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ASX : ENR

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

RC Drilling Commenced at Telfer West Gold Project

- **5,000m RC drill program has commenced at Telfer West and East Thomson's Dome**
 - **Diamond drilling commencing at East Thomson's Dome**
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The directors of Encounter Resources Ltd ("Encounter") are pleased to announce that RC drilling has commenced at the Telfer West gold project ("Telfer West"). A 5,000m program is planned to be completed at Telfer West and East Thomson's Dome ("ETD") over the next month.

RC drilling - Telfer West

The RC program at Telfer West will follow up the gold discovery made adjacent to the Northern Magnetic Anomaly in April 2017 that intersected high grade, near surface gold mineralisation including:

- 20m @ 1.8g/t Au from 94m including 10m @ 2.8g/t Au from 94m in ETG0015
 - 14m @ 1.2g/t Au from 66m including 4m @ 3.3g/t Au from 74m in ETG0016
- (refer ASX release 26 April 2017).

The RC program has been designed to test for continuity of gold mineralisation with holes spaced 40-80m apart on section. The RC drilling will also complete three drill sections testing for additional gold mineralisation north-west and south-east (see Figures 1 & 2).

RC drilling - East Thomson's Dome

The first RC drill program at ETD will complete six drill sections spaced between 200m and 800m apart. This program will provide an initial drill test of the 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 (see Figure 3).

Diamond Drilling Update

The diamond rig has completed three holes at Telfer West. Two drill holes at the Egg prospect (ETG0007 and ETG0023) tested along strike of the stockwork style gold mineralisation intersected in ETG0002. In addition, RC drill hole ETG0009 has been extended with a diamond tail to a depth of 382m (see Figures 1 & 2).

The diamond rig has moved to ETD to commence diamond drilling at the Fold Closure prospect where historical shallow drilling discovered high grade gold including intersections:

- 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
- (refer ASX release 14 February 2017)

The first assay results from the current diamond and RC drill programs are expected to be received in July 2017.

