

ASX : ENR

29 October 2015

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

First Assays from RC Program at Millennium Zinc

- Assays results from the first two drill holes (EPT2260, EPT2261) of the recently completed RC program at Millennium have been received.
- EPT2260 contained a broad interval of weathered zinc mineralisation that has substantially extended the gossan zone at Millennium and included:
 - 70m @ 2.3% Zn from 182m to end of hole
- The gossan unit at Millennium has now been intersected in seven drill holes and is interpreted to be over 2km in strike extent. EPT2260 is the most strongly mineralised gossan intersection to date, the top of the interval is within 160 metres of surface and the increasing sulphur and silver assays towards the bottom of the hole indicate that the hole may have terminated close to the sulphide interface.
- Further diamond drilling is planned to be completed down dip of EPT2260 in November 2015
- EPT2261 has established continuity of the zone of zinc sulphide in the south-east of the Millennium prospect. This hole contained a sulphide intersection of 14m @ 1.8% Zn from 223m. EPT2261 is located 100m north-west of the previous intersection of 7m at 4.8% from 233m in EPT 2198 (see ASX announcement 12 January 2015) in a similar stratigraphic position.

The directors of Encounter Resources Ltd (“**Encounter**”) are pleased to provide the first assay results from the recently completed RC drill program at Millennium (90% Encounter). Millennium is located in the north-east of the Yeneena project of Western Australia and is subject to an Earn In Agreement with Hampton Hill Mining (“**HHM**”) (see ASX announcement 23 April 2015).

A total of 6 RC drill holes were completed at Millennium in September/October 2015. Two of these RC holes were drilled as pre-collars for diamond drilling. The diamond drill tails have also recently been completed. Assays results from the first two drill holes (EPT2260, EPT2261) of the RC program have been received.

EPT2260 contained a broad interval of weathered zinc mineralisation that has extended the gossan zone at Millennium. This interval returned an assay of 70m @ 2.3% Zn from 182m to end of hole. The gossan unit at Millennium has now been intersected in seven drill holes and is interpreted to be over 2km in strike extent. EPT2260 is the strongest mineralised gossan intersection to date and the top of the gossan is located within 160 metres of surface. The sulphur and silver assays from the gossan zone in EPT2260 increase towards to bottom of the hole indicating that the hole may have terminated close to the sulphide interface.

EPT2261 contained a sulphide intersection of 14m @ 1.8% Zn from 223m. EPT2261 is located 100m north-west of the previous intersection of 7m at 4.8% Zn from 233m in EPT 2198 (see ASX announcement 12 January 2015). EPT2261 has established the continuity of an interpreted zone of coherent zinc sulphide mineralisation located in the south-east of the Millennium prospect that requires further drill testing. A ground gravity survey was also completed in October 2015 in this area to extend gravity coverage to the south-east of the mineralised trend at Millennium.

The two further RC holes in the program (EPT2264 and EPT2258) also intersected zones of mineralised zinc gossan. These gossanous intersections are interpreted to not be as strongly mineralised at EPT2260. These drill holes have been submitted for chemical analysis with results pending.

EPT2257 and EPT2262 were pre-collared with the RC rig and completed with diamond drilling. Initial visual inspection of the core indicates that the carbonate shale contact in these holes is not well mineralised and is heavily brecciated and altered. It is interpreted that these two diamond holes have intersected positions where faulting has offset the mineralised contact. The potential remains to define additional mineralisation down dip and up dip of these post-mineralisation aged faulted positions. These drill holes will now be systematically logged, cut and submitted for chemical analysis.

Next Steps

At the south-east of the Millennium prospect, the recently collected gravity data will be interpreted in conjunction with all chemical assays from the recent drilling to design a systematic drill test of the interpreted extension of the mineralised contact. This program is expected to be completed at the start of the 2016 drill season.

Given the strong, near surface zinc mineralisation intersected in EPT2260 which ended in mineralisation grading 2% zinc and that this intersection is interpreted to be close to the sulphide interface, an additional phase of diamond drilling is planned. RC hole EPT2260 will be extended with a diamond tail and a new diamond drill hole will be completed to target the mineralised position approximately 150m down dip of the 70m @ 2.3% Zn drilled in EPT2260. This diamond drilling will commence in mid-November 2015.

The Millennium RC drilling program was co-funded under the WA Government Exploration Incentive Scheme.

