

ASX : ENR

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Company Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
Sydney NSW 2000

New Copper Target at Yeneena

- **Drilling has identified a second copper target at the Yeneena Project**
- **A nine hole aircore program completed at BM2 to test a structural target has intersected highly anomalous copper in three adjacent 200m spaced holes**
- **Drillhole EPT0315 intersected a broad zone of anomalous copper 38m @ 519ppm Cu from 70m and finished in 2m @ 0.24% Cu at the end of hole**
- **Follow up drilling at BM2 will be completed as part of the aircore drill program at BM1 which is due to commence next week**

The directors of Encounter Resources Ltd ("Encounter") are pleased to announce that aircore drilling has identified a second copper target at the Yeneena project. The drilling completed in June 2010 at the BM2 target has identified broad zones of copper anomalism at a key structural intersection. The BM2 prospect is located 50km south-east of the Nifty copper deposit and 34km north-east of the exciting BM1 copper discovery (see ASX announcement 29 June 2010).

A nine hole, broad spaced aircore program was completed at BM2 in June to test a structural target on the Tabletop Fault (Figure 1). The program has intersected thick zones of highly anomalous copper in three adjacent 200m spaced aircore holes. Results include:

- **EPT0315 38m @ 519ppm Cu from 70m to end of hole including 2m @ 0.24% Cu at the end of hole.**
- EPT 313 37m @ 458ppm Cu from 42m to end of hole
- EPT 311 60m @ 264ppm Cu from 22m

The identification of a second copper target at the Yeneena project supports the view that this region has the potential to host multiple copper discoveries under sand cover.

An aircore and RC drill program at the Yeneena project is scheduled to commence next week. Additional aircore drilling at BM2 will now be completed to infill the drill spacing to 400x100m. This drilling will be undertaken following completion of the planned drill program at the BM1 copper discovery.

Table 1. Drill hole information BM2 (intersections +100ppm copper)

Drill Hole ID	Northing (m)	Easting (m)	RL (m)	EOH (m)	From(m)	To(m)	Interval (m)	Copper (ppm)
EPT 311	7570816	388701	320	105	22	82	60	264
EPT 313	7570823	388901	320	79	42	79*	37	458
EPT 315	7570799	389102	320	108	70	108*	38	519
				incl	94	96	2	2760
				incl	106	108	2	2370

Drill hole coordinates GDA94 zone 51 datum and determined via handheld GPS (+/-5m)
 All holes are drilled vertical; EOH = End of hole depth; m=metre; * end of hole interval

Project Background & Location Plan

The Yeneena project covers 1300km² of the Paterson Province in Western Australia and is located 40km SE of the Nifty copper mine, 30km NW of the Kintyre uranium deposit and 70km SE of the Woodie Woodie manganese mine. The targets identified are located adjacent to major regional faults and have been identified through electromagnetics, geochemistry and structural targeting. The base metals 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). Encounter controls 100% ownership of the project.

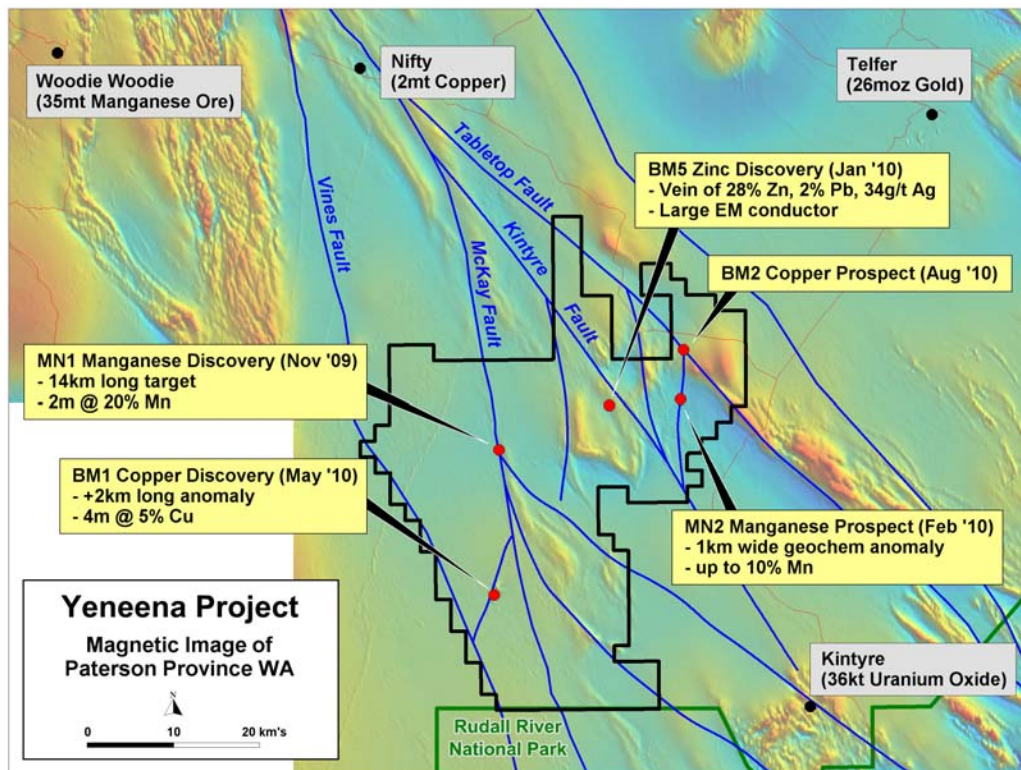


Figure 1. Yeneena Project leasing and targets areas on regional TMI magnetics

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 of 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.