

## Exploring for the next copper and critical minerals discoveries

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

#### Aileron Critical Minerals Project - West Arunta - WA (100% ENR)

- A 6-hole diamond drilling program was completed at the Caird, Crean and Hoschke targets.
- A significant niobium-REE carbonatite intrusive complex intersected at Crean with the first diamond holes (EAL007 & EAL008, drilled 1.5km apart) intersecting thick, near surface niobium-REE mineralisation.
  - EAL007 returned:
    - 19m @ 1.0% Nb<sub>2</sub>O<sub>5</sub> & 0.2% TREO from 65m and
    - 48m @ 1.0% Nb<sub>2</sub>O<sub>5</sub> & 0.2% TREO from 181.5m including:
    - 4.9m @ 2.2% Nb<sub>2</sub>O<sub>5</sub> & 0.2% TREO from 209m
    - Part of an overall intersection of 282m @ 0.54% Nb<sub>2</sub>O<sub>5</sub> & 0.17% TREO from 64m to end of hole (ASX release 6 September 2023)
  - EAL008 returned:
    - 68.8m @ 0.8% Nb<sub>2</sub>O<sub>5</sub> & 0.5% TREO from 55m including:
    - 4m @ 3.8% Nb<sub>2</sub>O<sub>5</sub> & 1.9% TREO from 55m (ASX release 7 August 2023)
- A 10,000m RC drill program commenced in August 2023 to extend the niobium-REE mineralisation at Crean as well as drill testing a suite of new, high-quality targets.
- In September 2023 RC drilling intersected a new niobium-REE carbonatite at the Hurley target located 3km east of the Crean carbonatite complex. Assays pending.

#### Sandover Copper Project – NT (100% ENR)

- Encounter was awarded a co-funded drilling grant by the NT Government (up to \$200,000) for diamond drilling at Sandover to commence in November 2023.

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

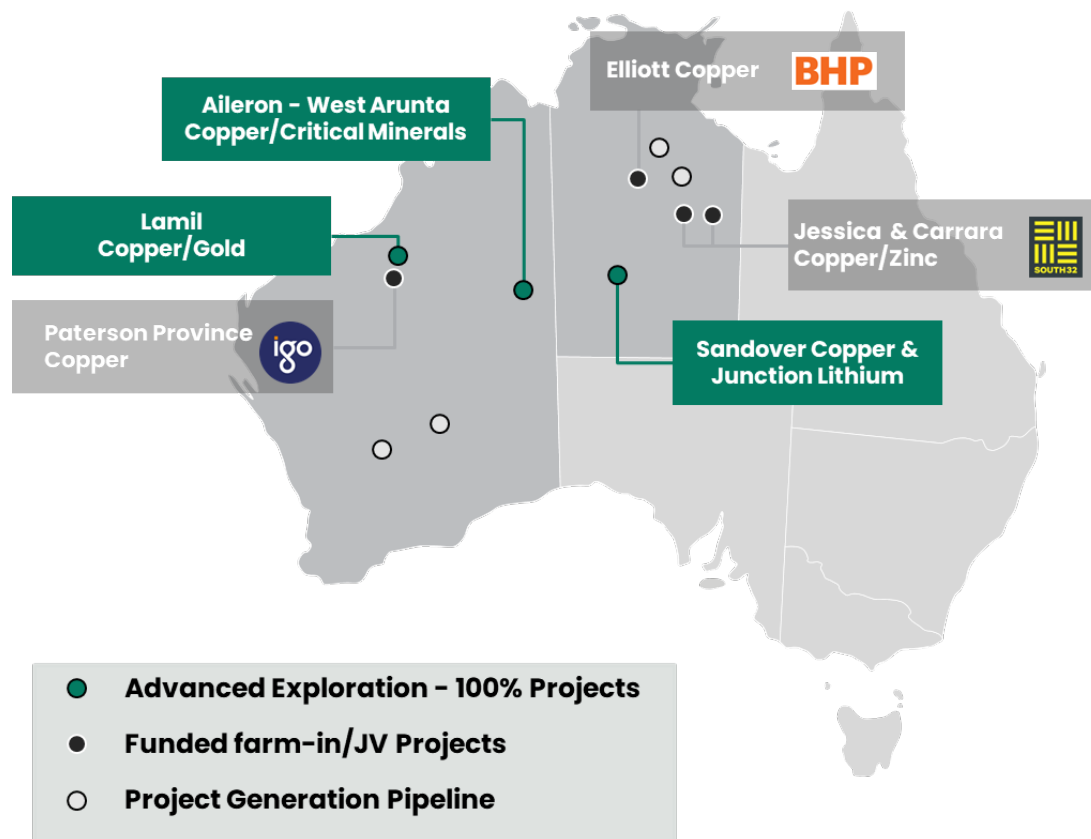
#### Jessica and Carrara Copper-Zinc Projects – NT (South32 \$15m & \$10m farm-ins)

- A diamond drill program (5 holes, 4,402m) was completed at Jessica testing targets identified through seismic reprocessing and gravity surveys.
- First drilling at the Zeta prospect at Jessica intersected copper mineralisation in an IOCG setting. Assays pending.
- Diamond drilling commenced at the Carrara copper-zinc project (~3,000m)

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

- During the quarter, 5 diamond drill holes (2,901m) and 42 aircore holes (2,823m) were completed. All assays are pending.

<b>ASX Code:</b>	<b>Cash</b> (30/9/2023)	<b>Market Cap.</b> (26/10/2023)	<b>Issued shares</b> (30/9/2023)	<b>Issued options</b> (30/9/2023)
ENR	\$9.4m	\$107m	396m	24m



## 100% owned projects in Australia’s most exciting provinces

### Aileron Copper-Critical Minerals Project – West Arunta, WA (100% ENR)

The 100% owned Aileron project covers 1,765km<sup>2</sup> and is located in the West Arunta region of WA, ~600km west of Alice Springs. Encounter completed large gravity, magnetic and radiometric surveys at Aileron which defined three initial drill targets. In May-June 2023, a diamond drilling program at Caird, Crean and Hoschke was completed.

