

Form 603
Corporations Act 2001
Section 671B

Notice of Initial substantial holder

To Company Name/Scheme Encounter Resources Limited (Encounter)

ACN/ARSN ACN 109 815 796

1. Details of substantial holder (1)

Name Sierra Gorda Investment Company Limited (Sierra Gorda) and each of its related bodies corporate listed in Annexure A (Antofagasta Group)

ACN/ARSN (if applicable) N/A

The holder became a substantial holder on 28 April 2013

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully Paid Ordinary Shares	9,241,931	9,241,931	7.49%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Sierra Gorda	Pursuant to section 608(1)(a) of the Corporations Act 2001 (Cth) (Act) as the holder of ordinary shares as a result of the subscription for the shares pursuant to a share subscription agreement between Antofagasta Minerals Perth Pty Limited and Encounter dated 19 April 2013, details of which were contained in an announcement by Encounter to ASX on 23 April 2013. A copy of this agreement is attached as Annexure B.	9,241,931 ordinary shares
Antofagasta Group	Each member of the Antofagasta Group is an associate of Sierra Gorda pursuant to section 12(2)(e) of the Act and has a relevant interest under section 608(3)(a) of the Act.	9,241,931 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Sierra Gorda	Sierra Gorda	Sierra Gorda	9,241,931 ordinary shares
Antofagasta Group	Sierra Gorda	Sierra Gorda	9,241,931 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Sierra Gorda	28 April 2013	A\$1,940,805 (being A\$0.21 per share)		9,241,931 ordinary shares
Antofagasta Group	28 April 2013	N/A		9,241,931 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Antofagasta Group	Each member of the Antofagasta Group is an associate of Sierra Gorda pursuant to section

7. Addresses

The addresses of persons named in this form are as follows:

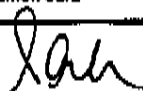
Name	Address
• Sierra Gorda	2 Grenville Street St. Helier Jersey JE4 8PX United Kingdom
• Sierra Gorda Copper Pty Limited • Equatorial Mining Pty Limited	Bennelong Capital Partners Suite 502 37 Blish Street Sydney NSW 2000, Australia.
• Antofagasta Plc	Cleveland House 33 King Street, St. James's London SW1 6RJ United Kingdom
• Antofagasta Minerals Australia Pty Limited • Antofagasta Minerals Adelaide Pty Limited	Level 28 Riparian Plaza 71 Eagle Street Brisbane Queensland 4000
• Minera El Tesoro • Minera Esperanza • Minera Los Pelambres • Minera Michilla S.A. • Minera Antucoya • Antofagasta Minerals S.A.	Av. Apoquindo 4001 Piso 18° 7650162 Las Condes Santiago Chile

Signature

print name Ramón Jara

capacity: Director of Sierra Gorda

sign here



date April 29th, 2013

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or

disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisition, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A to Form 603

This is Annexure A of 1 page referred to in the Form 603 (Notice of initial substantial holder), signed by me and dated April 29th, 2013.



Ramón Jara
Director of Sierra Gorda Investment Company Limited

The Antofagasta Group of companies other than Sierra Gorda.

Antofagasta Plo
Antofagasta Minerals Australia Pty Limited ACN 152 356 824
Antofagasta Minerals Adelaide Pty Limited ACN 152 369 787
Antofagasta Minerals Perth Pty Limited ACN 153 892 703
Sierra Gorda Copper Pty Limited
Equatorial Mining Pty Limited
Minera El Tesoro
Minera Esperanza
Minera Michilla S.A.
Minera Antucoya
Antofagasta Minerals S.A.

Annexure B to Form 603

This is Annexure B of ²³~~22~~ pages referred to in the Form 603 (Notice of initial substantial holder), signed by me and dated ~~April 27th~~, 2013.



