

Premier Copper and Gold Exploration Portfolio in WA and NT

Highlights:

Paterson Province WA

- Ten hole RC drill program (2,077m) completed at the Dune Prospect (“Dune”) part of the 100% owned Lamil Copper-Gold Project (“Lamil”). Assay results from three of the ten broad-spaced drill holes received and include:
 - 132m @ 0.31 g/t Au and 0.11% Cu from 87m to end of hole in ETG227 including:
 - 22m @ 0.51 g/t Au and 0.24% Cu from 181m
- Major diamond drilling program commenced to test copper-cobalt and copper-gold targets across multiple project areas:
 - Drilling at the Yeneena Copper-Cobalt Project (“Yeneena”) (up to 1,900m) as part of the \$15M exploration earn-in with IGO Limited (“IGO”)
 - EIS co-funded diamond drill program (1,500m) targeting further extensions of the copper-gold mineralisation at Dune
 - Drilling at the Millennium Joint Venture testing a new copper drill target below an +800m long zone of copper anomalism defined in prior drilling that included an intersection of 26m @ 0.60% copper from 100m

Tanami / West Arunta - WA

- Aileron Copper-Gold-Rare Earths Project: EIS co-funded drilling grant of up to \$150,000 to test large IOCG target located in the West Arunta region
 - Gravity survey planned to commence in June 2021 to refine EIS drill targets
- West Tanami Gold Project: EIS co-funded drilling grant of up to \$150,000 to test high quality orogenic gold drill targets

Northern Territory Copper

- Encounter now controls eight large projects covering ~21,000km² in the Northern Territory (“NT”) targeted for sedimentary-hosted and IOCG style copper deposits.
- Interpretation and interrogation of new government datasets (Geoscience Australia “GA”, Northern Territory Geological Survey, “NTGS”) and systematic pXRF analysis of historical drilling has resulted in exciting recent developments including:
 - Jessica – Aircore/auger drill program scheduled for June 2021 to determine the lateral extent of the near surface high grade copper mineralisation identified in water bore cuttings;
 - Sandover – Copper anomalism identified by handheld XRF analysis in multiple water bore cuttings and consequently the project area has been significantly expanded;
 - Carrara – Copper and zinc sulphide mineralisation observed in the NDI Carrara1 stratigraphic diamond drill hole completed in the National Drilling Initiative (“NDI”).

ASX Code: ENR	Cash (31/3/2021) \$6.5m	Market Cap. (29/04/2021) \$54m	Issued shares (31/3/2021) 316m	Issued options (31/3/2021) 17m
--------------------------------	--	---	---	---

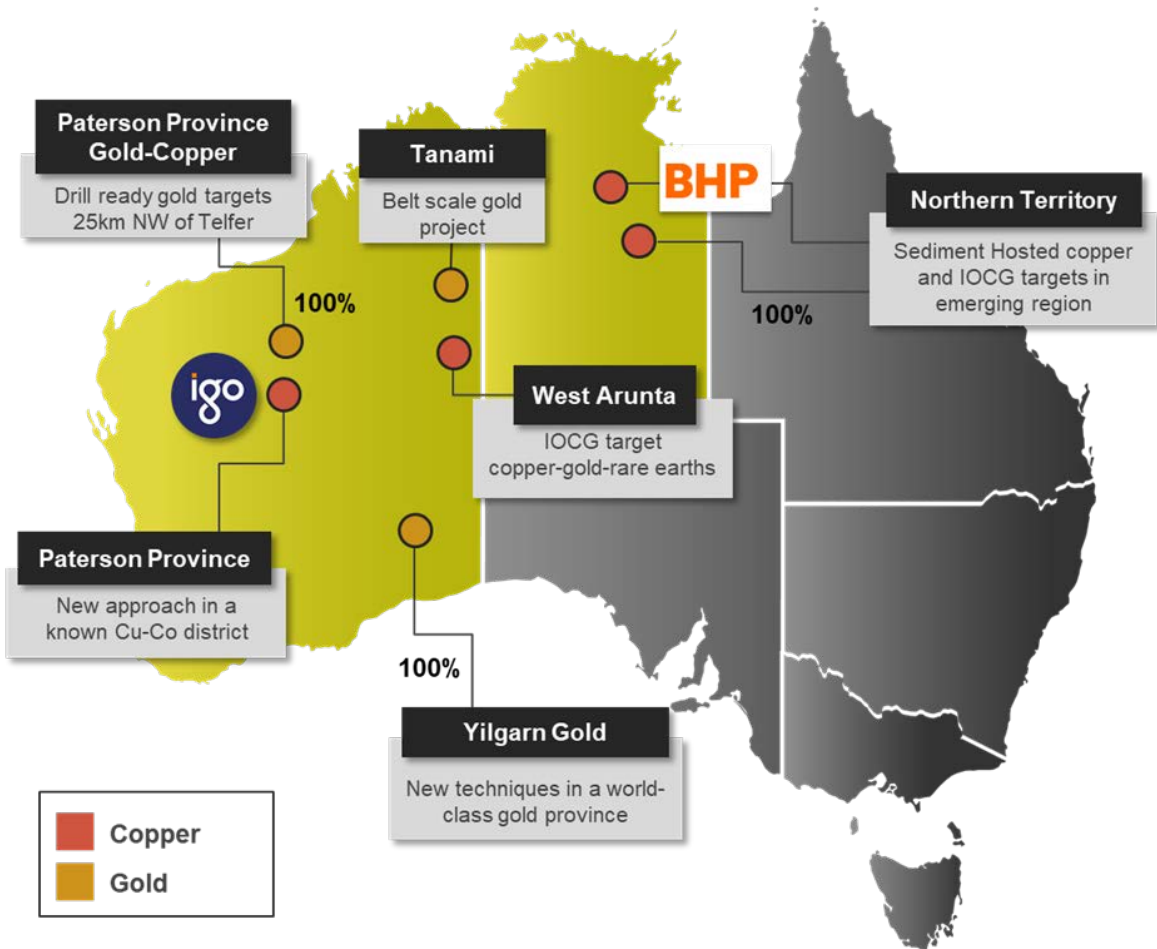


Figure 1 – Encounter Projects – Location Plan

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.

This is a regionally similar structural context to the setting of Rio Tinto Ltd's (ASX:RIO) Winu copper-gold deposit (Inferred Resource of 503Mt @ 0.27 g/t Au and 0.35% Cu¹) (Figure 5).

Dune Prospect

Dune sits in the northwest of Lamil and consists of a laterally extensive +1 g/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 (Figure 4).

The RC drill program completed in February 2021 at Dune (see Figure 2) was designed to test for extensions of the copper-gold system both to the south and east.

Assay results from three of the ten holes at Lamil have been received and contain strong copper-gold intersections. Two of the holes contain significant mineralised intersections (refer ASX release 21 April 2021):

- 132m @ 0.31 g/t Au and 0.11% Cu from 87m to end of hole in ETG227
 - including 22m @ 0.51 g/t Au and 0.24% Cu from 181m
 - bottom of hole sample 2m @ 0.35 g/t Au and 0.37% Cu from 217m
- 58m @ 0.20 g/t Au and 0.12% Cu from 95m in ETG228
 - including 18m @ 0.29 g/t Au and 0.30% Cu from 95m

The third hole (ETG226) contains narrow zones of copper-gold mineralisation towards the end of hole including:

- 2m @ 1.2 g/t Au and 0.07% Cu from 217m

The drilling at Dune contains thick, cohesive, depth extensive intersections with strong copper-gold mineralisation extending to bottom of hole in ETG227.

Diamond tails will extend a number of RC holes at Dune to target further extensions of the copper-gold mineralisation commencing in May/June 2021.

Assay results from the remaining seven RC holes at Lamil are due in early May 2021.

