



DRILL TARGETS IDENTIFIED BY IP SURVEY AT DOOLGUNNA

- **Three drill targets identified from IP survey**
- **IP targets associated with anomalous geochemistry**
- **Infill IP required to refine drill hole locations**

BACKGROUND

Enterprise Metals Limited (“Enterprise” or “the Company”, ASX: “ENT”) wishes to advise that it has completed the first of 4 Induced Polarisation (“IP”) surveys over its base metal soil targets at Doolgunna. Six lines at 400 metre line spacing (26.3 line km of 100m dipole-dipole IP) were designed to follow-up a discrete and co-incident silver, arsenic, tin, gold and tellurium geochemical anomaly lying over Narracoota Formation volcanics adjacent to the Goodin Fault.

The IP survey has located a discrete IP target centred over the geochemical anomaly (green star), one moderate IP zone on the northern margin of the geochemical anomaly (orange zone) and a strong IP zone to the south (red zone). (See Figure 1 below) The IP response over the bulk of the geochemical anomaly is weak to moderate.

The location of the IP traverses in relation to the silver geochemical anomaly, superimposed on a first vertical derivative (VD1) magnetic image, is shown below in Figure 1.

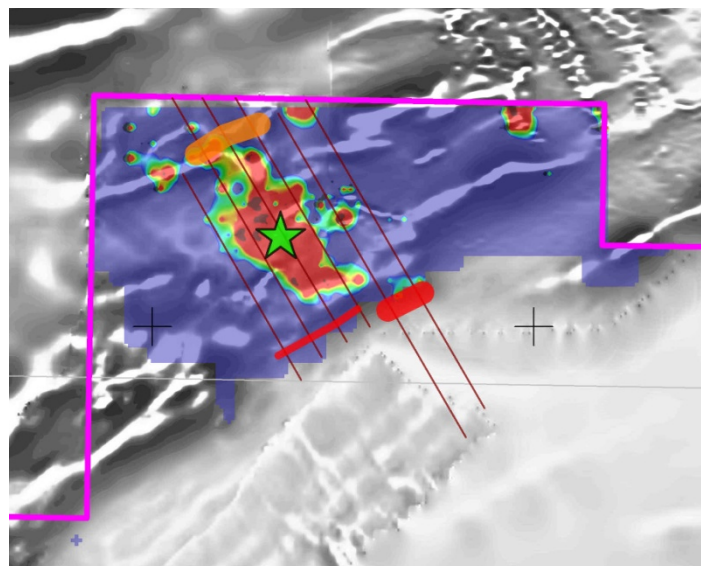


Figure 1. Doolgunna Prospect, IP Interpretation

IP surveying of the other 3 base metal soil anomalies (REA, REB & REC) in the Ruby Well area (E51/1303) has commenced.



DISCUSSION

IP surveying of the first of 4 discrete and co-incident base metal anomalies along the Goodin Fault at Doolgunna commenced in December 2010. However, heavy rain prevented completion of surveying at the Doolgunna target. The IP crew returned to site in late January 2011 and completed the survey, and also extended some lines at the Company's request.

Six lines at 400 metre line spacing (26.3 line km of 100m dipole-dipole IP) were designed to follow-up a discrete and co-incident silver (max 350ppb), arsenic (max 57ppm), tin (max 4.6ppm), gold (max 30ppb) and tellurium (max 510ppb) geochemical anomaly lying over Narracoota Formation volcanics adjacent to the Goodin Fault. The survey area is covered by approximately 50m of conductive cover. The Narracoota Formation volcanics can be characterised as being resistive. The Goodin Fault is clearly seen as major boundary to the south.

The observed IP data and 2D models are shown in Figures 3 to 8 overleaf.

On the northern end of the IP lines, the IP responses are stronger. These responses are associated with moderate conductive zones (Line 10800 at stations 33100 and 33200, Line 11200 at station 43000). This feature is shown in Figure 2 - the orange stars.

On the southern end of the IP Survey there is a strong IP response seen on all lines. Lines 11600 and 12000 were extended to fully resolve this response. The IP response is also associated with a change in resistivity, becoming less resistive to the south. This strong IP response is associated with the interpreted position of the Goodin Fault (Figure 2, the light greens stars on each of the lines in the south.) The IP response is complex with multiple sources. The most interesting response (Line 11600 at station 50000 and Line 12000 at station 59900) is associated with moderate conductive zones that abut the Goodin Fault.

