

## Lamil Cu-Au Project in Paterson Province – Exploration Update

- First batch of assays received from a four diamond drill hole program (1,807m) completed in April 2020 at the 100% owned Lamil Copper-Gold Project (“Lamil”) located in the Paterson Province of Western Australia
- Gold assay results from interval 133-394m in drill hole ETG0203 have confirmed extensive gold anomalism throughout a broad, breccia zone interpreted to be a major structural fluid pathway
- Drill core from the remaining holes in this initial program (ETG0201 & ETG0204) is currently being cut and sampled with all gold and multi-element assays expected in June 2020:
  - ETG0204 intersected two zones of strongly altered brecciated sediments containing sulphides, with locally high concentrations of arsenopyrite, ~400m SSE of ETG0203
  - ETG0201 intersected a 15m wide zone of limonite-goethite altered quartz veining from 40m depth. Veined and altered zones were also identified at 95m and 150m downhole

The directors of Encounter Resources Ltd (“Encounter”) are pleased to provide an update on the recent four hole drill program at the 100% owned Lamil Copper-Gold Project in the Paterson Province of Western Australia.

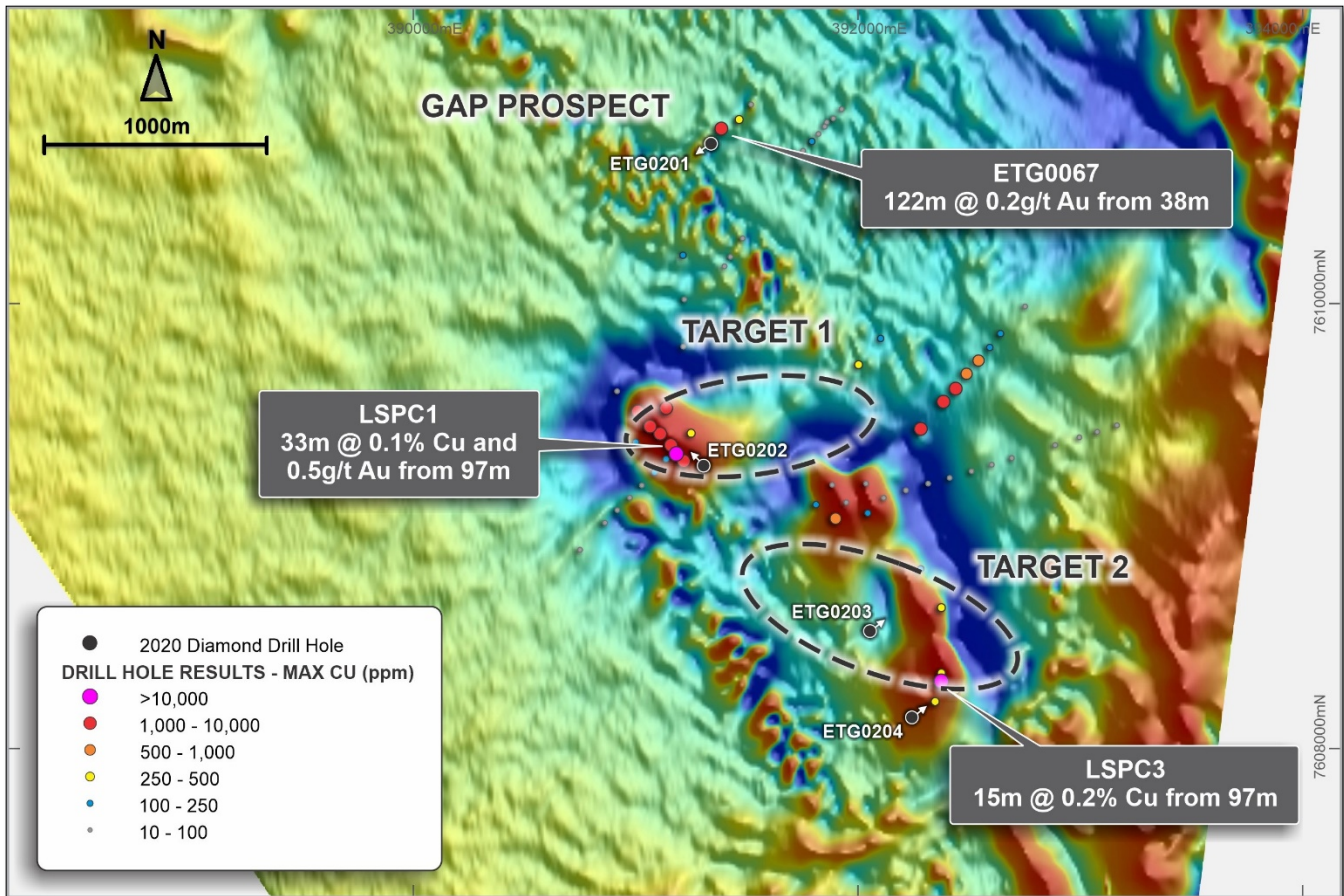
### **Commenting on the drilling at Lamil, Encounter Managing Director Will Robinson said:**

