HIGHLIGHTS

High Grade Gold Reefs Discovered at East Thomson's Dome

- Drilling in August 2017 discovered near surface gold reefs that remain open (see photo below) including:
  - ***45 Reef***
    - 2m @ 26g/t Au from 178m, part of 6m @ 9g/t Au from 178m
  - ***Fold Closure Reef***
    - 2.9m @ 7.7g/t Au from 127.1m incl. 0.45m @ 25.4g/t Au from 129.55m to EOH
    - 2.5m @ 7.3g/t Au from 11.4m, part of 26.6m @ 1.0g/t Au from 4.2m
- Follow up RC drilling is in progress

Gold Stock-Work Zone at Telfer West

- Second zone of gold stock-work mineralisation identified 800m south-west of the Egg prospect.
  - 30m at 1.1g/t Au from 96m incl. 2m @ 5.0g/t Au from 108m
- Further RC / Aircore drilling completed in October 2017

CORPORATE

Project Generation Alliance with Newcrest Mining Limited (ASX: NCM). Targeting work is underway and initial projects have begun assessment by Newcrest to enter 50:50 joint venture phase.

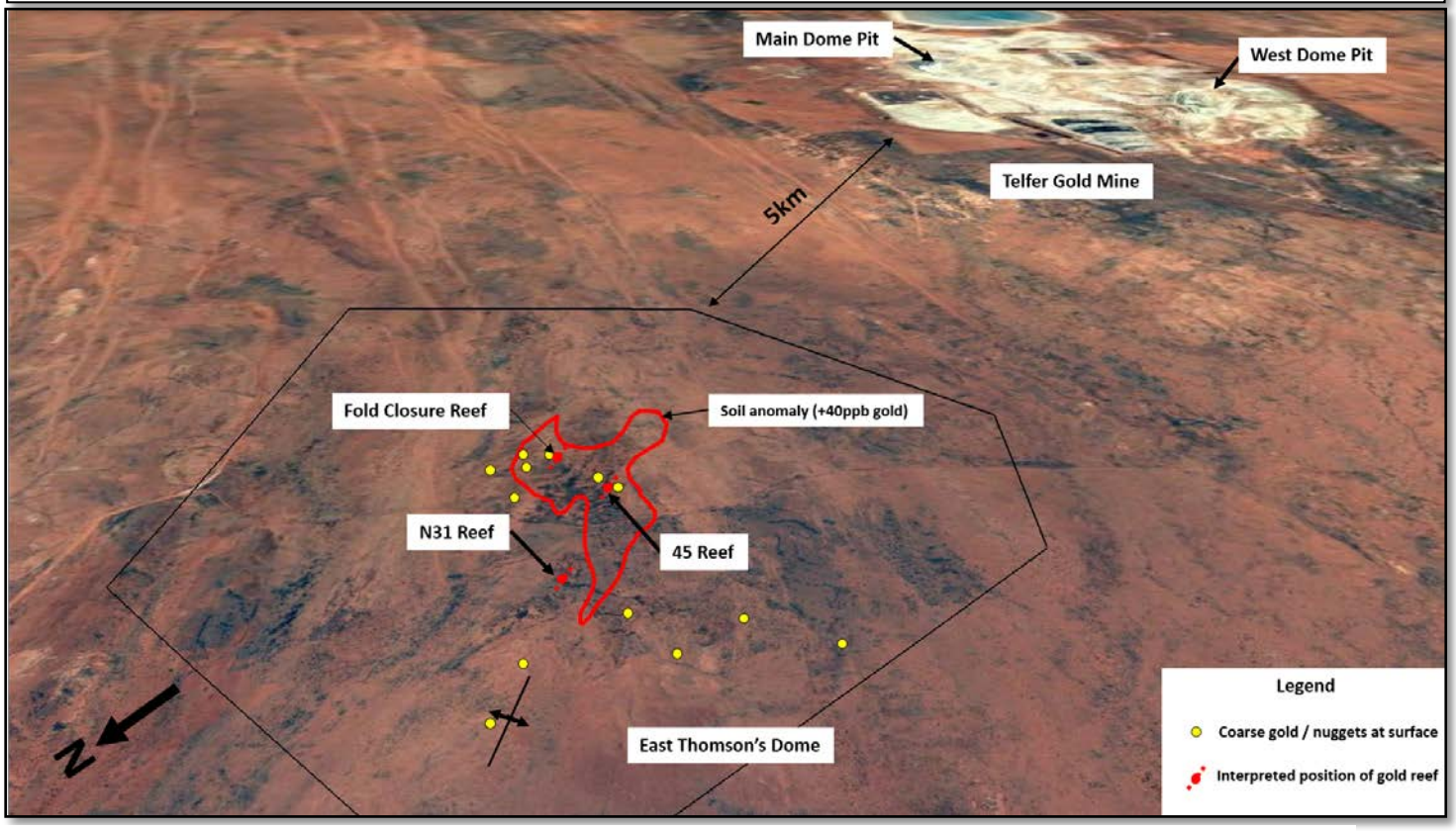

Figure 1: East Thomson's Dome project Gold Reef and coarse surface gold locations. Oblique view to the southeast

Encounter controls a major ground position in the Paterson Province in WA exploring for gold-copper deposits in the Telfer region and copper–cobalt and zinc-lead deposits at Yeneena.

ASX Code
ENR

Market Cap (30/10/17)
~A$13.8m ($0.072/share)

Issued Capital (30/09/17)
192 million ordinary shares
12.4 million options

Listed investments (30/10/17)
~A$0.6M

Cash (30/09/17)
~A$2M

EXPLORATION

PATERSON PROVINCE

YENEENA & TELFER REGION PROJECTS

- **Paterson Gold projects: 100% Encounter - E45/4613, E45/3446, P45/2750 to P45/2752, P45/3032, E45/4564, E45/4757 and E45/4758**
- **Yeneena Copper-Cobalt Project: 100% Encounter - E45/2500, E45/2502, E45/2503, E45/2657, E45/2658, E45/2805, E45/2806, E45/3768, E45/4091, E45/4230 and E45/4408**
- **Millennium Zinc Project: 75% Encounter / 25% Hampton Hill Mining ("HHM") - E45/2501, E45/2561 and the four eastern sub-blocks of E45/2500**

Encounter holds exploration tenure over 2,000km² of the Paterson Province in Western Australia (WA), that hosts the Telfer gold-copper mine and the Nifty copper mine. Encounter is actively exploring for gold-copper deposits in the Telfer region as well as copper-cobalt and zinc-lead deposits at Yeneena (Figure 2).

The Company's gold portfolio includes Telfer West, a recent shallow, high grade gold discovery and East Thomson's Dome that includes a large scale gold soil anomaly identified adjacent to high grade outcropping gold reefs.

