

Collaborating with high quality partners to make new discoveries

Paterson Province – Copper/Gold – 100% Encounter

- Assays received from diamond drill program completed at the 100% owned Lamil Copper-Gold Project (“Lamil”) in the Paterson Province
- Near surface zone of limonite-goethite altered quartz veining intersected in ETG0201 returned:
 - 36m @ 0.5g/t Au from 28m
- ETG0201 extends supergene gold mineralisation on a single section of drilling at the Gap prospect to over 180 metres wide including:
 - 30m @ 1.1g/t Au from 96m in ETG0068 (refer ASX release 5 September 2017)
 - 36m @ 0.4g/t Au from 124m in ETG0067 (refer ASX release 31 July 2017)
 - Mineralisation is open in all directions with no other bedrock drilling within 400m
- Follow up drill program scheduled to commence in September 2020

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

- On-ground exploration activity recommenced in June 2020 with an initial field inspection of the Aileron JV. Access tracks have been established and diamond drill sites prepared ready for drilling to commence.
- Newcrest-funded diamond drill program at the Aileron JV is scheduled to occur in Q3 2020, subject to approvals
- Initial drill target at Aileron is a discrete magnetic anomaly consistent with the scale of an Ernest Henry or Carrapateena IOCG style gold-copper system

Paterson Province – Copper/Cobalt – Earn in and JV agreement with IGO Limited (ASX:IGO)

- On ground exploration commenced at Yeneena under the earn-in and joint venture agreement with IGO Limited including:
 - Fine-fraction soil surveys covering the McKay, Vines, Windsor, T4 and Lookout Rocks prospects
 - Moving loop electromagnetic (“EM”) surveys at the Windsor, Vines, McKay, Lookout Rocks and Aria prospects
- These programs will support drill target definition as a precursor to planned aircore and RC/diamond drill programs in the second half of 2020
- Successful application for WA Government Exploration Incentive Scheme (“EIS”) co-funded drilling grant of up to \$150,000 to test the Windsor and Vines targets at Yeneena



Multiple JVs with Australia's largest gold producer



Substantial shareholder and earn in JV agreement



Substantial shareholder

ASX Code

ENR

Cash (30/06/20)

~\$1.9M

Market Cap (30/07/20)

~A\$42m (\$0.15/share)

Cash & Listed Investments (30/06/20)

~\$2.7M

Issued Capital (30/07/20)

281 million ordinary shares

15 million options



Figure 1: Encounter Projects – Location Plan

PATERSON PROVINCE COPPER-GOLD

100% Encounter – E45/4613

Lamil Project

Lamil covers an area of ~61km² and is located 25km northwest of the major gold-copper mine at Telfer, owned by Newcrest Mining Ltd (ASX:NCM). Lamil is adjacent to a major regional gravity lineament which marks the location of a significant structure and deformation zone that would have acted as a major pathway for ore forming fluids during the formation of the Proterozoic aged deposits. This is a regionally similar structural context to the setting of Rio Tinto Ltd's (ASX:RIO) Winu copper-gold deposit (Figure 4).

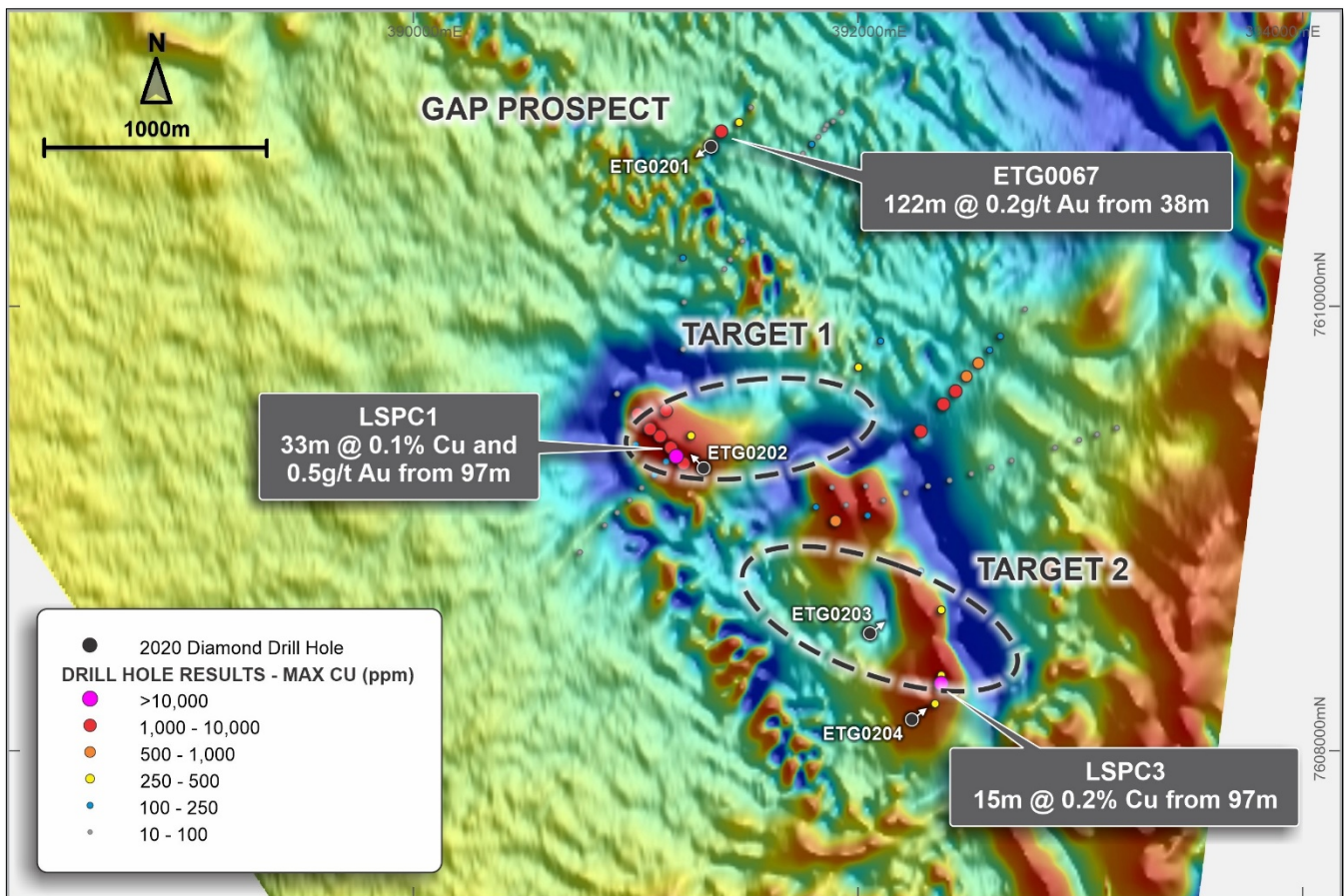


Figure 2 – Drill hole locations on TMI magnetic background (refer ASX release 27 May 2019)

