

Investor Update - Manganese  
March 2010



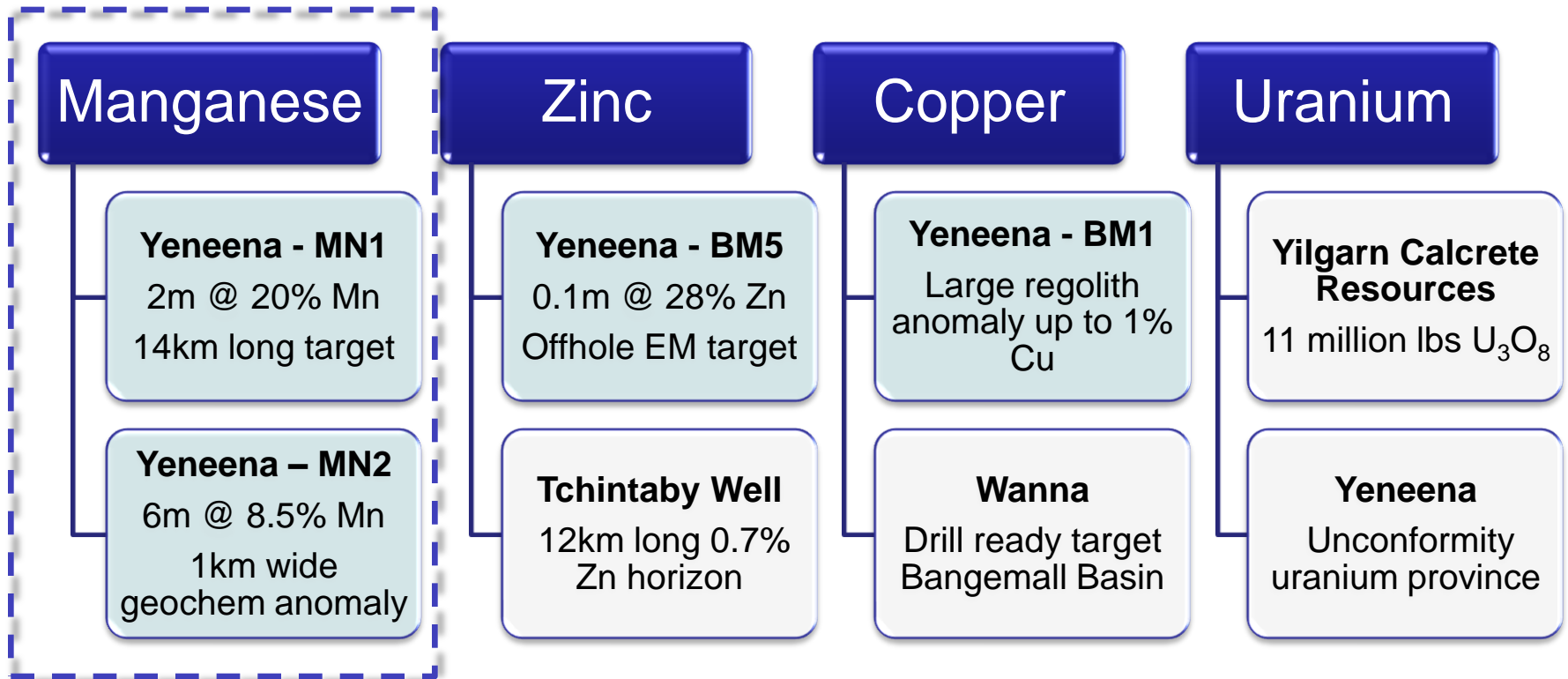
**encounter**

RESOURCES LIMITED

ABN 47 109 815 796

**ASX : ENR**

# Company Snapshot – Diversified Explorer

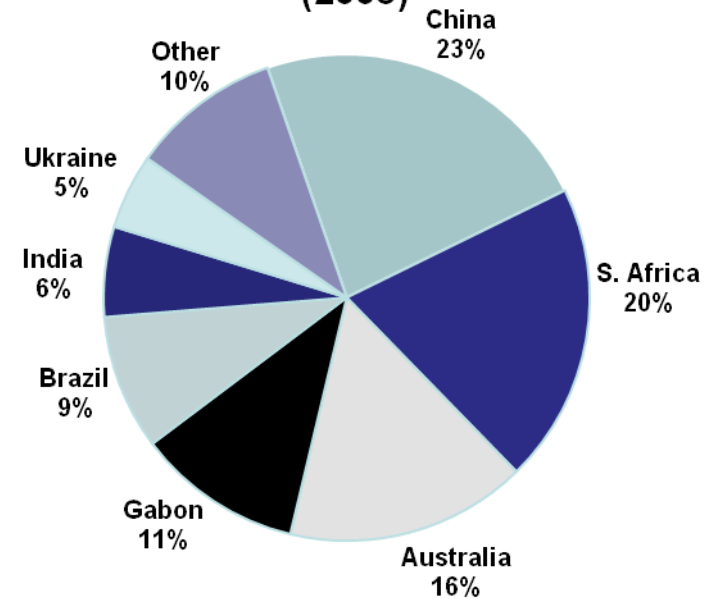


- **Drilling for “Major New Discoveries”**
- **Experienced & dedicated management**
- **Solid cash position**

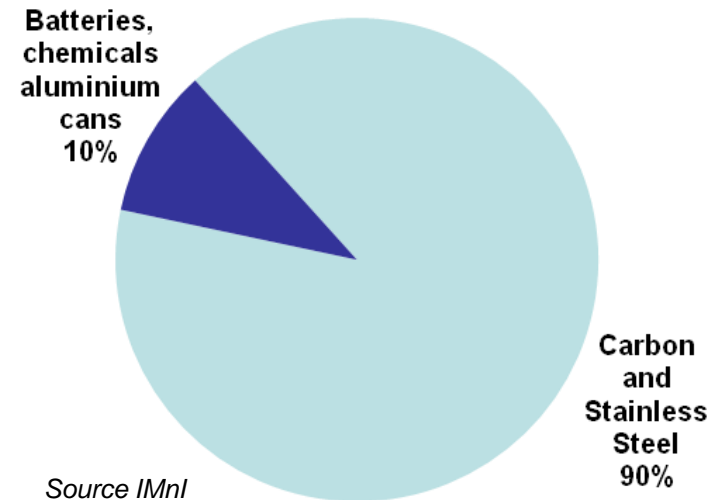
# Why Manganese?

- Fourth most consumed metal after Iron, Aluminum and Copper
- Hardening agent in steel – no substitute
- 45mt of global manganese production in 2008
- 50% of manganese production consumed in China
- A bullish view on iron ore and steel is a bullish view on manganese

Manganese ore production (2008)

