Quarterly Activities Report
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

encounter RESOURCES LIMITED

31 October 2021

Leverage to the Premium Front End of the Copper Value Chain

Highlights:

Paterson Province - WA

- A seven hole diamond drill program completed at Lamil extended a number of RC holes at the +1km long Dune Prospect which contain strengthening copper-gold mineralisation towards end of hole. Initial priority assays from ETG0226 confirmed high-grade copper grades:
    - 1.5m @ 19.1% Cu from 409.1m sitting directly above 3.9m @ 1.6g/t Au from 410.6m

Northern Territory Copper

- Copper exploration partnership with BHP covering the Elliott Copper Project ("Elliott") in the Northern Territory ("NT") significantly expanded. The tenure covered by Elliott has been expanded by 60% to 7,200km^2 and the earn-in amount for BHP to earn a 75% interest has been increased to A$25 million
- With a commanding portfolio of 100% owned copper projects, and an expanded partnership with BHP, Encounter provides exceptional leverage to copper exploration success in the NT.

West Arunta – WA

- Diamond drilling at Aileron located in the West Arunta region of WA has intersected hydrothermal hematite-altered mafic intrusions and granite with a distinctive IOCG geochemical signature under shallow cover including 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 (up to 0.8% TREO, including lanthanum up to 0.2%, cerium up to 0.3%)[6].
- A gravity survey was completed at Aileron in August 2021. Results are being integrated with existing geophysical datasets to design follow up exploration plans.

West Tanami Gold – Hamelin Gold Demerger

- In July 2021 Encounter announced its intention to demerge and launch an initial public offering ("IPO") of its wholly owned subsidiary, Hamelin Gold Limited ("Hamelin"). The demerger was approved by shareholders on 22 October 2021.
- Hamelin holds a 100% interest in the West Tanami Gold Project in WA. This is a belt scale gold project covering 2,277km^2 of a well-endowed, emerging gold province that remains significantly underexplored.
- Hamelin lodged a prospectus with ASIC on 17 September 2021. The offer under the prospectus closed on 22 October 2021 raising the targeted $10,000,000.

ASX Code:	Cash (30/9/2021)	Market Cap. (29/10/2021)	Issued shares (30/9/2021)	Issued options (30/9/2021)
ENR	$4.1m	$62m	316m	17m

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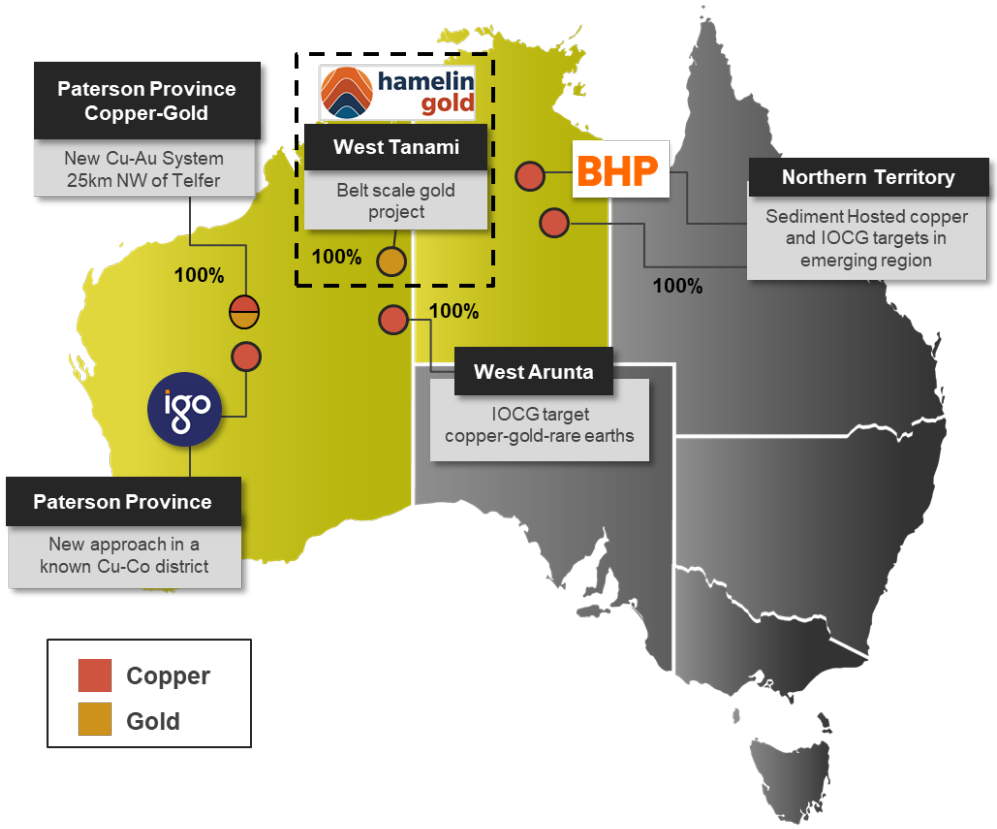


Figure 1 – Encounter Projects – Location Plan

PATERSON PROVINCE COPPER-GOLD

Lamil Project

Background

Lamil covers an area of ~61km^2 and is located 25km northwest of the major gold-copper 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.

A seven hole diamond drill program was completed in September 2021, including three diamond tails on existing RC holes and four new diamond holes from the surface. Three separate target areas were drilled at Dune including a previously untested magnetic anomaly located north of the main Dune corridor.

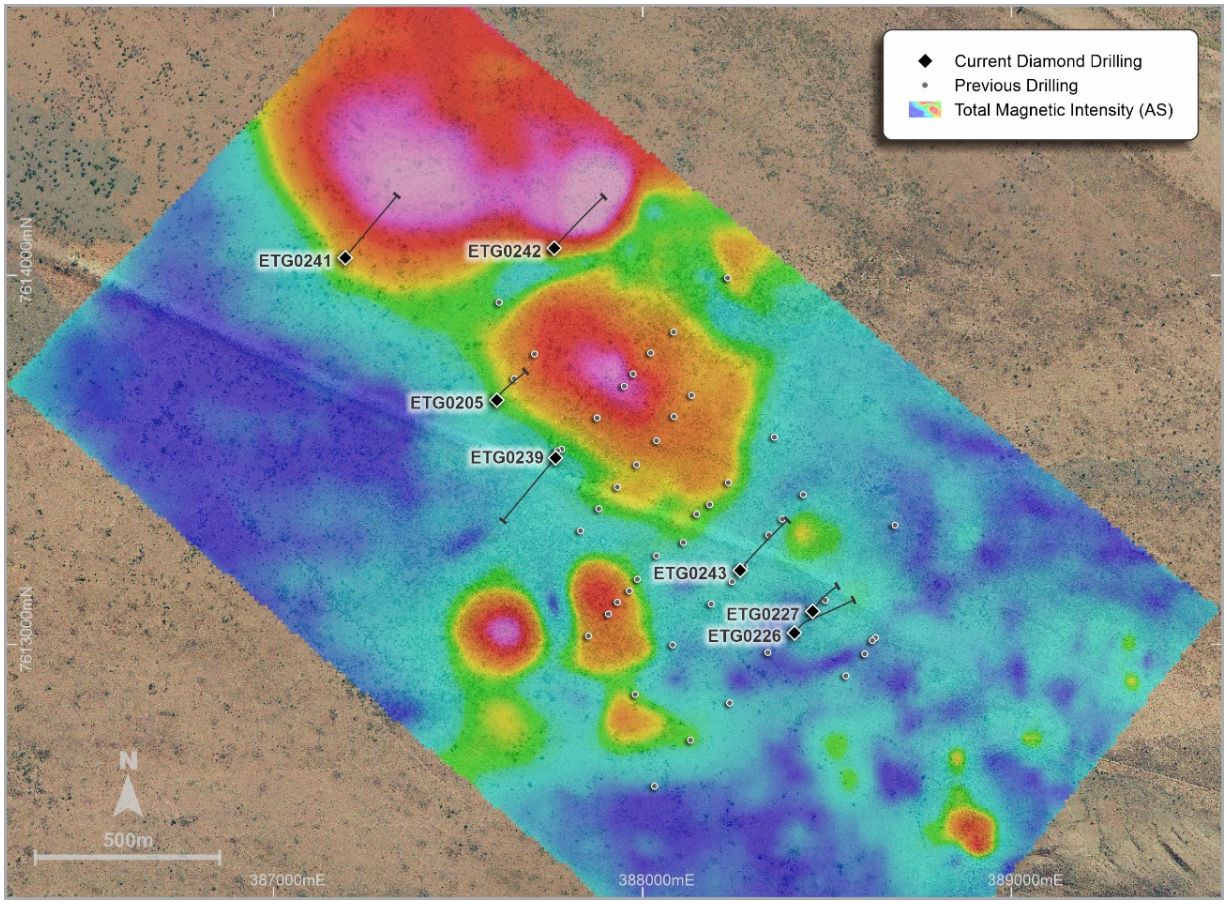


Figure 2 – Drillhole collar location plan on magnetic image (TMI Analytical Signal) draped over air photo

