

Lithium Potential of the Junction Project Confirmed

- Field reconnaissance completed at the Junction Lithium Project (“Junction”) in the NT has elevated the potential of the Crawford target (“Crawford”). Positive developments include:
 - a series of outcropping and sub-cropping pegmatites over 4km of strike have been identified which potentially extend under shallow cover to the north
 - pegmatite trend is situated along the western margin of a large granite body
 - located ~4km east of Core Lithium’s (ASX:CXO) Ringing Rocks lithium prospect which hosts two large pegmatite bodies containing rock chip assays up to 0.6% Li₂O¹
- Outcropping pegmatites have been sampled with assay results expected in February 2023
- Soil sampling program is planned in early 2023 to define targets ahead of drilling

The directors of Encounter Resources Ltd (“Encounter” / “the Company”) are pleased to advise that initial field reconnaissance supports the lithium potential of the Crawford target at the Junction Lithium Project.

Commenting on the lithium potential of Junction, Managing Director Will Robinson said:

“To date we have identified two lithium targets at Junction being Crawford and Nelson. Crawford has seen the initial focus as it is located at the intersection of two key regional structures in the North Arunta Pegmatite Province.

Pleasingly, the first on-ground activities have already confirmed series of pegmatites at this key structural target. Initial sampling assay results are due early in 2023. A systematic soil sampling program is planned for early in 2023 ahead of drilling.”



Photo 1 – Sampling of outcropping pegmatites by Sarah James (Exploration Manager) and Lachlan Bewick (Graduate Geologist) at Crawford in December 2022

Background

Junction sits within the North Arunta Pegmatite Province which was first identified in a report by the NT Geological Survey (“NTGS”) in 2005. The NTGS interprets that the pegmatites in the region are LCT (lithium-caesium-tantalum) pegmatites similar to the host pegmatites of the lithium deposits at Greenbushes in WA and the Finnis deposit in the Pine Creek pegmatite province in the NT.²

The region’s lithium prospectivity has been recognised by a number of companies including Core Lithium which holds the Anningie and Barrow Creek Lithium Projects in the North Arunta district (Figures 1 & 3).

The Crawford target at Junction is defined by the intersection of two important LCT-controlling structures, the Barrow Creek and Neutral Junction Fault Zones.

The NTGS sampled a number of occurrences along the Barrow Creek fault with the most Li-rich occurrence identified being Tabby Cat, located 5km south of Crawford (Figures 1 & 3).

In addition, Core Lithium’s Ringing Rocks prospect is located 4km west of Crawford. Ringing Rocks is a lithium-in-soils anomaly coincident with the outcrop position of two large pegmatite bodies and surface rock chips assaying up to 0.6% Li_2O .¹

