For personal use only

encounter resources

ABN 47 109 815 796

# Consolidated Financial Statements
# For the Year Ended 30 June 2026

**Encounter Resources Limited**
**ABN 47 109 815 796**

**Contents Page**

For personal use only


| | Page |
|---|---|
| Corporate Directory | 3 |
| Directors' Report | 4-19 |
| Auditor's Independence Declaration | 20 |
| Consolidated Statement of Profit or Loss and Other Comprehensive Income | 21 |
| Consolidated Statement of Financial Position | 22 |
| Consolidated Statement of Changes in Equity | 23 |
| Consolidated Statement of Cash Flows | 24 |
| Notes to the Consolidated Financial Statements | 25-51 |
| Consolidated Entity Disclosure Statement | 52 |
| Directors' Declaration | 53 |
| Independent Audit Report | 54 |

# Encounter Resources Limited
# ABN 47 109 815 796

## Corporate Directory

**Directors**

| | |
|---|---|
| Simon Hay | Non-Executive Chairman |
| Will Robinson | Managing Director and CEO |
| Peter Bewick | Non-Executive Director |
| Jonathan Hronsky | Non-Executive Director |
| Philip Crutchfield | Non-Executive Director |

**Company Secretary**
Dan Travers

**Principal and Registered Office**
Suite 2, 1 Alvan Street
Subiaco, Western Australia 6008
Telephone (08) 9486 9455
Web www.enrl.com.au

**Auditor**
HLB Mann Judd
Level 4, 130 Stirling Street
Perth, Western Australia 6000

**Share Registry**
Automic Group
Level 5, 191 St Georges Terrace
Perth, Western Australia 6000
Telephone 1300 288 664

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

**ASX Code**
ENR – Ordinary shares

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

The Company is domiciled in Australia.

For personal use only

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 2026.

**Directors**

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

**Simon Hay – BSc (Hons), MSc, GradDipBus**
**Non-Executive Chairman,** *appointed as director 1 January 2026 (Chairman from 1 September 2026)*

Mr Hay has extensive management and technical experience built up over a career spanning more than 30 years in the Australian and international mining industry. Mr Hay is currently Executive Chairman and Chief Executive Officer at WhiteRock Lithium Corp (ASX:WLC), was Executive Chairman at Leo Lithium (*resigned as director 16 February 2026*) and a non-executive Director at ASX-listed Lotus Resources Limited. Prior to which he was Chief Executive Officer of ASX-listed lithium company, Galaxy Resources Limited and a former director of NYSE-listed Battery Future Acquisition Corp *(ceased 16 January 2024)*.

In addition to his broad functional experience in executive and management roles, Mr Hay's technical experience covers functions of minerals processing, project commissioning and the life cycle of capital works across various mineral commodities.

**Will Robinson – B.Comm, MAusIMM**
***Managing Director,*** *appointed as director 30 June 2004 (Chairman to 1 September 2026)*

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

**Peter Bewick – B.Eng (Hons), MAusIMM**
***Non-Executive Director,*** *appointed as director 7 October 2005*

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

Mr Bewick is currently Managing Director of Hamelin Gold Ltd (ASX:HMG), a non-executive director of Axiant Resources Limited (ASX:AXR) and was previously Non-Executive Director of Mincor Resources NL (resigned 15 January 2024).

For personal use only

For personal use only

**Directors (Continued)**

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

Dr Hronsky has more than forty 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 regional-scale exploration targeting across a diverse range of commodities. His work led to the discovery of the West Musgrave nickel sulphide province in Western Australia. Dr Hronsky was previously Manager-Strategy & Generative Services for BHP Billiton Mineral Exploration. Prior to that, he was Global Geoscience Leader for WMC Resources Ltd. He is currently a director of exploration consulting group Western Mining Services and former Chairman of the board of management of the Centre for Exploration Targeting at the University of Western Australia.

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

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

***Non-executive director,*** *appointed as director 9 October 2019*

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

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

**Company Secretaries**

**Dan Travers – BSc (Hons), FCCA** *(appointed 20 November 2008)*

Mr Travers is a Fellow of the Association of Chartered Certified Accountants with ~20 years' experience in the administration and accounting of public listed and unlisted companies. Mr Travers is a director of Cambria Corporate Pty Ltd, which specialises in the provision of company secretarial and accounting services to ASX listed entities in the mining and exploration industry.

**Kevin Hart – B.Comm, FCA** *(resigned 12 February 2026)*

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

**Directors' Interests**

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

| *Director* | *Directors' Interests in Ordinary Shares* | *Directors' Interests in Unlisted Options* |
|---|---|---|
| W Robinson | 28,835,889 | 2,588,610 |
| P Bewick | 12,290,303 | 654,928 |
| J Hronsky | 1,701,335 | 654,928 |
| P Crutchfield | 10,802,264 | 1,839,928 |
| S Hay | 100,000 | 500,000 |

Included in the Directors' Interests in Unlisted Options are 6,238,394 options that are vested and exercisable as at the date of signing this report.

For personal use only

**Principal Activities**

The principal activity of the Company during the financial year was mineral exploration and project development in Western Australia and the Northern Territory, including the Company's Aileron Niobium-REE-Copper Project in the West Arunta, and the Yeneena Copper and Lamil Gold-Copper Projects in Western Australia.

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 2026, and the number of meetings attended by each Director are as follows:

| *Director* | *Board of Directors Meetings* | | *Audit and Risk Committee Meetings* | | *Remuneration and Nomination Committee Meetings* | |
|---|---|---|---|---|---|---|
| | *Held* | *Attended* | *Held* | *Attended* | *Held* | *Attended* |
| W Robinson | 7 | 7 | - | - | - | - |
| P Bewick | 7 | 7 | 2 | 1 | 2 | 2 |
| J Hronsky | 7 | 7 | 2 | 2 | 2 | 2 |
| P Crutchfield | 7 | 7 | 2 | 2 | 2 | 2 |
| S Hay | 4 | 4 | - | - | - | - |

**Operations and financial review**

The consolidated net loss after income tax for the financial year was $1,475,068 (2025: $3,832,386).

Included in the consolidated loss for the current year is a write-off of deferred and uncapitalised exploration and joint venture expenditure totalling $1,365,769 (2025: $1,528,479) and an unrealised gain on investments of $3,476,783 (2025: Nil).

*Operations*

The Company holds a commanding portfolio of 100%-owned projects located in some of Australia's most prospective mineral belts, targeting copper and critical minerals. Key among these is the Aileron Project in the highly endowed West Arunta region of Western Australia—emerging as a significant frontier for critical mineral exploration.

Encounter's exploration activities during the year were primarily directed towards the 100% owned Aileron Niobium-REE-Copper, Yeneena Copper and Lamil Gold-Copper projects in Western Australia. In addition, the Company continued with its base metals exploration activities in the Northern Territory.

*Financial Position*

At the end of the financial year the Group had $26,920,349 (2025: $18,638,519) in cash and term deposits. Capitalised mineral exploration and evaluation expenditure is $44,245,236 (2025: $30,612,089).

During the year the Company issued a total of 5,145,333 shares on the exercise of unlisted options at various prices, and 371,500 shares on the exercise of vested performance rights. The Company issued 55,555,556 shares at $0.45 per share pursuant to a share placement. Issues of shares during the year raised ~$25 million, before issue costs.

For personal use only

**Operations and financial review (continued)**

*Material Business Risks*

The Company operates in the mineral exploration industry in Australia and as such is exposed to and manages various risks typical of operating in that sector pursuant to the principles included in the Company's Audit and Risk Management Committee Charter. A summary of the key risks that the Company is exposed to are as follows:

*Future capital requirements*

The Company requires financial resources in order to carry out its exploration activities. Failure to obtain appropriate financing on a timely basis could cause the Company to have an impaired ability to expend the capital necessary to undertake or complete drilling programs, forfeit its interests in certain properties, and reduce or terminate its operations entirely. If the Company raises additional funds through the issue of equity securities, this may result in dilution to the existing shareholders and/or a change of control at the Company.

*Exploration and evaluation risks*

Mineral exploration and development are inherently highly speculative and involves a significant degree of risk. There is no guarantee that it will be economic to extract identified mineralisation or that there will be commercial opportunities available to monetise resources.

