



# ENTERPRISE METALS LIMITED

(ACN 123 567 073)

30 April 2012

MARCH 2012 QUARTERLY ACTIVITIES REPORT

ASX Symbol: **ENT**

## CONTACT

Managing Director  
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## PROJECTS

### Iron Ore

Burracoppin  
Sylvania  
Earaheedy  
Booylgoo

### Gold/Base Metals

Doolgunna  
Darlot  
Wattagee  
Fraser Range

### Uranium

Yalgoo & Yalgoo South  
Byro  
Harris Lake  
Ponton  
Darlot

## ISSUED CAPITAL 31 MARCH 2012

Shares on Issue	203,220,776
Shares Quoted	203,220,776
Listed Options	22,782,001
Unlisted Options	63,725,806

## HIGHLIGHTS

- Assay results from the 2011 RC program at Doolgunna returned a maximum intersection of 8m @ 1.01% Cu from 144m in DGRC007. Follow-up aircore drilling (126 AC holes) to commence mid May.
- Burracoppin RC drilling program completed at Burgess Find, returned several narrow, moderate to high grade gold results including: 1m @ 10.50g/t Au, 3m @ 3.16g/t Au.
- Darlot RC and AC drilling completed. RC holes intersected two zones containing silica-chlorite alteration zone with sulphides. Assay results awaited.
- Yalgoo AC drilling program targeting calcrete uranium completed. Assay results awaited.
- Booylgoo rockchip sampling returned high iron grades up to 65% Fe from hematite/goethite outcrop.
- New Yalgoo South Uranium Project (8 tenements for 1,543km<sup>2</sup>) pegged over extensive drainage systems with anomalous airborne radiometric responses.
- New tenement applications increase Byro project land holdings to 2,755km<sup>2</sup>. The Company now controls a 200 kilometre stretch of the Murchison River valley and surroundings which is prospective for uranium and iron ore (magnetite).

## CORPORATE

- Mr Paul Larsen resigned from the Board and Dr Allan Trench appointed as non-executive Director on 3 April 2012.
  - Cash of \$10.17 million at 31 March 2012.

## 1. SUMMARY OF EXPLORATION ACTIVITIES BY PROJECT

### DOOLGUNNA PROJECT

The Company completed an RC drilling programme in late 2011 (31 holes for 5,049m over three prospects) with all assays results returned in early 2012. The drilling successfully tested coincident IP and elevated coincident multi-element surface geochemical anomalies in Narracoota Formation volcanics and associated sediments adjacent to the Goodin Fault.

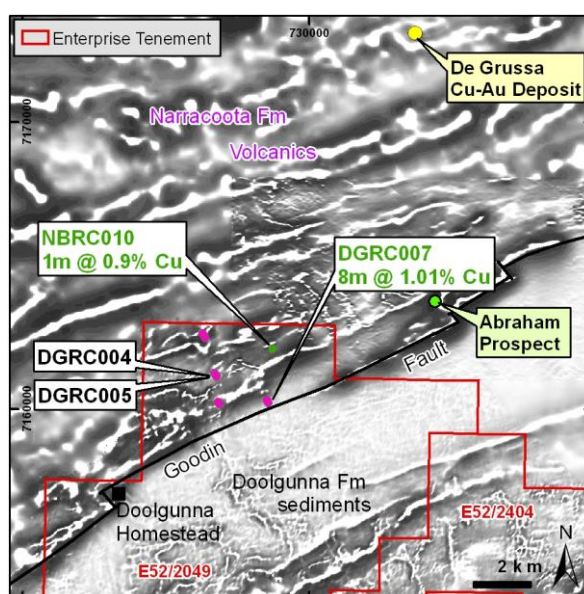
At the **Doolgunna Prospect**, 10 RC holes (total 1,518m) were drilled which confirmed the presence of sulphide mineralisation at depth. RC drillhole **DGRC007**, drilled to test an IP anomaly in close proximity to the interpreted position of the Goodin Fault returned **8m @ 1.01% Cu, 1.6g/t Ag and 16.5 ppm Bi from 144m**. The copper occurs as disseminated chalcocite hosted in fresh volcanics with associated quartz veining. DGRC007 is the first drill test of the prominent linear IP target located close to the Goodin Fault. Significant results (refer ENT: ASX release 23 January 2012) are summarised in Table 1 below and drillhole locations are shown on Figure 1.

