ENTERPRISE METALS LIMITED

ASX ANNOUNCEMENT **16 May 2011**

SOIL SAMPLING DETECTS GOLD AND PGE ANOMALIES AT BURRACOPPIN

SUMMARY

- **Results received from 1,300 soil samples collected over magnetic intrusive.**
- **Up to 131ppb Au, 194ppm As, 140ppm Mo & 41ppm W returned from linear magnetic zones flanking magnetic complex. (Burgess Find north and south)**
- **Up to 534ppb Pd & 34ppb Pt returned from interpreted mafic/ultramafic complex and its eastern margin.**

Enterprise Metals Limited ("Enterprise" or "the Company", ASX: **"ENT"**) wishes to announce that it has received some highly anomalous Au and Pd/Pt assay results from a batch of 1,300 -5+2mm soil samples recently collected over and around an unusual magnetic feature at Burracoppin. The magnetic feature is interpreted to be a deeply weathered mafic or ultramafic complex.

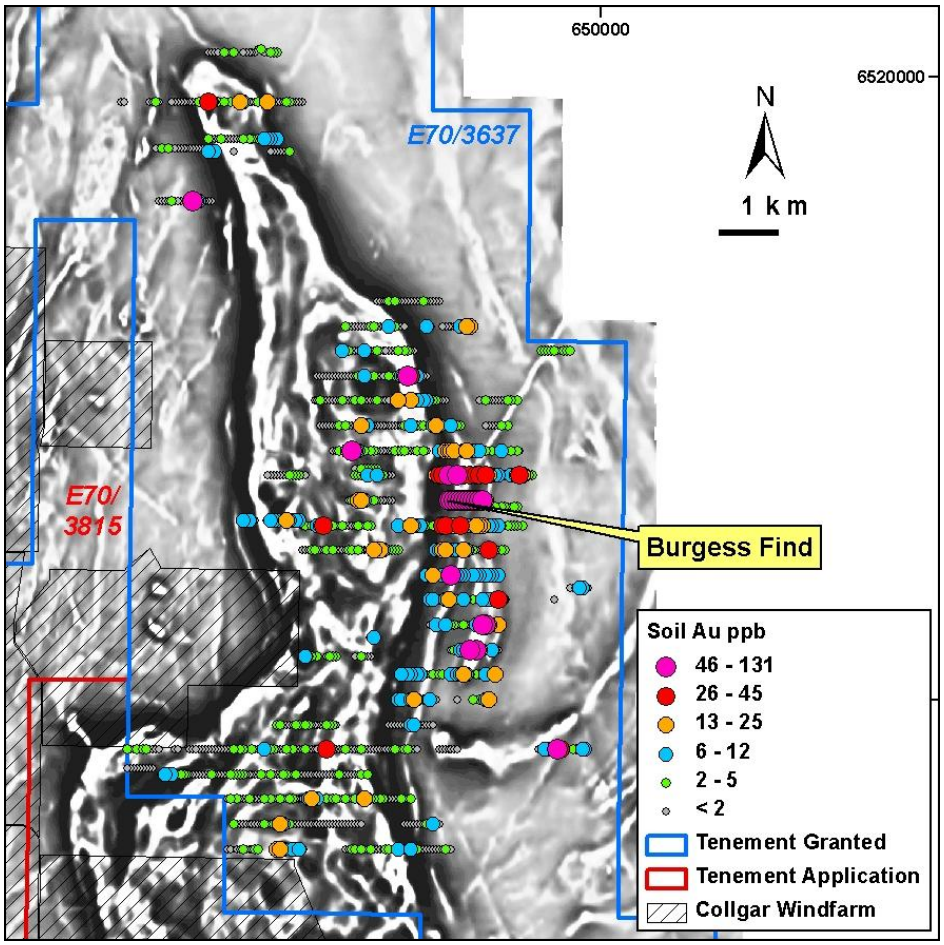

Figure 1. Soil Gold Results in ppm over 1st VD Magnetic Image

The main soil **gold anomaly** occurs over the eastern margin of the magnetic complex and has a strike length of approximately 5km. The core of the anomaly, which is centered on historical workings at Burgess Find, contains up to 131ppb Au, 194ppm As and 41ppm W, as well as Cu up to 187ppm, Bi up to 40ppm and Mo up to 140ppm. **The high wolfram (tungsten) values are particularly interesting as tungsten is reported to be associated with the nearby Edna May gold mine.**

