

Two Diamond Drill Rigs Operating in the Paterson Province

- Two diamond rigs are currently operating at the 100% owned Lamil Copper-Gold Project located 25km north-west of Telfer
- The EIS co-funded drill program will extend a number of RC holes at the +1km long Dune Prospect which contain strengthening copper-gold mineralisation towards end of hole, including:
 - ETG0227 - 132m @ 0.31g/t Au and 0.11% Cu from 87m to end of hole including:
 - 22m @ 0.51g/t Au and 0.24% Cu from 181m
 - end of hole sample 2m @ 0.35g/t Au and 0.37% Cu from 217m¹
 - Drilling will also test new geophysical features identified in the northern part of Dune proximal to ETG0003 and ETG0208 which intersected:
 - 24.9m @ 0.7g/t Au from 127.1m and 4.0m @ 7.1g/t Au from 216m²
 - 18m @ 1.2g/t Au and 0.2% Cu from 126m including:
 - 4m @ 4.1g/t Au and 0.3% Cu from 138m³
- Assay results from Lamil drilling expected in September 2021
- Once the Lamil program is complete one drill rig will move to East Thomson's Dome gold project (100% ENR) located 5km north of Telfer.
- At Millennium diamond hole EPT2278 was successfully completed to a depth of 840m. Drill core is currently being processed with assay results also expected in September 2021

The directors of Encounter Resources Ltd ("Encounter") are pleased to announce that diamond drilling has commenced at Lamil.

Commenting on the drilling at Lamil, Encounter Managing Director, Will Robinson said:

"Dune is a +1km long copper-gold system containing an extensive supergene blanket of copper-gold mineralisation. Copper-gold mineralisation is strengthening towards the end of a number of RC holes drilled earlier this year and these holes will be extended with diamond tails. In addition, new conductive and magnetic targets have been identified in the north and west of Dune adjacent to a section of drilling containing several high grade gold intersections. These targets will also be tested in the current program."

Background

Lamil covers an area of ~61km² and is located 25km northwest of the major copper-gold mine at Telfer, owned by Newcrest Mining Ltd (ASX:NCM). Lamil is adjacent to a major regional gravity lineament which marks the location of a significant structure and deformation zone that would have acted as a pathway for ore forming fluids during the formation of the Proterozoic aged deposits.

Dune Prospect

Dune sits in the northwest of Lamil and consists of a laterally extensive +1g/t Au supergene zone outlined in previous broad spaced drilling. The mineralisation is located on the fold axis in the northern part of the Lamil Dome.

1. Diamond Tails to extend February 2021 RC holes

The RC drill program completed in February 2021 at Dune (see Figure 1) extended the copper-gold system both to the south and east.

Assay results contain strong copper-gold intersections including:

- 132m @ 0.31g/t Au and 0.11% Cu from 87m to end of hole in ETG0227¹
 - including 22m @ 0.51g/t Au and 0.24% Cu from 181m
 - end of hole sample 2m @ 0.35g/t Au and 0.37% Cu from 217m
- 58m @ 0.20g/t Au and 0.12% Cu from 95m in ETG0228¹
 - including 18m @ 0.29g/t Au and 0.30% Cu from 95m

Diamond tails will extend a number of RC holes at Dune to target further extensions of the copper-gold mineralisation. The first two diamond drill tails will be extensions of ETG0226 and ETG0227.

2. Geophysical Targets North-West of Dune

Previous drilling in the northern part of the +1km long copper-gold mineral system at Dune intersected broad zones of near surface mineralisation (see Figure 1) including:

- 24.9m @ 0.7g/t Au from 127.1m and 4.0m @ 7.1g/t Au from 216m in ETG0003²
- 20m @ 0.5g/t Au and 665ppm Cu from 96m and
- 18m @ 1.2g/t Au and 0.2% Cu from 126m incl:
 - 4m @ 4.1g/t Au and 0.3% Cu from 138m in ETG0208³
- 8m @ 1.0g/t Au and 426ppm Cu from 197m in ETG0010⁴

Integration and inversion of EM and Magnetic surveys completed at Dune has identified a conductive feature located south-west (see Figure 2) and two residual magnetic anomalies in the north-west proximal to the intersections ETG0003 and ETG0208. These new geophysical targets will be drill tested in the current drill program.

