

ASX : ENR

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Company Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
Sydney NSW 2000

Millennium Zinc Discovery

- **The first diamond drill program at Millennium has intersected zinc sulphide mineralisation in all four holes completed**
- **High grade zinc sulphide mineralisation was intersected adjacent to the shale/carbonate contact in the final drill hole of the 2014 season:**
 - **7m @ 4.8% Zn from 223m including 1.4m @ 10% Zn from 235m**
- **Millennium zinc discovery remains open along strike and at depth**
- **Large scale untested gravity anomaly identified adjacent to zinc mineralisation**

The directors of Encounter Resources Ltd ("Encounter") are pleased to provide assay results from the recent WA State Government EIS co-funded diamond drilling program at the Millennium prospect (100% Encounter). The Millennium prospect is located approximately 35km north east of the BM1-BM7 copper discoveries in the Yeneena project of Western Australia (see Figure 8).

Background

The Millennium prospect is situated at a key structural intersection on the regionally significant Tabletop Fault on the margin of an interpreted sedimentary sub-basin. Encounter completed a program of shallow RC drilling across Millennium in September 2014 that confirmed extensive low grade zinc-lead sulphide mineralisation at the target with many holes ending in mineralisation (see ASX announcement 15 October 2014). The September RC drill program was the first drilling completed at the Millennium prospect.

Subsequently, four diamond holes (EPT2194, EPT2195, EPT2196 and EPT2198) were completed at Millennium in November 2014 to test for mineralisation at depth and along key geological contacts. These holes were drilled on a single north-south section across the target (see Figures 2 and 3). The hole collars extend across 750m of the drill section. All four holes drilled intersected visible zinc sulphide mineralisation in the form of sphalerite.

Diamond drilling at Millennium has identified two distinct styles of zinc sulphide mineralisation and has defined compelling follow up drill targets. The presence of multiple styles of zinc mineralisation and the large mineralisation footprint indicates a significant zinc mineralising event at Millennium.

