

## Drilling Underway at Lamil Copper-Gold Project in Paterson Province

- Diamond drilling has commenced at the 100% owned Lamil Copper-Gold Project (“Lamil”) located in the Paterson Province of Western Australia (WA)
- Initial program of up to four diamond drill holes will test:
  - Multiple Induced Polarisation (IP) chargeability anomalies identified in the 2019 survey adjacent to broad zones of copper-gold mineralisation intersected in shallow historical drilling; and
  - An open, broad zone of gold-copper mineralisation at the Gap prospect.
- The level of metal anomalism in the historical drilling is considered 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 Mining Ltd (ASX:NCM) and Greatland Gold Plc
- Current drilling program is co-funded for up to \$150,000 under the WA Government Exploration Incentive Scheme
- Diamond drilling schedule to be completed in April with assay results anticipated in May 2020

The directors of Encounter Resources Ltd (“Encounter”) are pleased to announce that diamond drilling has commenced at the 100% owned Lamil Copper-Gold Project in the Paterson Province of WA.

### **Commenting on the drilling at Lamil, Encounter Managing Director Will Robinson said:**

“Recent exploration success has proven the potential of the Paterson Province to host giant copper-gold deposits. Lamil has structural context, a proven deposit model and clear targets where shallow historical drilling intersected broad zones of copper-gold anomalism strengthening to bottom of hole. This initial program will test three large scale copper-gold prospects in the fertile Paterson Province.”

### **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.

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 4 & 5). This is a regionally similar structural context to the setting of the Winu copper-gold deposit.

Shallow drilling completed in the 1980s by Newmont, which was targeting a series of magnetic anomalies, intersected thick zones of strong copper-gold anomalism. The level of metal anomalism in the historical drilling is considered significant given the recent learnings from the Winu copper-gold discovery made by Rio Tinto and the Havieron gold-copper project operated by Newcrest and Greatland Gold.

