



ENTERPRISE METALS LIMITED

(ACN 123 567 073)

31 October 2011

September 2011 QUARTERLY ACTIVITIES REPORT

ASX Symbol: **ENT**

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PROJECTS

Iron Ore

Burracoppin
Sylvania
Earaheedy
Booylgoo
Cunderdin

Gold/Base Metals

Doolgunna
Darlot
Wattagee
Fraser Range

Uranium

Byro
Yalgoo
Darlot
Harris Lake
Ponton

ISSUED CAPITAL 30 Sept 2011

Shares on Issue	202,970,776
Shares Quoted	202,970,776
Listed Options	22,782,001
Unlisted Options	63,725,806

HIGHLIGHTS

- Doolgunna RC drilling programme booked to start early November, subject to cessation of heavy rain and flooding.
- Burracoppin RC drilling programme to commence 2 November.
- First of two Sylvania heritage surveys completed.
- Detailed Earaheedy magnetic/radiometric survey defines major iron rich palaeochannels.
- Two new ELA's at Byro consolidate land position.
- Five new ELA's at Ponton River over sandstone hosted uranium targets.
- Cash of \$13.12 million at 30th September 2011.

CORPORATE

On 12th July 2011, the Company announced that it had received placement funds of \$12.4 million from SinoTech (Hong Kong) Corporation Limited under a Subscription Agreement dated 21st May 2011. The Company issued SinoTech 62 million ENT shares, and 20 million attaching options, with an exercise price of 25 cents within 2 years of date of grant.

Subject to an Underwriting Agreement dated 21st May 2011, which completed with the receipt of the SinoTech placement funds, the Company issued 15 million options with an exercise price of 25 cents within 3 years of date of grant to Worldtex Capital Resources Limited and paid Worldtex a 2% underwriting fee (\$248,000 cash). Enterprise also paid a fee of 5% of the funds raised, and issued 20 million broker options with an exercise price of 25 cents within 3 years of date of grant, to Melbourne based adviser RI Capital Pty Ltd which facilitated the placement.

On 13th July 2011 Dr. Jingbin Wang and Dr. Zhen Huang of SinoTech, Mrs. Anna Mao of Worldtex and Mr. Dennis Wilkins were appointed as non-executive directors of the Company. Subsequently on 1st August 2011 the Company announced that Dr. Jingbin Wang had been elected non-executive Chairman of the Company and Mr. Bruce Hawley had resigned from an executive role to take up a non-executive director role.

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1. SUMMARY OF EXPLORATION ACTIVITIES BY PROJECT

DOOLGUNNA PROJECT

An RC drilling program to test three prospects at Doolgunna and Ruby Well West and Ruby Well East is booked to commence early November 2011, subject to favourable weather conditions. The targets are coincident IP/geochemical anomalies in Narracoota Formation volcanics, adjacent to the Goodin Fault (Doolgunna, REA, REB). The program has approval from DMP for up to 57 RC holes. (total approximately 6,000m)

