

**ASX : ENR**

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Company Announcements Office  
Australian Securities Exchange  
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Sydney NSW 2000

## **Further 'end of hole' intersections at BM7 up to 1.54% Cu**

- **Assay results from aircore drill lines 2, 3 and 4 extend strong copper-cobalt mineralisation with high grade end of hole ("EOH") results, including:**
  - **9m @ 1.54% copper and 1.0% cobalt from 42m to EOH**  
**incl. 4m @ 2.56% copper and 1.74% cobalt from 44m**
  - **9m @ 0.38% copper and 233ppm cobalt from 24m to EOH**  
**incl. 3m @ 0.52% copper and 298ppm cobalt from 30m to EOH**
  - **22m @ 0.22% copper and 108ppm cobalt from 20m to EOH**  
**incl. 2m @ 0.54% copper from 40m to EOH**
  - **6m @ 0.41% copper and 438ppm cobalt from 26m to EOH**  
**incl. 2m @ 0.49% copper and 555ppm cobalt from 30m to EOH**
- **BM7 copper-cobalt system is now 2.3km long and remains open to the south and east**
- **Assay results from aircore lines 5, 6 and 7 expected in the next two weeks**
- **2,400m RC drill program completed at BM7 with assay results expected in December 2012**

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The directors of Encounter Resources Ltd ("**Encounter**" or "**the Company**") are pleased to provide an update on copper exploration activities at the Yeneena project in the Paterson Province of Western Australia.

### **Background:**

Seven lines of aircore drilling have been completed along the southern extension of BM7 following the grant of this tenement in August 2012. No previous exploration had been completed in the tenement area. The purpose of the first aircore program was to determine the extent of the copper-cobalt mineral system at BM7, identify zones of high grade copper regolith mineralisation and provide a focus for follow up deep RC and diamond drilling. Significant zones of copper mineralisation were intersected on Line 1 with 'end of hole' copper grades up to 0.61% (see ASX announcement 7 November 2012).

### Assay Results from Aircore Lines 2 to 4:

Assays now received on Lines 2 to 4 have extended the BM7 copper-cobalt system to over 2.3km with the system still open to the south and east. A broad zone of regolith copper anomalism (+0.1% copper) is up to 1.4km wide on Line 3 of the recently completed aircore drill program, with individual assays up to 2.56% copper and 1.74% cobalt.

The recently completed 5,000m, seven line aircore drill program tested the southern extension of the BM7 copper-cobalt system. The drill lines were centered over a broad zone of resistive geology that is thought to represent a large-scale dolomite-silica alteration system. Geological logging of aircore samples has confirmed that the resistor is associated with a large scale hydrothermal alteration system. Many of the aircore holes terminate at shallow depths within a mineralised, ferruginous horizon with several end of hole samples exhibiting possible gossanous textures. The drilling shows the depth of the cover sequence at BM7 varies between 10m and 25m.

Interpretation of the assay results from aircore Lines 1 to 4 confirms an extensive, coherent supergene copper-cobalt anomaly that remains open to the south and east. The mineral system at BM7 now extends over 2.3km with a further 1.2km drilled and awaiting assays in Lines 5 to 7. Assay results from Lines 5 to 7 are expected within the next two weeks. However, handheld XRF analysis from these lines indicates the mineral system extends through to Line 7 and remains open to the south and east.

The strongest end of hole copper-cobalt mineralisation has been intersected along the margins of interpreted dolomite-silica alteration zone and these areas are targets for follow up deeper drilling.