*Mineral Resource estimation risks*

Mineral Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally made may alter significantly when new information or techniques become available. In addition, by their very nature Mineral Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate.

As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

*Title, tenure and land access risks*

The rights to mineral tenements carry with them various obligations which the Company is required to comply with in order to ensure the continued good standing of the tenement. Failure to meet these requirements could prejudice the right to maintain title to a given area and result in government or third-party action to forfeit a tenement or tenements.

Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority.

In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there are areas over which legitimate common law native title rights of Aboriginal Australians exist. Where native title rights exist, the ability to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

*Environmental risks*

The Company's operations and projects are subject to various health and environmental laws and regulations of jurisdictions in which it has interests. Environmental laws in Australia are subject to periodic review and exploration and mining operations may be adversely affected.

*Sovereign risk*

The Company is subject to political, social, economic and other uncertainties including, but not limited to, changes in policies or the personnel administering them, foreign exchange restrictions, changes of law affecting foreign ownership, currency fluctuations, royalties and tax increases.

For personal use only

### Matters Subsequent to the End of the Financial Year

On 1 September 2026 Mr Simon Hay transitioned from Non-Executive Director to Non-Executive Chairman and Mr Will Robinson transitioned from Executive Chairman to Managing Director.

Subsequent to the end of the financial year, the Company issued the following securities:

- 360,000 fully paid ordinary shares on the exercise of performance rights (expiring 31/12/2026);
- 5,750,000 options pursuant to the Company's Employee Share and Option Plan.

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

### Significant Changes in the State of Affairs

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

### Options and Performance Rights

*Unlisted Options*

As at the date of this report there are 23,748,394 unlisted options on issue as follows:

| *Number of Options Granted* | *Exercise Price* | *Expiry Date* |
|---|---|---|
| 3,980,000 | 26.8 cents | 30 November 2026 |
| 250,000 | 28.3 cents | 15 January 2027 |
| 150,000 | 20.8 cents | 28 February 2027 |
| 200,000 | 36.8 cents | 20 June 2027 |
| 400,000 | 67.7 cents | 24 July 2027 |
| 400,000 | 68.9 cents | 1 August 2027 |
| 660,000 | 55.6 cents | 23 November 2027 |
| 1,000,000 | 39.7 cents | 17 December 2027 |
| 150,000 | 35.5 cents | 25 February 2028 |
| 100,000 | 65.0 cents | 10 September 2028 |
| 363,000 | 59.0 cents | 28 November 2028 |
| 3,100,000 | 52.0 cents | 11 December 2028 |
| 500,000 | 33.6 cents | 31 March 2029 |
| 5,720,394 | 60.9 cents | 27 November 2029 |
| 325,000 | 60.8 cents | 9 December 2029 |
| 300,000 | 49.0 cents | 9 March 2030 |
| 200,000 | 38.0 cents | 31 March 2030 |
| 200,000 | 48.0 cents | 4 May 2030 |
| 350,000 | 33.5 cents | 4 August 2030 |
| 5,400,000 | 36.0 cents | 25 August 2030 |

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

During the financial year:

- 6,745,394 options (2025: 4,563,000) were issued;
- nil options (2025: 700,000) were cancelled on the cessation of employment;
- 400,000 options (2025:800,000) were cancelled on expiry of the exercise period; and
- 6,030,000 (2025: 3,450,000) options were exercised.

**Options and Performance Rights (Continued)**

Since the end of the financial year:

- 5,750,000 options have been issued by the Company to employees pursuant to the Company's Employee Share and Option Plan;
- Nil options have been exercised; and
- Nil options have been cancelled due to the lapse of the exercise period.

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

*Performance Rights*

As at the date of this report there are 2,285,000 performance rights on issue as follows:

| *Number of Performance Rights Granted* | *Vesting Date* | *Expiry Date* |
|---|---|---|
| 125,000 | 31 December 2025 | 31 December 2026 |
| 1,435,000 | 31 December 2026 | 31 December 2028 |

No performance rights on issue at the date of this report are vested and exercisable.

During the financial year:

- 1,435,000 performance rights (2025: 1,221,500) were issued;
- Nil performance rights (2025: 125,000) were cancelled on the cessation of employment;
- Nil performance rights (2025: nil) were cancelled on expiry of the exercise period; and
- 371,500 performance rights (2025: nil) were exercised.

Since the end of the financial year:

- Nil performance rights have been issued by the Company to employees pursuant to the Company's Performance Rights Plan;
- 600,000 performance have been exercised; and
- Nil performance rights have been cancelled.

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

For personal use only

For personal use only

**Issued Capital**

| *Number of Shares on Issue* | | |
|---|---|---|
| | *2026* | *2025* |
| Ordinary fully paid shares | **559,864,708** | 498,792,319 |

A further 600,000 shares have been issued since 30 June 2026 on the exercise of options and performance rights. There are 560,464,708 Shares on issue at the date of this report.

**Likely Developments and Expected Results of Operations**

The Group expects to maintain exploration programs at its 100% owned Aileron niobium-REE copper project in Western Australia, Northern Territory copper projects and the Paterson Province copper and copper-gold projects.

In addition, the Group will continue to collaborate with its partner South32 Limited in the Northern Territory at the Jessica copper project pursuant to an earn-in and joint venture arrangement.

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.

For personal use only

## 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.

At the 2025 annual general meeting ~99.7% of directed votes cast were in favour of the 2025 remuneration report and there were no comments from shareholders.

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.

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

The Remuneration and Nomination Committee is responsible for:

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

### *Non-Executive Remuneration*

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

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

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

The maximum Non-Executive Directors fees (excluding equity-based remuneration otherwise approved by shareholders), payable in aggregate are currently set at $500,000 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.

For personal use only

**Remuneration Report (Continued)**

***Incentive Plans***

The Company provides long term incentives to Directors and Employees pursuant to the Encounter Resources Employee Share and Option Plan, which was last approved by shareholders at the Annual General Meeting held on 24 November 2023 and the Encounter Resources Performance Rights Plan approved by shareholders at the Annual General Meeting held on 29 November 2024.

The Remuneration and Nomination Committee, acting in remuneration matters:

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

***Engagement of Non-Executive Directors***

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

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

In consideration of the services provided by Non-Executive Directors, the Company pay them $70,000 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.

***Engagement of Executive Directors***

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

Mr Robinson's current service agreement with the Company, in respect of his engagement as Executive Chairman, is dated 26 November 2025. Mr Robinson will receive a base salary of $425,000 per annum plus statutory superannuation (effective from 1 August 2025).

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

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

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

For personal use only

**Remuneration Report (Continued)**

***Short Term Incentive Payments***

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

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

***Shareholding Qualifications***

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

***Group Performance***

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

| | 2026 | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Profit/(Loss) for the year attributable to shareholders | $(1,475,068) | $(3,832,386) | $(4,331,728) | $(1,429,900) | $4,428,194 |
| Closing share price at 30 June | $0.27 | $0.225 | $0.74 | $0.455 | $0.12 |

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 2026 financial period to include:

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

For personal use only

**Remuneration Report (Continued)**

***Remuneration Disclosures***

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

| | |
|---|---|
| Mr Will Robinson | Executive Chairman |
| Mr Peter Bewick | Non-Executive Director |
| Dr Jon Hronsky | Non-Executive Director |
| Mr Philip Crutchfield | Non-Executive Director |
| Mr Simon Hay | Non-Executive Director *(from 1 January 2026)* |

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

| 30 June 2026 | 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 |
| Will Robinson | 431,500 | 48,133 | 37,500 | 249,148 | 766,281 | 32.5% |
| Peter Bewick | 70,000 | - | 8,400 | 23,450 | 101,850 | 23.0% |
| Jon Hronsky | 70,000 | - | 8,400 | 23,450 | 101,850 | 23.0% |
| Philip Crutchfield[1] | 35,000 | - | 4,200 | 87,828 | 127,028 | 69.1% |
| Simon Hay[2] | 35,000 | - | 4,200 | 98,586 | 137,786 | 69.4% |
| **Total** | **641,500** | **48,133** | **62,700** | **482,462** | **1,234,795** | |