The copper-cobalt and zinc-lead prospects identified at Yeneena are located adjacent to major regional faults and have been identified through electromagnetics, geochemistry and structural targeting.

Separate to the projects in the Paterson Province, Encounter has a project generation alliance covering northern WA with Australia's largest gold mining company, Newcrest Mining Limited (ASX:NCM).

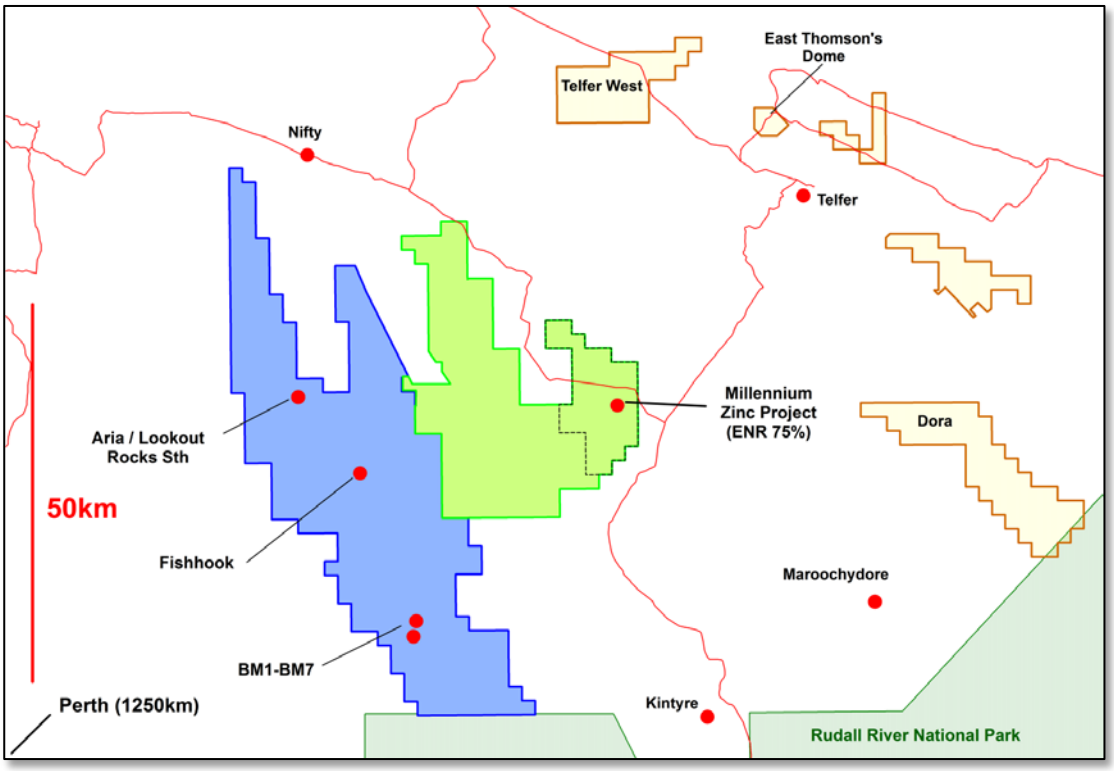

Figure 2: Yeneena and Telfer region tenements

PATERSON GOLD PROJECTS

Encounter holds a highly prospective and strategic ground holding in the Paterson Province that hosts Newcrest's major gold-copper operation at Telfer.

East Thomson's Dome Project (100% Encounter)

Background

East Thomson's Dome ("ETD") 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 has a core of Malu Formation with the fold axis trending WNW. The majority of surface gold and reef style mineralisation has been discovered in the overlying Telfer Formation sediments. This geological setting is similar to the setting of the high grade reefs at Telfer.

Historical exploration at East Thomson's was conducted by Newmont, Duval Mining and Mt Burgess Mining NL between 1985 and 2003. The most recent exploration was completed by Barrick Gold Corporation ("**Barrick**") in 2003-2006. Previous drilling completed at East Thomson's was mainly shallow RAB and RC programmes with only 3 diamond holes drilled across the 4km by 4km project. In total, 438 holes have been drilled at East Thomson's with only 10 of these holes exceeding 100m depth and the remainder of the holes averaging 28m depth.

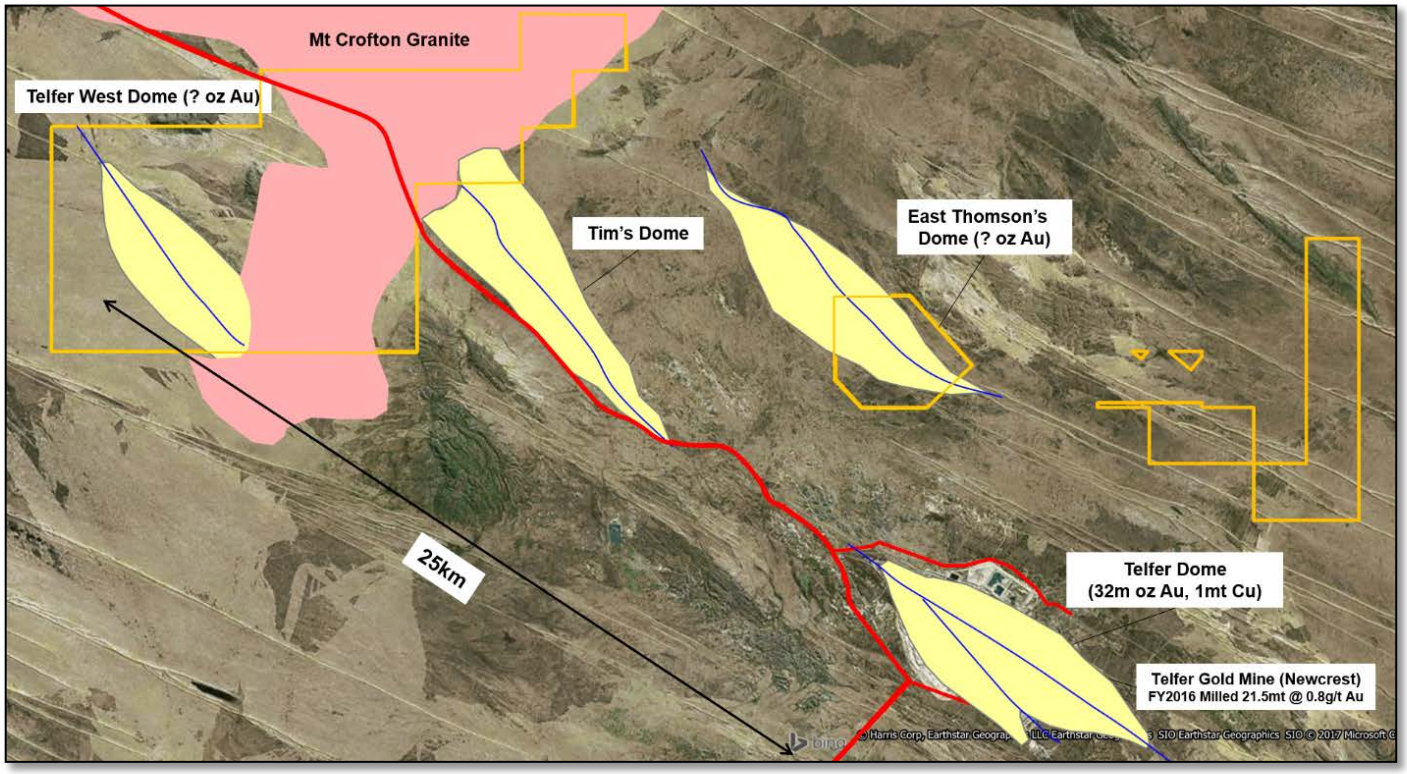

Figure 3: Telfer Region Gold Projects. Interpreted mineralised domes and location map – Landsat background

