



CUNDERDIN IRON PROJECT KEY TENEMENT GRANTED AND DRILLING PROGRAMS PLANNED

SUMMARY

- **Key tenement, Exploration Licence 70/3756-I granted 7 April 2010.**
- **Aircore and RC drilling programs planned along E-W road reserves.**
- **Program of Work lodged with Department of Mines and Petroleum**

Enterprise Metals Limited ("Enterprise" or "the Company", ASX: "ENT") is pleased to announce that the *Department of Mines and Petroleum* ("DMP") has granted the Company's wholly owned Exploration Licence 70/3756-I, the key tenement that encompasses the bulk of its quartz magnetite/BIF target. Approval to explore for Iron has also been granted. Based on the Company's recently completed 200 metre line spaced magnetic and radiometric survey, this target has a strike extent of over 110 km and a width of between 500 - 1,000 metres.

The Company has submitted 2 programs of work ("PoW's") to the DMP for approval. Initially, 100 vertical aircore ("AC") drill holes are planned over 20 roughly east-west traverses, with an average depth of 40 metres per hole, for a total of 4,000 metres. These drill traverses are to be conducted using a relatively inexpensive tractor mounted AC/airvac system (max 75m depth) along road reserves to minimise landowner disturbance. Permission for the planned program is also being sought from the Shire of Cunderdin. This drilling is to test the nature and depth of the regolith over the magnetic units, and to define the nature of the unexposed bedrock. (*refer Figure 1 overleaf for locations of proposed holes*)

Following the definition of the magnetic target with AC drilling, and the confirmation of the presence of iron mineralisation, follow up angled hole reverse circulation ("RC") drilling will be conducted along the existing AC traverses to define grade and thickness of iron mineralisation. Approximately 50 scout RC holes are planned over the 20 east-west traverses, with an average depth of 125 metres per hole, for a total of 6,250 metres. The results of this RC drilling phase should enable the Company to determine grade and tonnage parameters for any target mineralisation.

Approvals for the drilling program by the *Department of Mines and Petroleum* and the Shire of Cunderdin are expected to take 4-6 weeks. Commencement of drilling is therefore planned for late May/early June. The DMP has advised the Company that Native Title has been extinguished over the private farmland comprising the granted tenement.

Negotiations with landowners regarding access to private land for the second stage of RC drilling are due to begin in mid April 2010. The Company has suspended discussions with a potential strategic partner and iron ore customer pending the results of these drilling programs.

