

28 July 2021

Premier Copper and Gold Exploration Portfolio in WA and NT

Highlights:

Paterson Province WA

- Two diamond rigs are currently operating at the 100% owned Lamil Copper-Gold Project located 25km north-west of Telfer.
- The EIS co-funded drill program will extend a number of RC holes at the +1km long Dune Prospect which contain strengthening copper-gold mineralisation towards end of hole, including:
 - ETG227 - 132m @ 0.31g/t Au and 0.11% Cu from 87m to end of hole including:
 - 22m @ 0.51g/t Au and 0.24% Cu from 181m
 - end of hole sample 2m @ 0.35g/t Au and 0.37% Cu from 217m ¹
- Drilling will also test new geophysical features identified in the northern part of Dune proximal to ETG0003 and ETG0208 which intersected:
 - 24.9m @ 0.7g/t Au from 127.1m and 4.0m @ 7.1g/t Au from 216m ²
 - 18m @ 1.2g/t Au and 0.2% Cu from 126m including:
 - 4m @ 4.1g/t Au and 0.3% Cu from 138m ³
- Diamond drilling completed at the Millennium Joint Venture (Encounter 75% / Hampton Hill Mining 25% (ASX:HHM)). Drill tested downdip of a +800m long zone of copper anomalism with assay results expected in September 2021.
- Diamond drilling and a magneto-telluric (MT) survey completed at the Yeneena Copper-Cobalt Project ("Yeneena") as part of the \$15M exploration earn-in with IGO Limited (ASX:IGO).

Tanami / West Arunta - WA

- Gravity survey completed at the 100km long Aileron IOCG (Copper-Gold-Rare Earths) project in the West Arunta region of WA. The results of the gravity survey will be available in August 2021 and will be integrated with existing geophysical datasets to design follow up exploration plans.
- West Tanami Gold Project: Preparations underway for the EIS co-funded diamond drilling program planned for October-November 2021.

Northern Territory Copper

- BHP (ASX:BHP) exercised its option to enter into a farm-in and joint venture agreement covering the 4,500km² Elliott Copper Project ("Elliott") in the Northern Territory ("NT") where BHP may earn up to a 75% interest in Elliott by spending up to \$22 million over 10 years
- An extensive exploration program, including seismic surveys and drilling, is planned at Elliott to rapidly advance understanding of basin architecture and to define prospective deposition sites for sedimentary copper mineralisation
- Encounter continues to advance and build its commanding 100% owned copper exploration portfolio in the NT covering a further 22,000km²

ASX Code:	Cash (30/6/2021)	Market Cap. (26/07/2021)	Issued shares (30/6/2021)	Issued options (30/6/2021)
ENR	\$5.7m	\$54m	316m	17m

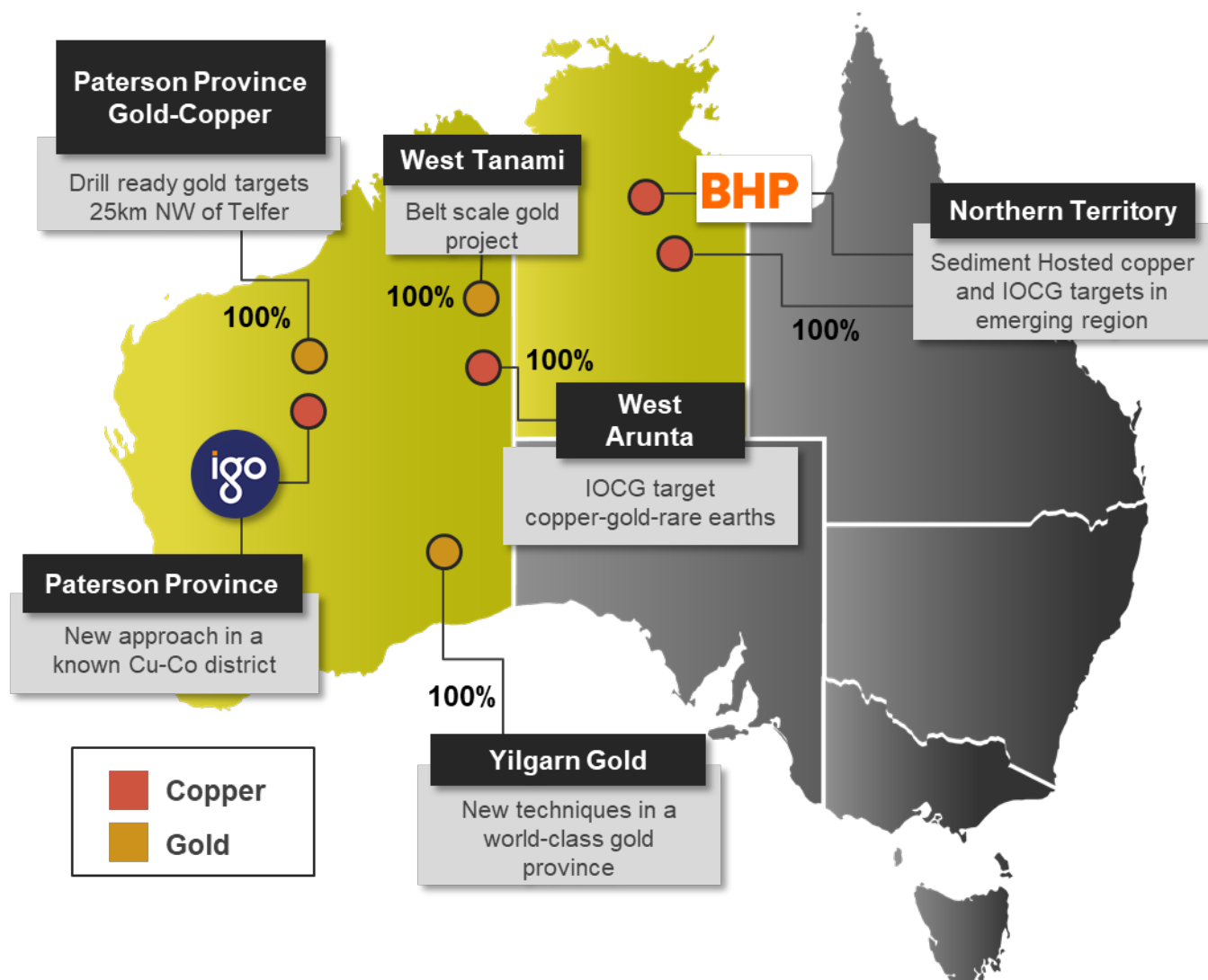


Figure 1 – Encounter Projects – Location Plan

PATERSON PROVINCE COPPER-GOLD

100% Encounter – E45/4613

Lamil Project

Background

Lamil covers an area of ~61km² and is located 25km northwest of the major copper-gold 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.

Dune Prospect

Dune sits in the northwest of Lamil and consists of a laterally extensive +1g/t Au supergene zone outlined in previous broad spaced drilling. The mineralisation is located on the fold axis in the northern part of the Lamil Dome.

