encounter
RESOURCES LIMITED
ABN 47 109 815 796

Level 7, 600 Murray Street
West Perth WA 6005

PO Box 273
West Perth WA 6872

P 08 9486 9455
F 08 9486 8366

www.enrl.com.au

15 July 2019

ASX: ENR

Company Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
Sydney NSW 2000

IP Survey Underway at Lamil Project in the Paterson Province

- **An Induced Polarisation (IP) survey has commenced at the 100% owned Lamil Copper-Gold Project ("Lamil") located in the Paterson Province of WA**
- **Core from previously reported historic diamond drilling at Lamil has been relogged and confirms zones of pervasive alteration, extensive pyrrhotite development and copper-bearing sulphide from within 50m of surface**
- **Given the sulphide-bearing nature of this mineralisation an IP survey is expected to highlight the areas with the strongest sulphide development within a larger 2km long zone of intense alteration as a precursor to future RC/diamond drilling**
- **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**

The directors of Encounter Resources Ltd ("Encounter / the Company") are pleased to announce the commencement of an Induced Polarisation ("IP") geophysical survey at the 100% owned Lamil Copper-Gold Project ("Lamil") in the Paterson Province.

Commenting on the upcoming exploration at Lamil, Encounter Managing Director Will Robinson said: "The presence of copper-bearing sulphides within 50m of surface supports our strategy to deploy an IP survey which is now underway. We think this technique will identify the best parts of the 2km long mineral system at Lamil and we know that strong copper anomalism has been intersected outside the existing magnetic anomalies that Newmont drilled. There is potential for a bigger picture to emerge at Lamil with the upcoming geophysics."

Background

The project 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) 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 intersected thick zones of strong copper-gold anomalism which may be significant given the recent learnings from the Winu copper-gold discovery made by Rio

Tinto Ltd (ASX:RIO). Newmont's limited drilling specifically targeted a series of magnetic features at Lamil (Figure 3).

Drill core from five holes drilled at Lamil in the 1980s by Newmont has recently been located by Encounter. The 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, an IP survey of the area was the logical next step. The IP survey is likely to highlight the areas with the strongest sulphide development within the larger zone of magnetic alteration at Lamil.

