings to loss for the year		
Earnings used in the calculation of basic EPS	(1,654,354)	(826,073)
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	529,222,619	423,281,975
Basic loss per share (cents per share)	(0.31)	(0.20)
Diluted loss per share (cents per share)	(0.31)	(0.20)

Notes to the Financial Statements

For the year ended 30 June 2021

NOTE 6: CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
Cash at bank	1,481,540	1,006,975
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	1,481,540	1,006,975

NOTE 7: TRADE AND OTHER RECEIVABLES

	2021	2020
	\$	\$
CURRENT		
GST receivable	46,103	20,466
Trade and other receivables	8,162	4,340
	54,265	24,806

There are no balances within trade and other receivables that contain assets that are impaired and are past due. It is expected these balances will be received when due.

NOTE 8: EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity instruments are carried at fair value through other comprehensive income, with fair value movements summarised below.

	2021	2020
	\$	\$
Opening balance	-	396,000
Revaluation	-	380,100
Disposal	-	(776,100)
	-	-

Equity instruments were shares held in an ASX listed entity, Alto Metals Ltd. Fair value was been determined by reference to quoted market prices as per the fair value hierarchy discussed in note 20(f).

Notes to the Financial Statements

For the year ended 30 June 2021

NOTE 9: PLANT AND EQUIPMENT

	2021	2020
	\$	\$
NON-CURRENT		
Plant and equipment at - at cost	61,723	56,946
Less: Accumulated depreciation	<u>(51,753)</u>	<u>(55,946)</u>
	<u>9,970</u>	<u>1,000</u>
Movement:		
Balance at beginning of year	1,000	1,000
Additions	10,832	-
Disposals – at costs	(6,056)	-
Disposals – accumulated depreciation	6,056	-
Depreciation	<u>(1,862)</u>	<u>-</u>
Balance at end of year	<u>9,970</u>	<u>1,000</u>

NOTE 10: LEASES

The consolidated statement of financial position shows the following amounts relating to leases:

	2021	2020
	\$	\$
Right-of-use assets		
Buildings	<u>47,084</u>	<u>-</u>
Lease liabilities		
Current	(24,519)	-
Non-current	<u>(23,339)</u>	<u>-</u>
	<u>(47,858)</u>	<u>-</u>

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2021	2020
	\$	\$
Amortisation charge of right-of-use assets	16,138	-
Interest on lease liabilities	838	-

The group leases various offices and storage premises. Rental contracts are typically made for fixed periods of 1 to 2 years but may have extension options. Additions to the right-of-use assets during the 2021 financial year were \$63,221 (2020: Nil). Total cash outflow for leases in 2021 was \$16,200 (2020: Nil)

NOTE 11: INTANGIBLE ASSETS

	2021	2020
	\$	\$
NON-CURRENT		
Cost		
Opening Balance	15,250	106,436
Additions	-	-
Disposals	<u>(15,250)</u>	<u>(91,186)</u>
Balance at the end of year	<u>-</u>	<u>15,250</u>

Notes to the Financial Statements

For the year ended 30 June 2021

Accumulated Depreciation

Opening Balance	15,250	106,436
Additions	-	-
Disposals	(15,250)	(91,186)
Balance at the end of year	-	15,250

Carrying Amounts

Opening Balance	-	-
Balance at the end of year	-	-

NOTE 12: EXPLORATION AND EVALUATION ASSETS

	2021	2020
	\$	\$
Capitalised exploration and evaluation expenditure	6,262,607	6,407,788
Movement		
Balance at beginning of year	6,407,788	6,422,246
Exploration and evaluation expenditure capitalised in the year	23,594	12,138
Proceeds from exploration and evaluation refunds	(5,909)	
Proceeds from earn in and exploration joint venture agreement	(150,000)	-
Impairment of capitalised exploration and evaluation expenditure	(12,866)	(26,596)
Balance at end of year	6,262,607	6,407,788

The Directors' assessment of whether any triggers of impairment for the Group's exploration and evaluation assets existed as at 30 June 2021 was after consideration factors such as prevailing market conditions; previous expenditure for exploration work carried out on the tenements; maintaining rights to tenure; 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.

