Quarterly Report

For period ended 31 March 2023

encounter RESOURCES LIMITED

28 April 2023

Exploring for the next copper, rare earths and lithium discoveries

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

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

- Diamond drilling to commence in the first week of May 2023 testing three priority targets:
  - Caird – 'bullseye' coincident magnetic and density anomaly 5km north-west of the Luni mineralised carbonatite discovery (ASX:WA1)
  - Crean – regional scale magnetic anomaly with an offset gravity anomaly similar to the Prominent Hill IOCG deposit
  - Worsley – the region's standout magnetic and coincident gravity anomaly with anomalous Cu, Au, Mo, Nb and REE (up to 0.8%) in prior incomplete drillhole (EAL0001)
- 3,300 line km airborne Falcon gravity survey commencing April 2023 to extend detailed gravity over the entire project

Junction Lithium Project - NT (100% ENR)

- Highly anomalous rock chip assays for lithium and other critical minerals from the pegmatites sampled in December 2022
- Assay results confirm LCT (lithium-caesium-tantalum) pegmatites, comparable to the host pegmatites of the Finniss lithium deposits in the Pine Creek region

Irwin REE Projects - WA (100% ENR)

- Significant rare earth element ("REE") potential at the new Irwin Project in the Laverton region of WA
- Targets are centred on a structural corridor that extends north-west from the Mt Weld carbonatite located 100km SE, owned by Lynas Rare Earths Ltd (ASX:LYC)

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

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

BHP

- 2022 diamond drilling intersected a potential "first reductant" horizon defined by anomalism in redox-sensitive elements such as copper, vanadium and molybdenum
- This 'first reductant" horizon is a key target for sediment-hosted copper deposits

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

SOUTH32

- Diamond drilling expected to commence in May-June 2023.
- 4 diamond drill holes (3,500m) at Jessica and 3 diamond drill holes (3,000m) at Carrara, in the 2023 field season

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

igo

- Diamond drilling scheduled to commence at Lookout Rocks in June 2023 targeting the down plunge position of known copper mineralisation
- Three diamond holes planned (2,000m) targeting high-value sediment-hosted copper

ASX Code:	Cash (31/3/2023)	Market Cap. (26/4/2023)	Issued shares (31/3/2023)	Issued options (31/3/2023)
ENR	$4.2m	$52m	356m	22m

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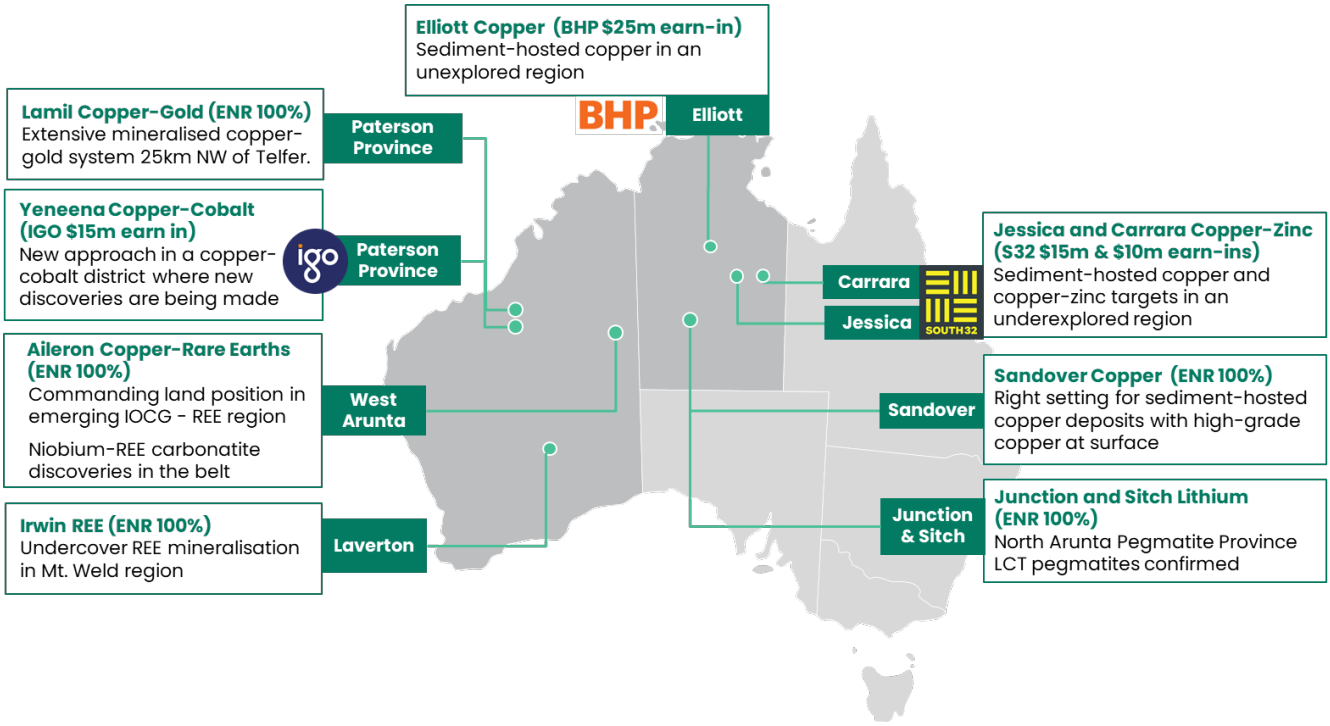


100% owned projects in Australia's most exciting provinces

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

Background

Aileron is located in the West Arunta region of WA ~600km west of Alice Springs. To date, only one diamond hole, EAL001, has been drilled within the project which targeted a discrete magnetic anomaly at the Worsley target. EAL001 was partially completed to a depth of 158m and drilled through 5m of shallow cover followed by a brecciated hydrothermal hematite-chlorite-altered granite with a narrow mafic intrusion.

Assays from EAL001 include zones of anomalism in copper (up to 0.1% Cu), gold (up to 48ppb Au), molybdenum (up to 155ppm Mo), niobium (up to 773ppm Nb) and highly elevated REE (up to 0.8% TREO) consistent with the IOCG deposit model *(refer ASX release 28 January 2021)*.

The presence of highly anomalous copper-gold-REE in the first hole at Aileron and the recent mineralised carbonatite discoveries by WA1 indicate that an alkaline magmatic hydrothermal system has been active in the region. Such systems are known to play an important role in the formation of both IOCG and carbonatite-hosted REE deposits.

Encounter completed large gravity, magnetic and radiometric surveys at Aileron during 2021 and 2022. These surveys have defined four high quality targets three of which are planned to be drilled in 2023: Caird, Crean and Worsley.
(refer ASX release 27 March 2023).

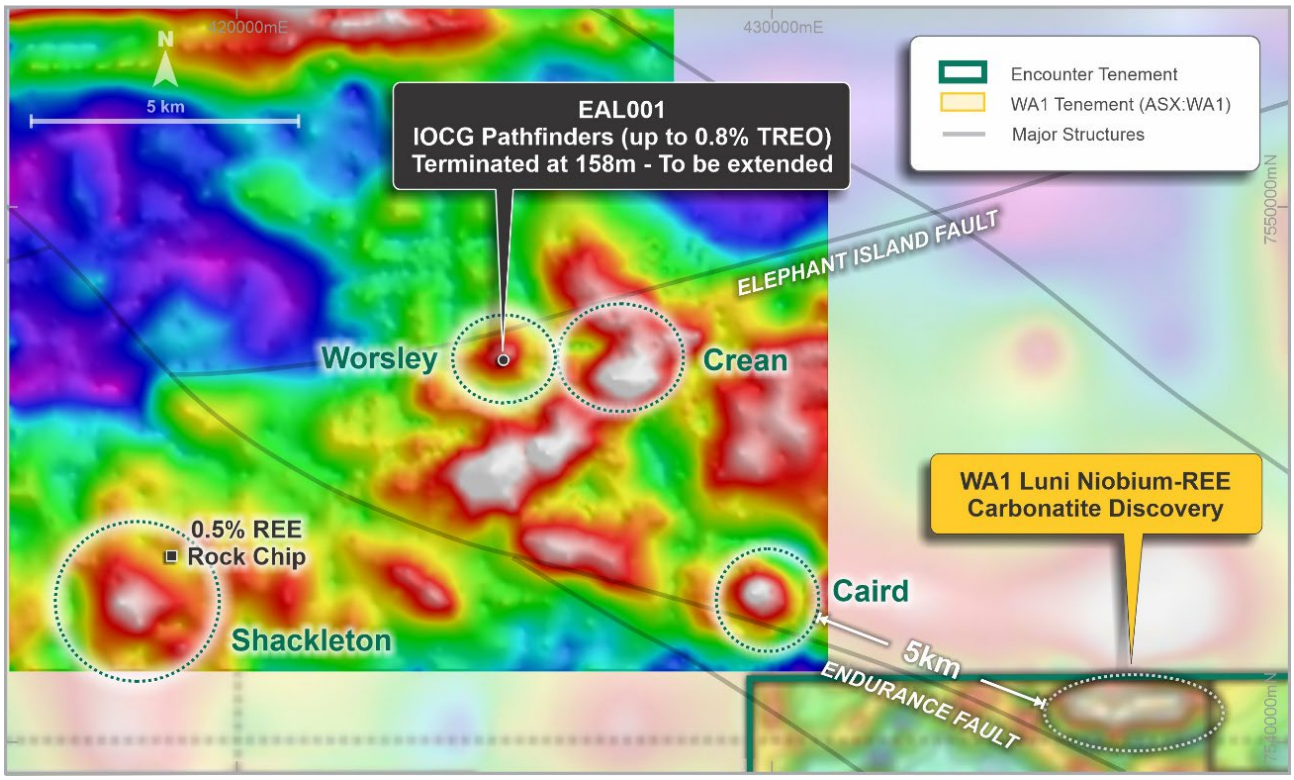


Figure 1 - Residual gravity image with interpreted structures and targets with three (Caird, Crean and Worsley) to be drilled commencing May 2023 in the western part of >100km long Aileron project [1,2,3]

Caird

Caird is a 'bullseye' coincident magnetic and density anomaly on the Endurance fault, 5km north-west of WA1's recent mineralised carbonatite discovery at Luni (see Figure 1).

