encounter
RESOURCES LIMITED
ABN 47 109 815 796

Level 7, 600 Murray Street
West Perth WA 6005

PO Box 273
West Perth WA 6872

P 08 9486 9455
F 08 9486 8366

www.enrl.com.au

12 September 2018

ASX: ENR

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

Paterson Gold Drilling Update

The directors of Encounter Resources Ltd ("Encounter / the Company") are pleased to provide an update from the RC/diamond drill program at East Thomson's Dome and Telfer West.

Telfer West (100% Encounter)
Telfer West (E45/4613) covers an area of approximately 121km^2 and is located 25km northwest of the major gold-copper mine at Telfer owned by Newcrest Mining Limited.

Integration of geological and geophysical data in 3D suggests that the surface geochemical anomaly targeted by RC hole ETG0094 and an IP anomaly located beneath ETG0002 (39m @ 1g/t Au from 333m and 36m @ 0.6g/t from 396m) (refer ASX release 19 January 2017) might represent a single, steep, north-plunging, high grade shoot (see Figure 2).

Two diamond drill holes were completed at Telfer West in August-September 2018 targeting this interpreted high grade shoot. RC hole ETG0094 was extended with a diamond tail by a further 141 metres and ETG0184 was completed from surface to test an IP anomaly located beneath ETG0002.

Diamond drill hole ETG0184 intersected a 70m (downhole) zone of silicified and fractured quartzite with multiple quartz stockwork style veins containing pyrite and arsenopyrite (see Photos 1 & 2). This intersection is consistent with the style of the stockwork mineralisation seen in previous drilling at Telfer West. Drill core from both diamond holes is currently being cut and sampled for submission for chemical analysis.

East Thomson's Dome (100% Encounter)
East Thomson's Dome is located just 5km from Telfer. In July 2018, high grade near surface gold was intersected at the N31 Reef at East Thomson's Dome in a geological setting similar to that of the high grade reefs at Telfer.

A nine hole RC/diamond drill program was completed at the N31 Reef during August-September 2018. Assay results from the RC drilling (eight holes to ~50m depth) at East Thomson's Dome have been received with a number of the drill holes containing gold anomalism (in the range of 0.1-0.5g/t Au) towards bottom of hole but drilling did not establish an extension of the high grade gold intersected in ETG0151 (3m @ 39g/t Au from 9m) (refer ASX release 2 August 2018).

Assay results from a 40m extension of ETG0200 and an 18m deep diamond hole (ETG0187), drilled adjacent to the high grade gold intersection in ETG0151, remain pending.

The drilling programs at East Thomson's Dome and Telfer West are co-funded under the WA Government EIS program.

