Diamond Drilling Commences at Lamil – Paterson Province

- **Diamond drilling has commenced at the 100% owned Lamil copper-gold project ("Lamil") in the Paterson Province of WA**
- **1,500m program is co-funded, up to $220,000, under the WA Government's Exploration Incentive Scheme ("EIS")**
- **Lamil copper-gold system (>1km of strike) is located 25km from the Telfer copper-gold mine and contains:**
  - **Multiple, stacked, narrow copper-gold reefs in a mineralised prospective host package that is >200m thick**
  - **Evidence of high-grade, chalcocite dominant copper mineralisation**
  - **Mineralised horizons open in all directions, with strengthening copper grades and higher vein frequency providing potential vectors to high-grade mineralisation**

The directors of Encounter Resources Ltd ("Encounter" / "the Company") are pleased to advise that diamond drilling has commenced at Lamil in the Paterson Province of WA

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

"We are closing in on the core of the copper-gold system at our 100% owned Lamil project. The diamond drilling completed in late 2021 intersected a thick prospective package containing multiple, stacked copper-gold reefs that are open on section and down plunge. The drilling also intersected chalcocite dominant copper mineralisation demonstrating the system's ability to produce high-grade mineralisation. This EIS co-funded diamond drill program will test if the system continues to strengthen down plunge and down dip.

In the coming months substantial diamond drill programs will be completed at three Encounter projects:

- 1,500m program at the Lamil project in the Paterson Province of WA (EIS co-funded);
- 3,000m program at the Elliott copper project in the Northern Territory (BHP funded); and
- 4,500m program at the Yeneena copper project in the Paterson Province of WA (IGO funded)."

Background

Lamil covers an area of ~61km^2 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 an interpreted significant crustal scale structure that would have acted as a pathway for mineralising fluids during the formation of the Proterozoic aged deposits.

The Dune prospect is located in the northwest of the Lamil project and consists of a laterally extensive gold-copper system, outlined by broad spaced RC drilling over 1km of strike (Figure 1). The mineralisation at Dune is hosted in metasedimentary rocks of the Proterozoic Lamil group which also host the Telfer, Havieron and Winu Au-Cu deposits. Dune is situated close to the intersection of the prospective Upper Malu formation and the interpreted fold axis in the north western part of the Lamil Dome.

Seven diamond holes were completed at Dune in September 2021. Copper-gold mineralisation was intersected in two diamond drill sections spaced 200m apart (Figure 2).

Encounter Resources Limited
Suite 2, 1 Alvan St
Subiaco WA 6008

P +61 8 9486 9455
E contact@enrl.com.au
www.enrl.com.au

The intersection of multiple, stacked, narrow copper-gold reefs in ETG0243 within a thick prospective package of interbedded siltstones analogous to Telfer's Upper Malu formation was an important step forward for the project. This led to a review of previous RC drilling at Dune and the new information from 2021 has demonstrated that previous RC drilling has not effectively tested this highly prospective package.

The intersection of high-grade chalcocite-dominant copper mineralisation in ETG0226 and chalcopyrite-dominant copper-gold reefs in the Middle to Lower Malu quartzite package in both ETG0227 and ETG0243 provides evidence of a depth extensive hydrothermal system capable of producing high-grade mineralisation.

Drilling will now test the continuity of these mineralised intervals down plunge and down dip. Two drill holes are planned in the current program. ETG0245 will test for lateral extensions and increased widths to the reefs seen in ETG0243. ETG0244 will test the down plunge position of the upper reef horizon intersected in ETG0243 where an interpreted cross cutting structure intersects the projected position of the prospective package.

A detailed gravity survey was completed at Lamil in May 2022. Results of this survey refined the targets for the current drill program at Dune. In addition, a discrete density anomaly has been identified adjacent to the Elsa prospect in the south-east of Lamil (Figure 5) and is a compelling untested target.

Next Steps

This EIS co-funded diamond drill program (1,500m) has commenced. The program will test the mineralised units containing stacked copper-gold reefs, down plunge and down dip.

A gravity anomaly identified in the recent survey adjacent to the Elsa prospect at Lamil is also planned to be tested, either in the current diamond drill program or when a suitable RC rig becomes available in the area.

