

**ASX : ENR**

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## **Drilling confirms large scale potential at Hillview**

- **Initial assay results confirm continuity of near surface uranium mineralisation, typically 2-5 metres thick, over a 1km section.**
- **Intersections include:**
  - **5 metres at 210ppm U<sub>3</sub>O<sub>8</sub> including 1 metre at 341ppm U<sub>3</sub>O<sub>8</sub>**
  - **4 metres at 241ppm U<sub>3</sub>O<sub>8</sub> including 2 metres at 306ppm U<sub>3</sub>O<sub>8</sub>**
  - **4 metres at 220ppm U<sub>3</sub>O<sub>8</sub> including 2 metres at 294ppm U<sub>3</sub>O<sub>8</sub>**
  - **5 metres at 221ppm U<sub>3</sub>O<sub>8</sub>**
- **Assay results from three completed drill traverses remain pending.**

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The directors of Encounter Resources Ltd are pleased to announce initial drill program results at the Hillview project (E51/1127 - Encounter 80%, Avoca Resources Ltd 20%).

### **Background**

The Hillview project is located 50km south east of Meekatharra. Historical uranium exploration at Hillview, by Western Mining Corporation in the 1970s, identified a 15km long zone of near surface uranium mineralisation (see Figure 1). Historical drill sections were between 1.6kms and 2kms apart with holes intersecting between 100-300ppm eU<sub>3</sub>O<sub>8</sub>\* on every traverse within the defined 15km trend.

### **Current Program**

In July 2007, four aircore drill traverses were completed at the Hillview project along existing station tracks and fence lines. Three of these traverses were across the main drainage target at Hillview. A fourth drill traverse was completed to test for possible extensions within drainage variations and tributaries to the east of the project. The assay results from the first north-south drill traverse across the main drainage target at Hillview have been received.

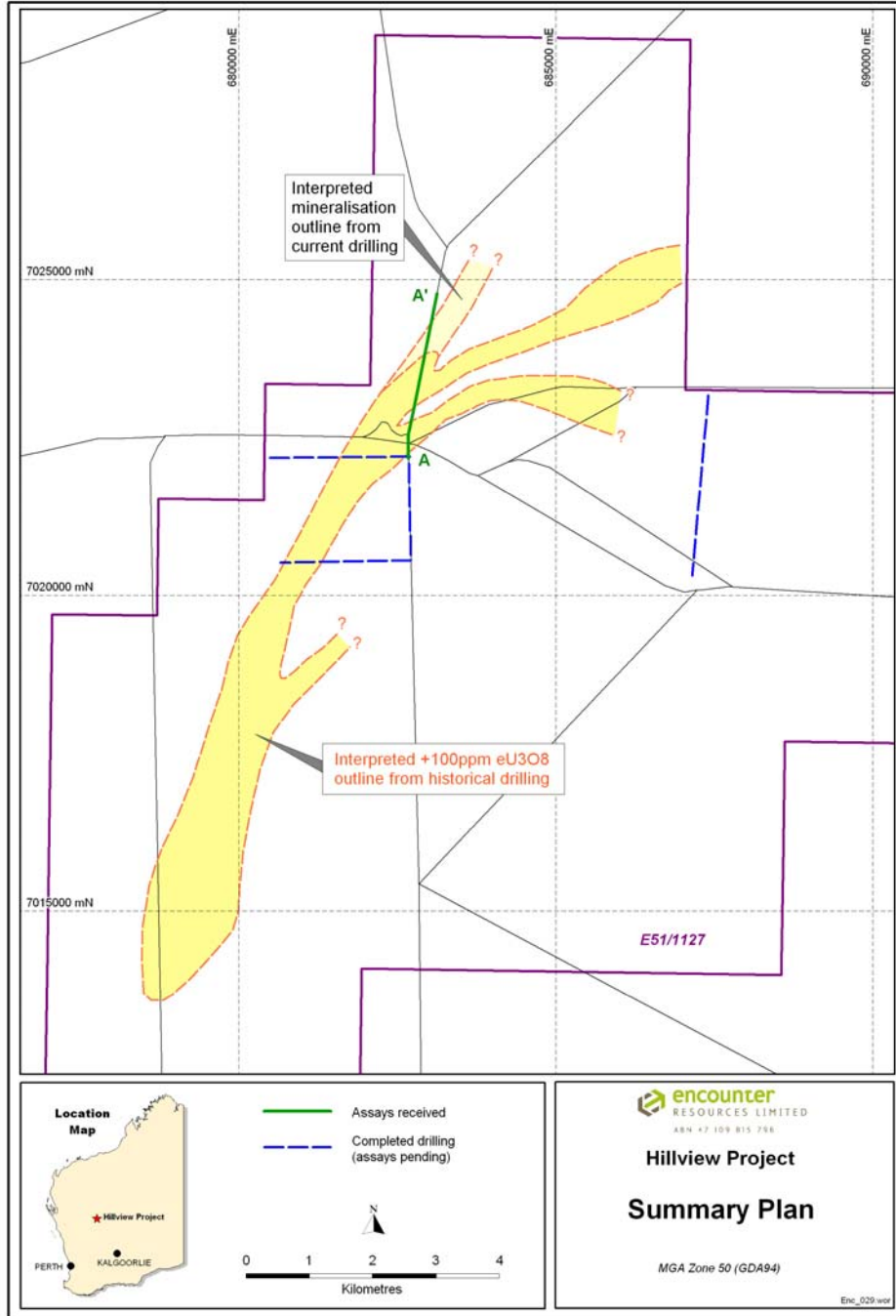
These results confirm the presence of thick, continuous and near surface uranium mineralisation over a 1 km cross section of the Hillview anomaly. In addition, the drilling has expanded the historically defined area of mineralisation to the north.

