encounter
RESOURCES LIMITED
ABN 47 109 815 796

Level 7, 600 Murray Street
West Perth WA 6005

PO Box 273
West Perth WA 6872

P 08 9486 9455
F 08 6210 1578

www.enrl.com.au

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

RC Drilling expands BM7 Copper footprint by 300%

- **Final results have been received from the RC drilling at BM7**
- **Broad spaced drilling has extended the BM7 system to over 6km in strike and up to 3km in width**
- **Copper system remains open to the south and south east**
- **Results from Phase 2 and Phase 3 RC drilling include:**
  - **34m @ 0.4% Cu from 52m incl. 8m @ 0.9% Cu from 54m**
  - **22m @ 0.4% Cu from 36m incl. 2m @ 2.3% Cu from 46m**
  - **18m @ 0.4% Cu from 46m**
- **Primary copper sulphide intersection of 4m @ 1.2% Cu from 70m on the most southern drill line**
- **Multiple follow up drill targets defined**

The directors of Encounter Resources Ltd ("Encounter" or "the Company") are pleased to provide an update on drilling activities at the BM7 prospect at the Yeneena project in Western Australia. Exploration at the BM7 prospect is being conducted as part of the Antofagasta earn-in agreement (see ASX announcement 23 April 2013).

"At the start of 2013 we had evidence of a large mineral system at BM7 and this attracted copper major Antofagasta plc to the project. In the space of six months of activity under the earn-in agreement we have tripled the size of the surface copper footprint at BM7 and generated a number of specific new primary copper sulphide targets. The 2013 drilling has shown that the BM7 system has an extraordinary copper oxide footprint with high grade copper in the primary zone. The greater scale and the high grade primary copper intersected provide additional confidence for the potential of this major mineral system", said Managing Director, Will Robinson.

Background

Aircore and RC drilling commenced at BM7 following the grant of Exploration Licence E45/2805 in August 2012. The 2012 drilling campaign outlined a regolith copper anomaly over 3km long and 1km wide that remained open to the east and the south. The three phases of RC drilling in 2013 have significantly increased the size of the BM7 mineral system which is now in excess of 6km in strike and up to 3km in width. The system remains open to the south into an area with no previous exploration activity.

2013 RC Drill Program – (Antofagasta earn-in)

RC drilling commenced at BM7 in August 2013 and was completed in October 2013. The objective of this program was to complete an initial test of the area to the east and south of the BM7 regolith copper anomaly outlined in the 2012 drilling campaign. The first phase of drilling was conducted on a nominal 800m by 400m drill spacing with holes drilled to 80m depth. This first phase of RC drilling was successful and justified a further two phases of infill RC drilling. These additional RC drilling phases included three 800m step out drill sections to the south of the previous known limit of mineralisation. In total 54 holes were drilled in the three phases of RC drilling at BM7 for a total of 5,146m.

