

Paterson Province Exploration Commences Under IGO Earn-in

- Exploration has commenced under the earn-in and joint venture agreement entered into with IGO Limited (ASX:IGO) in March 2020
- IGO can sole fund \$15 million in exploration expenditure over a maximum seven years to earn a 70% interest in Yeneena Copper-Cobalt Project (“Yeneena”) in the Paterson Province of WA
- The current program includes:
 - Fine-fraction soil surveys covering targets identified in the successful 2019 orientation program
 - Moving loop electromagnetic (“EM”) surveys to refine conductors identified in the 100 line km MT survey completed in 2019
- These programs will support drill target definition as a precursor to planned aircore and RC/diamond drill programs in the second half of 2020
- Successful application for WA Government Exploration Incentive Scheme (“EIS”) co-funded drilling grant of up to \$150,000 to test the Windsor and Vines targets at Yeneena

The directors of Encounter Resources Ltd (“Encounter / the Company”) are pleased to advise of the commencement of on ground exploration activity under the recently completed earn-in and joint venture agreement with IGO Limited (“IGO”) covering the Yeneena Copper-Cobalt Project in the Paterson Province of WA.

Commenting on the exploration activity, Encounter Managing Director Will Robinson, said:

“We are delighted exploration is back underway in the Paterson Province of WA under the earn-in agreement completed with IGO in March 2020. The successful deployment of a number of modern exploration methodologies in 2019 has generated a suite of new targets at Yeneena. We look forward to now building on this targeting work and drill testing a number of these large-scale copper-cobalt prospects in the second half of 2020.”

Background

Yeneena comprises a major land position covering more than 1,400km² in the highly prospective Paterson Province, targeting copper-cobalt mineralisation (Figure 1).

In March 2020, IGO entered into earn-in and joint venture agreement following an extensive program of advanced geophysics and geochemistry completed in 2019. IGO can sole fund \$15 million in exploration expenditure over a maximum 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 magneto-telluric (“MT”) survey (~100 line-km) to better define the basin architecture and to further advance 3D targets as follows (refer ASX release 28 November 2019).

