



ASX ANNOUNCEMENT

7 December 2010

IP SURVEY COMMENCES OVER DOOLGUNNA VMS BASE METAL SOIL ANOMALY

DOOLGUNNA E52/2049 (ENT 100%)

Enterprise Metals Limited (“Enterprise” or “the Company”, ASX: “ENT”) wishes to advise that it has commenced an Induced Polarisation (“IP”) survey over the Doolgunna VMS style base metal anomaly reported to the ASX on 18th October 2010.

The survey will consist of 6 lines (for a total of 21 line km). The survey is expected to be completed prior to Christmas, with interpreted data available early in January 2011.

IP surveying of the other 3 VMS style base metal targets (REA, REB & REC) in the Ruby Well area (E51/1303) will commence in January 2011.

BACKGROUND

Enterprise recently completed detailed soil sampling over those portions of the Company’s tenements which overlie the prospective Narracoota Formation volcanics of the Bryah Basin, the same rock unit which hosts Sandfire Resources NL’s De Grussa copper - gold discovery.

Approximately 490 samples collected over E52/2049 - Doolgunna (100m x 100m spacing) were analysed for low level gold and base metals associated with Volcanogenic Massive Sulphide (“VMS”) type deposits.

A discrete and co-incident silver (max 350ppb), arsenic (max 57ppm), tin (max 4.6ppm), gold (max 30ppb) and tellurium (max 510ppb) anomaly was identified over an area of approximately 2km² within the Narracoota Formation volcanics where they abut the Goodin Fault, immediately northeast of the Doolgunna Homestead. (refer figures 1 and 2 overleaf). Prospectors have also recently reported finding gold nuggets within the general area of this geochemical anomaly. (*ENT: ASX release 18 October 2010*)

Induced Polarisation or “IP” is an electrical geophysical technique whereby an electric current is induced into the subsurface rocks. The technique is commonly used to explore for disseminated and/or massive sulphide mineralisation at depth below covered areas or areas with little or no outcrop. The resulting anomalies can then be targeted by drilling.

Focused geophysical surveying in areas soil anomalism with little outcrop is a proven technique to identify drilling targets below a heavily weathered and leached regolith profile.

These techniques are the same as those being used by Sandfire Resources NL, which reported (*ASX: SFR 29 October 2010*) that they are exploring “*systematically and comprehensively.....the entire 6km long priority DeGrussa corridor*” using both IP and high powered surface EM.

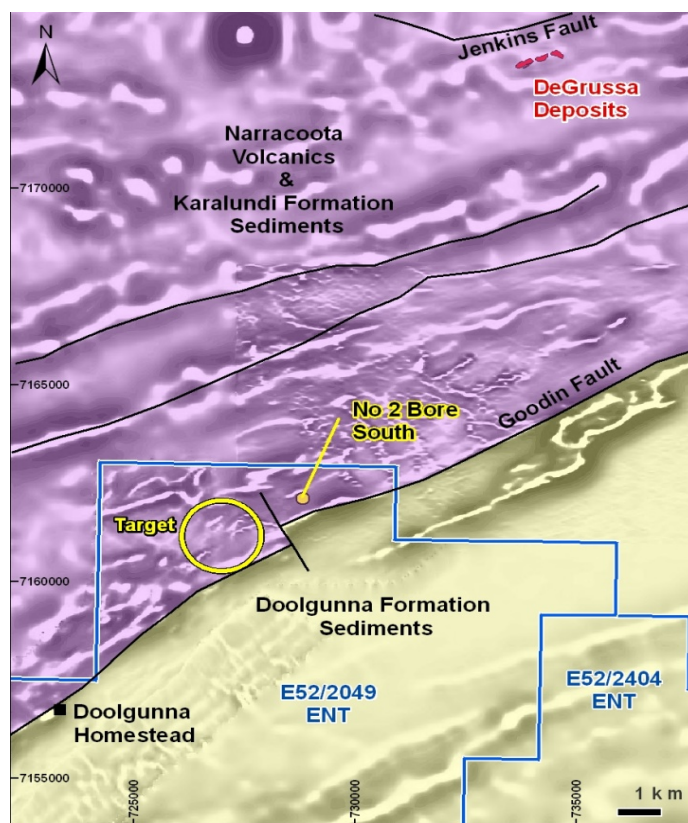


Figure 1. Doolgunna Base Metal Target, Geological Interpretation superimposed on Magnetic Image.