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

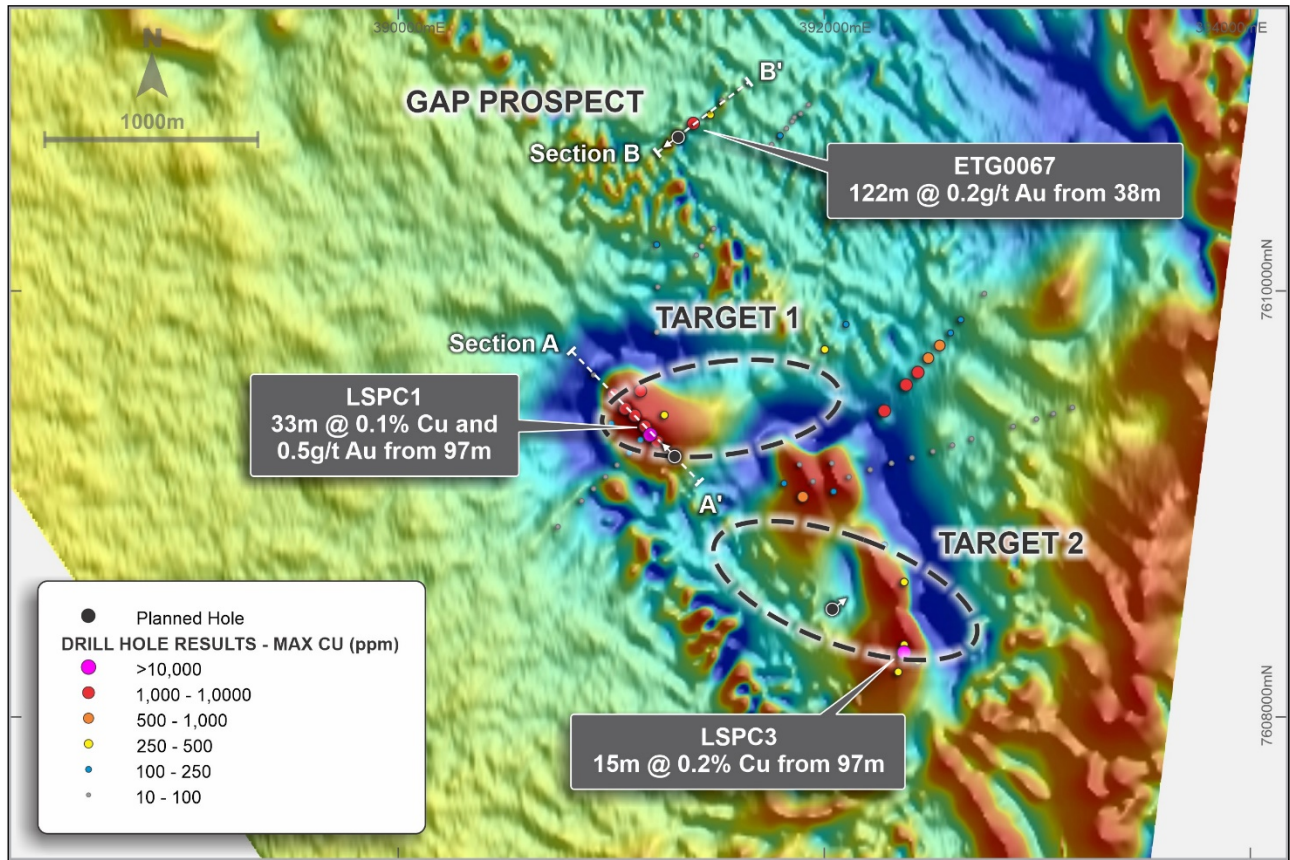


Figure 1 – Drill targets on aeromagnetic background

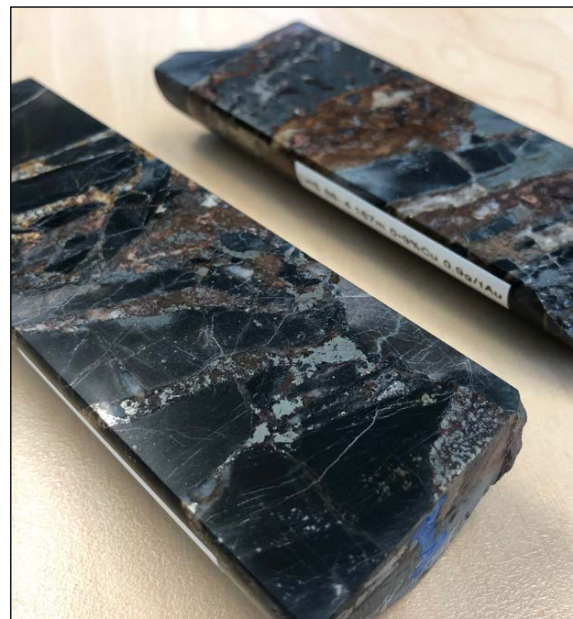
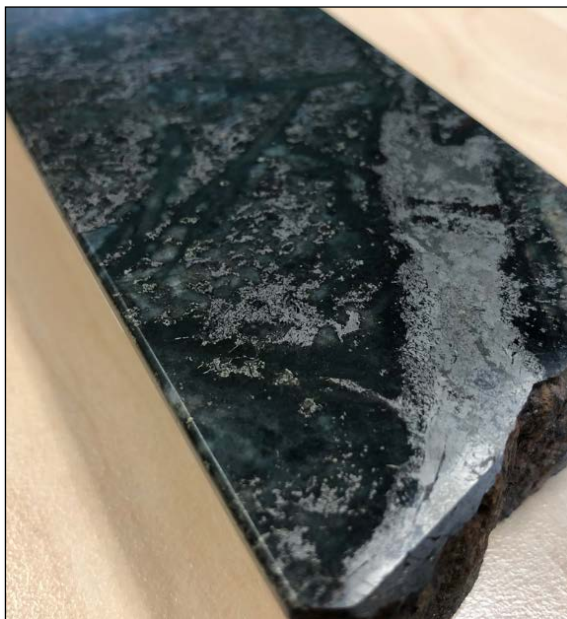


Photo 1 (L) – LSPC-3 (Newmont, 1980s) ~44m. Veins and disseminations of pyrrhotite and minor chalcopyrite within an altered calcareous sediment.

