

Drill Ready Gold Targets at Lamil, Paterson Province, WA

- Drill ready gold targets at the 100% owned Lamil Project located 25km northwest of the Telfer mine in the Paterson Province of Western Australia (“WA”).
- Specialist inversion modelling of magnetic, EM and IP geophysical survey results has identified compelling new targets for drill testing
- Elsa Prospect – associated with IP chargeability anomaly:
 - Havieron-style IP target adjacent to the depth extensive breccia zone intersected in March 2020 diamond drilling
 - Chargeability target is modelled from a depth of 200m and orientated parallel to an interpreted east-west structure intersecting the breccia zone
 - 300m RC drill hole to test the discrete chargeability anomaly
- Gap Prospect – supergene gold mineralisation on a single section of drilling over 180m including (see ASX release 11 June 2020):
 - 30m @ 1.1g/t Au from 96m in ETG0068
 - 36m @ 0.4g/t Au from 124m in ETG0067
 - 36m @ 0.5g/t Au from 28m in ETG0201
 - Drilling to test if prior drilling intersected a plume zone parallel to primary mineralisation
- Dune Prospect – open, high grade gold mineralisation in broad spaced drilling (200m line spacing) including supergene/transitional intersections (see ASX release 26 April 2017):
 - 4m @ 7.1g/t Au from 216m in ETG0003
 - 10m @ 2.8g/t Au from 94m in ETG0015
 - 4m @ 3.3g/t Au from 74m in ETG0016
 - Drilling to test for extensions to the supergene mineralisation and to define possible vectors to primary mineralisation
- Program of 3,000m RC drilling scheduled to commence in September 2020

The directors of Encounter Resources Ltd (“Encounter”) are pleased to outline new targets to be tested in the upcoming RC drill program at the 100% owned Lamil Copper-Gold Project in the Paterson Province of WA.

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

“High grade gold has been intersected in broad spaced drilling over 5km of the Lamil dome. Innovative new geophysical 3D inversion modelling of the IP, magnetics and airborne EM data has provided a potential step change in the structural understanding at Lamil and has highlighted an untested Havieron-style target adjacent to the extensive breccia zone drilled in March 2020. In addition, laterally extensive zones of supergene gold mineralisation will be drill tested at the Gap and Dune Prospects. Drilling is scheduled to commence in September 2020.”

Background

Lamil covers an area of ~61km² 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 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 5).

Geophysics Inversion Modelling

Over the past 18 months, new magnetic, airborne electromagnetic and ground IP surveys have been completed at Lamil.

In July 2020, Encounter engaged Barry Bourne of Terra Petrophysics to complete full integration and inversion modelling of these recent geophysical surveys completed at Lamil. Mr Bourne is a highly respected geophysicist and was formally Chief Geoscientist Global Exploration for Barrick Gold Corporation.

This process involved a detailed review of the recently acquired IP data and the construction of 3D magnetic susceptibility, chargeability and resistivity models using the Pawsey supercomputer. The 3D IP model and the inversion of the detailed magnetics and airborne electromagnetic data has been integrated with geological observation from our recent diamond drilling program. Encouragingly this has delivered a number of high quality gold drill targets at Lamil.