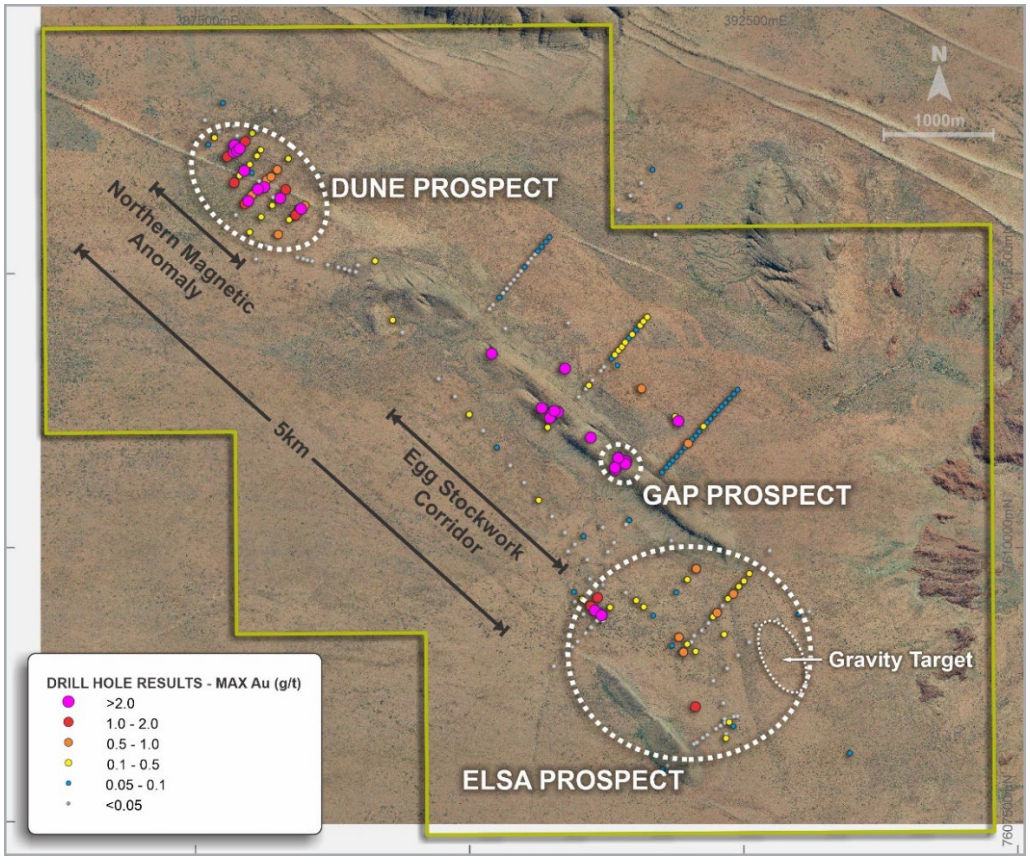


Figure 1 – The Lamil project prospects including Dune in the NW of the Lamil dome and the location of the new Elsa gravity target in the SE of the Dome with current drill hole collars displaying max Au g/t.

