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**ASX : ENR**

Company Announcements Office  
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Sydney NSW 2000

## **RC Drilling Commenced at Millennium Zinc**

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The directors of Encounter Resources Ltd (“**Encounter**”) are pleased to announce that a program of RC drilling has commenced at the Millennium zinc prospect (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 (“**HMM**”) (see ASX announcement 23 April 2015).

### **Background**

A program of five diamond drill holes was completed under the earn-in agreement with HMM in June 2015 (Figure 1). Assays results from drill holes EPT2201 and EPT2203 that intersected a depth extensive iron rich gossan zone confirmed broad intervals of weathered zinc mineralisation:

- EPT2203 - 91.8m @ 1.6% Zn from 344.4m
- EPT2201 - 38.7m @ 0.9% Zn from 255.8m

These intersections included a number of voids and significant core loss. The highly anomalous zinc mineralisation is contained within these zones supports the interpretation that they are likely to have formed by the oxidation of primary zinc sulphide mineralisation. This gossan unit has now been intersected in three drill holes, across two sections and is interpreted to be over 250m in strike extent and plunging to the south-east. This gossan unit may transition at depth into a body of zinc sulphide mineralisation.

The gossan zone intersected at Millennium has been preferentially oxidised down to a depth of approximately 400m from surface (Figure 2). EPT1854, located approximately 250 north-west and along strike of EPT2201 and EPT2203, intersected narrow zones of brecciated and laminated massive zinc sulphide mineralisation at a similar depth which returned assays of 0.7m @ 36.5% Zn and 37g/t silver (see ASX 13 December 2013). The sulphide intersection in EPT1854 may be representative of the primary precursor zone to the gossan intersected in EPT2201 and 2203.

Located approximately 2.5km to the south-east of the gossan in EPT2201 and 2203, drill hole EPT2198 intersected zinc sulphide mineralisation of 7m @ 4.76% Zn from 233m which included 1.4m @ 10% Zn from 234.55m (refer ASX release 12 January 2015).

The boundary between oxide and sulphide mineralization is expected to vary along strike at Millennium. This variation ranges from significant sulphide mineralisation intersected within

200m from surface in the south-east of the prospect in EPT2198, to preferential weathering up to 400m from surface in EPT2203 in the north-west.

### Planned program

The RC drilling program has been designed to provide an initial test of the undrilled gap along the shale-carbonate contact between the mineralised sections in the north and south of the prospect (Figure 3). The RC holes have been designed to test for extensions to the gossanous zone in EPT2201 and 2203 and provide pre-collars for future diamond drilling.

The RC program will also test along strike and down dip of EPT2198 which intersected zinc mineralisation associated with the shale-carbonate contact including 7m @ 4.76% Zn from 233m which included 1.4m @ 10% Zn from 234.55m (Figure 4).

Diamond drilling will test the interpreted south-east plunge to the zinc mineralisation intersected in drill holes EPT2201 and EPT2203 which intersected broad zones of gossan with highly elevated zinc that may transition at depth into a significant body of zinc sulphide mineralisation. The diamond drilling will commence following the completion of the RC program.

The location of the planned drill holes is shown in Figures 1 and 3.

