

Vulcan West Copper Prospect DHEM Results

Enterprise Metals Limited (“Enterprise” or “the Company”) (ASX: ENT) advises that it has received the results of the recently completed down hole electromagnetic (DHEM) survey at the Vulcan West Prospect. Enterprise commissioned Vortex Geophysics to undertake the DHEM survey to search for conductors which could represent economic massive sulphide accumulations “off-hole”.

The DHEM data has been processed by geophysical consultants Terra Resources and the calculated strike length for the rotated modelled plate is approximately 200m. This leaves approximately 130m strike length of the modelled plate untested by drilling. Given the highly variable nature and geometry of the DeGrussa and Monty massive sulphide bodies, a new drill hole has been proposed to intersect the plate (conductive body) at 280m depth. The drilling of this second hole is subject to rig availability and weather.

Details of DHEM Survey

Contractor Vortex Geophysics deployed rectangular loops of dimensions 500m x 250m NW and SE of the conductor interpreted from the earlier Vulcan ground EM survey. A transmitter frequency of 0.5Hz was employed. Figure 1 below shows the DHEM loops deployed in relation to the earlier ground MLEM lines. Note that the moderate to strong MLEM responses were detected on local grid lines 17,200E and 17,400E.

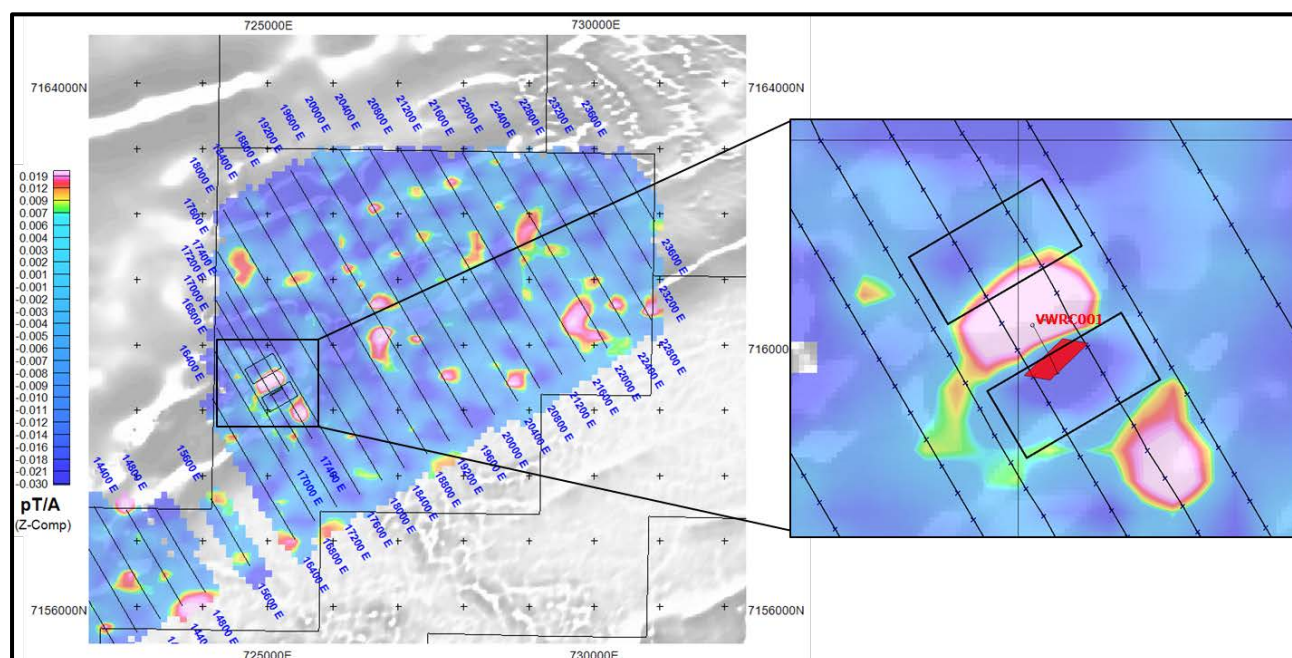


Figure 1. 2015 MLEM Lines & Modelled Vulcan West Conductor. Inset: Plan View of DHEM Loops and Drill hole VWRC001 over MLEM Channel 32 (101.4 msec) Image.

