2022 annual report

encounter resources

ABN 47 109 815 796

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01.

Letter from the Chairman & Managing Director

Dear Fellow Shareholder,

We are pleased to present the 2022 Annual Report for Encounter Resources Ltd ("**Encounter**"). Encounter is one of Australia's leading mineral exploration companies. Encounter's primary focus is on discovering major copper deposits in Australia.

Copper is one of the most crucial commodities required in the 21st century with vehicle electrification and the decarbonisation of global energy infrastructure supercharging its importance.

As the world moves more rapidly in this direction, global copper supply is constrained and average mine grades across the sector continue to decline. The major copper mines producing today were discovered many decades ago and are becoming more costly to develop. Importantly, copper is also one of the least substitutable metals required in modern economies.

This makes the challenge to find the next generation of major new sources of copper irresistible. These discoveries are essential and likely to occur in new areas by implementing new technologies and methods. This drives the construction of Encounter's project portfolio and our approach to exploration.

Encounter is one of Australia's leading ASX-listed project generation and copper exploration companies. Our project generator business model facilitates exploration of an expansive project pipeline through a mix of alliances, earn-ins and joint ventures as well as sole funded exploration. This allows Encounter to pursue multiple large scale opportunities in parallel.

Encounter controls a large portfolio of exciting copper projects in Western Australia and the Northern Territory.

The Greater McArthur Superbasin in the Northern Territory is fast emerging as one of the most significant global opportunities for the discovery of new, large sediment-hosted copper and zinc deposits under shallow cover.

Encounter is advancing this vast opportunity via a combination of farm-in agreements with some of Australia's largest mining companies (South32 and BHP) and an extensive portfolio of 100% owned projects.

Identifying opportunities, completing early-stage exploration and then accelerating work through joint ventures is a core objective. To date Encounter has completed farm-in agreements in the Northern Territory that can provide up to $50 million in initial exploration funding from its partners.

The search for Tier-1 copper and zinc deposits in the Northern Territory continues to gather pace and we are delighted to be working with high quality partners with accomplished exploration teams to capture this opportunity.

At our 100% owned Sandover project, the evidence of the processes that produce high grade copper mineralisation continue to mount. Sandover is located 170km north of Alice Springs and covers a major structural corridor on the southern margin of the Georgina Basin. Sandover has mapped copper mineralisation over 20km of strike in a stratiform position and has a number of the major elements of the classic sediment-hosted copper system. Furthermore, the project covers a large portion of the North Arunta pegmatite province and its prospectivity for lithium mineralisation will be assessed in tandem with the copper potential.

In Western Australia, the stars are beginning to align at the 100% owned Aileron project in the West Arunta where a recent study by the Geological Survey of Western Australia has identified a new suite of granites in the northern part of the West Arunta at a similar age to Olympic Dam.

Aileron has a comparable age host sequence and hydrothermal event as well as similar geochemical signature to the world-class IOCG deposits of South Australia. Favourably, the prospective geology at Aileron is under thin cover, not hundreds of metres of cover like the Gawler Craton, and surface geochemical methods have a good chance of identifying near surface mineralisation.

In the Paterson Province of Western Australia, we are pleased to be partnering with IGO towards unlocking the considerable copper potential of the region, demonstrated by the recent discoveries in the region at Winu and Havieron. IGO has implemented a number of new and innovative exploration techniques in recent years to generate high priority drill targets.

Also, in the Paterson Province of Western Australia, Encounter has the 100% owned Lamil project located 25km northwest of the major gold-copper mine at Telfer. Diamond drilling at Lamil has intersected a thick prospective package containing multiple, stacked copper-gold reefs that are open on section and down plunge.

In summary, Encounter is advancing a suite of 100% owned copper projects in the Paterson Province and the West Arunta in Western Australia and at Sandover in the Northern Territory. Complementing this, Encounter has numerous large scale copper projects being advanced in partnership with world leading resources companies: BHP, South32 and IGO.

Encounter remains one of the most dedicated and active mineral exploration companies listed on the ASX. We are focused on generating significant, long-term value for our shareholders through leading edge exploration for major copper deposits in Australia.

Encounter is disciplined in its approach to capital management and we are steadfast in our commitment to systematic exploration that can create enduring value for our shareholders. Our exploration plans remain well funded and, importantly, we have an extremely capable and experienced team that is dedicated to realising the potential of our portfolio.

In closing, we would like to thank our local communities, employees, joint venture partners and suppliers. We also would take this opportunity to thank our fellow shareholders for your ongoing support.

Yours sincerely

Paul Chapman
Chairman

Will Robinson
Managing Director

02. Exploration Review

2022 Highlights:

100% owned projects in Australia's most exciting new copper districts:

Sandover Copper-Lithium Project NT (100% ENR)

- Additional surface sampling confirmed further areas of surface copper oxide mineralisation at Sandover
- Nodules of copper sulphide minerals, including bornite, identified in historical drill core providing evidence of high grade mineralisation processes
- Sandover covers a significant part of the North Arunta Pegmatite Province identified by Northern Territory Geological Survey ("NTGS")
- NTGS interpret that the pegmatites in the region are Lithium-Caesium-Tantalum ("LCT") pegmatites similar to the host pegmatites of the lithium deposits at Greenbushes in WA and at the Finnis deposit in the Pine Creek pegmatite province in the NT
- Encounter awarded a $100,000 grant by the Northern Territory Geological Survey ("NTGS") to complete a gravity survey at Sandover. Gravity survey has commenced and will aid the development of a basin wide stratigraphic model

Aileron Copper-Rare Earths Project West Arunta WA (100% ENR)

- Geochronology completed by the GSWA classifies the host sequence and mineralisation events at Aileron are a similar age to the events at Olympic Dam.

Indications of a potential new IOGC belt include:

  - Confirmation of important isotopic ages;
  - Copper-gold anomalism associated with hematite alteration; and
  - Highly anomalous rare earth elements ("REE") in drill core

- Importantly, the prospective geology is under shallow cover (5m of cover in EAL001) in contrast to +500m of cover in much of the Gawler Craton
- A full assay suite of REE analysis has been completed for EAL001 drill core with assays grading up to 0.8% TREO (including 0.14% of high value neodymium-praseodymium)
- Airborne magnetic and radiometric survey commencing in October 2022 to refine targets for drilling in 2023

Lamil Copper-Gold Project – Paterson Province WA (100% ENR)

- Gravity survey completed in May 2022
- Exploration Incentive Scheme ("EIS") co funded diamond drilling completed at the Dune Prospect ("Dune") in September 2022
- Drilling to test for lateral and down plunge extensions of the prospective package that contains stacked, copper-gold reefs. Initial observations:
  - Confirms the geological model with the prospective package intersected in both holes

- A new steep set of structures striking sub-parallel to drilling may represent a new untested target
- Drill holes have been cased for downhole EM to test for off-hole conductive features that could be concentrations of sulphide associated with Cu-Au mineralisation
- Initial assay results are expected in November/December 2022

Major copper exploration drive funded through farm-ins with world leading resources companies

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

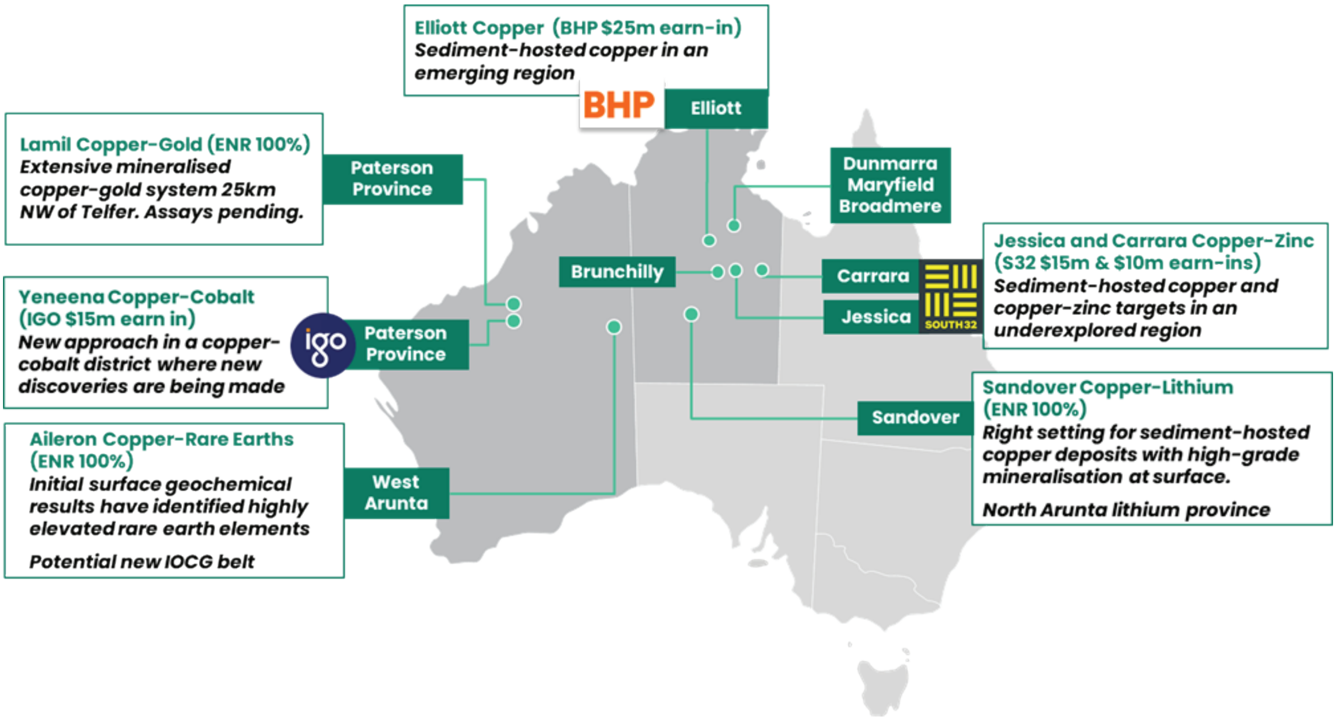
- Substantial 2022 exploration program at the Yeneena Copper-Cobalt Project ("Yeneena") in the Paterson Province of WA operated and funded by IGO Limited ("IGO", ASX:IGO)
- The 2022 exploration program at Yeneena designed to test high-priority targets identified by IGO after two years of target refinement and is currently planned to include:
  - 4,500m of diamond drilling
  - 1,900m of aircore drilling
  - 1,200 line km of Heli TEM surveying covering two target areas

Elliott Copper Project NT (BHP $25m farm-in)

- Exploration at the Elliott Copper Project is operated and funded by BHP (ASX:BHP) under a $25M exploration earn-in agreement and includes planned deep diamond drilling and seismic surveys
- The 2022 diamond drilling program at the Elliott Copper Project is designed to advance the understanding of basin architecture and prospective deposition locations for sediment-hosted copper deposits
- The drilling component of the program includes an estimated 2,000m of diamond drilling. The drill program is scheduled to be completed by November 2022

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

- Two new Farm-in Agreements completed with South32 (ASX:S32) in June 2022 covering the Jessica Copper Project and the Carrara Copper-Zinc Project in the Northern Territory
- South32 to wholly fund initial exploration on each project and Encounter carried to the completion of a Scoping Study
- Exploration has commenced with reprocessing of seismic lines at Carrara, which is part of the first year budget of $1.3 million exploration expenditure across both projects



Sandover Copper-Lithium Project – NT (100% ENR)

Background

Sandover is located 170km north of Alice Springs and covers a major structural corridor on the southern margin of the Georgina Basin. Access is excellent with the Stuart Highway and Alice Springs-Darwin railway extending through the western margin of the project.

Sampling in October 2021 was conducted in four field areas located up to 6km apart (Figure 1). Each area confirmed the presence of an outcropping red-bed sandstone sequence with multiple narrow but strike extensive grey shale units containing copper oxide mineralisation (malachite). Sampling of copper mineralisation at surface returned assays up to 20.9% Cu and a suite of highly anomalous pathfinder elements (Zn, Ag, As, Bi, Mo and Pb) (refer ASX announcement 16 December 2021).

Copper Exploration

Additional surface sampling and field reconnaissance was completed in April 2022. This program confirmed additional mapped areas containing surface copper oxide mineralisation (see Figure 1, Area 5). The surface mapping also identified small bornite nodules, interpreted to be zones of increased fluid flow after replacement of anhydrite, within the grey shale unit (Photo 1).

Surface samples were also collected from various outcropping stratigraphic horizons for chemical analysis and stratigraphic correlation.

Inspection of historical drill core from Sandover in the Alice Springs core library was completed in April 2022. A number of historical drill holes (drilled in 1968, 1971 and 1994) were reviewed and confirmed key geological units and processes to enable the formation of sediment hosted copper deposits are present. Significantly, narrow zones of copper sulphide minerals, including bornite, were identified in historical drill core (Photo 2).

It is interpreted that the copper rich nodules identified at the surface represent the weathered form of the bornite nodules observed in historical drill core. This provides encouraging evidence that processes capable of forming high grade copper mineralisation are present in the basin.

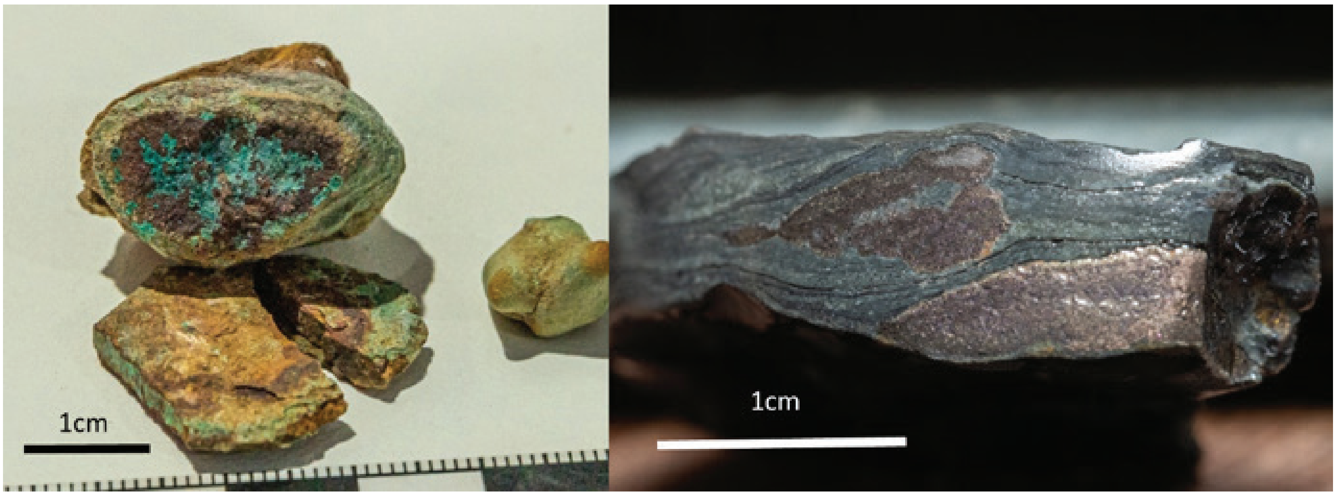


Photo 1 (left) – *weathered copper rich nodules collected from surface at Area 1 (refer Figure 1) – containing malachite (interpreted after bornite-chalcopyrite), visual estimate 10% malachite in 2.5cm diameter nodule*

Photo 2 (right) – *primary copper rich nodule from historical drillhole (Mt Skinner DDH3 203.3m) located adjacent to Area 4 (refer Figure 1) containing bornite-chalcopyrite, visual estimate 30% bornite-chalcopyrite over ~1cm width*

Furthermore, shale units containing the outcropping copper mineralisation at Sandover are considered moderate reductants yet have precipitated considerable copper. This suggests that a highly copper charged fluid has been active at the project.

Accordingly, exploration activities at Sandover are focused on identifying more reduced units within the basin. There will be a particular emphasis on where these units intersect long-lived basin forming structures which are areas with the potential to host major mineral deposits.

NTGS Funding

All available geophysical datasets have been compiled, integrated and evaluated by Encounter's geophysical consultant Terra Resources. As a result of this exercise, 1x1km spaced gravity data has been identified as a key dataset to be collected. Encounter has been awarded a $100,000 grant to complete this gravity survey at Sandover under the NTGS Geophysics and Drilling Collaborations Program. The gravity survey has commenced.

Cautionary statement on visual estimates of mineralisation

References to visual results are from historical diamond drilling from Sandover stored at the Alice Springs Core Library. Photos 1 & 2 provide information supporting the geological context of observations of mineral processes reported in this announcement.

Visual estimates of mineral percentages are based on preliminary visual observations of the drill core surface as presented in the core trays and may not be representative of potential mineralisation at Sandover. Visual estimates of mineral abundance are not considered to be a proxy or substitute for laboratory analyses where metal concentrations or grades are the factor of principal economic interest.

The Company does not intend to complete laboratory assays of the samples in Photos 1 and 2.

