

High quality partners and funding to accelerate exploration

Highlights:

- Drilling has resumed at the 100% owned Lamil Copper-Gold Project located 25km northwest of the Telfer copper-gold mine, in the Paterson Province of Western Australia. 3,000m RC drill program to test high priority targets at the Dune Prospect:
 - +800m long copper-gold mineral system that remains open, with strengthening copper
 - Following up multiple stacked copper-gold lodes intersected in November 2020
- Newcrest Mining (ASX:NCM) funded diamond drilling at Aileron located in the West Arunta region of WA contains hydrothermal hematite-altered mafic intrusions and granite with a distinctive IOCG geochemical signature under shallow cover (10m). Assays include zones of anomalism in copper (up to 0.1% Cu), gold (up to 48ppb Au) and molybdenum (up to 155ppm Mo). Furthermore, highly elevated rare earth elements consistent with the targeted IOCG deposit model were identified including lanthanum (La) up to 0.2% and cerium (Ce) up to 0.3%.
- Encounter regained 100% control of the 3,400km² West Tanami Gold Project (“West Tanami”). A rare, belt-scale, under explored gold project that covers over 100km of strike of the major structural corridor that hosts Newmont Corporation’s giant Callie gold deposit in the Northern Territory. Discussion underway with potential partners to accelerate activity on priority prospects in 2021 including:
 - Mojave Prospect: +7km long gold-arsenic anomaly that includes thick mineralised drill intersections strengthening at bottom of hole
 - Afghan Prospect: RC drill program in 2019 confirmed gold mineralisation over a 2km zone including AFG002 - 10m @ 1.6g/t Au from 4m incl. 6m @ 2.5g/t Au from 6m ⁶
 - Hutch’s Find Prospect: Limited drilling has returned 19m @ 2.3g/t Au from 98m and 10m @ 5.4g/t Au from 123m ⁷
- IGO Limited (ASX:IGO) funded diamond drilling at Yeneena located in the Paterson Province of WA. Two diamond drill holes (610m) were completed at the Tarcunyah prospect. The Windsor EM target drill hole, EPT2310, was paused above the target, at a depth of 493m, as a result of challenging operational and ground conditions. The completion of drill hole EPT2310 is scheduled to commence in March 2021.
- In September 2020, BHP (ASX:BHP) and Encounter entered into 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. A program of compilation, interpretation and modelling of the data packages at Elliott was completed during the quarter.
- In October 2020, a strongly supported share placement raised a total of ~\$6.3 million (before costs). Funds will be used to fast-track 100% owned gold and copper projects and to accelerate project generation activities.

ASX Code: ENR	Cash (31/12/2020) \$7.6m	Market Cap. (29/01/2021) \$51m	Issued shares (31/12/2020) 316m	Issued options (31/12/2020) 17m
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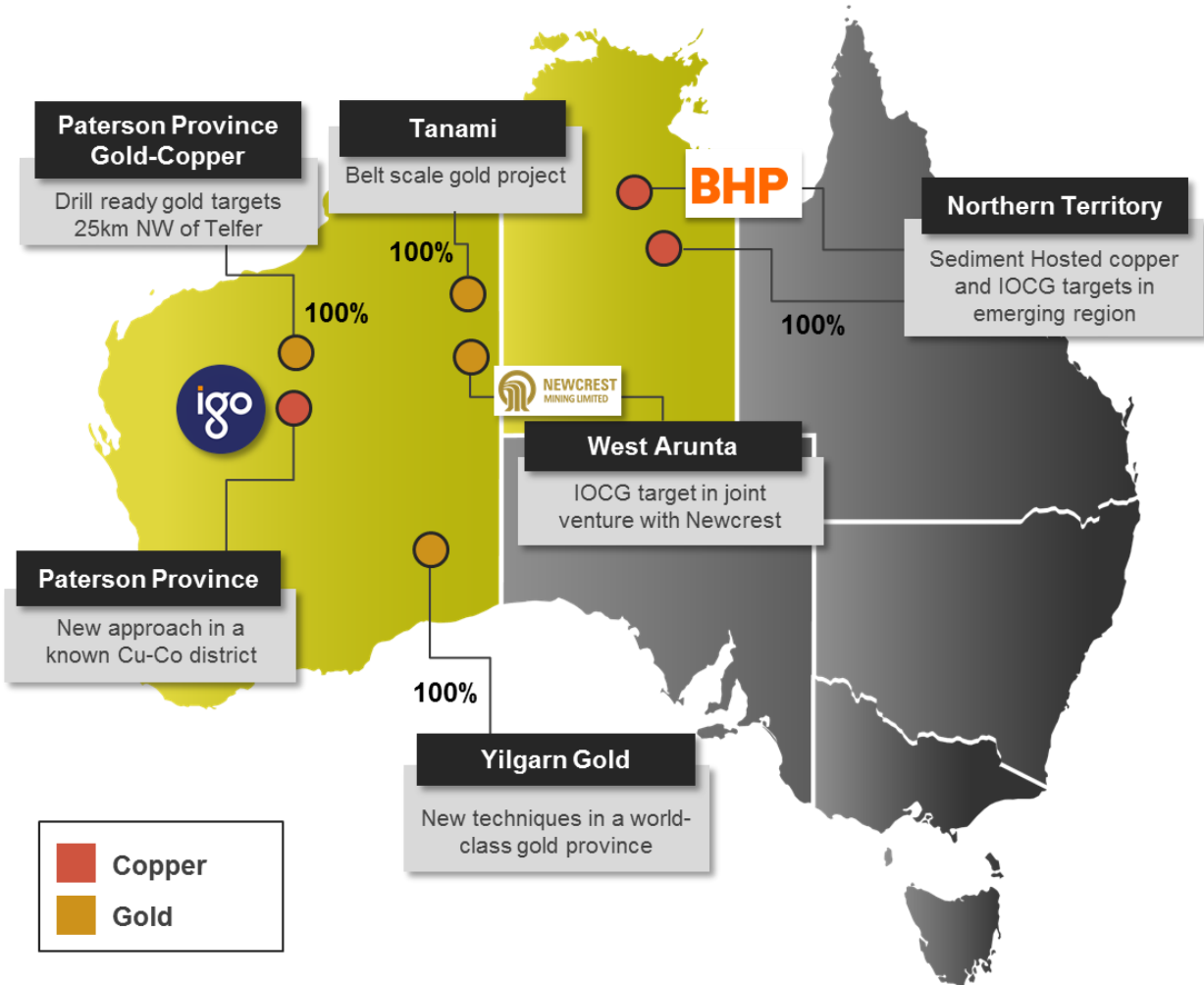


Figure 1 – Encounter Projects – Location Plan

PATERSON PROVINCE COPPER-GOLD

100% Encounter – E45/4613

Lamil Project

Lamil covers an area of ~61km² and is located 25km northwest of the major copper-gold mine at Telfer, owned by Newcrest Mining. 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 @ 0.35% Cu and 0.27 g/t Au³) (Figure 6).

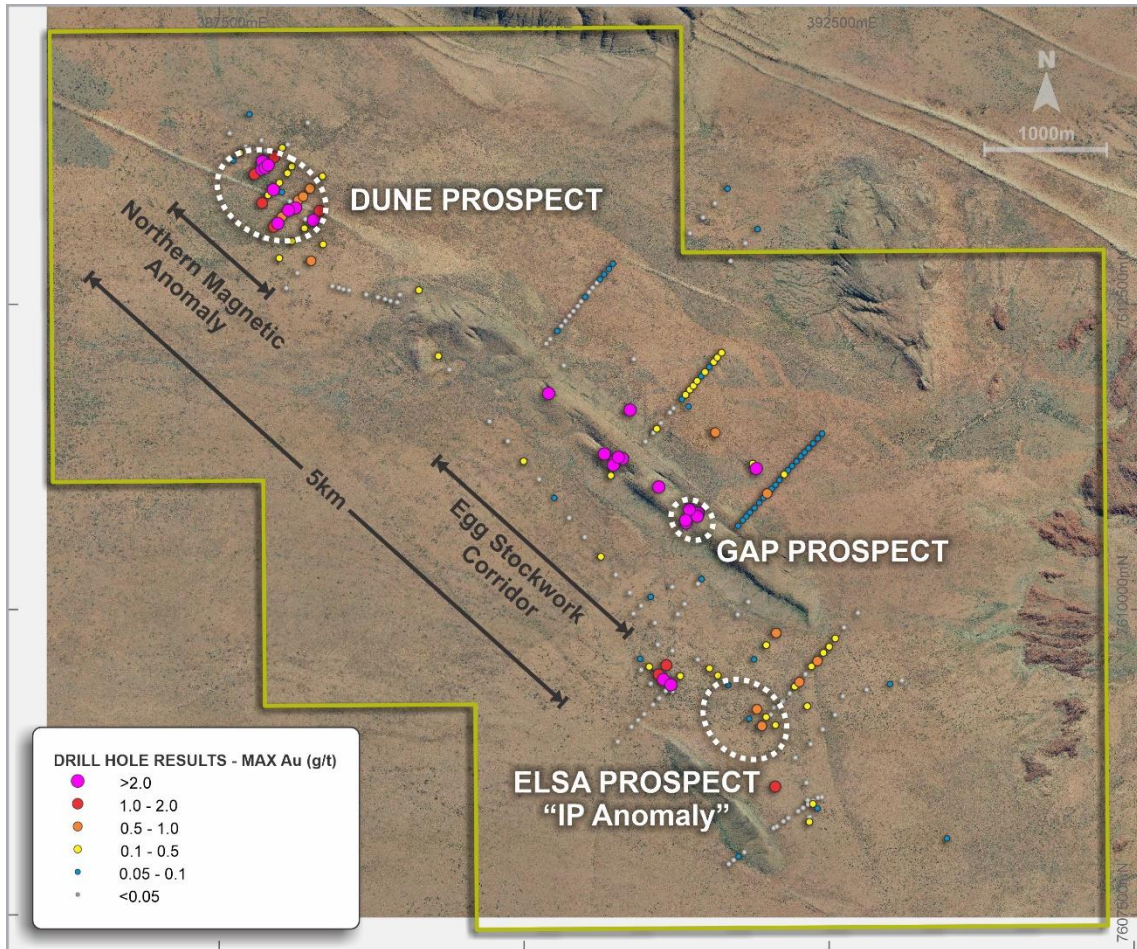


Figure 2 – Airphoto of Lamil with Dune Prospect to the northwest and Max Au in hole

Dune Prospect

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

Prior drilling intersected broad zones of near surface mineralisation including:

- **24.9m @ 0.7g/t Au from 127.1m and 4.0m @ 7.1g/t Au from 216m** in ETG0003 ¹
- **20m @ 1.8g/t Au and 502ppm Cu from 94m including 10m @ 2.8g/t Au and 812ppm Cu from 94m** in ETG0015 ²
- **14m @ 1.2g/t Au and 1,179ppm Cu from 66m including 4m @ 3.3g/t Au and 1,400ppm Cu from 74m** in ETG0016 ²
- **8m @ 1.0g/t Au and 426ppm Cu from 197m** in ETG0010 ²

A 14 hole RC drill program completed in November 2020 (see Figure 3) successfully:

- extended the gold mineralisation intersected in ETG0003 and ETG0010;
- identified a mineralisation vector to the south that remains open;
- expanded the gold mineralisation footprint; and
- intersected primary, copper-gold mineralisation in a series of stacked lodes.

