

Diamond drilling of multiple targets underway - West Arunta

- Diamond drilling at Aileron in the West Arunta has commenced. The initial ~2,000m program will include:
 - Caird – ‘bullseye’ coincident magnetic and density anomaly 5km north-west of the Luni high grade niobium – REE carbonatite discovery (ASX:WA1)
 - Crean – regional scale magnetic anomaly with an offset gravity anomaly similar to the Prominent Hill IOCG deposit
 - Worsley – a standout magnetic and coincident gravity anomaly with Cu, Au, Mo, Nb and REE (up to 0.8% TREO) in prior, incomplete drillhole EAL001
- Diamond drilling is co-funded by the WA Government Exploration Incentive Scheme
- Falcon gravity survey being undertaken in parallel to further identify and refine drill targets

Encounter Resources Ltd (“Encounter”) is pleased to announce that diamond drilling has commenced at the Aileron Cu-REE project (100% ENR) in the West Arunta region of WA.

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

“The recent high grade niobium-REE discovery by WA1 Resources at Luni is located adjacent to the southern boundary of Aileron. This exciting discovery confirms the West Arunta as a new and unexplored critical minerals province in Australia.

The Crean, Worsley and Caird targets will be the first of the large scale magnetic and gravity anomalies to be tested at the >100km wide Aileron project in the West Arunta. The targets have similar geophysical characteristics to the IOCG deposits in South Australia, such as Prominent Hill, and the recently discovered niobium-REE carbonatites in the West Arunta.

First assay results from this initial drill program are expected from June-July 2023”

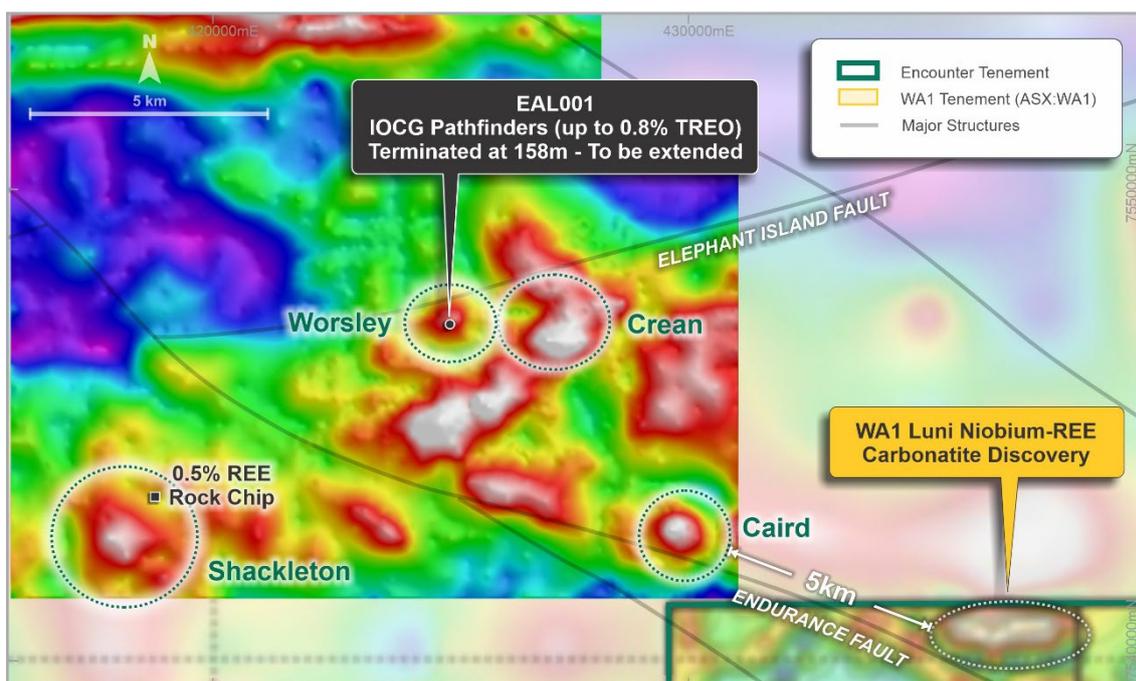
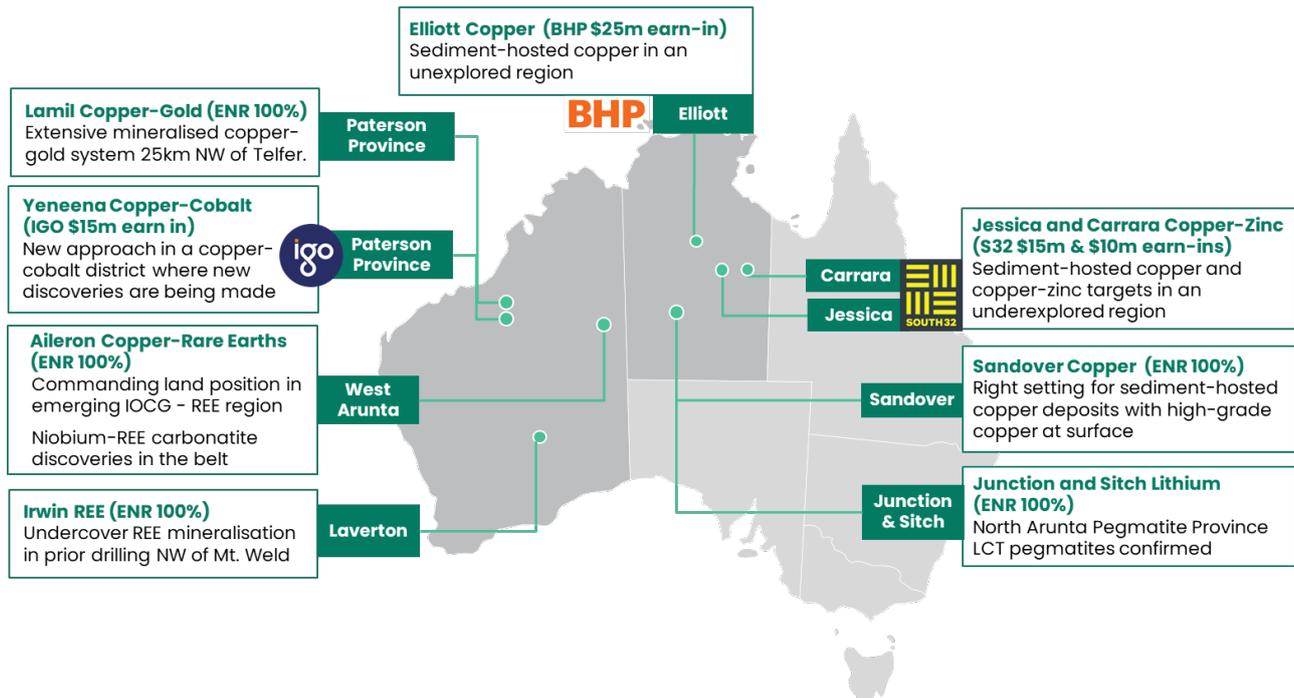


