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Large Scale Zinc Sulphide System at Millennium

The directors of Encounter Resources Ltd ("Encounter") are pleased to announce that the EIS co-funded diamond drilling at the Millennium prospect (100% Encounter) has successfully intersected zinc sulphide mineralisation in all four holes drilled. The Millennium prospect is located approximately 35km north east of the BM1-BM7 copper discoveries in the Yeneena project of Western Australia (see Figure 3).

The first ever RC drilling program at Millennium was completed in September 2014. This program showed a strengthening of near surface zinc mineralisation supporting the interpretation of the sub-basin margin at Millennium being more proximal to the core of the system (see ASX announcement 15 October 2014).

The planned two diamond hole program at Millennium was expanded to four diamond holes. Encounter has now completed the last of four diamond drill holes in the current program at the Millennium prospect. The four diamond drill holes were drilled on one north-south section (see Figure 2) and represent the first deep drilling program at the prospect.

All four holes drilled intersected visible zinc sulphide mineralisation in the form of sphalerite. Mineralised intervals varied from broad zones of shale-hosted disseminated sphalerite as well as brecciated and vein hosted sphalerite within a carbonate host and at the carbonate / shale contact (see photos 1 and 2).

The single line of diamond drilling at Millennium is located 3km south-east of the BM2 prospect where massive zinc sulphide mineralisation was discovered in a similar geological setting in late 2013 (see Figure 1). Drilling in the area between the BM2 and Millennium prospect is limited to a small number of shallow aircore and RC holes.

The diamond drill program has confirmed the presence of a large scale zinc mineral system at Millennium that remains open in all directions and at depth. Drill core from the drilling at Millennium is currently being cut and sampled and will be delivered to the laboratory for analysis in the next two weeks. Assay results from these four holes are expected to be reported in December 2014.

