

Drilling Update at Aileron Gold-Copper JV with Newcrest

- Diamond drilling ended at the Aileron joint venture with Newcrest Mining located in the West Arunta region of WA
- Following mechanical issues with the drill rig, a decision has been made to demobilise the rig and assay the completed section of the hole to 158m
- First drill hole into an unexplored belt which is prospective for large scale gold-copper deposits
- Initial observations from the Newcrest-funded drill hole include:
 - Shallow cover depth ~10m
 - Extensive hydrothermal alteration including zones of hematite alteration consistent with the IOCG model
 - Magnetite bearing, banded iron formation intersected at ~150m
- Core samples are being transported to Perth with assays expected in November/December 2020

The directors of Encounter Resources Ltd (“Encounter / the Company”) are pleased to provide an update on the drill program at the Aileron gold-copper project held in joint venture with Newcrest Mining Limited (“Newcrest”) (ASX:NCM) located in the West Arunta region of Western Australia.

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

“This hole at Aileron is the first drill hole into a remote and unexplored belt. Despite mechanical issues with the rig, the hole appears to have just entered the southern margin of the modelled magnetic anomaly. A decision has been made that the best course of action at this time is to end the current program and assay the completed section of the hole”

Diamond Drilling Update

The Aileron joint venture is located in the West Arunta region of WA, ~600km west of Alice Springs. The project contains a number of structural targets identified through aerial magnetic surveys, including a discrete magnetic anomaly consistent with the scale of an Ernest Henry or Carrapateena style gold-copper system (Figure 1).

There has been no previous mineral exploration on the project and EAL_001 is the first drill hole into an unexplored belt which is prospective for large scale gold-copper deposits.

Diamond drilling commenced in October 2020, but following mechanical issues with the drill rig, a decision has been made to demobilise the rig and assay the completed section of the hole to 158m.

The initial observations from the drill hole include:

- Shallow cover depth (10m) – opening up potential for application of surface sampling and shallow geochemical drilling.
- Extensive hydrothermal alteration including zones of hematite alteration consistent with the IOCG model (see Photo 1).
- Magnetite bearing banded iron formation (BIF) intersected at ~150m (see Photo 2) containing high magnetic susceptibility readings consistent with the modelled anomaly. The centre of the magnetic anomaly was modelled to be intersected at ~300m downhole.

Core from the completed 158m of drill hole EAL_001 will be transported to Perth with assays expected in November/December 2020. Following receipt of assays future work programs for Aileron will be designed.



Photo 1 – Hematite altered and fractured, coarse grained granitic rock with narrow mafic intrusive (88.5 - 91.7m)



Photo 2 – Magnetite rich, laminated banded iron formation (152.8 – 155.9m)

