



ENTERPRISE METALS LIMITED

(ACN 123 567 073)

29 April 2011

MARCH 2011 QUARTERLY ACTIVITIES REPORT

ASX Symbol: **ENT**

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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
Booylgool

Uranium

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

ISSUED CAPITAL

Shares on Issue: 130,970,776
Shares Quoted: 130,970,776
Listed Options: 22,782,001
Unlisted Options: 5,500,000

SUMMARY

- **Sinotech and Enterprise sign Memorandum of Understanding (MOU) for placement of 62 million ENT shares at 20 cents to raise \$12.4 million for ongoing exploration. (subject to various approvals and conditions, refer detail enclosed)**
- **Doolgunna IP surveys recommenced after long delays due to rain and flooding. Three anomalies identified at first prospect area.**
- **Detailed airborne magnetic and radiometric survey completed at Burracoppin North. Buried BIF/magnetite interpreted, together with large areas of probable altered greenstone, prospective for gold.**
- **Plans prepared and POW's lodged for RC drill testing of buried linear magnetic targets (probable BIF/magnetite and/or hematite) at Burracoppin South.**
- **New 617km² iron ore tenement granted at Earraheedy. Nine large palaeochannels with potential for channel iron deposits and/or detrital iron deposits interpreted from existing aeromagnetics.**
- **Detailed airborne magnetic and radiometric surveys completed at Fraser Range, Harris Lake and Darlot Projects.**

1. SUMMARY OF EXPLORATION ACTIVITIES

DOOLGUNNA PROJECT

The Doolgunna Project covers 1,332km² and is located approximately 110km northeast of Meekatharra and some 10km southwest of Sandfire's DeGrussa discovery. The project is considered prospective for volcanogenic massive sulphide and stratabound base metals and mesothermal- stockwork gold.

In late 2010 the Company mobilised a geophysical contractor to site to commence ground IP surveys over the three multi-element geochemical anomalies defined by detailed soil sampling. Due to heavy rain across the district, the IP surveys were delayed until late January.

As reported to the ASX on 15th February 2011, a total of six lines at 400m line spacing (26.3 line km of 100m dipole-dipole IP) were completed following up a discrete and coincident 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.

