



LARGE CO-INCIDENT BASE METALS SOIL ANOMALY DETECTED AT DOOLGUNNA

SUMMARY

- Detailed soil sampling recently completed over Narracoota Formation volcanics and along Goodin Fault (+2,500 samples).
 - Incomplete Assays received from laboratory to date.
 - Co-incident VMS style base metal anomaly identified over 2km², northeast of Doolgunna Homestead.
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Doolgunna E52/2049 (ENT 100%)

Enterprise Metals Limited ("Enterprise" or "the Company", ASX: "ENT") wishes to advise that it has recently completed detailed soil sampling over those portions of the Company's tenements which overlie the prospective Narracoota Formation volcanics of the Bryah Basin, the same rock unit which hosts Sandfire Resources NL's De Grussa copper - gold discovery.

In all, the Company has collected and submitted to the laboratory some 2,500 soil samples. Results from 488 samples submitted over E52/2049 (Doolgunna) have now been received by the Company. The samples were analysed for low level gold and base metals associated with Volcanogenic Massive Sulphide ("VMS") type deposits.

A discrete and co-incident silver (max 350ppb), arsenic (max 57ppm), tin (max 4.6ppm), gold (max 30ppb) and tellurium (max 510ppb) anomaly has been identified over an area of approximately 2km² within the Narracoota Formation volcanics where they abut the Goodin Fault, immediately northeast of the Doolgunna Homestead. Prospectors have also recently reported finding gold nuggets within the area of the Company's geochemical anomaly. (refer figures 1-7 overleaf)

Although Sandfire Resources NL (ASX: SFR) has not released the surface geochemical association for the DeGrussa deposit, Thundelarra Exploration Ltd (ASX:THX *announcement 25 August 2010*) have announced that the Red Bore mineralisation drilled by them has a **"strong gold-copper-silver association, with Sn-Mo-Se-Co-As-Te anomalism, typical of a VMS deposit"**. Red Bore is located some 2,500 metres south east of DeGrussa.

It should be noted that the above VMS geochemical signature is present in primary sulphides at depth, below the base of weathering. Mobile elements such as copper are not always reliable indicators in soils due to their solubility and mobility in the weathered zone. In fact, depletion of mobile elements such as copper may occur in the weathered zone immediately above deposits such as DeGrussa.

Forward Program

The Company is engaging a geophysical contractor to mobilize to site and conduct ground EM/IP surveys over this anomaly, with the objective of defining drill targets. The Company is also awaiting the geochemical assays for the remaining soil samples over the Goodin Fault and Narracoota Formation volcanics, in its other Doolgunna Project tenements.

