

**GOLD AND LITHIUM POTENTIAL IDENTIFIED IN
NEWLY GRANTED ENTERPRISE METALS' YALGOO TENEMENTS**

HIGHLIGHTS

- New exploration licences totalling 270 square kilometres granted to Enterprise at Yalgoo.
- Exploration Licence 59/2076 contains shallow gold occurrences untested at depth, and contains strike extension of an 800 metre long, 12-60 metre-wide lithium-rich pegmatite vein containing tantalum/rubidium. Drill assays on adjoining competitor lease, 2m at 1.25% Li₂O.
- Exploration Licence 59/2091 contains northerly extension of the Gullewa Greenstone Belt hosting Doray Minerals Gullewa Project and high-grade Deflector gold deposit.
- Compilation and review of data has commenced to identify gold and lithium targets for ultimate drill testing.

SUMMARY

Enterprise Metals Limited (“Enterprise” or “the Company”) (ASX: ENT) advises that two new exploration licences have been granted to a 100% owned Enterprise subsidiary. The two tenements, Exploration Licences 59/2076 and 59/2091 occupy the northern limb of the Archaean Yalgoo and Gullewa Greenstone Belts respectively. Figure 1 below shows the location of the two granted tenements.

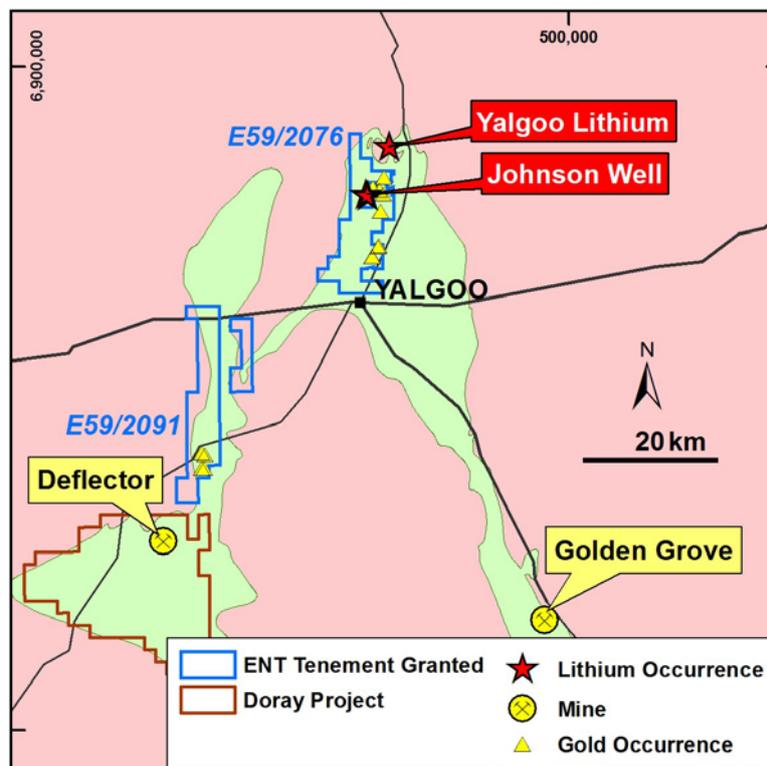


Figure 1. Regional Geological & Location Plan, Yalgoo Greenstone Belt & ENT Tenements

Enterprise’s Exploration Licence 59/2076

Exploration Licence 59/2076 covering an area of 125km² was granted to Enterprise Gold Pty Ltd on 19 January 2016, and is located immediately north of the Yalgoo township.

Although compilation and review of public domain data has just commenced, the tenement contains a number of historic gold workings which have not been tested by modern geophysics and drilling. In addition, a number of pegmatites containing tin/tantalum workings occur immediately to the northeast of E59/2076 (“Yalgoo Lithium”), and similar occurrences in tenement excisions within E59/2076.

