

30 November 2017

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

Chairman's Address and AGM Presentation

Dear Fellow Shareholder

Encounter's existing copper-cobalt-zinc project portfolio at Yeneena has been enlarged and enhanced with the addition of our highly prospective gold projects in the Telfer region.

At the Telfer gold projects we are targeting shallow gold opportunities in a well known region that has established large scale potential with nearby infrastructure, most notably Newcrest's Telfer gold-copper mine. These projects offer the prospect of both near term production and the possibility of making a large scale, economic discovery.

During 2017, drilling by Encounter at Telfer West (located 25km from Newcrest's Telfer mine) intersected high grade gold in two locations 4km apart. We also identified a new gold stock-work zone that remains open down dip and along strike. This mineralised corridor can be traced over 5km of strike and we have only just started testing its potential.

Encounter's other advanced Telfer project is East Thomson's Dome, located just 5km from Newcrest's mine. Work to date has included broad spaced recon drilling across the south-eastern half of a 2km long coincident gold-copper soil anomaly located on a large domal structure.

Widespread coarse gold has been identified across East Thomson's Dome indicating multiple gold reefs with four gold bearing reefs identified so far and the potential for many more

Encounter continues to advance exploration along the 70km long copper-cobalt corridor at Yeneena. Proterozoic aged, sediment hosted deposits in the Central African Copperbelt are one of the world's largest sources of copper and the world's largest source of cobalt. A similar age geological setting has been defined at the Yeneena Basin. In particular, Encounter is assessing the large mineral system at BM7 for near-term, high grade copper-cobalt development opportunities.

While continuing with the planned exploration, we are also have actively been pursuing a partner to advance copper-cobalt exploration. Interest has been shown by a number of parties and this process is ongoing.

In conjunction with our 25% partner Hampton Hill Mining Ltd, Encounter has discovered a large scale zinc-lead mineral system at Millennium that is over 3km long and is depth extensive. The processes to produce high tenor zinc mineralisation with multiple zinc mineralisation styles have been established at Millennium. Our work continues to search for higher grade mineralised zones.

Encounter also entered into an exciting project generation alliance with Australia's largest gold producer, Newcrest. This assists us with funding as well as technical expertise in the north of WA. The alliance structure potentially provides Encounter with a funded pipeline of projects capable of hosting >1 million ounce gold deposits.

On the corporate front, we undertook a placement and share purchase plan to raise \$3.6m. This was our first capital raising since 2015 and was well supported by new and existing shareholders. Directors also contributed \$280k to this raising. Our register remains in a strong position with only 192m shares on issue.

So, for the year ahead we are setting our sights on a number of key targets:

- To make a large economic gold discovery in our own right at the gold projects near Telfer;
- To partner up on our base metals projects and to make a joint discovery there; and
- To advance projects via the Newcrest alliance in northern WA, initial projects have begun assessment to enter 50:50 joint venture phase.

Encounter remains disciplined in its approach to capital management and we are steadfast in our commitment to systematic exploration that can create enduring value for our shareholders. Our exploration plans remain well funded and, importantly, we have an extremely capable and experienced team that is dedicated to realising the potential of our project portfolio.

In closing, we would like to thank our employees, earn-in and alliance partners, suppliers and other business partners. We also would take this opportunity to thank our fellow shareholders for your ongoing support.

Paul Chapman
Chairman

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).

New Gold Discoveries in a Prolific District

Annual General Meeting - 30 November 2017

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Certain exploration drilling results for BM1, BM2 and BM7 are first disclosed under JORC code 2004. It has not been updated since to comply with the JORC code 2012 on the basis that the information has not materially changed.

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 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 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Bewick consents to the inclusion in the presentation of the matters based on his information 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.

ENCOUNTER AT A GLANCE

Making New Gold Discoveries near the 30 million Oz Telfer Deposit, Advancing Tier 1 Project Pipeline in WA

Capital structure

ASX ticker	ENR
Share price (29/11/2017)	A\$0.095
Shares on issue	192M
Options and performance rights	13.2M
Market capitalisation (29/11/2017)	A\$18M
Cash (30/09/2017)	A\$2.0M
Listed investments (29/11/2017)	A\$1.2 M

Creating Value Through Discovery

- Active explorer in one of world's most prospective mineral basins
- Targeting shallow gold opportunities with scale potential
- Large prospective landholding over 70km of strike providing leverage in a proven copper-cobalt district
- Project generation alliance with Australia's largest gold mining company, Newcrest Mining Limited (ASX:NCM)
- Backed by leading global resources funds

Location map



Major Shareholders

Resource Capital Funds, Acorn, Thorney, Eye Management	20%
Directors and Management	19%
Antofagasta	5%

Board and key management

Paul Chapman	Non-Executive Chairman
Will Robinson	Managing Director
Peter Bewick	Exploration Director
Jon Hronsky	Non-Executive Director

SCALE OPPORTUNITIES IN A FIRST WORLD JURISDICTION

Telfer Region Gold

New discoveries in the shadow of the Telfer headframe

- > East Thomson's Dome/Telfer West
- > Shallow gold opportunities with scale potential in a prolific gold district
- > Significant and valuable established infrastructure allows efficient exploration and commercialisation options for discoveries of various scale
- > Limited historical drilling and modern exploration techniques present an significant opportunity
- > New high grade gold reefs discovered near 30 million oz giant

Project Generation Alliance with Newcrest

Targeting leverage to Tier 1 deposits

- > Project generation alliance with Australia's largest gold mining company
- > Newcrest funding Encounter to generate new 'camp scale' exploration opportunities in northern WA
- > Effective leverage for shareholders through the project value cycle
- > Targeting work is underway and initial projects have begun assessment by Newcrest to enter 50:50 joint venture phase

