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Company Announcements Office  
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## Antofagasta Refocuses with New US\$6m Earn-in Agreement

- **Encounter has completed a new US\$6 million earn-in agreement with Antofagasta Minerals Perth Pty Limited (“Antofagasta”), a wholly owned subsidiary of London Stock Exchange listed Antofagasta plc, covering the Lookout Rocks Copper Prospect.**
- **The Lookout Rocks Copper Prospect includes four tenements (~450km<sup>2</sup>) of untested exploration ground located in the north-west of the Yeneena Project.**
- **Antofagasta has refocused its exploration investment from Yeneena to the Lookout Rocks Prospect and as such Encounter has regained 100% interest, unencumbered, in the advanced BM1 and BM7 Copper Projects (~430km<sup>2</sup>) in the south of the Yeneena project, following the termination of the existing earn-in agreement with Antofagasta.**
- **An initial aircore/RC program (~5,000m) under the-earn in agreement at Lookout Rocks Prospect will commence in August 2015.**
- **Encounter intends to complete a RC drill campaign over a number of near surface, drill ready copper targets at BM7 and BM1 in October 2015. This campaign will be performed either alone or in conjunction with a new joint venture partner.**

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The directors of Encounter Resources Ltd (“**Encounter**”) are pleased to announce that it has entered into an earn-in agreement in relation to four tenements covering the Lookout Rocks Copper Prospect (“**Lookout Rocks**”). The agreement with Antofagasta relates to tenements E45/4091, E45/4408, E45/4230 & E45/3768 (“**the Tenements**”) which cover an area of ~450km<sup>2</sup> of Encounter’s Yeneena project in WA (Figure 2).

“We are pleased to extend our relationship with Antofagasta, a subsidiary of one of the world’s largest copper producers and explorers, with an earn-in agreement covering the early stage, but highly prospective, Lookout Rocks Copper Prospect. With Antofagasta now focusing their exploration investment at Lookout Rocks, the Company is pleased to regain a 100% unencumbered interest in the advanced BM1 & BM7 copper targets located within a defined 14km long mineralised system.” said Managing Director, Will Robinson.

### **New earn-in and joint venture agreement - Lookout Rocks**

Drilling under the new Lookout Rocks earn-in agreement will commence in August 2015 with a 5,000m track mounted aircore and slim-line RC program. This program will provide initial subsurface geochemistry at key structural locations identified at Lookout Rocks.

Encounter completed a detailed helicopter based VTEM survey over a large portion of the Lookout Rocks tenements in late 2014. Interpretation of the data from this survey, in

conjunction with detailed aerial photography, has outlined a tightly folded, NNW trending belt of Broadhurst Formation sediments. These sedimentary units are offset by interpreted NNE trending structures and are considered to be similar to the host units of the Nifty copper deposit located 25km to the north.

Key terms of the earn-in and joint venture agreement include:

- Antofagasta must spend a minimum of US\$500,000 on exploration before withdrawal.
- Antofagasta may acquire a 51% interest in the Tenements by incurring expenditure of US\$2,000,000 in total on the Tenements within two years (“**Initial Earn-in Phase**”). Antofagasta is entitled to fast track the expenditure as it determines.
- If Antofagasta elects to withdraw from the earn-in and joint venture agreement prior to incurring US\$2,000,000 expenditure, Antofagasta will retain no interest in the Tenements.
- If Antofagasta earns a 51% interest in the Tenements then Antofagasta and Encounter will form a joint venture in relation to the Tenements (“**Joint Venture**”).
- Antofagasta may then elect to contribute a further US\$4,000,000 of exploration expenditure within a further two years to earn a further 19% interest in the Tenements (“**Second Earn-in Phase**”).
- At that point, after contribution of a total of US\$6,000,000 of exploration expenditure, Antofagasta would hold a 70% Joint Venture interest with Encounter having a 30% Joint Venture interest.
- In the event of a Decision to Mine a US\$3,000,000 payment will be made by Antofagasta to Encounter.
- Industry standard expenditure contribution or dilution formulas apply. If a party’s interest is diluted to 10% or less, that interest would convert to a 1.5% Net Smelter Royalty.
- The earn-in and joint venture agreement is conditional upon Encounter obtaining all necessary consents and approvals to the grant of the earn-in rights to Antofagasta.

