

19 January 2017

**ASX : ENR**

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

## **High grade gold intersected in first Telfer West drilling**

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- **The first two diamond holes drilled by Encounter at the Telfer West dome have intersected high grade gold mineralisation.**
  - **Diamond drill hole (ETG0002), intersected a broad, depth extensive, zone of stockwork style gold mineralisation at the Egg Prospect including 38.6m @ 1.0g/t Au from 333m (including 4.2m @ 3.2g/t Au from 333.5m) and 36m @ 0.6g/t Au from 396m (including 3.2m @ 3.3g/t Au from 415.2m).**
  - **The thick mineralised package discovered at the Egg Prospect may extend to surface and is open along strike and at depth.**
  - **Diamond drill hole (ETG0003), drilled 4km north-west of the Egg Prospect, targeted a magnetic corridor and intersected strong supergene gold mineralisation that included 24.9m @ 0.7g/t Au from 127.1m and 4.0m @ 7.1g/t Au from 216m.**
  - **Gold mineralisation at Telfer West is coincident with the interpreted fold axis of a major 8km by 5km dome. The interpreted fold axis corridor has been partially tested in only three locations along its 8km strike.**
  - **Following these encouraging results, a follow up drill program will commence in March-April 2017, after the summer cyclone period and will be partially funded (\$150,000) by a WA Government EIS grant.**
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The directors of Encounter Resources Ltd (“**Encounter**” or “**the Company**”) are pleased to report that the recent two hole diamond drilling program at the Telfer West project (“**Telfer West**”) has successfully intersected gold mineralisation in both holes.

### **Background**

Telfer West (E45/4613) covers an area of approximately 121km<sup>2</sup> and is located 25km north west of Newcrest’s major gold-copper operation at Telfer (see Figure 4). Limited historical exploration at Telfer West was conducted by WMC and Newmont from 1983-1993 targeting gold mineralisation in a similar geological setting to Telfer.

Telfer West covers an 8km by 5km domal formation of Proterozoic sediments that is bounded to the northwest and southeast by late stage granitic intrusions. The domal structure has a core of Isdell Formation overlain by the Malu Formation, Telfer Formation and sediments of the Puntapunta Formation. These geological units are the main hosts of gold-copper mineralisation at Telfer. A linear belt of subtle magnetic anomalism forms part of a broad structural corridor that defines the fold axis of the Telfer West dome (see Figure 1). The gold mineralisation intersected is contained within this structural corridor, with stronger accumulations likely in areas of greater structural complexity.

