

HIGHLIGHTS

Paterson Province Gold

- The first drilling completed by Encounter at the N31 Reef at East Thomson's Dome intersected high grade, shallow gold mineralisation in hole ETG0151:
 - 4m @ 18g/t Au from 8m
 - Similar geological setting to that of the high grade reefs at the major gold-copper mine at Telfer, located 5km to the south

Tanami and West Arunta Gold

- Encounter completed five new joint ventures with Newcrest in the Tanami and West Arunta regions of WA. Encounter shareholders have significant exposure to multiple, well funded, exploration programs in one of the most highly sought-after gold exploration districts in Australia and in the event of a decision to mine, Encounter can elect to enter a production joint venture with an experienced developer and operator in Newcrest
- Joint ventures covering 100km of strike along the Trans-Tanami Structure (Selby, Watts, Lewis)
 - Selby Joint Venture (1,534km²) including:
 - Bandicoot – discrete 2km long magnetic anomaly with coincident gold/arsenic geochemical anomaly
 - Camel – 7.2m @ 3.1g/t Au from 95m in last drill program (2010)
 - Watts Joint Venture (552km²) including:
 - Hutch's Find – significant zone of gold/arsenic anomalism in colluvium over 5km of strike (19m @ 2.3g/t Au from 98m and 10m @ 5.4 g/t Au from 123m in limited deep drilling)
 - Sunset Ridge – 8km long arsenic anomaly defined in shallow drilling
 - Lewis Joint Venture (619km²) including:
 - 20 strike km of untested Trans-Tanami Structure
- Phillipson Joint Venture (1,570km²) – Large scale gold target in unexplored Neoproterozoic corridor in the southern Tanami
- Aileron Joint Venture (187km²) – IOCG-style target located in the West Arunta region

Laverton Tectonic Zone Gold

- Encounter secured a prospective new gold project in the Laverton Tectonic Zone. Nazare is located at the southern extension of the interpreted greenstone/gneissic corridor and is situated south-east of the recent Bombora gold discovery by Apollo Consolidated Limited (ASX:AOP).

Corporate

- Encounter successfully undertook a share placement of approximately 46 million ordinary fully paid shares at \$0.06 each to raise approximately A\$2.75 million before costs.
- The productive project generation alliance with Newcrest was extended for a further 12 months from July 2018
- Encounter successful in its application for the Federal Government Junior Mineral Exploration Incentive (JMEI) up to of \$1.24 million of 2018/19 company tax losses that may be distributed to incoming shareholders in a future capital raising

Encounter 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.

ASX Code
ENR

Market Cap (30/07/18)
~A\$13.1m (\$0.055/share)

Issued Capital (30/07/18)
238 million ordinary shares
12.7 million options

Cash (30/06/18)
~A\$2.9M

Cash & Listed Investments (30/06/18)
~A\$3.8M

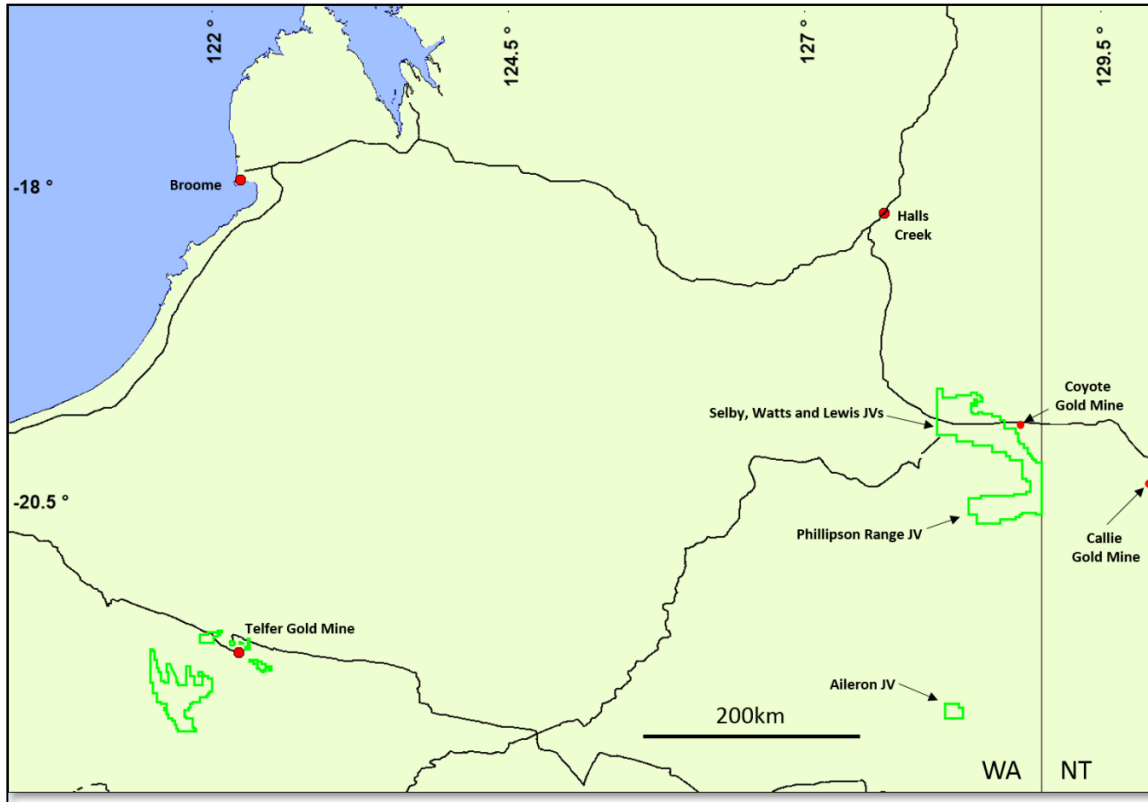


Figure 1: Encounter Projects - Location Plan

PATERSON PROVINCE GOLD

100% Encounter - E45/4613, E45/3446, P45/2750 to P45/2752, P45/3032, E45/4757, E45/4758 and E45/4899

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 is a high quality opportunity located just 5km from the major gold-copper mine at Telfer (Figure 2). The domal structure at East Thomson’s Dome has a core of Malu Formation with the fold axis trending WNW. The majority of surface gold and reef style mineralisation at East Thomson’s Dome has been discovered in the overlying Telfer Formation sediments. This geological setting is similar to that of the high grade reefs at Telfer.

N31 Reef

The N31 Reef is located 1.5km north-west of the Fold Closure Prospect near the interpreted boundary between the Telfer Formation and the underlying Malu Formation. Previous historical drilling at the N31 Reef consists of nine RC drill holes (average depth of 61m) and one deep stratigraphic diamond hole drilled by Barrick Gold in 2005 (to a depth of 1,011m). Results from this limited previous drilling include:

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

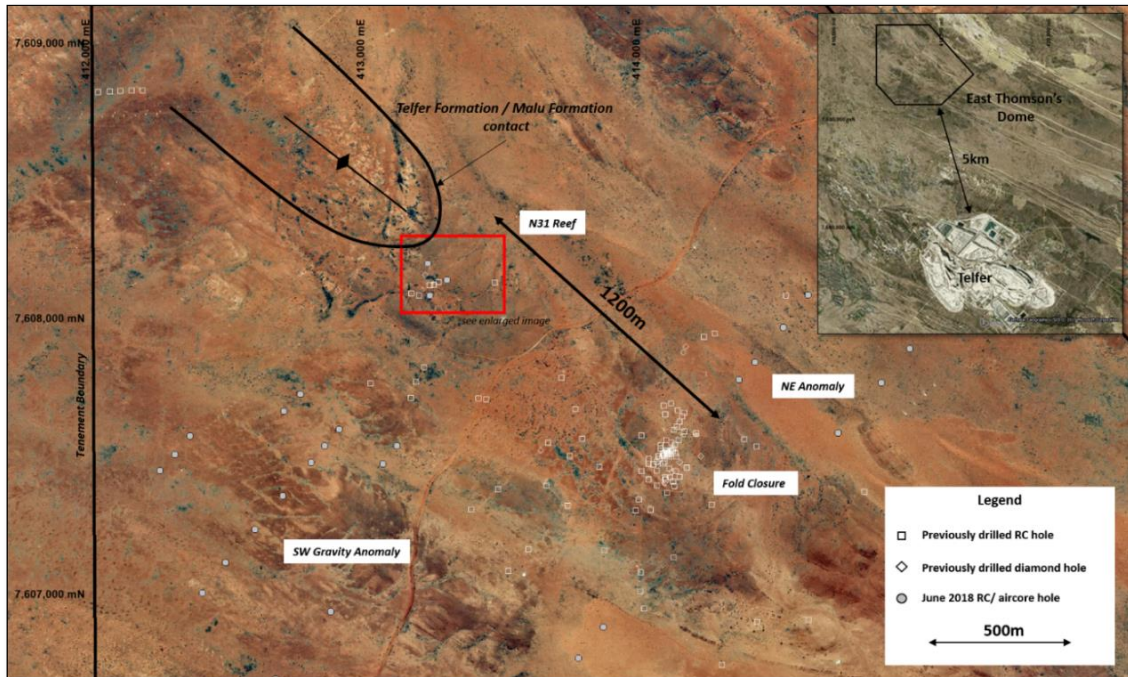


Figure 2 – East Thomson's Dome Summary Plan

A surface outcrop of rubbly ironstone was identified by Encounter in October 2017 in the N31 Reef area. This outcropping reef position was subsequently sampled in two locations and returned high-grade assays of 8g/t Au and 27g/t Au (see Photo 1).



