ENTERPRISE METALS LIMITED

ASX ANNOUNCEMENT **23 January 2012**

8m @ 1% COPPER INTERSECTED AT DOOLGUNNA PROJECT

- **Initial RC drilling successfully completed at the Doolgunna Project.**
- **Sulphide mineralisation confirmed.**
- **Hole DGRC007 at Doolgunna Prospect yields 8m @ 1.01% Cu from 144m.**
- **Broad zones of elevated copper intersected in Narracoota Volcanics.**
- **Management encouraged by these results and follow up programme being developed.**

SUMMARY

Enterprise Metals Limited ("Enterprise" or "the Company", ASX: **"ENT"**) wishes to announce very encouraging results from an initial reverse circulation ("RC") drilling programme at its Doolgunna Project located 100km NE of Meekatharra and 750km NNE of Perth.

At the Doolgunna Prospect just north east of Doolgunna Homestead, RC drillhole **DGRC007**, drilled to test an IP anomaly in close proximity to the interpreted position of the Goodin Fault returned **8m @ 1.01% Cu, 1.6g/t Ag and 16.5 ppm Bi from 144m**. The copper occurs as disseminated chalcocite hosted in fresh volcanics with associated quartz veining. DGRC007 is the first drill test of the prominent linear IP target located close to the Goodin Fault. The Company holds 12 strike kilometres of the Goodin Fault in the vicinity of the Doolgunna Prospect.

Management is developing a follow up programme to further test the extent of this sulphide mineralisation and to test other anomalies.

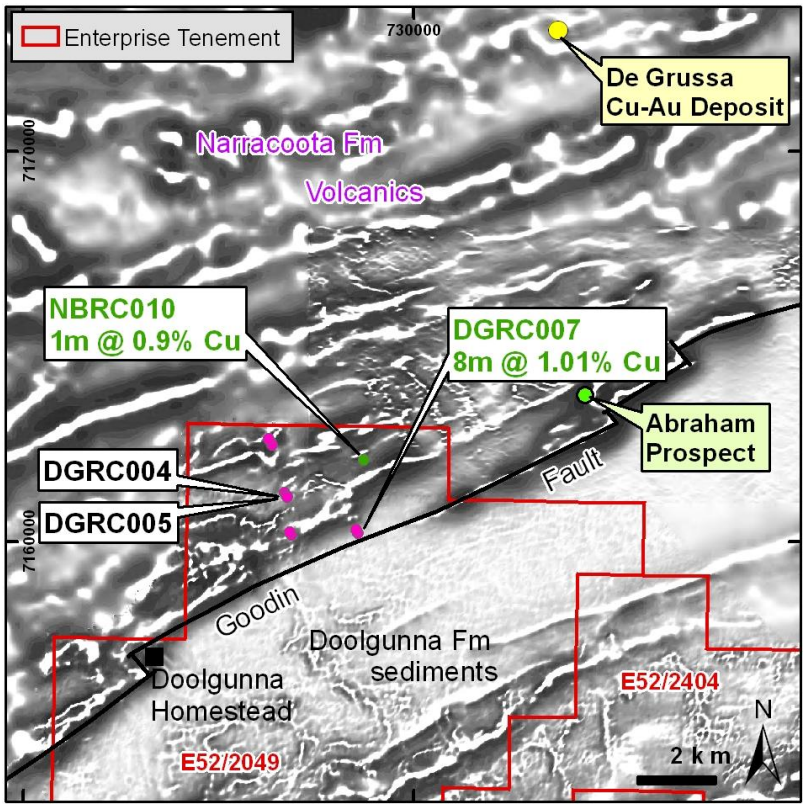

Figure 1: Doolgunna Prospect, Drillhole Collar Locations over Magnetics

BACKGROUND

The drilling programme (31 holes for 5,049m spread over the three prospects) confirmed the presence of sulphide mineralisation. It successfully tested coincident IP and elevated coincident multi-element surface geochemical anomalies in Narracoota Formation volcanics and associated sediments adjacent to the Goodin Fault. The anomalies were considered to be indicative of the presence of sulphide mineralisation at depth, with potential for volcanogenic massive sulphide (VMS) mineralisation similar to Sandfire Resources NL's De Grussa copper-gold deposit.

RC DRILLING RESULTS

Doolgunna Prospect

Ten RC holes for a total of 1,518 metres were drilled to test coincident IP and elevated coincident multi-element surface geochemical anomalies in Narracoota Formation volcanics and associated sediments adjacent to the Goodin Fault. (Refer Appendix 1)

Hole **DGRC007** was drilled to test an IP anomaly at or close to the interpreted position of the Goodin Fault. The hole returned a highly significant intersection of 8m @ 1.01% Cu, 1.6g/t Ag and 16.5 ppm Bi from 144m. The copper occurs as disseminated chalcocite hosted in fresh volcanics with associated quartz veining, in close proximity to the interpreted position of the Goodin Fault.

