



**encounter**  
RESOURCES LIMITED

# RIU Explorers Conference

Fremantle - February 2015

ASX : ENR

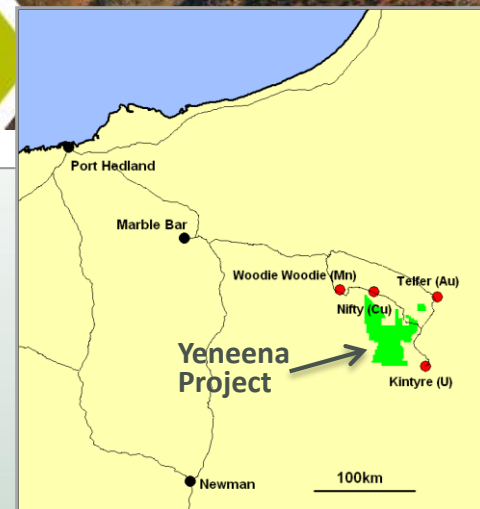


# INVESTMENT SUMMARY



## Greenfields Cu Discovery – BM1-BM7

- Large scale Cu system >14km long
- Farm-in with Antofagasta plc
- 140m @ 0.2% Cu in final 2014 drill hole



## Fishhook Opens Northern Cu Corridor

- Visible blebs of Cu sulphide in first ever drill holes
- Traditional Central-African copper belt setting
- Key ground position secured (100% ENR)



## New Zinc Discovery - Millennium

- High grade mineralisation in early drilling
- Zinc system +3km long and open
- Near surface with large tonnage potential



## 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

134.5m Ordinary Shares

7.4m Employee Options

## Market Cap.

A\$15m @ A\$0.11/share

## Cash

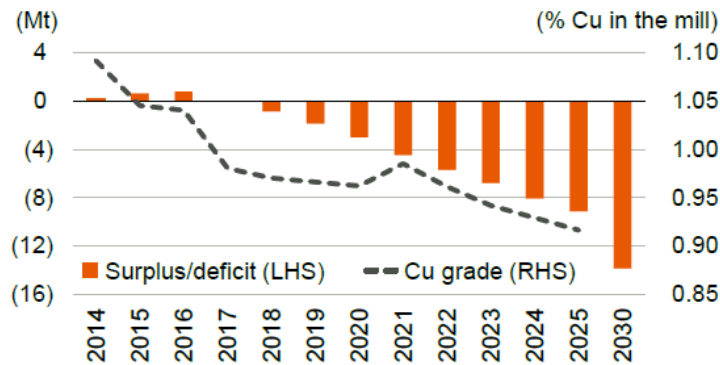
\$2.1M at 31 Dec 2014



# COPPER & ZINC OUTLOOK STRONG



“The outlook for copper demand remains compelling as emerging economies transition to consumption-led growth. Beyond 2018, a significant deficit is expected to emerge” - Mike Henry, President, HSE, Marketing & Technology – Nov 2014



Source: BHP Billiton, Wood Mackenzie  
Note: Production from current operating mines and committed new projects

**Forecasting ~45% increase in Cu demand by 2030**

**Need for an additional +10 million tonnes of copper by 2030, which is the equivalent of 50 mines the size of Olympic Dam**

“Market expectations of zinc demand growth are in excess of 5% per annum for the next five years” *and*



“what we are seeing now is a recognition that not only Century but a number of other mines are coming to an end,” Andrew Michelmore, CEO MMG – Feb 2014