Photo 1 – Surface samples collected on the N31 Reef in October 2017

Three RC holes were completed at the N31 Reef in June 2018. One of these holes, ETG0151, intersected gold mineralisation significantly higher grade than previously drilled:

- 4m @ 18g/t Au from 8m
(refer ASX release 18 July 2018)

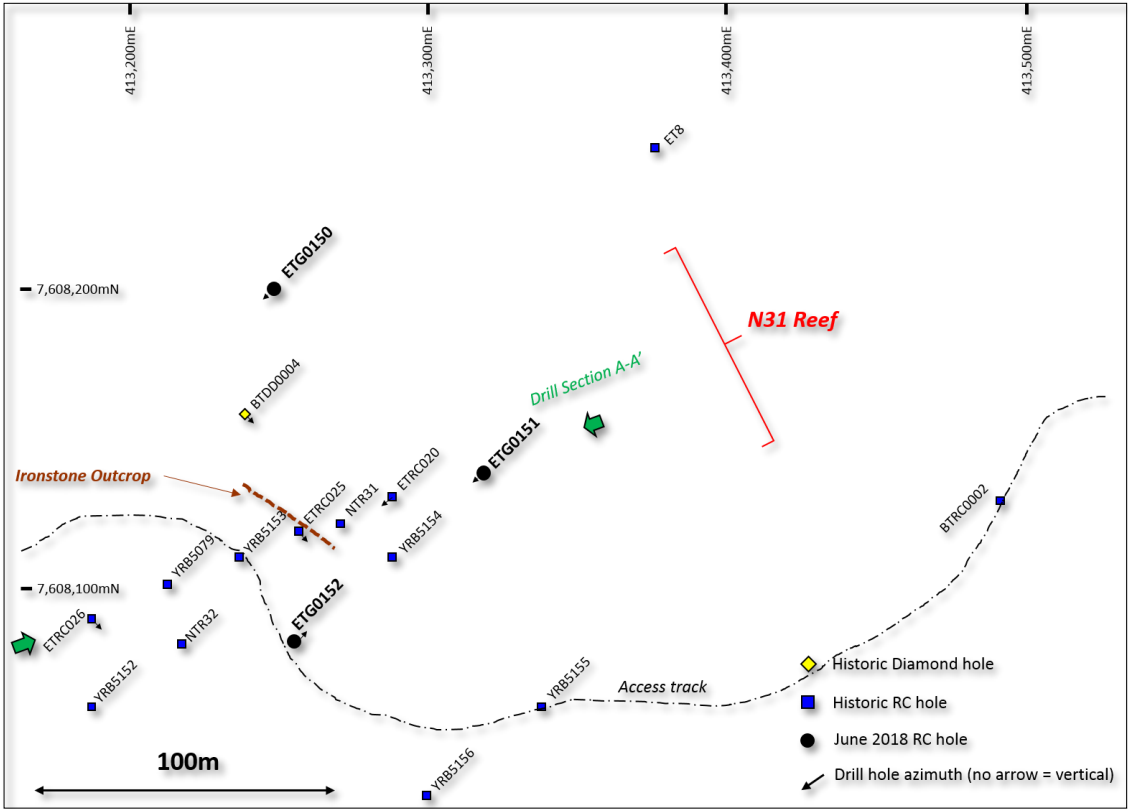


Figure 3 – East Thomson's Dome – N31 Drill Status Plan

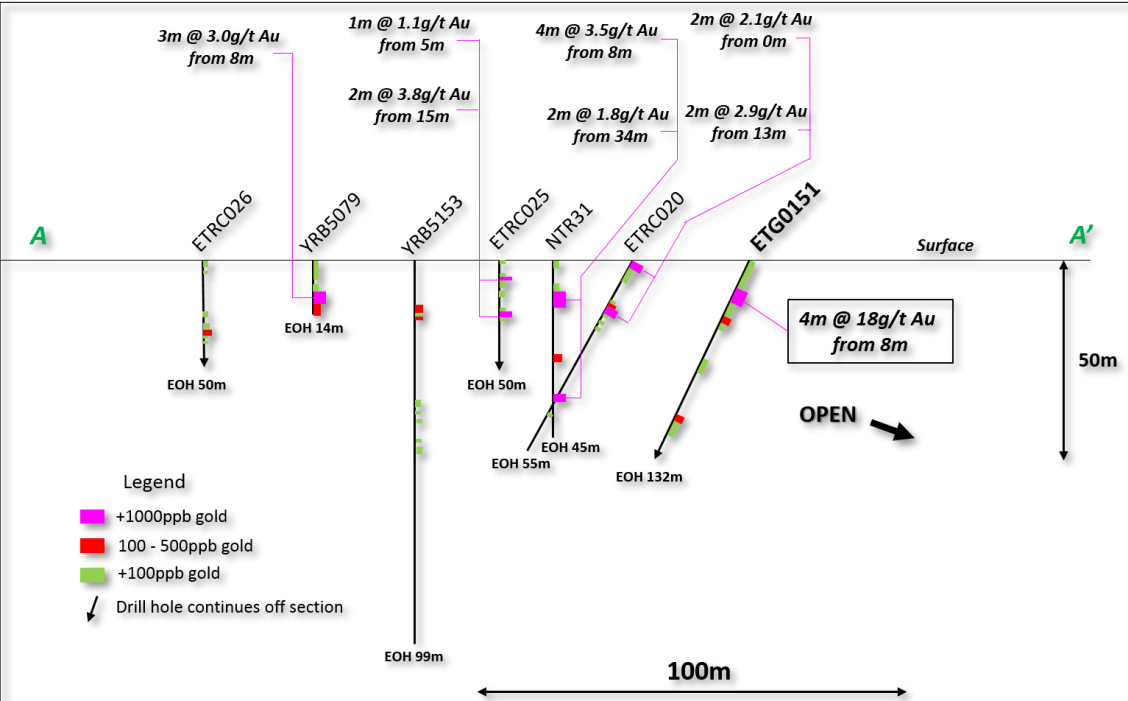


Figure 4 – East Thomson's Dome – N31 Drill Section A-A'

Given the limited previous drilling at the N31 Reef, the high grade near surface gold intersection in ETG0151 is poorly constrained both along strike and down dip. A second phase of shallow RC drilling will commence at the N31 Reef in two weeks. This program will test for further extensions of the high grade gold mineralisation and is designed to confirm the interpreted strike of the reef system.

Hole_ID	Hole Type	Northing (m)	Easting (m)	RL (m)	EOH(m)	Dip	Azi
ETG0150	RC	7608199	413248	290	138	-60	225
ETG0151	RC	7608138	413318	290	132	-60	225
ETG0152	RC	7608082	413257	290	120	-60	40

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

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

Hole ID	From (m)	To(m)	Length (m)	Gold (g/t)
ETG0150	38	42	4	0.18
ETG0151	0	20	20	3.77
incl.	8	12	4	17.95
and	28	32	4	0.16
and	44	50	6	0.50
and	86	88	2	0.17
ETG0152	18	20	2	0.13
and	26	28	2	0.10
and	78	80	2	0.10

Table 2: RC assay results – N31 Reef, East Thomson’s Dome

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

Other East Thomson’s Dome Drill Results

Three lines of aircore drilling were completed at the NE Soil Anomaly but did not intersect additional gold anomalism in the covered area north-east of the Fold Closure Prospect.

Drilling completed on the West Dome Gravity Corridor in June 2018 intersected broad zones of gold anomalism but did not intersect additional high grade gold mineralisation. The zones of gold anomalism are being assessed and interpreted to determine if further drilling is required in this area.

Telfer West (100% Encounter)

Telfer West (E45/4613) covers an area of approximately 121km² and is located 25km north west of 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.