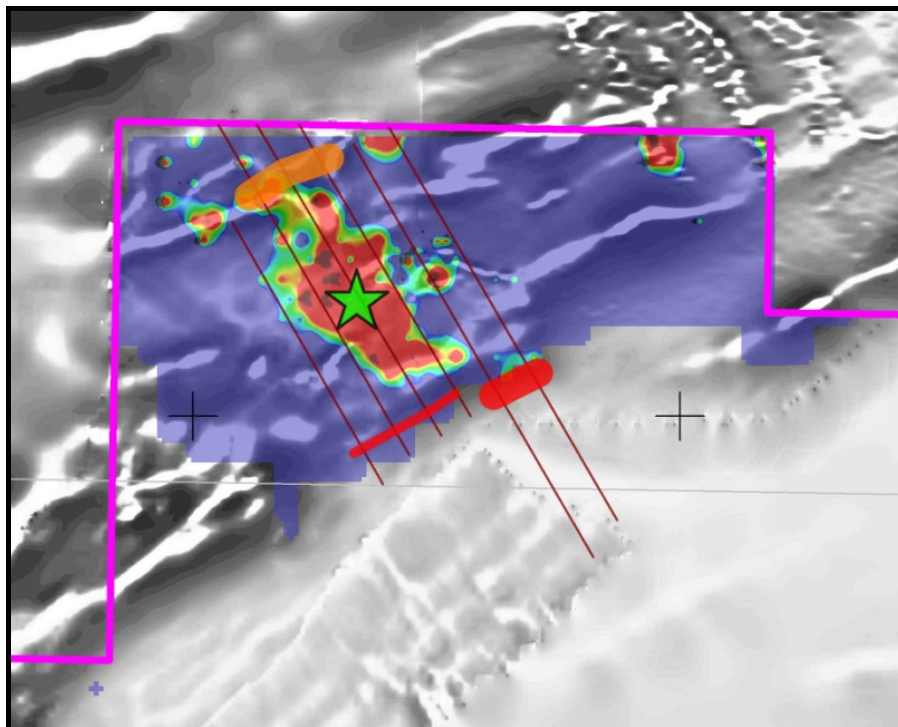


Figure 1. Doolgunna Project - IP Interpretation over Silver Geochemical Image

The IP programme is continuing over the remaining geochemical anomalies and is expected to be completed by early May. Once all the data has been received, processed and interpreted, RC drill programmes will be designed to test IP anomalies.

BURRACOPPIN PROJECT

On 25th January and 17th February 2011, the Company announced the assay results from the first and second batch of rockchip samples collected in the vicinity of aeromagnetic anomalies at Burracoppin, 280 km east of Perth. The surface sampling continued during the quarter and highlighted areas with up to 62% Fe. The samples were obtained from scattered outcrops/subcrops of goethite, goethitic banded iron formation (“BIF”), BIF proper and minor hematite.

A number of the iron rich samples (Fe > 55%, see Table 1 overleaf) also contained elevated gold, with up to 73ppb Au along strike from an old shaft at Junks.

