

BURRACOPPIN IRON PROJECT
HIGHLIGHTS

- **Massive hematite samples recovered from field (+60% Fe by Niton XRF)**
- **Assays of rockchip samples by laboratory XRF exceed Niton XRF values**
- **Aeromagnetic survey of northern portion of project area commissioned**

Enterprise Metals Limited ("Enterprise" or "the Company", ASX: "ENT") wishes to announce that it has received assay results for rockchip samples collected in the vicinity of aeromagnetic anomalies at Burracoppin, 280 km east of Perth and 70km west of the Southern Cross greenstone belt which hosts Cazaly Resources Ltd's Mt Caudan iron deposit.

The samples were obtained from scattered outcrops of altered and unaltered Archaean quartz-magnetite/banded iron formation ("Bif") and goethitic and pisolitic material, and compare favourably with the Niton XRF values which were reported in the Company's Quarterly Report to the ASX dated 21 January 2011. In general, the laboratory XRF Fe% assays exceed the Niton XRF Fe% values.

Approximately 11% of the 104 samples submitted contained in excess of 50% Fe, with Loss on Ignition ("LOI") between 10% and 13%. (Refer Table 1 below). Assuming that all LOI is attributed to waters of crystallization associated with hydrated iron oxides, this +50% Fe material would upgrade to 57-64% Fe after calcining. These results suggest that mineralising processes capable of upgrading Bif to oregrade goethite have been active at Burracoppin.

Table 1. Rock Sample Niton XRF Values* Compared to Laboratory XRF Results (+50% Fe cut off)**

Rockchip Sample	GDA94 Easting	GDA94 Northing	Niton* Fe %	Lab** Fe %	Lab** Al ₂ O ₃ %	Lab** LOI %	Lab** P %	Lab** SiO ₂ %	Field Description
E013674	640059	6531657	21.9	56.51	1.92	11.47	0.224	4.75	Goethitic Bif
E013722	642032	6521389	56.4	55.23	4.64	12.69	0.169	3.34	Goethitic Bif
E013709	642827	6522373	55.7	54.09	5.18	11.68	0.055	5.22	Goethitic Bif
E013723	642020	6521416	55.1	53.73	5.93	12.36	0.184	4.51	Goethitic Bif
E013716	642892	6522294	48.0	53.64	6.51	10.42	0.085	5.55	Goethitic Bif
E013717	642898	6522278	36.8	53.48	5.18	11.93	0.059	5.45	Goethitic Bif
E013721	642039	6521378	52.3	53.28	5.95	11.59	0.071	5.94	Goethitic Bif
E013719	642929	6522040	57.8	53.12	4.35	11.08	0.129	8.1	Goethitic Bif
E013762	647598	6511705	41.1	53.07	5.95	13.05	0.122	4.73	Goethitic Bif
E013718	642930	6522056	39.8	52.48	6.73	12.13	0.134	4.76	Goethitic Bif
E013720	642930	6522032	39.2	50.23	7.32	12.37	0.127	6.47	Goethitic Bif
			Average	53.53	5.42	11.89	0.123	5.35	

**Lab: Fe, Al₂O₃, SiO₂, & P were determined by X-ray fluorescence spectroscopy (XRF) on pulverised samples fused with a lithium borate flux. Single point Loss on Ignition (LOI) was determined by the use of Thermo Gravimetric Analysis (TGA) at 1000°C. Detection limits for listed elements were 0.01% except for P (0.001%)

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(Table 3 overleaf shows assay results for all 34 samples with+ 35% Fe, which relate to various degrees of mineralisation of Bif's. The laboratory assays for Fe are in general in excess of the Niton Fe values).

Assay results for the second batch of samples submitted, which include samples of **massive hematite returning Niton XRF values in excess of +60% Fe**, are still awaited. (Refer Table 2 and Plate 1).