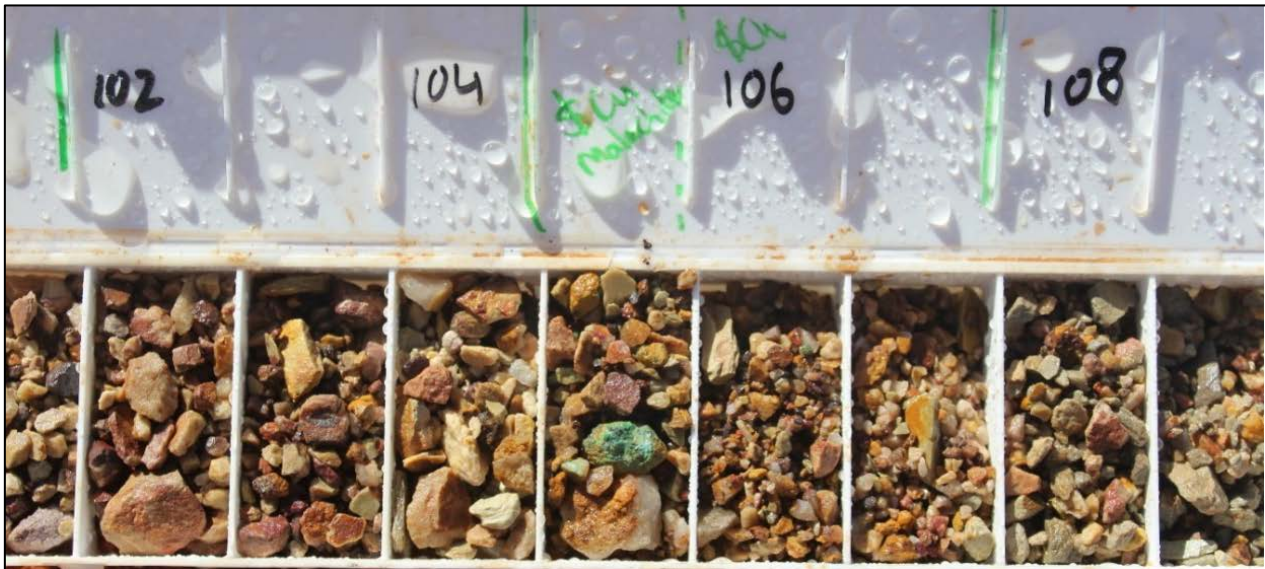


Photo 1 – Supergene copper mineralisation noted in ETG228 (104-107m)

¹ refer Rio Tinto Ltd - Winu Mineral Resource release 28 July 2020

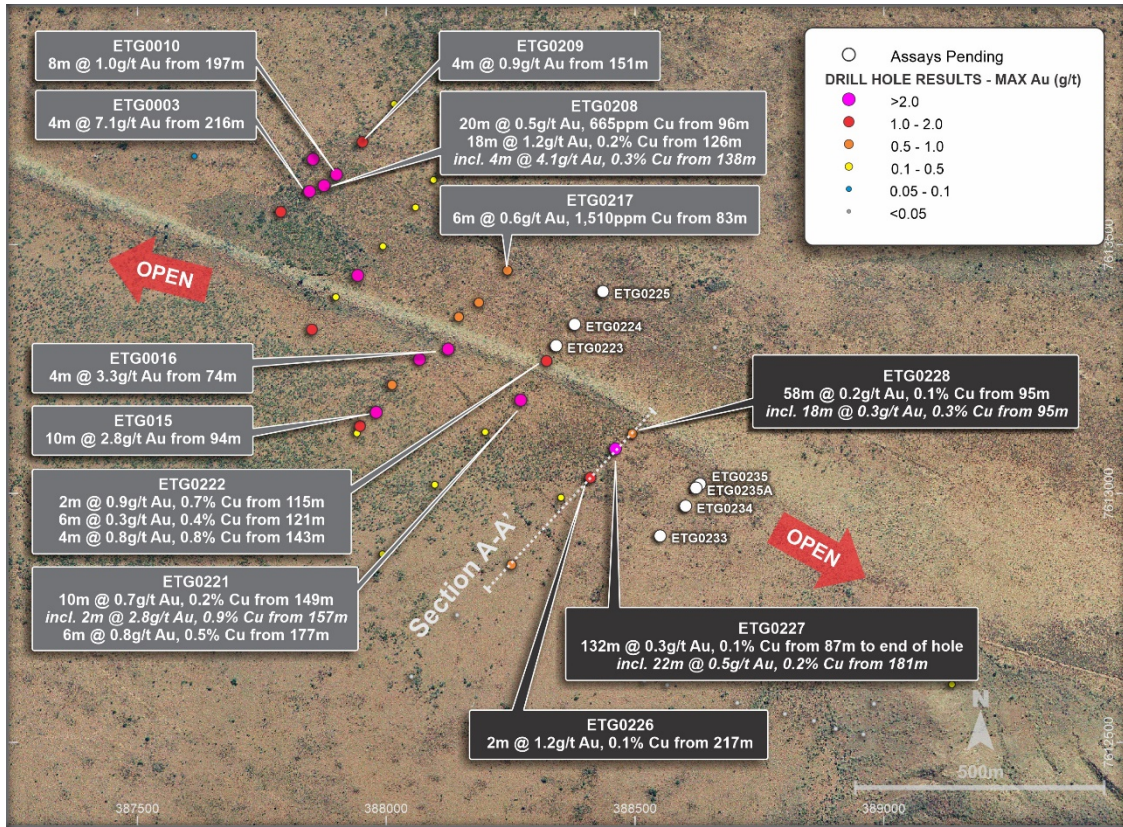


Figure 2 – Dune Prospect (Max in hole Au)

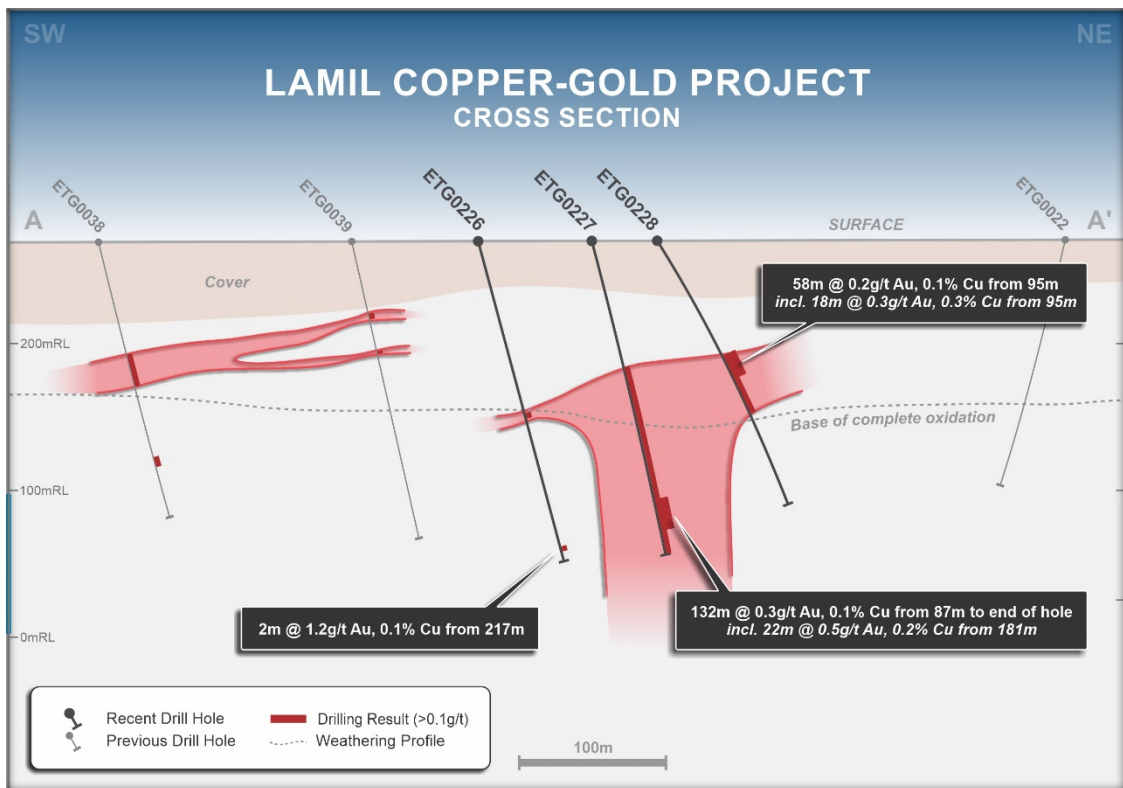


Figure 3 – Dune Prospect cross section through A-A'

