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Fishhook Project - EIS Diamond Drilling Commences

The directors of Encounter Resources Ltd ("Encounter") are pleased to announce that EIS co-funded diamond drilling has commenced at the Fishhook project (100% Encounter). The Fishhook project covers an area of over 100km^2 and located approximately 20km north of the BM1-BM7 copper discoveries in the Yeneena project of Western Australia.

Encounter conducted a regional aircore drilling program over the Fishhook project in August 2014. This program was the first systematic, broad spaced shallow drilling in the dominantly sand covered area.

The aircore program highlighted a number of areas of interest including two targets for immediate follow up, as detailed below:

- **Moby Dick target (Figure 1)**: This target is a 2km long copper geochemical anomaly coincident with a resistive geophysical anomaly. A diamond drill hole is planned for this target to identify the source of the copper regolith anomaly and to determine if similar mineralisation indicators occur in the Fishhook area as we see in the BM1-BM7 corridor. This will be the first diamond drilling completed in the Fishhook prospect area.

- **Orca target (Figure 1):** This target is located approximately 5km south west of Moby Dick. Aircore and EIS co-funded RC drilling in the area has outlined a north west trending, 800m long copper geochemical anomaly located adjacent to the regionally significant Vines Fault. Previous shallow drilling indicates the anomaly contains copper with assays up to 0.4% Cu, 104g/t silver and end of hole bedrock copper anomalism grading above 0.1% Cu. This target will also be followed up with a single diamond drill hole.

Diamond drilling at Fishhook commenced last week and assay results are expected in November 2014.

The Fishhook diamond drilling is co-funded under the WA Government Exploration Incentive Scheme (up to $150,000).