1. Diamond Tails to extend February 2021 RC holes

The RC drill program completed in February 2021 at Dune (see Figure 2) extended the copper-gold system both to the south and east.

Assay results contain 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
 - end of hole sample 2m @ 0.35g/t Au and 0.37% Cu from 217m
- 58m @ 0.20g/t Au and 0.12% Cu from 95m in ETG0228 ¹
 - including 18m @ 0.29g/t Au and 0.30% Cu from 95m

Diamond tails will extend a number of RC holes at Dune to target further extensions of the copper-gold mineralisation. The first two diamond drill tails will be extensions of ETG0226 and ETG0227.

2. Geophysical Targets North-West of Dune

Previous drilling in the northern part of the +1km long copper-gold mineral system at Dune intersected broad zones of near surface mineralisation (see Figure 2) including:

- 24.9m @ 0.7g/t Au from 127.1m and 4.0m @ 7.1g/t Au from 216m in ETG0003 ²
- 20m @ 0.5g/t Au and 665ppm Cu from 96m and
- 18m @ 1.2g/t Au and 0.2% Cu from 126m incl:
 - 4m @ 4.1g/t Au and 0.3% Cu from 138m in ETG0208 ³
- 8m @ 1.0g/t Au and 426ppm Cu from 197m in ETG0010 ⁴

Integration and inversion of EM and Magnetic surveys completed at Dune has identified a conductive feature located south-west (see Figure 3) and two residual magnetic anomalies in the north-west proximal to the intersections ETG0003 and ETG0208. These new geophysical targets will be drill tested in the current drill program.

¹ refer ASX release 21 April 2021

² refer ASX release 19 January 2017

³ refer ASX release 18 December 2020

⁴ refer ASX release 26 April 2017

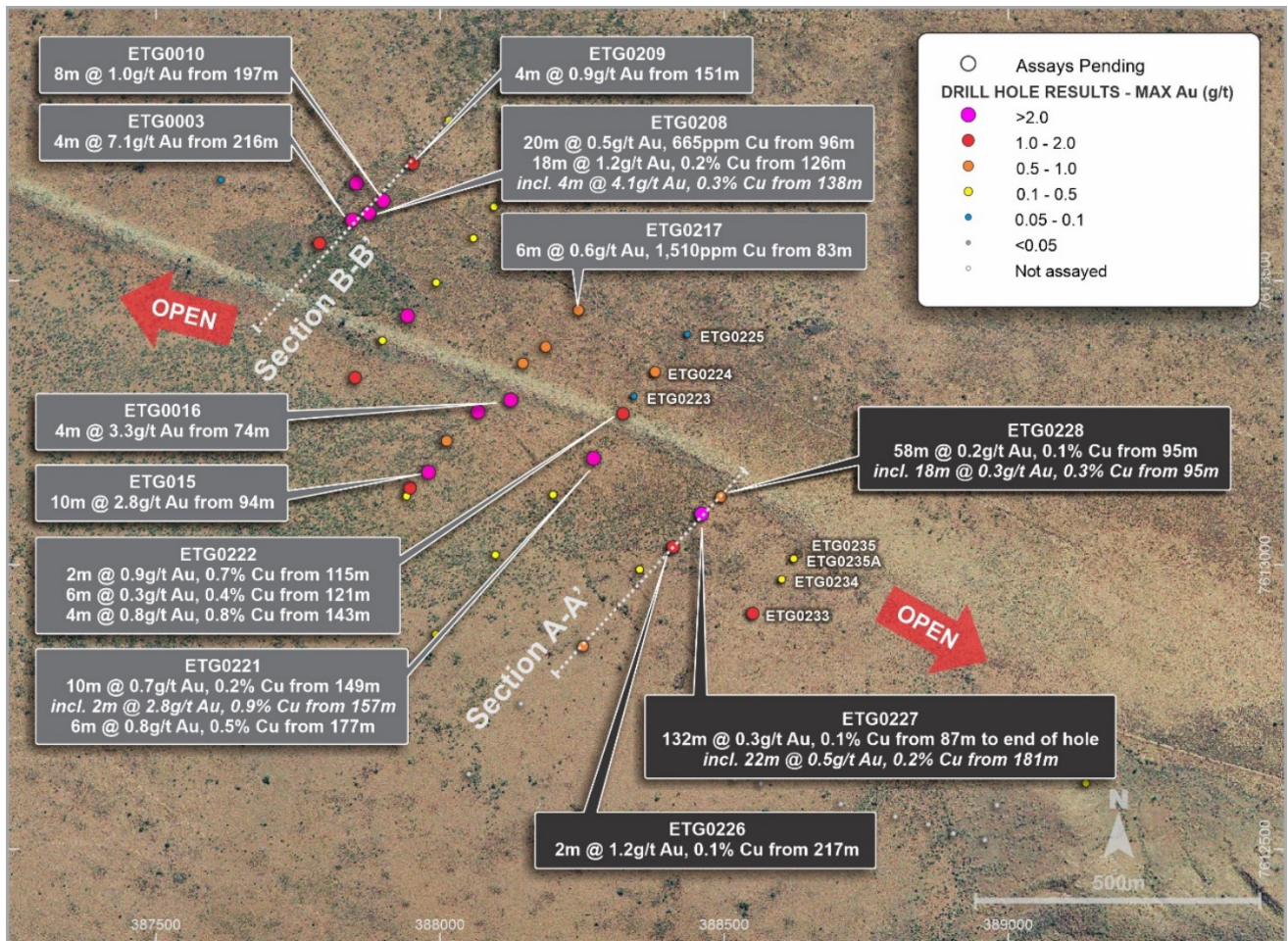


Figure 2 – Dune Prospect (Max in hole Au)