Sandover Copper-Lithium Project – NT (100% ENR)

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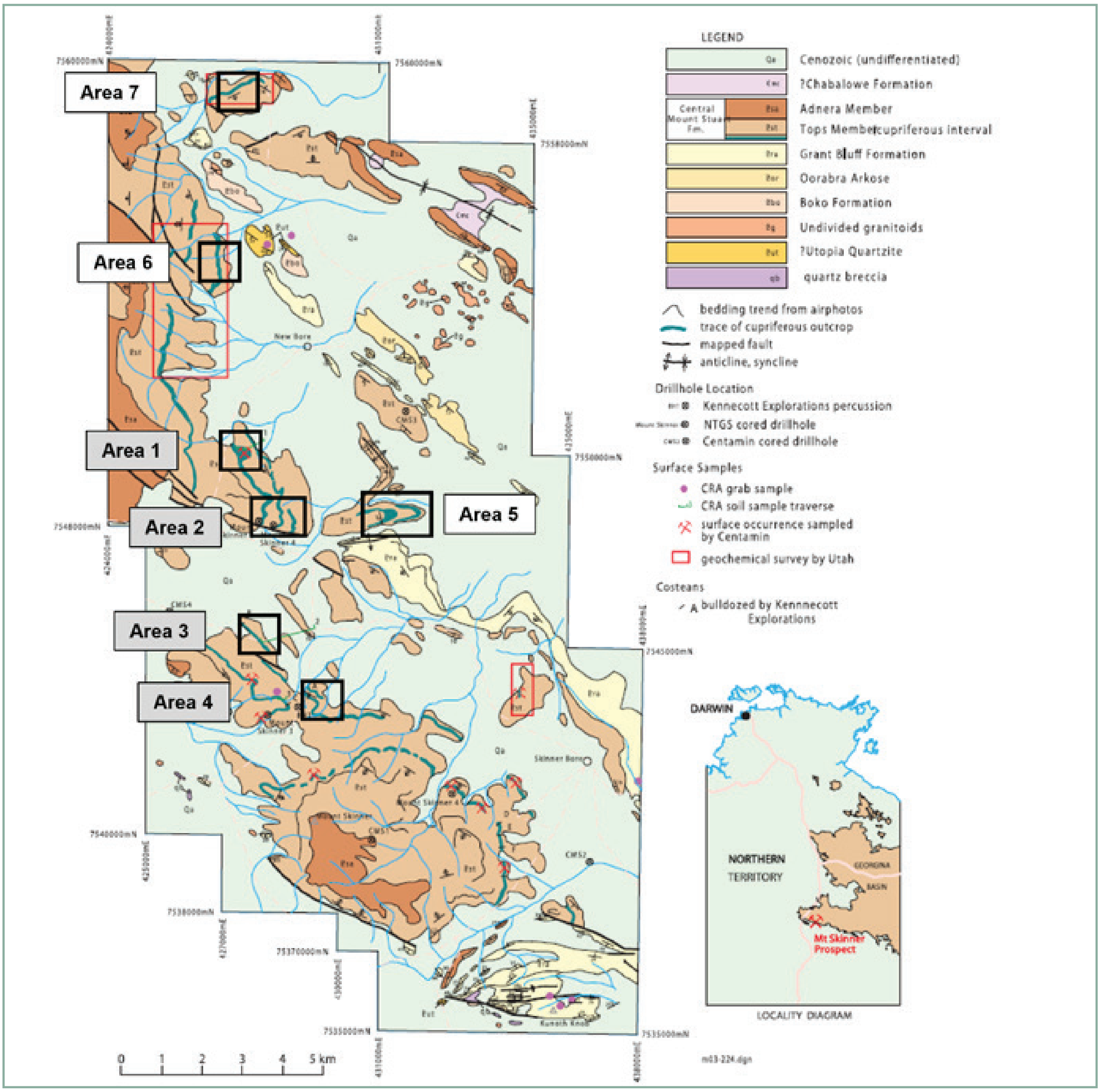

__Figure 1__ – Geological map showing cupiferous outcrop, drillhole locations and surface sampling (compiled from company reports and Haines 2004) Source: NTGS Geology and Mineral Resources of the Northern Territory. Special Publication 5. Compiled by Ahmad, M. and Munson, T.J., June 2013.
Areas 1-4 sampled by Encounter in October 2021, Area 5, 6, 7 sampled in April 2022.

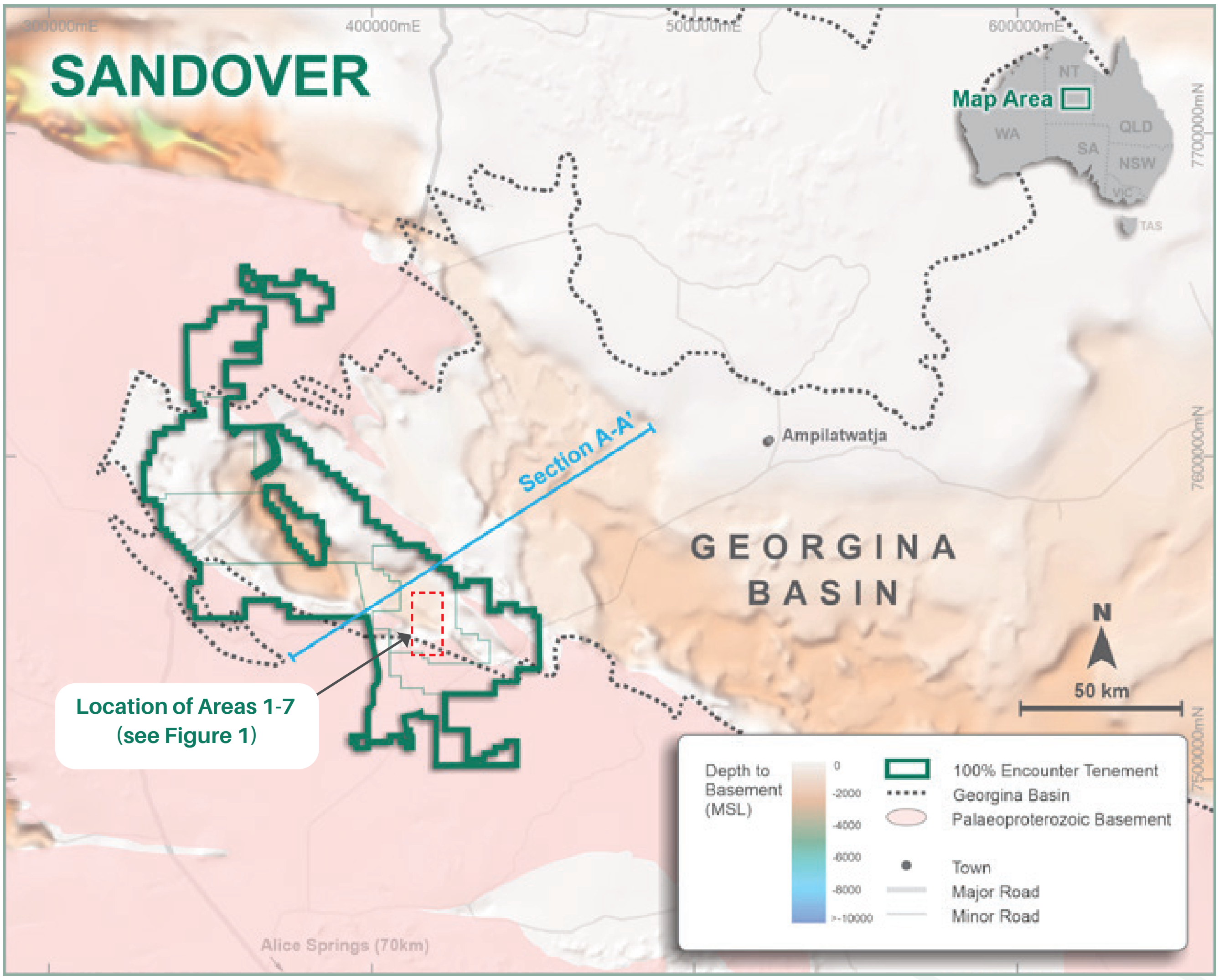

Figure 2 *- Location of field mapping and sampling*

Sandover Copper-Lithium Project – NT (100% ENR)

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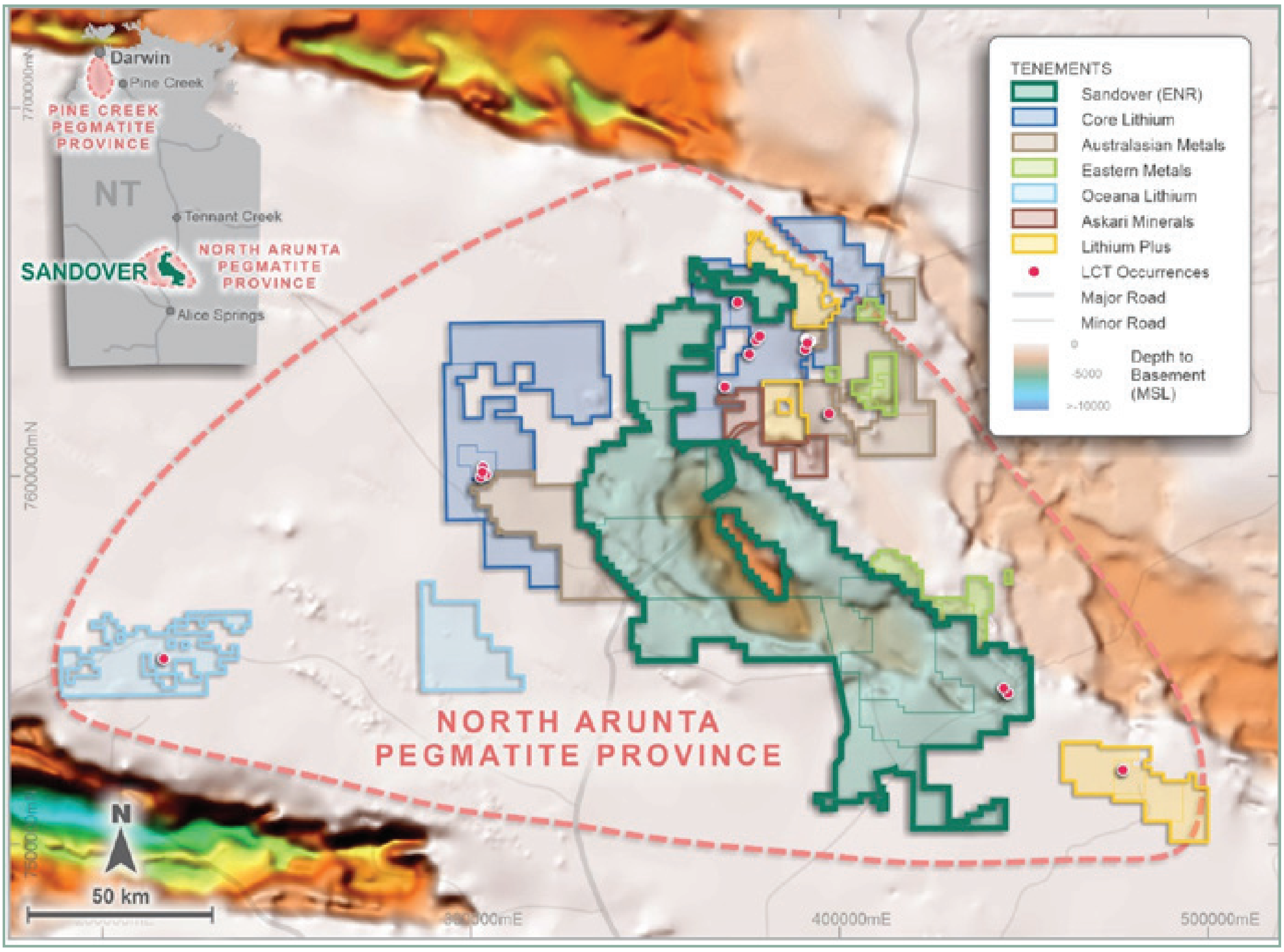

***Figure 3** – Northern Arunta Pegmatite Province – LCT pegmatite occurrences sourced from NTGS Report 16* Tin-tantalum pegmatite mineralisation of the Northern Territory *(Frater 2005)*

Lithium Exploration

Sandover sits within the Northern Arunta Pegmatite Province which was first identified in a report by the NTGS in 2005. The NTGS interpret that the pegmatites in the region are Lithium-Caesium-Tantalum ("LCT") pegmatites similar to the host pegmatites of the lithium deposits at Greenbushes in WA and the Finnis deposit in the Pine Creek pegmatite province in the NT*.

The region's lithium potential was also highlighted by rock chip sampling of the Anningie Tin Field (located 30km west of Sandover) completed in 2017 which returned 15 rock chip samples above 1% Li_2O including a maximum lithium grade of 4.63% Li_2O (see ASX:TRT release 17 December 2017).

The presence of LCT type pegmatites is further supported at Sandover by two tin-tantalum occurrences in the south-east of the project area.

The region's lithium prospectivity has been recognised by a number of companies including Core Lithium Ltd (ASX:CXO) which holds the Anningie and Barrow Creek Lithium Projects in the North Arunta district (Figure 3).

Encounter is completing a technical assessment of the potential for lithium and other critical minerals at Sandover as part of a strategic review to determine how best to optimise and advance the LCT opportunity.

Commencement of an NTGS co-funded gravity survey to aid the development of a basin wide stratigraphic model. The gravity survey will also aid lithium exploration by defining potential key hosting structures.

** NTGS Report 16: Tin-tantalum pegmatite mineralisation of the Northern Territory (Frater, 2005)*

Aileron Copper – Rare Earths Project – West Arunta – WA (100% ENR)

Background

Aileron is located in the West Arunta region of WA ~600km west of Alice Springs. The project contains several structural and geophysical targets identified through aerial magnetic and gravity surveys.

To date, one diamond hole, EAL001, has been drilled targeting a discrete magnetic anomaly (Worsley prospect). EAL001 was partially completed to a depth of 158m in October 2020 and drilled through 5m of shallow cover followed by a brecciated hydrothermal hematite-chlorite-altered granite with narrow mafic intrusions. Within these units, zones of increased brecciation and alteration correlate with increased REE anomalism with a distinctive IOCG geochemical signature. The hole ended prior to designed depth due to a mechanical failure.

Assays from EAL001 include zones of anomalism in copper (up to 0.1% Cu), gold (up to 48ppb Au), molybdenum (up to 155ppm Mo) and highly elevated rare earth elements (up to 0.8% TREO) consistent with the targeted IOCG deposit model (refer ASX announcement 28 January 2021).

The metal anomalism in the hole is associated with the most intensely brecciated and chlorite-hematite altered zones (up to 15% Fe). IOCG mineralisation often has a strong density contrast to background and may be identifiable through the application of gravity surveys.

In November 2021, a ground gravity survey and geological reconnaissance activities, including a successful surface sampling trial, were completed at Aileron.

Geochronology

The North West Arunta inlier at Aileron has historically been mapped as Carrington suite granites (1805-1770 Ma). Recent zircon dating undertaken by the GSWA* has shown that, while there are older rocks of the Carrington Suite and Lander Rock Formation in the district, EAL001 has intersected a new suite of intrusions, previously unknown in the region, with an age of c.1608 Ma.

The GSWA has also found a population of zircons which suggest that brecciation and hydrothermal alteration of this younger intrusion occurred shortly after its emplacement at c.1577 Ma*. Importantly, this age is similar to the ages of known IOCG mineralisation events recorded in the Gawler craton at Olympic Dam* and other deposits (Figure 4).

This new information as well as the established REE anomalism, the presence of cross-cutting mafic dykes and anomalous copper and gold values in EAL001 are compelling evidence of the region's IOCG mineral system potential.

In summary, age dating by the GSWA completed on samples collected from drillhole EAL001 at Aileron has confirmed:

- a previously unknown granitic intrusion event at Aileron of similar age to the Hiltaba Suite granites in the Gawler Craton in South Australia; and
- an age of hydrothermal alteration similar to the published mineralising events at Olympic Dam

Confirmation of these important dates, coupled with the presence of REE, copper and gold anomalism associated with hematite and chlorite alteration, support the IOGC target model.

Importantly, the prospective geology is under shallow cover (5m of cover in EAL001) in contrast to +500m of cover in much of the Gawler Craton. Accordingly, surface geochemical methods can be applied in this region and the trials completed by Encounter demonstrate this.

* *GSWA Geochronology Record 1897: 203749: altered granitic rock, Aileron prospect (Aileron Province, North Australian Craton)*
* *Jagodzinski, 2014. Australian Earth Sciences Convention (AESC), Newcastle).*

Next Steps

- Airborne magnetic and radiometric survey to be completed in October 2022 to refine targets for drilling in 2023.

Aileron Copper – Rare Earths Project – West Arunta – WA (100% ENR)

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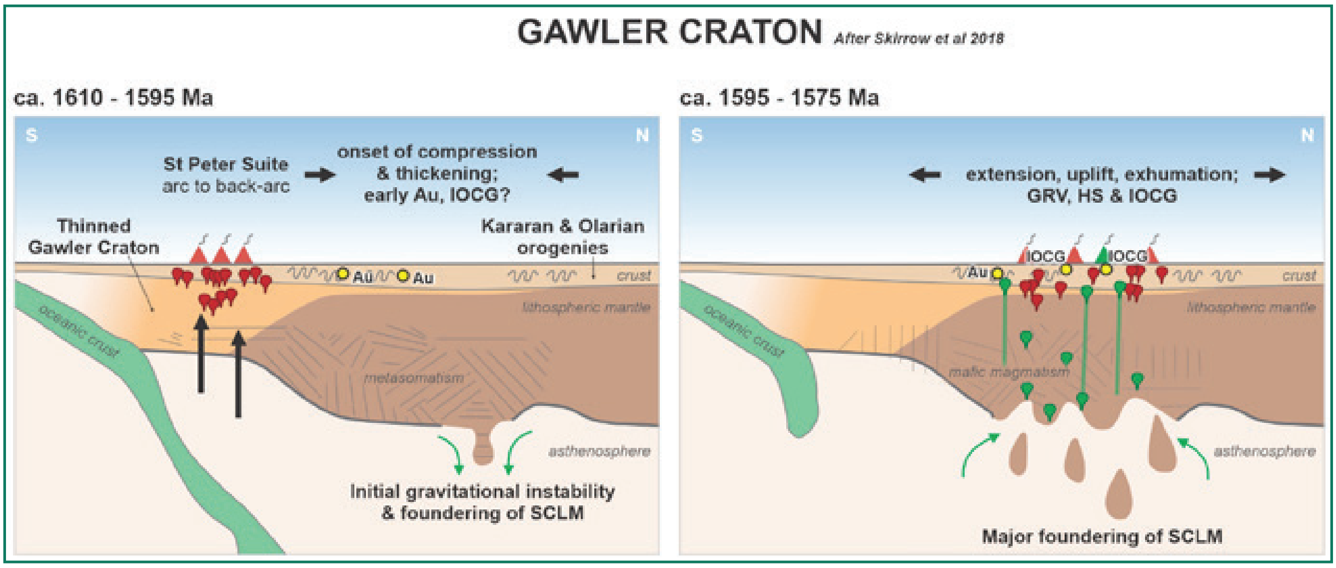

Figure 4 - *IOCG Gawler Craton Schematic Model – modified from Skirrow et al 2018*