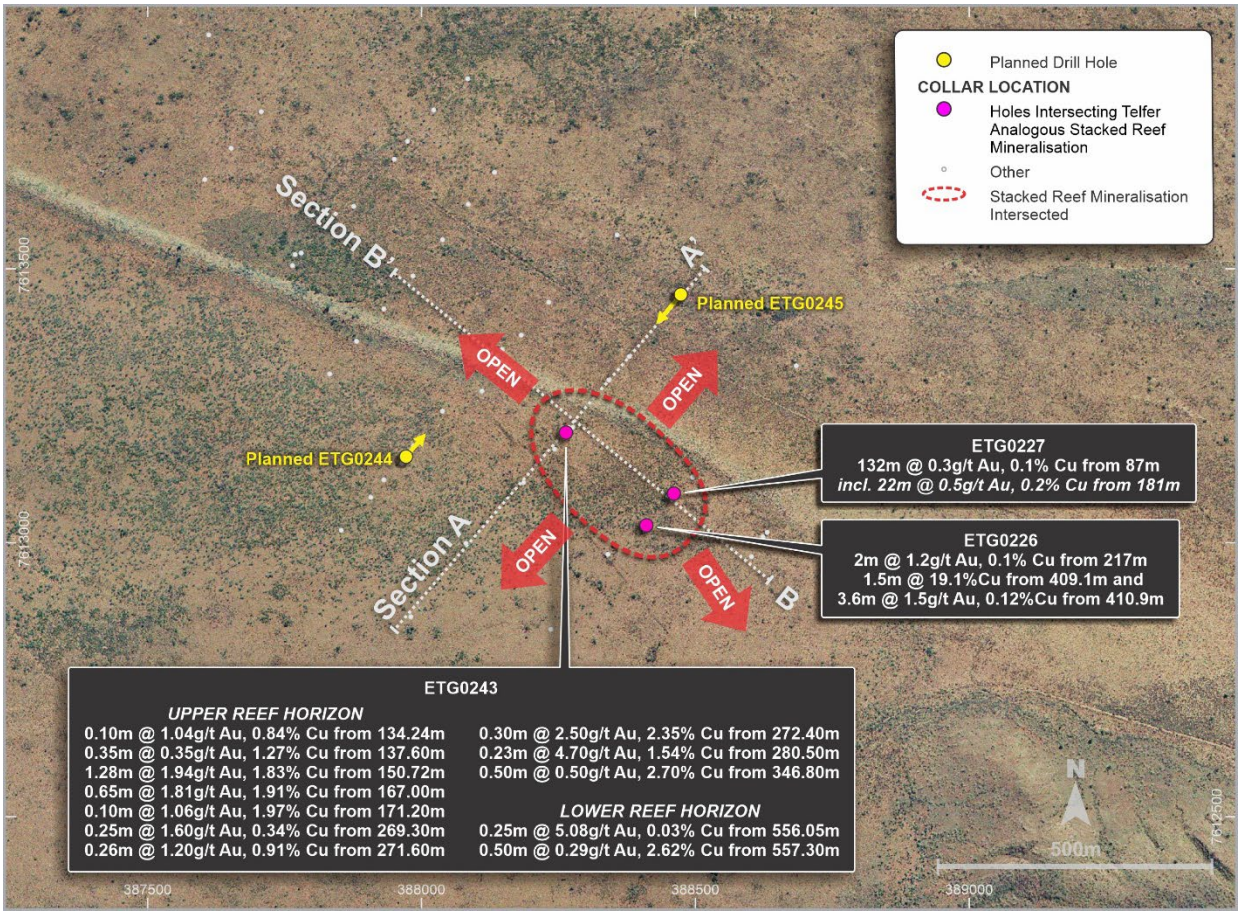


Figure 2 – Dune prospect plan showing only three holes that have tested the Telfer analogous stratigraphic package, the outline of the stacked reef mineralisation intersected in drilling to date, the location of two planned 2022 drill holes down dip (cross section A-A') and down plunge (long section B-B'). [1]