**Table 1: Doolgunna Prospect - Summary of Significant Drilling Results**

Drillhole	From (m)	To (m)	Int (m)	Au (g/t)	Cu (ppm)	Description
DGRC003	52	56	4	0.23	-	Oxide zone (saprolite)
DGRC004	16	101*	85	-	344	Basalt
DGRC005	12	150*	138	-	252	Basalt
<b>DGRC007</b>	<b>144</b>	<b>152</b>	<b>8</b>	-	<b>1.01%</b>	Volcanic (pyroclastic ?)
DGRC010	132	136	4	0.4	-	Basalt/Dolerite

\* denotes end of hole.

The Company has now planned a grid based vertical aircore ("AC") drilling program (126 holes) in the vicinity of the Doolgunna Prospect to determine the extent and grade of the secondary oxide copper mineralisation at the base of weathering, which could lead to the location of more extensive primary sulphide mineralisation at depth. This AC drilling program is planned to start mid-May.



**Figure 1: Doolgunna Prospect, Drillhole Collar Locations over Magnetics**

## BURRACOPPIN PROJECT

At Burracoppin, a 10 hole RC drilling program (total 1,326m) targeting gold mineralisation associated with the historic Burgess Find gold workings was completed in late March. A further 6 RC drillholes (total 876m) tested two linear aeromagnetic features for iron ore potential at the Spring Well prospect. The drill hole locations are shown in Figure 2.

The Burgess Find drilling targeted depth extensions to historic shallow high grade drilling results (e.g. **4m @ 11.0 g/t Au from 13m**, **3m @ 9.3 g/t Au from 32m**, **5m @ 4.57 g/t Au from 38m**). This mineralisation commonly occurs as oxide/supergene gold accumulations just above the base of weathering. Anomalous results from the Enterprise RC program are given below, and all mineralised intervals (>0.5 g/t Au) and drill hole collar locations are shown in ASX:ENT release 26 April 2012.

<b>BURC033</b>	<b>1m @ 10.50g/t Au from 54m</b>	The assay results indicate that the Enterprise drill holes have intersected narrow, moderate to high grade gold in fresh rock below or down dip of the targeted oxide/supergene gold.
<b>BURC033</b>	<b>9m @ 0.56g/t Au from 70m</b>	
<b>BURC034</b>	<b>1m @ 4.96g/t Au from 72m</b>	
<b>BURC038</b>	<b>3m @ 3.16g/t Au from 25m</b>	
<b>BURC039</b>	<b>6m @ 1.65g/t Au from 102m</b>	

All of the anomalous gold intersections are associated with chloritised intervals with varying amounts of quartz veining and disseminated pyrrhotite. To date, the RC drilling targeting gold mineralisation has focussed on the eastern margin of a large complex aeromagnetic feature in the centre of E70/3637, see Figure 2. However, only 3km of the entire 15km eastern margin of the large complex aeromagnetic feature has been tested. Further evaluation of this eastern margin and the western margin is required.

The RC drilling at Spring Well targeted two intense linear magnetic features, the western feature being associated with sub-cropping banded iron formation (BIF) in granitic/gneissic lithologies, see Figure 2. The drilling intersected several narrow BIF units within “magnetic” mafic gneiss, which explains the magnetic features, but no DSO iron ore was encountered.

