

12 March 2018

ASX : ENR

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

New gold-bearing reef potential at East Thomson's Dome

- **Drone survey at East Thomson's Dome identifies new reef potential in an area untested by previous drilling**
 - **Ultra-detailed airborne mapping survey utilising drone technology to be expanded after proving effective in identifying:**
 - **Extensions to known gold-bearing reefs**
 - **New sub-cropping reefs in areas of thin sand cover**
 - **Survey identifies potentially significant strike extensive linear quartz float reef adjacent to the 46 Reef where 3oz nugget was recovered in November 2017**
 - **Orientation of new target area coincides with a major regional gravity lineament which continues through the West Dome pit at the Telfer gold mine – this structure is a priority target for future drilling**
 - **New reefs to be mapped, rock chip sampled and metal detected with RC/aircore drilling scheduled to commence in April 2018**
-

The directors of Encounter Resources Ltd ("Encounter / Company") are pleased to announce the commencement of field activities with an the ultra detailed drone mapping survey ("drone survey") currently in progress at East Thomson's Dome.

A trial of the use of drone technology to assist in the identification of extensions to known gold-bearing reefs and new sub-cropping reefs under thin sand cover was completed in a targeted area at East Thomson's Dome in December 2017. This initial work proved highly effective and the drone survey is being expanded across the wider 12km² East Thomson's Dome project.

The resolution of the drone photography is a step change from the prior aerial photography of East Thomson's Dome (see Figure 2) and several new reef positions have been identified. The photography has also allowed the interpretation of potential reef positions in areas of thin cover by defining linear quartz float trends (see Figure 3).

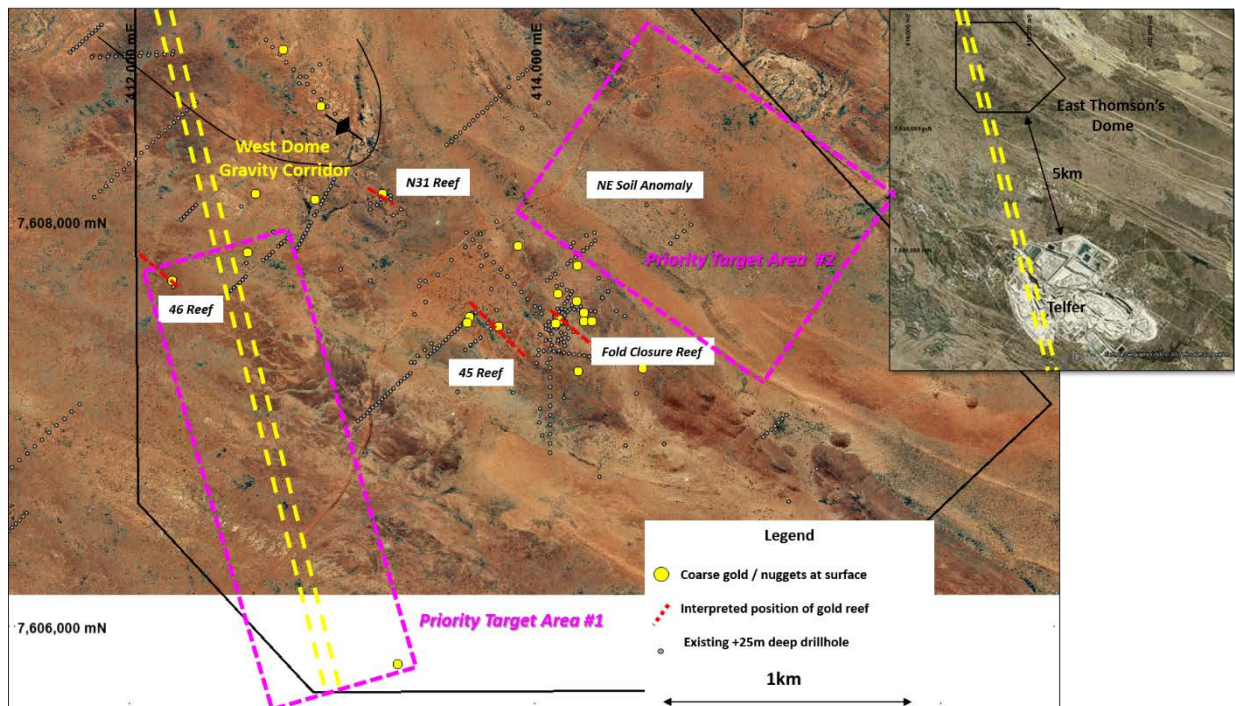
An example of this is a strata-parallel, but strike extensive, linear quartz float position that has been identified adjacent to the 46 Reef area. This potential reef position is located adjacent to a major north-north-west gravity lineament that transects the project and has been untested by drilling. This lineament, that extends south through the West Dome pit at the Telfer mine, is interpreted to be an important structural feature controlling the gold mineralisation event (see Figures 1 and 1A).

