



28 October 2010

SEPTEMBER 2010 QUARTERLY ACTIVITIES REPORT

ASX Symbol: **ENT**

Level 1, 640 Murray Street
PO Box 992
West Perth 6872
Western Australia
Phone: +618 9436 9200
Facsimile: +618 9436 9220
www.enterprisemetals.com.au

BOARD OF DIRECTORS

Mr Paul Larsen
Chairman

Mr Dermot Ryan
Managing Director

Mr Bruce Hawley
Executive Director

Mr Jay Stephenson
CFO/Company Secretary

PROJECTS

Gold/Base Metals

Doolgunna
Darlot
Wattagee (Cue)
Fraser Range (SW Yilgarn)

Iron Ore

Burracoppin
Cunderdin
Sylvania
Earaheedy

Uranium

Yalgoo (Murchison)
Byro (Murchison)
Darlot (Yandal)
Sylvania (Pilbara)

ISSUED CAPITAL

Shares on Issue: 111,970,840

Shares Quoted: 111,970,840

Listed Options: 15,281,966

Unlisted Options: 5,500,000

SUMMARY

- Significant VMS style base metal anomalies located by soil sampling at Doolgunna.
- Outcrops of Direct Shipping (Iron) Ore ("DSO") located at Burracoppin, and detailed magnetic airborne survey completed.
- Based on detailed magnetic survey, CID and/or detrital iron ore target located at Sylvania.
- Limited RC drill testing of Cunderdin magnetic targets completed. Assay results awaited.
- RC drill testing of Eucla project magnetic targets commenced.
- Private placement (after close of Quarter) raises \$3.00M for further exploration.

HIGHLIGHTS

Soil sampling along the Goodin Fault at Doolgunna has detected 4 discrete and co-incident "pathfinder" base metal anomalies. NE of Doolgunna, a discrete and co-incident zone of anomalous, arsenic, tin, gold and tellurium was identified over an area of approximately 2km² within volcanics of the Narracoota Formation.

In the Curleys/Ruby Well area, three major geochemical targets (silver, arsenic, bismuth, gold, tellurium, molybdenum and tin) were identified.

Outcrops of Direct Shipping (Iron) Ore ("DSO") in paddocks at Burracoppin prompted the Company to fly a detailed magnetic airborne survey. This will form the basis for field mapping and drill hole planning.

1. SUMMARY OF EXPLORATION ACTIVITIES

DOOLGUNNA PROJECT

During the Quarter the Company 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 DeGrussa copper - gold deposit.

Soil samples were initially collected on a 500m x 500m spacing, and infill then took place at 100m x 100m spacing or 50m x 50m depending on local conditions such as known workings, local geology, or historical geochemical anomalism (from 1km x 1km sampling). The Company collected some 2,500 soil samples.

Following the end of the Quarter, the Company received results from approximately 1,200 samples which had been analysed for low level gold and base metals associated with Volcanogenic Massive Sulphide ("VMS") type deposits.

Analytical results showed a number of discrete and co-incident "pathfinder" base metal anomalies adjacent to the Goodin Fault, within the Narracoota Fm volcanics, the Karralundi Fm sediments, and the Doolgunna Fm sediments. (ENT: ASX Releases 18th & 22nd October 2010).

The Company is engaging a geophysical contractor to mobilize to site at the end of November to conduct ground IP (and possibly EM) surveys over these anomalies, 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 tenements.

These targets are identified as "Doolgunna", "REA", "REB" and "REC" in the figures below.

