

ASX : ENR

25 October 2019

Australian Securities Exchange
Level 40, Central Park,
152-158 St Georges Terrace,
Perth WA 6000

Attention: Daniel Nicholson

e-mail - ListingsCompliancePerth@asx.com.au

Dear Daniel

Price and Volume Query - Encounter Resources Limited

In response to your correspondence dated 25 October 2019 regarding the change in the Company's share price and the increased volume of securities traded in the period 18 October 2019 to 25 October 2019, the Company responds as follows:

1. The Company is not aware of any information that has not been announced through the ASX that could be an explanation for the recent trading in the Company's securities.
2. Not applicable.
3. The Company has no explanation as to why there has been a price and volume change in the trading of the Company's securities.

The Company does note that an announcement was made to ASX on 26 September 2019 regarding the commencement of RC drilling in the Tanami region of Western Australia, at projects held in joint venture with Newcrest Mining Limited. Results from the initial drill programs are expected to be reported in November 2019.

4. The Company confirms that it is in compliance with the listing rules and in particular listing rule 3.1.
5. The Company confirms that the responses above have been approved and authorised by the Board.

Yours sincerely

Dan Travers
Company Secretary



25 October 2019

Reference: 09581

Mr Kevin Hart
Company Secretary
Encounter Resources Limited

By email

Dear Mr Hart

Encounter Resources Limited ('ENR'): Price and Volume Query

We note the change in the price of ENR's securities from a low of \$0.135 on Friday, 18 October 2019, to an intraday high of \$0.22 at the time of writing, today, Friday, 25 October 2019.

We also note the significant increase in the volume of ENR's securities traded from 18 October 2019 to 25 October 2019.

Request for Information

In light of this, ASX asks ENR to respond separately to each of the following questions and requests for information:

1. Is ENR aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is ENR relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in ENR's securities would suggest to ASX that such information may have ceased to be confidential and therefore ENR may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that ENR may have for the recent trading in its securities?
4. Please confirm that ENR is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that ENR's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of ENR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **10:30 AM AWST today Friday, 25 October 2019**. If we do not have your response by

then, ASX will likely suspend trading in ENR's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ENR's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to ENR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance *Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that ENR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in ENR's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in ENR's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours faithfully

Daniel Nicholson
Adviser, Listings Compliance (Perth)