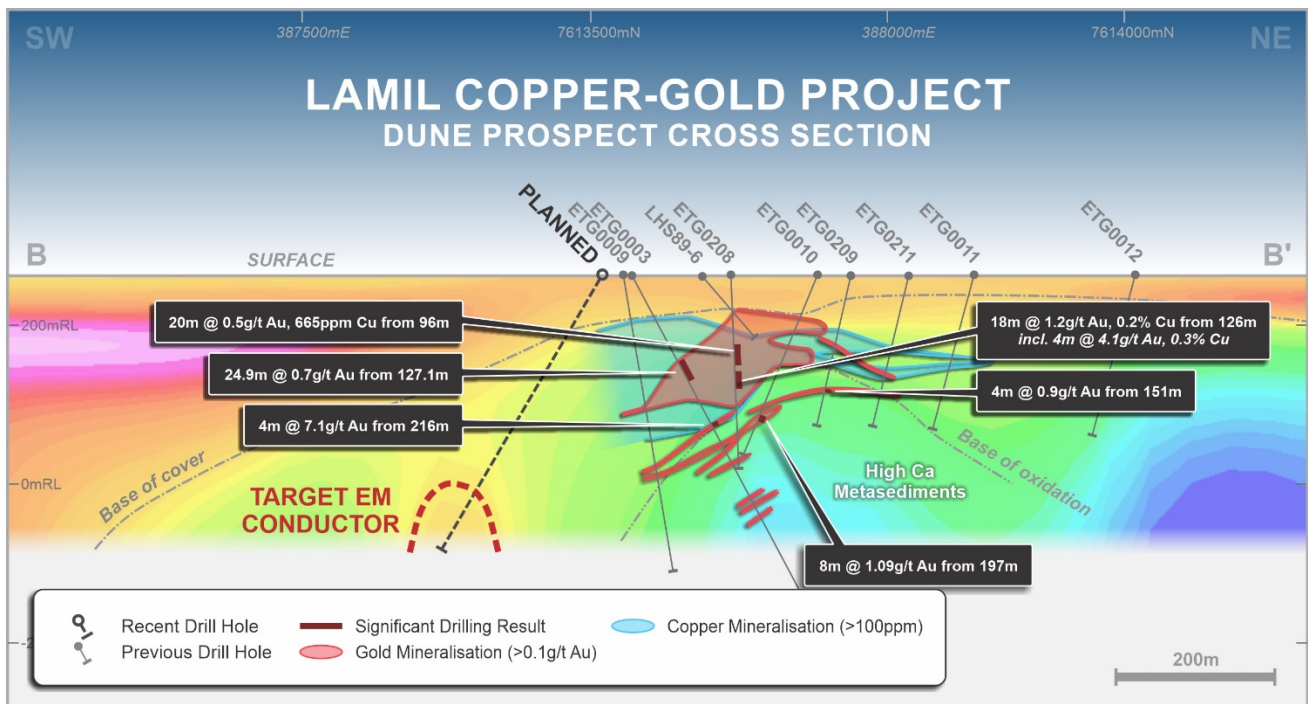


Figure 3 – Dune Prospect – EM Conductor Target Section B – B'

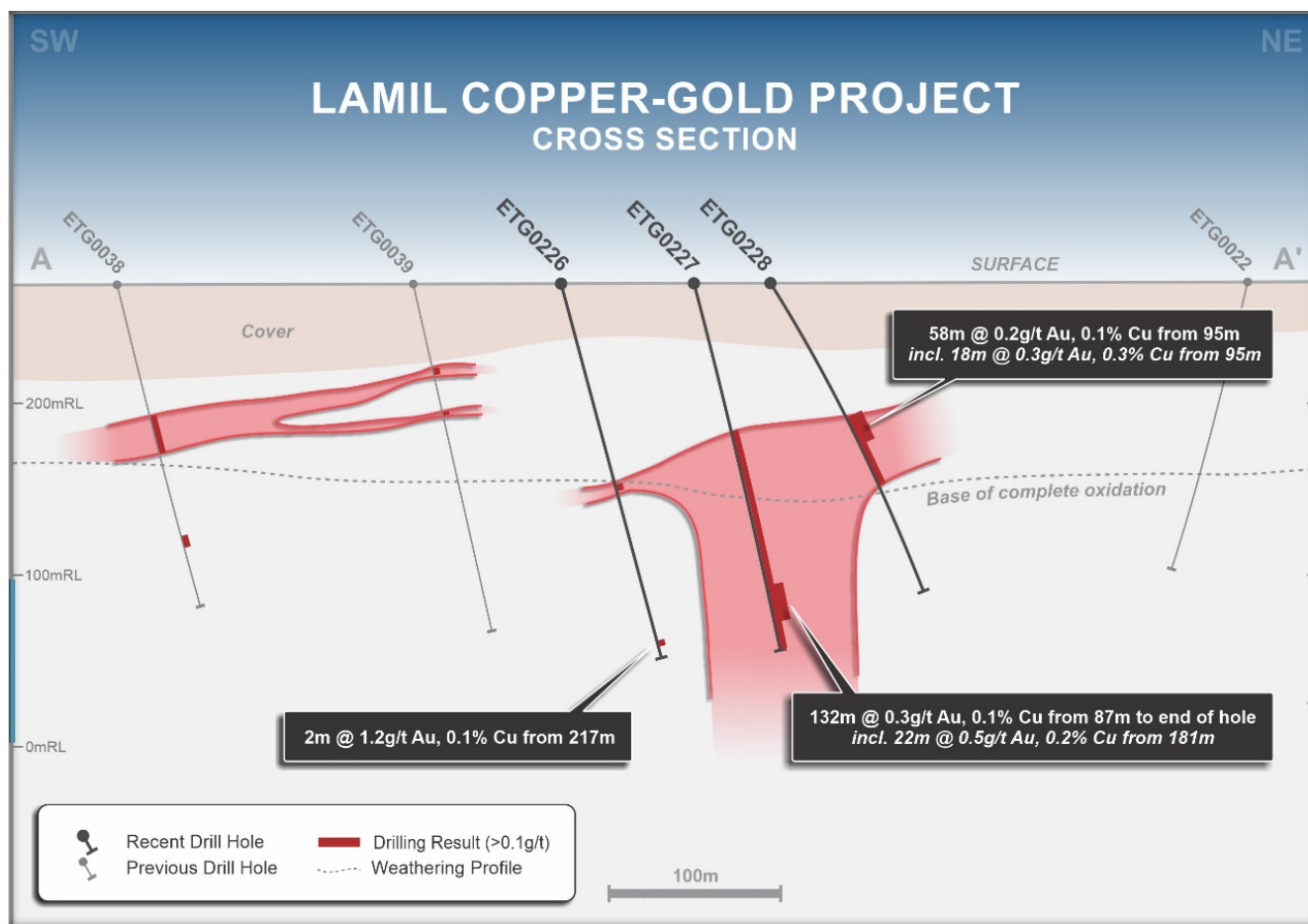


Figure 4 – Dune Prospect cross section through A-A'

WEST ARUNTA – COPPER-GOLD

100% ENR - E80/5323, E80/5469, E80/5470 and E80/5522

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%)⁵, 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, the current gravity survey has been completed to refine the targets prior to EIS co-funded drilling.

The results of the gravity survey will be available in August 2021. This survey will be integrated with existing geophysical datasets to design follow up exploration plans.