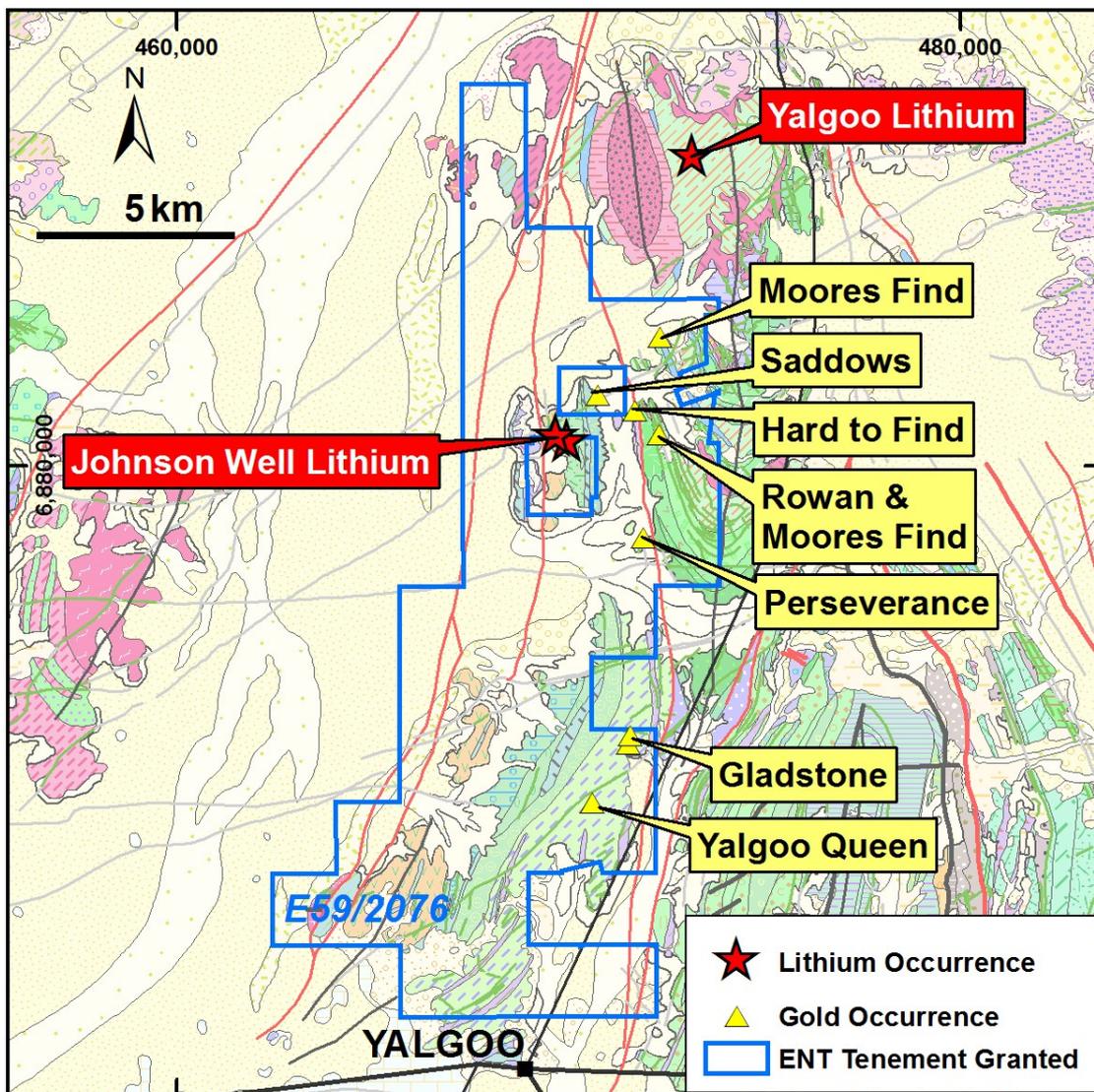


Figure 2. Regional Geological Plan Yalgoo Greenstone Belt & ENT E59/2076

Potential for Gold

The known gold occurrences are within areas of outcrop and subcrop, but approximately 60% of the tenement area is covered by soil and sand cover. Airborne magnetic data suggests that the prospective greenstone and sediment sequences continue to the west under this cover, and these areas have not been explored with modern methods for gold and lithium.

Gold is known to be associated with quartz veining in BIF horizons (ie Mt Magnet style), in sheared mafic igneous rocks, within altered porphyry bodies, and at sheared contacts between porphyry and mafic schists. (Wright, 1987a)

At the **Rowan and Moores Find** prospects, previous exploration has located fracture zones trending 060 degrees associated with BIF and copper and tungsten mineralisation. Based on limited drilling, (Johnson Well Mining NL, 1986) the BIF of Rowan and Moores horizon appears to increase in thickness and gold content to the north. Due to the magnetic and electromagnetic properties of the BIF and associated sulphides, geophysics can be used to identify targets for drilling.