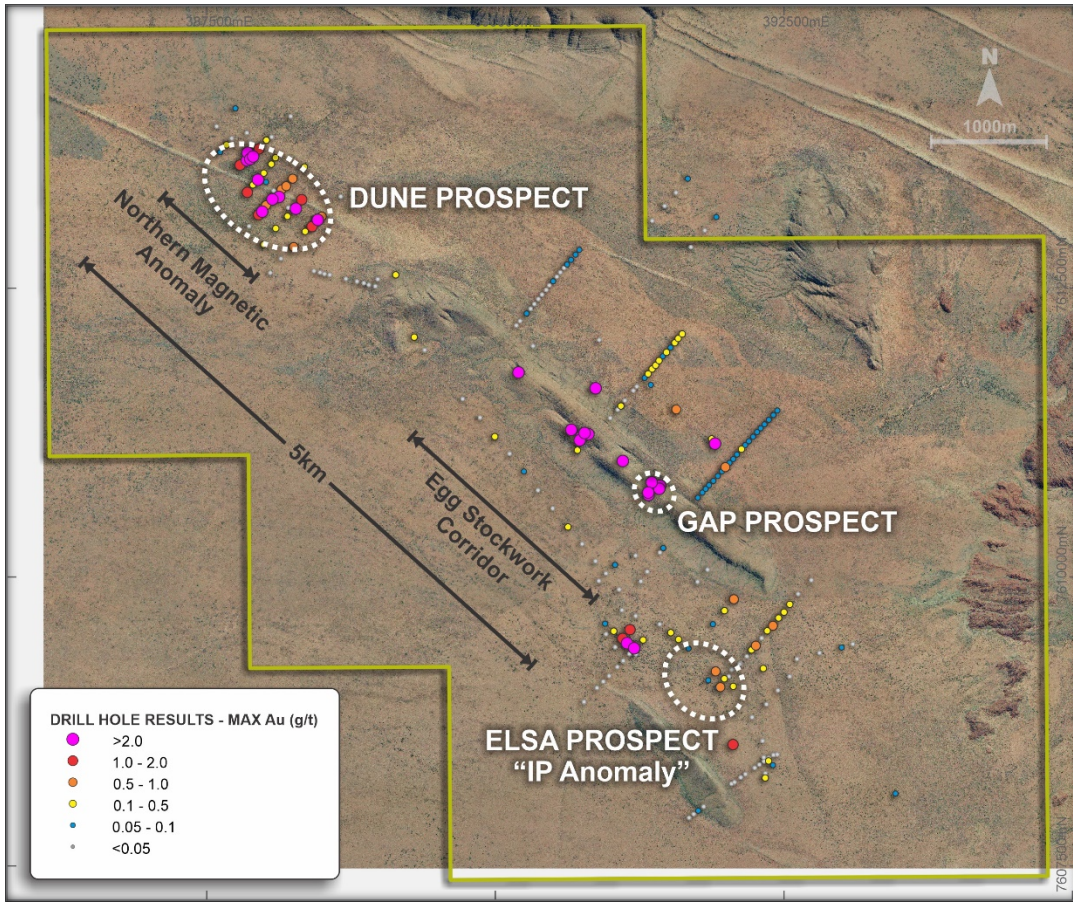


Figure 4 – Airphoto of Lamil with Dune Prospect to the northwest and Max Au in hole

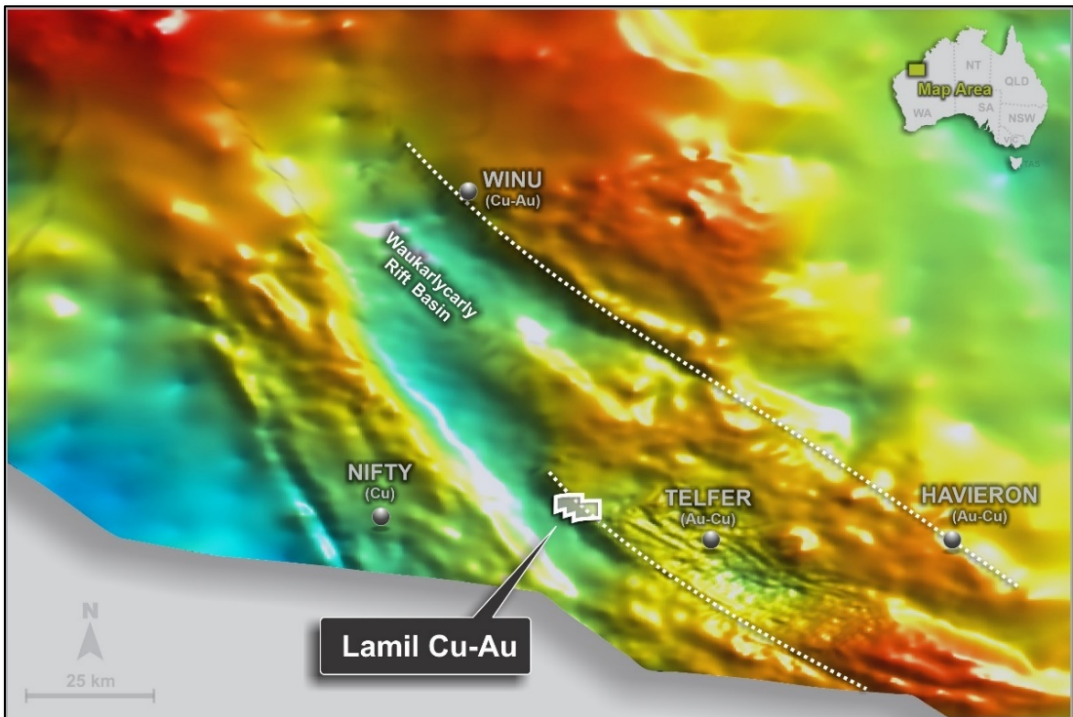


Figure 5 – Regional gravity over Seabase depth to Proterozoic basement image (red = shallow, blue = deep)

WEST ARUNTA – COPPER-GOLD

100% ENR - E80/5323, E80/5469, E80/5470 and ELA80/5522

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 (lanthanum up to 0.2%, cerium up to 0.3%) (refer ASX release 28 January 2021), 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, a gravity survey is planned to commence in June 2021 to refine the targets prior to EIS co-funded drilling.

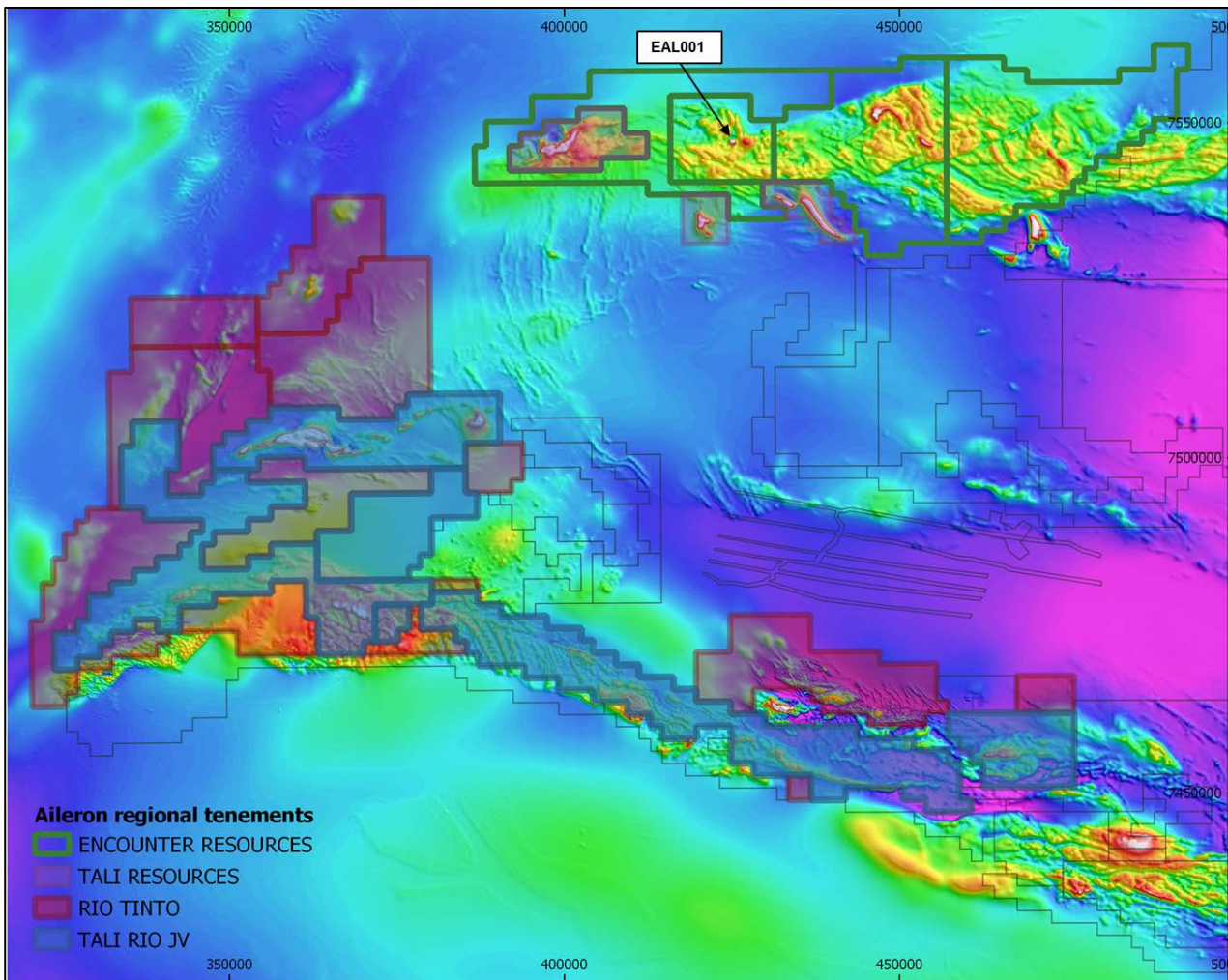


Figure 6. Aileron Project Location Plan

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 Gold Project (“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 consolidated ground holdings in 2017 acquiring 3,400km² of a well mineralised, emerging gold province that is significantly underexplored.