As at 30 June 2021, the Directors have concluded that there remains an expectation that the carrying amount of the Group's exploration and evaluation assets will be recovered in full on the basis of the above factors, and with the exception of tenement no longer held, no other impairment triggers exist. Consequently, no detailed impairment assessment has been performed as at 30 June 2021. However, there may exist on the Group's exploration properties, areas subject to claim under Native Title or containing sacred sites or sites of significance to Aboriginal people. As a result, the Group's exploration properties or areas within the tenements may be subject to exploration and mining restrictions.

During the year, an impairment of \$12,866 (30 June 2020: \$26,596) was recognised as a result of expenditure on tenements no longer held or tenements not yet granted.

NOTE 13: TRADE AND OTHER PAYABLES

	2021	2020
	\$	\$
CURRENT – UNSECURED LIABILITIES		
Trade payables	85,549	52,637
Accrued expenses	41,376	64,833
	<u>126,925</u>	<u>117,470</u>

All amounts are short-term. The carrying value is considered to be a reasonable approximation of the fair value. Refer to note 19 related party transactions for trade payable balances with related parties.

NOTE 14: ISSUED CAPITAL

1. Ordinary Shares

	2021	2020
	\$	\$
573,020,145 (30 June 2020: 476,618,957) Fully paid ordinary shares	<u>34,079,595</u>	<u>32,174,462</u>

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

Movements:

	\$	\$
Balance at the beginning of the year	32,174,462	31,455,542
Shares issued during the year :		
Entitlements offer at \$0.022 per share	1,485,662	-
Options exercised at \$0.015 per share	433,067	-
Prior year		
Entitlement issue at \$0.01 per share	-	114,062
Share-based payments ¹	-	27,500
Entitlement issue shortfall placement at \$0.01 per share	-	310,500
Share placement at \$0.01 per share	-	300,000
Transaction costs relating to share issues	(13,596)	(33,142)
Balance at end of year	<u>34,079,595</u>	<u>32,174,462</u>

	No.	No.
Balance at the beginning of the year	476,618,957	401,412,753
Shares issued during the year		
Entitlements offer at \$0.022 per share	67,530,078	-
Options exercised at \$0.015 per share	28,871,110	-
Prior year		
Entitlement issue at \$0.01 per share	-	11,406,204
Share-based payments ¹	-	2,750,000
Entitlement issue shortfall placement at \$0.01 per share	-	31,050,000
Share placement at \$0.01 per share	-	30,000,000
Balance at end of year	<u>573,020,145</u>	<u>476,618,957</u>

Notes to the Financial Statements

For the year ended 30 June 2021

¹ Prior year issue of shares to Dr Trench and Dr He in lieu of Director fees. Refer to note 19.

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.

NOTE 15: RESERVES

	Notes	2021 \$	2020 \$
Options Reserve		90,666	3,381
Equity Instruments at FVOCI Reserve		-	-
		<u>90,666</u>	<u>3,381</u>
Movements:			
Options Reserve			
Balance at the beginning of the year		3,381	-
Share-based payments recognised	3	87,285	3,381
Balance at the end of the year		<u>90,666</u>	<u>3,381</u>
Equity Instruments at FVOCI Reserve			
Balance at the beginning of the year		-	144,000
Fair value gains on equity instruments at FVOCI		-	380,100
Transfer to accumulated losses on disposal of investment		-	(524,100)
Balance at the end of the year		<u>-</u>	<u>-</u>

NOTE 16: CASH FLOW INFORMATION

(a) Reconciliation of Cash Flow from Operations with loss after Income Tax

	2021 \$	2020 \$
Loss after income tax	(1,654,354)	(826,073)
Cash flows excluded from loss attributable to operating activities:		
Non-cash flows in loss from ordinary activities:		
Depreciation and amortisation	18,000	-
Impairment of exploration and evaluation assets	12,866	26,596
Share based payments	87,285	30,881
Other non cash items	838	-
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(30,251)	(8,449)
(Increase)/decrease in prepayments and other assets	749	(1,983)
Increase/(decrease) in payables	10,700	43,656
Cash flow used in operations	<u>(1,554,167)</u>	<u>(735,372)</u>

(b) Credit Standby Facilities

The Group had no credit standby facilities as at 30 June 2021 (2020: nil).

