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Company Announcements Office
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High Grade Gold in First Assays from East Thomson's

- **Assay results have been received for the first three RC holes of the recently completed 18 hole RC drill program at East Thomson's Dome (ETD) designed to test the eastern half of a large (2km long) coincident gold-copper soil geochemical anomaly**
- **RC hole ETG0045 contained a near end of hole intersection of:**
 - **2m @ 26g/t gold from 178m, part of 6m @ 9g/t gold from 178m to end of hole**
- **The high grade gold discovered in ETG0045 is contained within oxidized sediments and is associated with quartz veining**
- **ETG0045 is located over 400m north-west of the historical shallow high grade gold drill intersections at ETD (refer ASX release 14 February 2017), which included:**
 - **4m @ 29 g/t Au from 31m in NTR 5**
 - **2m @ 33 g/t Au from 22m in NTR 12**
 - **2m @ 76g/t Au from 35m in NTR 57**
- **Assays from the other two holes received to date also contain highly anomalous gold results**
- **The remainder of the assays from the RC and diamond drill program at ETD are expected within the next six weeks**
- **A diamond rig will commence a diamond tail to extend ETG0045 next week**

The directors of Encounter Resources Ltd ("Encounter") are pleased to announce that first assay results from the recent RC drill program at East Thomson's Dome ("ETD") contain high grade gold mineralisation.

The first RC drill program at ETD completed six drill sections spaced between 200m and 800m apart. This 18 hole program was designed to provide an initial drill test of the eastern half of a large (+2km long) gold soil geochemical anomaly identified at ETD and also provide the first drilling along the interpreted fold axis of the dome as it extends to the south-east.

Commenting on the high grade result, Encounter Managing Director Will Robinson said:

"Intersecting high grade gold in the first drill line of our first RC drill program is a very promising start to drilling at East Thomson's. This program is designed to test part of a 2km long coincident gold-copper soil anomaly located on a large dome located just 5km from the Telfer gold-copper mine. It appears that much of the shallow historical exploration may have been ineffective and we believe there is potential for a larger picture to emerge here as we progress the drill program."

Discussion and interpretation of results

Assay results from the first three holes of the 18 hole RC program have been received. All three holes on the first line of RC drilling (200m spaced holes) contain highly elevated gold at similar depths including:

- ETG0044 intersected 16m @ 0.6g/t gold from 154m
- ETG0045 finished in 6m @ 9g/t gold from 178m to EOH incl. 2m @ 26g/t gold from 178m
- ETG0046 ended in 8m @ 0.3g/t gold from 140m including 2m at 0.5g/t at EOH

The high grade gold intersection in ETG0045 is contained within oxidized sediments and is associated with quartz veining. The weathering profile drilled at ETD is anomalously deep with complete oxidation of sulphides at depths in excess of 150m. This deep weathering is likely to be the result of aggressive oxidation of a broad, structurally deformed and altered zone containing sulphides. The Company believes the deep weathering profile and potential leaching of the oxidized sediments may mean much of the shallow historical drilling was ineffective.

ETG0045 is located 400m north-west of the historical shallow drilling at the Fold Closure prospect completed in the 1990s. This historical program focused on an outcropping reef that intersected near surface gold including (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

A diamond rig will commence a diamond tail to extend ETG0045 next week. This drilling will test for continuation of the end of hole high grade gold intersected in ETG0045, test the down dip position of the end of hole gold intersected in ETG0046 and provide information on the base of oxidation to assist with design of future RC drill programs.

