

5 May 2017

Company Announcements Office  
Australian Securities Exchange  
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Sydney NSW 2000

## **Large Scale Gold Soil Anomaly (+2km) at East Thomson's Dome**

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- **East Thomson's Dome is a high grade gold exploration opportunity located 5km north west of Telfer**
- **Regional soil geochemistry has identified a large scale (+2km) gold anomaly adjacent to historical gold occurrences adding scale potential to the project.**
- **Surface prospecting has also found gold nuggets interpreted to be shedding from nearby outcropping quartz veins at East Thomson's**
- **Historical shallow exploration in the 1990s on one of the reefs discovered high grade gold including intersections (refer ASX release 14 February 2017):**
  - **4m @ 29 g/t Au from 31m in NTR 5**
  - **2m @ 33 g/t Au from 22m in NTR 12**
  - **10m @ 9.8 g/t Au from 16m in NTR 17 incl. 2m @ 45.8 g/t Au from 20m**
  - **2m @ 76.2 g/t Au from 35m in NTR 57**
  - **7m @ 17.1 g/t Au from 16m in NTR 61 incl. 3m @ 37.6 g/t Au from 19m**
- **Additional high grade reefs have been identified that remain open down dip and along strike**
- **RC/diamond drill program at East Thomson's to commence in June 2017 immediately following the next phase of drilling at Telfer West**

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The directors of Encounter Resources Ltd ("**Encounter**" or "**the Company**") are pleased to report that its review of historical exploration data from East Thomson's Dome project ("**East Thomson's**") has confirmed a high grade exploration opportunity located just 5km from the major gold-copper mine at Telfer (Figure 2).

### **Regional geochemistry and surface prospecting validate project potential**

A review of historical soil geochemical surveys compiled by Barrick Gold Corporation ("**Barrick**") has confirmed a large (+2km long) and coherent gold anomaly adjacent to the historical gold occurrences at the Fold Closure prospect at East Thomson's. This soil geochemistry confirms the potential for lateral extensions to the high grade gold reefs identified at the Fold Closure and upgrades the scale potential of the East Thomson's Project (see Figure 1).

In addition, a small surface prospecting exercise at East Thomson's over an untested outcropping quartz reef has yielded gold nuggets that are interpreted to be the shedding from the nearby quartz reefs (Photo 1). The identification of additional gold bearing reefs at East

Thomson's further supports the potential of the project to generate multiple high grade, near surface, gold targets.

