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First Diamond Holes Intersect Copper Sulphides at Fishhook Additional Ground Acquired from Hammer Metals Ltd

The directors of Encounter Resources Ltd ("Encounter") are pleased to announce that the EIS co-funded diamond drilling at the Fishhook project (100% Encounter) has successfully intersected copper sulphides. In addition, Encounter has acquired a 100% interest in two tenements located north and west of the Fishhook prospect held by Hammer Metals Ltd. ("Hammer").

Fishhook Diamond Drilling

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 completed two diamond drill holes, drilled 5km apart, at the Fishhook project in September/October 2014 at the Moby Dick and Orca prospects (see Figure 2). This was the first diamond drill program at the Fishhook project and was following up the first systematic, broad spaced aircore drilling in the dominantly sand covered area completed in August 2014.

The program intersected broad zones of alteration consistent with the sediment hosted copper model. The drilling also intersected occasional blebby and narrow zones of disseminated copper sulphide mineralization (Photo 1-4) and zones of low grade copper anomalism (see Table 1).

The objective of the program was to obtain the first stratigraphic information in the Fishhook area and to determine if similar mineralisation indicators occur in this area that we see at the BM1-BM7 copper discovery. The results have positive implications for the Fishhook project and opens up the potential for further sediment hosted copper occurrences along the northern corridor.

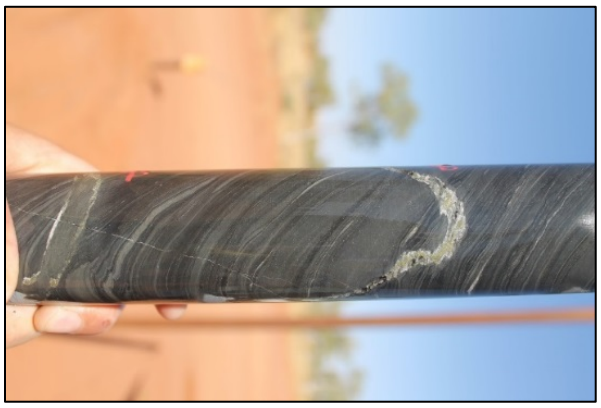
The Fishhook diamond drilling was co-funded under the WA Government Exploration Incentive Scheme (up to $150,000).

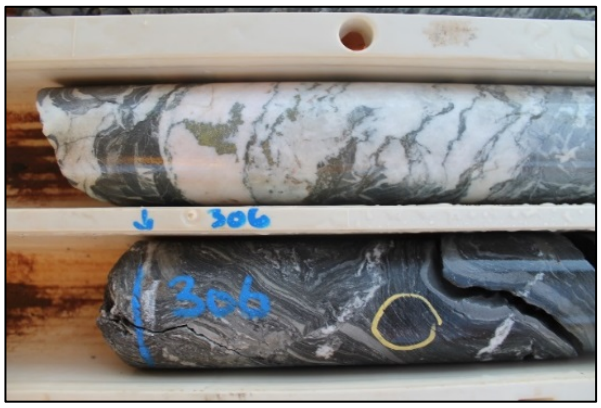
Acquisition from Hammer Metals Ltd.

Encounter and Hammer have reached an agreement for Encounter to acquire 100% interest in Exploration Licences E45/3768 and E45/4091 (see Figure 1). The main terms of the acquisition are:

- the issue of 750,000 fully paid ordinary shares of Encounter to Hammer subject to a Restriction Agreement
- Restriction Agreement – a period of voluntary escrow of eighteen (18) months following the date of issue. If the market value of an ordinary fully paid Encounter share on the ASX exceeds 50 cents per share then the voluntary escrow may be terminated in 10 business days subject to compliance with the requirements of ASX Listing Rule 3.10A.

This is considered to be a good outcome for both parties. Encounter can continue the recent successful work along the northern corridor and Hammer continues to participate via its shareholding in Encounter.





