

## HIGHLIGHTS

- **Expanding Footprint at the East Thomson's Gold System**
  - Near surface intersections include:
    - 6m @ 2.7g/t Au from 39m
    - 4m @ 4.3g/t Au from surface
    - 4m @ 3.5g/t Au from 17m
    - 2m @ 5.4g/t Au from 46m
  - Ultra-detailed aerial mapping utilising drone technology to target extensions to known reefs and new reef positions commenced
- **Gold stockwork corridor at Telfer West extended by 1.5km**
- **Highly prospective Tanami land package secured**
  - 4,200km<sup>2</sup> and 100km of strike along the major structural corridor that extends through the Tanami region
  - Historical sporadic exploration has produced high grade, near surface drill intersections including:
    - Hutch's Find - 19m @ 2.3g/t Au from 98m and 10m @ 5.4 g/t Au from 123m
    - Camel - 7.2m @ 3.1g/t Au from 95m
- **East Thomson's Dome and Telfer West recognised by WA Government through co-funded drilling grants of up to \$150,000 each under the Exploration Incentive Scheme**
- **Exploration Development Incentive credits of \$776,652 will be distributed to Encounter shareholders on 29 January 2018**

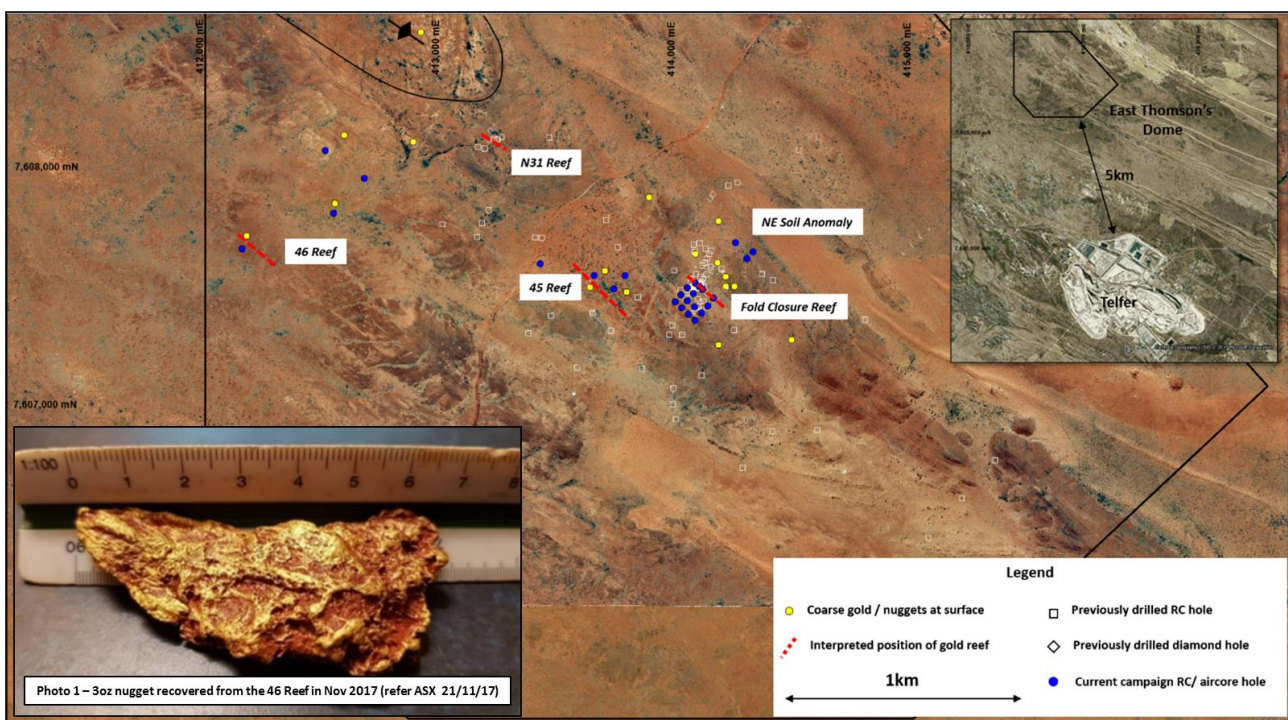


Figure 1: East Thomson's Dome project Gold Reef and coarse surface gold locations.

Encounter controls a major ground position in the Paterson Province in WA exploring for gold-copper deposits in the Telfer region and a highly prospective land package in the Tanami.

