

7 November 2012

Company Announcements Office
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Extensive ‘end of hole’ copper mineralisation at BM7

- **Assay results received from the first line of aircore drilling completed at the southern extension of BM7**
- **Significant zones of copper mineralisation have been intersected in contiguous holes at the eastern end of Line 1 including:**
 - **8m @ 0.52% copper and 364ppm cobalt from 76m to EOH (end of hole)**
 - **34m @ 0.43% copper and 238ppm cobalt from 32m to EOH**
 - **24m @ 0.35% copper and 554ppm cobalt from 28m to EOH**
 - **15m @ 0.46% copper and 412ppm cobalt from 28m to EOH**
 - **2m @ 0.61% copper and 804ppm cobalt from 32m to EOH**
- **Gossanous ex-sulphide textures identified in EOH samples**
- **RC drilling to commence targeting areas of stronger copper mineralisation identified in the aircore program**
- **Assay results from aircore lines two and three are expected to be received later in November 2012**

The directors of Encounter Resources Ltd (“**Encounter**” or “**the Company**”) are pleased to provide an update on copper exploration activities at the Yeneena project in the Paterson Province of Western Australia.

The Company recently commenced a 5000m, seven line aircore drill program to test the southern 2.4km extension of the BM7 copper-cobalt system. Assay results from the first line of aircore drilling at the southern extension of BM7 have now been received. Results received indicate a broad zone of near surface regolith anomalism across the centre of the section with higher grade, coherent copper-cobalt mineralisation identified at the eastern end of the line.

Five contiguous holes at the eastern end of Line 1 all terminate in mineralised, strongly oxidized Proterozoic sediments (Figure 1). Two of the holes terminate in oxidized shale containing fine iron oxide disseminations that are interpreted to represent copper sulphide gossans.

Results from the five contiguous drill holes spanning 250m include:

- 8m @ 0.52% copper and 364ppm cobalt from 76m to EOH incl. 2m @ 0.8% copper and 464ppm cobalt from 82m to EOH
- 34m @ 0.43% copper and 238ppm cobalt from 32m to EOH incl. 6m @ 0.79% copper and 209ppm cobalt from 32m
- 24m @ 0.35% copper and 554ppm cobalt from 28m to EOH
- 15m @ 0.46% copper and 412ppm cobalt from 28m to EOH incl. 4m @ 0.9% copper and 1042ppm cobalt from 38m
- 2m @ 0.61% copper and 804ppm cobalt from 32m to EOH

