

## *Collaborating with high quality partners to make new discoveries...*

### Tanami and West Arunta – Gold – Joint Ventures with Newcrest Mining Limited (ASX:NCM)

- RC drilling at the Afghan and Mojave prospects in the Tanami intersected new zones of gold mineralisation hosted by structures developed within folded dolerite units.
- Such positions represent a key target for orogenic gold mineralisation in the Tanami.
- The level of bedrock gold anomalism at Mojave potentially represents a halo to a higher-grade deposit and the primary structural target located south-east remains open and untested.

### Paterson Province – Copper/Cobalt – Independence Group NL (ASX:IGO) Earn in Option

- Advanced exploration technologies being applied, including the completion of a large scale Magnetotelluric (MT) survey at Yeneena.
  - Conductivity anomalies identified highlight the potential for extension to the BM1 system. Utilising a high-powered ground EM method is being considered to further define the large-scale structural targets.
  - Audio-magnetotelluric (AMT) survey at Aria IOCG prospect revealed a conductive feature within the interpreted breccia pipe. This feature is untested by prior drilling with the closest drill hole located 500m to the west containing localised copper mineralisation (~1% Cu).
- IGO decision on entering an earn-in agreement to earn a 70% interest in Yeneena by funding up to \$15 million in exploration to be made in March 2020.

### Paterson Province – Copper/Gold – 100% Encounter

- IP and SkyTEM (AEM) surveys define compelling new drill targets at the Lamil Copper-Gold Project (“Lamil”) in the Paterson Province of Western Australia (WA).
- Lamil is located on a regional scale gravity lineament in a structural setting analogous to Rio Tinto’s Winu Copper-Gold discovery located 120km to the north.
- Lamil recognised through a competitive co-funded drilling grant of up to \$150,000 under the WA Government Exploration Incentive Scheme (EIS).
- Drilling scheduled to commence in March-April 2020.



**ASX Code**  
ENR

**Market Cap (29/01/20)**  
~A\$30m (\$0.105/share)

**Issued Capital (31/12/19)**  
281 million ordinary shares  
14.3 million options

**Cash (31/12/19)**  
~\$2.5M

**Cash & Listed Investments (31/12/19)**  
~\$3.1M

### Tanami and West Arunta

Fast-tracking exploration via joint ventures with Newcrest

### Paterson Province – Copper-Cobalt

New approach in a known Cu-Co district with Independence Group

### Paterson Province – Copper-Gold

Copper-Gold targets analogous to Rio Tinto's Winu discovery

### Laverton Tectonic Zone

Innovative new generative program in a world class gold province

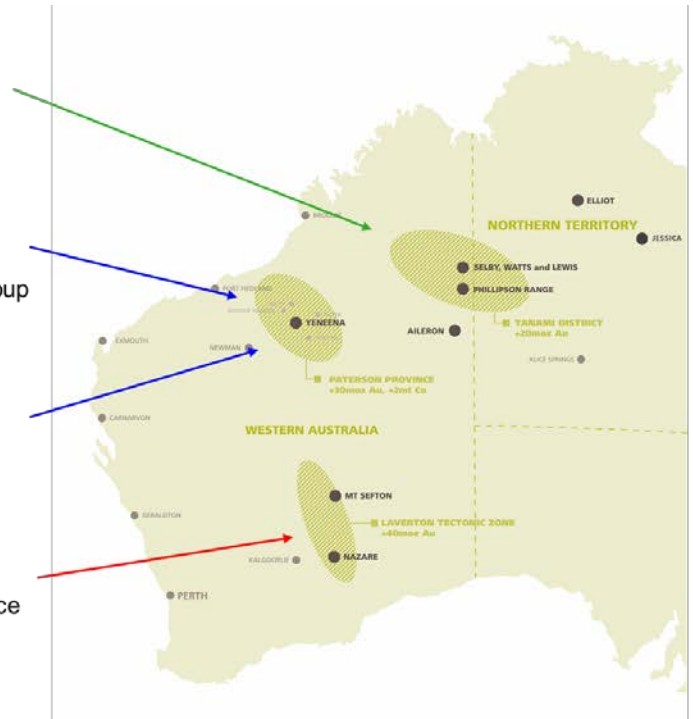


Figure 1: Encounter Projects - Location Plan

## TANAMI AND WEST ARUNTA GOLD

50:50 JV Encounter/Newcrest – E80/5132, E80/5137, E80/5145, E80/5146, E80/5147, E80/5169, E80/5186, E80/5323, ELA80/5467, ELA 80/5468

Newcrest is sole funding exploration activities across a series of joint ventures in the Tanami and West Arunta Provinces. Three of these joint ventures (Watts, Selby and Lewis) cover over 100km of strike along the major structural corridor (Trans-Tanami Structure) that extends through the Tanami region in WA. In addition, the Aileron joint venture in the West Arunta district of WA contains a number of structural targets identified through aerial magnetic surveying, including a discrete magnetic anomaly consistent with the scale of an Ernest Henry or Carrapateena style system.

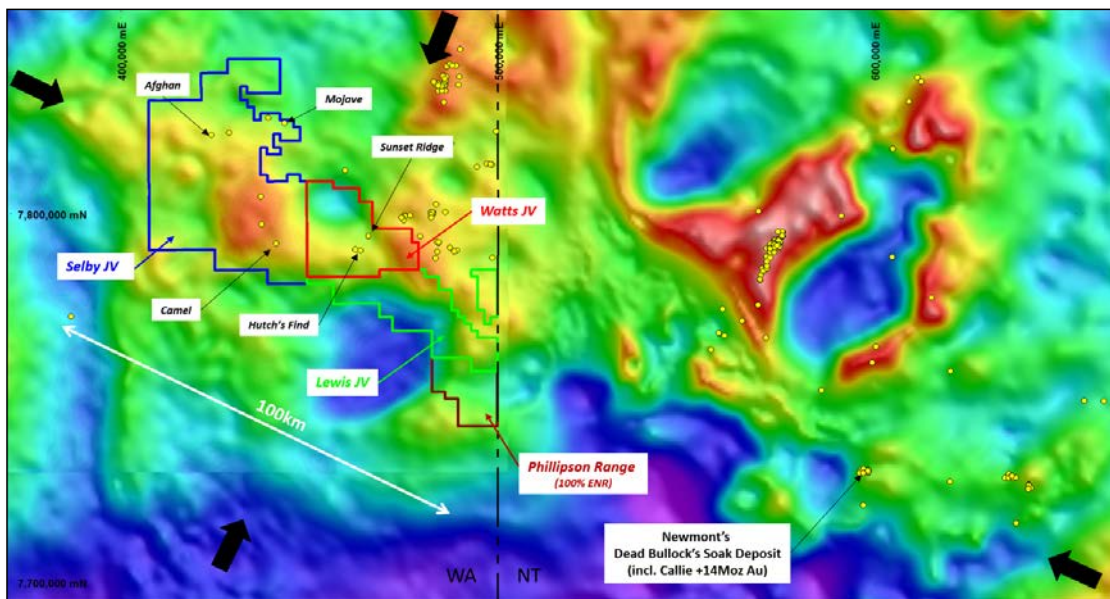


Figure 2 – Tanami Joint Venture areas with gold occurrences over regional gravity data

## 1. Watts Joint Venture (Tanami) (50:50 JV Encounter/Newcrest)

The Watts joint venture covers the central corridor of targets where a regional scale north-northeast structure intersects the Trans-Tanami Structure including the Hutch's Find and Sunset Ridge prospects.

### Hutch's Find Prospect

The four drill sections completed at Hutch's Find in October 2019 were designed at a spacing of 400m to 600m with hole spacing along the drill lines at 250m.

The majority of holes were drilled at a dip of  $-60^\circ$  towards  $240^\circ$  orientation with three holes on the northern section drilled at  $-60^\circ$  to the south. The program was designed to provide the first systematic deep drilling of the large scale Hutch's Find gold-arsenic anomaly. Prior to this RC drill program only two holes had been drilled deeper than 200m along the geochemical anomaly defined in shallow drilling.

The assay results from this first phase of RC drilling at Hutch's Find have outlined a 2km long, east-west trending zone of bedrock gold anomalism that remains open both east and west (Figures 3 and 4). The orientation of RC drilling is at a high angle to the gold trend identified.

The drilling has successfully defined an extensive and open mineralised corridor in the first systematic deep drilling at Hutch's Find. The multi-element geochemistry will be integrated with a detailed structural interpretation along the defined trend to identify potential for high grade shoots for the next round of drilling.

