

31 January 2022

## *Exceptional leverage to the Tier 1 copper exploration in Australia*

### **Multiple copper-gold intersections at Lamil – Paterson Province WA (100% ENR)**

- Expansive copper-gold system >1km of strike located 25km from the Telfer mine
- Seven hole diamond drill program completed in September 2021 contained:
  - multiple, stacked, narrow copper-gold reefs (grading 1-2 g/t Au & 1-2% Cu) in a mineralised prospective host package that is >200m thick from 134m depth
  - high grade, chalcocite dominant copper mineralisation (1.5m @ 19.1% Cu from 409.1m)
  - mineralised horizons open in all directions, with strengthening copper grades and higher vein frequency providing potential vectors to high grade mineralisation

### **High Grade Copper Assays Over 6km At Sandover – NT (100% ENR)**

- Surface sampling at the Sandover Copper Project (“Sandover”) confirmed high grade copper mineralisation (up to 20.9% Cu) at four separate areas totalling >6km of strike
- Copper mineralisation is similar in age and setting to the giant deposits of the Zambian copper belt
- Further areas of interest have been identified at Sandover and will be sampled at the start of 2022.

### **Gravity and geochemical sampling upgrades Aileron IOCG targets – West Arunta WA (100% ENR)**

- Helicopter supported ground gravity survey (Phase 2) completed in November 2021
- Discrete, coincident gravity-magnetic anomalies defined, including below drillhole EAL001 that intersected a distinctive IOCG geochemical signature (terminated above the target due to drill rig breakdown)
- Helicopter supported geological reconnaissance and surface sampling trial completed in November 2021.

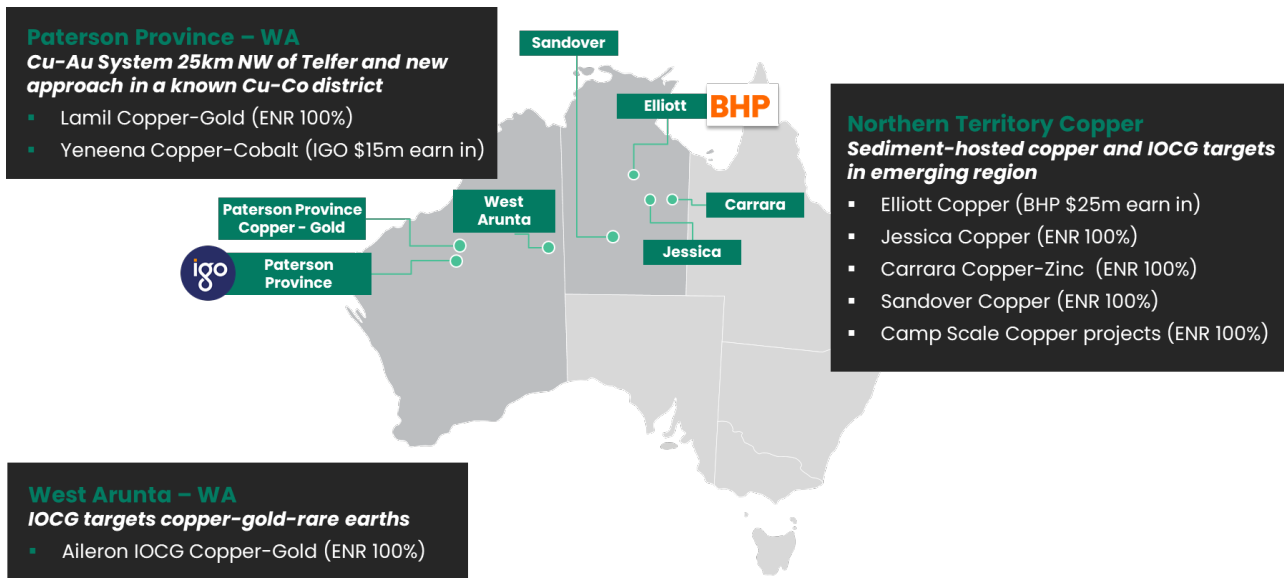
### **BHP and Encounter expand copper partnership in the NT (BHP farm-in)**

- Copper exploration partnership with BHP covering the Elliott Copper Project was expanded by 60% to 7,200km<sup>2</sup> and the earn-in amount for BHP to earn a 75% interest increased to \$25 million
- An exploration program, including seismic surveys and diamond drilling, is planned to rapidly advance the understanding of the basin architecture and to define prospective deposition sites for sediment-hosted copper mineralisation

### **Successful Hamelin Gold demerger and IPO**

- Following shareholder approval, an in specie distribution of 60 million Hamelin Gold shares to Encounter shareholders was completed
- Hamelin Gold, which controls the highly prospective West Tanami Gold Project in WA, listed on ASX on 5 November 2021 (ASX:HMG)

<b>ASX Code:</b>	<b>Cash</b> (31/12/2021)	<b>Market Cap.</b> (28/1/2022)	<b>Issued shares</b> (31/12/2021)	<b>Issued options</b> (31/12/2021)
<b>ENR</b>	<b>\$3.1m</b>	<b>\$46m</b>	<b>317m</b>	<b>18m</b>



## Lamil Copper-Gold Project - Paterson Province - WA

### 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 Mining Ltd (ASX:NCM). Lamil is adjacent to a major regional gravity lineament which marks the location of an interpreted significant crustal scale structure that would have acted as a pathway for ore forming fluids during the formation of the Proterozoic aged deposits.

Dune is located in the northwest of Lamil and consists of a laterally-extensive gold-copper system, outlined by broad spaced RC drilling over 1km of strike (Figure 1). The mineralisation at Dune is hosted in metasedimentary rocks of the Proterozoic Lamil group which also host the Telfer, Havieron and Winu Au-Cu deposits. Dune is situated close to the interpreted fold axis in the northern part of the Lamil Dome. An RC drill program completed in February 2021 at Dune intersected strong copper-gold intersections including (ETG0227):

- **132m @ 0.31g/t Au and 0.11% Cu from 87m<sup>1</sup>**
  - **including 22m @ 0.51g/t Au and 0.24% Cu from 181m**

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

The diamond tail of ETG0226 (located on the same section 80m south-west of ETG0227) intersected a thick zone of quartzite with minor silts (middle-lower Malu equivalent) containing zones of intense alteration, silica flooding, veining and brecciation. ETG0226 included a 1.5m intersection of semi-massive pyrite and chalcocite from 409.1m that returned:

- **1.5m @ 19.1% Cu from 409.1m sitting directly above;**
  - **3.9m @ 1.6g/t Au from 410.6m<sup>5</sup>.**

