

**VULCAN GOLD PROSPECT IDENTIFIED AT DOOLGUNNA**

- Drilling at Vulcan returns: 24m @ 1.67g/t Au from 40m
Incl. 8m @ 2.77g/t Au from 40m
- Vulcan costean produces 47 ounces of coarse gold
- Drilling at Vulcan West returns: 4m @ 3.88 g/t Au from 84m
- Regional aircore drilling returns: 4m @ 12.30 g/t Au from 72m
4m @ 0.1% Cu from 52m
- Major 10,000m follow up aircore drilling program planned

SUMMARY

Enterprise Metals Limited ("Enterprise" or "the Company", ASX: "ENT") is pleased to announce that exploration at its Doolgunna Project, 130km northeast of Meekatharra, has identified a 1,000 m long gold-in-soil anomaly, now called **Vulcan**. Work recently completed at Vulcan and its immediate environs includes preliminary aircore drill testing of the soil anomaly, excavation and sampling of a costean, the completion of 140 hole aircore drilling program, and regional soil and rockchip sampling.

Vulcan Prospect

Following the discovery of visible gold in a shallow pit NE of the Doolgunna homestead, Enterprise completed two vertical aircore holes (DNAC069-070) drilled 40m apart either side of the pit. DNAC069 returned encouraging gold intervals of 3m @ 2.03 g/t Au from 1m and 11m @ 0.58 g/t Au from 92m to end of hole, (ENT:ASX announcements: 7th and 18th June 2012).

Based on these results and the lack outcrop, Enterprise excavated a costean to provide sub-surface geological/structural information as well as the character and setting of the visible gold.

An estimated 500 tonnes of material was excavated from the costean and a total of 47 ounces of coarse gold was recovered, implying an undiluted grade approaching 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.

Four angled aircore drillholes (DNAC131-134) were completed targeting the down dip extension of a gossanous unit exposed in the costean. Due to hard ground and high water flows, hole DNAC132 failed to intersect the projected target zone but nonetheless intersected shallow mineralisation. (refer Figure 1 & Table 1 for hole locations) Anomalous results include:

Vulcan Prospect:	Hole DNAC132	24m @ 0.19 g/t Au from 8m
	Incl.	4m @ 0.62 g/t Au from 16m
	Hole DNAC133	24m @ 1.67 g/t Au from 16m
	Incl.	8m @ 2.77 g/t Au from 40m
	Incl.	12m @ 1.38 g/t Au from 52m

Figure 1: Location of Vulcan Prospect, Aircore Drillholes and Costean, Over Magnetic Image

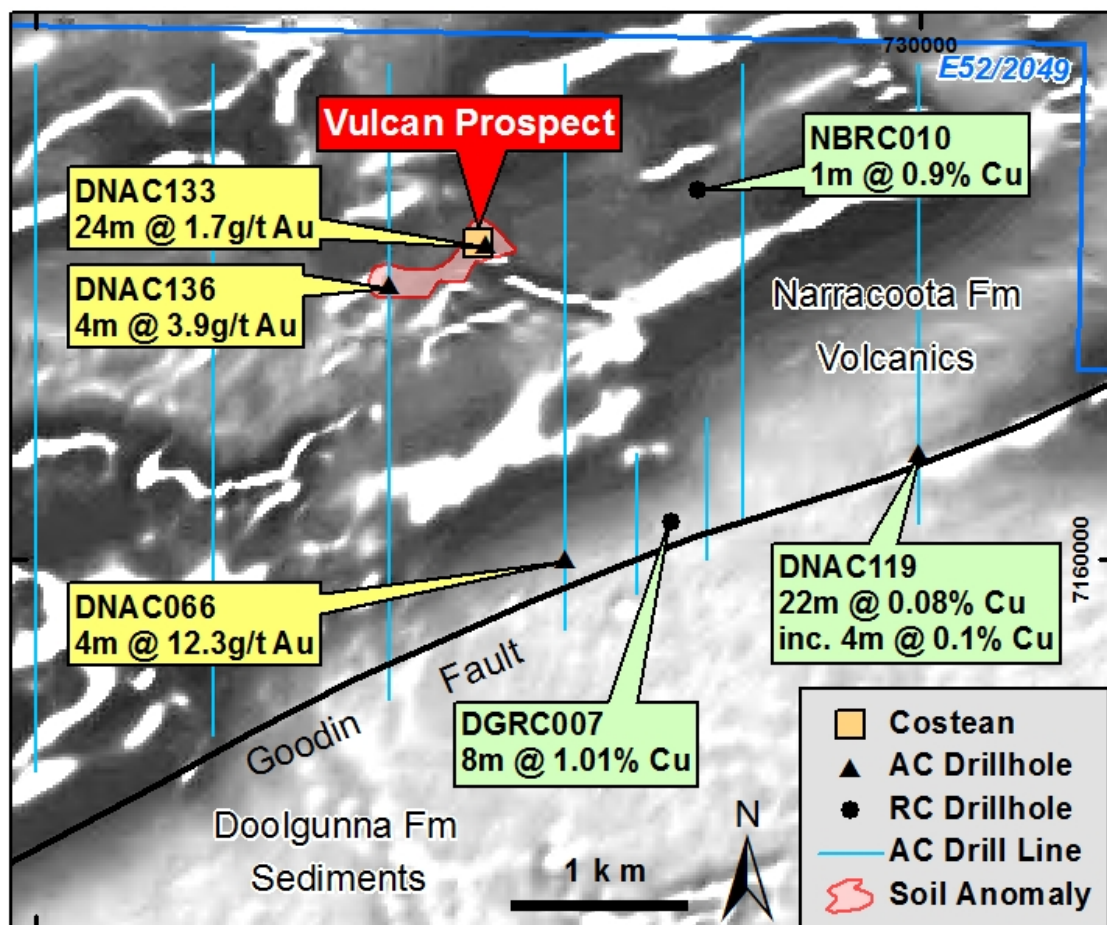


Table 1: Vulcan Prospect, Location of Aircore Drill Holes

Hole	MGA94_Z50 East	MGA94_Z50 North	Depth (m)
DNAC131	727535	7161835	103
DNAC132	727580	7161846	79 (abandoned)
DNAC133	727550	7161781	121
DNAC134	727599	7161796	131

