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2026 annual report

encounter resources

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The Encounter Resources Limited 2026 Annual Corporate Governance Statement can be viewed at **https://www.encounterresources.com.au/corporate-governance/**

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01.
Letter from the Executive Chairman

Dear Fellow Shareholder,

On behalf of the Board, we are pleased to present Encounter's 2026 Annual Report. Twelve months ago, Aileron had a promising maiden resource. Today it is a globally significant niobium project with metallurgical studies and project development work advancing and a resource base that continues to expand. That shift, from proving a discovery to developing a project, is the story of Encounter's 2026.

It has not come at the expense of the rest of our business. Our copper portfolio, built patiently across some of Australia's most prospective regions over more than a decade, has kept delivering significant results, to the point where we have now launched a strategic review to make sure its value is properly recognised.

The Aileron Project – Delivering on the Promise of Scale

Aileron has gone from strength to strength in 2026. Our combined Inferred Mineral Resource Estimate has grown 54% to **120 million tonnes at 0.77% Nb_2O_5**, containing a high-grade core of **26 million tonnes at 1.7% Nb_2O_5**. This growth has been followed by outstanding infill and extensional drilling at Green and Emily, including the highest-grade niobium intersection recorded to date at Aileron – 51m @ 5.0% Nb_2O_5, including 13m @ 10.4% Nb_2O_5 – which was reported in September 2026, located outside the existing resource boundary and pointing to further growth ahead.

Beyond Green and Emily, high-grade niobium mineralisation is now emerging at Joyce, 6km to the east, validating our systematic, province-scale targeting strategy across our 1,680km^2 of tenure.

Metallurgical test work completed during the year has demonstrated recoveries and concentrate grades comparable to the world's three existing niobium producers. Alongside this, we lodged a Mining Lease application, commenced environmental and heritage surveys, and entered into a Memorandum of Understanding with niobium-battery technology developers Echion Technologies and Switch Technologies, opening a pathway for Aileron's niobium into the fast-growing battery and energy storage market.

With three rigs operating across the project we expect a steady stream of results through into 2027 as we continue to grow the resource and advance Aileron toward development.

This progress was recognised when Encounter received the **2025 AMEC Prospector of the Year Award** for the Aileron niobium-REE discovery, a fitting acknowledgement of the speed and scale with which our technical team has advanced this project from initial discovery to a globally significant resource.

Copper – Unlocking a Substantial, Underappreciated Portfolio

While Aileron has rightly commanded attention, 2026 has reinforced the scale and quality of Encounter's copper portfolio across Western Australia and the Northern Territory. At the **Yeneena Project** in the Paterson Province, drilling at the 8km-long Parbo copper system has upgraded an 800m-wide copper oxide blanket and returned high-grade copper intersections, building on the existing Tyrell Inferred Resource of 2.9Mt @ 0.8% Cu.

At the **Lamil Project**, 25km from the Telfer mine, drilling has defined a priority 1.2km-long copper-gold target at the Elsa prospect. At **Jessica**, our farm-in partner South32 commenced a 6,000m diamond and RC drill program in August 2026 to test large-scale sediment-hosted copper.

In August 2026 we commenced a strategic review of this copper portfolio to evaluate alternative corporate structures and new partnerships that could better realise its value and accelerate its advancement. Against a backdrop of growing global demand for new copper supply, we believe a portfolio of this quality and scale, in a Tier 1 jurisdiction, is increasingly scarce and increasingly valuable.



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Board Renewal – A New Chairman for Encounter's Next Phase

On 31 August 2026, we announced a transition in the Chairmanship of the Company, with Simon Hay appointed Non-Executive Chairman and Will Robinson moving to the role of Managing Director and CEO. The change comes at an important time for Encounter, as Aileron moves from resource definition into development studies, approvals and project execution.

As Chairman and Managing Director/CEO, we are looking forward to working closely together to lead Encounter through this next phase of growth. Our shared focus is clear: continue to grow and de-risk Aileron, advance it along the pathway to development, and unlock the value and accelerate the advancement of the Company's significant copper project portfolio.

Looking Forward

The West Arunta has confirmed itself as one of Australia's most significant new mineral provinces, and Aileron has moved decisively from discovery toward development, underpinned by a resource of genuine scale, encouraging metallurgy and an emerging pathway to market.

Global demand for critical minerals continues to accelerate, and Encounter is uniquely positioned, with the strategy, expertise and financial strength, to convert this extraordinary geological opportunity into outcomes that deliver lasting value for our shareholders.

On behalf of the Board and management, we extend our sincere thanks to our employees, partners, local communities and suppliers for their continued commitment and support. And most importantly, to our shareholders, thank you for your ongoing confidence as we advance our projects and work to deliver long-term value for all shareholders.

Yours sincerely

Simon Hay
Non-Executive Chairman

Will Robinson
Managing Director

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02.

Review of Operations

Year ended 30 June 2026



FY2026 Highlights



Aileron Mineral Resource grown by

54%↑

to a combined Inferred Mineral Resource of 120Mt @ 0.77% Nb_2O_5 (0.25% cut-off), including a high-grade component of 26Mt @ 1.7% Nb_2O_5 (1.0% cut-off)[1]

Metallurgical test work

demonstrated recoveries and concentrate grades comparable to existing global niobium producers[2]

Mining Lease application lodged

over a conceptual site layout for a future mining and processing operation at Aileron, supported by preliminary geotechnical, hydrogeological and environmental assessments[2]

Maiden Copper Inferred Mineral Resource at Yeneena

of 2.9Mt @ 0.79% Cu (including 1.1Mt @ 1.27% Cu) established at the Tyrell copper oxide deposit[3]

Extensive copper drilling

across the 8km-long Parbo copper system (Yeneena) and the Elsa prospect (Lamil), defining new high-grade copper-gold targets

Memorandum of Understanding

signed with Echion Technologies and Switch Technologies to collaborate on fostering an integrated niobium-lithium battery industry in Australia

Encounter received the 2025 AMEC Prospector Award

for the Aileron niobium-REE discovery, and appointed highly credentialed mining executive **Simon Hay** as an Independent Non-Executive Director

Encounter Resources Limited (ASX: ENR) ("Encounter" or "the Company") made substantial progress across its niobium-rare earth element (REE) and copper portfolio during the 2026 financial year, underpinned by the continued growth and de-risking of the 100%-owned Aileron Niobium-REE Project in the West Arunta region of Western Australia, and its expansive copper exploration portfolio across the Paterson Province of WA and the Northern Territory.

