

ASX : ENR

28 May 2010

Company Announcements Office
Australian Securities Exchange
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Sydney NSW 2000

High Grade Copper Discovery at Yeneena

- **Aircore drilling has discovered high grade copper mineralisation at BM1**
- **3m @ 5.12% copper from 67m and 7m @ 1.32% copper from 24m**
- **Mineralisation remains open to the north and at depth**
- **Drilling program expanded**

The directors of Encounter Resources Ltd (“Encounter”) are pleased to announce highly encouraging drilling results from BM1 copper prospect at the Yeneena Project. The prospect is located in the Paterson Province of Western Australia, approximately 60km south of the Nifty Copper Deposit (see Figure 2).

Visible copper mineralisation has been identified in two adjacent aircore drill holes drilled 100m apart in the north of the BM1 prospect. The mineralisation occurs at the intersection of the previously identified regolith copper anomaly and the McKay Fault (see Figure 1). Samples were collected from the zones of visible mineralisation within holes EPT219 and EPT220 and submitted for priority analysis in Perth. Assay results received:

EPT219: 3m @ 5.12% Cu from 67m

EPT220: 7m @ 1.32% Cu from 24m

The mineralised system at the BM1 prospect is now over 2km long and remains open to the north and at depth. Shallow aircore drilling has been completed at a 400m by 100m spacing. All remaining samples from the aircore drill program at BM1 will be transported to Perth next week with complete analytical results expected by the end of June.

Additional drilling is currently being completed at BM1 that will reduce the drill spacing around the area of copper mineralisation to 200m by 100m.

The copper mineralisation at BM1 is hosted within black shale of the Broadhurst Formation. The exploration target at this prospect is for Zambian Copper Belt style, sediment-hosted mineralisation.

This aircore drilling is a follow up program to the diamond program completed in Oct 2009 which was co-funded by the WA Government under the Exploration Incentive Scheme where a large hydrothermal alteration system was identified at BM1.

The drilling program at the Yeneena Project continues with aircore drilling planned for the MN1, MN2 and BM2 prospect and diamond drilling of the BM5 prospect in progress.

Figure 1 – BM1 Drill status plan

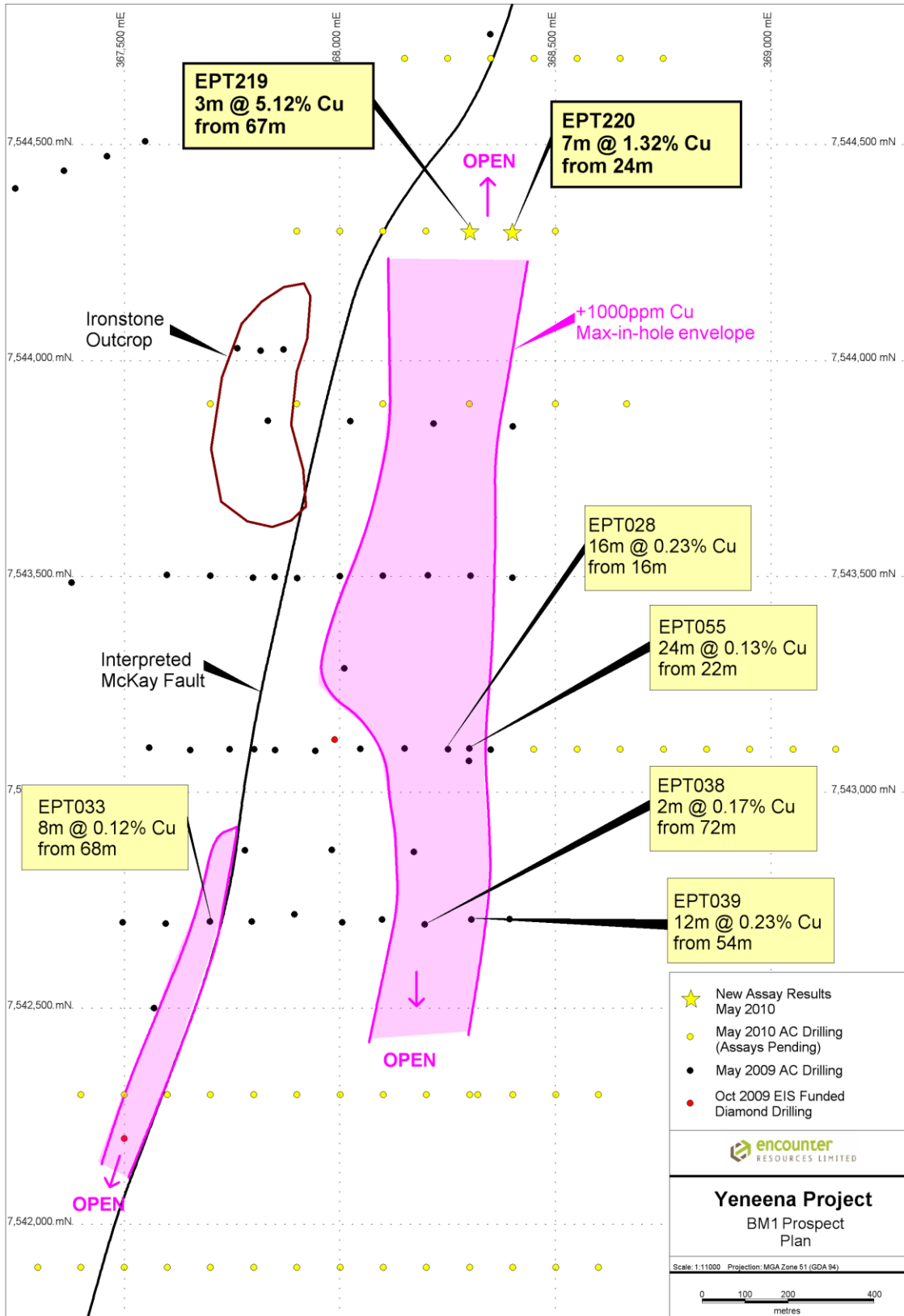


Table 1. Drill hole information BM1

Drill Hole ID	Northing(m)	Easting(m)	RL	Dip	Azimuth	Total Depth
EPT 219	7544302	368296	320m	-90 ⁰	000	75m
EPT 220	7544301	368391	320m	-90 ⁰	000	60m