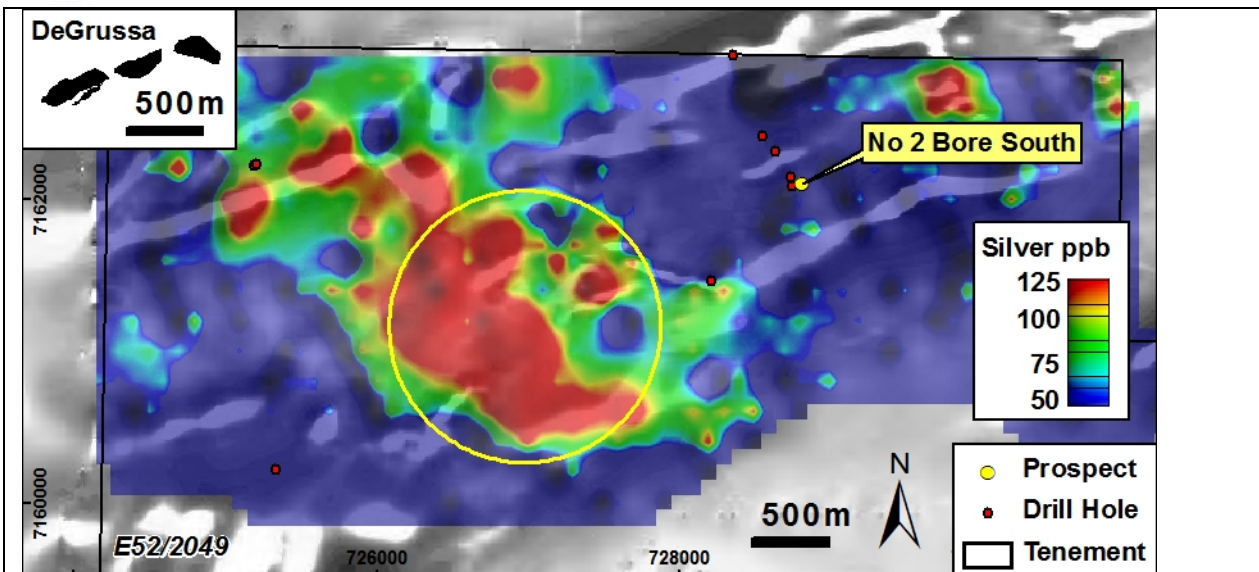


Figure 1. Silver Soil Geochemistry, with DeGrussa Inset to show Scale of Target.

