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Enterprise Metals Limited

ABN 43 123 567 073

CONDENSED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2020

This condensed interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2020 and any public announcements made by Enterprise Metals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

CORPORATE DIRECTORY

Directors

Dr Allan Trench - Non-Executive Chairman
Mr Dermot Ryan - Non-Executive Director
Dr Changshun Jia - Non-Executive Director

Company Secretary

Mr Graeme Smith

Principal registered office

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West Perth WA 6005
Telephone 08 6381 0392
Website: www.enterprisemetals.com.au
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Auditor

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Level 11, 12-14 The Esplanade
Perth WA 6000
Telephone 08 9322 2022

Share Registry

Automatic Registry Services
Level 5 126 Philip Street
Sydney NSW 2000

Australian Securities Exchange

ASX Code – ENT

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Enterprise Metals Limited

31 December 2020

Directors' Report

Your Directors submit their report together with the condensed interim financial report of Enterprise Metals Limited ("Enterprise" or the "Company") and the entities it controlled (together "the Group") for the half-year ended 31 December 2020 and the auditor's review report thereon.

DIRECTORS

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

Dr Allan Trench
Mr Dermot Ryan
Dr Changshun Jia

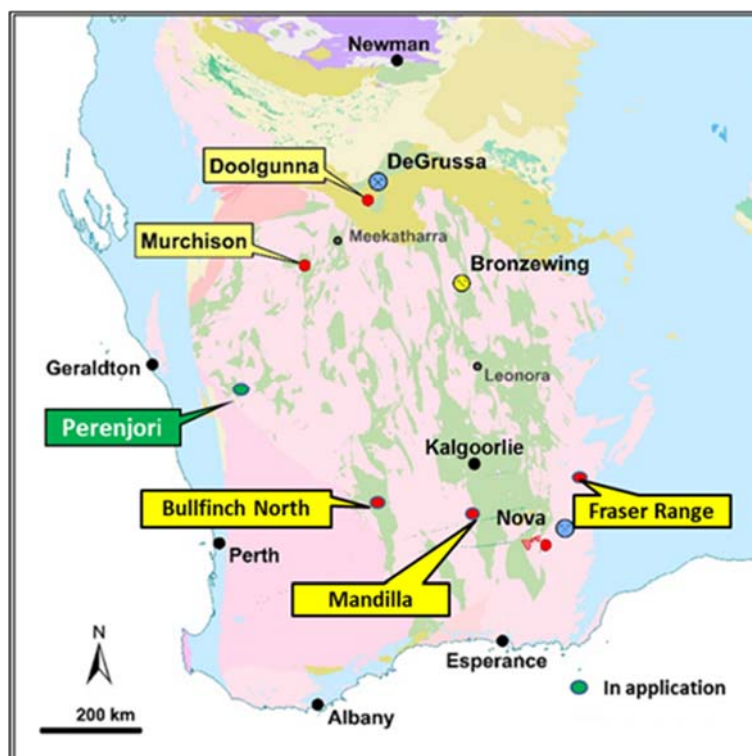
Directors were in office for this entire half-year unless otherwise stated.

REVIEW AND RESULTS OF OPERATIONS

The Group recorded an operating loss after income tax for the half-year ended 31 December 2020 of \$674,258 compared to the 31 December 2019 operating loss after income tax of \$219,306. The Group's cash position at the end of the half-year was \$1,892,973 (30 June 2020: \$1,006,975).

Enterprise's three main projects – Murchison gold/copper/zinc project, Doolgunna copper/zinc/gold project and Fraser Range nickel/copper project were wholly funded by joint venture partners during the half year ended 31 December 2020. Encouraging early-stage drilling results were received from the Fraser Range and Murchison projects. Two of the Company's four 100% owned Perenjori potash tenements were granted in late 2020, and the other two remained in application during the half year, and therefore this project incurred minimal expenditure.

Figure 1. Location of Enterprise's Projects in Western Australia



In the first half of 2020, and following due diligence reviews, the Company entered into several option agreements with junior explorers and prospectors in the Southern Cross Region north of the historical Bullfinch gold mine and in the Kalgoorlie-Kambalda region of the Eastern Goldfields. All these areas are considered highly prospective for new gold and/or nickel/copper discoveries. Between July and December 2020, the

Company undertook field work and geophysical surveys on a number of these properties, in preparation for drill testing in early 2021.

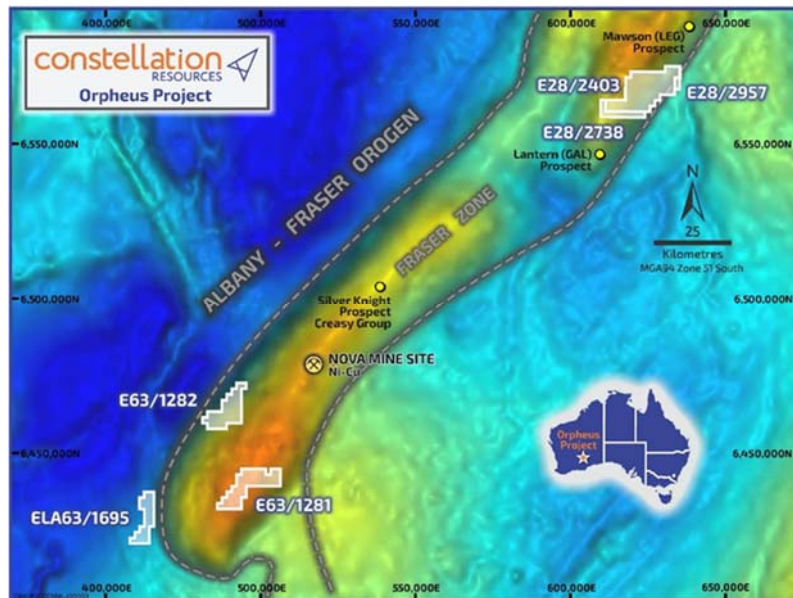
A shallow aircore (AC) drill program was completed at the Mandilla gold prospect, just north of Widgiemooltha, which identified a major shear zone containing anomalous gold, arsenic and other pathfinder metals on the eastern margin of the Mandilla syenite/granitoid. The locations of the Company's projects are shown in Figure 1.

FRASER RANGE PROJECT: Ni-Cu (Au) 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 in Western Australia and covers in excess of 500km² in a prospective portion of the Fraser Range. Constellation Resources Ltd (ASX: CR1) holds a 70% interest and funds and manages exploration on the four Orpheus Joint Venture tenements, and Enterprise holds a 30% free carried interest to completion of a bankable feasibility stage (BFS) on any discovery.

