ASX Announcement
9 August 2021

encounter RESOURCES LIMITED

Exploration Update from Lamil in the Paterson Province

- **EIS co-funded drill program is progressing at the Dune Prospect within the Lamil Project in the Paterson Province of WA.**
- **A selection of RC holes drilled at Dune in February 2021 are being extended with diamond tails including ETG0227 that intersected:**
  - **132m @ 0.31g/t Au and 0.11% Cu from 87m to end of hole including:**
    - **22m @ 0.51g/t Au and 0.24% Cu from 181m [1]**
- **ETG0227 was extended to a depth of 457m and intersected broad zones of crackle veined and brecciated quartzite with iron-oxide infill (possibly after sulphide) and interbeds of siltstones and wackes**
- **The diamond tail of ETG0226 (located on the same section 80m south-west of ETG0227) is in progress and is currently at a depth ~500m. This hole has intersected a similar quartzite unit as seen in ETG0227 containing broad zones of alteration, silica flooding, veining and brecciation (see photos 4-6).**
- **ETG0226 includes a 1.5m intersection of semi-massive pyrite and chalcocite (20-50% chalcocite) from 409m (see photos 1-3).**
- **Two diamond drill rigs are continuing drilling operations at Dune.**
- **First assay results from Lamil drilling expected in September/October 2021**

The directors of Encounter Resources Ltd ("Encounter") are pleased provide an update on diamond drilling at Lamil.

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

"The major copper-gold mineral systems in the Paterson are known to be depth extensive and vertically zoned. Dune is a gold-copper system drilled over 1km of strike containing zones of supergene mineralisation that are strengthening towards the bottom of a number of RC holes.

The first two diamond drill tails at Dune are extensions of ETG0226 and ETG0227. Encouragingly both holes have intersected broad zones of fractured, brecciated and altered quartzite and siltstone units. Within one of the more intensely brecciated zones in ETG0226, a 1.5m wide zone of semi-massive chalcocite and pyrite was intersected. This is the first time we have encountered this style of mineralisation at Dune and it is positive development in our assessment of the Dune copper-gold system"

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Photos 1 to 3

Examples of semi massive pyrite – chalcocite mineralisation drilled from 409.1 to 410.6m in ETG0226

Background

Lamil covers an area of ~61km^2 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.

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.

Diamond Tails extending February 2021 RC holes

The RC drill program completed in February 2021 at Dune (see Figure 1) extended the copper-gold system both to the south and east.

Assay results contain strong copper-gold intersections including:

- 132m @ 0.31g/t Au and 0.11% Cu from 87m to end of hole in ETG0227 [1]
  - including 22m @ 0.51g/t Au and 0.24% Cu from 181m
  - end of hole sample 2m @ 0.35g/t Au and 0.37% Cu from 217m
- 58m @ 0.20g/t Au and 0.12% Cu from 95m in ETG0228 [1]
  - including 18m @ 0.29g/t Au and 0.30% Cu from 95m

Diamond tails will extend a number of RC holes at Dune to target further extensions of the copper-gold mineralisation. The first two diamond drill tails are extensions of ETG0226 and ETG0227 (see Figure 2).

ETG0227 was extended to a depth of 457m and intersected broad zones of crackle veined and brecciated quartzite with iron-oxide infill (possibly representing weathered sulphide) and interbeds of siltstones and wackes.

The diamond tail of ETG0226 (located on the same section 80m south-west of ETG0227) is in progress and is currently at a depth ~500m. This hole has intersected a similar quartzite unit as seen in ETG0227, containing broad zones of alteration, silica flooding, veining and brecciation (see photos 4-6). ETG0226 includes a 1.5m intersection of semi-massive pyrite and chalcocite (20-50% chalcocite) from 409m (see photos 1-3).

Photos 4 to 6. ETG0226 397.5m to 413.1m (includes narrow zones of lost core)

397.5m to 402.6m Altered veined and fractured siltstone

402.6m to 409.1m Fractured and silica flooded quartzite with iron-oxide in fractures (possibly after sulphide)

409.1m to 410.6m Semi-massive pyrite / chalcocite vein

410.6m to 413.1m Fractured and silica flooded quartzite with iron-oxide in fracture (possibly after sulphide)