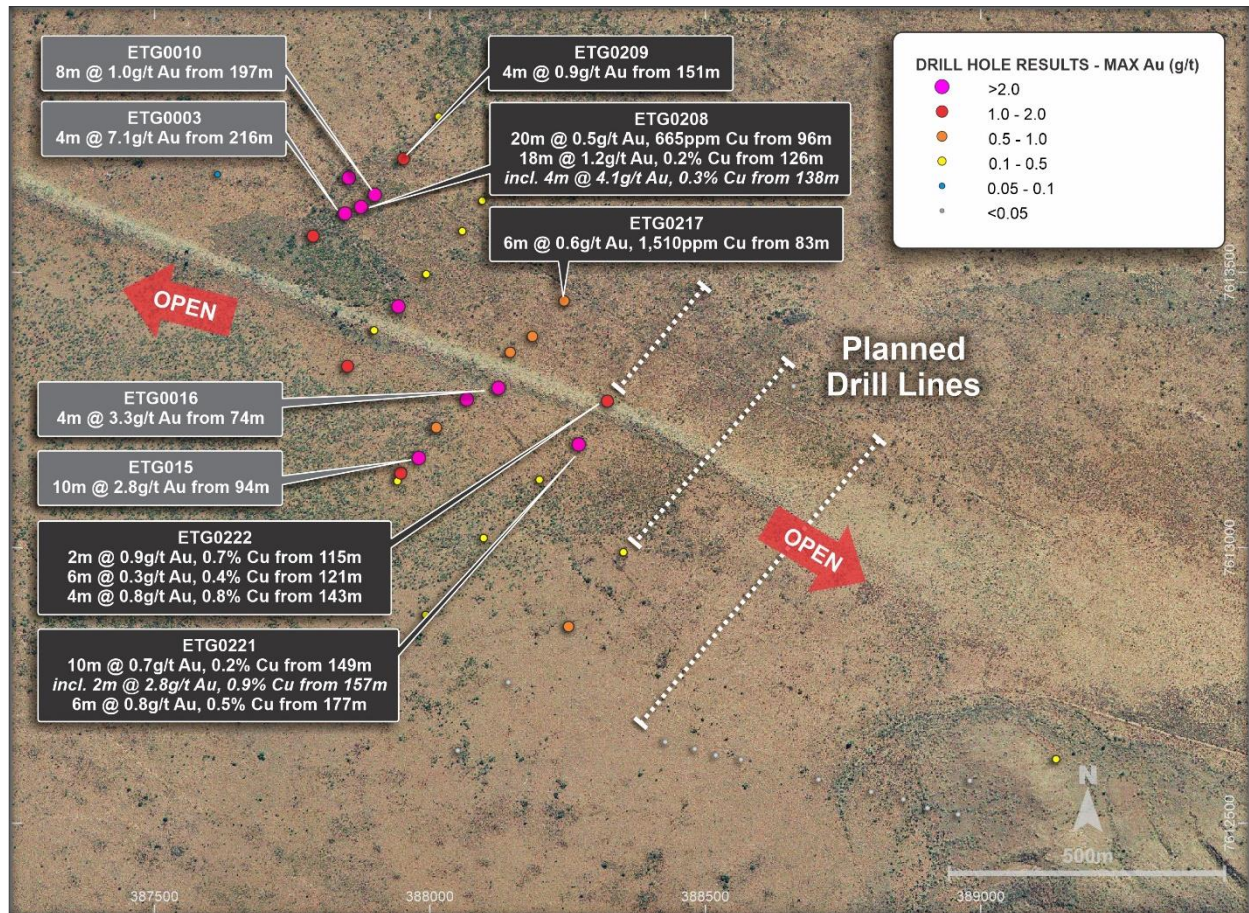


Figure 3 – Dune Prospect (Max in hole Au) and planned drill lines

Primary copper-gold intersections at Dune in November 2020 include:

ETG0208 ⁴

- **20m @ 0.5g/t Au and 665ppm Cu** from 96m
- **18m @ 1.2g/t Au and 0.2% Cu** from 126m including:
 - **4m @ 4.1g/t Au and 0.3% Cu** from 138m

ETG0209 ⁴

- **4m @ 0.9g/t Au** from 151m

ETG0217 ⁴

- **6m @ 0.6g/t Au and 1,510ppm Cu** from 83m

ETG0221 (southern most drill line) ⁴

- **10m @ 0.7g/t Au and 0.2% Cu** from 149m including:
 - **2m @ 2.8g/t Au and 0.9% Cu** from 157m
- **6m @ 0.8g/t Au and 0.5% Cu** from 177m

ETG0222 (southern most drill line) ⁴

- **2m @ 0.9g/t Au and 0.7% Cu** from 115m
- **6m @ 0.3g/t Au and 0.4% Cu** from 121m
- **4m @ 0.8g/t Au and 0.8% Cu** from 143m

Follow up RC drilling will focus on extending mineralisation to the south and east where the copper-gold mineralisation is strengthening. A number of proximal pathfinder elements (up to 2,530ppm Bi, 9ppm Te & 20ppm Sb) are also vectoring towards this area where the prospective Telfer Formation host unit is interpreted to sit directly below the thin surficial cover.

EIS co-funded diamond drilling at Dune, Elsa and Gap is scheduled to follow the current RC drill program.

Gap Prospect – Open broad zone of gold-copper mineralisation

A section of four 80m spaced drill holes outlined a 180m wide coherent zone of supergene mineralisation at the Gap.

Gold mineralisation intersected on this single section of drilling previously completed at the Gap includes (see ASX release 11 June 2020) (Figure 4):

- **30m @ 1.1g/t Au from 96m** in ETG0068
- **36m @ 0.4g/t Au from 124m** in ETG0067
- **36m @ 0.5g/t Au from 28m** in ETG0201

Mineralisation is open in all directions with no other bedrock drilling within 400m. Interpretation suggests the single line of drilling may be parallel to the strike of the primary mineralisation. Accordingly, the RC rig was turned 90 degrees in the current program and two drill holes were completed from the collar of ETG0067 in the northwest and southeast orientation.

The supergene gold zone has been expanded to both the north and the south with both drill holes intersecting additional supergene gold mineralisation:

- **14m @ 1.1g/t Au from 93m** in ETG0218 ⁴
- **36m @ 0.6g/t Au from 77m including 4m @ 2.8g/t Au from 83m** in ETG0219 ⁴

Mineralisation remains open in all directions. Follow up program will seek to expand the zone and provide a potential vector to the primary source of the gold. This program will be completed later in 2021, following completion of a heritage survey to provide optimal drill locations to test the target.

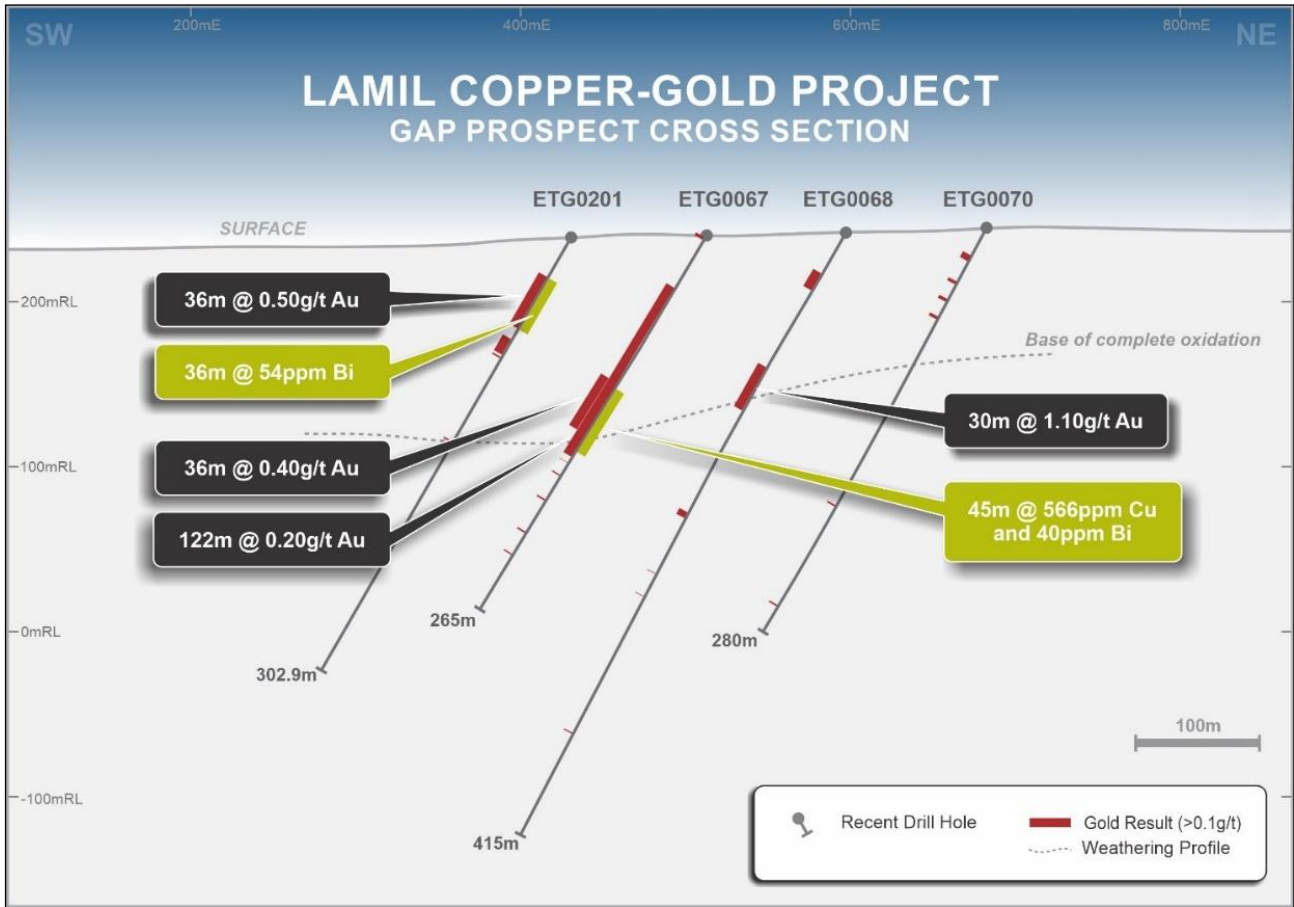


Figure 4 – Gap Prospect Section

Elsa Prospect – IP Chargeability Anomaly

In March 2020, two diamond drill holes (ETG0203 and ETG0204) intersected wide zones of brecciated, fractured and veined intercalated metasediments with associated intense alteration. The breccia is interpreted to be a major structure and fluid pathway and is a potential feeder for a system similar in style to the large Havieron gold discovery, located 80km to the east.

Subsequent geophysical inversion modelling and integration of the IP, magnetics and airborne electromagnetic data defined a distinct, previously untested chargeability anomaly located 400m north of ETG0203. A single RC hole (ETG0220) was completed in November 2020 to determine if this chargeability anomaly was associated with stronger sulphide development and potentially copper-gold mineralisation.

ETG0220 confirmed the presence of strong sulphide development, thereby validating the geophysical inversion, and also intersected narrow zones of gold mineralisation including:

- 8m @ 0.23g/t Au and 383ppm Cu from 249m⁴
- 2m @ 0.77g/t Au and 196ppm Cu from 341m⁴

Because stronger gold-copper anomalism was intersected in ETG0220 than in prior drilling and the modelled chargeability anomaly at Elsa is ~800m in diameter, additional holes are planned to the east and west of ETG0220 to properly test this large target. This program will be completed as part of EIS co-funded drilling program planned for later in 2021.