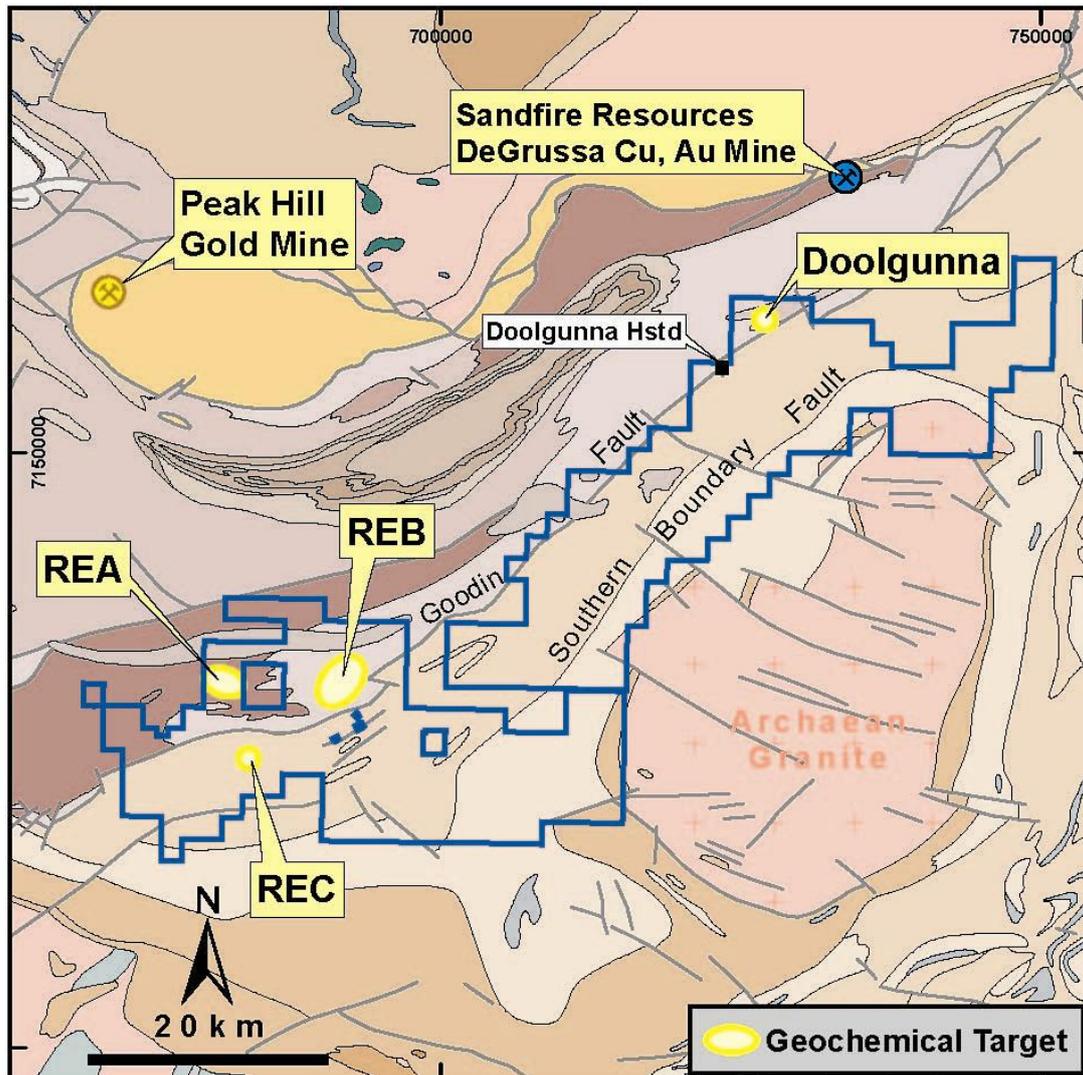


Figure 1. Doolgunna Project, Geology Plan Showing Drill Targets

SYLVANIA PROJECT

A heritage agreement was been signed with the Ngarlawangga Group covering the eastern and northern regions of the project area and a heritage survey was completed in late October. Negotiations are ongoing with the Nharnuwangga Wajarri Group covering the western portion of the project area.

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BURRACOPPIN PROJECT

RC drilling to test a variety of gold, nickel/platinum group elements (“PGE”) and iron ore targets at Burracoppin in Western Australia will commence on the 2nd November 2011.

The targets were selected for drilling following ground reconnaissance rockchip and soil sampling of magnetic anomalies generated from detailed airborne magnetic surveys flown by Enterprise in 2010 and early 2011. Several banded iron formation (“Bif”) and associated goethite and hematite occurrences have been selected for RC drill testing, along with soil geochemical gold and Ni/PGE anomalies. The program has approval from DMP for up to 43 RC holes. (total approximately 5,000m)

The tenement holding in the project area has been increased to 1,111km² following recent applications over prospective ground adjacent to existing granted tenements. (Refer Figure 2)

