

**ASX : ENR**

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

## **Aircore/RC Drilling Commences at Yeneena**

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The directors of Encounter Resources Ltd (“Encounter”) are pleased to announce a major regional aircore/RC drilling program has commenced at the Yeneena project in Western Australia (“Yeneena”).

The planned 15,000 metre program will include:

- drilling to collect initial metallurgical samples from BM1 and BM7 (Antofagasta earning in);
- the first drilling to be conducted at the BM9 and BM10 prospects (Antofagasta earning in);
- the first systematic drilling at the Fishhook copper and Millennium zinc prospects (100% Encounter).

“The aircore/RC program will be completed using a specially designed track mounted, large capacity aircore rig which has the ability to extend holes with a slimline hammer to a depth of 150 metres. We expect the planned program to be completed within two months. This aircore/RC drilling will be completed in parallel with the 7,500 metre BM1-BM7 diamond drill program currently in progress. First assays from the diamond drilling are expected to be reported in July 2014.” said Managing Director, Will Robinson.

### **BM1, BM7 Copper Prospects (Antofagasta Earning in)**

The first series of holes in the aircore/RC program will be completed around areas of known copper oxide mineralization at BM1 and BM7. This program had been designed to collect representative samples of the various species of oxide mineralisation for sequential copper analysis (an assaying method designed to test copper recoveries utilising various acids). The program will also include a series of infill drill traverses at the BM7 East regolith anomaly which is a laterally extensive +0.5% copper anomaly that extends over 1.5km in strike.

### **BM8, BM9, BM10 Copper Prospects (Antofagasta Earning in)**

At the completion of the metallurgical test drilling above, the aircore/RC rig will commence an 800m by 400m reconnaissance program over the BM9 and BM10 regional targets. These prospects are completely untested structural targets adjacent to the BM1-BM7 copper trend (Figure 1). The program will also test for further extensions of the copper oxide mineralization south of BM7 where the most southern line of drilling included an intersection of 4m at 1.2% Cu (see ASX announcement 27 November 2013).

### **Fishhook Copper Prospect (100% Encounter)**

In June 2013, Encounter flew a large VTEM survey over the area north of the BM1-BM7 copper trend which is controlled 100% by Encounter. Within this area, the survey identified a significant north-east trending structure (Fishhook) within Broadhurst Formation sediments, that mirrors the BM1-BM7 copper system under shallow sand cover (Figure 2). A series of 800m spaced drill traverses at Fishhook will be the first systematic exploration at the prospect.

### Millennium Zinc Prospect (100% Encounter)

At BM2, in late 2013, drill hole EPT1854 intersected massive zinc sulphides (0.7m @ 36.5% Zn and 37g/t Ag) in the first hole drilled below the base of oxidation into the shale/dolomite mineralised contact adjacent to the Tabletop fault (see ASX announcement 13 December 2013). The Millennium prospect is located 2.5km along strike at the interpreted intersection of two key mineralising structures, the Tabletop fault, and the margin of a sub basin within the Broadhurst sediments (see Figure 3). Electromagnetic (EM) data indicate a highly conductive nature to this sub-basin, consistent with reduced, carbonaceous settings. Such reduced sub-basins are a critical component of the sediment-hosted Zn deposit model. An initial 8-12 RC drillholes will be completed at the Millennium target to test for zinc oxide mineralization and to assist in locating the follow up diamond drilling.

Last week, Encounter was awarded a \$150,000 drilling grant under the WA Government Exploration Incentive Scheme to co-fund this RC drill program as well as for follow up diamond drilling at the Millennium prospect.

### BM7 Diamond Drilling

To date five diamond holes have been completed testing down dip and to the south of the copper sulphide mineralisation intersected in the 2013 drilling program. The first assay results from this program are expected to be reported in July 2014.