Southern Stockwork Extension

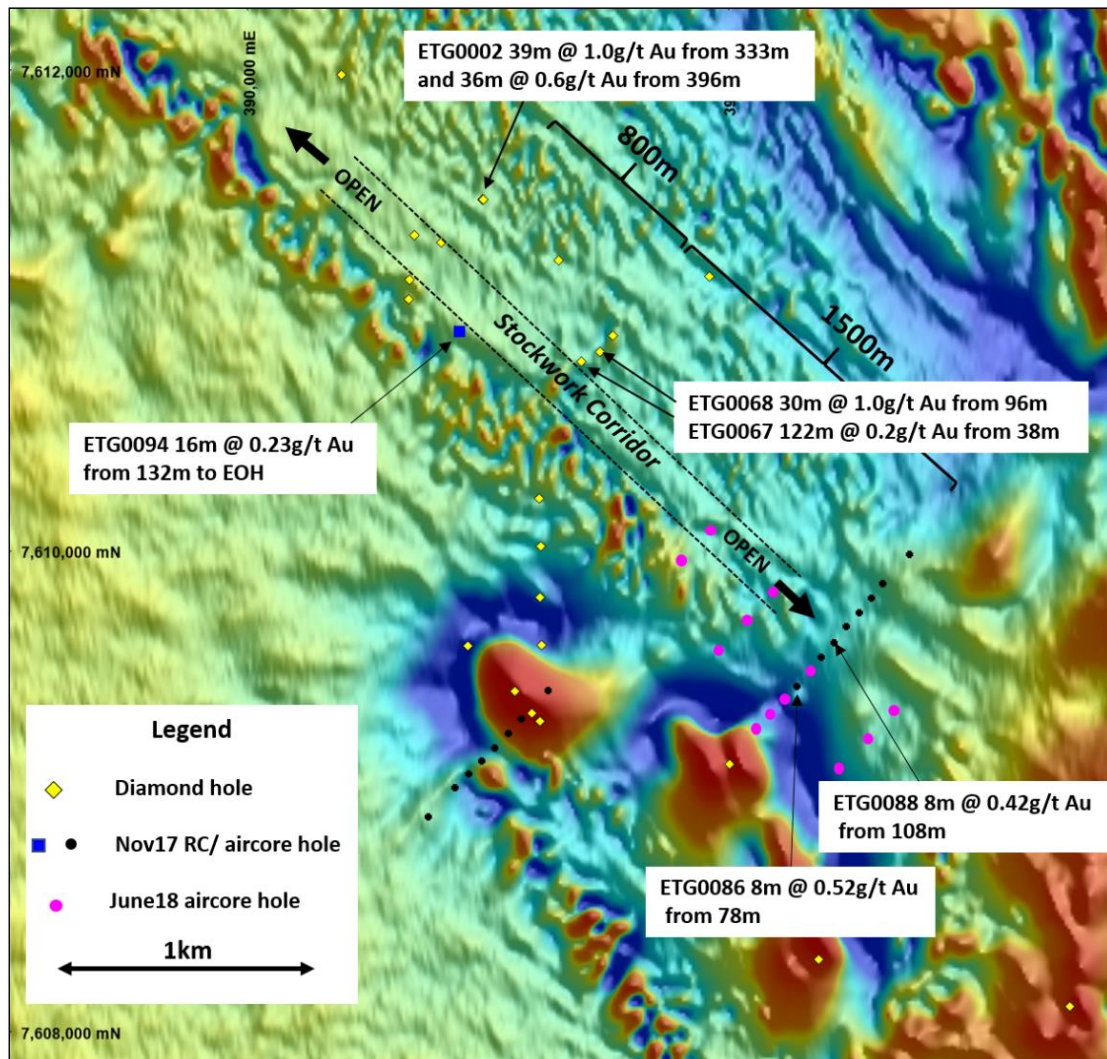


Figure 5 – Telfer West Stockwork Corridor.

A section of eight aircore holes (ETG0086-ETG0093) completed in November 2017 successfully outlined a zone of significant supergene gold anomalism that extended the stockwork gold corridor by 1.5km to the southeast (see Figure 5) (refer ASX release 21 December 2017) and include:

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

Four lines of aircore drilling (12 holes) were completed at the southern supergene gold anomaly in June 2018 with the goal of providing a primary target for deeper drilling. Additional gold supergene anomalism was intersected and deeper RC drilling will now be completed at the prospect in August 2018.

Egg Stockwork Diamond Drilling

Integration of all available geological and geophysical data in 3D, using Leapfrog software, suggests that the surface geochemical anomaly targeted by RC hole ETG0094 and an IP anomaly located beneath ETG0002 might represent a single, steep north-plunging high grade shoot. Two diamond holes are planned to test this target. A single 550m deep hole will be drilled from the footwall of the stockwork zone and drill below a broad zone of stockwork style veining and associated sulphide mineralization intersected in ETG0002 (including 39m @ 1 g/t Au from 333m and 36m @ 0.6g/t from 396m) (refer ASX release 19 January 2017). A second hole is planned to extend RC hole ETG0094 another 150m to test the north plunging shoot trend. This drilling program at Telfer West will be completed in August 2018 and is co-funded under the WA Government EIS program.

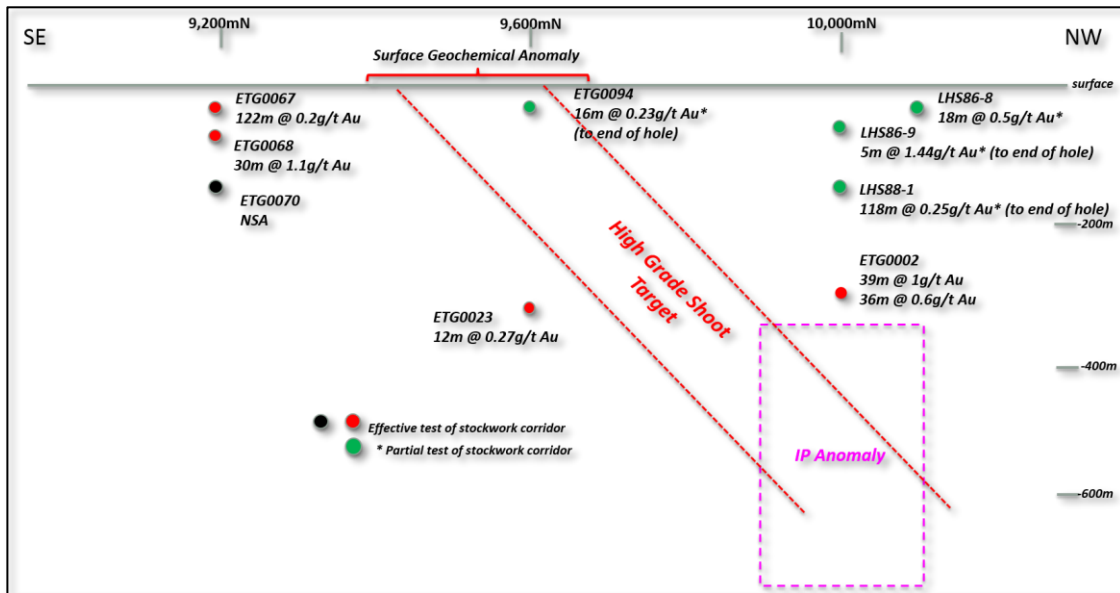


Figure 6 – Telfer West Egg Stockwork Corridor – Long Section looking towards the south west

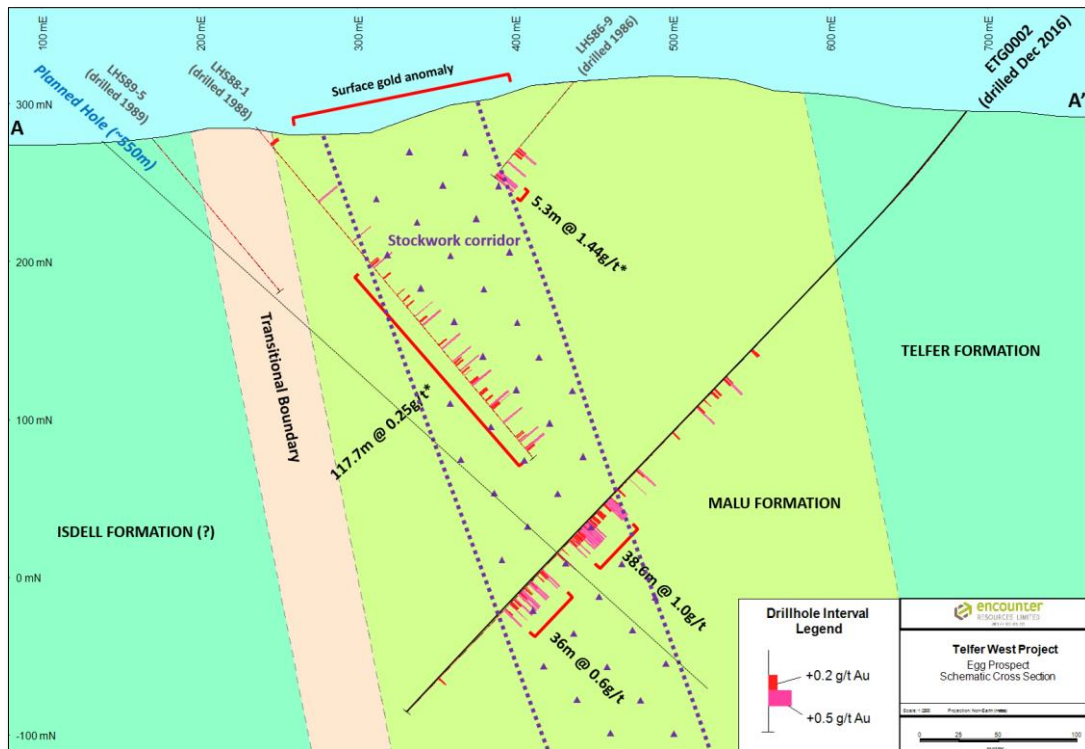


Figure 7– Telfer West Egg Stockwork Corridor.