(c) Non-Cash Investing and Financing Activities

	2021	2020
	\$	\$
Acquisition of buildings by means of finance leases	63,221	-

NOTE 17: CONTROLLED ENTITIES

<i>Details of controlled entities</i>	<i>Country of incorporation</i>	<i>Class of shares</i>	<i>Percentage Owned %</i>	
			<i>2021</i>	<i>2020</i>
Murchison Exploration Pty Ltd	Australia	Ordinary	100	100
ACN 125 615 232 Pty Ltd (previously known as Enterprise Uranium Pty Ltd)*	Australia	Ordinary	-	100
Enterprise Exploration Pty Ltd*	Australia	Ordinary	-	100
Enterprise Gold Pty Ltd (previously known as Australasian Mining and Exploration Pty Ltd)*	Australia	Ordinary	-	100
Amiable Holdings Pty Ltd	Australia	Ordinary	100	100
Calypso Minerals Pty Ltd	Australia	Ordinary	100	100

* Non-operating entity deregistered during the 2021 financial year as a result of the Group undertaking to simplify its structure.

NOTE 18: EVENTS SUBSEQUENT TO REPORTING DATE

Other than noted elsewhere in this report, no matters or circumstances have arisen since the end of the year, that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 19: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

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 2021. The totals of remuneration paid to KMP during the year are as follows:

	2021	2020
	\$	\$
Short-term employee benefits	80,000	53,542
Post-employment benefits	-	-
Termination benefit	-	-
Share based payments ¹	87,285	-
Share based payments ²	-	26,458
	167,285	80,000

¹ Represents options granted to Directors during the year. Refer to note 3

² Issue of shares to Dr Trench and Dr He in lieu of director fees.

Notes to the Financial Statements

For the year ended 30 June 2021

Other Related Party Transactions

During the year, technical consulting and other exploration services were provided by Xserv Pty Ltd and Montana Exploration Services Pty Ltd, both related parties of Mr Ryan, a Non-Executive Director of the Company. Fees are paid to XServ Pty Ltd and Montana Exploration Services Pty Ltd at commercial rates, under the terms set out in the technical services agreements.

During the year \$18,994 (2020: \$120,614) and \$238,372 (2019: \$54,250) net of GST, was invoiced by XServ Pty Ltd and Montana Exploration Services Pty Ltd respectively for the provision of technical and other services. At 30 June 2021 an amount of 14,043 (2020: \$2,292) and \$32,937 (2020: \$37,812) respectively was outstanding.

NOTE 20: FINANCIAL INSTRUMENTS RISK

(a) Capital Risk Management

The Directors' objectives when managing capital are to ensure that the Group can fund its operations and continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The Group has no debt therefore has no externally imposed capital restrictions.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2021 and 30 June 2020 are as follows:

	2021	2020
	\$	\$
Cash and cash equivalents	1,481,540	1,006,975
Trade and other receivables	54,265	24,806
Trade and other payables	(126,925)	(117,470)
Lease liabilities	(24,519)	-
Working capital position	<u>1,384,361</u>	<u>914,311</u>

(b) Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, accounts payable and lease liabilities. 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.

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate and equity price risk.

(c) 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

There are no other material amounts of collateral held as security at 30 June 2021. Trade and other receivables are expected to be settled within 30 days and there is no history of credit losses.

Notes to the Financial Statements

For the year ended 30 June 2021

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	2021 \$	2020 \$
Cash and cash equivalents			
- AA Rated	6	<u>1,481,540</u>	<u>1,006,975</u>

(d) 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 and lease liabilities 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.

(e) Net Fair Values

Cash and cash equivalents, trade and other receivables, equity instruments and trade and other payables are short-term in nature whose carrying value is considered to be equivalent to fair value.

Fair value measurement hierarchy

AASB 13 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets and liabilities;
- (b) Level 2 – a valuation technique is used using inputs other than quoted priced within Level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices); or
- (c) Level 3 – a valuation technique is used using inputs that are not based on observable market data (unobservable inputs).