**ASX Code**  
ENR

**Market Cap (25/01/18)**  
~A\$15.4m (\$0.08/share)

**Issued Capital (31/12/17)**  
192 million ordinary shares  
12.4 million options

**Listed investments (25/01/18)**  
~A\$0.9M

**Cash (31/12/17)**  
~A\$1.3M

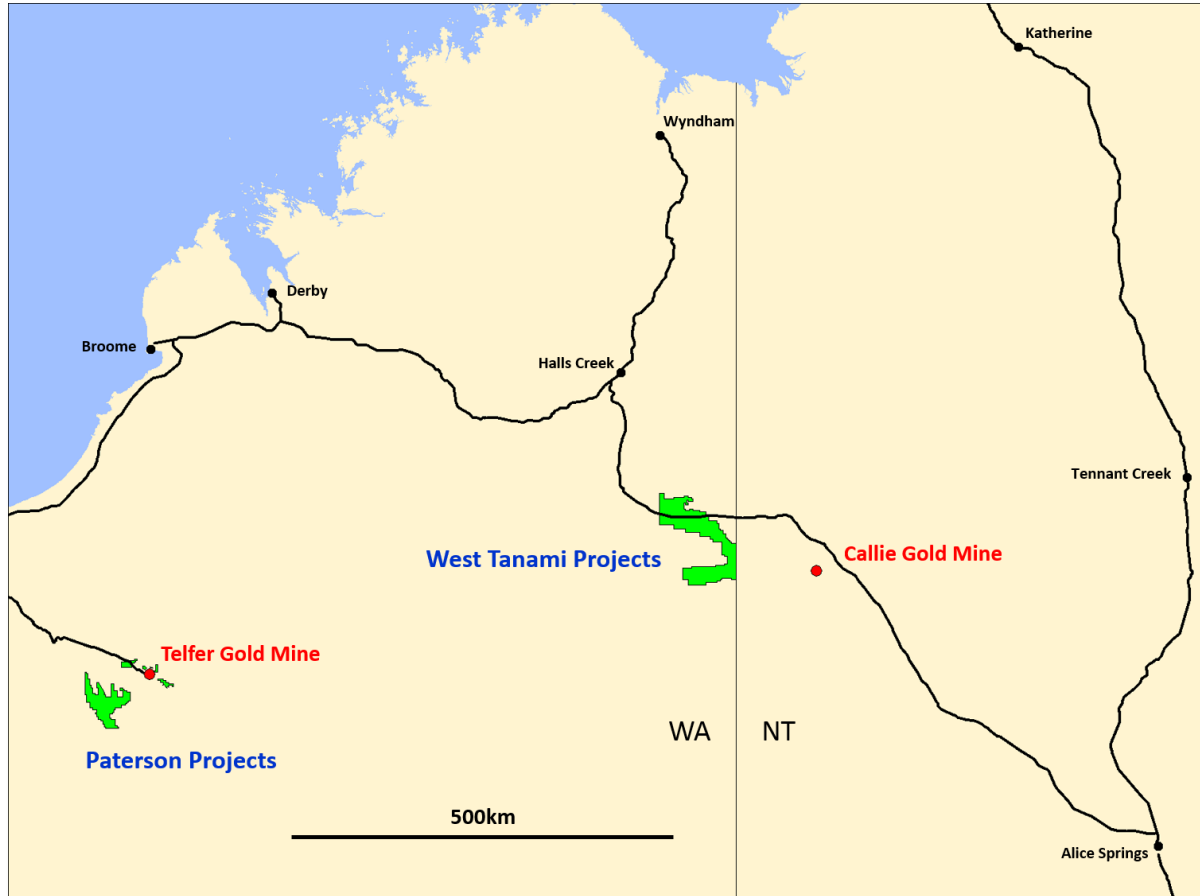


Figure 2: Encounter Projects - Location Plan

## PATERSON PROJECTS

### YENEENA & TELFER REGION PROJECTS

- Paterson Gold projects: 100% Encounter - E45/4613, E45/3446, P45/2750 to P45/2752, P45/3032, E45/4757, E45/4758 and E45/4899
- 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 2,000km<sup>2</sup> 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 3).

The Company's gold portfolio includes Telfer West, a recently identified large scale gold system, and East Thomson's Dome where widespread coarse gold has been 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.

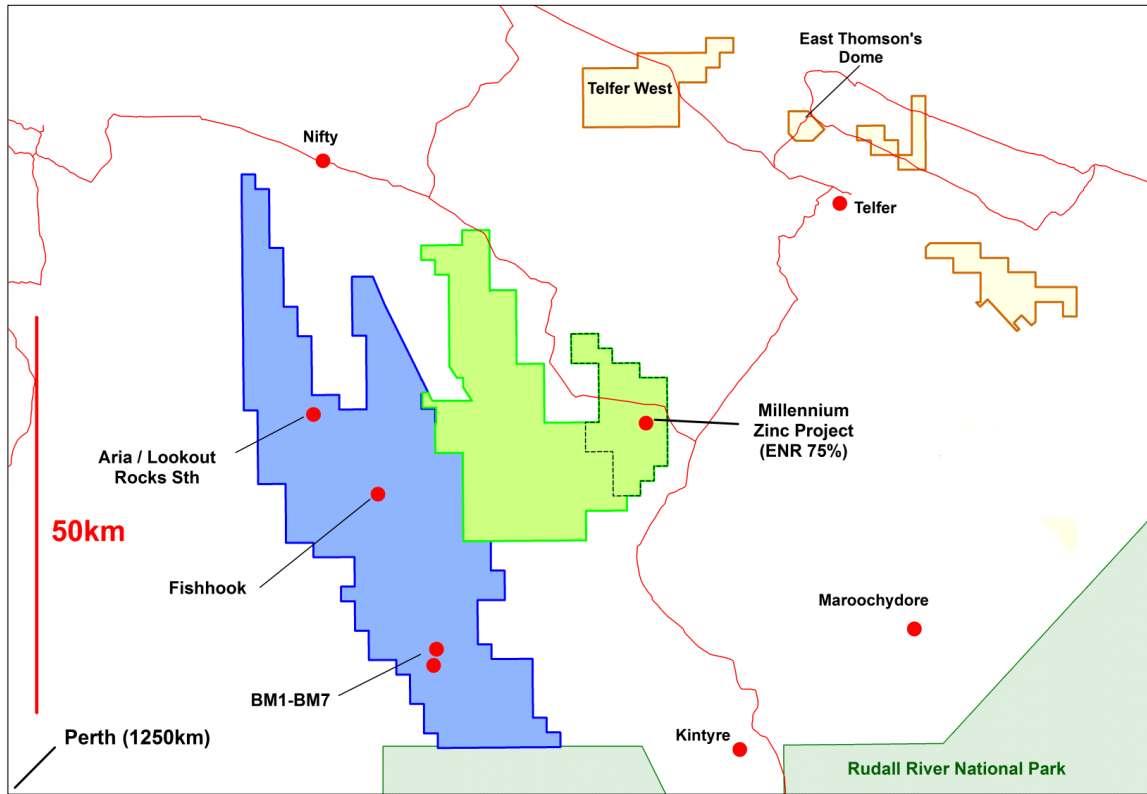


Figure 3: Yeneena and Telfer region tenements

**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 4A). 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.

A 26 hole RC / Aircore program was completed during October / November 2017 and was primarily focused on the Fold Closure prospect with additional drilling completed at the 45 Reef, the 46 Reef and the NE Soil Anomaly.

**Fold Closure Prospect**

A 15 hole program of RC drilling was completed at the Fold Closure prospect in early November 2017. New zones of reef-style mineralisation have been identified across the 200m by 200m drill area. Near surface intersections include (refer ASX release 21 December 2017):

- 6m @ 2.7g/t Au from 39m in ETG0125
- 4m @ 4.3g/t Au from surface in ETG0109
- 4m @ 3.5g/t Au from 17m in ETG0110
- 2m @ 5.4g/t Au from 46m in ETG0106



The reefs at the Fold Closure prospect remain open to the north-west and south-east and further drilling will be completed north of the prospect in early 2018.

**NE Soil Anomaly**

In addition to the RC program at the Fold Closure prospect, a three hole aircore program was completed in an area ~250m north-east of the Fold Closure prospect to provide an initial drill test of an area of gold soil geochemical anomalism. Aircore hole ETG114 contained a 38m intersection grading 0.3g/t Au from 44m (refer ASX release 30 November 2017). The thick and shallow intersection in this drill hole opens up the north-western area and a systematic drill test of this area will be completed in early 2018.

