

Drilling Commenced at Carrara Copper-Zinc Project (NT)

- Diamond drilling has commenced at the Carrara copper-zinc project (“Carrara”) in the Northern Territory (“NT”)
- Three diamond drill holes (~3,000m) to test targets identified through seismic reprocessing and gravity surveys
- Carrara is located at an interpreted structural offset of the western margin of the Carrara sub-basin which hosts the Century Zinc Mine on the eastern margin
- Carrara is being explored under a Farm-in Agreement with South32

Encounter Resources Ltd (“Encounter”) is pleased to announce that diamond drilling has commenced at Carrara 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:

“The Greater McArthur Superbasin in the NT is a significant global opportunity for the discovery of new, large sediment-hosted copper and zinc deposits under shallow cover.

The Century Zinc Mine is located on the eastern margin of the Carrara sub-basin and there is a clear correlation of the Century stratigraphy across the basin in seismic data.

Furthermore, the presence of copper and zinc mineralisation at Carrara was established in drill hole NDI Carrara-1 completed in 2020.

South32 has commenced a three-hole diamond drill program with drilling expected to continue through to November 2023.”

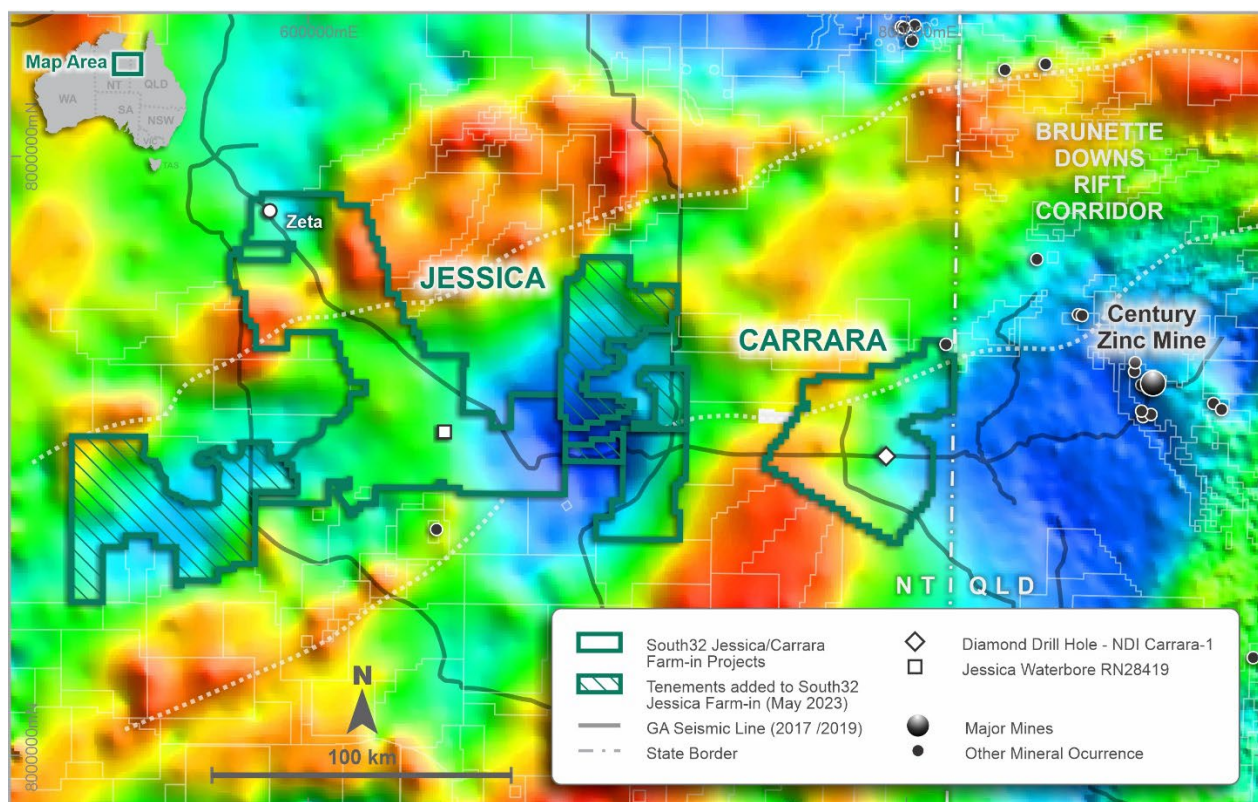


Figure 1 – Jessica and Carrara project location plan over Bouguer gravity. NDI Carrara-1, which intersected Cu-Zn is highlighted (white diamond).

Carrara was secured following the release of the South Nicholson Seismic Survey, a foundational dataset acquired as part of the Geoscience Australia Exploring for the Future Program. A key finding of this survey is the correlation of prospective stratigraphic units from the Isa Superbasin into the Carrara Sub-basin that extend the Mount Isa Province to the west.

Carrara is located at an interpreted structural offset of the western margin of the Carrara Sub-basin where the prospective Isa Superbasin units are modelled closer to surface.

The Century Zinc Mine is located on the eastern margin of the Carrara Sub-basin, and there is a clear correlation of the Century Zinc Mine stratigraphy across the basin in the Geoscience Australia seismic data (Figures 1 and 2).

In 2020 a 1,751m deep stratigraphic drill hole (NDI Carrara-1) was completed as part of the National Drilling Initiative funded by the Minex CRC. NDI Carrara-1 was designed to validate the interpretation of the South Nicholson Seismic Survey and was located within the Carrara project.

The results from NDI Carrara-1 support the interpretation that the geology of the Isa Superbasin extends throughout the Carrara Sub-basin. The presence of copper and zinc sulphide mineralisation (Figure 2) demonstrates that sediment-hosted copper and zinc mineralising processes occur within the prospective host unit (refer ASX announcement 28 April 2021).

A 2km spaced gravity survey over Carrara by the Northern Territory Geological Survey was completed in 2022. In addition, reprocessing of seismic lines that extend through Carrara has provided far greater detail of the geology and structure in the upper 1,000m resulting in the definition of multiple targets at key structural locations along the western margin of the sub-basin.

Three diamond drill holes (~3,000m) are planned at Carrara during October-November 2023.