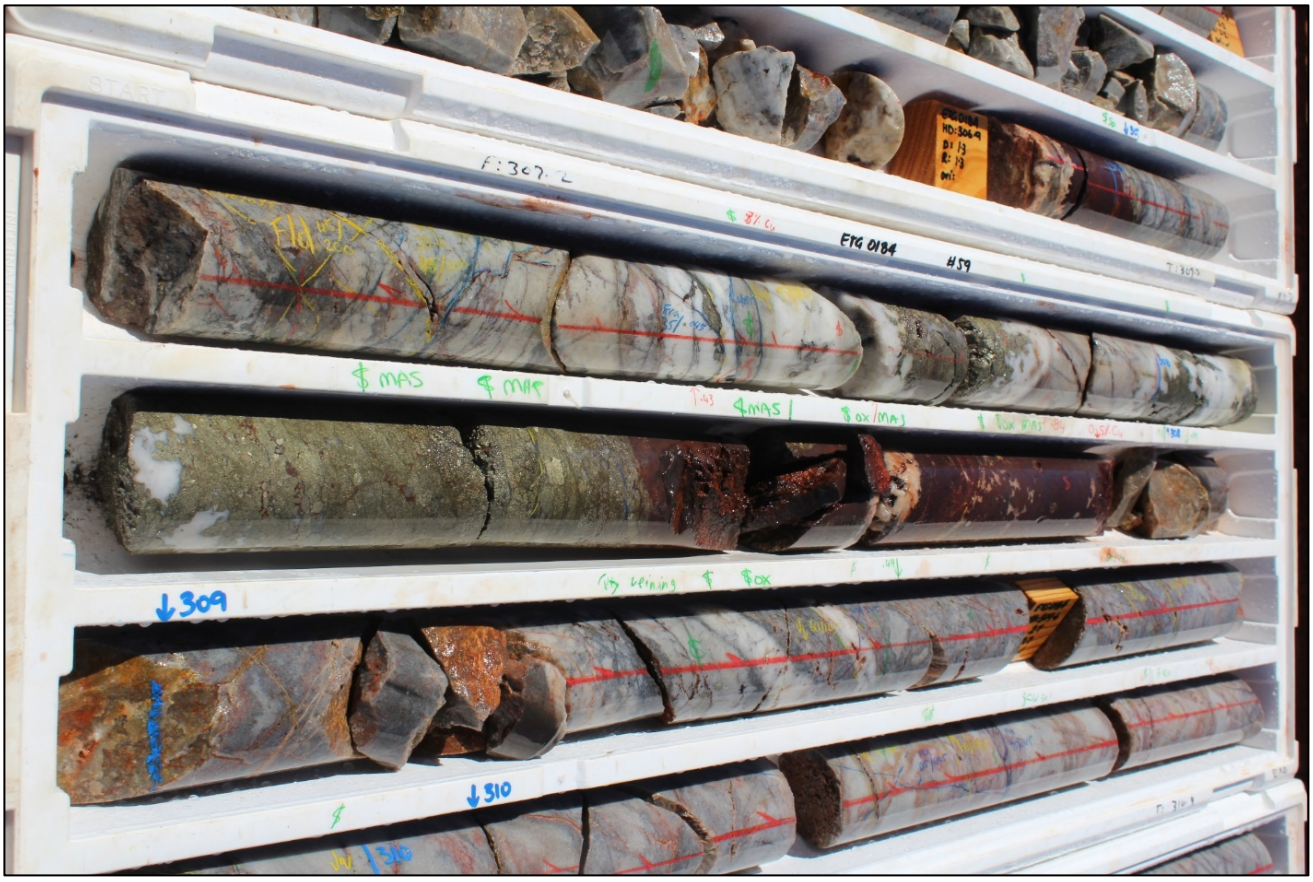

Photo 1 – Drill core from ETG184 at Telfer West from approximately 307-310m - silicified and fractured quartzite with multiple quartz stockwork style veins containing pyrite and arsenopyrite

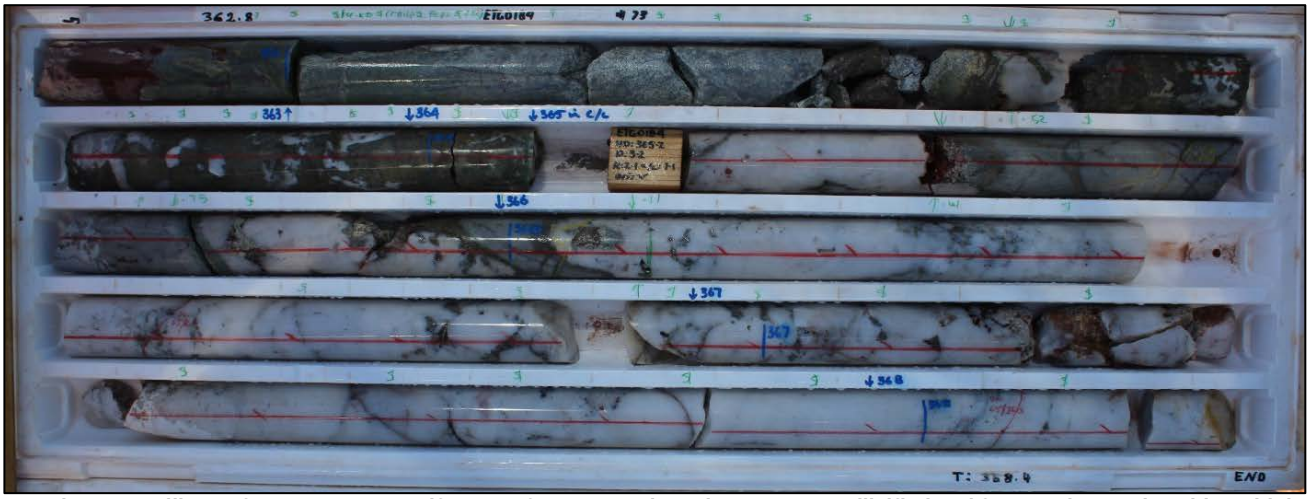

Photo 2 –Drill core from ETG184 at Telfer West from approximately 363-368m - silicified and fractured quartzite with multiple quartz stockwork style veins containing pyrite and arsenopyrite