Dune Prospect

Dune sits in the northwest of the Lamil project area and consists of a laterally-extensive gold-copper system, outlined by broad spaced RC drilling over 1km of strike. The mineralisation at Dune is located on the north-westerly plunging fold axis of the Lamil Dome. The RC drill program completed in February 2021 at Dune extended the copper-gold system both to the south and east and contained strong copper-gold intersections including:

- 132m @ 0.31g/t Au and 0.11% Cu from 87m to end of hole in ETG0227 [1]
  - including 22m @ 0.51g/t Au and 0.24% Cu from 181m

Diamond tail of ETG0226

The diamond tail of ETG0226 (located on the same section 80m south-west of ETG0227) was completed to a depth of 710m. This hole intersected a thick zone of quartzite containing zones of intense alteration, silica flooding, veining and brecciation. ETG0226 includes a 1.5m intersection of semi-massive pyrite and chalcocite from 409.1m (see photos 1-3).

Two zones totaling 44.6m of core were selected from ETG0226 for priority analysis to determine the copper and gold grade of the semi-massive pyrite and chalcocite zone. This analysis returned:

- **1.5m @ 19.1% Cu from 409.1m sitting directly above;**
- **3.9m @ 1.6g/t Au from 410.6m.[2]**

Photos 1 to 3

Examples of semi-massive pyrite – chalcocite mineralisation drilled from 409.1 to 410.6m in ETG0226

ETG0243 – Testing the mineralised corridor 200m along strike of ETG0226 and ETG0227

ETG0243 was drilled to test the stockwork corridor intersected in ETG0226 and ETG0227 200m, along strike to the north-west. This hole intersected a similar geological sequence as seen in ETG0226 being altered siltstones and brecciated quartzite with interbedded siltstones. Both of these units contain quartz carbonate veining with pyrite and chalcopyrite (copper sulphide) (Photos 4 & 5).

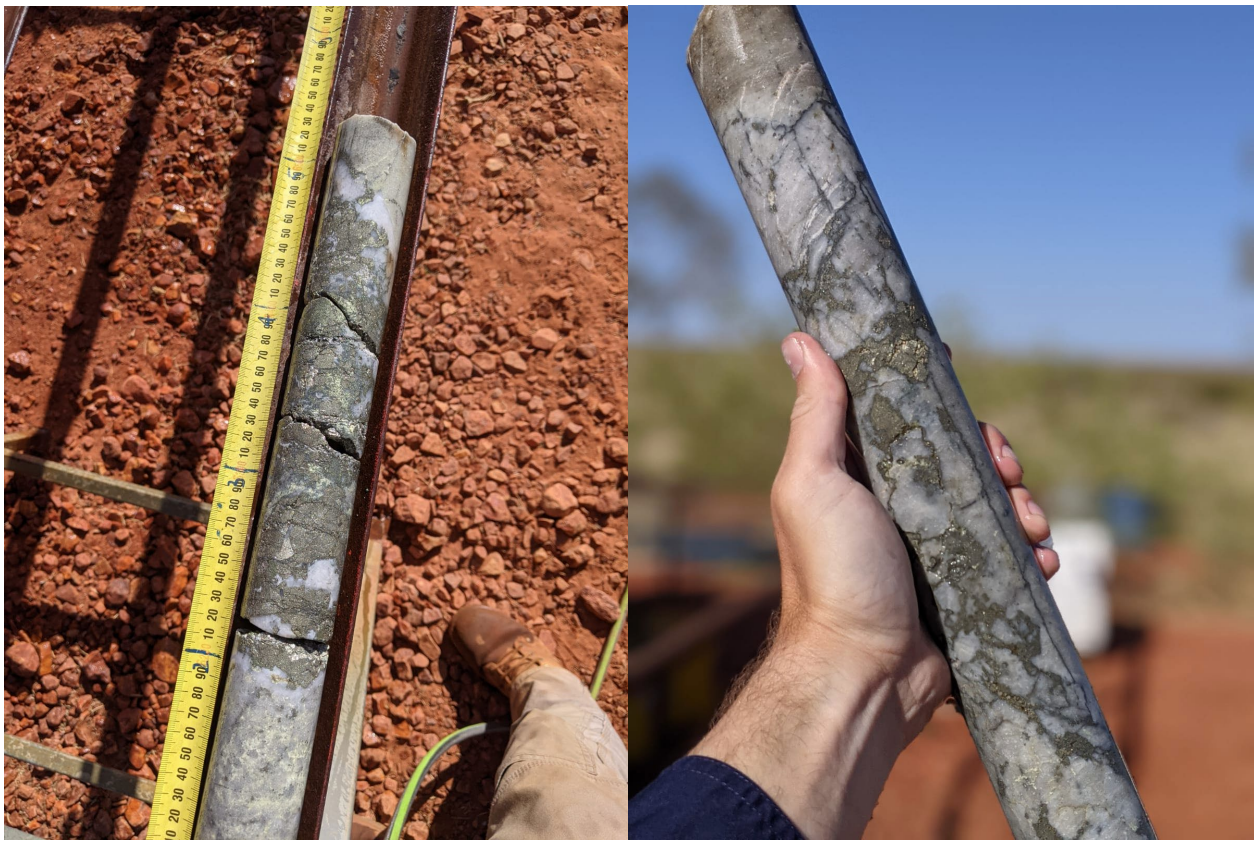


Photo 4 – Example of semi-massive pyrite/chalcopyrite ~ 347m in ETG0243
Photo 5 – Example of brecciated quartzite containing pyrite with fine chalcopyrite ~ 519m in ETG0243

ETG0241 – Testing a large magnetic anomaly north of Dune

ETG0241 was the first hole drilled into a new target located to the north of the Dune corridor. The hole was designed to test a +1km long, east-west trending magnetic anomaly (see Figure 2). ETG0241 successfully tested the modelled anomaly and intersected a ~25m wide zone of pyrrhotite-dominant quartz-sulphide breccia that contains disseminations and blebs of chalcopyrite from 310m. This quartz-sulphide breccia zone becomes progressively more sulphide rich to 335m with intervals of up to ~50% sulphide (pyrrhotite dominant).

Assay results from the seven hole diamond program are expected in early November 2021.