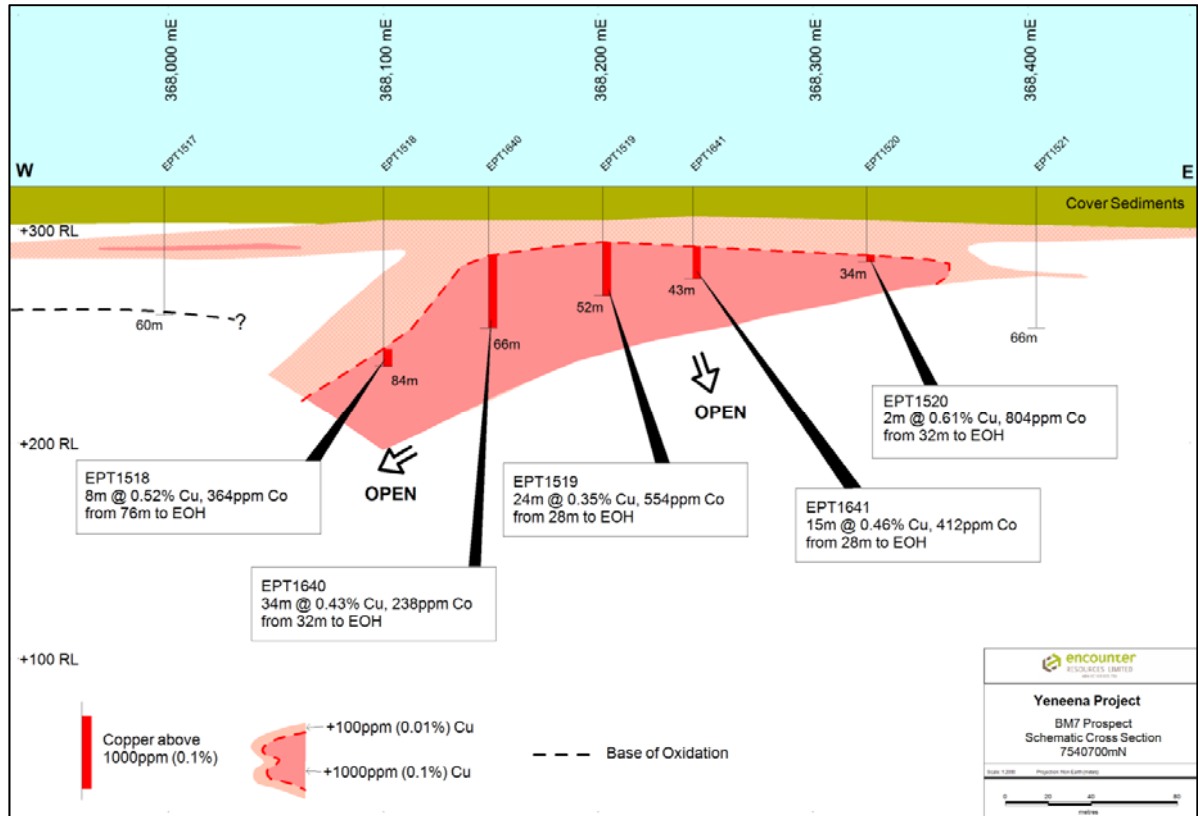


Figure 1: BM7 South Cross Section 7,540,700mN – Eastern end of Line 1

Handheld XRF results from Lines 2, 3 and 4 indicate the copper oxide anomalism intersected on Line 1 extends further to the south on a SSW orientation. Assay results from Lines 2 and 3 are expected to be received later this month.

The aircore drilling program was designed as a rapid reconnaissance program to collect sub-surface geochemical data over a 2.4km long section of the BM7 geophysical target.

A number of the aircore holes terminated in lithified cover sediments above the target depth. Accordingly, the Company has engaged an RC drilling rig to complete a series of short sections across the BM7 South target. The RC drilling program will initially concentrate on the highly silicified area south of Line 4 where aircore drilling failed to penetrate through the cover sediments. In addition a number of RC holes will be drilled to test beneath areas of higher grade end of hole copper-cobalt mineralisation intersected in the aircore drilling.

It is anticipated that 10-15 RC holes will be drilled in this RC program for a total of 2000m of drilling. This short RC drill program is designed at 400-800m section spacing with holes 200m apart on section. Results from this drill program are expected in December 2012.