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Location Map

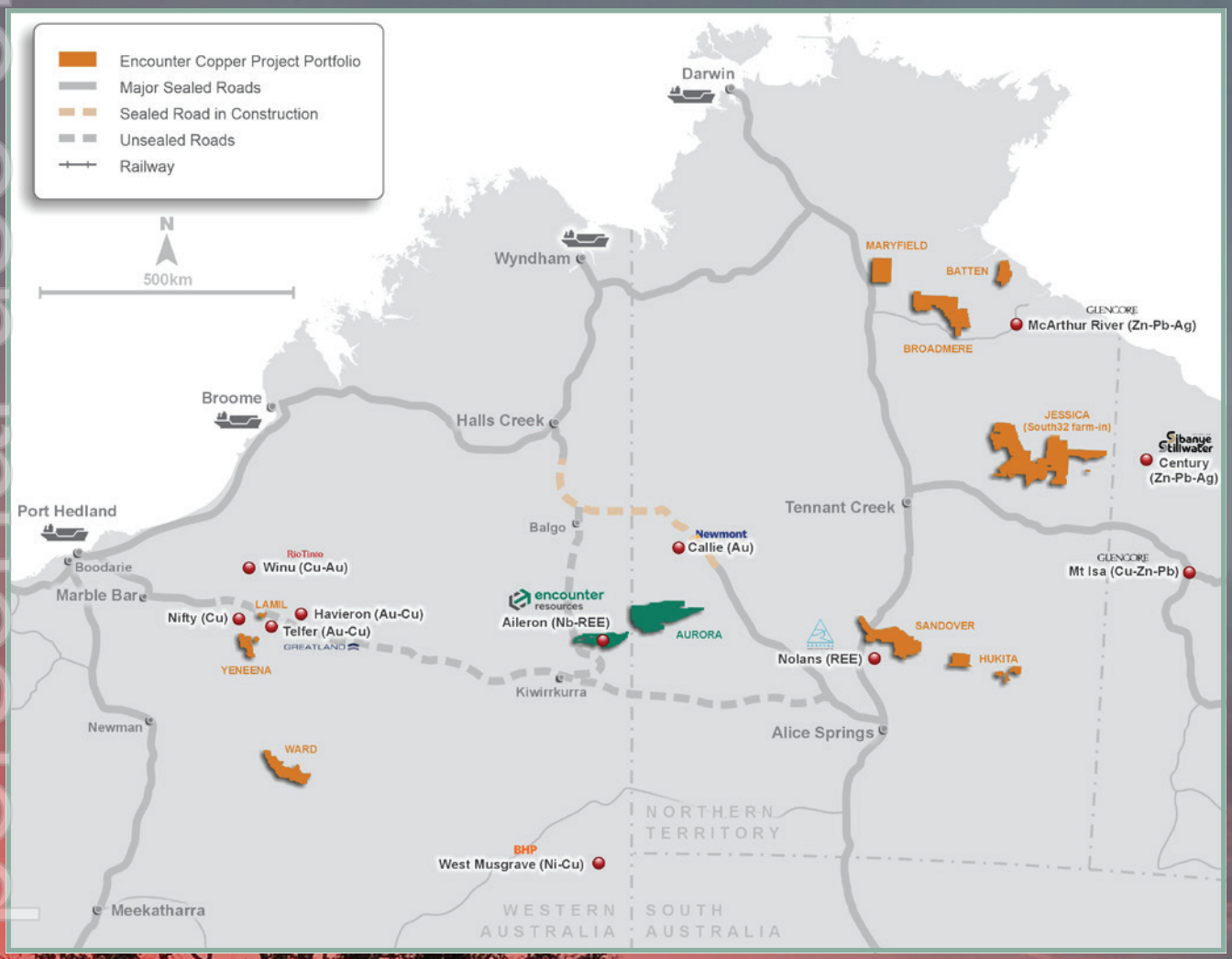


Figure 1 – Encounter Project Portfolio Location Plan

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

The Aileron Project, located approximately 600km west of Alice Springs, is situated in the West Arunta region – a rapidly emerging critical minerals province where significant niobium and REE discoveries continue to be made. Encounter holds a commanding land position across the key mineralised structures in the region, with resources defined to date at the **Green, Emily and Crean** deposits.

Resource Growth

Encounter's maiden Inferred Mineral Resource Estimate for Aileron was announced in May 2025[4] at 19.2Mt @ 1.74% Nb_2O_5 (above a 1.0% cut-off), within 67.6Mt @ 0.88% Nb_2O_5 (above a 0.25% cut-off), across the Green, Emily and Crean deposits. Following an extensive infill and extensional drilling program during FY2026, the Company released an updated Mineral Resource Estimate in April 2026[1]:

- The Green deposit grew by **83%** to an Inferred Mineral Resource of **19Mt @ 1.6% Nb_2O_5** (1.0% cut-off) within **100Mt @ 0.71% Nb_2O_5** (0.25% cut-off) – a 48% increase in contained Nb_2O_5 in the high-grade portion of the deposit
- The combined Aileron Inferred Mineral Resource increased by **54%** to **26Mt @ 1.7% Nb_2O_5** (1.0% cut-off) within **120Mt @ 0.77% Nb_2O_5** (0.25% cut-off)

Deposit	0.25% Nb_2O_5 cut-off						
	Tonnage (Mt)	Nb_2O_5 (%)	Nb_2O_5 (kt)	TREO (%)	TREO (kt)	P_2O_5 (%)	P_2O_5 (kt)
Green	100	0.71	711	0.34	341	5.4	5,401
Emily	13.9	0.93	130	0.32	45	7.4	1,035
Crean	5.7	1.4	78	0.84	48	7.4	423
Total	**120**	**0.77**	**919**	**0.36**	**433**	**5.7**	**6,858**

Deposit	1% Nb_2O_5 cut-off (subset of 0.25% Nb_2O_5 cut-off)						
	Tonnage (Mt)	Nb_2O_5 (%)	Nb_2O_5 (kt)	TREO (%)	TREO (kt)	P_2O_5 (%)	P_2O_5 (kt)
Green	19	1.6	291	0.46	86	7.8	1,472
Emily	3.7	1.9	71	0.61	22	11.2	414
Crean	3.5	1.9	67	1.1	36	8.2	283
Total	**26**	**1.7**	**430**	**0.56**	**146**	**8.4**	**2,173**

***Table 1** – Aileron Project Inferred Mineral Resource Estimate (April 2026)[1]*

Notes

- *The resource is constrained within optimised pit shells based on a price of US$45 per kilogram Nb (US$30/kg FeNb) and is reported above a 0.25% Nb_2O_5 cut-off grade.*
- *The resource reported above a 1% Nb_2O_5 cut-off grade is a subset of the 0.25% Nb_2O_5 cut-off grade.*
- *All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.*

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Aileron Niobium-REE-Copper Project – West Arunta, WA (100% ENR) (continued)

Exploration Results – Green Deposit

Green is a wide, strike-extensive deposit and the largest component of the Aileron resource, extending over more than 4km of strike. During FY2026, infill and extensional drilling continued to demonstrate the thickness, continuity and grade of niobium mineralisation across the deposit, including:

- **85m @ 3.1% Nb_2O_5** from 48m, within 124m @ 2.4% Nb_2O_5 from 45m (EAL961B)[5]
- **53m @ 2.6% Nb_2O_5** from 43m, within 125m @ 1.5% Nb_2O_5 from 40m to end of hole (EAL1375)[6]
- **53m @ 2.9% Nb_2O_5** from 79m to end of hole, incl. 7m @ 5.0% Nb_2O_5 from 81m, and 20m @ 3.8% Nb_2O_5 from 107m (EAL1452)[6]
- **75m @ 2.4% Nb_2O_5** from 43m to end of hole, incl. 21m @ 3.4% Nb_2O_5 from 43m (EAL1454)[6]

Drilling also extended the mineralised footprint of Green over 1km to the east (Green East), with results including **18m @ 2.0% Nb_2O_5** from 54m, within 50m @ 0.9% Nb_2O_5 to end of hole (EAL1318)[7].

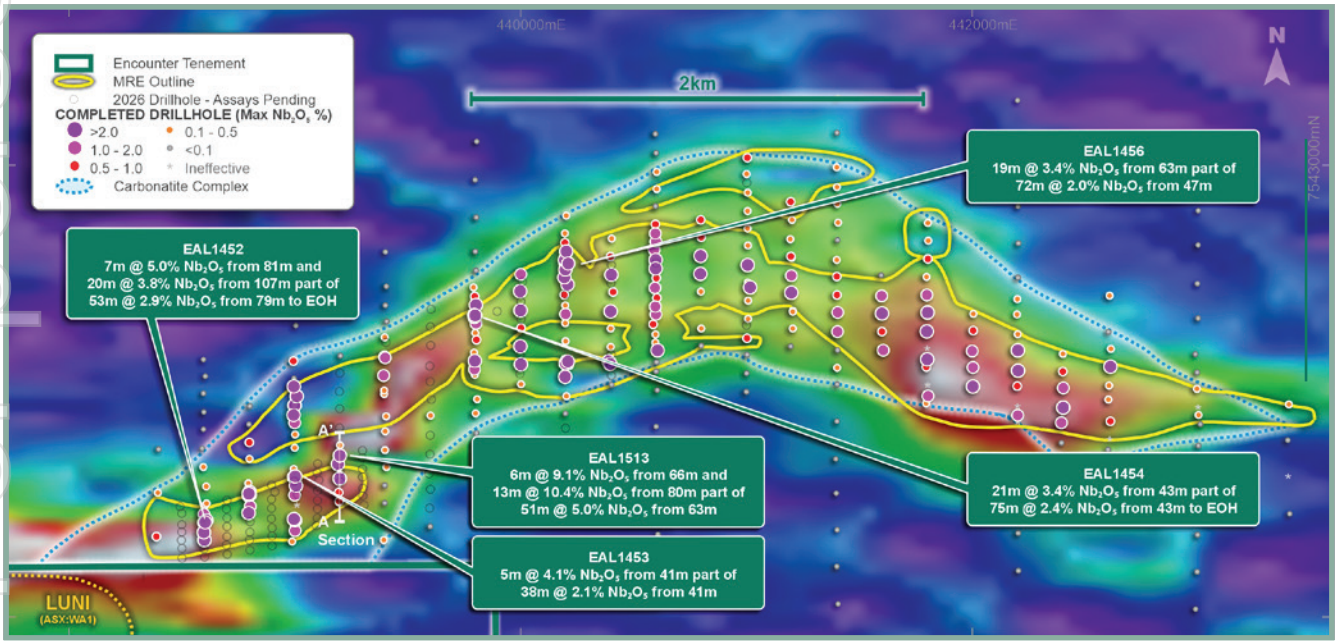


***Figure 2** – Green Deposit – Niobium – AEM Layered Earth Inversion (LEI) DS55 – 2026 Green drilling results*[5,15]

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Emily and Crean – High-Grade Extensions

