

EIS Co-Funding for West Arunta Cu-REE Drill Program

- Encounter awarded a co-funded drilling grant of up to \$220,000 under the WA Government's Exploration Incentive Scheme ("EIS") for the Aileron Cu-REE Project ("Aileron") in the West Arunta region of WA
- Detailed 8,000 line km airborne magnetic-radiometric survey in progress to refine targets for drilling in 2023
- Only two exploration drill holes have been reported to date in this 130km long, prospective geological belt in the West Arunta. Both holes, drilled ~20km apart, are well mineralised:
 - EAL001 at Aileron contained zones of anomalism in copper (up to 0.1% Cu), niobium (up to 773ppm Nb) and highly elevated rare earth elements (up to 0.8% TREO) ¹
 - PARC003 completed by WA1 Resources Ltd (ASX:WA1) intersected a niobium-REE mineralised carbonatite system located less than 1km from Encounter's boundary ²
- Magmatic hydrothermal mineral systems are certainly active in the region which is highly encouraging for 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 numerous drill targets with limited or no prior exploration

The directors of Encounter Resources Ltd ("Encounter") are pleased to announce that Encounter has been awarded a co-funded EIS drilling grant of up to \$220,000 for the Aileron Cu-REE project (100% ENR) in the West Arunta region.

Commenting on the Aileron EIS grant, Encounter Managing Director Will Robinson said: *"The EIS system is designed to help explorers drill and discover new mineral provinces in Western Australia. We are delighted to receive an EIS grant to complete diamond drilling at Aileron in 2023.*

The limited exploration in this part of the West Arunta has shown that the region is highly prospective for the formation of IOCG and carbonatite-hosted REE deposits under shallow cover. The first drill holes completed by WA1 and Encounter both contain highly anomalous REE and niobium as well as IOCG pathfinders. Either both companies have been incredibly fortunate, or this belt has the early hallmarks of a highly mineralised new province."