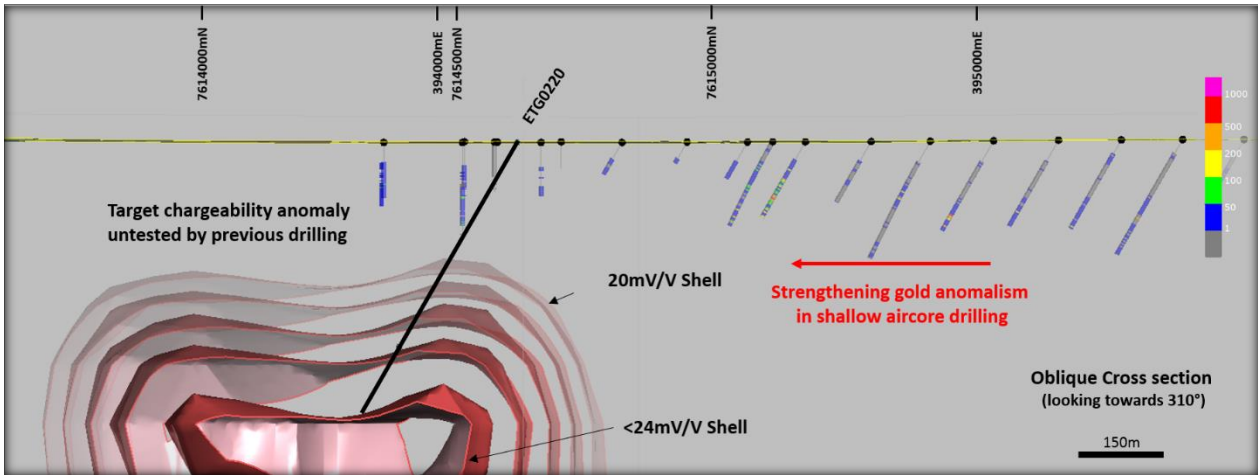


Figure 5 – Section of 3D chargeable isosurfaces and planned RC drill hole location

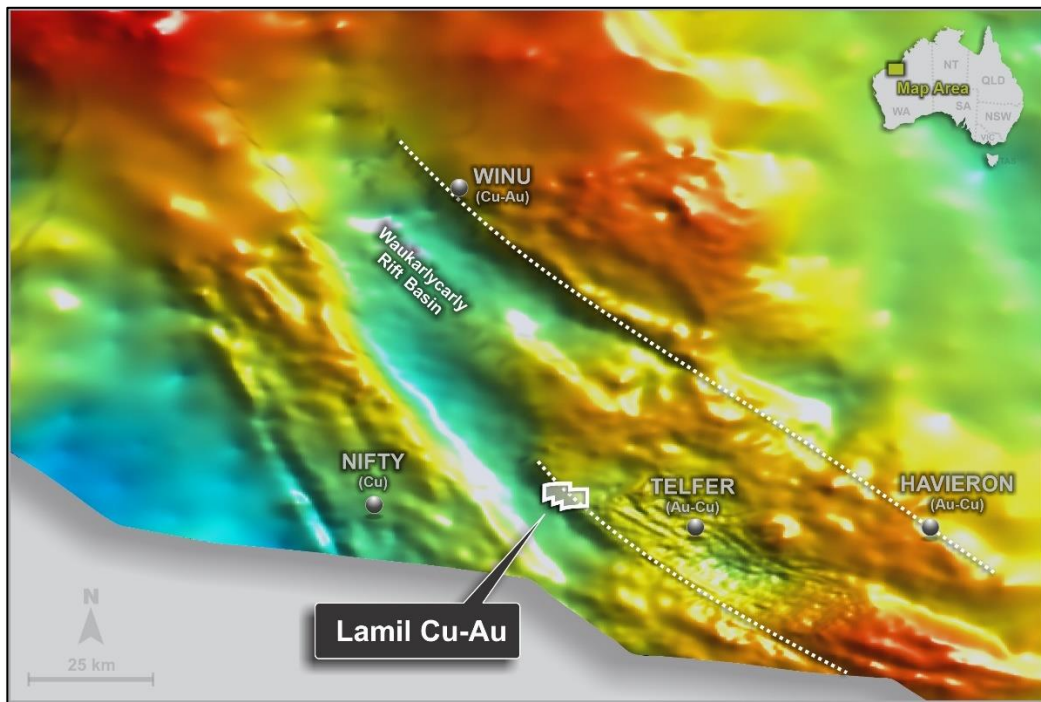


Figure 6 – Regional gravity over Seebase depth to Proterozoic basement image (red = shallow, blue = deep)

¹ refer ASX release 19 January 2017

² refer ASX release 26 April 2017

³ refer Rio Tinto Ltd - Winu Mineral Resource release 28 July 2020

⁴ refer ASX release 18 December 2020

WEST ARUNTA – COPPER-GOLD

50:50 JV Encounter/Newcrest – E80/5323, E80/5469, E80/5470

Aileron JV

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 (Figure 7).

There has been no previous mineral exploration at Aileron and EAL001 is the first drill hole into an unexplored belt which is prospective for large scale gold-copper deposits.

Diamond Drilling

Diamond drilling commenced in October 2020 to test a discrete magnetic anomaly. However, following mechanical issues with the drill rig, a decision was made to demobilise the rig and assay the completed section of the hole to 158m.

Significant initial observations from the drill hole include:

- Shallow cover depth (10m) – opening up potential for application of surface sampling and shallow geochemical drilling.
- Hydrothermal hematite-altered mafic intrusions and granite consistent with the IOCG model (see Photo 1).
- Magnetite bearing banded iron formation (BIF) intersected at ~150m with high magnetic susceptibility consistent with the modelled anomaly. The centre of the magnetic anomaly was modelled to be intersected at ~300m downhole.

Assay results from the completed section have been received. The zones of hydrothermal hematite alteration, in particular the zone around 90-100m downhole (see Photo 1), have a distinctive IOCG geochemical signature.

Assays from the partially completed hole 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%)⁵, consistent with the targeted IOCG deposit model (see Figure 8).

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. This suggests potentially a clear pathway to defining additional high-quality, non-magnetic targets in the prospect area.

In addition, given the shallow cover depth, a line of orientation ground geochemistry (20 samples) was completed over the magnetic anomaly to assess amenability of surface sampling. Assay results from the -53 micron size fraction demonstrated contrast to background in gold. Accordingly, further assessment of surface geochemical methods at Aileron is required.

Next Steps

Following evaluation of the drill hole assay data, completion of petrography to establish the copper mineral species, evaluation of applicable gravity methods and further assessment of the amenability of surface geochemical sampling, future work programs for Aileron will be designed.

⁵ refer ASX release 28 January 2021



Photo 1 – Hematite altered and fractured, coarse grained granitic rock with narrow mafic intrusive (88.5 - 91.7m)

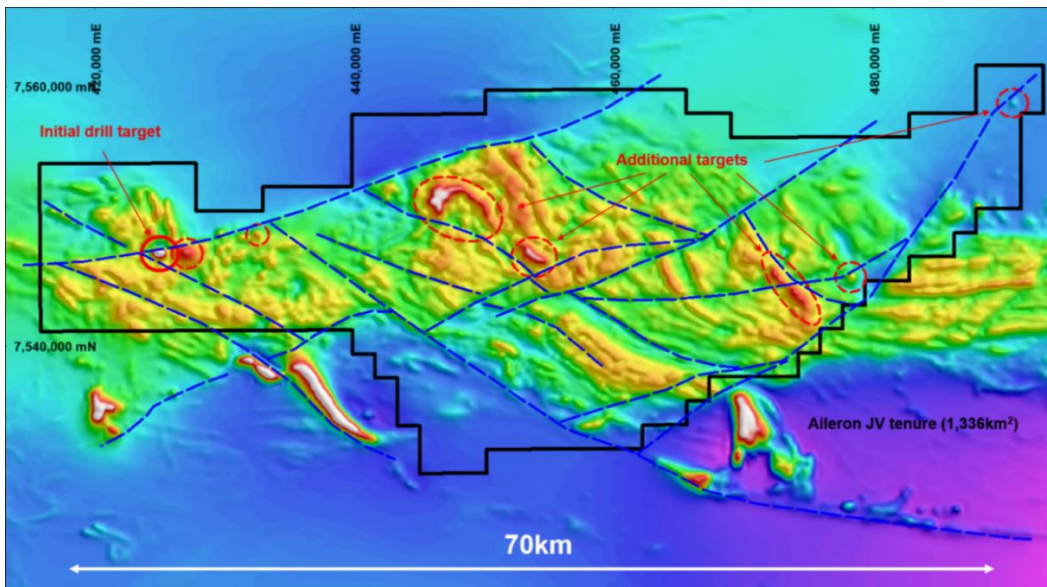


Figure 7 – Aileron joint venture tenure, interpreted structures and targets on TMI background

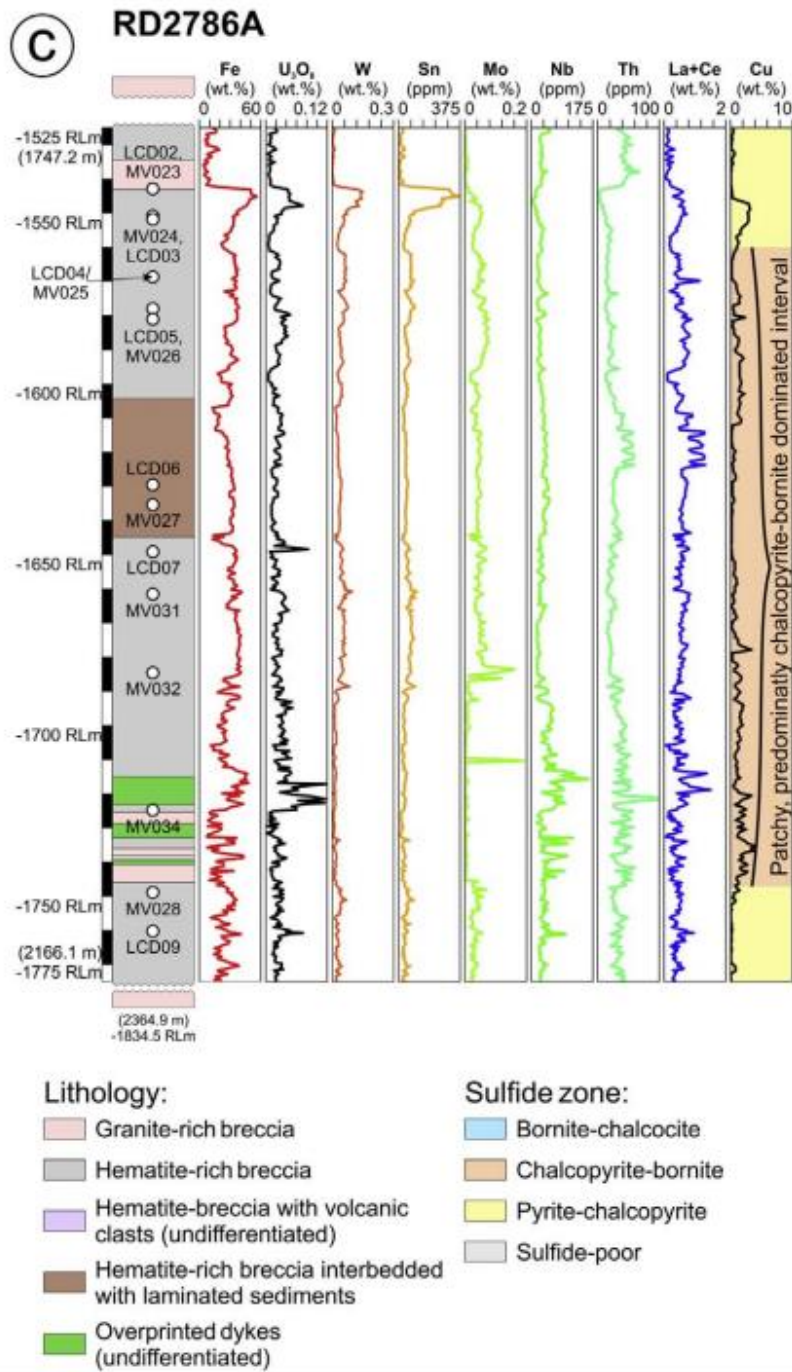


Figure 8. Olympic Dam - Simplified drill hole log showing schematic representations of profiles for selected elements and lithologies RD2786A. Whole-rock assay data was generally collected at ~1m intervals. Source: Ore Geology Reviews: Textures and U-W-Sn-Mo signatures in hematite from the Olympic Dam Cu-U-Au-Ag deposit, South Australia: Defining the archetype for IOCG deposits (2017), Max R. Verdugo-Ihl, Cristiana L. Ciobanu, Nigel J. Cook, Kathy J. Ehrig, Liam Courtney-Davies, Sarah Gilbert

WEST TANAMI - GOLD

Encounter 100%– E80/5132, E80/5137, E80/5145, E80/5146, E80/5147, E80/5169, E80/5186, E80/5152 and ELA80/5500

Background

West Tanami Gold Project (“West Tanami”) is a rare, belt scale, under explored gold project that covers over 100km of strike along the major structural corridor that hosts Newmont Corporation’s giant Callie gold deposit in the Northern Territory.

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 Goldcorp’s +14Moz Callie gold mine.⁸

Encounter consolidated ground holdings in 2017 acquiring 3,400km² of a well mineralised, emerging gold province that is significantly underexplored. In May 2018, entered three separate unincorporated joint ventures with a wholly owned subsidiary of Newcrest Mining Limited covering West Tanami. While in joint venture Newcrest completed a 18,400km line airborne magnetic survey, extensive heritage clearances and one program of broad spaced RC drilling.