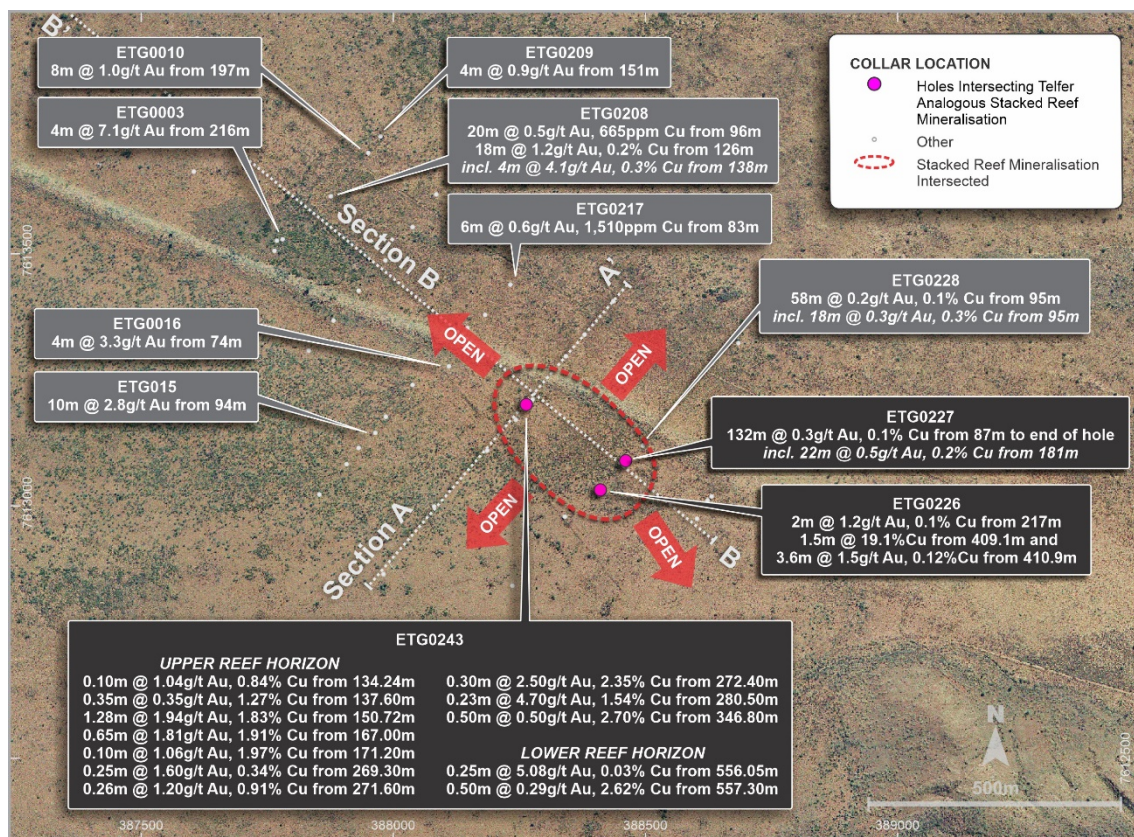


Figure 1 – Dune prospect plan showing only holes that have tested the Telfer analogous stratigraphic package and the outline of the stacked reef mineralisation intersected in drilling to date.

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

ETG0243 was targeted to test down plunge of the altered and oxidized siltstone-quartzite units intersected in the RC pre collar of ETG0227, which included 132m @ 0.31g/t Au and 0.11% Cu from 87m<sup>1</sup>.

ETG0243 intersected the expected interbedded, altered siltstones and sandstones from 134m. Within this unit multiple, narrow quartz-carbonate, pyrite-chalcopyrite copper-gold reefs were intersected which are generally bedding concordant. This unit is interpreted as analogous to Telfer's Upper Malu/Telfer formation which host to the bulk of Telfer's reef style mineralisation and the Winu Cu-Au deposit. This unit contained multiple, stacked, narrow copper-gold reefs (Upper Reef Horizon) from 134m to 347m including:

- 0.10m @ 1.04g/t Au and 0.84% Cu from 134.2m
- 0.35m @ 0.35g/t Au and 1.27% Cu from 137.6m
- 1.28m @ 1.94g/t Au and 1.83% Cu from 150.7m
- 0.65m @ 1.81g/t Au and 1.91% Cu from 167.0m
- 0.10m @ 1.06g/t Au and 1.97% Cu from 171.2m
- 0.25m @ 1.60g/t Au and 0.34% Cu from 269.3m
- 0.26m @ 1.20g/t Au and 0.91% Cu from 271.6m
- 0.30m @ 2.50g/t Au and 2.35% Cu from 272.4m
- 0.23m @ 4.70g/t Au and 1.54% Cu from 280.5m
- 0.50m @ 0.50g/t Au and 2.70% Cu from 346.8m

Stratigraphically below this unit, ETG0243 entered the quartzite package intersected in the diamond tails of ETG0226 and ETG0227. This unit contains a mixture of narrow, bedding concordant quartz-carbonate veins (associated with interbedded silts) together with minor stockwork-brecciation within quartzites consisting of pyrite with chalcopyrite. This unit is interpreted as analogous to the middle-

lower Malu formation which hosts the A reefs and vertical stockwork corridor at Telfer (Figure 2,3 and 4). This unit contained further copper-gold mineralisation (Lower Reef Horizon) within the zone of quartzite including:

- 0.25m @ 5.08g/t Au and 0.03% Cu from 556.05m
- 0.50m @ 0.29g/t Au and 2.62% Cu from 557.30m

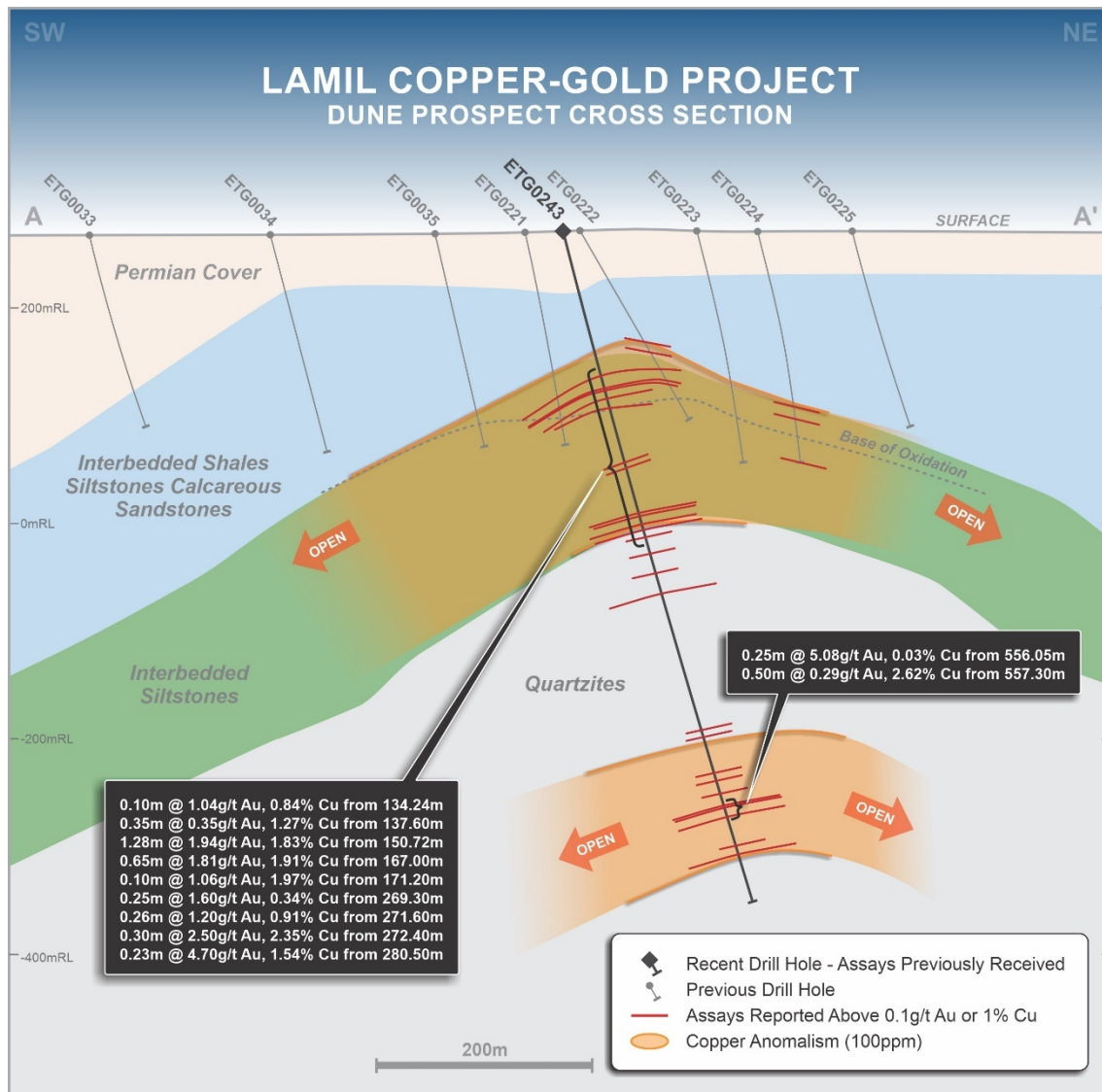
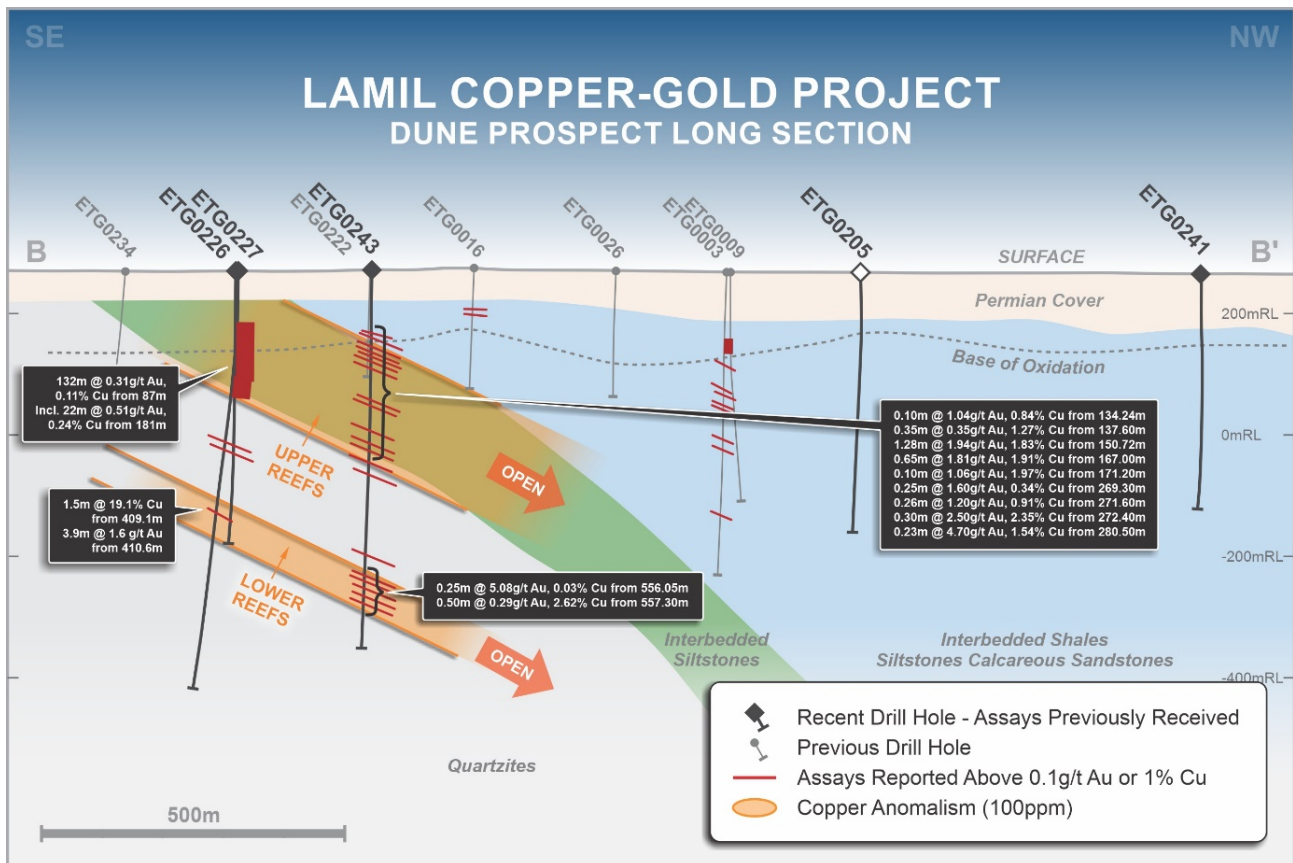