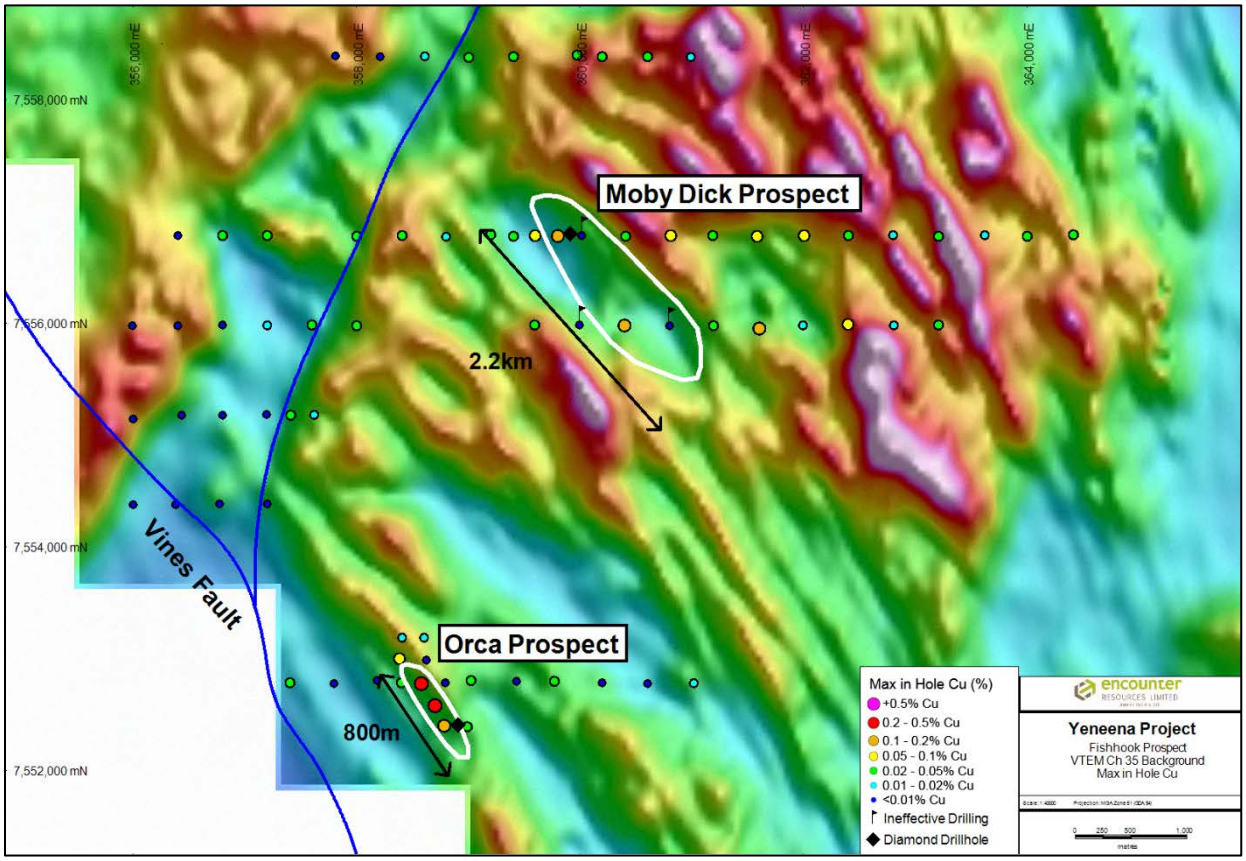

Figure 1: Fishhook project – Moby Dick and Orca prospect location plan

Hole_ID	Prospect	Northing (m)	Easting (m)	RL (m)	EOH(m)	Dip	Azi
EPT1841	Fishhook	7560195	361099	320	106	-60	270
EPT2001	Fishhook Regional	7561629	355195	320	156	-90	0
EPT2053	Orca	7552796	358581	320	82	-60	270
EPT2114	Moby Dick	7556795	359799	320	109	-90	0
EPT2130	Moby Dick	7555993	360396	320	84	-90	0
EPT2133	Fishhook Regional	7555968	361607	320	33	-90	0
EPT2140	Orca	7552599	358700	320	127	-60	270
EPT2171	Orca	7552412	358785	320	97	-60	270

Table 1: RC and Aircore collar location – Fishhook Project for hole containing assay intervals >0.1%Cu
Drill hole coordinates GDA94 zone 51 datum. Collars located via handheld GPS (+/-5m),
EOH = End of hole depth; m=metre; azi=azimuth.

Hole ID	Prospect	From (m)	To (m)	Length (m)	Copper (ppm)	Silver (ppm)
EPT1841	Fishhook	66	76	10	1102	2
EPT2001	Fishhook Regional	122	124	2	1140	<1
EPT2053	Orca	34	36	2	3640	104
EPT2114	Moby Dick	72	74	2	1360	6
EPT2130	Moby Dick	62	64	2	1230	<1
EPT2133	Fishhook Regional	14	16	2	1030	<1
EPT2140	Orca	112	114	2	2740	<1
EPT2171	Orca	92	97*	5	813	<1

Table 2: RC and Aircore assay results >0.1%Cu – Fishhook Project
*ppm = parts per million, * End of Hole Intersection*

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.*	The Fishhook project was sampled by Encounter Resources (ENRL) using aircore and reverse circulation (RC) drilling. A total of 125 aircore and RC holes were drilled in the two phases of drilling for a total of 9923m, with holes drilled either vertically or at -60 to 270. The drilling programs were drilled on nominal 800m spaced east-west sections with 200m to 400m spacing between drill holes with minor infill drilling to 100m spacing on selected sections. Onsite handheld Niton XRF instruments were used to systematically analyse drill samples, with a single reading taken for each 2m composite sample produced during drilling. These results are only used for onsite interpretation and the XRF results 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	Aircore and Reverse circulation drilling was used to obtain 3-4 kg samples every 1m downhole. These samples were sent to Bureau Veritas Minerals Pty Ltd 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).*	Aircore and RC drilling was used during the program the program. Holes were drilled using blade bit or 3 1/2" diameter face sampling hammer.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	RC sample recoveries were estimated as a percentage and recorded by ENRL field staff.
	Measures taken to maximise sample recovery and ensure representative nature of the samples	Driller's used appropriate measures to maximise sample recovery and minimise down-hole and/or cross–hole contamination.
	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.	To date, no detailed analysis to determine the relationship between sample recovery and/or and grade has been undertaken for this RC drill program.