During the quarter, Newcrest advised of its decision to withdraw from the West Tanami joint ventures. As such Encounter has regained 100% control of the 3,400km² West Tanami (Figure 9). Newcrest will hold no residual interest in West Tanami. Discussion are underway with potential partners to accelerate activity on priority prospects in 2021 including:

- Mojave Prospect:
 - +7km long gold-arsenic anomaly that includes thick mineralised drill intersections strengthening at bottom of hole
- Afghan Prospect:
 - +7.5km long gold anomaly in shallow RAB drilling
 - Eight hole RC drill program in 2019 confirmed gold mineralisation over a 2km zone including AFG002 - 10m @ 1.6g/t Au from 4m incl. 6m @ 2.5g/t Au from 6m⁶
- Hutch’s Find Prospect:
 - Significant zone of gold/arsenic anomalism in colluvium over 5km of strike
 - Limited drilling has returned 19m @ 2.3g/t Au from 98m and 10m @ 5.4g/t Au from 123m⁷
- Camel Prospect:
 - 7.2m @ 3.1g/t Au from 95m in last drilling completed in 2010⁷
- Bandicoot Prospect:
 - Large, untested magnetic anomaly coincident with gold-arsenic geochemical anomaly

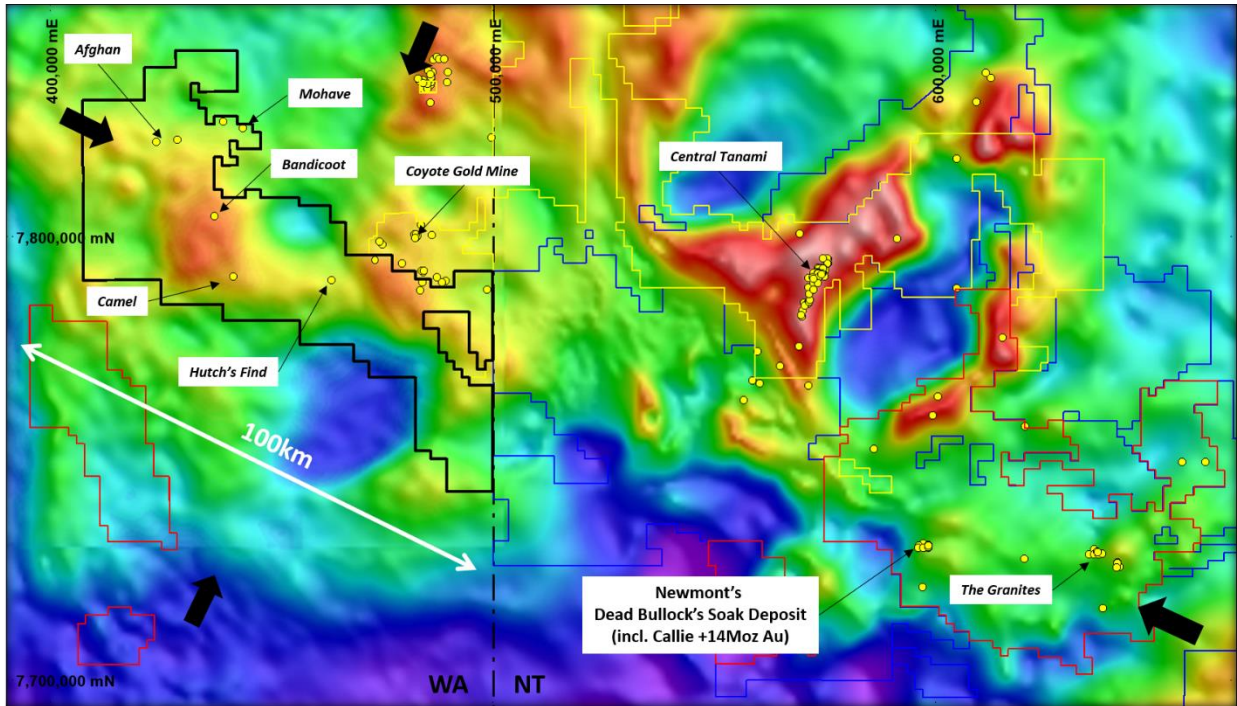


Figure 9 – Tanami regional leasing summary (Encounter = Black, Northern Star = Yellow, Newmont = Red, Prodigy = Blue) with gold occurrences over regional gravity data

Mojave Prospect

Mojave is located within a 7km NW trending corridor of arsenic anomalism (As >100ppm). Two discrete zones of known gold anomalism (>0.1g/t Au) sit within this regionally significant anomaly. Historical drilling at Mojave defined a discrete near surface gold anomaly that remains open along strike and down plunge. Anomalism at Mojave is located on an interpreted fold hinge at the transition between the Stubbins Formation (equivalent unit to the host of the +14Moz Callie gold deposit) and Killi Killi Formation.

One drill traverse was completed by Newcrest at Mojave in 2019. Results from the three holes drilled on this section have confirmed strong bedrock gold anomalism within a folded dolerite unit, confirming the interpreted geological model. The two steeply dipping mineralised structures are associated with minor quartz sulphide veining along the limbs of an interpreted antiform and these remain open along strike and at depth (Figure 10).

Drill holes MOJ002 and MOJ004 intersected multiple zones of gold mineralisation within the dolerite host:

MOJ004:

- 16m @ 0.27g/t Au from 36m
- 4m @ 0.25g/t Au from 56m
- 6m @ 0.47g/t Au from 66m
- 8m @ 0.30g/t Au from 76m
- 10m @ 0.69g/t Au from 228m
- 10m @ 0.38g/t Au from 256m

MOJ002:

- 4m @ 0.70 g/t Au from 20m
- 4m @ 0.28 g/t Au from 124m
- 6m @ 0.53g/t Au from 174m
- 4m @ 0.38g/t Au from 196m
- 10m @ 0.34g/t Au from 210m

(refer ASX release 23 January 2020)

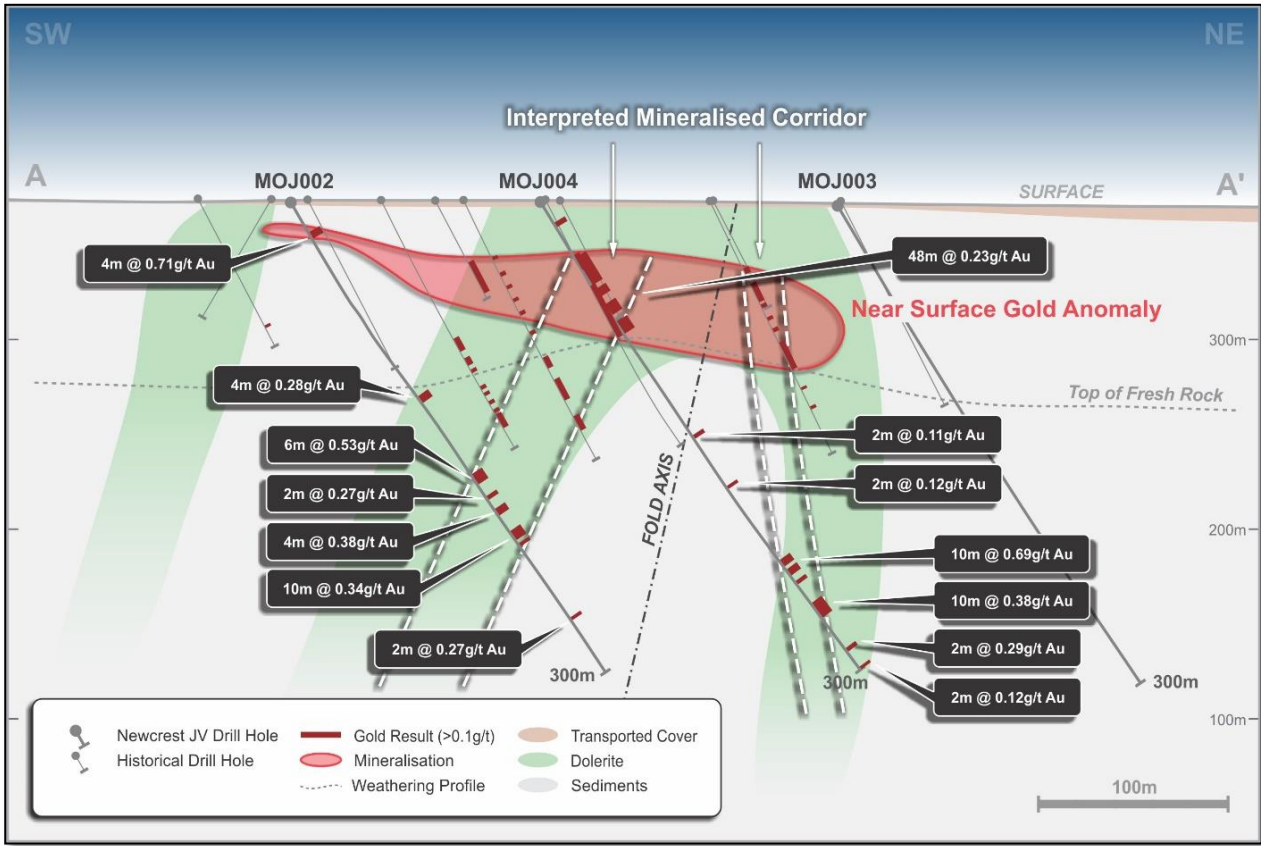


Figure 10 – Mojave prospect cross section showing steeply dipping mineralised structures along the limbs of an interpreted antiform

The hinge zone of the folded dolerite unit at Mojave is untested to the south-east where it is interpreted to intersect a regional scale east-north-east trending cross cutting fault (see Figure 11). This down plunge structural target exhibits a number of key targeting elements for orogenic gold systems and this untested position represents a high quality target for future drilling.

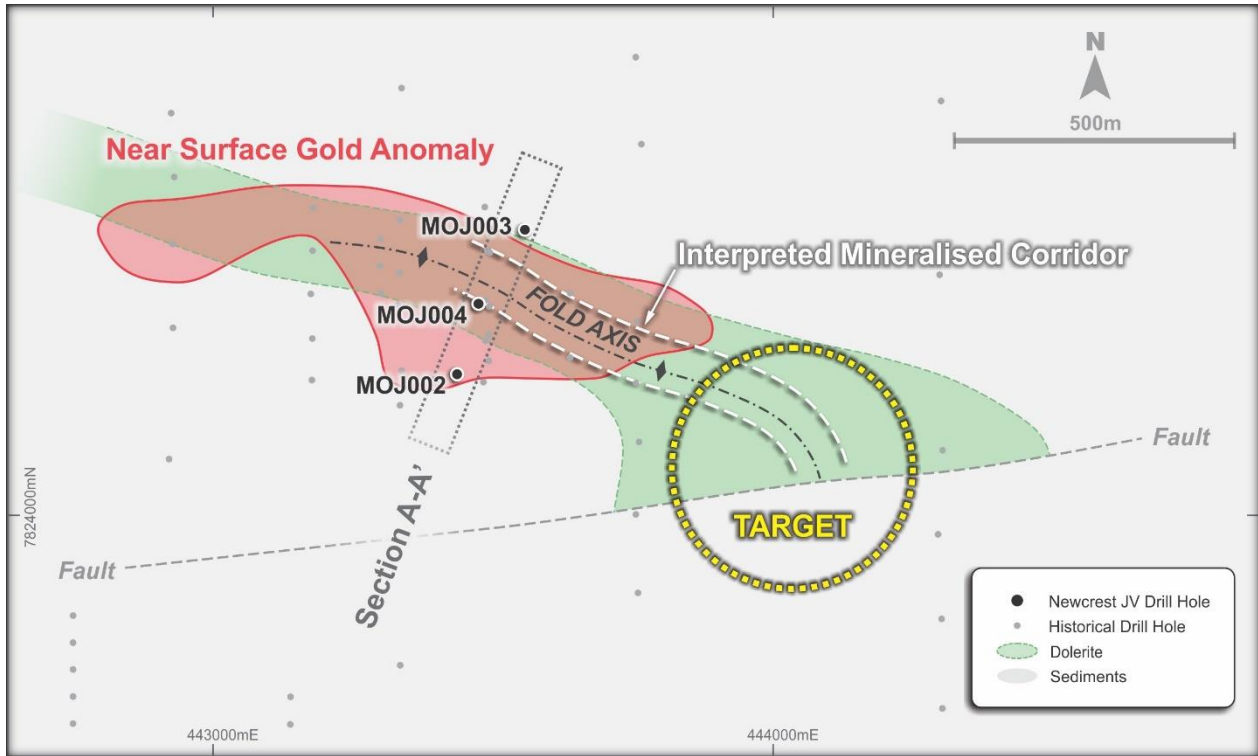


Figure 11 – Mojave prospect drilling with interpreted geology showing high quality orogenic gold target

Afghan Prospect

RC drilling at Afghan targeted the down dip and plunge extensions of a 4km long supergene gold anomaly identified by previous explorers. A total of eight RC holes for 2,292m across five broad spaced sections were completed by Newcrest along a 2km section at Afghan in 2019.