[1] refer ASX release 21 April 2021
[2] refer ASX release 6 September 2021
[3] refer ASX release 19 January 2017
[4] refer ASX release 18 December 2020
[5] refer ASX release 26 April 2017

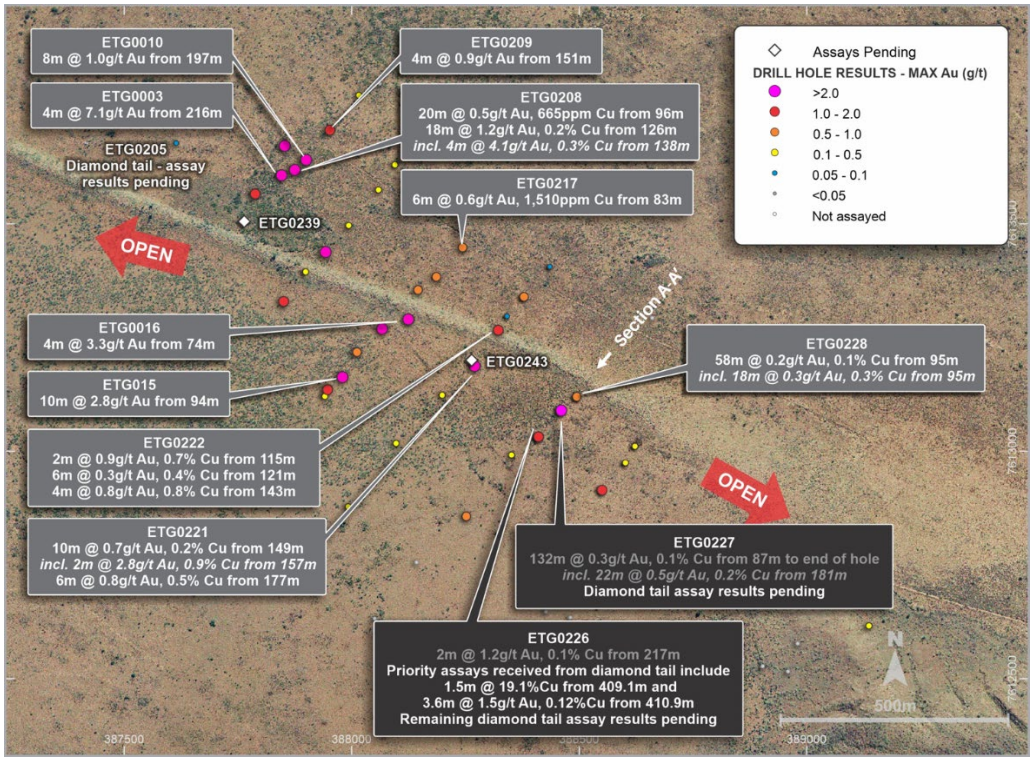


Figure 3 – Dune prospect (Max in hole Au) [3 4 5]

NORTHERN TERRITORY – COPPER

Background

Utilising new government datasets (GA, NTGS) Encounter moved early and aggressively to secure a leading copper project portfolio that currently covers ~26,500km^2.

Encounter now controls eight large projects in the Northern Territory targeted for major sediment-hosted and IOCG style copper deposits (Figure 4). The projects are primarily located in the highly prospective but vastly underexplored Greater McArthur Superbasin and located between the major copper-gold producing districts of Mt Isa and Tennant Creek.

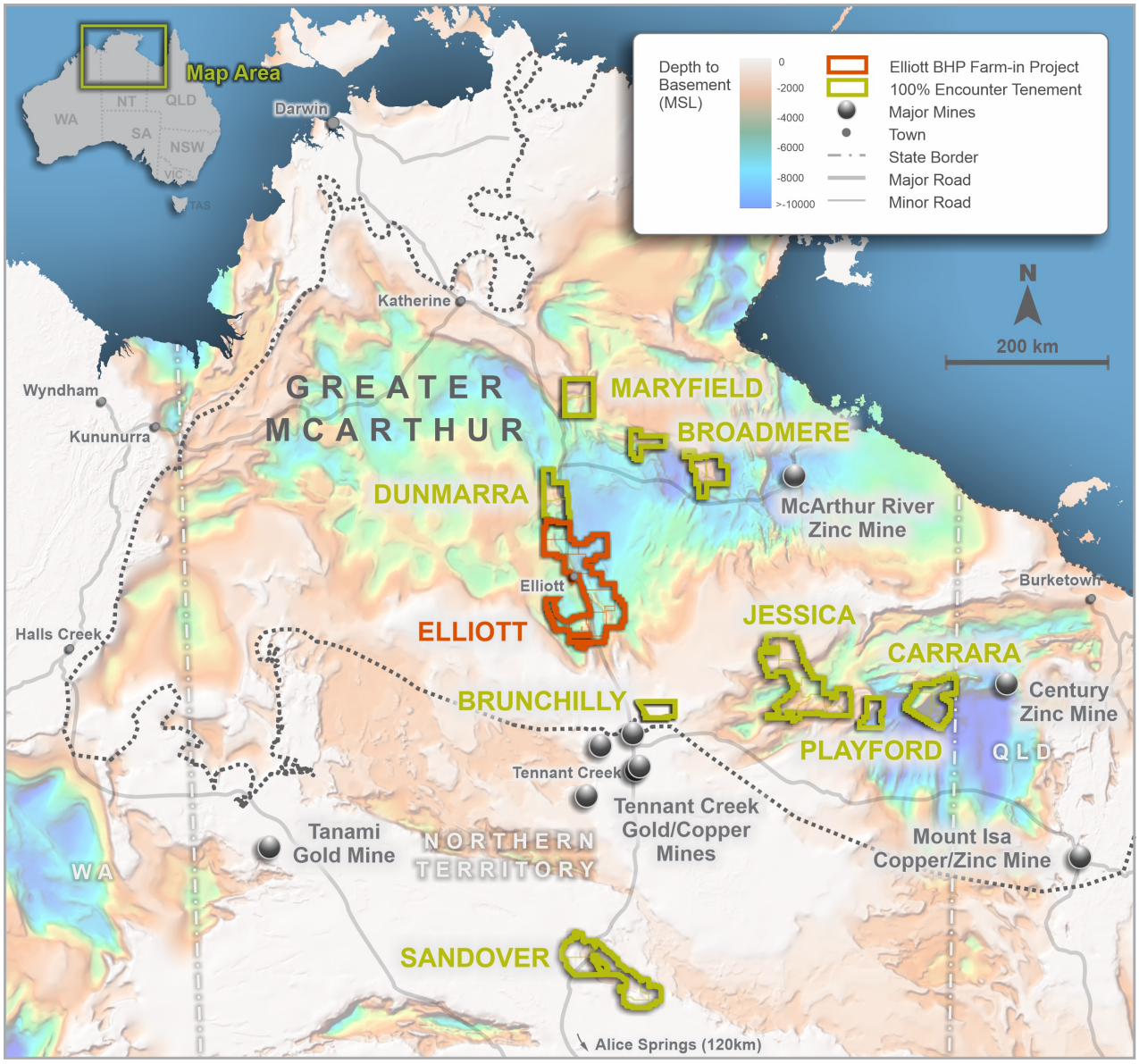


Figure 4 – Project Location Plan

Elliott Copper Project ("Elliott")

Elliott was the first project secured by Encounter in the NT and now comprises eleven tenements covering more than 7,200km^2. The project is located 200km north of Tennant Creek on the Stuart Highway which runs along the western margin of the project.

Elliott is located at a major structural intersection on the southwestern margin of the Beetaloo Basin which is part of the Greater McArthur Superbasin that hosts the giant sediment-hosted base metal deposit at McArthur River. The Superbasin contains thick, petroleum bearing, reduced sediments which are an ideal trap sequence and the major structures bounding the Superbasin are considered ideal structural fluid pathways for major sediment-hosted copper deposits. The project encompasses key conceptual criteria for the formation of sediment-hosted copper and the target sequence is undercover and untested.

New datasets released in 2019 and 2020 have supported the conceptual and structural targeting model at Elliott. The standout, copper-in-groundwater anomaly (order of magnitude above background) in the extensive sampling program is located at Elliott.

A joint BHP / Encounter designed validation program at Elliott was completed earlier in 2021. This work program involved the compilation, interpretation, modeling and integration of new and existing data packages at Elliott including seismic, airborne EM, magnetics, gravity, gechemistry and hydro-geochemistry.

The validation program provided further support for the potential of Elliott. As a result, BHP exercised its option to negotiate and enter into a formal Farm-in and Joint Venture Agreement (see ASX release 21 May 2021). As part of these discussions, four additional tenements (EL32581, EL32703, EL32729, EL32730) were added into the formal Farm-in and Joint Venture Agreement. This increased the area of the earn-in from 4,500km^2 to 7,200km^2 and the earn-in amount for BHP to earn a 75% interest has been increased from A$22 million to A$25 million.