The first diamond hole (EAL001) at Hoschke intersected a niobium-REE mineralised carbonatite dyke within the Elephant Island Fault corridor which intersected 16m at 0.6% Nb<sub>2</sub>O<sub>5</sub> & 0.2% TREO from 350m (ASX release 28 June 2023). Two additional diamond holes at Crean (EAL007 & EAL008) were added to the program following observations of the core from EAL001.

Assays from EAL007 returned:

- 282m @ 0.54% Nb<sub>2</sub>O<sub>5</sub> & 0.17% TREO from 64m to end of hole including:
  - 19m @ 1.0% Nb<sub>2</sub>O<sub>5</sub> & 0.2% TREO from 65m
    - 48m @ 1.0% Nb<sub>2</sub>O<sub>5</sub> & 0.2% TREO from 181.5m including:
      - 4.9m @ 2.2% Nb<sub>2</sub>O<sub>5</sub> & 0.2% TREO from 209m (ASX release 6 September 2023)

EAL008 is located 1.5km west of EAL007 and returned:

- 68.8m @ 0.8% Nb<sub>2</sub>O<sub>5</sub> & 0.5% TREO from 55m including:
  - 4m @ 3.8% Nb<sub>2</sub>O<sub>5</sub> & 1.9% TREO from 55m (ASX release 7 August 2023)

In September 2023 RC drilling intersected a new, large scale niobium-REE carbonatite at Hurley. Hurley is a coincident magnetic-gravity anomaly located 3km east of the Crean carbonatite complex. Four RC holes drilled at Hurley (EAL029, EAL030, EAL031 and EAL034) intersected niobium-REE anomalous carbonatite to end of each hole. Assays pending (ASX release 29 September 2023).

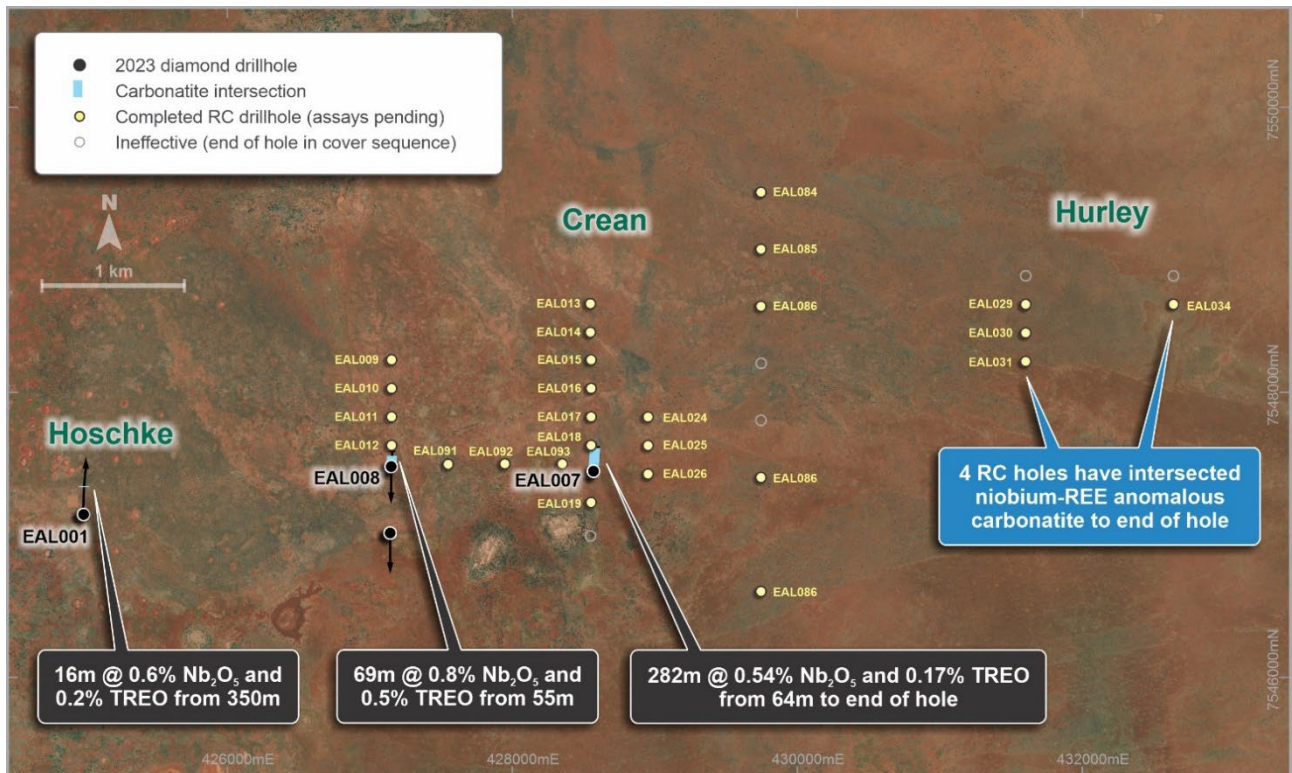


Figure 1 – Aileron diamond drill plan showing the carbonatites intersected at Hoschke, Crean and Hurley