The **Hard to Find** workings, to the north-west of Rowan and Moores, contain a number of 101° trending quartz veins one of which has been mined to 5 to 10m depth in altered and deformed basalt. Sampling and shallow drilling by Johnson Well Mining NL (JWM) indicated that the prospective horizons contain anomalous gold and associated copper, tungsten and arsenic. Targets included stockwork gold in porphyry, and mafic and sulphide facies BIF.

JWM concluded that the BIF and mafic horizons contain anomalous gold and pathfinder elements copper, tungsten and arsenic.

Potential for Lithium and Associated Minerals

Recent mapping by the Geological Survey of Western Australia has highlighted a number of pegmatite occurrences containing historic tin/tantalum workings immediately to the east of E59/2076, and a similar occurrence, the Johnson Well pegmatite, lying within nearby Zen Minerals Pty Ltd’s Mining Lease 59/594.

Whilst Zen’s tenements M59/594, E59/2152 and P59/1961 & 1962 are excised from Enterprise’s E59/2076, the outcropping Johnson Well pegmatite on Zen’s tenements strikes north-westerly into E59/2076 and then disappears under thin cover (refer Figure 3 below). WA Mines Dept Open File information on the Johnson Well pegmatite (also known as “*Carlaminda Blue*”) is discussed overleaf.

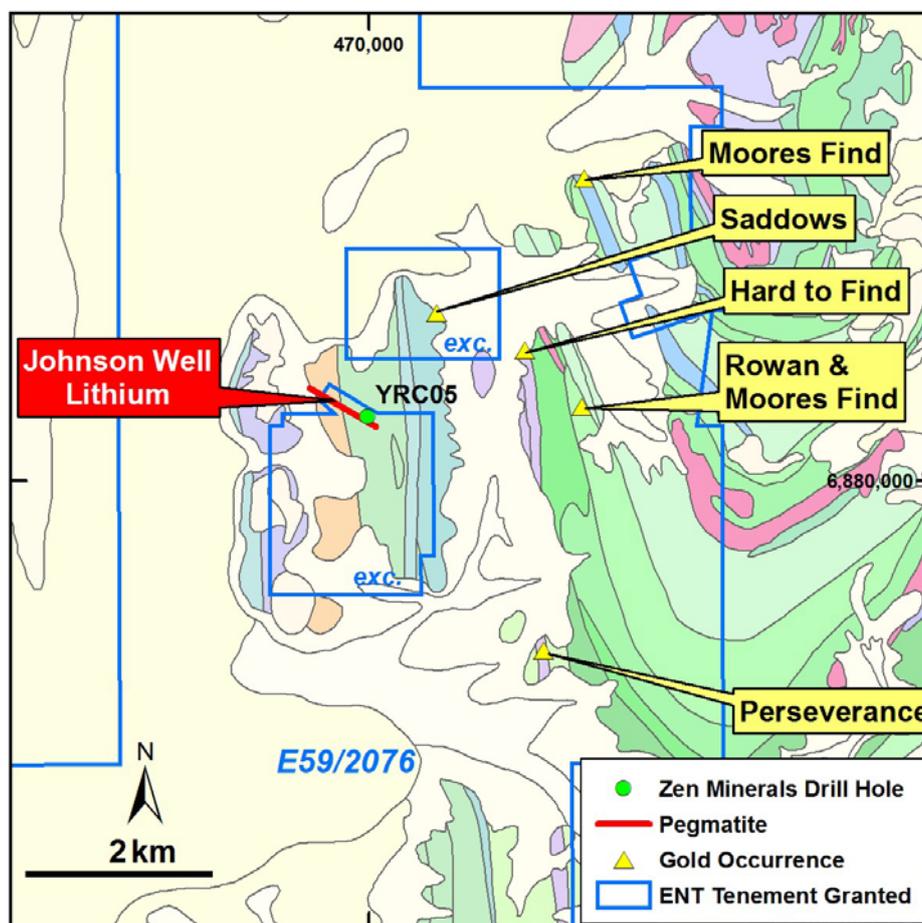


Figure 3. Johnson Well Lithium - Geological & Location Plan, BIF Units in Blue

Zen Minerals’ Johnson’s Well Pegmatite (Note: within an Excision of ENT E59/2076)

Zen Minerals Pty Ltd (Zen) is the registered holder of M59/594 (formerly P59/1490) which contains the Johnson’s Well pegmatite. Zen has been exploring the tenement for pegmatite hosted tantalum-rubidium mineralisation. The mineralisation occurs in a major, flat-lying, easterly trending pegmatite that has intruded by fine-grained mafic rocks which are mostly basaltic flows.

