

ASX : ENR

29 November 2013

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

Annual General Meeting – Chairman’s Address

The last year has been an important one for Encounter as we have seen significant advances on our exciting Yeneena Project in the Paterson Province in Western Australia.

Over the course of 2012 and 2013, Encounter further consolidated its strategic ground position along the prospective corridor adjacent to the Yeneena Project. We have now completed three agreements whereby we can spend exploration dollars in order to earn an equity interest in a number of adjacent projects, each with excellent potential. Our fellow joint venturers on these earn-ins are St. Barbara Limited, Independence Group NL and Midas Resources Limited.

Following these agreements, the Yeneena Project now covers 1,900km² of the Paterson Province and is located 40km South East of the Nifty copper mine and 30km South West of the Telfer gold/copper deposit. The Woodie Woodie manganese mine and the Kintyre uranium deposit are also nearby.

Our targets 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 2 million tonne Nifty copper deposit.

Encounter has secured a large foothold in this region containing an extensive pipeline of exploration opportunities. The presentation that accompanies this meeting demonstrates both the prospectivity and scale potential of this region.

This time last year, I indicated to shareholders that equity markets remained risk averse and the further away from production a company is, the more risk averse investors become. This has not changed over the last year and in fact the situation has probably intensified with many explorers facing funding challenges.

However, what is also clear, is that many undeveloped copper projects in the world face high capital intensity. These projects are often located in developing countries where there is poor infrastructure and increasing degrees of political risk. Investors are questioning whether capital should be invested in mega projects with high levels of technical, political and funding risk. Being disciplined in capital allocation by improving project selection and execution is expected.

These challenges put Yeneena on the radar of a number of large global resource companies who saw the potential at Yeneena. Mineralised systems that extend over 14kms and remain open are few and far between.

I am pleased to say that in April 2013, we completed an earn-in agreement with one of these companies. Our joint venture partner is a wholly owned subsidiary of Antofagasta plc.

London Stock Exchange listed Antofagasta has a market capitalization of about GBP8 billion and is one of the world's largest copper producers. The earn-in agreement provides that Antofagasta may earn a 51% interest in two tenements within the Yeneena Project by incurring expenditures of US\$20 million over a five year period. This agreement covers approximately 25% of the Yeneena project area. In addition, Antofagasta now also owns about 7% of Encounter's issued shares.

This transaction is a significant endorsement of Encounter's work to date and on the large scale copper potential identified at Yeneena. Antofagasta brings considerable financial, technical and operating resources to progress the exciting copper discoveries made by Encounter. This relationship will ensure a fully funded exploration programme and if successful, provides a path towards production with a major copper producer. We have already established a very good and fruitful working relationship with our colleagues at Antofagasta. Indeed, we have had senior representatives of Antofagasta on site on a number of occasions throughout the Year.

In terms of this year's achievements: within the Antofagasta earn-in area we have hit high grade copper sulphides at BM7 while significantly expanding the footprint of the prospect; in the north-east of the project we have an interesting zinc occurrence at the 100% owned BM2 target and we have further underscored the prospectivity and scale potential of this region.

The focus for the upcoming year is to advance the copper discoveries along the 14km long BM1-BM6-BM7 copper system within the Antofagasta earn-in agreement. Also, we will test the first order targets on the 100% owned Encounter ground and the earn-in agreements completed by Encounter in the region.

In summary, your company has secured a dominant land position in the highly prospective Paterson Province and is well placed to unlock the potential of its priority targets. Our exploration plans are well funded, we have an excellent team and a major in the copper industry as our partner.

In closing, we would like to thank our committed team for their professionalism and dedication. Encounter is fortunate to have such a talented team who are leaders in the field. We would also like to thank our suppliers and other business partners.

Finally, we would take this opportunity to thank our fellow shareholders for their ongoing support.

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 appear



encounter
RESOURCES LIMITED

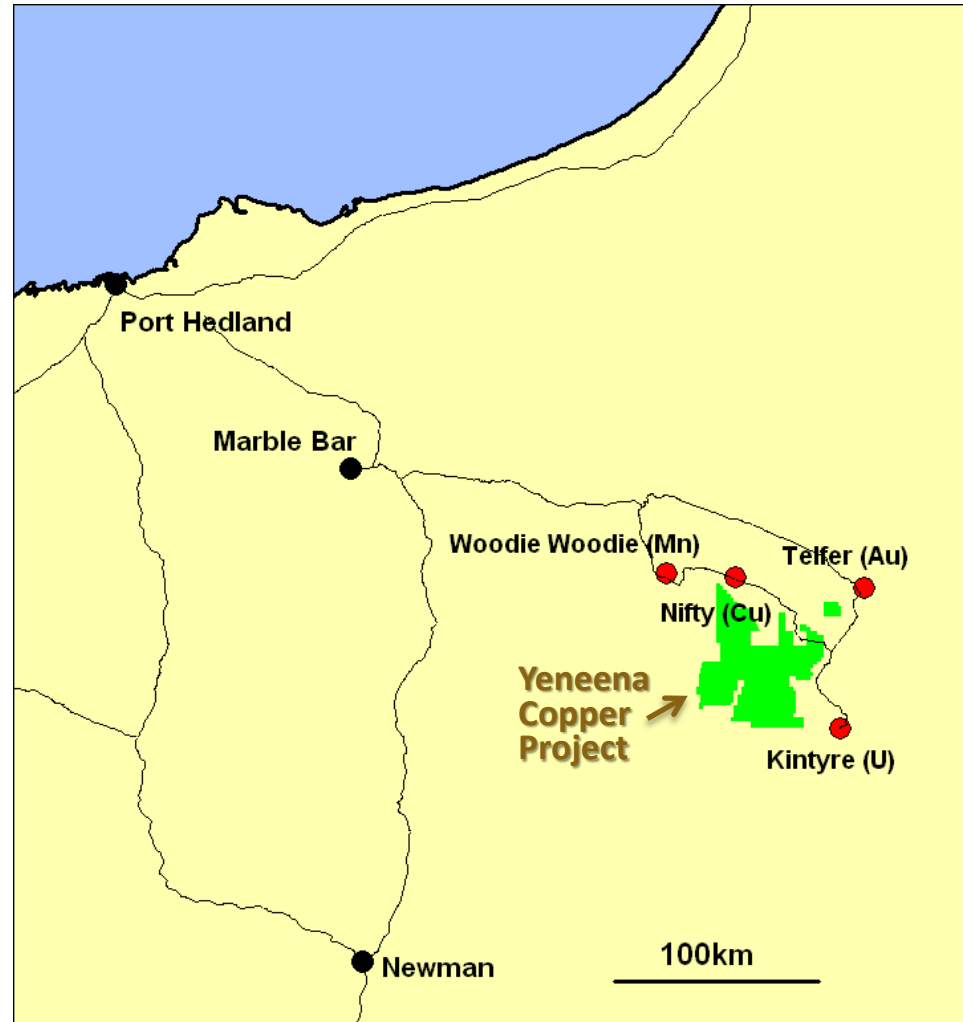
Annual General Meeting

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ASX : ENR

INVESTMENT SUMMARY

- Major land position in Proterozoic sedimentary basin (1900km²)
- Surrounded by major mineral deposits (Au-Cu, Cu, U and Mn)
- Greenfields copper discovery 14km long and growing
- Experienced team of former WMC executives
- Well funded explorer
- US\$20m farm-in with Antofagasta plc (2 tenements, 25% of Yeneena)



CORPORATE INFORMATION

Board



Paul Chapman - Chairman

Will Robinson - Managing Director

Peter Bewick - Exploration Director

Jon Hronsky - Non-Executive Director

Kevin Hart / Dan Travers - Company Sec.