### EIS Co-funded drilling grant

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

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

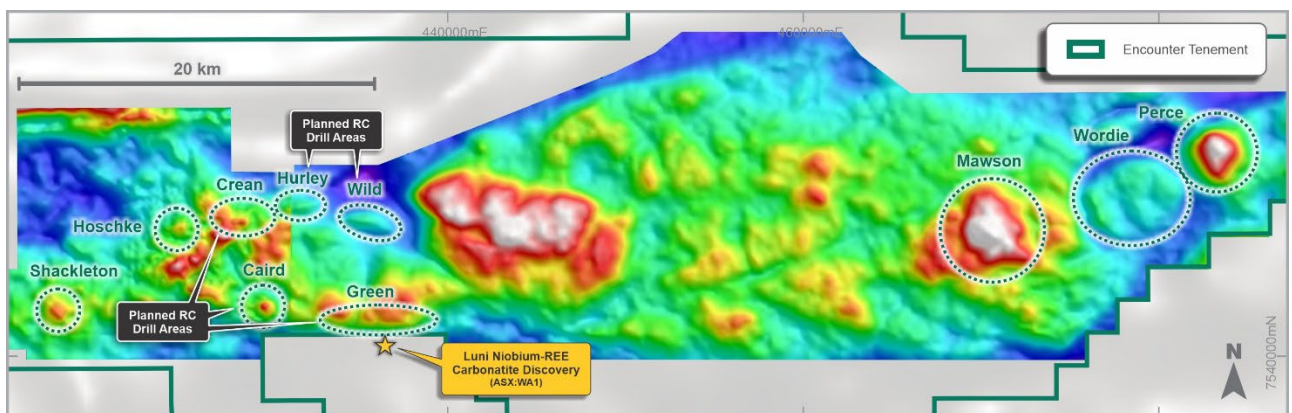


Figure 2 – Aileron Falcon gravity survey has highlighted numerous high priority targets (dotted outlines)

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

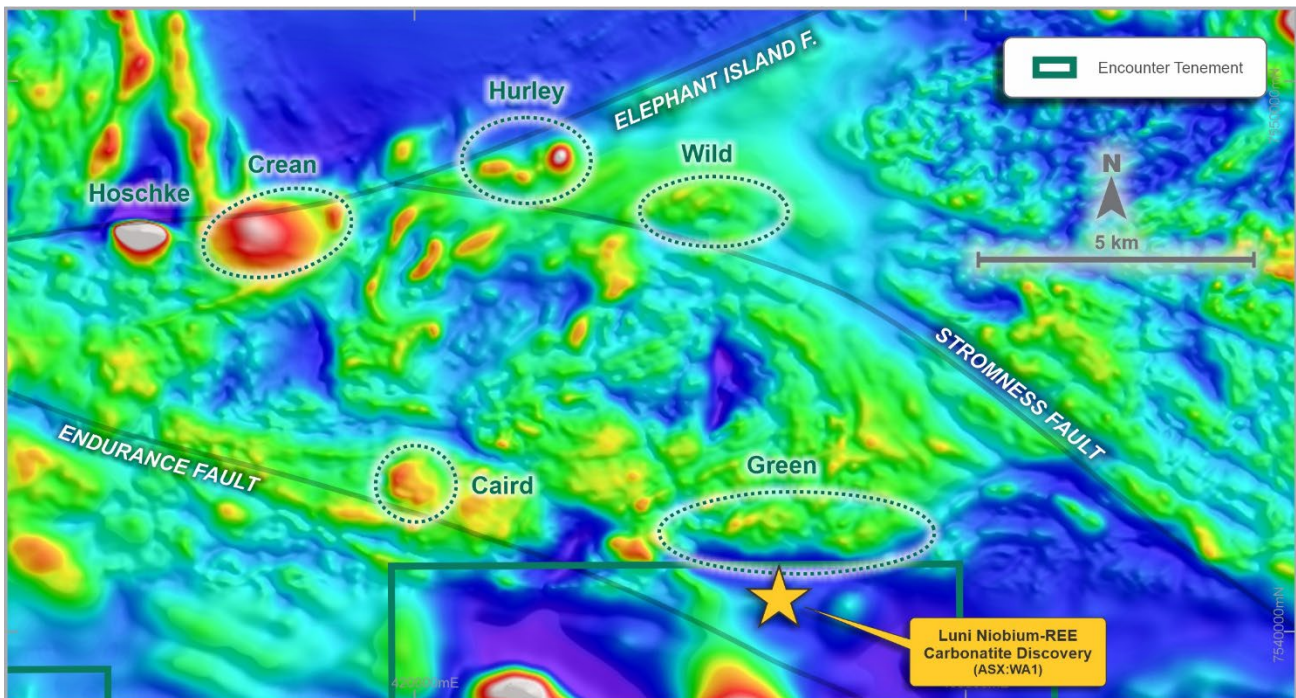


Figure 3 – Aileron diamond drill locations (black dots) over RTP magnetics with RC drill program targets (dotted outlines)

### Next Steps

- Completion of the planned RC drilling program at Crean, Hurley, Wild and Green targets
- First assay results from RC drilling are expected in early November 2023
- Initial metallurgical assessment of niobium-REE mineralised carbonatites
- Evaluation of soil geochemical sampling techniques and results from the program completed in September 2023
- Preparations for the EIS co-funded drilling of the Mawson, Wordie and Perce targets at the start of the 2024 season

