

2 August 2018

ASX: ENR

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

Highest Grade Gold Assay to Date at East Thomson's Dome

- **Field operations at East Thomson's Dome and Telfer West are underway with RC drilling to commence in mid August 2018**
 - **The high grade gold intersected in hole ETG0151 at the N31 Reef at East Thomson's Dome (4m @ 18g/t Au from 8m assayed by 2 metre composite sampling) has been assayed at 1 metre intervals and returned:**
 - **3m @ 39g/t Au from 9m including 1m at 109g/t from 9m**
 - **Limited historical drilling at the N31 Reef means this near surface gold reef is poorly constrained along strike and down dip and eight RC drill holes are planned to determine continuity**
 - **Two diamond drill holes testing the Telfer West IP anomaly for a potential high grade shoot to be completed in the August 2018 drill program**
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The directors of Encounter Resources Ltd ("Encounter / the Company") are pleased to announce the highest grade gold assay result to date at East Thomson's Dome. Field operations have commenced with site preparation to be completed over the next week and the multi-purpose drill rig due on site in the week commencing 13 August 2018.

Commenting on the result, Encounter Managing Director Will Robinson said:

"This intersection at the N31 Reef represents the highest grade gold intersected to date at East Thomson's Dome. It's located in an area separate from where the majority of prior exploration took place. Given the grade seen in the re-sampling, if continuity of the N31 Reef can be established through the drill program beginning in the next fortnight, the implications would be significant."

East Thomson's Dome (100% Encounter)

Background

East Thomson's Dome is a high quality opportunity located just 5km from the major gold-copper mine at Telfer (Figure 1). The domal structure at East Thomson's Dome has a core of Malu Formation with the fold axis trending WNW. The majority of surface gold and reef style mineralisation at East Thomson's Dome has been discovered in the overlying Telfer Formation sediments. This geological setting is similar to that of the high grade reefs at Telfer.

The N31 Reef is located 1.5km north-west of the Fold Closure Prospect near the interpreted boundary between the Telfer Formation and the underlying Malu Formation. Previous historical drilling at the N31 Reef consists of nine RC drill holes (average depth of 61m) and one deep

stratigraphic diamond hole drilled by Barrick Gold in 2005 (to a depth of 1,011m). Results from this limited previous drilling include:

- 1m @ 10.4g/t Au from 59m in BTDD0004
- 2m @ 6.9g/t Au from 6m in NTR32
- 4m @ 3.5g/t Au from 8m in NTR31
(refer ASX release 30 November 2017)

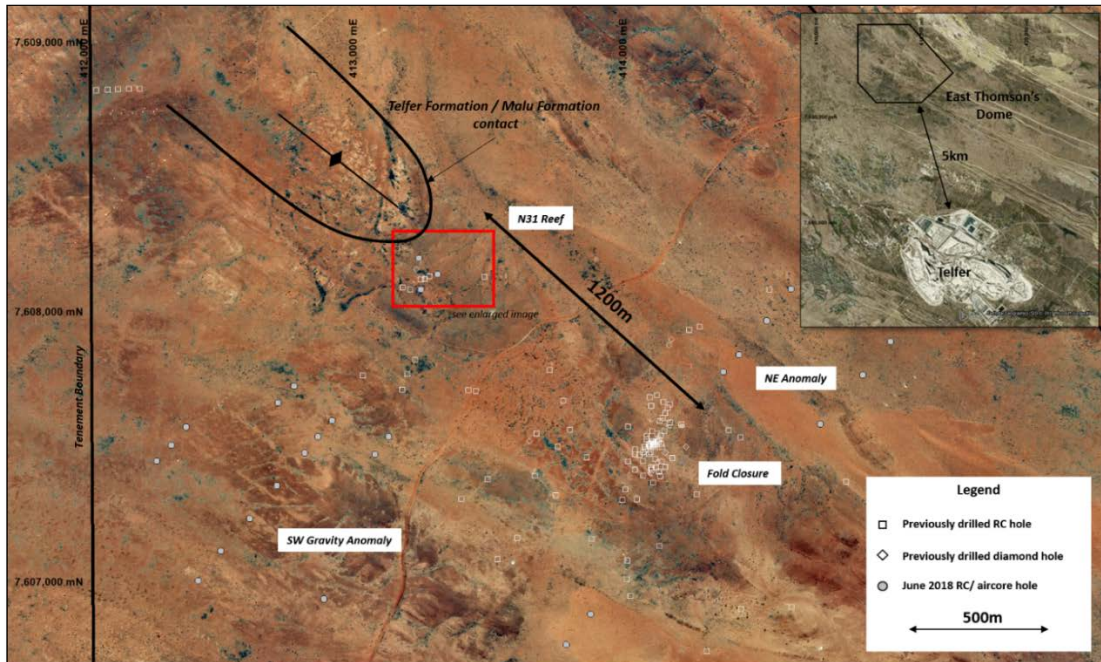


Figure 1 – East Thomson's Dome Summary Plan

Three RC holes were completed at the N31 Reef in June 2018. One of these holes, ETG0151, intersected 4m @ 18g/t Au from 8m in the initial 2 metre composite sampling (see ASX release 18 July 2018).

