

A highly active, well funded exploration company advancing a suite of greenfield discoveries in the Paterson Province of Western Australia

ASX Code

ENR

Market Cap (31/10/14)

A\$23m (\$0.17/share)

Issued Capital (31/10/14)133.8 million ordinary shares
10.2 million employee options**Cash (30/09/14)**

A\$3.3M

Board of Directors & ManagementMr. Paul Chapman
Non-Executive ChairmanMr. Will Robinson
Managing DirectorMr. Peter Bewick
Exploration DirectorDr. Jon Hronsky
Non-Executive DirectorMr. Kevin Hart / Mr. Dan Travers
Joint Company Secretary**www.enrl.com.au**Level 7, 600 Murray Street
West Perth WA 6005P: 08 9486 9455
F: 08 6210 1578

contact@enrl.com.au

HIGHLIGHTS**YENEENA PROJECT - Paterson Province, WA**

The Yeneena Project ("Yeneena") consists of a major ground position between the Nifty copper mine, the Telfer gold-copper mine and the Kintyre uranium deposit where Encounter has made a series of greenfield base metal discoveries that demonstrate the potential of the area for large tonnage, high quality deposits.

BM1-BM7 Copper/Cobalt Discovery (Antofagasta earning in)

- At BM7, EPT2158 intersected a broad zone of copper sulphide mineralisation (140m @ 0.2% Cu) including several bands grading over 1% Cu and 1.3m @ 3.2% Cu from 250.4m. EPT2158 is located 400m north of a previous intersection of 5.3m @ 2.5% Cu.
- At BM1, diamond drilling to the south-east of the BM1 oxide zone intersected copper sulphide mineralisation which remains open to the south east.
- Positive results were obtained from initial metallurgical leach testing on BM1 copper oxide material. Copper oxide samples >1% Cu yielded an average recovery of 87%.
- RC drilling intersected new zones of copper mineralisation north-east of BM1 and also at the BM7 East prospect. Further work is planned to assess the significance of the mineralisation identified along this eastern margin of the system.

Fishhook (Encounter 100%)

The first diamond drill program at the Fishhook project was successful with drilling intersecting disseminated and blebby copper sulphide mineralisation within a sequence containing highly oxidised 'red-rock altered' sediments. These initial results are considered regionally significant and open up the potential for further copper occurrences along this previously untested northern corridor.

Millennium Zinc (Encounter 100%)

First pass RC drilling confirmed the presence of highly elevated, end of hole zinc mineralisation at the Millennium prospect. The prospect is located 2.5km south-east, and along strike, of the BM2 prospect where Encounter intersected massive zinc sulphide mineralisation (0.7m @ 36.5% Zn and 37g/t Ag) in late 2013. A follow up EIS co-funded diamond drilling program at Millennium has commenced.

CORPORATE

Encounter remains well funded with a cash balance of \$3.3M at 30 September 2014. Subsequent to the quarter a placement of 1,250,000 shares at 20c per share was completed to facilitate an escalation in drilling activities at the Millennium zinc prospect.

EXPLORATION

PATERSON PROVINCE

YENEENA COPPER - COBALT PROJECT

- 100% Encounter - E45/2500, E45/2501, E45/2502, E45/2503, E45/2561, E45/2657, E45/2806, E45/4230 and ELA45/4408
- Antofagasta earning into E45/2658 and E45/2805
- Encounter 100%, Independence Group NL (IGO) Option ELA45/4316
- Encounter earning into E45/3232 and E45/3308 from St Barbara Ltd (SBM)
- Encounter earning into E45/3768 and E45/4091 from Hammer Metals Ltd (HMX) formerly Midas Resources Ltd

Yeneena covers a 1,850km² tenement package in the Paterson Province of WA located between the Nifty copper mine, the Woodie Woodie manganese mine, the Telfer gold-copper mine and the Kintyre uranium deposit (Figure 1).

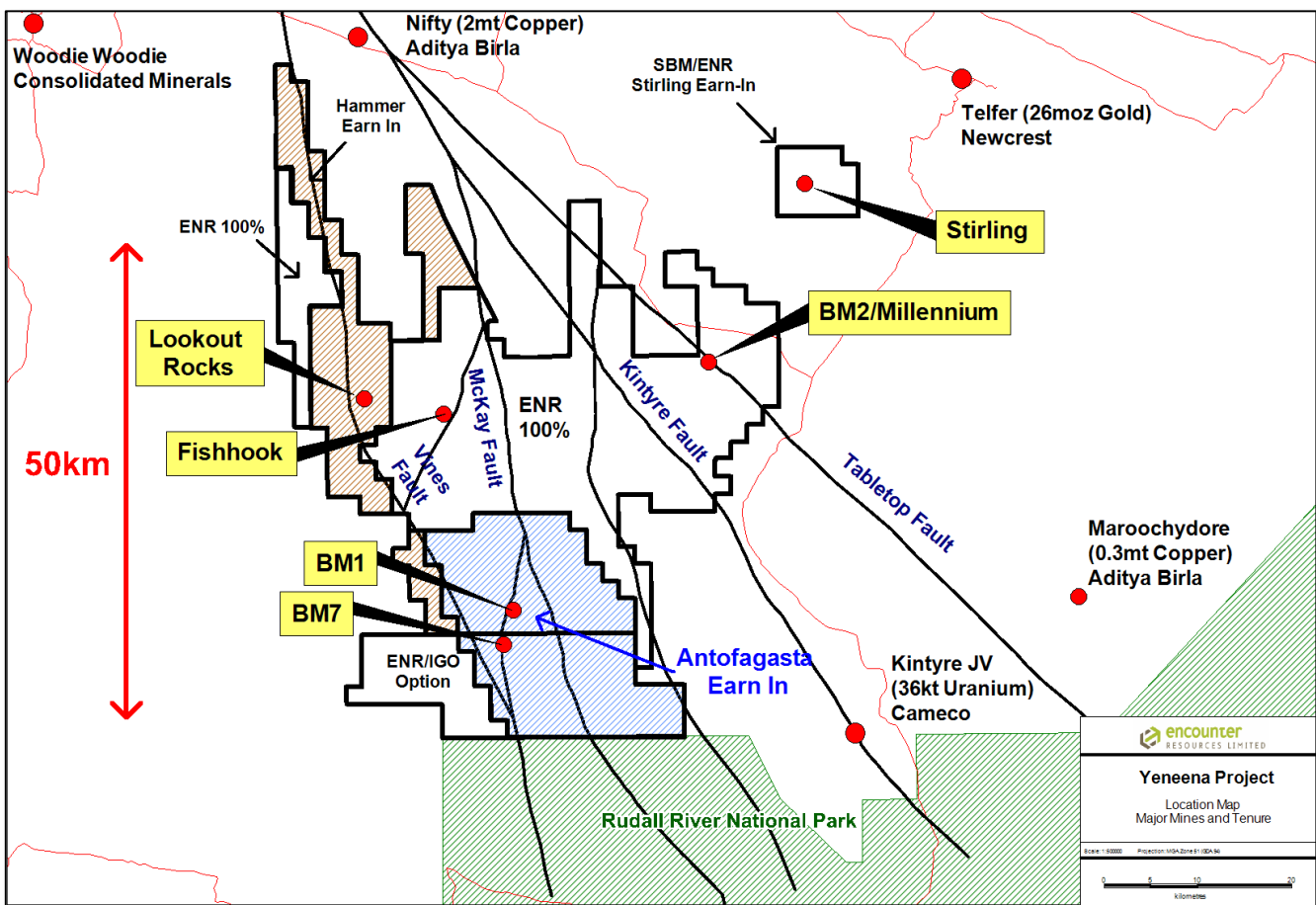


Figure 1: Yeneena project leasing and target areas with major regional faults

Diamond drilling continued in the BM1/BM7 area as part of the Antofagasta earn-in with 8 holes completed for a total of 3,012m. Diamond drilling was also completed at the Fishhook project as part of an EIS co-funded drill program with 2 holes drilled for a total of 865m. A second drill rig completed Aircore (AC) and Reverse Circulation (RC) at BM1, BM7 East, Fishhook, Stirling and Millennium totaling 162 holes for 14,321 metres.

**BM1-BM6-BM7-BM8-BM9-BM10
(Antofagasta Earning In)**

The two Antofagasta earn-in tenements, E45/2658 and E45/2805, host the BM1, BM6, BM7, BM8, BM9 and BM10 prospects.

Diamond and RC drilling continued at BM1 and BM7. In the quarter, 8 diamond drill holes for a total of 3,012m were completed with drilling conducted at the BM1 Northern Zone, BM1 Central Resistor, BM1 Magnetic Target and BM7 prospects (see Figure 2).

RC drilling was completed at the BM1 NE and BM7 East targets. In total, 25 RC holes were drilled for a total of 3,047m. Results confirmed copper sulphide mineralisation at both prospects.

Results from the trial metallurgical leach testing were also received during the quarter.

