

ASX : ENR

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

High Grade Manganese at Yeneena Project

The directors of Encounter Resources Ltd (“Encounter”) are pleased to announce that the ongoing program of re-analysis of samples from previous aircore drilling at the Yeneena project in Western Australia (WA) has identified potentially significant manganese mineralisation.

The two high grade, near surface manganese intersections were identified in the re-analysis of samples from the drilling program completed by Barrick Gold of Australia in 2006. The manganese intercepts are located at the southern end of a 14km long gravity anomaly that sits to the west and parallels the regionally extensive McKay Fault (Figure 1).

The intersections are 200m apart in adjacent vertical aircore holes. The mineralisation is open for 1.7km south and to the north for the length of the gravity anomaly. The intersections are:

- **2 metres at 26% MnO from 25 metres in YNAC 168 incl. 1m @ 36% MnO from 26m**
- **3 metres* at 20% MnO from 21 metres in YNAC 169 (Photo 1)**
* composite sample

The intersections are located to the west of the T2 target within the company’s Yeneena Project and 70km south east of the operating Woodie Woodie manganese mine (Figure 2).

The manganese mineralisation is associated with a low iron content in the range of 4% to 6% Fe. The regionally significant gravity anomaly has a spatial relationship to the high grade manganese mineralisation. Further work is required to determine the potential for additional manganese mineralisation along the remainder of the gravity anomaly.

A ground based gravity survey is scheduled to be completed at the BM1 and BM5 targets in April 2010. A series of detailed orientation gravity lines will also be completed at this newly identified manganese target during the planned gravity program.



Photo 1: Samples from YNAC 169 (20-25m)

An aircore drill program is scheduled to commence in April 2010 to test a number of copper and base metals targets within the Yeneena project. This program will be expanded to include this manganese target and will provide information on the significance of the manganese identified and the relationship that this mineralisation has with the 14km long untested gravity anomaly.

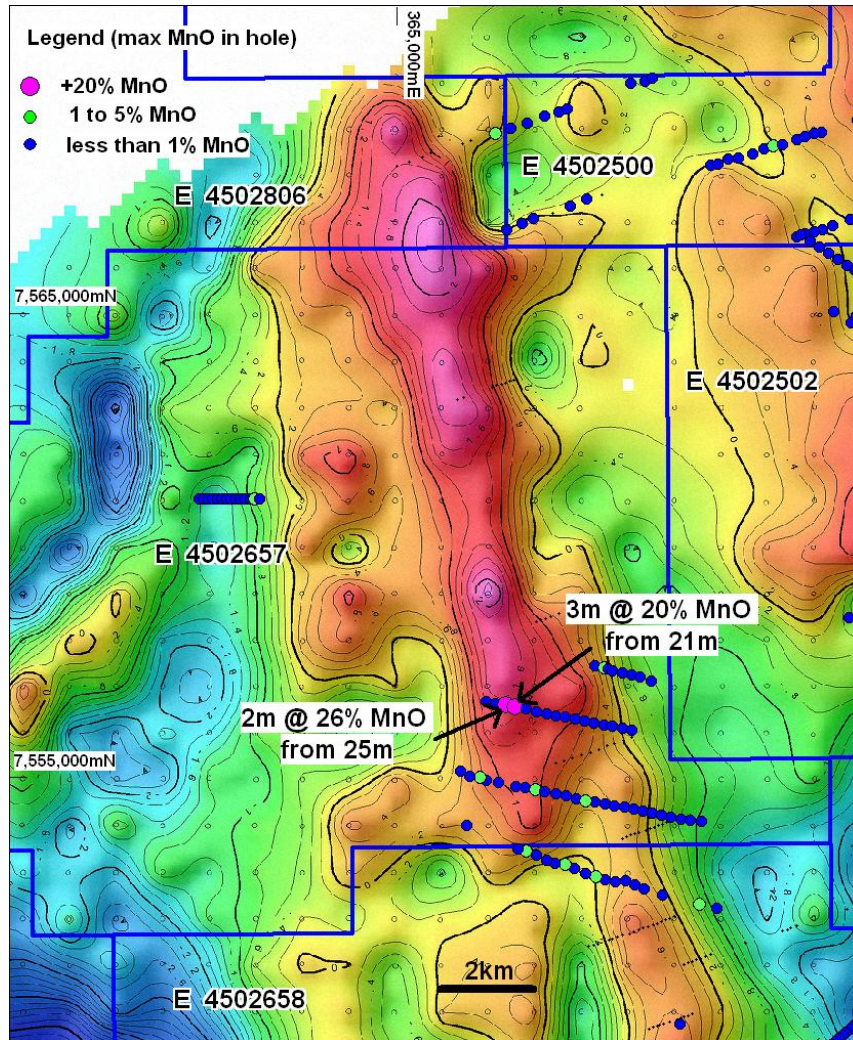


Figure 1 – Bouguer Gravity (0-1km layer) and Max MnO in aircore drill holes

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 is earning a 75% interest in the Yeneena project from Barrick Gold of Australia.