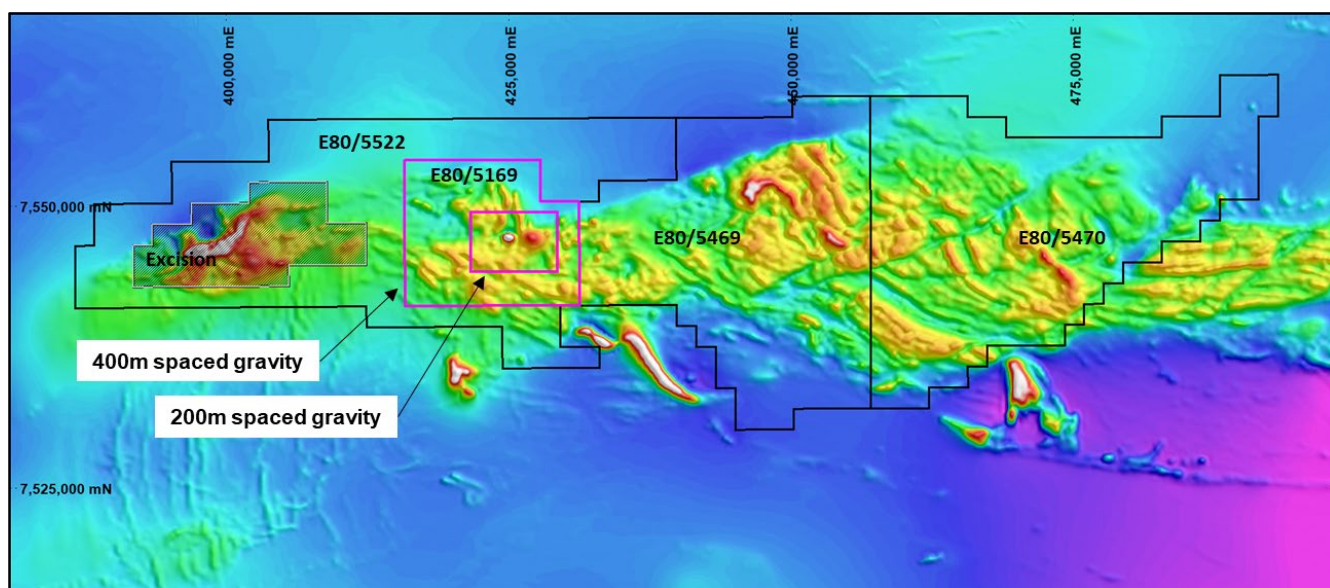


Figure 5. Aileron IOCG project – July 2021 gravity survey location plan

⁵ refer ASX release 28 January 2021

WEST TANAMI - GOLD

Encounter 100% – E80/5132, E80/5137, E80/5145, E80/5146, E80/5147, E80/5169, E80/5186, E80/5152 and ELA80/5571

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 2,275km² of a well mineralised, emerging gold province that is significantly underexplored.

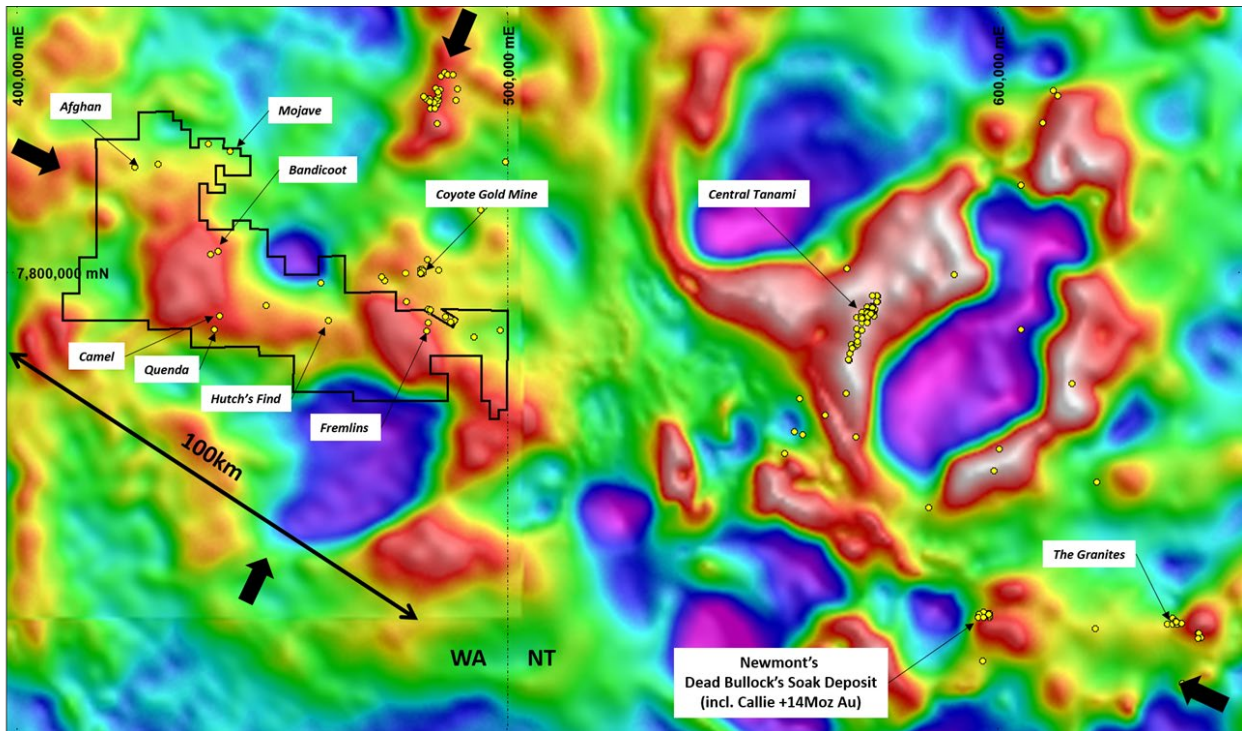


Figure 6 – Tanami regional leasing summary with gold occurrences over regional gravity data

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.⁶

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

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 123m⁷
- Camel Prospect:
 - Significant zone of gold/arsenic anomalism in shallow drilling over 2km of strike
 - 7.2m @ 3.1g/t Au from 95m in last drilling completed in 2010⁷

- Mojave Prospect:
 - +7km long gold-arsenic anomaly that includes thick mineralised drill intersections strengthening at bottom of hole
 - Single section of three RC holes completed directly over the area of strongest geochemical anomalism intersected multiple zones of gold mineralisation within folded dolerite units ⁸:
 - MOJ004:
 - 16m @ 0.27g/t Au from 36m
 - 4m @ 0.25g/t Au from 56m
 - 6m @ 0.47g/t Au from 66m
 - 8m @ 0.30g/t Au from 76m
 - 10m @ 0.69g/t Au from 228m
 - 10m @ 0.38g/t Au from 256m
 - MOJ002:
 - 4m @ 0.70 g/t Au from 20m
 - 4m @ 0.28 g/t Au from 124m
 - 6m @ 0.53g/t Au from 174m
 - 4m @ 0.38g/t Au from 196m
 - 10m @ 0.34g/t Au from 210m
 - EIS co-funded drilling grant

Large geophysical targets with supporting geochemistry:

- Bandicoot and Quenda Prospects:
 - Two large untested magnetic anomalies coincident with gold-arsenic geochemical anomalism adjacent to an interpreted major structure
 - EIS co-funded drilling grant

Kilometre scale unexplained geochemical anomalies:

- Afghan Prospect:
 - +7.5km long gold anomaly in shallow RAB drilling
 - Eight hole RC drill program in 2019 confirmed gold mineralisation over a 2km zone including AFG002 - 10m @ 1.6g/t Au from 4m incl. 6m @ 2.5g/t Au from 6m ⁸
- Fremlin Prospect
 - 6km long zone of gold and arsenic anomalism located along NNE trending regional structure 10km south of the Coyote mine
 - All drilling less than 100m depth

⁶ Refer to Newmont Tanami Operations AGES Paper 20 March 2018

⁷ Refer to ASX Release 3 May 2018

⁸ Refer to ASX Release 23 January 2020

PATERSON PROVINCE – COPPER-COBALT

E45/2500, E45/2502, E45/2657, E45/2658, E45/2805, E45/2806, E45/3768, E45/4861, E45/5333, E45/5334 and ELA45/5686 – IGO Limited (ASX:IGO) Earn-in and JV Agreement

Background

Yeneena comprises a major land position covering more than 1,600km² 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.