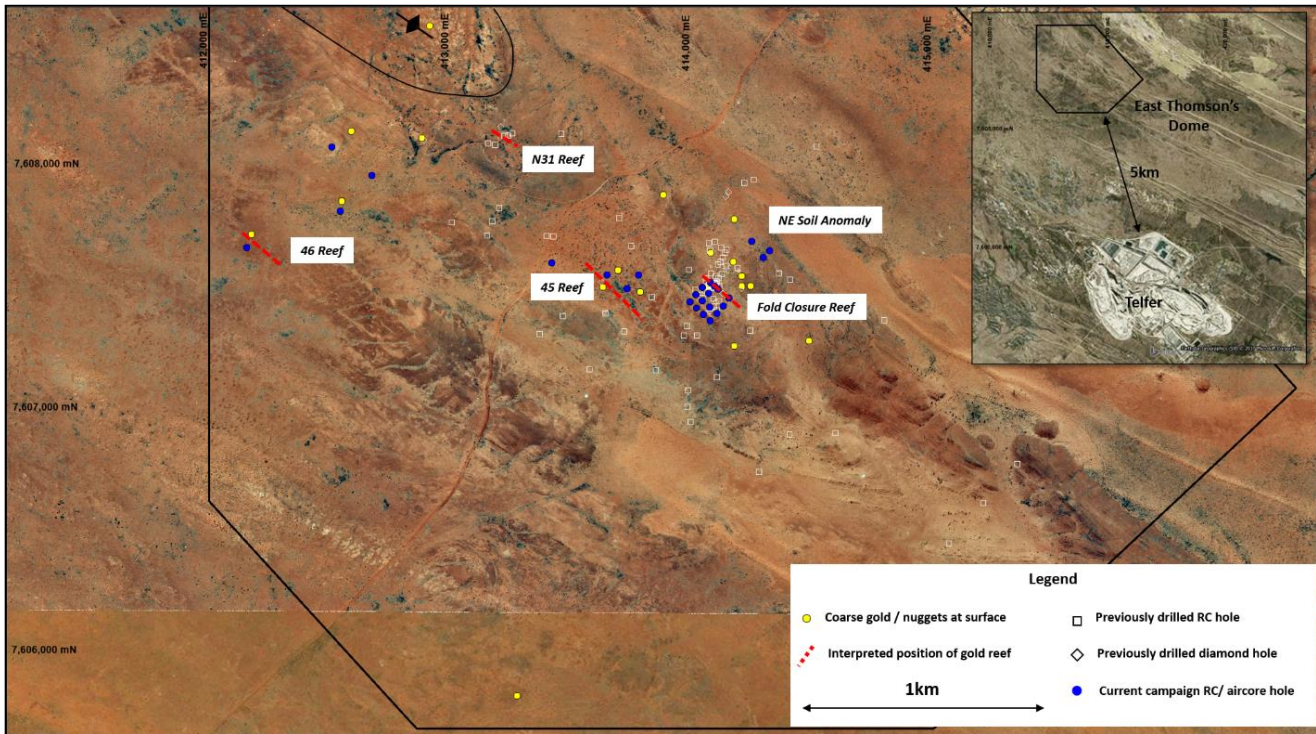


Figure 4 – East Thomson’s Dome Coarse Gold locations on airphoto background. Insert Figure 4A - Location Map

**46 Reef**

Encounter identified a small outcrop that contained an iron rich quartz reef located in the west of the project during field reconnaissance. The area has had no prior exploration and is approximately 2km west of the Fold Closure prospect. This iron rich quartz reef is interpreted to extend under shallow cover to the north-west and south-east concordant with stratigraphy wrapping around the dome. A single aircore hole, ETG118, was completed under this reef position to ascertain subsurface geology.

A small prospecting exercise recently completed along the interpreted 46 Reef trend recovered a ~3oz nugget in an area with no previous exploration (see Photo 1). Identification of coarse gold associated with this newly identified reef position has important implications for the prospectivity of the project. Prior exploration at ETD has focused mostly on the outcropping axis of the dome with little or no exploration completed to the NE and SW in areas of widespread shallow cover.

The discovery of this new gold bearing 46 Reef position highlights the potential for surface mapping to identify additional reefs in areas of little or no prior exploration.

### N31 Reef

The N31 reef is located 1.5km north-west of the Fold Closure prospect. Previous explorers drilled nine RC drill holes to an average depth of 61m and one deep stratigraphic hole was drilled by Barrick Gold to a depth of 1,011m. Results from these drill holes 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

A surface outcrop of rubbly, oxidised ironstone was identified in October 2017 in the N31 reef area (see Photo 2). This outcropping reef position was subsequently sampled in two locations and returned high-grade assays of 8g/t and 27g/t Au (refer ASX release 30 November 2017).

This subtle outcrop/subcrop position further highlights the potential to identify additional gold reefs across the dome and projecting them under shallow sand cover.

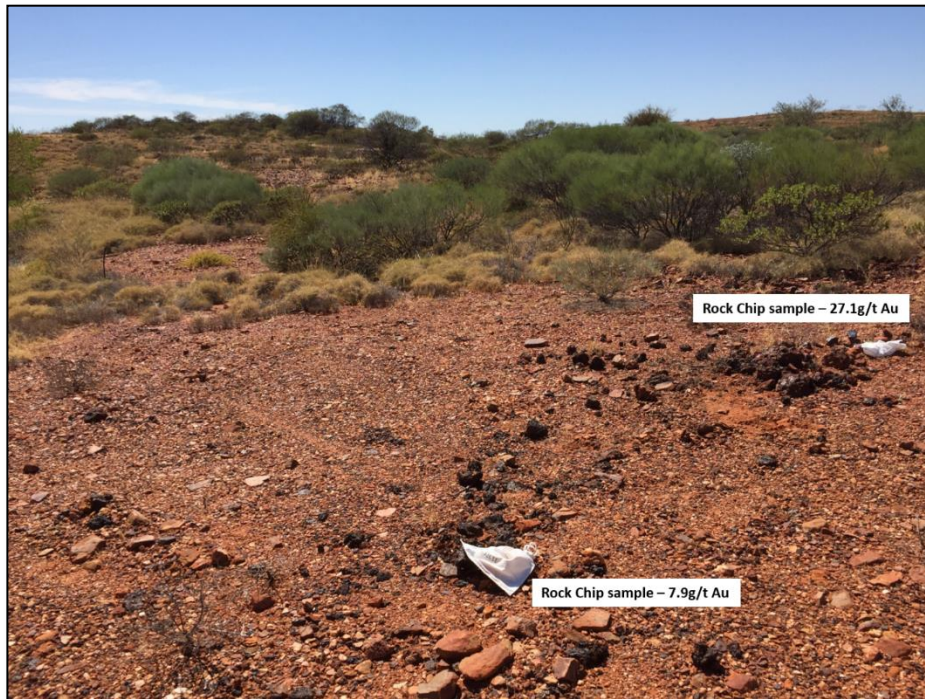


Photo 2 – Surface samples collected on the N31 Reef in October 2017

### 45 Reef

Broad spaced RC drilling by Encounter in July 2017 intersected 6m @ 9g/t Au from 178m in ETG0045 (refer ASX announcement 16 August 2017). Follow up aircore and RC drilling during the December 2017 quarter was designed to test the possible strike extent of this new reef along existing cleared drill lines.

