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**ASX: ENR**

Company Announcements Office  
Australian Securities Exchange  
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Sydney NSW 2000

## **Drilling Commenced at Nazare Gold Project - Laverton Tectonic Zone**

- **Aircore drilling has commenced at the Nazare Gold Project (100% ENR) in the Laverton Tectonic Zone**
- **Nazare is located at the southern extension of the interpreted greenstone/gneissic corridor and is situated south-east of the recent Bombora gold discovery by Apollo Consolidated Limited (ASX:AOP)**
- **The first application of new CSIRO developed Ultrafine+ geochemical sampling technique has generated a coherent gold anomaly in an area of thin cover that is coincident with a major structural intersection at Nazare**
- **Program marks the commencement of the major drilling and geophysical programs planned for 2019 in the Tanami, West Arunta, Paterson and Laverton districts**

The directors of Encounter Resources Ltd (“Encounter” or “the Company”) are pleased to announce that aircore drilling has commenced to test a high quality geochemical anomaly at the Nazare Gold Project (“Nazare”) in the Laverton Tectonic Zone in Western Australia (“WA”) (see Figure 1). The project is located ~150km east-north-east of Kalgoorlie.

**Commenting on the first drill testing of a target generated by a potential breakthrough soil geochemistry technology, Encounter Managing Director Will Robinson said:**

“This initial aircore program at Nazare is the first application of the new CSIRO Ultrafine+ geochemical sampling technique. It has generated a high quality, coherent gold anomaly in an area where traditional geochemistry was ineffective. If this potential breakthrough geochemical technique is successful at Nazare, it would have very significant regional implications. Accordingly, Encounter has secured ~1,000km<sup>2</sup> of tenure in the area and Ultrafine+ will be applied regionally if our current aircore drilling successfully intersects sub surface gold mineralisation.”

The Laverton Tectonic Zone is one of Australia’s most productive and prospective gold regions that hosts major gold mines at Laverton (>2Moz), Granny Smith (>2Moz), Wallaby (>8Moz) and Sunrise Dam (>10Moz). Extensions of this corridor under shallow cover have been a focus of Encounter’s targeting and project generation activities.

Encounter initially acquired a 98km<sup>2</sup> Exploration Licence E28/2709 at Nazare targeting the intersection of an interpreted structure extending south-east from the Apollo Consolidated Limited (ASX:AOP) Bombora gold discovery with the interpreted southern extension of the well-mineralised Laverton Tectonic Zone (see Figure 2).

Nazare was selected for an initial trial of an innovative new CSIRO-developed geochemical sampling technique, UltraFine+, which is a potential breakthrough geochemical sampling technique in areas of thin cover.

The application of Ultrafine+ at Nazare was successful in defining a high quality gold anomaly with significant contrast to background in an area where traditional geochemistry was ineffective. This coherent gold anomaly is coincident with major structural intersection at Nazare (Figure 3)

As a result Encounter has made five additional tenement applications to the north and south of E28/2709 covering an interpreted additional 40 strike kilometres of the Laverton Tectonic Zone. In total the project area now covers ~1,000km<sup>2</sup>. This additional ground is being reviewed for additional structural targets where the UltraFine+ technique can be deployed.

An initial 20 hole aircore drill test of the geochemical anomaly generated at Nazare has commenced. Assay results are likely to be available in late March 2019.