Hole_ID	Northing (m)	Easting (m)	RL (m)	EOH(m)	Dip	Azi
EPT2257	7570983	389549	315	216	-75	180
EPT2258	7570805	389550	315	284	-60	180
EPT2260	7570621	389748	315	252	-60	180
EPT2261	7569948	390845	315	310	-60	180
EPT2262	7570055	390952	315	316	-60	180
EPT2264	7570203	390154	315	166	-60	180

Table 1: Drill hole collar location – Millennium

*Estimated drill hole coordinates GDA94 zone 51 datum. Collars positioned via handheld GPS (+/-5m). EOH = End of hole depth; m=metre; azi=azimuth. * Hole terminated following significant deflection of the RC pre-collar*

Hole ID	Prospect	From (m)	To (m)	Length (m)	Zinc %
EPT2260	Millennium	94	128	34	0.1%
and		182	252*	70	2.30%
EPT2261	Millennium	116	158	42	0.26%
and		215	283	68	0.61%
incl.		223	237	14	1.79%
and		309	310*	1	0.12%

Table 2: RC drilling assay results – Millennium (EPT2260 and EPT2261 only)

*Intervals are calculated at a 0.1% Zn lower cut-off, with internal higher grade intervals calculated at a 1% Zn lower cut-off. * Denotes end of hole interval.*