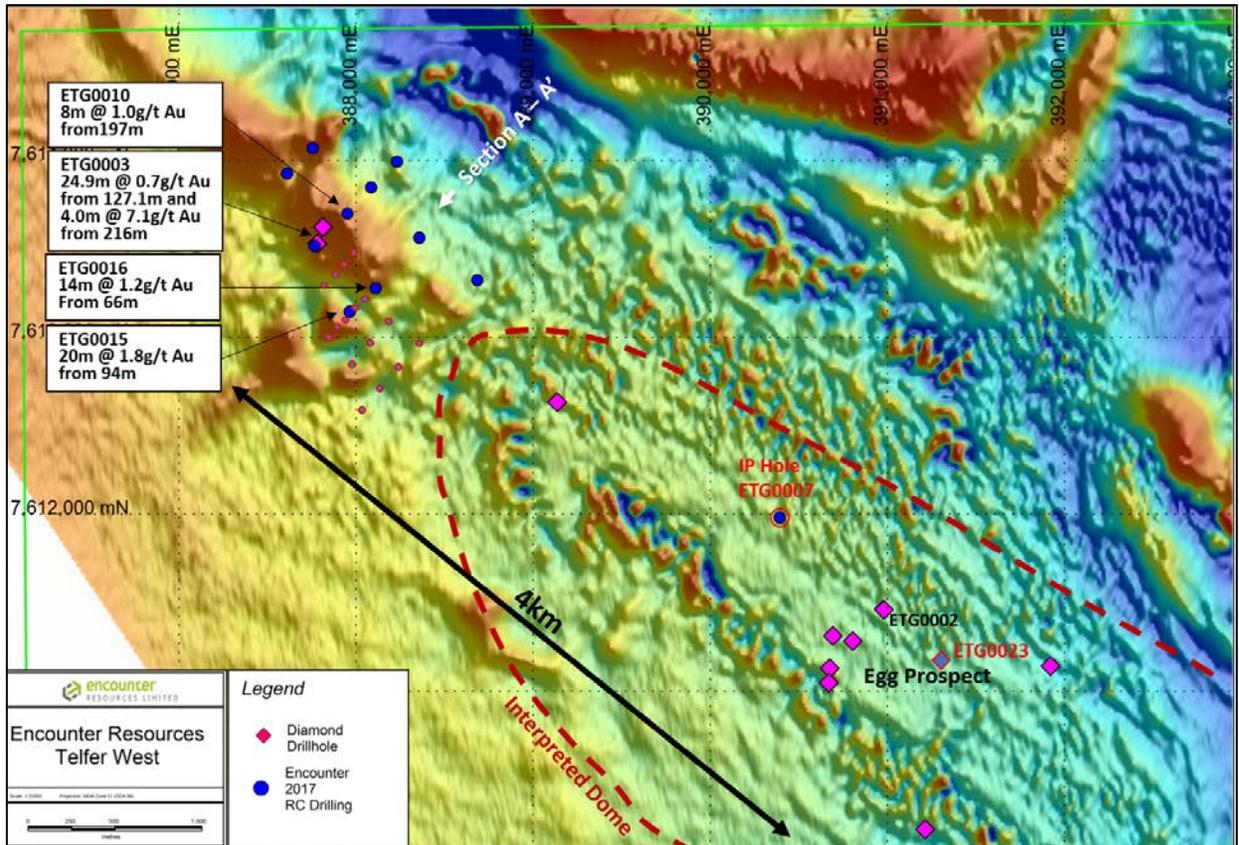


Figure 1: Telfer West RC and diamond drill status plan and interpreted dome. Detailed aeromagnetic background (TMI 1VD pseudo colour image)

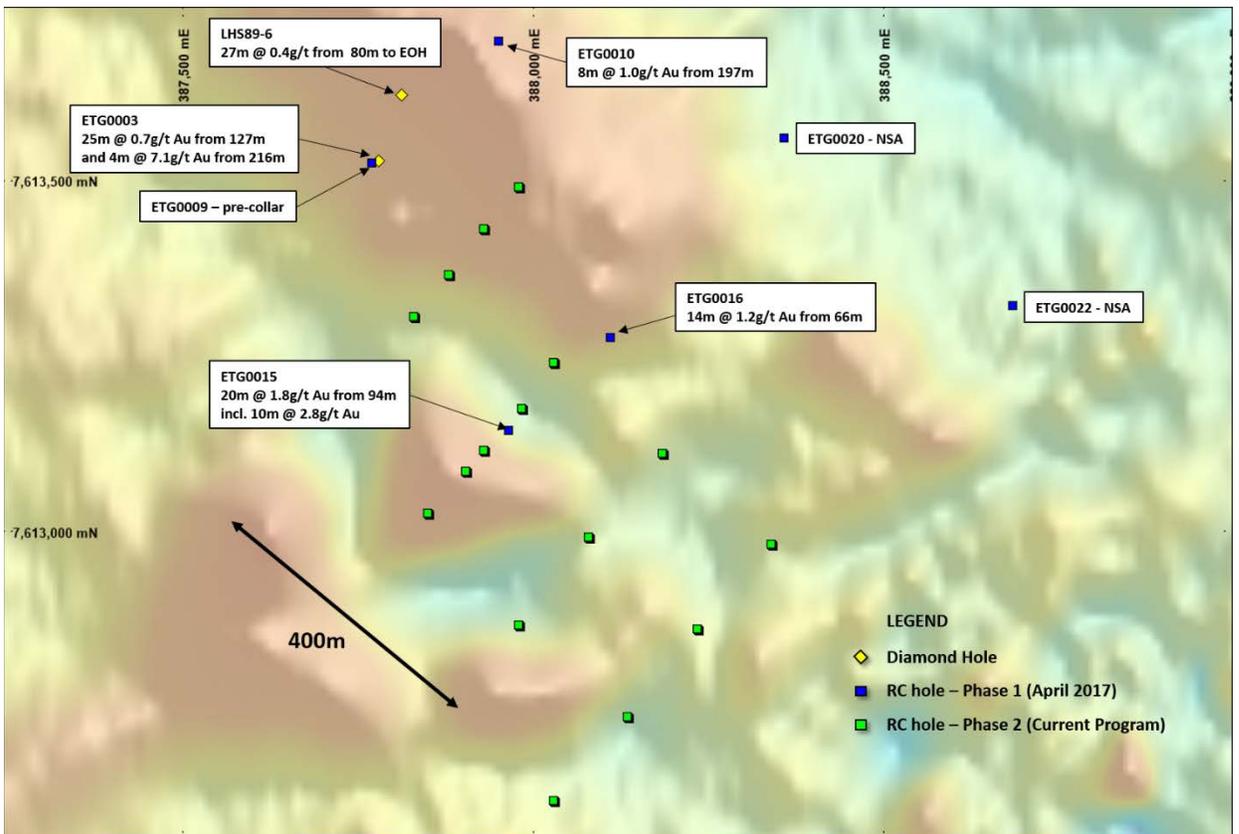


Figure 2: Telfer West (Northern Magnetic Anomaly) RC and diamond drill status plan. Detailed aeromagnetic background (TMI 1VD pseudo colour image) - (refer ASX release 25 August 2016)