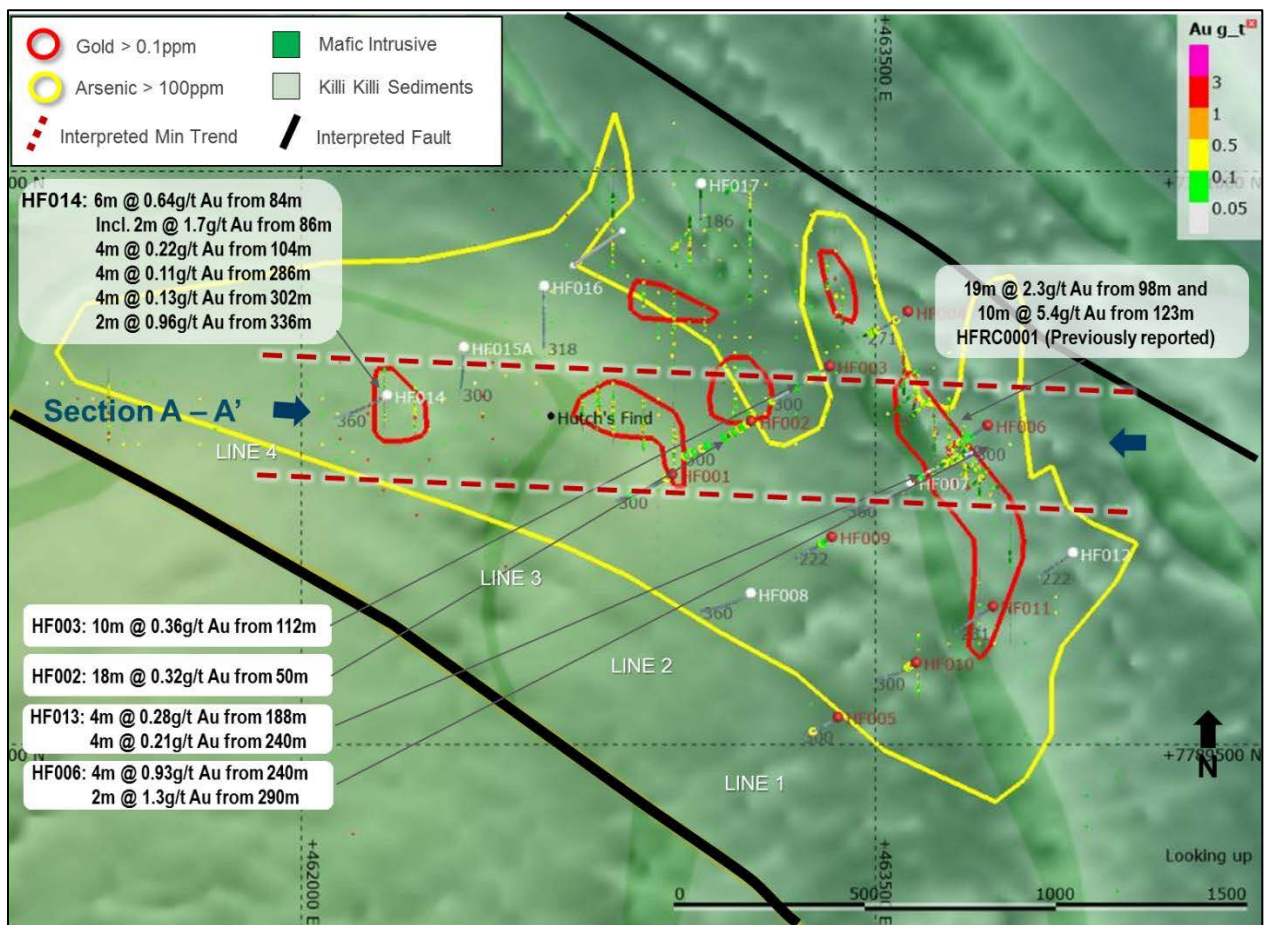


Figure 3 – Hutch's Find RC drill collar locations (refer ASX release 22 November 2019)



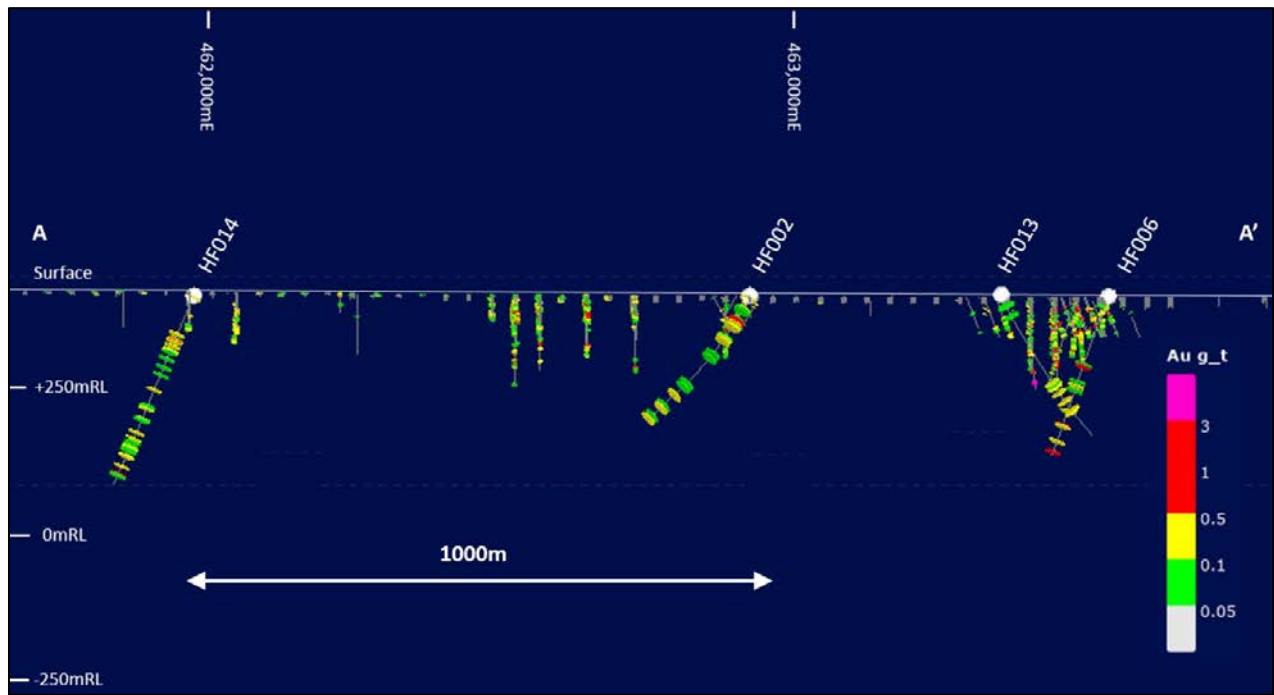


Figure 4 – Hutch's Find long section A-A'

## 2. Selby Joint Venture (Tanami) (50:50 JV Encounter/Newcrest)

Selby includes a number of regional scale geochemical anomalies defined in shallow drilling, discrete geophysical targets and historical high grade gold intersections in limited deeper drilling. Current high priority prospects at Selby include the Afghan, Mojave and Camel prospects.

### Mojave Prospect

Mojave is located within a 7km NW trending corridor of arsenic anomalism (As >100ppm). Two discrete zones of known gold anomalism (>0.1g/t Au), named Yosemite and Mojave, sit within this regionally significant anomaly. Historical drilling at Mojave defined a discrete near surface gold anomaly that remains open along strike and down plunge. Anomalism at Mojave is located on an interpreted fold hinge at the transition between the Stubbins Formation (equivalent unit to the host of the +14Moz Callie gold deposit) and Killi Killi formation.

One of three planned drill traverses was completed at Mojave late in the 2019 field season. Results from the three holes (900m) drilled on this section have confirmed strong bedrock gold anomalism within a folded dolerite unit, confirming the interpreted geological model. The two steeply dipping mineralised structures are associated with minor quartz sulphide veining along the limbs of an interpreted antiform and these remain open along strike and at depth (Figure 5).

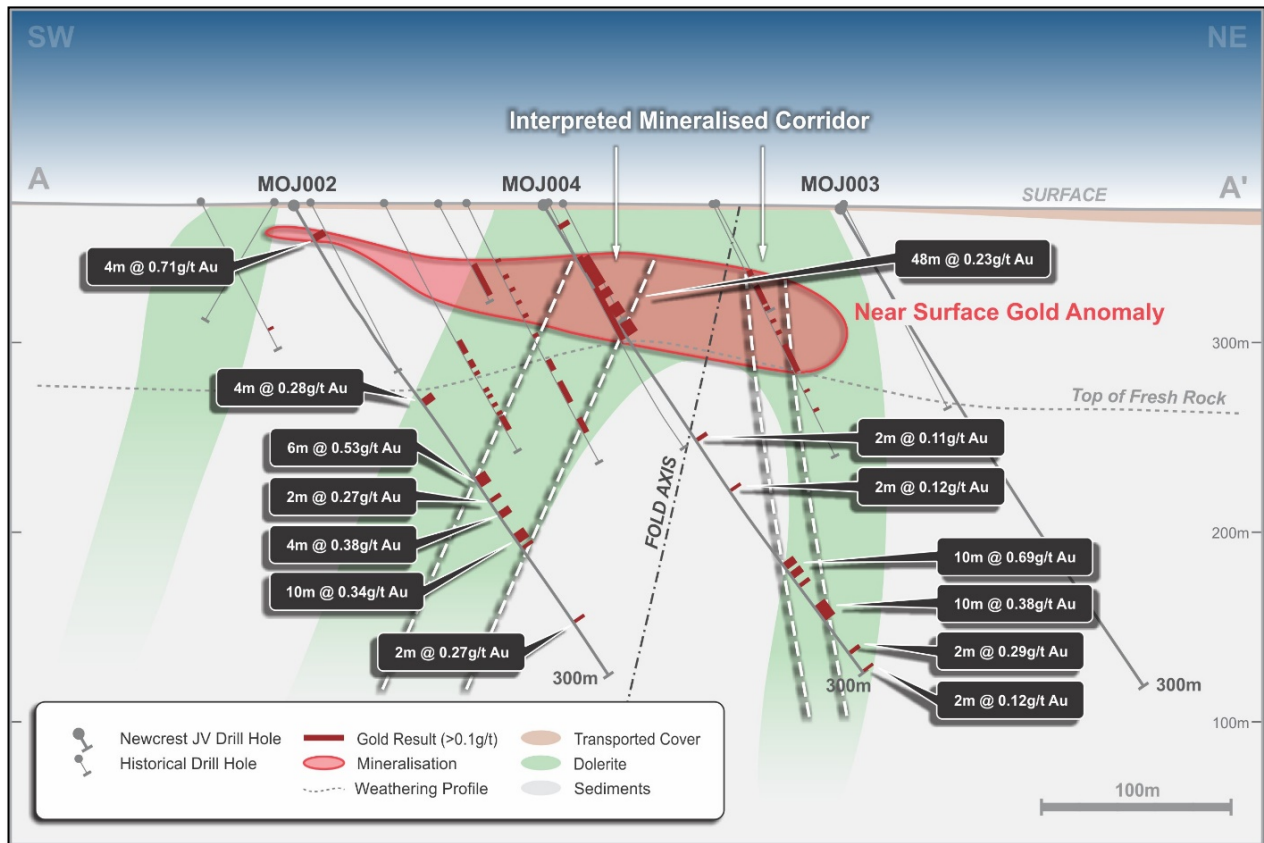
Drill holes MOJ002 and MOJ004 intersected multiple zones of gold mineralisation within the dolerite host:

- **MOJ004:**
  - o 16m @ 0.27g/t Au from 36m
  - o 4m @ 0.25g/t Au from 56m
  - o 6m @ 0.47g/t Au from 66m
  - o 8m @ 0.30g/t Au from 76m
  - o 10m @ 0.69g/t Au from 228m
  - o 10m @ 0.38g/t Au from 256m

• **MOJ002:**

- o 4m @ 0.70 g/t Au from 20m
- o 4m @ 0.28 g/t Au from 124m
- o 6m @ 0.53g/t Au from 174m
- o 4m @ 0.38g/t Au from 196m
- o 10m @ 0.34g/t Au from 210m

(refer ASX release 23 January 2020)



**Figure 5 – Mojave prospect cross section showing steeply dipping mineralised structures along the limbs of an interpreted antiform**

The hinge zone of the folded dolerite unit at Mojave is untested to the south-east where it is interpreted to intersect a regional scale east-north-east trending cross cutting fault (see Figure 6). This down plunge structural target exhibits a number of key targeting elements for orogenic gold systems and this untested position represents a high quality target for future drilling.

