encounter resources

ABN 47 109 815 796

Consolidated Financial Statements
For the Year Ended 30 June 2024

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Encounter Resources Limited
ABN 47 109 815 796

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Directors

Will Robinson	Executive Chairman
Peter Bewick	Non-Executive Director
Jonathan Hronsky	Non-Executive Director
Philip Crutchfield	Non-Executive Director

Company Secretaries
Kevin Hart
Dan Travers

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Perth, Western Australia 6000

Share Registry
Automic Group
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Perth, Western Australia 6000
Telephone 1300 288 664

Stock Exchange Listing
The Company's shares are quoted on the Australian Securities Exchange. The home exchange is Perth, Western Australia.

ASX Code
ENR – Ordinary shares

Company Information
The Company was incorporated and registered under the Corporations Act 2001 in Western Australia on 30 June 2004 and became a public company on 26 May 2005.

The Company is domiciled in Australia.

Directors' Report

The Directors present their report on Encounter Resources Limited (the Company) and the entities it controlled (the Group) at the end of, and during the year ended 30 June 2024.

Directors

The names and details of the Directors of Encounter Resources Limited during the financial year and until the date of this report are:

Will Robinson – B.Comm, MAusIMM
Appointed Managing Director on 30 June 2004 and Executive Chairman from 24 November 2023.

Mr Robinson has worked in the resources industry in Australia and Canada for over twenty-five years. Mr Robinson's experience includes senior management roles at a large international resources company and executive roles in the junior mining and exploration sector. Mr Robinson is a former president of the resources industry advocacy body, the Association of Mining and Exploration Companies (AMEC). He was previously a member of the Strategic Advisory Board at the Centre for Exploration Targeting University of Western Australia and the Australian Federal Government's Resources 2030 Taskforce. Mr Robinson is Non-Executive Chairman of Hamelin Gold Limited (ASX:HMG) and a Non-Executive Director of unlisted Hampton Hill Mining NL.

Peter Bewick – B.Eng (Hons), MAusIMM
Non-Executive Director appointed 7 October 2005 (Executive Director to 1 November 2021)

Mr Bewick is a geology graduate from the WA School of Mines with over 30 years of industry experience. He held a number of senior mine and exploration geological roles during a 14-year career with WMC, including Exploration Manager and Geology Manager of the Kambalda Nickel Operations and Exploration Manager for St Ives Gold Operations. Mr Bewick also held corporate roles with WMC as Exploration Manager for the Nickel Business Unit and Exploration Manager for North America based in Denver, Colorado. He has extensive experience in project generation for a range of commodities including nickel, gold, copper and bauxite. Mr Bewick has been a member of the MERIWA College since 2013.

Mr Bewick is currently Managing Director of Hamelin Gold Ltd (ASX:HMG) and was previously Non-Executive Director of Mincor Resources NL (resigned 15 January 2024).

Jonathan Hronsky OAM - BAppSci, PhD, MAusIMM, FSEG
Non-executive director appointed 10 May 2007

Dr Hronsky has more than thirty-five years of experience in the mineral exploration industry, primarily focused on project generation, technical innovation and exploration strategy development. Dr Hronsky has particular expertise in targeting for nickel sulphide deposits but has worked across a diverse range of commodities. His work led to the discovery of the West Musgrave nickel sulphide province in Western Australia. Dr Hronsky was most recently Manager-Strategy & Generative Services for BHP Billiton Mineral Exploration. Prior to that, he was Global Geoscience Leader for WMC Resources Ltd. He is currently a director of exploration consulting group Western Mining Services and former Chairman of the board of management of the Centre for Exploration Targeting at the University of Western Australia.

Dr Hronsky is currently a Non-Executive Director of Paladin Energy Limited (ASX:PDN), Caspin Resources Limited (ASX:CPN), Stickland Metals Limited (ASX:STK) and is also General Partner - Global Targeting and Research at Ibaera Capital.

Directors (Continued)

Philip Crutchfield – B. Comm, LL.B (Hons), LL.M LSE

Non-executive director appointed 9 October 2019

Mr Crutchfield is a prominent and highly respected barrister specialising in commercial law. Philip was Non-Executive Director of Applyflow Limited (ASX:AFW) (resigned 31 July 2023) and Black Cat Syndicate Limited (ASX:BC8) (resigned 30 November 2023) and is a non-executive director of Dreadnought Resources Limited (ASX:DRE) and Western Australian gold focused company Hamelin Gold Limited (ASX:HMG).

Mr Crutchfield is a board member of the Bell Shakespeare Theatre Company and the Victorian Bar Foundation Limited. Philip is also a former partner of Mallesons Stephen Jaques (now King & Wood Mallesons).

Former Directors

Paul Chapman – B.Comm, ACA, Grad. Dip. Tax, MAICD, MAusIMM
Non-Executive Chairman (appointed 7 October 2005, retired 24 November 2023)

Company Secretaries

Kevin Hart – B.Comm, FCA

Mr Hart is a Chartered Accountant and was appointed to the position of Company Secretary on 4 November 2005. Mr Hart has over 30 years' experience in accounting and the management and administration of public listed entities in the mining and exploration industry.

Mr Hart is currently a Principal of an advisory firm, Automic Group, which specialises in the provision of company secretarial and accounting services to ASX listed entities.

Dan Travers – BSc (Hons), FCCA

Mr Travers is a Fellow of the Association of Chartered Certified Accountants and was appointed to the position of Joint Company Secretary on 20 November 2008. Mr Travers is an employee of Automic Group, which specialises in the provision of company secretarial and accounting services to ASX listed entities in the mining and exploration industry.

Directors' Interests

As at the date of this report the Directors' interests in shares and unlisted options of the Company are as follows:

Director	*Directors' Interests in Ordinary Shares*	*Directors' Interests in Unlisted Options*
W Robinson	27,985,889	2,010,000
P Bewick	11,710,303	1,050,000
J Hronsky	1,351,335	820,000
P Crutchfield	8,059,391	2,530,000

Included in the Directors' Interests in Unlisted Options are 6,410,000 options that are vested and exercisable as at the date of signing this report.

Principal Activities

The principal activity of the Company during the financial year was project generation, mineral exploration and project development in Western Australia and the Northern Territory, including the Company's Aileron Project in the West Arunta, Western Australia, and the Sandover copper project in the Northern Territory.

There were no significant changes in these activities during the financial year.

Directors' Report

Directors' Meetings

The number of meetings of the Company's Directors held during the year ended 30 June 2024, and the number of meetings attended by each Director are as follows:

Director	*Board of Directors Meetings*		*Audit and Risk Committee Meetings*		*Remuneration and Nomination Committee Meetings*	
	Held	*Attended*	*Held*	*Attended*	*Held*	*Attended*
W Robinson	7	7	-	-	-	-
P Bewick	7	7	1	1	1	1
J Hronsky	7	7	2	2	1	1
P Crutchfield	7	7	2	2	1	1
P Chapman[1]	3	3	1	1	-	-

[1] Retired 24 November 2023

Results of Operations

The consolidated net loss after income tax for the financial year was $4,331,728 (2022: $1,429,900).

Included in the consolidated loss for the current year is a write-off of deferred and uncapitalised exploration and joint venture expenditure totalling $3,024,548 (2023: $236,762).

Review of Activities

Exploration

Encounter's primary focus is on discovering major copper and critical minerals deposits in Australia. Encounter's exploration activities during the year were directed towards:

- The 100% owned Aileron project in the West Arunta in WA;
- A series of camp scale copper opportunities in the Northern Territory and Western Australia.
  - This includes earn-in and joint venture and farm-in agreements with South32 Limited, carried to completion of a scoping study, at the Jessica and Carrara projects in the NT ;
  - The Yeneena copper project in the Paterson Province in WA which is operated and funded by IGO Limited ("IGO", ASX:IGO) under an earn-in agreement; and
  - a large portfolio of 100% owned projects that are prospective for copper and critical minerals.

Financial Position

At the end of the financial year the Group had $14,050,537 (2023: $11,817,728) in cash and term deposits. Capitalised mineral exploration and evaluation expenditure is $22,853,601 (2023: $17,783,090).

During the financial year the Company raised capital of $10,500,000 million (before costs) pursuant to a placement of ~47.7 million shares at $0.22 per share and a further $1,145,800 on the issue of shares pursuant to the exercise of ~7.6 million options at various prices.

Matters Subsequent to the End of the Financial Year

Other than as already stated in this report in relation to the issue and exercise of options, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Significant Changes in the State of Affairs

Other than stated in this report, there have been no significant changes in the state of affairs of the Company and Group during or since the end of the financial year.

Options over Unissued Capital

Unlisted Options

As at the date of this report 17,170,000 unissued ordinary shares of the Company are under option as follows:

Number of Options Granted	*Exercise Price*	*Expiry Date*
2,450,000	22.2 cents	26 November 2024
800,000	21.2 cents	30 April 2025
3,630,000	22.4 cents	28 November 2025
1,200,000	19.0 cents	28 June 2026
500,000	20.0 cents	29 September 2025
500,000	30.0 cents	29 September 2025
3,980,000	26.8 cents	30 November 2026
250,000	28.3 cents	15 January 2027
150,000	20.8 cents	28 February 2027
400,000	50.0 cents	29 May 2026
200,000	36.8 cents	20 June 2027
400,000	59.2 cents	13 July 2027
400,000	67.7 cents	24 July 2027
400,000	68.9 cents	1 August 2027
660,000	55.6 cents	23 November 2027
1,000,000	41.1 cents	17 December 2027
150,000	35.5 cents	25 February 2028
100,000	65.0 cents	10 September 2028

All options on issue at the date of this report are vested and exercisable. No options on issue are listed.