[1] *No cash director fees paid from 1 January 2026 as compensated with equity approved at the 2025 annual general meeting.*
[2] *Commenced 1 January 2026.*

| 30 June 2025 | 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 |
| Will Robinson | 350,000 | 61,688 | 40,250 | 43,880 | 495,818 | 8.9% |
| Peter Bewick[1] | 65,000 | - | 7,475 | 17,551 | 90,026 | 19.5% |
| Jon Hronsky[1] | 65,000 | - | 7,475 | 17,551 | 90,026 | 19.5% |
| Philip Crutchfield[1] | 65,000 | - | 7,475 | 17,551 | 90,026 | 19.5% |
| **Total** | **545,000** | **61,688** | **62,675** | **96,533** | **765,896** | |

[1] *Non-executive director fees paid at $50,000 pa from 1 July to 30 September, $70,000 pa from 1 October to 30 June.*

For personal use only

**Remuneration Report (Continued)**

*Details of Performance Related Remuneration*

During the year ended 30 June 2026 a short-term incentive bonus (STI), measured for the period 1 January 2025 to 31 December 2025, was awarded to the Company's Executive Chairman as follows:

| | Short term incentive payments - cash bonuses paid |
|---|---|
| | 2025/26 financial year |
| Will Robinson | $48,133[1] |

*[1] STI bonus stated inclusive of SGC contributions where applicable.*

Executives eligible for the STI are able to earn a bonus based on a determined % of their corresponding pro-rata base remuneration, with the final amount determined by performance against stated performance objectives.

The STI performance objectives for the abovementioned STI for the measurement period ended 31 December 2025 were as follows:

Performance Objective 1 (**PO1**) (Weighting up to 60%):

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

This includes:

- Safety, environmental, operational performance and corporate culture
- Management of existing Earn-in and Joint Venture Agreements and commercialisation of additional projects through completion of joint ventures or similar funding
- Management of the equity structure and cash position
- Discovery success
- Project advancement success

This objective is to be determined at the discretion of the board.

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

Performance Objective 2 (**PO2**) (Weighting up to 40%):

Shareholder returns – determined by the 5-day volume weighted average share price (VWAP) of Encounter to 31 December 2025 exceeding the corresponding 5-day VWAP of Encounter to 31 December 2024, as follows:

| ENR Share Price VWAP Change | % Weighting |
|---|---|
| <=10% | 0 |
| >10% < 20% | 8% |
| >20% < 40% | 16% |
| >40% <60% | 24% |
| >60% <80% | 32% |
| >80% | 40% |

For personal use only

**Remuneration Report (Continued)**

*Details of Performance Related Remuneration (continued)*

The total STI bonus awarded and paid during the financial year ended 30 June 2026, has been determined against the abovementioned performance objectives for the Executive Chairman as follows:

| STI Period Ended | Maximum potential STI bonus ($) | PO1 maximum % | PO1 achieved % | PO2 maximum % | PO2 achieved % | Total STI bonus achieved (%) | Total STI bonus achieved ($) |
|---|---|---|---|---|---|---|---|
| 31 Dec 2025 | $95,313 | 60% | 42.5% | 40% | 8% | 50.5% | $48,133 |

The above STI bonus awarded was paid to the Executive Chairman during the year as follows:

| | Cash (pre-tax) | SGC contribution | Total STI Bonus ($) |
|---|---|---|---|
| Will Robinson | $48,133 | Nil | $48,133 |

***Equity instrument disclosures relating to key management personnel***

*Options Granted as Remuneration*

During the financial year ended 30 June 2026 2,445,394 options (2025: 363,000) were granted to Directors or Key Management Personnel of the Company, as follows:

| | Number |
|---|---|
| Will Robinson | 1,263,610 |
| Peter Bewick | 118,928 |
| Jon Hronsky | 118,928 |
| Philip Crutchfield | 443,928 |
| Simon Hay[1] | 500,000 |

[1]*Incentive options issued on commencement as a director of the Company.*

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

Options granted as remuneration to Key Management Personnel were valued using the Black-Scholes option valuation model using the following inputs:

| | Number of options granted | Date granted | Exercise price (cents) | Expiry date | Risk free interest rate used | Volatility applied[1] | Value of Options |
|---|---|---|---|---|---|---|---|
| Will Robinson | 1,263,610 | 27 Nov 2025 | 60.9 | 27 Nov 2029 | 3.81% | 74.7% | $249,148 |
| Peter Bewick | 118,928 | | | | | | $23,450 |
| Jon Hronsky | 118,928 | | | | | | $23,450 |
| Philip Crutchfield | 118,928 | | | | | | $23,450 |
| Simon Hay | 500,000 | | | | | | $98,586 |
| Philip Crutchfield | 325,000 | 10 Dec 2025 | 60.8 | 9 Dec 2029 | 4.07% | 74.8% | $64,378 |
| | | | | | | | $482,462 |

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

For personal use only

**Remuneration Report (Continued)**

*Exercise of Options Granted as Remuneration*

During the year 1,440,000 (2025: 1,540,000) 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[1] | Option details |
|---|---|---|
| Will Robinson | 450,000 | Options exercisable at $0.224 expiring 28 November 2025 |
| Peter Bewick | 180,000 | |
| Jon Hronsky | 180,000 | |
| Philip Crutchfield | 630,000 | |

*[1] Fair value at the date of exercise on 20 November 2025 was $0.201 per option.*

*Option holdings*

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

| 2026<br>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 |
|---|---|---|---|---|---|
| Will Robinson | 1,775,000 | 1,263,610 | (450,000) | 2,588,610 | 2,588,610 |
| Peter Bewick | 716,000 | 118,928 | (180,000) | 654,928 | 654,928 |
| Jon Hronsky | 716,000 | 118,928 | (180,000) | 654,928 | 654,928 |
| Philip Crutchfield | 2,026,000 | 443,928 | (630,000) | 1,839,928 | 1,839,928 |
| Simon Hay | - | 500,000 | - | 500,000 | 500,000 |

*[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.

| 2026<br>Name | Balance at start of the year | Received during the year on exercise of options | Other changes during the year | Balance at the end of the year |
|---|---|---|---|---|
| Will Robinson | 28,385,889 | 450,000 | - | 28,835,889 |
| Peter Bewick | 12,110,303 | 180,000 | - | 12,290,303 |
| Jon Hronsky | 1,521,335 | 180,000 | - | 1,701,335 |
| Philip Crutchfield | 9,061,152 | 630,000 | 1,111,112[1] | 10,802,264 |
| Simon Hay | - | - | 100,000[2] | 100,000 |

*[1] Issued pursuant to share placement.*

*[2] On-market trade*

For personal use only

**Remuneration Report (Continued)**

***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***

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 the Company's auditor HLB Mann Judd have not performed any other services in addition to their statutory duties other than as stated below.

| Total paid to auditors during the financial year: | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Audit and review of the Company's financial statements | 49,179 | 56,800 |

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 25th day of September 2026.

**Will Robinson**
**Executive Chairman**

For personal use only

For personal use only

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Encounter Resources Limited for the year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.



**Perth, Western Australia**
**25 September 2026**

**D I Buckley**
**Partner**

**hlb.com.au**

**HLB Mann Judd ABN 22 193 232 714**
A Western Australian Partnership
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
**T:** +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au
Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

For personal use only

# Encounter Resources Limited
# ABN 47 109 815 796

## Consolidated Statement of Profit or Loss and Other Comprehensive Income
## For the financial year ended 30 June 2026

| | Note | Consolidated | |
|---|---|---|---|
| | | 2026 $ | 2025 $ |
| Interest income | | 1,150,097 | 886,338 |
| Other income | 5 | 111,298 | 101,319 |
| **Total income** | | **1,261,395** | **987,657** |
| Unrealised gain on investments | | 3,476,783 | - |
| Employee expenses | | (4,207,594) | (3,036,662) |
| Employee expenses recharged to exploration | | 2,678,045 | 2,045,902 |
| Equity based remuneration expense | 20 | (1,770,281) | (1,208,068) |
| Depreciation and amortisation expense | 6 | (470,000) | (348,533) |
| Corporate expenses | | (270,263) | (178,793) |
| Administration and other expenses | | (807,384) | (565,410) |
| Exploration costs written off and expensed | 6,14 | (1,365,769) | (1,528,479) |
| **Loss before income tax** | | **(1,475,068)** | **(3,832,386)** |
| Income tax benefit | 7 | - | - |
| **Loss after tax** | 21 | **(1,475,068)** | **(3,832,386)** |
| Other comprehensive income | | - | - |
| **Total comprehensive loss for the year** | | **(1,475,068)** | **(3,832,386)** |
| Earnings per share for loss attributable to the ordinary equity holders of the Company: | | | |
| Basic loss per share | 31 | (0.3) | (0.8) |
| Diluted loss per share | 31 | (0.3) | (0.8) |

