

IGO enters \$15m earn-in agreement in Paterson Province

- IGO Limited (ASX:IGO) has provided notice of its intention to enter into an earn-in and joint venture agreement covering Encounter's Yeneena Copper-Cobalt Project ("Yeneena") in the Paterson Province of WA.
- IGO to sole fund up to \$15 million in exploration expenditure to earn a 70% interest in Yeneena.
- Yeneena comprises a major land position covering more than 1,400km² in the highly prospective Paterson Province targeting copper-cobalt mineralisation.
- Exploration activity in the Paterson Province continues to accelerate following the Winu copper-gold discovery made by Rio Tinto Ltd (ASX:RIO) and the Havieron gold-copper project operated by Newcrest Mining Ltd (ASX:NCM) and Greatland Gold plc.
- The advanced geophysical and geochemical exploration methods applied at Yeneena by IGO and Encounter during 2019 have defined a suite of new, large scale targets.
- Exploration activity at Yeneena to resume in April/May and is expected to include additional ground geophysics and further application of geochemistry, followed by aircore, RC and/or diamond drilling.

The directors of Encounter Resources Ltd ("Encounter / the Company") are pleased to report that IGO has elected to enter an earn-in and joint venture agreement to sole fund up to \$15 million in exploration expenditure at the Yeneena copper-cobalt project. This election follows the collaborative deployment of a suite of new exploration technologies at Yeneena during 2019 which successfully defined new large scale copper-cobalt targets.

Commenting on the successful application of these new technologies, Encounter Managing Director Will Robinson said: "The Paterson Province is a highly fertile district with enormous potential for new copper-cobalt discoveries under thin sand cover. This partnership with IGO is just what Yeneena needed. Deploying a suite of new exploration methodologies in 2019 has provided a whole new perspective on the mineral potential at Yeneena. We look forward to continuing this exciting partnership with IGO to refine and test a number of large-scale copper-cobalt targets at Yeneena in 2020."

