

Major Diamond Drill Program Underway in Paterson Province

- Diamond drilling underway in the Paterson Province of WA as part of a major program testing copper-cobalt and copper-gold targets across multiple project areas
- Drilling has recommenced at the Yeneena Copper-Cobalt Project (“Yeneena”) as part of the \$15M exploration earn-in with IGO Limited (“IGO”)
- Up to 1,900m of diamond drilling planned at Yeneena is targeting:
 - Windsor EM target: located west of the BM1 Cu oxide zone (10m @ 6.8% Cu from 32m*, 20m @ 2.0% Cu from 22m* and 16m @ 3.2% Cu from 26m) ¹
 - Aria IOCG target: a conductive feature identified on the margin of the Aria breccia pipe where localised copper mineralisation has been intersected in the two diamond holes drilled to date
 - Stratigraphic diamond drill hole (1,000m) to test the contact between sandstone belonging to the Coolbro Formation and shales belonging to the Broadhurst Formation
- Following completion of drilling at Yeneena, the rig will then complete a program testing a new copper drill target at the Millennium Joint Venture (Encounter 75% / Hampton Hill Mining 25%) followed by up to 1,500m of EIS co-funded drilling at the 100% owned Lamil Copper-Gold Project
- Drilling scheduled to be completed in June 2021 with first results from Yeneena expected to be received in May 2021

The directors of Encounter Resources Ltd (“Encounter” / “the Company”) are pleased to advise drilling has recommenced at Yeneena under the earn-in and joint venture agreement with IGO in the Paterson Province of WA.

Commenting on drilling, Encounter Managing Director Will Robinson, said:

“We have two months of predominantly copper focussed diamond drilling planned in the Paterson Province. This will include drilling of two high quality targets at Yeneena as part of the IGO earn-in; testing of a copper target at the Millennium Joint Venture; and drilling for further mineralised extensions at the 100% owned Lamil Copper-Gold Project. This exciting program has commenced at Yeneena and we expect first results to be returned in May 2021.”

Yeneena

Yeneena comprises a major land position covering more than 1,600km² in the highly prospective Paterson Province, targeting copper-cobalt mineralisation. IGO can sole fund \$15 million in exploration expenditure over a maximum of seven years to earn a 70% interest in Yeneena.

A comprehensive generative exploration program, completed in collaboration with IGO, involving fine fraction soil, magnetotelluric (“MT”) and electromagnetic (“EM”) surveys has identified a number of highly prospective copper drill targets at Yeneena. The current diamond drill program will test the Windsor EM and Aria IOCG targets.

Windsor EM target

The target is located at depth to the west of the BM1 copper oxide zone which includes high-grade near surface intersections (Figure 1):

- 10m @ 6.8% Cu from 32m*
- 20m @ 2.0% Cu from 22m*
- 16m @ 3.2% Cu from 26m¹

Completion of the Windsor EM target drill hole (EPT2310) that was paused in late 2020 due to challenging operational conditions. Completion of this drill hole to a planned depth of 800m is underway.