A 3oz nugget (see Photo 1) was recovered in late 2017 along this structural corridor and additional coarse gold was previously recovered by prospectors 2km further to the south-south-east on the same structural trend. This corridor has had little or no prior exploration (see Figure 1).

This untested, undercover structural position that contains significant coarse gold will be one of the priority areas of focus of exploration in 2018.

Commenting on the drone survey, Encounter Managing Director Will Robinson said:

“The resolution provided by the drone survey is remarkable and the application of this technology is perfectly suited to East Thomson’s Dome where a thin veneer of cover can mask the near surface reef potential. Prior exploration has focused on the outcropping fold axis of the dome where gold reefs have been drilled in an area that extends over 2km of strike. The discovery of significant coarse gold in a thinly covered, unexplored area to the south west of the fold axis in late 2017 has opened up a much larger search space. The identification of a new strike extensive reef in this area, coincident with a major regional gravity structure, is potentially significant. The drone survey underway is fast-tracking the assessment of this new target”.



**Figure 1 – East Thomson’s Dome coarse gold locations on airphoto background
(Inset) Figure 1A – Location Map**

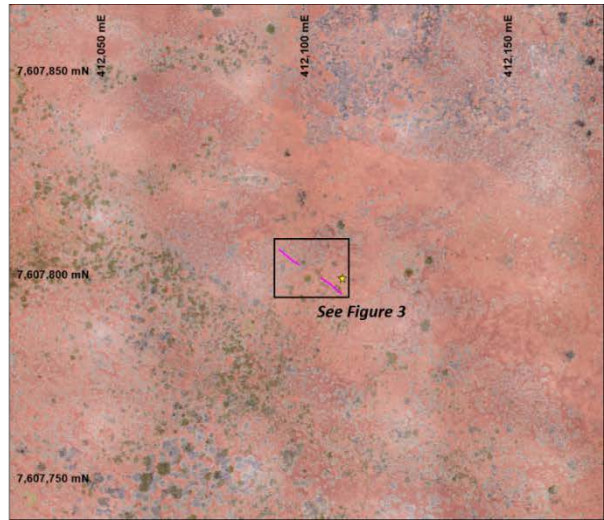


Figure 2 – 46 Reef area – Aerial Photography (Left) and Drone Photo (Right) (~150m by 150m area)