#### **Encounter regains 100% interest in the advanced BM1 and BM7 Copper Projects**

Antofagasta has made the decision to withdraw from the existing Yeneena earn-in agreement (see ASX Announcement 23 April 2013) covering tenements E45/2658 and E45/2805 and to refocus their exploration approximately 35-50km to the north at Lookout Rocks.

Antofagasta has invested over A\$7.5m exploring the BM1-BM7 area during the last two years. A total 16 diamond drill holes were completed on the tenements since the commencement of the Antofagasta funded program in April 2013. This diamond drill program was designed to provide geological, geochemical and structural data over an area with a strike extent in excess of 7km to assist in the identification of vectors to high grade copper sulphide mineralisation.

The Antofagasta funded exploration program made several key advances at the project including the first intersection of high grade copper sulphide mineralisation at BM7, the extension of high grade copper oxide mineral at BM1 and the identification of copper oxides at the BM7 East prospect.

A brief summary of some of the drill results at BM1 and BM7 include:

### **BM7 Prospect**

At the BM7 prospect 12 broad spaced diamond drill holes were completed under the earn-in agreement. Results included copper sulphide intersections of:

- EPT1719 - 5.3m @ 2.5% Cu from 387.6m including 0.7m @ 10.7% Cu from 388.6m. (Reported pursuant to the 2004 Edition of the JORC Code – refer ASX announcement 22 October 2013)
- EPT1718, located 250m west of EPT1719, intersected 8.8m @ 0.7% Cu from 284.2m including 1.5 @ 2.3% Cu
- EPT1717, located 800m north of EPT1719, intersected 152.3m @ 0.1%Cu from 166.2m including 1.2m @ 1.6%Cu
- EPT2158 located 400m north of EPT1719 intersected a broad zone of copper sulphide mineralisation (140m @ 0.2% Cu) including several bands grading over 1% Cu and 1.3m @ 3.2% Cu from 250.4m.

Interpretation of the mineralisation and alteration mineralogy at BM7 has confirmed strong similarities to the halo surrounding the Nifty copper deposit. The alteration and mineralisation vectors are strongest in the central section of BM7 where a large target area remains untested down dip to the east of EPT2158 and EPT1717 (see Figure 1).