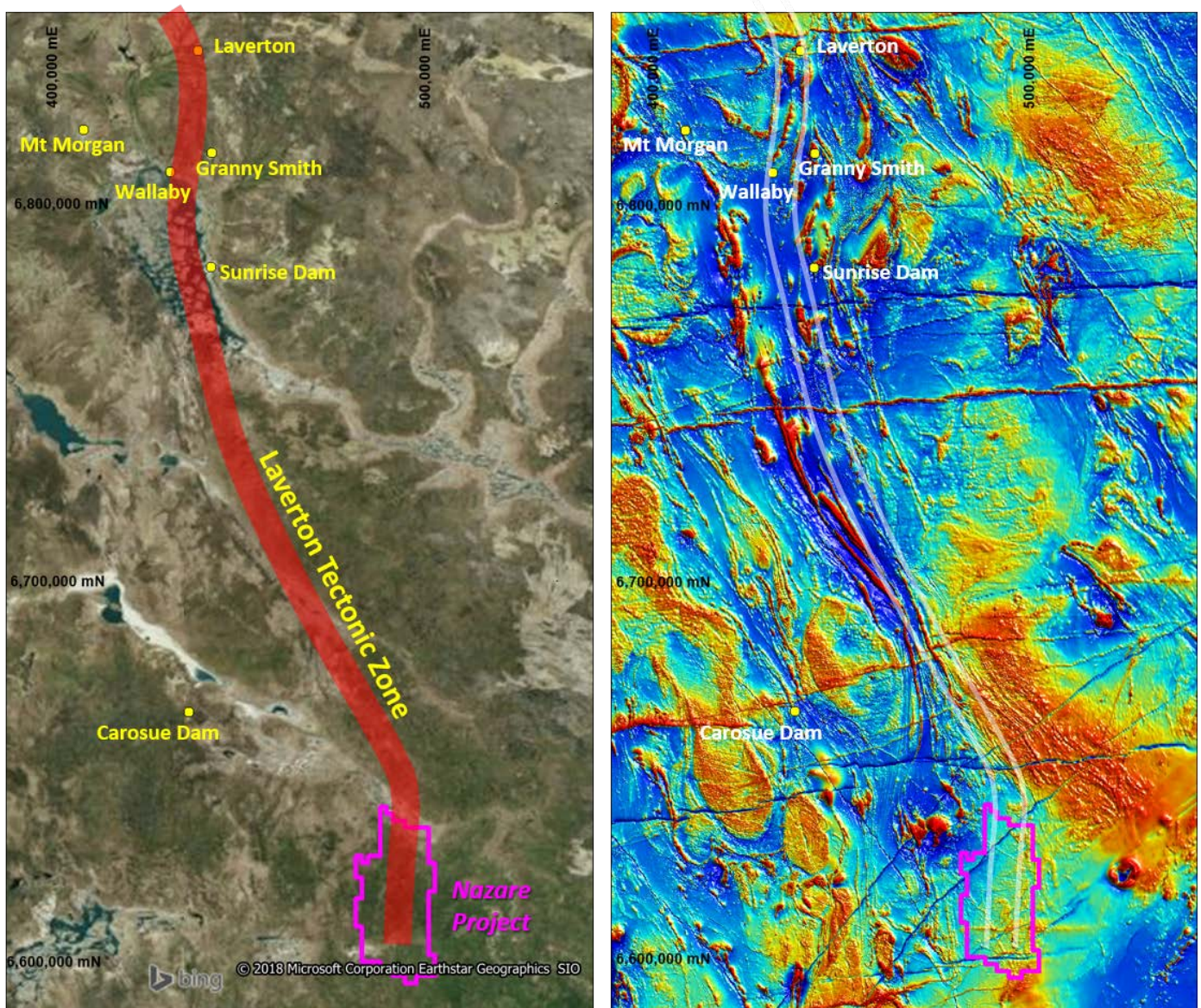


Figure 1 – Nazare regional location plan, regional TMI magnetics and major gold mines