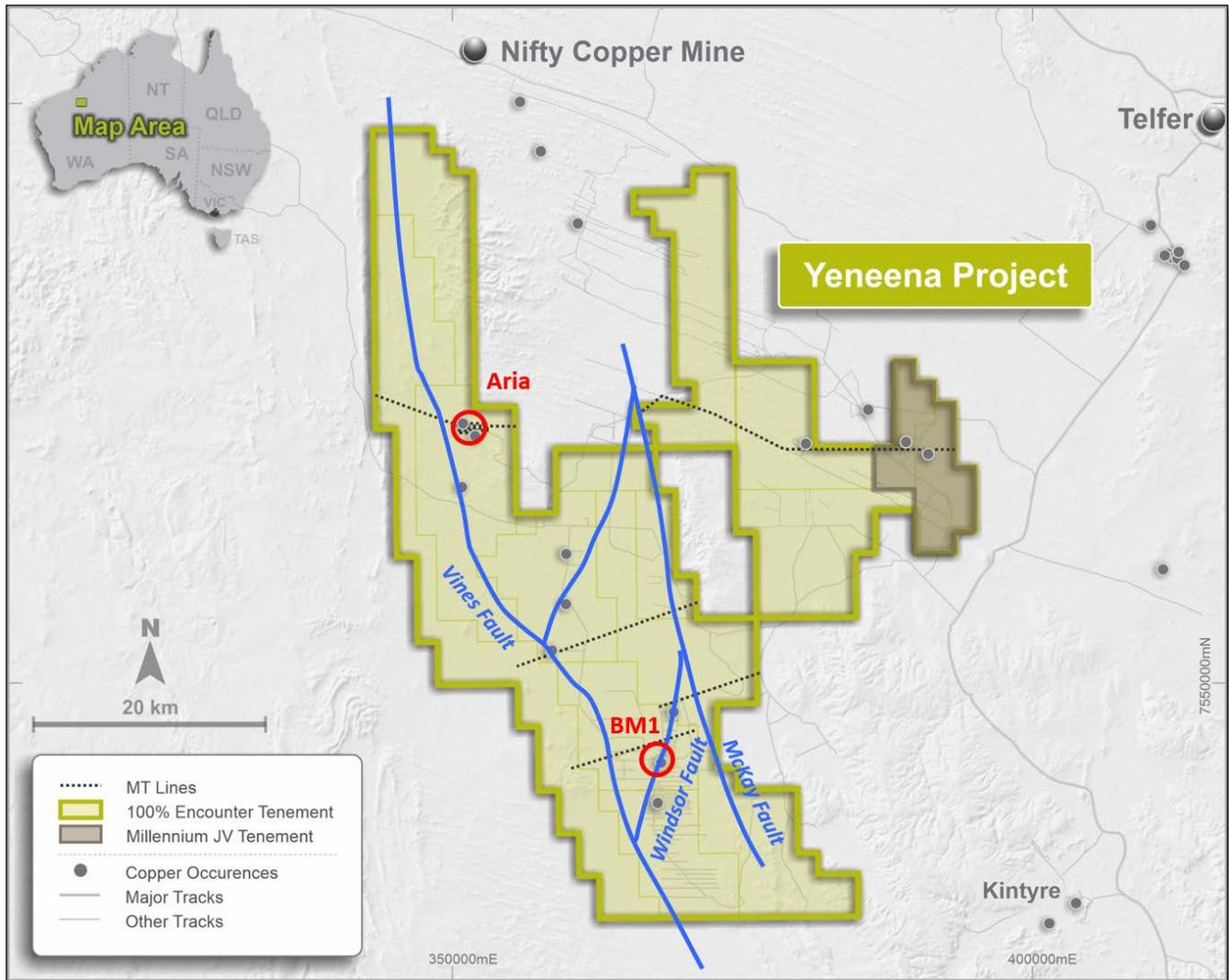


Figure 1. Yeneena - MT lines, key structures and leasing summary

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 November 2018, IGO entered into an option agreement whereby it had the right to enter into a \$15m earn-in and joint venture agreement any time before 1 March 2020 (refer ASX release 12 November 2018). This option has now been exercised by IGO following an extensive program of advanced geophysics and geochemistry completed in 2019. Key terms of the earn-in and joint venture agreement are included later in this announcement.

During 2019, a large 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):

- A line of MT was completed in the southwest of the project, 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. The shallower, but covered, eastern anomaly is in the equivalent position to BM1. Prior drilling in this area is limited, so the MT has highlighted the potential for a northern extension to the BM1 system.

- A deeper anomaly immediately to the west of the Windsor Fault is interpreted to represent the western fault offset of the (potentially mineralised) Broadhurst Formation. Exploration here will focus on locating primary sulphide mineralisation. Applying a high-powered ground EM method is being considered to further define the above two conceptually compelling targets (“Windsor Targets”) (Figure 2).
- The MT survey also outlined a potential sub-basin of more conductive Broadhurst sediments 5km west of BM1, adjacent to the major regional Vines Fault. Soil samples were collected in this area as a precursor to a potential drill program to test the conductive target in this area (“Vines Targets”) (Figure 2).

In addition to the MT/AMT surveys, several broad, orientation surface sampling programs were completed at the project in areas where traditional geochemistry was considered ineffective. The innovative interpretation of these data has provided a potential breakthrough that may be applied to vast areas of prospective geology at Yeneena.