## 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 5).

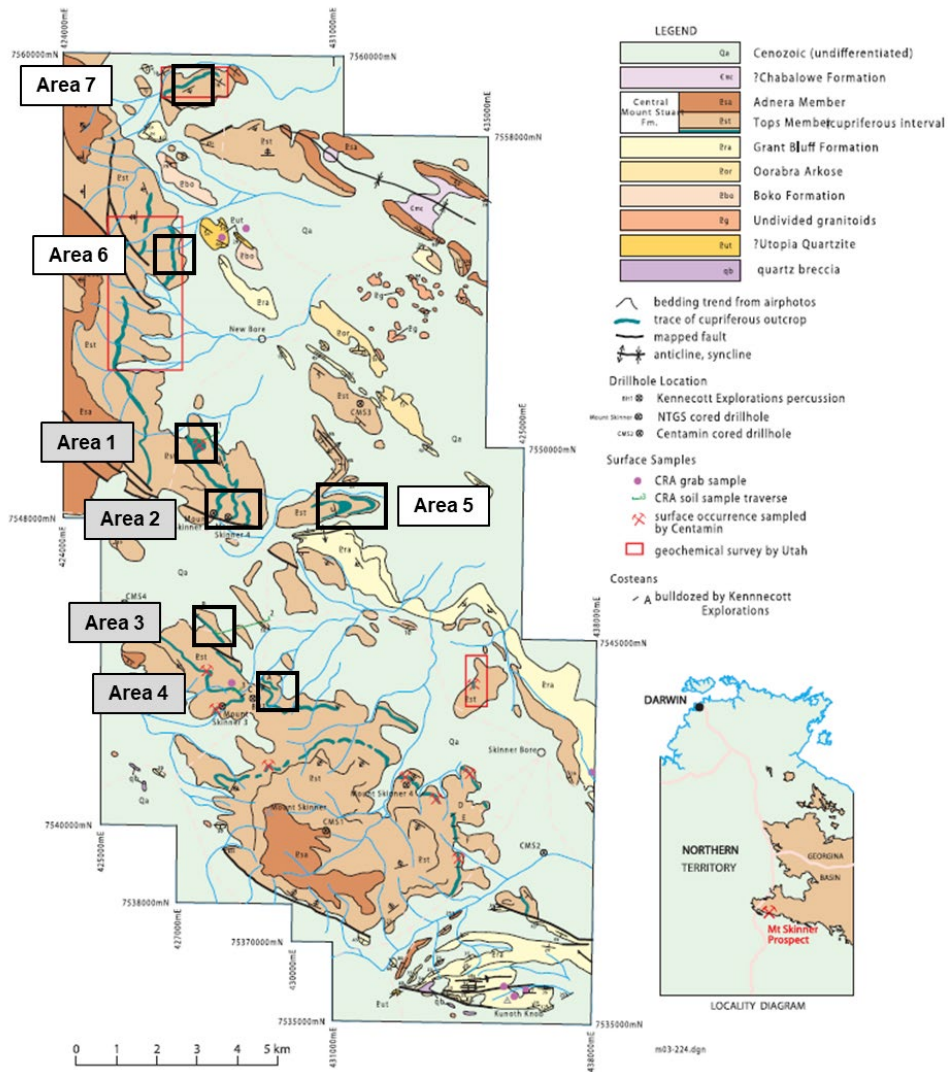
Inspection of historical drill holes (drilled in 1968, 1971 and 1994) confirmed key geological units and processes to enable the formation of sediment hosted copper deposits. Significantly, narrow zones of copper sulphide minerals, including bornite, have been identified in historical drill core. (ASX announcement 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.

The integration of this gravity data with existing magnetic dataset defined a key structural location on the south-western margin of the basin that will be tested with 1-2 targeted stratigraphic diamond drill holes.

### Next Steps

Encounter was awarded a co-funded drilling grant by the NT Government (up to \$200,000) to complete the planned diamond drilling at Sandover. This drill program is to commence in November 2023.