Valuation techniques used to derive level 2 and level 3 fair values

The fair value of financial instruments traded in active markets is based upon quoted market prices at the end of the reporting period. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group makes a number of assumptions based upon observable market data existing at each reporting period. The Group does not have any level 2 or 3 assets or liabilities.

Notes to the Financial Statements

For the year ended 30 June 2021

(f) 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.

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.

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 cash on hand.

A summary of the Group's financial assets and liabilities exposed to interest rate risk is shown below:

	Floating Interest Rate	Fixed Interest maturing in 1 year or less	Fixed Interest maturing over 1 to 5 years	Non- interest bearing	Total
	\$	\$	\$	\$	\$
2021					
Financial Assets					
Cash and cash equivalents	1,471,540	10,000	-	-	1,481,540
Trade and other receivables	-	-	-	54,265	54,265
Total Financial Assets	1,471,540	10,000	-	54,265	1,535,805
Weighted average interest rate – cash assets	0.23%	0.35%	-		
Financial Liabilities at amortised cost					
Trade and other payables	-	-	-	(126,925)	(126,925)
Lease liability	-	13,629	34,229	-	47,858
Total Financial Liabilities	-	13,629	34,229	(126,925)	(79,067)
Effective interest rate		5.05%	4.46%		
Net financial assets	1,471,540	10,000	-	(72,660)	1,408,880
2020					
Financial Assets					
Cash and cash equivalents	1,006,975	-	-	-	1,006,975
Trade and other receivables	-	-	-	24,806	24,806
Total Financial Assets	1,006,975	-	-	24,806	1,031,781
Weighted average interest rate – cash assets	0.93%	-	-		
Financial Liabilities at amortised cost					
Trade and other payables	-	-	-	(117,470)	(117,470)
Total Financial Liabilities	-	-	-	(117,470)	(117,470)
Net financial assets	1,006,975	-	-	(92,664)	914,311

Notes to the Financial Statements

For the year ended 30 June 2021

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.

	Profit \$	Equity \$
Period ended 30 June 2020		
+1/-1 in interest rates	+/- 10,069	+/- 10,069
Period ended 30 June 2021		
+1/-1 in interest rates	+/- 14,715	+/- 14,715

NOTE 21: COMMITMENTS AND CONTINGENCIES

Commitments

The Group has entered into certain obligations to perform minimum work on mineral tenements held. The Group is required to meet tenement minimum expenditure requirement which are set out below. These may be varied or deferred on application and are expenditures expected to be met in the normal course of business.

	2021 \$	2020 \$
Not later than one year	190,000	179,145
Later than one year and not later than five years	<u>392,000</u>	<u>305,588</u>
	<u>582,000</u>	<u>484,733</u>

Contingent Liabilities

As at 30 June 2021, the Group has contingent liabilities to the value of \$nil (2020: \$nil).

NOTE 22: 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.

AUDITORS' REMUNERATION

	2021 \$	2020 \$
Remuneration of the auditor of the parent entity for:		
- Auditing or reviewing the financial report by Pitcher Partners BA&A Pty Ltd	24,250	24,000
Remuneration of the auditor, or associated entities, of the parent entity for non-audit services:		
- Tax compliance services	3,500	2,000

