

ASX : ENR

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Company Announcements Office
Australian Securities Exchange
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Sydney NSW 2000

Aria IOCG Target – Gravity Anomaly Identified

The directors of Encounter Resources Ltd (“**Encounter**”) are pleased to provide an update on exploration activity at the Aria Prospect within the Lookout Rocks copper project (“Lookout Rocks”) in Western Australia. Lookout Rocks includes four tenements (~450km²) of highly prospective exploration ground located in the north-west of Encounter’s Yeneena Project.

Exploration at Lookout Rocks is being conducted as part of the 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).

Background

A single diamond drill hole (PADD002A) was completed at the Aria Prospect by a previous explorer under the WA Government EIS program. This drill hole was located to test a discrete magnetic anomaly within the GSWA regional magnetic dataset. The drill hole intersected a hematite altered, polymictic breccia (see Photos 1 and 2) from the start of diamond core at 84.7m to the end of hole (650.1m). Approximately 15% of the core drilled in PADD002A was previously submitted for chemical analysis, including only 31 metres of the first 400 metres of drill core.

Zones of weakly disseminated chalcopyrite, bornite and possibly chalcocite (copper sulphide minerals) have been identified in the drill core from approximately 120m to the end of the hole. A number of these zones containing visible mineralisation were not chemically assayed by the previous operator (see ASX announcement 3 September 2015).

Exploration Update

A detailed ground gravity survey has recently been completed at Aria. The survey was designed to define any density anomalies adjacent to the hematite-altered breccia intercepted in PADD002A, with any resultant anomalies potentially outlining zones of more intense hematite alteration. It has been noted in IOCG deposits that more intense hematite alteration typically has a close spatial relationship to the strongest copper mineralisation.

The gravity survey has outlined a discrete density anomaly located on the margin of the previously identified magnetic anomaly, with this anomaly also being located to the south of drill hole PADD002A (see Figure 2). Final modelling of the magnetic and gravity data is currently being completed to facilitate diamond drilling at the Aria Prospect in late October 2015.

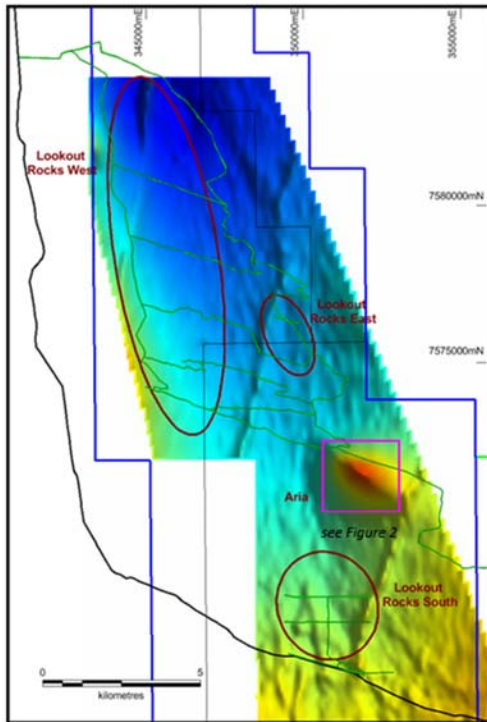


Figure 1: Lookout Rocks Project – Aria Prospect - Magnetics TMI

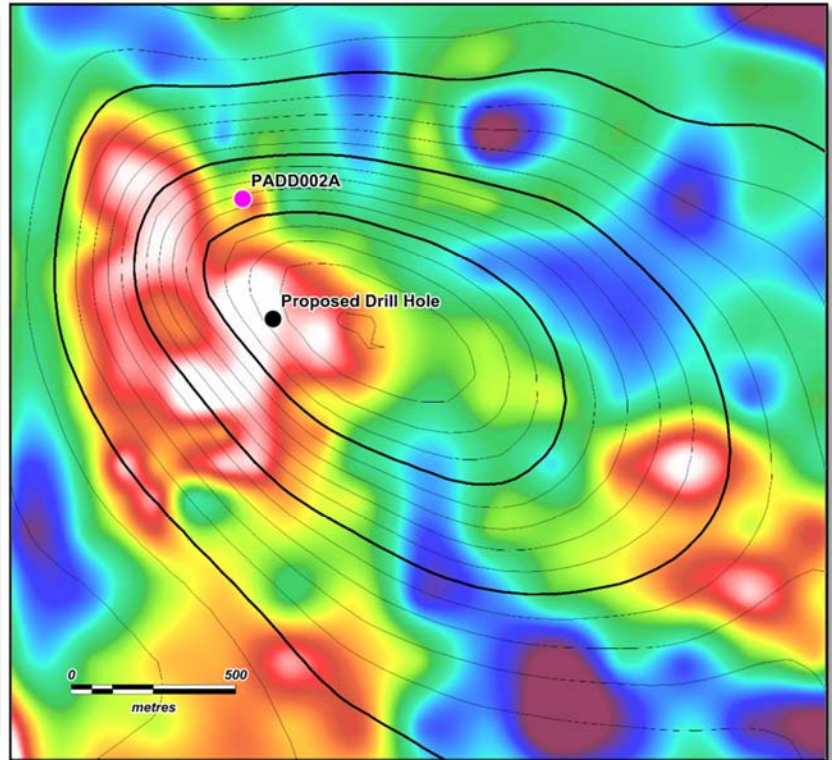


Figure 2: Residual Gravity image with RTP1VD magnetic contours (0.01 nT/m intervals)



