

Drilling Commenced at Jessica Copper Project (NT)

- Diamond drilling has commenced at the Jessica copper project (“Jessica”) in the Northern Territory (“NT”)
- Four diamond drill holes (3,500m) to test targets identified through seismic reprocessing and gravity surveys
- Jessica is being explored under a Farm-in Agreement with South32
- Farm-in tenure was recently expanded by ~60% to ~10,300km² along key structural corridors east of Tennant Creek prospective for sediment-hosted and IOCG-style copper

Encounter Resources Ltd (“Encounter”) is pleased to announce that diamond drilling has commenced at Jessica in the NT which is being explored under a Farm-in Agreement with South32.

Commenting on the drill program, Encounter Managing Director Will Robinson said:

“We have utilised this widespread seismic coverage, together with a detailed gravity survey to generate the drill targets for this program.

Applied extensively by the oil and gas industry, seismic modelling techniques have resulted in a step change in exploration success. The application of seismic to hard rock minerals exploration has the potential to transform success rates for copper and zinc discoveries in sedimentary basins.

We are delighted that South32 has commenced the 3,500m diamond drilling at Jessica. After this program the rig will head to Carrara for a 3,000m program with drilling expected to continue through to November.”

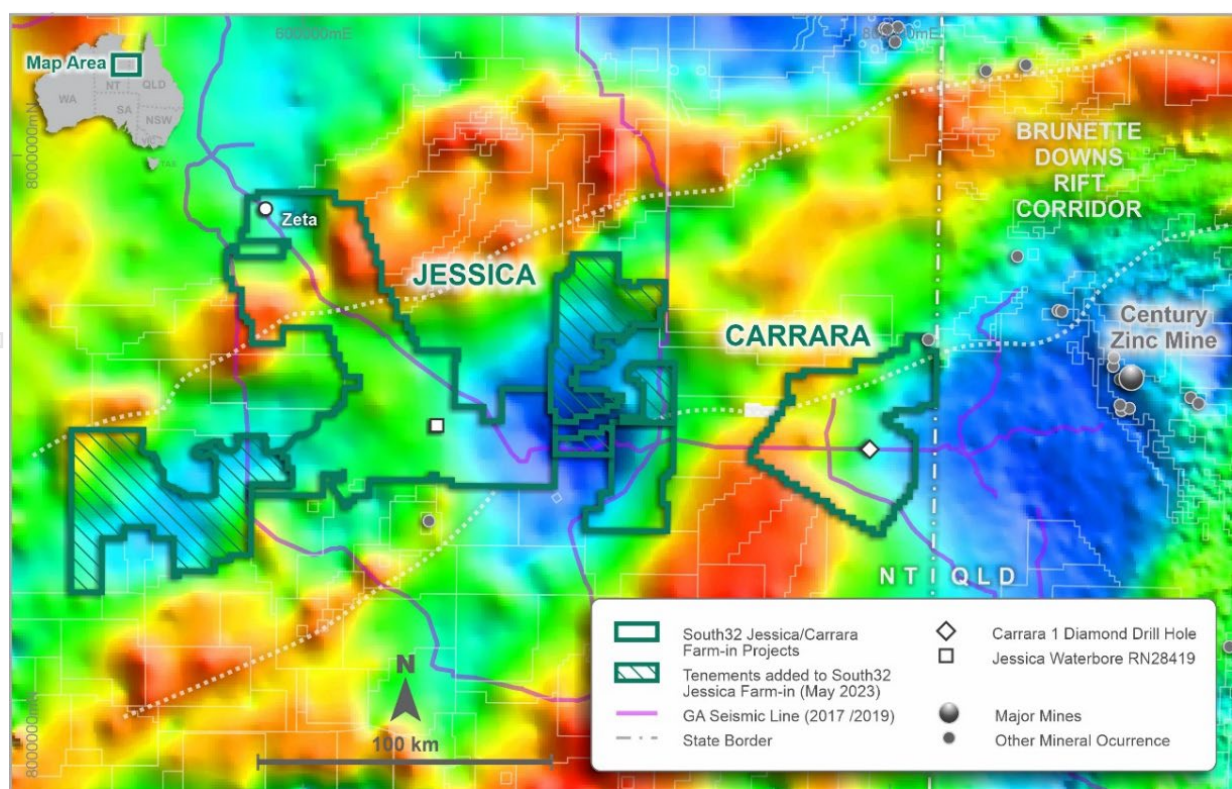
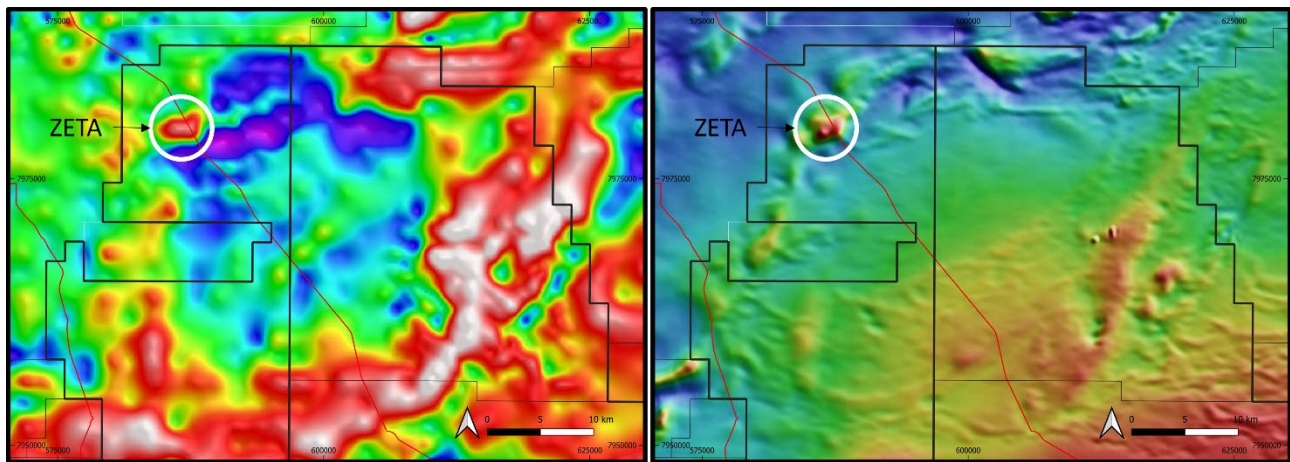


