

Drilling Commenced at Yeneena Copper – Paterson Province

- Drilling underway at the Yeneena Copper-Cobalt Project (“Yeneena”) in the Paterson Province of Western Australia (“WA”)
- Diamond drill program (up to 1,900 metres) is targeting:
 - o Tarcunyah: a multi-point soil anomaly up to 774ppm Cu and pathfinder element geochemical support located at a key structural intersection on the regionally extensive Vines fault ¹
 - o Windsor EM target: located west of the BM1 Cu oxide zone (10m @ 6.8% Cu from 32m*, 20m @ 2.0% Cu from 22m* and 16m @ 3.2% Cu from 26m) ²
- Drilling funded by earn-in joint venture partner IGO Limited (ASX:IGO), with co-funding under the WA Government Exploration Incentive Scheme (“EIS”) of up to \$150,000
- Assay results expected during January 2020

The directors of Encounter Resources Ltd (“Encounter” / “the Company”) are pleased to advise drilling has commenced at Yeneena under the earn-in and joint venture agreement with IGO Limited (“IGO”) in the Paterson Province of WA.

Commenting on drilling, Encounter Managing Director Will Robinson, said:

“We are excited to be underway with diamond drilling at Yeneena. The compelling copper-cobalt drill targets to be tested are a result of the innovative application of modern exploration technologies in a highly fertile but covered terrain.”

A comprehensive generative exploration program that combined fine fraction soil, magnetotelluric (“MT”) and electromagnetic (“EM”) surveys has identified a suite of new, highly ranked copper drill targets at Yeneena. An initial diamond drill program will test the following priority targets:

Tarcunyah

Located on the regionally extensive Vines fault, Tarcunyah contains an exceptional, multi-point copper anomaly up to 774ppm Cu with pathfinder element geochemical support. Two diamond drill holes are initially planned at Tarcunyah.

Windsor EM target

Initial testing of the Windsor EM target, which correlates with an MT feature, located at depth to the west of the BM1 copper oxide zone which includes high-grade near surface intersections:

- 10m @ 6.8% Cu from 32m*
- 20m @ 2.0% Cu from 22m*
- 16m @ 3.2% Cu from 26m ²

¹Refer ASX announcement 28 October 2020

²Refer ASX announcement 15 July 2014.

*Reported pursuant to the 2004 Edition of the JORC Code.

Background

Yeneena comprises a major land position covering more than 1,600km² in the highly prospective Paterson Province, targeting copper-cobalt mineralisation (Figure 1).

IGO can sole fund \$15 million in exploration expenditure over a maximum of seven years to earn a 70% interest in Yeneena.

During 2019, the exploration program conducted at Yeneena effectively deployed several new technologies, including a large-scale MT survey (~100 line-km) to better define the basin architecture and to further advance 3D targets (refer ASX release 28 November 2019).

The regional MT survey work was followed by fine fraction soil surveys and a moving loop ground EM geophysical program to define drill targets.

