

## IP/AEM Surveys Highlight New Copper-Gold Drill Targets at Lamil

- IP and SkyTEM (AEM) surveys define compelling new drill targets at the 100% owned Lamil Copper-Gold Project (“Lamil”) located in the Paterson Province of WA
- The AEM survey has refined and enhanced the geological interpretation and structural setting of the Lamil project
- Lamil is located on a regional scale gravity lineament in a structural setting analogous to Rio Tinto’s Winu Copper-Gold discovery located 120km to the north
- Lamil has been recognised through a competitive co-funded drilling grant of up to \$150,000 under the WA Government Exploration Incentive Scheme (EIS)

The directors of Encounter Resources Ltd (“Encounter / the Company”) are pleased to announce that IP and AEM surveys at Lamil have highlighted compelling new targets at the 100% owned Lamil Copper-Gold Project in the Paterson Province of Western Australia.

### Commenting on the survey results at Lamil, Encounter Managing Director Will Robinson said:

“The recently completed IP and AEM surveys have defined new compelling drill targets at Lamil. These surveys have also significantly enhanced the geological interpretation at Lamil where previous drilling has intersected thick zones of copper-gold mineralisation. These exciting new drill targets will be tested in an EIS co-funded drill program planned for early in the new year.”

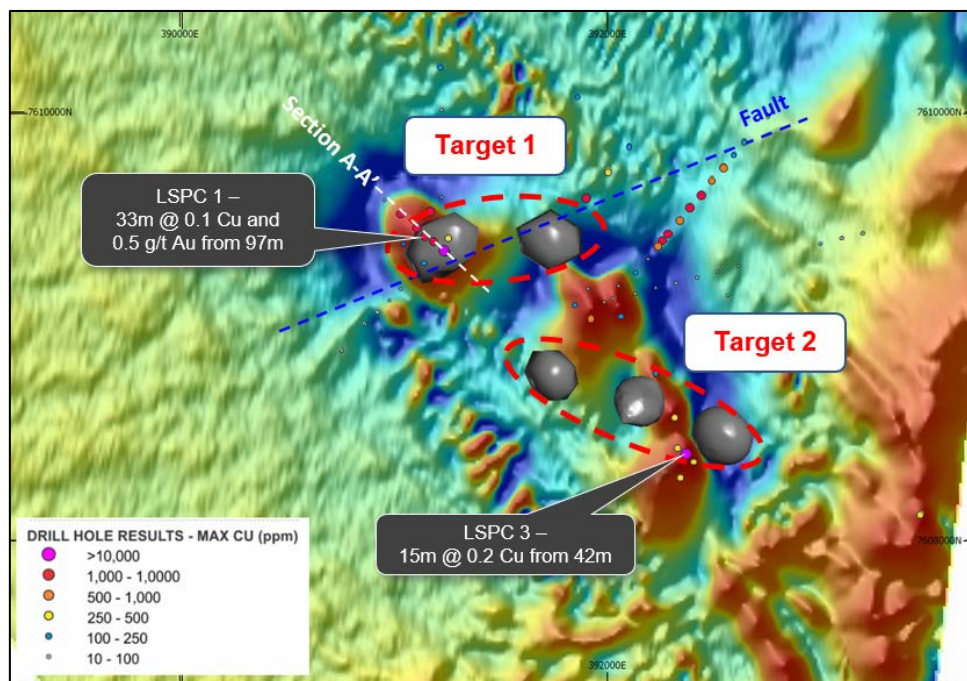


Figure 1 - Chargeability anomaly location plan (shown in grey) with aeromagnetic background (TMI 1VD pseudo colour image)

## Background

Lamil covers an area of ~61km<sup>2</sup> and is located 25km northwest of the major gold-copper mine at Telfer, owned by Newcrest Mining Ltd (ASX:NCM) and 40km north of Encounter's Yeneena Copper-Cobalt Project ("Yeneena") in the Paterson Province.

Lamil is adjacent to a major regional gravity lineament which marks the location of a significant structure and deformation zone that would have acted as a major pathway for ore forming fluids during the formation of the Proterozoic aged deposits (Figures 3 & 4).

Shallow drilling completed in the 1980s by Newmont targeting a series of magnetic anomalies, intersected thick zones of strong copper-gold anomalism. The level of metal anomalism in the historical drilling is significant given the recent learnings from the Winu copper-gold discovery made by Rio Tinto Ltd (ASX:RIO) and the Havieron gold-copper project operated by Newcrest under a farm-in agreement with Greatland Gold Plc.