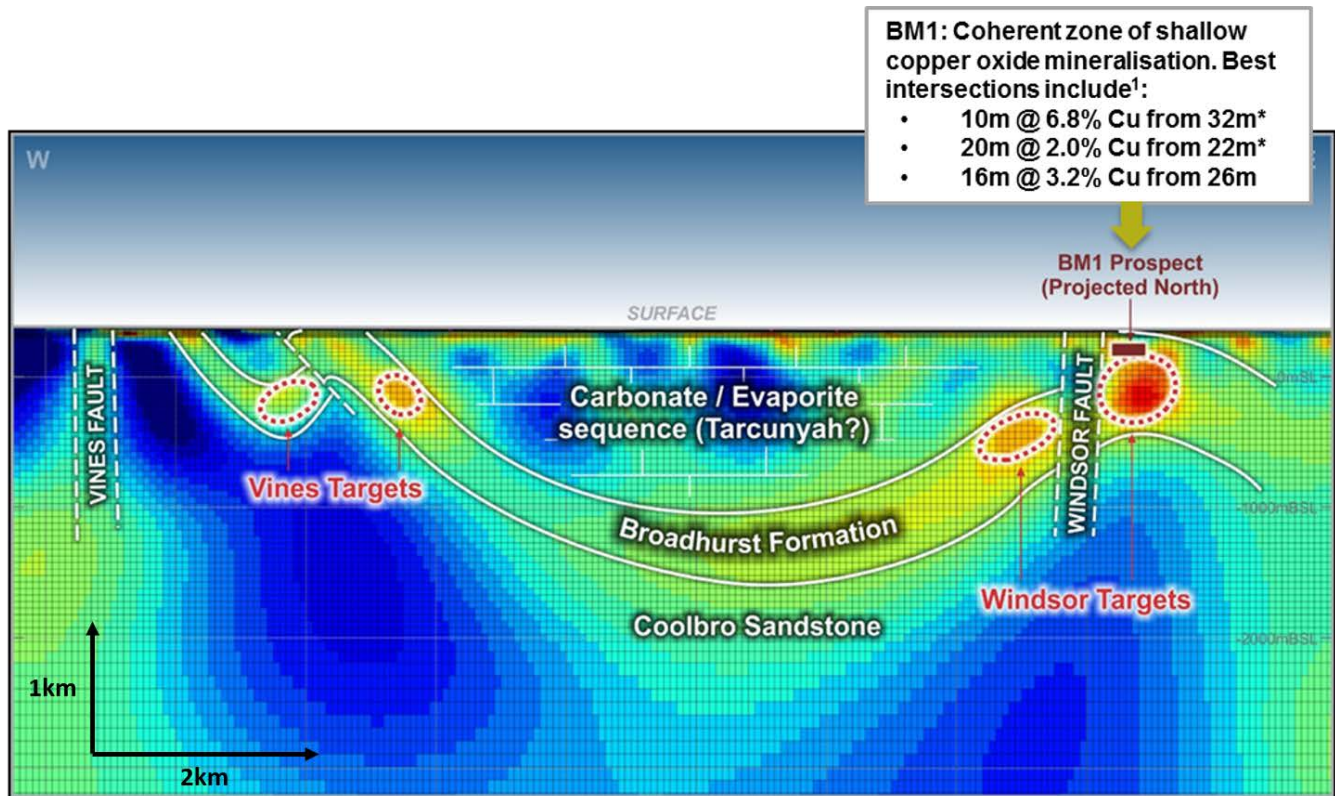


Figure 1. MT section – Vines Fault to BM1. Showing interpreted geology and the Vines and Windsor Targets

¹ Refer ASX announcement 15 July 2014

*Reported pursuant to the 2004 Edition of the JORC Code.

Aria IOCG target

The Aria conductive feature was identified in an EM survey completed in 2020 (Figure 2). The target lies on the margin of the Aria breccia pipe where localised copper mineralisation has been intersected in the two diamond holes drilled to date. A 500m diamond drill hole is planned to test the conductive feature on the margin of the Aria breccia pipe.