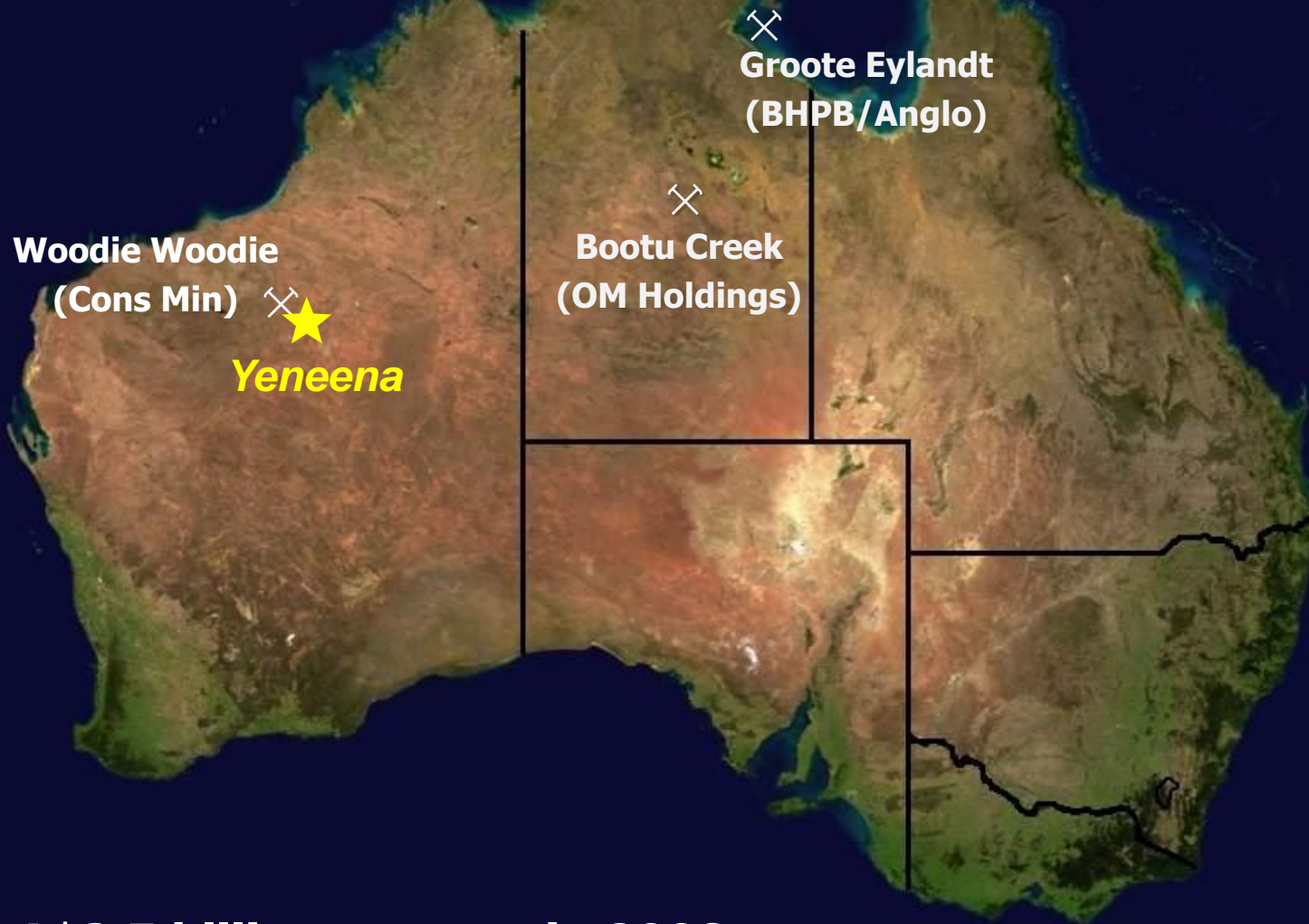


Major uses of Manganese



Source IMNI

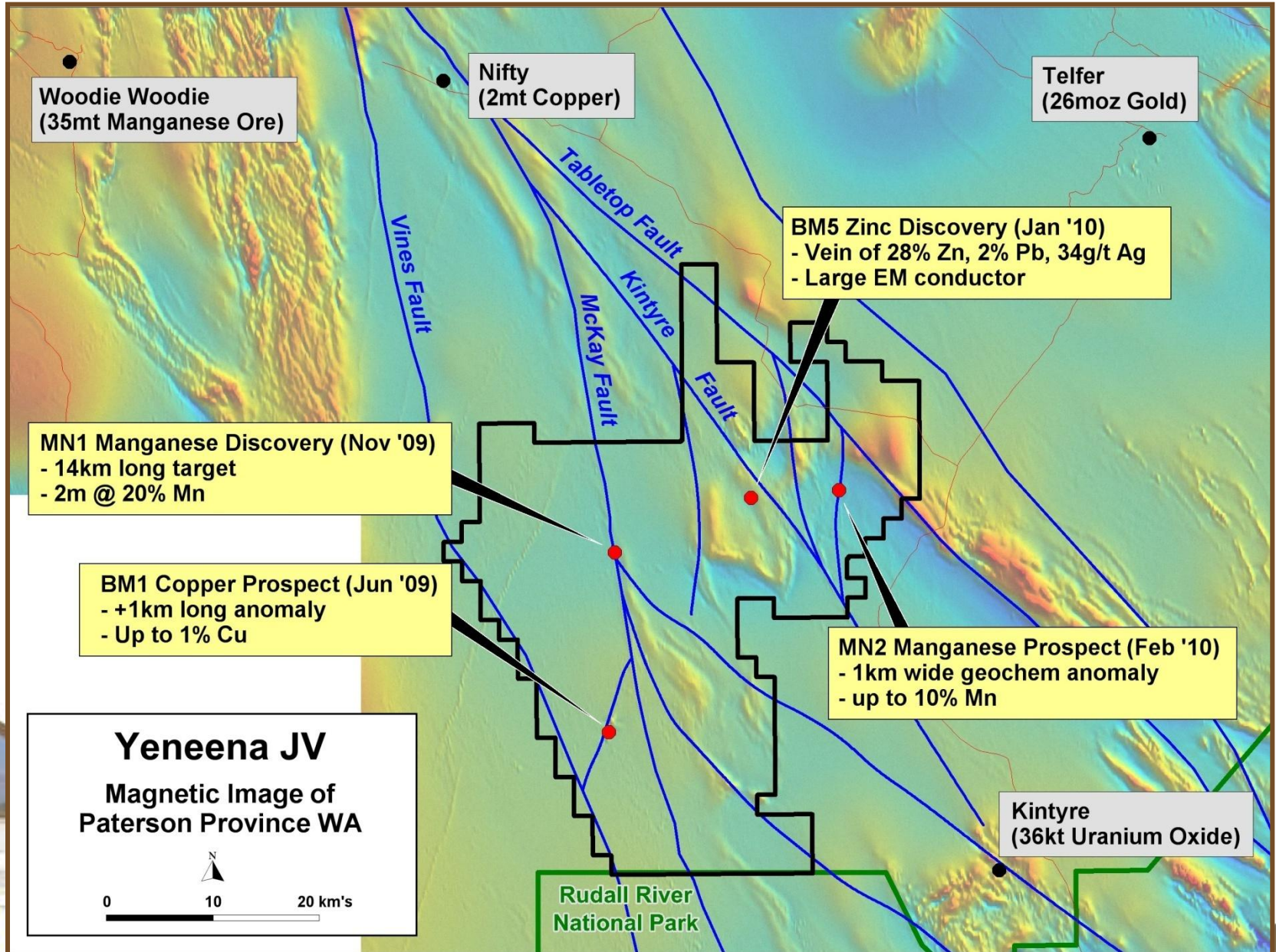
# Australian Manganese Mines



- **A\$3.5 billion revenue in 2008**
- **High grade Mn product currently selling for ~ A\$350/mt**