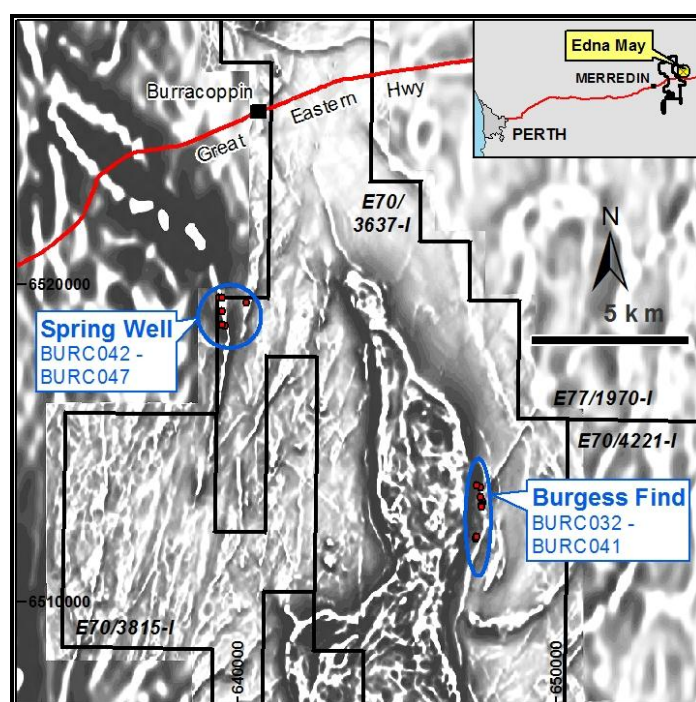


Figure 2: Burracoppin Project, RC Drilling Location over Aeromagnetic Image

## **DARLOT PROJECT**

Following a heritage survey towards the end of the Quarter, a 14 hole RC drilling program (total 2,333m) and a 63 hole aircore drilling program (total 1,721m) were completed at the Withers Find - Little Yanbo prospects. The RC drilling was targeting chargeable Induced Polarisation (“IP”) anomalies down dip and adjacent to saprolite hosted oxide gold mineralisation, intersected in previous shallow drill holes. This known oxide mineralisation is essentially untested by deeper drilling.

The RC drilling intersected two 10m intervals with strong silica-chlorite alteration containing disseminated pyrite. A 3m pyritic-pyrrhotitic black shale unit hosted within mafic volcanics was also intersected and coincides with one of the strong IP features. All assay results are pending.

Four regional aircore traverses were completed east of the main Withers Find-Little Yanbo mineralised shear corridor targeting possible parallel shears identified in aeromagnetic data. Numerous holes intersected quartz veining associated with mafic lithologies, while minor shearing was observed in several holes. All assay results pending.

## **YALGOO PROJECT**

At the Mucca Burna uranium prospect west of Yalgoo, a 115 hole aircore drilling program (total 6,366m) was undertaken following the completion of a baseline radiation survey and two heritage surveys. The drilling targeted calcrete uranium mineralisation (up to 418 ppm U in rockchip samples) and possible sandstone hosted uranium mineralisation associated with a large palaeodrainage channel identified from the Company’s airborne radiometric survey.

Downhole geophysical gamma logging is currently in progress, and 24 samples with elevated uranium values (>25eU ppm) from a handheld spectrometer have been submitted for analysis. All assay results are pending. Some \$20,000 of the direct drilling cost of this program is to be supplied by the WA Government’s “Co-funded Drilling Program”.

## **EARAHEEDY PROJECT**

A 139 RC drilling program along 14 traverses has been planned targeting extensive iron rich palaeochannels identified in the Company’s detailed aeromagnetic survey. A Program of Work has been submitted to the DMP, and approval to commence is awaited. The commencement of a heritage survey is also awaited.

## **BOOYLGOO PROJECT**

The Company completed a detailed (100m line spacing, 50m mean terrain clearance) airborne magnetic/radiometric survey at its Booylgoo Range project, and subsequently undertook reconnaissance mapping and rockchip sampling. The new high resolution survey has more clearly defined the known BIF units and areas of demagnetisation which have potential to host high grade goethite and/or hematite. Approximately 28 strike km of multiple BIF units are apparent in the airborne data.

Systematic outcrop sampling (140 samples) of magnetic BIF on the eastern and western limbs of the syncline returned assays of between 25-40% Fe. However, some outcrops of BIF enriched in iron by goethite alteration assayed between 59-62% Fe. Fifty one of these surface samples have returned 50-65% Fe, with low silica (SiO<sub>2</sub>), alumina (Al<sub>2</sub>O<sub>3</sub>) and phosphorous. (Refer Figure 3). The remaining 89 samples varied between 25-50% Fe. (Refer ENT: ASX release 10 February & 14 March 2012).