Drill hole coordinates GDA94 zone 51 datum and determined via handheld GPS (+/-5m)

Table 2. Initial assay results from EPT 219 and EPT220

Drill Hole ID	From(m)	To(m)	Width	Cu%	Intersection	Comment
EPT 219	67	68	1	5.88		
	68	69	1	4.51	3m @ 5.12% Cu	Sulphidic black shale
	69	70	1	4.98		
EPT 220	24	25	1	0.76		
	25	26	1	1.62		
	26	27	1	1.63		
	27	28	1	1.28	7m @ 1.32% Cu	Strongly oxidised shale
	28	29	1	0.47		
	29	30	1	2.62		
	30	31	1	0.87		

For further information please contact:

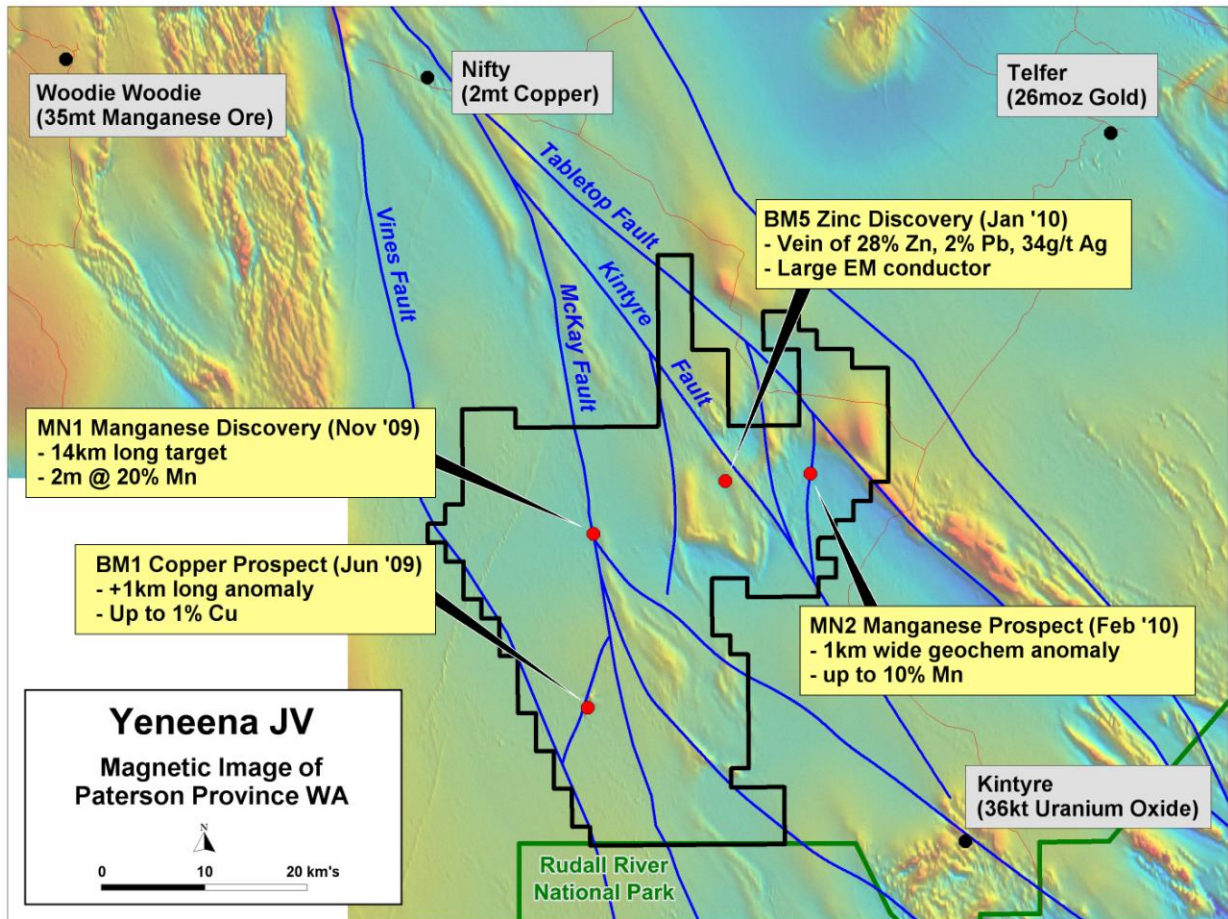
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The information in this report that relates to Exploration Results is based on information compiled by Mr. Peter Bewick who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Bewick is a full time employee of Encounter Resources 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 2004 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.

Project Background & Location Plan

The Yeneena project covers 1300km² of the Paterson Province in Western Australia and is located 40km SE of the Nifty copper mine, 30km NW of the Kintyre uranium deposit and 70km SE of the Woodie Woodie manganese mine. The targets identified are located adjacent to major regional faults and have been identified through electromagnetics, geochemistry and structural targeting. The base metals 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 controls 100% ownership of the project.

Figure 2. Yeneena Project leasing and targets areas on regional TMI magnetics



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