# Major land position amongst giant mineral deposits

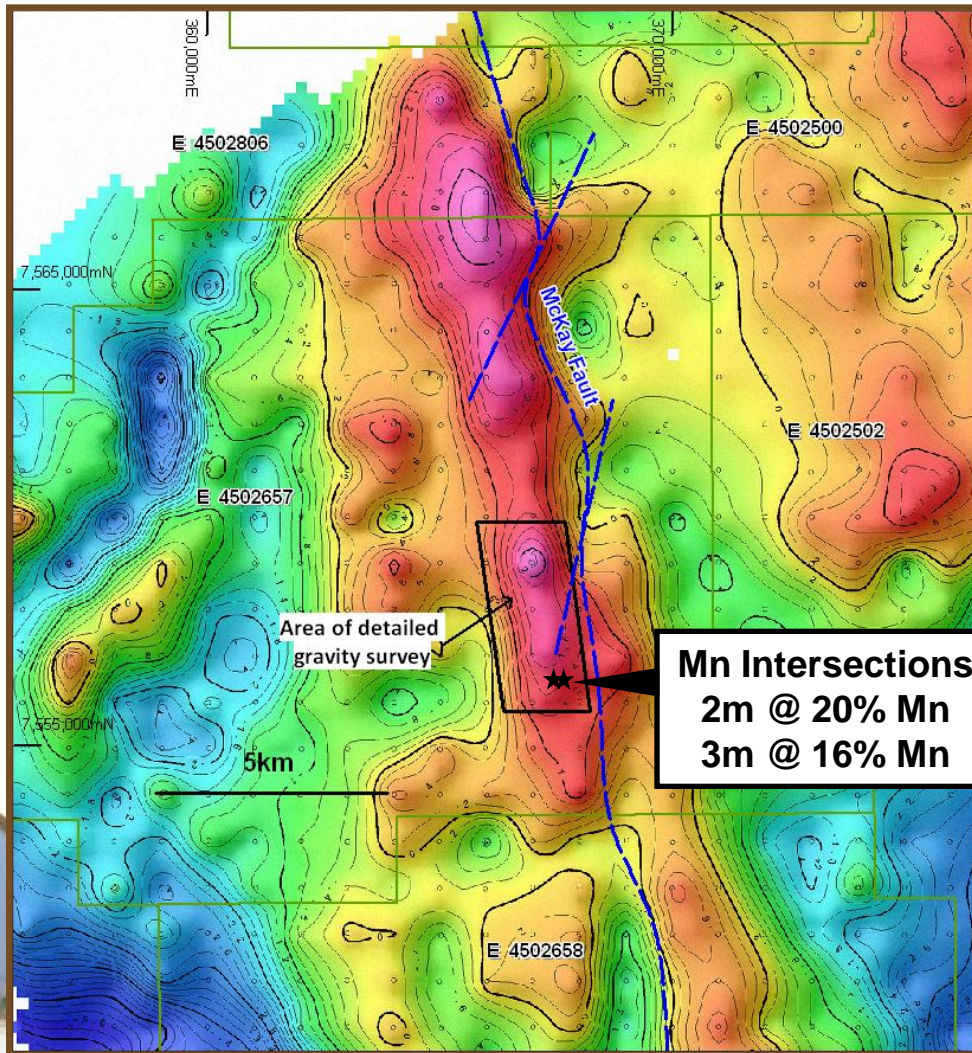


# Multiple Manganese Targets Near Woodie Woodie

- **MN1** - near surface manganese intersections (+20%Mn), 14km long target area
- **MN2** - 1 km wide zone of manganese oxide logged from historic drilling
- **BM5** : High grade manganese gossan up to 35%Mn



# MN1 – 14km Long Target

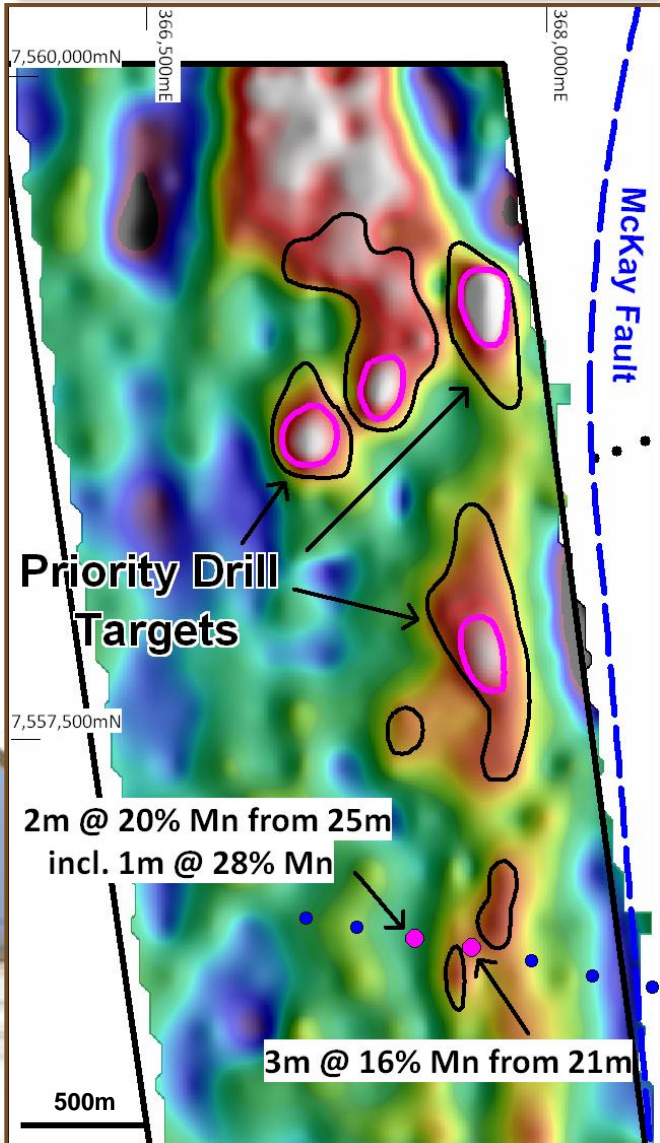


- 70km from Woodie Woodie
- Two near surface intersections, 200m apart in adjacent vertical aircore holes
- Mineralisation intersected in the one line of drilling completed within the 14km long gravity anomaly
- Target area footprint is similar to the Woodie Woodie camp
- Detailed gravity survey completed



# MN1 – Woodie Woodie Scale Opportunity

MN1 - Residual gravity image



Woodie Woodie (same scale)



- Ground gravity survey has defined multiple manganese drill targets
- Historical intersections are outside the most intense gravity features
- Drill hole re-sampling has confirmed primary manganese grades up to **29% Mn** and low iron
- Drilling April 2010