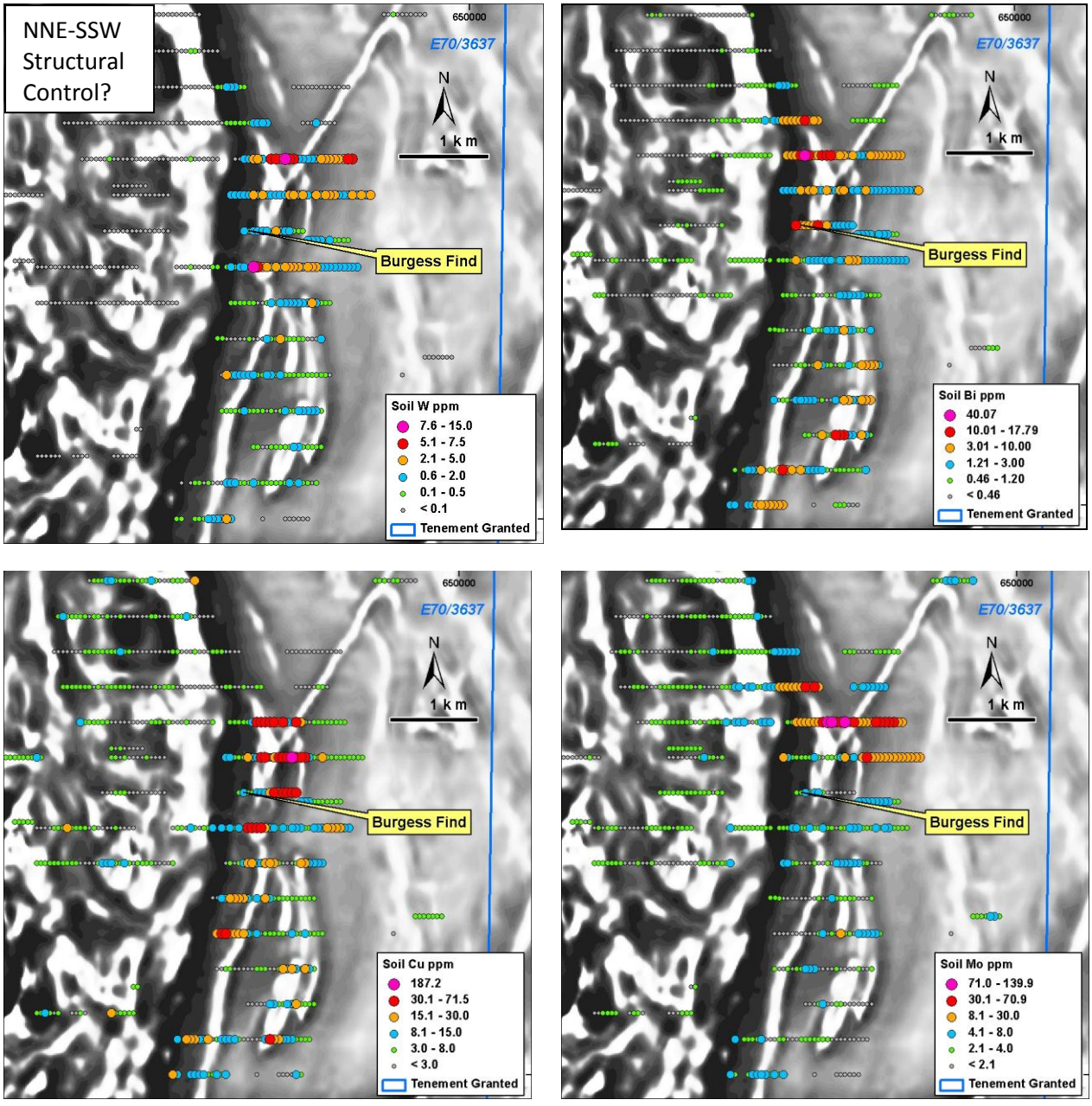

Figure 2. Images of Soil Tungsten (W), Bismuth (Bi), Copper (Cu) & Molybdenum (Mo) Geochemistry over 1st VD Magnetic Image, Burgess Find Area.