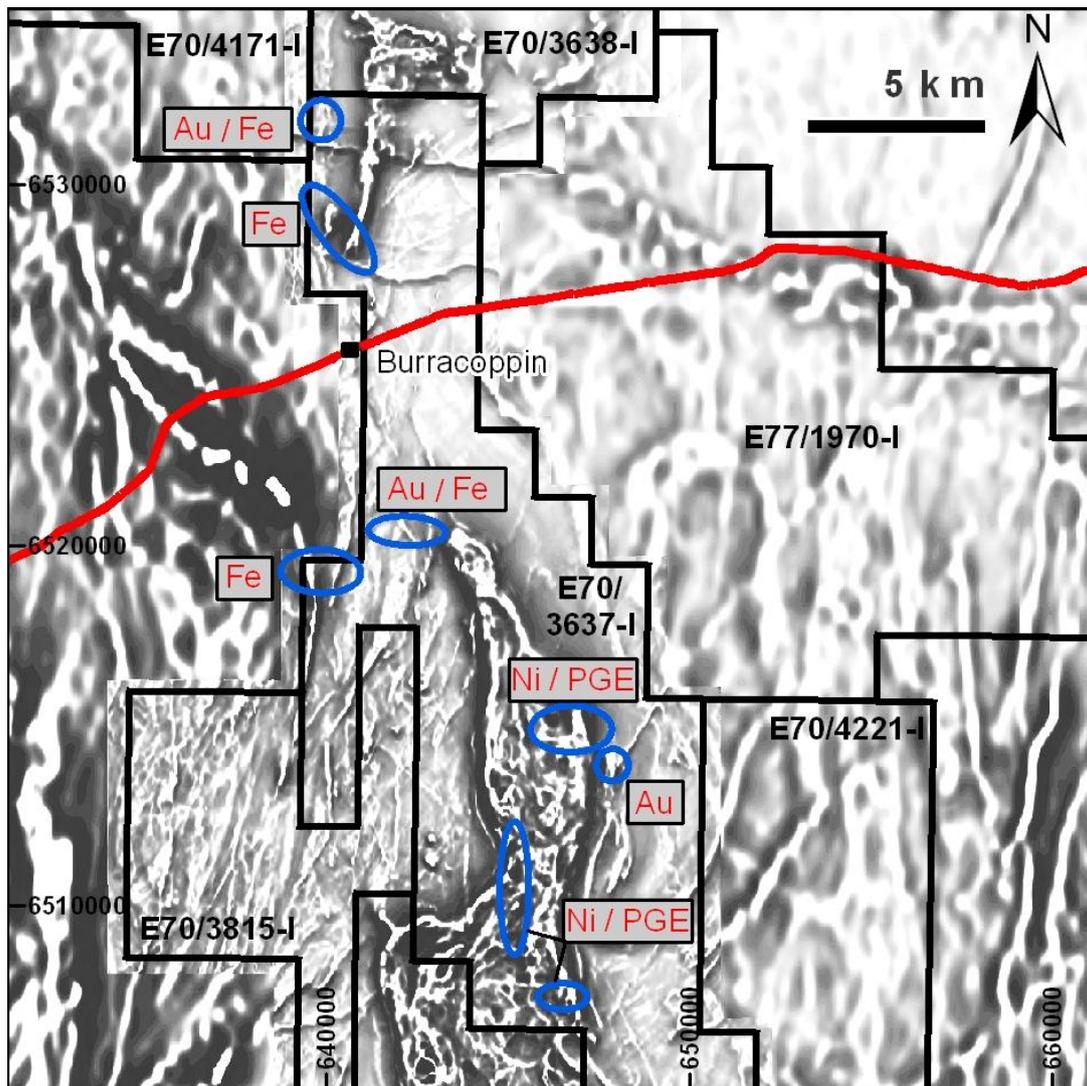


Figure 2. Burracoppin Project, RC drill Targets over 1st VD Grey Scale Magnetic Image

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YALGOO PROJECT

The Yalgoo Project is located approximately 20km west of the township of Yalgoo. Enterprise’s land holding in the Yalgoo region has increased to 958km² following recent exploration licence applications ELA’s 59/1786, 1787, 1819. Preparations for aircore drilling of this uranium target are advancing with the Radiation Management Plan and POW now approved by the DMP. An application for drilling “co-funding” has been made to the DMP. Negotiations for heritage clearance surveys with the two Native Title claimant parties are progressing

An image of the uranium channel radiometric data is presented in Figure 3. It shows the uranium target, directly related to a broad drainage channel (both ancient and modern), approximately 3.5km long and up to 700m wide. The drainage channel is well defined in the detailed radiometric data, however the continuation of the channel is still evident on the 400m wide spaced survey data to the south-southeast.

The majority of the airborne anomaly is covered by red-brown sandy alluvium with no outcrop and rare calcrete float. A modern drainage channel up to 30m wide and 2m deep has removed the alluvium, exposing a well developed “layered” calcrete. It is likely that this calcrete unit is widespread in the region, but covered by alluvium.

A further detailed (100m line spaced) airborne magnetic and radiometric survey covering was scheduled for late October. The survey will provide high quality radiometric data over the NE (E59/1655) and southerly extensions of the drainage channel (E59/1632) which has previously returned calcrete rockchip sample values up to 418ppm U.