Follow-up Assaying

The intersection in ETG0151 was resampled on 1 metre intervals and assayed for the full element suite. The 1 metre interval assaying returned:

- **3m @ 39g/t Au from 9m including 1m at 109g/t from 9m**

The 1 metre assays indicate that the gold intersected at the N31 Reef is likely to be coarse in nature. Results from the multi-element geochemistry show significant bismuth and tellurium anomalism associated with the high grade gold. This supports the proposition that the intersection may represent an in-situ, oxidised, high grade 'Telfer-style' gold reef.

Upcoming Activity

The high grade near surface gold intersection in ETG0151 is poorly constrained both along strike and down dip. A second phase of shallow RC drilling will commence at the N31 Reef in the week commencing 13 August 2018. This initial eight hole program will test for further extensions of the high grade gold mineralisation and is designed to confirm the interpreted strike of the reef system. Drilling will be completed to an average depth of 40m.

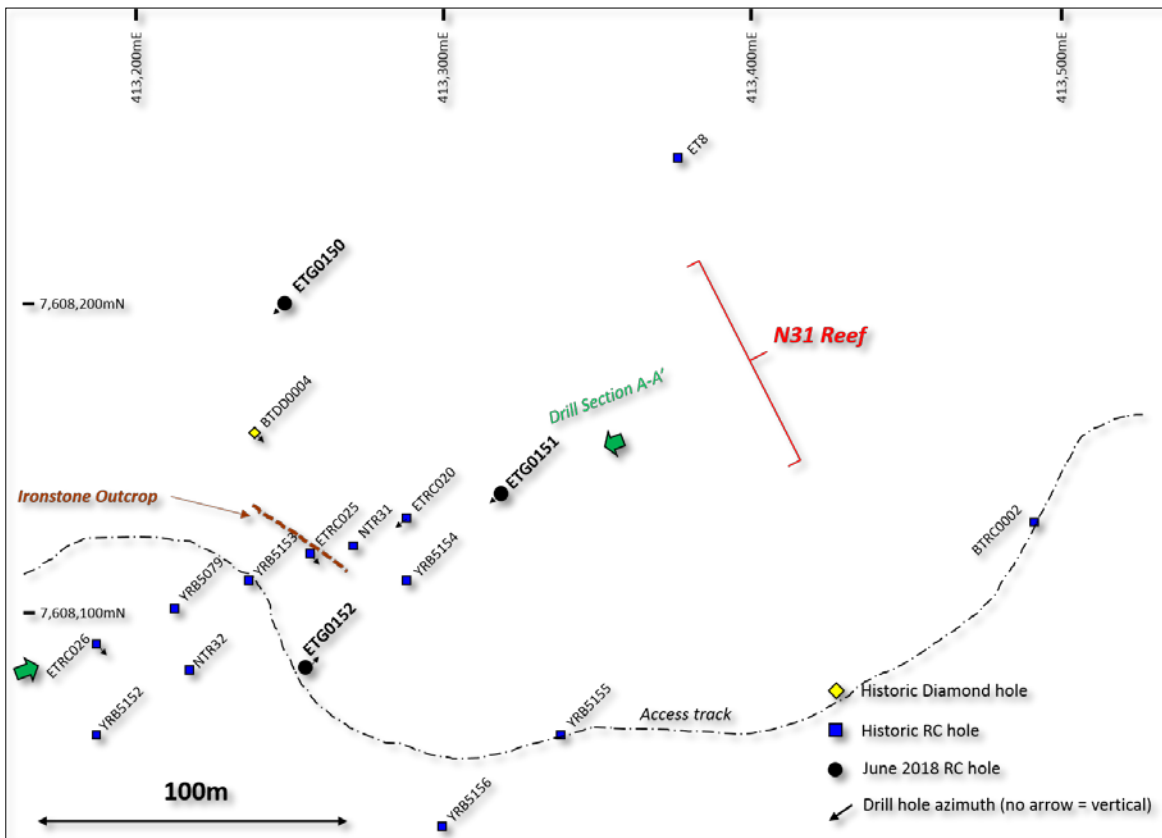


Figure 2 – East Thomson's Dome – N31 Drill Status Plan

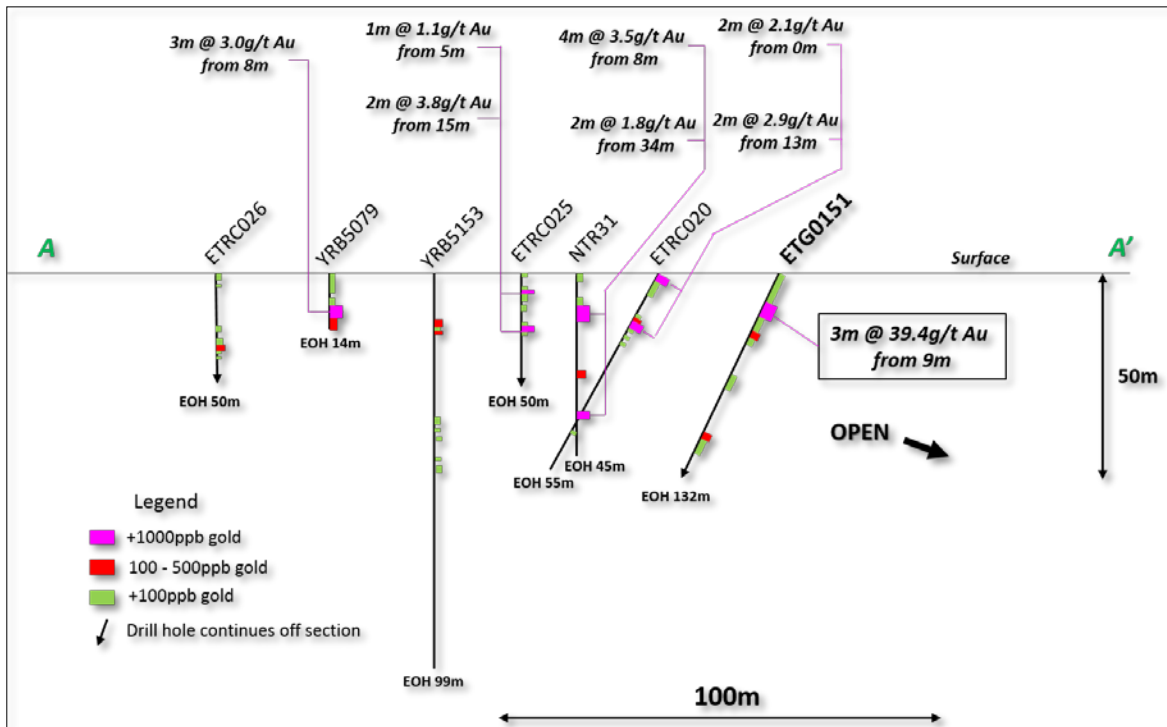


Figure 3 – East Thomson's Dome – N31 Drill Section A-A'

<i>Hole_ID</i>	<i>Hole Type</i>	<i>Northing (m)</i>	<i>Easting (m)</i>	<i>RL (m)</i>	<i>EOH(m)</i>	<i>Dip</i>	<i>Azi</i>