Ramón Jara
Director of Sierra Gorda Investment Company Limited

CLAYTON UTZ

Subscription agreement

Encounter Resources Limited
Company

Antofagasta Minerals Perth Pty Limited
Antofagasta

Clayton Utz
Lawyers
Level 15 1 Ditch Street Sydney NSW 2000 Australia
PO Box H3 Australia Square Sydney NSW 1215
T +61 2 8353 4000 F +61 2 8220 8700

www.claytonutz.com

Contents

1.	Definitions and Interpretation.....	1
1.1	Definitions.....	1
1.2	Business Days.....	2
1.3	General rules of Interpretation.....	2
2.	Subscription.....	3
2.1	Subscription Shares.....	3
2.2	Nominee.....	3
3.	Period before Completion.....	4
4.	Completion.....	4
4.1	Time for Completion.....	4
4.2	Obligations at Completion.....	4
4.3	Copies and originals.....	4
4.4	Interdependence of obligations at Completion.....	4
4.5	Obligations following Completion.....	4
5.	Warranties.....	5
5.1	Company Warranties.....	5
5.2	Antofagasta Warranties.....	5
5.3	Warranties separate.....	5
5.4	Survival.....	5
5.5	Indemnity for breach of Company Warranty.....	5
5.6	Indemnity for breach of Antofagasta Warranty.....	6
6.	Payments.....	6
6.1	Direction.....	6
6.2	Method of payment.....	6
6.3	No deduction.....	6
6.4	Gross-up for withholdings.....	6
7.	GST.....	7
7.1	Interpretation.....	7
7.2	Reimbursements and similar payments.....	7
7.3	GST payable.....	7
7.4	Variation to GST payable.....	7
8.	Notices.....	7
8.1	How notice to be given.....	7
8.2	When notice taken to be received.....	8
9.	Entire agreement.....	9
10.	General.....	9
10.1	Amendments.....	9
10.2	Assignment.....	9
10.3	Consents.....	9
10.4	Costs.....	9
10.5	Counterparts.....	9
10.6	Further acts and documents.....	9
10.7	No merger.....	9

10.8	Severance	9
10.9	Stamp duties	10
10.10	Waivers	10
11.	Governing law, jurisdiction and service of process	10
11.1	Governing law and jurisdiction	10
11.2	Service of process	10
	Schedule 1 Company Warranties	11
1.	The Company	11
1.1	Capacity and authorisation	11
1.2	Valid obligations	11
1.3	Breach or default	11
1.4	Solvency	11
2.	General	12
2.1	Share capital	12
2.2	No other convertible rights	12
2.3	No restriction	12
2.4	No shareholder approval	12
2.5	No regulatory approval	13
2.6	Shares rank equally and no encumbrances	13
2.7	Purpose of issue	13
2.8	Cleansing notice requirements	13
2.9	Continuous disclosure	13
2.10	Litigation	13
2.11	Orders and judgments	13
2.12	Compliance with law	13
2.13	Tax	14
	Schedule 2 Antofagasta Warranties	15
1.	Antofagasta	15
1.1	Capacity and authorisation	15
1.2	Valid obligations	15
1.3	Breach or default	15
1.4	Solvency	15
2.	Own enquiries	16
	Schedule 3 Application	17

Subscription agreement dated April 19, 2013

Parties

Encounter Resources Limited ACN 109 815 796 of Level 7, 600 Murray Street, West Perth WA 6005, Australia (Company)

Antofagasta Minerals Perth Pty Limited ACN 153 892 703 of c/o Clayton Utz, Level 28 Riparian Plaza, 71 Eagle Street, Brisbane QLD 4001, Australia (Antofagasta)

Background

- A. The Company is registered under the Corporations Act and is listed on the ASX.
- B. Antofagasta wishes to subscribe for shares in the Company and the Company wishes to allot and issue shares to Antofagasta on the terms set out in this agreement.

Operative provisions

1. Definitions and Interpretation

1.1 Definitions

In this agreement:

Antofagasta Group Member means each of Antofagasta and each Related Body Corporate of Antofagasta.

Antofagasta Warranties means the warranties set out in Schedule 2.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the securities market it operates known as the Australian Securities Exchange, as the context requires.

Business means the business conducted by the Company Group Members.

Business Day has the meaning given in the Listing Rules.

Company Group Member means each of the Company and each Related Body Corporate of the Company.

Company Warranties means the warranties set out in Schedule 1.

Completion means completion of the allotment and issue of the Subscription Shares in accordance with clause 4.

