

Hamelin Gold \$10m IPO prepares for early November ASX Listing

Encounter Resources Ltd (“Encounter”) is pleased to provide an update on the demerger and listing of its subsidiary, Hamelin Gold Limited (“HMG”), on the Australian Securities Exchange (“ASX”) by way of an initial public offering (“IPO”).

In-specie Distribution of Encounter Shareholders

Shareholder approval for the demerger by way of capital reduction and in-specie distribution of 100% of the HMG shares held by Encounter was received on 22 October 2021 (refer to ASX Announcement “Results of Meeting” lodged on 22 October 2021).

With shareholder approval, Encounter shareholders as at the In-specie Distribution Record Date on 28 October 2021, will receive an in-specie distribution of the 60,000,000 shares in HMG, which equates to 1 HMG share for every 5.279275 Encounter shares held (on the assumption that no further shares are issued by Encounter before the In-specie Distribution Record Date).

The transfer in-specie of the 60,000,000 HMG shares under the demerger will occur on 29 October 2021. Encounter has received a satisfactory draft class ruling from the Australian Taxation Office (“ATO”) in relation to the demerger tax relief (as outlined in the Notice of Meeting dated 17 September 2021). The final ATO ruling outlining the implications for certain shareholders as a result of the demerger, is expected to be finalised over coming weeks and shareholders will be advised in due course.

HMG Capital Raising

HMG lodged a prospectus with the Australian Securities & Investments Commission on 17 September 2021 (“Prospectus”). The offer under the Prospectus closed on 22 October 2021 raising the targeted \$10,000,000.

The 50,000,000 new HMG shares the subject of the IPO will be issued on 1 November 2021, with the capital raising in HMG being completed in conjunction with the planned listing of HMG.

ASX Conditional Admission Letter

HMG has received its conditional admission letter from ASX advising that ASX will admit HMG to the official list of ASX, subject to the satisfaction of certain conditions precedent. HMG is working with ASX to satisfy the remaining conditions with a targeted listing date of 4 November 2021.

Updated Appendix 3A.5

Encounter advises that the in-specie distribution of HMG shares to eligible Encounter shareholders will occur on 29 October 2021. An Appendix 3A.5 regarding the return of capital will be lodged with ASX following this announcement.

Following the return of capital, the exercise price of the existing 16,200,000 Encounter unlisted options on issue will be reduced by \$0.038 per option, being the effective capital reduction per Encounter share. The reduction to the exercise price of Encounter options is as follows:

Number of Options	Expiry Date	Original Exercise Price	Adjusted Exercise Price
750,000	24 November 2021	\$0.175	\$0.137
400,000	31 May 2022	\$0.10	\$0.062
2,900,000	30 November 2022	\$0.09	\$0.052
1,500,000	30 November 2023	\$0.12	\$0.082
5,050,000	26 November 2024	\$0.20	\$0.162
650,000	30 June 2024	\$0.22	\$0.182
1,500,000	30 October 2021	\$0.228	\$0.19
2,450,000	26 November 2024	\$0.26	\$0.222
1,000,000	30 April 2025	\$0.25	\$0.212

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

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