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ASX : ENR

Company Announcements Office
Australian Securities Exchange
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Share Placement

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Encounter Resources Limited (“Encounter” or “the Company”) is pleased to announce that firm placement commitments have been received from professional and sophisticated investors, including a fund managed by the Sprott Group of Companies, to raise approximately A\$1.5 million before costs.

The placement of approximately 10,880,000 ordinary fully paid shares at A\$0.14 and 5,440,000 options with a 3 year term and an exercise price of A\$0.21, will be completed pursuant to the Company’s 15% placement capacity under ASX Listing Rule 7.1. Proceeds from the placement will be used to advance exploration at Encounter’s Yeneena copper/zinc project and for general working capital purposes.

“The Company is delighted to welcome another leading resources fund onto our register. This share placement provides further endorsement, by one of the world’s most successful investment funds, of the large scale copper and zinc potential established at Yeneena. The combination of funding through earn-in agreements and new injections of capital means that Encounter is well placed to advance the undercover mineral discoveries at Yeneena and to generate new opportunities for our shareholders” said Managing Director, Will Robinson.

RC/Diamond Drilling and Gravity Survey to Commence

Exploration activities have recommenced this week under the A\$2m earn-in agreement with Hampton Hill Mining NL with an RC and diamond drill program at the Millennium zinc prospect.

A gravity survey at the Aria IOCG prospect will be completed in September 2015, funded under the Lookout Rocks US\$6m earn-in agreement with Antofagasta, to assist with the targeting of drilling (RC or diamond) that is planned for October 2015.

Following the completion of the Lookout Rocks and Millennium programs, the Company intends to complete an RC drill campaign over a number of near surface, drill ready copper targets at BM7 and BM1 in October/November 2015. This campaign will be performed either alone or in conjunction with a new joint venture partner.

Share Purchase Plan (“SPP”)

The opportunity will be provided to existing Encounter shareholders to subscribe for additional shares in Encounter A\$0.14 per share. The amount to be raised under the SPP will be capped at A\$1.4 million. The record date for the SPP is 5pm (WST) on 21st September 2015. Details of the SPP will be provided in a subsequent announcement.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933 (the “**U.S. Securities Act**”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration is available.