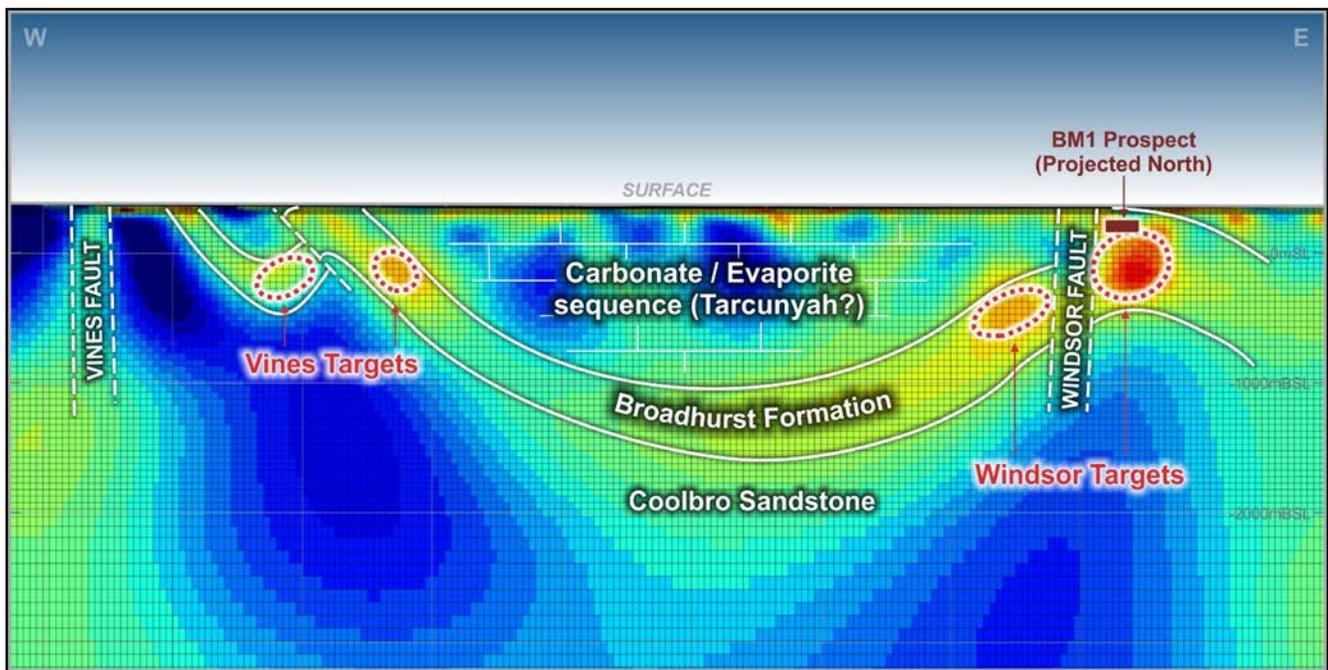


Figure 2. MT section – Vines Fault to BM1. Showing interpreted geology and the Vines and Windsor Targets

Aria Prospect

The Aria Prospect is a regionally significant, 1.5km long, oval-shaped magnetic anomaly located on a major crustal-scale fault. Localised copper mineralisation (~1% Cu) has been intersected in the two diamond holes drilled to date, but the partially coincident magnetic and gravity anomalies remain unexplained. The geology at Aria consists of a hematite-altered polymictic breccia of probable IOCG style, e.g. Carrapateena.

A detailed 3D audio-magnetotelluric (AMT) survey and inversion modelling over Aria has been completed in order to identify conductive zones that may be associated with accumulations of copper sulphide mineralisation. This modelling has highlighted a conductive feature within the interpreted breccia pipe which is untested by prior drilling. The closest previous drill hole is located 0.5km to the west of the target (see Figures 3, 4 & Photo 1).