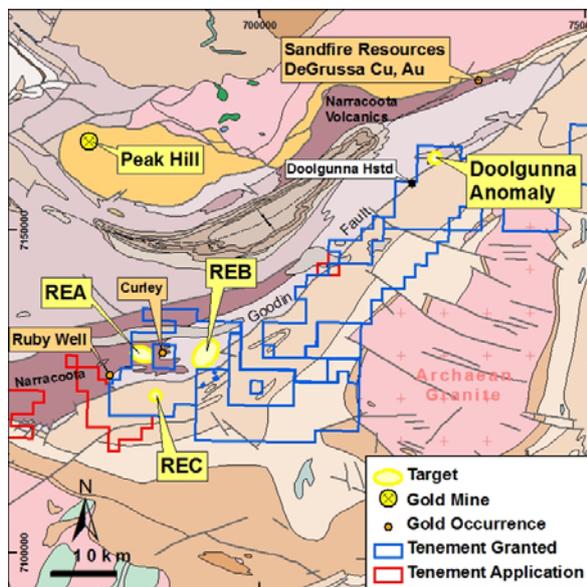


Figure 1. Geology Plan and Geochemical Targets

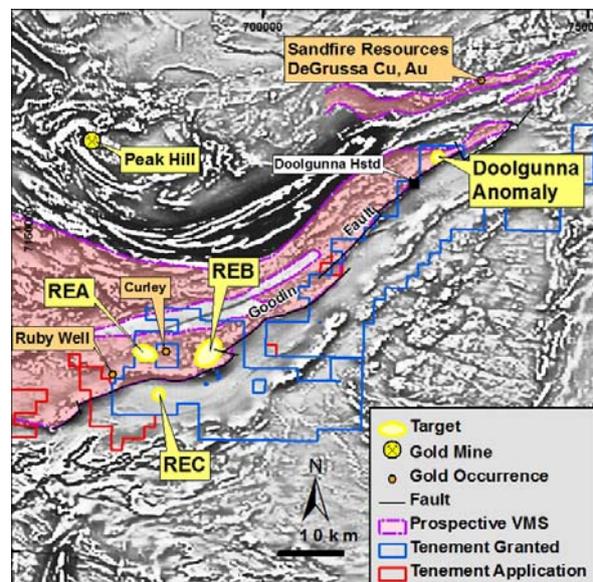


Figure 2. Magnetics and Geochemical Targets

Immediately NE of **Doolgunna**, a discrete and co-incident zone of anomalous silver (max 350ppb), arsenic (max 57ppm), tin (max 4.6ppm), gold (max 30ppb) and tellurium (max 510ppb) (refer figure 3) was identified over an area of approximately 2km² within volcanics of the Narracoota Formation, where they abut the Goodin Fault. Prospectors have reported finding gold nuggets within the area of this geochemical anomaly.

