

## Encounter Resources - A Leading Project Generator...

**New ideas, data and technology**
**Filtering and progressing targets**
**Partners driving large 2019 budgets**


Multiple JVs with Australia's largest gold producer



Substantial shareholder and JV option



Substantial shareholder

### Highlights:

#### Tanami and West Arunta - Gold – 50:50 Joint Ventures with Newcrest Mining Limited (ASX:NCM)

- RC drilling commenced in the Tanami region of WA
- The first phase of RC drilling at Hutch's Find has been completed. A total of 17 RC drill holes for 4,930m of drilling has been completed with assay results expected in November 2019
- The Newcrest-funded drilling program has now moved to the Afghan prospect where the down dip extension of a broad (>4km long), near surface gold anomaly (>0.1g/t) is being targeted

#### Paterson Province – Copper/Cobalt – Independence Group NL (ASX:IGO) Earn in Option

- Advanced exploration technologies, including a large scale Magnetotelluric (MT) survey, completed at Yeneena
- The full integration and interpretation of these data will be completed in the December 2019 quarter, and the results will guide the follow-up geophysical and drilling programs

#### Paterson Province – Copper/Gold - 100% Encounter

- High quality copper-gold opportunities identified at the Lamil Copper-Gold Project ("Lamil") in a structural setting analogous to Rio Tinto's Winu copper-gold discovery located 120km north
- Induced Polarisation (IP) and Airborne Electromagnetic (AEM) Surveys completed at Lamil during the September 2019 quarter
- IP and AEM survey results, 3D inversion of magnetics data and results from previous drilling are being integrated to define and prioritise the next phase of RC/diamond drilling

#### Corporate

- Mr. Philip Crutchfield appointed as a non-executive director of the Company. Mr. Crutchfield is a prominent and highly respected barrister specialising in commercial law

#### ASX Code

ENR

#### Cash (30/09/19)

~\$2.9M

#### Market Cap (30/10/19)

~A\$51m (\$0.18/share)

#### Cash & Listed Investments (30/09/19)

~\$3.5M

#### Issued Capital (30/09/19)

281 million ordinary shares

10 million options

- Tanami and West Arunta**

Fast-tracking exploration via joint ventures with Newcrest
- Paterson Province – Copper-Cobalt**

New approach in a known Cu-Co district with Independence Group
- Paterson Province – Copper-Gold**

Copper-Gold targets analogous to Rio Tinto's Winu discovery
- Laverton Tectonic Zone**

Innovative new generative program in a world class gold province

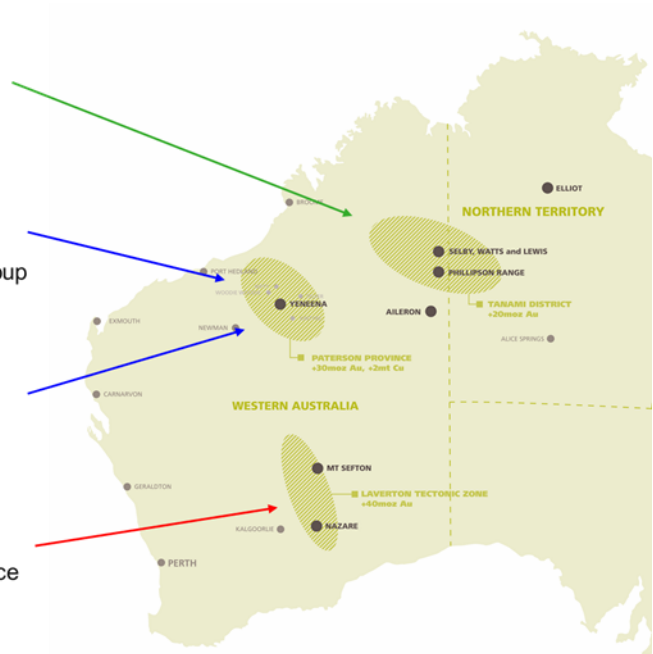


Figure 1: Encounter Projects - Location Plan

**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, ELA80/5357, ELA 80/5358

Newcrest is sole funding exploration activities across a series of joint ventures in the Tanami and West Arunta Provinces. Three of these Encounter-Newcrest 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 Western Australia (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 discrete magnetic anomaly consistent with the scale of an Ernest Henry or Carrapateena style system.

Newcrest-funded drilling programs are testing initial targets at the Watts and Selby joint ventures during the period from September to November 2019. These drill programs are targeting large scale gold mineral deposits.

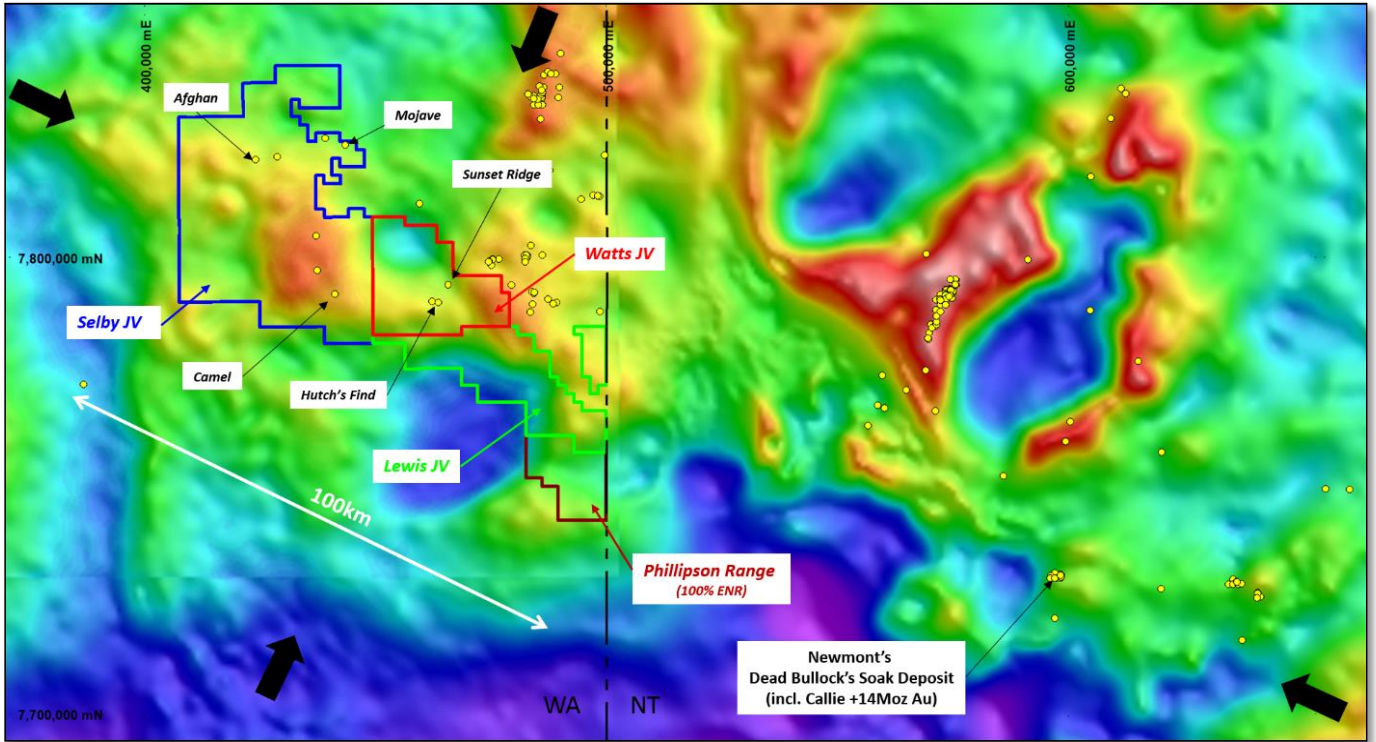


Figure 2 – Tanami Joint Venture areas with gold occurrences over regional gravity data

1. Watts Joint Venture (Tanami) (50:50 JV Encounter/Newcrest)

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

At Hutch's Find a total of 17 RC drill holes for 4,930m of drilling was completed during the quarter with assay results expected in November 2019.