Drill core from five holes drilled at Lamil in the 1980s by Newmont has been relogged and contains zones of pervasive alteration, extensive pyrrhotite development and copper-bearing sulphide from within 50m of surface (Photos 1 and 2).



**Photo 1 (L) – LSPC-3 (Newmont, 1980s) ~44m. Veins and disseminations of pyrrhotite and minor chalcopyrite within an altered calcareous sediment.**



**Photo 2 (R) – LHS 88-4 (Newmont, 1980s) ~155m and 167m. Veined and brecciated siltstone with pyrite and iron carbonate alteration.**

## New drill targets defined

An AEM Survey was completed at Lamil in September 2019 to cover the area of the IP survey that was completed in August 2019 as well as the broader project area (Figure 5). The geophysical surveys have significantly enhanced geological interpretation and the structural setting of the project area and have highlighted compelling new drill targets.

### Target 1 – Untested chargeability anomaly below thick zones of copper-gold anomalism

Historical drilling in the area by Newmont in the 1980s, targeting gold, intersected thick zones of strong copper-gold anomalism in shallow drilling (Figure 2):

- 58m @ 922ppm Cu from 32m to end of hole (LSR87-31)
- 33m @ 1004ppm Cu and 0.45g/t Au from 96.6m (LSPC1) including:
  - 5.5m @ 0.38% Cu & 1.2 g/t Au from 124.7m
- Broad zones of copper-gold anomalism (LHS88-4) with narrow intersections up to 1.2% Cu and 2.1g/t Au (note wide zones of missing assays)  
(refer ASX release 27 May 2019)

The Newmont drilling targeted the magnetic anomaly with a number of holes ending in mineralisation. The IP survey has highlighted a semi-coincident chargeability anomaly below the broad zones of copper and gold anomalism intersected by the shallow historical drilling. This anomaly is interpreted to extend across two 400m spaced IP lines and sub-parallel to an ENE trending fault (Figure 1). This target will be drill tested by 1-2 diamond holes to a depth of 300m to determine if the chargeability anomaly represents a stronger accumulation of copper-gold mineralisation.