TANAMI AND WEST ARUNTA GOLD

50:50 JV Encounter/Newcrest – ELA80/5045, ELA80/5129, ELA80/5132, ELA80/5137, ELA80/5145, ELA80/5146, ELA80/5147, ELA80/5152, ELA80/5169, ELA80/5186,

Encounter has entered five separate unincorporated joint ventures with a wholly owned subsidiary of Newcrest Mining Limited (ASX:NCM) (“Newcrest”) covering a total of 4,400km² of the Tanami Gold Province and West Arunta in Western Australia (“WA”). Initially, each joint venture will be on a 50:50 basis.

Joint Venture Summary Terms

- Newcrest and Encounter have entered into five separate joint ventures (Selby, Watts, Lewis, Phillipson and Aileron), initially on a 50:50 basis, that cover a total area of ~4,400km². While these are separate joint ventures, each joint venture is on the same or largely similar terms.
- Newcrest made a \$100,000 payment to Encounter following execution of the Phillipson Joint Venture Agreement; and will make a second payment of \$400,000 following the grant of tenement E80/5045; and a further payment of \$500,000 if Newcrest elects to continue activity on tenement E80/5045 beyond 12 months from grant.
- Newcrest will be the Manager of each joint venture.
- Encounter has the option to maintain its 50% interest in any or all of the joint ventures by contributing to its share of exploration expenditure. This election will be made after reviewing the first joint venture budget for each project covering the period to 30 June 2019.
- Should Encounter elect not to contribute on a 50:50 basis on any given joint venture, Newcrest may increase its interest to 80% in that relevant joint venture **by sole funding exploration activities and delivering a JORC Inferred Resource of greater than 1 million ounces of gold or gold equivalent.**
- Upon notification of the JORC Inferred Resource, Encounter can elect to maintain its 20% interest in the joint venture by funding its portion of future expenditure or Newcrest will acquire Encounter’s joint venture interest for fair value (being an amount agreed or as determined by independent experts).
- Prior to a decision to mine being made, if Encounter elects not to contribute to expenditure at any time after previously contributing, then standard industry dilution formulas will apply down to a 10% interest. If Encounter’s interest dilutes below 10%, the interest will be transferred to Newcrest and Encounter will be entitled to a 2% net smelter royalty.
- If Newcrest elects at any time to withdraw from the joint venture or its interest in the joint venture dilutes to below 10%, Newcrest’s interest will be transferred to Encounter.
- After the completion of a feasibility study, Encounter can elect to participate in mine development in proportion to its joint venture interest by voting to approve a decision to mine. Should Encounter vote against a decision to mine, Newcrest can acquire Encounter’s joint venture interest for fair value (being an amount agreed or as determined by independent experts).
- Encounter can elect to sell its joint venture interest to a third party subject to Newcrest having a pre-emptive right. Encounter also retains a pre-emptive right in the event Newcrest wishes to sell its joint venture interest to a third party.

Tanami Corridor Projects – Three Joint Ventures to Fast-Track exploration:

The Selby, Watts and Lewis joint ventures cover in total, 100km of strike along the major structural corridor (Trans-Tanami Structure) that extends through the Tanami region from the Northern Territory into WA (see Figure 8).

The three joint venture areas have been subject to sporadic and fragmented exploration in the past. Encounter has consolidated ground holdings that total ~2,600km². The limited surficial historical exploration has produced highly encouraging results identifying a series of large scale gold/arsenic regolith anomalies. Although only limited deeper drilling has been completed across these regional scale geochemical anomalies, a number of high grade, near surface drill intersections confirm the potential of the area to produce high grade gold. Encounter has acquired a 100km long section of a well mineralised, emerging gold province that is significantly underexplored, particularly on the WA side of the border.

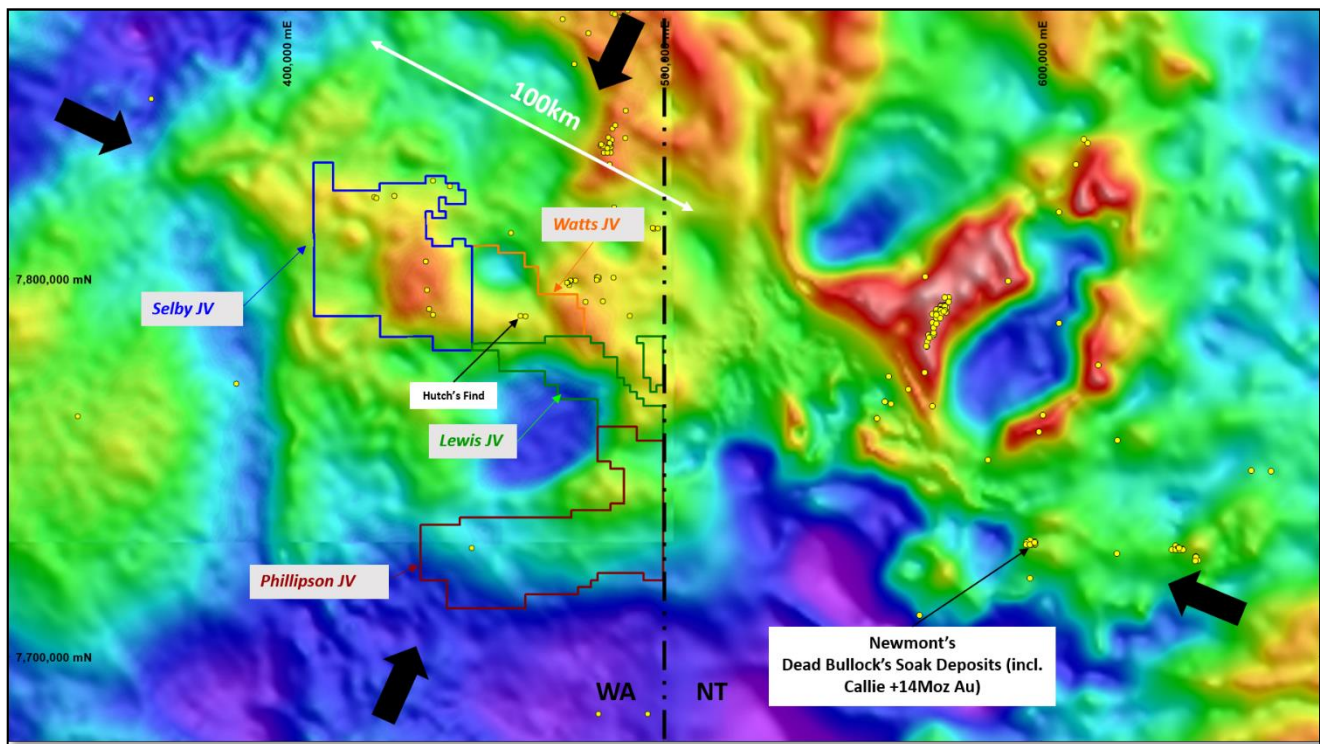


Figure 8 – Tanami Joint Venture areas with gold occurrences over regional gravity data

1. Selby Joint Venture

The Selby joint venture covers the most western end of the West Tanami project area. Selby includes a number of regional scale geochemical anomalies defined in shallow drilling, discrete geophysical targets and historical high grade gold intersections in limited deeper drilling. While target generation and prioritisation is ongoing, prospects at Selby include:

- Bandicoot – discrete 2km magnetic anomaly with coincident gold/arsenic geochemical anomaly
- Camel – 7.2m @ 3.1g/t Au from 95m in last drill program (2010)
(source *Tanami Gold NL Quarterly Report September 2010*)