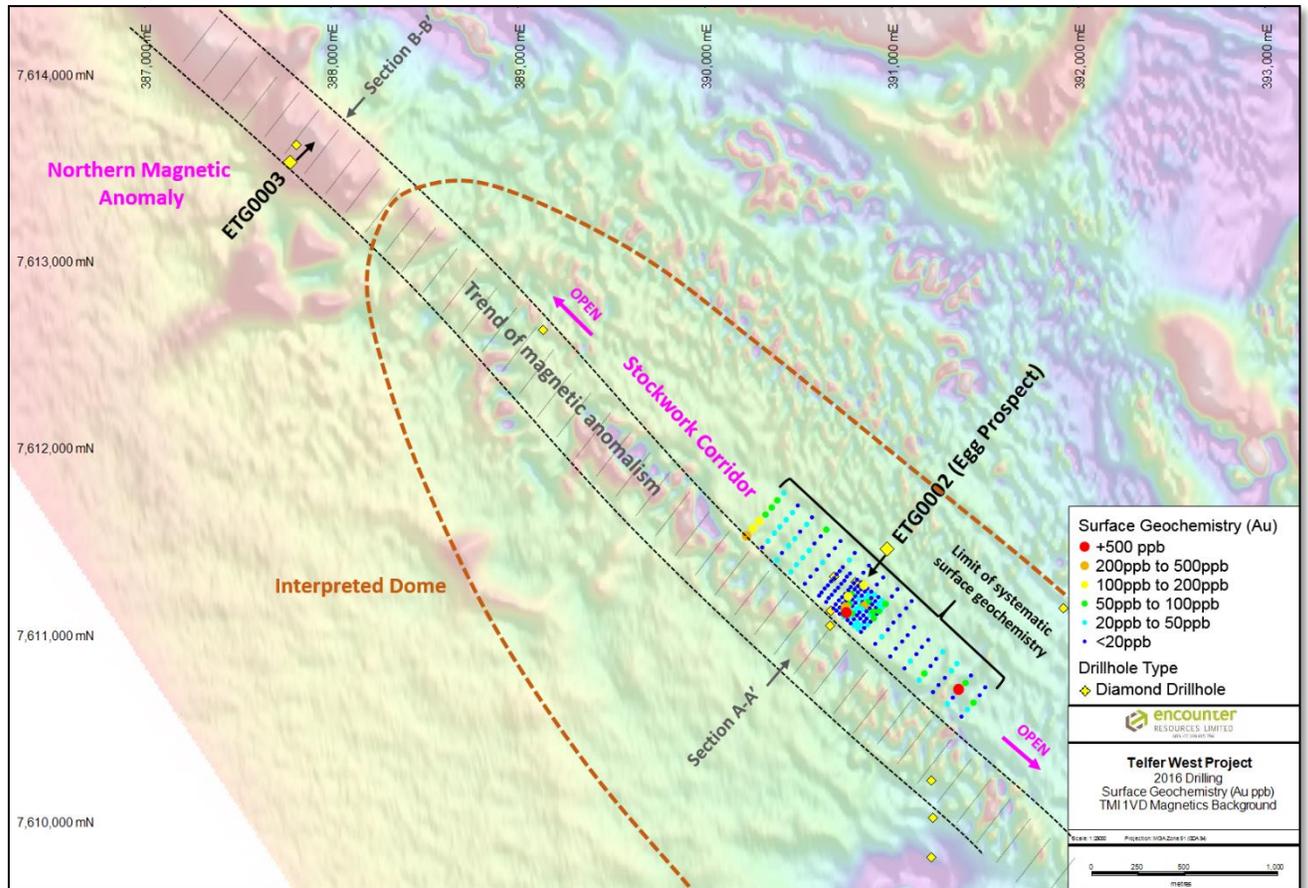


Figure 1: Telfer West diamond historical drilling, systematic surface geochemistry and interpreted dome. Historical diamond holes (yellow diamonds). Detailed aeromagnetic background (TMI 1VD pseudo colour image)

The first two holes drilled by Encounter 4km apart at Telfer West have both confirmed the presence of high grade gold mineralisation.

### Egg Prospect Stockwork Zone (ETG0002)

At the Egg Prospect (ETG0002) a broad, steep dipping zone of stockwork style gold mineralisation was intersected within a strongly silicified massive quartzite unit. The stockwork zone contains multiple quartz veins containing pyrite and sporadic arsenopyrite over a downhole length of ~100m. Assay results from the broad zone of stockwork style gold mineralisation, included **38.6m @ 1.0g/t Au from 333m (including 4.2m @ 3.2g/t Au from 333.5m) and 36m @ 0.6g/t Au from 396m (including 3.2m @ 3.3g/t Au from 415.2m)** (see Figure 2).

Please note that the upper part of the intersection reported above of 38.6m @ 1.0g/t Au from 333m was selected for priority analysis and was previously reported as 20.4m @ 0.9g/t gold (see ASX announcement 6 December 2016)

Hole_ID	Northing (m)	Easting (m)	RL (m)	EOH(m)	Dip	Azi	Hole Type
ETG0002	7611460	390978	296	521	-46.5	220	RCD
ETG0003	7613529	387780	270	564.4	-60	040	RCD

Table 1: Diamond drill hole collar locations – Telfer West

Estimated drill hole coordinates GDA94 zone 51 datum. Collars positioned via handheld GPS (+/-5m), EOH = End of hole depth; m=metre; azi=azimuth. RCD = RC precollar with diamond tail

Hole ID	From (m)	To (m)	Length (m)	Gold g/t	As (ppm)	Bi (ppm)	Cu (%)	W (ppm)
ETG0002	203.00	205.00	2.00	0.26	4	0	0.00	6
ETG0002	227.15	230.00	2.85	0.42	17	5	0.01	5
ETG0002	237.80	241.50	3.70	0.27	19	2	0.02	9
ETG0002	247.56	248.00	0.44	0.25	9	1	0.01	4
ETG0002	252.80	254.67	1.87	0.32	6	3	0.01	6
ETG0002	276.00	277.00	1.00	0.26	2	1	0.00	3
ETG0002	308.00	310.00	2.00	1.35	47	11	0.01	12
ETG0002	316.45	316.65	0.20	0.51	640	1220	0.02	69
ETG0002	326.00	327.00	1.00	0.30	0	4	0.00	5
ETG0002	333.00	371.60	38.60	1.02	1535	5	0.01	224
incl.	333.52	337.70	4.18	3.23	5625	17	0.01	41
ETG0002	377.99	378.40	0.41	0.26	1070	4	0.02	34
ETG0002	381.65	383.00	1.35	0.30	700	8	0.04	55
ETG0002	396.05	432.00	35.95	0.57	715	8	0.01	15
incl.	415.15	418.38	3.23	3.33	1790	23	0.00	11
ETG0002	491.00	492.00	1.00	0.37	36	1	0.00	14

**Table 2: Diamond drilling assay results – Telfer West ETG0002**

*Intervals are calculated with a lower cut-off of 0.2g/t with some narrow internal zones less than 0.2g/t included. Internal higher grade intervals calculated at a 1g/t Au lower cut-off.*

ETG0002 is the first hole to be drilled through the entire stockwork corridor from the hangingwall through to the interpreted footwall and has confirmed a significant, depth extensive stockwork system that is highly anomalous in gold. The hole has also provided a structural and geological framework that indicates the system may extend to surface and has the potential to contain zones of higher grade gold within the primary sulphide zone (see historical drill holes LHS 86-9 and LHS88-1 in Figure 2).

