ASX Announcement
28 October 2020

encounter RESOURCES LIMITED

Copper targets to be drill tested at Yeneena – Paterson Province

- Application of innovative methodologies has generated a suite of new, highly ranked copper drill targets at Yeneena in the Paterson Province of Western Australia
- Targets identified in collaboration with earn-in partner IGO Limited (ASX:IGO) through a combination of fine fraction soil, magnetotelluric ("MT") and electromagnetic ("EM") surveys
- Diamond drilling (up to 1,900 metres) to commence in November 2020 targeting:
    - Tarcunyah: a multi-point copper soil anomaly up to 774ppm Cu with pathfinder geochemical support located at a key structural intersection on the regionally extensive Vines fault
    - 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)[1]
- Drilling funded by IGO, with co-funding under the WA Government Exploration Incentive Scheme ("EIS") up to $150,000

The directors of Encounter Resources Ltd ("Encounter" / "the Company") are pleased to advise a suite of new copper targets has been identified at Yeneena under the earn-in and joint venture agreement with IGO Limited ("IGO") covering the Yeneena Copper-Cobalt Project in the Paterson Province of WA.

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

"The application of a number of innovative exploration techniques has generated a suite of new copper drill targets located under cover at Yeneena. The geochemical targets have a strong copper signature with high contrast to background and multi-element support. The EM conductors identified west of the BM1 copper oxide zone are compelling new drill targets to be tested. Diamond drilling of these targets will commence in the coming weeks."

Background

Yeneena comprises a major land position covering more than 1,600km^2 in the highly prospective Paterson Province, targeting copper-cobalt mineralisation (Figure 1).

In March 2020, IGO exercised its right to entered into an 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 magnetotelluric ("MT") survey (~100 line-km) to better define the basin architecture and to further advance 3D targets (refer ASX release 28 November 2019).

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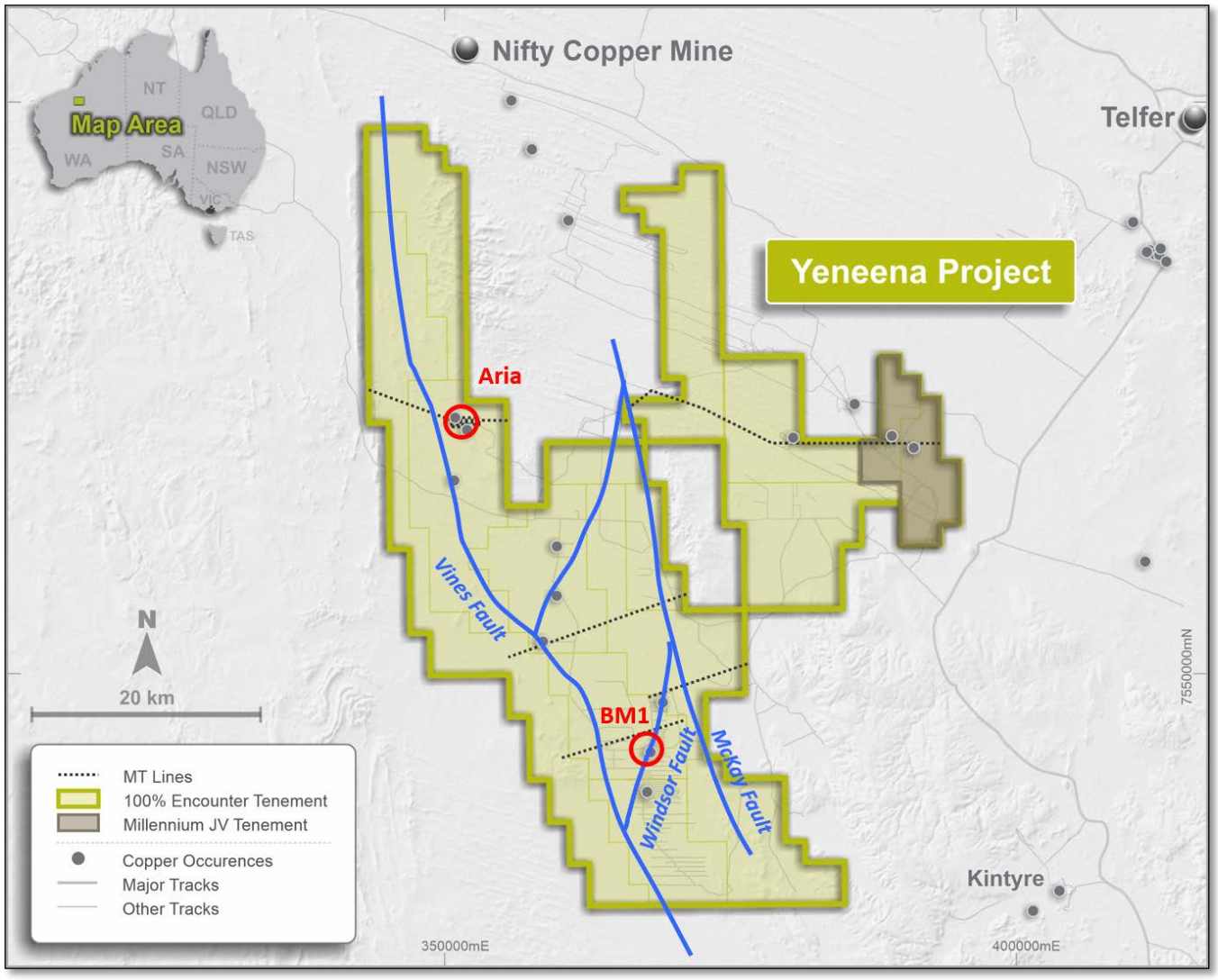


