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Highly Elevated Silver, with Copper, intersected at BM1

The directors of Encounter Resources Ltd ("Encounter") are pleased to announce the intersection of highly elevated silver (Ag), with associated copper (Cu) mineralisation, in a diamond drill hole located at the south of the BM1 prospect at the Yeneena project in Western Australia ("Yeneena"). Exploration at the BM1 prospect is being conducted as part of the Antofagasta earn-in agreement (see ASX announcement 23 April 2013).

Diamond drill hole EPT 2093 was drilled 1km south of the BM1 high grade copper oxide zone (see Figure 1). Diamond drilling of EPT 2093 encountered extremely difficult drilling conditions with numerous cavities and significant core loss. The drill hole was terminated at 174.8m due to a broken rod string.

An RC pre-collar for the hole was completed to a depth of 102.6m. The diamond core recovery through the interval from 102.6m to end of hole was approximately 25%. The core recovered from 102.6 to the end of hole was highly elevated in silver and copper, including a number of samples towards the end of the hole:

The best assay results from core recovered include:

- 0.8m @ 902g/t Ag and 1.0% Cu from 109.1m
- 0.8m @ 1840g/t Ag and 1.3% Cu from 112.2m
- 0.3m @ 2340g/t Ag and 1.7% Cu from 143.4m
- 0.4m @ 989g/t Ag and 0.4% Cu from 164.8m
- 0.4m @ 1170 g/t Ag and 0.4% Cu from 167.3m
- 0.4m @ 456g/t Ag and 0.2% Cu from 169.1m

The zone also returned highly elevated molybdenum and strongly anomalous nickel assays. A full table of assay results, core loss and cavities can be found in Table 2 below. The assay results are highly variable, with some samples within the anomalous intercept containing minimal copper and silver. The assays of the recovered core through this zone may not be representative of the 75% of material that was not recovered. It is also possible that significant localised supergene enrichment of silver could have occurred around structures and voids within this mineralized interval (see Photos 1-6).

It is difficult to assess the significance of the assays results in EPT 2093 without re-drilling to maximize recovery of core. The implications of these results on future exploration in the BM1 area are still being assessed.