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.²

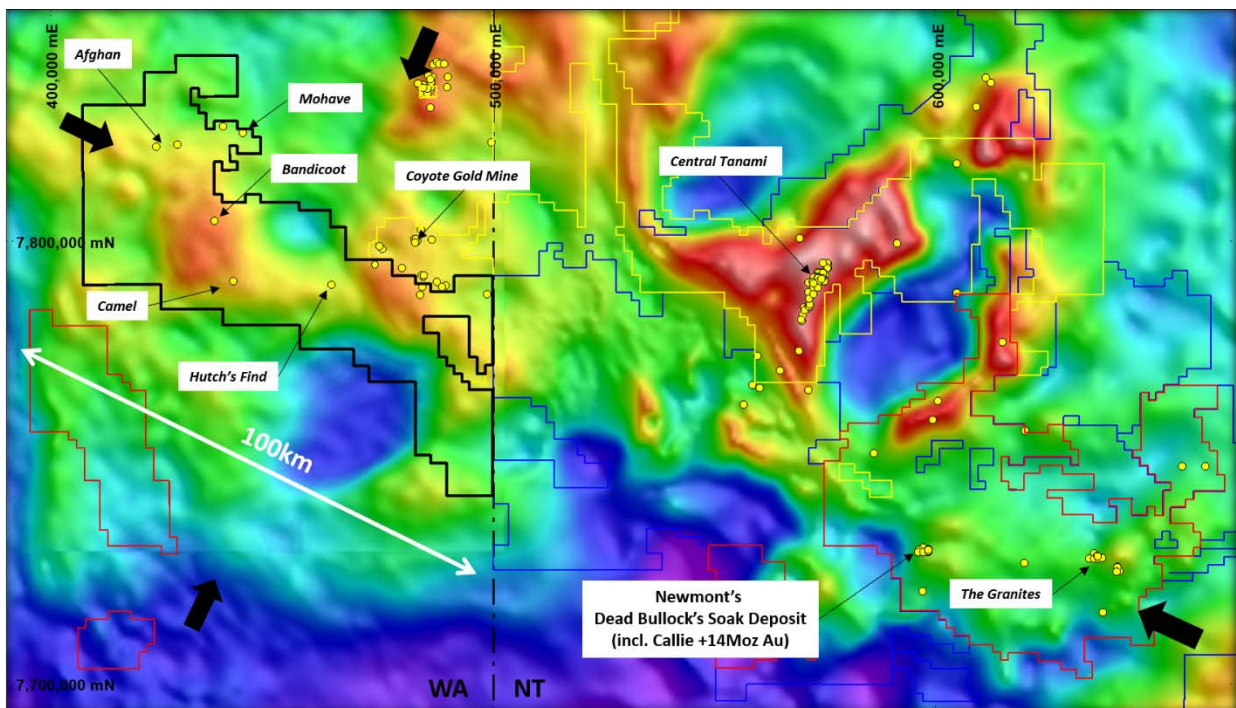


Figure 7 – Tanami regional leasing summary (Encounter = Black, Northern Star = Yellow, Newmont = Red, Prodigy = Blue) with gold occurrences over regional gravity data

Mojave Prospect

Supergene and bedrock gold anomalism within a +7km long gold-arsenic anomaly includes broad intervals of gold anomalism intersected within folded dolerite units at Mojave. Mineralised intersections from previous drilling are strengthening towards the bottom of hole and remain open to the southeast (see Figure 7). EIS co-funded diamond drilling is planned to test the hinge zone of a folded dolerite unit to the SE of previous drilling where it is interpreted to intersect a regional scale ENE trending cross cutting structure.

Bandicoot and Quenda Prospects

Planned diamond drill holes at Bandicoot and Quenda are designed to test magnetic anomalies coincident with gold-arsenic geochemical anomalies identified in shallow drilling adjacent to an interpreted major structure. Drilling is planned to test the most intense part of the modelled magnetic anomaly and to test the depth continuity of geochemical anomalism.

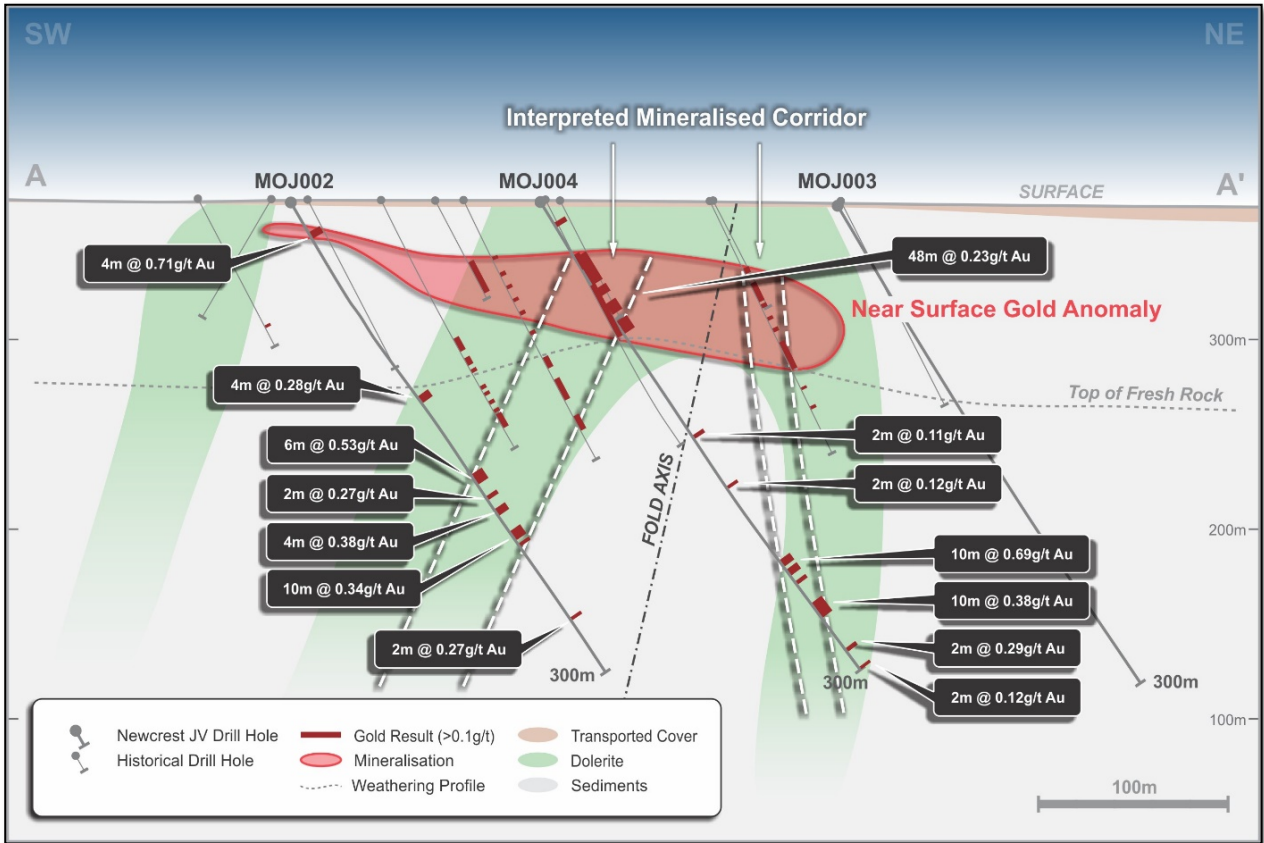


Figure 8. Mojave prospect cross section showing steeply dipping mineralised structures along the limbs of an interpreted antiform (refer ASX release 23 January 2020)

