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Additional High Grade Copper Intersections at BM1

- **New assays results received from RC drilling at the BM1 prospect include:**
  - **6m @ 3.6% Cu from 16m incl. 2m @ 5.6% Cu (oxide)**
  - **20m @ 2.2% Cu from 16m incl. 2m @ 3.6% Cu (oxide)**
  - **10m @ 1.4% Cu from 20m incl. 4m @ 2.4% Cu (oxide)**
  - **18m @ 1.1% Cu from 26m (oxide)**
  - **10m @ 1.1% Cu from 68m (supergene)**
  - **4m @ 2.1% Cu from 110m incl. 2m @ 3.4% Cu (supergene and native copper)**
- **Native copper / chalcocite zone defined below carbon oxidation front**
- **RC drilling provides vector to possible primary copper sulphide zone**
- **Diamond testing of primary targets at BM1 to commence next week.**

The directors of Encounter Resources Ltd ("**Encounter**") are pleased to provide the first batch of assay results from the RC drilling program at the BM1 prospect at the Yeneena project.

Assay results have been received from the first 14 holes of a 33 hole RC program completed at BM1 in July 2011 (Figure 1). The drill program was completed at a nominal 80m by 40m spacing over the Northern Area mineralisation, with holes drilled to a vertical depth of approximately 100m. This program was primarily designed to determine the orientation and extent of the high grade copper mineralisation intersected in **EPT0751 (10.1m @ 6.8% copper from 31.9m)**.

"The RC drilling was highly successful and has confirmed the continuity of the oxide copper. The identification of a native copper and chalcocite zone on the westernmost section is particularly significant as it is an indicator to a possible copper sulphide zone at depth. The diamond rig will re-commence testing these primary sulphide copper targets from next week" said Managing Director Will Robinson

Details of the recent RC drilling completed at BM1 can be found in Table 1.