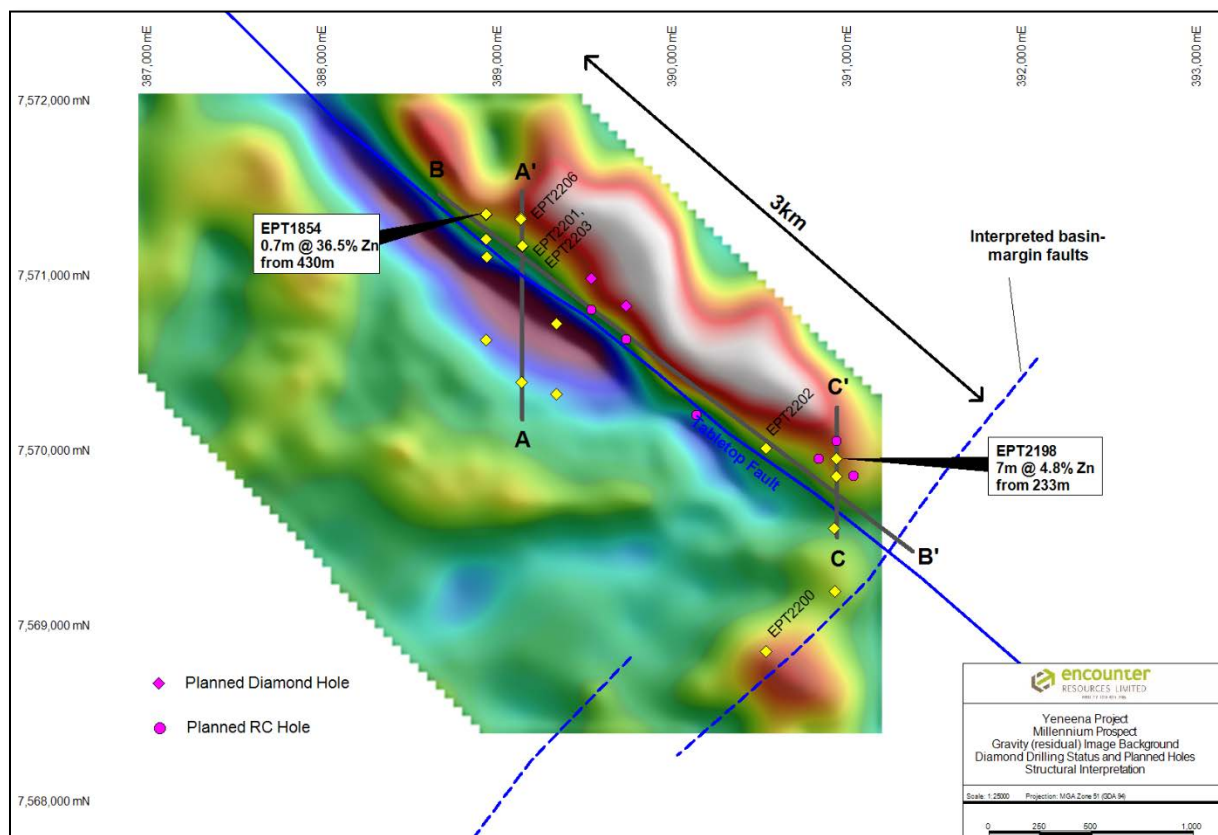


Figure 1: Diamond drilling collar location – Millennium with planned RC and diamond holes.