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

Figure 2. Location of Orpheus JV tenements in the Fraser Range over Gravity Image



Note: E28/2403: 70% CR1, 30% ENT. E28/2738 & E28/2957: 100% CR1

Exploration activities undertaken by Constellation on the project to 31 December 2020 have focussed on E28/2403, where 10 intrusive bodies were interpreted from regional magnetic and gravity data. The basement intrusive bodies are interpreted to be overlain by between 100-120m of transported cover. Constellation's activities and results included:

- a detailed 50m line spaced aeromagnetic survey and semi regional gravity geophysical survey identified 10 initial intrusion targets in the underlying geology.
- a maiden AC reconnaissance drilling program (121 holes for total 15,102m) tested five of ten high priority geophysical targets. This broad spaced drilling program generated a number of promising Ni-Cu-Co anomalous zones with elevated platinum group elements (PGE).
- a first phase high power moving loop electromagnetic (MLTEM) survey (452 stations over 15.2-line km) completed over all AC geochemical footprints (within Geophysical Targets 1, 2 and 4) identified a potential conductor at Target 1 north of the Transline.
- a second phase high power MLTEM survey (140 stations over 12.6 line km) was completed over Targets 6, 8 and 10. No clear discrete bedrock conductors were identified. However, Constellation

reported that the high conductive responses of the overburden may mask more subtle, less conductive sulphide bodies of interest, if they exist.

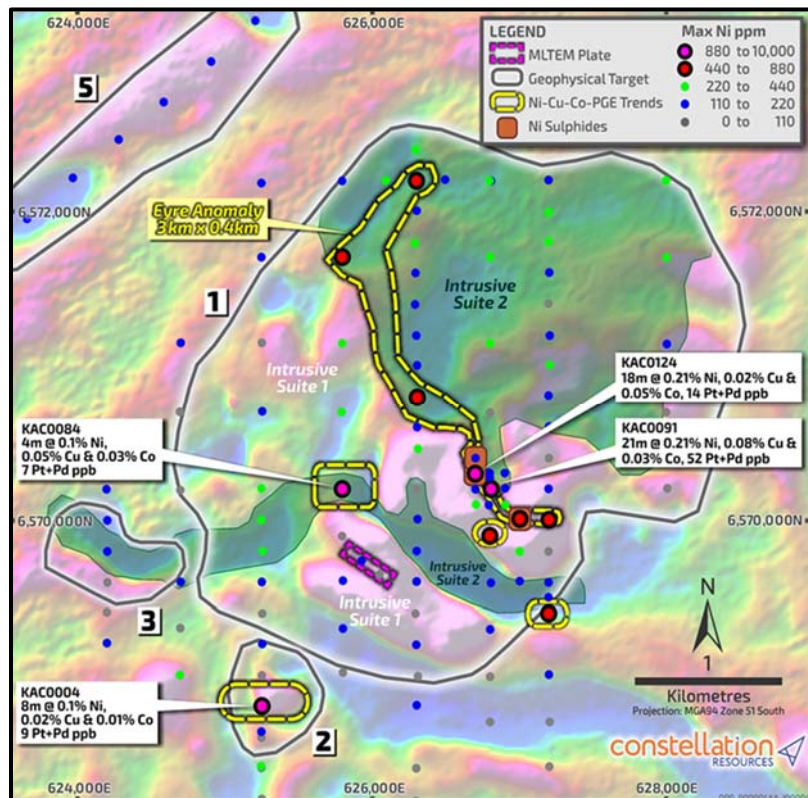
- an infill AC program (16 holes for total 1552m) at Target 1 defined a highly prospective Ni-Cu-Co-PGE geochemical target ("Eyre Anomaly") interpreted to be over 3km in strike and up to 400 metres wide.
- optical petrological examination from selected AC samples in three infill drillholes (KAC0124, KAC0131 and KAC0135) indicated the presence of trace magmatic nickel sulphides in favourable peridotite and pyroxenite (both olivine bearing) host rocks.

Key AC results from the Eyre Anomaly include:

- **KAC0124:** 18m @ 0.21% Ni, 0.02% Cu, 0.05% Co, 14 ppb (Pt+Pd) from 87m, Inc. 2m @ 0.47% Ni, 0.26% Cu, 0.08% Co, 11 ppb (Pt+Pd) from 97m
- **KAC0091:** 21m @ 0.21% Ni, 0.08% Cu, 0.03% Co, 52ppb (Pt+Pd) from 93m to end of hole.

Constellation have planned a follow-up infill AC drill program for early in 2021 to improve definition of the grade distribution at each of the established Ni-Cu-Co-PGE geochemical footprints, with the Eyre Anomaly being a priority.

Figure 3. AC drill results, Inc. Eyre Anomaly, Geochemical Footprints, MLTEM anomaly over 1VD Magnetic Image



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

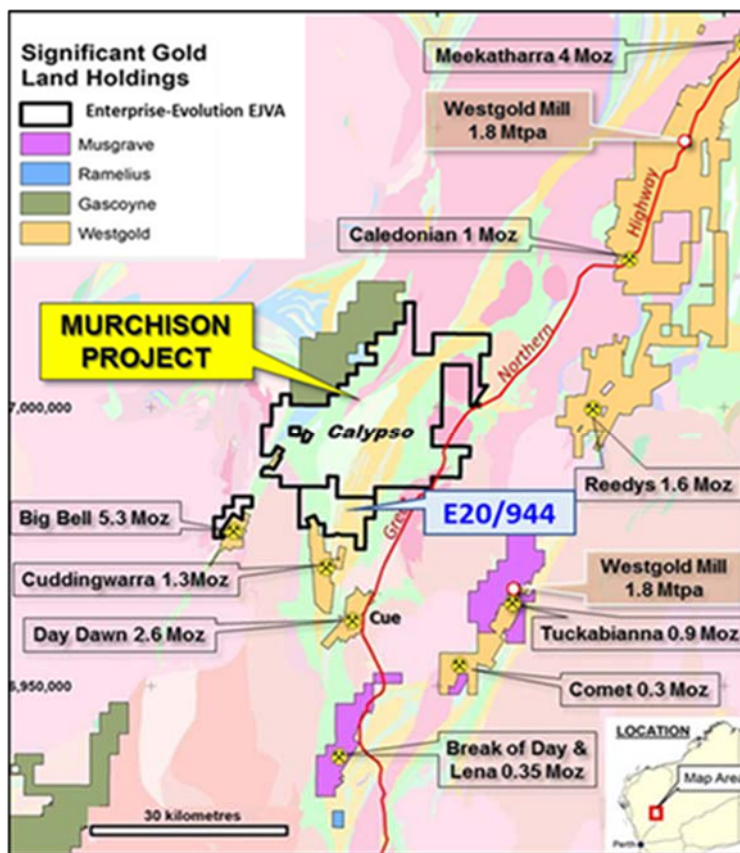
Enterprise's Murchison landholdings are centred 30km north of Cue and 35km north-east of the Big Bell Gold Mine and form a semi-contiguous landholding of approximately 835km² over a buried greenstone belt.

On 1 April 2019, Enterprise entered into an earn-in Joint Venture Agreement with Evolution Mining Limited (ASX: EVN) over the Murchison Project, with EVN managing and sole funding \$6m over 4 years to earn an 80% interest in the Project. ENT was paid \$150,000 by EVN who will make a second \$150,000 payment if the agreement remains in place after 2 years.

The Project area is well endowed with major gold deposits nearby such as Big Bell (5.3Moz) and Day Dawn (2.6Moz). Enterprise's portion of the greenstone belt has been under-explored due to the presence of regolith cover and lack of outcrop and presents as an exciting exploration target.