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

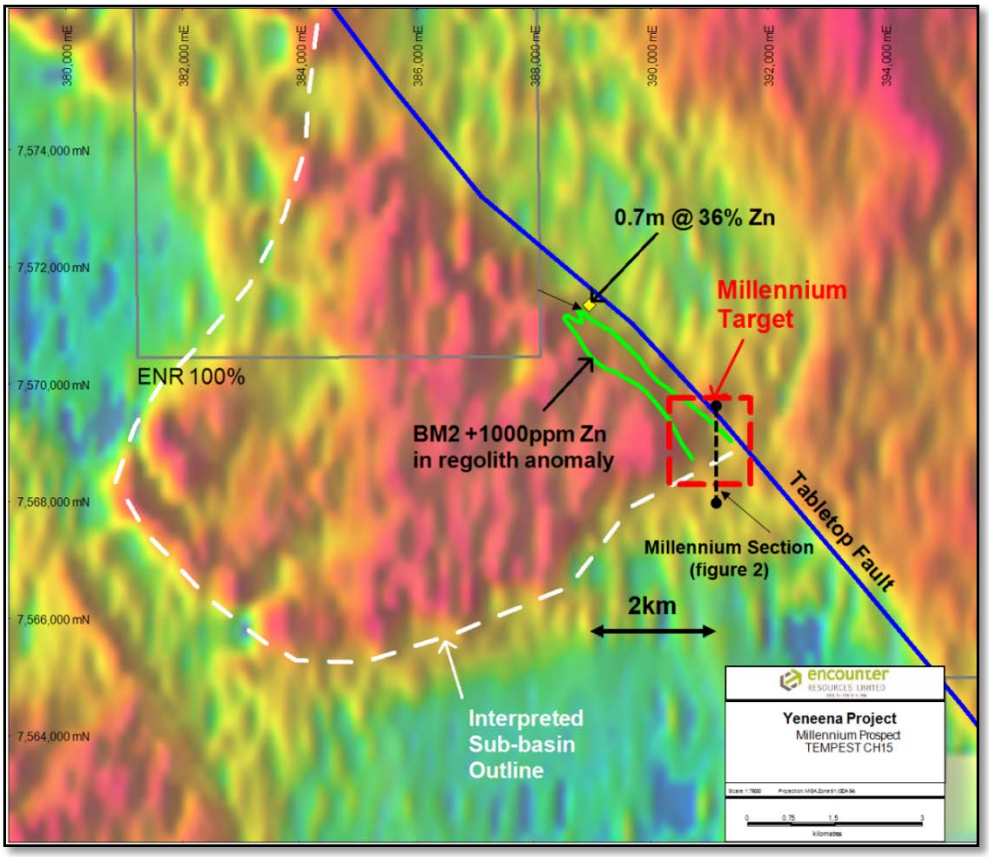

Figure 1: Millennium prospect – Location Plan

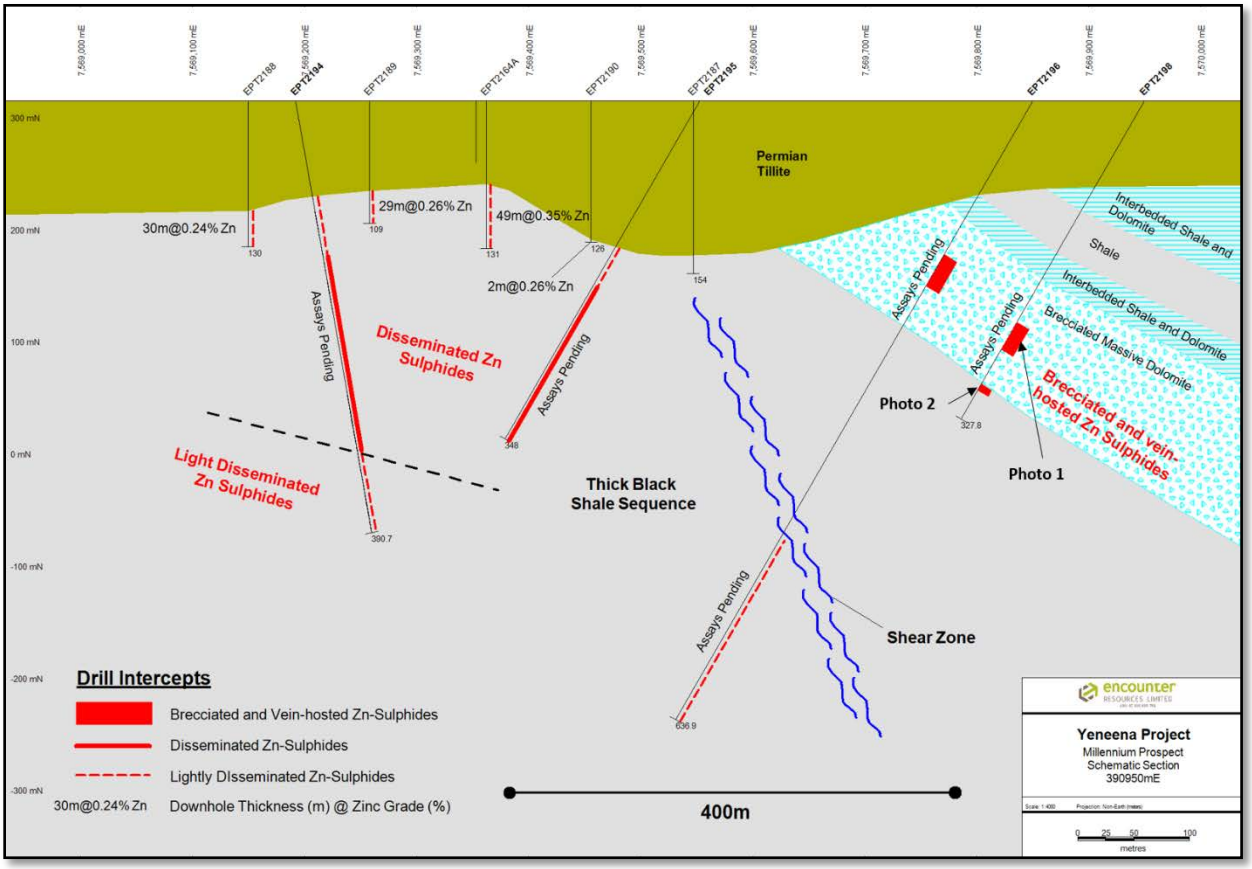

Figure 2: Millennium prospect – Cross section

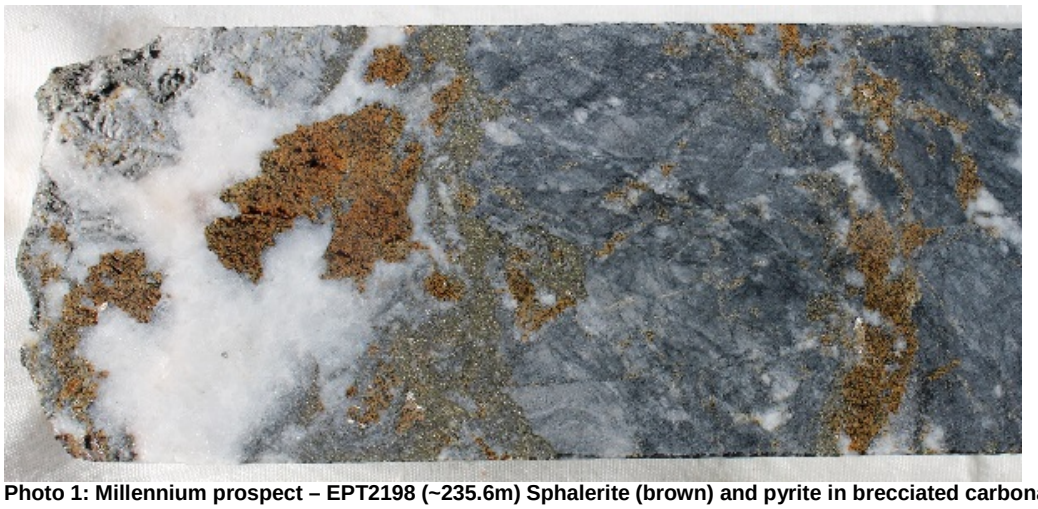

Photo 1: Millennium prospect – EPT2198 (~235.6m) Sphalerite (brown) and pyrite in brecciated carbonate
core sample width approx. 50mm

Photo 2: Millennium prospect – EPT2198 (~295m) Sphalerite (light brown) and minor pyrite in brecciated shale
core sample width approx. 50mm

Hole_ID	Northing (m)	Easting (m)	RL (m)	EOH(m)	Dip	Azi
EPT2194	7569175	390950	320	390.7	-80	000
EPT2195	7569550	390950	320	348	-60	180
EPT2196	7569850	390950	320	636.9	-60	180
EPT2198	7569950	390950	320	327	-60	180

Table 1: Diamond drilling collar location – Millennium Prospect
Estimated drill hole coordinates GDA94 zone 51 datum. Collars positioned via handheld GPS (+/-5m), EOH = End of hole depth; m=metre; azi=azimuth.

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 Millennium prospect was sampled by Encounter Resources (ENRL) using diamond drilling. Four holes were drilled for a total of 1702.6m. The four holes were drilled on a single north-south section. 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/HQ2 and NQ2 size core. Competent drillcore was cut and sampled, and grab sampling was utilised where core was broken. Mineralised intervals were subjected to half-core sampling, where unmineralised intervals were subjected to quarter-core, fillet-core or chip sampling. Intervals varied from 0.1 – 2m 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. Diamond core samples will be 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).*	All diamond drilling utilised an RC precollar or rock rolling to varying depths. Various size core diameters were used including HQ3, HQ2, and NQ2. All drill core was orientated where possible and triple-tubed in broken ground.
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. The driller identified cavities or core loss directly in the core trays.
	Measures taken to maximise sample recovery and ensure representative nature of the samples	Diamond driller's used appropriate measures to maximise 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.	To date, no detailed analysis to determine the relationship between sample recovery and/or and grade has been undertaken for this diamond 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 was carried out on all drillholes, with lithology, alteration, mineralisation, structure and veining recorded. Where core was orientated, structural measurements were taken.
	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 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.*	Competent drillcore will be cut and sampled, and grab sampling will be utilised where core is broken. Mineralised intervals will be subjected to half-core sampling, and unmineralised intervals will be subjected to quarter-core or fillet-core sampling.