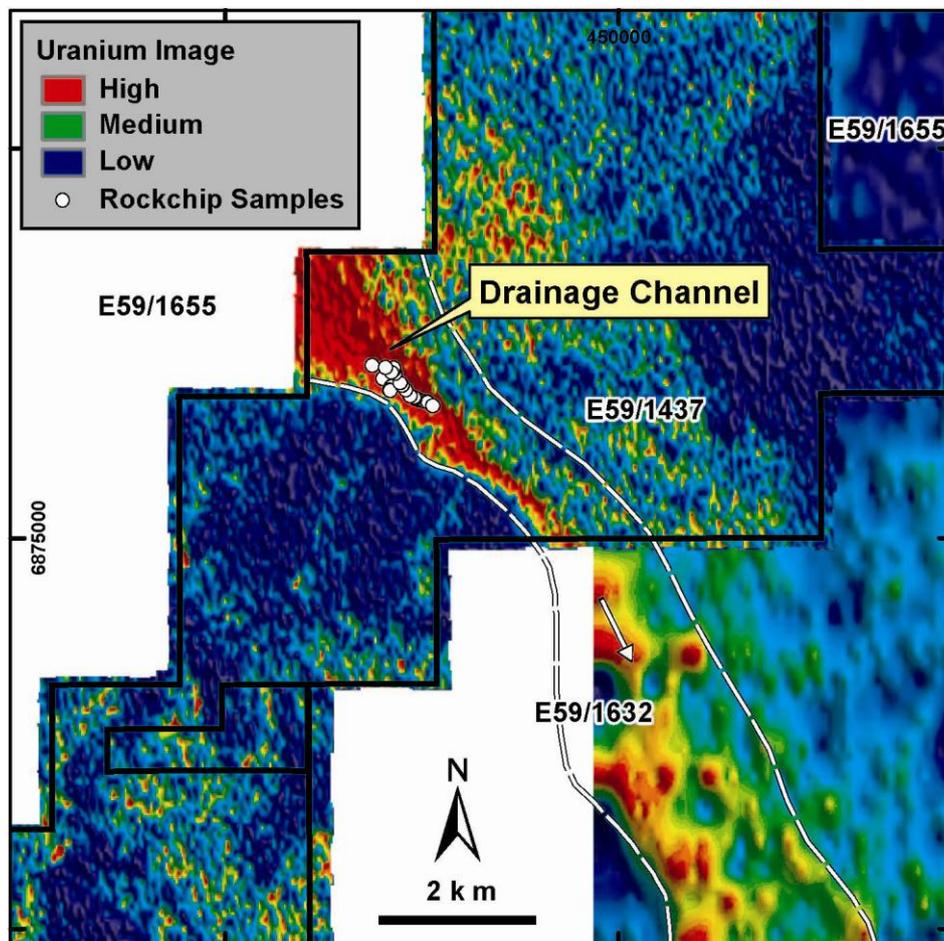


Figure 3. Uranium Channel Radiometric Image

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BYRO PROJECT

On 4th July 2011, the Company announced to the ASX that it had completed a 6,091 line km 100m line spaced airborne magnetic-radiometric survey over E59/1617, the southernmost tenement of the Byro Uranium Project.

The Byro Project is located approximately 250km northeast of Geraldton in the Murchison Province of Western Australia. The geology is dominated by regional gneiss/migmatite and granitoids, along with a greenstone package of mafic volcanics and metasediments. The project area is considered prospective for calcrete and sand/sandstone hosted uranium deposits.

Following a review of the Company’s 100m line spaced airborne magnetic-radiometric survey and the GSWA’s 400m line spaced survey, a further two new tenement applications were lodged (ELA20/791 and ELA09/1931) to consolidate the Company’s landholdings over the prospective northern and southern extensions of the Murchison River and surrounds. The Project now covers a total area of 2,036km². (Refer Figure 4 below)

Scout RC drilling is being planned for the area west of Wooleen Lake, in granted exploration licence 59/1617.

