

8 July 2019

ASX : ENR

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

Placement and Silver Lake Resources Investment

- **Silver Lake Resources (ASX:SLR) investing to take a 5.3% stake**
 - **Independence Group NL (ASX:IGO) investing to maintain 9.2% stake**
 - **Placement at same price to sophisticated investors to raise a total of approximately \$1.4m including a proposed \$120,000 to directors**
 - **Strong endorsement of project generator model and potential of upcoming exploration programs in the Tanami and Paterson Province**
-

The directors of Encounter Resources Ltd (“Encounter” or “the Company”) are pleased to welcome ASX listed mid-tier gold producer Silver Lake Resources Ltd (“Silver Lake”) as a new substantial shareholder of Encounter as part of a placement to raise approximately \$1.4 million before costs (“Placement”).

Commenting on the Placement, Encounter Managing Director Will Robinson said:

“We are very pleased to welcome Silver Lake as a new substantial shareholder and the continuing support of Independence Group and other shareholders. Both companies are highly successful mining companies which supports Encounter’s project generator business model. Collaborating with high quality partners provides multiple opportunities and significant leverage to a pipeline of potential Tier 1 discoveries for our shareholders”.

Silver Lake has subscribed for 6.7 million ordinary fully paid Encounter shares at a price of A\$0.075 a share which will result in Silver Lake having a shareholding in Encounter of approximately 5.3%.

The Company has received additional firm placement commitments from professional and sophisticated investors for approximately 11.7 million shares at \$0.075 a share, including Independence Group NL (“IGO”) who supported the Placement to maintain their Encounter shareholding at approximately 9.2%.

Upon completion, the Placement will raise a total of approximately \$1.4 million before costs and the Company will be well funded to accelerate project generation and exploration activities with approximately \$3.9 million in cash.

The funds raised will primarily be used to advance the recently identified Lamil copper-gold prospects in the Paterson Province of Western Australia (see ASX announcement 27 May 2019), accelerate gold and base metal project generation activities and as general working capital.

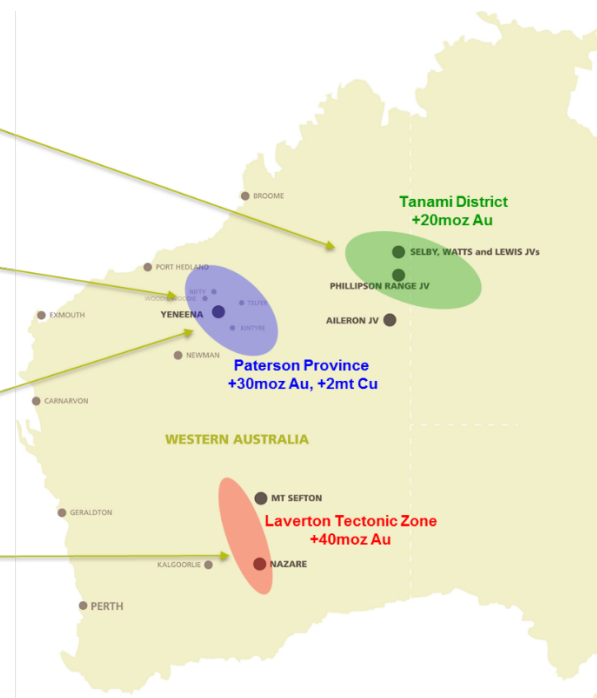
Encounter shareholders also have significant leverage to multiple, well-funded, exploration programs via a series of joint ventures with Newcrest Mining Limited (ASX:NCM) in the Tanami and West Arunta regions of WA, one of the most highly sought-after gold exploration districts in Australia.

Complementing this 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, and intrusive related copper-gold targets at the 100% owned Lamil Project.

The Placement will be completed pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1. (approximately 11.7 million shares) and additional 10% placement capacity under Listing Rule 7.1A (approximately 5.1 million shares), with the balance of 1.6 million shares to be issued subject to shareholder approval.

The Company will seek approval at a general meeting of shareholders to allow director and related parties to participate in the placement in the amount of \$120,000. The date of the proposed shareholder meeting will be advised in due course.

- Tanami and West Arunta**
Fast-tracking exploration via five joint ventures with Newcrest
- Paterson Province – Copper-Cobalt**
New approach in a known Cu-Co district with Independence Group
- Paterson Province – Gold-Copper**
New discoveries being made near the 30Moz giant at Telfer
- Laverton Tectonic Zone**
Innovative new generative program in a world class gold province



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).

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