Completion Date means the date on which Completion occurs.

Consideration means \$ 1,940,805, Subscription Shares.

Corporations Act means the Corporations Act 2001 (Cth).

Encumbrance means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.

GST has the meaning given in the GST Act.

GST Act means the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Indemnified Losses means, in relation to any fact, matter or circumstance, all losses, costs, charges, damages, expenses, penalties and other liabilities arising out of or in connection with that fact, matter or circumstance including all legal and other professional expenses on a solicitor-client basis incurred in connection with investigating, disputing, defending or settling any claim, action, demand or proceeding relating to that fact, matter or circumstance (including any claim, action, demand or proceeding based on the terms of this agreement).

Listing Rules means the official listing rules of the ASX.

Nominee has the meaning given in clause 2.2.

Option means an option to require the Company to issue a Share.

PPSA means the Personal Property Securities Act 2009 (Cth).

Regulatory Authority means:

- (a) any government or local authority and any department, minister or agency of any government; and
- (b) any other authority, agency, commission or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange.

Related Body Corporate of a party means a related body corporate of that party within the meaning of section 50 of the Corporations Act.

Security Interest has the meaning given in section 12 of the PPSA.

Share means a fully paid ordinary share in the capital of the Company.

Subscription Shares means 9,241,931 Shares each with an issue price of A\$ 0.21 (VWAP 20 Day) per Share.

Tax means any tax, levy, excise, duty, charge, surcharge, contribution, withholding tax, impost or withholding obligation of whatever nature, whether direct or indirect, by whatever method collected or recovered, together with any fees, penalties, fines, interest or statutory charges.

Transaction means the transactions contemplated by this agreement.

Warranty Claim means any claim arising out of a breach of a warranty given in this agreement.

1.2 Business Days

If the day on which any act to be done under this agreement is a day other than a Business Day, that act must be done on or by the immediately preceding Business Day except where this agreement expressly specifies otherwise.

1.3 General rules of interpretation

In this agreement headings are for convenience only and do not affect interpretation and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;

- (b) the word **including** or any other form of that word is not a word of limitation;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, a Regulatory Authority, an incorporated or unincorporated association or parties in a joint venture, a partnership and a trust;
- (e) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) a reference to a document or a provision of a document is to that document or provision as varied, novated, ratified or replaced from time to time;
- (g) a reference to this agreement is to this agreement as varied, novated, ratified or replaced from time to time;
- (h) a reference to an agency or body; if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (**obsolete body**), means the agency or body which performs most closely the functions of the obsolete body;
- (i) a reference to a party, clause, schedule, exhibit, attachment or annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of this agreement, and a reference to this agreement includes all schedules, exhibits, attachments and annexures to it;
- (j) a reference to a statute includes any regulations or other instruments made under it (**delegated legislation**) and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
- (k) a reference to \$ or dollar is to Australian currency; and
- (l) this agreement must not be construed adversely to a party just because that party prepared it or caused it to be prepared.

2. Subscription

2.1 Subscription Shares

Antofagasta agrees to subscribe for the Subscription Shares and the Company agrees to issue and allot the Subscription Shares to Antofagasta, free from all Encumbrances, for the Consideration.

2.2 Nominee

At any time prior to Completion Antofagasta may nominate a Related Body Corporate to receive the Subscription Shares at Completion in Antofagasta's place (**Nominee**). Any such nomination must be in writing and given to the Company. If Antofagasta nominates a Related Body Corporation in accordance with this clause 2.2 the Company must issue the Subscription Shares to that nominee at Completion in Antofagasta's place, provided that Antofagasta will remain responsible for all of its other obligations under this agreement.

3. Period before Completion

The Company must until Completion:

- (a) conduct the Business in the ordinary and usual course consistent with its usual business practices and does not make any significant change to the nature or scale of any activity comprised in the Business; and
 - (b) conduct the Business in accordance with all applicable laws and regulations.
-

4. Completion**4.1 Time for Completion**

Completion must take place at 10.00 am on the date which is 3 Business Days after the date of this agreement or at any other time that the Company and Antofagasta agree in writing.