Figure 2- Schematic Dune cross section for ETG0243. The Telfer analogous stratigraphy and Upper and Lower Reef horizons are shown with multiple narrow Cu-Au reefs which are generally sub parallel to stratigraphy.



**Figure 3- Schematic long section of Dune showing the interbedded siltstone unit dipping below previous drilling at Dune. This leaves the prospective unit untested down plunge of the Lamil Dome away from ETG0243 where drilling has intersected an increase in frequency of Cu-Au reefs.**

High grade copper-gold mineralisation has now been intersected in two diamond drill sections spaced 200m apart at Dune. The increased frequency of mineralised 'reef style' intervals containing strengthening copper grades and frequent +1g/t Au grades within ETG0243 infers a strengthening of the mineralised system to the north-west where the system remains open on section and down plunge.

The intersection of multiple, stacked, narrow copper-gold reefs in ETG0243 within a thick prospective package analogous to Telfer and Winu's Upper Malu formation is an important step forward for the project.

The intersection of high-grade copper contained in chalcocite and additional copper-gold reefs in the Middle to Lower Malu quartzite package in ETG0226, ETG0227 and ETG0243 provides further evidence of a depth extensive mineral system at Dune.

### Next Steps

Encounter plans to complete a gravity survey over Dune to identify structures and map changes in stratigraphy where the prospective horizons plunge beneath Encounter's current drilling. The results of this survey along with further interpretation of litho-geochemistry results will guide plans for a detailed drilling campaign at Dune during the 2022 field season.

<sup>1</sup> refer ASX release 21 April 2021

<sup>2</sup> refer ASX release 19 January 2017

<sup>3</sup> refer ASX release 18 December 2020

<sup>4</sup> refer ASX release 26 April 2017

<sup>5</sup> refer ASX release 6 September 2021

## Aileron IOCG (Cu, Au, REE) Project – West Arunta - WA

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 one initial drill hole, EAL001 targeting a discrete magnetic anomaly.

### Background

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%)<sup>6</sup>, consistent with the targeted IOCG deposit model (*refer ASX announcement 28 January 2021*).

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.

### Activity in December 2021 Quarter

Additional helicopter-supported ground gravity acquisition (Phase 2) and geological reconnaissance activities, including a surface sampling trial was completed in November 2021. Newly acquired gravity data has successfully defined new target areas of interest within E80/5169 (Figure 5)

A gravity anomaly (Anomaly 1) has been defined coincident with the discrete magnetic feature that was incompletely tested with drillhole EAL001 in October 2020. The hole was terminated at 158m above the target due to drill rig breakdown. New gravity data has defined a discrete sub vertical gravity anomaly that has been modelled from a depth of ~200m below surface.

Helicopter supported geological reconnaissance was conducted in areas of interest including at newly defined gravity anomalies (Figure 5). A surface sampling trial was also completed to assess surface geology and regolith conditions and amenability of target areas to surface sampling.

### Next Steps.

Reconnaissance data is being collated with the geophysical targets and insights from EAL001 which will be used to prioritise and rank these anomalies. Each anomaly will be assessed and prioritised with future work likely to include ground IP, surface sampling and diamond drilling.