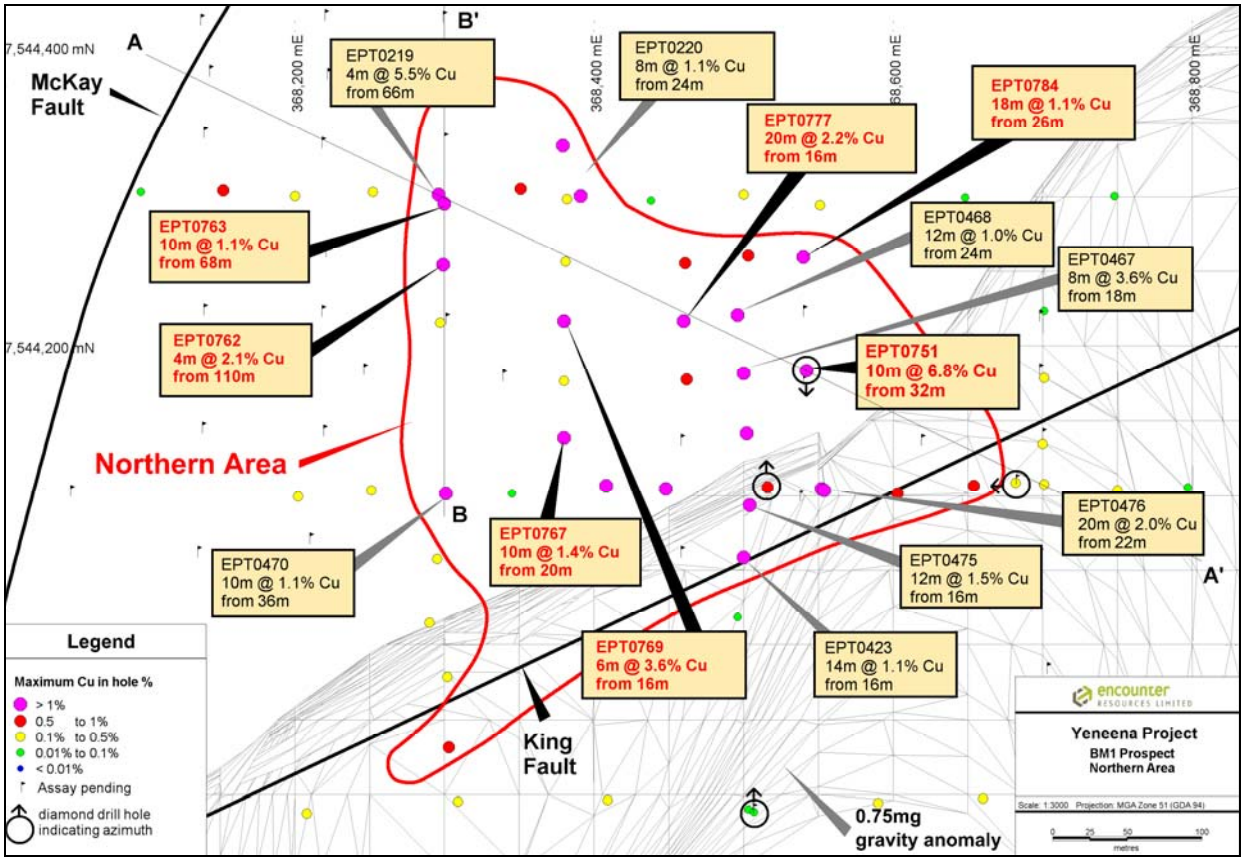

Figure 1: BM1 Northern Area – Maximum Copper in Hole, Red labels = 2011 drill holes

The mineralisation encountered in the RC drilling is hosted within the black shales of the Broadhurst Formation that have undergone varying degrees of weathering. This ranges from subtle oxidation within the supergene zone to complete leaching within sections of the oxide zone. The higher grade intercepts within the oxide zone are coincident with areas of greater silicification where the mineralised horizon is more resistant to surface weathering and leaching.

The drilling has confirmed the mineralised horizon is generally flat lying through the central core of the Northern Area and then dips off to the west and to the east. This observation supports an earlier interpretation that the overall geology of the BM1 area is dominated by an open antiform that appears to plunge gently to the north.

The western line of RC drilling has intersected significant copper mineralisation below the carbon oxidation front at depths between 50-95m from surface (Figure 2). This indicates the western limb of the antiform is dipping to the west. The mineralisation along this section is dominated by chalcocite and native copper. The progression from malachite dominated mineralisation in the oxide zone to chalcocite and native copper in the supergene zone is typical of the weathering profile of a copper sulphide deposit. This provides a vector to a possible copper sulphide zone further west and at depth.

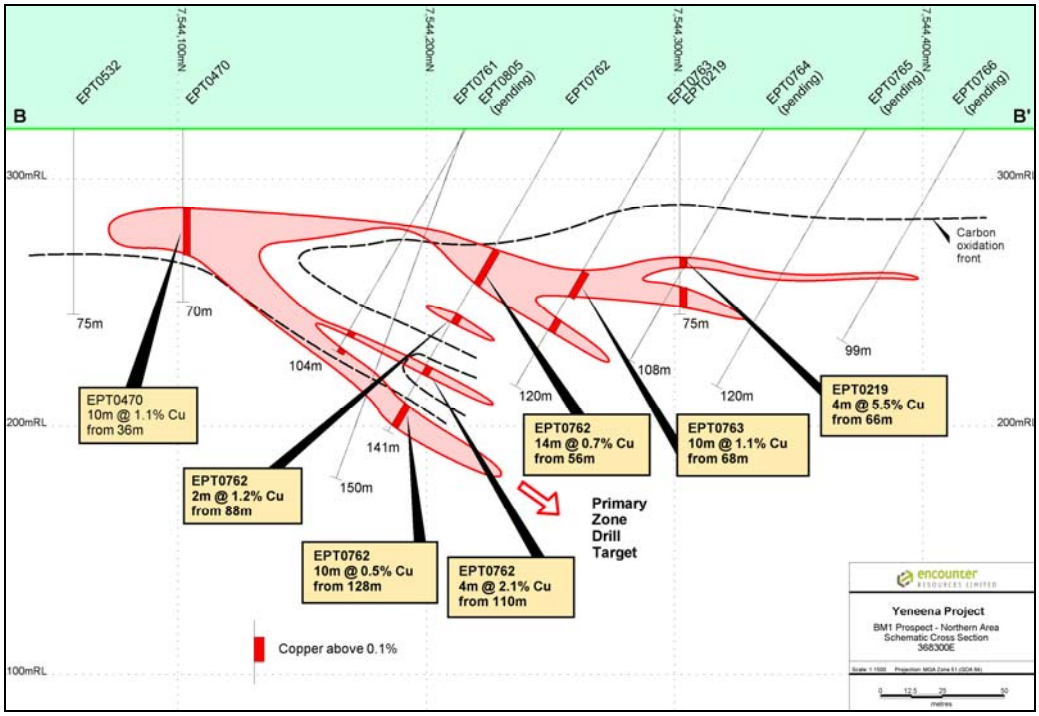

Figure 2: BM1 Northern Area - Cross Section 368300mE

Drilling along the easternmost section has also intersected copper anomalism below the carbon oxidation front based on handheld XRF results. The anomalism is located at depths from 35-80m and indicates a gentle easterly dip to the eastern limb. The anomalism along this section has provided a second vector to possible primary copper sulphide mineralisation. Assays from this line of drilling are pending.