Results from this program confirmed the presence of near surface supergene gold mineralisation including:

- AFG002 - 10m @ 1.6g/t Au from 4m incl. 6m @ 2.5g/t Au from 6m

The drill program provided the first deep drilling at Afghan and intersected bedrock gold anomalism within a folded dolerite unit including:

- AFG005 - 2m @ 2.0g/t Au from 40m & 2m @ 3.5g/t Au from 136m; and
- AFG008 - 24m @ 0.32g/t Au from 102m

(refer ASX release 23 January 2020)

RC hole AFG008 was a single hole drilled on the most eastern section of Afghan and mineralisation in this hole remains open on section and to the east.

Hutch's Find Prospect

The four drill sections completed by Newcrest at Hutch's Find in October 2019 were designed at a spacing of 400m to 600m with hole spacing along the drill lines at 250m.

The majority of holes were drilled at a dip of -60° towards 240° orientation with three holes on the northern section drilled at -60° to the south. The program was designed to provide the first systematic deep drilling of the large scale Hutch's Find gold-arsenic anomaly. Prior to this RC drill program, only two holes had been drilled deeper than 200m along the geochemical anomaly defined in shallow drilling.

The assay results from this first phase of RC drilling at Hutch's Find have outlined a 2km long, east-west trending zone of bedrock gold anomalism that remains open both east and west (Figures 12 and 13). The orientation of RC drilling is at a high angle to the gold trend identified.

The drilling has successfully defined an extensive and open mineralised corridor in the first systematic deep drilling at Hutch's Find. The multi-element geochemistry will be integrated with a detailed structural interpretation along the defined trend to identify potential for high-grade shoots for the next round of drilling.

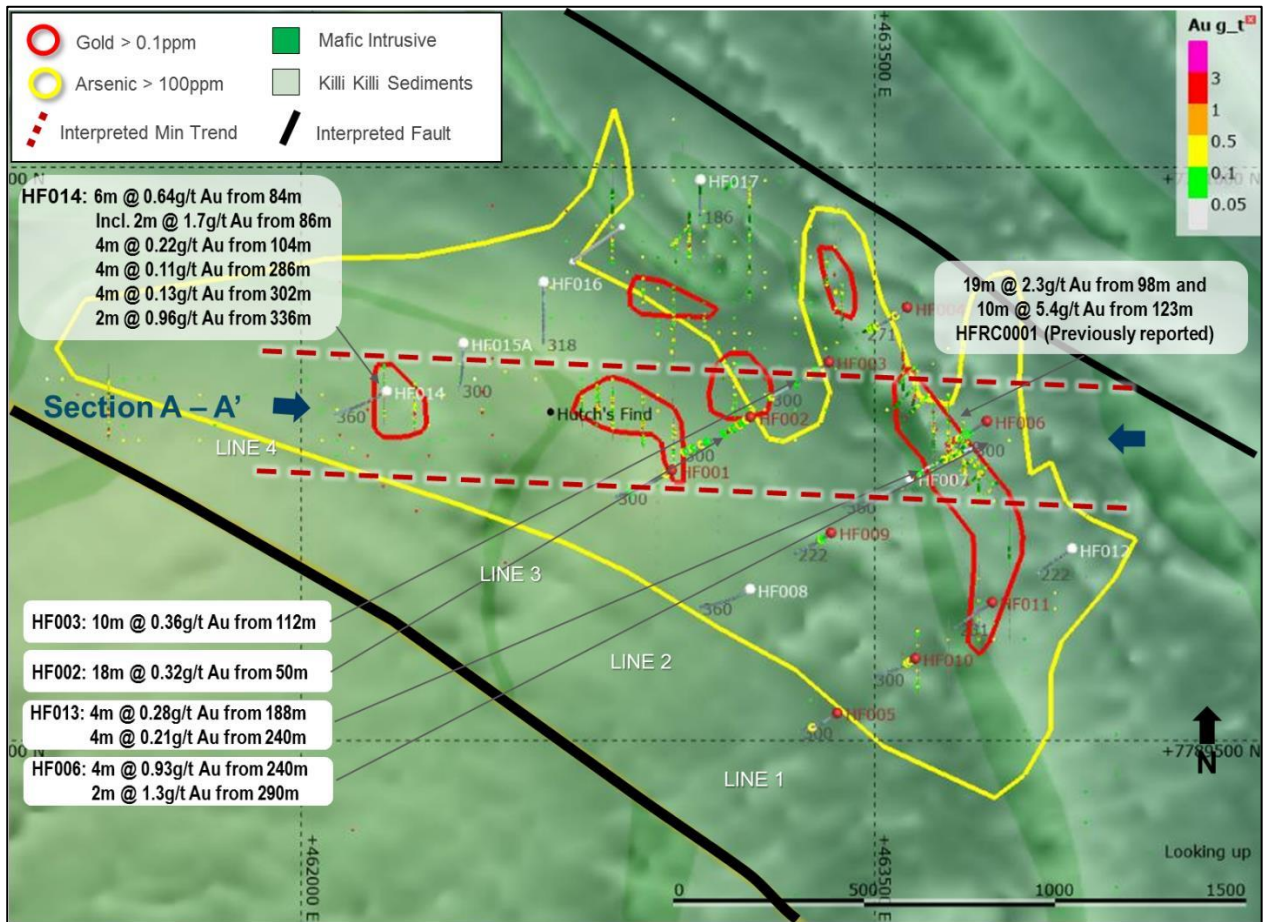


Figure 12 – Hutch's Find RC drill collar locations (refer ASX release 22 November 2019)

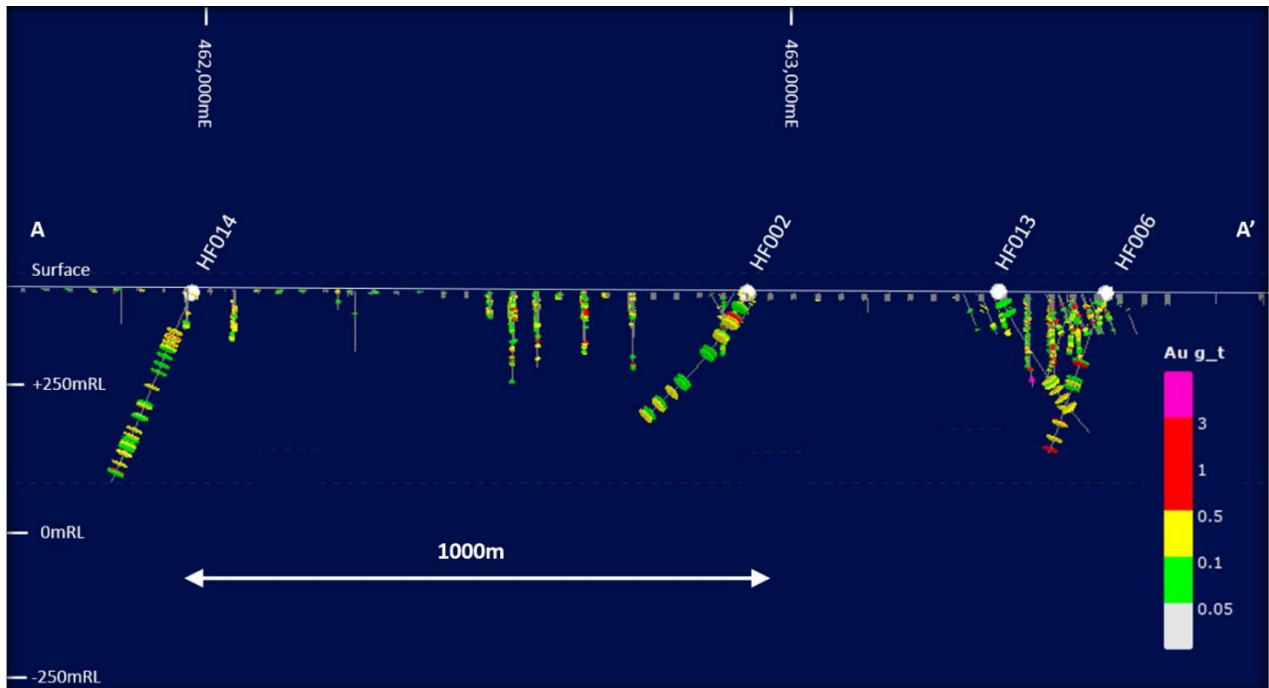


Figure 13 – Hutch’s Find long section A-A’

Upcoming Activity

- Interpretation of new geophysical datasets including the 18,400 line km magnetic survey completed in 2019
- Integration of existing geochemical datasets with 2019 drilling and geophysics to prioritise prospects for drilling in 2021
- Evaluation of new undercover geochemical methods developed and applied in the Paterson Province for possible application in the Tanami
- Preparations for field activities to commence in 2021
- Discussions with potential partners to escalate and accelerate belt scale gold exploration activity and rapid drill testing of identified targets

⁶ Refer to ASX Release 23 January 2020

⁷ Refer to ASX Release 3 May 2018

⁸ 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 (Figure 14).

IGO can sole fund \$15 million in exploration expenditure over a maximum of seven years to earn a 70% interest in Yeneena.

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

The regional MT survey work was followed by fine fraction soil surveys and a moving loop ground EM geophysical program to define drill targets.

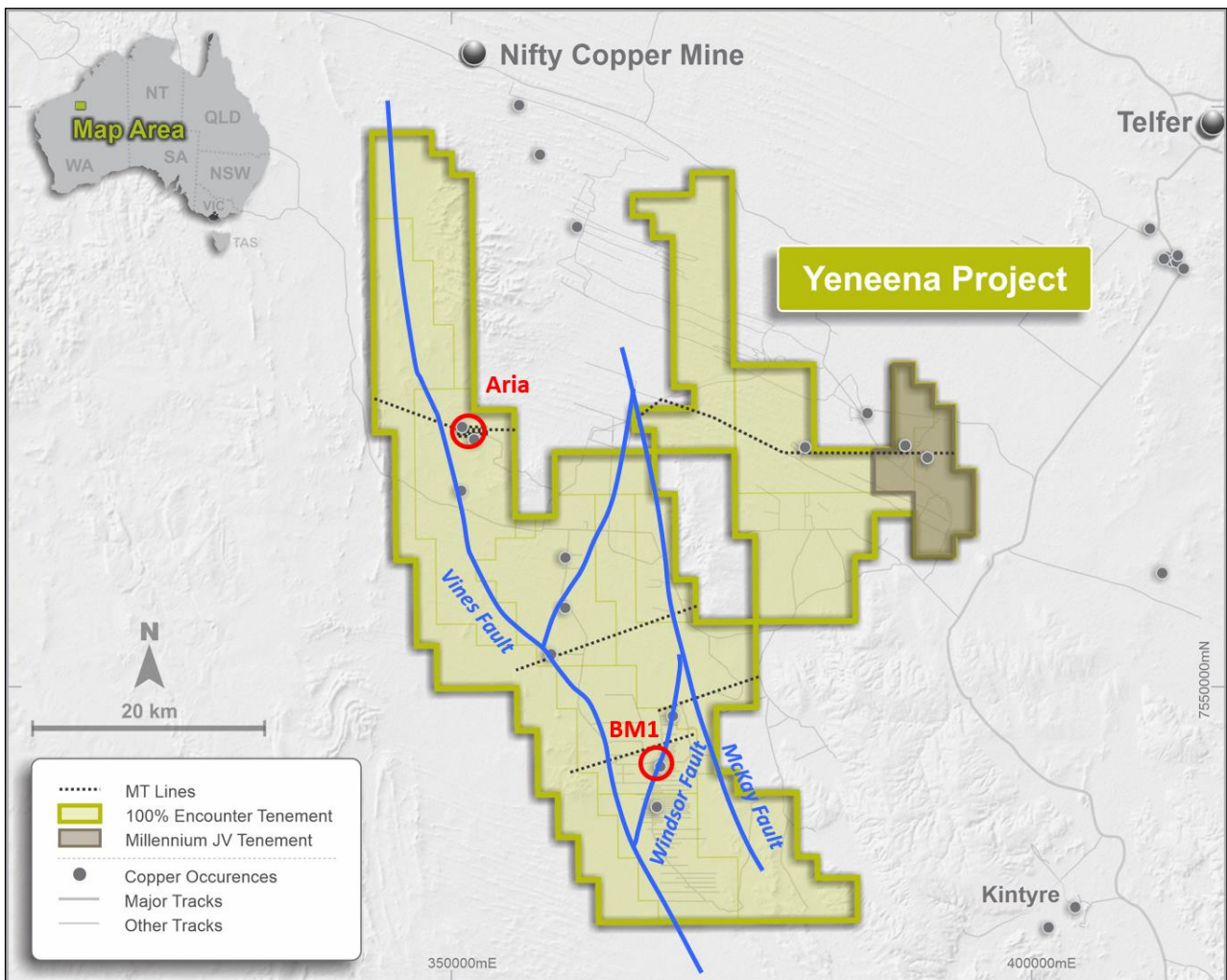


Figure 14. Yeneena - MT lines, key structures and leasing summary

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 combination of sampling methodology, analysis technique and interpretation of this data has provided a potential breakthrough that may be applied to vast areas of prospective geology under shallow cover in the Paterson region.

