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ASX: ENR

Company Announcements Office
Australian Securities Exchange
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Sydney NSW 2000

New IP Anomaly at Lamil Copper-Gold Project in the Paterson Province

- **Induced Polarisation survey completed at the 100% owned Lamil Copper-Gold Project (“Lamil”) located in the Paterson Province of WA**
- **A chargeability anomaly has been identified on the western side of the modelled magnetic anomaly in an area of no previous drilling**
- **The chargeability anomaly may represent stronger sulphide development within the larger 2km long zone of intense alteration identified at Lamil**
- **Lamil is located on a regional scale gravity lineament in a structural setting analogous to Rio Tinto’s Winu copper-gold discovery located 120km to the north**
- **Airborne EM survey to be completed in August 2019 as a precursor to RC/diamond drilling**

The directors of Encounter Resources Ltd (“Encounter / the Company”) are pleased to announce that the Induced Polarisation (“IP”) geophysical survey completed at the 100% owned Lamil Copper-Gold Project has identified a new chargeability anomaly within the 2km long zone of intense alteration.

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

“The chargeability anomaly identified is adjacent to, but offset from, the magnetic anomalies that were the target of historical drilling. The location of the chargeability anomaly to the west of existing drilling, and in a strong conceptual position, indicates that the best part of the system may remain untested.”

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) and 40km north of Encounter’s Yeneena Copper-Cobalt Project in the Paterson Province. Yeneena is subject to an Earn-In Option as part of an exploration partnership with Independence Group NL (ASX:IGO) (refer to ASX announcement dated 12 November 2018).

Historical gold exploration in the vicinity of the Lamil magnetic anomalies was conducted by Newmont from 1983-1993. There has been no exploration between that phase of exploration and the commencement of gold-focussed exploration activities by Encounter in late 2016.

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 major pathway for ore forming fluids during the formation of the Proterozoic aged deposits (Figures 1 & 2).

Shallow drilling in the 1980s by Newmont targeting a series of magnetic anomalies, intersected thick zones of strong copper-gold anomalism. The level of metal anomalism in the historical drilling may be significant given the recent learnings from the Winu copper-gold discovery made by Rio Tinto Ltd (ASX:RIO). (Figure 3).

Drill core from five holes drilled at Lamil in the 1980s by Newmont has recently been located by Encounter. This core has been relogged and contains zones of pervasive alteration, extensive pyrrhotite development and copper bearing sulphide from within 50m of surface (Photos 1 and 2).

With the confirmation that strong copper anomalism is in sulphide form and within 50m from surface, the IP survey was completed with the aim of highlighting the areas of strongest sulphide development within the larger zone of magnetic alteration at Lamil.

Five IP lines were completed during this initial survey. The survey lines were spaced at 400m and covered a 2km long zone that contains the series of magnetic features associated with anomalous copper and gold (Figure 3).

Next Steps

Detailed interpretation of the results of the IP survey will be available in August 2019 (Figure 4). Encounter is also currently finalising an airborne electromagnetics survey over the Lamil project to be completed in August 2019.

Subject to the outcomes of the geophysical surveys, an RC/diamond drilling program is proposed to be undertaken.

In addition, there is potential to introduce a suitable joint venture partner for Lamil in the future, consistent with Encounter's project generator model.