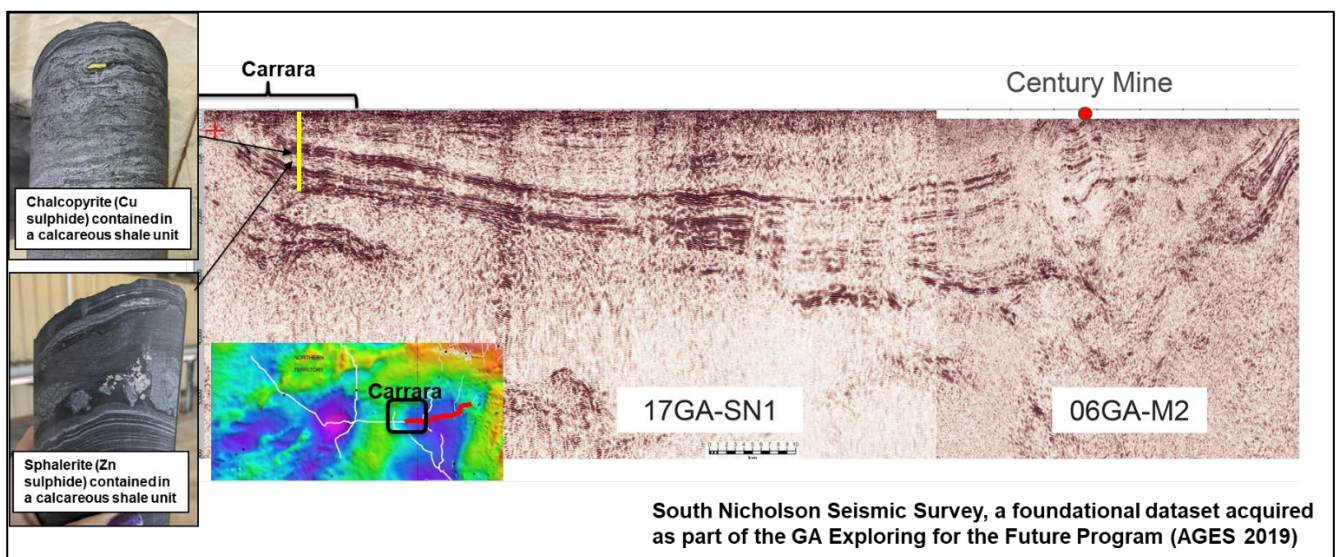


Figure 2 – Carrara Project - South Nicholson Seismic Survey and approx. location of NDI Carrara-1 stratigraphic hole (yellow) – ASX announcement 28 April 2021