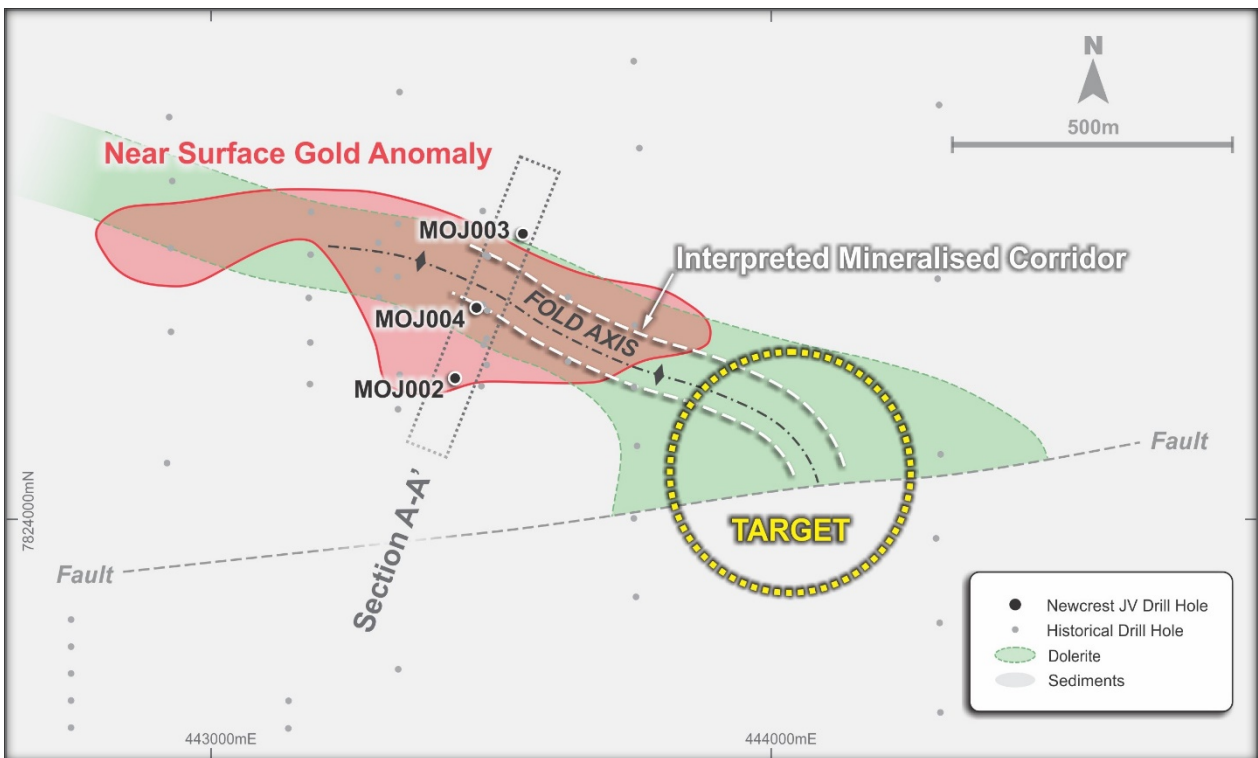


Figure 9 – Mojave prospect drilling with interpreted geology showing high quality orogenic gold target

² Refer to Newmont Tanami Operations AGES Paper 20 March 2018

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.

A comprehensive generative exploration program, completed in collaboration with IGO, involving fine fraction soil, magnetotelluric (“MT”) and electromagnetic (“EM”) surveys has identified a number of highly prospective copper drill targets at Yeneena. The current diamond drill program will test the Windsor EM and Aria IOCG targets.

Windsor EM target

The target is located at depth to the west of the BM1 copper oxide zone which includes high-grade near surface intersections (Figure 10):

- 10m @ 6.8% Cu from 32m*
- 20m @ 2.0% Cu from 22m*
- 16m @ 3.2% Cu from 26m³

Completion of the Windsor EM target drill hole (EPT2310) that was paused in late 2020 due to challenging operational conditions. Completion of this drill hole to a planned depth of 800m is underway.

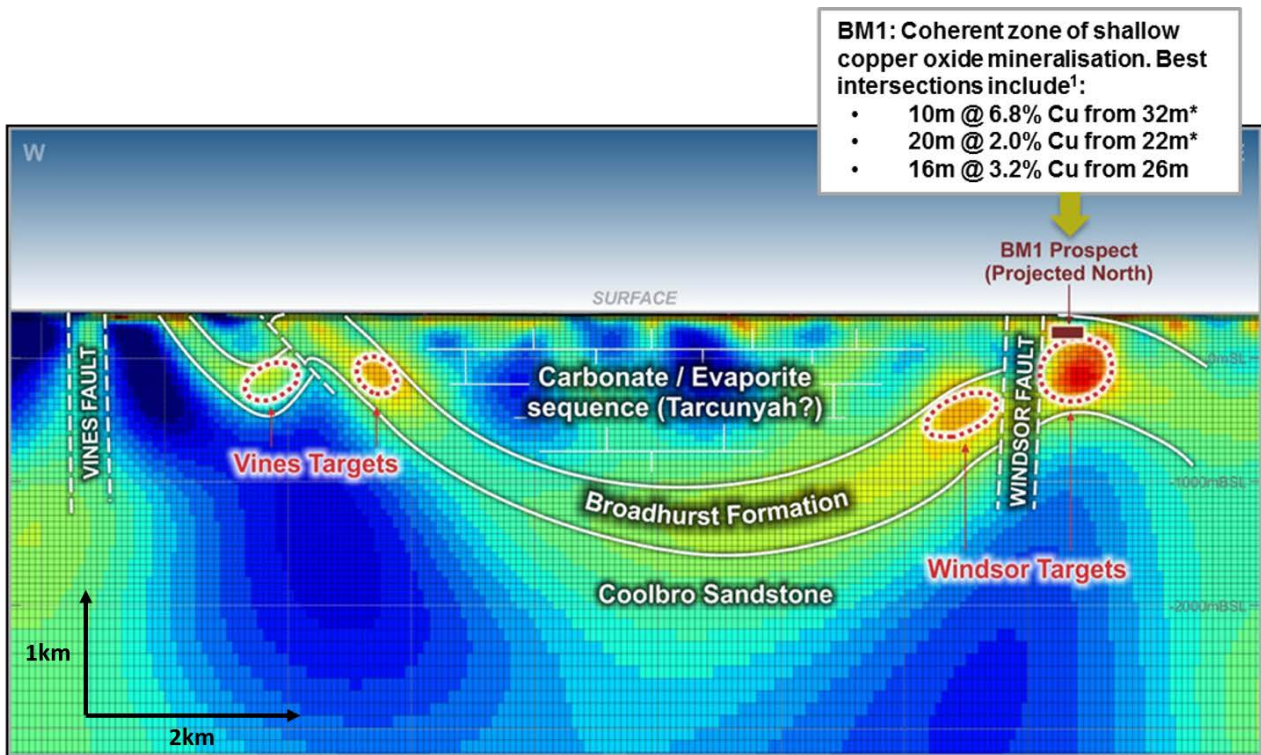


Figure 10. MT section – Vines Fault to BM1. Showing interpreted geology and the Vines and Windsor Targets

³ Refer ASX announcement 15 July 2014

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

Aria IOCG target

The Aria conductive feature was identified in an EM survey completed in 2020 (Figure 11). The target lies on the margin of the Aria breccia pipe where localised copper mineralisation has been intersected in the two diamond holes drilled to date. A 500m diamond drill hole is planned for May 2021 to test the conductive feature on the margin of the Aria breccia pipe.