2. Watts Joint Venture

The Watts joint venture covers the central corridor of targets where a regional scale north-north-east structure defined in the January 2018 Geological Survey of Western Australia (“GSWA”) gravity survey intersects the Trans Tamami Structure. Watts includes the Hutch’s Find and Sunset Ridge prospects as well as a number of untested anomalies in historical geochemical drilling:

- Hutch’s Find – significant zone of gold/arsenic anomalism over 5km of strike (Figures 9a and 9b). Max-in-hole geochemical plans cover an area of ~120km² and include 3,615 holes of which 95% are RAB, aircore or vacuum geochemical holes with an average depth of 11m. The limited RC and

diamond drilling that has occurred is well mineralised and contains high grade gold intersections that remain open down plunge and along strike including:

HFDD4 – hole depth 184m

- 19m @ 2.3g/t Au from 98m;
- 10m @ 5.4 g/t Au from 123m; and
- 0.5m @ 17.2g/t Au from 164.3m

(source *Tanami Gold NL Quarterly Report September 2010*)

- Sunset Ridge – 8km long arsenic anomaly defined in shallow drilling

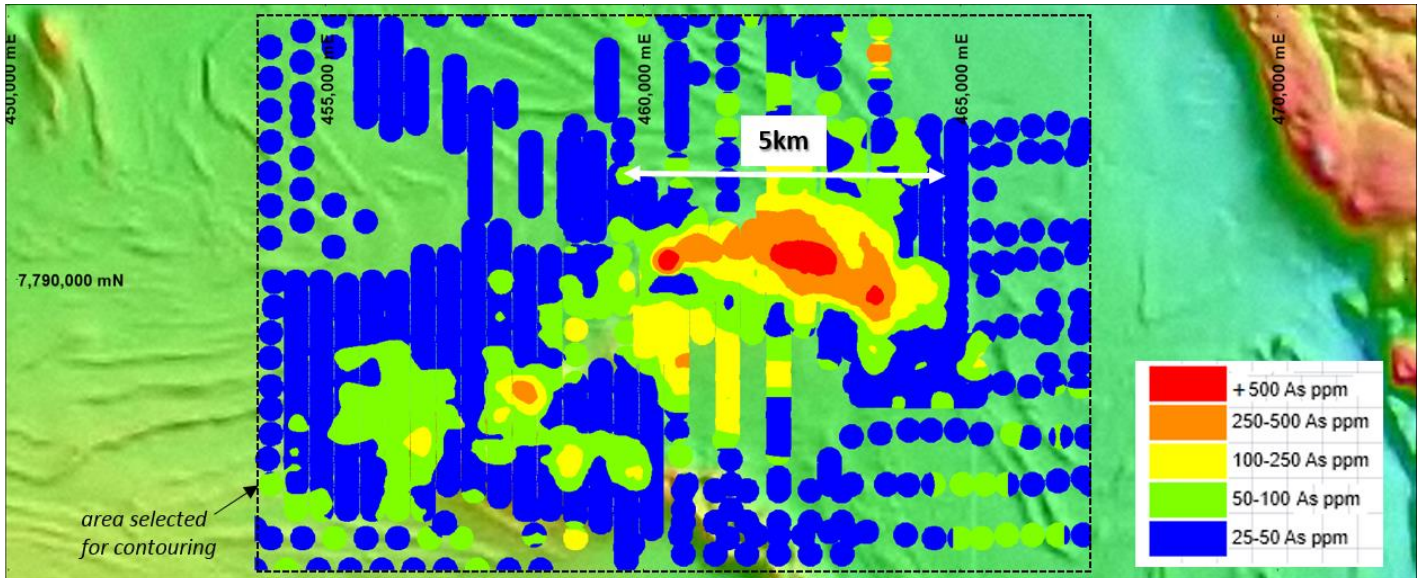


Figure 9a – Hutch's Find prospect. Maximum arsenic (As) in hole over tmi magnetics

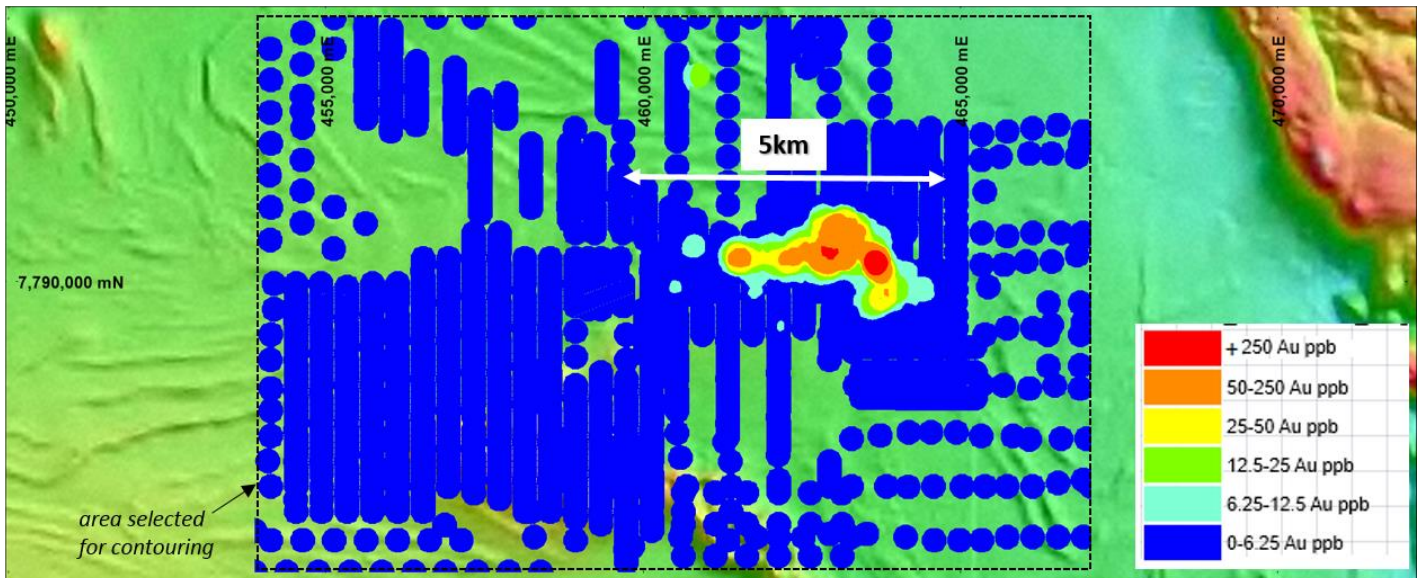


Figure 9b – Hutch's Find prospect. Maximum gold (Au) in hole over tmi magnetics

3. Lewis Joint Venture

The Lewis joint venture covers over 20km of strike of untested Trans-Tanami Structure. This structure has been enhanced and defined in the GSWA January 2018 gravity survey. Vast areas along this highly prospective structure have never seen a soil sample or a drill hole. This is a first mover opportunity into a newly defined area on a prolific regional structure.

Phillipson Range Project (Southern Tanami)

The Phillipson Project consists of three large tenement applications spanning ~1,570km². The western end of this area was the subject of a regional scale pre-competitive geochemical soil survey completed by the GSWA that outlined a peak gold soil anomaly up to 63ppb Au in a 5km x 5km helicopter-supported auger sampling survey. This is a significant and standout gold anomaly in the regional geochemical survey and occurs in an area with absolutely no previous exploration.

The Phillipson anomaly is also supported by the next sample taken 5km north that returned up to 7ppb Au. The anomaly is more than 5km long with supporting multi-element anomalism in the area with arsenic, bismuth and cobalt (As up to 90ppm, Bi up to 2.9ppm and Co up to 13ppm) indicating a possible magmatic origin to the mineralising fluid. The anomaly remains open to the south (Figure 10).

GSWA geochemical sampling has been integral in a number of important recent mineral discoveries in WA. The GSWA geochemical mapping of the Fraser Range collected the highly anomalous Ni-Cu-Co sample proximal to the Nova-Bollinger nickel-copper deposit now owned by Independence Group (ASX:IGO). A gold anomaly of similar amplitude anomaly to that at Phillipson Range, obtained in a broad regional geochemical program was also integral to the Tropicana gold discovery.

