

ASX : ENR

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Australian Securities Exchange
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Significant copper anomaly identified in aircore drill program

- **Shallow drill program identifies a strong copper regolith anomaly (up to 2m @ 0.89% Cu) directly up dip of a discrete late time EM conductor**
- **The copper regolith anomaly is open and strengthening to the south**
- **Diamond drilling of the EM conductor is planned for September 2009**

Summary

The directors of Encounter Resources Ltd (“Encounter”) are pleased to announce that aircore drilling has successfully defined a coherent, under cover and near surface copper regolith anomaly. The anomaly is up dip of a previously identified Airborne Electromagnetic (“AEM”) conductor at the BM1 target within the Yeneena project. The location and scale of this copper anomaly has strengthened the potential of the BM1 target to host a major copper position.

Intersections of near surface copper enrichment were identified on all three of the drill traverses completed. Assay results showed extensive copper anomalism up to 16m @ 0.23% Cu from 24m including 2m @ 0.89% Cu and 12m @ 0.23% Cu from 54m. This anomalism is interpreted to be metal leakage from the modeled AEM conductor at depth.

Associated with the zone of anomalous copper are extensive hematite “red rock” alteration and elevated cobalt and uranium. This association of alteration and metal anomalism shows similarities to the Zambian style copper deposits.

The regolith copper anomaly is located directly up dip of the primary AEM target, is open and strengthening towards the south. A diamond drill program planned for September 2009 will test the late time AEM conductor in the basement. A follow up aircore drill program will also test the near surface copper oxide target to the south of the recent drilling.

Project Background

The Yeneena project covers 1500km² of the Paterson Province in Western Australia and is located 40km SE of the Nifty copper mine and 30km NW of the Kintyre uranium deposit. The BM1 target is a coincident magnetic and airborne electromagnetic (AEM) anomaly located along a NNE trending splay structure to the regionally significant McKay Fault (see Figure 4). The anomaly is 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).

Aircore Drilling Results

Recent drilling comprised three aircore drill traverses at 400m x 100m spacing across the northern and eastern (up dip) extents of the AEM conductor at the BM1 target (refer to Figure 1). The drilling successfully defined a coherent, under cover, near surface copper regolith anomaly that is open and strengthening towards the south.