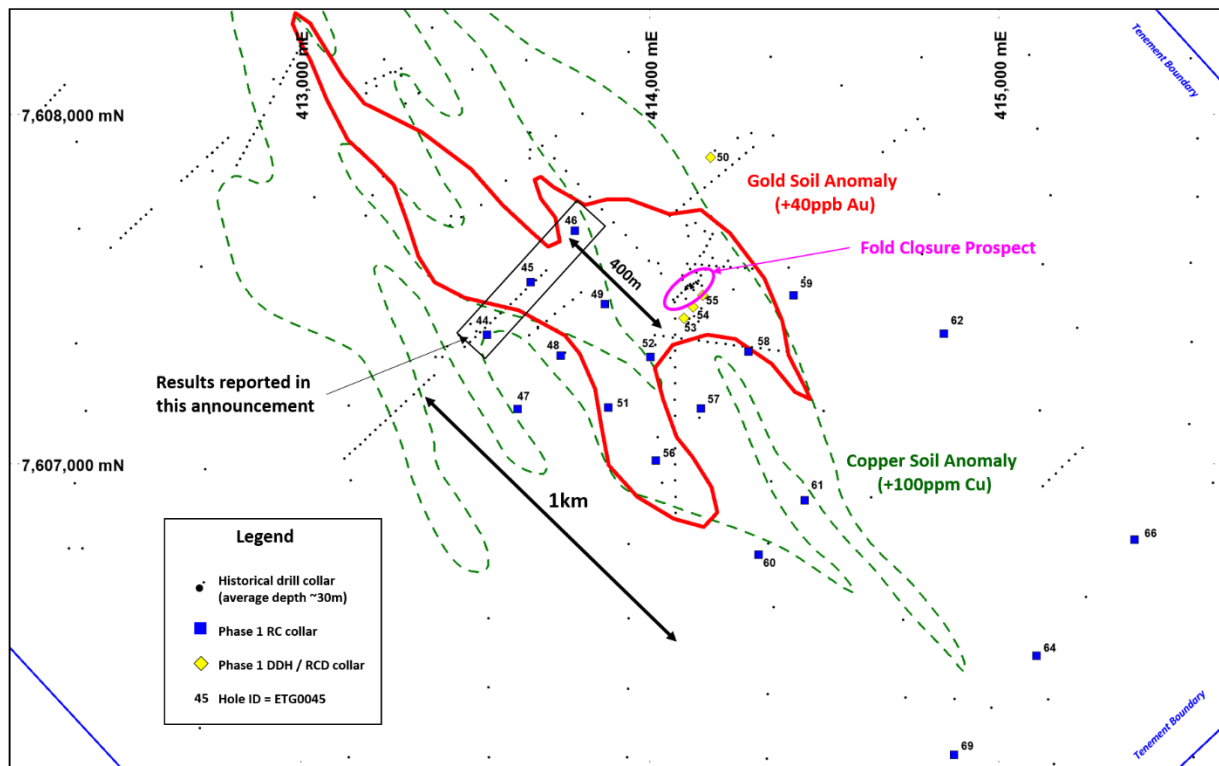


Figure 1: East Thomson's Dome drill status plan and geochemical summary.

Hole_ID	Hole Type	Northing (m)	Easting (m)	RL (m)	EOH(m)	Dip	Azi
ETG0044	RC	7607379	413503	290	208	-60	40.0
ETG0045	RC	7607520	413660	293	184	-61	40.0
ETG0046	RC	7607669	413784	293	148	-60	40.0
ETG0047	RC	7607161	413614	298	160	-61	40.0
ETG0048	RC	7607318	413757	291	202	-60	40.0
ETG0049	RC	7607459	413871	292	202	-60	40.0
ETG0050	RCD	7607876	414176	305	375.6	-60	220.0
ETG0051	RC	7607158	413890	294	220	-61	40.0
ETG0052	RC	7607302	414004	296	214	-60	40.0
ETG0053	DDH	7607404	414110	305	130	-60	310.0
ETG0054	DDH	7607445	414131	305	130	-60	310.0
ETG0055	DDH	7607475	414160	305	100	-60	310.0
ETG0056	RC	7607008	414021	294	154	-60	40.0
ETG0057	RC	7607132	414142	300	214	-61	40.0
ETG0058	RC	7607322	414279	313	208	-60	220.0
ETG0059	RC	7607534	414443	339	196	-60	220.0
ETG0060	RC	7606741	414318	340	214	-60	40.0
ETG0061	RC	7606896	414444	299	184	60	40.0
ETG0062	RC	7607370	414834	331	196	-60	220.0
ETG0063	RC	7606302	414979	305	150	-60	40.0
ETG0064	RC	7606451	415108	302	208	-61	40.0
ETG0065	RC	7606619	415249	305	150	-60	220.0
ETG0066	RC	7606780	415390	302	196	-60	220.0
ETG0069	RC	7606170	414865	300	208	-61	40