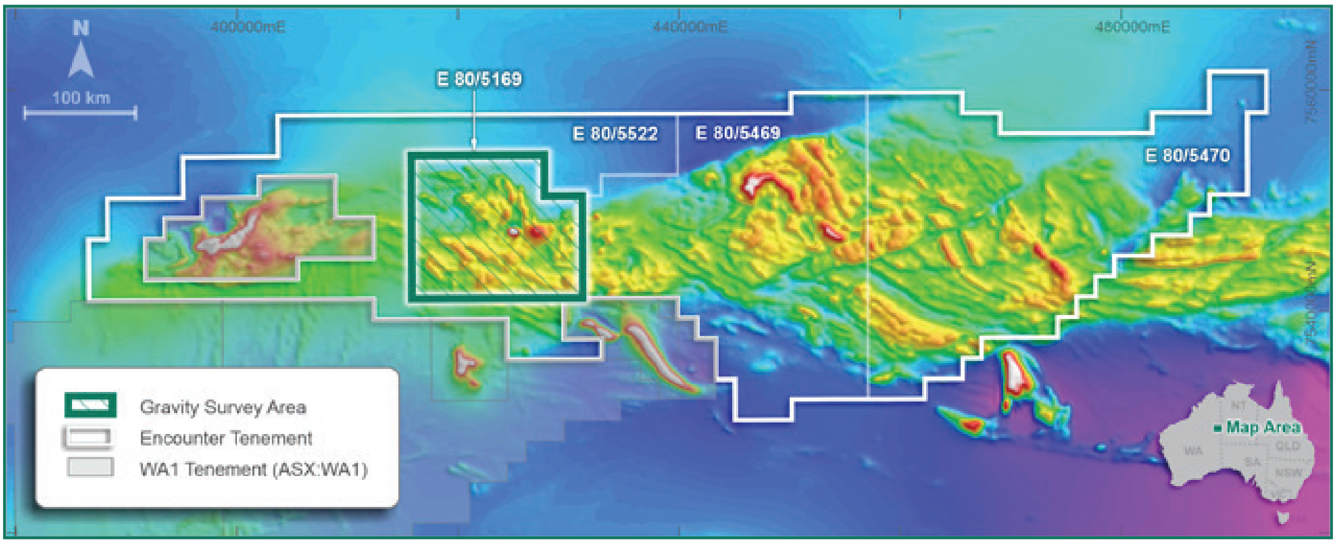

Figure 5 - *Aileron IOCG project – August-November 2021 gravity survey location plan on TMI background*

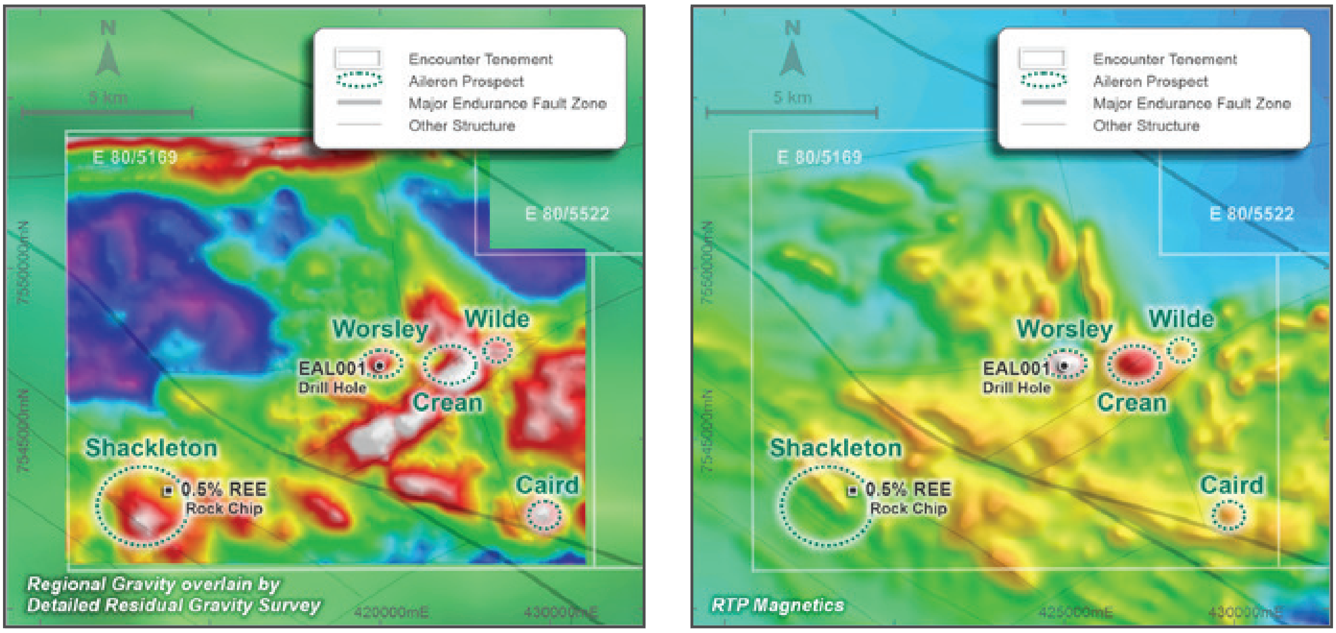

__Figure 6 –__ Aileron IOCG project – Left – Detailed residual gravity image with regional residual gravity image in background with interpreted structures and identified targets. Right – regional TMI magnetics image with interpreted structures and identified targets.

Lamil Copper-Gold Project - Paterson Province – WA (100% ENR)

Background

Lamil covers an area of ~61km^2 and is located 25km northwest of the major copper-gold mine at Telfer, owned by Newcrest Mining Ltd (ASX:NCM). Lamil is adjacent to a major regional gravity lineament which marks the location of an interpreted significant crustal scale structure that would have acted as a pathway for mineralising fluids during the formation of the Proterozoic aged deposits.

The Dune prospect is located in the northwest of the Lamil project and consists of a laterally extensive copper-gold system, outlined by broad spaced RC drilling over 1km of strike (Figure 7).

The mineralisation at Dune is hosted in metasedimentary rocks of the Proterozoic Lamil group which also host the Telfer, Havieron and Winu copper-gold deposits. Dune is situated close to the intersection of the prospective Upper Malu formation and the interpreted fold axis in the north western part of the Lamil Dome.

Diamond Drilling at Dune Prospect

Prior drilling at Dune intersected multiple, stacked, copper-gold reefs in drill hole ETG0243 within a thick prospective package of interbedded siltstones analogous to Telfer's Upper Malu formation (see ASX release 16 November 2021).

The two holes (ETG0244 & ETG0245) were completed in September 2022 designed to test for lateral and down plunge extensions of the prospective package intersected in ETG0243. Initial observations confirm the geological model with both holes intersecting the target package.

Drillhole ETG0244 intersected the prospective package of altered interbedded siltstones and sandstones from 355m to 474m downhole. In addition, a new steep set of structures striking sub-parallel to drilling was observed in the hole which may represent a new untested target.

ETG0245 confirmed the dip of the north eastern flank of the Lamil Dome and intersected the prospective package at 159m.

The diamond drill program at Lamil is co-funded, up to $220,000, under the WA Government's Exploration Incentive Scheme ("EIS").

Next Steps

ETG0244 and ETG0245 have been cased for downhole EM to assess the proximal area for conductive features that could represent sulphide accumulations often associated with copper-gold mineralisation at Dune.

Assay results from this program are expected in November/December 2022.

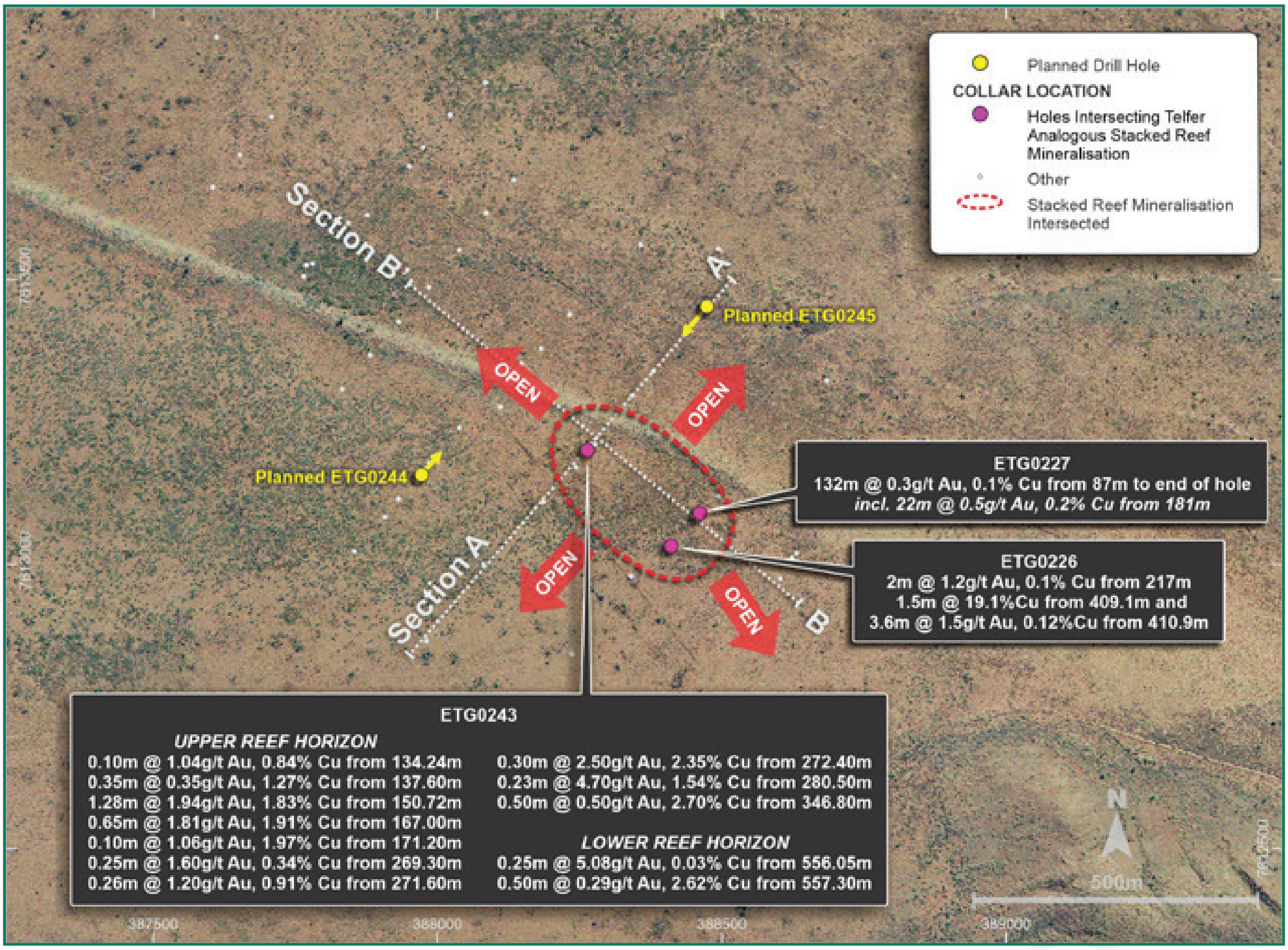

Figure 7 *– Dune prospect plan showing the three previous holes that intersected stacked reef mineralisation in the Telfer analogous stratigraphic package. The locations of the two recent diamond drill holes (ETG0244 & ETG0245) down dip (cross section A-A', ETG0244) and down plunge (long section B-B' (ETG0245)* [1]

Lamil Copper-Gold Project - Paterson Province – WA (100% ENR)

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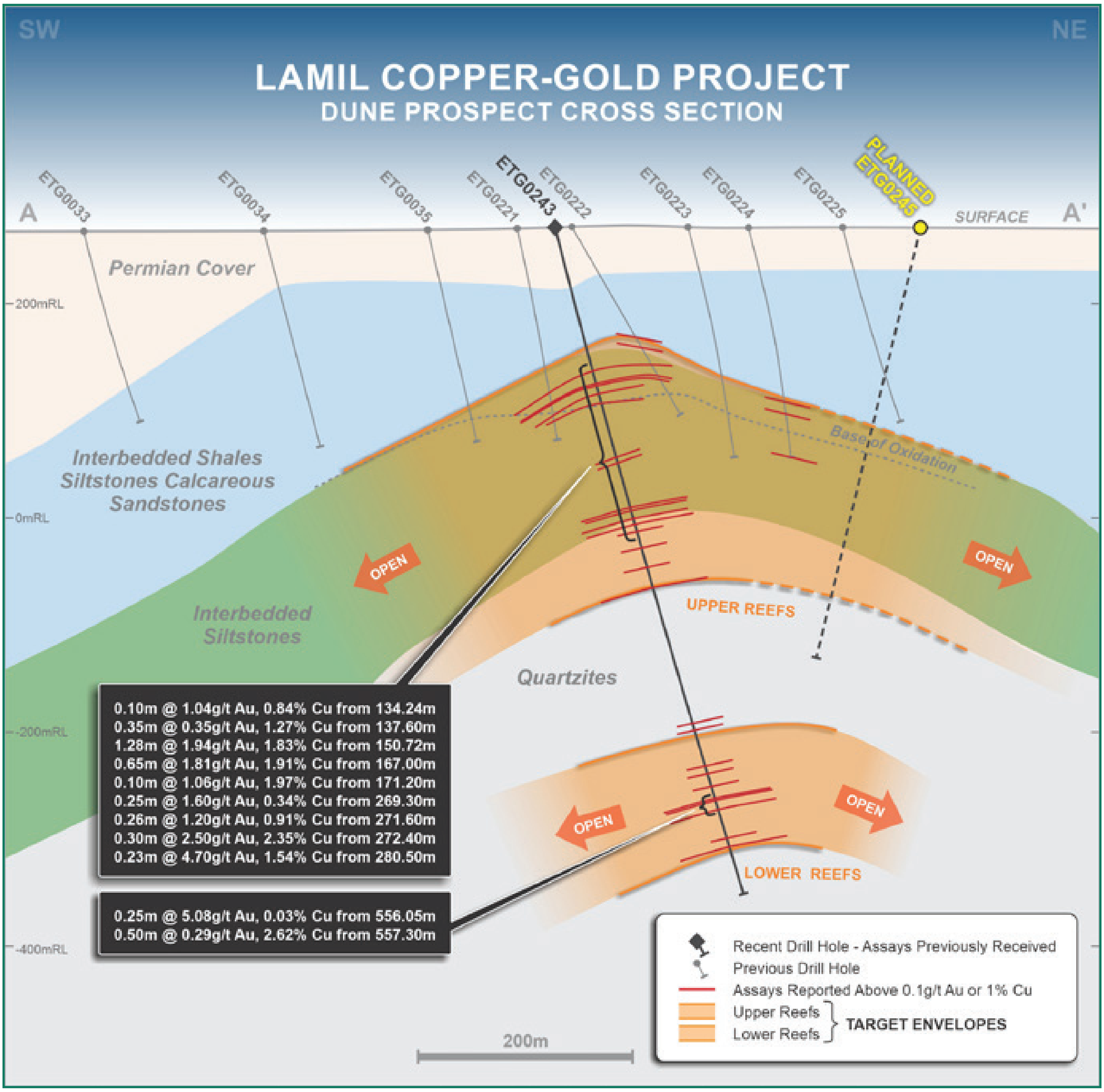


Figure 8 - Schematic Dune cross section with completed drill hole ETG0245. The Telfer analogous stratigraphy including upper and lower reef horizons intersected in ETG0243 contain multiple Cu-Au reefs which are generally sub-parallel to stratigraphy. ETG0245 was completed to test for lateral continuity and increased widths of the upper reefs down dip [1]

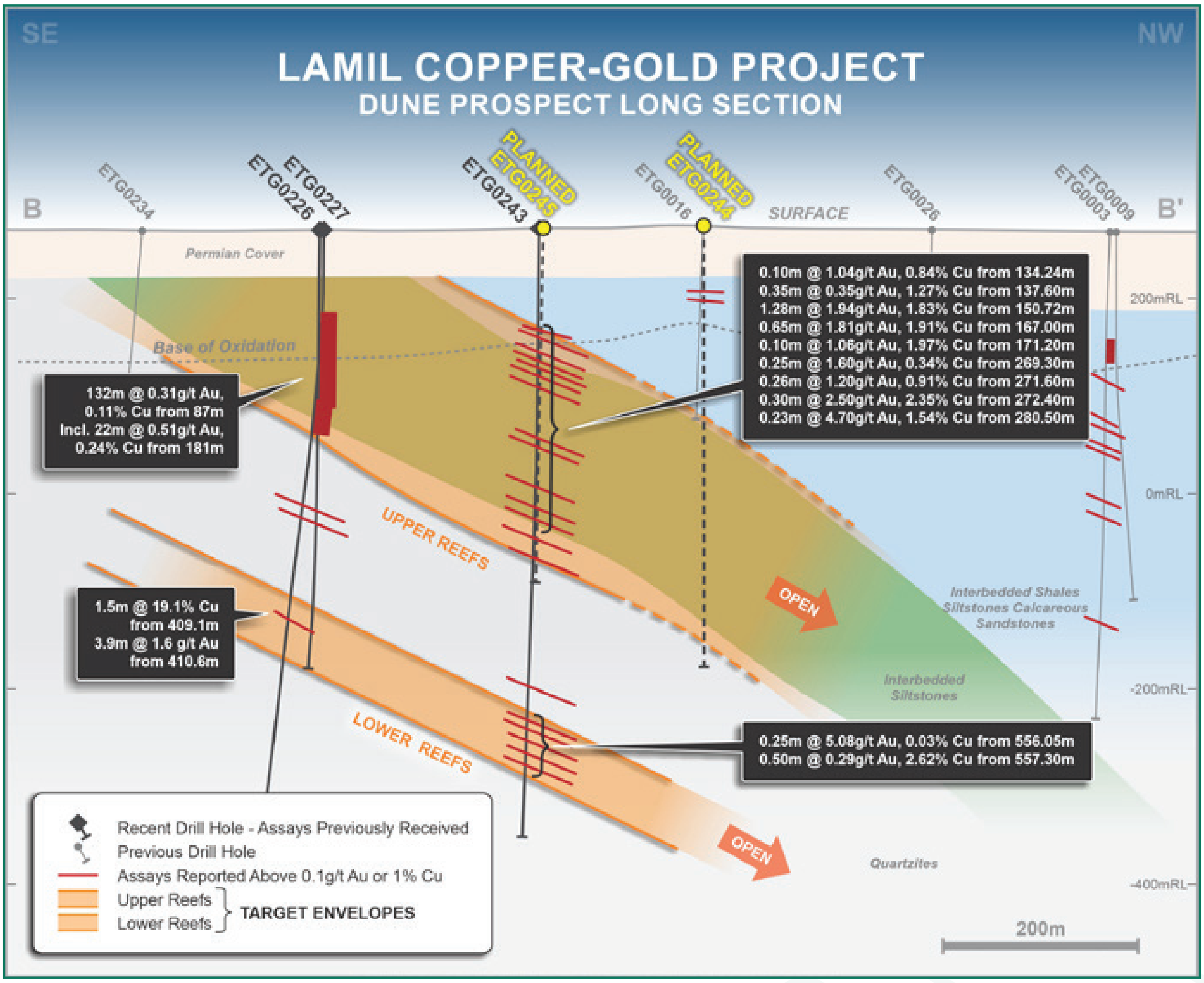


Figure 9 *– Schematic long section of Dune showing the interbedded siltstone unit dipping below previous drilling and recently completed drill holes, ETG0244 and ETG0245* [1]

[1] *For further details regarding the exploration results at the Lamil Copper-Gold Project, please refer to the following ASX announcements:*

ASX release 26 April 2017

ASX release 19 January 2017

ASX release 18 December 2020

ASX release 21 April 2021

ASX release 6 September 2021

ASX release 16 November 2021

East Thomson's Dome Project – WA (100% ENR)

East Thomson's Dome is located 5km from Telfer in the Paterson Province of WA. The domal structure at East Thomson's Dome has a core of Malu Formation with the fold axis trending WNW. The majority of surface gold and reef style mineralisation at East Thomson's Dome has been discovered in the overlying Telfer Formation sediments. This geological setting is similar to that of the high-grade reefs at Telfer.