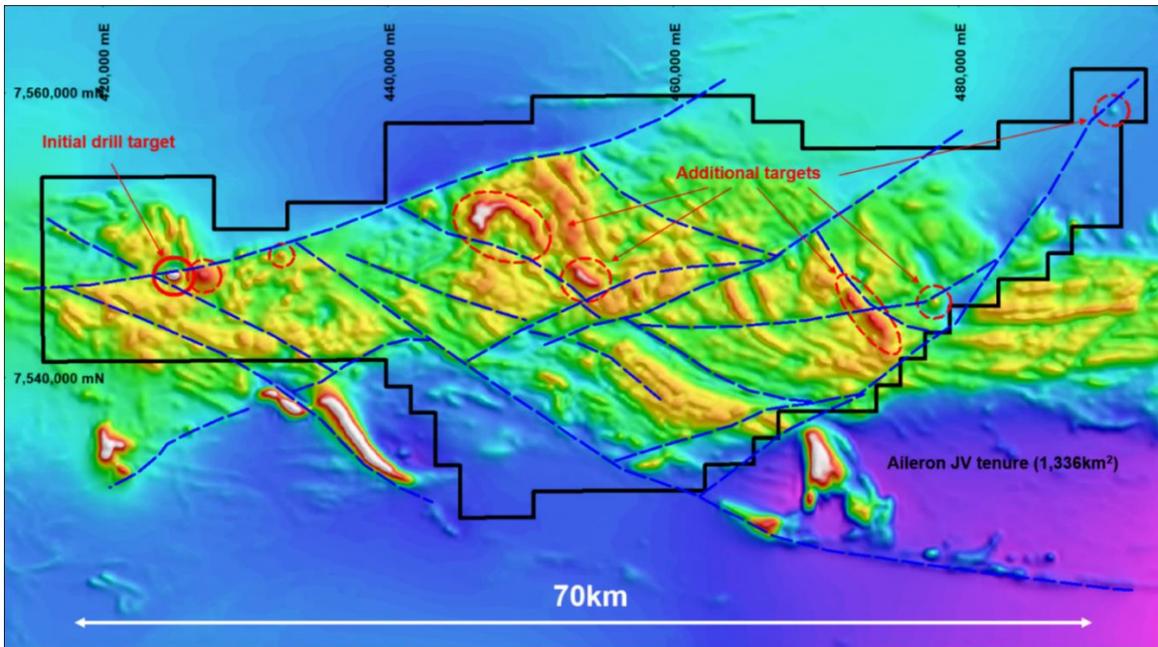
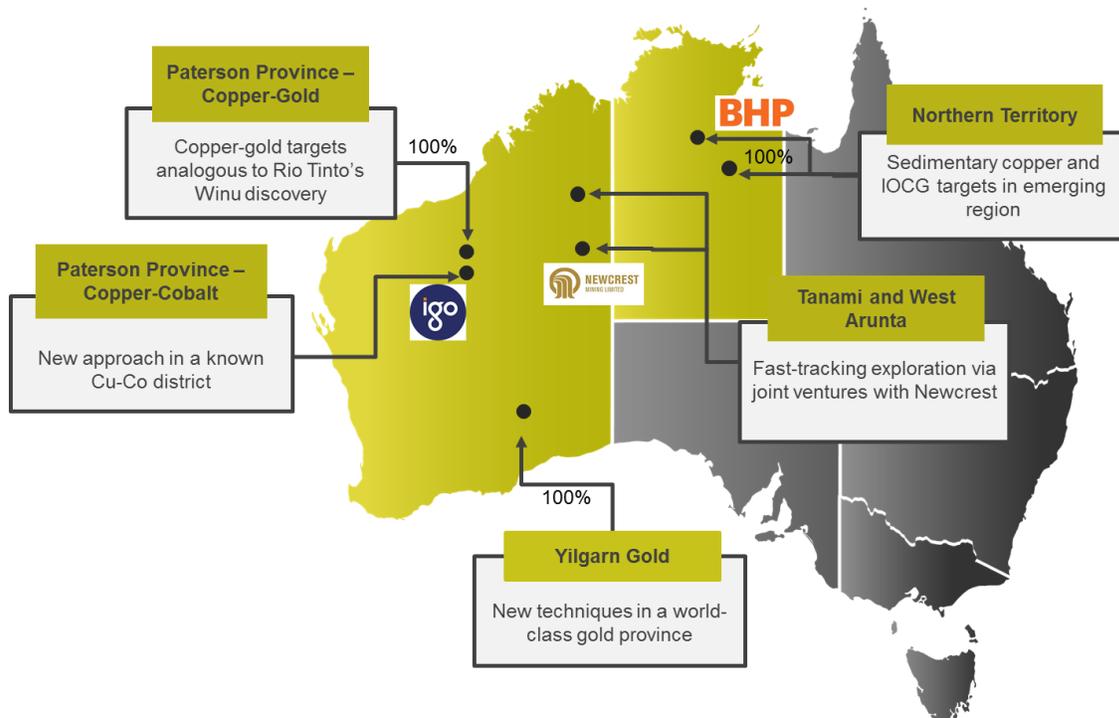


Figure 1 – Aileron joint venture tenure, interpreted structures and targets on TMI background

Hole_ID	Hole_Type	MGA_Grid_ID	MGA_North	MGA_East	MGA_RL	Azimuth	Dip	EOH Depth
EAL0001	DIAMOND	MGA94_52	7547143	424991	363	0	-60	157.8

Table 1: Diamond drill hole collar location and drill hole information



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.