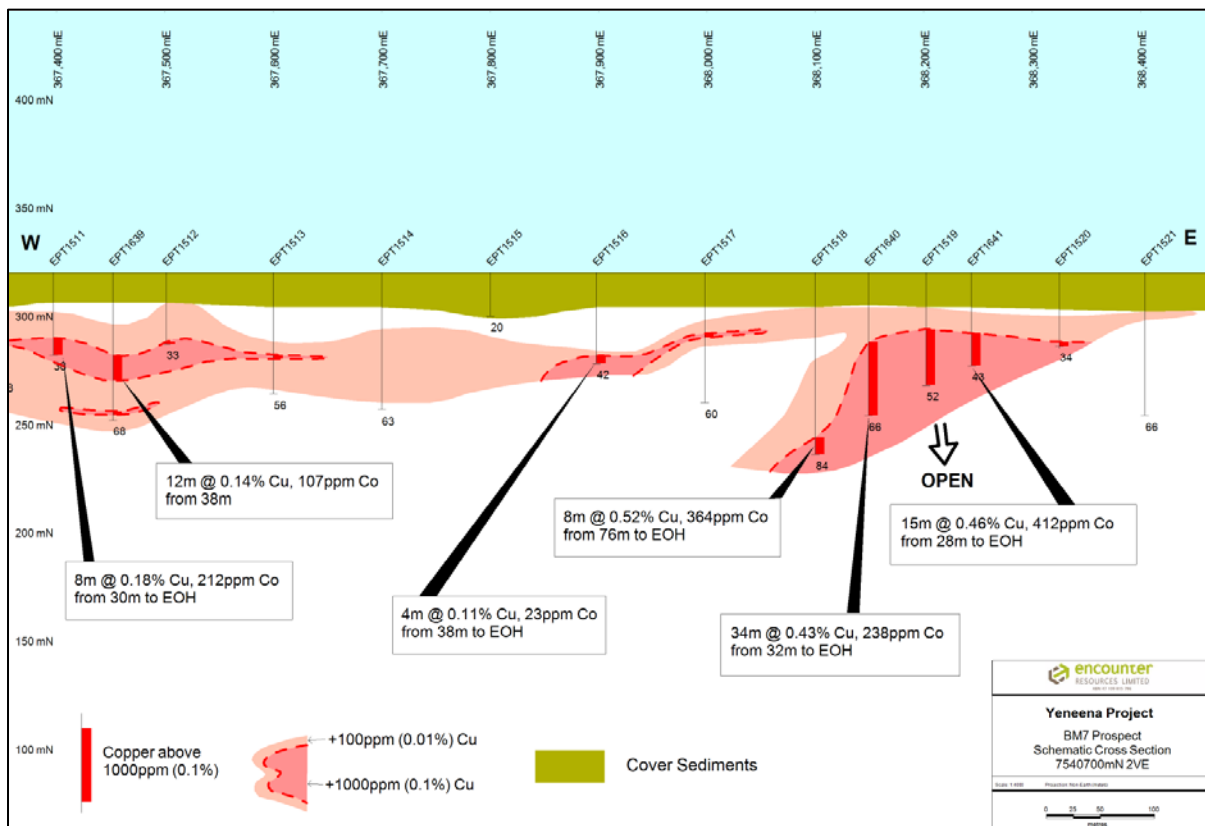


Figure 1: BM7 South Cross Section 7,540,700mN – Line 1 (2x vertical exaggeration)

