

ASX : ENR

24 September 2014

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

Diamond Drill Hole EPT2093 Assay Validation

Diamond drill hole EPT2093 was drilled 1km south of the BM1 high grade copper oxide zone. The drill hole contained several narrow intervals highly elevated in silver and copper and difficult drilling conditions resulted in approximately 75% core loss in the hole (see ASX Announcement 16 September 2014).

The assay laboratory has now completed analysis of the coarse rejects from EPT2093 as stated in ASX announcement dated 16 September 2014. The coarse reject analysis supports the original chemical analysis that certain intervals from EPT2093 contain highly elevated silver and copper.

During this review, the laboratory identified possible drill bit fragments in the coarse rejects relating to the 0.3m interval from 143.4m. This interval returned an assay of 0.3m @ 2340g/t Ag and 1.7% Cu.

The elevated silver and copper samples from EPT2093 have been re-analysed for tungsten to help determine whether drill bit fragments may have contributed to the elevated silver and copper assays in the hole. The tungsten assay results and the correlation between the tungsten, copper and silver assays supports the likely presence of silver bearing diamond drill bit matrix contamination in EPT2093. Therefore, the assay results of EPT2093 reported in ASX announcement 16 September 2014 should not be considered representative.

Due to the significant core loss and the evidence of sample contamination, EPT 2093 is considered ineffective and the hole will need to be re-drilled to maximise core recovered and to test the defined target.

Project Background & Location Plan

The Yeneena Project covers 1,850km² 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 2). 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.

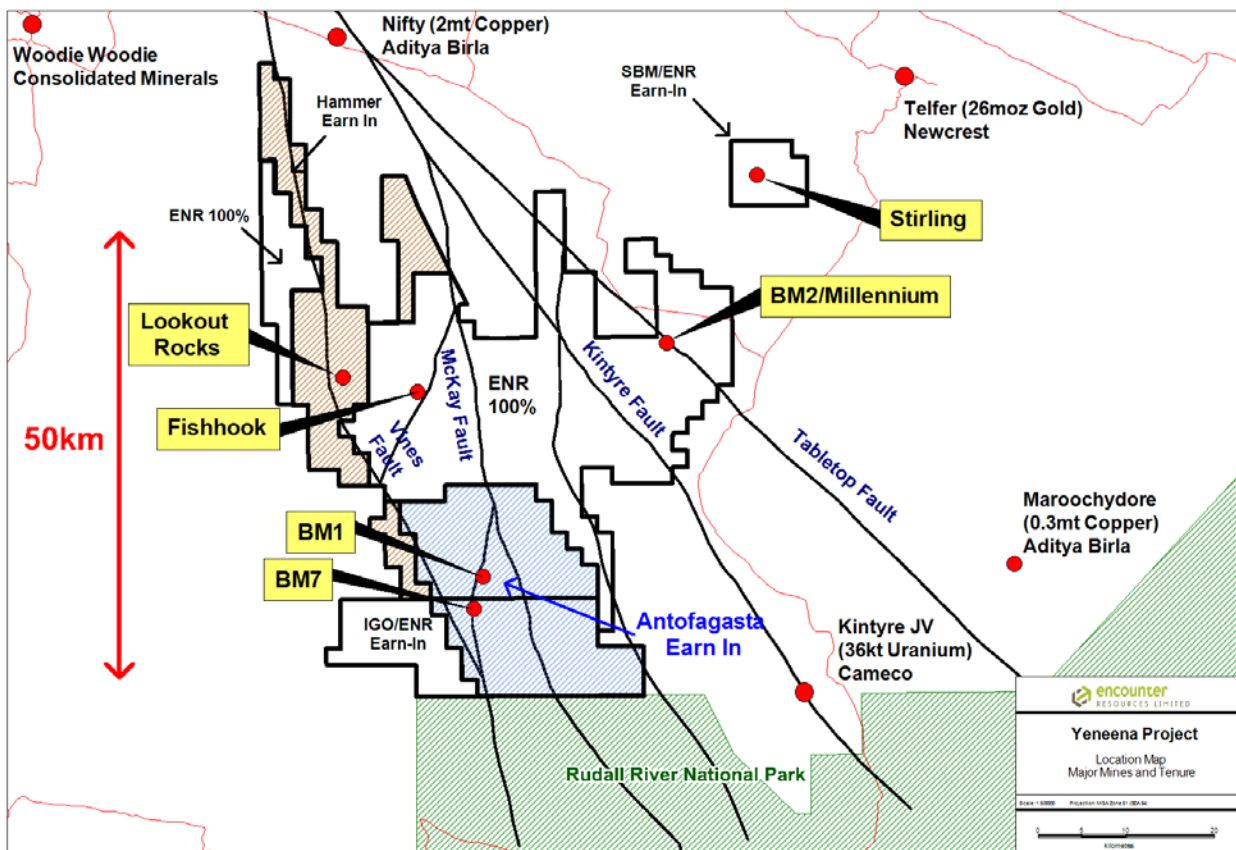


Figure 1. Yeneena Project leasing and targets areas

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 holds shares and options in and 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.