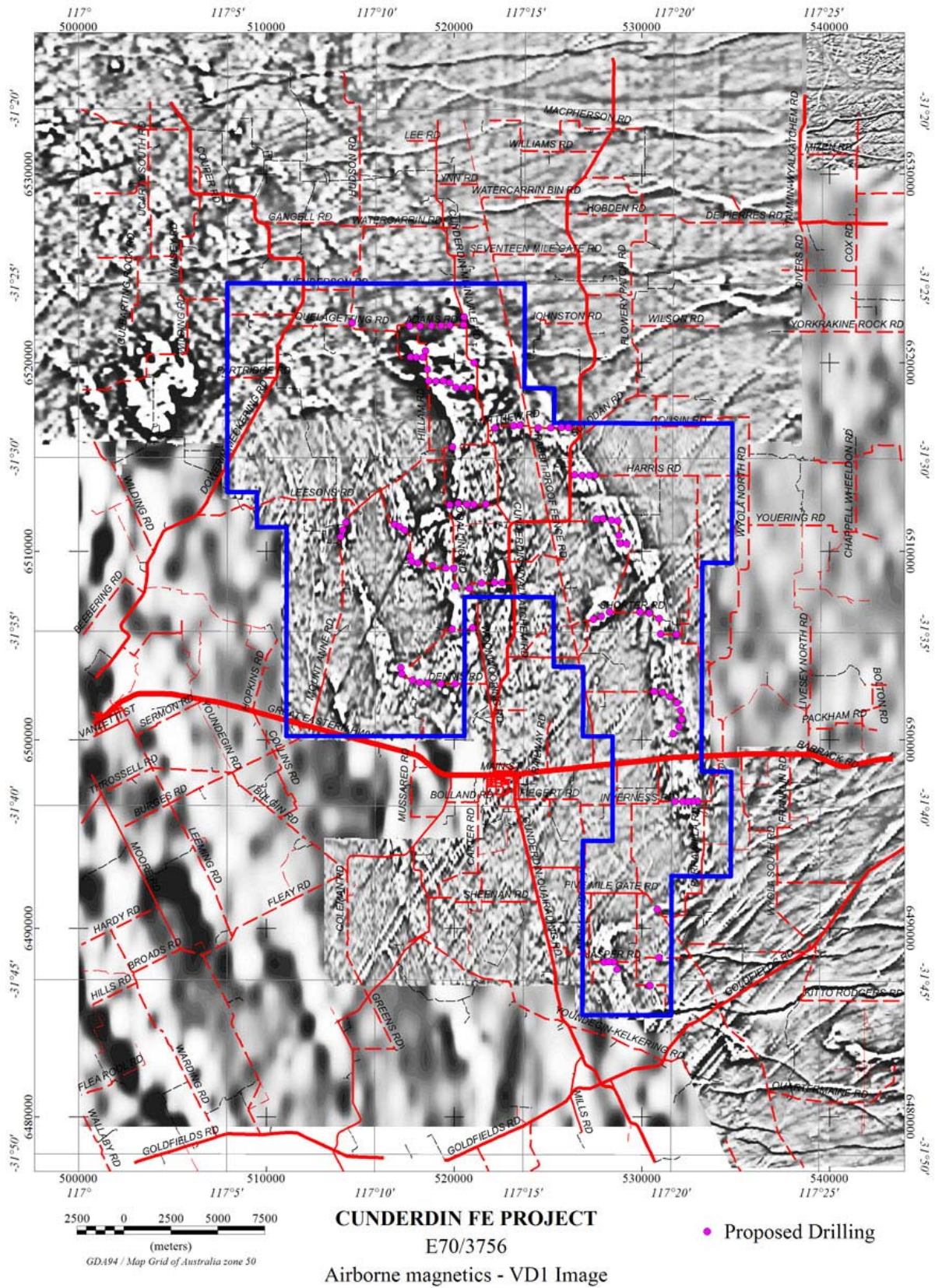


Figure 1. Planned Drill Holes (purple) over Interpreted Quartz-Magnetite/BIF Horizon

BACKGROUND - CUNDERDIN IRON PROJECT

The Cunderdin Project is centered on the township of Cunderdin approximately 150 km east of Perth in Western Australia, and straddles the Great Eastern Highway and the standard gauge railway line that runs from Kalgoorlie to the port of Kwinana south of Perth.

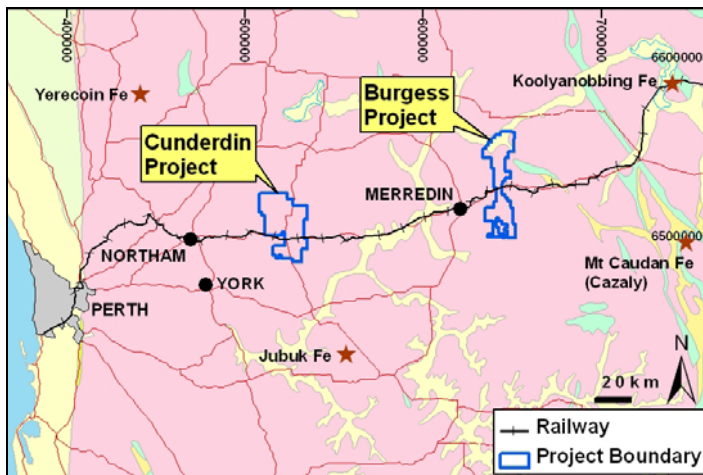


Figure 2. Location Plan – Cunderdin Iron Exploration Project

The project consists of wholly owned Exploration Licence 70/3756-I and Exploration Licence application 70/3816 covering a total of approximately 713 km². The tenements cover granites and granitic gneisses along the western margin of the South West Terrane of the Archaean Yilgarn Craton.

These granitic gneisses are known to contain enclaves of NW striking metamorphosed greenstone belts, which also contain meta-sedimentary units including quartz-magnetite/BIF. However, the deep weathering of these areas has often resulted in little outcrop being left at surface, and hence detailed magnetic and radiometric surveys are critical in outlining these “blind” greenstone belts.

The Cunderdin project area is deeply weathered with a relatively intact regolith and very little outcrop. The interpreted BIF horizon is represented largely by gently rolling hills capped by blankets of iron rich laterite. The historical and regional mapping by the Geological Survey of Western Australia records no outcropping occurrence of BIF in the Company’s tenements, but the mapping was undertaken without the guidance of detailed magnetic or drilling data.



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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.

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