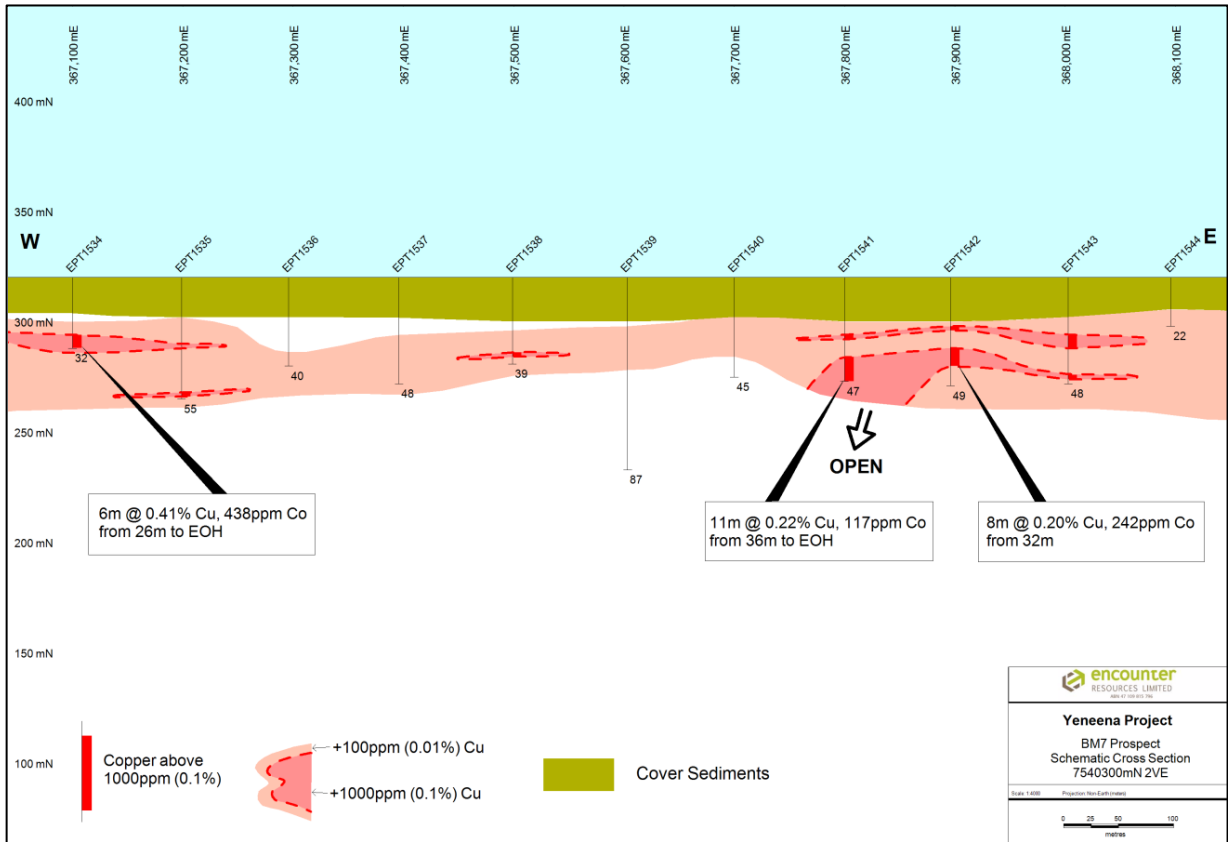


Figure 2: BM7 South Cross Section 7,540,300mN – Line 2 (2x vertical exaggeration)