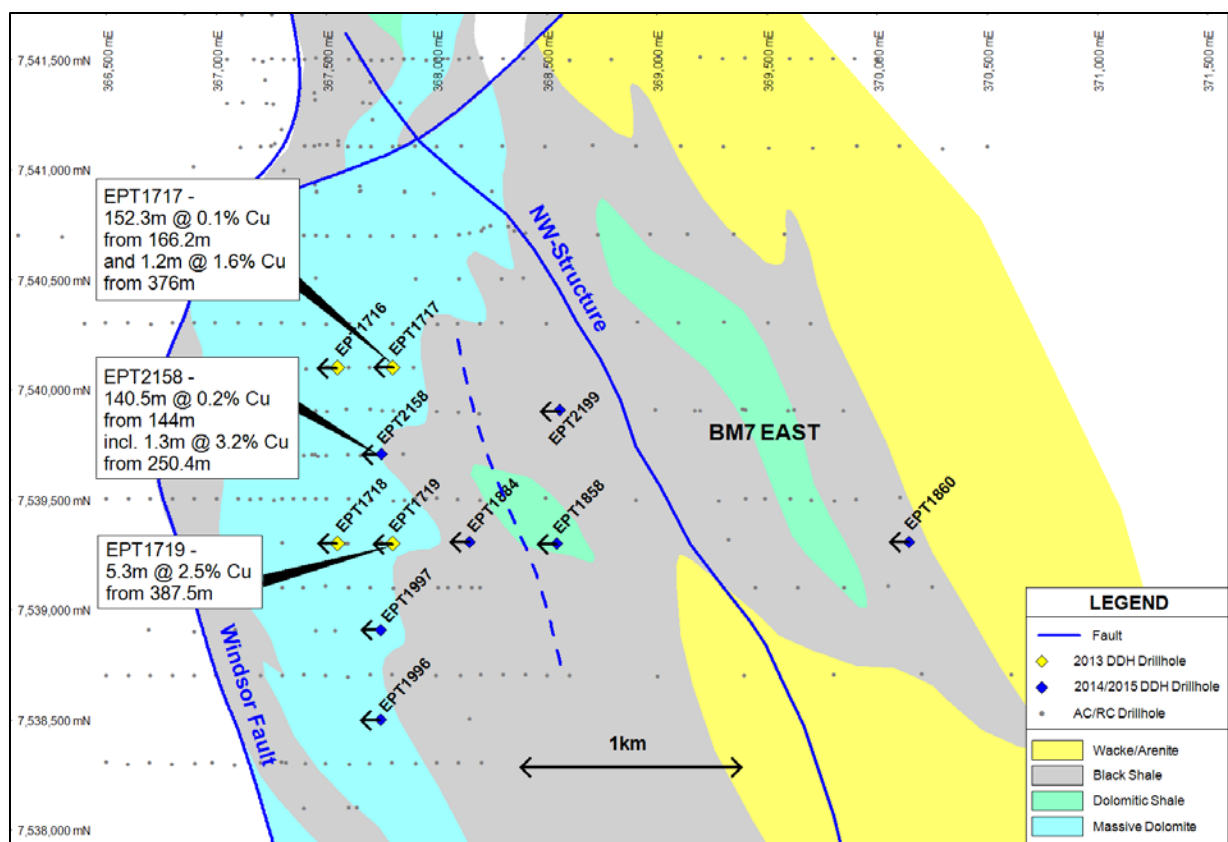


Figure 1: BM7 Diamond drill collars over interpreted Proterozoic geology

### **BM1 Prospect**

RC drilling at the BM1 prospect, completed under the earn-in agreement, extended the area of oxide mineralisation to the south-east with intersections including:

- 45m @ 1.4% Cu from 12m including 16m @ 3.2% Cu from 26m (EPT 2063)
- 47m @ 1.0% Cu from 11m including 15m @ 1.5% Cu from 42m (EPT 2066)
- 50m @ 1.1% Cu from 12m including 19m @ 2.3% Cu from 31m (EPT 2072)

Drilling during the 2014 campaign also intersected visible trace chalcopyrite mineralisation for the first time that is interpreted to be connected to the high grade oxide zone at BM1. The sulphide zone appears to be plunging to the south-east and remains open at depth and will be tested in the upcoming RC program.

### **BM7 East Prospect**

The BM7 East prospect was identified in 2013 during wide-spaced aircore drilling east of the BM7 prospect. The laterally extensive copper regolith anomaly extends over 2km in strike and includes intersections:

- EPT1820 - 34m @ 0.4% Cu from 52m incl. 8m @ 0.9% Cu from 54m
- EPT1844 - 18m @ 0.4% Cu from 46m incl. 6m @ 0.7% Cu from 54m

*(refer ASX Announcement 27 November 2013)*

The alteration and mineralisation intersected in the shallow drilling completed at BM7 East is similar to what is seen in the immediate hangingwall of the Nifty copper deposit. No drilling has effectively tested this target at depth.

### **Next Steps**

The sustained exploration focus in this area has resulted in a significant greenfield copper discovery within the BM1 – BM7 area and has outlined a +14km long copper sulphide mineral system. This system contains near surface copper oxide mineralisation, depth extensive zones of disseminated copper sulphide mineralisation and has established the capacity to produce high grade copper sulphide mineralisation within the system.

Recent drilling has provided 3D geological, geochemical and structural data that has outlined potential vectors to additional high grade copper sulphide mineralisation. The planned RC drilling campaign, that is due to commence in October 2015, will test these defined vectors at a number of drill ready prospects including the BM7, BM7 East, BM1 and BM6 targets. This campaign will be performed either alone or in conjunction with a new joint venture partner.

