

RC Drilling Resumes at Lamil Copper-Gold Project, Paterson Province

- Drilling has recommenced at the Dune Prospect (“Dune”), part of the 100% owned Lamil Copper-Gold Project (“Lamil”) located 25km northwest of Newcrest Mining Ltd’s (ASX:NCM) Telfer copper-gold mine, in the Paterson Province of Western Australia
- 3,000m RC drill program to test high priority targets at Dune:
 - Mineral system at Dune is over 800m long and remains open, with strengthening copper and multi element pathfinders (Te, Sb, Bi) to the south
 - Multiple stacked copper-gold lodes intersected in November 2020 include:
 - ETG0208
 - 20m @ 0.5g/t Au and 665ppm Cu from 96m
 - 18m @ 1.2g/t Au and 0.2% Cu from 126m including:
 - 4m @ 4.1g/t Au and 0.3% Cu from 138m
 - ETG0221 (southern most drill line)
 - 10m @ 0.7g/t Au and 0.2% Cu from 149m including:
 - 2m @ 2.8g/t Au and 0.9% Cu from 157m
 - 6m @ 0.8g/t Au and 0.5% Cu from 177m
 - ETG0222 (limit of drilling to the south and east)
 - 2m @ 0.9g/t Au and 0.7% Cu from 115m
 - 6m @ 0.3g/t Au and 0.4% Cu from 121m
 - 4m @ 0.8g/t Au and 0.8% Cu from 143m
 - Drilling will test for southern and eastern extensions to copper-gold system
- Assay results expected March 2021
- Successful application for WA Government Exploration Incentive Scheme (“EIS”) co-funded drilling grant of up to \$150,000 at Lamil in 2021

The directors of Encounter Resources Ltd (“Encounter”) are pleased announce that a 3,000m RC drill program has commenced at Dune, part of the at the 100% owned Lamil Copper-Gold Project in the Paterson Province of WA.

Commenting on the Dune drilling, Encounter Managing Director, Will Robinson said:

“Drilling in November 2020 expanded the near surface copper-gold mineralisation at Dune to over 800m in strike. In the south of Dune we intersected stacked layers of primary mineralisation with strengthening copper and a multi-element proximal signature. This RC program will focus on the southern area of Dune where the mineralisation remains open and strengthening.”

Background

Lamil covers an area of ~61km² and is located 25km northwest of the major copper-gold mine at Telfer, owned by Newcrest Mining. 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 pathway for ore forming fluids during the formation of the Proterozoic aged deposits. This is a regionally similar structural context to the setting of Rio Tinto Ltd's (ASX:RIO) Winu copper-gold deposit (Inferred Resource of 503Mt @ 0.35% Cu and 0.27 g/t Au³) (Figure 5).