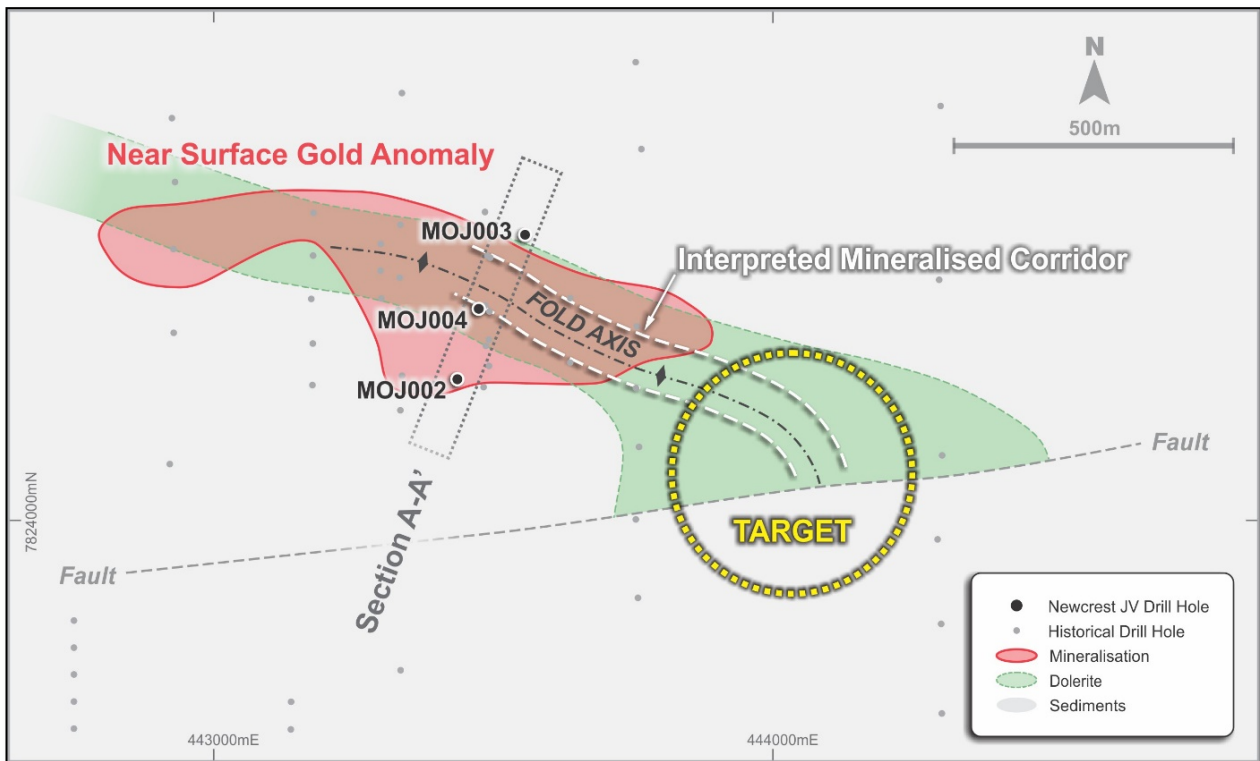


Figure 6 – Mojave prospect drilling with interpreted geology showing high quality orogenic gold target

### Afghan Prospect

RC drilling at Afghan targeted the down dip and plunge extensions of a 4km long supergene gold anomaly identified by previous explorers. A total of eight RC holes for 2,292m across five broad spaced sections were completed along a 2km section at Afghan.

Results from this program confirmed the presence of near surface supergene gold mineralisation including:

- AFG002 - 10m @ 1.6g/t Au from 4m incl. 6m @ 2.5g/t Au from 6m

The drill program provided the first deep drilling at Afghan and intersected bedrock gold anomalism within a folded dolerite unit including:

- AFG005 - 2m @ 2.0g/t Au from 40m & 2m @ 3.5g/t Au from 136m; and
- AFG008 - 24m @ 0.32g/t Au from 102m

(refer ASX release 23 January 2020)

RC hole AFG008 was a single hole drilled on the most eastern section of Afghan and mineralisation in this hole remains open on section and to the east.

### 3. Lewis Joint Venture (Tanami) (50:50 JV Encounter/Newcrest)

The Lewis joint venture covers over 20km of strike of untested Trans-Tanami Structure. Vast areas along this highly prospective structure have never seen a soil sample or a drill hole. Lewis represents a first mover opportunity into a newly defined area on a major regional structure.

#### 4. Aileron Joint Venture (West Arunta) (50:50 JV Encounter/Newcrest)

The Aileron joint venture is located in the West Arunta district of WA, ~600km west of Alice Springs. There has been no previous drilling within this undercover project, although gold/copper anomalism has been identified within the region. The project contains a number of structural targets identified through aerial magnetic surveying, including a discrete magnetic anomaly in the west of the project that is consistent with the scale of an Ernest Henry or Carrapateena style system (Figure 7).

A heritage survey was also completed at the Aileron joint venture in July 2019. Subsequently, access tracks were established and diamond drill sites prepared ready for drilling to commence.

During the December 2019 quarter the Aileron JV was recognised by the WA Government through a co-funded drilling grant of up to \$150,000 under the Exploration Incentive Scheme with drilling planned for July 2020.

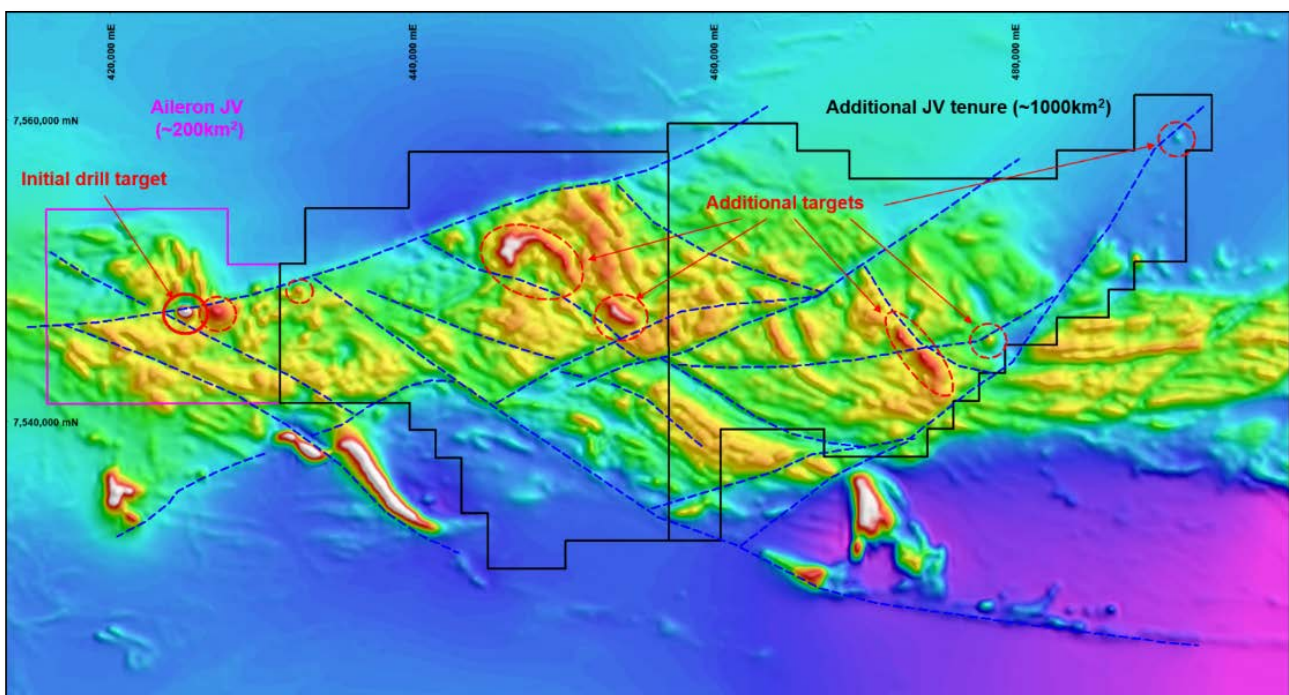


Figure 7 – Aileron joint venture interpreted structures and targets on TMI background

#### Phillipson Range (Tanami) (100% ENR)

The Phillipson Range project covers untested Trans-Tanami Structure south-west of the Lewis JV with Newcrest. The future work program at Phillipson Range will focus on the eastern end of the project along the Trans-Tanami Structure with initial reconnaissance and geochemistry planned for 2020.



## PATERSON PROVINCE – COPPER-COBALT

E45/2500, E45/2502, E45/2657, E45/2658, E45/2805, E45/2806, E45/3768, ELA45/4861, ELA45/5333 and ELA45/5334 - Independence Group NL (ASX:IGO) Earn in Option

The Yeneena Project is a collaboration between IGO and Encounter and comprises a land position covering more than 1,430km<sup>2</sup> in the highly prospective Paterson Province targeting copper-cobalt mineralisation. IGO may, at any time before 1 March 2020, elect to enter an earn-in agreement to spend up to \$15 million to earn a 70% interest in Yeneena.