All holes recorded intervals of gold anomalism in excess of 0.1g/t Au including an interval of 2m @ 1.7g/t Au from 84m in ETG0101 (refer ASX release 30 November 2017). The area of gold anomalism along the 45 Reef extends over 700m of strike.



### Upcoming Activity

As demonstrated by the initial under cover drilling at the NE Soil Anomaly including 38m @ 0.3g/t Au from 44m in ETG0114 (refer ASX Announcement 30 November 2017), large areas of thin or patchy sand cover have not been effectively tested by previous explorers. Shallow aircore drilling has the potential to extend known anomalies and discover new significant regolith anomalies that will provide focus for follow up drilling of primary gold targets. High quality regolith anomalies are likely to represent the surface expression of sub-vertical gold systems. The targeting of these positions where they intersect favourable reactive stratigraphy will be the focus of the WA Government 2018 co-funded EIS diamond drilling program.

An ultra-detailed airborne mapping survey utilising drone technology has commenced at East Thomson's Dome. This program of airborne photography, as well as follow up mapping and sampling, will facilitate rapid detailed assessment of the large scale target area. The survey flights are planned for the north-east and south-west of the fold axis at East Thomson's Dome where thin, patchy cover has been a deterrent to historical geological mapping and sampling programs. The drone photography will be flown at sufficient detail to identify extensions to known gold bearing reefs as well as identifying new sub-cropping reefs in areas of thin sand cover. Areas of interest identified during this survey will be mapped, rock chip sampled and metal detected. Results from this program will be incorporated into the design of the next phase of drilling at the East Thomson's Dome project in early 2018.



Photo 3 – Ultra-detailed Aerial Mapping program in progress - East Thomson's Dome

## Telfer West (100% Encounter)

### Background

Telfer West (E45/4613) covers an area of approximately 121km<sup>2</sup> and is located 25km north west of Newcrest's Telfer operation (see Figure 3). 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 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 5). Gold mineralisation intersected to date 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 December 2017 quarter

Two lines of aircore drilling were completed at Telfer West to test an interpreted structural offset of the main stockwork corridor during the December 2017 quarter (see Figure 5).

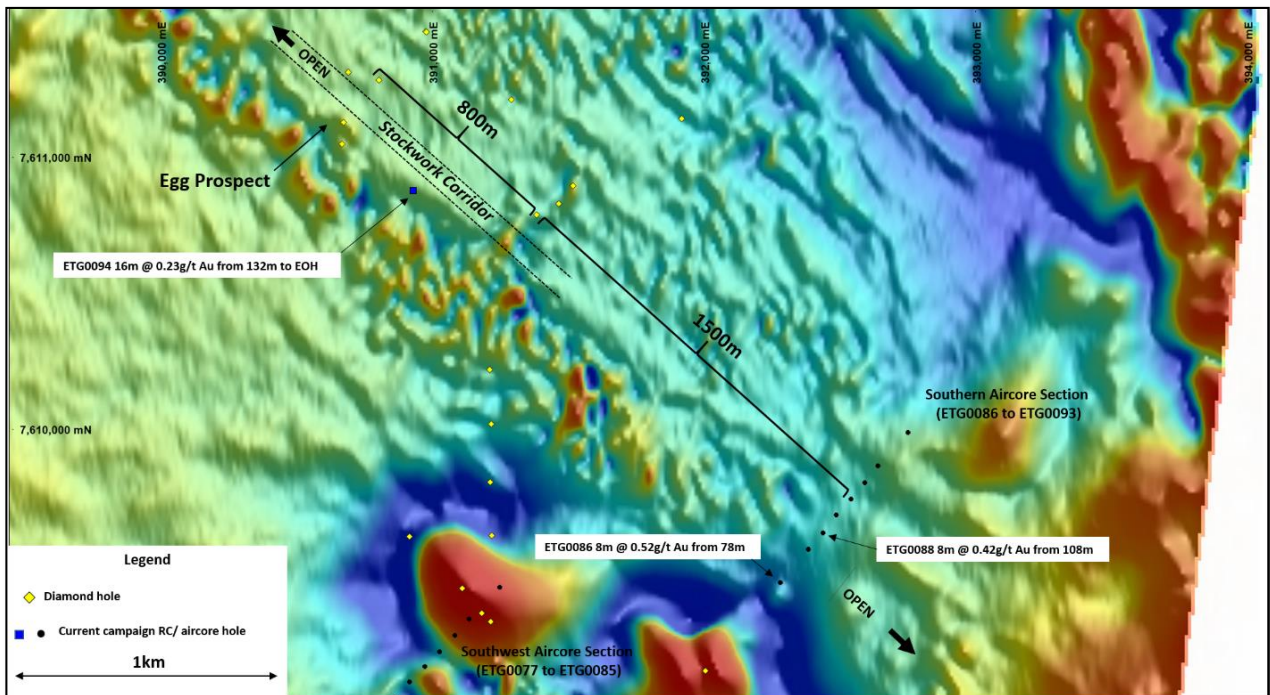


Figure 5 – Telfer West Stockwork Corridor.

The Southern Aircore Section of eight aircore holes (ETG0086-ETG0093) successfully outlined a zone of significant supergene gold anomalism that has extended the stockwork gold corridor by a 1.5km to the southeast (see Figure 6). Aircore results from this single line of drilling highlight a broad zone of gold anomalism and include (refer ASX release 21 December 2017):

- 8m @ 0.52g/t Au from 78m and 13m @ 0.09g/t from 98m to EOH in ETG0086
- 8m @ 0.42g/t Au from 108m and 2m @ 0.31g/t from 124m in ETG0088

