Quarterly Report

For period ended 31 December 2023

encounter RESOURCES LIMITED

31 January 2024

Exploring for the next copper and critical minerals discoveries

100% owned projects in Australia's most exciting copper & critical mineral provinces

Aileron Copper-Niobium-REE Project - West Arunta - WA (100% ENR)

- Four mineralised carbonatites identified in the 2023 Aileron reconnaissance drill programs
- Initial wide-spaced drilling at the Emily target intersected mineralisation within a depth extensive primary carbonatite and associated shallow, enriched niobium-REE mineralisation in two adjacent holes:
  - **EAL098** **12m @ 2.3% Nb_2O_5 & 0.85% TREO from 54m**
    part of 130m @ 0.7% Nb_2O_5 & 0.23% TREO from 50m to end of hole [1]
  - **EAL136** **32m @ 1.0% Nb_2O_5 & 0.25% TREO from 34m (drilled 400m east of EAL098)** [1]
- The identification of shallow, high-grade niobium-REE mineralisation at Emily has positive implications for similar nearby but larger geophysical features at Green and Joyce (new target)
- First pass drilling at Hurley identified another large, mineralised carbonatite, over 1km in strike
- A large program of aircore/RC drilling (~20,000m) and diamond drilling is planned for 2024 to include:
  - Detailed RC / aircore drilling at Emily, Green and Joyce
  - Further drilling at Crean and Hurley
  - First drilling at the large scale Mawson, Wordie and Perce gravity targets

Sandover Copper Project – NT (100% ENR)

- A diamond drill hole (669m) was completed in November 2023, co-funded by the NT Government, testing an interpreted structural position on the margin of the Sandover basin, assays are pending.

Major copper exploration drive funded through farm-ins with leading miners

Jessica and Carrara Copper-Zinc Projects – NT (South32 $15m & $10m farm-ins)

- Five diamond drill holes (4,402m) were completed at Jessica.
- First drilling at the Zeta prospect at Jessica intersected copper mineralisation in an IOCG setting. Geophysical techniques are being evaluated to vector into the best parts of the mineral system at Zeta. Assays remain pending for all drill holes completed at Jessica.
- Three diamond drill holes (2,803m) were completed at Carrara during October-November 2023 with assays pending for all drill holes.

Yeneena Copper Project – Paterson Province - WA (IGO $15m farm-in)

- Diamond and aircore drilling intersected encouraging copper and base metal anomalism at the BM5 and Lookout Rocks targets
- Integrated geological and geophysical modelling is in progress to understand the structural controls on this mineralisation and assess both its potential continuity and extension

ASX Code:	Cash (31/12/2023)	Market Cap. (30/1/2024)	Issued shares (31/12/2023)	Issued options (31/12/2023)
ENR	$7.5m	$105m	402m	19m

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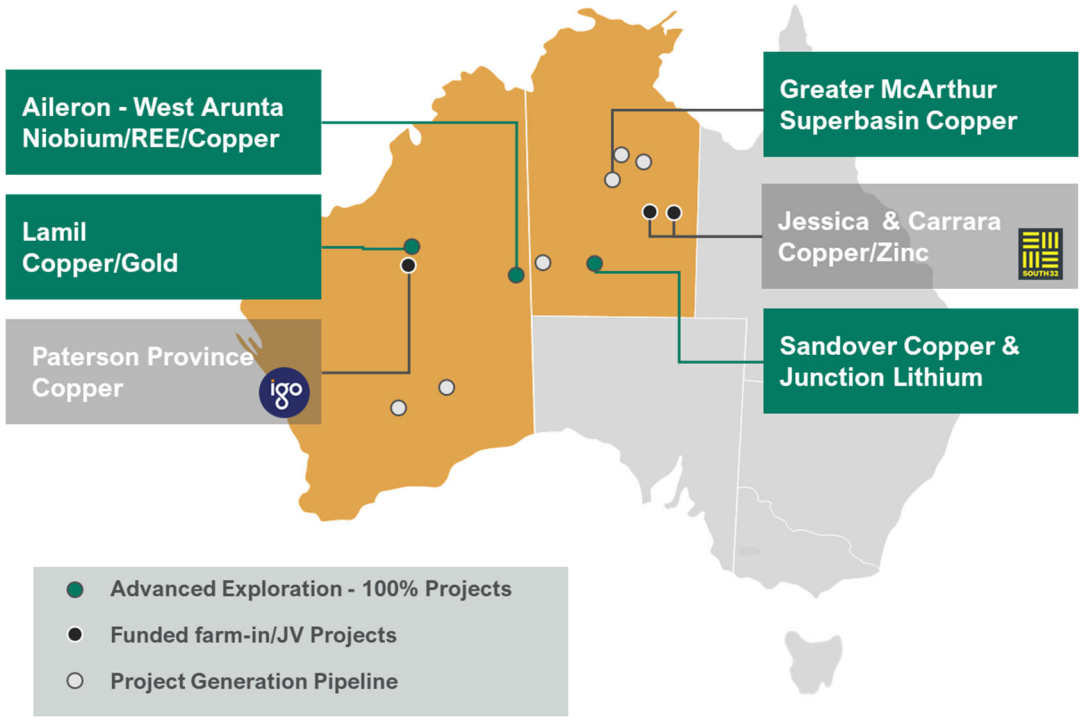
[1] ASX announcement 30 January 2024



100% owned projects in Australia's most exciting provinces

Aileron Copper-Niobium-REE Project – West Arunta, WA (100% ENR)

Background

The 100% owned Aileron project covers 1,765km^2 and is located in the West Arunta region of WA, ~600km west of Alice Springs. The West Arunta is an emerging critical minerals province with significant niobium and REE discoveries made during 2023. Encounter completed large gravity, magnetic and radiometric surveys at Aileron and has used these baseline datasets to define initial drill targets within the project. To date Encounter has completed first pass drilling in the western side of the project with the central and eastern parts of the +100km wide project still unexplored.

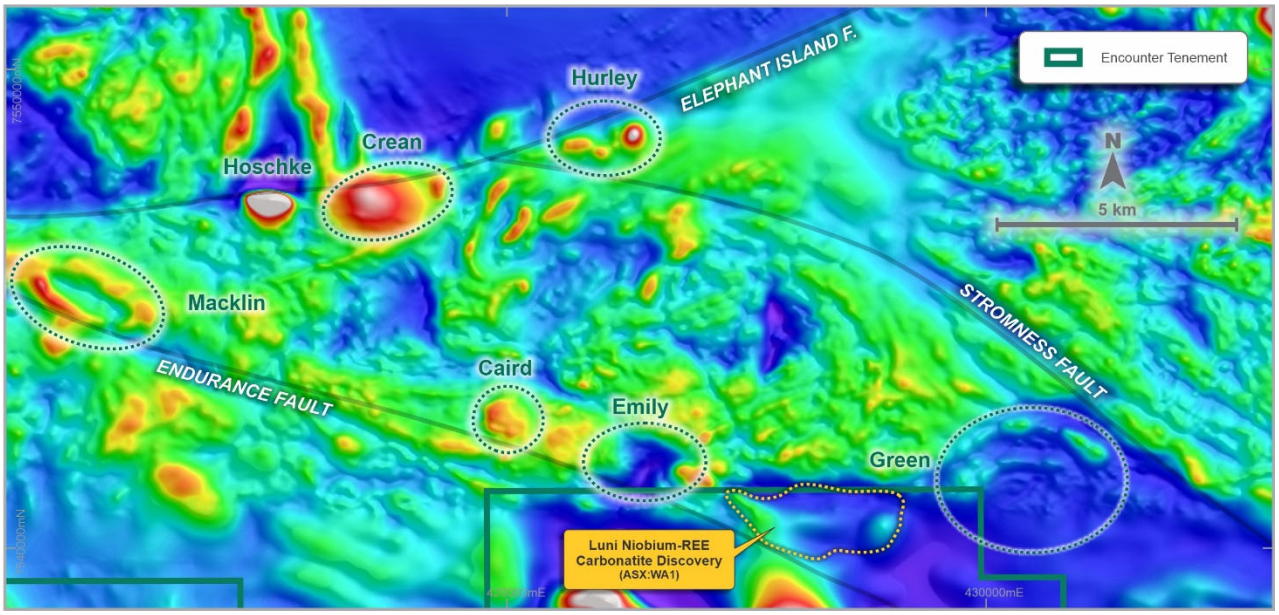


Figure 1 – Aileron targets over RTP magnetics with carbonatites now discovered at Green, Emily, Hurley and Crean / Hoschke

