ASX ANNOUNCEMENT ACN 123 567 073 8th December 2014

$150,000 GRANTED BY STATE GOV'T FOR CO-FUNDED DRILLING AT DOOLGUNNA

- **Enterprise awarded $150,000 towards its 2015 Doolgunna drilling costs**
- **Drilling planned for Borg Cu/Zn SEDEX target**

Enterprise Metals Limited ("Enterprise" or "the Company", ASX: ENT) is pleased to announce that its application for co-funding for drilling at its 100% owned highly prospective Borg Prospect (Doolgunna Project) under the WA State Government Co-funded Exploration Drilling program has been approved. The WA State Government will match the Company's expenditure on its planned drilling program (to a maximum of $150,000) at Doolgunna.

Four RC drill traverses are planned across the Borg Prospect. The Company's gravity, soil geochemistry and electromagnetic surveys have identified a large 4.5km long bedrock anomaly interpreted to be due to the introduction of base metals sulfides into the sedimentary sequence. The scout RC drilling conducted earlier in 2014 is interpreted to be too shallow and was conducted along the western flank of the anomaly, which was not fully defined by the geophysics and geochemistry at the time the holes were drilled. Subsequent work by the Centre for Excellence in Ore Deposits (CODES, University of Tasmania) has indicated that most of the disseminated pyrite in hole BGRC004 has the chemistry of distal SEDEX Zn halo pyrite, ie *"a near miss"*.

BORG PROSPECT - DOOLGUNNA

In early 2014, Enterprise undertook scout RC drilling on 6 prospects identified from Maglag geochemical surveys, ground EM and gravity surveys. (Figures 1 & 2 overleaf) The best results were from the Borg Prospect on E51/1304, where disseminated and semi-massive pyrite bands, with minor vein style pyrite, was intersected in carbonaceous sedimentary rocks. These intersections were associated with anomalous base metal pathfinder elements. (refer ASX Release 8th July & 11 August 2014)

Researchers at CODES used their Laser Ablation System coupled with ICP-MS to analyse the pyrites in two drill holes (BGRC004 & BGRC014) for the content of base metal pathfinder elements. CODES has developed a process where the assay results can be used to assess base metal fertility, and used as a vector to a potential ore-body. CODES identified two disseminated pyrite bands that stood out in terms of their chemistry. From the analysis of their chemistry they concluded:

"These two bands have sedimentary pyrite enriched in Au (up to and over 1 ppm), Te, Ag, Se, Mo, Cu, Ni and Co. The band in BGRC004 has the higher sulfide content and better geochemistry. This zone in BGRC004 has the characteristics of a high potential gold source rock that can be used as a sedimentary marker to define gold-copper targets. Most of the disseminated pyrite in BGRC004 has the chemistry of distal SEDEX Zn halo pyrite…….. A potential SEDEX deposit could be 5 to 15 km along strike from BGRC004."

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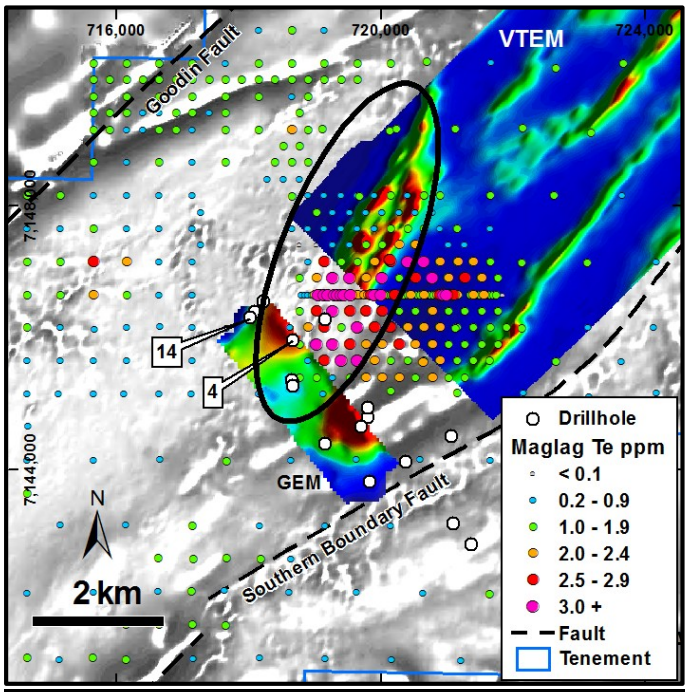

Figure 1. Borg Prospect: RC holes over Coloured Ground EM & VTEM Imagery with Te Maglag Geochem

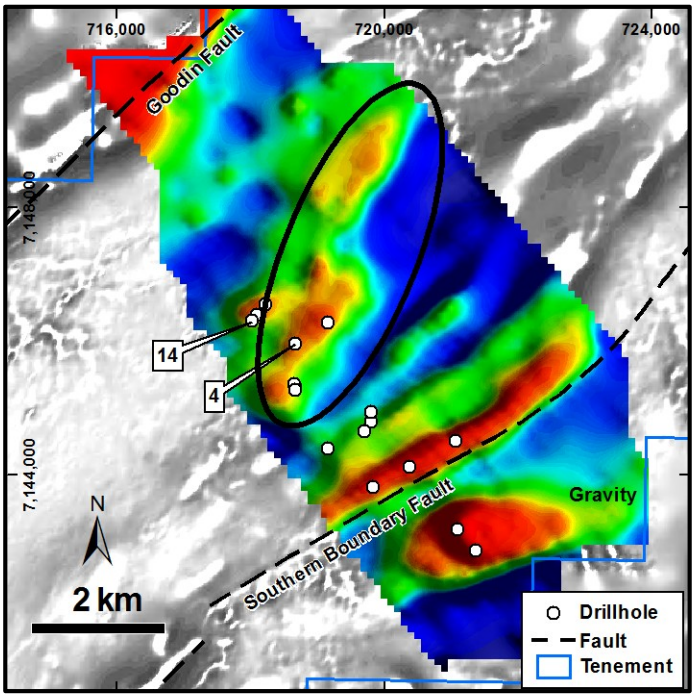

Figure 2. Borg Prospect E51/1304: RC drill holes over Coloured Gravity Imagery

The WA State Government drilling funds are available from 1st January 2015 for 12 months. Commencement of RC drilling to test the Borg SEDEX target is subject to statutory approvals, heritage clearance and weather.

Dermot Ryan
Managing Director

Competent Persons statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Dermot Ryan, who is an employee of the Company. Mr Ryan is a Fellow of the Australasian Institute of Mining and Metallurgy and 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 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ryan consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Major Project Locations December 2014