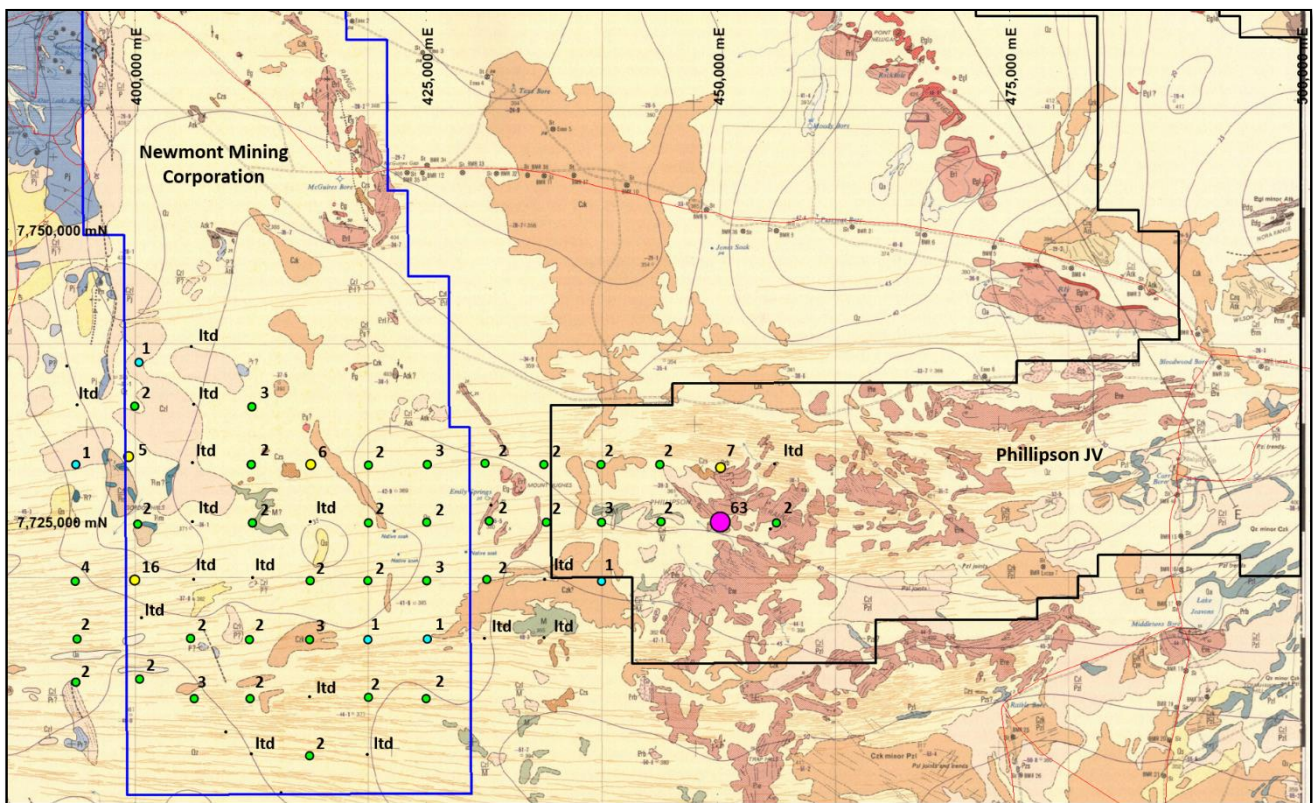


Figure 10 – Phillipson JV – GSWA 250K geology and regional soil sampling program (Au ppb)

A GSWA airborne gravity survey released in January 2018 indicates that the Phillipson anomaly is located on a major regional north-north-east structure and also on a structure sub-parallel to the main Trans-Tanami structural corridor to the north. This potentially provides important structural context for the anomaly (see Figure 8).

Following tenement grant, a heritage assessment will be completed and further geochemical sampling undertaken to refine the geochemical anomaly.

Aileron (West Arunta)

The Aileron project is located in the Arunta district of WA, ~600km west of Alice Springs. There has been no previous mineral exploration on the tenement although gold/copper mineralisation has been identified within the region. The project contains a discrete magnetic anomaly consistent with the scale of an Ernest Henry or Carrapateena style system (Figures 11 & 12).

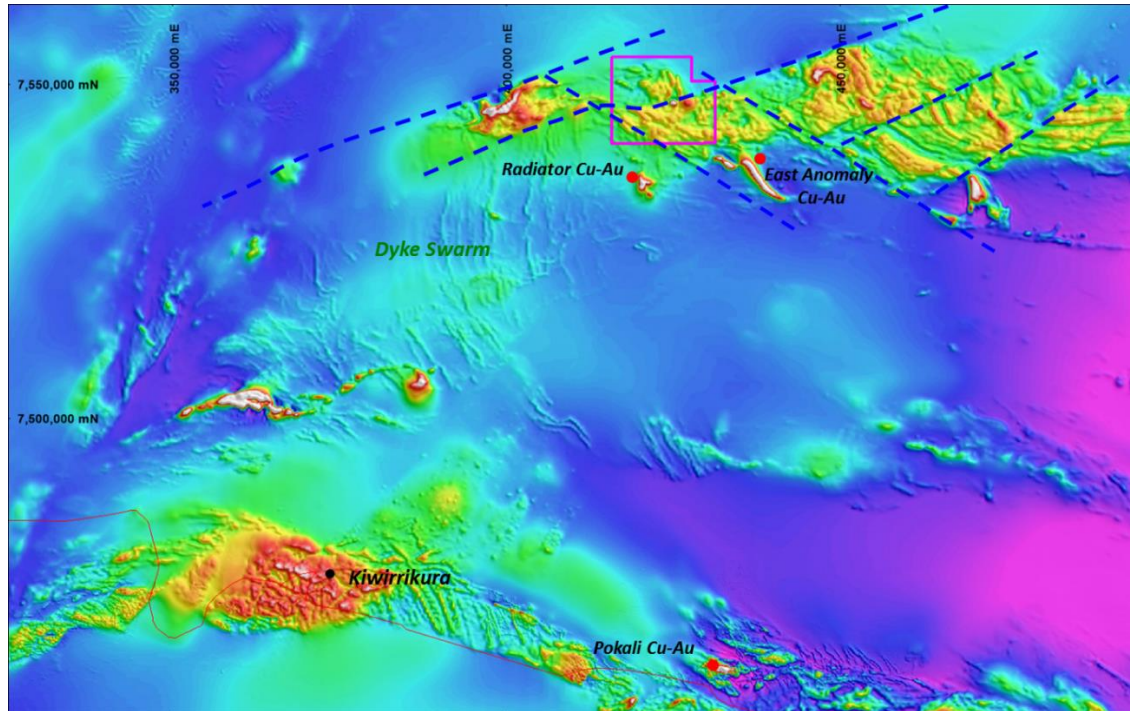


Figure 11 – Aileron Project Location Plan (tenement shown in magenta outline) on TMI background

The anomaly has been modelled as a steeply dipping magnetic body and is approximately 400m in diameter, starting from approximately 150m below surface and plunging to 1km. The interpreted structural architecture adjacent to the magnetic anomaly is conducive to major fluid flow.

Following the grant of the tenement, a heritage survey will be completed to prepare for potential diamond drilling to test the anomaly.

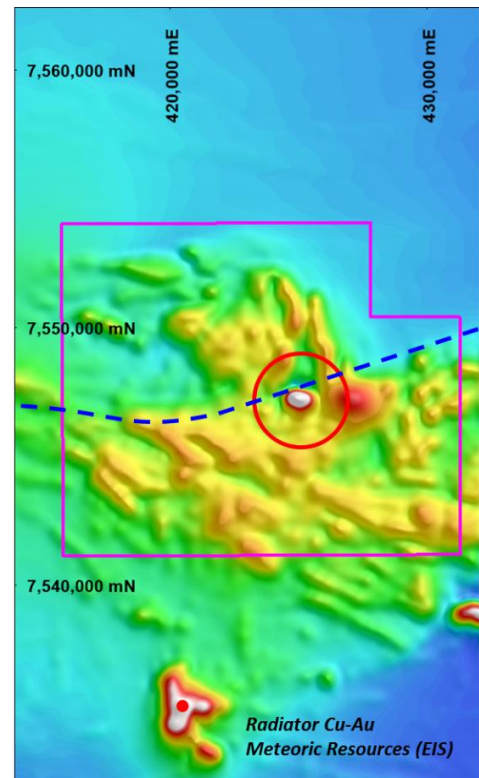


Figure 12 – Aileron magnetic anomaly (TMI)

Next Steps

Compilation and interpretation of historical exploration is well advanced and ongoing along with target prioritisation by the technical committee. Joint venture tenement applications are expected to be granted over the next few months with field exploration activities to commence shortly thereafter.

LAVERTON TECTONIC ZONE GOLD

100% Encounter – E28/2709, ELA28/2762 and ELA28/2763

Encounter continues to build its exciting gold portfolio in regions that have demonstrated potential for large scale, high quality gold deposits. The Laverton Tectonic Zone is one of Australia’s most productive and prospective gold regions and extensions of this corridor, where it extends under shallow cover, have been a focus of Encounter’s ongoing targeting activities. During the quarter Encounter acquired a prospective new gold project located at the southern extension of the Laverton Tectonic Zone in Western Australia (“WA”) (see Figure 13).