Fold Closure prospect at ETD – High grade reef system extended
Four diamond drill holes were completed by Encounter at the Fold Closure prospect in August 2017. Three of the four holes were drilled immediately south-east of a series of outcropping high grade gold reefs where drilling in the 1990s defined high grade near surface reef mineralisation including (see ASX release 14 February 2017):

- 4m @ 29 g/t Au from 31m in NTR 5
- 2m @ 33 g/t Au from 22m in NTR 12
- 10m @ 9.8 g/t Au from 16m in NTR 17 incl. 2m @ 45.8 g/t Au from 20m
- 2m @ 76.2 g/t Au from 35m in NTR 57
- 7m @ 17.1 g/t Au from 16m in NTR 61 incl. 3m @ 37.6 g/t Au from 19m

Diamond holes ETG0053, ETG0054 and ETG0055 drilled by Encounter all intersected oxidised, reef-style gold mineralisation and returned high grade gold intersections, including (see ASX release 14 September 2017):

- 2.9m @ 7.7g/t Au from 127.1m incl. 0.45m @ 25.4g/t Au from 129.55m to EOH in ETG0053
- 1m @ 3.2g/t Au from 80m in ETG0054
- 2.5m @ 7.3g/t Au from 11.4m, part of 26.6m @ 1.0g/t Au from 4.2m in ETG0055

It appears the reef mineralisation at ETD is stacked, with more than one mineralised horizon intersected in the diamond drill holes. These high grade reefs at the Fold Closure prospect remain open down dip and along strike.

An RC drill program is in progress and drilling on a notional 40x40m spacing to test for continuity and test along strike and down dip for further extensions of the high grade mineralisation (Figure 4). If successful, this drilling will be followed by resource drilling at ETD.

New gold reef discovered at ETD "45 Reef"
Encounter completed a program of 18 broad spaced RC holes for 3,816m over six 200m to 800m spaced traverses. This drilling was completed in July 2017 and was focused on the eastern half of a 2km long surface geochemical anomaly. Holes were planned to a nominal depth of 200m which was thought to be sufficient to test the important geochemical horizon at the base of oxidation. Anomalously deep oxidation at ETD resulted in many of the RC holes finishing above the target horizon.

Although many holes did not test the base of oxidation, the results received were highly encouraging with a well mineralised (+1g/t Au) trend defined over a strike length of +500m. In particular, RC drill hole ETG0045 finished in 6m @ 9.0g/t Au from 178m including 2m @ 26g/t Au from 178m (see ASX release 14 September 2017). In September 2017, ETG0045 was extended with diamond drilling to 396m and contained occasional sporadic gold anomalism.

Five holes were completed in October 2017 to test up dip and along strike of the high grade gold reef discovered in ETG0045. Assay results from these holes are expected in late November 2017.

New gold reef targets at ETD
Encounter has compiled information from two short prospecting programs completed at East Thomson's Dome in 2016 and 2017. This information along with a report on prospecting activities conducted on a special prospecting licence over E45/3446, has identified 18 locations where coarse gold has been found at surface at ETD. Gold nuggets from around the 45 Reef area are generally larger and rounded in nature while coarse gold from the Fold Closure prospect is smaller, generally sharp edged and crystalline (Figure 5). A new area located to the west of the main gold surface geochemical anomaly has been outlined by these prospecting activities. The current drill program at ETD will include initial aircore drilling of three new targets within this new area where surface gold nuggets have been identified (Figure 4) and quartz veining (+/- ironstone) has been mapped at surface.