¹ refer ASX release 21 April 2021

² refer ASX release 19 January 2017

³ refer ASX release 18 December 2020

⁴ refer ASX release 26 April 2017

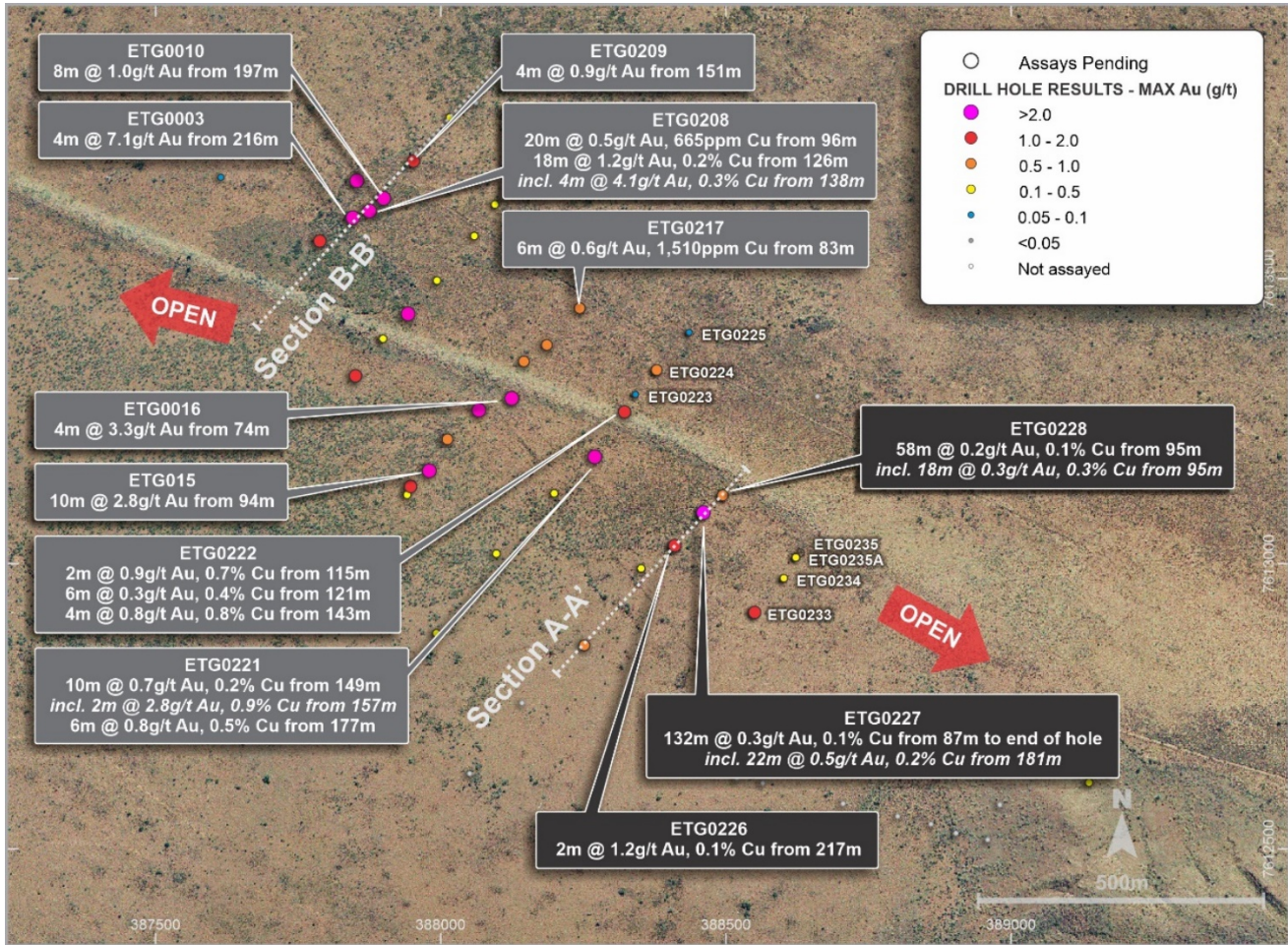


Figure 1 – Dune Prospect (Max in hole Au)