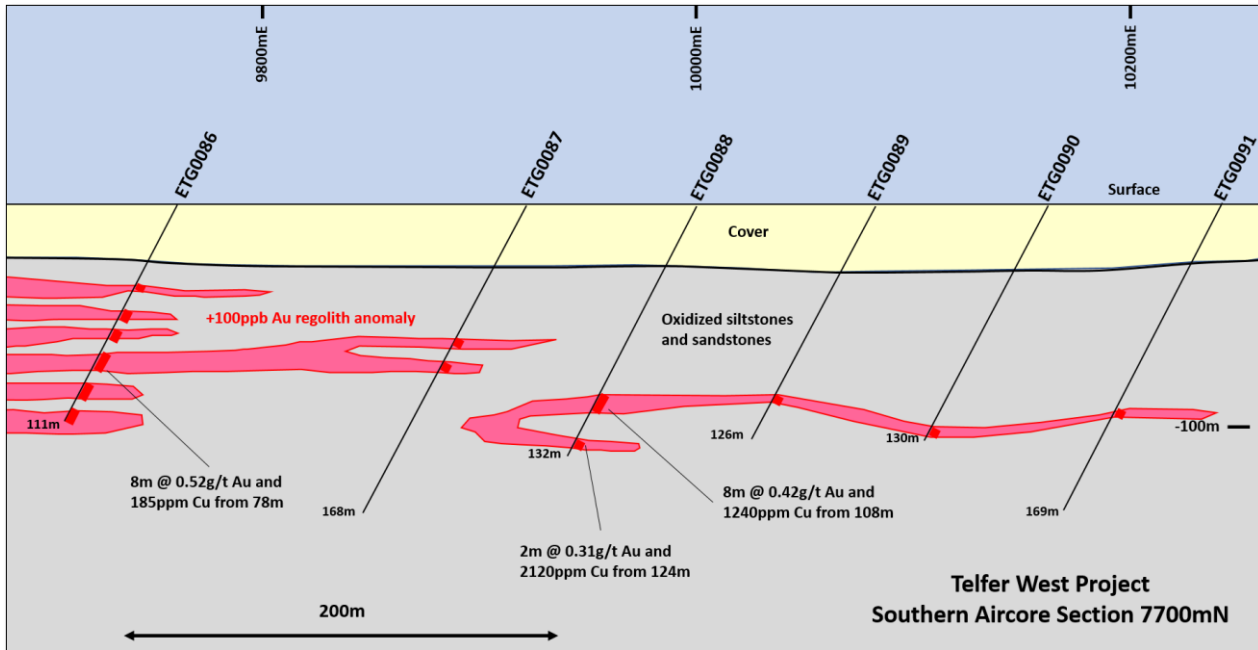


Figure 6 – Telfer West Stockwork Corridor - Southern Aircore Section

Further aircore drilling will be completed at this newly identified southern supergene gold anomaly to provide a primary target for deeper drilling.

A single RC hole, ETG0094, was drilled 400m south east of the Egg Prospect to test a +200m long surface gold geochemical anomaly (see Figure 5). The anomaly is situated along the now 5km long stockwork corridor and is located between two 800m spaced drill lines. This RC hole returned an encouraging result of 16m @ 0.23g/t Au from 132m to the end of the hole.

A review of all drilling along the full 5km long stockwork corridor is currently being completed with the objective of defining high grade shoots within this extensively mineralised structure. Preliminary 3D modelling around the Egg Prospect has defined a potential north plunging higher grade shoot. It is proposed that RC hole ETG0094 will be utilised as a diamond pre-collar to test this high grade target. This diamond tail and other tests of potential high grade shoots within the stockwork corridor will be the focus of the WA Government 2018 co-funded EIS diamond drilling program.

## 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 or partnership opportunities.



## Lookout Rocks/Fishhook Copper Project (100% Encounter)

The Lookout Rocks/Fishhook Copper Project includes six tenements (~740km<sup>2</sup>) 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 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 confirmed the targeted mineralisation model at Lookout Rocks, focused at a stratigraphic contact "first reductant" interface (see photos 4 and 5). 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 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 scheduled to be completed in April/May 2018.



**Photo 4: Disseminated chalcopyrite in carbonaceous shale**  
EPT 2282 ~259.5m downhole (1.0%Cu)  
Core width ~60mm



**Photo 5: Example of "Red Bed" oxidized sediments**  
EPT2282 ~320m downhole  
Core width ~60m

The process of identifying a suitable partner to advance the exploration at Lookout Rocks also continues.

**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 where 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.

A single RC hole, EPT2305, was drilled during the December 2017 quarter at the Southern Structural Target located at the south eastern end of the 3km long zinc regolith anomaly at Millennium (see Figure 7). The hole was designed to test an interpreted SE to SSE flexure within the Tabletop Fault. The vertical hole was drilled to a depth of 220m where it ended in Permian cover. This RC hole may be used as a pre-collar for a diamond hole to test the defined structural target.

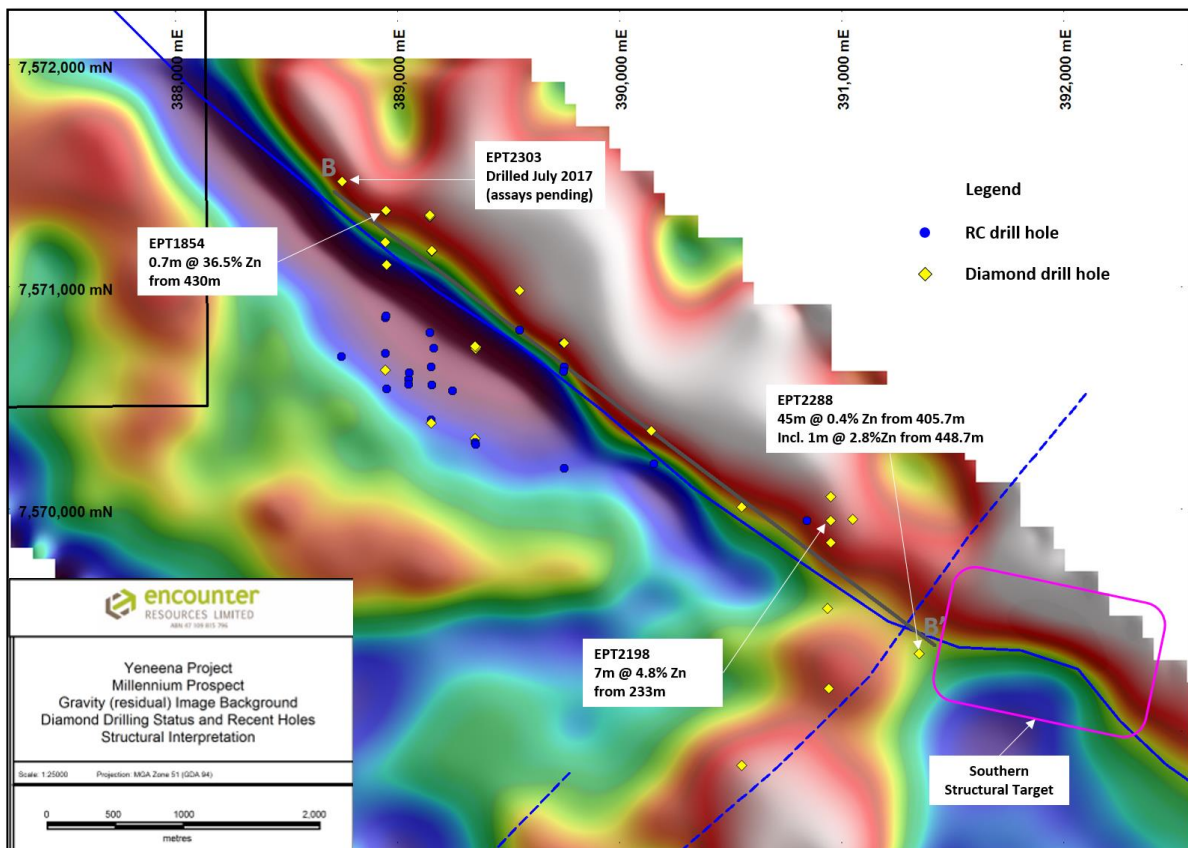


Figure 7: Drill hole collar location – Millennium

**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 8). 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 coarse 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.