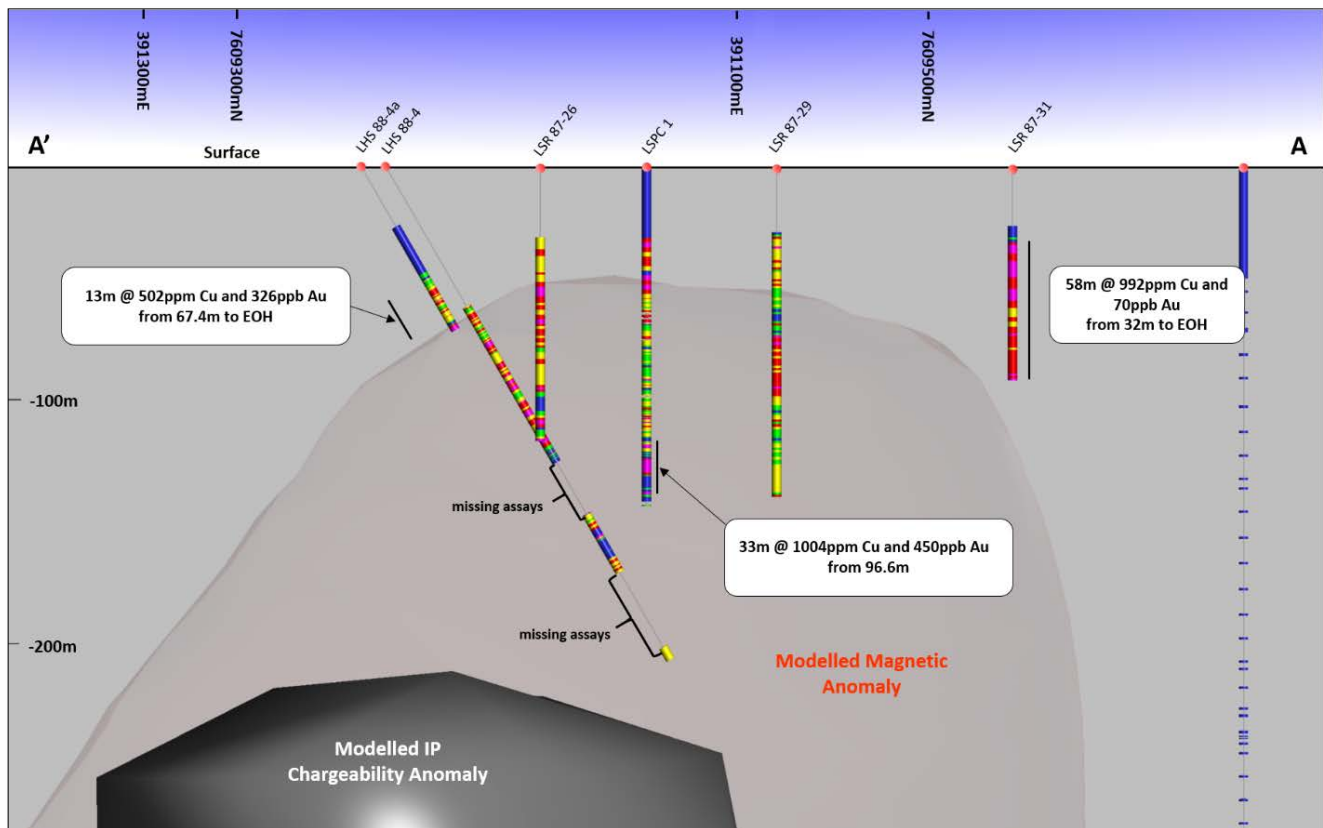


Figure 2 – Lamil Target 1 Section A-A'  
Historical drilling (coloured by copper) with magnetic and IP chargeability anomalies



## Target 2 – Untested IP chargeability anomalies discordant to stratigraphy

Chargeability anomalies have been identified across the three southern IP lines adjacent to a corridor of magnetic anomalism (Figure 1). These anomalies outline an 800m WNW trending corridor that is discordant to stratigraphy. Historical drilling targeted on the magnetics, intersected copper sulphide mineralisation including 15m @ 0.22% Cu from 42m in LSPC3 (refer ASX release 27 May 2019). The chargeability anomalies were not tested by the prior drilling and the mineralisation in LSPC3 remains open at depth. Drilling at Target 2 will determine if the chargeability anomaly represents stronger sulphide development associated with higher grade copper-gold mineralisation.

## Upcoming Activity

Lamil has been awarded a competitive EIS co-funded drilling grant of up to \$150,000 under the which is available from January 2020. These exciting new drill targets defined in the IP and AEM surveys will be tested in a co-funded drill program early in the new year.