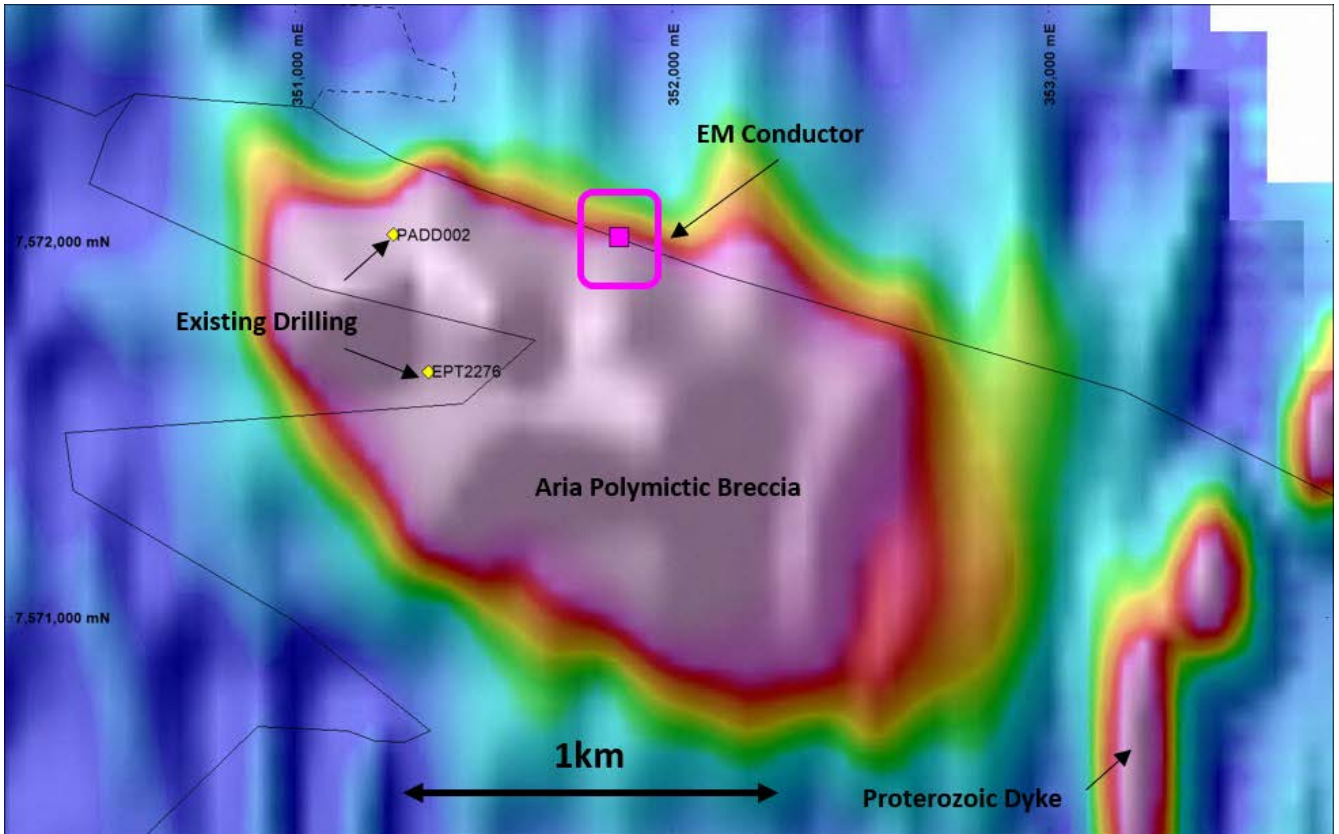


Figure 11. Aria magnetic anomaly with existing drilling and location of untested conductor

Tarcunyah target

Assay results from the two diamond drill holes (610m) completed at the Tarcunyah prospect have recently been received. The drilling contains zones of low level copper anomalism and is being interpreted. The drilling does not appear to contain sufficient metal anomalism to explain the surface geochemical anomaly that the drilling was designed to test.

Stratigraphic target

The stratigraphy in the Paterson Province is poorly exposed and therefore poorly understood. Copper mineralisation is known to occur at the contact between lower sandstones and overlying shales at two prospects in the area. Outcrop of this key stratigraphic contact is limited and the relationship between the Broadhurst and the immediate underlying Coolbro Formation is not well documented. Furthermore, there is no geochemical or petrophysical data that can be unequivocally assigned to this part of the Coolbro Formation. The stratigraphic drill hole proposed by IGO as part of the Yeneena project aims to provided much needed data to help understand the regional stratigraphic framework that will assist in future exploration programs.

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 ~21,000km².

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 12 – Project Location Plan

Elliott Copper Project (“Elliott”) – EL32156, EL32157, EL32158, EL32159, ELA32226, ELA32329 and ELA32437 – BHP Option

Elliott comprises seven tenements covering more than 4,500km². The project is located 200km north of Tennant Creek directly to the east of the Stuart Highway.

Elliott is located at a major structural intersection on the southern margin of the Beetaloo Basin. The Beetaloo Basin is part of the Greater McArthur Superbasin that hosts the giant sediment hosted base metal deposit at McArthur River. The project encompasses key conceptual criteria for the formation of sedimentary copper and the target sequence is undercover and untested.

GA and NTGS 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 GA sampling program is located at Elliott.

In September 2020, Encounter entered into an Option Agreement with BHP in relation to Elliott (refer ASX announcement 24 September 2020). The Option Agreement provides BHP with the right to enter an earn-in and joint venture agreement to earn up to 75% interest the project by spending up to \$22 million over 10 years. A program of compilation, interpretation and modelling of the data packages at Elliott was completed in January 2021. The BHP election on an earn-in and joint venture agreement is expected in May 2021.

Jessica Copper Project (“Jessica”) – EL32273, ELA32317, ELA32338, ELA32339, 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. Access to the project is via the sealed Tablelands Highway that traverses the western side of Jessica.

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). Visual inspection of this interval by Encounter confirmed the presence of abundant copper carbonate in the form of malachite (Photo 2).

The first tenement at Jessica, which covers the RN28419 (No. 39 water bore), was granted in August 2020. Preparations are progressing for an aircore/auger drill program, scheduled to commence in June 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.



Photo 2 – Copper Carbonate (Malachite) mineralisation at Jessica: 0-3m from RN28419 – chemical assay 1.5% Cu

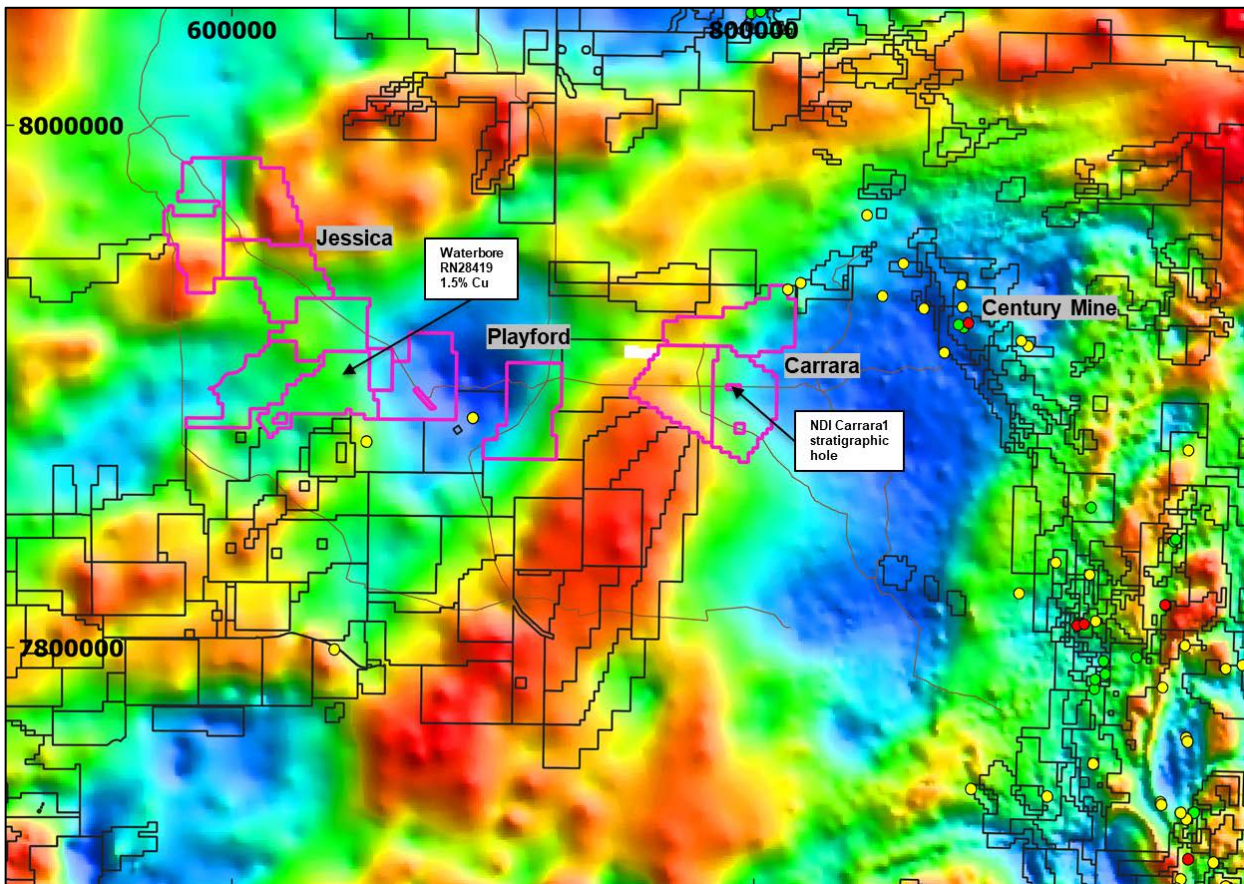


Figure 13 – Jessica, Playford, Carrara - Project Location Plan over gravity

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 (Photo 3) 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. Encounter is planning to infill that survey to 1km x 1km over the priority structural targets at Carrara.