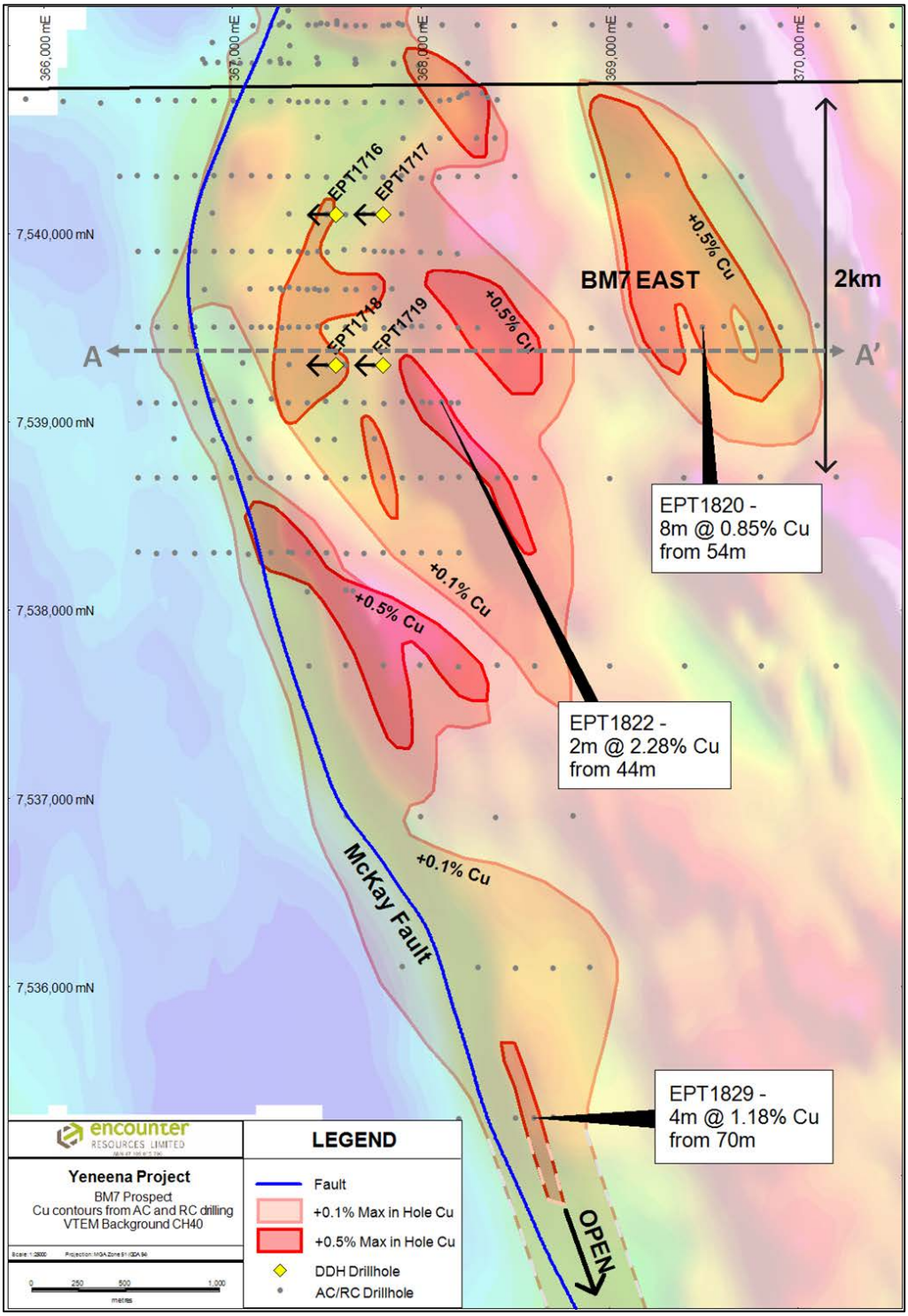

Figure 1 – BM7 Prospect – Diamond and RC Drill Plan (Background image - VTEM CH40)

Extensions to the East

Drilling to the east of the previous known mineralisation at BM7 resulted in the discovery of the BM7 East Regolith Anomaly. This laterally extensive 0.5% copper regolith anomaly extends over 2km in strike and is potentially more significant than the initial copper oxide discovery to the west along the McKay Fault. The BM7 East copper anomalism sits at the base of the weathered zone. Intersections from the BM7 East area include;

- **EPT1820 - 34m @ 0.4% Cu from 52m incl. 8m @ 0.9% Cu from 54m**
- **EPT1844 - 18m @ 0.4% Cu from 46m incl. 6m @ 0.7% Cu from 54m**
- **EPT1726 - 18m @ 0.4% Cu from 38m incl. 2m @ 1.2% Cu from 46m (previously reported)**
- **EPT1734 - 22m @ 0.2% Cu from 42m incl. 2m @ 1.2% Cu from 58m (previously reported)**

The tenor and scale of the metal anomalism at BM7 East is significant and it is interpreted that it has resulted from the direct weathering of a body, or bodies of copper sulphide mineralisation. Further drilling is planned for the BM7 East area to locate the depth extensions of the defined mineralisation and high grade mineralisation along strike.