Notes to the Financial Statements

For the year ended 30 June 2021

NOTE 23: PARENT ENTITY DISCLOSURES

	2021	2020
	\$	\$
(a) Financial Position of Enterprise Metals Limited		
CURRENT ASSETS		
Cash and cash equivalents	1,481,540	1,006,975
Trade and other receivables	54,265	24,806
Prepayments	24,990	43,265
TOTAL CURRENT ASSETS	<u>1,560,795</u>	<u>1,075,046</u>
NON-CURRENT ASSETS		
Plant and equipment	9,970	1,000
Right-of-use assets	47,084	-
Exploration and evaluation assets	3,238,985	3,232,100
Other financial assets	3,023,622	3,175,688
TOTAL NON-CURRENT ASSETS	<u>6,319,661</u>	<u>6,408,788</u>
TOTAL ASSETS	<u>7,880,456</u>	<u>7,483,834</u>
CURRENT LIABILITIES		
Trade and other payables	126,925	117,470
Provisions	5,578	4,333
Lease liabilities	24,519	-
TOTAL CURRENT LIABILITIES	<u>157,022</u>	<u>121,803</u>
NON-CURRENT LIABILITIES		
Lease liabilities	23,339	-
TOTAL NON-CURRENT LIABILITIES	<u>23,339</u>	<u>-</u>
TOTAL LIABILITIES	<u>180,361</u>	<u>121,803</u>
NET ASSETS	<u>7,700,095</u>	<u>7,362,031</u>
EQUITY		
Issued capital	34,079,595	32,174,462
Reserves	90,666	3,381
Accumulated losses	(26,470,166)	(24,815,812)
TOTAL EQUITY	<u>7,700,095</u>	<u>7,362,031</u>
(b) Financial Performance of Enterprise Metals Limited		
Loss for the year	1,654,354	826,073
Changes in the fair value of equity instruments carried at fair value through other comprehensive income	-	(380,100)
Total comprehensive loss	<u>1,654,354</u>	<u>445,973</u>

NOTE 24: COMPANY DETAILS

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

Enterprise Metals Limited, Suite 5 44 Kings Park Road, WEST PERTH WA 6005

In accordance with a resolution of the Board of Directors of Enterprise Metals Limited, I state that:

In the opinion of the Directors:

- the financial statements and notes set out on pages 24 to 50 are in accordance with the *Corporations Act 2001*, including:
 - complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
 - giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date;
 - the audited remuneration disclosures set out on pages 19 to 22 of the Directors' report comply with Accounting Standards AASB 124 Related Party Disclosures and the *Corporations Regulations 2001*; and
 - the financial statements and notes also comply with International Financial Reporting Standards.
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- this declaration has been made after receiving the declarations required to be made to the Directors from the Chief Executive Officer and Chief Financial Officer (or equivalents) in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2021.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Allan Trench', with a horizontal line underneath it.

Allan Trench

Chairman

30 September 2021



**ENTERPRISE METALS LIMITED
ABN 43 123 567 073
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ENTERPRISE METALS LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Enterprise Metals Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the financial report for the year ended 30 June 2021 which indicates that the Group recorded an operating loss of \$1,654,354 (2020: \$445,973), reported net cash used in operating activities of \$1,554,167 (2020: \$735,372) and as at that date had cash and cash equivalents of \$1,481,540 (2020: \$1,006,975). These conditions, along with other matters as set forth in Note 1(b), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



ENTERPRISE METALS LIMITED
ABN 43 123 567 073
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ENTERPRISE METALS LIMITED

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matters
<p>Capitalisation of exploration and evaluation expenditure</p> <p>Refer to Note 12 to the financial report.</p> <p>As at 30 June 2021, the Group held capitalised exploration and evaluation expenditure of \$6,262,607.</p> <p>The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the capitalised exploration and evaluation expenditure may exceed its recoverable amount.</p> <p>The determination as to whether there are any indicators to require the capitalised exploration and evaluation expenditure to be assessed for impairment involves a number of judgments including but not limited to:</p> <ul style="list-style-type: none"> • Whether the Group has tenure of the relevant area of interest; • Whether the Group has sufficient funds to meet the relevant area of interest minimum expenditure requirements; and • Whether there is sufficient information for a decision to be made that the relevant area of interest is not commercially viable. <p>Due to the significance to the Group's financial report and the level of judgment involved in assessing whether there are impairment indicators present and in the calculation of the recoverable amount of the capitalised exploration and evaluation expenditure, we consider this to be a key audit matter.</p>	<p>Our procedures included, amongst others:</p> <p>Obtaining an understating of and evaluating the design and implementation of the processes and controls associated with the capitalisation of exploration and evaluation expenditure, and those associated with the assessment of impairment indicators.</p> <p>Assessing the Group's right to explore in the relevant area of interest, which included obtaining and assessing supporting documentation. We also considered the status of the exploration licences as they related to tenure.</p> <p>Assessing whether the exploration activities within each area of interest have reached a stage where the commercial viability of extracting the resource could be determined.</p> <p>Assessing the Group's intention to carry out significant exploration and evaluation activity in the relevant area of interest, including an assessment of the Group's cash-flow forecast models, discussions with senior management and directors as to the intentions and strategy of the Group.</p> <p>Assessing the Group's calculation of the recoverable amount of the capitalised exploration and evaluation expenditure.</p> <p>Assessing the adequacy of the disclosures included within the financial report.</p>



