

30 May 2018

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

## Appendix 3B –Share Placement

Please find attached an Appendix 3B in respect of the issue of 42,367,332 ordinary fully paid shares to unrelated professional and sophisticated investors pursuant to the share placement (Placement) announced to ASX on 24 May 2018.

The first tranche of the Placement was completed pursuant to the Company's security issue capacities under Listing Rule 7.1 and 7.1A. A total of 23,191,556 Shares was issued pursuant to Listing Rule 7.1 and 19,175,776 Shares issued pursuant to Listing Rule 7.1A.

The balance of the shares to be issued pursuant to the Placement requires shareholder approval for the directors of the Company to subscribe for 4,000,000 shares on the same terms. A notice of meeting in respect of this proposed issue was mailed to shareholders on 28 May 2018.

Attached is a notice given under Section 708A(5) of the Corporations Act in respect of the shares issue.

### 7.1A DISCLOSURE

The Company provides the following Listing Rule 7.1A disclosure in respect of the issue of 19,175,766 ordinary fully paid shares at 6 cents per Share raising \$1,150,547, in accordance with Listing Rule 3.10.5A.

**(a) Details of the dilution to the existing holders of ordinary securities caused by the issue.**

Number of shares held by existing shareholders before the Placement*	192,007,760
Number of Shares on issue after the Placement*	211,183,536
% dilutionary effect of Placement on existing shareholders before the Placement*	9.9%

*\*not including Shares issued pursuant to the Placement under Listing Rule 7.1*

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**(b) *Where the equity securities are issued for cash consideration, a statement of the reasons why the eligible entity issued the equity securities as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing ordinary security holders would have been eligible to participate.***

The Placement has been completed with significant support from respected resource investment funds and at a 15% discount to the prevailing market price of the Company's shares at announcement of the raising. The Company was not able to complete a share purchase plan (SPP) at the time as the Company had completed a prior SPP within the last 12 months and it is only permitted to complete one SPP in a 12 month period. The Company did not consider that a pro rata entitlement issue would raise the \$2.75 million achieved by the Placement in the timeframe.

**(c) *Details of any underwriting arrangements, including any fees payable to the underwriter.***

No underwriting arrangements or underwriting fees payable were incurred in connection with the Placement.

**(d) *Any other fees or costs incurred in connection with the issue.***

Commission fees totalling \$79,874 are payable to third parties in relation to the Placement.

#### **Encounter Resources Limited**

Kevin Hart  
Company Secretary

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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Encounter Resources Limited

ABN

47 109 815 796

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |                            |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued   | Ordinary Fully Paid Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 42,367,332                 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) |                            |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>6 cents per share</p>
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Shares issued pursuant to a share placement announced to ASX on 24 May 2018.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>30 November 2017</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>23,191,556</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>19,175,776</p>

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+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil									
6f	Number of securities issued under an exception in rule 7.2	Nil									
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	<p>Yes.</p> <p>Issue date – 30 May 2018.</p> <p>Issue price – 6 cents per share.</p> <p>75% of 15 day VWAP – 5.2 cents.</p> <p>Source of VWAP – Orient Capital.</p>									
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/a									
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Yes									
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	30 May 2018									
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">234,375,092</td> <td style="text-align: left;">Ordinary fully paid shares (ENR)</td> </tr> </tbody> </table>	Number	+Class	234,375,092	Ordinary fully paid shares (ENR)	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">234,375,092</td> <td style="text-align: left;">Ordinary fully paid shares (ENR)</td> </tr> </tbody> </table>	Number	+Class	234,375,092	Ordinary fully paid shares (ENR)
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+ See chapter 19 for defined terms.

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	495,000	Exercisable at \$0.22 each expiring 31 May 2018
	1,250,000	Exercisable at \$0.23 each expiring 27 November 2018
	750,000	Exercisable at \$0.31 each expiring 27 November 2019
	500,000	Exercisable at \$0.16 each expiring 31 January 2019
	5,441,429	Exercisable at \$0.21 each expiring 30 September 2018
	400,000	Exercisable at \$0.14 each expiring 28 February 2020
	2,025,000	Exercisable at \$0.13 each expiring 24 November 2020
	750,000	Exercisable at \$0.175 each expiring 24 November 2021
	825,000	Exercisable at \$0.105 each expiring 1 November 2021

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) N/a

**Part 2 - Bonus issue or pro rata issue**

11 Is security holder approval required? N/a

12 Is the issue renounceable or non-renounceable? N/a

+ See chapter 19 for defined terms.