Hole_ID	Project	Hole Type	Northing (m)	Easting (m)	RL (m)	Dip	Azi	EOH(m)
ETG0094	TW	RCD	7610877	390931	300	-50	40	289
ETG0184	TW	RCD	7611121	390674	300	-55	40	491.4
ETG0186	TW	RC	7609406	392255	290	-60	220	120
ETG0187	ETD	DDH	7608141	413318	300	-60	220	18

ETG0188	ETD	RC	7608153	413302	300	-60	220	70
ETG0191	ETD	RC	7608152	413330	300	-60	220	70
ETG0194	ETD	RC	7608139	413344	300	-60	220	40
ETG0195	ETD	RC	7608155	413357	300	-60	220	60
ETG0196	ETD	RC	7608099	413155	300	-60	220	40
ETG0197	ETD	RC	7608121	413168	300	-60	220	60
ETG0199	ETD	RC	7608102	413183	300	-60	220	40
ETG0200	ETD	RC	7608119	413198	300	-60	220	80

Table 1: Drill hole collar locations – Telfer West and East Thomson's Dome
Estimated drill hole coordinates GDA94 zone 51 datum. TW=Telfer West, ETD=East Thomson's Dome, EOH = End of hole depth; m=metre; azi=azimuth. Drill Type; RC = Reverse Circulation, RCD = RC pre-collar and diamond tail, DDH = Diamond dril hole