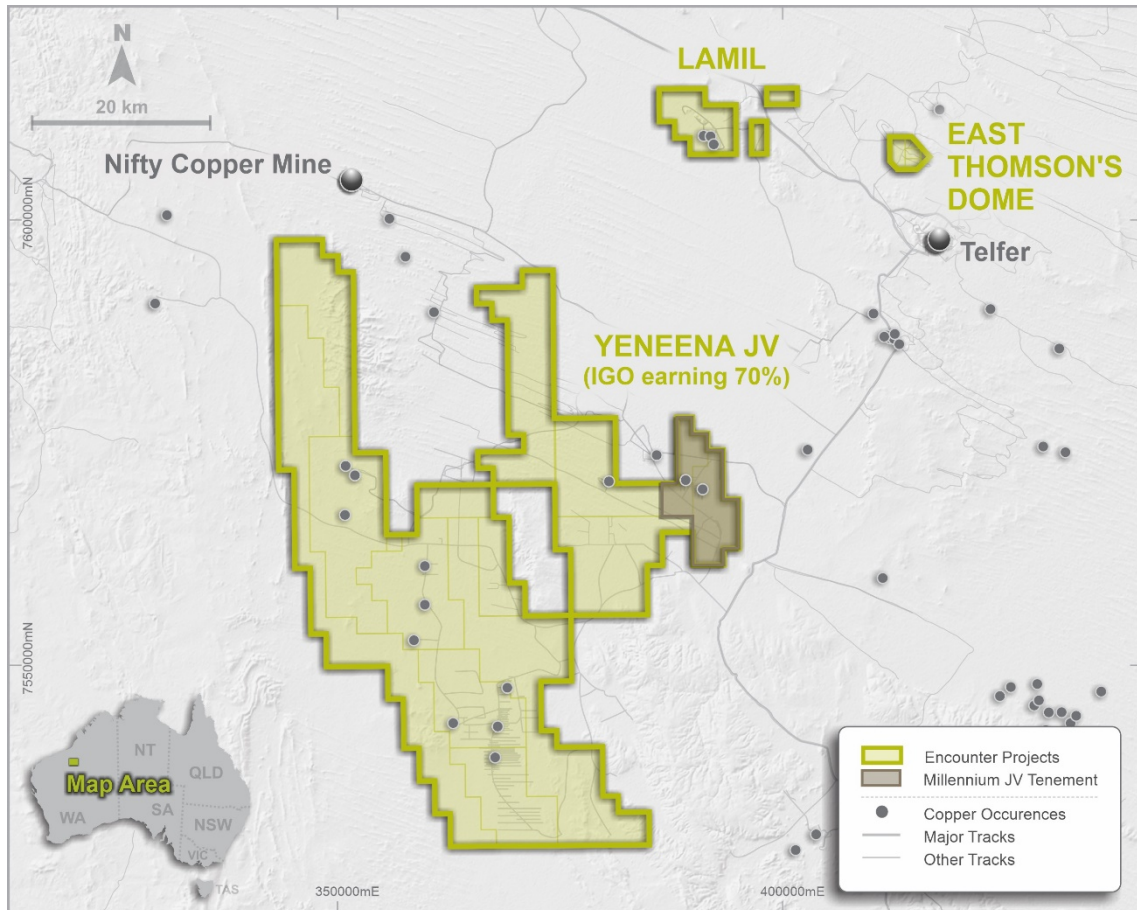


Figure 7 – Encounter's Paterson Province project location plan

Diamond drilling

Two geophysical targets were tested by IGO at Yeneena during the June 2021 quarter:

- One DD hole at the Windsor EM/MT target (adjacent to the BM1 Cu-Co prospect) was completed at 917.5m. The hole was paused at the end of the 2020 field season prior to reaching full depth. Though minimal copper was intersected, results validate the use of MT to map conductive units in the basin.
- A 737.4m DD hole was completed at the Aria target, a coincident EM and magnetic anomaly. Drilling tested for copper around the margin of an interpreted breccia pipe, following up a vein-hosted copper intersection in a nearby hole. No significant copper was intersected.
- In addition, a stratigraphic drill hole was completed by IGO to a depth of 973.1m to test the contact between basal oxidised sandstones of the Coolbro Formation and overlying reduced shales and carbonates of the Broadhurst Formation. Analysis of the continuous sequence across these units will improve understanding of the regional stratigraphic framework, thus facilitating accurate target evaluation.

Magneto-telluric (MT) survey

A regional ground magneto-telluric (MT) survey commenced during the June 2021 quarter. The results will help define relationships between regional scale geology, including the prospective units, and key structures.

September 2021 quarter planned activity:

- Assay results from diamond drill holes completed in the June 2021 quarter
- Completion of the regional ground magneto-telluric (MT) survey
- Commencement of regional AC drilling to map geology and detect geochemical responses under cover

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 ~26,500km².

Encounter now controls eight large projects in the Northern Territory targeted for major sedimentary-hosted and IOCG style copper deposits. 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

