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Assays Confirm High Grade Copper Intersection at BM1

Intersection of 10.1m @ 6.8% Copper

The directors of Encounter Resources Ltd ("Encounter") are pleased to provide assay results from the mineralised intersection from diamond drill hole EPT751 at the BM1 prospect at the Yeneena project.

In an ASX announcement on 8 June 2011 the company reported that drillhole EPT751 had intersected strong copper mineralisation over a 10 metre interval commencing from 32 metres downhole. The assay results from this intersection have returned **10.1m @ 6.8% copper from 31.9m, including an interval of 2.8m @ 12.3% copper and 156 g/t silver.**

The mineralised system at BM1 has demonstrated the capacity to generate high grade, near surface copper mineralisation. The intersection in EPT751 represents the highest grade copper assay achieved to date at BM1. A 70cm zone of black shale from 34m returned an assay result of 28.8% copper and 178 g/t silver (see Photo 1). Based on grades and visual identification it is interpreted that the dominant copper mineral in this zone is chalcocite. Chalcocite is a supergene copper sulphide mineral which may represent the direct weathering of primary copper sulphide mineralisation.

A systematic program of north-south RC drill traverses to a depth of 120m is currently in progress to determine the orientation and extent of the mineralised horizon intersected in EPT751. Initial holes from this program indicate a north-west orientation to the copper mineralisation which is similar to the orientation of the steep structural fabric noted within the diamond drill core. The RC program is expected to take approximately 3-4 weeks to complete and the first assay results from this program are expected to be received in July 2011.

This program of RC drilling will be followed by further diamond drilling to test the prospective horizon and key structures below the depth of the RC drilling.