Figure 1 – Jessica and Carrara project location plan over Bouguer gravity

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).

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).



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

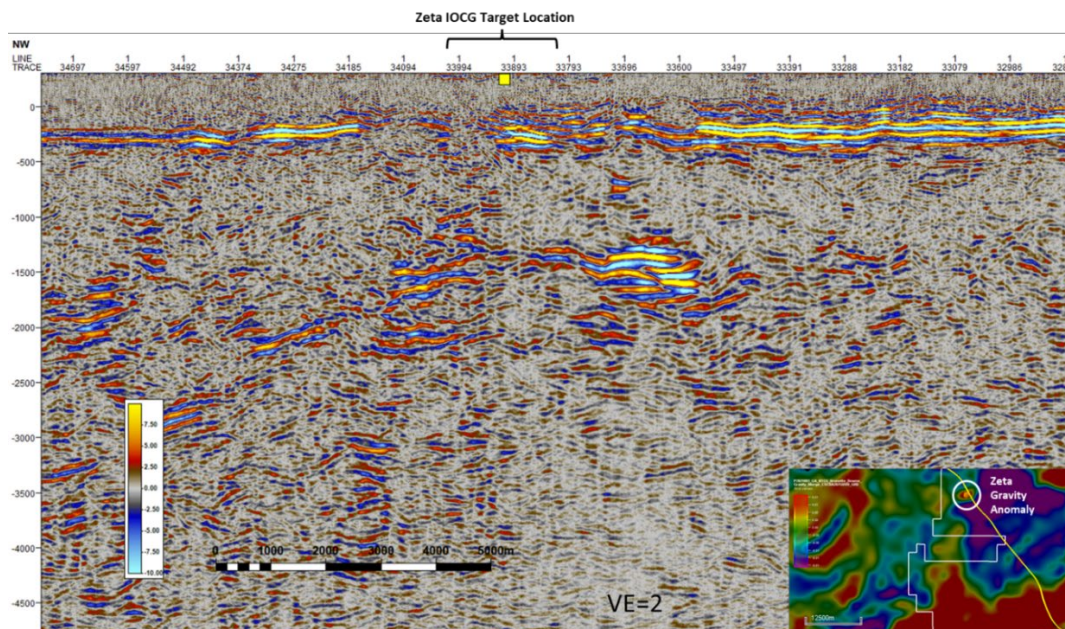


Figure 4 - Jessica Project – Zeta IOCG Target – Seismic cross section (inset)

Farm-in and Joint Venture Agreements – Key Terms

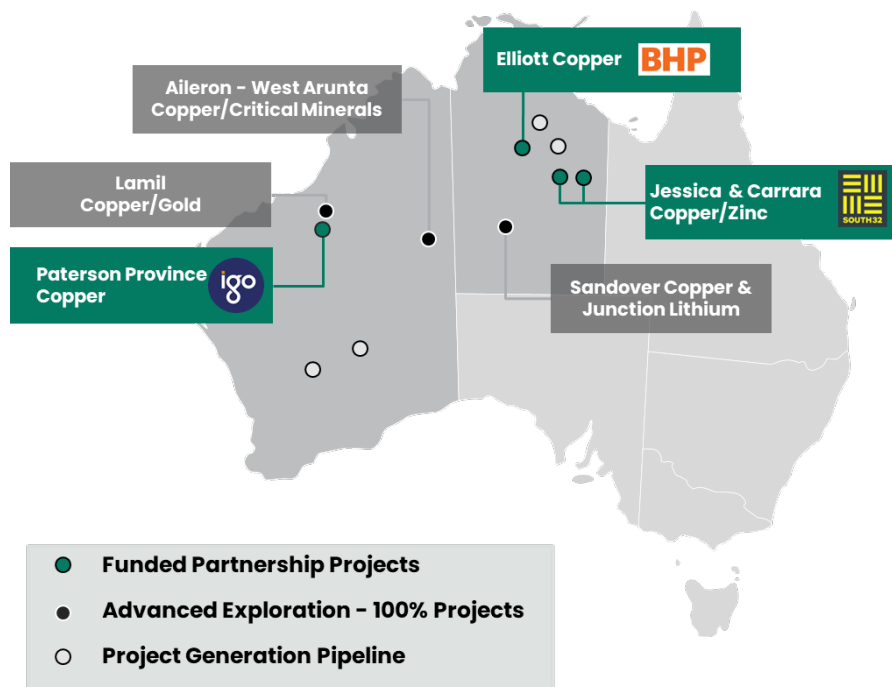
The key terms for the Farm-in and Joint Venture Agreements include:

- 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.

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 and critical minerals. 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-Critical Minerals Project - WA

- Targeting IOCG copper-gold and carbonatite hosted critical minerals
- Falcon airborne gravity survey May 2023
- Diamond drilling May - June 2023

Sandover Copper Project - NT

- Outcropping shale units that contain copper mapped for >20km
- Gravity survey completed, 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 intersected

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

(ENR carried to Scoping Study)



- Diamond drilling July to November 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 commenced July 2023
- 5 holes (2,900m) targeting high-value sediment-hosted copper

For further information, please contact:

Will Robinson
Managing Director
+61 8 9486 9455
contact@enr.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.