Issued Capital

132.5m Ordinary Shares

9.5m Employee Options

Market Cap.

A\$27m @ A\$0.20/share

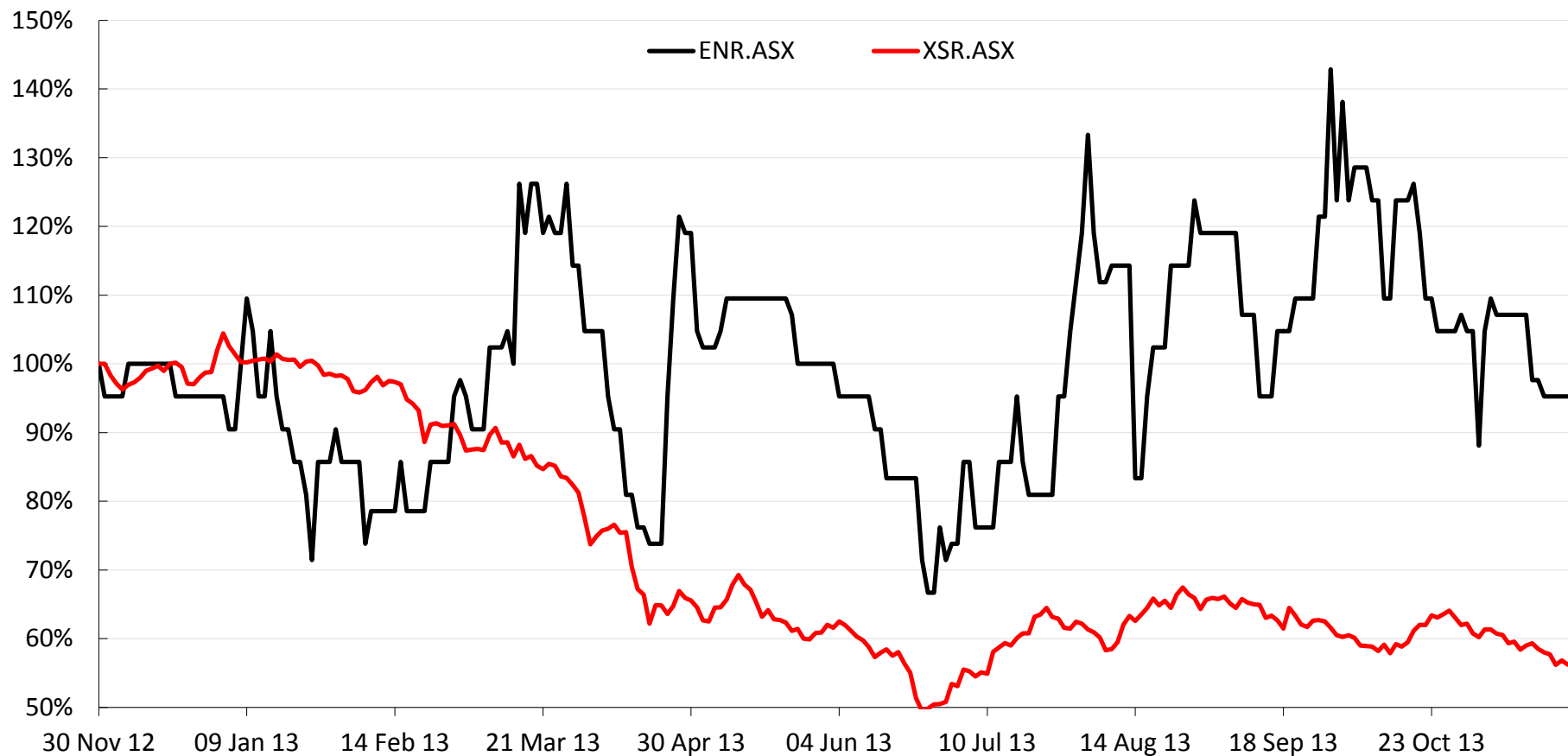
Cash

A\$4.5m (30 Sept 2013)



ENR SHARE PRICE

ENR vs ASX Small Resources Index



One of the world's largest copper producers and explorers

Key terms:

- Antofagasta may earn a 51% interest in tenements E45/2658 and E45/2805 (433km²) within the Yeneena project (approximately 25% of Encounter's Yeneena land holding) by incurring expenditures of **US\$20 million** over a five year period.
- Antofagasta injected a private placement of **US\$2 million** into Encounter through a private placement (A\$0.21 per share)

About Antofagasta PLC

- Chilean-based copper mining group
- Listed on the London Stock Exchange (LN:ANTO)
- Market capitalisation ~ US\$13 billion.
- Operates four copper mines with a total production in 2012:
 - Copper 709,600 tonnes
 - Gold 299,900 ounces

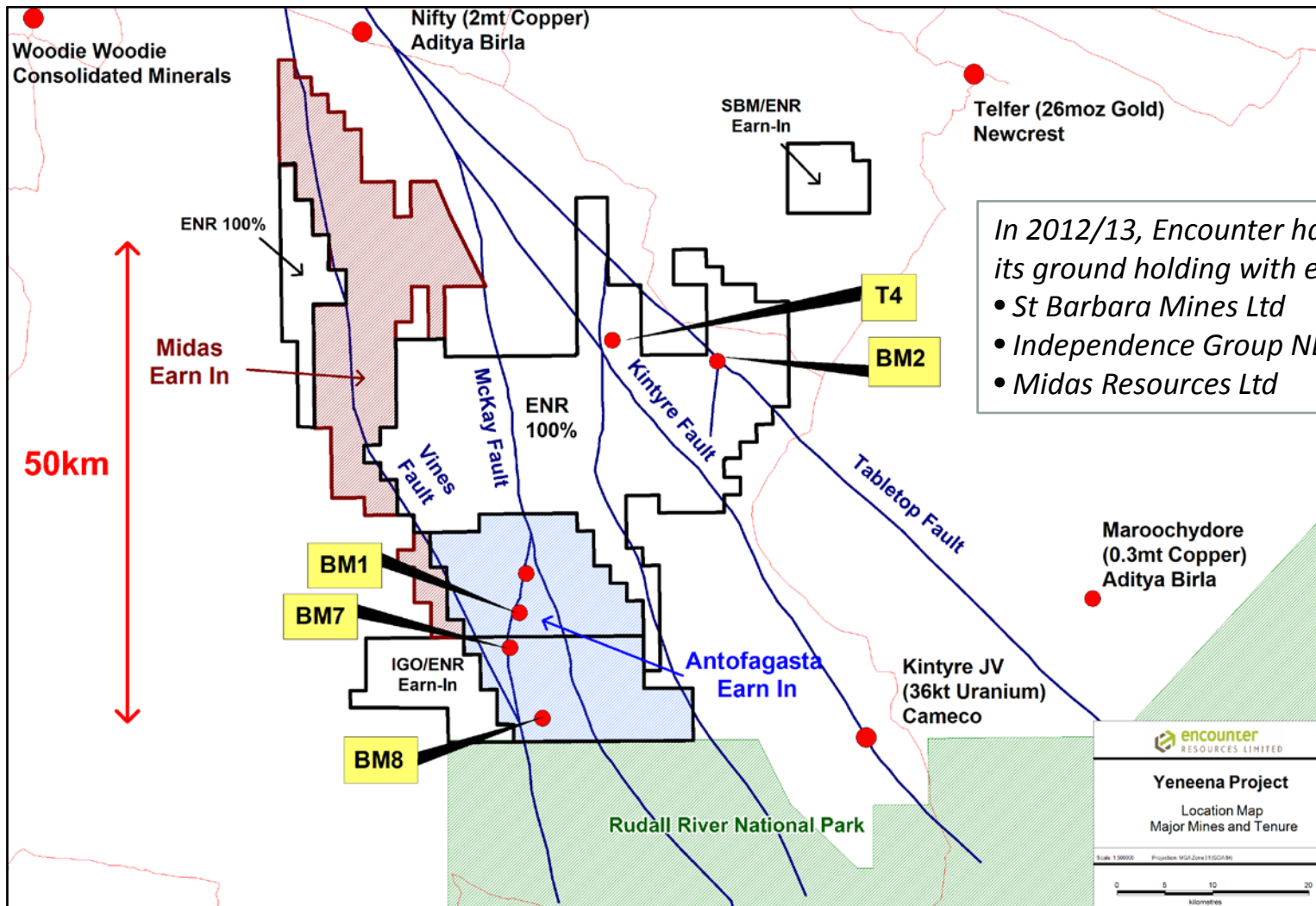
The Benefits:

- Significant endorsement of the large scale deposit potential by one of the world's largest copper mining companies
- Considerable financial, technical and operating resources to progress the exciting copper discoveries made by Encounter
- Ensures a fully funded exploration program
- Provides a path towards production with a major copper producer
- Exploration will continue to be managed by Encounter
- Encounter retains the majority of its extensive Yeneena land holdings adjacent to the Antofagasta farm-in tenements
- Additional funding to advance the 1500km² Yeneena land holding 100% controlled by Encounter



YENEENA PROJECT

Major land position amongst giant mineral deposits



In 2012/13, Encounter has expanded its ground holding with earn-ins:

- St Barbara Mines Ltd
- Independence Group NL
- Midas Resources Ltd

HISTORICAL DISCOVERIES



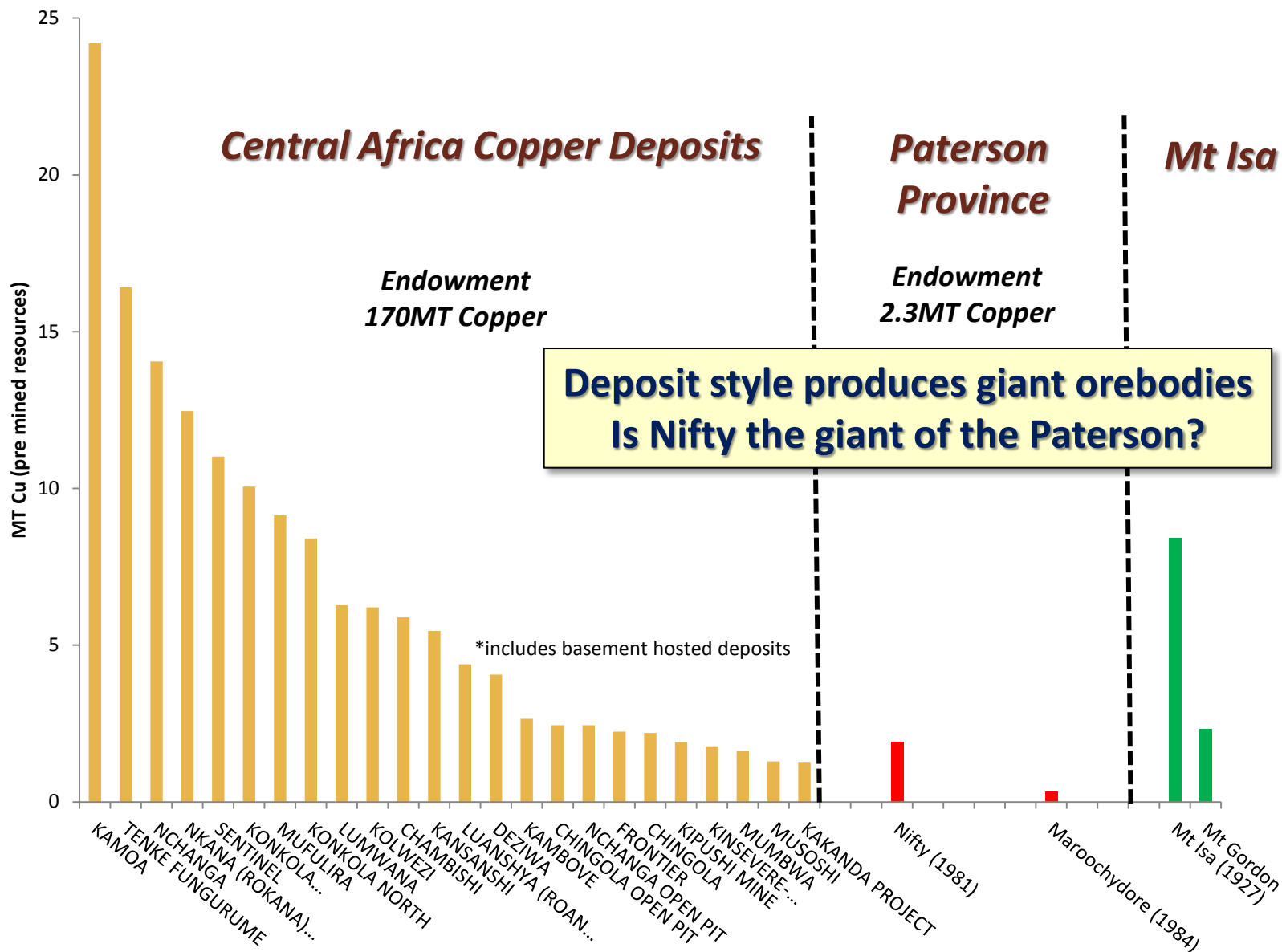
YENEENA PROJECT



Under cover exploration – a new search space

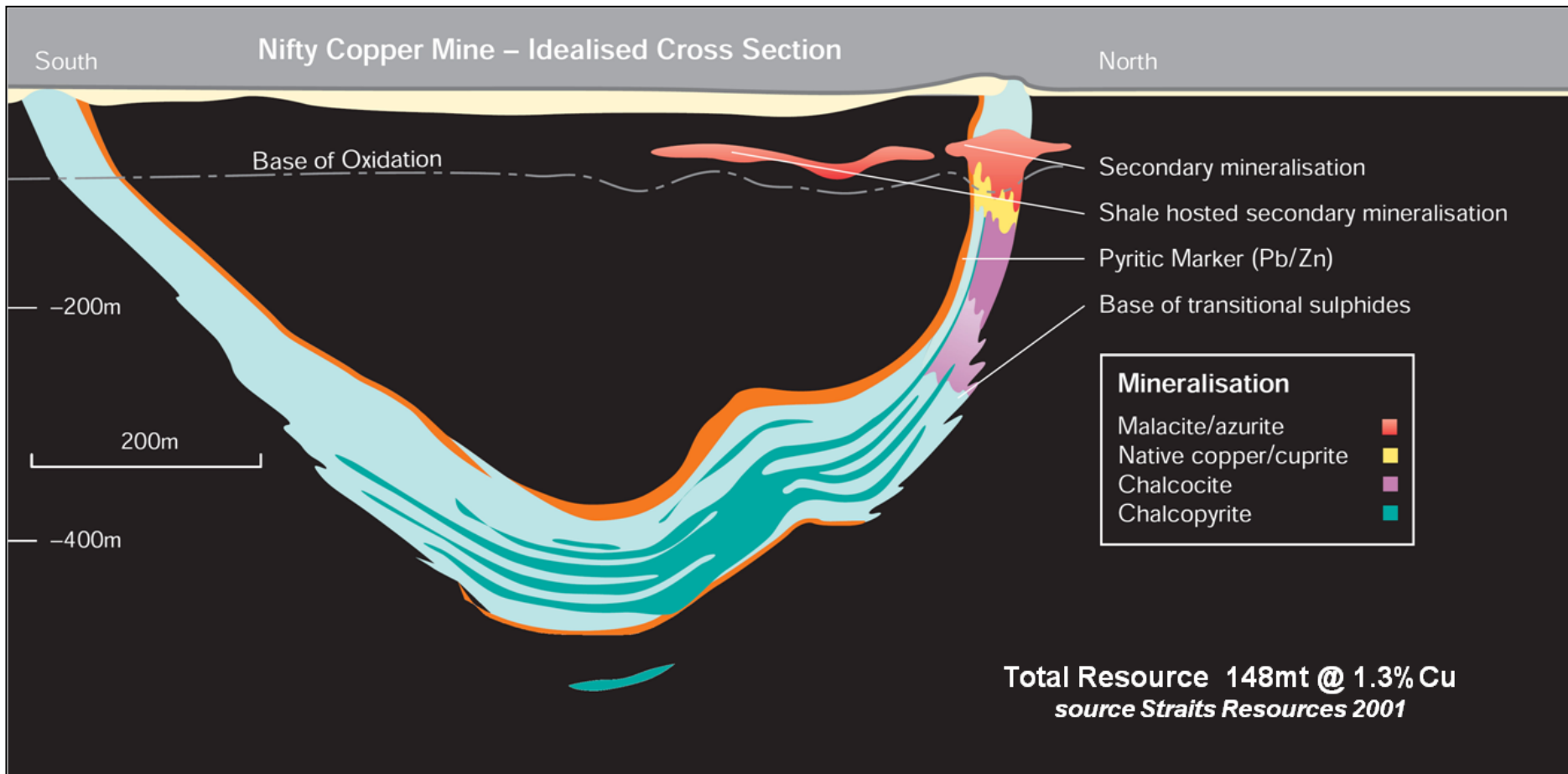


SEDIMENT HOSTED COPPER



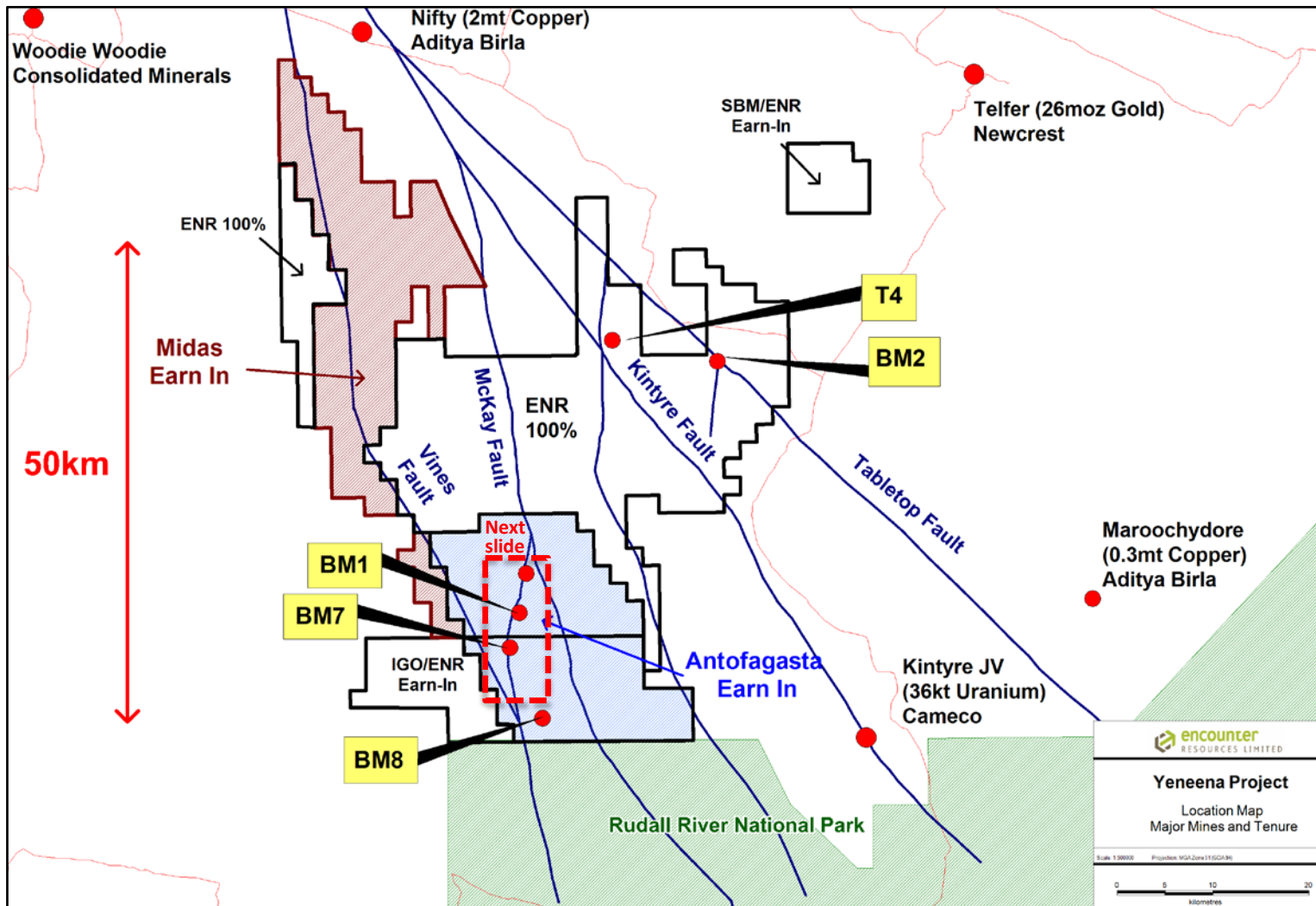
NIFTY COPPER DEPOSIT

Nifty copper sulphide mineralisation is a shallow plunging body with the strongest mineralisation located at the keel of a synform



