

A\$10 million Placement to Accelerate West Arunta Exploration

- Firm commitments received to raise A\$10 million via a share placement priced at A\$0.25 per share
- Strong endorsement of the current exploration programs underway at Encounter's 100% owned Aileron IOCG and Critical Minerals Project ("Aileron") in the West Arunta region of Western Australia
- Diamond drilling progressing at the exciting Caird, Crean and Worsley targets defined in prior geophysical surveys with first results expected in June-July 2023

The Directors of Encounter Resources Limited ("Encounter" or the "Company") are pleased to announce the Company has received firm commitments for a placement to raise A\$10 million (before costs), priced at A\$0.25 per share (the "Placement").

Commenting on the Placement, Encounter Managing Director Will Robinson said:

"The limited exploration to date in the West Arunta has shown that the region is highly prospective for the formation of IOCG and carbonatite-hosted critical mineral deposits under shallow cover. This funding will allow us to accelerate activities across the West Arunta which has the hallmarks of a new copper and critical minerals province in Australia".

The Company has received firm commitments from sophisticated, professional, and experienced investors to raise A\$10 million (before costs) via the issue of 40 million shares at A\$0.25 per share. Issue price represents a 7.4% discount to the last close of A\$0.27 and a 3.4% discount to the 10 day VWAP of A\$0.258.

The funds raised will primarily be used for:

- Accelerated exploration program at Aileron Project in the West Arunta, including:
 - Geochemistry covering new gravity targets;
 - Geophysics;
 - RC and diamond drilling;
- Copper, REE and lithium exploration at Encounter's projects in the Northern Territory and Western Australia;
- General working capital; and
- Costs of the offer.

The Placement to unrelated parties will be completed pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1 (4,447,422 ordinary fully paid shares) and additional 10% placement capacity under ASX Listing Rule 7.1A (35,552,578 ordinary fully paid shares).

Canaccord Genuity (Australia) Limited and Chieftain Securities (WA) Pty Ltd acted as Joint Lead Managers to the Placement. Encounter will issue a total of 500,000 options, exercisable at A\$0.50 per option, to the Joint Lead Managers (or their nominees) exercisable 36 months from the date of issue.

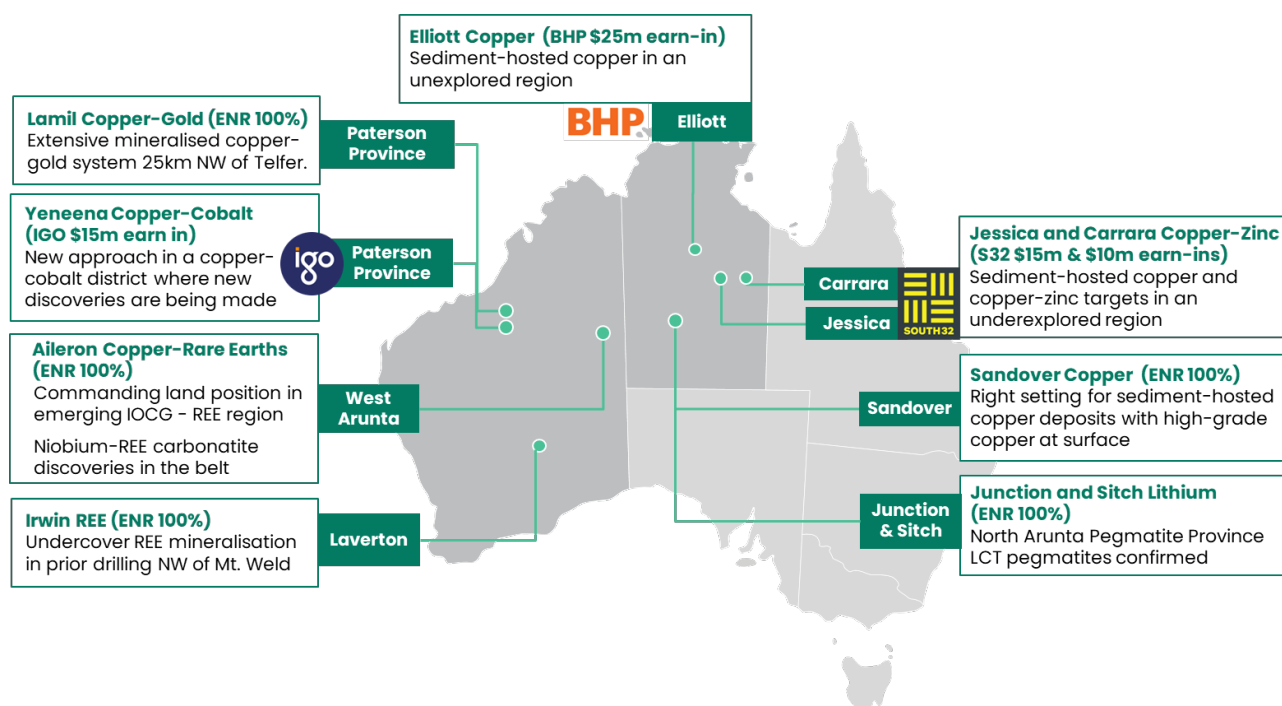
An Appendix 3B reflecting the new shares and options to be issued follows this announcement.

Pro forma Capital Structure

	Shares	Options
Securities currently on issue	355,525,781	22,110,000
Shares to be issued pursuant to the Placement*	40,000,000	-
Issuer of Adviser Options*	-	500,000
Pro forma securities on issue following Placement	395,525,781	22,610,000

*Issue of Placement Shares and Adviser Options expected to occur on 29 May 2023

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 controls a large portfolio of 100% owned projects in Australia's most exciting mineral provinces that are prospective for copper, rare earths and lithium. Complementing this, Encounter has numerous large scale copper projects being advanced in partnership and funded through farm-in agreements with leading miners: BHP, South32 and IGO.

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