The area also contains two stratigraphic horizons with known VMS mineralisation, the Wattagee horizon, containing the AM14 prospect, where Esso discovered Zn/Pb/Cu mineralisation with a best intercept of 3m at 7.5% Zn, 0.53% Pb and 0.42% Cu from 228m in hole WP138, and the Emily Well horizon, with VMS mineralisation and gossans located at or near Emily Well. Geochemical work by the GSWA indicates that the felsic volcanics in both the Wattagee horizon and the Emily Well horizon have geochemical characteristics consistent with VMS fertile packages across the Yilgarn and Canadian Abitibi Provinces.

Figure 4. Enterprise's Murchison Project, Geology, Competitor Landholdings and Gold Endowment



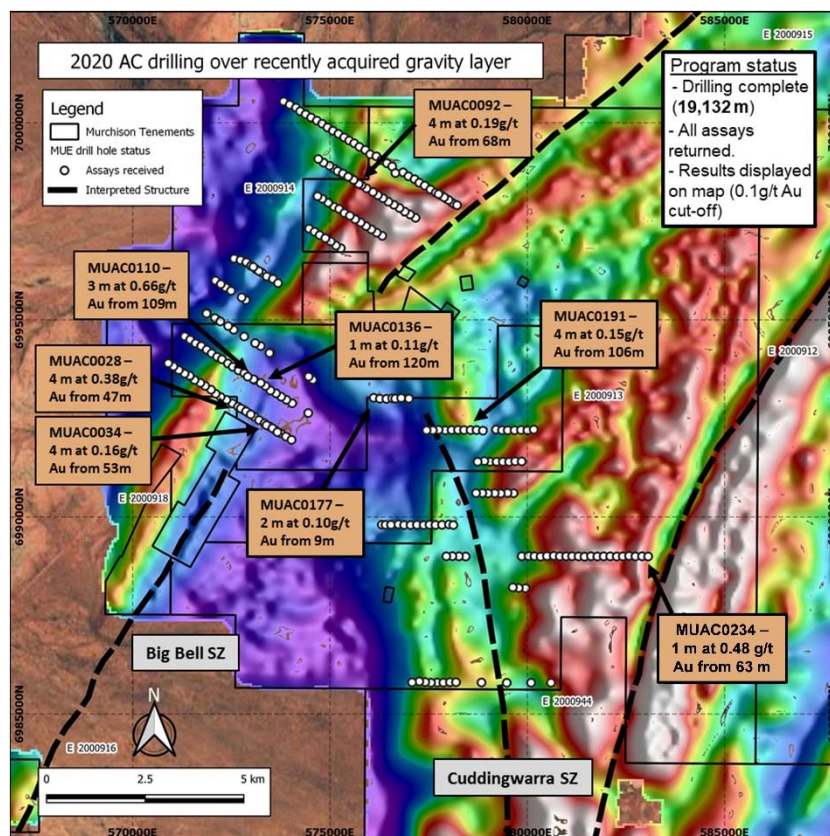
Exploration activities undertaken by Evolution on the project to 31 December 2020 included:

- a detailed 250m x 250m ground gravity survey over the southwest corner of the project area, and a regional 500m x 500m gravity survey over the remainder of the project area (total 5,641 stations). A suite of litho-structurally controlled gold targets for drill testing were identified by Evolution from the combined magnetic/gravity data sets.
- 17.5km of 50m spaced passive seismic surveying to profile the depth of the transported overburden over the northern extension of the Big Bell Shear Zone and southern area of the Cuddingwarra Shear Zone. The passive seismic lines provided useful depths to basement, and these were confirmed by AC drill holes.
- regional mapping at 1:10,000 scale across priority areas, and 250 rock chip and historic drill samples collected and analysed for gold and multi-elements.

- a regional air core program consisting of 262 air core (AC) holes for 19,132m. The AC program targeted structural corridors along strike to the north of the Big Bell Mine and Cuddingwarra Mining Centre and identified litho-structural targets for follow up in 2021.

Work planned for the project in early 2021 includes 5,000m of RC drilling (including diamond core drilling) on the Big Bell Shear Zone to follow up anomalous 2020 AC drill results. Refer Figure 5. The proposed RC drilling program is planned to commence in late March or early April 2021.

Figure 5. Murchison Project- Image Processed 2020 Gravity Data and Significant AC Drill Results
 Note the dashed black lines show the location of interpreted structural corridors.



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

Sandfire Resources NL (ASX: SFR) entered into a Farm-in Agreement with Enterprise Metals Limited in October 2016 to earn up to a 75% interest in Enterprise's Doolgunna Project by sole funding exploration on the tenements to define a JORC (2012) compliant mineral resource of 50,000 tonnes of contained copper or copper equivalent.

The Enterprise tenements cover over 60km of strike of the southern boundary of the Bryah Basin and the northern part of the Yerrida Basin. The southern Bryah Basin contains the Karalundi Formation which hosts the DeGrussa and Monty copper-gold deposits. Refer Figure 6.

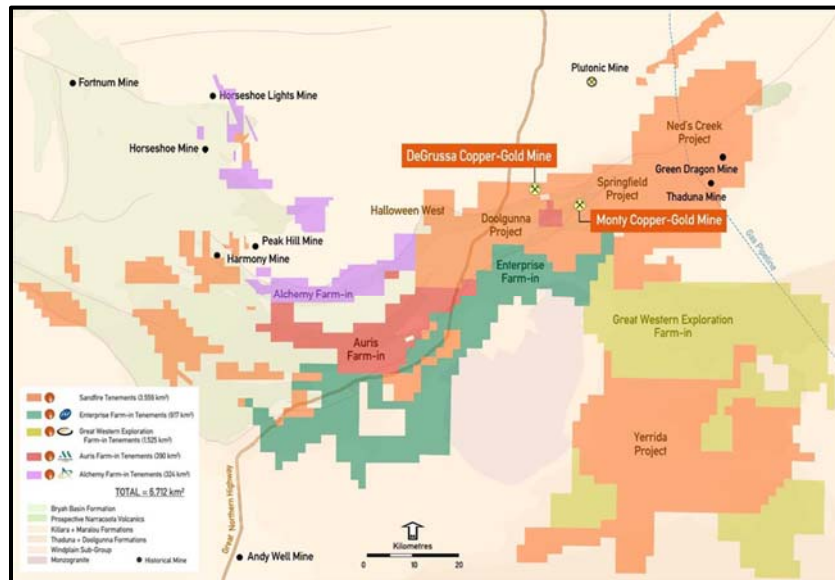
Exploration activities undertaken by Sandfire on the project in the 6 months to 31 December 2020 included MLEM geophysical surveys and deep drilling at the Vulcan West and Ruby Well Prospects.

At the Vulcan West Prospect, two diamond drill holes were completed.

- EFDD0009A was completed for a total of 1,192m. The hole tested an extensive series of MLEM geophysical plates. The hole 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 644-717m.