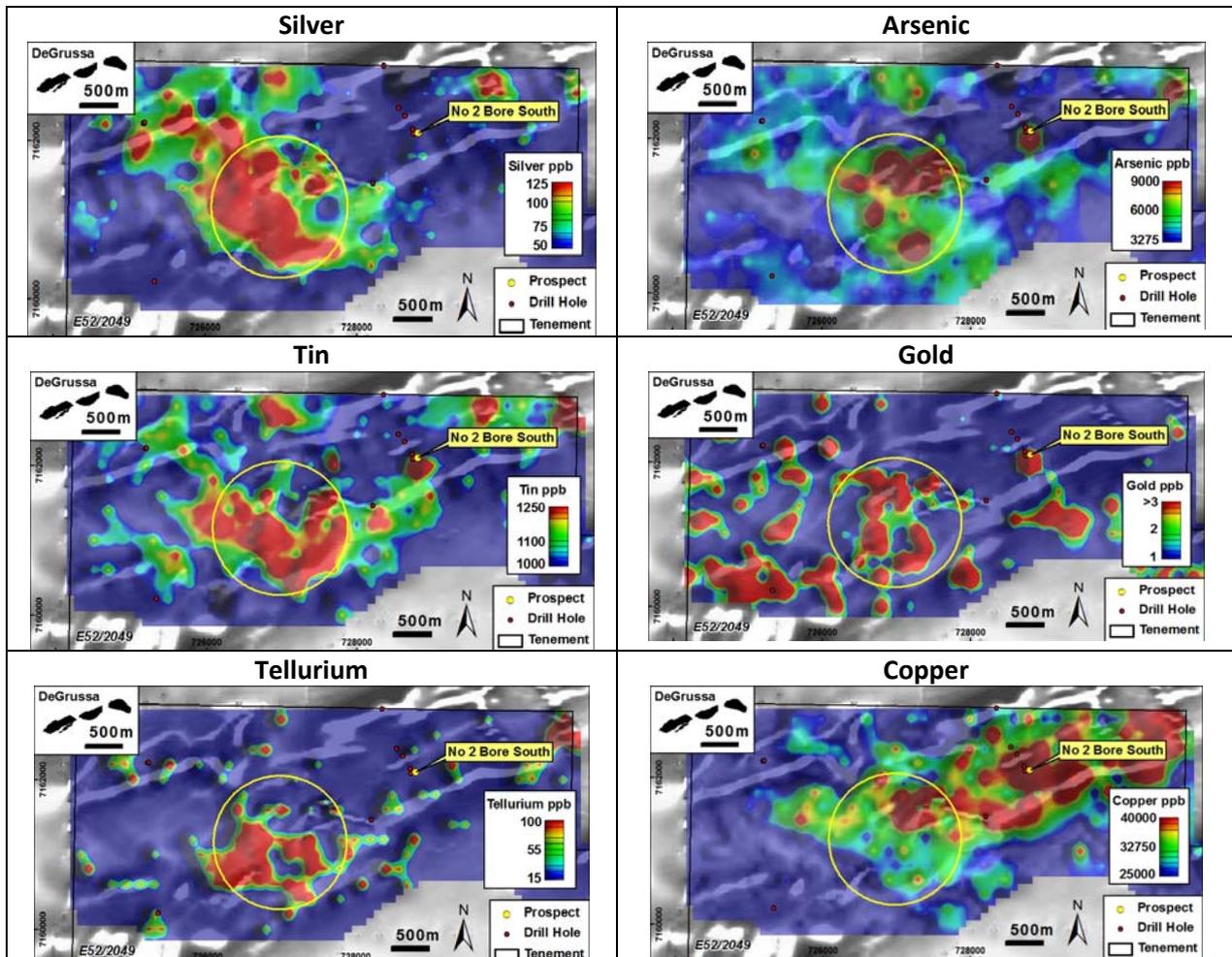


Figure 3. Doolgunna Geochemical Target, with gridded silver, arsenic, tin, gold, tellurium and copper assays plotted over Magnetic Image

In the **Curleys/Ruby Well** area, three major geochemical targets were identified (refer figure 4)

REA Anomaly

This target is approximately 5km x 2km in extent, and strikes WNW, and is a silver-arsenic-bismuth-gold-tellurium-molybdenum-tin anomaly within Narracoota Fm volcanics. The anomaly occurs within a broader zone of anomalous copper and lead.

REB Anomaly

This target is complex and contains anomalous silver-arsenic-bismuth-tellurium-molybdenum within sediments interpreted to be Karalundi Fm. However airborne magnetic data suggest the presence also of Narracoota volcanics.

REC Anomaly

This target is a silver-arsenic-bismuth-gold-tellurium-molybdenum and tin anomaly. It is also weakly anomalous in copper and lead.