Following the completion of a heritage survey, detailed sectional mapping has commenced, in preparation for RC drill testing for magnetite and direct shipping ore (“DSO”).

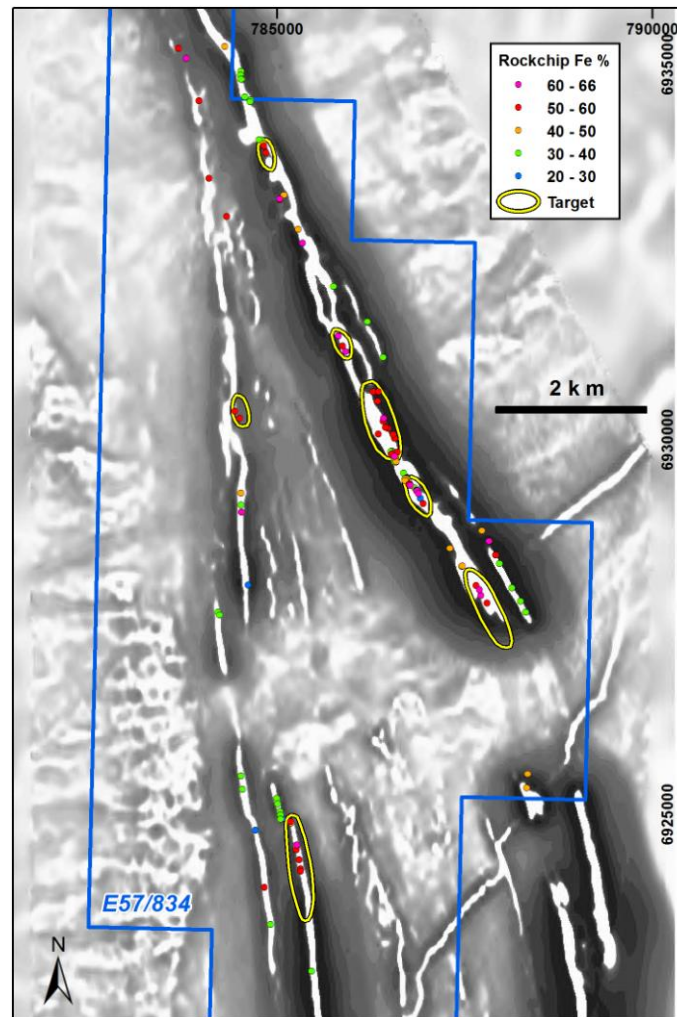


Figure 3: Booylgoo Range Project – Rock Chip Sample Locations on Magnetic Image

## BYRO PROJECT

During the Quarter the Company increased its land holding in the Byro Project to 2,755km<sup>2</sup> (508km<sup>2</sup> granted) with the addition of two new exploration licence applications. The Company now controls a 200 kilometre stretch of the Murchison River valley, from near Jack Hills in the north to Wooleen station in the south, which is considered prospective for calcrete and sand hosted uranium mineralisation.

Some of the tenements on the north western side of the Murchison River contain intense linear magnetic anomalies (within Narryer Gneiss) which are interpreted to be metamorphosed BIF units containing magnetite. Ground reconnaissance of these magnetic features is being planned, with a view to possible RC drill testing.

A Radiation Management Plan (“RMP”) is currently in preparation to be submitted to the Department of Mines and Petroleum along with a Program of Work (“POW”) for RC drill testing the main drainage channel north of Wooleen Lake for uranium. Enterprise was successful in receiving WA Government co-funding of \$120,000 for this RC drilling program. Preliminary field reconnaissance has been completed in preparation for the drilling program.

## FRASER RANGE PROJECT

The Fraser Range Project is located between 60 - 100 km east of the gold mining centre of Norseman in Western Australia, and is comprised of four granted exploration licences covering 596 km<sup>2</sup>. The Fraser Range Project occupies a broadly similar tectono-stratigraphic position to the +5 million ounce Tropicana gold deposit, i.e. at the contact between the Archaean Yilgarn Craton and the Proterozoic Albany-Fraser Orogen. (Refer Figure 4)

During the Quarter, the Company completed reconnaissance surface sampling (1,196 calcrete samples and 1,234 soil samples) over three of its Fraser Range tenements, and all gold assays for calcrete samples were received late in the Quarter.