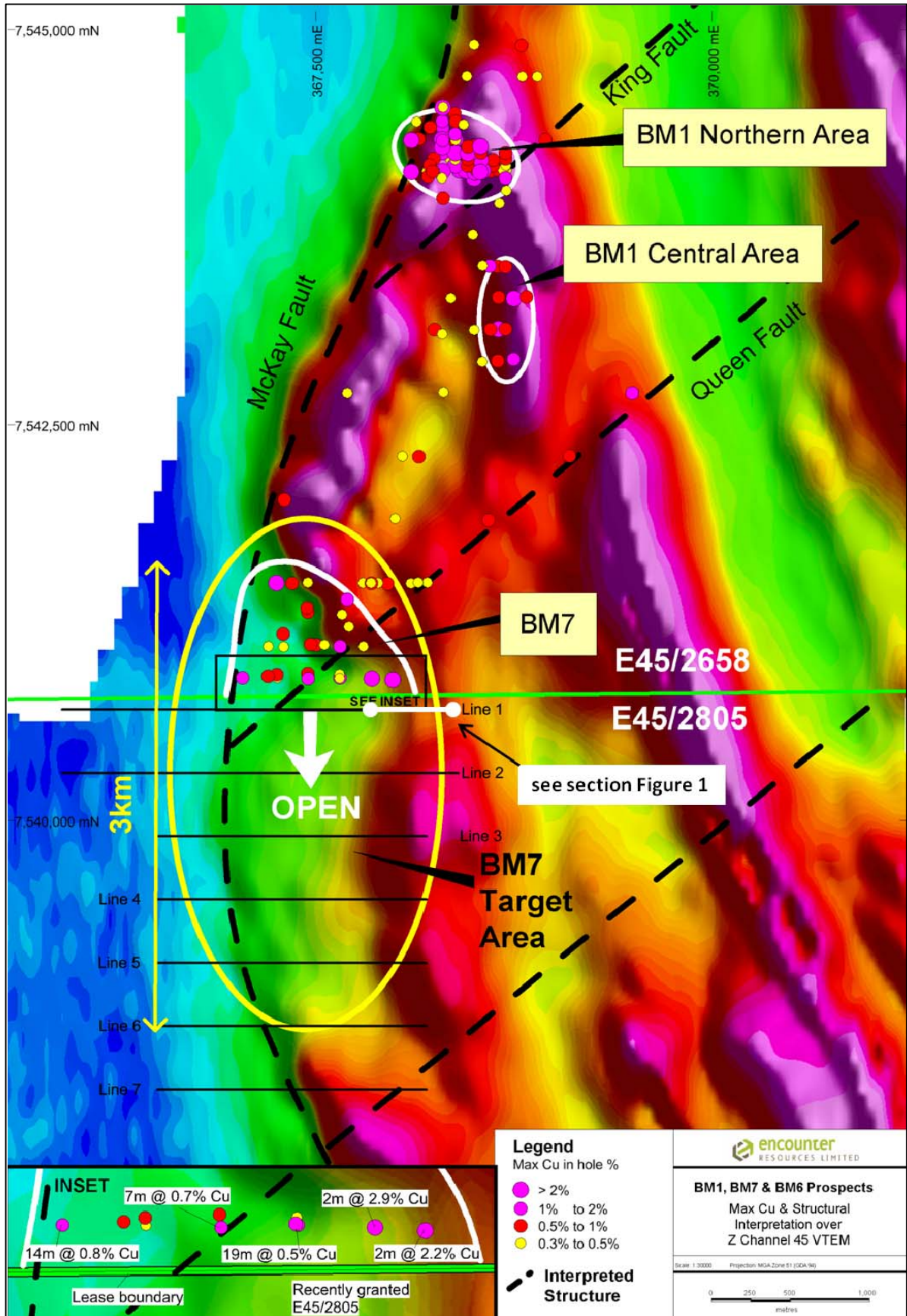


Figure 2: BM1 - BM7 prospects Maximum copper in hole (>0.3%) over VTEM Channel 45

Project Background & Location Plan

The Yeneena project covers 1400km² 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 (Figure 3). 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).