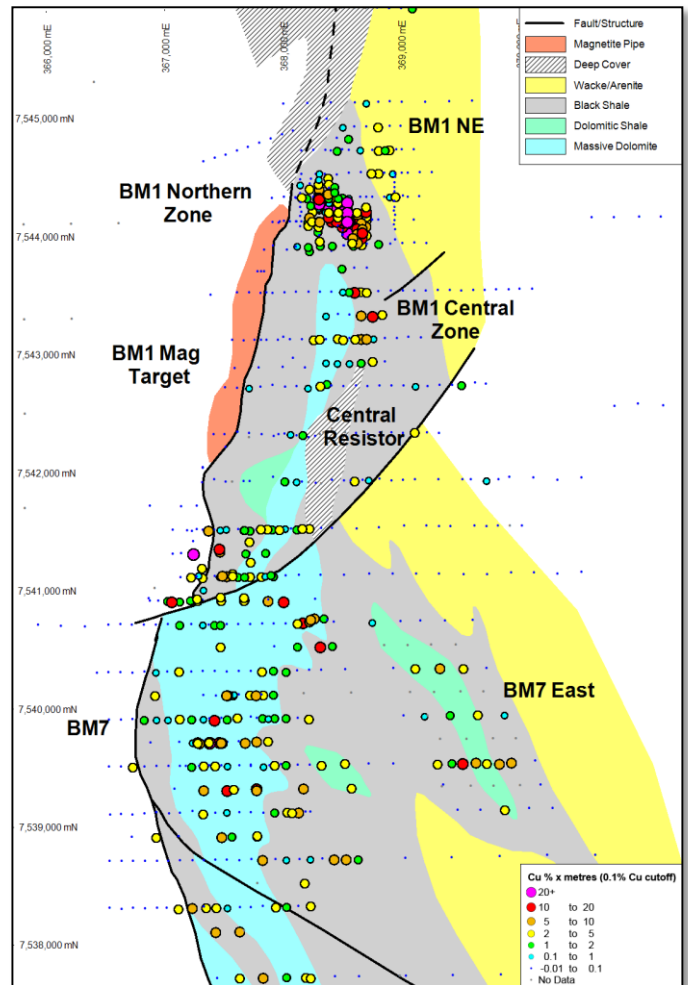


Figure 2: BM1 to BM7 area – targets, geology and major regional structures (Holes coloured by Cu% x metres)

BM1 Prospect – Diamond Drill Program

The BM1 Northern Zone contains a significant accumulation of near surface, high grade copper oxide mineralisation over an area approximately 500m by 250m. In the June 2014 quarter, RC drilling extended the area of oxide mineralisation to the south east with intersections including:

- 45m @ 1.4% Cu from 12m including 16m @ 3.2% Cu from 26m (EPT 2063)
- 47m @ 1.0% Cu from 11m including 15m @ 1.5% Cu from 42m (EPT 2066)
- 50m @ 1.1% Cu from 12m including 19m @ 2.3% Cu from 31m (EPT 2072)

Of particular interest was the intersection of shale hosted supergene copper mineralisation in 2 of the holes on the eastern margin of the RC program (see ASX Announcement 15 July 2014).

A 3 hole diamond drilling program was also completed to test for copper sulphide mineralisation down dip to the east of the recent high grade oxide intersections and to test for the possibility of structurally controlled, steeply dipping mineralisation at depth. Diamond hole collar locations for the 3 hole diamond program are shown in Figure 3.

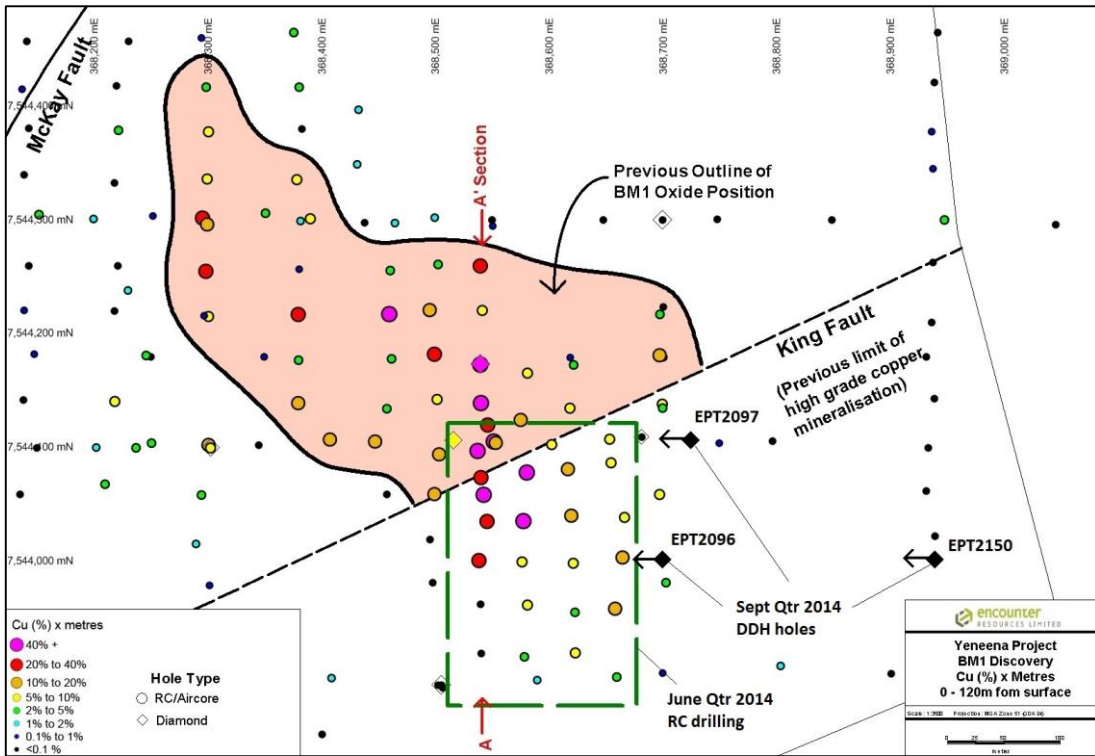


Figure 3 – BM1 Northern Zone drill hole grade thickness map (Copper grade% x metres)

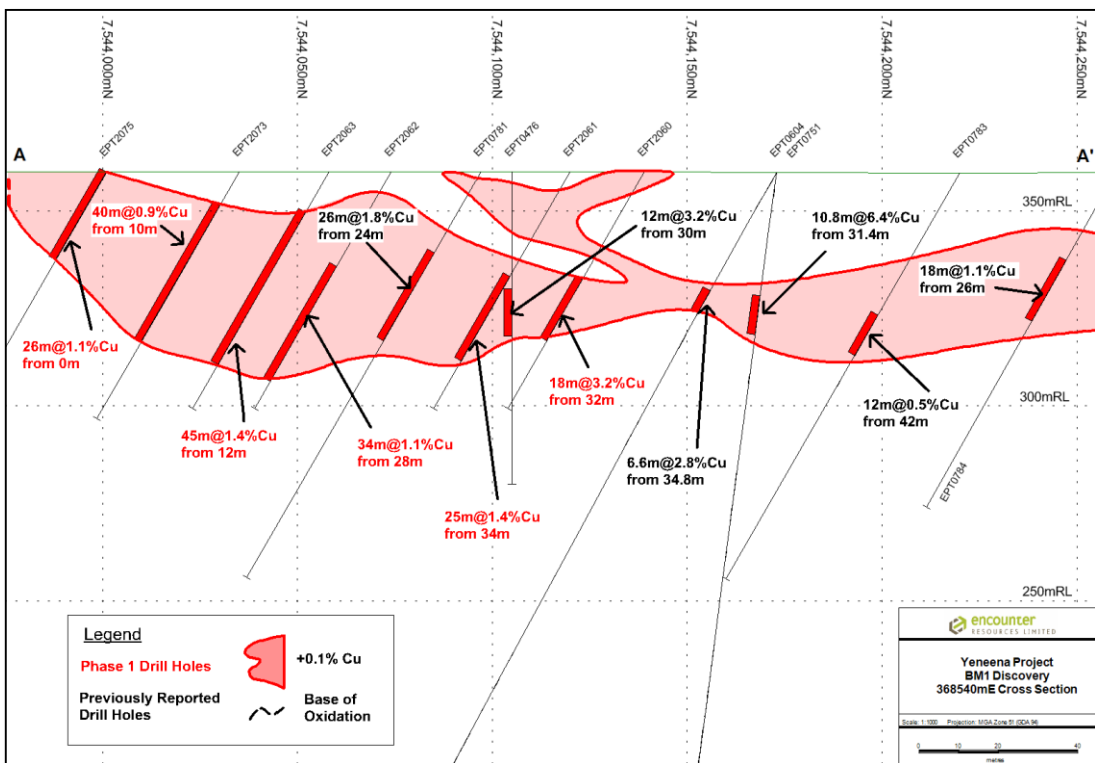


Figure 4 – BM1 Cross Section A-A' 368540mE

EPT 2096, being the most south western of the 3 diamond holes, intersected a complex brecciated zone containing strongly altered clasts and evidence of pre-depositional alteration. The breccia trends along a north south structural orientation and appears to be associated with a zone a massive pyrite approximately 1km south at the BM1 Central Zone.