IP Survey

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

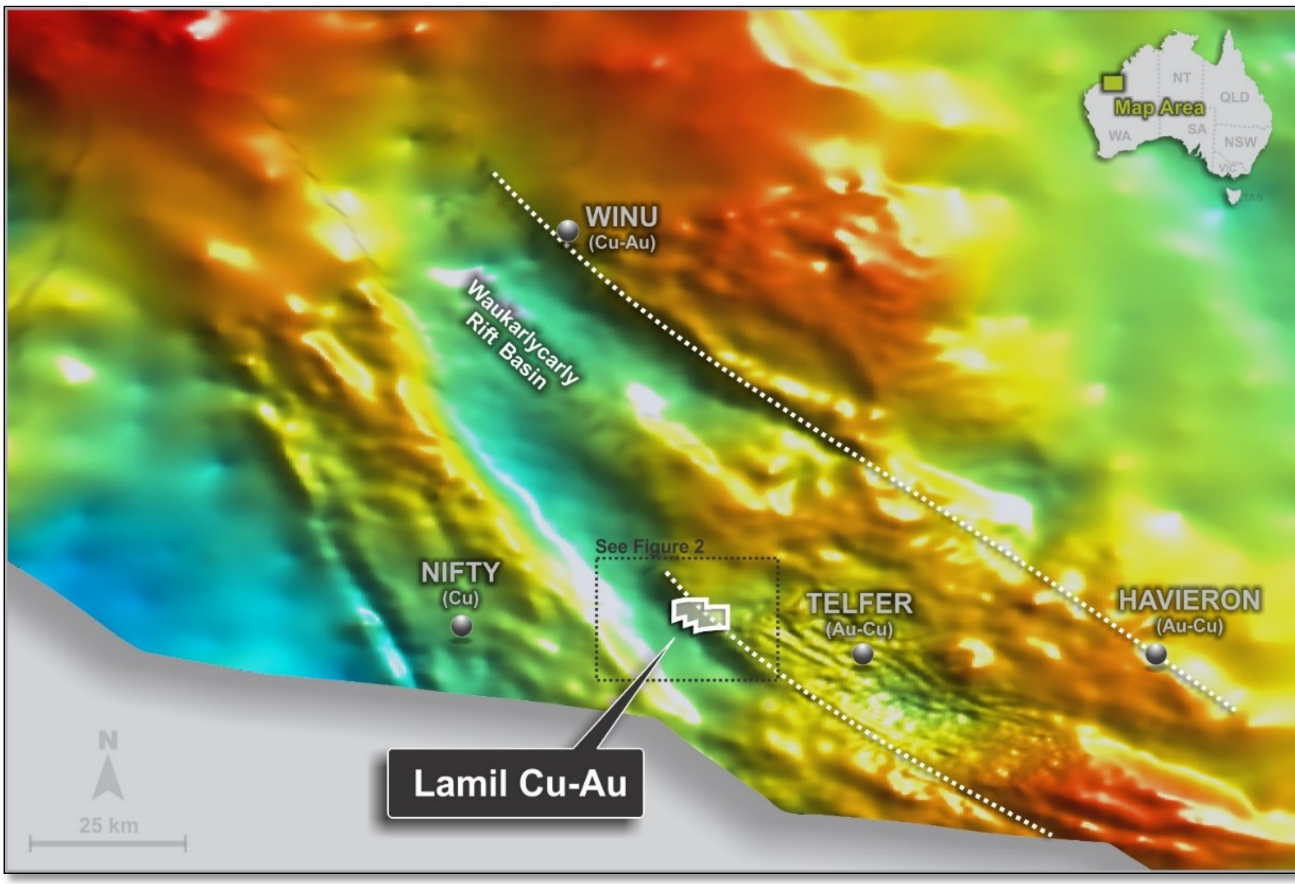

Figure 1 – Regional gravity over Seebase depth to Proterozoic basement image (red = shallow, blue = deep)