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

For personal use only

# Encounter Resources Limited
# ABN 47 109 815 796

## Consolidated Statement of Financial Position
## As at 30 June 2026

| | Note | Consolidated | |
|---|---|---|---|
| | | 2026 $ | 2025 $ |
| **Current assets** | | | |
| Cash and cash equivalents | 8 | 26,920,349 | 18,638,519 |
| Trade and other receivables | 9 | 480,955 | 182,412 |
| **Total current assets** | | 27,401,304 | 18,820,931 |
| **Non-current assets** | | | |
| Security bonds and deposits | 8(c) | 237,466 | 137,466 |
| Financial assets | 11 | 3,536,124 | 59,342 |
| Property, plant and equipment | 12 | 1,105,756 | 1,008,387 |
| Capitalised mineral exploration and evaluation expenditure | 14 | 44,245,236 | 30,612,089 |
| Right of use assets - leases | 13 | 50,401 | 126,003 |
| **Total non-current assets** | | 49,174,983 | 31,943,287 |
| **Total assets** | | **76,576,287** | **50,764,218** |
| **Current liabilities** | | | |
| Trade and other payables | 16 | 1,647,071 | 996,325 |
| Employee benefits | 17 | 595,629 | 461,563 |
| Lease liabilities | 18 | 58,780 | 78,637 |
| **Total current liabilities** | | 2,301,480 | 1,536,525 |
| **Total non-current liabilities** | | | |
| Employee benefits | 17 | 69,143 | - |
| Lease liabilities | 18 | - | 58,780 |
| **Total non-current liabilities** | | 69,143 | 58,780 |
| **Total liabilities** | | **2,370,623** | **1,595,305** |
| **Net assets** | | **74,205,664** | **49,168,913** |
| **Equity** | | | |
| Issued capital | 19 | 107,884,445 | 82,577,740 |
| Accumulated losses | 21 | (37,416,441) | (35,996,783) |
| Equity remuneration reserve | 21 | 3,737,660 | 2,587,956 |
| **Total equity** | | **74,205,664** | **49,168,913** |

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

For personal use only

**Encounter Resources Limited**
**ABN 47 109 815 796**

**Consolidated Statement of Changes in Equity**
**For the financial year ended 30 June 2026**

| | Consolidated | | | |
|---|---|---|---|---|
| | Issued capital $ | Accumulated losses $ | Equity remuneration reserve $ | Total $ |
| **2025** | | | | |
| Balance at the start of the financial year | 66,693,913 | (32,421,829) | 1,977,806 | 36,249,890 |
| Comprehensive loss for the financial year | - | (3,832,386) | - | (3,832,386) |
| Movement in equity remuneration reserve in respect of options and rights vested | - | - | 1,208,068 | 1,208,068 |
| Transfer on exercise and/or cancellation of vested options and rights | 340,486 | 257,432 | (597,918) | - |
| Transactions with equity holders in their capacity as equity holders: | | | | |
| Shares issued (net of costs) | 15,543,341 | - | - | 15,543,341 |
| **Balance at the end of the financial year** | **82,577,740** | **(35,996,783)** | **2,587,956** | **49,168,913** |
| **2026** | | | | |
| Balance at the start of the financial year | 82,577,740 | (35,996,783) | 2,587,956 | 49,168,913 |
| Comprehensive loss for the financial year | - | (1,475,068) | - | (1,475,068) |
| Movement in equity remuneration reserve in respect of options and rights vested | - | - | 1,770,281 | 1,770,281 |
| Transfer on exercise and/or cancellation of vested options and rights | 565,167 | 55,410 | (620,577) | - |
| Transactions with equity holders in their capacity as equity holders: | 24,741,538 | - | - | 24,741,538 |
| Shares issued (net of costs) | | | | |
| **Balance at the end of the financial year** | **107,884,445** | **(37,416,441)** | **3,737,660** | **74,205,664** |

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

For personal use only

# Encounter Resources Limited
# ABN 47 109 815 796

## Consolidated Statement of Cash Flows
## For the financial year ended 30 June 2026

| | Note | Consolidated | |
|---|---|---|---|
| | | 2026 $ | 2025 $ |
| **Cash flows from operating activities** | | | |
| Receipts from tenement option fee income | | 45,000 | 40,000 |
| Receipts from other income | | 66,298 | 61,319 |
| Interest received | | 1,083,524 | 785,643 |
| Payments to suppliers and employees | | (2,324,530) | (1,636,341) |
| **Net cash used in operating activities** | 30 | (1,129,708) | (749,379) |
| **Cash flows from investing activities** | | | |
| Payments for security deposits | | (100,000) | - |
| Payments for exploration and evaluation | | (15,427,556) | (9,959,960) |
| State Government funded drilling rebate | | 583,410 | 265,568 |
| R&D tax concession for exploration activities | | 194,806 | 335,298 |
| Payments for plant and equipment | | (491,767) | (760,843) |
| **Net cash used in investing activities** | | (15,241,107) | (10,119,937) |
| **Cash flows from financing activities** | | | |
| Proceeds from the issue of shares | | 26,087,680 | 16,391,393 |
| Payments for share issue costs | | (1,346,142) | (848,058) |
| Repayment of lease liabilities | | (88,893) | (86,037) |
| **Net cash from financing activities** | | 24,652,645 | 15,457,298 |
| **Net increase in cash held** | | 8,281,830 | 4,587,982 |
| **Cash at the beginning of the financial year** | | 18,638,519 | 14,050,537 |
| **Cash at the end of the financial year** | 8(a) | 26,920,349 | 18,638,519 |

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

For personal use only

## Note 1 Summary of material accounting policy information

The material 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 (refer Note 32 for further information)

The financial report of the Group was authorised for issue in accordance with a resolution of Directors on 25 September 2026.

*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.

For personal use only

**Note 1 Summary of material accounting policy information (continued)**

**(a) Segment reporting**

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

**(b) Other income**

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

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

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

**(c) 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.

**(d) Property, plant and equipment**

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(c)). Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

For personal use only

**Note 1 Summary of material accounting policy information (continued)**

**(e) Mineral exploration and evaluation expenditure**

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

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

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

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

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

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

**(f) 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.

For personal use only

**Note 1 Summary of material accounting policy information (continued)**

**(g) 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.

**(h) 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.

**(i) Comparative figures**

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

**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 Group'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.

For personal use only

**Note 2 Financial risk management (Continued)**

***(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 2026 of $3,536,124 (2025: $59,342). The investment is classified at fair value through profit or loss and as such any movement in the value of Hampton Hill NL shares will be recognised as a benefit or 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.