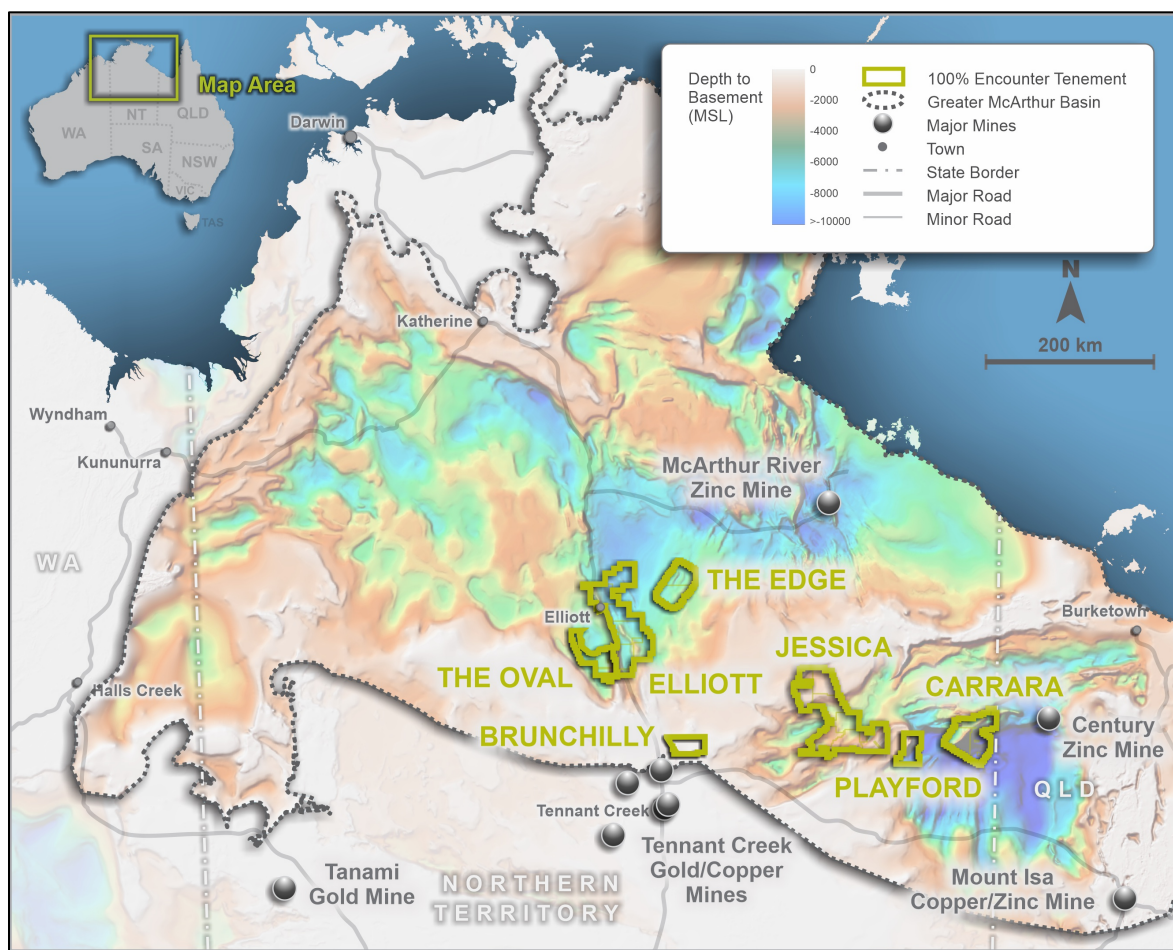


Figure 8 – Project Location Plan

Elliott Copper Project (“Elliott”) – EL32156, EL32157, EL32158, EL32159, EL32226, EL32329 and EL32437

Elliott was the first project secured by Encounter in the NT and comprises seven tenements covering more than 4,500km². 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 basin contains thick, petroleum bearing, reduced sediments which are an ideal trap sequence and the major structures bounding the basin are considered ideal structural fluid pathways for major sediment-hosted copper deposits. The project encompasses key conceptual criteria for the formation of sedimentary 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.

The jointly designed validation program at Elliott has been completed. This work program involved the compilation, interpretation, modeling and integration of new and existing data packages at Elliott including seismic, airborne EM, magnetics, gravity, geochemistry and hydro-geochemistry. The validation program has provided further support for the potential of Elliott. As a result, BHP has exercised its option to negotiate and enter into an earn-in and joint venture agreement.

Farm-in and Joint Venture Agreement Key Terms

The key terms for the farm-in and joint venture agreement are:

- Staged farm-in where BHP has the right to earn up to a 75% interest in Elliott by sole funding up to A\$22 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% it shall automatically convert to a net smelter royalty.
- During the farm-in phase, BHP has the right to be the Manager of the project.

With the exercise of the option, the parties are in the process of finalising of a formal earn-in and joint venture agreement.

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.

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

Jessica Copper Project (“Jessica”) – EL32273, EL32317, EL32338, EL32339, ELA32386, ELA32387 and ELA32388 – 100% ENR

Jessica covers ~5,500km² 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).

Preparations are progressing for an aircore/auger drill program, scheduled to commence in September 2021, to confirm the copper mineralisation identified in the water bore cuttings and determine the lateral extent of the near surface copper mineralisation.

In addition, Encounter is planning to complete infill gravity surveys over a series of high priority magnetic targets at Jessica in conjunction with an extensive regional gravity survey being completed by the NTGS in the coming months.

Carrara Copper/Zinc Project (“Carrara”) – ELA32476, ELA32477 and ELA32701 – 100% ENR

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.

Late 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 9) demonstrates that sediment hosted copper and zinc mineralising processes occur within the prospective host unit (refer ASX release 28 April 2021).

The reprocessing of the GA seismic line that extends through Carrara will be completed to provide greater detail of the geology and structure in the upper 1,000m along the western margin of the sub-basin.

The NTGS will complete an additional gravity survey over Carrara in 2021 to reduce the station spacing to 2km x 2km.

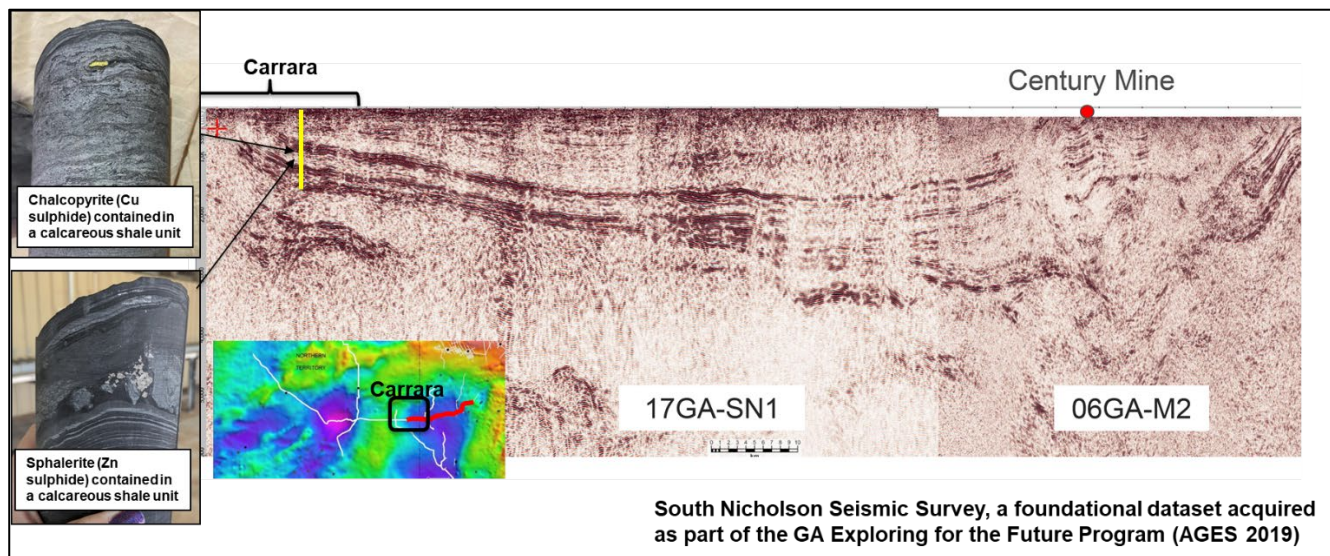


Figure 9 – Carrara Project - South Nicholson Seismic Survey

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

PATERSON PROVINCE – COPPER/ZINC (MILLENNIUM PROJECT)

Encounter 75% / Hampton Hill Mining (“HHM”) 25% in E45/2501, E45/2561 and the four eastern sub-blocks of E45/2500

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 10). 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 100m⁹

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. The planned diamond drill program will target primary copper mineralisation deposited at the base of a thick carbonaceous shale within the Broadhurst Formation. The target position is interpreted as a syncline adjacent to the Tabletop Fault, analogous to the Nifty copper deposit located 50km north-west (see Figure 11).