The modelled plate properties from Loop 1 & Loop 2 are:

- Modelled plate extends across two lines, 17,200 and 17,400
- Calculated strike length for the rotated plate (23°) plate is approx. 200m
- Dipping 66° towards northwest (326°)
- Dip extent is approx. 190m
- Depth to top of shallowest point of plate is approx. 170m
- Plate conductance is approx. 2870 S
- Time constant (tau) estimate of 53 msec

Figure 2 below shows the modelled plate based on the DHEM data, and drill hole VWRC001, along with the proposed second drill hole. The coordinates of the proposed second drill hole collar, and dip and dip direction are: 725101E, 7159438N, -60° toward 150° to a depth of 320m.

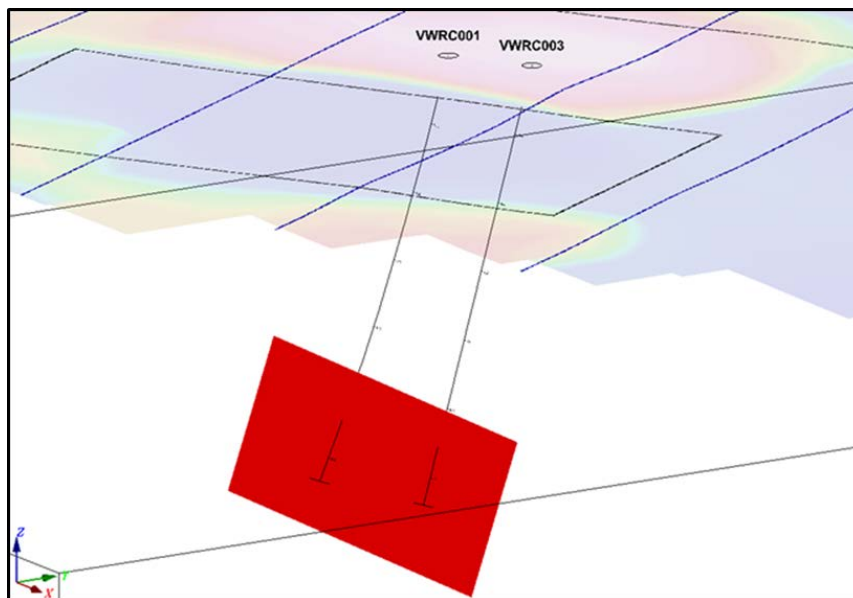


Figure 2 . Isometric Projection of Modelled Plate from DHEM data, with drill hole VWRC001 and proposed second hole.

Dermot Ryan
Managing Director

The information in this report that relates to Geophysical Exploration Results is based on information compiled by Mr Barry Bourne, who is employed as a Consultant to the Company through geophysical consultancy Terra Resources Pty Ltd. Mr Bourne is a fellow of the Australian Institute of Geoscientists and a member of the Australian Society of Exploration Geophysicists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and 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 Bourne consents to the inclusion in the report of matters based on information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 report for ASX Release 19 February 2016