Table 2. Rock Samples with significant (+35% Fe) Niton XRF Values, Sorted by Value, Formal XRF Assays Awaited

Rockchip Sample	GDA94 Easting	GDA94 Northing	Niton Fe %	Field Description
E013657	642176	6520363	63.4	Hematite
E013650	642278	6520194	62.2	Hematite
E013644	642463	6520234	57.4	Hematitic BIF
E013642	642284	6520219	55.3	Hematitic BIF
E013660	642186	6520359	54.8	Hematitic BIF
E013655	642566	6520276	53.9	Hematitic BIF
E013647	642293	6520197	51.1	Goethitic BIF
E013632	642297	6520206	50.6	Hematitic BIF
E013646	642214	6520172	50.6	Goethitic BIF
E013656	642363	6520215	49.9	Hematitic BIF
E013649	642569	6520304	47.8	Goethitic BIF
E013630	642286	6520177	47.2	Hematitic BIF
E013628	642259	6520255	46.3	Goethitic BIF
E013651	639662	6518601	46.1	Hematitic BIF
E013612	642471	6523096	45.3	Goethitic BIF
E013659	642229	6520282	44.0	Hematitic BIF
E013631	642336	6520157	41.6	Goethitic BIF
E013654	639651	6518596	41.6	Goethitic BIF
E013662	643560	6519575	36.0	Goethitic BIF

**Note: Niton XRF values from ~0.5kg grab samples are not necessarily representative of entire outcrops or subcrops, but give an indication of where iron mineralising processes have occurred.*

The presence of massive high grade hematite in rockchip samples suggests that the mineralising processes at Burracoppin are not only capable of upgrading Bif to oregrade goethite material, but are also capable of producing Direct Shipping Ore ("DSO") style hematite.

The cut and polished sample of massive high grade (+60%Fe) hematite from Johnstons Prospect (Plate 1 overleaf) contains some relict banding and also evidence of recrystallisation. Mapping and trenching of Johnstons, Lamberts and Lamberts West prospects are being planned.

Based on these encouraging results south of Burracoppin, the Company has commissioned a geophysical contractor to fly a low level 100m line spaced airborne magnetic and radiometric survey over its northern Burracoppin tenements to generate further targets for field follow up. This survey is due to commence by March 2011.

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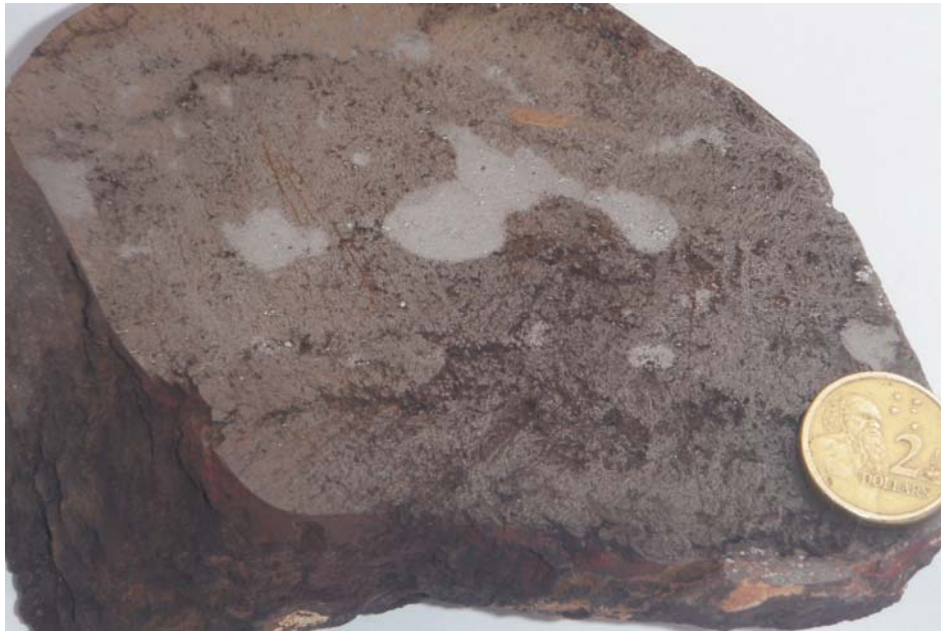