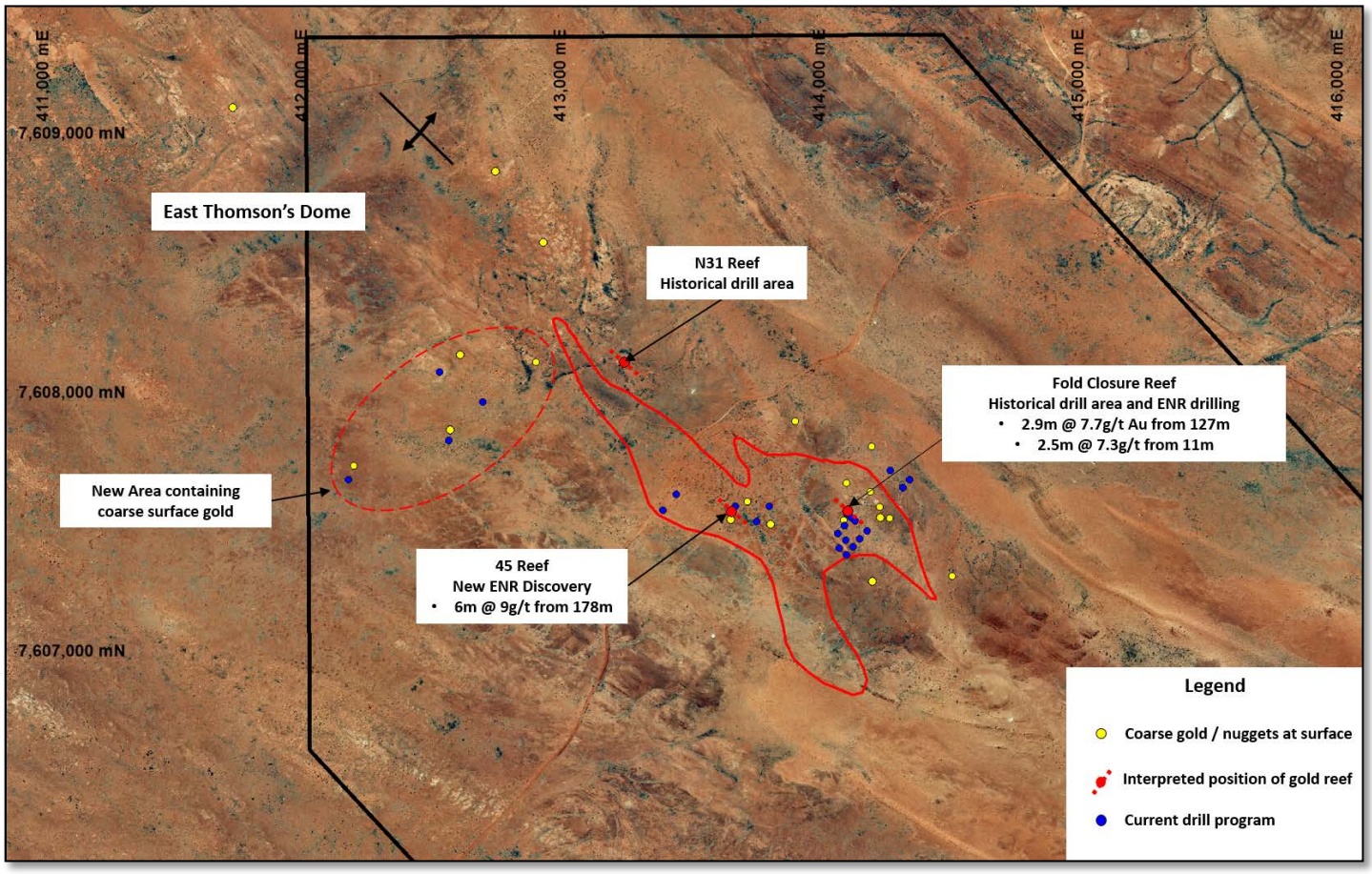

Figure 4: East Thomson's Dome geochemical summary and current drill program location plan

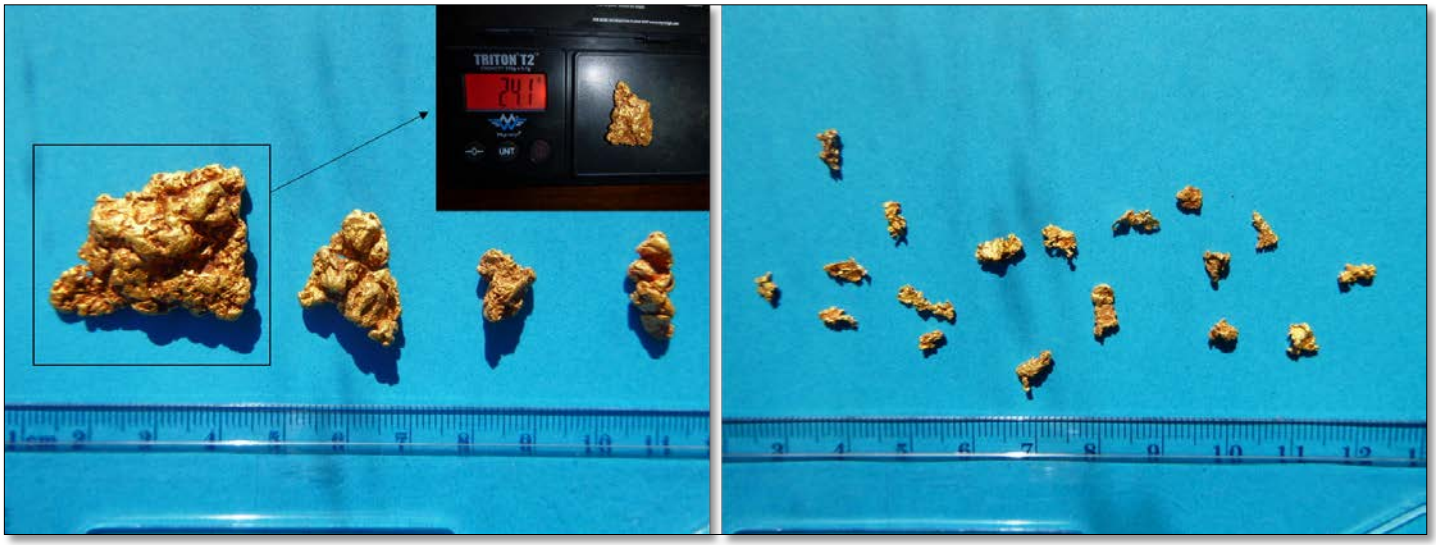

Figure 5: Examples of coarse gold recovered from East Thomson's Dome project in June 2017

Telfer West (100% Encounter)

Background

Telfer West (E45/4613) covers an area of approximately 121km^2 and is located 25km north west of Newcrest's Telfer operation (see Figure 2). Limited historical exploration at Telfer West was conducted by WMC and Newmont from 1983-1993 targeting gold mineralisation in a similar geological setting to Telfer.

Telfer West covers an 8km by 5km domal formation of Proterozoic sediments that is 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. These geological units are the main hosts of gold-copper mineralisation at Telfer. A linear belt of subtle magnetic anomalism forms part of a broad structural corridor that defines the fold axis of the Telfer West dome (see Figure 7). The gold mineralisation intersected is contained within this structural corridor, with stronger accumulations in areas of greater structural complexity.

The first two holes (ETG0002 and ETG0003) drilled by Encounter in December 2016, 4km apart, both confirmed the presence of high grade gold mineralisation.

Egg Stockwork Corridor – Exploration in September 2017 quarter

In July 2017, a program of RC drilling was completed at Telfer West which included two RC drill holes (ETG0067 and ETG0068). These holes were drilled 800m south-east and along strike of the Egg prospect where hole ETG0002 was drilled in December 2016. ETG0002 intersected an 80m wide, depth extensive zone of stock-work style gold mineralisation that included:

- 38.6m @ 1.0g/t Au from 333m (including 4.2m @ 3.2g/t Au from 333.5m) and 36m @ 0.6g/t Au from 396m (including 3.2m @ 3.3g/t Au from 415.2m) (see ASX release 19 January 2017)

ETG0067, returned 122m @ 0.2g/t Au with gold mineralisation strengthening towards the bottom of hole (see ASX release 31 July 2017). The RC pre-collar of ETG0068 contained a thick zone of oxidised gold mineralisation of 30m @ 1.1g/t Au from 96m which is located to the north-east of the new stock-work zone (see ASX release 31 July 2017).

ETG0067 and ETG0068 were extended with diamond tails in August 2017. Assay results from the diamond tails included sporadic gold mineralisation down hole but did not include significant extensions to the gold mineralisation drilled in the pre-collars.

In addition, a surface geochemical program has been completed along the interpreted surface expression of the gold stockwork system at Telfer West. The program was successful in highlighting the stockwork zone surface position with assays up to 100 times background collected.

Soil samples collected over the 800m gap between the two competed drill lines have identified a coherent gold anomaly that has not been tested by previous drilling (Figure 6). The current RC drill program will test the centre of the new anomaly, 400m north-west of ETG0067, ETG0068 and 400m south-east of the drill line containing ETG0002.