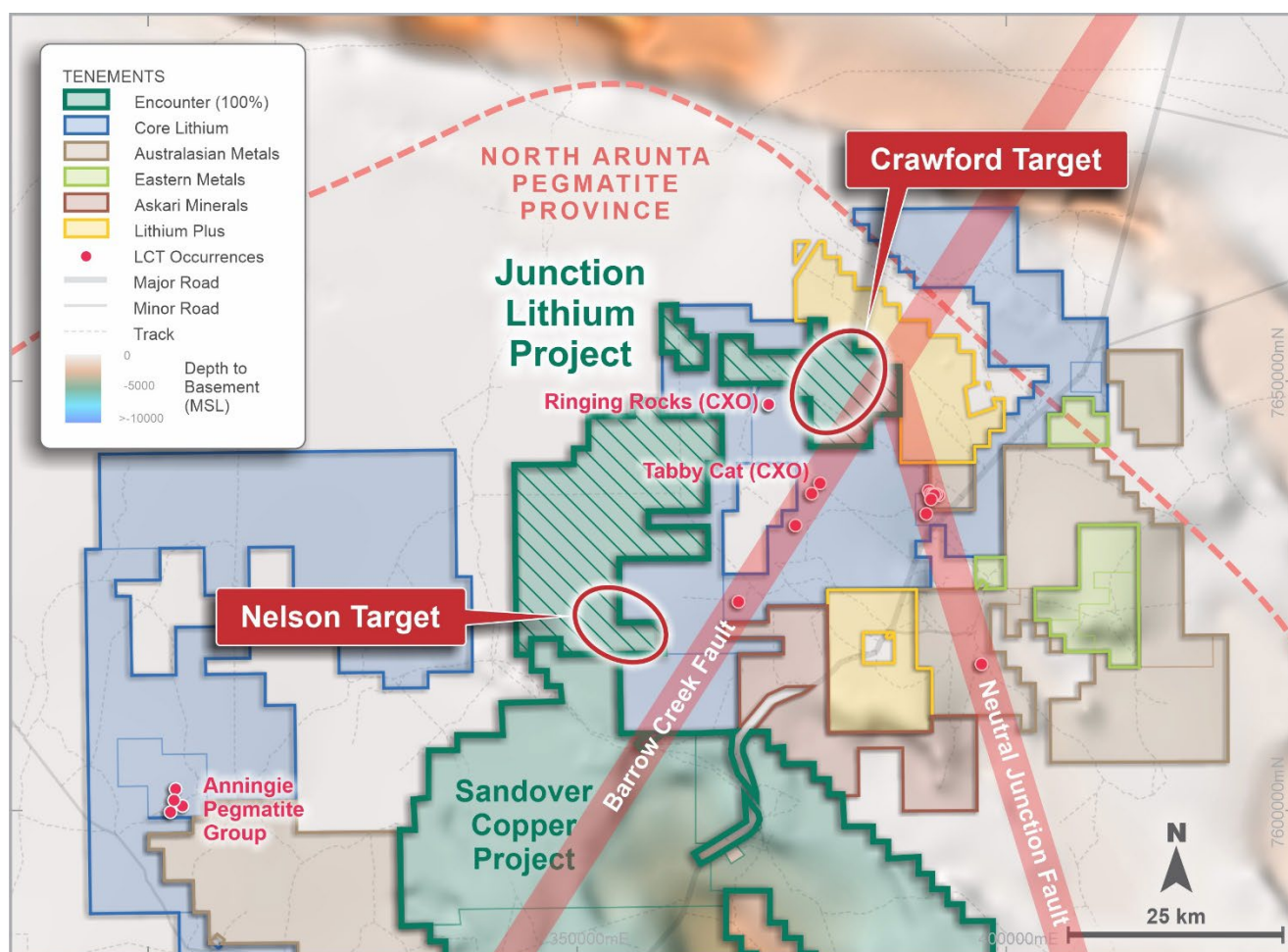


Figure 1 – Northern Arunta Pegmatite Province – Junction Lithium Project location highlighting ENR’s Crawford and Nelson targets. Also shown are nearby LCT pegmatite occurrences sourced from company reports and NTGS Report 16 *Tin-tantalum pegmatite mineralisation of the Northern Territory* (Frater 2005).

¹ CXO ASX Announcement - 28th September 2017

² NTGS Report 16: *Tin-tantalum pegmatite mineralisation of the Northern Territory* (Frater, 2005)

Field Reconnaissance at Crawford

Initial field reconnaissance has been completed at Crawford and supports the lithium potential of the project. Positive developments include:

- a series of outcropping and sub-cropping pegmatites have been identified over 4km of strike which are interpreted to extend under shallow cover to the north
- pegmatite trend is situated along the western margin of a large granite body
- trend is under shallow cover amenable to surface sampling to define drill targets
- target located ~4km east of Core Lithium's Ringing Rocks prospect - a which hosts two large pegmatite bodies with surface rock chips assaying up to 0.6% Li_2O .¹

The outcropping pegmatites and fractionated granites identified along the prospective trend (Figure 2) have been sampled with assays expected in February 2023.