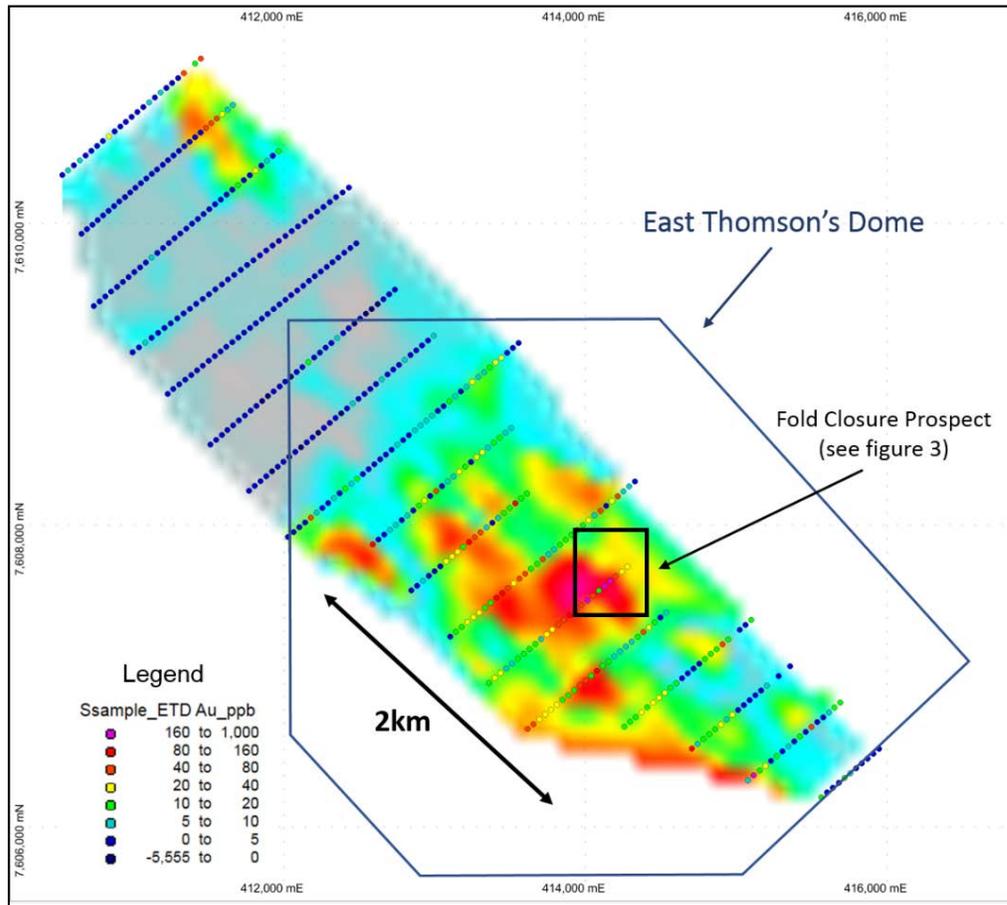


Figure 1: Regional soil Geochemistry the East Thomson's Dome identifying +2km gold anomaly



Photo 1: Gold Nuggets prospected March 2017 – Fold Closure Prospect, East Thomson's Dome

## Background

The domal structure at East Thomson's has a core of Telfer Formation sediments with the fold axis trending WNW. This geological setting is similar to the setting of the high grade reefs at Newcrest's Telfer Gold Copper mine.

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

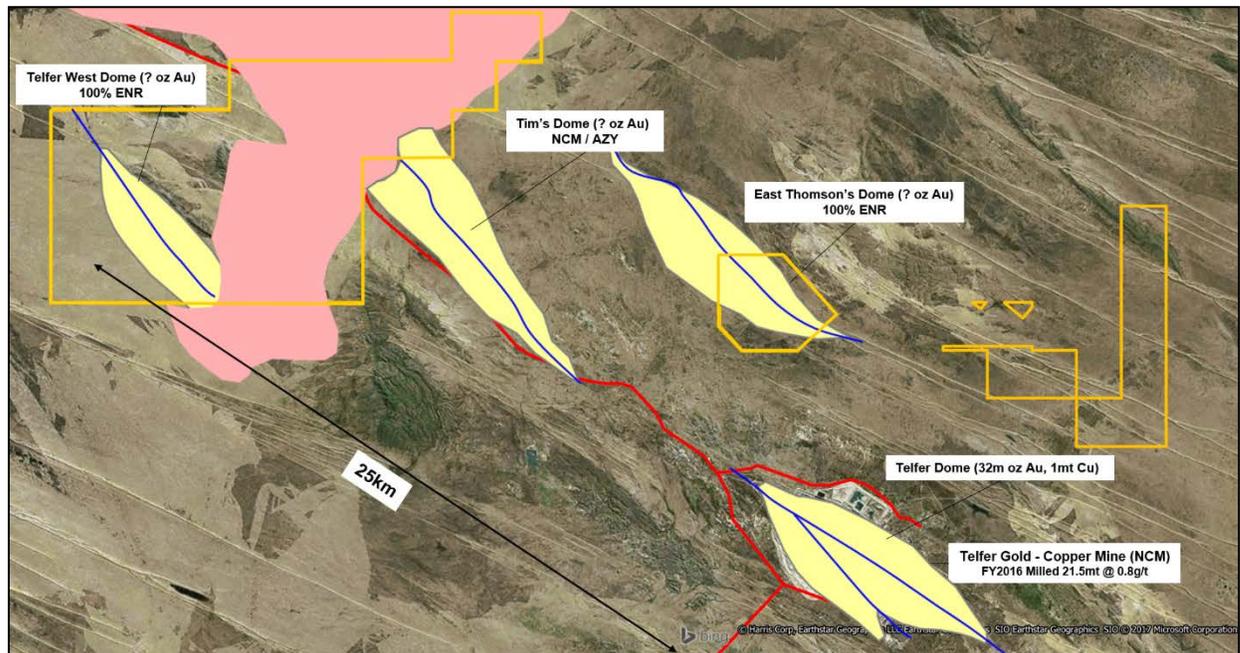


Figure 2: Telfer Region Gold Projects. Interpreted mineralised domes and location map – Landsat background

Historical shallow exploration in the 1990s discovered shallow, high grade gold in a quartz reef at the Fold Closure Prospect at East Thomson's Dome. The Fold Closure prospect is an area 600m by 500m located in the centre of East Thomson's (see Figures 1 and 3).