The ENE trending Goodin Fault separates the magnetically complex Narracoota Volcanics (with interbedded sediments) to the north from the magnetically "quiet" Doolgunna Formation sediments to the south, and is potentially a pathway for the mobilisation and/or deposition of copper mineralisation. In the vicinity of the Doolgunna Prospect, the Company holds 12 strike kilometres of the Goodin Fault, and DGRC007 is the first hole to be drilled close to the Goodin Fault. (refer Figure 1)

The presence of elevated copper values within volcanics in holes **DGRC004** and **DGRC005** is considered significant because these values are three times greater than average crustal abundance for basalt (refer Table 1 below). In addition, these holes lie 2km SW along strike from hole NBRC010 drilled by Enterprise in late 2009, which intersected an 8m wide vein of chalcopyrite, pyrite and carbonate from 107m-115m. Within this vein, a **1 metre intersection assayed 0.9% Cu, 0.4 ppm Au, and 352 ppm Bi from 107m.** The intersections in holes DGRC004, DGRC005 and NBRC010 have highlighted a sizable area within the volcanics, within which there is potential for higher grade mineralisation. (also refer Figure 1)

Table 1: Doolgunna Prospect - Summary of Significant Drilling Results

Drillhole	From (m)	To (m)	Int (m)	Au (g/t)	Cu (ppm)	Description
DGRC003	52	56	4	0.23	-	Oxide zone (saprolite)
DGRC004	16	101*	85	-	344	Basalt
DGRC005	12	150*	138	-	252	Basalt
DGRC007	**144**	**152**	**8**	**-**	**1.01%**	Volcanic (pyroclastic ?)
DGRC010	132	136	4	0.4	-	Basalt/Dolerite

** denotes end of hole.*

Ruby Well West Prospect

Eight RC holes for a total of 1,450 metres were drilled to test coincident IP and elevated coincident multi-element surface geochemical anomalies in Narracoota Formation volcanics and associated Karalundi Formation sediments adjacent to the Goodin Fault west of Ruby Well.

Ruby Well East Prospect

Thirteen RC holes for a total of 2,081 metres were drilled to test coincident IP and elevated coincident multi-element surface geochemical anomalies in Narracoota Formation volcanics and associated Karalundi Formation sediments adjacent to the Goodin Fault east of Ruby Well.

The RC drilling has adequately explained the targeted IP features, with several holes returning narrow intervals of sulphide mineralisation with elevated gold and copper values. The broader surface copper geochemical anomalism is thought to be a reflection of a general increase in the copper content of the volcanics in the vicinity of Ruby Well, i.e. a lithological association. A summary of significant drill results are in Table 2 and drill hole locations are shown in Figure 2.

Table 2: Ruby Well Prospects - Summary of Significant Drilling Results

Drillhole	From (m)	To (m)	Int (m)	Au (g/t)	Cu (ppm)	Description
RWRC002	132	140	8	0.49	-	Saprock/Basalt
RWRC012	88	92	4	0.13	-	Shale
RWRC019	88	96	8	0.12	-	Saprolite/Saprock
RWRC016	168	176	8		1150	Volcanic

COMMENT

The Company holds approximately 70 kilometres of the Goodin Fault zone, most of which is covered by varying thicknesses of younger transported sediments. In the immediate vicinity of the Doolgunna (Homestead) Prospect the Company holds approximately 12km of the Goodin Fault zone, and DGRC007 is the first hole to be drilled in close proximity to the Goodin Fault. The Company is therefore encouraged by this strong copper intersection from its initial RC drilling program.

The geological and 4m composite geochemical results are currently being assessed in relation to the IP geophysical data, and a comprehensive follow up program will flow from this and the results of re-assay of selected 1 metre samples.