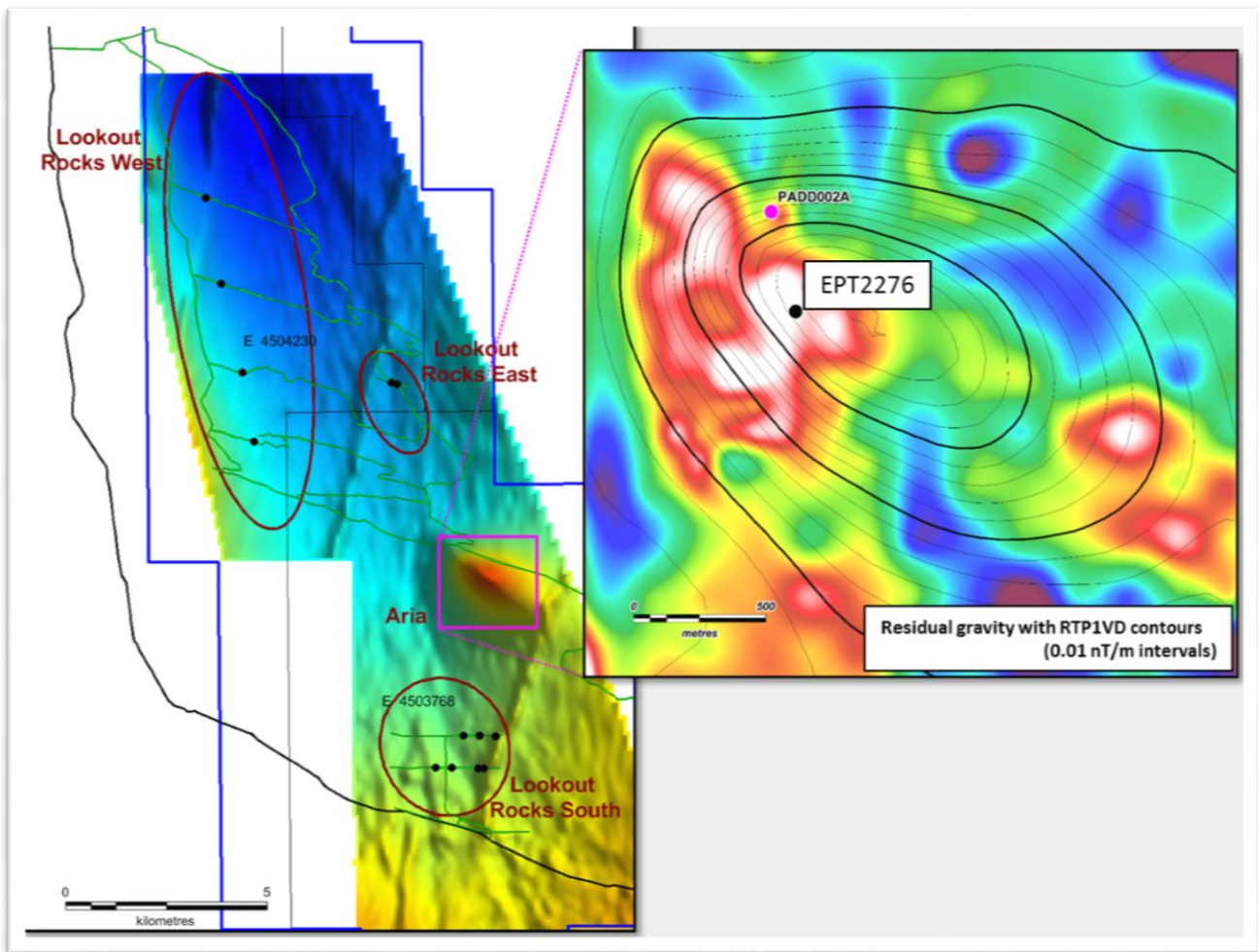


Figure 8: Aria Prospect - Magnetics TMI with residual gravity inset



## WEST TANAMI PROJECTS

During the December 2017 quarter Encounter secured a major new tenement position in the Tanami region of Western Australia. These tenements are currently being assessed under the project generation alliance with Newcrest Mining Limited (ASX: NCM) and, if approved, will enter a 50:50 joint venture under the terms of the Newcrest-Encounter project generation alliance (refer ASX release 21 July 2017).

The Tanami Gold Province hosts Newmont Mining Corporation’s Callie Gold mine. This is one of the world’s lowest cost gold mines where recent near mine exploration success has added new high grade gold resources of significant scale. This district scale opportunity, with limited prior and modern exploration, covers the prospective Tanami structural corridor as it extends into Western Australia. The limited exploration to date has returned high grade gold intersections and numerous gold anomalies and the application of modern exploration techniques can unearth the potential of this district scale opportunity.

The tenement acquisition covers an area of over 4,200km<sup>2</sup> and 100km of strike along the major structural corridor that extends through the Tanami region from the Northern Territory into Western Australia (see Figures 9 & 10). This corridor’s mineral potential has been well established, however, significantly underexplored. The corridor is clearly outlined as a distinct ridge in the regional gravity data that is interpreted as a fundamental controlling structure for gold mineralisation in the region (see Figure 10). The significance of the Tanami Gold Province is becoming more evident with the performance of the +13Moz, high grade/low cost Callie gold mine controlled by Newmont and increased focus by Northern Star Resources Ltd at the Tanami and Coyote gold projects.