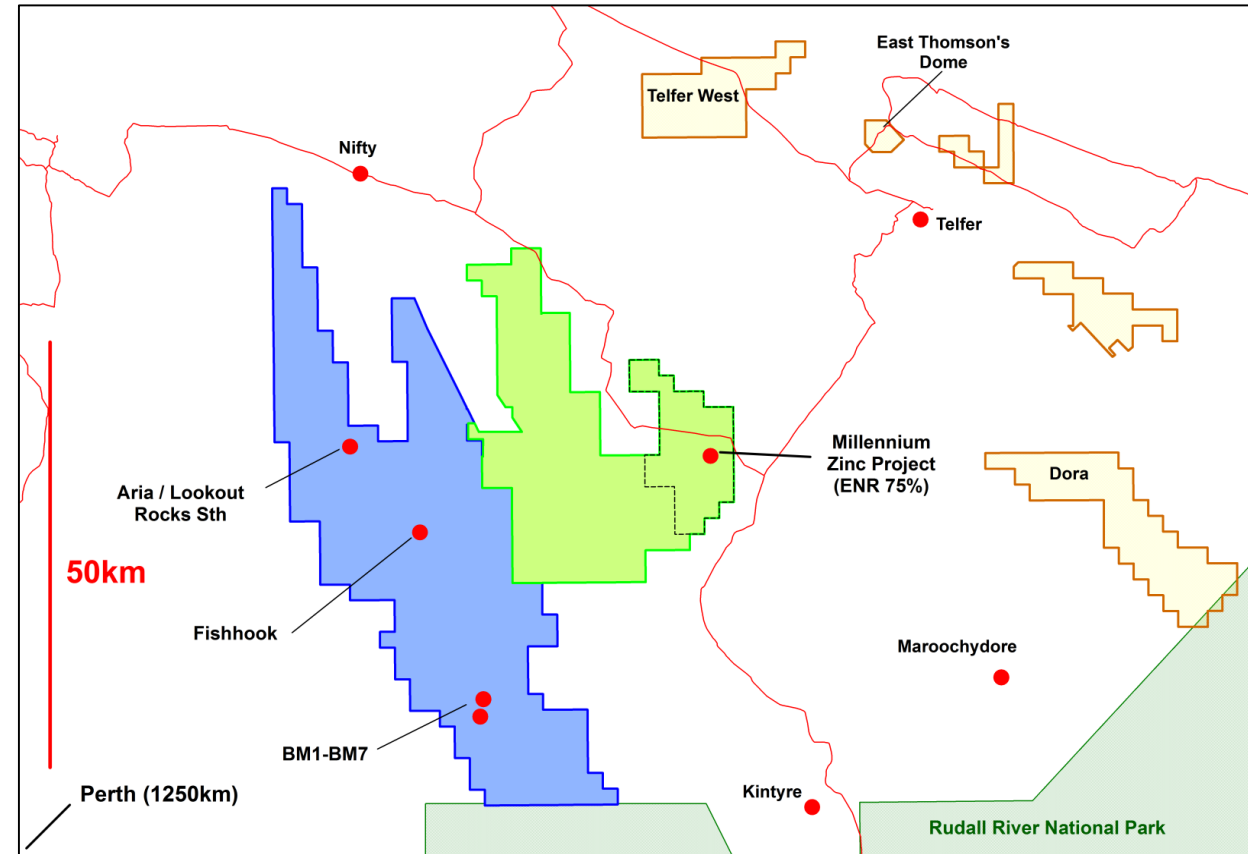
Yeneena - Copper-Cobalt

Large landholdings in a prospective structural setting

- > Yeneena Copper-Cobalt project, 14km long copper Nifty style mineral system at BM1-BM7
- > Numerous high grade copper-cobalt shoots defined at BM7 which remain open
- > Lookout Rocks - Zambian copper-belt analogous with untested Cu-Co gossan

FUNDAMENTALLY DRIVEN EXPLORATION STRATEGY

- ❖ Utilising modern technology in known mineral provinces to generate superior shareholder returns
- ❖ Why we have focused on the Paterson Province?
 - ❖ Proven fertility to produce major deposits
 - ❖ Large outcropping discoveries made in 1970-80's and still profitable mining operations today (Nifty & Telfer)
 - ❖ Shallow sand cover inhibited previous explorers
 - ❖ Little or no exploration activity for last 25 years
 - ❖ Applying modern undercover exploration techniques - Biogeochem, CSIRO Ultrafine Fraction Soil, VTEM™
- ❖ Well funded majors & explorers aggressively exploring the Paterson Province