Broad spaced RC drilling completed at the 45 Reef at East Thomson's Dome intersected:

- 6m @ 9.0g/t Au from 178m including
  - 2m @ 26.0g/t Au from 178m in ETG0045
- 16m @ 0.6g/t Au from 154m in ETG0044

  (refer ASX release 16 August 2017)

The next drilling program at East Thomson's Dome will target the south west extension of the high-grade reef intersected in ETG0045. Additional drilling is also planned on section and along strike of ETG0045.

Dunmarra, Maryfield and Broadmere Copper Projects – NT (100% ENR)

The Dunmarra, Maryfield and Broadmere projects encompass key targets identified on the margin of the Beetaloo Basin that were generated through fluid flow modelling of previous oil and gas drilling and seismic surveys. The targets were generated utilising oil and gas developed methodology that was refined to target the sediment hosted copper model.

Exploration activity has commenced with compilation of historical exploration, and will include additional sampling of oil and gas wells in the basin adjacent to the targets and field reconnaissance.

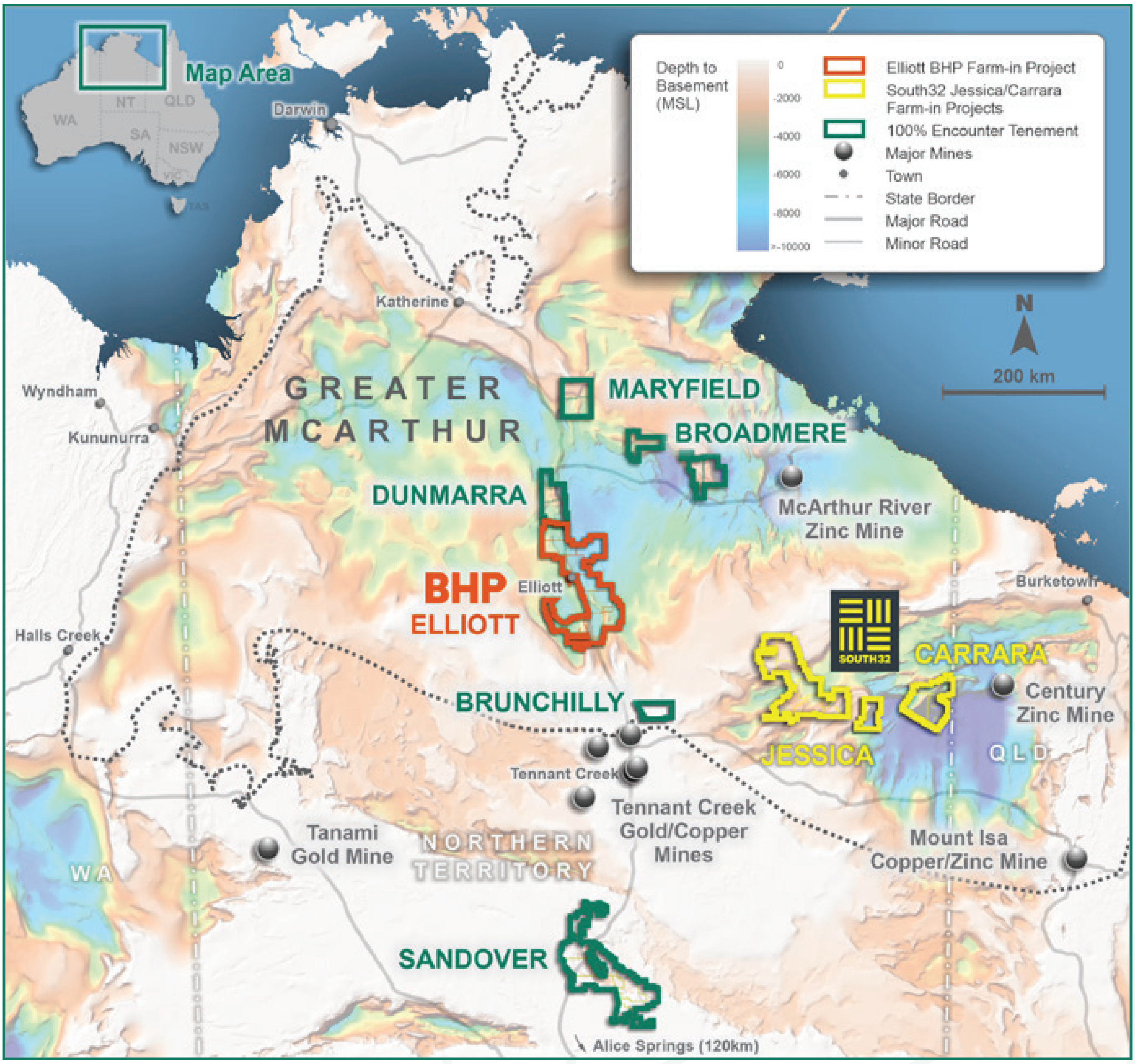


Figure 10 *– Encounter copper projects in the Northern Territory – Project Location Plan*

Elliott Copper Project – NT (BHP $25m Farm-in)

Elliott was the first project secured by Encounter in the NT and now comprises more than 7,200km². The project is readily accessible being located 200km north of Tennant Creek on the Stuart Highway which runs along the western margin of Elliott.

The project is being explored together with BHP where BHP has the right to earn up to a 75% interest in Elliott by sole funding up to $25 million of expenditure within 10 years.

Elliott is located at a major structural intersection on the southwestern margin of the Beetaloo Basin which is part of the Greater McArthur Superbasin that hosts the giant sediment-hosted base metal deposit at McArthur River.

The Superbasin contains thick, petroleum bearing, reduced sediments which are an ideal trap sequence and the major structures bounding the Superbasin are considered ideal structural fluid pathways for major sediment-hosted copper deposits. The project encompasses key conceptual criteria for the formation of sediment-hosted copper and the target sequence is undercover and untested.

New sampling datasets released in 2019 and 2020 have supported the conceptual and structural targeting model at Elliott. The standout, copper-in-groundwater anomaly (an order of magnitude above background) in the extensive dataset is located at Elliott.

Diamond Drill Program

The approved 2022 diamond drilling program at the Elliott Project is designed to advance the understanding of basin architecture and prospective deposition locations for sediment-hosted copper deposits.

The drilling component of the program includes an estimated 2,000m of diamond drilling. The drill program is scheduled to be completed before the end of the dry season in November 2022.

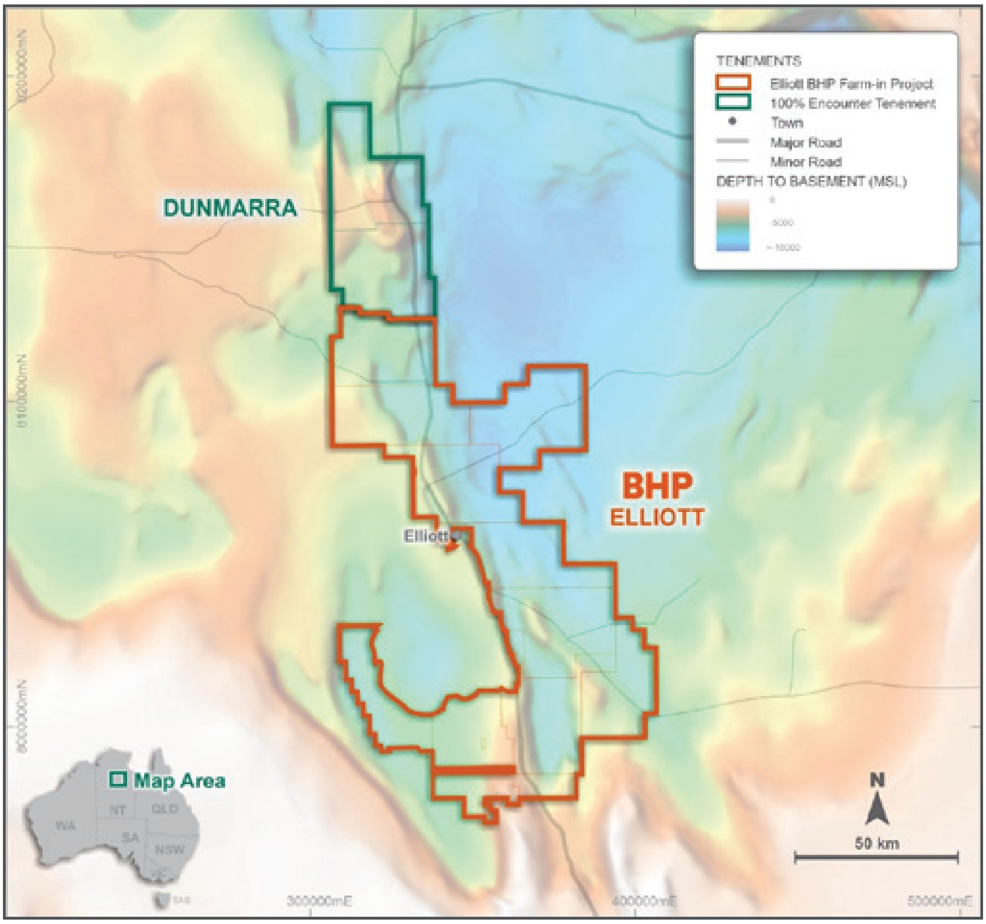


Figure 11 – Elliott Copper Project location plan

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

In June 2022, South32 entered into a Farm-in Agreement covering the Jessica Copper Project in the Northern Territory. South32 may earn a 60% initial interest in a project by spending $15 million in exploration expenditure over a period of 10 years. South32 may then earn an additional 15% interest in Jessica upon completion of a Scoping Study (refer ASX announcement 23 June 2022).

Jessica covers ~6,300km^2 along key structural corridors east of Tennant Creek and is prospective for sediment-hosted copper and IOCG style deposits. Access to the project is via the sealed Tablelands Highway that traverses the western side of Jessica.

Jessica captures compelling structural targets along the Brunette Downs Rift Corridor that was identified in the Geoscience Australia Exploring for the Future Program. Jessica was targeted along the northern flanks of the East Tennant gravity ridge and the intersection with a major NNW structural corridor. Jessica has potential for both basement IOCG style mineralisation and sediment-hosted copper deposits.

Systematic assessment of drill chips from water bores at Jessica has been conducted by Encounter and a previous explorer utilising handheld XRF machines. Areas of copper anomalism were selected for chemical analysis and for the sample interval 0-3m in RN28419 (No. 39 water bore) which returned 1.5% copper (refer ASX announcement 19 August 2020).

2022 Exploration Activity

- Reprocessing of Geoscience Australia seismic lines that extend through Jessica to provide greater detail of the geology and structure in the upper 1,000m along the western margin of the sub-basin.
- Infill gravity surveys completed covering a series of high priority magnetic targets in conjunction with an extensive regional gravity survey by the NTGS.

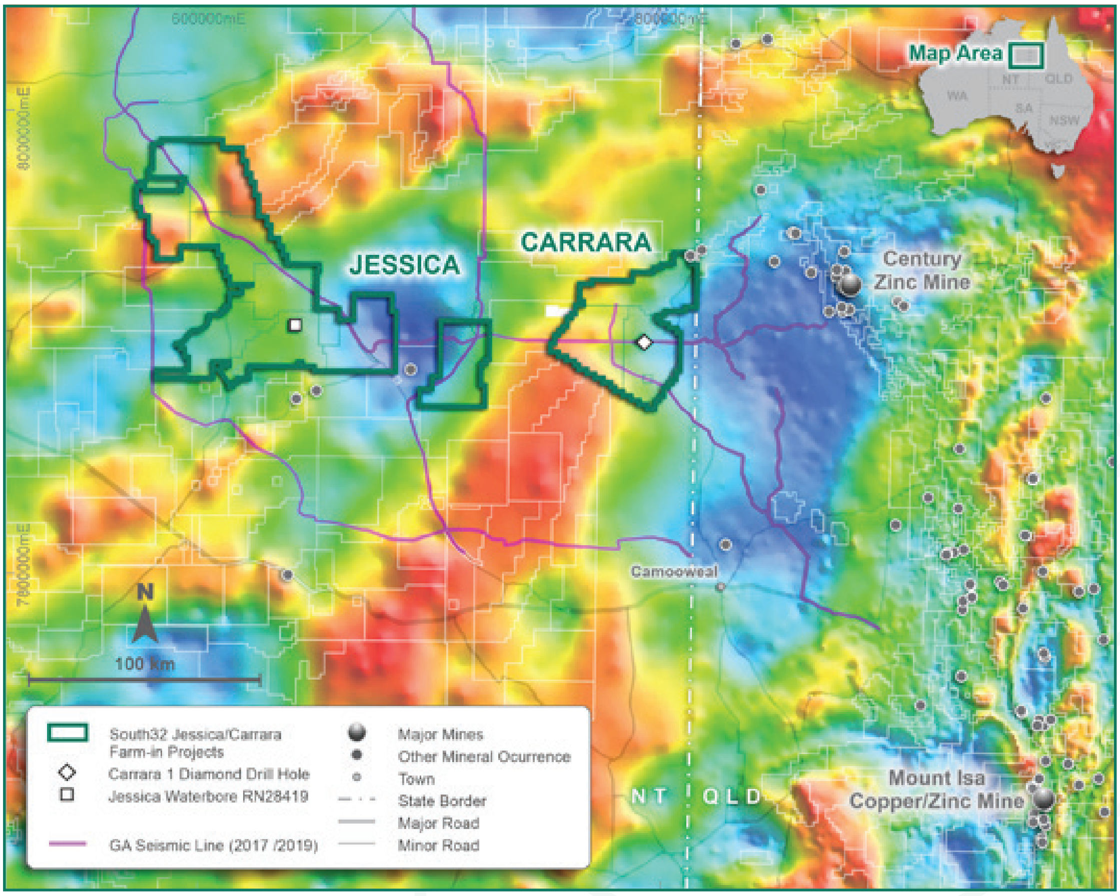


Figure 12 – Jessica and Carrara – Project location plan over gravity

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

In June 2022, South32 also entered into a Farm-in Agreement covering the Carrara Copper-Zinc Project in the Northern Territory. South32 may earn a 60% initial interest in a project by spending $10 million in exploration expenditure over a period of 10 years. South32 may then earn an additional 15% interest in Carrara upon completion of a Scoping Study.

Carrara was secured following the release of the South Nicholson Seismic Survey, a foundational dataset acquired as part of the Geoscience Australia Exploring for the Future Program. A key finding of this study is the correlation of prospective stratigraphic units from the Isa Superbasin into the Carrara Sub-basin that extend the Mount Isa Province to the west.

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

The giant Century Zinc Mine is located on the eastern margin of the Carrara Sub-basin, and there is a clear correlation of the Century mine stratigraphy across the basin in GA seismic data (Figures 12 and 13).

Late in 2020 a 1,751m deep stratigraphic drill hole (NDI Carrara-1) was completed as part of the National Drilling Initiative funded by the Minex CRC. This hole was designed to validate the interpretation of the South Nicholson Seismic Survey and was located within the Carrara tenement.

The results of the NDI Carrara-1 stratigraphic drill hole support the interpretation that the geology of the Isa Superbasin extends throughout the Carrara Sub-basin. The presence of copper and zinc sulphide mineralisation (Figure 13) demonstrates that sediment hosted copper and zinc mineralising processes occur within the prospective host unit (refer ASX announcement 28 April 2021).

2022 Exploration Activity

- Reprocessing of seismic lines that extend through Carrara to provide greater detail of the geology and structure in the upper 1,000m along the western margin of the sub-basin.
- A 2km x 2km gravity survey over Carrara by the NTGS was completed and is being integrated and interpretated in conjunction with other datasets.

