

Airborne SkyTEM Survey underway at Lamil Copper-Gold Project

- Airborne Electromagnetic Survey (“SkyTEM Survey”) has commenced at the 100% owned Lamil Copper-Gold Project (“Lamil”) located in the Paterson Province of WA
- The SkyTEM Survey will provide 200m line spacing coverage of Lamil to assist with geological interpretation and potentially provide direct detection of conductive mineralised bodies
- 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 SkyTEM Survey follows a recently completed IP survey which are expected to be precursors to RC/diamond drilling

The directors of Encounter Resources Ltd (“Encounter / the Company”) are pleased to announce the commencement of a SkyTEM Survey at the 100% owned Lamil Copper-Gold Project in the Paterson Province of Western Australia.

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

“An IP survey recently completed at Lamil covered a 2km long zone of intense alteration where historical drilling intersected thick zones of copper-gold anomalism. The IP survey identified a chargeability anomaly in an area of no previous drilling. The current SkyTEM Survey will cover the 2km long zone of intense alteration targeted by the IP survey and over 12km of the major regional gravity lineament at Lamil. These geophysical programs are being completed as a precursor to RC/diamond drilling.”

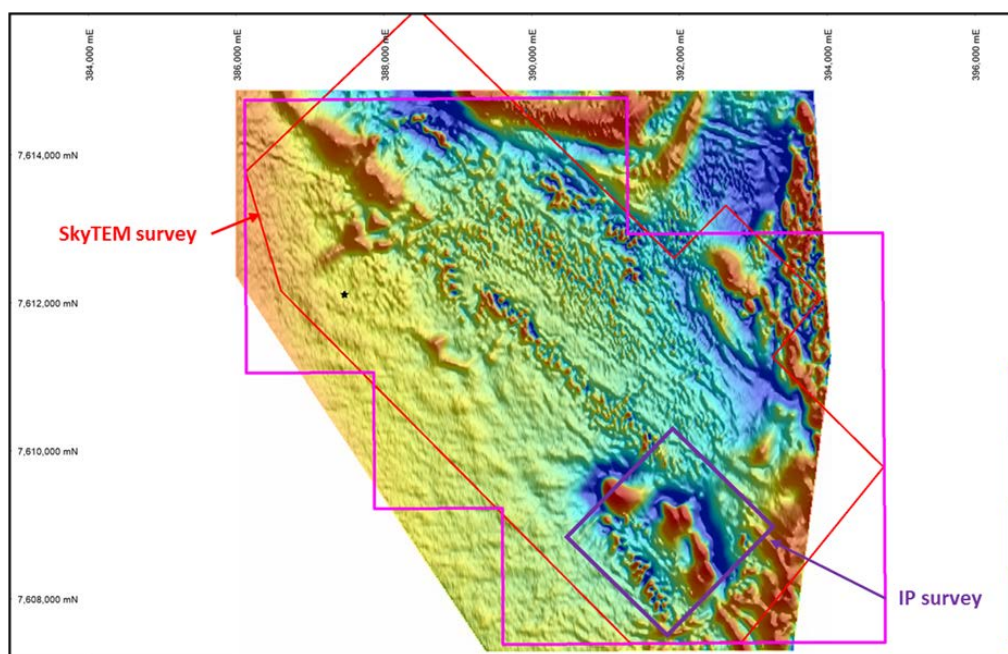


Figure 1 – Area of SkyTEM survey (red), IP survey area (purple) and tenement outline (magenta) on a background of detailed aeromagnetics

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 ("Yeneena") 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).

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 2 & 3).

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).

Drill core from five holes drilled at Lamil in the 1980s by Newmont 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).



Photo 1 (L) – LSPC-3 (Newmont, 1980s) ~44m. Veins and disseminations of pyrrhotite and minor chalcopyrite within an altered calcareous sediment.

Photo 2 (R) – LHS 88-4 (Newmont, 1980s) ~155m and 167m. Veined and brecciated siltstone with pyrite and iron carbonate alteration.

