

9 April 2014

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

Diamond Drilling Commences at Yeneena

The directors of Encounter Resources Ltd (“Encounter”) are pleased to announce the commencement of the planned 9,000m diamond drilling program at the Yeneena base metals project in Western Australia (“Yeneena”).

BM2 Zinc Prospect (100% Encounter)

The 2014 diamond drill program has commenced at the BM2 zinc prospect at Yeneena. The initial hole in the program will test the up dip position of high grade zinc sulphide mineralisation intersected in EPT1854 drilled at the end of the 2013 drill campaign (see ASX announcement 13 December 2013).

Current diamond hole EPT1855 is targeting the mineralised carbonate and shale contact 100m up dip from EPT1854 that returned 0.7m @ 36.5%Zn from 430.05m. This targeted contact is located 100m down dip of a broad zone of iron-manganese oxide material that was intersected in EPT1831, interpreted to be derived from the weathering of a zone of zinc sulphide mineralisation (i.e. a zinc gossan).

BM7 Copper Prospect (Antofagasta Earning in)

Exploration in 2013 outlined a 6km x 3km copper system at BM7 that remains open to the south. The final diamond hole in 2013, EPT1719, intersected a 5.3 metre zone, with locally massive copper sulphides forming as breccia cement near the upper boundary of a narrow carbonate unit. This zone returned an assay of 5.3m @ 2.5% Cu from 387.6m including 0.7m @ 10.7% Cu from 388.6m (see ASX announcement 22 October 2013).

[This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.]

The initial three diamond holes at BM7 are planned to test the area down dip and to the east of high grade copper sulphide mineralisation in EPT1719 (Figure 1 & 2). The initial three 800m spaced holes have been designed to confirm the broad scale geological model and provide lithochemical and structural vectors to high grade copper sulphide mineralisation.

This initial drilling will also provide the first diamond drilling at the BM7 East regolith anomaly. This is a laterally extensive +0.5% copper anomaly that extends over 2km in strike.

The planned exploration under the Antofagasta earn in agreement during the June 2014 quarter includes 4,000m of diamond drilling and 5,500m of aircore/RC drilling.

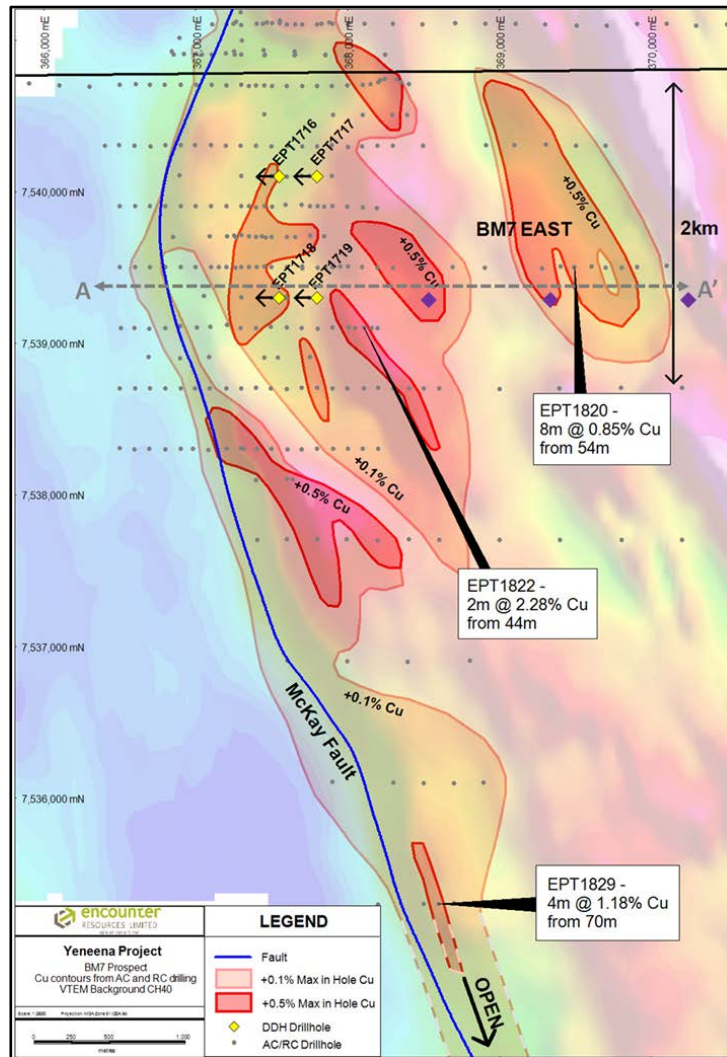


Figure 1. BM7 drillhole plan showing initial three 2014 diamond holes (purple diamonds) Background VTEM ch40 with Max Cu in Hole contours from aircore drilling