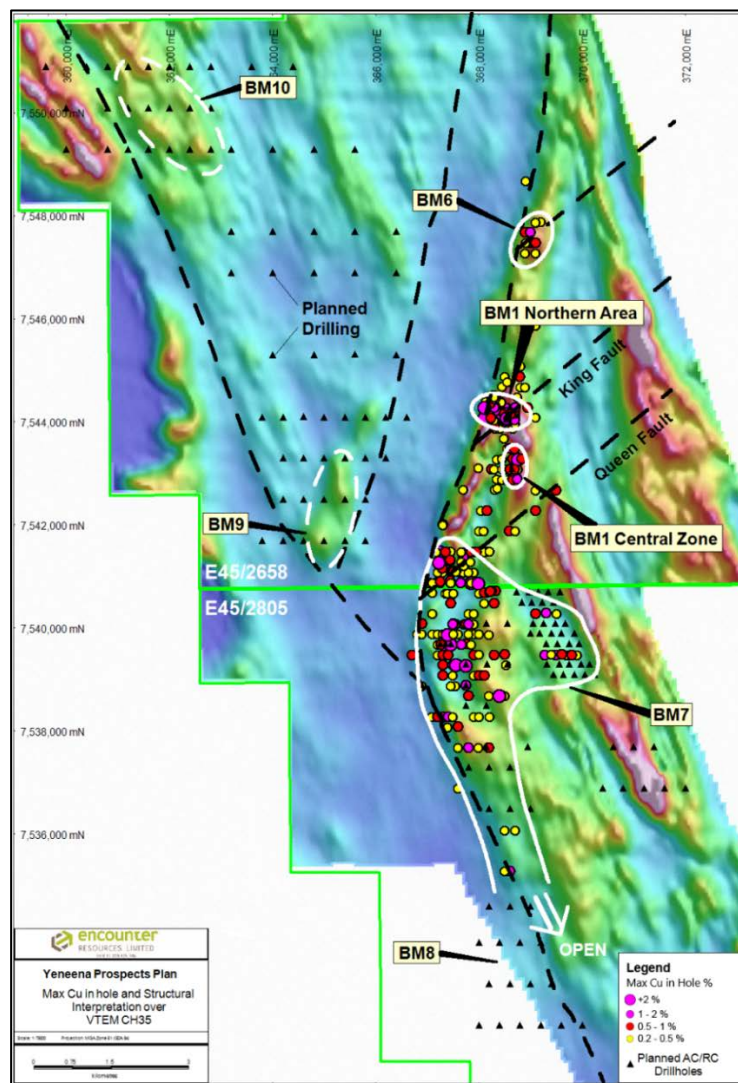


Figure 1. Yeneena Prospects Plan – Antofagasta area in

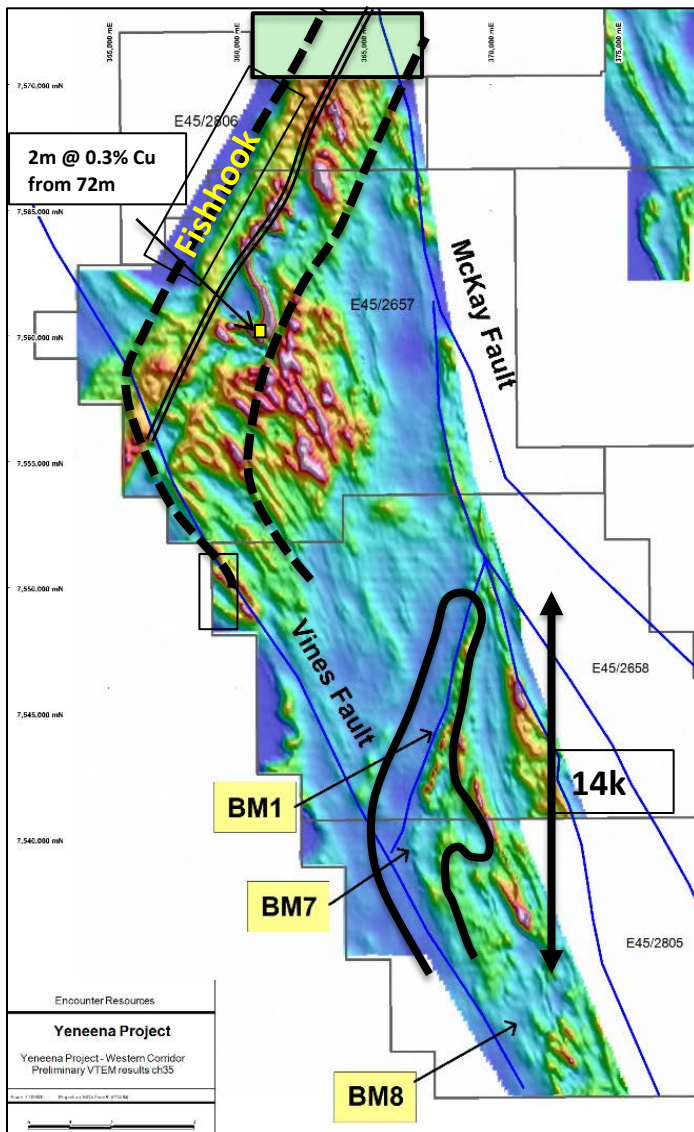


Figure 2. Fishhook Copper Prospect – Location Plan

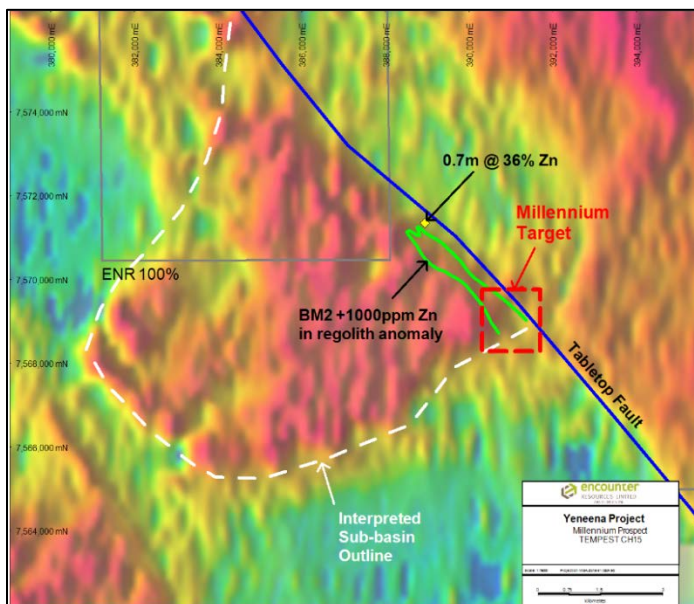


Figure 3. BM2 Millennium Zinc Prospect – Location Plan

## Project Background & Location Plan

The Yeneena Project covers 1,850km<sup>2</sup> 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 Hammer Metals 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.