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Key Audit Matters continued

How our audit addressed the key audit matters

Share Based Payments

Refer to Note 3 to the financial report

Share-based payments represent \$87,285 of the Group's expenditure for the year ended 30 June 2021.

Share-based payments must be recorded at fair value of the service provided, or in the absence of such, at the fair value of the underlying equity instrument granted.

Under Australian Accounting Standards, equity settled awards are measured at fair value on the measurement date taking into consideration the probability of the vesting conditions (if any) attached. This amount is recognised as an expense either immediately if there are no vesting conditions, or over the vesting period if there are vesting conditions.

In calculating the fair value there are a number of judgements management must make, including but not limited to:

- Estimating the likelihood that the equity instruments will vest;
- Estimating expected future share price volatility;
- Estimating expected dividend yield; and
- Risk-free rate of interest.

Due to the significance to the Group's financial report and the level of judgment involved in determining the fair value of the underlying equity instrument granted, we consider the Group's calculation of the share-based payment expense to be a key audit matter.

Our procedures included, amongst others:

Obtaining an understanding of and evaluating the design and implementation of the processes and controls associated with the preparation of the valuation model used to assess the fair value of the underlying equity instrument granted.

Assessing the key judgements management has made in the Group's calculation of the fair value including but not limited to:

- Estimating the likelihood that the equity instruments will vest;
- Estimating expected future share price volatility;
- Estimating expected dividend yield; and
- Risk-free rate of interest.

Assessing the adequacy of the disclosures included within the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.



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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021. In our opinion, the Remuneration Report of Enterprise Metals Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

A handwritten signature in black ink, appearing to read 'Paul Mulligan'.

PAUL MULLIGAN
Executive Director
Perth, 30 September 2021

Additional information required by the ASX Listing Rules and not shown elsewhere in the report is as follows. The information is current as at 28 September 2021.

Twenty largest holders of quoted equity securities

Position	Holder Name	Holding	% IC
1	Sinotech (Hong Kong) Corporation Limited	88,305,556	15.41%
2	Mr Robert Hector Mckenna	42,500,000	7.42%
3	Guina Global Investments Pty Limited	29,850,000	5.21%
4	Mr Dermot Michael Ryan & Mrs Vivienne Eleanor Ryan <Rf Super Fund A/C>	22,983,047	4.01%
5	Ossart Holdings Pty Ltd <The Ot Family A/C>	19,750,000	3.45%
6	Reyne Nominees Pty Ltd	17,525,706	3.06%
7	Dr Colin Rose	10,576,403	1.85%
8	Dr Allan Trench & Suzanne Louise Trench	9,959,689	1.74%
9	G Gow Pty Ltd <Gow S/F A/C>	9,887,803	1.73%
10	Mrs Jinghua Zhang	8,300,000	1.45%
11	Saxonwood Holdings Pty Ltd	8,000,000	1.40%
12	Citicorp Nominees Pty Limited	7,965,401	1.39%
13	Mr Paul Duncan Hallam & Mrs Christine Joy Hallam <Hallam Super Fund A/C>	6,334,871	1.11%
14	Mr William John Robertson & Mrs June Diane Robertson <Robertson Super Fund A/C>	5,989,656	1.05%
15	Am-Australian Minerals Exploration Pty Ltd <The Legendre Super Fund A/C>	5,913,777	1.03%
16	Mr Xin Jiang	5,625,000	0.98%
17	Westday Enterprises Pty Ltd	5,250,000	0.92%
18	Miss Jie Liu <Yu Family A/C>	5,000,000	0.87%
18	Ms Lois Deborah Blackwood	5,000,000	0.87%
18	Beacon Exploration Pty Ltd	5,000,000	0.87%
19	Prancer Super Pty Ltd <Alfieri Super Fund A/C>	4,501,567	0.79%
20	Fry Super Pty Ltd <Inxs Super Fund A/C>	4,500,000	0.79%
	Total	328,718,476	57.37%
	Total issued capital - selected security class(es)	573,020,145	100.00%

