

13 January 2014

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

## **Antofagasta commits to continue Yeneena Earn-In Agreement**

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The directors of Encounter Resources Ltd ("Encounter" or "the Company") are pleased to report that Antofagasta has advised the Company that it will be continuing the Yeneena earn-in agreement into the second year.

"Following a series of positive exploration results in the first year of the earn-in agreement we are delighted that Antofagasta has extended into the second year. We look forward to working with Antofagasta in escalating exploration activity in 2014" said Managing Director, Will Robinson.

In April 2013, the Company completed an earn-in agreement with a wholly owned subsidiary of Antofagasta plc, one of the world's largest copper producers ("**Antofagasta**"). Under that agreement, Antofagasta may earn a 51% interest in two tenements within the Yeneena Project by incurring expenditures of US\$20 million over a five year period (see ASX announcement 23 April 2013).

Antofagasta has advised the Company that it will be continuing the earn-in agreement at the Yeneena project into the second year. Antofagasta is required to spend a minimum of US\$4M in the second year to maintain the earn-in. The second year of the earn-in commences in April 2014 and the majority of the year 2 expenditure will be completed in the upcoming field season (April – November 2014).

In the first year of the earn-in agreement Antofagasta is funding a US\$3M exploration program at the Yeneena project. Exploration programs under the earn-in agreement have successfully tripled the footprint of the regolith copper anomaly at BM7 and achieved the highest grade primary copper sulphide intersection at the project to date (see ASX announcement 27 November 2013).

The continuation of the Antofagasta earn-in ensures a highly active and fully funded exploration program of diamond, RC and aircore drilling in 2014. Exploration at Yeneena will recommence following the completion of the summer cyclone season in March/April 2014.

For more information contact:

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## Project Background & Location Plan

The Yeneena Project covers 1,900km<sup>2</sup> of the Paterson Province in Western Australia and is located 40km SE of the Nifty copper mine and 30km SW of the Telfer gold/copper deposit (Figure 1). 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).

During 2012 and 2013 Encounter strategically added to its ground position along the prospective corridor adjacent to the Yeneena Project by completing earn-in agreements with St Barbara Limited, Independence Group NL and Midas Resources Limited.

In April 2013, the Company completed an earn-in agreement with a wholly owned subsidiary of Antofagasta plc, one of the world's largest copper producers, whereby it may earn a 51% interest in two tenements within the Yeneena Project by incurring expenditures of US\$20 million over a five year period.

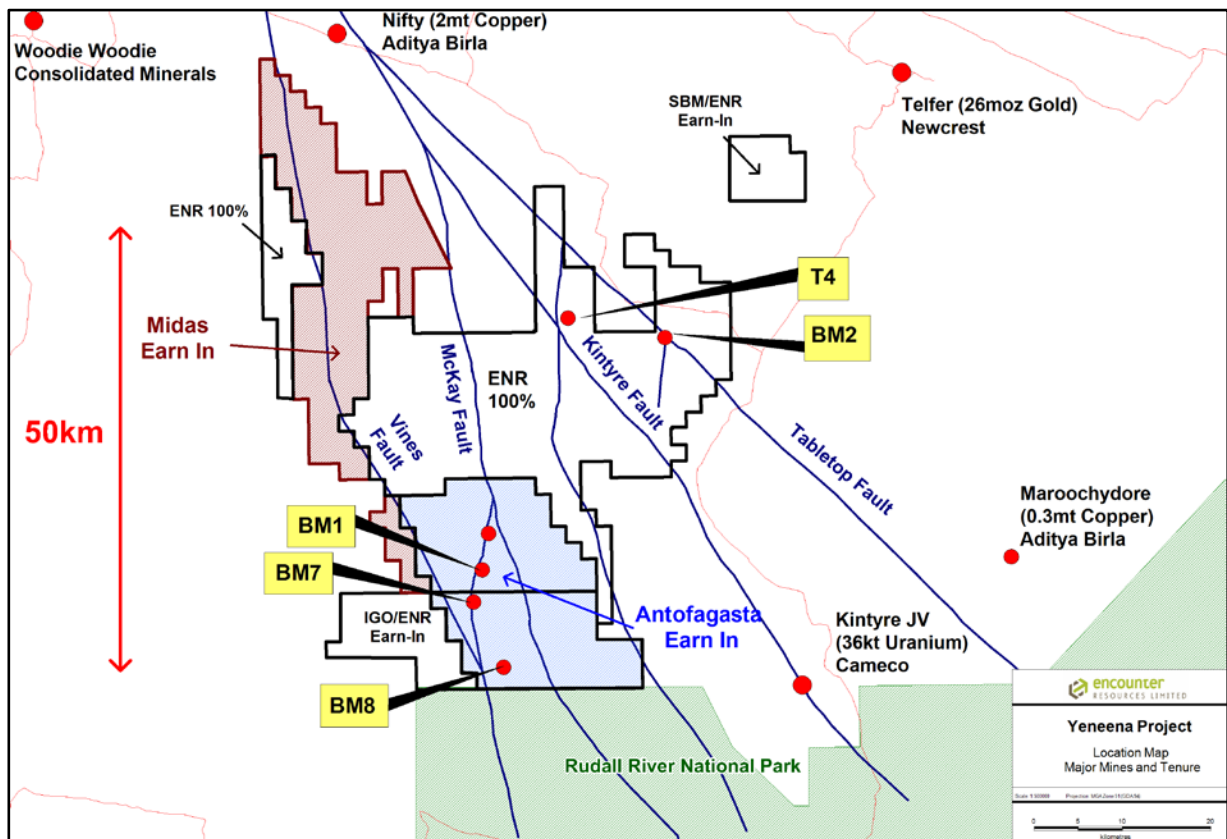


Figure 1. Yeneena Project leasing and targets areas

*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 2012 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.*