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

Paterson 2019 Copper-Cobalt Exploration Commences

- **Exploration has commenced as part of the partnership with Independence Group NL (“IGO”) (ASX:IGO) advancing the Yeneena Copper-Cobalt Project in the Paterson Province of Western Australia (“Yeneena”)**
 - **Applying a number of rapidly advancing geochemical and geophysical exploration technologies for the first time in a highly fertile but extensively sand covered mineral belt to identify mineral deposit alteration footprints and define new drill targets**
 - **IGO has the right to enter into a \$15m earn-in agreement to secure a 70% interest in Yeneena (Earn-in Option) any time before 1 March 2020**
 - **The Earn-in Option covers 1,250km² of tenure and includes the 14km long BM1-BM7 copper-cobalt trend, Lookout Rocks copper-cobalt prospect and Aria IOCG style target**
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The directors of Encounter Resources Ltd (“Encounter” or “the Company”) are pleased to advise of the commencement of the latest phase of exploration at the Yeneena Copper-Cobalt Project in the Paterson Province of WA.

The exploration program has been designed together with IGO as part of a partnership to advance exploration activities at Yeneena. IGO is a significant shareholder of Encounter and may, at any time before 1 March 2020, elect to enter an earn-in agreement to spend up to \$15 million to earn a 70% interest in Yeneena. Accordingly, Encounter’s copper-cobalt exploration in the Paterson Province is well funded and progressing with a highly successful partner.

The initial 2019 exploration activity will apply a number of advanced exploration technologies for the first time at Yeneena. This initial program will include:

- a large scale Magnetotelluric survey (~100km) to advance 3D copper target definition and identify conductive zones within the intrusive pipe structure at the Aria IOCG prospect;
- super trace end of hole multi element geochemistry of historical aircore drilling to define alteration footprints and refine geological mapping; and
- a trial of CSIRO Ultrafine+ surface geochemistry technique to identify base metal anomalies through shallow sand cover.

These initial programs have been designed to provide unprecedented definition of basin architecture and identify large scale Zambian copper-belt analogue opportunities.

Commenting on upcoming exploration activities in partnership with IGO, Encounter Managing Director Will Robinson said: “The Paterson Province has demonstrated geological similarities with the Central African Copper Belt and is therefore a prime location for copper-cobalt discoveries in Australia. Copper and cobalt are critical battery metals integral to making energy storage mobile and effective in modern economies. We are delighted to be working alongside the highly respected IGO team to advance large scale copper-cobalt opportunities along this 70km long corridor.”

Yeneena Copper-Cobalt Project

Yeneena is a major strategic land holding (1,250km²) in the emerging Proterozoic Paterson Province covering a 70km long corridor south of Nifty. The Paterson Province is a proven mineral region with a consistent history of discoveries and with increasingly active majors.

BM1-BM7 - 14km long copper-cobalt system

BM1 is a coherent zone of near-surface copper oxide mineralisation. Best intersections include:

- 10m @ 6.8% Cu from 32m*
- 20m @ 2.0% Cu from 22m*
- 8m @ 3.6% Cu from 18m*
- 16m @ 3.2% Cu from 26m
- 50m @ 1.1% Cu from 12m

BM7 is a large mineral system containing extensive copper sulphide mineralisation. Best intersections include:

- 5m @ 2.5% Cu from 388m*
- 52m @ 0.6% Cu from 42m*
- 74m @ 0.4% Cu from 74m*
- 140m @ 0.2% Cu from 144m

BM1-BM7 also contains a number of high-grade cobalt intersections including:

- 9m @ 1.0% Co & 1.5% Cu from 42m*
- 14m @ 0.45% Co and 0.38% Cu from 14m*

(refer ASX announcements 15 July 2014 & 30 January 2015)
(*Reported pursuant to the 2004 Edition of the JORC Code)

Lookout Rocks - Zambian copper-belt analogue

- First diamond drill hole intersected zones of disseminated copper mineralisation, up to 1% Cu and up to 0.1% Co
- Mineralisation is hosted by black, reduced carbonaceous sediments, located directly above an oxidised "red bed" stratigraphic unit
- An interpreted 50km of strike of the stratigraphic contact position prospective for "first reductant" copper sulphide mineralisation

Aria - IOCG style intrusion containing copper sulphides

- Regionally significant, 1.5km long oval shaped magnetic anomaly located on a major crustal scale structure
- Copper mineralisation (~1% Cu) intersected in both diamond holes drilled to-date, but the magnetic and gravity anomalies remain unexplained
- Geology confirmed as hematite-altered, polymictic breccia of probable IOCG style
- Possible setting for large tonnage copper deposit e.g. Carrapateena

Some of the exploration technologies and techniques being applied at Yeneena:

Magnetotelluric Survey

Magnetotellurics is an advanced, relatively low-cost electromagnetic geophysics tool with deep penetration and high sensitivity to conductive targets which is ideal for imaging sandstone/crystalline basement interface, conductive shale horizons and potentially mineralisation. It is being applied at Yeneena to:

- investigate the structure ('architecture') of the Yeneena Basin, and in particular, basement topography and contrast to the unconformably overlying basal "red bed" sandstone;
- map the contrast between the upper basal "red bed" sandstone contact and overlying reduced carbonaceous sediments (i.e. the prospective "first reductant" host rock for Cu-Co);
- investigate geological controls on previously identified mineralisation in the basin; and
- identify conductive zones within the steeply dipping intrusive pipe structure at the Aria IOCG prospect.

