

Jessica and Carrara Farm-in Projects Update

- The Jessica copper project (“Jessica”) and the Carrara copper-zinc project (“Carrara”) in the Northern Territory (NT) have been explored under Farm-in Agreements with a subsidiary of South32 Limited (“South32”)
- In 2023, 7,200m of diamond drilling was completed at Jessica and Carrara
- Following evaluation of the 2023 drilling results, as well as further reprocessing of seismic data, South32 has elected to prioritise copper exploration at Jessica. As such:
 - Additional granted tenure has been added to the Jessica Farm-in Agreement (811km²)
 - Encounter has regained 100% control of the Carrara project with South32 withdrawing from the Carrara Farm-in Agreement
- Diamond drilling (2,500m) at Jessica to commence in October 2024

Commenting on the upcoming exploration, Executive Chairman Will Robinson said:

“South32 completed a large maiden diamond drilling program in 2023 following a comprehensive review of new seismic and gravity data in the NT. The first holes drilled at the Zeta target at Jessica intersected red-rock hematite alteration and copper associated with quartz-carbonate veining which is interpreted as a distal alteration signature to a potential IOCG style mineral system.

The next phase of exploration at Jessica includes a 2,500m diamond drill program testing new targets identified through seismic re-processing and interpretations from the 2023 drilling, as well as a deep seeking MIMDAS geophysical survey at the Zeta target that could focus the follow up drilling.”

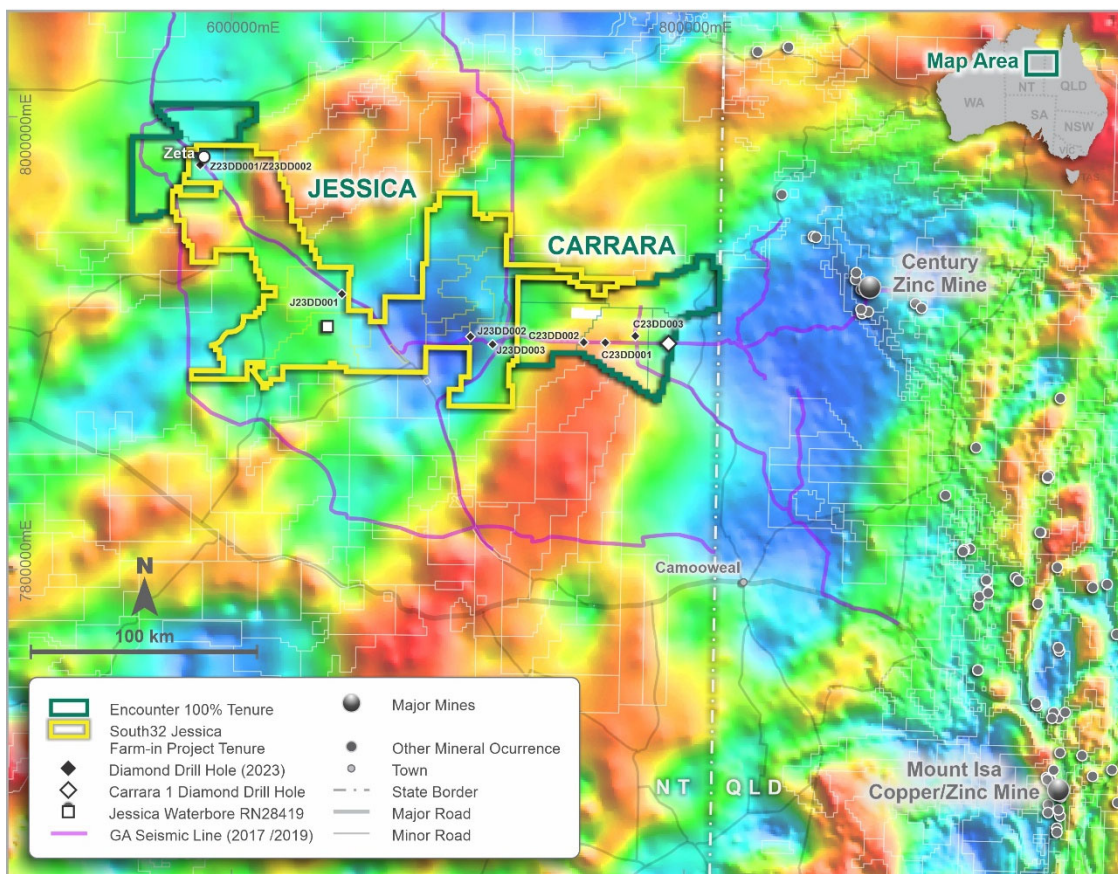


Figure 1 – Jessica project location plan over bouguer gravity

Encounter Resources Ltd (“Encounter”) is pleased to announce that South32 is prioritising exploration towards the Jessica copper project, and as a result, South32 has withdrawn from the Carrara Farm-in Agreement and Encounter has regained 100% control of the Carrara copper-zinc project in the NT.