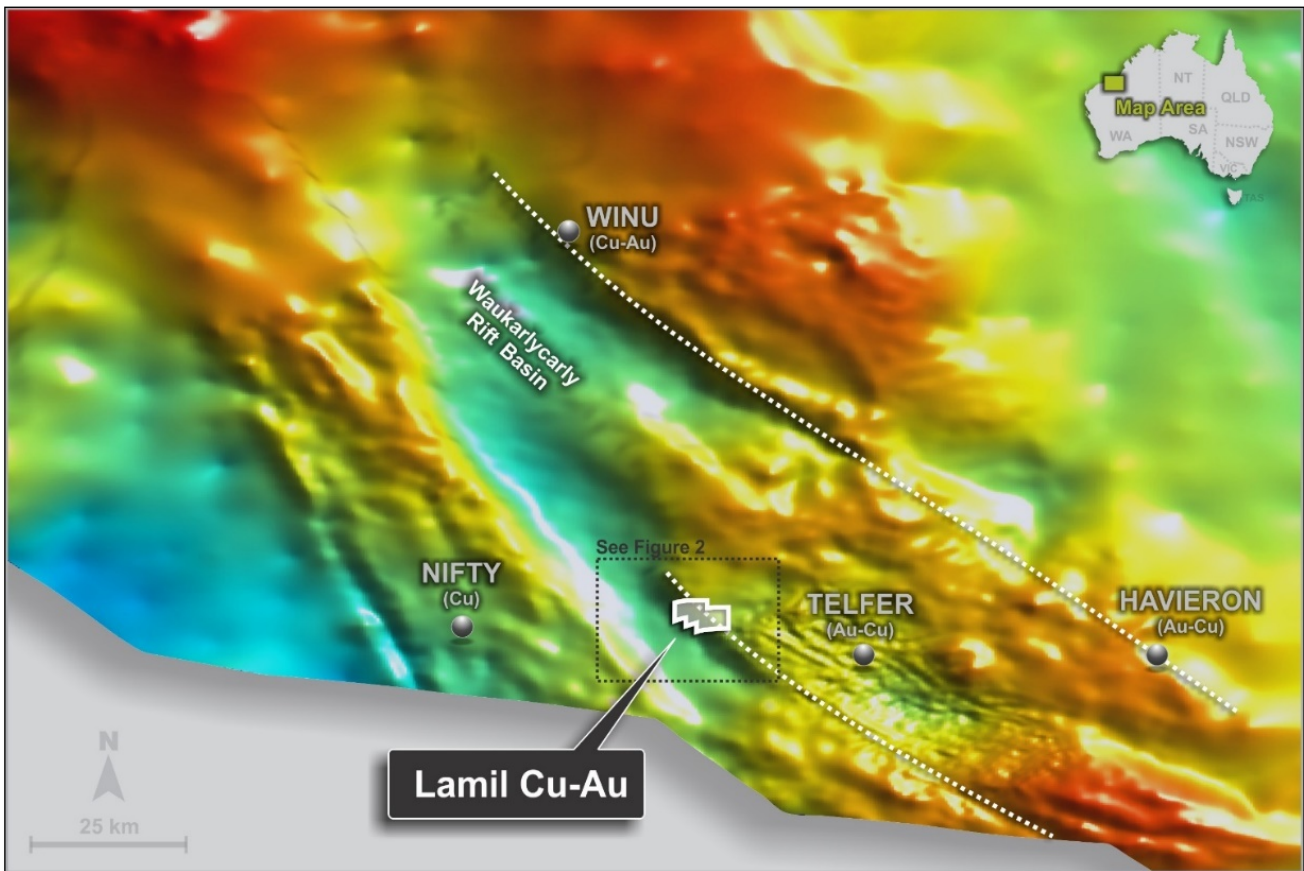


Figure 1 – Regional gravity over Seebase depth to Proterozoic basement image (red = shallow, blue = deep)

