

Details of Proposed Demerger and IPO of Hamelin Gold Limited

- **Indicative timetable for Demerger, Initial Public Offer and ASX listing of Hamelin Gold Limited (Hamelin Gold) confirmed.**
- **Hamelin Gold holds a belt scale gold exploration project in the emerging and underexplored West Tanami region of WA.**
- **Notice of Meeting seeking Encounter shareholder approval to demerge Hamelin Gold by way of an in-specie distribution lodged with the ASX.**
- **Eligible Encounter shareholders to receive 1 Hamelin Gold Share for every 5.217 Encounter ordinary Shares held ¹.**
- **Hamelin Gold IPO Prospectus lodged with ASIC, seeking to raise up to \$12 million through the issue of 60 million Shares at an issue price of \$0.20 per Share, including a pro-rata priority offer of up to 25 million Shares at an issue price of \$0.20 to Eligible Encounter shareholders.**
- **Highly-credentialed Board of Directors comprising Will Robinson (Non-Executive Chair), Peter Bewick (Managing Director), Justin Osborne (Independent Non-Executive Director) and Philip Crutchfield (Non-Executive Director) appointed to lead Hamelin Gold.**
- **Euroz Hartleys Limited appointed as Lead Manager and Chieftain Securities Pty Ltd appointed Co-Manager to the IPO.**

Encounter Resources Limited (**ASX: ENR**) (**Encounter** or the **Company**) is pleased to confirm that it is proceeding with a proposed demerger and Initial Public Offer (**IPO**) of its wholly owned subsidiary Hamelin Gold Limited (**Hamelin Gold**), which holds the West Tanami Gold Project as announced on 30 July 2021.

Hamelin Gold is a gold exploration company which holds the West Tanami Project located in Western Australia. West Tanami is a belt scale gold project covering 2,277km² of a well-endowed, emerging gold province that remains significantly underexplored.

The tenement package represents one of the largest contiguous land holdings in the Granites Tanami Orogen containing the prospective Stubbins Formation, the time equivalent geological package that hosts Newmont's +14Moz Callie gold deposit ² across the border in the Northern Territory.

The majority of the historical exploration drilling at West Tanami has been in the form of very shallow drilling less than 10m deep which has not been an effective screening tool for bedrock mineralisation. Large areas of the project remain untested and underexplored but highly prospective for high grade orogenic gold deposits.

Despite a disjointed exploration history, West Tanami contains 100km of prospective strike spanning numerous prospects that contain open, high-grade gold intersections under shallow cover, significant kilometre scale underexplored geochemical anomalies and a suite of untested geophysical targets with supporting geochemistry.

Hamelin Gold intends to implement leading edge exploration programs to unlock the potential West Tanami. Hamelin Gold provides attractive leverage for investors to the systematic modern exploration of an exciting belt scale gold project in the Tier 1 mining jurisdiction of Western Australia.

Board and Management Team

A highly respected technical and commercial team has been assembled to deliver Hamelin's business strategy. This includes Peter Bewick as Managing Director. Peter has been Exploration Director at Encounter for 15 years and is a Non-Executive Director of Mincor Resources. Former Gold Road Resources Executive Director Justin Osborne has also joined the Board as a Non-Executive Director. Both Peter and Justin are highly experienced geologists with extensive greenfields and near mine gold exploration knowledge and proven track records in project generation and discovery success.

Rounding off the Hamelin Gold Board is Encounter's Managing Director Will Robinson as Non-Executive Chair and Philip Crutchfield as a Non-Executive Director. Philip is a highly respected barrister specialising in commercial law and formerly the Non-Executive Chair of financial services company Zip Co.

Demerger

Encounter is proposing, subject to shareholder approval as well as satisfactory ASX and other regulatory approvals and satisfactory confirmation from the ATO on demerger tax relief, to demerge Hamelin Gold (and accordingly, the West Tanami Project), by way of a capital reduction and in-specie distribution to eligible Encounter shareholders (**Demerger**).

The Notice of Meeting and short form prospectus, in connection with a shareholder meeting to be held on 22 October 2021 to approve the Demerger, have been lodged today with the ASX and ASIC.

Once implemented, the Demerger will result in the in-specie distribution of 60,000,000 fully-paid ordinary Shares in Hamelin Gold (**Hamelin Gold Shares**) (currently being 100% of the issued share capital of Hamelin Gold), to Eligible Encounter shareholders on a pro-rata basis.

Eligible Encounter shareholders will receive 1 Hamelin Gold Share for every 5.217¹ Encounter Shares held.