During the financial year:

- 3,010,000 options (2023: 7,530,000) were granted over unissued shares of the Company;
- 175,000 options (2023: nil) were cancelled on the cessation of employment;
- nil options (2023: nil) were cancelled on expiry of the exercise period; and
- 7,575,000 (2023: 2,900,000) options were exercised. Included in options exercised is an amount of nil options foregone in consideration given on exercise (2023: 424,379).

Since the end of the financial year:

- 100,000 options have been issued by the Company to employees pursuant to the Company's Employee Option Plan;
- 1,000,000 options have been exercised; and
- nil options have been cancelled due to the lapse of the exercise period.

Options do not entitle the holder to participate in any share issue of the Company or any other body corporate. The holders of unlisted options are not entitled to any voting rights until the options are exercised into ordinary shares.

Issued Capital

Number of Shares on Issue		
	2024	*2023*
Ordinary fully paid shares	**450,828,054**	395,525,781

Likely Developments and Expected Results of Operations

The Group expects to maintain exploration programs at its 100% owned West Arunta copper-critical minerals project, Northern Territory copper projects and the Paterson copper-gold project.

In addition, the Group will continue to collaborate with its partners at the Yeneena copper-cobalt project (with IGO Limited) and in the Northern Territory at the Jessica and Carrara base metals projects (South32) pursuant to earn-in and joint venture arrangements.

Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors to do so would be likely to prejudice the business activities of the Group and is dependent upon the results of the future exploration and evaluation.

Dividends

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

Environmental Regulation and Performance

The Group holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities. So far as the Directors are aware, all current exploration activities are in compliance with relevant environmental regulations.

Remuneration Report (Audited)

Remuneration paid to Directors and Officers of the Company is set by reference to such payments made by other ASX listed companies of a similar size and operating in the mineral exploration industry. In addition, reference is made to the financial position of the Company and the specific skills and experience of the Directors and Officers.

Details of the nature and amount of remuneration of each Director, and other Key Management Personnel if applicable, are disclosed annually in the Company's Annual Report.

Remuneration Report (Continued)

Remuneration Committee

The Board has adopted a formal Remuneration Committee Charter which provides a framework for the consideration of remuneration matters.

During the year the Company formed a Remuneration and Nomination Committee consisting of the Non-Executive Directors to consider remuneration matters, with no member deliberating or considering such matter in respect of their own remuneration.

The Remuneration and Nomination Committee is responsible for:

1. Setting remuneration packages for Executive Directors, Non-Executive Directors and other Key Management Personnel; and
2. Implementing employee incentive and equity-based plans and making awards pursuant to those plans.

Non-Executive Remuneration

The Company's policy is to remunerate Non-Executive Directors, at rates comparable to other ASX listed companies in the same industry, for their time, commitment and responsibilities.

Non-Executive Remuneration is not linked to the performance of the Company, however to align Directors' interests with shareholders' interests, remuneration may be provided to Non-Executive Directors in the form of equity based long term incentives.

1. Fees payable to Non-Executive Directors are set within the aggregate amount approved by shareholders at the Company's Annual General Meeting;
2. Non-Executive Directors' fees are payable in the form of cash and superannuation benefits;
3. Non-Executive superannuation benefits are limited to statutory superannuation entitlements; and
4. Non-executive directors are offered an annual election to receive cash remuneration or an equivalent amount in unlisted options. The annual election relates to the remuneration period from 1 December to 30 November of the relevant year and is subject to approval by the Company's shareholders.
5. Participation in equity-based remuneration schemes by Non-Executive Directors is subject to consideration and approval by the Company's shareholders.

The maximum Non-Executive Directors fees (excluding equity-based remuneration otherwise approved by shareholders), payable in aggregate are currently set at $300,000 per annum.

Executive Director and Other Key Management Personnel Remuneration

Executive remuneration consists of base salary, plus other performance incentives to ensure that:

1. Remuneration packages incorporate a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the Company's circumstances and objectives; and
2. A proportion of remuneration is structured in a manner to link reward to corporate and individual performances.

Executives are offered a competitive level of base salary at market rates (based on comparable ASX listed companies) and are reviewed regularly to ensure market competitiveness. To date, the Company has not engaged external remuneration consultants to advise the Board on remuneration matters.

Remuneration Report (Continued)

Incentive Plans

The Company provides long term incentives to Directors and Employees pursuant to the Encounter Resources Employee Share and Option Plan, which was last approved by shareholders at the Annual General Meeting held on 24 November 2023.

The Remuneration and Nomination Committee, acting in remuneration matters:

1. Ensures that incentive plans are designed around appropriate and realistic performance targets and provide rewards when those targets are achieved;
2. Reviews and approves existing incentive plans established for employees; and
3. Approves the administration of the incentive plans, including receiving recommendations for, and the consideration and approval of grants pursuant to such incentive plans.

Engagement of Non-Executive Directors

Non-Executive Directors conduct their duties under the following terms:

1. A Non-Executive Director may resign from their position and thus terminate their contract on written notice to the Company; and
2. A Non-Executive Director may, following resolution of the Company's shareholders, be removed before the expiration of their period of office (if applicable). Payment is made in lieu of any notice period if termination is initiated by the Company, except where termination is initiated for serious misconduct.

In consideration of the services provided by Non-Executive Directors, the Company pay them $50,000 plus statutory superannuation per annum.

Non-Executive Directors are also entitled to fees for other amounts as the Board determines where they perform special duties or otherwise perform extra services or make special exertions on behalf of the Company. During the year the Group incurred costs of $nil (2023: $14,490), for geological consulting services from Western Mining Services, an entity associated with Dr Jon Hronsky. In addition, the Company incurred costs of $nil (2023: $3,900) with Western Mining Services in relation to the attendance of training courses by employees of the Company.

Engagement of Executive Directors

The Company has entered into an executive service agreement with Mr Will Robinson on the following material terms and conditions:

Mr Robinson's current service agreement with the Company, in respect of his engagement as Executive Chairman, is effective from 24 November 2023. Mr Robinson will receive a base salary of $350,000 per annum plus statutory superannuation.

An Executive director may also receive an annual short-term performance-based bonus which may be calculated as a percentage of their current base salary, the performance criteria, assessment and timing of which is assessed annually by the Remuneration and Nomination Committee which is comprised of the Non-Executive Directors.

Either party may give the other six months' notice in writing to terminate the Services Agreement or with payment or forfeiture in lieu. The Company may terminate the respective services agreements without notice for serious misconduct by an executive director.

Executive directors may, subject to shareholder approval, participate in the Encounter Resources Employee Share and Option Plan and other long term incentive plans adopted by the Board.

Remuneration Report (Continued)

Short Term Incentive Payments

Each year, the Remuneration and Nomination Committee will set the Key Performance Indicators (KPI's) for the Executive Directors. The KPI's are chosen to align the reward of the individual Executives to the strategy and performance of the Company.

Performance objectives, which may be financial or non-financial, or a combination of both, are weighted when calculating the maximum short-term incentives payable to Executives. At the end of the year, the Non-Executive Directors will assess the actual performance of the Executives against the set Performance Objectives. The maximum amount of the short-term incentive, or a lesser amount depending on actual performance achieved is paid to the Executives as a cash payment.

Shareholding Qualifications

The Directors are not required to hold any shares in Encounter Resources under the terms of the Company's constitution. However, Directors have made their own investment decisions to hold shares in Encounter Resources which are shown in this report.

Group Performance

In considering the Company's performance, the Board provides the following indices in respect of the current financial year and previous financial years:

	2024	2023	2022	2021	2020
Profit/(Loss) for the year attributable to shareholders	$(4,331,728)	$(1,429,900)	$4,428,194	$(1,533,150)	$(1,126,275)
Closing share price at 30 June	$0.74	$0.455	$0.12	$0.155	$0.15

As an exploration company, the Board does not consider the profit/(loss) attributable to shareholders as one of the performance indicators when implementing Short Term Incentive Payments. In addition to economic and technical exploration success, the Board considers more appropriate indicators of management performance for the 2024 financial period to include:

- corporate management and business development (including the identification and acquisition of high-quality projects);
- project and operational performance (including safety and environmental management);
- management of the Company's farm-in and joint venture arrangements; and
- cash flow and funding management.

Remuneration Report (Continued)

Remuneration Disclosures

The Key Management Personnel of the Company have been identified as:

Mr Paul Chapman	Non-Executive Chairman (retired 24 November 2023)
Mr Will Robinson	Executive Chairman (Managing Director until 24 November 2023)
Mr Peter Bewick	Non-Executive Director
Dr Jon Hronsky	Non-Executive Director
Mr Philip Crutchfield	Non-Executive Director

The details of the remuneration of each Director and member of Key Management Personnel of the Company is as follows:

30 June 2024	Short Term		Post Employment	Other Long Term		
	Base Salary $	Short Term Incentive $	Superannuation Contributions $	Value of Options $	Total $	Value of Options as Proportion of Remuneration
Paul Chapman[1]	-	-	-	-	-	-
Will Robinson[2]	304,825	91,075	33,531	69,840	499,271	14.0%
Peter Bewick	50,000	-	5,500	27,937	83,437	33.5%
Jon Hronsky	50,000	-	5,500	27,937	83,437	33.5%
Philip Crutchfield	29,167	-	3,208	27,937	60,312	46.3%
Total	**433,992**	**91,075**	**47,739**	**153,651**	**726,457**	

[1] Retired from the Board effective 24 November 2023. Mr Chapman received no remuneration during the period.
[2] Appointed Executive Chairman effective 24 November 2023, previously Managing Director.