For personal use only

## Note 3 Critical accounting estimates and judgements

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

*Accounting for capitalised exploration and evaluation expenditure*

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

*Accounting for share based payments*

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

## Note 4 Segment information

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

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

For personal use only

| | Consolidated | |
|---|---|---|
| | 2026 $ | 2025 $ |

**Note 5 Other income**

| | | |
|---|---|---|
| *Operating activities* | | |
| Tenement option fee income | 45,000 | 40,000 |
| Recharged costs | 66,034 | 61,319 |
| Other income | 264 | - |
| | 111,298 | 101,319 |

**Note 6 Loss for the year**

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

| | | |
|---|---|---|
| Depreciation: | | |
| Office equipment (note 12) | (6,934) | (6,179) |
| Field equipment (note 12) | (387,464) | (266,752) |
| Right of use assets – leases (note 13) | (75,602) | (75,602) |
| | (470,000) | (348,533) |
| Previously capitalised exploration costs written off (note 14) | (824,947) | (544,201) |
| Exploration costs expensed for the period (note 14) | (540,822) | (984,278) |
| Total exploration costs in profit or loss | (1,365,769) | (1,528,479) |

**Note 7 Income tax**

| | | |
|---|---|---|
| *a) Income tax expense* | | |
| *Current income tax:* | | |
| Current income tax benefit | (4,470,442) | (3,015,532) |
| Current income tax benefit not recognised | 4,470,442 | 3,015,532 |
| *Deferred income tax:* | | |
| Relating to origination and reversal of timing differences | 560,458 | 555,715 |
| Deferred income tax benefit/(liability) not recognised | (560,458) | (555,715) |
| Income tax expense reported in the statement of profit or loss | - | - |

For personal use only

| | Consolidated | |
|---|---|---|
| | 2026 $ | 2025 $ |
| **Note 7 Income tax (continued)** | | |
| *b) Reconciliation of income tax expense to prima facie tax payable* | | |
| Profit/(Loss) from continuing operations before income tax expense | (1,475,068) | (3,832,386) |
| Tax at the Australian rate of 25% (2025: 25%) | (368,767) | (958,097) |
| *Tax effect of permanent differences:* | | |
| Non-deductible share-based payment | 442,570 | 302,017 |
| Exploration costs written off | 206,237 | 136,050 |
| Capital raising costs claimed | (177,747) | (130,529) |
| Net deferred tax asset/(liability) benefit not brought to account | (102,293) | 650,559 |
| Tax expense | - | - |
| *c) Deferred tax – Statement of Financial Position* | | |
| *Liabilities* | | |
| Accrued income | (41,817) | (25,174) |
| Capitalised exploration expenditure | (11,061,309) | (7,653,022) |
| | (11,103,126) | (7,678,196) |
| *Assets* | | |
| Revenue losses available to offset against future taxable income | 16,024,516 | 13,295,921 |
| Deferred income | - | 12,500 |
| Employee provisions | 166,193 | 115,391 |
| Accrued expenses | 14,458 | 75,671 |
| Deductible equity raising costs | 493,189 | 334,401 |
| | 16,698,356 | 13,833,884 |
| Net deferred tax asset not recognised | 5,595,230 | 6,155,688 |

| | Consolidated | |
|---|---|---|
| | 2026 $ | 2025 $ |

**Note 7 Income tax (continued)**

*d) Deferred tax – Income Statement*

| | | |
|---|---|---|
| *Liabilities* | | |
| Accrued income | (16,643) | (25,174) |
| Capitalised exploration expenditure | (3,408,287) | (1,939,622) |
| *Assets* | | |
| Deductible equity raising costs | 158,788 | 36,893 |
| Deferred income | (12,500) | 12,500 |
| Accruals | (61,213) | 31,103 |
| Increase in tax losses carried forward | 2,728,595 | 1,308,185 |
| Employee provisions | 50,802 | 20,400 |
| Deferred tax benefit/(expense) movement for the period not recognised (note 7a) | (560,458) | (555,715) |

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**

| | | |
|---|---|---|
| Cash at bank and on hand | 2,251,746 | 1,338,519 |
| Term Deposits | 24,668,603 | 17,300,000 |
| | 26,920,349 | 18,638,519 |

*(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 | 26,920,349 | 18,638,519 |

*(b) Term Deposits*

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



For personal use only

For personal use only

| | Consolidated | |
|---|---|---|
| | 2026 $ | 2025 $ |

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

*(c) Cash balances not available for use*

There are no amounts reported in cash that are not available for use.

Included in non-current assets are various cash backed security deposits amounting to $237,466 (2025: $137,466).

The security deposits at 30 June 2026 relate to the Group's lease on its office at 1 Alvan Street, Subiaco, Western Australia of $25,652, an exploration licence security fee of $11,814 and an amount of $200,000 held on deposit in relation to the Group's corporate credit card facility (note 26).

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

**Note 9 Current assets – Receivables**

*a) Trade and other receivables*

| | | |
|---|---|---|
| Accrued income | 167,269 | 100,695 |
| Trade and other receivables | 98,850 | 21,885 |
| GST recoverable | 214,836 | 59,832 |
| | 480,955 | 182,412 |

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 2026:

| | | |
|---|---|---|
| Encounter Operations Pty Ltd | 2 | 2 |
| Encounter Yeneena Pty Ltd | 2 | 2 |
| Baudin Resources Pty Ltd | 10 | 10 |
| Encounter Paterson Pty Ltd | 1 | 1 |
| Encounter Aileron Pty Ltd | 1 | 1 |
| Encounter Gascoyne Pty Ltd | 1 | 1 |
| Faure Resources Pty Ltd | 1 | 1 |
| West Arunta Infrastructure Pty Ltd | 1 | 1 |
| Encounter Copper Ltd | 1 | - |

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

| Subsidiary Company | Date of Incorporation | Country of Incorporation | Ownership Interest | |
|---|---|---|---|---|
| | | | 2026 | 2025 |
| Encounter Operations Pty Ltd | 27 Nov 2006 | Australia | 100% | 100% |
| Encounter Yeneena Pty Ltd | 23 May 2013 | Australia | 100% | 100% |
| Baudin Resources Pty Ltd | 7 April 2017 | Australia | 100% | 100% |
| Encounter Paterson Pty Ltd | 9 July 2021 | Australia | 100% | 100% |
| Encounter Aileron Pty Ltd | 9 July 2021 | Australia | 100% | 100% |
| Encounter Gascoyne Pty Ltd | 21 Nov 2023 | Australia | 100% | 100% |
| Faure Resources Pty Ltd | 16 Jan 2024 | Australia | 100% | 100% |
| West Arunta Infrastructure Pty Ltd | 28 Feb 2025 | Australia | 100% | 100% |
| Encounter Copper Ltd | 20 Feb 2026 | Australia | 100% | - |

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

*b) Loans to controlled entities*

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

| | 2026 $ | 2025 $ |
|---|---|---|
| Encounter Operations Pty Ltd | 24,106,386 | 22,381,820 |
| Encounter Yeneena Pty Ltd | 1,225,810 | 969,661 |
| Baudin Resources Pty Ltd | 4,905,074 | 4,376,257 |
| Encounter Paterson Pty Ltd | 9,442,993 | 7,967,552 |
| Encounter Aileron Pty Ltd | 23,390,350 | 14,906,031 |

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.

Encounter Resources Limited does not intend to call for repayment within 12 months.

For personal use only

For personal use only

| | Consolidated | |
|---|---|---|
| | 2026 $ | 2025 $ |

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

| | | |
|---|---|---|
| Balance at the start of the financial year | 59,342 | 59,342 |
| Gain on investments recognised through profit & loss[1] | 3,476,782 | - |
| Balance at the end of the financial year | 3,536,124 | 59,342 |

*[1] Fair value adjustment relating to the Group's investment in Hampton Hill Mining NL. The fair value of the investment was determined using observable market transactions for Hampton Hill Mining NL shares occurring prior to 30 June 2026. The resulting fair value gain of $3,476,782 has been recognised in profit or loss for the year ended 30 June 2026.*

Investments at fair value through profit or loss have been measured at Level 2 in the fair value measurement hierarchy. The fair value of the investment has been determined with reference to recent observable market transactions for the underlying securities. The assets were transferred from level 3 to level 2 during the year. In prior periods the fair value was determined by reference to the Group's share of net assets, During the year observable pricing and trading information became available through an unlisted company trading platform. The Group accordingly changed its valuation technique to market approach as this results in a measurement that is more representative of fair value. The change has been applied prospectively as a change in accounting estimate.

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

| | | |
|---|---|---|
| *Field equipment* | | |
| At cost | 2,561,056 | 2,081,228 |
| Accumulated depreciation | (1,476,109) | (1,088,645) |
| | 1,084,947 | 992,583 |
| *Office equipment* | | |
| At cost | 92,864 | 80,925 |
| Accumulated depreciation | (72,055) | (65,121) |
| | 20,809 | 15,804 |
| | 1,105,756 | 1,008,387 |
| ***Reconciliation*** | | |
| *Field equipment* | | |
| Net book value at start of the year | 992,583 | 509,066 |
| Cost of additions | 479,828 | 750,269 |
| Depreciation charged (note 6) | (387,464) | (266,752) |
| Net book value at end of the year | 1,084,947 | 992,583 |
| *Office equipment* | | |
| Net book value at start of the year | 15,804 | 11,409 |
| Cost of additions | 11,939 | 10,574 |
| Depreciation charged (note 6) | (6,934) | (6,179) |
| Net book value at end of the year | 20,809 | 15,804 |
| | 1,105,756 | 1,008,387 |

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

For personal use only

| | Consolidated | |
|---|---|---|
| | 2026 $ | 2025 $ |

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

| | | |
|---|---|---|
| *Leases* | | |
| Carrying value at start of the year | 126,003 | 201,605 |
| Depreciation charged (note 6) | (75,602) | (75,602) |
| Carrying value at end of the year | 50,401 | 126,003 |

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, which expires 28 February 2027.