During the December 2019 quarter the Yeneena project expanded by 20% through an option agreement with Shumwari Pty Ltd completed covering 235km<sup>2</sup> of ground adjacent to Yeneena (see Figure 8)

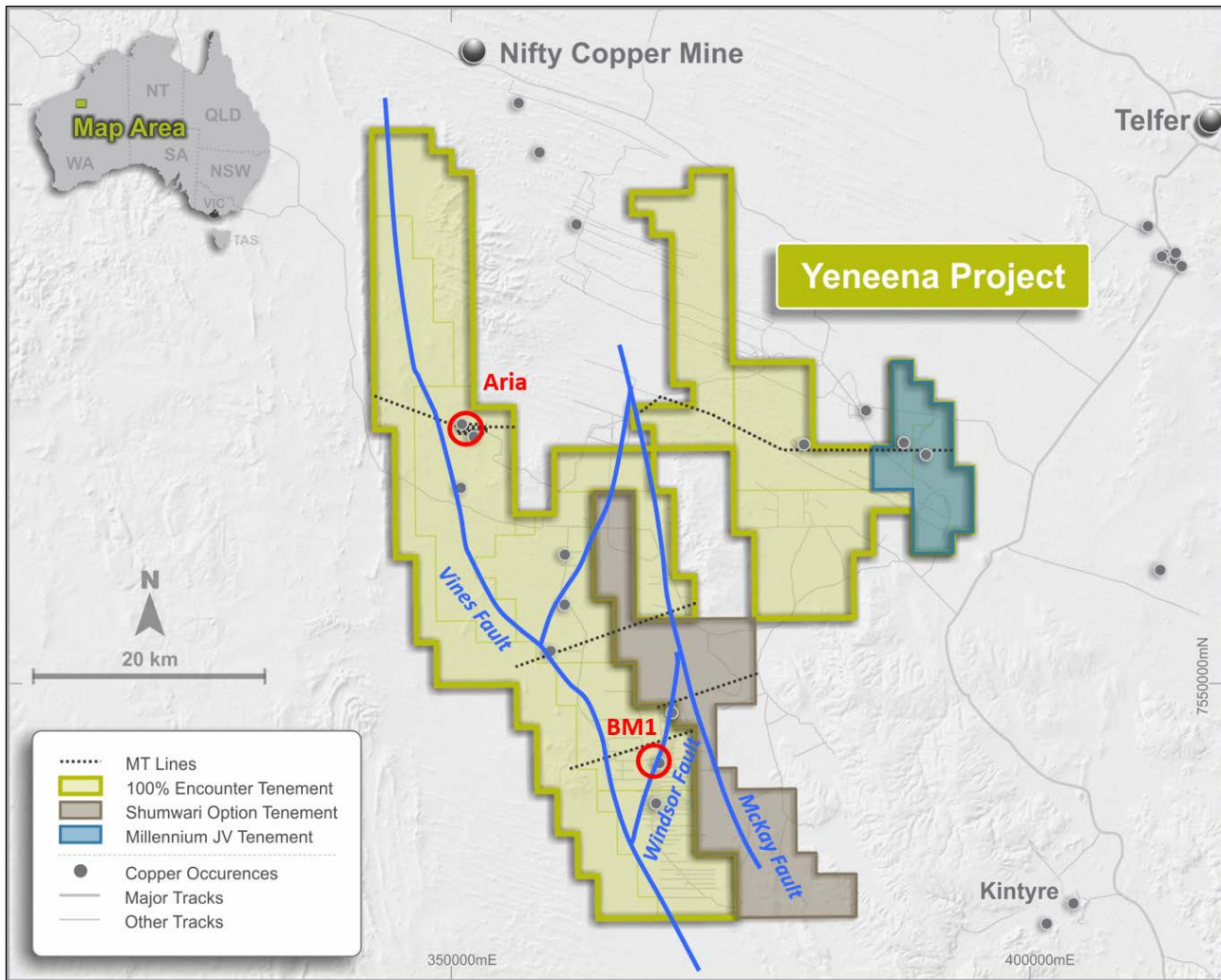


Figure 8. Yeneena - MT sections, key structures and Leasing summary

The 2019 program included several new technologies, including a large-scale magneto-telluric (MT) survey (~100 line-km) to better define the Yeneena basin architecture and to further advance 3D targets as follows:

- A line of MT was completed in the southwest of the project crossing the Vines Fault in the west and over the Windsor Fault to the east, 2km north of the BM1 Prospect. BM1 is a zone of near surface copper oxide and cobalt mineralisation discovered by Encounter in 2010. The mineralisation is hosted within conductive sediments of the Broadhurst Formation and is interpreted to be the weathered product of an in-situ sulphide system adjacent to the Windsor Fault. The MT has mapped



conductivity anomalies to the west and east of the Windsor Fault that are interpreted to be Broadhurst Formation. The shallower, but covered, eastern anomaly is in the equivalent position to BM1. Prior drilling in this area is limited, so the MT has highlighted the potential for a northern extension to the BM1 system.

- A deeper anomaly immediately to the west of the Windsor Fault is interpreted to represent the western fault offset of the (potentially mineralised) Broadhurst Formation. Exploration efforts here will also focus on locating primary sulphide mineralisation in this position. Applying a high-powered ground EM method is being considered to further define the above two conceptually compelling targets ("Windsor Targets") (Figure 9).
- The MT survey also outlined a potential sub-basin of more conductive Broadhurst sediments 5km west of BM1, adjacent to the major regional Vines Fault. Additional soil samples were collected in this area as a precursor to a potential drill program to test the conductive target in this area ("Vines Targets") (Figure 9).

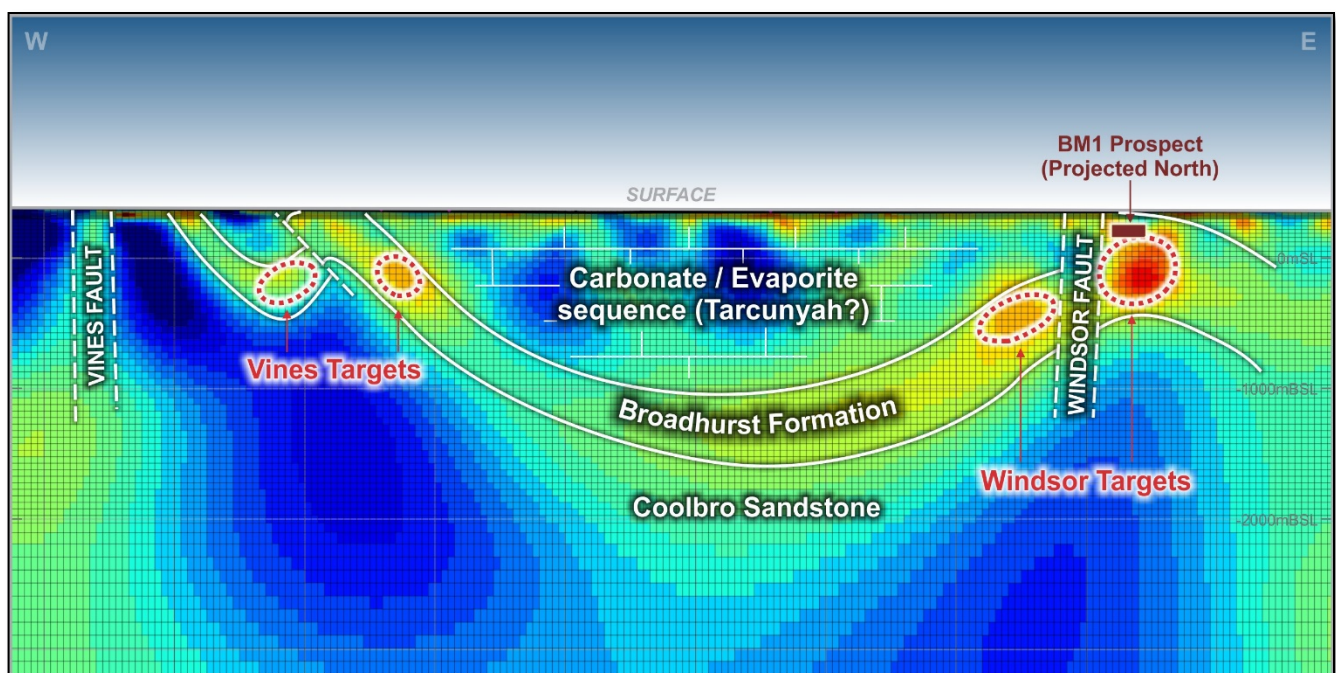


Figure 9. MT section – Vines Fault to BM1. Showing interpreted geology and the Vines and Windsor Targets

### Aria Prospect

The Aria prospect is a regionally significant, 1.5km long, oval-shaped magnetic anomaly located on a major crustal-scale fault. Localised copper mineralisation (~1% Cu) has been intersected in the two diamond holes drilled to-date, but the partially coincident magnetic and gravity anomalies remain unexplained. The geology at Aria consists of a hematite-altered polymictic breccia of probable IOCG style, e.g. Carrapateena.

A detailed 3D audio-magnetotelluric (AMT) survey and inversion modelling over Aria has been completed in order to identify conductive zones that may be associated with accumulations of copper sulphide mineralisation. This modelling has highlighted a conductive feature within the interpreted breccia pipe which is untested by prior drilling, with the closest drill hole located 0.5km to the west (see Figures 10, 11 & Photo 1).

