

South32 Farm-in Tenure Expanded - Jessica Copper Project

- Jessica copper project (“Jessica”) is being explored under a Farm-in Agreement with South32
- Reprocessing of seismic lines has further defined a number of drill targets and maiden diamond drilling (3,500m) is scheduled to commence in June/July 2023
- A target generation process has highlighted additional copper prospects adjacent to Jessica
- Farm-in tenure has been expanded by ~60% and now covers ~10,300km² along key structural corridors east of Tennant Creek prospective for sediment-hosted and IOCG-style copper
- South32 is funding initial exploration at Jessica with Encounter carried to the completion of a Scoping Study:
 - South32 may earn a 60% initial interest by spending \$15 million in exploration expenditure over a period of 10 years
 - South32 may earn an additional 15% interest upon completion of a Scoping Study

Encounter Resources Ltd (“Encounter”) is pleased to announce that the Jessica copper project in the Northern Territory (“NT”) has been significantly expanded ahead of the commencement of maiden diamond drilling next month.

Commenting on the expanded farm-in tenure, Encounter Managing Director Will Robinson said:

“In 2022 we utilised new, widespread seismic coverage, together with a detailed gravity survey, to generate targets at Jessica for drilling in 2023. This exercise also highlighted compelling new targets adjacent to Jessica. As a result, the South32 farm-in tenure has been significantly expanded to include these new targets. Diamond drilling of the initial targets identified within the original Jessica tenure is scheduled to commence in June/July 2023.”