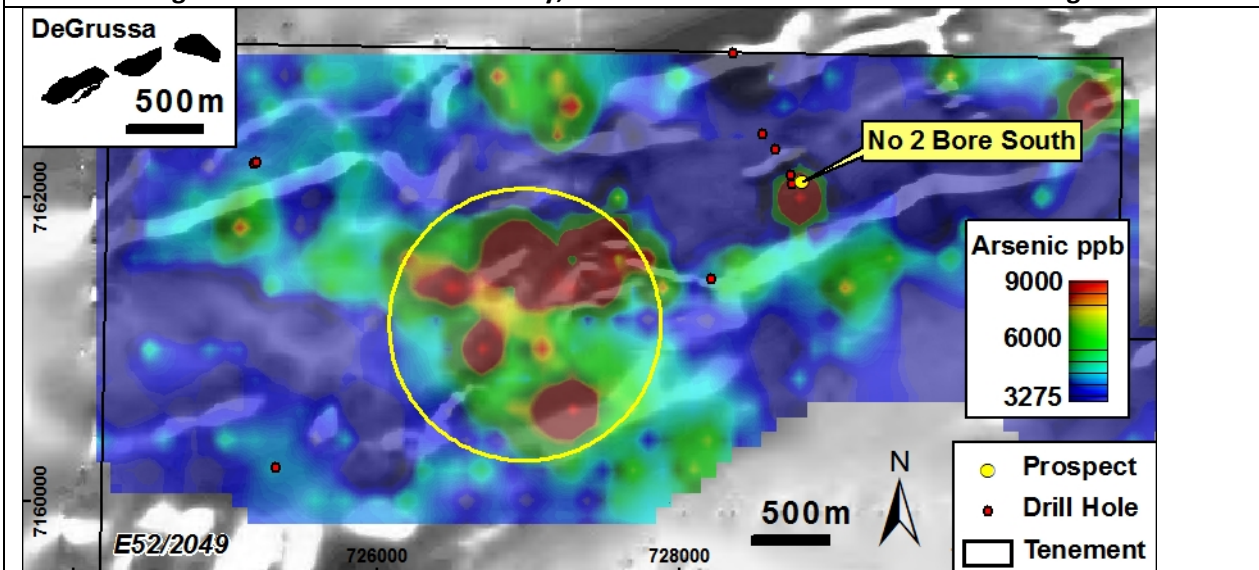


Figure 2. Arsenic Soil Geochemistry

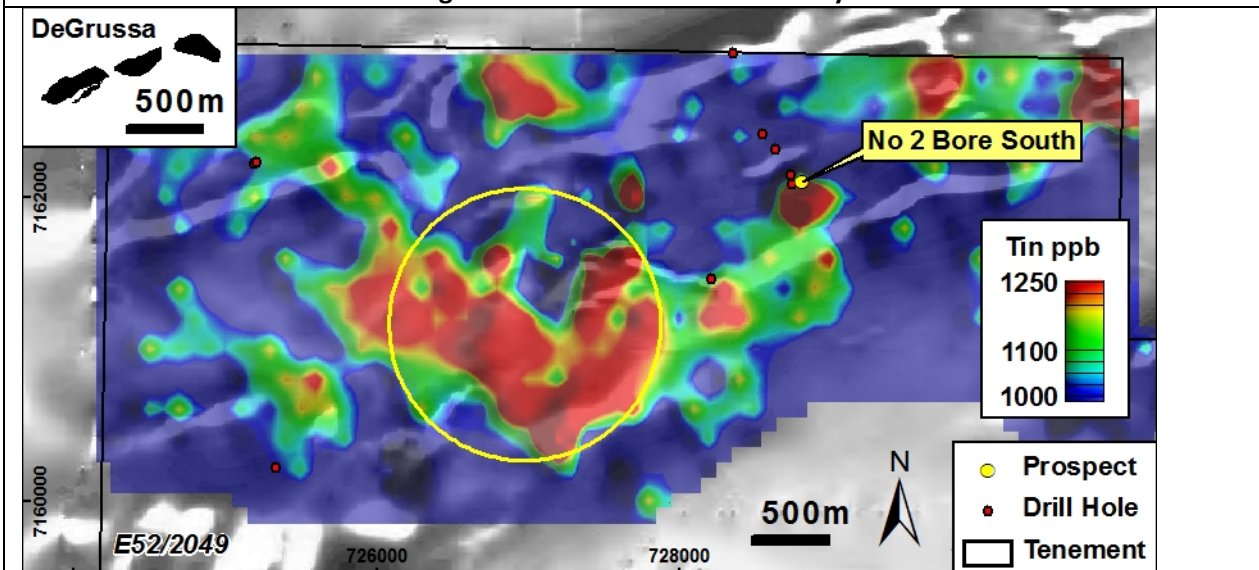


Figure 3. Tin Soil Geochemistry

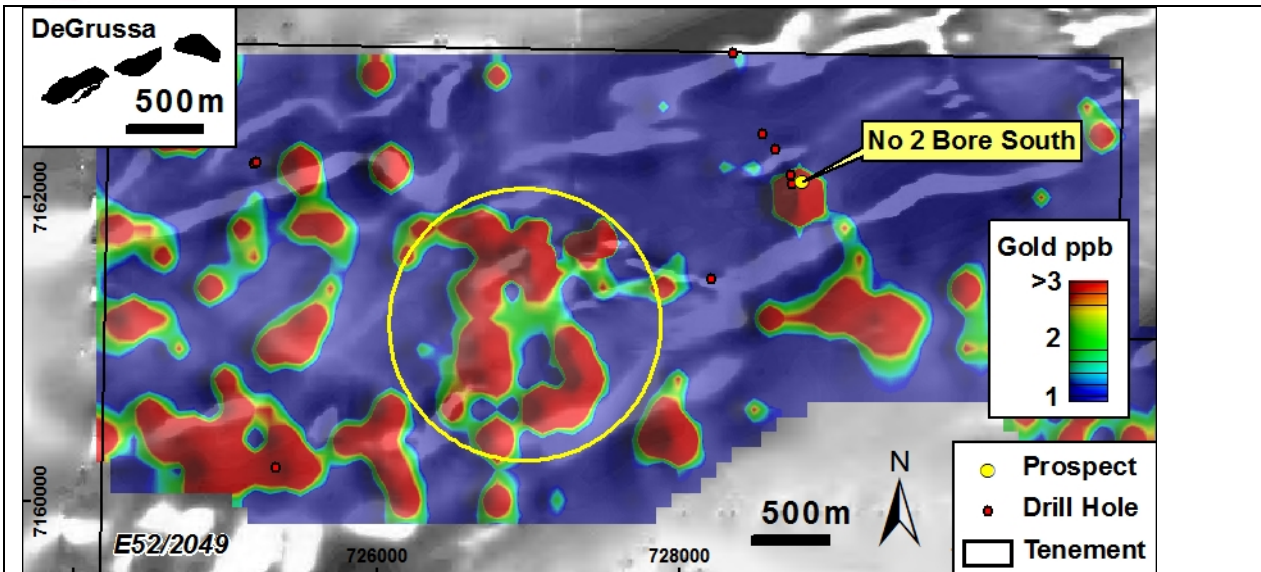


Figure 4. Gold Soil Geochemistry

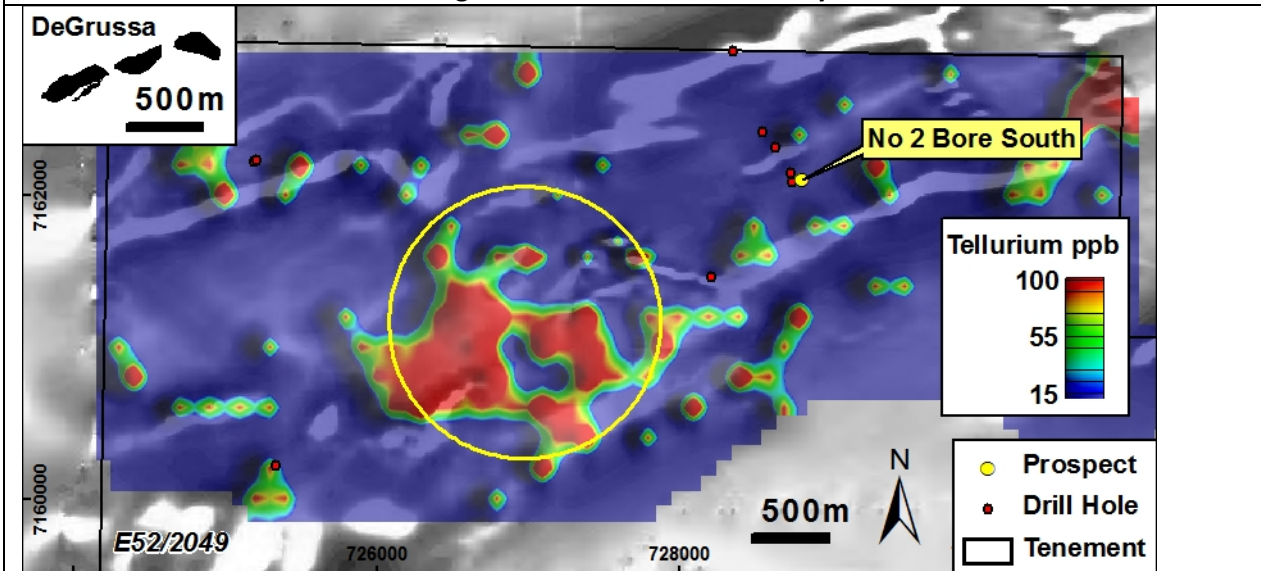


Figure 5. Tellurium Soil Geochemistry

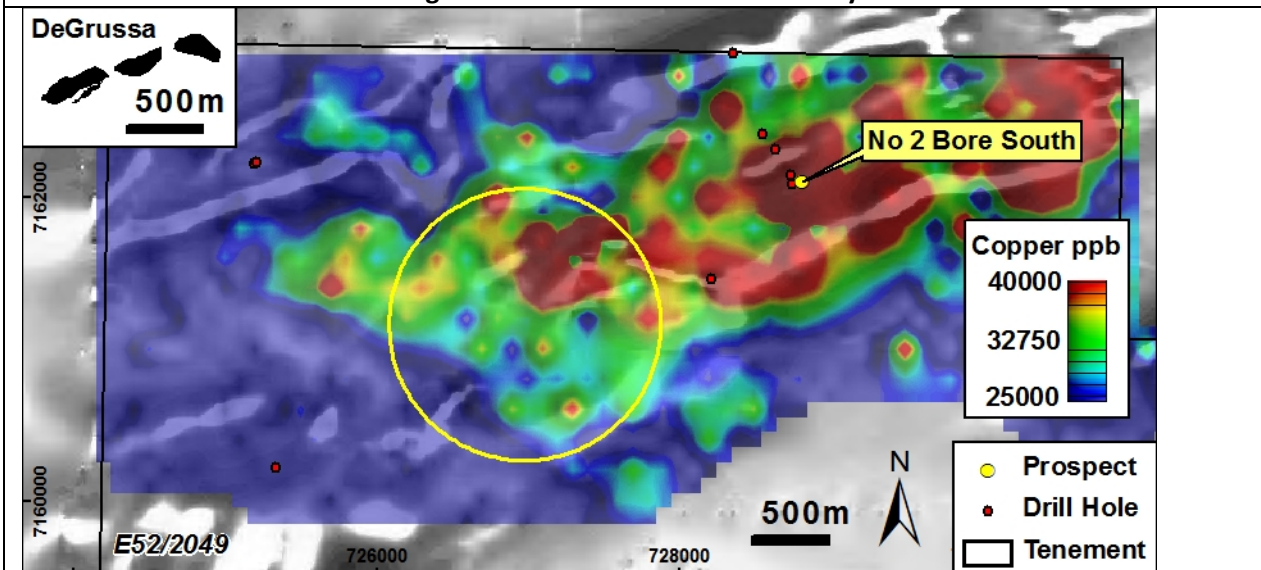


Figure 6. Copper Soil Geochemistry

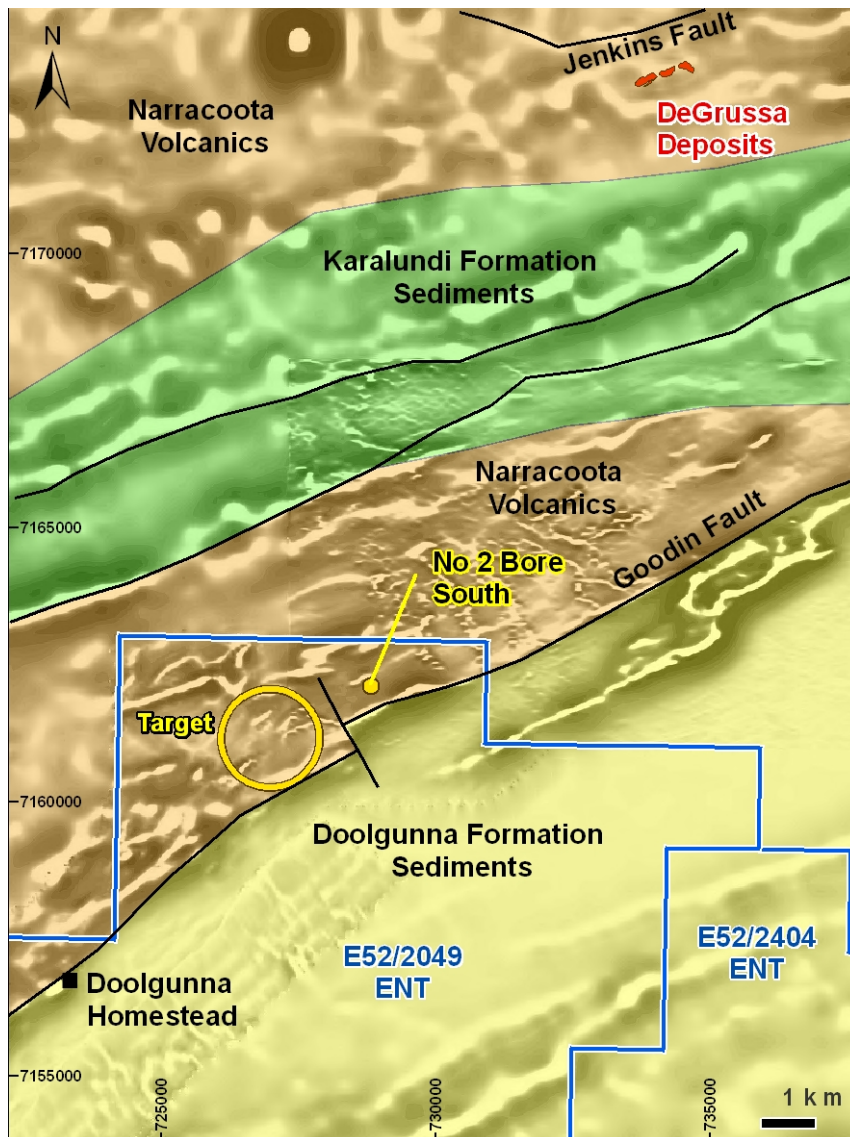


Figure 7. Airborne Magnetic Image Showing Doolgunna Base Metal Target and Interpreted Geology

Background

In late 2009 the Company drilled a number of scout RC drill holes at No. 2 Bore South, an area where WMC Ltd had intersected large low grade intervals of copper sulphide mineralisation during the early 1970's.

The best results came from ENT hole NBRC010, which was drilled to test a weak linear NW striking VTEM anomaly and copper soil anomaly evident in 1km x 1km spaced soil sampling. This hole intersected narrow veins of chalcopyrite, pyrite and carbonate from 107m-115m, with a best assay of 1m @ 0.4g/t Au and 0.9% Cu from 114m.

The Company realised that the chalcopyrite veins possibly indicated that the drill hole had intersected the alteration halo around a larger but nearby massive sulphide system. The 2010 soil sampling program was designed to close up the surface sample spacing from 1km x 1km, to 100m x 100m.