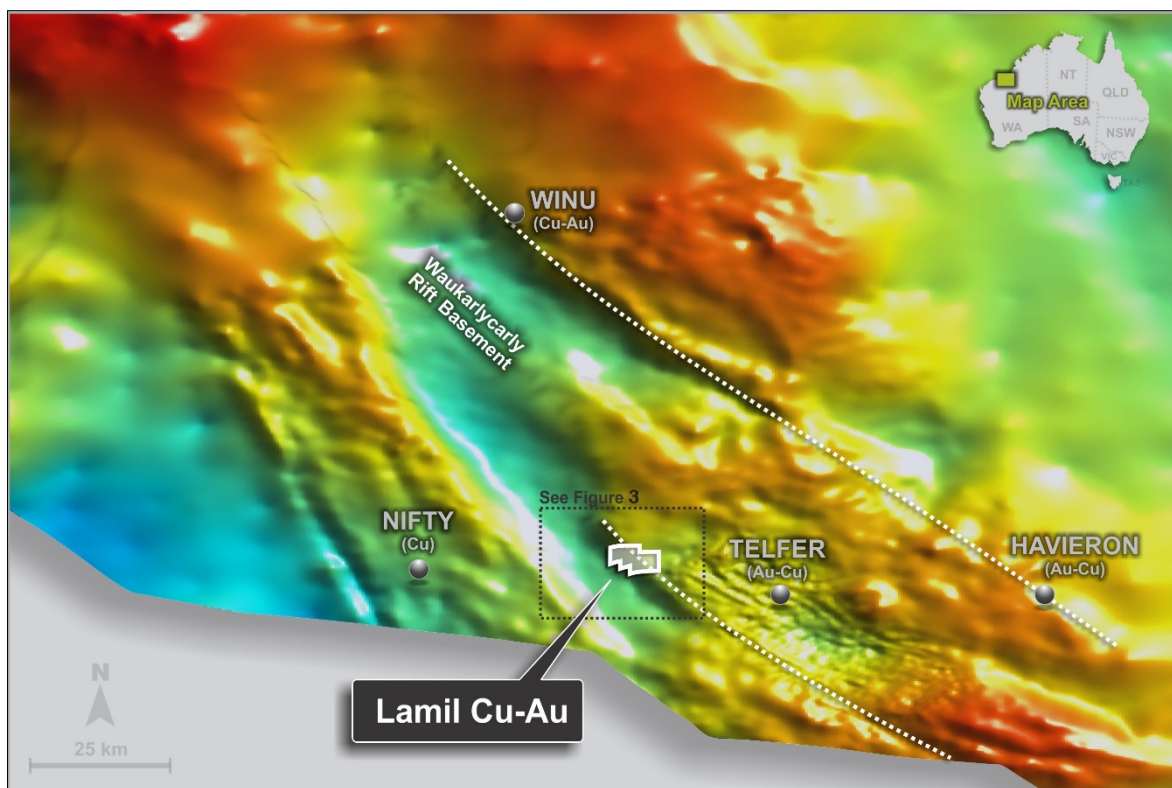
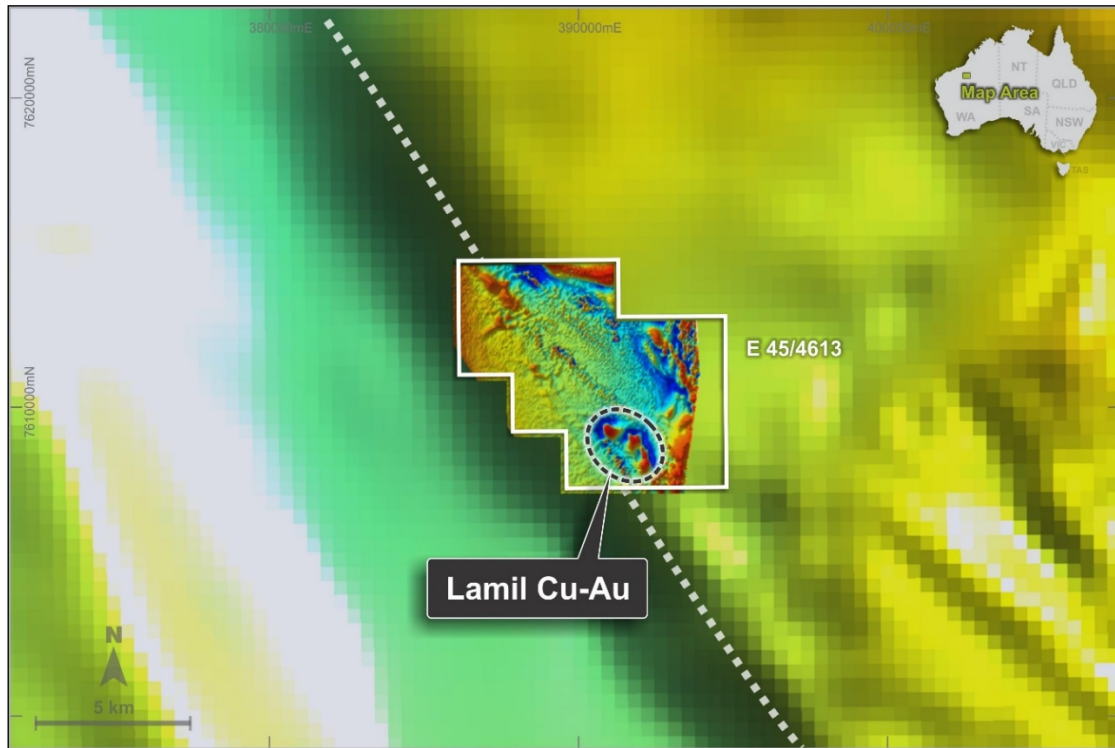
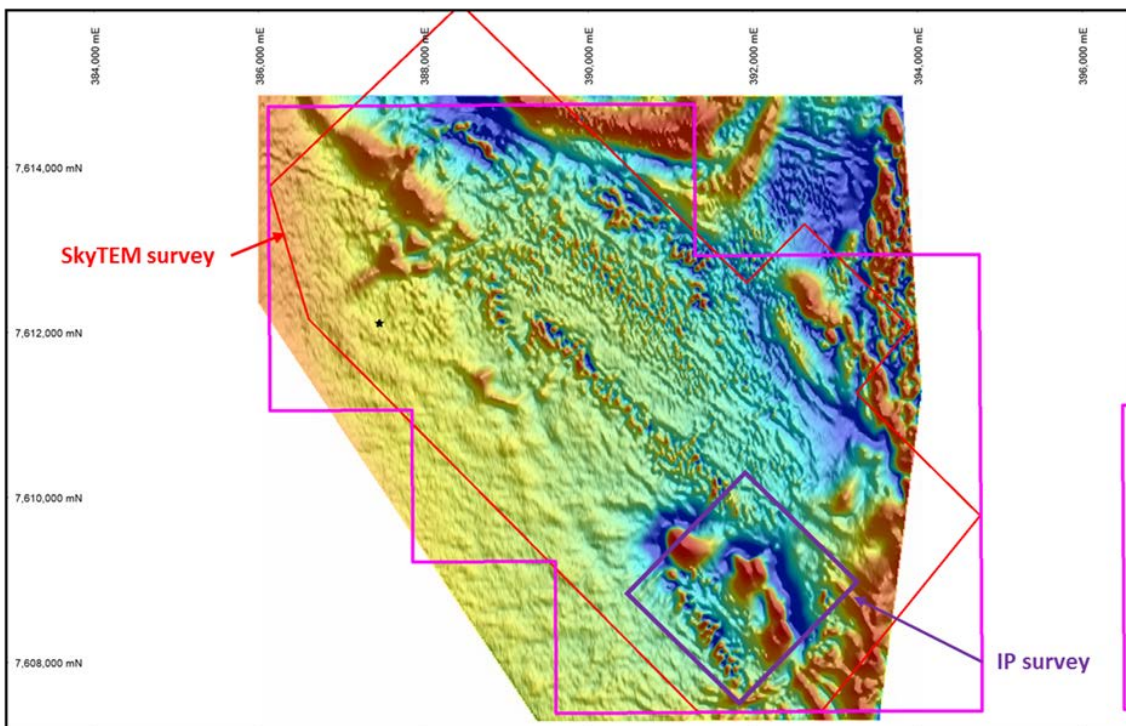