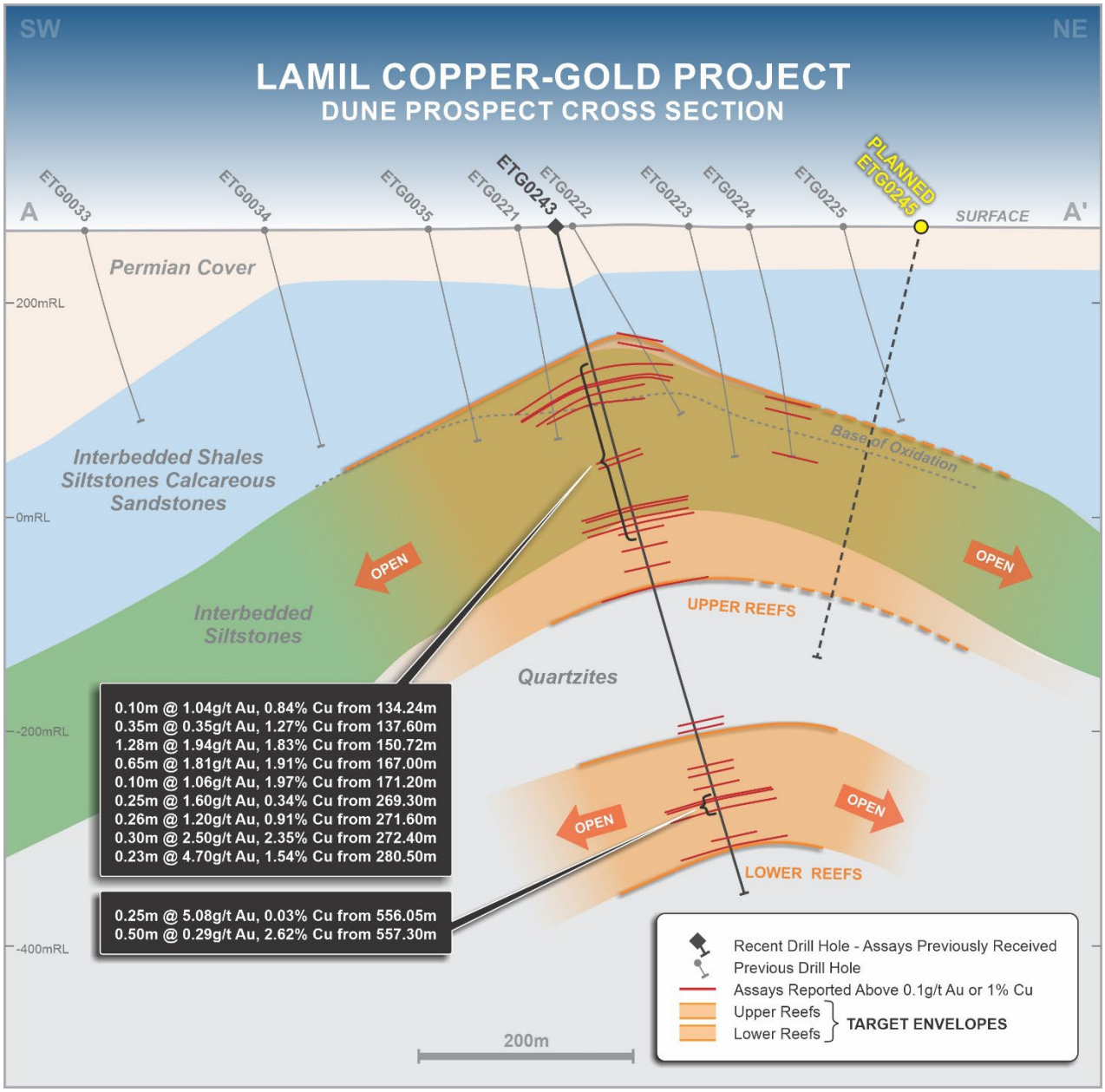


Figure 3- Schematic Dune cross section with planned drill hole ETG0245. The Telfer analogous stratigraphy and Upper and Lower Reef horizons intersected in ETG0243 contain multiple narrow Cu-Au reefs which are generally sub parallel to stratigraphy. Drilling is planned to test lateral continuity and increased widths of the upper reefs down dip [1]