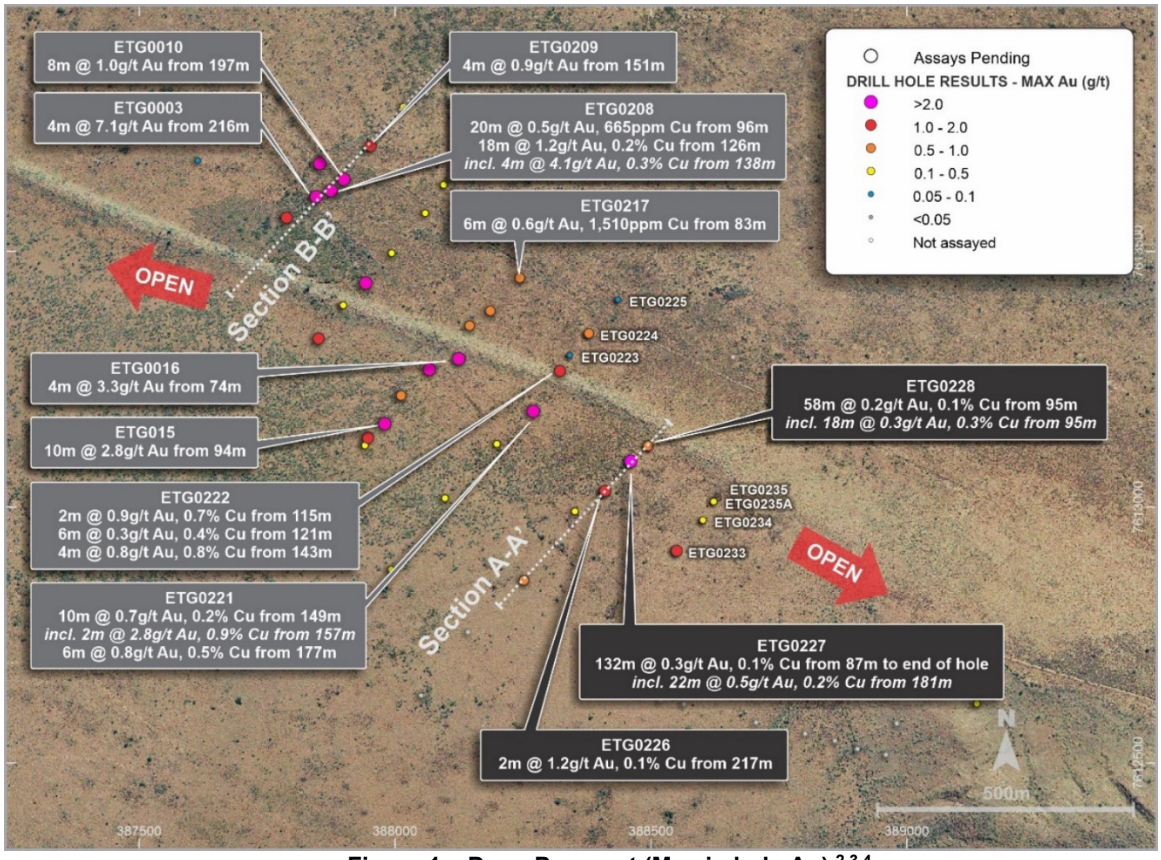


Figure 1 – Dune Prospect (Max in hole Au) [2] [3] [4]