RC Drill Program

Emily Target

Fifteen widely spaced, reconnaissance RC holes were completed at the Emily target ("Emily") in October 2023. Emily is centred on a magnetic low on the Endurance Fault situated ~2km north-west of WA1 Resources' Luni discovery.

In this first phase of RC drilling at Emily, 10 of the 15 reconnaissance holes intersected carbonatite. The carbonatite at Emily is variably anomalous in niobium and REE with shallow, high-grade niobium-REE intersected in two adjacent holes 400m apart:

- **EAL098 12m @ 2.3% Nb_2O_5 & 0.85% TREO from 54m**
  part of 130m @ 0.7% Nb_2O_5 & 0.23% TREO from 50m to end of hole [1].
- **EAL136 32m @ 1.0% Nb_2O_5 & 0.25% TREO from 34m (drilled 400m east of EAL098)[1]**

A line of drillhole holes a further 400m to the east confirmed additional carbonatite and fenite alteration consistent with the margin of a primary carbonatite. Assays have returned zones of strong, shallow REE enrichment with lower niobium concentration to be further investigated including:

- **EAL058 14m @ 0.91% TREO & 0.05% Nb_2O_5 from 28m [1]**

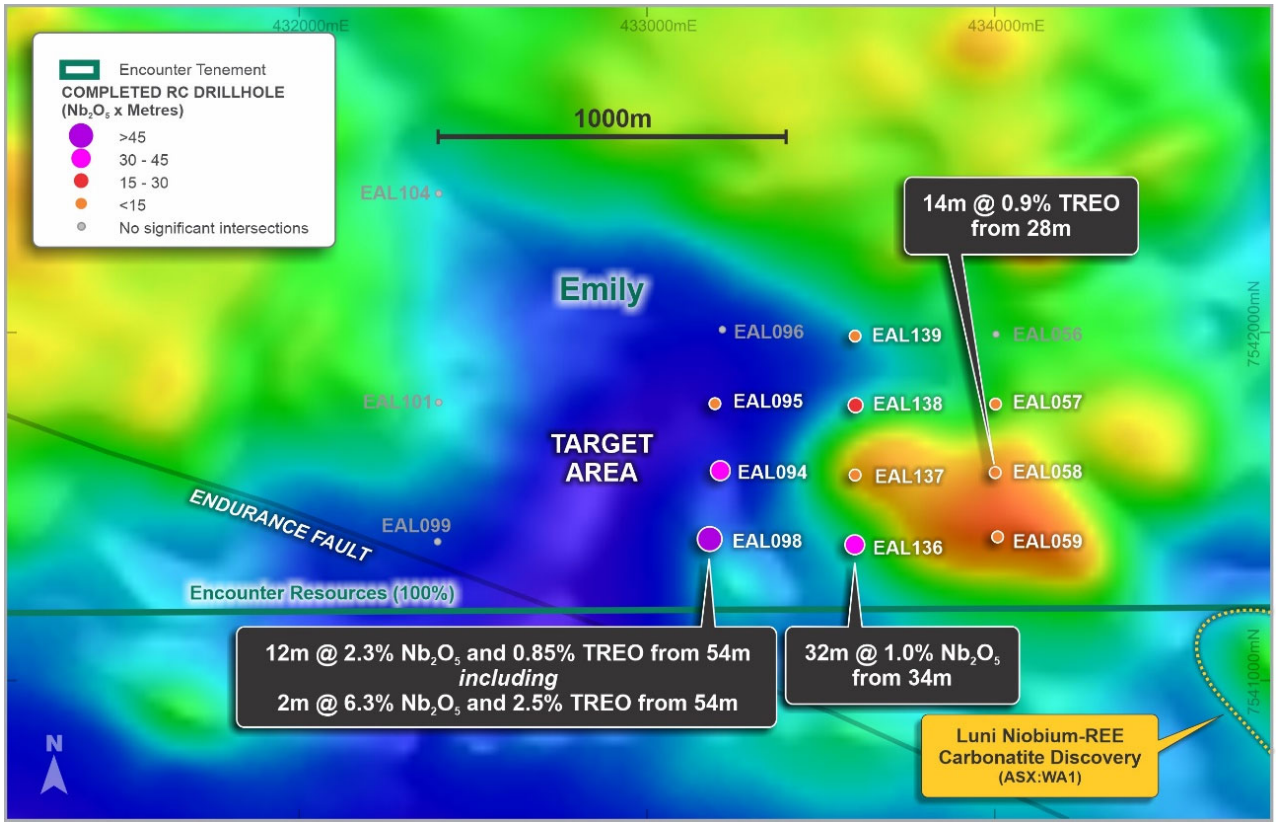


Figure 2 – Emily drill plan over RTP magnetics showing metre % Nb_2O_5 and target area for follow up drilling

The primary focus of the upcoming drilling at Emily will be on the central part of the distinct magnetic low (Figure 2). Reconnaissance drilling has indicated that this magnetic low may correlate with favourable lithology for shallow, niobium-REE enriched mineralisation which can preferentially weather more deeply. A more detailed drill pattern has a strong chance of intersecting further enriched, shallow oxide mineralisation as shown in Figure 3.

