

## Drilling Commenced Lamil Gold-Copper Project, Paterson Province

- Drilling has commenced at the 100% owned Lamil Gold-Copper Project located 25km northwest of the Telfer mine in the Paterson Province of Western Australia (“WA”).
- 3,000m RC drill program will test three high priority target areas:
  1. The discrete IP chargeability Elsa anomaly modelled adjacent to the altered breccia intersected in March 2020 for potential Havieron-style gold mineralisation
  2. Extensional drilling of the Gap, including re-orientating the drill rig to test whether recent drilling has intersected a lower grade plume zone parallel to primary mineralisation
  3. Extensional drilling of the high-grade supergene gold mineralisation at Dune to provide potential vectors to the primary gold source
- Assay results expected November/December 2020

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

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

“High grade gold has been intersected in broad spaced drilling over 5km of the Lamil dome. Drilling will test open zones of supergene gold mineralisation at the Gap and Dune Prospects and a Havieron-style IP target adjacent to an extensive breccia feeder zone.”

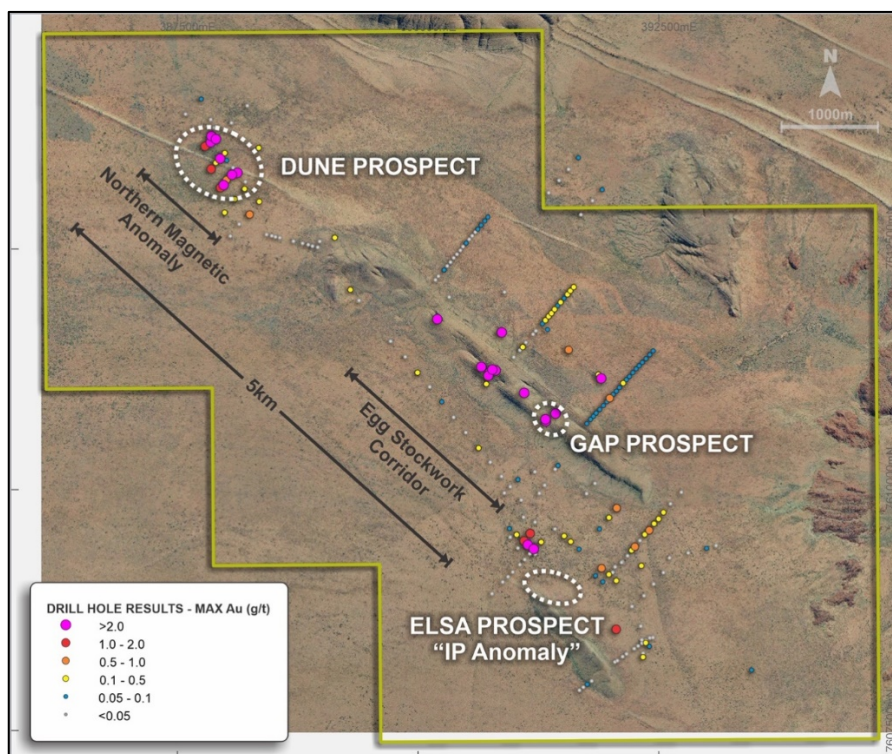


Figure 1 – Airphoto and Max Au in hole

## 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 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. This data has been integrated with geological observations from diamond drilling completed in April 2020 and has defined a number of high quality gold drill targets at Lamil.

## 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 (see Photos 1 and 2) (see ASX release 11 June 2020).

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, untested chargeability anomaly located 400m north of ETG0203 and at the interpreted intersection of the breccia zone and a second order structure. The top of this anomaly has been modelled at ~200m from surface (Figure 2). RC drilling will be completed at Elsa to the depth capacity of the rig (~300m) with a diamond tail possible to test the full extent of this discrete anomaly.