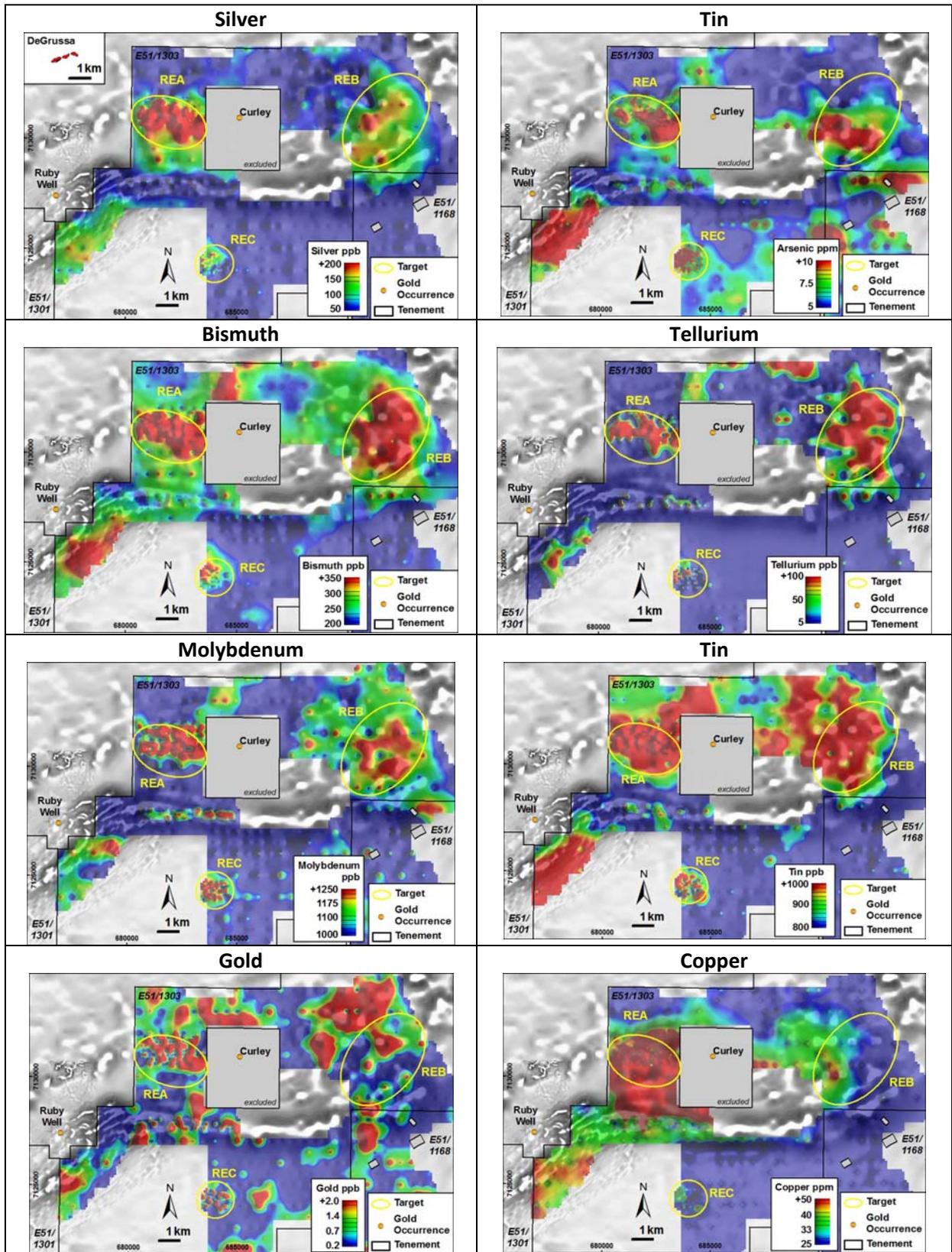


Figure 4. Ruby East Geochemical Targets, with gridded silver, arsenic, bismuth, tellurium, molybdenum, gold and copper assays plotted over Magnetic Image

BURRACOPPIN PROJECT

During the Quarter, the Company collected and assayed 16 rockchip samples from its Burracoppin project area. (ENT:ASX Releases 28th August & 6th September 2010). The project is centered on the township of Burracoppin approximately 280 km east of Perth, and straddles the Great Eastern Highway and the standard gauge railway line that runs from Kalgoorlie to the port of Kwinana.

Geologically the area contains Archaean granites, greenstones and sediments on the western limb of the Westonia greenstone belt, the eastern limb of which hosts Catalpa Resources Ltd’s 100,000 ounce per annum Edna May mine (CAH: ASX, 1st Aug 2010, Premier opens Edna May Gold Mine).