SkyTEM Survey

A SkyTEM Survey is being completed this week at Lamil. The SkyTEM Survey covers the area of the recent IP survey and the historical drilling by Newmont as well as the broader project area (Figure 1). The survey will provide 200m line spacing coverage of Lamil to assist with geological interpretation and potentially provide direct detection of conductive mineralised bodies.

Subject to the outcomes of the interpretation of the IP (Figure 4) and SkyTEM surveys at Lamil, an RC/diamond drilling program is expected to be undertaken (refer to ASX announcement dated 5 August 2018).

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

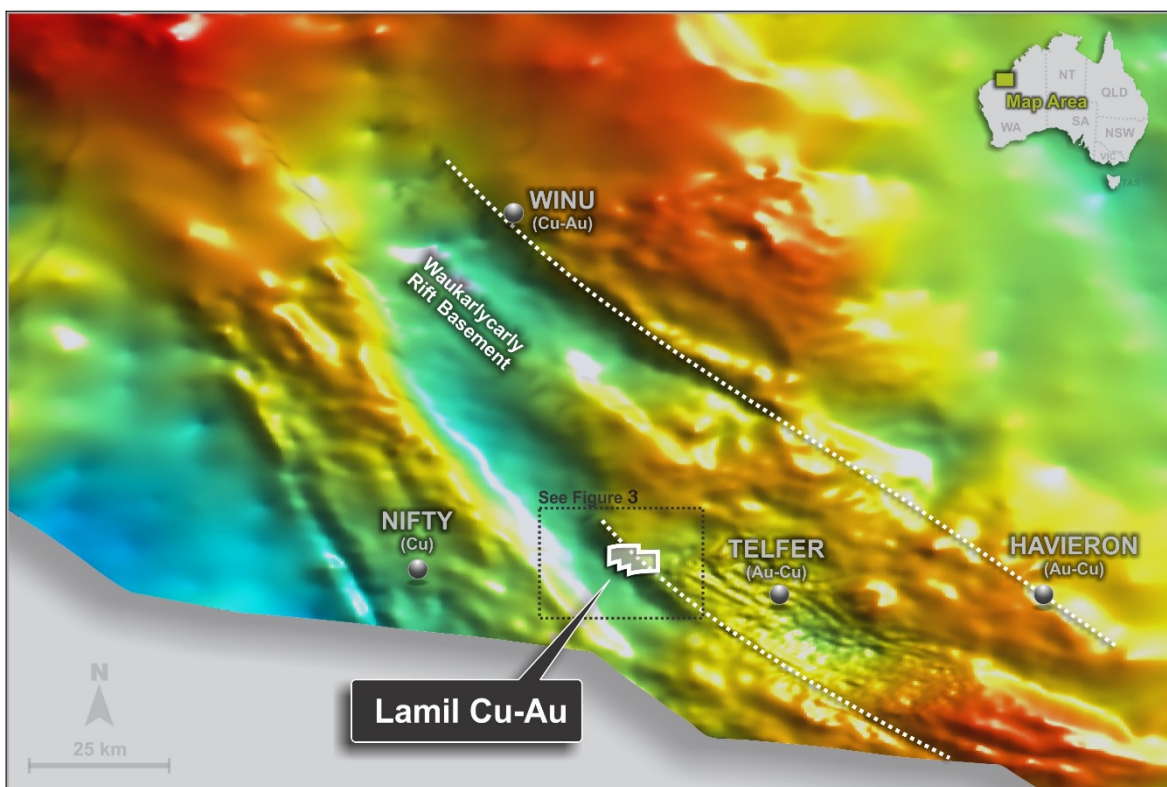


Figure 2 – Regional gravity over Seabase depth to Proterozoic basement image (red = shallow, blue = deep)