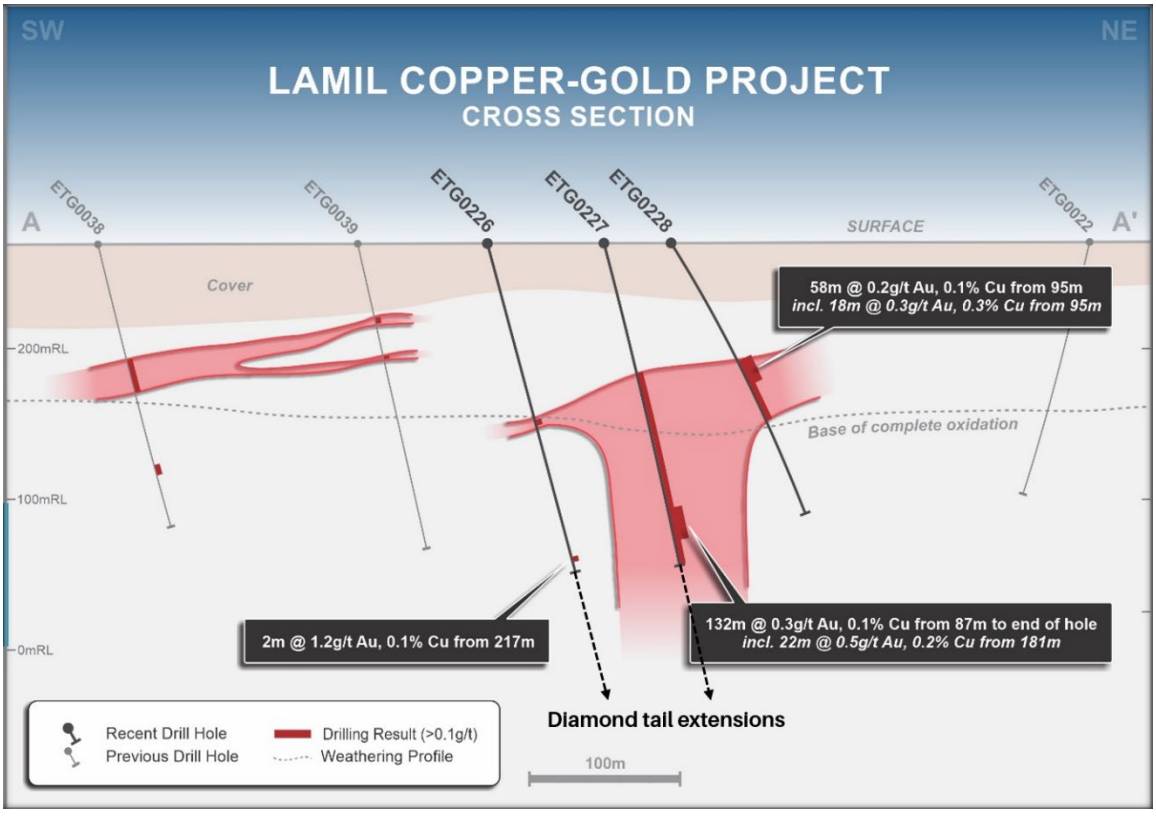


Figure 2 – Dune Prospect cross section through A-A'

Summary and Next Steps

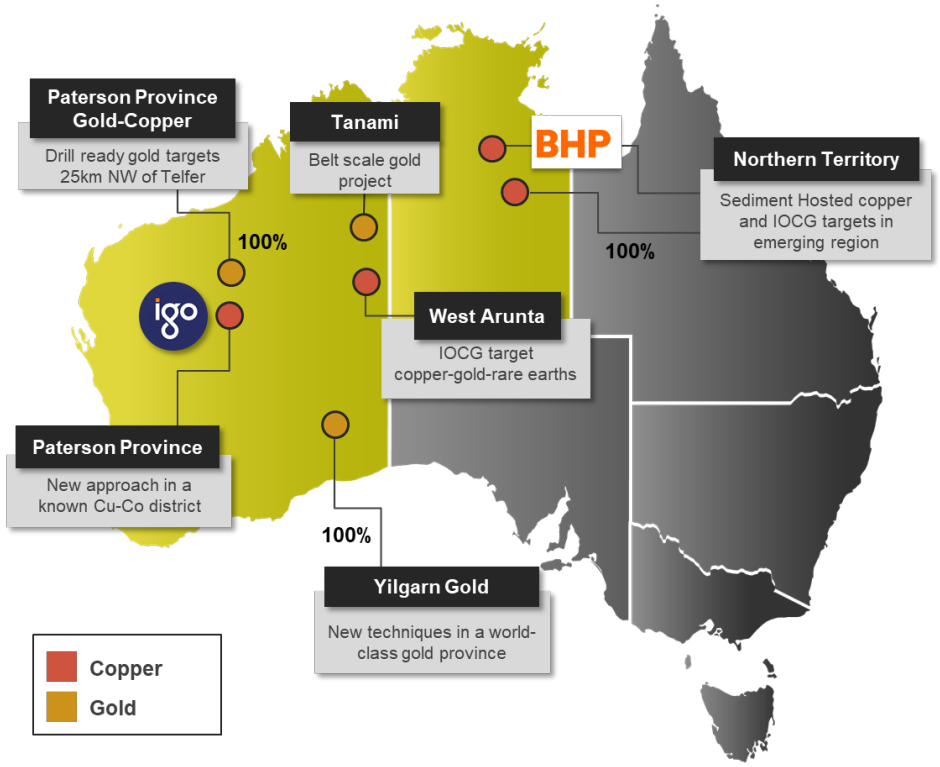
This is a positive start to the diamond drill program at Lamil with both holes intersecting broad zones of fractured, brecciated and altered quartzite and siltstone units below known strongly gold-copper anomalous intervals in previous drilling and for the first time we have encountered semi-massive chalcocite and pyrite at Dune.

Drillhole ETG0226 is progressing to assess the depth extents of this sub-vertical alteration and deformation zone. The diamond rig will then tail ETG0221 to test this position on the interpreted strike, 200m to the north-west. A downhole EM survey of ETG0226 is also being considered.