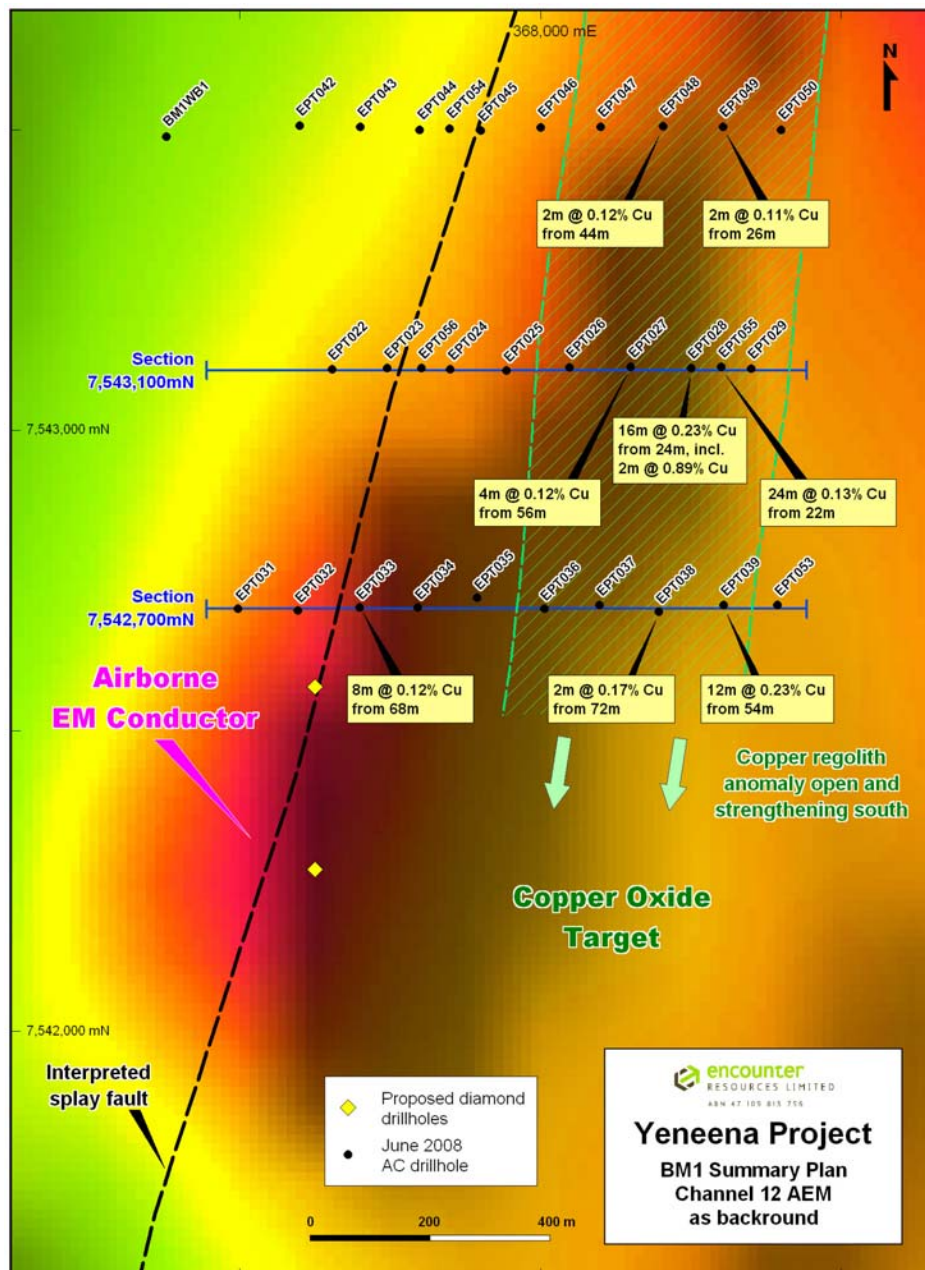


Figure 1 - BM1 Summary on Channel 12 TEMPEST image

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The anomalism is focused along two contacts between black shale and carbonate units of the Broadhurst Formation (refer to drill sections in Figures 2 and 3). The western contact sits above the EM conductor on the interpreted splay fault and the eastern contact lies directly up dip of the modeled EM plate.