Gap Prospect – Open broad zone of gold-copper mineralisation

A section of three 80m spaced RC/diamond drill holes was completed at the Gap prospect in 2017 (Figures 2 and 3). The most north-eastern hole (ETG0070) on this section contained narrow bands of gold anomalism. ETG0068 drilled 80m south-west of ETG0070 contained a thick zone of oxidised gold mineralisation of **30m @ 1.1g/t Au from 96m** at the interpreted base of oxidation. ETG0067, drilled a further 80m south-west of ETG0068, intersected a broad zone of near surface gold-copper mineralisation:

- 122m @ 0.2g/t Au from 38m including 36m @ 0.4g/t gold and 45m @ 566ppm Cu from 124m (see ASX release 31 July 2017)

The gold-copper mineralisation in ETG0067 is coincident with strengthening bismuth, cobalt, tungsten and tellurium anomalism. This multi-element suite provided a strong geochemical vector to the south-west that was drill tested with a 100m step out hole, ETG0201.

A near surface zone of limonite-goethite altered quartz veining intersected in ETG0201 returned:

- **36m @ 0.5g/t Au from 28m** (refer ASX release 11 June 2020)

This intersection extends the zone of supergene gold mineralisation on the single section of drilling at the Gap to over 180m.

It is interpreted that the single line of drilling at the Gap prospect may be parallel to the strike of the primary mineralisation. Accordingly, the next drill program will be drilled perpendicular to the existing section. The gold-copper mineralisation intersected the Gap is open in all directions with no other bedrock drilling within 400m.

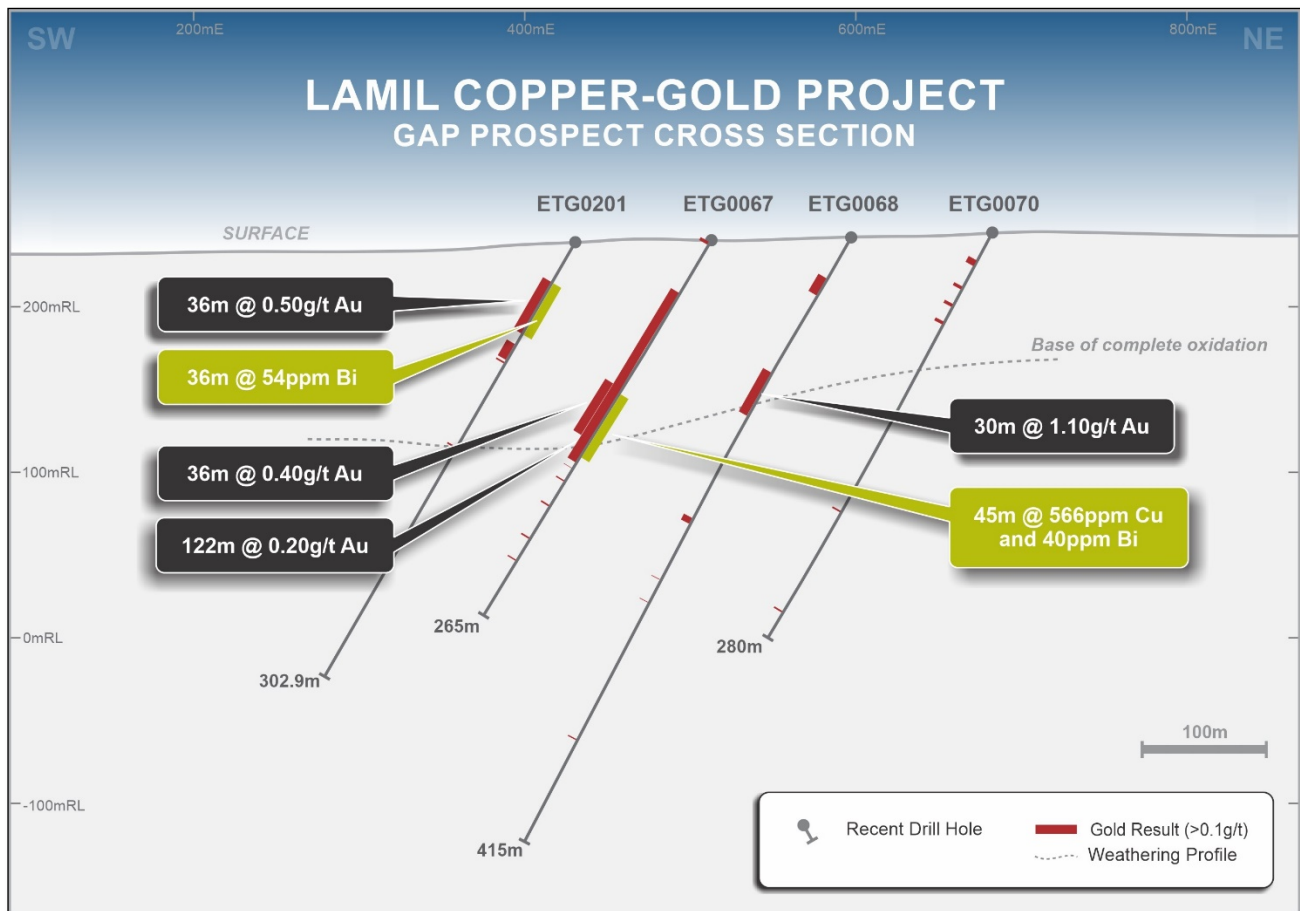


Figure 3 – Gap Prospect Section

Two diamond drill holes (ETG0203 and ETG0204) were completed at Target 2 (Figure 2) to test chargeability anomalies along an 800m trend. Both holes intersected wide zones of brecciated, fractured and veined intercalated metasediments with associated intense alteration that is interpreted to have defined a major structural fluid pathway (see Photos 1 & 2).