YENEENA PROJECT

BM1-BM7 Copper Discovery Location Plan



BM1 - BM7 PROSPECTS

Copper mineral system 14km long and growing

BM1

Coherent zone of near surface copper oxide mineralisation

10m @ 6.8% Cu from 32m

8m @ 3.6% Cu from 18m

20m @ 2.0% Cu from 22m

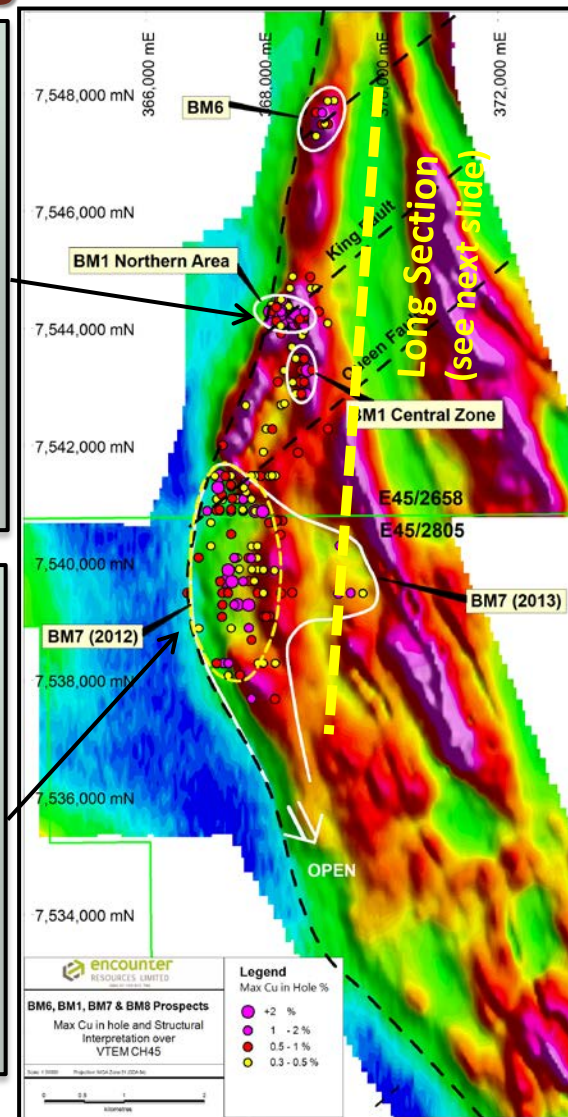


BM7

6 x 3km copper system still growing

First joint diamond drill program intersects high grade Cu sulphide

5m @ 2.5% Cu incl. 0.7m @ 11% Cu

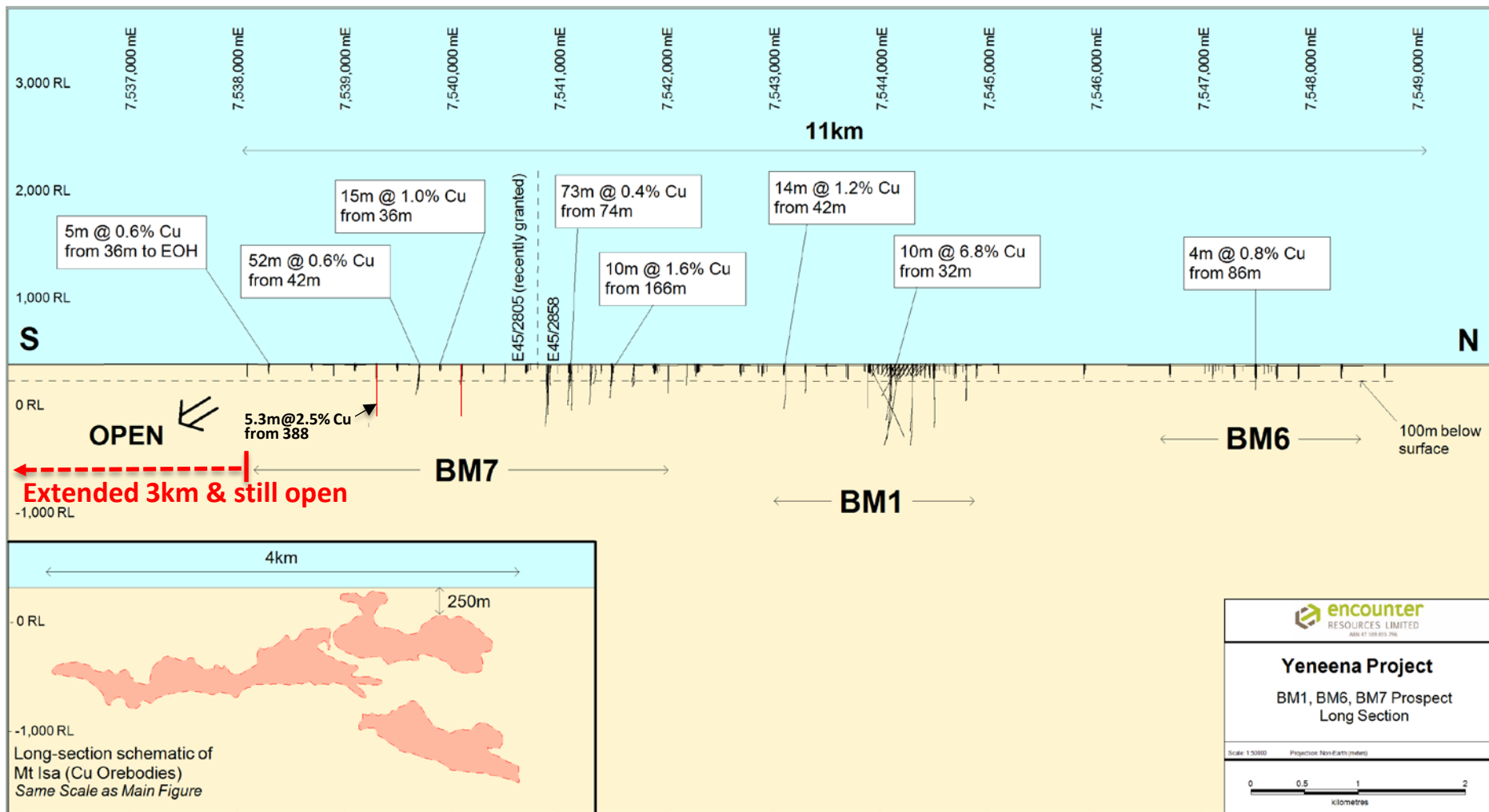


Antofagasta farming-in



LONG SECTION BM1-BM7

Shallow drilling defines major new Copper-Cobalt mineral system



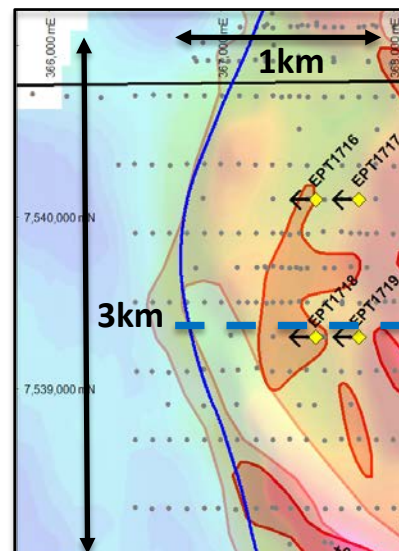
Antofagasta farming-in



BM7 COPPER OUTLINE JAN 13

At the start of 2013 we had evidence of a large mineral system at BM7