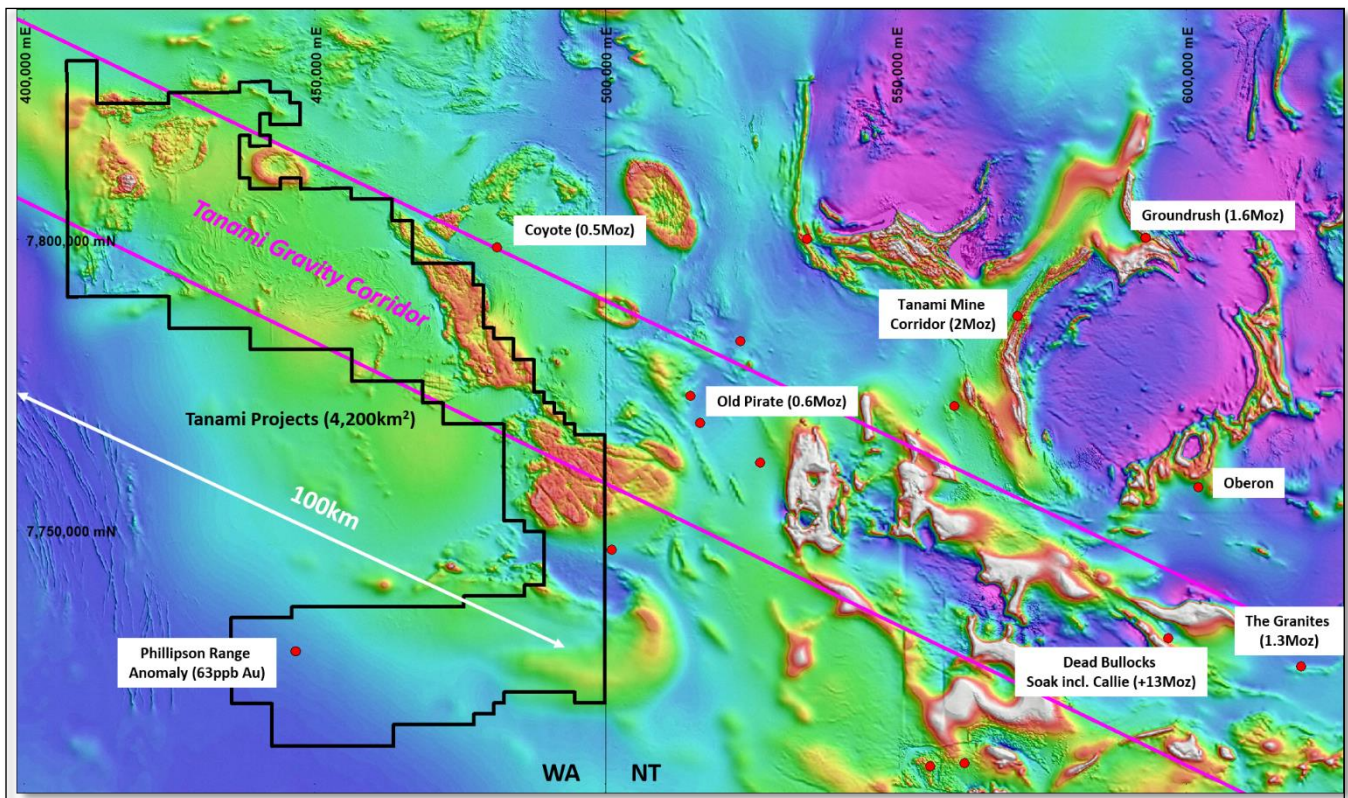


Figure 9 – West Tanami Project Location Plan (black outline) on Total Magnetic Intensity (TMI) background

The major new land position acquired by Encounter has been subject to sporadic and fragmented exploration in the past. The historical exploration has, however, produced highly encouraging high grade, near surface drill intersections that confirms the potential of the area to produce high grade gold. Some of the most recent drilling in the region was completed by Tanami Gold NL in 2010 that returned intersections from the Hutch's Find and Camel prospects including:

Hutch's Find – (HFDD4 hole depth 184m)  
 19m @ 2.3g/t Au from 98m and  
 10m @ 5.4 g/t Au from 123m and  
 0.5m @ 17.2g/t Au from 164.3m

Camel – (CMDD2 hole depth 149.6m)  
 7.2m @ 3.1g/t Au from 95m  
 (source Tanami Gold NL Quarterly Report September 2010)

Although follow up drilling of these targets was recommended, little or no exploration has been completed at either of these prospects since late 2010.

In 2012, the Centre for Exploration Targeting at the University of Western Australia and Curtin University of Technology completed a prospectivity analysis over the area that highlighted a series of high priority targets for further exploration on the tenement package. It appears from initial review that no work has been done to follow up on the targets defined.

A new airborne gravity survey has also recently been completed in the area by the Geological Survey of WA ("GSWA") and was released in January 2018. The GSWA gravity survey is currently being assessed and interpreted but has already refined existing targets and generated new areas of interest (see Figure 10).