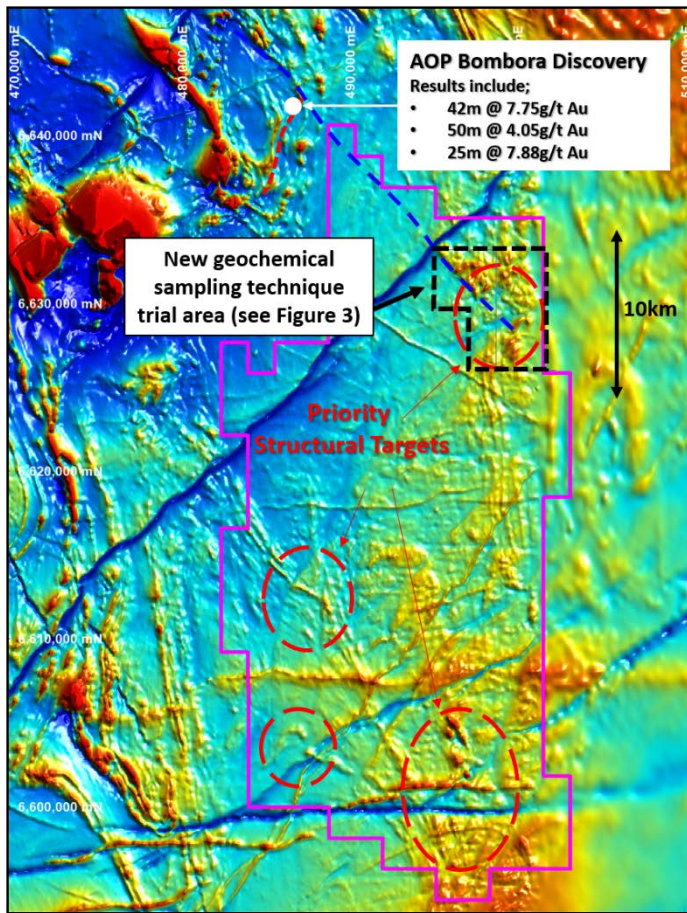


Figure 2 – Nazare target summary over airborne TMI (magnetics) image

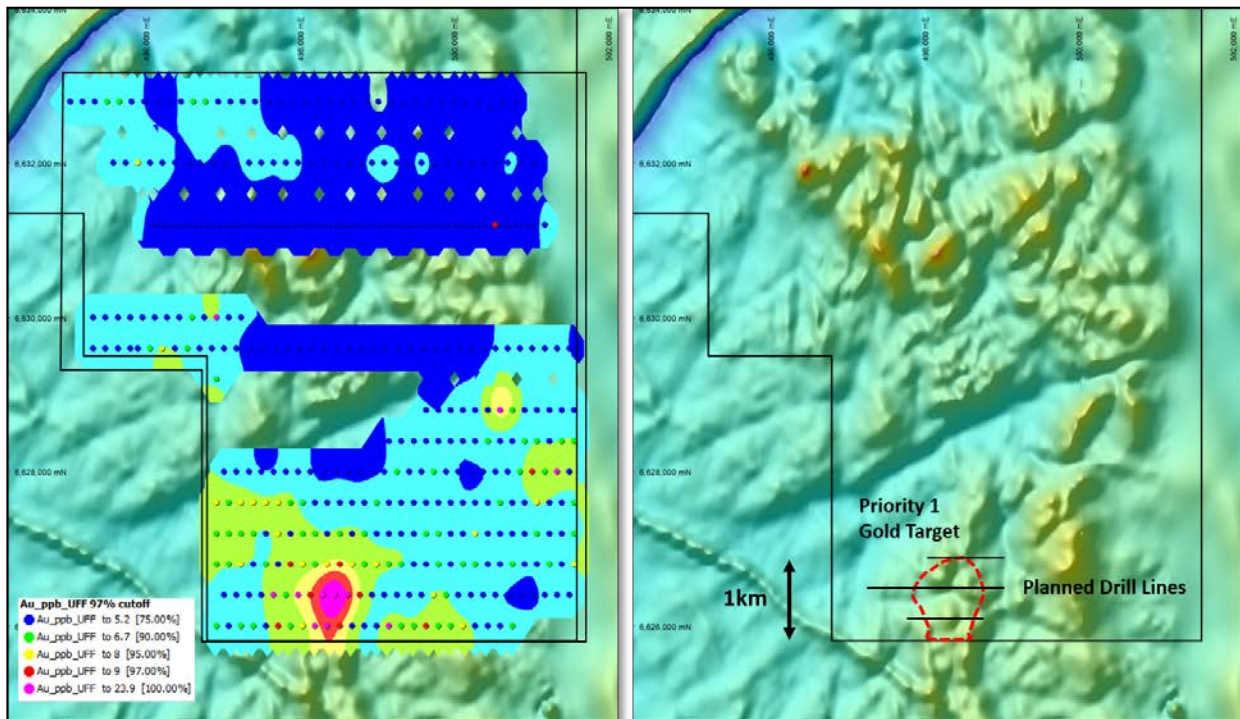


Figure 3 – CSIRO developed geochemical sampling technique trial results at Nazare over airborne TMI (magnetics)

## 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 Laverton Tectonic Belt.

The Company is advancing a highly prospective suite of projects in the Tanami and West Arunta regions via five Joint Ventures with Australia's largest gold miner, Newcrest Mining Limited (ASX:NCM).

Encounter also controls an extensive, underexplored project position covering the southern extension of the +40Moz Laverton Tectonic Zone.