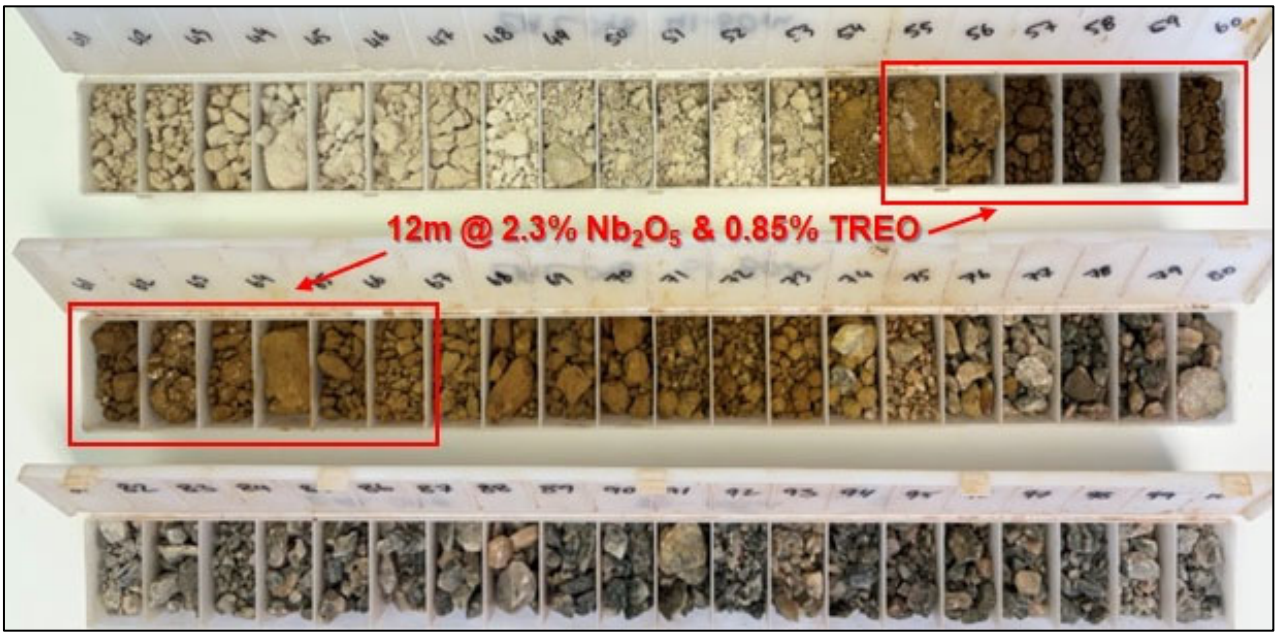


Figure 3 – EAL098 chip trays showing oxide intersection of 12m at 2.3% Nb_2O_5 and 0.85% TREO from 54m including 2m at 6.3% Nb_2O_5 and 2.5% TREO from 54m [1]

Niobium-REE mineralisation in drillhole EAL098 includes a shallow enriched zone and continues into primary niobium-REE mineralised carbonatite that extends to end of hole (180m). Drillholes EAL094 and EAL095, located due north of EAL098, also intersected primary mineralised carbonatite that extended to end of hole. Mineralisation in the drill line 400m east (including EAL136) is contained within a deeply weathered oxide zone which may represent a laterally extensive blanket.

The large, magnetically low, circular feature at Green and a new, magnetically low, regional target ("Joyce") identified further to the east, are priority targets for drilling in 2024 (Figure 4). Green and Joyce are located at the intersection of major regional structures and these circular, magnetic features are interpreted to represent potential large carbonatite intrusive complexes.

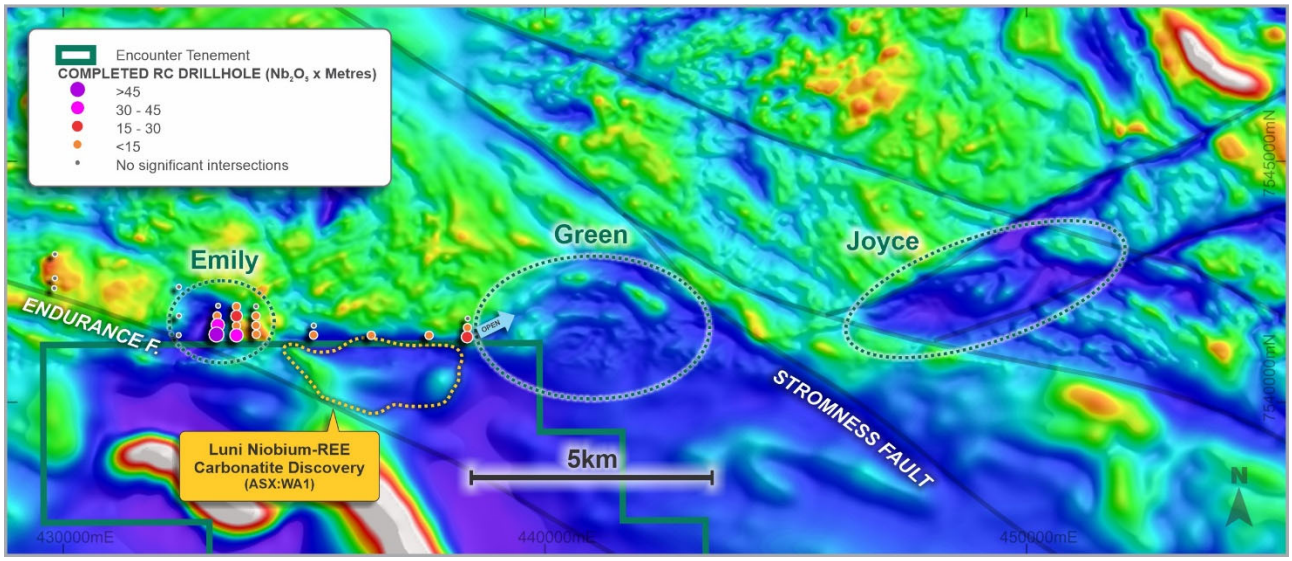


Figure 4 – Aileron RTP magnetics with targets Emily, Green and Joyce low magnetic, circular interpreted intrusive features at intersections of major regional structures

Green Target

Two holes (EAL082, EAL083) on the eastern most drill line at Green intersected carbonatites. Assays from these holes have established that the north-east structure extending from Luni is mineralised and this trend is open to the east. A detailed aeromagnetic survey highlighted a large circular feature to the east which is interpreted as a large intrusive complex (Figure 4).

Green's distinctive circular, intrusive like characteristics and its proximity to the high-grade Luni discovery, make it a priority drill target for 2024.

Hurley Target

The RC drilling at Hurley was designed to test an elongated gravity feature, coincident with a magnetic anomaly, situated on a major regional structure in the northern part of Aileron.

Nine effective RC holes were completed in the first pass drilling at Hurley with a further five holes terminated in transported cover. First pass drilling at Hurley intersected a depth extensive niobium-REE mineralised carbonatite over 1km in strike with intersections including:

- **24m @ 0.93% Nb_2O_5 & 0.24% TREO from 66m (EAL034)**
  part of 74m @ 0.53% Nb_2O_5 & 0.19% TREO from 64m [2]
- **28m @ 0.68 % Nb_2O_5 & 0.16% TREO from 210m (EAL115)**
  part of 165m @ 0.36% Nb_2O_5 & 0.15% TREO from 90m to end of hole [2]
- **72m @ 0.45% Nb_2O_5 & 0.14% TREO from 82m (EAL118) to end of hole [2]**

All the effective drill holes completed to date at Hurley, that penetrated the transported cover, have intersected the carbonatite. The niobium-REE mineralisation at Hurley appears to be stronger in the central and eastern drill lines where the system remains open to the north, south and east (Figure 5).