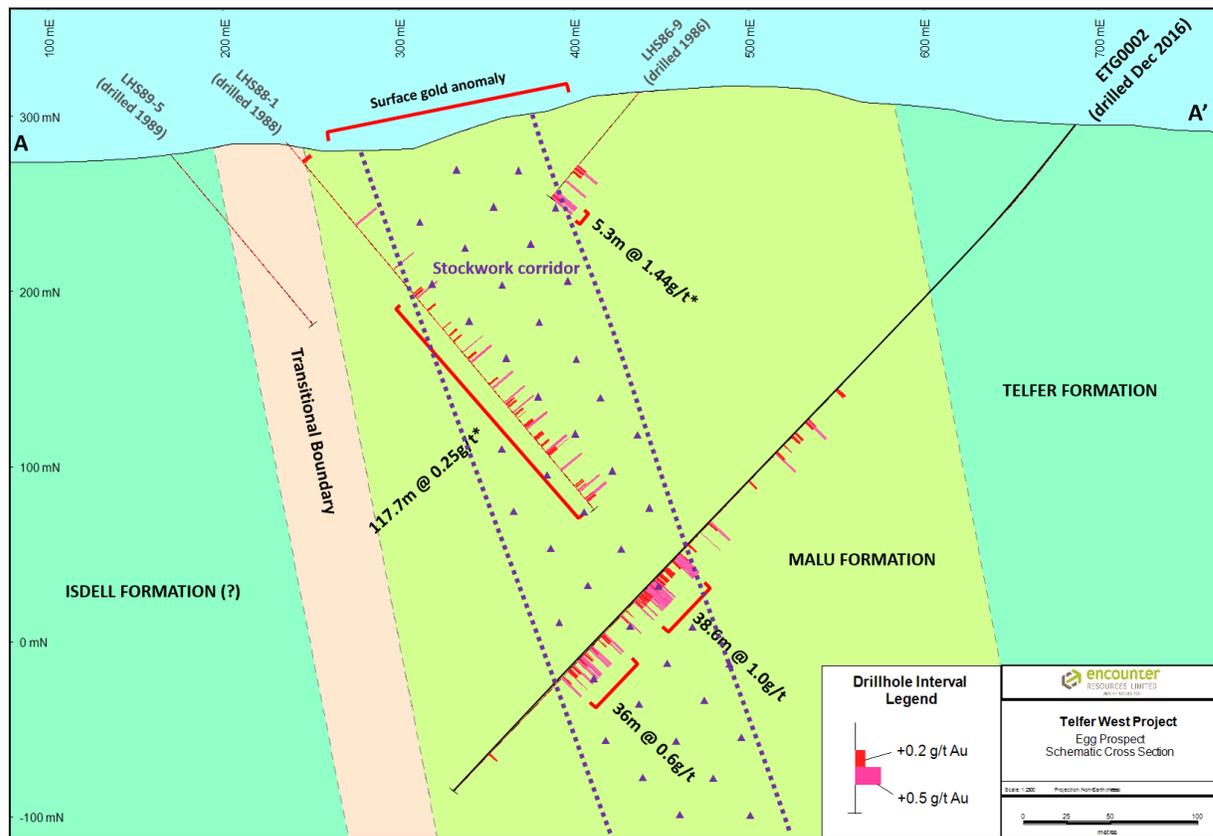


Figure 2: Telfer West, Egg Prospect schematic cross section (A – A')

The next phase of exploration at the Egg Prospect is to drill test the near surface position of the stockwork corridor on the existing drill section and to test along the corridor to the northwest and southeast. The stockwork corridor is interpreted to follow the trend of subtle magnetic anomalism which lies sub-parallel to a silicified quartzite ridge. This quartzite hosted stockwork corridor is essentially untested outside of the Egg Prospect with only one shallow diamond hole drilled along the interpreted 5kms of strike.

### Northern Magnetic Anomaly (ETG0003)

The interpreted fold axis at Telfer West continues northwest from the quartzite hosted stockwork system at the Egg Prospect for a further 3kms into the Telfer Formation sediments where the magnetic anomalism strengthens. This section of the fold axis has been tested with only one previous shallow diamond drillhole, LHS89-06 that was drilled in 1989. ETG0003, located 4km north-west of ETG0002, was drilled to test this magnetic corridor adjacent to LHS89-06.