	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 will be completed at Bureau Veritas Minerals Pty Ltd Laboratories in Perth. Samples will be dried, crushed, pulverised (90% passing at a ≤75µM size fraction) and split into a sub – sample that will be 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 will be at an average of 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 will be taken from diamond core.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are considered appropriate to give an accurate indication of base metal anomalism and mineralisation at Millennium.
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 will be 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 will be ICP – OES (Al, Ca, Cu, Fe, Mg, Mn, Ni, P, S and Zn) and ICP – MS (Ag, As, Bi, Co, Mo, Pb, U, Sr and Tl).
	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 involves 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.*	No assays reported
	The use of twinned holes.	No twinned holes have been drilled.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data was collected for the Millennium prospect 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 assays reported
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. Down hole surveys used single shot readings during diamond drilling and precollars. 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 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 four diamond holes in this program were drilled on the same north-south section at spacings from 100m to 350m apart.
	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 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. Quoted intersections are the length-weighted average of grades from original sampling widths.
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 framework diamond 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.	No sampling bias resulting from a structural orientation is known to occur.
Sample security	*The measures taken to ensure sample security.*	The chain of custody is managed by ENRL. Samples will be 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 Millennium 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 Millennium prospect is located within the tenement E45/2561, which is 100% held by Encounter. The tenements that host the Millennium prospect, E45/2561, 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 Millennium area had been completed.
Geology	*Deposit type, geological setting and style of mineralisation*	Millennium 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 Millennium prospect. The Millennium prospect is considered prospective for sediment – hosted zinc-lead mineralisation, with the McArthur River deposit in Queensland 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.*	No assays reported
	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 assays reported
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No assays reported