Multi-element assay results from ETG0203 and ETG0204 has confirmed extensive gold anomalism, typically in the range of 10-50ppb gold, associated with higher levels of copper, arsenic and bismuth. This element association is known within the Paterson Province to be the typical signature of gold-copper bearing magmatic-hydrothermal systems.

The breccia intersected in ETG0203 and ETG0204 is interpreted to be a major structure and fluid pathway and is a potential feeder for a Havieron-style system.

Upcoming Activity

3D inversion modelling of the magnetics and airborne electromagnetic data is in progress. This modelling and a review of the IP data, incorporating the physical properties of the recent drill program, will prioritise targets for follow up drill testing.

A follow up drill program is scheduled to commence in September 2020 to include:

- Extensional drilling of the Gap prospect, including reorientating the drill rig to test for the source of the supergene mineralisation
- Testing targets identified in the 3D inversion modelling for potential Havieron-style mineralisation

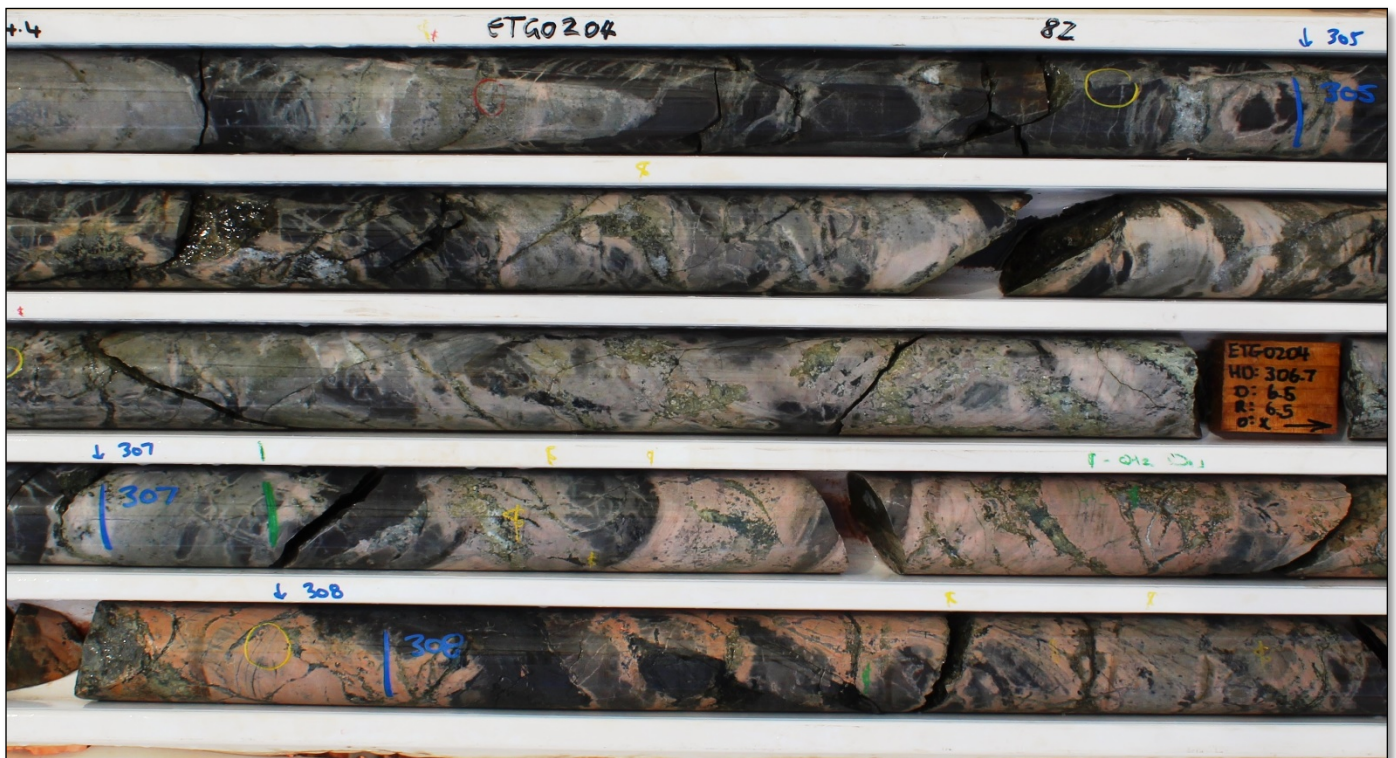


Photo 1 ETG0204. (~305-309m) Brecciated and altered sediments containing disseminated and blebby sulphides.



Photo 2 ETG0204. (~315m) Coarse sulphides within brecciated and altered sediments – the silver coloured sulphide mineral is arsenopyrite