The Emily deposit (Inferred Mineral Resource of 3.7Mt @ 1.9% Nb_2O_5 within 14Mt @ 0.93% Nb_2O_5) was the subject of further aircore drilling during FY2026, with prior results including **23m @ 4.2% Nb_2O_5** from 40m to end of hole (EAL259) and **20m @ 2.7% Nb_2O_5** from 41m to end of hole (EAL225)[8].

At the Elephant Island Fault, located approximately 10km north of the Emily-Luni-Green trend, aircore drilling intersected additional high-grade mineralisation approximately 500m east of the Crean deposit, including **24m @ 3.0% Nb_2O_5 and 1.7% TREO** from 106m, within 77m @ 1.7% Nb_2O_5 and 1.1% TREO from 83m (EAL1327)[9], highlighting the potential for the Elephant Island corridor to host further niobium-REE mineralisation.

REE Potential

Carbonatite complexes globally, such as Mt Weld (Lynas), Araxá (CBMM) and St Honoré (Magris), commonly host both niobium and REE mineralisation in separate zones of the same intrusive system. Diamond drilling at Green during FY2026 intersected REE-rich fluorocarbonate minerals, including bastnaesite, parisite and synchisite, along the southern margin of the carbonatite complex (drill hole EAL1370)[10], analogous to the high-grade bastnaesite-dominant REE mineralisation at the Mountain Pass deposit in the United States[11]. Subsequent aircore drilling returned multiple shallow REE intersections along strike, including **46m @ 1.0% TREO** from 43m (EAL1293)[7], confirming the southern margin of Green as a highly prospective for high-grade REE mineralisation.

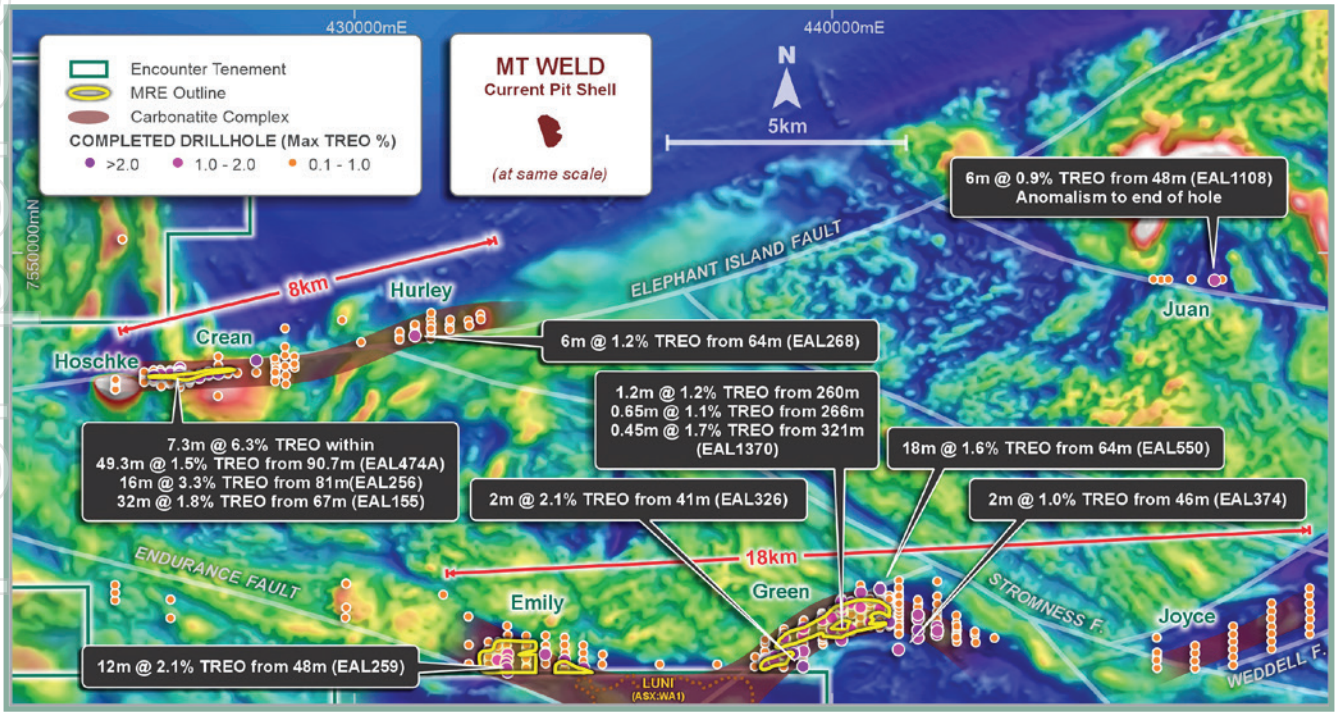


Figure 3 *– Aileron Project – REE trends (1VD Magnetics)*[1]

Aileron Niobium-REE-Copper Project – West Arunta, WA (100% ENR) (continued)

Metallurgical Test Work and Development Studies

Encounter completed initial beneficiation and refining test work on representative composites from the Green South West starter pit area, utilising process routes standard to the global niobium industry. Beneficiation recoveries to concentrate of 51-53% were achieved (40-43% Nb_2O_5 concentrate grade), while refining test work demonstrated recoveries of 98-99.9%, upgrading the concentrate grade up to 57% Nb_2O_5[2]. These are results comparable to those reported at existing niobium operations Araxá, Catalão II and Niobec.

As part of progressing Aileron toward development, the Company determined a conceptual site layout for a future mining and processing operation and lodged a Mining Lease application over the site[2], while advancing geotechnical, hydrogeological, metallurgical and environmental field programs.

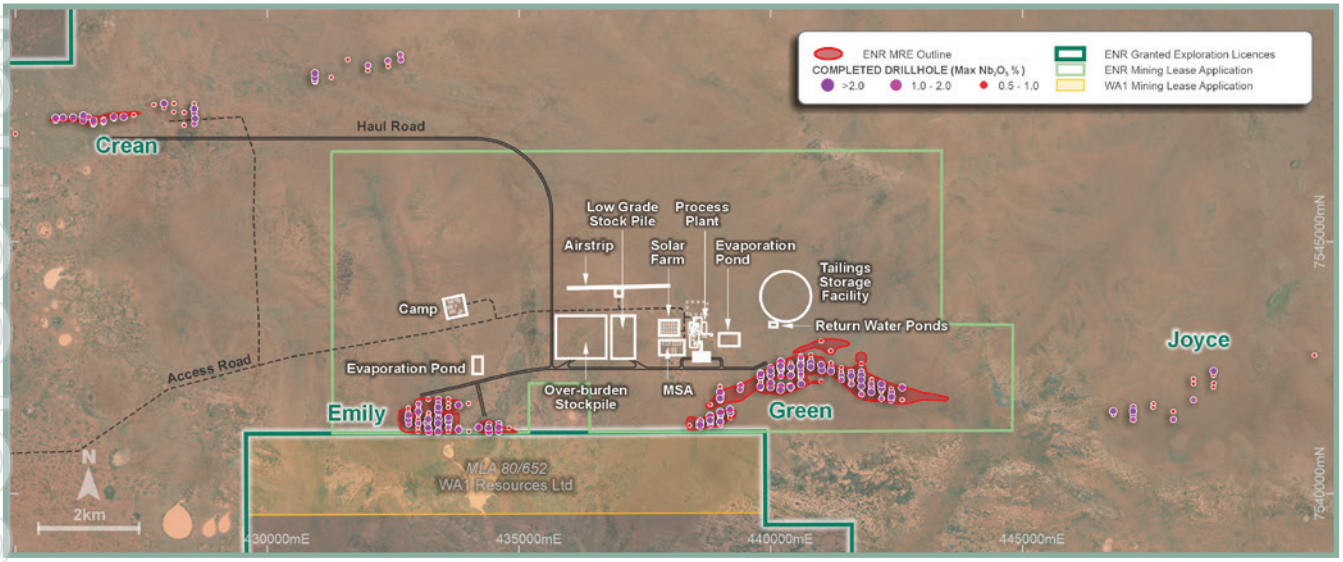


Figure 4 *– Conceptual Site Layout for the Aileron Project*[1]

In June 2026, Encounter entered into a Memorandum of Understanding with Echion Technologies Ltd and Switch Technologies (WA) Pty Ltd to collaborate on fostering an integrated lithium-niobium battery industry in Australia, utilising Echion's XNO® niobium-based anode technology[12]. The benefits of Echion's XNO® technology in batteries include very high power density, high energy density, ultra-fast charge rates, high cycle lives and strong safety metrics[13].