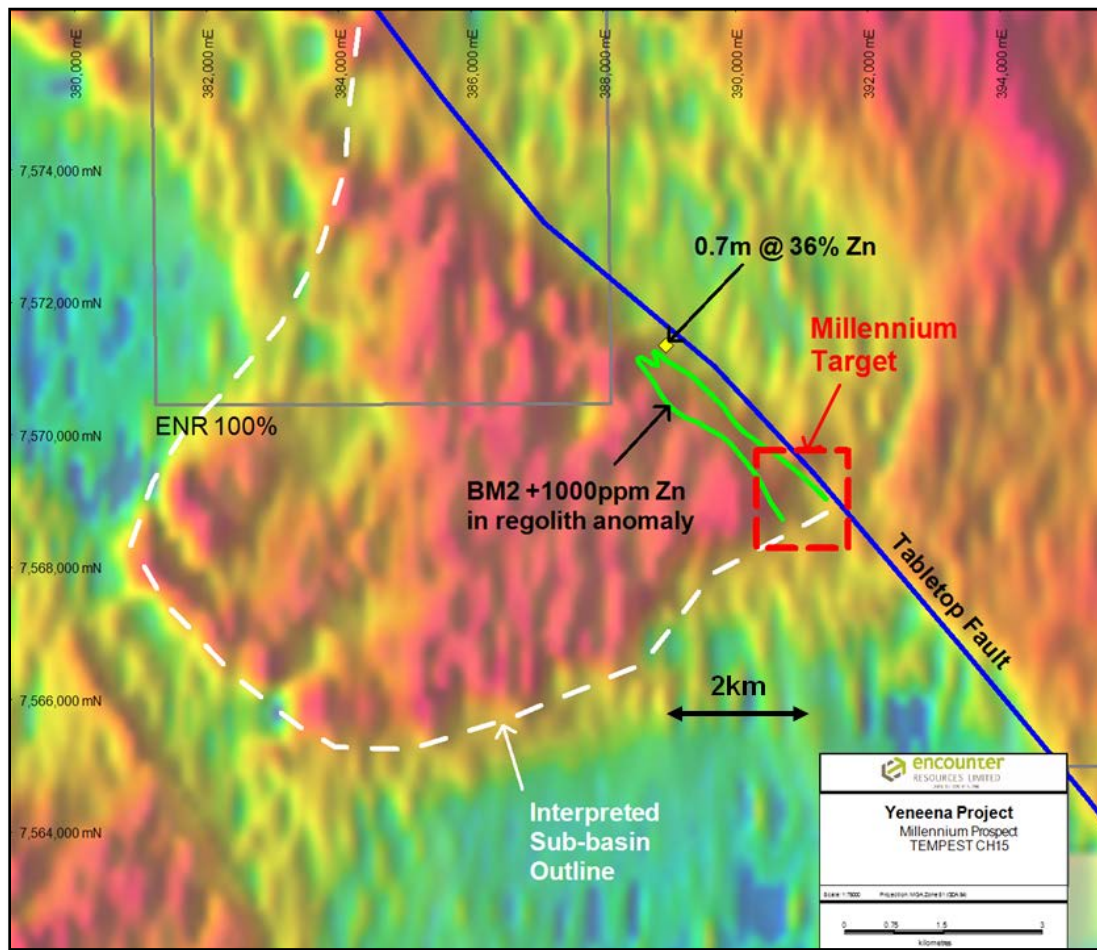


Figure 1: Millennium prospect – Location, Interpreted structures and EM Plan

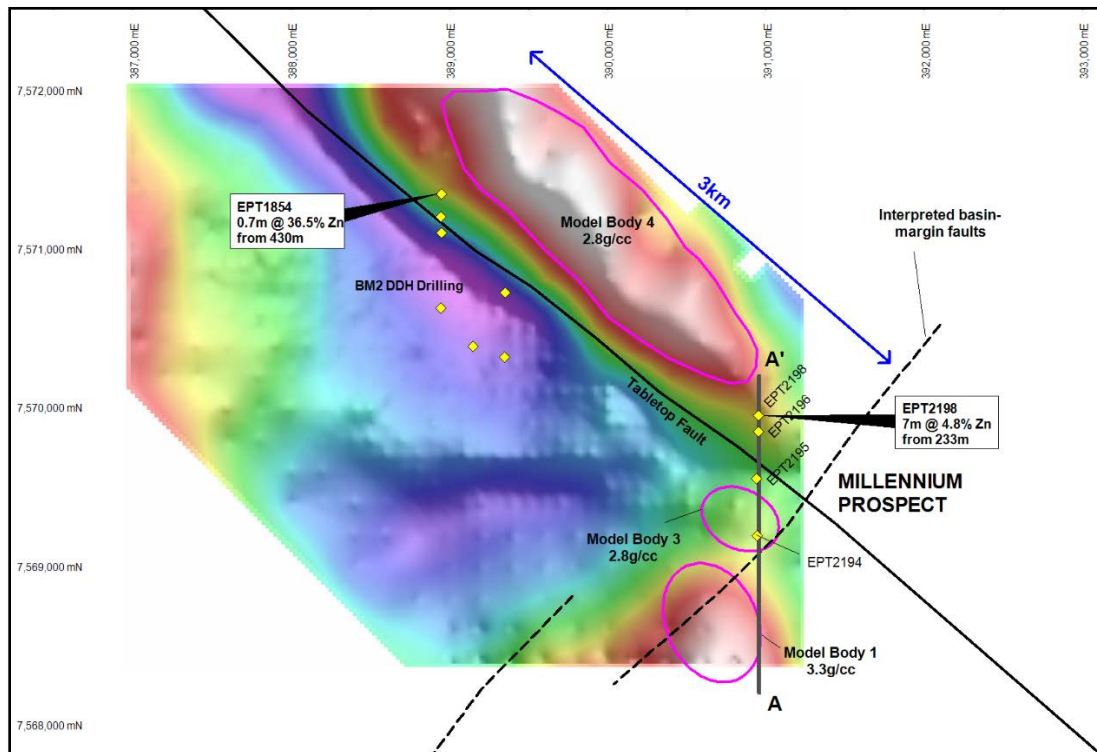


Figure 2: Millennium prospect – Diamond drilling status plan over residual gravity in plan view

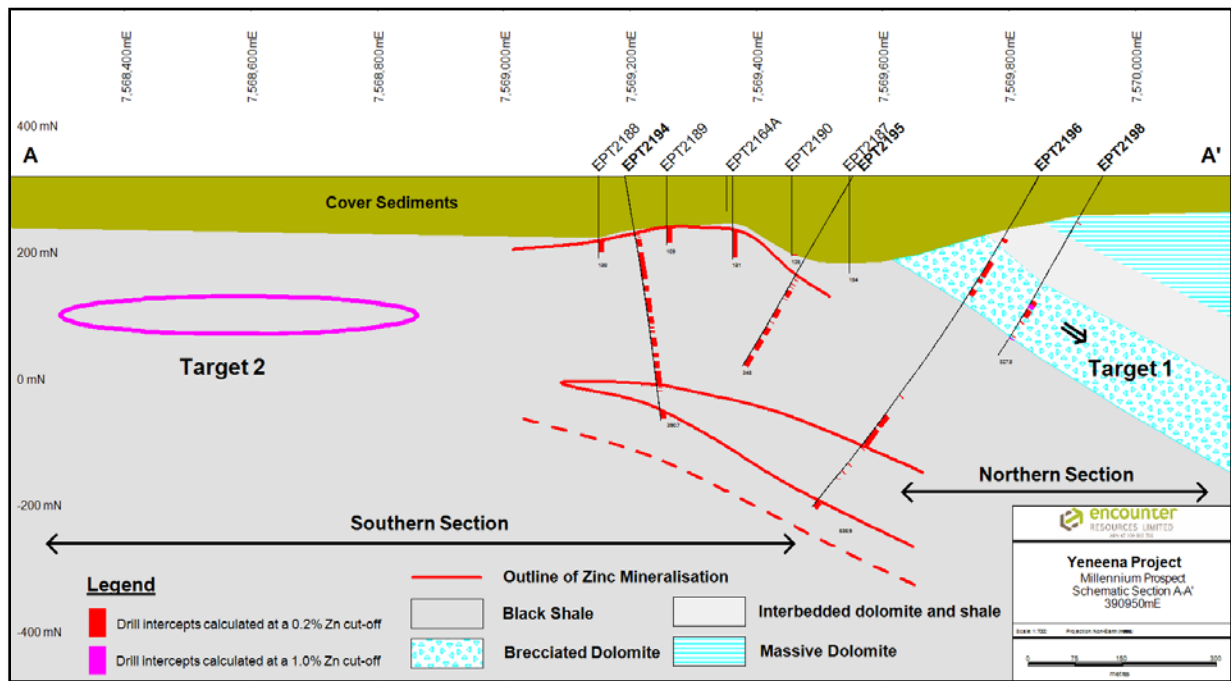


Figure 3: Millennium prospect – Section A-A' 390950mE

Target 1 - Contact Related Zinc Mineralisation

High grade zinc mineralisation adjacent to the carbonate – shale contact was intersected in EPT2198. Mineralisation occurs at the carbonate – shale contact and some 50m inboard of this contact (see Figure 4).