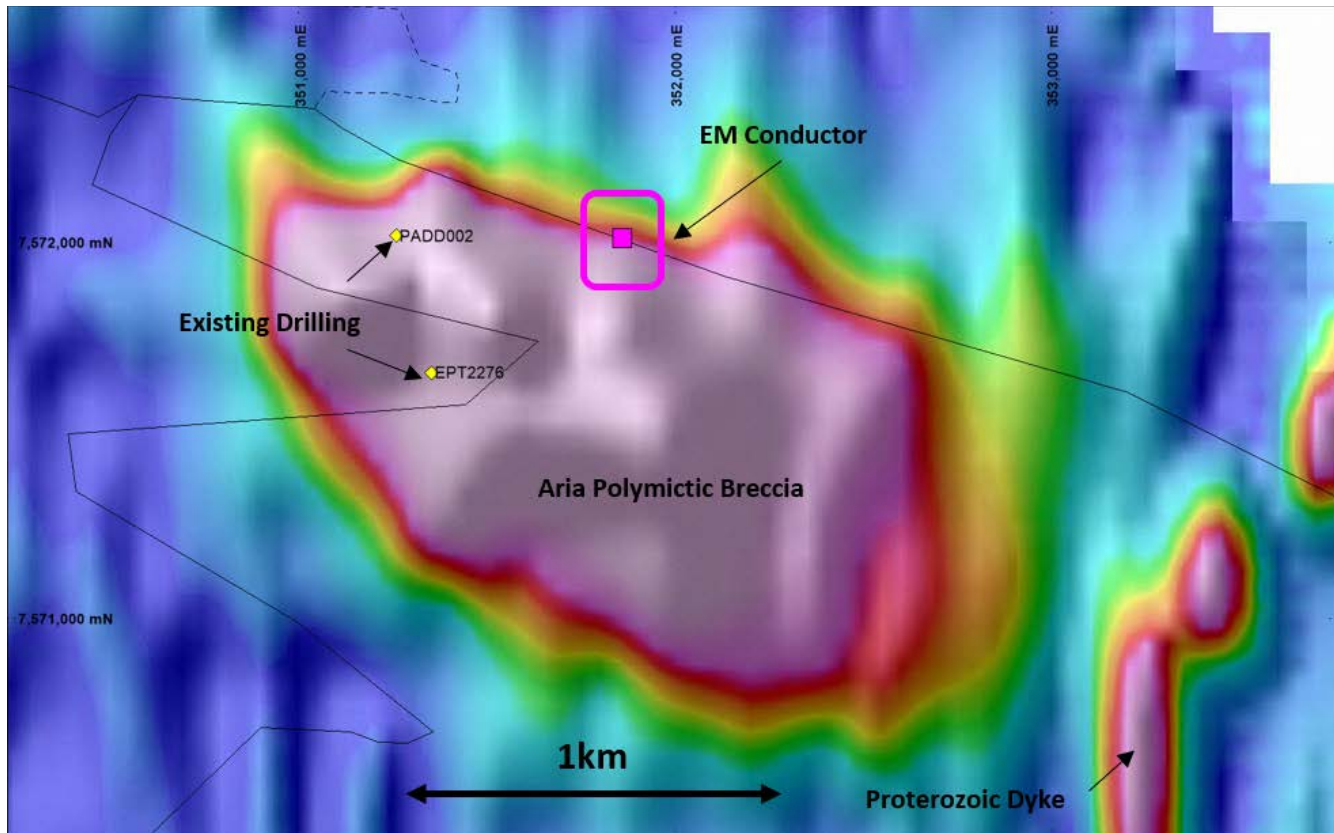


Figure 2. Aria magnetic anomaly with existing drilling and location of untested conductor

Tarcunyah target

Assay results from the two diamond drill holes (610m) completed at the Tarcunyah prospect during the December 2020 quarter have been delayed and are now expected in April 2021.

Stratigraphic target

The stratigraphy in the Paterson Province is poorly exposed and therefore poorly understood. Copper mineralisation is known to occur at the contact between lower sandstones and overlying shales at two prospects in the area. Outcrop of this key stratigraphic contact is limited and the relationship between the Broadhurst and the immediate underlying Coolbro Formation is not well documented. Furthermore, there is no geochemical or petrophysical data that can be unequivocally assigned to this part of the Coolbro Formation. The stratigraphic drill hole proposed by IGO as part of the Yeneena project aims to provide much needed data to help understand the regional stratigraphic framework that will assist in future exploration programs.

Millennium & Lamil

Subsequent to the completion of drilling at Yeneena, the diamond rig will complete programs at two additional copper and copper/gold targets in the Paterson:

- Millennium Joint Venture (ENR 75% / HHM 25%)
 - Drill testing of a copper drill target which is located on the Tabletop Fault adjacent to a broad zone of copper anomalism (+0.25% Cu) over a strike extent of 800m defined in prior aircore drilling.
- Lamil Copper-Gold Project (100% ENR)
 - An EIS co-funded diamond drill program (1,500m) targeting further extensions of the near surface copper-gold mineralisation at the Dune prospect.