Gravity and magnetic modelling have defined the first hole to test Caird. Additional drill sites have been heritage cleared for follow up drilling.

Crean

Crean is a regional scale magnetic anomaly at a key structural location on the major Elephant Island fault which has an offset gravity anomaly, a similar geophysical footprint to the Prominent Hill IOCG deposit in South Australia.

Two holes will be drilled to test both the magnetic and gravity anomalies at this target (Figure 2).

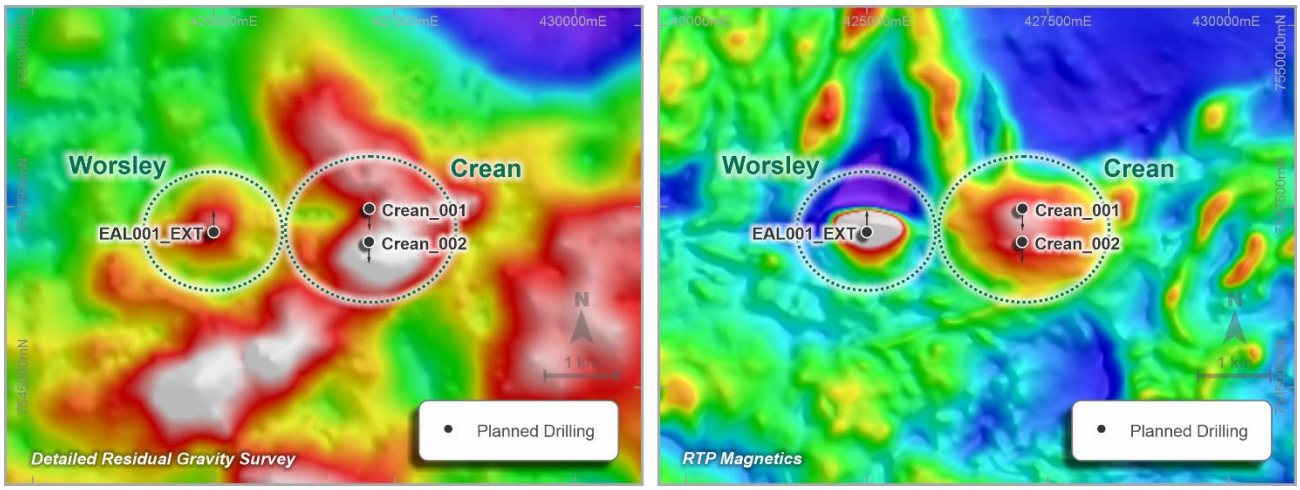


Figure 2 - Worsley (L) and Crean (R) diamond drill hole locations over residual gravity and RTP magnetics

Worsley

Worsley is the region's standout magnetic and coincident gravity anomaly. The upcoming diamond drill program will extend drill hole EAL0001 that was terminated at a depth of 158m without testing the magnetic-gravity anomalies. EAL0001 was ineffective and ended prior to designed depth due to a mechanical failure on the drill rig. Assay results later confirmed highly anomalous Cu, Au, Mo, Nb and REE (up to 0.8%) in the top of the hole.

Upcoming Activity

Diamond drilling at Caird, Crean and Worsley is expected to commence in the first week of May 2023.

A 3,300 line km airborne Falcon gravity survey will also be completed in May 2023 to extend detailed gravity over the entire project (Figure 3). This 300m spaced survey will be a fundamental dataset for the targeting of IOCG and carbonatite-hosted REE deposits in the West Arunta.

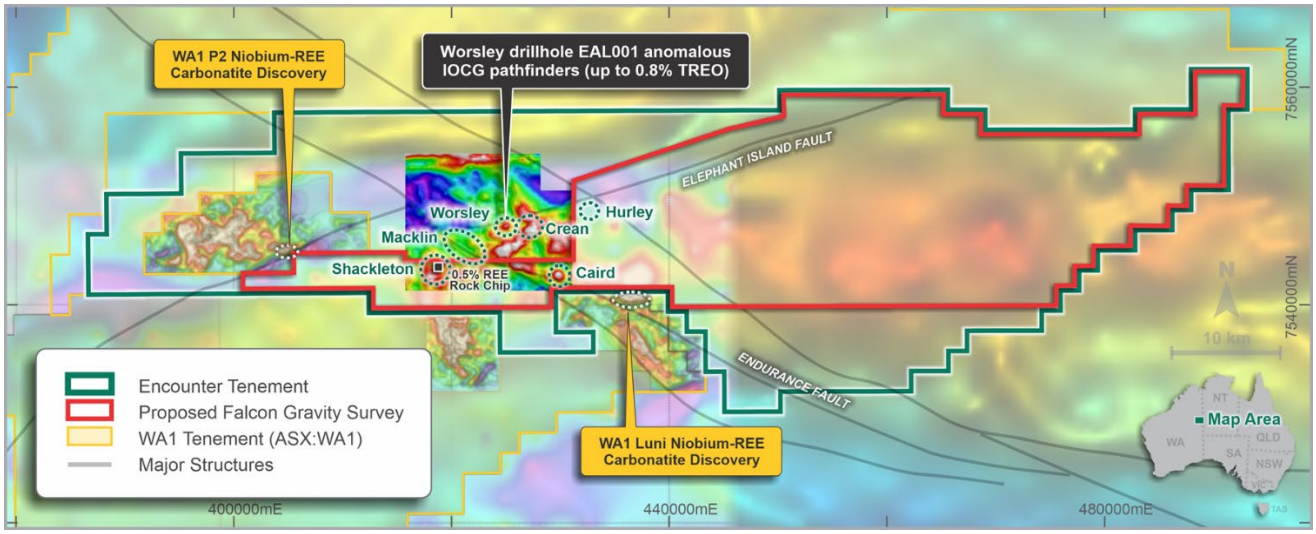


Figure 3 - Aileron project – Area of planned Falcon gravity survey overlayed on regional gravity data

[1] refer ASX release 28 January 2021
[2] refer ASX release 14 February 2022
[3] refer ASX release by WA1 – 16 November 2022

Junction Lithium Project – NT (100% ENR)

Junction sits within the North Arunta Pegmatite Province which was first identified in a report by the Northern Territory Geological Survey ("NTGS") in 2005 (Figure 4). The NTGS interprets that the pegmatites in the region are LCT pegmatites similar to the host pegmatites of the lithium deposits at Greenbushes in WA and the Finniss deposit in the Pine Creek pegmatite province in the NT. [1]

In December 2022, initial field reconnaissance was completed at Crawford to investigate a series of outcropping and sub-cropping pegmatites. The outcrops were rock chip sampled over 4km of strike proximal to the margin of a large, interpreted granite body (Figure 5).

Several outcropping pegmatites and fractionated granites were sampled along the 4km trend which returned highly anomalous lithium and other critical mineral assays. Accordingly, Crawford is a new critical minerals occurrence in the North Arunta region.

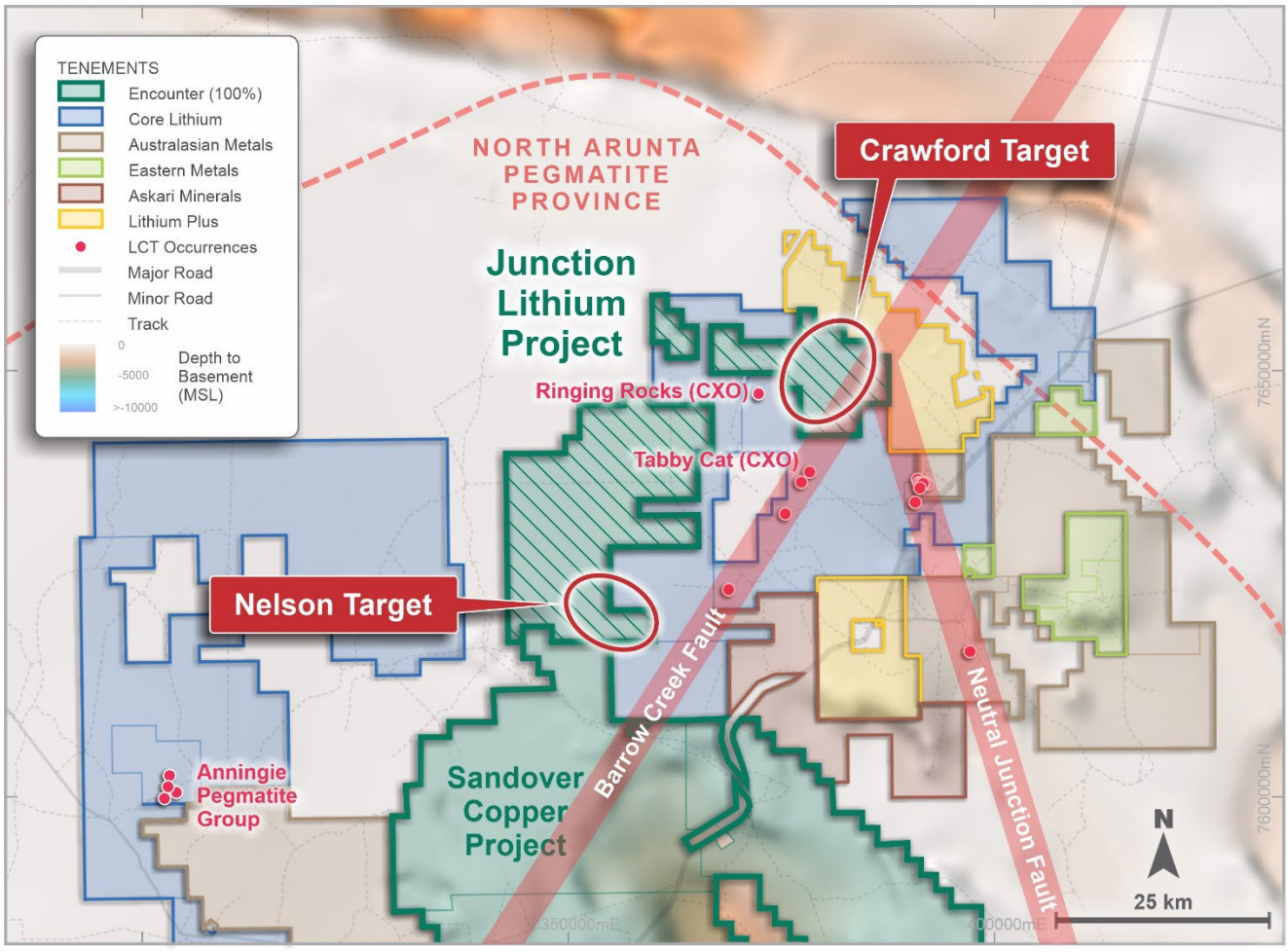


Figure 4 – North Arunta Pegmatite Province – Junction Lithium Project location highlighting ENR's Crawford and Nelson targets. Also shown are nearby LCT pegmatite occurrences sourced from company reports and NTGS Report 16 *Tin-tantalum pegmatite mineralisation of the Northern Territory* (Frater 2005).