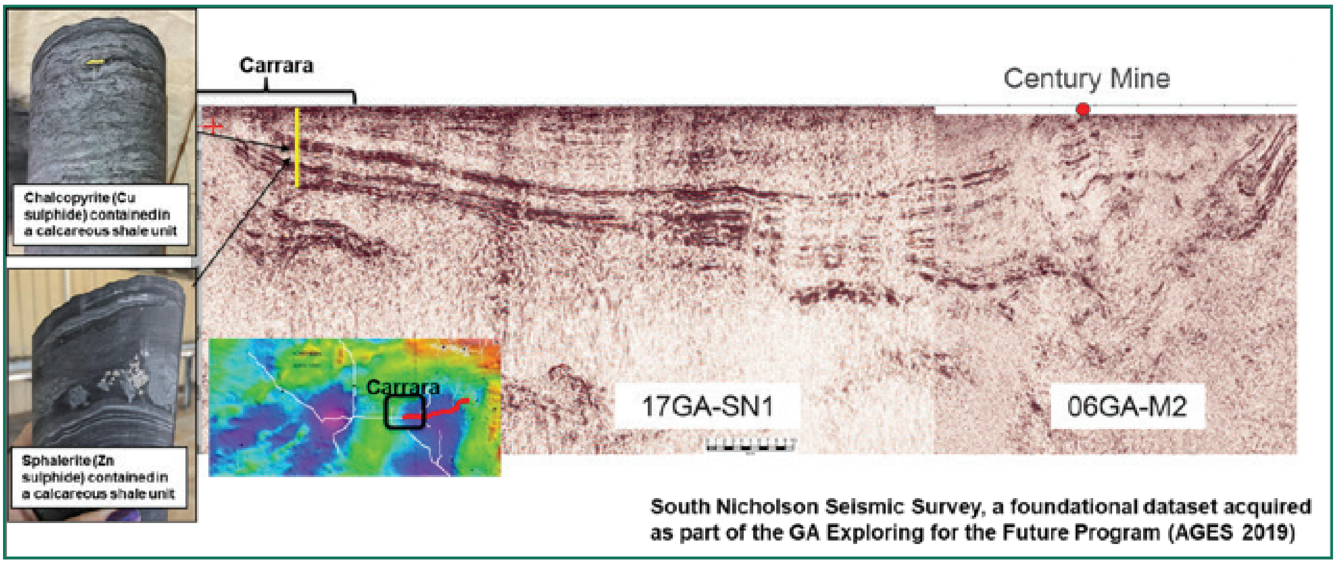


Figure 13 *– Carrara Project – South Nicholson Seismic Survey and approx. Location of NDI Carrara-1 stratigraphic hole (yellow)*

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

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

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

Regional target areas have been identified from the model, defining sub-basins that could contain similar rocks to those found at Nifty copper mine. Diamond drill testing of these targets is to be completed during the 2022 field season.

2022 Exploration Program

The Yeneena 2022 exploration program, to be operated and funded by IGO, is currently planned to comprise the following activities:

- 1,900m aircore drill program to test high-priority targets
- 4,500m diamond core drill program to test high-priority targets
- 1,200 line km of Heli TEM surveying covering two target areas
- Detailed geological mapping of the Lookout Rocks and Aria prospects
- Hydro-geochemistry orientation program on cased 2021 aircore drillholes

Diamond Drilling

Diamond drilling commenced in July 2022 and is focused on two high priority regional targets (see Figure 14):

- **EB01a:** Regional 3D modelling has identified an area of high prospectivity to focus copper bearing fluid. High permeability fluid pathways and their intersection with favourable stratigraphy forms the basis of the primary targets in this area. Three diamond drill holes are planned to test the targets.
- **ET01c:** A new regional 3D model, as well as field mapping, has led to a better understanding of the BM1-BM7 prospect and of the paleo-basin architecture. Several opportunities for favourable traps for copper bearing brines have been identified. These targets will be tested by three planned diamond drill holes.

Aircore Drilling

ET01: Regional aircore drilling is being utilised to gain end of hole and litho-geochemical data in areas that are higher priority and will be used to facilitate the 3D model in data poor areas (see Figure 14). Collars will be cased with PVC to allow for hydrogeochemical testing.

Further aircore drilling may be added following the hydrogeochemical orientation program.

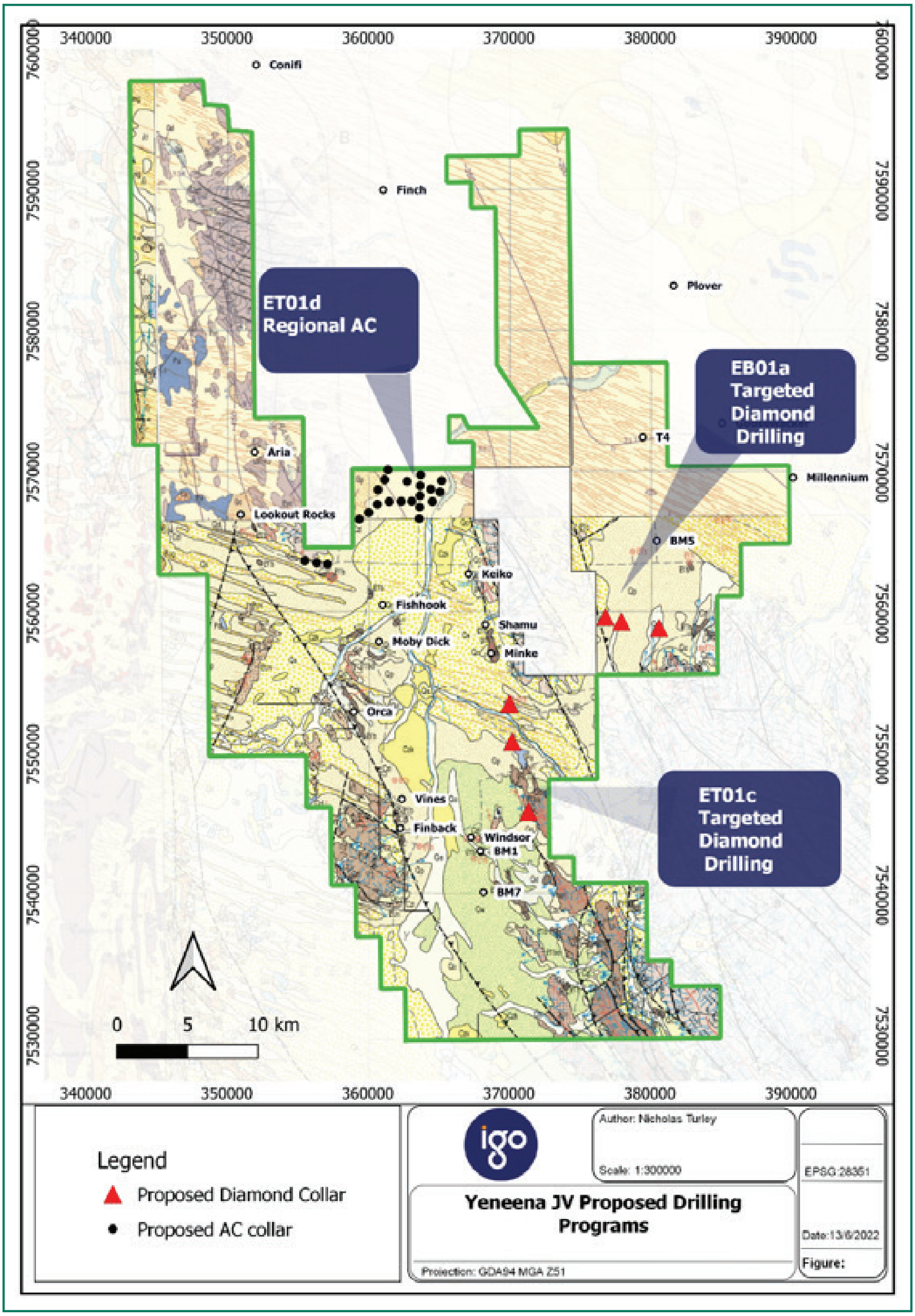


Figure 14 *– Yeneena 2022 proposed drilling programs*

The information in this report that relates to Exploration Results is based on information compiled by Mrs Sarah James who is a Member of the Australasian Institute of Mining and Metallurgy. Mrs James holds shares and options in and is a full time employee of Encounter Resources Ltd and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mrs James consents to the inclusion in the report of the matters based on the information compiled by them, in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases and the form and context of the announcement has not materially changed. This report has been authorised for release by the Board of Encounter Resources Limited.

03. Summary of Tenements

Lease	Lease Name	Project Name	Area km²	Managing Company	Encounter Interest
E45/2500	Yeneena	Paterson	107.3	IGO Limited	75%* and 100% IGO earning up to 70%
E45/2501	Yeneena	Paterson	19.12	Encounter Operations Pty Ltd	75%*
E45/2502	Yeneena	Paterson	117.8	IGO Limited	100% IGO earning up to 70%
E45/2561	Yeneena	Paterson	50.95	Encounter Operations Pty Ltd	75%*
E45/2657	Yeneena	Paterson	156	IGO Limited	100% IGO earning up to 70%
E45/2658	Yeneena	Paterson	95.4	IGO Limited	100% IGO earning up to 70%
E45/3768	Yeneena	Paterson	149.7	IGO Limited	100% IGO earning up to 70%
E45/2805	Yeneena	Paterson	85.8	IGO Limited	100% IGO earning up to 70%
E45/2806	Yeneena	Paterson	35	IGO Limited	100% IGO earning up to 70%
E45/5379	Yeneena	Paterson	235.3	IGO Limited	0% ** Option to Purchase
E45/5333	Yeneena	Paterson	127.2	IGO Limited	100% IGO earning up to 70%
E45/5334	Yeneena	Paterson	102.1	IGO Limited	100% IGO earning up to 70%
E45/5686	Yeneena	Paterson	108.4	IGO Limited	100% IGO earning up to 70%
E45/4861	Yeneena	Paterson	328	IGO Limited	100% IGO earning up to 70%
E45/4613	Lamil	Paterson Cu/Au	60.7	Encounter Paterson Pty Ltd	100%
E45/3446	East Thomson's Dome	Paterson	6	Encounter Paterson Pty Ltd	100%
P45/2750	East Thomson's Dome	Paterson	198 HA	Encounter Paterson Pty Ltd	100% ***
P45/2751	East Thomson's Dome	Paterson	177 HA	Encounter Paterson Pty Ltd	100% ***
P45/2752	East Thomson's Dome	Paterson	199 HA	Encounter Paterson Pty Ltd	100% ***
P45/3032	East Thomson's Dome	Paterson	113.80 HA	Encounter Paterson Pty Ltd	100% ***

Lease	Lease Name	Project Name	Area km²	Managing Company	Encounter Interest
E80/5169	Aileron	West Arunta	187.6	Encounter Aileron Pty Ltd	100%
E80/5469	Aileron	West Arunta	534.3	Encounter Aileron Pty Ltd	100%
E80/5470	Aileron	West Arunta	613.9	Encounter Aileron Pty Ltd	100%
E80/5522	Aileron	West Arunta	429.2	Encounter Aileron Pty Ltd	100%
E30/517	Rani	Yilgarn	208.8	Baudin Resources Pty Ltd	100%
E30/527	Rani	Yilgarn	6	Baudin Resources Pty Ltd	100%
EL32156	Elliott	Northern Territory	807.26	BHP	100% BHP earning up to 75%
EL32157	Elliott	Northern Territory	696.31	BHP	100% BHP earning up to 75%
EL32158	Elliott	Northern Territory	793.71	BHP	100% BHP earning up to 75%
EL32159	Elliott	Northern Territory	723.9	BHP	100% BHP earning up to 75%
EL32226	Elliott	Northern Territory	813.56	BHP	100% BHP earning up to 75%
EL32329	Elliott	Northern Territory	136.99	BHP	100% BHP earning up to 75%
EL32437	Elliott	Northern Territory	601.11	BHP	100% BHP earning up to 75%
EL32581	Elliott	Northern Territory	493.6	BHP	100% BHP earning up to 75%
EL32374	Sandover	Northern Territory	795.4	Baudin Resources Pty Ltd	100%
EL32421	Sandover	Northern Territory	792.67	Baudin Resources Pty Ltd	100%
EL32694	Sandover	Northern Territory	792.71	Baudin Resources Pty Ltd	100%
EL32695	Sandover	Northern Territory	787.39	Baudin Resources Pty Ltd	100%
EL32696	Sandover	Northern Territory	763.6	Baudin Resources Pty Ltd	100%
EL33060	Sandover	Northern Territory	740.11	Baudin Resources Pty Ltd	100%
EL33065	Sandover	Northern Territory	665.33	Baudin Resources Pty Ltd	100%
EL32273	Jessica	Northern Territory	750.46	South32	100% South32 earning up to 75%
EL32317	Jessica	Northern Territory	738.6	South32	100% South32 earning up to 75%
EL32338	Jessica	Northern Territory	783.5	South32	100% South32 earning up to 75%
EL32339	Jessica	Northern Territory	791.42	South32	100% South32 earning up to 75%
EL32386	Jessica	Northern Territory	814.55	South32	100% South32 earning up to 75%
EL32387	Jessica	Northern Territory	814.94	South32	100% South32 earning up to 75%
EL32388	Jessica	Northern Territory	813.76	South32	100% South32 earning up to 75%
EL32493	Jessica	Northern Territory	811.55	South32	100% South32 earning up to 75%
EL32476	Carrara	Northern Territory	805.42	South32	100% South32 earning up to 75%
EL32477	Carrara	Northern Territory	805.21	South32	100% South32 earning up to 75%
EL32701	Carrara	Northern Territory	801.69	South32	100% South32 earning up to 75%
EL32813	Carrara	Northern Territory	22.72	South32	100% South32 earning up to 75%
EL32478	Brunchilly	Northern Territory	798.52	Baudin Resources Pty Ltd	100%
EL32721	Broadmere	Northern Territory	816.73	Baudin Resources Pty Ltd	100%
EL32723	Dunmarra	Northern Territory	823.05	Baudin Resources Pty Ltd	100%
EL32727	Maryfield	Northern Territory	795.65	Baudin Resources Pty Ltd	100%
EL32728	Maryfield	Northern Territory	826.95	Baudin Resources Pty Ltd	100%
ELA32703	Elliott	Northern Territory	756.11	BHP	100% BHP earning up to 75%
ELA32729	Elliott	Northern Territory	672.64	BHP	100% BHP earning up to 75%
ELA32730	Elliott	Northern Territory	757.92	BHP	100% BHP earning up to 75%
ELA32937	Broadmere	Northern Territory	825.11	Baudin Resources Pty Ltd	100%
ELA32938	Broadmere	Northern Territory	744.04	Baudin Resources Pty Ltd	100%
ELA32724	Dunmarra	Northern Territory	821.54	Baudin Resources Pty Ltd	100%

Lease	Lease Name	Project Name	Area km^2	Managing Company	Encounter Interest
ELA33048	Sandover	Northern Territory	789.2	Baudin Resources Pty Ltd	100%
ELA33330	Jessica	Northern Territory	805.77	Baudin Resources Pty Ltd	100%
ELA33331	Jessica	Northern Territory	802.06	Baudin Resources Pty Ltd	100%
ELA33332	Jessica	Northern Territory	812.77	Baudin Resources Pty Ltd	100%
ELA33334	Jessica	Northern Territory	814.13	Baudin Resources Pty Ltd	100%

Summary of tenements as of 30th September 2022.

* *Tenement subject to Hampton Hill JV (only includes 4 eastern blocks on E45/2500) see ASX announcement April 23, 2015*

** *Shumwari Option IGO JV*

*** *Mining Lease application – M45/1304 (687.41 hectares)*

04. 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 2022.

Directors

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

Paul Chapman – B.Comm, ACA, Grad. Dip. Tax, MAICD, MAusIMM

Non-Executive Chairman appointed 7 October 2005

Mr Chapman is a chartered accountant with over 30 years' experience in the resources sector gained in Australia and the United States. Mr Chapman has experience across a range of commodity businesses including gold, nickel, uranium, manganese, bauxite/alumina and oil/gas and has held managing director and other senior management roles in public companies. Mr Chapman was a founding shareholder/director of the following ASX listed companies: Reliance Mining; Encounter Resources; Rex Minerals; Paringa Resources; Silver Lake Resources and Black Cat Syndicate.

Mr Chapman is currently a director of Western Australia based explorers, including Black Cat Syndicate Limited (ASX:BC8), Dreadnought Resources Limited (ASX:DRE), Meeka Metals Limited (ASX:MEK) as Non-Executive Chairman, and Queensland focussed explorer Sunshine Gold Limited (ASX:SHN) as a Non-Executive Director.

Will Robinson – B.Comm, MAusIMM

Managing Director (Executive) appointed 30 June 2004

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 former president of the resources industry advocacy body, the Association of Mining and Exploration Companies (AMEC) a member of the Strategic Advisory Board at the Centre for Exploration Targeting University of Western Australia and was a member of the Australian Government's Resources 2030 Taskforce. Mr Robinson is a Non-Executive Director of Hampton Hill Mining NL (delisted from ASX effective 21 March 2022) and Non-Executive Chairman of Hamelin Gold Limited (ASX:HMG).

Peter Bewick – B.Eng (Hons), MAusIMM

Non-Executive Director appointed 7 October 2005 (Executive Director to 1 November 2021)

Mr Bewick is an experienced geologist and has held a number of senior mine and exploration geological roles during a fourteen year career with WMC. These roles include Exploration Manager and Geology Manager of the Kambalda Nickel Operations, Exploration Manager for St Ives Gold Operation, Exploration Manager for WMC’s Nickel Business Unit and Exploration Manager for North America based in Denver, Colorado. Whilst at WMC, Mr Bewick gained extensive experience in project generation for a range of commodities including nickel, gold and bauxite. Mr Bewick has been associated with a number of brownfields exploration successes at Kambalda and with the greenfield Collurabbie Ni-Cu-PGE discovery. Mr Bewick is currently a Non-Executive Director of Mincor Resources Limited (ASX:MCR) and Managing Director of Hamelin Gold Limited (ASX:HMG).

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 sulfide deposits, but has worked across a diverse range of commodities. His work led to the discovery of the West Musgrave nickel sulfide 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.

During the last 3 years Dr Hronsky has been a director of Cassini Resources Limited until its acquisition by Oz Minerals Limited in 2020 and a Non-Executive Director of Azumah Resources Limited between 7 November 2019 to its delisting on 19 February 2020. Dr Hronsky is currently a Non-Executive Director of Caspin Resources Limited (ASX:CPN) and Azumah Resources Limited (delisted from ASX 19 February 2020).

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 Chairman of Zip Co Limited (ASX:Z1P) (resigned 2nd March 2021) and is Non-Executive Director of Applyflow Limited (ASX:AFW), Dreadnought Resources Limited (ASX:DRE), and Western Australian gold focused companies Black Cat Syndicate Limited (ASX:BC8) and 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).

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 director of an advisory firm, Endeavour Corporate, 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 Endeavour Corporate, 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	Options vested at the reporting date
P Chapman	9,948,816	2,200,000	2,200,000
W Robinson	26,452,556	1,550,000	1,550,000
P Bewick	8,010,303	4,280,000	4,280,000
J Hronsky	475,714	1,650,000	1,650,000
P Crutchfield	3,371,448	2,900,000	2,900,000

Included in the Directors' Interests in Unlisted Options are 12,580,000 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.

