



ASX ANNOUNCEMENT

9 November 2010

DOOLGUNNA PROJECT GEOPHYSICAL SURVEYS COMMISSIONED FOR VMS TARGETS

Enterprise Metals Limited (“Enterprise” or “the Company”, ASX: “ENT”) wishes to advise that it has commissioned Induced Polarisation (“IP”) surveys over the four co-incident volcanogenic massive sulphide (“VMS”) style base metal anomalies reported to the ASX on 18th and 22nd October 2010. (Refer Figures 1 & 2 overleaf)

Induced Polarisation is an electrical geophysical technique whereby an electric current is induced into the subsurface rocks. The technique is commonly used to explore for disseminated and/or massive sulphide mineralisation at depth below covered areas or areas with little or no outcrop. The resulting anomalies can then be targeted by drilling. Surface Electromagnetic (“EM”) surveys may also be used to search for deeper conductive bodies within the basement.

These techniques are the same as those being used by Sandfire Resources NL, which reported (ASX: SFR 29 October 2010) that they are exploring “*systematically and comprehensively.....the entire 6km long priority DeGrussa corridor*” using both IP and high powered surface EM.

As previously reported, during the Quarter the Company collected some 2,500 soil samples within its tenements along and surrounding the Goodin Fault between Doolgunna homestead and Ruby Well, a distance of some 70km. The sampling covered the Narracoota and Karalundi Formations to the north of the Goodin Fault, and Doolgunna Formation sediments immediately to the south of the Goodin Fault.

Sandfire Resources NL’s DeGrussa copper - gold deposit is hosted within the Narracoota Formation, adjacent to the Jenkins Fault, which is considered to be the mirror image to the Goodin Fault. Enterprise believes that both of these major NE trending faults were potentially the fluid pathways for the deposition of volcanogenic massive sulphides such as DeGrussa. Further massive sulphides could occur within these faults, within later dislocations of these faults (ie cross faults) or in the rock units adjacent to these faults.

To date, analyses from some 2,000 samples have been received. The additional analyses received after 22nd October 2010 have not materially changed the anomaly pattern, however some minor anomalism has been detected immediately to the west of Doolgunna homestead.

The Company has engaged a geophysical contractor to commence IP surveying of these anomalies in early December 2010. (Refer Figures 3 & 5 overleaf, where the anomalous silver assays have been used to highlight the anomalous areas.)

It is expected that the surveying of the “**Doolgunna**”, “**REA**”, “**REB**” and “**REC**” anomalous areas will be completed by end February 2011. The subsequent processing of the IP data is expected to generate drill targets.