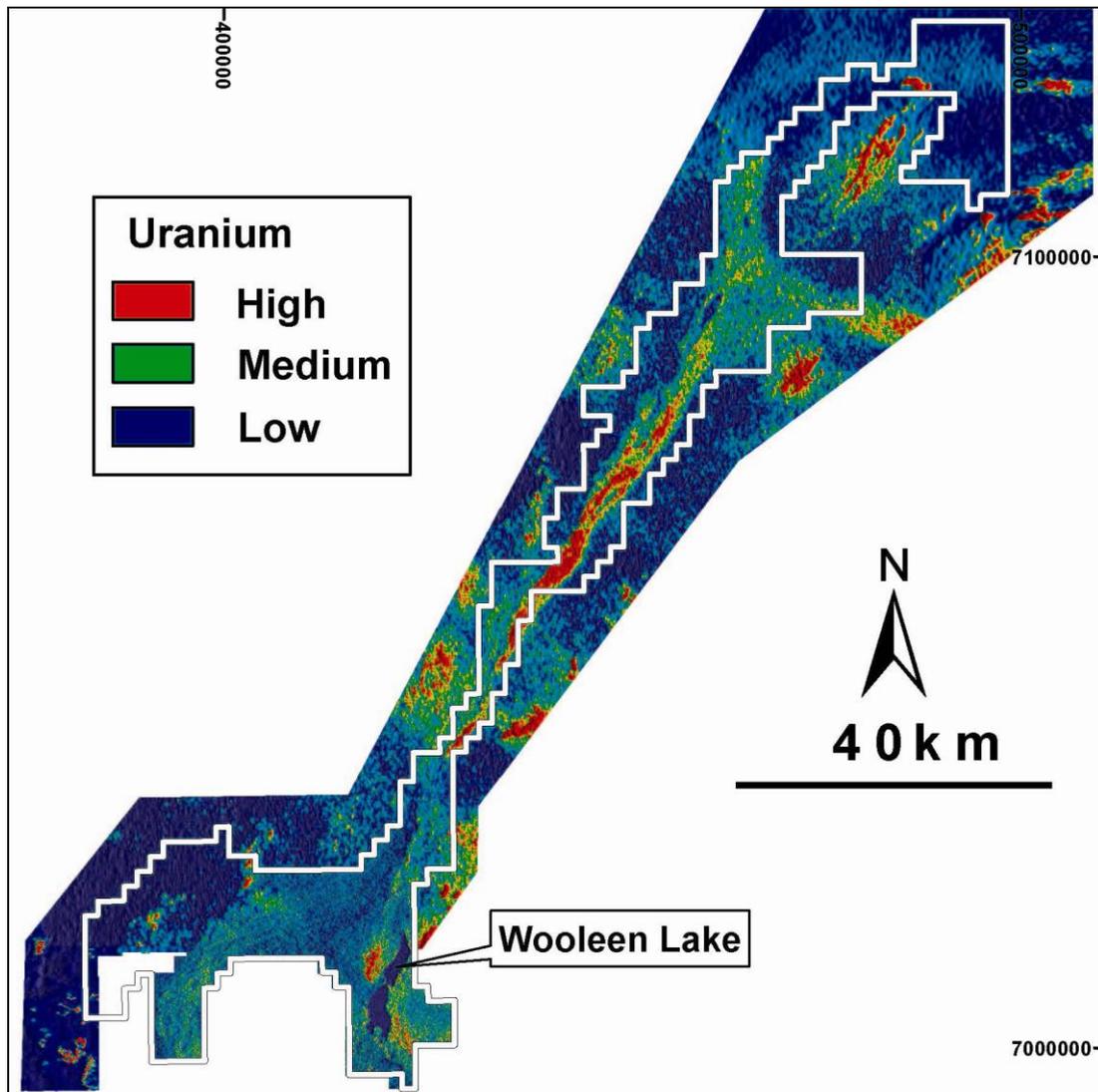


Figure 4. Byro Project, Airborne Uranium Channel Image over Murchison Valley

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EARAHEEDY PROJECT

On 26th October 2011, the Company announced that it had received preliminary magnetic data from a detailed airborne magnetic and radiometric survey over the Earaaheedy Iron Project, located 300km SE Newman in WA. With the addition of new exploration licence application 69/3024 to the south, the Project covers 1,056km². Enterprise’s targets are a series of major magnetic palaeochannels draining south from the outcropping BIF’s of the Lee Steere Ranges, along the northern margin of the Proterozoic Earaaheedy Basin. (Figure 5) Enterprise considers that these channels have the potential to host substantial CID and/or detrital iron deposits (DID), similar to the Yandicoogina or Koodaideri deposits in the Hamersley Basin.

The Company believes that the palaeochannels, which commence on the high ground hosting the Bif units (Figure 6), have deeply incised the softer sediments to the south of the ranges, and at the same time deposited cubic kilometres of iron rich sediments (Bif, magnetite, goethite, hematite(?) and other sediment) into these channels.