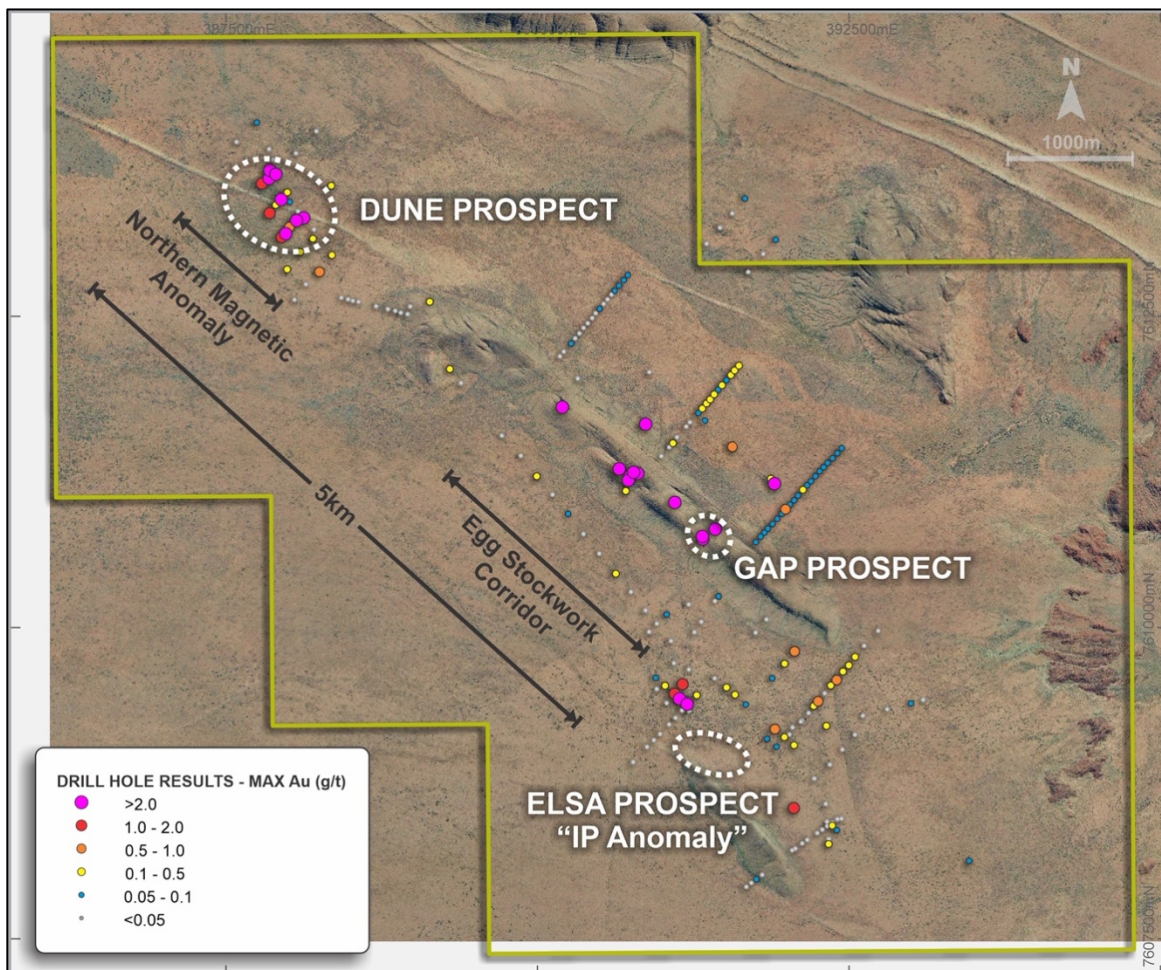


Figure 1 – Airphoto and Max Au

Elsa Prospect – IP Chargeability Anomaly

In March 2020 two diamond drill holes (ETG0203 and ETG0204) intersected wide zones of brecciated, fractured and veined intercalated metasediments with associated intense alteration that are interpreted to have defined a major structural fluid pathway (see Photos 1 & 2).

The breccia intersected in ETG0203 and ETG0204 is interpreted to be a major structure and fluid pathway and is a potential feeder for a system similar in style to the large Havieron gold discovery, located 80km to the east. The geophysical inversion modelling and integration of the IP, magnetics and airborne electromagnetic data has highlighted a distinct chargeability anomaly discordant to geology and orientated parallel to an interpreted east-west structure (Figure 2). The top of this anomaly has been modelled at ~200m from surface. An RC drill hole will be completed to the depth capacity of the rig (~300m) to test this discrete anomaly.