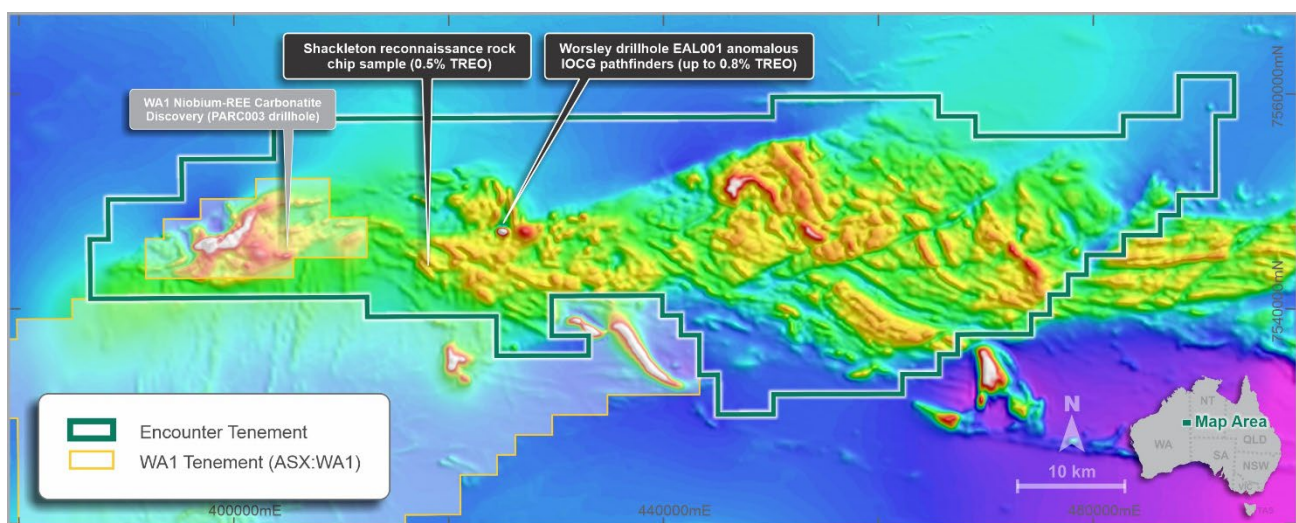
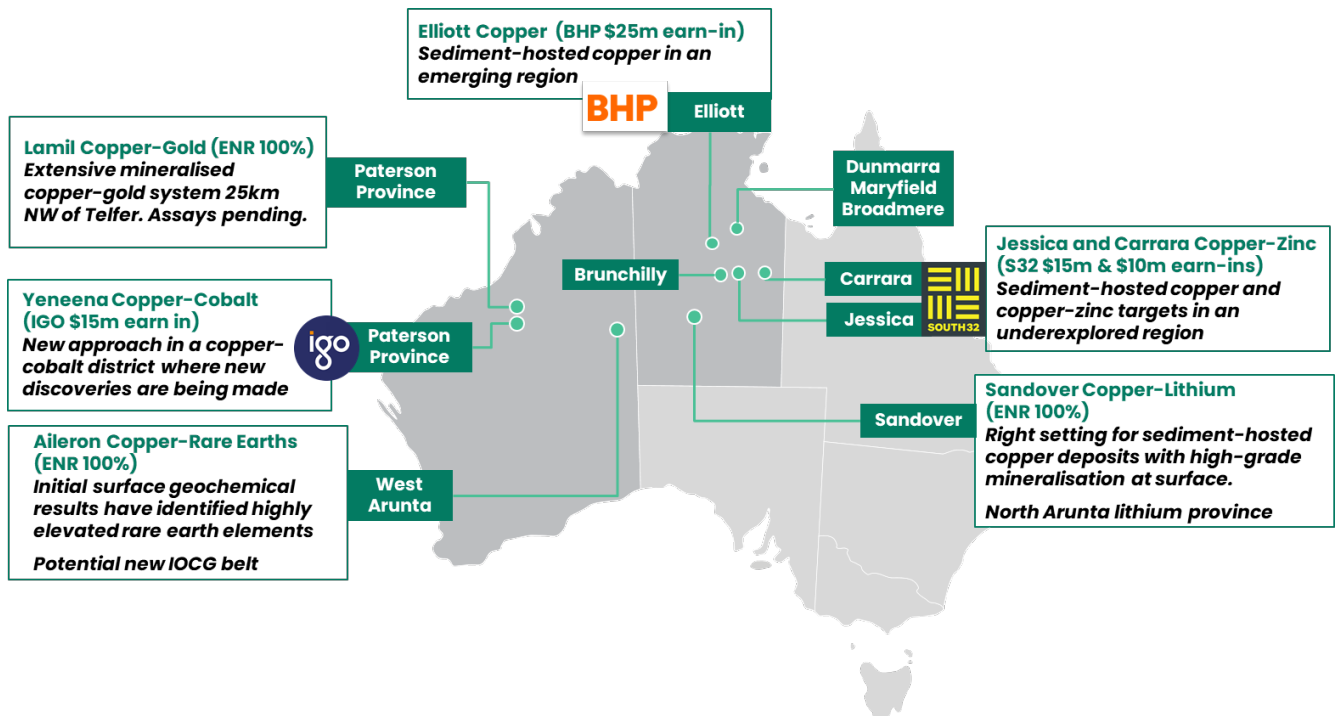


Figure 1 – Aileron Cu-REE project – Magnetics (TMI) ^{1,2,3}

¹ refer ASX release 28 January 2021
² refer ASX release by WA1 - 26 October 2022
³ refer ASX release 14 February 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

Aileron Copper-Rare Earths Project –WA

- IOCG style copper-gold-REE in drilling
- Olympic Dam age mineralisation events
- New niobium-REE discovery adjacent to Aileron

Sandover Copper Project – NT

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

Lamil Copper-Gold Project – Paterson Province WA

- Diamond drilling completed Sep 22
- Assay results Dec 22

Junction Lithium Project – NT

- North Arunta LCT Pegmatite Province
- New lithium targets identified
- Field assessment commencing

Farm-in partners

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

- Targeting sediment hosted copper
- Diamond drill program Oct-Nov 2022



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

- Two farm-in agreements completed Jun 22
- Eight new targets have been identified



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

- 4,000m diamond & 1,500m aircore drilling
- Six diamond drill holes completed

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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.