As a result of the learnings in the 2019 orientation surveys, an extensive fine fraction soil sampling program was completed at Yeneena. This included the collection of more than 3,700 surface fine fraction samples during June-July 2020.

Geochemical assays from the soil samples have been received and interpreted. High sensitivity multi-element data has enabled mapping and identification of base metal anomalies which range from subtle multi-element anomalies in sand, to stronger geochemical signals at first order structural locations.

Of particular interest are the Tarcunyah, Lookout Rocks, Fishhook and BM1 soil anomaly clusters, as well as the Yeneena MN1 and T4 anomalies. All have highly ranked copper-in-soil anomalies together with supporting pathfinder elements.

Additional fine fraction soil sampling (~1,500 samples) was completed during the December 2020 quarter with analysis of a significant number of these samples pending. Interpretation of the data and integration with existing datasets will be completed in the March 2021 quarter to prioritise targets for further exploration in 2021.

Tarcunyah Copper Prospect

Two diamond drill holes (610m) were completed at Tarcunyah during the December 2020 quarter. Tarcunyah is located on the regionally extensive Vines fault and contains a multi-point copper anomaly up to 774ppm Cu with pathfinder geochemical support (see Figure 15)⁹. Drill core from these holes has been transported to Perth for cutting, sampling and assaying. Assay results from these holes are expected in February 2021.

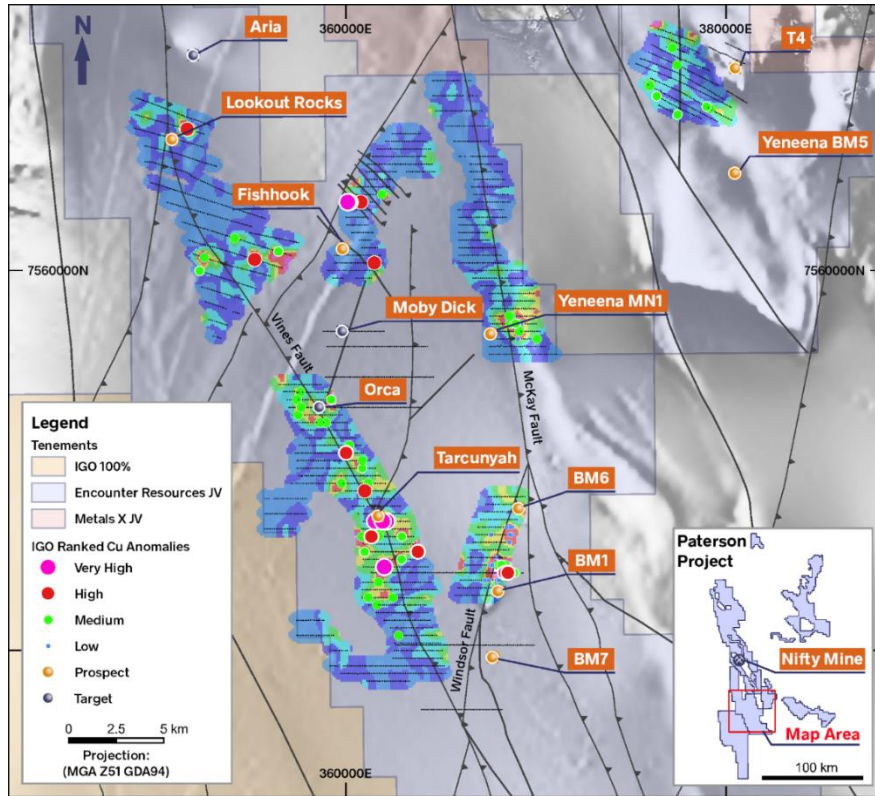


Figure 15. Yeneena Project – Levelled copper-in-soil heat map with follow up anomalies ranked in a tier ranking system, key structures and both ENR and IGO leasing summary

Moving Loop Ground EM Geophysical Program

A regional MT line 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 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 survey mapped conductivity anomalies to the west and east of the Windsor Fault that are interpreted to be within Broadhurst Formation. A high-powered ground moving loop EM survey was deployed to further define the two conceptually compelling targets (“Windsor Targets”).

The ground EM data has been received and an initial review has indicated it maps the Broadhurst Formation at depth to the west of the BM1 Cu oxide prospect (10m @ 6.8% Cu from 32m*, 20m @ 2.0% Cu from 22m* and 16m @ 3.2% Cu from 26m)¹⁰ (see Figure 16), correlating to the MT section.

Windsor Copper Prospects

Initial testing of the Windsor EM target located west of the BM1 copper oxide zone commenced in November 2020. The drill hole (EPT2310) was paused in December 2020 above the target, at a depth of 493m, as a result of challenging operational and ground conditions. The completion of drill hole EPT2310 is scheduled to commence in March 2021.

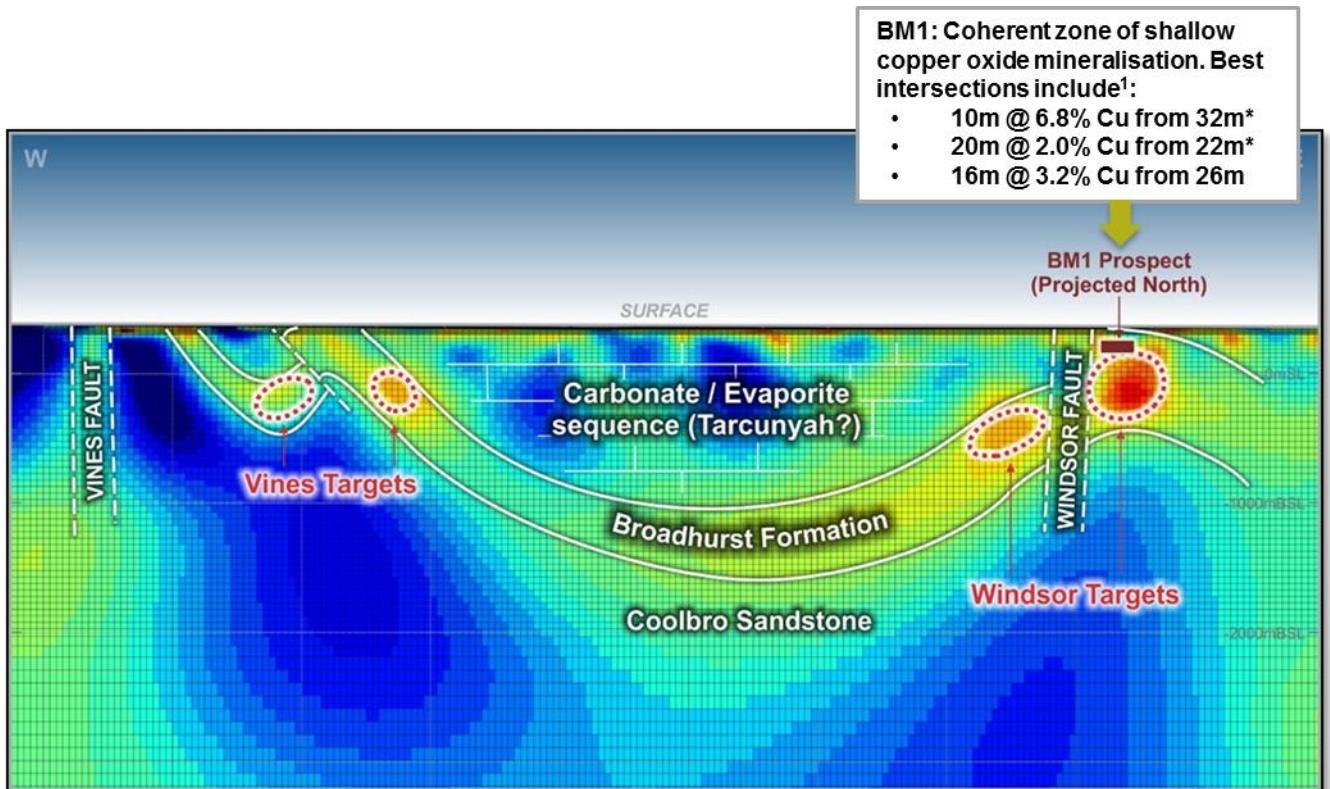


Figure 16. MT section – Vines Fault to BM1. Showing interpreted geology and the Vines and Windsor Targets

⁹ Refer ASX announcement 28 October 2020

¹⁰ Refer ASX announcement 15 July 2014

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

Aria IOCG Prospect

The Aria Prospect is a regionally significant, 1.5km long, oval-shaped magnetic anomaly located on a major crustal-scale fault. Localised copper mineralisation (~1% Cu) has been intersected in the two diamond holes drilled to date, but the partially coincident magnetic and gravity anomalies remain unexplained. The geology at Aria consists of a hematite-altered polymictic breccia of probable IOCG style, e.g. Carrapateena.

A detailed 3D audio-magnetotelluric (AMT) survey and inversion modelling over Aria was completed in 2019 in order to identify conductive zones that may be associated with accumulations of copper sulphide mineralisation. This modelling has highlighted a conductive feature within the interpreted breccia pipe. The closest previous drill hole is located 0.5km to the west of the target (see Figures 17, 18 & Photo 2).

A ground EM survey was completed at the Aria IOCG Prospect during the September 2020 quarter. Inversion modelling of the EM data has defined a steep conductive feature on the northern margin of the Aria breccia pipe that is untested by prior drilling. Further processing of the Aria geophysical data will be completed to assess and prioritise drill testing.