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

Directors' Meetings

The number of meetings of the Company's Directors held during the year ended 30 June 2022, and the number of meetings attended by each Director are as follows:

	Board of Directors' Meetings		Audit Committee Meetings	
Director	Held	Attended	Held	Attended
P Chapman	8	8	2	2
W Robinson	8	8	-	-
P Bewick	8	8	-	-
J Hronsky	8	8	2	2
P Crutchfield	8	8	2	2

Results of Operations

The consolidated net profit after income tax for the financial year was $4,428,194 (2021: loss $1,533,150).

Included in the consolidated loss for the current year is a write-off of deferred and uncapitalised exploration and joint venture expenditure totalling $4,204,574 (2021: $296,128).

Included in the result for the financial year is a gain of $10,104,846 recognised on the demerger of Hamelin Gold Limited from the Group.

Review of Activities

Exploration

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

- A series of camp scale, first mover copper opportunities in the Northern Territory. This includes the Elliott copper project which is being advanced in partnership with BHP via a $25m earn-in and joint venture and farm-in agreements with South32 Limited at the Jessica and Carrara projects;
- A large project portfolio in the Paterson Province of WA where it is exploring for copper-gold deposits at its 100% owned Lamil Project and for copper-cobalt deposits at the Yeneena project with IGO Limited (ASX:IGO);
- The Aileron IOCG - Rare Earths project in the West Arunta in WA.

Financial Position

At the end of the financial year the Group had $2,165,945 (2021: $5,686,505) in cash and term deposits. Capitalised mineral exploration and evaluation expenditure is $13,891,414 (2021: $15,212,300).

Matters Subsequent to the End of the Financial Year

On 29 September 2022 the Company completed the placement of 33,333,334 shares at $0.12 per share pursuant to a share placement raising $4 million before costs. A total of 2 million unlisted options were issued to the Joint Lead Managers.

Other than as already stated in this report, 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 below, 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.

- During the year the Group entered into farm-in and joint venture agreements with South32 Limited. South32 may earn a 60% initial interest in a project by spending:
    - $15 million in exploration expenditure over a period of 10 years at Jessica; and/or
    - $10 million in exploration expenditure over a period of 10 years at Carrara

  South32 may earn an additional 15% interest in Jessica and/or Carrara upon completion of a Scoping Study for the relevant project
- During the reporting period the Company completed the demerger of its wholly owned subsidiary Hamelin Gold Limited, which subsequently was admitted to the Official List of the Australian Securities Exchange. The demerger, approved by shareholders on 22 October 2021, was completed with a reduction of capital in the form of an in-specie distribution of 60,000,000 shares in Hamelin Gold Limited to eligible shareholders of the Company on a pro rata basis. The total reduction of capital of $10,489,813 was allocated to issued capital ($8,415,115) and accumulated losses ($2,074,698).

  Prior to the demerger the Company undertook an internal restructure within the Group such that Hamelin Resources Pty Ltd, holding solely the West Tanami Gold Project assets, was acquired by Hamelin Gold Limited in preparation for the proposed demerger.

Options over Unissued Capital

Unlisted Options

As at the date of this report 20,180,000 unissued ordinary shares of the Company are under option as follows:

Number of Options Granted	Exercise Price	Expiry Date
2,900,000	5.2 cents[1]	30 November 2022
1,500,000	8.2 cents[1]	30 November 2023
5,050,000	16.2 cents[1]	31 October 2023
650,000	18.2 cents[1]	30 June 2024
2,450,000	22.2 cents[1]	26 November 2024
800,000	21.2 cents[1]	30 April 2025
3,630,000	22.5 cents	28 November 2025
1,200,000	19.0 cents	28 June 2026
1,000,000	20.0 cents	29 September 2025
1,000,000	30.0 cents	29 September 2025

1 *Option exercise price reduced by 3.8 cents per share following the capital reduction on the in-specie distribution of Hamelin Gold Limited securities on demerger from the Encounter Resources Limited group.*

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

During the financial year:

- 5,030,000 options (2021: 5,850,000) were granted over unissued shares of the Company;
- 400,000 options (2021: 500,000) were cancelled on the cessation of employment;
- 1,500,000 options (2021: nil) were cancelled on expiry of the exercise period; and
- 1,650,000 (2021: 2,600,000) options were exercised. Included in options exercised is an amount of 89,697 options foregone in consideration given on exercise (2021: 326,323).

Since the end of the financial year:

- nil (2021: nil) options have been issued by the Company to employees pursuant to the Company's Employee Option Plan;
- no options have been exercised; and
- no 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	2021	2022
Ordinary fully paid shares	316,256,523	317,216,826

Likely Developments and Expected Results of Operations

The Group expects to maintain exploration programs at its 100% owned Paterson copper-gold project, Northern Territory copper and lithium projects and West Arunta IOCG-Rare Earths 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 Elliott copper project (BHP) and 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 Committee

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

The Company does not have a separate remuneration committee and as such all remuneration matters are considered by the Board as a whole, with no Member deliberating or considering such matter in respect of their own remuneration.

In the absence of a separate Remuneration Committee, the Board 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, 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.

Incentive Plans

The Company provides long term incentives to Directors and Employees pursuant to the Encounter Resources Employee Share Option Plan, which was last approved by shareholders at the Annual General Meeting held on 26 November 2021.

The Board, 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 $17,842 (2021: $13,800), for geological consulting services from Western Mining services, an entity associated with Dr Jon Hronsky.

For the period 1 December 2021 to 30 November 2022, Non-Executive Directors Mr Paul Chapman and Mr Philip Crutchfield elected to receive options in lieu of directors' fees paid in cash. A total of 900,000 options were issued in respect of this election following shareholder approval at the Company's 2021 annual general meeting (for further details refer to the notice of meeting lodged with ASX on 27 October 2021).

Engagement of Executive Directors

The Company has entered into executive service agreements with Mr Will Robinson and Mr Peter Bewick on the following material terms and conditions:

Mr Robinson's current service agreement with the Company, in respect of his engagement as Managing Director, is effective from 1 October 2019. Mr Robinson will receive a base salary of $270,000 per annum plus statutory superannuation.

Mr Bewick's service agreement with the Company, in respect of his engagement as Exploration Director, was effective from 1 October 2019 until his cessation as an Executive Director on 1 November 2021. Whilst an executive director Mr Bewick received a base salary of $270,000 per annum plus statutory superannuation.

Executive directors 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 negotiated annually with 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 Option Plan and other long term incentive plans adopted by the Board.

Short Term Incentive Payments

Each year, the Non-Executive Directors 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:

	2022	2021	2020	2019	2018
Profit/(Loss) for the year attributable to shareholders	$4,428,194	$(1,533,150)	$(1,126,275)	$(1,064,491)	$(10,129,591)
Closing share price at 30 June	$0.12	$0.155	$0.15	$0.07	$0.053

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 2022 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 alliance arrangements; and
- cash flow and funding management.

Remuneration Disclosures

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

Mr Paul Chapman	Non-Executive Chairman
Mr Will Robinson	Managing Director
Mr Peter Bewick	Non-Executive Director (Executive Director to 1 November 2021)
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 2022	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	-	-	-	49,688	49,688	100.0%
Will Robinson	270,000	-	27,000	35,491	332,491	10.7%
Peter Bewick	123,333	-	12,333	14,196	149,862	9.5%
Jon Hronsky	50,000	-	5,000	14,196	69,196	20.5%
Philip Crutchfield	-	-	-	49,688	49,688	100.0%
Total	**443,333**	**-**	**44,333**	**163,259**	**650,925**	

30 June 2021	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	-	-	-	66,297	66,297	100.0%
Will Robinson	270,000	47,250	25,650	46,524	389,424	11.9%
Peter Bewick	264,288	47,250	25,107	46,524	383,169	12.1%
Jon Hronsky	50,000	-	4,750	19,773	74,523	26.5%
Philip Crutchfield	-	-	-	66,297	66,297	100.0%
Total	**584,288**	**94,500**	**55,507**	**245,415**	**979,710**	

Details of Performance Related Remuneration

During the period, short term incentive payments were paid to the executive directors as follows:

	Short term incentive payments - cash bonuses paid	
	2021/22 financial year	2020/21 financial year
Will Robinson	Nil	$47,250
Peter Bewick	Nil	$47,250

Equity instrument disclosures relating to key management personnel

Options Granted as Remuneration

During the financial year ended 30 June 2022 2,070,000 options (2021: 2,110,000) were granted to Directors or Key Management Personnel of the Company, as follows:

Options issued in lieu of payment of director fees:

Paul Chapman	450,000
Philip Crutchfield	450,000

Incentive options:

Paul Chapman	180,000
Will Robinson	450,000
Peter Bewick	180,000
Jon Hronsky	180,000
Philip Crutchfield	180,000

The fair value of options issued as remuneration is allocated to the relevant vesting period of the options. Options are provided at no cost to the recipients.

Exercise of Options Granted as Remuneration

During the year, 60,303 (2021: 1,025,714) 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
Peter Bewick	60,303	Options exercisable at $0.137 expiring 24 November 2021

1 60,303 ordinary fully paid shares issued on the exercise of 750,000 options pursuant to the cash less exercise provisions of the options.

Option holdings

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

2022

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
P. Chapman	1,570,000	630,000	-	2,200,000	2,200,000
W. Robinson	1,100,000	450,000	-	1,550,000	1,550,000
P. Bewick	4,850,000	180,000	(750,000)	4,280,000	4,280,000
J. Hronsky	1,470,000	180,000	-	1,650,000	1,650,000
P. Crutchfield	2,270,000	630,000	-	2,900,000	2,900,000

1 Options exercised during the financial year.

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.

2022

Name	Balance at start of the year	Received during the year as remuneration	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
P. Chapman	9,948,816	-	-	9,948,816	9,948,816
W. Robinson	25,695,414	-	757,142	26,452,556	26,452,556
P. Bewick	7,950,000	60,303	-	8,010,303	8,010,303
J. Hronsky	475,714	-	-	475,714	475,714
P. Crutchfield	3,040,557	-	330,891	3,371,448	3,371,448

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 $17,842 (2021: $13,800), 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.

The total remuneration paid to Crowe Perth for 2021 includes audits of the subsidiary companies Hamelin Gold Limited for the period ended 30 June 2021 and Hamelin Resources Pty Ltd for the three financial years ended 30 June 2019, 2020 and 2021, undertaken as part of the demerger of Hamelin Gold Limited as described in note 33.

Total remuneration paid to auditors during the financial year:	2022 $	2021 $
Audit and review of the Company's financial statements	33,050	54,750

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 30th day of September 2022.

W Robinson

Managing Director

Crowe

DECLARATION OF INDEPENDENCE BY SUWARTI ASMONO TO THE DIRECTORS OF ENCOUNTER RESOURCES LIMITED

As lead auditor for the audit of Encounter Resources Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

This declaration is in respect of Encounter Resources Limited and the entities it controlled during the year.

Crowe Perth

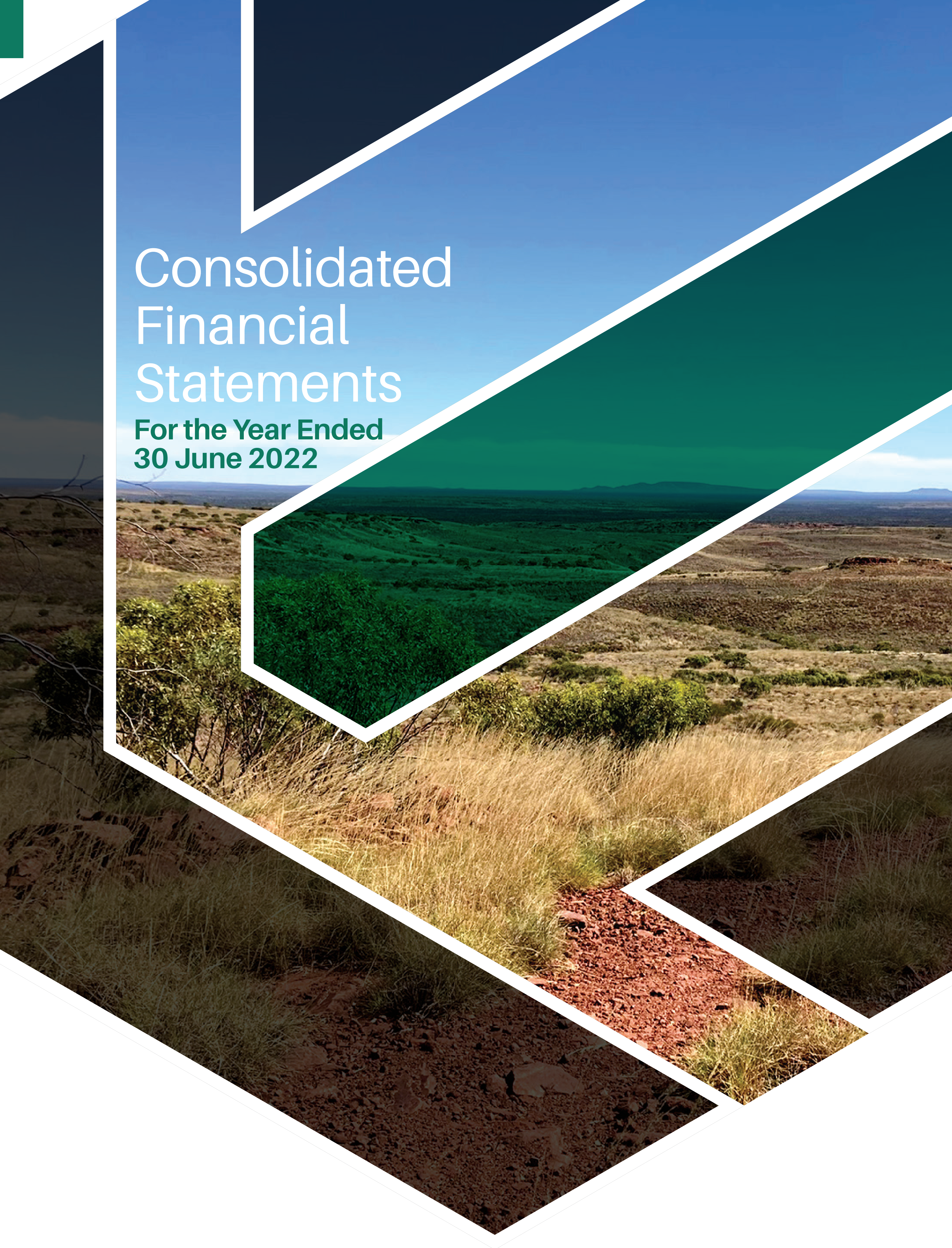
Crowe Perth

Suwarti Asmono
Partner

Dated at Perth this 30th day of September 2022

Consolidated Financial Statements

For the Year Ended 30 June 2022



Consolidated Statement of Profit or Loss and other Comprehensive Income For the financial year ended 30 June 2022

	Note	Consolidated 2022 $	2021 $
Interest income		**10,349**	17,660
Gain on demerger	33	**10,104,846**	-
Other income	5	**179,303**	215,555
Total income		**10,294,498**	233,215
Employee expenses		**(1,114,583)**	(1,345,583)
Employee expenses recharged to exploration		**907,847**	1,121,452
Equity based remuneration expense	20	**(379,845)**	(466,124)
Non-executive Directors' fees		**(83,333)**	(50,000)
(Loss)/Gain in fair value of financial assets	6,11	**(447,700)**	(202,162)
Depreciation and amortisation expense	6	**(68,642)**	(24,678)
Corporate expenses		**(75,973)**	(78,520)
Administration and other expenses		**(399,501)**	(424,622)
Exploration costs written off and expensed	6,14	**(4,204,574)**	(296,128)
Profit/(Loss) before income tax		**4,428,194**	(1,553,150)
Income tax benefit	7	-	-
Profit/(Loss) after tax	21	**4,428,194**	(1,533,150)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		**4,428,194**	(1,533,150)
Earnings per share for loss attributable to the ordinary equity holders of the Company			
Basic earnings/(loss) per share	31	**1.4**	(0.5)
Diluted earnings/(loss) per share	31	**1.4**	(0.5)

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

Consolidated Statement of Financial Position As at 30 June 2022

		Consolidated	
		2022	2021
	Note	$	$
Current assets			
Cash and cash equivalents	8	**2,165,945**	5,686,505
Trade and other receivables	9(a)	**244,355**	330,291
Other current assets	9(b)	**13,479**	72,787
Assets reclassified as held for sale		**-**	135,636
Total current assets		**2,423,779**	6,225,219
Non-current assets			
Security bonds and deposits	8(c)	**75,695**	75,652
Financial assets	11	**118,861**	566,561
Property, plant and equipment	12	**44,210**	64,238
Capitalised mineral exploration and evaluation expenditure	14	**13,891,414**	15,212,300
Right of use assets - leases	13	**109,057**	174,493
Total non-current assets		**14,239,237**	16,093,244
Total assets		**16,663,016**	22,318,463
Current liabilities			
Trade and other payables	16	**128,115**	322,703
Employee benefits	17	**225,024**	310,971
Lease Liabilities	18	**67,713**	60,469
Total current liabilities		**420,852**	694,143
Total non-current liabilities			
Lease Liabilities	18	**49,241**	116,954
Total non-current liabilities		**49,241**	116,954
Total liabilities		**470,093**	811,097
Net assets		**16,192,923**	21,507,366
Equity			
Issued capital	19	**41,666,888**	50,000,566
Accumulated losses	21	**(26,698,304)**	(29,535,096)
Equity remuneration reserve	21	**1,224,339**	1,041,896
Total equity		**16,192,923**	21,507,366

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

Consolidated Statement of Changes in Equity For the financial year ended 30 June 2022

2021	Consolidated			
	Issued capital	Accumulated \losses	Equity remuneration reserve	Total
	$	$	$	$
Balance at the start of the financial year	43,828,235	(28,069,977)	576,644	16,334,902
Comprehensive income for the financial year	-	(1,533,150)	-	(1,533,150)
Movement in equity remuneration reserve in respect of options vested	-	-	582,398	582,398
Transfer to accumulated losses on cancellation of vested options	49,115	68,031	(117,146)	-
Transactions with equity holders in their capacity as equity holders:				
Shares issued (net of costs)	6,123,216	-	-	6,123,216
Balance at the end of the financial year	50,000,566	(29,535,096)	1,041,896	21,507,366