The current drill program will also include initial aircore drilling of three structural targets identified at Telfer West. These targets are located to the north-east and south of the main stockwork corridor (see Figure 7).

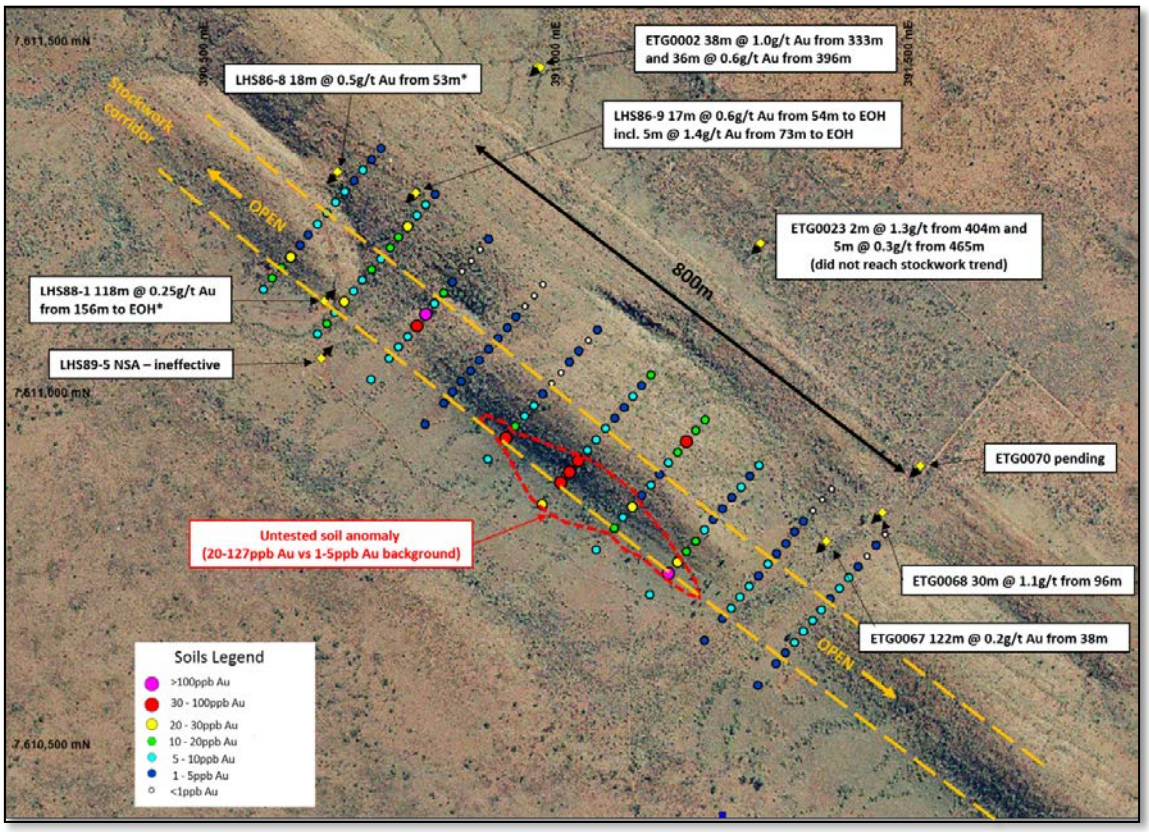

Figure 6: Telfer West Stockwork Corridor drilling and geochemical summary.

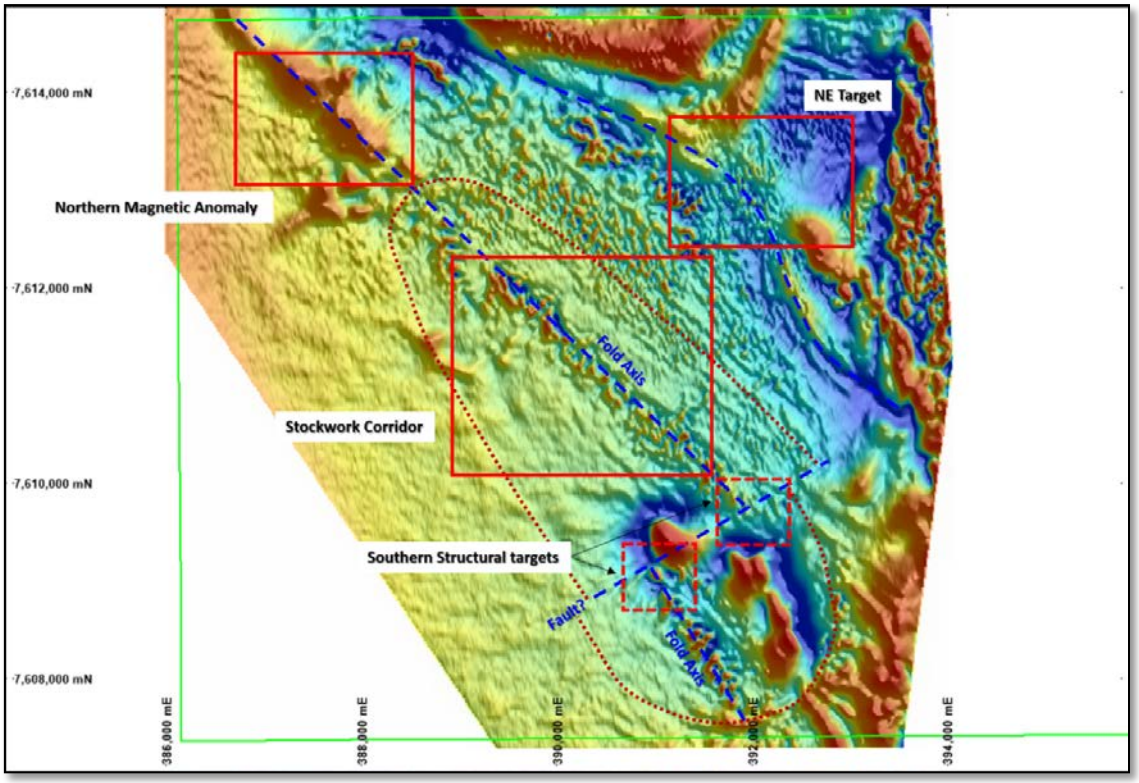

Figure 7: Telfer West summary plan (background magnetic image).

Dora E45/4564 (100% Encounter):
The Dora gold-copper tenement covers a series of discrete magnetic anomalies along strike from historical gold occurrences and is located approximately 40km south-east of the Telfer gold-copper mine. Exploration at Dora has been deferred to allow for drilling at Telfer West and East Thomson's Dome.

YENEENA COPPER-COBALT PROJECTS

BM1–BM7 (100% Encounter)
BM1-BM7 is a 14km long copper system, discovered and wholly owned by Encounter, that contains high grade copper-cobalt sulphide mineralisation and a coherent zone of near surface copper oxide mineralisation.