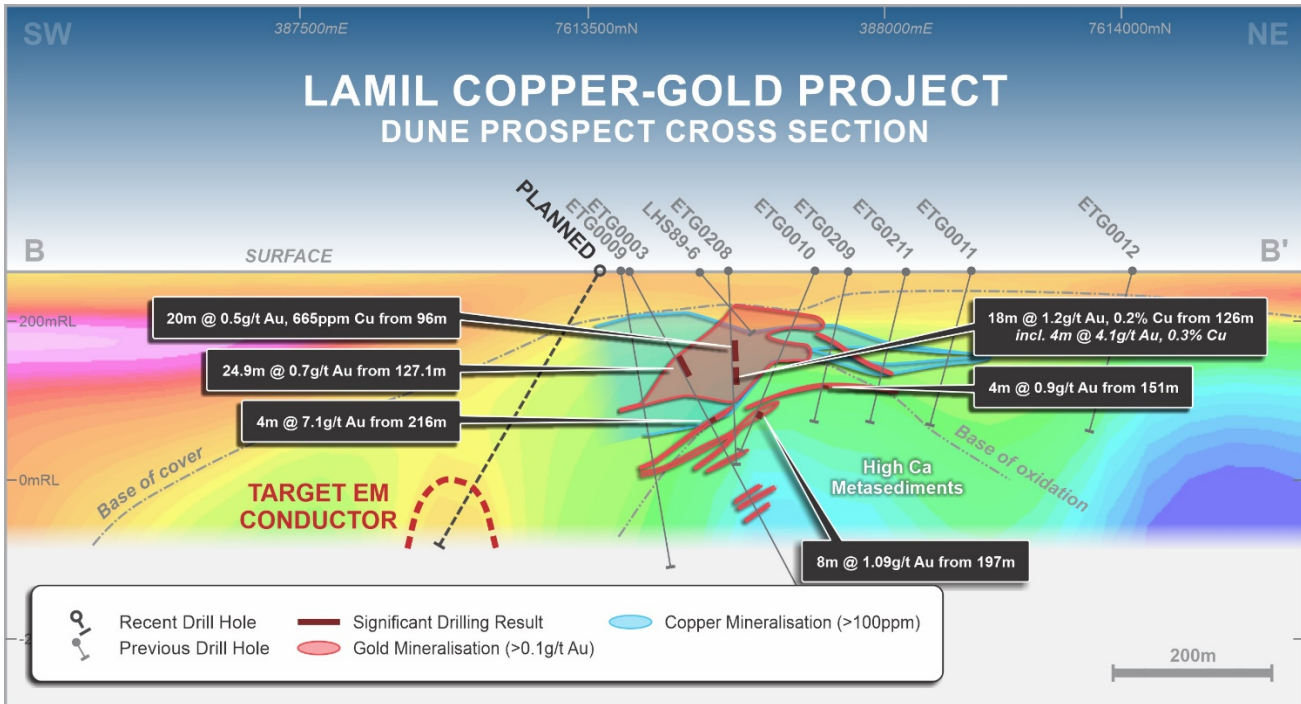


Figure 2 – Dune Prospect – EM Conductor Target Section B – B'