## Location Plan

The Yeneena Project covers 1,800km<sup>2</sup> 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 2). The targets identified are located adjacent to major regional faults and have been identified through electromagnetics, geochemistry and structural targeting.

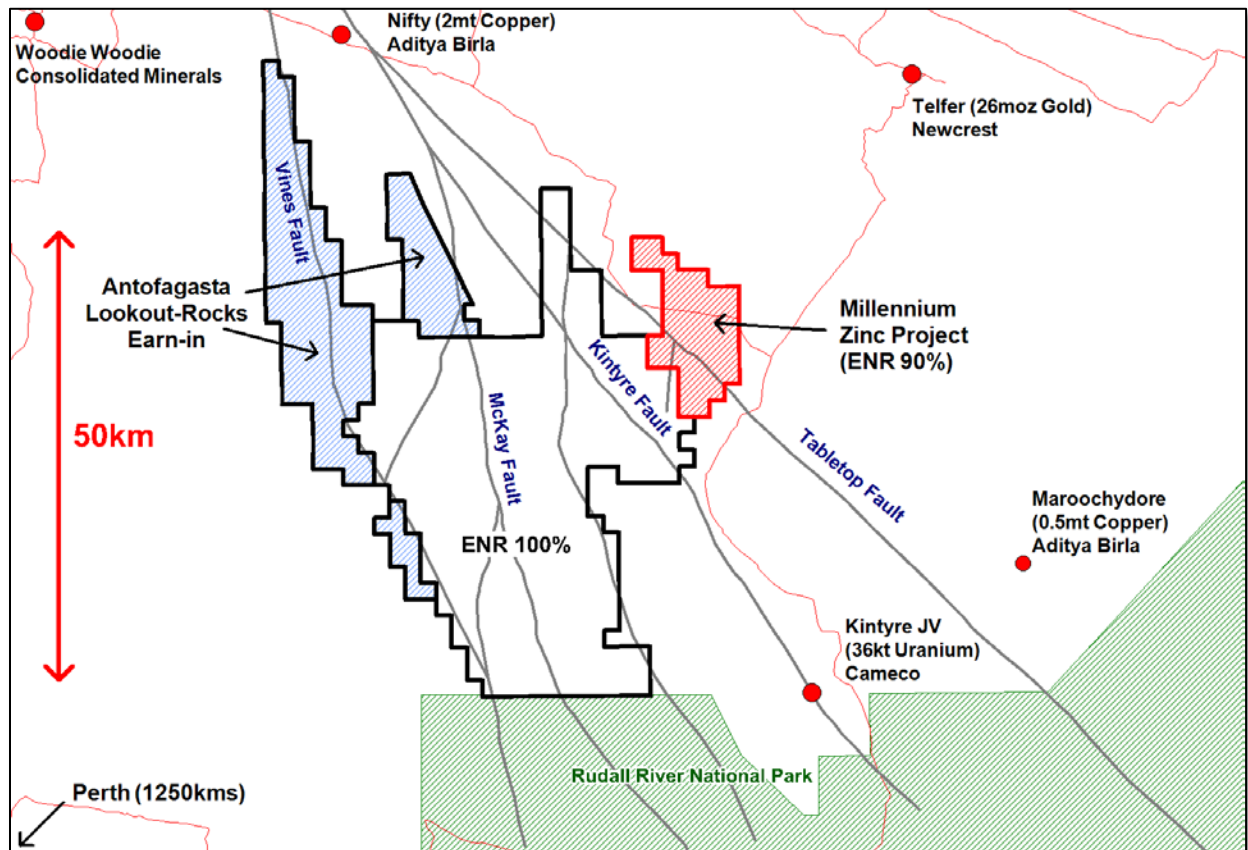


Figure 2: Yeneena Project leasing and targets areas

Certain exploration drilling results for BM7 are first disclosed under JORC code 2004. It has not been updated since to comply with the JORC code 2012 on the basis that the information has not materially changed.

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 holder of 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 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Bewick consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

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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.