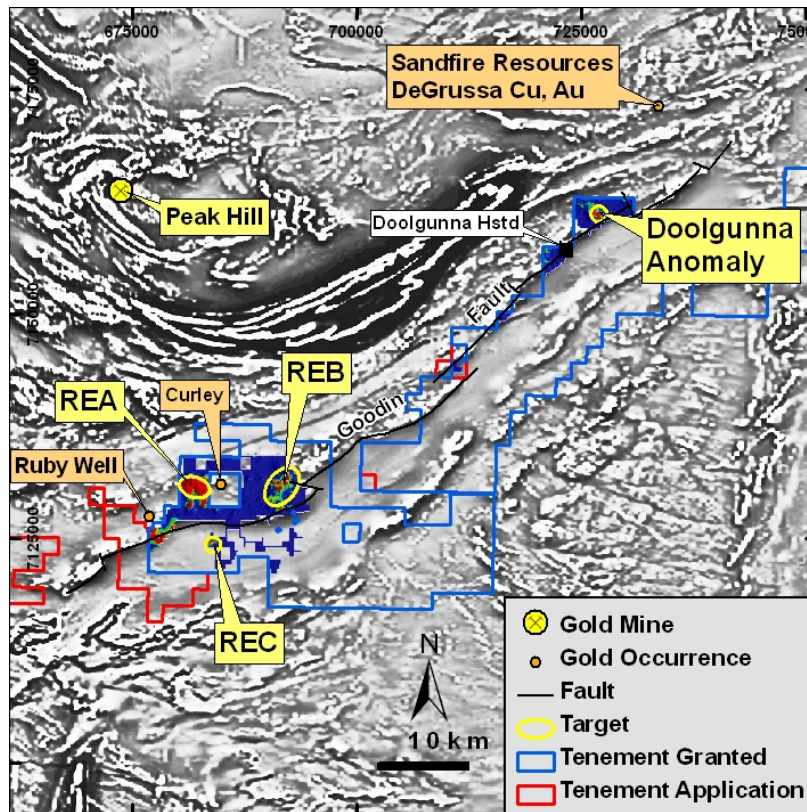


Figure 1. Magnetic Image with Geochemical Targets

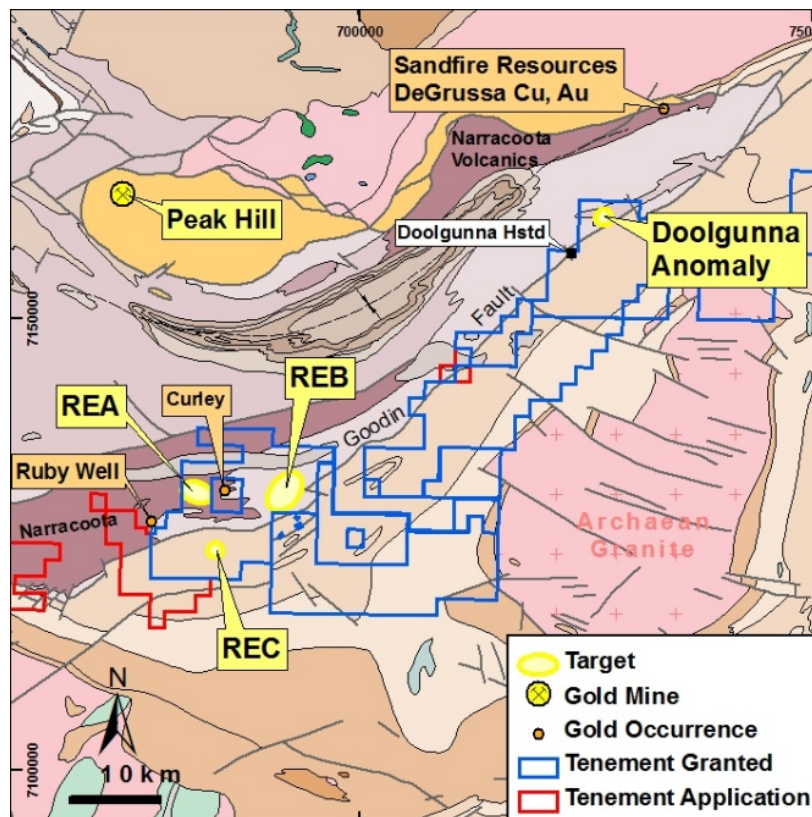


Figure 2. Geology Plan and Geochemical Targets