30 June 2023	Short Term		Post Employment	Other Long Term		
	Base Salary $	Short Term Incentive $	Superannuation Contributions $	Value of Options $	Total $	Value of Options as Proportion of Remuneration
Paul Chapman	-	-	-	110,620[1]	110,620	100.0%
Will Robinson	270,000	71,550	28,350	78,623	448,523	17.5%
Peter Bewick	50,000	64,751	12,049	31,997	158,797	20.1%
Jon Hronsky	50,000	-	5,250	31,997	87,247	36.7%
Philip Crutchfield	-	-	-	110,620[1]	110,620	100.0%
Total	**370,000**	**136,301**	**45,649**	**363,857**	**915,807**	

[1] Value of options granted includes an amount of $78,623 granted in the 2023 financial year in respect of remuneration for the period 1 December 2022 to 30 November 2023.

Remuneration Report (Continued)

Details of Performance Related Remuneration

During the year ended 30 June 2024 total short-term incentive bonuses (STI), measured for the periods 1 January 2022 to 31 December 2022 and 1 January 2023 to 31 December 2023, were awarded to the Company's Executive Directors for the respective periods as follows:

	Short term incentive payments - cash bonuses paid	
	2023/24 financial year	2022/23 financial year
Will Robinson	$91,075[1]	$71,550[1]
Peter Bewick[2]	Nil	$71,550[1]

[1] STI bonus stated inclusive of SGC contributions where applicable.
[2] Mr Bewick ceased as an executive director in 2021.

Executives eligible for the STI are able to earn a bonus of up to a maximum of 25% of their corresponding base remuneration, with the final amount determined by performance against the below stated performance objectives.

The STI performance objectives for the abovementioned STI for the measurement periods ended 31 December 2022 and 31 December 2023 were as follows (objectives apply for 2022 and 2023 unless otherwise stated):

Performance Objective 1 (**PO1**) (Weighting up to 50%):

Successful execution of the Company's strategies and budget plans leading to first-rate outcomes for safety, environmental, operational performance and corporate culture. This includes:

- Safety, environmental, operational performance and corporate culture;
- Management of existing Earn-in and Joint Venture Agreements;
- Commercialisation of additional projects through completion of a joint ventures or similar funding;
- Management of the equity structure and cash position; and
- Exploration Success (2022 STI) / Discovery Success (2023 STI).

Performance against this objective is determined at the discretion of the board.

Performance Objective 2 (**PO2**) (Weighting up to 50%):

Shareholder returns – determined by Encounter's volume weighted average share price (VWAP) exceeding the Company's VWAP for the preceding 12-month period. Assuming a year on year (YOY) increase in the Company's VWAP, the potential executive bonus:

YOY ENR Share Price VWAP Change	% Weighting
<=10%	0
>10% < 20%	10%
>20% < 40%	20%
>40% <60%	30%
>60% <80%	40%
>80%	50%

Remuneration Report (Continued)

Details of Performance Related Remuneration (continued)

The total STI bonuses awarded and paid during the financial year ended 30 June 2024, has been determined against the abovementioned performance objectives for the Executive Chairman (formerly Managing Director) as follows:

STI Period Ended	Maximum potential STI bonus ($)	PO1 maximum %	PO1 achieved %	PO2 maximum %	PO2 achieved %	Total STI bonus achieved (%)	Total STI bonus achieved ($)
31 Dec 2022	$67,500	50%	45%	50%	10%	55%	$37,125
31 Dec 2023	$69,167	50%	28%	50%	50%	78%	$53,950
							$91,075

The above STI bonuses awarded were paid to the Executive Chairman during the year as follows:

	Cash (pre-tax)	SGC contribution	Total STI Bonus ($)
Will Robinson	$91,075	Nil	$91,075

Equity instrument disclosures relating to key management personnel

Options Granted as Remuneration

During the financial year ended 30 June 2024 660,000 options (2023: 3,980,000) were granted to Directors or Key Management Personnel of the Company, as follows:

Incentive options:

- Will Robinson 300,000
- Peter Bewick 120,000
- Jon Hronsky 120,000
- Philip Crutchfield 120,000

The fair value of options issued as remuneration is allocated to the relevant vesting period of the options. Where options are issued fully vested the fair value is recognised in the financial period in which the securities are issued. Options are provided at no cost to the recipients.

Remuneration Report (Continued)

Exercise of Options Granted as Remuneration

During the year 5,900,000 (2023: 2,075,621) ordinary shares were issued in respect of the exercise of options previously granted as remuneration to Directors or Key Management Personnel of the Company, as follows:

KMP	Number of shares issued on exercise of options	Option details
Paul Chapman[1]	1,000,000	Options exercisable at $0.162 expiring 31 October 2023
Will Robinson	700,000	Options exercisable at $0.162 expiring 31 October 2023
Peter Bewick	1,500,000 700,000	Options exercisable at $0.082 expiring 30 November 2023 Options exercisable at $0.162 expiring 31 October 2023
Jon Hronsky	300,000	Options exercisable at $0.162 expiring 31 October 2023
Philip Crutchfield	1,700,000	Options exercisable at $0.162 expiring 31 October 2023

[1] Retired as director 24 November 2023.

Option holdings

Key Management Personnel have the following interests in unlisted options over unissued shares of the Company:

2024 Name	Balance at start of the year	Received during the year as remuneration	Other changes during the year[1]	Balance at the end of the year	Vested and exercisable at the end of the year
Paul Chapman	3,410,000	-	(1,000,000)	2,410,000[2]	2,410,000[2]
Will Robinson	2,410,000	300,000	(700,000)	2,010,000	2,010,000
Peter Bewick	3,130,000	120,000	(2,200,000)	1,050,000	1,050,000
Jon Hronsky	1,000,000	120,000	(300,000)	820,000	820,000
Philip Crutchfield	4,110,000	120,000	(1,700,000)	2,530,000	2,530,000

[1] Options exercised during the financial year.

[2] Balance on retiring as director on 24 November 2023.

Remuneration Report (Continued)

Share holdings

The number of shares in the Company held during the financial year by key management personnel of the Company, including their related parties are set out below. There were no shares granted during the reporting period as compensation.

2024 Name	Balance at start of the year	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
Paul Chapman	10,782,150	1,000,000	-	11,782,150[1]
Will Robinson	27,285,889	700,000	-	27,985,889
Peter Bewick	9,510,303	2,200,000	-	11,710,303
Jon Hronsky	1,051,335	300,000	-	1,351,335
Philip Crutchfield	4,559,391	1,700,000	1,800,000	8,059,391

[1] Balance on retiring as director on 24 November 2023.

Loans made to key management personnel

No loans were made to key personnel, including personally related entities during the reporting period.

Other transactions with key management personnel

During the year the Group incurred costs of $nil (2023: $14,490), for geological consulting services from Western Mining Services, an entity associated with Dr Jon Hronsky.

There were no other transactions with key management personnel.

End of Remuneration Report

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or Group, or to intervene in any proceedings to which the Company or Group is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Officers' Indemnities and Insurance

During the year the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

Non-audit Services

During the year Crowe Perth the Company's auditor, has not performed any other services in addition to their statutory duties other than as stated below.

Total remuneration paid to auditors during the financial year:	2024 $	2023 $
Audit and review of the Company's financial statements	37,600	37,000
Audit of tenement expenditure reports	2,650	-

The board considers any non-audit services provided during the year by the auditor and satisfies itself that the provision of any non-audit services during the year by the auditor is compatible with, and does not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services are reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

This report is made in accordance with a resolution of the Directors.

Dated at Perth this 19th day of September 2024.

Will Robinson
Executive Chairman

Crowe Perth
ABN 96 844 819 235
Level 24, Allendale Square
77 St Georges Terrace
Perth WA 6000

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www.crowe.com.au

Auditor's Independence Declaration Under Section 307c of the *Corporations Act 2001* to the Directors of Encounter Resources Limited

As lead engagement partner, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Yours sincerely,

Crowe Perth

Crowe Perth

Suwarti Asmono
Partner

19 September 2024
Perth

Encounter Resources Limited
ABN 47 109 815 796

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the financial year ended 30 June 2024

	Note	Consolidated	
		2024	2023
		$	$
Interest income		444,421	96,565
Other income	5	173,655	164,125
Total income		**618,076**	**260,690**
Employee expenses		(2,180,206)	(1,338,186)
Employee expenses recharged to exploration		1,672,046	981,127
Equity based remuneration expense	20	(670,243)	(460,745)
(Loss)/Gain in fair value of financial assets	6,11	-	(59,519)
Depreciation and amortisation expense	6	(74,424)	(73,766)
Corporate expenses		(164,003)	(112,981)
Administration and other expenses		(508,426)	(389,758)
Exploration costs written off and expensed	6,14	(3,024,548)	(236,762)
Profit/(Loss) before income tax		**(4,331,728)**	**(1,429,900)**
Income tax benefit	7	-	-
Profit/(Loss) after tax	21	**(4,331,728)**	**(1,429,900)**
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		**(4,331,728)**	**(1,429,900)**
Earnings per share for loss attributable to the ordinary equity holders of the Company:			
Basic earnings/(loss) per share	31	(1.1)	(0.4)
Diluted earnings/(loss) per share	31	(1.1)	(0.4)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Encounter Resources Limited
ABN 47 109 815 796