Additional 0.5% copper regolith anomalism was defined in the central part of the 3km wide system in RC drilling. The mineralisation within this area is closely associated with north-west trending conductive units that appear strongly fault controlled. Results from this area include:

- **EPT1730 – 10m @ 0.4% Cu from 66m**
- **EPT1822 - 22m @ 0.4% Cu from 36m incl. 2m @ 2.3% Cu from 46m (see Photo 1)**

Photo 1 - EPT1822 - 46m – Azurite (Copper Carbonate) from EPT 1822

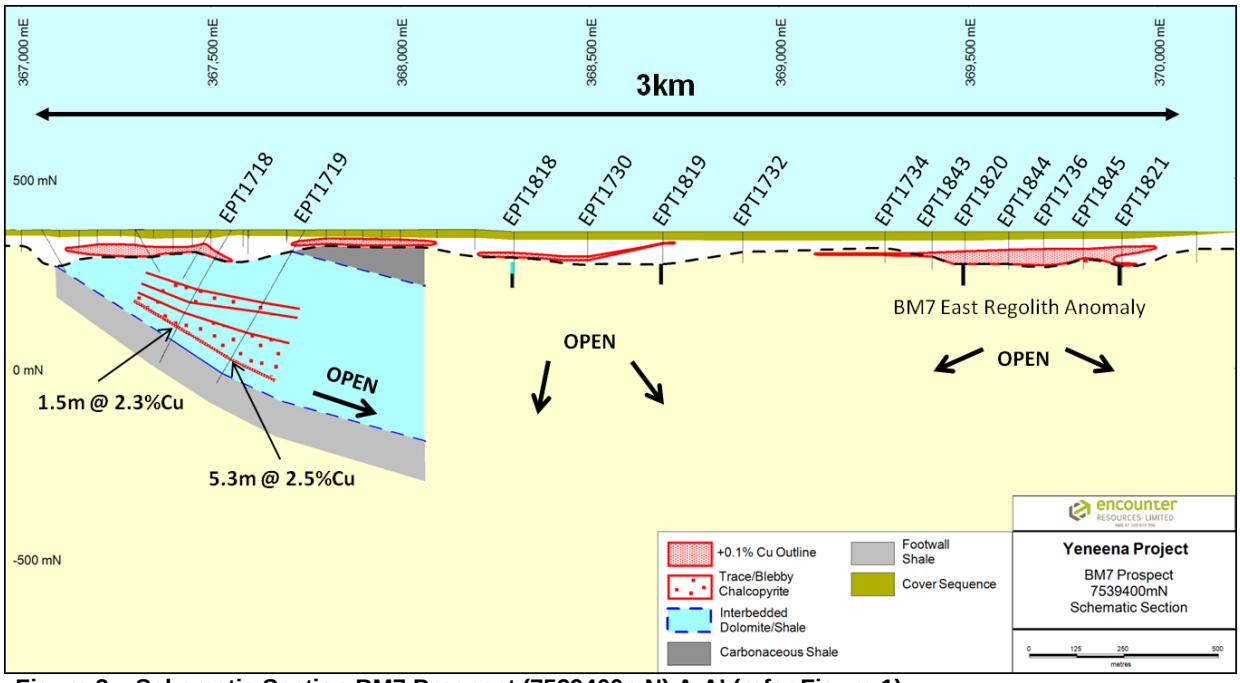

Figure 2 – Schematic Section BM7 Prospect (7539400mN) A-A' (refer Figure 1)

Extensions to the South

Drilling to the south of the BM7 mineralisation has resulted in a 3km extension to the mineral system that still remains open to the south. The first phase of RC drilling south of BM7 included:

- **EPT1753 - 22m @ 0.3% Cu from 18m incl. 2m @ 1.6% Cu from 18m**
- **EPT1755 - 50m @ 0.1% Cu from 32m to EOH incl. 2m @ 1.2% Cu from 58m**

EPT1829 was drilled on the southernmost section, a further 1.6km south of drill holes EPT1753 and EPT1755, and returned an intersection of 4m @ 1.2% Cu from 70m. This interval of primary copper sulphide mineralisation is hosted in carbonaceous shale and is located at the northern boundary of a broad area of resistive geology. These resistive areas are interpreted to represent zones of intense dolomite veining and alteration and may define areas of more intense and focused fluid flow.

Further drilling is planned to test the BM7 mineralised trend that remains open to the southern lease boundary located 4km south of the EPT1829.

Summary

The 2013 RC drill program at BM7 has expanded the surface footprint of the copper mineral system by approximately 300% and has generated a number of high priority follow up drill targets. The size of the regolith footprint of copper is exceptional and is potentially the product of the near surface weathering of multiple mineralised copper sulphide bodies.