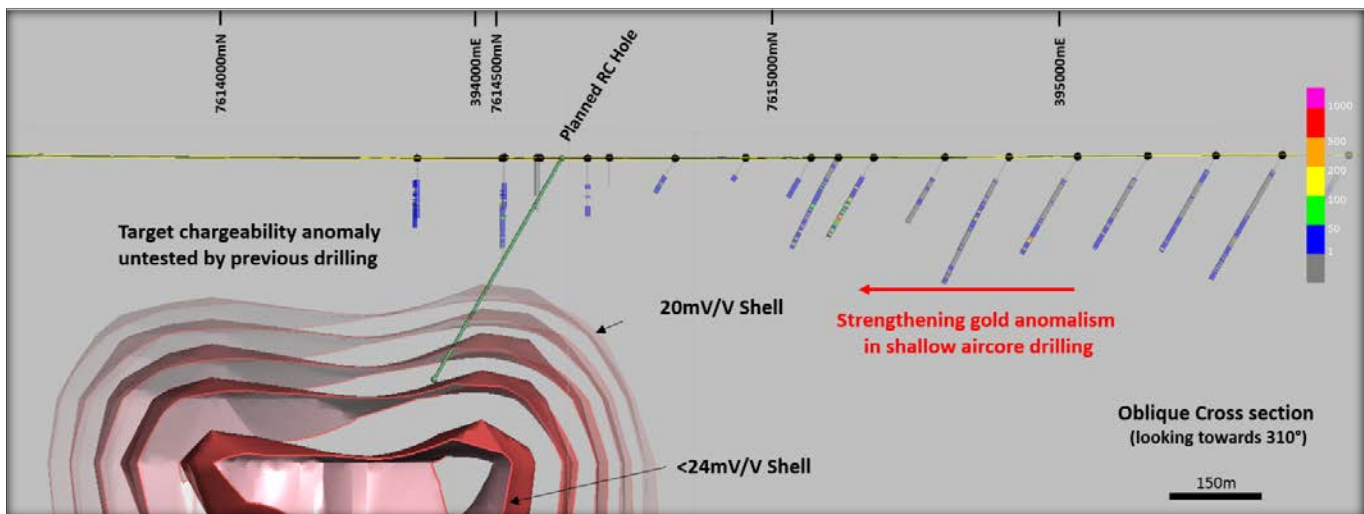


Figure 2 – Section of 3D chargeable isosurfaces and planned RC drill hole location

### 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):

- 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

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 northwest and southeast orientation.