Consolidated Statement of Financial Position
As at 30 June 2024

	Note	Consolidated	
		2024 $	2023 $
Current assets			
Cash and cash equivalents	8	14,050,537	11,817,728
Trade and other receivables	9(a)	111,355	94,472
Other current assets	9(b)	-	181,846
Total current assets		14,161,892	12,094,046
Non-current assets			
Security bonds and deposits	8(c)	137,466	75,652
Financial assets	11	59,342	59,342
Property, plant and equipment	12	520,475	92,400
Capitalised mineral exploration and evaluation expenditure	14	22,853,601	17,783,090
Right of use assets - leases	13	201,605	43,621
Total non-current assets		23,772,489	18,054,105
Total assets		**37,934,381**	**30,148,151**
Current liabilities			
Trade and other payables	16	1,098,630	987,801
Employee benefits	17	379,964	267,668
Lease liabilities	18	68,197	49,059
Total current liabilities		1,546,791	1,304,528
Total non-current liabilities			
Lease liabilities	18	137,700	-
Total non-current liabilities		137,700	-
Total liabilities		**1,684,491**	**1,304,528**
Net assets		**36,249,890**	**28,843,623**
Equity			
Issued capital	19	66,693,913	55,158,968
Accumulated losses	21	(32,421,829)	(28,103,156)
Equity remuneration reserve	21	1,977,806	1,787,811
Total equity		**36,249,890**	**28,843,623**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Encounter Resources Limited
ABN 47 109 815 796

Consolidated Statement of Changes in Equity
For the financial year ended 30 June 2024

	Consolidated			
	Issued capital $	Accumulated losses $	Equity remuneration reserve $	Total $
2023				
Balance at the start of the financial year	41,666,888	(26,698,304)	1,224,339	16,192,923
Comprehensive loss for the financial year	-	(1,429,900)	-	(1,429,900)
Movement in equity remuneration reserve in respect of options vested	-	-	618,452	618,452
Transfer on exercise and/or cancellation of vested options	29,932	25,048	(54,980)	-
Transactions with equity holders in their capacity as equity holders:				
Shares issued (net of costs)	13,462,148	-	-	13,462,148
Balance at the end of the financial year	**55,158,968**	**(28,103,156)**	**1,787,811**	**28,843,623**
2024				
Balance at the start of the financial year	55,158,968	(28,103,156)	1,787,811	28,843,623
Comprehensive loss for the financial year	-	(4,331,728)	-	(4,331,728)
Movement in equity remuneration reserve in respect of options vested	-	-	670,243	670,243
Transfer on exercise and/or cancellation of vested options	467,193	13,055	(480,248)	-
Transactions with equity holders in their capacity as equity holders:				
Shares issued (net of costs)	11,067,752	-	-	11,067,752
Balance at the end of the financial year	**66,693,913**	**(32,421,829)**	**1,977,806**	**36,249,890**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Encounter Resources Limited
ABN 47 109 815 796

Consolidated Statement of Cash Flows
For the financial year ended 30 June 2024

	Note	Consolidated	
		2024 $	2023 $
Cash flows from operating activities			
Receipts from tenement option fee income		35,000	30,000
Receipts from other income		116,766	139,714
Receipts from R&D tax concession		12,345	-
Interest received		444,421	96,608
Payments to suppliers and employees		(1,141,911)	(837,764)
Net cash used in operating activities	30	(533,379)	(571,442)
Cash flows from investing activities			
Contributions received from project generation alliance and farm-in partners		-	9,844
Payments for security deposits		(61,814)	-
Payments for exploration and evaluation		(7,977,898)	(3,607,292)
State Government funded drilling rebate		323,999	295,934
R&D tax concession for exploration activities		-	66,118
Proceeds on sale of property, plant and equipment		15,000	-
Payments for plant and equipment		(521,912)	(86,411)
Net cash used in investing activities		(8,222,625)	(3,321,807)
Cash flows from financing activities			
Proceeds from the issue of shares		11,645,800	14,398,800
Payments for share issue costs		(578,048)	(778,945)
Repayment of lease liabilities		(78,939)	(74,823)
Net cash from financing activities		10,988,813	13,545,032
Net (decrease)/increase in cash held		2,232,809	9,651,783
Cash at the beginning of the financial year		11,817,728	2,165,945
Cash at the end of the financial year	8(a)	14,050,537	11,817,728

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Note 1 Summary of material accounting policy information

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes financial statements for the consolidated entity consisting of Encounter Resources Limited and its subsidiaries ("Group").

Basis of preparation

This general-purpose financial report has been prepared in accordance with Australian Equivalents to International Financial Reporting Standards ("AIFRS"), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

The separate financial statements of the parent entity have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial report of the Group was authorised for issue in accordance with a resolution of Directors on 19 September 2024.

Statement of Compliance
The consolidated financial report of Encounter Resources Limited complies with Australian Accounting Standards, which include AIFRS, in their entirety. Compliance with AIFRS ensures that the financial report also complies with International Financial Reporting Standards ("IFRS") in their entirety.

Adoption of new and revised Accounting Standards

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year.

New standards and interpretations not yet adopted

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application date for future reporting periods and which the Group has decided not to early adopt.

Reporting basis and conventions
These financial statements have been prepared under the historical cost convention, and on an accrual basis.

Critical accounting estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Principles of consolidation
The financial statements of subsidiary companies are included in the consolidated financial statements from the date control commences until the date control ceases. The financial statements of subsidiary companies are prepared for the same reporting period as the parent company, using consistent accounting policies.

Inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation. Investments in subsidiary companies are accounted for at cost in the individual financial statements of the Company.

Note 1 Summary of material accounting policy information (continued)

(a) Segment reporting

Operating segments are identified and segment information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's board of directors, being the Group's Chief Operating Decision Maker, as defined by AASB 8.

(b) Other income

Interest income
Interest income is recognised on a time proportion basis and is recognised as it accrues.

Option fee income
Recognised for option fee income at such time that the option fee becoming receivable by the Company occurs.

Management fee income
Recognised for management fees from farm-in and alliance partners during the period in which the Company provided the relevant service.

(c) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(d) Right of use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Note 1 Summary of material accounting policy information (continued)

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(e) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of either three months or less, or that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

(g) Fair value estimation

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(h) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight line and diminishing value methods to allocate their cost, net of residual values, over their estimated useful lives, as follows:

Asset Class	Depreciation Rate
Field equipment and vehicles	33%
Office equipment	33%
Leasehold improvements	Over the term of the lease

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)). Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

Note 1 Summary of material accounting policy information (continued)

(i) Mineral exploration and evaluation expenditure

Mineral exploration and evaluation expenditure is written off as incurred or accumulated in respect of each identifiable area of interest and capitalised. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Immediate restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure. Exploration activities resulting in future obligations in respect of restoration costs result in a provision to be made by capitalising the estimated costs, on a discounted cash basis, of restoration and depreciating over the useful life of the asset. The unwinding of the effect of the discounting on the provision is recorded as a finance cost in the income statement.

Farm-in arrangements (in the exploration and evaluation phase)
For exploration and evaluation asset acquisitions (farm-in arrangements) in which the Group has made arrangements to fund a portion of the selling partner's (farmor's) exploration and/or future development expenditures (carried interests), these expenditures are reflected in the financial statements as and when the exploration and development work progresses.

Farm-out arrangements (in the exploration and evaluation phase)
The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but designates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Monies received pursuant to farm-in agreements are treated as a liability on receipt and until such time as the relevant expenditure is incurred.

(j) Joint ventures and joint operations

Joint ventures
A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduces the carrying amount of the investment.

Joint operations
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Details of these interests are shown in Note 15.

Note 1 Summary of material accounting policy information (continued)

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

(l) Employee benefits

Wages, salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future salaries, experience of employee departures and periods of service. Expected future payments are discounted at the corporate bond rate with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share based payments
Share based compensation payments are made available to Directors and employees.

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option. A discount is applied, where appropriate, to reflect the non-marketability and non-transferability of unlisted options, as the Black-Scholes option pricing model does not incorporate these factors into its valuation.

The fair value of the options granted is adjusted to reflect market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share based payments reserve relating to those options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

Upon the cancellation of options on expiry of the exercise period, or lapsing of vesting conditions, the balance of the share based payments reserve relating to those options is transferred to accumulated losses.

(m) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 1 Summary of material accounting policy information (continued)

(n) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as a part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flow.

(p) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(q) Fair value estimation

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

Note 1 Summary of material accounting policy information (continued)

Investments in equity securities
The fair value of financial assets at fair value through profit or loss, is determined by reference to their quoted bid price at the reporting date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

Trade and other receivables
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(r) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on a current or non-current classification.

An asset is current when it is:

- Expected to be realised, or intended to be sold or consumed in the Group's normal operating cycle;
- Expected to be realised within twelve months after the reporting period; or
- Cash or a cash equivalents (unless restricted for at least twelve months after the reporting period.

A liability is current when it is:

- Expected to be settled in the Group's normal operating cycle;
- It is due to be settled within twelve months after the reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classed as non-current.

Note 2 Financial risk management

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Company's exposure to the specific risks, and the policies and processes for measuring and managing those risks. The Board of Directors has the overall responsibility for the risk management framework and has adopted a Risk Management Policy.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

Trade and other receivables

The nature of the business activity of the Group does not result in trading receivables. The receivables that the Group does experience through its normal course of business are short term and the most significant recurring by quantity is receivable from the Australian Taxation Office, the risk of non-recovery of receivables from this source is considered to be negligible.