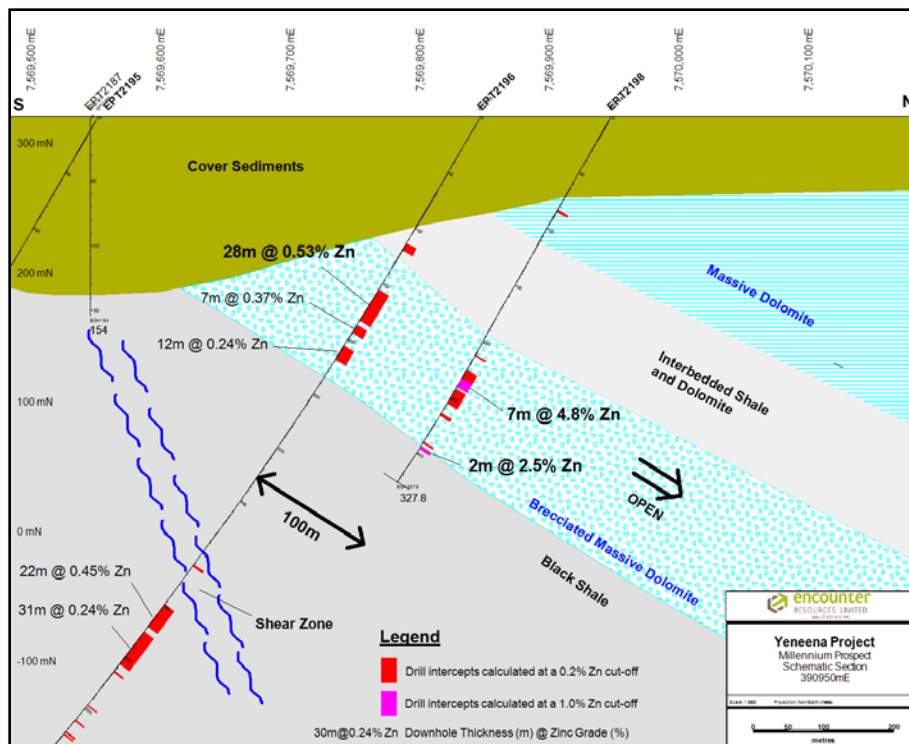


Figure 4: Millennium prospect – Cross-section through contact related mineralisation (northern section)

Assay intervals reported on this section are rounded to the metre

The zinc mineralisation intersected is very high tenor sphalerite dominant mineralisation that is typically brown to pale cream coloured and contains only traces of lead (see Photo 1 and 2). Intersections from the contact related mineralisation include;

- 7m @ 4.76% Zn from 233m including 1.4m @ 10% Zn from 234.55m and
- 1.7m @ 2.45% Zn from 294.5m in EPT2198
- 27.8m @ 0.53% Zn from 155.2m in EPT2196

The mineralisation adjacent to the carbonate – shale contact is strengthening with depth and remain open at depth and along strike (see Figure 4). This key mineralised contact was also intersected at the BM2 prospect located 3km north-west of Millennium. Diamond drilling at BM2 intersected high grade zinc mineralisation adjacent to the carbonate - shale contact in EPT1854 that returned 0.7m @ 36.5% Zn (see ASX announcement 13 December 2013)

Drilling in the area between the BM2 and Millennium prospects is limited to a small number of shallow aircore and RC holes and is effectively untested.

Target 2 – Shale hosted Zinc-Lead Mineralisation

Broad zones of shale-hosted disseminated zinc-lead sulphide mineralisation were intersected in the three southern diamond holes EPT2194, EPT2195 and at depth in EPT2196 (see Figure 5).