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 Independence Group NL (ASX:IGO).

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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.*

## SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<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>	Soil sampling at the Nazare project that were submitted for Ultra Fine Fraction ("UFF") separation and analysis were collected by Encounter staff
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	A -250 micron duplicate sample was acquired on 3 of the 13 UFF lines
	<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>	Material less than 2 microns was separated from the soil sample and analysed using industry standard analytical techniques.
<b>Drilling techniques</b>	<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>	New data reported in this announcement relates to soil sample results and is therefore not applicable.
<b>Drill sample recovery</b>	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	New data reported in this announcement relates to soil sample results and is therefore not applicable.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	New data reported in this announcement relates to soil sample results and is therefore not applicable.
	<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>	New data reported in this announcement relates to soil sample results and is therefore not applicable.

<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
<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>	New data reported in this announcement relates to soil sample results and is therefore not applicable.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	New data reported in this announcement relates to soil sample results and is therefore not applicable.
	<i>The total length and percentage of the relevant intersections logged</i>	New data reported in this announcement relates to soil sample results and is therefore not applicable.
<b>Sub-sampling techniques and sample preparation</b>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	New data reported in this announcement relates to soil sample results and is therefore not applicable.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	New data reported in this announcement relates to soil sample results and is therefore not applicable.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	The UFF sample preparation was defined following a Research and Development experiment conducted under the direction of CSIRO. The appropriateness of the sample preparation is what is being tested in this orientation sampling and initial drill program.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Sample lines were submitted in a series of analytical jobs to randomise results.
	<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 field duplicates were collected
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The appropriateness of the sample size and soil fraction is what is being tested in this orientation sampling and initial drill program.
<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>	The UFF samples were digested by microwave assisted aqua regia and analysed using ICP-MS and ICP-OES.
	<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>	No Geophysical tools used.
	<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>	Standard laboratory QAQC procedures were used including insertion of blanks and duplicates.

**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>	No significant intersections reported and therefore this is not applicable.
	<i>The use of twinned holes.</i>	New data reported in this announcement relates to soil sample results and is therefore not applicable.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Location and nature of soil sample results were recorded by Encounter staff and are stored on the company database.
	<i>Discuss any adjustment to assay data.</i>	No adjustments or calibrations are made to any assay data from Nazare.
<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>	The location of soil samples were determined using handheld GPS units. It is estimated that the sample accuracy is in the order of +/-5m
	<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 using regional topographic information.
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	Soil samples were collected on 400m spaced lines with sample spacing along the lines at 160m.
	<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 for the reporting of soil sampling results.
	<i>Whether sample compositing has been applied.</i>	Not applicable for the reporting of soil sampling results.
<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 the assay laboratory in Perth. Tracking protocols have been emplaced to monitor the progress of all samples batches.
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No QAQC or sample audit have been completed on these data.

## SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<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 Nazare project is located within the E28/2709 which is 100% held by Hamelin Resources Pty Ltd, a 100% owned subsidiary of Encounter.  No historical or environmentally sensitive sites have been identified in the area of work.
<b>Exploration done by other parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	No previous exploration has been completed within the area of the soil sampling program.
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation</i>	The Nazare project is situated at the southern extension of the Laverton Tectonic zone of Western Australia. The area is being explored for orogenic gold systems.
<b>Drill hole information</b>	<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> <ul style="list-style-type: none"> <li>• <i>Easting and northing of the drill hole collar</i></li> <li>• <i>Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar</i></li> <li>• <i>Dip and azimuth of the hole</i></li> <li>• <i>Down hole length and interception depth</i></li> <li>• <i>Hole length</i></li> </ul>	Not applicable for the reporting of soil sampling results.
<b>Data aggregation methods</b>	<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>	No upper cuts or averaging was applied to the soil sample results.
	<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, no aggregation of intercepts.
	<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
<b>Relationship between mineralisation widths and intercept lengths</b>	<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 for the reporting of soil sampling results.
<b>Diagrams</b>	<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>	Refer to body of this announcement.



<b>Balanced Reporting</b>	<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 for the reporting of soil sampling results.
<b>Other substantive exploration data</b>	<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. No metallurgical or mineralogical assessments have been completed.
<b>Further Work</b>	<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 exploration at Nazare will be the aircore drill test of the anomalous area defined by the UFF soil sampling.