**Figure 4 – 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.**

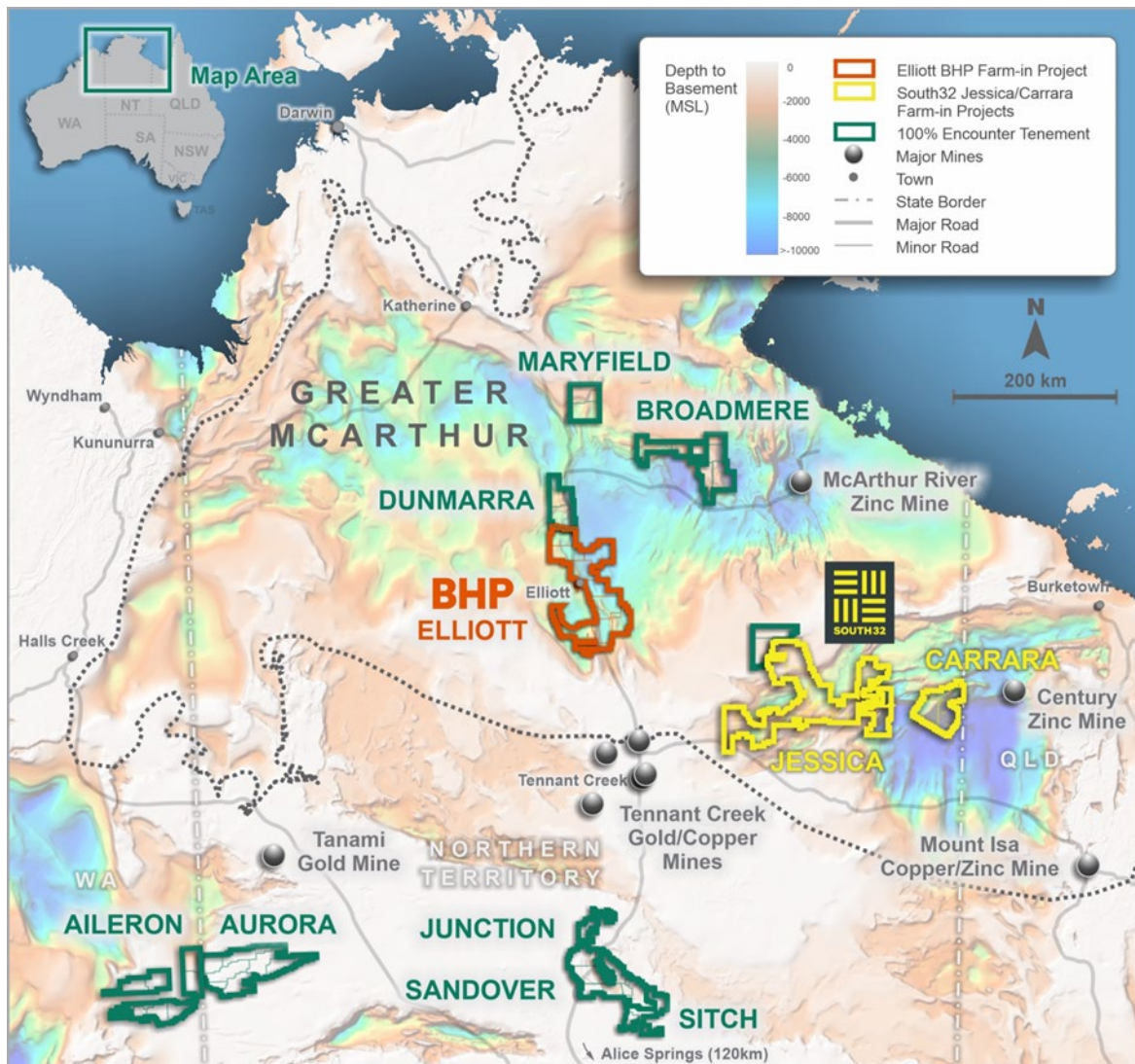


Figure 5 – Encounter copper and lithium projects in the Northern Territory – Project Location Plan

## Major copper exploration drive funded through farm-ins

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

Jessica is being explored in partnership with South32 under a Farm-In Agreement. Together with South32, reprocessing of seismic data that extends through Jessica was completed by HiSeis, to provide greater detail of the geology and structure in the upper 1,000m. A 2km spaced ground gravity survey was also completed 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 7 & 8). In addition, there is a discrete seismic reflector at depth immediately underlying Zeta (Figure 9) (ASX announcement 28 October 2022).

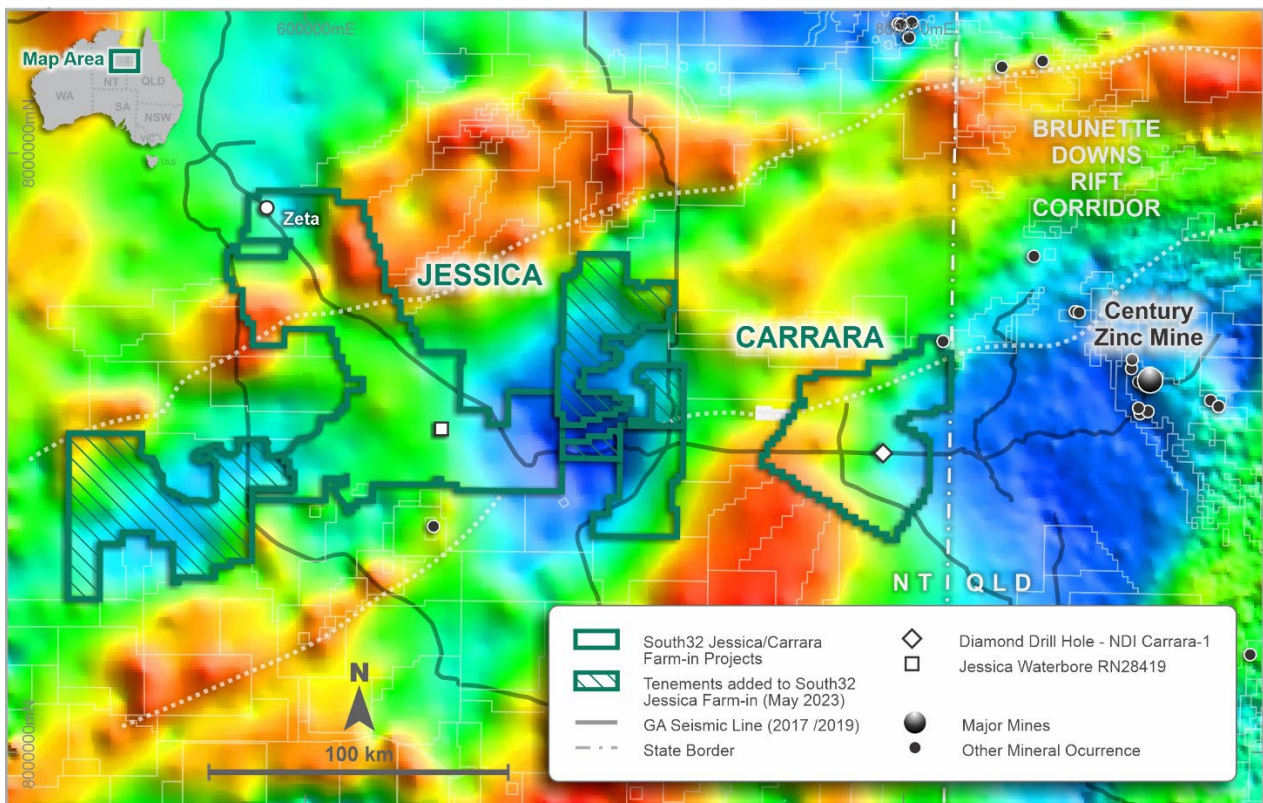
A target generation process highlighted additional copper prospects adjacent to Jessica and the Farm-in Agreement tenure was expanded by ~60% in May 2023 and now covers ~10,300km<sup>2</sup> along key structural corridors east of Tennant Creek prospective for sediment-hosted and IOCG-style copper.

Diamond drilling commenced at Jessica in July 2023 with five diamond drill holes (4,402m) completed testing targets identified through seismic reprocessing and gravity surveys. Assays are pending for all drill holes.