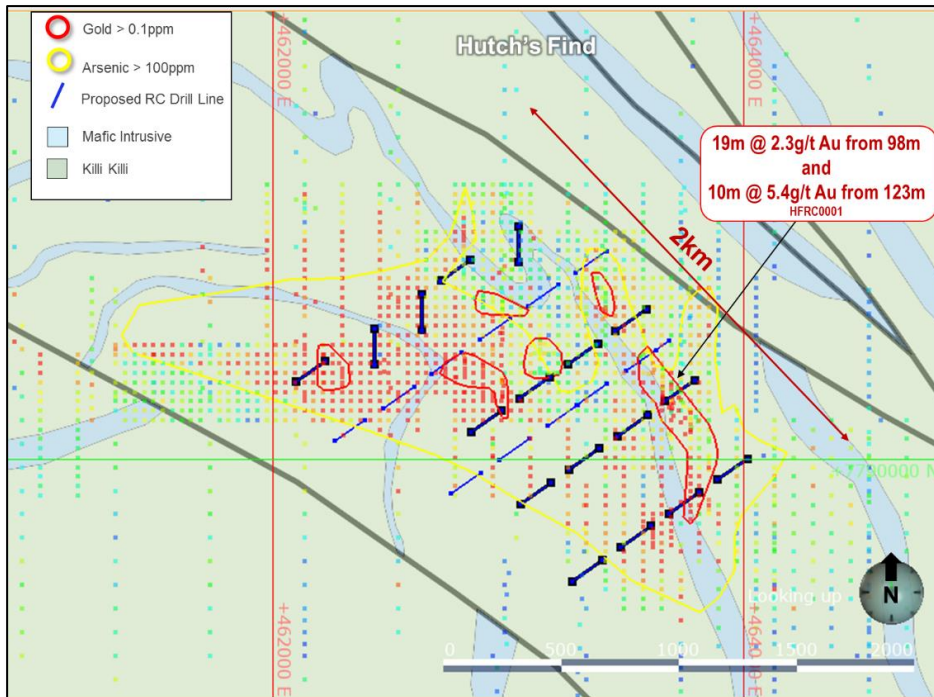


Figure 3 – Hutch's Find proposed RC drill program

## 2. Selby Joint Venture (Tanami) (50:50 JV Encounter/Newcrest)

Selby 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. Current high priority prospects at Selby include the Afghan, Mojave and Camel prospects.

Drilling at Afghan commenced in October 2019 and is targeting a series of dolerite units along an interpreted thrust margin between the Stubbins Formation (equivalent unit of the host to the +14Moz Callie gold deposit) and the Killi Killi Formation. Previous drilling at Afghan has outlined a broad near surface gold anomaly (>0.1g/t Au) that extends over 4km of strike. Exploration at Afghan is targeting down dip and plunge extensions of known mineralisation along the interpreted thrust position.

The RC drill program at Afghan will complete up to 12 holes to a planned depth of 300m in November 2019 (Figure 4). The rig is then scheduled to move to the Mojave prospect also within the Selby joint venture. Results from the Afghan drilling are expected in December 2019.

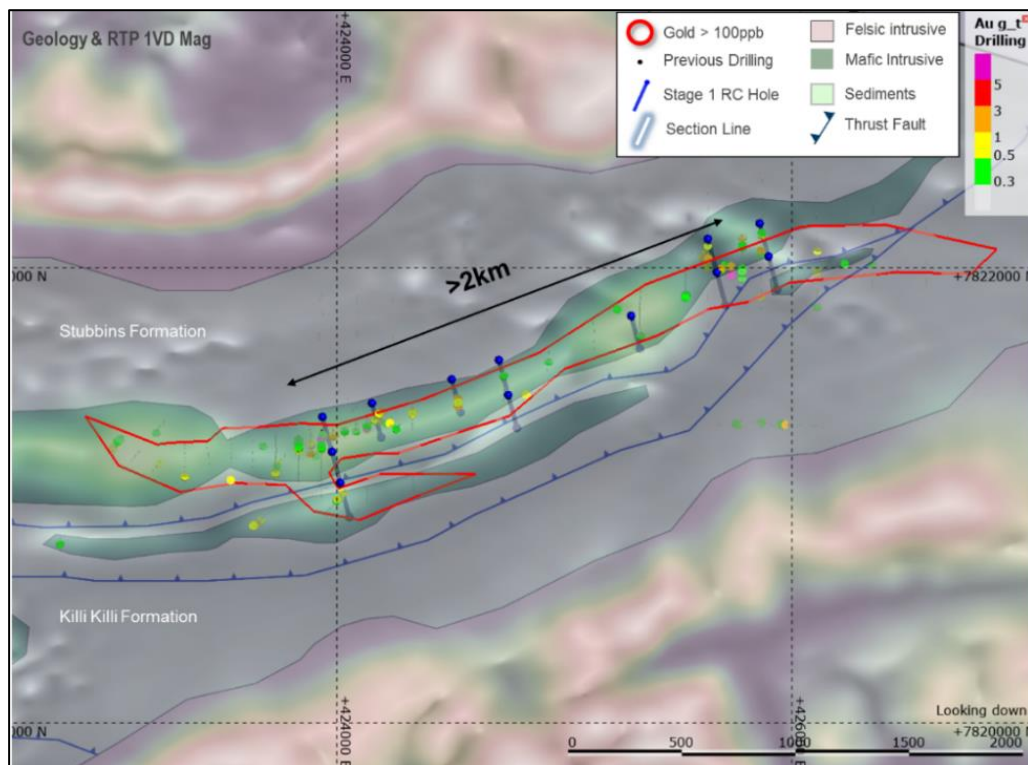


Figure 4 – Afghan prospect including proposed 12 hole RC drill program

## 3. Lewis Joint Venture (Tanami) (50:50 JV Encounter/Newcrest)

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. This is a first mover opportunity into a newly defined area on a major regional structure.