Enterprise’s rockchip samples were obtained from scattered outcrops of altered and unaltered quartz-magnetite/banded iron formation (“Bif”). The best assay results of +50% Fe were obtained from Bif which has been completely altered to massive goethite. Loss on Ignition (“LOI”) values of greater than 10% were also obtained, indicating that, after calcining and removal of the contained water, the iron grades would beneficiate to between 57-60%Fe. The locations of the samples are shown in figure 5.

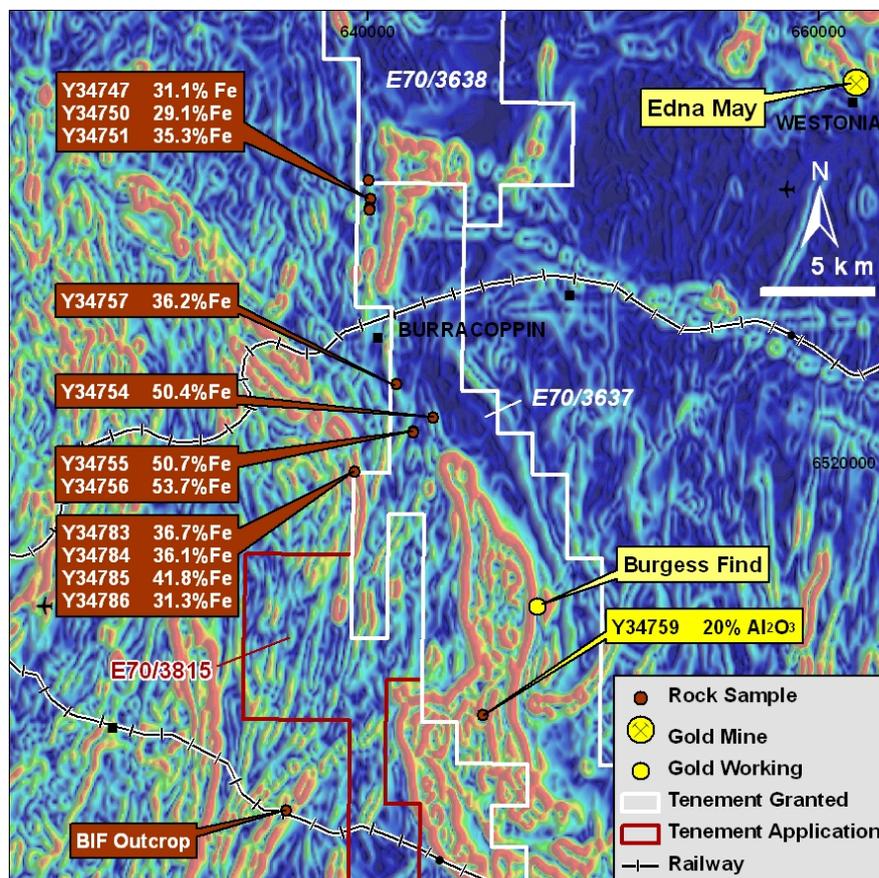


Figure 5. Burracoppin Sample Locations and Assays over Magnetic Image

These results strengthen the Company’s belief that intense alteration of Bif to goethite (and possibly hematite at depth) at Burracoppin has the potential to produce Direct Shipping (iron) Ore (“DSO”).

One sample (Y34759) of nodular bauxite returned high alumina assays (+20% Al₂O₃). This sample contained iron rich nodules, surrounded by an aluminous rich matrix. It is speculated that the separation of the nodules and matrix could produce a high grade (i.e. +25%) concentrate of alumina.

Based on these early encouraging results, the Company flew a low level 100m line spaced airborne magnetic and radiometric survey over its tenements to generate drill targets. Preliminary data from this survey has been imaged and is undergoing interpretation. Field work, including mapping and sampling of magnetic anomalies, is planned for the next Quarter.