The system has been sparsely drilled to date and it contains high grade copper oxide intersections in drill lines spaced 800 metres apart. Infill drilling between drill lines in 2014 is likely to generate further high grade copper intersections and has the potential to intersect the top of the primary source, or sources, of the laterally dispersed copper oxide blanket at BM7.

In addition, the system continues to expand south and further drilling will be completed in 2014 to assess the potential for further mineralised zones.

The structural interpretation of the four diamond holes completed in 2013 indicates that the copper mineralisation occurs within multiple horizons due to the early thrusting of the shale /

dolomite sequence. In addition, more regional fold hinge zones may act as significant structural traps for mineralising fluids including both antiform and synform (Nifty-style) hinge zones.

A proposed 2014 exploration program for the BM7 prospect and regional targets will be discussed at the Encounter / Antofagasta Technical Committee meeting in December 2013. The programs will include additional diamond drilling, infill RC drilling and aircore drilling at the regional targets.

Hole ID	Prospect	Northing (m)	Easting (m)	RL (m)	EOH (m)	Dip	Azi
EPT1720	BM7	7540732	368215	360	82	vert	0
EPT1721	BM7	7540719	368351	360	82	vert	0
EPT1722	BM7 East	7540299	368499	360	82	vert	0
EPT1724	BM7 East	7540304	368910	360	82	vert	0
EPT1726	BM7 East	7540306	369305	360	82	vert	0
EPT1728	BM7 East	7540299	369697	360	82	vert	0
EPT1730	BM7 East	7539506	368495	360	82	vert	0
EPT1732	BM7 East	7539495	368904	360	82	vert	0
EPT1734	BM7 East	7539492	369280	360	82	vert	0
EPT1736	BM7 East	7539494	369699	360	82	vert	0
EPT1738	BM7 East	7539509	370102	360	82	vert	0
EPT1740	BM7 East	7538697	368604	360	82	vert	0
EPT1742	BM7 East	7538695	369001	360	82	vert	0
EPT1744	BM7 East	7538699	369395	360	82	vert	0
EPT1746	BM7 East	7538702	369802	360	82	vert	0
EPT1748	BM7 East	7538705	370203	360	82	vert	0
EPT1750	BM7 East	7538701	370607	360	82	vert	0
EPT1751	BM7 East	7537700	367403	360	82	vert	0
EPT1753	BM7 East	7537702	367798	360	82	vert	0
EPT1755	BM7 East	7537696	368198	360	82	vert	0
EPT1757	BM7	7537700	368604	360	82	vert	0
EPT1759	BM7	7537702	369012	360	82	vert	0
EPT1761	BM7	7537700	369399	360	82	vert	0
EPT1763	BM7	7537699	369807	360	82	vert	0
EPT1765	BM7	7537698	370201	360	82	vert	0
EPT1812	BM7 South	7536905	367602	360	82	vert	0
EPT1813	BM7 South	7536898	367999	360	82	vert	0
EPT1814	BM7 South	7536896	368396	360	82	vert	0
EPT1815	BM7 South	7536903	368806	360	82	vert	0
EPT1816	BM7	7540302	369097	360	106	vert	0
EPT1817	BM7	7540300	369504	360	118	vert	0
EPT1818	BM7	7539494	368300	360	148	vert	0
EPT1819	BM7	7539500	368693	360	140	vert	0
EPT1820	BM7	7539501	369491	360	142	vert	0
EPT1821	BM7	7539498	369905	360	142	vert	0
EPT1822	BM7	7538701	368402	360	148	vert	0
EPT1823	BM7 South	7537703	367601	360	136	vert	0
EPT1824	BM7 South	7537704	367993	360	130	vert	0
EPT1825	BM7 South	7536102	367902	360	82	vert	0

EPT1826	BM7 South	7536098	368302	360	82	vert	0
EPT1827	BM7 South	7536095	368700	360	82	vert	0
EPT1828	BM7 South	7535293	368202	360	82	vert	0
EPT1829	BM7 South	7535298	368597	360	82	vert	0
EPT1830	BM7 South	7535300	368991	360	82	vert	0
EPT1843	BM7	7539503	369404	360	100	vert	0
EPT1844	BM7	7539502	369606	360	100	vert	0
EPT1845	BM7	7539493	369804	360	100	vert	0
EPT1846	BM7	7538701	368301	360	100	vert	0
EPT1847	BM7	7538699	368501	360	100	vert	0
EPT1848	BM7 South	7537702	368402	360	100	vert	0
EPT1849	BM7 South	7536094	368502	360	100	vert	0
EPT1850	BM7 South	7536099	368894	360	100	vert	0
EPT1851	BM7 South	7535300	368503	360	100	vert	0
EPT1852	BM7 South	7535302	368700	360	100	vert	0

