



Harris Lake: Deep Palaeochannels Identified by Airborne EM Survey

- Data received from Harris Lake Airborne Electromagnetic Survey.
- Historic work by Uranerz indicated presence of uranium & daughter products.
- Deep palaeochannels favourable for accumulation of uranium mineralisation now defined for drill testing.

SUMMARY

Enterprise Metals Limited (“Enterprise” or “the Company”, ASX: “ENT”) wishes to announce that data from its recently flown Airborne Electromagnetic (AEM) survey over the Harris Lake Project has been received. The Project overlies the contact between the south-east margin of the Yilgarn Craton and the Albany Fraser Orogen, some 200km east of Kalgoorlie in Western Australia.

In July 2012, Enterprise flew an AEM survey on 400m spaced lines over its project area in order to detect and define deep palaeochannels which may contain substantial sand hosted uranium mineralisation. This survey has now defined deep channels favourable for the deposition of uranium mineralisation below and adjacent to Harris Lake. (refer Figures 1 to 3) RC drill testing is being planned.

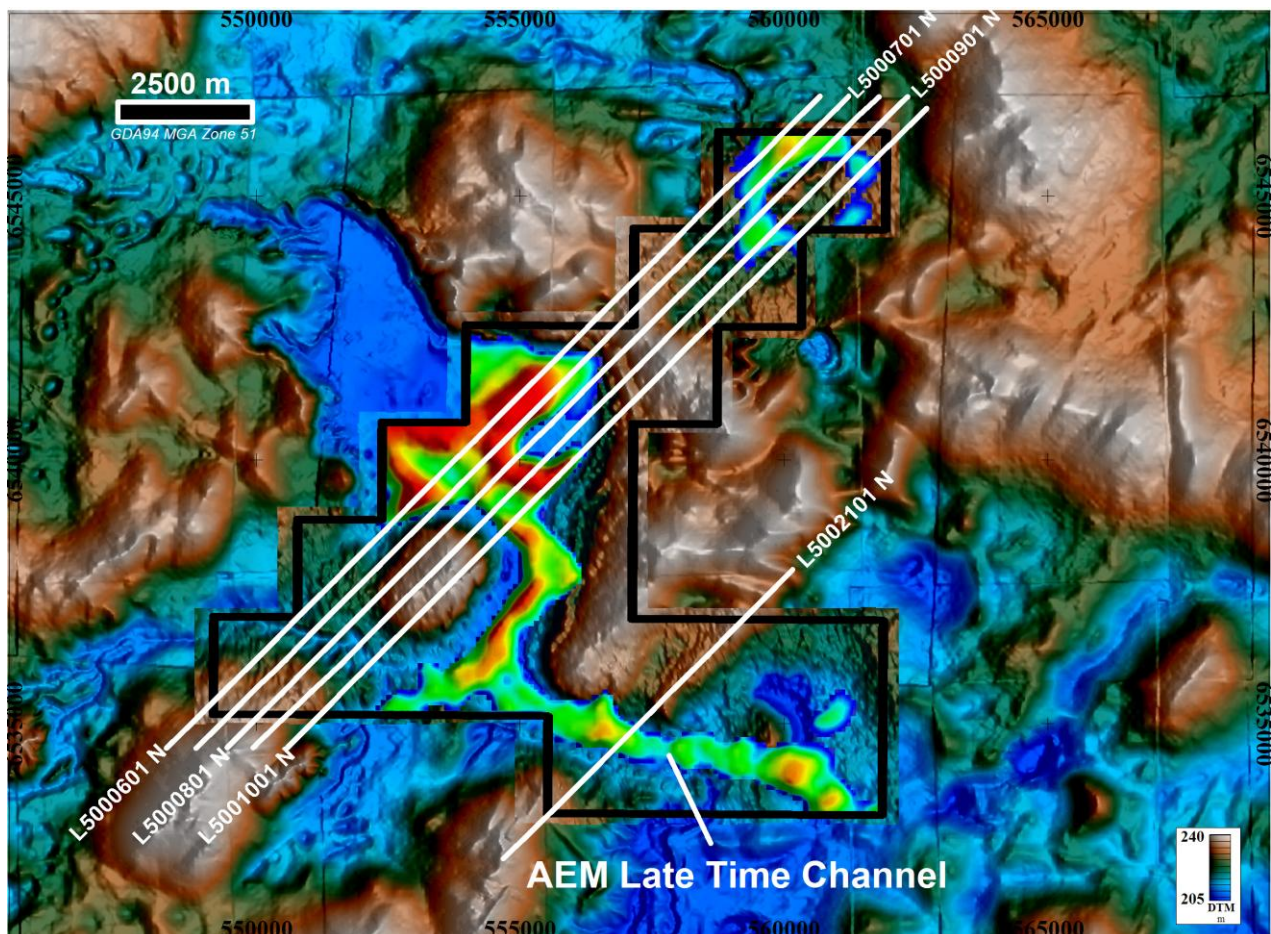


Figure 1: Harris Lake Project, E28/1958, AEM Image over DTM, with Sample Flight Lines Shown.