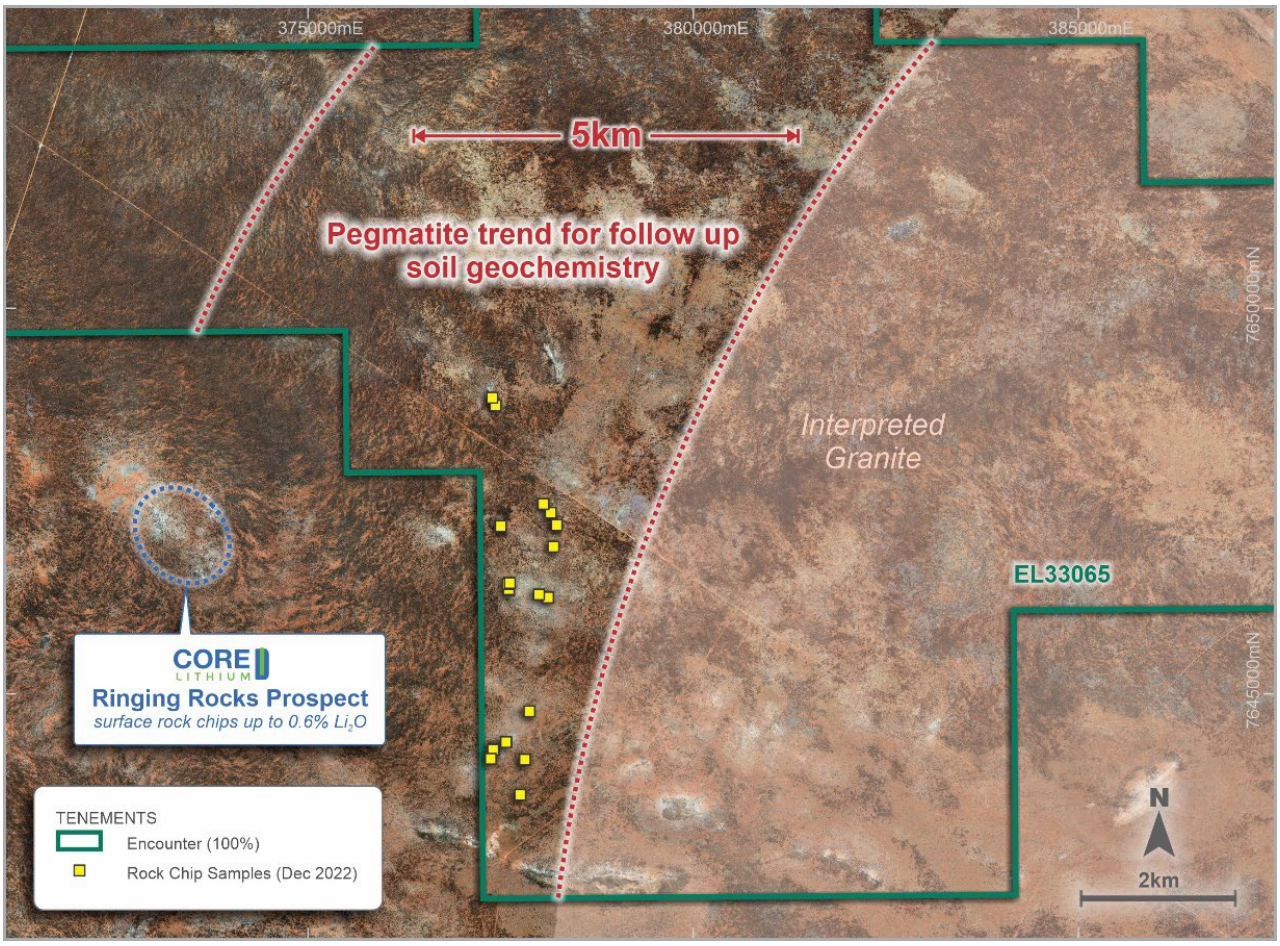


Figure 5 – Junction Project – location of the new LCT pegmatite trend identified at Crawford [2]

[1] NTGS Report 16: *Tin-tantalum pegmatite mineralisation of the Northern Territory* (Frater, 2005)
[2] CXO ASX Announcement - 28 September 2017

Next Steps

Systematic soil geochemical sampling of the LCT pegmatite prospective corridor will be completed following completion of land access agreements. Following this soil sampling program, RC drilling of defined targets is planned.

Irwin REE Projects – WA (100% ENR)

Background

In 2009, Encounter completed an aircore drilling program near Lake Irwin located north-west of Laverton that intersected anomalous REE in a felsic intrusion below a sequence of transported sands and clays (Figure 6).

With the knowledge that undercover REE mineralisation had been intersected in historical drilling, an evaluation of regional geophysics was initiated and highlighted a series of anomalies that are interpreted to be intrusions. In late 2022, Encounter applied for four tenements (>800 sq kms) to cover the REE targets identified at Irwin. (refer ASX release 13 April 2023)

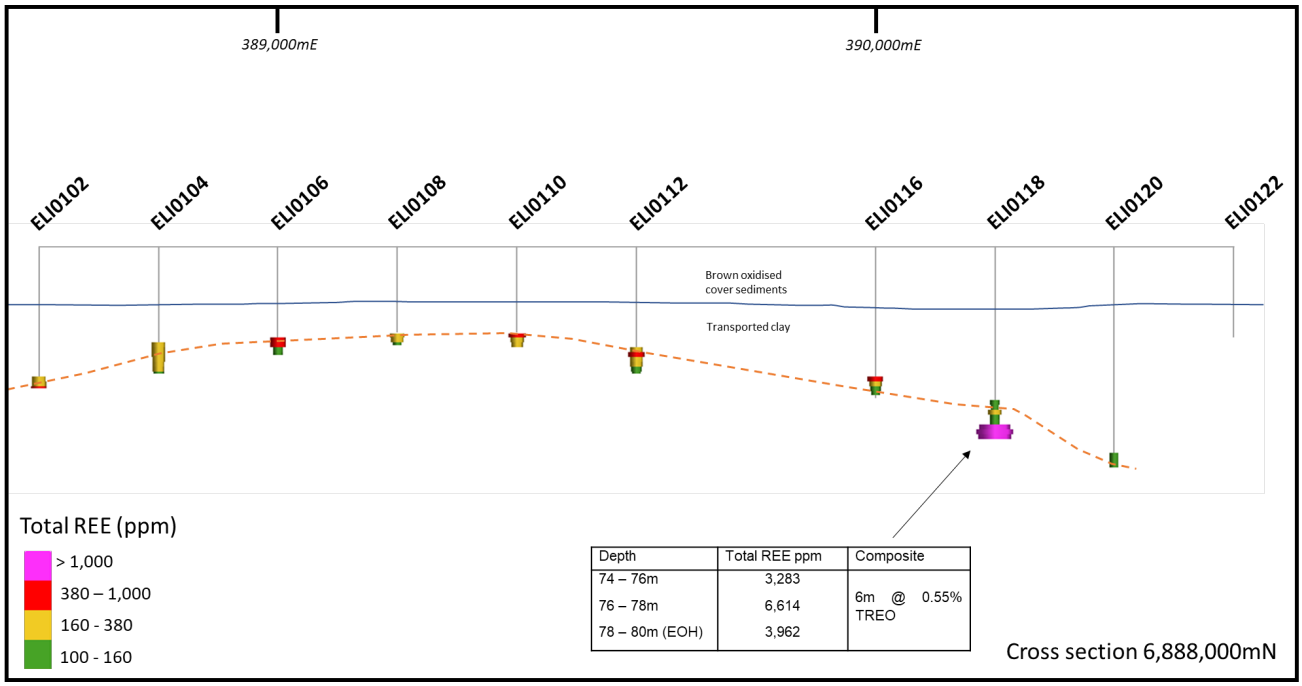


Figure 6 - Irwin 2009 drilling cross-section with anomalous REE around the base of cover

Irwin

This target captures the historical drilling that contained anomalous REE up to 0.55% TREO and contains two arcuate magnetic features located south of the historical drilling. These features may represent alteration on the margins of intrusive bodies under cover (Figure 7). Irwin also covers a series of bullseye magnetic anomalies north of the historical drilling.

Irwin North

Reviews of magnetic and radiometric data identified discrete magnetic features as well as a significant radiometric anomaly in the north-west of Irwin North.

A discrete thorium radiometric anomaly (Figure 8) is located within an area of subdued magnetic signature. Thorium is often associated with REE mineralisation. The ovoid shape seen in magnetics may represent potential magnetic destruction or an intrusive body undercover.

Four aircore holes were drilled by WMC in the 1990s to the south-west of the thorium anomaly. Encouragingly, this historical drilling intersected rocks logged as lamprophyres and carbonate weathering products which suggests the presence of primary carbonatites.

