

ASX : ENR

12 August 2015

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

Drilling Commences under Antofagasta Earn-in Agreement

The directors of Encounter Resources Ltd ("**Encounter**") are pleased to announce that aircore/RC drilling has commenced at the Lookout Rocks copper project ("**Lookout Rocks**") in Western Australia. Lookout Rocks includes four tenements (~450km²) of highly prospective, untested exploration ground located in the north-west of Encounter's Yeneena Project.

Exploration at Lookout Rocks is being conducted as part of the new US\$6m earn-in agreement with Antofagasta Minerals Perth Pty Limited ("**Antofagasta**"), a wholly owned subsidiary of London Stock Exchange listed Antofagasta plc (see ASX announcement 30 July 2015).

Encounter completed a detailed helicopter based VTEM survey over a large portion of Lookout Rocks in 2014. Interpretation of the data from this survey, in conjunction with detailed aerial photography, has outlined a tightly folded, NNW trending belt of Broadhurst Formation sediments. These sedimentary units are offset by interpreted NNE trending structures and are considered to be similar to the host units of the Nifty copper deposit located 25km to the north.

Drilling under the new Lookout Rocks earn-in agreement has commenced with a 5,000m track mounted aircore and slim-line RC program. This program will provide initial subsurface geochemistry at key structural locations identified at Lookout Rocks. First assays from the drilling are expected to be received in September 2015.

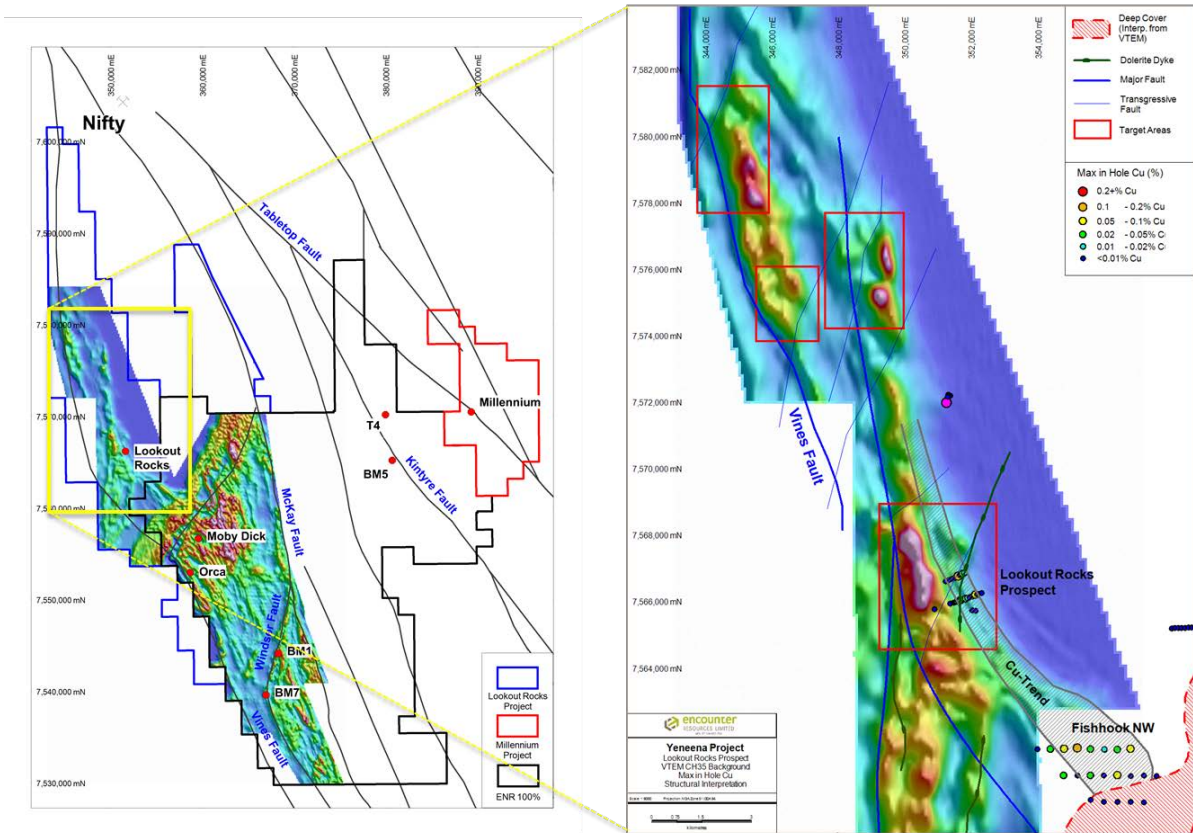


Figure 1: Yeneena Project leasing over Ch35 VTEM image; Inset image of Lookout Rocks Copper Project

Location Plan

The Yeneena Project covers 1,800km² 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 3). The targets identified are located adjacent to major regional faults and have been identified through electromagnetics, geochemistry and structural targeting.