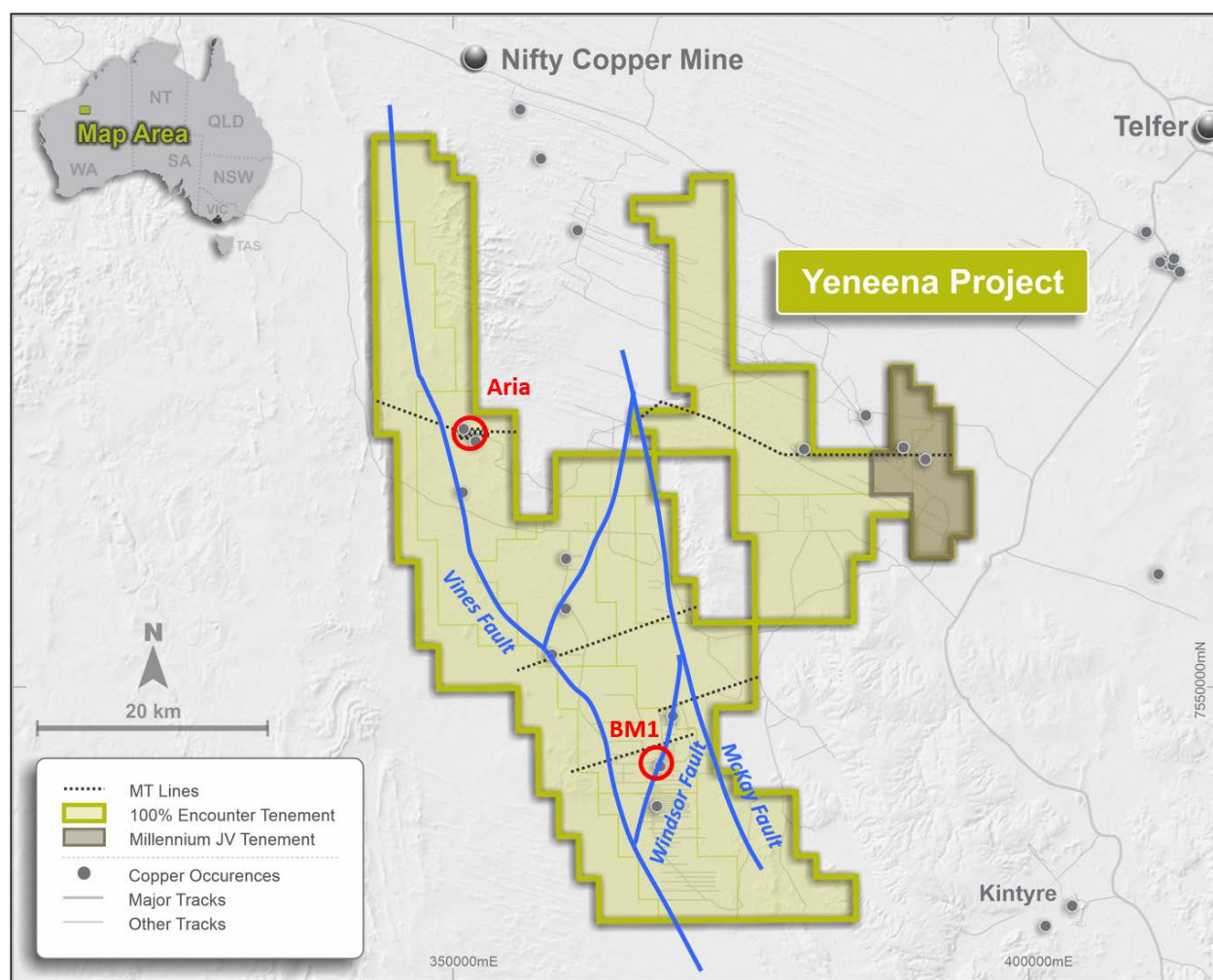


Figure 1. Yeneena - MT lines, key structures and leasing summary

Fine Fraction Soil Surveys

Several broad, orientation surface sampling programs were completed in 2019 at Yeneena in areas where traditional geochemistry was considered ineffective. The innovative combination of sampling methodology, analysis technique and interpretation of this data has provided a potential breakthrough that may be applied to vast areas of prospective geology under shallow cover in the Paterson region.

As a result of the learnings in the 2019 orientation surveys, an extensive fine fraction soil sampling program was completed at Yeneena. This included the collection of more than 3,700 surface fine fraction samples during June-July 2020.

Geochemical assays from the soil samples have been received and interpreted. High sensitivity multi-element data has enabled mapping and identification of base metal anomalies which range from subtle multi-element anomalies in sand, to stronger geochemical signals at first order structural locations.

Of particular interest are the Tarcunyah, Lookout Rocks, Fishhook and BM1 soil anomaly clusters, as well as the Yeneena MN1 and T4 anomalies. All have highly ranked copper-in-soil anomalies together with supporting pathfinder elements. Additional fine fraction soil sampling (~1,500 samples) is currently in progress.