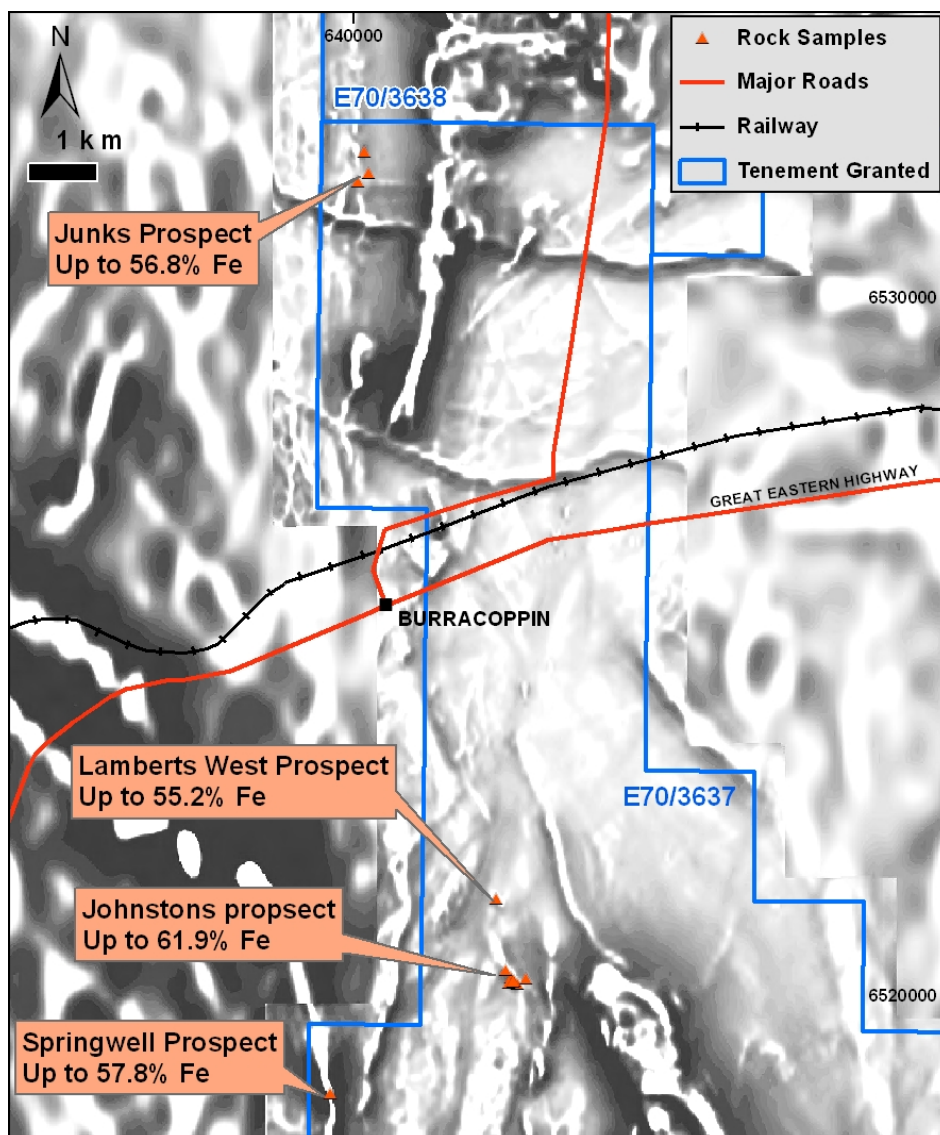


Figure 2. . Burracoppin South Survey - 1st Vertical Derivative Magnetic Image, Showing Location of High Iron Rockchip Samples

Table 1. Rock Chip Grab Samples with >55% Fe and Elevated Gold

Sample	Prospect	MGA North	MGA East	Fe %	Au ppb
E013628	Johnstons	6520255	642259	58.36	5
E013630	Johnstons	6520177	642286	56.03	6
E013631	Johnstons	6520157	642336	58.47	4
E013635	Johnstons	6520208	642297	55.47	8
E013644	Johnstons	6520234	642463	61.98	4
E013646	Johnstons	6520172	642214	56.53	4
E013650	Johnstons	6520194	642278	57.18	2
E013657	Johnstons	6520363	642176	60.95	24
487	Junks	6531657	640059	56.51	73
E013977	Junks	6532074	640144	56.84	15
E013995	Junks	6531769	640213	55.15	19
549	Lamberts West	6521389	642032	55.23	27
E013651	Springwell	6518601	639662	57.81	6

Note: Fe was determined by X-ray fluorescence spectroscopy (XRF) on pulverised samples fused with a lithium borate flux. Detection limit for iron was 0.01%. Gold was determined by 25gm Fire Assay and Mass Spectrometry.

Despite having several small gold mines in the area, Burracoppin has experienced little effective gold exploration. The main historical workings are at Burgess and Bennetts Find and Junks Shaft. At both localities, gold is associated with BIF.

Between 1986/87, Billiton Australia Pty Ltd conducted gold exploration over soil-covered Archaean granite gneiss presumably containing mafic volcanic horizons. A stream sediment sampling programme outlined a broad drainage area with anomalous gold values greater than 1 ppb.

Follow-up soil sampling outlined three anomalous areas with up to 13.5 ppb gold. Bedrock RAB drilling below soil geochemical anomalies located two areas with elevated gold values up to a maximum of 2m at 0.37 ppm gold. Billiton concluded that the area may represent the margin of a gold mineralized system. Further work was recommended but not undertaken.

Between 1996/97, Cambrian Resources Limited explored the Archaean granite-greenstone terrain surrounding the Burgess and Bennett Find area of old gold workings. Regional RAB drilling and follow-up RC drilling intercepted sub-economic mineralisation in the vicinity of Junks shaft (2m at 2.1ppm Au).

The Burracoppin area is clearly prospective for gold as well as iron ore, and during the Quarter, 1,499 soil samples were collected across a large magnetic anomaly of unusual character west of the old Burgess gold workings.

Based on the results to date at Burracoppin South, the Company commissioned and flew a low level 100m line spaced airborne magnetic and radiometric survey over its northern

Burracoppin tenements to generate further targets for field follow up. Preliminary data show interpreted BIF units extending north of a known BIF unit at Junks Prospect.

The magnetic image also shows a NW trending structurally constrained alteration zone (where the magnetic character of the basement rocks is “washed out”) extending NW of the Edna May Gold Mine to the Dicks Reward area in Enterprise’s Exploration Licence 70/3638.

Dicks Reward is a base metal prospect with a drill intercept of 4m at 1% Pb, 0.4% Zn drilled by ACM Gold in 1989.