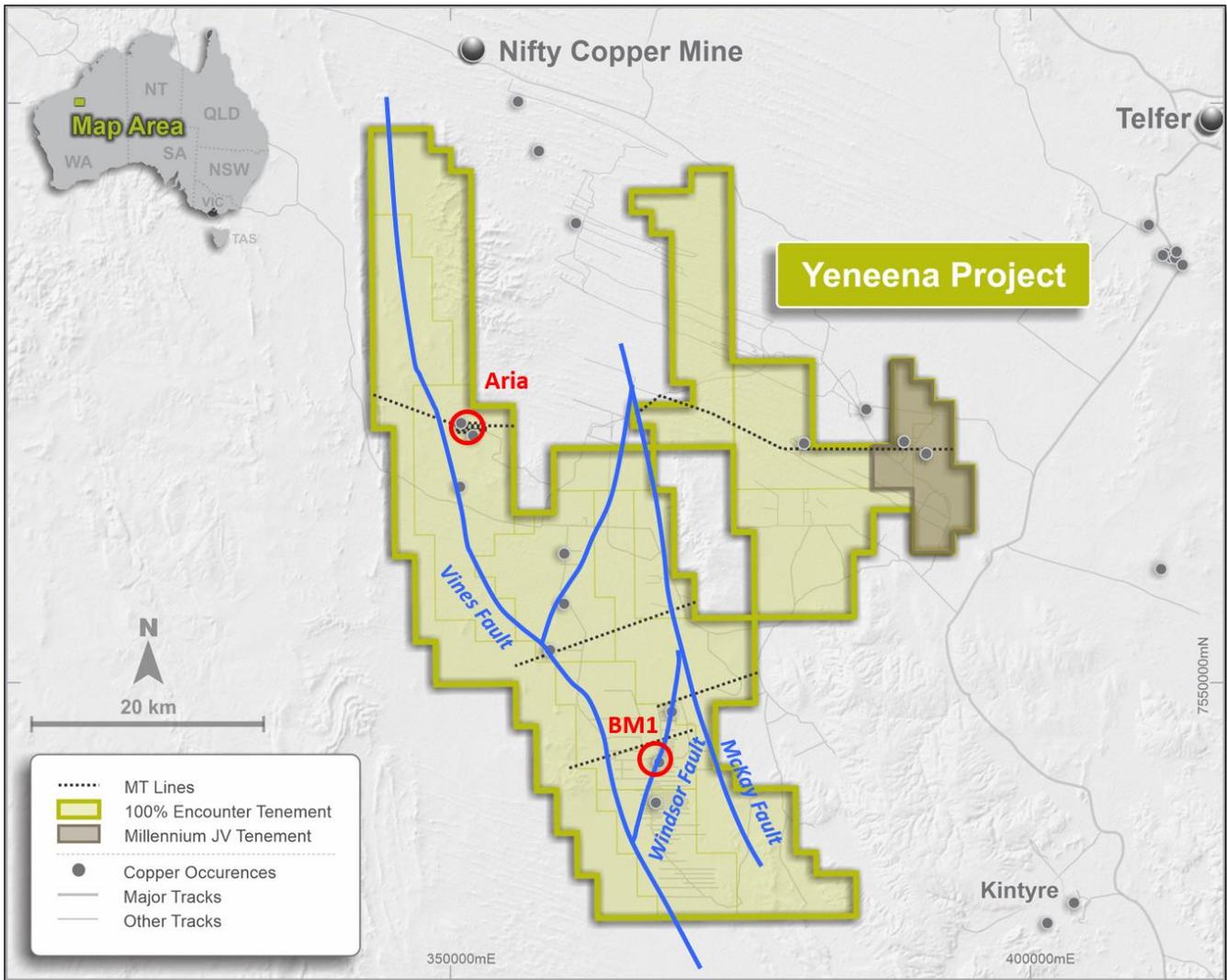


Figure 1. Yeneena - MT lines, key structures and leasing summary

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 interpretation of this data has provided a potential breakthrough that may be applied to vast areas of prospective geology at Yeneena.

As a result of the learnings in the 2019 orientation surveys an extensive fine fraction soil sampling program has commenced at Yeneena. This will include the collection of more than 2,500 surface fine fraction samples over the next two months.

Moving Loop Ground EM Geophysical Program

A line of MT surveying 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 discovered by Encounter in 2010. The mineralisation is 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 has mapped conductivity anomalies to the west and east of the Windsor Fault that are interpreted to be Broadhurst Formation.

A high-powered ground moving loop EM survey is being deployed to further define the two conceptually compelling targets (“Windsor Targets”) (Figure 2). Additional ground EM will be completed further north to help define targets highlighted along the McKay Fault.

A ground EM survey will also be completed at the Aria IOCG Prospect located in the northwest of Yeneena. A 3D audio-magnetotelluric (“AMT”) survey completed in 2019 highlighted a conductive feature within the interpreted breccia pipe which is untested by prior drilling (Figure 3). The planned ground EM survey has been designed to refine this conductive feature for drill testing.

