

Airborne Survey at Aileron Cu-REE Project - West Arunta

- An 8,000 line km airborne magnetic-radiometric survey to commence next week at the 100% owned Aileron Copper-REE project (“Aileron”) in the West Arunta region of WA. The 100m spaced survey will cover a 50 strike km area to refine targets for drilling in 2023
- The only exploration drill hole previously completed at Aileron (EAL001) contained zones of anomalism in copper (up to 0.1% Cu), gold (up to 48ppb Au), molybdenum (up to 155ppm Mo), niobium (up to 773ppm Nb) and highly elevated rare earth elements (up to 0.8% TREO)
- First drillhole completed by WA1 Resources Ltd (ASX:WA1) at the P2 geophysical target intersected a niobium-REE mineralised carbonatite system and is located less than 1km from the tenement boundary with Encounter (see ASX release by WA1 - 26 October 2022)
- The identification of a niobium-REE mineralised carbonatite provides further strong support that a magmatic hydrothermal system has been active in the region. Alkaline systems are key drivers in the formation of IOCG and carbonatite-hosted REE deposits
- Encounter controls a commanding position in the West Arunta with a +100km east-west tenement holding containing significant structural targets with limited previous exploration

The directors of Encounter Resources Limited (“Encounter”) are pleased to announce the commencement of a large magnetic-radiometric survey at the Aileron Cu-REE project (100% ENR) in the West Arunta region.

Commenting on recent developments at Aileron, Encounter Managing Director Will Robinson said: *“This detailed magnetic-radiometric survey is important in refining our 2023 drilling plans and to define potential new carbonatite and IOCG targets at Aileron. Our only drill hole at Aileron (EAL001) intersected hematite-chlorite altered zones within a brecciated granite that have a distinctive IOCG signature in a suite of elements including copper, gold, molybdenum, niobium and highly elevated rare earth elements (up to 0.8% TREO). Follow-up reconnaissance rock chip sampling also returned 0.5% TREO from a ferruginous quartz vein in an altered quartzite 7km to the south-west of EAL001.*

The confirmation of a niobium-REE carbonatite by our neighbour WA1 Resources is an important development for this highly prospective mineral belt. We believe that the West Arunta is on the verge of becoming the next major copper and rare earths exploration focus in WA.”

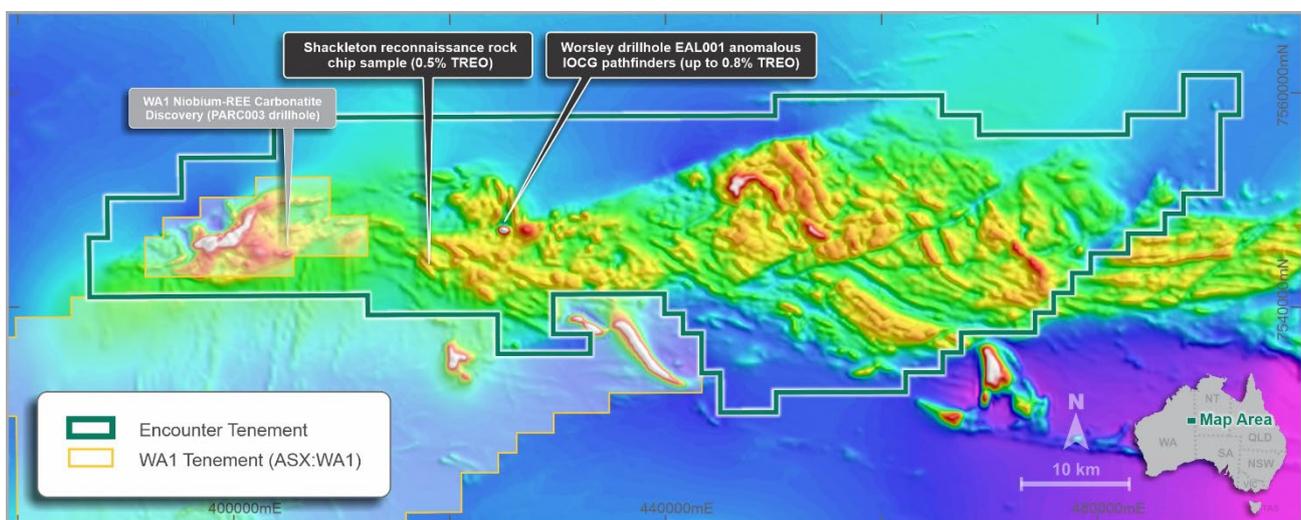


Figure 1 – Aileron Cu-REE project – Magnetics (TMI)
(refer ENR ASX releases 28 January 2021 & 14 February 2022 and WA1 ASX release 26 October 2022)

Background

Aileron is located in the West Arunta region of WA ~600km west of Alice Springs. The project contains several structural and geophysical targets identified through aerial magnetic and gravity surveys.