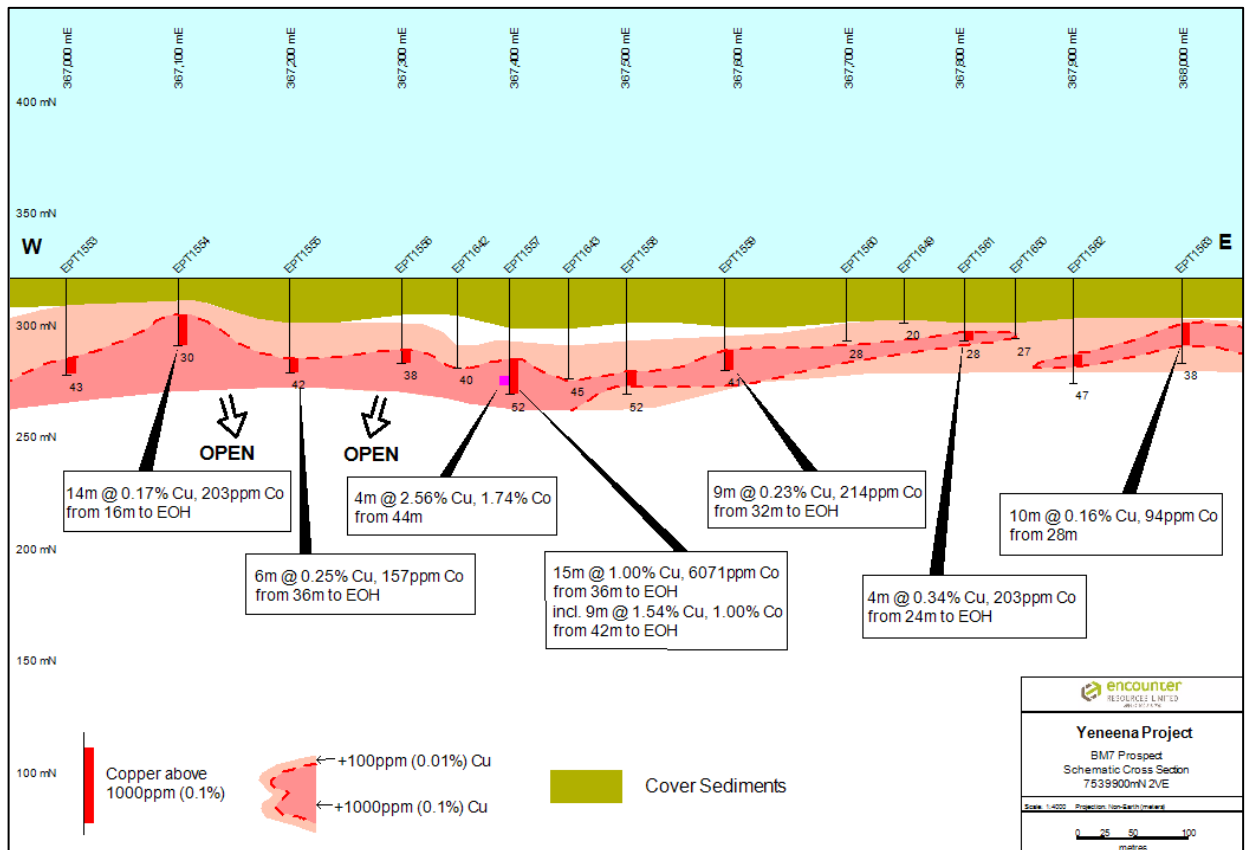


Figure 3: BM7 South Cross Section 7,539,900mN – Line 3 (2x vertical exaggeration)