Considering the improving market outlook for both copper and cobalt, Encounter is assessing the potential within the large mineral system at BM7 for near-term, high grade copper-cobalt development opportunities. Encounter's previous exploration has identified high grade copper-cobalt shoots at BM7 with a potentially steep westerly dip. These shoots remain open to the north and south. Previous drilling results include:

- Aircore hole EPT1557 - 9m @ 1.5% Cu and 1.0% Co from 42m to EOH (refer ASX release 21 November 2012)
- RC scissor holes down dip of EPT1557 - EPT2292 included an intersection of 7m @ 1.4% Cu and 246ppm Co from 66m. Also encouraging, is the bottom of hole intersection in EPT2293 that finished in 18m @ 0.5% Cu and 735ppm Co from 49m including the final sample that graded 1m @ 0.2% Co (refer ASX release 25 January 2017).
- EPT1689 located 200m south of EPT1557 - drilling along the interpreted strike of the shoots includes an intersection of 8m @ 2.0% Cu and 1076ppm Co from 58m (refer ASX release 10 January 2013).

Follow up drilling was completed in the September 2017 quarter to test down dip of the steeply dipping high grade copper-cobalt shoot at BM7. This drilling intersected copper-cobalt anomalism at the target depth but of lower grade than the mineralisation up dip. However, the drill hole intersected further high grade copper-cobalt in a lateral supergene position located 40m west of the EPT1557 (9m @ 1.5% Cu and 1.0% Co from 42m).

The significance of the expanding high grade copper-cobalt oxide horizon established at BM7 is currently being assessed.

Lookout Rocks/Fishhook Copper Project (100% Encounter)

The Lookout Rocks/Fishhook Copper Project includes six tenements (~740km^2) of highly prospective exploration ground located in the north-west of Yeneena.

The Central African Copperbelt is the world's largest source of cobalt and one of the world's largest sources of copper. These Proterozoic aged, sediment hosted deposits are of a similar age and geological setting to the Yeneena basin. The recent significant improvement in the outlook for the copper and cobalt prices has reaffirmed the Proterozoic Yeneena basin as a potential source of high value copper-cobalt discoveries.

The first drill hole at Lookout Rocks South (diamond hole EPT2282) was completed in June 2016. EPT2282 successfully intersected narrow zones of disseminated copper sulphide mineralization, up to 1% Cu, at the targeted "first reductant" position. This copper-cobalt mineralisation is hosted by black, reduced carbonaceous sediments, located directly above an oxidised "red bed" stratigraphic unit, a stratigraphic position similar to that of many major copper deposits of the Zambian Copperbelt.

EPT2282 also confirmed the targeted mineralisation model at Lookout Rocks, focused at a stratigraphic contact "first reductant" interface (see photos 1 and 2). Surface mapping indicates that this stratigraphic contact, which is the focus of the copper-cobalt mineralisation, is relatively flat and extends laterally over a large part of Lookout Rocks. Lookout Rocks/Fishhook contain an interpreted 50km of strike of the stratigraphic contact position that hosts the "first reductant" copper sulphide mineralisation intersected at Lookout Rocks (refer ASX release 28 July 2016).

In November 2016, a previously unidentified in-situ gossan (grading up to 0.19% cobalt and 0.22% copper) was discovered approximately 800m south-west of EPT2282. This gossan is approximately 80m long and runs discordant to geology. The identification of a surface gossan has provided an immediate target for the next phase of drilling at Lookout Rocks.

Photo 1: Disseminated chalcopyrite in carbonaceous shale EPT 2282 ~259.5m downhole (1.0%Cu)
Core width ~60mm

Photo 2: Example of "Red Bed" oxidized sediments EPT2282 ~320m downhole
Core width ~60m

Exploration in the September 2017 Quarter

Two diamond drill holes (EPT2299 & EPT2300) were completed at Fishhook during the September 2017 quarter to test the first reductant position beneath the most conductive sections of the Broadhurst sediments.

Drill hole EPT2299 intersected copper sulphide mineralization, similar to that seen in EPT2282, at a redox boundary within the sedimentary package. EPT2299 is located 5km southeast of the drill hole EPT2282 drilled at the Lookout Rocks prospect. These are the only two effective diamond drill holes along the interpreted target horizon that extends over 50km. EPT2282 and EPT2299 have intersected highly anomalous copper-cobalt mineralization supporting the large scale opportunity established at Lookout Rocks/Fishhook.

EPT2300 tested a large conductive body located in a north east of the Fishhook tenements and intersected a graphitic shale package.

Completion of the diamond drilling at Fishhook was co-funded under the WA Govt. Exploration Incentive Scheme ("EIS").

The process of identifying a partner to advance the exploration at Lookout Rocks/Fishhook is progressing.

Millennium Zinc Project (Encounter 75% / Hampton Hill Mining ("HHM") 25% in E45/2501, E45/2561 and the four eastern sub-blocks of E45/2500)

The Millennium Project is located in the north-east of Yeneena (see Figure 2) and is subject to an earn-in Agreement with HHM (refer ASX release 23 April 2015).

The Millennium Project lies on the north eastern margin of the Yeneena Basin at the intersection of the NNW trending Tabletop Fault and the NE orientated Tangadee structural lineament. This intersection of two metallogenically important structural corridors is a first order target and typical of the style of setting that is associated with large scale metal deposits.

Previous aircore and RC drilling by Encounter has defined a +3km long zinc regolith anomaly that remains open to the SE. Diamond drilling at Millennium has intersected a thick zinc gossan at the contact between a brecciated carbonate and a thick sequence of carbonaceous shales of the Broadhurst Formation. Previous assay results from the gossan include (refer ASX release 9 July 2015*):*

- EPT2201 38.7m @ 0.9% Zn from 255.8m; and
- EPT2203 91.8m @ 1.6% Zn from 344.4m

High tenor zinc sulphide mineralisation, in the form of sphalerite, has been intersected below the gossanous unit and returned assays of (refer ASX releases 12 January 2015 and 13 December 2013):

- EPT1854 0.7m @ 36.7% Zn from 430m; and
- EPT2198 7m @ 4.8% Zn from 233m.

Diamond drilling at Millennium has identified two distinct styles of zinc sulphide mineralisation, 'contact related' and 'shale hosted'. The presence of multiple styles of zinc mineralisation and the +3km long zinc footprint indicate a significant mineralising event at Millennium.

The high grade zinc intersection in drill hole EPT1854 (0.7m @ 36.7% Zn from 430m) was the most north-western drill hole at the project (see Figure 8). The areas directly down dip and down plunge to the north-west remain open and potential exists for additional high grade zinc sulphide mineralisation.