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	<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>	The Aileron project was sampled by Encounter using diamond drilling. A single hole program was completed to a total depth of 157.8m of diamond drilling. The diamond hole was designed to test a discrete high amplitude magnetic anomaly defined in regional aeromagnetics
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	Drill hole collar location was recorded by handheld GPS, which has an estimated accuracy of +/- 5m.
	<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>	Not applicable as the diamond drill core has not been sampled
Drilling techniques	<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>	The hole was PQ rough cored to a depth of 13m then HQ cored to the EOH. Diamond drill core is orientated using a Reflex ACT3 tool.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	Sections of lost core were minimal and were noted by the diamond drillers.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	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%.
	<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>	Not applicable as the diamond drill core has not been sampled
Criteria	JORC Code explanation	Commentary

Logging	<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>	Not applicable as the diamond drill core has not been logged in detail
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Not applicable as the diamond drill core has not been logged in detail
	<i>The total length and percentage of the relevant intersections logged</i>	Not applicable as the diamond drill core has not been sampled
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Not applicable as the diamond drill core has not been cut
	<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>	Not applicable as the diamond drill core has not been sampled
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Not applicable as the diamond drill core has not been sampled
	<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>	Not applicable as the diamond drill core has not been sampled
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Not applicable as the diamond drill core has not been sampled
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Not applicable as the diamond drill core has not been analysed
	<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 analytical results have been reported
	<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>	Not applicable as the diamond drill core has not been sampled
Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Not applicable as the diamond drill core has not been analysed

	<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>	Not applicable as the diamond drill core has not been logged in detail
	<i>Discuss any adjustment to assay data.</i>	No adjustments, no assay data
Location of data points	<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 52.
	<i>Quality and adequacy of topographic control.</i>	Estimated RLs were assigned during drilling using hand held GPS and are to be corrected at a later stage using a DTM created during the aeromagnetic survey.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	A single diamond drill hole was drilled to a downhole depth of 157.8m
	<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>	Not applicable as the diamond drill core has not been analysed
	<i>Whether sample compositing has been applied.</i>	Not applicable as the diamond drill core has not been sampled
Orientation of data in relation to geological structure	<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>	Not applicable as the diamond drill core has not been sampled
	<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>	Not applicable as the diamond drill core has not been sampled
Sample security	<i>The measures taken to ensure sample security.</i>	Not applicable as the diamond drill core has not been sampled
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	Not applicable as the diamond drill core has not been sampled

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<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>	The Aileron project is located within the tenement E80/5169 which is held 50% by Encounter subsidiary Hamelin Resources Pty Ltd and 50% Newcrest Mining Ltd. This tenement is contained completely within Aboriginal Reserve land where native title rights are held by the

		Parna Ngururra.
		No historical or environmentally sensitive sites have been identified in the area of work.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	No previous exploration has been conducted on the tenement other than government pre competitive data.
Geology	<i>Deposit type, geological setting and style of mineralisation</i>	The Aileron project is situated in the Proterozoic West Arunta Province of Western Australia. The geology of the area is poorly understood do to the lack of outcrop and previous exploration. The interpreted geology summarises the area to be Paleo – Proterozoic in age and it is considered prospective for IOGC style deposits.
Drill hole information	<p><i>A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> • <i>Easting and northing of the drill hole collar</i> • <i>Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar</i> • <i>Dip and azimuth of the hole</i> • <i>Down hole length and interception depth</i> • <i>Hole length</i> 	Refer to tabulations in the body of this announcement.
Data aggregation methods	<i>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.</i>	Not applicable as the diamond drill core has not been analysed
	<i>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.</i>	Not applicable as the diamond drill core has not been analysed
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalents have been reported in this announcement.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of exploration results. 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>	Not applicable no mineralization has been reported and the geology is poorly understood in this region
Diagrams	<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>	Not applicable as no results are being reported
Balanced Reporting	<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>	Not applicable as no results are being reported
Other substantive exploration data	<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>	All meaningful and material information has been included in the body of the text.
Further Work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large – scale step – out drilling). 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>	The next phase of activity at Aileron will be defined once analytical results are received.