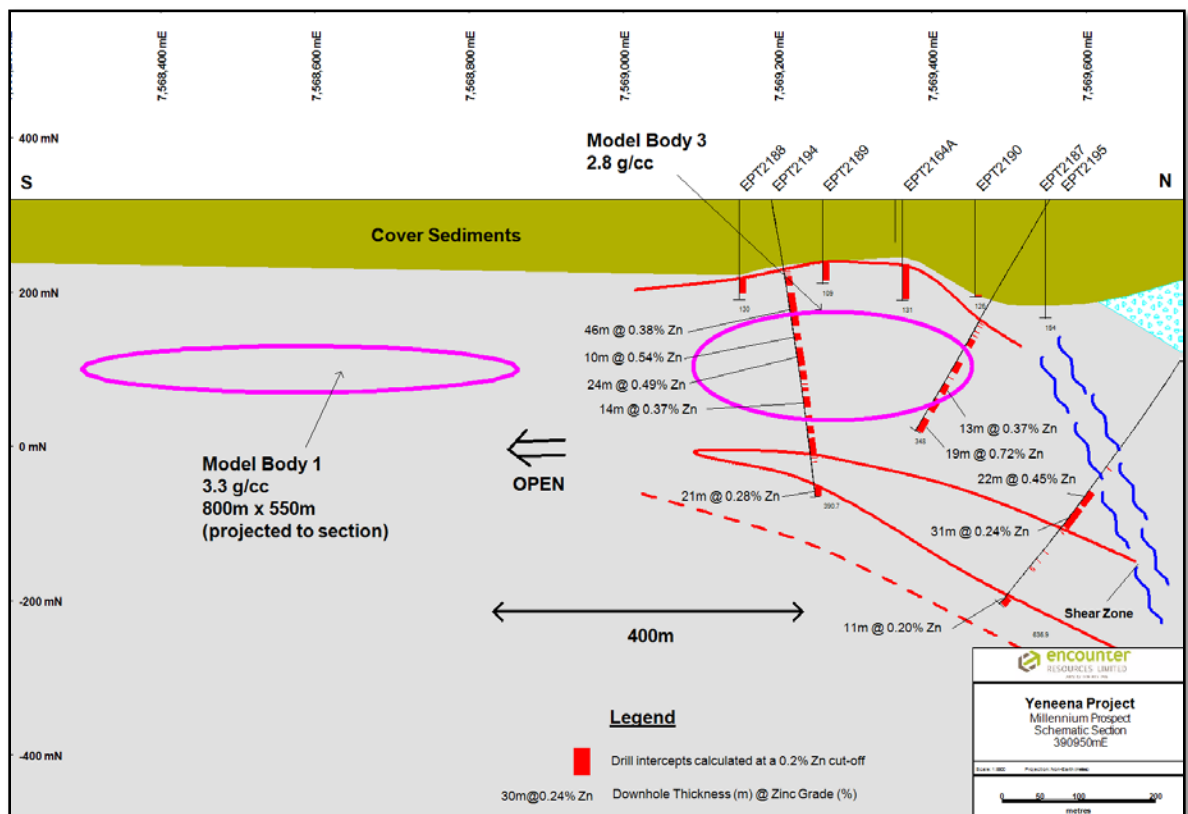


Figure 5: Millennium prospect – Cross-section through shale-hosted mineralisation (southern section)

Assay intervals reported on this section are rounded to the metre

Intersections from these holes include;

- 45.8m @ 0.38% Zn and 0.10% Pb from 123.2m;
- 9.8m @ 0.54% Zn and 0.15% Pb from 176.2m; and
- 24m @ 0.49% Zn and 0.16% Pb from 195m in EPT2194

- 13.2m @ 0.37% Zn and 0.08% Pb from 274m; and
- 18.95m @ 0.72% Zn and 0.24% Pb from 325.85m in EPT2195
- 21.7m @ 0.45% Zn and 0.14% Pb from 449m; and
- 31.2m @ 0.24% Zn and 0.06% Pb from 475.7m in EPT 2196

This mineralisation is interpreted to represent the halo to a potential SEDEX zinc deposit. It is common for this style of deposit to have a large scale, low grade halo that can extend laterally from a high grade deposit. The identification of this large scale mineralised halo is a key step forward for the project. Exploration within this mineralised halo can utilise both geophysical and geochemical vectors to focus follow up drilling.

In this regard, modelling of the ground gravity data collected over the BM2 / Millennium area has highlighted a significant 0.5mgal density anomaly to the south of the mineralised halo intersected in the diamond drilling at Millennium (see Figures 6 and 7). The gravity feature, labelled 'Model Body 1' on Figures 5 and 6, has been modelled to be 80m thick and commencing from a depth of approximately 140m to 200m from surface. The anomaly extends over an area 800m by 550m and has been untested by previous drilling. The results of the geophysical modelling also shows good correlation with the location of the low grade zinc-lead sulphide mineralisation drilled in EPT2194 and EPT2195, labelled 'Model Body 3' on Figure 5, as well as the carbonate unit located to the north-east of the Tabletop fault, labelled 'Model Body 4', shown on Figure 2. The strong correlation of modelled bodies 3 and 4 with known geology intersected in drilling gives confidence that the ground gravity survey is effectively mapping the density of subsurface geology. As such, there is also confidence as to the presence of a significant density anomaly at the position of Model Body 1. It is interpreted that this untested gravity anomaly is responding to the accumulation of more intense sulphide mineralisation.