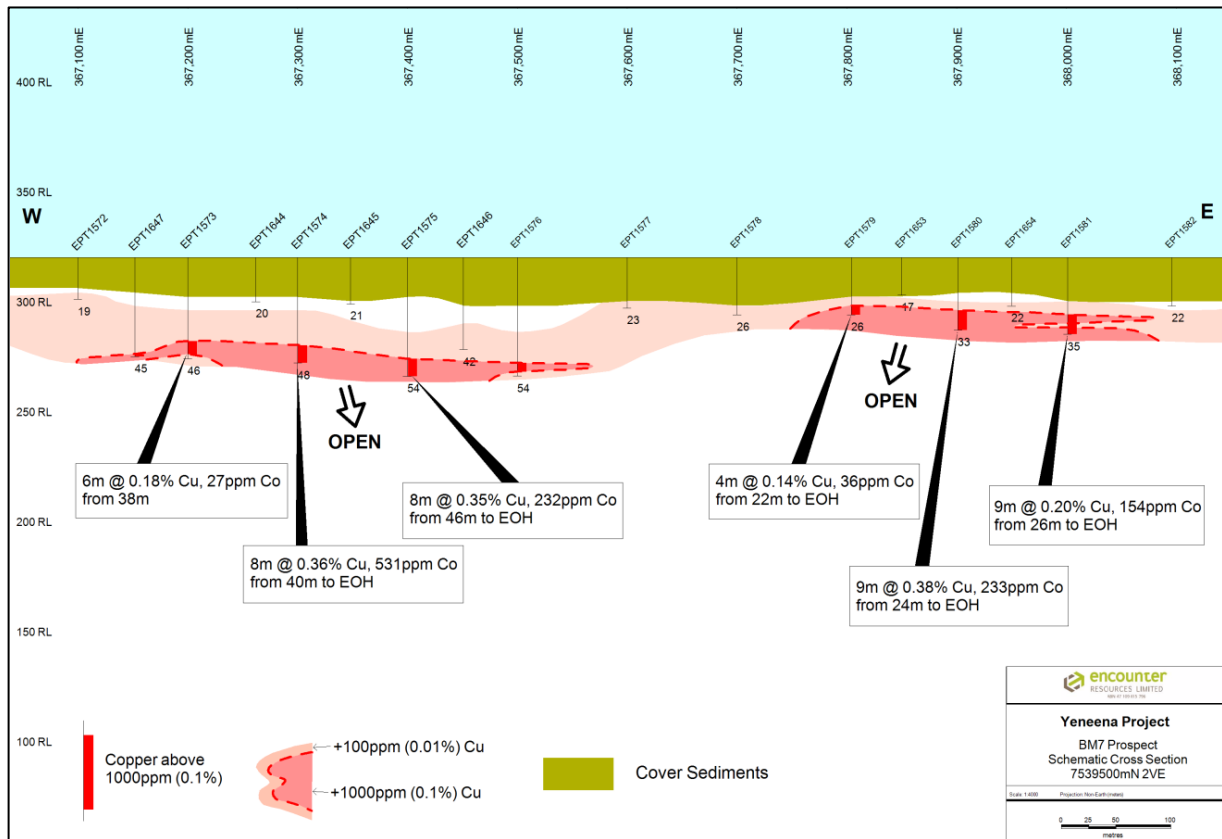


Figure 4: BM7 South Cross Section 7,539,500mN – Line 4 (2x vertical exaggeration)

### RC Drill Program

A 2,400m, 19 hole RC program at BM7 was completed late last week. The RC drilling was designed to test an area of highly silicified cover sediments south of Line 4 where aircore drilling failed to penetrate into the weathered Proterozoic sediments. In addition, a number of RC holes were drilled in areas of higher grade end of hole copper-cobalt mineralisation intersected in the aircore drilling. Broad zones of copper mineralisation have been detected by handheld XRF in several RC holes. Assay results from the RC drill program are expected in December 2012.

### IP Survey

An IP orientation survey is currently underway at BM7. Four lines of dipole-dipole IP and a gradient array survey have been designed to test whether zones of copper mineralisation can be mapped within the extensive dolomite-silica alteration zone. This program may be expanded if the results from the orientation prove positive.