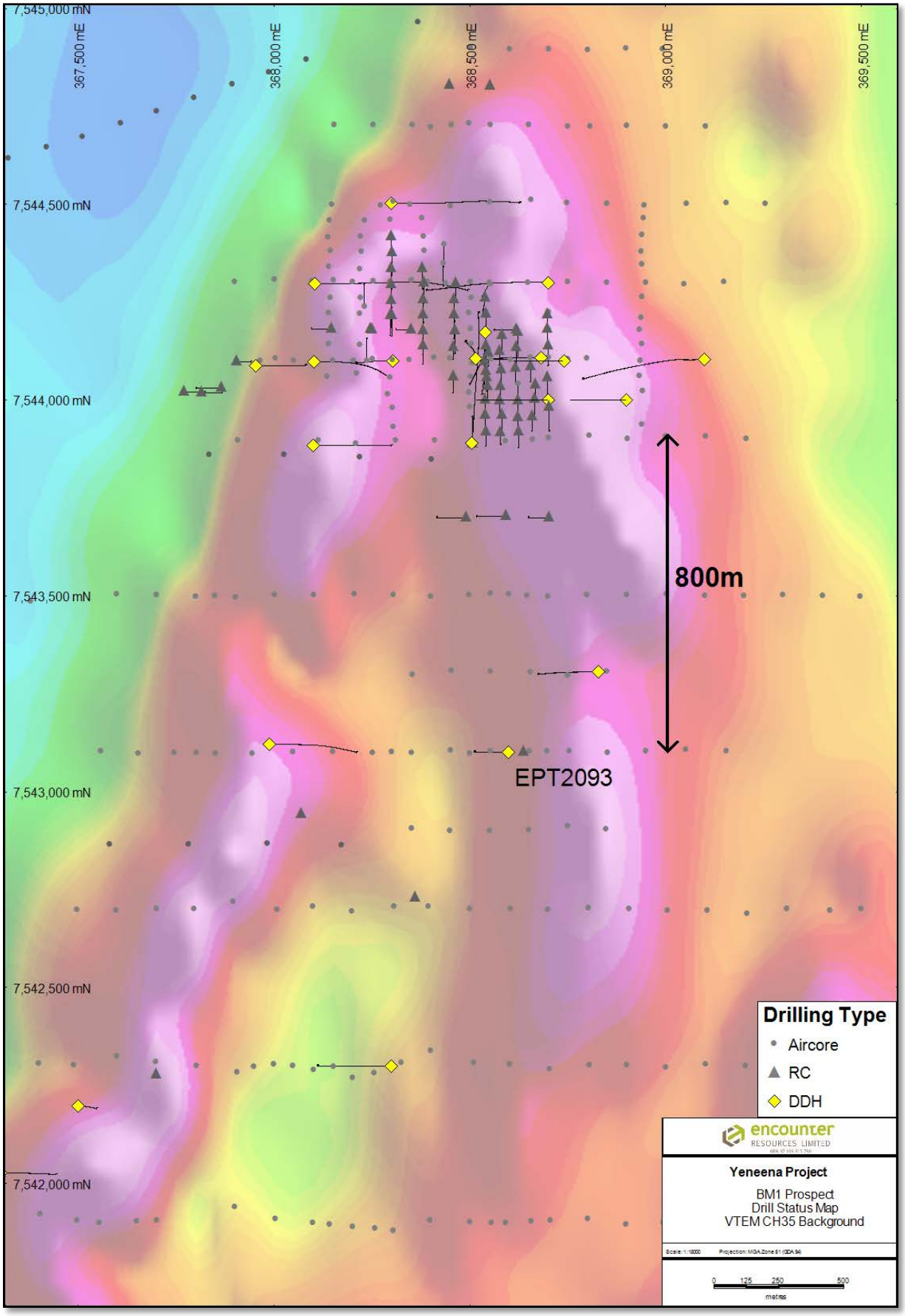

Figure 1 – Drill status plan showing EPT2093 collar and drillhole traces with a VTEM Ch35 background

Table 1: BM1 Diamond Drill hole information

Hole ID	Northing (m)	Easting (m)	RL (m)	EOH (m)	Dip	Azi
EPT2093	7,543,101	368,598	320	174.8	-60	270

Drill hole coordinates GDA94 zone 51 datum. Collars located via handheld GPS (+/-5m),
EOH = End of hole depth; m=metre; azi=azimuth.

Table 2: EPT2093 Assay Summary

From	To	Length	Cu ppm	Ni ppm	S %	Ag ppm	Mo ppm
102.6	102.8	0.2	8	726	37.3	<1	4.5
102.8	104.5	1.7	core loss				
104.5	104.8	0.3	62	40	1.37	2	1.5
104.8	105	0.2	20	524	37.8	2	5.5
105	106.03	1.03	26	360	20	<1	4
106.03	106.25	0.22	96	290	3.94	<1	4.5
106.25	107.16	0.91	16	360	2.99	1	2.5
107.16	108	0.84	318	82	4.72	2	2.5
108	109.1	1.1	core loss				
109.1	109.9	0.8	10300	854	2.74	902	3740
109.9	112.2	2.3	core loss				
112.2	113	0.8	13300	630	2.85	1840	3230
113	117.4	4.4	core loss				
117.4	117.6	0.2	906	116	1.04	2	35.5
117.6	119.3	1.7	core loss				
119.3	119.5	0.2	498	126	1.2	1	8.5
119.5	134.3	14.8	cavity				
134.3	134.5	0.2	1800	154	4.81	4	9
134.5	136.3	1.8	core loss				
136.3	136.5	0.2	840	94	3.9	3	5.5
136.5	138.8	2.3	core loss				
138.8	139.3	0.5	4040	166	5.04	57	12.5
139.3	140.1	0.8	core loss				
140.1	140.15	0.05	2630	136	5.63	26	11
140.15	141.8	0.65	core loss				
141.8	142.1	0.3	890	140	3.65	9	3.5
142.1	143.4	1.3	core loss				
143.4	143.7	0.3	17200	2240	2.66	2360	7
143.7	144.8	1.1	core loss				
144.8	145.2	0.4	936	118	5.06	33	5.5
145.2	146.3	1.1	core loss				
146.3	147.3	1	1570	90	3.1	19	6
147.3	147.5	0.2	core loss				
147.5	147.6	0.1	8460	1030	2.16	1150	69.5
147.6	152.4	4.8	core loss				
152.4	153.1	0.7	46	46	1.14	1	2
153.1	155.4	2.3	core loss				
155.4	156.3	0.9	1190	114	3.32	10	6

Table 2: EPT2093 Assay Summary (continued)