Tarcunyah is located on the regionally extensive Vines fault and contains a multi-point copper anomaly up to 774ppm Cu with pathfinder geochemical support (see Figure 2)¹. Initially, two diamond drill holes are planned to test the target.

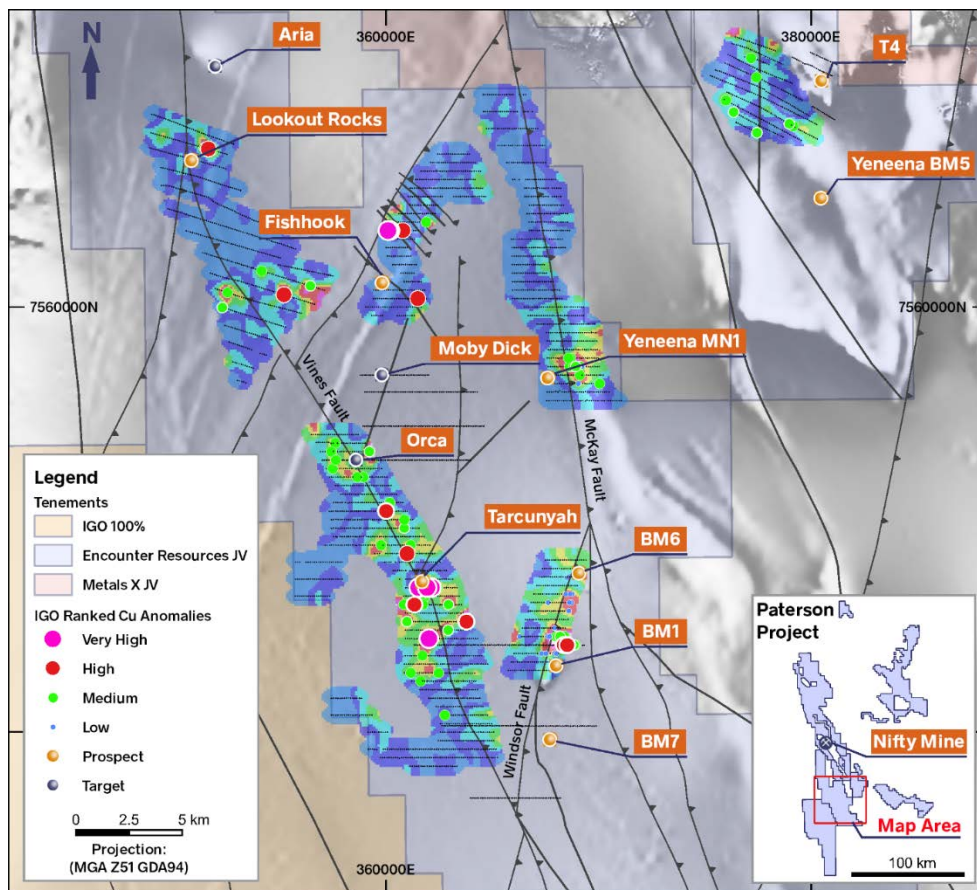


Figure 2. Yeneena Project – Levelled copper-in-soil heat map with follow up anomalies ranked in a tier ranking system, key structures and both ENR and IGO leasing summary

Moving Loop Ground EM Geophysical Program

A regional MT line was completed in the southwest of the project in 2019, crossing the Vines Fault in the west through to the Windsor Fault to the east, 2km north of the BM1 Prospect. BM1 is a zone of near surface copper oxide and cobalt mineralisation hosted within conductive sediments of the Broadhurst Formation and is interpreted to be the weathered product of an in-situ sulphide system adjacent to the Windsor Fault.

The MT survey mapped conductivity anomalies to the west and east of the Windsor Fault that are interpreted to be within Broadhurst Formation. A high-powered ground moving loop EM survey was deployed to further define the two conceptually compelling targets (“Windsor Targets”).