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

**Note 14 Non-current assets – Capitalised mineral exploration and evaluation expenditure**

*In the exploration and evaluation phase*

| | | |
|---|---|---|
| Capitalised exploration costs at the start of the period | 30,612,089 | 22,853,601 |
| Total acquisition and exploration costs for the period (i) | 15,815,419 | 9,885,734 |
| Exploration costs funded by EIS grant | (621,697) | (263,469) |
| Research and development tax credits (ii) | (194,806) | (335,298) |
| Previously capitalised exploration costs written off (note 6) | (824,947) | (544,201) |
| Exploration expensed for the period (note 6) | (540,822) | (984,278) |
| Capitalised exploration costs at the end of the period | 44,245,236 | 30,612,089 |

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.*

For personal use only

## 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.

### b) Joint Venture and Farm-in Arrangements

Earn-in and Joint Venture Agreement – Jessica Copper Project ("Jessica")

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

- 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 (commencing June 2022).
- 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.

During the farm-in phase, 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.

South32 are currently in the Initial Interest earning stage at Jessica.

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

For personal use only

| | Consolidated | |
|---|---|---|
| | 2026 $ | 2025 $ |
| **Note 16 Current liabilities – Trade and other payables** | | |
| Trade payables and accruals | 1,528,188 | 885,614 |
| Other payables | 118,883 | 110,711 |
| | 1,647,071 | 996,325 |

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 and Non-Current liabilities - Employee benefits** | | |
| *Current* | | |
| Liability for annual leave | 348,931 | 222,386 |
| Liability for long service leave | 246,698 | 239,177 |
| | 595,629 | 461,563 |
| *Non-Current* | | |
| Liability for long service leave | 69,143 | - |

| | | |
|---|---|---|
| **Note 18 Current and Non-Current liabilities – Lease liabilities** | | |
| *Leases* | | |
| Carrying value at start of the year | 137,417 | 205,897 |
| Lease payments made | (88,893) | (86,037) |
| Lease interest charged to profit or loss | 10,256 | 17,557 |
| Carrying value at end of the year | 58,780 | 137,417 |

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

| | | |
|---|---|---|
| Lease liabilities due < 1 year | 58,780 | 78,637 |
| Lease liabilities due > 1 year | - | 58,780 |
| Total lease liabilities | 58,780 | 137,417 |

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

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

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

For personal use only

## 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* | 2026 No. | 2025 No. | 2026 $ | 2025 $ |
|---|---|---|---|---|---|
| *b) Share capital* | | | | | |
| Issued share capital | | 559,864,708 | 498,792,319 | 107,884,445 | 82,577,740 |
| *c) Share movements during the year* | | | | | |
| Balance at the start of the financial year | | 498,792,319 | 450,828,054 | 82,577,740 | 66,693,913 |
| Exercise of options[1] | $0.20 | 500,000 | 400,000 | 100,000 | 80,000 |
| Exercise of options[1] | $0.30 | 500,000 | 400,000 | 150,000 | 120,000 |
| Exercise of options[1] | $0.175 | - | 100,000 | - | 17,500 |
| Exercise of options[1] | $0.50 | - | 100,000 | - | 50,000 |
| Exercise of options[1] | $0.222 | - | 2,450,000 | - | 543,900 |
| Share placement | $0.35 | - | 42,857,141 | - | 14,999,999 |
| Share purchase plan | $0.35 | - | 1,657,124 | - | 579,993 |
| Exercise of options[1] | $0.224 | 3,536,500 | - | 792,176 | - |
| Exercise of options[1] | $0.336 | 106,417 | - | 35,756 | - |
| Exercise of options[1] | $0.19 | 502,416 | - | 95,459 | - |
| Exercise of performance rights[1] | $0.344 | 371,500 | - | 127,719 | - |
| Share placement | $0.45 | 55,555,556 | - | 25,000,000 | - |
| Transfer from reserves on exercise of options | | - | - | 351,737 | 340,486 |
| Less share issue costs: | | | | | |
| Cash-based | | - | - | (1,346,142) | (848,051) |
| Balance at the end of the financial year | | 559,864,708 | 498,792,319 | 107,884,445 | 82,577,740 |

*[1] Refer Note 20 for details of options and performance rights exercised.*

600,000 shares have been issued since 30 June 2026 on the exercise of options and performance rights.

**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 2025 Annual Report.

For personal use only

## Note 20 Options, performance rights and share based payments

### Options

The Encounter Resources Limited Employee Share and Option Plan ("the Option Plan") was last approved by a resolution at the Annual General Meeting of shareholders of the Company on 24 November 2023. All eligible Directors, executive officers and employees of Encounter Resources Limited who have been continuously employed by the Company are eligible to participate in the Option Plan.

*Options issued during the year*

During the financial year the Company granted 6,745,394 options (2025: 4,563,000) over unissued shares.

*Options exercised during the year*

During the financial year the Company issued shares on the exercise of 6,030,000 (2024: 3,450,000) unlisted options, as follows:

| *Number of options exercised* | *Details of options exercised* |
|---|---|
| 3,630,000[1] | Exercisable at 22.4 cents, expiring 28 November 2025 |
| 1,200,000[3] | Exercisable at 19.0 cents, expiring 28 June 2026 |
| 200,000[2] | Exercisable at 33.6 cents, expiring 31 March 2029 |
| 500,000 | Exercisable at 20.0 cents, expiring 29 September 2025 |
| 500,000 | Exercisable at 30.0 cents, expiring 29 September 2025 |

*Included in the above were options exercised cash less: [1]180,000, [2]120,000 and [3]1,000,000.*

*Options cancelled during the year*

During the year nil options (2025: 700,000) were cancelled upon termination of employment and 400,000 options (2025: 800,000) were cancelled on expiry of the exercise period.

*Options on issue at the balance date*

The number of options on issue at 30 June 2026 is 17,998,394 (2025: 17,683,000). The terms of these options are as follows:

| *Number of Options Granted* | *Exercise Price* | *Expiry Date* |
|---|---|---|
| 3,980,000 | 26.8 cents | 30 November 2026 |
| 250,000 | 28.3 cents | 15 January 2027 |
| 150,000 | 20.8 cents | 28 February 2027 |
| 200,000 | 36.8 cents | 20 June 2027 |
| 400,000 | 67.7 cents | 24 July 2027 |
| 400,000 | 68.9 cents | 1 August 2027 |
| 660,000 | 55.6 cents | 23 November 2027 |
| 1,000,000 | 39.7 cents | 17 December 2027 |
| 150,000 | 35.5 cents | 25 February 2028 |
| 100,000 | 65.0 cents | 10 September 2028 |
| 363,000 | 59.0 cents | 28 November 2028 |
| 3,100,000 | 52.0 cents | 11 December 2028 |
| 500,000 | 33.6 cents | 31 March 2029 |
| 5,720,394 | 60.9 cents | 27 November 2029 |
| 325,000 | 60.8 cents | 9 December 2029 |
| 300,000 | 49.0 cents | 9 March 2030 |
| 200,000 | 38.0 cents | 31 March 2030 |
| 200,000 | 48.0 cents | 4 May 2030 |

For personal use only

**Note 20 Options, performance rights and share based payments (continued)**

*Options - Subsequent to the balance date*

5,750,000 options have been granted subsequent to the balance date and to the date of signing this report.

Nil options have been exercised subsequent to the balance date to the date of signing this report.

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

*Options - Weighted average contractual life*
The weighted average contractual life for un-exercised options is 25.4 months (2025: 21.1 months).