Regional Aircore Drilling Program

A regional aircore drilling program comprising 134 holes for 7,790m, with holes at 200m spacings along lines 1km apart, was completed at the Doolgunna, see Figure 1. The 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. Anomalous results for gold were returned from the drilling as shown below.

Vulcan West Prospect: Hole **DNAC136** 4m @ 3.88 g/t Au from 48m
Goodin Fault Prospect: Hole **DNAC066** 4m @ 12.30 g/t Au from 72m



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All anomalous gold and copper results are summarised in Tables 2 & 3. Interestingly, coincident high values for gold and copper do not occur in the same hole, suggesting varying mobilities within the regolith profile for the two elements.

Table 2: Doolgunna Project, Significant Gold Intersections

Hole	MGA94_Z50 East	MGA94_Z50 North	From (m)	To (m)	Int (m)	Au (g/t)
DNAC016	725000	7159800	48	52	4	0.12
DNAC050	727000	7161600	24	36	12	0.19
DNAC059	727000	7159800	24	28	4	0.27
DNAC060	727000	7159600	52	56	4	0.10
DNAC066	728000	7160000	72	76	4	12.30
DNAC100	729000	7161200	32	36	4	0.72
DNAC136	727000	7161550	48	52	4	3.88
DNAC136			52	56	4	0.46
DNAC136			60	64	4	0.18
DNAC137	728000	7159950	60	64	4	0.27
DNAC139	728808	7161990	56	60	4	0.12

Table 3: Doolgunna Project, Significant Copper Intersections

Hole	MGA94_Z50 East	MGA94_Z50 North	From (m)	To (m)	Int (m)	Cu (ppm)
DNAC007	725000	7161600	0	31 EOH	31	469
DNAC014	725000	7160200	84	102 EOH	18	327
DNAC032	726000	7161200	8	16	8	311
DNAC047	727000	7162200	12	60	48	601
DNAC051	727000	7161400	32	40	8	303
DNAC084	728000	7162200	40	51	11	399
DNAC085	728000	7162300	8	36 EOH	28	452
DNAC101	729000	7161000	16	24	8	302
DNAC111	728400	7159800	52	60	8	394
DNAC112	728800	7160000	52	56	4	406
DNAC115	728800	7160800	72	76	4	346
DNAC119	730000	7160600	0	8	8	478
DNAC119			36	58 EOH	22	798
Incl.			52	56	4	1010

Au and Cu analysed by 50g Aqua regia digest, ICP-MS. Method ARM155 by SGS Australia Pty Ltd.

Proposed Drilling Program

At Vulcan, additional aircore drilling is planned over a 1,000m x 400m ENE 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.

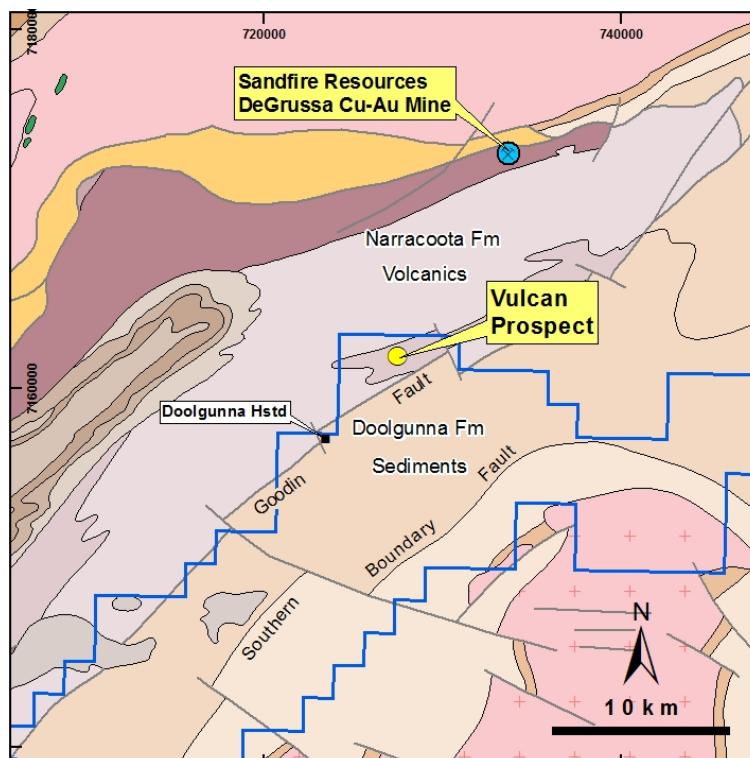


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A regional infill aircore drilling program comprising 250 holes for 10,000m has been designed in the general area. This drilling will initially focus on the area surrounding the Vulcan costean and anomalous soil sample results to define geological/geochemical targets for follow-up RC drill testing.

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 1km spaced lines

Figure 2: Doolgunna Project Location



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Competent Persons statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Derek Waterfield, who is an employee of the Company. Mr Waterfield is a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Waterfield consents to the inclusion in this report of the matters based on information in the form and context in which it appears.