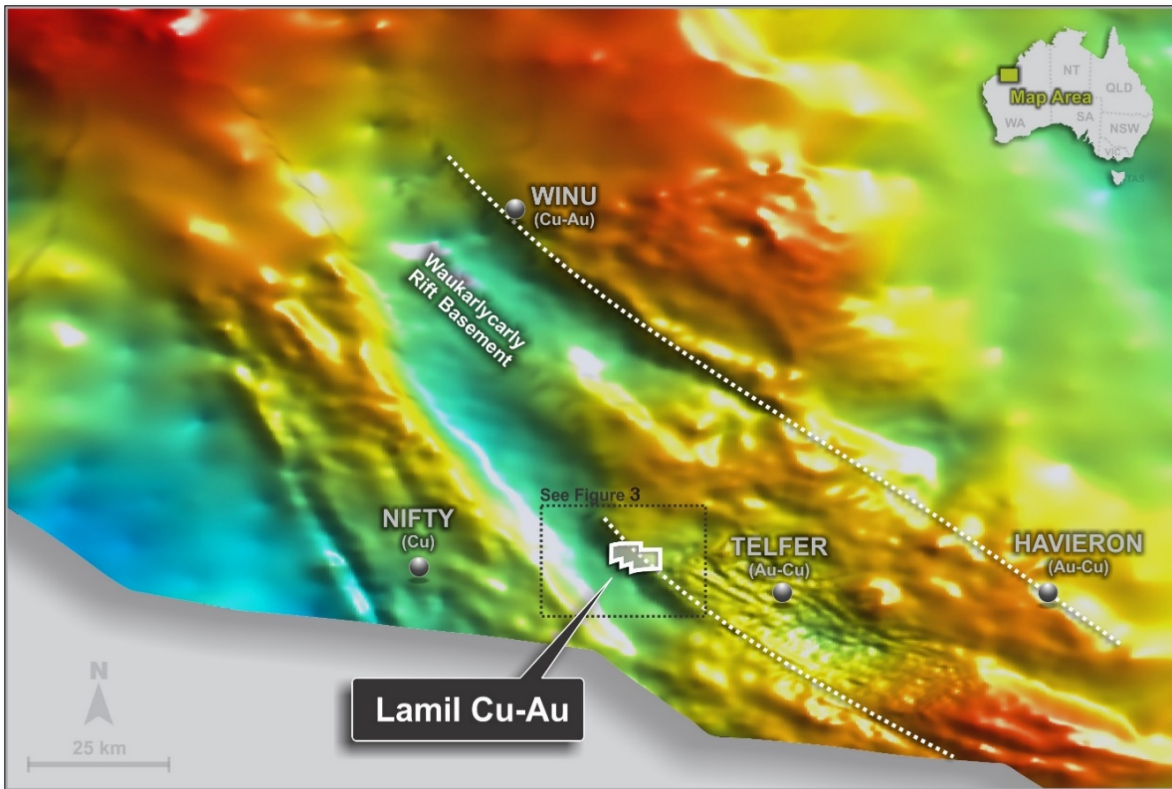


Figure 4 – Regional gravity over Seebase depth to Proterozoic basement image (red = shallow, blue = deep)

TANAMI AND WEST ARUNTA GOLD

50:50 JV Encounter/Newcrest – E80/5132, E80/5137, E80/5145, E80/5146, E80/5147, E80/5169, E80/5186, E80/5323, ELA80/5469, ELA 80/5470

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

1. Watts JV (Tanami)

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

2. Selby JV (Tanami)

The Selby joint venture includes a number of regional scale geochemical anomalies defined in shallow drilling, discrete geophysical targets and historical high grade gold intersections in limited deeper drilling. High priority prospects include the Afghan, Mojave and the Bandicoot to Camel corridor prospects.

3. Lewis JV (Tanami)

The Lewis joint venture covers over 20km of strike of untested Trans-Tanami Structure. Vast areas along this highly prospective structure have never seen a soil sample or a drill hole. Lewis represents a first mover opportunity into a newly defined area where on ground exploration is scheduled to commence in 2020.

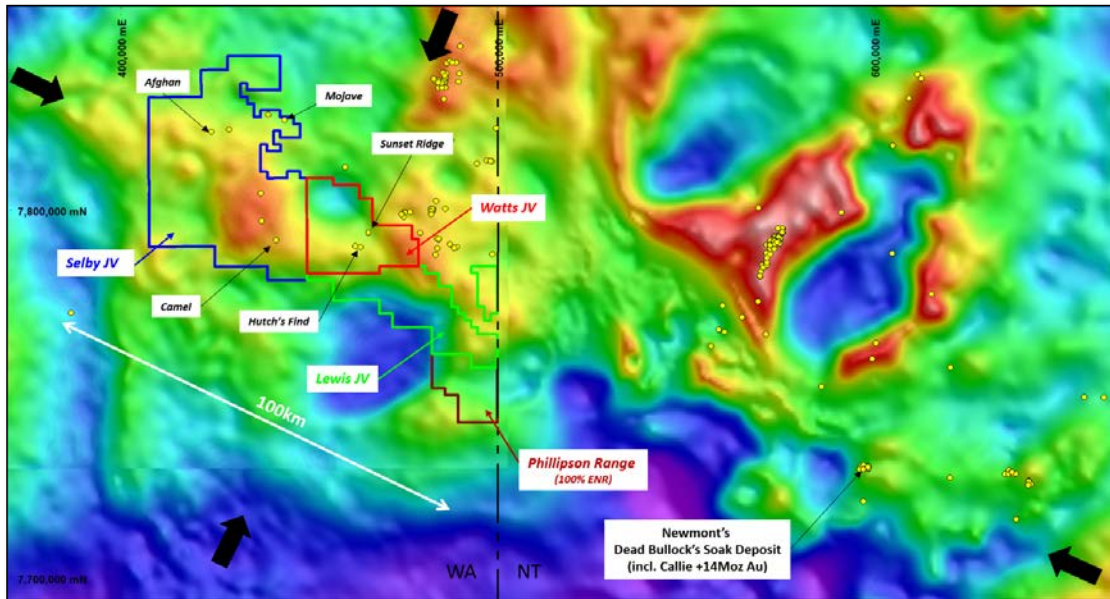


Figure 5 – Tanami Joint Venture areas with gold occurrences over regional gravity data

4. Aileron JV (West Arunta)

The Aileron joint venture is located in the West Arunta region of WA, approximately 600km west of Alice Springs. There has been no previous mineral exploration on the project, although gold-copper anomalism has been identified within the region. The project contains a number of existing structural targets identified through aerial magnetic surveys, including a discrete magnetic anomaly consistent with the scale of an Ernest Henry or Carrapateena style gold-copper system (Figure 6 and 7).

Aileron is a large scale, first mover gold-copper opportunity in a new region. The target is interpreted to be a discrete, pipe-like, magnetic body located on a major regional structure under shallow cover.