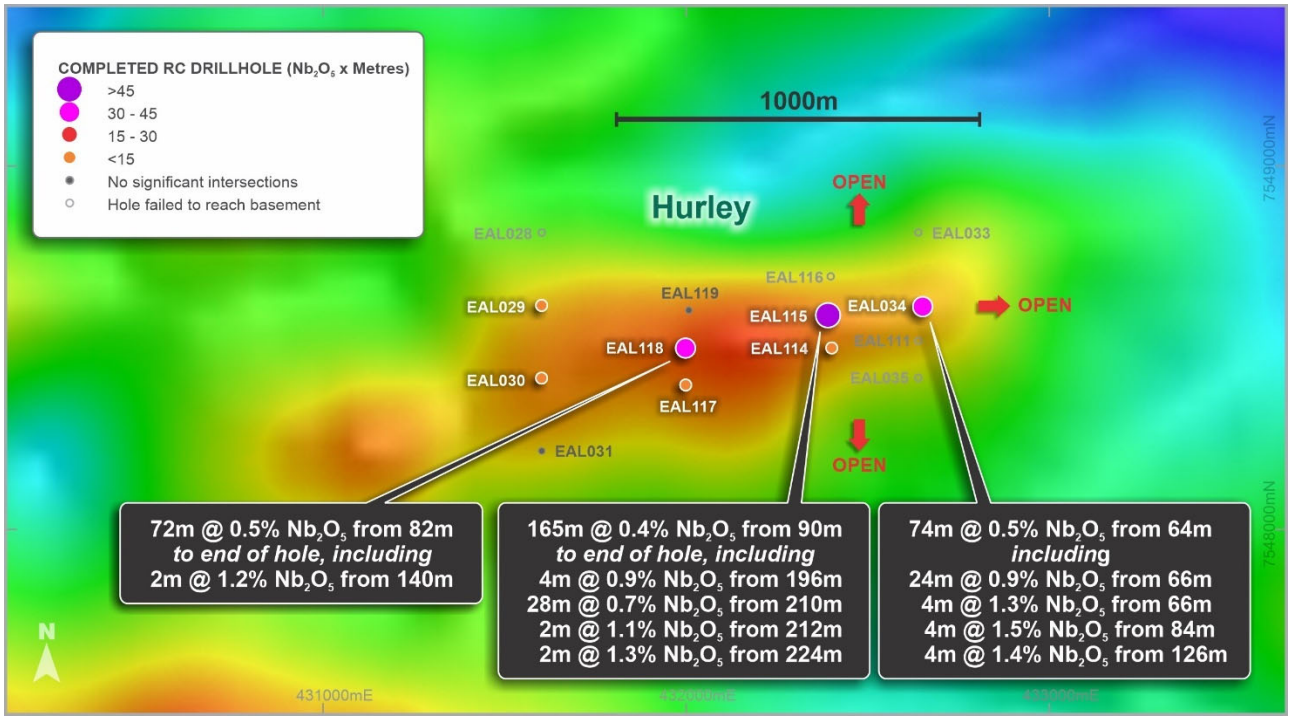


Figure 5 – Hurley drill plan over residual gravity

[2] ASX announcement 29 January 2024

Crean Target

The first diamond drillhole at Crean (EAL007) intersected a niobium-REE mineralised carbonatite:

19m @ 1.0% Nb_2O_5 & 0.2% TREO from 65m and
48m @ 1.0% Nb_2O_5 & 0.2% TREO from 181.5m (EAL007)
part of 282m @ 0.54% Nb_2O_5 & 0.17% TREO from 64m to end of hole [3]

RC drilling completed at Crean 200m north of EAL007 intersected mineralised carbonatite that extended to end of hole:

6m @ 1.10% Nb_2O_5 & 0.56% TREO from 72m and
2m @ 1.03% Nb_2O_5 & 0.11% TREO from 188m to end of hole (EAL018) [2]

RC hole EAL019B drilled 200m south of EAL007 also intersected mineralised carbonatite but with less consistent niobium-REE mineralisation. Drilling further south (EAL020) did not penetrate the transported cover sequence, hence the southern margin of the carbonatite is not yet defined (Figure 6).

A broad spaced east-west line of 3 RC holes, 400m spaced (EAL091, 92 and 93) was completed at Crean, between EAL007 and EAL008. EAL091 and EAL092 intersected fenite alteration that is seen on the margins of carbonatites. EAL093 (drilled 220m west of EAL007) drilled through fenite alteration and into mineralised carbonatite to end of hole.

Further drilling in 2024 will aim to define the margins and orientation of the large and depth extensive carbonatite identified at Crean and to locate additional near surface, enriched mineralisation.

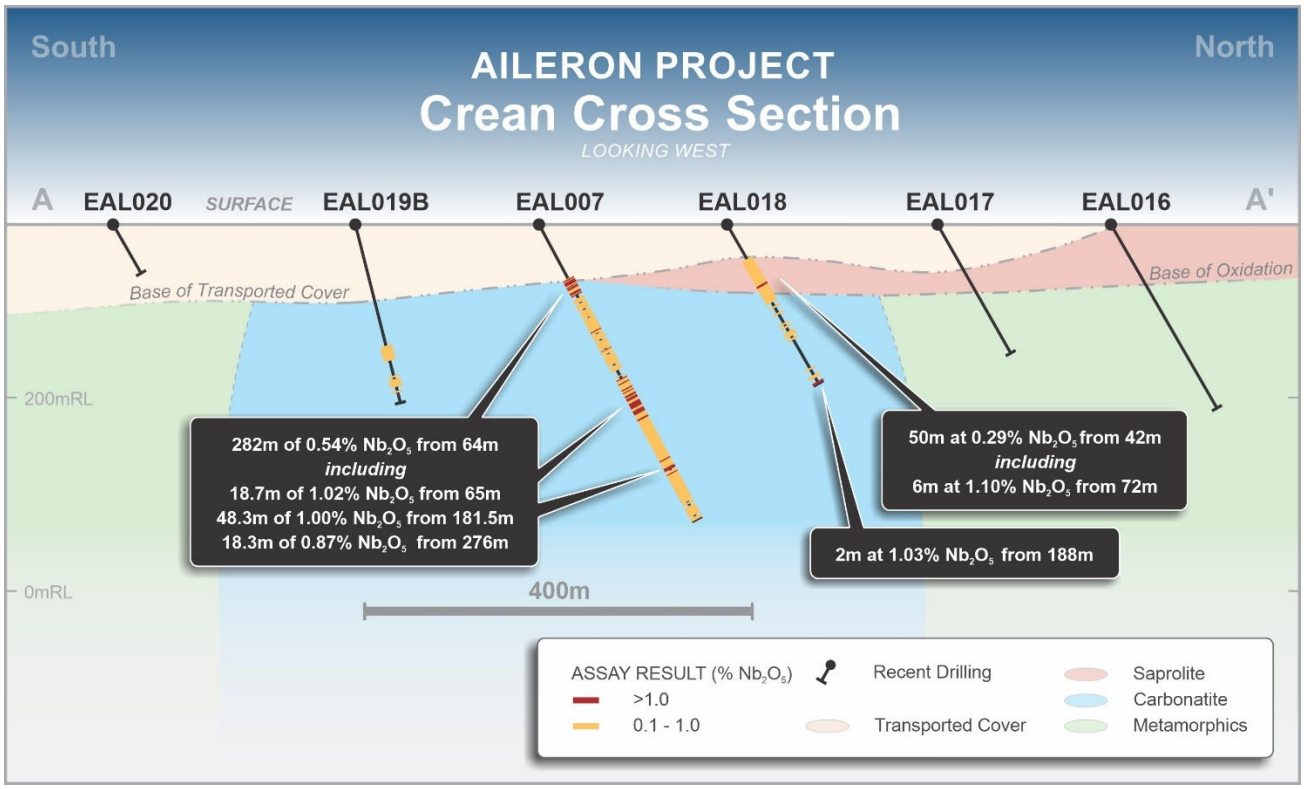


Figure 6 – Crean Cross Section showing large, depth extensive mineralised carbonatite [2]

[3] ASX announcement 6 September 2023

EIS Co-funded drilling grant

In May 2023 a project-wide Falcon airborne gravity survey defined significant anomalies in the eastern part of Aileron that have been prioritised for exploration (Figure 7) (ASX release 12 May 2023):

- Mawson and Perce are discrete, high amplitude (~6 mGal) anomalies that could outline alkaline/carbonatite intrusions or hematite alteration prospective for IOCG mineralisation.
- Wordie is a circular density feature about 6km in diameter with significant internal complexity. It is interpreted as a potential alkaline/carbonatite intrusive body.

In October 2023, Encounter was awarded a co-funded drilling grant of up to $220,000 under the WA Government's Exploration Incentive Scheme ("EIS") to test these targets.

