

# Early bird Encounters uranium

Being a fast mover has given Encounter Resources a good chance of success, managing director Will Robinson says. By **Nick Evans**



Encounter Resources managing director Will Robinson.

Encounter laid early claims to large tracts of high-quality brownfield and greenfield uranium tenements in Western Australia before the rush to peg uranium ground began.

“Those that picked the eyes out early got the best of the exploration opportunities in Western Australia,” Robinson told *RESOURCESTOCKS*.

Formed in 2004 to look at acquisition opportunities in the eastern Goldfields, the experienced team at Encounter quickly picked up on the first hints of a change in uranium policy in Australia. Combined with increasing world uranium prices, this created an irresistible opportunity to get in early on the Australian uranium scene.

During the last quarter of 2004 Encounter, along with joint venture partner Avoca Resources, began a land acquisition

program designed to build the company’s presence on the ground floor of uranium exploration in WA. At a time when very few exploration companies were active in the west, Encounter moved early to snap up a suite of prospective projects across the state.

But rather than just go bush and hope to come back as the next big thing, the company developed a shrewd multi-pronged strategy. In addition to looking for the big new greenfield opportunities, Encounter has had its eye on brownfield opportunities in areas known to have advanced uranium deposits close to infrastructure and readily developable.

In early 2005 Encounter submitted exploration applications over the strike continuation of BHP Billiton’s Yeelirrie deposit and signed on to a formal joint

venture with Avoca giving it the right to earn 60% of the uranium rights on the Lake Way South Tenement.

The Lake Way South JV tenement encompasses 12 kilometres of the drainage system that links the Centipede and Lake Way deposits, which are currently the subject of a pre-feasibility study by Nova Energy (majority owned by Oxiana Resources).

Robinson told *RESOURCESTOCKS* the company is in a hurry to get resources on the books. “We’re one of the most active explorers in WA,” he said.

The company has picked up good prospects in the channel system near the Yeelirrie deposit – the world’s largest calcrete associated uranium deposit. “We’ve picked up basically everything within that system that wasn’t held by BHP Billiton and we’ve done some reconnaissance work, and we’ve had some early success at Bellah Bore East.

“Bellah Bore East is where we discovered a satellite deposit upstream of the main Yeelirrie deposit. Lake Way South is another area where we’ve had success and defined two new areas of mineralisation. We’re in the process of developing resource calculations around Bellah Bore East and the new Lake Way areas at the moment, and they’ll be first of the resources that we put on the books,” said Robinson.

“Our target is to find 20 million pounds of U3O8 at grades above 300ppm uranium – our view is that this is a standalone calcrete uranium development. However, everything you find around Yeelirrie and Lake Way/Centipede is going to have tremendous value.”

On the back of Encounter’s early successes at Yeelirrie and Lake Way the company has begun the second part of the strategy to unlock the potential of its



Air core drilling at McPherson’s Bore.



Exploration director Peter Bewick on calcrete hill at Stone Tank Project.

greenfield calcrete uranium holdings in the Yilgarn and Gascoyne regions in WA. The company will complete maiden drill programs at the Hillview, Stone Tank and McPherson's Bore projects in the second half of 2007. These are large targets that have the potential to be company-makers for Encounter.

An initial aircore drill program at McPherson's Bore, about 120km west of Leonora, has been completed with results expected before the end of July. The drill program was designed to test a large-scale uranium geochemical anomaly identified by the company in a May 2007.

The next cab off the rank will be the first phase of drilling at the Hillview project, 50km southeast of Meekatharra. Exploration at Hillview by Western Mining Corporation in the 1970s identified a 15km-long zone of near-surface uranium mineralisation. Historical drill sections were between 1.6km and 2km apart with holes intersecting between 100-300ppm eU3O8 on every traverse within the defined 15km trend.

With the calcrete uranium programs in the Yilgarn and Gascoyne, the third focus for Encounter is the Bangemall Basin in northern WA, where the company is advancing a number of base metals and unconformity uranium projects.

In 2005 it conducted a project generation exercise focused on base metals and uranium in the Bangemall Basin and secured a highly sought-after exploration ground position.

"It's the size of the prize that really excites us about the Bangemall Basin

projects," said Robinson.

The Bangemall Basin provides Encounter with a quality suite of base metals projects in an under-explored region. With the multi-commodity experience in the company's exploration team, adding base metals projects to the portfolio was a logical step.

The team is headed up by Peter Bewick, a veteran of WMC exploration operations. Bewick was WMC's geology manager at the Kambalda nickel operations, exploration manager for the St Ives gold operation and exploration manager for WMC's nickel business unit. Before joining Encounter he was the exploration manager for WMC's North American operations.

A formidable team sits alongside Bewick in project geologist Jacqui Chapman, who came to the company with uranium experience at Olympic Dam, and Jon Hronsky, the former manager strategy and generative services for BHP Billiton. Hronsky, who sits on the Encounter board, was also the global geoscience leader for WMC.

The company is overseen by non-executive chairman Paul Chapman, a chartered accountant with over 20 years experience in the resources industry at WMC Resources, Alcoa and Reliance Mining.

Robinson himself is a WMC veteran as the commercial manager of the Kambalda nickel operation, and also vice-president marketing of the company's nickel business.

He said the depth of experience in Encounter's leadership had geared it to move quickly to take opportunities when they are presented.

"We saw the opportunity in uranium

early on, and got in while very few other people were looking at WA.

"Now we want to get to a position where we can get resources on the books as soon as we can. We were also one of the first companies to move into the Bangemall Basin, attracted by the base metals and unconformity uranium potential.

"Australia has 40% of the world's known uranium resources and we haven't looked for it for a quarter of a century. Utilising new technologies, datasets and exploration methodologies, the prospect of finding new uranium resources in this environment is a once-in-a-generation opportunity. We think we have the right people and a project position to build a significant resources company.

"We believe that the long-term outlook for uranium mining in WA is positive.

"The demand for energy is expanding rapidly around the globe and our major trading partners are crying out for secure, reliable and low-emission energy supplies. WA is ideally positioned to answer this call. Over time these things do tend to change – let's not forget that there was an embargo on iron ore exports from WA until 1961."

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## encounter resources at a glance



Source: Iress

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### Directors

Paul Chapman, Will Robinson,  
Peter Bewick

### Market Capitalisation

\$26.58 million (at press time)

### Major Shareholders

Founders and Directors 42.99%  
Citicorp Nominees Pty Limited 8.28%  
HSBC Custody Nominees 7.70%