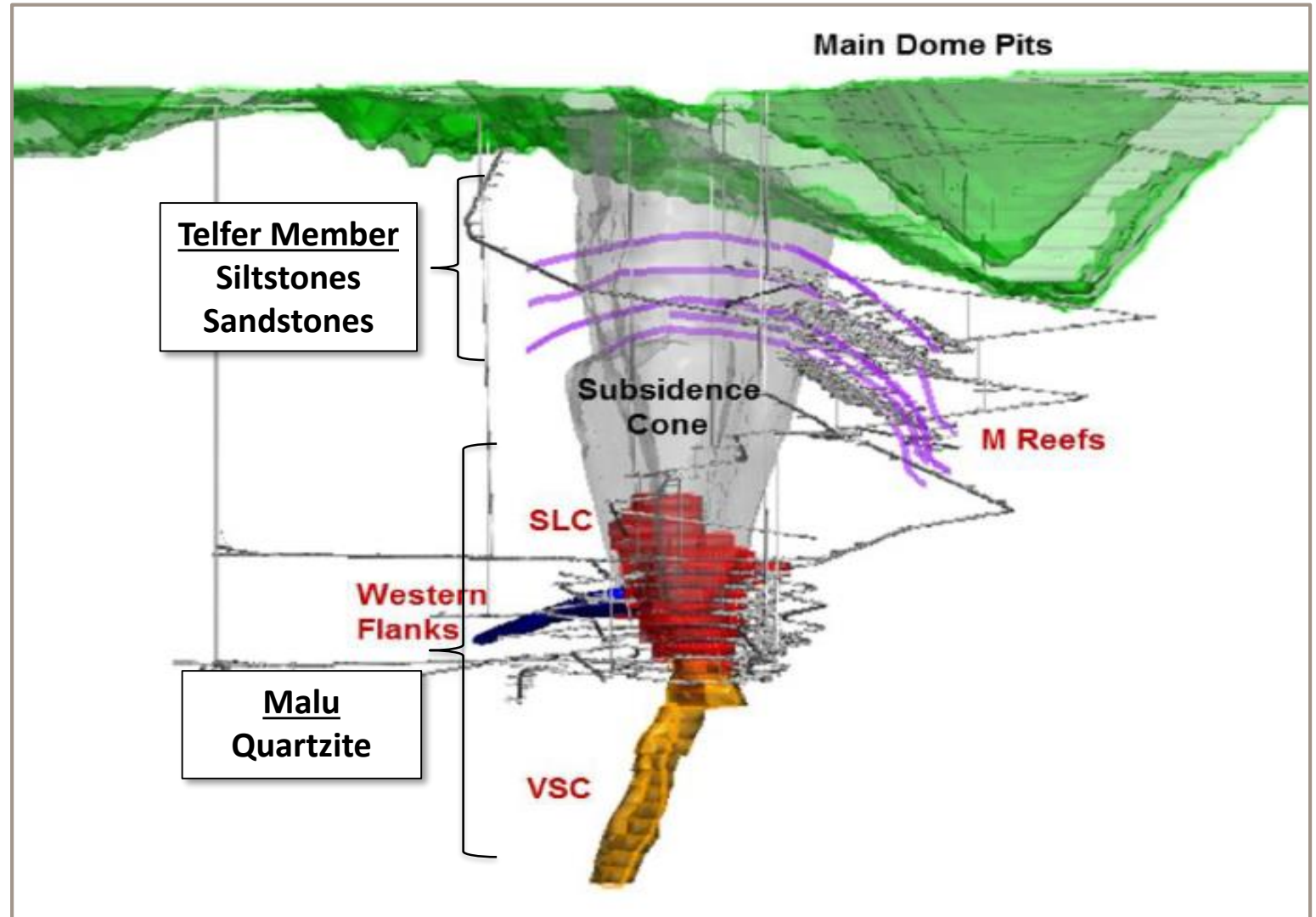
GOLD



TARGETING MINERALISED DOMES IN THE SHADOW OF A GIANT

Schematic of the 30 million Oz Telfer Deposit

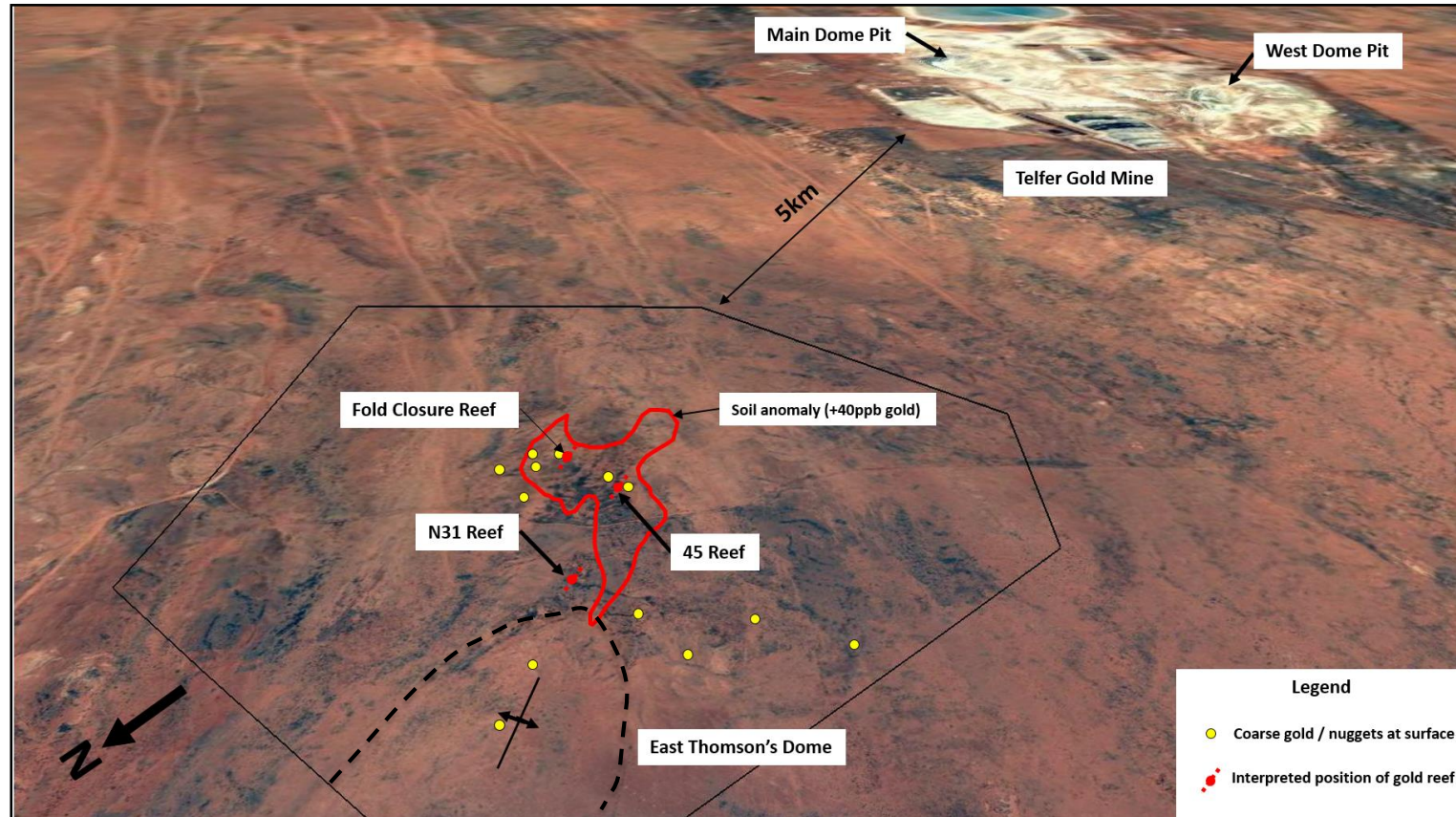
- ❖ Prospective for Telfer style gold-copper mineralisation contained within:
- ❖ High grade stratabound reefs (East Thomson's Dome analogous)
- ❖ Spatially associated sub-vertical stockwork systems (Telfer West analogous)



SHALLOW HIGH GRADE GOLD REEFS AT EAST THOMSON'S DOME

- ❖ 5km north-west of Telfer
- ❖ Historical exploration (1980's-90's) includes 438 holes: average depth 28m, only 10 holes >100m
- ❖ Historical high grade gold reefs including:
 - ❖ 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
 - ❖ 2m @ 76.2 g/t Au from 35m in NTR 57
 - ❖ 7m @ 17.1 g/t Au from 16m in NTR 61
- ❖ Encounter focusing on shallow near surface gold associated with +2km long gold/copper soil anomaly
- ❖ Drilling in August 2017 discovered new near surface gold reefs

New High Grade Gold Reefs Discovered near 30 million Oz Giant



+2KM SOIL GEOCHEM ANOMALY - SIGNIFICANT SCALE POTENTIAL

- ❖ Widespread coarse gold identified across the East Thomson's Dome associated with multiple known gold bearing reefs
- ❖ New targets where surface gold nuggets have been identified and quartz veining (+/- ironstone) has been mapped at surface
- ❖ The current drill program includes initial aircore drilling of three new targets
 - ❖ 38m @ 0.3g/t Au from 44m in ETG114 - Geochem anomaly 250m north of the Fold Closure
 - ❖ Further assays results Dec 2017

Coarse gold recovered from East Thomson's Dome project in June 2017



Gold nuggets from around the 45 Reef area are generally larger and rounded

Coarse gold from the Fold Closure prospect is smaller and generally sharp edged, crystalline



3oz nugget recovered Nov 2017

EAST THOMSON'S DRILL PROGRAM RECENTLY COMPLETED

RC/Aircore Drill Program October/November 2017

- ❖ Discovered near surface gold reefs that remain open including:

45 Reef

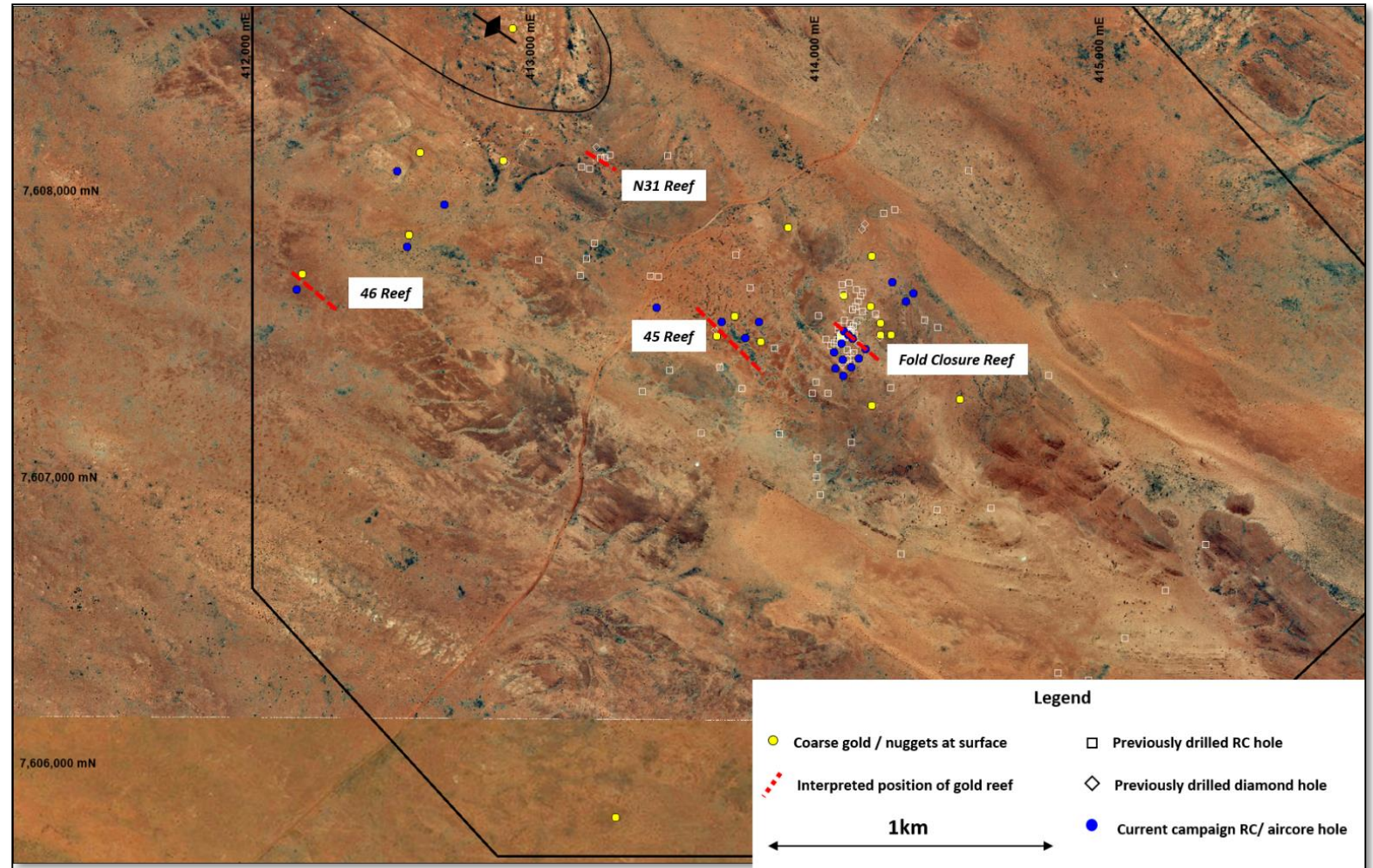
- ❖ 2m @ 26g/t Au from 178m, part of 6m @ 9g/t Au from 178m

Fold Closure Reef

- ❖ 2.9m @ 7.7g/t Au from 127m incl. 0.45m @ 25.4g/t Au from 129m to EOH
- ❖ 2.5m @ 7.3g/t Au from 11.4m, part of 26.6m @ 1.0g/t Au from 4.2m

New results

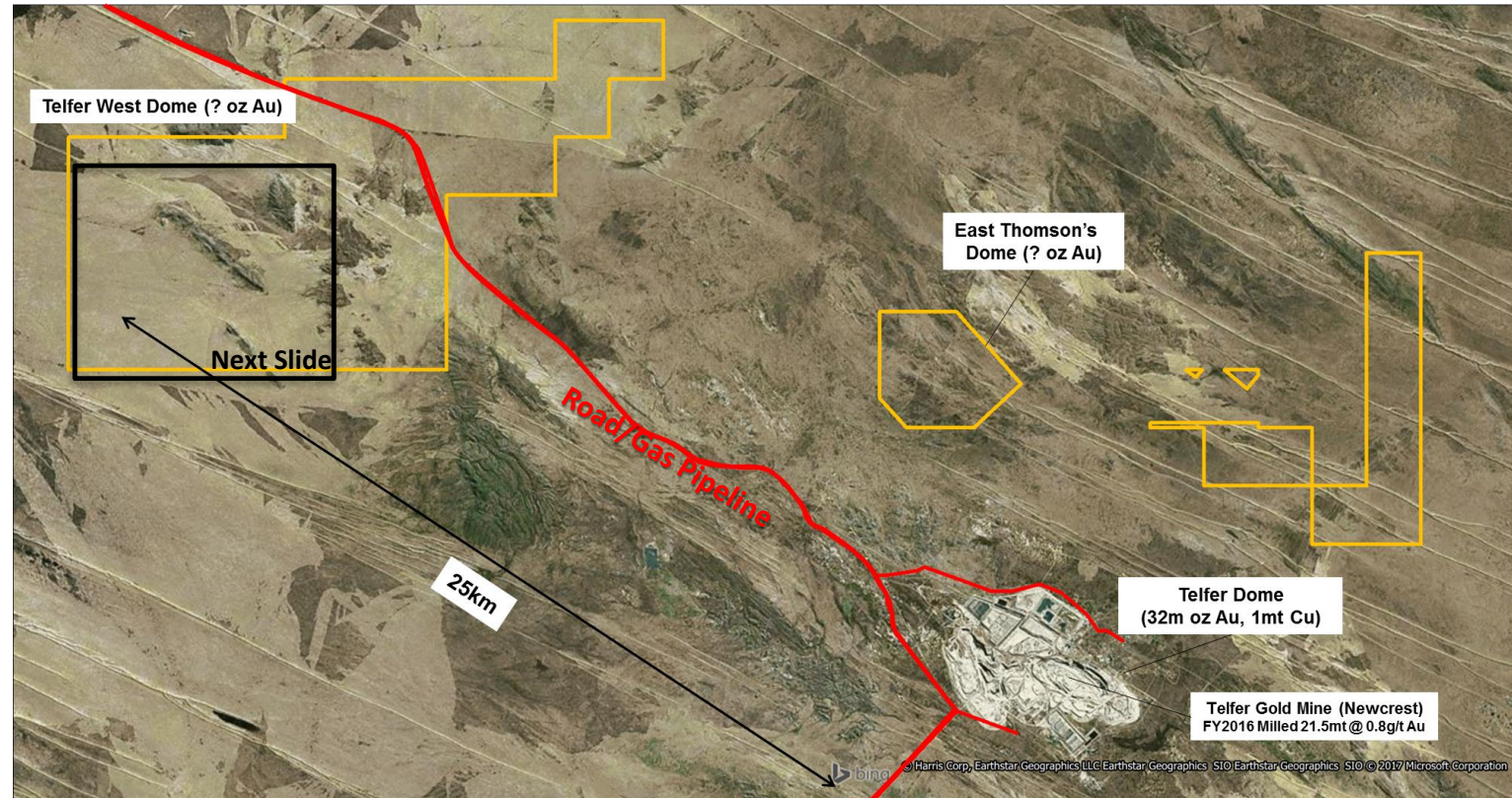
- ❖ 4m @ 4.3g/t Au from 0m in ETG109
- ❖ 4m @ 3.5g/t Au from 17m in ETG110
- ❖ 2m @ 5.4g/t Au from 46m in ETG106
- ❖ Further assays results December 2017