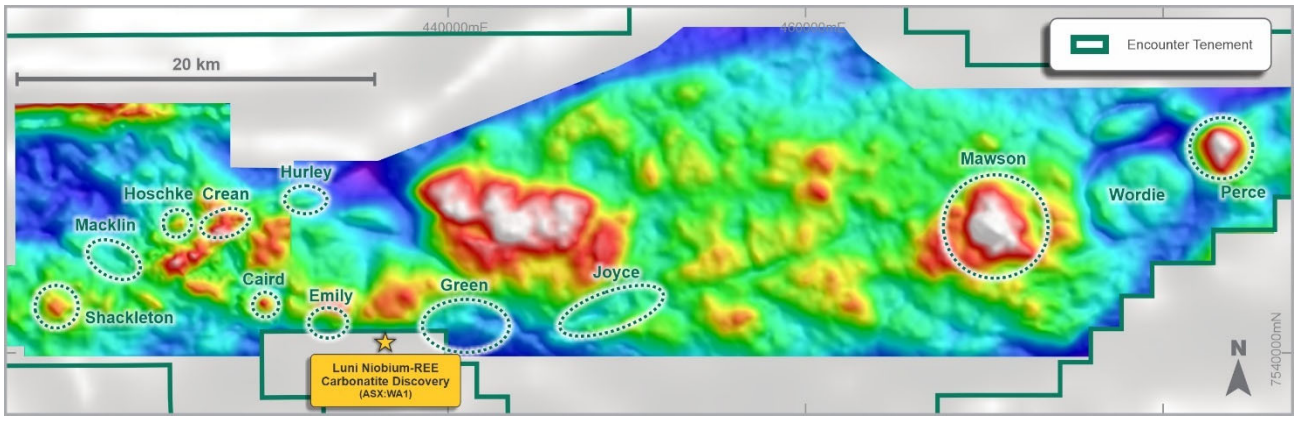


Figure 7 – Aileron Falcon gravity survey has highlighted numerous high priority targets

Next Steps

- Additional heritage surveys are planned for early in 2024 to facilitate detailed aircore/RC drilling at Emily, Green and Joyce.
- Systematic drill testing the approximate 1x1km area of the magnetic low at Emily is planned for May-June 2024.
- Further RC and diamond drilling to determine the scale and orientation of the Hurley carbonatite, identify the extent of the better zones of mineralisation within the carbonatite and locate possible associated near surface, enriched mineralisation.
- Further drilling will be completed at Crean in 2024 with the aim of identifying further zones of high grade +1% Nb_2O_5 primary niobium-REE mineralisation and also test for zones of adjacent near surface, enriched mineralisation.
- An initial metallurgical assessment of the large body of mineralisation at Crean has commenced with a mineralogical characterisation report from EAL007 expected in February 2024.
- Evaluation of soil geochemical sampling techniques and results from the program completed in September 2023
- EIS co-funded program to complete the first drilling at the large scale Mawson, Wordie and Perce gravity targets located in the easternmost portion of the Aileron Project

Sandover Copper Project – NT (100% ENR)

Background

Sandover is located 170km north of Alice Springs and covers a major structural corridor on the southern margin of the Georgina Basin.

Field mapping and surface sampling has confirmed the presence of an outcropping red-bed sandstone sequence with multiple narrow but strike extensive grey shale units containing copper oxide mineralisation (malachite). [4]

Inspection of historical drill holes (drilled in 1968, 1971 and 1994) confirmed key geological units and processes to enable the formation of sediment hosted copper deposits. Significantly, narrow zones of copper sulphide minerals, including bornite, have been identified in historical drill core. [4] This provides encouraging evidence that processes capable of forming high-grade copper mineralisation are present in the basin.

An NTGS co-funded gravity survey was completed at Sandover in 2022. This survey covered the western part of the large sub-basin identified at Sandover.

In November 2023, Encounter completed diamond drillhole ESA001 at Sandover testing an interpreted structural position in the north-west of the Sandover basin. Drilling was co-funded, up to $200 000, by the Northern Territory government via the Resourcing the Territory initiative.

The drillhole reached a depth of 669m and intersected interpreted Phanerozoic cover prior to a thick interval of interpreted Neoproterozoic sediments. Drilling intersected granitic basement where a narrow zone of hydrothermal alteration was identified at the interface with the sediments. Assay results are expected in March-April 2024.

[4] ASX announcement 9 June 2022

Elliott Copper Project – NT

The Elliott copper project (”Elliott”) covers more than 7,200km^2 and is located at a major structural intersection on the southwestern margin of the Beetaloo Basin which is part of the Greater McArthur Superbasin that hosts a giant sediment-hosted base metal deposit at McArthur River. The project encompasses key conceptual criteria for the formation of sediment-hosted copper and the target sequence is undercover and untested.

A two hole diamond drill program was completed in November 2022 (1,655m). In drillhole ELT001, the middle and lower members of Velkerri Formation (within the Roper Group) were identified containing multiple zones of organic and pyritic rich black shales. Importantly, from 516m to 538m an anomalously organic and pyrite rich shale was intersected that is interpreted as the Amungee Member of the Velkerri Formation.

The information generated through the initial diamond drilling at Elliott has improved the understanding of basin architecture and will assist the design of future exploration at Elliott and at the 100% owned Dunmarra, Maryfield and Broadmere projects in the Beetaloo basin.

During the December 2023 quarter BHP advised of its decision to withdraw from the Elliott Farm-in and Joint Venture Agreement. Accordingly, Encounter has regained 100% control and BHP holds no residual interest in Elliott.

Next Steps

Encounter will evaluate the new data generated under the farm-in agreement to prioritise the next phase of exploration at Elliott, as well as at Encounter’s other 100% owned projects located at key structural locations in vastly underexplored Greater McArthur Superbasin.