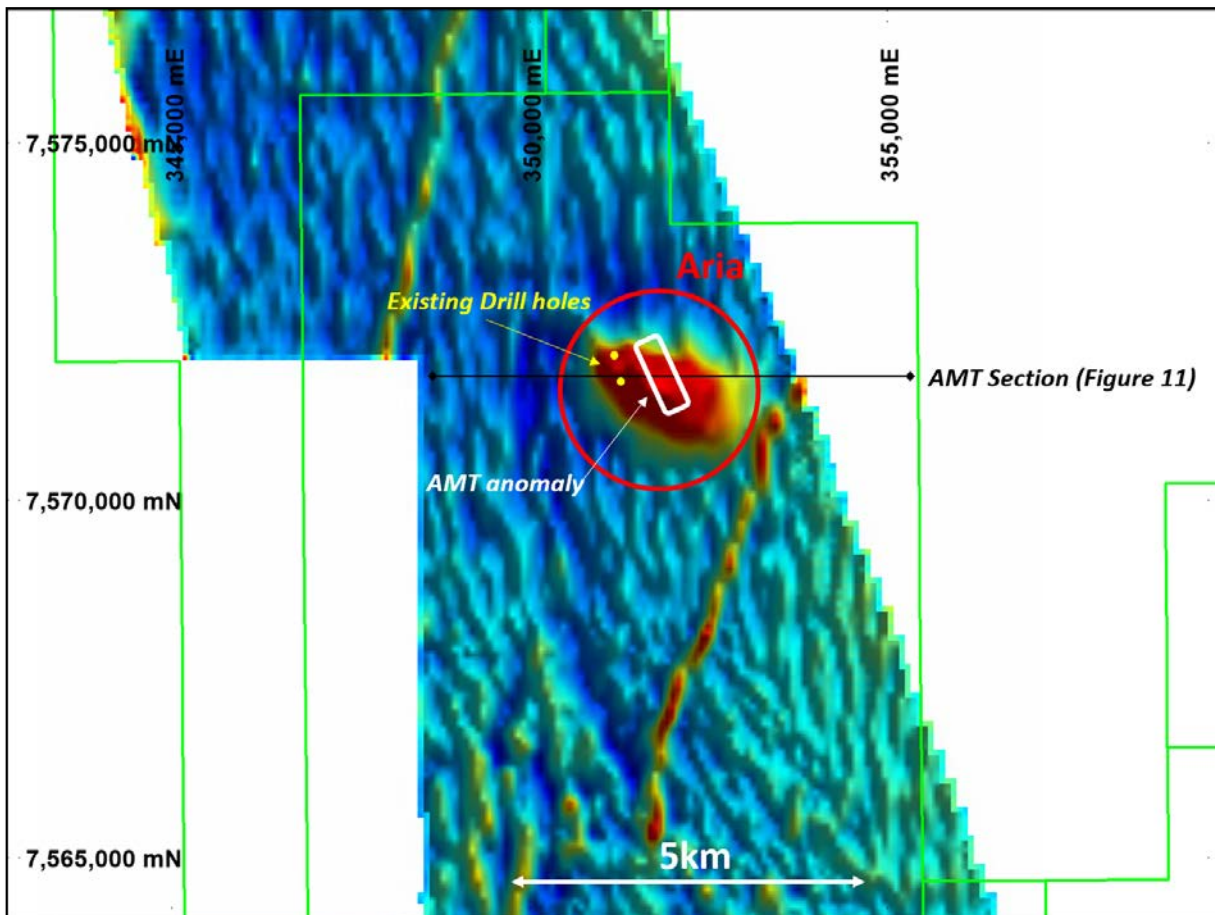


Figure 10. Detailed magnetics 1VD TMI over Aria highlighting a regionally significant, 1.5km long, oval-shaped magnetic anomaly and coincident AMT anomaly

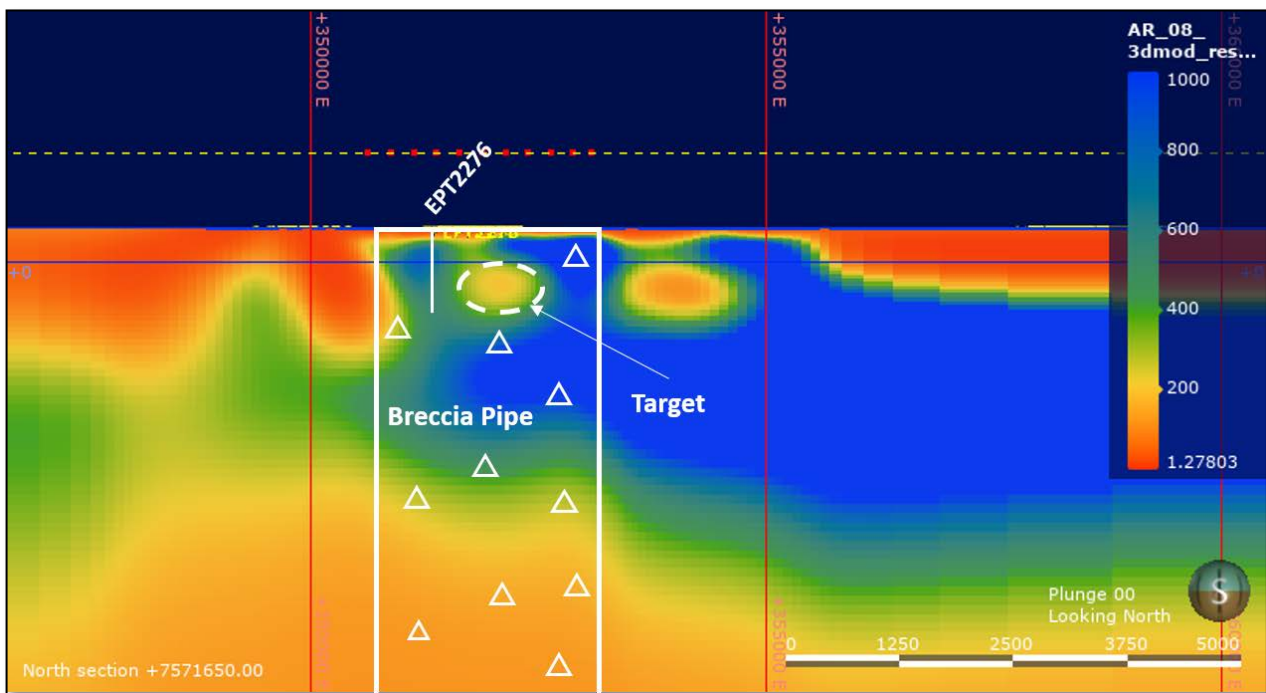


Figure 11. MT section at Aria highlighting a conductive feature within the interpreted breccia pipe



**Photo 1. Polymictic breccia with vein hosted blebby chalcopyrite in EPT2276**

In addition to the MT/AMT surveys, new surface and drill hole geochemistry and multi-spectral techniques are being applied to samples across the project to determine areas of possible ore fluid flow and metal deposition associated with new target areas. A full integration and interpretation of the geophysical and geochemical data is expected to be completed during the March 2020 quarter.



## PATERSON PROVINCE COPPER-GOLD

### 100% Encounter – E45/4613

The IP and AEM surveys completed at Lamil during the second half of 2019 have highlighted compelling new targets at the 100% owned Lamil Copper-Gold Project in the Paterson Province of Western Australia.

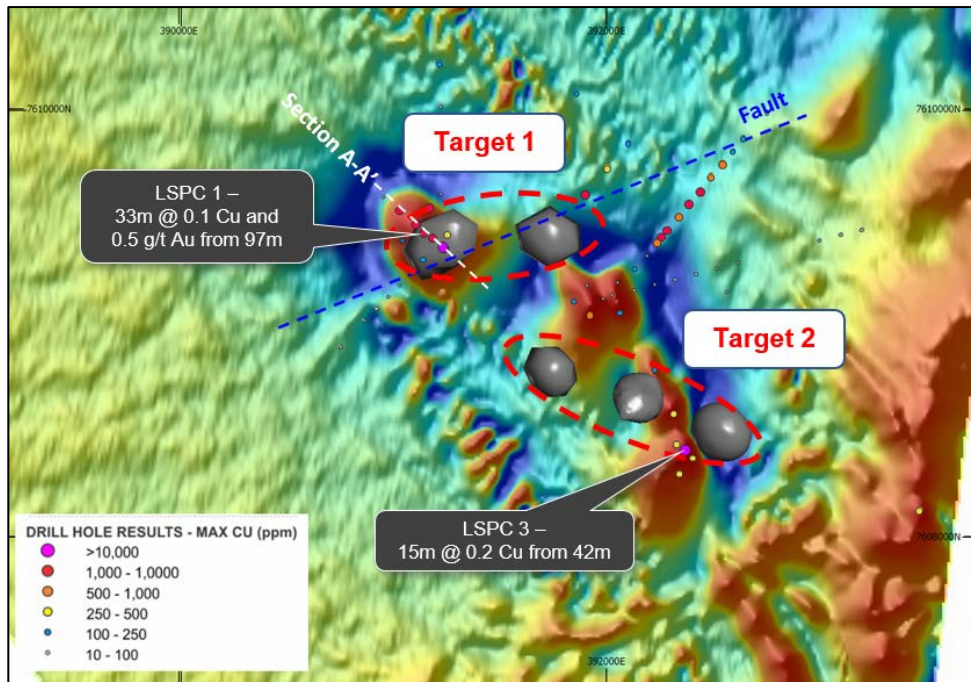


Figure 12 – Lamil: Chargeability anomaly location plan (shown in grey) with aeromagnetic background (TMI 1VD pseudo colour image)

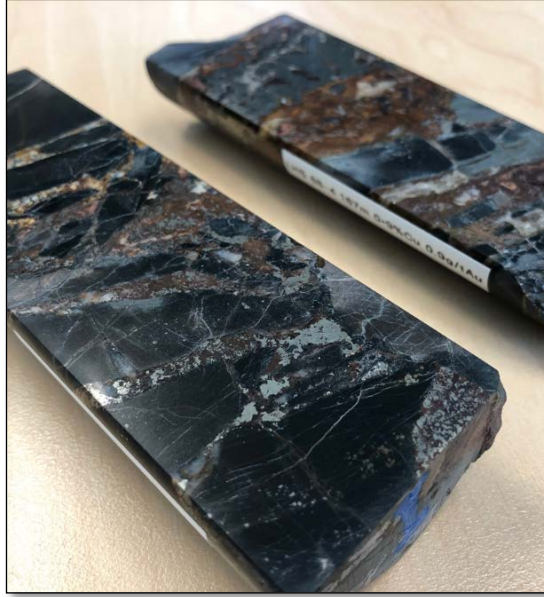
### Background

Lamil covers an area of ~61km<sup>2</sup> and is located 25km northwest of the major gold-copper mine at Telfer, owned by Newcrest and 40km north of Encounter's Yeneena Copper-Cobalt Project the Paterson Province.

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 major pathway for ore forming fluids during the formation of the Proterozoic aged deposits (Figures 14 & 15).