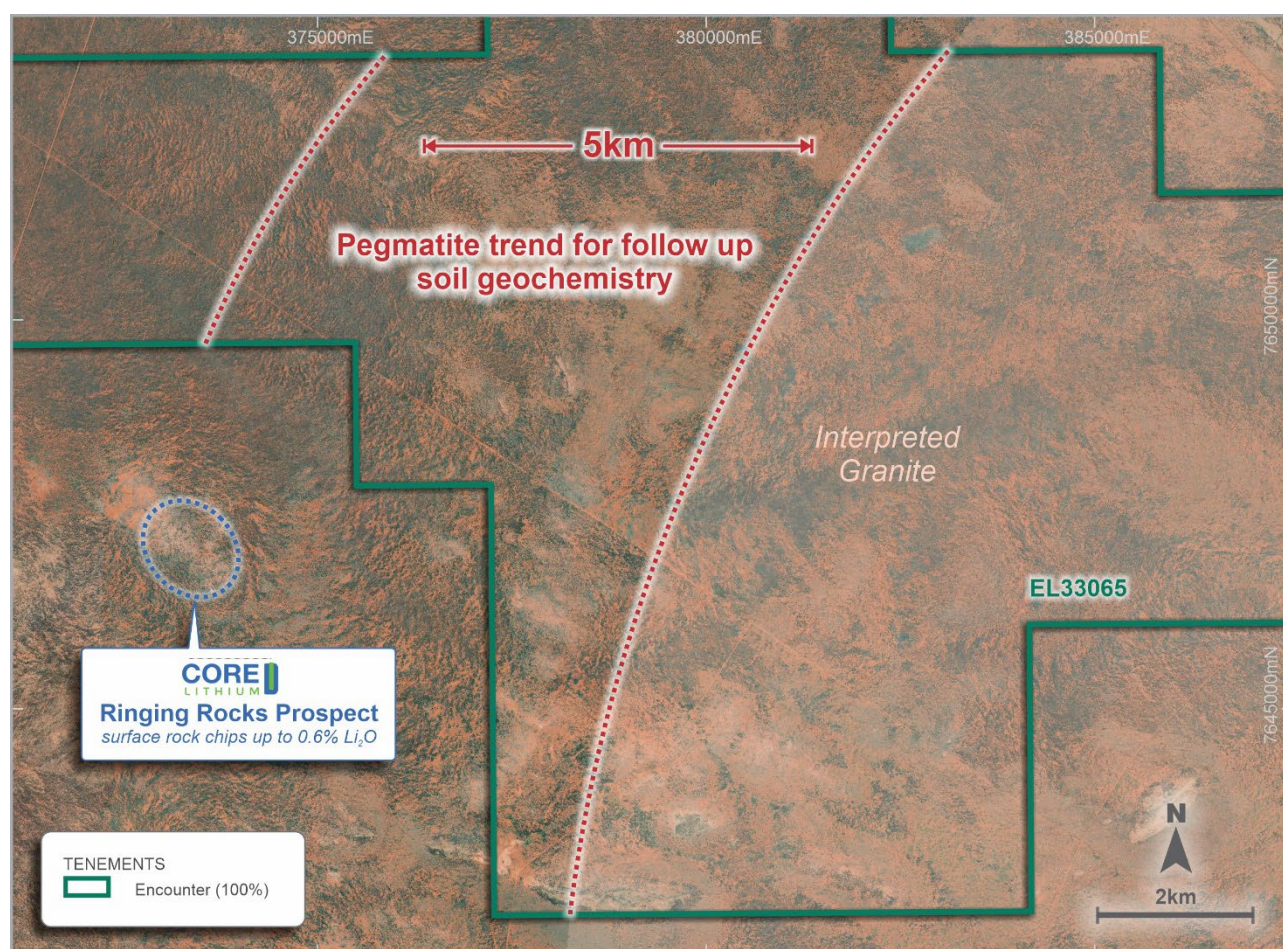


Figure 2 – Junction Lithium Project – location of the pegmatite trend identified at Crawford

Next Steps

Systematic 200m x 50m soil geochemical sampling of prospective corridors will be completed in early 2023. The geochemical sampling will test for a range of elements including Li, Cs, Ta, Sn, Be, W and Rb.

Following the results of this sampling, RC drill testing of defined anomalous areas will be completed.