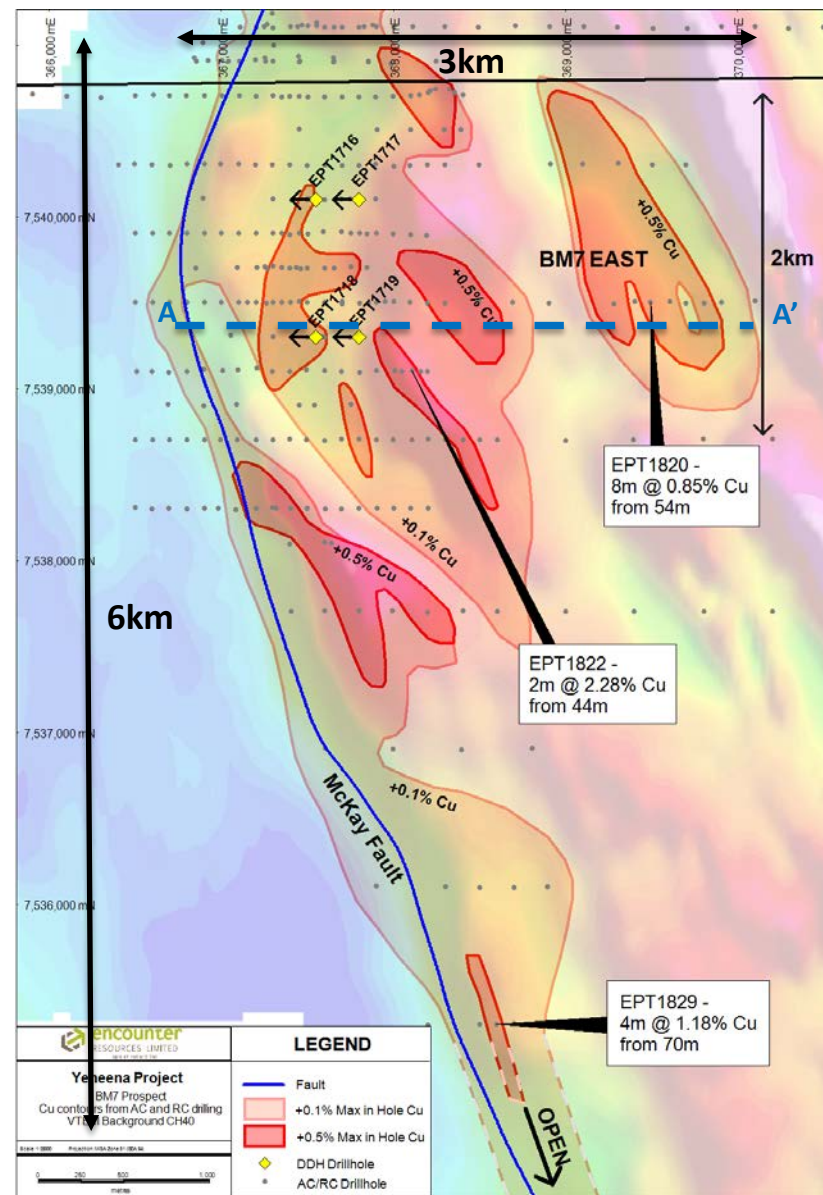
- 3km x 1km near surface copper footprint
- Attracted copper major Antofagasta plc to the project
- Six months of activity completed under the earn-in agreement ...



BM7 DRILLING 2013 SUMMARY

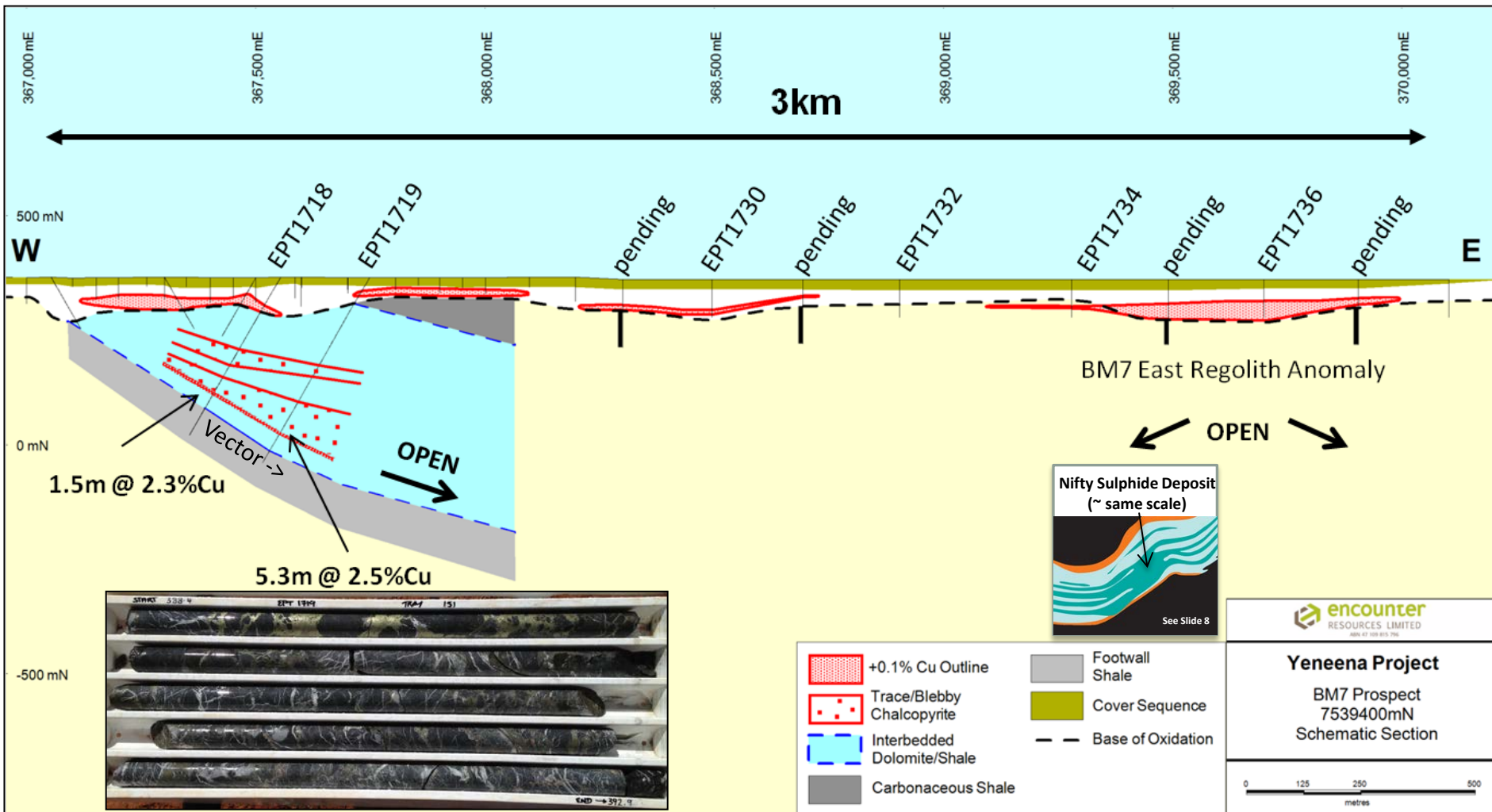
BM7 mineral system significantly extended south and east

- Tripled the size of the surface copper footprint
- Over 6km in strike and up to 3km in width
- Generated specific new primary copper sulphide targets
- Extraordinary copper oxide footprint with high grade copper in the primary zone
- System remains open to the south and south east



BM7 SCHEMATIC SECTION A-A'

Diamond drill program has confirmed depth extensive copper sulphide mineralisation and established the high grade potential of BM7 system