The results are currently being assessed in conjunction with the Company's detailed airborne survey data, to identify areas for multi-element analysis of the corresponding soil samples (in storage) and subsequent infill sampling.

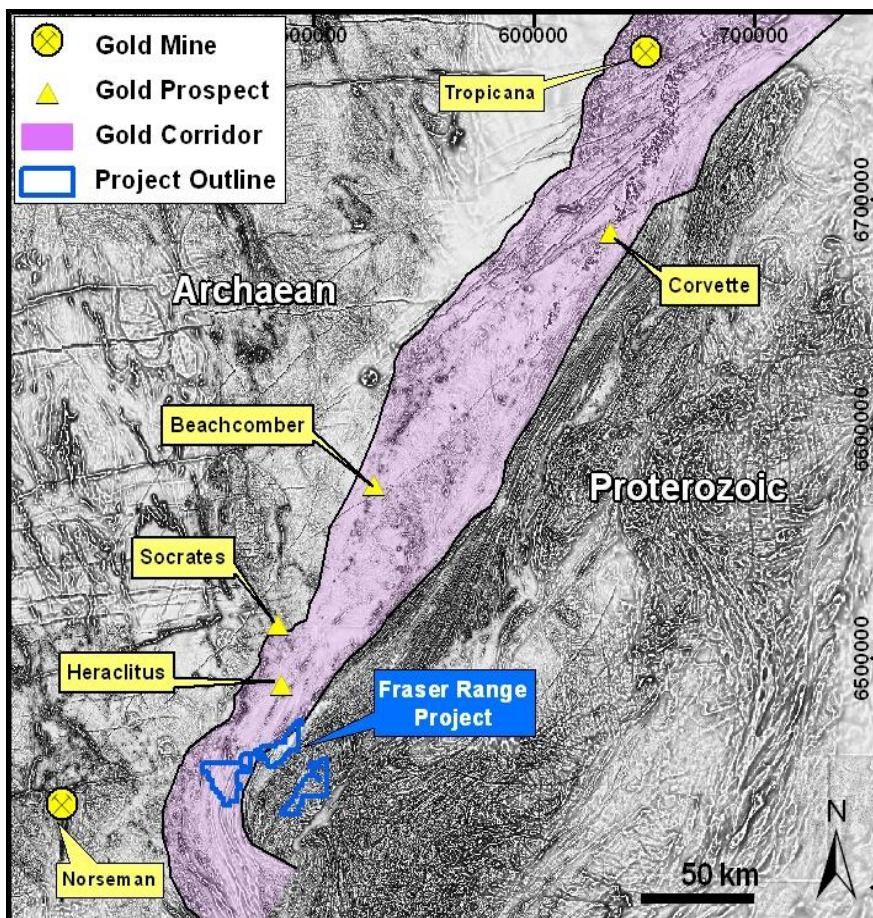


Figure 4: Fraser Range Project Tenements in Relation to Tropicana Gold Deposit.

## 2. CORPORATE

Cash held by the Company at 31 March 2012 was \$10.17 million.

### Post end of Quarter

On 3 April 2012, the Company advised the market of the resignation of Mr Paul Larsen from his non-executive Director role. Mr Larsen was the founding Chairman of Revere Mining Limited (now Enterprise) at IPO in 2007 and had steered the Company from a market capitalisation of \$8 million at listing to over \$30 million in 2012. Mr Larsen tendered his resignation in the best interests of the Company, so that the Board could add more geological and mineral exploration experience to the team.

Also on 3 April 2012, the Board appointed Dr Allan Trench as an independent non-executive Director of the Company. Dr Trench is a talented and experienced geoscientist, mineral economist and business consultant with a BSc (Hons) Geology from the Royal School of Mines, London, a Ph.D (Geophysics) from Glasgow University, an MBA (Distinction) from Oxford University and an MSc (Distinction) in Mineral Economics from the WA School of Mines (WASM). His former roles include management of nickel and gold/base metal exploration teams in the Yilgarn region of WA, initially for WMC and subsequently for a group of junior ASX listed companies.

