

**ASX : ENR**

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Company Announcements Office  
Australian Securities Exchange  
4th Floor, 20 Bridge Street  
Sydney NSW 2000

## Encounter acquires 100% ownership of Yeneena Project

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The directors of Encounter Resources Ltd (“Encounter”) are pleased to announce that the company has acquired Barrick (Australia Pacific) Limited’s remaining interest in the Yeneena project in Western Australia (“WA”).

“We are delighted to have 100% of the multi-commodity Yeneena project covering 1,300km<sup>2</sup> in the highly prospective Paterson region of WA. In 2009, Encounter’s activities yielded very encouraging results at the Yeneena project including high grade drill intersections of manganese, zinc and copper. We strongly believe in the potential of this project to host major new mineral discoveries and we are stepping up activity levels” said Managing Director, Will Robinson.

The main terms of the acquisition of Barrick’s 25% interest are:

- Payment of A\$400,000 in cash;
- Net smelter royalty of 1.5% on all minerals; and
- A gold clawback in the event of major discovery of gold >4 million oz. Barrick will then have the right to regain an interest in the gold discovery at a price of between US\$40-100/oz.

Encounter is commencing significant aircore (6,000 metres) and diamond (1,000 metres) drilling programs at the Yeneena project to follow up previous manganese, zinc and copper intersections.

**MN1 Prospect** - In November 2009, Encounter announced the discovery of high grade, near surface manganese at the MN1 prospect (2m @ 20%Mn and 3m @ 16%Mn) at the southern end of an untested 14km long regional gravity ridge located 70km to the south east of the Woodie Woodie manganese mine. The current aircore program will be the first manganese targeted drill program at the project.

**BM5 Prospect** - Diamond drilling in October 2009 intersected a vein of massive sulphide (0.1m @ 28.5% zinc, 2.3% lead and 33.9g/t silver). An offhole EM conductor has been identified approximately 60m below the massive sulphide intersection. The 1,000 metre diamond drill program will test this EM conductor.

**BM1 Prospect** - Drilling in 2009 successfully defined a coherent, under cover, near surface copper regolith anomaly (up to 2m @ 0.89% Cu). The aircore program will test targets identified to the south and east of this anomaly.

## Project Background & Location Plan

The Yeneena project covers 1,300km<sup>2</sup> of the Paterson Province in Western Australia and is located 40km SE of the Nifty copper mine, 30km NW of the Kintyre uranium deposit and 70km SE of the Woodie Woodie manganese mine (see Figure 1). The targets identified are located adjacent to major regional faults and have been identified through electromagnetics, geochemistry and structural targeting.

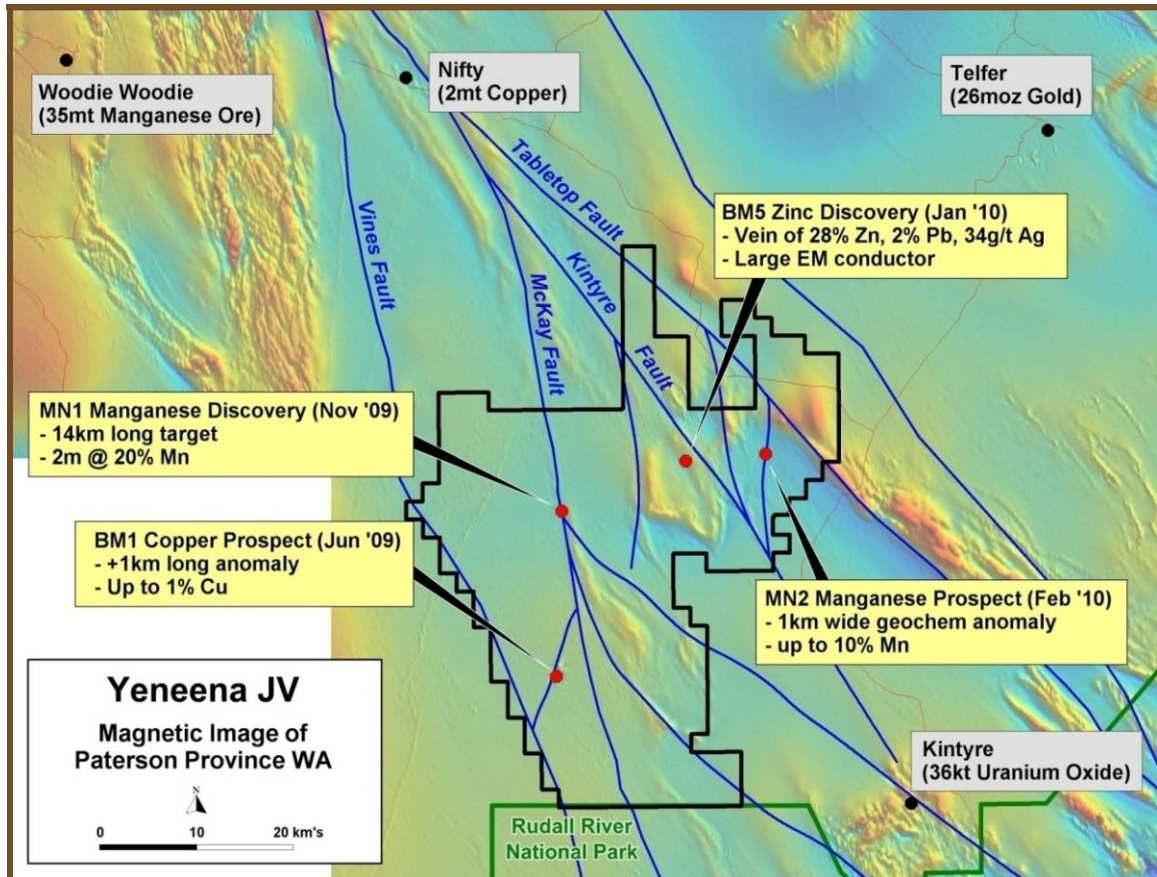


Figure 1. Yeneena Project leasing and targets areas on regional TMI magnetics

For further information please contact:

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*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 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 2004 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.*