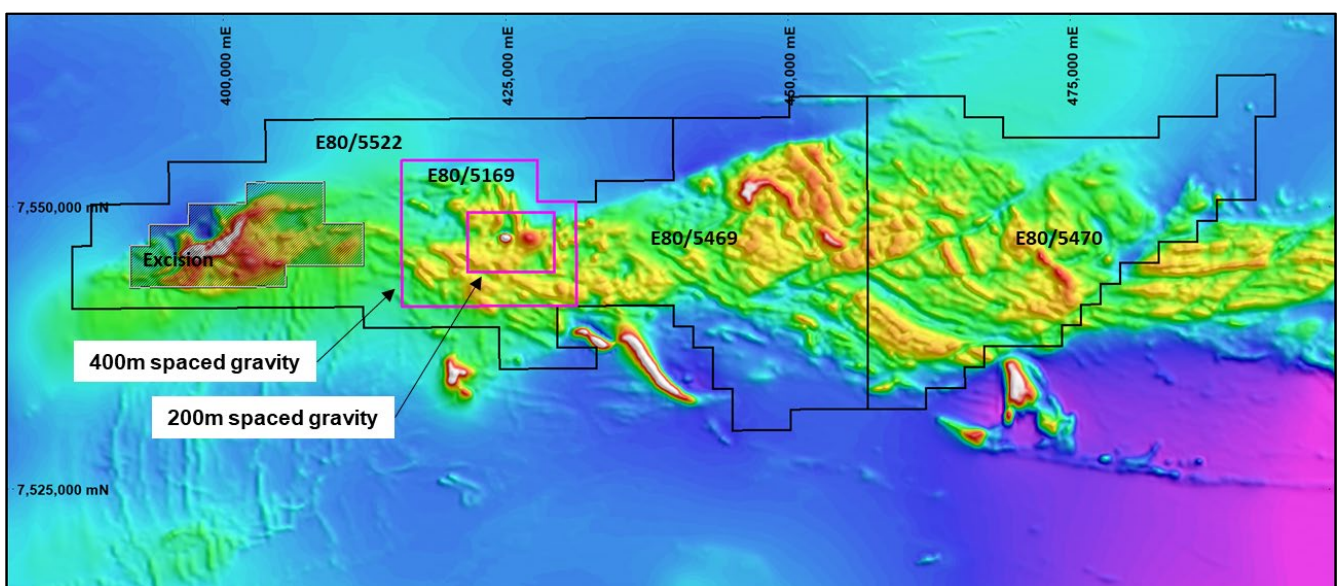
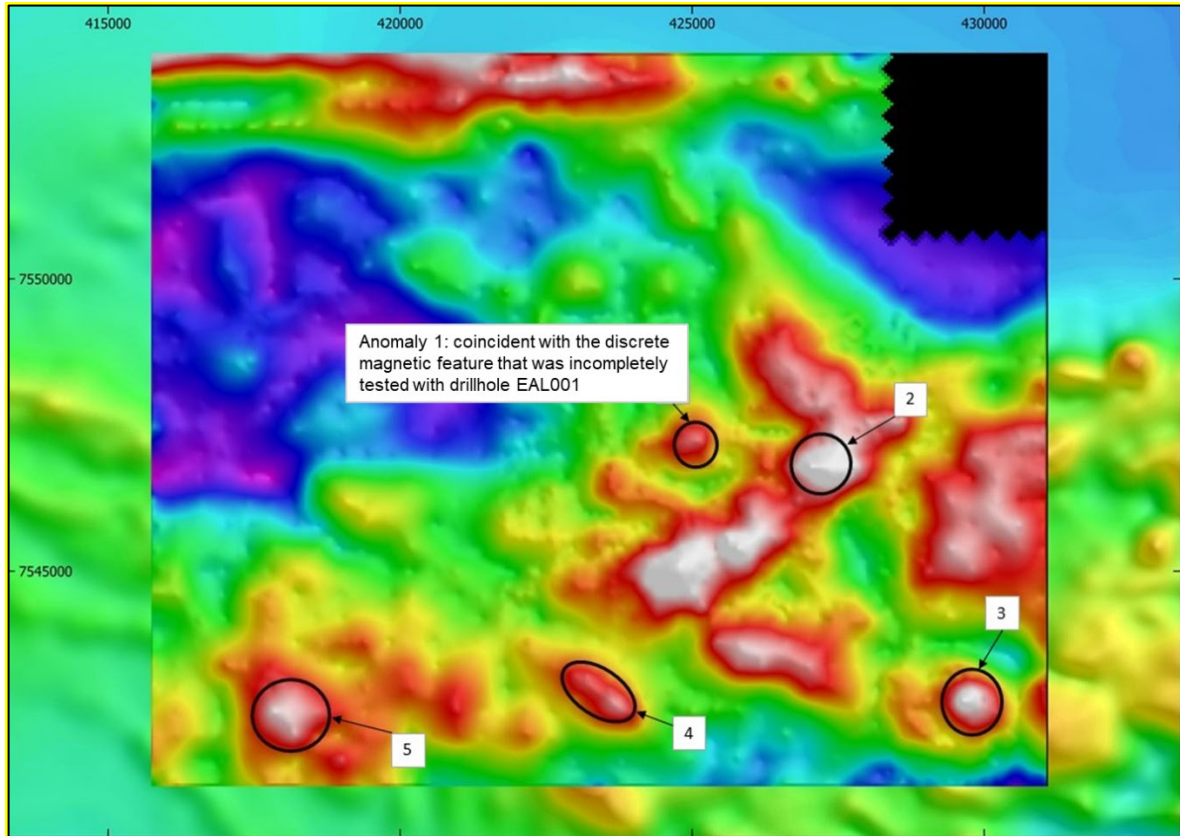


Figure 4 – Aileron IOCG project – August-November 2021 gravity survey location plan on TMI background



**Figure 5 – Aileron IOCG project –Residual gravity image with location of anomalies visited during geological reconnaissance in November 2021**



**Photo 1. Helicopter supported geological reconnaissance completed November 2021, Exploration Manager, Mark Brodie.**

## Elliott Copper Project – Northern Territory

### Background

Datasets provided by the Northern Territory Geological Survey (“**NTGS**”) and Geoscience Australia (“**GA**”) as part of the Exploring for the Future Program, have provided crucial new data to facilitate exploration in a covered, highly prospective and underexplored region of Australia.

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

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

New sampling 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 dataset is located at Elliott.

A joint BHP / Encounter designed validation program at Elliott was completed in early 2021. This work program involved the compilation, interpretation, modeling and integration of new and existing data packages at Elliott including seismic, airborne EM, magnetics, gravity, geochemistry and hydro-geochemistry. The validation program provided further support for the potential of Elliott. As a result, BHP exercised its option to negotiate and enter into a formal Farm-in and Joint Venture Agreement.

In October 2021, four additional tenements (EL32581, EL32703, EL32729, EL32730) were added into the formal Farm-in and Joint Venture Agreement. This increased the area of the earn-in from 4,500km<sup>2</sup> to 7,200km<sup>2</sup> and the earn-in amount for BHP to earn a 75% interest has been increased from \$22 million to \$25 million.

### Next steps

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

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



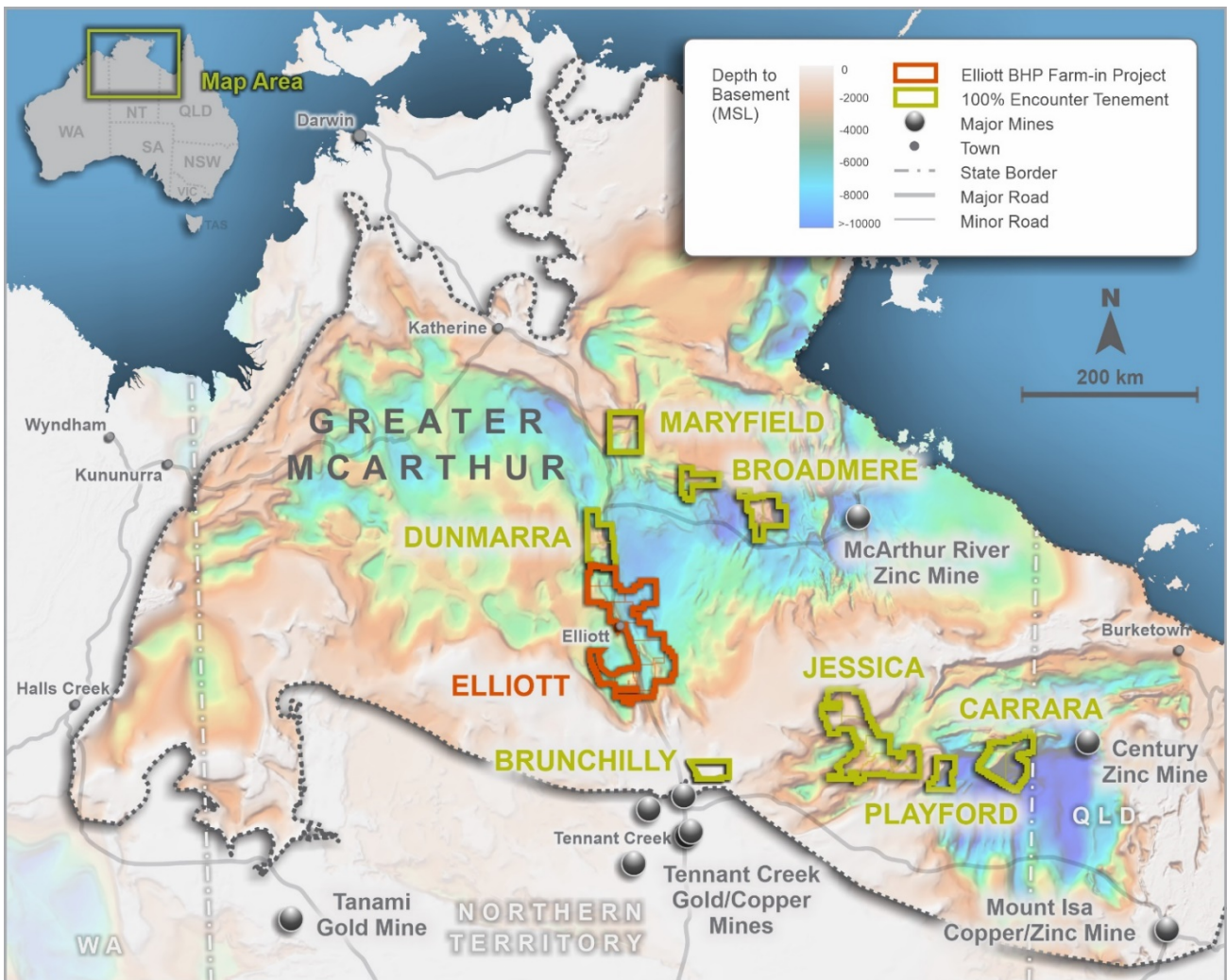


Figure 6 – NT Copper Projects - Project Location Plan

## Sandover Copper Project

### Background

Sandover is located 170km north of Alice Springs and covers a major structural corridor on the southern margin of the Georgina Basin. Access is excellent with the Stuart Highway and Ghan railway extending through the western margin of the project. Historical exploration at Sandover has mapped copper mineralisation over 20km of strike in a stratiform position.