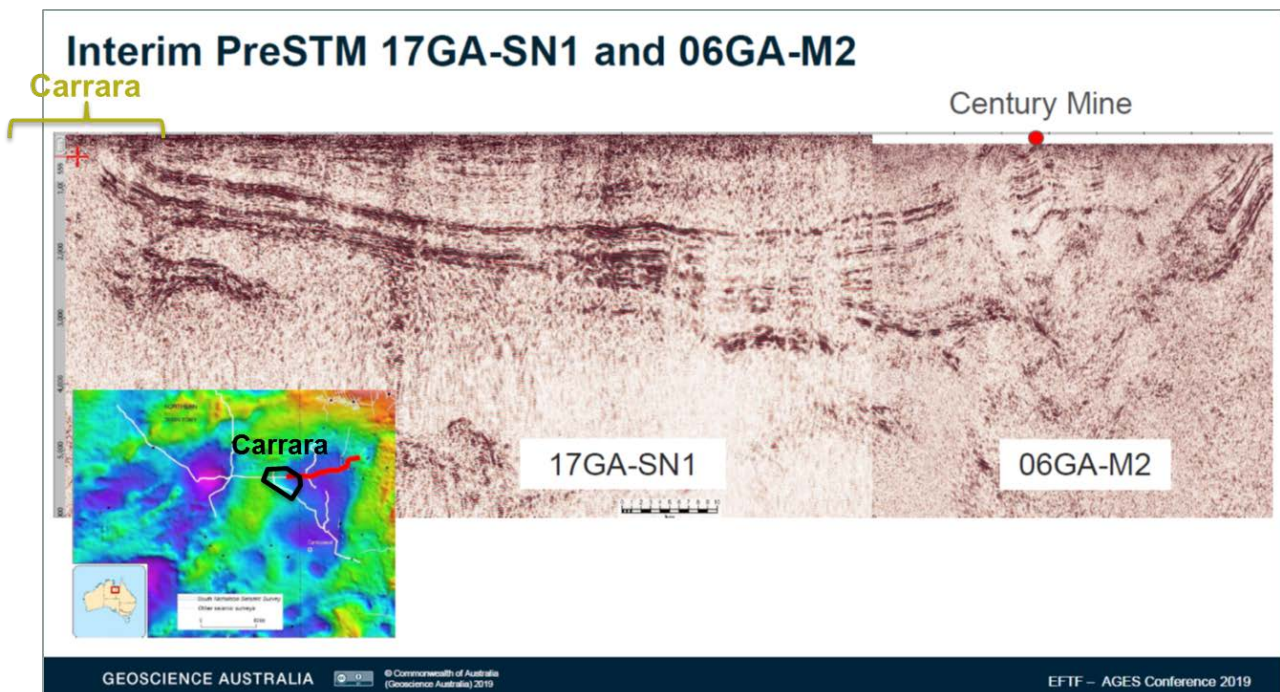


Figure 14 – South Nicholson Seismic Survey, a foundational dataset acquired as part of the Geoscience Australia Exploring for the Future Program



**Photo 3 –Chalcopyrite contained in a calcareous shale unit within NDI Carrara1 ~1,617m
THE CORE IN THIS PICTURE IS FROM GOVERNMENT DRILL HOLE NDI Carrara1.
IT IS NOT THE PROPERTY OF THE COMPANY.**

Sandover Copper Project (“Sandover”) – ELA32374 and ELA32421 – 100% ENR

Sandover covers an intersection of major structural corridors on the southern margin of the Georgina basin, 200km north of Alice Springs. Historical exploration at Sandover has mapped copper oxides at surface in a stratiform position extending over 20km of strike. During the March 2021 quarter drill cuttings from government drilled water bores were analysed utilising a handheld XRF unit. Copper anomalism was identified in multiple water bore cuttings and consequently the project area has been significantly expanded.

The copper occurrence at Sandover is interpreted to be a leakage anomaly hosted within an uplifted block of the lower red bed sequences to the east of the main basin. Exploration will focus on identifying potential trap sites within the targeted host unit and their intersection with the basin margin faults.

Brunchilly Copper/Zinc Project (“Brunchilly”) – ELA32478 – 100% ENR

Brunchilly contains a zinc in groundwater anomaly (top 1% of results) in the GA sampling program and is located on a major north-east trending regional structure north of Tennant Creek. This anomalous sample is supported by elevated anomalism in pathfinder elements.

The tenement is expected to be granted later in 2021 with first field activities planned for 2022.

Playford Copper Project (“Playford”) – ELA32493 – 100% ENR

Playford is located in a region of copper regolith anomalism identified through handheld XRF analysis of water bore drill chips. The bore is located on the margin of an interpreted felsic intrusion identified in a seismic survey completed by GA in the Exploring for the Future Program.

Reprocessing of the seismic line that extends through Carrara and Playford will be completed in the coming months.

The Oval Copper Project (“The Oval”) – ELA32581 – 100% ENR

The Oval is a new project covering an interpreted domal feature located on the western margin of the standout 50km-long copper in groundwater anomaly located adjacent to Elliott.

The project contains a number of water bores with anomalous copper and an intriguing magnetic feature that may be an uplifted horst block. Deposits in the Central African copper belt are often found adjacent to basement highs as structures associated with these uplifted blocks are often exploited by ore forming fluids during the mineralising event.

Additional handheld XRF geochemistry was collected at The Oval in March 2021. The interpretation and integration of this new data has commenced.

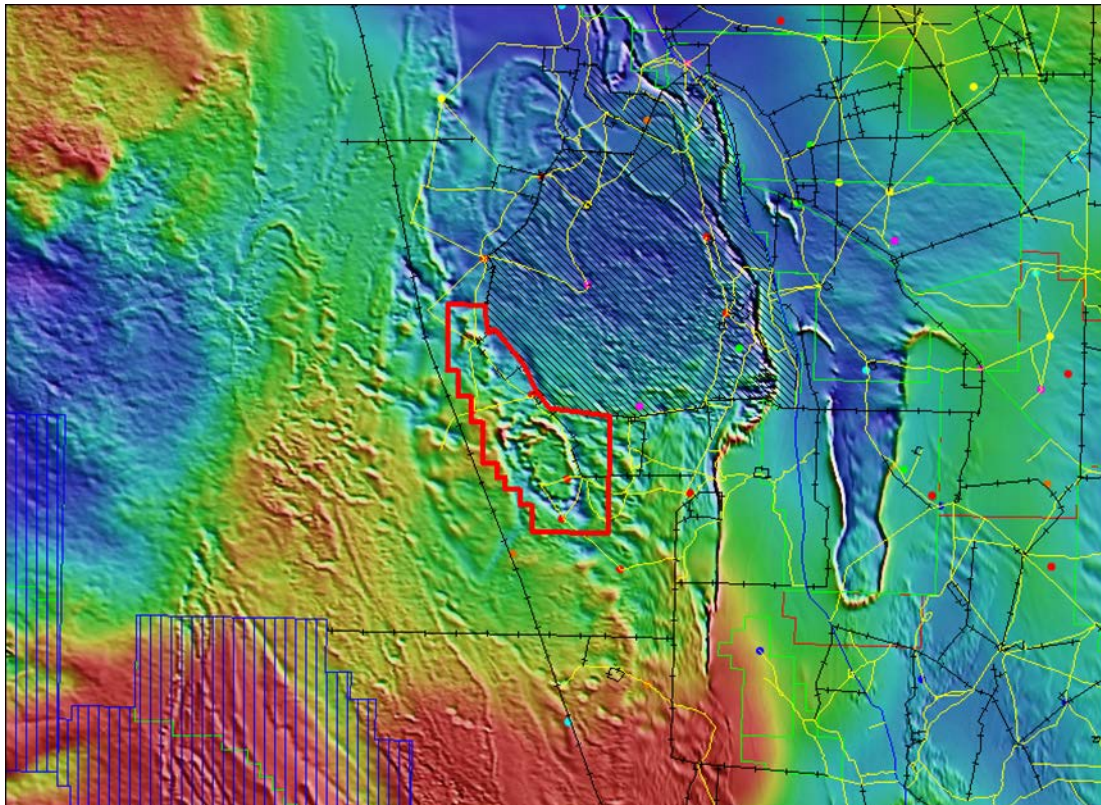


Figure 15 – The Oval Project location plan over magnetics (TMI)

The Edge Copper Project (“The Edge”) – ELA32686 and ELA32687 – 100% ENR

The Edge is also a new project on the south-eastern margin of the Beetaloo Basin secured following interpretation of the GA seismic line released in March 2021.