The drill holes show a well developed calcrete profile associated with the uranium mineralisation. The mineralisation is typically 2-5 metres thick, at a depth of 5-10 metres below surface and is consistent across the 1 km section (see Table 1 and Figure 2).

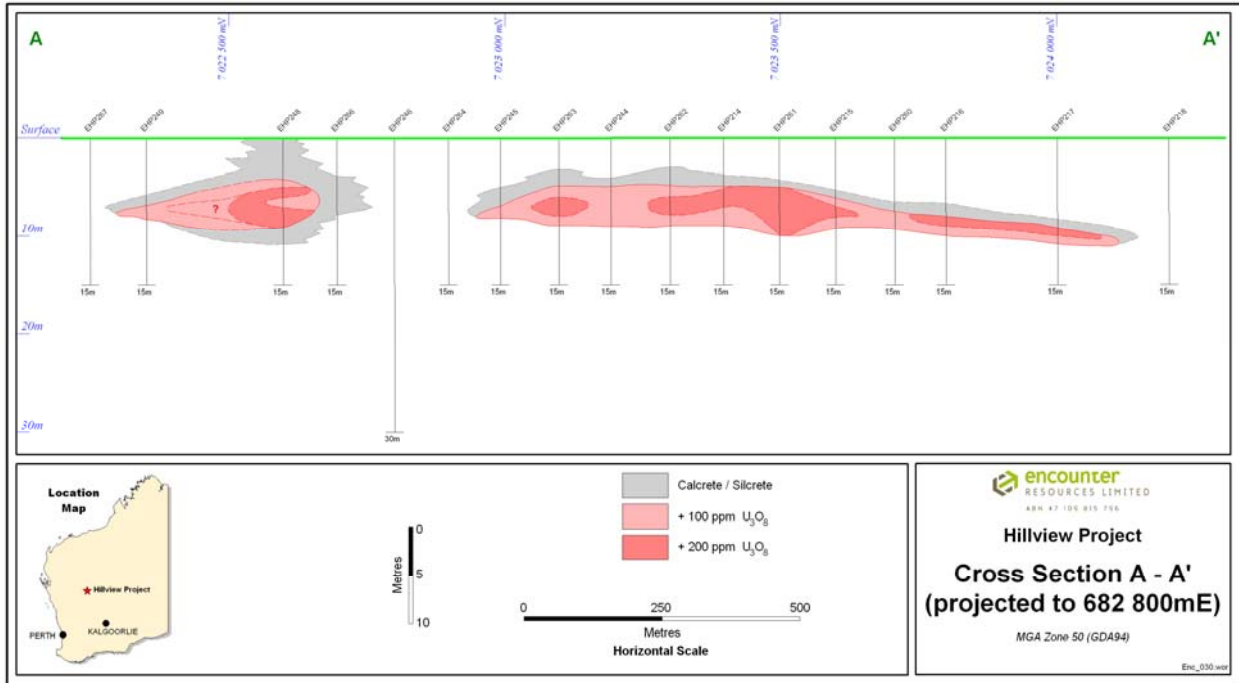
Assays for the three remaining drill traverses are expected to be received in the coming weeks.