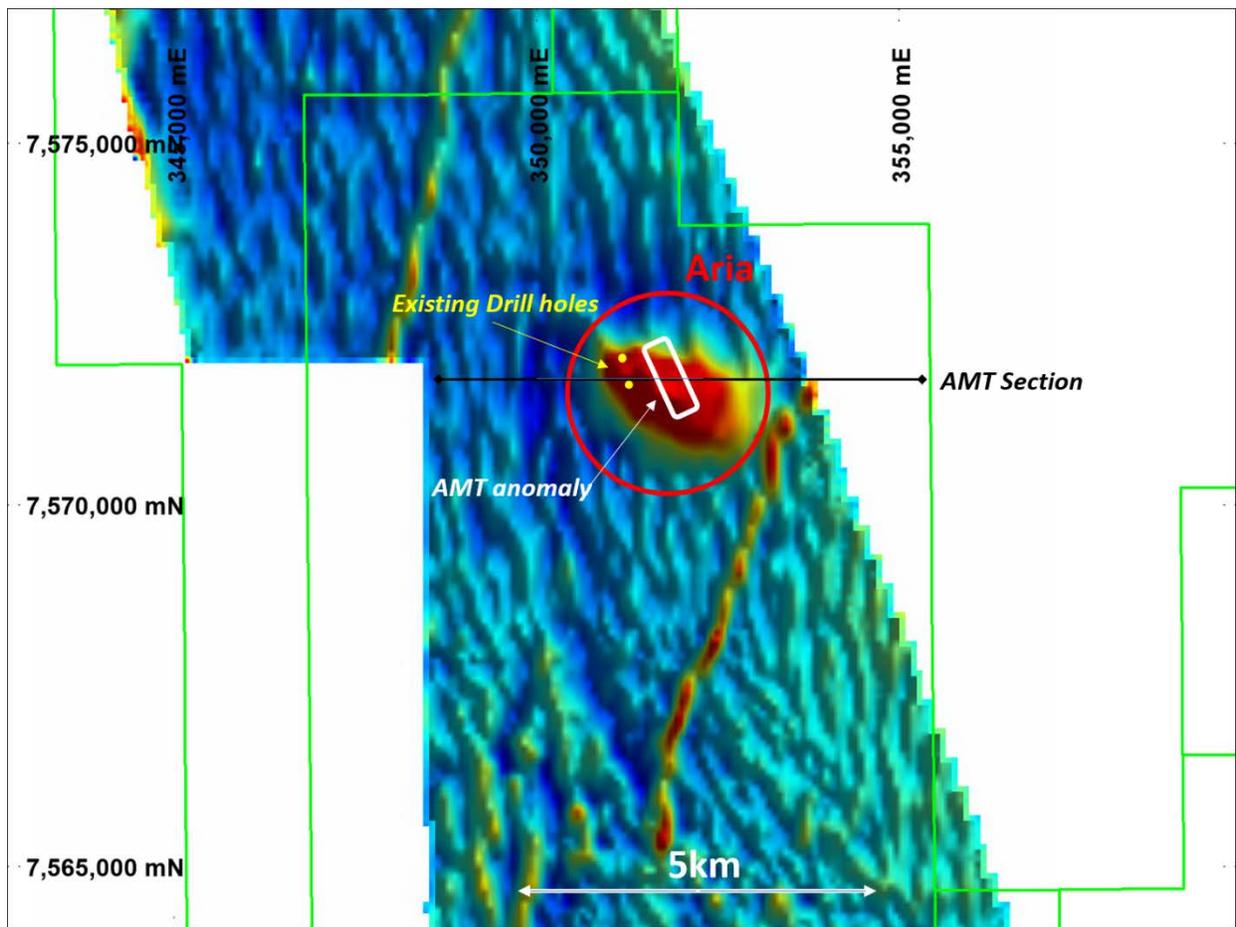


Figure 3. Detailed magnetics 1VD TMI over Aria highlighting a regionally significant, 1.5km long, oval-shaped magnetic anomaly and coincident AMT anomaly

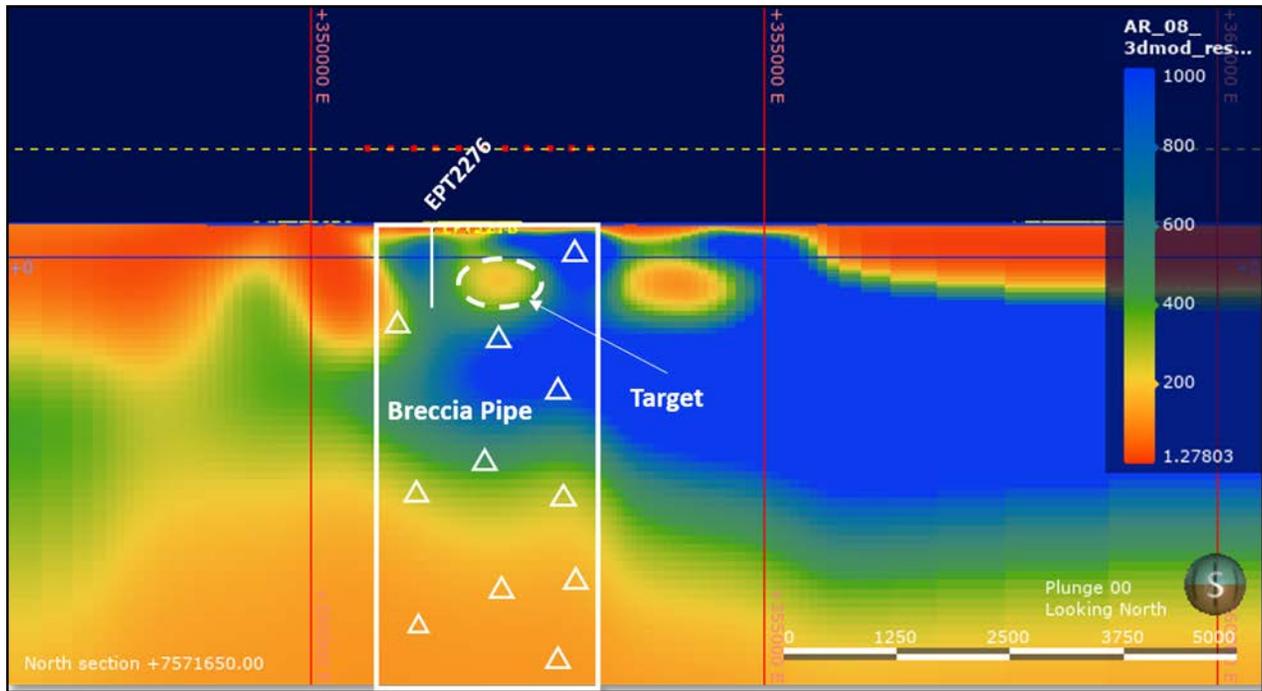


Figure 4. MT section at Aria highlighting a conductive feature within the interpreted breccia pipe



Photo 1. Polymictic breccia with vein hosted blebby chalcopyrite in EPT2276 at Aria

Earn-in and Joint Venture Agreement

The key terms of the earn-in and joint venture agreement are as follows:

- IGO may earn a 70% interest in the project by sole funding \$15m of expenditure over seven 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.

Next Steps

A significant exploration program is intended for 2020 and expected to include additional ground geophysics and further application of geochemistry, followed by aircore, RC and/or diamond drilling.

Exploration activity at Yeneena is scheduled to recommence in April/May 2020 and continue through to November 2020. The scheduling of the exploration activity will be determined in conjunction with IGO in the coming months with updates provided as specific exploration programs commence.

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 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).

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.

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