Figure 1 - Residual gravity image with interpreted structures and targets to be drilled commencing May 2023 in the western part of >100km long Aileron project ^{1,2,3}

About Encounter



Encounter is one of Australia’s leading mineral exploration companies listed on the ASX. Encounter’s primary focus is on discovering major copper dominant deposits in Australia.

Encounter controls a large portfolio of 100% owned projects in Australia’s most exciting mineral provinces that are prospective for copper, rare earths and lithium. Complementing this, Encounter has numerous large scale copper projects being advanced in partnership and funded through farm-in agreements with leading miners: BHP, South32 and IGO. Encounter’s assets include:

100% ENR Projects

Aileron Copper-Rare Earths Project – WA

- Targeting IOCG style copper and carbonatite-hosted REE mineralisation
- Falcon airborne gravity survey May 2023
- Diamond drilling May - June 2023

Sandover Copper Project – NT

- Outcropping shale units that contain copper mapped for >20km
- Major gravity survey completed at Sandover, diamond drilling program planned

Junction Lithium Project – NT

- Highly anomalous lithium & critical minerals
- Confirmed LCT pegmatites

Lamil Copper-Gold Project – Paterson Province WA

- High-grade copper-gold reefs, up to 6.5% copper and 21.5g/t gold, intersected in Sep 2022

Copper Farm-in Partners

\$7m invested by partners on ENR projects in 2022

BHP Elliott Copper Project – NT (up to \$25m farm-in funding)

- Diamond drilling intersected a potential “first reductant” horizon in 2022
- Key target for sediment-hosted copper deposits



SOUTH32 Jessica and Carrara Projects – NT (up to \$25m farm-in funding)

- Diamond drilling commencing May-June 2023
 - 4 holes (3,500m) at Jessica
 - 3 holes (3,000m) at Carrara



igo Yeneena Project – Paterson Province WA (up to \$15m farm-in funding)

- Diamond drilling commencing June 2023
- 3 holes (2,000m) targeting high-value sediment-hosted copper

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¹ refer ASX release 28 January 2021

² refer ASX release 14 February 2022

³ refer ASX releases by WA1 – 16 November 2022 & 1 May 2023

The information in this report that relates to Exploration Results is based on information compiled by Mr. Mark Brodie who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Brodie 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 Brodie 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.

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