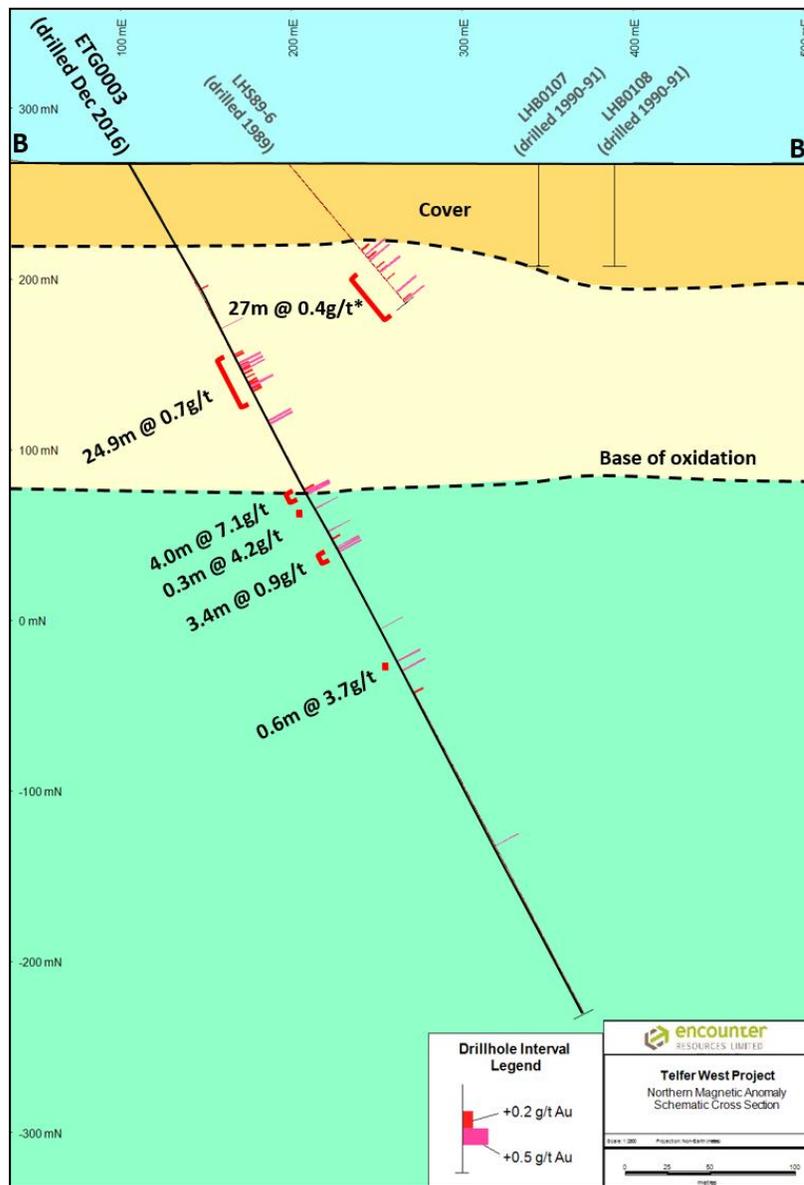
ETG0003 intersected strong supergene gold mineralisation and has established the extensive scale of the gold opportunity at Telfer West. ETG0003 returned **24.9m @ 0.7 g/t Au from 127.1m** and **4.0m @ 7.1g/t Au from 216m** within a broad gold-copper anomalous interval. The strong supergene gold mineralisation in the north of the project is interpreted to be formed through the weathering of nearby, primary gold mineralisation.

Hole ID	From (m)	To (m)	Length (m)	Gold g/t	As (ppm)	Bi (ppm)	Cu (%)	W (ppm)
ETG0003	84.00	84.40	0.40	0.26	83	0	0.01	7
ETG0003	110.20	110.40	0.20	0.80	523	22	0.10	14
ETG0003	127.10	152.00	24.90	0.68	511	7	0.05	60
incl.	137.9	138.3	0.4	13.53	1130	452	0.08	13

ETG0003	170.50	173.40	2.90	0.90	121	2	0.07	22
ETG0003	216.00	220.00	4.00	7.08	602	176	0.08	178
ETG0003	229.10	229.40	0.30	4.25	11100	3590	2.33	73
ETG0003	244.60	244.90	0.30	2.52	27	52	0.41	11
ETG0003	249.00	250.00	1.00	0.24	6	5	0.03	4
ETG0003	255.00	258.40	3.40	0.94	<1	113	0.08	3
ETG0003	309.30	309.50	0.20	2.46	<1	41	0.17	2
ETG0003	330.60	331.20	0.60	3.69	45	2	0.05	9
ETG0003	336.60	337.10	0.50	1.29	4	1188	1.48	10
ETG0003	351.00	352.00	1.00	0.39	173	4	0.00	5
ETG0003	453.10	453.20	0.10	0.82	3170	1840	1.64	2

**Table 3: Diamond drilling assay results – Telfer West ETG0003**

Intervals are calculated with no lower cut-off with some internal zones less than 0.1g/t. Internal higher grade intervals calculated at a 1g/t Au lower cut-off.



**Figure 3: Telfer West, Northern Magnetic Anomaly schematic cross section (B – B')**

## Next steps

The objective of the first drilling at Telfer West was to identify styles of mineralisation similar to Newcrest's Telfer Gold-Copper Mine. The first program successfully intersected both broad zones of stockwork style mineralisation and narrow high grade intersections that are similar to styles of mineralisation at Telfer. Based on these highly encouraging results drilling will recommence at Telfer West in March-April 2017 at the conclusion of the summer cyclone period.