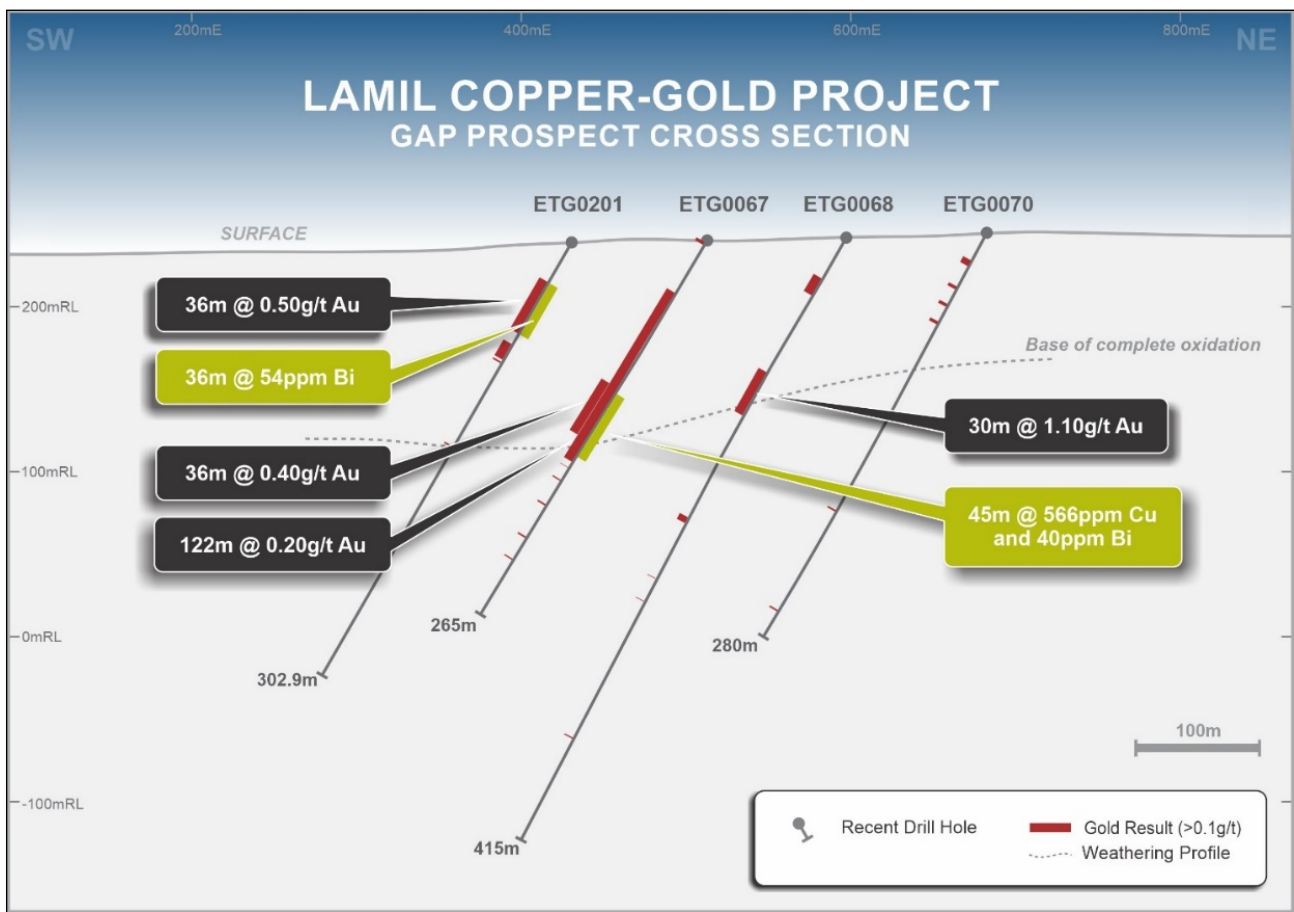


Figure 3 – Gap Prospect Section

## 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.

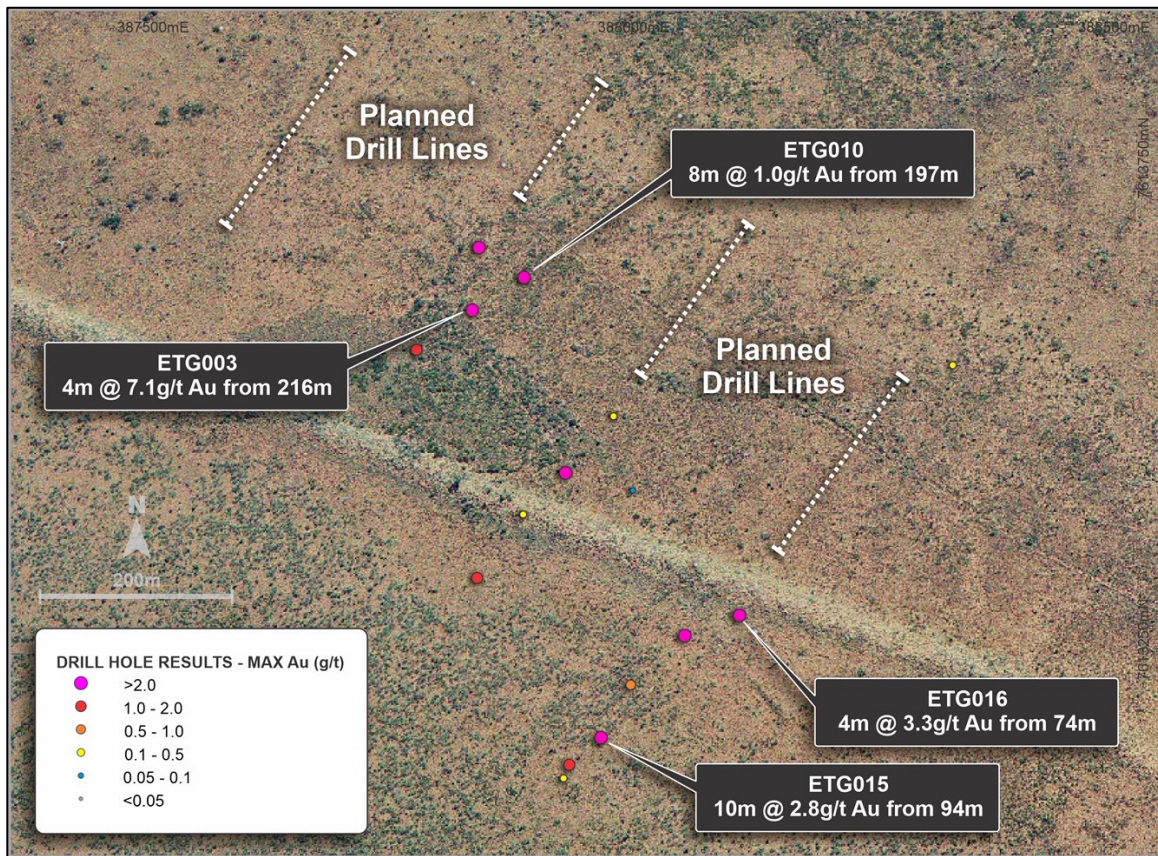


Figure 4 – Dune Prospect (Max in hole Au) planned drilling



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

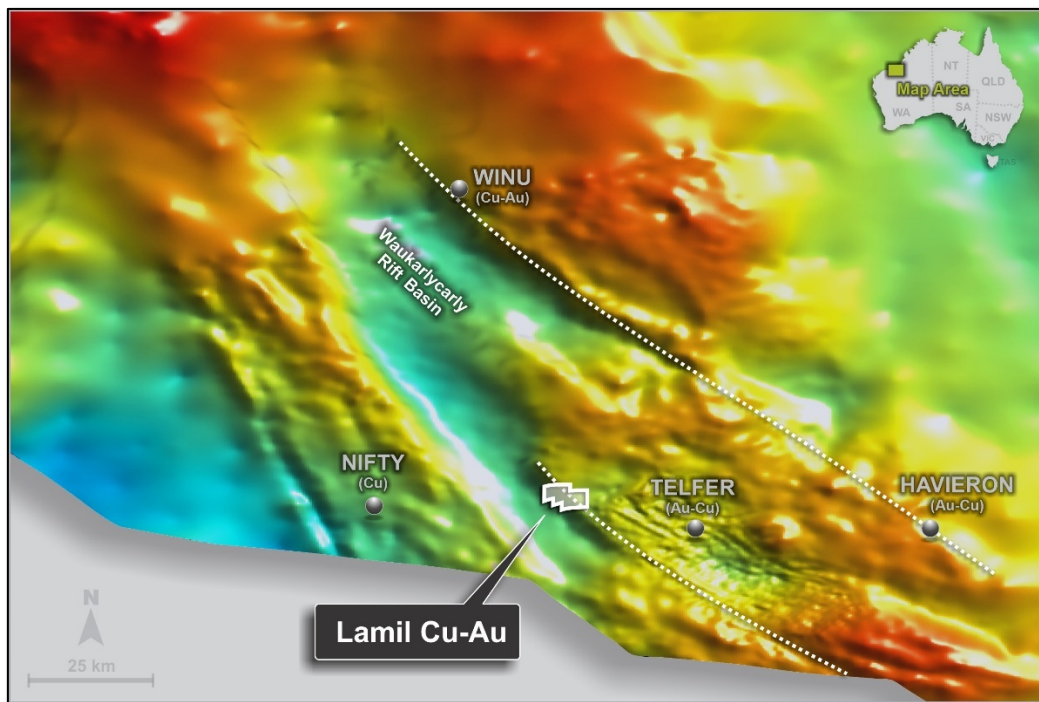