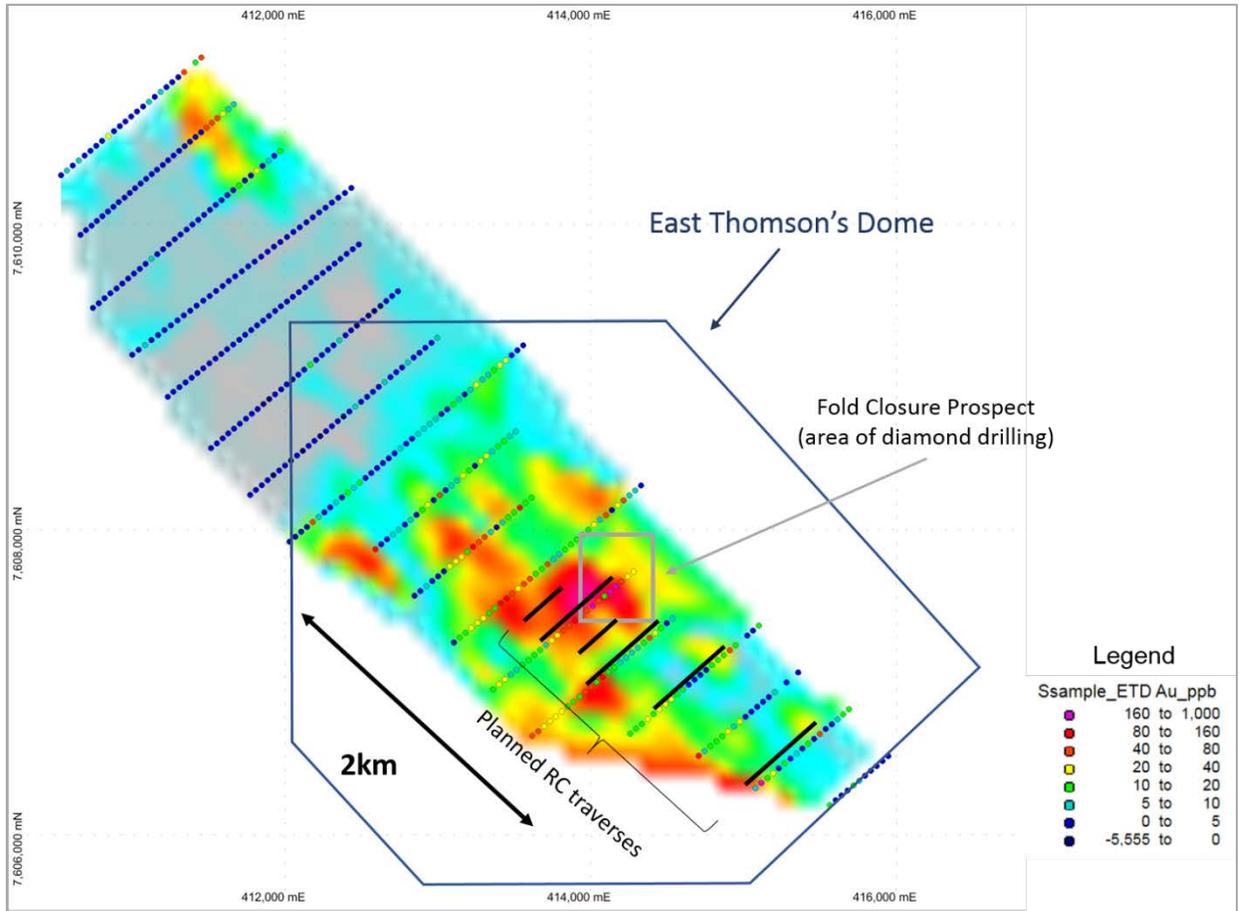


Figure 3: Regional soil Geochemistry the East Thomson's Dome identifying +2km gold anomaly (refer ASX release 5 May 2017). Black lines show planned RC drill traverses.