A reconnaissance sampling and ground inspection visit was completed in March 2023. Surface samples were collected for geochemical analysis.

Irwin East

Irwin East captures a series of magnetic features located 10km east of Irwin and within the same structural corridor. A review and assessment of Irwin East is underway.

Upcoming Activity

Reconnaissance samples taken from the thorium anomaly at Irwin North and from around the collar location of ELI0118, completed in March 2023, have been submitted for analysis.

Petrography is also planned for some of the samples collected to determine mineralogy and infer protolith rock types. On ground exploration is expected to commence later in 2023 upon tenement granting.

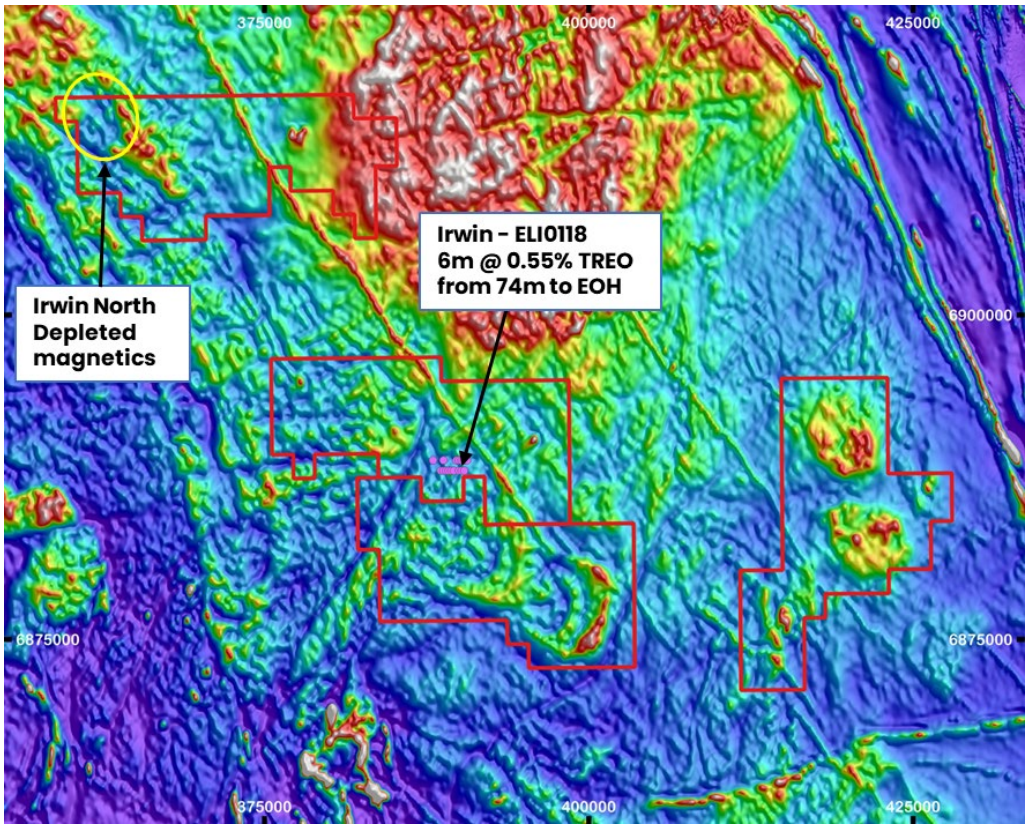


Figure 7 – RTP magnetic survey image highlighting the Irwin targets. Encounter tenements & historical aircore drillholes are shown

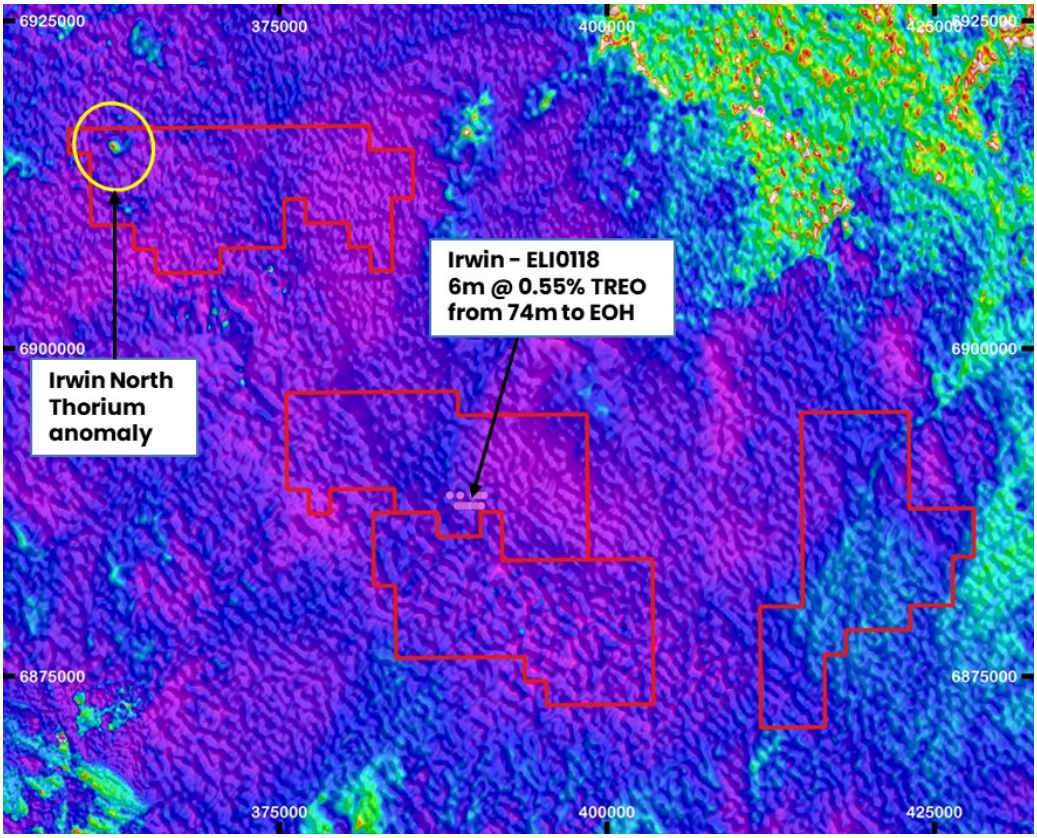


Figure 8 - Th-K isotope survey image with zones of higher amplitude thorium

Sandover Copper Project – NT (100% ENR)

Background

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

Field mapping and surface sampling has confirmed the presence of an outcropping red-bed sandstone sequence with multiple narrow but strike extensive grey shale units containing copper oxide mineralisation (malachite) (Figure 9).

Inspection of historical drill holes (drilled in 1968, 1971 and 1994) completed at Sandover confirmed key geological units and processes to enable the formation of sediment hosted copper deposits. Significantly, narrow zones of copper sulphide minerals, including bornite, have been identified in historical drill core. (refer ASX release 9 June 2022) This provides encouraging evidence that processes capable of forming high-grade copper mineralisation are present in the basin.

An NTGS co-funded gravity survey was completed at Sandover in 2022. This survey covered the western part of the large sub-basin identified at Sandover. This fundamental new dataset is being integrated with existing datasets to assist with target definition.

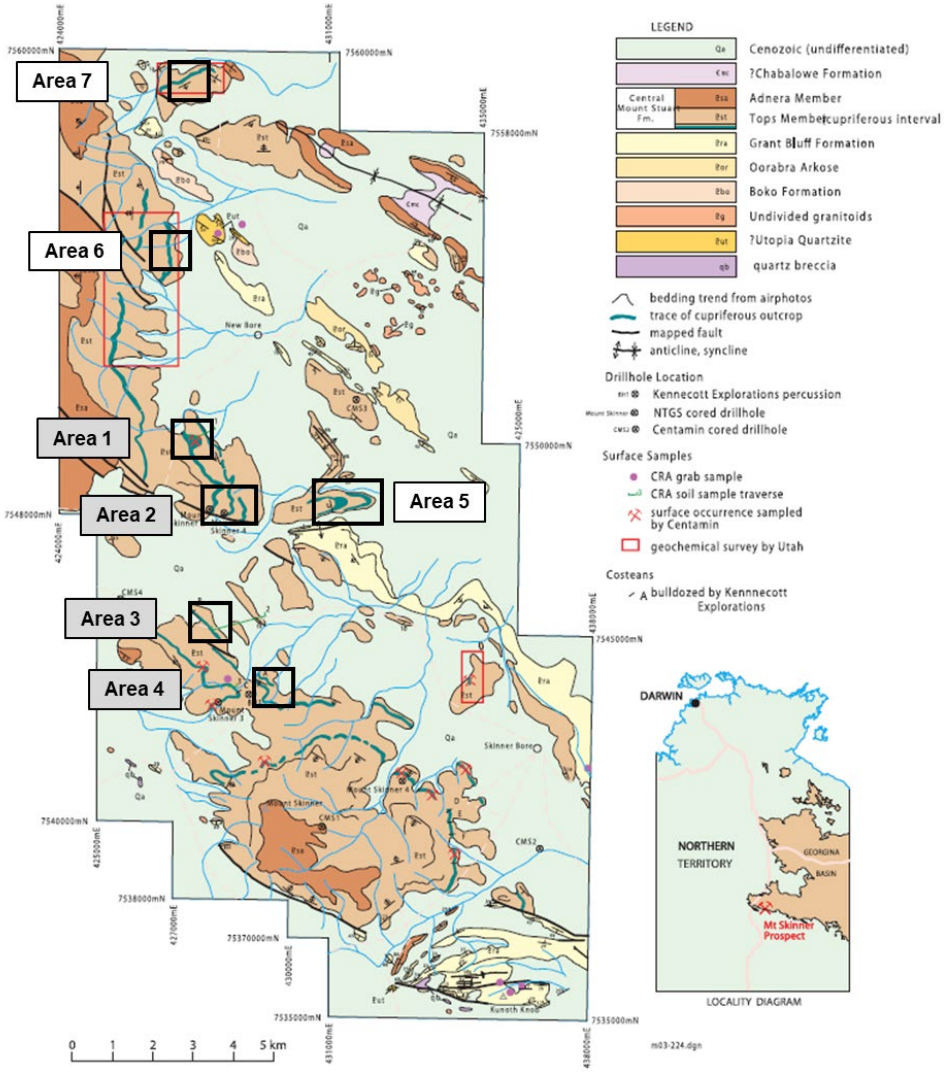


Figure 9 – Geological map showing cupiferous outcrop, drillhole locations and surface sampling (compiled from company reports and Haines 2004) *Source: NTGS Geology and Mineral Resources of the Northern Territory. Special Publication 5. Compiled by Ahmad, M. and Munson, T.J., June 2013.*
Areas 1-4 sampled by Encounter in October 2021, Area 5-7 sampled in April 2022.