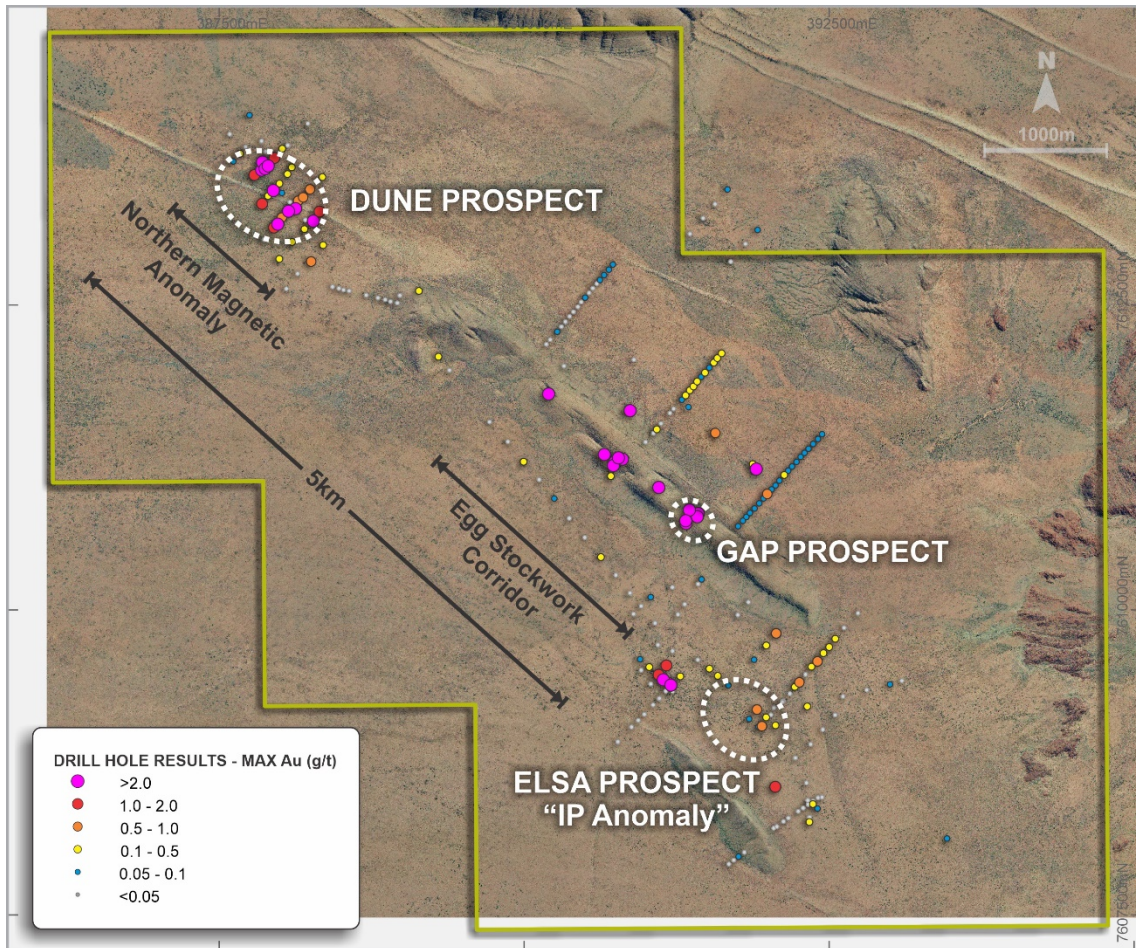


Figure 1 – Airphoto of Lamil with Dune Prospect to the northwest and Max Au in hole

Dune Prospect

Dune sits in the northwest of Lamil and consists of a laterally extensive +1g/t Au supergene zone outlined in previous broad spaced drilling. The mineralisation is located on the fold axis in the northern part of the Lamil Dome.

A 14 hole RC drill program completed in November 2020 successfully:

- extended the gold mineralisation intersected in ETG0003 and ETG0010;
- identified a mineralisation vector to the south that remains open;
- expanded the gold mineralisation footprint; and
- intersected primary, copper-gold mineralisation in a series of stacked lodes.