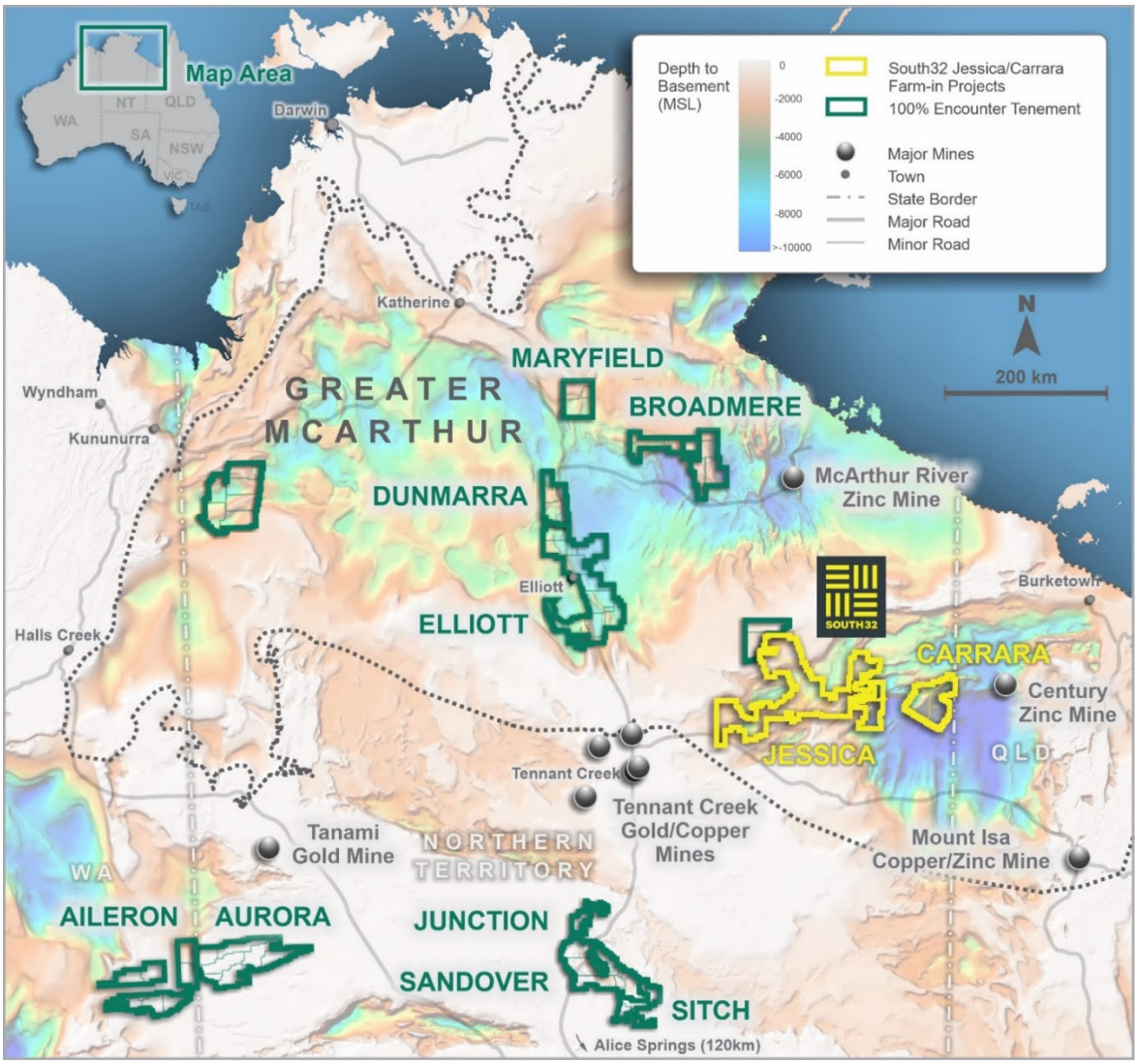


Figure 9 – Encounter copper and lithium projects in the Northern Territory – Project Location Plan

Major copper exploration drive funded through farm-ins

Jessica Copper Project – NT (South32 $15m Farm-in)

Jessica is being explored in partnership with South32 under a Farm-In Agreement. Together with South32, reprocessing of seismic data that extends through Jessica was completed by HiSeis, to provide greater detail of the geology and structure in the upper 1,000m.

Seismic reprocessing and gravity surveys have identified a series of targets for drill testing including the Zeta IOCG target ("Zeta"). Five diamond drill holes (4,402m) were completed at Jessica in 2023.

The first two drill holes completed at Zeta, drilled 1.3km apart, intersected several key IOCG indicators including (ASX release 27 September 2023):

- Chalcopyrite/bornite in thin quartz-carbonate veins;
- Intense and pervasive red rock hematite alteration; and
- Bimodal felsic volcanic-basalt sequences (indicating a major, long lived structure)

Geophysical techniques are being evaluated to vector into the best parts of the mineral system at Zeta. Assays remain pending for all drill holes completed at Jessica.

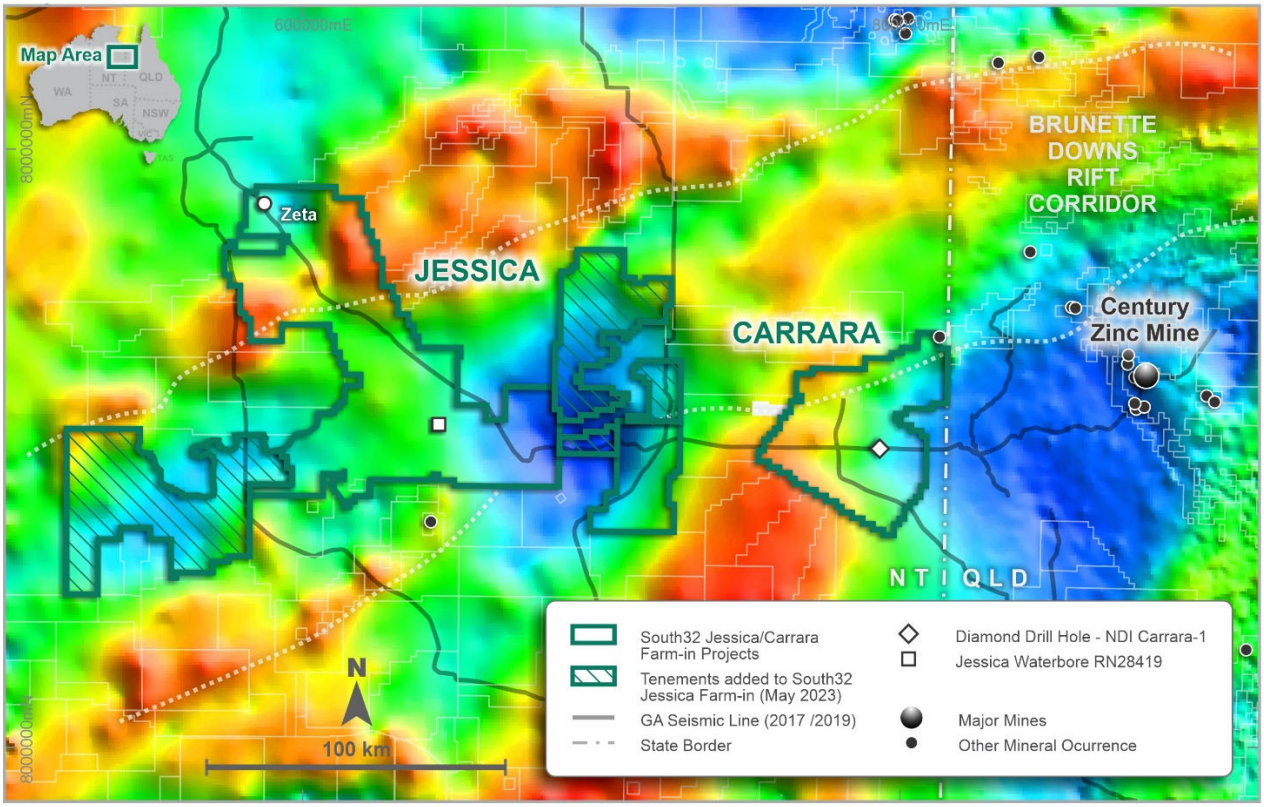
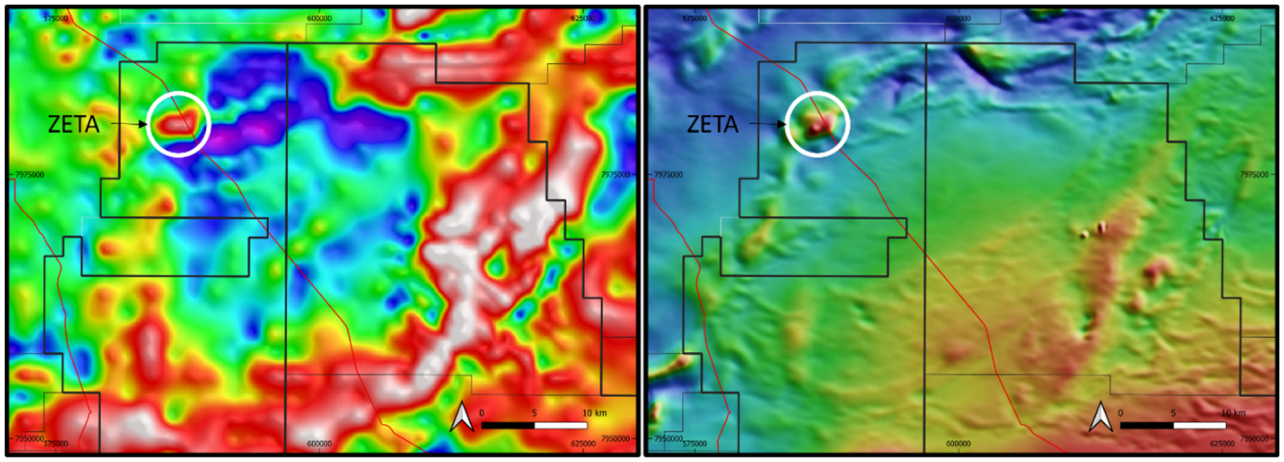