- EFDD0012 was completed for a total of 659.9m. The hole tested the southern extent of a significant geophysical plate modelled from a late-time anomalous response identified in a MLEM survey.
- Both EFDD0009A and EFDD0012 intersected numerous zones of graphite, and the down hole EM (DHEM) from both holes was consistent with the strike extensive conductive horizon modelled from the surface MLEM survey.

Figure 6. Sandfire's Greater Doolgunna Project, Incorporating Enterprise Farm-In Area.



At the Ruby Well Prospect, one diamond drill hole and two RC holes were also completed.

- EFDD0011 was completed for a total of 736.9m. The hole was designed to test a MLEM anomaly and intersected a zone of variably magnetic sediments associated with weak pyrite and silica-sericite alteration before intersecting a thick sequence of mafic-derived breccias and hyaloclastic basalts of the Narracoota Formation. No conductive response was observed in the DHEM survey data.
- EFRC0063 was completed for a total of 422.7m. The hole was designed 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.
- EFRC0065 was completed for a total of 448.0m. The hole was designed to test the area approximately 1km along-strike to the south west of EFDD0011 and intersected a thick package of Narracoota Formation basalts along-strike from the geophysical plate being targeted by EFDD0011, with no significant mineralisation observed.

Sandfire continue to undertake geological interpretation and targeting, but no further work is planned at the current time for the Ruby Well or Vulcan West Prospects.

MANDILLA GOLD PROSPECT: Au, Under Option to Purchase 100%

In March 2020, Enterprise announced that it had entered into an 18 month 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 in WA. Enterprise's target is high-grade primary gold mineralisation, similar to that already discovered on the western margin of the Mandilla Syenite by Anglo Australian Resources NL ("Anglo", ASX: AAR).

In August 2020 Enterprise completed a scout AC drilling program (121 holes for a total of 2,408m) over the eastern margin of the Mandilla Syenite to test for structurally controlled gold mineralisation. The drilling program on eight widely spaced east-west drill lines with holes centred 40 metres apart identified several deeply weathered shear zones which correlate with north to northwest trending structures evident in magnetic imagery. These interpreted shear zones contain anomalous amounts of gold and arsenic in saprolitic clays

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above bedrock, which potentially reflect major structures containing pyrite and arsenopyrite at depth. Refer Figure 8.

Figure 7. GSWA Geology Plan Showing Outline of Mandilla Syenite, Buried Below Cover

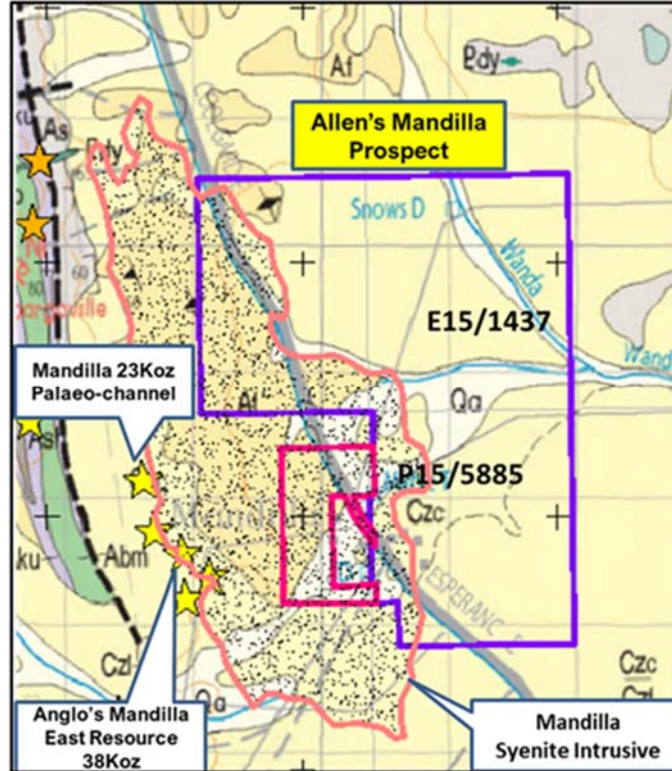


Figure 8. Mandilla Magnetic Image with Enterprise AC Drill Hole Collars Colour Coded by Maximum Gold Values

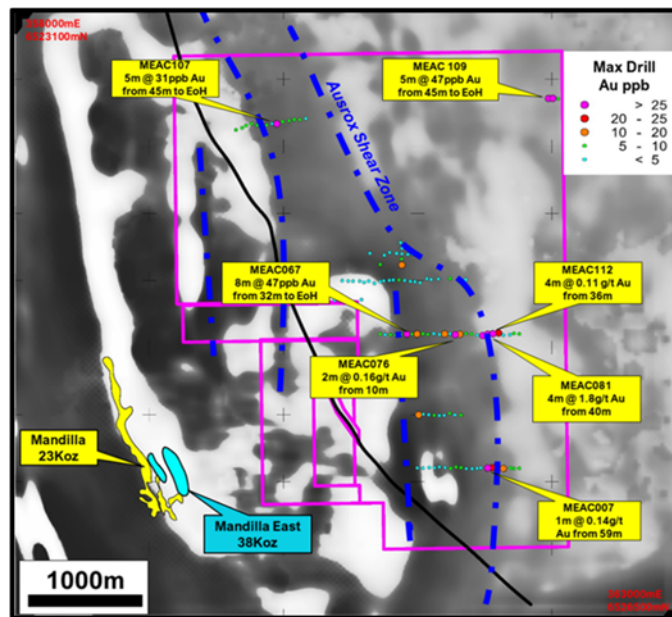
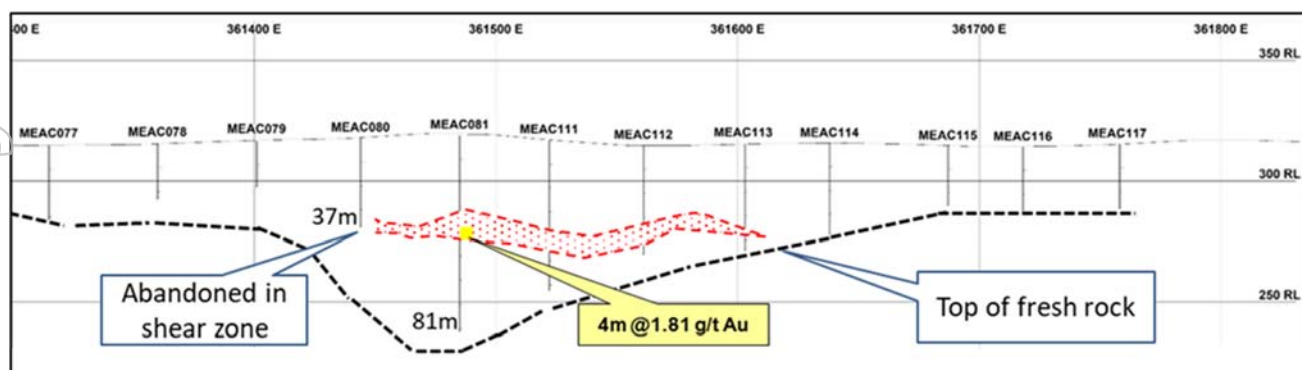


Figure 9 below shows west-east Cross Section 6528 600mN (with vertical exaggeration) illustrating the higher gold grades and deeper weathering in hole MEAC 081 (blade refusal and End of Hole at 81m). This +120m wide auriferous shear zone requires further exploration with a larger capacity drill rig.