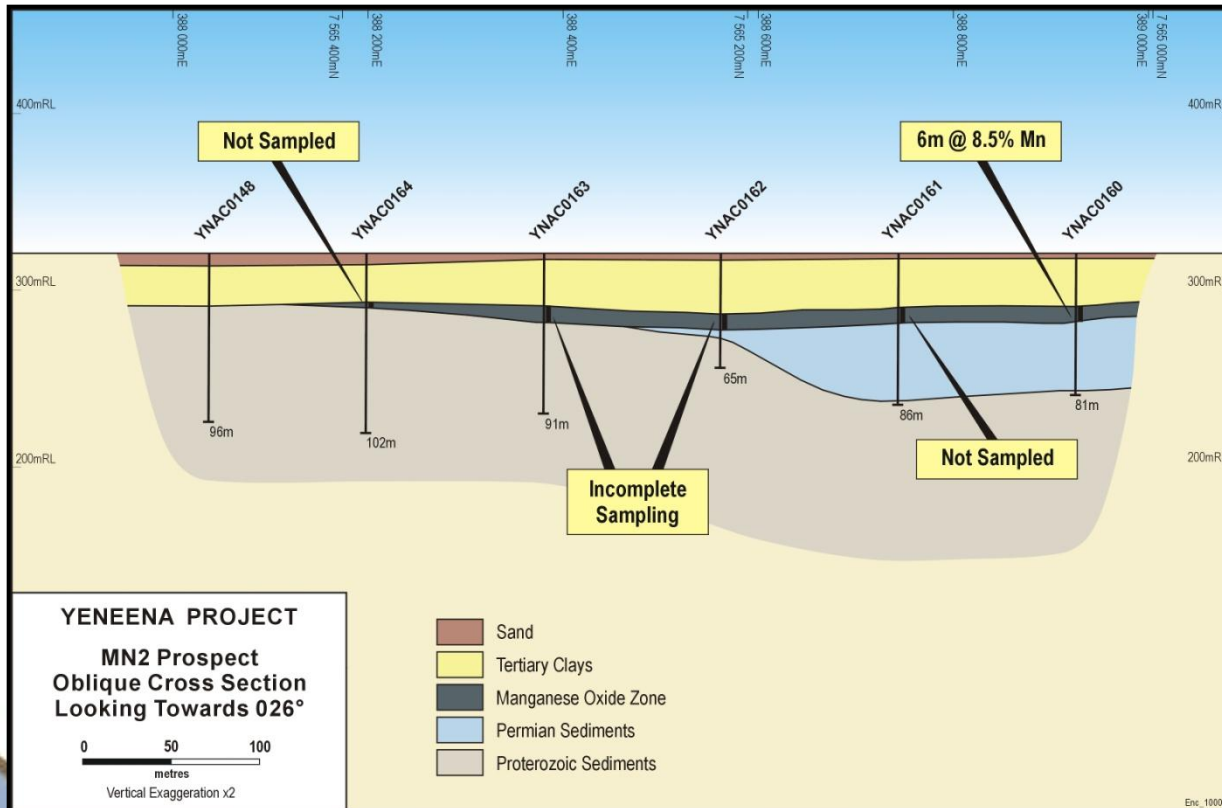
# MN1 – 100% Sand Cover



Mn oxide in YNAC168



# MN2 – Large Scale Undercover Mn Anomaly



- 1km wide Mn anomaly
- Limited sampling has produced **6m @ 8.5%Mn**
- Mineralisation open north, south and east.
- Drilling May 2010