Farm-in and Joint Venture Agreement Key Terms

The key terms for the Farm-in and Joint Venture Agreement include:

- Staged farm-in where BHP has the right to earn up to a 75% interest in Elliott by sole funding up to A$25 million of exploration expenditure within 10 years.
- Upon BHP completing the earn-in, a 75:25 joint venture will be formed and the parties must contribute funds based on their percentage interest to maintain their respective interests or dilute according to a standard dilution formula. Should a party's interest dilute to below 10%, that party's interest shall automatically convert to a net smelter royalty.
- During the farm-in phase, BHP will be the Manager of the project.

Next steps

The upcoming exploration program at Elliott will be focused on the deployment of leading edge technologies, initially applying the expertise and knowledge developed during oil and gas exploration of similar basins. On-ground exploration is expected to commence at the start of the 2022 field season in April/May 2022. Work with key stakeholders will be commencing, recognizing the various interests in the region.

The extensive exploration program planned at Elliott includes seismic surveys and deep diamond drilling. The program is designed to rapidly advance the understanding of basin architecture and prospective deposition locations for sediment-hosted copper deposits.

Jessica Copper Project ("Jessica")

Jessica covers ~5,500km^2 along key structural corridors east of Tennant Creek and is prospective for sediment-hosted copper and IOCG style deposits.

Systematic assessment of drill chips from water bores at Jessica has been conducted by Encounter and a previous explorer utilising handheld XRF machines. Areas of copper anomalism were selected for chemical analysis and for the sample interval 0-3m in RN28419 (No. 39 water bore) which returned 1.5% copper (refer ASX release 19 August 2020).

Next Steps

- Infill gravity surveys over a series of high priority magnetic targets in conjunction with an extensive regional gravity survey being completed by the NTGS.
- Aircore drilling to confirm and determine the lateral extent of the near surface copper mineralisation identified in water bore cuttings, subject to availability of a suitable drill rig.

Carrara Copper/Zinc Project ("Carrara")

Carrara was secured following the release of the South Nicholson Seismic Survey, a foundational dataset acquired as part of the GA Exploring for the Future Program. A key finding of this study is the correlation of prospective stratigraphic units from the Isa Superbasin into the Carrara Sub-basin that extend the Mount Isa Province to the west. Carrara is located at an interpreted structural offset of the western margin of the Carrara Sub-basin where the prospective Isa Superbasin has been modelled closer to surface.

In 2020 a 1,751m deep stratigraphic hole (NDI Carrara-1) was completed as part of the National Drilling Initiative funded by the Minex CRC. This hole was designed to validate the interpretation of the South Nicholson Seismic Survey. This drill hole was located on a small exploration tenement held by the Minex CRC located within Encounter's large Carrara project.

At the AGES Geological Conference held in Alice Springs in April 2021, the drill hole data from NDI Carrara1 was released and small sections of drill core were on display. An initial inspection of the drill core and assessment of the portable XRF data has been highly encouraging and informative.

The NDI Carrara1 stratigraphic drill hole supports the interpretation that the geology of the Isa Superbasin extends throughout the Carrara Sub-basin. The presence of copper and zinc sulphide mineralisation (Figure 5) demonstrates that sediment-hosted copper and zinc mineralising processes occur within the prospective host unit (refer ASX release 28 April 2021).

Next Steps

- Sampling and logging of the 1.7km deep Carrara1 stratigraphic diamond drill hole, drilled as part of the National Drilling Initiative funded by the Minex CRC. Carrara1 demonstrated that

sediment-hosted copper and zinc mineralising processes occur within the Isa Superbasin host units which extend across the Carrara sub-basin.

- Reprocessing of the GA seismic lines that extends through Carrara to provide greater detail of the geology and structure in the upper 1,000m along the western margin of the sub-basin.
- NTGS will complete an additional gravity survey over Carrara in 2021 to reduce the station spacing to 2km x 2km.

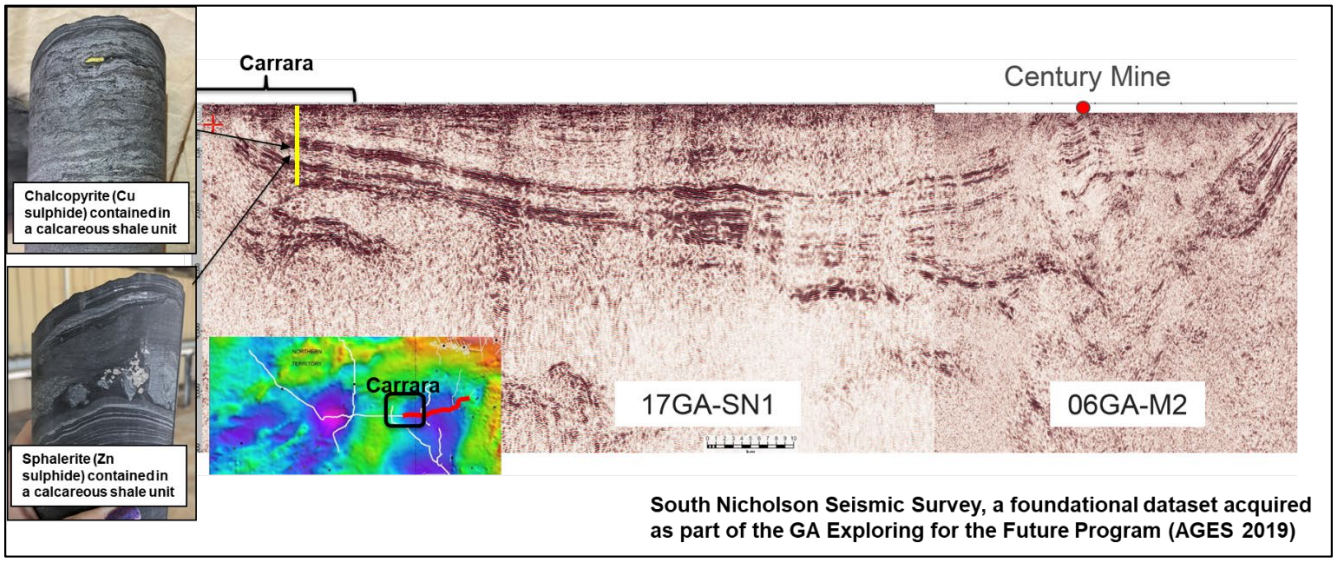


Figure 5 – Carrara Project - South Nicholson Seismic Survey

The core in these pictures is from government drill hole NDI Carrara1.
It is not the property of the Company.

WEST ARUNTA – COPPER-GOLD

Aileron Copper-Gold-Rare Earths Project

Aileron is located in the West Arunta region of WA ~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.

EAL001 was completed in October 2020 and intersected hydrothermal hematite-altered mafic intrusions and granite with a distinctive IOCG geochemical signature under shallow cover.

Assays from EAL001 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 (up to 0.8% TREO, including lanthanum up to 0.2%, cerium up to 0.3%)[6], consistent with the targeted IOCG deposit model.

The metal anomalism in the hole is associated with the most intense hematite altered zones (up to 15% Fe). IOCG mineralisation often has a strong density contrast to background and may be identifiable through the application of gravity surveys.

Accordingly, a detailed ground gravity survey was completed in August 2021 (Figure 7). The results of this survey are being integrated with existing geophysical datasets to design follow up exploration plans. Additional gravity coverage and geochemical sampling is planned to be completed prior to an EIS co funded diamond drilling program proposed for the first half of 2022.