Drilling at the Fold Closure Prospect focused on a high grade reef orientated perpendicular to the axis of the East Thomson's Dome. The reef has been drilled to a depth of approximately 50m and remains open down dip and along strike (refer ASX release 14 February 2017). A total of 107 holes have been drilled in and around the Fold Closure prospect with only 2 of these holes being diamond holes and only 6 holes in total exceeding 100m downhole depth (see Figure 7). The average depth of the drilling at the Fold Closure, excluding the 6 deepest holes, is 34m.

The most recent drilling at East Thomson's was conducted by Barrick in 2005. Barrick's DDH at the Fold Closure returned 3m @ 8.3 g/t Au from 243m in a quartz reef that is interpreted to strike parallel to the fold axis and remains open in all directions (see Figure 3). A prospecting program completed in March 2017 focused on an outcropping quartz vein located 300m south-east of the Barrick DDH. This surface quartz vein is interpreted to be the outcropping position of the gold bearing quartz reef drilled by Barrick. The identification of gold nuggets in the vicinity of the outcropping vein indicates the potential for a significant strike length of this high grade vein.

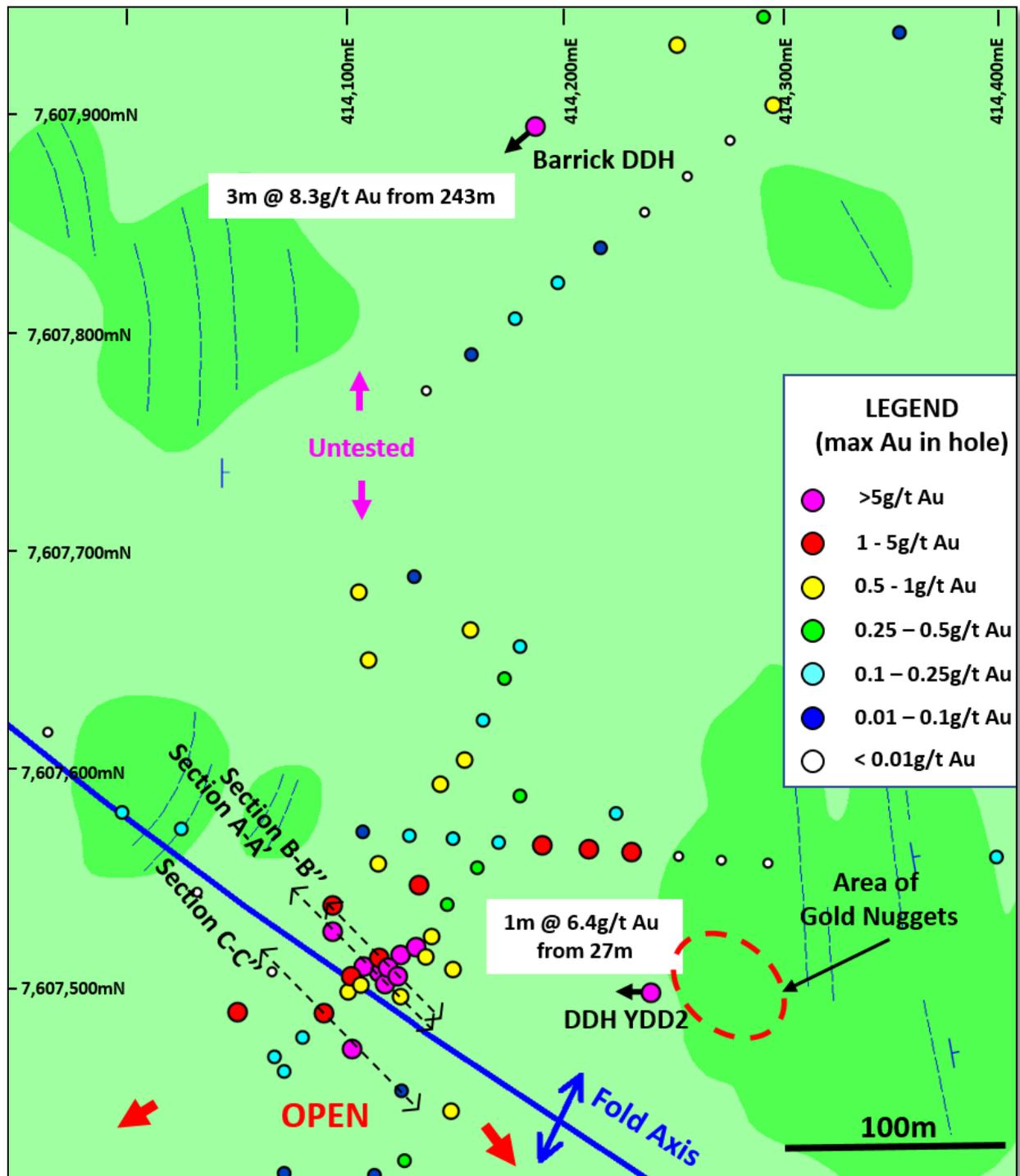


Figure 3: Fold Closure Prospect (East Thomson's Dome): Maximum gold in hole plot on surface geology (darker green = outcropping sediments, lighter green = sediment float / cover)