Figure 1. Yeneena - MT lines, key structures and leasing summary

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

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.

The Tarcunyah prospect ("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 1). Two diamond drill holes are planned at Tarcunyah commencing in November 2020.

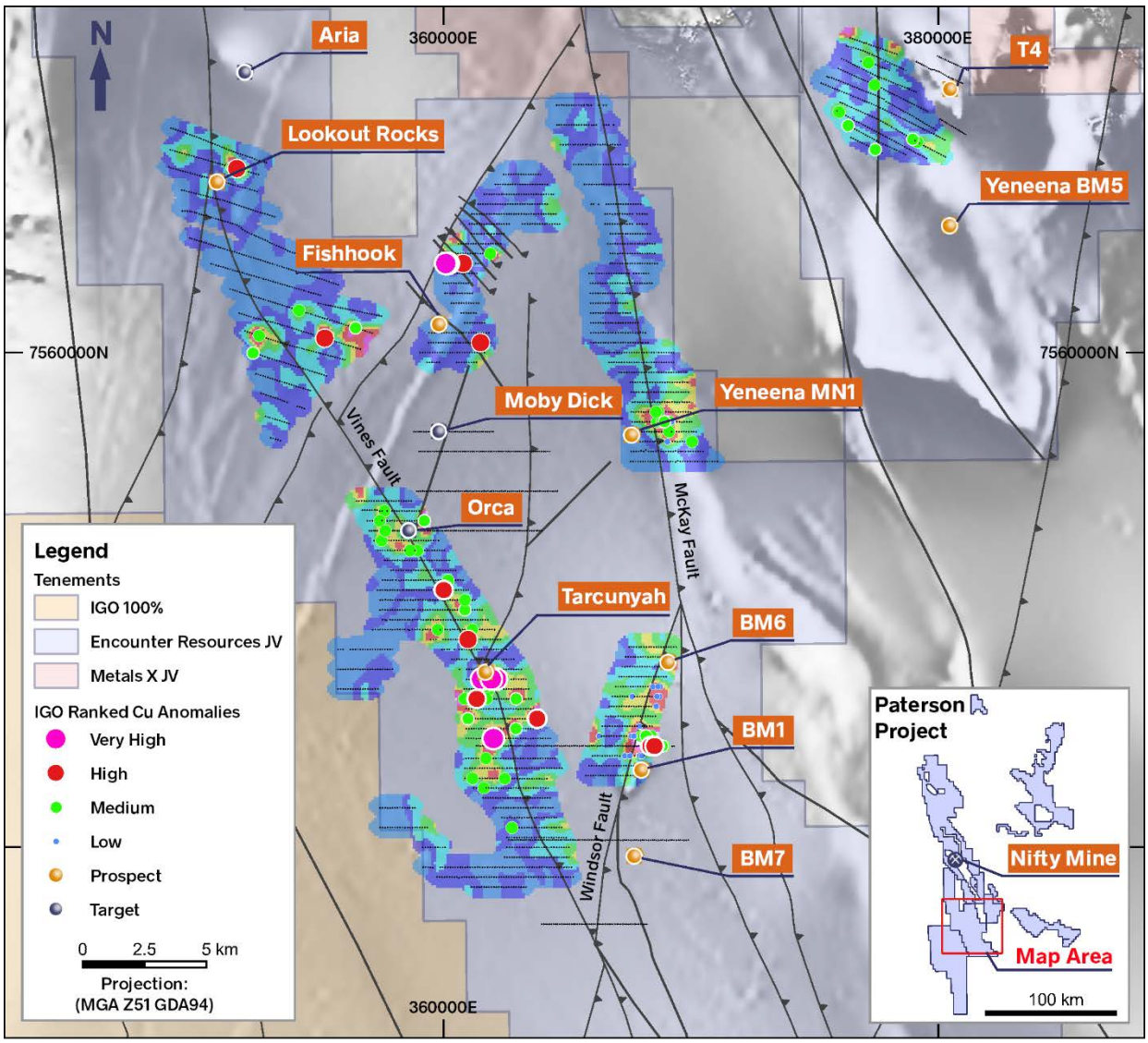


Figure 1. Yeneena Project – Levelled copper-in-soil heat map with follow up anomalies ranked in a tier ranking system, key structures and both ENR and IGO leasing summary

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)[1] (see Figure 2), correlating to the MT section. Another discrete EM anomaly, inferred as 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 BM1 Cu oxide zone is planned in the upcoming diamond drill program.