4.2 Obligations at Completion

At Completion:

- (a) the Company must:
 - (i) allot and issue to Antofagasta (or the Nominee, if applicable) the Subscription Shares and register that person as the holder of the Subscription Shares; and
 - (ii) deliver to the Antofagasta a holding statement in relation to that allotment and issue;
- (b) Antofagasta must:
 - (i) subscribe for the Subscription Shares (or procure that the Nominee, if applicable, subscribes for the Subscription Shares) by delivering the Company a duly executed application in the form set out in Schedule 3; and
 - (ii) pay the Consideration to the Company in accordance with clause 6.

4.3 Copies and originals

A party may satisfy any obligation under clause 4.2 to deliver a document to the other party by sending a copy of that document by e-mail to the other party at Completion and delivering the original document to the other party as soon as practicable after Completion.

4.4 Interdependence of obligations at Completion

The obligations of the parties under clause 4.2 are interdependent and must be performed, as nearly as possible, simultaneously. If any obligation specified in clause 4.2 is not performed on or before Completion then, without limiting any other rights of the parties, Completion is taken not to have occurred and any document delivered, or payment made, under clause 4.2 must be returned to the party that delivered it or paid it.

4.5 Obligations following Completion

The Company must:

- (a) as soon as practicable after Completion notify the ASX of the issue of the Subscription Shares in accordance with Listing Rule 3.10.5 and otherwise apply for quotation of the Subscription Shares in accordance with the Listing Rules;
- (b) procure that the Subscription Shares are quoted on the ASX by no later than the commencement of the first Business Day after Completion; and
- (c) as soon as practicable and in any event no later than 5 Business Days after Completion give to the ASX a notice under section 708A(5)(e)(i) of the Corporations Act in relation to the Subscription Shares.

5. Warranties

5.1 Company Warranties

The Company warrants to Antofagasta that each Company Warranty is correct and not misleading or deceptive as at:

- (a) the date of execution of this agreement; and
- (b) the time immediately prior to Completion,

unless the warranty is expressed to be given only at a particular time in which case it is given as at that time.

5.2 Antofagasta Warranties

Antofagasta warrants to the Company that each Antofagasta Warranty is correct and not misleading or deceptive as at:

- (a) the date of execution of this agreement; and
- (b) the time immediately prior to Completion,

unless the warranty is expressed to be given only at a particular time in which case it is given as at that time.

5.3 Warranties separate

Each warranty given by a party in Schedule 1 or Schedule 2 (as applicable) is to be treated as a separate warranty and is not limited by reference to any other warranty given by the party or any other provision of this agreement.

5.4 Survival

Each warranty given by a party in Schedule 1 or Schedule 2 (as applicable) will remain in full force and effect after Completion and a Warranty Claim is not limited to breaches identified prior to Completion.

5.5 Indemnity for breach of Company Warranty

Without limiting any other remedy available to Antofagasta, the Company must pay to Antofagasta on demand:

- (a) the amount of any Indemnified Loss suffered or incurred by any Antofagasta Group Member arising out of or in connection with the breach of any Company Warranty; and

- (b) an amount equal to any additional Tax assessable on any Antofagasta Group Member arising out of or in connection with the receipt by an Antofagasta Group Member of a payment under this clause 5.5 or otherwise in respect of the breach of a Company Warranty.

5.6 Indemnity for breach of Antofagasta Warranty

Without limiting any other remedy available to the Company, Antofagasta must pay to the Company on demand:

- (a) the amount of any Indemnified Loss suffered or incurred by any Company Group Member arising out of or in connection with the breach of any Antofagasta Warranty; and
- (b) an amount equal to any additional Tax assessable on any Company Group Member arising out of or in connection with the receipt by a Company Group Member of a payment under this clause 5.6 or otherwise in respect of the breach of an Antofagasta Warranty.

6. Payments

6.1 Direction

Any reference in this agreement to a payment to any party includes payment to another person at the direction of that party.