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Figure 9. Enterprise's Mandilla Aircore Drill Section 6528600mN Showing +120M Wide Gold Anomaly



Post the end of the half year, a 3-D Induced Polarisation (3D-IP) survey was completed along the interpreted Ausrox Shear Zone, with results awaited. A follow up Program of Work (PoW) for line clearing and a further 60 drill holes (~2,400m) was approved by the Department of Mines, Industry Regulation and Safety on 29 October 2020.

BULLFINCH NORTH PROJECT: Au, (Ni-Cu), Under Option to Purchase 100%

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 now wholly owned by Nickgraph Pty Ltd and 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.

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, Nevorlia, Great Victoria, Yilgarn Star and Copperhead (at Bullfinch) have produced the majority of these ounces. By comparison, the northern part of the Southern Cross Greenstone Belt (ie. north of Bullfinch) although containing many small high-grade gold occurrences, has received far less modern exploration and drilling due to fragmented tenement ownership and transported overburden on the eastern and western flanks of the belt.

Following a detailed review and compilation of the geology, geophysics and prior exploration results of the Bullfinch North Project area, Enterprise commissioned a detailed gravity survey over the soil and sand covered western margin of the greenstone belt in the vicinity of Lake Deborah West. This Stage 1 gravity survey covered E77/2544 and part E77/2325 and part of E77/2568 and consisted of 1,251 stations on a 250m x 250m grid.

Although the survey data is yet to be fully processed and interpreted by Enterprise's geophysical consultants, a preliminary image of the combined grey scale magnetic and 1st Vertical Derivative coloured gravity data has been supplied. This new gravity data will assist in identifying "blind" or buried targets for drill testing in 2021. Refer Figure 11.

In December 2020 a 3D Induced Polarisation (3D-IP) survey was completed along the interpreted Maries Find-Greater Bingin line of gold workings. In January 2021, the Company's geophysical consultant 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.

A significant amount of EM coupling was noted on lines over the main Maries Find-Bingin gold workings. This was assumed to be a result of a shallow hypersaline water table and long Rx receiver. The EM coupling effect along with the low signal results produced a high Noise to Signal ratio. Further IP data acquisition with a dipole-dipole survey configuration to help reduce the effects of EM coupling was recommended by Terra Resources

before any drill testing. A formal report on the IP survey with recommendations is awaited. Refer Figures 12 and 13.

Figure 10. Bullfinch North Project, Tenements over Geology

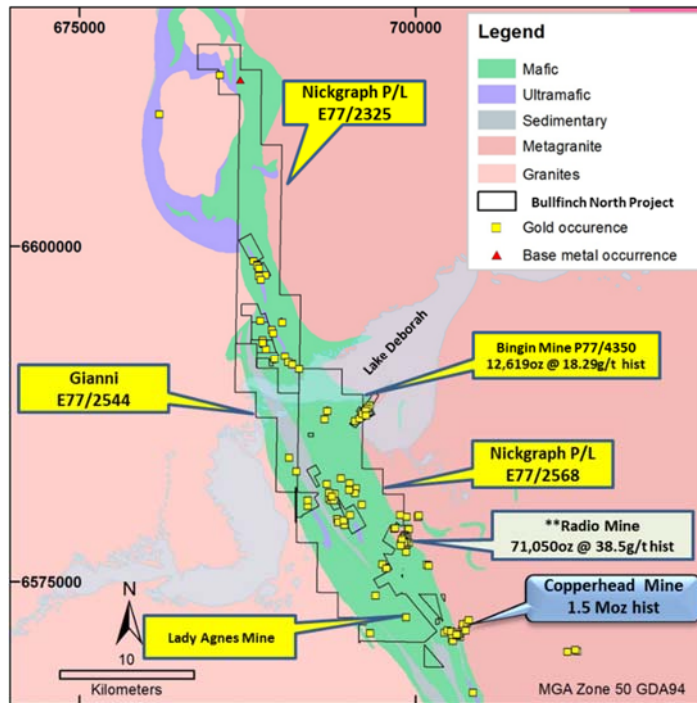


Figure 11. Bullfinch North, Image of Magnetic and Gravity Data, 1st VD

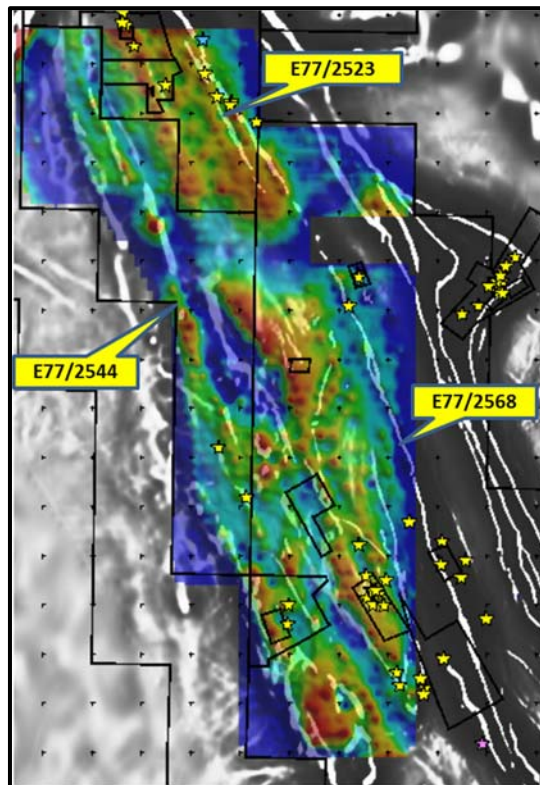


Figure 12. Image Showing Location of Maries Find, 3D-IP Anomalies & Discrete Magnetic Anomaly