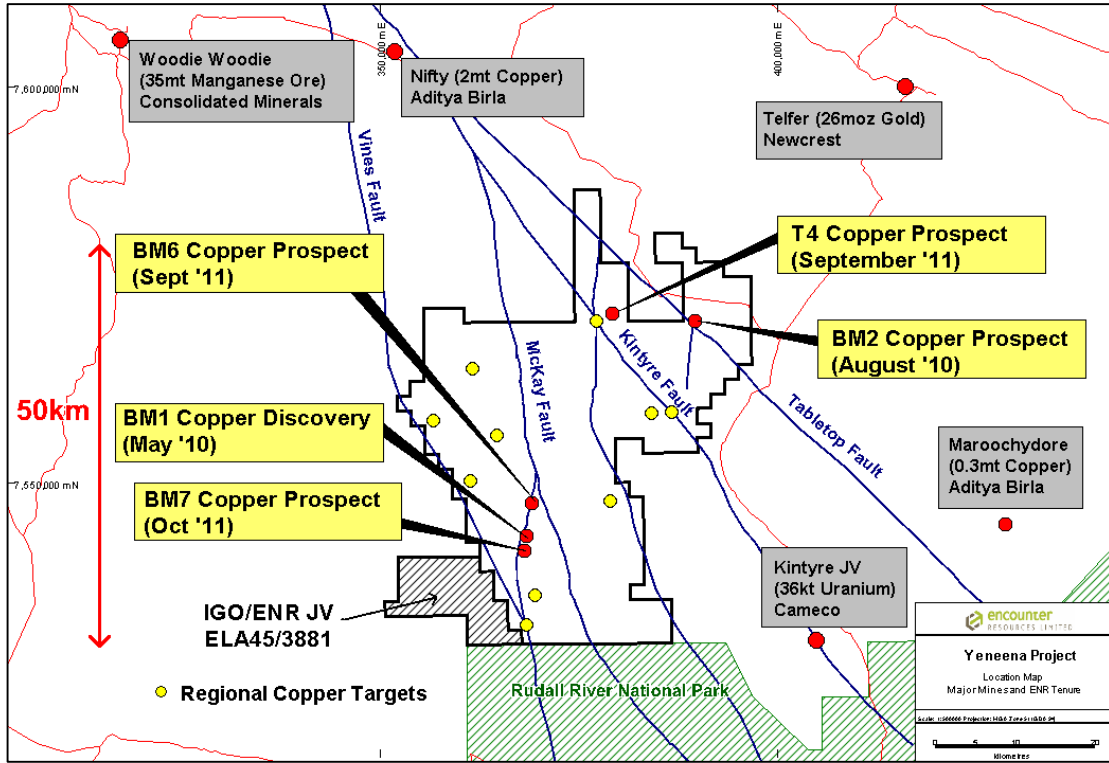


Figure 3: Yeneena Project leasing and target areas

Hole ID	Depth from (m)	Depth to (m)	Interval (m)	Copper (%)	Cobalt (ppm)
EPT 1508	30	40	10	0.16	414
EPT 1510	38	48*	10	0.10	126
EPT 1511	30	38*	8	0.18	203
EPT 1512	32	33*	1	0.28	140
EPT 1513	38	40	2	0.11	74
EPT 1516	38	42	4	0.11	22
EPT 1517	28	30	2	0.20	339
EPT 1518	76	84*	8	0.52	364
EPT 1519	28	52*	24	0.36	554
EPT 1520	32	34*	2	0.61	804
EPT 1638	32	34	2	0.20	435
EPT 1639	30	56	26	0.10	82
and	64	66	2	0.11	30
EPT 1640	32	66*	34	0.43	238
EPT 1641	28	43*	15	0.46	412

Table 1: BM7 South Aircore Drill Hole Assay Summary – Line 1

Intervals listed are composited from individual assays using a nominal cut off of 0.1% copper. * Anomalous copper results to EOH

Hole ID	Northing (m)	Easting (m)	RL (m)	EOH (m)	Dip	Azi
EPT1496	7540709	365904	320	45	-90	0
EPT1498	7540697	366100	320	10	-90	0
EPT1500	7540691	366300	320	45	-90	0
EPT1502	7540702	366500	320	10	-90	0
EPT1503	7540707	366603	320	3	-90	0
EPT1504	7540700	366700	320	9	-90	0
EPT1505	7540700	366797	320	49	-90	0
EPT1506	7540700	366903	320	16	-90	0
EPT1507	7540701	367003	320	15	-90	0
EPT1508	7540702	367105	320	47	-90	0
EPT1509	7540698	367201	320	14	-90	0
EPT1510	7540700	367298	320	48	-90	0
EPT1511	7540698	367397	320	38	-90	0
EPT1512	7540695	367501	320	33	-90	0
EPT1513	7540694	367600	320	56	-90	0
EPT1514	7540694	367700	320	73	-90	0
EPT1515	7450695	367800	320	20	-90	0
EPT1516	7540694	367898	320	42	-90	0
EPT1517	7540696	367998	320	60	-90	0
EPT1518	7540700	368100	320	84	-90	0
EPT1519	7540717	368202	320	52	-90	0
EPT1520	7540739	368325	320	34	-90	0
EPT1521	7540707	368404	320	66	-90	0
EPT1638	7540695	367348	320	47	-90	0
EPT1639	7540697	367452	320	68	-90	0
EPT1640	7540708	368149	320	66	-90	0
EPT1641	7540741	368244	320	43	-90	0

Table 2: BM7 South aircore hole information – Line 1

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 appear