

# Enterprise Metals ENT (\$0.16)

## SITE VISIT UPDATE

## Searching for the Next DeGrussa

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### OUR VIEW

Enterprise Metals (ENT) has mobilised an RC drill rig to test for DeGrussa VMS style targets commencing this week at its Doolgunna project located immediately south of Sandfire (SFR) (Figure 1). Over the past six months ENT has drilled 385 Aircore (AC) holes (23,357m) into the regolith (~100m), and a number of which have defined strong lateritic gold and low grade copper in a prospect named Vulcan. The significance of the gold and copper blanket is that these are potentially indicator minerals for deeper VMS deposits which are contained within the fresh rock. This is significant as SFR had similar indications prior to the discovery of DeGrussa, the most significant copper discovery in Australia in recent memory. In addition, ENT has ground with several anomalies within Fraser Range near Sirius Resources (SIR) Nova discovery.

### Investment Highlights

- Doolgunna Site Visit Update:** We recently visited ENT's Doolgunna project and came away very encouraged by the AC results at its Vulcan prospect. Anomalous gold and copper in regolith suggest a plunging DeGrussa style shoot of approximately 150m long 20-30m wide and southerly dipping (Figure 2). The target area has the potential to stretch for 1.5km. Deep RC drilling to test the Vulcan target will commence this week and consist of 6-12 RC holes of between 200-300m depth. An EM survey crew is on stand-by to conduct downhole EM to target off hole conductors (potentially massive sulphide) within 50m.
- Vulcan: A DeGrussa Look-a-like?:** The key here is that ENT's Vulcan target has many similarities to Sandfire's original DeGrussa prospect. From SFR's March 2009 Quarterly Activities report SFR was targeting depth extensions to 220m strike length of known lateritic gold mineralization intersections include: 21m at 7g/t Au and 9m at 3.04g/t Au. Exploration was targeting potentially open pit, near surface oxide gold deposit grading +3g/t Au and testing for primary sulphide mineralization at depth. As we now know the primary sulphide mineralisation was the DeGrussa copper deposit which currently has a resource of 13.5Mt at 4.8% Cu and 1.66g/t Au. The difference between Vulcan and DeGrussa is the regolith is deeper at around 120m vs 60m at DeGrussa.
- Strong Technical Team:** ENT has a strong technical team headed up by Dermot Ryan a highly credentialed ex-CRA geologist. Dr Allan Trench is on the Board and is a well known geologist who consults to CRU group. The company is backed by Chinese interests with two Board positions for Dr. Jingbin Wang of SinoTech (China Nonferrous Metals Resource Geological Survey) and Anna Mao of Worldtex Capital Resources Limited.
- Anomalies Identified In Fraser Range Could Provide Further Upside:** ENT also owns ground in the Fraser Range region (Figure 3) close to Sirius Resources (SIR) Nova Ni-Cu discovery. In early 2012, ENT completed soil sampling over its tenements and identified five areas (Plato, East Dam, EH1, EH2 and EH3) with anomalous Ni-Cu-Co and McPherson Cu-Au and Microwave Au. The highest priority target is Plato which is semi-coincident with a prominent magnetic anomaly. ENT report that IP surveying for disseminated and massive sulphides is in progress. McPherson is interesting given it is along strike from SIR newly identified western EM anomaly (20km W of Nova).
- Catalysts:** 1) December Further AC results 2) Results from Vulcan Deeper drilling. 3) IP results at Plato.

### Directors & Shareholders

Directors	Position
Dr. Jingbin Wang	Chairman (Non-exec)
Dermot Ryan	Managing Director
Dr. Allan Trench	Director (Non-Executive)
Anna Mao	Director (Non-Executive)
Paul Hallam	Director (Non-Executive)
Dennis Wilkins	CFO, Company Secretary

Shareholders	Holding (%)
Sinotech HK Corp Ltd	33.8
Dermot Ryan	5.7
Robertson Super Fund	2.7
Worldtex Capital Resources	2.3
Philip Hoff	2.1

### Company Statistics & Performance

Shares on issue (m)	213.2	3mth ADT (\$m)	0.159
ITM Options (m)	0.0	EV (\$m)	36.3
Market Cap. (\$m)	44.7	Debt est (\$m)	0.0
52 week range	\$0.091 - \$0.253	Cash est (\$m)	8.4