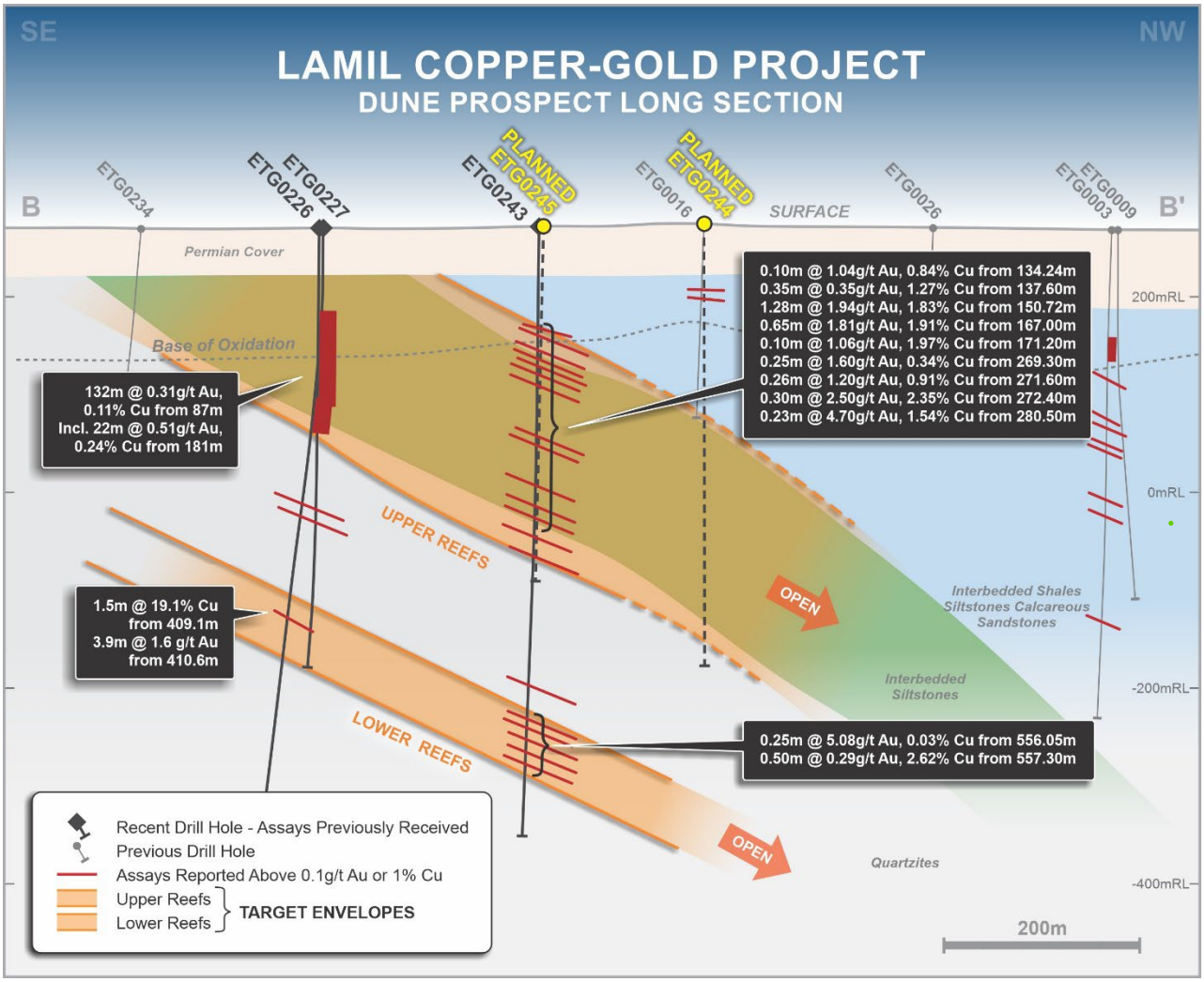


Figure 4- Schematic long section of Dune showing the interbedded siltstone unit dipping below previous drilling at Dune and planned drill holes, ETG0244 and ETG0245. The prospective unit is untested down plunge of ETG0243 where drilling has intersected an increase in frequency of Cu-Au reefs. [1]