Sandover is interpreted to represent a locally preserved Neoproterozoic depocentre at the base of the Georgina basin. A number of the major elements of the classic Zambian style sediment-hosted copper system are present at Sandover.

## Exploration Activity

In October 2021, field mapping and rock chip sampling was completed at Sandover to ground truth the previously mapped outcropping copper.

Sampling was conducted in four field areas located up to 6km apart (Figure 8). Each area confirmed the presence of an outcropping red-bed sandstone sequence with multiple, narrow but strike extensive, grey shale units containing copper oxide mineralisation (malachite). Sampling of copper mineralisation at surface returned assays up to 20.9% Cu and a suite of highly anomalous pathfinder elements (Zn, Ag, As, Bi, Mo and Pb) (refer ASX announcement 16 December 2021). There has been limited prior drilling completed at Sandover between 1966 and 1970 (refer Figure 9). Two drill holes were completed by previous explorers near Area 2 and no prior drilling has been completed at Area 1 (refer Figure 7).

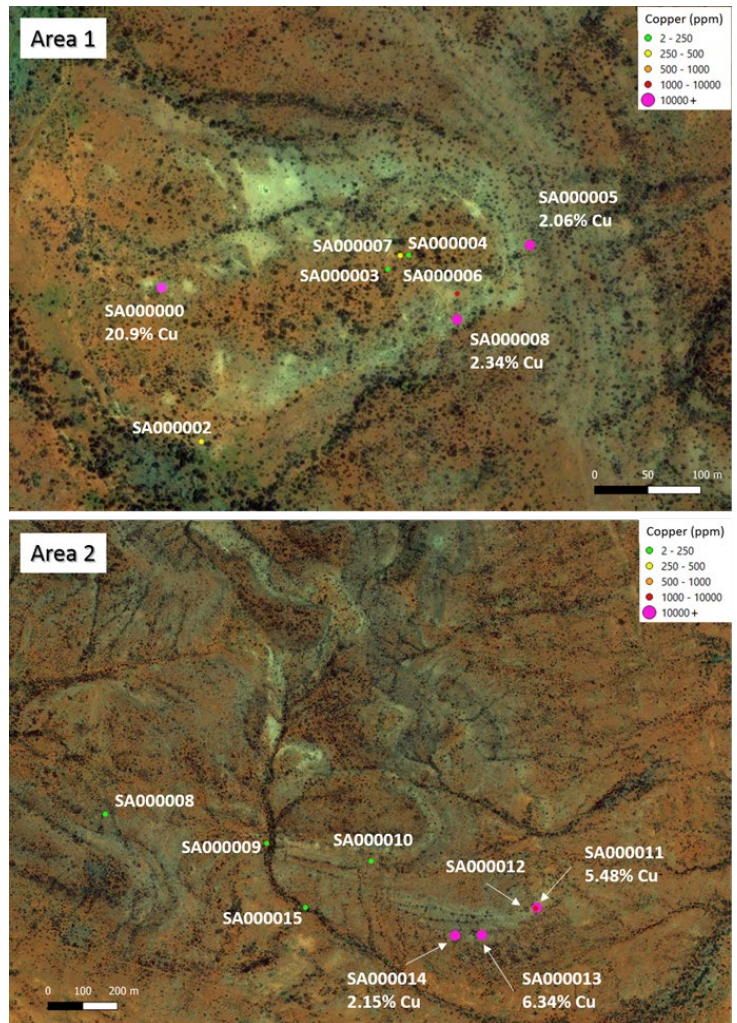


Figure 7 – Sample Location Areas 1 & 2 at Sandover in October 2021 (refer Figure 8)



**Photos 2 & 3 – Sample SA000011 selected sample of surface scree Sandover 5.5% Cu (Area 2)**

### **Next Steps**

Encounter is engaging with experts in Zambian style copper deposits to design an exploration program to fast track this emerging opportunity. Activities will focus on identifying extensions to the reduced units within the basin along strike and under cover. There will be a particular emphasis on where these units intersect long-lived basin forming structures which are areas with the potential to host major mineral deposits.

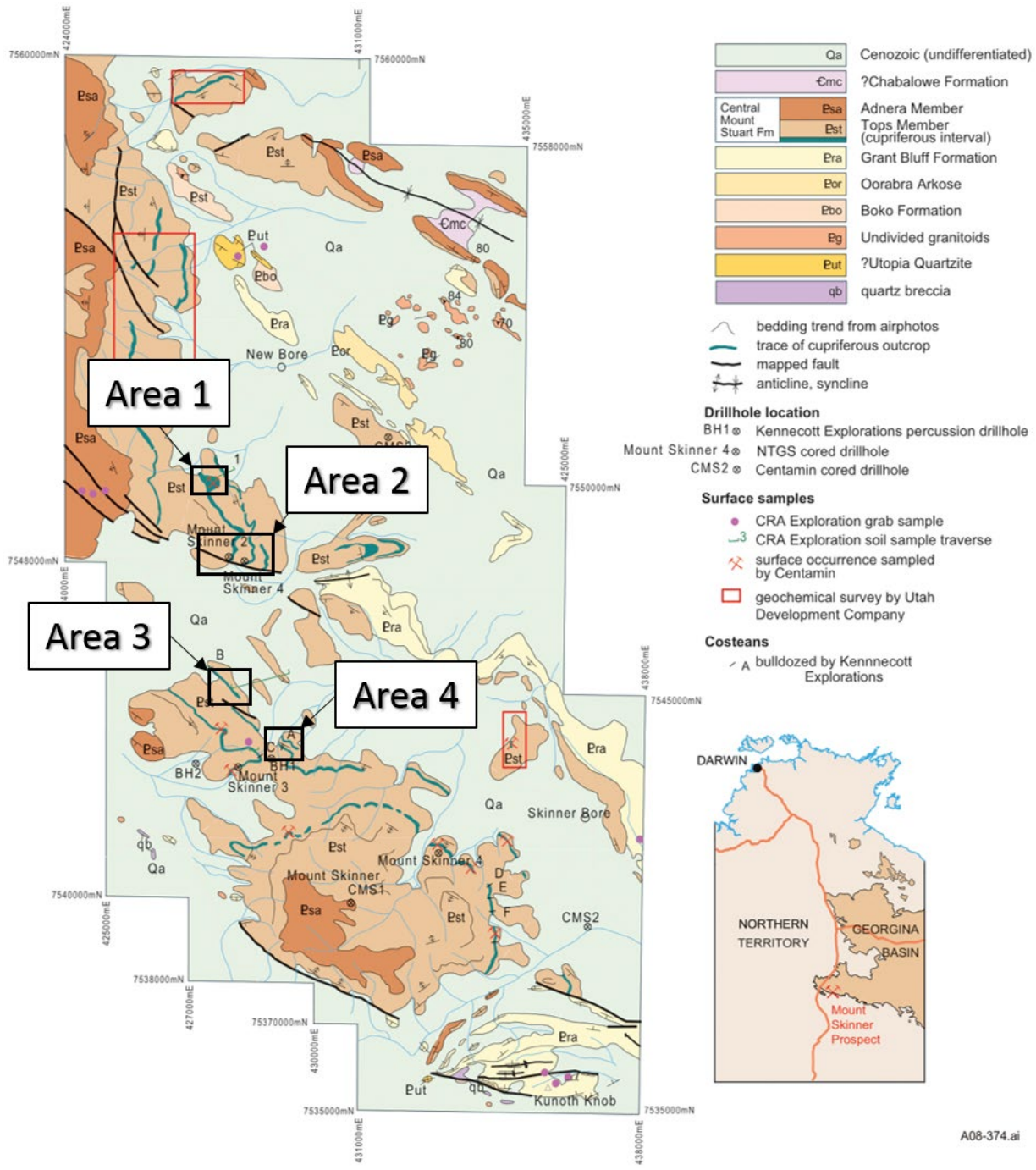
Given the potential significance of the copper horizon at Sandover, the project area has been expanded to over 4,700km<sup>2</sup>.

