

Level 7, 600 Murray Street West Perth WA 6005

> PO Box 273 West Perth WA 6872

> > P 08 9486 9455 F 08 6210 1578

www.enrl.com.au

ASX: ENR

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Lake Darlot Drill Program Commences

The directors of Encounter Resources Ltd ("Encounter") are pleased to announce that a follow up aircore drilling has commenced at the Lake Darlot Project in Western Australia. The project is located 15kms north of the Darlot gold mine along the Eastern margin of the Yandal greenstone belt. The project is held in joint venture between Encounter (80%) and Avoca Resources Ltd (20%).

An earlier phase of broad spaced aircore drilling targeting uranium uncovered a belt of previously unidentified greenstone lithologies including basalts, dolerites and felsic volcanic rocks. The greenstones were traced over a 7km strike and are masked at surface by lake sediment cover (see Figure 1). Zones of hydrothermal alteration were noted in the drilling and assay results included supergene gold anomalism up to 250ppb Au over 2m. The identified greenstone rocks are coincident with a NNW trending structural corridor interpreted from the regional aeromagnetics.

For further information please contact:

Mr Peter Bewick Exploration Director Encounter Resources Ltd Tel: 08 9486 9455

Maximum Au (ppb) 0 100 to 250 5 to 100 0 to 5 Gold anomalism focused on greenstone margins E37/830 Lake E37/830 2 km South-east trend of greenstones interpreted from magnetics Gold occurrence Interpreted structure from magnetics Greenstone trend from magnetics (interpreted) Greenstone logged in drilling Greenstone **Darlot Mine** Granite Complex Encounter Tenure ELA37/978 Lake outline Interpreted structural corridor from magnetics **Lake Darlot Project**

Figure 1: Geological and drilling summary plan

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.