BM7 – 2013 MILESTONES

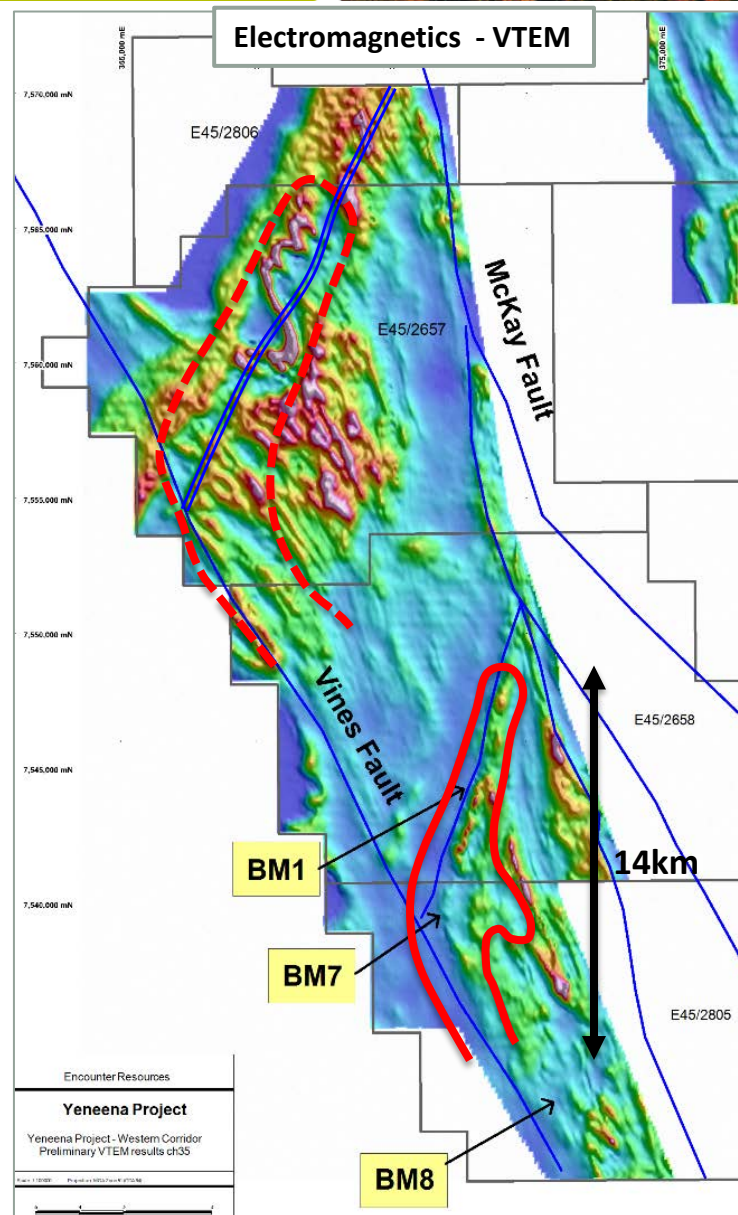
- ✓ **Tenement granted in August 2012**
- ✓ **Initial exploration confirmed large scale copper potential**
- ✓ **Attracted quality partner - copper major Antofagasta plc**
- ✓ **Shallow drilling outlined 6km x 3km copper system - still growing**
- ✓ **First joint diamond drilling produced high grade copper sulphide**
- ✓ **Geological similarities with 2MT Nifty copper deposit**



REGIONAL TARGETS - NORTH

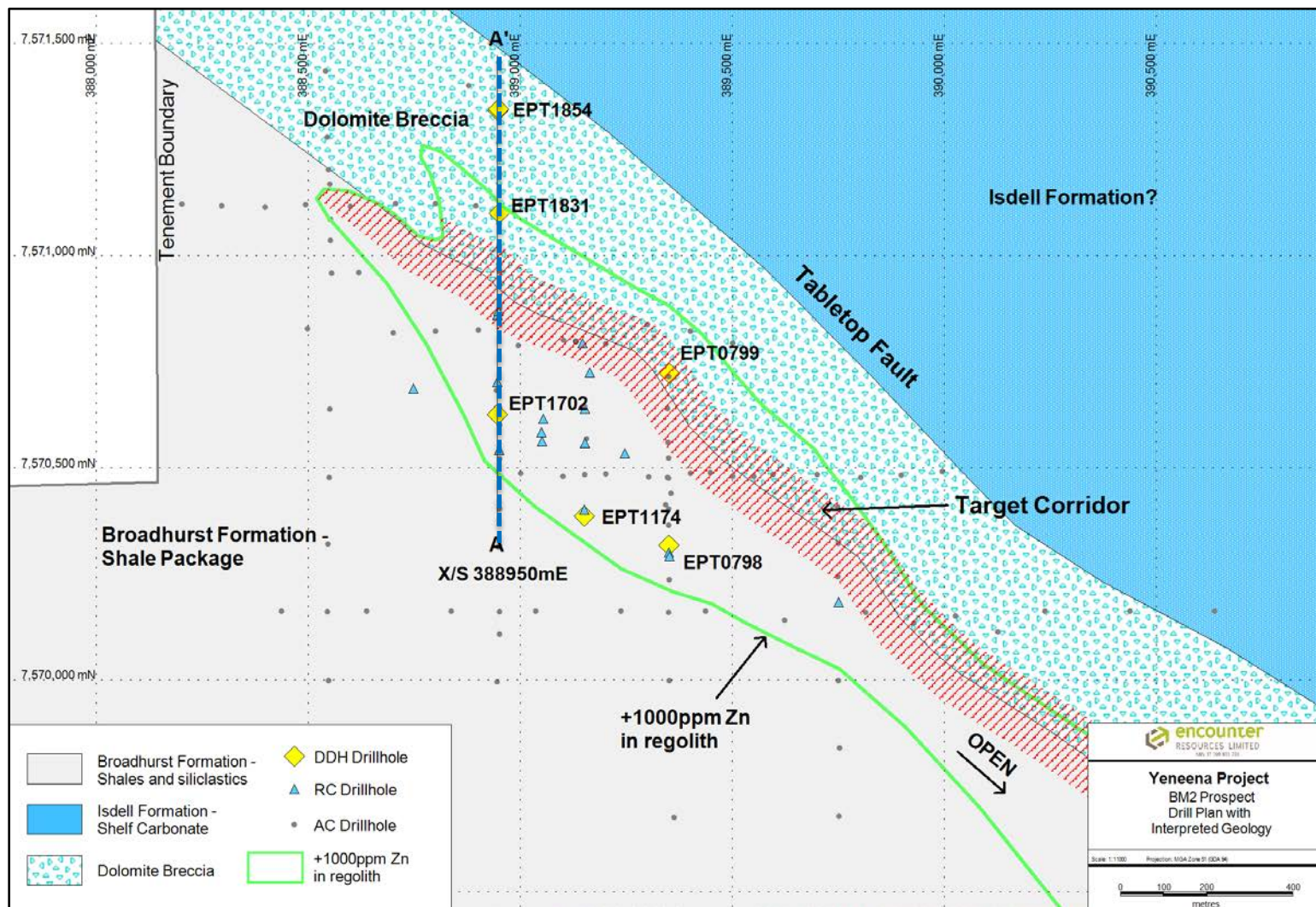
Untested targets north of BM1-BM7

- 100% Encounter held ground
- VTEM Survey completed June 2013
- Significant north-east trending structure that mirrors the BM1-BM7 copper system
- Shallow sand cover
- Minimal previous exploration – a handful of RAB holes
- 10 hole RC drill program October 2013 identified copper anomalism