Photos 1 & 2 – Chalcopyrite mineralisation from the Orca Prospect at Fishhook ~240m & 305m

Photo 3 – Chalcopyrite mineralisation from the Moby Dick Prospect at Fishhook ~209m
Photo 4 – Strong 'red-rock' altered sediments from the Moby Dick Prospect at Fishhook 242-248m

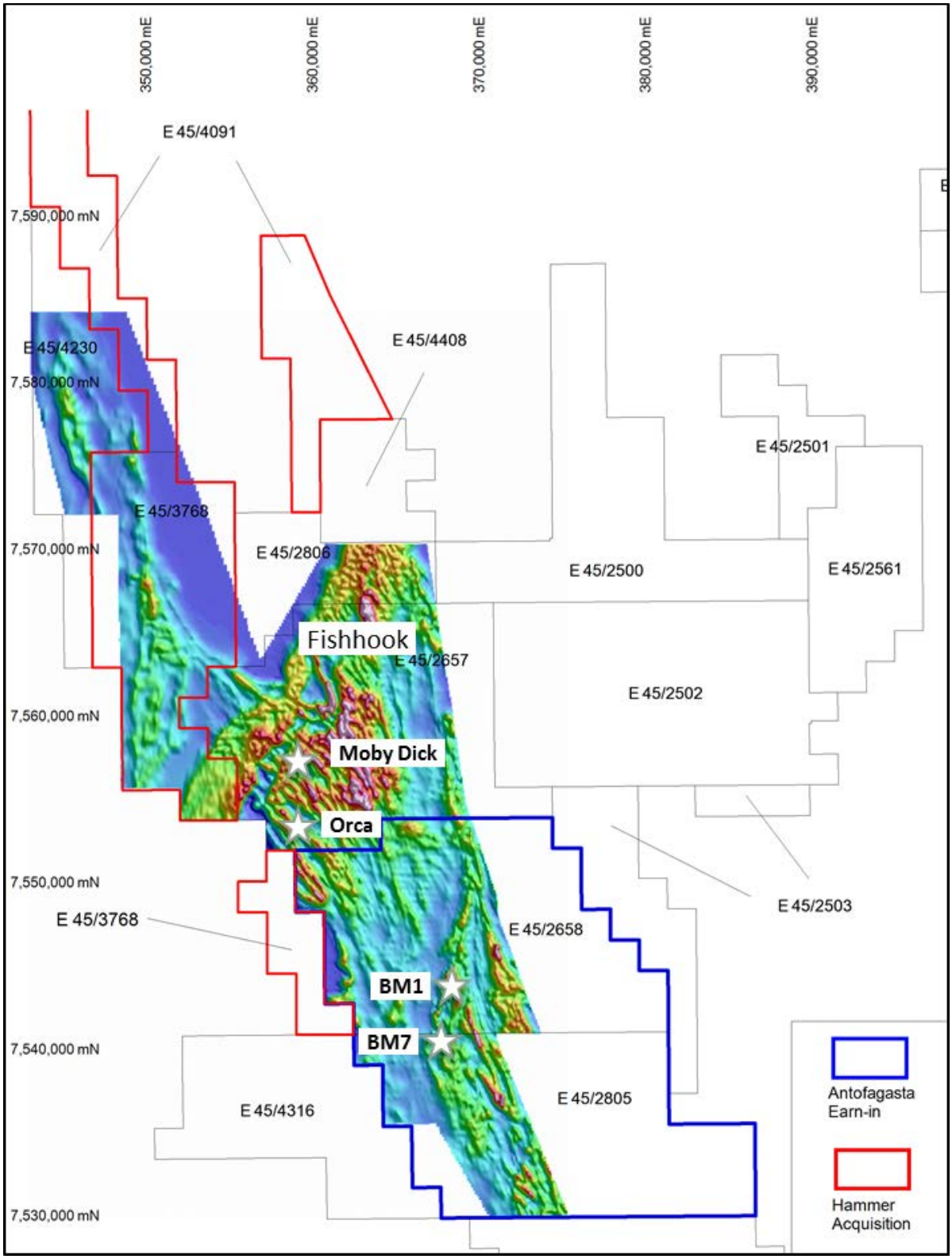


Figure 1 – Yeneena project leasing over Ch35 VTEM image

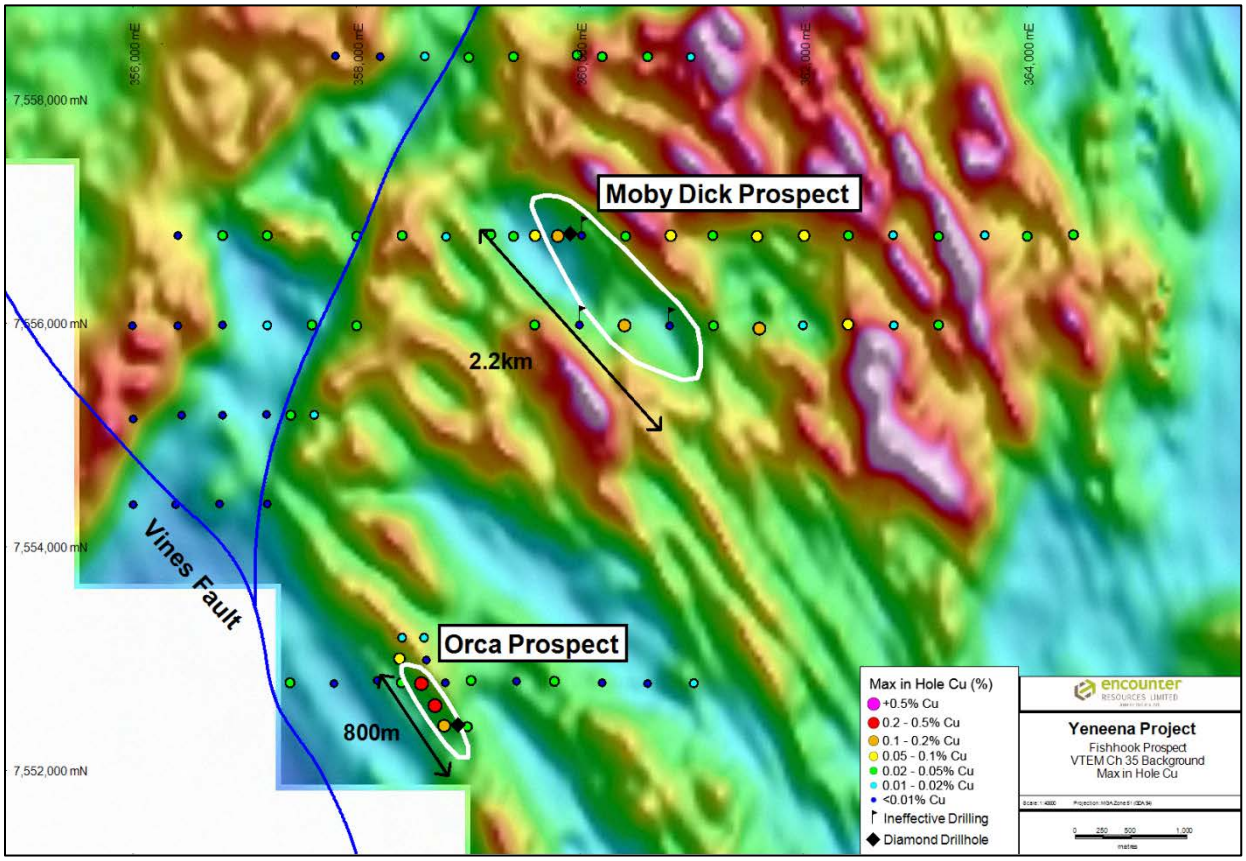


Figure 2: Fishhook project – Moby Dick and Orca prospect location plan

Hole_ID	Prospect	Northing (m)	Easting (m)	RL (m)	EOH(m)	Dip	Azi
EPT2192	Moby Dick	7556800	359900	320	473.91	-60	270
EPT2193	Orca	7552400	358850	320	391	-60	270

Table 1: Diamond drilling collar location – Fishhook Project
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)
EPT2192	Moby Dick			Assays pending	
EPT2193	Orca	160.4	161.7	1.3	1431
		185	186.4	1.4	1033
		199	200	1	1060
		240	241.15	1.15	1160
		306	389.9	Assays pending	

Table 2: Diamond drilling assay results >0.1%Cu – Fishhook Project
ppm = parts per million

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 diamond drilling. Two holes were drilled for a total of 864.91m, with holes drilled at -60 to 270. The two holes drilled are single holes on two separate section and are approximately 5km apart. 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 or fillet-core sampling. Intervals varied from 0.1 – 2.3m 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 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).*	All diamond drilling utilised an RC precollar 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 was cut and sampled, and grab sampling was utilised where core was broken. Mineralised intervals were subjected to half-core sampling, and unmineralised intervals were 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 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.	No duplicates were taken from diamond core.
	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 Fishhook.
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, Sr, 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 drilling program.
	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 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. 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 two diamond holes drilled in this program were drilled on separate sections and spaced approximately 5km 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 broad spaced 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 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').*	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 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.*	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, 2013 and 2014 Encounter strategically added to its ground position along the prospective corridor adjacent to the Yeneena Project.