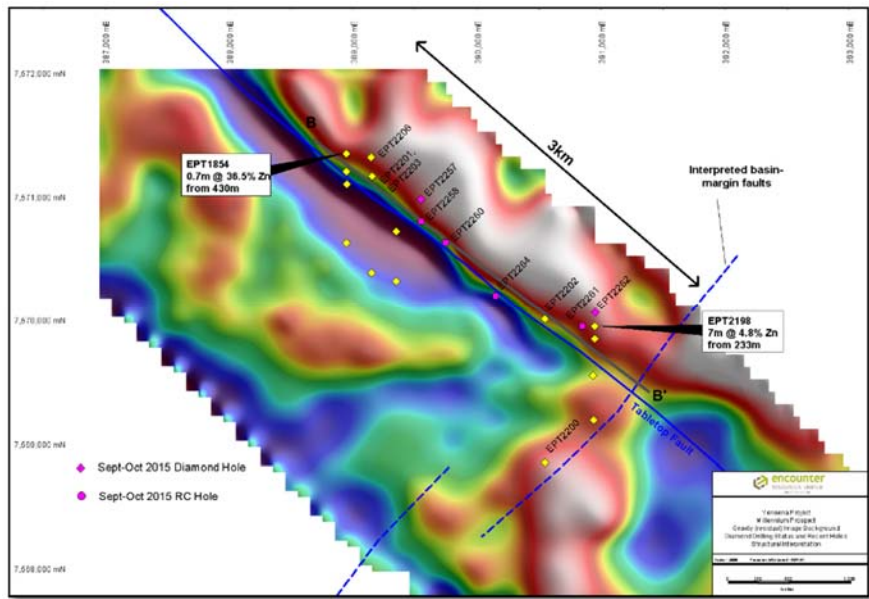


Figure 1: Drill hole collar location – Millennium

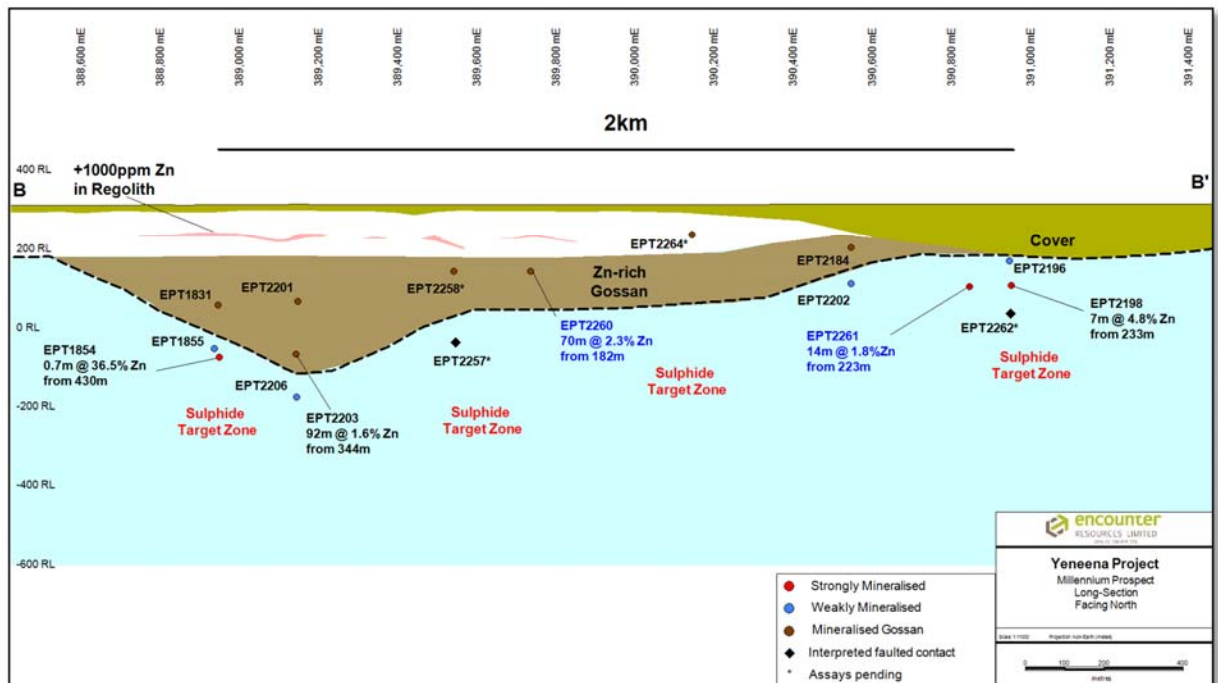


Figure 2: Drill hole long section (B – B') – Millennium showing diamond and recent RC holes only

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 3). The targets identified are located adjacent to major regional faults and have been identified through electromagnetics, geochemistry and structural targeting.