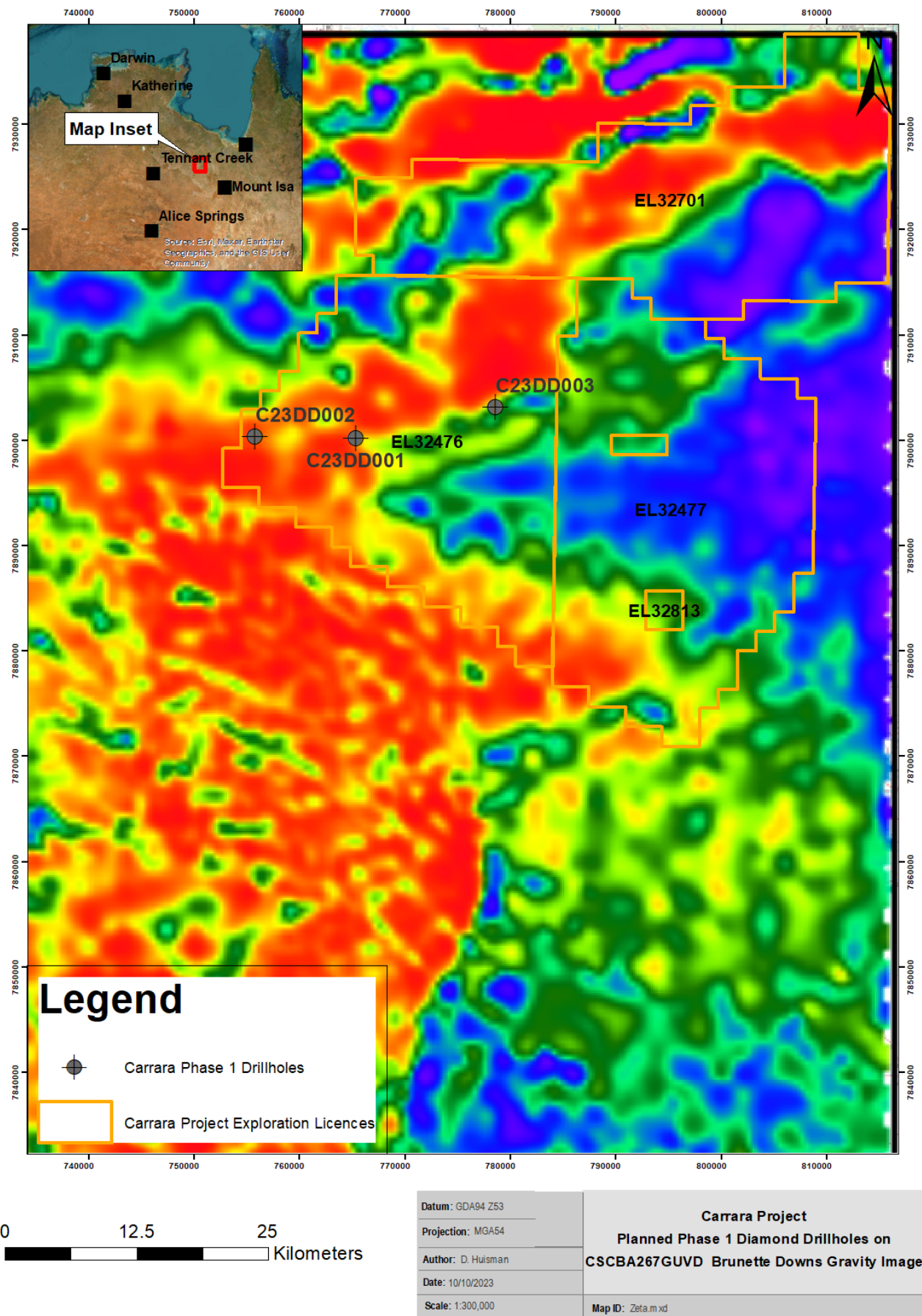


Figure 3 – Carrara gravity image with planned drillhole locations.

Farm-in and Joint Venture Agreements – Key Terms

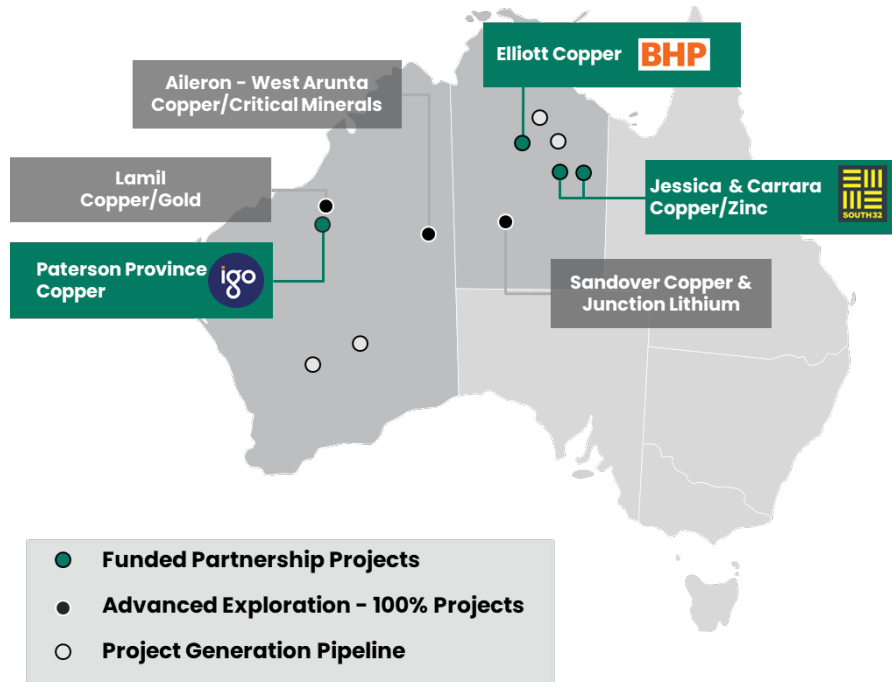
The key terms for the Farm-in and Joint Venture Agreements include:

- South32 has the right to earn a 60% interest in Carrara (the “Initial Interest”) by sole funding A\$10 million of exploration expenditure within 10 years.
- During the farm-in phase or joint venture period, South32 may earn an additional 15% interest in Carrara (the “Further Interest”) by completing a Scoping Study.
- Upon South32 earning the Initial Interest or Further Interest, 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 and critical mineral 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
- Large niobium-REE rich carbonatite discovered
- 10,000m RC drill program commenced

Sandover Copper Project - NT

- Outcropping shale units that contain copper mapped for >20km
- Diamond drilling program Oct-Nov 2023

Junction Lithium Project - NT

- Highly anomalous lithium & critical minerals
- Confirmed LCT pegmatites

Lamil Copper-Gold Project - Paterson Province WA

- High-grade copper-gold reefs

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 July to September 2023
- 5 holes (2,900m) 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.