

4 April 2016

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

Field Operations Recommence at Yeneena Project

The directors of Encounter Resources Ltd (“**Encounter**”) are pleased to provide an update on the current and upcoming exploration activity at the Yeneena Project of Western Australia. Field operations have recommenced with diamond drilling planned at the BM1-BM7 Copper Prospect, Lookout Rocks Copper Prospect and the Millennium Zinc Prospect in the coming months:

BM1-BM7 Copper Prospect

A 14km long copper system, discovered and wholly owned by Encounter, that contains high grade Cu sulphide at BM7 and a coherent zone of near surface Cu oxide mineralisation at BM1

Upcoming activity:

- A cover corrected gravity model has been produced over 6km of the BM1-BM7 copper trend. The model has highlighted three, previously untested, ~1mGal density anomalies.
- The gravity anomalies are situated along strike of bedrock geochemical alteration anomalies and copper mineralisation that are consistent with a halo to a potential high grade copper system (see Figure 1).
- Drill testing of these targets is scheduled to commence in late April 2016. This drilling will be 50% funded (up to \$150,000) under the WA Government Exploration Incentive Scheme.

Lookout Rocks Copper Prospect

*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 a wholly-owned subsidiary of Antofagasta plc (“**Antofagasta**”) (see ASX announcement 30 July 2015).*

Upcoming activity:

- Late last year, Encounter identified a sub-cropping gossan adjacent to the aircore/RC drilling completed at Lookout Rocks South. These gossanous outcrops together with strongly leached Broadhurst sediments intercepted in shallow drilling at Lookout Rocks South and Lookout Rocks East (see ASX announcement 9 Dec 2015), indicate the presence of sulphides within the Broadhurst Formation sequence. A surface mapping program along a 12km zone between the Lookout Rocks East and Lookout Rocks South prospects will be completed in April 2016, together with Antofagasta personnel.
- An initial 1-2 diamond hole program at Lookout Rocks South is scheduled to commence in May 2016 following the completion of the initial BM1-BM7 copper drilling. Exploration at Lookout Rocks is currently 100% funded by Antofagasta.

Millennium Zinc Prospect

A +3km long zinc system containing high grade zinc sulphides. Exploration at Millennium is currently funded 50:50 by Encounter and Hampton Hill Mining ("HMM") pursuant to the earn in agreement where HMM currently control a 10% interest and can earn up to 25% of Millennium (see ASX announcement 23 April 2015).

Upcoming activity:

- A comprehensive review of the gossan geochemistry is progressing and will be completed in April 2016.
- A passive seismic trial was completed last week at Millennium. The objective of this survey is to map cover depth and potentially provide additional structural information at the prospect to assist with drill planning.
- An exercise of removing cover noise from the gravity model at Millennium has commenced. The objective is to produce a cover corrected gravity image similar to the work recently completed at BM1-BM7.
- Drilling at Millennium will follow the completion of the Lookout Rocks South program (early June 2016).