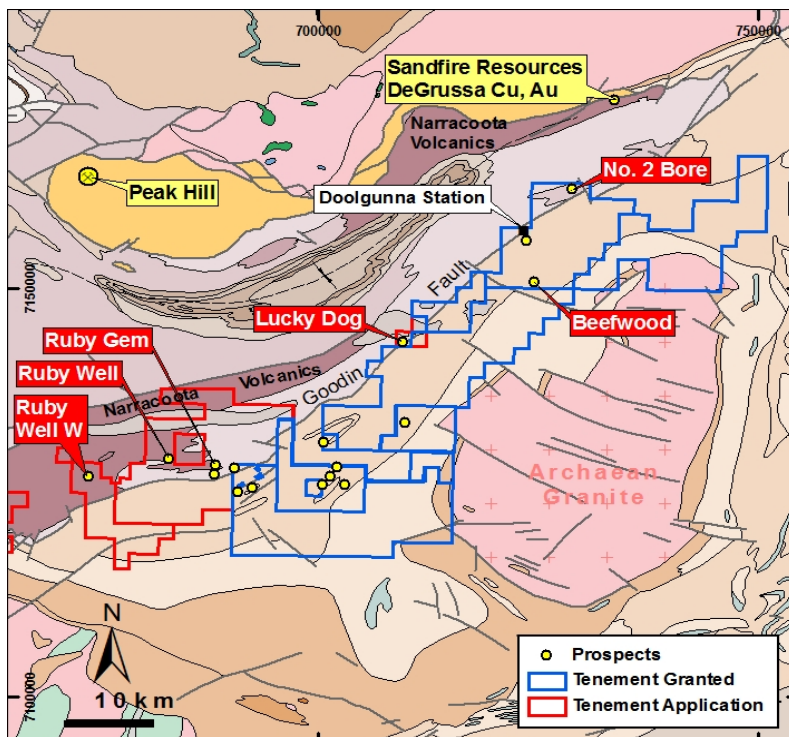


Figure 8. Regional Geology Plan Showing Tenements & Major Prospects

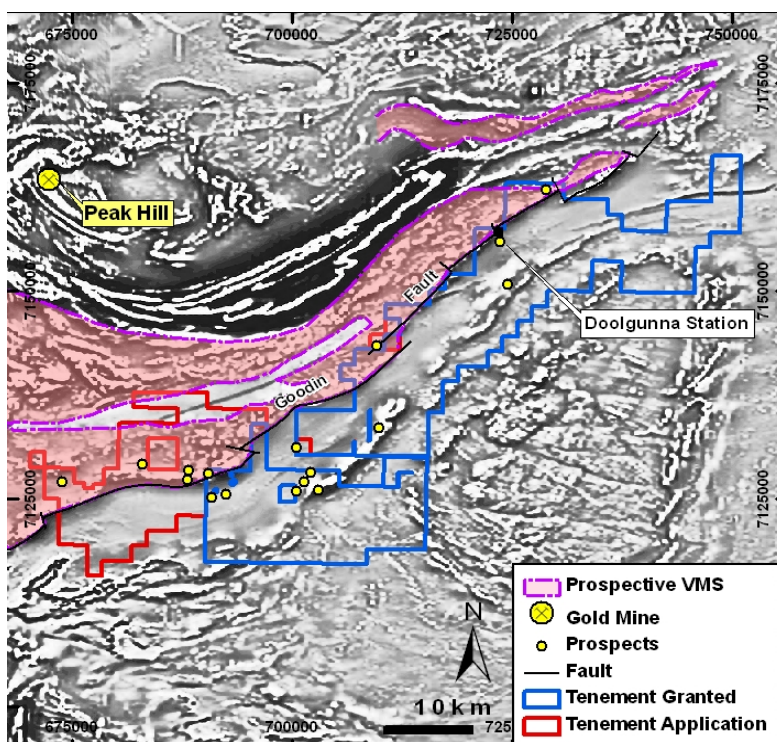


Figure 9. Regional Magnetics Plan Showing Tenements & Interpreted Narracoota Volcanics



ENTERPRISE METALS LIMITED

A handwritten signature in black ink that reads 'Dermot Ryan'.

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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.