ETG0151	RC	7608138	413318	290	132	-60	225

Table 1: RC collar location – ETG0151 N31 Reef, East Thomson’s Dome

Estimated drill hole coordinates GDA94 zone 51 datum. EOH = End of hole depth; m=metre; azi=azimuth. Drill Type; RC = Reverse Circulation

<i>Hole ID</i>	<i>From (m)</i>	<i>To(m)</i>	<i>Length (m)</i>	<i>Gold (g/t)</i>
ETG0151	9	12	3	39.42
incl.	9	10	1	109

Table 2: Re-sampling results – ETG0151 N31 Reef, East Thomson’s Dome

Intervals are calculated with a lower cut-off of 0.1g/t Au. Internal higher grade intervals calculated at a 1g/t Au lower cut-off.

Telfer West (100% Encounter)

Background

Telfer West (E45/4613) covers an area of approximately 121km² and is located 25km north west of Telfer (see Figure 4). Telfer West covers an 8km by 5km domal formation of Proterozoic sediments bounded to the north-west and south-east by late stage granitic intrusions. The domal structure has a core of Isdell Formation overlain by the Malu Formation, Telfer Formation and sediments of the Puntapunta Formation.

Integration of all available geological and geophysical data in 3D suggests that the surface geochemical anomaly targeted by RC hole ETG0094 and an IP anomaly located beneath ETG0002 might represent a single, steep north-plunging high grade shoot (see Figure 5).