Historical data collation and integration is ongoing. Inspection of historical drill core available in the Alice Springs core library from Sandover will be completed in March-April 2022

An airborne EM survey covering part of the area of the outcropping copper oxide mineralisation has been obtained. This survey and the recently acquired regional airborne AEM lines are being reprocessed to assist in mapping the prospective host geological units under cover.

Further regional surface mapping and sampling of the copper mineralised shale units will commence in March-April 2022.

Sandover also includes known pegmatite occurrences with potential for lithium and other critical metals which will continue to be investigated in conjunction with the copper exploration activities.



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**Figure 8 – Geological map showing cupiferous outcrop, drillhole locations and surface sampling (compiled from company reports and Haines 2004) Source: NTGS Geology and Mineral Resources of the Northern Territory. Special Publication 5. Compiled by Ahmad, M. and Munson, T.J., June 2013.**

**Additional locations annotated are the four areas Encounter sampled at Sandover in October 2021.**



**Photo 4 – Sample SA0000000 – 20.9% Cu (Area 1)**



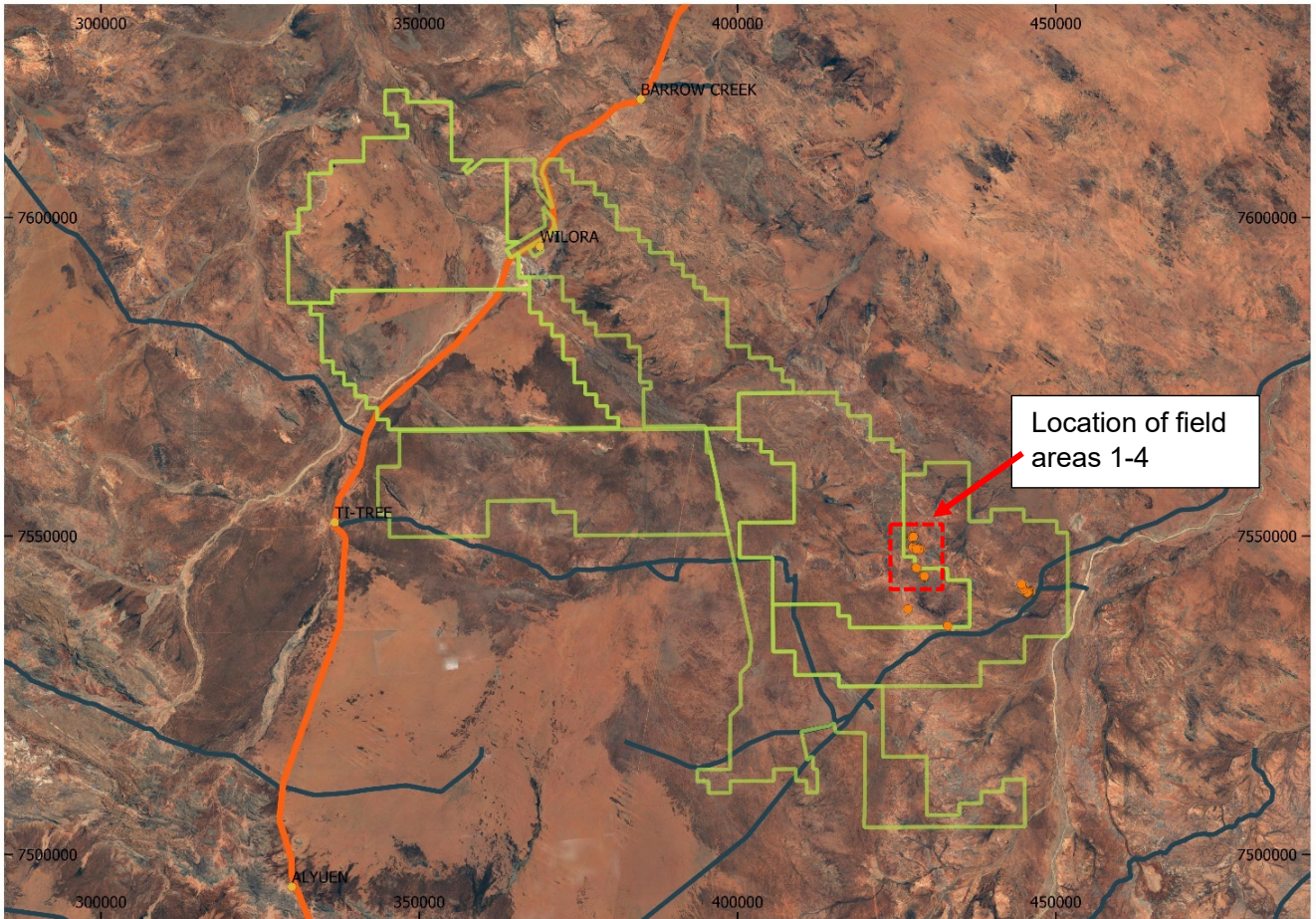
**Photo 5 – Sample SA000013 – 6.3% Cu (Area 2)**



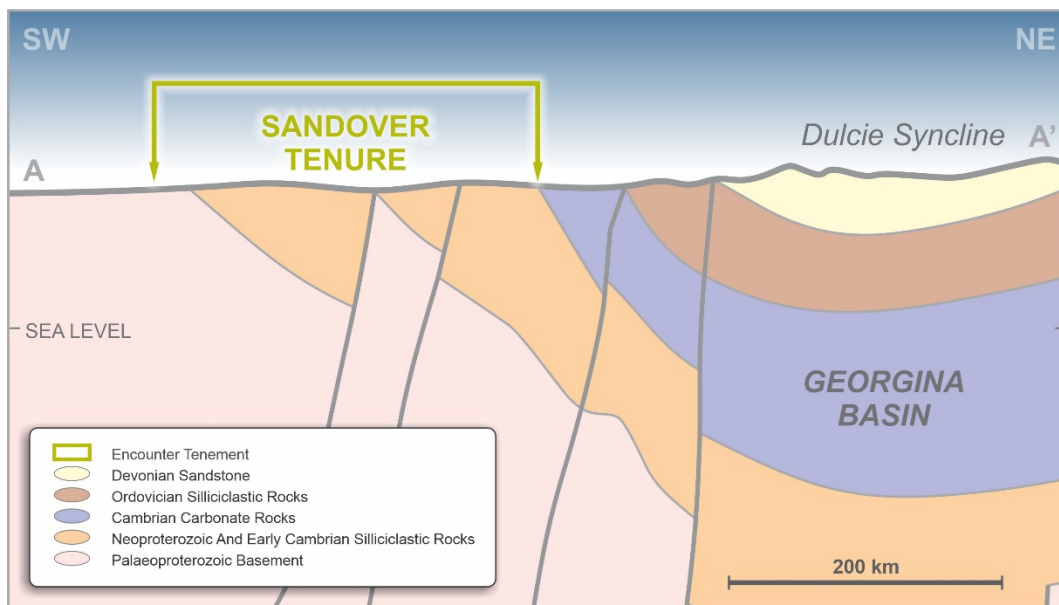
**Photo 6 – Sample SA000016 – 4.0% Cu (Area 3)**