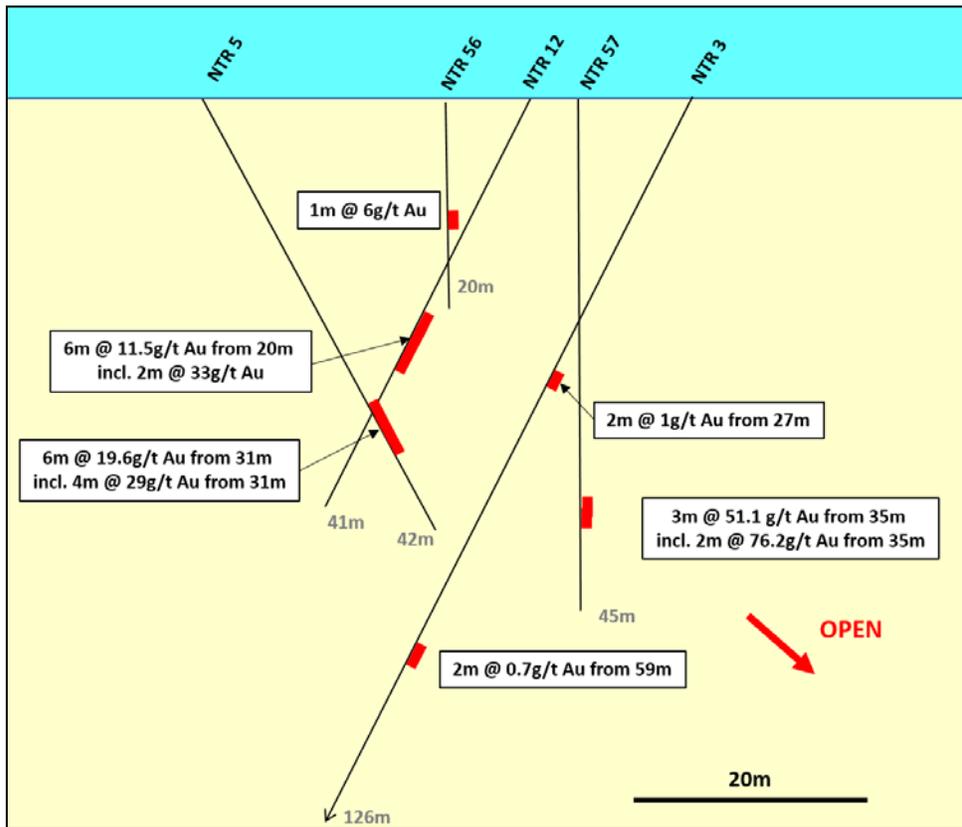


Figure 4: Schematic cross section A-A' high grade area, Fold Closure Prospect (Horizontal: Vertical scale = 1:1)