Upcoming Activity

Two diamond holes are planned to test this target. A single 550m deep hole (see Figure 6) will be drilled from the footwall of the stockwork zone and drill below a broad zone of stockwork style veining and associated sulphide mineralisation intersected in ETG0002 (including 39m @ 1g/t Au from 333m and 36m @ 0.6g/t from 396m) (refer ASX release 19 January 2017). A second hole is planned to extend RC hole ETG0094 another 150m to test the north plunging shoot trend.

The drilling programs at East Thomson’s Dome and Telfer West will commence in mid August 2018 and are co-funded under the WA Government EIS program.

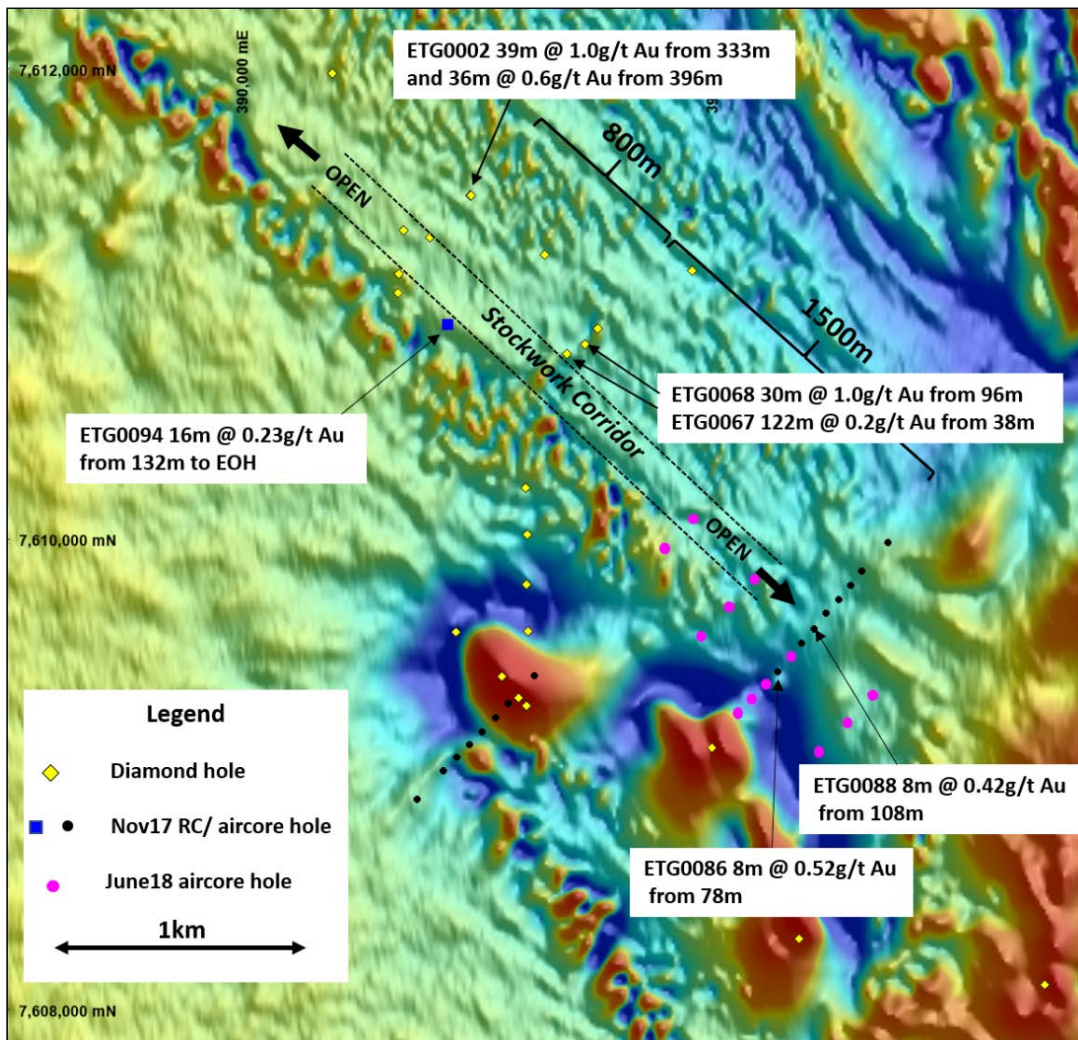


Figure 4 – Telfer West Stockwork Corridor

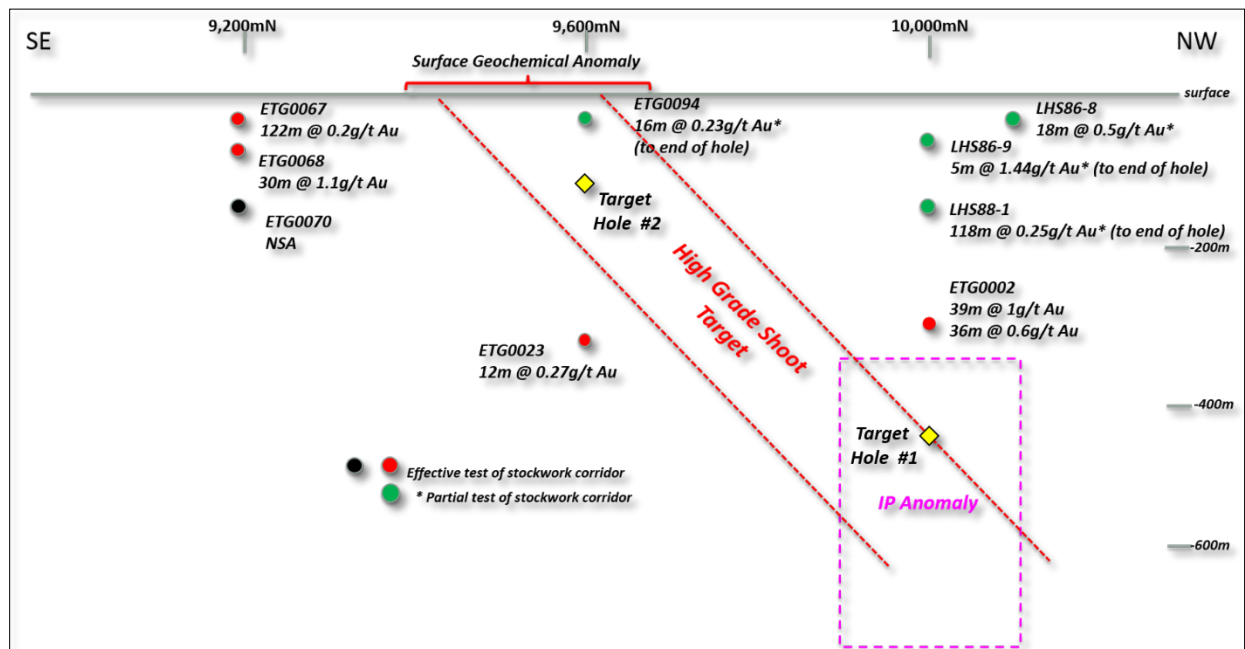


Figure 5 – Telfer West Egg Stockwork Corridor – Long Section looking towards the south west