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 is currently being completed on chip samples from the drilling, with lithology, alteration, mineralisation and veining recorded.
	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, veining and other features of the samples.
	The total length and percentage of the relevant intersections logged	All drill holes were logged in full by ENRL geologists.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	No core samples
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	RC samples were collected on the rig using a splitter. Samples were recorded as being dry, moist or wet by ENRL field staff.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Sample preparation was completed at Bureau Veritas Minerals Pty Ltd Laboratories in Perth. Samples were dried, crushed, pulverised (90% passing at a ≤75µM size fraction) and split 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 materials (CRMs) 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.	Field duplicates were taken during RC drilling and were collected on the rig via a splitter at a rate of 1:50. The results from these duplicates are assessed on a periodical basis.
	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 base 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 attacked. Analytical methods used were ICP – OES (Al, Ca, Cu, Fe, Mg, Mn, Ni, P, S, Zn and Ti) and ICP – MS (Ag, As, Bi, Mo, Pb, U and Co).
	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 RC samples 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.
	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. ENRL also submitted an independent suite of CRMs, blanks and field duplicates (see above). A formal review of this data is completed on an annual basis.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Both the Exploration Director and Senior Exploration Geologist have verified significant intersections from this program of RC drilling.
	The use of twinned holes.	No twinned holes were drilled at BM1 during this RC program.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data was collected for the Fishhook project on hand held printed forms and on toughbook computers using Excel templates and Maxwell Geoservice's LogChief software. Data collected was sent offsite to ENRL's Database (Datashed software), which is backed up daily.
	Discuss any adjustment to assay data.	No adjustments or calibrations were made to any assay data collected at Fishhook.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (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. No down hole surveys were completed during the RC program.
	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 at a later stage using a DTM created during the VTEM AEM survey.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The drilling program was initially drilled on nominal 800m spaced east – west sections with 200m to 400m spacing between drill holes with minor infill drilling to 100m spacing on selected sections
	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.	N/A – this is broad spaced geochemical drilling
	Whether sample compositing has been applied.	Samples from this program were composited to 2m.
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.*	N/A – this is broad spaced geochemical drilling
	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.	N/A – this is broad spaced geochemical drilling
Sample security	*The measures taken to ensure sample security.*	The chain of custody is managed by ENRL. Samples are delivered by ENRL personnel to Newcrest's Telfer Mine site and transported to the assay laboratory via McMahon's Haulage. Tracking protocols have been emplaced to monitor the progress of all samples batches.
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 the Fishhook data.

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 Fishhook project is located within the tenement E45/2657, which is 100% held by Encounter. The tenements that host the Fishhook prospect, E45/2657, 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 Fishhook area had been completed.
Geology	*Deposit type, geological setting and style of mineralisation*	Fishhook 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 Fishhook projects. The Fishhook project is considered prospective for sediment – hosted copper mineralisation, with the Nifty copper mine (~ 45km north of Fishhook) 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 reported assays have been length weighted, with a nominal 0.1% Cu lower cut-off reported as significant in the context of the geological setting. No upper cuts-offs have been applied and some narrow intervals of less than 0.1%Cu have been included in calculating down hole grade intervals.
	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.	High grade intervals that are internal to broader zones of copper mineralisation are reported as included intervals.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are used for the reporting of exploration results.

Criteria	JORC Code explanation	Commentary
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').*	N/A – this is broad spaced geochemical drilling
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.*	N/A – this is broad spaced geochemical drilling
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 significant intervals are reported with a 0.1% Cu lower cut-off.
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.*	A single diamond drill hole is planned for both the Moby Dick and Orca geochemical anomalies. These holes will test for mineralisation at depth and gain a greater understanding of the geology and structure in the region.