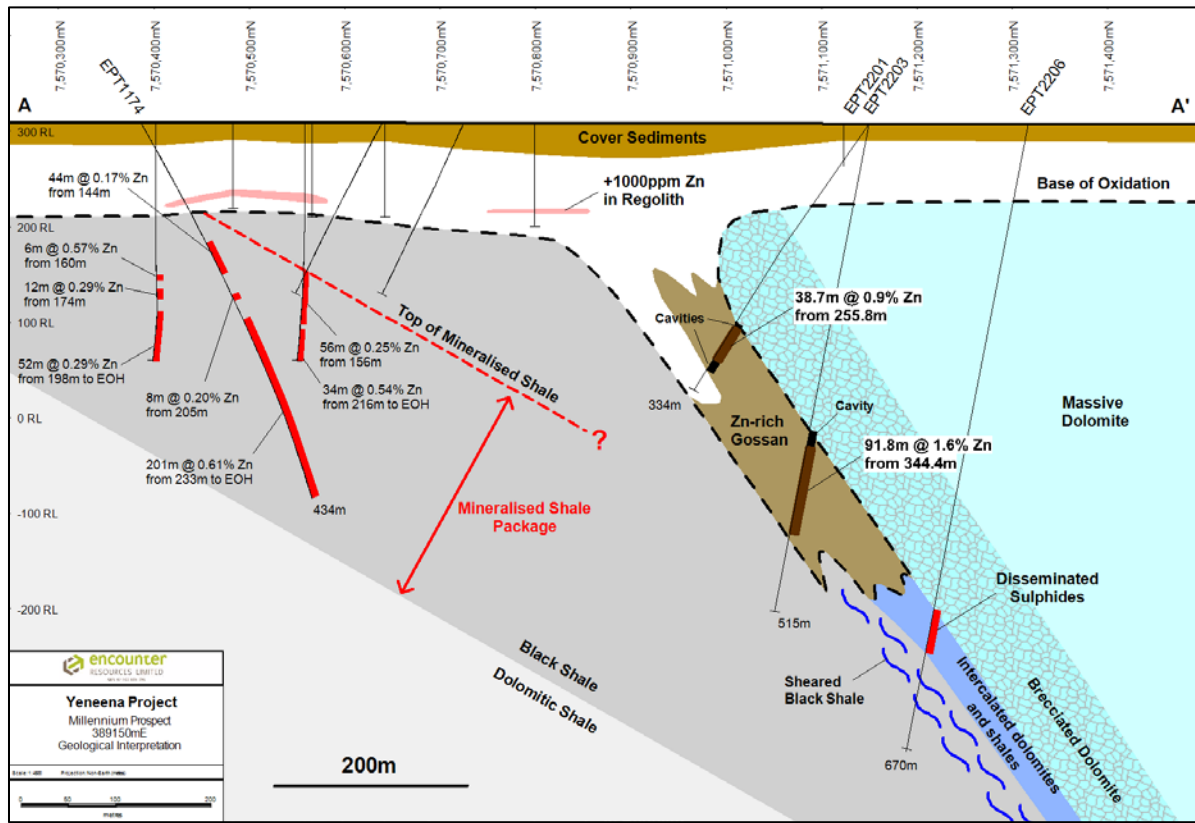


Figure 2: Cross Section 389150mE (A-A') – Millennium

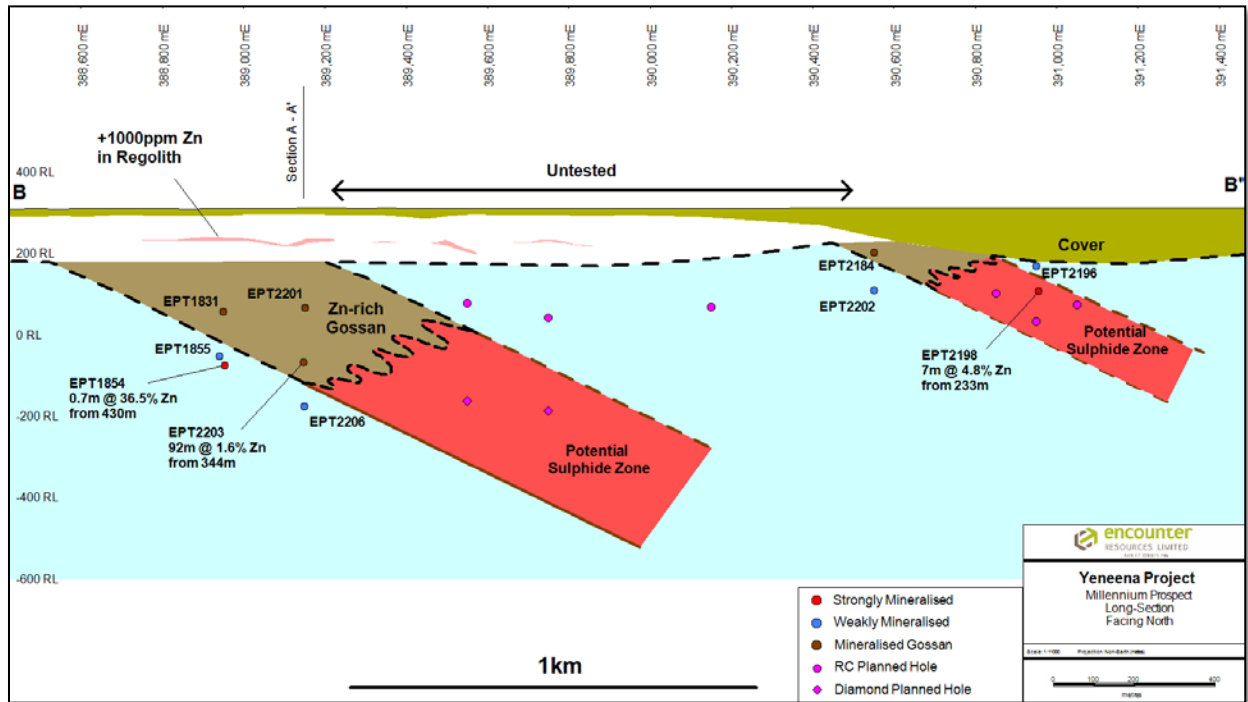


Figure 3: Diamond drilling long section (B-B') – Millennium

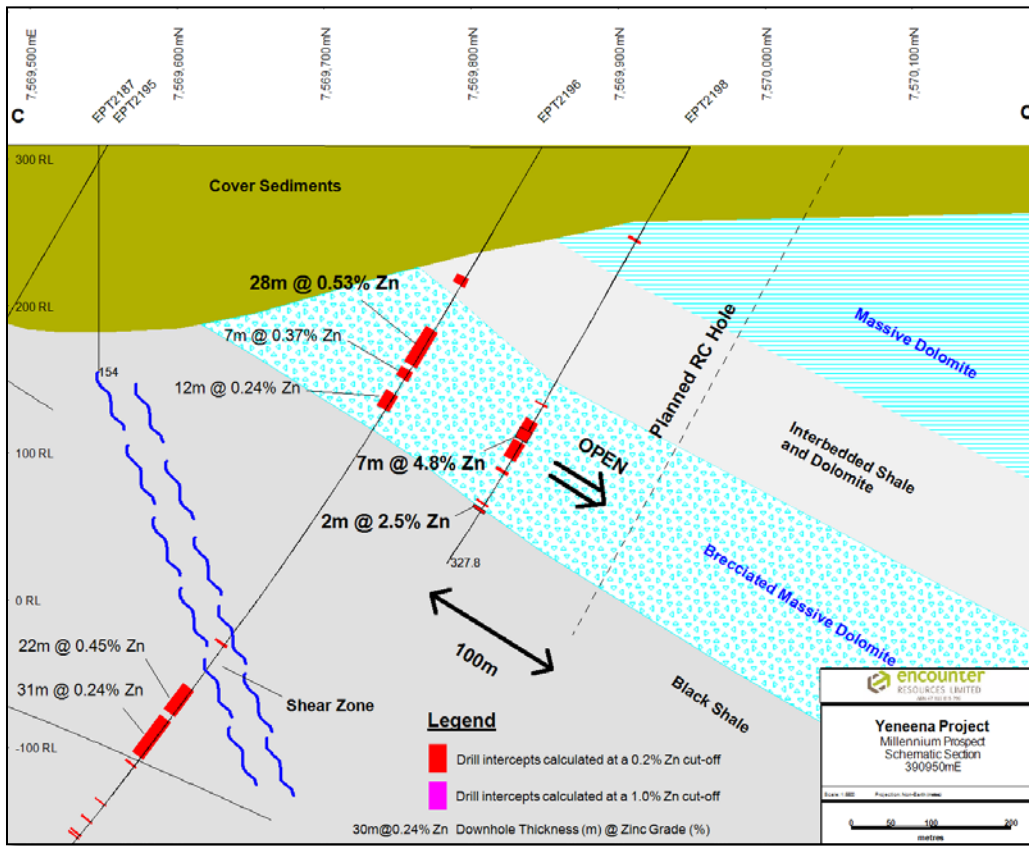


Photo 1: Gossan zone from ~ 281m in EPT 2201



Photo 2: Gossan zone from 408.9m to 419.2m in EPT2203

## Location Plan

The Yeneena Project covers 1,800km<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.