It should be noted that the results from the one line of soil sampling directly over the small historic workings at Burgess Find may be exaggerated due to surface contamination by spoil from the old workings. Nonetheless, the near coincident Au-Cu-Mo- Bi-W anomaly is significant.

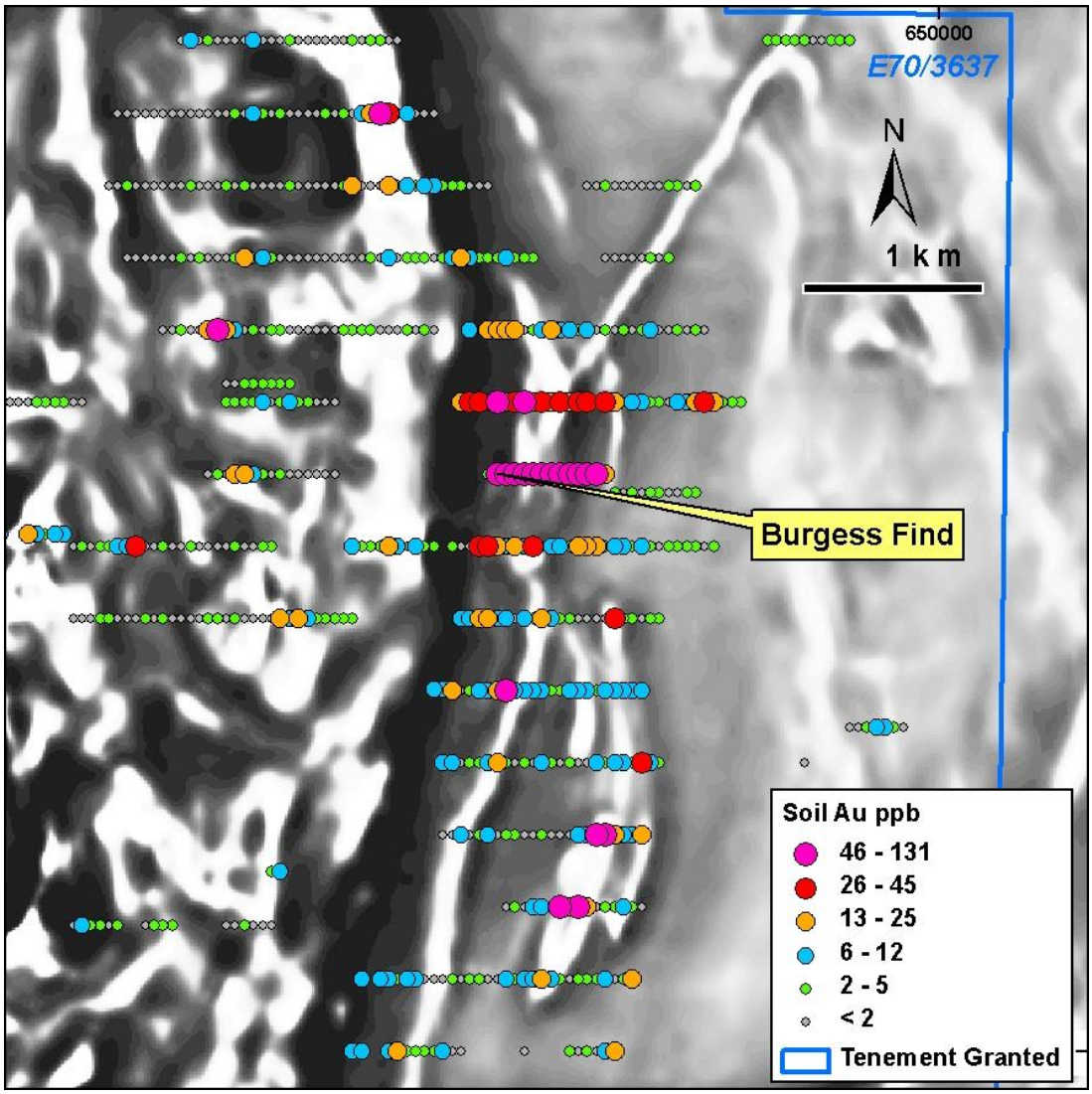

Figure 3. Enlargement - Image of Gold Geochemistry over 1st VD Magnetic Image, Burgess Find Area.