## 4. Aileron Joint Venture (West Arunta) (50:50 JV Encounter/Newcrest)

The Aileron joint venture is located in the West Arunta district of WA, ~600km west of Alice Springs. There has been no previous drilling within this undercover project, although gold/copper anomalism has been identified within the region. The project contains a number of structural targets identified through aerial magnetic surveying, including a discrete magnetic anomaly in the west of the project that is consistent with the scale of an Ernest Henry or Carrapateena style system (Figure 5).

A heritage survey was also completed at the Aileron joint venture in July 2019. During the quarter on ground exploration activities commenced with the establishment of access tracks and diamond drill sites were prepared ready for drilling to commence. The diamond drill program at Aileron is now scheduled to be completed in the 2020 field season.

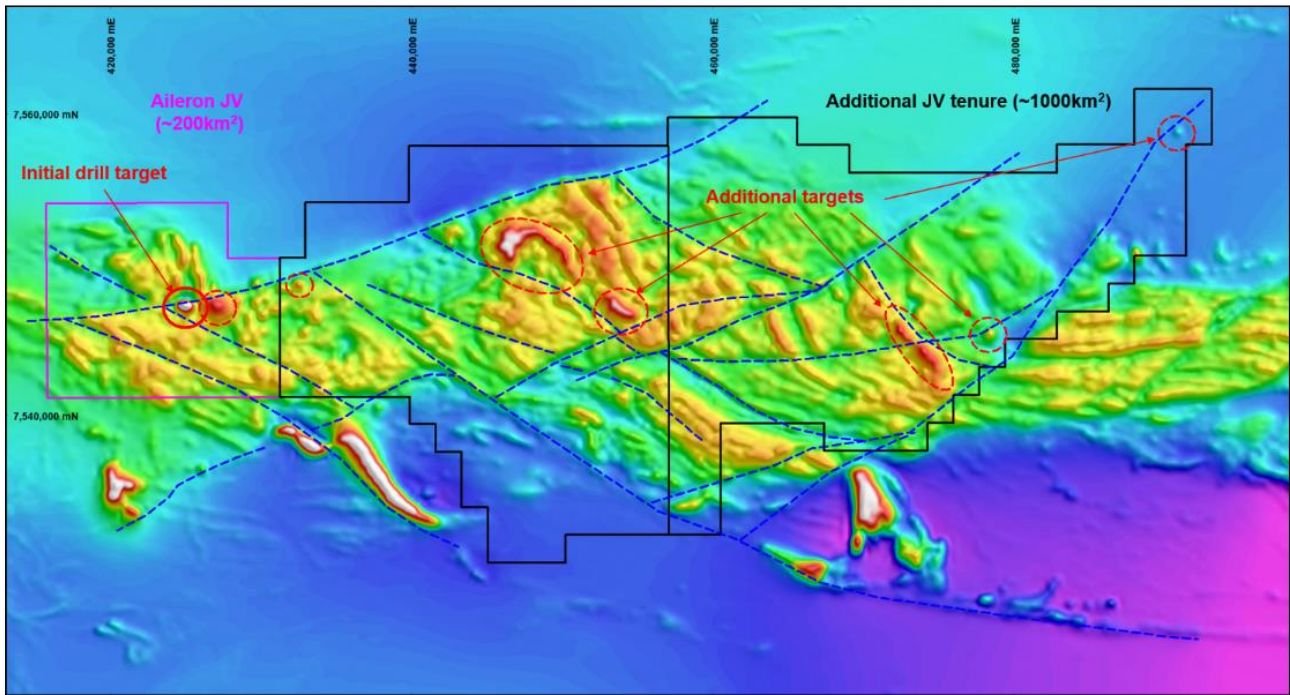


Figure 5 – Aileron joint venture interpreted structures and targets on TMI background

### Phillipson Range (Tanami) (100% ENR)

The Phillipson Range project covers untested Trans-Tanami Structure south-west of the Lewis JV with Newcrest. During the quarter Encounter reclaimed 100% ownership of the Phillipson Range project.

On ground assessment and additional regional geochemical sampling were completed by Encounter at Phillipson Range during the September 2019 quarter. As a result of this validation work the size of the Phillipson Range project was reduced and tenements at the western end of project were relinquished.

The future work program at Phillipson Range will focus on the eastern end of the project along the Trans-Tanami Structure with initial reconnaissance and geochemistry planned for 2020.

## PATERSON PROVINCE – COPPER-COBALT

E45/2500, E45/2502, E45/2657, E45/2658, E45/2805, E45/2806, E45/3768, ELA45/4861, ELA45/5333 and ELA45/5334 - Independence Group NL (ASX:IGO) Earn in Option

The Yeneena Copper-Cobalt Project is a major strategic land holding (1,250km<sup>2</sup>) in the emerging Proterozoic Paterson Province covering a 70km long corridor south of the Nifty Copper Mine. The Paterson Province is a proven mineral region with a consistent history of discoveries and with increasingly active majors.

### BM1-BM7 - 14km long copper-cobalt system

BM1 - Coherent zone of near-surface copper oxide mineralization. Best intersections include:

- 10m @ 6.8% Cu from 32m\*
- 20m @ 2.0% Cu from 22m\*
- 8m @ 3.6% Cu from 18m\*
- 16m @ 3.2% Cu from 26m
- 50m @ 1.1% Cu from 12m

BM7 - Large mineral system containing extensive copper sulphide mineralization. Best intersections include:

- 5m @ 2.5% Cu from 388m\*
- 52m @ 0.6% Cu from 42m\*
- 74m @ 0.4% Cu from 74m\*
- 140m @ 0.2% Cu from 144m

BM1-BM7 also contains a number of high-grade cobalt intersections including:

- 9m @ 1.0% Co & 1.5% Cu from 42m\*
- 14m @ 0.45% Co and 0.38% Cu from 14m\*

(refer ASX announcements 15 July 2014 & 30 January 2015)

(\*Reported pursuant to the 2004 Edition of the JORC Code)

### Lookout Rocks - Zambian copper-belt analogue

- First diamond drill hole intersected zones of disseminated copper mineralisation, up to 1% Cu and up to 0.1% Co
- Mineralisation is hosted by black, reduced carbonaceous sediments, located directly above an oxidised “red bed” stratigraphic unit
- An interpreted 50km of strike of the stratigraphic contact position prospective for “first reductant” copper sulphide mineralisation

### Aria - IOCG style intrusion containing copper sulphides

- Regionally significant, 1.5km long oval shaped magnetic anomaly located on a major crustal scale structure
- Copper mineralisation (~1% Cu) intersected in both diamond holes drilled to-date, but the magnetic and gravity anomalies remain unexplained
- Geology confirmed as hematite-altered, polymictic breccia of probable IOCG style
- Possible setting for large tonnage copper deposit e.g. Carrapateena

The Yeneena Project is a collaboration between IGO and Encounter. IGO is a substantial shareholder in Encounter and may, at any time before 1 March 2020, elect to enter an earn-in agreement to spend up to \$15 million to earn a 70% interest in Yeneena.