Table 1: Phase 1 RC drill hole collar locations – East Thomson's Dome

Estimated drill hole coordinates GDA94 zone 51 datum. Collars positioned via handheld GPS (+/-5m),

EOH = End of hole depth; m=metre; azi=azimuth. Drill Type; RC = Reverse Circulation, DDH = Diamond Drill Hole, RCD = RC precollared DDH

Hole ID	From (m)	To (m)	Length (m)	Gold g/t	Cu (ppm)
ETG0044	0	4	4	0.69	209
and	10	16	6	0.17	354
and	30	32	2	0.15	354
and	64	66	2	0.6	670
and	70	72	2	0.31	732
and	86	88	2	0.19	686
and	104	106	2	0.11	564
and	140	144	4	0.12	195
and	154	170	16	0.57	276
and	200	202	2	0.26	200
and	206	208*	2	0.12	358
ETG0045	2	4	2	0.1	184
and	84	112	28	0.19	304
and	122	124	2	0.15	294
and	138	140	2	0.12	370

and	146	148	2	0.23	162
and	156	158	2	0.12	280
and	160	162	2	0.2	590
and	178	184*	6	8.99	642
incl.	178	182	4	13.39	484
incl	178	180	2	25.5	484
ETG0046	10	12	2	0.10	204
and	38	44	6	0.11	353
and	50	52	2	0.14	168
and	54	56	2	0.1	206
and	72	74	2	0.1	322
and	102	104	2	0.17	184
and	140	148*	8	0.28	452

Table 2: RC drilling assay results – East Thomson’s Dome (ETG0044 to ETG0046 only)

*Intervals are calculated with a lower cut-off of 0.1g/t with some narrow internal zones less than 0.1g/t included. Internal higher grade intervals calculated at a 1g/t Au lower cut-off. * Denotes End of Hole intersection*