Shallow drilling completed in the 1980s by Newmont targeting a series of magnetic anomalies, intersected thick zones of strong copper-gold anomalism. The level of metal anomalism in the historical drilling is significant given the recent learnings from the Winu copper-gold discovery made by Rio Tinto Ltd (ASX:RIO) and the Havieron gold-copper project operated by Newcrest under a farm-in agreement with Greatland Gold plc.

Drill core from five holes drilled at Lamil in the 1980s by Newmont has been relogged and contains zones of pervasive alteration, extensive pyrrhotite development and copper-bearing sulphide from within 50m of surface (Photos 2 and 3).



**Photo 2 (L) – LSPC-3 (Newmont, 1980s) ~44m. Veins and disseminations of pyrrhotite and minor chalcopyrite within an altered calcareous sediment.**

**Photo 3 (R) – LHS 88-4 (Newmont, 1980s) ~155m and 167m. Veined and brecciated siltstone with pyrite and iron carbonate alteration.**

### New drill targets defined

An AEM Survey was completed at Lamil in September 2019 to cover the area of the IP survey that was completed in August 2019 as well as the broader project area (Figure 16). The geophysical surveys have significantly enhanced geological interpretation and the structural setting of the project area and have highlighted compelling new drill targets.

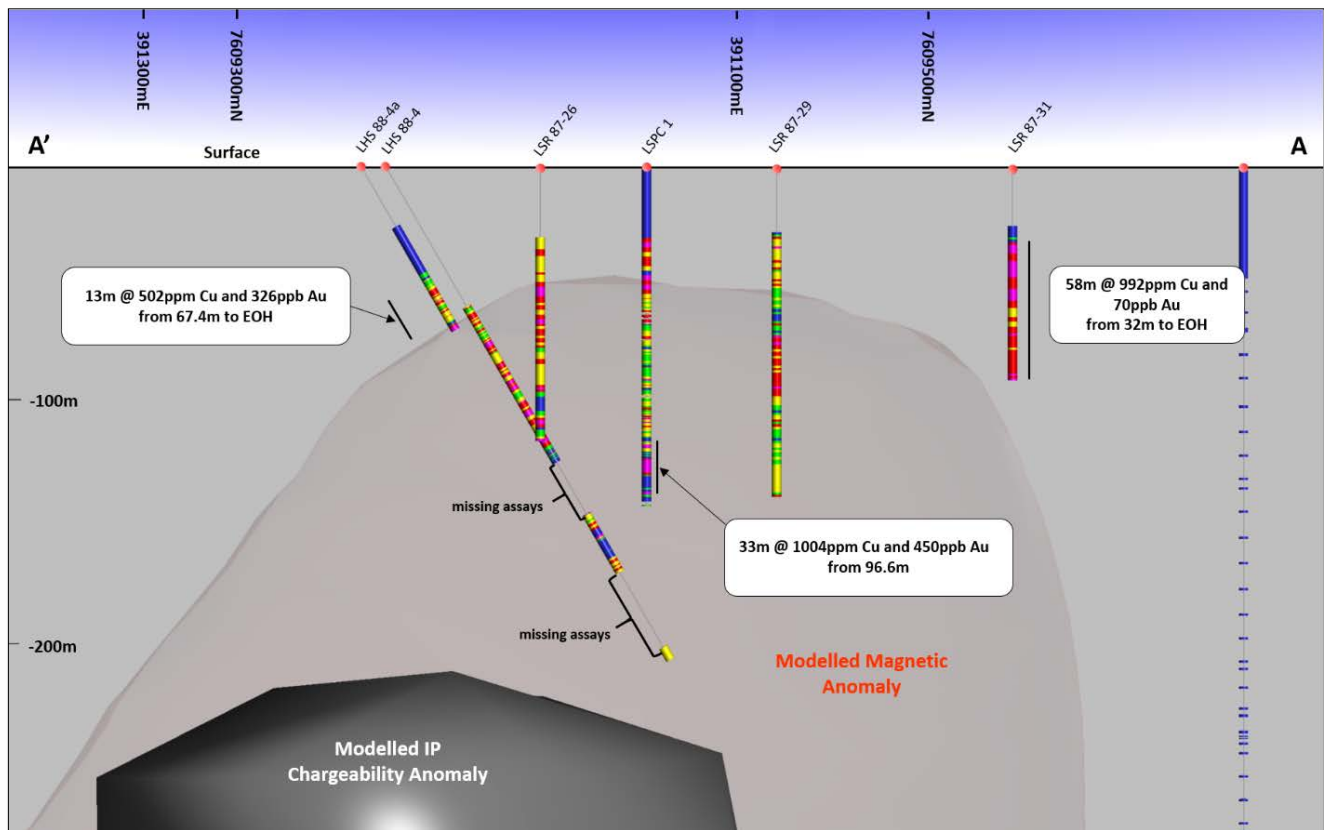
### Target 1 – Untested chargeability anomaly below thick zones of copper-gold anomalism

Historical drilling in the area by Newmont in the 1980s, targeting gold, intersected thick zones of strong copper-gold anomalism in shallow drilling (Figure 13):

- 58m @ 922ppm Cu from 32m to end of hole (LSR87-31)
- 33m @ 1004ppm Cu and 0.45g/t Au from 96.6m (LSPC1) including:
  - 5.5m @ 0.38% Cu & 1.2 g/t Au from 124.7m
- Broad zones of copper-gold anomalism (LHS88-4) with narrow intersections up to 1.2% Cu and 2.1g/t Au (note wide zones of missing assays)

(refer ASX release 27 May 2019)

The Newmont drilling targeted the magnetic anomaly with a number of holes ending in mineralisation. The IP survey has highlighted a semi-coincident chargeability anomaly below the broad zones of copper and gold anomalism intersected by the shallow historical drilling. This anomaly is interpreted to extend across two 400m spaced IP lines and sub-parallel to an ENE trending fault (Figure 12). This target will be drill tested by one to two diamond holes to a depth of 300m to determine if the chargeability anomaly represents a stronger accumulation of copper-gold mineralisation.



**Figure 13 – Lamil Target 1 Section A-A'**  
**Historical drilling (coloured by copper) with magnetic and IP chargeability anomalies**



## Target 2 – Untested IP chargeability anomalies discordant to stratigraphy

Chargeability anomalies have been identified across the three southern IP lines adjacent to a corridor of magnetic anomalism (Figure 12). These anomalies outline an 800m WNW trending corridor that is discordant to stratigraphy. Historical drilling targeted on the magnetics, intersected copper sulphide mineralisation including 15m @ 0.22% Cu from 42m in LSPC3 (refer ASX release 27 May 2019). The chargeability anomalies were not tested by the prior drilling and the mineralisation in LSPC3 remains open at depth. Drilling at Target 2 will determine if the chargeability anomaly represents stronger sulphide development associated with higher grade copper-gold mineralisation.

## Upcoming Activity

During the quarter Lamil was awarded a competitive EIS co-funded drilling grant of up to \$150,000 by the WA Government. The exciting new drill targets defined in the IP and AEM surveys at Lamil will be tested in a co-funded drill program early in 2020.

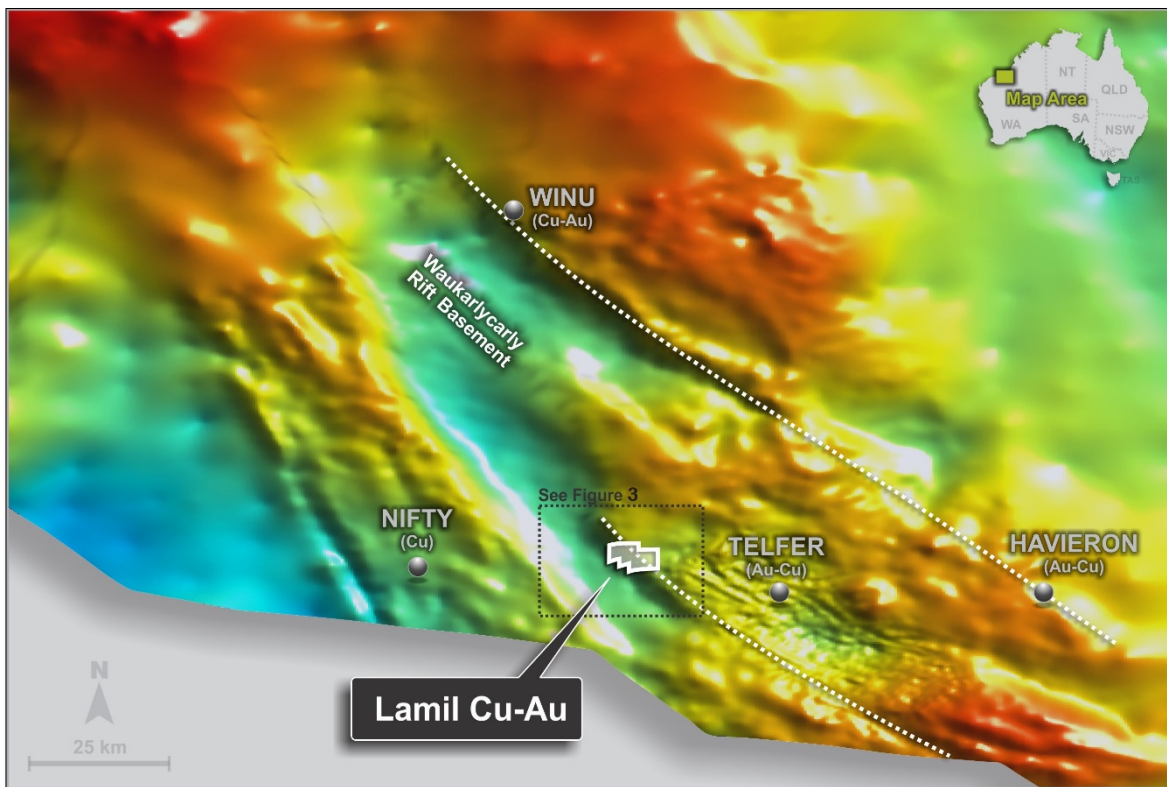


Figure 14 –Regional gravity over Seabase depth to Proterozoic basement image (red = shallow, blue = deep)