Drill testing of priority targets will be undertaken in the first half of 2012 following the completion of heritage surveys.

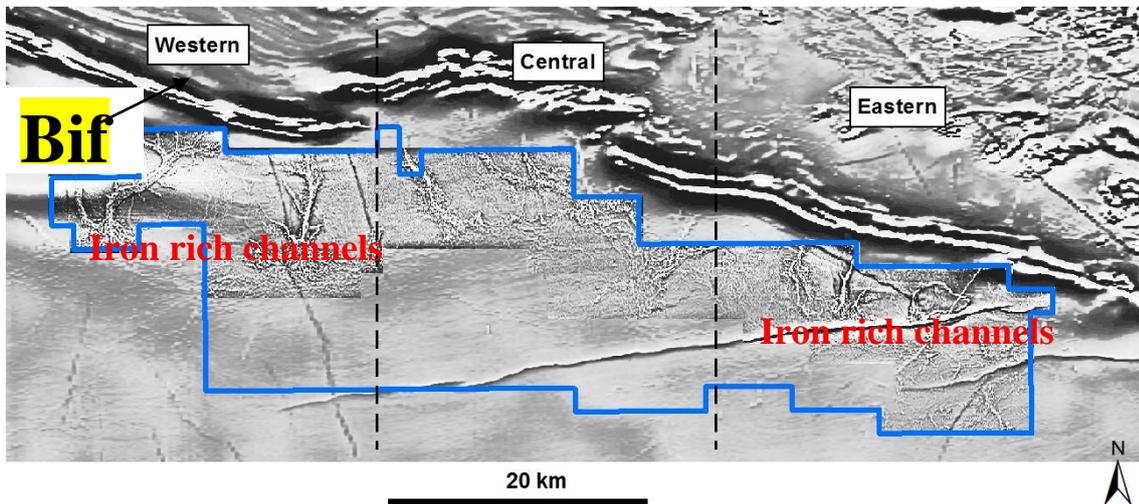


Figure 5. Earaaheedy Project - 1st VD Grey Scale Magnetic Image

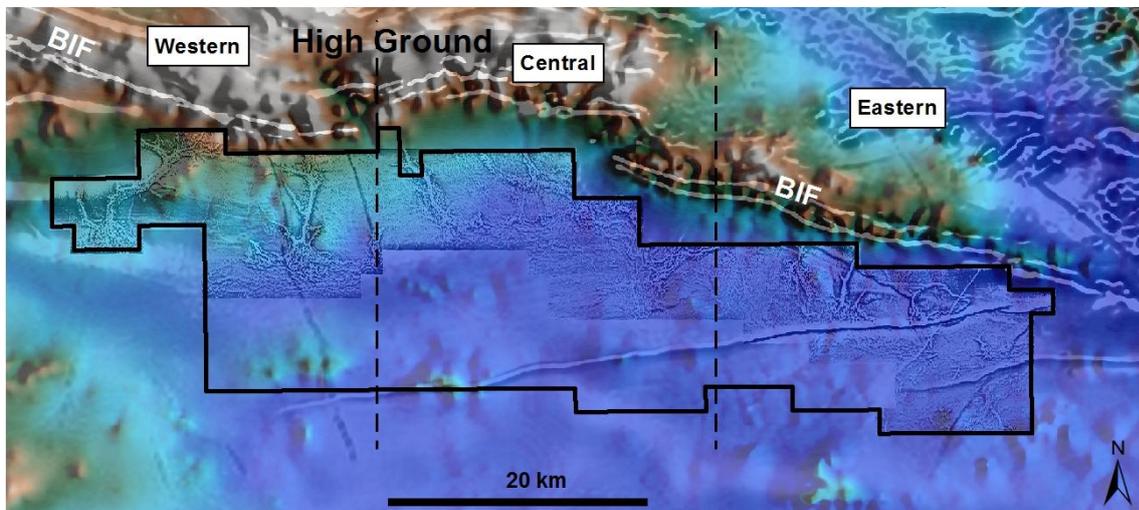


Figure 6. Earaaheedy Project – Digital Terrain Model (Colour) Over 1st VD Grey Scale Magnetics

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NEW PROJECTS

PONTON PROJECT

On the 26th October 2011, the Company announced that it had lodged five new exploration licence applications over the confluence of Lake Rebecca, Lake Yindana and the Ponton River on the SE margin of the Archaean Yilgarn Craton, some 135km east of Kalgoorlie. The five new tenements cover a total area of 1,240km².