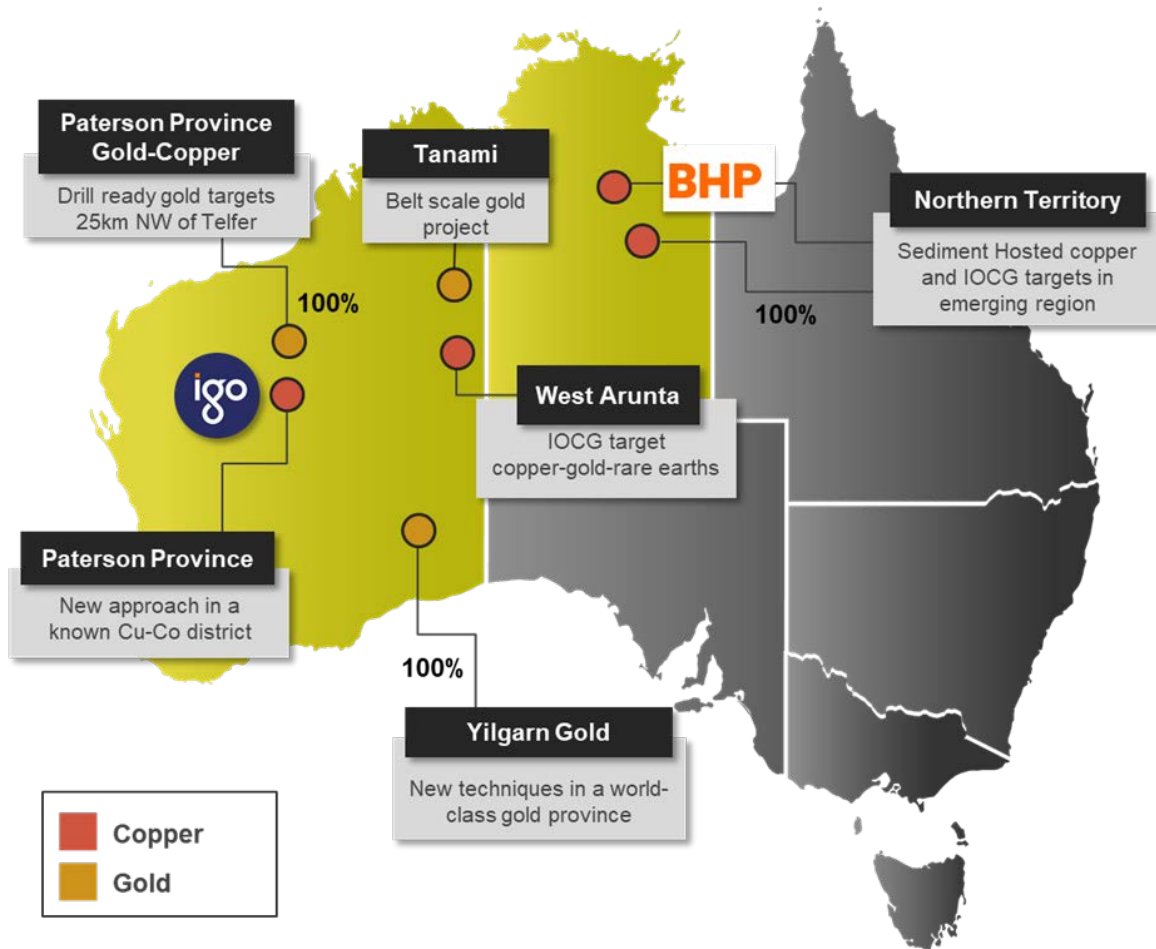
The information in this report that relates to Exploration Results is based on information compiled by Mr. Peter Bewick who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Bewick holds shares and options in and is a full time employee of Encounter Resources Ltd and has sufficient 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 Bewick 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.

Certain exploration drilling results for BM1 were first disclosed under JORC code 2004. It has not been updated since to comply with the JORC code 2012 on the basis that the information has not materially changed.

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This announcement has been approved for release by the Board of Encounter Resources Limited.



About Encounter

Encounter Resources Limited is one of the most productive project generation and active mineral exploration companies listed on the ASX. Encounter's primary focus is on discovering major gold and copper deposits in Australia.

Encounter holds a major ground position in the emerging Paterson Province where it is exploring for copper-gold deposits at its 100% owned Lamil Project and for copper-cobalt deposits at the Yeneena project with highly successful mining and exploration company IGO Limited (ASX:IGO).

Encounter also controls a major land position the Tanami region covering over 100km of strike along a major structural corridor and the Aileron copper-gold-rare earths IOCG project in the West Arunta in WA.

In addition, Encounter moved early and aggressively to secure a series of camp scale, first mover opportunities in the Northern Territory based on their potential to contain large, sedimentary-hosted and IOCG style copper deposits. This includes the Elliott copper project which is being advanced in partnership with BHP via an option agreement to enter an earn-in and joint venture.

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