“Drilling of the IP anomalies at Lamil has defined a significant zone of brecciation and alteration that is interpreted to be a major structural fluid pathway which is consistent with the geological model of the deposit type being targeted at Lamil. The first batch of fire assays from the breccia zone in one hole confirmed extensive gold anomalism exists throughout the structure, providing further encouragement. The processing of drill core from the program continues with gold and multi-element results from all holes expected in June 2020.”

### **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). 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. This is a regionally similar structural context to the setting of Rio Tinto Ltd’s (ASX:RIO) Winu copper-gold deposit (Figure 2).

Airborne EM and IP surveys were completed at Lamil in the second half of 2019 (refer ASX release 5 August 2019). These geophysical surveys significantly enhanced the geological and structural interpretation of the project and highlighted the compelling targets that were tested in the recent diamond drill program.



**Figure 1 – Drill hole locations on TMI magnetic background (refer ASX release 27 May 2019)**

Two diamond drill holes (ETG0203 and ETG0204) were completed at Target 2 (Figure 1) to test chargeability anomalies along an 800m trend. Both holes intersected wide zones of brecciated, fractured and veined intercalated metasediments with associated intense alteration that is interpreted to have defined a major structural fluid pathway.

A section of ETG0203 was priority sampled for fire assay to obtain initial gold results. Fire assay results from the interval 133-394m have confirmed extensive gold anomalism, typically in the range of 10-50ppb gold throughout the interpreted structure. Individual assays within the breccia included 1m @ 0.62g/t gold from 219m and 1.3m @ 0.25g/t gold from 186.55m.

ETG0204, drilled 400m south-east of ETG0203, contains intervals of intensely altered brecciated sediment commencing from 10m down hole and zones of blebby and heavily disseminated sulphide, including locally high concentrations of arsenopyrite further down hole (see Photos 1 & 2).

### Upcoming Activity

The processing of drill core from the program (ETG0201, ETG0202, ETG0203 (10-133m) and ETG0204) continues with gold and multi-element results from all holes expected in June 2020.

