

Gravity Survey Commenced at Aileron IOCG Project – West Arunta

- A gravity survey has commenced at the 100km long Aileron IOCG (Copper-Gold-Rare Earths) project in the West Arunta region of Western Australia
- The survey will cover an area of structural complexity containing a number of magnetic features of interest. The survey will provide detailed gravity coverage (200x200m) over a discrete magnetic anomaly where the first drill hole (EAL001) was completed at the project in October 2020.
 - EAL001 intersected hydrothermal hematite-altered mafic intrusions and granite with a distinctive IOCG geochemical signature under shallow cover
 - EAL001 contained zones of anomalism in copper (up to 0.1% Cu), gold (up to 48ppb Au), molybdenum (up to 155ppm Mo) and highly elevated rare earth elements (up to 0.8% TREO, including lanthanum up to 0.2%, cerium up to 0.3%)¹
 - The metal anomalism in EAL001 is associated with the most intense hematite altered zones (up to 15% Fe)
- IOCG mineralisation often has a strong density contrast to background and can be identifiable through the application of gravity surveys
- In this context, any density anomalies identified in the gravity survey at Aileron will be high priority drill targets
- In April 2021, Encounter was awarded a co-funded drilling grant of up to \$150,000 under the WA Government's Exploration Incentive Scheme ("EIS") to test targets at Aileron

The directors of Encounter Resources Ltd ("Encounter") are pleased to announce the commencement of a gravity survey at the Aileron project in the West Arunta region.

Commenting on the gravity survey, Encounter Managing Director Will Robinson said:

"The combination of gravity and magnetics has resulted in the successful discovery of numerous IOCG deposits in South Australia, with gravity anomalies integral to the discovery of Carrapateena, Prominent Hill, Oak Dam and Olympic Dam.

The West Arunta is one of the most prospective and underexplored regions in Australia for IOCG deposits. Encouragingly, the first drill hole at Aileron, drilled without the benefit of gravity information, intersected the prospective geology under just 10 metres of cover. The hole identified a distinctive IOCG geochemical signature. Accordingly, any density anomalies identified in the current gravity survey at Aileron will be high priority drill targets"

AILERON COPPER-GOLD-RARE EARTHS PROJECT (ENR 100%)

Aileron is located in the West Arunta region of WA, ~600km west of Alice Springs. The project contains a number of structural targets identified through aerial magnetic surveys and the initial drill hole, EAL001 targeted a discrete magnetic anomaly. EAL001 was completed in October 2020 and intersected hydrothermal hematite-altered mafic intrusions and granite with a distinctive IOCG geochemical signature under shallow cover.

Assays from EAL001 include zones of anomalism in copper (up to 0.1% Cu), gold (up to 48ppb Au), molybdenum (up to 155ppm Mo) and highly elevated rare earth elements (lanthanum up to 0.2%, cerium up to 0.3%) (refer ASX release 28 January 2021), consistent with the targeted IOCG deposit model.

The metal anomalism in the hole is associated with the most intense hematite altered zones (up to 15% Fe). IOCG mineralisation often has a strong density contrast to background and may be identifiable through the application of gravity surveys. Accordingly, the current gravity survey has been designed to refine the targets prior to EIS co-funded drilling.

The results of the gravity survey will be available in August 2021. This survey will be integrated with existing geophysical datasets to design follow up exploration plans.