Details and available assay results from the BM1 diamond drilling can be found in Tables 1 and 2.

Hole ID	Northing (m)	Easting (m)	RL (m)	EOH (m)	Dip	Azi
EPT2096	7544000	368700	360	360.3	-60	270
EPT2097	7544100	368740	360	248.0	-60	270
EPT2150	7544001	368903	360	281.9	-60	270

Table 1: BM1 Northern Zone diamond drill hole information

Drill hole coordinates GDA94 zone 51 datum. Collars located via handheld GPS (+/-5m), EOH = End of hole depth; m=metre; azi=azimuth.

Hole ID	Depth from (m)	Depth to (m)	Interval (m)	Copper (%)
EPT2096	38.0	43.5	5.5	0.20
and	55.7	59.0	3.3	0.50
and	70.2	76.0	5.8	0.45

Table 2: BM1 Northern Zone diamond drill hole assay summary

Intervals listed are composited from individual assays using a nominal cut off of 0.1% copper. Zones of below 0.1% copper have been included in some composite calculations.

BM1 Prospect – Preliminary metallurgical leach testwork

A total of 90 samples were taken from representative mineralised regolith domains at BM1 to undergo initial metallurgical leach testwork. Sample pulps were digested in 5% sulphuric acid solution for 1 hour, at a controlled temperature. The liquor was analysed utilizing an ICP-OES. This method is used to mimic a typical industry-standard leach solution and provides a preliminary indication of recoveries and mineralogy.

The results for the higher grade material were positive, with an average recovery of 80% for copper oxide samples >0.5% Cu (31 samples). Encouragingly, recoveries for copper oxide samples >1% Cu (20 samples) yielded an average recovery of 87%.

Further work will focus on quantifying the regolith domains with better recoveries to assess the potential size of the recoverable copper oxide position at BM1.

BM7 Prospect

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

The BM7 prospect is located at the intersection of the north-east trending Queen Fault and a NNW to NNE trending splay off the regionally-extensive McKay Fault (Figure 1). A 6km long and up to 3km wide copper regolith anomaly outlines the BM7 system that is coincident with a broad area of resistive geology.

Diamond drilling at BM7 has been primarily focused on the western side of the regolith anomaly in the zone of most resistive geology. The 400m to 800m spaced diamond drilling has defined a gently east-dipping sequence of interbedded carbonates and carbonaceous and calcareous shales. All diamond holes drilled along this western margin have intersected zones of disseminated copper sulphide mineralisation. The strongest mineralisation to date has been intersected in the northern half of the BM7 system in EPT1719 (5.3m @ 2.5% Cu from 387.6m including 0.7m @ 10.7% Cu from 388.6m) (Reported pursuant to the 2004 Edition of the JORC Code – refer ASX announcement 22 October 2013)

During the quarter a single diamond hole was drilled at BM7, collared 400m north of EPT1719 (Figure 5). This hole, EPT2158, intersected an anomalously thick package of carbonate stratigraphy containing bands of carbonaceous shale. Copper sulphide mineralisation was noted over a broad interval downhole with stronger mineralised zones occurring at the margins of the carbonate bodies including a narrow vein of massive chalcopyrite mineralisation at ~250m (Photo 1). Assay results were received for EPT2158 together with 2 holes drilled in the June 2014 quarter. Results are summarized in Table 4.

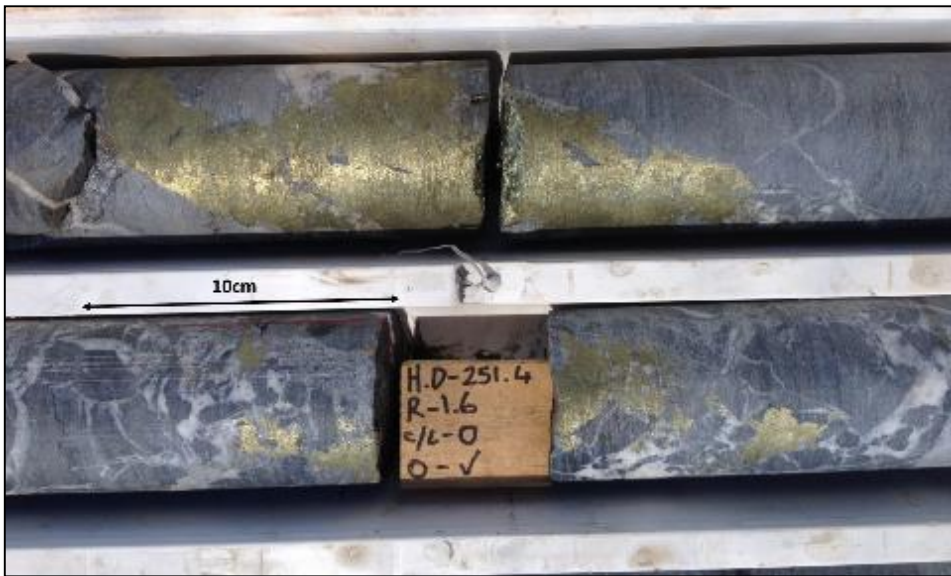


Photo 1: EPT 2158 - 250.4m to 250.7m assays 8.9% copper

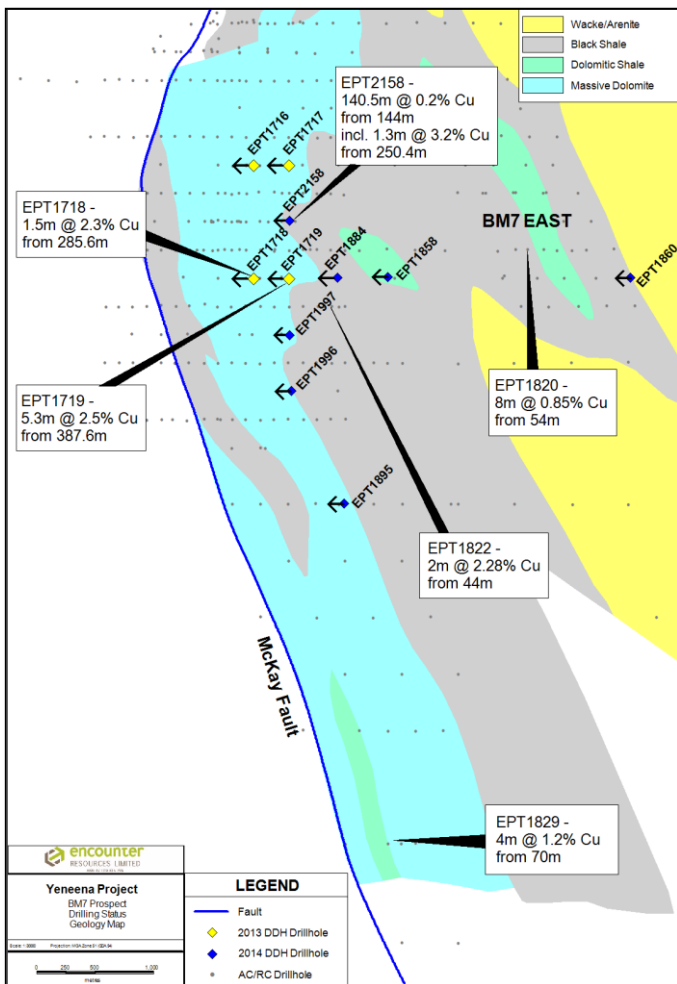


Figure 5 : BM7 Drill Status Plan

Hole ID	Northing (m)	Easting (m)	RL (m)	EOH (m)	Dip	Azi
EPT2158	7539704	367750	360	454.6	-60	270

Table 3: BM7 diamond drill hole information – EPT2158

Drill hole coordinates GDA94 zone 51 datum. Collars located via handheld GPS (+/-5m), EOH = End of hole depth; m=metre; azi=azimuth.