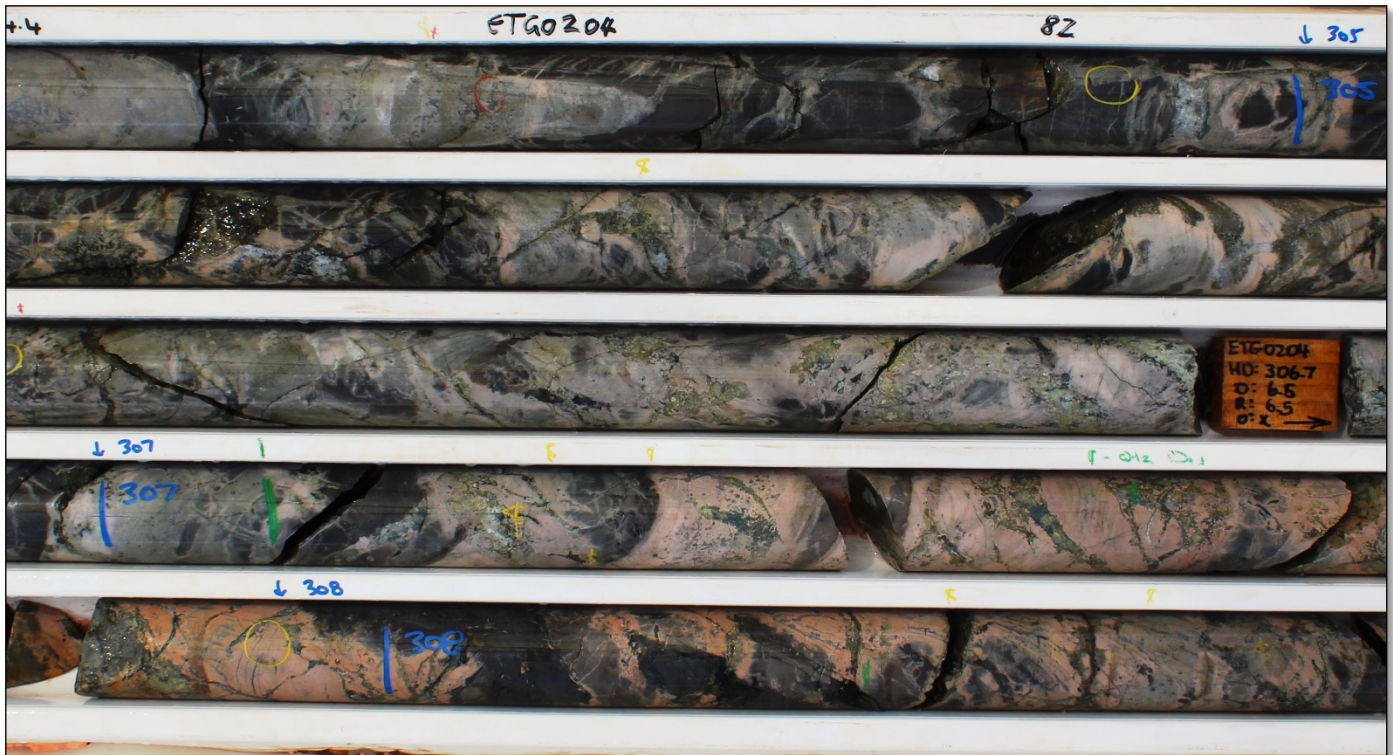
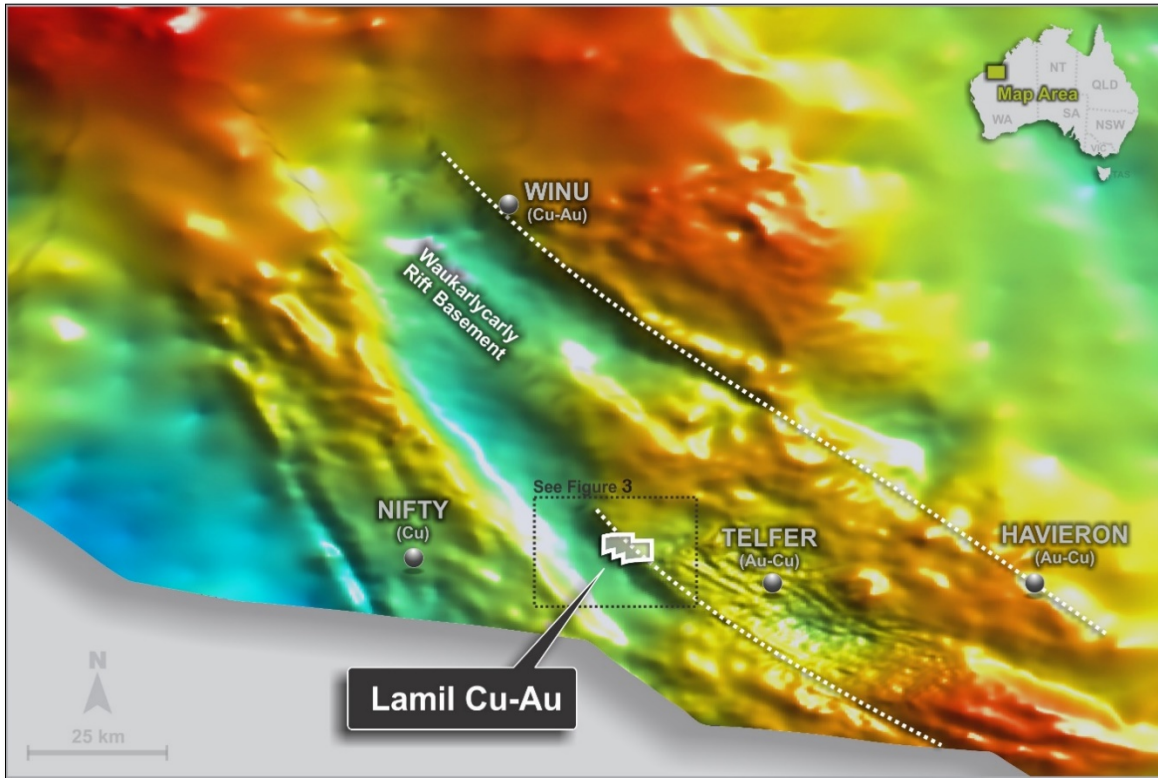