Diamond drill hole EPT2303 was completed at Millennium in August 2017 targeting along strike of EPT1854. The hole contained a thick breccia zone at the carbonate shale contact. XRF hand held spot testing indicates that this breccia zone is weakly anomalous in zinc but visual inspection did not identify additional high grade zinc sulphide mineralisation similar to EPT1854. The anomalous section of the hole will be cut and submitted for chemical analysis.

Next Steps
Further drilling is planned at a structural target in the south-east of the project where the mineralised trend remains open.

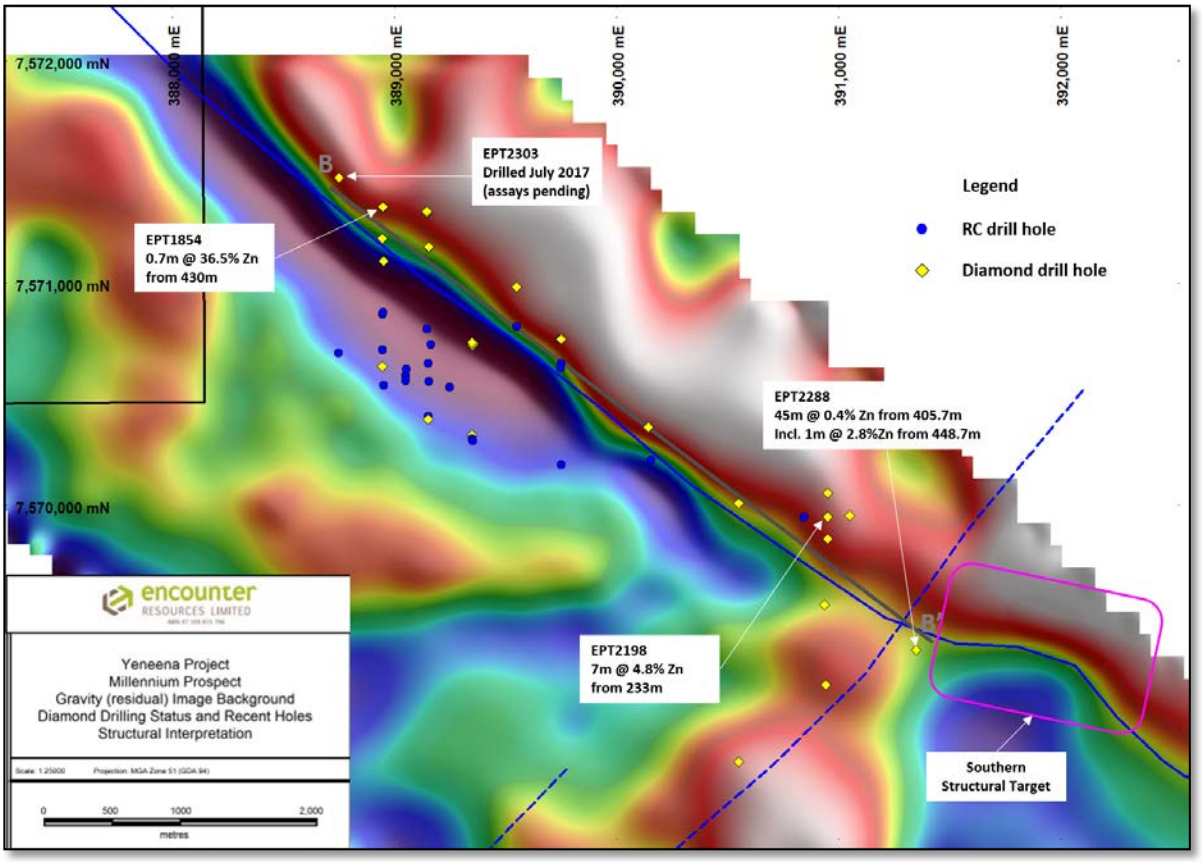

Figure 8: Drill hole collar location – Millennium

Aria Prospect (100% Encounter)

The Aria prospect is an IOCG style intrusion on the margin of the Pilbara Craton. It contains a discrete and regionally significant magnetic anomaly (Figure 9). A gravity survey completed by Encounter also identified a density anomaly located on the margin of the magnetic anomaly.

Two diamond drill holes have been drilled at Aria, PADD002A & EPT2276. Both holes intersected a hematite altered, polymictic breccia from just below cover (~20m) to the end of hole. These holes contain zones of weakly disseminated chalcopyrite and bornite (copper sulphide minerals) with several occurrences of course blebby chalcopyrite noted within the matrix of the polymictic breccia.

The source of the magnetic and gravity anomalies remains unexplained with analysis of core samples not defining any significant variation in density or magnetic susceptibility that would account for the modelled anomalies.

The next drill program at Aria will focus on completion of a series of shallow drill sections to test the upper part of the copper bearing hematite altered, polymictic breccia for stronger concentrations of copper mineralisation.

The process of identifying a partner to advance the exploration at Aria is progressing.