(refer ASX announcements 14 February, 5 May and 16 August, 14 September, 30 November 2017)

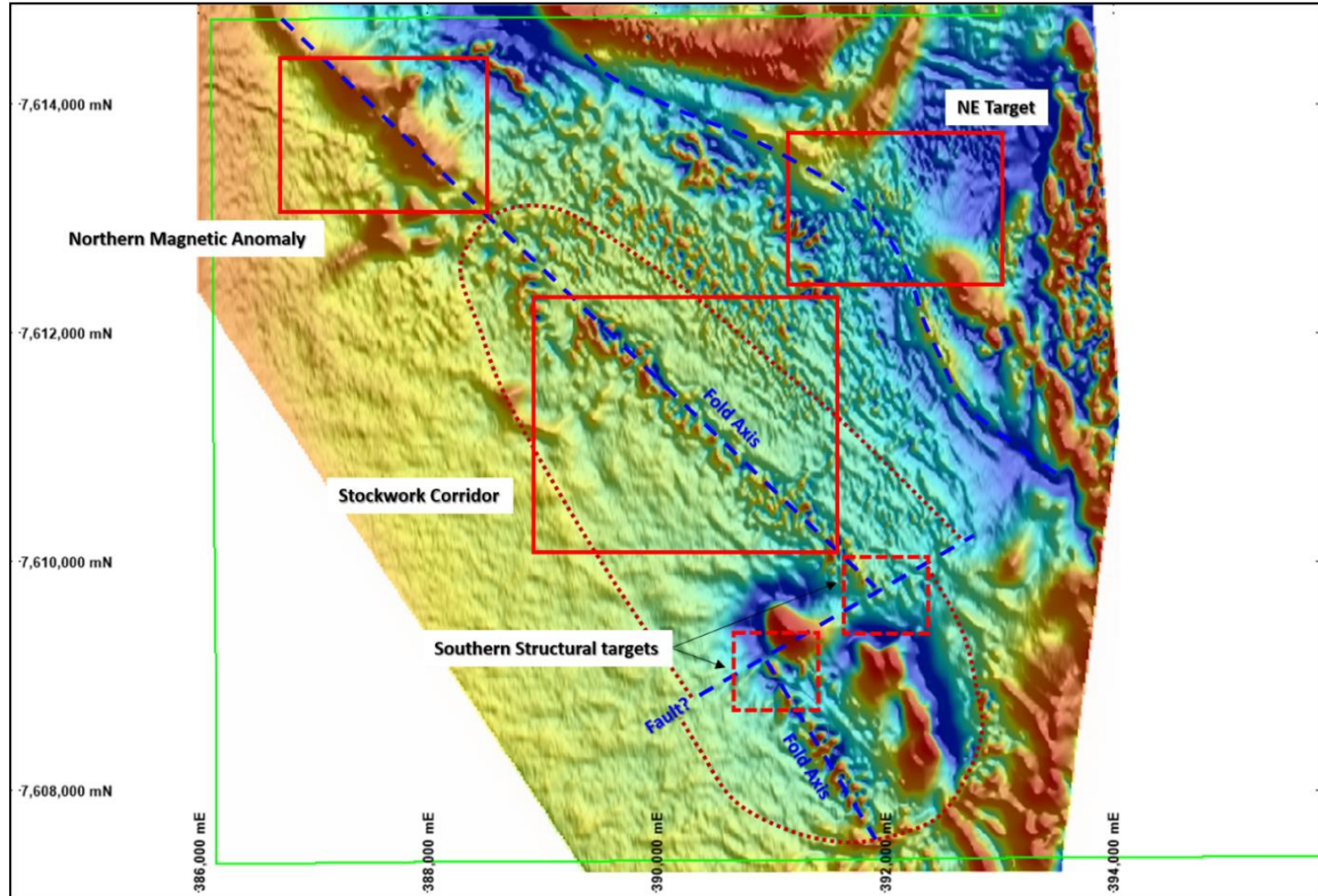
NEW GOLD DISCOVERY AT TELFER WEST

- ❖ Acquired in 2014 based on structural setting
- ❖ Newmont shallow drilling in the 1980s:
 - ❖ 17 diamond holes completed between 1986 and 1991 (average depth ~100m)
 - ❖ Numerous holes finished in gold – copper anomalism
 - ❖ Dome (5km x 8km) of prospective stratigraphy similar to the host units at Telfer
- ❖ No exploration for 25 years



