



# Enterprise Metals

Aug 23<sup>rd</sup> 2012

## Enterprise Metals finds 1km long gold prospect at Doolgunna

Enterprise Metals (ASX: ENT) has unearthed a 1 kilometre long gold-in-soil anomaly, dubbed Vulcan, through exploration drilling at its Doolgunna Project, 130 kilometres northeast of Meekatharra.

The drilling of four angled aircore drillholes on the Vulcan Prospect has successfully delivered highlight intersections of 24 metres at 1.67 grams per tonne (g/t) gold from 40 metres, including 8 metres at 2.77g/t gold.

Based on the earlier discovery of visible gold in a shallow pit northeast of the Doolgunna homestead, and positive shallow intercepts of up to 2.03g/t gold, Enterprise excavated around 500 tonnes of material.

Interestingly, from this a total of 47 ounces of coarse gold was recovered, implying an undiluted grade approaching 0.1 ounce per tonne.

This figure applies to the coarse "detectable" gold portion only, and does not take into account the presence of any "fine" gold.

The four angled aircore drillholes were completed targeting the down dip extension of a gossanous unit exposed in the costean.

Enterprise is now planning additional aircore drilling over a 1,000 metre by 400 metre east-northeast trending area of nodular lateritic cover in the vicinity of the costean testing for repeat structures/mineralisation supported by anomalous gold results in soil samples.

### Regional exploration

Meanwhile, a regional aircore drilling program, comprising 134 holes for 7,790 metres, has delivered notable intercepts of 4 metres at 3.88g/t from 48 metres at the Vulcan West Prospect, and 4 metres at 12.3g/t from 72 metres at the Goodin Fault Prospect.

Drilling was targeting a supergene copper-gold enrichment blanket, which may be developed below a leached cap and above deeper primary sulphide copper-gold mineralisation, within the Narracoota Formation volcanics.

Enterprise has mapped out a regional infill aircore drilling program comprising 250 holes for 10,000 metres, anticipated to begin at the end of September once the Program of Works has been approved.

Dermot Ryan, managing director, told Proactive Investors today the depth of weathering prompted Enterprise to carry out infill aircore drilling.

"We decided we would do infill aircore drilling because the depth of weathering is so great, especially around those mineralised areas what we see is the depth of weathering is about 100 metres.

"Whereas in other areas and over the regional aircore program we had anything from fresh rock at surface to 10 or 20 metres of either weathering or transported alluvium."

This drilling will initially focus on the area surrounding the Vulcan costean and anomalous soil sample results to define geological/geochemical targets for follow-up reverse circulation drill testing.

**Price:** A\$0.22

**Market Cap:** A\$45.84M

### 1 Year Share Price Graph



### Share Information

**Code:** ENT

**Listing:** ASX

**Sector:** General Mining

**Website:** [www.enterprisemetals.com.au](http://www.enterprisemetals.com.au)

### Company Synopsis:

*Enterprise Metals (ASX: ENT) is an exploration company with a portfolio of prospective gold, uranium and iron ore projects in Western Australia.*

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Follow-up of all anomalous gold and copper intersections from the previous regional aircore program is planned, along with infill lines targeting geochemical/structural trends between the original 1 kilometre spaced lines.

## Potential for a copper-gold system

Ryan said in some respects exploration at Doolgunna is similar to the early days of the discovery of Degruusa where early drilling was too shallow.

"It wasn't until they punched some holes down beyond 100 metres that they really went through a supergene enriched zone of native copper and gold, and then into primary mineralisation.

"Whilst this is predominantly gold at the present time, given the strong acid leaching and copper being particularly mobile, it may be a gold prospect in the regolith but it could turn into copper-gold.

"There's certainly evidence in our multi-element geochemical work to indicate there are some similarities between the area surrounding Degruusa and the ground that we have around Doolgunna."

## SinoTech ups the investment in Enterprise Metals

Major shareholder SinoTech (Hong Kong) Corporation has shown it holds very high hopes for its investment in Enterprise, acquiring further shares through an early exercise of options recently.

SinoTech exercised half of its 20 million options in the company at \$0.25 each, adding A\$2.5 million to Enterprise's cash reserves of \$8.2 million at the end of the June quarter.

The company is known to be extremely "bullish" on Enterprise's core exploration projects.

Tellingly, SinoTech's initial investment in Enterprise's marked its first equity deal in Australia.

SinoTech aims to create an international exploration & mining company by strategic partnering with locally based exploration companies.

It already holds a 20% interest in Canaco Resources Inc. (TSX-V: CAN) and 41% interest in Silvore Fox Minerals Corp. (TSX-V: SFX).

SinoTech, which now holds a 33.77% interest in Enterprise's, is a subsidiary of Sinotech Minerals Exploration Co, a major Chinese exploration and mine development company.

## Analysis

Enterprise controls a significant strike length of the Goodin Fault, which separates the Narracoota Formation volcanics from the Doolgunna Formation sediments.

The Goodin Fault has a strike length of around 100 kilometres, and is interpreted to be a major structure that may have provided conduits for mineralising fluids during collisional tectonics.

The Doolgunna Project is located in the same region as Sandfire Resources' (ASX: SFR) 10.67 million tonne Degruusa VMS discovery.

Importantly, Enterprise is progressing well at Doolgunna having defined the 1 kilometre long Vulcan Prospect and delivering more promising intercepts near surface, demonstrating early potential for the project to host an open pit.

There is also the potential for gold at depth with earlier drill holes increasing in gold content towards the base, suggesting that there is potential for primary mineralisation in fresh rock below.

With a fresh 10,000 metre drilling program set to begin, results will likely be highly anticipated.



SinoTech has demonstrated its confidence in Enterprise's operations with continued investment which has netted it a 33.77% stake.

With a current market cap. of just \$24.5 million, Enterprise is lightly valued given SinoTech's support and vote of confidence investing at a premium to market.

In addition Enterprise had \$8.2 million at quarter end. Enterprise also has the Yalgoo Uranium Project, the Darlot Gold/Base Metal Project and Booylgoo Iron Project. All told, today's news could be an inflexion point and the current valuation may look exceedingly light in time.

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