On-ground exploration activity recommenced in June 2020 with an initial field inspection. Access tracks have been established and diamond drill sites prepared ready for drilling to commence. The Newcrest-funded drill program is scheduled to occur in Q3 2020, subject to approvals.

The initial drill target at Aileron is a large, discrete magnetic anomaly consistent with the scale of an Ernest Henry or Carrapateena style IOCG gold-copper system. The drilling will be co-funded through a WA Government drilling grant of up to \$150,000 under the Exploration Incentive Scheme.

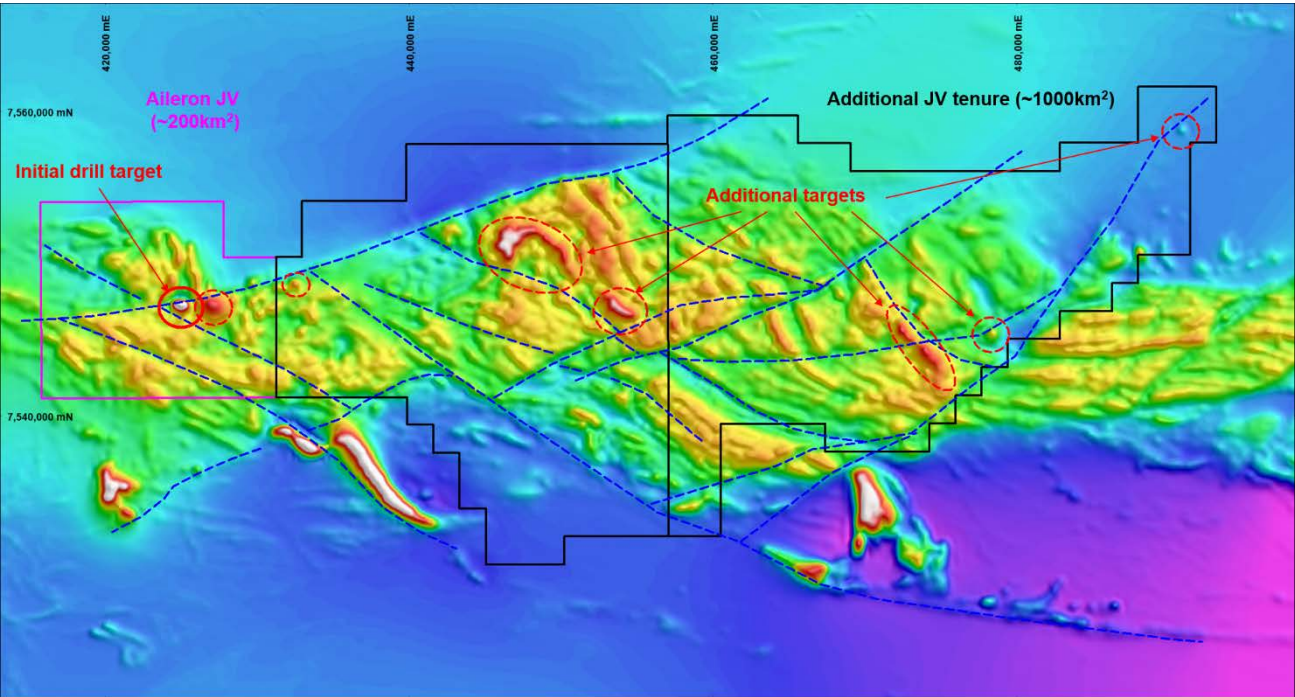


Figure 6 – Aileron joint venture interpreted structures and targets on TMI background

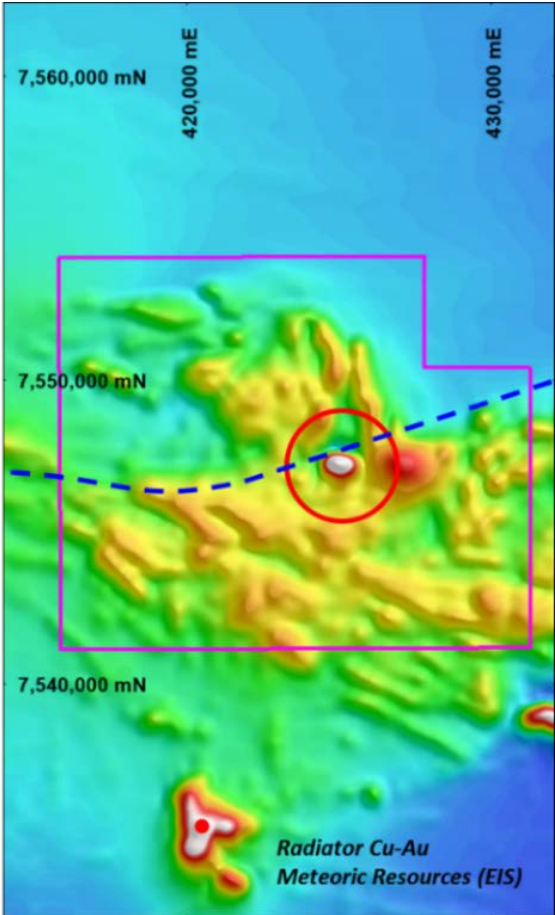


Figure 7 – Aileron magnetic anomaly (TMI)

Upcoming Activity

Newcrest-funded diamond drill program at the Aileron JV is scheduled to occur in Q3 2020, subject to approvals.

The initial anomaly to be drilled tested has been modelled utilising close spaced aeromagnetic data, as a steeply dipping 500 x 200m magnetic body starting from ~50m below surface. The strongly magnetic body is modelled to a depth of 1km. The first drill hole (EAL_001) has been planned to a depth of up to 500m with further drilling dependent on observations in the initial drill hole.

Phillipson Range (Tanami) (100% ENR)

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

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

In March 2020, IGO elected to enter an earn-in and joint venture agreement to sole fund up to \$15 million in exploration expenditure over a maximum seven year period at the Yeneena copper-cobalt project to earn a 70% interest in the project. This decision follows the collaborative deployment of a suite of new exploration technologies at Yeneena during 2019 which successfully defined new, large scale copper-cobalt targets.