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

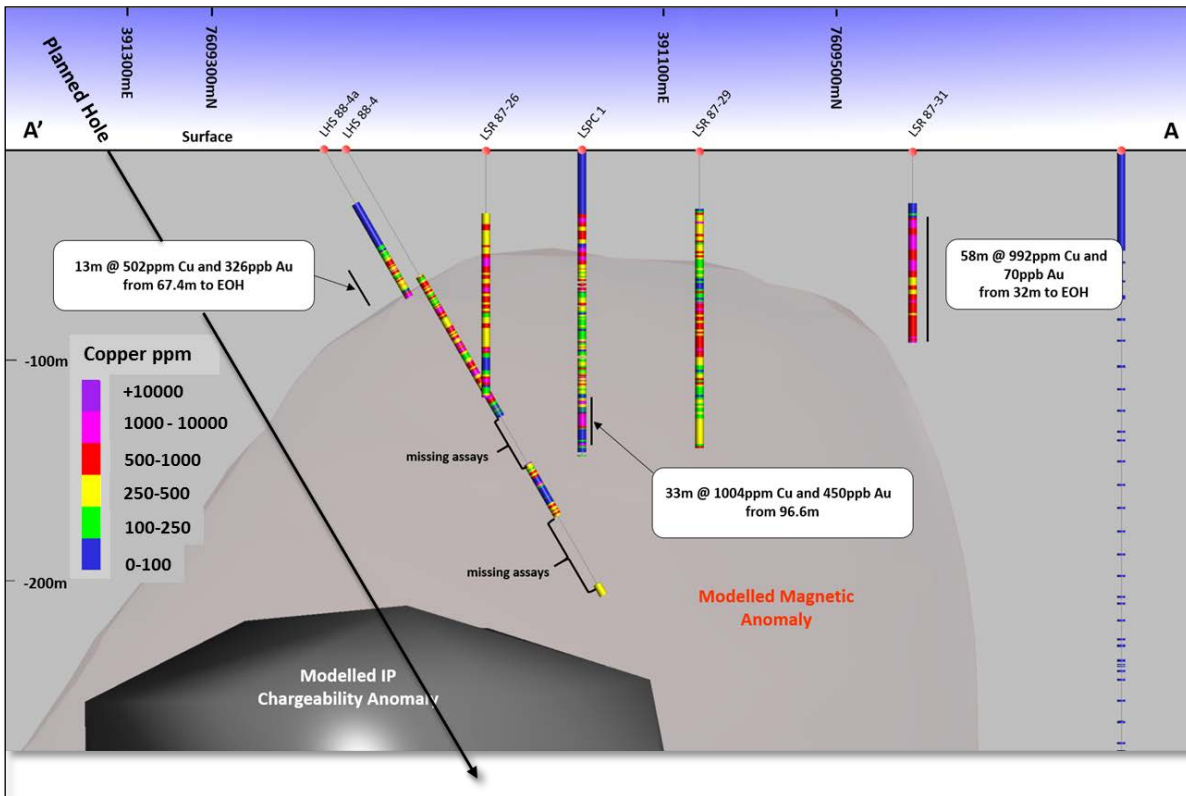
Aeromagnetic and IP surveys were completed at Lamil in the second half of 2019 (refer ASX release 5 August 2019). These geophysical surveys have significantly enhanced geological and structural interpretation of the project area and have highlighted compelling new drill targets. In addition, a review of prior gold drilling geochemistry has identified a new drill target with a clear copper-gold-bismuth proximal signature and vector to potentially stronger mineralisation.

### Target 1 – IP 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) (refer ASX release 27 May 2019):

- 58m @ 922ppm Cu from 32m to end of hole (LSR87-31)
- 33m @ 1,004ppm 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 a magnetic anomaly with a number of holes ending in mineralisation (Figure 2). 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 interpreted fault. This target will be drill tested by one or two diamond holes to a depth of 400m 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 – IP chargeability anomaly coincident with magnetic low**

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.