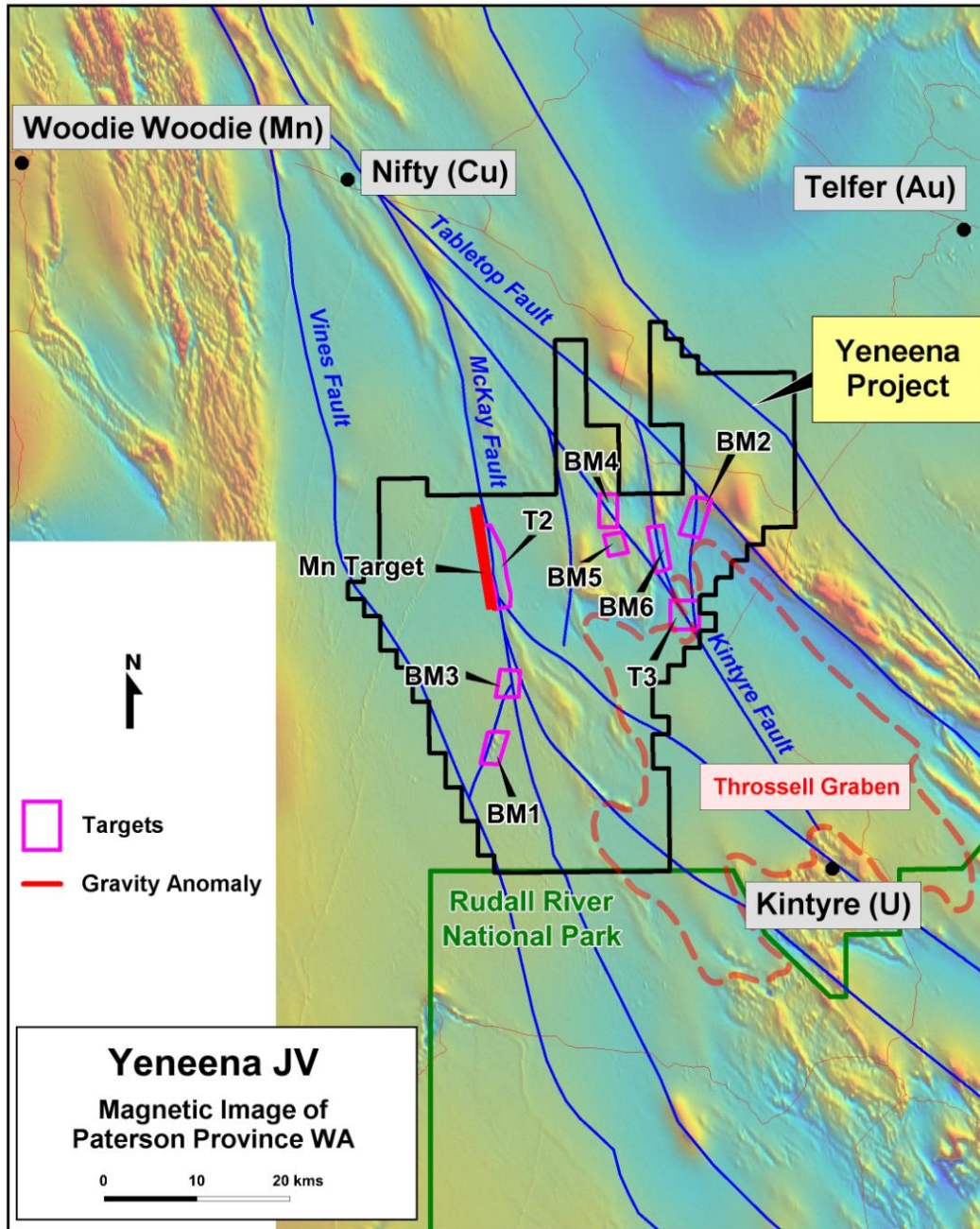


Figure 2. Yeneena Project leasing and targets areas on regional TMI magnetics