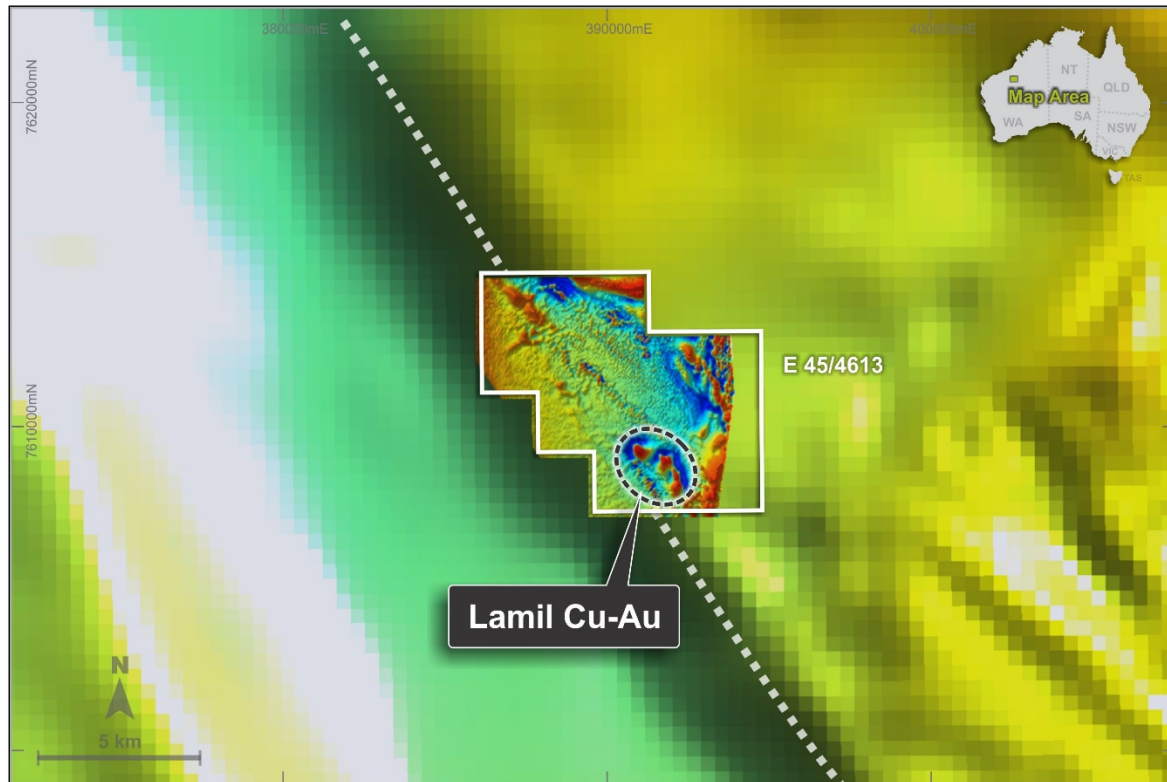


Figure 3 – Detailed aeromagnetics over regional gravity image showing the location of magnetic anomalies on the margin of the Waukarlycarly rift basin