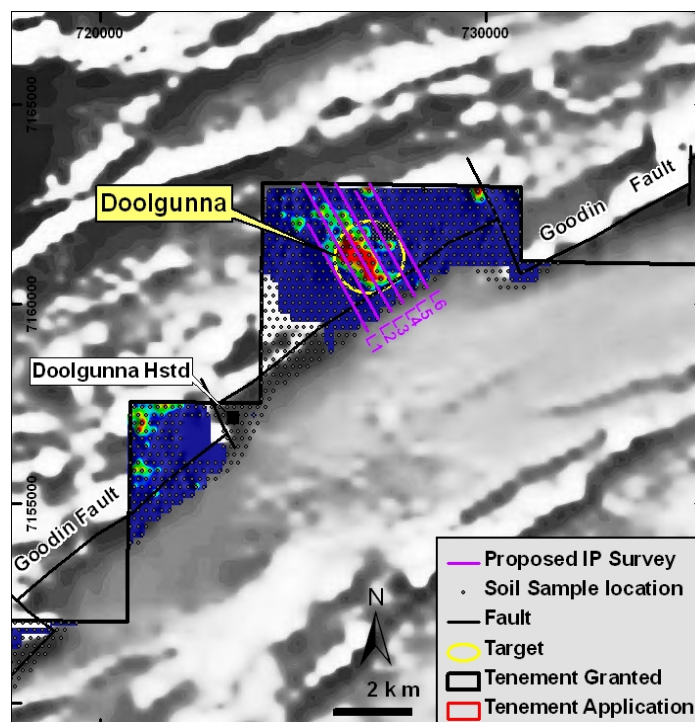


Figure 2. Doolgunna Base Metal Target, Silver Soil Anomaly & Proposed IP lines superimposed on Magnetic Image.

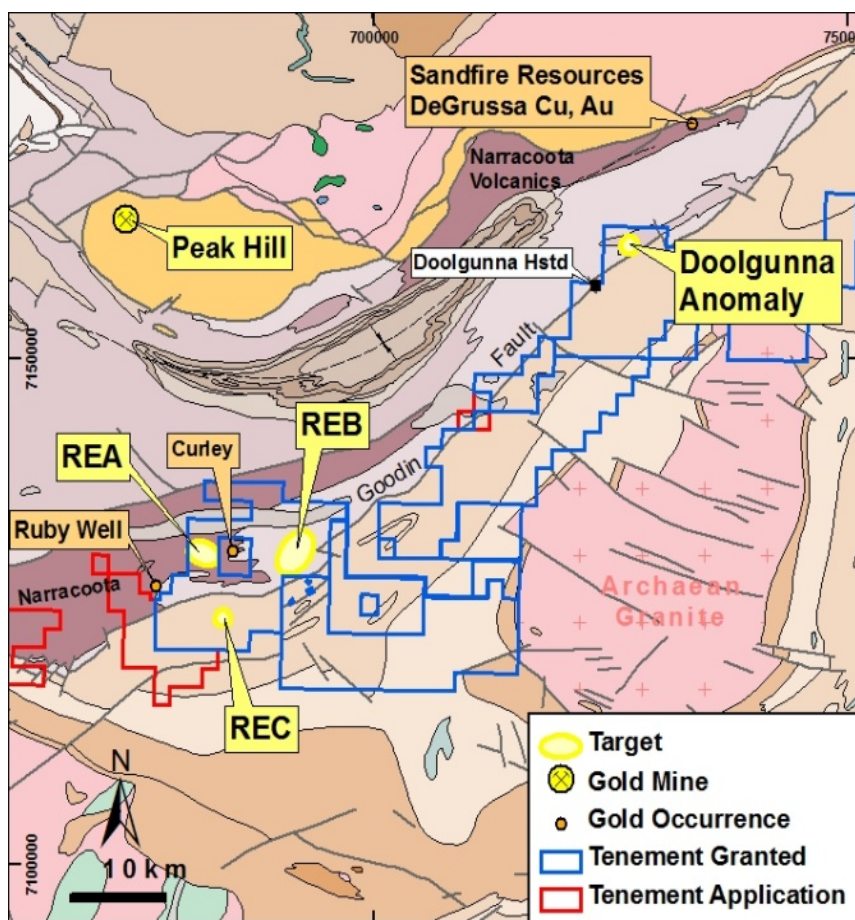


Figure 3. Regional Geology Plan Showing Tenements & Doolgunna Anomaly

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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.