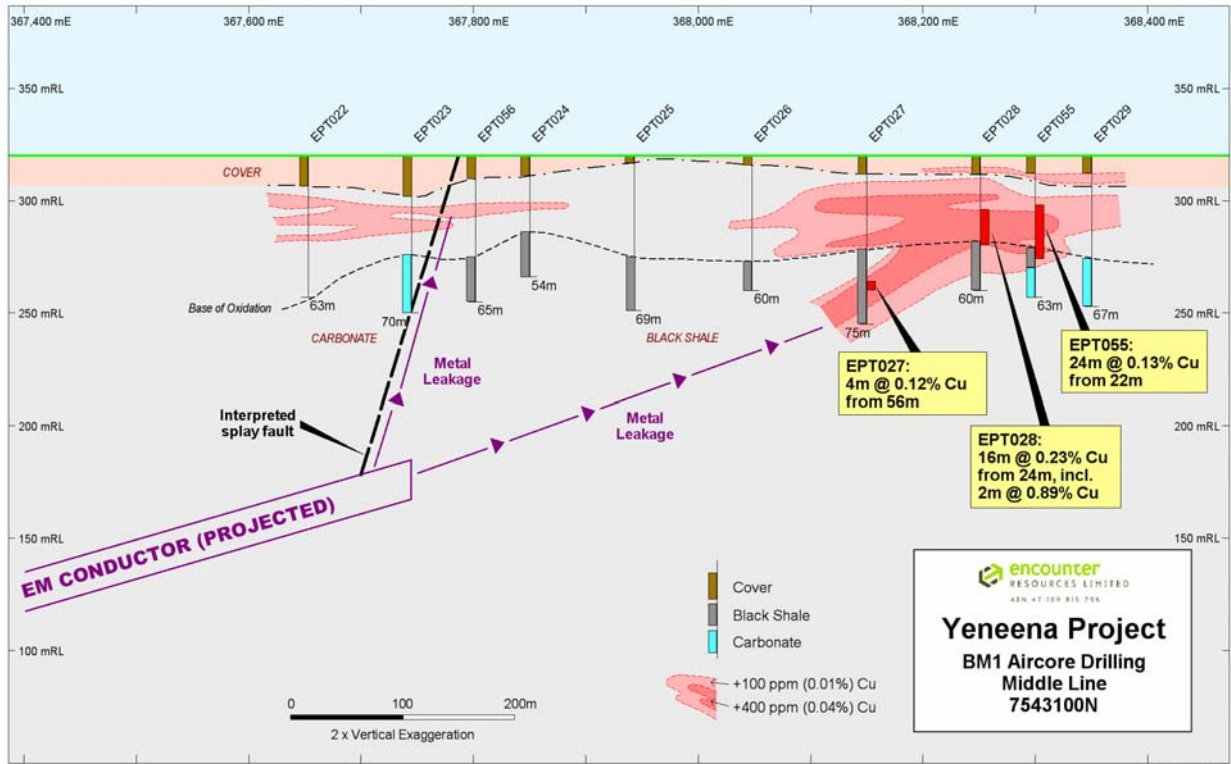


Figure 2. BM1 Aircore drill section 7543100mN

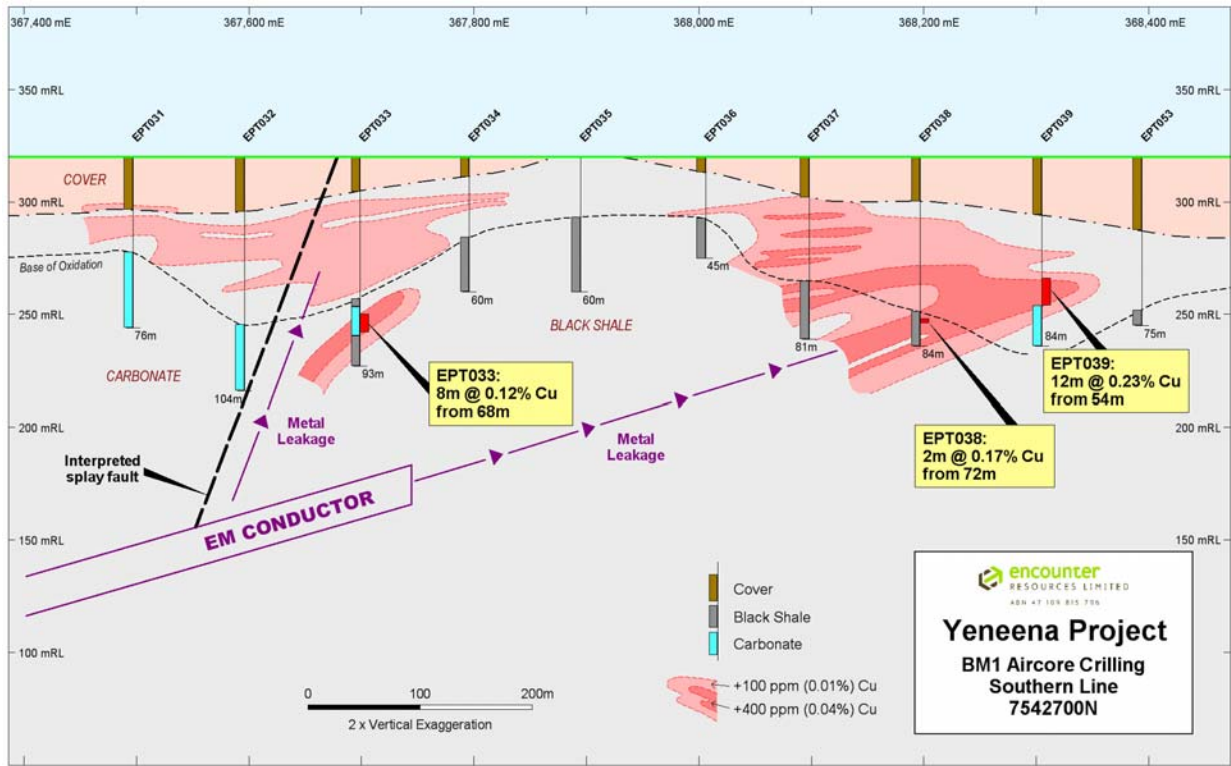


Figure 3. BM1 Aircore drill section 7542700mN

Prominent copper anomalism focused along the eastern carbonate-shale contact is interpreted to be metal leakage directly up dip of the modeled, shallow westerly dipping AEM conductor. Anomalous results include 16m @ 0.23% Cu from 24m and 12m @ 0.23% Cu from 54m (refer to Figures 2, 3 and Appendix 1). Numerous regolith intersections over 0.1% Cu and results of up to 2m @ 0.89% Cu highlight the potential of this area to host a substantial body of copper oxide mineralisation. The area to the south of the recent aircore traverses will be tested for high grade copper oxide mineralisation.