[1] refer ASX release 21 April 2021
[2] refer ASX release 19 January 2017
[3] refer ASX release 18 December 2020
[4] refer ASX release 26 April 2017

Hole_ID	*Hole_Type*	*MGA_Grid_ID*	*MGA_East*	*MGA_North*	*MGA_RL*	*Azimuth*	*Dip*	*EOH Depth*
ETG0226	RC / Diamond	MGA94_51	388411	7613032	270	40	-75	In progress
ETG0227	RC / Diamond	MGA94_51	388461	7613090	270	40	-75	457m

Table 1: Collar locations and drill hole information of RC holes extended with diamond tails



About Encounter

Encounter is one of Australia's leading mineral exploration companies listed on the Australian Securities Exchange. Encounter's primary focus is on discovering major gold and copper deposits in Australia. Encounter's assets include:

- A large project portfolio in the Paterson Province of WA where it is exploring for copper-gold deposits at its 100% owned Lamil Project and for copper-cobalt deposits at the Yeneena project with IGO Limited (ASX:IGO);
- A series of camp scale, first mover copper opportunities in the Northern Territory. This includes the Elliott copper project which is being advanced in partnership with BHP via a $22m earn-in and joint venture;
- The Aileron IOCG project in the West Arunta in WA; and
- An extensive land position in the West Tanami region covering over 100km of strike along a major prospective structural corridor in WA which Encounter intends to demerge into a new company, "Hamelin Gold Limited" and post demerger, Hamelin will seek to list on ASX.

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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	*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 sounds, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	This announcement includes initial observations from two diamond tails drilled at the Dune Prospect at the Lamil Project in the Paterson Province of WA. No sampling has yet been completed on these two holes.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	No sampling has been completed to date
	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	RC sections of holes ETG0226 and ETG0227 were reported in ASX announcement dated 21 April 2021. No sampling has been completed from the diamond section of these holes.
Drilling techniques	*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).*	ETG0227 was RC drilled to a depth of 219m then diamond tailed to 457m. ETG0226 was RC drilled to 225m and has been diamond drilled to ~500m depth and is continuing.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	Information on core recovery is documented on core markers at the end of every core run.
	Measures taken to maximise sample recovery and ensure representative nature of the samples	No sampling of the drill core has been completed to date
	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.	No sampling of the drill core has been completed to date

Criteria	JORC Code explanation	Commentary
Logging	*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.*	Geological and geotechnical logging of the diamond holes is in progress.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Core logging is in progress
	The total length and percentage of the relevant intersections logged	No sampling of the drill core has been completed to date
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	No sampling of the drill core has been completed to date
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	No sampling of the drill core has been completed to date
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	No sampling of the drill core has been completed to date
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	No sampling of the drill core has been completed to date
	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.	No sampling of the drill core has been completed to date
	Whether sample sizes are appropriate to the grain size of the material being sampled.	No sampling of the drill core has been completed to date
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	No sampling of the drill core has been completed to date
	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.	Routine pXRF analysis has been completed down hole but this information does not form part of this report.
	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.	No sampling of the drill core has been completed to date

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	No sampling of the drill core has been completed to date
	The use of twinned holes.	No twinned holes have been drilled.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Data entry is in progress
	Discuss any adjustment to assay data.	No sampling of the drill core has been completed to date
Location of data points	*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.*	Drill hole collar locations are determined using a handheld DGPS.
	Specification of the grid system used.	The grid system used in the original water bore drilling program was MGA94, UTM zone 51.
	Quality and adequacy of topographic control.	RL is considered to be an approximation.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The drilling at the Dune prospect has been completed on 200m spaced sections with hole spacing in the order of 80m
	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.	No sampling of the drill core has been completed to date
	Whether sample compositing has been applied.	No sampling of the drill core has been completed to date
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	N/A – this is early stage drilling and the orientation of the hole to the mineralisation is not known.
	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.	This is early stage drilling and the orientation of sampling to the mineralisation is not known.
Sample security	*The measures taken to ensure sample security.*	No sampling of the drill core has been completed to date
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No sampling of the drill core has been completed to date

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*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.*	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. This tenement is contained completely within land where the Martu People have been determined to hold native title rights. No historical or environmentally sensitive sites have been identified in the area of work.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	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. In 1989 Newmont completed a six hole diamond program at Lamil (LHS 89 1-6) for a total of 563m with one hole targeting the Northern Magnetic anomaly (now called Dune). In 1990/91, a program of RAB holes (LHB series) were drilled on the Northern Magnetic Anomaly along the interpreted fold axis for a total of 1734m. Drilling was hampered by ground water resulting in the program being largely ineffective.
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 comprises a domal feature with Isdell Formation in the core overlain by Malu Formation and the Puntapunta Formation forms 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 tabulation in the body of this announcement.

Criteria	*JORC Code explanation*	Commentary
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.*	No sampling of the drill core has been completed to date
	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.	No sampling of the drill core has been completed to date
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No sampling of the drill core has been completed to date
Relationship between mineralisation widths and intercept lengths	*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').*	No sampling of the drill core has been completed to date
Diagrams	*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.*	No sampling of the drill core has been completed to date
Balanced Reporting	*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.*	No sampling of the drill core has been completed to date
Other substantive exploration data	*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.*	All meaningful observations have been included in the body of the text.
Further Work	*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.*	The program of diamond drilling continues at Dune and the results of this program will be reported in due course