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SANDFIRE COMMENCES DRILLING AT VULCAN PROSPECT, DOOLGUNNA

- **Substantial 600 hole aircore (AC) drilling program over Vulcan Prospect area commenced by Sandfire Resources NL.**
- **Drill program planned to cover +20km^2 of prospective volcano-sedimentary sequence on 400m x 100m pattern.**

SUMMARY

Enterprise Metals Limited ("Enterprise" or "the Company") (ASX: ENT) is pleased to advise that its Doolgunna Project farm-in partner, Sandfire Resources NL (ASX: SFR) has commenced a substantial aircore drilling program along the southern margin of the Bryah Basin northeast of Doolgunna homestead.

Sandfire has planned approximately 600 AC drill holes on a 400m x 100m spacing. The program covers 10 strike kilometres of the favourable volcano-sedimentary sequence interpreted to belong to the Narracoota/Karalundi Formations, which is host to Sandfire's Degrussa and Monty copper/gold deposits.

Sandfire have also signalled their intention to commence two 600m deep drill holes [reverse circulation (RC) with diamond core (DC) tails] over the next few months, with one hole at the Vulcan West EM target area and one hole testing the Vulcan Regolith target. (Refer Figure 1 below)

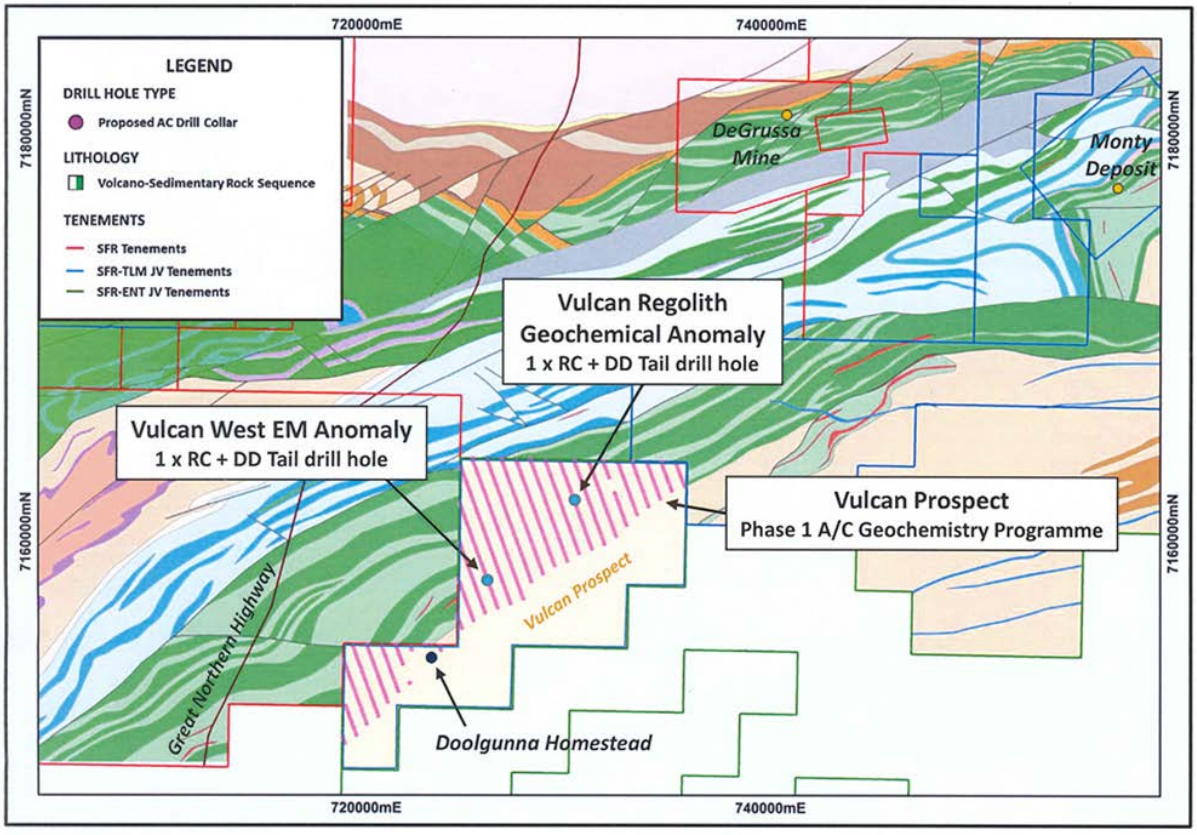

Figure 1. Sandfire's Vulcan Prospect Exploration Plan over Geology

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ABOUT THE DOOLGUNNA PROJECT

Enterprise's 100% owned Doolgunna Project is located approximately 120km northeast of Meekatharra in Western Australia, and covers over 60km of strike of the southern boundary of the Bryah Basin and the northern part of the Yerrida Basin. The southern Bryah Basin contains the Narracoota/Karalundi Formations which host the high grade DeGrussa and Monty copper/gold deposits. Enterprise considers the Doolgunna project to be prospective for both volcanic hosted massive sulphide (VHMS) deposits and sediment hosted (SEDEX) base metals deposits.