These attributes address key challenges for electrification of heavy industry where high productivity is a focus, and provide total cost of ownership advantages relative to other anode technologies. Similarly, these attributes are being shown to be beneficial for ESS applications where power requirements are volatile, instantaneous and repetitive, such as in AI data centres.

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Key Developments Since Year End

Aileron's large-scale field program, comprising three drill rigs, continues to deliver a strong flow of exploration results:

- **Emily high-grade zone expanded** – further aircore drilling confirmed and expanded the shallow, high-grade Emily zone, including intersections of 13m @ 3.2% Nb_2O_5 (EAL1993) and 15m @ 2.4% Nb_2O_5 (EAL1995) to end of hole[14]

- **Exceptional high-grade intersection at Green** – drillhole EAL1513, located outside the existing Green Mineral Resource boundary, returned the highest-grade niobium intersection to date at Aileron: **51m @ 5.0% Nb_2O_5 from 63m, including 13m @ 10.4% Nb_2O_5 from 80m**, highlighting the potential for resource growth[15]

- **High-grade zone emerging at Joyce**, located ~6km east of Green, with initial 2026 aircore results including 4m @ 2.4% Nb_2O_5 and 6m @ 1.3% Nb_2O_5, both to end of hole, validating the Company's regional targeting strategy[16]



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Copper-Gold Portfolio – Paterson Province, WA (100% ENR)

Encounter holds an extensive copper and copper-gold exploration portfolio in the highly prospective Paterson Province of Western Australia, in proximity to the Telfer copper-gold mine and the Nifty copper mine.

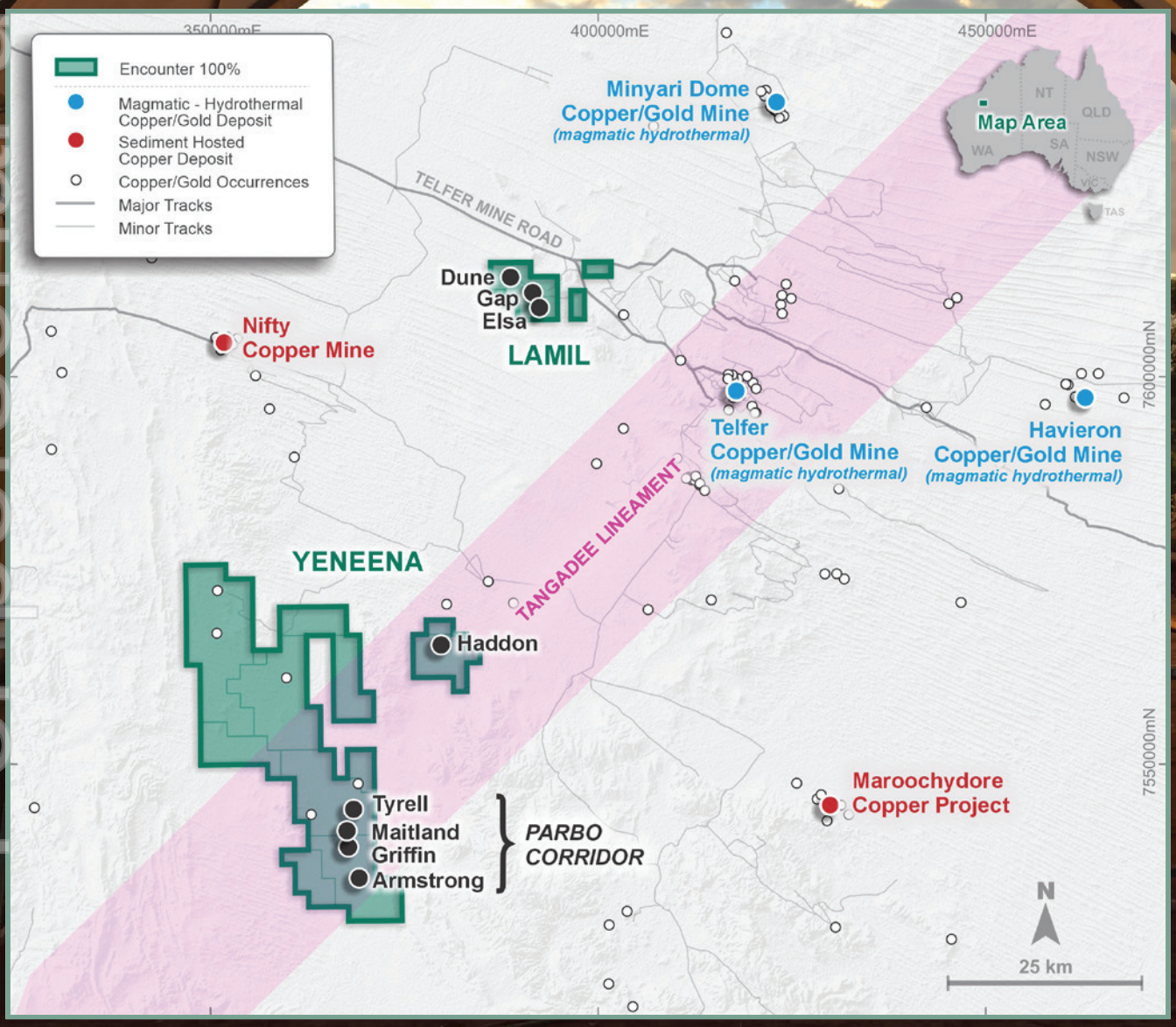


Figure 5 *– Lamil and Yeneena Project Location Plan*



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Yeneena Copper Project – Parbo Copper System

Following the return of 100% ownership of Yeneena in May 2025, Encounter established a maiden Inferred Mineral Resource for the shallow, high-grade copper oxide mineralisation at the Tyrell deposit within the 8km-long Parbo copper system[3]:

Domain	Inferred Mineral Resource Estimate (JORC 2012)		
	Tonnes (Mt)	Copper Grade (%)	Contained Copper Metal (kt)
HG	1.1	1.27%	14.0
LG	1.7	0.48%	8.2
Total	**2.9**	**0.79%**	**22.6**

***Table 2** – Tyrell Copper Oxide Mineral Resource Estimate[3]*

Notes

- *The resource is constrained within an optimised pit shell based on a Cu price of A$17,000 per tonne and is reported above a 0.25% Cu cut-off grade.*
- *All tonnages reported are dry metric tonnes.*

During FY2026 and the months following, Encounter drilled a series of priority targets across the broader Parbo system, with results confirming and extending the shallow copper oxide blanket across the +800m wide system, including **20m @ 0.4% Cu** from 36m including 2m @ 1.7% Cu at Griffin (EPT2439), and **6m @ 0.6% Cu** from 130m at Armstrong (EPT2442)[17].