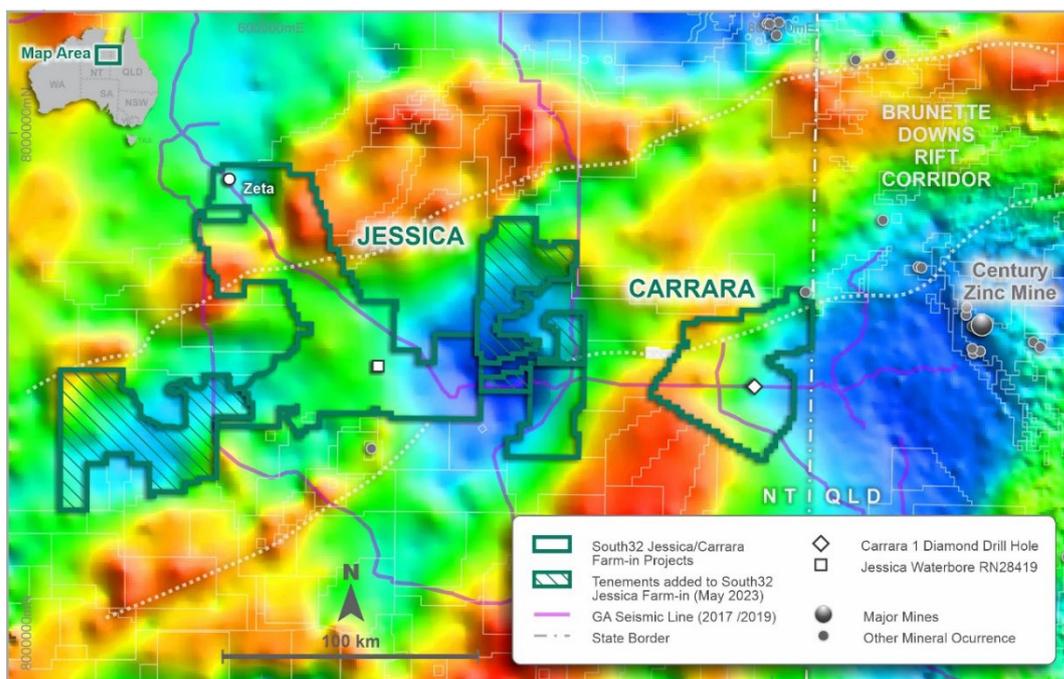


Figure 1 – Jessica and Carrara project location plan over bouguer gravity

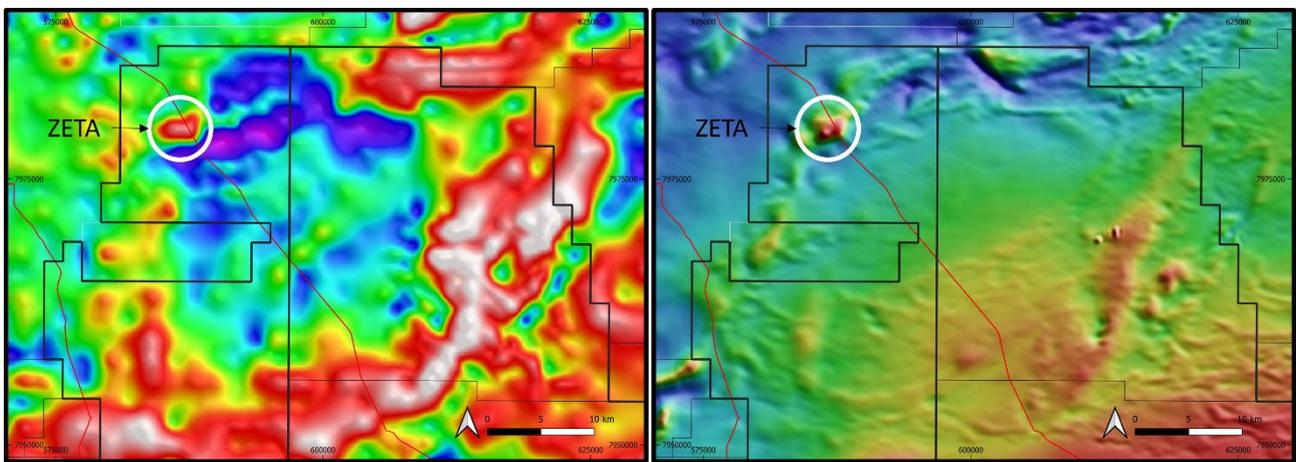
Jessica covers ~10,300km² along key structural corridors east of Tennant Creek and is prospective for sediment-hosted copper and IOCG style deposits (Figure 1). The project is being explored in partnership with South32 under a Farm-In Agreement.

Together with South32, reprocessing of seismic data that extends through Jessica was completed by HiSeis, to provide greater detail of the geology and structure in the upper 1,000m. A 2km spaced gravity survey was also completed with 1km spaced gravity infill data collected over a series of high priority magnetic targets.

The seismic reprocessing and gravity surveys have identified a series of targets for drill testing including the Zeta IOCG target (“Zeta”). Zeta is a significant and discrete gravity feature coincident with a prominent magnetic feature on the margin of a large interpreted intrusive body (Figures 2 & 3). In addition, there is a discrete seismic reflector at depth immediately underlying Zeta (Figure 4) (refer ASX announcement 28 October 2022).

Diamond drilling scheduled to commence in June/July 2023 with four diamond drill holes (3,500m) planned.

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Figures 2 & 3 – Jessica Project – Zeta IOCG target. Gravity (1VD) (left) and Magnetics (RTP) (right), location of GA seismic lines shown in red

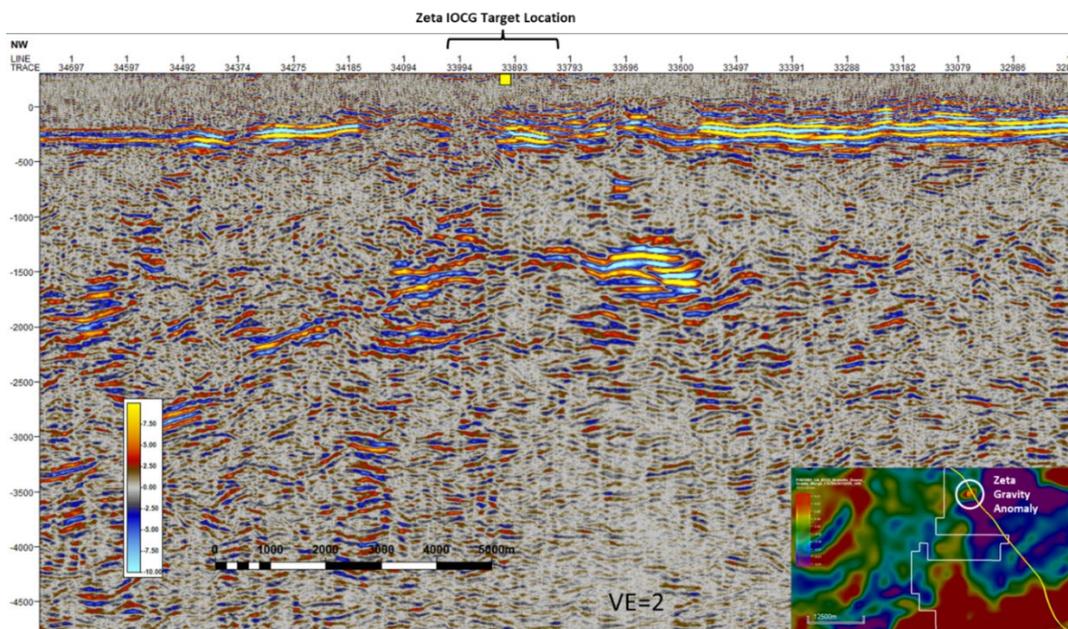


Figure 4 - Jessica Project – Zeta IOCG Target – Seismic cross section (inset)