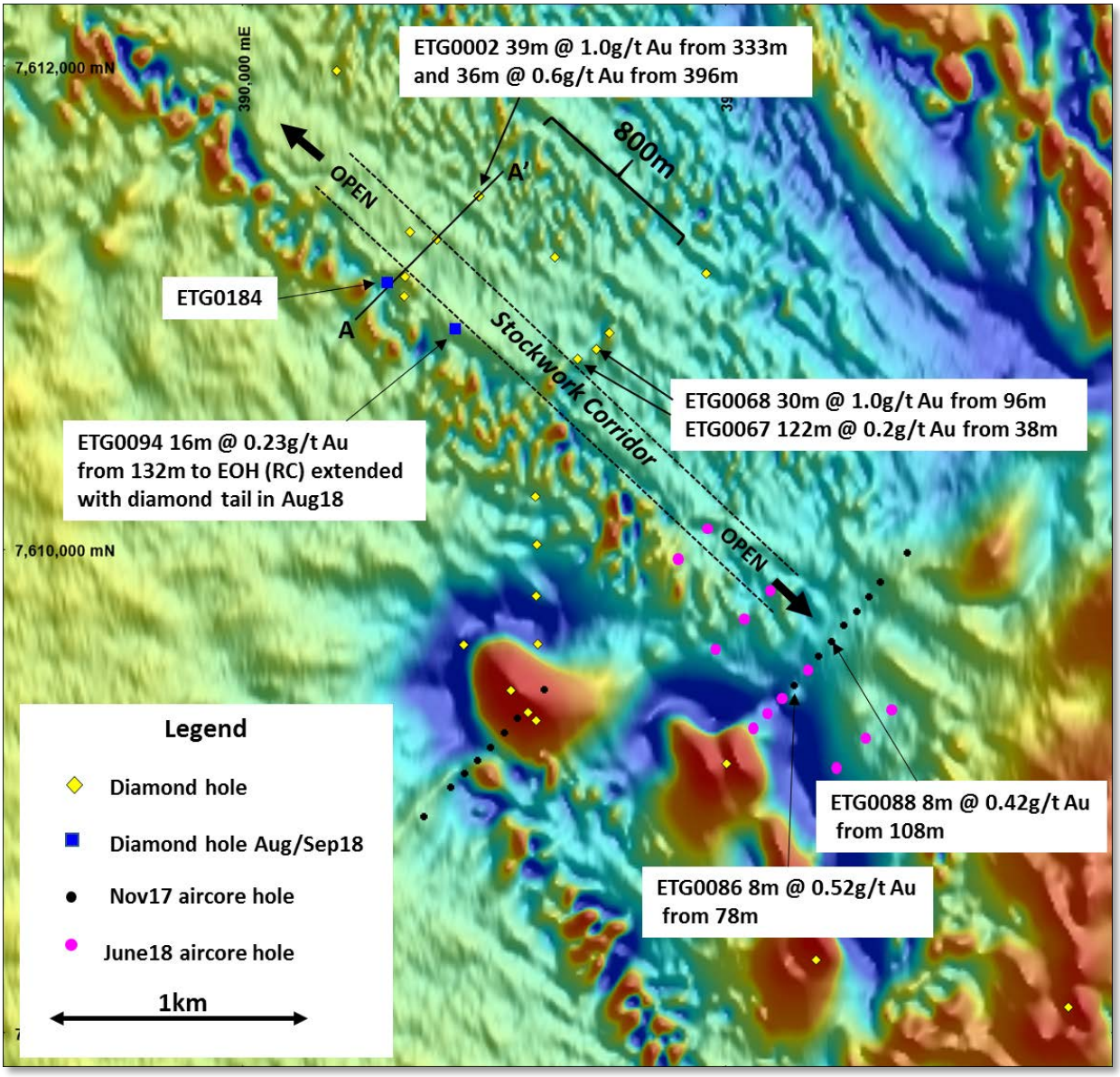

Figure 1 – Telfer West Stockwork Corridor – Drill Location Plan with aeromagnetic background (TMI 1VD pseudo colour image)

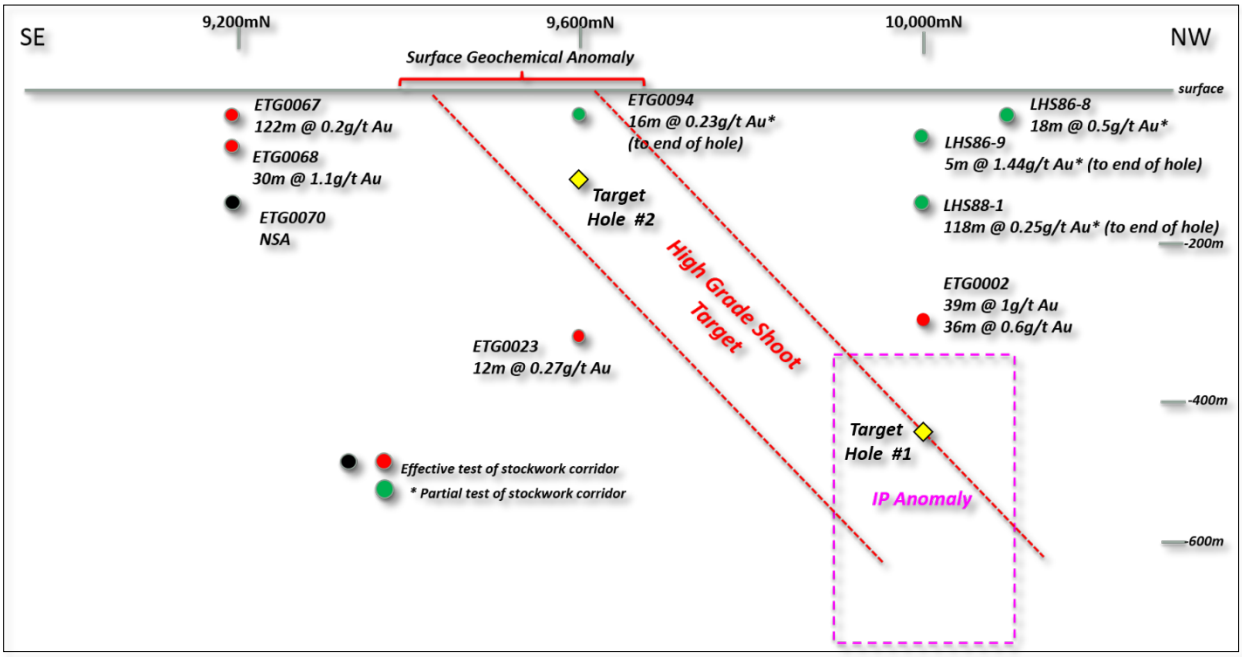

Figure 2 – Telfer West Egg Stockwork Corridor – Long Section looking towards the south west