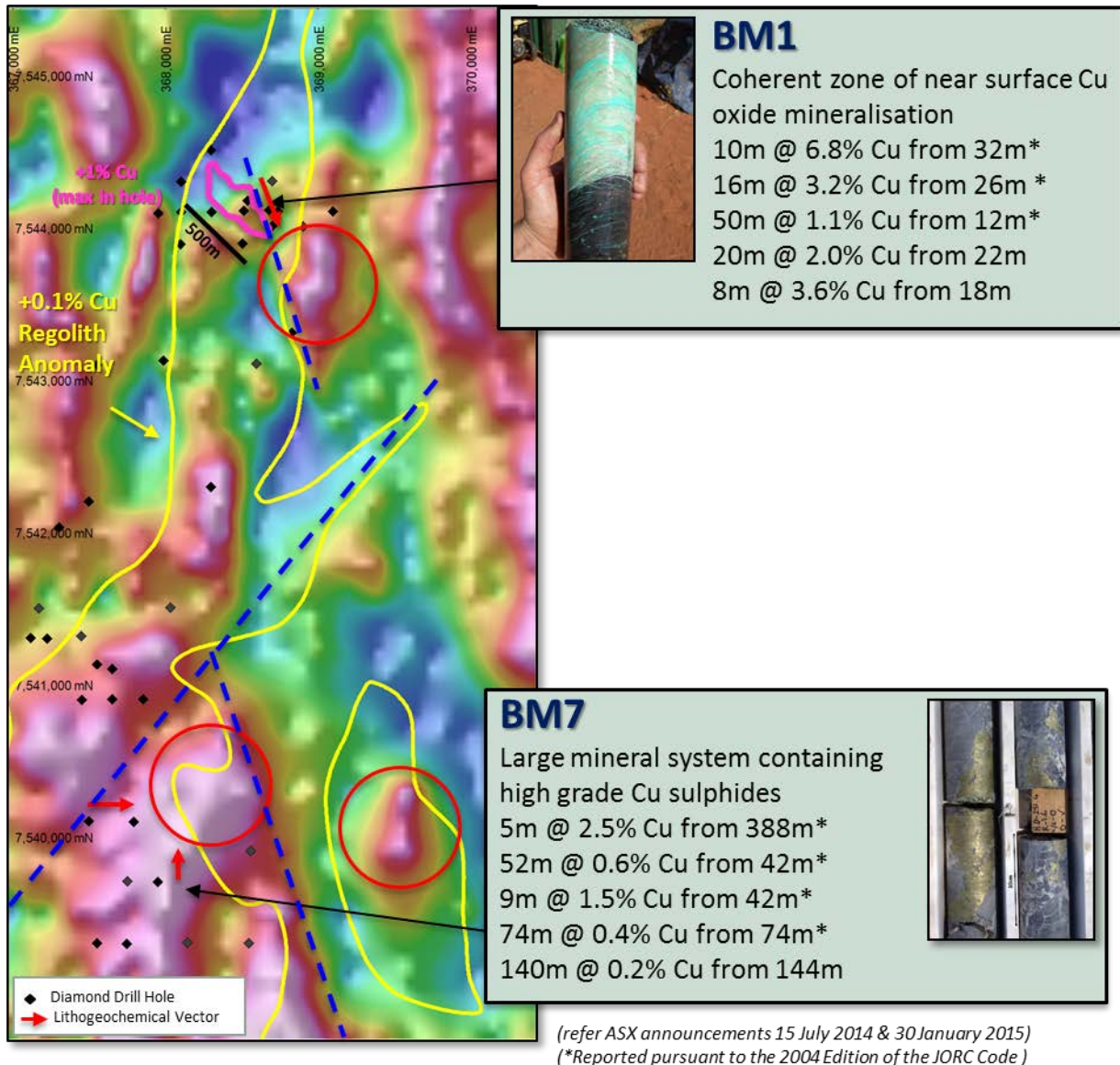


Figure 1: BM1-BM7 - Cover corrected Gravity Image (residual filter applied)

Location Plan

The Yeneena Project covers 1,800km² of the Paterson Province in Western Australia, and is located 35km SE of the Nifty copper mine and 40km SW of the Telfer gold/copper deposit (Figure 2). The targets identified are located adjacent to major regional faults and have been identified through electromagnetics, geochemistry and structural targeting.

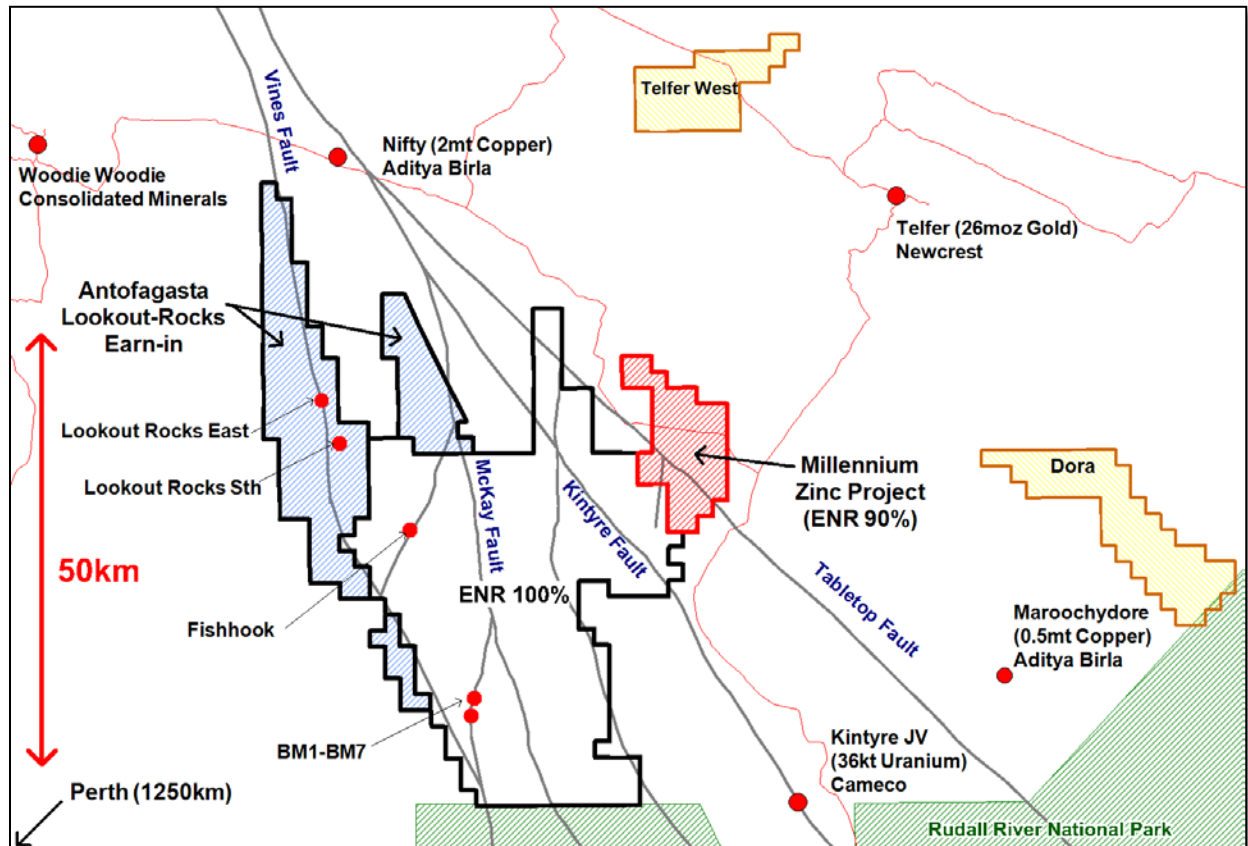


Figure 2: Yeneena Project leasing and targets areas

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 2004 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.