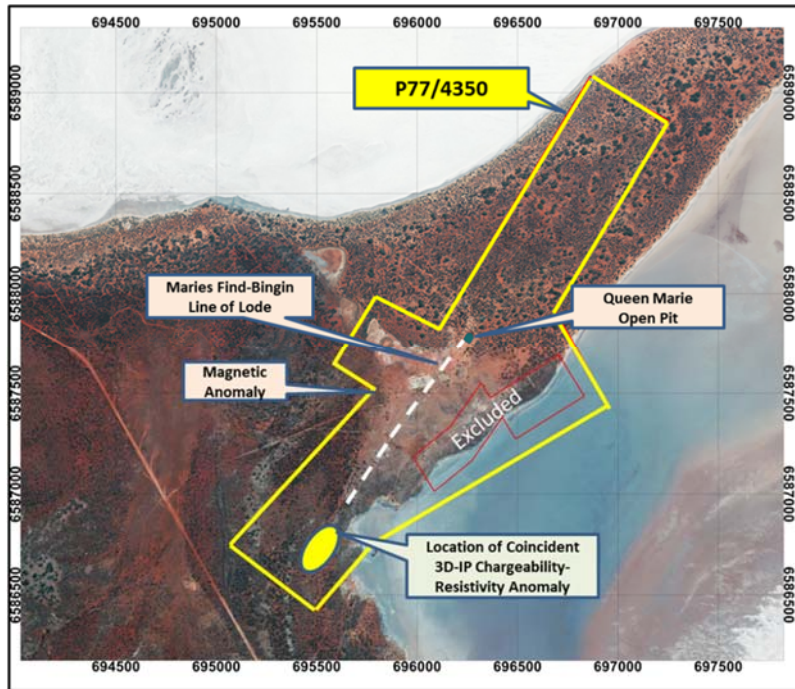
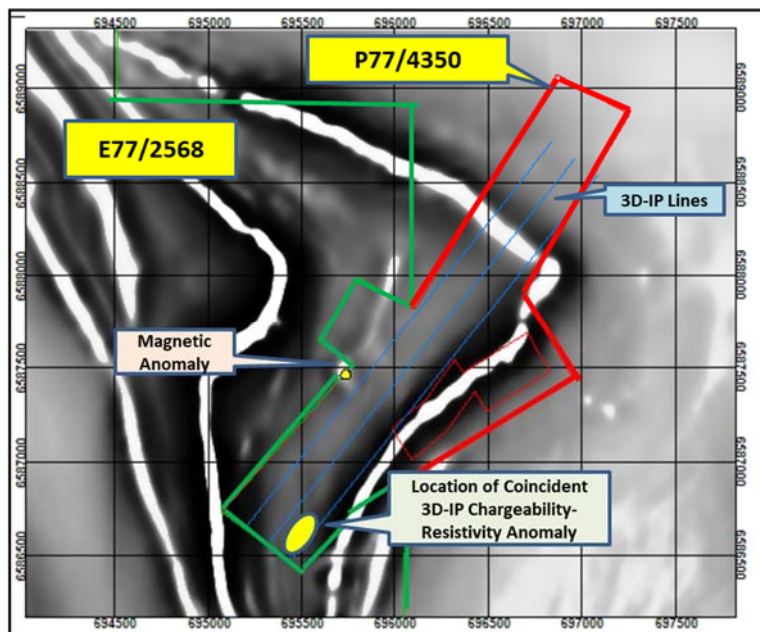


Figure 13. Magnetic Image with Location of IP Survey Lines, 3D-IP Anomalies & Discrete Magnetic Anomaly



PERENJORI PROJECT: Potash ENT 100%

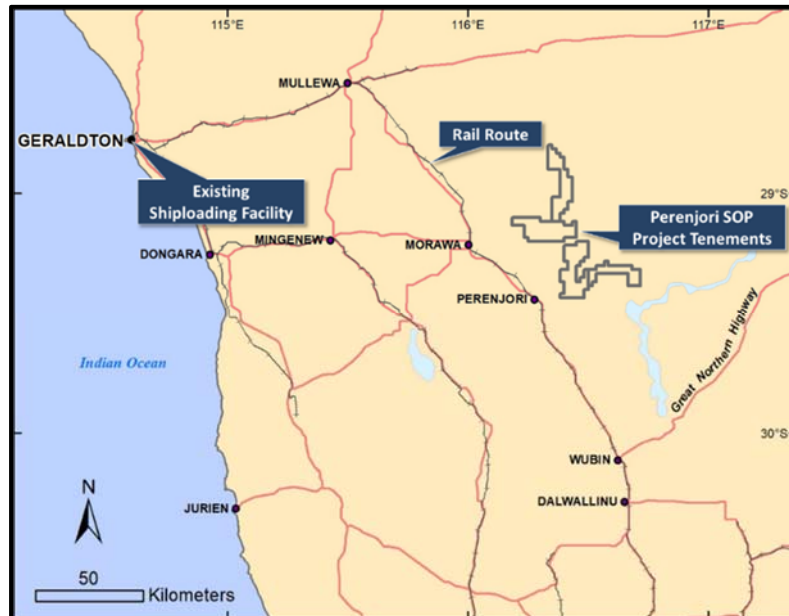
On 16 October 2019, the Company announced that it had lodged four large exploration licences over deep palaeo-valleys centred approximately 35km north-northeast of the wheatbelt town of Perenjori in Western Australia. Two tenements (E59/2393 and E70/5308) were granted in late November 2020, and the remaining applications are expected to be granted in the 2nd Quarter 2022. Refer Figure 14.

The tenements and applications have a total area of 697 km² and 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 conducted by Enterprise provide evidence that deeply incised (100m - 150m depth) palaeovalleys lie buried below the broad shallow valleys and lakes NNE of Perenjori.

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Unlike many other SOP projects in Western Australia, 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 14. Location Plan, Perenjori Potash Exploration Project



PROJECT GENERATION

The Company has a track record of assembling and/or acquiring gold and base metal projects in favourable geological domains, and it intends to continue to do this style of project generation to grow shareholder value.

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Dermot Ryan, who is an employee 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.

Forward Looking Statements:

Certain statements in this document are or may be "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

Enterprise Metals Limited

31 December 2020

Directors' Report

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, and on the basis of one for every four 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 before costs. The Options will be exercisable at \$0.03 each on or before 31 August 2022.

The total New Shares issued 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.

ROUNDING OF AMOUNTS

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' report and in the condensed interim financial report have been rounded to the nearest dollar.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group other than as referred to elsewhere in this condensed interim financial report and in the financial statements and notes attached thereto.

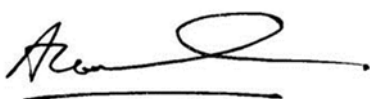
SUBSEQUENT EVENTS

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.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 15.

This report is presented in accordance with a resolution of the Board of Directors made pursuant to s.306 (3) of the *Corporations Act 2001* and is signed for and on behalf of the Directors by:



Allan Trench

Chairman

Perth, 11 March 2021

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ENTERPRISE METALS LIMITED AND ITS CONTROLLED ENTITIES**

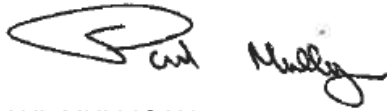
In relation to the independent review for the half-year ended 31 December 2020, to the best of my knowledge and belief there have been:

- (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 period.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 11 March 2021

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Enterprise Metals Limited
Consolidated Statement Of Profit Or Loss and Other Comprehensive Income
As At 31 December 2020