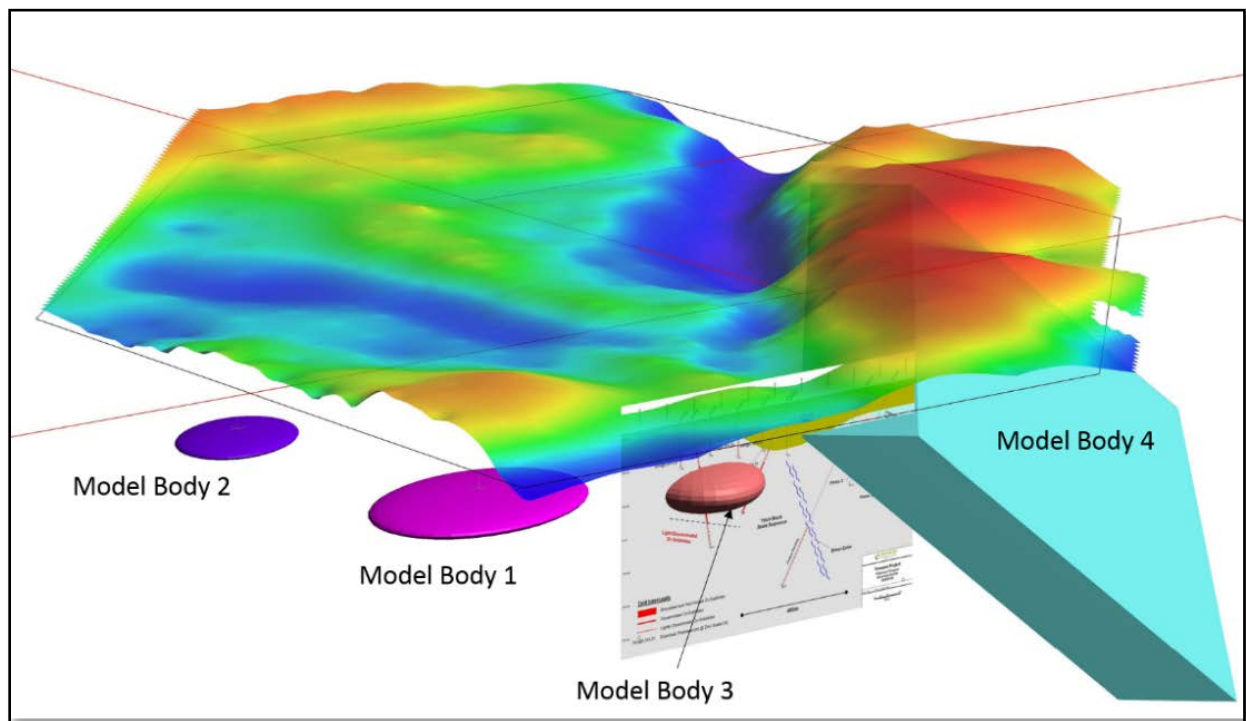


Figure 6: Millennium prospect – Isometric view of residual gravity and modelled density bodies

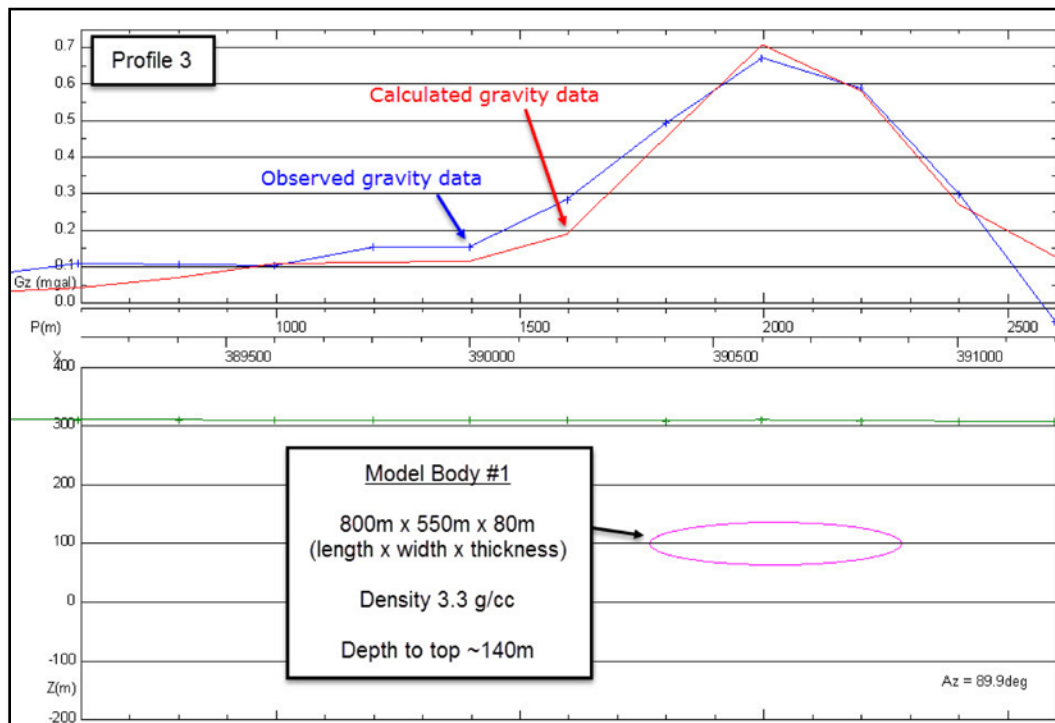


Figure 7: Millennium prospect – Modelled gravity profile across Model Body 1

The Millennium RC and diamond drilling programs in 2014 were co-funded under the WA Government Exploration Incentive Scheme.

The Next Steps

An RC drilling program at Millennium is scheduled to commence in April 2015 following completion of the summer cyclone season. This program will test for additional high grade zinc mineralisation down dip and along strike of EPT2198 (Target 1) and will test the large modelled gravity anomaly to the south of the Millennium diamond drilling for accumulations of higher grade shale hosted mineralisation (Target 2).