SYLVANIA PROJECT

During the Quarter, the Company completed a 100 metre line spaced airborne magnetic survey over the eastern portion of its Sylvania project area. The Sylvania Project is located on the southern margin of the Sylvania Dome, approximately 60km southwest of the town of Newman. (*ENT:ASX Release, 29th September 2010*)

The imaged magnetic data clearly shows a well developed paleo-channel, with a flow direction from northeast to southwest. The buried channel is up to several kilometres wide, and has developed over the NE-SW striking **Fortescue River Fault**. (refer Figure 6). The paleo-channel abuts possible easterly extensions of the Marra Mamba, Dales Gorge and Joffre Members of the Brockman Iron formation (outcropping in Rio’s tenement to the west), and therefore has potential to host significant tonnages and grades of “channel iron deposit” (CID) or unconsolidated detritals containing BIF and lump hematite. This situation may be analogous to Rio Tinto’s Perry Creek detrital iron deposit some 12-15km to the west.

The Company is planning a scout drilling program to test the thickness and grade of this paleo-channel, which will likely commence in the new year, following heritage surveys.

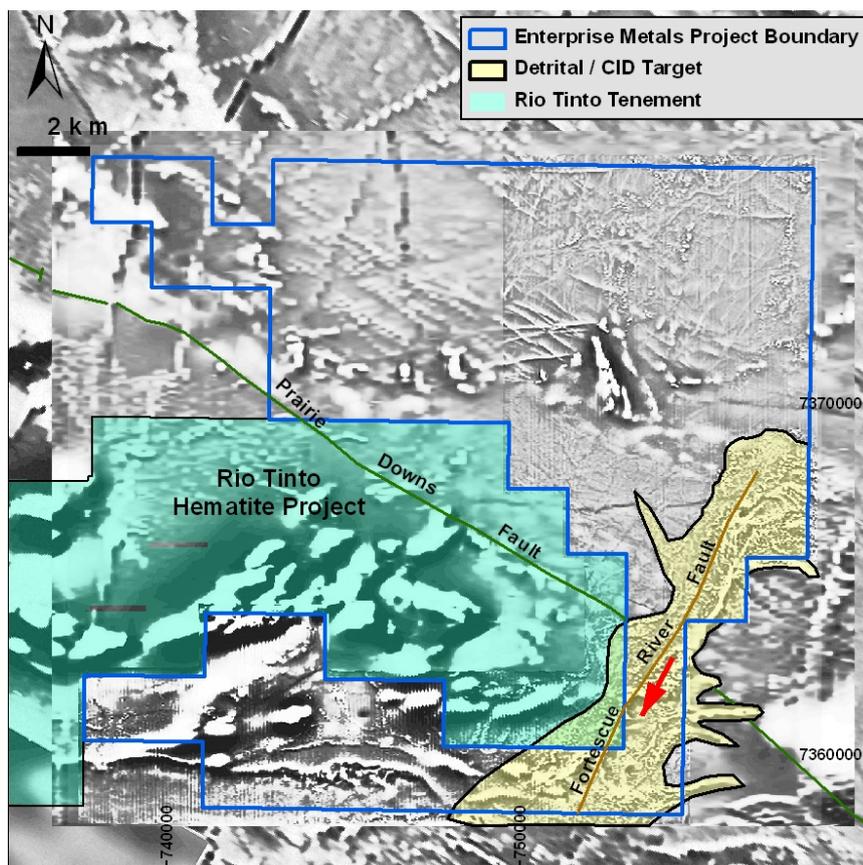


Figure 6. Sylvania Project, Magnetic Image with Paleo-channel Interpretation

CUNDERDIN PROJECT

The Cunderdin project is centered on the township of Cunderdin approximately 150 km east of Perth and also straddles the Great Eastern Highway and the standard gauge railway line. The Company's concept is that granites and granitic gneisses within the Cunderdin area contain enclaves of NW striking metamorphosed greenstone belts, which may also contain meta-sedimentary units including quartz-magnetite/ banded iron formation ("Bif").