Associated with the zone of anomalous copper on the eastern contact are extensive and pervasive silica, carbonate and hematite "red rock" alteration together with elevated cobalt and uranium. This association of alteration and metal anomalism shows similarities to the Zambian style copper deposits.

Copper anomalism focused along the western carbonate-shale contact is coincident with a magnetic anomaly along the NNE trending splay structure from the regionally significant McKay Fault. Anomalism associated with this structure includes 8m @ 0.12% Cu from 68m in pervasively carbonate altered fresh rock. The anomaly on the western contact includes thick intersections of regolith copper such as 42m @ 243ppm Cu from 18m and is also strengthening southwards. This anomalism is interpreted to be metal leakage from the modeled AEM conductor at depth that has migrated up the interpreted steeply dipping splay structure.

Planned Program

Diamond drilling is planned to test the position of the modeled late time EM conductor at BM1. The conductor is interpreted to be the source of the metal leakage anomalies defined in the aircore drilling and may represent a high grade copper sulphide body.

The 2200m diamond drill program at the Yeneena project will commence in September and will include two drill holes at the BM1 target. The planned diamond drilling program is being co-funded through the WA Government Exploration Incentive Scheme.

The company is extremely encouraged by the extensive copper anomalism identified in its first drill program at the BM1 target and the potential of this region to host major mineral deposits.

