

Diamond Drilling Commenced at Sandover Copper - NT (100% ENR)

- Diamond drilling has commenced at the Sandover sediment-hosted copper project (“Sandover”) in the Northern Territory
- Outcropping red-bed sandstone sequence with multiple narrow but strike extensive grey shale units containing copper oxide mineralisation identified at Sandover
- Limited historical drilling completed between 1966 and 1971 demonstrated that anomalous copper continues downdip and into fresh rock
- Integration of recently collected geophysical datasets has defined a priority conceptual target on the south-western margin of the basin at Sandover
- 1-2 targeted stratigraphic diamond holes, co-funded by the NT Government (up to \$200,000), will be completed in November 2023

Encounter Resources Ltd (“Encounter”) is pleased to report that a diamond drill program has commenced at Sandover (100% ENR), located 170km north of Alice Springs.

Commenting on the diamond drilling at Sandover, Encounter Managing Director Will Robinson said: *“The shale units containing the outcropping copper identified at Sandover are only considered to be moderate reductants but have precipitated considerable copper which provides evidence that a highly copper charged fluid has been active in the basin.*

This program has been designed to test for a first reductant unit at a key structural location on the south-western margin of the basin as a potential trap site for the copper charged fluid present in the basin.”



Photo 1 –Diamond drill rig in operation at Sandover - November 2023

Background

Sandover is located 170km north of Alice Springs and covers a major structural corridor on the southern margin of the Georgina Basin.

Field mapping and surface sampling has confirmed the presence of an outcropping red-bed sandstone sequence with multiple narrow but strike extensive grey shale units containing copper oxide mineralisation (malachite) (ASX release 25 November 2021).

Inspection of historical drill holes (drilled in 1968, 1971 and 1994) confirmed key geological units and processes to enable the formation of sediment hosted copper deposits. Significantly, narrow zones of copper sulphide minerals, including bornite, have been identified in historical drill core. (ASX announcement 9 June 2022) This provides encouraging evidence that processes capable of forming high-grade copper mineralisation are present in the basin.

Furthermore, shale units containing the outcropping copper mineralisation at Sandover are considered to be only moderate reductants yet have precipitated considerable copper. This suggests that a highly copper charged fluid has been active at Sandover.

An NTGS co-funded gravity survey was completed at Sandover in 2022. The integration of this gravity data with existing magnetic dataset defined a key structural location on the south-western margin of the basin.

Diamond drill program

The current drill program will test this south-western margin of the basin with 1-2 targeted stratigraphic diamond holes.

This program is co-funded by a drilling grant from the NT Government (up to \$200,000) and will be completed in November 2023.

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.

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 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 with leading miners: BHP, South32 and IGO.

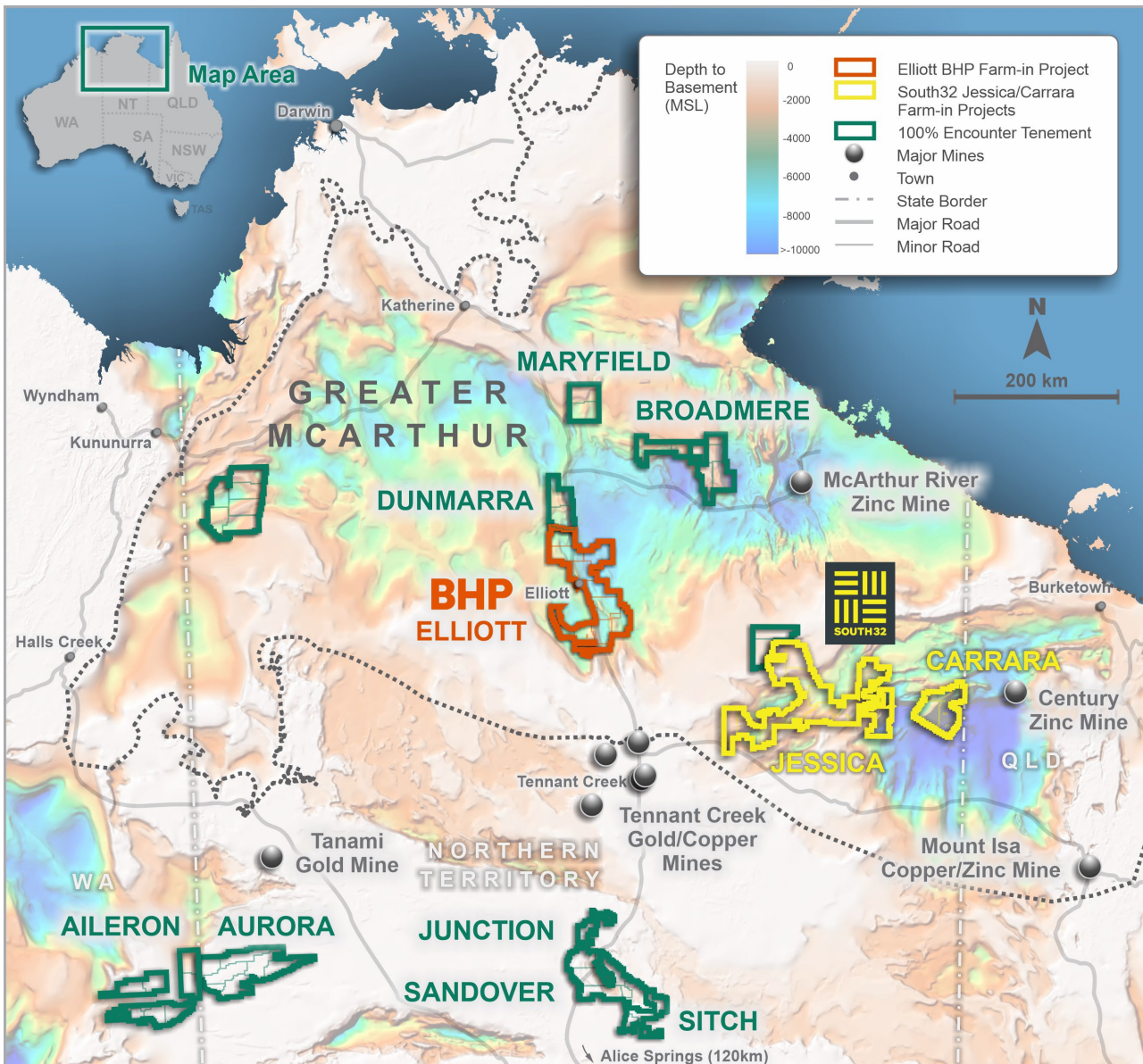


Figure 1 - Encounter copper and lithium projects in the Northern Territory – Project Location Plan

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