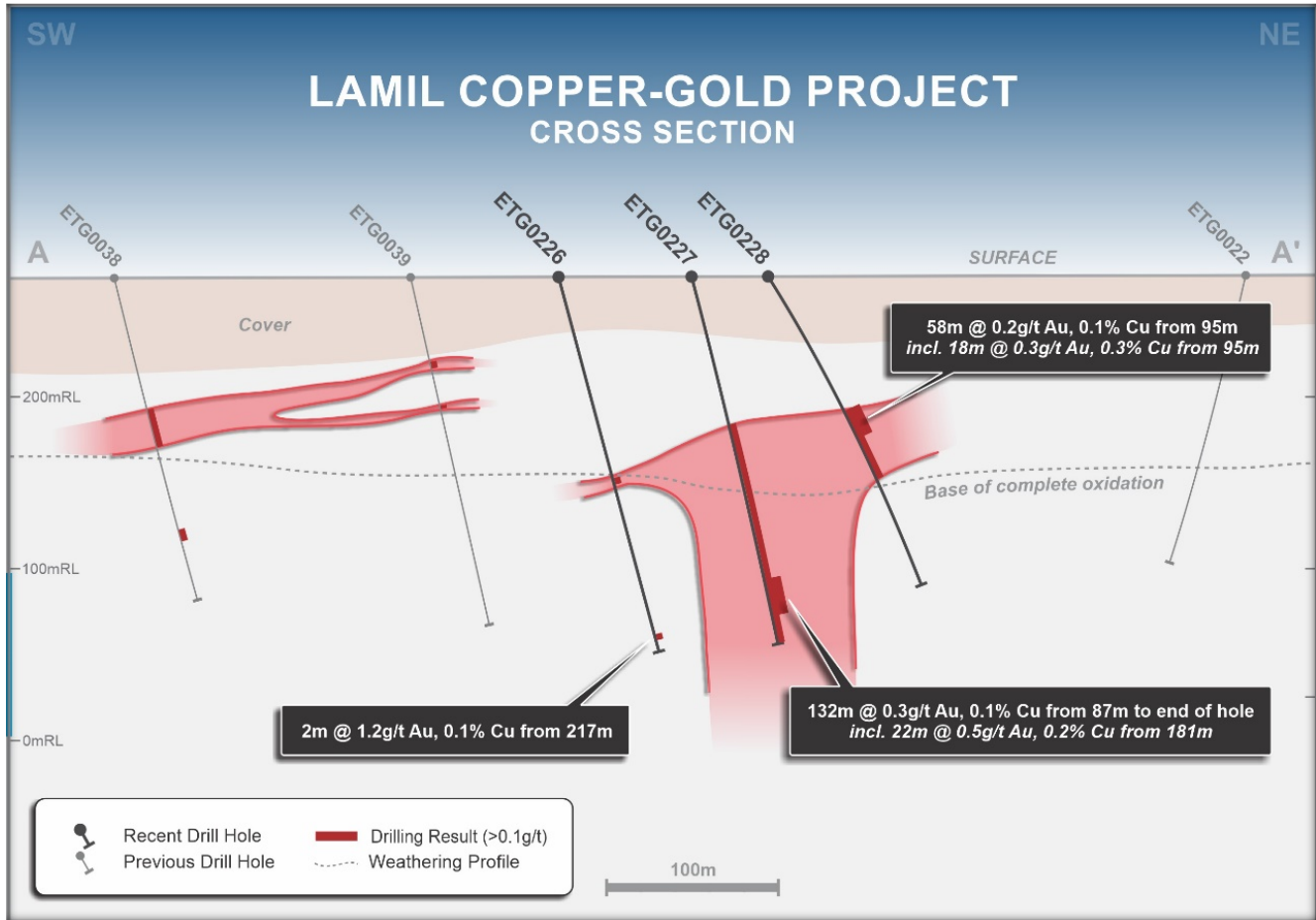
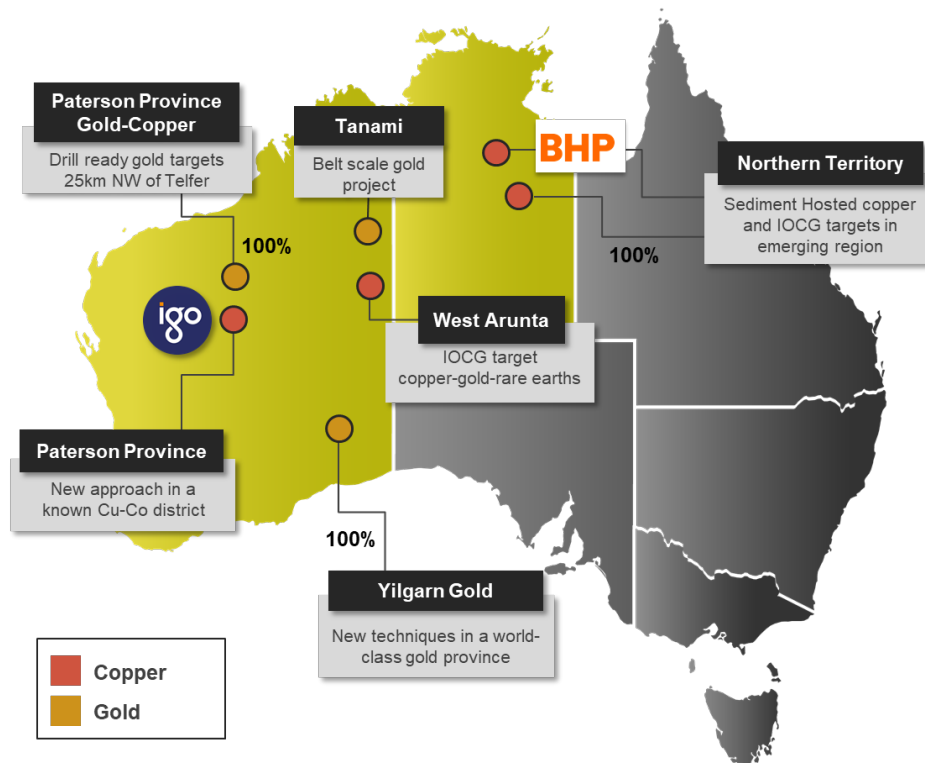


Figure 3 – Dune Prospect cross section through A-A'



About Encounter

Encounter is one of Australia's leading mineral exploration companies listed on the Australian Securities Exchange. Encounter's primary focus is on discovering major gold and copper deposits in Australia. Encounter's assets include:

- A large project portfolio in the Paterson Province of WA where it is exploring for copper-gold deposits at its 100% owned Lamil Project and for copper-cobalt deposits at the Yeneena project with IGO Limited (ASX:IGO);
- An extensive land position in the Tanami region covering over 100km of strike along a major prospective structural corridor in WA;
- A series of camp scale, first mover copper opportunities in the Northern Territory. This includes the Elliott copper project which is being advanced in partnership with BHP via a \$22m earn-in and joint venture; and
- The Aileron IOCG project in the West Arunta in WA.

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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.