Copper-Gold Portfolio – Paterson Province, WA (100% ENR) (continued)

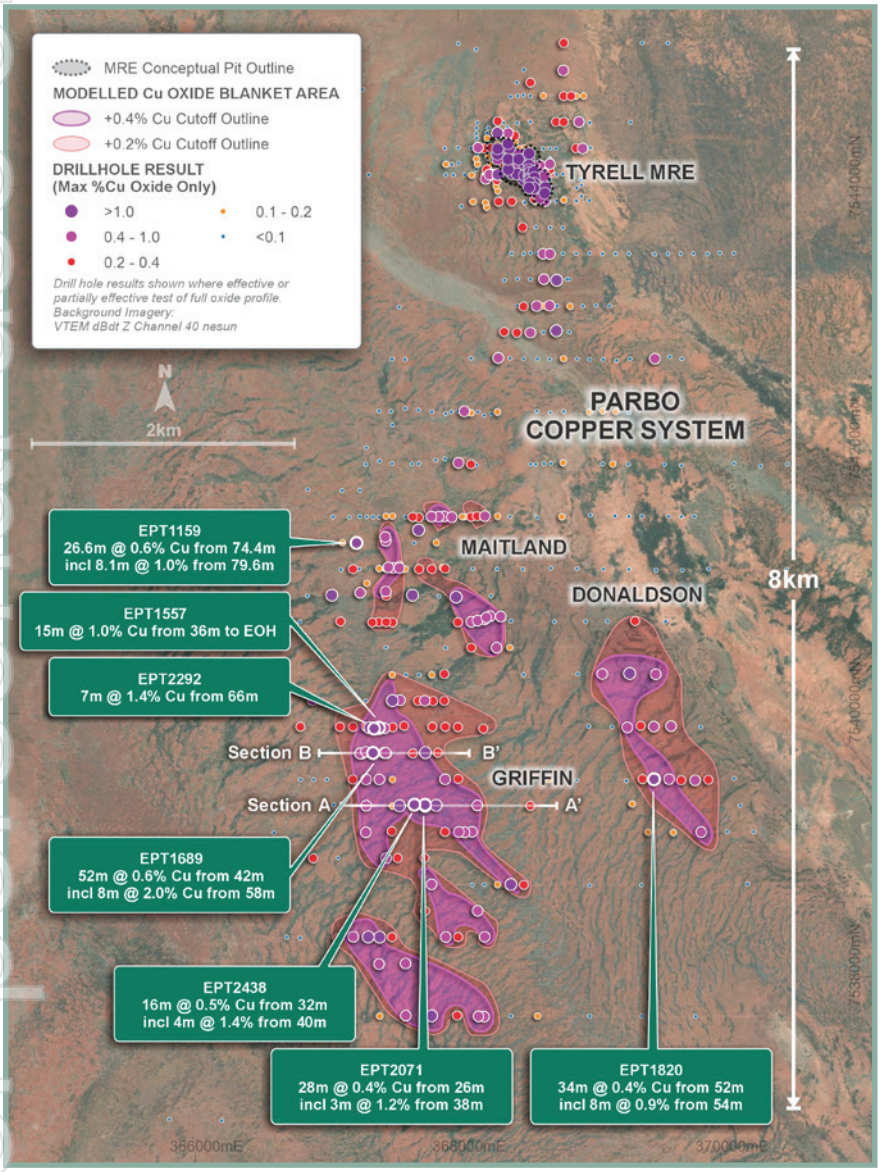


Figure 6: *Parbo drill hole plan on VTEM, showing the modelled copper oxide blanket at +0.2% and +0.4% Cu cut-offs*[18]

In September 2026, Encounter outlined multiple large, shallow copper oxide blankets at Parbo[18]. The blankets were modelled from a re-interpretation of historical drilling and Encounter's 2026 drilling. Coherent +0.4% Cu zones extend for more than 1km of strike, within a +0.2% Cu envelope up to ~800m wide, hosted in weathered Broadhurst Formation adjacent to the McKay Fault. Key intersections include **52m @ 0.6% Cu from 42m**, including **8m @ 2.0% Cu** (EPT1689), and **15m @ 1.0% Cu and 0.6% Co** from 36m to end of hole (EPT1557)[19, 20, 21].

Relative to the extent of copper anomalism at Parbo there has been minimal, broad spaced drilling at depth. Many deeper holes have intersected broad, and high-grade copper sulphide zones such as **140.5m @ 0.2% Cu from 144m incl. 1.3m @ 3.2% Cu** (EPT2158), and **5.3m @ 2.5% Cu from 387.6m incl. 0.7m @ 10.7% Cu** (EPT1719) at Griffin, and **34m @ 0.64% Cu from 156m including 10m @ 1.64% Cu from 166m** (EPT1112) at Maitland[22].

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Lamil Copper-Gold Project

The Lamil Project covers approximately 61km^2, located 25km northwest of the Telfer copper-gold mine. Historical drilling at the Dune prospect has returned high-grade intersections including **1.5m @ 19.1% Cu** from 409.1m (ETG0226) and, in drillhole ETG0244, a tetrahedrite-chalcopyrite copper-silver vein grading **0.75m @ 268g/t Ag and 2.5% Cu** from 616.65m – a new mineralisation style for the project.

During FY2026, an EIS co-funded, 10,000m RC drilling program at the Elsa prospect tested an interpreted intrusive breccia complex, informed by geological analogy with the Havieron gold-copper deposit (7.0Moz Au, 275kt Cu)[23], located 80km to the east. Drilling defined a priority copper-gold zone over 1.2km of strike on the margin of the breccia complex, with results including[24]:

- **18m @ 0.45% Cu** from 96m, including 2m @ 1.15% Cu from 100m (ETG284)
- **6m @ 1.74g/t Au** from 94m, including 2m @ 3.5g/t Au from 96m (ETG283)
- **40m @ 0.23g/t Au** from 100m (ETG303)

Mineralisation coincides with an extensive zone of preferential weathering extending more than 200m below surface without reaching fresh rock, supporting the case for deeper follow-up drilling planned to test for a more sulphide-rich system at depth.

Strategic Review of Copper Portfolio

In August 2026, Encounter commenced a strategic review of its extensive copper portfolio across Western Australia and the Northern Territory to evaluate alternative corporate structures and new partnerships that could better realise the value of these assets and accelerate their advancement[17].

Northern Territory Copper Portfolio

Jessica Copper Project (South32 Farm-in)

Jessica covers approximately 9,400km^2 along key structural corridors east of Tennant Creek and is prospective for sediment-hosted copper and Iron Oxide Copper-Gold (IOCG) style mineralisation.

Prior drilling by South32 at the Zeta IOCG target intersected zones of hematite alteration and quartz carbonate veining containing chalcopyrite and bornite[23]. During FY2026, South32 completed an extensive geophysical program at Jessica, including a 2,765 line-km airborne electromagnetic survey[25] (co-funded by the NT Geological Survey) and a MIMDAS survey over the Zeta IOCG target and Jessica Central magnetic anomalies, identifying priority drill targets. A new tenement (EL34124, 685km^2) was added to the farm-in area, further expanding the project footprint.

In September 2026, South32 commenced a 6,000m diamond and RC drilling program, funded under the farm-in agreement, to test the priority targets defined by the 2025 geophysical surveys[26].

Sandover Copper Project (100% ENR)

Located approximately 170km north of Alice Springs, the Sandover Project covers a major structural corridor and Neoproterozoic depocentre along the southern margin of the Georgina Basin. Outcropping cupriferous shale units have been mapped over more than 20km of strike, with surface sampling returning assays up to 20.9% Cu[27]. Two diamond holes completed during FY2026 intersected anomalous copper sulphide mineralisation, confirming the geological units required for sediment-hosted copper systems[27]. A broader passive seismic survey, co-funded by the NT Geological Survey, is scheduled for October 2026 to assist in defining drill targets.

Maryfield and Broadmere

Encounter is advancing early-stage copper projects at Maryfield and Broadmere, located on the margins of the Beetaloo Basin within the Greater McArthur Superbasin. A geological review and gravity survey at Maryfield, building on historical drilling by Normandy in 1999, has identified multiple targets for testing.

Ward Copper Project – Salvation Basin, WA (100% ENR)

Encounter applied for new exploration licences covering more than 1,870km^2 in the Salvation Basin, approximately 250km northeast of Meekatharra, following a review of historical hydrocarbon exploration data that identified a prospective early Neoproterozoic black shale sequence. Both Rio Tinto and Teck have subsequently applied for adjacent exploration licences, underscoring the emerging regional interest in the basin.