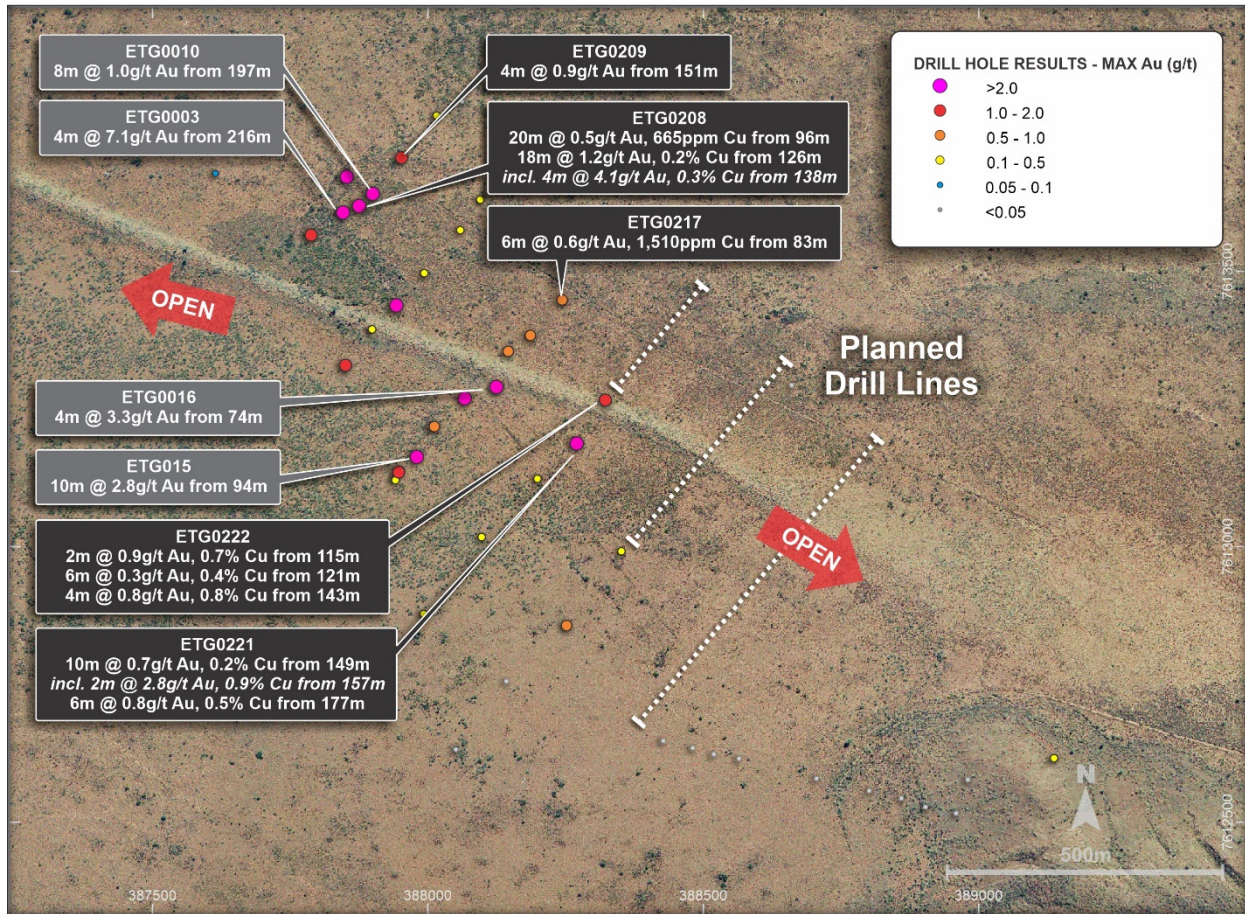


Figure 2 – Dune Prospect (Max in hole Au) and planned drill lines

Prior drilling intersected broad zones of near surface mineralisation including:

- **24.9m @ 0.7g/t Au from 127.1m and 4.0m @ 7.1g/t Au from 216m** in ETG0003 ¹
- **20m @ 1.8g/t Au and 502ppm Cu from 94m including 10m @ 2.8g/t Au and 812ppm Cu** from 94m in ETG0015 ²
- **14m @ 1.2g/t Au and 1,179ppm Cu from 66m including 4m @ 3.3g/t Au and 1,400ppm Cu** from 74m in ETG0016 ²
- **8m @ 1.0g/t Au and 426ppm Cu from 197m** in ETG0010 ²

Primary copper-gold intersections at Dune in November 2020 include:

ETG0208

- **20m @ 0.5g/t Au and 665ppm Cu** from 96m ⁴
- **18m @ 1.2g/t Au and 0.2% Cu** from 126m including:
 - **4m @ 4.1g/t Au and 0.3% Cu** from 138m ⁴

ETG0209

- **4m @ 0.9g/t Au** from 151m ⁴

ETG0217

- **6m @ 0.6g/t Au and 1,510ppm Cu** from 83m ⁴

ETG0221 (southern most drill line)

- **10m @ 0.7g/t Au and 0.2% Cu** from 149m including:
 - **2m @ 2.8g/t Au and 0.9% Cu** from 157m ⁴
- **6m @ 0.8g/t Au and 0.5% Cu** from 177m ⁴

ETG0222 (southern most drill line)

- **2m @ 0.9g/t Au and 0.7% Cu** from 115m ⁴
- **6m @ 0.3g/t Au and 0.4% Cu** from 121m ⁴
- **4m @ 0.8g/t Au and 0.8% Cu** from 143m ⁴

Follow up RC drilling will focus on extending mineralisation to the south and east where the copper-gold mineralisation is strengthening. A number of proximal pathfinder elements (up to 2,530ppm Bi, 9ppm Te & 20ppm Sb) are also vectoring towards this area where the prospective Telfer Formation host unit is interpreted to sit directly below the thin surficial cover.

EIS co-funded diamond drilling at Dune, Elsa and Gap is scheduled to follow the current RC drill program.