From 2002 Dr Trench worked as a business consultant for McKinsey and Company, then as a manager at KCGM Pty Ltd and Woodside Petroleum, and more lately as a consultant with CRU Group, providing business analysis and intelligence on the global mining and metals and markets. He is currently Adjunct Professor (Spatial Sciences) at WASM, Curtin University; Research Professor, Progressive Risk & Value, Centre for Exploration Targeting, University of Western Australia; and Professor, Department of Energy & Mineral Economics, Curtin University Graduate School of Business. He is also non-executive independent director of a number of emerging overseas and Australian-listed resources companies.

The Enterprise Metals Board of Directors is very pleased to have Dr Trench join them in the leadership of the Company.



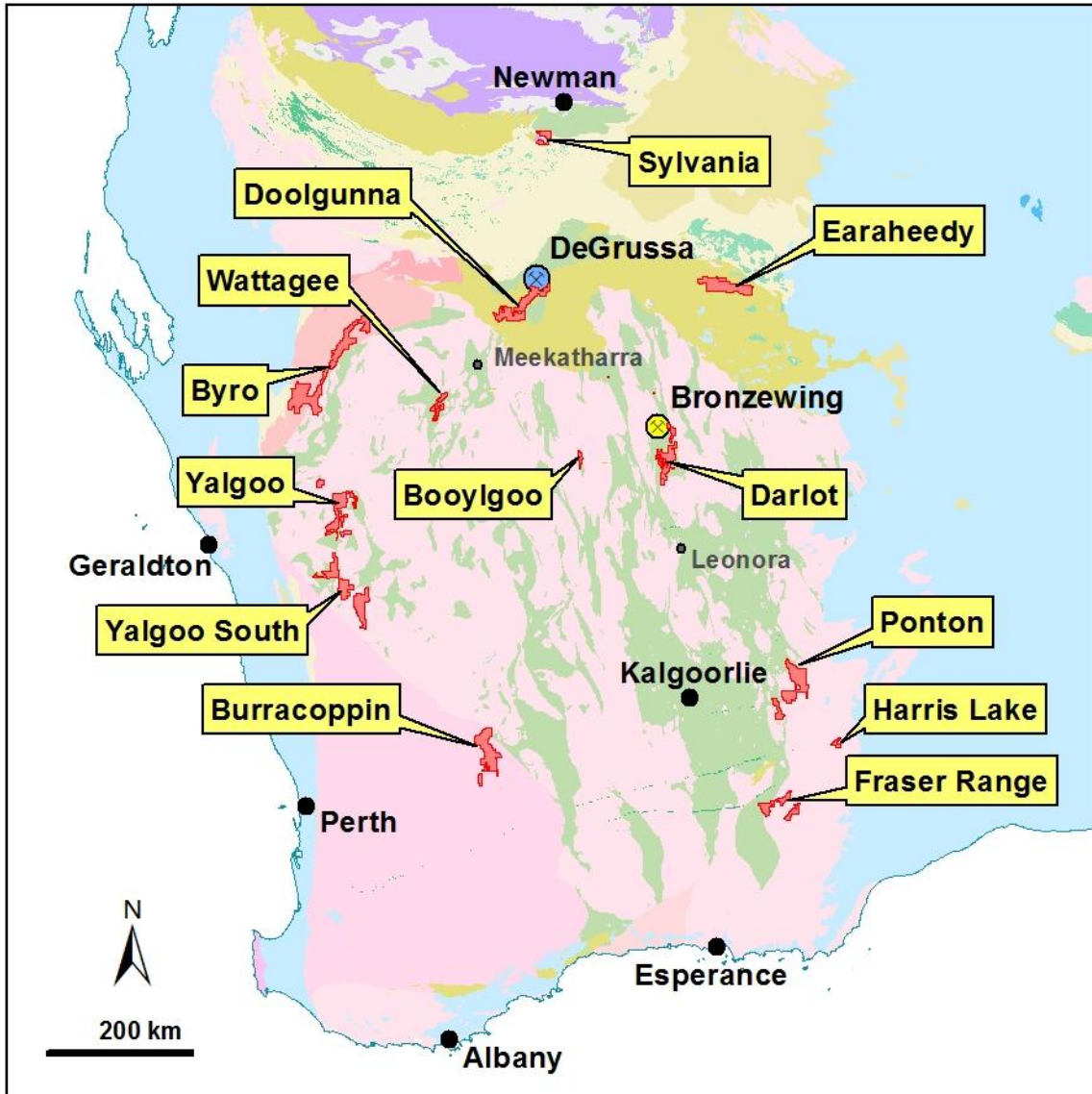
**Dermot Ryan**  
**Managing Director**

*The information in this announcement that relates to Exploration Results is based on information compiled by Mr Derek Waterfield, a Member of the Australian Institute of Geoscientists and a full time employee of Enterprise Metals Limited. Mr Waterfield 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 2012





# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

**Enterprise Metals Limited**

ABN

43 123 567 073

Quarter ended ("current quarter")

31 March 2012

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	2	10
1.2 Payments for (a) exploration & evaluation	(1,096)	(3,606)
(b) development	-	-
(c) production	-	-
(d) administration	(261)	(771)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	78	328
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(1,277)</b>	<b>(4,039)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(39)	(156)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	8
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(39)</b>	<b>(148)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,316)</b>	<b>(4,187)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,316)	(4,187)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	12,400
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Share issue transaction costs	(1)	(885)
	<b>Net financing cash flows</b>	(1)	11,515
	<b>Net increase (decrease) in cash held</b>	(1,317)	7,328
1.20	Cash at beginning of quarter/year to date	11,485	2,840
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	10,168	10,168

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	322
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

\$71,000 paid to Directors for Director and Consulting Fees.  