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.

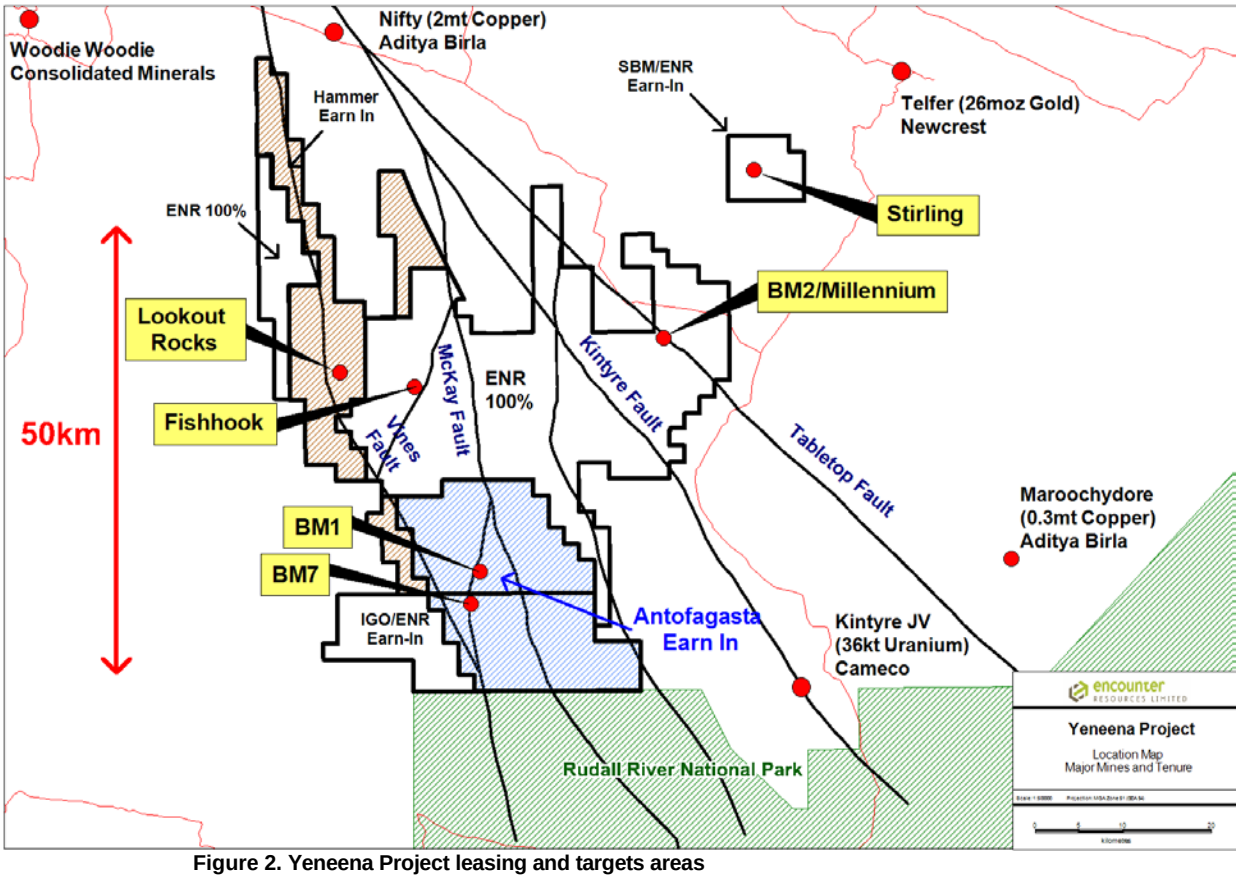

Figure 2. Yeneena Project leasing and targets areas

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.