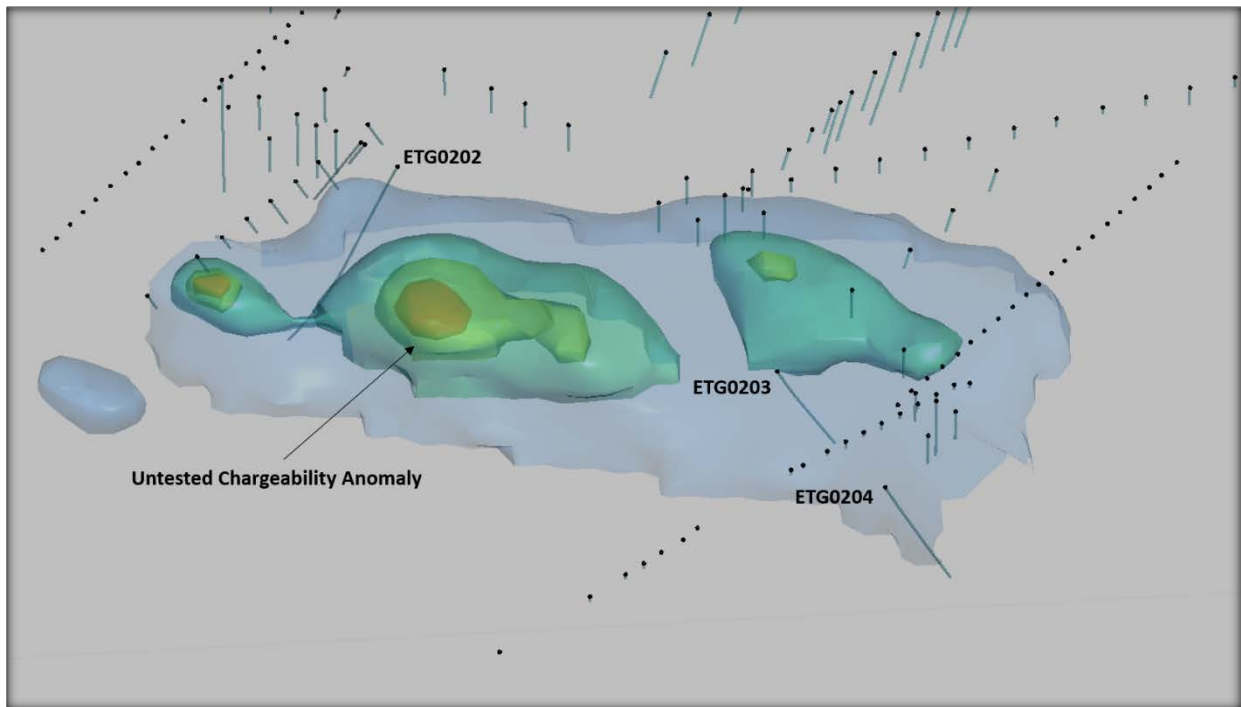


Figure 2 - 3D chargeable isosurfaces (yellow $\geq 22\text{mV/V}$, red $\geq 23\text{mV/V}$) and current drill hole locations

Gap Prospect – Open broad zone of gold-copper mineralisation

A section of four 80m spaced RC/diamond drill holes has been completed at the Gap. The three holes on the south-western end of the section contain thick zones of near surface supergene gold mineralisation (Figures 1 and 3).

Gold mineralisation on this single section of drilling is over 180m wide (see ASX release 11 June 2020):

- o 30m @ 1.1g/t Au from 96m in ETG0068
- o 36m @ 0.4g/t Au from 124m in ETG0067
- o 36m @ 0.5g/t Au from 28m in ETG0201

Mineralisation is open in all directions with no other bedrock drilling within 400m. Recent interpretation suggests the single line of drilling may be parallel to the strike of the primary mineralisation. Accordingly, the RC rig will be turned 90 degrees and the upcoming program will be drilled in a south-east orientation.