The IP chargeability anomaly to be drill tested in the current program is coincident with a discrete magnetic low that is surrounded by a series of magnetic highs which might represent magnetitic pyrrhotite alteration (Figure 1). This magnetic low/chargeability high is interpreted to represent stronger pyrite/chalcopyrite accumulation associated with potential higher grade copper-gold mineralisation, within a broader halo of magnetitic pyrrhotite alteration.

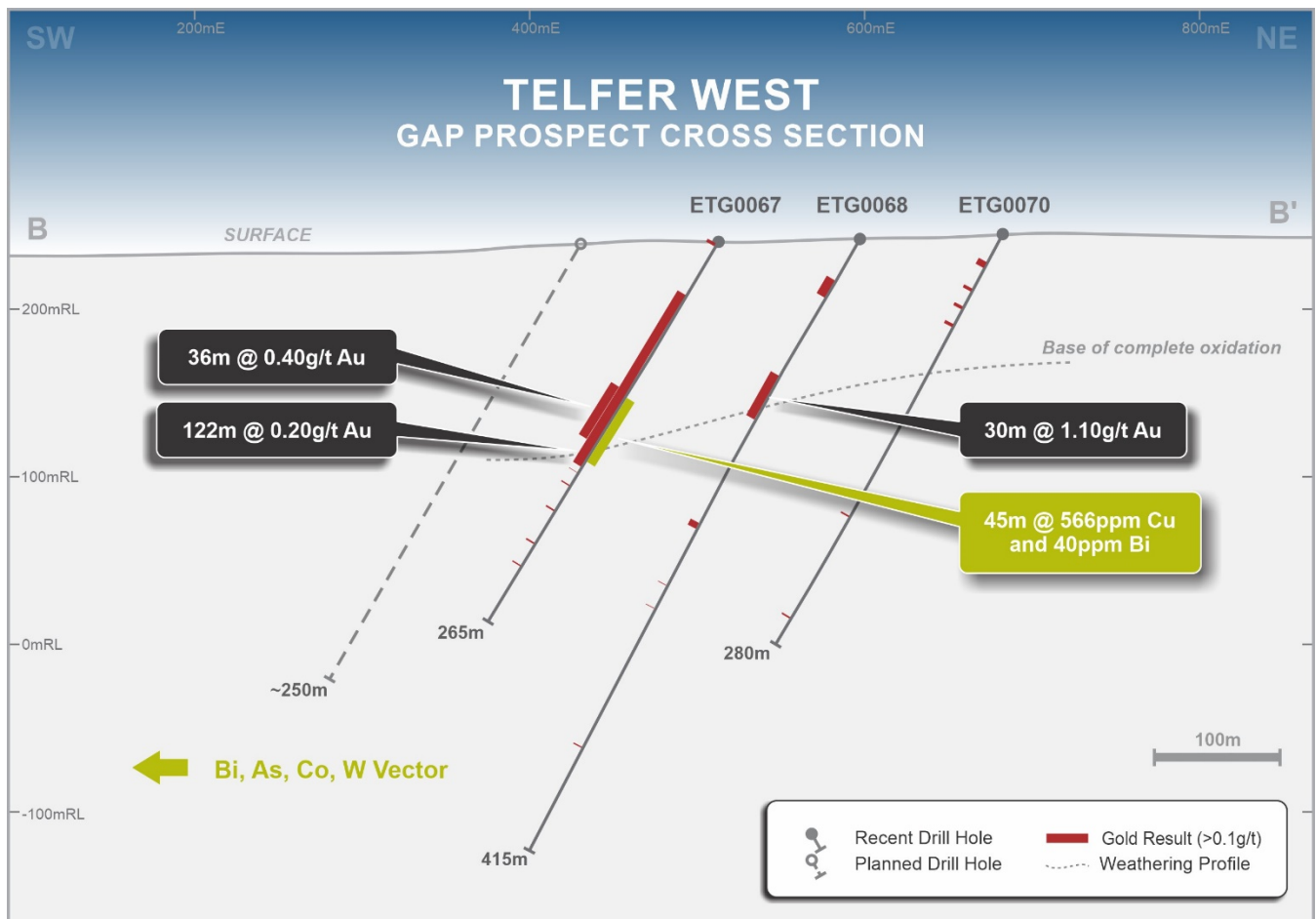
## **Target 3 – Gap Prospect – Open broad zone of gold-copper mineralisation**