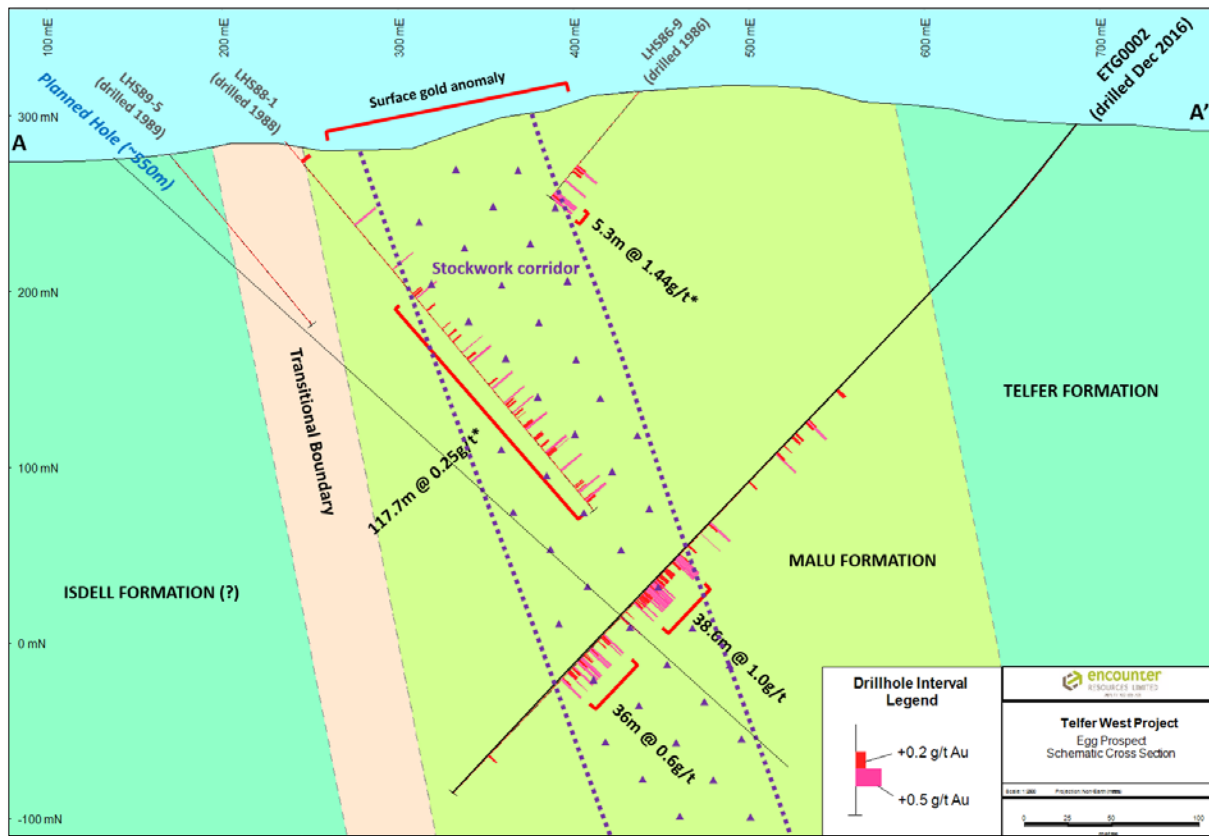


Figure 6 – Telfer West Egg Stockwork Corridor.

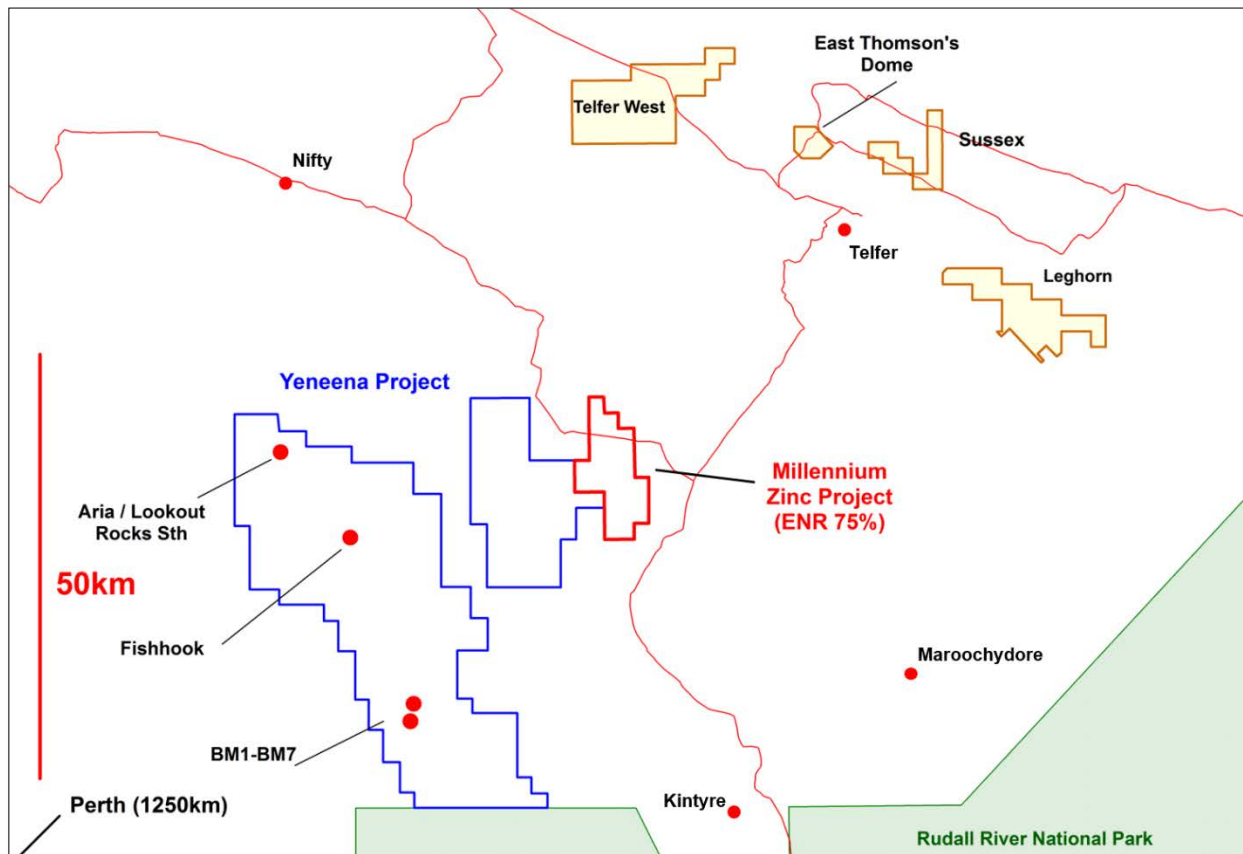


Figure 7: Yeneena and Telfer region tenements

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About Encounter

Encounter Resources Limited is a Western Australian (“WA”) based project generation, exploration and resource development company listed on the Australian Stock Exchange.