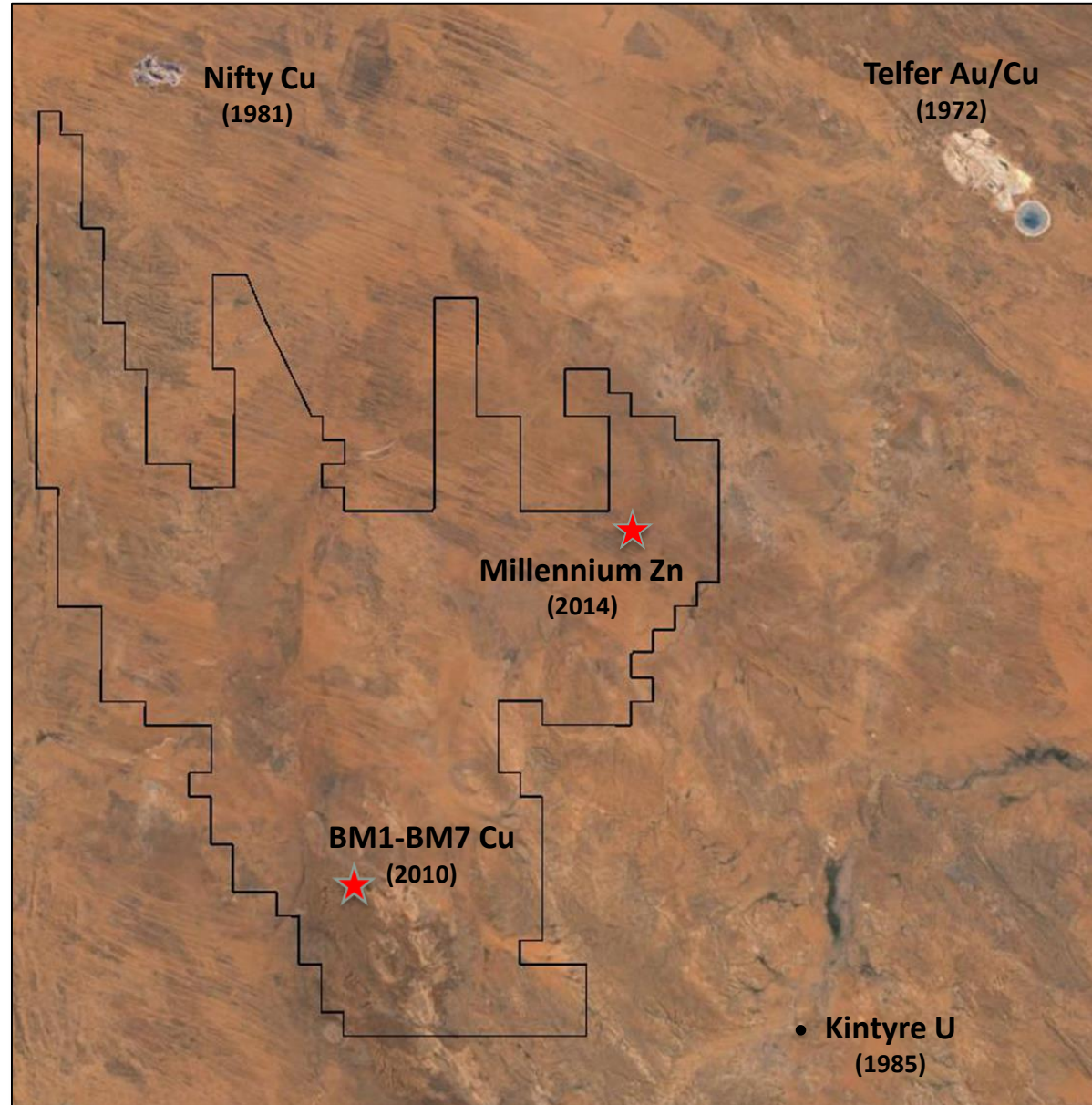
**- Forecasting ~30% increase in Zn demand by 2019**