Cash deposits

The Directors believe any risk associated with the use of predominantly only one bank is addressed through the use of at least an A-rated bank as a primary banker and by the holding of a portion of funds on deposit with alternative A-rated institutions. Except for this matter the Group currently has no significant concentrations of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Company's current and future operations, and consideration is given to the liquid assets available to the Company before commitment is made to future expenditure or investment.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

Interest rate risk

The Group has significant cash assets which may be susceptible to fluctuations in changes in interest rates. Whilst the Group requires the cash assets to be sufficiently liquid to cover any planned or unforeseen future expenditure, which prevents the cash assets being committed to long term fixed interest arrangements; the Group does mitigate potential interest rate risk by entering into short to medium term fixed interest investments.

Equity risk

The Group has exposure to price risk in respect of its holding of ordinary securities in Hampton Hill NL, which has a carrying value at 30 June 2024 of $59,342 (2023: $59,342). The investment is classified at fair value through profit or loss and as such any movement in the value of Hampton Hill NL shares will be recognised as a benefit of expense in profit or loss. No specific hedging activities are undertaken into this investment.

Note 2 Financial risk management (Continued)

Foreign exchange risk
The Group enters into earn-in arrangements that may be denominated in currencies other than Australian Dollars.

Whilst the Group does not recognise assets or liabilities in respect of these earn-in arrangements and accordingly fluctuations in foreign exchange rates will have no direct impact on the Group's net assets, movements in foreign exchange may favourably or adversely affect future amounts to be incurred by the Group or its earn-in partners pursuant to such agreements.

Other than the above, the Group does not have any direct contact with foreign exchange fluctuations other than their effect on the general economy.

Note 3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. The judgements estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Accounting for capitalised exploration and evaluation expenditure
The Group's accounting policy is stated at 1(l). There is some subjectivity involved in the carrying forward as capitalised or writing off to the income statement exploration and evaluation expenditure. Key judgements applied include determining which expenditures relate directly to exploration and evaluation activities and allocating overheads between those that are expensed and capitalised. Management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure reflect fairly the prevailing situation.

Accounting for share based payments
The values of amounts recognised in respect of share based payments have been estimated based on the fair value of the equity instruments granted. Fair values of options issued are estimated by using an appropriate option pricing model. There are many variables and assumptions used as inputs into the models. If any of these assumptions or estimates were to change this could have a significant effect on the amounts recognised. See note 20 for details of inputs into option pricing models in respect of options issued during the reporting period.

Note 4 Segment information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Group's sole activity is mineral exploration and resource development wholly within Australia, therefore it has aggregated all operating segments into the one reportable segment being mineral exploration.

The reportable segment is represented by the primary statements forming these financial statements.

	Consolidated	
	2024 $	2023 $

Note 5 Other income

Operating activities		
Tenement option fee income	35,000	30,000
Recharged costs	45,088	67,840
Profit on sale of property, plant and equipment	14,494	-
Management fees from farm-in and project generation alliance partners	-	135
R&D tax concession	12,345	-
Other income	66,728	66,150
	173,655	164,125

Note 6 Loss for the year

Loss before income tax includes the following specific benefits/(expenses):

Depreciation:		
Office equipment (note 12)	(5,603)	(8,330)
Right of use assets – leases (note 13)	(68,821)	(65,436)
	(74,424)	(73,766)
Depreciation included in exploration costs expensed:		
Field equipment (note 12)	(116,351)	(18,007)
Previously capitalised exploration costs written off (note 14)	(2,375,690)	(94,535)
Exploration costs expensed for the period (note 14)	(648,858)	(142,227)
Total exploration costs in profit or loss	(3,024,548)	(236,762)
(Loss)/Gain in fair value of financial assets[1]	-	(59,519)

[1] Adjustment to carrying value of investment in Hampton Hill NL, based on the Company's share of net assets as at 30 June. The gain/(loss) on investment has been recognised in the Statement of Profit or Loss. Refer note 11.

Note 7 Income tax

a) Income tax expense		
Current income tax:		
Current income tax charge (benefit)	(2,370,281)	(1,174,514)
Current income tax not recognised	2,370,281	1,174,514
Deferred income tax:		
Relating to origination and reversal of timing differences	(301,970)	(332,004)
Deferred income tax benefit/(liability) not recognised	301,970	332,004
Income tax expense/(benefit) reported in the income statement	-	-

	Consolidated	
	2024 $	2023 $

Note 7 Income tax (continued)

	2024 $	2023 $
b) Reconciliation of income tax expense to prima facie tax payable		
Profit/(Loss) from continuing operations before income tax expense	(4,331,728)	(1,429,900)
Tax at the Australian rate of 25% (2023 – 25%)	(1,082,932)	(357,475)
Tax effect of permanent differences:		
Non-deductible share-based payment	167,561	115,186
Unrealised movement in fair value of financial assets	-	14,880
Exploration costs written off	593,923	23,634
Capital raising costs claimed	(89,184)	(60,818)
Net deferred tax asset benefit not brought to account	410,632	264,593
Tax (benefit)/expense	-	-

	2024 $	2023 $
c) Deferred tax – Balance Sheet		
Liabilities		
Prepaid expenses	-	(45,462)
Capitalised exploration expenditure	(5,713,400)	(4,445,772)
	(5,713,400)	(4,491,234)
Assets		
Revenue losses available to offset against future taxable income	11,987,736	10,582,393
Employee provisions	94,991	66,917
Accrued expenses	44,568	53,769
Deductible equity raising costs	297,508	197,588
	12,424,803	10,900,667
Net deferred tax asset not recognised	6,711,403	6,409,433

	Consolidated	
	2024 $	2023 $

Note 7 Income tax (continued)

	2024 $	2023 $
d) Deferred tax – Income Statement		
Liabilities		
Prepaid expenses	45,462	(42,092)
Capitalised exploration expenditure	(1,267,628)	(972,919)
Assets		
Deductible equity raising costs	99,920	133,918
Accruals	(9,201)	50,978
Increase/(decrease) in tax losses carried forward	1,405,343	1,151,458
Employee provisions	28,074	10,661
Deferred tax benefit/(expense) movement for the period not recognised (note 7a)	301,970	332,004

The deferred tax benefit of tax losses not brought to account will only be obtained if:
(i) The Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the tax losses to be realised;
(ii) The Company continues to comply with the conditions for deductibility imposed by tax legislation; and
(iii) No changes in tax legislation adversely affect the Company realising the benefit from the deduction of the losses.

All unused tax losses were incurred by Australian entities.

Note 8 Current assets - Cash and cash equivalents

	2024 $	2023 $
Cash at bank and on hand	1,750,537	317,728
Term Deposits	12,300,000	11,500,000
	14,050,537	11,817,728

(a) Reconciliation to cash at the end of the year
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	2024 $	2023 $
Cash and cash equivalents per statement of cash flows	14,050,537	11,817,728

(b) Term Deposits
Amounts classified as term deposits are short term deposits able to be converted at the Company's election into known amounts of cash within three months or less and earn interest at the respective short term interest rates and are subject to an insignificant risk of change in value.

	Consolidated	
	2024 $	2023 $

Note 8 Current assets - Cash and cash equivalents (continued)

(c) *Cash balances not available for use*

There are no amounts reported in cash that are no available for use.

Included in non-current assets are various cash backed security deposits amounting to $137,466 (2023: $75,652).

The security deposits at 30 June 2024 relate to the Group's lease on its office at 1 Alvan Street, Subiaco, Western Australia of $25,652, an exploration licence security fee of $11,814 and an amount of $100,000 held on deposit in relation to the Group's corporate credit card facility.

The Company recognises liabilities in the financial statements for unspent farm-in contributions.

Note 9 Current assets – Receivables

a) Trade and other receivables

	2024 $	2023 $
Deposits paid	-	11,885
Trade and other receivables	8,942	7,324
GST recoverable	102,413	75,263
	111,355	94,472

b) Other current assets

	2024 $	2023 $
Prepaid tenement costs	-	181,846
	-	181,846

Details of fair value and exposure to interest risk are included at note 22.

Note 10 Non-current assets – Investment in controlled entities

a) Investment in controlled entities

The following amounts represent the respective investments in the share capital of Encounter Resources Limited's wholly owned subsidiary companies at 30 June 2024:

	2024 $	2023 $
Encounter Operations Pty Ltd	2	2
Encounter Yeneena Pty Ltd	2	2
Baudin Resources Pty Ltd	10	10
Encounter Paterson Pty Ltd	1	1
Encounter Aileron Pty Ltd	1	1
Encounter Gascoyne Pty Ltd	1	-
Faure Resources Pty Ltd	1	-

Note 10 Non-current assets – Investment in controlled entities (continued)

Subsidiary Company	Date of Incorporation	Country of Incorporation	Ownership Interest	
			2024	2023
Encounter Operations Pty Ltd	27 Nov 2006	Australia	100%	100%
Encounter Yeneena Pty Ltd	23 May 2013	Australia	100%	100%
Baudin Resources Pty Ltd	7 April 2017	Australia	100%	100%
Encounter Paterson Pty Ltd	9 July 2021	Australia	100%	100%
Encounter Aileron Pty Ltd	9 July 2021	Australia	100%	100%
Encounter Gascoyne Pty Ltd	21 Nov 2023	Australia	100%	-
Faure Resources Pty Ltd	16 Jan 2024	Australia	100%	-

The ultimate controlling party of the group is Encounter Resources Limited and all subsidiary companies are incorporated in Western Australia.

b) Loans to controlled entities
The following amounts are payable to the parent company, Encounter Resources Limited at the reporting date:

	2024 $	2023 $
Encounter Operations Pty Ltd	22,317,646	22,314,516
Encounter Yeneena Pty Ltd	969,642	888,882
Baudin Resources Pty Ltd	2,946,292	1,561,381
Encounter Paterson Pty Ltd	7,337,114	7,456,964
Encounter Aileron Pty Ltd	9,338,333	3,623,897

The loans to Encounter Operations Pty Ltd, Encounter Paterson Pty Ltd, Encounter Aileron Pty Ltd, Encounter Yeneena Pty Ltd and Baudin Resources Pty Ltd, to fund exploration activity are non-interest bearing. The Directors of Encounter Resources Limited do not intend to call for repayment within 12 months.