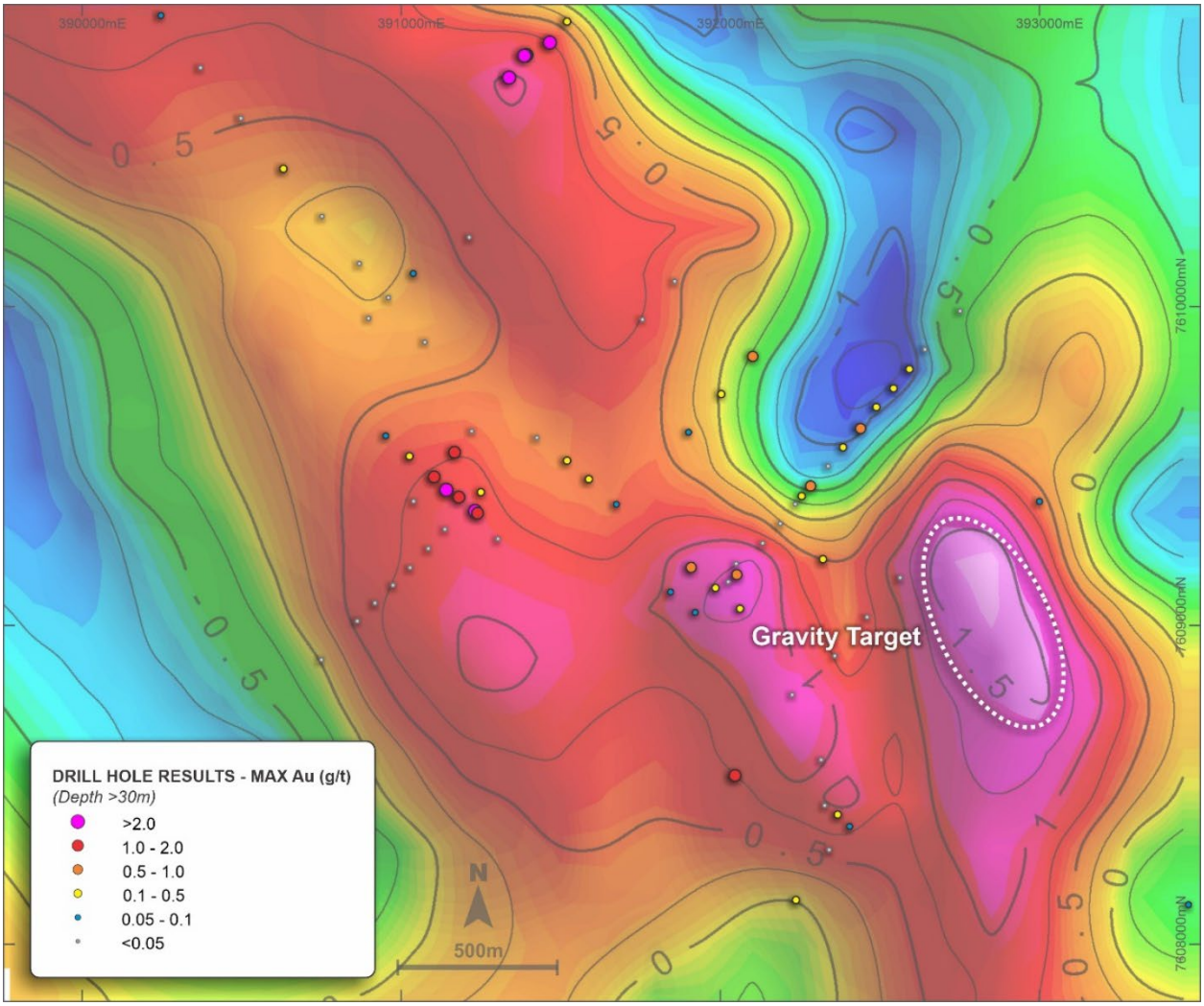
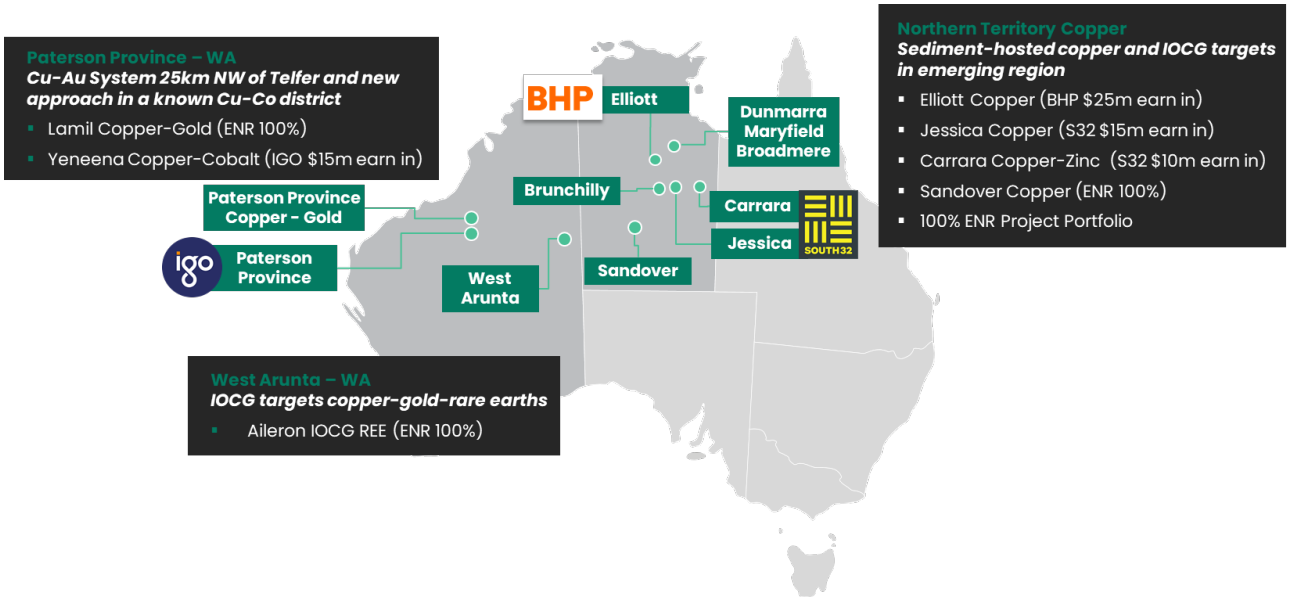


