

100% Control of Aileron Copper-Gold-Rare Earths Project

- Encounter Resources Ltd (“Encounter / the Company”) has regained 100% control of the 1,300km² Aileron IOCG-style copper-gold-rare earths project (“Aileron”).
- Newcrest Mining Ltd (“Newcrest”) has advised of its decision to withdraw from the Aileron joint venture and will hold no residual interest.
- Newcrest completed one, 158m deep diamond drill hole (EAL001) into this unexplored belt and successfully intersected hydrothermal hematite-altered mafic intrusions and granite with a distinctive IOCG geochemical signature under shallow cover (10m).
- Assays include zones of anomalism in copper (up to 0.1% Cu), gold (up to 48ppb Au) and molybdenum (up to 155ppm Mo). Furthermore, highly elevated rare earth elements consistent with the targeted IOCG deposit model were identified including lanthanum (La) up to 0.2% and cerium (Ce) up to 0.3% (see ASX release 28 January 2021).
- Metal anomalism at Aileron is associated with hematite-alteration and IOCG mineralisation often has a strong density contrast (Olympic Dam, Prominent Hill) meaning gravity surveys could provide drill targets and a clear pathway to discovery.
- Discussions with potential partners will commence with the aim of securing a new partner with suitable funding and expertise to advance this regional scale IOCG copper-gold-rare earths opportunity under shallow cover.

The directors of Encounter are pleased to advise the Company has regained 100% control of Aileron.

Commenting on the future plan for Aileron, Encounter Managing Director Will Robinson said:

“The first drill hole into a remote and unexplored 70km long belt, intersected zones of intense hydrothermal hematite alteration with a distinctive IOCG signature in a suite of elements including copper, gold, molybdenum and highly elevated rare earth elements. This hole has demonstrated the potential for near surface IOCG deposits in the West Arunta region under shallow cover.

“We are pleased to be back in control of Aileron and will immediately commence discussions with potential partners focused on the discovery of IOCG style copper-gold deposits, with enriched rare earth elements, in Western Australia.”

Background

Aileron is located in the West Arunta region of Western Australia, ~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 (Figure 1).

There has been no previous mineral exploration at Aileron and EAL001 is the first drill hole into an unexplored belt which is prospective for large scale gold-copper deposits.

Diamond Drilling

Diamond drilling commenced in October 2020 to test a discrete magnetic anomaly (Figure 1). However, following mechanical issues with the drill rig, a decision was made to demobilise the rig and assay the completed section of the hole to 158m.

Significant initial observations from the drill hole include:

- Shallow cover depth (10m) – opening up potential for application of surface sampling and shallow geochemical drilling.
- Hydrothermal hematite-altered mafic intrusions and granite consistent with the IOCG model (see Photo 1).
- Magnetite-bearing banded iron formation (BIF) intersected at ~150m with high magnetic susceptibility consistent with the modelled anomaly. The centre of the magnetic anomaly was modelled to be intersected at ~300m downhole.

The zones of hydrothermal hematite alteration, in particular the zone around 90-100m downhole (see Photo 1), have a distinctive IOCG geochemical signature.

Assays from the hole 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% and cerium up to 0.3%), consistent with the targeted IOCG deposit model (see ASX release 28 January 2021).

The metal anomalism in the hole is associated with the most intense hematite altered zones (up to 15% Fe). Larger-scale mineralisation of this type typically has a strong density contrast to background and should be identifiable through the application of gravity surveys. This suggests a potential pathway to defining additional high-quality, non-magnetic targets in the area.

In addition, given the shallow cover depth, a line of orientation ground geochemistry (20 samples) was completed over the magnetic anomaly to assess amenability of surface sampling. Assay results from the -53 micron size fraction demonstrated contrast to background in gold. Accordingly, further assessment of surface geochemical methods at Aileron is required.

Upcoming Activity

- Completion of petrography to establish the copper mineral species.
- Evaluation of applicable ground and airborne gravity methods.
- Assessment of the amenability of surface geochemical sampling.
- Preparations for field activities to commence later in 2021.
- Discussions with potential partners motivated to pursue belt scale IOCG copper-gold deposits with enriched rare earth elements.



Photo 1 – Hematite altered and fractured, coarse grained granitic rock with narrow mafic intrusive (88.5 - 91.7m)