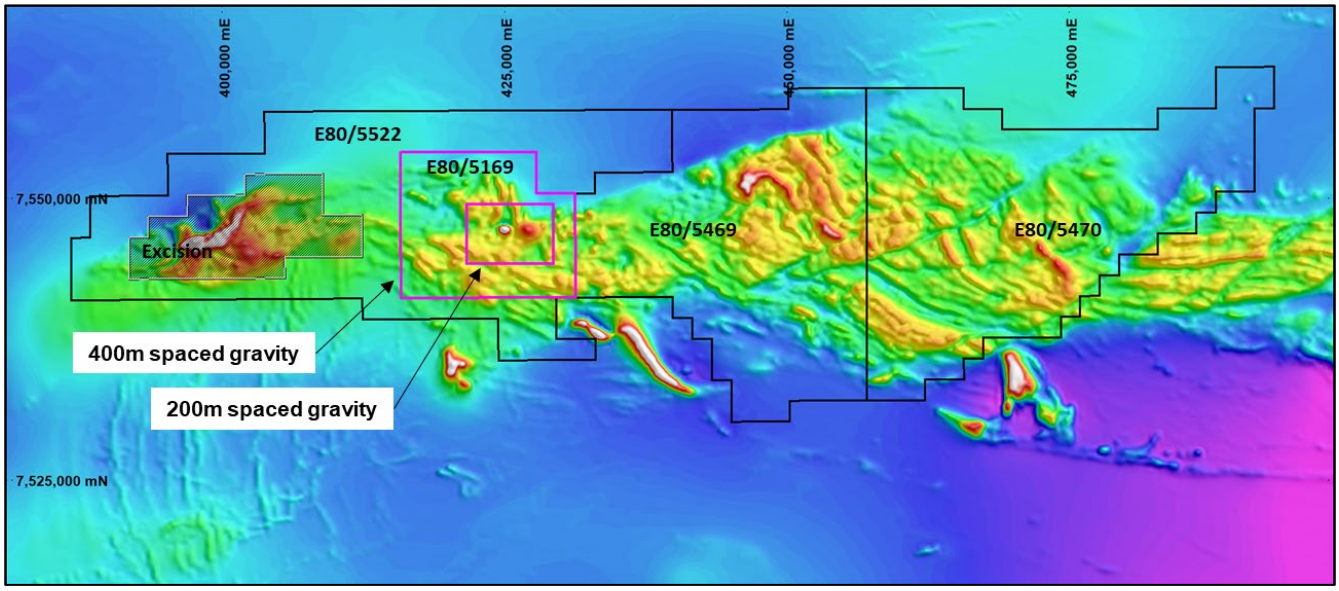
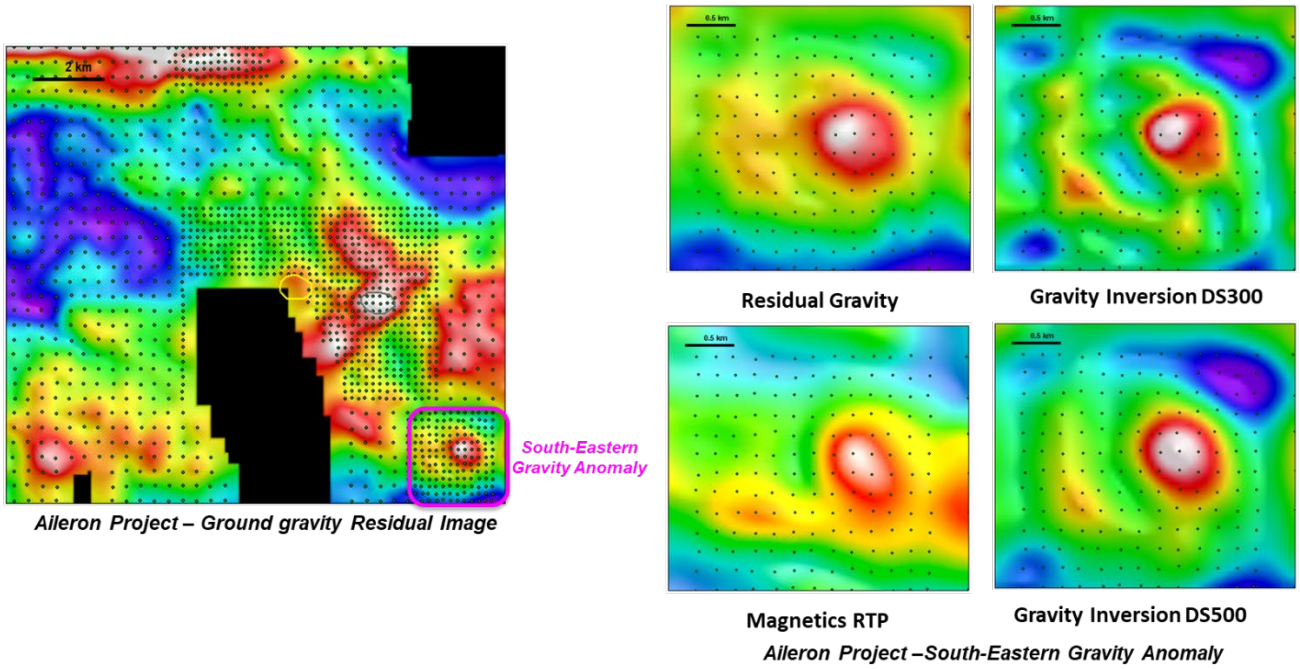


Figure 6 – Aileron IOCG project – August 2021 gravity survey location plan



Aileron Project – Ground gravity Residual Image

Aileron Project –South-Eastern Gravity Anomaly

Figure 7 – Aileron IOCG Project – Gravity Survey

[6] refer ASX release 28 January 2021

PATERSON PROVINCE – COPPER-COBALT

Background

Yeneena comprises a major land position covering more than 1,600km^2 in the highly prospective Paterson Province, targeting copper-cobalt mineralisation. IGO can sole fund $15 million in exploration expenditure over a maximum of seven years to earn a 70% interest in Yeneena.

The strategy of collecting belt-scale high-quality primary datasets continues, with cutting-edge techniques used to collect geological, geochemical and geophysical data. Interpretation of integrated results will allow for the drill testing of the highest quality targets in 2022. Data acquisition programs have progressed during the quarter as field-season operations continued. Key developments included:

Geochemical Data Acquisition:

Modern multi-element geochemistry is providing a means to map geology and delineate both regional and local metal anomalism. AC drilling continued over multiple areas of interest was completed in September 2021. Bedrock was successfully intersected and assay results are pending. A subset of the AC holes was cased for hydrogeochemical sampling planned for early 2022.

Geological Data Acquisition:

Sampling and analysis of the recent 973m stratigraphic diamond drill hole was completed. Results will improve our understanding of the regional stratigraphic framework, thus facilitating accurate target evaluation.

A regional regolith and outcrop mapping project commenced in September. Results will ground truth and support a more accurate interpretation of all datasets.

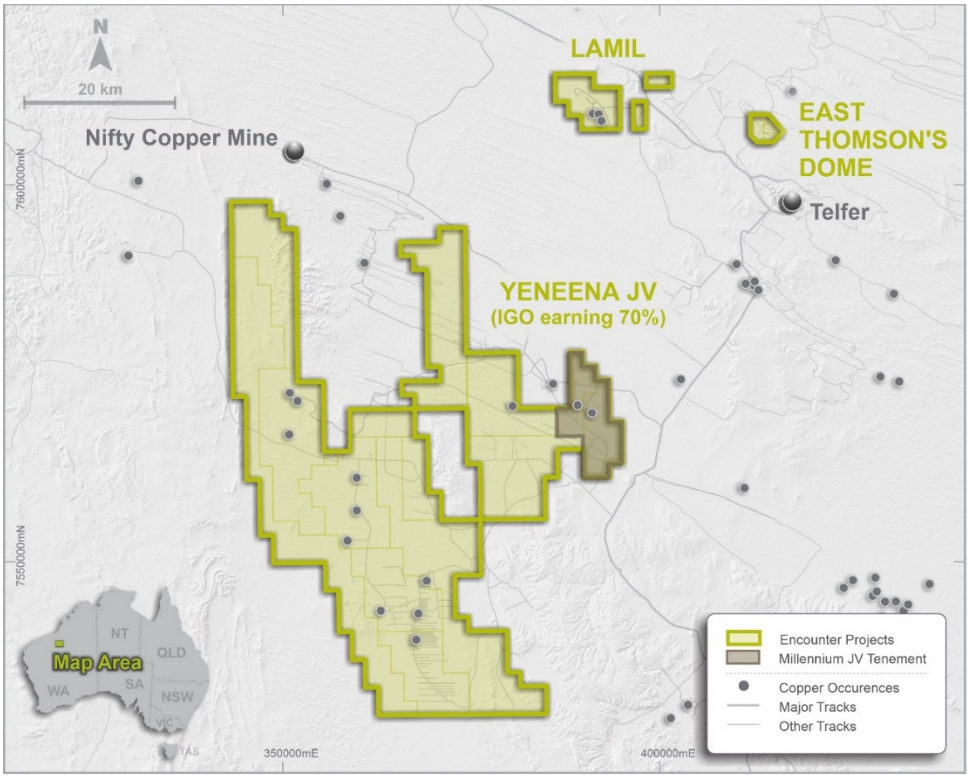


Figure 8 – Encounter's Paterson Province project location plan

PATERSON PROVINCE – COPPER/ZINC (MILLENNIUM PROJECT)