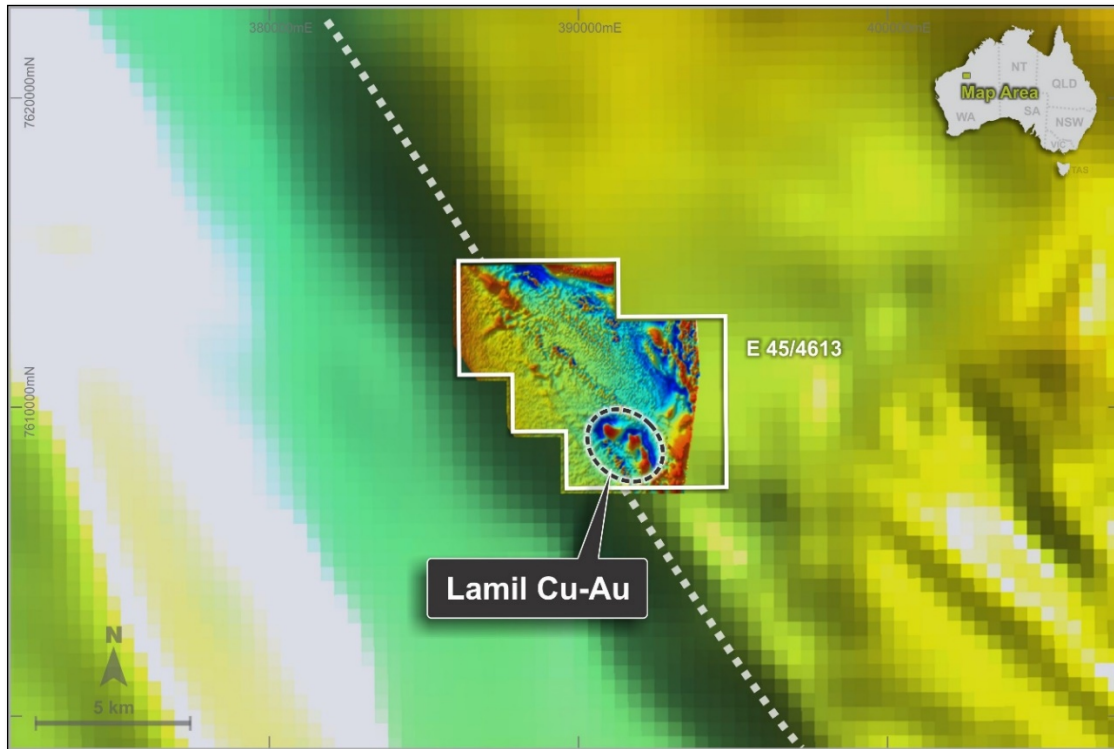


Figure 15 – Lamil: Detailed aeromagnetics over regional gravity image showing the location of magnetic anomalies on the margin of the Waukarlycarly rift basin

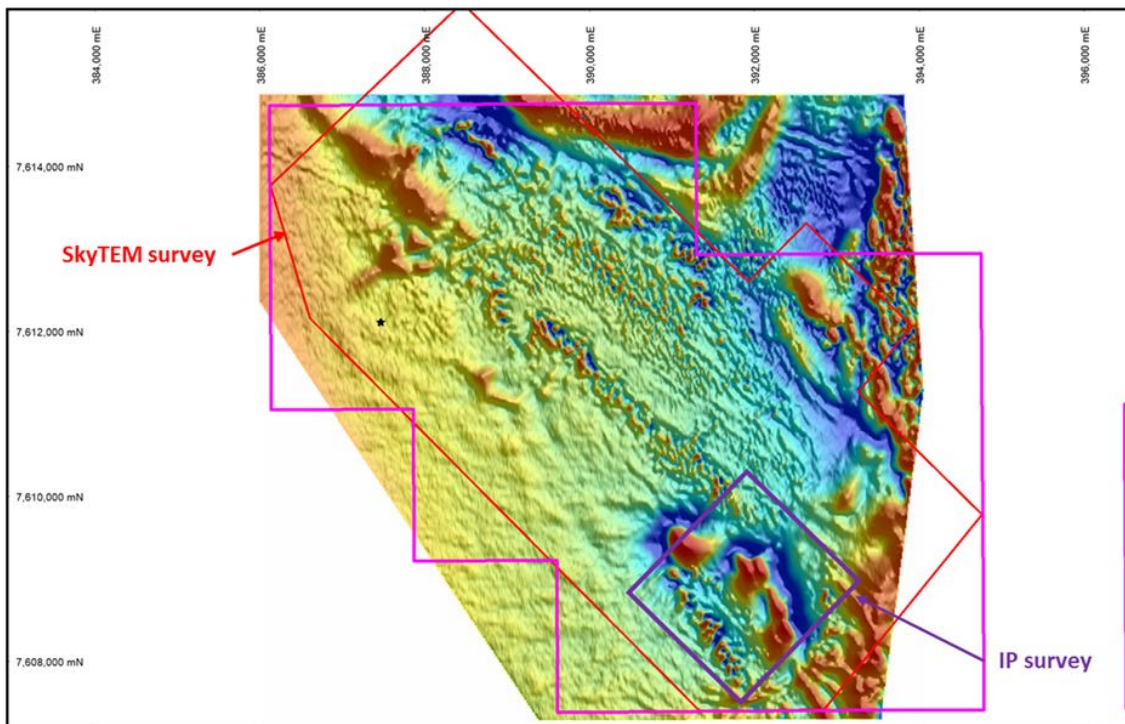


Figure 16 – Lamil: Area of SkyTEM survey (red), IP survey area (purple) and tenement outline (magenta) on a background of detailed aeromagnetics

## PATERSON PROVINCE - GOLD

**100% Encounter –E45/3446, P45/2750 to P45/2752, P45/3032, E45/4757 and E45/4758**

Encounter holds a highly prospective and strategic ground holding in the Paterson Province that hosts Newcrest's major gold-copper operation at Telfer.

### East Thomson's Dome Project

East Thomson's Dome is located 5km from Telfer. 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.

Zones of reef-style mineralisation have been identified by Encounter across the 200m by 200m drill area at the Fold Closure prospect. Near surface intersections include (refer ASX release 21 December 2017):

- 6m @ 2.7g/t Au from 39m in ETG0125
- 4m @ 4.3g/t Au from surface in ETG0109
- 4m @ 3.5g/t Au from 17m in ETG0110
- 2m @ 5.4g/t Au from 46m in ETG0106

The reefs at the Fold Closure prospect remain open to the north-west and south-east. Future work programs at East Thomson's Dome are being considered and will be assessed against other opportunities in the project portfolio.

A new surface gold occurrence that may represent a bedding parallel reef position has been identified by prospecting activities in an area of thin sand cover. Two costeans are planned along the defined trend to map this potential reef position and assess potential drill sites at East Thomson's Dome.

## NORTHERN TERRITORY - COPPER

**100% Encounter**

Project generation activities in the Northern Territory utilising new datasets provided by Geoscience Australia, as part of the Federal Government Exploring for the Future Program, have resulted in application for exploration licences comprising the Elliott and Jessica copper projects.

The process for obtaining access agreements to conduct exploration at these first mover copper projects has commenced. The first tenements at the Elliott copper project are expected to be granted in the March 2020 quarter.

Initial ground reconnaissance is planned for the June 2020 quarter following the wet season but may be brought forward if conditions allow.



## CORPORATE

Encounter held cash reserves of ~\$2.5 million at 31 December 2019 and listed investments valued at ~\$0.6 million.

## NEXT QUARTER HIGHLIGHTS

Activities planned for the March 2020 quarter include:

### Tanami and West Arunta Projects (50:50 Encounter-Newcrest JV)

- Interpretation and integration of the 2019 RC drilling completed at Hutch's Find, Mojave and Afghan prospects
- Evaluation and prioritisation of Camel and Bandicoot gold prospects identified in the Tanami
- Preparations for Aileron IOCG prospect drill testing
- The planned 2020 exploration for the Tanami and West Arunta JVs will be finalised in conjunction with Newcrest

### Paterson Province Copper-Cobalt Projects (IGO Earn in Option)

- IGO decision on entering an earn-in agreement to earn a 70% interest in Yeneena by funding up to \$15 million in exploration to be made in March 2020.
- Assessment of high-powered ground EM method to further define conceptually compelling Windsor Targets for potential extension to the BM1 system
- Preparations for commencement of on ground exploration activity to commence following the summer cyclone season

### Paterson Province Copper-Gold Project (100% ENR)

- EIS co-funded drilling at Lamil scheduled to commence in March-April 2020

### Northern Territory Project Generation - Copper (100% ENR)

- Complete access agreements for the Jessica and Elliott copper projects
- First exploration licences expected to be granted at the Elliott copper project.
- Continue evaluation of new datasets provided by Geoscience Australia – Exploring for the Future Program