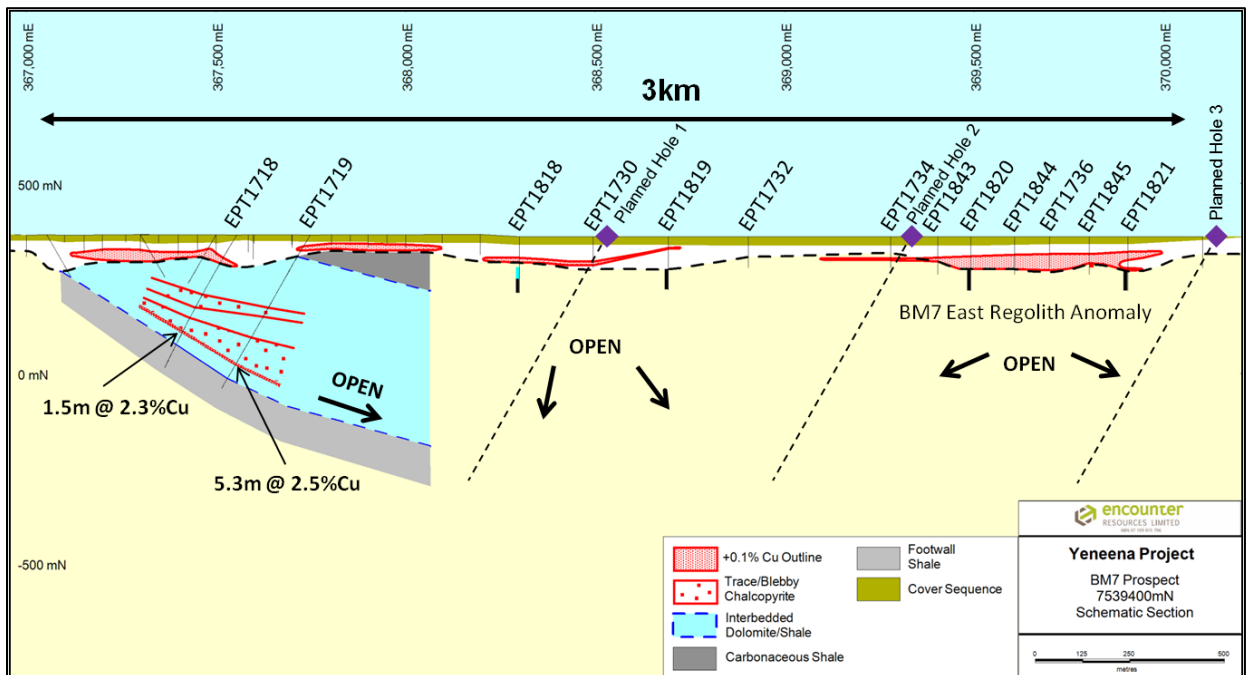


Figure 2. BM7 Cross Section 7539400mN with planned diamond hole traces

Midas Joint Venture (Encounter Earning In)

UTS Geophysics Pty Ltd has been contracted to complete a 560 line km airborne VTEM survey for the area of the Midas JV tenements. The survey will commence in mid April 2014 with initial results reported in the June 2014 quarter. The survey will provide information about the conductivity and magnetic variability of the basement rocks in this area of extensive sand cover.

Project Background & Location Plan

The Yeneena Project covers 1,900km² 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 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).

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.

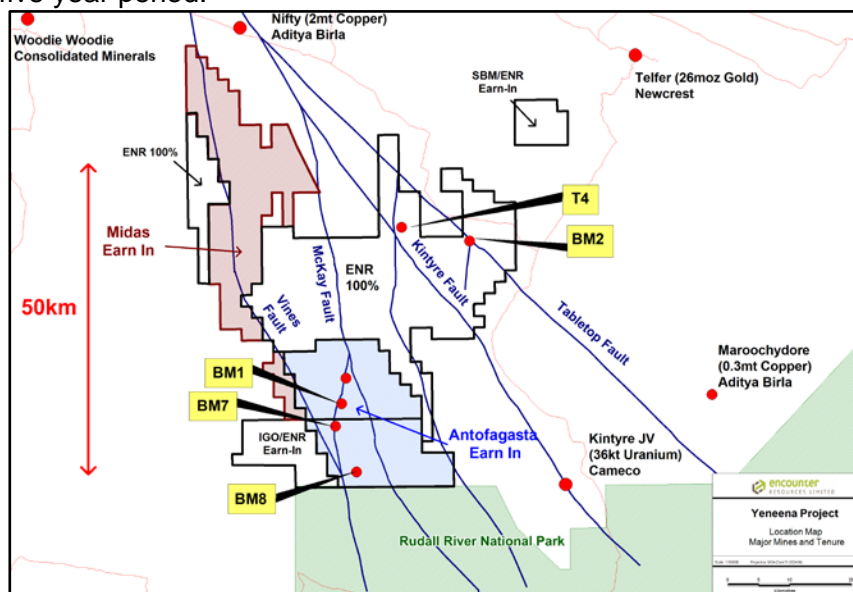


Figure 3. Yeneena Project leasing and targets areas

For further information please contact:

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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 holder of shares and options, and 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.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and the form and context of the announcements have not been materially modified.