The Gap prospect is at a structural target located 1km north of Target 1. A section of three 80m spaced RC/diamond drill holes was completed at the Gap prospect in 2017 (Figures 1 and 3). The most north-eastern hole (ETG0070) on this section contained only narrow bands of gold anomalism. ETG0068 drilled 80m south-west of ETG0070 contained a thick zone of oxidised gold mineralisation of 30m @ 1.1g/t Au from 96m at the interpreted base of oxidation. ETG0067, drilled a further 80m south-west of ETG0068, intersected a broad zone of near surface gold-copper mineralisation:

- 122m @ 0.2g/t Au from 38m including 36m @ 0.4g/t gold and 45m @ 566ppm Cu from 124m (see ASX release 31 July 2017).

The gold-copper mineralisation in ETG0067 is coincident with strengthening bismuth (122m @ 30ppm Bi from 38m), as well as strong cobalt, tungsten and tellurium anomalism. This multi-element suite provides a strong geochemical vector to the south-west that will be drill tested in the current program with a 100m step out hole.

The gold-copper mineralisation intersected the Gap prospect is open in all directions with no bedrock drilling within 400m of the prospect.



**Figure 3 – Lamil Gap Target Section B-B'**

## Upcoming Activity

Lamil has been awarded a competitive EIS co-funded drilling grant of up to \$150,000 from the WA Government. Three targets at Lamil will be tested in a program expected to be completed in April with assay results anticipated in May 2020.

*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. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.*

*This announcement has been authorised for release by the Board of Encounter Resources Limited.*