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References

1. *ENR ASX announcement 22 April 2026*
2. *ENR ASX announcement 18 May 2026*
3. *ENR ASX announcement 26 September 2025*
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5. *ENR ASX announcement 6 October 2025*
6. *ENR ASX announcement 25 August 2026*
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8. *ENR ASX announcement 8 July 2024*
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10. *ENR ASX announcement 17 November 2025*
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13. *Echion Technologies. Insights & Resources from the world's leading supplier of niobium-based anode materials (echiontech.com/insights-resources/#niobium)*
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19. *ENR ASX announcement 28 August 2013*
20. *ENR ASX announcement 22 October 2013*
21. *ENR ASX announcement 1 June 2012*
22. *Greatland Gold, Havieron Mineral Resource, March 2026*
23. *ENR ASX announcement 27 July 2026*
24. *ENR ASX announcement 10 April 2024*
25. *ENR ASX announcement 2 September 2026*
26. *ENR ASX announcement 9 June 2022*

Competent Person Statements

The information in this report that relates to Exploration Results is based on information compiled by Mr. Peter Bewick who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Bewick was a full time employee of Encounter Resources Ltd and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bewick consents to the inclusion in the report of the matters based on the information compiled by him, in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases and confirms that it is not aware of any new data or information that materially affects the information disclosed in this announcement and previously released by the Company in relation to mineral resource estimates. All material assumptions and technical parameters underpinning the mineral resource estimates in the relevant market announcements continue to apply and have not materially changed.

The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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03.

Mineral Resources and Ore Reserves Statement



Mineral Resources as at 30 June 2026

Aileron Nb-REE Project

1.0% Nb_2O_5 cut-off (subset of 0.25% Nb_2O_5 cut-off)							
	2026 MRE				2025 MRE		
Deposit	Tonnage (Mt)	Grade (% Nb_2O_5)	Metal Contained (kt Nb_2O_5)	Increase (%)	Tonnage (Mt)	Grade (% Nb_2O_5)	Metal Contained (kt Nb_2O_5)
Green	19	1.6	291	48%	12	1.6	197
Emily	3.7	1.9	72	-	3.7	1.9	72
Crean	3.5	1.9	67	-	3.5	1.9	67
Total	**26**	**1.7**	**430**	**29%**	**19**	**1.7**	**334**

0.25% Nb_2O_5 cut-off							
	2026 MRE				2025 MRE		
Deposit	Tonnage (Mt)	Grade (% Nb_2O_5)	Metal Contained (kt Nb_2O_5)	Increase (%)	Tonnage (Mt)	Grade (% Nb_2O_5)	Metal Contained (kt Nb_2O_5)
Green	100	0.71	711	83%	48	0.81	389
Emily	14	0.93	129	-	14	0.93	129
Crean	5.7	1.4	79	-	5.7	1.4	79
Total	**120**	**0.77**	**919**	**54%**	**68**	**0.88**	**597**

***Table 1** – Aileron Project Mineral Resource Estimates comparing 2025[1] and 2026[2] Inferred MRE estimates as of June 30 2026[1]*

Notes:

- *The Resource estimate is produced in accordance with the 2012 Edition of the Australian Code for Reporting of Mineral Resources and Ore Reserves (the "2012 JORC Code").*
- *The resource is constrained within optimised pit shells based on a price of US$45 per kilogram Nb (US$30/kg FeNb) and is reported above a 0.25% Nb_2O_5 cut-off grade.*
- *The resource reported above a 1% Nb_2O_5 cut-off grade is a subset of the 0.25% Nb_2O_5 cut-off grade.*
- *All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.*
- *The announcement containing the Table 1 Checklists of Assessment and Reporting Criteria relating to the 2012 JORC Compliant Resource is Encounter Resources Limited announcement 'Aileron Resources Grow by Over 50% to 120Mt' on 22 April 2026.*

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Yeneena Copper Project - Tyrell Prospect

Inferred Mineral Resource Estimate (JORC 2012)			
Domain (Mt)	Tonnage (Mt)	Copper Grade (%)	Contained Copper Metal (kt)
HG	1.1	1.27%	8.2
LG	1.7	0.48%	14.0
Total	**2.9**	**0.79%**	**22.6**

Table 2 *– Tyrell Copper Oxide Inferred Mineral Resource Estimate 2025. There has been no change to the Tyrell Prospect to June 30 2026*

Notes:

- *The Resource estimate is produced in accordance with the 2012 Edition of the Australian Code for Reporting of Mineral Resources and Ore Reserves (the "2012 JORC Code").*
- *The resource is constrained within an optimised pit shell based on a Cu price of A$17,000 per tonne and is reported above a 0.25% Cu cut-off grade.*
- *All tonnages reported are dry metric tonnes.*
- *All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.*
- *The announcement containing the Table 1 Checklists of Assessment and Reporting Criteria relating to the 2012 JORC Compliant Resource is Encounter Resources Limited announcement 'First Copper Resource Defined at Yeneena' on 26 September 2025.*

Changes to Mineral Resource Estimates since 30 June 2026

The Aileron Nb-REE Mineral Resource Estimate (Table 1) increased by 54% in contained Nb_2O_5 at a 0.25% Nb_2O_5 cut-off grade. This increase was attributable to additional extensional and infill drilling undertaken at the Green deposit during 2025. The Mineral Resource Estimates for the Crean and Emily deposits remained unchanged from those reported in 2025.

There has been no change to the Tyrrell Mineral Resource Estimate at the Yeneena Copper Project since 30 June 2026 (Table 2).

Ore Reserves

The are no ore reserves stated as at, or since, 30 June 2026.

Governance

Encounter ensures that the Mineral Resource estimates quoted are subject to governance arrangements and internal controls activated at a site and corporate level.

All aspects of the Mineral Resource process follow a high level of industry standard practices. Contract AC, RC and diamond drilling is overseen by experienced Encounter staff. Geological logging and sampling are completed by Encounter geologists. Encounter employs field Quality Assurance and Quality Control (QAQC) procedures, including addition of certified reference material standards, blanks and duplicates ahead of laboratory multi element analysis which is undertaken at ALS laboratories throughout Australia.

All drilling information is continually validated by Encounter Geologists and managed by Encounter's Database Administrator. Geological models and wireframes are built using careful geological documentation and interpretations, all of which are validated by peer review. Resource estimation is undertaken by an independent consultant and reported under JORC 2012. Estimation techniques are industry standard and include block modelling using Ordinary Kriging. Application of other parameters including cut off grades, top cuts and classification are all dependent on the style and nature of mineralisation being assessed.

Competent Person's Statement

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

Mr Brodie has approved this Mineral Resources and Ore Reserves Statement as a whole and consents to its inclusion in the Annual Report in the form and context in which it appears.

In relation to Mineral Resources and Ore Reserves, the Company confirms that all material assumptions and technical parameters that underpin the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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04.
Summary of Tenements

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Summary of Tenements (continued)

Lease	Lease Name	Project Name	Area km²	Managing Company	Encounter Interest
E80/5169	Aileron	West Arunta	111.02	Encounter Aileron Pty Ltd	100%
E80/5469	Aileron	West Arunta	533	Encounter Aileron Pty Ltd	100%
E80/5470	Aileron	West Arunta	612	Encounter Aileron Pty Ltd	100%
E80/5522	Aileron	West Arunta	428	Encounter Aileron Pty Ltd	100%
MLA80/661	Aileron	West Arunta	6,938.06 Hectares	Encounter Aileron Pty Ltd	100%
L80/126 Application	West Arunta	West Arunta	3731.33 Hectares	West Arunta Infrastructure Pty Ltd	100%
E45/2500	Yeneena	Paterson	6.35	Encounter Operations Pty Ltd	100%
E45/2502	Yeneena	Paterson	44.46	Encounter Operations Pty Ltd	100%
E45/2657	Yeneena	Paterson	156	Encounter Operations Pty Ltd	100%
E45/2658	Yeneena	Paterson	95	Encounter Operations Pty Ltd	100%
E45/3768	Yeneena	Paterson	149	Encounter Operations Pty Ltd	100%
E45/2805	Yeneena	Paterson	86	Encounter Operations Pty Ltd	100%
E45/2806	Yeneena	Paterson	35	Encounter Operations Pty Ltd	100%
E45/5379	Yeneena	Paterson	15.86	Shumwari Pty Ltd	0% * Option to Purchase
E45/5333	Yeneena	Paterson	76.13	Encounter Operations Pty Ltd	100%
E45/4613	Lamil	Paterson	61	Encounter Paterson Pty Ltd	100%
E30/517	Rani	Yilgarn	125.17	Baudin Resources Pty Ltd	100% (17 graticular blocks on western side of E30/517 subject to option agreement)
E30/527	Rani	Yilgarn	6	Baudin Resources Pty Ltd	100%
ELA30/597	Rani	Yilgarn	208.85	Baudin Resources Pty Ltd	100%
ELA69/4351	Ward	South Officer	624	Faure Resources Pty Ltd	100%
ELA69/4407	Ward	South Officer	625.16	Faure Resources Pty Ltd	100%
ELA69/4408	Ward	South Officer	623.73	Faure Resources Pty Ltd	100%
EL32374	Sandover	Northern Territory	795.4	Baudin Resources Pty Ltd	100%
EL32421	Sandover	Northern Territory	679.69	Baudin Resources Pty Ltd	100%
EL32694	Sandover	Northern Territory	89.1	Baudin Resources Pty Ltd	100%
EL32695	Sandover	Northern Territory	384.9	Baudin Resources Pty Ltd	100%
EL32696	Sandover	Northern Territory	197.1	Baudin Resources Pty Ltd	100%
EL33060	Sandover	Northern Territory	375.6	Baudin Resources Pty Ltd	100%
EL33942	Sandover	Northern Territory	51.95	Baudin Resources Pty Ltd	100%
EL32721	Broadmere	Northern Territory	535	Baudin Resources Pty Ltd	100%