Background

The Millennium Project is located 40km south-west of Newcrest's Telfer gold/copper mine and is being explored via a 75:25 joint venture with Hampton Hill Mining ("HHM"). Millennium is situated at a key structural intersection on the regionally significant Tabletop Fault on the margin of an interpreted sedimentary sub-basin.

Millennium is located on the Tabletop Fault in an area of no outcrop, with up to 20m of transported overburden. This structure is known to be metallogenically important and is closely associated with the position of the Nifty copper deposit, 50km along strike to the north-west. Previous drilling defined a broad zone of copper anomalism (+0.25% Cu) over a strike extent of +800m (Figure 9). RC drill hole EPT1140 collared in the core of the copper anomaly, returned a copper sulphide intersection:

- 26m @ 0.60% Cu from 100m incl. 10m @ 0.92% Cu from 100m [7]

Diamond Drill Program

The +800m long copper anomaly identified in prior drilling at Millennium is interpreted to be leakage up the Tabletop Fault from a primary copper position at depth.

A 400m diamond drill tail to extend EPT2278 was completed during the quarter. The hole was designed to test the targeted position adjacent to the regionally significant Tabletop Fault. The hole contained several zones of anomalous zinc mineralisation hosted within the black shales of the Broadhurst Formation. Narrow zones of up to 1% Zn were encountered and are potentially representative of a distal halo to a sediment-hosted zinc deposit. Low level copper anomalism was intersected in the hole with results between 100-300ppm copper. These results are being assessed and future exploration activities at Millennium are currently being considered.

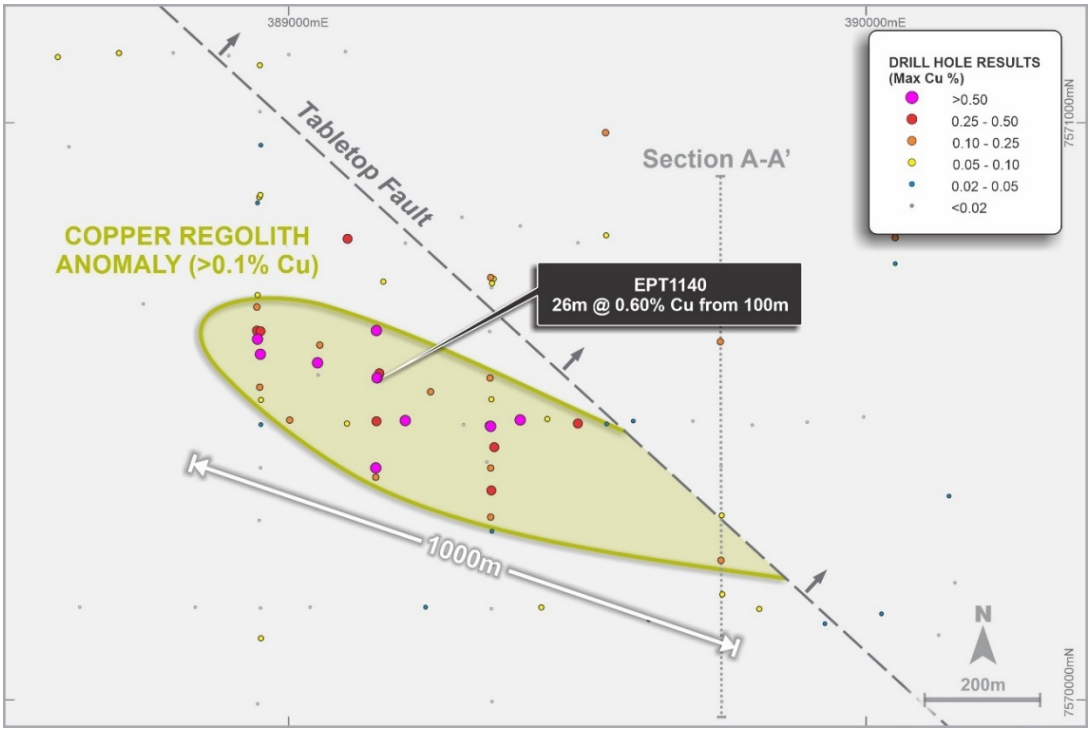


Figure 9 – Millennium drill hole location plan (max in hole Cu)

[7] *refer ASX release 19 July 2012**

**Reported pursuant to the 2004 Edition of the JORC Code.*

PATERSON PROVINCE – GOLD

East Thomson's Dome Project

East Thomson's Dome is located 5km from Telfer in the Paterson Province of WA. The domal structure at East Thomson's Dome has a core of Malu Formation with the fold axis trending WNW. The majority of surface gold and reef style mineralisation at East Thomson's Dome has been discovered in the overlying Telfer Formation sediments. This geological setting is similar to that of the high-grade reefs at Telfer.

Broad spaced RC drilling completed at the 45 Reef at East Thomson's Dome intersected:

- 6m @ 9.0g/t Au from 178m including
  - 2m @ 26.0g/t Au from 178m in ETG0045 [8]
- 16m @ 0.6g/t Au from 154m in ETG0044 [8]

These results were followed by an aircore drill program targeting the up dip continuation of the 45 Reef A >700m long surface gold anomaly was identified.

A diamond drill program to be completed at East Thomson's Dome has been deferred into 2022. The program will target the south west extension of the high-grade reef intersected in ETG0045. Additional drilling is also planned on section and along strike of ETG0045.

[8] refer ASX release 16 August 2017

YILGARN PROVINCE – GOLD

Encounter holds two exploration projects in the Yilgarn region of WA prospective for gold mineralisation.

Mt Sefton Project

The Mt Sefton gold project covers the southern half of the Cosmo Newbury Greenstone belt that is located between the Laverton and the Yamarna greenstone belts. This 600km^2 project area is situated 80km east of Laverton. Previous exploration in this area has been limited to surface rock chip sampling and shallow auger geochemical drilling.

The tenure is currently under application. The Company intends to progress a Land Access Agreement prior to the grant of tenure.

Rani Project

The Rani gold project is located 40km west of Menzies. The 220km^2 project is situated adjacent to Ora Banda Mining's (ASX:OBM) Riverina gold deposits (Figure 11). The tenure covers 30 strike kilometres of folded and highly metamorphosed greenstone stratigraphy on the eastern side of the Ida Fault Zone. The area is predominantly under cover and has been subject to minimal historical exploration.

Encounter has completed a fine fraction soil sampling trial in areas of shallow sand cover. The fine fraction soil sampling program has demonstrated contrast to background in gold and related pathfinder elements coincident a number of higher priority structural targets at Rani.