*Options - Basis and assumptions used in valuation*.
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[2] |
|---|---|---|---|---|---|---|
| 27 Nov 2025 | 5,720,394 | 60.9 | 27 Nov 2029 | 3.81% | 74.7% | $1,127,899 |
| 10 Dec 2025 | 325,000 | 60.8 | 9 Dec 2029 | 4.07% | 74.8% | $64,378 |
| 10 Mar 2026 | 300,000 | 49.0 | 9 Mar 2030 | 4.51% | 76.2% | $49,117 |
| 1 Apr 2026 | 200,000 | 38.0 | 31 Mar 2030 | 4.60% | 80.1% | $26,891 |
| 5 May 2026 | 200,000 | 48.0 | 4 May 2030 | 4.65% | 79.4% | $37,238 |
| | | | | | | $1,301,523 |

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

*[2] Total value of options allocated to employee share-based remuneration expense.*

*Reconciliation of movement of options during the period including weighted average exercise price (WAEP)*

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | No. | WAEP (cents) | No. | WAEP (cents) |
| Options outstanding at the start of the year | 17,683,000 | 35.3 | 18,070,000 | 29.5 |
| Options granted during the year | 6,745,394 | 59.3 | 4,563,000 | 50.0 |
| Options exercised during the year | (6,030,000) | 22.5 | (3,450,000) | 23.5 |
| Options cancelled and expired unexercised during the year | (400,000) | 50.0 | (1,500,000) | 37.5 |
| Options outstanding at the end of the year | 17,998,394 | 48.1 | 17,683,000 | 35.3 |

**Performance Rights**

The Encounter Resources Limited Performance Rights Plan ("the Performance Rights Plan") was last approved by a resolution at the Annual General Meeting of shareholders of the Company on 29 November 2024.

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 Performance Rights Plan.

*Performance rights issued during the year*
During the financial year the Company granted 1,435,000 performance rights (2025: 1,221,500).

*Performance rights exercised during the year*
During the financial year 371,500 vested performance rights, expiring 31 December 2026 (2025: nil) were exercised.

For personal use only

**Note 20 Options, performance rights and share based payments (continued)**

*Performance rights cancelled during the year*
During the year nil performance rights (2025: 125,000) were cancelled upon termination of employment. Nil performance rights were cancelled on expiry of the exercise period (2025: nil).

*Performance rights on issue at the balance date*
The number of performance rights on issue at 30 June 2026 is 2,160,000 (2025: 1,096,500). The terms of these options are as follows:

| *Number of performance rights outstanding* | *Vesting date* | *Expiry date* |
|---|---|---|
| 725,000 | 31 December 2025 | 31 December 2026 |
| 1,435,000 | 31 December 2026 | 31 December 2028 |

*Subsequent to the balance date*

Nil performance rights have been granted subsequent to the balance date and to the date of signing this report.

600,000 performance rights have been exercised subsequent to the balance date to the date of signing this report.

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

*Weighted average contractual life*
The weighted average contractual life for un-exercised performance rights is 21.9 months (2025: 18 months).

*Basis and assumptions used in the valuation of performance rights.*
The performance rights issued during the year are subject to time-based vesting conditions and as such have been valued at the underlying share price at the date of grant.

| Date granted | Number of performance rights granted | Exercise price (cents) | Vesting date | Expiry date | Fair value per performance right | Notional value of performance rights[2] |
|---|---|---|---|---|---|---|
| 27 Nov 2025 | 1,235,000 | Nil | 31 Dec 2026 | 31 Dec 2028 | 40.6 cents | $501,163 |
| 10 Mar 2026 | 100,000 | Nil | 31 Dec 2026 | 31 Dec 2028 | 32.6 cents | $32,600 |
| 5 May 2026 | 100,000 | nil | 31 Dec 2026 | 31 Dec 2028 | 31.7 cents | $31,689 |
| | | | | | | $565,452 |

*[1]5-day volume weighted average share price up to and including the date of grant.*

*[2]Notional value of performance rights awarded. The notional value is apportioned over the respective vesting period.*

| | |
|---|---|
| Value of performance rights allocated to employee share-based remuneration expense for the year | $468,758 |

For personal use only

**Note 20 Options, performance rights and share based payments (continued)**

*Reconciliation of movement of performance rights during the period including weighted average exercise price (WAEP)*

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | No. | WAEP (cents) | No. | WAEP (cents) |
| Rights outstanding at the start of the year | 1,096,500 | - | - | - |
| Rights granted during the year | 1,435,000 | - | 1,221,500 | - |
| Rights exercised during the year | (371,500) | - | - | - |
| Rights cancelled and expired unexercised during the year | - | - | (125,000) | - |
| Rights outstanding at the end of the year | 2,160,000 | - | 1,096,500 | - |

| | Consolidated | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | Accumulated losses $ | Equity remuneration reserve[1] $ | Accumulated losses $ | Equity remuneration reserve (i) $ |
| **Note 21 Reserves and accumulated losses** | | | | |
| Balance at the beginning of the year | (35,996,783) | 2,587,956 | (32,421,829) | 1,977,806 |
| Loss for the period | (1,475,068) | - | (3,832,386) | - |
| Movement in equity remuneration reserve in respect of options and rights issued (note 20) | - | 1,770,281 | - | 1,208,068 |
| Transfer to accumulated losses on cancellation of options and rights | 55,410 | (55,410) | 257,432 | (257,432) |
| Transfer to share capital on exercise of options and rights (note 19) | - | (565,167) | - | (340,486) |
| Balance at the end of the year | (37,416,441) | 3,737,660 | (35,996,783) | 2,587,956 |

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

For personal use only

## 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 ($) | |
|---|---|---|
| | 2026 | 2025 |
| **Fixed rate instruments** | | |
| Financial assets | - | - |
| **Variable rate instruments** | | |
| Financial assets[1] | 26,920,349 | 18,638,519 |

[1] *Cash and cash equivalents.*

*Cash flow sensitivity analysis for variable rate instruments*

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

| | Profit or loss | | Equity | |
|---|---|---|---|---|
| | 1% increase | 1% decrease | 1% increase | 1% decrease |
| **2026** | | | | |
| **Variable rate instruments** | 269,203 | (269,203) | 269,203 | (269,203) |
| 2025 | | | | |
| Variable rate instruments | 186,385 | (186,385) | 186,385 | (186,385) |

For personal use only

**Note 22 Financial instruments (Continued)**

***Liquidity risk***

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

| Consolidated | Carrying amount | Contractual cash flows | < 6 months | 6-12 months | 1-2 years | 2-5 years | > 5 years |
|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ |
| **2026** | | | | | | | |
| Trade and other payables | 1,647,071 | 1,647,071 | 1,647,071 | - | - | - | - |
| Lease liabilities | 58,780 | 68,986 | 51,739 | 17,247 | - | - | - |
| | 1,705,851 | 1,716,057 | 1,698,810 | 17,247 | | - | - |
| 2025 | | | | | | | |
| Trade and other payables | 996,325 | 996,325 | 996,325 | - | - | - | - |
| Lease liabilities | 137,417 | 150,180 | 44,004 | 45,171 | 61,005 | - | - |
| | 1,133,742 | 1,146,505 | 1,040,329 | 45,171 | 61,005 | - | - |

***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 | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | Carrying amount $ | Fair value $ | Carrying amount $ | Fair value $ |
| Cash and cash equivalents | 26,920,349 | 26,920,349 | 18,638,519 | 18,638,519 |
| Financial assets | 3,536,124 | 3,536,124 | 59,342 | 59,342 |
| Lease liabilities | (58,780) | (58,780) | (137,417) | (137,417) |
| Trade and other payables | (1,647,071) | (1,647,071) | (996,325) | (996,325) |
| | 28,750,622 | 28,750,622 | 17,564,119 | 17,564,119 |

***Equity price risk***

The Group is exposed to equity price risk on its investment in Hampton Hill Mining NL (Hampton Hill), which has a carrying amount at 30 June 2026 of $3,536,124 (2025: $59,302). The investment is measured at fair value through profit or loss and any movement in the value of Hampton Hill shares is recognised in profit or loss. A 10% increase or decrease in the price of Hampton Hill shares at reporting date, with other variables held constant, would increase or decrease the Group's loss before tax by $353,612 (2025: $5,934).