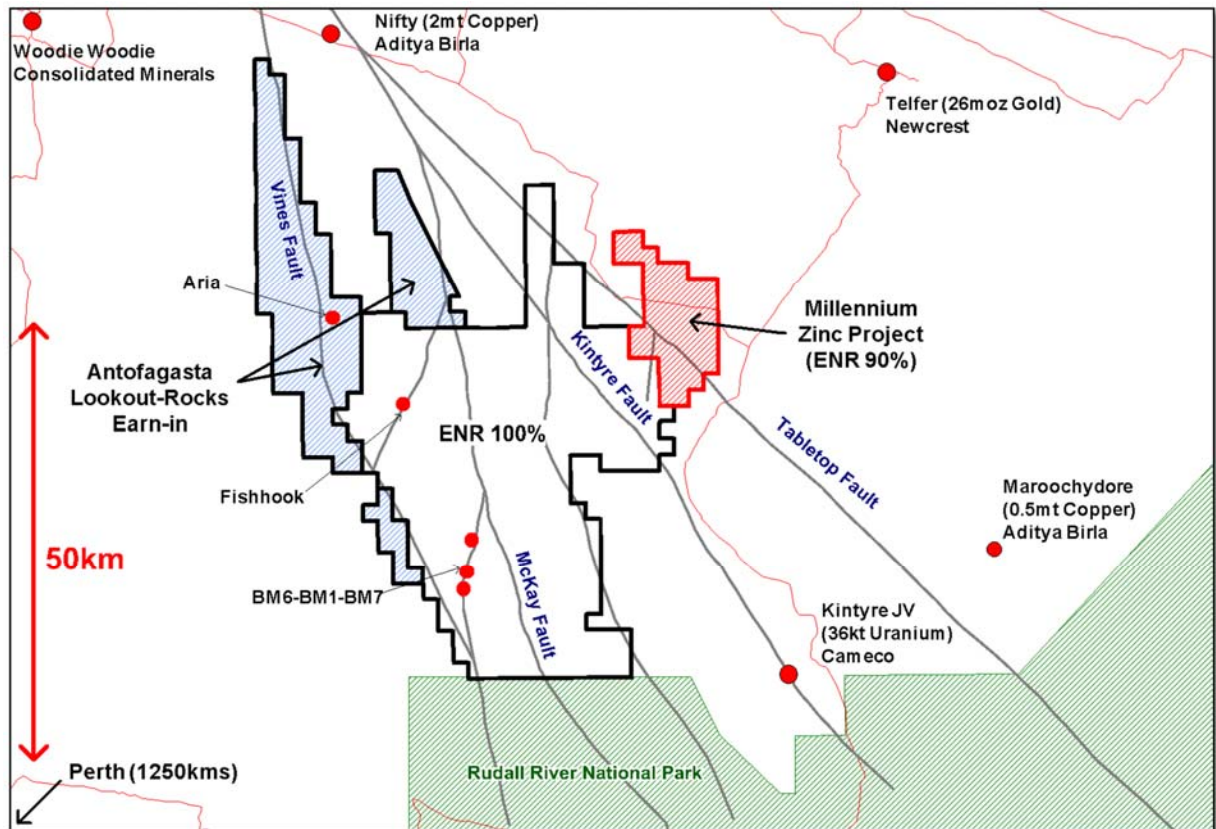


Figure 3: Yeneena Project leasing and targets areas

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.

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.

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p><i>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.</i></p>	<p>Millennium was sampled by Encounter using RC and diamond drilling. Six holes were drilled for a total of 1544m. The six holes were drilled on five north-south sections.</p> <p>Onsite handheld Niton XRF instruments were used to systematically analyse RC samples, with a single reading taken for each 1m sample or 2m composite sample produced during drilling. These results are only used for onsite interpretation and the XRF results are not reported.</p>
	<p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i></p>	<p>Drill hole collar locations were recorded by handheld GPS, which has an estimated accuracy of +/- 5m.</p>
	<p><i>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</i></p>	<p>Reverse circulation drilling was used to obtain 3-4 kg samples every 1m downhole via the onboard splitter. These samples were sent to Bureau Veritas Minerals Pty Ltd Laboratories in Perth, where they were dried, crushed, pulverised and split to produce a sub – sample for ICP – OES and ICP – MS analysis.</p>
Drilling techniques	<p><i>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).</i></p>	<p>RC drilling accounts for 100% of the results reported in this announcement. Holes were drilled using 4 1/2" diameter face sampling hammer.</p>
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed</i></p>	<p>RC sample recoveries were estimated as a percentage and recorded by ENRL field staff.</p>
	<p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i></p>	<p>Driller's used appropriate measures to maximise RC sample recovery and minimise down-hole and/or cross – hole contamination.</p>
	<p><i>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.</i></p>	<p>To date, no detailed analysis to determine the relationship between sample recovery and/or grade has been undertaken for this RC drill program.</p>

