



ENTERPRISE METALS SUCCESSFUL IN STATE GOVERNMENT EXPLORATION INCENTIVE SCHEME

Enterprise Metals Limited (“Enterprise” or “the Company”, ASX: “ENT”) is pleased to announce that it has been awarded grants by the Western Australian State Government totaling \$317,000 for co-funded drilling programs at three of its projects.

CUNDERDIN PROJECT Co-funded Grant of \$150,000

The WA State Government will match the Company’s expenditure on reconnaissance drilling to test the 110km linear magnetic anomaly detected by the Enterprise’s low level aeromagnetic survey at Cunderdin, 150km east of Perth. The Company is planning to explore a “blind” hitherto unknown greenstone belt which geophysics suggests has the potential to host Banded iron formation (“Bif”) and mafic igneous rocks (“greenstones”).

Further evidence supporting the buried greenstone belt model has also come from gravity surveys in the area, conducted recently by the **Geological Survey of Western Australia** (“GSWA”).

Enterprise Metals Managing Director Mr Dermot Ryan said that *“the Cunderdin exploration initiative is a great example of how Government and industry can co-operate for a win-win outcome. Successful exploration at Cunderdin, by the discovery of an economic iron ore or gold or base metal deposit, would be a tremendous boost for the region, providing new business and construction opportunities, jobs and training, and new services to a local economy that has been substantially based on agriculture until now.*

The Cunderdin drilling program is planned to commence in July 2010, subject to Department of Mines and Petroleum (“DMP”) and Cunderdin Shire approval. A program of consultation with potentially affected private landowners has commenced.

EUCLA PROJECT Co-funded Grant of \$150,000

The WA State Government will also match the Company’s expenditure on reconnaissance drilling to test a series of strong discrete magnetic anomalies in the vicinity of Balladonia on the edge of the Nullabor Plain. These anomalies were first identified in airborne magnetic data flown and released by the GSWA in 2009 with the intention of stimulating exploration interest.

The area has received little to no exploration in the past due to lack of outcrop, but the GSWA magnetic data has shed new light on the probable basement geology and structure.

The strong discrete magnetic anomalies that the Company intends to drill test also have co-incident gravity anomalies, which suggests the sources are more dense than the surrounding granites, and may be possibly caused by large magnetite/hematite rich intrusive (similar too Roxby Downs in South Australia) or by intrusives of mafic and/or ultramafic rocks prospective for gold and base metals.

Mr Ryan commented that: *“the main tenement containing the majority of the discrete coincident*



ENTERPRISE METALS LIMITED

magnetic-gravity anomalies was recently granted. A Program of Work has been lodged with the DMP for the drilling of 41 RC holes and approval is awaited. A heritage survey and native title clearance program has been organized for early July. Subject to approval from the DMP and a successful heritage and clearance survey, drill testing of these targets is expected to commence in mid July.

The State Government commissioned the flying of these surveys in remote but prospective areas of Western Australia with the intention of stimulation exploration interest, and this has been precisely the outcome in this case. We are very keen to get on the ground and drill some holes to find out the cause of the anomalies. The discovery of a major ore deposit at Balladonia would bring new infrastructure and educational and employment opportunities to this remote area of WA where current employment options for local indigenous residents are very limited." Mr Ryan said.

YALGOO PROJECT Co-funded Grant of \$17,000

The Yalgoo uranium project is located approximately 600kms north of Perth and is 23kms west of the township of Yalgoo. In January 2010, the Company announced the results of its detailed 100 metre line spaced magnetic and radiometric airborne survey over the Salt River drainage system and its tributaries. The Company announced that it had identified three first class uranium channel anomalies at the Salt River prospect, at Muggaburna and Bunnawarra.

The Salt River drainage system contains mapped calcrete deposits and overlies a north-south trending greenstone belt. The Company believes that the Yalgoo Project uranium targets satisfy many of the criteria for the development of calcrete hosted uranium deposits such as Yeelirrie.

The Company has planned ground spectrometer traversing, soil sampling and ultimately aircore drilling. This drill testing will be subject to approval by the DMP of a PoW and site avoidance surveys by Native Title Claimants.

COMMENT: The board of directors of Enterprise Metals Limited would like to take this opportunity to thank the government of Western Australia and particularly the Mines and Petroleum Minister Norman Moore for promoting and funding the **West Australian Exploration Incentive Scheme**.

At a time of considerable uncertainty in the mining and exploration industry, it is refreshing to see an example of good political leadership which results in co-operation between government and industry, for the ultimate benefit of all Australians.

Dermot Ryan
Managing Director

Contact:

Telephone: 08 9436 9200

Facsimile: 08 9436 9299

Email: admin@enterprisemetals.com.au

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.