An additional four aircore drill traverses are planned to test the southern and eastern extent of the mineralisation at the Hillview project. The company has received heritage clearance to clear lines to drill these traverses.

Figure 1: Hillview Project Summary Plan



**Figure 2: Cross Section Hillview Project (vertically exaggerated)**



**Table 1: Drill hole collar locations and assay results, using 100ppm U<sub>3</sub>O<sub>8</sub> cutoff**

Hole Number	Easting	Northing	Dip	Azimuth	From (m)	To (m)	Thickness (m)	U <sub>3</sub> O <sub>8</sub> ppm	Including
EHP0214	682,793	7,023,193	-90	360	5	9	4	181	2m@220ppm
EHP0215	682,880	7,023,600	-90	360	6	9	3	176	
EHP0216	682,919	7,023,800	-90	360	8	9	1	229	
EHP0217	682,963	7,024,002	-90	360	9	11	2	189	
EHP0244	682,793	7,023,193	-90	360	5	9	4	156	
EHP0245	682,758	7,022,993	-90	360	7	8	1	176	
EHP0248	682,714	7,022,599	-90	360	4	9	5	210	1m@341ppm
EHP0249	682,702	7,022,352	-90	360	7	8	1	106	
EHP0260	682,901	7,023,707	-90	360	7	9	2	147	
EHP0261	682,858	7,023,498	-90	360	5	10	5	221	
EHP0262	682,820	7,023,300	-90	360	5	9	4	220	2m@294ppm
EHP0263	682,774	7,023,099	-90	360	5	9	4	241	2m@306ppm

Grid projection MGA Zone 50 (GDA94)

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*The information in this report that relates to Exploration Results is based on information compiled by Mr. Peter Bewick who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Bewick is a full time employee of Encounter Resources Ltd and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Bewick consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*\* Historical uranium mineralisation grades are annotated with a sub-prefix 'e' because they have been reported as uranium equivalent grades derived from down-hole gamma ray logging results and should be regarded as approximations only. Gamma logging or "total count gamma logging" (the method used by Western Mining Corporation Limited at Hillview) is a common method used to estimate uranium grade where the radiation contribution from thorium and potassium is very small. Sandstone and calcrete hosted deposits are usually of this type. Gamma logging does not account for energy derived from thorium and potassium (as does spectral gamma logging) and thus the result is expressed as an equivalent value or eU308.*

*The gamma radiation from potassium, uranium and thorium is dominated by gamma rays at specific energy levels. These energy levels are sufficiently well separated such that they can be measured independently of each other. They are typically measured as narrow energy bands that contain the specific energy levels. Bands are used because the measuring systems do not have the resolution to target a specific energy wavelength. There is some scattering of higher energy gamma radiation, e.g. thorium, into lower energy radiation, e.g. uranium and potassium. This scattered radiation can be calculated from suitable calibration procedures and removed from the lower energy level measurements. This method is commonly termed spectral gamma logging.*

*The downhole gamma logging system used by Western Mining Corporation Limited on this project was the ELMAC 2000.*