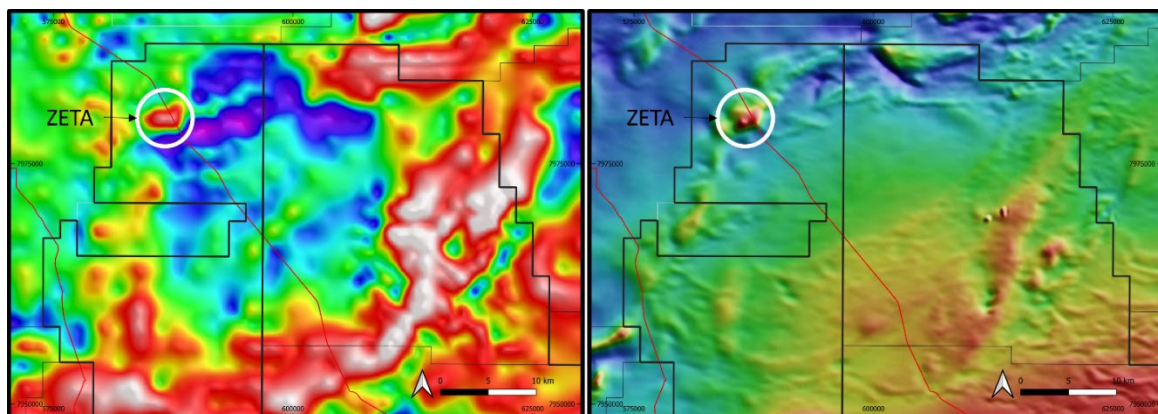
In September 2023, the first two drill holes completed at Zeta, drilled 1.3km apart, intersected several key IOCG indicators including (ASX release 27 September 2023):

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

Geophysical techniques are being evaluated to vector into the best parts of the mineral system at Zeta.



**Figure 6 – Jessica and Carrara project location plan over Bouguer gravity**



**Figures 7 & 8 – Jessica Project – Zeta IOCG target. Gravity (1VD) (left) and Magnetics (RTP) (right), location of GA seismic lines shown in red**



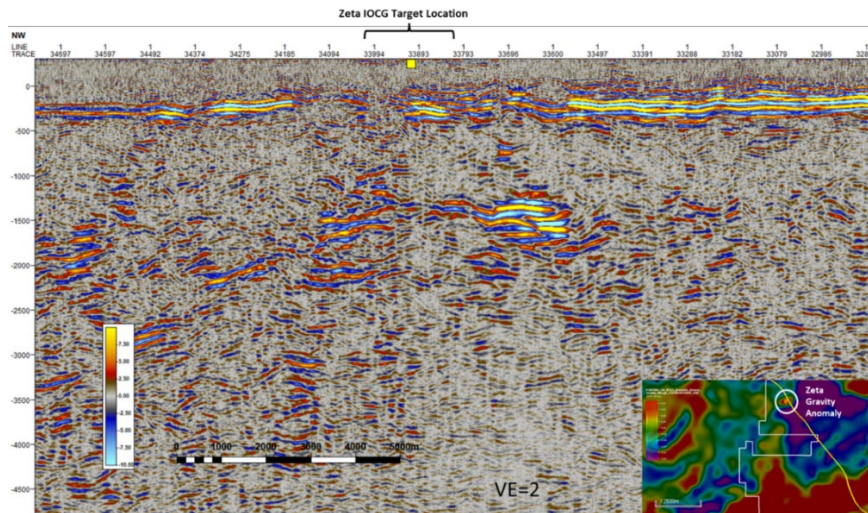


Figure 9 - Jessica Project – Zeta IOCG Target – Seismic cross section (inset)

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

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.

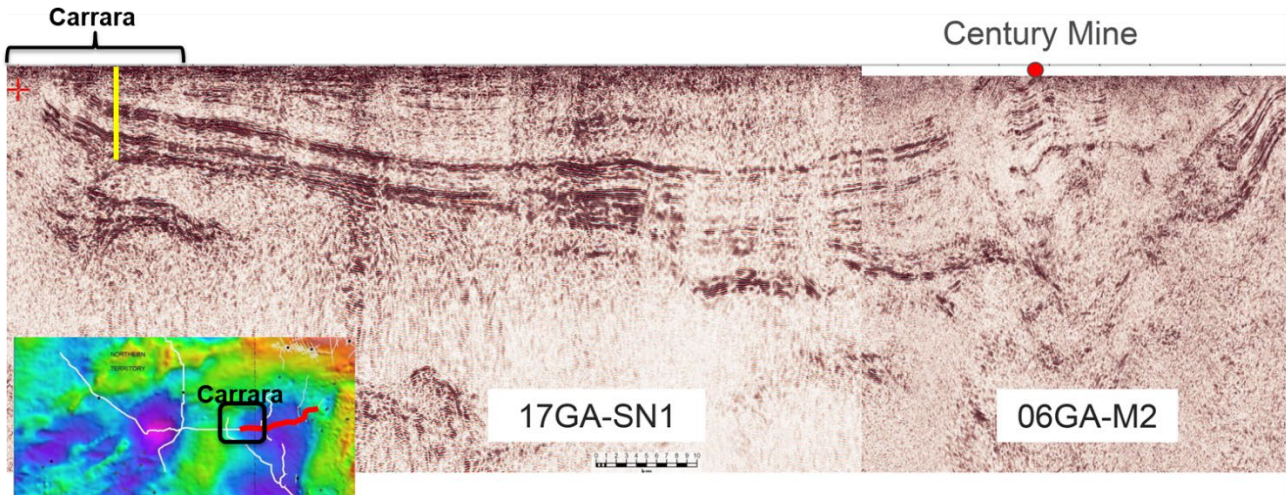
The Century Zinc Mine is located on the eastern margin of the Carrara Sub-basin, and there is a clear correlation of the Century Zinc Mine stratigraphy across the basin in the Geoscience Australia seismic data (Figure 10).

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. NDI Carrara-1 was designed to validate the interpretation of the South Nicholson Seismic Survey and was located within the Carrara project.

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

A 2km spaced gravity survey over Carrara by the Northern Territory Geological Survey was completed in 2022. In addition, reprocessing of seismic lines that extend through Carrara 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.

Three diamond drill holes (~3,000m) are planned at Carrara during October-November 2023.