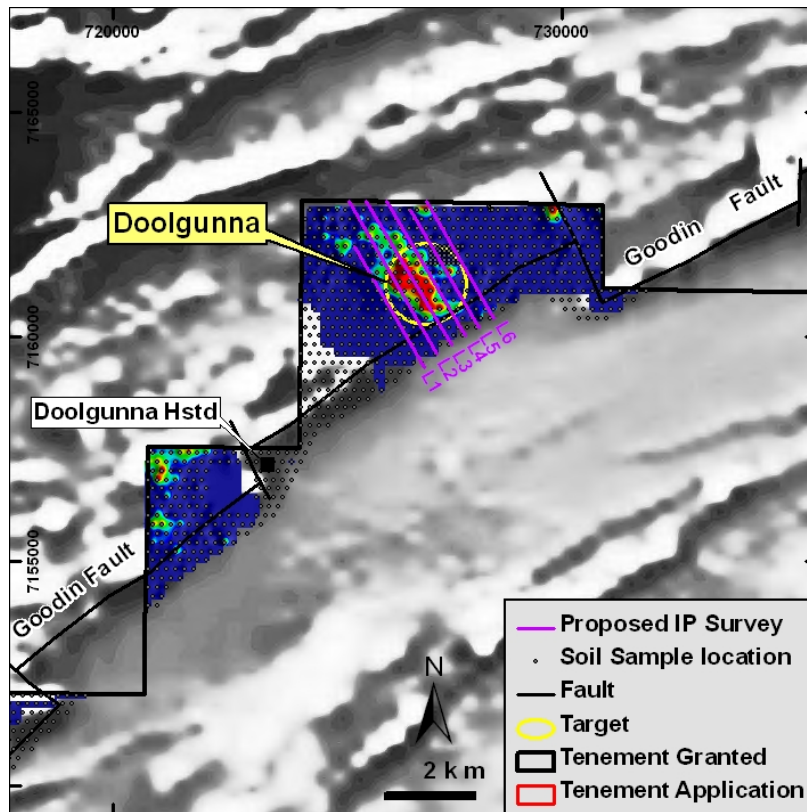


Figure 3. Magnetic Image with Doolgunna VMS Target (outlined by Silver anomaly) & proposed IP.