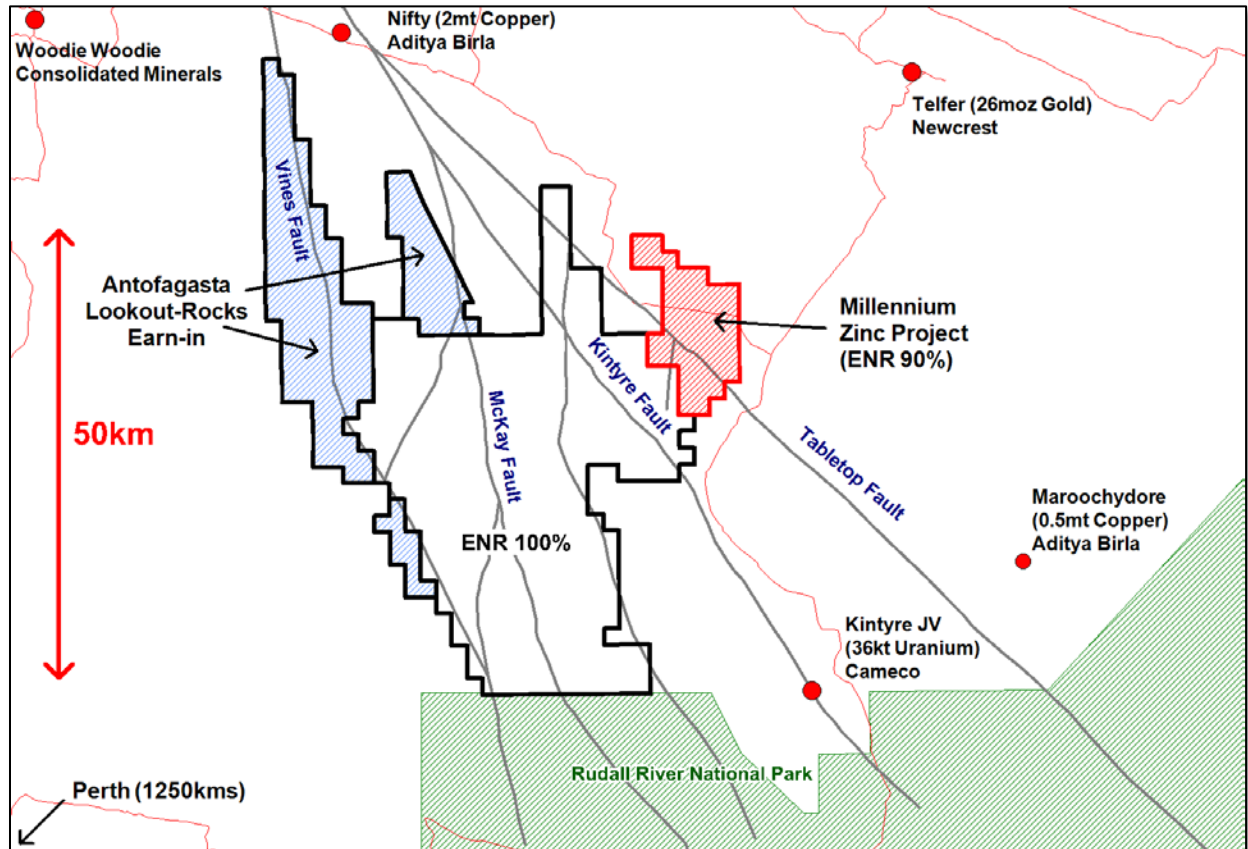


Figure 2: Yeneena Project leasing and targets areas

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 holds shares and options in and 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.

The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases and the form and context of the announcement has not materially changed.