

**ASX : ENR**

3 April 2012

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

## **Drilling Commences at Yeneena**

The directors of Encounter Resources Ltd (“Encounter”) are pleased to announce the commencement of drilling at the BM2 Prospect, part of the Yeneena project in Western Australia.

The 2,500m RC and diamond drilling program at BM2 is co-funded through the WA Government Exploration Incentive Scheme (“EIS”). The program is designed to test for primary copper sulphides below an 800m long >0.25% copper oxide anomaly defined in 2011.

This is the first drill campaign in the 2012 exploration program which will include:

1. EIS co-funded RC and diamond drilling of the BM2 copper prospect to define high grade copper sulphide mineralisation
2. Diamond drilling of the co-incident magnetic, gravity and geochemical anomaly at T4
3. Diamond drilling of the Western Breccia Zone at BM1
4. RC and diamond drilling at BM7 to define vectors to high grade copper sulphide mineralisation adjacent to EPT1109 (274m @ 0.12%Cu and 174ppm Co)
5. VTEM airborne survey over the BM7 South, BM2 and MN1 regions
6. Ground geophysical and geochemical surveys over regional targets
7. Initial aircore reconnaissance drilling of regional targets

Encounter plans to drill 25,000m at the Yeneena project during 2012 as part of the \$5M exploration program. The program is focused on the discovery of high grade copper sulphide mineralisation in areas where base metal sulphides were first identified in late 2011.

## Project Background & Location Plan

The Yeneena project covers 1,300km<sup>2</sup> 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 copper targets identified are located adjacent to major regional faults and have been identified through electromagnetics, geochemistry and structural targeting. The copper 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).

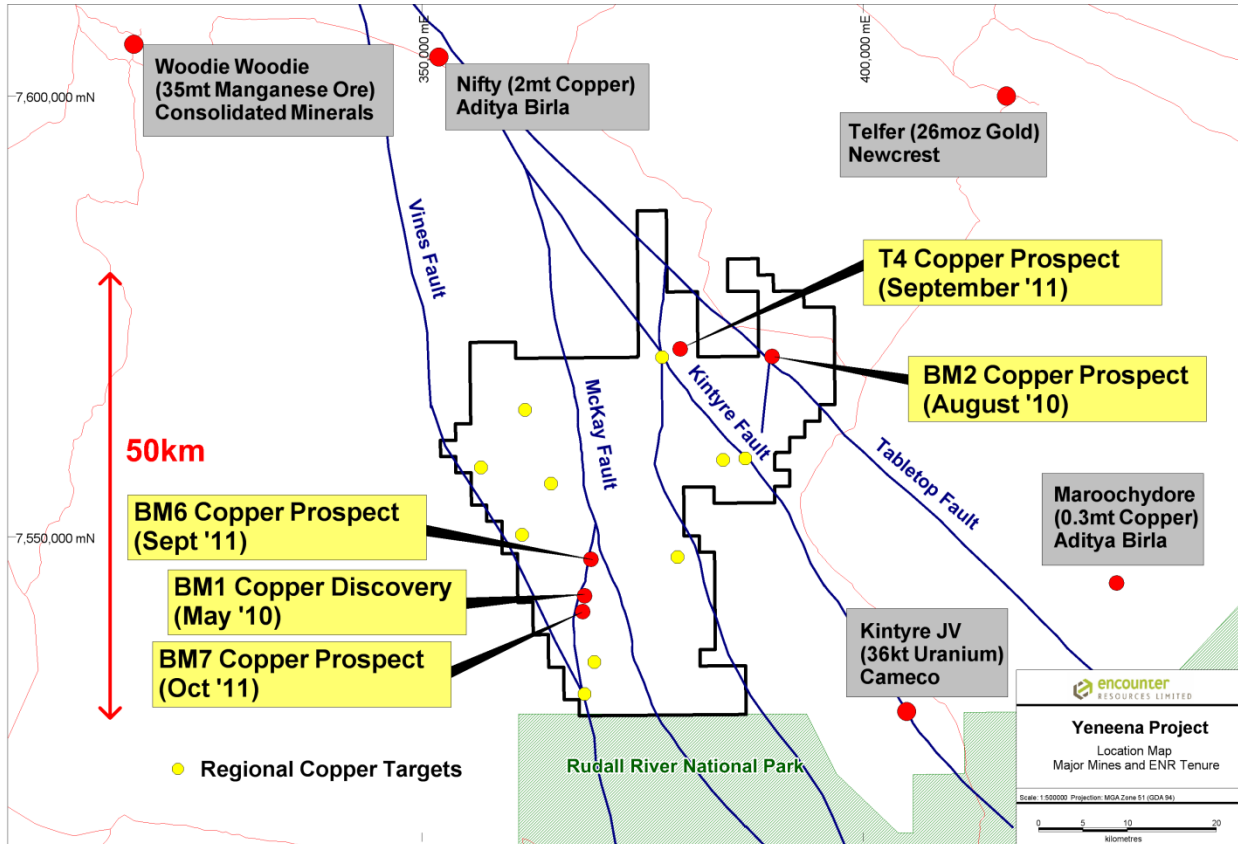


Figure 1. Yeneena Project leasing and targets areas

For further information please contact:

Mr Will Robinson  
Managing Director  
Tel: 08 9486 9455

*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.*