

WATTAGEE PROJECT- RC DRILLING TO COMMENCE END MARCH 2010
SUMMARY

- **Native Title site clearance survey set for 15th March.**
- **RC drilling at Placer, Stockyard and AM 14 Prospects due to commence 1 week later.**
- **Strong evidence for the presence of gold and base metals.**

Enterprise Metals Limited (“Enterprise” or “the Company”, ASX: “ENT”) wishes to announce that a 6 hole RC drilling program to test three prospects at Wattagee 30km north of Cue is due to commence in the last week of March 2010. The commencement date for drilling has been set following confirmation that representatives of the Native Title Claimants for the area will make themselves available for a site clearance survey over the area, commencing on 15th March 2010.

On 30th October 2009, the Company reported the completion of Induced Polarisation (“IP”) surveys over three prospects at Wattagee. A total of nine lines (18.4 line km) of 100m dipole-dipole IP were completed over the Placer gold prospect, the Stockyard gold prospect and AM14 base metal prospect. The results of the IP surveys together with the historical drill results from these prospects were used to develop a number of drill targets, the drilling of which was approved by the Department of Mines and Petroleum in December 2009.

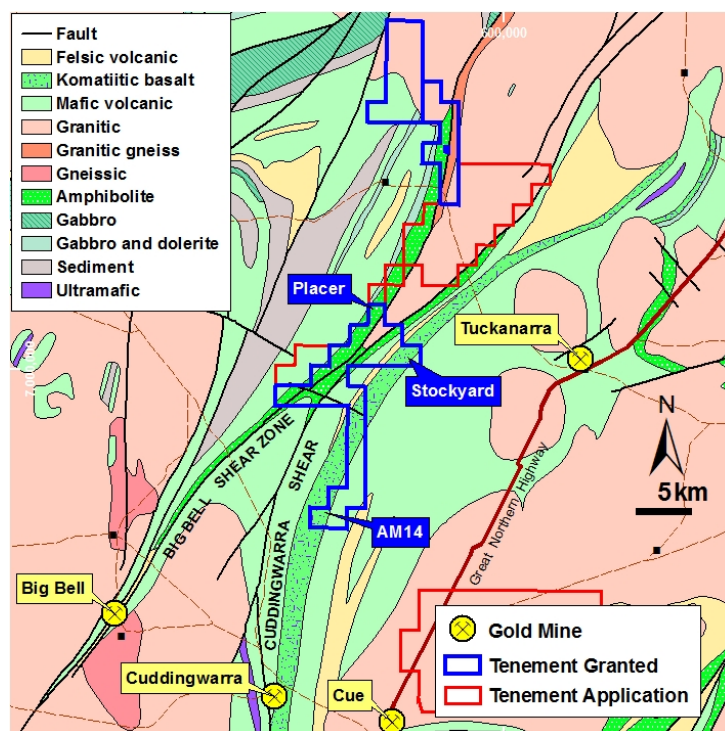


Figure 1. Location & Geology Plan – Wattagee Project

BACKGROUND

The Wattagee project area is located in the Murchison Province of the Yilgarn Craton. The area contains several favourable host rock sequences, large-scale alteration systems and a complex of intersections, regional faults and shears. The Big Bell Lineament and Mt Magnet-Cuddingwarra Shear both host major gold deposits south of the Company's tenements. The area is immediately north along strike from the former Harmony Cuddingwarra pit, from which New Hampton mined approximately 5.7mt at 2.5 g/t Au for 460,000 ounces.

Enterprise considers the geology of the project area to be highly prospective for economic gold and base metal deposits associated with sulphide mineralization. Up to 80% of the prospective stratigraphy is obscured by a regolith cover which has hindered previous explorers' efforts, and hence IP was selected as a technique to search for sulphides below this barren cover.

During September 2009, the Company conducted IP surveys over the Placer gold prospect, the Stockyard gold prospect and AM14 base metal prospect. The results of the IP surveys together with the historical drill results from these prospects were used to develop a number of drill targets.