	Note	31 December 2020 \$	31 December 2019 \$
OTHER INCOME			
Interest received		3,330	1,147
Government payments		10,000	-
EXPENDITURE			
Accounting and audit fees		(14,250)	(14,066)
Share registry and listing fees		(28,633)	(27,407)
Employee benefits expense		(74,331)	(67,408)
Corporate and consulting fees		(21,534)	(11,983)
Computers and software		(7,584)	(2,815)
Depreciation		(7,311)	-
Exploration expense		(429,690)	(40,893)
Impairment of capitalised exploration expenses	4	-	(32,276)
Insurance		(9,840)	(8,614)
Investor relations		(2,977)	(2,240)
Short-term lease and occupancy related expenses		-	(7,209)
Other administration expense		(4,153)	(5,542)
Share based payments	3	(87,285)	-
(LOSS) BEFORE INCOME TAX EXPENSE		(674,258)	(219,306)
Income tax expense		-	-
(LOSS) FOR THE HALF-YEAR		(674,258)	(219,306)
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		-	36,000
OTHER COMPREHENSIVE INCOME, NET OF TAX		-	36,000
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF ENTERPRISE METALS LIMITED		(674,258)	(183,306)
Basic and diluted (loss) per share (cents per share)		(0.13)	(0.05)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Enterprise Metals Limited
Consolidated Statement Of Financial Position
As At 31 December 2020

	Note	31 December 2020 \$	30 June 2020 \$
CURRENT ASSETS			
Cash and cash equivalents		1,892,973	1,006,975
Trade and other receivables		31,470	24,806
Prepayments		34,931	43,265
TOTAL CURRENT ASSETS		1,959,374	1,075,046
NON-CURRENT ASSETS			
Plant and equipment		5,396	1,000
Right-of-use asset	5	19,562	-
Exploration and evaluation assets	4	6,420,966	6,407,788
TOTAL NON-CURRENT ASSETS		6,455,924	6,408,788
TOTAL ASSETS		8,405,298	7,483,834
CURRENT LIABILITIES			
Trade and other payables		128,363	117,470
Lease liability	5	12,242	-
Provisions		6,061	4,333
TOTAL CURRENT LIABILITIES		146,666	121,803
NON-CURRENT LIABILITIES			
Lease liability	5	7,431	117,470
TOTAL CURRENT LIABILITIES		7,431	117,470
TOTAL LIABILITIES		154,097	121,803
NET ASSETS		8,251,201	7,362,031
EQUITY			
Issued capital	6	33,650,605	32,174,462
Reserves		90,666	3,381
Accumulated losses		(25,490,070)	(24,815,812)
TOTAL EQUITY		8,254,201	7,362,031

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Enterprise Metals Limited
Consolidated Statement Of Changes In Equity
For The Half-Year Ended 31 December 2020

	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 half-year	-	-	-	(14,250)	(14,250)
OTHER COMPREHENSIVE INCOME					
Other comprehensive income (loss)	-	-	(7,584)	-	(7,584)
TOTAL COMPREHENSIVE INCOME	-	-	(7,584)	(14,250)	(21,834)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:					
Shares issued during the period	127,572	-	-	-	127,572
BALANCE AT 31 DECEMBER 2019	31,583,114	-	136,416	(24,528,089)	7,191,441
BALANCE AT 1 JULY 2020	32,174,462	3,381	-	(24,815,812)	7,362,031
Loss for the half-year	-	-	-	(674,258)	(2,817,508)
OTHER COMPREHENSIVE INCOME					
Other comprehensive income (loss)	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	-	-	-	(674,258)	(674,258)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:					
Shares issued during the period	1,476,143	-	-	-	1,476,143
Options issued to directors during the half-year	-	87,285	-	-	87,285
BALANCE AT 31 DECEMBER 2020	33,650,605	90,666	-	(25,490,070)	6,107,951

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Enterprise Metals Limited
Consolidated Statement Of Cash Flows
For The Half-Year Ended 31 December 2020

	31 December 2020 \$	31 December 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	3,330	1,147
Government grants	10,000	-
Payments for exploration and evaluation expenditure	(407,320)	(27,007)
Payments to suppliers and employees	(189,656)	(168,238)
Net cash used in operating activities	(583,646)	(194,098)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from exploration and evaluation refunds	5,909	-
Payments for exploration and evaluation expenditure	(1,564)	(41,671)
Payments for plant and equipment	(4,394)	-
Net cash used in investing activities	(49)	(41,671)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	1,489,739	114,062
Payments of share issue transaction costs	(13,596)	-
Payments of lease liabilities	(6,450)	-
Net cash provided by financing activities	1,469,693	114,062
Net increase / (decrease) in cash and cash equivalents	885,998	(121,707)
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	1,892,973	208,598

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

Reporting Entity

Enterprise Metals Limited (“Enterprise” or the “Company”) is a company limited by shares, incorporated and domiciled in Australia. The condensed interim financial report as at and for the half-year ended 31 December 2020 covers the consolidated group of Enterprise Metals Limited and the entities it controlled (together “the Group”). The Group is a for-profit entity.

Basis of Preparation

This condensed interim financial report is a consolidated general-purpose financial report which has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Standards IAS 34: *Interim Financial Reporting*. The condensed interim financial report has been prepared under the historical cost convention.

This condensed interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the annual financial statements. Accordingly, this condensed interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Enterprise Metals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The same accounting policies and methods of computation have generally been applied in these half-year financial statements as compared with the most recent annual financial statements, except for the AASB 16 *Leases* accounting policies per Changes in Accounting Policies and the adoption of new standards and interpretations effective as of 1 July 2020.

Going Concern

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

The Group incurred a net loss of \$674,258 for the half-year ended 31 December 2020 (31 December 2019: \$219,306) and experienced net cash outflows used in operating activities of \$583,646 (31 December 2019: \$194,098), and as at 31 December 2020, had net current assets of \$1,812,708 (30 June 2020: \$953,243).

The Directors believe there are sufficient funds to meet the Group’s committed minimum expenditure requirements and, as at the date of this report, the Directors believe they can meet all liabilities as and when they fall due.

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

- Should the Group require additional capital to continue as a going concern, the Directors are confident that their combined experience in the capital markets and track record to raise monies will ensure funds are raised in a timely manner in order to fund the ongoing activities of the Group; and
- Reducing both administrative and exploration expenditure (on the basis exploration expenditure is discretionary and expenditure requirements are minimal) as required through careful cash management.

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that, based on the above, the use of the going concern basis of accounting is appropriate.

Changes in Accounting Policies

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Impact of New and Amended Accounting Standard

The Company has adopted all of the new and amended Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half year. The Group has considered the implications of new and amended Accounting Standards and has determined that their application to the financial statements is either not relevant or not material.

NOTE 2: SEGMENT INFORMATION

The Directors have considered the requirements of AASB 8 *Operating Segments* and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

The Group remains focused on mineral exploration over areas of interest solely in Western Australia.

NOTE 3: SHARE-BASED PAYMENTS

Options issued

On 1 December 2020, following shareholder approval at the 2020 Annual General Meeting, 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. 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 (31 December 2019: \$Nil) was recognised in full as a share-based payment in the half-year ended 31 December 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:

Number of options/rights	9,000,000
Date of grant	24 November 2020
Share price at grant date	\$0.016
Volatility factor	120.95%
Risk free rate	0.11%
Expected life of option/right (years)	3 years
Valuation per option/right	\$0.0097
Exercise price per option/right	\$0.03
Vesting conditions	None

NOTE 4: EXPLORATION AND EVALUATION

	31 December 2020	30 June 2020
	\$	\$
Opening balance	6,407,788	6,422,246
Exploration expenditure capitalised	19,087	12,138
Proceeds from earn in and exploration joint venture agreement	(5,909)	-
Impairment expense	-	(26,596)
Balance at end of year	6,420,966	6,407,788

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 or sale 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.