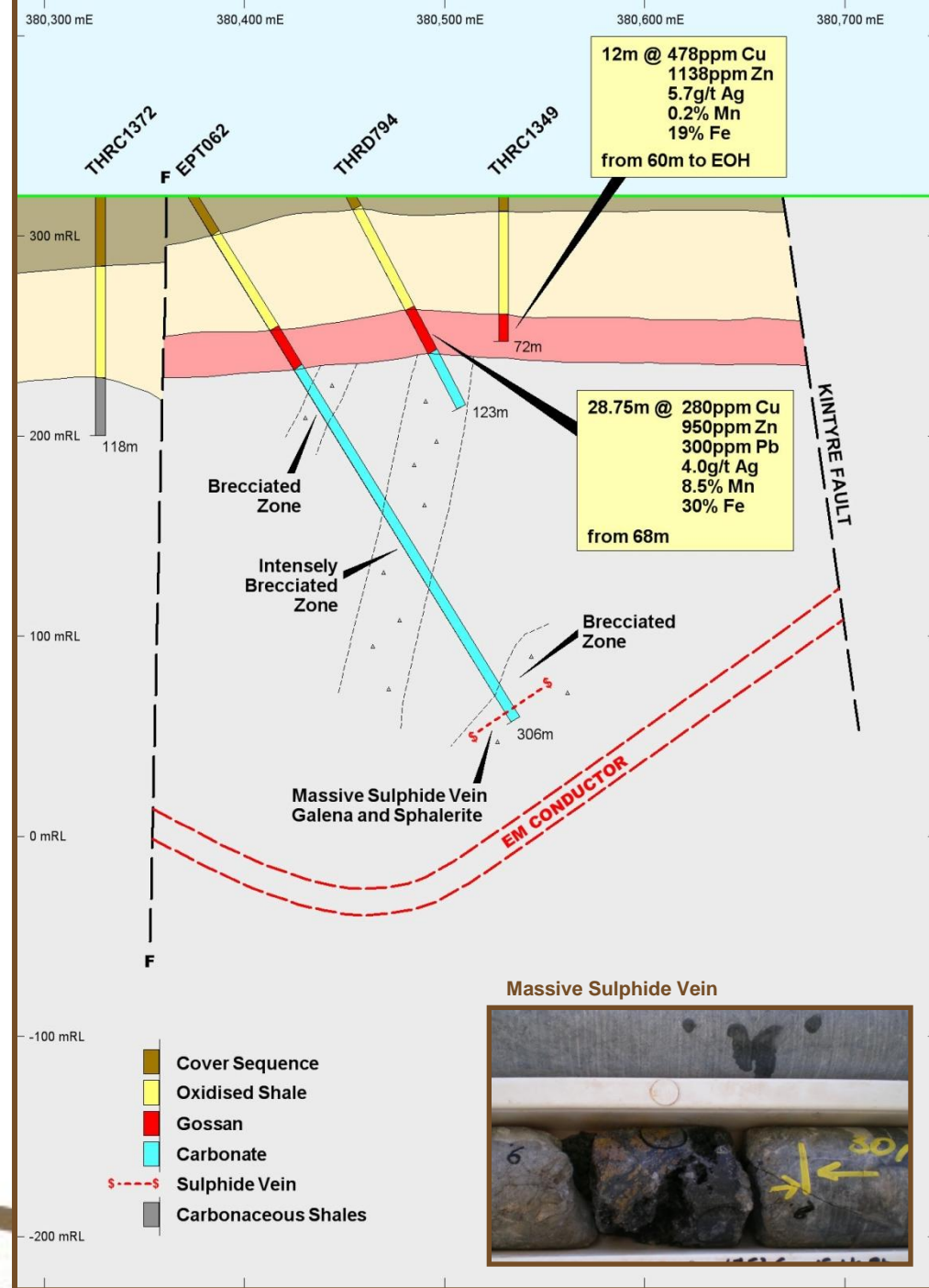


# ASX Manganese Companies

Company	ASX Code	Resources	Market Cap
Aurora Minerals Ltd	ARM	Nil	\$84m
Groote Resources Ltd	GOT	Nil	\$56m
Shaw River Resources Ltd	SRR	Nil	\$36m
OM Holdings Ltd	OMH	31mt @ 24% Mn	\$850m