The next phase of drilling at Telfer West will focus on the near surface position of the stockwork mineralisation at the Egg Prospect, on both the existing section and to the northwest and southeast.

Drilling along the northern section of the fold axis will aim to identify the extent of the supergene gold mineralisation drilled in ETG0003 and to define vectors to the primary mineralisation.

This next phase of drilling at Telfer West will be partially funded by a WA Government EIS grant (\$150,000).

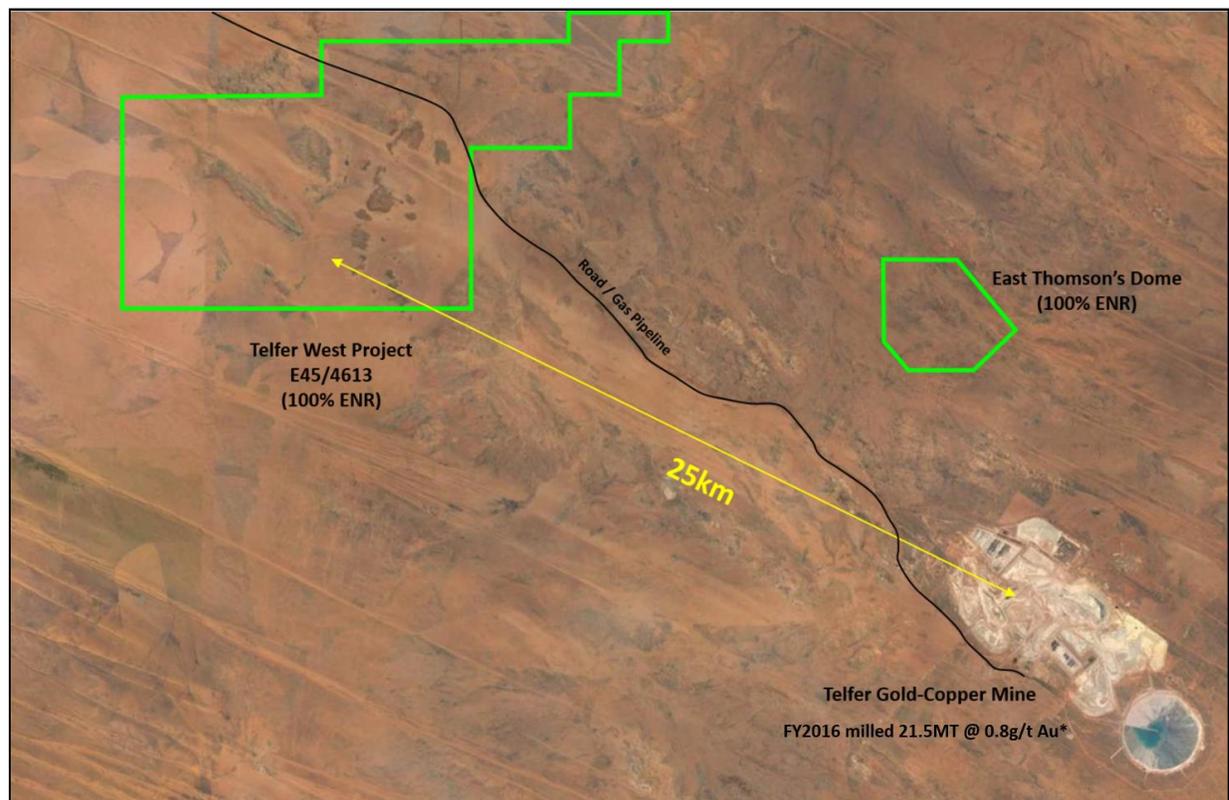


Figure 4: Telfer West location map – Google Earth background  
(\*source Newcrest Annual Report 2016)

## Location Plan

Encounter holds exploration tenure over 2,000km<sup>2</sup> of the Paterson Province in Western Australia, with the main Yeneena project located 35km SE of the Nifty copper mine and 40km SW of the Telfer gold/copper deposit (Figure 5). The targets identified in the Paterson are located adjacent to major regional faults and have been identified through electromagnetics, geochemistry and structural targeting. The company is actively exploring for copper-cobalt and zinc-lead deposits at the Yeneena as well as gold-copper deposits in the Telfer region.