Next Steps

A basin modelling, target generation program commenced during the quarter. This program is focused on identifying the more reduced units within the basin, with a particular emphasis on where these units intersect long-lived basin forming structures which are areas with the potential to host major mineral deposits. Following the completion of the target generation program, a diamond drilling program will be designed.

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

The 100%-owned Lamil Project 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).

The Dune prospect is located in the northwest of Lamil and consists of a laterally extensive copper-gold system, outlined by broad spaced RC drilling over 1km of strike (Figure 10).

Drilling at Dune intersected multiple, stacked, copper-gold reefs within a thick prospective package of interbedded siltstones and quartzites. The mineralisation is hosted in metasedimentary rocks of the Proterozoic Lamil group which also host the Telfer, Havieron and Winu copper-gold deposits.

Next Steps

Follow up exploration will be designed to test for extension of the high-grade copper-gold reefs and the up-dip projection of the epithermal copper-silver bearing vein intersected in the 2022 diamond drill program.

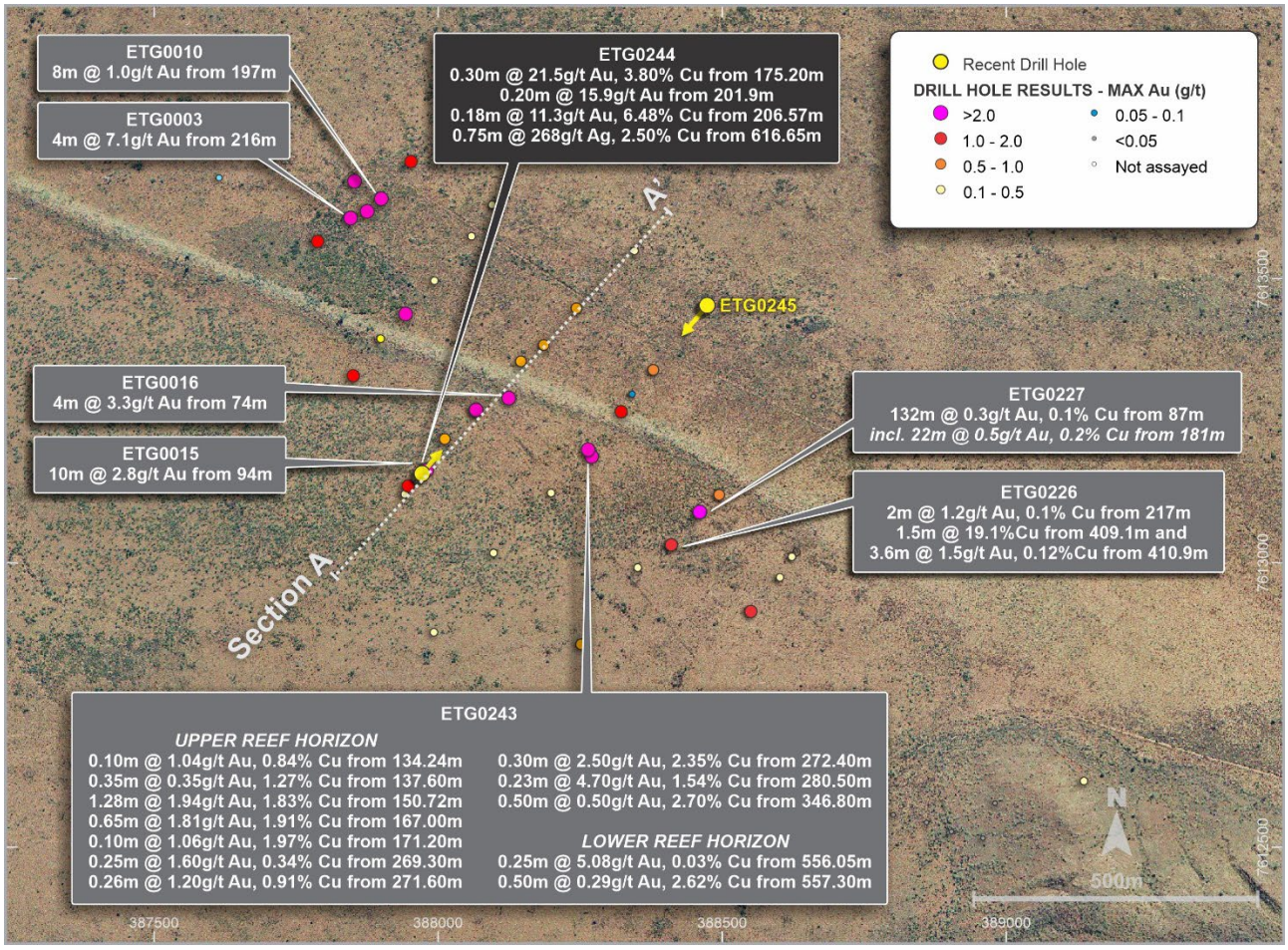


Figure 10 – Dune prospect plan showing copper-gold mineralisation extending over 1km of strike (refer to ASX release 28 December 2022

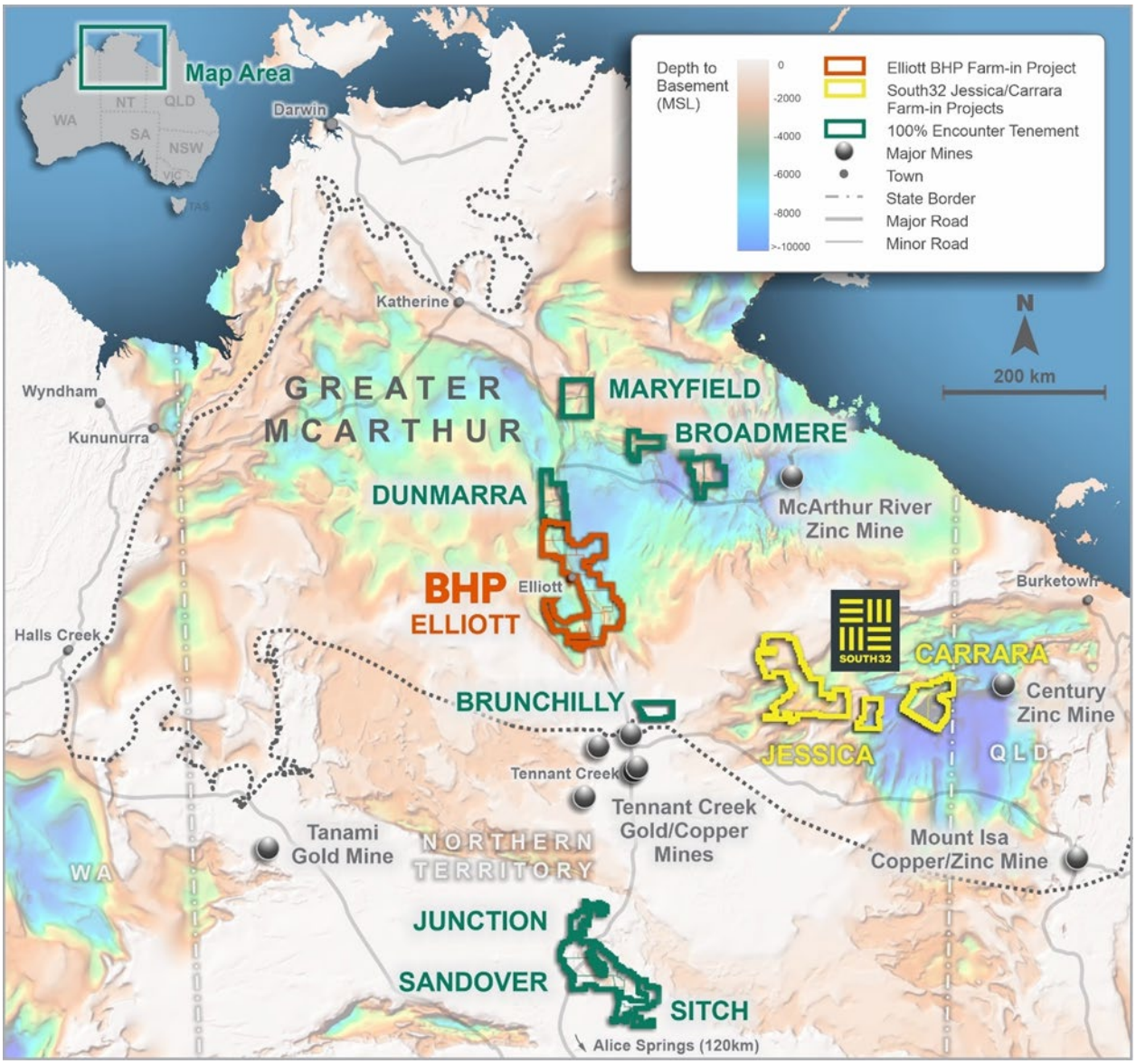


Figure 11 – Encounter copper and lithium projects in the Northern Territory – Project Location Plan

Major copper exploration drive funded through farm-ins

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

The Elliott copper project ("Elliott") covers more than 7,200km^2 and 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 a giant sediment-hosted base-metal deposit at McArthur River.

The Superbasin contains thick, petroleum-bearing, reduced sediments within the Roper Group 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.