Background

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

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

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

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

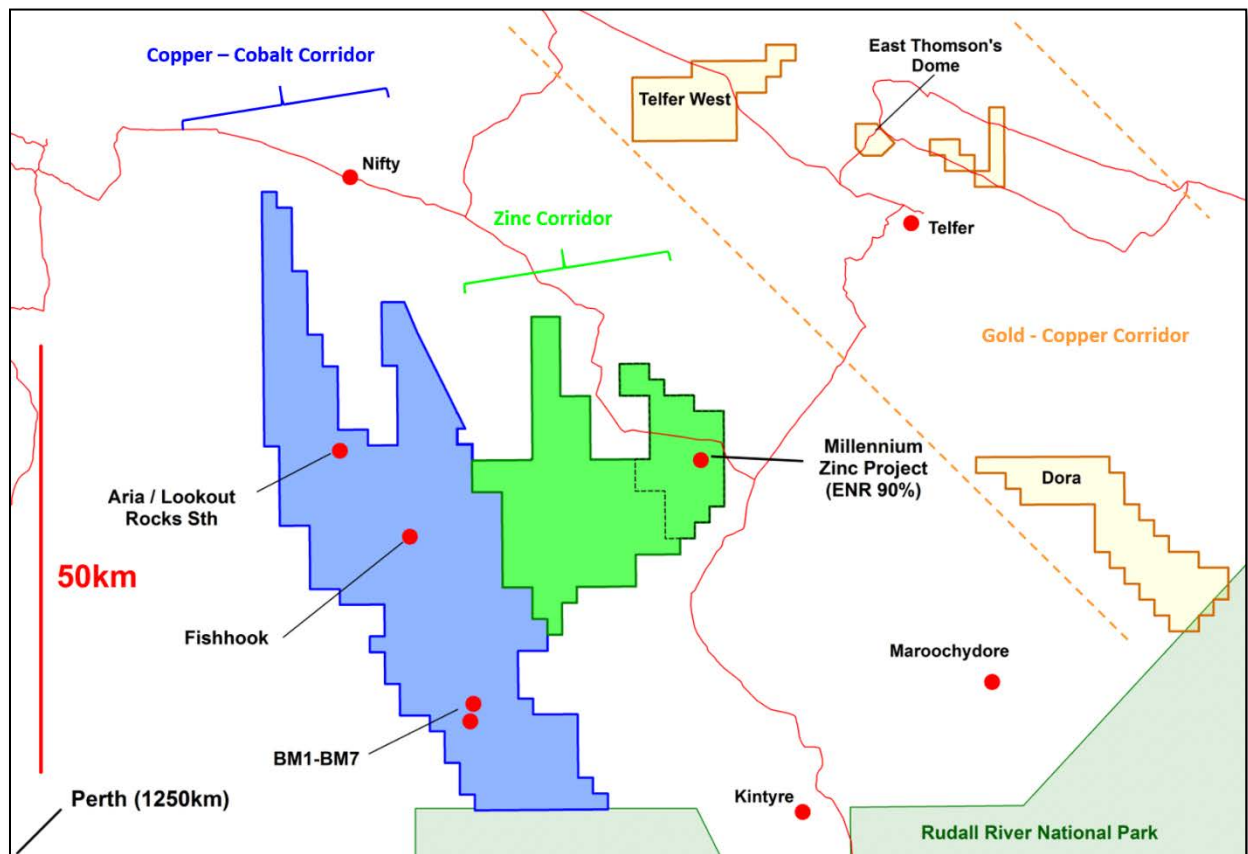


Figure 2: Yeneena region leasing and targets areas

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
Sampling techniques	<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>	East Thomson's Dome was sampled by Encounter using RC and diamond drilling. A 22 hole program has been completed for a total of 3,816m of RC drilling and 735.6m of diamond drilling. The exploration RC holes were on six separate 200m to 800m spaced sections. Three of the four diamond holes were drilled 40m apart at the Fold Closure prospect whilst the fourth hole was a single hole drilled 450m north of the Fold Closure.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	Drill hole collar locations were recorded by handheld GPS, which has an estimated accuracy of +/- 5m.
	<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>	Reverse circulation drilling was used to obtain 3-4 kg samples every 1m downhole and composited into 2m samples. Diamond drill core samples were half core samples of HQ and NQ sized core. 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	<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>	Results reported in this announcement refer to samples from RC and diamond drilling. The RC holes were drilled using 5 1/4" face sampling hammer and the diamond drilling was either HQ or NQ in size. Diamond drill core is orientated using a Reflex ACT3 tool.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	RC Sample recoveries were estimated as a percentage and recorded by Encounter field staff and sections of lost core were noted by the diamond drillers.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	Driller's used appropriate measures to minimise down-hole and/or cross – hole contamination in RC drilling.
	<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>	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	<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>	Geological logging is currently being completed on all drill holes, with lithology, alteration, mineralisation, structure and veining recorded.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Geological logging is qualitative in nature and records interpreted lithology, alteration, mineralisation, structure, veining and other features of the samples and core.
	<i>The total length and percentage of the relevant intersections logged</i>	All drill holes will be logged in full by Encounter geologists.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Samples submitted from the diamond drill holes were half core
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	RC samples were collected on the rig using a cone splitter. Samples were recorded as being dry, moist or wet by Encounter field staff.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Sample preparation was completed at Bureau Veritas Minerals Pty Ltd Laboratories in Perth. Samples were dried, crushed, pulverised (90% passing at a $\leq 75\mu\text{m}$ size fraction) and split into a sub – sample that was analysed using fire assay and a 4 acid digest with an ICP – OES and ICP – MS finish.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Field QC procedures involve the use of commercial certified reference materials (CRMs) and in house blanks. The insertion rate of these will be at an average of 1:33.
	<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>	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.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The sample sizes are considered appropriate to give an accurate indication of the mineralisation at East Thomson's Dome.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	The sample(s) for ICP analysis have been digested and refluxed with a mixture of acids including Hydrofluoric, Nitric, Hydrochloric and Perchloric Acids. This extended digest approaches a Total digest for many elements however some refractory minerals are not completely attacked. Analytical methods used will be ICP – OES (Cu, Fe, K, Mg, Mn, Ni, P, S, Sc, Ti and Zn) and ICP – MS (Ag, As, Bi, Co, Mo, Pb, Sb, Sn, Te, W and Zr). Au, Pt and Pd were determined via Fire Assay.