Figure 5- Ground Gravity Bouger Anomaly plot over the Elsa prospect. The Elsa gravity feature is a compelling discrete gravity target with a depth to target of 180m which remains untested. Drillholes have been filtered to >30m which is the estimated depth of transported cover over the target.

[1] For further details regarding the exploration results at the Lamil Copper-Gold Project, please refer to the following ASX announcements:

ASX release 26 April 2017
ASX release 19 January 2017
ASX release 18 December 2020
ASX release 21 April 2021
ASX release 6 September 2021
ASX release 16 November 2021

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:

- 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);
- A series of camp scale sediment hosted copper opportunities in the Northern Territory. This includes the Elliott copper project which is being advanced via a $25m earn-in and joint venture in partnership with BHP (ASX:BHP) and farm-in agreements with South32 (ASX:S32) at the Jessica and Carrara projects; and
- The 100% owned Aileron IOCG / REE project in the West Arunta region of WA.

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 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 they/them, 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.

JORC Code, 2012 Edition – Table 1 report

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sounds, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	A detailed ground gravity survey (581 stations) has been completed at the Lamil Cu-Au project by Haines Surveys.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	Base station readings were taken at the beginning of the day and at the end of the day's fieldwork. All Autograv instruments used in this survey apply an instrument drift correction to its final gravity reading. Any residual drifts between base station readings are corrected by the gravity post processing software. The instruments also apply Earth Tide Corrections to their final gravity reading at each station.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information	A detailed ground gravity survey (581 stations) has been completed at the Lamil project. Stations were 100m spaced and NE-SW orientated lines were 200m-500m. Line spacing was determined by previously heritage surveyed lines. 100m spaced stations were also taken along nominated existing tracks, which were generally in a NW-SE Orientation, to aid in modelling. The sampling techniques used are deemed appropriate for the style of exploration.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	No new drilling is being reported in this announcement.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	No new core or chip samples are being reported in this announcement
	Measures taken to maximise sample recovery and ensure representative nature of the samples	No new drilling is being reported in this announcement

	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No new drilling is being reported in this announcement

Criteria	JORC Code explanation	Commentary
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	N/A- no new drilling is being reported in this announcement
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	N/A- no new logging is being reported in this announcement
	The total length and percentage of the relevant intersections logged	N/A- no new logging is being reported in this announcement
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	N/A- no new core drilling is being reported in this announcement
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	N/A- no new geochemical sampling is being reported in this announcement
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	N/A – no sampling preparations were completed in this program
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	N/A – no sampling was completed in this program
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	N/A – no sampling was completed in this program
	Whether sample sizes are appropriate to the grain size of the material being sampled.	N/A- not relevant to the gravity survey being reported.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	N/A- no assaying or laboratory techniques are being reported in this announcement
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Gravity measurements have been made using Scintrex CG5 Autograv instruments. Readings of 120 seconds were taken at a base station. Readings of 40 seconds were taken at all other gravity survey points. Base station readings were taken at the beginning of the day and at the end of the day's fieldwork. All Autograv instruments apply an instrument drift correction to final gravity readings. Any residual drifts between base station readings are corrected by the gravity post processing software.

