

ASX Announcement

27 September 2021



Letter to Shareholders – Hamelin Gold Priority Entitlement

Encounter Resources Limited (“Encounter” or “Company”) advises that the letter attached, regarding the Hamelin Gold Limited Priority Offer, was dispatched to Eligible Encounter Shareholders today.

This announcement has been authorised for release by the Managing Director of Encounter Resources Limited.

For further information, please contact:

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Reg Details 1
Reg Details 2
Reg Details 3
Reg Details 4
Reg Details 5
Reg Details 6

Priority Offer Application URL:

<https://investor.automic.com.au/#/ipo/hamelingoldpriority>

Priority Offer Access Code:

<>

Priority Offer Entitlement and Payment Amount:

<>

27 September 2021

Dear Shareholder,

Letter to Encounter Shareholders – Hamelin Gold Priority Entitlement

Encounter Resources Limited (ASX:ENR) (Encounter or the Company) is pleased to provide an update on the proposed demerger and Initial Public Offer (IPO) of its wholly-owned subsidiary Hamelin Gold Limited (Hamelin Gold) which holds the West Tanami Gold Project in Western Australia.

Demerger and In-specie Distribution of Hamelin Gold Shares

As announced on 17 September 2021, the Company is proposing to demerge the West Tanami Gold Project via its 100% wholly owned subsidiary, Hamelin Gold. This will occur by way of a pro rata in-specie distribution of shares in Hamelin Gold to Encounter shareholders (Demerger).

The Demerger will result in the in-specie distribution of 60,000,000 fully-paid ordinary shares in Hamelin Gold (Hamelin Gold Shares) (being 100% of the issued share capital of Hamelin Gold), to eligible Encounter shareholders as at the in-specie distribution record date of 28 October 2021 (In-specie Record Date), on a pro-rata basis.

Eligible Encounter shareholders will receive 1 Hamelin Gold ordinary share for every 5.271 Encounter ordinary shares held¹. The in-specie distribution is conditional upon receipt of Encounter shareholder approval at the general meeting of shareholders on 22 October 2021.

Refer to the Company's Notice of General Meeting, and accompanying short form prospectus from Encounter, both dated 17 September 2021 for further details with respect to the Demerger.

Hamelin Gold IPO and Priority Offer to Encounter Shareholders

Hamelin Gold lodged its IPO Prospectus with the Australian Securities and Investments Commission on 17 September 2021 (Prospectus). The Prospectus contains an offer of a minimum of 50,000,000 Hamelin Gold Shares (Minimum Subscription) and a maximum of 60,000,000 Hamelin Gold Shares (Maximum Subscription) at an issue price of \$0.20 per share, to raise a minimum of \$10,000,000 and a maximum of \$12,000,000, including a pro rata priority offer to Eligible Encounter Shareholders² of up to 25,000,000 Hamelin Gold Shares at an issue price of A\$0.20 (Priority Offer).

Euroz Hartleys Limited has been appointed as Lead Manager to the IPO and Chieftain Securities Pty Ltd has been appointed Co-Manager to the IPO.

Hamelin Gold is offering Eligible Encounter Shareholders that held shares in Encounter at 5:00pm (WST) on 23 September 2021 (Priority Offer Record Date) priority to subscribe for Shares under the Priority Offer.

Under the Priority Offer, Eligible Encounter shareholders are entitled to apply for 1 Hamelin Gold Share for every 12.6503 shares held in Encounter (rounded down to the nearest 100) on the Priority Offer Record

Date. Any Hamelin Gold Shares not taken up pursuant to the Priority Offer will form part of the Public Offer. Eligible Encounter Shareholders and new investors may apply for additional Shares under the Public Offer.

Priority Application Form

The Priority Offer opened on **27 September 2021**. Subject to the important notice at the end of this letter, as an Eligible Encounter Shareholder you are entitled to submit a Priority Application Form to participate in the Priority Offer. You may also apply for additional Hamelin Gold Shares on this form but these additional shares will form part of the Public Offer³.

You may obtain a copy of the Prospectus and apply online by going to the internet address below and entering your unique Priority Offer access code:

Internet Address: <https://investor.automic.com.au/#/ipo/hamelingoldpriority>

Your unique Priority Offer access code: <>

Your Priority Offer Entitlement & Payment Amount <>

In order to participate in the Priority Offer and the Public Offer, eligible Encounter shareholders should follow the instructions set out in the Priority Offer Application Form. The closing date for the Priority Offer is **15 October 2021**.

Your personalised Priority Offer Application Form can be accessed via Automic's Investor Portal by following the instructions below:

1. Go to <https://investor.automic.com.au/#/loginsah>
2. Type "**Hamelin Gold Limited**" or "**HMG**" in the Company field
3. Enter your **Encounter Resources** HIN/SRN and postcode
4. Tick the "**I'm not a robot**" box and click "**access**"
5. Go to "**Documents and Statements**"
6. Go to "**Other Documents**"
7. Click on the blue arrow next to your application form to download

Before deciding whether to invest in Hamelin Gold, investors should read the IPO Prospectus in its entirety and consider the risk factors set out in Section 4 of the Prospectus.

Yours faithfully



Will Robinson
Managing Director – Encounter Resources Limited

IMPORTANT NOTICE REGARDING ELECTRONIC PROSPECTUS

As stated in the letter above a copy the prospectus can be downloaded from <https://investor.automic.com.au/#/ipo/hamelingoldpriority>

If you are accessing the electronic version of the prospectus for the purpose of making an investment in Hamelin Gold, you must be an Australian or New Zealand resident and must only access the prospectus from within Australia or New Zealand. The Corporations Act prohibits any person passing onto another person the Priority Application Form unless it is attached to a hard copy of the prospectus or it accompanies the complete and unaltered version of the prospectus. Hamelin Gold reserves the right not to accept a Priority Application Form from a person if it has reason to believe that when that person was given access to the electronic Priority Application Form, it was not provided together with the electronic prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. Other than as otherwise stated in the prospectus, no document or information included on Hamelin Gold's website is incorporated by reference into the prospectus.

¹ Subject to the number of Encounter ordinary shares on issue on the In-specie Record Date.

² Eligible Encounter Shareholders means Encounter Shareholders with a registered address in Australia, New Zealand, Germany, United Kingdom and Singapore, subject to the terms of the Prospectus as to jurisdictions outside Australia, as at the Priority Offer Record Date

³ There is no guarantee that Eligible Encounter Shareholders will be allocated the Shares applied for under the Public Offer.

Key Offer Dates

The indicative timetable for the Demerger and IPO process is below:

Event	Indicative Date
Encounter Notice of Meeting and Short Form Prospectus lodged with ASIC and ASX	Friday, 17 September 2021
Lodgement of Hamelin Gold Prospectus with ASIC	Friday, 17 September 2021
Priority Offer Record Date	Thursday, 23 September 2021
Opening Date of Offer	Monday, 27 September 2021
Closing Date of the Priority Offer	Friday, 15 October 2021
Closing Date of Offer	Friday, 22 October 2021
Extraordinary General Meeting to approve the Capital Reduction and In-specie Distribution	Friday, 22 October 2021
Effective Date of Demerger / Capital Return	Monday, 25 October 2021
In-Specie Distribution Record Date	Thursday, 28 October 2021
Allotment Date of Shares under Offer	Monday, 1 November 2021
Expected date for dispatch of holding statements	Tuesday, 2 November 2021
Expected commencement of trading on ASX	Thursday, 4 November 2021

Forward Looking Statement

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.