The exploration licence covering the Nazare Gold Project, E28/2709, was recently granted and covers an area of 98km². The project is located approximately 150km east-north-east of Kalgoorlie. Exploration at the project will initially focus on a structural intersection where an interpreted structure extending south-east from the Bombora gold discovery intersects with the interpreted greenstone/gneissic extension of the Laverton Tectonic Zone in an area of cover and no prior gold exploration (see Figure 14).

The only prior drilling completed at the Nazare Gold Project is a single RC hole drilled more than 10 years ago by a uranium explorer that was not assayed for gold.

Next Steps

An initial soil sampling program was completed in July 2018 to assess the amenability of geochemistry to assist the drill target prioritisation. Following completion of the geochemical sampling program a series of aircore drill traverses is expected to be completed in the second half of 2018.

Two additional tenements have been applied for to the south of Nazare. E28/2762 and E28/2763 cover an interpreted additional 30 strike kilometres of the Laverton Tectonic Zone and in total the project area now covers 512km².

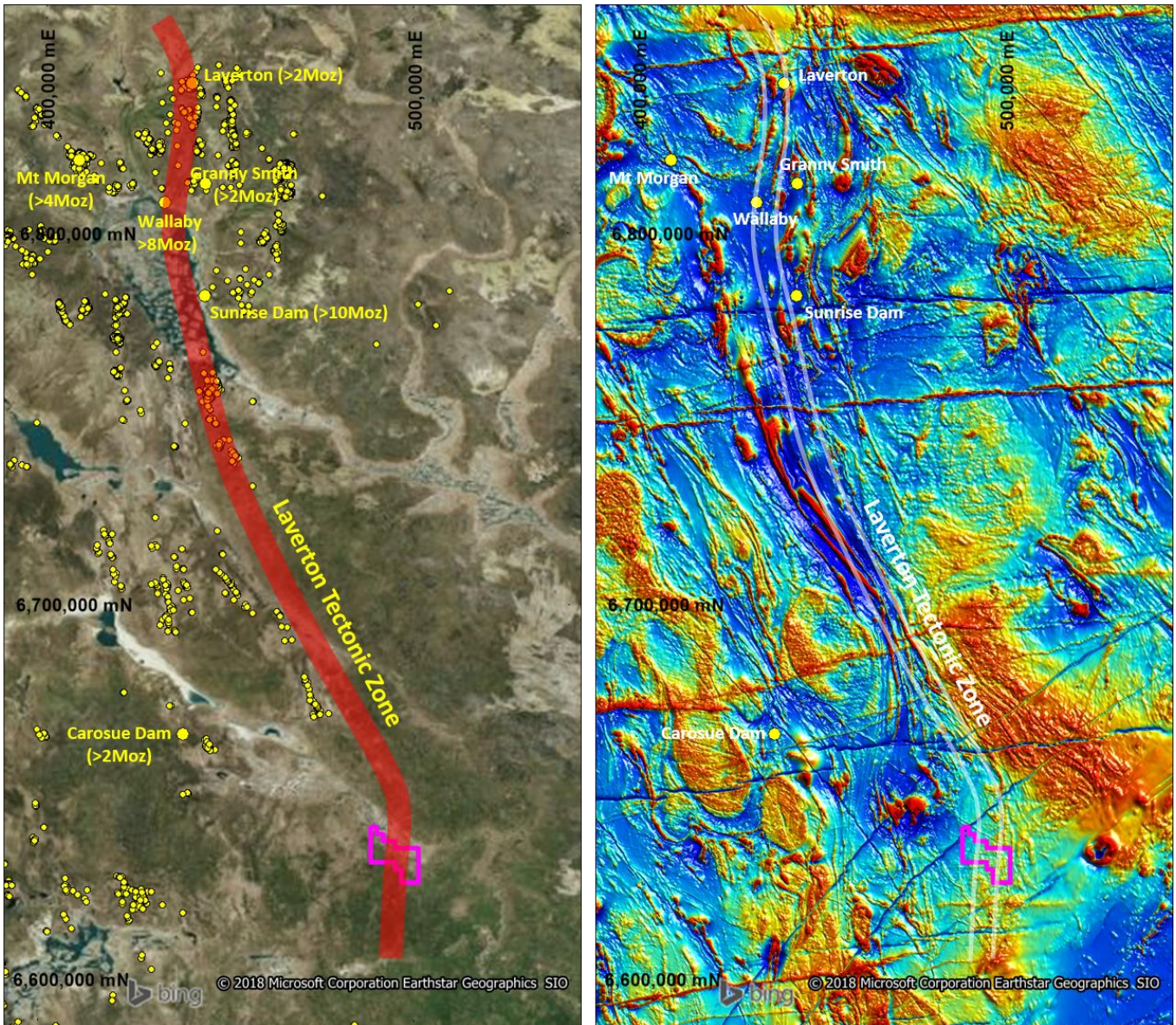


Figure 13 – Nazare regional location plan, regional TMI magnetics and major gold mines

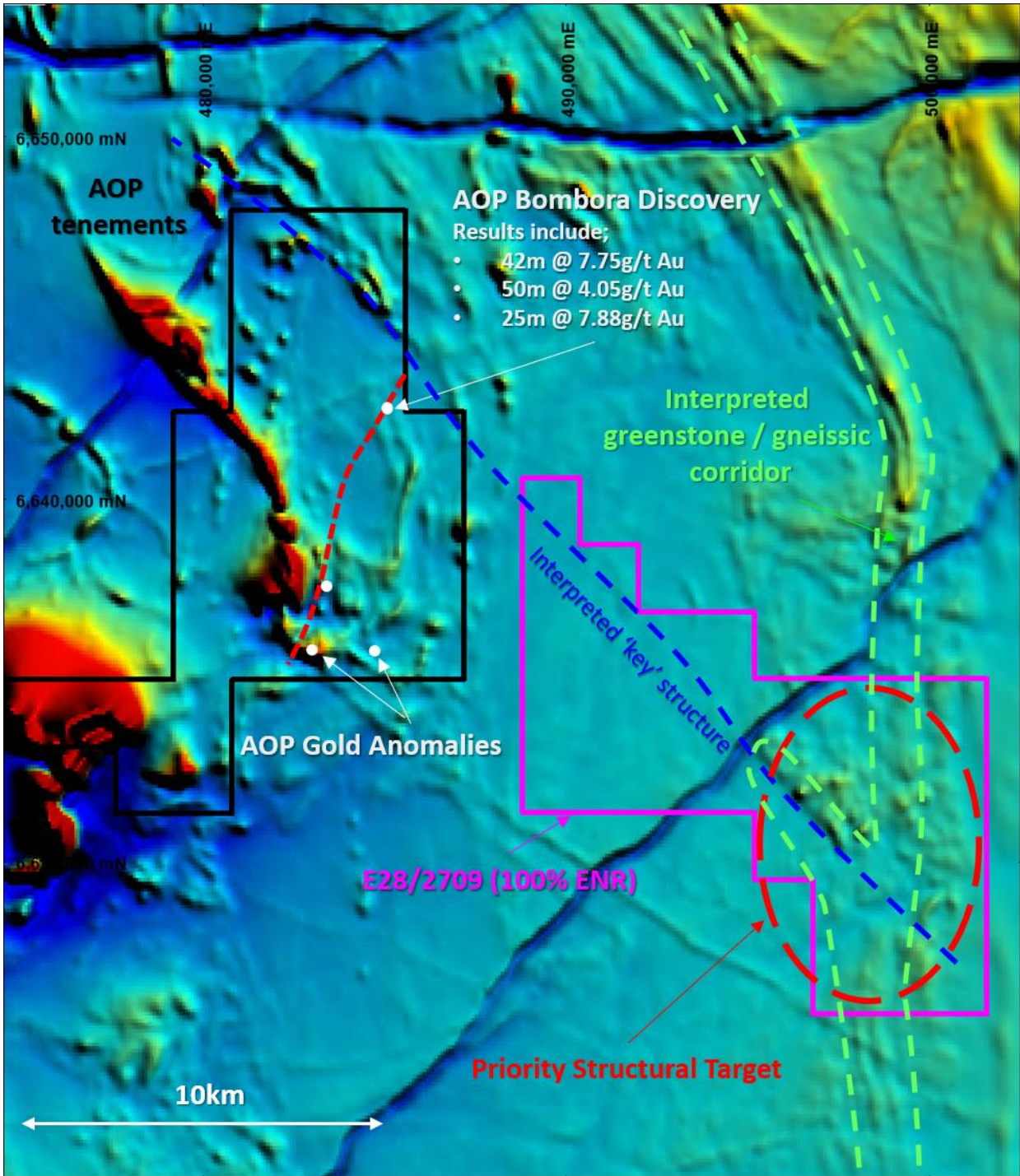


Figure 14 – Nazare target summary over airborne TMI (magnetics) image

YENEENA COPPER-COBALT-ZINC

- Yeneena Copper-Cobalt Project: 100% Encounter - E45/2500, E45/2502, E45/2503, E45/2657, E45/2658, E45/2805, E45/2806 and E45/3768
- 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 1,600km² 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 15).