Diamond Drill Program

A two hole diamond drill program was completed in November 2022 (1,655m). ELT001 was drilled further into the basin and ELT002 was drilled closer to the Daly Waters Fault that bounds the western margin of the Beetaloo Basin (Figure 12). Both drillholes intersected horizons of the potential ore hosting target units within the previously untested sub-basin.

In ELT001, the middle and lower members of Velkerri Formation (within the Roper Group) were identified containing multiple zones of organic and pyritic rich black shales. Importantly, from 516m to 538m an anomalously organic and pyrite rich shale was intersected that is interpreted as the Amungee Member of the Velkerri Formation.

Encouragingly, this interpreted intersection of the Amungee Member is distinctly anomalous in copper. Importantly also, there is a major discontinuity in levels of redox-sensitive elements such as vanadium and molybdenum across this horizon, indicating that it may have behaved as the “first reductant” during evolution of the basin (i.e. the first reduced horizon that overlies an oxidised potential source sequence). Such “first reductant” horizons are a key target for sediment-hosted copper deposits.

The confirmation of a major, metal anomalous, stratigraphic discontinuity, associated with the Amungee Member of the Velkerri Formation, could have basin wide implications as this unit is interpreted to be laterally extensive within the Beetaloo Basin. Significantly, the Velkerri Formation has a depositional age of ca.1.4 Ga (Mitchell et al, 2020) which correlates with the age of the giant Mt Isa copper deposit, located on the eastern margin of the McArthur Super Basin (Re-Os dating of chalcopyrite; Gregory et al, 2008). The Amungee Member is now considered a key target for further exploration in this basin.

ELT002 intercepted shallower units in the stratigraphy of the Roper group. This hole was terminated 842m at the end of the field season, above the interpreted stratigraphic position of the metal anomalous Amungee Member that was intersected in ELT001.

Next Steps

A geological mapping and orientation soil sampling program is scheduled to commence in the June 2023 quarter.

This survey has been designed to determine if geological mapping and soil sampling can define patterns of alteration and trace element enrichment in better exposed areas that can be used to help predict targets for buried sediment hosted copper deposits.

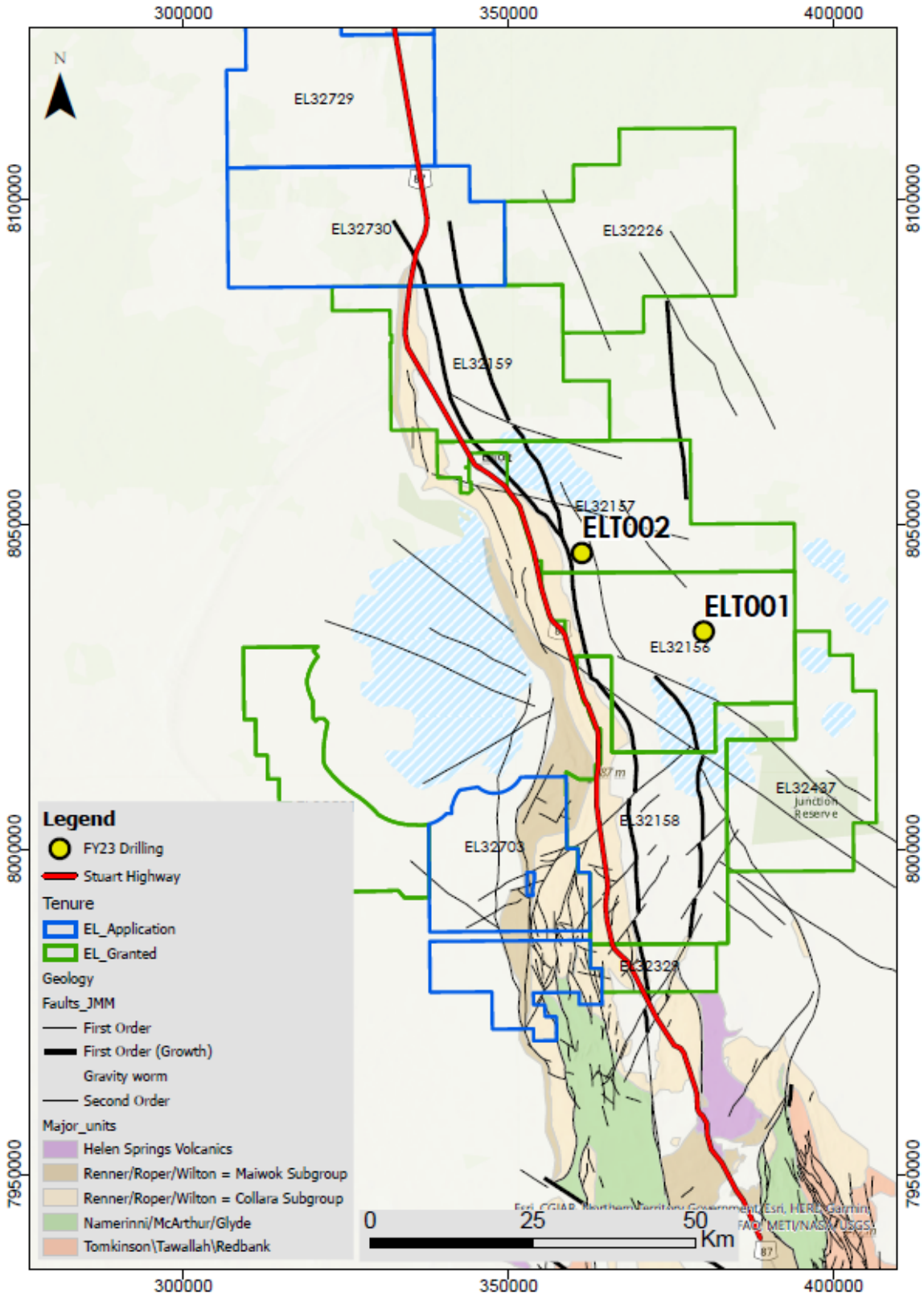


Figure 12 – Elliott drillhole location plan. Note that ELT002 did not penetrate through to the target Amungee member.

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

Jessica covers ~6,300km^2 along key structural corridors east of Tennant Creek and is prospective for sediment-hosted copper and IOCG style deposits (Figure 13).

In partnership with South32, reprocessing of seismic data that extends through Jessica was completed by HiSeis, to provide greater detail of the geology and structure in the upper 1,000m. A 2km spaced gravity survey was also completed at the project with 1km spaced gravity infill data collected over a series of high priority magnetic targets.

The seismic reprocessing and gravity surveys have identified a series of targets for drill testing including the Zeta IOCG target ("Zeta").

Zeta is a significant and discrete gravity feature coincident with a prominent magnetic feature on the margin of a large interpreted intrusive body (Figures 14 & 15). In addition, there is a discrete seismic reflector at depth immediately underlying Zeta (Figure 16).

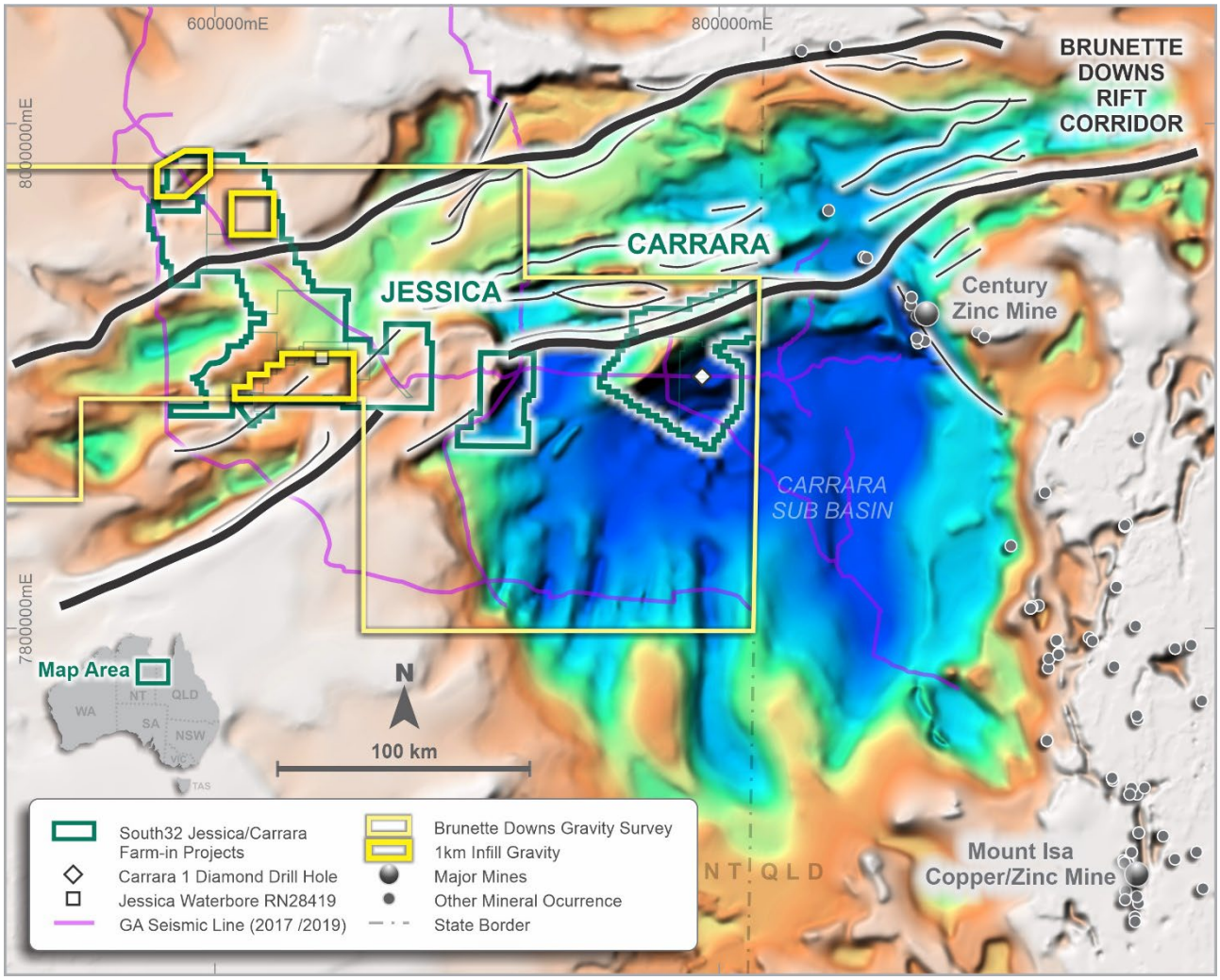
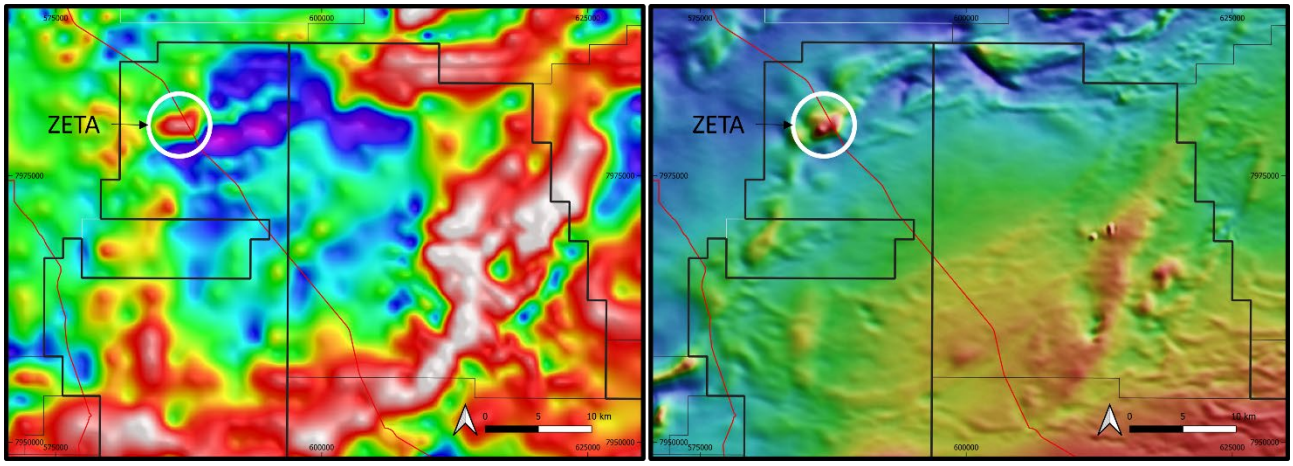