Hole ID	Depth from (m)	Depth to (m)	Interval (m)	Copper (%)	Silver (ppm)
EPT1996	22	32	10	0.17	-
and	84	88	4	0.22	2.5
and	138.7	139.7	1	0.13	1.0
and	144.7	152.8	8.1	0.19	-
and	155.55	157.85	2.3	0.12	-
and	162.75	164	1.25	0.13	-
and	165.7	166.5	0.8	0.14	-
and	168.95	171.85	2.9	0.12	-
and	178.2	178.4	0.2	0.19	11.0
and	262.65	271.1	8.45	0.13	-
and	281.2	284.15	2.95	0.27	-
and	299.7	305.3	5.6	0.11	-
and	320.5	322	1.5	0.12	-
and	328.1	328.5	0.4	0.15	2.0
and	332	334.8	2.8	0.36	-
and	338	339	1	0.25	-
EPT1997	54	66	12	0.21	1.1
and	177.7	179	1.3	0.16	-
and	200	201	1	0.14	-
and	207	208	1	0.12	-
and	209	210	1	0.16	-
and	215	216	1	0.11	-
and	235.2	238.35	3.15	0.23	-
and	283.5	284.8	1.3	0.23	-
and	289.9	293	3.1	0.22	1.0
and	307	317	10	0.24	-
and	319.7	320.5	0.8	0.10	1.0
and	339	340	1	0.16	-
and	359	365	6	0.14	-
and	375	379	4	0.15	-
EPT1894	46	56	10	0.26	2.2
and	119.85	137.7	17.85	0.12	-
EPT2158	38.9	66.3	27.4	0.34	1.5
incl.	55	56	1	1.91	6
and	144	284.45	140.45	0.19	-
incl.	144	165.5	21.5	0.29	-
incl.	172	173	1	0.10	-
incl.	182.45	183.5	1.05	0.13	-
incl.	191.45	193.5	2.05	0.11	-
incl.	199	208	9	0.13	-
incl.	213.45	222	8.55	0.20	-
incl.	227.3	238.3	11	0.29	-
incl.	245.95	256	10.05	0.60	-
incl.	250.4	251.65	1.25	3.23	3.7
incl.	250.4	250.7	0.3	8.92	9
incl.	262	263	1	0.55	-
incl.	268.48	271.52	3.04	0.20	-
incl.	278	280	2	1.24	-
incl.	284.12	284.45	0.33	1.68	-
and	308	311	3	0.14	-

and	340	342	2	0.28	-
and	348.5	359	10.5	0.35	-
incl.	348.5	349.5	1	1.59	1
and	362	363	1	0.18	2.0
and	364	365	1	0.11	-
and	403.5	405	1.5	0.14	-

Table 4: BM7 diamond drill hole assay summary – EPT 1996, EPT1997 and EPT2158

Intervals listed are composited from individual assays using a nominal cut off of 0.1% copper. Zones of below 0.1% copper have been included in some composite calculations

The mineralised carbonate/shale package at BM7 is underlain by a flat lying, large-scale thrust (termed the “Footwall Shear”). Alteration, mineralisation and geology of the sedimentary sequence change abruptly across the Footwall Shear which gives rise to the possibility of late movement across the Footwall Shear and displacement of the mineralised sequence. Further geochemical and structural investigation is required to determine if the mineralisation at BM7 has been offset by the Footwall Shear.

The broad spaced diamond drilling along the BM7 mineralised sedimentary sequence shows a strengthening of the copper mineralisation in the northern half of the prospect. Possible vectors to larger accumulations of copper sulphide mineralisation are currently being reviewed with the area downdip to the east north east of EPT1719 and EPT2158 remaining open. A 3D review of the structure, alteration signatures and trace element geochemistry will be conducted to define possible vectors to thicker accumulations of high grade copper sulphides.

BM7 East Prospect

The BM7 East Prospect was identified in 2013 during wide-spaced aircore drilling east of the BM7 Prospect. The copper oxide blanket contains zones of higher grade copper oxide mineralisation and the laterally extensive copper regolith anomaly extends over 2km in strike. Intersections from the BM7 East area include:

- **EPT1820 - 34m @ 0.4% Cu from 52m incl. 8m @ 0.9% Cu from 54m**
- **EPT1844 - 18m @ 0.4% Cu from 46m incl. 6m @ 0.7% Cu from 54m**

(refer ASX Announcement 27 November 2013)

Further RC drilling was conducted during the quarter to infill the current drill-spacing to 400m spaced sections. This program encountered similar copper grades to previous drilling, and confirmed the continuity of the copper regolith anomaly. A significant alteration package of siderite and dolomite underlies the core of the anomaly, and primary copper sulphide (chalcopyrite) has been identified in one of the eastern RC holes (EPT1879) indicating a shallow easterly dip.

It is interpreted that the extensive regolith copper anomalism results from the direct weathering/oxidation of a body, or bodies of copper sulphide mineralisation. No diamond drilling has effectively tested this target at depth.

BM1 NE Prospect

The BM1 NE Prospect is located 400m north-east of the BM1 Prospect. Previous AC drilling in the area had identified copper regolith anomalism however the drilling was considered ineffective as it failed to reach the depth of the sulphide interface. The BM1 NE prospect is hosted with a package of shale and thin interbedded arenites.

During the quarter, 7 RC holes were drilled for 1,007m, which pushed past the depth of the sulphide interface and through the package of interbedded shales and arenites. Copper sulphides were observed within black shales bordering strongly leached arenites. It is interpreted that the arenites have been strongly leached by weathering processes, and potentially these arenites could have

hosted higher grade zones of primary copper sulphide mineralisation. These mineralised horizons remain open at depth.

Hole ID	Prospect	Northing (m)	Easting (m)	RL (m)	EOH (m)	Dip	Azi
EPT2151	BM1 NE	7544698	368860	360	139	-90	0
EPT2152	BM1 NE	7544700	368955	360	151	-90	0
EPT2153	BM1 NE	7544501	368805	360	142	-90	0
EPT2154	BM1 NE	7544501	368920	360	151	-90	0
EPT2155	BM1 NE	7544498	369001	360	151	-90	0
EPT2156	BM1 NE	7544302	368896	360	137	-90	0
EPT2157	BM1 NE	7544305	369007	360	136	-90	0
EPT1861	BM7 East	7540702	368733	360	114	-90	0
EPT1862	BM7 East	7540703	368970	360	137	-90	0
EPT1863	BM7 East	7540704	369139	360	129	-90	0
EPT1864	BM7 East	7540705	369347	360	81	-90	0
EPT1865	BM7 East	7540703	369579	360	120	-90	0
EPT1875	BM7 East	7539905	368993	360	145	-90	0
EPT1876	BM7 East	7539900	369172	360	121	-90	0
EPT1876A	BM7 East	7539901	369195	360	67	-90	0
EPT1877	BM7 East	7539905	369404	360	71	-90	0
EPT1877A	BM7 East	7539907	369389	360	145	-90	0
EPT1878	BM7 East	7539902	369600	360	72	-90	0
EPT1878A	BM7 East	7539905	369621	360	133	-90	0
EPT1879	BM7 East	7539901	369847	360	127	-90	0
EPT1888	BM7 East	7539099	369446	360	118	-90	0
EPT1889	BM7 East	7539097	369639	360	148	-90	0
EPT1890	BM7 East	7539099	369849	360	151	-90	0
EPT1891	BM7 East	7539104	370050	360	136	-90	0
EPT1892	BM7 East	7539103	370250	360	122	-90	0

Table 5: BM1 NE & BM7 East RC drill hole information

Drill hole coordinates GDA94 zone 51 datum measured via handheld GPS (+/-5m), EOH = End of hole depth; m=metre; azi=azimuth.

Hole ID	Prospect	Depth from (m)	Depth to (m)	Interval (m)	Copper (%)	Silver (ppm)
EPT2152	BM1 NE	110	112	2	1150	-
EPT2153	BM1 NE	30	36	6	2250	-
and	BM1 NE	48	56	8	2195	2.3
and	BM1 NE	96	104	8	3495	4.5
and	BM1 NE	116	122	6	3167	2.3
EPT2154	BM1 NE	26	28	2	1630	-
and	BM1 NE	30	32	2	1080	-
and	BM1 NE	96	98	2	4620	-
and	BM1 NE	146	148	2	1190	-
EPT2156	BM1 NE	62	64	2	3070	1.0
and	BM1 NE	80	84	4	2180	1.5
EPT1861	BM7 EAST	102	104	2	5720	5.0
EPT1864	BM7 EAST	22	28	6	1633	-
EPT1865	BM7 EAST	50	52	2	3430	-
EPT1876	BM7 EAST	104	112	8	1106	-
and	BM7 EAST	118	120	2	2130	-

EPT1877A	BM7 EAST	64	66	2	1440	-
and	BM7 EAST	76	84	8	1056	-
and	BM7 EAST	112	120	8	1933	-
and	BM7 EAST	128	130	2	1190	-
EPT1878A	BM7 EAST	102	133	31	1752	-
EPT1879	BM7 EAST	86	90	4	4050	10.0
and	BM7 EAST	106	108	2	1050	-
EPT1888	BM7 EAST	30	32	2	1100	-
EPT1889	BM7 EAST	24	26	2	1110	-
EPT1890	BM7 EAST	34	62	28	2369	-

Table 6: BM1 NE & BM7 East RC drill hole assay summary

Intervals listed are composited from individual assays using a nominal cut off of 0.1% copper. Zones of below 0.1% copper have been included in some composite calculations.

BM2/Millennium Prospects (Encounter 100%)

The BM2/Millennium prospects are located approximately 35km north-east of the BM1-BM7 copper (Figure 1). Previous drilling at the BM2 prospect intersected high-grade zinc mineralisation (0.7m @ 36.5% Zn and 37g/t Ag – Figure 7) along a prospective shale-dolomite contact extending 2km SE towards the newly identified Millennium prospect (refer ASX Announcement 13 December 2013).