Plate 1: Cut Section of Massive Hematite – Johnstons Prospect, Burracoppin

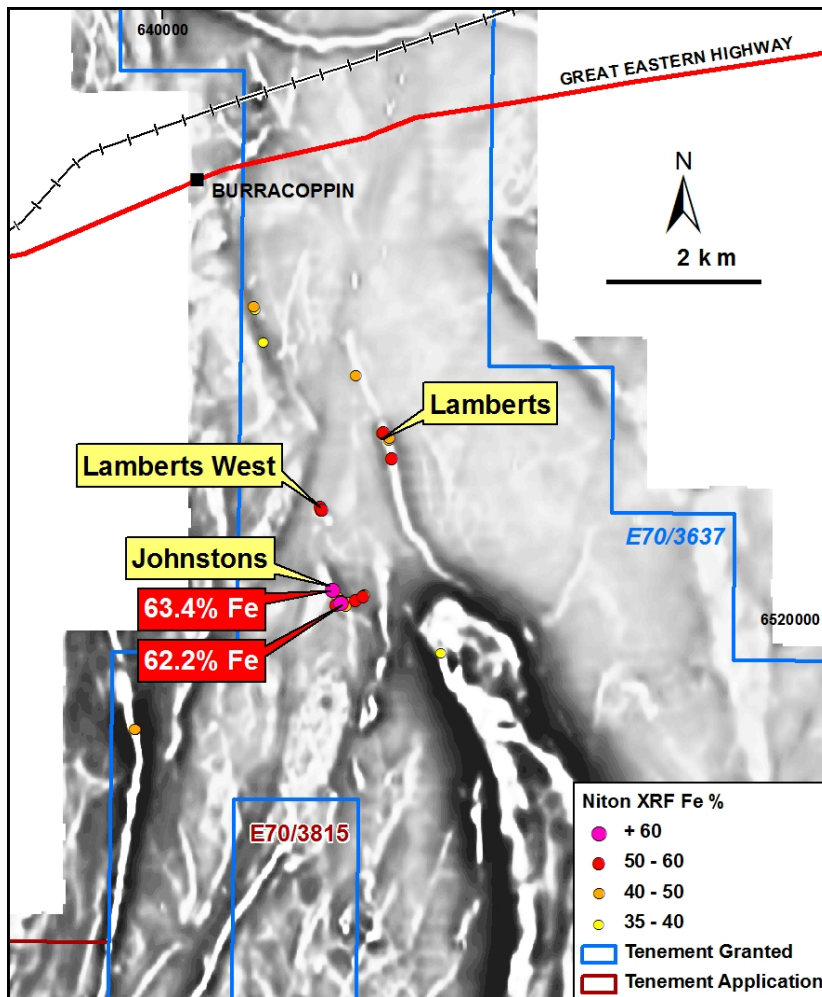


Figure 1. Burracoppin Magnetic Image with Niton XRF Fe% Values

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Table 3. Rock Sample Niton XRF Values* Compared to Laboratory XRF Results (+35% Fe cut off applied)**