Initial interpretation of the GA seismic line indicates that prospective Kyalla and Velkerri units model closer to surface on the south eastern margin of the basin. This coincides with the intersection of a regionally significant north-west trending structure and the basin margin. Additional modelling of the seismic traverse is planned.

PATERSON PROVINCE – COPPER (MILLENNIUM PROJECT)

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

Millennium is located on the regionally-extensive 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. Aircore drilling completed during 2010-2011 defined a broad zone of copper anomalism (+0.25% Cu) over a strike extent of 800m.

RC drill hole EPT1140 completed in 2012, collared in the core of the regolith copper anomaly defined in aircore drilling, returned a copper sulphide intersection:

- 26m @ 0.60% copper from 100m incl. 10m @ 0.92% copper from 100m (refer ASX release 19 July 2012)

A copper drill target has been defined adjacent to the Tabletop Fault downdip of the +800m long zone of copper anomalism defined in prior aircore drilling. This target will be tested with a diamond drill tail in the June 2021 quarter.

PATERSON PROVINCE - GOLD

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

East Thomson’s Dome Project

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 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 review of East Thomson’s Dome is underway to re-model mineralised zones and to define targets for additional drilling.

YILGARN PROVINCE - GOLD

100% Encounter –E30/517, ELA30/527 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 16). 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.

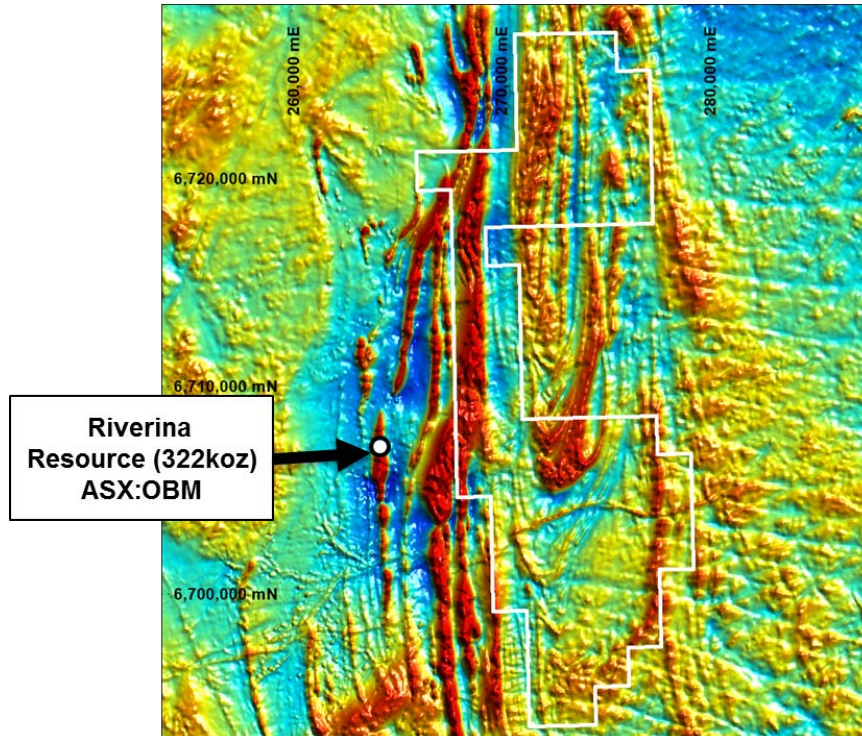


Figure 16 – Rani Gold Project location plan (TMI background)⁴

⁴ Refer to Ora Banda Mining - Investor Presentation 21 October 2020

CORPORATE

Encounter held cash reserves of ~\$6.5 million at 31 March 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 (\$46,000)

Included at section 6.2 - Comprises: Remuneration of directors (\$126,000)

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 \$1.097 million was incurred by the Company in respect of exploration activity for the quarter ended 31 March 2021, primarily on:
 - RC drilling at Lamil in the Paterson Province of WA
 - Diamond drilling at Yeneena in the Paterson Province 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 June 2021 quarter include:

Paterson Province

Lamil Copper-Gold Project (100% ENR)

- Assay results from the remaining seven RC holes at Lamil are due in early May 2021.
- Diamond tails will extend a number of RC holes at Dune to target further extensions of the copper-gold mineralisation commencing in May/June 2021.

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

- Diamond drilling (up to 1,900m) as part of the \$15M exploration earn-in with IGO Limited (“IGO”)

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

- Diamond drilling testing a new copper drill target below an +800m long zone of copper anomalism defined in prior drilling that included an intersection of 26m @ 0.60% copper from 100m

Tanami / West Arunta

West Tanami Gold Project (100% ENR)

- Preparations for field activities including EIS co funded drilling at the Mojave, Bandicoot and Quenda prospects

Aileron Copper-Gold Project (100% ENR)

- Gravity survey planned to commence in June 2021 to refine drill targets at Aileron

Northern Territory - Copper (100% ENR)

- Elliott - BHP (ASX:BHP) and Encounter are parties to an Option Agreement that provides BHP with the right to enter an earn-in and joint venture agreement to earn up to 75% interest in the Elliott Copper Project by spending up to \$22 million over 10 years. The BHP election on an earn-in and joint venture agreement is expected in May 2021.
- Jessica – Aircore/auger drill program scheduled for June 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

Encounter will consider opportunities to advance the above projects through the next phase alone or in conjunction with an earn-in partner.

TENEMENT INFORMATION (granted tenure)

Lease	Location	Project Name	Area km ²	Interest at start of quarter (01/01/2021)	Interest at end of quarter (31/03/2021)
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	646	50%	100%
E80/5137	Tanami	Selby	613	50%	100%
E80/5145	Tanami	Watts	552	50%	100%
E80/5146	Tanami	Lewis	548	50%	100%
E80/5147	Tanami	Selby	275	50%	100%
E80/5152	Tanami	Phillipson	238.3	100%	100%
E80/5169	Tanami	Aileron	187.6	50%	100%
E80/5186	Tanami	Lewis	71.0	50%	100%
E80/5323	Tanami	Selby	30	50%	100%
E80/5469	Tanami	Aileron	534.3	50%	100%
E80/5470	Tanami	Aileron	613.9	50%	100%
EL32156	Northern Territory	Elliott – BHP Option	807.3	100%	100%
EL32157	Northern Territory	Elliott – BHP Option	696.3	100%	100%
EL32158	Northern Territory	Elliott – BHP Option	793.9	100%	100%
EL32159	Northern Territory	Elliott – BHP Option	723.9	100%	100%
EL32273	Northern Territory	Jessica	750.5	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")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(89)	(232)
(e) administration and corporate costs	(128)	(403)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	3
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)	1	1
1.9 Net cash from / (used in) operating activities	(216)	(563)

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	(1,097)	(3,536)
(e) investments	-	-
(f) other non-current assets – bonds and security deposits	(76)	(76)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	53	2,258
	Other – exploration incentive grants	120	222
	Other – R&D Tax receipts	117	117
2.6	Net cash from / (used in) investing activities	(883)	(1,025)

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	-	163
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(282)
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	-	6,181

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,558	1,866
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(216)	(563)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(883)	(1,025)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	6,181
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	6,459	6,459

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	759	985
5.2	Call deposits	5,700	6,573
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)	6,459	7,558

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	46
6.2	Aggregate amount of payments to related parties and their associates included in item 2	126
<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 <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>	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)	216
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	1,097
8.3 Total relevant outgoings (item 8.1 + item 8.2)	1,313
8.4 Cash and cash equivalents at quarter end (item 4.6)	6,459
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	6,459
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.9
<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?

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

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: 30 April 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.