Photo 1 ETG0204. (~305-309m) Brecciated and altered sediments containing disseminated and blebby sulphides.



Photo 2 ETG0204. (~315m) Coarse sulphides within brecciated and altered sediments – the silver coloured sulphide mineral is arsenopyrite



**Figure 2 – Regional gravity over Seabase depth to Proterozoic basement image (red = shallow, blue = deep)**

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.

Hole_ID	Hole_Type	MGA_Grid_ID	MGA_North	MGA_East	MGA_RL	Azimuth	Dip	EOH Depth
ETG0201	DIAMOND	MGA94_51	7610718	391338	285	220	-60	302.9
ETG0202	DIAMOND	MGA94_51	7609272	391303	281	310	-65	636.7
ETG0203	DIAMOND	MGA94_51	7608529	392046	287	040	-60	393.9
ETG0204	DIAMOND	MGA94_51	7608139	392237	287	040	-60	475.2

**Table 1: Diamond drill hole collar locations and drill hole information**

Hole ID	From (m)	To (m)	Length (m)	Gold g/t
ETG0203	142	290	148	19ppb
incl.	186.55	187.80	1.25	0.25
incl.	219	220	1	0.62

**Table 2: Initial gold assays (+0.1g/t Au) within anomalous breccia zone from diamond drill hole ETG0203.**



## 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 Yilgarn.

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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## SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<p><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>	<p>The Lamil project was sampled by Encounter using diamond drilling. A 4 hole program was completed for a total of 1,807m of diamond drilling. 3 of the diamond holes were drilled to test IP chargeability anomalies and one hole was drilled at the Gap prospect to test a bedrock geochemical anomaly. Spacing between holes testing the IP targets was broad with ETG0202 and ETG0203 drilled 1.2km apart and the spacing between holes ETG0203 and ETG0204 being 400m. ETG0201 at the Gap prospect was a single hole drilled 1.2km north of ETG0202.</p>
	<p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i></p>	<p>Drill hole collar locations were recorded by handheld GPS, which has an estimated accuracy of +/- 5m.</p>
	<p><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></p>	<p>Diamond drill core samples were half core samples of HQ and NQ sized core. 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.</p>
<b>Drilling techniques</b>	<p><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></p>	<p>Results reported in this announcement refer to samples from diamond drilling which was either HQ or NQ in size. Diamond drill core is orientated using a Reflex ACT3 tool.</p>
<b>Drill sample recovery</b>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed</i></p>	<p>Sections of lost core where minimal and were noted by the diamond drillers.</p>
	<p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i></p>	<p>Drilling of the cover and clay saprolite was rough cored to provide some sample with recovery approximately 75% with the remainder of the holes being drilled conventional with core recovery +95%.</p>
	<p><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></p>	<p>To date, no detailed analysis to determine the relationship between sample recovery and/or and grade has been undertaken for this drill program.</p>