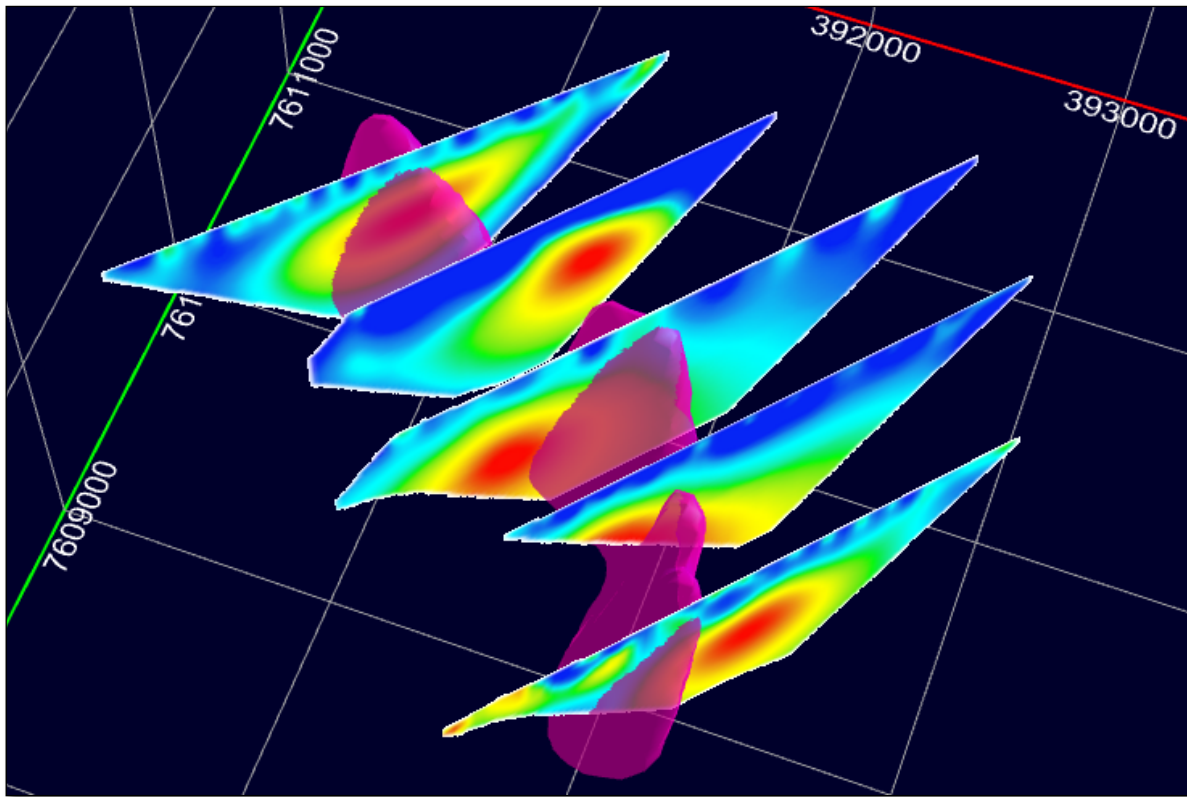


Figure 4 - Preliminary chargeability inversion model cross sections (anomalous chargeability values ranging from approximately 8 to 12 msec) and modelled magnetic anomalies (purple bodies)

Tanami and West Arunta

Fast-tracking exploration via joint ventures with Newcrest

Paterson Province – Copper-Cobalt

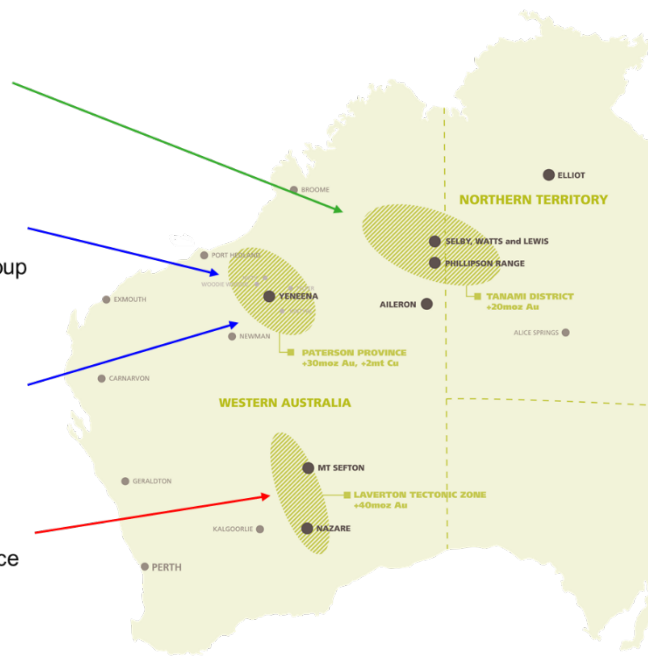
New approach in a known Cu-Co district with Independence Group

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 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.

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.