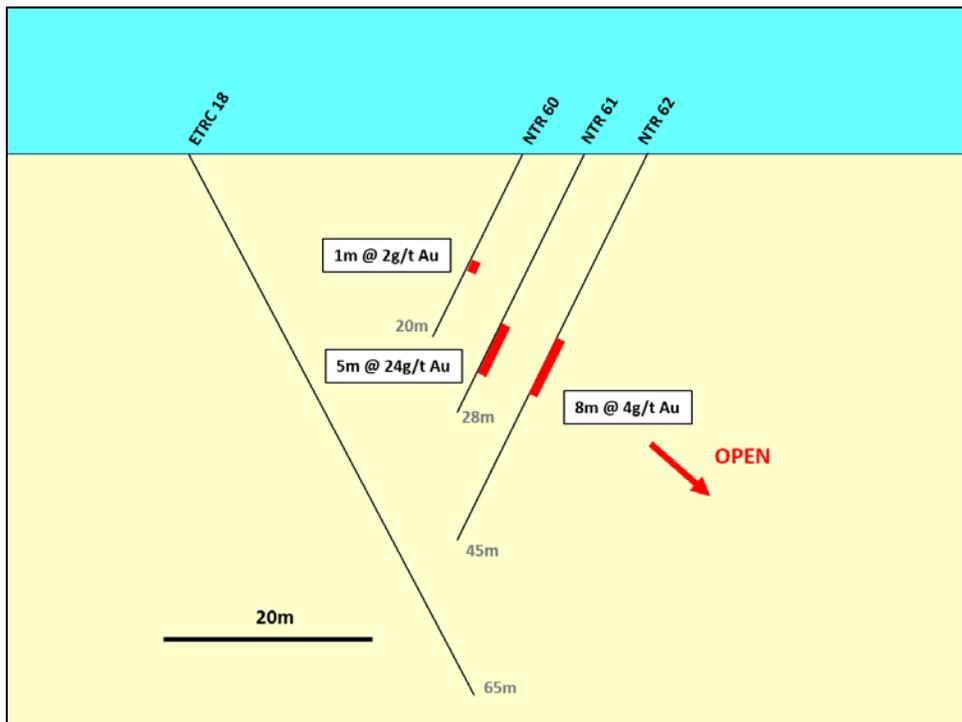


Figure 5: Schematic cross section B-B' high grade area, Fold Closure Prospect (Horizontal: Vertical scale = 1:1)

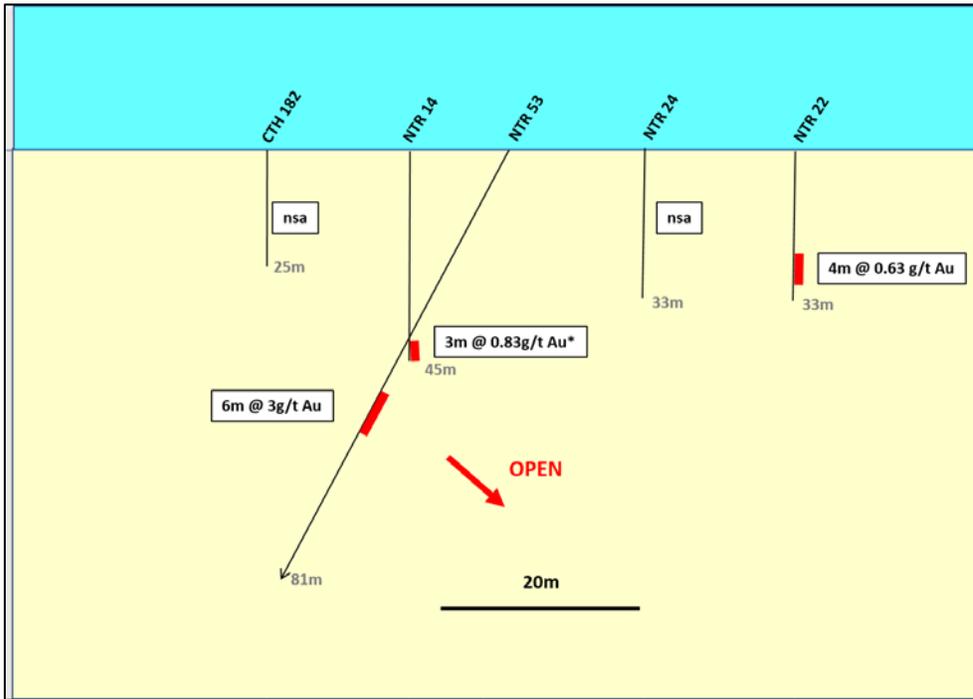


Figure 6: Schematic cross section C-C'' high grade area, Fold Closure Prospect (Horizontal: Vertical scale = 1:1)