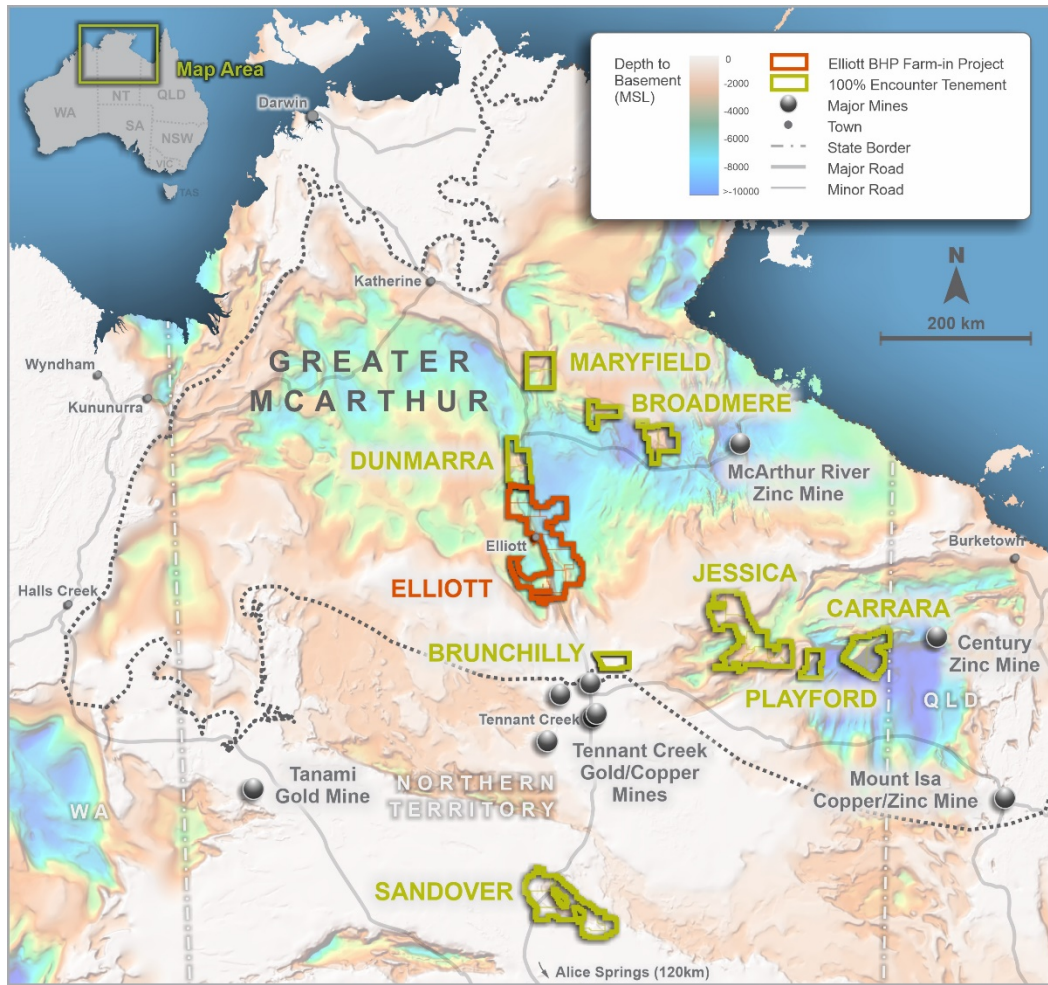
**Photo 7 – Sample SA000036 – 4.5% Cu (Area 4)**



**Figure 9 – Location of field mapping and sampling**



**Figure 10 – Sandover schematic cross section**



**Figure 11 – Encounter copper projects in the Northern Territory - Project Location Plan**

## Jessica Copper Project

Jessica covers ~5,500km<sup>2</sup> 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).

### December Quarter Activity

- Infill gravity surveys over a series of high priority magnetic targets in conjunction with an extensive regional gravity survey is being undertaken by the NTGS.
- Aircore drilling to confirm and determine the lateral extent of the near surface copper mineralisation identified in water bore cuttings is scheduled for 2022.

## Carrara Copper-Zinc Project

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

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

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

### December Quarter Activity

- Sampling and geological review of selected sections of the Carrara1 stratigraphic diamond drill hole was completed at the NTGS core facility in Darwin in October 2021. Additional sphalerite (zinc sulphide) was identified in Carrara1 as part of this initial review.
- NTGS is completing a gravity survey over Carrara to reduce the station spacing to 2km x 2km.
- Reprocessing of the GA seismic lines that extend through Carrara to provide greater detail of the geology and structure in the upper 1,000m along the western margin of the sub-basin is in progress



## Yeneena Copper Project – Paterson Province WA

Yeneena comprises a major land position covering >1,450km<sup>2</sup> in the highly prospective Paterson Province, targeting copper-cobalt mineralisation. IGO can sole fund \$15 million in exploration expenditure over a maximum of seven years to earn a 70% interest in Yeneena.

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

- 81 holes from the 2021 AC programs at Yeneena have been prepared for an innovative hydrochemistry study to be completed in the March 2022 quarter.
- Processed data from two new regional magneto-telluric (MT) lines was received during the quarter and is being integrated with belt-scale magnetic and gravity inversions to generate a 3D model of the basin.
- Preparations commenced for planned airborne/ground-based EM and gravity surveys in 2022.