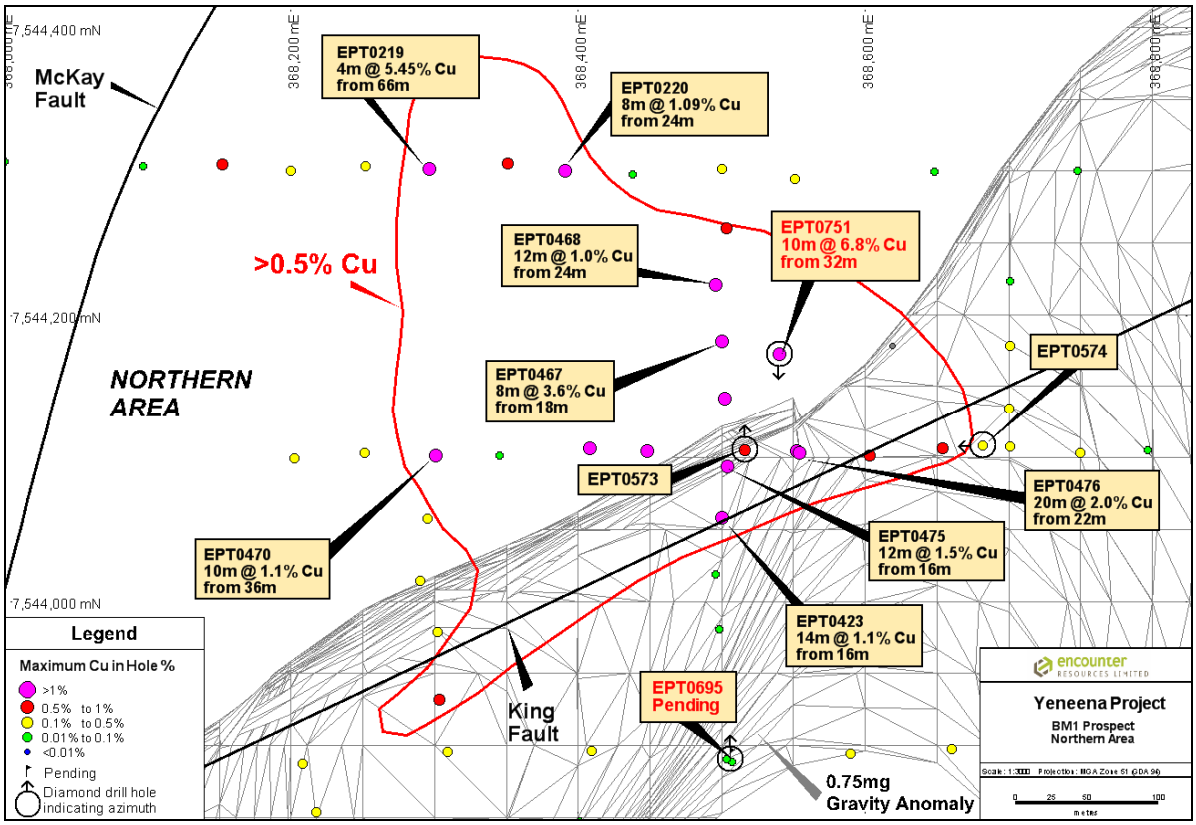

Figure 1: BM1 - Northern Area – Maximum Copper in Hole over 0.75mg Gravity Shell

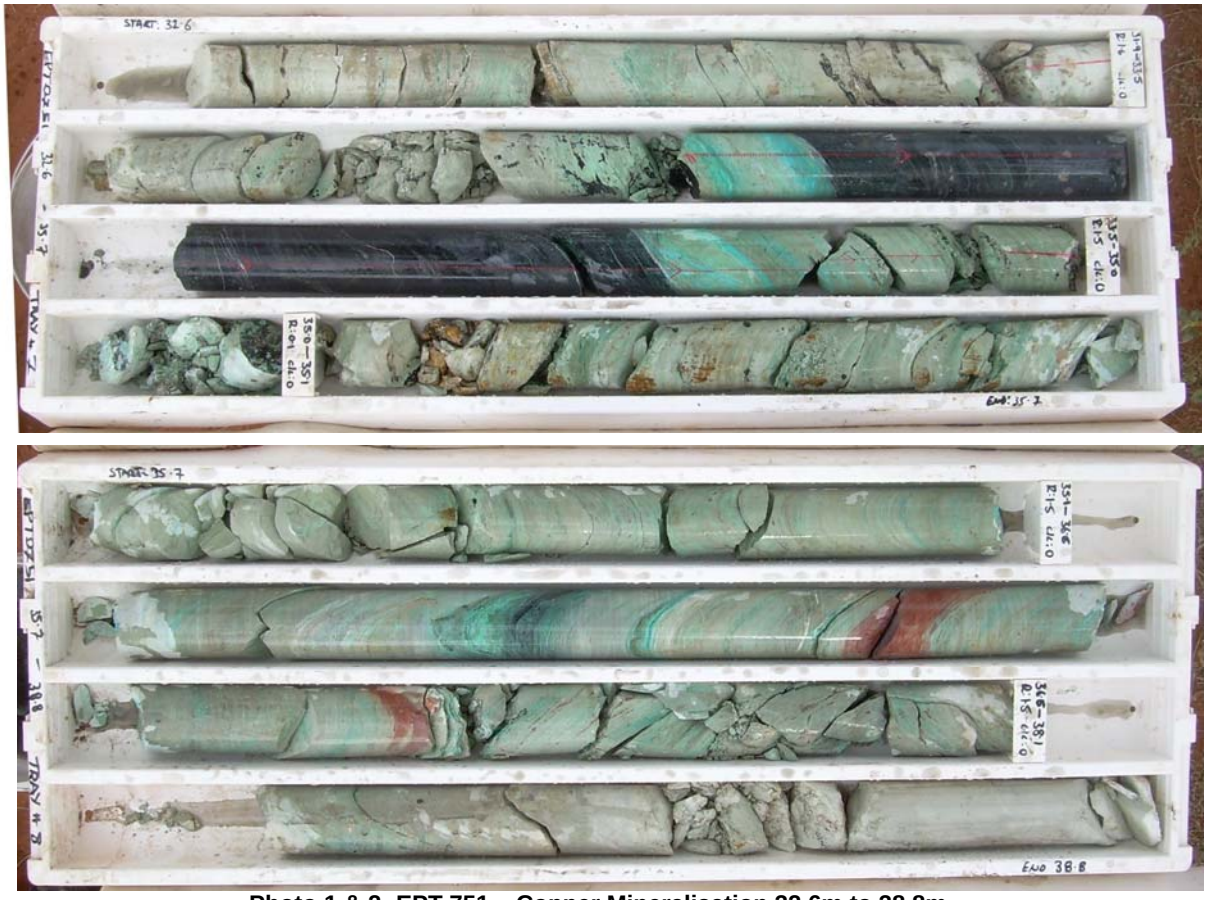

Photo 1 & 2: EPT 751 – Copper Mineralisation 32.6m to 38.8m

Table 1: EPT 751 Drill hole information

Drill Hole ID	Northing (m)	Easting (m)	RL (m)	EOH (m)	From(m)	To(m)	Interval (m)	Copper (%)	Silver (g/t)
EPT751	7544173	368540	320	757	31.9	42	10.1	6.8	45
				Incl.	*31.9*	*34.7*	*2.8*	*12.3*	*156*
				Incl.	*34.0*	*34.7*	*0.7*	*28.8*	*178*

Drill hole coordinates GDA94 zone 51 datum and determined via handheld GPS (+/-5m)
EOH = End of hole depth; m=metre; Azimuth at the collar of EPT751 = 180^0 and dip = -82^0