IPO

In conjunction with the proposed Demerger, Hamelin Gold intends to undertake an IPO and will make an application for admission to the Official List of the ASX. The IPO will be undertaken through the issue of a minimum of 50,000,000 Hamelin Gold Shares (**Minimum Subscription**) and a maximum of 60,000,000 Hamelin Gold Shares (**Maximum Subscription**) at an issue price of \$0.20 per share, to raise a minimum of \$10,000,000 and a maximum of \$12,000,000 (before costs) (**Offer**), including a pro rata priority offer to Eligible Encounter Shareholders of up to 25,000,000 Hamelin Gold Shares at an issue price of A\$0.20 (**Priority Offer**).

The Offer and Priority Offer are made in Hamelin Gold's Prospectus, which is available at www.hamelingold.com.au. Investors should consider Hamelin Gold's prospectus in deciding whether to subscribe for Hamelin Gold Shares and anyone who wants to acquire Hamelin Gold Shares will need to complete the application forms that accompany the Hamelin Gold Prospectus and consult their financial adviser as appropriate.

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

Indicative Timetable

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

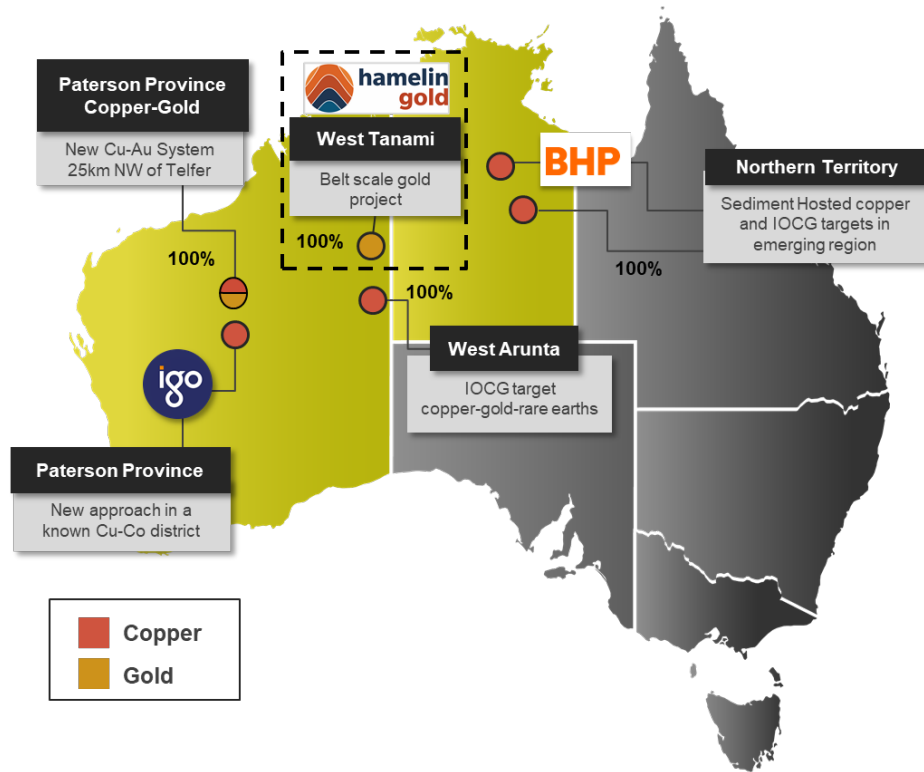
Event	Indicative Date
Encounter Notice of Meeting and Short Form Prospectus lodged with ASIC and ASX	Friday, 17 September 2021
Lodgement of Hamelin Gold Prospectus with ASIC	Friday, 17 September 2021
Priority Offer Record Date	Thursday, 23 September 2021
Opening Date of Offer	Monday, 27 September 2021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

Forward Looking Statement

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

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

² Refer to Newmont Tanami Operations AGES Paper 20 March 2018



About Encounter

Encounter is one of Australia's leading mineral exploration companies listed on the ASX. Encounter's primary focus is on discovering major gold and copper deposits in Australia. Encounter's assets include:

- A large project portfolio in the Paterson Province of WA where it is exploring for copper-gold deposits at its 100% owned Lamil Project and for copper-cobalt deposits at the Yeneena project with IGO Limited (ASX:IGO);
- A series of camp scale, first mover copper opportunities in the Northern Territory. This includes the Elliott copper project which is being advanced in partnership with BHP via a \$22m earn-in and joint venture;
- The Aileron IOCG project in the West Arunta region of WA; and
- An extensive land position in the West Tanami region covering over 100km of strike along a major prospective structural corridor in WA which Encounter intends to demerge into a new company, "Hamelin Gold Limited" and post demerger, Hamelin will seek to list on ASX.

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