Encounter is one of the most active greenfield exploration companies in Australia. The Company is focused on discovering major gold deposits in Western Australia’s most prospective gold districts: the Tanami, the Paterson Province and the Laverton Tectonic Belt.

Encounter controls a major ground position in the Paterson Province of WA exploring for gold-copper deposits in the Telfer region and a highly prospective land package in the Tanami region to be explored via five Joint Ventures with Newcrest Mining Limited (ASX:NCM).

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.

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>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.</i>	East Thomson's Dome was sampled by Encounter using RC drilling. A 3 hole program has been completed for a total of 390m. The three RC holes were drilled on two section 80m apart.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	Drill hole collar locations were recorded by handheld GPS, which has an estimated accuracy of +/- 5m.
	<i>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</i>	Reverse circulation drilling was used to obtain 2-4 kg samples every 1m downhole and composited into 2m samples. During the re-sampling program selected higher grade intervals were sampled and assayed at 1m intervals. The samples from the drilling 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 Fire Assay, ICP – OES and ICP – MS analysis.
Drilling techniques	<i>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).</i>	Results reported in this announcement refer to re-sampling of RC hole ETG0151. The RC hole was drilled using 124mm face sampling hammer 102mm in diameter.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	RC sample recoveries were estimated as a percentage and recorded by Encounter field staff
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	Driller's used appropriate measures to minimise down-hole and/or cross – hole contamination in RC drilling.
	<i>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.</i>	To date, no detailed analysis to determine the relationship between sample recovery and/or grade has been undertaken for this drill program.

Criteria	JORC Code explanation	Commentary
Logging	<i>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.</i>	Geological logging has been completed on all drill holes, with lithology, alteration, mineralisation, structure and veining recorded.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Geological logging is qualitative in nature and records interpreted lithology, alteration, mineralisation, structure, veining and other features of the samples and core.
	<i>The total length and percentage of the relevant intersections logged</i>	All drill holes have been logged in full
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	N/A – no core drilling was completed in this program
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	RC samples were collected on the rig using a cone splitter. Samples were recorded as being dry, moist or wet by Encounter field staff.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	The samples have been sorted, dried and weighed. Primary preparation has been by crushing the whole sample to 3mm. The samples have been split with a riffle splitter to obtain a sub-fraction which has then been pulverised in a vibrating pulveriser.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Field QC procedures involve the use of commercial certified reference materials (CRMs) and in house blanks. The insertion rate of these is at an average of 1:33.
	<i>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.</i>	Field duplicates were taken during RC drilling and were collected on the rig via a cone splitter at a rate of 1:50. The results from these duplicates are assessed on a periodical basis.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The sample sizes are considered appropriate to give an accurate indication of the mineralisation at East Thomson's Dome.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Au, Pt and Pd were determined via Fire Assay. The samples have been analysed by Firing a 40 gm (approx) portion of the sample. Lower sample weights may be employed for samples with very high sulphide and metal contents. This is the classical fire assay process and will give total separation of Gold, Platinum and Palladium in the sample. These measurements have been determined using an analytical balance. The sample(s) for ICP analysis have been digested and refluxed with a mixture of acids including Hydrofluoric, Nitric, Hydrochloric and Perchloric Acids. This extended digest approaches a Total digest for many elements however some refractory minerals are not completely attacked. Analytical methods used will be ICP – OES (Ca, Cu, Fe, K, Mn, Ni, S, Ti and Zn) and ICP – MS (As, Bi, Co, Cr, Pb, Sb, Sn, Te, W and Zr)
	<i>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.</i>	N/A – no geophysical or handheld XRF instruments were used to determine information reported in this announcement.
Criteria	JORC Code explanation	Commentary