Figure 10 – Jessica and Carrara project location plan over Bouguer gravity



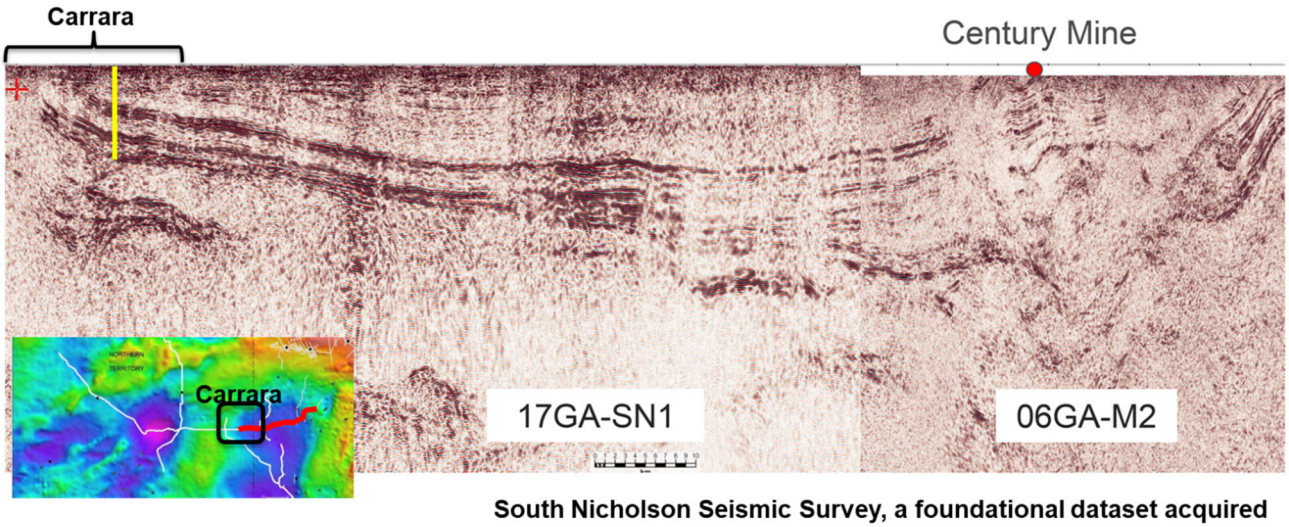
Figures 11 & 12 – Jessica Project – Zeta IOCG target. Gravity (1VD) (left) and Magnetics (RTP) (right), location of GA seismic lines shown in red

Carrara Copper-Zinc Project - (South32 $10m Farm-in)

Carrara is located at an interpreted structural offset of the western margin of the Carrara Sub-basin where the prospective Isa Superbasin units are modelled closer to surface.

The Century Zinc Mine is located on the eastern margin of the Carrara Sub-basin, and there is a clear correlation of the Century Zinc Mine stratigraphy across the basin in the Geoscience Australia seismic data and from drill hole (NDI Carrara-1) that was completed as part of the National Drilling Initiative in 2020 (Figure 13).

Three diamond drill holes (2,803m) were completed at Carrara during October-November 2023. Assays remain pending for all drill holes.



South Nicholson Seismic Survey, a foundational dataset acquired as part of the GA Exploring for the Future Program (AGES 2019)

Figure 13 – Carrara Project - South Nicholson Seismic Survey and approx. location of NDI Carrara-1 stratigraphic hole (yellow)

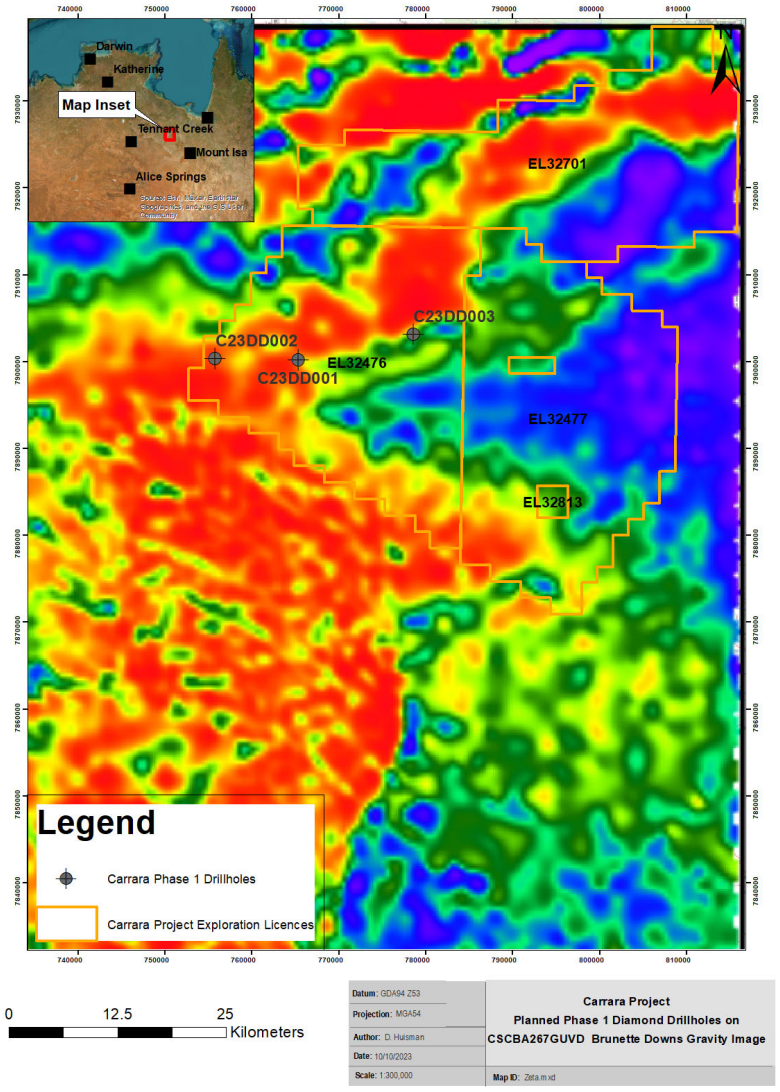


Figure 14 – Carrara gravity image with planned drillhole locations.

Yeneena Copper Project – Paterson Province WA (IGO $15m Farm-in)

Yeneena comprises a major land position covering >1,450km^2 in the highly prospective Paterson Province, targeting copper-cobalt mineralisation. IGO can sole fund $15m in exploration expenditure over a maximum of seven years to earn a 70% interest in Yeneena.

Exploration at Yeneena is focused on discovering high-value sediment-hosted copper deposits. The strategy implemented by IGO involves the collection of belt-scale, high-quality primary datasets, with cutting-edge techniques used to acquire geological, geochemical and geophysical data. All data is integrated and interpreted into 3D belt-scale and supporting camp-scale models.

At BM5, reconnaissance aircore drilling at 400m-spaced intervals completed in 2023 returned anomalous copper and base metal values. The anomalous assays occur at the weathering interface, are inferred to be derived from nearby primary mineralisation and are located more than 500m from historical drilling at BM5. Further drilling to locate and characterise the primary mineralisation is planned by IGO.