Criteria	JORC Code explanation	Commentary
Logging	<i>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.</i>	Geological logging is carried out on all drillholes, with lithology, alteration, mineralisation, structure and veining recorded. Where core was orientated, structural measurements are taken.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Geological logging is qualitative in nature and records interpreted lithology, alteration, mineralisation, structure, veining and other features of the samples.
	<i>The total length and percentage of the relevant intersections logged</i>	All drill holes will be logged in full by Encounter geologists.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No core samples reported in this announcement.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	RC samples were collected on the rig using a splitter. Samples were recorded as being dry, moist or wet by Encounter field staff.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Sample preparation was completed at Bureau Veritas Minerals Pty Ltd Laboratories in Perth. Samples were dried, crushed, pulverised (90% passing at a $\leq 75\mu\text{M}$ size fraction) and split into a sub – sample that was analysed using a 4 acid digest with an ICP – OES and ICP – MS finish.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Field QC procedures involve the use of commercial certified reference materials (CRMs) and in house blanks. The insertion rate of these will be at an average of 1:33.
	<i>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.</i>	Field duplicates were taken during RC drilling and were collected on the rig via a splitter at a rate of 1:50. The results from these duplicates are assessed on a periodical basis.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The sample sizes are considered appropriate to give an accurate indication of base metal anomalism and mineralisation at Millennium.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	The samples will be 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 will be ICP – OES (Al, Ca, Cu, Fe, Mg, Mn, Ni, P, S and Zn) and ICP – MS (Ag, As, Bi, Cd, Co, In, Mo, Pb, U, Sr and Tl).
	<i>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.</i>	Two handheld XRF instruments were used to systematically analyse RC samples and drill core onsite. The principal instrument used was a Thermo Scientific XL3t 950 GOLDD+. A Thermo Scientific XL3t 500 was also used infrequently. Reading times ranged from 20 – 25 seconds. Standards are analysed frequently to ensure accuracy.
	<i>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.</i>	Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of in house procedures. Encounter also submitted an independent suite of CRMs, blanks and field duplicates (see above). A formal review of this data is completed on an annual basis.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The intersections included in this report have not been verified.
	<i>The use of twinned holes.</i>	No twinned holes have been drilled.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Primary data is collected for Millennium on hand held printed forms and on toughbook computers using Excel templates and Maxwell Geoservice's LogChief software. Data collected was sent offsite to Encounter's Database (Datashed software), which is backed up daily.
	<i>Discuss any adjustment to assay data.</i>	No adjustments or calibrations are made to any assay data collected at Millennium.
Location of data points	<i>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.</i>	Drill hole collar locations are determined using a handheld GPS. Down hole surveys used single shot readings during RC drilling. These were taken at approximately every 30m downhole
	<i>Specification of the grid system used.</i>	The grid system used is MGA_GDA94, zone 51.
	<i>Quality and adequacy of topographic control.</i>	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	<i>Data spacing for reporting of Exploration Results.</i>	The six holes in this program were drilled on five separate north-south section. The sections vary from 100m-600m apart.
	<i>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.</i>	Mineralisation 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.
	<i>Whether sample compositing has been applied.</i>	RC samples from this program were composited from 1m sample piles into 2m composite samples.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	N/A – this is early stage drilling and the orientation of sampling to the mineralisation is not known.
	<i>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.</i>	This is early stage drilling and the orientation of sampling to the mineralisation is not known.
Sample security	<i>The measures taken to ensure sample security.</i>	The chain of custody is managed by Encounter. Samples will be delivered by Encounter personnel to Newcrest's Telfer Mine site and transported to the assay laboratory via McMahon's Haulage. Tracking protocols have been enacted to monitor the progress of all samples batches.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	Sampling techniques and procedures are regularly reviewed internally, as is data. To date, no external audits have been completed on the Millennium data.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>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.</i>	<p>The Millennium prospect is located within the tenement E45/2561, E45/2500 and E45/2501 which are 90% held by Encounter and 10% held by Hampton Hill Mining. The prospect area is subject to an Earn In Agreement with HHM, whereby HHM may up to a 25% interest in the prospect area.</p> <p>The tenements that host the Millennium prospect are subject to a 1.5% Net Smelter Royalty to Barrick Gold of Australia.</p> <p>This tenements are contained completely within land where the Martu People have been determined to hold native title rights.</p> <p>No historical or environmentally sensitive sites have been identified in the area of work.</p>
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Prior to activities undertaken by Encounter, no exploration of the Millennium area had been completed.
Geology	<i>Deposit type, geological setting and style of mineralisation</i>	Millennium 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 Millennium. Millennium is considered prospective for sediment – hosted zinc-lead mineralisation, with the McArthur River deposit in Queensland providing a basic conceptual model for exploration targeting.
Drill hole information	<p><i>A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> • <i>Easting and northing of the drill hole collar</i> • <i>Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar</i> • <i>Dip and azimuth of the hole</i> • <i>Down hole length and interception depth</i> • <i>Hole length</i> 	Refer to tabulations in the body of this announcement.
Data aggregation methods	<p><i>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.</i></p> <hr/> <p><i>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.</i></p> <hr/> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>All reported assays have been length weighted, with a nominal 0.1% Zn lower cut-off reported as significant in the context of the geological setting. No upper cuts-offs have been applied.</p> <hr/> <p>Higher grade intervals that are internal to broader zones of zinc mineralisation are reported as included intervals, using a lower cut-off of 1% Zn</p> <hr/> <p>No metal equivalents have been reported in this announcement.</p>

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<i>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').</i>	The geometry of the mineralisation is not yet known due to insufficient drilling in the targeted area.
Diagrams	<i>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.</i>	Refer to body of this announcement.
Balanced Reporting	<i>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.</i>	All significant intervals are reported with a 0.1% Zn lower cut-off (with internal higher grade intervals quoted at a 1% Zn lower cut-off).
Other substantive exploration data	<i>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.</i>	All meaningful and material information has been included in the body of the text. No metallurgical or mineralogical assessments have been completed.
Further Work	<i>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.</i>	Further drilling at Millennium is required to test the lateral and vertical extensions of the mineralised carbonate - shale contact. Diamond drilling is continue in November 2015.