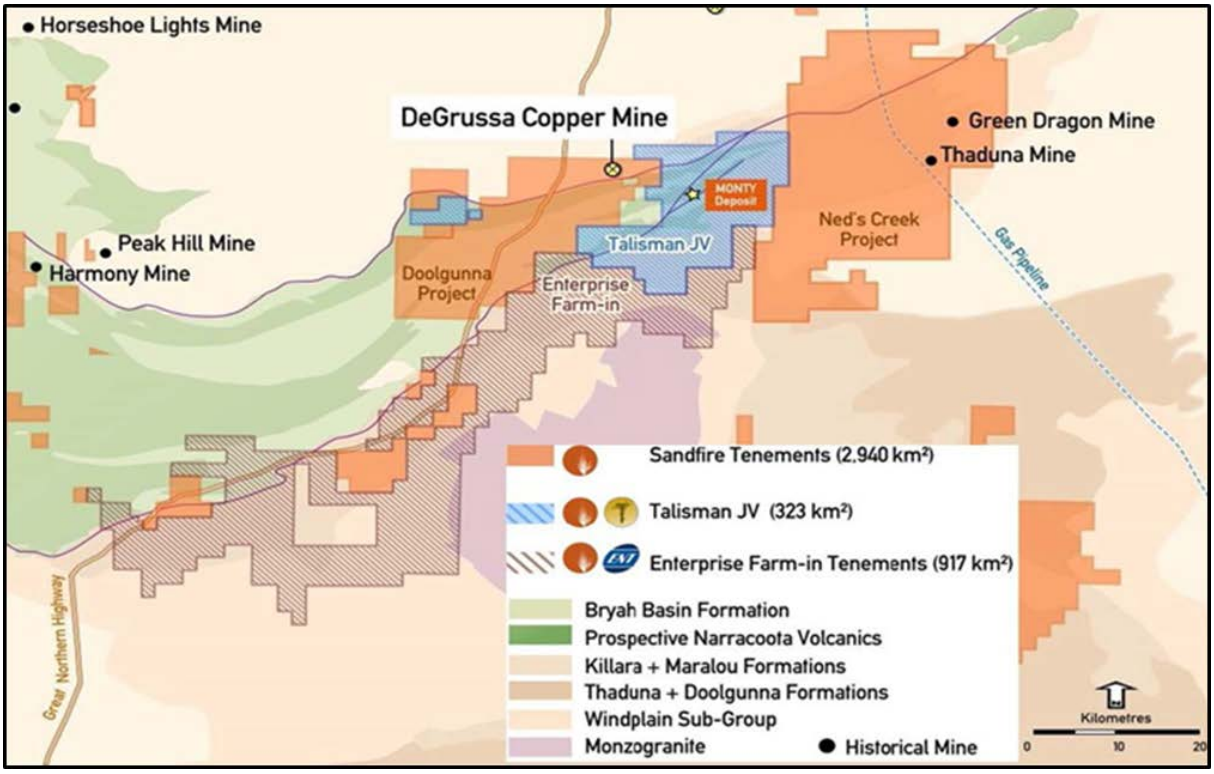

Figure 2. Enterprise's Doolgunna Project Area Incorporated into Sandfire's Doolgunna Project

In late 2015 Enterprise completed an extensive high powered ground moving loop electromagnetic (MLEM) survey over the Vulcan Prospect. The EM survey identified a moderate to strong late time conductor at **Vulcan West** which was tested by Enterprise with one 230m RC hole, VWRC001.

A 40m thick zone of sulphide rich (~5% - 20%) sediment and minor dolerite was intersected in this hole and a 5 metre zone from 251 to 256 metres averaged 0.17% Cu, 2.2ppm Mo and 0.87ppm Te, with a 1 metre result from 254 to 255 metres of 0.5% Cu, 8.4ppm Mo and 2.7ppm Te. Although these values were not economic, the element association is typical of the DeGrussa and Monty VHMS style deposits and Enterprise considered this zone to be prospective for massive sulphide. The strike and down dip extent of this conductor remains untested by drilling.

SANDFIRE FARM-IN AGREEMENT

On 12 October 2016, Sandfire Resources NL and Enterprise entered into a farm-in agreement over Enterprise's entire Doolgunna Project. Sandfire is initially required to spend a minimum of $1.5M over 2 years. After $1.5M has been spent, Sandfire has the option to sole fund exploration and earn a 75% interest in the project by discovering and defining Mineral Resources of at least 50,000 tonnes Cu metal or equivalent. Following this discovery, Enterprise and Sandfire would form a joint venture and fund their respective interests.

ABOUT ENTERPRISE METALS LTD

Enterprise Metals Limited (ASX: ENT) was incorporated in January 2007 as a public company and was admitted to the ASX on 20 June 2007.

Enterprise has 315,133,979 million Shares on issue, and 2 million (5 cent) Options with an expiry date of 10 August 2017, and the present market capitalisation is approximately $5.3 million.

The Company makes extensive use of airborne geophysics to "see through" shallow cover and identify conceptual geological targets and believes there is potential to find major new gold and base metals deposits in areas of shallow cover in Western Australia.

The Company has four gold/ base metal projects in Western Australia, two of which are funded by partners. The Doolgunna Project is managed and operated by Sandfire Resources NL (ASX: SFR) under a farm-in agreement dated 12 October 2016. The Fraser Range Project, in which Enterprise holds a 30% interest free carried to bankable feasibility stage, is managed and operated by Apollo Minerals Limited (ASX: AON), which holds a 70% interest. The Darlot and Yalgoo Projects have gold and base metal targets that require drill testing.

Enterprise has an experienced Board of Directors with extensive skills in exploration, mining, accounting, corporate governance and provision of corporate advice.

INVESTMENT IN ALTO METALS LIMITED

Enterprise currently holds a 7.9% interest (12 million shares) in Alto Metals Limited (ASX: AME, or "Alto"). On 23 June 2016 Alto announced that it had acquired a 100% interest in Sandstone Exploration Pty Ltd, the holder of tenements covering the 723km^2 and the majority of the Archaean Sandstone Greenstone Belt in Western Australia, which has produced over 1.3 million ounces of gold. Enterprise's 12 million Alto shares have a current fair market value of $1.1M based on the AME share price of 9.3 cents/share at market close on 13 April 2017.

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.