# BM5 Target

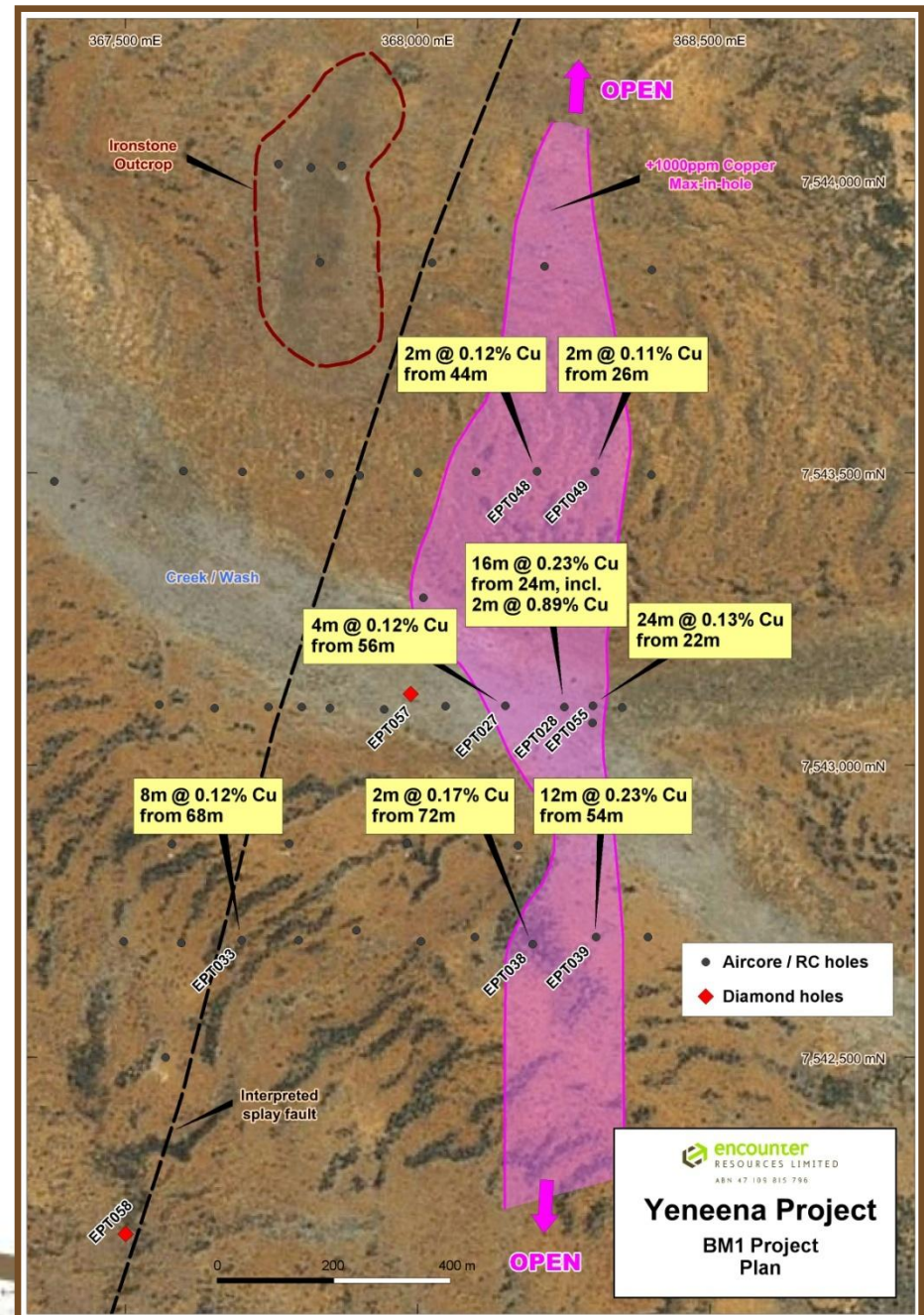
- The first diamond drill hole intersected high grade zinc mineralisation
- **28.5% zinc**, 2.3% lead and 34g/t silver over 0.1 metres within 5m of the end of hole
- A significant offhole conductor approximately 60m below the bottom of hole
- Follow up diamond drill program May 2010





# BM1 Target

- Located on a NNE trending splay structure to the McKay Fault
- 1.2km long copper regolith anomaly (up to 2m @ 0.89% Cu)
- Diamond program has identified a major hydrothermal alteration system
- Aircore drilling May 2010



# Yeneena Project - The Immediate Focus

Mn

- Multiple high grade intersections
- 4000m aircore drill program – April

Cu

- +1km regolith anomaly up to 1% Cu
- 2000m aircore drill program - May

Zn

- Massive sulphide discovery - 28% Zn
- Diamond drilling of EM anomaly - May



# Corporate Information

## Board

Paul Chapman - Chairman  
Will Robinson - Managing Director  
Peter Bewick - Exploration Director  
Jon Hronsky - Non-Executive Director  
Kevin Hart / Dan Travers - Company Sec.

## Issued Capital:

79m Ordinary Shares (Top 20 - 71%)  
3m Employee Options

## Market Cap:

\$19.7m @ \$0.25/share

## Cash (31/12/09):

\$4.1m

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