Figure 13 – Jessica and Carrara - Project location plan over SEEBASE depth to basement

Next Steps

Diamond drilling scheduled to commence in May-June 2023. Four diamond drill holes (3,500m) are planned for the 2023 field season.



Figures 14 & 15 – Jessica Project – Zeta IOCG target. Gravity (1VD) (left) and Magnetics (RTP) (right), location of GA seismic lines shown in red

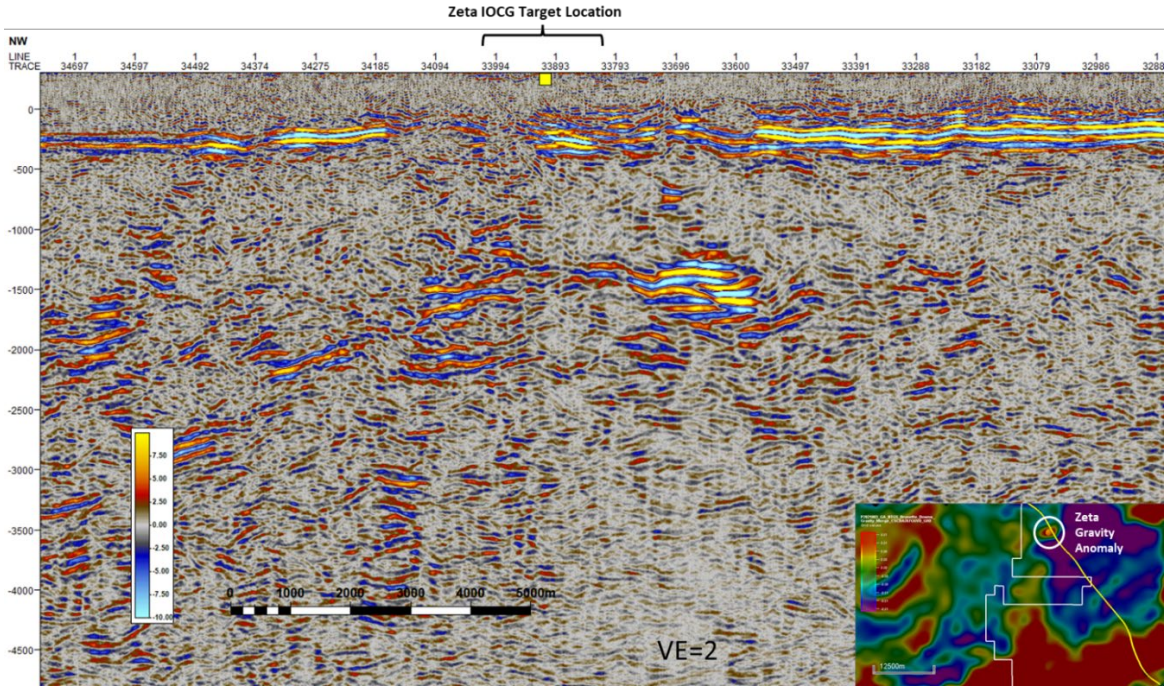


Figure 16 - Jessica Project - Zeta IOCG Target - Seismic cross section (inset)

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

EL32476, EL32477, EL32701 and EL32813

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 survey 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 the Geoscience Australia seismic data.

Reprocessing of seismic lines that extend through Carrara, has been completed in partnership with South32. This has provided far greater detail of the geology and structure in the upper 1,000m resulting in the definition of multiple targets at key structural locations along the western margin of the sub-basin.

Next Steps

Three diamond drill holes (3,000m) are planned for the 2023 field season. Preparations are well advanced with drilling scheduled to commence at Carrara following completion of the planned 3,500m diamond drill program at Jessica.

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

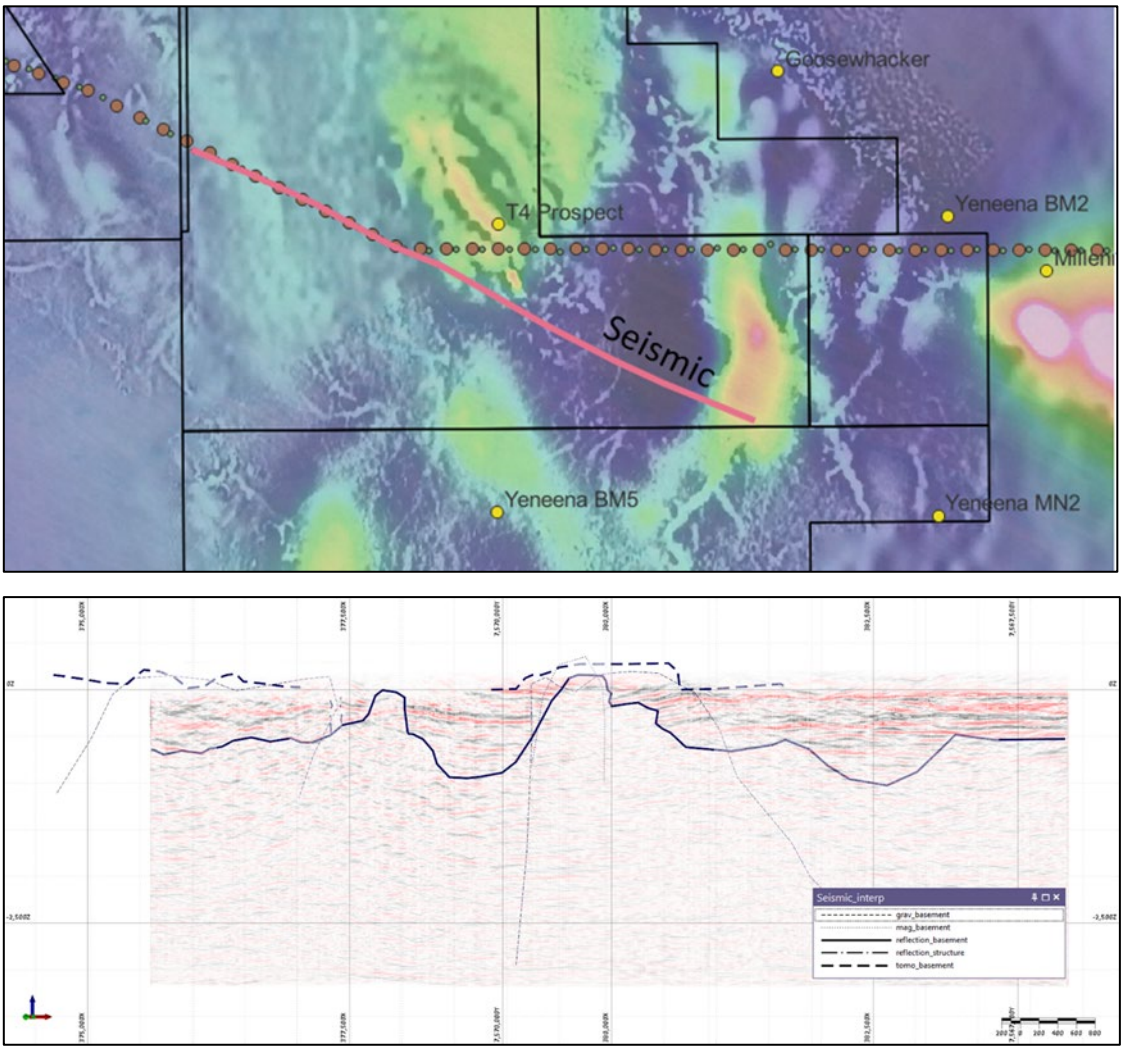
Yeneena comprises a major land position covering >1,450km^2 in the highly prospective Paterson Province, targeting copper-cobalt mineralisation. IGO can sole fund $15 million in exploration expenditure over a maximum of seven years to earn a 70% interest in Yeneena.