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.

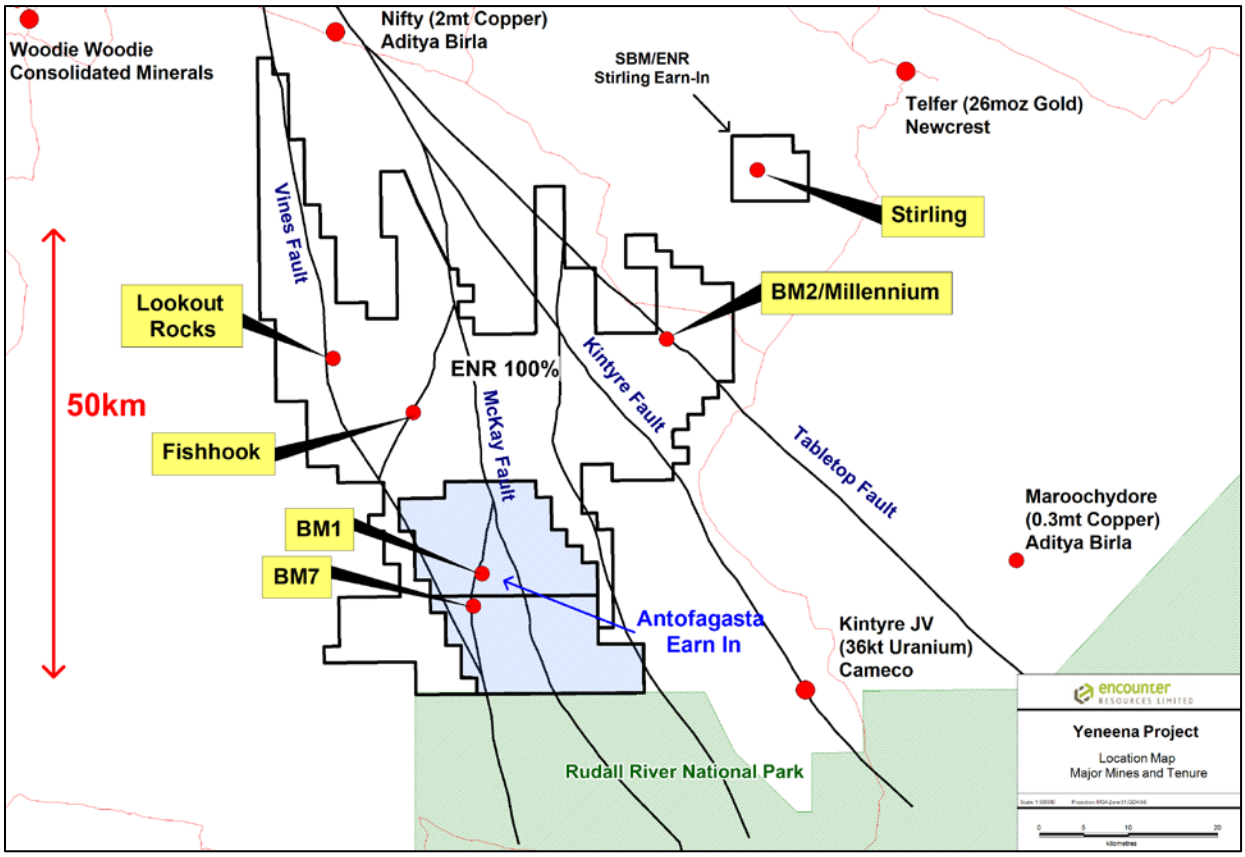


Figure 3. Yeneena Project leasing and targets areas

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.