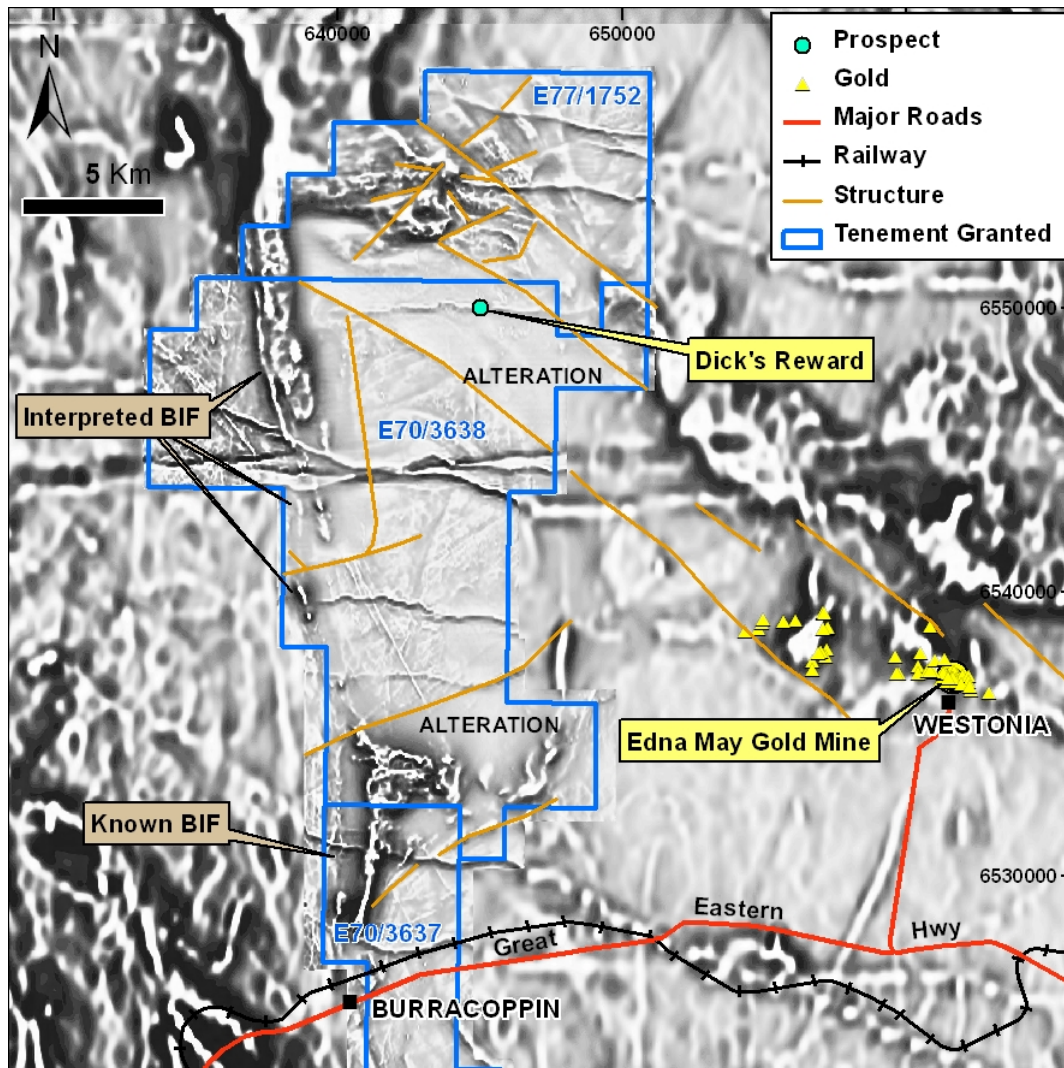


Figure 3. Burracoppin North Survey - 1st Vertical Derivative Magnetic Image, with 100m Line Spaced Data Superimposed on 400m Line Spaced Data

YALGOO PROJECT

The Yalgoo Project is located approximately 20km west of the township of Yalgoo. The Project area covers a total of 894km² and comprises five granted exploration licences, two exploration licence applications and four prospecting licence applications. The project is considered prospective for calcrete/channel hosted uranium, as well as gold and base metal mineralisation hosted in greenstone.