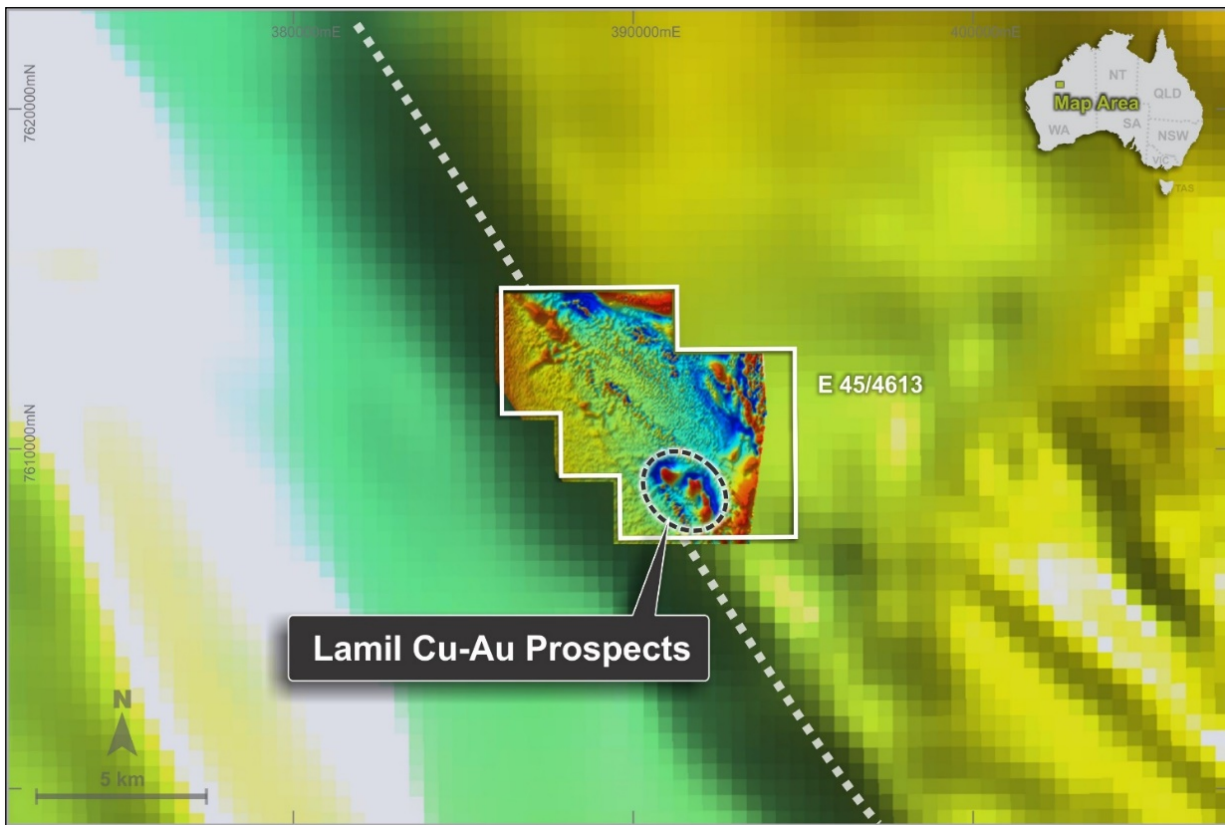


Figure 2 – Detailed aeromagnetics over regional gravity image showing the location of magnetic anomalies on the margin of the Waukarlyarly rift basin