From	To	Length	Cu ppm	Ni ppm	S %	Ag ppm	Mo ppm
156.3	157.4	1.1	354	66	2.1	5	2.5
157.4	158.3	0.9	core loss				
158.3	159.3	1	64	58	2.63	3	3
159.3	161.3	2	core loss				
161.3	161.5	0.2	82	82	3.73	2	1.5
161.5	162.8	1.3	core loss				
162.8	163.5	0.7	364	78	3.99	2	1.5
163.5	164.8	1.3	core loss				
164.8	165.2	0.4	3930	342	3.29	989	6
165.2	165.8	0.6	core loss				
165.8	166.5	0.7	1490	118	3.56	34	7.5
166.5	167.3	0.8	1320	112	3.34	28	7
167.3	167.7	0.4	3650	344	1.1	1170	5
167.7	168.8	1.1	core loss				
168.8	169	0.2	866	126	1.7	1	2
169	169.1	0.1	core loss				
169.1	169.5	0.4	1970	244	1.44	456	2.5
169.5	170	0.5	core loss				
170	170.4	0.4	1080	130	1.4	3	2.5
170.4	174.8	4.4	core loss				

Intervals listed are from individual assays of all sample intervals from 102.2m to 170.4m downhole.
ppm = parts per million, % = percentage, azi = azimuth of the drill hole

Photos 1 to 6 – EPT2093 – 102.6m to 174.8m

Photo 1

Photo 2

Photo 3

Photo 4

Photo 5

Photo 6

Project Background & Location Plan

The Yeneena Project covers 1,850km^2 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 2). 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 Hammer Metals 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.

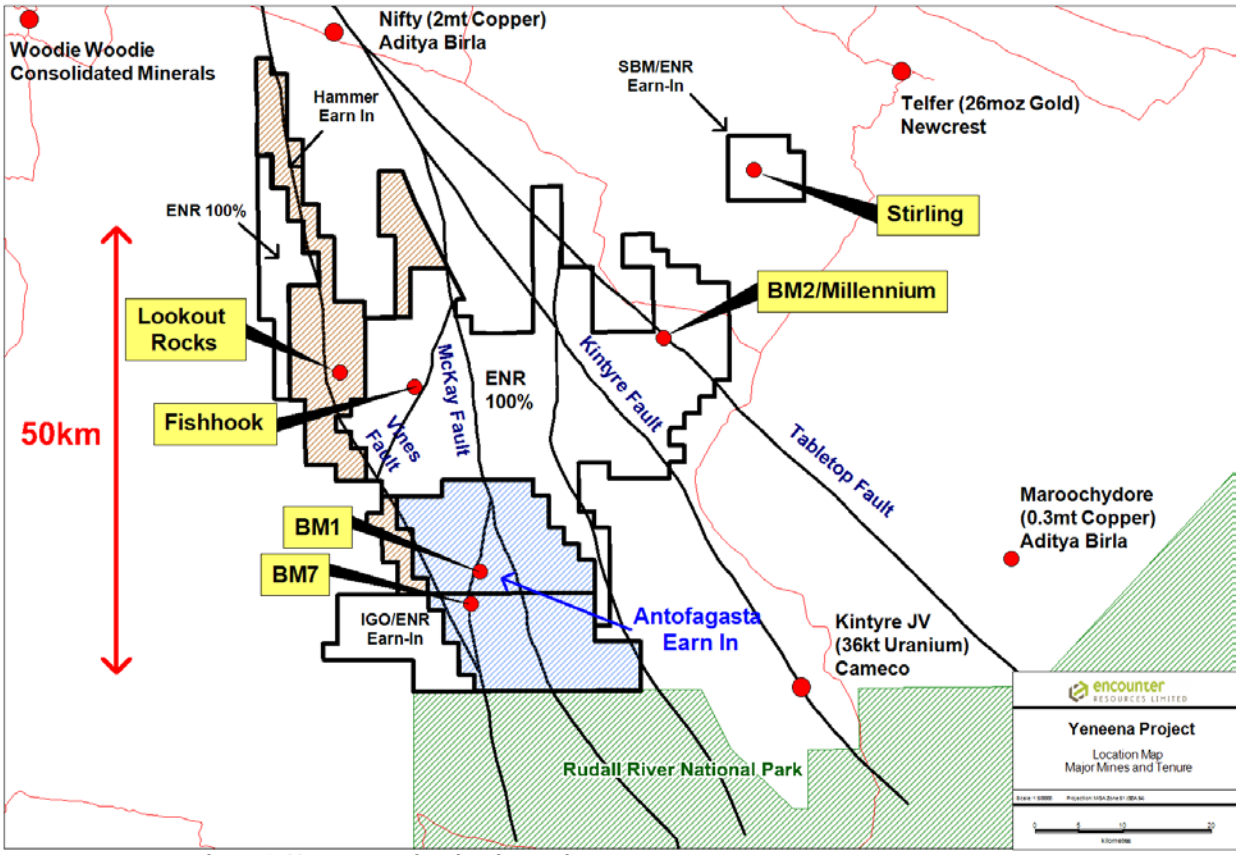

Figure 2. Yeneena Project leasing and targets areas

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.