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Summary of Tenements (continued)

Lease	Lease Name	Project Name	Area km²	Managing Company	Encounter Interest
EL33915	Broadmere	Northern Territory	359.67	Baudin Resources Pty Ltd	100%
EL33720	Broadmere South	Northern Territory	824.26	Baudin Resources Pty Ltd	100%
EL32727	Maryfield	Northern Territory	795.65	Baudin Resources Pty Ltd	100%
EL32728	Maryfield	Northern Territory	826.95	Baudin Resources Pty Ltd	100%
EL34104	Huckitta	Northern Territory	775.72	Baudin Resources Pty Ltd	100%
EL34105	Huckitta	Northern Territory	164.68	Baudin Resources Pty Ltd	100%
EL34113	Huckitta	Northern Territory	201.2	Baudin Resources Pty Ltd	100%
ELA32937	Broadmere	Northern Territory	825.11	Baudin Resources Pty Ltd	100%
ELA32938	Broadmere	Northern Territory	744.04	Baudin Resources Pty Ltd	100%
ELA33617	Broadmere	Northern Territory	389.43	Baudin Resources Pty Ltd	100%
ELA33048	Sandover	Northern Territory	789.2	Baudin Resources Pty Ltd	100%
ELA33396	Aurora	Northern Territory	797.4	Encounter Aileron Pty Ltd	100%
ELA33397	Aurora	Northern Territory	796.53	Encounter Aileron Pty Ltd	100%
ELA33398	Aurora	Northern Territory	797.88	Encounter Aileron Pty Ltd	100%
ELA33399	Aurora	Northern Territory	797.58	Encounter Aileron Pty Ltd	100%
ELA33561	Aurora	Northern Territory	776.28	Encounter Aileron Pty Ltd	100%
ELA33562	Aurora	Northern Territory	798.12	Encounter Aileron Pty Ltd	100%
ELA33562	Aurora	Northern Territory	798.12	Encounter Aileron Pty Ltd	100%
ELA34420	Batten	Northern Territory	749.64	Baudin Resources Pty Ltd	100%
ELA34272	Playford West	Northern Territory	389.14	Baudin Resources Pty Ltd	100%
EL32273	Jessica	Northern Territory	750.46	South32	100%, South32 earning up to 75%
EL32317	Jessica	Northern Territory	738.6	South32	100%, South32 earning up to 75%
EL32338	Jessica	Northern Territory	783.5	South32	100%, South32 earning up to 75%
EL32339	Jessica	Northern Territory	791.42	South32	100%, South32 earning up to 75%
EL32386	Jessica	Northern Territory	814.55	South32	100%, South32 earning up to 75%
EL32387	Jessica	Northern Territory	814.94	South32	100%, South32 earning up to 75%
EL32388	Jessica	Northern Territory	813.76	South32	100%, South32 earning up to 75%
EL32493	Jessica	Northern Territory	811.55	South32	100%, South32 earning up to 75%
EL33742	Jessica	Northern Territory	810.71	South32	100%, South32 earning up to 75%
EL33332	Jessica	Northern Territory	812.77	South32	100%, South32 earning up to 75%
EL33334	Jessica	Northern Territory	814.13	South32	100%, South32 earning up to 75%
EL34124	Jessica	Northern Territory	684.82	South32	100%, South32 earning up to 75%

Summary of tenements as of 6th October 2026.

* *Shumwari Option Agreement*

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05.
Directors' Report

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Directors

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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.

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).

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

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.

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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.

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	-	-	-	-

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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.

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.

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Operations and financial review (continued)

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.

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.

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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.

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.

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Options and Performance Rights (continued)

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.

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.

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Environmental Regulation and Performance

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

Remuneration Report (Audited)

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

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.

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Remuneration Report (Audited) (continued)

Executive Director and Other Key Management Personnel Remuneration

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

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

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

Incentive Plans

The Company provides long term incentives to Directors and Employees pursuant to the Encounter Resources Employee Share 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.

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Remuneration Report (Audited) (continued)

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.

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.

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Remuneration Report (Audited) (continued)

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.

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.*

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Remuneration Report (Audited) (continued)

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.*

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.

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Remuneration Report (Audited) (continued)

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%

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.

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Remuneration Report (Audited) (continued)

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.*

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	Balance at the 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.*

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Remuneration Report (Audited) (continued)

Share holdings

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

2026	Balance at the 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*

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.

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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 $	2025 $
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

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HLB MANN JUDD
ADVISORY AND ACCOUNTING

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

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07.

Consolidated Financial Statements

For the Year Ended 30 June 2026

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

	Note	Consolidated 2026 $	Consolidated 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.

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Consolidated Statement of Financial Position As at 30 June 2026

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	Note	Consolidated 2026 $	Consolidated 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.

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

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2025	Consolidated			
	Issued capital	Accumulated losses	Equity remuneration reserve	Total
	$	$	$	$
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	Consolidated			
	Issued capital	Accumulated losses	Equity remuneration reserve	Total
	$	$	$	$
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:				
Shares issued (net of costs)	24,741,538	-	-	24,741,538
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.

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

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	Note	Consolidated 2026 $	Consolidated 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
		8,281,830	4,587,982
Net increase in cash held			
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.

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Notes to the Financial Statements

For the financial year ended 30 June 2026



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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.

(a) Segment reporting

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

(b) Other income

Interest income

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

Option fee income

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

Management fee income

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

Note 1 Summary of material accounting policy information (continued)

(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.

(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.

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Note 1 Summary of material accounting policy information (continued)

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.

(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.

(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.

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Note 2 Financial risk management (continued)

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.

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.

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Note 5 Other income

Operating activities

	Consolidated	
	2026	2025
	$	$
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):

	Note	Consolidated	
		2026	2025
		$	$
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)

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Note 7 Income tax

a) Income tax expense

	Consolidated	
	2026	2025
	$	$
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	-	-

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

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Note 7 Income tax (continued)

d) Deferred tax – Income Statement

	Note	Consolidated 2026 $	Consolidated 2025 $
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

	Consolidated 2026 $	Consolidated 2025 $
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

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

(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.

(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

	Consolidated	
	2026	2025
	$	$
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.

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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:

	2026 $	2025 $
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	-

Subsidiary Company	Date of Incorporation	Country of Incorporation	Ownership Interest 2026	Ownership Interest 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.

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

	Consolidated	
	2026	2025
	$	$
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

	Consolidated	
	2026	2025
	$	$
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.

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

	Consolidated	
	2026	2025
	$	$
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

	Consolidated	
	2026	2025
	$	$
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.

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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.

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Note 16 Current liabilities – Trade and other payables

	Consolidated	
	2026	2025
	$	$
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

	Consolidated	
	2026	2025
	$	$
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

	Note	Consolidated	
		2026	2025
		$	$
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.

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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.

b) Share capital

	Issue price	2026 No.	2025 No.	2026 $	2025 $
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.