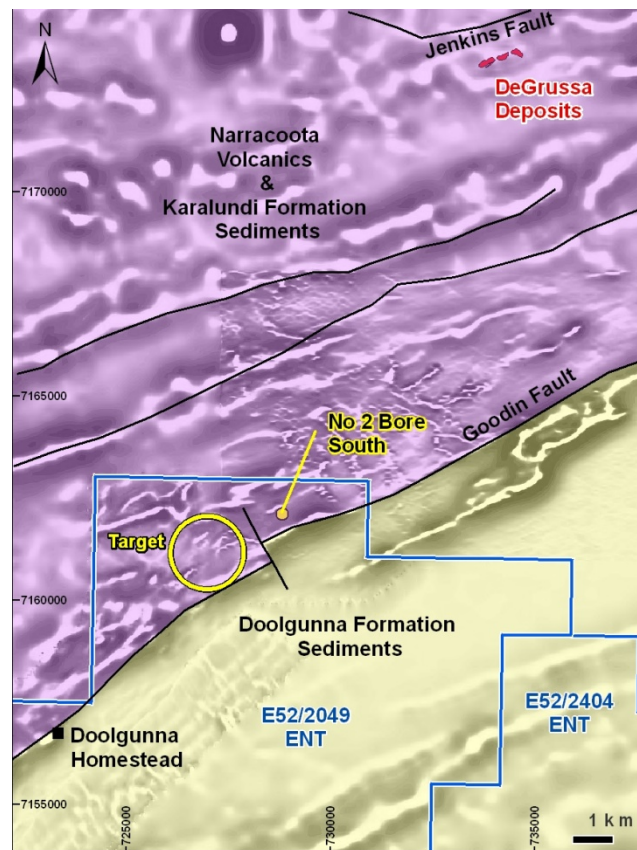


Figure 4 . Magnetic Image with Interpreted Geology & Doolgunna VMS Target

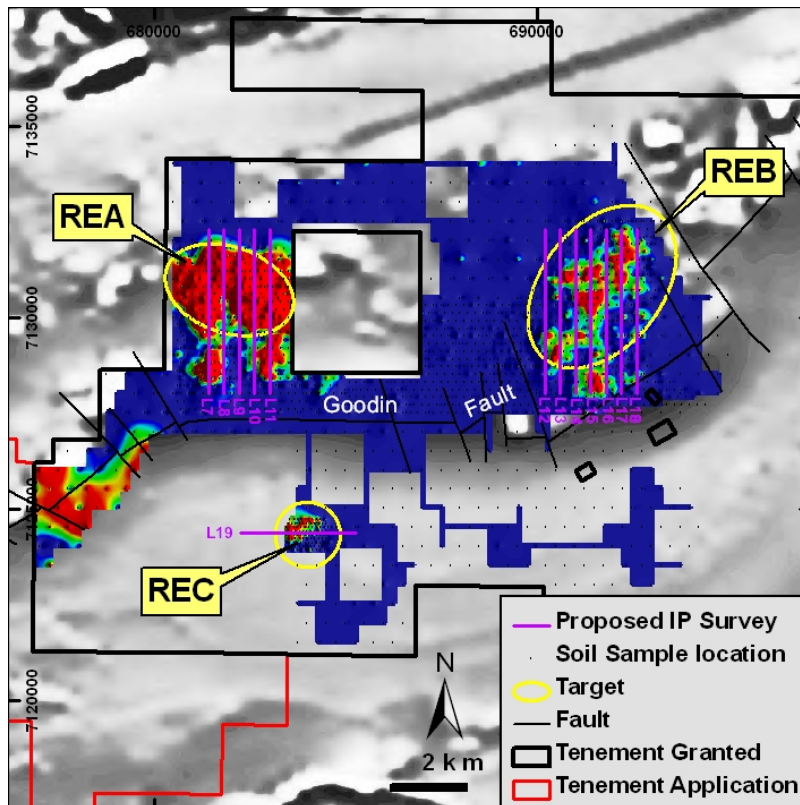


Figure 5. Magnetic Image with VMS Targets (outlined by Silver anomaly) & proposed IP Surveys

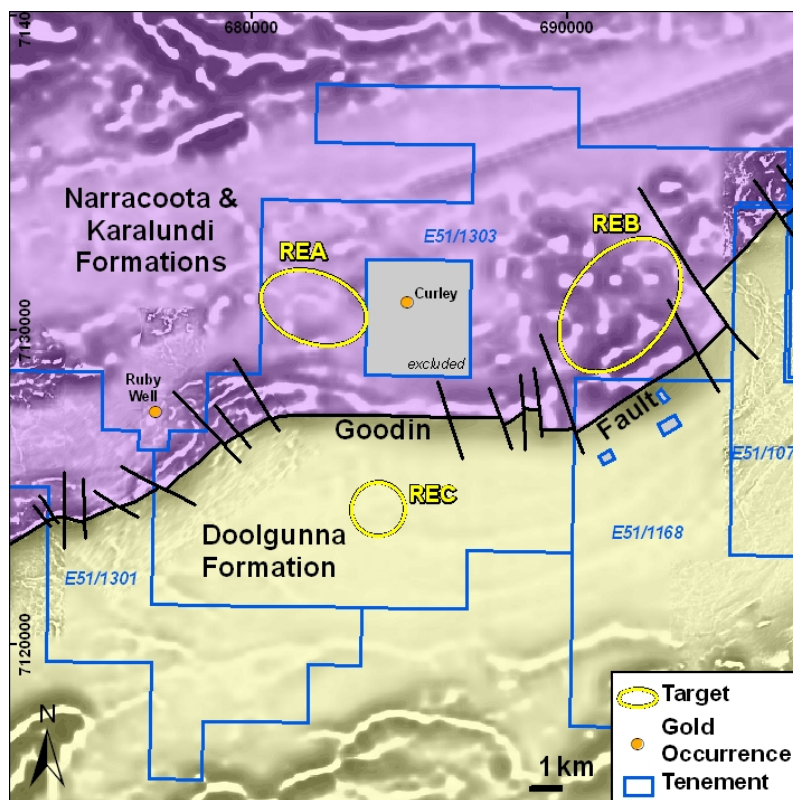


Figure 6. Magnetic Image with Interpreted Geology & VMS Targets



ENTERPRISE METALS LIMITED

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.