	Consolidated	
	2024 $	2023 $

Note 11 Financial assets – Investments Designated at Fair Value through Profit or Loss

Balance at the start of the financial year[1]	59,342	118,861
Gain on investments recognised through profit & loss[2]	-	(59,519)
Balance at the end of the financial year	59,342	59,342

[1] The investment relates to the shares received from Hampton Hill NL in relation to an option fee pursuant to an election made under an earn-in agreement in respect of the Company's Millennium project.

[2] Adjustment to carrying value of investment in Hampton Hill NL, based on the Company's share of net assets. The (loss)/gain on investment has been recognised in the Statement of Profit or Loss (Refer note 6).

Investments designated at fair value through profit or loss have been measured at level 3 in the fair value measurement hierarchy, refer accounting policy 1(u).

Note 12 Non-current assets – Property, plant and equipment

Field equipment		
At cost	1,330,959	863,889
Accumulated depreciation	(821,893)	(786,083)
	509,066	77,806
Office equipment		
At cost	70,351	67,933
Accumulated depreciation	(58,942)	(53,339)
	11,409	14,594
	520,475	92,400
Reconciliation		
Field equipment		
Net book value at start of the year	77,806	37,143
Cost of additions	548,117	58,670
Net book value of disposals	(506)	-
Depreciation charged (note 6)	(116,351)	(18,007)
Net book value at end of the year	509,066	77,806
Office equipment		
Net book value at start of the year	14,594	7,067
Cost of additions	2,418	15,857
Depreciation charged (note 6)	(5,603)	(8,330)
Net book value at end of the year	11,409	14,594
	520,475	92,400

No items of property, plant and equipment have been pledged as security by the Group.

	Consolidated	
	2024 $	2023 $

Note 13 Non-current assets – Right of use assets - leases

Leases		
Carrying value at start of the year	43,621	109,057
ROU assets recognised in the year	226,805	-
Depreciation charged (note 6)	(68,821)	(65,436)
Carrying value at end of the year	201,605	43,621

A right of use asset has been recognised in respect of the Group's lease of its office at Suite 2, 1 Alvan Street, Subiaco, Western Australia. A new lease was recognised during the reporting period for accounting purposes on the exercise of an option in the original lease, resulting in an extension for a further term of three years commencing 1 March 2024.

Refer to Note 18 for details of the corresponding right of use liability arising from the abovementioned lease.

Note 14 Non-current assets – Capitalised mineral exploration and evaluation expenditure
In the exploration and evaluation phase

Capitalised exploration costs at the start of the period	17,783,090	13,891,414
Total acquisition and exploration costs for the period (i)	8,419,058	4,490,490
Exploration costs funded by EIS grant	(323,999)	(295,934)
Research and development tax credits (ii)	-	(66,118)
Previously capitalised exploration costs written off (note 6)	(2,375,690)	(94,535)
Exploration expensed for the period (note 6)	(648,858)	(142,227)
Capitalised exploration costs at the end of the period	22,853,601	17,783,090

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The capitalised exploration expenditure written off includes expenditure written off on surrender of or intended surrender of tenements for both the group entities and the Group's proportionate share of the exploration written off by the joint venture entities.

(i) *Does not include costs incurred by farm-in partners in respect of spend incurred on assets the subject of farm-in arrangements.*

(ii) *Amounts receivable pursuant to research and development tax credit (R&D) claims lodged during the period. The activities the subject of the R&D claims are subject to review by AusIndustry prior to being submitted. R&D submissions may or may not be subject to future review or audit by AusIndustry or the Australian Taxation Office.*

Note 15 Interest in joint ventures and farm-in arrangements

a) Joint Venture Agreements – Joint Operations

Joint venture agreements may be entered into with third parties.

Assets employed by these joint ventures and the Group's expenditure in respect of them is brought to account initially as capitalised exploration and evaluation expenditure until a formal joint venture agreement is entered into. Thereafter, investment in joint ventures is recorded distinctly from capitalised exploration costs incurred on the company's 100% owned projects.

b) Joint Venture and Farm-in Arrangements

Earn-in and Joint Venture Agreement – Jessica Copper Project ("Jessica") and Carrara Copper-Zinc Project ("Carrara") – South32 Ltd (South32)

The key terms for the farm-in and joint venture agreements are:

Jessica

- South32 has the right to earn a 60% interest in Jessica (the "Initial Interest") by sole funding $15 million of exploration expenditure within 10 years.
- During the farm-in phase or joint venture period, South32 may earn an additional 15% interest in Jessica (the "Further Interest") by completing a Scoping Study.
- Upon South32 earning the Initial Interest or Further Interest in Jessica, a 60:40 or 75:25 joint venture will be formed and in the case of South32 earning the Further Interest, the parties must contribute funds based on their pro-rata interest or dilute according to a standard dilution formula. Should a party's interest dilute to below 10%, that party's interest shall automatically convert to a net smelter return royalty.
- During the farm-in phase, South32 will be the Manager of the project.

Carrara

- South32 has the right to earn a 60% interest in Carrara by sole funding $10 million of exploration expenditure within 10 years.
- During the farm-in phase or joint venture period, South32 may earn an additional 15% interest in Carrara by completing a Scoping Study.
- Upon South32 earning the Initial Interest or the Further Interest in Carrara, a 60:40 or 75:25 joint venture will be formed and the parties must contribute funds based on their pro-rata interest or dilute according to a standard dilution formula. Should a party's interest dilute to below 10%, that party's interest shall automatically convert to a net smelter return royalty.
- During the farm-in phase, South32 will be the Manager of the project.

During the farm-in phase for both projects, a technical committee comprising representatives from each of Encounter and South32 will review and approve annual exploration programs and budgets. All decisions of the technical committee will be decided by majority vote, with South32 having a casting vote.

Scoping Study means an order of magnitude technical and economic study of the potential viability of JORC Mineral Resources for the relevant project.

Note 15 Interest in joint ventures and farm-in arrangements (continued)

Earn-in and Joint Venture Agreement - Yeneena Copper-Cobalt Project ("Yeneena") – IGO Limited NL (IGO)

The key terms of the earn-in and joint venture agreement are as follows:

- IGO may earn a 70% interest in the project by sole funding $15 million of expenditure over 7 years;
- During the earn-in, IGO shall have the right to be the Manager of the project;
- Upon IGO completing the earn-in a 70:30 joint venture will be formed, and the parties must contribute funds based on their percentage interest to maintain their respective interests; and
- Standard dilution clauses will apply to the parties' interests. Should a party's interest dilute to below 10% it shall automatically convert to a Net Smelter Royalty.

	Consolidated	
	2024 $	2023 $

Note 16 Current liabilities – Trade and other payables

Trade payables and accruals	1,024,089	945,595
Other payables	74,541	42,206
	1,098,630	987,801

Liabilities are not secured over the assets of the Group. Details of fair value and exposure to interest risk are included at note 22.

Note 17 Current liabilities - Employee benefits

Liability for annual leave	169,233	101,183
Liability for long service leave	210,731	166,485
	379,964	267,668

	Consolidated	
	2024 $	2023 $

Note 18 Current liabilities – Lease liabilities

Leases		
Carrying value at start of the year	49,059	116,954
Lease liabilities recognised in the year	226,805	-
Lease payments made	(78,939)	(74,823)
Lease interest charged to profit or loss	8,972	6,928
Carrying value at end of the year	205,897	49,059

Lease liabilities are split between current and non-current liabilities at the balance date as follows:

Lease liabilities due < 1 year	68,197	49,059
Lease liabilities due > 1 year	137,700	-
Total lease liabilities	205,897	49,059

A lease liability has been recognised in respect of the Group's lease of its office at Suite 2, 1 Alvan Street, Subiaco, Western Australia.

Refer to Note 13 for details of the corresponding right of use asset arising from the abovementioned lease.

Refer to Note 22 for details of contractual maturity of the lease liability.

Note 19 Issued capital

a) Ordinary shares

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

	Issue price	2024 No.	2023 No.	2024 $	2023 $
b) Share capital					
Issued share capital		450,828,054	395,525,781	66,693,913	55,158,968
c) Share movements during the year					
Balance at the start of the financial year		395,525,781	317,216,826	55,158,968	41,666,888
Share placement	$0.12	-	35,833,334	-	4,300,000
Exercise of options[1]	$0.052	-	2,475,621	-	128,732
Share placement	$0.25	-	40,000,000	-	10,000,000
Share placement	$0.22	47,727,273	-	10,500,000	-
Exercise of options[1]	$0.082	1,500,000	-	123,000	-
Exercise of options[1]	$0.162	5,050,000	-	818,100	-
Exercise of options[1]	$0.208	175,000	-	36,400	-
Exercise of options[1]	$0.20	100,000	-	20,000	-
Exercise of options[1]	$0.30	100,000	-	30,000	-
Exercise of options[1]	$0.182	650,000	-	118,300	-
Transfer from reserves on exercise of options		-	-	467,193	-
Less share issue costs:					
Cash-based		-	-	(578,048)	(778,945)
Equity-based (note 20)		-	-	-	(157,707)
Balance at the end of the financial year		450,828,054	395,525,781	66,693,913	55,158,968

[1] Refer Note 20 for details of options exercised.