From airborne magnetic, radiometric and digital terrain data, Enterprise has identified a number of areas prospective for sandstone hosted uranium deposits. A review of historical data has failed to find any thorough systematic uranium exploration over these anomalies. Greenstone belts are also known to occur on the tenements and Enterprise considers the tenements to also be prospective for gold and base metals. Enterprise intends to actively explore the area for sandstone hosted 'roll front' uranium deposits.

The coloured DTM/uranium channel image (Figure 7) clearly outlines anomalies within the paleochannels considered to be prospective for uranium mineralisation. It is assumed that paleodrainage systems at Double 8 and Mulga Rocks and within Enterprise's tenements developed during similar climatic and erosional conditions over a common Archaean granitoid basement (including Permian mudstones), and hence Enterprise's tenements are considered highly prospective for uranium.

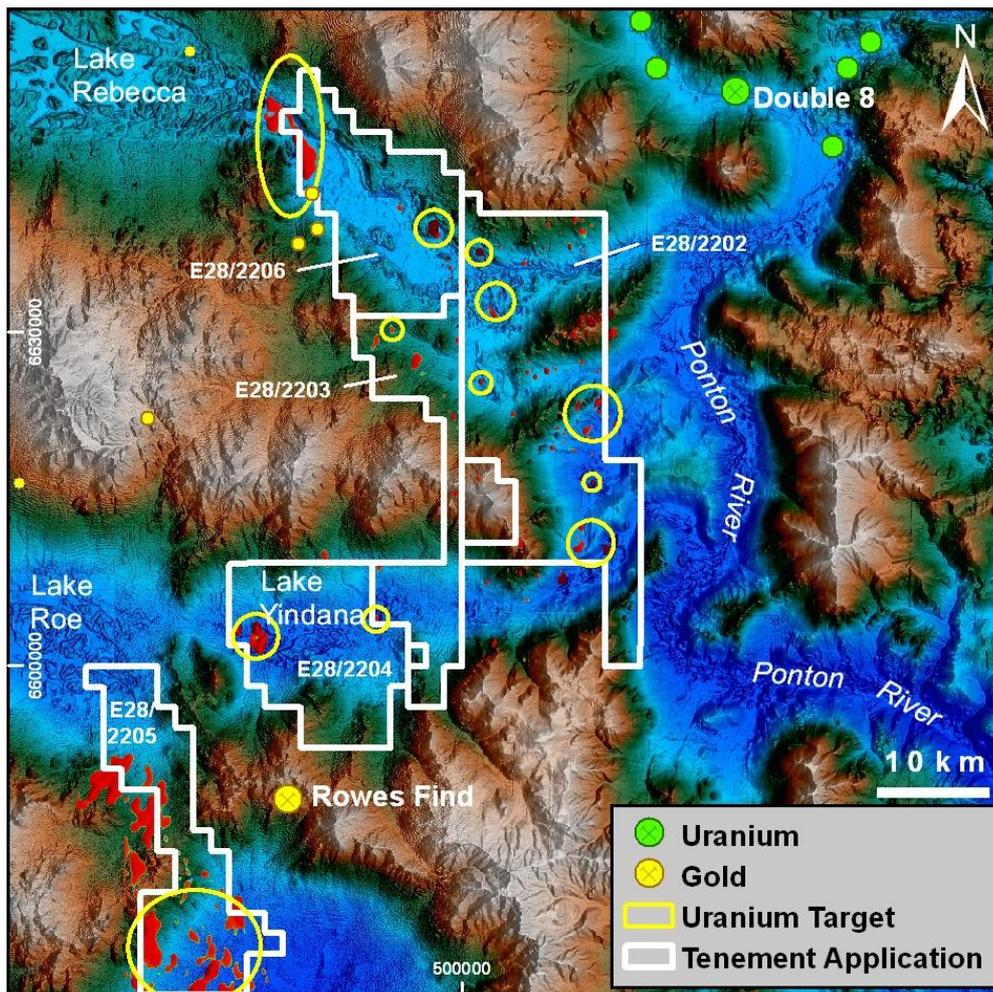


Figure 7. Digital Terrain Model (DTM) Image (Blue Low - White High) with Uranium anomalies

