

SANDFIRE RESOURCES NL (SFR) FARM-IN TO DOOLGUNNA PROJECT: ENTERPRISE FREE-CARRIED TO COPPER DISCOVERY

- Enterprise to receive \$300,000 worth of Sandfire shares at commencement
- Sandfire to spend minimum of \$1.5M over 2 years on exploration
- After minimum spend, Sandfire has option to sole fund exploration to define minimum Resources containing 50,000 tonnes Cu metal or equiv.
- Sandfire to earn a 75% interest when minimum Mineral Resource defined
- Enterprise and Sandfire then form JV and fund their respective interests

Enterprise Metals Limited (“Enterprise” or “the Company”, ASX: ENT) is pleased to announce that it has entered into an exploration agreement with Sandfire Resources NL (ASX:SFR “Sandfire”) for Enterprise’s Doolgunna Project which covers 975km² along the southern margin of the Bryah Basin and the northern part of the Yerrida Basin in Western Australia.

Commenting on the Agreement, Enterprise’s MD Dermot Ryan said: “Our Doolgunna Project covers over 60km of strike of the southern boundary of the Bryah Basin, which contains the Narracoota/Karalundi Formations which host the DeGrussa and Monty high-grade copper deposits. Sandfire have proved themselves to be very capable explorers with both the DeGrussa and Monty discoveries, and Enterprise is very excited to now have the expertise of the Sandfire team applied to our ground.”

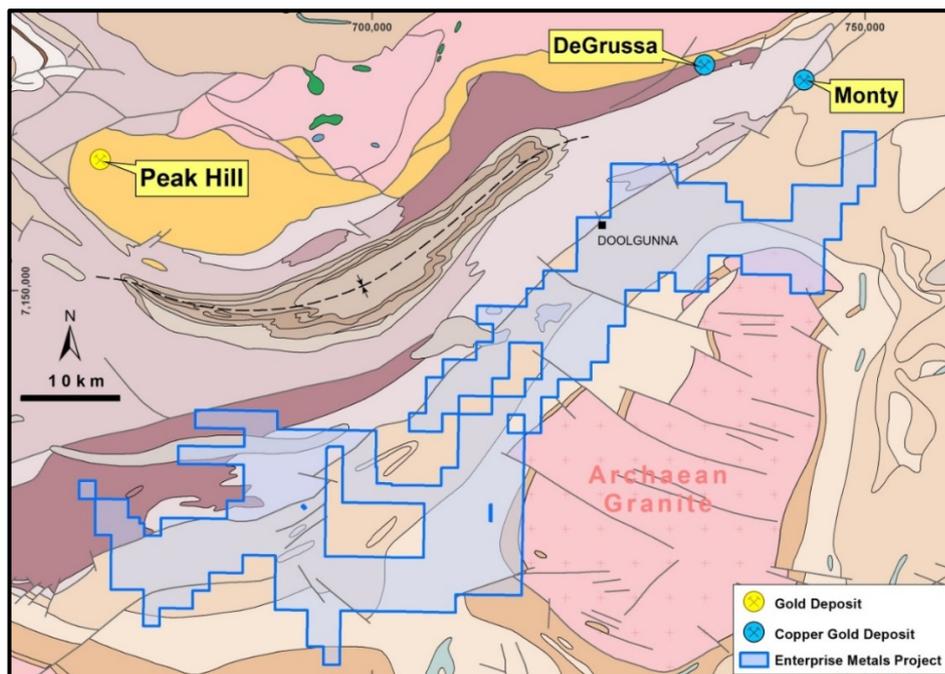


Figure 1. Enterprise’s 975km² Doolgunna Project Area, Over Regional Geology

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Summary of Agreement Terms

1. Farm-In Stage – Enterprise Free-Carried until discovery

- Sandfire to issue \$300,000 worth of SFR shares to Enterprise. The issue price is to be the volume weighted average price of Sandfire shares on the ASX during the 5 days prior to the date of execution of the Agreement.
- Sandfire must incur a minimum of \$1.5 million on Exploration within two years, and Sandfire can withdraw at any time after it has satisfied the Minimum Expenditure Condition without penalty.
- Sandfire then has the option to sole fund Exploration on the Tenements to define a JORC 2012 compliant Mineral Resource of 50,000 tonnes of contained copper or copper equivalent resource, to earn a 75% interest in the Tenements. There is no time limit for Sandfire to satisfy the Earn-In.
- While Sandfire is sole funding Exploration on the Tenements, Sandfire must keep the Tenements in good standing by satisfying expenditure obligations and paying all fees, rent, rates and other similar charges, and not permit the creation of any encumbrance or sell, assign or dispose of any part of its interest in the Tenements without the prior consent of Enterprise.