6.2 Method of payment

Payment of any amount due under this agreement by any party must be made by the paying party to the recipient party by:

- (a) electronic funds transfer to an account with an Australian bank specified by the recipient party to the paying party at least 3 Business Days before the due date for payment and confirmed by the paying party to the recipient party by notice;
- (b) unendorsed bank cheque drawn on an Australian bank or other immediately available funds; or
- (c) in any other manner reasonably required by the recipient party in writing.

6.3 No deduction

Any payment to be made under this agreement must be made free and clear of any set-off, deduction or withholding, except where that set-off, deduction or withholding is required or compelled by law.

6.4 Gross-up for withholdings

Any person who is required or compelled by law to make any deduction or withholding from any amount payable under this agreement must, to the extent permitted by law, pay to the payee an additional amount sufficient to ensure that the amount received by the payee equals the full amount that would have been received by the payee, if that deduction or withholding had not been required or compelled.

7. GST

7.1 Interpretation

The parties agree that:

- (a) except where the context suggests otherwise, terms used in this clause 7 have the meanings given to those terms by the GST Act (as amended from time to time);
- (b) any part of a supply that is treated as a separate supply for GST purposes (including attributing GST payable to tax periods) will be treated as a separate supply for the purposes of this clause 7; and
- (c) any consideration that is specified to be inclusive of GST must not be taken into account in calculating the GST payable in relation to a supply for the purpose of this clause.

7.2 Reimbursements and similar payments

Any payment or reimbursement required to be made under this agreement that is calculated by reference to a cost, expense, or other amount paid or incurred will be limited to the total cost, expense or amount less the amount of any input tax credit to which an entity is entitled for the acquisition to which the cost, expense or amount relates.

7.3 GST payable

If GST is payable in relation to a supply made under or in connection with this agreement then any party (**Recipient**) that is required to provide consideration to another party (**Supplier**) for that supply must pay an additional amount to the Supplier equal to the amount of that GST at the same time as other consideration is to be provided for that supply or, if later, within 5 Business Days of the Supplier providing a valid tax invoice to the Recipient.

7.4 Variation to GST payable

If the GST payable in relation to a supply made under or in connection with this agreement varies from the additional amount paid by the Recipient under clause 7.3 then the Supplier will provide a corresponding refund or credit to, or will be entitled to receive the amount of that variation from, the Recipient. Any ruling, advice, document or other information received by the Recipient from the Australian Taxation Office in relation to any supply made under this agreement will be conclusive as to the GST payable in relation to that supply. Any payment, credit or refund under this paragraph is deemed to be a payment, credit or refund of the additional amount payable under clause 7.3.

8. Notices

8.1 How notice to be given

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement:

- (a) may be given by personal service, post, or facsimile (or e-mail in the case of documents delivered in accordance with clause 4.3);
- (b) must be in writing and in English (or accompanied by a certified translation into English);

- (c) must be addressed as follows (or as otherwise notified by that party to each other party from time to time):
- (i) if to the Company:
- Attention: **Mr Will Robinson**
- Address: **Level 7, 600 Murray Street, West Perth, WA 6005, Australia**
- Fax number: **+61 8 6210 1578**
- (ii) if to Antofagasta:
- Attention: **Mr. Jose Perello**
- Address: **Av. Apoquindo 4001 Piso 18°, Las Condes, Santiago, Chile**
- Fax number: **+56 2 798 7377**
- Copied to:
- Attention: **Mr. John Elliott, Partner, Clayton Utz**
- Address: **Level 15, 1 Bligh Street, Sydney NSW 2000, Australia**
- Fax number: **+61 2 8220 6700**
- (d) must be signed by the party making it or (on that party's behalf) by the solicitor for, or any attorney, director, secretary or authorised agent of, that party; and
- (e) must be delivered by hand or posted by prepaid post to the address or sent by fax to the number of the addressee, in accordance with clause 8.1(c).

8.2 When notice taken to be received

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement is taken to be received by the addressee:

- (a) (in the case of prepaid post sent to an address in the same country) on the third day after the date of posting;
- (b) (in the case of prepaid post sent to an address in another country) on the fifth day after the date of posting by airmail;
- (c) (in the case of fax) at the time in the place to which it is sent equivalent to the time shown on the transmission confirmation report produced by the fax machine from which it was sent; and
- (d) (in the case of delivery by hand) on delivery,

but if the communication would otherwise be taken to be received on a day that is not a working day or after 5.00 pm, it is taken to be received at 9.00 am on the next working day ("working day" meaning a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally, in the place to which the communication is posted, sent or delivered).