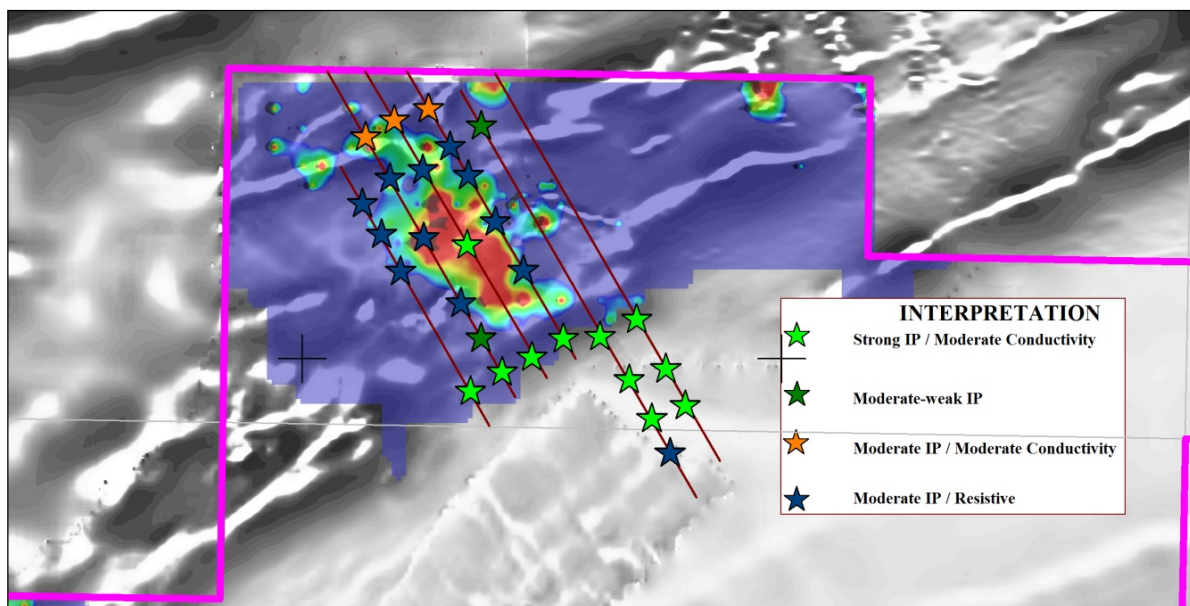


Figure 2. Doolgunna Prospect IP Lines

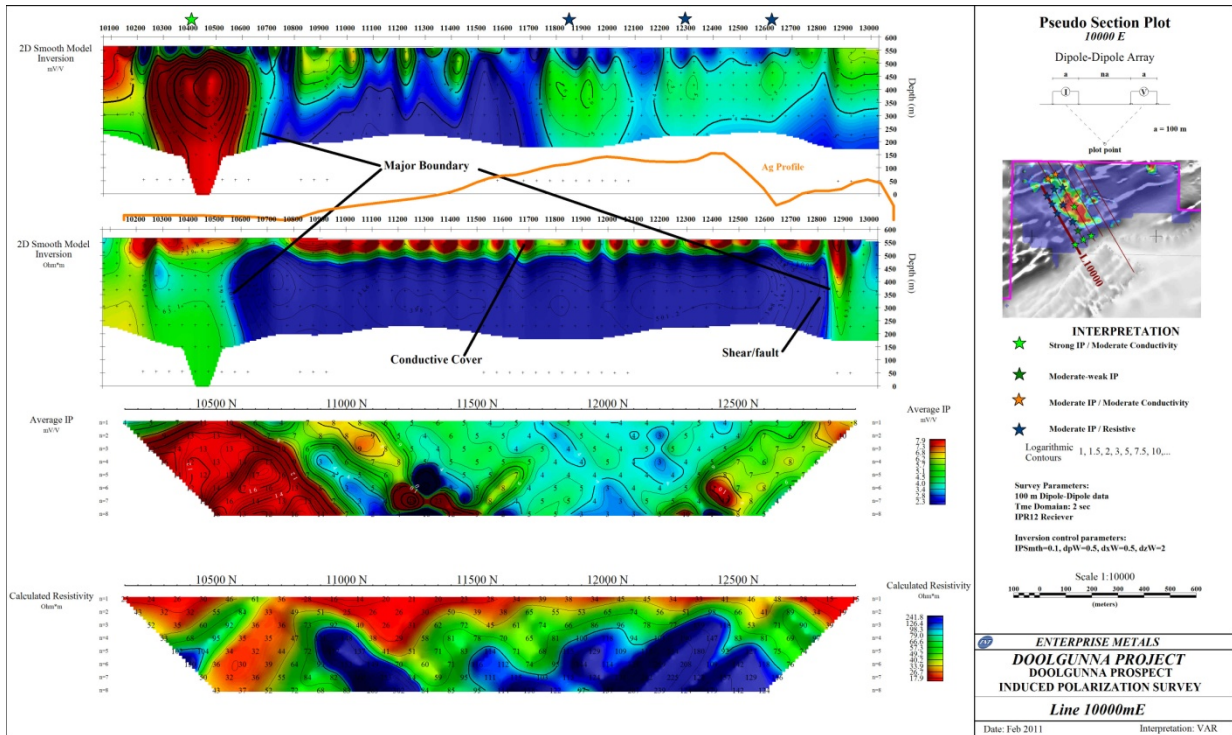


Figure 3. Doolgunna Prospect - Line 10000mE