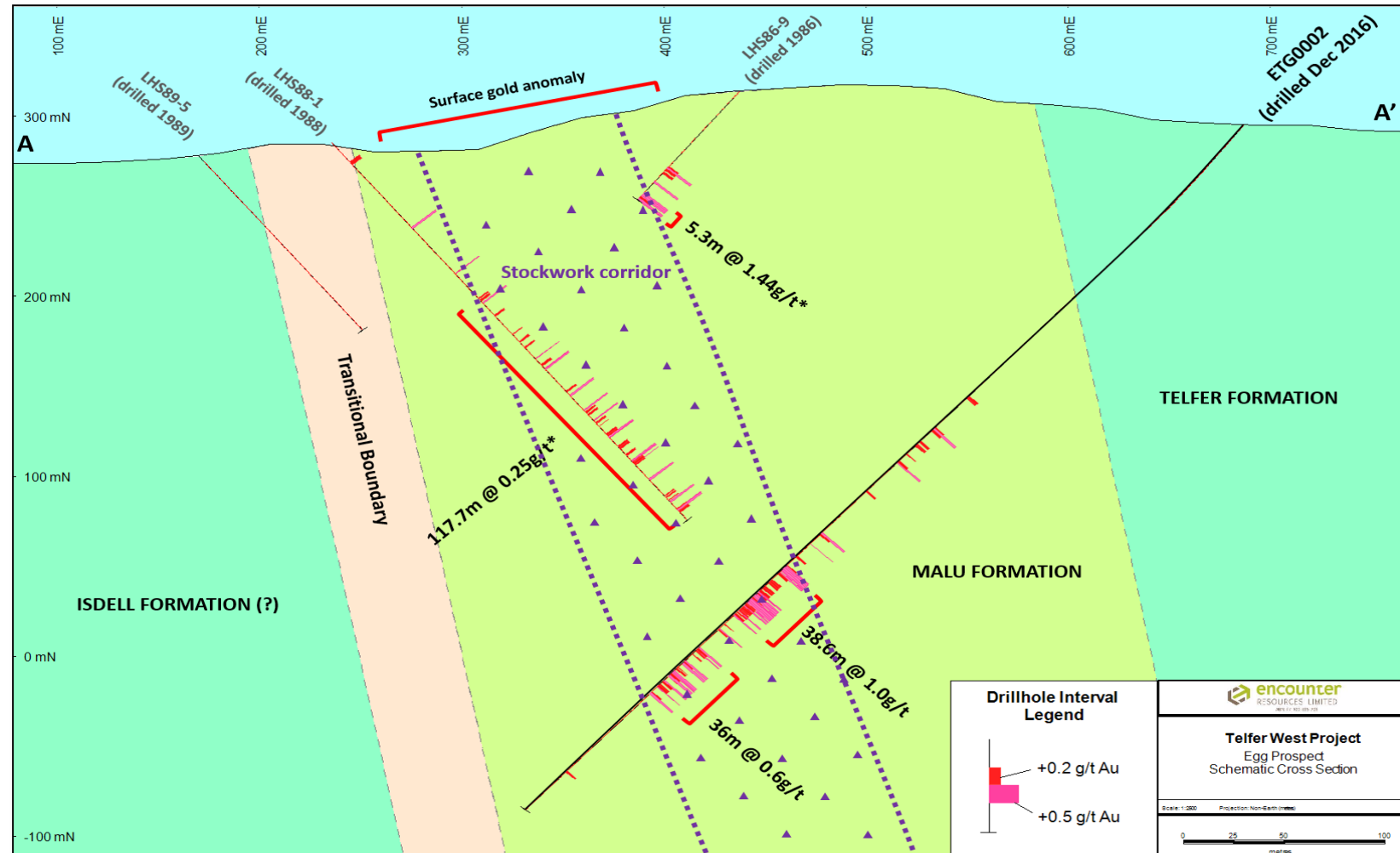
NEW DATA GENERATING HIGH VALUE TARGETS TO INCREASE SCALE

- ❖ Tenement granted in Aug 2016
- ❖ Magnetic survey completed
- ❖ Two diamond holes completed Dec 2016 drilled 4km apart - both well mineralised
- ❖ Broad spaced (~400m x 200m) RC program in April 2017 successfully intersected high grade, near surface gold at the Northern Mag Anomaly:
 - ❖ 20m @ 1.8g/t Au from 94m incl:
10m @ 2.8g/t Au
 - ❖ 14m @ 1.2g/t Au from 66m incl:
4m @ 3.3g/t Au



THICK STOCKWORK ZONE AT TELFER WEST – EGG PROSPECT

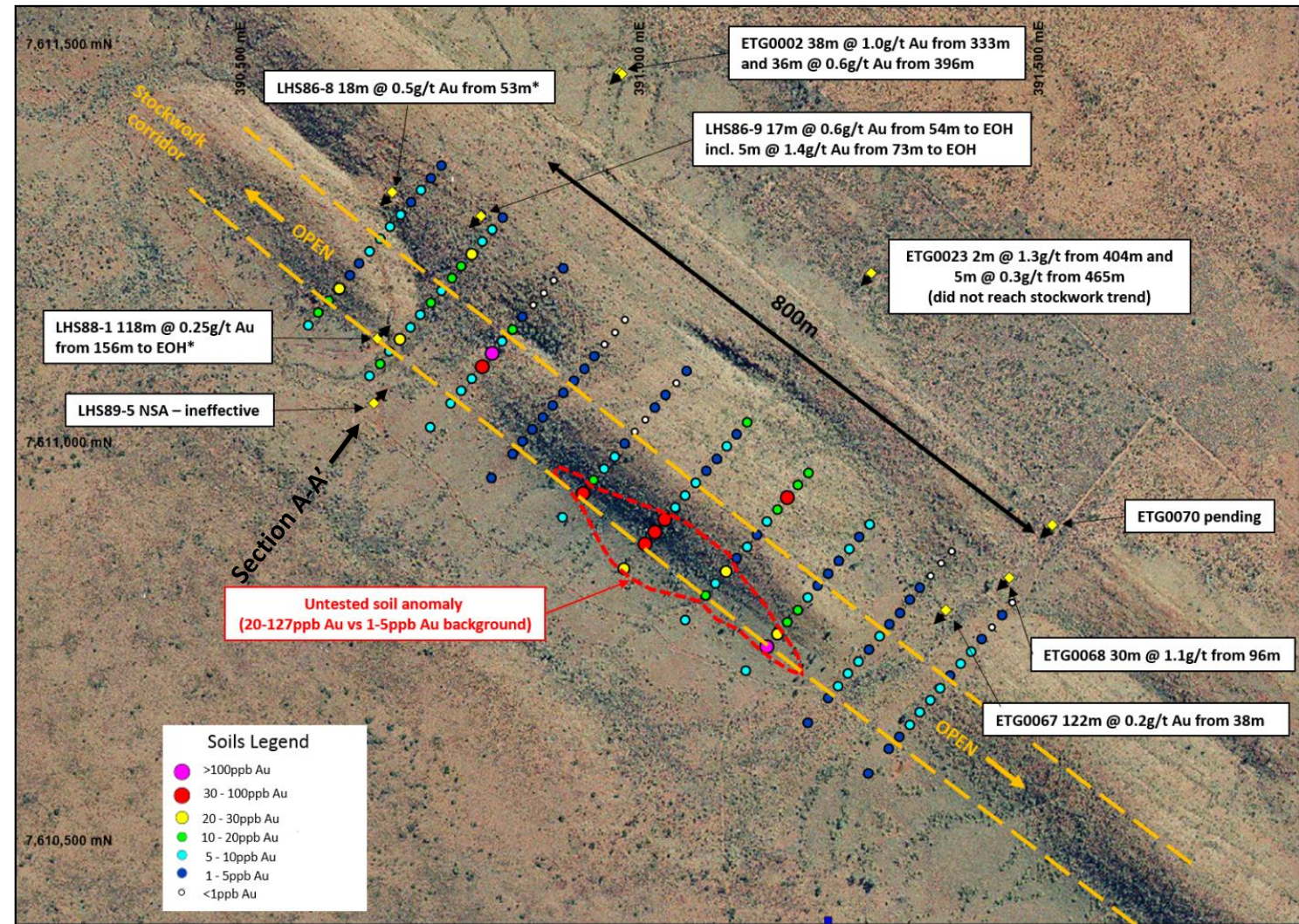
- ❖ Broad, depth extensive, zone of stockwork style gold mineralisation:
 - ❖ 38.6m @ 1.0g/t Au from 333m (incl. 4.2m @ 3.2g/t Au from 333.5m) and
 - ❖ 36m @ 0.6g/t Au from 396m (incl. 3.2m @ 3.3g/t Au from 415.2m)
- ❖ Thick mineralised package discovered may extend to surface and is open along strike and at depth