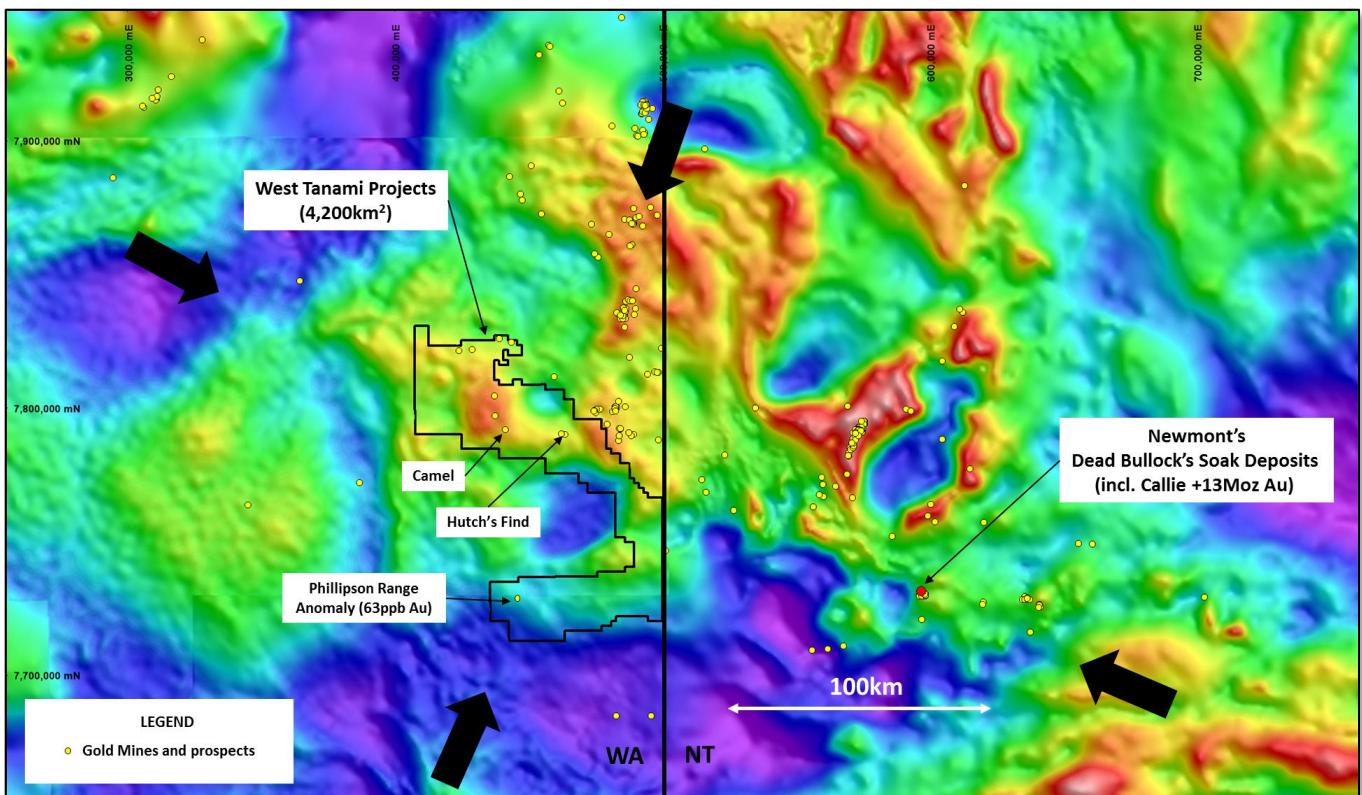


Figure 10 – West Tanami Project Location Plan (black outline) on gravity background



### **Phillipson Range Anomaly**

As a part of the larger tenement acquisition, Encounter has lodged applications at the Phillipson Range prospect south of the Tanami corridor. This area was the subject of a regional scale geochemical soil survey completed by the GSWA that outlined a peak gold soil anomaly of 63ppb Au in a 5km by 5km auger sampling survey. This is a significant and standout gold anomaly in the regional geochemical survey and occurs in an area of no previous exploration.

Initial assessment of the GSWA gravity survey, released in January 2018, indicates a regionally significant north-north east trending structure through the Phillipson Range project and potentially provides structural context for the gold soil anomaly (see Figure 10).

The Phillipson Range tenements are also being assessed under the project generation alliance with Newcrest.

### **Newcrest-Encounter project generation alliance summary terms**

The Encounter tenements in the Tanami and Phillipson Range are being assessed under the project generation alliance with Newcrest, and if approved will enter a 50:50 Joint Venture.

The key terms of the Newcrest-Encounter project generation alliance include:

- The companies will enter into a 50:50 joint venture over any project(s) approved for further exploration by both parties to the alliance.
- Encounter will have the option to maintain its 50% contributing interest in approved projects by co-funding its attributable share of exploration expenditure.
- Should Encounter elect not to contribute on a 50:50 basis, Newcrest may increase its interest to 80% by sole funding further exploration activities and by delivering a JORC compliant resource of greater than one million ounces of gold or gold equivalent.
- If Newcrest does not elect to increase and maintain its interest to 80% on the terms outlined above, then the joint venture over the identified project will terminate and Newcrest's interest will revert back to Encounter, such that Encounter will hold a 100% interest in the project.
- Should the alliance elect not to proceed with a proposed project then that project will revert back to Encounter on a 100% basis.



## CORPORATE

Encounter held cash reserves of approximately \$1.3 million at 31 December 2017 and holds listed investments (HHM shares) currently valued at approximately \$0.9m.

East Thomson's Dome and Telfer West were recognized by WA Government through co-funded drilling grants of up to \$150,000 at each project under the 2018 Exploration Incentive Scheme.

Exploration Development Incentive credits totaling \$776,652 will be distributed to Encounter shareholders on 29 January 2018.

## NEXT QUARTER HIGHLIGHTS

Activities planned for the March 2018 quarter include:

### Paterson Gold Projects (100% Encounter)

- Complete ultra-detailed airborne mapping survey utilising drone technology to identify extensions to known gold bearing reefs as well as identifying new sub-cropping reefs in areas of thin sand cover at East Thomson's Dome. Areas of interest identified during this survey will be mapped, rock chip sampled and metal detected.
- Complete review of 2017 drilling along the 5km long stockwork corridor at Telfer West to define high grade shoots
- Weather permitting RC/aircore drilling to recommence at East Thomson's Dome and Telfer West Gold Projects in March 2018

### Lookout Rocks Copper-Cobalt Project (100% Encounter)

- Complete preparations, including heritage survey, to drill Lookout Rocks Cu-Co gossan in April-May 2018

### West Tanami and Phillipson Range Projects

- Assess and interpret new GSWA gravity survey released in January 2018 covering West Tanami and Phillipson Range projects
- Advance project exploration licence applications towards grant and continue heritage agreement negotiation processes
- West Tanami and Phillipson Range projects assessed by Newcrest under the project generation alliance

### Newcrest/Encounter - Project Generation Alliance

- Target generation activities and ground acquisition to continue.

## TENEMENT INFORMATION (granted tenure)

Lease	Location	Project Name	Area km <sup>2</sup>	Interest at start of quarter (01/10/2017)	Interest at end of quarter (30/12/2017)
E45/2500	266km NE of Newman	Millennium – Hampton Earning-in*	163.4	75-100%	75-100%
E45/2501	277km NE of Newman	Millennium – Hampton Earning-in	41.4	75%	75%
E45/2502	261km NE of Newman	Paterson	200.5	100%	100%
E45/2561	276km NE of Newman	Millennium – Hampton Earning-in	86.0	75%	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%
E45/4899	315km NE of Newman	Leghorn	75.4	0%	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



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.

## 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	
<b>ABN</b>	<b>Quarter ended ("current quarter")</b>
47 109 815 796	31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,005)	(2,956)
(b) development	-	-
(c) production	-	-
(d) staff costs	(70)	(165)
(e) administration and corporate costs	(139)	(283)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	128	128
1.8 Other – EIS Co-funded drilling grant	-	281
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,081)</b>	<b>(2,979)</b>

+ See chapter 19 for defined terms.



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(3)	(3)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	6	6
	(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 and project generation alliance contributions received	383	491
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>386</b>	<b>494</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	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)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-

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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>174</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,015	3,631
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,081)	(2,979)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	386	494
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	174
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,320</b>	<b>1,320</b>

<b>5.</b>	<b>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</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,246	1,941
5.2	Call deposits	74	74
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,320</b>	<b>2,015</b>

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<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	166
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.

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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

<b>8.</b>	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	450
9.2 Development	-
9.3 Production	-
9.4 Staff costs	90
9.5 Administration and corporate costs	140
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>680</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E45/4564	Relinquished	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E45/4899	Granted	0%	100%

### 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:   
Company secretary

Date: 25 January 2018

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.

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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.

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