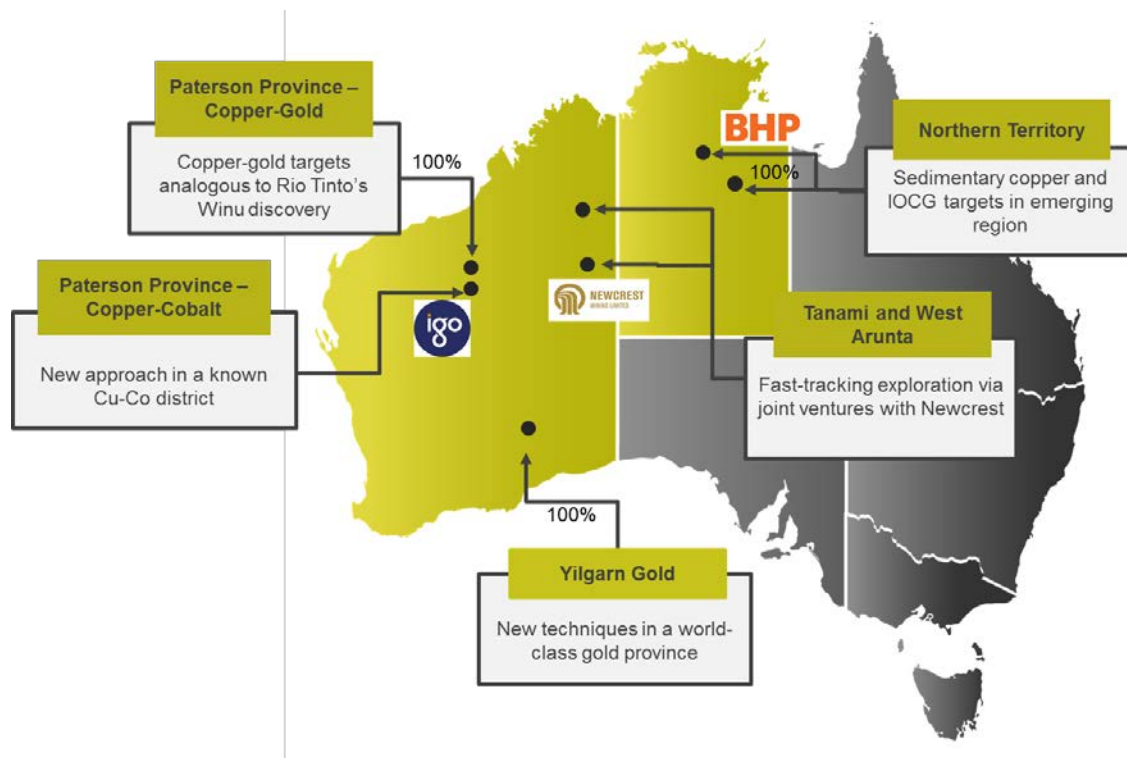


Figure 5 – Regional gravity over Seabase depth to Proterozoic basement image (red = shallow, blue = deep)



## 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. Elliott is being advanced in partnership with BHP via an option agreement to enter an earn-in and joint venture.

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