Table 1: BM7 RC Drill hole information (Phase 1, 2 and 3)

Planned hole locations. Drill hole coordinates GDA94 zone 51 datum to be finalised via handheld GPS (+/-5m), EOH = End of hole depth; m=metre; azi=azimuth.

Hole ID	Prospect	Depth from (m)	Depth to (m)	Interval (m)	Copper (%)	Cobalt (ppm)
EPT1720	BM7	32	58	26	0.29	412
EPT1726	BM7 East	38	76	38	0.21	142
	incl.	38	56	18	0.36	173
	incl.	46	48	2	1.24	32
EPT1730	BM7 East	66	76	10	0.37	296
EPT1734	BM7 East	42	64	22	0.19	89
	incl.	58	60	2	1.16	397
EPT1736	BM7 East	46	82*	36	0.15	97
EPT1740	BM7 East	52	62	10	0.12	186
EPT1751	BM7 South	24	28	4	0.10	17
	and	38	40	2	0.10	177
EPT1753	BM7 South	18	40	22	0.33	493
	incl.	18	20	2	1.58	3750
EPT1755	BM7 South	32	82*	50	0.13	50
	incl.	58	60	2	1.16	397
EPT1757	BM7 South	52	54	2	0.11	21
EPT1812	BM7 South	56	70	14	0.13	80
EPT1816	BM7 East	28	44	16	0.19	277
	incl.	40	42	2	0.51	413
EPT1817	BM7 East	82	106	24	0.20	40
	incl.	94	98	4	0.45	44
EPT1818	BM7 East	56	68	12	0.26	76
	incl.	56	58	2	0.70	54
EPT1819	BM7 East	30	32	2	0.12	222
EPT1820	BM7 East	52	86	34	0.44	127
	incl.	54	62	8	0.85	126
	incl.	58	62	4	1.16	89
	and	78	80	2	0.74	397
	and	84	86	2	0.48	138

EPT1821	BM7 East	22	26	4	0.17	74
	and	40	74	34	0.17	60
	incl.	44	54	10	0.31	97
	and	84	92	8	0.13	107
EPT1822	BM7 East	36	58	22	0.42	20
	incl.	36	46	10	0.71	9
	incl.	44	46	2	2.28	9
EPT1823	BM7 South	10	32	22	0.21	116
	incl.	18	22	4	0.39	69
	and	74	76	2	0.12	22
EPT1824	BM7 South	42	44	2	0.20	179
	and	48	50	2	0.12	135
	and	70	72	2	0.17	50
	and	96	100	4	0.10	166
EPT1825	BM7 South	30	38	8	0.13	77
	and	48	52	4	0.12	19
EPT1826	BM7 South	64	68	4	0.11	322
EPT1827	BM7 South	70	78	8	0.12	60
	incl.	70	72	2	0.21	77
EPT1829	BM7 South	42	58	16	0.17	67
	and	70	78	8	0.67	56
	incl.	70	74	4	1.18	73
EPT1843	BM7 East	58	66	8	0.2	66
EPT1844	BM7 East	46	64	18	0.38	121
	incl.	54	60	6	0.65	272
	and	72	86	14	0.24	92
	incl.	74	80	6	0.36	128
EPT1845	BM7 East	36	50	14	0.14	57
	and	54	84	30	0.18	146
	incl.	58	68	10	0.33	121
	incl.	62	64	2	0.52	130
EPT1847	BM7 East	32	64	32	0.17	43
	incl.	34	40	6	0.24	52
EPT1849	BM7 South	82	94	12	0.12	88
	incl.	84	86	2	0.27	131
EPT1850	BM7 South	94	96	2	0.10	14
EPT1851	BM7 South	34	52	18	0.15	193
	incl.	38	40	2	0.24	289
EPT1852	BM7 South	44	46	2	0.10	64
	and	52	54	2	0.19	163

Table 2: BM7 RC Drill Hole Assay Summary (Phase 1, 2 and 3)

*Intervals listed are composited from individual assays using a nominal cut off of 0.1% copper. Zones of below 0.1% copper have been included in some composite calculations. EOH = End of hole depth * denotes EOH interval*

Project Background & Location Plan

The Yeneena Project covers 1,900km^2 of the Paterson Province in Western Australia and is located 40km SE of the Nifty copper mine and 30km SW of the Telfer gold/copper deposit (Figure 4). 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).