ALS Geochemistry's super trace analysis of end of hole samples

ALS Geochemistry's super trace four acid package provides robust results at levels well below the lowest regional backgrounds for most elements. This allows an unparalleled level of detail in major and trace element geochemistry. Re-analysis of end of hole aircore samples from the Fishhook area will assist in the definition of alteration halos and lithochemical fingerprints of the bedrock geology.

Ultrafine+

An innovative new CSIRO-developed geochemical sampling technique, UltraFine+ is a geochemical sampling technique which separates and analyses the -2 micron fraction of a surface soil sample. The Ultrafine+ technique will be trialled at BM1 and BM7 to define base metal anomalies in areas of thin cover where traditional soil geochemistry is largely ineffective.

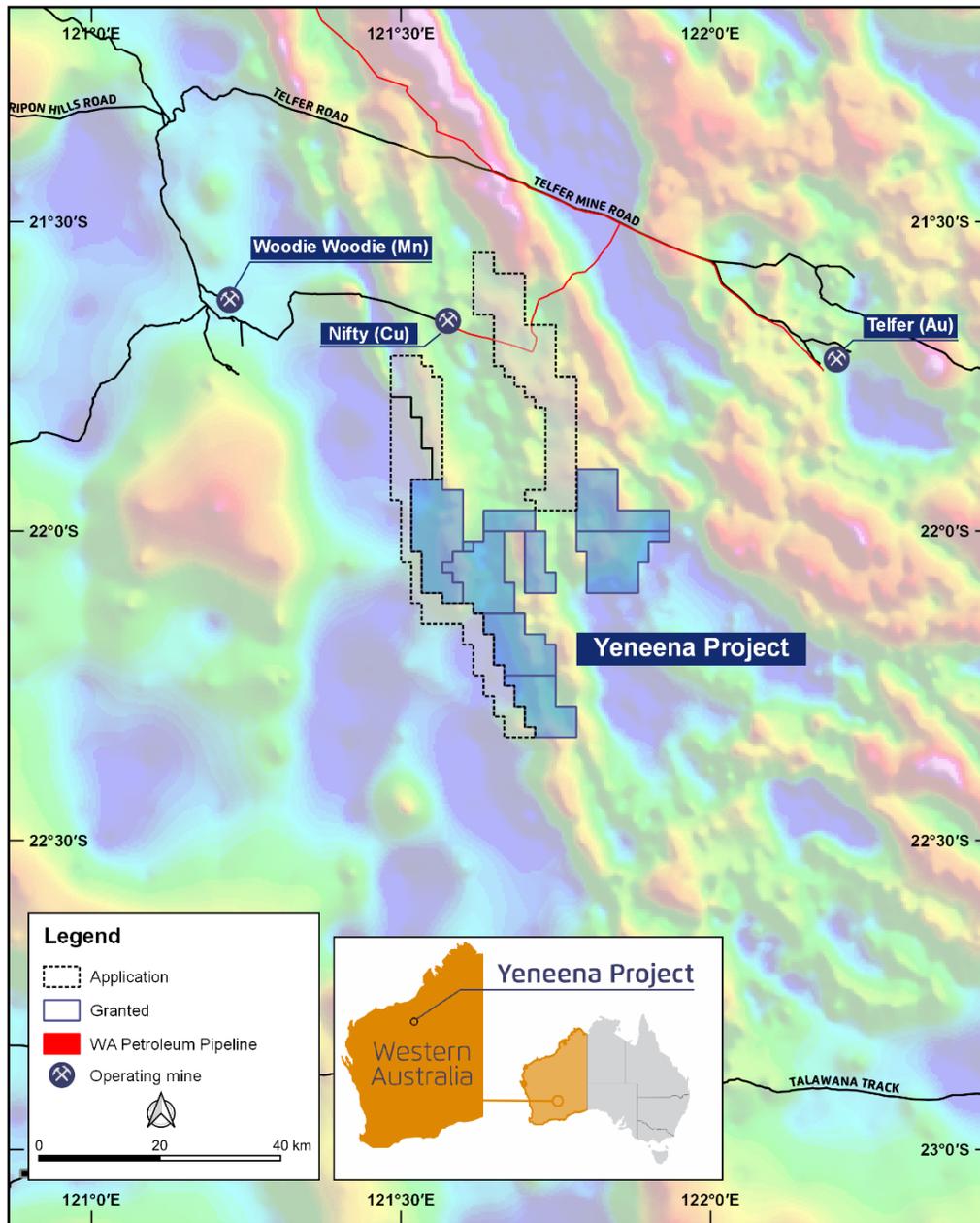


Figure 1: Location of the Yeneena Project in the Paterson Province.

Earn-in and Joint Venture Agreement

The key terms of the earn-in and joint venture agreement (should IGO exercise its right to form a joint venture at any time before 1 March 2020 under the earn-in agreement) are as follows:

- IGO may earn a 70% interest in the project by sole funding \$15 million of expenditure over 7 years;
- During the earn-in, IGO shall have the right to be the Manager of the project;
- Upon IGO completing the earn-in, a 70:30 joint venture will be formed and the parties must contribute funds based on their percentage interest to maintain their respective interests; and
- Standard dilution clauses will apply to the parties' interests. Should a party's interest dilute to below 10% it shall automatically convert to a Net Smelter Royalty.

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 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).

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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.

Certain exploration drilling results for BM1 & BM7 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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