2022	Consolidated			
	Issued capital	Accumulated losses	Equity remuneration reserve	Total
	$	$	$	$
Balance at the start of the financial year	50,000,566	(29,535,096)	1,041,896	21,507,366
Comprehensive income for the financial year	-	4,428,194	-	4,428,194
Movement in equity remuneration reserve in respect of options vested	-	-	379,845	379,845
Transfer on exercise and/or cancellation of vested options	8,262	189,140	(197,402)	-
Derecognition of accumulated losses on demerger of subsidiary	-	294,156	-	294,156
Capital return on in-specie distribution (note 33)	(8,415,115)	(2,074,698)	-	(10,489,813)
Transactions with equity holders in their capacity as equity holders: Shares issued (net of costs)	73,175	-	-	73,175
Balance at the end of the financial year	41,666,888	(26,698,304)	1,224,339	16,192,923

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

Consolidated Statement of Cash Flows For the financial year ended 30 June 2022

		Consolidated	
		2022	2021
	Note	$	$
Cash flows from operating activities			
Receipts from tenement option fee income		**25,000**	-
Receipts from other income		**25,646**	71,069
Interest received		**10,306**	17,660
Payments to suppliers and employees		**(776,274)**	(800,669)
Net cash used in operating activities	30	**(715,322)**	(711,940)
Cash flows from investing activities			
Funds received – subsidiary initial public offer		**7,478,125**	-
Cash assets transferred on demerger of subsidiary		**(7,478,304)**	-
Payments for amounts incurred on behalf of related party		**(420,101)**	-
Proceeds on repayment of related party loans		**335,175**	-
Payments for security bonds and deposits		**-**	(75,652)
Contributions received from project generation alliance and farm-in partners		**170,248**	2,466,184
Payments for exploration and evaluation		**(3,055,354)**	(4,420,473)
State Government funded drilling rebate		**152,295**	239,715
R&D tax concession for exploration activities		**13,749**	117,377
Payments for plant and equipment		**(1,750)**	(9,768)
Net cash used in investing activities		**(2,805,917)**	(1,682,617)
Cash flows from financing activities			
Proceeds from loans received		**32,849**	-
Payments for loans repaid		**(32,849)**	-
Proceeds from the issue of shares		**76,925**	6,524,997
Payments for share issue costs		**(3,749)**	(285,508)
Repayment of Lease Liability		**(72,497)**	(23,929)
Net cash from financing activities		**679**	6,215,560
Net (decrease)/increase in cash held		**(3,520,560)**	3,821,003
Cash at the beginning of the financial year		**5,686,505**	1,865,502
Cash at the end of the financial year	8(a)	**2,165,945**	5,686,505

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

Notes to the Financial Statements

Note 1 Summary of significant accounting policies

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 30th September 2022.

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.

(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.

Note 1 Summary of significant accounting policies (Continued)

(c) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary timing differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those timing differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(d) 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.

(e) 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.

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.

(f) 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.

(g) 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 three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are deducted from the carrying value of the relevant asset.

Amounts receivable from the Australian Tax Office in respect of research and development tax concession claims are recognised in the year in which the claim is lodged with the Australian Tax Office. Amounts receivable are allocated in the financial statements against the corresponding expense or asset in respect of which the research and development concession claim has arisen.

(i) 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.

(j) 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.

(k) Non-Current Assets Classified as Held for Sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. They are measured at the lower of their carrying amount and fair value less cost to sell. For assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

(l) 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.

Note 1 Summary of significant accounting policies (Continued)

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.

(m) 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.

(n) 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.

(o) 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.

(p) 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.

(q) 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.

(r) 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.

(s) Comparative figures

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

(t) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification.

Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

(i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or

(ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Note 1 Summary of significant accounting policies (Continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months.

Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(u) 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:

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.

(v) 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 2022 of $118,861 (2021: $566,561). 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.

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:

Note 3 Critical accounting estimates and judgements (Continued)

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 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.

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.

Note 5 Other income

	Consolidated	
	2022 $	2021 $
Operating activities		
Tenement option fee income	**25,000**	-
Recharged costs	**111,397**	-
Cash flow assistance grant	-	67,500
Management fees from farm-in and project generation alliance partners	**6,586**	144,486
Other income	**36,320**	3,569
	179,303	215,555

Note 6 Loss for the year

	Note	Consolidated 2022 $	2021 $
Loss before income tax includes the following specific benefits/(expenses):			
Depreciation and amortisation:			
Office equipment	12	**(3,206)**	(2,866)
Right of use assets – leases	13	**(65,436)**	(21,812)
		(68,642)	(24,678)
Total exploration and joint venture costs not capitalised and written off	14	**(4,204,574)**	(296,128)
Superannuation expense – defined contribution		**(102,663)**	(109,895)
(Loss)/Gain in fair value of financial assets[1]		**(447,700)**	(202,162)

1 *Adjustment to carrying value of investment in Hampton Hill NL, based on the Company's share of net assets as at 30 June 2022. The gain/(loss) on investment has been recognised in the Statement of Profit or Loss. Refer note 11.*

Note 7 Income tax

	Consolidated 2022 $	2021 $
a) Income tax expense		
Current income tax:		
Current income tax charge (benefit)	**(1,000,415)**	(552,721)
Current income tax not recognised	**1,000,415**	552,721
Deferred income tax:		
Relating to origination and reversal of timing differences	**(742,209)**	(6,022)
Deferred income tax benefit/(liability) not recognised	**742,209**	6,022
Income tax expense/(benefit) reported in the income statement	**-**	-

Note 7 Income tax (Continued)

	Consolidated 2022 $	Consolidated 2021 $
b) Reconciliation of income tax expense to prima facie tax payable		
Profit/(Loss) from continuing operations before income tax expense	**4,428,194**	(1,533,150)
Tax at the Australian rate of 25% (2021 – 26%)	**1,107,049**	(398,619)
Tax effect of permanent differences:		
Non-deductible share-based payment	**94,961**	121,192
Unrealised movement in fair value of financial assets	**111,925**	52,562
Exploration costs written off	**1,051,144**	2,077
Capital raising costs claimed	**(26,154)**	(29,603)
Gain recognised on demerger	**(2,526,212)**	-
Net deferred tax asset benefit not brought to account	**187,288**	252,391
Tax (benefit)/expense	**-**	-

	Consolidated 2022 $	Consolidated 2021 $
c) Deferred tax – Balance Sheet		
Liabilities		
Prepaid expenses	**(3,370)**	(18,924)
Exploration assets reclassified as held for sale	**-**	(35,265)
Capitalised exploration expenditure	**(3,472,853)**	(3,955,198)
	(3,476,223)	(4,009,387)
Assets		
Revenue losses available to offset against future taxable income	**9,430,935**	9,157,880
Employee provisions	**56,256**	80,852
Accrued expenses	**2,791**	13,433
Deductible equity raising costs	**63,670**	92,442
	9,553,652	9,344,607
Net deferred tax asset not recognised	**6,077,429**	5,335,220

	Consolidated 2022 $	Consolidated 2021 $
d) Deferred tax – Income Statement		
Liabilities		
Prepaid expenses	**15,554**	21,774
Exploration assets reclassified as held for sale	**35,265**	(35,265)
Capitalised exploration expenditure	**482,345**	(115,156)
Assets		
Deductible equity raising costs	**(28,772)**	73,846
Accruals	**(10,642)**	3,620
Increase/(decrease) in tax losses carried forward	**273,055**	50,430
Employee provisions	**(24,596)**	(5,271)
Deferred tax benefit/(expense) movement for the period not recognised	**742,209**	(6,022)

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

	Consolidated 2022 $	Consolidated 2021 $
Cash at bank and on hand	**665,945**	486,505
Term Deposits	**1,500,000**	5,200,000
	2,165,945	5,686,505

(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:

Cash and cash equivalents per statement of cash flows	**2,165,945**	5,686,505

(b) Term Deposits

Amounts classified as term deposits are short term deposits with maturity of three months or less, and earn interest at the respective short term interest rates.

Note 8 Current assets – Cash and cash equivalents (Continued)

(c) Cash balances not available for use

Included in cash and cash equivalents above are amounts pledged as guarantees for the following:

		Consolidated	
		2022	2021
	Note	$	$
Office lease bond guarantee	26	-	-

The security deposit in relation to the Group's lease on its office at 1 Alvan Street, Subiaco, Western Australia of $25,652 is included in non-current assets. An amount of $50,000 held on deposit in relation to the Group's corporate credit card facility is included in non-current assets.

The Company recognises liabilities in the financial statements for unspent farm-in contributions (Note 16).

Note 9 Current assets – Receivables

	Consolidated	
	2022	2021
	$	$
a) Trade and other receivables		
Funds due from project generation and farm-in partners	**8,193**	100,824
Trade and other receivables	**236,162**	227,346
GST recoverable	-	2,121
	244,355	2,121
b) Other current assets		
Prepaid administration costs	5,982	-
Prepaid tenement costs	66,805	147,994
	72,787	147,994

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 2022:

	Consolidated	
	2022	2021
	$	$
Encounter Operations Pty Ltd	2	2
Hamelin Resources Pty Ltd[1]	-	2
Encounter Yeneena Pty Ltd	2	2
Baudin Resources Pty Ltd	10	10
Encounter Paterson Pty Ltd	1	-
Encounter Aileron Pty Ltd	1	-
Hamelin Gold Limited[1]	-	1
Hamelin Tanami Pty Ltd[1]	-	1

1 *Hamelin Gold Limited group exited the Encounter Resources Limited group during the financial year.*

Subsidiary Company	Country of Incorporation	Ownership Interest 2022	2021
Encounter Operations Pty Ltd	Australia	100%	100%
Hamelin Resources Pty Ltd	Australia	-	100%
Encounter Yeneena Pty Ltd	Australia	100%	100%
Baudin Resources Pty Ltd	Australia	100%	100%
Encounter Paterson Pty Ltd	Australia	100%	-
Encounter Aileron Pty Ltd	Australia	100%	-
Hamelin Gold Limited	Australia	-	100%
Hamelin Tanami Pty Ltd	Australia	-	100%

- Encounter Operations Pty Ltd was incorporated in Western Australia on 27 November 2006.
- Hamelin Resources Pty Ltd was incorporated in Western Australia on 24 November 2009.
- Encounter Yeneena Pty Ltd was incorporated in Western Australia on 23 May 2013.
- Baudin Resources Pty Ltd was incorporated in Western Australia on 7 April 2017.
- Hamelin Gold Limited was incorporated in Western Australia on 24 May 2021.
- Hamelin Tanami Pty Ltd was incorporated in Western Australia on 26 May 2021.

The ultimate controlling party of the group is Encounter Resources Limited.

During the financial year two further companies were formed as wholly owned subsidiaries of Encounter Resources Limited:

- Encounter Paterson Pty Ltd was incorporated in Western Australia on 9 July 2021.
- Encounter Aileron Pty Ltd was incorporated in Western Australia on 9 July 2021.

During the financial year the Company completed the demerger of the Hamelin Gold Limited group which comprised Hamelin Gold Limited and its subsidiaries Hamelin Resources Pty Ltd and Hamelin Tanami Pty Ltd (note 33).

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

b) Loans to controlled entities

The following amounts are payable to the parent company, Encounter Resources Limited at the reporting date:

	2022 $	2021 $
Encounter Operations Pty Ltd	**22,310,706**	22,096,992
Hamelin Resources Pty Ltd	-	5,939,158
Encounter Yeneena Pty Ltd	**881,285**	881,285
Baudin Resources Pty Ltd	**1,000,240**	478,143
Encounter Paterson Pty Ltd	**6,865,391**	-
Encounter Aileron Pty Ltd	**713,260**	-

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.

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

	Consolidated	
	2022 $	2021 $
Balance at the start of the financial year[1]	**566,561**	768,723
Gain on investments recognised through profit & loss[2]	**(447,700)**	(202,162)
Balance at the end of the financial year	**118,861**	566,561

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

	Consolidated 2022 $	Consolidated 2021 $
Field equipment		
At cost	**805,219**	805,219
Accumulated depreciation	**(768,076)**	(749,504)
	37,143	55,715
Office equipment		
At cost	**52,076**	112,170
Accumulated depreciation	**(45,009)**	(110,549)
	7,067	1,621
	44,210	64,238

	Note	Consolidated 2022 $	Consolidated 2021 $
Reconciliation			
Field equipment			
Net book value at start of the year		**55,715**	83,574
Cost of additions		-	-
Depreciation charged		**(18,572)**	(27,859)
Net book value at end of the year		**37,143**	55,715
Office equipment			
Net book value at start of the year		8,523	1,621
Cost of additions		1,750	9,768
Depreciation charged	6	(3,206)	(2,866)
Net book value at end of the year		7,067	8,523

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

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

	Note	Consolidated 2022 $	2021 $
Leases			
Carrying value at start of the year		**174,493**	-
ROU assets recognised in the year		-	196,305
Amortisation charged	6	**(65,436)**	(21,812)
Carrying value at end of the year		**109,057**	174,493

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. The lease is for a term of three years commencing 1 March 2021 with an option to extend for three further years. Management have determined that based on all available information, it is not reasonably certain that they will exercise the option to renew the lease at the end of the initial three-year term.

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

	Note	Consolidated 2022 $	2021 $
In the exploration and evaluation phase			
Capitalised exploration costs at the start of the period		**15,212,300**	13,963,789
Total acquisition and exploration costs for the period (i)		**3,049,732**	1,902,054
Exploration costs funded by EIS grant		**(152,295)**	(239,715)
Research and development tax credits (ii)		**(13,749)**	(117,700)
Total exploration and joint venture costs written off and expensed for the period	6	**(4,204,574)**	(296,128)
Capitalised exploration costs at the end of the period		**13,891,414**	15,212,300

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

Millennium Zinc Project – Hampton Hill NL (HHM) Joint Venture

Encounter Resources Limited has a 75:25 contributing joint venture with HHM covering the Company's Millennium zinc project, comprising exploration licences EL45/2501, EL45/2561 and four blocks of EL45/2500 in the Paterson Province of Western Australia.

- HHM hold a 25% and Encounter holds a 75% interest in the joint venture.
- Industry standard expenditure contribution or dilution formulas would apply. If a party's interest is diluted to less than 10%, that interest would convert to a 1% Net Profit Royalty.
- Encounter is the Operator.

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.

Earn-in and Joint Venture Agreement – Elliott Copper Project ("Elliott") – BHP Group Ltd (BHP)

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

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

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.

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

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 16 Current liabilities – Trade and other payables

	Consolidated	
	2022 $	2021 $
Trade payables and accruals	**98,017**	229,371
Unspent funds advanced by joint venture partner	-	40,785
Other payables	**30,098**	52,547
	128,115	322,703

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

	Consolidated	
	2022 $	2021 $
Liability for annual leave	**79,992**	112,182
Liability for long service leave	**145,032**	198,789
	225,024	310,971

Note 18 Current liabilities – Lease liabilities

	Consolidated	
	2022 $	2021 $
Leases		
Carrying value at start of the year	**177,423**	-
Lease liabilities recognised in the year	-	196,305
Lease payments made	**(72,497)**	(23,929)
Lease interest charged to profit or loss	**12,028**	5,047
Carrying value at end of the year	**116,954**	177,423

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

	Consolidated 2022 $	2021 $
Lease liabilities due > 1 year	**49,241**	116,954
Total Lease liabilities	**116,954**	177,423

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.

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	2022 No.	2021 No.	2022 $	2021 $
b) Share capital					
Issued share capital		**317,216,826**	316,256,523	**41,666,888**	50,000,566
c) Share movements during the year					
Balance at the start of the financial year		**316,256,523**	280,824,968	**50,000,566**	43,828,235
Share placement	$0.19	-	33,157,878	-	6,299,997
Exercise of options[1]	$0.13	-	1,580,857	-	205,511
Exercise of options[1]	$0.09	-	192,820	-	17,354
Exercise of options[1]	$0.10	**75,000**	250,000	**7,500**	25,000
Exercise of options[1]	$0.105	**425,000**	250,000	**44,625**	26,250
Exercise of options[1]	$0.137	**60,303**	-	**8,262**	-
Exercise of options[1]	$0.062	**400,000**	-	**24,800**	-
Capital reduction – in-specie distribution (note 33)		-	-	**(8,415,115)**	-
Less share issue costs		-	-	**(3,750)**	(401,781)
Balance at the end of the financial year		**317,216,826**	316,256,523	**41,666,888**	50,000,566

1 *Refer Note 20 for details of options exercised.*

Note 19 Issued capital (Continued)

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 2021 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 26 November 2021. 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 5,030,000 options (2021: 5,850,000) over unissued shares.

b) Options exercised during the year

During the financial year the Company issued shares on the exercise of 1,650,000 (2021: 2,600,000) unlisted options, as follows:

Number of options exercised	Details of options exercised
425,000	Exercisable at $0.105 expiring 1 November 2021
75,000	Exercisable at $0.10 expiring 31 May 2022
750,000[1]	Exercisable at $0.137 expiring 24 November 2021
400,000	Exercisable at $0.062 expiring 31 May 2022

1 *Included in options exercised above is an amount of 326,323 options foregone in consideration given on exercise (2020: Nil).*

c) Options cancelled during the year

During the year 400,000 options (2021: 500,000) were cancelled upon termination of employment; and 1,500,000 options (2021: nil) were cancelled on expiry of exercise period.

d) Options on issue at the balance date

The number of options outstanding over unissued ordinary shares at 30 June 2022 is 18,180,000 (2021: 16,700,000). The terms of these options are as follows:

Number of options outstanding	Exercise price	Expiry date
2,900,000	5.2 cents	30 November 2022
1,500,000	8.2 cents	30 November 2023
5,050,000	16.2 cents	31 October 2023
650,000	18.2 cents	30 June 2024
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
18,180,000		

e) Subsequent to the balance date

No (2021: nil) options have been granted subsequent to the balance date and to the date of signing this report.

No options have been exercised subsequent to the balance date to the date of signing this report.

Subsequent to the balance date no options have been cancelled on expiry of the exercise period.

Weighted average contractual life

The weighted average contractual life for un-exercised options is 24.3 months (2021: 22.1 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.