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2. ISSUED CAPITAL

Shares on Issue	202,970,776
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Unlisted Options	63,725,806

CASH AT BANK: \$13.117 million



Dermot Ryan
Managing Director

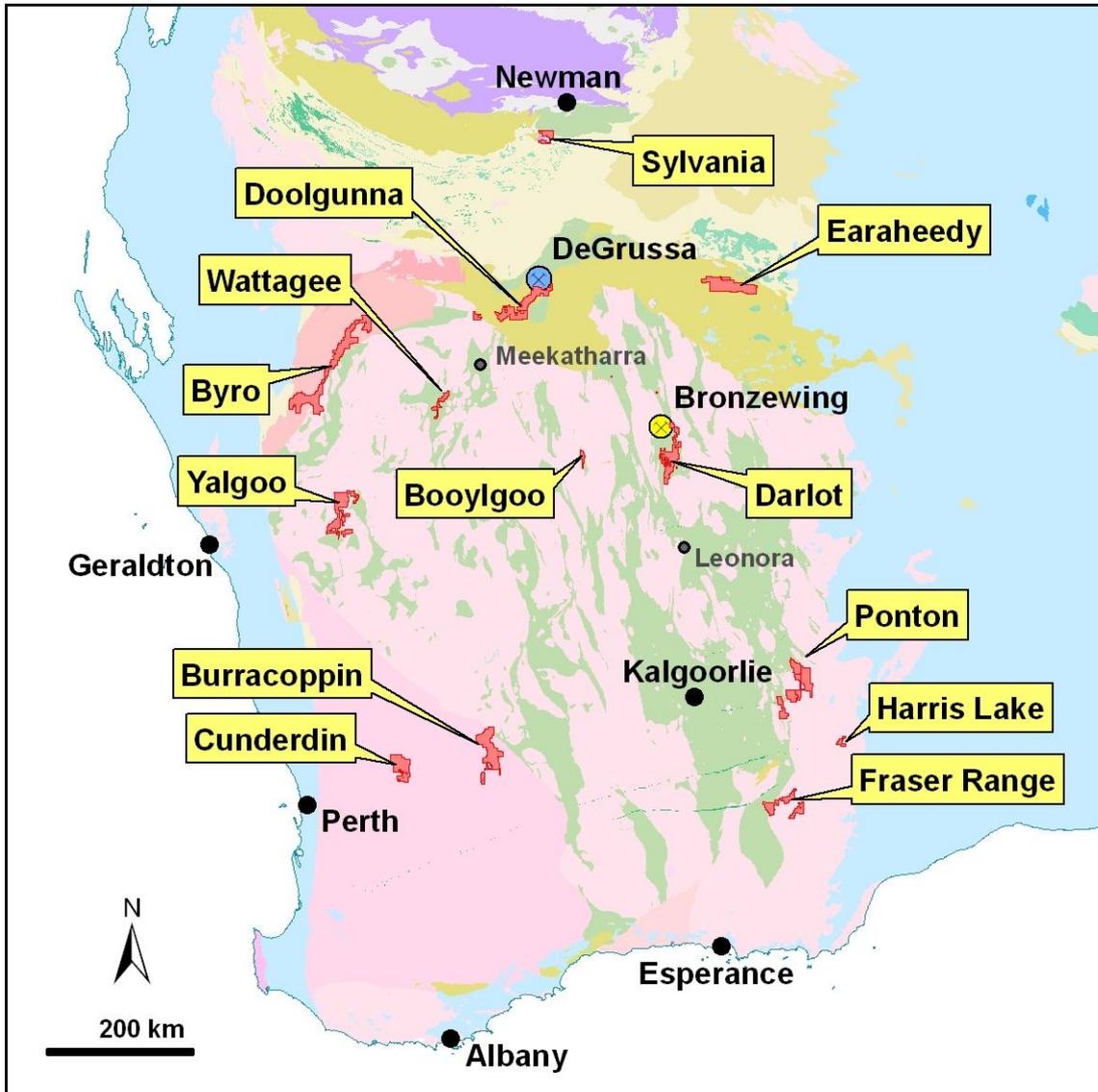
The information in this announcement that relates to Exploration Results is based on information compiled by Mr Derek Waterfield, a Member of the Australian Institute of Geoscientists and a full time employee of Enterprise Metals Limited. Mr Waterfield has sufficient relevant experience in the styles 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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PROJECT LOCATIONS WESTERN AUSTRALIA 30 September 2011



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