## TENEMENT INFORMATION (granted tenure)

| Lease    | Location                | Project Name            | Area km <sup>2</sup> | Interest at start of quarter (01/10/2019) | Interest at end of quarter (31/12/2019) |
|----------|-------------------------|-------------------------|----------------------|-------------------------------------------|-----------------------------------------|
| E28/2709 | 147km ENE of Kalgoorlie | Nazare                  | 97.7                 | 100%                                      | 100%                                    |
| E28/2762 | 141km ENE of Kalgoorlie | Nazare                  | 206.8                | 100%                                      | 100%                                    |
| E28/2763 | 155km ENE of Kalgoorlie | Nazare                  | 206.9                | 100%                                      | 100%                                    |
| E28/2878 | 148km ENE of Kalgoorlie | Nazare                  | 100.7                | 100%                                      | 100%                                    |
| 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 Option     | 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 Option     | 156                  | 100%                                      | 100%                                    |
| E45/2658 | 245km NE of Newman      | Paterson IGO Option     | 95.4                 | 100%                                      | 100%                                    |
| E45/2805 | 242km NE of Newman      | Paterson IGO Option     | 85.8                 | 100%                                      | 100%                                    |
| E45/2806 | 251km NE of Newman      | Paterson IGO Option     | 35                   | 100%                                      | 100%                                    |
| E45/3768 | 241km NE of Newman      | Paterson IGO Option     | 149.7                | 100%                                      | 100%                                    |
| E45/4613 | 300km NE of Newman      | Telfer West             | 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%                                    |
| E45/4757 | 325km NE of Newman      | Sussex                  | 1.9                  | 100%                                      | 100%                                    |
| E45/4758 | 325km NE of Newman      | Sussex                  | 19.2                 | 100%                                      | 100%                                    |
| E80/5132 | Tanami                  | Selby – Newcrest JV     | 646                  | 50%                                       | 50%                                     |
| E80/5137 | Tanami                  | Selby – Newcrest JV     | 613                  | 50%                                       | 50%                                     |
| E80/5145 | Tanami                  | Watts – Newcrest JV     | 552                  | 50%                                       | 50%                                     |
| E80/5146 | Tanami                  | Lewis – Newcrest JV     | 548                  | 50%                                       | 50%                                     |
| E80/5147 | Tanami                  | Selby – Newcrest JV     | 275                  | 50%                                       | 50%                                     |
| E80/5152 | Tanami                  | Phillipson Range        | 238.3                | 100%                                      | 100%                                    |
| E80/5169 | Tanami                  | Aileron – Newcrest JV   | 187.6                | 50%                                       | 50%                                     |
| E80/5186 | Tanami                  | Lewis – Newcrest JV     | 71.0                 | 50%                                       | 50%                                     |
| E80/5323 | Tanami                  | Selby – Newcrest JV     | 330                  | 50%                                       | 50%                                     |

\* Hampton earning into the four eastern block of E45/2500



**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.

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

+Rule 5.5

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

#### Name of entity

|                             |                                          |
|-----------------------------|------------------------------------------|
| Encounter Resources Limited |                                          |
| <b>ABN</b>                  | <b>Quarter ended ("current quarter")</b> |
| 47 109 815 796              | 31 December 2019                         |

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date (6<br/>months)<br/>\$A'000</b> |
|-----------------------------------------------------------|------------------------------------|------------------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                                    |                                                |
| 1.1 Receipts from customers                               | -                                  | -                                              |
| 1.2 Payments for                                          |                                    |                                                |
| (a) exploration & evaluation                              | (534)                              | (1,135)                                        |
| (b) development                                           | -                                  | -                                              |
| (c) production                                            | -                                  | -                                              |
| (d) staff costs                                           | (77)                               | (162)                                          |
| (e) administration and corporate costs                    | (150)                              | (304)                                          |
| 1.3 Dividends received (see note 3)                       | -                                  | -                                              |
| 1.4 Interest received                                     | 14                                 | 18                                             |
| 1.5 Interest and other costs of finance paid              | -                                  | -                                              |
| 1.6 Income taxes paid                                     | -                                  | -                                              |
| 1.7 Research and development refunds                      | -                                  | -                                              |
| Other – income from JV project generation                 | -                                  | -                                              |
| 1.8 Other – other income (incl EIS Drilling Grant)        | 3                                  | 4                                              |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(744)</b>                       | <b>(1,579)</b>                                 |

+ See chapter 19 for defined terms.



| Consolidated statement of cash flows |                                                                             | Current quarter<br>\$A'000 | Year to date (6<br>months)<br>\$A'000 |
|--------------------------------------|-----------------------------------------------------------------------------|----------------------------|---------------------------------------|
| <b>2.</b>                            | <b>Cash flows from investing activities</b>                                 |                            |                                       |
| 2.1                                  | Payments to acquire:                                                        |                            |                                       |
|                                      | (a) property, plant and equipment                                           | (1)                        | (88)                                  |
|                                      | (b) tenements (see item 10)                                                 | -                          | -                                     |
|                                      | (c) investments                                                             | -                          | -                                     |
|                                      | (d) other non-current assets                                                | -                          | -                                     |
| 2.2                                  | Proceeds from the disposal of:                                              |                            |                                       |
|                                      | (a) property, plant and equipment                                           | 15                         | 20                                    |
|                                      | (b) tenements (see item 10)                                                 | -                          | -                                     |
|                                      | (c) investments                                                             | -                          | -                                     |
|                                      | (d) other non-current assets                                                | -                          | -                                     |
| 2.3                                  | Cash flows from loans to other entities                                     | -                          | -                                     |
| 2.4                                  | Dividends received (see note 3)                                             | -                          | -                                     |
|                                      | Other – Farm-in and project                                                 |                            |                                       |
| 2.5                                  | generation alliance contributions received                                  | 278                        | 278                                   |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b>                       | <b>292</b>                 | <b>213</b>                            |
| <b>3.</b>                            | <b>Cash flows from financing activities</b>                                 |                            |                                       |
| 3.1                                  | Proceeds from issues of shares                                              | -                          | 1,384                                 |
| 3.2                                  | Proceeds from issue of convertible notes                                    | -                          | -                                     |
| 3.3                                  | Proceeds from exercise of share options                                     | -                          | -                                     |
| 3.4                                  | Transaction costs related to issues of shares, convertible notes or options | -                          | (21)                                  |
| 3.5                                  | Proceeds from borrowings                                                    | -                          | -                                     |
| 3.6                                  | Repayment of borrowings                                                     | -                          | -                                     |
| 3.7                                  | Transaction costs related to loans and borrowings                           | -                          | -                                     |
| 3.8                                  | Dividends paid                                                              | -                          | -                                     |

+ See chapter 19 for defined terms.

| Consolidated statement of cash flows |                                                       | Current quarter<br>\$A'000 | Year to date (6<br>months)<br>\$A'000 |
|--------------------------------------|-------------------------------------------------------|----------------------------|---------------------------------------|
| 3.9                                  | Other (provide details if material)                   | -                          | -                                     |
| <b>3.10</b>                          | <b>Net cash from / (used in) financing activities</b> | <b>-</b>                   | <b>1,363</b>                          |

|            |                                                                              |              |              |
|------------|------------------------------------------------------------------------------|--------------|--------------|
| <b>4.</b>  | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |              |              |
| 4.1        | Cash and cash equivalents at beginning of period                             | 2,929        | 2,480        |
| 4.2        | Net cash from / (used in) operating activities (item 1.9 above)              | (744)        | (1,579)      |
| 4.3        | Net cash from / (used in) investing activities (item 2.6 above)              | 292          | 213          |
| 4.4        | Net cash from / (used in) financing activities (item 3.10 above)             | -            | 1,363        |
| 4.5        | Effect of movement in exchange rates on cash held                            | -            | -            |
| <b>4.6</b> | <b>Cash and cash equivalents at end of period</b>                            | <b>2,477</b> | <b>2,477</b> |

|            |                                                                                                                                                                          |                                    |                                     |
|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|
| <b>5.</b>  | <b>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</b> | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
| 5.1        | Bank balances                                                                                                                                                            | 904                                | 1,364                               |
| 5.2        | Call deposits                                                                                                                                                            | 1,573                              | 1,565                               |
| 5.3        | Bank overdrafts                                                                                                                                                          | -                                  | -                                   |
| 5.4        | Other (provide details)                                                                                                                                                  | -                                  | -                                   |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>                                                                                         | <b>2,477</b>                       | <b>2,929</b>                        |

+ See chapter 19 for defined terms.

|           |                                                                                                      |                                    |
|-----------|------------------------------------------------------------------------------------------------------|------------------------------------|
| <b>6.</b> | <b>Payments to directors of the entity and their associates</b>                                      | <b>Current quarter<br/>\$A'000</b> |
| 6.1       | Aggregate amount of payments to these parties included in item 1.2                                   | 175                                |
| 6.2       | Aggregate amount of cash flow from loans to these parties included in item 2.3                       | -                                  |
| 6.3       | Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 |                                    |

|                           |  |
|---------------------------|--|
| Remuneration of Directors |  |
|---------------------------|--|

|           |                                                                                                      |                                    |
|-----------|------------------------------------------------------------------------------------------------------|------------------------------------|
| <b>7.</b> | <b>Payments to related entities of the entity and their associates</b>                               | <b>Current quarter<br/>\$A'000</b> |
| 7.1       | Aggregate amount of payments to these parties included in item 1.2                                   | -                                  |
| 7.2       | Aggregate amount of cash flow from loans to these parties included in item 2.3                       | -                                  |
| 7.3       | Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 |                                    |

|     |  |
|-----|--|
| N/a |  |
|-----|--|

|           |                                                                                                                                                                                                                                                                                        |                                                                 |                                                    |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------|
| <b>8.</b> | <b>Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i>                                                                                                                                                                            | <b>Total facility<br/>amount at<br/>quarter end<br/>\$A'000</b> | <b>Amount drawn<br/>at quarter end<br/>\$A'000</b> |
| 8.1       | Loan facilities                                                                                                                                                                                                                                                                        | -                                                               | -                                                  |
| 8.2       | Credit standby arrangements                                                                                                                                                                                                                                                            | -                                                               | -                                                  |
| 8.3       | Other (please specify)                                                                                                                                                                                                                                                                 | -                                                               | -                                                  |
| 8.4       | Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. |                                                                 |                                                    |

|     |  |
|-----|--|
| N/a |  |
|-----|--|

+ See chapter 19 for defined terms.



| 9.         | Estimated cash outflows for next quarter | \$A'000    |
|------------|------------------------------------------|------------|
| 9.1        | Exploration and evaluation               | 250        |
| 9.2        | Development                              | -          |
| 9.3        | Production                               | -          |
| 9.4        | Staff costs                              | 60         |
| 9.5        | Administration and corporate costs       | 150        |
| 9.6        | Other (provide details if material)      | -          |
| <b>9.7</b> | <b>Total estimated cash outflows</b>     | <b>460</b> |

| 10.  | Changes in tenements (items 2.1(b) and 2.2(b) above)                                  | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|------|---------------------------------------------------------------------------------------|---------------------------------|--------------------|----------------------------------|----------------------------|
| 10.1 | Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | Nil                             |                    |                                  |                            |
| 10.2 | Interests in mining tenements and petroleum tenements acquired or increased           | Nil                             |                    |                                  |                            |

### 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.

Sign here:   
Company secretary

Date: 30 January 2020

Print name: Kevin Hart

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position.

+ See chapter 19 for defined terms.

An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly 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 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.

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+ See chapter 19 for defined terms.