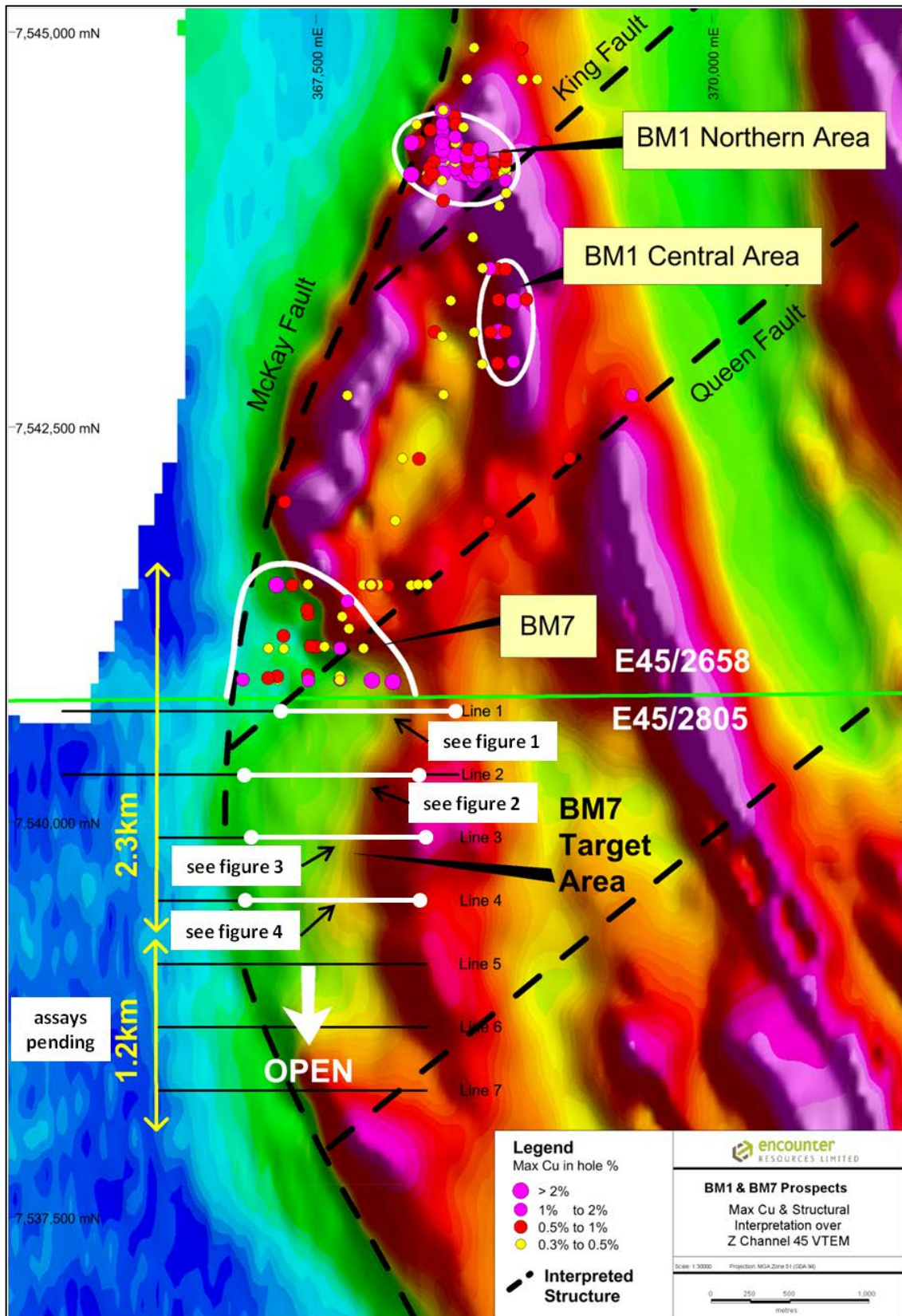


Figure 5: BM1 - BM7 prospects Maximum copper in hole (>0.3%) over VTEM Channel 45



## Project Background & Location Plan

The Yeneena project covers 1400km<sup>2</sup> 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 3). 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).

