



## **NOTICE OF GENERAL MEETING**

**&**

## **EXPLANATORY STATEMENT**

**To be held**

At 9.00am, Tuesday, 7 December 2010

**at**

The Offices of Encounter Resources Limited  
Level 7, 600 Murray Street  
West Perth WA 6005



Level 7, 600 Murray Street  
West Perth WA 6005

PO Box 273  
West Perth WA 6872

P 08 9486 9455  
F 08 6210 1578

[www.enrl.com.au](http://www.enrl.com.au)

4<sup>th</sup> November 2010

Dear Fellow Encounter Shareholder,

Please find enclosed the Notice of General Meeting for the Shareholders' Meeting to be held at the offices of Encounter Resources Limited, Level 7, 600 Murray Street, West Perth, WA 6005 at 9.00am on Tuesday, 7 December 2010.

The purpose of the meeting is to seek shareholder approval in accordance with the Corporations Act 2001 and the Listing Rules of the ASX to a resolution, which as set out in the attached Notice of Meeting paper.

Your Directors seek your support and look forward to your attendance at the meeting.

Yours sincerely

**Paul Chapman**  
Chairman

**ENCOUNTER RESOURCES LIMITED**  
ABN 47 109 815 796

**NOTICE OF GENERAL MEETING**

Notice is hereby given that a General Meeting of Encounter Resources Limited will be convened at 9.00am on Tuesday, 7 December 2010 at the offices of Encounter Resources Limited, Level 7, 600 Murray Street, Western Australia.

**AGENDA**

**ORDINARY BUSINESS**

**1. Approval of the Issue of Equity Securities – Share Placement**

To consider, and if thought fit, to pass, with or without modification, the following ordinary resolution:

*“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of 7,500,000 Shares pursuant to the Placement announced on 27 October 2010 to professional and sophisticated investors on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”*

The issue to be in accordance with the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.

**GENERAL NOTES**


1. The Company will disregard any votes cast on Agenda Item 1 by any person who will participate in the issue and any associate of that person (or those persons).

Before a voting exclusion applies, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. The Explanatory Statement to Shareholders attached to this Notice of General Meeting is hereby incorporated into and forms part of this Notice of General Meeting.
4. The Directors have determined in accordance with Regulation 7.11.37 of the Corporations Regulations that, for the purposes of voting at the meeting, shares will be taken to be held by the registered holders at 5.00pm on 3 December 2010.

**BY ORDER OF THE BOARD**



Kevin R Hart  
COMPANY SECRETARY

Dated this 4<sup>th</sup> day of November 2010

**ENCOUNTER RESOURCES LIMITED**  
ABN 47 109 815 796

**EXPLANATORY STATEMENT**

The purpose of the Explanatory Statement is to provide shareholders with information concerning the Agenda item in the Notice of General Meeting.

**1. Approval of the Issue of Equity Securities – Share Placement**

On 27 October 2010 the Company announced it had received firm placement commitments from professional and sophisticated investors to raise \$6 million before costs, subject to shareholder approval. The manager of the placement was Bell Potter Securities Limited.

The additional funding from the placement will enable the Company to significantly expand its 2011 exploration campaign at the BM1 copper discovery and bring forward the testing of additional targets at the Yeneena project.

The Placement, comprising 7,500,000 Shares requires prior shareholder approval in accordance with Listing Rule 7.1 because it exceeds the Company's capacity to issue equity securities under Listing Rule 7.1.

Listing Rule 7.3 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.1:

- (a) the maximum number of Securities to be issued is 7,500,000 Shares;
- (b) the Shares will be issued no later than 1 month after the date of the General Meeting and it is intended that allotment will occur on the same date;
- (c) the Shares will be issued for \$0.80 per Share;
- (d) the Shares will be allotted and issued to professional and sophisticated investors, none of whom are related parties of the Company;
- (e) the Shares issued will rank equally with existing Shares on issue and application will be made for their quotation on ASX;
- (f) the funds of \$6,000,000 which will be raised before the costs of the issue will be used to accelerate and expand the Company's exploration programs at the Yeneena Project and to provide additional working capital.

**Effect of the Placement**

The pro forma capital structure of the Company on completion of the Placement will be as follows:

	<u>Shares</u>	<u>Options</u>
Securities on issue at the date of the notice	91,494,360	1,900,000
Securities to be issued under the placement for which shareholder approval is sought	<u>7,500,000</u>	-
Securities on issue after completion of the placement	<u>98,994,360</u>	<u>1,900,000</u>

**PROXY FORM**

To: **Encounter Resources Limited (ABN: 47 109 815 796)**  
**PO Box 273**  
**West Perth WA 6872**

**Fax No: 61 8 6210 1578**

Mark this box with an 'X' if you have made any changes to your address details (see reverse)

**Name:** \_\_\_\_\_  
(PLEASE PRINT)

**Address:** \_\_\_\_\_  
\_\_\_\_\_

**Appointment of Proxy:**

I/We being a member/s of Encounter Resources Limited and entitled to attend and vote hereby appoint:

The Chairman of the Meeting  
(mark with an 'X')

**OR**

Write here the name of the person you are appointing if this person is **someone other than** the Chairman of the Meeting.

Or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Encounter Resources Limited to be held at the offices of Encounter Resources Limited, Level 7, 600 Murray Street, West Perth on Tuesday, 7 November 2010 at 9.00am (Perth time) and at any adjournment of that meeting.

**Voting directions to your proxy – please mark**

**to indicate your directions**

**Agenda Item**

1. Approval of the Issue of Equity Securities – Share Placement

**For**

**Against**

**\*Abstain**

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on you behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If you do not wish to direct your proxy how to vote, and wish him or her to vote at his or her discretion, please place a mark in this box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution, and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the meeting will not cast your vote on the resolutions and your vote will not be counted in computing the required majority if a poll is called.

**PLEASE SIGN HERE** This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

**Individual or Securityholder 1**

Individual / Sole Director and  
Sole Company Secretary

**Securityholder 2**

**Director**

**Securityholder 3**

**Director/Company Secretary**

\_\_\_\_\_  
**Contact Name**

\_\_\_\_\_  
**Contact Daytime Telephone**

\_\_\_\_\_  
**Date**

## **HOW TO COMPLETE THE PROXY FORM**

### **1 Your Name and Address**

This is your name and address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

### **2 Appointment of a Proxy**

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. The Chairman intends to vote in favour of resolutions for which no voting indication has been given.

### **3 Votes on Items of Business**

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### **4 Appointment of a Second Proxy**

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

### **5 Signing Instructions**

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** to sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate securityholder or proxy is to attend the meeting, the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

### **6. Lodgement of a Proxy and Deadline for Receipt of Proxy**

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below no later than 9.00am (Perth time) on 5 December 2010, being 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

**Documents may be lodged by post, delivery or facsimile to the Registered Office of Encounter Resources Limited being:**

**Level 7, 600 Murray Street, West Perth WA 6005  
Or by facsimile to fax number +61 8 6210 1578**