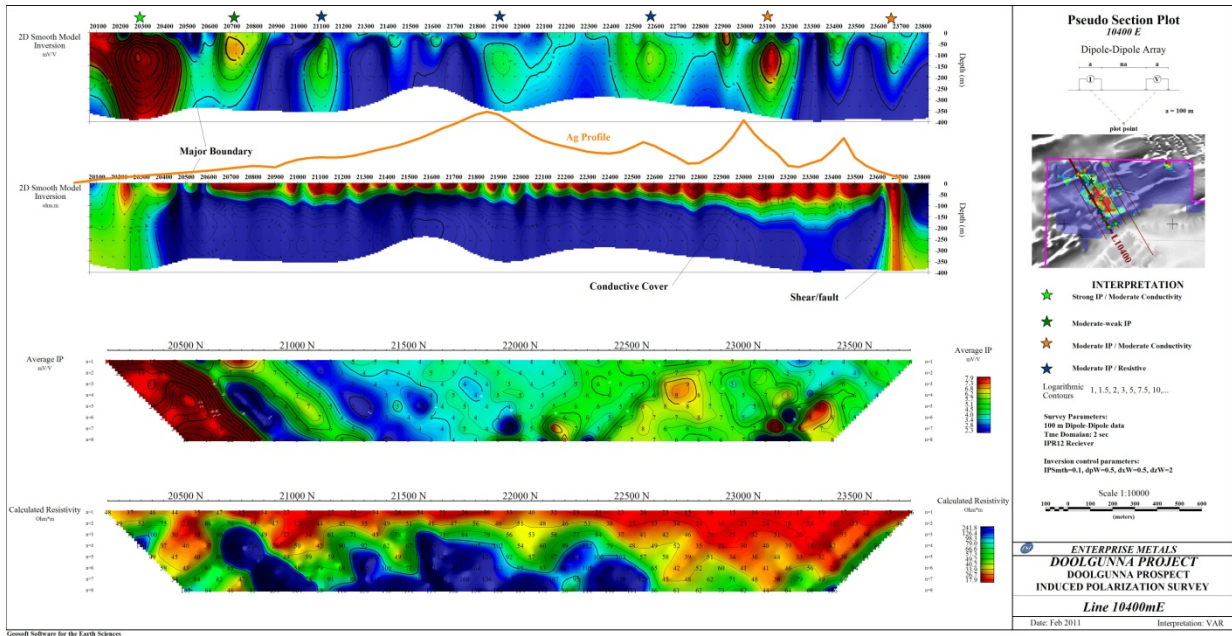


Figure 4. Doolgunna Prospect - Line 10400mE

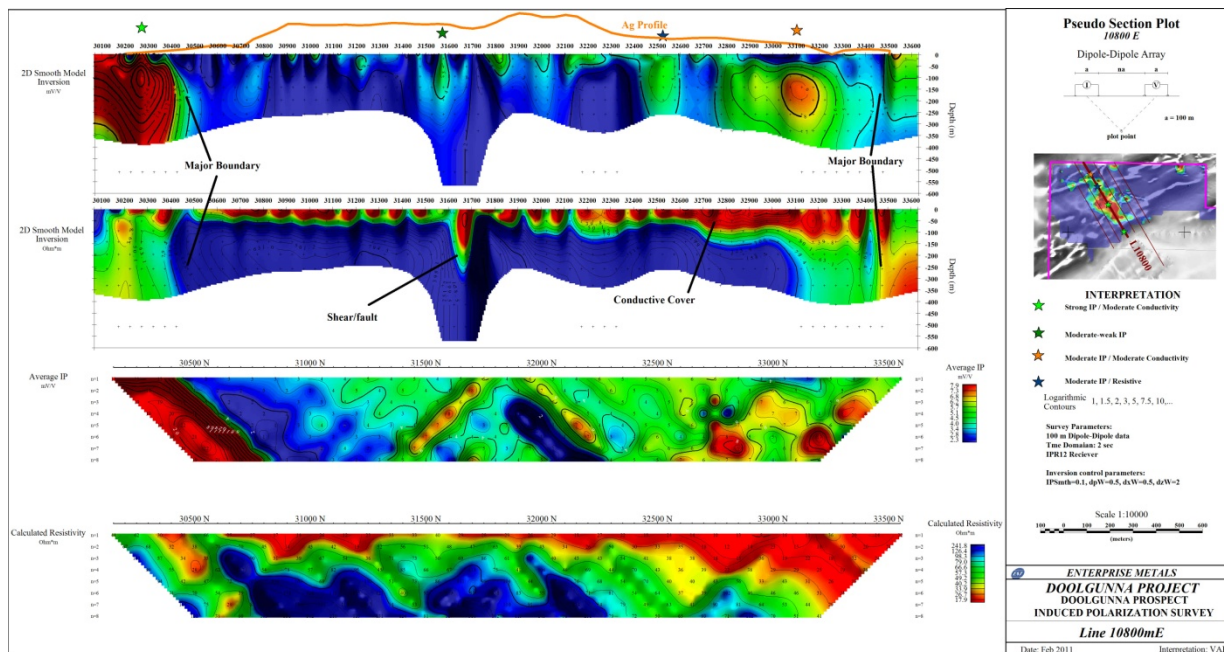


Figure 5. Doolgunna Prospect - Line 10800mE