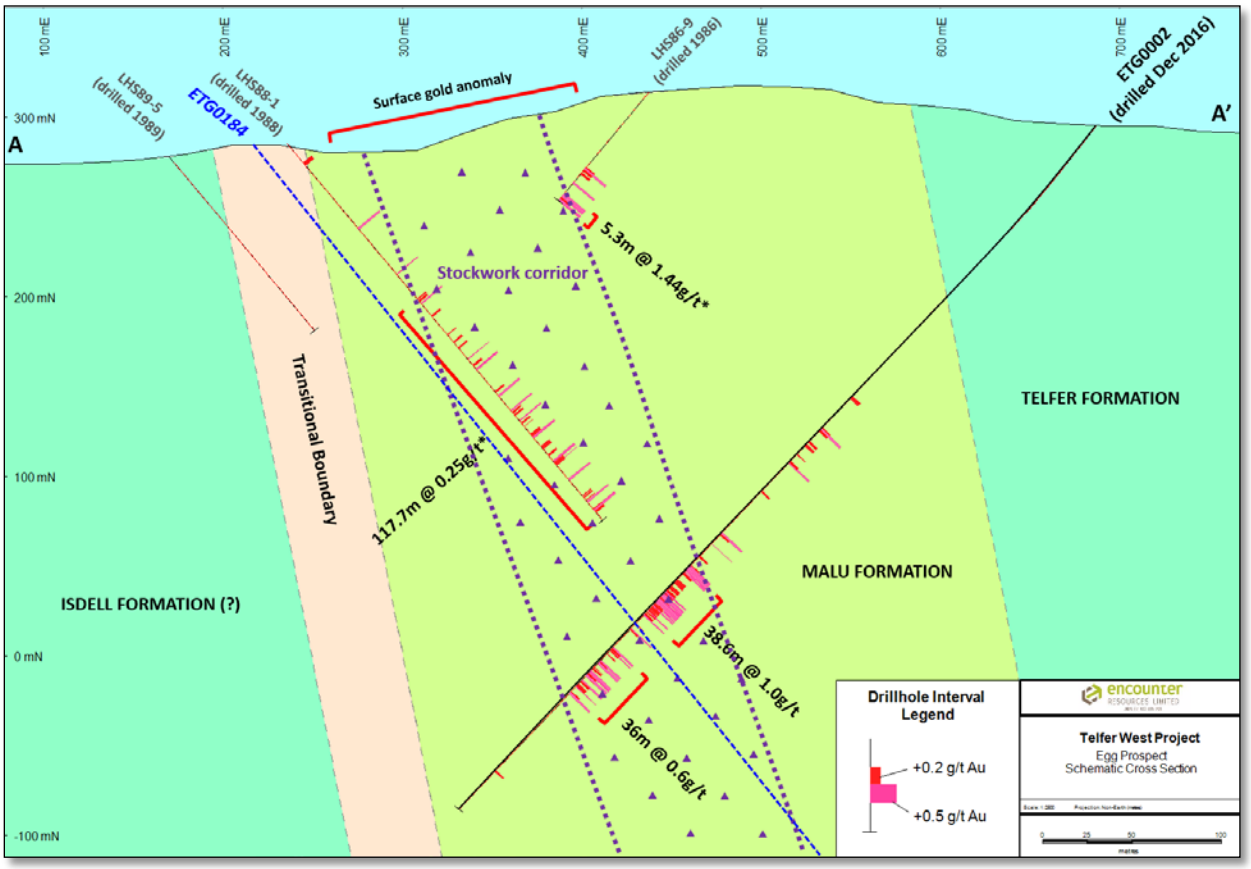

Figure 3 – Telfer West Cross Section - Egg Stockwork Corridor.

