
WATTAGEE PROJECT- RC DRILLING UPDATE

- **First 3 Deep RC Holes At Placer Prospect Detect Low Level Gold**

Enterprise Metals Limited (“Enterprise” or “the Company”, ASX: “ENT”) wishes to announce that assay results have now been received for the first 3 RC holes of an 8 hole drilling program at the Wattagee Project, approximately 30km North of Cue.

The 8 proposed drill holes were planned on three prospects, *Placer* and *Stockyard East/West* in the north of the tenement and *AM14* in the south of the tenement. The two former prospects are gold prospects and the latter is a base metal prospect. The program was planned to drill RC holes to depths varying between 150 and 250 metres to test depth extensions of gold and base metal intercepts from previous explorers.

Assay results have now been received for the three holes drilled at the ***Placer Prospect***. Hole PLRC001 was drilled to test an IP phase anomaly and PLRC002 and PLRC003 were drilled to test beneath a regolith gold anomaly identified by previous RAB drilling (5 metres @ 0.72g/t between 30 to 35 metres in GRB019).

PLRC001 intersected weak disseminated sulphides at depth, but is considered to have not adequately explained the IP phase anomaly.

PLRC002 and PLRC003, both drilled under GRB019, intersected a number of low grade gold zones with a maximum of 0.2g/t gold over 4 metres. The gold was associated with low order base metal anomalism. There was some low order copper/zinc anomalism of 294ppm and 461ppm respectively over 16 metres in PLRC002. Table 1 below summarises the main gold anomalism in the first three drill holes.

Table 1. Placer Prospect - Anomalous RC Drill Hole Gold Results

Hole No	GDA East	GDA North	Hole Depth	Dip	Azimuth	From (m)	To (m)	Interval (m)	Au (g/t)
PLRC001	588517	7005522	250	-60	45	52	60	8	0.13
PLRC002	587776	7005154	198	-60	135	96	100	4	0.10
PLRC002						132	136	4	0.20
PLRC002						172	180	4	0.13
PLRC003	587786	7005062	178	-60	135	64	68	4	0.14
PLRC003						100	104	4	0.17
PLRC003						108	112	4	0.18

NOTE: Samples were initially assayed as 4m or 2m composites using standard Aqua Regia digest/ICP-MS technique with a 1ppb detection limit for gold. All samples were assayed for gold and 15 base metal elements.

Background

The Wattagee Project area is located in the Murchison Province of the Yilgarn Craton some 30 km north of the town of Cue, and now comprises one granted exploration licence and 3 exploration licence applications

The main prospects are associated with major shear zones along strike from the historic Big Bell deposit, and 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 prospective for economic gold and VMS style base metal deposits.

Enterprise commenced an 8 hole RC drill program on 1st April 2010 but drilling has been slower than anticipated due to difficult ground conditions. Drilling is currently underway at the Stockyard East/West Prospect, with AM14 the last prospect to be drill tested.

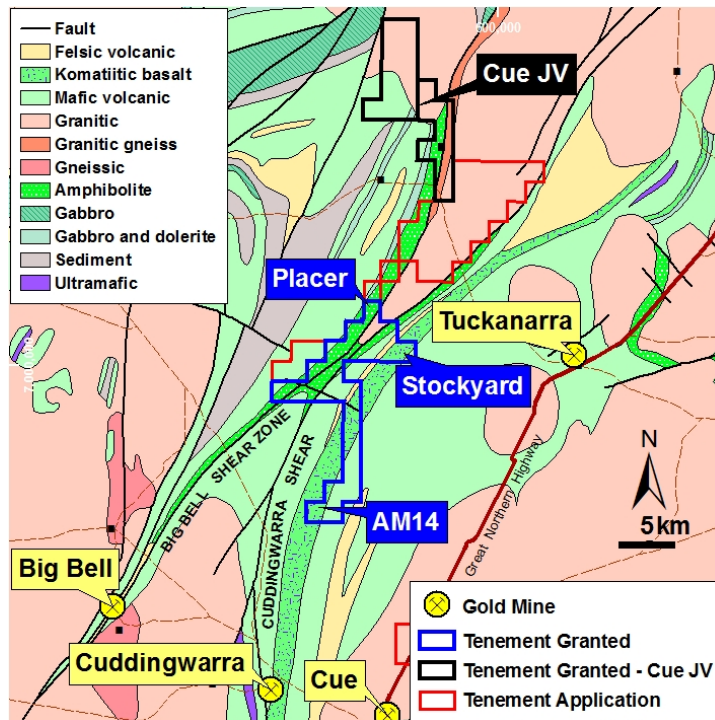


Figure 1. Location & Geology Plan – Wattagee Project



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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.