Capital risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt (where applicable). Net debt is calculated as total borrowings less cash and cash equivalents. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company may seek to raise capital to fund its exploration and evaluation programs, invest in project generation or acquisition and to fund the corporate and administrative costs that support such activities.

The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.

Note 20 Options and share based payments

The establishment of the Encounter Resources Limited Employee Share Option Plan ("the Plan") was last approved by a resolution at the Annual General Meeting of shareholders of the Company on 24 November 2023. All eligible Directors, executive officers and employees of Encounter Resources Limited who have been continuously employed by the Company are eligible to participate in the Plan. The Plan allows the Company to issue free options to eligible persons. The options can be granted free of charge and are exercisable at a fixed price in accordance with the Plan.

a) Options issued during the year
During the financial year the Company granted 3,010,000 options (2023: 7,530,000) over unissued shares.

b) Options exercised during the year
During the financial year the Company issued shares on the exercise of 7,575,000 (2023: 2,900,000) unlisted options, as follows:

Number of options exercised	*Details of options exercised*
1,500,000	Exercisable at $0.082 expiring 30 November 2023
5,050,000	Exercisable at $0.162 expiring 31 October 2023
175,000	Exercisable at $0.208 expiring 28 February 2027
100,000	Exercisable at $0.20 expiring 29 September 2025
100,000	Exercisable at $0.30 expiring 29 September 2025
650,000	Exercisable at $0.182 expiring 30 June 2024

c) Options cancelled during the year
During the year 175,000 options (2023: nil) were cancelled upon termination of employment; and nil options (2023: nil) were cancelled on expiry of the exercise period.

d) Options on issue at the balance date
The number of options outstanding over unissued ordinary shares at 30 June 2024 is 18,070,000 (2023: 22,810,000). The terms of these options are as follows:

Number of options outstanding	*Exercise price*	*Expiry date*
2,450,000	22.2 cents	26 November 2024
800,000	21.2 cents	30 April 2025
3,630,000	22.4 cents	28 November 2025
1,200,000	19.0 cents	28 June 2026
900,000	20.0 cents	29 September 2025
900,000	30.0 cents	29 September 2025
3,980,000	26.8 cents	30 November 2026
250,000	28.3 cents	15 January 2027
150,000	20.8 cents	28 February 2027
100,000	17.5 cents	27 March 2027
500,000	50.0 cents	29 May 2026
200,000	36.8 cents	20 June 2027
400,000	59.2 cents	13 July 2027
400,000	67.7 cents	24 July 2027
400,000	68.9 cents	1 August 2027
660,000	55.6 cents	23 November 2027
1,000,000	41.1 cents	17 December 2027
150,000	35.5 cents	25 February 2028

Note 20 Options and share based payments (continued)

e) Subsequent to the balance date

100,000 options have been granted subsequent to the balance date and to the date of signing this report.

1,000,000 options have been exercised subsequent to the balance date to the date of signing this report, as follows:

Number of options exercised	Exercise price (cents)	Expiry date
100,000	$0.175	27 Mar 2027
400,000	$0.20	29 Sep 2025
400,000	$0.30	29 Sep 2025
100,000	$0.50	29 May 2026

Subsequent to the balance date nil options have been cancelled on expiry of the exercise period.

Weighted average contractual life
The weighted average contractual life for un-exercised options is 22.4 months (2023: 21.5 months).

Basis and assumptions used in the valuation of options.
The options issued during the year were valued using the Black-Scholes option valuation methodology.

Issued as equity-based remuneration:

Date granted	Number of options granted	Exercise price (cents)	Expiry date	Risk free interest rate used	Volatility applied[1]	Value of Options
14/07/2023	400,000	59.2	13 Jul 2027	3.93%	96.17%	$ 97,898
25/07/2023	400,000	67.7	24 Jul 2027	3.86%	96.10%	$111,876
2/08/2023	400,000	68.9	1 Aug 2027	3.73%	96.20%	$113,677
24/11/2023	660,000	55.6	23 Nov 2027	4.19%	97.25%	$153,651
14/12/2023	1,000,000	41.1	17 Dec 2027	3.80%	100.79%	$170,664
26/02/2024	150,000	35.5	25 Feb 2028	3.80%	98.85%	$22,477
						$670,243

[1]Historical volatility has been used as the basis for determining expected share price volatility.

Reconciliation of movement of options over unissued shares during the period including weighted average exercise price (WAEP)

	2024		2023	
	No.	WAEP (cents)	No.	WAEP (cents)
Options outstanding at the start of the year	22,810,000	21.5	18,180,000	16.3
Options granted during the year	3,010,000	53.6	7,530,000	27.7
Options exercised during the year	(7,575,000)	15.1	(2,900,000)	5.2
Options cancelled and expired unexercised during the year	(175,000)	20.8	-	-
Options outstanding at the end of the year	18,070,000	29.5	22,810,000	21.5

	Consolidated			
	2024		2023	
	Accumulated losses $	Equity remuneration reserve[1] $	Accumulated losses $	Equity remuneration reserve (i) $
Note 21 Reserves and accumulated losses				
Balance at the beginning of the year	(28,103,156)	1,787,811	(26,698,304)	1,224,339
Profit/(Loss) for the period	(4,331,728)		(1,429,900)	-
Movement in equity remuneration reserve in respect of options issued (note 20)	-	670,243	-	618,452
Transfer to accumulated losses on cancellation of options	13,055	(13,055)	25,048	(25,048)
Transfer to share capital on exercise of options[2]	-	(467,193)	-	(29,932)
Balance at the end of the year	(32,421,829)	1,977,806	(28,103,156)	1,787,811

[1]*The equity remuneration reserve is used to recognise the fair value of options issued and vested but not exercised.*

[2]*Transfer to issued capital in respect of the deemed exercise price receivable on the exercise of options pursuant to cash less exercise provisions.*

Note 22 Financial instruments

Credit risk
The Directors do not consider that the Group's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made, note 2(a).

Impairment losses
The Directors do not consider that any of the Group's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the reporting period, other than the write off of deferred exploration assets at note 14.

Interest rate risk
At the reporting date the interest profile of the Group's interest-bearing financial instruments was:

	Carrying amount ($)	
	2024	2023
Fixed rate instruments		
Financial assets	-	-
Variable rate instruments		
Financial assets[1]	14,050,537	11,817,728

[1] *Cash and cash equivalents.*

Note 22 Financial instruments (Continued)

Cash flow sensitivity analysis for variable rate instruments
A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity	
	1% increase	1% decrease	1% increase	1% decrease
2024				
Variable rate instruments	140,505	(140,505)	140,505	(140,505)
2023				
Variable rate instruments	118,177	(118,177)	118,177	(118,177)

Liquidity risk
The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements, note 2(b):

Consolidated	Carrying amount $	Contractual cash flows $	< 6 months $	6-12 months $	1-2 years $	2-5 years $	> 5 years $
2024							
Trade and other payables	1,098,630	1,098,630	1,098,630	-	-	-	-
Lease liabilities	205,897	235,936	42,314	43,441	89,175	61,006	-
	1,304,527	1,334,566	1,140,944	43,441	89,175	61,006	-
2023							
Trade and other payables	987,801	987,801	987,801	-	-	-	-
Lease liabilities	49,059	49,059	49,059	-	-	-	-
	1,036,860	1,036,860	1,036,860	-	-	-	-

Fair values

Fair values versus carrying amounts
The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	Consolidated			
	2024		2023	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Cash and cash equivalents	14,050,537	14,050,537	11,817,728	11,817,728
Financial assets	59,342	59,342	59,342	59,342
Lease liabilities	(205,897)	(205,897)	(49,059)	(49,059)
Trade and other payables	(1,098,630)	(1,098,630)	(987,801)	(987,801)
	12,805,352	12,805,352	10,840,210	10,840,210

The Group's policy for recognition of fair values is disclosed at note 1(u).

Note 23 Dividends

No dividends were paid or proposed during the financial year ended 30 June 2023 or 30 June 2024.

The Company has no franking credits available as at 30 June 2023 or 30 June 2024.

Note 24 Key management personnel disclosures

(a) *Directors and key management personnel*

The following persons were directors of Encounter Resources Limited during the financial year:

(i) *Chairman – non-executive*
Paul Chapman (retired 24 November 2023)

(ii) *Executive directors*
Will Robinson, Executive Chairman (Managing Director to 24 November 2023)

(iii) *Non-executive directors*
Jonathan Hronsky, Director
Philip Crutchfield, Director
Peter Bewick, Director

There were no other persons employed by or contracted to the Company during the financial year, having responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

(b) *Key management personnel compensation*

A summary of total compensation paid to key management personnel during the year is as follows:

	2024 $	2023 $
Total short-term employment benefits	525,067	506,301
Total share-based payments	153,651	363,857
Total post-employment benefits	47,739	45,649
	726,457	915,807

During the year the Group incurred costs of $Nil (2023: $14,490), for geological consulting services from Western Mining Services, an entity associated with Dr Jon Hronsky.