Placer Gold Prospect

The Placer Prospect IP survey was designed to cover anomalous Au geochemistry detected in shallow 1980's RAB drilling. The area has a regolith gold anomaly of greater than 0.1 g/t Au over an area approximately 800m by 200m. **Three inclined RC holes of approximately 200m depth each are planned to test the IP anomaly in the primary zone, beneath these shallow gold intercepts.**

A strong phase response is evident in the middle to northern end of the line. The modelling suggests that the weathering profile maybe 100m deep, and previous RAB drilling has not been deep enough to test the primary zone containing the IP targets (in red in Figure 2 below).

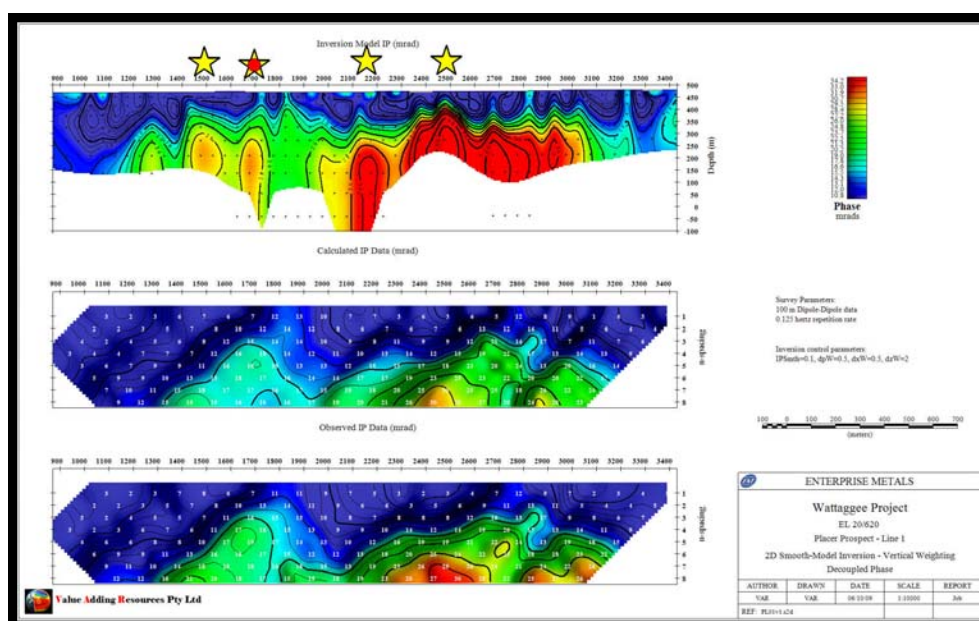


Figure 2. Placer Prospect, Decoupled Phase IP Pseudosection

Stockyard Gold Prospect

The IP survey at the Stockyard Prospect was designed to test for sulphide associated gold mineralization, below oxide gold intercepted in a number of historical RC and RAB drill holes. On line 1, a phase and conductive response was detected below and to the west of the Au mineralisation intersected in drill hole **NCRC6 (4m @ 17.9 g/t Au)**. The Stockyard IP survey identified a number of high phase/strong conductor responses that have not been drilled tested.

Two inclined RC holes of 250m each are planned for Stockyard East, beneath the zone of multiple historical gold intercepts. The planned holes are approximately 200m apart and will test the depth and the extent of the mineralised zone.