	<i>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.</i>	Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of in house procedures. Encounter 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.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The intersections included in this report have been verified by Sarah James (Senior Exploration Geologist).
	<i>The use of twinned holes.</i>	No twinned holes have been drilled.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Primary data is collected for East Thomson's Dome on toughbook computers using Excel templates and Maxwell Geoservice's LogChief software. Data collected was sent offsite to Encounter's Database (Datashed software), which is backed up daily.
	<i>Discuss any adjustment to assay data.</i>	N/A – no adjustments have been made to the assay data
Location of data points	<i>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.</i>	Drill hole collar locations are determined using a handheld GPS. Down hole surveys were collected at the completion of each hole using a north seeking gyro.
	<i>Specification of the grid system used.</i>	The grid system used is MGA_GDA94, zone 51.
	<i>Quality and adequacy of topographic control.</i>	Estimated RLs were assigned during drilling and are to be corrected at a later stage using the best available DTM.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	The three RC holes completed at the N31 Reef were drilled on two sections spaced 80m apart.
	<i>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.</i>	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.
	<i>Whether sample compositing has been applied.</i>	RC drilling from the N31 Reef at East Thomson's Dome was composited from 1m sample piles into 2m composite samples. The 1m re-sampling program of selected higher grade intervals defined in the 2m composite samples.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	N/A – this is early stage drilling and the orientation of sampling to the mineralisation is not known.
	<i>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.</i>	This is early stage drilling and the orientation of sampling to the mineralisation is not known.
Sample security	<i>The measures taken to ensure sample security.</i>	The chain of custody is managed by Encounter. Samples were transported on Alliance Airlines from Telfer to Perth then delivered by Encounter staff to the laboratory.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	Sampling techniques and procedures are regularly reviewed internally, as is data. To date, no external audits have been completed on East Thomson's Dome data.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>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.</i>	<p>The East Thomson's Dome project is located within the tenements E45/3446, P45/2750-2 and P45/3032 which are 100% held by Hamelin Resources Pty Ltd, a 100% owned subsidiary of Encounter.</p> <p>These tenements are contained completely within land where the Martu People have been determined to hold native title rights.</p> <p>No historical or environmentally sensitive sites have been identified in the area of work.</p>
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>The East Thomson's Dome Area has been exposed to more than 30 years of gold and base metal exploration since the early 1970's. Companies that have previously held the ground or been involved in joint ventures include Newmont Australia Ltd, Newcrest Mining Ltd, Duval Mining Australia Ltd, Geopeko Ltd, Marathon Petroleum Pty Ltd, Western Mining Corporation, MIM Exploration Pty Ltd, Mount Burgess Mining NL, BHP Minerals Pty Ltd, Cove Mining NL and various other smaller companies and individuals.</p> <p>Previous exploration activities have included, geochemical lag and soil sampling, geological mapping, photolithological interpretations, rock chip sampling, RAB drilling, RC drilling, diamond core drilling, PIMA studies, and geophysical surveys (IP surveys, EM surveys and aeromagnetic surveys).</p>
Geology	<i>Deposit type, geological setting and style of mineralisation</i>	<p>The East Thomson's project are situated in the Proterozoic Paterson Province of Western Australia. A simplified geological interpretation shows NW striking domal features. Isdell Formation in the core of the Telfer West dome is overlain by Malu Formation, Telfer Formation and the Puntapunta Formation. Malu Formation in the core of the East Thomson's dome is overlain by Telfer Formation. The projects are considered prospective for sediment – hosted 'Telfer style' gold-copper mineralisation and skarn style mineralisation.</p>
Criteria	JORC Code explanation	Commentary
Drill hole information	<p><i>A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> • <i>Easting and northing of the drill hole collar</i> • <i>Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar</i> • <i>Dip and azimuth of the hole</i> • <i>Down hole length and interception depth</i> • <i>Hole length</i> 	<p>Refer to tabulations in the body of this announcement.</p>
Data aggregation methods	<i>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</i>	<p>All reported assays have been length weighted, with a nominal 0.1g/t Au lower cut-off over a minimum of 1m. No upper cuts-offs have been applied.</p>

and should be stated.

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.

Higher grade intervals that are internal to broader zones of gold mineralisation are reported as included intervals, using lower cut-offs of 1g/t Au.

The assumptions used for any reporting of metal equivalent values should be clearly stated.

No metal equivalents have been reported in this announcement.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<i>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').</i>	The geometry of the mineralisation is not yet known due to insufficient drilling in the targeted area.
Diagrams	<i>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.</i>	Refer to body of this announcement.
Balanced Reporting	<i>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.</i>	All significant intervals are reported with a 0.1g/t Au lower cut-off with no minimum width (with internal higher grade intervals quoted using a lower cut-offs of 1g/t Au)
Other substantive exploration data	<i>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.</i>	All meaningful and material information has been included in the body of the text. No metallurgical or mineralogical assessments have been completed.
Further Work	<i>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.</i>	At East Thomson's Dome a second phase of RC drilling is planned to test along strike and at depth below the interpreted position of the N31 Reef. This drill program is due to commence in mid August 2018.