Photo 1: Millennium prospect – EPT2198 (~235.6m) Sphalerite (brown) and pyrite in brecciated carbonate. Assaying of this interval returned a grade of 6.7% zinc. Core sample width approx. 50mm



Photo 2: Millennium prospect – EPT2198 (~295m) Sphalerite (light brown) and minor pyrite in brecciated shale. Assaying of this interval returned a grade of 6.6% zinc. Core sample width approx. 50mm

Hole_ID	Northing (m)	Easting (m)	RL (m)	EOH(m)	Dip	Azi
EPT2194	7569192	390942	320	390.7	-80	000
EPT2195	7569553	390938	320	348	-60	180
EPT2196	7569848	390952	320	636.9	-60	180
EPT2198	7569949	390951	320	327	-60	180

Table 1: Diamond drilling collar location – Millennium Prospect

*Estimated drill hole coordinates GDA94 zone 51 datum. Collars positioned via handheld GPS (+/-5m),
EOH = End of hole depth; m=metre; azi=azimuth.*

Hole ID	From (m)	To (m)	Length (m)	Zinc (%)	Lead (%)
EPT2194	95	96	1	0.25	0.12
	99	99.8	0.8	0.23	0.02
	102	114	12	0.40	0.12
	123.2	169	45.8	0.38	0.10
	176.2	186	9.8	0.54	0.15
	195	219	24	0.49	0.16
	225	237	12	0.41	0.14
	242	244	2	0.37	0.11
	248	252	4	0.59	0.18
	258.8	273	14.2	0.37	0.10
	284	289	5	0.23	0.06
	297.7	307.9	10.2	0.23	0.06
	313	334.3	21.3	0.28	0.08
	339	340	1	0.24	0.02
	344	344.6	0.6	0.28	0.04
	370.6	370.75	0.15	0.69	0.01
	377	390	13	0.26	0.21
EPT2195	184	185	1	0.24	0.02
	188.1	188.5	0.4	0.28	-
	195.4	197	1.6	0.28	0.13
	201.2	202.5	1.3	0.26	0.08
	207.3	218	10.7	0.20	0.07
	222	223	1	0.41	0.14
	241	256.2	15.2	0.23	0.04
	264	265	1	0.24	0.04
	274	287.2	13.2	0.37	0.08
	296	315.1	19.1	0.21	0.05
incl. and EPT2196	325.85	344.8	18.95	0.72	0.24
	329	330.9	1.9	1.20	0.44
	337.8	341.7	3.9	1.47	0.45
	113.2	119.25	6.05	0.44	-
	155.2	183	27.8	0.53	-
	187	194	7	0.37	-
	206	218.2	12.2	0.24	-
	410.9	412.4	1.5	0.21	0.05
	449	470.7	21.7	0.45	0.14
	475.7	506.9	31.2	0.24	0.06
	513.5	514.5	1	0.22	0.05
	546.7	547.3	0.6	0.53	0.11

	561.4	562.5	1.1	0.30	0.16
	573.2	574	0.8	0.26	0.03
	575.2	576.4	1.2	0.20	0.07
	623	634	11	0.20	0.06
incl.	623	626	3	0.50	0.14
EPT2198	83.3	84.6	1.3	0.29	0.01
	212	213	1	0.36	0.13
	225.4	255.3	29.9	1.29	-
incl.	233	240	7	4.76	0.02
incl.	234.55	235.93	1.37	10.0	0.01
	264	266	2	0.56	-
	285	296.2	11.2	0.84	-
incl.	294.5	296.2	1.7	2.45	-

Table 2: Millennium prospect - Diamond drilling assay results >0.2%Zn. Lead reported at >0.01%Pb
% = percent

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	The Millennium prospect was sampled by Encounter Resources (ENRL) using diamond drilling. Four holes were drilled for a total of 1702.6m. The four holes were drilled on a single north-south section. Onsite handheld Niton XRF instruments were used to systematically analyse diamond drill core, with a single reading taken at every metre mark, except in the case of core loss. The host lithologies were targeted and veins and obvious signs of mineralisation avoided. These results are only used for onsite interpretation and the analyses are not reported.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	Drill hole collar locations were recorded by handheld GPS, which has an estimated accuracy of +/- 5m.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information</i>	Diamond core was drilled as HQ3/HQ2 and NQ2 size core. Competent drillcore was cut and sampled, and grab sampling was utilised where core was broken. Mineralised intervals were subjected to half-core sampling, where unmineralised intervals were subjected to quarter-core, fillet-core or chip sampling. Intervals varied from 0.1 – 2m and were selected on the basis of interpreted geological boundaries, degree of mineralisation during geological logging, core loss and the results of systematic handheld Niton XRF sampling. Sample weights vary from 200g to 3kg. Diamond core samples were sent to Bureau Veritas Minerals Pty Ltd Laboratories in Perth, where they were dried, crushed, pulverised and split to produce a sub – sample for ICP – OES and ICP – MS analysis.
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	All diamond drilling utilised an RC precollar or rock rolling to varying depths. Various size core diameters were used including HQ3, HQ2, and NQ2. All drill core was orientated where possible and triple-tubed in broken ground.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	Diamond core recoveries/core loss was recorded during drilling and noted during geological logging. The driller identified cavities or core loss directly in the core trays.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	Diamond driller's used appropriate measures to maximise sample recovery, including the use of triple tube drilling. Core loss was recorded by ENRL geologists and sampling intervals were not carried through core loss.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	To date, no detailed analysis to determine the relationship between sample recovery and/or grade has been undertaken for this diamond drill program.

