

**Media Release**  
*9 February 2006*

# **Encounter Resources launches uranium prospectus**

## **Highlights**

- Quality, strategic and highly sought after uranium projects
- Experienced Board and Management team with proven track record
- Targets selected in conjunction with Avoca Resources Limited (Avoca)
- Avoca shareholders receive priority allocation to 25% of the IPO
- Strong uranium demand forecasts

Perth based Encounter Resources Limited (Encounter) today released the prospectus for the company's initial public offering (IPO) to raise \$4 million. The company is offering 20 million shares at 20 cents per share (including oversubscriptions of up to 5 million shares at 20 cents per share). The IPO includes a priority allocation of 5 million shares to the shareholders of Avoca Resources Limited (Avoca).

Encounter was established in 2004 by Managing Director Will Robinson to assemble a portfolio of strategically located, high quality, uranium projects in Western Australia. In conjunction with Avoca, project targeting involved a deliberate, scientifically based program at a time when there was minimal competition in Western Australia.

Subsequently the Encounter Avoca uranium joint venture was formed (80% Encounter, 20% Avoca).

"When we started to identify targets we considered a range of potential projects. We analysed new data sets and focused on areas not tested in the previous exploration campaigns in the 1970s," Mr Robinson said.

The joint venture partners conducted a uranium specific, targeting program and have assembled a pipeline of projects and drill ready targets.

As a result of this extensive preliminary planning, the joint venture partners now control the strike continuation of two calcrete uranium deposits in Western Australia, BHP Billiton's Yeelirrie deposit, which is the world's largest; and Nova Energy's Lake Way and Centipede deposits.

In addition to these two major projects, Encounter has tenement holdings in the Yilgarn, the Bangemall Basin prospective for both calcrete and Jabiluka style uranium deposits; and the Officer Basin with three large scale playa lake uranium targets containing significant radiometric anomalies.

Encounter's immediate objective is to undertake a drilling program at the Lake Way South project located between Nova Energy's Lake Way and Centipede deposits. Encounter is earning a 60% interest of the uranium rights from Avoca.

"The Centipede deposit has been mapped to the boundary of the Lake Way joint venture tenement and we want to test the extent to which the mineralisation continues onto our ground."

"We will also test the geochemical anomalies defined at the Yeelirrie South project, which forms part of the 40 strike kms of the Yeelirrie paleochannel held by Encounter and Avoca," Mr Robinson added.

Encounter's Non-Executive Chairman Paul Chapman brings a high level of governance and management experience to the Board. Mr Chapman is Managing Director of OM Holdings Ltd's Australian operations. He was also Managing Director of Reliance Mining following a long and successful career with WMC.

"We have been fortunate to bring together a Board that has a broad mix of management, financial and exploration experience," Mr Chapman said.

"As Managing Director Will Robinson brings a depth of commercial management and commodity marketing experience to Encounter, which is complemented by the extensive regional knowledge of our Exploration Director, Peter Bewick. Mr Bewick is intimately acquainted with the area in which our projects are held and his strong technical expertise adds considerably to our management team," he added.

The anticipated closing date for the IPO is 16 March, 2006 although the Board reserves the right to close the offer earlier if oversubscribed. The offer of Encounter's fully paid ordinary shares is made in the prospectus dated 9 February 2006. Anyone wishing to acquire such shares will need to complete the application form accompanying the prospectus.

A copy of the prospectus is available by calling Encounter's office on 08 9486 9455 or it can be downloaded from Encounter's website at [www.encounterresources.com.au](http://www.encounterresources.com.au).

## **ENDS**

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