The Burracoppin project covers an area of approximately 586 $km^{2.}$ and overlies the western limb of the poorly known Archaean Westonia greenstone belt. The project is located some 15km west of the Edna May gold mine owned and operated by Catalpa Resources Limited. Despite having several small historical gold workings in the area, Burracoppin has received very little effective gold exploration. Past explorers only assayed for gold, or gold and arsenic.

Enterprise's main Au-Cu-Mo- Bi-W anomaly at Burgess Find appears to be associated with amphibolites emplaced within gneiss, close to or at the basal contact of the interpreted mafic/ultramafic complex.

At the nearby 1.2 million ounce Edna May gold mine, most gold mineralisation is hosted by an intrusive quartz-feldspar-biotite gneiss (and amphibolites). The intrusive gneiss occupies the contact between a mafic and ultramafic body and is believed to have been emplaced in a regional shear zone striking at a slight angle to stratigraphy. A major brittle-ductile shear zone

at the footwall of the gneiss is the primary structural control on gold mineralisation. The gold mineralisation is associated with quartz veins and has associated pyrrhotite, pyrite and lesser chalcopyrite, galena, molybdenite and sphalerite.

One of the surprises from the soil sampling program is the extent and tenor of the platinum and palladium results, with Pd up to 534ppb* and Pt up to 57ppb (refer Figures 5 & 6). The data is still being evaluated, but it appears that the best PGE anomalies occur on the eastern margin of the interpreted mafic/ultramafic complex, over a strike length of approximately 5km, adjacent to the gold soil anomalies. Other PGE anomalies occur within the interpreted mafic/ultramafic complex. *(*534 parts per billion = 0.534 parts per million [ppm] or 0.53 grams per tonne)*

Induced polarisation surveys ("IP") are being planned over the eastern margin of the interpreted mafic/ultramafic complex, in order to identify primary sulphide mineralisation that is likely to be associated with the Au and PGE soil anomalism. Any resultant IP anomalies will be targeted with RC drilling.

