

**ASX : ENR**

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Company Announcements Office  
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## **Strong Copper Sulphide Mineralisation at BM7**

- **All four diamond drill holes at BM7 intersect copper sulphides**
- **Mineralisation is associated with easterly dipping, strongly veined and altered carbonate units**
- **A zone of well developed copper sulphide cemented breccia intersected in EPT1719 (see Photo 1)**
- **Initial assays of RC drilling has confirmed a new zone of secondary copper oxides 1 to 2km to the east of the BM7 zone**
- **Expanded RC drill program to infill this new copper zone**
- **Remaining assays from diamond and RC drilling expected Sept/Oct 2013**

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The directors of Encounter Resources Ltd (“Encounter” or “the Company”) are pleased to provide an update on drilling activities at the BM7 prospect at the Yeneena project in Western Australia. Exploration at the BM7 prospect is being conducted as part of the Antofagasta earn-in agreement (see ASX announcement 23 April 2013).

### **Diamond Drilling BM7**

The planned four hole diamond drill program at BM7 has been completed. All four diamond holes completed at BM7 contain zones of primary copper sulphide mineralisation. The copper sulphides are hosted within, and often at the margins of, dolomite veined and brecciated carbonate units.

The strongest copper sulphide mineralisation at the project to date was intersected in EPT1719, which was the last of the four hole program (Photo 1). This zone extended over approximately 5m, with locally massive copper sulphides forming as breccia cement near the upper boundary of a narrow carbonate unit. The remainder of the carbonate unit contains fine disseminations and coarse blebs of chalcopyrite throughout. Assay results from EPT 1719 are expected in October 2013.

The initial interpretation of the diamond drilling at BM7 supports the deposit target model. Consistent with this model, the mineralisation within the veins becomes stronger and more massive, with the sulphide assemblage within the veins becoming more chalcopyrite dominant as we approach the interpreted centre of the large mineral system at BM7.

Initial observations from the four holes indicate a shallow easterly dip to the stratigraphy and the mineralised horizons appear to be stratabound in nature. This observation, together with the copper oxides intersected to the 1-2km east of BM7, support an interpretation of a potential synformal structure. This interpretation and the style of mineralisation seen at BM7, shows similarities to the Nifty copper deposit located 65 km north of BM7.



**Photo 1 - EPT1719 – ~388m to 392.9m – Veined and brecciated carbonate with local massive copper sulphide breccia cement**

Assay results from the first two diamond holes, EPT 1716 and EPT1717 are shown in Table 2. Assays from EPT1718 and 1719 are expected to be received in September / October 2013.

### **RC Drill Program – BM7**

The mineral system discovered at BM1-BM6-BM7 is over 11km long and remains open along strike. The objective of the first pass RC program (60 vertical holes, average hole depth 80m) was to help determine the full extent of the copper system at the prospect.

The RC program was successful and has extended the BM7 system over 1km to the east and by at least 1.6km south and remains open to the south.

As a result of the positive first pass RC drilling, additional RC holes have been added to the program. The first pass, broad spaced (800m x 400m) program intersected a number of highly anomalous copper oxide and copper sulphide intersections. The expanded RC program will infill to 200m hole spacing around the better copper mineralisation intersected and will drill to a target depth of 120m to 150m.

In addition, the RC drill rig will complete two additional 800m step out drill lines to the south of BM7 to test the existing known limits of the copper system.

Assay results have been received from the first eight holes of the RC program. Assays have confirmed a new zone of near surface copper oxide and copper sulphide mineralisation to the east of BM7.

Assays received within this zone include:

- EPT1726 - 18m @ 0.4% Cu from 38m including 2m @ 1.2% Cu from 46m
- EPT1734 - 22m @ 0.2% Cu from 42m including 2m @ 1.2% Cu from 58m
- EPT1736 - 36m @ 0.2% Cu from 46m to EOH

These results are considered important given the broad spacing of the first pass drill program. Initial observations are that the size and grade of this latest copper oxide blanket is potentially more significant than the initial BM7 oxide discovery holes.