Background

Jessica covers ~8,700km² along key structural corridors east of Tennant Creek and is prospective for sediment-hosted copper and IOCG style deposits (Figure 1).

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.

Seismic reprocessing and gravity data identified a series of targets for drilling 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.

Two diamond drill holes were completed at the Zeta target (Z23DD001 & Z23DD002) in 2023. These holes contained zones of hematite alteration and quartz carbonate veining containing chalcopyrite and bornite.¹

Additional seismic re-processing and interpretation, including the integration of 2023 diamond drilling data, has generated new targets for testing at Jessica.

Next Steps

A 2,500m (three hole) diamond drill program is scheduled to commence at Jessica in October 2024. Drilling is planned to test targets identified through seismic reprocessing and interpretations from 2023 diamond drilling.

A deep seeking MIMDAS geophysical survey at Zeta is scheduled to be completed in May 2025.

Diamond drilling completed by South32 in 2023 at Carrara intersected prospective geology which contains encouraging base metal anomalism. With Encounter regaining 100% control of Carrara, we will evaluate the implications of the initial drilling and the potential for further drilling in this prospective basin.

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

The key terms of the Jessica Farm-in and Joint Venture Agreement 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 the Further Interest in Jessica, a 60:40 or 75:25 joint venture (as the case may be) will be formed and where South32 has earned 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.

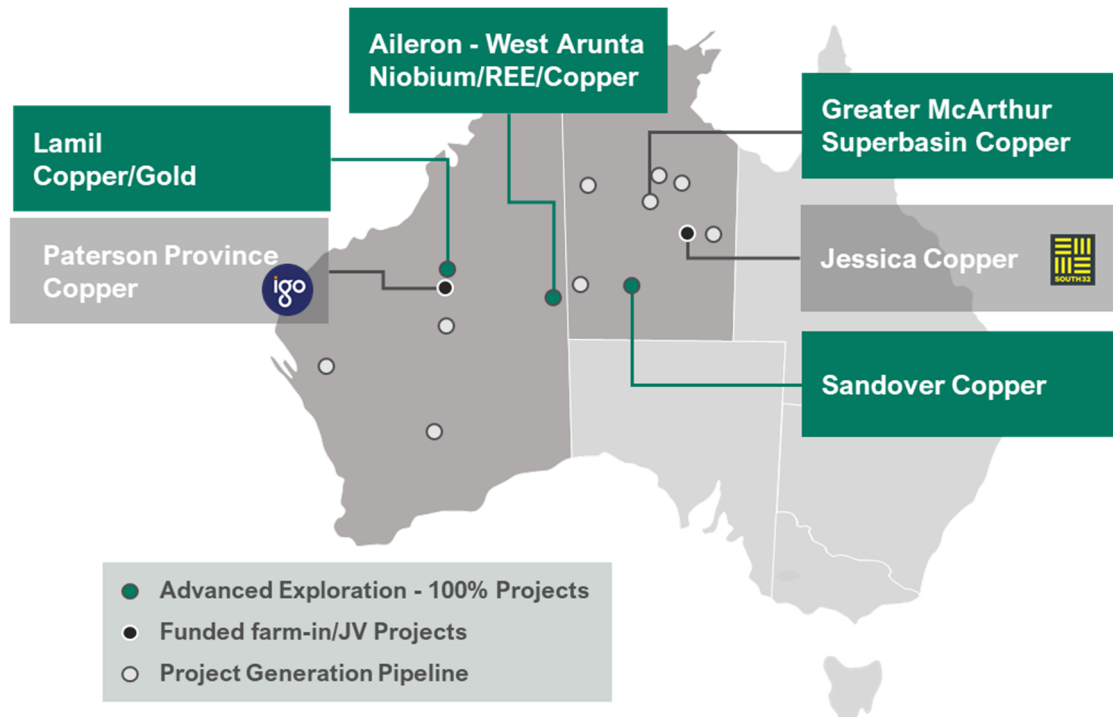
During the farm-in phase, a technical committee comprising representatives from each of Encounter and South32 review and approve annual exploration programs and budgets. All decisions of the technical committee are decided by majority vote, with South32 having the casting vote.

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

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 and niobium/REE deposits in Australia.

Encounter controls a large portfolio of 100% owned projects in Australia's most exciting mineral provinces that are prospective for copper and critical minerals including the Aileron project in the West Arunta region of WA. Complementing this, Encounter has numerous large scale copper projects being advanced in partnership and funded through farm-in agreements.



For further information, please contact:

Will Robinson
Executive Chairman
+61 8 9486 9455
contact@enrl.com.au

Michael Vaughan
Fivemark Partners
+61 422 602 720
michael.vaughan@fivemark.com.au

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.

¹ ASX announcement 10 April 2024

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