During the quarter, Enterprise drafted and submitted a Radiation Management Plan to the DMP Resource Safety Division (RSD). Approval of the management plan by the RSD must be received before the Programme of Work for a scout aircore drilling programme can be lodged.

FRASER RANGE PROJECT

The Company commissioned and flew a detailed high resolution airborne magnetic and radiometric survey over its Fraser Range Project, located approximately 100km east of Norseman. The survey was aimed at providing high quality data which will be used to assist geological/structural interpretation and target generation. The survey was flown at 100m flight line spacing and 8,026 line km of data was collected. The Company is awaiting the delivery of final levelled magnetic and radiometric data.

HARRIS LAKE PROJECT

During the quarter, a detailed high resolution airborne magnetic and radiometric survey was completed over the Harris Lake Project, located 200km east of Kalgoorlie. The survey was aimed at providing high quality data over a previously identified strong uranium channel radiometric feature associated with Harris Lake. The survey was flown at 100m flight line spacing and 1,026 line km of data was collected. The Company is awaiting the delivery of final levelled magnetic and radiometric data.

DARLOT PROJECT

The Company commissioned and flew a detailed high resolution airborne magnetic and radiometric survey over its northern Darlot tenements to generate further targets for field follow up. The survey was flown at 50m flight line spacing and 1,507 line km of data was collected. Data is yet to be received from the contractor, but expected to greatly assist the geological and structural interpretation of the project. The Company is awaiting the delivery of final levelled magnetic and radiometric data.

EARAHEEDY PROJECT

On 31st March 2011 the Company announced that Exploration Licence 69/2607-I, located 200km northeast of Wiluna and 800km northeast of Perth, had been granted. This is the first tenement granted in Enterprise's Earahedy Project, which is considered to have potential for channel iron deposits ("CID") and/or detrital iron deposits ("DID") concealed beneath thin Cainozoic cover.

Channel iron deposits contribute approximately 40% of all iron ore production in Western Australia, and known resources in the Robe and Yandicoogina channel systems total around 7 billion tonnes. (*Ramanaidou and Morris 2007*)

Enterprise has image processed and interpreted GSWA 400m line spaced airborne magnetic data for the Stanley 1:250,000 map sheet. Figure 4 below shows a series of major magnetic palaeochannels draining south from the banded iron formations (BIF's) of the Lee Steere Ranges along the northern margin of the Proterozoic Earahedy Basin.

These interpreted channels have the potential to CID'S and /or DID's, similar in setting and character to the Robe, Yandicoogina or Koodaideri deposit in the Hamersley Basin.