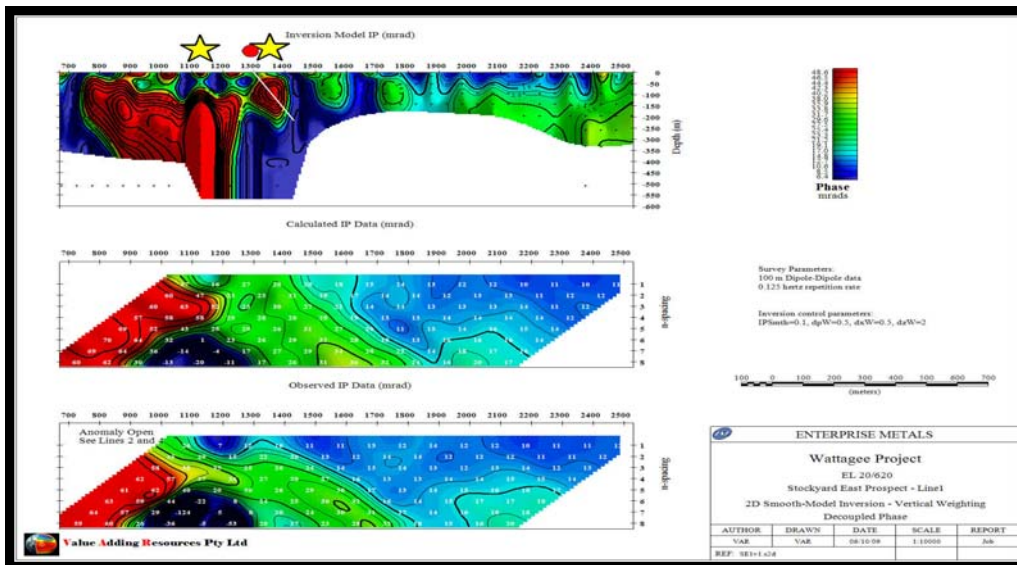


Figure 3. Stockyard East Prospect, Line 1 Decoupled Phase IP Pseudosection

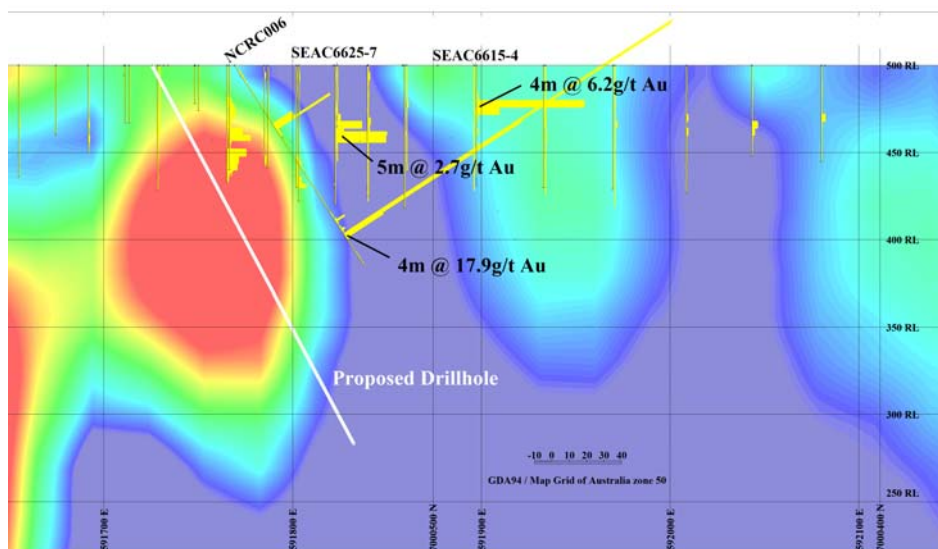


Figure 4. Stockyard East Prospect, Showing Detail of Proposed RC Hole and IP Anomalism

A third inclined RC hole is planned on the Stockyard West Prospect, also beneath shallow historical gold intercepts associated with a deep IP anomaly.

AM14 Base Metal Prospect

The AM 14 base metal prospect has a number of VMS style intercepts of zinc, copper, gold and silver from drilling completed in the 1970's. Historical IP traverses over this area strongly suggested that the sulphide mineralisation is coincident with IP anomalism.