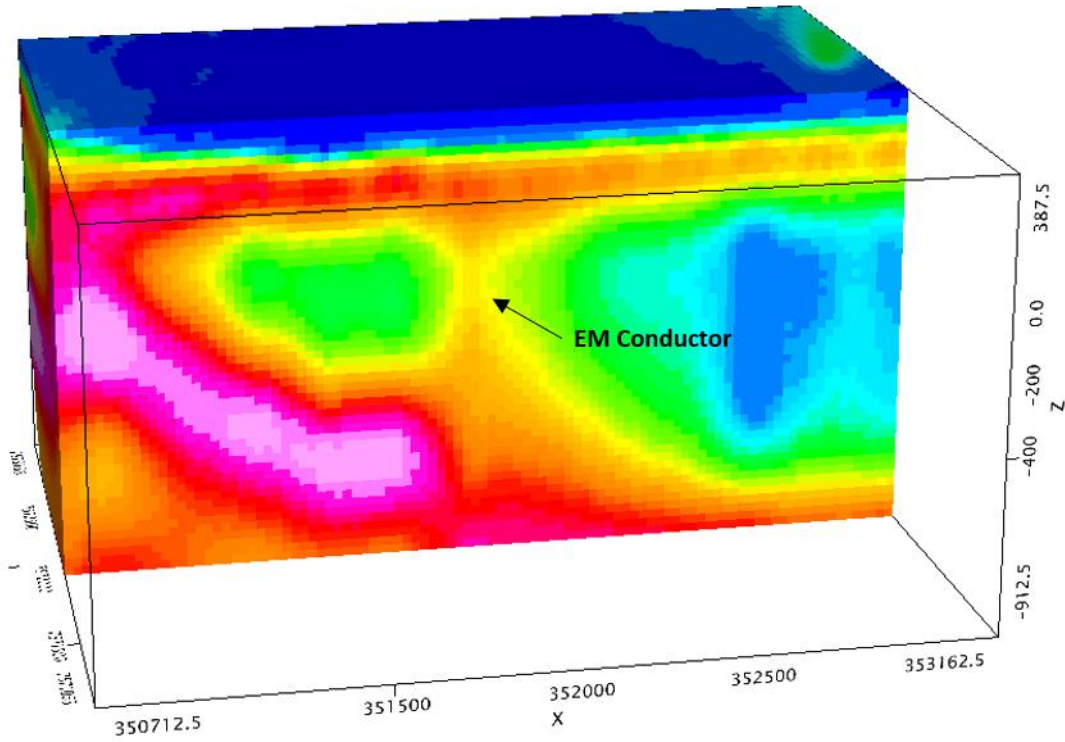


Figure 17. Ground EM conductivity Inversion Model over Aria

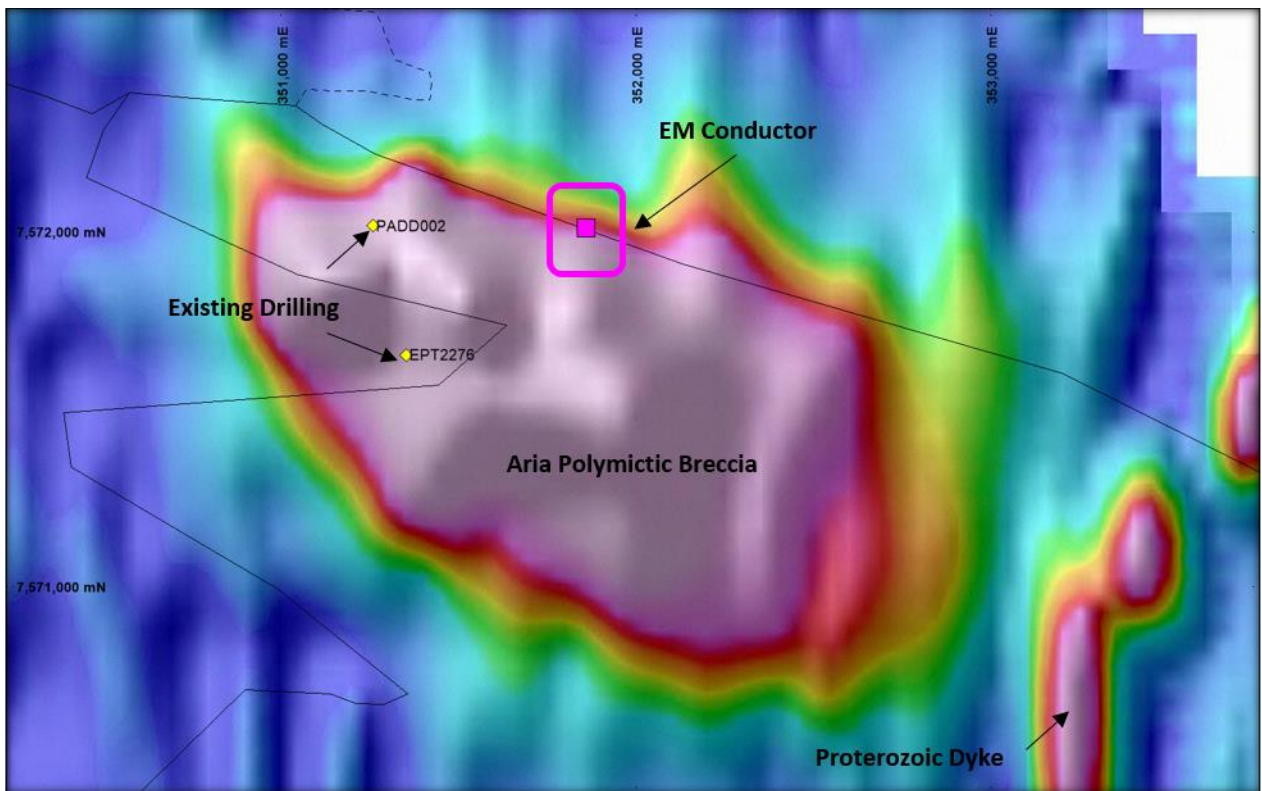


Figure 18. Aria magnetic anomaly with existing drilling and location of untested conductor



Photo 2. Polymictic breccia with vein hosted blebby chalcopyrite in EPT2276 at Aria

NORTHERN TERRITORY - COPPER

Background

New datasets provided by Geoscience Australia (“GA”), as part of the Federal Government’s Exploring for the Future Program, resulted in the application for new exploration licences comprising six copper projects in the Northern Territory (Figure 19).

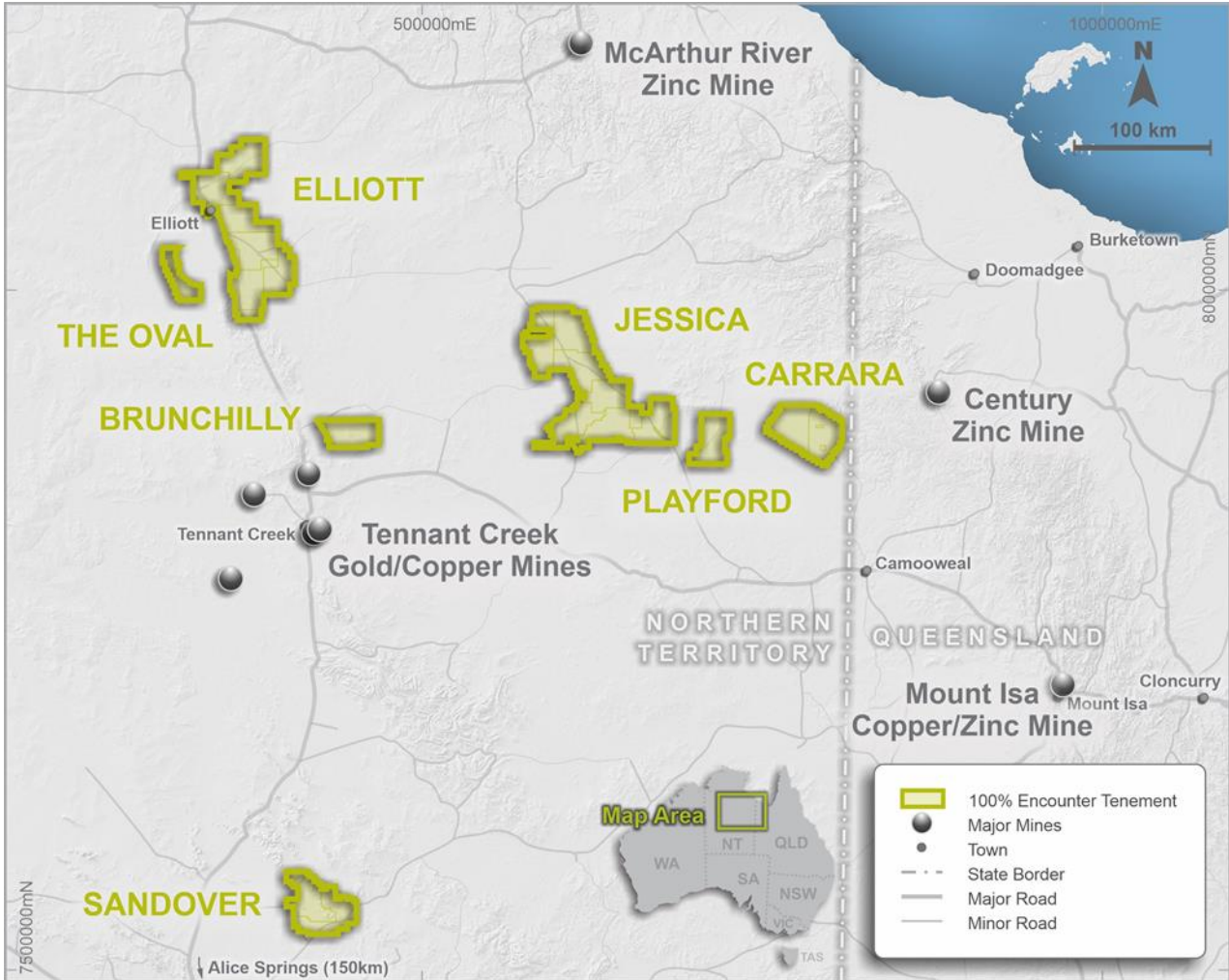


Figure 19 – NT Copper Project Location Plan

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

Elliott was the first project secured by Encounter in the Northern Territory. The project comprises seven tenements covering more than 4,500km². Four of the tenements covering over 3,000km² were granted in March 2020. The project is located on the Stuart Highway which runs along the western margin of the project.

Elliott is located at a major structural intersection on the southwestern margin of the Beetaloo Basin targeting sedimentary hosted copper. The Beetaloo Basin is part of the Greater McArthur Superbasin that hosts the giant sediment hosted base metal deposit at McArthur River. The basin contains thick, petroleum bearing, reduced sediments which is an ideal trap sequence and structural setting for major sediment hosted base metal deposits.

Historical exploration within adjacent properties has confirmed the presence of red beds and evaporites within the sedimentary sequence which is an important ingredient in sedimentary copper deposit models.

The project encompasses key conceptual criteria for the formation of sedimentary copper and the target sequence is undercover and untested.

New GA 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. This copper in groundwater anomaly is supported by a copper soil anomaly also collected by GA.

Elliott represents a compelling first mover copper opportunity in a high quality jurisdiction

In September 2020, Encounter entered into an Option Agreement 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 covering Elliott. A program of compilation, interpretation and modelling of the data packages at Elliott was completed during the quarter. Validation and integration of compiled datasets is ongoing.

Earn-in and Joint Venture Agreement Principles

Following the completion of a validation program, BHP has the right, but not the obligation, to enter an earn-in and joint venture agreement in relation to Elliott where the key terms would be:

- Staged earn-in where BHP has the right to earn up to 75% interest in Elliott by sole funding up to A\$22 million of exploration expenditure within 10 years;
- Upon BHP completing the earn-in, a 75:25 joint venture will be formed and the parties must contribute funds based on their percentage interest to maintain their respective interests or dilute according to a standard dilution formula. Should a party's interest dilute to below 10% it shall automatically convert to a net smelter royalty;
- During the earn-in phase, BHP has the right to be the Manager of the project.

Jessica Copper Project ("Jessica") – EL32273, ELA32317, ELA32338, ELA32339, ELA32386, ELA32387 and ELA32388 – 100% Encounter

Jessica was the second project secured by Encounter in the NT. Jessica covers approximately 5,500km² along key structural corridors east of Tennant Creek and is prospective for sedimentary-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 previous explorer Natural Resources Australia ("NRE") utilising handheld XRF machines. Areas of copper anomalism were selected by NRE for chemical analysis. Assay results from the interval 0-3m sample in RN28419 (No. 39 water bore) returned 1.5% copper (refer ASX release 19 August 2020). Visual inspection of this interval by Encounter geologists confirmed the presence of abundant copper carbonate in the form of malachite (Photo 3).

The first tenement at Jessica, which covers the RN28419 (No. 39 water bore), was granted in August 2020. Preparations have commenced for an aircore drill program, scheduled to commence in May 2021, to confirm the copper mineralisation identified in the water bore cuttings and determine the lateral extent of the near surface copper mineralisation.



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

Carrara Copper/Zinc Project (“Carrara”) – ELA32476 and ELA32477 – 100% Encounter

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 Super basin into the Carrara Sub-basin that extended 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 Super basin has been modelled closer to surface.