Millennium is located at the interpreted intersection of the margin of a thickened sequence of Broadhurst sediments (sedimentary sub-basin) and the regionally extensive NW trending Tabletop fault (Figure 6). This is a typical geological setting for major sediment-hosted zinc deposits.

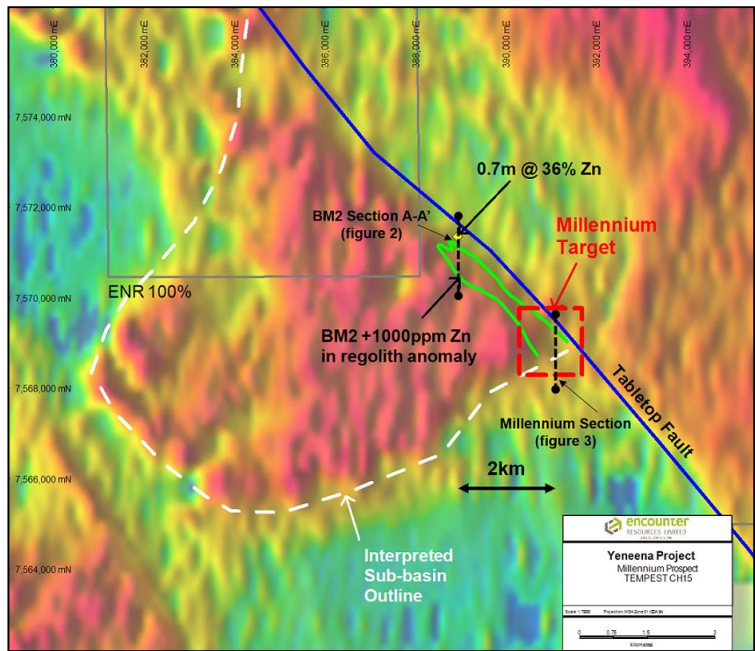


Figure 6: VTEM – BM2 / Millennium Prospect

The first ever RC drilling campaign at Millennium was completed in the quarter. Pleasingly, significant regolith and/or end-of-hole zinc anomalism was intersected in most drill holes. Initial interpretation of the assays suggest a significantly stronger and thicker zinc oxide anomaly and sulphide halo at Millennium in comparison to the BM2 prospect. Results include:

- 49m @ 0.35% Zn and 0.08% Pb from 82m to EOH (EPT 2164A)
- 31m @ 0.40% Zn from 84m to EOH including 6m @ 1.26% Zn from 98m (EPT 2184).

EIS co-funded diamond drilling commenced in October 2014 at Millennium. A 1,000m program is testing for stratiform zinc-lead sulphide mineralisation adjacent to the interpreted shale-dolomite contact as well as for mineralisation hosted along this key contact (Figure 8).

In late October 2014, 1,250,000 ordinary fully paid shares were issued to drilling services contractor (DDH1) in lieu of cash consideration for the provision of drilling services and to facilitate an escalation of drilling activities at Millennium.

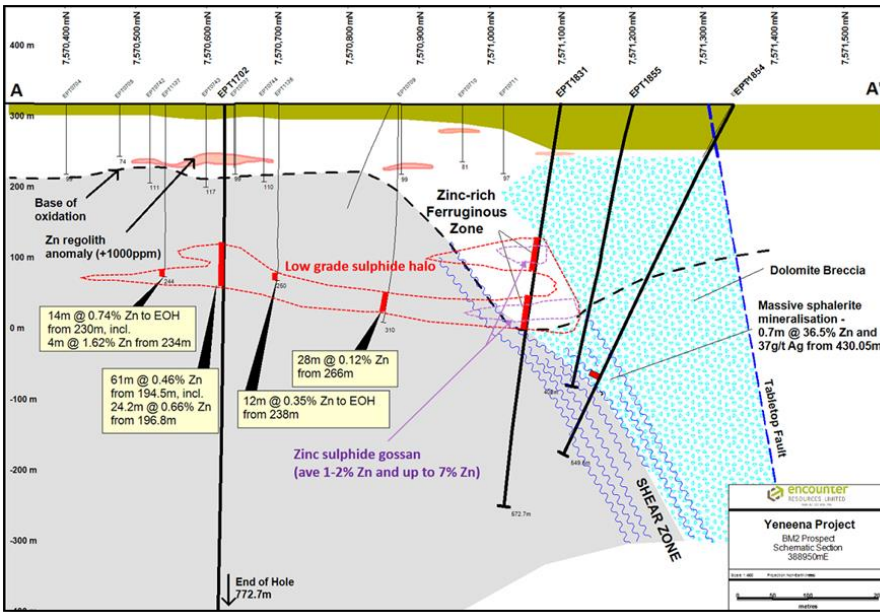


Figure 7: Interpreted cross section 38950mE – BM2 prospect

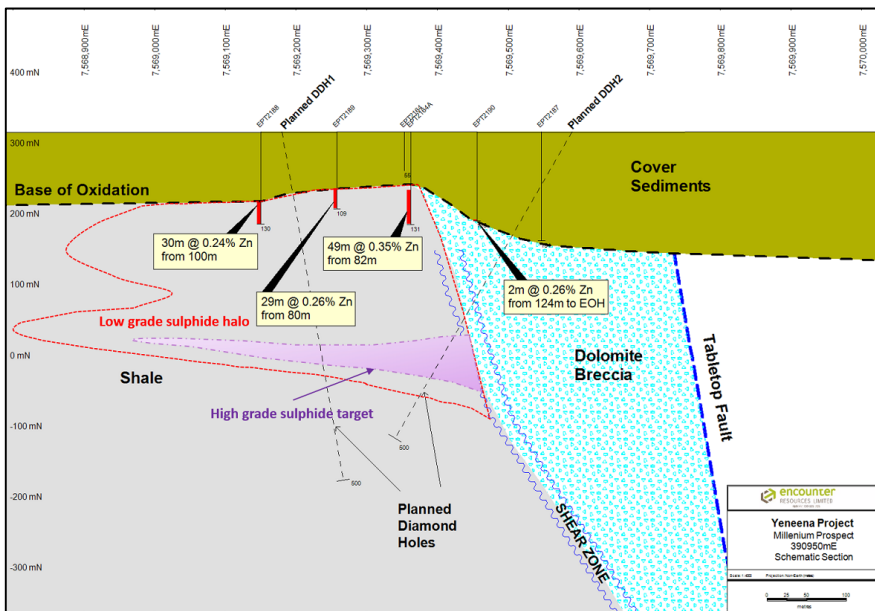


Figure 8: Interpreted cross section 390950mE - Millennium prospect

Fishhook Copper Project (Encounter 100%)

The success of the copper exploration program at the Yeneena project and the discovery of a large copper-cobalt mineral system at BM1-BM7 has encouraged Encounter to expand its activities over untested regional copper targets.

The Fishhook project covers an area of over 100km² and located approximately 20km north of BM1-BM7 (see Figure 1). The project is predominantly sand covered (typically 2-10m) with limited outcrop. Beneath this sand cover lies the prospective Broadhurst Formation, the host to mineralisation at the BM1-BM7 prospects and the Nifty Copper Deposit, which is located 45km to the NW of Fishhook.

Encounter conducted a 7,500m regional AC drilling program over Fishhook in the quarter. This was the first systematic, broad-spaced shallow drilling in the area.

The AC program highlighted a number of areas of interest including two targets for immediate follow up, as detailed below:

- **Moby Dick target (Figure 10):** This target is a 2km long +0.1% copper geochemical anomaly coincident with a resistive geophysical anomaly.
- **Orca target (Figure 10):** This target is located approximately 5km south west of Moby Dick. AC and EIS co-funded RC drilling in the area has outlined a north west trending, 800m long copper geochemical anomaly located adjacent to the regionally significant Vines Fault. Previous shallow drilling indicates the anomaly contains copper with assays up to 0.4% Cu, 104g/t silver and end of hole bedrock copper anomalism grading above 0.1% Cu (see ASX Announcement 30 September 2014).

A 2 hole, 865m follow-up diamond drilling program was completed in the quarter. Initial observations show copper sulphides (Photos 2, 3 & 4) hosted within a sequence of highly-oxidised “red rock altered” sandstones and shales and zones of sericitic altered shales/dolomites (Photo 5) at both Moby Dick and Orca.