Figure 3 – Regional gravity over Seebase depth to Proterozoic basement image (red = shallow, blue = deep)



**Figure 4 – Detailed aeromagnetics over regional gravity image showing the location of magnetic anomalies on the margin of the Waukarlycarly rift basin**



**Figure 5 – Area of SkyTEM survey (red), IP survey area (purple) and tenement outline (magenta) on a background of detailed aeromagnetics**

### Tanami and West Arunta

Fast-tracking exploration via joint ventures with Newcrest

### Paterson Province – Copper-Cobalt

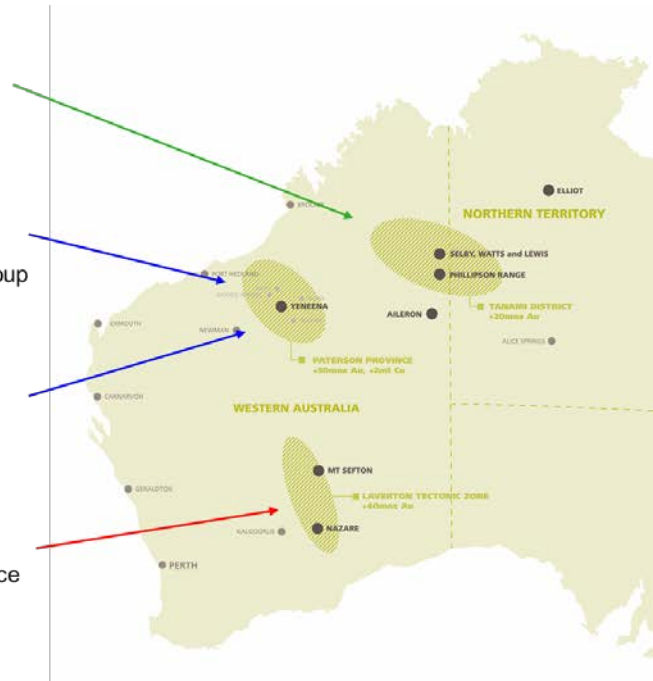
New approach in a known Cu-Co district with Independence Group

### Paterson Province – Copper-Gold

Copper-Gold targets analogous to Rio Tinto's Winu discovery

### Laverton Tectonic Zone

Innovative new generative program in a world class gold province



## About Encounter

Encounter Resources Limited is one of the most productive project generation and active mineral exploration companies listed on the Australian Securities Exchange. Encounter's primary focus is on discovering major gold deposits in Western Australia's most prospective gold districts: the Tanami, the Paterson Province and the Laverton Tectonic Belt.

The Company is advancing a highly prospective suite of projects in the Tanami and West Arunta regions via joint ventures with Australia's largest gold miner, Newcrest Mining Limited (ASX:NCM).

Encounter also 100% controls an extensive, underexplored project position covering the southern extension of the +40Moz Laverton Tectonic Zone.

Complementing its expansive gold portfolio, Encounter controls a major ground position in the emerging Proterozoic Paterson Province where it is exploring for copper-cobalt deposits with highly successful mining and exploration company Independence Group NL (ASX:IGO), and copper-gold deposits at its 100% owned Lamil Project.

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*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.*