The 2019 program is designed to define the 3D geology and identify large scale copper targets. On-ground exploration activity continued during the Quarter and included several advanced exploration technologies being used for the first time at the Project, including:

- a large-scale magnetotelluric (MT) survey (~100 line-km) to better define the Yeneena basin architecture and further advance 3D target definition;
- a detailed 3D audio-magnetotelluric (AMT) inversion modelling over the Aria iron oxide copper-gold prospect in order to better define possible conductive zones associated with significant Cu sulphide mineralisation. Interpretation is underway;
- end-of-hole trace multi-element geochemistry of historical AC drilling to define alteration footprints of copper deposits and the host rocks, which remains in progress; and
- application of new surface geochemistry techniques to detect base metal anomalies through shallow sand cover, the trial phase of which is complete with follow up sampling programs in progress. Results from the current program will be received in November 2019.

The full integration and interpretation of these data is expected to be completed in the December 2019 quarter and the results will guide the follow-up geophysical and drilling programs.

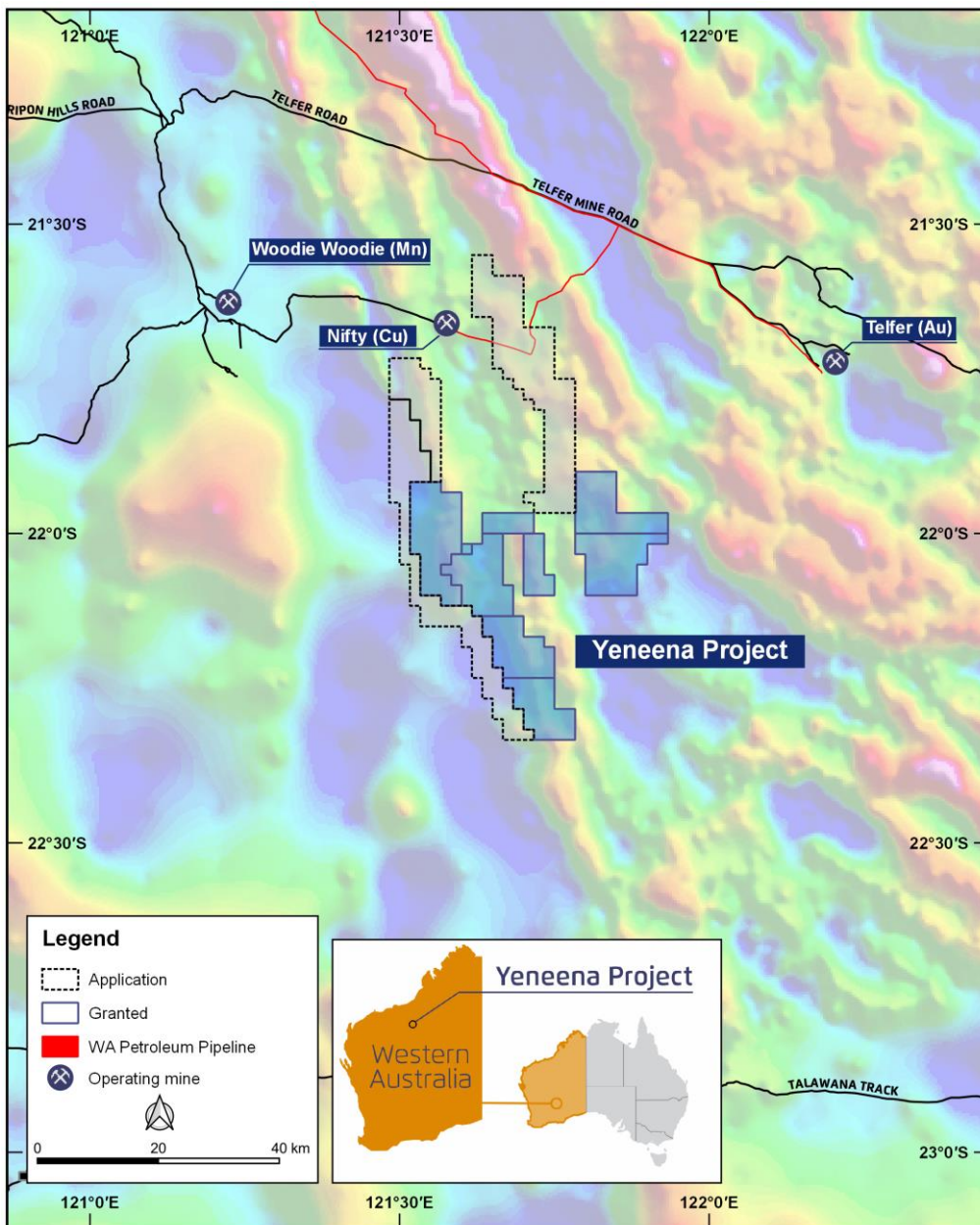


Figure 6: Location of the Yeneena Project in the Paterson Province.

## PATERSON PROVINCE COPPER-GOLD

### 100% Encounter – E45/4613

The Lamil Copper-Gold Project (“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).

Historical gold exploration in the vicinity of the Lamil magnetic anomalies was conducted by Newmont from 1983-1993. There has been no exploration between that phase of exploration and the commencement of gold-focused exploration activities by Encounter in late 2016.

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 (Figures 7 & 8).

Shallow drilling in the 1980s by Newmont intersected thick zones of strong copper-gold anomalism which may be significant given the recent learnings from the Winu copper-gold discovery made by Rio Tinto Ltd (ASX:RIO). Newmont’s limited drilling specifically targeted a series of magnetic features at Lamil (Figure 9).

Drill core from five holes drilled at Lamil in the 1980s by Newmont has been relogged and contains zones of pervasive alteration, extensive pyrrhotite development and copper bearing sulphide from within 50m of surface (Photos 1 and 2).

With the confirmation that strong copper anomalism is in sulphide form within 50m from surface an IP survey of the area was the logical next step. The IP survey is likely to highlight the areas with the strongest sulphide development within the larger zone of magnetic alteration at Lamil.

Five IP lines were completed at Lamil during this initial survey during the quarter. The survey lines are spaced at 400m and covered a 2km long zone that contains the series of magnetic features associated with anomalous copper and gold (Figure 9).

An IP chargeability anomaly was identified on the western side of the modelled magnetic anomaly in an area of no previous drilling. The chargeability anomaly may represent stronger sulphide development within the larger 2km long zone of intense alteration identified at Lamil (Figure 10).

An Airborne Electromagnetic “SkyTEM” Survey was also completed during the September 2019 quarter. The SkyTEM Survey covered the area of the recent IP survey and the historical drilling by Newmont as well as the broader project area. The survey provides 200m line spaced EM coverage of Lamil that is being used to assist with geological interpretation and may provide direct detection of conductive mineralised bodies at depth.

IP and AEM survey results, 3D inversion of magnetics data and results from previous drilling are being integrated to define and prioritise the next phase of RC/diamond drilling. Subject to the outcomes of this work an RC/diamond drilling program is proposed to be undertaken at the start of the 2020 field season.