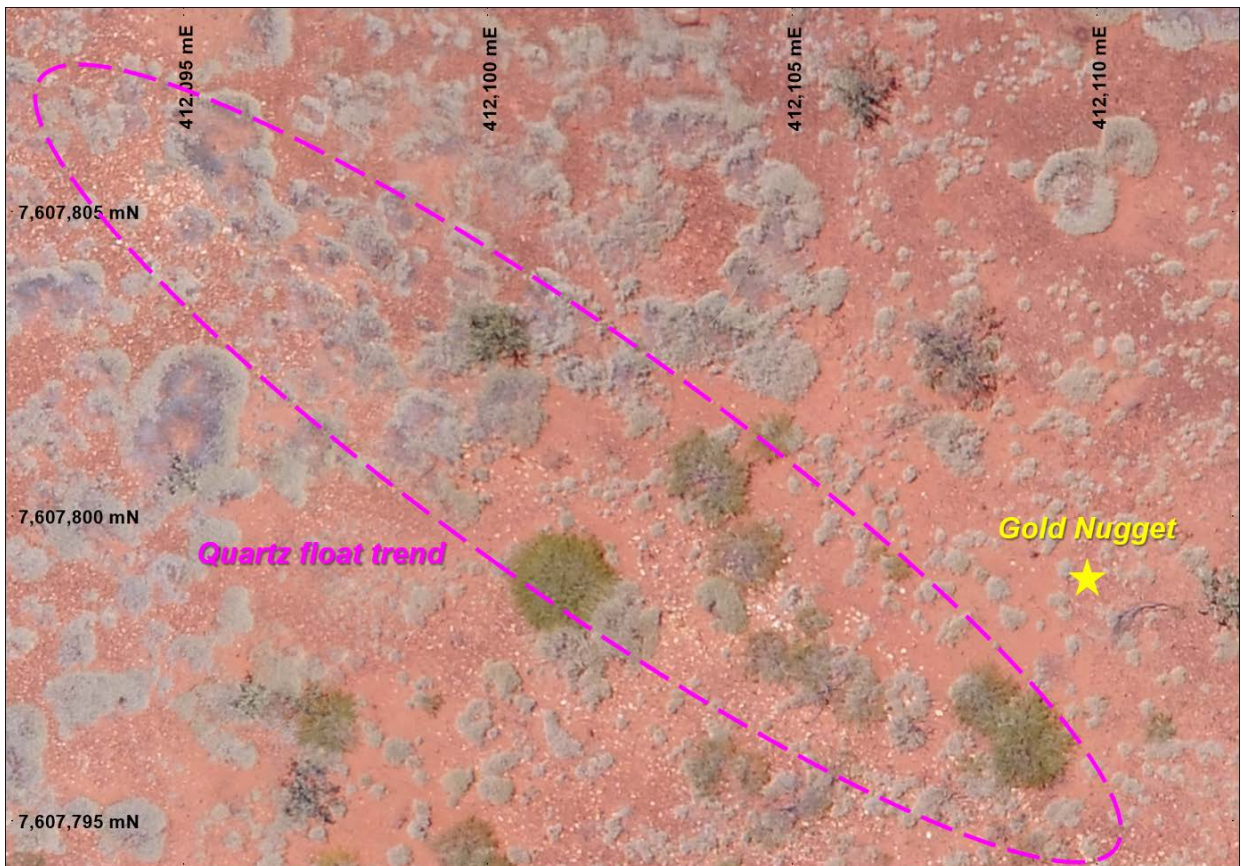


Figure 3 – Example of mapping quartz float trends in drone image adjacent to the 46 Reef area (~15m by 20m area)

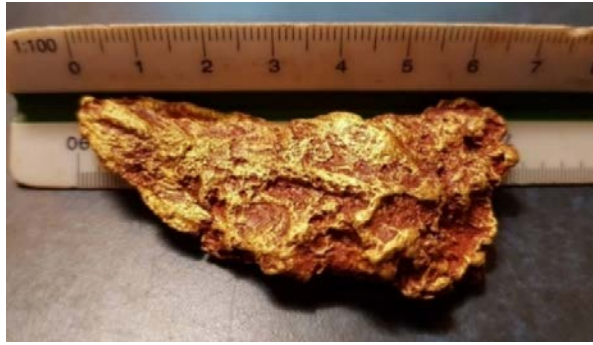


Photo 1 – 3oz nugget recovered from the new 46 Reef area in November 2017 (refer ASX announcement 21/11/17)

Upcoming Activity

The drone photography is being collected at sufficient detail to identify extensions to known gold bearing reefs as well as identifying new sub-cropping reefs in areas of thin sand cover. The survey is expected to be completed in the next two weeks.

Areas of interest identified during this survey will then be mapped, rock chip sampled and metal detected in March 2018. Results from this program will be incorporated into the design of the next phase of drilling at the East Thomson's Dome project scheduled to commence in April 2018.