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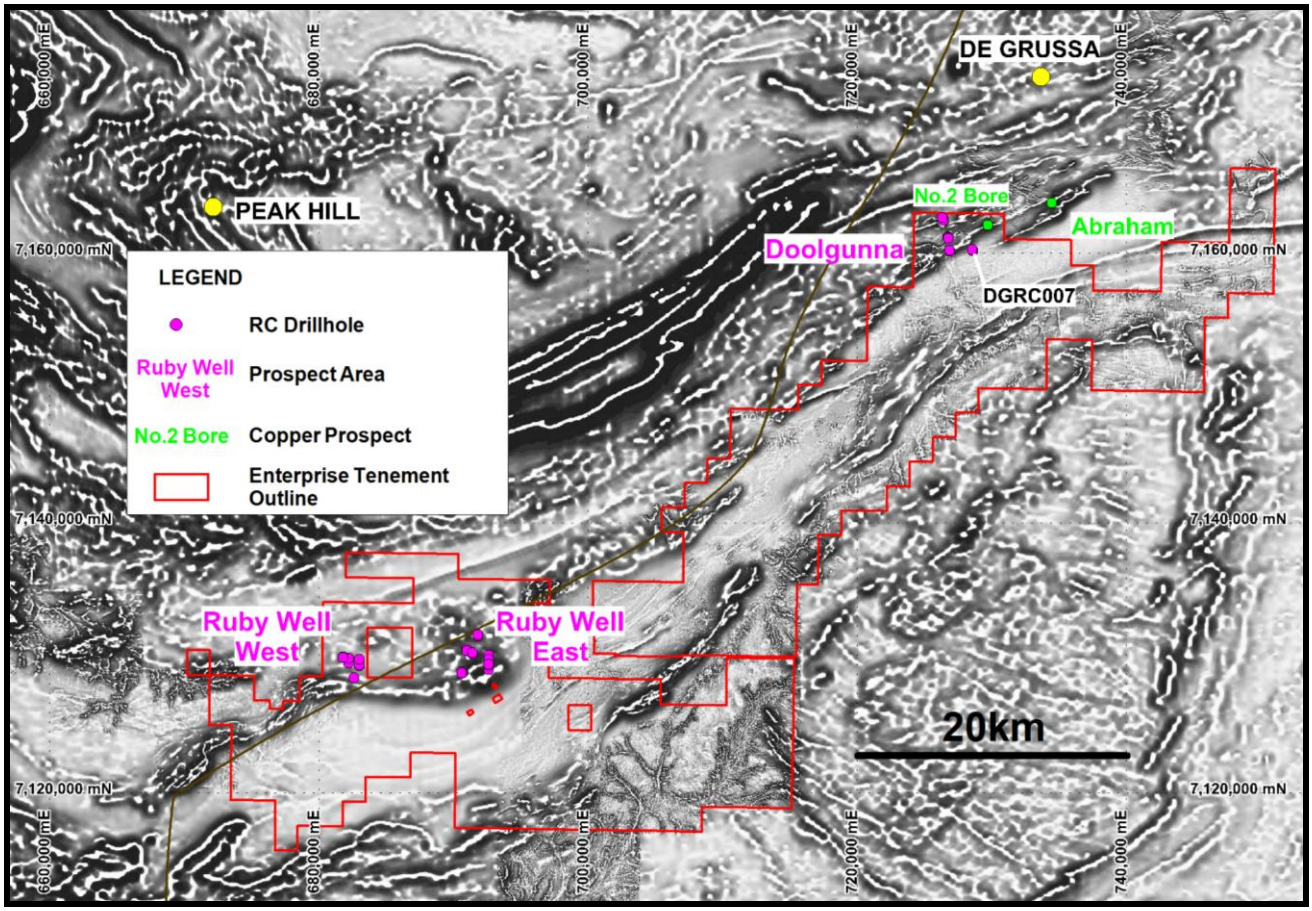
The information in this announcement that relates to Exploration Results has been compiled by Mr Dermot Ryan, who is a Fellow of the Australian Institute of Geoscientists, and a full time employee of geological consultancy Xserv Pty Ltd. Mr Ryan has sufficient relevant experience in the techniques being 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.

Figure 2: Drillhole Collar Location Plan over Regional Magnetics



APPENDIX 1: RC Drilling Collar Details

Hole_ID	MGA94_E	MGA94_N	Dip (Degrees)	Azimuth (Degrees)	Depth (m)
DGRC001	726343	7162552	-60	330	154
DGRC002	726386	7162471	-60	330	155
DGRC003	726300	7162633	-60	330	143
DGRC004	726700	7161237	-60	330	101
DGRC005	726747	7161171	-60	330	150
DGRC006	726772	7161126	-60	330	150
DGRC007	728593	7160213	-60	330	200
DGRC008	728553	7160287	-60	330	155
DGRC009	726882	7160153	-60	330	155
DGRC010	726835	7160232	-60	330	155
RWRC001	682200	7129650	-60	0	200
RWRC002	682200	7129875	-60	0	200
RWRC003	683000	7129400	-60	0	200
RWRC004	683000	7129500	-60	0	200
RWRC005	683000	7129900	-60	0	200
RWRC006	691000	7130650	-60	0	179
RWRC007	691000	7130550	-60	0	200
RWRC008	691400	7130300	-60	0	200
RWRC009	691400	7130400	-60	0	107
RWRC010	691800	7131650	-60	180	59
RWRC011	691800	7131750	-60	180	131
RWRC012	690600	7128975	-60	0	200
RWRC013	690600	7128875	-60	0	200
RWRC014	692600	7130200	-60	0	150
RWRC015	692600	7129925	-60	0	150
RWRC016	692600	7129150	-60	180	200
RWRC017	692600	7129450	-60	180	150
RWRC018	692600	7129550	-60	180	155
RWRC019	682600	7128550	-60	0	150
RWRC020	681800	7130100	-60	180	150
RWRC021	681800	7130050	-60	180	150
Total					**5,049**