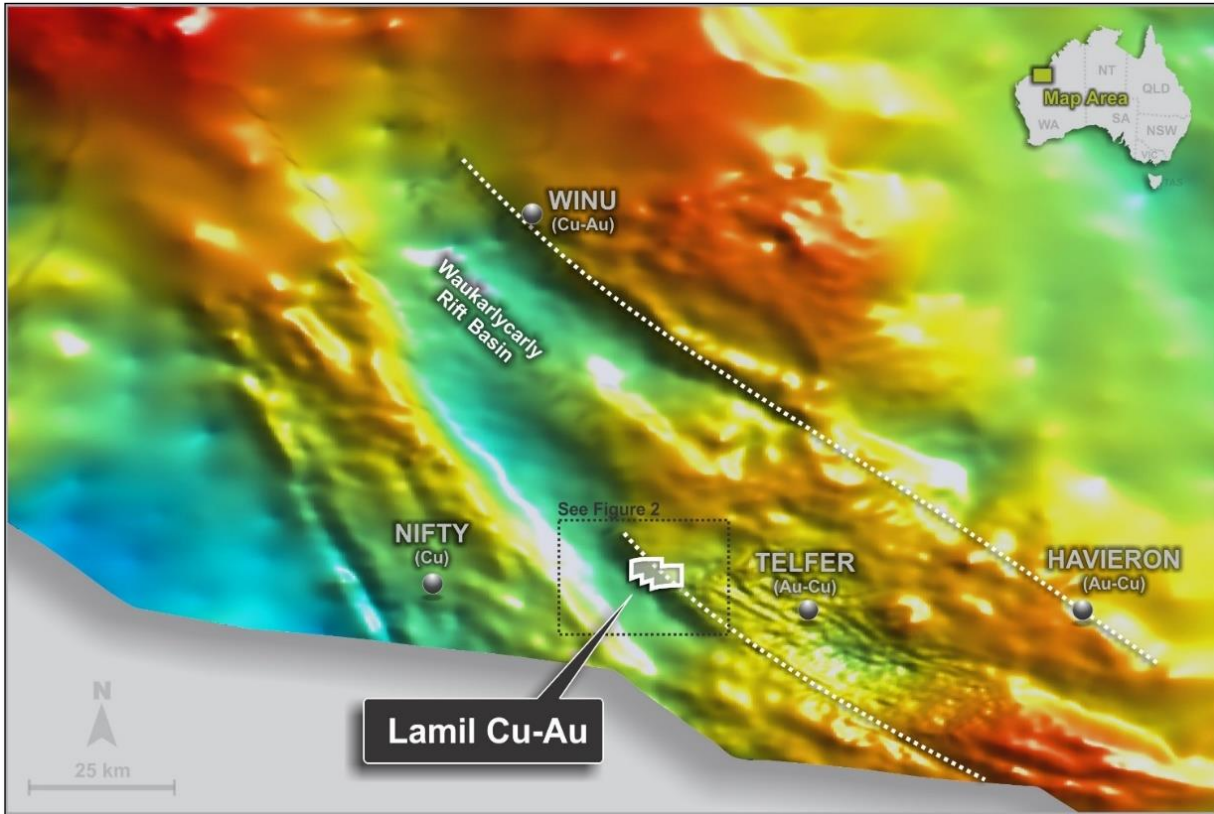


Figure 7 – Regional gravity over Seabase depth to Proterozoic basement image (red = shallow, blue = deep)

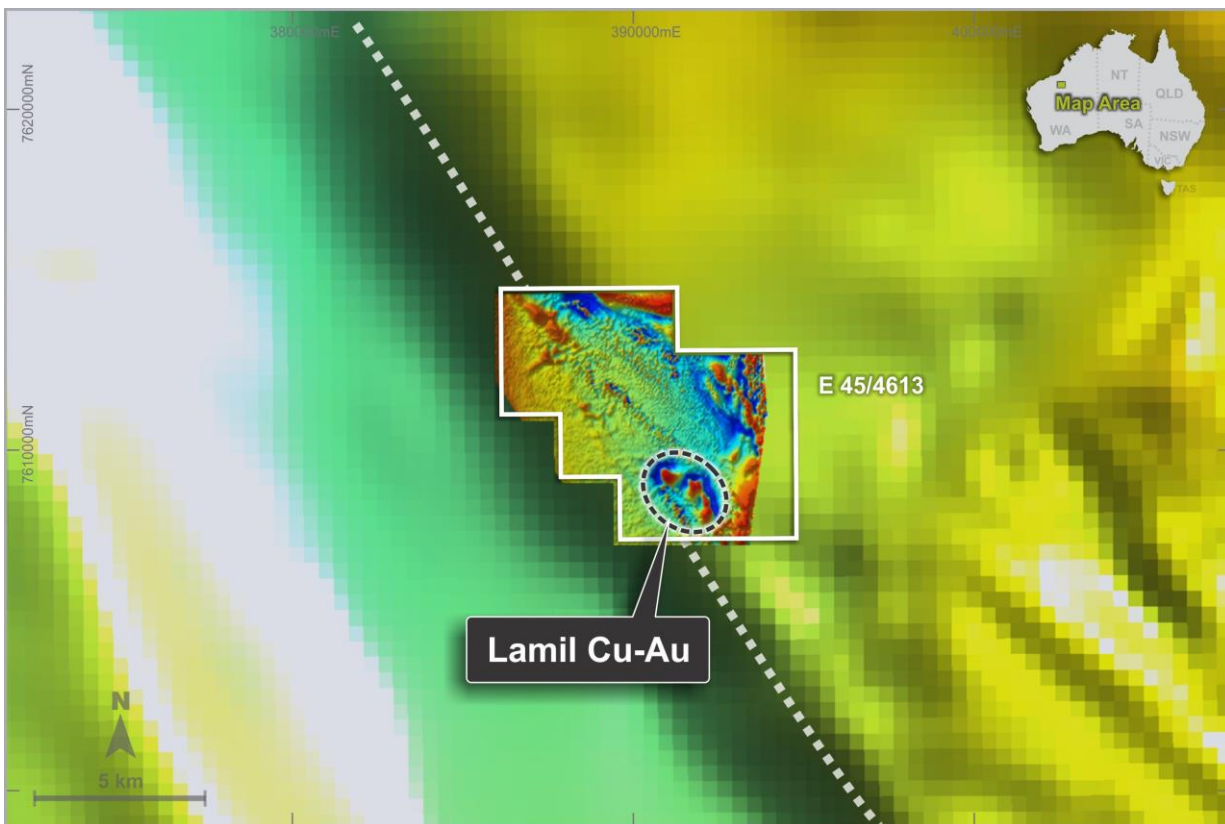


Figure 8 – Detailed aeromagnetics over regional gravity image showing the location of magnetic anomalies on the margin of the Waukarlyarly rift basin