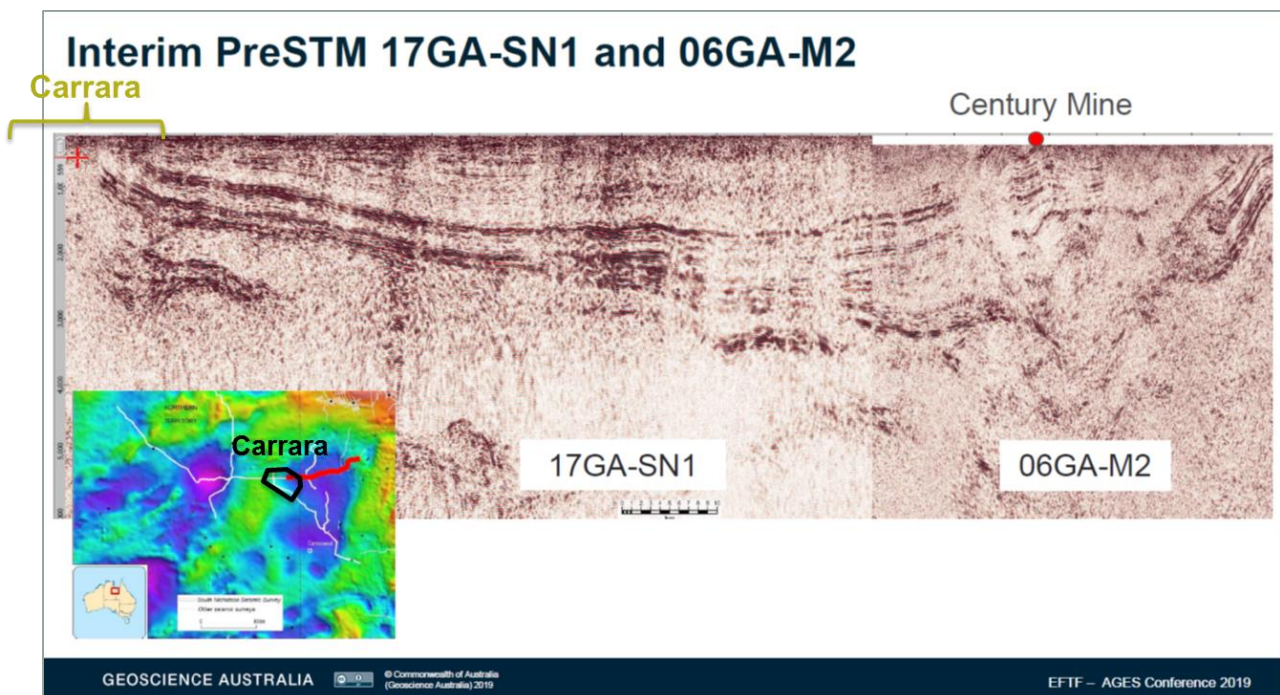


Figure 20 – South Nicholson Seismic Survey, a foundational dataset acquired as part of the GA Exploring for the Future Program (Geoscience Australia)

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

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. Exploration will focus on the down dip continuation of this horizon and identifying where this mineralised horizon extends under cover.

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

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 that are considered prospective for sedimentary-hosted base metals deposits.

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

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.

Next steps

A program of compilation, interpretation and modelling of the data packages at Elliott was completed during the quarter. Following completion of this program, BHP may elect to fund additional validation programs during 2021 prior to making a decision on whether to exercise its option and to enter into a earn-in and joint venture agreement.

Encounter will continue to progress access agreements and complete data validation at its 100% owned Jessica, Brunchilly, Carrara, Playford and Sandover projects. Consistent with our project generation business model, Encounter will consider opportunities to advance these projects through the next phase alone or in conjunction with an earn-in partner.

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 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. Costeans are planned along the defined trend to map this potential reef position and to assess potential drill sites.

YILGARN PROVINCE - GOLD

100% Encounter –E30/517, ELA30/527 and ELA38/3471-73

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 1,150km² 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 21). 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.

Preparations have commenced for an aircore drill program at Rani, scheduled for April/May 2020, to test geochemical targets defined in the fine fraction soil surveys.

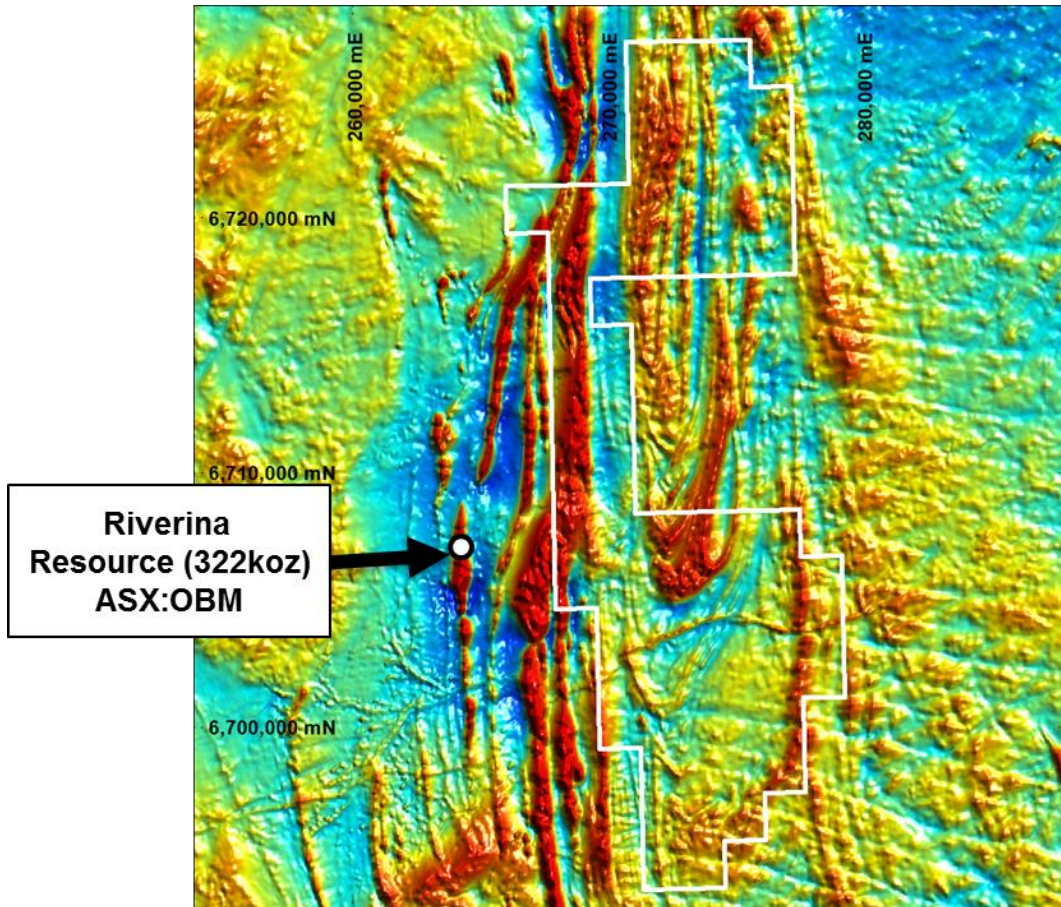


Figure 21 – Rani Gold Project Location Plan (TMI background) ¹¹

¹¹ Refer to Ora Banda Mining - Investor Presentation 21 October 2020

PATERSON PROVINCE – MILLENNIUM PROJECT

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

The Millennium 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.

The primary focus of exploration at Millennium in recent years has been on zinc. The copper exploration potential of the Millennium project is being reviewed taking into account the recent learnings in the Paterson Province.

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)

Additional drilling is planned at Millennium during the first half of 2021 to test for potential extensions to open zones of copper and zinc mineralisation intersected in prior drilling.

CORPORATE

Encounter held cash reserves of ~\$7.6 million at 31 December 2020 and a listed investment valued at ~\$0.75 million. The listed investment is ordinary shares in Hampton Hill Mining NL (ASX:HMM), valued at last traded price. The trading of HMM shares was suspended by the ASX on 18 February 2020.

In October 2020, a strongly supported share placement will raise a total of ~\$6.3 million (before costs). Directors participated for \$300,000. Funds will be used to fast-track 100% owned gold and copper exploration and accelerate project generation activities.

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 (\$47,000)

Included at section 6.2 - Comprises: Remuneration of directors (\$109,000)

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 \$1.615 million was incurred by the Company in respect of exploration activity for the quarter ended 31 December 2020, primarily on:
 - RC drilling and ground geochemistry at Lamil in the Paterson Province of WA
 - Diamond drilling at Aileron in the West Arunta
 - Diamond drilling, ground geochemistry and electromagnetic surveys 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 March 2021 quarter include:

Paterson Province Copper-Gold Project (100% ENR)

- 3,000m RC drill program to test high priority targets at the Dune prospect at Lamil with assay results expected in March 2021
- Preparations for EIS co-funded diamond drilling at the Dune, Elsa and Gap prospects at Lamil is scheduled to follow the current RC drill program.

West Tanami Gold Project (100% ENR)

- Interpretation of new geophysical datasets including the 18,400 line km magnetic survey completed in 2019
- Integration of existing geochemical datasets with 2019 drilling and geophysics to prioritise prospects for drilling in 2021
- Evaluation of new undercover geochemical methods developed and applied in the Paterson Province for possible application in the Tanami
- Preparations for field activities to commence in 2021
- Discussions with potential partners to escalate and accelerate belt scale gold exploration activity and rapid drill testing of identified targets

West Arunta Copper-Gold Project (50:50 Encounter-Newcrest JV)

- Following evaluation of the drill hole assay data, completion of petrography to establish the copper mineral species, evaluation of applicable gravity methods and further assessment of the amenability of surface geochemical sampling, future work programs for Aileron will be designed.

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

- Tarcunyah: Assay results from two diamond drill holes (610m) completed during the December 2021 quarter are expected in February 2021.
- Windsor EM target – The completion of drill hole EPT2310 is scheduled to re-commence in March 2021
- Aria IOCG target - processing of the Aria geophysical data will be completed to assess and prioritise drill testing

Northern Territory - Copper (100% ENR)

- A program of compilation, interpretation and modelling of the data packages at Elliott was completed and provided to BHP during the December 2020 quarter. Validation and integration of compiled datasets is ongoing.
- Encounter will continue to progress access agreements and complete data validation at its 100% owned Jessica, Brunchilly, Carrara, Playford and Sandover projects.

Yilgarn Gold (100% ENR)

- Preparations for an aircore drill program at Rani, scheduled for April/May 2020, will test geochemical targets defined in the fine fraction soil surveys.

TENEMENT INFORMATION (granted tenure)

Lease	Location	Project Name	Area km ²	Interest at start of quarter (01/10/2020)	Interest at end of quarter (31/12/2020)
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	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 – Newcrest JV	187.6	50%	50%
E80/5186	Tanami	Lewis	71.0	50%	100%
E80/5323	Tanami	Selby	30	50%	100%
E80/5469	Tanami	Aileron – Newcrest JV	534.3	50%	50%
E80/5470	Tanami	Aileron – Newcrest JV	613.9	50%	50%
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	Quarter ended ("current quarter")
47 109 815 796	31 December 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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	(99)	(143)
(e) administration and corporate costs	(160)	(275)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	13	68
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(243)	(347)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(4)	(10)
(d) exploration & evaluation	(1,615)	(2,439)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	70	2,205
	Other – exploration incentive grants	102	102
2.6	Net cash from / (used in) investing activities	(1,447)	(142)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	6,300	6,300
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	163	163
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(282)	(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	6,181

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,067	1,866
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(243)	(347)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,447)	(142)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,181	6,181
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	7,558	7,558

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	985	1,694
5.2	Call deposits	6,573	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)	7,558	3,067

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	77
6.2	Aggregate amount of payments to related parties and their associates included in item 2	181

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. 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 1. Net cash from / (used in) operating activities (item 1.9)	243
8.2 2. (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	1,615
8.3 3. Total relevant outgoings (item 8.1 + item 8.2)	1,858
8.4 4. Cash and cash equivalents at quarter end (item 4.6)	7,558
8.5 5. Unused finance facilities available at quarter end (item 7.5)	-
8.6 6. Total available funding (item 8.4 + item 8.5)	7,558
8.7 8. Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.1
<p><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> <div style="border: 1px solid black; padding: 10px; margin: 5px 0;"> <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> </div>	
8.8 9. If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: N/a</p>	

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

Answer: N/a

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

Answer: N/a

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

Compliance statement

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

Date: 29 January 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.