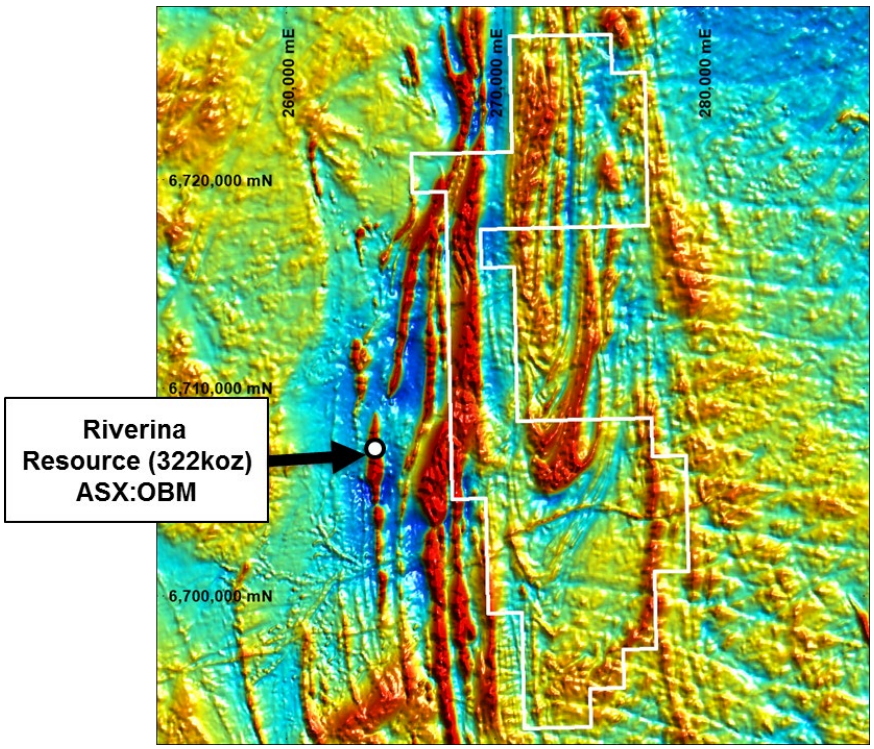


Figure 10 – Rani Gold Project location plan (TMI background) [11]

[11] *Refer to Ora Banda Mining - Investor Presentation 21 October 2020*

WEST TANAMI – GOLD – Hamelin Gold Demerger

Background

West Tanami is a belt scale gold project that covers over 100km of strike along the major structural corridor (Trans-Tanami Structure) that extends through the Tanami region of WA. Encounter's ground holdings in the Tanami cover 2,277km^2 of a well mineralised, emerging gold province that is significantly underexplored.

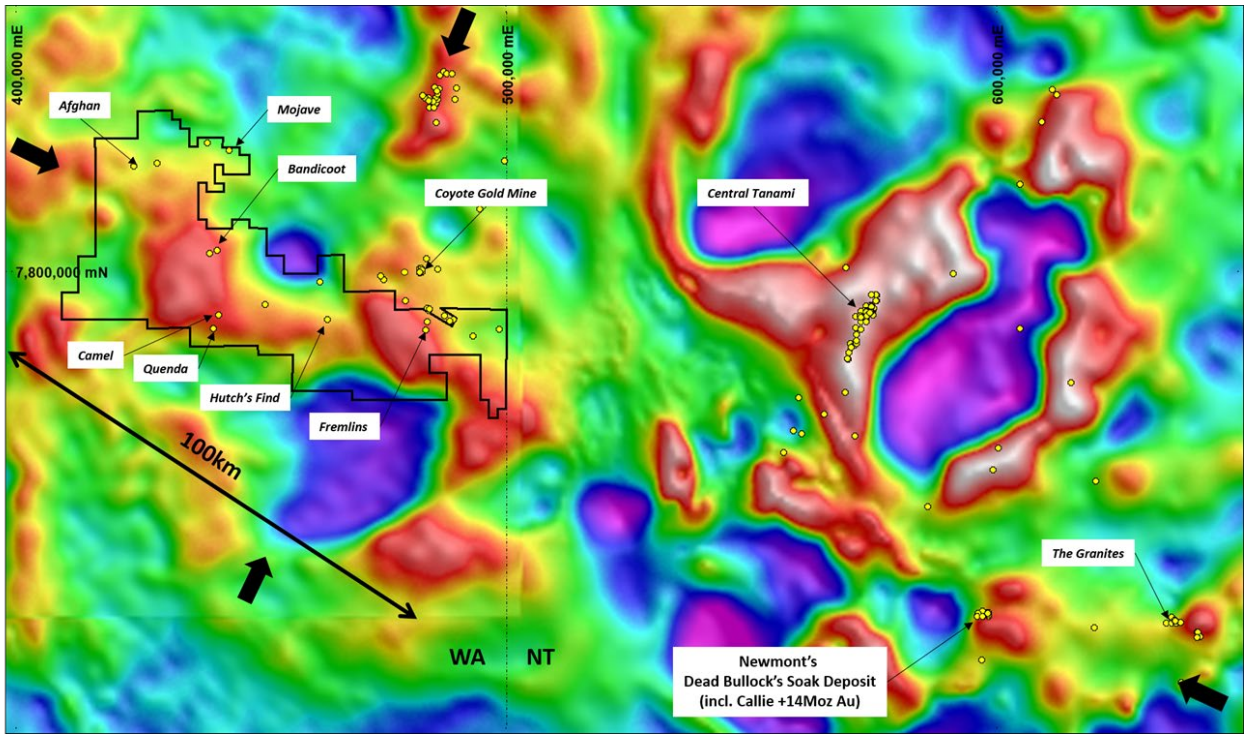


Figure 11 –Hamelin's West Tanami gold project with gold occurrences over regional gravity data

West Tanami has been subject to sporadic and fragmented exploration in the past. The attraction of the project area was enhanced by new datasets provided by the Geological Survey of WA and material new near mine gold discoveries at Newmont Corporation's +14Moz Callie gold mine. [9]

In July 2021 Encounter announced its intention, subject to shareholder approval, to demerge and launch an initial public offering ("IPO") of its wholly owned subsidiary, Hamelin Gold Limited ("Hamelin").

West Tanami contains open, high-grade gold intersections under shallow cover, significant kilometre scale unexplored geochemical anomalies and a suite of untested geophysical targets with supporting geochemistry in a Tier 1 jurisdiction.

High-grade gold intersections under shallow cover:

- Hutch's Find Prospect:
  - Gold/arsenic anomalism in colluvium over 5km of strike
  - Limited drilling has returned 19m @ 2.3g/t Au from 98m and 10m @ 5.4g/t Au from 123m [10]
- Camel Prospect:
  - Significant zone of gold/arsenic anomalism in shallow drilling over 2km of strike

- 7.2m @ 3.1g/t Au from 95m [10]

Large geophysical targets with supporting geochemistry:

- Bandicoot and Quenda Prospect:
  - Two large untested magnetic anomalies coincident with gold-arsenic geochemical anomalism adjacent to an interpreted major structure
  - EIS co-funded diamond drilling program planned in the first half of 2022

Kilometre scale unexplained geochemical anomalies:

- Afghan Prospect: a +7.5km long gold anomaly in shallow RAB drilling
- Fremlins Prospect: a 6km long zone of gold and arsenic anomalism located along NNE trending regional structure 10km south of the Coyote gold mine
- Mojave Prospect: a +7km long gold-arsenic anomaly that includes thick mineralised drill intersections strengthening at bottom of hole

[9] *Refer to Newmont Tanami Operations AGES Paper 20 March 2018*

[10] *Refer to ASX Release 3 May 2018*

CORPORATE

Encounter held cash reserves of ~$4.1 million at 30 September 2021 and a listed investment valued at ~$0.6 million. The listed investment is ordinary shares in Hampton Hill Mining NL (ASX:HHM), valued as at the net assets of HHM at 30 June 2021. The trading of HHM shares was suspended by the ASX on 18 February 2020.

Related party transactions

Payments to related parties of the entity and their associates (refer section 6 of Appendix 5B below):

Included at section 6.1 - Comprises: Remuneration of directors ($24,000)

Included at section 6.2 - Comprises: Remuneration of directors ($138,000)

In accordance with ASX Listing Rule 5.3.1, the Company confirms that there have been no material developments or changes to its exploration activities, and provides the following information:

- Approximately $1.284 million was incurred by the Company in respect of exploration activity for the quarter ended 30 September 2021, primarily on:
  - Diamond drilling at Lamil in the Paterson Province of WA
  - A gravity survey at the Aileron IOCG project in the West Arunta region of WA
  - Project generation and validation activities for copper in the NT
- A summary of the specific exploration activities undertaken in each project area (which included drilling and geochemical and geophysical programs), is provided in the relevant sections of this activity report.