9. Entire agreement

To the extent permitted by law, this agreement constitutes the entire agreement between the parties in relation to its subject matter including the subscription for and allotment and issue of the Subscription Shares and supersedes all previous agreements and understandings between the parties in relation to its subject matter.

10. General**10.1 Amendments**

This agreement may only be varied by a document signed by or on behalf of each party.

10.2 Assignment

A party cannot assign or otherwise transfer any of its rights under this agreement without the prior consent of each other party.

10.3 Consents

Unless this agreement expressly provides otherwise, a consent under this agreement may be given or withheld in the absolute discretion of the party entitled to give the consent and to be effective must be given in writing.

10.4 Costs

Except as otherwise provided in this agreement, each party must pay its own costs and expenses in connection with:

- (a) negotiating, preparing, executing and performing this agreement; and
- (b) any subsequent consent, agreement, approval, waiver or amendment relating to this agreement.

10.5 Counterparts

This agreement may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes an original of this agreement, and all together constitute one agreement.

10.6 Further acts and documents

Each party must promptly do, and procure that its employees and agents promptly do, all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by another party to give effect to this agreement.

10.7 No merger

A party's rights and obligations do not merge on completion of any transaction under this agreement.

10.8 Severance

If any provision or part of a provision of this agreement is held or found to be void, invalid or otherwise unenforceable (whether in respect of a particular party or generally), it will be

deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability, but the remainder of that provision will remain in full force and effect.

10.9 Stamp duties

The Company:

- (a) must pay all stamp duties and any related fines and penalties in respect of this agreement, the performance of this agreement and each transaction effected by or made under this agreement; and
- (b) must pay to Antofagasta on demand the amount of any Indemnified Loss suffered or incurred by Antofagasta arising out of or in connection with any failure to comply with clause 10.9(a).

10.10 Waivers

Without limiting any other provision of this agreement, the parties agree that:

- (a) failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement of, a right, power or remedy provided by law or under this agreement by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this agreement;
- (b) a waiver given by a party under this agreement is only effective and binding on that party if it is given or confirmed in writing by that party; and
- (c) no waiver of a breach of a term of this agreement operates as a waiver of another breach of that term or of a breach of any other term of this agreement.

11. Governing law, jurisdiction and service of process

11.1 Governing law and jurisdiction

This agreement is governed by the law applying in New South Wales. Each party irrevocably submits to the non-exclusive jurisdiction of the courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this agreement and waives any objection it may have now or in the future to the venue of any proceedings, and any claim it may have now or in the future that any proceedings have been brought in an inconvenient forum, if that venue falls within this clause 11.1.

11.2 Service of process

Antofagasta irrevocably appoints John Elliott of Clayton Utz as its agent in Australia for service of process.

Schedule 1 Company Warranties

1. The Company

1.1 Capacity and authorisation

The Company:

- (a) is a company properly incorporated and validly existing under the laws of Australia;
- (b) has the legal right and full corporate power and capacity to:
 - (i) execute and deliver this agreement; and
 - (ii) perform its obligations under this agreement and each transaction effected by or made under this agreement,

and has obtained all necessary authorisations and consents and taken all other actions necessary to enable it to do so.

1.2 Valid obligations

This agreement constitutes (or will when executed constitute) valid legal and binding obligations of the Company and is enforceable against the Company in accordance with its terms.

1.3 Breach or default

The execution, delivery and performance of this agreement by the Company does not and will not result in a breach of or constitute a default under:

- (a) any agreement to which the Company is party;
- (b) any provision of the constitution of the Company; or
- (c) any law or regulation or any order, judgment or determination of any court or Regulatory Authority by which the Company is bound.