A schematic cross section has been drafted to illustrate the overall interpreted geology across the Northern Area mineralisation (Figure 3).

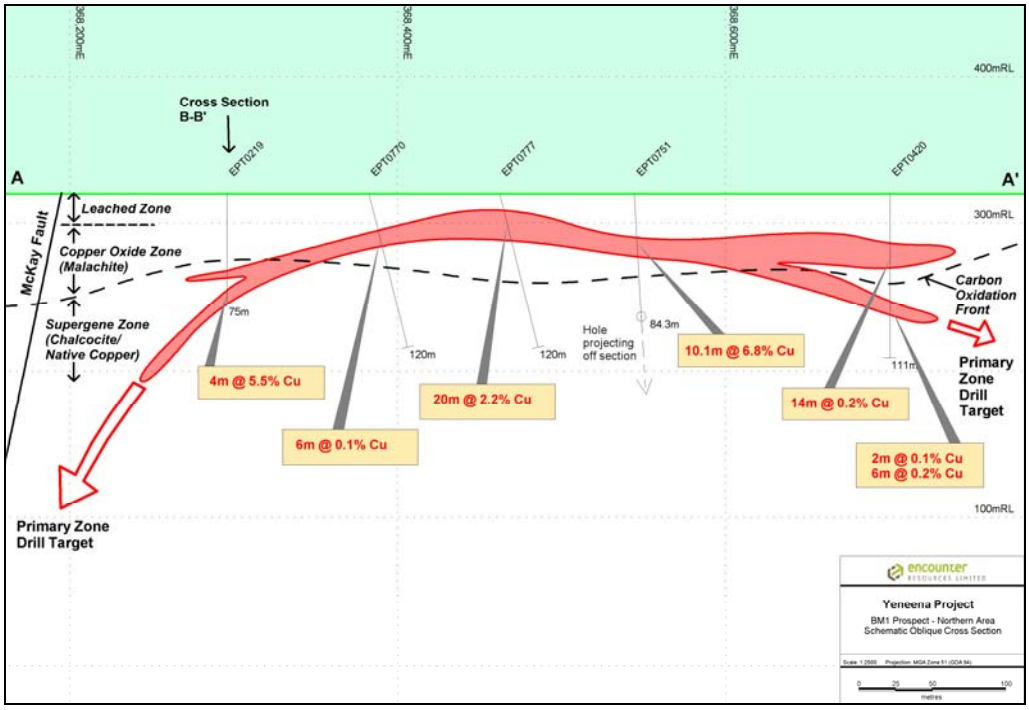

Figure 3: BM1 Schematic Oblique Section – Northern Area

Drill Hole ID	Northing (m)	Easting(m)	RL(m)	Dip	Azi	EOH (m)	From(m)	To(m)	Interval(m)	Copper (%)
EPT600	7544182	368148	320	-60	270	105	16	20	4	0.11
EPT601a	7544182	368148	320	-90	0	141	Assays	pending		
EPT602	7544177	368339	320	-75	270	150	Assays	pending		
EPT761	7544216	368297	320	-60	180	104	94	96	2	0.12
						and	102	104	2	0.24*
EPT762	7544255	368299	320	-60	180	141	56	70	14	0.7
						and	88	90	2	1.19
						and	110	114	**4**	**2.12**
						and	128	138	10	0.53
						incl.	*128*	*130*	*2*	*1.41*
EPT763	7544296	368300	320	-60	180	120	68	78	**10**	**1.09**
						and	88	94	6	0.4
EPT764	7544336	368300	320	-60	180	108	Assays	pending		
EPT765	7544377	368301	320	-60	180	120	Assays	pending		
EPT766	7544417	368299	320	-60	180	99	Assays	pending		
EPT767	7544139	368380	320	-60	180	93	16	44	28	0.59
						incl.	*20*	*30*	***10***	***1.36***
						and	64	70	6	0.19
EPT768	7544177	368380	320	-60	180	120	18	26	8	0.25
EPT769	7544217	368380	320	-60	180	120	16	22	**6**	**3.58**
						incl.	*18*	*20*	***2***	***5.60***
EPT770	7544257	368381	320	-60	180	120	32	38	6	0.14
EPT771	7544299	368382	320	-60	180	105	22	28	6	0.31
EPT772	7544335	368379	320	-60	180	105	28	34	6	0.83
EPT773	7544059	368458	320	-60	180	82	Assays	pending		
EPT775	7544134	368458	320	-60	180	60	Assays	pending		
EPT776	7544178	368462	320	-60	180	120	28	36	8	0.35
EPT777	7544217	368460	320	-60	180	120	16	36	**20**	**2.24**
						incl.	*18*	*20*	***2***	***3.56***
EPT778	7544256	368461	320	-60	180	112	42	48	6	0.40
EPT779	7544115	366231	320	-60	180	97	Assays	pending		
EPT781	7544097	368538	320	-60	180	120	Assays	pending		
EPT783	7544220	368540	320	-60	180	120	Assays	pending		
EPT784	7544260	368540	320	-60	180	99	22	52	30	0.76
						incl.	*26*	*44*	***18***	***1.09***
EPT788	7544134	368619	320	-60	180	120	Assays	pending		
EPT789	7544179	368619	320	-90	0	114	Assays	pending		
EPT791	7543981	368703	320	-60	180	120	Assays	pending		
EPT793	7544058	368698	320	-60	180	103	Assays	pending		
EPT795	7544138	368700	320	-60	180	102	Assays	pending		
EPT796	7544181	368698	320	-60	180	102	Assays	pending		
EPT797	7544217	368698	320	-60	180	141	Assays	pending		
EPT805	7544215	368301	320	-75	180	150	Assays	pending		
EPT806	7544173	368622	320	-60	180	120	Assays	pending		