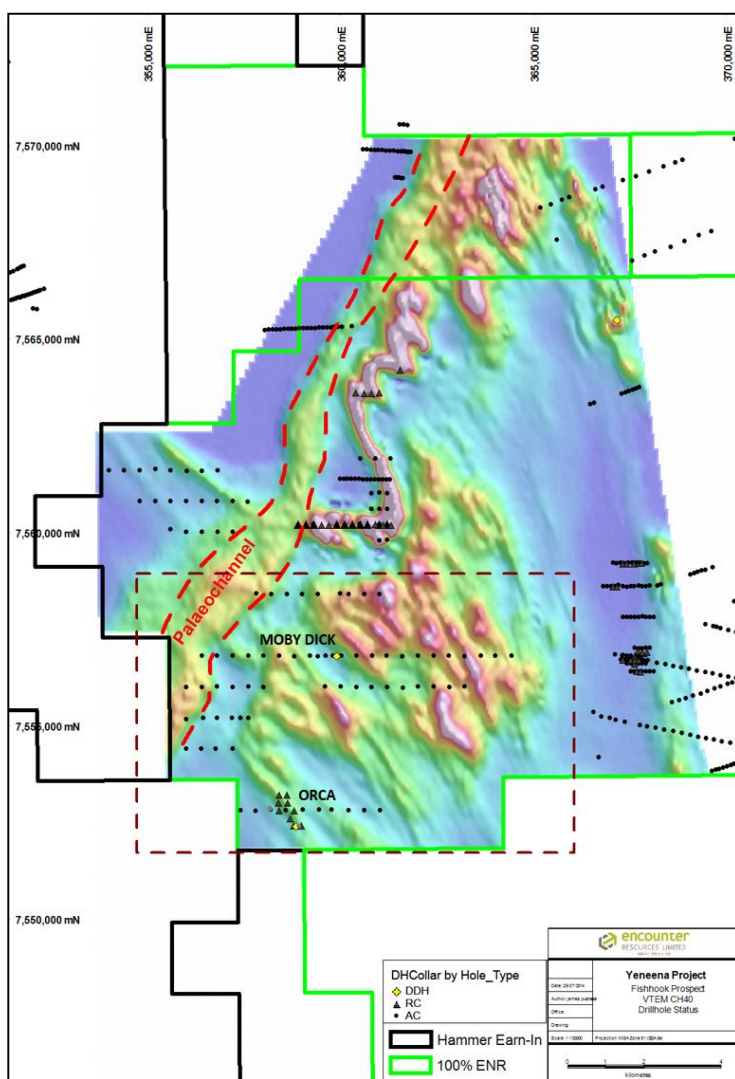


Figure 9: Fishhook Project – Drill status plan over electromagnetics

This initial diamond drilling program has been successful with the 2 diamond holes spaced 5km apart and both exhibiting key elements of the sediment hosted copper model in a traditional Central-African copper belt setting. At Fishhook, the Broadhurst sediments are in close proximity to the underlying thickened sandstone sequence and have undergone extensive red-rock alteration. Mineralisation appears to be concentrated along more reduced horizons within the sequence which provides a focus for the copper mineralisation.

The RC and diamond drilling at Fishhook was co-funded to \$150,000 under the WA government EIS. Assay results for the Fishhook diamond drilling are expected in November/December 2014.

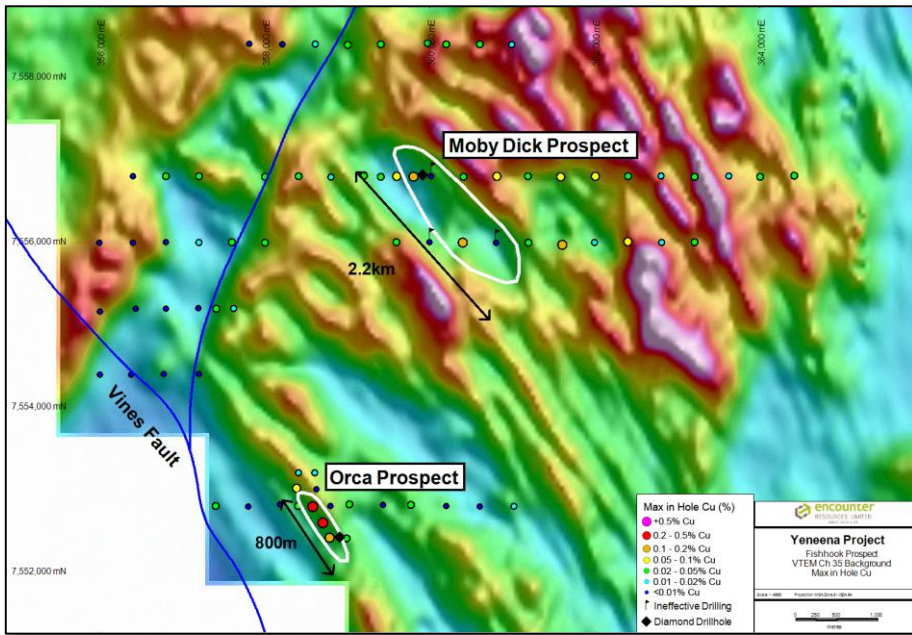


Figure 10: Fishhook Project – Moby Dick and Orca prospects



Photos 2 & 3 – Chalcopyrite mineralisation from the Orca Prospect at Fishhook ~240m & 305m



Photo 4 – Chalcopyrite mineralisation from the Moby Dick Prospect at Fishhook ~209m

Photo 5 – Strong ‘red-rock’ altered sediments from the Moby Dick Prospect at Fishhook 242-248m

Hole_ID	Prospect	Northing(m)	Easting(m)	RL(m)	EOH(m)	Dip	Azi
EPT2192	Moby Dick	7556800	359900	320	473.91	-60	270
EPT2193	Orca	7552400	358850	320	391	-60	270

Table 7: Fishhook project diamond drill hole information

Drill hole coordinates GDA94 zone 51 datum measured via handheld GPS (+/-5m), EOH = End of hole depth; m=metre; azi=azimuth.

Stirling Prospect - ENR earning in from St Barbara (E45/3308 and E45/3232)

An RC drill program comprising 3 RC holes (EPT2174 – 2176) was completed at the Stirling project during the quarter. The drilling was primarily targeting a low amplitude but discrete magnetic anomaly along an interpreted domain bounding structure. Modeling of the magnetic data from an earlier AEM program highlighted a north-north easterly plunging magnetic anomaly hosted within Lamil Group sediments. (see Figure 11b).

The holes were drilled across the magnetic anomaly and intersected a medium grained mafic unit coincident with the position of the magnetic anomaly. Two of the three RC holes end in low level copper, lead, zinc anomalism with associated bismuth. Samples from this program will be described petrologically and data reviewed to determine if follow up drilling is warranted.

This drilling was co-funded under the WA Government Exploration Incentive Scheme.

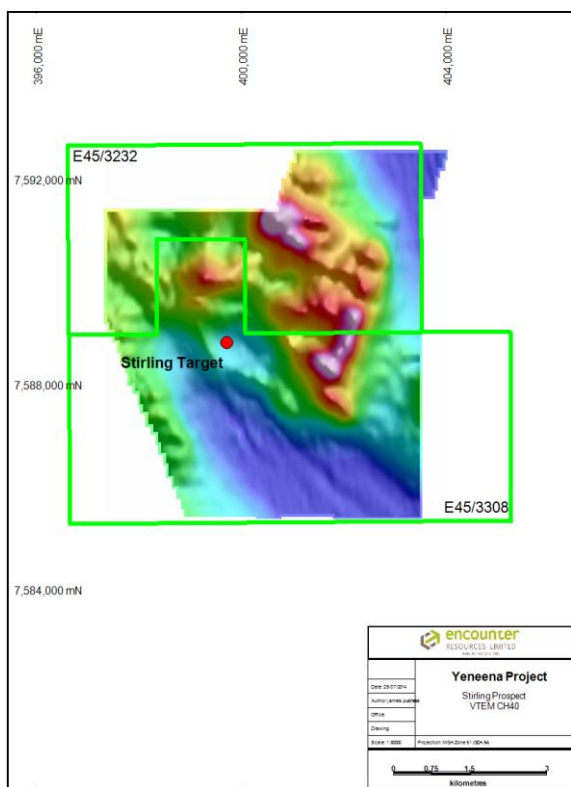


Figure 11a: VTEM Channel 40 - Stirling project

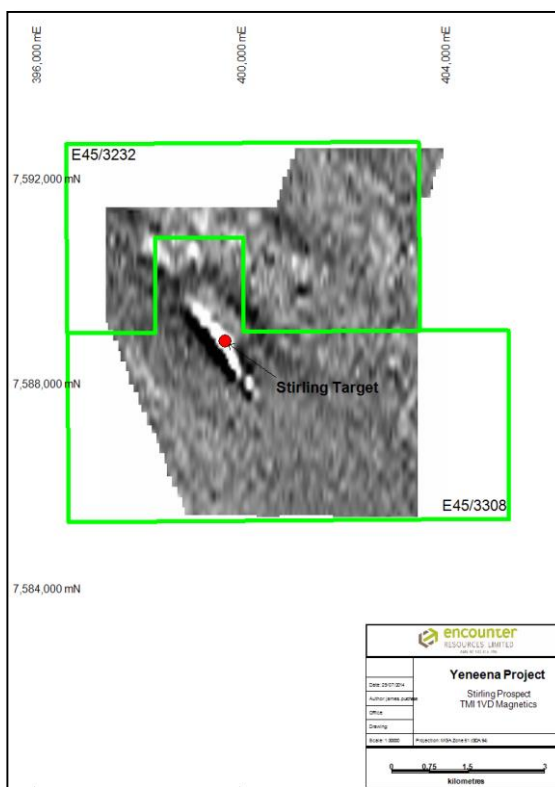


Figure 11b: Magnetic TMI 1VD – Stirling project

Hole ID	Northing (m)	Easting (m)	RL (m)	EOH (m)	Dip	Azi
EPT2174	7588794	399493	320	100	-60	270
EPT2175	7588806	399702	320	147	-60	270
EPT2176	7588814	399906	320	97	-60	270
EPT2177	7587561	402484	320	41	-90	0
EPT2178	7587596	402097	320	51.5	-90	0
EPT2179	7587596	401692	320	66	-90	0
EPT2180	7587596	401309	320	41.5	-90	0
EPT2181	7587597	400902	320	36	-90	0
EPT2182	7587595	400501	320	40	-90	0

Table 8: Stirling JV RC and aircore Drill hole information

Drill hole coordinates GDA94 zone 51 datum measured via handheld GPS (+/-5m), EOH = End of hole depth; m=metre; azi=azimuth.