13	Ratio in which the +securities will be offered	N/a
14	+Class of +securities to which the offer relates	N/a
15	+Record date to determine entitlements	N/a
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/a
17	Policy for deciding entitlements in relation to fractions	N/a
18	Names of countries in which the entity has +security holders who will not be sent new issue documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/a
19	Closing date for receipt of acceptances or renunciations	N/a
20	Names of any underwriters	N/a
21	Amount of any underwriting fee or commission	N/a
22	Names of any brokers to the issue	N/a
23	Fee or commission payable to the broker to the issue	N/a
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/a
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/a

+ See chapter 19 for defined terms.

## Appendix 3B New issue announcement

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26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/a
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/a
28	Date rights trading will begin (if applicable)	N/a
29	Date rights trading will end (if applicable)	N/a
30	How do <sup>+</sup> security holders sell their entitlements <i>in full</i> through a broker?	N/a
31	How do <sup>+</sup> security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/a
32	How do <sup>+</sup> security holders dispose of their entitlements (except by sale through a broker)?	N/a
33	<sup>+</sup> Despatch date	N/a

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

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<sup>+</sup> See chapter 19 for defined terms.



Entities that have ticked box 34(a)

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
  - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
  - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
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+ See chapter 19 for defined terms.

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**New issue announcement**

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41 Reason for request for quotation now  
 Example: In the case of restricted securities, end of restriction period  
 (if issued upon conversion of another security, clearly identify that other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

**Quotation agreement**

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

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+ See chapter 19 for defined terms.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:   
Company secretary

Date: 30 May 2018

Print name: Kevin Hart

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## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

#### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b><i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i></b>	
<b><i>Insert</i></b> number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	155,894,044
<b><i>Add</i></b> the following: <ul style="list-style-type: none"> <li>• Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid ordinary securities that became fully paid in that 12 month period</li> </ul> <p><b><i>Note:</i></b></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>6,827,500 shares issued pursuant to a share purchase plan (issued 15 June 2017).</p> <p>24,050,000 shares issued at 10 cents each pursuant to a share placement (issued 26 May 2017)</p> <p>2,180,000 shares issued at 10 cents each pursuant to a share placement (issued 1 June 2017)</p> <p>2,806,216 shares issued at 10 cents each pursuant to a share placement (issued 12 July 2017)</p>
<b><i>Subtract</i></b> the number of fully paid ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	<b>191,757,760</b>

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	<b>28,763,664</b>
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><i>Insert</i> number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable ) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>250,000 shares issued to acquire exploration assets (issued 5 October 2017)</p> <p>23,191,556 placement shares (issued 30 May 2018 – this Appendix 3B)</p>
“C”	<b>23,441,556</b>
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	28,763,664
<p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	23,441,556
<p><b>Total [“A” x 0.15] – “C”</b></p>	<p><b>5,322,108</b></p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	<b>191,757,760</b>
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	<b>19,175,776</b>
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <i>Notes:</i> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	19,175,776 placement shares (issued 30 May 2018 – this Appendix 3B)
<b>“E”</b>	<b>19,175,776</b>

+ See chapter 19 for defined terms.

<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
“A” x 0.10  <i>Note: number must be same as shown in Step 2</i>	19,175,776
<b>Subtract “E”</b>  <i>Note: number must be same as shown in Step 3</i>	19,175,776
<b>Total</b> [“A” x 0.10] – “E”	<b>Nil</b>  <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.

30 May 2018

The Manager  
Company Announcements Office  
Australian Securities Exchange  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir or Madam

**ENCOUNTER RESOURCES LIMITED  
SECONDARY TRADING NOTICE – NOTIFICATION PURSUANT  
TO PARAGRAPH 708A(5)(e) OF THE CORPORATIONS ACT 2001**

This notice is given by Encounter Resources Limited (ACN 109 815 796) (“Encounter”) under section 708A(5)(e) of the Corporations Act 2001 (Cth) (“the Act”).

As contemplated by Encounter’s Placement announcement on Thursday, 24 May 2018 Encounter advises that it has today issued 42,367,332 new shares at \$0.06 per share to professional and sophisticated investors (“Placement Shares”).

Encounter gives notice under section 708A(5)(e) of the Act that:

- (a) The Placement Shares were issued without disclosure to investors under Part 6D.2 of the Act;
- (b) as a disclosing entity, Encounter is subject to regular reporting and disclosure obligations;
- (c) as at the date of this notice, Encounter has complied with the provisions of Chapter 2M as they apply to Encounter and section 674 of the Act; and
- (d) as at the date of this notice, there is no information that is ‘excluded information’ within the meaning of section 708A(7) and 708A(8) of the Act which is required to be disclosed by Encounter under section 708A(6)(e) of the Act.



**Kevin Hart**  
Company Secretary