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. All data is integrated and interpreted into 3D belt-scale and supporting camp-scale models.

Exploration Activity

Exploration activities during the quarter, operated and funded by IGO, included:

- A 2,956 line-km high resolution aeromagnetic survey (100m flight line spacing) was completed over E45/2500, E45/2502 and E45/4861.
- Interpretation of the 11km seismic survey covering the T4 inlier block provided evidence of a major deformation corridor located west of T4 and north of BM5 targets (see Figures 17 & 18).
- Further processing of the seismic survey is progressing with final results to be received in the June 2023 quarter. RC and/or diamond drilling of this newly defined target may commence in the September 2023 quarter, subject to approvals.



Figures 17 & 18 - Seismic line overlain on magnetics (top), seismic reflectors with basement interpretation (bottom)

Next Steps

- Diamond drilling is scheduled to commence in June 2023 at Lookout Rocks targeting the down plunge position of known mineralisation, up to 1% Cu, intersected in prior diamond drilling. (refer ASX ASX release 28 July 2016)
- Three diamond holes are planned (2,000m) targeting high-value sediment-hosted copper at the first reductant position – reduced black shale over oxidised sandstone.

Corporate

Encounter held cash reserves of ~$4.2 million at 31 March 2023.

During the quarter the Company issued a total of 850,000 unlisted options to employees pursuant to the terms and conditions of the Company's Employee Share and Option Plan.

Related party transactions

Payments to related parties of the entity and their associates (refer section 6 of Appendix 5B below):

Included at section 6.1 - Comprises: Remuneration of directors ($66,000)

Included at section 6.2 - Comprises: Remuneration of directors ($87,000)

In accordance with ASX Listing Rule 5.3.1, the Company confirms that there have been no material developments or changes to its exploration activities, and provides the following information:

- Approximately $0.3 million was incurred by the Company in respect of exploration activity for the quarter ended 31 March 2023, primarily on:
    - Exploration activities at Aileron copper-gold-rare earths project in Western Australia
    - Copper and lithium exploration in the Northern Territory
- A summary of the specific exploration activities undertaken in each project area (which included drilling and geochemical and geophysical programs), is provided in the relevant sections of this activity report.

In accordance with ASX Listing Rule 5.3.2, the Company advises that no Mining Development or Production activities were conducted during the quarter.

Next Quarter Highlights

Activities planned for the June 2023 quarter include:

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

- EIS co-funded diamond drilling testing of the Caird, Crean and Worsley targets in April-June 2023.
- Project wide, 300m spaced Falcon airborne gravity survey to be completed in May 2023.

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

- Commencement of the four hole (3,500m) diamond drill program to commence in May-June 2023.

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

- Preparations are well advanced with drilling to commence at Carrara following completion of the planned 3,500m diamond drill program at Jessica.

Yeneena Copper-Cobalt Project - WA (IGO $15m farm-in)

- Diamond drilling is scheduled to commence in June 2023 at Lookout Rocks.
- Three diamond holes are planned (2,000m) targeting high-value sediment-hosted copper down plunge position of known copper mineralisation.

Sandover Copper Project – NT – (100% ENR)

- Complete basin modelling, target generation program to design a diamond drilling program. Land access and stakeholder engagement for diamond drilling have commenced.

Junction Lithium Project – NT – (100% ENR)

- Completion of land access arrangements to enable systematic soil geochemical sampling of prospective corridors and RC drilling.

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

- Geological mapping and orientation soil sampling program to be completed in the June 2023 quarter.

Ongoing potential project partnership discussions to accelerate exploration activities

Tenement Information (granted tenure)

Lease	Location	Project Name	Area km²	Interest at start of quarter (1/1/2023)	Interest at end of quarter (31/3/2023)
E45/2500	266km NE of Newman	Millennium – Hampton JV	107.3	75-100%	75-100%
E45/2501	277km NE of Newman	Millennium – Hampton JV	19.12	75%	75%
E45/2502	261km NE of Newman	Paterson IGO Earn-In	117.8	100%	100%
E45/2561	276km NE of Newman	Millennium – Hampton JV	50.95	75%	75%
E45/2657	246km NE of Newman	Paterson IGO Earn-In	156	100%	100%
E45/2658	245km NE of Newman	Paterson IGO Earn-In	95.4	100%	100%
E45/2805	242km NE of Newman	Paterson IGO Earn-In	85.8	100%	100%
E45/2806	251km NE of Newman	Paterson IGO Earn-In	35	100%	100%
E45/3768	241km NE of Newman	Paterson IGO Earn-In	149.7	100%	100%
E45/4861	260km NE of Newman	Paterson IGO Earn-In	140.4	100%	100%
E45/5333	239km NE of Newman	Paterson IGO Earn-In	127.2	100%	100%
E45/5334	242km NE of Newman	Paterson IGO Earn-In	102.1	100%	100%
E45/4613	300km NE of Newman	Lamil	60.7	100%	100%
E45/3446	315km NE of Newman	East Thomson's Dome	6.0	100%	100%
P45/2750	315km NE of Newman	East Thomson's Dome	198ha	100%	100%
P45/2751	315km NE of Newman	East Thomson's Dome	171ha	100%	100%
P45/2752	315km NE of Newman	East Thomson's Dome	199ha	100%	100%
P45/3032	315km NE of Newman	East Thomson's Dome	114ha	100%	100%
E80/5169	West Arunta	Aileron	187.6	100%	100%
E80/5469	West Arunta	Aileron	534.3	100%	100%
E80/5470	West Arunta	Aileron	613.9	100%	100%

E80/5522	West Arunta	Aileron	429.2	100%	100%
EL32156	Northern Territory	Elliott – BHP farm-in	807.3	100%	100%
EL32157	Northern Territory	Elliott – BHP farm-in	696.3	100%	100%
EL32158	Northern Territory	Elliott – BHP farm-in	793.9	100%	100%
EL32159	Northern Territory	Elliott – BHP farm-in	723.9	100%	100%
EL32226	Northern Territory	Elliott – BHP farm-in	813.56	100%	100%
EL32329	Northern Territory	Elliott – BHP farm-in	137.0	100%	100%
EL32437	Northern Territory	Elliott – BHP farm-in	601.1	100%	100%
EL32581	Northern Territory	Elliott – BHP farm-in	493.6	100%	100%
EL32273	Northern Territory	Jessica – South32 farm-in	750.5	100%	100%
EL32317	Northern Territory	Jessica – South32 farm-in	738.6	100%	100%
EL32338	Northern Territory	Jessica – South32 farm-in	783.5	100%	100%
EL32339	Northern Territory	Jessica – South32 farm-in	791.4	100%	100%
EL32386	Northern Territory	Jessica – South32 farm-in	814.5	100%	100%
EL32387	Northern Territory	Jessica – South32 farm-in	814.9	100%	100%
EL32388	Northern Territory	Jessica – South32 farm-in	813.8	100%	100%
EL32493	Northern Territory	Jessica – South32 farm-in	811.6	100%	100%
EL32374	Northern Territory	Sandover	795.4	100%	100%
EL32694	Northern Territory	Sandover	792.7	100%	100%
EL32695	Northern Territory	Sandover	787.4	100%	100%
EL32696	Northern Territory	Sandover	763.6	100%	100%
EL33060	Northern Territory	Junction	740.1	100%	100%
EL32421	Northern Territory	Sitch	792.7	100%	100%

EL33060	Northern Territory	Sitch	665.3	100%	100%
EL32476	Northern Territory	Carrara – South32 farm-in	805.4	100%	100%
EL32477	Northern Territory	Carrara – South32 farm-in	805.2	100%	100%
EL32701	Northern Territory	Carrara – South32 farm-in	801.7	100%	100%
EL32813	Northern Territory	Carrara – South32 farm-in	22.7	100%	100%
EL32478	Northern Territory	Brunchilly	798.5	100%	100%
EL32721	Northern Territory	Broadmere	816.7	100%	100%
EL32723	Northern Territory	Dunmarra	823.1	100%	100%
EL32727	Northern Territory	Maryfield	795.7	100%	100%
EL32728	Northern Territory	Maryfield	826.9	100%	100%

* Hampton earning into the four eastern block of E45/2500 remaining area of the tenement is in IGO Earn-In.

Will Robinson

Managing Director

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

The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases and the form and context of the announcement has not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.

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

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
Encounter Resources Limited	
ABN	**Quarter ended ("current quarter")**
47 109 815 796	31 March 2023

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(103)	(259)
	(e) administration and corporate costs	(184)	(395)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	44	55
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – recharged costs	19	87
	Other – option fees received	30	30
1.9	**Net cash from / (used in) operating activities**	**(194)**	**(482)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(4)	(16)
	(d) exploration & evaluation	(300)	(1,948)
	(e) investments	-	-
	(f) other non-current assets – bonds and security deposits	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – farm-in and joint venture contributions	-	-
	Other – exploration incentive grants	207	296
	Other – R&D refund (exploration activities)	66	66
2.6	**Net cash from / (used in) investing activities**	**(31)**	**(1,602)**
3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	4,300
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	99
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(233)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings – lease payments	(19)	(56)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – subsidiary IPO expenses	-	-
3.10	**Net cash from / (used in) financing activities**	**(19)**	**4,110**
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,436	2,166
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(194)	(482)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(31)	(1,602)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(19)	4,110
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**4,192**	**4,192**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	882	136
5.2	Call deposits	3,310	4,300
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**4,192**	**4,436**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	66
6.2	Aggregate amount of payments to related parties and their associates included in item 2	87

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-

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

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	194
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	300
8.3	Total relevant outgoings (item 8.1 + item 8.2)	494
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,192
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,192
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	8.5

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

Answer: N/A

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

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

Answer: N/a

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

Answer: N/a

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

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

Compliance statement

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

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

Date: 28 April 2023

Authorised by: The Board of Encounter Resources Limited

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.