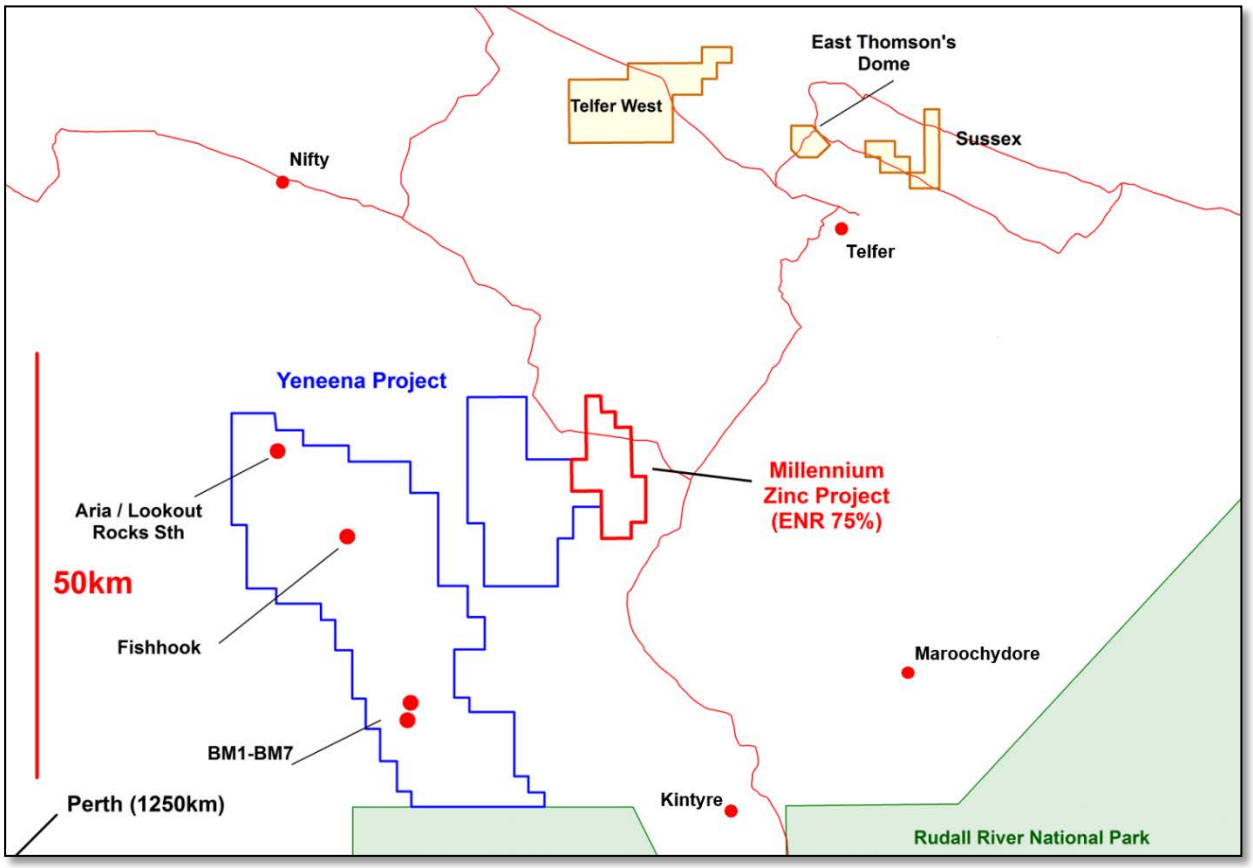

Figure 4: Yeneena and Telfer region tenements

For further information, please contact:

Will Robinson
Managing Director
+61 8 9486 9455
contact@enrl.com.au

Michael Vaughan
Fivemark Partners
+61 422 602 720
michael.vaughan@fivemark.com.au

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	*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.*	Telfer West Dome was sampled by Encounter using RC and diamond drilling. A 3 hole program has been completed for a total of 226m of RC (incl. precollars) and 430m of HQ diamond core. East Thomson's Dome was sampled by Encounter using RC and diamond drilling. A 9 hole program has been completed for a total of 140m of RC drilling and 18m of diamond drilling. RC drilling at East Thomson's Dome was completed on a 20m by 20m grid over a strike length of 160m. The two Telfer west diamond holes were drilled on two sections 400m apart.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	Drill hole collar locations were recorded by handheld GPS, which has an estimated accuracy of +/- 5m.
	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	Reverse circulation drilling was used to obtain 2-4 kg samples every 1m downhole and composited into 2m or 4m samples. 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	*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).*	Results reported in this announcement refer to samples from RC drilling. The RC hole was drilled using 124mm face sampling hammer and the aircore drilling used either a blade bit or hammer, both 102mm in diameter.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	RC sample recoveries were estimated as a percentage and recorded by Encounter field staff
	Measures taken to maximise sample recovery and ensure representative nature of the samples	Driller's used appropriate measures to minimise down-hole and/or cross – hole contamination in RC and aircore drilling.
	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.	To date, no detailed analysis to determine the relationship between sample recovery and/or and grade has been undertaken for this drill program.

Criteria	JORC Code explanation	Commentary

Logging	*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.*	Geological logging has been completed on all drill holes, with lithology, alteration, mineralisation, structure and veining recorded.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Geological logging is qualitative in nature and records interpreted lithology, alteration, mineralisation, structure, veining and other features of the samples and core.
	The total length and percentage of the relevant intersections logged	All drill holes have been logged in full
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Drill core will be cut on site and half core samples taken for analyses.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	RC samples were collected on the rig using a cone splitter. Samples were recorded as being dry, moist or wet by Encounter field staff.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	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.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	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.
	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.	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.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are considered appropriate to give an accurate indication of the mineralisation at Telfer West and East Thomson's Dome.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	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.
	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.	N/A – no geophysical or handheld XRF instruments were used to determine information reported in this announcement.
	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.	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.