Section 1 Sampling Techniques and Data from DHEM Survey

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> Not relevant to reporting of DHEM geophysical survey.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> Drill Hole VWRC 001 was drilled in 2015 by Reverse Circulation (RC) technique with face sampling hammer of nominal 140 mm hole diameter, with booster and auxilliary air (2400cfm at 850 psi) 50mm PVC pipe was inserted in the hole post completion of drilling for later DHEM surveying.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> Not relevant to reporting of DHEM geophysical survey.
<i>Logging</i>	<ul style="list-style-type: none"> Not relevant to reporting of DHEM geophysical survey.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> Not relevant to reporting of DHEM geophysical survey.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> Not relevant to reporting of DHEM geophysical survey.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> Not relevant to reporting of DHEM geophysical survey.
<i>Location of data points</i>	<ul style="list-style-type: none"> Location of DHEM surface Loop 1 and Loop 2 positions surveyed by a modern hand held GPS unit with an accuracy of 5m which is sufficient accuracy for the purpose of interpreting the results. Topographic control is by NASA Shuttle Radar Topography Mission (SRTM). The grid system is MGA GDA94 Zone 50.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> Three component DHEM data were collected on 10m station intervals down hole from surface to approximately 240m then on 5m station intervals to the end of hole for each loop.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> Orientation of DHEM surface Loop 1 and Loop 2 positions were determined from modelling of MLEM data.
<i>Sample security</i>	<ul style="list-style-type: none"> Not relevant to reporting of DHEM geophysical survey.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> Contractor's DHEM data reviewed by Consultant from Terra Resources.

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Section 2 Reporting of Geophysical Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary												
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> Vulcan West is wholly within Enterprise's 100% owned, granted Exploration Licence 52/2049. The tenement is on the Department of Parks & Wildlife (DPaW) owned Doolgunna Pastoral Lease. The tenement sits within the Yugunga-Nya Native Title Claim, with which the Company has an agreement to protect Heritage. E52/2049 expires on 26 October 2018. The tenement is in good standing and there are no existing impediments to exploration or renewal at expiry date. 												
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> No prior exploration by other parties at Vulcan West. 												
<i>Geology</i>	<ul style="list-style-type: none"> E52/2049 covers an interval of the Goodin Fault, a major reactivated reverse fault that separates siliciclastic and mafic units of the Yerrida Group in the south, from mafic Narracoota Formation volcanics of the Bryah Group to the north. The principal exploration targets are Volcanic Hosted Massive Sulphides (VHMS) and sediment hosted massive sulphide base metal (copper/zinc) deposits. 												
<i>Drill hole information</i>	<ul style="list-style-type: none"> RC drill hole VWRC001 drilled in December 2015. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Easting</th> <th>Northing</th> <th>Depth</th> <th>RL</th> <th>Dip</th> <th>Azimuth</th> </tr> </thead> <tbody> <tr> <td>725,047m</td> <td>7159,404N</td> <td>318m</td> <td>577m</td> <td>-60⁰</td> <td>150⁰ mag</td> </tr> </tbody> </table> <p style="text-align: center;">Grid: MGA GDA94 Zone 50</p>	Easting	Northing	Depth	RL	Dip	Azimuth	725,047m	7159,404N	318m	577m	-60 ⁰	150 ⁰ mag
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725,047m	7159,404N	318m	577m	-60 ⁰	150 ⁰ mag								
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> Not relevant to reporting of DHEM geophysical survey. 												
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> Not relevant to reporting of DHEM geophysical survey. 												
<i>Diagrams</i>	<ul style="list-style-type: none"> Plan and isometric projection of modelled plate in Figures 1 and 2 this Report. 												
<i>Balanced reporting</i>	<ul style="list-style-type: none"> The accompanying document is considered to be a balanced report on the results of the DHEM survey. 												
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Details of Down Hole Electromagnetic Survey are: <ul style="list-style-type: none"> Loop size: 500m x 250m Station Spacing: 5m/ 10m downhole Frequency: 0.5 Hz Transmitter: VTX-100 Max Current/Voltage: 100 Amp/ 500 Volts Receiver: EMIT SMARTem24 Sensor: EMIT DigiAtlantis 3 component 												
<i>Further work</i>	<ul style="list-style-type: none"> Drill testing of refined modelled plate from DHEM survey with RC and/or diamond core drilling. 												