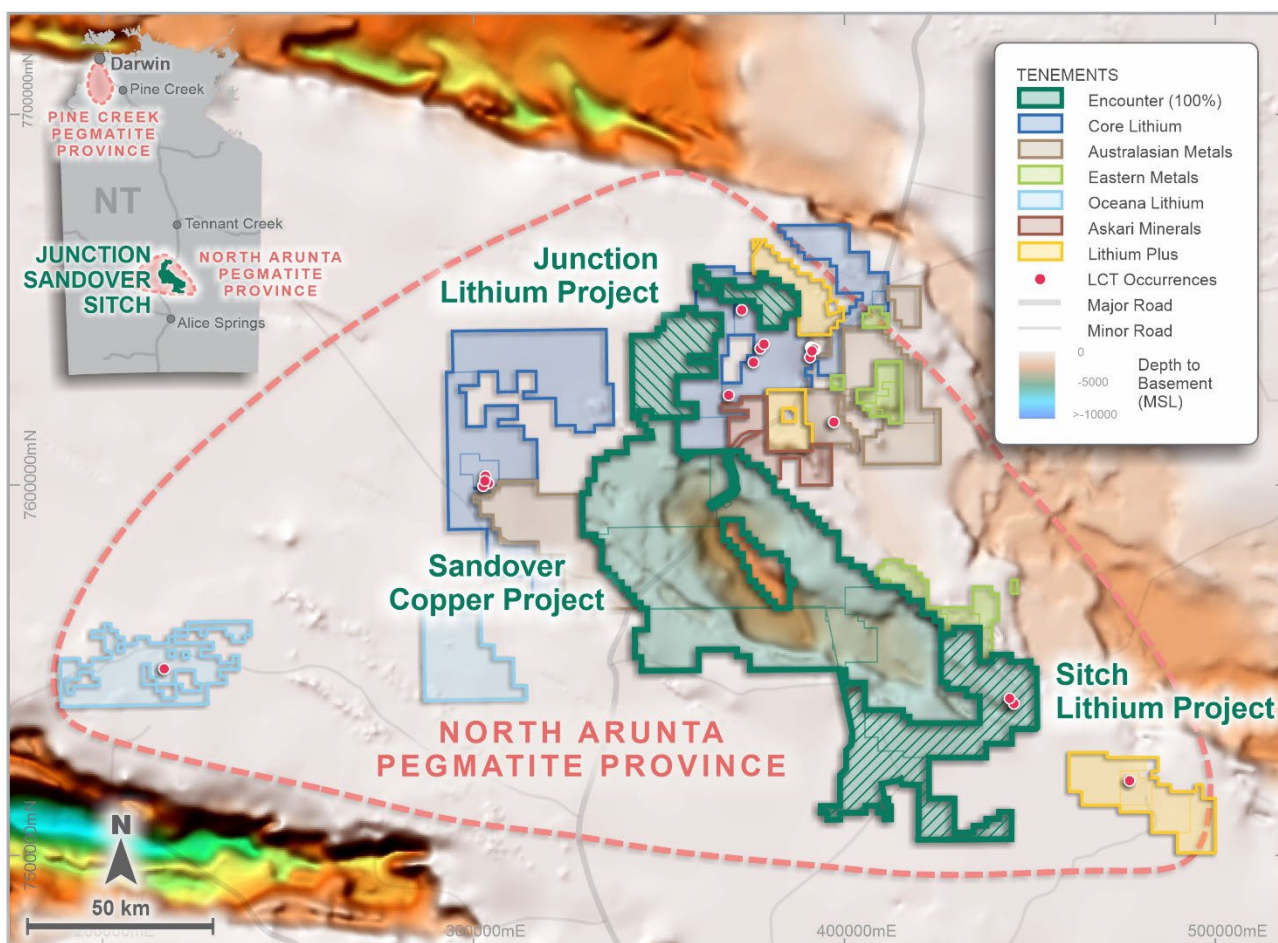


Figure 3 – Northern Arunta Pegmatite Province – Junction and Sitch Lithium Project Location Plan LCT pegmatite occurrences sourced from NTGS Report 16 *Tin-tantalum pegmatite mineralisation of the Northern Territory* (Frater 2005).