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Note 19 Issued capital (continued)

Capital risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can 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.

Note 20 Options 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.

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Note 20 Options and share based payments (continued)

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 outstanding	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

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.*

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Note 20 Options and share based payments (continued)

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.

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).

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Note 20 Options and share based payments (continued)

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[1]	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

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	-

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Note 21 Reserves and accumulated losses

	Consolidated			
	2026		2025	
	Accumulated losses	Equity remuneration reserve[1]	Accumulated losses	Equity remuneration reserve (i)
	$	$	$	$
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 exer-cise 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.*

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.

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Note 22 Financial instruments (continued)

2026	Profit or loss		Equity	
	1% increase	1% decrease	1% increase	1% decrease
	$	$	$	$
Variable rate instruments	269,203	(269,203)	269,203	(269,203)

2025	Profit or loss		Equity	
	1% increase	1% decrease	1% increase	1% decrease
	$	$	$	$
Variable rate instruments	186,385	(186,385)	186,385	(186,385)

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):

2026	Consolidated						
	Carrying amount	Contractual cash flows	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
	$	$	$	$	$	$	$
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	Consolidated						
	Carrying amount	Contractual cash flows	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
	$	$	$	$	$	$	$
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	-	-

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Note 22 Financial instruments (continued)

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.

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.

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Note 24 Key management personnel disclosures (continued)

(b) Key management personnel compensation

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

	2026 $	2025 $
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

	2026 $	2025 $
Audit and review of the Company's financial statements	49,179	56,800
Other	-	-
	49,179	56,800

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.

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Note 26 Contingencies (continued)

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.

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.

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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.

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

	Consolidated	
	2026	2025
	$	$
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
	Cents	Cents
a) Basic earnings per share		
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)

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Note 31 Earnings per share (continued)

	2026 No.	2025 No.
d) Weighted average number of shares used as the denominator		
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	538,023,339	478,441,136

Note 32 Parent entity information

Financial position

	Company 2026 $	Company 2025 $
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.

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Consolidated Entity Disclosure Statement

As at 30 June 2026

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

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Directors' Declaration

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

(a) the financial statements and notes set out on pages 43 to 72 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

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INDEPENDENT AUDITOR'S REPORT

To the Members of Encounter Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Encounter Resources Limited ("the Company") and its 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.

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Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of Capitalised Mineral Exploration And Evaluation Expenditure Refer to Note 14	
In accordance with *AASB 6 Exploration for and Evaluation of Mineral Resources*, the Group capitalises exploration and evaluation expenditure. 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: - We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; - We considered the Directors' assessment of potential indicators of impairment; - We obtained evidence that the Group has current rights to tenure of its areas of interest; - We examined the exploration budget for the coming period and discussed with management the nature of planned ongoing activities; - 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; - We substantiated a sample of capitalised expenditure to underlying support; and - 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

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(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.

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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
Chartered Accountants

D I Buckley
Partner

Perth, Western Australia
25 September 2026

08.

ASX Additional Information



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Pursuant to the Listing Requirements of the Australian Securities Exchange, the shareholder information set out below was applicable as at 28 September 2026.

A. Distribution of Equity Securities

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

Distribution	Number of shareholders	Securities held	% Securities
1 – 1,000	216	100,264	0.02%
1,001 – 5,000	928	2,731,146	0.49%
5,001 – 10,000	552	4,462,664	0.80%
10,001 – 100,000	1,263	47,728,623	8.52%
More than 100,000	492	505,442,011	90.17%
Totals	**3,451**	**560,464,708**	**100.00%**

There are 403 shareholders holding less than a marketable parcel of ordinary shares.

B. Substantial Shareholders

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

	Issued Ordinary Shares	
Name of Substantial Holder	Number of shares	% of shares
Paradice Investment Management Pty Ltd	44,387,649	7.93%
Will Robinson	28,835,889	5.15%
IGO Limited	28,400,572	5.07%

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C. Twenty Largest Shareholders

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

		Ordinary Shares - Quoted	
	Shareholder Name	Number of shares	% of Shares
1	HSBC Custody Nominees (Australia) Limited	75,085,056	13.40%
2	William Robinson And Associates	28,835,889	5.15%
3	Zero Nominees Pty Ltd	25,700,000	4.59%
4	Chalice Mining Limited	27,331,579	4.88%
5	BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	13,855,675	2.47%
6	Peter Bewick And Associates	12,290,303	2.19%
7	Citicorp Nominees Pty Limited	12,117,622	2.16%
8	Precision Opportunities Fund Ltd <Investment A/C>	12,000,000	2.14%
9	UBS Nominees Pty Ltd	11,006,429	1.96%
10	BNP Paribas Noms Pty Ltd	10,995,181	1.96%
11	Phillip Crutchfield And Associates	10,802,264	1.93%
12	Jayleaf Holdings Pty Ltd <The Pollock Investment A/C>	10,000,000	1.78%
13	Stone Poneys Nominees Pty Ltd <Chapman Super Fund A/C>	9,832,150	1.75%
14	Treasury Services Group Pty Ltd <Nero Resource Fund A/C>	6,780,882	1.21%
15	Thorney International Pty Ltd	6,604,838	1.18%
16	Picton Cove Pty Ltd	6,419,437	1.15%
17	Melbourne Securities Corporation Limited <Orimco Resource Fund A/C>	6,169,649	1.10%
18	Scotney Investments Pty Ltd	5,913,865	1.06%
19	Fifty Second Celebration Pty Ltd <McBain Family A/C>	4,795,143	0.86%
20	Mr Garry Noel Bungey & Mrs Vivienne Alice Nola Bungey <Bungey Super Fund Account>	4,000,000	0.71%
Total		**300,535,962**	**53.62%**

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D. Unquoted Securities

Unlisted Options

Number of Options	Exercise Price	Expiry Date	Number of Holders
3,980,000	26.8 cents	30 November 2026	5[1]
250,000	28.3 cents	15 January 2027	1
150,000	20.8 cents	28 February 2027	1
200,000	36.8 cents	20 June 2027	2
400,000	67.7 cents	24 July 2027	1
400,000	68.9 cents	1 August 2027	1
660,000	55.6 cents	23 November 2027	4[2]
1,000,000	39.7 cents	17 December 2027	6
150,000	35.5 cents	25 February 2028	1
100,000	65.0 cents	10 September 2028	1
363,000	59.0 cents	28 November 2028	4[3]
3,100,000	52.0 cents	11 December 2028	12
500,000	33.6 cents	31 March 2029	3
5,720,394	60.9 cents	27 November 2029	18[4]
325,000	60.8 cents	9 December 2029	1[5]
300,000	49.0 cents	9 March 2030	1
200,000	38.0 cents	31 March 2030	1
200,000	47.5 cents	4 May 2030	1
350,000	33.5 cents	4 August 2030	1
5,400,000	36.0 cents	25 August 2030	19
23,748,394			

Holdings in excess of 20% of each class of abovementioned unquoted securities, other than securities issued pursuant to the Company's employee share and option plan, are as follows:

[1] 1,210,000 (30.4%) held by Mr Philip Crutchfield, 1,210,000 (30.4%) held by Mr Paul Chapman and 860,000 (21.6%) held by Mr Will Robinson.
[2] 300,000 (45.5%) held by Mr Will Robinson.
[3] 165,000 (45.5%) held by Mr Will Robinson.
[4] 1,263,610 (22.1%) held by Mr Will Robinson.
[5] 325,000 (100%) held by Mr Philip Crutchfield.

Performance Rights

Number of Rights	Vesting Date	Expiry Date	Number of Holders
125,000	31 December 2025	31 December 2026	1
1,435,000	31 December 2026	31 December 2028	10
1,560,000			

All of the abovementioned performance rights have been issued pursuant to the Company's performance rights plan.

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E. Voting Rights

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

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

F. Restricted Securities

There are no restricted securities.

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09. Corporate Directory

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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 Secretaries

Dan Travers

Principal and Registered Office

Encounter Resources Limited

Address	Suite 2, 1 Alvan Street Subiaco, Western Australia 6008
Telephone	+61 8 9486 9455
Web	www.enrl.com.au

Auditor

HLB Mann Judd

Address	Level 4, 130 Stirling Street Perth, Western Australia 6000

Share Registry

Automic Group

Address	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.

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encounter resources

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