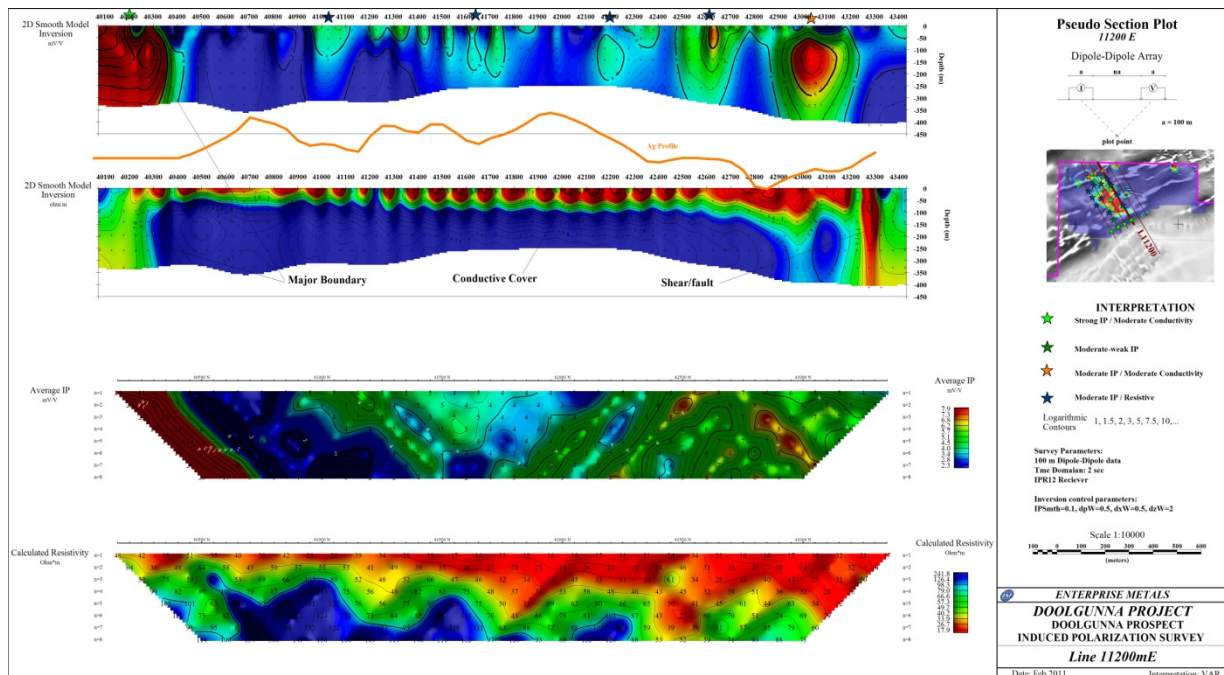


Figure 6. Doolgunna Prospect - Line 11200mE

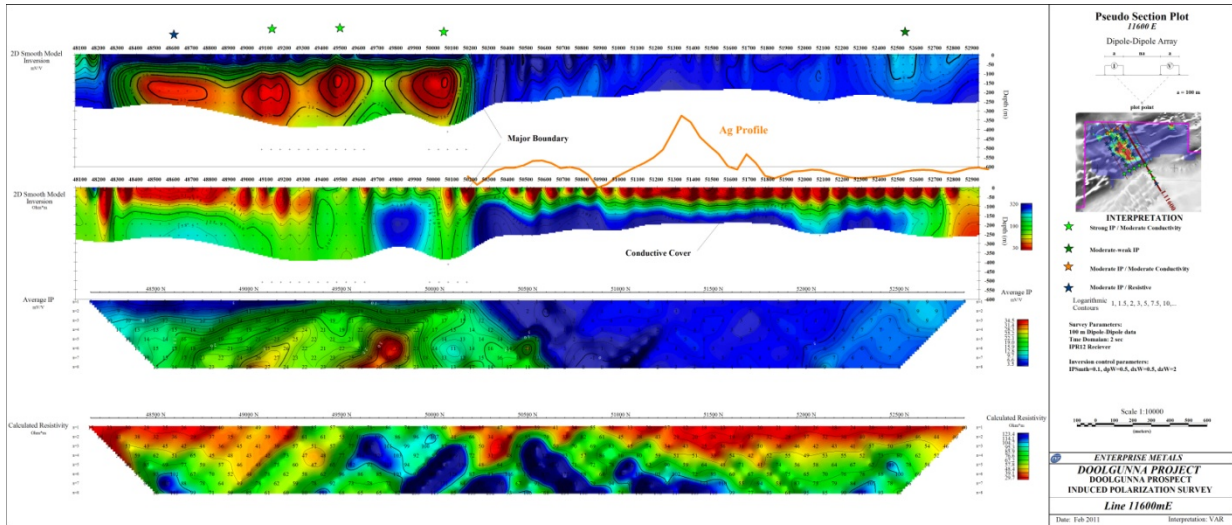


Figure 7. Doolgunna Prospect - Line 11600mE