Photo 1: PADD002A 180.4m to 184.0m – Hematite-altered, polymictic breccia containing clasts of felsic porphyry, gneiss and mafic igneous rocks

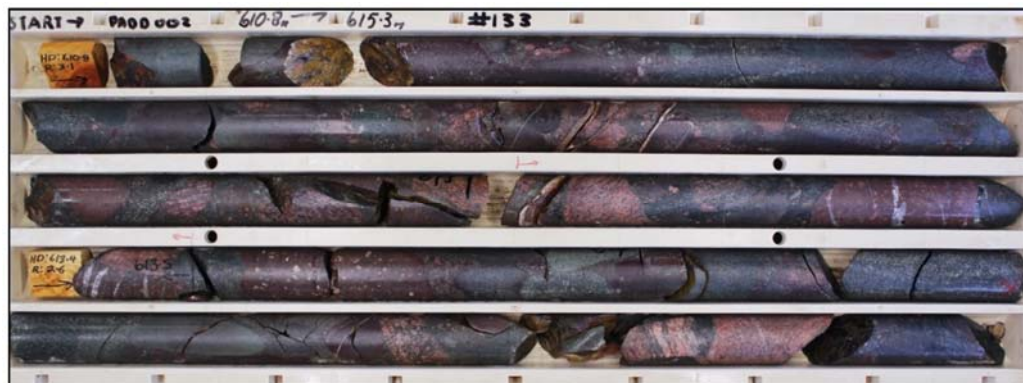


Photo 2: PADD002A 610.8m to 615.3m – Hematite-altered, polymictic breccia containing clasts of felsic porphyry, gneiss and mafic igneous rocks

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.

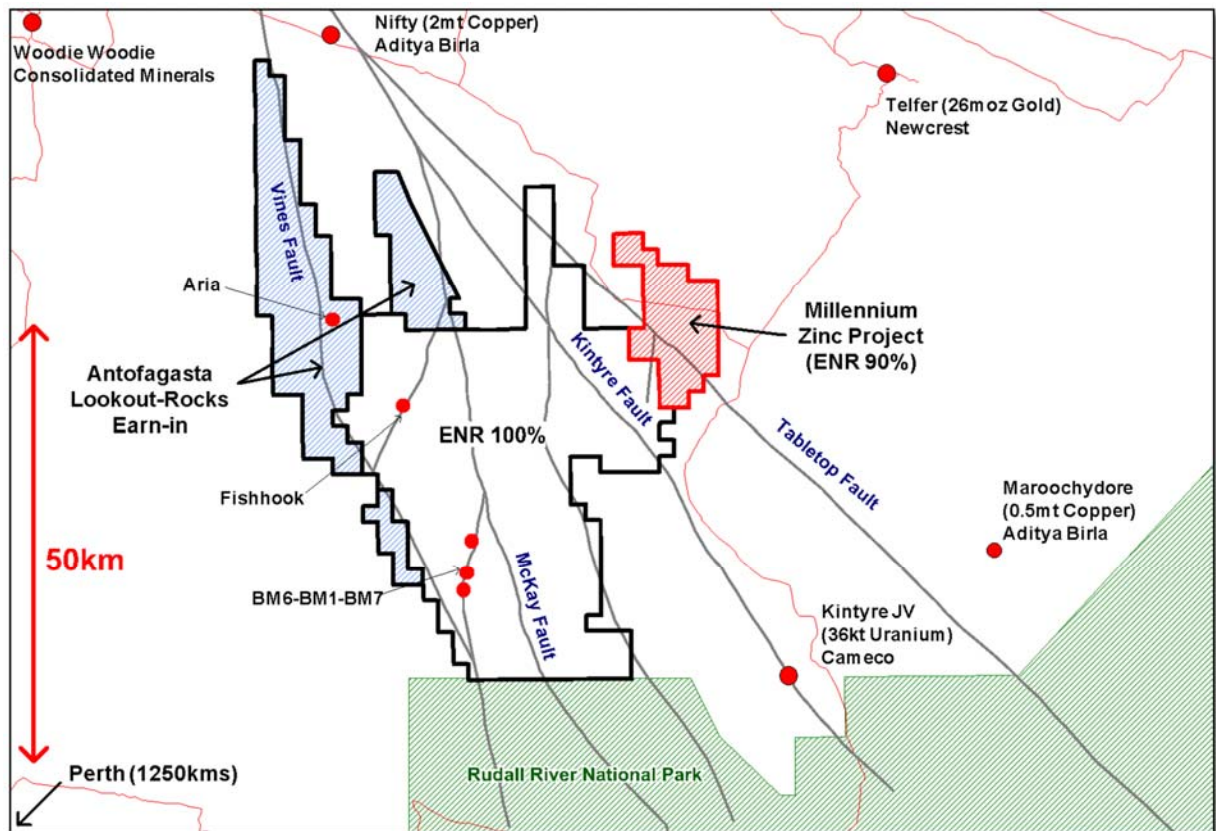


Figure 3: Yeneena Project leasing and targets areas

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.