Holes containing visible copper mineralisation or strong copper anomalism confirmed by handheld XRF, are shown as white dots on Figure 1.

Remaining assays from the recently completed RC program are expected to be received later this month. RC drilling is scheduled to recommence within two weeks to complete the deeper infill holes and the expanded program to the south of BM7.

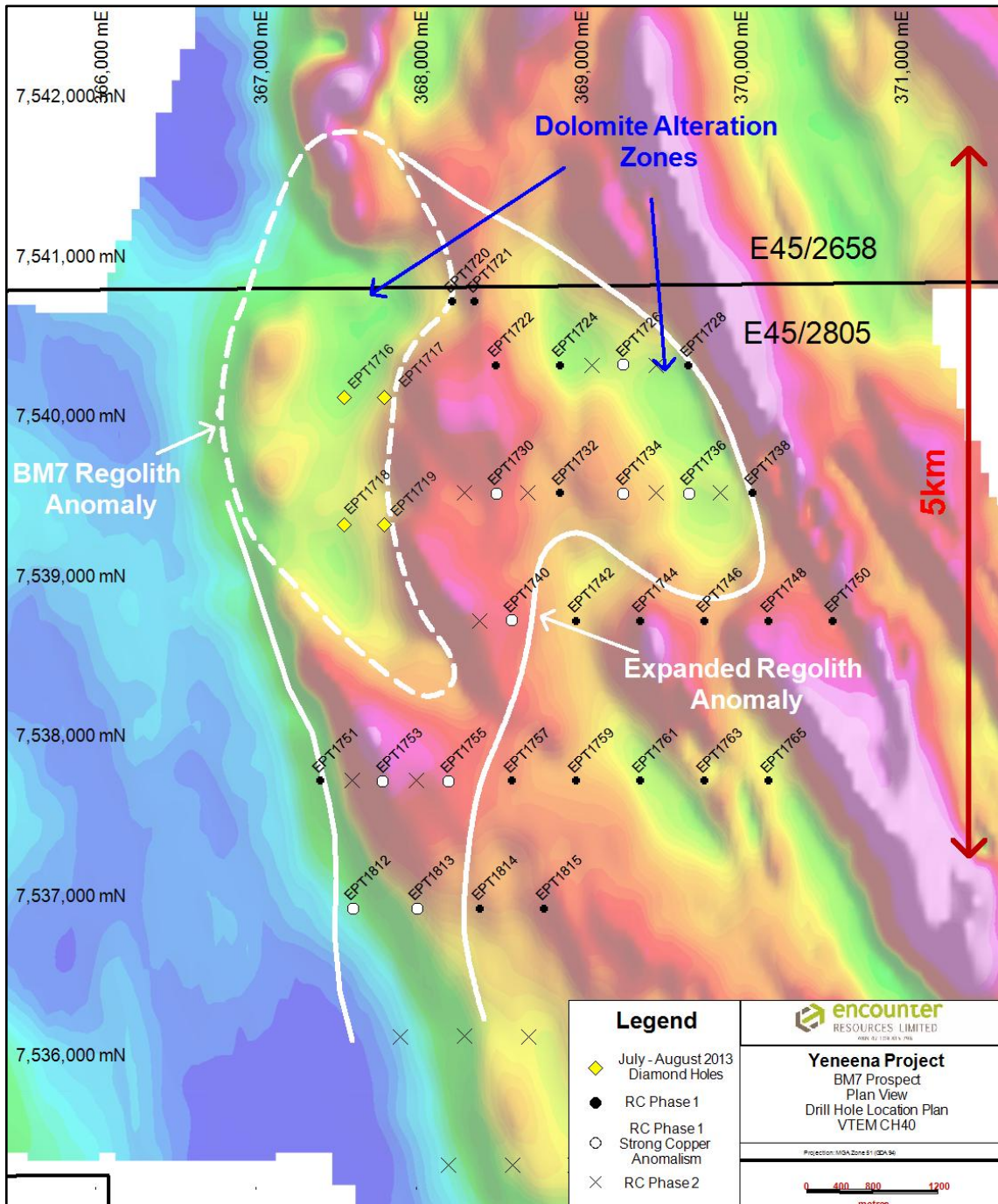


Figure 1 – BM7 Prospect – Diamond and RC Drill Plan (Background image - VTEM CH40)

Hole ID	Prospect	Northing (m)	Easting (m)	RL (m)	EOH (m)	Dip	Azi
EPT1716	BM7	7540100	367550	360	431	-60	270
EPT1717	BM7	7540100	367800	360	570	-60	270
EPT1718	BM7	7539300	367550	360	395	-60	270
EPT1719	BM7	7539300	367800	360	466	-60	270

**Table 1: Diamond Drill hole information**

Planned hole locations. Drill hole coordinates GDA94 zone 51 datum to be finalised 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 (%)	Cobalt (ppm)
EPT1716	BM7	73.5	165	91.5	0.19	198
	incl.	108	124.9	16.9	0.48	583
	and	173	177.6	4.6	0.11	44
	and	194	197	3.0	0.36	472
EPT1717	BM7	166.2	318.5	152.3	0.10	65
	incl.	108	124.9	38.4	0.16	150
	and	368.3	380.5	12.2	0.28	205
	incl.	376	377.2	1.2	1.58	206

**Table 2: Diamond Drill Hole Assay Summary (EPT1716 and EPT 1717)**

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.

Hole ID	Prospect	Northing (m)	Easting (m)	RL (m)	EOH (m)	Dip	Azi
EPT1720	BM7	7540700	368223	360	82	vert	0
EPT1721	BM7	7540700	368364	360	82	vert	0
EPT1722	BM7 East	7540300	368500	360	82	vert	0
EPT1724	BM7 East	7540300	368900	360	82	vert	0
EPT1726	BM7 East	7540300	369300	360	82	vert	0