BACKGROUND

Enterprise has flown an AEM survey over the Harris Lake Project. Preliminary processing of the data shows deep broad palaeochannels underlying present day drainage. (Figure 1) The Company considers these palaeochannels to be highly prospective sites for uranium mineralisation.

Historic exploration for uranium in the region focussed on the drainage systems associated with Harris Lake and Lake Rivers during 1974-1978. Historic RC drilling identified several palaeochannels and a maximum value of 138ppm U_3O_8 was obtained in hole ZR6 from the interval 22-23m, located 7km to the north of Enterprise's Exploration Licence 28/1958.

Uranerz identified *ferruginous radioactive mounds* within Harris Lake and concluded that these mounds were the source of most of the surficial radiometric anomalies within the lake. Studies undertaken by Uranerz showed that the radioactivity of these mounds was sourced from uranium daughter products, ie from the natural decay of primary uranium mineralisation. (WAMEX Open File Report A7366).

Shown below in Figures 2 and 3 are sample Conductivity Depth Images (CDI's) from the AEM survey, highlighting +150m deep palaeochannels which Enterprise considers to be highly prospective for sand hosted uranium mineralisation.

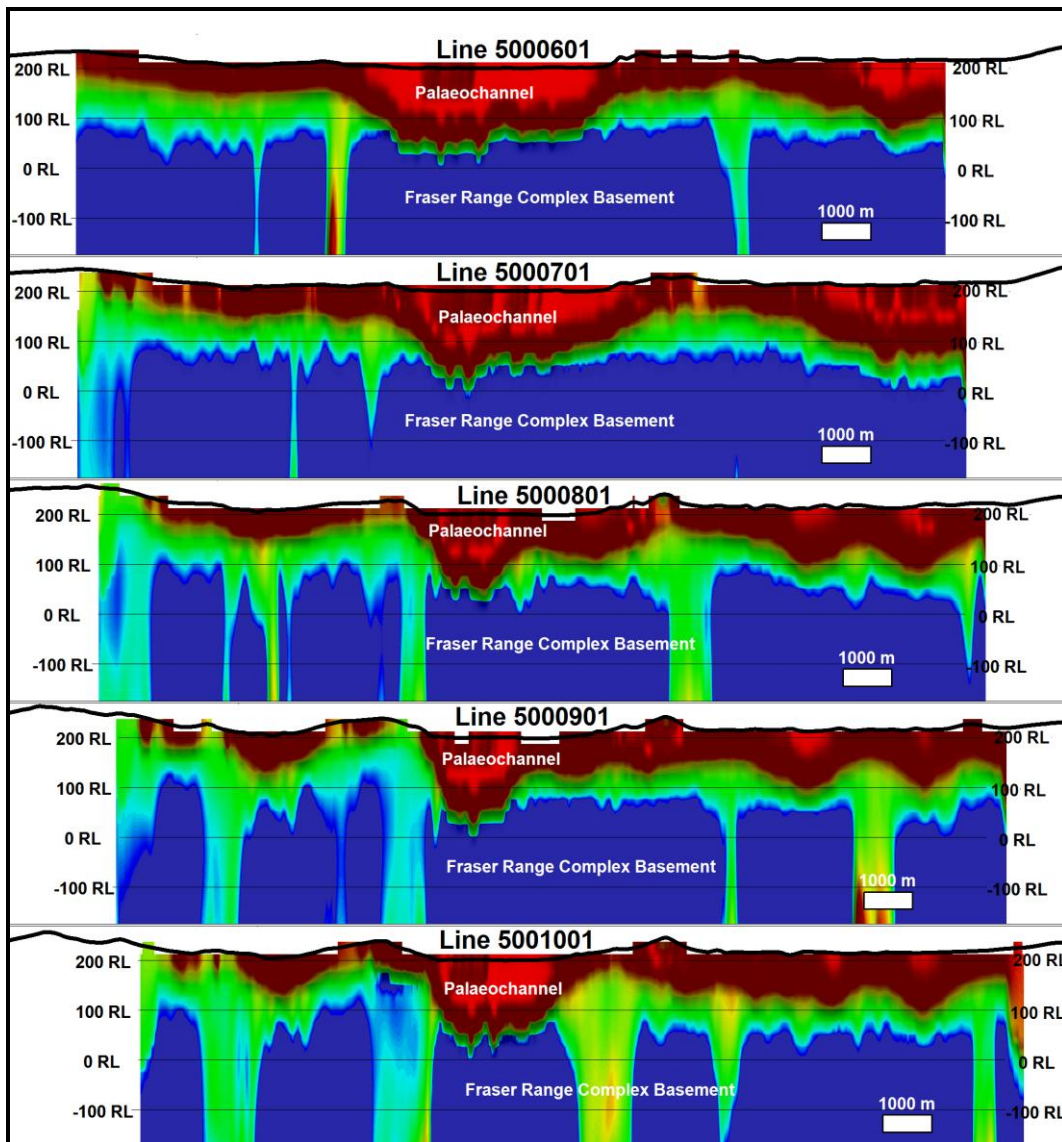


Figure 2: Harris Lake Project – Sample CDI's from Northern Area

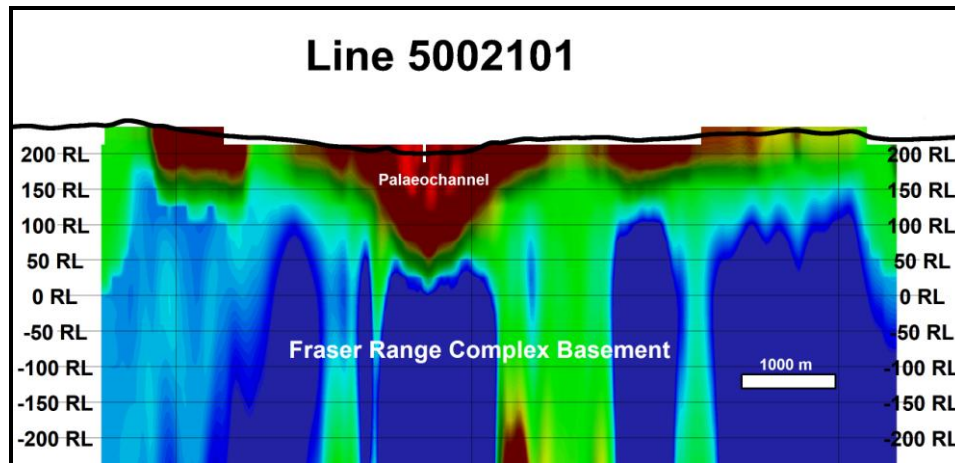


Figure 3: Harris Lake Project – Sample CDI of Southern Area

PLANNED WORK

Enterprise's granted Exploration Licence 28/1958 lies within a proposed nature reserve. Government approvals for exploration access and drilling are required and the application process has commenced.

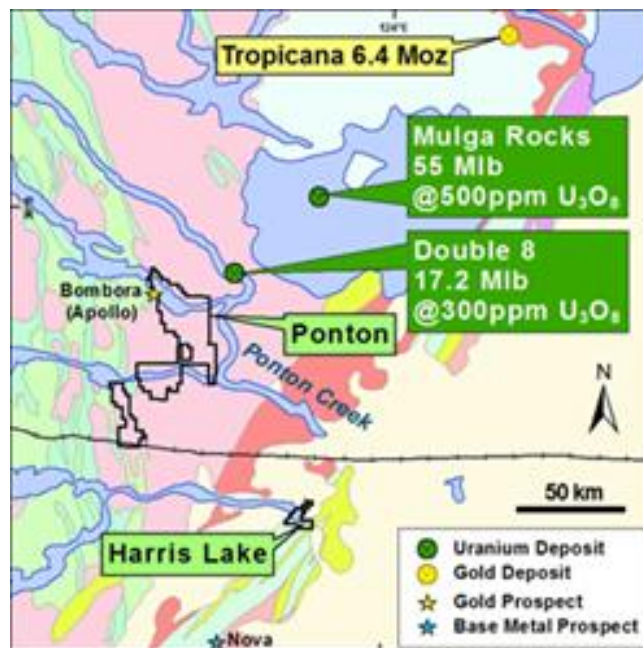


Figure 4: Location Plan: Enterprise Metals Ltd, Uranium Projects

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Competent Persons statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Trevor Saul, who is an employee of the Company. Mr Saul is a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Saul consents to the inclusion in this report of the matters based on information in the form and context in which it appears.