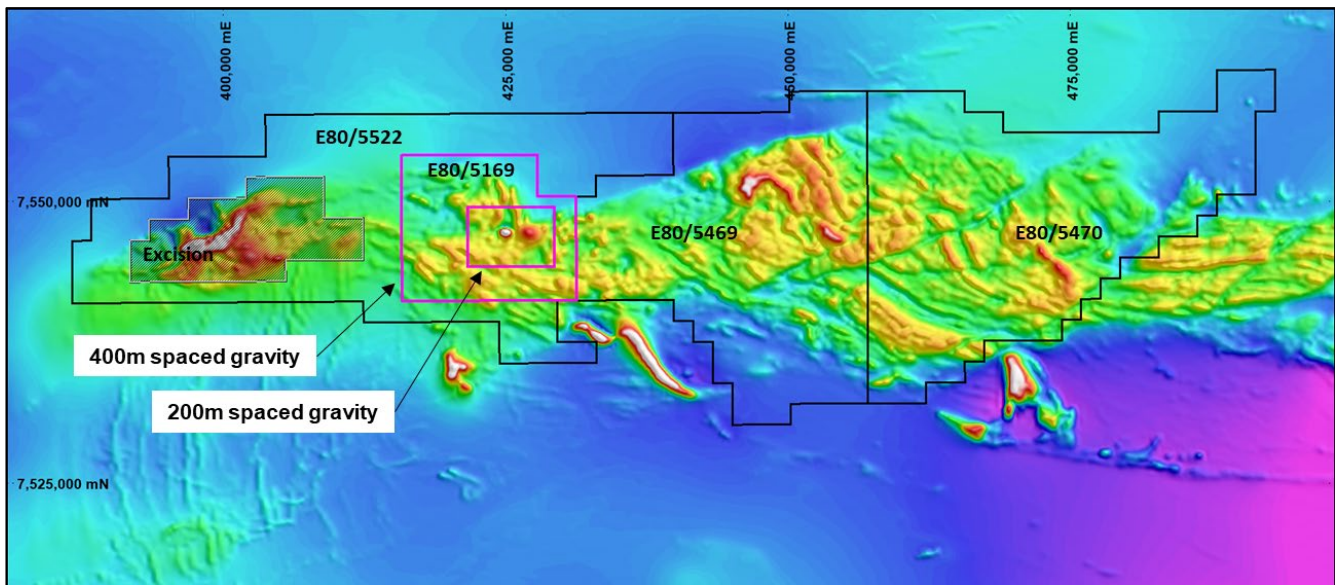
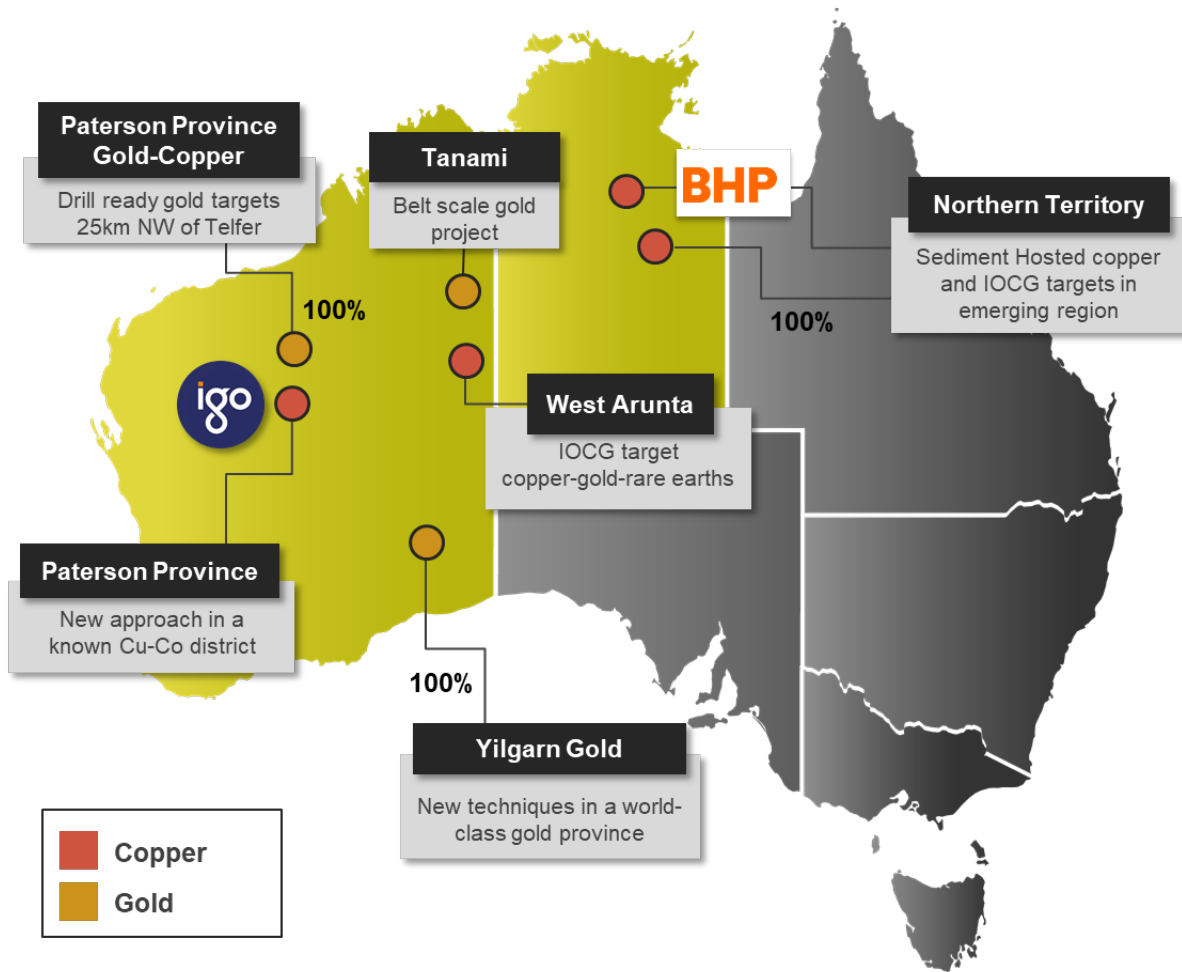


Figure 1. Aileron IOCG project – July 2021 gravity survey location plan

¹ refer ASX release 28 January 2021



About Encounter

Encounter Resources Limited is one of the most productive project generation and active mineral exploration companies listed on the Australian Securities Exchange. 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 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 (“NT”) 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 earn-in and joint venture.

For further information, please contact:

Will Robinson
Managing Director
+61 8 9486 9455
contact@enrl.com.au

Michael Vaughan
Fivemark Partners
+61 422 602 720
michael.vaughan@fivemark.com.au

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