During 2012 and 2013 Encounter strategically added to its ground position along the prospective corridor adjacent to the Yeneena Project by completing earn-in agreements with St Barbara Limited, Independence Group NL and Midas Resources Limited.

In April 2013, the Company completed an earn-in agreement with a wholly owned subsidiary of Antofagasta plc, one of the world's largest copper producers, whereby it may earn a 51% interest in two tenements within the Yeneena Project by incurring expenditures of US$20 million over a five year period.

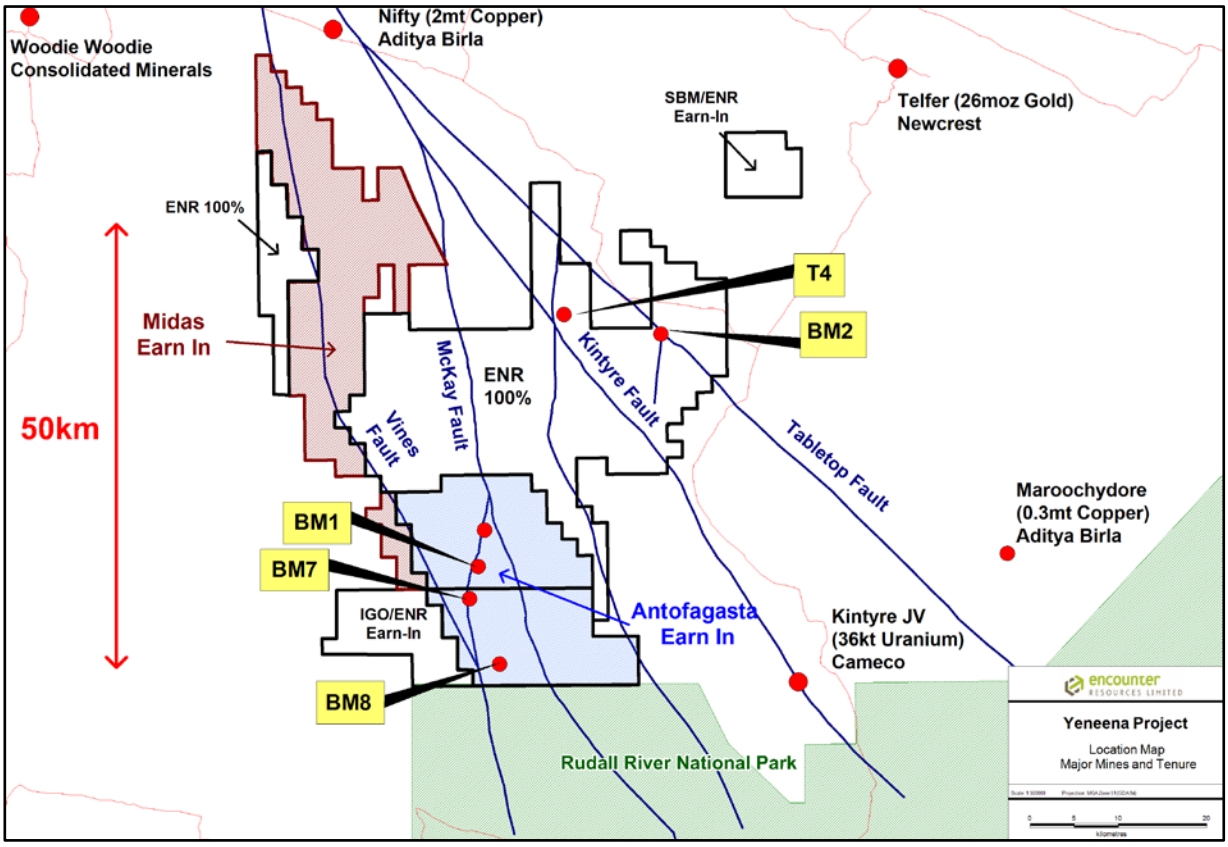

Figure 4. Yeneena Project leasing and targets areas

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 2012 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.