2. Joint Venture Stage – Enterprise to hold 25% of any future high-grade Cu discovery

- Once Sandfire has elected to acquire the 75% Interest, Sandfire and Enterprise will be deemed to have formed a joint venture for the exploration and evaluation of the Tenements, and, if warranted, development and exploitation of any minerals within the Tenements (**Doolgunna Joint Venture**).

About Enterprise Metals Limited

Doolgunna Cu/Au Project

Enterprise has held a strategic and prospective tenement portfolio at Doolgunna since 2008, before Sandfire Resources NL discovered the high grade DeGrussa copper-gold(zinc) deposit in 2009 and the high grade Monty copper-gold(zinc) deposit in 2015.

In late 2015, Enterprise completed an extensive moving loop electromagnetic (EM) survey at the Vulcan–Goodins VHMS prospect, immediately north of the Doolgunna homestead, where it detected a steeply dipping conductor (Vulcan West). This conductor was tested by one deep RC hole in late 2015, but further drill testing is required. South-west of the Doolgunna homestead, Enterprise completed a maiden nine hole drill test of the Borg copper-zinc SEDEX target, and intersected low grade base metal sulphides which require follow up drill testing.

Fraser Range Ni/Co Project

Enterprise also holds a strategic and prospective tenement package over the southern Fraser Range area, to the south of Sirius Resources NL's 2012 discovery of the Nova nickel-copper massive sulphide deposit.

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In mid-2014, the Company's maiden drilling program at Plato intersected disseminated and "blebby" nickel-copper sulphide mineralisation over significant widths within rocks which were originally cumulate mafic rocks. Subsequently, in the latter half of 2014, 33 high powered fixed loop EM surveys were undertaken over various anomalous areas identified from the Company's earlier geochemical, geological and geophysical work.

In order to focus the Company's exploration efforts on Doolgunna in 2015/16, the Company entered into a sale and joint venture agreement with Apollo Minerals Ltd (ASX:AON) over the Fraser Range tenements. Apollo purchased a 70% interest in the tenements and must carry Enterprise's 30% interest to completion of a bankable feasibility stage (BFS) on any discovery. If a BFS is not completed or Apollo withdraws, it must return 100% ownership of the tenements to Enterprise. Apollo has undertaken a series of high powered ground EM surveys and we expect that a substantial drilling program will follow in 2016/17.

Darlot Au Project

The majority of exploration at the Company's Darlot Project in the Archaean Yandal greenstone belt was funded and managed by Independence Group NL (ASX:IGO) between early 2015 and March 2016. IGO were exploring the Spring Well felsic volcanic units south west of the Darlot gold mine for copper-zinc base metal sulphides, a geological position which is similar to their Bentley-Jaguar copper-zinc mine to the south. IGO undertook EM surveys and limited aircore drilling programs over geochemical and geological targets but withdrew with no interest after spending \$1.7 million. Enterprise is now reviewing several gold-in-regolith targets at Darlot and is planning Induced Polarisation (IP) surveys to determine if sulphide mineralisation exists in the fresh rock (primary zone) below a number of oxide gold drill intersections.

Yalgoo Au Project

Enterprise also has a strategic landholding over the north-western half of the Yalgoo greenstone belt, north of Doray Minerals Ltd's Deflector gold/copper mine. Three exploration licences have recently been granted and the Company is in an exploration planning mode at present.



Dermot Ryan
Managing Director

Competent Persons statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Dermot Ryan, who is an employee of Xserv Pty Ltd and a Director and security holder of the Company. Mr Ryan is a Fellow of the Australasian Institute of Mining and Metallurgy and 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 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ryan consents to the inclusion in this report of the matters based on information in the form and context in which it appears.