The pegmatite has a strike length in excess of 800m and ranges in width from 60m, with an average width of approximately 12m. The pegmatite contains a large number of different minerals that include a blue variety of lepidolite, petalite, cassiterite, pollucite and fine to medium-grained tantalite which is the ore for tantalum. Lepidolite and pollucite may host rubidium and caesium, respectively.

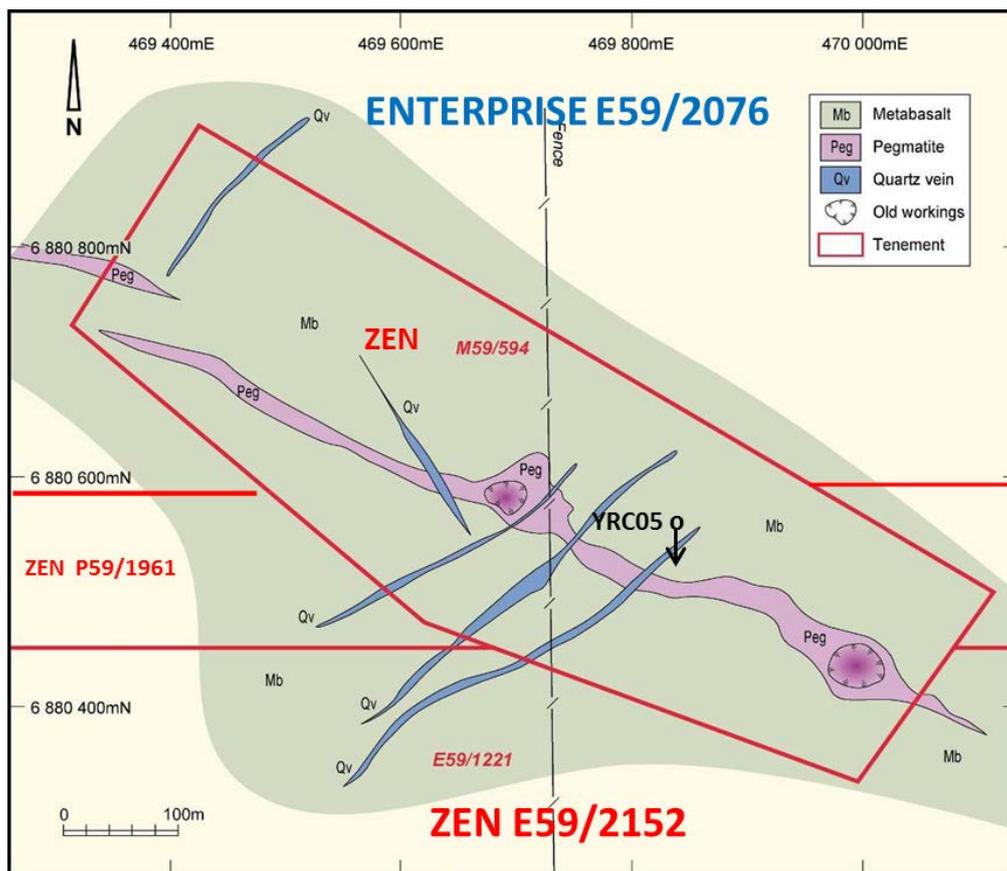


Figure 4. Local Geology Map of Zen Minerals Pty Ltd M59/594 & E59/2152

In 2008, Zen drilled 14 shallow RC holes (total 179m) along the strike of the pegmatite and samples were selectively assayed for tantalum, rubidium, tin, lithium, and cesium (Method: AD02_ICPMS) at Kalassays in Perth. The geological logs confirmed that the tantalum and rubidium (and lithium) were confined to the borders of the pegmatite and did not transfer into the country rock. (Johnston, 2009)

Lithium assays greater than 1,000ppm were generally encountered in white pegmatite, with the best result being 2m at 1.25% Li₂O and 8,815ppm Rb from 9m in hole YRC05.

Collar details for hole YRC05 are shown below.