Background

Yeneena comprises a major land position covering more than 1,400km² in the highly prospective Paterson Province, targeting copper-cobalt mineralisation (Figure 8).

During 2019, the exploration program conducted at Yeneena effectively deployed several new technologies, including a large-scale magneto-telluric (“MT”) survey (~100 line-km) to better define the basin architecture and to further advance 3D targets as follows (refer ASX release 28 November 2019).

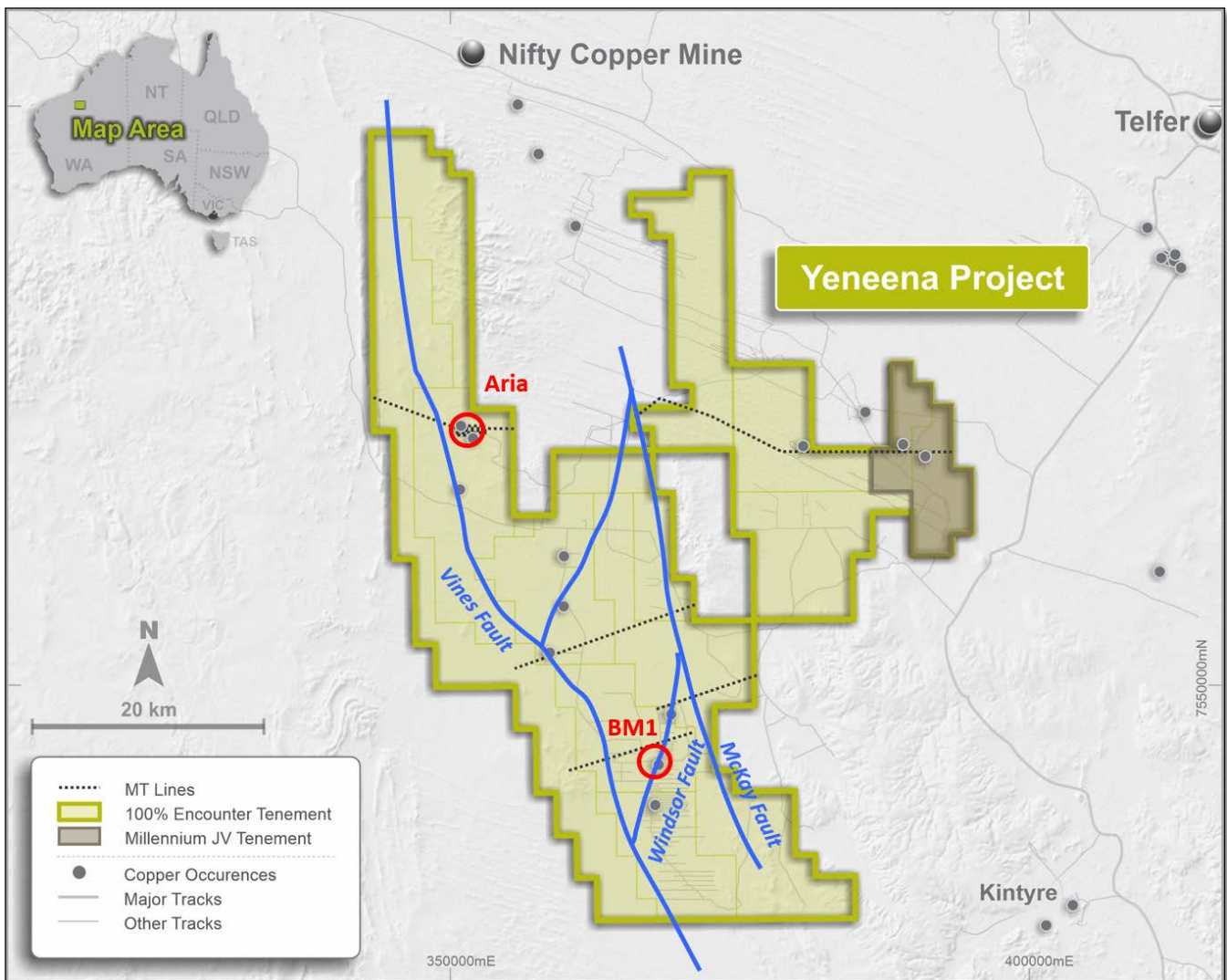


Figure 8. Yeneena - MT lines, key structures and leasing summary

Fine Fraction Soil Surveys

Several broad, orientation surface sampling programs were completed in 2019 at Yeneena in areas where traditional geochemistry was considered ineffective. The innovative interpretation of this data has provided a potential breakthrough that may be applied to vast areas of prospective geology at Yeneena.

As a result of the learnings in the 2019 orientation surveys an extensive fine fraction soil sampling program has been completed at Yeneena. This included the collection of more than 3,700 surface fine fraction samples during June-July 2020 over the McKay, Vines, Windsor, T4 and Lookout Rocks prospects.

These samples are currently in the laboratory for analysis and will be interpreted in the September 2020 quarter.

Moving Loop Ground EM Geophysical Program

A line of MT surveying was completed in the southwest of the project in 2019, crossing the Vines Fault in the west through to the Windsor Fault to the east, 2km north of the BM1 Prospect. BM1 is a zone of near surface copper oxide and cobalt mineralisation discovered by Encounter in 2010. The mineralisation is hosted within conductive sediments of the Broadhurst Formation and is interpreted to be the weathered product of an in-situ sulphide system adjacent to the Windsor Fault.

The MT has mapped conductivity anomalies to the west and east of the Windsor Fault that are interpreted to be Broadhurst Formation.

A high-powered ground moving loop EM survey is being deployed to further define the two conceptually compelling targets ("Windsor Targets") (Figure 9). Additional ground EM will be completed further north to help define targets highlighted along the McKay Fault and at the Lookout Rocks prospect.

A ground EM survey will also be completed at the Aria IOCG Prospect located in the northwest of Yeneena. A 3D audio-magnetotelluric ("AMT") survey completed in 2019 highlighted a conductive feature within the interpreted breccia pipe which is untested by prior drilling (Figure 10). The planned ground EM survey has been designed to refine this conductive feature for drill testing.