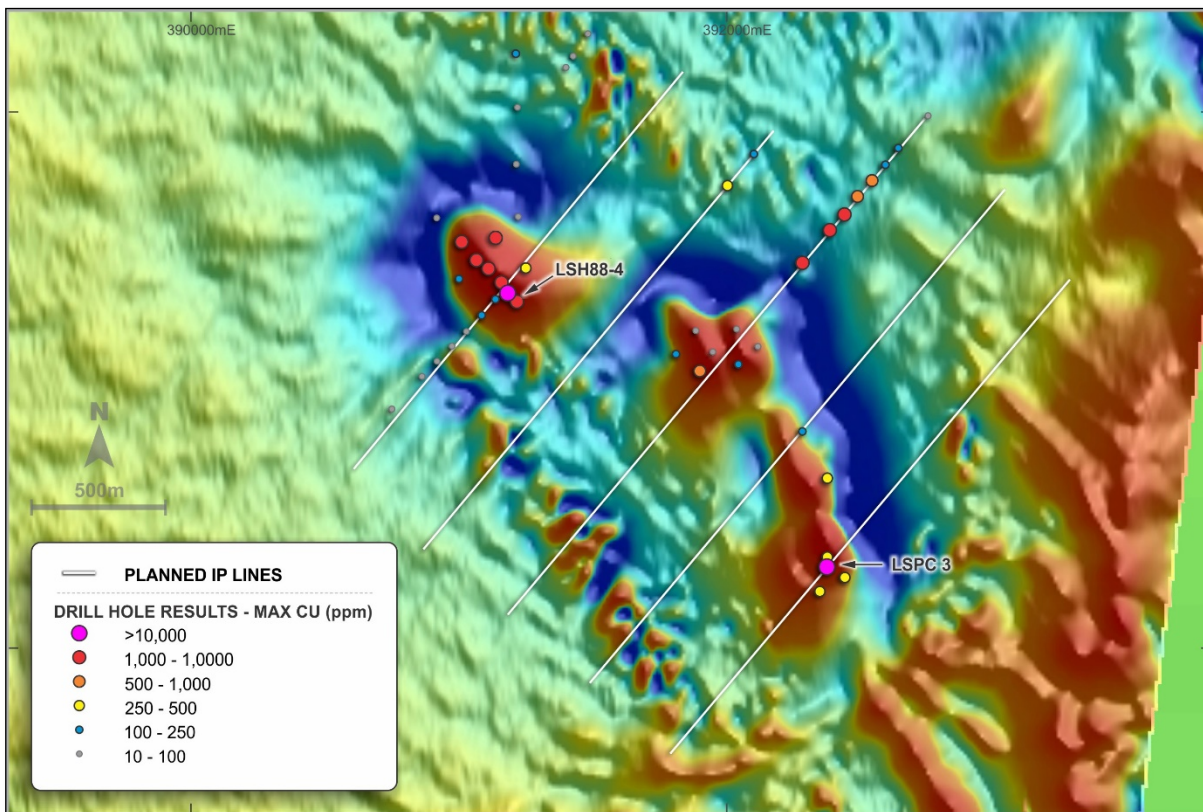


Figure 3 – Drill location plan max in hole Cu with aeromagnetic background (TMI 1VD pseudo colour image) and completed IP lines. Ineffective and unassayed holes have been omitted for this image