First Diamond Drill Hole

To date, only one diamond hole, EAL001, has been drilled within the project area and targeting a discrete magnetic anomaly (Worsley prospect). EAL001 was partially completed to a depth of 158m in October 2020 and drilled through 5m of shallow cover followed by a brecciated hydrothermal hematite-chlorite-altered granite with a narrow mafic intrusion. Within these units, zones of increased brecciation and alteration correlate with increased REE anomalism with a distinctive IOCG geochemical signature. The hole ended prior to designed depth due to a mechanical failure.

Assays from EAL001 include zones of anomalism in copper (up to 0.1% Cu), gold (up to 48ppb Au), molybdenum (up to 155ppm Mo), niobium (up to 773ppm Nb) and highly elevated rare earth elements (up to 0.8% TREO) consistent with the IOCG deposit model (refer ASX release 28 January 2021).

Gravity and Surface Geochemical Trial

In November 2021, a helicopter-supported ground gravity survey and geological reconnaissance activities, including a surface sampling trial were completed at Aileron. A rock chip collected from a ferruginous quartz vein in altered quartzite 7km from EAL001 which returned 0.5% TREO (including 0.1% neodymium-praseodymium, $Nd_2O_3+Pr_6O_{11}$) (refer ASX release 14 February 2022).

The presence of highly anomalous REE at two separate locations at Aileron, and the carbonatite discovery by WA1 Resources 1km from Encounter's tenement boundary, provide encouragement that an alkaline magmatic hydrothermal system has been active in the region. Alkaline magmatic systems are known to play an important role in the formation of both IOCG and carbonatite-hosted REE deposits.

Geochronology

In August 2022, geochronology completed by the GSWA classified the host sequence and mineralisation events at Aileron are a similar age to the events at Olympic Dam. Importantly, the prospective geology is under shallow cover (5m of cover in EAL001) in contrast to +500m of cover in much of the Gawler Craton in South Australia.

Airborne Magnetic-Radiometric Survey

An 8,000 line km airborne magnetic-radiometric survey is due to commence next week at Aileron. The 100m spaced survey will cover 50 strike kms of the project to refine 2023 drilling plans and to define potential new carbonatite and IOCG targets. The survey is expected to be completed in November 2022.