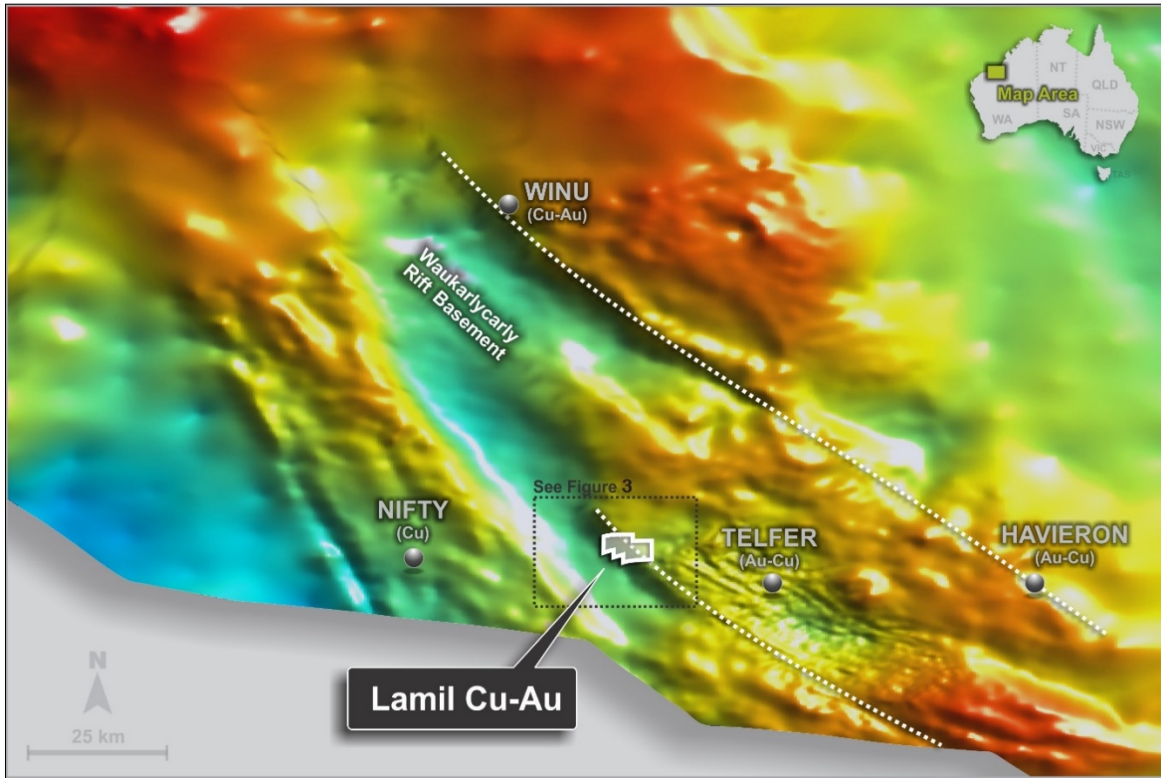


Figure 4 – Regional gravity over Seebase depth to Proterozoic basement image (red = shallow, blue = deep)

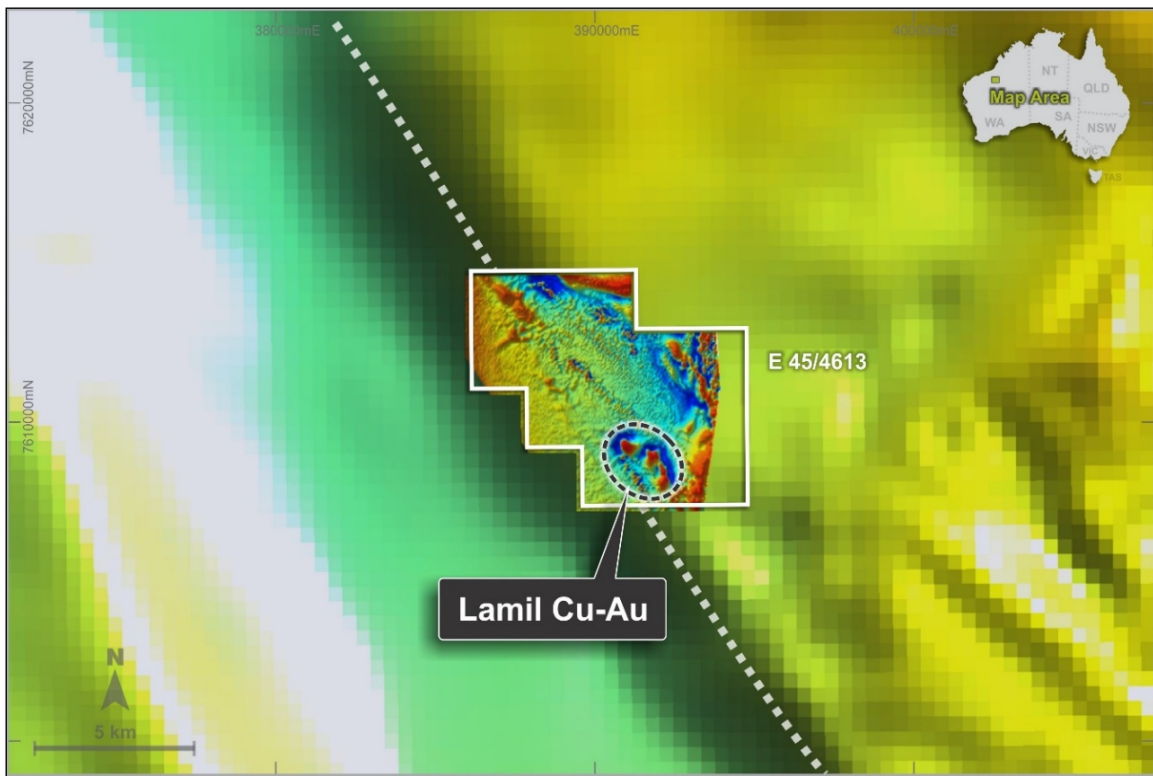


Figure 5 – Detailed aeromagnetics over regional gravity image showing the location of magnetic anomalies on the margin of the Waukarlyarly rift basin





## 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).

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 IGO Limited (ASX:IGO), and intrusive related copper-gold deposits at its 100% owned Lamil Project.

In addition, project generation activities in the Northern Territory utilising new Geoscience Australia datasets has resulted in Encounter securing the first mover Elliott and Jessica copper projects.

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