(refer ASX announcements 17 January & 31 July 2017)

NEWLY IDENTIFIED STOCKWORK ZONE AT TELFER WEST

- ❖ 800m SE along strike from Egg
- ❖ ETG0067 pre-collar 36m @ 0.4g/t Au from 124m
- ❖ ETG0068 pre-collar intersected a wide zone of gold mineralisation 30m at 1.1g/t Au from 96m incl. 2m @ 5.0g/t Au from 108m
- ❖ RC drilling of the gold stockwork corridor completed in October 2017 testing a recently identified surface geochemical anomaly
- ❖ Assays results December 2017



(refer ASX announcement 5 September 2017)

ENCOUNTER – NEWCREST PROJECT GENERATION ALLIANCE

- ❖ Project generation alliance with Australia's largest gold mining company, Newcrest Mining Limited (ASX:NCM)
- ❖ Newcrest will fund Encounter up to A\$500,000 over the next 12 months to generate new 'camp scale' exploration opportunities in northern WA
- ❖ Key terms of the alliance include:
 - ❖ 50:50 joint venture over any approved projects
 - ❖ Encounter option to maintain 50% interest by co-funding exploration or;
 - ❖ Newcrest may increase its interest to 80% by sole funding exploration and delivering a JORC compliant resource >1 Million oz gold or gold equivalent.
 - ❖ Should the alliance elect not to proceed with a project then it will revert back to Encounter 100%
- ❖ Targeting work is underway and initial projects have begun assessment by Newcrest to enter 50:50 joint venture phase