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	EPT2093 was drilled as part of a larger diamond drilling campaign at BM1 and BM7 Prospects. For EPT2093, a RC precollar was drilled to 102.6m, and HQ3 core drilling was utilised from 102.6m – 174.8m (EOH). Onsite handheld Niton XRF instruments were used to systematically analyse diamond drill core, with a single reading taken at every meter mark, except in the case of core loss. The host lithologies were targeted and veins and obvious signs of mineralisation avoided. These results are only used for onsite interpretation and the analyses are not reported.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	Drill hole collar locations were recorded by handheld GPS, which has an estimated accuracy of +/- 5m.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information	Diamond core was drilled as HQ3 size core, and grab sampled (due to broken nature of core) to produce a bulk sample for analysis. Intervals varied from 0.05 – 1.1m and were selected on the basis of interpreted geological boundaries, degree of mineralisation during geological logging, core loss and the results of systematic handheld Niton XRF sampling. Sample weights vary from 200g to 3kg, and average 1kg. These samples were sent to Ultratrace Laboratories in Perth, where they were dried, crushed, pulverised and split to produce a sub – sample for ICP – OES and ICP – MS analysis.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	EPT2093 was drilled as an RC precollar to 102.6m, and HQ3 core was drilled from 102.6 – EOH (174.8m). HQ3 core was orientated where possible.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	Diamond core recoveries/core loss was recorded during drilling and noted during geological logging. Significant core loss occurred in EPT2093 where cavities were intersected and drilling failed at 174.8m due to a broken rod string.
	Measures taken to maximise sample recovery and ensure representative nature of the samples	Driller's used appropriate measures to maximise diamond sample recovery, including the use of triple tube drilling. Core loss was recorded by ENRL geologists and sampling intervals were not carried through core loss.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	At time of writing, Ultratrace were completing re-assay of coarse rejects using various methods to confirm results. No detailed analysis between sample recoveries and grade has been undertaken, and no inferences can be made regarding core not recovered during drilling.