For further information, please contact:

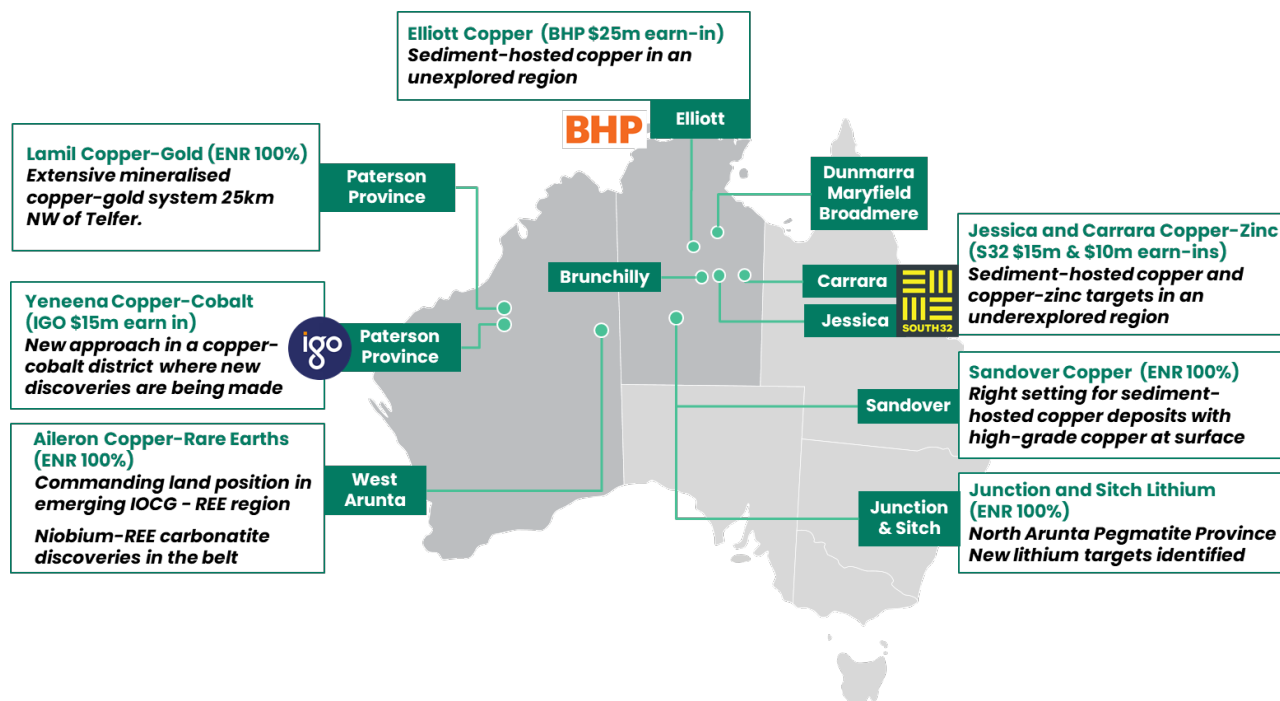
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The information in this report that relates to Exploration Results is based on information compiled by Mrs Sarah James who is a Member of the Australasian Institute of Mining and Metallurgy. Mrs James holds shares and options in and is a full time 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'. Mrs James consents to the inclusion in the report of the matters based on the information compiled by 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.

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:

100% ENR projects

Aileron Copper-Rare Earths Project – WA

- IOCG style copper-gold-REE in drilling
- Olympic Dam age mineralisation events
- New niobium-REE discovery adjacent to Aileron

Sandover Copper Project – NT

- Key geological units and processes for sediment-hosted copper
- Bornite identified in historical drill core

Lamil Copper-Gold Project – Paterson Province WA

- Diamond drilling completed Sep 22
- Assay results Dec 22

Junction Lithium Project – NT

- North Arunta Pegmatite Province
- New lithium targets identified
- Field assessment commencing

Farm-in partners

BHP Elliott Copper Project – NT (up to \$25m farm-in funding)

- Targeting sediment hosted copper
- Diamond drill program Oct-Nov 2022



Jessica and Carrara Projects – NT (up to \$25m farm-in funding)

- Two farm-in agreements completed Jun 22
- Eight new targets identified



Yeneena Project – Paterson Province WA (up to \$15m farm-in funding)

- 4,000m diamond & 1,500m aircore drilling
- Six diamond drill holes completed