Location Plan

Encounter holds exploration tenure over 2,000km² of the Paterson Province in Western Australia, that hosts the Telfer gold-copper mine and the Nifty copper mine (Figure 4). Encounter is actively exploring for gold-copper deposits in the Telfer region as well as copper-cobalt and zinc-lead deposits at the Yeneena.

Encounter's gold portfolio includes Telfer West, a shallow, high grade gold discovery made in April 2017, 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 in the Yeneena are located adjacent to major regional faults and have been identified through electromagnetics, geochemistry and structural targeting.

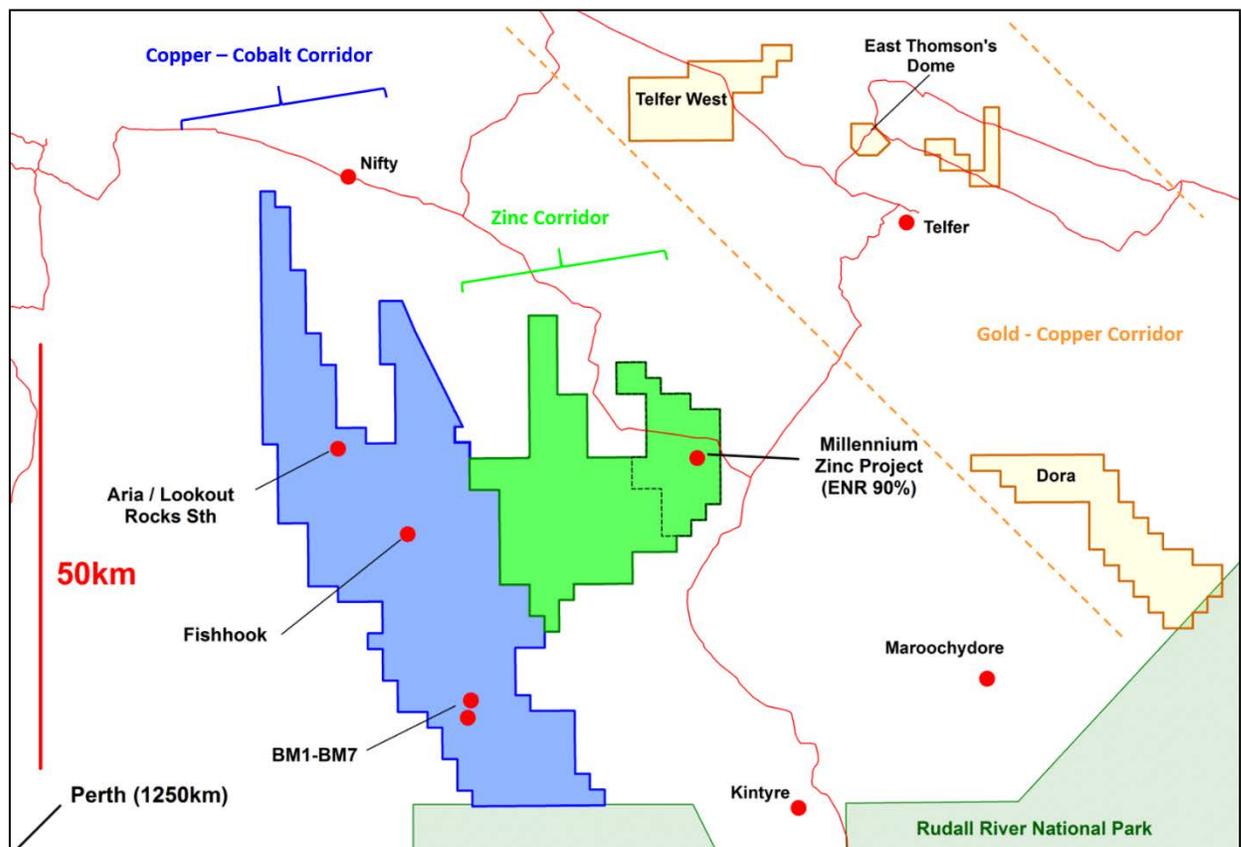


Figure 4: Yeneena region leasing and targets areas

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.