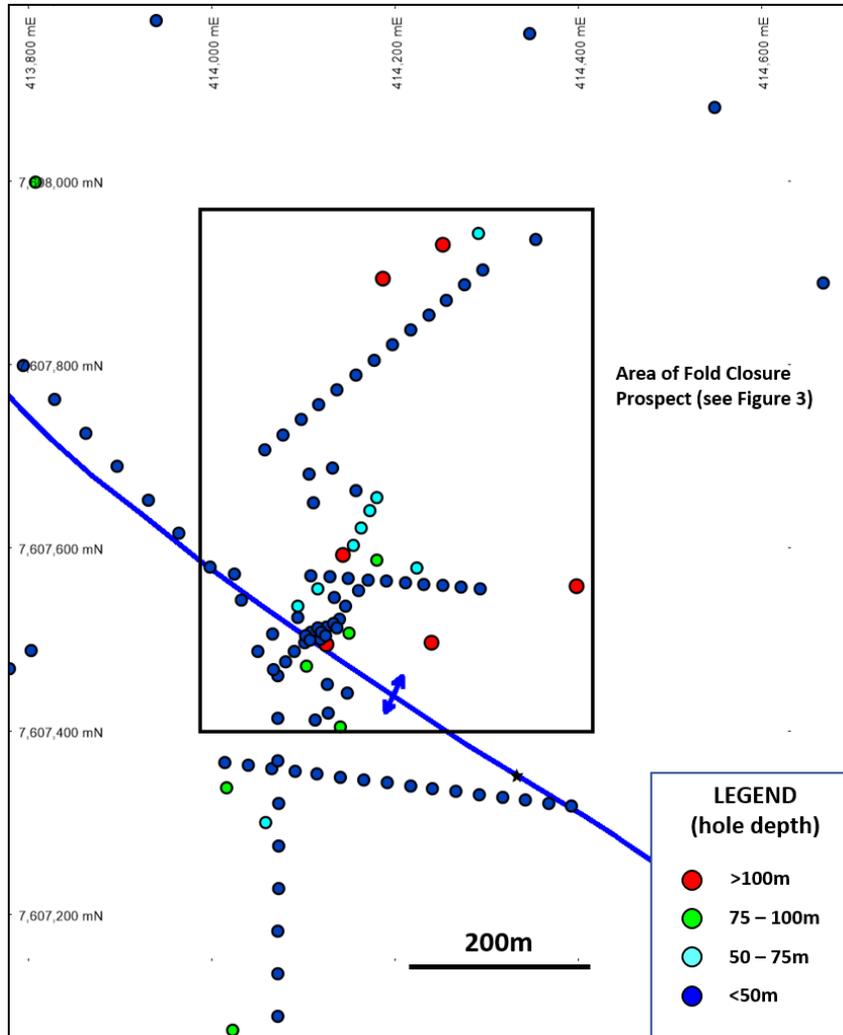


Figure 7: Drill collar file - Fold Closure Prospect. Holes coloured by depth of hole

### **Upcoming Exploration**

East Thomson's high grade, quartz reef mineralisation is similar to the upper reefs at Telfer. Given the geological context, the limited depth extent of previous exploration and location of the opportunity, drilling will commence as soon as possible.

Upcoming drilling will focus on finding extensions to the high grade reef style mineralisation at the Fold Closure and assess how these near surface mineralised reefs fit into a potential larger mineral system. This program will involve a series of RC drill traverses and some diamond drilling to confirm the orientation the mineralised reef.