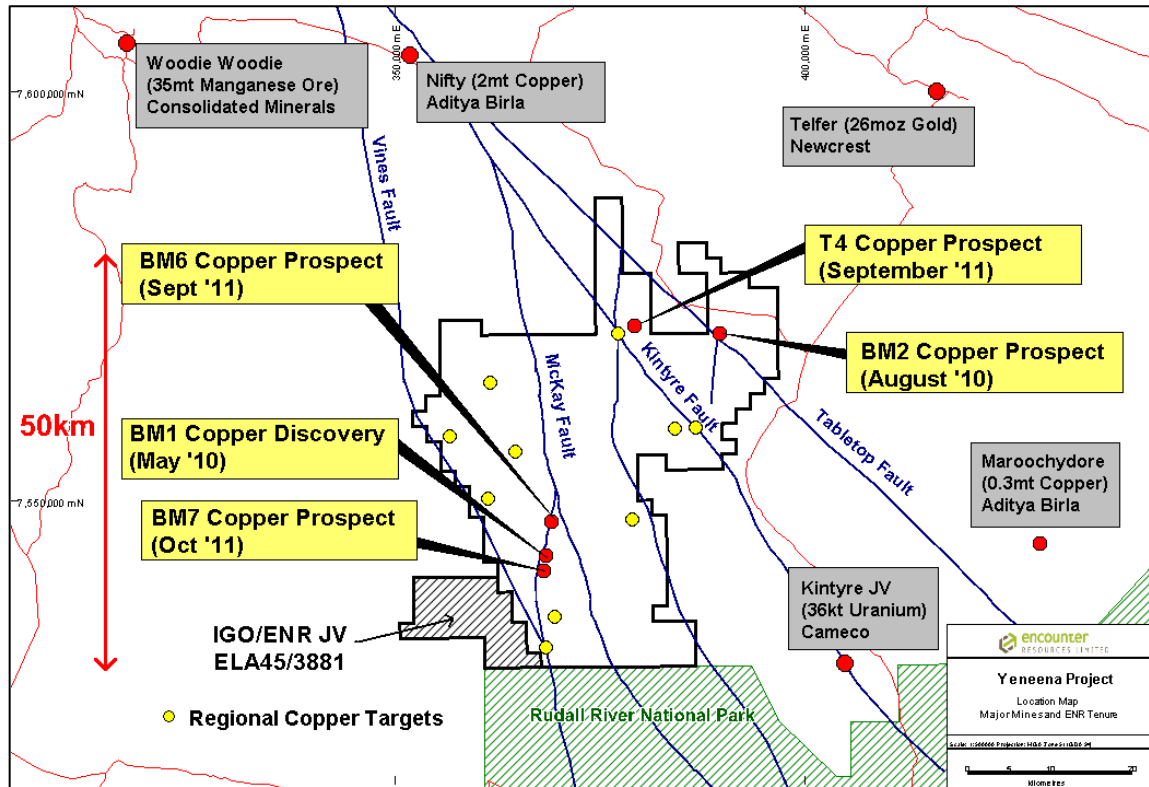


Figure 6: Yeneena Project leasing and target areas

Hole ID	Depth from (m)	Depth to (m)	Interval (m)	Copper (%)	Cobalt (ppm)
EPT 1532	20	24	4	0.13	226
EPT 1532	44	46*	2	0.10	146
EPT 1533	24	26	2	0.12	105
EPT 1534	26	32*	6	0.41	438
EPT 1535	30	32	2	0.10	52
EPT 1535	52	54	2	0.11	148
EPT 1538	34	36	2	0.10	314
EPT 1541	26	28	2	0.11	71
EPT 1541	36	47*	11	0.22	117
EPT 1542	22	24	2	0.16	40
EPT 1542	32	40	8	0.20	242
EPT 1543	26	32	6	0.14	37
EPT 1543	44	46	2	0.12	146
EPT 1551	20	26	6	0.14	132
EPT 1551	36	38	2	0.10	18
EPT 1551	50	52	2	0.10	98
EPT 1552	52	57*	5	0.18	156

EPT 1553	36	43*	7	0.12	10
EPT 1554	16	30*	14	0.17	203
EPT 1555	36	42*	6	0.25	157
EPT 1556	32	38*	6	0.15	251
EPT 1557	36	51*	15	1.00	6071
incl.	42	51*	9	1.54	10041
incl.	44	48	4	2.56	17400
EPT 1558	42	48	6	0.22	133
EPT 1559	32	41*	9	0.23	214
EPT 1561	24	28*	4	0.34	203
EPT 1562	28	40	12	0.13	66
EPT 1563	20	30	10	0.16	94
EPT 1565	24	38	14	0.21	203
EPT 1567	40	44	4	0.11	33
EPT 1568	20	42*	22	0.22	108
EPT 1573	38	44	6	0.18	27
EPT 1574	40	48*	8	0.36	531
EPT 1575	46	54*	8	0.35	232
EPT 1576	48	52	4	0.15	106
EPT 1579	22	26*	4	0.14	36
EPT 1580	24	33*	9	0.38	233
EPT 1581	26	35*	9	0.20	154
EPT 1647	44	45*	1	0.11	14

**Table 1: BM7 South Aircore Drill Hole Assay Summary – Lines 2, 3 and 4**

*Intervals listed are composited from individual assays using a nominal cut off of 0.1% copper. \* Anomalous copper results to EOH*