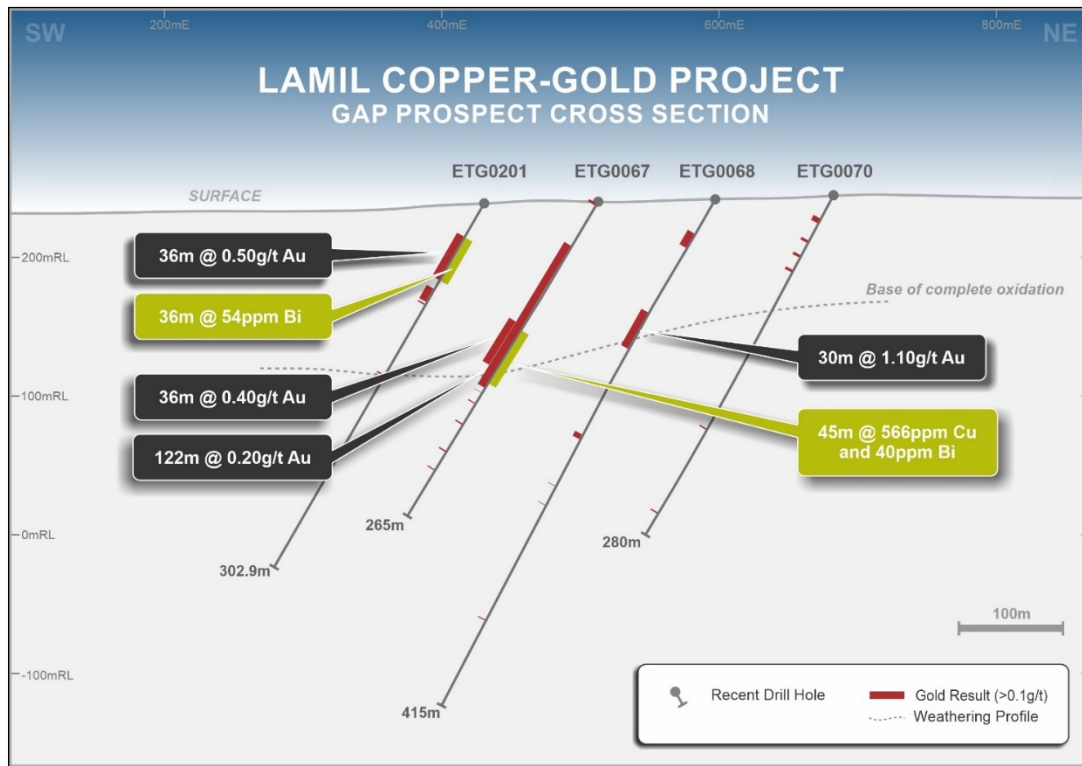


Figure 3 – Gap Prospect Section

Dune Prospect

Diamond drill hole ETG0003 intersected strong supergene gold mineralisation at Dune located on the fold axis in the northern part of the Lamil dome:

- 24.9m @ 0.7g/t Au from 127.1m and 4.0m @ 7.1g/t Au from 216m (see ASX release 19 January 2017)

Follow up RC drill programs primarily focused on the area southeast of ETG0003. These programs successfully intersected high grade, near surface gold mineralisation. Intersections included:

- 20m @ 1.8g/t Au and 502ppm Cu from 94m including 10m @ 2.8g/t Au and 812ppm Cu from 94m in ETG0015
- 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
- 8m @ 1.0 g/t Au and 426ppm Cu from 197m in ETG0010 (see ASX release 26 April 2017)

Prior exploration at Dune has outlined a laterally extensive +1g/t Au supergene anomaly in broad spaced drilling. The primary areas of focus for the upcoming RC drill program, will be the open zones of gold mineralisation northeast and northwest of the prior drilling (Figure 4).

In the northwest, the focus will be extending the high grade gold mineralisation intersected in ETG0003 and ETG0010. In addition, the existing RC drill lines will be extended to the northeast where the supergene gold anomaly remains open.