Background

Encounter Resources Limited is a Western Australian (“WA”) based project generation, exploration and resource development company listed on the Australian Stock Exchange.

Encounter controls a major ground position in the Paterson Province in WA exploring for gold-copper deposits in the Telfer region and a highly prospective land package in the Tanami region. Encounter is one of the most active greenfield exploration companies in Australia.

The Company’s gold portfolio in the Paterson Province includes Telfer West, a recently identified large scale gold system, and East Thomson’s Dome where widespread coarse gold has been identified adjacent to high grade outcropping gold reefs.

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).

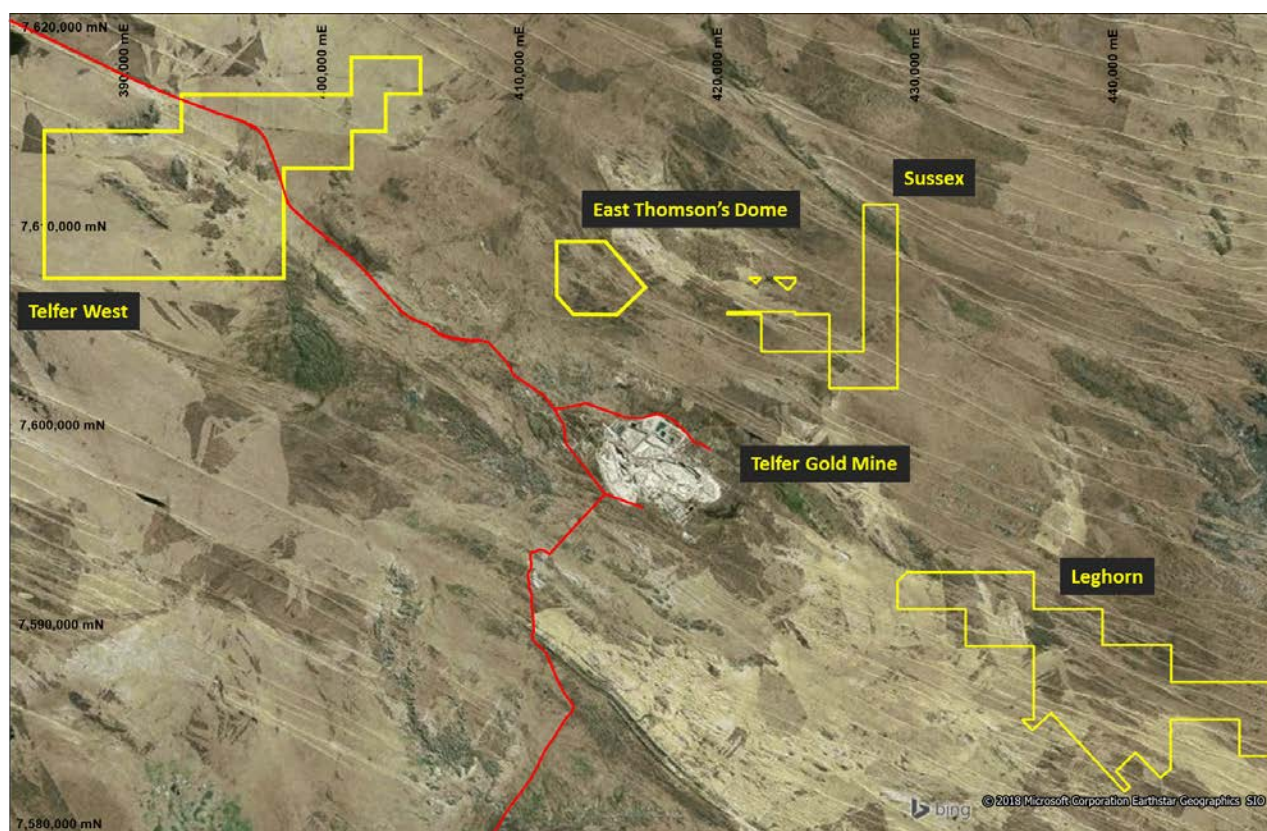


Figure 4: Telfer region leasing and targets areas

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.