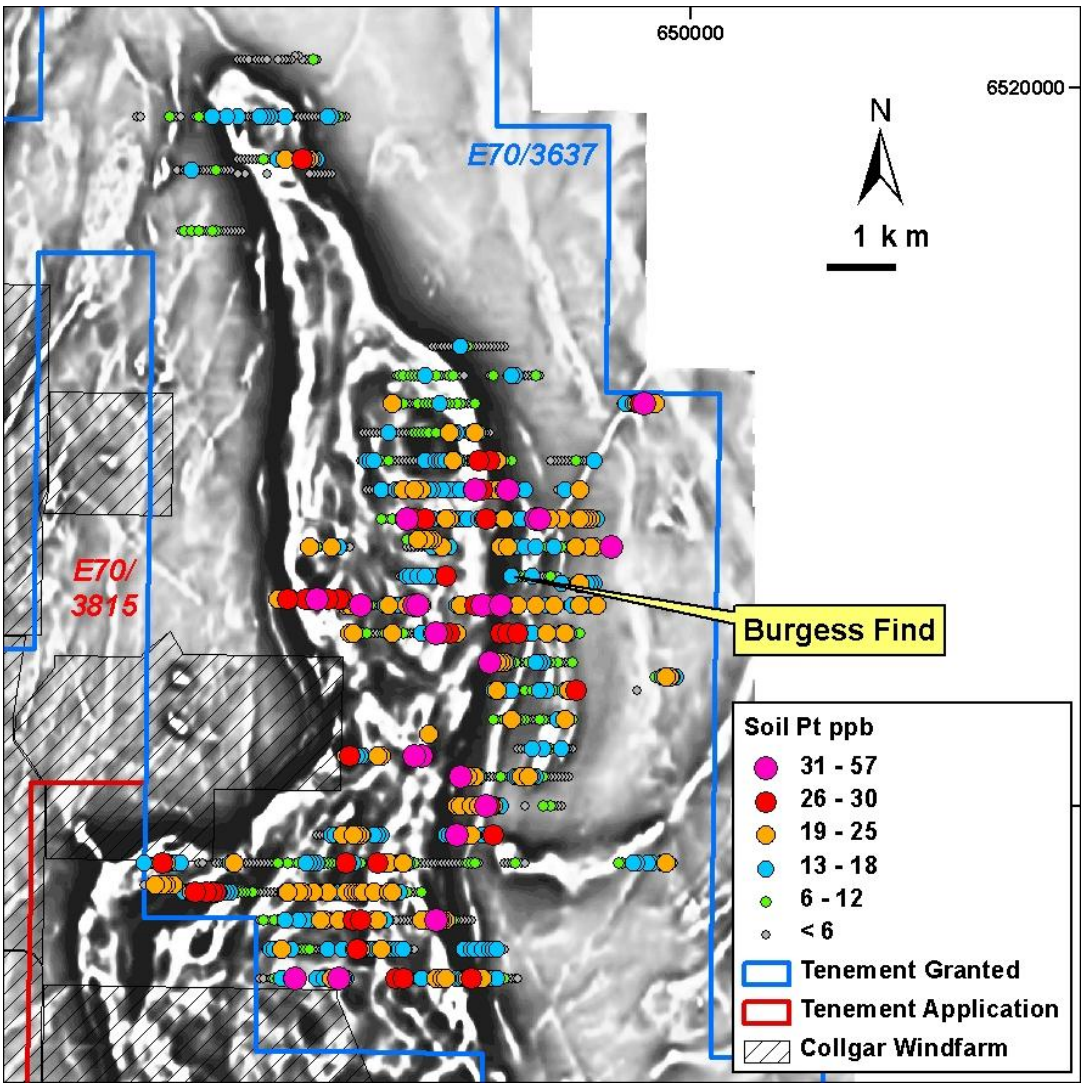

Figure 5. Image of Platinum Geochemistry over 1st VD Magnetic Image

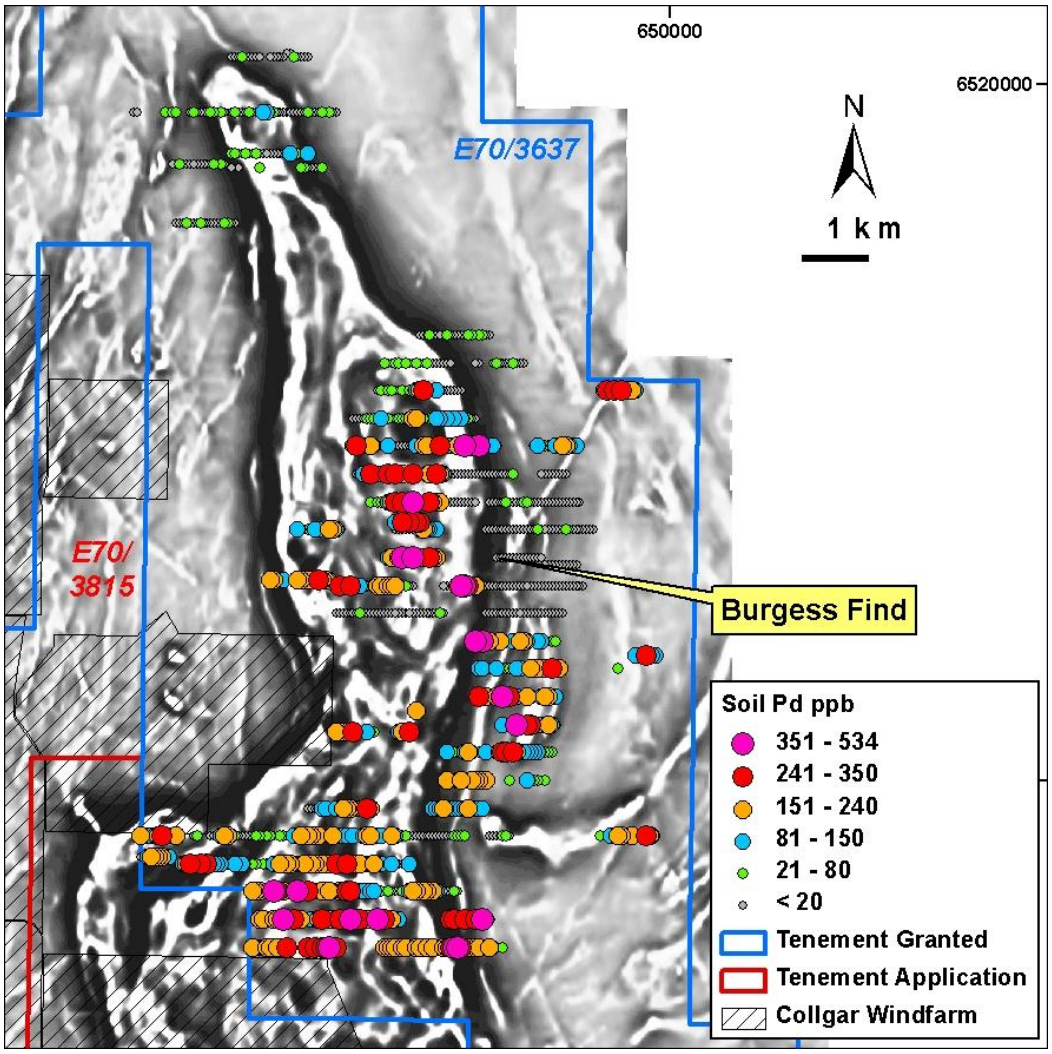

Figure 6. Image of Palladium Geochemistry over 1st VD Magnetic Image

Exploration Methodology

Samples were dug by shovel from 10–25cm depth. Locations were recovered by hand-held GPS, on an approximate 50m x 400m grid. Samples were assayed by Quantum Analytical Pty Ltd. Samples were digested by Aqua Regia prior to ICPMS analysis for Au, Ag, As, Bi, Cd, Co, Cu, Mo, Ni, Pd, Pb, Pt, Sn, Te, W, Zn, and