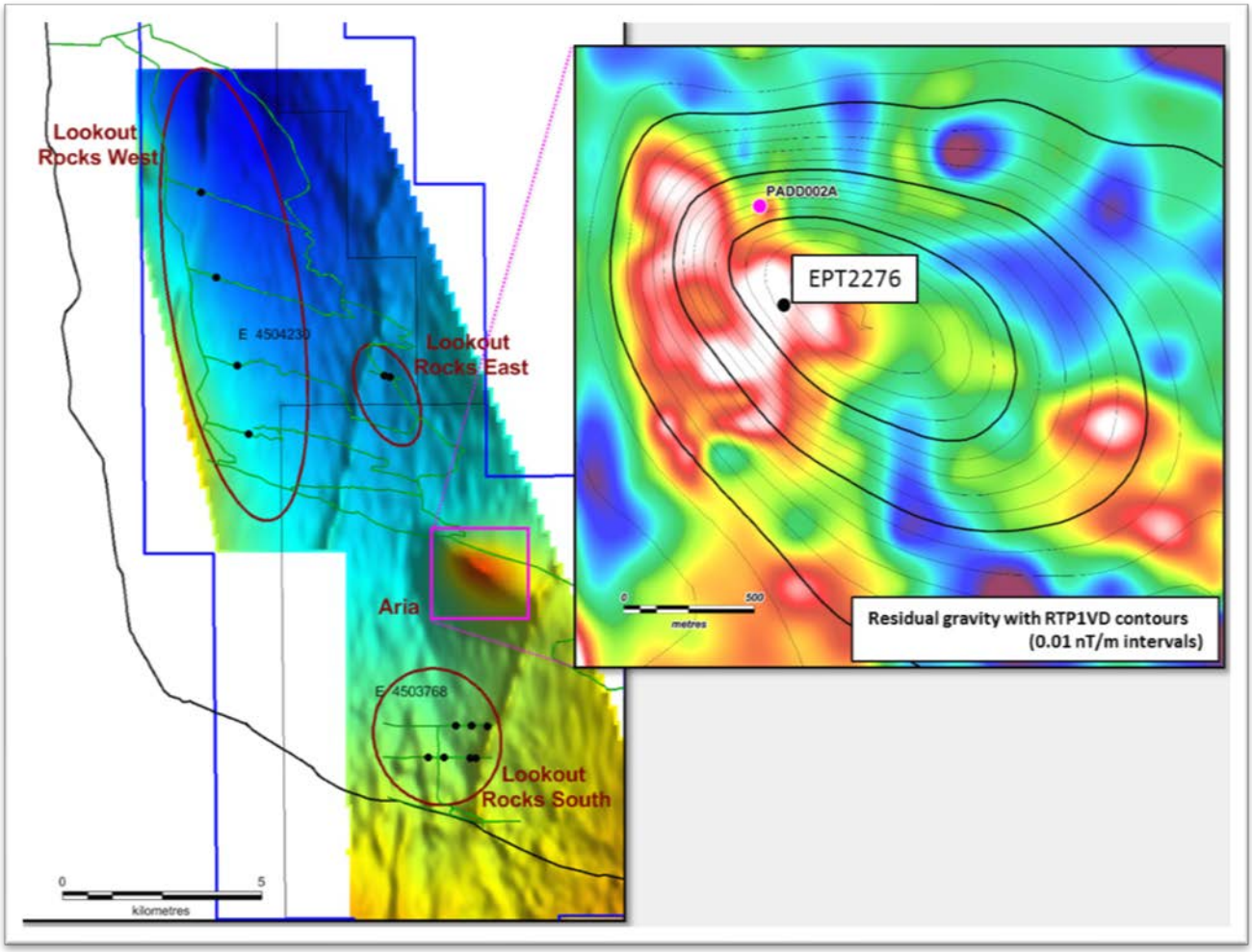

Figure 9: Aria Prospect - Magnetics TMI with residual gravity inset

CORPORATE

Encounter held cash reserves of approximately $2 million at 30 September 2017 and, in addition, holds listed investments (HHM shares) currently valued at approximately $600,000.

Newcrest/Encounter - Project Generation Alliance

In July 2017, the Company entered into a project generation alliance with Newcrest Mining Limited (ASX: NCM).

Newcrest will fund Encounter up to A$500,000 over 12 months to generate project opportunities within an agreed alliance area in Western Australia ("Alliance Area"). The alliance will utilise Encounter's highly credentialed project generation team to identify new camp scale exploration and potential future production opportunities in northern Western Australia.

Project generation and targeting work is underway and initial project proposals are being assessed by Newcrest. If Newcrest accepts a proposal then a 50:50 joint venture will be formed to advance the projects.

NEXT QUARTER HIGHLIGHTS

Activities planned for the December 2017 quarter include:

Paterson Gold Projects (100% Encounter)

- RC drilling of the near surface, high grade gold reefs discovered at the Fold Closure prospect at East Thomson's Dome
- RC drilling up dip and along strike of the newly discovered 45 Reef at East Thomson's Dome
- RC drilling of the gold stockwork corridor at Telfer West to test a recently identified surface geochemical anomaly
- Aircore drilling of new targets identified at East Thomson's Dome and Telfer West

Millennium Zinc (75% Encounter)

- RC drilling of structural target in the south-east of the project where the mineralised trend remains open.

Newcrest/Encounter - Project Generation Alliance

- Target generation activities and ground acquisition to continue.

TENEMENT INFORMATION

Lease	Location	Project Name	Area km^2	Interest at start of quarter (01/07/2017)	Interest at end of quarter (30/09/2017)
E45/2500	266km NE of Newman	Millennium – Hampton Earning-in*	163.4	90-100%	75-100%
E45/2501	277km NE of Newman	Millennium – Hampton Earning-in	41.4	90%	75%
E45/2502	261km NE of Newman	Paterson	200.5	100%	100%
E45/2561	276km NE of Newman	Millennium – Hampton Earning-in	86.0	90%	75%
E45/2657	246km NE of Newman	Paterson	222.8	100%	100%
E45/2658	245km NE of Newman	Paterson	171.1	100%	100%
E45/2805	242km NE of Newman	Paterson	171.6	100%	100%
E45/2806	251km NE of Newman	Paterson	63.7	100%	100%
E45/4230	246km NE of Newman	Lookout Rocks	92.4	100%	100%
E45/3768	241km NE of Newman	Lookout Rocks / Fishhook	187.8	100%	100%
E45/4091	253km NE of Newman	Lookout Rocks	257.7	100%	100%
E45/4408	262km NE of Newman	Throssell Range	41.7	100%	100%
E45/4564	315km NE of Newman	Dora	194.2	100%	100%
E45/4613	300km NE of Newman	Telfer West	121.0	100%	100%
E45/3446	315km NE of Newman	East Thomson's Dome	6.0	100%	100%
P45/2750	315km NE of Newman	East Thomson's Dome	198ha	100%	100%
P45/2751	315km NE of Newman	East Thomson's Dome	171ha	100%	100%
P45/2752	315km NE of Newman	East Thomson's Dome	199ha	100%	100%
P45/3032	315km NE of Newman	East Thomson's Dome	114ha	0%	100%
E45/4757	325km NE of Newman	Chicken Ranch	1.9	100%	100%
E45/4758	325km NE of Newman	Chicken Ranch	19.2	100%	100%

* *Hampton earning into the four eastern block of E45/2500*

Figure 10: Yeneena Location Plan

Will Robinson
Managing Director

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. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity	
Encounter Resources Limited	
ABN	**Quarter ended ("current quarter")**
47 109 815 796	30 September 2017

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(1,951)	(1,951)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(95)	(95)
	(e) administration and corporate costs	(144)	(144)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	11	11
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other – EIS Co-funded drilling grant	281	281
1.9	**Net cash from / (used in) operating activities**	**(1,898)**	**(1,898)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-

+ See chapter 19 for defined terms.

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Farm-in contributions received	108	108
2.6	**Net cash from / (used in) investing activities**	**108**	**108**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	179	179
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(5)	(5)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**174**	**174**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,631	3,631
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,898)	(1,898)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	108	108
4.4	Net cash from / (used in) financing activities (item 3.10 above)	174	174

+ See chapter 19 for defined terms.

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**2,015**	**2,015**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	1,941	3,557
5.2	Call deposits	74	74
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,015**	**3,631**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	243
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Remuneration of Directors.

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/a

+ See chapter 19 for defined terms.

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

N/a

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	750
9.2	Development	-
9.3	Production	-
9.4	Staff costs	75
9.5	Administration and corporate costs	125
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**950**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E45/2500 E45/2501 E45/2561	Reduced as per JV terms	90%-100% 90% 90%	75%-100% 75% 75%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	P45/3032	Granted	0%	100%

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 31 October 2017

Company secretary

Print name: Kevin Hart

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

+ See chapter 19 for defined terms.