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ASX: ENR

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

Successful EIS Grant for Dora Gold Prospect

The directors of Encounter Resources Ltd ("Encounter" or "the Company") are pleased to announce that the Company was successful with its application for WA Government Exploration Incentive Scheme ("EIS") co-funding (up to A\$150,000) for future drilling at the Dora gold project located in the Paterson Province in Western Australia.

Background

Over recent years Encounter has continued to add to its strategic ground holding in the Yeneena region including the acquisition of the Dora and Telfer West gold-copper projects.

Telfer West ELA45/4613 (100% Encounter): In 2014 Encounter secured a project located 25km north-west of Newcrest's Telfer gold-copper operation. The project covers an area of approximately 121km². Historical exploration was completed by WMC and Newmont from 1983-1993 targeting Telfer style gold-copper mineralisation. The last onground exploration was completed in 1993 where limited shallow drilling intersected gold mineralisation over a 4km long trend.

Dora E45/4564 (100% Encounter): The Dora gold-copper tenement, was granted in December 2015 (see Figure 1). The project covers a series of discrete magnetic anomalies along strike from historical gold occurrences and is located approximately 40km south-east of the Telfer gold-copper operation.

Upcoming Activity

Initial field reconnaissance at the Paterson gold projects is scheduled to commence in July 2016. In addition, a detailed airborne magnetic survey will be completed at the Telfer West project.

The first drilling by Encounter at the Paterson gold-copper projects is scheduled to commence in October 2016. The initial drilling at the Dora project will be co-funded under the WA Government EIS program.

Location Plan

The Yeneena region projects cover 1,800km² of the Paterson Province in Western Australia that hosts the Nifty copper mine and the Telfer gold-copper deposit (Figure 1). The targets identified are located adjacent to major regional faults and have been identified through electromagnetics, geochemistry and structural targeting.

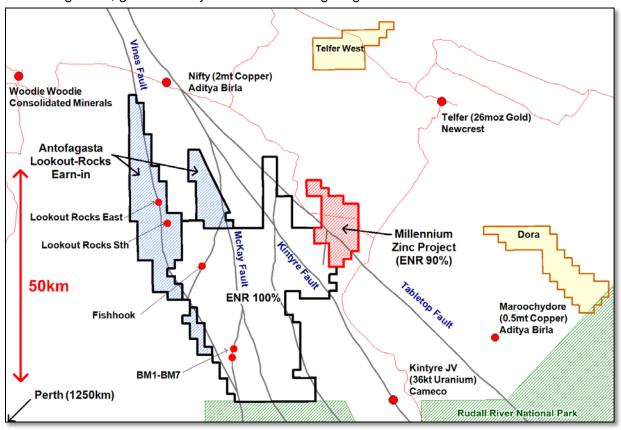


Figure 1: Yeneena region leasing and targets areas

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.