ICPOES analysis for Fe and S. These samples were later re-assayed by Fire Assay ICPMS finish which confirmed extraordinarily high Pd, Pt and Au values obtained in the Aqua Regia analyses.

Location

The Burracoppin Project is located 280 km east of Perth in Western Australia, and lies approximately 20km east of the major farming centre of Merredin.

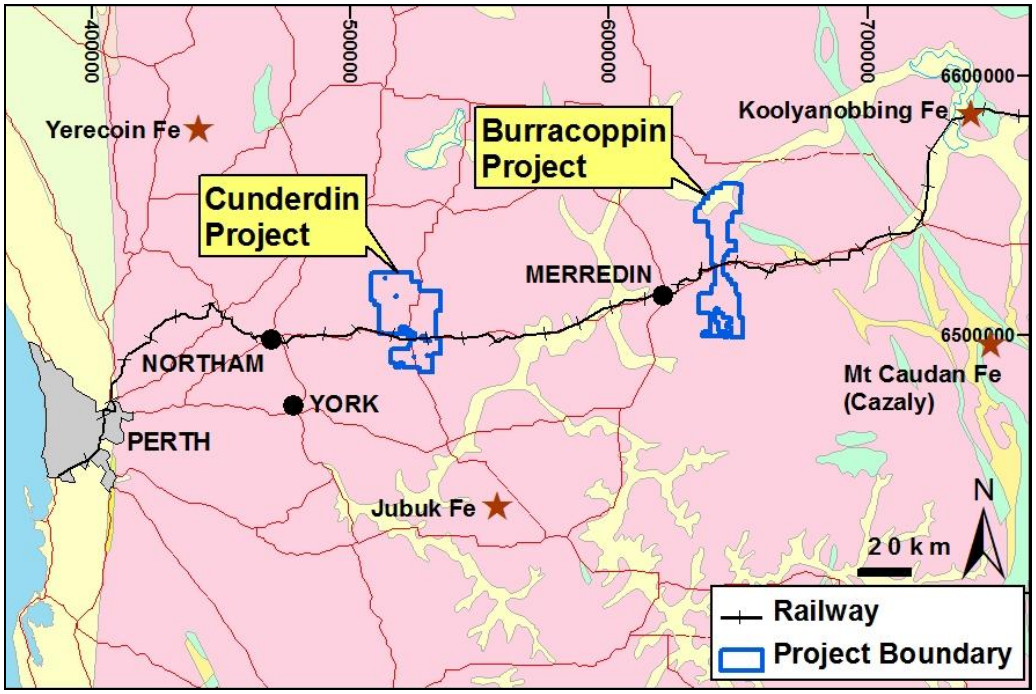

Figure 7. Location of Burracoppin Project

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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.