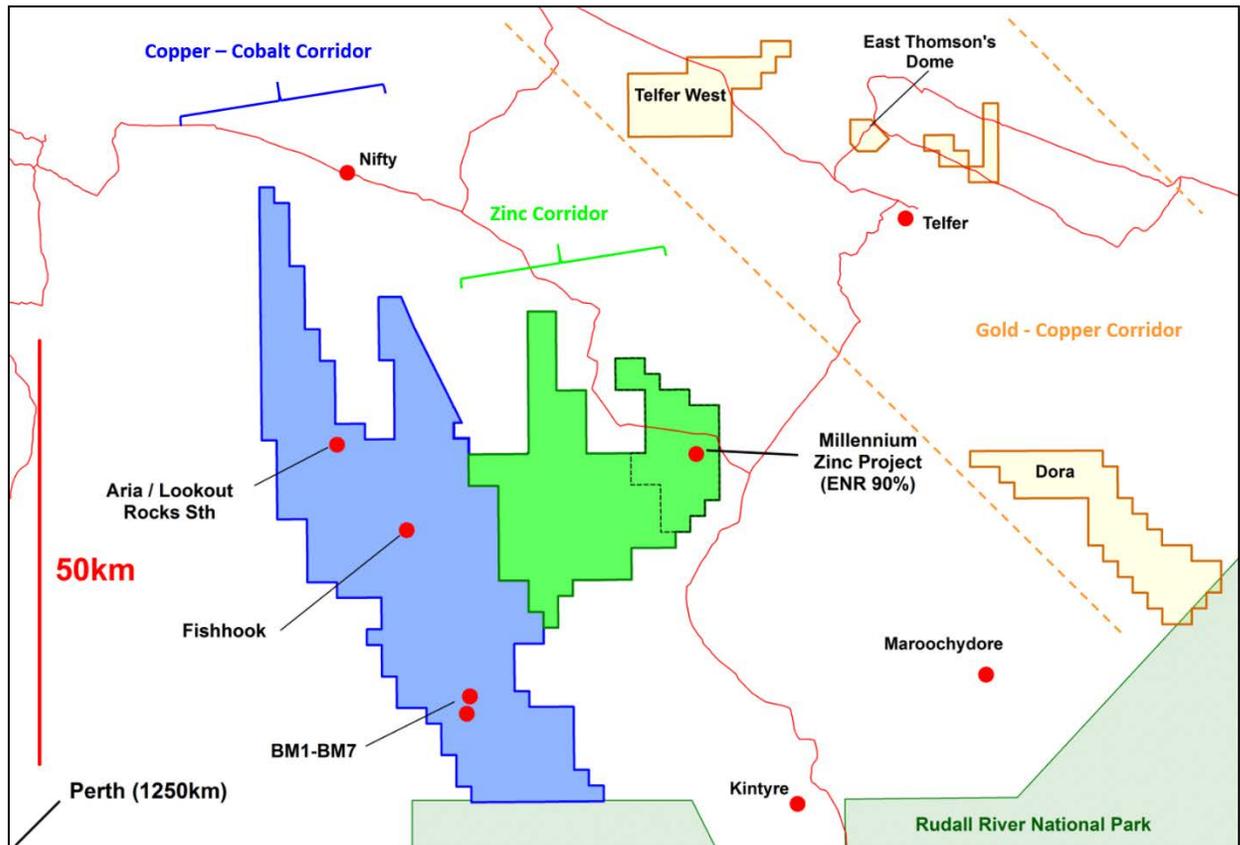
A second focus will be to follow up the diamond hole drilled by Barrick that contained an intersection of 3m @ 8.3g/t gold from 243m. Drilling will seek to establish continuity of this quartz lode and will endeavour to confirm the relationship between the quartz reef intersected in this drill hole and the high grade reef to the south-east.

Drilling will also be undertaken on the broader domal structure at East Thomson's where the fold nose of the dome of prospective stratigraphy extends under cover and is largely untested. The potential for stockwork style mineralisation at depth will also be assessed.

Drilling at East Thomson's is planned to commence in June 2017 following the planned drilling program at recent gold discovery made at Telfer West.

## Location Plan

Encounter holds exploration tenure over 2,000km<sup>2</sup> of the Paterson Province in Western Australia, with the main Yeneena project located 35km SE of the Nifty copper mine and 40km SW of the Telfer gold-copper mine (Figure 8). The targets identified in the Paterson are located adjacent to major regional faults and have been identified through electromagnetics, geochemistry and structural targeting. Encounter is actively exploring for copper-cobalt and zinc-lead deposits at the Yeneena as well as gold-copper deposits in the Telfer region.



**Figure 8: Yeneena region leasing and targets areas**

*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
<b>Sampling techniques</b>	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	Soil sampling at the Fold Closure prospect at East Thomson's Dome was sampled by Cove Mining in the 1980s.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	The historical geochemical information for the project was compiled by Barrick in 2004. Sample location accuracy in the historic database is expected to be in the order of +/- 25m.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information</i>	Soil samples referred to in this announcement were collected by Cove Mining. Information on the sample analysis and preparation was not found in the historic reports.
<b>Drilling techniques</b>	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	New data reported in this announcement relates to historic soil sample results and is therefore not applicable.
<b>Drill sample recovery</b>	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	New data reported in this announcement relates to historic soil sample results and is therefore not applicable.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	New data reported in this announcement relates to historic soil sample results and is therefore not applicable.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	New data reported in this announcement relates to historic soil sample results and is therefore not applicable.

<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
<b>Logging</b>	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	New data reported in this announcement relates to historic soil sample results and is therefore not applicable.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	New data reported in this announcement relates to historic soil sample results and is therefore not applicable.
	<i>The total length and percentage of the relevant intersections logged</i>	New data reported in this announcement relates to historic soil sample results and is therefore not applicable.
<b>Sub-sampling techniques and sample preparation</b>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	New data reported in this announcement relates to historic soil sample results and is therefore not applicable.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	New data reported in this announcement relates to historic soil sample results and is therefore not applicable.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Unable to verify from historical geological reports.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Unable to determine from historical reports.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Unable to determine from historical reports.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Soil samples referred to in this announcement were collected by Cove Mining. Information on the sample analysis and preparation was not found in the historic reports.
<b>Quality of assay data and laboratory tests</b>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	No information is available in the historic reports on the nature of the assaying completed.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	No Geophysical tools used.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	No information is available in the historic reports on laboratory QAQC procedures.