Project Background & Location Plan

The BM1 prospect is one of several high quality prospects within the 100% owned Yeneena project. The Yeneena project covers 1300km^2 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 targets identified are located adjacent to major regional faults and have been identified through electromagnetics, geochemistry and structural targeting. The 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).

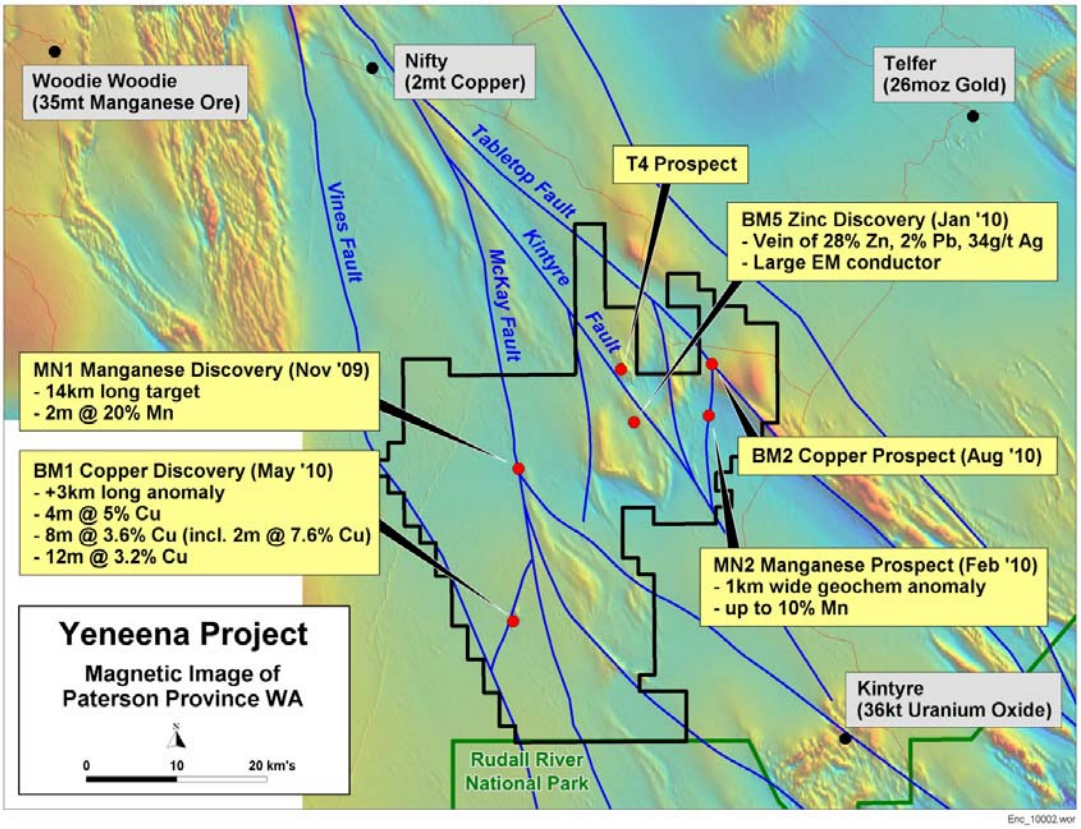

Figure 2: Yeneena Project leasing and target areas on regional TMI magnetics

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.