During the current period, an impairment of \$nil (31 December 2019: \$26,596) was recognised in relation to expenditure on tenements not yet granted.

Enterprise Metals Limited
Notes to the Consolidated Financial Statements
31 December 2020

NOTE 5: LEASES

The Group has a lease for office premises. The lease is reflected on the Statement of Financial Position as a right-of-use asset and a lease liability. The following table shows the carrying value of the Groups right-of-use assets and lease liabilities and movements during the period:

	Right-of-use assets	Lease liabilities
	\$	\$
As at 1 July 2019	-	-
As at 31 December 2019	-	-
As at 1 July 2020	-	-
Additions	26,083	25,566
Depreciation expense	(6,521)	-
Interest expense (included in other administration expense)	-	557
Lease payments	-	(6,450)
As at 31 December 2020	19,562	19,673
Current	-	12,242
Non-Current	19,562	7,431
	<u>19,562</u>	<u>19,673</u>

NOTE 6: ISSUED CAPITAL

1. Ordinary Shares

	31 December 2020	30 June 2020
	\$	\$
544,420,684 (30 June 2020: 476,618,957) Fully paid ordinary shares	33,650,605	32,174,462

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

	31 December 2020	31 December 2019
	\$	\$
At the beginning of the reporting period	32,174,462	31,455,542
Shares issued during the period		
67,530,078 on 29 September 2020 at \$0.022 per share ¹	1,485,662	-
Options exercised during the period	4,077	-
Prior period		
11,406,204 on 24 December 2019 at \$0.01 per share	-	114,062
2,750,000 on 24 December 2019 at \$0.01 per share	-	27,500
Options exercised during the period	-	-
Transaction costs relating to share issues	(13,596)	(13,990)
At reporting date	<u>33,650,605</u>	<u>31,583,114</u>

	No.	No.
At the beginning of the reporting period	476,618,957	401,412,753
Shares issued during the period		
67,530,078 on 29 September 2020 at \$0.022 per share ¹	67,530,078	-
Options exercised during the period	271,649	-
Prior period		

Enterprise Metals Limited
Notes to the Consolidated Financial Statements
31 December 2020

11,406,204 on 24 December 2019 at \$0.01 per share	-	11,406,204
2,750,000 on 24 December 2019 at \$0.01 per share	-	2,750,000
At reporting date	<u>544,420,684</u>	<u>415,568,957</u>

2. Unlisted Options

	31 December 2020 No.	31 December 2019 No.
At the beginning of the reporting period	37,228,122	-
Issued during the period		
Exercisable at 3 cents, on or before 31 August 2022 ¹	33,765,006	-
Exercisable at 3 cents, on or before 30 November 2023 ²	9,000,000	-
Exercised during the period	(271,649)	-
Issued during the prior period		
Exercisable at 1.5 cents, on or before 30 June 2021	-	5,703,102
At reporting date	<u>79,721,479</u>	<u>5,703,102</u>

The number of options outstanding over unissued ordinary shares at 31 December 2020 are as follows:

	Options No.	Exercise Price \$	Expiry Date
Unlisted options	35,956,473	0.015	30 June 2021
Unlisted options	1,000,000	0.015	30 March 2022
Unlisted options	33,765,006	0.03	31 August 2021
Unlisted options	9,000,000	0.03	30 November 2023
Total options on issue	<u>79,721,479</u>		

- On 29 September 2020, following completion of a non-renounceable entitlement offer to eligible shareholders, the Company issued 67,530,078 share at \$0.022 in the Company, along with one-for-two free attaching options with an exercise price of \$0.03 and an expiry date of 31 August 2022, to raise a total of \$1,485,662.
- On 1 December 2020, following shareholder approval at the 2020 Annual General Meeting, 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. Refer to Note 3.

NOTE 7: COMMITMENTS AND CONTINGENCIES

Tenement Expenditure Commitments

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.

	31 December 2020 \$	30 June 2020 \$
Not later than one year	170,000	179,145
Later than one year and not later than five years	67,000	305,588
	<u>237,000</u>	<u>484,733</u>

Contingent Assets

On 1 April 2019, the Company entered into an earn-in joint venture agreement with Evolution Mining Ltd ("Evolution") over the Murchison exploration project. Under the terms of the agreement, Evolution would make an additional \$150,000 cash payment to Enterprise Metals should the agreement remain in place after two years.

Contingent Liabilities

As at 31 December 2020, the Group has contingent liabilities to the value of \$nil (30 June 2020: \$nil).

NOTE 8: RELATED PARTY TRANSACTIONS

Option issued to Directors

On 1 December 2020, following approval by Shareholders at the 2020 Annual General Meeting, 9,000,000 unlisted options were issued to Directors. Refer to Note 3.

Other Related Party Transactions

During the half-year, Mr Ryan, a Non-Executive Director of the Company provided technical consulting services to the Company. Mr Ryan is remunerated for such services, at a commercial rate, under the terms set out in a technical services agreement between the Company and Montana Exploration Services Pty Ltd, a related party of Mr Ryan. During the half-year \$126,810 (31 December 2019: \$69,000) was paid to Montana Exploration Services Pty Ltd for the provision of technical services by Mr Ryan and other Montana employees.

During the half-year, XServ Pty Ltd, a private Company of Mr Ryan, provided vehicle hire services to the Company. XServ Pty Ltd charges for such services, at a commercial rate, under the terms set out in a services agreement between the Company and XServ Pty Ltd. During the half-year \$4,900 (31 December 2019: \$Nil) was paid to XServ Pty Ltd for the provision of such services.

NOTE 9: SUBSEQUENT EVENTS

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.

NOTE 10: FAIR VALUE

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The Group's equity instruments at fair value through other comprehensive income of \$Nil (30 June 2020: \$Nil) are measured using level 1 inputs and are recognised at fair value based on listed market prices for the shares held as at the reporting date. There has been no change to this methodology from 30 June 2020.

NOTE 11: DIVIDENDS

No dividends were paid or declared during the half-year and no recommendation for payment of dividends has been made.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ENTERPRISE METALS LIMITED**

Report on the Condensed Interim Half-Year Financial Report

Conclusion

We have reviewed the condensed interim half-year financial report of Enterprise Metals Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying condensed interim half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

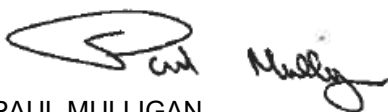
The directors of the Company are responsible for the preparation of the condensed interim half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the condensed interim half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the condensed interim half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a condensed interim half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Pitcher Partners BA&A PTY LTD
PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 11 March 2021


Directors' declaration

In the opinion of the Directors of Enterprise Metals Limited:

1. the financial statements and notes set out on pages 16 to 24 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Enterprise Metals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

On Behalf of the Board



Allan Trench

Chairman

11 March 2021