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').*	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.*	No assays reported
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.

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.

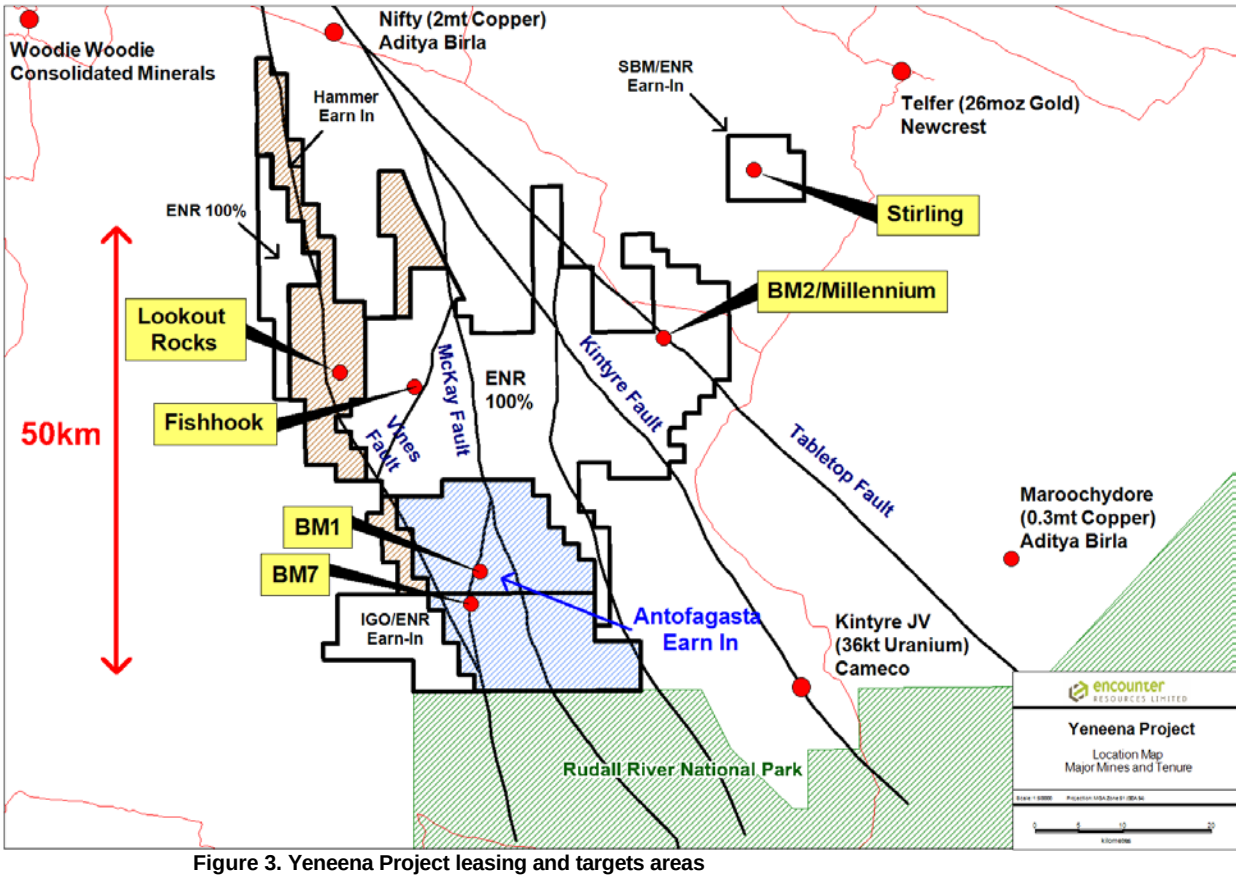

Figure 3. Yeneena Project leasing and targets areas

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.