Note 25 Remuneration of auditors

Audit and review of the Company's financial statements	37,600	37,000
Audit of tenement expenditure reports	2,650	-
	40,250	37,000

Note 26 Contingencies

(i) Contingent liabilities

There were no material contingent liabilities not disclosed for in the financial statements of the Group as at 30 June 2023 or 30 June 2024 other than:

Yeneena Project Gold Claw-back

Included in the agreement for the Group's acquisition of the remaining 25% interest of certain licences in the Yeneena Project is a gold claw-back right in the event of a major discovery of a deposit of minerals dominant in gold, with gold revenue measured in a mining study equal to or exceeding 65% of total revenue and where a JORC compliant mineral resources exceeds 4,000,000 ounces of gold or gold equivalent, or is capable of producing at least 200,000 ounces of gold or gold equivalent per year for 10 years.

Under the agreement Barrick (Australia Pacific) Limited retains the right to regain an interest of between 70 and 100% in the gold discovery at a price of between US$40-100 per ounce, with a 1.5% net smelter royalty to Encounter Resources.

The Yeneena Project Gold Claw-back relates to the following exploration licences: E45/2500, E45/2501, E45/2502, E45/2561, E45/2657, E45/2658, E45/2805 and E45/2806.

Lamil Production Royalty

The Group is subject to a production unit royalty of $1 per dry metric tonne of ore mined and sold from licence E45/4613 at its Lamil Copper-Gold Project.

Native Title and Aboriginal Heritage

The Group has Land Access and Mineral Exploration Agreements with Western Desert Lands Aboriginal Corporation in relation to the tenements comprising the Yeneena Base Metals Project and the Paterson Gold Projects. Western Desert Lands Aboriginal Corporation ((Jamukurnu-Yapalikunu/WDLAC) is the Prescribed Body Corporate for the Martu People of the Central Western Desert region in Western Australia.

The Company has entered into the Mineral Exploration and Land Access Deed of Agreement with the Parna Ngururrpa (Aboriginal Corporation) RNTBC in relation to the Aileron project in the West Arunta in Western Australia.

Native title claims have been made with respect to areas which include tenements in which the Group has an interest. The Group is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Group or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Group has an interest.

Bank guarantees

ANZ Bank has provided an unconditional bank guarantee amounting to $25,652 in relation to the lease over the Company's office premises at Suite 2, 1 Alvan Street, Subiaco, Western Australia.

A bank guarantee exists, and a corresponding amount of $100,000 held on deposit, in relation to the Group's corporate credit card facility.

These amounts are not reported as a cash asset in these financial statements, and are classified as security bonds and deposits in non-current assets (refer Note 8(c)).

(ii) Contingent assets

There were no material contingent assets as at 30 June 2023 or 30 June 2024.

Note 27 Commitments

(a) Exploration

The Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may be varied as a result of renegotiations of the terms of the exploration licences or their relinquishment. The minimum exploration obligations are less than the normal level of exploration expected to be undertaken by the Group.

As at balance date, total exploration expenditure commitments on tenements held by the Group have not been provided for in the financial statements and which cover the following twelve-month period amount to $2,478,500 (2023: $2,490,520).

The exploration expenditure obligations stated above include amounts (approximately $1.3m (2023: approximately $1.4m)) that are funded by third parties pursuant to various farm-in agreements (Note 15). Therefore current expenditure commitment on Encounter 100% owned projects is approximately $1.2m (2023: approximately $1.1m).

(c) Contractual Commitment

There are no material contractual commitments as at 30 June 2023 or 30 June 2024 not otherwise disclosed in the Financial Statements.

Note 28 Related party transactions

Transactions with Directors during the year are disclosed at Note 24 – Key Management Personnel.

In addition, the Company incurred costs of $Nil (2023: $3,900) with Western Mining Services, an entity associated with Dr Jon Hronsky, in relation to the attendance of training courses by employees of the Company.

There are no other related party transactions other than as stated in the financial statements.

Note 29 Events occurring after the balance sheet date

Other than as stated in note 20, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

	Consolidated	
	2024 $	2023 $

Note 30 Reconciliation of loss after tax to net cash inflow from operating activities

	2024 $	2023 $
Profit/(Loss) from ordinary activities after income tax	(4,331,728)	(1,429,900)
Depreciation and amortisation	74,424	73,766
Exploration cost written off and expensed	3,024,548	236,762
Share based payments expense	670,243	460,745
Unrealised (gain)/loss on investments	-	59,519
Profit on disposal of property, plant and equipment	(14,494)	-
Contribution to overheads from farm-in and project alliance partners	-	(135)
Lease interest	8,972	6,928
Movement in assets and liabilities:		
(Increase)/decrease in receivables	(4,300)	(9,633)
Increase/(decrease) in payables	38,956	30,506
Net cash outflow from operating activities	(533,379)	(571,442)

Non-Cash Investing and Financing Activities
During the comparative period the Company issued options to lead managers to capital raising services provided, with a total fair value amounting to $157,707.

Note 31 Earnings per share

	Consolidated	
	2024	2023
a) Basic earnings per share	**Cents**	Cents
Profit/(Loss) attributable to ordinary equity holders of the Company	(1.1)	(0.4)
b) Diluted earnings per share		
Profit/(Loss) attributable to ordinary equity holders of the Company	(1.1)	(0.4)
c) Loss used in calculation of basic and diluted loss per share	**$**	$
Consolidated profit/(loss) after tax from continuing operations	(4,331,728)	(1,429,900)
d) Weighted average number of shares used as the denominator	**No.**	No.
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	410,722,867	349,011,344

Note 32 Parent entity information

	Company	
	2024 $	2023 $
Financial position		
Assets		
Current assets	14,059,478	12,018,264
Non-current assets	23,898,240	18,163,514
Total Assets	37,957,718	30,181,778
Liabilities		
Current liabilities	1,570,128	1,338,155
Non-current liabilities	137,700	-
Total Liabilities	1,707,828	1,338,155
NET ASSETS	36,249,890	28,843,623
Equity		
Issued capital	66,693,913	55,158,968
Equity remuneration reserve	1,977,806	1,787,811
Accumulated losses	(32,421,829)	(28,103,156)
TOTAL EQUITY	36,249,890	28,843,623
Financial performance		
Profit/(Loss) for the year	(4,331,728)	(1,429,900)
Other comprehensive income	-	-
Total comprehensive income	(4,331,728)	(1,429,900)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

No guarantees have been entered into by the parent entity in relation to the debts of its subsidiary companies.

Contingent liabilities

For full details of contingencies see Note 26.

Commitments

For full details of commitments see Note 27.

Encounter Resources Limited
ABN 47 109 815 796

Consolidated Entity Disclosure Statement
As at 30 June 2024

Entity Name	Entity Type	Body Corporates		Tax Residency	
		Place of Incorporation	% Share Capital Held	Australian or Foreign	Foreign Jurisdiction
Encounter Resources Limited	Body Corporate	Australia	N/a	Australian	N/a
Encounter Operations Pty Ltd	Body Corporate	Australia	100%	Australian	N/a
Encounter Aileron Pty Ltd	Body Corporate	Australia	100%	Australian	N/a
Encounter Paterson Pty Ltd	Body Corporate	Australia	100%	Australian	N/a
Encounter Gascoyne Pty Ltd	Body Corporate	Australia	100%	Australian	N/a
Encounter Yeneena Pty Ltd	Body Corporate	Australia	100%	Australian	N/a
Faure Resources Pty Ltd	Body Corporate	Australia	100%	Australian	N/a
Baudin Resources Pty Ltd	Body Corporate	Australia	100%	Australian	N/a

All entities are members of the Encounter Resources Limited consolidated tax group.

None of the abovementioned entities acts as a trustee of a trust within the Consolidated Entity, or is a partner in partnership with the Consolidated Entity, or is a participant in a joint venture within the Consolidated Entity.

Encounter Resources Limited
ABN 47 109 815 796

Directors' Declaration

In the opinion of the Directors of Encounter Resources Limited ("the Company")

(a) the financial statements and notes set out on pages 19 to 52 are in accordance with the Corporations Act 2001, including:

  (i) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  (ii) giving a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Group.

(b) the remuneration disclosures that are contained in the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures, the Corporations Act 2001 and the Corporations Regulations 2001.

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(d) the financial statements comply with International Financial Reporting Standards as set out in Note 1.

(e) the Consolidated Entity Disclosure Statement is true and correct.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2024.

This declaration is made in accordance with a resolution of the Directors.

Signed at Perth this 19th day of September 2024.

Will Robinson
Executive Chairman

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77 St Georges Terrace
Perth WA 6000
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Independent Auditor's Report to the Members of Encounter Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Encounter Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How we addressed the Key Audit Matter
Consideration of impairment of capitalised mineral exploration and evaluation expenditure	
The Group's capitalised mineral exploration and evaluation expenditure asset of $22,853,601 is a significant asset to the Group and involved significant management's estimated and judgement in the impairment assessment. This matter is considered a key audit matter due to the amounts involved being material as well as high degree of judgement applied in the impairment assessment. The related accounting policies, critical estimates and judgements and disclosures are contained in Note 1, Note 3, Note 4 and Note 14 of the financial statements.	Our procedures included, but were not limited to: • conducted discussions with management regarding the criteria used in their impairment assessment and ensuring that this was in line with the requirements of *AASB 6 Exploration for and Evaluation of Mineral Resources*. • checked evidence of activities carried out and management's intentions for areas of interest the Group holds so as to assess for impairment; • checked the Group's right of tenure by obtaining and assessing third party information supporting the Group's rights to tenure; • checked the Group's cashflow forecast for the next twelve months that it included exploration and evaluation expenditure on further exploration activities; and • considered the appropriateness of the disclosures in the financial statements in accordance with the relevant requirements of Australian Accounting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001;* and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

b) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in pages 8 to 16 of the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Encounter Resources Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Crowe Perth

Crowe Perth

Suwarti Asmono
Partner

19 September 2024
Perth