Substantial Shareholders

The names of the substantial shareholders and the number of shares in which they have a relevant interest are:

Holder Name	Holding	% IC
Sinotech (Hong Kong) Corporation Limited	88,305,556	15.41%
Mr Robert Hector Mckenna	42,500,000	7.42%
Guina Global Investments Pty Limited	29,850,000	5.21%

Additional ASX Information

Distribution of equity securities

Holding Ranges	Holders	Holding	%
Above 0 up to and including 1,000	99	13,057	0.00%
Above 1,000 up to and including 5,000	148	461,935	0.08%
Above 5,000 up to and including 10,000	167	1,406,122	0.25%
Above 10,000 up to and including 100,000	560	22,729,499	3.97%
Above 100,000	390	548,409,532	95.71%
Total	1,364	573,020,145	100.00%

The number of fully paid ordinary shareholdings held in less than marketable parcels is 725 (based on a share price of \$0.014).

Unquoted Securities

Details of unquoted securities on issue are as follows:

Security	Holders	Total Units
\$0.015 Options expiring 30/03/22	1	1,000,000
\$0.03 Options expiring 31/08/22	175	33,765,006
\$0.03 Options expiring 30/11/23	3	9,000,000
Total	179	43,765,006

Restricted Securities

There were no restricted securities on issue.

On-Market Buy Back

There is currently no on-market buyback program for any of the Company's listed securities.

Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Corporate governance statement

The Directors support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the corporate governance statement and the Appendix 4G released to ASX and posted on the Company website. The Directors are focused on fulfilling their responsibilities individually, and as a Board, for the benefit of all the Company's stakeholders. That involves recognition of, and a need to adopt, principles of good corporate governance. The Board supports the guidelines on the "Principles of Good Corporate Governance and Recommendations – 4th Edition" established by the ASX Corporate Governance Council. Given the size and structure of the Company, the nature of its business activities, the stage of its development and the cost of strict and detailed compliance with all of the recommendations, it has adopted a range of modified systems, procedures and practices which enables it to meet the principles of good corporate governance. The Company's practices are mainly consistent with those of the guidelines and where they do not correlate with the recommendations in the guidelines the Company considers that its adopted practices are appropriate to it.

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

ENT 100% Interest (Doolgunna Farm-In Joint Venture) Tenements*

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

ENT 100% Interest (Murchison Earn-In Joint Venture) Tenements**

Project	Lease	ENT Interest	State	Status
Murchison	E20/911	100%	WA	Granted
Murchison	E20/912	100%	WA	Granted
Murchison	E20/913	100%	WA	Granted
Murchison	E20/914	100%	WA	Granted
Murchison	E20/915	100%	WA	Granted
Murchison	E20/918	100%	WA	Granted
Murchison	P20/2302	100%	WA	Granted
Murchison	P20/2303	100%	WA	Granted
Murchison	E20/944	100%	WA	Granted

**ENT or wholly owned subsidiary the registered holder of 100% interest, with Evolution Mining Ltd (EVN) managing and funding to earn an 80% interest in the Murchison Project by spending \$6M over 4 years.

ENT 70% Interest (Orpheus – Fraser Range Joint Venture) Tenements***

Project	Lease	ENT Interest***	CR1 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, with Constellation Resources (CR1) managing and solely funding to completion of any Bankable Feasibility Study.

ENT 100% Interest –Perenjori Granted Tenements and Applications

Project	Lease	ENT Interest	State	Status
Perenjori	E59/2393	100%	WA	Granted
Perenjori	E59/2394	100%	WA	Application
Perenjori	E70/5307	100%	WA	Application
Perenjori	E70/5308	100%	WA	Granted