A 400m diamond drill tail to extend EPT2278 to test the targeted position adjacent to the regionally significant Tabletop Fault was completed in July 2021. Assay results expected in September 2021.

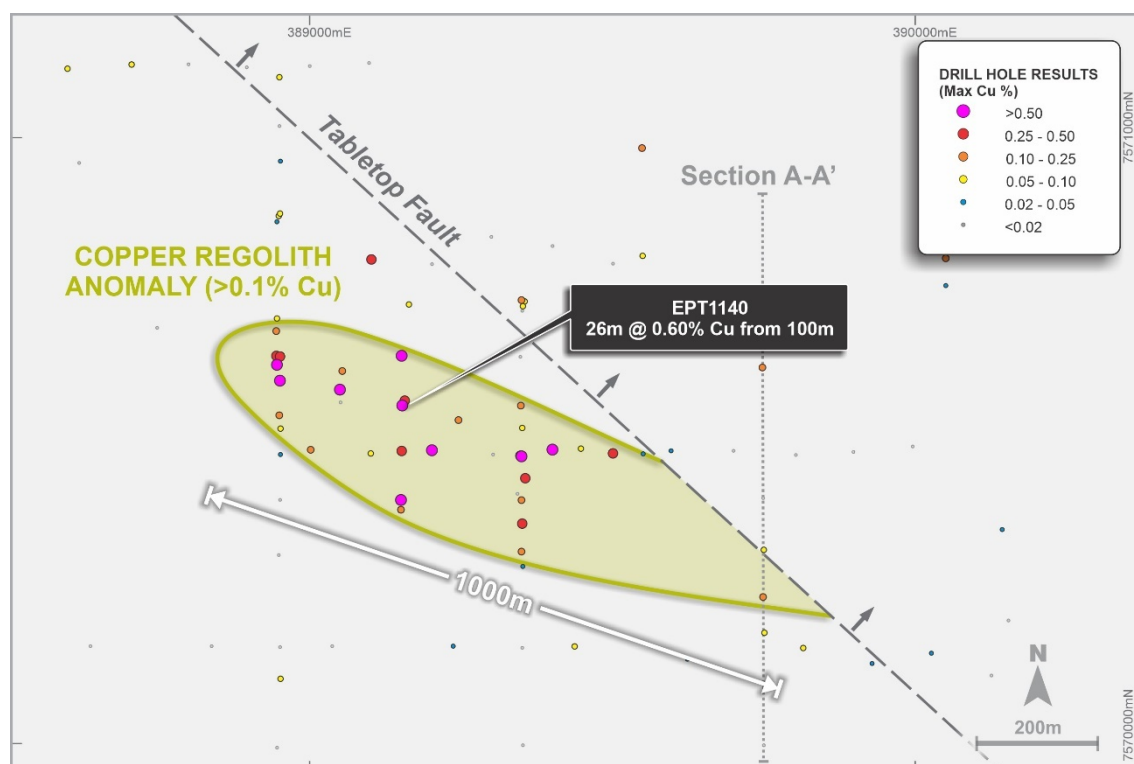


Figure 10 – Millennium drill hole location plan (max in hole Cu)

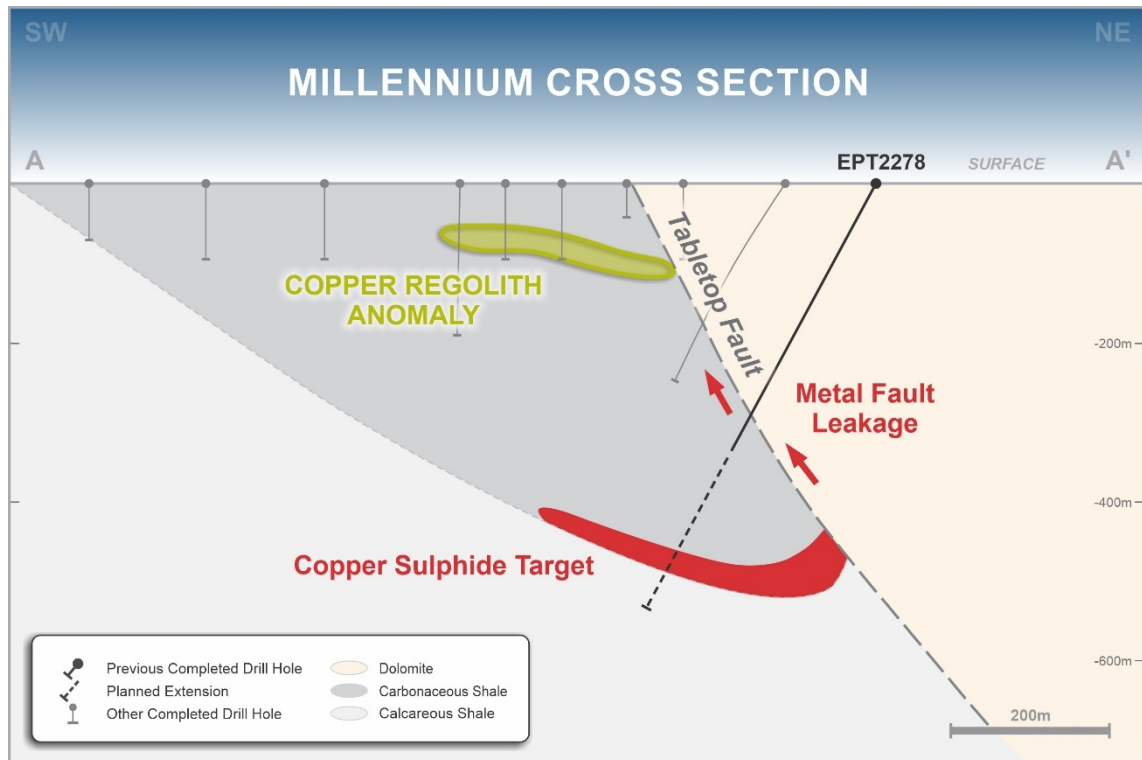


Figure 11 – Millennium schematic cross section through A-A' (regolith anomaly projected onto section)

⁹ refer ASX release 19 July 2012*

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

PATERSON PROVINCE - GOLD

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

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 ¹⁰
- 16m @ 0.6g/t Au from 154m in ETG0044 ¹⁰

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 will be completed at East Thomson's Dome in July/August 2021. 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.