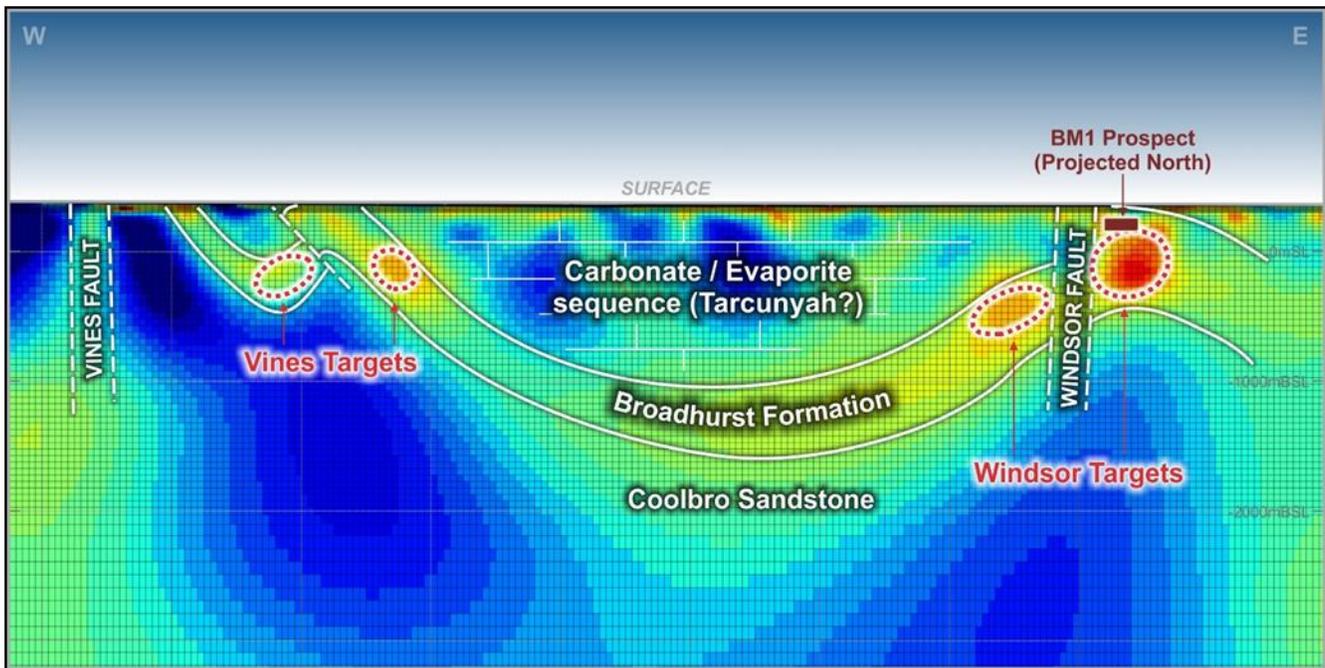


Figure 2. MT section – Vines Fault to BM1. Showing interpreted geology and the Vines and Windsor Targets

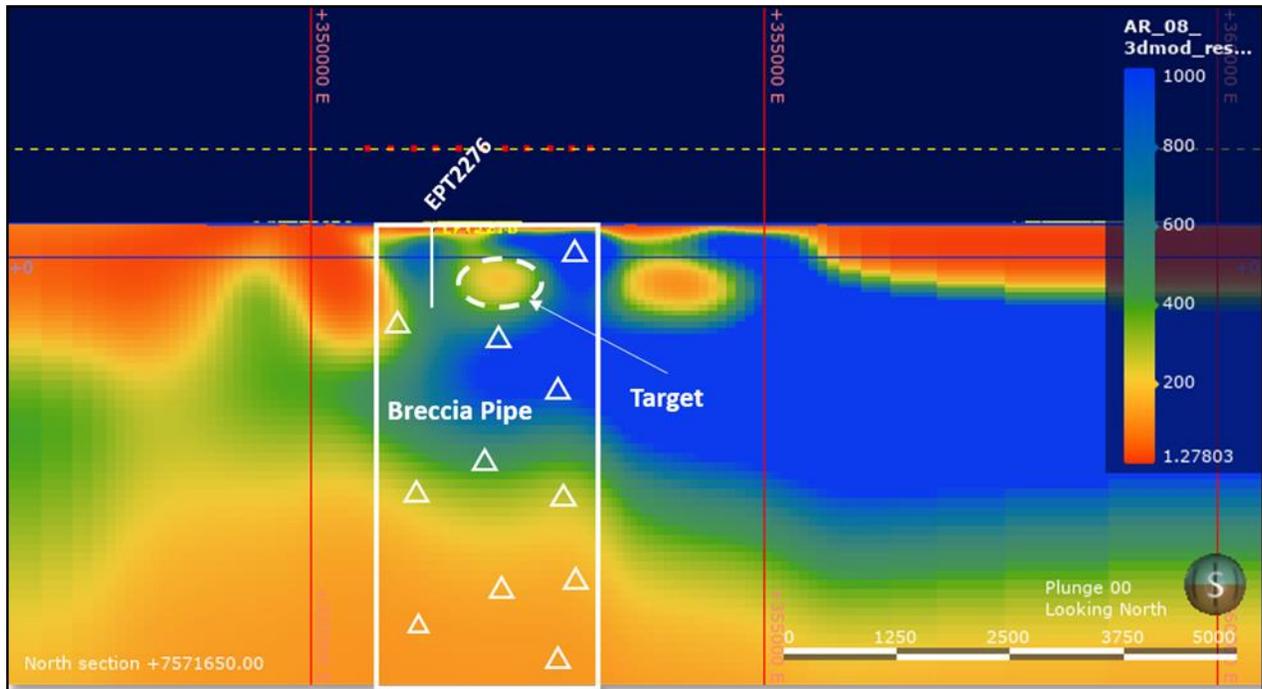


Figure 3. MT section at Aria highlighting a conductive feature within the interpreted breccia pipe

Next Steps

The ground EM and geochemistry surveys will be completed at Yeneena in June/July 2020. This will inform the design of follow-up aircore, RC and/or diamond drilling programs planned for the second half of 2020.

Exploration activity at Yeneena is scheduled to continue through to November 2020. The scheduling of the exploration activity will be determined in conjunction with IGO with updates provided as specific exploration programs commence and results are received.

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



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 Yilgarn.

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 Proterozoic Paterson Province where it is exploring for copper-cobalt deposits with highly successful mining and exploration company IGO Limited (ASX:IGO), and intrusive related copper-gold deposits at its 100% owned Lamil Project.

In addition, project generation activities in the Northern Territory utilising new Geoscience Australia datasets has resulted in Encounter securing the first mover Elliott and Jessica copper projects.

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