Hole ID	Northing (m)	Easting (m)	RL (m)	EOH (m)	Dip	Azi
EPT1527	7540299	366400	320	8	-90	0
EPT1528	7540302	366496	320	10	-90	0
EPT1529	7540301	366598	320	10	-90	0
EPT1530	7540294	366702	320	67	-90	0
EPT1531	7540303	366801	320	73	-90	0
EPT1532	7540303	366900	320	46	-90	0
EPT1533	7540302	366995	320	28	-90	0
EPT1534	7540303	367100	320	32	-90	0
EPT1535	7540299	367199	320	55	-90	0
EPT1536	7540300	367296	320	39	-90	0
EPT1537	7540298	367396	320	48	-90	0
EPT1538	7540296	367499	320	39	-90	0
EPT1539	7540298	367603	320	87	-90	0
EPT1540	7540296	367700	320	45	-90	0
EPT1541	7540297	367800	320	47	-90	0
EPT1542	7540302	367896	320	49	-90	0
EPT1543	7540293	368003	320	48	-90	0
EPT1544	7540297	368096	320	22	-90	0
EPT1545	7540299	368197	320	57	-90	0
EPT1546	7540300	368296	320	52	-90	0
EPT1548	7539900	366500	320	8	-90	0
EPT1549	7539900	366600	320	9	-90	0
EPT1550	7539900	366700	320	13	-90	0

EPT1551	7539900	366800	320	54	-90	0
EPT1552	7539900	366900	320	57	-90	0
EPT1553	7539900	367000	320	43	-90	0
EPT1554	7539900	367100	320	30	-90	0
EPT1555	7539900	367200	320	42	-90	0
EPT1556	7539900	367300	320	38	-90	0
EPT1557	7539892	367397	320	51	-90	0
EPT1558	7539897	367502	320	52	-90	0
EPT1559	7539908	367590	320	41	-90	0
EPT1560	7539900	367699	320	28	-90	0
EPT1561	7539901	367804	320	28	-90	0
EPT1562	7539900	367902	320	47	-90	0
EPT1563	7539898	367999	320	38	-90	0
EPT1564	7539895	368099	320	25	-90	0
EPT1565	7539887	368192	320	39	-90	0
EPT1566	7539500	366500	320	9	-90	0
EPT1567	7539500	366600	320	46	-90	0
EPT1568	7539500	366700	320	42	-90	0
EPT1569	7539500	366800	320	50	-90	0
EPT1570	7539500	366900	320	41	-90	0
EPT1571	7539500	367000	320	57	-90	0
EPT1572	7539500	367100	320	19	-90	0
EPT1573	7539500	367200	320	46	-90	0
EPT1574	7539500	367300	320	48	-90	0
EPT1575	7539500	367400	320	54	-90	0
EPT1576	7539500	367500	320	54	-90	0
EPT1577	7539500	367600	320	23	-90	0
EPT1578	7539490	367700	320	26	-90	0
EPT1579	7539493	367804	320	26	-90	0
EPT1580	7539501	367901	320	33	-90	0
EPT1581	7539504	368001	320	35	-90	0
EPT1582	7539498	368096	320	22	-90	0
EPT1583	7539495	368197	320	53	-90	0
EPT1642	7539900	367350	320	40	-90	0
EPT1643	7539900	367450	320	45	-90	0
EPT1644	7539495	367262	320	20	-90	0
EPT1645	7539501	367348	320	21	-90	0
EPT1646	7539502	367451	320	42	-90	0
EPT1647	7539498	367152	320	45	-90	0
EPT1649	7539900	367750	320	20	-90	0
EPT1650	7539900	367850	320	27	-90	0
EPT1653	7539500	367850	320	17	-90	0
EPT1654	7539500	367950	320	22	-90	0

**Table 2: BM7 South aircore hole information – Lines 2, 3 and 4**

*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 appear*