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**BURRACOPPIN PROJECT  
FIELD RECONNAISSANCE LOCATES BIF AND GOETHITE/HEMATITE OUTCROPS  
AS PREDICTED FROM REGIONAL MAGNETIC DATA**

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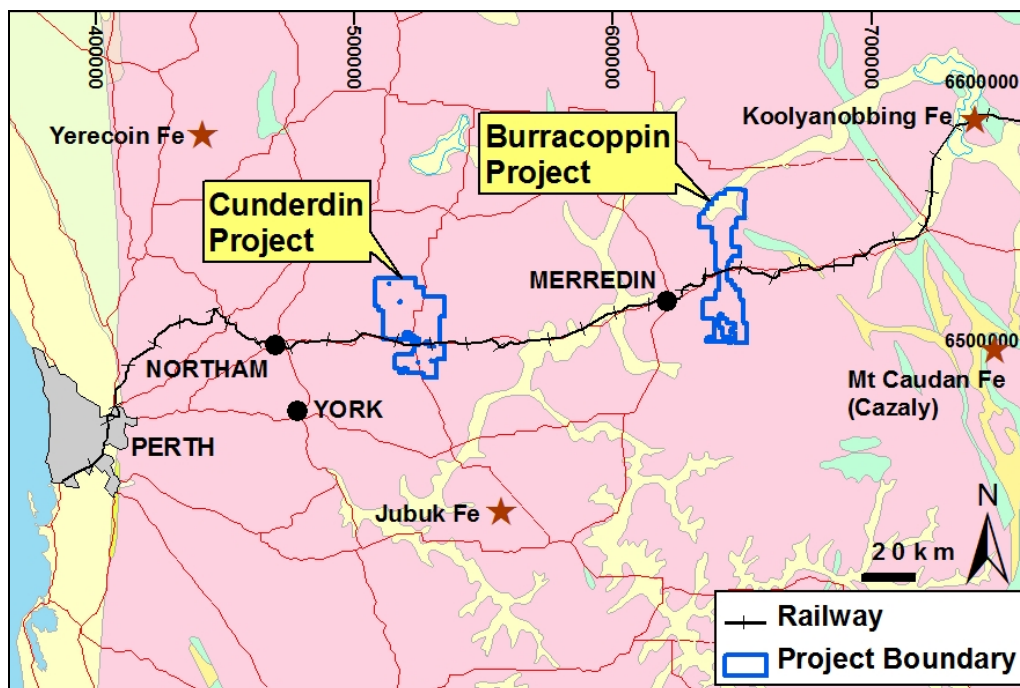
**SUMMARY**

Enterprise Metals Limited (“Enterprise” or “the Company”, ASX: “ENT”) wishes to announce that it has located scattered outcrops of Archaean quartz-magnetite/banded iron formation (“Bif”) at its Burracoppin project 280 km east of Perth in Western Australia.

A number of the outcrops display intense alteration of magnetite to goethite/hematite (colour plates overleaf and assays awaited), which is consistent with the Company’s view that the area has the potential to contain significant tonnages of Direct Shipping Ore (“DSO”) where intense weathering of Bif has occurred on deeply weathered structures.

The general location of the Bif units was predicted from regional airborne magnetic data, and specific outcrops were located with the assistance of local landowners and the Department of Mines and Petroleum (“DMP”) Open File records.

Whilst the Company’s initial exploration target is magnetite contained within Archaean quartz-magnetite/Bif units, the ultimate target is one or more large bodies of high grade DSO hematite and/or goethite. Based on the positive results of this first reconnaissance visit to the area, the Company has commissioned a geophysical contractor to fly a low level 100m line spaced airborne magnetic and radiometric survey over its tenements to generate drill targets. This survey is due to commence in October 2010.