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.

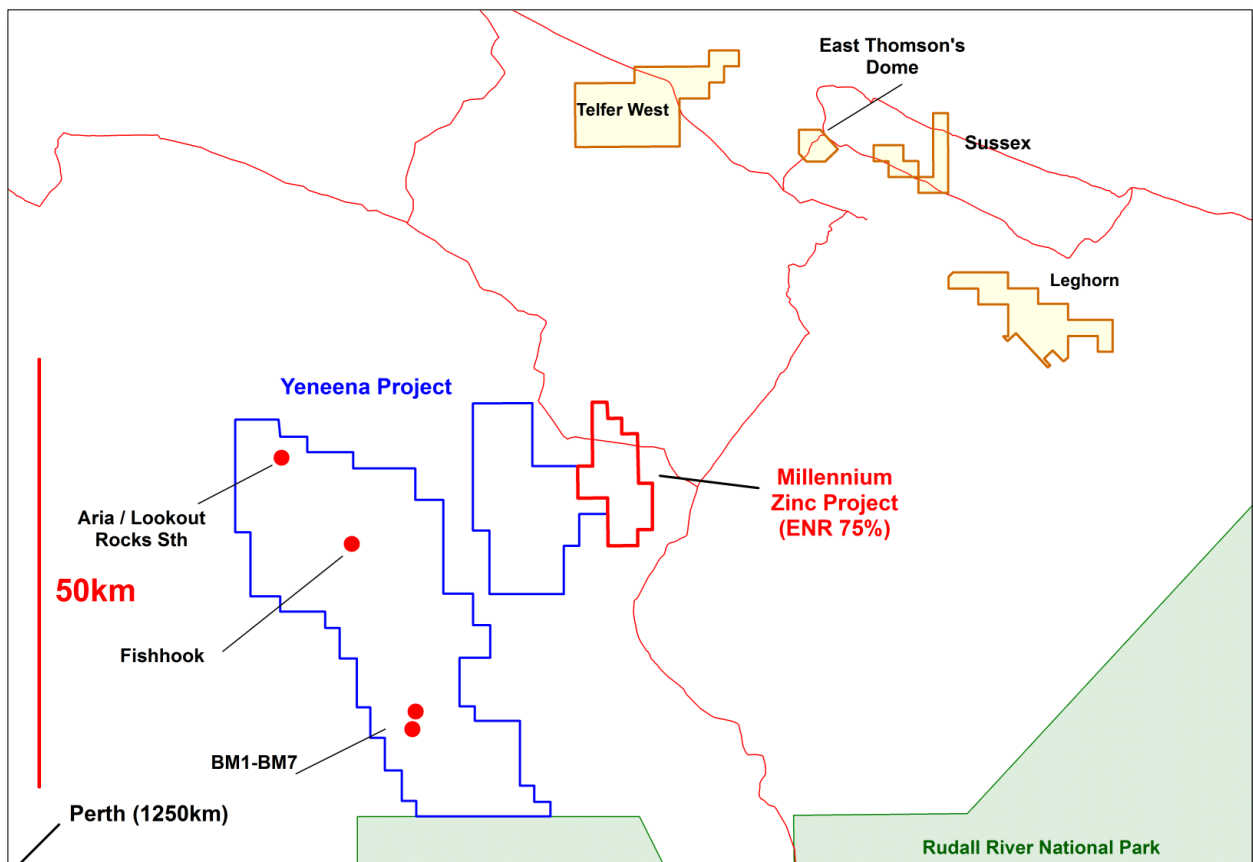


Figure 15: Yeneena and Telfer region tenements

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 is 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 (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. 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).

A two RC hole drill test of an ironstone/gossan at Lookout Rocks was completed in June 2018. These drill holes intersected low level copper anomalism within the regolith and an interpreted shear zone at depth. The faulted position is currently being assessed to determine future exploration plans.

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

CORPORATE

Encounter held cash reserves of approximately \$2.9 million at 30 June 2018 and holds listed investments (HHM shares) currently valued at approximately \$0.9 million.

During the quarter Encounter successfully undertook a share placement of approximately 46 million ordinary fully paid shares at \$0.06 each to raise approximately A\$2.75 million before costs

The project generation alliance with Newcrest Mining Limited (ASX: NCM) was extended for a further 12 months. The initial 12 month period of the project generation alliance commenced in July 2017. This alliance was highly successful and led to the creation of five separate unincorporated joint ventures between Newcrest and Encounter, covering a total of 4,400km² of the Tanami Gold Province and West Arunta in Western Australia.

Encounter was successful in its application for the Federal Government Junior Mineral Exploration Incentive (JMEI) up to of \$1.24 million of 2018/19 company tax loses that may be distributed to incoming shareholders in a future capital raising.

NEXT QUARTER HIGHLIGHTS

Activities planned for the September 2018 quarter include:

Paterson Province Gold Projects (100% Encounter)

- RC/diamond drilling targeting high grade extensions to gold mineralisation intersected (4m @ 18g/t Au from 8m) (refer ASX release 18 July 2018) at the N31 reef at East Thomson's Dome
- Two diamond holes are planned Telfer West. A single 550m deep hole will be drilled from the footwall of the stockwork zone and drill below a broad zone of stockwork style veining and associated sulphide mineralization intersected in ETG0002 (including 39m @ 1 g/t Au from 333m and 36m @ 0.6g/t from 396m) (refer ASX release 19 January 2017). A second hole is planned to extend RC hole ETG0094 another 150m to test the north plunging shoot trend.

Tanami and West Arunta Projects (50:50 Encounter-Newcrest JV)

- Continue interpretation of historical exploration and drill target prioritisation process
- Finalise land access and heritage agreement negotiations
- Tenement applications are expected to be granted over the next few months with field exploration activities to commence shortly thereafter.

Laverton Tectonic Zone Projects (100% Encounter)

- Completion of an initial surface geochemical program at Nazare to assist in drill program design
- Compilation and interpretation of historical exploration along with target generation and prioritisation.

Newcrest/Encounter - Project Generation Alliance

- Target generation activities to continue.

TENEMENT INFORMATION (granted tenure)

Lease	Location	Project Name	Area km ²	Interest at start of quarter (01/04/2018)	Interest at end of quarter (30/06/2018)
E28/2709	147km ENE of Kalgoorlie	Rebecca	97.7	100%	100%
E45/2500	266km NE of Newman	Millennium – Hampton Earning-in*	107.3	75-100%	75-100%
E45/2501	277km NE of Newman	Millennium – Hampton Earning-in	19.1	75%	75%
E45/2502	261km NE of Newman	Paterson	117.8	100%	100%
E45/2561	276km NE of Newman	Millennium – Hampton Earning-in	51.0	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%
E45/3768	241km NE of Newman	Lookout Rocks / Fishhook	149.7	100%	100%
E45/4899	315km NE of Newman	Leghorn	75.6	100%	100%
E45/4613	300km NE of Newman	Telfer West	121.4	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	100%	100%
E45/4757	325km NE of Newman	Sussex	1.9	100%	100%
E45/4758	325km NE of Newman	Sussex	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	
ABN	Quarter ended ("current quarter")
47 109 815 796	30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(340)	(3,988)
(b) development	-	-
(c) production	-	-
(d) staff costs	(33)	(230)
(e) administration and corporate costs	(79)	(452)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	20
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	128
1.8 Other – EIS Co-funded drilling grant	46	385
1.9 Net cash from / (used in) operating activities	(405)	(4,137)

+ See chapter 19 for defined terms.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	(5)
	(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
	(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	-	491
2.6	Net cash from / (used in) investing activities	-	492
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	2,781	2,960
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	(81)	(86)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-

+ See chapter 19 for defined terms.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,700	2,874

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	565	3,631
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(405)	(4,137)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	492
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,700	2,874
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,860	2,860

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	2,786	491
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)	2,860	565

+ See chapter 19 for defined terms.

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	108
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

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	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

+ See chapter 19 for defined terms.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	400
9.2 Development	-
9.3 Production	-
9.4 Staff costs	100
9.5 Administration and corporate costs	150
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	650

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		nil		
10.2 Interests in mining tenements and petroleum tenements acquired or increased		nil		

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: 31 July 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.

+ See chapter 19 for defined terms.

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.