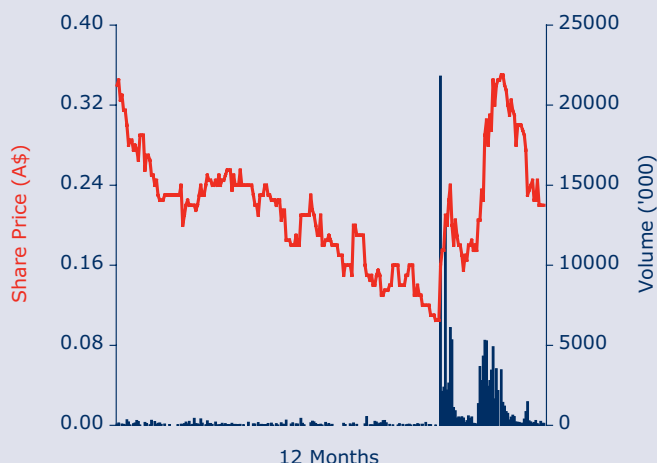


Figure 1: Vulcan prospect, Geology and Loca

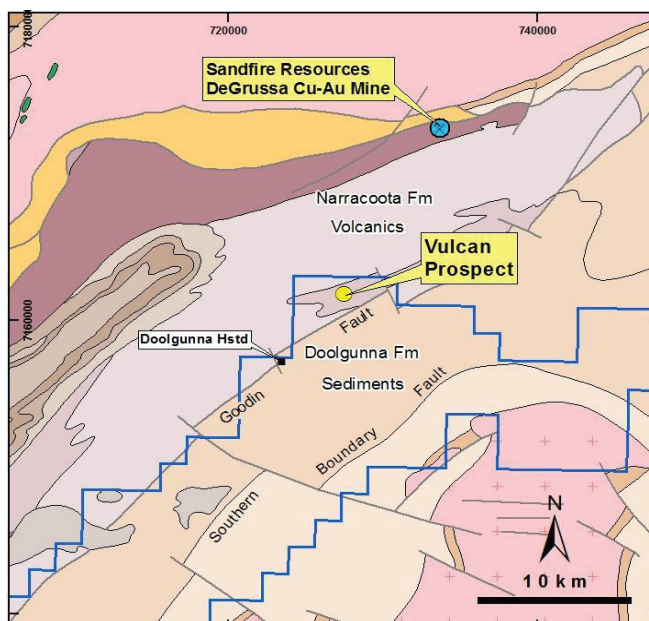


Figure 2: Vulcan Prospect, Schematic Long Section

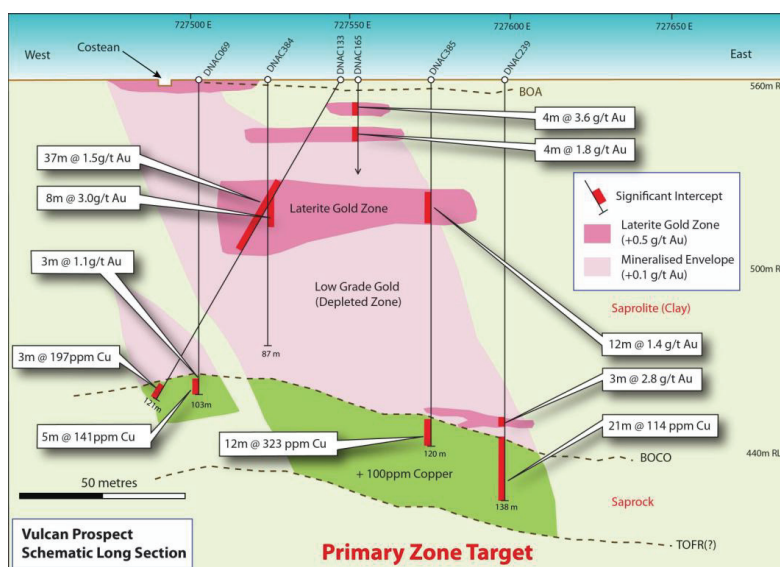


Figure 3: ENT Fraser Ranger Project and Highlighted Anomalies