**Figure 1. Location Plan – Burracoppin Project**



**Sample Y34750: Goethitic Bif, Junk's Shaft**



**Sample Y34754: Massive Goethite, Lambert's Farm**



**Sample Y34785: Hematized Bif, Lambert's Farm**

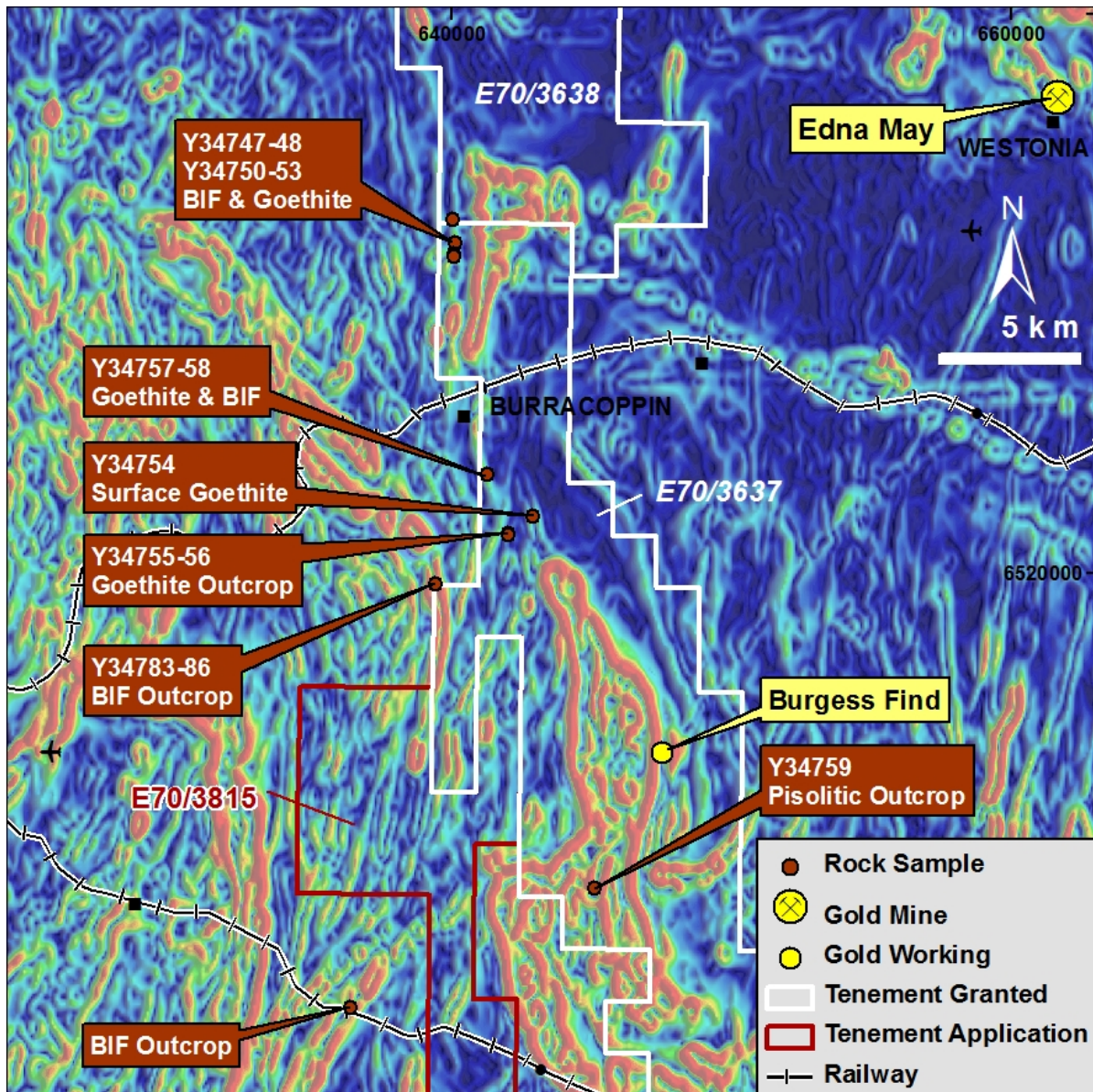
The Company collected 16 iron rich samples from outcrops or scattered float from 8 localities. All samples were sawn in half and one face polished for reference. The remainder of each sample was submitted for iron ore analysis by XRF methods. The locations of these samples are shown below in Table 1. The locations are also shown overleaf on a magnetic image. (Figure 2)