1.4 Solvency

None of the following events has occurred in relation to the Company:

- (a) a receiver, receiver and manager, liquidator, provisional liquidator, administrator or trustee is appointed in respect of the Company or any of its assets or anyone else is appointed who (whether or not an agent for the Company) is in possession, or has control, of any of the Company's assets for the purpose of enforcing an Encumbrance;
- (b) an event occurs that gives any person the right to seek an appointment referred to in paragraph (a);
- (c) an application is made to court or a resolution is passed or an order is made for the winding up or dissolution of the Company or an event occurs that would give any person the right to make an application of this type;
- (d) the Company proposes or takes any steps to implement a scheme of arrangement or other compromise or arrangement with its creditors or any class of them;

- (e) the Company is declared or taken under any applicable law to be insolvent or the Company's board of directors resolves that the Company is, or is likely to become at some future time, insolvent; or
- (f) any person in whose favour the Company has granted any Encumbrance becomes entitled to enforce any security under that Encumbrance or any floating charge under that Encumbrance crystallises.

2. General

2.1 Share capital

As at the date of this agreement the Company's share capital is comprised of:

- (a) 114,194,360 Shares;
 - (b) 8,925,000 Options with the following terms:
 - (i) 200,000 Options with an exercise price of \$0.30 and an expiry date of 30 June 2013;
 - (ii) 5,425,000 Options with an exercise price of \$1.35 and an expiry date of 22 November 2014;
 - (iii) 550,000 Options with an exercise price of \$0.80 and an expiry date of 30 September 2015;
 - (iv) 550,000 Options with an exercise price of \$0.40 and an expiry date of 31 May 2016;
 - (v) 1,450,000 Options with an exercise price of \$0.30 and an expiry date of 30 November 2016; and
- 750,000 Options with an exercise price of \$0.39 and an expiry date of 30 November 2017,

and all of those securities have been validly issued.

2.2 No other convertible rights

Other than in relation to the options referred to in paragraph 2.1(b) above, no person has any right to require the issue of any shares or other securities in any Company Group Member (or may, by virtue of an option vesting or otherwise, ever have that right) and no Company Group Member has made any offer that may result in any person having such a right.

2.3 No restriction

There is no restriction, whether legal, contractual or otherwise, on the Company's ability to allot and issue of the Subscription Shares to Antofagasta (or the Nominee).

2.4 No shareholder approval

The approval of shareholders of the Company is not needed under any applicable law (including the Listing Rules) in connection with the allotment and issue of the Subscription Shares under this agreement.

2.5 No regulatory approval

No approval, waiver or confirmation is needed from any Regulatory Authority in connection with the allotment and issue of the Subscription Shares under this agreement.

2.6 Shares rank equally and no encumbrances

The Subscription Shares will, on issue:

- (a) rank pari passu with all other Shares on issue; and
- (b) be free from all Encumbrances.

2.7 Purpose of issue

The Company is not issuing the Subscription Shares under this agreement with the purpose of Antofagasta (or the Nominee) selling or transferring them, or granting, issuing or transferring interests in, or options over, them.

2.8 Cleansing notice requirements

Both:

- (a) the requirements of each of sections 708A(5)(a), (b), (c) and (d) of the Corporations Act are met in relation to the Company, the Subscription Shares and the Shares (as applicable); and
- (b) no determination of ASIC under section 708A(2) of the Corporations Act is in force in relation to the Company.

2.9 Continuous disclosure

The Company is not in breach of its continuous disclosure obligations under the Corporations Act or the Listing Rules and, as at the date of this agreement, is not relying on the exception to Listing Rule 3.1 in Listing Rule 3.1A to withhold any information from disclosure to the ASX (other than the fact of its discussions with Antofagasta in relation to the Transaction).

2.10 Litigation

No Company Group Member is a claimant or defendant in, or otherwise a party to, any litigation, arbitration or mediation proceedings. To the best of the Company's knowledge, information and belief, there are no proceedings of this type pending or threatened against any Company Group Member and no circumstance exists that is likely to give rise to any proceedings of this type, which could reasonably have a materially adverse impact on the Company and its assets.

2.11 Orders and judgments

There is no unsatisfied order, judgment or award against any Company Group Member.