The ground EM data has been received and an initial review has indicated it maps the Broadhurst Formation at depth to the west of the BM1 Cu oxide prospect (10m @ 6.8% Cu from 32m*, 20m @ 2.0% Cu from 22m* and 16m @ 3.2% Cu from 26m)² (see Figure 3), correlating to the MT section. Another discrete EM anomaly, inferred as a detached portion of Broadhurst Formation, has been identified on the Windsor Fault, but this requires further assessment.

Initial testing of the Windsor EM target located west of the BM1 copper oxide zone is planned in the current diamond drill program.

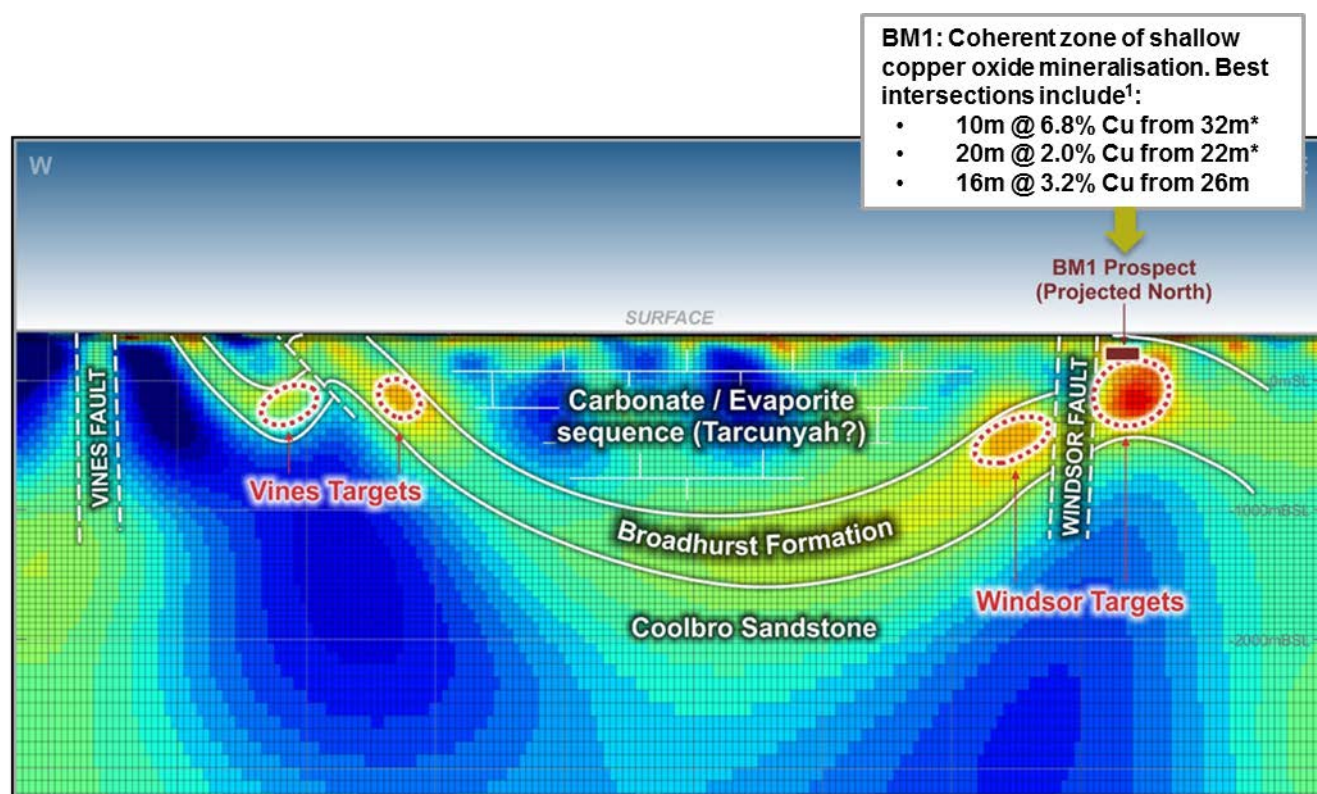
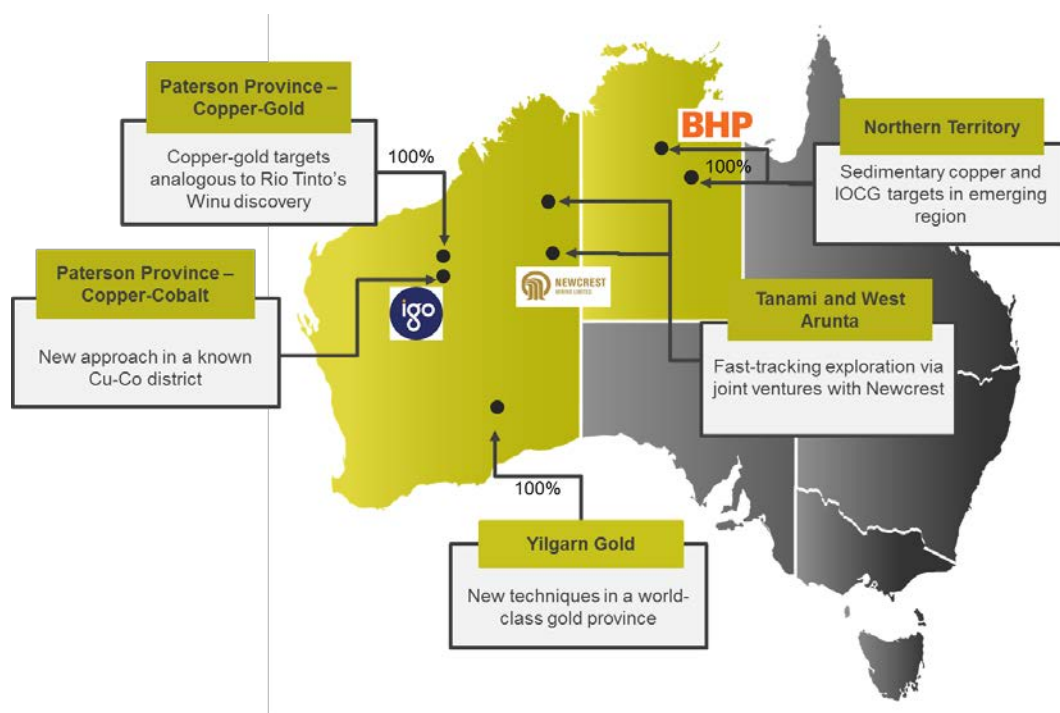


Figure 3. MT section – Vines Fault to BM1. Showing interpreted geology and the Vines and Windsor Targets

In June 2020, the Company was successful in its application for a WA Government Exploration Incentive Scheme (“EIS”) co-funded drilling grant of up to \$150,000 to test the Windsor and Vines targets at Yeneena.



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 and copper deposits in Australia.

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).

Complementing its expansive gold portfolio, Encounter controls a major ground position in the emerging Paterson Province where it is exploring for copper-cobalt deposits with highly successful mining and exploration company IGO Limited (ASX:IGO) and for copper-gold deposits at its 100% owned Lamil Project.

In addition, utilising new Geoscience Australia datasets, Encounter moved early and aggressively to secure a series of camp scale, first mover opportunities in the Northern Territory ("NT") based on their potential to contain large, sedimentary-hosted and IOCG style copper deposits. This includes the Elliott copper project which is being advanced in partnership with BHP via an option agreement to enter an earn-in and joint venture.

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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. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.

Certain exploration drilling results for BM1 were first disclosed under JORC code 2004. It has not been updated since to comply with the JORC code 2012 on the basis that the information has not materially changed.

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This announcement has been approved for release by the Board of Encounter Resources Limited.