

12 November 2018

ASX : ENR

Company Announcements Office
Australian Securities Exchange
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Sydney NSW 2000

Encounter and Independence to advance Paterson Copper-Cobalt Exploration

- **Independence Group NL (“IGO”) (ASX:IGO) and Encounter to join forces to advance the Yeneena Copper-Cobalt Project in the Paterson Province of Western Australia (“Yeneena”)**
 - **IGO has subscribed for a \$1.8m share placement at \$0.075 per share – a 60% premium to 20 trading day VWAP - to become a new major shareholder in Encounter**
 - **Funds to be used primarily to advance 3D copper target definition and testing at Yeneena**
 - **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 welcome Independence Group NL as a new major shareholder and partner in advancing the Yeneena Copper-Cobalt Project in the Paterson Province of WA.

IGO has subscribed for a placement of 24 million ordinary shares at a price \$0.075 – a 60% premium to 20 trading day VWAP - to raise a total of \$1.8 million. Encounter shall apply a minimum of 80% of the funds raised towards advancing Yeneena. The placement will be completed pursuant to the Company’s 15% placement capacity under ASX Listing Rule 7.1.

A technical committee will be formed with equal representation from Encounter and IGO to design exploration activities at Yeneena. At any time before 1 March 2020, IGO may elect to enter an earn-in agreement to spend up to \$15 million to earn a 70% interest in Yeneena.

As a result of the placement and Earn-in Option, Encounter’s copper-cobalt exploration in the Paterson Province will be well funded and progressing with a highly successful partner. This complements Encounter’s high quality gold portfolio in three of Australia’s most prospective gold regions: the Tanami (via five 50:50 joint ventures with Newcrest Mining Limited (ASX:NCM)), the Paterson Province and the Laverton Tectonic Zone.

Commenting on the IGO partnership, Encounter Managing Director Will Robinson said:

“IGO is a highly successful exploration and mining company. Their support for Encounter is confirmation of the quality of Encounter’s exploration team, strategy and portfolio of projects. The Paterson Province is a prime location for copper-cobalt discoveries in Australia. Recent activity by a number of major mining houses highlights and validates the enormous potential of the region. 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

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 - Coherent zone of near-surface copper oxide mineralization. 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 - Large mineral system containing extensive copper sulphide mineralization. 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

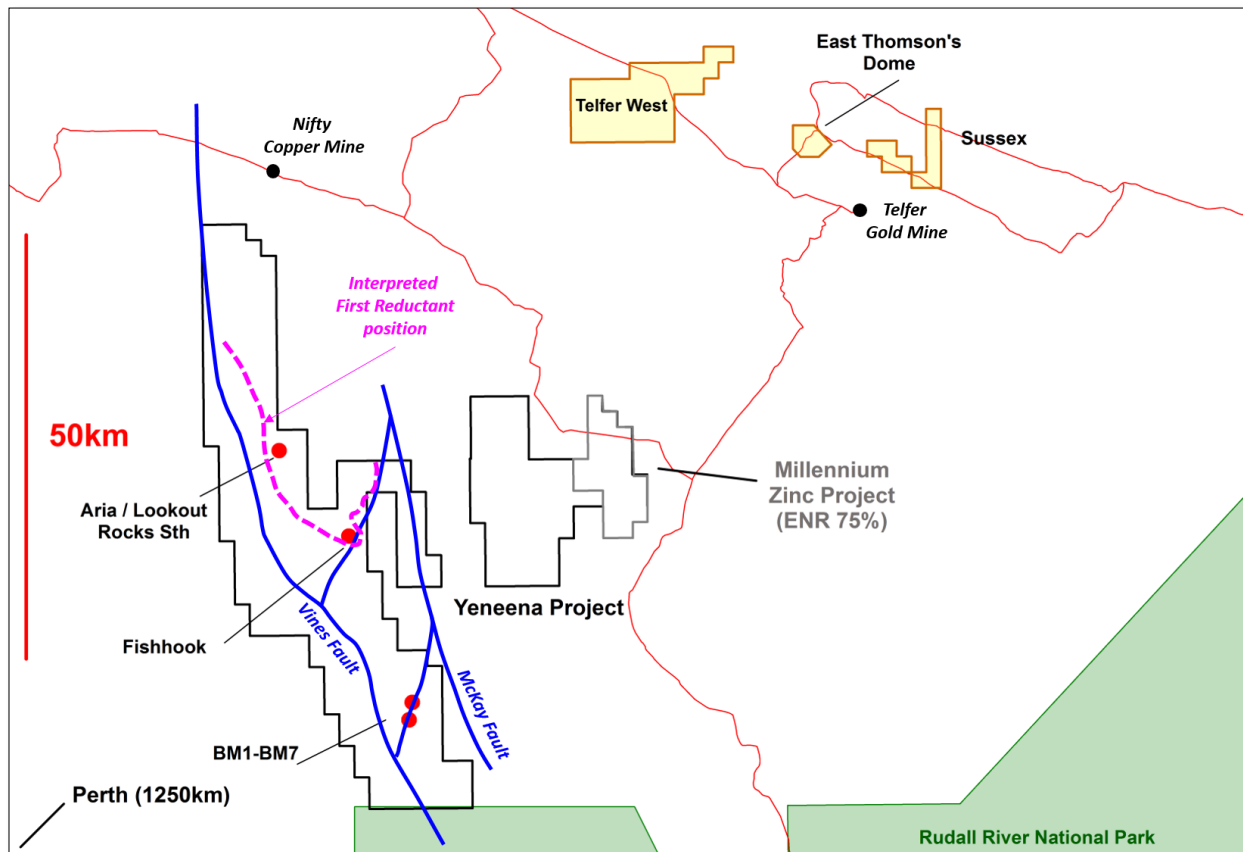


Figure 1: Location of the Yeneena Project and Encounter's other projects in the Paterson Province.

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 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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