
EXPLORATION UPDATE

Enterprise Metals Limited (“Enterprise” or “the Company”, ASX: “ENT”) wishes to provide share holders and potential investors with an update on the progress of the Company’s projects. A summary of work in progress is provided below, and this information supplements a pictorial “*Exploration Update - Presentation to Investors*” which has been simultaneously released to the ASX.

CUNDERDIN PROJECT

At Cunderdin, 49 reconnaissance RC drill holes have been planned to drill test the 110km linear magnetic anomaly detected by the Company’s low level aeromagnetic survey, but not all of these holes will be necessarily drilled. An application has been made to the Department of Mines and Petroleum (“DMP”) for the Company to drill from Road Reserves controlled by the Cunderdin Shire. Tentative plans have been made for drilling to commence in July 2010, subject to DMP and Cunderdin Shire approval. A program of consultation with potentially affected private landowners will commence in early June 2010.

BURGESS PROJECT

At Burracoppin, historical competitor drilling and geological information has been located and compiled into the Company’s GIS database. Most of this work was focused on detecting gold in greenstones adjacent to linear magnetic anomalies seen in GSWA 1,600m line spaced magnetic data. Although there is little to no outcrop in the area, previous mapping has also detected float and scree of Banded Iron Formation (“Bif”) and ironstone associated with a number of linear airborne magnetic anomalies.

In addition, geological logs from a number of shallow RAB and RC holes drilled by Cambrian Resources NL (1994-1998) reported Bif, ironstone or hematite in bottom-of-hole samples but no iron analyses were completed. The significance of these observations is being assessed against more recent 400m line spaced airborne magnetic data. A Program of Work (“PoW”) to drill test these magnetic targets is being prepared for submittal to the DMP.

EUCLA PROJECT

The main tenement containing the majority of the discrete coincident magnetic-gravity anomalies, Exploration Licence 69/2603, was recently granted by the DMP. A PoW has been lodged with the DMP for the drilling of 41 RC holes. Approval is awaited. A heritage survey and native title clearance program has been organized for early July. Subject to approval from the DMP and a successful heritage and clearance survey, drill testing of these targets is expected to commence in mid July.

WATTAGEE PROJECT

During April 2010, the Company completed 10 RC drill holes (inc. 2 abandoned) at the *Placer, Stockyard East/West* and *AM14 prospects*. At **Stockyard East**, four RC holes were drilled to test a “*gold in regolith*” target associated with IP anomalism. The best gold results were in a sheared zone of mafic rocks with sulphide stringers, within a broader mafic sequence, with hole STERC004 returning a result of 8 metres at 5.77g/t gold from 181–189m. (ENT:ASX release 11 May 2010)

A further five RC holes have been planned to test the up-dip and along strike positions of this intersection. Drilling is planned to commence on 4 June 2010.

At **AM14**, 2 RC drill holes were drilled to follow up anomalous base metal results encountered in 1970's and 1980's drilling by Esso Exploration, Shell and Chevron. AMRC001 was abandoned due to the loss of a drill bit before reaching the main mineralized target zone, and this main zone remains untested. An attempt to redrill AMRC001 will be made at a later date.

AMRC002 tested a weaker mineralized zone to the east of the main zone. Four metre composite sample results have now been received from this hole. One 8 metre strongly altered anomalous base metal zone was encountered from 96 – 104m, as shown below in Table 1. The overall significance of these results is still being assessed.

Table 1: Base Metal Results from AMRC002

| From (m) | To (m) | Int (m) | Ag ppm | Cu ppm | Pb ppm | Pd ppb | Zn ppm | As ppm | Mo ppm | Sn ppm | Te ppm |
|----------|--------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 96 | 100 | 4 | 4.08 | 1,810 | 547 | 618 | 8,060 | 54.0 | 4.3 | 7.8 | 3.9 |
| 100 | 104 | 4 | 1.82 | 255 | 94 | 497 | 6,373 | 47.9 | 5.0 | 3.5 | 2.8 |

NOTE: Samples were initially assayed as 4m or 2m composites using standard Aqua Regia digest/ICP-MS technique with a 1ppb detection limit for gold. All samples were assayed for gold and 15 base metal elements.



Dermot Ryan
Managing Director

Contact:

Telephone: 08 9436 9200

Facsimile: 08 9436 9299

Email: admin@enterprisemetals.com.au

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.