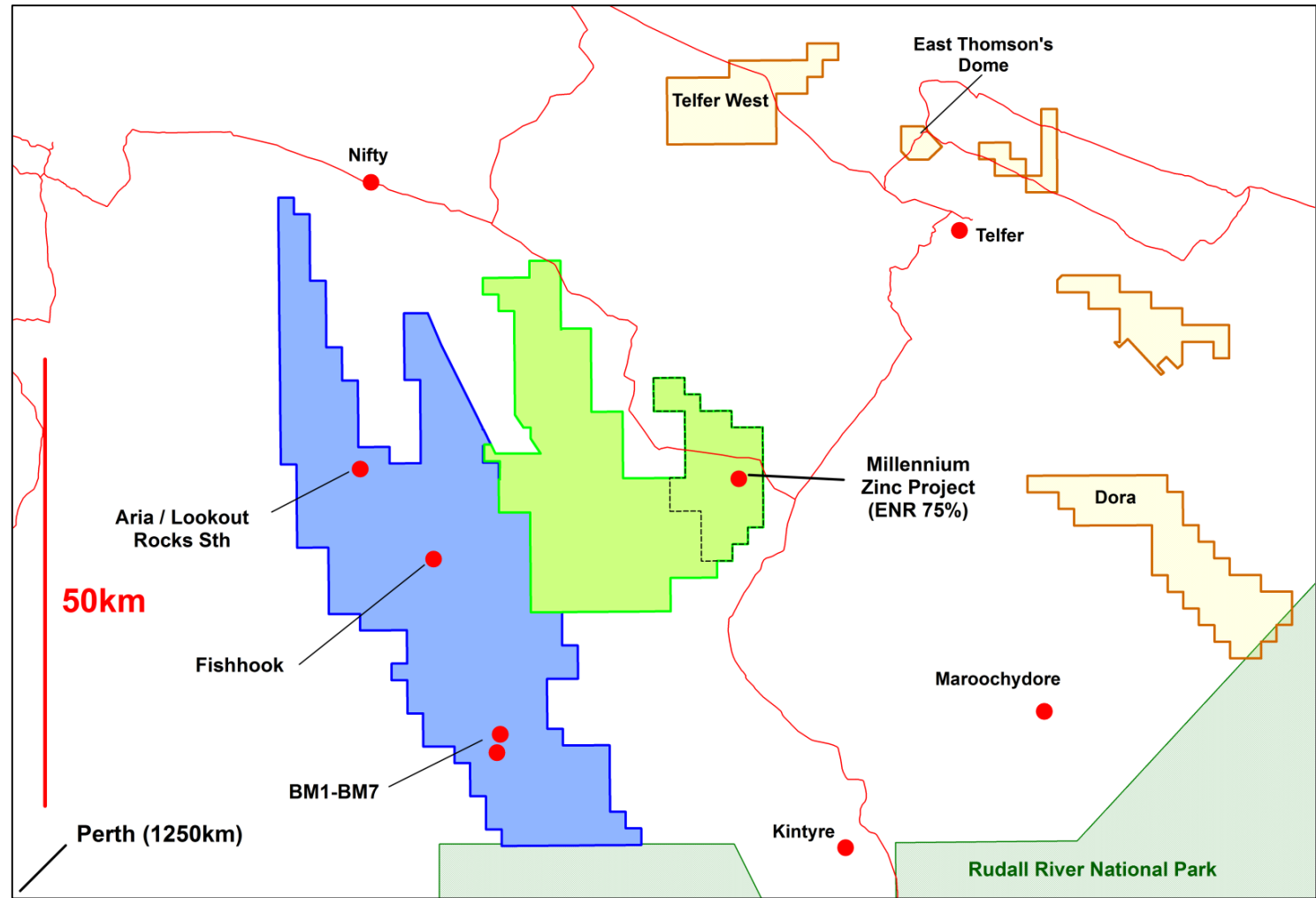


COPPER COBALT



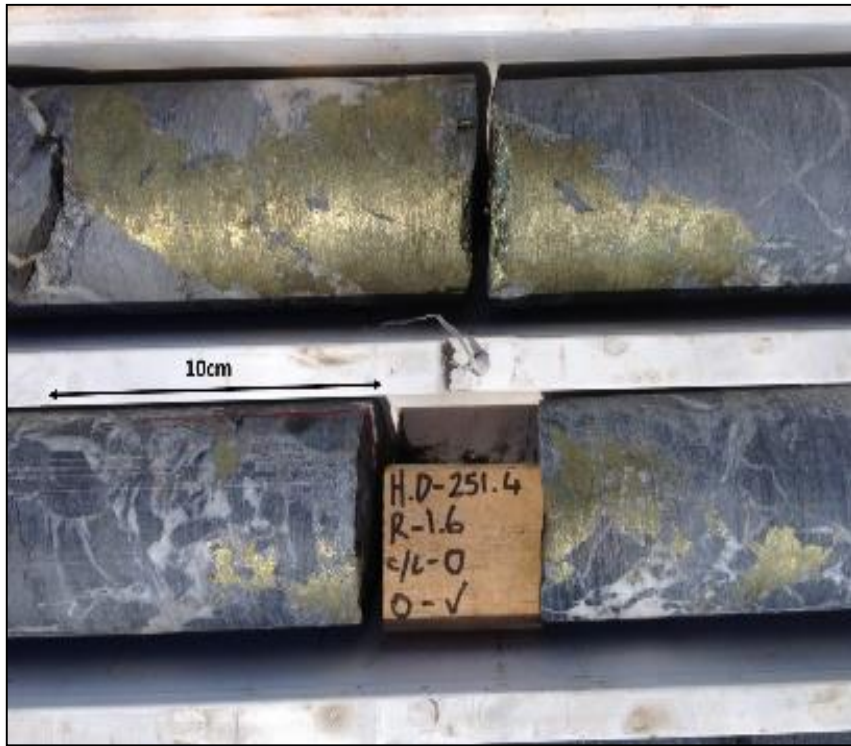
70KM COPPER-COBALT CORRIDOR SOUTH OF NIFTY

- ❖ Proterozoic aged, sediment hosted deposits in the Central African Copperbelt are one of the world's largest sources of copper and the world's largest source of cobalt
- ❖ Similar age and geological setting has been defined in the Yeneena Basin in WA
- ❖ Proof of concept though drilling results
- ❖ Large landholding at key structural location
- ❖ Multiple mineralisation styles discovered highlighting regional potential
- ❖ High grade copper-cobalt intersections



70KM COPPER-COBALT CORRIDOR SOUTH OF NIFTY

14km long copper Nifty style mineral system at BM1-BM7



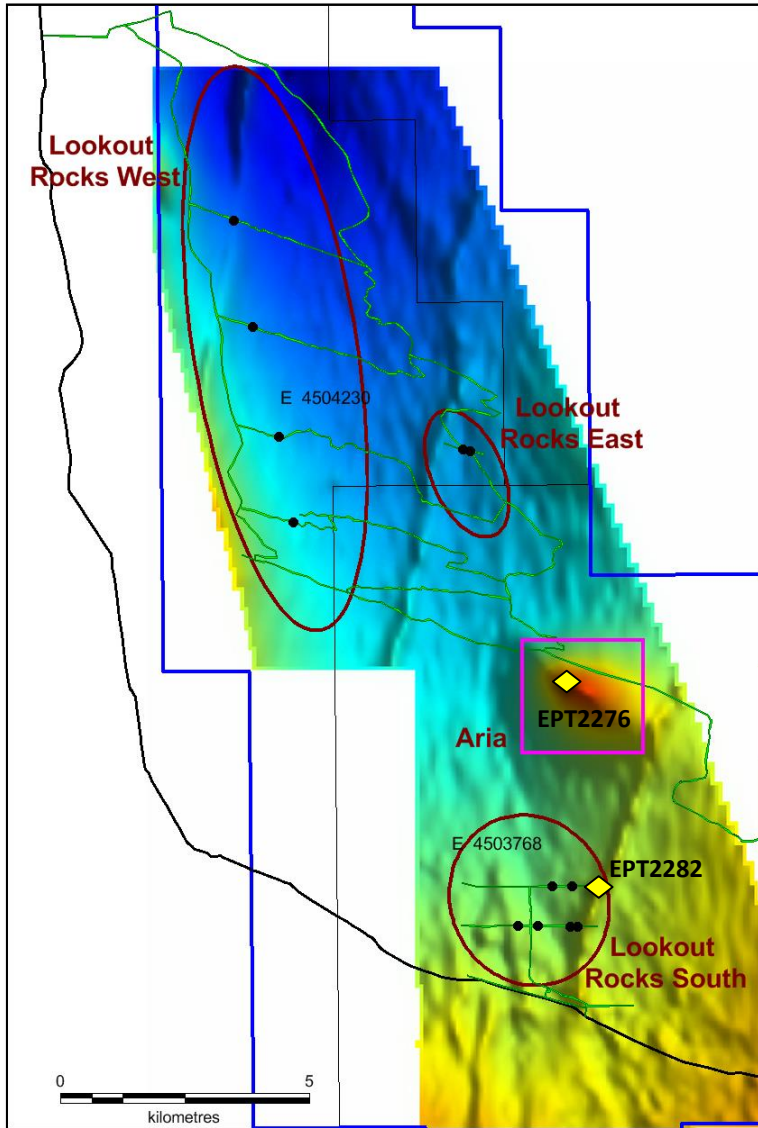
BM1

- ❖ Coherent zone of near surface Copper oxide mineralization
- ❖ 10m @ 6.8% Cu from 32m*
- ❖ 20m @ 2.0% Cu from 22m*
- ❖ 8m @ 3.6% Cu from 18m*
- ❖ 16m @ 3.2% Cu from 26m
- ❖ 50m @ 1.1% Cu from 12m

BM7

- ❖ Large mineral system containing high grade Cu sulphide
- ❖ 5m @ 2.5% Cu from 388m*
- ❖ 52m @ 0.6% Cu from 42m*
- ❖ 9m @ 1.5% Cu & 1.0% Co from 42m to EOH*
- ❖ 74m @ 0.4% Cu from 74m*
- ❖ 140m @ 0.2% Cu from 144m

70KM COPPER-COBALT CORRIDOR SOUTH OF NIFTY



ARIA

- ❖ IOCG style intrusion containing copper sulphides
- ❖ Discrete density anomaly located on the margin of the previously identified magnetic anomaly



EPT2276 intersected further hematite-altered, polymictic breccia containing blebs of copper sulphide

LOOKOUT ROCKS SOUTH

- ❖ First diamond drill hole intersected copper mineralisation, up to 1% Cu
- ❖ Zambian copper-belt analogous
- ❖ 80m long in-situ gossan (grading up to 0.22% Cu & 0.19% Co) located 800m SW of EPT2282



Disseminated chalcopyrite in carbonaceous shale
EPT 2282 ~259.2m downhole (1.0% Cu)



"Red Bed" oxidized sediments
EPT2282 ~320m downhole

WHY ENCOUNTER

- ❖ Active explorer in one of the world's most prospective basins
- ❖ Targeting shallow gold opportunities with scale potential - known district, near infrastructure
- ❖ Strong in house expertise to drive target generation
- ❖ Project generation alliance with Australia's largest gold mining company, Newcrest Mining Limited (ASX:NCM)
- ❖ Large prospective landholding over 70km of strike providing leverage in a proven minerals district (copper-cobalt, lead-zinc) (~2000km²)
- ❖ Backed by leading global resources funds (Resource Capital Funds, Acorn, Thorney, Eye Investment Management)