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

Figure 10 – Carrara Project - South Nicholson Seismic Survey and approx. location of NDI Carrara-1 stratigraphic hole (yellow)

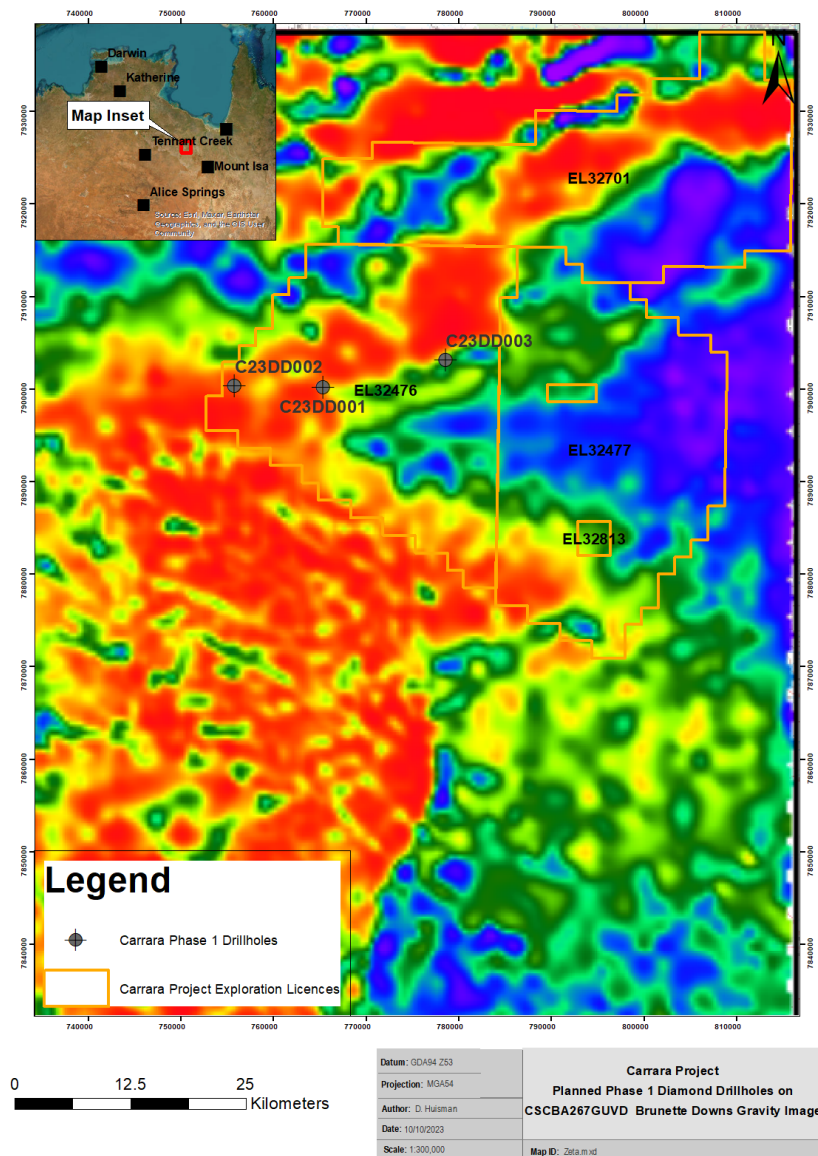


Figure 11 – Carrara gravity image with planned drillhole locations.

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

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

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

### Drilling Program - September 2023 Quarter

During the September 2023 quarter IGO completed the following drilling activities:

- ET02b (Lookout Rocks) – 3 hole diamond drilling program (1,866m) testing down plunge of mineralisation intersected in drill hole EPT2282 which intersected up to 1% Cu at first reductant position – reduced shale over oxidised sandstone. (ASX release 28 July 2016)
- EB02a (BM5) - 2 diamond holes (1035m) testing for copper mineralisation at structural trap sites within the reduced shales.
- Aircore drilling at multiple targets - 42 holes (2,823m) completed.
- All assays remain pending.

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

The Elliott copper project (“Elliott”) covers more than 7,200km<sup>2</sup> 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 \$25m 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.

A 2 hole diamond drill program was completed in November 2022 (1,655m). In drillhole ELT001, the middle and lower members of Velkerri Formation (within the Roper Group) were identified containing multiple zones of organic and pyritic rich black shales. Importantly, from 516m to 538m an anomalously organic and pyrite rich shale was intersected that is interpreted as the Amungee Member of the Velkerri Formation.

A geological mapping and orientation soil sampling program was completed in the June 2023 quarter. This sampling program, together with other works completed at Elliott, are being evaluated under the BHP mineral system framework critical processes.

## Corporate

Encounter held cash of ~\$9.4m at 30 September 2023.

During the quarter the Company issued a total of 1,200,000 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 (\$45,000)

Included at section 6.2 - Comprises: Remuneration of directors (\$58,000)

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

- Approximately \$2.4 million was incurred by the Company in respect of exploration activity for the quarter ended 30 September 2023, primarily on:
  - Exploration activities at Aileron critical minerals project in Western Australia
  - Copper and lithium exploration in the Northern Territory
  - New project generation
- 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 December 2023 quarter include:

### **Aileron Critical Minerals Project - West Arunta - WA (100% ENR)**

- Completion of the planned RC drilling program at Crean, Hurley, Wild and Green targets
- First assay results from RC drilling are expected in early November 2023
- Initial metallurgical assessment of niobium-REE mineralised carbonatites
- Evaluation of soil geochemical sampling techniques and results from the program completed in September 2023
- Preparations for the EIS co-funded drilling of the Mawson, Wordie and Perce targets at the start of the 2024 season

### **Sandover Copper Project – NT – (100% ENR)**

- Completion of 1-2 targeted stratigraphic diamond drill holes co-funded by the NT Government

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

- First assay results from the 5-hole (4,402m) diamond drill program.