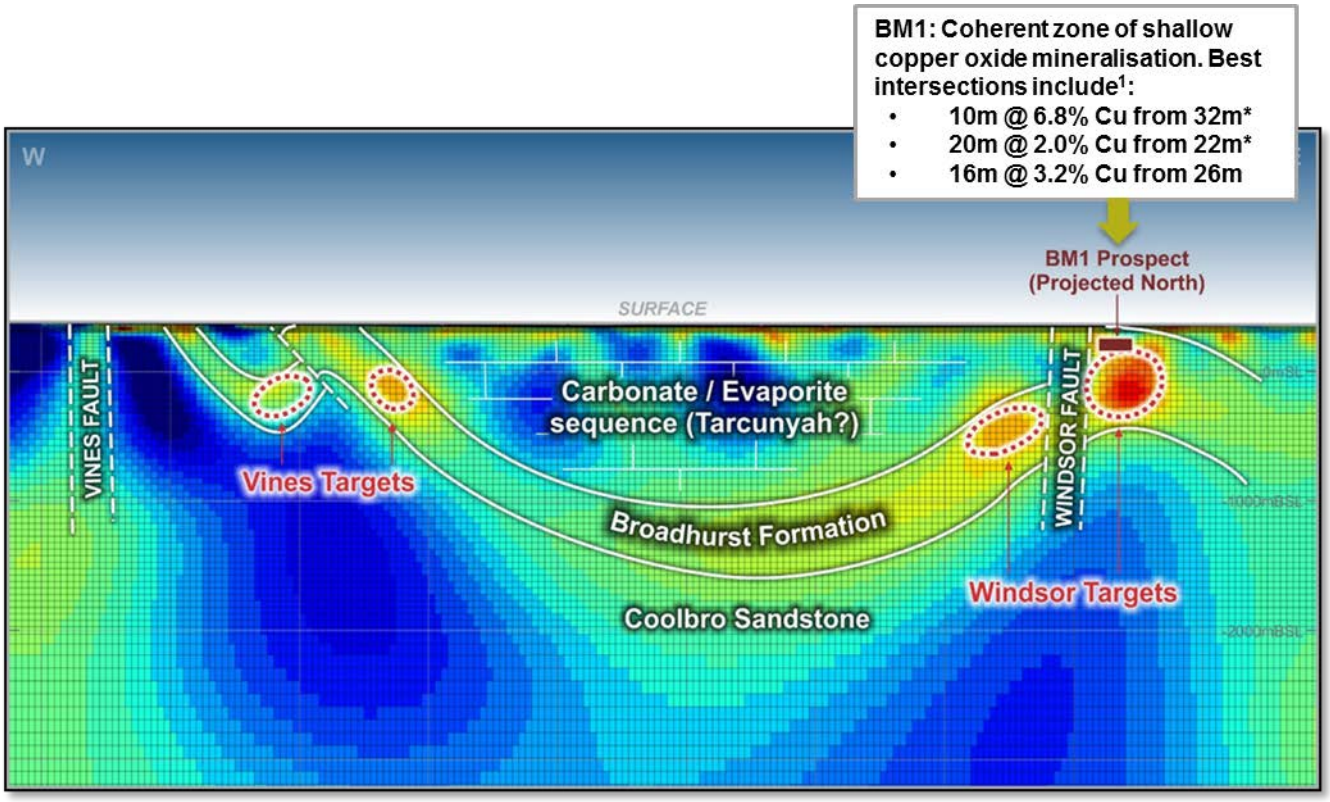
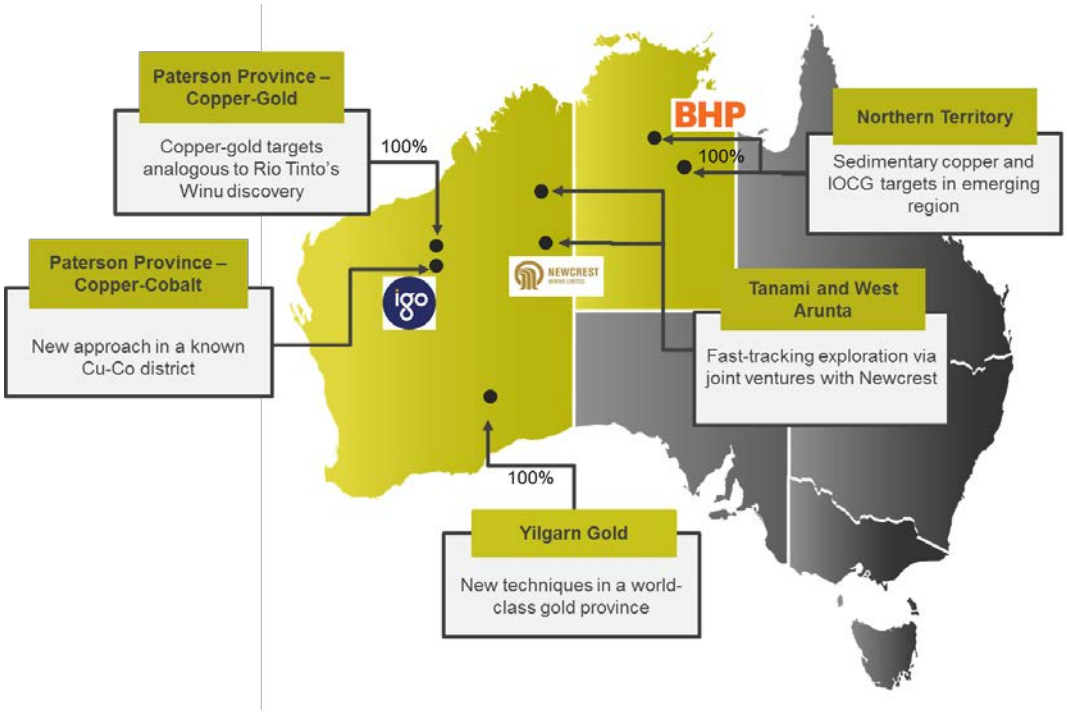


Figure 2. MT section – Vines Fault to BM1. Showing interpreted geology and the Vines and Windsor Targets

[1] *Refer ASX announcement 15 July 2014.*
**Reported pursuant to the 2004 Edition of the JORC Code.*

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.

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	The Yeneena project was sampled by Encounter using surface soil sampling. Approximately 3700 soil samples were collected over a series of regional target areas. Samples were collected on a 400m by 100m grid.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	Soil sample locations were recorded by handheld GPS, which has an estimated accuracy of +/- 5m.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information	250gm to 350gm soil samples were collected from approximately 20cm below the surface and sieved to <2mm in the field. Samples were dried and sieved to <53 micron at the laboratory. 0.25gm of sieved material was submitted for multielement super-trace four-acid digest. 5gm to 10gm of sieved material was submitted for super-trace aqua regia for gold.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Not applicable as this announcement only relates to soil sampling
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	Not applicable as this announcement only relates to soil sampling
	Measures taken to maximise sample recovery and ensure representative nature of the samples	Not applicable as this announcement only relates to soil sampling
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Not applicable as this announcement only relates to soil sampling