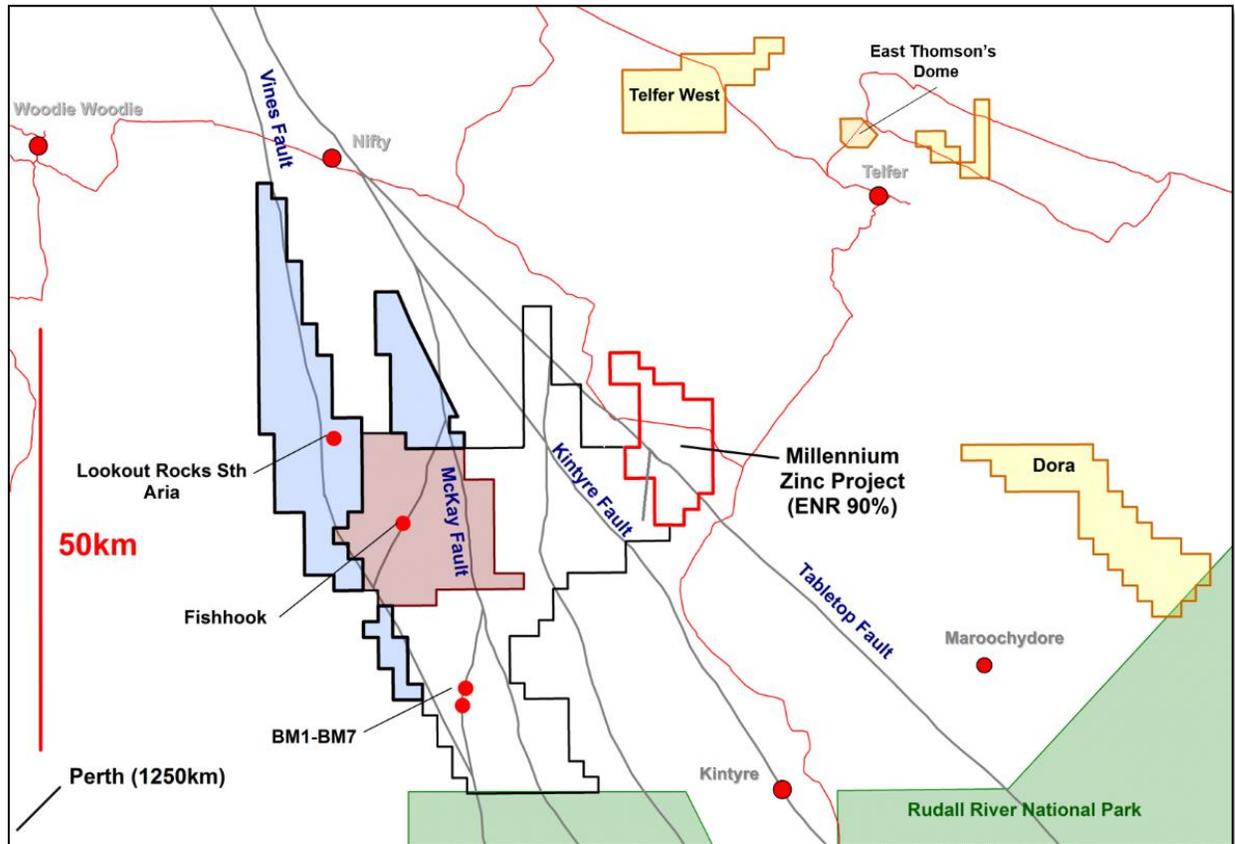


Figure 5: Yeneena Project leasing and targets areas

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.

## SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	<p>Telfer West was sampled by Encounter using RC and diamond drilling. A two diamond hole program has been completed for a total of 1085.4m. The diamond holes are RC pre-collared and RC drilling method is also used for the drilling of water bores at Telfer West. In total three water bores and one failed pre-collar were drilled in this program in addition to the two diamond drill holes. The two exploration diamond holes were drilled on separate section approximately 4km apart.</p> <p>Onsite handheld Niton XRF instruments were used to systematically analyse diamond core and RC samples, with a single reading taken for each 1m core interval or 2m composite RC sample produced during drilling. These results are only used for onsite interpretation and the XRF results are not reported.</p>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	Drill hole collar locations were recorded by handheld GPS, which has an estimated accuracy of +/- 5m.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information</i>	Reverse circulation drilling was used to obtain 3-4 kg samples every 1m downhole and composited into 2m samples. The diamond core was drilled at either HQ or NQ2 diameter. The samples from the drilling were sent to Bureau Veritas Minerals Pty Ltd Laboratories in Perth, where they were dried, crushed, pulverised and split to produce a sub – sample for Fire Assay, ICP – OES and ICP – MS analysis.
<b>Drilling techniques</b>	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	All the results reported in this announcement refer to samples from the diamond drilling. RC holes were drilled using 5 1/4" face sampling hammer. Diamond holes are RC pre-collared to hard rock then HQ and NQ2 drilled to EOH.
<b>Drill sample recovery</b>	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	RC Sample recoveries were estimated as a percentage and recorded by Encounter field staff. All zones of core loss were logged as individual units.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	Driller's used appropriate measures to maximise core recovery and minimise down-hole and/or cross – hole contamination in RC drilling.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	To date, no detailed analysis to determine the relationship between sample recovery and/or and grade has been undertaken for this drill program.