In accordance with ASX Listing Rule 5.3.2, the Company advises that no Mining Development or Production activities were conducted during the quarter.

NEXT QUARTER HIGHLIGHTS

Activities planned for the December 2021 quarter include:

Paterson Province

Lamil Copper-Gold Project (100% ENR)

- Assay results from diamond drill program completed in September 2021 quarter.
- Complete additional heritage surveys to complete a detailed ground gravity survey over the Dune area.

Yeneena Copper-Cobalt Projects (IGO Earn in and Joint Venture Agreement with IGO Limited)

- AC drilling over multiple areas of interest.

Northern Territory - Copper (100% ENR)

- Jessica
  - Infill gravity surveys over a series of high priority magnetic targets in conjunction with an extensive regional gravity survey being completed by the NTGS.
  - Aircore drilling to confirm and determine the lateral extent of the near surface copper mineralisation identified in water bore cuttings, subject to availability of a suitable drill rig before the wet season commences.
- Carrara
  - Sampling and logging of the 1.7km deep Carrara1 stratigraphic diamond drill hole, drilled as part of the National Drilling Initiative funded by the Minex CRC.
  - Reprocessing of the GA seismic lines that extends through Carrara to provide greater detail of the geology and structure in the upper 1,000m along the western margin of the sub-basin.
  - NTGS will complete an additional gravity survey over Carrara in 2021 to reduce the station spacing to 2km x 2km.
- Sandover
  - Surface mapping and sampling of cupriferous outcrops identified by previous explorers.
- Discussions with potential project partners to advance exploration through the next phase

West Arunta - Aileron IOCG Project (100% ENR)

- Complete additional gravity coverage at Aileron
- Additional geochemical sampling is planned to be completed prior to an EIS co funded diamond drilling program proposed for the first half of 2022.

TENEMENT INFORMATION (granted tenure)

Lease	Location	Project Name	Area km^2	Interest at start of quarter (01/07/2021)	Interest at end of quarter (30/09/2021)
E45/2500	266km NE of Newman	Millennium – Hampton JV	107.3	75-100%	75-100%
E45/2501	277km NE of Newman	Millennium – Hampton JV	19.12	75%	75%
E45/2502	261km NE of Newman	Paterson IGO Earn-In	117.8	100%	100%
E45/2561	276km NE of Newman	Millennium – Hampton JV	50.95	75%	75%
E45/2657	246km NE of Newman	Paterson IGO Earn-In	156	100%	100%
E45/2658	245km NE of Newman	Paterson IGO Earn-In	95.4	100%	100%
E45/2805	242km NE of Newman	Paterson IGO Earn-In	85.8	100%	100%
E45/2806	251km NE of Newman	Paterson IGO Earn-In	35	100%	100%
E45/3768	241km NE of Newman	Paterson IGO Earn-In	149.7	100%	100%
E45/4861	260km NE of Newman	Paterson IGO Earn-In	140.4	100%	100%
E45/5333	239km NE of Newman	Paterson IGO Earn-In	127.2	100%	100%
E45/5334	242km NE of Newman	Paterson IGO Earn-In	102.1	100%	100%
E45/4613	300km NE of Newman	Lamil	60.7	100%	100%
E45/3446	315km NE of Newman	East Thomson's Dome	6.0	100%	100%
P45/2750	315km NE of Newman	East Thomson's Dome	198ha	100%	100%
P45/2751	315km NE of Newman	East Thomson's Dome	171ha	100%	100%
P45/2752	315km NE of Newman	East Thomson's Dome	199ha	100%	100%
P45/3032	315km NE of Newman	East Thomson's Dome	114ha	100%	100%
E80/5132	Tanami	Selby	381.2	100%	100%
E80/5137	Tanami	Selby	532.8	100%	100%

E80/5145	Tanami	Watts	471.3	100%	100%
E80/5146	Tanami	Watts	277.4	100%	100%
E80/5147	Tanami	Selby	274.7	100%	100%
E80/5169	Tanami	Aileron	187.6	100%	100%
E80/5186	Tanami	Watts	71.0	50%	100%
E80/5323	Tanami	Selby	100.3	100%	100%
E80/5469	Tanami	Aileron	534.3	100%	100%
E80/5470	Tanami	Aileron	613.9	100%	100%
E80/5522	Tanami	Aileron	429.2	100%	100%
E80/5571	Tanami	Watts	167.9	0%	100%
EL32156	Northern Territory	Elliott – BHP JV	807.3	100%	100%
EL32157	Northern Territory	Elliott – BHP JV	696.3	100%	100%
EL32158	Northern Territory	Elliott – BHP JV	793.9	100%	100%
EL32159	Northern Territory	Elliott – BHP JV	723.9	100%	100%
EL32226	Northern Territory	Elliott – BHP JV	813.56	100%	100%
EL32329	Northern Territory	Elliott – BHP JV	137.0	100%	100%
EL32437	Northern Territory	Elliott – BHP JV	601.1	100%	100%
EL32273	Northern Territory	Jessica	750.5	100%	100%
EL32317	Northern Territory	Jessica	738.6	100%	100%
EL32338	Northern Territory	Jessica	783.5	100%	100%
EL32339	Northern Territory	Jessica	791.4	100%	100%
EL32386	Northern Territory	Jessica	814.5	0%	100%
EL32387	Northern Territory	Jessica	814.9	0%	100%

EL32388	Northern Territory	Jessica	813.8	0%	100%
EL32374	Northern Territory	Sandover	795.4	100%	100%
EL32421	Northern Territory	Sandover	792.67	100%	100%
EL32476	Northern Territory	Carrara	805.4	0%	100%
EL32477	Northern Territory	Carrara	805.2	0%	100%
EL32493	Northern Territory	Playford	811.6	0%	100%

* Hampton earning into the four eastern block of E45/2500 remaining area of the tenement is in IGO Earn-In.

Will Robinson

Managing Director

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. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.

Certain exploration drilling results for BM1 were first disclosed under JORC code 2004. It has not been updated since to comply with the JORC code 2012 on the basis that the information has not materially changed.

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 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 2004 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.

This announcement has been approved for release by the Board of Encounter Resources Limited.

encounter RESOURCES LIMITED

+Rule 5.5 **Appendix 5B**

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
Encounter Resources Limited	
ABN	**Quarter ended ("current quarter")**
47 109 815 796	30 September 2021

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(27)	(27)
	(e) administration and corporate costs	(325)	(325)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	1	1
1.9	**Net cash from / (used in) operating activities**	**(347)**	**(347)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(1)	(1)
	(d) exploration & evaluation	(1,284)	(1,284)
	(e) investments	-	-
	(f) other non-current assets – bonds and security deposits	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – farm-in and joint venture contributions	147	147
	Other – exploration incentive grants	120	120
	Other – R&D Tax receipts	-	-
2.6	**Net cash from / (used in) investing activities**	**(1,018)**	**(1,018)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings – lease payments	(18)	(18)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – subsidiary IPO expenses	(165)	(165)
3.10	**Net cash from / (used in) financing activities**	**183**	**183**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	5,687	5,687
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(347)	(347)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,018)	(1,684)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(183)	(183)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**4,139**	**4,139**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	639	487
5.2	Call deposits	3,500	5,200
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**4,139**	**5,687**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	24
6.2	Aggregate amount of payments to related parties and their associates included in item 2	138

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	347
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	1,284
8.3	Total relevant outgoings (item 8.1 + item 8.2)	1,631
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,139
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,139

8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2.5

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

A significant component of the Company's exploration activities are funded by the Company's joint venture and farm-in partners, for which cash in-flows are reported at 2.5 above.

The exploration project cash flows incurred by the Company on behalf of the funding partners are reported at 2.1(d) and accordingly at 8.2 in the table above.

8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: N/a	
	8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: N/a	
	8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: N/a	
	Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2021

Authorised by: The Board of Encounter Resources Limited

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.