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	The BM7 project was sampled by Encounter Resources (ENRL) using Reverse Circulation (RC) drilling. A total of 54 RC holes were drilled for 5146m, with all but two holes drilled vertically. The RC program was initially drilled on nominal 800m spaced east-west sections with 400m spacing between drill holes. Subsequent infill drilling was completed in selected areas along the east – west sections at 100 – 200m spacing. Onsite handheld Niton XRF instruments were used to systematically analyse RC samples, with a single reading taken for each 2m composite sample produced during drilling. These results are only used for onsite interpretation and the XRF results are not reported.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	Drill hole collar locations were recorded by handheld GPS, which has an estimated accuracy of +/- 5m.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information	RC holes were drilled on 1m intervals, from which 2m composites (3 – 4kg) were obtained with the use of the rig's cone splitter. These samples were sent to Ultra Trace Laboratories in Perth, where they were dried, crushed, pulverised and split to produce a sub – sample for ICP – OES and ICP – MS analysis.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	RC drilling accounts for 100% of the program. Holes were completed using 5 3/8" diameter face sampling drilling hammers.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	RC sample recoveries were estimated as a percentage and recorded by ENRL field staff.
	Measures taken to maximise sample recovery and ensure representative nature of the samples	Driller's used appropriate measures to maximise RC sample recovery and minimise down-hole and/or cross – hole contamination.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	To date, no detailed analysis to determine the relationship between sample recovery and/or and grade has been undertaken for this RC drill program.