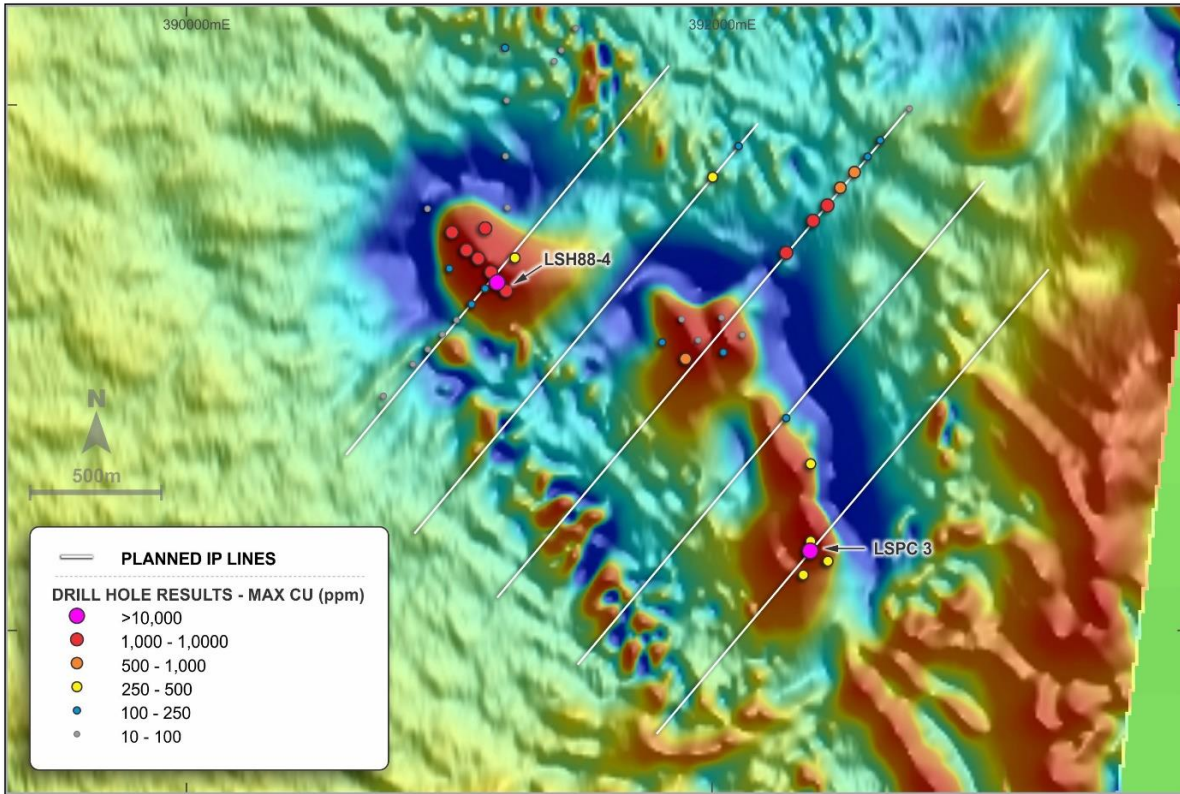


Figure 9 – Drill location plan max in hole Cu with aeromagnetic background (TMI 1VD pseudo colour image) and planned IP lines. Ineffective and unassayed holes have been omitted from this image.

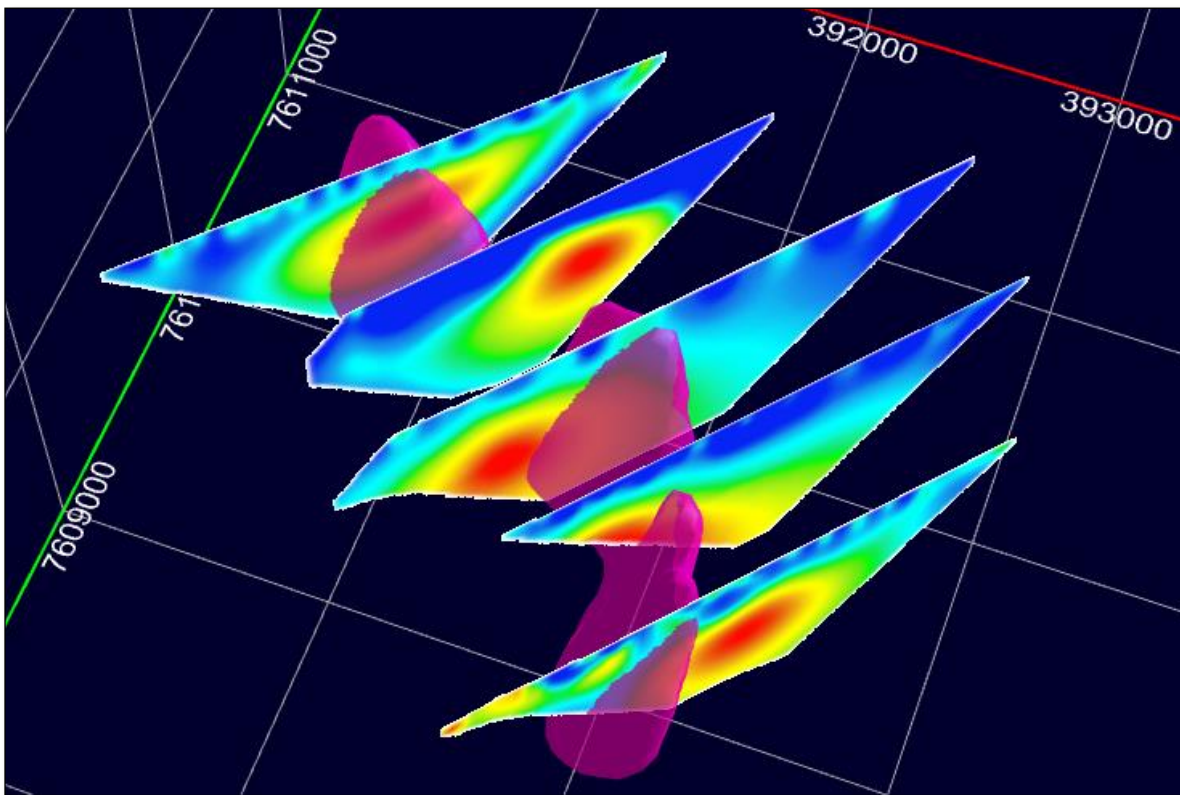


Figure 10 - Preliminary chargeability inversion model cross sections (anomalous chargeability values ranging from approximately 8 to 12 msec) and modelled magnetic anomalies (purple bodies)



Photo 1



Photo 2

Photo 1 – LSPC-3, ~44m. Veins and disseminations of pyrrhotite and minor chalcopyrite within an altered calcareous sediment

Photo 2 – LHS 88-4 ~155m and 167m. Veined and brecciated siltstone with pyrite and iron carbonate alteration

## PATERSON PROVINCE - GOLD

100% Encounter –E45/3446, P45/2750 to P45/2752, P45/3032, E45/4757 and E45/4758

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. Future work programs at East Thomson’s Dome are being considered and will be assessed against other opportunities in the project portfolio.

## LAVERTON TECTONIC ZONE - GOLD

100% Encounter – E28/2709, E28/2762, E28/2763, and ELA28/2878

The Laverton Tectonic Zone is one of Australia’s most productive and prospective gold regions and extensions of this corridor under shallow cover, have been a focus of Encounter’s targeting activities.

Encounter’s Nazare Gold Project (“Nazare”) is at the southern extension of the Laverton Tectonic Zone (see Figure 11). The project is located ~150km east-north-east of Kalgoorlie.