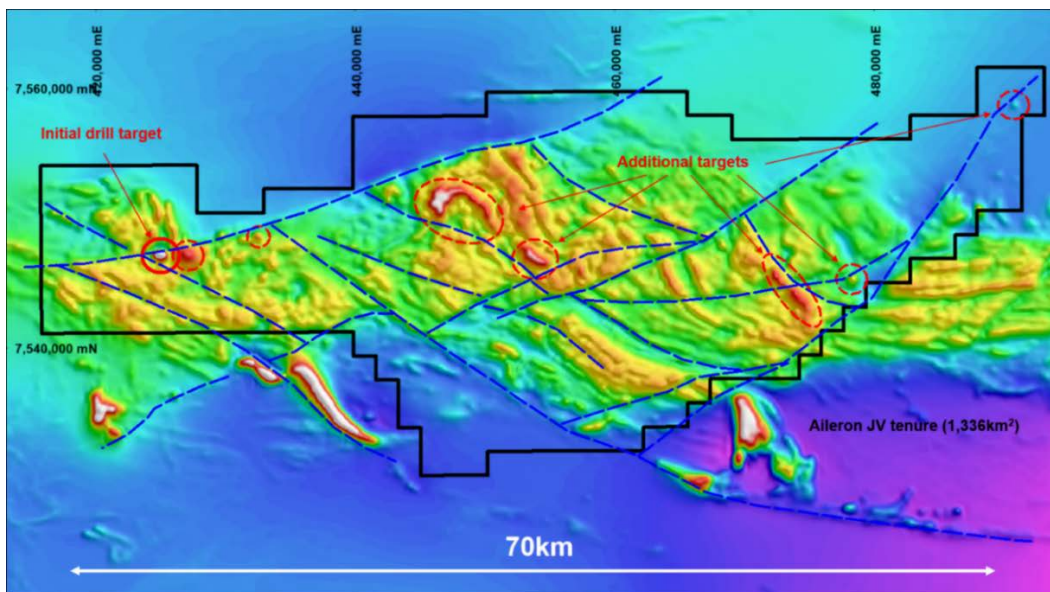
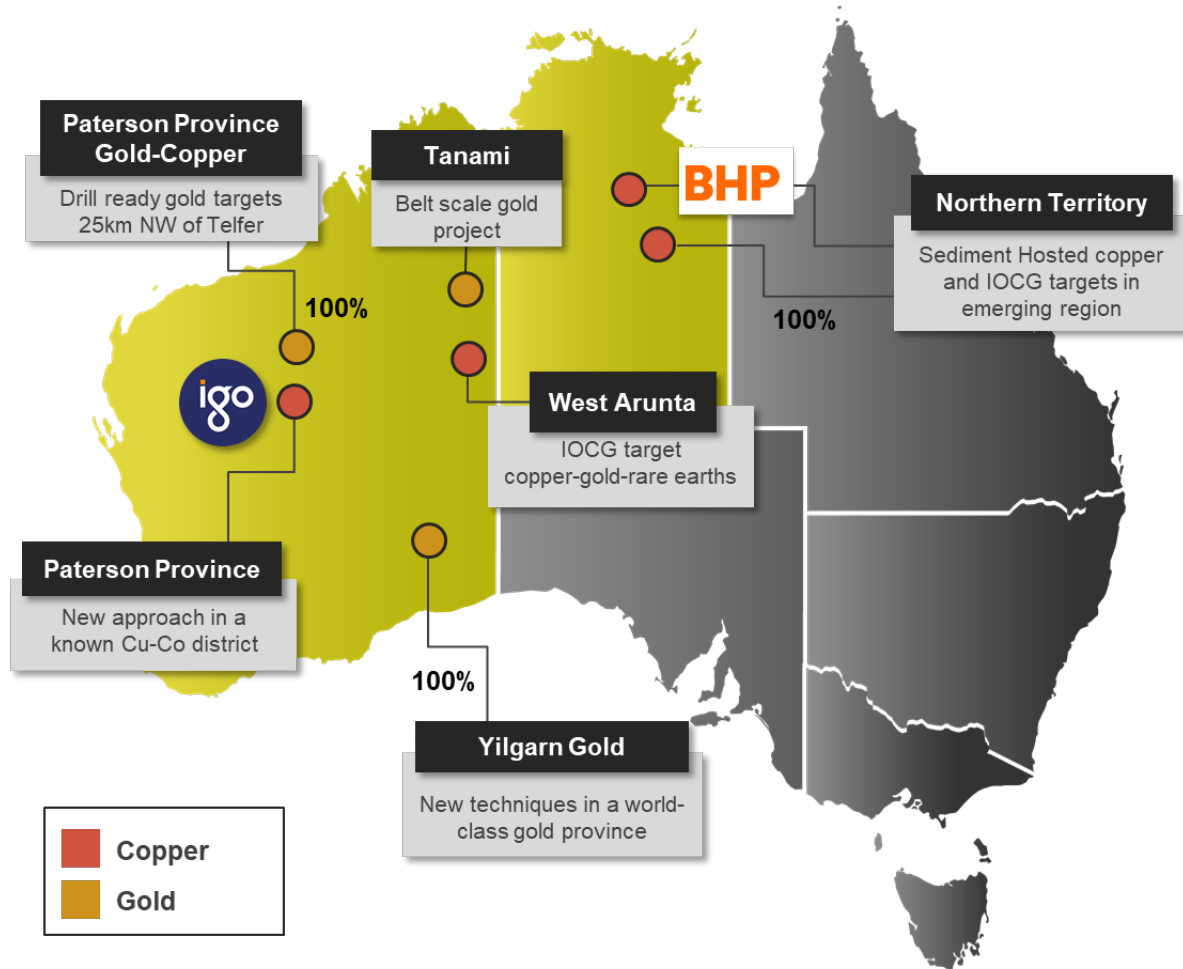


Figure 1 – Aileron Project, interpreted structures and targets on TMI background



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 controls 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 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 option agreement to enter an earn-in and joint venture.

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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.