CORPORATE

Encounter held cash reserves at \$3.3m at 30 September 2014.

Subsequent to the quarter a placement for 1,250,000 shares at 20c per share was completed to facilitate an escalation in drilling activities at Millennium.

NEXT QUARTER HIGHLIGHTS

Activities planned for the December 2014 quarter include:

1. Assays and Interpretation of BM1/BM7 diamond and RC drilling programs (Antofagasta earn in)
2. Field mapping to the east of BM1/BM7 trend (Antofagasta earn in)
3. Diamond drilling at the Millennium zinc prospect (EIS co-funded drilling program)
4. Assays and interpretation of diamond drilling at the Fishhook project (EIS co-funded drilling program)

TENEMENT INFORMATION

Lease	Location	Project Name	Area km ²	Interest at start of quarter (01/07/2014)	Interest at end of quarter (30/09/2014)
E53/1232	26km SE of Wiluna	Wiluna South	30.2	60% of uranium rights	60% of uranium rights
E36/769	78km S of Wiluna	Yeelirrie South	48.8	100%	100%
E53/1685	50km SW of Wiluna	Bellah Bore East	46.0	100%	100%
E51/1570	50km SSE of Meekatharra	Hillview	89.0	0%	100%
E45/2500	266km NE of Newman	Paterson	163.4	100%	100%
E45/2501	277km NE of Newman	Paterson	41.4	100%	100%
E45/2502	261km NE of Newman	Paterson	216.3	100%	100%
E45/2503	253km NE of Newman	Paterson	76.3	100%	100%
E45/2561	276km NE of Newman	Paterson	86.0	100%	100%
E45/2657	246km NE of Newman	Paterson	222.8	100%	100%
E45/2658	245km NE of Newman	Paterson - Antofagasta Earning-in	222.8	100%	100%
E45/2805	242km NE of Newman	Paterson - Antofagasta Earning-in	209.7	100%	100%
E45/2806	251km NE of Newman	Paterson	63.7	100%	100%
E45/4230	246km NE of Newman	Paterson	92.4	100%	100%
E45/3232	295km NE of Newman	Paterson - St Barbara Earn-in	22.3	0%, ENR earning 70%	0%, ENR earning 70%
E45/3308	293km NE of Newman	Paterson - St Barbara Earn-in	38.3	0%, ENR earning 70%	0%, ENR earning 70%
E45/3768	241km NE of Newman	Paterson - Hammer Earn-in	187.8	0%, ENR earning 70%	0%, ENR earning 70%
E45/4091	253km NE of Newman	Paterson - Hammer Earn-in	257.7	0%, ENR earning 70%	0%, ENR earning 70%

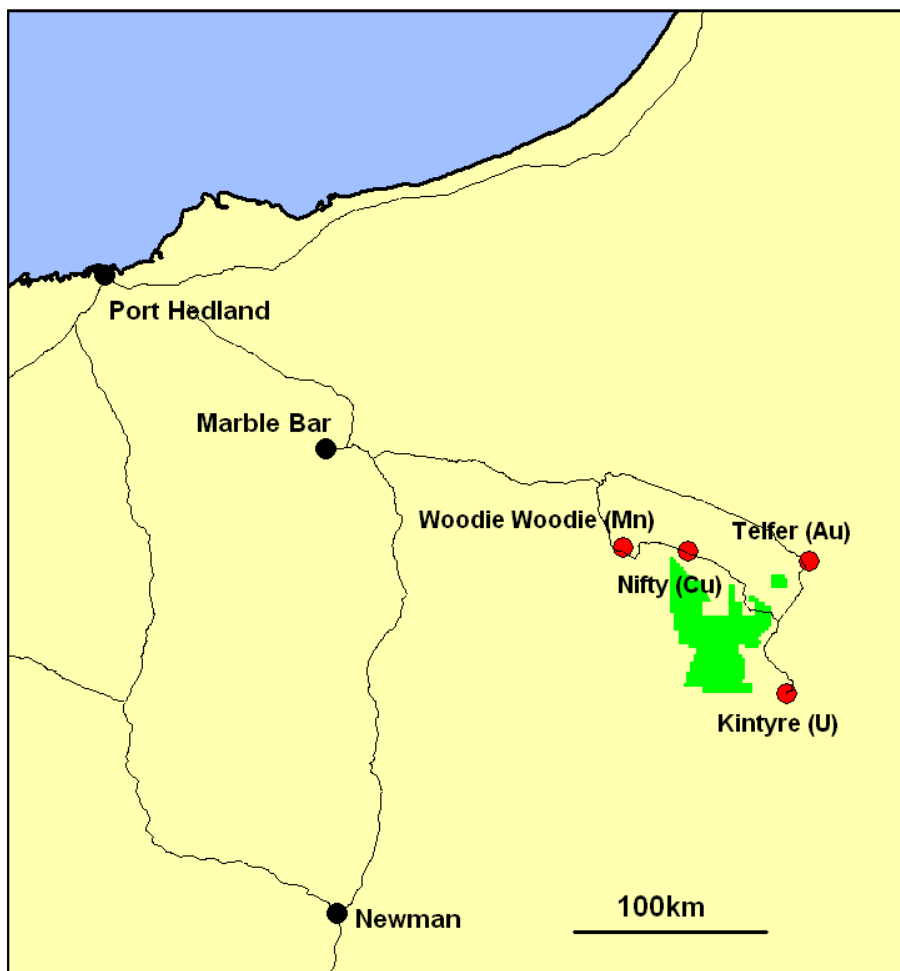


Figure 12: Yeneena Project Location Plan

Will Robinson
Managing Director

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.

Competent Person's Statement for Exploration Results included in this report that were previously reported pursuant to JORC 2004: This information 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 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 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 his information in the form and context in which it appears.

Refer ASX announcement 27 November 2013 for BM7 JORC 2012 disclosures, unless otherwise referenced

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> <hr/> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i></p> <hr/> <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>Onsite handheld Niton XRF instruments were used to systematically analyse diamond drill core, with a single reading taken at every meter mark, except in the case of core loss. The host lithologies were targeted and veins and obvious signs of mineralisation avoided.</p> <p>For the RC precollar chips, readings were taken every 2m downhole through the sample bag.</p> <p>These results are only used for onsite interpretation and the analyses are not reported.</p> <hr/> <p>Drill hole collar locations were recorded by handheld GPS, which has an estimated accuracy of +/- 5m. XRF instruments are serviced and calibrated at least once a year</p> <hr/> <p>Diamond core was drilled as PQ, HQ3/HQ2 and NQ2 size core. Competent drillcore was cut and sampled, and grab sampling was utilised where core was broken. Mineralised intervals were subjected to half-core sampling, where unmineralised intervals were subjected to quarter-core or fillet-core sampling. Intervals varied from 0.05 – 2m and were selected on the basis of interpreted geological boundaries, degree of mineralisation during geological logging, core loss and the results of systematic handheld Niton XRF sampling. Sample weights vary from 200g to 3kg.</p> <p>Diamond core samples were sent to Ultratrace Laboratories in Perth, where they were dried, crushed, pulverised and split to produce a sub – sample for ICP – OES and ICP – MS analysis.</p> <p>Reverse circulation drilling was used to obtain 3-4 kg samples every 2m downhole via the onboard splitter. 1m samples were preserved as spoil piles. RC samples were sent to Ultratrace as per the procedure outlined above.</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>All diamond drilling utilised an RC precollar to varying depths. Various size core diameters were used including PQ, HQ3, HQ2, and NQ2. All drill core was orientated where possible and triple-tubed in broken ground.</p> <p>Reverse circulation drilling was utilised using a booster where appropriate and precollars were drilled to fresh rock or where water inflows became problematic. RC drillholes were drilled using 3 1/2" diameter face sampling hammer, and RC precollars were drilled using a 5 3/8" diameter hammer.</p>
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed</i></p> <hr/> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i></p> <hr/> <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>Diamond core recoveries/core loss was recorded during drilling and noted during geological logging. The driller identified cavities or core loss directly in the core trays.</p> <p>ENR staff recorded cavities and recoveries from the spoil piles on ground, and liased with the driller.</p> <hr/> <p>Diamond driller's used appropriate measures to maximise sample recovery, including the use of triple tube drilling. Core loss was recorded by ENRL geologists and sampling intervals were not carried through core loss.</p> <hr/> <p>To date, no detailed analysis to determine the relationship between sample recovery and grade has been undertaken for diamond and RC drilling.</p>

Logging

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.