¹⁰ refer ASX release 16 August 2017

YILGARN PROVINCE - GOLD

100% Encounter –E30/517, E30/527 and ELA38/3614

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 600km² 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 220km² project is situated adjacent to Ora Banda Mining's (ASX:OBM) Riverina gold deposits (Figure 12). 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.

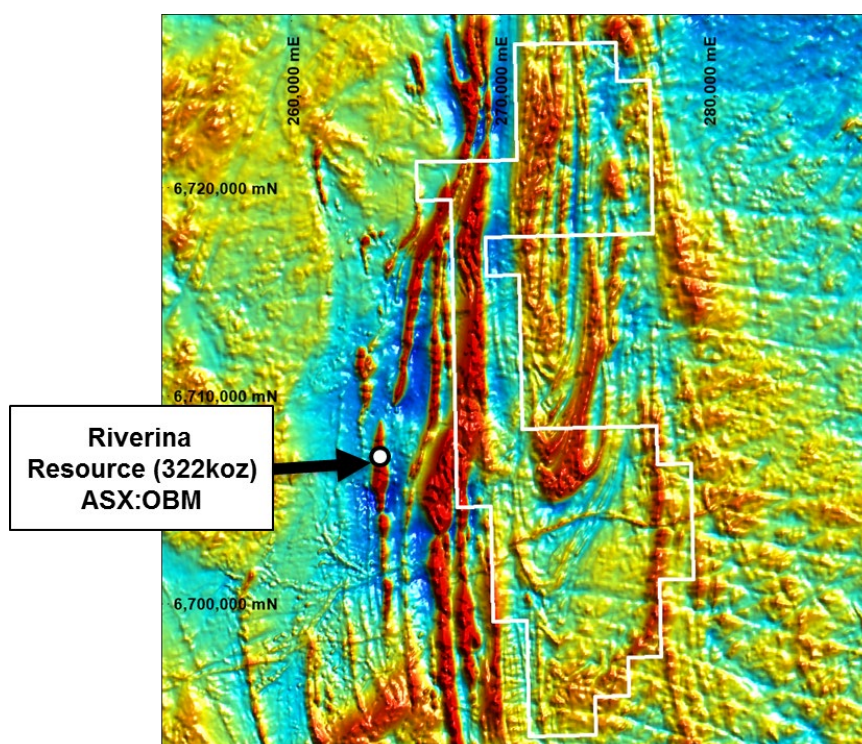


Figure 12 – Rani Gold Project location plan (TMI background) ¹¹

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

CORPORATE

Encounter held cash reserves of ~\$5.7 million at 30 June 2021 and a listed investment valued at ~\$0.75 million. The listed investment is ordinary shares in Hampton Hill Mining NL (ASX:HHM), valued at last traded price. 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 (\$47,000)

Included at section 6.2 - Comprises: Remuneration of directors (\$113,000)

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 \$850,000 was incurred by the Company in respect of exploration activity for the quarter ended 30 June 2021, primarily on:
 - Diamond drilling activities in the Paterson Province of WA
 - Preparations for upcoming diamond drill programs at the West Tanami project
 - Gravity survey at Aileron in the West Arunta region of WA
 - Project generation and validation activities in WA and 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 September 2021 quarter include:

Paterson Province

Lamil Copper-Gold Project (100% ENR)

- Diamond drilling at the Dune prospect to extend mineralised RC holes
- Diamond drilling to test a conductive feature and two residual magnetic anomalies in the north-west proximal to previous high grade gold intersections

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

- Assay results from diamond drill holes completed in the June 2021 quarter
- Completion of the regional ground magneto-telluric (MT) survey
- Preparations for upcoming AC drilling are underway

Millennium Joint Venture (Encounter 75% / Hampton Hill Mining 25%)

- 400m diamond drill tail to extend EPT2278 to test the targeted position adjacent to the regionally significant Tabletop Fault was completed in July 2021. Assay results expected in September 2021.

Tanami / West Arunta

West Tanami Gold Project (100% ENR)

- Fine fraction soil geochemical trial
- Preparations for field activities including EIS co funded drilling

Aileron Copper-Gold Project (100% ENR)

- Results of the gravity survey will be available in August 2021. This survey will be integrated with existing geophysical datasets to design follow up exploration plans.

Northern Territory - Copper (100% ENR)

- Elliott – Finalisation of a formal earn-in and joint venture agreement.
- Jessica – Aircore/auger drill program scheduled for September 2021 to determine the lateral extent of the near surface high grade copper mineralisation identified in water bore cuttings
- Ongoing interpretation and interrogation of new government datasets (Geoscience Australia "GA", Northern Territory Geological Survey, "NTGS") and systematic pXRF analysis of historical drilling.
- Reprocessing of the GA seismic lines to provide greater detail of the geology and structure in the upper 1,000m
- Discussions with potential project partners to advance exploration through the next phase

TENEMENT INFORMATION (granted tenure)

Lease	Location	Project Name	Area km ²	Interest at start of quarter (01/04/2021)	Interest at end of quarter (30/06/2021)
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	Lewis	277.4	100%	100%
E80/5147	Tanami	Selby	274.7	100%	100%
E80/5152	Tanami	Phillipson	238.3	100%	0%
E80/5169	Tanami	Aileron	187.6	100%	100%
E80/5186	Tanami	Lewis	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	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	0%	100%
EL32329	Northern Territory	Elliott – BHP JV	137.0	0%	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	0%	100%
EL32338	Northern Territory	Jessica	783.5	0%	100%
EL32339	Northern Territory	Jessica	791.4	0%	100%
EL32273	Northern Territory	Sandover	795.4	0%	100%
EL32273	Northern Territory	Sandover	792.67	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.

+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

47 109 815 796

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(62)	(274)
	(e) administration and corporate costs	(127)	(550)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	15	18
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	68
1.8	Other (provide details if material)	3	4
1.9	Net cash from / (used in) operating activities	(171)	(734)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(10)
	(d) exploration & evaluation	(884)	(4,420)
	(e) investments	-	-
	(f) other non-current assets – bonds and security deposits	-	(76)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	208	2,466
	Other – exploration incentive grants	17	239
	Other – R&D Tax receipts	-	117
2.6	Net cash from / (used in) investing activities	(659)	(1,684)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	6,300
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	62	225
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(4)	(286)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	58	6,239

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,459	1,866
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(171)	(734)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(659)	(1,684)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	58	6,239
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,687	5,687

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	487	759
5.2	Call deposits	5,200	5,700
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)	5,687	6,459

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	47
6.2	Aggregate amount of payments to related parties and their associates included in item 2	113
<i>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.</i>		

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>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.</i>		
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)	171
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	884
8.3	Total relevant outgoings (item 8.1 + item 8.2)	1,055
8.4	Cash and cash equivalents at quarter end (item 4.6)	5,687
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	5,687
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.4
	<i>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.</i>	
	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	
<i>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.</i>	

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: 27 July 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.