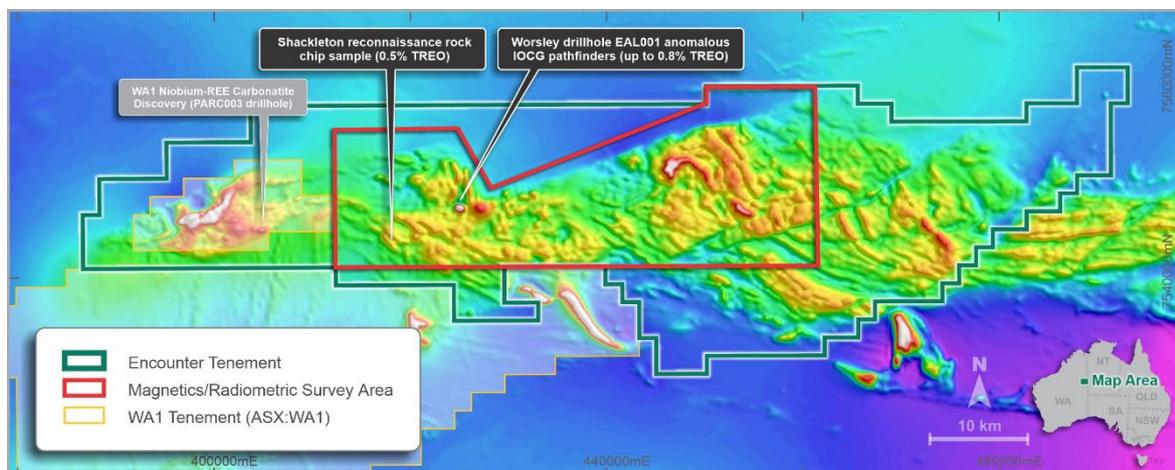
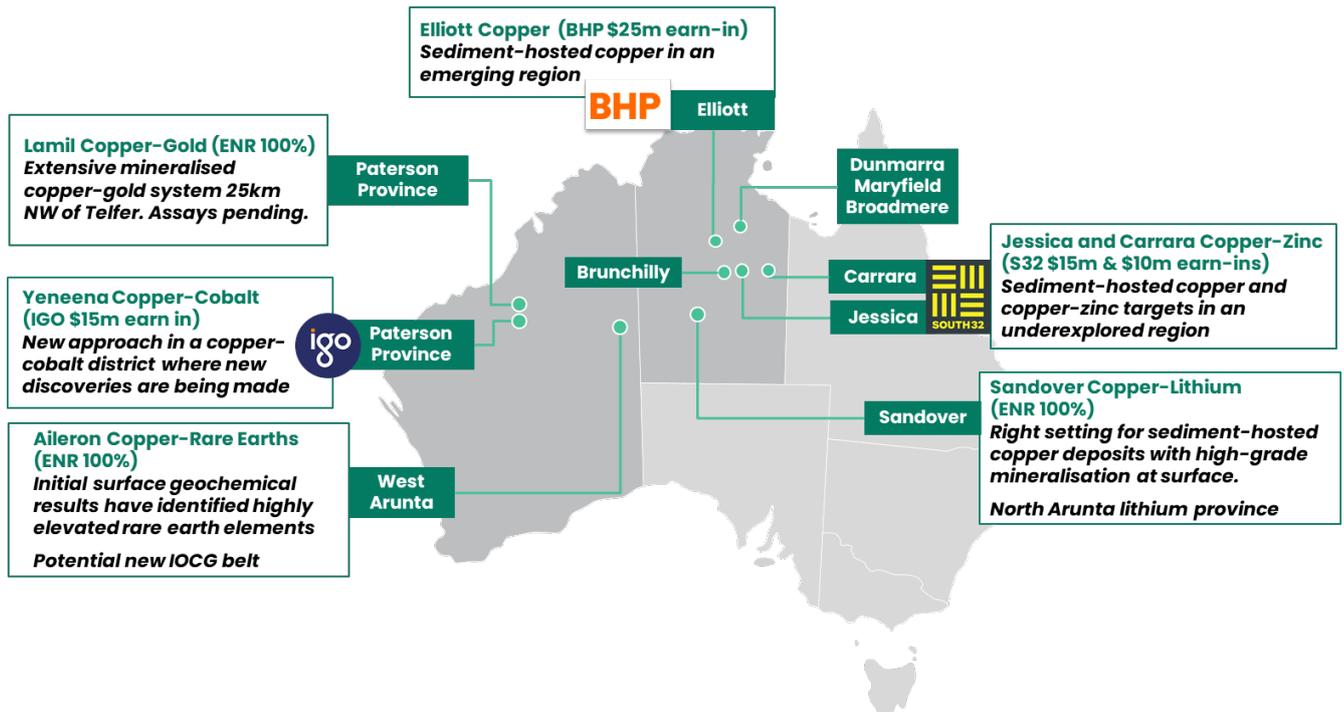


Figure 2 – Aileron Cu-REE project – magnetic-radiometric survey November 2022

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 partners with leading mid-tier and major producers to advance its extensive project pipeline with more than \$25m of project funding contributed by partners over the past decade. Currently, Encounter has farm-in agreements in place with world leading resources companies to provide up to \$65m in initial exploration funding. Encounter's assets include:

100% ENR projects

Sandover Copper Project – NT

- Key geological units and processes for sediment-hosted copper
- Bornite identified in historical drill core

Aileron Copper-Rare Earths Project – WA

- IOCG style copper-gold-REE in drilling
- High grade REE in surface sampling
- Olympic Dam age mineralisation events

Lamil Copper-Gold Project – Paterson Province WA

- High grade copper intersected in Sep 21
- Diamond drilling completed Sep 22
- Downhole EM survey

Junction Lithium Project – NT

- North Arunta LCT Pegmatite Province
- New lithium targets identified

Farm-in partners

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

- Diamond drill program Oct-Nov 2022



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

- Two farm-in agreements completed Jun 22
- \$1.3m first year program commenced



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

- 4,000m diamond & 1,500m aircore drilling
- Commenced July 2022

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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.