2.12 Compliance with law

To the best of the Company's knowledge, information and belief, each Company Group Member has at all material times since incorporation conducted its business and affairs in accordance with its constitution and in accordance with all applicable laws and regulations, and no Company Group Member is in breach of any order, judgment or award of any court.

tribunal or Regulatory Authority in any jurisdiction, which could reasonably have a material adverse impact on the Company and its assets.

2.13 Tax

All Tax that has become due and payable by each Company Group Member has been paid on or before the due date for such payment.

Schedule 2 Antofagasta Warranties

1. Antofagasta

1.1 Capacity and authorisation

Antofagasta:

- (a) is a company properly incorporated and validly existing under the laws of the country or jurisdiction of its incorporation;
- (b) has the legal right and full corporate power and capacity to:
 - (iii) execute and deliver this agreement; and
 - (iv) perform its obligations under this agreement and each transaction effected by or made under this agreement,

and has obtained all necessary authorisations and consents and taken all other actions necessary to enable it to do so.

1.2 Valid obligations

This agreement constitutes (or will when executed constitute) valid legal and binding obligations of Antofagasta and is enforceable against Antofagasta in accordance with its terms.

1.3 Breach or default

The execution, delivery and performance of this agreement by Antofagasta does not and will not result in a breach of or constitute a default under:

- (a) any agreement to which Antofagasta is party;
- (b) any provision of the constitution of Antofagasta; or
- (c) any law or regulation or any order, judgment or determination of any court or Regulatory Authority by which Antofagasta is bound.

1.4 Solvency

None of the following events has occurred in relation to Antofagasta:

- (a) a receiver, receiver and manager, liquidator, provisional liquidator, administrator or trustee is appointed in respect of Antofagasta or any of its assets or anyone else is appointed who (whether or not an agent for Antofagasta) is in possession, or has control, of any of Antofagasta's assets for the purpose of enforcing an Encumbrance;
- (b) an event occurs that gives any person the right to seek an appointment referred to in paragraph (a);
- (c) an application is made to court or a resolution is passed or an order is made for the winding up or dissolution of Antofagasta or an event occurs that would give any person the right to make an application of this type;
- (d) Antofagasta proposes or takes any steps to implement a scheme of arrangement or other compromise or arrangement with its creditors or any class of them;

- (e) Antofagasta is declared or taken under any applicable law to be insolvent or Antofagasta's board of directors resolves that Antofagasta is, or is likely to become at some future time, insolvent; or
- (f) any person in whose favour Antofagasta has granted any Encumbrance becomes entitled to enforce any security under that Encumbrance or any floating charge under that Encumbrance crystallises.

2. Own enquiries

Antofagasta has made and has relied on its own searches, investigations and enquiries in respect of the Company Group Members and the Business and its own evaluation of any material provided by the Company to Antofagasta before the date of this agreement.

Schedule 3 Application

A I/We
Applicant

B of
Holder Identification Number (HIN):
Participation Number (PID):
Tax File Number (TFN):

apply for:
C paid ordinary shares in _____
(Company)
at \$ _____ per Share, payable in full on application.

D I/We have paid the application money for the Shares, totalling:

by electronic fund transfer to the account nominated by the Company.* / the enclosed cheque(s):*

Drawer	Bank	BSB No.	Account No	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

I/We agree to take the number of Shares indicated in Box C and agree to be bound by the constitution of the Company.

* Delete whichever is inapplicable

Signature

Representative of Applicant


Contact Name

Contact Daytime Telephone

Date

Signed as an agreement.

Executed by Encounter Resources Limited ACN 109 815 798 in accordance with section 127 of the Corporations Act 2001 (Cth):



Signature of director

Richard Anthony ...

Full name of director

Executed by Antofagasta Minerals Perth Pty Limited ACN 153 892 703 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Full name of director



Signature of company secretary/director

Peter William ...

Full name of company secretary/director

Signature of company secretary/director

Full name of company secretary/director

Signed as an agreement.

Executed by Encounter Resources Limited ACN 109 815 796 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Signature of company secretary/director

Full name of director

Full name of company secretary/director

Executed by Antofagasta Minerals Perth Pty Limited ACN 183 892 703 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Signature of company secretary/director

Ricardo Muhr

Alejandro Rivera

Full name of director

Full name of company secretary/director