The 2009 IP survey in particular showed a strong IP and conductive response associated with known base metal mineralisation. **One single deep RC hole has been planned to test this zone of strong IP anomalism, along strike and down dip from the previously drilled base metal mineralisation.**

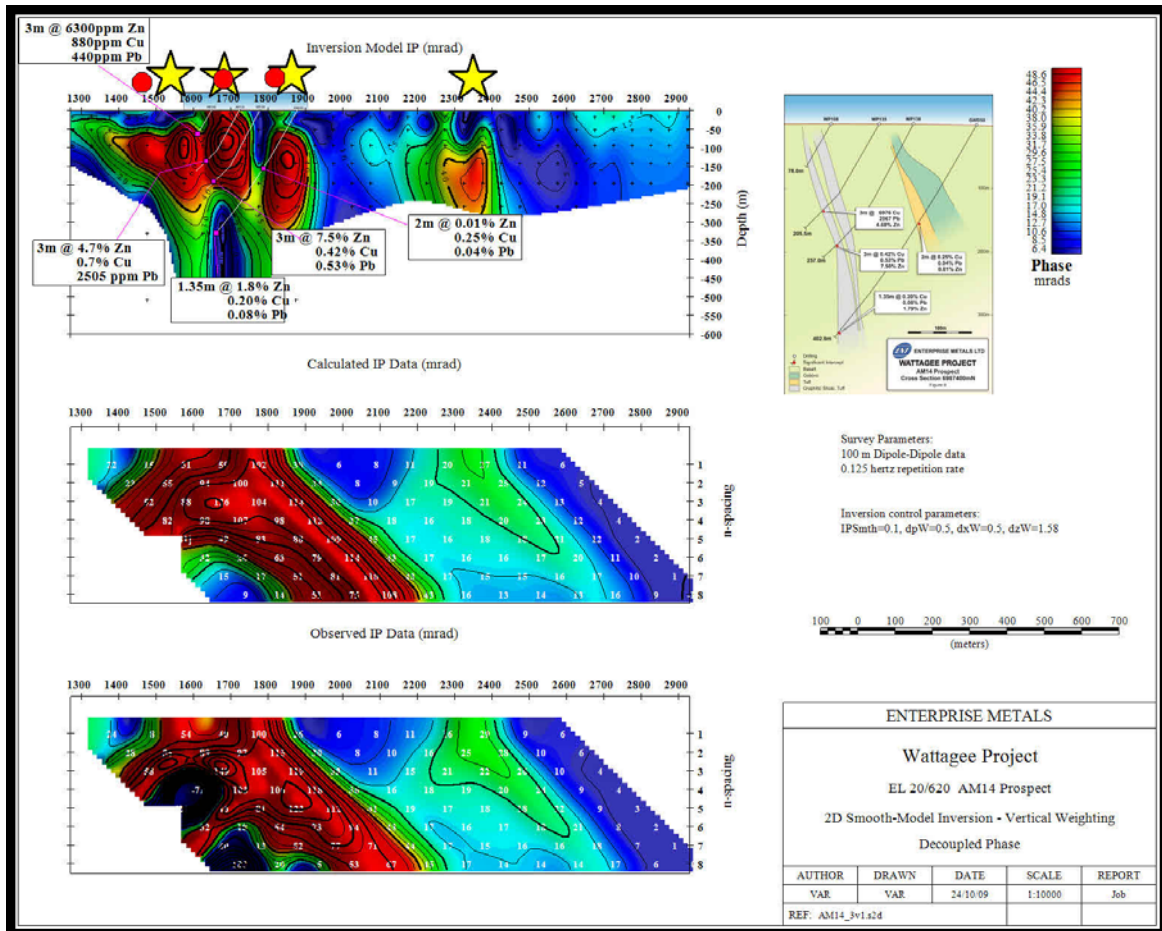


Figure 5. AM14 Prospect - Line 3 Decoupled Phase



Dermot Ryan
Managing Director

Contact:

Telephone: 08 9436 9200 Facsimile: 08 9436 9299 Email: admin@enterprisemetals.com.au

The information in this announcement that relates to Exploration Results has been compiled by Mr Dermot Ryan, who is a Fellow of the Australian Institute of Geoscientists, and a full time employee of geological consultancy Xserv Pty Ltd. Mr Ryan has sufficient relevant experience in the techniques being reported and styles of mineralisation and types of deposit under consideration, and in the activity he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code), and consents to the inclusion of the information in the form and context in which it appears.