Criteria	JORC Code explanation	Commentary
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Geological logging was carried out on chip samples from RC drilling, with lithology, alteration, mineralisation and veining recorded.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Geological logging is qualitative in nature and records interpreted lithology, alteration, mineralisation, veining and other features of the samples.
	The total length and percentage of the relevant intersections logged	All drill holes were logged in full by ENRL geologists.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Not applicable.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	RC samples were collected on the rig using a cone splitter. Samples were recorded as being dry, moist or wet by ENRL field staff.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Sample preparation was completed at Bureau Veritas Minerals Pty LtdLaboratories in Perth. Samples were dried, crushed, pulverised (90% passing at a ≤75µM size fraction) and split into a sub – sample that was analysed using a 4 acid digest with an ICP – OES and ICP – MS finish.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Field QC procedures involve the use of commercial certified reference materials (CRMs) and in house blanks. The insertion rate of these averaged 1:33.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Field duplicates comprising 2m composite samples were taken during RC drilling and were collected on the rig via a cone splitter at a rate of 1:50. The results from these duplicates are assessed on a periodical basis.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes were considered appropriate to give an accurate indication of base metal anomalism and mineralisation at BM7.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	The samples were digested and refluxed with hydrofluoric, nitric, hydrochloric and perchloric acids (four acid digest). This digest is considered to approach a total digest for many elements, although some refractory minerals are not completely attacked. Analytical methods used were ICP – OES (Al, Ca, Cu, Fe, Mg, Mn, Ni, P, S, Zn and Ti) and ICP – MS (Ag, As, Bi, Mo, Pb, U and Co).
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Two handheld XRF instruments were used to systematically analyse RC samples onsite. The principal instrument used was a Thermo Scientific XL3t 950 GOLDD+. A Thermo Scientific XL3t 500 GOLDD+ was also used infrequently. Reading times ranged from 20 – 25 seconds. The instruments are serviced and calibrated at least once a year.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Laboratory QAQC involved the use of internal lab standards using certified reference material, blanks, splits and replicates as part of in house procedures. ENRL also submitted an independent suite of CRMs, blanks and field duplicates (see above). A review of this data is yet to be completed but is scheduled to occur prior to March 2014.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Both the Exploration Director and Senior Exploration Geologists have verified significant intersections from this program of RC drilling.
	The use of twinned holes.	No twinned holes were drilled at BM7 during this RC program.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data was collected for the BM7 project on hand held printed forms and on toughbook computers using Excel templates and Maxwell Geoservice's LogChief software. Data collected was sent offsite to ENRL's Database (Datashed software), which is backed up daily.
	Discuss any adjustment to assay data.	No adjustments or calibrations were made to any assay data collected at BM7.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drill hole collar locations are determined using a handheld GPS. No down hole surveys were completed during the RC program.
	Specification of the grid system used.	The grid system used is MGA_GDA94, zone 51.
	Quality and adequacy of topographic control.	Estimated RLs were assigned during drilling and are to be corrected at a later stage using a DTM created during the VTEM AEM survey.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The RC program was initially drilled on nominal 800m spaced east – west sections with 400m spacing between drill holes. Subsequent infill drilling was completed in selected areas along the east – west sections at 100 – 200m spacings.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Mineralisation at BM7 has not yet demonstrated to be sufficient in both geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications to be applied.
	Whether sample compositing has been applied.	All RC samples were composited to 2m using the drill rig's cone splitter.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The orientation of key structures and any relationship to mineralisation at BM7 has yet to be identified.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No sampling bias resulting from a structural orientation is known to occur at BM7 at this stage.
Sample security	*The measures taken to ensure sample security.*	The chain of custody is managed by ENRL. Samples are delivered by ENRL personnel to Newcrest's Telfer Mine site and transported to the assay laboratory via McMahon's Haulage. Tracking protocols have been emplaced to monitor the progress of all samples batches.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Sampling techniques and procedures are regularly reviewed internally, as is data. To date, no external audits have been completed on BM7.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties including joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The BM7 project is located within the tenements E45/2658 and E45/2805, which are the subject of a Joint Venture between Encounter and a subsidiary of Antofagasta plc. Under the agreement, Antofogasta may earn a 51% interest in tenements E45/2658 and E45/2805 (433km^2) by incurring expenditures of US$20 million over a five year period. The two tenements that host the BM7 prospect E45/2658 and E45/2805 are subject to a 1.5% Net Smelter Royalty to Barrick Gold of Australia. These two tenements are contained completely within land where the Martu People have been determined to hold native title rights. No historical or environmentally sensitive sites have been identified in the area of work.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Prior to activities undertaken by Encounter, no systematic exploration of the BM7 area had been completed.
Geology	*Deposit type, geological setting and style of mineralisation*	BM7 is situated in the Proterozoic Paterson Province of Western Australia. A simplified regional stratigraphy of the area comprises the Palaeo-Proterozoic Rudall Complex, unconformably overlain by the Neo-Proterozoic Coolbro Sandstone. On top of this is the Broadhurst Formation, which hosts ENRL's BM7 project. The BM7 project is considered prospective for sediment – hosted copper mineralisation, with the Nifty copper mine (~ 65km north of BM7) providing a basic conceptual model for exploration targeting. The primary mineralised host rocks found to date at BM7 are often highly dolomite and silica altered and it is interpreted that the dolomite-silica alteration process is intimately associated with the copper mineralisation event/s.
Drill hole information	A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes: • Easting and northing of the drill hole collar • Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar • Dip and azimuth of the hole • Down hole length and interception depth • Hole length	Refer to tabulations in the body of this announcement.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	All reported assays have been length weighted, with a nominal 0.1% Cu lower cut-off reported as significant in the context of the geological setting. No upper cuts-offs have been applied and some narrow intervals of less than 0.1%Cu have been included in calculating down hole grade intervals.
	Where aggregated intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	High grade intervals that are internal to broader zones of copper mineralisation are reported as included intervals.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are used for the reporting of exploration results.

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Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of exploration results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	The geometry of the mineralisation is not yet known due to insufficient deep drilling in the targeted area, although the majority of regolith mineralisation is likely to be flat and therefore reported width will be approximately equal to the true width.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plane view of drill hole collar locations and appropriate sectional views.*	Refer to body of text.
Balanced Reporting	*Where comprehensive reporting of all Exploration Results is not practical, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All significant results are reported with a 0.1% Cu lower cut-off.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observation; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All meaningful and material information has been included in the body of the text. No metallurgical or mineralogical assessments have been completed.
Further Work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large – scale step – out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	At this stage further mineralisation identified during the RC drill program is indicative and requires further work to test for coherency, as well as for lateral and vertical extensions. A work program is currently in the planning phase and will be reported when completed.