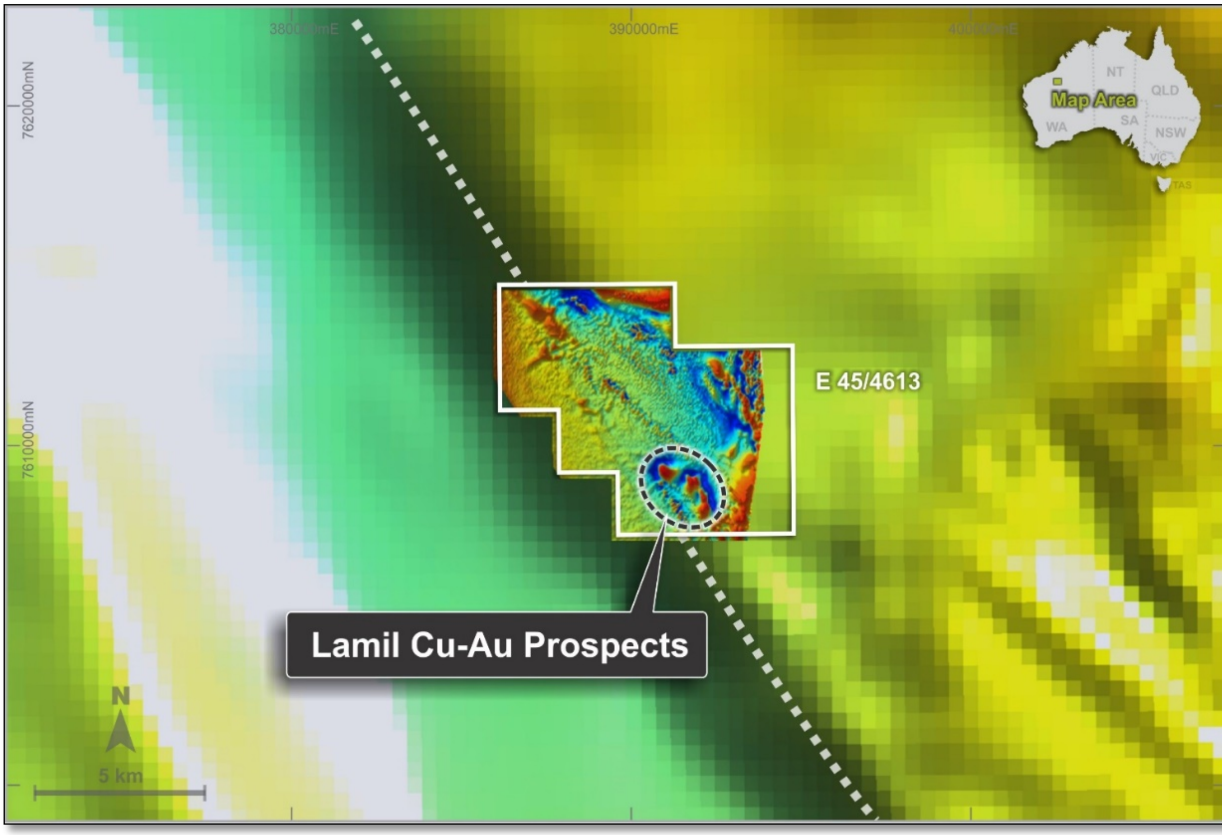

Figure 2 – Detailed aeromagnetics over regional gravity image showing the location of magnetic anomalies on the margin of the Waukarlycarly rift basin

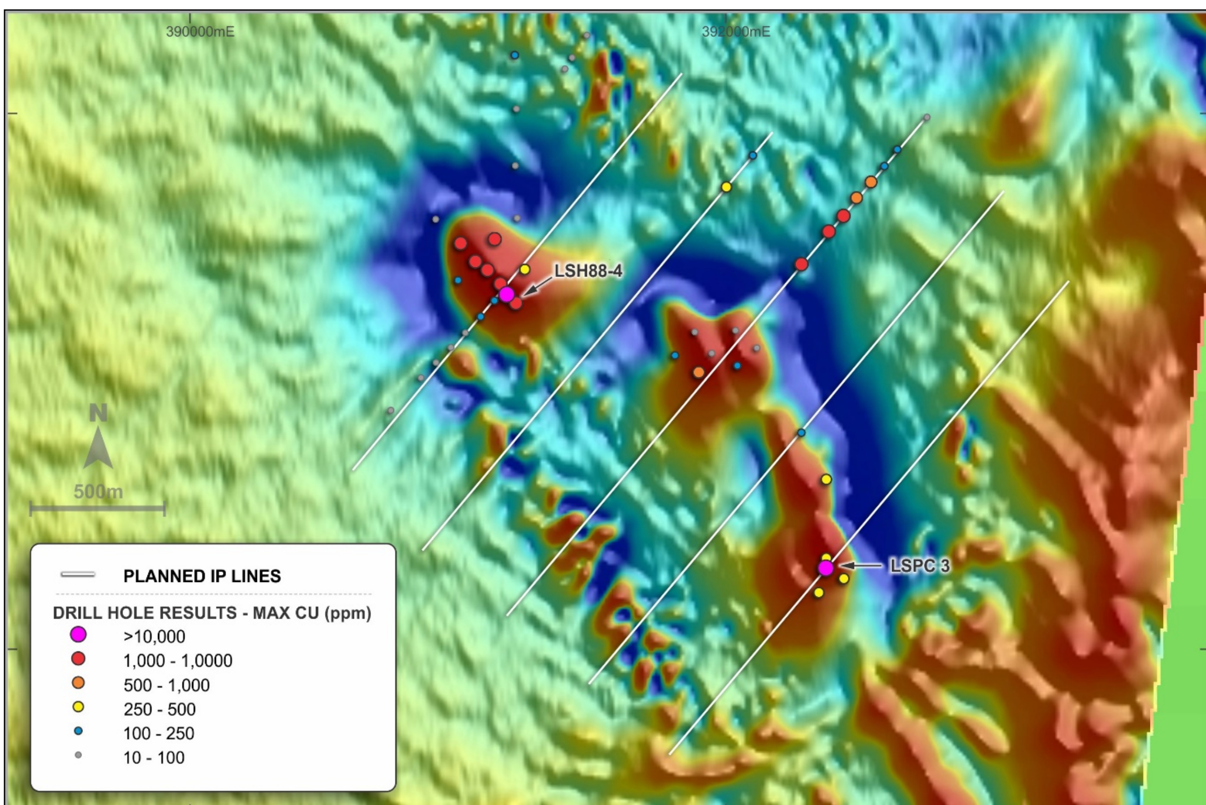

Figure 3 – Drill location plan max in hole Cu with aeromagnetic background (TMI 1VD pseudo colour image) and planned IP lines. Ineffective and unassaysed holes have been omitted for this image.