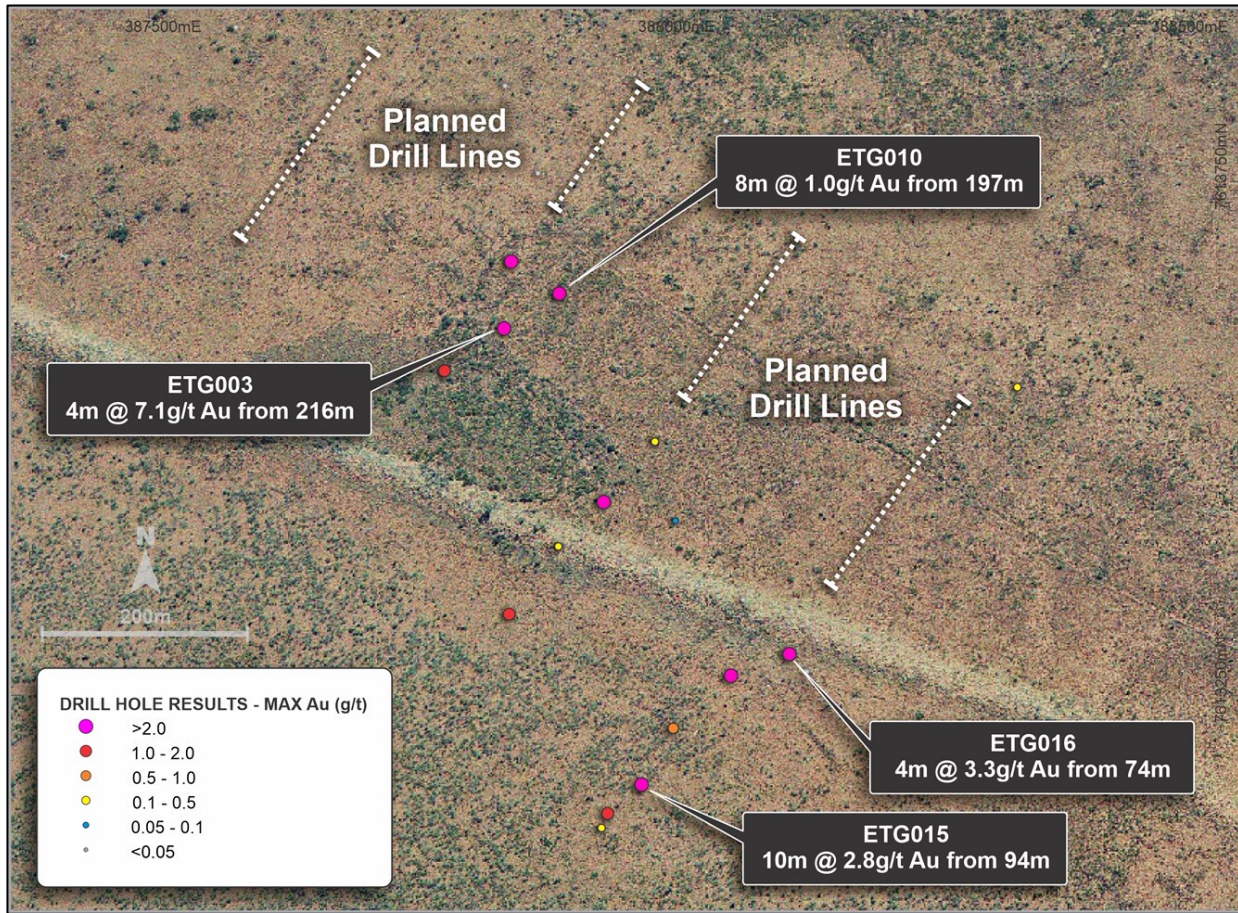


Figure 4 – Dune Prospect (Max in hole Au) planned drilling

Upcoming Activity

The upcoming 3,000m RC drill program is due to commence in September 2020 and will include:

- Testing the discrete IP chargeability Elsa anomaly modelled adjacent to the altered breccia intersected in ETG0203 & ETG0204 for potential Havieron-style gold mineralisation
- Extensional drilling of the Gap, including reorientating the drill rig to test whether recent drilling has intersected a lower grade plume zone parallel to primary mineralisation
- Testing for extensions to the high-grade supergene gold mineralisation at Dune to provide potential vectors to the primary gold source



Photos 1&2 ETG0203. Photo 1 (~185-190m) Brecciated and altered sediments containing disseminated and blebby sulphides. Photo 2 (~187m) Coarse euhedral pyrite and fine pyrite alteration within silicified and brecciated sediment. Importantly, the sulphide mineralisation in ETG0203 has a lower chargeability response than the Elsa Prospect.

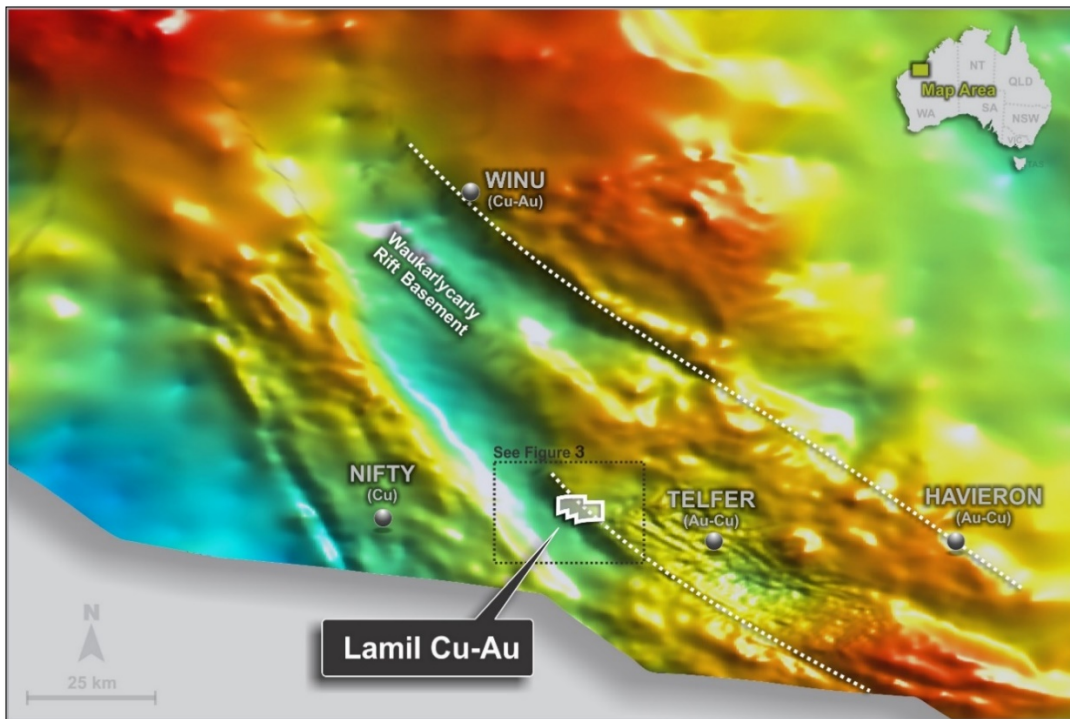


Figure 5 – Regional gravity over Seebase depth to Proterozoic basement image (red = shallow, blue = deep)



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.

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

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.