Following the completion of a low level 200 metre line spaced magnetic and radiometric survey over the project area, the Company planned approximately 20 drill traverses (49 scout RC holes) along Shire road reserves.

The Company was only able to complete 21 holes (2,015metres) of this road verge program due to public infrastructure (buried telephone cables, pipelines, etc) impairing access. The holes that were drilled intersected granitic gneiss with broad mafic bands composed of amphibole and disseminated magnetite and some minor sulphide, but no massive magnetite. The layered mafic bands NE of Cunderdin probably represent metamorphosed greenstone belt lithologies, and hence may be prospective for precious and base metals. Assay results are awaited.

A grant of up to \$150,000 was awarded by WA State Government for the drill testing of these discrete magnetic targets. The Government is matching the Company's expenditure on drilling costs.

This limited program was not a definitive test of the extensive linear magnetic anomalies at Cunderdin, and the area will be revisited in the new year when crops are harvested and access to paddocks is available. The magnetic targets NW and SE of Cunderdin have not yet been adequately drill tested, and these lie along strike from Magnetic Resources NL's Jubuk and Quairiding iron ore prospects, where Bif and magnetite have been intersected in drillholes. (ASX: MAU 30 July 2010)

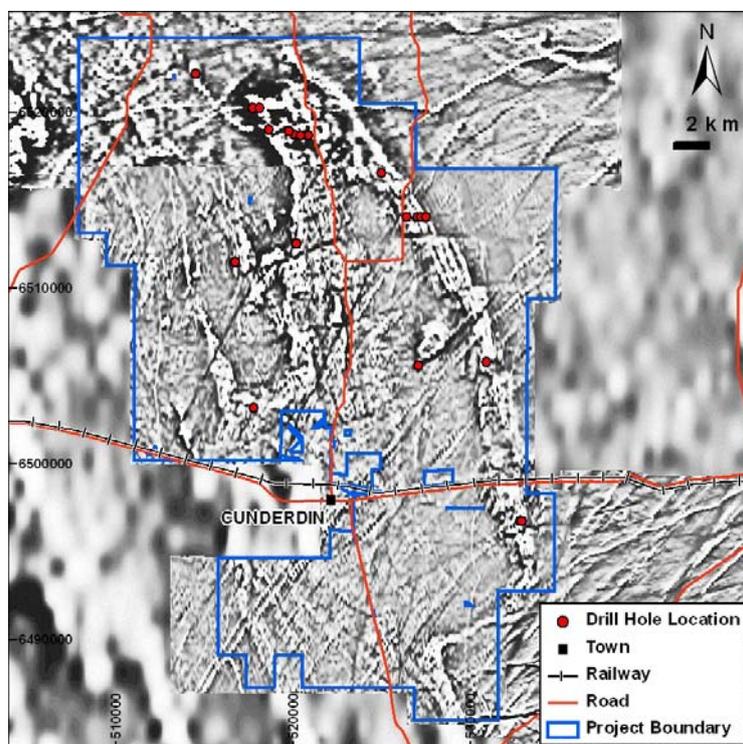


Fig 7. 1st Vertical Derivative Magnetics with RC Hole Locations

EUCLA PROJECT

On 30th September the Company announced that it had commenced drill testing a number of very large magnetic and gravity targets at its Eucla Project near Balladonia, on the edge of the Eucla Basin. Enterprise considered that these magnetic targets had the potential to contain or be associated with large world class deposits of iron oxide-copper-gold (“IOCG”), such as Olympic Dam in South Australia, concealed beneath thin cover.