Project Location Plan

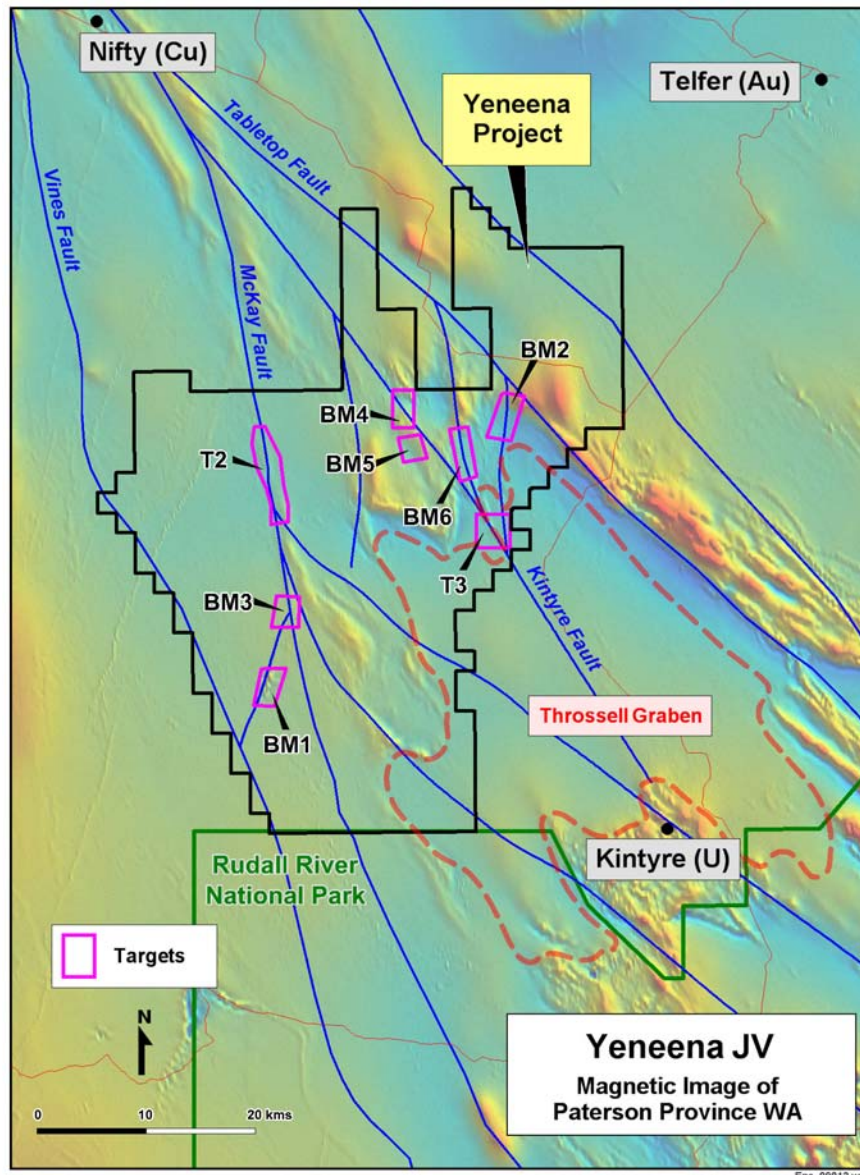


Figure 4 - Interpreted key structures over magnetics

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.

Appendix 1. Summary of aircore drill results

Hole ID	MGA_Nth	MGA_East	From (m)	To (m)	Width (m)	Cu_ppm	Cu_%	incl.	From (m)	To (m)	Width (m)	Cu_ppm	Cu_%						
EPT022	7543098	367653	18	24	6	270	0.03												
			26	28	2	101	0.01												
			36	38	2	157	0.02												
EPT023	7543100	367745	24	26	2	108	0.01												
			28	30	2	206	0.02												
EPT024	7543098	367850	22	24	2	164	0.02												
EPT026	7543101	368048	30	32	2	103	0.01												
EPT027	7543102	368150	12	40	28	431	0.04							incl.	18	26	8	618	0.06
														incl.	36	40	4	819	0.08
														incl.	56	60	4	1200	0.12
EPT028	7543100	368251	6	8	2	103	0.01							incl.	24	40	16	2322	0.23
			10	52	42	1014	0.10												
EPT029	7543099	368350	10	14	4	237	0.02												
			18	34	16	234	0.02												
EPT031	7542699	367497	28	34	6	117	0.01												
EPT032	7542696	367596	30	32	2	96	0.01												
			36	46	10	146	0.01												
			54	56	2	102	0.01												
			72	74	2	131	0.01												
EPT033	7542701	367699	18	60	42	243	0.02	incl.	68	76	8	1240	0.12						
			68	86	18	709	0.07												
EPT034	7542701	367796	16	18	2	98	0.01												
			20	22	2	100	0.01												
EPT036	7542699	368006	22	24	2	175	0.02												
EPT037	7542706	368098	16	72	56	335	0.03												
EPT038	7542694	368197	26	84	58	432	0.04							incl.	46	56	10	704	0.07
														incl.	72	74	2	1660	0.17
EPT039	7542706	368305	42	70	28	1240	0.12							incl.	54	66	12	2273	0.23
EPT042	7543504	367599	16	18	2	126	0.01												
EPT043	7543502	367700	30	34	4	132	0.01												
			38	40	2	106	0.01												
			48	54	6	217	0.02												
EPT044	7543497	367799	24	26	2	107	0.01												
			28	30	2	125	0.01												
			44	46	2	121	0.01												
EPT045	7543496	367901	12	14	2	102	0.01												
			44	46	2	122	0.01												
			68	70	2	129	0.01												
EPT046	7543501	368000	14	16	2	108	0.01												
			28	32	4	161	0.02												
EPT048	7543503	368204	10	12	2	104	0.01												
			26	30	4	528	0.05												
			36	38	2	116	0.01												
			44	62	18	336	0.03												
EPT049	7543502	368303	10	14	4	114	0.01							incl.	26	28	2	1050	0.11
			22	36	14	360	0.04												
			44	46	2	111	0.01												
			52	56	4	263	0.03												
EPT050	7543497	368400	10	14	4	149	0.01												
			28	36	8	248	0.02												
EPT053	7542706	368394	0	2	2	121	0.01												
			10	12	2	114	0.01												
EPT055	7543102	368300	6	12	6	226	0.02	incl.	22	46	24	1347	0.13						
			18	52	34	1033	0.10												
EPT056	7543100	367802	60	65	5	157	0.02												