Criteria	JORC Code explanation	Commentary
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Not applicable as this announcement only relates to soil sampling
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Not applicable as this announcement only relates to soil sampling
	The total length and percentage of the relevant intersections logged	Not applicable as this announcement only relates to soil sampling
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Not applicable as this announcement only relates to soil sampling
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Samples were dry and sieved in the field to >2mm. Samples were then sieved to >53 micron at the assay laboratory.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Orientation studies indicate this sample size is the most appropriate for the region being sampled
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Field duplicates were collected every 20 samples to assess representivity of laboratory preparation and analysis.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	In field duplicates and certified standards have been inserted after every 20 samples (10% total QAQC samples) to assess QAQC of the program.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Not applicable as this announcement only relates to soil sampling
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Samples were digested using two methods: 1) ALS's 48 element super-trace four-acid digest (ME-MS61L; near total digest); and 2) ALS's super-trace aqua regia for gold (Au-ST43; partial digest).
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Not applicable as only chemical assays were reported in this announcement
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Certified reference material samples and field duplicates are inserted at a rate of 1:20.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Not applicable as this announcement only relates to soil sampling
	The use of twinned holes.	Not applicable as this announcement only relates to soil sampling
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data is recorded of field sheets and transferred to Excel files.
	Discuss any adjustment to assay data.	No adjustments have been made to assay data
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Not applicable as this announcement only relates to soil sampling
	Specification of the grid system used.	The grid system used is MGA_GDA94, zone 51.
	Quality and adequacy of topographic control.	Estimated RLs were assigned using hand held GPS and are to be corrected at a later stage using a DTM created during the aeromagnetic survey.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Soil sampling traverses are orientated east-west at 400m spacing with sample spacing along lines at 100m. In areas where sand dunes are present sampling lines were oriented NW-SE and placed at the lowest point between dune crests to minimize sand dilution.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Not applicable as this announcement only relates to soil sampling
	Whether sample compositing has been applied.	Not applicable as this announcement only relates to soil sampling
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Not applicable as this announcement only relates to soil sampling
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Not applicable as this announcement only relates to soil sampling
Sample security	*The measures taken to ensure sample security.*	Samples were transported by geochemical contractors to Port Hedland and then via commercial freight companies to the ALS laboratory in Perth for analysis.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	An audit of the analysis of CRMs and field duplicates showed laboratory results were within acceptable error margins and sample methodology was repeatable.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties including joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Yenenna Earn-In and JV is located within the tenements E45/2500, E45/2502, E45/2657, E45/2658, E45/2805, E45/2806, E45/4861, E45/5333, E45/5334 and E45/3768 which are 100% held by Encounter. IGO has the right to earn up to a 70% interest in these tenements. These tenements are contained completely within land where the Martu People have been determined to hold native title rights. No historical or environmentally sensitive sites have been identified in the area of work.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	No systematic exploration has been conducted on the tenements prior to Encounter's current tenure other than government pre competitive data.
Geology	*Deposit type, geological setting and style of mineralisation*	The Yeneena project is situated in the Proterozoic Paterson Province of Western Australia. A simplified regional stratigraphy of the area comprises the Palaeo-Proterozoic Rudall Complex, unconformably overlain by the Neo-Proterozoic Coolbro Sandstone. On top of this is the Broadhurst Formation, which hosts the Nifty Copper Mine and the Yeneena base metal occurrences. The Yeneena is considered prospective for sediment – hosted copper-cobalt mineralisation.
Drill hole information	*A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:* • *Easting and northing of the drill hole collar* • *Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar* • *Dip and azimuth of the hole* • *Down hole length and interception depth* • *Hole length*	Not applicable as this announcement only relates to soil sampling
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	Not applicable as this announcement only relates to soil sampling
	Where aggregated intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Not applicable as this announcement only relates to soil sampling
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalents have been reported in this announcement.

Criteria	*JORC Code explanation*	Commentary
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of exploration results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	Not applicable as this announcement only relates to soil sampling
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plane view of drill hole collar locations and appropriate sectional views.*	A summary map showing areas of ranked copper anomalism and existing prospects is contained within the body of the announcement
Balanced Reporting	*Where comprehensive reporting of all Exploration Results is not practical, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Not applicable as this announcement only relates to soil sampling
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observation; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All meaningful and material information has been included in the body of the text.
Further Work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large – scale step – out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Diamond drilling has been designed to test the Tarcunyah geochemical anomaly located along the Vines Fault corridor. Diamond drilling will also target the interpreted downthrown block on the west side of the Windsor structure as seen on the regional MT traverse.