Criteria	JORC Code explanation	Commentary
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Geological logging was carried out on all diamond drillholes, with lithology, alteration, mineralisation, structure and veining recorded. Where core was orientated, structural measurements were taken. RC precollars were logged based on RC chips.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Geological logging is qualitative in nature and records interpreted lithology, alteration, mineralisation, structure, veining and other features of the samples.
	The total length and percentage of the relevant intersections logged	All drillholes were logged in full.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Due to broken core, grab sampling was utilised on the diamond core within specified intervals.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Not applicable.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Sample preparation was completed at Ultratrace Laboratories in Perth. Samples were dried, crushed, split (if sample >3.5kg) and pulverised (90% passing at a ≤75µM size fraction) into a sub – sample that was analysed using a 4 acid digest with an ICP – OES and ICP – MS finish.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Field QC procedures involve the use of commercial certified reference material (CRMs) for assay standards and in house blanks. The insertion rate of these averaged 1:33.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	No duplicates/second half sampling were utilised during this diamond drilling program.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes were considered appropriate to give an accurate indication of metal anomalism and mineralisation at BM1
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	The samples were digested and refluxed with hydrofluoric, nitric, hydrochloric and perchloric acids (four acid digest). This digest is considered to approach a total digest for many elements, although some refractory minerals are not completely digested. Analytical methods used were ICP – OES (Al, Ca, Cu, Fe, Mg, Mn, Ni, P, S, Zn, Tl and Ti) and ICP – MS (Ag, As, Bi, Mo, Pb, U and Co). High-grade samples are undergoing re-assaying from coarse rejects with silica flushes prior to pulverisation. Certified blank material is being inserted between each high-grade sample. A more aggressive digest is also being trialed to ensure full recovery of Ag within the sample. This work is ongoing.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Two handheld XRF instruments were used to systematically analyse onsite. The principal instrument used was a Thermo Scientific XL3t 950 GOLDD+. A Thermo Scientific XL3t 500 GOLDD+ was also used infrequently. Reading times ranged from 20 – 25 seconds. The instruments are serviced and calibrated at least once a year.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests continued	*Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	Laboratory QAQC involved the use of internal lab standards using certified reference material, blanks, splits and replicates as part of in house procedures. The Company also submitted an independent suite of CRMs and blanks (see above). A review of this data is ongoing.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Results contained within this announcement have been verified by James Purchase – Senior Exploration Geologist.
	The use of twinned holes.	No twinned holes have been drilled on EPT2093.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data was collected for EPT2093 by hand on printed forms and on toughbook computers using Excel templates and Maxwell Geoservice's LogChief software. Data collected was sent offsite to the Company's Database (Datashed software), which is backed up daily.
	Discuss any adjustment to assay data.	No adjustments or calibrations will be made to any assay data collected from EPT2093
Location of data points	*Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drill hole collar locations are determined using a handheld GPS. Down hole surveys used single shot readings during drilling. These were taken at approximately every 30m downhole.
	Specification of the grid system used.	The grid system used is MGA_GDA94, zone 51.
	Quality and adequacy of topographic control.	Estimated RLs were assigned during drilling and are to be corrected using VTEM data at a later stage.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The diamond drill program was drilled on a east-west section, with sections spaced 800m in a north-south direction.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Mineralisation EPT2093 has not yet demonstrated to be sufficient in both geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications to be applied.
	Whether sample compositing has been applied.	No compositing was applied to diamond core samples.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The orientation of key structures and any relationship to mineralisation in EPT2093 has yet to be identified. Poor core recovery resulted in poor orientation data.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No sampling bias resulting from a structural orientation is known to occur in EPT2093 at this stage.
Sample security	*The measures taken to ensure sample security.*	The chain of custody is managed by the Company. Samples are sent via an independent haulage company to the Ultratrace assay laboratory in Perth.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Sampling techniques and procedures are regularly reviewed internally, as is data. To date, no external audits have been completed on EPT2093.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties including joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The BM1 project is located within the tenement E45/2658, which is subject of a Joint Venture between Encounter and a subsidiary of Antofagasta plc. Under the agreement, Antofogasta may earn a 51% interest in tenements E45/2658 and E45/2805 (433km2) by incurring expenditures of US$20 million over a five year period. The tenements that host the BM1 prospect, E45/2658, is subject to a 1.5% Net Smelter Royalty to Barrick Gold of Australia. This tenement is contained completely within land where the Martu People have been determined to hold native title rights. No historical or environmentally sensitive sites have been identified in the area of work.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Prior to activities undertaken by Encounter, no systematic exploration of the BM1 area had been completed.
Geology	*Deposit type, geological setting and style of mineralisation*	BM1 is situated in the Proterozoic Paterson Province of Western Australia. A simplified regional stratigraphy of the area comprises the Palaeo-Proterozoic Rudall Complex, unconformably overlain by the Neo-Proterozoic Coolbro Sandstone. On top of this is the Broadhurst Formation, which hosts ENRL's BM1 and BM7 projects. The BM1 project is considered prospective for sediment – hosted copper mineralisation, with the Nifty copper mine (~ 65km north of BM7) providing a basic conceptual model for exploration targeting.
Drill hole information	*A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:* • *Easting and northing of the drill hole collar* • *Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar* • *Dip and azimuth of the hole* • *Down hole length and interception depth* • *Hole length*	Refer to tabulations in the body of this announcement.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	All samples taken from EPT2093 drill core have been reported and are listed in Table 1
	Where aggregated intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	No weighting have been applied to the samples.

Criteria	JORC Code explanation	Commentary
Data aggregation methods continued.	*The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Not applicable for this announcement.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of exploration results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	The geometry of the mineralisation is not yet known due to insufficient deep drilling in the targeted area.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plane view of drill hole collar locations and appropriate sectional views.*	Refer to body of this announcement.
Balanced Reporting	*Where comprehensive reporting of all Exploration Results is not practical, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All samples taken from EPT2093 drill core have been reported and are listed in Table 1
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observation; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All meaningful and material information has been included in the body of the text. No metallurgical or mineralogical assessments have been completed.
Further Work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large – scale step – out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	At this stage mineralisation identified during the diamond drill program is indicative and requires further work to test for coherency, as well as for lateral and vertical extensions. A work program is currently in the planning phase and will be reported when completed.