\$250,934 paid to XServ P/L, a geological consulting company related to Mr Dermot Ryan, a Director of Enterprise Metals Limited.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

### Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	750
4.2	Development	-
4.3	Production	-
4.4	Administration	250
<b>Total</b>		<b>1,000</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	1,125	365
5.2	Deposits at call	9,043	11,120
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)		<b>10,168</b>	<b>11,485</b>

### Changes in interests in mining tenements

6.1	Interests in mining tenements relinquished, reduced or lapsed	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter

6.2	Interests in mining tenements acquired	Tenement reference	Current Registered Holder, and acquired from:	Interest at beginning of quarter	Interest at end of quarter
	Application	E 59/1855	Enterprise Uranium P/L	0%	100%
	Application	E 59/1856	Enterprise Uranium P/L	0%	100%
	Application	E 59/1857	Enterprise Uranium P/L	0%	100%
	Application	E 59/1858	Enterprise Uranium P/L	0%	100%
	Application	E 59/1870	Enterprise Uranium P/L	0%	100%
	Application	E 59/1879	Enterprise Uranium P/L	0%	100%
	Application	E 70/4295	Enterprise Uranium P/L	0%	100%
	Application	E 70/4296	Enterprise Uranium P/L	0%	100%
	Application	E 70/4297	Enterprise Uranium P/L	0%	100%
	Application	E 09/1974	Enterprise Metals Ltd	0%	100%

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

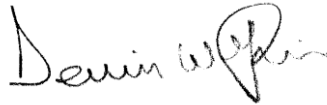
*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference</b> <b>+securities</b> ( <i>description</i> )				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	203,220,776	203,220,776		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> ( <i>description</i> )				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> ( <i>description and conversion factor</i> )	22,782,001 3,000,000 3,225,806 20,000,000 35,000,000 2,500,000	22,782,001 - - - - -	<i>Exercise price</i> 25 cents 25 cents 25 cents 25 cents 50 cents	<i>Expiry date</i> 20 June 2012 22 November 2012 1 June 2013 12 July 2013 12 July 2014 30 June 2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired/cancelled during quarter				
7.11 <b>Debentures</b> ( <i>totals only</i> )				
7.12 <b>Unsecured notes</b> ( <i>totals only</i> )				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~not~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

Date: 30 April 2012

(Director and Company secretary)

Print name:

**Dennis Wilkins**

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.