Rockchip Sample	GDA94 Easting	GDA94 Northing	Niton*	Lab**	Lab**	Lab**	Lab**	Lab**	Field Description
			Fe %	Fe %	Al ₂ O ₃ %	LOI %	P %	SiO ₂ %	
		Detection	Limit	0.01	0.01	0.01	0.001	0.01	
E013674	640059	6531657	21.9	56.51	1.92	11.47	0.224	4.75	Goethitic BIF
E013722	642032	6521389	56.4	55.23	4.64	12.69	0.169	3.34	Goethitic BIF
E013709	642827	6522373	55.7	54.09	5.18	11.68	0.055	5.22	Goethitic BIF
E013723	642020	6521416	55.1	53.73	5.93	12.36	0.184	4.51	Hematitic BIF
E013716	642892	6522294	48.0	53.64	6.51	10.42	0.085	5.55	Goethitic BIF
E013717	642898	6522278	36.8	53.48	5.18	11.93	0.059	5.45	Goethitic BIF
E013721	642039	6521378	52.3	53.28	5.95	11.59	0.071	5.94	Goethitic BIF
E013719	642929	6522040	57.8	53.12	4.35	11.08	0.129	8.1	Hematitic BIF
E013762	647598	6511705	41.1	53.07	5.95	13.05	0.122	4.73	Goethitic BIF
E013718	642930	6522056	39.8	52.48	6.73	12.13	0.134	4.76	Goethitic BIF
E013720	642930	6522032	39.2	50.23	7.32	12.37	0.127	6.47	Goethitic BIF
E013752	648196	6512276	43.1	49.98	8.2	12.04	0.095	6.81	Goethitic BIF
E013672	640085	6531763	32.3	48.89	8.86	3.24	0.114	17.05	Goethitic BIF
E013769	647801	6511905	8.8	48.41	8.78	12.85	0.08	7.66	Goethitic BIF
E013753	648196	6512276	44.8	47.95	9.04	11.93	0.073	8.48	Goethitic BIF
E013707	642801	6522355	49.9	45.62	6.58	10.28	0.213	17.04	Goethitic BIF
E013712	642877	6522356	28.8	45.30	7.92	10.58	0.032	16.25	Goethitic BIF
E013744	641162	6523972	42.3	44.85	8.42	6.42	0.011	20.5	Goethitic BIF
E013711	642883	6522327	35.5	44.53	6.14	9.34	0.033	19.87	Goethitic BIF
E013714	642876	6522180	7.1	44.35	8.64	10.6	0.081	16.47	Goethitic BIF
E013745	641162	6523972	36.5	43.83	8.5	7.7	0.011	21.35	Goethitic BIF
E013761	647600	6511699	22.3	43.68	9.01	11.26	0.037	16.27	Goethitic BIF
E013748	641162	6523972	32.0	43.41	8.07	8.05	0.013	21.17	Goethitic BIF
E013710	642881	6522305	36.9	43.40	11.92	12.01	0.054	13.05	Goethitic BIF
E013750	648196	6512276	29.3	43.28	11.28	12.45	0.053	13.27	Goethitic BIF
E013727	639419	6519608	16.4	42.51	2.11	2.53	0.026	34.54	Goethitic BIF
E013770	647358	6512053	40.9	42.11	15.05	7.02	0.02	16.04	Goethitic BIF
E013754	648196	6512276	20.6	40.85	13.88	11.67	0.066	15.44	Goethitic BIF
E013699	642438	6523312	20.6	40.38	7.69	8.8	0.04	23.46	Goethitic BIF
E013729	639428	6519570	34.3	36.83	1.43	1.44	0.016	44.07	Goethitic BIF
E013739	641186	6523935	39.8	36.32	6.38	6.82	0.053	33.97	Goethitic BIF

**Lab: Fe, Al₂O₃, SiO₂, & P were determined by X-ray fluorescence spectroscopy (XRF) on pulverised samples fused with a lithium borate flux. Single point Loss on Ignition (LOI) was determined by the use of Thermo Gravimetric Analysis (TGA) at 1000°C.

* The Niton XRF unit is a Company owned portable analyser of various elements/ metals, which utilises an x-ray fluorescence tube to take rapid measurements over a pin-point area. It is used by Enterprise to take gain an appreciation of contained iron mineralisation of grab samples from rock outcrops or subcrops, but is not an absolute determinant of contained iron.

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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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