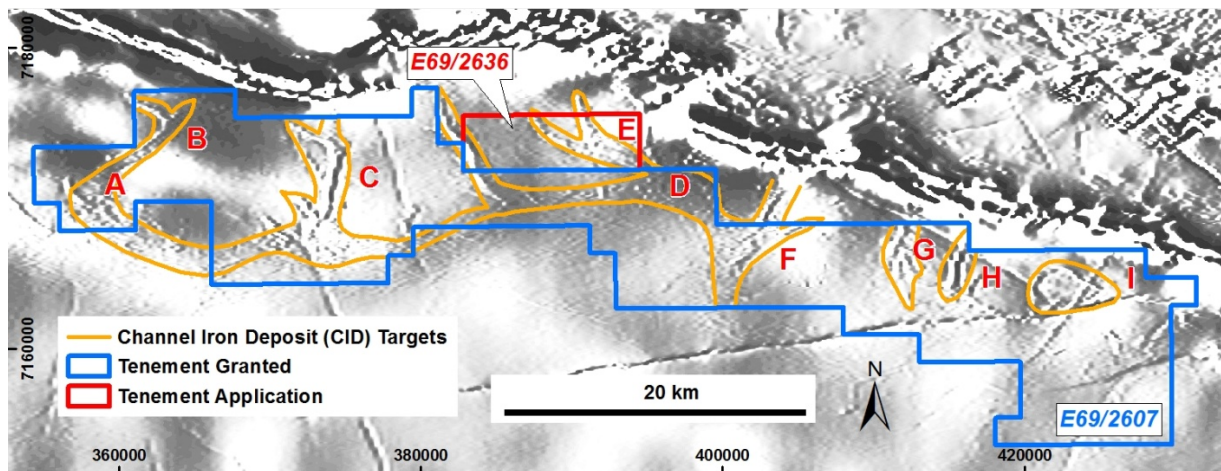


Figure 4 . Earaaheedy Project Aeromagnetic Image Showing Channel Iron Deposit Targets

Digital terrain model and gravity data for the area provide additional support for the Company's hypothesis that the large "worm like" magnetic anomalies represent palaeochannels filled with iron rich material eroded from BIF's of the Lee Steere Range.

The Earaaheedy Project is located in the Earaaheedy Basin, which has a similar size, sedimentation history and style of mineralisation to the Hamersley Basin. The northern most margin of the basin contains a BIF sequence with some similarity to the Hamersley Basin BIF's and consists of purple to black finely laminated hematitic chert up to 150m thick, which is often interbedded with minor granular iron formation and thin shale units.

Exploration by Amax Exploration (Australia) Inc. ("Amax") in the late 1970's and more recently by Giralia Resources NL (2008) in the Miss Fairbairn Hills area of the northern Earaaheedy Basin, NW of Enterprise's tenements, resulted in the location of widespread areas of hematite enrichment of these BIF's, with surface grades up to 66% Fe and substantial drilled thicknesses of +55% Fe. These results have confirmed that deep penetrative hematite enrichment of the BIF's of the northern Earaaheedy Basin has taken place. (*Giralia Resources NL website, 2011*)

It is the erosion and deposition within channels of these enriched BIF's that Enterprise Metals Ltd sees as a major target within its Earaaheedy project area.

The Company plans to complete detailed aeromagnetic surveys over the interpreted iron rich channels in the next Quarter, and then select the largest of the channels for detailed gravity surveying and profiling. RC drill testing will follow, to determine depth and widths of channels, iron content, and metallurgical characteristics.

3. CORPORATE (including matters post 31 March 2011)

Exercise of Burracoppin Resources Option Agreement

On 9th March 2011 the Company announced that it has agreed to exercise the Option to acquire a 100% interest in Burracoppin Resources Pty Ltd, whose main asset was two granted exploration licences at Burracoppin. As well as these tenements, Burracoppin Resources Pty Ltd also had a 100% interest in several tenements in the Yandal greenstone belt, and one tenement in the Fraser Range that was prospective for uranium.

The Consideration for the acquisition of Burracoppin Resources Pty Ltd was the issue to the Shareholders of Burracoppin Resources Limited 4,000,000 ordinary fully paid Enterprise Metals Limited Shares and a 1.5% Royalty on the Gross Return generated from sale of any Product from the Royalty Tenements.

SinoTech Placement MOU

On the 28th April 2011 the Company announced that it had entered into a Memorandum of Understanding (“MOU”) with SinoTech (Hong Kong) Corporation Limited (“SinoTech”) for the placement of 62 million Enterprise shares at 20 cents to raise \$12.4 million for ongoing exploration.

SinoTech is a subsidiary of Sinotech Minerals Exploration Co., Ltd., a major Chinese exploration and mine development company. Sinotech has mineral exploration projects in mainland China and more than 10 countries worldwide. Its major shareholder is Beijing Institute of Geology for Mineral Resources (BIGM) a Chinese government owned or controlled entity. Sinotech has a presence in most continents of the world, but subject to various approvals and conditions, Enterprise will be its first equity investment in Australia.

Enterprise will also issue SinoTech 20,000,000 unlisted options for nil consideration, with an exercise price of A\$0.25 each, and with an exercise period of two years. If 10,000,000 of the options are exercised within 12 months of the allotment date, then Enterprise will issue to SinoTech an additional 11,000,000 25 cent unlisted options for nil consideration with a 2 year exercise period.