Criteria	JORC Code explanation	Commentary
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	Geological logging was carried out on all drillholes, with lithology, alteration, mineralisation, structure and veining recorded. Where core was orientated, structural measurements were taken.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Geological logging is qualitative in nature and records interpreted lithology, alteration, mineralisation, structure, veining and other features of the samples.
	<i>The total length and percentage of the relevant intersections logged</i>	All drill holes were logged in full by ENRL geologists.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Competent drillcore was cut and sampled, and grab sampling was utilised where core is broken. Mineralised intervals were subjected to half-core sampling, and unmineralised intervals were subjected to quarter-core or fillet-core sampling.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	RC samples were collected on the rig using a splitter. Samples were recorded as being dry, moist or wet by ENRL field staff.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Sample preparation was completed at Bureau Veritas Minerals Pty Ltd Laboratories in Perth. Samples were dried, crushed, pulverised (90% passing at a $\leq 75\mu\text{m}$ size fraction) and split into a sub – sample that will be analysed using a 4 acid digest with an ICP – OES and ICP – MS finish.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Field QC procedures involve the use of commercial certified reference materials (CRMs) and in house blanks. The insertion rate of these will be at an average of 1:33.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	No duplicates were taken from diamond core.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The sample sizes are considered appropriate to give an accurate indication of base metal anomalism and mineralisation at Millennium.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	The samples were digested and refluxed with hydrofluoric, nitric, hydrochloric and perchloric acids (four acid digest). This digest is considered to approach a total digest for many elements, although some refractory minerals are not completely attacked. Analytical methods used will be ICP – OES (Al, Ca, Cu, Fe, Mg, Mn, Ni, P, S and Zn) and ICP – MS (Ag, As, Bi, Co, Mo, Pb, U, Sr and Tl).
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	Two handheld XRF instruments were used to systematically analyse RC samples and drill core onsite. The principal instrument used was a Thermo Scientific XL3t 950 GOLDD+. A Thermo Scientific XL3t 500 GOLDD+ was also used infrequently. Reading times ranged from 20 – 25 seconds. The instruments are serviced and calibrated at least once a year.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of in house procedures. ENRL also submitted an independent suite of CRMs, blanks and field duplicates (see above). A formal review of this data is completed on an annual basis.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Both the Exploration Director and Senior Exploration Geologists have verified significant intersections from this program of diamond drilling.
	<i>The use of twinned holes.</i>	No twinned holes have been drilled.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Primary data was collected for the Millennium prospect on hand held printed forms and on toughbook computers using Excel templates and Maxwell Geoservice's LogChief software. Data collected was sent offsite to ENRL's Database (Datashed software), which is backed up daily.
	<i>Discuss any adjustment to assay data.</i>	No adjustments or calibrations were made to any assay data collected at Millennium.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Drill hole collar locations are determined using a handheld GPS. Down hole surveys used single shot readings during diamond drilling and precollars. These were taken at approximately every 30m downhole
	<i>Specification of the grid system used.</i>	The grid system used is MGA_GDA94, zone 51.
	<i>Quality and adequacy of topographic control.</i>	Estimated RLs were assigned during drilling and are to be corrected at a later stage using a DTM created during the VTEM AEM survey.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	The four diamond holes in this program were drilled on the same north-south section at spacings from 100m to 350m apart.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Mineralisation has not yet demonstrated to be sufficient in both geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications to be applied.
	<i>Whether sample compositing has been applied.</i>	No compositing was applied to diamond core samples. Quoted intersections are the length-weighted average of grades from original sampling widths.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	N/A – this is framework diamond drilling
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No sampling bias resulting from a structural orientation is known to occur.
Sample security	<i>The measures taken to ensure sample security.</i>	The chain of custody is managed by ENRL. Samples were delivered by ENRL personnel to Newcrest's Telfer Mine site and transported to the assay laboratory via McMahon's Haulage. Tracking protocols have been emplaced to monitor the progress of all samples batches.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	Sampling techniques and procedures are regularly reviewed internally, as is data. To date, no external audits have been completed on the Millennium data.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties including joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	The Millennium prospect is located within the tenement E45/2561, which is 100% held by Encounter. The tenement that host the Millennium prospect, E45/2561, is subject to a 1.5% Net Smelter Royalty to Barrick Gold of Australia. This tenement is contained completely within land where the Martu People have been determined to hold native title rights. No historical or environmentally sensitive sites have been identified in the area of work.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Prior to activities undertaken by Encounter, no exploration of the Millennium area had been completed.
Geology	<i>Deposit type, geological setting and style of mineralisation</i>	Millennium is situated in the Proterozoic Paterson Province of Western Australia. A simplified regional stratigraphy of the area comprises the Palaeo-Proterozoic Rudall Complex, unconformably overlain by the Neo-Proterozoic Coolbro Sandstone. On top of this is the Broadhurst Formation, which hosts ENRL's Millennium prospect. The Millennium prospect is considered prospective for sediment – hosted zinc-lead mineralisation, with the McArthur River deposit in Queensland providing a basic conceptual model for exploration targeting.
Drill hole information	<i>A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:</i> • <i>Easting and northing of the drill hole collar</i> • <i>Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar</i> • <i>Dip and azimuth of the hole</i> • <i>Down hole length and interception depth</i> • <i>Hole length</i>	Refer to tabulations in the body of this announcement.
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregated intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	All reported assays have been length weighted, with a nominal 0.2% Zn lower cut-off reported as significant in the context of the geological setting. No upper cuts-offs have been applied and some narrow intervals of less than 0.2%Zn have been included in calculating down hole grade intervals. Lead has been reported for the zinc intervals where the lead grade is greater than 0.01% lead. High grade intervals that are internal to broader zones of copper mineralisation are reported as included intervals. No metal equivalent values are used for the reporting of exploration results.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of exploration results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	The geometry of the mineralisation is not yet known due to insufficient deep drilling in the targeted area.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plane view of drill hole collar locations and appropriate sectional views.</i>	Refer to body of this announcement.
Balanced Reporting	<i>Where comprehensive reporting of all Exploration Results is not practical, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	All significant intervals are reported with a 0.2% Zn lower cut-off. Lead assays below 0.01% Pb within these intervals are not reported.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observation; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	All meaningful and material information has been included in the body of the text. No metallurgical or mineralogical assessments have been completed.
Further Work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large – scale step – out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Further drilling at Millennium is required to test for lateral and vertical extensions of the high grade zinc sulphide mineralisation adjacent to the carbonate - shale contact. Drilling is also required to test the modelled gravity anomaly to the south of the Millennium diamond drilling. An RC drilling program is currently in the planning phase and will be reported in detail when completed.