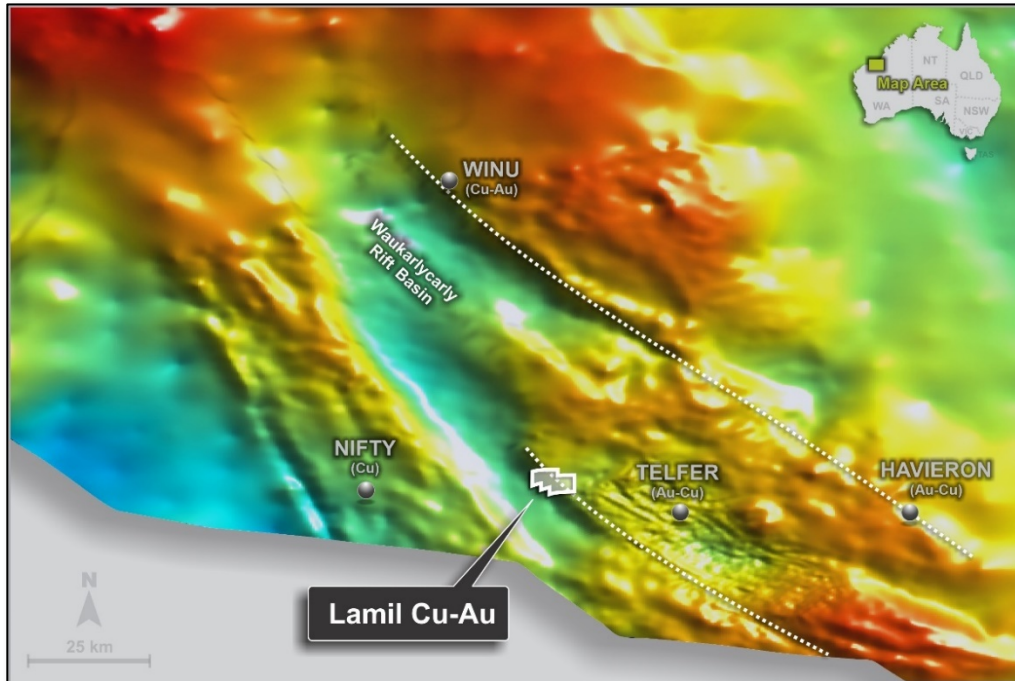


Figure 3 – Regional gravity over Seebase depth to Proterozoic basement image (red = shallow, blue = deep)

¹ refer ASX release 19 January 2017

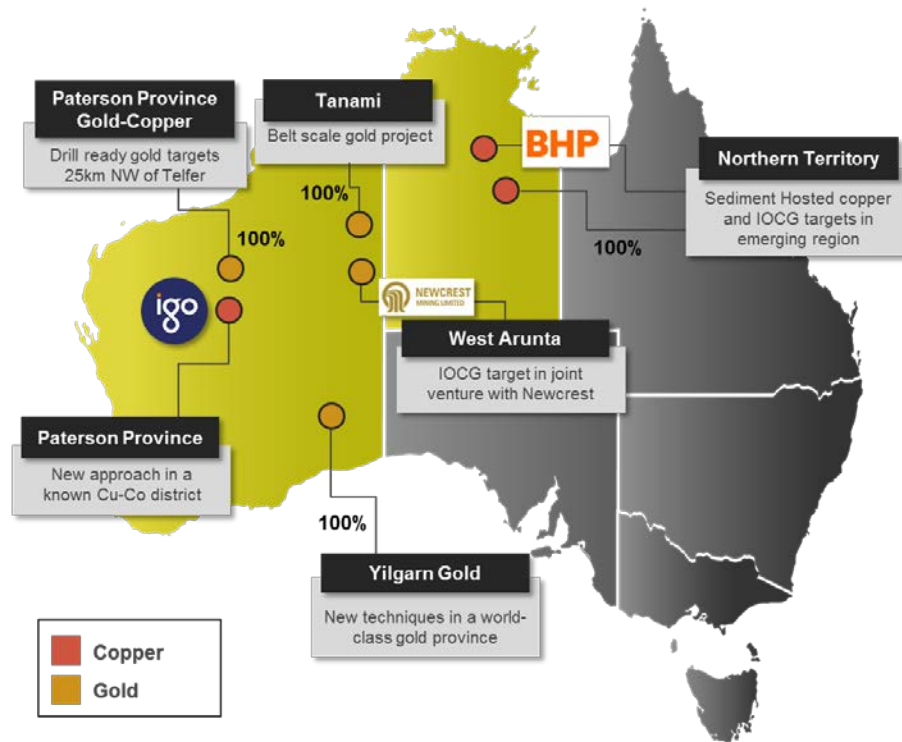
² refer ASX release 26 April 2017

³ refer Rio Tinto Ltd - Winu Mineral Resource release 28 July 2020

⁴ refer ASX release 18 December 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. This announcement has been authorised for release by the Board of Encounter Resources Limited.



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 and copper deposits in Australia.

Encounter controls a major land position the Tanami region of WA covering over 100km of strike along a major structural corridor. The company is advancing the Aileron project in the West Arunta via joint venture 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 Paterson Province where it is exploring for copper-cobalt deposits with highly successful mining and exploration company IGO Limited (ASX:IGO) and for copper-gold deposits at its 100% owned Lamil Project.

In addition, utilising new Geoscience Australia datasets, Encounter moved early and aggressively to secure a series of camp scale, first mover opportunities in the Northern Territory based on their potential to contain large, sedimentary-hosted and IOCG style copper deposits. This includes the Elliott copper project which is being advanced in partnership with BHP via an option agreement to enter an earn-in and joint venture.

For further information, please contact:

Will Robinson
Managing Director
+61 8 9486 9455
contact@enrl.com.au

Michael Vaughan
Fivemark Partners
+61 422 602 720
michael.vaughan@fivemark.com.au