Table 1: BM1 Northern Area- RC Drill hole information

*Drill hole coordinates GDA94 zone 51 datum and determined via handheld GPS (+/-5m), * denotes EOH interval*
EOH = End of hole depth; m=metre; Azi = Azimuth at the collar; All RC assay results are from 2m composite samples

Project Background & Location Plan

The BM1 prospect is one of several high quality prospects within the 100% owned Yeneena project. The Yeneena project covers 1300km^2 of the Paterson Province in Western Australia and is located 40km SE of the Nifty copper mine and 30km NW of the Kintyre uranium deposit (Figure 4). 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).

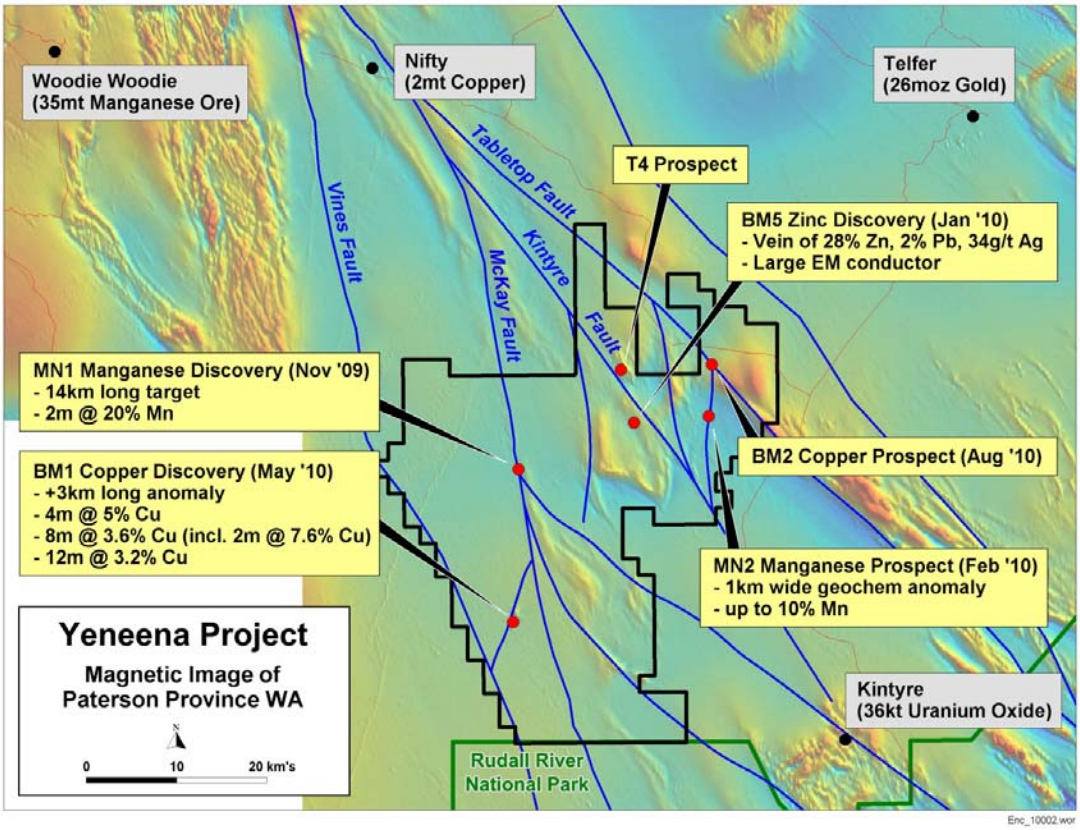

Figure 4: Yeneena Project leasing and target areas on regional TMI magnetics

For further information please contact:
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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 the information compiled by him, in the form and context in which it appears.