Criteria	**JORC Code explanation**	**Commentary**

Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The assays included in this report have been verified by Sarah James (Senior Exploration Geologist).
	The use of twinned holes.	Diamond hole ETG0187 at East Thomson's Dome was a twin of previously reported ETG0151. Assays for ETG0187 are pending.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data is collected for East Thomson's Dome and Telfer West 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.
	Discuss any adjustment to assay data.	N/A – no adjustments have been made to the assay data
Location of data points	*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.*	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.
	Specification of the grid system used.	The grid system used is MGA_GDA94, zone 51.
	Quality and adequacy of topographic control.	Estimated RLs were assigned during drilling and are to be corrected at a later stage using the best available DTM.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	RC drilling at East Thomson's Dome was completed on a 20m by 20m grid over a strike length of 160m. The two diamond holes completed at Telfer West were drilled on two sections spaced 400m apart. ETG0186 at Telfer West was drilled as a single hole test.
	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.	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.
	Whether sample compositing has been applied.	RC drilling from the N31 Reef at East Thomson's Dome was composited from 1m sample piles into 2m composite samples.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	N/A – this is early stage drilling and the orientation of sampling to the mineralisation is not known.
	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.	This is early stage drilling and the orientation of sampling to the mineralisation is not known.
Sample security	*The measures taken to ensure sample security.*	The chain of custody is managed by Encounter. Samples were delivered by Encounter personnel to Newcrest's Telfer Mine site and transported to the assay laboratory via RGR Transport to Perth via Port Hedland. Tracking protocols have been emplaced to monitor the progress of all samples batches.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Sampling techniques and procedures are regularly reviewed internally, as is data. To date, no external audits have been completed on Telfer West and East Thomson's Dome data.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*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.*	The Telfer West project is located within the tenement E45/4613 which is 100% held by Hamelin Resources Pty Ltd, a 100% owned subsidiary of Encounter. The prospect area is subject to a production royalty of A$1 per dry metric tonne of ore mined. 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. These tenements are contained completely within land where the Martu People have been determined to hold native title rights. No historical or environmentally sensitive sites have been identified in the area of work.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	In the period from 1983 to 1997 Newmont Holdings Pty Ltd (later Newmont Australia Ltd) explored the Telfer West area under a joint venture with WMC Resources Ltd. Exploration during this period included aeromagnetics and radiometrics, colour photography, rock chip and stream sediment sampling. Drilling of defined anomalies and targets at Telfer West included RAB, RC and shallow diamond drilling. Various programs from 1984 to 1993 identified interpreted skarn style Au-Cu-W mineralisation around the southern magnetic anomalies and stockwork style Au mineralisation at the Egg Prospect. Prior to Encounter's programs no exploration work was conducted over the Telfer West project following the termination of the WMC / Newmont joint venture in 1997. 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. Previous exploration activities have included, geochemical lag and soil sampling, geological mapping, photo-lithological interpretations, rock chip sampling, RAB drilling, RC drilling, diamond core drilling, PIMA studies, and geophysical surveys (IP surveys, EM surveys and aeromagnetic surveys).
Geology	*Deposit type, geological setting and style of mineralisation*	The Telfer West and East Thomson's projects 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.

Criteria	JORC Code explanation	Commentary

Drill hole information	*A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:* • *Easting and northing of the drill hole collar* • *Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar* • *Dip and azimuth of the hole* • *Down hole length and interception depth* • *Hole length*	Refer to tabulations in the body of this announcement.
Data aggregation methods	*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 and should be stated.*	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.
	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	*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').*	The geometry of the mineralisation is not yet known due to insufficient drilling in the targeted area.
Diagrams	*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.*	Refer to body of this announcement.
Balanced Reporting	*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.*	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	*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.*	All meaningful and material information has been included in the body of the text. No metallurgical or mineralogical assessments have been completed.
Further Work	*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.*	The next phase of exploration at East Thomson's Dome and at Telfer West will be determined once all assay results have been received. This program may include additional IP surveys at Telfer West and further drilling.