The Laverton Tectonic Zone is one of Australia’s most productive and prospective gold regions that hosts major gold mines at Laverton (>2Moz), Granny Smith (>2Moz), Wallaby (>8Moz) and Sunrise Dam (>10Moz). Southern extensions of this corridor under shallow cover have been a focus of Encounter’s targeting and project generation activities. Nazare now covers an area of >600km<sup>2</sup> that is predominantly undercover and has seen little to no previous exploration activity.

Nazare was selected for an initial trial of an innovative new CSIRO-developed geochemical sampling technique, UltraFine+. This new geochemical sampling technique separates and analyses the -2 micron fraction of a surface soil sample and is being trialled in areas of thin cover where traditional soil geochemistry is largely ineffective.

Two 400m spaced lines of aircore drilling were completed to test a discrete ~1km long gold anomaly that remains open to the south. This anomaly was generated through the Ultrafine+ geochemical sampling technique in the March 2019 quarter. An aircore drill program to test the Nazare gold anomaly intersected subtle anomalism within the overlying cover sediments that was broadly coincident with the location of the Ultrafine+ geochemical anomaly. However, the drilling did not intersect material gold anomalism within the basement.

Additional Ultrafine+ surface geochemical sampling will be conducted at Nazare in the December 2019 quarter targeting the area south of the existing anomaly. In addition, there is potential to introduce a suitable joint venture partner for Nazare in the future, consistent with Encounter’s project generator model.

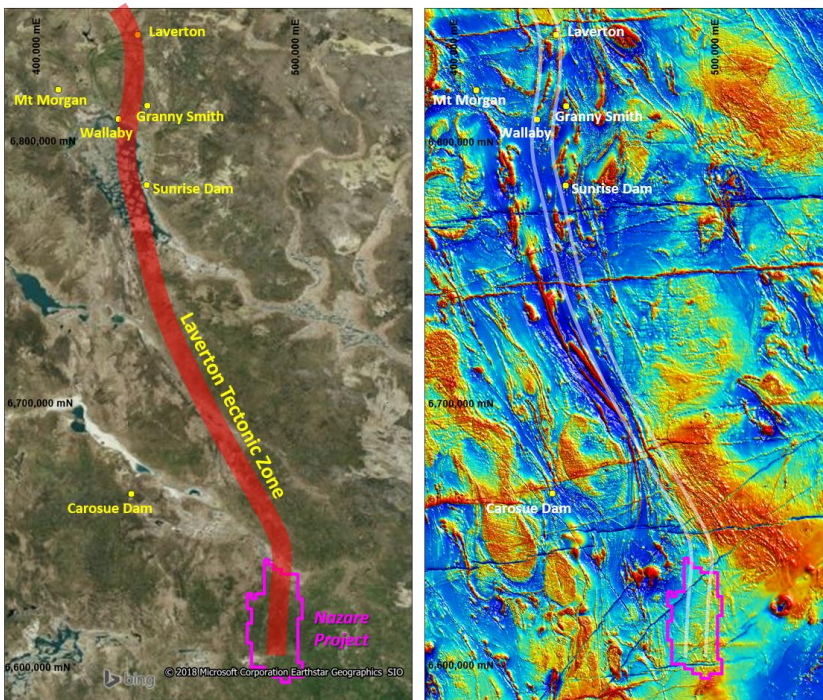


Figure 11 – Nazare regional location plan, regional TMI magnetics and major gold mines

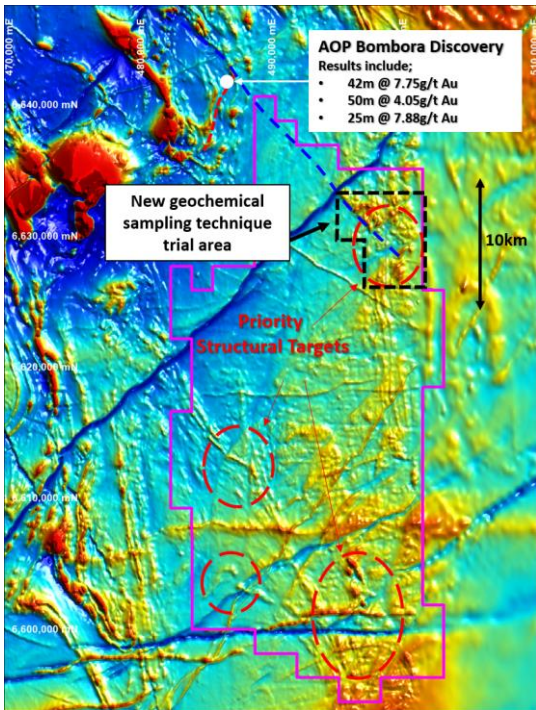


Figure 12 – Nazare target summary over airborne TMI (magnetics)

### MT SEFTON - GOLD

#### 100% Encounter – ELA38/3391, ELA38/3392 and ELA38/3393

The Company has applied for exploration tenements covering the southern and eastern portions of the Cosmo Newberry greenstone belt. The 1,130km<sup>2</sup> project is located midway between the Laverton and Yamarna greenstone belts. This under-explored greenstone belt is prospective for orogenic gold and VMS base metal deposits.

## PATERSON PROVINCE - ZINC

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

The Millennium Zinc Project (“Millennium”) is located in the north-east of Yeneena where previous aircore and RC drilling by Encounter defined a +3km long zinc regolith anomaly that remains open to the SE. Diamond drilling at Millennium has intersected a thick zinc ironstone gossan at the contact between a brecciated carbonate and a thick sequence of carbonaceous shales of the Broadhurst Formation.

In the June 2019 quarter, a Magnetotelluric (MT) geophysical survey line was completed at the Millennium zinc project to investigate the structure of the Tabletop Fault and the geological controls on previously identified mineralisation. Additional data was collected at the eastern end of the MT line at Millennium to try to explain a deep conductive response to the east of the Tabletop fault in the initial survey line. A more detailed follow up Magnetotelluric survey at Millennium is being assessed.