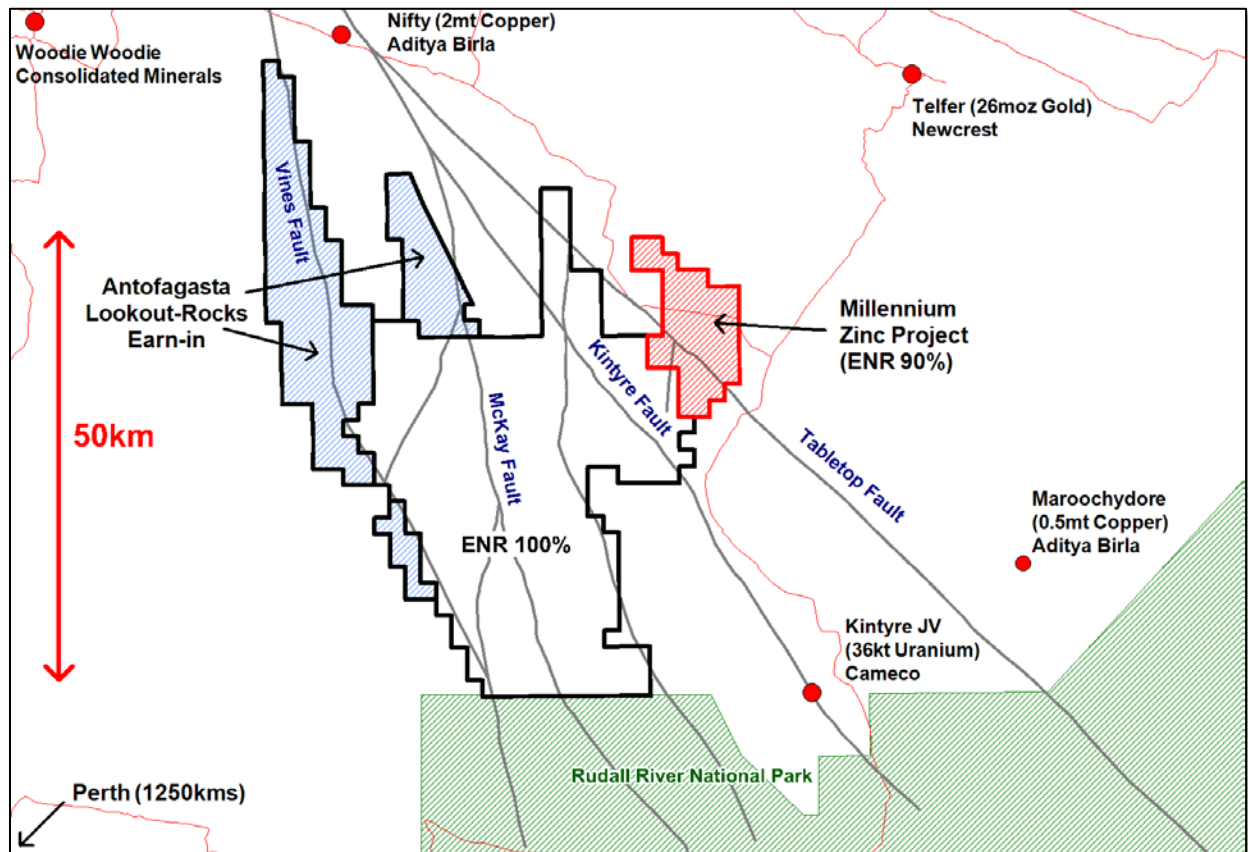


Figure 5: Yeneena Project leasing and targets areas

*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.*