Date granted	Number of options granted	Exercise price (cents)	Expiry date	Risk free interest rate used	Volatility applied[1]	Value of Options
29 Nov 2021	3,830,000	22.4	28 Nov 2025	1.48%	84.0%	$302,069
30 Jun 2022	1,200,000	19.0	28 Jun 2026	3.50%	80.8%	$77,776
						$379,845

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)

	2022		2021	
	No.	WAEP (cents).	$	WAEP (cents)
Options outstanding at the start of the year	**16,700,000**	**18.2**	13,950,000	14.6
Options granted during the year	**5,030,000**	**21.6**	5,850,000	24.4
Options exercised during the year[1]	**(1,650,000)**	**10.9**	(2,600,000)	12.1
Options cancelled and expired unexercised during the year	**(1,900,000)**	**22.6**	(500,000)	21.0
Options outstanding at the end of the year	**18,180,000**	**16.3**	16,700,000	18.2

1 *Included in options exercised above is an amount of 689,697 options foregone in consideration given on exercise (2021: 326,323).*

Note 21 Reserves and accumulated losses

	Consolidated			
	2022		2021	
	Accumulated losses $	Equity remuneration reserve[1] $	Accumulated losses $	Equity remuneration reserve (i) $
Balance at the beginning of the year	**(29,535,096)**	**1,041,896**	(28,069,977)	576,644
Profit/(Loss) for the period	**4,428,194**	**-**	(1,553,150)	-
Derecognition of reserves on demerger of subsidiary	**294,156**	**-**	-	-
Capital return on in-specie distribution	**(2,074,698)**	**-**	-	-
Movement in equity remuneration reserve in respect of options issued (note 20)	**-**	**379,845**	-	582,398
Transfer to accumulated losses on cancellation of options	**189,140**	**(189,140)**	68,031	(68,031)
Transfer to share capital on exercise of options[2]	**-**	**(8,262)**	-	(49,115)
Balance at the end of the year	**(26,698,304)**	**1,224,339**	(29,535,096)	1,041,896

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 ($)	
	2022 $	2021 $
Fixed rate instruments		
Financial assets	-	-
Variable rate instruments		
Financial assets	**2,165,945**	5,686,505

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	
2022	1% increase $	1% decrease $	1% increase $	1% decrease $
Variable rate instruments	**21,659**	**(21,659)**	**21,659**	**(21,659)**

	Profit or loss		Equity	
2021	1% increase $	1% decrease $	1% increase $	1% decrease $
Variable rate instruments	56,865	(56,865)	56,865	(56,865)

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):

2022	Consolidated						
	Carrying amount $	Contractual cash flows $	< 6 months $	6-12 months $	1-2 years $	2-5 years $	> 5 years $
Trade and other payables	**128,115**	**128,115**	**128,115**	**-**	**-**	**-**	**-**
Lease liabilities	**116,954**	**116,954**	**32,822**	**34,891**	**49,241**	**-**	**-**
	245,069	**245,069**	**160,937**	**34,891**	**49,241**	**-**	**-**

2021	Consolidated						
	Carrying amount $	Contractual cash flows $	< 6 months $	6-12 months $	1-2 years $	2-5 years $	> 5 years $
Trade and other payables	177,704	177,704	177,704	-	-	-	-
Lease liabilities	177,723	177,723	29,281	31,188	67,713	49,241	-
	355,127	355,127	206,985	31,188	67,713	49,241	-

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			
	2022		2021	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Cash and cash equivalents	**2,165,945**	**2,165,945**	5,686,505	5,686,505
Financial assets	**118,861**	**118,861**	566,561	566,561
Lease liabilities	**(116,954)**	**(116,954)**	(177,723)	(177,723)
Trade and other payables	**(128,115)**	**(128,115)**	(177,704)	(177,704)
	2,0239,737	**2,039,737**	5,897,639	5,897,639

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 2022 or 30 June 2021.

The Company has no franking credits available as at 30 June 2022 or 30 June 2021.

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

(ii) Executive directors

Will Robinson, Managing Director

Peter Bewick, Exploration Director (to 1 November 2021)

(iii) Non-executive directors

Jonathan Hronsky, Director

Philip Crutchfield, Director

Peter Bewick, Director (from 1 November 2021)

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:

	2022 $	2021 $
Total short-term employment benefits	**443,333**	678,788
Total share-based payments	**163,259**	245,415
Total post-employment benefits	**44,333**	55,507
	650,925	979,610

During the year the Group incurred costs of $17,842 (2021: $13,800), for geological consulting services from Western Mining Services, an entity associated with Dr Jon Hronsky.

Note 25 Remuneration of auditors

	Consolidated	
	2022 $	2021 $
Audit and review of the Company's financial statements	**54,750**	32,000

The total remuneration paid to Crowe Perth for 2021 includes audits of the subsidiary companies Hamelin Gold Limited for the period ended 30 June 2021 and Hamelin Resources Pty Ltd for the three financial years ended 30 June 2019, 2020 and 2021, undertaken as part of the demerger of Hamelin Gold Limited as described in note 33.

Note 26 Contingencies

(i) Contingent liabilities

There were no material contingent liabilities not provided for in the financial statements of the Group as at 30 June 2022 or 30 June 2021 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.

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 $50,000 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 within bonds in non-current assets.

(ii) Contingent assets

There were no material contingent assets as at 30 June 2022 or 30 June 2021.

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 $2,305,520 (2021: $2,888,687).

The exploration expenditure obligations stated above include amounts (approximately $1.2m (2021: approximately $1.1m)) that are funded by third parties pursuant to various farm-in agreements (Note 15). Hence current expenditure commitment on Encounter 100% owned projects is approximately $1.1m (2021: approximately $1.8m).

(c) Contractual Commitment

There are no material contractual commitments as at 30 June 2022 or 30 June 2021 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.

During the reporting period the Company completed a demerger of Hamelin Gold Limited.

During the period from 1 July 2021 to 29 October 2021, whilst Hamelin Gold Ltd was part of the Encounter Resources Limited (ENR) group the following transactions occurred:

- ENR incurred total costs of $416,274 on behalf of the Hamelin Gold group in respect of exploration, initial public offer and demerger costs;
- ENR forgave intercompany loans amounting to $294,171 due to it from the Hamelin Gold group;
- ENR acquired exploration assets at book value of $5,498,795 from the Hamelin Gold group, with the consideration offset against amounts due to the ENR group through intercompany loans; and
- ENR received a cash refund on behalf of the Hamelin Gold group amounting to $10,556.

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

Note 29 Events occurring after the balance sheet date

On 29 September 2022 the Company completed the placement of 33,333,334 shares at $0.12 per share pursuant to a share placement raising $4 million before costs. A total of 2 million unlisted options were issued to the Joint Lead Managers.

Other than as already stated in this report, 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.

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

	Consolidated	
	2022 $	2021 $
Profit/(Loss) from ordinary activities after income tax	**4,428,194**	(1,533,150)
Gain on demerger	**(10,104,846)**	-
Depreciation and amortisation	**68,642**	24,678
Exploration cost written off and expensed	**4,093,178**	296,128
Share based payments expense	**379,845**	466,124
Unrealised (gain)/loss on investments	**447,700**	202,162
Contribution to overheads from farm-in and project alliance partners	**(6,586)**	(144,486)
Lease interest	**12,028**	5,047
Movement in assets and liabilities:		
(Increase)/decrease in receivables	**(3,921)**	(53,075)
Increase/(decrease) in payables	**(29,556)**	24,632
Net cash outflow from operating activities	**(715,322)**	(711,940)

Note 31 Earnings per share

	Consolidated 2022 Cents	2021 Cents
a) Basic earnings per share		
Profit/(Loss) attributable to ordinary equity holders of the Company	**1.4**	(0.5)
b) Diluted earnings per share		
Profit/(Loss) attributable to ordinary equity holders of the Company	**1.4**	(0.5)
	$	$
c) Loss used in calculation of basic and diluted loss per share		
Consolidated profit/(loss) after tax from continuing operations	**(1,533,150)**	(1,126,275)
	No.	No.
d) Weighted average number of shares used as the denominator		
Weighted average number of shares used as the denominator in calculating basic earnings per share	**303,846,344**	280,192,048
Weighted average number of shares used as the denominator in calculating basic earnings per share	**303,846,344**	280,192,048

Note 32 Parent entity information

	Company 2022 $	Company 2021 $
Financial position		
Assets		
Current assets	2,423,579	6,086,957
Non-current assets	14,260,399	16,231,508
Total Assets	16,683,978	22,318,465
Liabilities		
Current liabilities	441,814	694,145
Non-current liabilities	49,241	116,954
Total Liabilities	491,055	811,099
NET ASSETS	16,192,923	21,507,366
Issued capital	41,666,888	50,000,566
Equity remuneration reserve	1,224,339	1,041,896
Accumulated losses	(26,698,304)	(29,535,096)
TOTAL EQUITY	16,192,923	21,507,366
Financial performance		
Profit/(Loss) for the year	8,555,175	(1,524,973)
Other comprehensive income	-	-
Total comprehensive income	8,555,175	(1,524,973)

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.

Note 33 Demerger of Hamelin Gold Limited

During the reporting period the Company completed the demerger of its wholly owned subsidiary Hamelin Gold Limited, which subsequently was admitted to the Official List of the Australian Securities Exchange. The demerger, approved by shareholders on 22 October 2021, was completed with a return of capital in the form of an in-specie distribution of 60,000,000 shares in Hamelin Gold Limited to eligible shareholders of the Company on a pro rata basis.

	$
Notional value of shares received on demerger of Hamelin Gold Limited[1]	12,000,000
Less:	
Difference to the fair value of in-specie distribution to Company shareholders[2]	(1,510,187)
Net assets of Hamelin Gold Limited at the demerger date	(2)
Adjust pre-demerger profit attributable to Hamelin Resources	(294,154)
Costs attributable to the demerger	(90,811)
Gain recognised on Demerger	**10,104,846**

1 *Being 60,000,000 ordinary fully paid shares in Hamelin Gold Limited at the Initial Public Offer issue price of $0.20 per share.*

2 *Notional value less capital reduction amount of $10,489,8133 per ATO Class Ruling 2021/93 published 8 December 2021.*

3 *The fair value of the in-specie distribution of shares to the Company's shareholders has been allocated to issued capital and accumulated losses as follows:*

	$
Fair value of in-specie distribution attributed to issued capital (Note 19)	8,415,115
Fair value of in-specie distribution attributed to accumulated losses (Note 21)	2,074,698
Fair value of in-specie distribution to Company shareholders	**10,489,813**

The capital reduction allocation has been determined with reference to the respective market values of the Company and Hamelin Gold Limited at the demerger date. The market value of the Company has been determined using the 5-day closing volume weighted average price preceding the date of demerger, and the market value of Hamelin Gold Limited determined using the 5-day closing volume weighted average price following commencement of trading on ASX.

Prior to the demerger the Company undertook an internal restructure within the Group such that Hamelin Resources Pty Ltd, holding solely the West Tanami Gold Project assets, was acquired by Hamelin Gold Limited in preparation for the proposed demerger.

As part of the restructure an intercompany loan amounting to $294,171 due from Hamelin Resources Pty Ltd to Encounter Resources Limited was forgiven.

As at the demerger date of 29 October 2021, the assets and liabilities of the Hamelin Gold Limited group were:

	$
Cash assets	7,478,304
Other receivables	30,889
Prepaid Initial Public Offer (IPO) related costs	716,155
Capitalised exploration costs	135,636
Total Assets	**8,360,984**
Trade and other payables	(440,248)
Share subscription liability (IPO applications received)	(7,478,125)
Loan due to Encounter Resources Limited	(442,609)
Total Liabilities	**(8,360,982)**
Net Assets	**2**

Directors' Declaration

(a) the financial statements and notes set out on pages 43 o 76 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 2022 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.

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 2022.

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

Signed at Perth this 30th day of September 2022.

W Robinson

Managing Director

INDEPENDENT AUDITORS 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 2022, 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 a summary of significant accounting policies, 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 2022 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 and 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matter	How we addressed the Key Audit Matter
Consideration of impairment of capitalised mineral exploration and evaluation expenditure	
The consideration of impairment of the carrying value of the Group's Capitalised Mineral Exploration and Evaluation Expenditure assets was material to our audit and represented an area of significant estimate and judgement within the financial report. This matter is considered a key audit matter due to the high degree of judgement required by the directors to assess whether impairment indicators are present for specified tenements held and due to the significance of the capitalised amount of $13.9m at 30 June 2022. The conditions and assessment undertaken in relation to impairment are disclosed in the Group's accounting policy in Notes 1 and 14 of the financial report.	Our procedures included, but were not limited to: • Reviewed management's documented assessment of the existence or otherwise of impairment indicators from both internal and external sources; • Corroborated representations made by management with available external data and evidence obtained by us during the course of our audit; and • Considered the appropriateness of relevant disclosures in the notes to the financial statements.
Demerger of Hamelin Gold Limited	
During the reporting period the Company completed the demerger of its wholly owned subsidiary Hamelin Gold Limited, which subsequently was admitted to the Official List of the Australian Securities Exchange. This matter is considered a key audit matter due to the significance of the gain on demerger recognised of $10.1m, fair value of in-specie distribution attributed to issued capital of $8.4m and accumulated losses of $2.1m The demerger of Hamelin Gold Limited is disclosed in notes Note 19 and 33 of the financial report.	Our procedures included, but were not limited to: • Considered management's documented assessment of the reduction in share capital and the gain on demerger recognised; • Agreed inputs included within management's calculation to external data and evidence obtained by us during the course of our audit; and • Considered the appropriateness of relevant disclosures in the notes to the financial statements.

Information Other than the Financial Report and the Audit's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2022 Annual Report for the year ended 30 June 2022 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 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 upon the work we have performed, we conclude that there is 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 the financial report that gives a true and fair view in accordance with Australian Accounting Standards, International Financial Reporting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material 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 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 in the preparation of the financial report. We also conclude, based on the audit evidence obtained whether a material uncertainty exists related to events and 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 the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial 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 statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the 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 be reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year 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 be communicated in the 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 33 to 38 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Encounter Resources Limited for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

Crowe

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

Dated at Perth this 30th day of September 2022

ASX Additional Information

Pursuant to the Listing Requirements of the Australian Securities Exchange, the shareholder information set out below was applicable as at 30 September 2022.

A. Distribution of Equity Securities

Analysis of numbers of ordinary fully paid shareholders by size of holding:

Distribution	Number of shareholders	Securities held	% Securities
1 – 1,000	114	39,849	0.01%
1,001 – 5,000	310	1,012,085	0.29%
5,001 – 10,000	250	1,983,428	0.57%
10,001 – 100,000	729	30,810,231	8.79%
More than 100,000	341	316,704,567	90.34%
Totals	**1,744**	**350,550,160**	100.00%

There are 343 shareholders holding less than a marketable parcel of ordinary shares.

B. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

	Issued Ordinary Shares	
Shareholder Name	Number of shares	% of shares
IGO Limited	28,400,572	8.10%
William Michael Robinson	26,452,556	7.55%
Silver Lake Resources Limited	18,437,397	5.26%
Deutsche Balaton Aktiengesellschaft	17,728,071	5.06%

C. Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are listed below:

	Ordinary Shares - Quoted	
Shareholder Name	Number of shares	% of Shares
Zero Nominees Pty Ltd	25,700,000	7.33%
Deutsche Balaton Aktiengesellschaft	17,728,071	5.06%
Silver Lake Resources Limited	16,684,210	4.76%
Mr William Michael Bennett Robinson	16,216,900	4.63%
HSBC Custody Nominees (Australia) Limited-GSCO ECA	15,848,600	4.52%
UBS Nominees Pty Ltd	15,140,527	4.32%
Citicorp Nominees Pty Limited	14,647,839	4.18%
HSBC Custody Nominees (Australia) Limited	12,560,553	3.58%
Stone Poneys Nominees Pty Ltd <Chapman Super Fund A/C>	8,998,816	2.57%
Superhero Securities Limited <Client A/C>	7,247,705	2.07%
Precision Opportunities Fund Ltd <Investment A/C>	6,333,334	1.81%
Picton Cove Pty Ltd	6,039,074	1.72%
Solvista Pty Ltd <The Bewick Family A/C>	5,750,000	1.64%
Sundin Pty Ltd <WMBR Family A/C>	5,580,000	1.59%
Fifty Second Celebration Pty Ltd <McBain Family A/C>	4,843,063	1.38%
Wythenshawe Pty Ltd	4,000,000	1.14%
Kiki Super Fund A/C	3,000,000	0.86%
IGO Limited	2,700,572	0.77%
Wythenshawe Pty Ltd <Minjar A/C>	2,200,000	0.63%
Mr Peter Bewick & Mrs Stephanie Bewick <Bewick Super Fund A/C>	2,200,000	0.63%
Total	**193,419,264**	**55.18%**

D. Unquoted Securities

Options over Unissued Shares

Number of Options	Exercise Price	Expiry Date	Number of Holders
2,900,000	5.2 cents	30 November 2022	5
5,050,000	16.2 cents	31 October 2023	8
1,500,000	8.2 cents	30 November 2023	1
650,000	18.2 cents	30 June 2024	3
2,450,000	22.2 cents	26 November 2024	7
800,000	21.2 cents	30 April 2025	3
3,630,000	22.4 cents	28 November 2025	10
1,200,000	19.0 cents	28 June 2026	3
1,000,000	20.0 cents	29 September 2025	6[1]
1,000,000	30.0 cents	29 September 2025	6[1]
20,180,000			

1 *Issued to Cannacord Genuity (Australia) Pty Ltd and Chieftain Securities (WA) Pty Ltd for joint lead manager services to the share placement completed on 29 September 2022.*

E. Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

There are no voting rights in respect of options over unissued shares.

F. Restricted Securities

There are no restricted securities.

Corporate Directory

Directors

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

Company Secretaries

Kevin Hart

Dan Travers

Principal and Registered Office

Encounter Resources Limited

Address	Suite 2, 1 Alvan Street Subiaco, Western Australia 6008
Telephone	(08) 9486 9455
Web	www.enrl.com.au

Auditor

Crowe Perth

Address	Level 5, 45 St Georges Terrace Perth, Western Australia 6000

Share Registry

Automic Group

Address	Level 5, 191 St Georges Terrace Perth, Western Australia 6000
Telephone	1300 288 664

Securities 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.

Notes

Notes

encounter
resources

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