During the June 2020 quarter the company was successful in its application for a WA Government Exploration Incentive Scheme ("EIS") co-funded drilling grant of up to \$150,000 to test the Windsor and Vines targets at Yeneena.

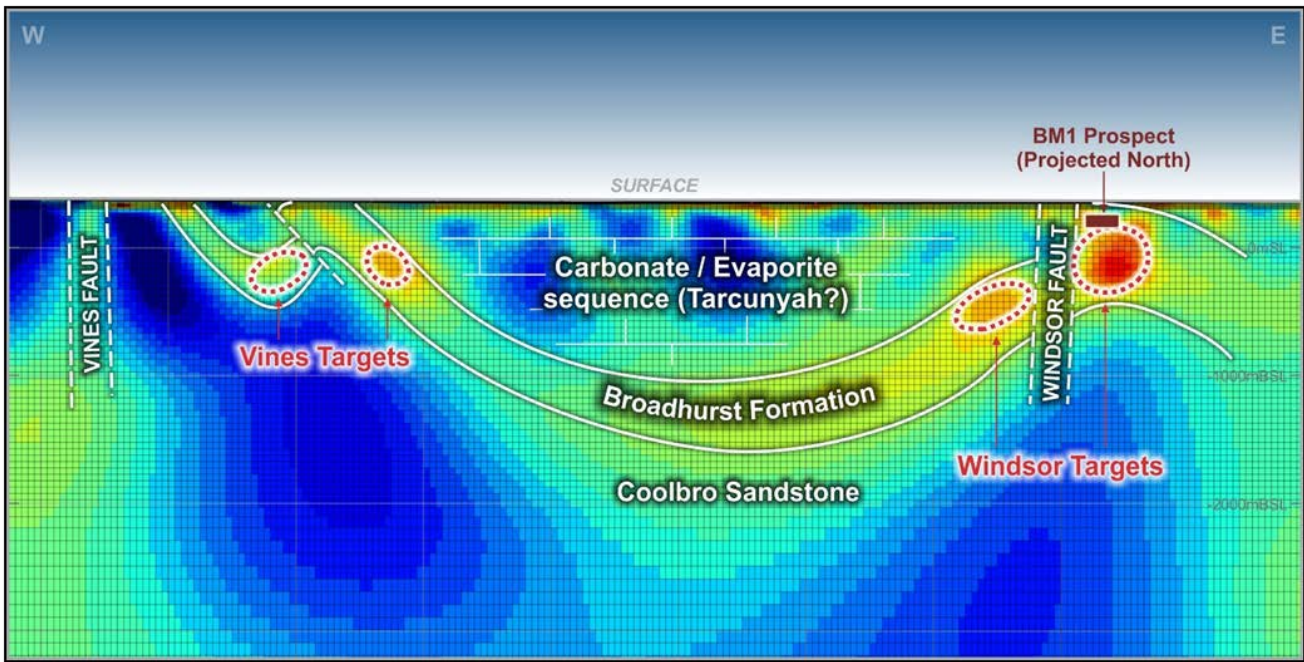


Figure 9. MT section – Vines Fault to BM1. Showing interpreted geology and the Vines and Windsor Targets

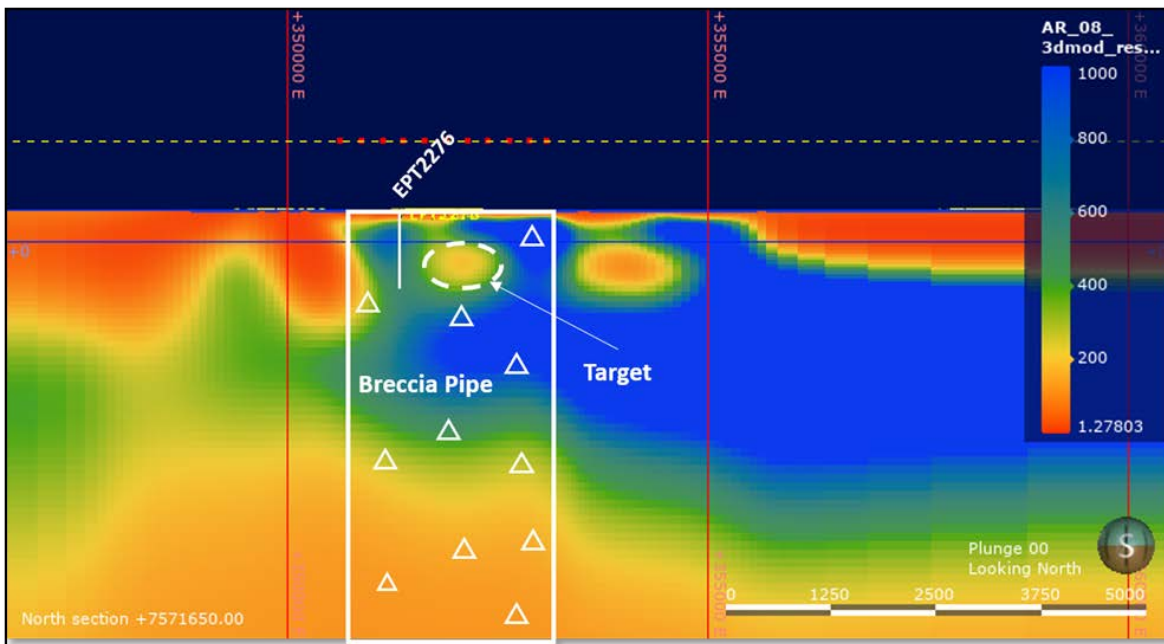


Figure 10. MT section at Aria highlighting a conductive feature within the interpreted breccia pipe

Next Steps

The ground based moving loop EM survey is currently in progress and will be completed in August 2020.

Chemical assay results from the 3,700 fine fraction soil samples collected in June/July 2020 will be available for interpretation in August 2020.

These two new datasets will be utilised to define and prioritise targets for follow-up aircore, RC and/or diamond drilling programs planned for the second half of 2020.

PATERSON PROVINCE - GOLD

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

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

East Thomson's Dome Project

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

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

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

The reefs at the Fold Closure prospect remain open to the north-west and south-east.