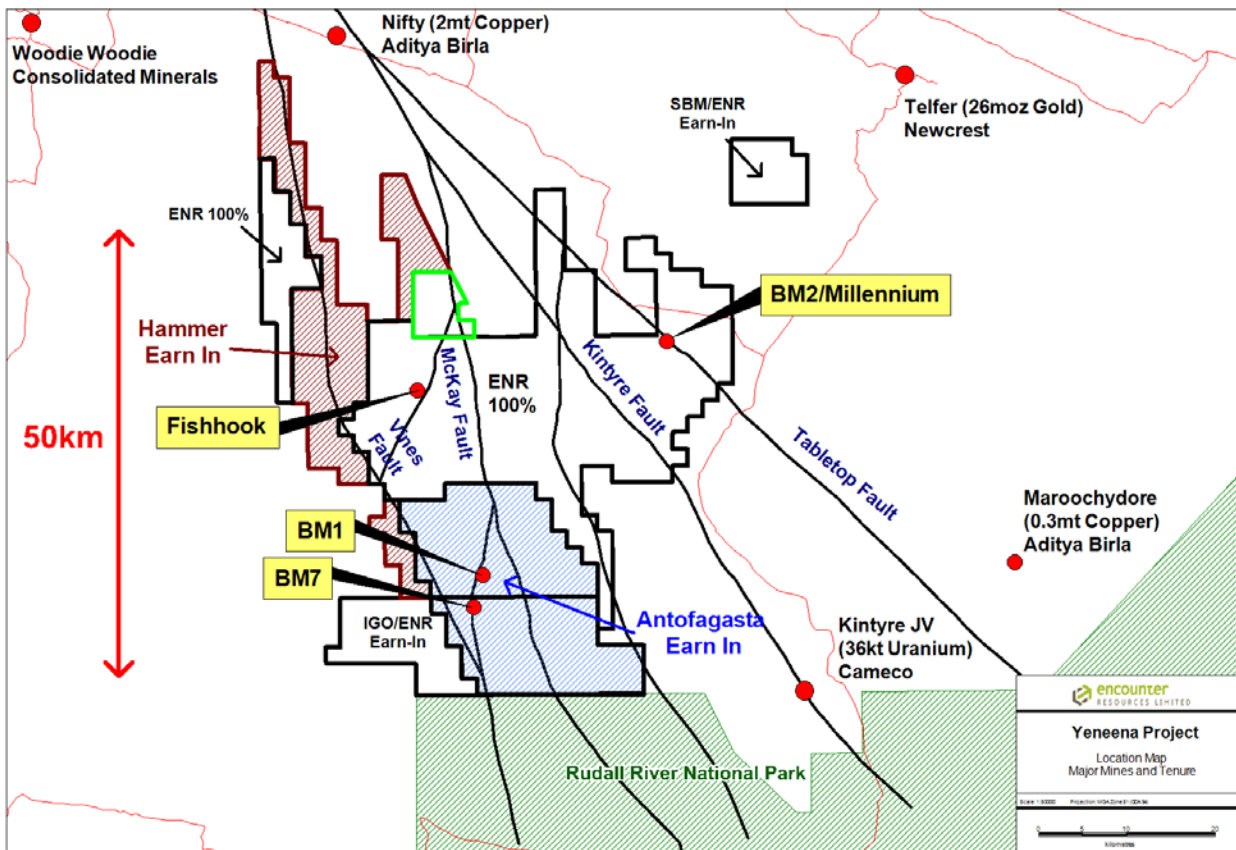


Figure 4. Yeneena Project leasing and targets areas

Certain exploration drilling results for BM1, BM2 and BM7 are first disclosed under 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.

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 presentation of the matters based on his information 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 in the relevant ASX releases and the form and context of the announcement has not materially changed.