EPT1728	BM7 East	7540300	369700	360	82	vert	0
EPT1732	BM7 East	7539500	368500	360	82	vert	0
EPT1734	BM7 East	7539500	368900	360	82	vert	0
EPT1736	BM7 East	7539500	369300	360	82	vert	0
EPT1738	BM7 East	7539500	369700	360	82	vert	0

**Table 3: RC Drill hole information BM7 East (assay result received as at 17/9/13)**

Planned hole locations. Drill hole coordinates GDA94 zone 51 datum to be finalised 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 (%)	Cobalt (ppm)
EPT1720	BM7	32	58	26	0.29	412
EPT1726	BM7 East	38	76	38	0.21	142
	incl.	38	56	18	0.36	173
	incl.	46	48	2	1.24	32
EPT1734	BM7 East	42	64	22	0.19	89
	incl.	58	60	2	1.16	397
EPT1736	BM7 East	46	82*	36	0.15	97

**Table 4: RC Drill Hole Assay Summary (Sept13 Results)**

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. EOH = End of hole depth \* denotes EOH interval

## Project Background & Location Plan

The Yeneena Project covers 1,900km<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 1). The targets identified are located adjacent to major regional faults and have been identified through electromagnetics, geochemistry and structural targeting. The targets are hosted within sediments of the Broadhurst Formation in a similar geological setting to the Nifty copper deposit (total resource of 148.3mt @ 1.3% Cu – Straits Resources Ltd, 2001).

During 2012 and 2013 Encounter strategically added to its ground position along the prospective corridor adjacent to the Yeneena Project by completing earn-in agreements with St Barbara Limited, Independence Group NL and Midas Resources Limited.