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

- Completion of the 3-hole (3,000m) diamond drill program

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

- Assays from 5 diamond holes (2,901m) and 42 aircore holes (2,823m)

### **Ongoing potential project partnership discussions to accelerate exploration activities**

## Tenement Information (granted tenure)

Lease	Location	Project Name	Area km <sup>2</sup>	Interest at start of quarter (1/7/2023)	Interest at end of quarter (30/9/2023)
E45/2500	266km NE of Newman	Paterson IGO Earn-In	107.3	75-100%	100%
E45/2502	261km NE of Newman	Paterson IGO Earn-In	117.8	100%	100%
E45/2657	246km NE of Newman	Paterson IGO Earn-In	156	100%	100%
E45/2658	245km NE of Newman	Paterson IGO Earn-In	95.4	100%	100%
E45/2805	242km NE of Newman	Paterson IGO Earn-In	85.8	100%	100%
E45/2806	251km NE of Newman	Paterson IGO Earn-In	35	100%	100%
E45/3768	241km NE of Newman	Paterson IGO Earn-In	149.7	100%	100%
E45/4861	260km NE of Newman	Paterson IGO Earn-In	140.4	100%	100%
E45/5333	239km NE of Newman	Paterson IGO Earn-In	127.2	100%	100%
E45/5334	242km NE of Newman	Paterson IGO Earn-In	102.1	100%	100%
E45/4613	300km NE of Newman	Lamil	60.7	100%	100%
E45/3446	315km NE of Newman	East Thomson's Dome	6.0	100%	100%
P45/2750	315km NE of Newman	East Thomson's Dome	198ha	100%	100%
P45/2751	315km NE of Newman	East Thomson's Dome	171ha	100%	100%
P45/2752	315km NE of Newman	East Thomson's Dome	199ha	100%	100%
P45/3032	315km NE of Newman	East Thomson's Dome	114ha	100%	100%
E80/5169	West Arunta	Aileron	187.6	100%	100%
E80/5469	West Arunta	Aileron	534.3	100%	100%
E80/5470	West Arunta	Aileron	613.9	100%	100%
E80/5522	West Arunta	Aileron	429.2	100%	100%
E37/1518	Yilgarn	Irwin	212.1	0%	100%

E37/3794	Yilgarn	Irwin	211.8	0%	100%
E37/3811	Yilgarn	Irwin	211.6	0%	100%
EL32156	Northern Territory	Elliott – BHP farm-in	807.3	100%	100%
EL32157	Northern Territory	Elliott – BHP farm-in	696.3	100%	100%
EL32158	Northern Territory	Elliott – BHP farm-in	793.9	100%	100%
EL32159	Northern Territory	Elliott – BHP farm-in	723.9	100%	100%
EL32226	Northern Territory	Elliott – BHP farm-in	813.56	100%	100%
EL32329	Northern Territory	Elliott – BHP farm-in	137.0	100%	100%
EL32437	Northern Territory	Elliott – BHP farm-in	601.1	100%	100%
EL32581	Northern Territory	Elliott – BHP farm-in	493.6	100%	100%
EL32273	Northern Territory	Jessica – South32 farm-in	750.5	100%	100%
EL32317	Northern Territory	Jessica – South32 farm-in	738.6	100%	100%
EL32338	Northern Territory	Jessica – South32 farm-in	783.5	100%	100%
EL32339	Northern Territory	Jessica – South32 farm-in	791.4	100%	100%
EL32386	Northern Territory	Jessica – South32 farm-in	814.5	100%	100%
EL32387	Northern Territory	Jessica – South32 farm-in	814.9	100%	100%
EL32388	Northern Territory	Jessica – South32 farm-in	813.8	100%	100%
EL32493	Northern Territory	Jessica – South32 farm-in	811.6	100%	100%
EL32374	Northern Territory	Sandover	795.4	100%	100%
EL32694	Northern Territory	Sandover	792.7	100%	100%
EL32695	Northern Territory	Sandover	787.4	100%	100%
EL32696	Northern Territory	Sandover	763.6	100%	100%
EL33060	Northern Territory	Junction	740.1	100%	100%

EL32421	Northern Territory	Sitch	792.7	100%	100%
EL33060	Northern Territory	Sitch	665.3	100%	100%
EL32476	Northern Territory	Carrara – South32 farm-in	805.4	100%	100%
EL32477	Northern Territory	Carrara – South32 farm-in	805.2	100%	100%
EL32701	Northern Territory	Carrara – South32 farm-in	801.7	100%	100%
EL32813	Northern Territory	Carrara – South32 farm-in	22.7	100%	100%
EL32478	Northern Territory	Brunchilly	798.5	100%	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

47 109 815 796

#### Quarter ended ("current quarter")

30 September 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(74)	(74)
(e) administration and corporate costs	(245)	(245)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	102	102
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	28	28
Other – option fees received	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(189)</b>	<b>(189)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(109)	(109)
(d) exploration & evaluation	(2,425)	(2,425)
(e) investments	-	-
(f) other non-current assets – bonds and security deposits	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
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	176	176
	Other – R&D refund (exploration activities)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2,358)</b>	<b>(2,358)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	162	162
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings – lease payments	(19)	(19)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – subsidiary IPO expenses	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>143</b>	<b>143</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	11,818	11,818
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(189)	(189)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,358)	(2,358)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	143	143
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>9,414</b>	<b>9,414</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	814	318
5.2	Call deposits	8,600	11,500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>9,414</b>	<b>11,818</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	45
6.2	Aggregate amount of payments to related parties and their associates included in item 2	58

*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.*

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>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.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	189
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	2,425
8.3 Total relevant outgoings (item 8.1 + item 8.2)	2,614
8.4 Cash and cash equivalents at quarter end (item 4.6)	9,414
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	9,414
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	3.6
<i>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.</i>	
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: 27 October 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.