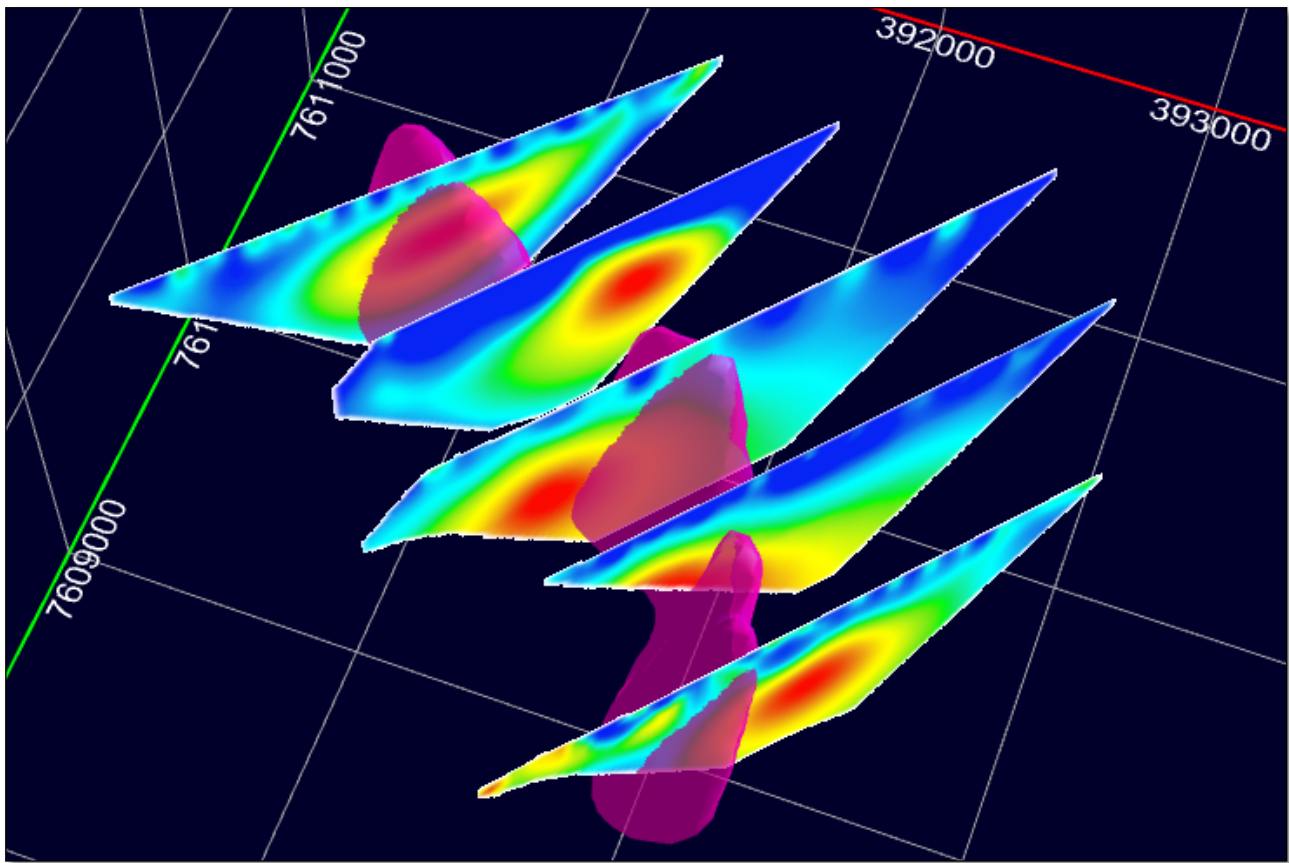


Figure 4 - Preliminary chargeability inversion model cross sections (anomalous chargeability values ranging from approximately 8 to 12 msec) and modelled magnetic anomalies (purple bodies)



Photo 1 (L) – LSPC-3, ~44m. Veins and disseminations of pyrrhotite and minor chalcopyrite within an altered calcareous sediment



Photo 2 (R) – LHS 88-4 ~155m and 167m. Veined and brecciated siltstone with pyrite and iron carbonate alteration

Tanami and West Arunta

Fast-tracking exploration via joint ventures with Newcrest

Paterson Province – Copper-Cobalt

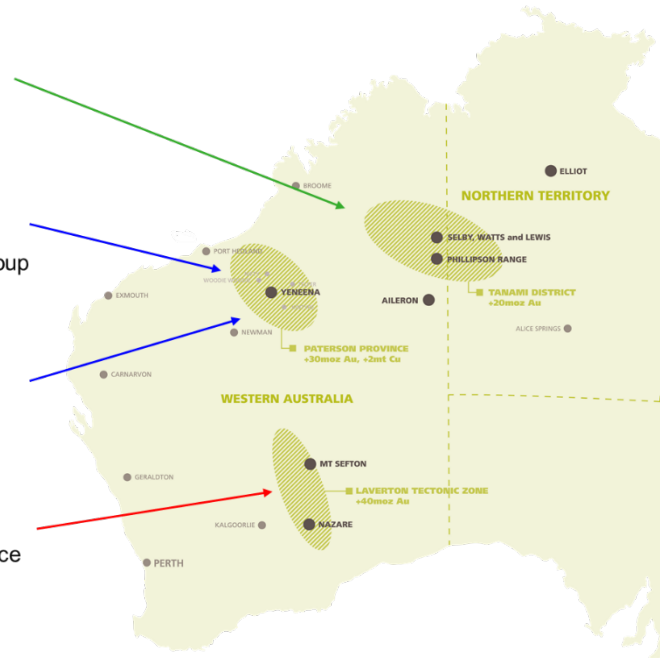
New approach in a known Cu-Co district with Independence Group

Paterson Province – Copper-Gold

Copper-Gold targets analogous to Rio Tinto's Winu discovery

Laverton Tectonic Zone

Innovative new generative program in a world class gold province



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 100% 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), and intrusive related copper-gold deposits at its 100% owned Lamil Project.

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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.