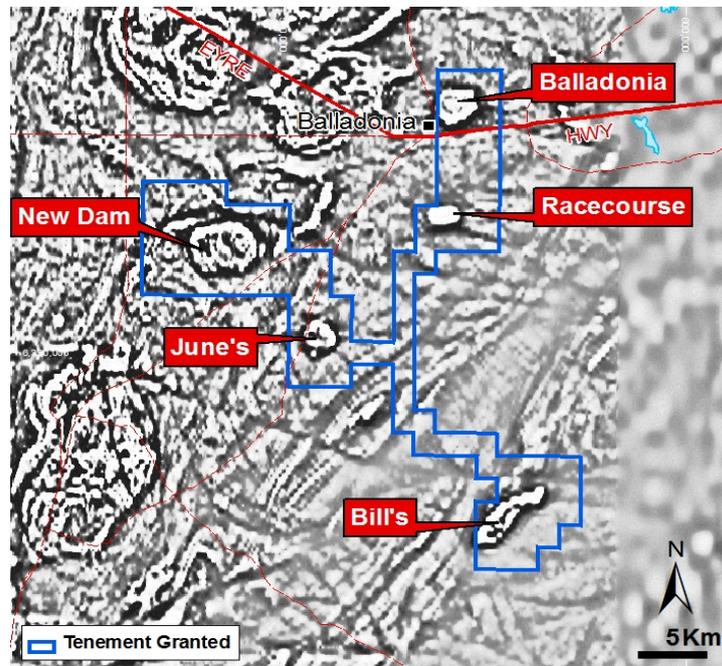


Figure 8. Eucla Project, Aeromagnetic Image with Five Magnetic targets

Due to difficult drilling conditions in the Nullabor Limestone (large cavities and damp clays) and maintenance issues associated with the Universal drill rig, only 4 shallow holes of a 20 hole program have managed to reach basement. (2 holes at Junes, 1 hole at New Dam and 1 hole at Racecourse).

Each of these holes encountered strongly magnetic quartz diorite below the Nullabor Limestone. Although no assays have yet been received, these intrusive host rocks do not appear visually to be associated with any significant economic mineralisation. However assays are awaited.

Drill testing of the main targets at Bills and Balladonia has been delayed due to access issues. It is expected that these targets will be drilled with a least one hole each by end of the first week in November.

A grant of up to \$150,000 was awarded by WA State Government for the drill testing of these discrete magnetic targets. The Government is matching the Company’s expenditure on drilling costs.

3. CORPORATE

On the 22nd October, after the end of the Quarter, the Company announced that it had agreed to place 15,000,000 Shares at 20 cents per Share, together with 1 free attaching option for every two shares applied for (exercisable at 25 cents per share on or before 22 November 2012), to raise \$3,000,000. The Placement was made to sophisticated investors, pursuant to Section 708A of the Corporations Act 2001.

The funds are to be applied towards general exploration activities including drilling of the Company's Doolgunna, Burracoppin and Sylvania Projects, and general working capital. The placement will take place in two tranches as per the table below.

The first tranche will occur in late October and falls within the Company's 15% capacity. The second tranche will occur subject to shareholder approval at the Company's Annual General Meeting scheduled for 30 November 2010.

	Number of Shares	Number of Options	Subscription Price	Total Amount
Tranche 1	3,685,000	1,842,500	\$0.20	\$737,000
Tranche 2	11,315,000	5,658,000	\$0.20	\$2,263,000
Total	15,000,000	7,500,000		\$3,000,000

Issued Capital

	At 30 September 2010	After Placement
Shares on Issue:	111,970,840	126,970,840
Shares Quoted:	111,970,840	126,970,840
Listed Options:	15,281,966	22,781,966
Unlisted Options:	5,500,000	5,500,000

Cash Position

Prior to the capital raising referred to above, the Company's cash position at 30 September 2010 was \$1.399 million.



Dermot Ryan
Managing Director

The information in this announcement that relates to Exploration Results has been reviewed by Mr Dermot Ryan, who is a Fellow of the Australian Institute of Geoscientists, a Fellow of the Australasian Institute of Mining and Metallurgy, a Chartered Professional and a full time employee of geological consultancy XServ Pty Ltd. Mr Ryan has sufficient relevant experience in the 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.

Contact:

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

PROJECT LOCATIONS WESTERN AUSTRALIA 30 September 2010