In April 2013, the Company completed an earn-in agreement with a wholly owned subsidiary of Antofagasta plc, one of the world's largest copper producers, whereby it may earn a 51% interest in two tenements within the Yeneena Project by incurring expenditures of US\$20 million over a five year period.

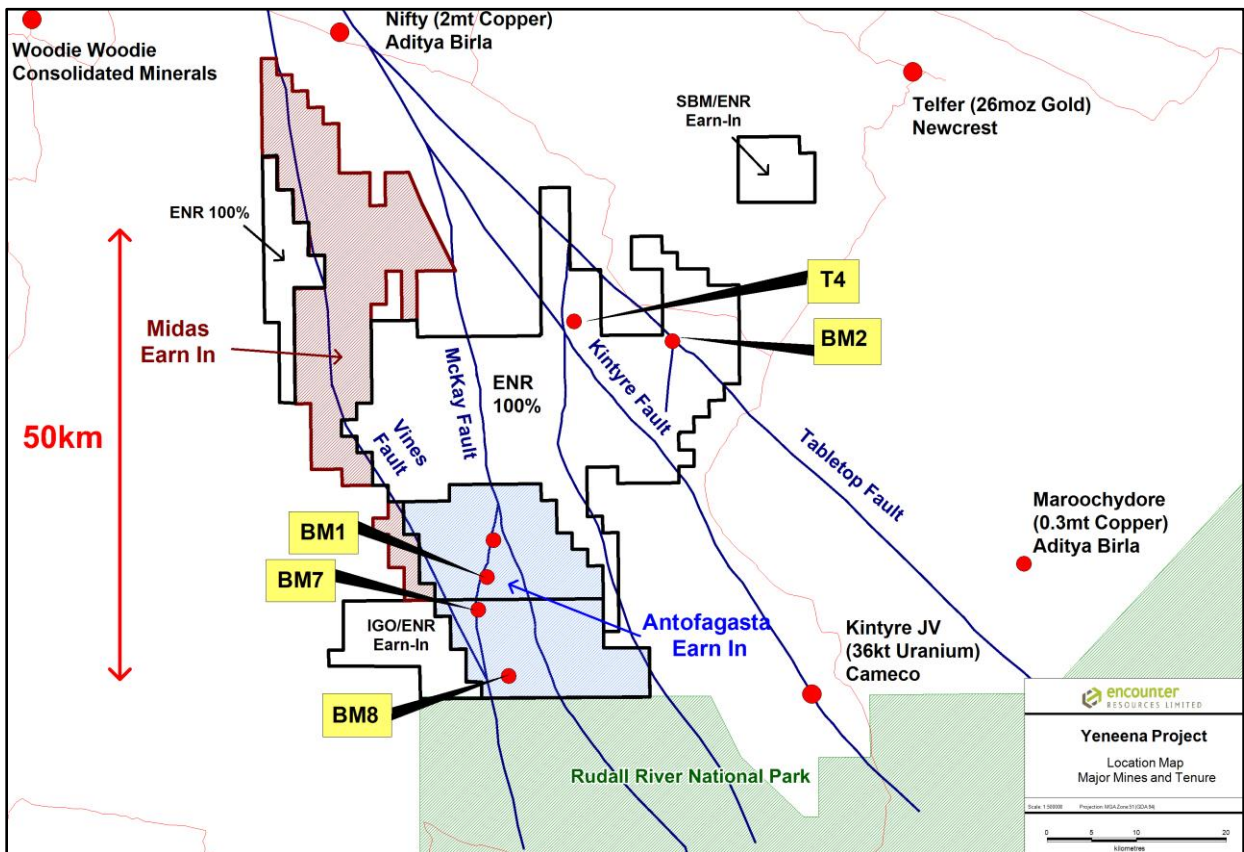


Figure 2. Yeneena Project leasing and targets areas

*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 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 the information compiled by him, in the form and context in which it appears.*