**Note 23 Dividends**

No dividends were paid or proposed during the financial year ended 30 June 2025 or 30 June 2026.

The Company has no franking credits available as at 30 June 2025 or 30 June 2026.

For personal use only

## 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)* *Executive directors*
Will Robinson, Executive Chairman

(ii) *Non-executive directors*
Jonathan Hronsky, Director
Philip Crutchfield, Director
Peter Bewick, Director
Simon Hay, Director (from 1 January 2026)

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:

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Total short-term employment benefits | 689,633 | 606,688 |
| Total share-based payments | 482,462 | 96,533 |
| Total post-employment benefits | 62,700 | 62,675 |
| | 1,234,795 | 765,896 |

There were no other transactions with key management personnel.

## Note 25 Remuneration of auditors

| | | |
|---|---|---|
| Audit and review of the Company's financial statements | 49,179 | 56,800 |
| Other | - | - |
| | 49,179 | 56,800 |

For personal use only

## Note 26 Contingencies

*(i) Contingent liabilities*

There were no material contingent liabilities not disclosed for in the financial statements of the Group as at 30 June 2025 or 30 June 2026 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, E45/2502, 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 Jamukurnu-Yapalikurnu Aboriginal Corporation (formally Western Desert Lands Aboriginal Corporation) in relation to the tenements comprising the Yeneena Copper Project and the Lamil Copper-Gold Project. Jamukurnu-Yapalikurnu Aboriginal Corporation (Western Desert) is the Prescribed Body Corporate for the Martu People of the Central Western Desert region in Western Australia.

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

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

*Bank guarantees*

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

A bank guarantee exists, and a corresponding amount of $200,000 held on deposit, in relation to the Group's corporate credit card facility.

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

*(ii) Contingent assets*

There were no material contingent assets as at 30 June 2025 or 30 June 2026.

For personal use only

## 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 $3,391,500 (2025: $4,422,000).

The exploration expenditure obligations stated above include amounts (approximately $1.2m (2025: approximately $2.0m)) that are funded by third parties pursuant to various farm-in agreements (Note 15). Therefore, current expenditure commitment on Encounter 100% owned projects is approximately $2.2m (2025: approximately $2.4m).

*(b) Contractual Commitment*

There are no material contractual commitments as at 30 June 2025 or 30 June 2026 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.

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 1 September 2026 Mr Simon Hay transitioned from Non-Executive Director to Non-Executive Chairman and Mr Will Robinson transitioned from Executive Chairman to Managing Director.

Subsequent to the end of the financial year, the Company issued the following securities:

- 360,000 fully paid ordinary shares on the exercise of performance rights (expiring 31/12/2026);
- 5,750,000 options pursuant to the Company's Employee Share and Option Plan.

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

| | Consolidated | |
|---|---|---|
| | 2026 $ | 2025 $ |
| **Note 30 Reconciliation of loss after tax to net cash inflow from operating activities** | | |
| Loss from ordinary activities after income tax | (1,475,068) | (3,832,386) |
| Depreciation and amortisation | 470,000 | 348,533 |
| Exploration cost written off and expensed | 1,365,769 | 1,528,479 |
| Share based payments expense | 1,770,281 | 1,208,068 |
| Unrealised gain on investments | (3,476,783) | - |
| Lease interest | 10,256 | 17,557 |
| *Movement in assets and liabilities:* | | |
| (Increase)/decrease in receivables | (100,097) | (95,849) |
| Increase/(decrease) in payables | 305,934 | 76,219 |
| Net cash outflow from operating activities | (1,129,708) | (749,379) |

Non-Cash Investing and Financing Activities
There were no non-cash investing or financing activities during the financial year.

**Note 31 Earnings per share**

| | Consolidated | |
|---|---|---|
| | 2026 | 2025 |
| *a) Basic earnings per share* | **Cents** | Cents |
| Loss attributable to ordinary equity holders of the Company | (0.3) | (0.8) |
| *b) Diluted earnings per share* | | |
| Loss attributable to ordinary equity holders of the Company | (0.3) | (0.8) |
| *c) Loss used in calculation of basic and diluted loss per share* | **$** | $ |
| Consolidated loss after tax from continuing operations | (1,475,068) | (3,832,386) |
| *d) Weighted average number of shares used as the denominator* | **No.** | No. |
| Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share | 538,023,339 | 478,441,136 |

For personal use only

For personal use only

## Note 32 Parent entity information

| | Company | |
|---|---|---|
| | 2026 $ | 2025 $ |
| *Financial position* | | |
| **Assets** | | |
| Current assets | 30,347,401 | 19,734,313 |
| Non-current assets | 46,301,537 | 31,058,643 |
| Total Assets | 76,648,938 | 50,792,956 |
| **Liabilities** | | |
| Current liabilities | (2,374,131) | (1,565,263) |
| Non-current liabilities | (69,143) | (58,780) |
| Total Liabilities | (2,443,274) | (1,624,043 |
| **NET ASSETS** | 74,205,664 | 49,168,913 |
| **Equity** | | |
| Issued capital | 107,884,445 | 82,577,740 |
| Equity remuneration reserve | 3,737,660 | 2,587,956 |
| Accumulated losses | (37,416,441) | (35,996,783) |
| **TOTAL EQUITY** | 74,205,664 | 49,168,913 |
| *Financial performance* | | |
| Profit/(Loss) for the year | (1,475,068) | (3,574,954) |
| Other comprehensive income | - | - |
| Total comprehensive income | (1,475,068) | (3,574,954) |

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

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

*Contingent liabilities*

For full details of contingencies see Note 26.

*Commitments*

For full details of commitments see Note 27.

**Encounter Resources Limited**
**ABN 47 109 815 796**

**Consolidated Entity Disclosure Statement**
**As at 30 June 2026**

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

All entities are members of the Encounter Resources Limited consolidated tax group (ENR Tax Group). No member of the ENR Tax Group has a residency for tax purposes in any jurisdiction other than in Australia.

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

For personal use only

For personal use only

# Encounter Resources Limited
# ABN 47 109 815 796

## Directors' Declaration

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

(a) the financial statements and notes set out on pages 21 to 51 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 2026 and of the performance for the year ended on that date of the Group.

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

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

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

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

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2026.

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

Signed at Perth this 25th day of September 2026.

**Will Robinson**
**Executive Chairman**

For personal use only

HLB MANN JUDD
ADVISORY AND ACCOUNTING

## INDEPENDENT AUDITOR'S REPORT

To the Members of Encounter Resources Limited

### Report on the Audit of the Financial Report

*Opinion*

We have audited the financial report of Encounter Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2026, 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, notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2026 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 audits of the financial report of public interest entities 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.

hlb.com.au
HLB Mann Judd ABN 22 193 232 714
A Western Australian Partnership
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au
Liability limited by a scheme approved under Professional Standards Legislation.
HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

For personal use only

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| **Carrying amount of Capitalised Mineral Exploration And Evaluation Expenditure**<br>Refer to Note 14 | |
| In accordance with *AASB 6 Exploration for and Evaluation of Mineral Resources*, the Group capitalises exploration and evaluation expenditure.<br><br>Our audit focused on the Group's assessment of the capitalised exploration and evaluation expenditure, as this is one of the most significant assets of the Group and is material to the users of the financial statements. | Our procedures included but were not limited to the following:<br>- We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest;<br>- We considered the Directors' assessment of potential indicators of impairment;<br>- We obtained evidence that the Group has current rights to tenure of its areas of interest;<br>- We examined the exploration budget for the coming period and discussed with management the nature of planned ongoing activities;<br>- We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest;<br>- We substantiated a sample of capitalised expenditure to underlying support; and<br>- We examined the disclosures made in the financial report. |

*Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

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

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

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

*Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of:

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

For personal use only

(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

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

(b) the consolidated entity disclosure statement that is true and correct 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

For personal use only

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our 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 within the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Encounter Resources Limited for the year ended 30 June 2026 complies with Section 300A of the *Corporations Act 2001*.

*Responsibilities*

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

HLB Mann Judd

**HLB Mann Judd**
**Chartered Accountants**

**D I Buckley**
**Partner**

**Perth, Western Australia**
**25 September 2026**