**Table 1. Sample Location and Descriptions**

Rockchip Sample No.	Tenement	GDA94 Easting	GDA94 Northing	Comments
Y34747	E70/3637	640116	6531809	Goethitic Bif on Junk's farm
Y34748	E70/3638	640043	6532626	Quartz-Fe float around Junk Shaft
Y34750	E70/3638	640043	6532626	Goethitic Bif on Junk's farm
Y34751	E70/3637	640067	653139	Goethitic Bif on Junk's farm
Y34752	E70/3637	640097	6531299	Siliceous Bif subcrop in paddock
Y34753	E70/3637	640097	6531299	Siliceous Bif subcrop in paddock
Y34754	E70/3637	642922	6522031	Goethite on Lambert's farm
Y34755	E70/3637	642019	6521421	Goethite outcrop at southern end of paddock.
Y34756	E70/3637	642029	6521388	Goethite outcrop at southern end of paddock.
Y34757	E70/3637	641290	6523512	Goethite (recrystallised)
Y34758	E70/3637	641290	6523512	Siliceous Bif

Y34759	E70/3637	645114	6508734	Nodular pisolitic agglomerate
Y34783	E70/3637	639420	6519620	Hematised Bif.
Y34784	E70/3637	639420	6519620	Hematised Bif.
Y34785	E70/3637	639420	6519620	Hematised Bif.
Y34786	E70/3637	639420	6519620	Hematised Bif.

**Figure 2. Sample Locations over Magnetic Image**



#### **BACKGROUND TO BURRACOPPIN PROJECT**

The project area is centred on the small township of Burracoppin, approximately 70km west of the main Southern Cross greenstone belt which hosts the Mt Caudan iron deposit recently discovered by Cazaly Resources Ltd.



# ENTERPRISE METALS LIMITED

Four tenements (E70/3637, 3638, 3815 & E77/1752) cover an area of approximately 586 km<sup>2</sup> and overlie the western limb of the poorly known Westonia greenstone belt, which is surrounded by post-tectonic intrusive granites. Based on previous mapping and shallow drilling, the greenstone belt is known to contain mafic, ultramafic and sedimentary rocks, including Bif. Outcrop within the area is scarce due to a widespread cover of Tertiary laterite, aeolian sand and soil.

The area also contains several small historical gold workings such as **Burgess**, which were explored during the 1990's. Gold mineralisation occurs within quartz veins and quartz-rich granitic stringers hosted by sediments, mafic-to-felsic granulites and gabbroic rocks. Shallow drilling and mapping by previous explorers has demonstrated the existence of Bif's within the sedimentary sequences of the this greenstone belt. However, there has been no deeper drilling focussed on the linear magnetic units (interpreted to contain Bif's) to specifically test these magnetic units for iron grade and thickness.

The Company considers that potential exists for substantial deposits of iron ore and possibly gold and base metals concealed below laterite and other thin soil and sand cover.

## COMMERCIAL BACKGROUND

Enterprise has entered into a 12 month Option Agreement to purchase a 100% interest in the Burracoppin project by purchasing all of the issued shares in Burracoppin Resources Pty Ltd, the beneficial holder of granted Exploration Licences E70/3637 and E70/3638. The Option is exercisable by the payment of 4 million fully paid shares in Enterprise, and a gross production royalty of 1.5%. Yandal Exploration Licence 37/1009 and Prospecting Licences 37/7745-7750, and Lake Harris Exploration Licence 28/1958 are also included in the Agreement.

Enterprise has applied in its own name for a further tenement to the south of Burracoppin (E70/3815) and a further tenement to the north (E77/1752) to cover strike extensions of the interpreted Archaean quartz-magnetite/Bif units.

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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.*