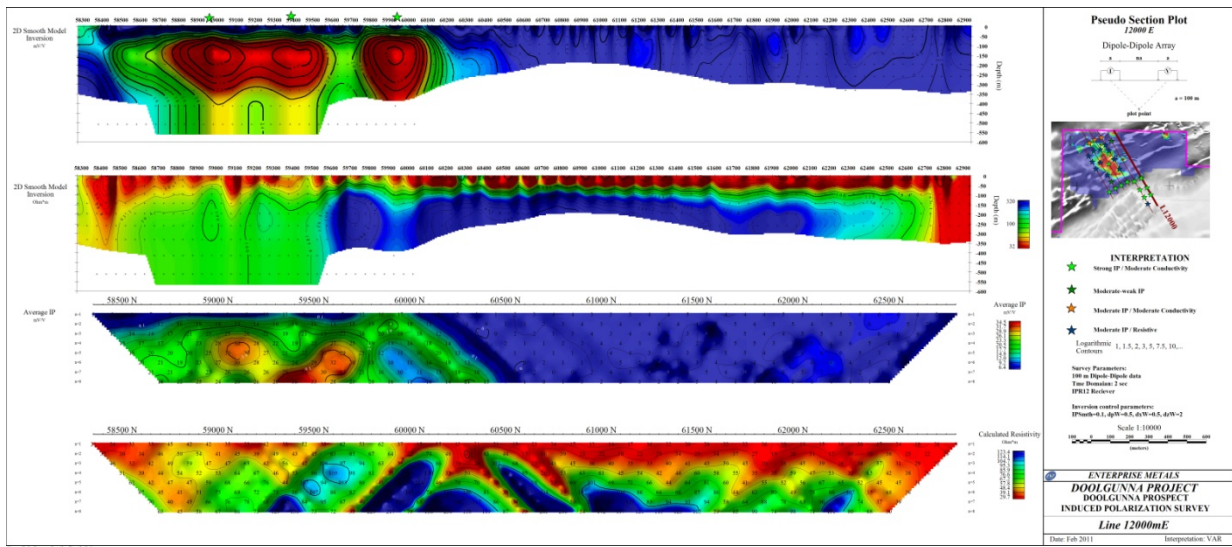


Figure 8. Doolgunna Prospect - Line 12000mE

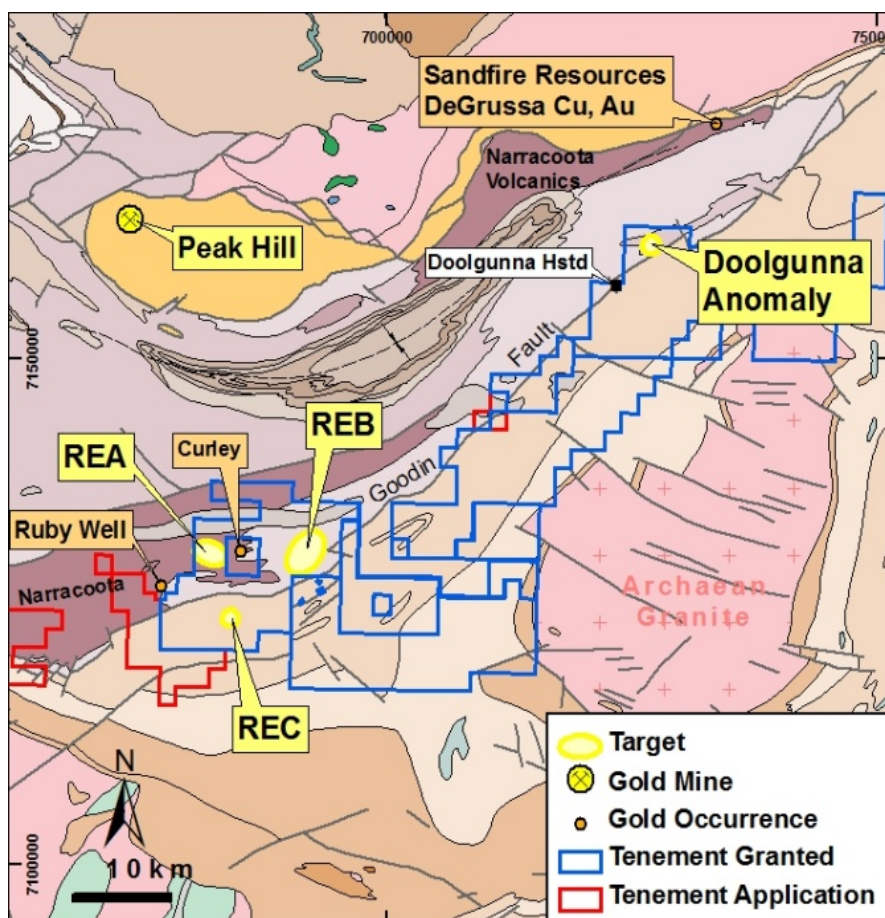


Figure 9. Regional Geology Plan Showing Tenements & Doolgunna Anomaly

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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.



ENTERPRISE METALS LIMITED