		The instruments also applies Earth Tide Corrections to their final gravity reading at each station.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	29 gravity station observations were repeated for quality control purposes, giving a repeat percentage of 5.0%. These were reviewed by both Haines Surveys and Terra Resources Consultant geophysicists contracted by Encounter. Data was found to be within acceptable bounds of precision and accuracy for the ground gravity survey.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Data was reviewed by Haines Surveys and Terra Resources in the field and on completion of the survey.
	The use of twinned holes.	N/A- no new drillholes are being reported in this announcement
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Data was Reviewed by both Haines and Terra Resources in the field and sent daily via email back to Perth. A final data pack was supplied by Haines Surveys to Encounter and Terra Resources for QAQC. Terra Resources then processed the final data and returned a range of gravity products to Encounter in the form of grids and images which are stored on Encounter's severs.
	Discuss any adjustment to assay data.	The field gravity observations have been processed using standard formulae and constants as documented by Geoscience Australia to produce a Bouguer Anomaly for each gravity station. The Bouguer anomaly processing has been performed using a country rock density of 2.67 g/cc. The meter reading as recorded in the raw Scintrex data file is corrected for instrument tilts, meter drift and Earth Tide.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Carrier phase GPS data has been collected using Trimble R8 GNSS series geodetic receivers to an accuracy of +- 2-5cm
	Specification of the grid system used.	Horizontal Datum: Geocentric Datum of Australia1994 (GDA94) Map Grid of Australia 1994 (MGA94) Zone 51 Vertical Datum: Australian Height Datum (AHD) Gravity Datum: Australian Absolute Gravity Datum 2007 (AAGD07)
	Quality and adequacy of topographic control.	Elevation data is crucial in the terrain corrections required for meaningful gravity results. Elevation data to +-2-5cm was collected at each observation station which is considered adequate quality for ground gravity surveys
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Stations were 100m spaced and lines were oriented NE-SW and 200m-500m spaced. The spacing of the lines varied due to heritage clearance restrictions.

		100m spaced stations were also taken along nominated existing tracks generally running in a NW-SE orientation to aid in modelling.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Mineralisation has not yet demonstrated to be sufficient in both geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications to be applied.
	Whether sample compositing has been applied.	N/A – not relevant to gravity survey
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The orientation of the survey is perpendicular to the axis of the Lamil dome where mineralisation appears to be concentrating at the project.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	N/A - no new drilling results are being announced
Sample security	*The measures taken to ensure sample security.*	N/A - no new drilling results are being announced
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits have been conducted however the data was reviewed by Data was reviewed by Haines Surveys and Terra Resources in the field and on completion of the survey.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties including joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Lamil project is located within the tenement E45/4613 which is 100% held by Encounter. The prospect area is subject to a production royalty of A$1 per dry metric tonne of ore mined. This tenement is contained completely within land where the Martu People have been determined to hold native title rights. No historical or environmentally sensitive sites have been identified in the work area.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The majority of historical exploration activity at Lamil was completed during a Newmont / BHP / WMC joint venture in the mid-1980s with Newmont as operator.

		In 1989 Newmont completed a six hole diamond program at Lamil (LHS 89 1-6) for a total of 563m with one hole targeting the Northern Magnetic anomaly (now called Dune). In 1990/91, a program of RAB holes (LHB series) were drilled on the Northern Magnetic Anomaly along the interpreted fold axis for a total of 1734m. Drilling was hampered by ground water resulting in the program being largely ineffective.
Geology	*Deposit type, geological setting and style of mineralisation*	The Lamil project is situated in the Proterozoic Paterson Province of Western Australia. A simplified geological interpretation comprises a domal feature with Isdell Formation in the core overlain by Malu Formation and the Puntapunta Formation forms the uppermost unit. The Dune project is considered prospective for sediment – hosted 'Telfer style' gold-copper mineralisation and skarn style mineralisation.
Drill hole information	*A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:* • *Easting and northing of the drill hole collar* • *Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar* • *Dip and azimuth of the hole* • *Down hole length and interception depth* • *Hole length*	N/A - No new drilling results are being reported in this announcement

Criteria	*JORC Code explanation*	**Commentary**
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	N/A - No new drilling results are being reported in this announcement
	Where aggregated intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical	N/A- No new assay results are being reported in the announcement

	examples of such aggregations should be shown in detail.	
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	N/A- No metal equivalents are being reported in this announcement
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of exploration results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	The geometry of the mineralisation is not yet known due to insufficient drilling in the targeted area.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plane view of drill hole collar locations and appropriate sectional views.*	Refer to body of this announcement
Balanced Reporting	*Where comprehensive reporting of all Exploration Results is not practical, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All significant intervals have been previously reported. Intervals are reported with a 0.1g/t Au and/or 0.1% Cu lower cut-off
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observation; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All meaningful and material information has been included in the body of the text. No metallurgical or mineralogical assessments have been completed.
Further Work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large – scale step – out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	The next phase of work will be designed following interpretation of assays from the current program and results of the ground gravity survey.