<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
<b>Verification of sampling and assaying</b>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	New data reported in this announcement relates to historic soil sample results and is therefore not applicable.
	<i>The use of twinned holes.</i>	New data reported in this announcement relates to historic soil sample results and is therefore not applicable.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Primary data for the soil sampling at the East Thomson's Dome project was collated from historical WAMEX reports by Barrick.
	<i>Discuss any adjustment to assay data.</i>	No adjustments or calibrations are made to any assay data from East Thomson's Dome.
<b>Location of data points</b>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	The nature of the surveying systems used to locate the soil samples could not be determined from the historic records. It is estimated that the sample accuracy is in the order of +/-25m
	<i>Specification of the grid system used.</i>	The grid system used is MGA_GDA94, zone 51.
	<i>Quality and adequacy of topographic control.</i>	Estimated RLs were assigned using regional topographic information.
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	New data reported in this announcement relates to historic soil sample results and is therefore not applicable.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Not applicable for the reporting of soil sampling results.
	<i>Whether sample compositing has been applied.</i>	Not applicable for the reporting of soil sampling results.
<b>Orientation of data in relation to geological structure</b>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	N/A – this is early stage drilling and the orientation of sampling to the mineralisation is not known.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	This is early stage drilling and the orientation of sampling to the mineralisation is not known.
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	The chain of custody of the samples taken was not detailed in the historic report.
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No QAQC or sample audit information was not found in the historic WAMEX reports.

## SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties including joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	<p>The East Thomson's Dome project is located within the tenements E45/3446, P45/2750-2 which is 100% held by Hamelin Resources Pty Ltd, a 100% owned subsidiary of Encounter.</p> <p>These tenements are contained completely within land where the Martu People have been determined to hold native title rights.</p> <p>No historical or environmentally sensitive sites have been identified in the area of work.</p>
<b>Exploration done by other parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>The East Thomson's Dome Area has been exposed to more than 30 years of gold and base metal exploration since the early 1970's. Companies that have previously held the ground or been involved in joint ventures include Newmont Australia Ltd, Newcrest Mining Ltd, Duval Mining Australia Ltd, Geopeko Ltd, Marathon Petroleum Pty Ltd, Western Mining Corporation, MIM Exploration Pty Ltd, Mount Burgess Mining NL, BHP Minerals Pty Ltd, Cove Mining NL and various other smaller companies and individuals.</p> <p>Previous exploration activities have included, geochemical lag and soil sampling, geological mapping, 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).</p>
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation</i>	<p>The East Thomson's Dome project is situated in the Proterozoic Paterson Province of Western Australia. A simplified geological interpretation shows a domal feature with Malu Formation in the core of the fold being overlain by the Telfer Formation forming the uppermost unit.</p> <p>East Thomson's Dome project is considered prospective for sediment – hosted 'Telfer style' gold-copper mineralisation.</p>
<b>Drill hole information</b>	<p><i>A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> <li>• <i>Easting and northing of the drill hole collar</i></li> <li>• <i>Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar</i></li> <li>• <i>Dip and azimuth of the hole</i></li> <li>• <i>Down hole length and interception depth</i></li> <li>• <i>Hole length</i></li> </ul>	<p>Not applicable for the reporting of soil sampling results.</p>
<b>Data aggregation</b>	<i>In reporting Exploration Results, weighting</i>	No upper cuts or averaging was applied to the soil

<b>methods</b>	<i>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.</i>	sample results.
	<i>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.</i>	Not applicable.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalents have been reported in this announcement.

<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
<b>Relationship between mineralisation widths and intercept lengths</b>	<i>These relationships are particularly important in the reporting of exploration results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	Not applicable for the reporting of soil sampling results.
<b>Diagrams</b>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plane view of drill hole collar locations and appropriate sectional views.</i>	Refer to body of this announcement.
<b>Balanced Reporting</b>	<i>Where comprehensive reporting of all Exploration Results is not practical, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	Not applicable for the reporting of soil sampling results.
<b>Other substantive exploration data</b>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observation; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	All meaningful and material information has been included in the body of the text. No metallurgical or mineralogical assessments have been completed.
<b>Further Work</b>	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large – scale step – out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	The next phase of exploration at the Fold Closure prospect will drill test for lateral and down dip extensions to the areas of high grade gold mineralisation within the area of the defined soil anomaly.