Both Parties have agreed that the MOU is legally binding on the Parties subject to Due Diligence to be conducted by SinoTech by 20 May 2011, and to satisfaction of the Conditions in accordance with the Corporations Act 2001 (Commonwealth of Australia) (“Corporations Act”), the ASX Listing Rules, the Foreign Acquisitions and Takeovers Act and the Foreign Investment Review Board (“FIRB”) Policy of the Commonwealth of Australia, involving shareholder approvals by ENT under Listing Rule 7.1 and under section 611 of the Corporations Act.

SinoTech will nominate 2 directors to the Enterprise Board of Directors with effect from the Allotment Date and SinoTech will nominate a Deputy Chairman from one of its proposed directors. The timetable for the placement will be finalised once SinoTech’s due diligence condition has been satisfied and a subscription agreement has been negotiated by the parties.

Worldtex Placement Offer

Enterprise has also negotiated terms with Worldtex Capital Resources Ltd (“Worldtex”) for a placement of 10,000,000 Enterprise shares at an issue price of \$A0.20 per share to raise \$2,000,000. Worldtex is a private equity and investment firm registered in Hong Kong and is backed by major investors from the commercial real estate industry, and the mining and financial industry in mainland China

Worldtex has also been offered 3,225,806 options at an exercise price of A\$0.25 each exercisable within two years of the date of grant. If 1,612,903 of these options are exercised by Worldtex within 1 year of their date of grant, then Enterprise will issue to Worldtex a further 1,774,194 options at an exercise price of A\$0.25, each exercisable within two years. No application for these shares and options has been lodged at this stage and Enterprise understands that Worldtex needs more time to conduct its due diligence enquiries before any application is lodged and any agreement is reached with Enterprise to issue the securities. Negotiations are also in progress with Worldtex for the underwriting of the SinoTech placement.

Appointment of Corporate Adviser

The Company has appointed RI Capital Pty Limited (“RI Group”) as corporate adviser in connection with the proposed SinoTech and Worldtex transactions. Subject to successful completion of the SinoTech and Worldtex placements, RI Group will be entitled to a fee of 5% of the total funds raised by the placements, and 15 million unlisted options to subscribe for ordinary shares in Enterprise. The options will be exercisable within 3 years after the date of allotment of the placement shares, at an exercise price of A\$0.25.

Potential Changes to ENT Board and Management Structure

Subject to the completion of the SinoTech placement, the Enterprise Board has agreed that Mr. Eduard Eshuys will be invited to fill the casual position of Chairman of the Enterprise Board with effect from the date the placement shares are allotted to SinoTech. Mr Eshuys will be offered 5 million unlisted options to subscribe for ordinary shares in Enterprise. The Company has also agreed to negotiate consultancy arrangements with Mr Eshuys, with effect from the date the placement shares are allotted to SinoTech, for consultancy services that remain to be finalised.

Subject to completion of the SinoTech and Worldtex placements, the Enterprise Board will comprise:

Existing Board

Dermot Ryan	Managing Director
Bruce Hawley	Executive Director
Paul Larsen	Non Executive Director

Additions to Board

Eduard Eshuys	Non Executive Chairman (independent)
SinoTech nominee director	Non Executive Deputy Chairman
SinoTech nominee director	Non Executive Director
Worldtex nominee director	Non Executive Director

Issued Capital at 31 March 2011

		Exercise price	Expiry date
Shares on Issue:	130,970,776		
Shares Quoted:	130,970,776		
Listed Options:	22,782,001	25 cents	20 June 2012
Unlisted Options:	3,000,000	25 cents	22 Nov 2012
Unlisted Options:	2,500,000	50 cents	30 Jun 2013

Cash Position

The Company's cash position at 31 March 2011 was \$2.1 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:

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PROJECT LOCATIONS WESTERN AUSTRALIA 31 March 2011