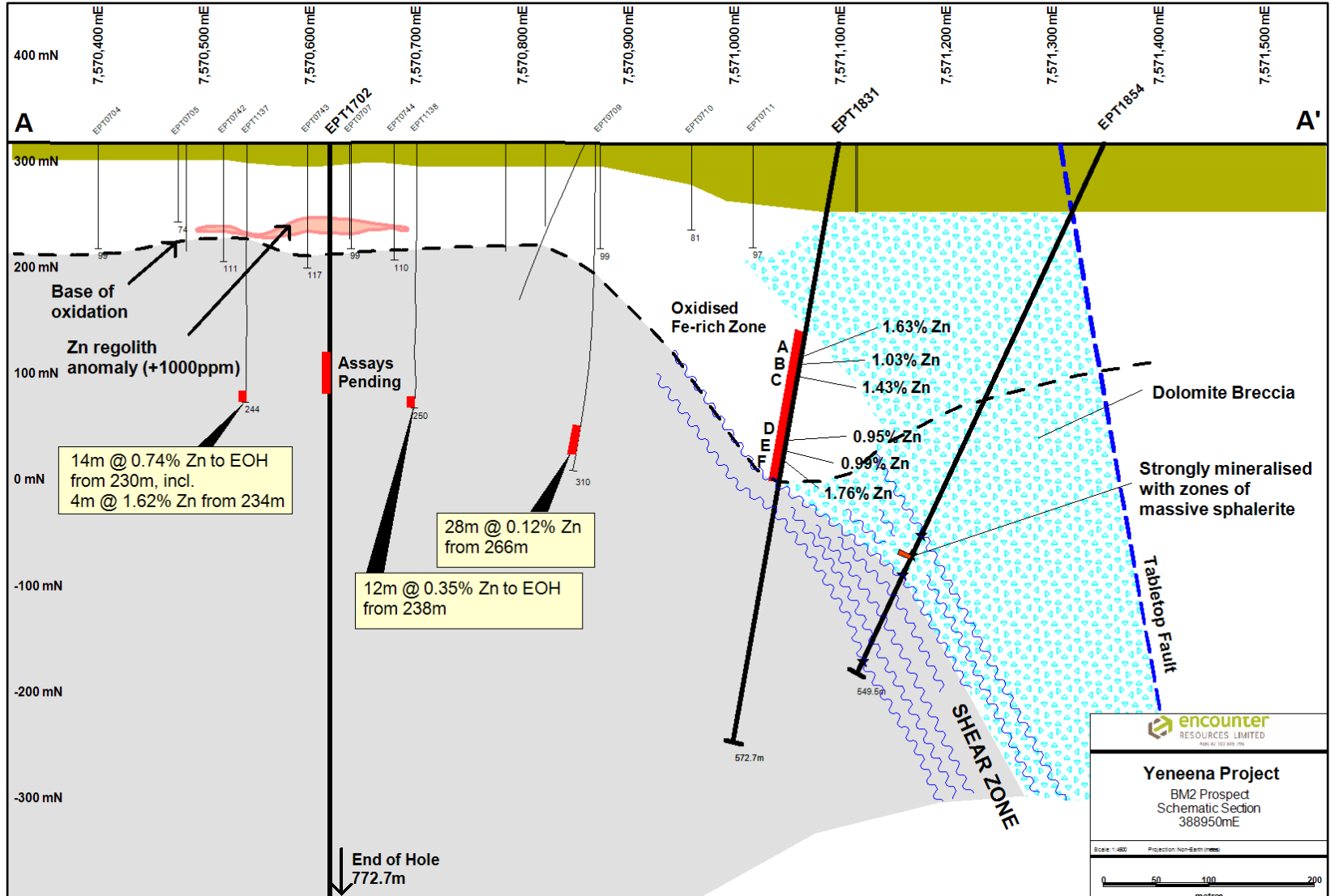
REGIONAL TARGETS - BM2

Large Scale Zinc Mineral System – EIS co-funded drilling in 2013



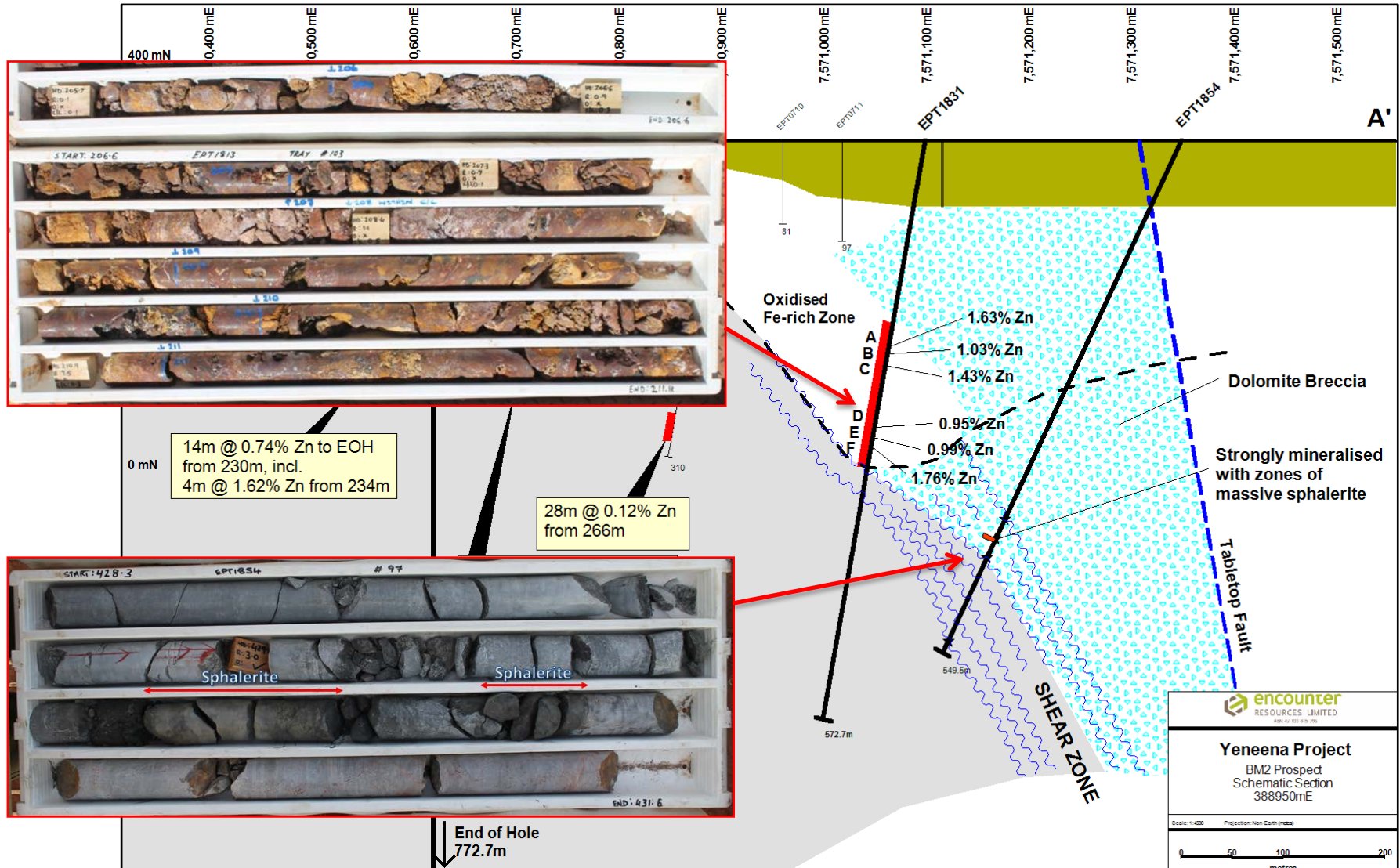
BM2 PROSPECT

EIS drilling intersects massive zinc sulphide mineralisation

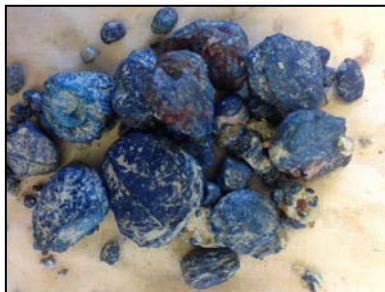


BM2 PROSPECT

EIS drilling intersects massive zinc sulphide mineralisation



DISCOVERY TIMELINE



2008-09

Airborne EM
Regional geochem
Target generation

2010

Greenfields copper
oxide discoveries at
BM1

2011

Discovery of copper
sulphides at BM1

New copper oxide
discoveries at BM6 & BM7

First BM7 copper sulphides

2012

Large scale, copper
discovery at BM7

Regional copper
targets defined

2013 Objectives

High grade copper
sulphides at BM7

Test targets south
and east of BM7

Test Regional Targets
(100% ENR)



Yeneena – Australia's Next Great Copper District?

- *Large scale system over 14km long and growing*
- *High grade near surface intersections*
- *Key ground position secured (>1900km²)*
- *First world mining jurisdiction*
- *Major mining company funding through Antofagasta farm-in*
- *Well funded & highly active greenfield explorer*



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