Geological logging was carried out on all diamond drillholes, with lithology, alteration, mineralisation, structure and veining recorded. Where core was orientated, structural measurements were taken. RC drillholes and precollars were logged based on 1m RC chips.

Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.

Geological logging is qualitative in nature and records interpreted lithology, alteration, mineralisation, structure, veining and other features of the samples. All drillcore is photographed.

The total length and percentage of the relevant intersections logged

All drillholes were logged in full.

Sub-sampling techniques and sample preparation

If core, whether cut or sawn and whether quarter, half or all core taken.

Competent drillcore was cut and sampled, and grab sampling was utilised where core was broken. Mineralised intervals were subjected to half-core sampling, and unmineralised intervals were subjected to quarter-core or fillet-core sampling.

If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.

RC samples were grab sampled from spoil piles, as the rotary splitter was non-operational. The majority of samples were dry, with occasional wet samples near the base of the drillhole. Degree of moisture was recorded for each sample.

For all sample types, the nature, quality and appropriateness of the sample preparation technique.

Sample preparation was completed at Ultratrace Laboratories in Perth. Samples were dried, crushed, split (if sample >3.5kg) and pulverised (90% passing at a $\leq 75\mu\text{m}$ size fraction) into a sub-sample that was analysed using a 4 acid digest with an ICP – OES and ICP – MS finish.

Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.

Field QC procedures involve the use of commercial certified reference material (CRMs) for assay standards and in house blanks. The insertion rate of these averaged 1:33.

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.

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. No duplicates were taken from diamond core.

Whether sample sizes are appropriate to the grain size of the material being sampled.

The sample sizes were considered appropriate to give an accurate indication of metal anomalism and mineralisation.

Quality of assay data and laboratory tests

The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.

All drillhole samples were 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 digested. Analytical methods used were ICP – OES (Al, Ca, Cu, Fe, Mg, Mn, Ni, P, S, Zn, Tl and Ti) and ICP – MS (Ag, As, Bi, Mo, Pb, U and Co).

Sample pulps analysed for copper solubility were digested in 5% sulphuric acid solution for 1 hour at a controlled temperature. The liquor was analysed using ICP-OES for Cu only.

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.

Two handheld XRF instruments were used to systematically analyse onsite. The principal instrument used was a Thermo Scientific XL3t 950 GOLDD+. A Thermo Scientific XL3t 500 GOLDD+ was also used infrequently. Reading times ranged from 20 – 25 seconds. The instruments are serviced and calibrated at least once a year.

Quality of assay data and laboratory tests continued	<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 involved the use of internal lab standards using certified reference material, blanks, splits and replicates as part of in house procedures. The Company also submitted an independent suite of CRMs and blanks (see above). A review of this data is ongoing.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Results contained within this announcement have been verified by James Purchase – Senior Exploration Geologist.
	<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 was collected by hand on printed forms and on toughbook computers using Excel templates and Maxwell Geoservice's LogChief software. Data collected was sent offsite to the Company's Database (Datashed software), which is backed up daily.
	<i>Discuss any adjustment to assay data.</i>	No adjustments or calibrations will be made to any assay data collected.
Location of data points	<i>Accuracy and quality of surveys used to locate drillholes (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 diamond drilling and precollars. These were taken at approximately every 30m downhole. No surveys were taken for RC drilling
	<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 using VTEM data at a later stage.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	At BM1 NE, section spacings were 200m, with an on-section spacing of 100m. At BM7 East, sections spacings were 800m, with an on-section spacing of 200m. At BM7, diamond drilling was conducted on a section spacing of 400-800m, with an on-section spacing of 200-400m. At Stirling, sections spacings were 1.2km, with an on-section spacing of 200-400m.
	<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>	No compositing was applied to diamond core samples. Quoted intersections are the length-weighted average of grades from original sampling widths.
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>	The geometry of the mineralisation is not yet known due to insufficient deep drilling at BM1 NE and BM7 East.
	<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>	No sampling bias resulting from a structural orientation is known to occur.
Sample security	<i>The measures taken to ensure sample security.</i>	The chain of custody is managed by the Company. Samples are sent via an independent haulage company to the Ultratrace assay laboratory in Perth.
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.

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 BM7, BM7 East and BM1 NE projects are located within tenements E45/2658 and E45/2805, which are subject of a Joint Venture between Encounter and a subsidiary of Antofagasta plc. Under the agreement, Antofagasta may earn a 51% interest in tenements E45/2658 and E45/2805 (433km²) by incurring expenditures of US\$20 million over a five year period.</p> <p>The tenements that host the BM1 prospect, E45/2658, is subject to a 1.5% Net Smelter Royalty to Barrick Gold of Australia.</p> <p>The Stirling prospect is located on tenement E45/3308, which is subject to an Earn-in agreement between Encounter and St Barbara Ltd. Encounter can earn 51% of E45/3308 and E45/3232 by spending \$500,000 over four years.</p> <p>All 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 areas 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 systematic exploration of any prospects had been undertaken.
Geology	<i>Deposit type, geological setting and style of mineralisation</i>	<p>The BM7, BM7 East and BM1 NE prospects are 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 ENRL's BM1 and BM7 projects. The BM7, BM7 East and BM1 NE projects are considered prospective for sediment – hosted copper mineralisation, with the Nifty copper mine (~ 65km north of BM7) providing a basic conceptual model for exploration targeting.</p> <p>The Stirling prospect is considered prospective for Telfer Au-Cu deposits or O'Callaghans-type Skarn W-Cu-Zn deposits.</p>
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> <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>	<p>All intersections are reported using a 0.1% Cu lower cutoff. Internal dilution from <0.1% Cu samples is included in some intersections,</p> <p>Length weighting has been utilised in reporting intersections.</p>

Data aggregation methods continued.	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	Not applicable for this announcement.
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 deep 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 samples > 0.1% Cu have been reported from the drillholes.
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. Preliminary metallurgical work has been conducted, and is mentioned in the body of the text.
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>	At this stage mineralisation identified during the diamond drill program is indicative and requires further work to test for coherency, as well as for lateral and vertical extensions. A work program is currently in the planning phase and will be reported when completed.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10, 17/12/10

Name of entity

Encounter Resources Limited

ABN

47 109 815 796

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(2,224)	(2,224)
(b) development	-	-
(c) production	-	-
(d) administration	(224)	(224)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	14	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 - R&D tax concession refund	-	-
- Other	8	8
Net Operating Cash Flows	(2,426)	(2,426)
Cash flows related to investing activities		
1.8 Payment for purchases: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(28)	(28)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Farm-in cash calls received	1,914	1,914
Net investing cash flows	1,886	1,886
1.13 Total operating and investing cash flows (carried forward)	(540)	(540)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(540)	(540)
	Cash flows related to financing activities		
1.14	Proceeds/(refunds) from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(540)	(540)
1.20	Cash at beginning of quarter/year to date	3,837	3,837
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,297	3,297

**Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	260
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 - Remuneration of Directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

-

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Expenditure for the quarter of \$1,742,504 (\$1,742,504 year to date) incurred by other entities Pursuant to a farm-in agreement on projects held by the Company included at 1.2(a).

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	900
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	1,100

Estimated exploration costs of the proposed Antofagasta farm-in work program for the December quarter have been included in 4.1.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,297	1,837
5.2 Deposits at call	2,000	2,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,297	3,837

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	E51/1570 Granted	0%	100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	-	-		
7.2 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 +Ordinary securities	132,543,350	132,543,350		
7.4 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through returns of capital, buy-backs	-	-		
(c) Released from Escrow	-	-		
7.5 +Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through securities matured, converted	-	-		
7.7 Options <i>(description and conversion factor)</i>	5,375,000	-	<u>Exercise price</u> \$1.35	<u>Expiry date</u> 22/11/2014
	500,000	-	\$0.80	30/9/2015
	500,000	-	\$0.40	31/5/2016
	1,450,000	-	\$0.30	30/11/2016
	650,000	-	\$0.39	30/11/2017
	750,000	-	\$0.21	31/5/2017
	200,000	-	\$0.31	31/1/2018
	745,000	-	\$0.22	31/5/2018
7.8 Issued during quarter	-	-		
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	-	-		

+ See chapter 19 for defined terms.

7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 31 October 2014

(Company secretary)

Print name: Kevin Hart

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Cash Flow Statements* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.