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

NORTHERN TERRITORY - COPPER

100% Encounter

Project generation activities in the Northern Territory utilising new precompetitive datasets provided by Geoscience Australia, as part of the Federal Government Exploring for the Future Program, resulted in application for exploration licences comprising the Elliott and Jessica copper projects. During recent months additional tenure in the Northern Territory has been secured following review of open file data and new datasets provided in the Exploring for the Future Program.

Elliott Copper Project

The first tenements covering over 3,000km² at the Elliott copper project were granted in March 2020. An initial visit to the project was conducted to validate a hyperspectral anomaly and assess access conditions. A soil gechemical trial was completed during the June 2020 quarter to determine if surface sampling in areas of interpreted thin cover has the potential to define areas of regolith anomalism at Elliott.

Jessica Copper Project

The Jessica copper project covers approximately 5,500km² of tenure along key structural corridors east of Tennant Creek and is prospective for sedimentary hosted copper and IOCG style deposits.

Areas of copper anomalism have been identified in the open file data at Jessica. A soil sampling gechemical amenability trial was completed at Jessica during the June 2020 quarter. Assay results from the gechemistry at Elliott and Jessica are expected in August 2020.

CORPORATE

Encounter held cash reserves of ~\$1.9 million at 30 June 2020 and listed investments valued at ~\$0.75 million.

The listed investment is ordinary shares in Hampton Hill Mining NL (ASX:HHM), valued on ASX last traded price. The trading of HHM shares was suspended by the ASX on 18 February 2020.

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 (\$73,000)

Included at section 6.2

Comprises: Remuneration of directors (\$115,000)

NEXT QUARTER HIGHLIGHTS

Activities planned for the September 2020 quarter include:

Paterson Province Copper-Gold Project (100% ENR)

- Completion of 3D inversion modelling of the magnetics and airborne electromagnetic data.
- Review of the IP data, incorporating the physical properties of the recent drill program, to prioritise targets for follow up drill testing.
- A follow up drill program scheduled to commence in September 2020 to include:
 - Extensional drilling of the Gap prospect, including reorientating the drill rig to test for the source of the supergene mineralisation
 - Testing targets identified in the 3D inversion modelling for potential Havieron-style mineralisation

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

- Newcrest-funded diamond drill program is scheduled to occur at the Aileron JV in Q3 2020, subject to approvals, following an initial field inspection in June 2020
- Initial drill target at Aileron is a discrete magnetic anomaly consistent with the scale of an Ernest Henry or Carrapateena IOCG style gold-copper system

Paterson Province Copper-Cobalt Projects (IGO Earn in and Joint Venture Agreement)

- The ground based moving loop EM survey is currently in progress and will be completed in August 2020.
- Chemical assay results from the 3,700 fine fraction soil samples collected in June/July 2020 will be available for interpretation in August 2020.
- These two new datasets will inform the design of follow-up aircore, RC and/or diamond drilling programs planned for the second half of 2020.

Northern Territory Project Generation - Copper (100% ENR)

- Areas of copper anomalism identified at Jessica and Elliott to be assessed and interpreted
- Continue evaluation of new datasets provided by Geoscience Australia – Exploring for the Future Program

TENEMENT INFORMATION (granted tenure)

Lease	Location	Project Name	Area km ²	Interest at start of quarter (01/4/2020)	Interest at end of quarter (30/06/2020)
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	Telfer West	60.7	100%	100%
E45/3446	315km NE of Newman	East Thomson's Dome	6.0	100%	100%
P45/2750	315km NE of Newman	East Thomson's Dome	198ha	100%	100%
P45/2751	315km NE of Newman	East Thomson's Dome	171ha	100%	100%
P45/2752	315km NE of Newman	East Thomson's Dome	199ha	100%	100%
P45/3032	315km NE of Newman	East Thomson's Dome	114ha	100%	100%
E80/5132	Tanami	Selby – Newcrest JV	646	50%	50%
E80/5137	Tanami	Selby – Newcrest JV	613	50%	50%
E80/5145	Tanami	Watts – Newcrest JV	552	50%	50%
E80/5146	Tanami	Lewis – Newcrest JV	548	50%	50%
E80/5147	Tanami	Selby – Newcrest JV	275	50%	50%
E80/5152	Tanami	Phillipson Range	238.3	100%	100%
E80/5169	Tanami	Aileron – Newcrest JV	187.6	50%	50%
E80/5186	Tanami	Lewis – Newcrest JV	71.0	50%	50%
E80/5323	Tanami	Selby – Newcrest JV	30	50%	50%
EL32156	Northern Territory	Elliot	807.3	100%	100%
EL32157	Northern Territory	Elliot	696.3	100%	100%
EL32158	Northern Territory	Elliot	793.9	100%	100%
EL32159	Northern Territory	Elliot	723.9	100%	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.

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 2020

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 (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(88)	(291)
(e) administration and corporate costs	(55)	(452)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	39
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants (Covid / State EIS)	170	170
1.8 Other (provide details if material)	2	6
1.9 Net cash from / (used in) operating activities	39	(528)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(85)
(d) exploration & evaluation (if capitalised)	(648)	(2,107)
(e) investments	-	-

+ See chapter 19 for defined terms.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	60
	(c) property, plant and equipment	-	20
	(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 project generation alliance contributions received	385	663
2.6	Net cash from / (used in) investing activities	(263)	(1,449)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,384
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(21)
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	-	(1,363)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,477	2,480
4.2	Net cash from / (used in) operating activities (item 1.9 above)	39	(528)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(263)	(1,449)

+ See chapter 19 for defined terms.

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)	-	1,363
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,866	1,866

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	489	717
5.2	Call deposits	1,377	1,373
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)	1,866	2,090

6. Payments to related parties of the entity and their associates

6.1	Aggregate amount of payments to related parties and their associates included in item 1	73
6.2	Aggregate amount of payments to related parties and their associates included in item 2	115

Current quarter \$A'000
73
115

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

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	39
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(648)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(609)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,866
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,866
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.0

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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

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

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

+ See chapter 19 for defined terms.

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 July 2020

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.

+ See chapter 19 for defined terms.