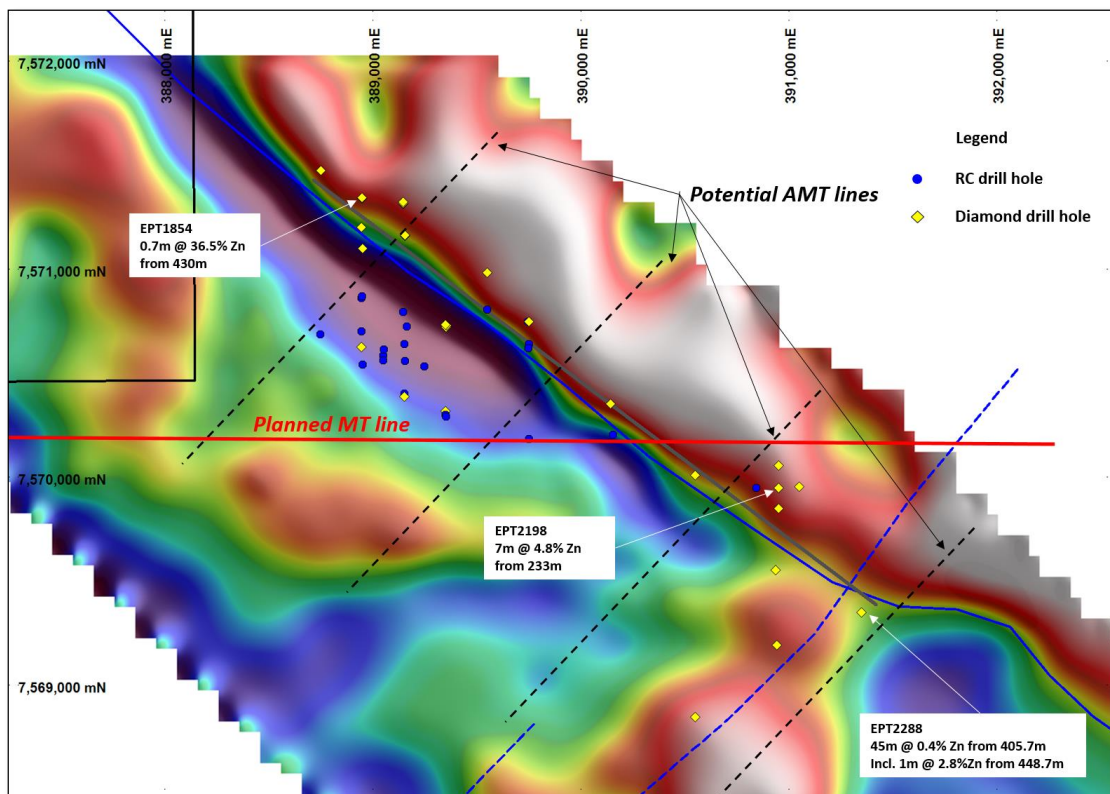


Figure 13: Drill hole collar location over Bouguer Gravity and planned MT / AMT lines – Millennium

## CORPORATE

Encounter held cash reserves of ~\$2.9 million at 30 September 2019 and listed investments valued at ~\$0.6 million.

In July 2019, a share placement, supported by Silver Lake Resources Ltd (ASX:SLR) and IGO, raised ~\$1.4 million providing a strong endorsement of project generator model and potential of upcoming exploration programs in the Tanami and Paterson Province

Two year Project Generation Alliance with Newcrest successfully concluded in July 2019 with multiple large joint ventures established.

In October 2019 Encounter announced the appointment of Mr. Philip Crutchfield as a non-executive director of the Company. Mr. Crutchfield is a prominent and highly respected barrister specialising in commercial law.

## NEXT QUARTER HIGHLIGHTS

Activities planned for the December 2019 quarter include:

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

- Newcrest-funded exploration activity, including RC, will be completed during the period from September to November 2019.
- At Hutch's Find a total of 17 RC drill holes for 4,930m of drilling have been completed with assay results expected in November 2019.
- RC drill program at Afghan will complete up to 12 holes to a planned depth of 300m in November 2019
- Assay results from the Afghan drilling are expected in December 2019.

### Paterson Province Copper-Cobalt Projects (IGO Earn in Option)

- Magnetotelluric survey (~100km) at Yeneena completed in July 2019.
- Geochemical surveys to be completed at Yeneena in October-November 2019
- The full integration and interpretation of the Magnetotelluric and geochemical surveys to be completed in the December 2019 quarter and the results will guide the follow-up geophysical and drilling programs

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

- The recent IP and AEM survey results from Lamil are being integrated with magnetic surveys completed by Encounter and previous drilling to prioritise the next phase of drilling.
- Subject to the outcomes of this integration, an RC/diamond drilling program is proposed to be undertaken at the start of the 2020 field season.

### Laverton Tectonic Zone – Gold (100% ENR)

- Additional Ultrafine+ soil sampling will be completed south of the existing anomaly.

### Paterson Province Zinc Project (75% Encounter, 25% HHM)

- Interpretation of the magnetotellurics survey data is ongoing and a more detailed follow up magnetotellurics survey is being considered.

## TENEMENT INFORMATION (granted tenure)

Lease	Location	Project Name	Area km <sup>2</sup>	Interest at start of quarter (01/7/2019)	Interest at end of quarter (30/09/2019)
E28/2709	147km ENE of Kalgoorlie	Nazare	97.7	100%	100%
E28/2762	141km ENE of Kalgoorlie	Nazare	206.8	100%	100%
E28/2763	155km ENE of Kalgoorlie	Nazare	206.9	100%	100%
E28/2878	148km ENE of Kalgoorlie	Nazare	100.7	0%	100%
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 Option	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 Option	156	100%	100%
E45/2658	245km NE of Newman	Paterson IGO Option	95.4	100%	100%
E45/2805	242km NE of Newman	Paterson IGO Option	85.8	100%	100%
E45/2806	251km NE of Newman	Paterson IGO Option	35	100%	100%
E45/3768	241km NE of Newman	Paterson IGO Option	149.7	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%
E45/4757	325km NE of Newman	Sussex	1.9	100%	100%
E45/4758	325km NE of Newman	Sussex	19.2	100%	100%
E80/5045	Tanami	Phillipson Range – Newcrest JV	283	50%	0%
E80/5129	Tanami	Phillipson Range – Newcrest JV	643	50%	0%
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	50%	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	330	0%	50%

\* Hampton earning into the four eastern block of E45/2500



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.



+Rule 5.5

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

#### Name of entity

Encounter Resources Limited

#### ABN

47 109 815 796

#### Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(601)	(601)
(b) development	-	-
(c) production	-	-
(d) staff costs	(85)	(85)
(e) administration and corporate costs	(154)	(154)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
Other – income from JV project generation	-	-
1.8 Other – other income (incl EIS Drilling Grant)	1	1
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(835)</b>	<b>(835)</b>

+ See chapter 19 for defined terms.

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(84)	(84)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	5	5
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) 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	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(79)</b>	<b>(79)</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	1,384	1,384
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(21)	(21)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-

+ See chapter 19 for defined terms.

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,363</b>	<b>1,363</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	2,480	2,480
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(835)	(835)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(79)	(79)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,363	1,363
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>2,929</b>	<b>2,929</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	1,364	980
5.2	Call deposits	1,565	1,500
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>2,929</b>	<b>2,480</b>

+ See chapter 19 for defined terms.

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	172
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Remuneration of Directors
---------------------------

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/a
-----

<b>8.</b>	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/a
-----

+ See chapter 19 for defined terms.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	300
9.2	Development	-
9.3	Production	-
9.4	Staff costs	85
9.5	Administration and corporate costs	110
9.6	Other (provide details if material)	-
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>495</b>

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E80/5045	Relinquished	50%	0%
		E80/5129	Relinquished	50%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E28/2878	Granted	0%	100%
		E80/5323	Granted JV tenement	0%	50%
		E80/5152	Reclaim of JV interest	50%	100%

### 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.

Sign here:



Company secretary

Date: 31 October 2019

Print name: Kevin Hart

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 report has been prepared in accordance with other

+ See chapter 19 for defined terms.

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.