	<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>	na
	<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>	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	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The intersections included in this report have been verified by Sarah James (Senior Exploration Geologist)
	<i>The use of twinned holes.</i>	No twinned holes have been drilled.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Primary data is collected for East Thomson's Dome 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.
	<i>Discuss any adjustment to assay data.</i>	na.
Location of data points	<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>	Drill hole collar locations are determined using a handheld GPS. Down hole surveys were collected during this drilling program at approx. 30m intervals downhole.
	<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 during drilling and are to be corrected at a later stage using a DTM created during the aeromagnetic survey.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	The RC program was drilled on six separate 200m to 800m spaced sections with holes spacing ranging from 200m to 400m on section. Three of the four diamond holes were drilled 40m apart at the Fold Closure prospect whilst the fourth hole was a single hole drilled 450m north of the Fold Closure.
	<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>	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.
	<i>Whether sample compositing has been applied.</i>	RC Drill samples from this program were composited from 1m sample piles into 2m composite samples.
Orientation of data in relation to geological structure	<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.
Sample security	<i>The measures taken to ensure sample security.</i>	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 McMahon's Haulage. Tracking protocols have been emplaced to monitor the progress of all samples batches.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	Sampling techniques and procedures are regularly reviewed internally, as is data. To date, no external audits have been completed on East Thomson's Dome data.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<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 and P45/3032 which are 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>
Exploration done by other parties	<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>
Geology	<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. East Thomson's Dome project is considered prospective for sediment – hosted 'Telfer style' gold-copper mineralisation.</p>
Drill hole information	<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"> • <i>Easting and northing of the drill hole collar</i> • <i>Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar</i> • <i>Dip and azimuth of the hole</i> • <i>Down hole length and interception depth</i> • <i>Hole length</i> 	<p>Refer to tabulations in the body of this announcement.</p>
Data aggregation methods	<p><i>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.</i></p> <p><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></p>	<p>All reported assays have been length weighted, with a nominal 0.1g/t Au lower cut-off. No upper cut-offs have been applied.</p> <p>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 and 10g/t Au.</p>

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	<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>	The geometry of the mineralisation is not yet known due to insufficient drilling in the targeted area.
Diagrams	<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.
Balanced Reporting	<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>	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 and 10g/t Au)
Other substantive exploration data	<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.
Further Work	<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>	<p>The next phase of drilling at East Thomson's Dome will include the completion of a diamond tails on ETG0045 and a heritage survey over the western half of the gold soil anomaly.</p> <p>Once final assay results have been received from the remainder of the RC and diamond drilling and the heritage survey has been completed a follow up program will be designed.</p>