At Lookout Rocks, two diamond holes contained several narrow zones of copper and/or base metal anomalism hosted by strongly brecciated rocks at the contact between reduced carbonaceous shale and oxidised sandstone. These holes are >2km to the north-west of previously discovered copper mineralisation in a comparable “first reductant” setting [5], with no drilling having taken place between these sites. Integrated geological and geophysical modelling is in progress to understand the structural controls on this mineralisation and assess both its potential continuity and extension.

[5] Refer ASX announcement 28 July 2016

Corporate

Encounter held cash of ~$7.5m at 31 December 2023.

During the quarter the Company issued a total of 1,000,000 unlisted options to employees pursuant to the terms and conditions of the Company's Employee Share and Option Plan, and 660,000 incentive options to directors following shareholder approval at the Company's 2023 annual general meeting.

The Company issued a total of 6,725,000 shares on the exercise of unlisted options during the quarter.

On 24 November 2023 Mr Paul Chapman retired as Chairman and non-executive director of the Company, following which Mr Will Robinson was appointed as Executive Chairman.

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 ($81,000)

Included at section 6.2 - Comprises: Remuneration of directors ($67,000)

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 $2.5 million was incurred by the Company in respect of exploration activity for the quarter ended 31 December 2023, primarily on:
  - Exploration activities at Aileron copper-niobium-REE project in Western Australia
  - Copper exploration in the Northern Territory
- 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 2024 quarter include:

Aileron Copper-Niobium-REE Project - West Arunta - WA (100% ENR)

- Additional heritage surveys to facilitate detailed aircore/RC drilling at Emily, Green and Joyce.
- Systematic drill testing the approximate 1x1km area of the magnetic low at Emily is planned for May-June 2024.
- An initial metallurgical assessment of the large body of mineralisation at Crean has commenced with a mineralogical characterisation report from EAL007
- Evaluation of soil geochemical sampling techniques and results
- Preparations for the EIS co-funded diamond program at the large scale Mawson, Wordie and Perce gravity targets that is scheduled to commence March-April 2024

Sandover Copper Project – NT – (100% ENR)

- First assays from the targeted stratigraphic diamond drill hole completed in November 2023

Jessica Copper Carrara Copper-Zinc Projects – NT – (South32 farm-ins)

- Evaluation of geophysical techniques to vector into the best parts of the mineral system at Zeta
- First assays from Jessica expected in March-April 2024

Yeneena Copper-Cobalt Project - WA (IGO farm-in)

- Assays results from diamond and aircore programs completed in 2023

Ongoing potential project partnership discussions to accelerate exploration activities

Tenement Information (granted tenure)

Lease	Location	Project Name	Area km²	Interest at start of quarter (1/10/2023)	Interest at end of quarter (31/12/2023)
E45/2500	266km NE of Newman	Paterson IGO Earn-In	107.3	75-100%	100%
E45/2502	261km NE of Newman	Paterson IGO Earn-In	117.8	100%	100%
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%
E80/5169	West Arunta	Aileron	187.6	100%	100%
E80/5469	West Arunta	Aileron	534.3	100%	100%
E80/5470	West Arunta	Aileron	613.9	100%	100%
E80/5522	West Arunta	Aileron	429.2	100%	100%
E37/1518	Yilgarn	Irwin	212.1	100%	100%

E37/3794	Yilgarn	Irwin	211.8	100%	100%
E37/3811	Yilgarn	Irwin	211.6	100%	100%
E37/1522	Yilgarn	Irwin	21.2	0%	100%
EL32156	Northern Territory	Elliott – BHP farm-in	807.3	100%	100%
EL32157	Northern Territory	Elliott – BHP farm-in	696.3	100%	100%
EL32158	Northern Territory	Elliott – BHP farm-in	793.9	100%	100%
EL32159	Northern Territory	Elliott – BHP farm-in	723.9	100%	100%
EL32226	Northern Territory	Elliott – BHP farm-in	813.56	100%	100%
EL32329	Northern Territory	Elliott – BHP farm-in	137.0	100%	100%
EL32437	Northern Territory	Elliott – BHP farm-in	601.1	100%	100%
EL32581	Northern Territory	Elliott – BHP farm-in	493.6	100%	100%
EL32273	Northern Territory	Jessica – South32 farm-in	750.5	100%	100%
EL32317	Northern Territory	Jessica – South32 farm-in	738.6	100%	100%
EL32338	Northern Territory	Jessica – South32 farm-in	783.5	100%	100%
EL32339	Northern Territory	Jessica – South32 farm-in	791.4	100%	100%
EL32386	Northern Territory	Jessica – South32 farm-in	814.5	100%	100%
EL32387	Northern Territory	Jessica – South32 farm-in	814.9	100%	100%
EL32388	Northern Territory	Jessica – South32 farm-in	813.8	100%	100%
EL32493	Northern Territory	Jessica – South32 farm-in	811.6	100%	100%
EL32374	Northern Territory	Sandover	795.4	100%	100%
EL32694	Northern Territory	Sandover	792.7	100%	100%
EL32695	Northern Territory	Sandover	787.4	100%	100%
EL32696	Northern Territory	Sandover	763.6	100%	100%

EL33060	Northern Territory	Junction	740.1	100%	100%
EL32421	Northern Territory	Sitch	792.7	100%	100%
EL33060	Northern Territory	Sitch	665.3	100%	100%
EL32476	Northern Territory	Carrara – South32 farm-in	805.4	100%	100%
EL32477	Northern Territory	Carrara – South32 farm-in	805.2	100%	100%
EL32701	Northern Territory	Carrara – South32 farm-in	801.7	100%	100%
EL32813	Northern Territory	Carrara – South32 farm-in	22.7	100%	100%
EL32478	Northern Territory	Brunchilly	798.5	100%	0%
EL32721	Northern Territory	Broadmere	816.7	100%	100%
EL32723	Northern Territory	Dunmarra	823.1	100%	100%
EL32727	Northern Territory	Maryfield	795.7	100%	100%
EL32728	Northern Territory	Maryfield	826.9	100%	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. Mark Brodie who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Brodie 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 Brodie consents to the inclusion in the report of the matters based on the information compiled by they/them, 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.

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

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 2023

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	(141)	(215)
	(e) administration and corporate costs	(163)	(408)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	147	249
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – recharged costs	44	72
	Other – option fees received		-
1.9	**Net cash from / (used in) operating activities**	**(113)**	**(302)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(98)	(207)
	(d) exploration & evaluation	(2,548)	(4,973)
	(e) investments	-	-
	(f) other non-current assets – bonds and security deposits	(62)	(62)

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	15	15
	(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	-	-
	Other – exploration incentive grants	41	217
	Other – R&D refund (exploration activities)	12	12
2.6	**Net cash from / (used in) investing activities**	**(2,640)**	**(4,998)**
3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	816	978
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings – lease payments	(19)	(38)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – subsidiary IPO expenses	-	-
3.10	**Net cash from / (used in) financing activities**	**797**	**940**
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	9,414	11,818
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(113)	(302)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,640)	(4,998)

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)	797	940
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**7,458**	**7,458**

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	158	814
5.2	Call deposits	7,300	8,600
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)**	**7,458**	**9,414**

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	81
6.2	Aggregate amount of payments to related parties and their associates included in item 2	67

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** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	113
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	2,548
8.3	Total relevant outgoings (item 8.1 + item 8.2)	2,661
8.4	Cash and cash equivalents at quarter end (item 4.6)	7,458
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	7,458
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2.8

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.

Answer: N/A

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/a

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

Answer: N/a

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

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

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2024

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.