Project Background & Location Plan

The Yeneena Project covers 1,850km² of the Paterson Province in Western Australia and is located 40km SE of the Nifty copper mine and 30km SW of the Telfer gold/copper deposit (Figure 8). The targets identified are located adjacent to major regional faults and have been identified through electromagnetics, geochemistry and structural targeting. The copper targets are hosted within sediments of the Broadhurst Formation in a similar geological setting to the Nifty copper deposit (total resource of 148.3mt @ 1.3% Cu – Straits Resources Ltd, 2001).

Encounter strategically added to its ground position along the prospective corridor adjacent to the Yeneena Project by completing an earn-in agreement with St Barbara Limited and through the purchase of tenements held by Hammer Metals Limited.

In April 2013, the Company completed an earn-in agreement with a wholly owned subsidiary of Antofagasta plc, one of the world's largest copper producers, whereby it may earn a 51% interest in two tenements within the Yeneena Project by incurring expenditures of US\$20 million over a five year period.

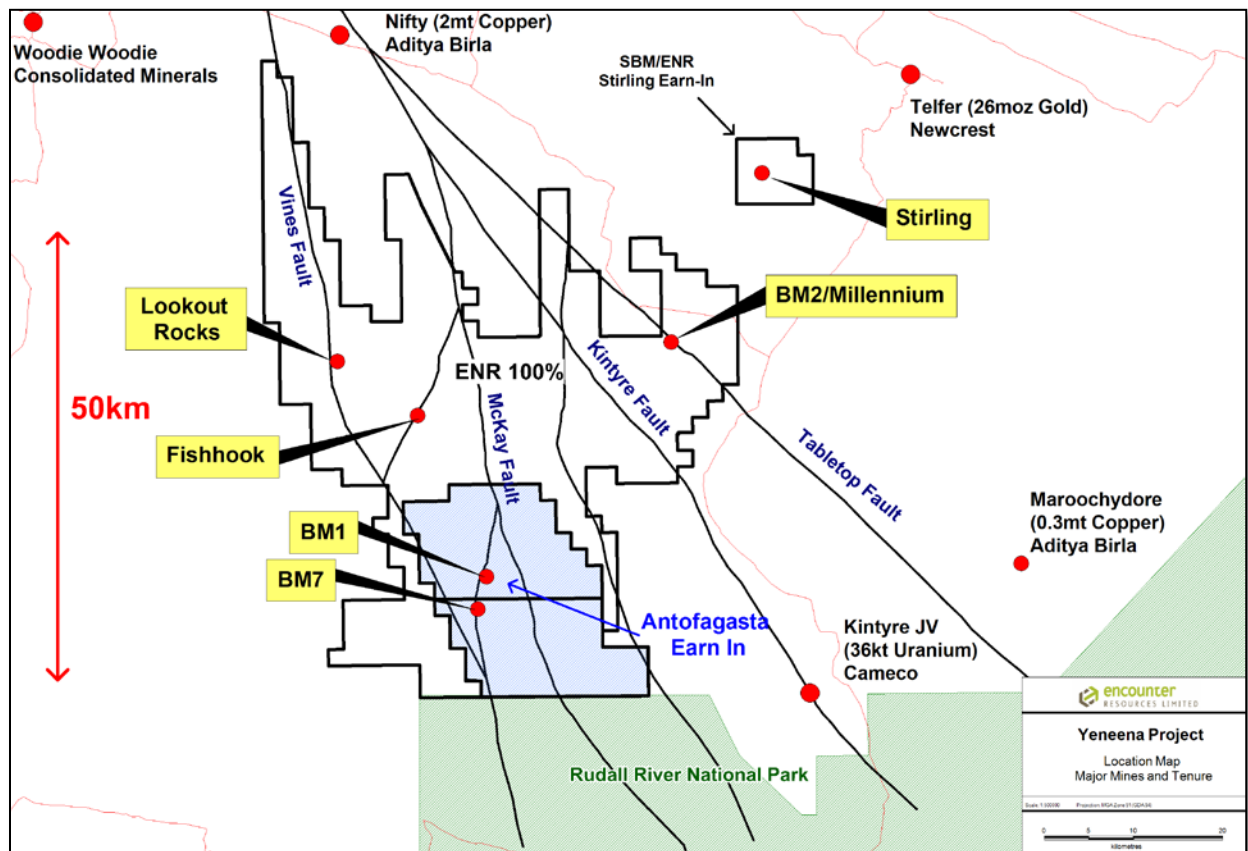


Figure 8: Yeneena Project leasing and targets areas

The information in this report that relates to Exploration Results is based on information compiled by Mr. Peter Bewick who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Bewick holds shares and options in and is a full time employee of Encounter Resources Ltd and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bewick consents to the inclusion in the report of the matters based on the information compiled by him, in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases and the form and context of the announcement has not materially changed.