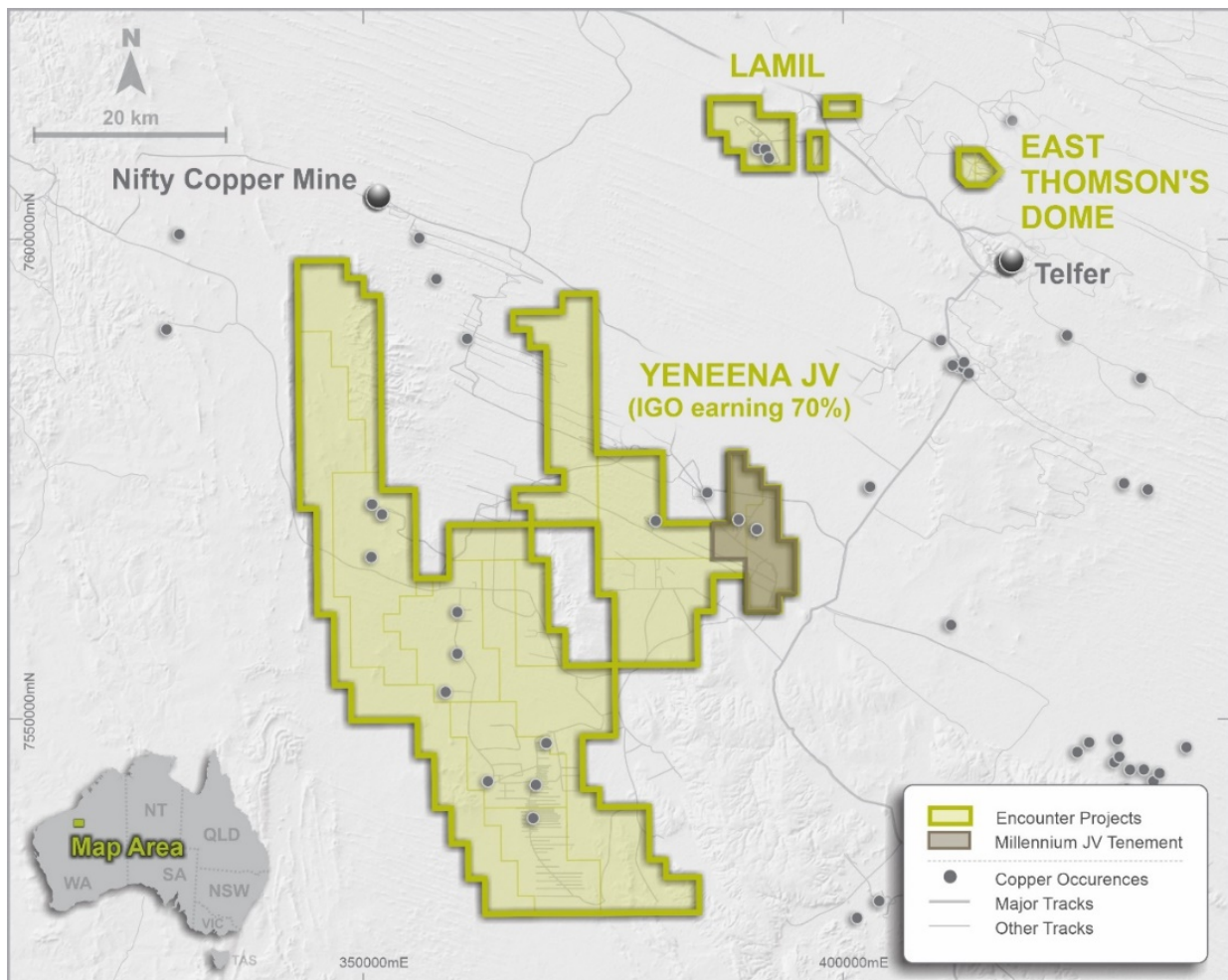


Figure 12 – Encounter's Paterson Province project location plan

## Corporate

Encounter held cash reserves of ~\$3.1 million at 31 December 2021 and a listed investment valued at ~\$0.6 million. The listed investment is ordinary shares in Hampton Hill Mining NL (ASX:HHM), valued as at the net assets of HHM at 30 June 2021. The trading of HHM shares was suspended by the ASX on 18 February 2020.

### Related party transactions

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

Included at section 6.1 - Comprises: Remuneration of directors (\$44,000)

Included at section 6.2 - Comprises: Remuneration of directors (\$78,000)

During the quarter the Group received an amount of \$313,000 in respect of repayment of existing loans, and IPO/demerger related expenses from Hamelin Gold Limited, following the demerger of Hamelin Gold and its subsequent IPO on ASX. In addition, the Company received an amount of \$33,000 from the ATO in respect of a refund of GST on behalf of Hamelin Gold.

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 \$0.953 million was incurred by the Company in respect of exploration activity for the quarter ended 31 December 2021, primarily on:
  - Diamond drilling at Lamil in the Paterson Province of WA
  - Gravity survey and geological reconnaissance at the Aileron IOCG project in the West Arunta region of WA
  - Project generation, surface mapping and sampling activities for copper in the NT
- A summary of the specific exploration activities undertaken in each project area (which included drilling and geochemical and geophysical programs), is provided in the relevant sections of this activity report.

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

During the quarter the Company issued a total of 3,830,000 unlisted options, exercisable at 22.4 cents each and expiring 28 November 2025, of which 2,070,000 were issued pursuant to shareholder approval at the Company's 2021 annual general meeting and 1,760,000 issued pursuant to the terms and conditions of the Company's Employee Share Option Plan.

During the quarter a total of 560,303 fully paid shares were issued on the exercise of unlisted options.

1,500,000 unlisted options exercisable at 22.8 cents each were cancelled on expiry on 30 October 2021.

## Next Quarter Highlights

Activities planned for the March 2022 quarter include:

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

- Complete a detailed gravity survey over the Dune area.
- Prepare for next phase of drilling.

### **Aileron IOCG Project - West Arunta (100% ENR)**

- Use the gravity survey and geological reconnaissance results to integrate and design the next phase of exploration. The extension of drill hole EAL001 to test the coincident gravity-magnetic feature is a priority target.

### **Elliott Copper Project NT (BHP farm-in)**

- Prepare for the exploration program, including seismic surveys and diamond drilling. Planning to rapidly advance the understanding of the basin architecture and to define prospective deposition sites for sediment-hosted copper mineralisation

### **Sandover Copper Project – NT – (100% ENR)**

- Historical data collation and integration.
- Inspection of historical drill core available in the Alice Springs core library to be completed in March-April 2022
- Airborne EM surveys covering parts of the area of the outcropping copper oxide mineralisation is being reprocessed.
- Further regional surface mapping and sampling of the copper mineralised shale units will commence in March-April 2022.

### **Jessica Copper Project – NT – (100% ENR)**

- Infill gravity surveys over a series of high priority magnetic targets in conjunction with an extensive regional gravity survey is being completed by the NTGS.

### **Carrara Copper-Zinc Project – NT – (100% ENR)**

- NTGS is completing a gravity survey over Carrara to reduce the station spacing to 2km x 2km.

### **Yeneena Copper-Cobalt Project (IGO farm-in)**

- Prepare for airborne/ground-based EM and gravity surveys in 2022
- Complete hydrochemistry study from the 2021 AC drill programs

## Tenement Information (granted tenure)

Lease	Location	Project Name	Area km <sup>2</sup>	Interest at start of quarter (01/10/2021)	Interest at end of quarter (31/12/2021)
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%
E80/5169	West Arunta	Aileron	187.6	100%	100%
E80/5469	West Arunta	Aileron	534.3	100%	100%
E80/5470	West Arunta	Aileron	613.9	100%	100%

E80/5522	West Arunta	Aileron	429.2	100%	100%
EL32156	Northern Territory	Elliott – BHP farm-in	807.3	100%	100%
EL32157	Northern Territory	Elliott – BHP farm-in	696.3	100%	100%
EL32158	Northern Territory	Elliott – BHP farm-in	793.9	100%	100%
EL32159	Northern Territory	Elliott – BHP farm-in	723.9	100%	100%
EL32226	Northern Territory	Elliott – BHP farm-in	813.56	100%	100%
EL32329	Northern Territory	Elliott – BHP farm-in	137.0	100%	100%
EL32437	Northern Territory	Elliott – BHP farm-in	601.1	100%	100%
EL32273	Northern Territory	Jessica	750.5	100%	100%
EL32317	Northern Territory	Jessica	738.6	100%	100%
EL32338	Northern Territory	Jessica	783.5	100%	100%
EL32339	Northern Territory	Jessica	791.4	100%	100%
EL32386	Northern Territory	Jessica	814.5	100%	100%
EL32387	Northern Territory	Jessica	814.9	100%	100%
EL32388	Northern Territory	Jessica	813.8	100%	100%
EL32374	Northern Territory	Sandover	795.4	100%	100%
EL32421	Northern Territory	Sandover	792.7	100%	100%
EL32694	Northern Territory	Sandover	792.7	0%	100%
EL32695	Northern Territory	Sandover	787.4	0%	100%
EL32696	Northern Territory	Sandover	763.6	0%	100%
EL32476	Northern Territory	Carrara	805.4	100%	100%
EL32477	Northern Territory	Carrara	805.2	100%	100%
EL32701	Northern Territory	Carrara	801.7	0%	100%

EL32478	Northern Territory	Brunchilly	798.5	0%	100%
EL32493	Northern Territory	Playford	811.6	100%	100%

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




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Will Robinson

Managing Director

*The information in this report that relates to Exploration Results is based on information compiled by Mr. Mark Brodie who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Brodie 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 Brodie 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.*

## 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")

31 December 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(57)	(116)
(e) administration and corporate costs	(116)	(409)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	2	3
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(168)</b>	<b>(515)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(1)
(d) exploration & evaluation	(953)	(2,237)
(e) investments	-	-
(f) other non-current assets – bonds and security deposits	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – farm-in and joint venture contributions	-	147
	Other – exploration incentive grants	-	120
	Other – subsidiary IPO and demerger expenses incurred	(279)	(444)
	Other – repayments of IPO and demerger costs received	313	313
	Other – subsidiary IPO funds received	7,478	7,478
	Other – cash derecognised on demerger	(7,478)	(7,478)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(919)</b>	<b>(2,102)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	52	52
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(2)
3.5	Proceeds from borrowings	33	33
3.6	Repayment of borrowings – lease payments	(18)	(36)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – subsidiary IPO expenses	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>65</b>	<b>47</b>



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</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	4,139	5,687
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(168)	(515)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(919)	(2,102)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	65	47
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>3,117</b>	<b>3,117</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 \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,117	639
5.2	Call deposits	2,000	3,500
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>3,117</b>	<b>4,139</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	44
6.2	Aggregate amount of payments to related parties and their associates included in item 2	78
<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>		

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	168
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	953
8.3 Total relevant outgoings (item 8.1 + item 8.2)	1,121
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,117
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,117
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	2.8
<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>	
<p>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.</p> <p>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.</p>	
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?	
<p>Answer: N/a</p>	

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/a

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/a

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2022

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.