Next Steps

The IP survey is expected to be completed in late July with results and interpretation available in August. Encounter is also currently considering the application of Airborne Electromagnetics and is evaluating the "Excite" system for deployment at Lamil 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.

Photo 1

Photo 2

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

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

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.

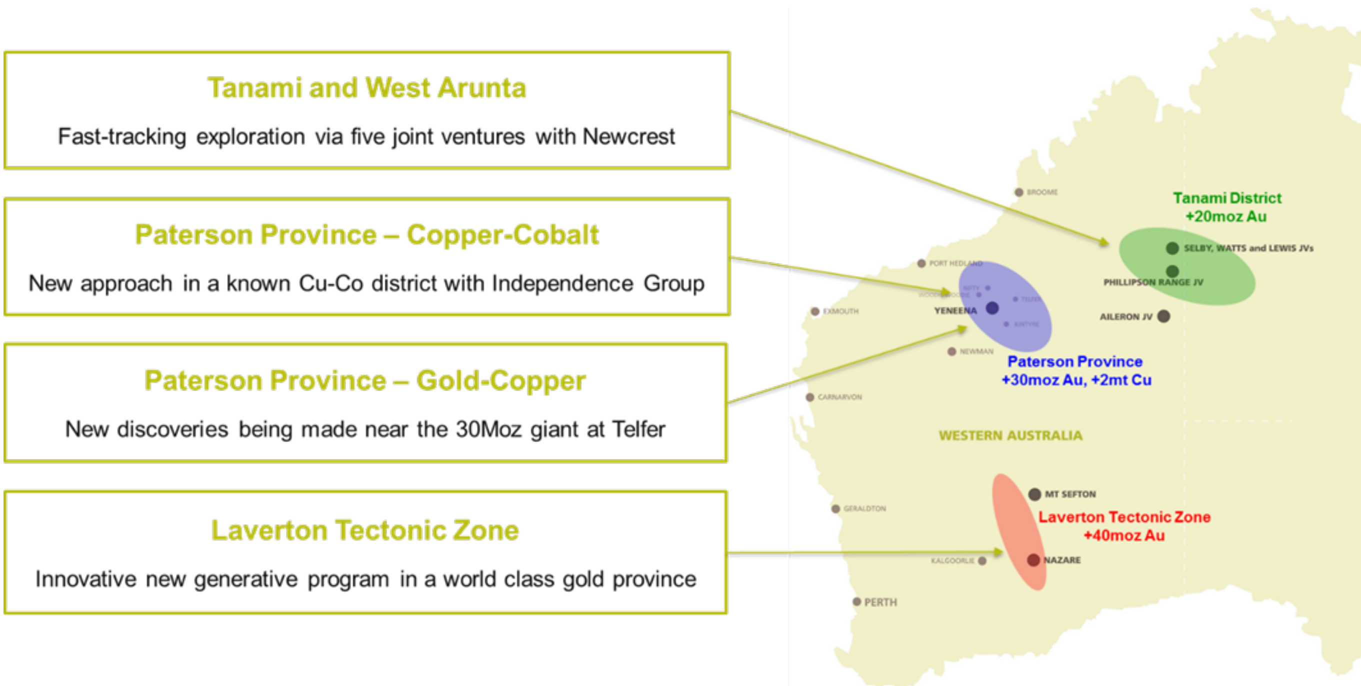

Figure 4 – Project Location Plan

For further information, please contact:

Will Robinson
Managing Director
+61 8 9486 9455
contact@enrl.com.au

Michael Vaughan
Fivemark Partners
+61 422 602 720
michael.vaughan@fivemark.com.au

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.