Farm-in and Joint Venture Agreements – Key Terms (Unchanged)

The key terms for the Farm-in and Joint Venture Agreements include:

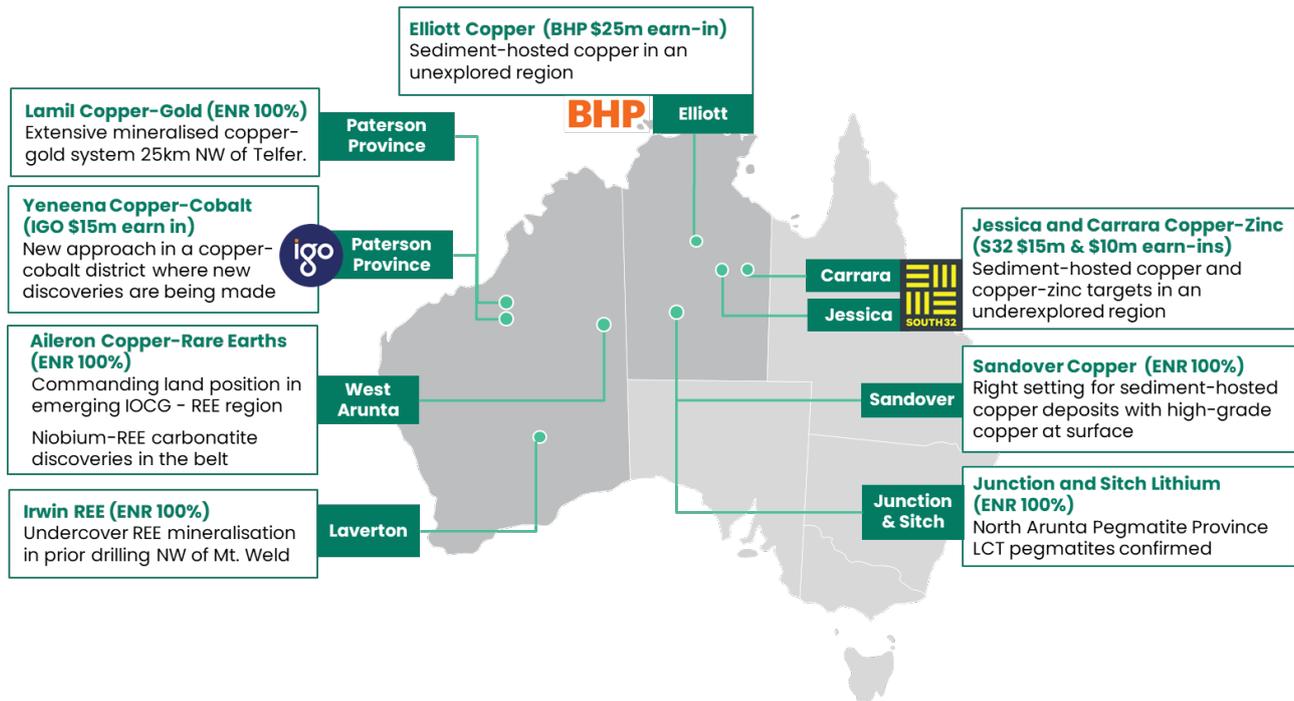
- South32 has the right to earn a 60% interest in Jessica (the “Initial Interest”) by sole funding \$15 million of exploration expenditure within 10 years.
- During the farm-in phase or joint venture period, South32 may earn an additional 15% interest in Jessica (the “Further Interest”) by completing a Scoping Study.
- Upon South32 earning the Initial Interest or Further Interest in Jessica, a 60:40 or 75:25 joint venture will be formed and in the case of South32 earning the Further Interest, the parties must contribute funds based on their pro-rata interest or dilute according to a standard dilution formula. Should a party’s interest dilute to below 10%, that party’s interest shall automatically convert to a net smelter return royalty.
- During the farm-in phase, South32 is the Manager of the project.

During the farm-in phase, a technical committee comprising representatives from each of Encounter and South32 review and approve annual exploration programs and budgets. All decisions of the technical committee are decided by majority vote, with South32 having the casting vote.

Scoping Study means an order of magnitude technical and economic study of the potential viability of JORC Mineral Resources for the project.

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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



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



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



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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The information in this report that relates to Exploration Results is based on information compiled by Ms Sarah James who is a Member of the Australasian Institute of Mining and Metallurgy. Ms James 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'. Ms James 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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