<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
<b>Logging</b>	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	Geological logging is carried out on all drill holes, with lithology, alteration, mineralisation, structure and veining recorded. Where core was orientated, structural measurements were taken.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Geological logging is qualitative in nature and records interpreted lithology, alteration, mineralisation, structure, veining and other features of the samples.
	<i>The total length and percentage of the relevant intersections logged</i>	All drill holes were logged in full by Encounter geologists.
<b>Sub-sampling techniques and sample preparation</b>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Core samples reported in this announcement were half cut core samples.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	RC samples were collected on the rig using a cone splitter. Samples were recorded as being dry, moist or wet by Encounter field staff.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Sample preparation was completed at Bureau Veritas Minerals Pty Ltd Laboratories in Perth. Samples were dried, crushed, pulverised (90% passing at a $\leq 75\mu\text{m}$ size fraction) and split into a sub – sample that was analysed using fire assay and a 4 acid digest with an ICP – OES and ICP – MS finish.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Field QC procedures involve the use of commercial certified reference materials (CRMs) and in house blanks. The insertion rate of these will be at an average of 1:33.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Field duplicates were taken during RC drilling and were collected on the rig via a cone splitter at a rate of 1:50.  The results from these duplicates are assessed on a periodical basis.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The sample sizes are considered appropriate to give an accurate indication of the mineralisation at Telfer West although check analysis using large sample sizes will be completed following completion of the 2 hole program.
<b>Quality of assay data and laboratory tests</b>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	The sample(s) for ICP analysis have been digested and refluxed with a mixture of acids including Hydrofluoric, Nitric, Hydrochloric and Perchloric Acids. This extended digest approaches a Total digest for many elements however some refractory minerals are not completely attacked. Analytical methods used will be ICP – OES (Cu, Fe, K, Mg, Mn, Ni, P, S, Sc, Ti and Zn) and ICP – MS (Ag, As, Bi, Co, Mo, Pb, Sb, Sn, Te, W and Zr). Au, Pt and Pd were determined via Fire Assay.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	Two handheld XRF instruments were used to systematically analyse RC samples and drill core onsite. The principal instrument used was a Thermo Scientific XL3t 950 GOLDD+. A Thermo Scientific XL3t 500 was also used infrequently. Reading times ranged from 20 – 25 seconds. Standards are analysed frequently to ensure accuracy.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of in house procedures. Encounter also submitted an independent suite of CRMs, blanks and field duplicates (see above). A formal review of this data is completed on an annual basis.

<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
<b>Verification of sampling and assaying</b>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The intersections included in this report have been verified by Kristian Hendricksen (Senior Exploration Geologist)
	<i>The use of twinned holes.</i>	No twinned holes have been drilled.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Primary data is collected for Telfer West on toughbook computers using Excel templates and Maxwell Geoservice's LogChief software. Data collected was sent offsite to Encounter's Database (Datashed software), which is backed up daily.
	<i>Discuss any adjustment to assay data.</i>	The majority of samples above 1g/t were repeated and the average assay grade for the sample was reported.
<b>Location of data points</b>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Drill hole collar locations are determined using a handheld GPS.  Down hole surveys were collected during this drilling program at approx. 30m intervals downhole.
	<i>Specification of the grid system used.</i>	The grid system used is MGA_GDA94, zone 51.
	<i>Quality and adequacy of topographic control.</i>	Estimated RLs were assigned during drilling and are to be corrected at a later stage using a DTM created during the aeromagnetic survey.
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	The two holes in this program were drilled on two separate sections located approximately 4km apart.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Mineralisation has not yet demonstrated to be sufficient in both geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications to be applied.
	<i>Whether sample compositing has been applied.</i>	RC Drill samples from this program were composited from 1m sample piles into 2m composite samples.
<b>Orientation of data in relation to geological structure</b>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	N/A – this is early stage drilling and the orientation of sampling to the mineralisation is not known.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	This is early stage drilling and the orientation of sampling to the mineralisation is not known.
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	The chain of custody is managed by Encounter. Samples were delivered by Encounter personnel to Newcrest's Telfer Mine site and transported to the assay laboratory via McMahon's Haulage. Tracking protocols have been enacted to monitor the progress of all samples batches.
		Sampling techniques and procedures are regularly reviewed internally, as is data. To date, no external audits have been completed on Telfer West data.
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	

## SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<p><i>Type, reference name/number, location and ownership including agreements or material issues with third parties including joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></p>	<p>The Telfer West project is located within the tenement E45/4613 which is 100% held by Encounter. The prospect area is subject to a production royalty of A\$1 per dry metric tonne of ore mined.</p> <p>This tenements are contained completely within land where the Martu People have been determined to hold native title rights.</p> <p>No historical or environmentally sensitive sites have been identified in the area of work.</p>
<b>Exploration done by other parties</b>	<p><i>Acknowledgment and appraisal of exploration by other parties.</i></p>	<p>A regional LAG sampling program in the early 1980s conducted by WMC Resources identified a copper / arsenic anomaly over the area of the Telfer West project. Detailed mapping and ~2km spaced, shallow bedrock drilling by WMC was completed to produce a interpreted geology map of the area. Anomalous values of 150-520ppm As with no gold and low tenor copper values were recorded.</p> <p>In 1983 Newmont Holdings Pty Ltd (later Newmont Australia Ltd) entered into a joint venture with WMC over the Telfer West area.</p> <p>In 1984 Newmont and BHP entered an agreement with WMC to continue the joint venture with Newmont as operator. Newmont completed a regional aeromagnetic and radiometric survey in 1984 and colour photography survey. 144 rock chip samples and a bulk stream sediment sampling was also completed prior to a 15 hole RC drill program (total of 756m, LSR series) targeting the Upper Malu/ Puntapunta contact. RC Holes were drilled on four 400m spaced sections at ~40m spacing on the north-east side of the interpreted dome. No mineralized reef positions were identified in this program.</p> <p>In 1985, Newmont completed 4 diamond holes (LSPC 1-4) for a total of 391m in the south of the dome testing separate magnetic anomalies. Drilling returned encouraging results with Au-Cu-W 'skarn style' mineralization hosted in the Isdell Formation.</p> <p>In 1986, RAB drilling at the Egg prospect totaled 63 holes for 1175m over an area approx. 400m by 400m (ERG series). Sampling was limited to two samples per hole, one at the base of cover and one at the bottom of the hole. Four diamond holes (LHS86 series) for 677m were drilled across the project testing the Egg, Southern Magnetic anomaly and the northern Malu fold nose</p> <p>In 1987, the JV partners completed 13 (LSR 1-13) RAB holes for 379m along a single 1200m long east-west line in the south of the project. RC drilling (LSR 87 series) of 16 holes for 1383 were drilled in the vicinity of the southern magnetic anomalies. It is unclear at this stage if this drilling effectively tested the magnetic features.</p> <p>In 1988, Newmont completed 4 diamond holes (LHS 88-1, 4, 4a and 7) with drilling completed at the Egg, Stuttgart and Magnetic anomaly 1.</p> <p>In the following year, 1989, Newmont drilled a further 6 diamond holes (LHS 89 1-6) for a total of 563m targeting the Northern Magnetic anomaly, the Egg prospect and the Central Shear Zone.</p>

	<p>In 1990/91, 30 RAB holes (LHB series) were drilled on the Northern and Southern Magnetic anomalies and along the interpreted fold axis for a total of 1734m. Drilling was hampered by ground water resulting in the program being largely ineffective. No additional drilling was completed at the project and most recent on ground activities occurred in 1993. The final tenement surrenders occurred in 1997 and it is assumed the joint venture terminated at the same time. No exploration work has been conducted over the Telfer West project since the termination of the WMC / Newmont / BHP joint venture.</p>
<p><b>Geology</b></p> <p><i>Deposit type, geological setting and style of mineralisation</i></p>	<p>The Telfer West project is situated in the Proterozoic Paterson Province of Western Australia. A simplified geological interpretation shows a domal feature with Isdell Formation in the core of the fold being overlain by Malu Formation and the Puntapunta Formation forming the uppermost unit. The Telfer West project is considered prospective for sediment – hosted ‘Telfer style’ gold-copper mineralisation and skarn style mineralisation.</p>
<p><b>Drill hole information</b></p> <p><i>A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> <li>• <i>Easting and northing of the drill hole collar</i></li> <li>• <i>Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar</i></li> <li>• <i>Dip and azimuth of the hole</i></li> <li>• <i>Down hole length and interception depth</i></li> <li>• <i>Hole length</i></li> </ul>	<p>Refer to tabulations in the body of this announcement.</p>
<p><b>Data aggregation methods</b></p> <p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p> <hr/> <p><i>Where aggregated intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <hr/> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>All reported assays have been length weighted, with a nominal 0.1g/t Au lower cut-off over a minimum of 1m reported as significant in the context of the geological setting. No upper cuts-offs have been applied.</p> <hr/> <p>Higher grade intervals that are internal to broader zones of gold mineralisation are reported as included intervals, using a lower cut-off of ~10gm (g/t x metres) Au or individual grades greater than 10g/t.</p> <hr/> <p>No metal equivalents have been reported in this announcement.</p>

<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
<b>Relationship between mineralisation widths and intercept lengths</b>	<i>These relationships are particularly important in the reporting of exploration results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	The geometry of the mineralisation is not yet known due to insufficient drilling in the targeted area.
<b>Diagrams</b>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plane view of drill hole collar locations and appropriate sectional views.</i>	Refer to body of this announcement.
<b>Balanced Reporting</b>	<i>Where comprehensive reporting of all Exploration Results is not practical, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	All significant intervals are reported with a 0.2g/t Au lower cut-off with no minimum width (with internal higher grade intervals quoted using a lower cut-off of ~10gm (g/t x metres) Au or individual grades greater than 10g/t).
<b>Other substantive exploration data</b>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observation; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	All meaningful and material information has been included in the body of the text. No metallurgical or mineralogical assessments have been completed.
<b>Further Work</b>	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large – scale step – out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	The next phase of drilling at Telfer West will focus on the near surface position of the stockwork mineralisation at the Egg Prospect, on both the existing section and to the northwest and southeast.  Drilling along the northern section of the fold axis will aim to identify the extent of the supergene gold mineralisation drilled in ETG0003 and to define vectors to the primary mineralisation.