Criteria	JORC Code explanation	Commentary
<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 currently being completed on all drill holes, with lithology, alteration, mineralisation, structure and veining recorded.
	<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 and core.
	<i>The total length and percentage of the relevant intersections logged</i>	All drill holes 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>	Samples submitted from the diamond drill holes were half core
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	Not applicable as all drilling was core drilling
	<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.
	<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>	No sampling of the second half of the drill core has been completed.
	<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 Lamil.
<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>	Au, Pt and Pd were determined via industry standard 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>	Not applicable as no geophysical instruments were use in determining these results
	<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.

Criteria	JORC Code explanation	Commentary
<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 Sarah James (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 Lamil 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>	No adjustments have been made to the assay data
<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>	4 diamond holes were drilled for a total of 1,807m testing three separate targets. 3 of the diamond holes were drilled to test 2 IP chargeability anomalies and one hole was drilled at the Gap prospect to test a bedrock geochemical anomaly. Spacing between holes testing the IP targets was broad with ETG0202 and ETG0203 drilled 1.2km apart and the spacing between holes ETG0203 and ETG0204 being 400m. ETG0201 at the Gap prospect was a single hole drilled 1.2km north of ETG0202.
	<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>	Intervals have been composited using a length weighted methodology
<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 DDH-1 Drilling.



**Audits or reviews**

*The results of any audits or reviews of sampling techniques and data.*

Sampling techniques and procedures are regularly reviewed internally, as is data. To date, no external audits have been completed on Lamil data.

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## SECTION 2 REPORTING OF EXPLORATION RESULTS

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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 Lamil 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>The majority of historical exploration activity at Lamil was completed during a Newmont / BHP / WMC joint venture in the mid-1980s 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>

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 Lamil project since the termination of the WMC / Newmont / BHP joint venture.

**Geology**

*Deposit type, geological setting and style of mineralisation*

The Lamil 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 Lamil project is considered prospective for sediment – hosted ‘Telfer style’ gold-copper mineralisation and skarn style mineralisation.

**Drill hole information**

*A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:*

- *Easting and northing of the drill hole collar*
- *Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar*
- *Dip and azimuth of the hole*
- *Down hole length and interception depth*
- *Hole length*

Refer to tabulations in the body of this announcement.

**Data aggregation methods**

*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.*

All reported assays have been length weighted, with a nominal 0.1g/t Au lower cut-off. No upper cuts-offs have been applied.

*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.*

Not applicable as the aggregation of intercepts were from material of similar grade.

*The assumptions used for any reporting of metal equivalent values should be clearly stated.*

No metal equivalents have been reported in this announcement.

<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
<b>Relationship between mineralisation widths and intercept lengths</b>	<p><i>These relationships are particularly important in the reporting of exploration results.</i></p> <p><i>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></p>	The geometry of the mineralisation is not yet known due to insufficient drilling in the targeted area.
<b>Diagrams</b>	<p><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></p>	Refer to body of this announcement.
<b>Balanced Reporting</b>	<p><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></p>	All significant intervals are reported with a 0.1g/t Au lower cut-off
<b>Other substantive exploration data</b>	<p><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></p>	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>	<p><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large – scale step – out drilling).</i></p> <p><i>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></p>	<p>The next phase of activity at Lamil will include gold and multi-element analysis of the drill core from diamond holes ETG0201-ETG0204</p> <p>Once final assay results have been received a follow up program will be designed.</p>