Hole No.	AMG_E	AMG_N	RL	DIP	AZIMUTH	Depth
YRC05	469984	6880702	348m	-60 deg	180 deg	14m

Enterprise’s Exploration Licence 59/2091

Exploration Licence 59/2091 covering an area of 144 km² was granted to Enterprise Gold Pty Ltd on 4 February 2016 and is centred 30km SW of Yalgoo and contains the northerly extension of the Archaean Gullewa Greenstone Belt which hosts Doray Minerals Ltd’s (ASX:DRM, Doray) Gullewa Project and the Deflector copper/gold massive sulphide deposit. (Figure 5 below).

Following a comprehensive compilation and review of data, including detailed airborne magnetic data, the Company will be in a position to define targets under thin soil and sand cover for testing initially by geophysics (Induced Polarisation surveys) and/or aircore drilling, followed by RC drilling.

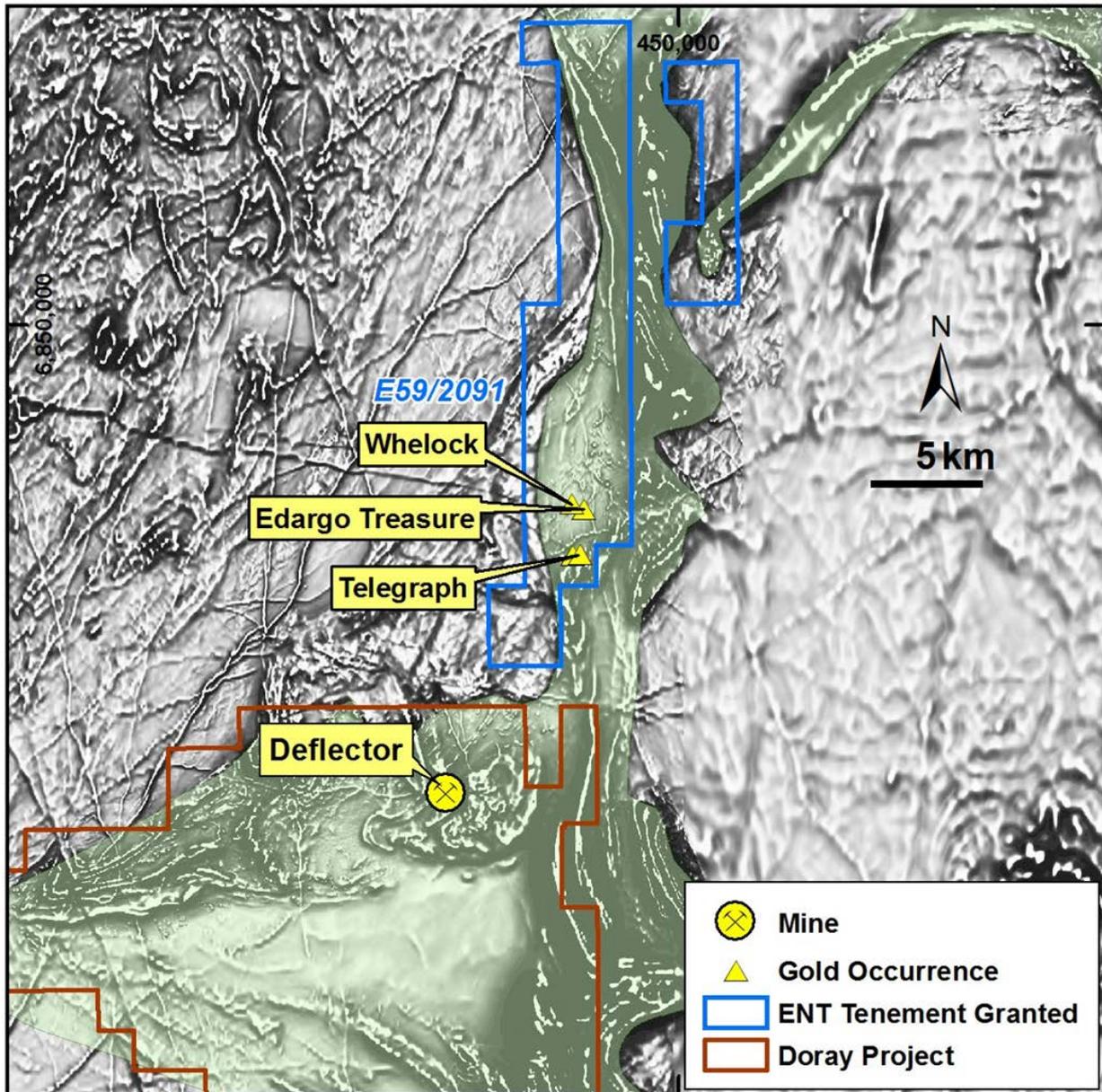


Figure 5. Magnetic Image of Greenstone Belt, ENT’s E59/2091 and Doray’s Deflector

Doray completed the acquisition of the Gullewa Project from Mutiny Gold Ltd (ASX: MYG) in March 2015, under a merger agreement announced in October 2014. Doray estimated the value of the Mutiny acquisition at approximately \$36 million. Controls on gold mineralisation at Gullewa are a prominent NE to SW set of structures or stratigraphic horizons (eg. hosting Deflector) and a more subtle set of NNW to SSE trending structures. Refer Figure 6 overleaf. Based magnetics, a number of similar structural positions are present in Enterprise’s Exploration Licence 59/2091.

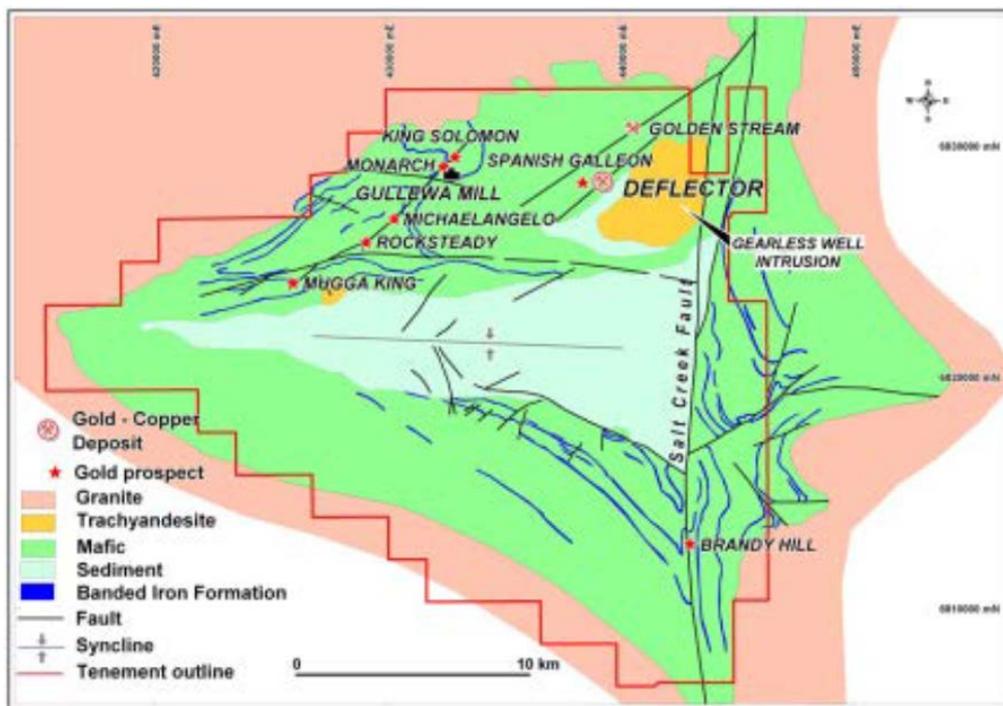


Figure 6. Doray Minerals Ltd Gullewa Project, Gold Bearing Structures & Geology

Dermot Ryan
Managing Director

Competent Persons statement

The information in this Report that relates to Exploration Results is based on information compiled by Mr Dermot Ryan, who is an employee of Xserv Pty Ltd and a Director and security holder 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.

References

Johnston, G,	2009	Corad Pty Ltd for Zen Minerals Pty Ltd, Yalgoo Tantalum Project Combined Annual Reporting Group C152/2002 Prospecting Licence P59/1490, 18 January 2008 – 17 January 2009 WAMEX Item No. A081620
Wright, J,	1987a	Noongal, P59/427-430 and P59/432-438, Annual report for period ending 22 July 1987 Johnsons Well Mining NL WAMEX Item no. 22671
Johnson Well Mining	1986	Report (non-statutory) on drilling at Noongal, July 1986, P59/302-312. Johnson Well Mining NL WAMEX Item No. 18477