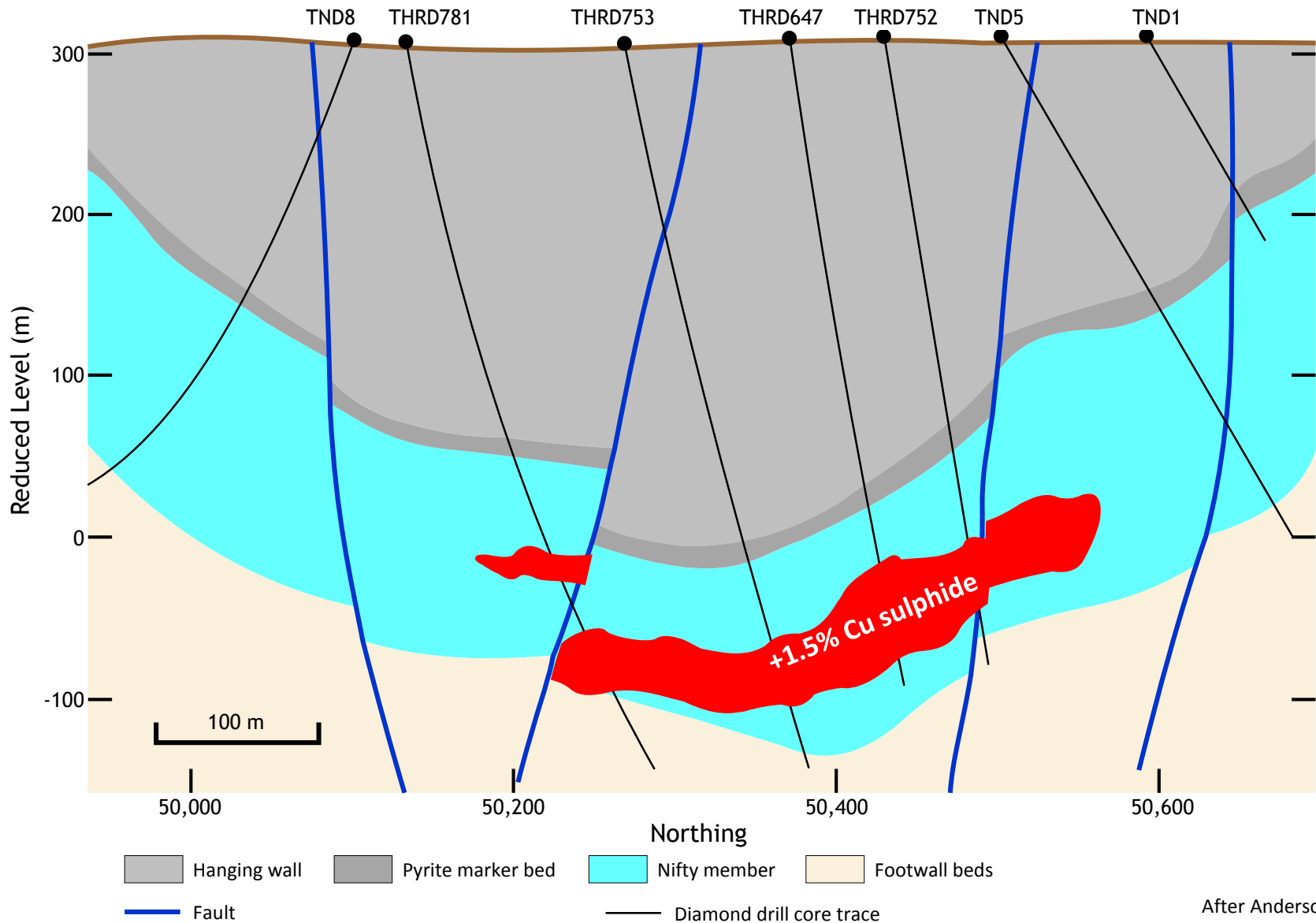


# NEW EXPLORATION FRONTIER

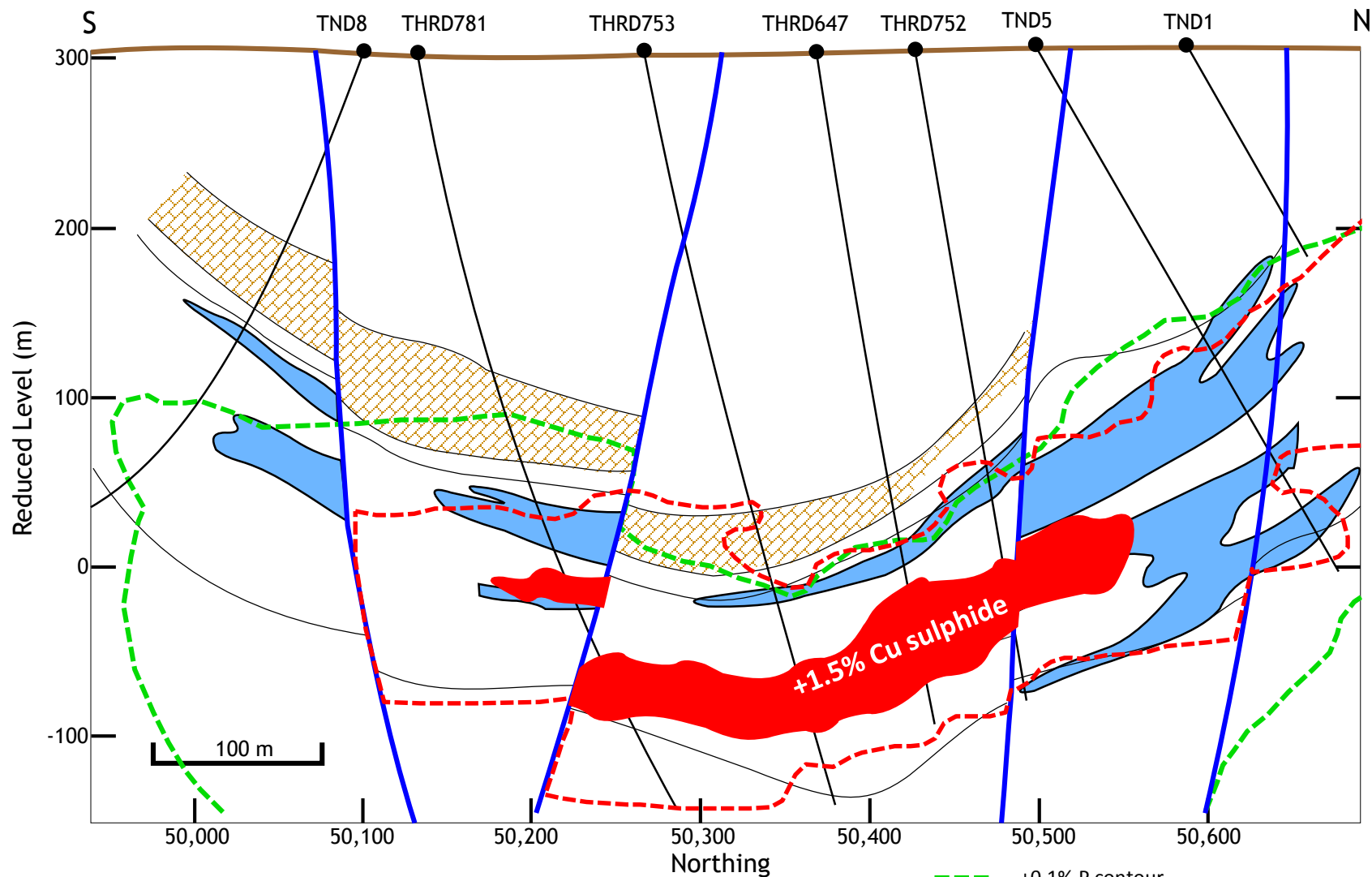
- **Outcropping discoveries made in 1970-80s (Nifty, Telfer, Kintyre)**
- **Minimal subsurface exploration activity up to 2005**
- **Encounter has discovered two new mineral systems so far:**
  - **BM1-BM7 Copper**
  - **Millennium Zinc**
- **Sand covered mineral belt with proven fertility**
- **Demonstrated frontier exploration opportunity**



# NIFTY CROSS SECTION



# NIFTY CROSS SECTION



E1-Fe-Mg carbonate alteration

S3-Hydrothermal Quartz-Dolomite (qtz-dol-cpy-py-apa)

+0.1% P contour

Primary Cu +0.1% Cu

Primary Cu ore body at +1.5% Cu

Fault

Diamond drill core trace

After Anderson



# BM1 - BM7 Cu PROSPECTS

## Copper mineral system 14km long

### BM1

Coherent zone of near surface Cu oxide mineralisation

10m @ 6.8% Cu from 32m\*

16m @ 3.2% Cu from 26m

50m @ 1.1% Cu from 12m

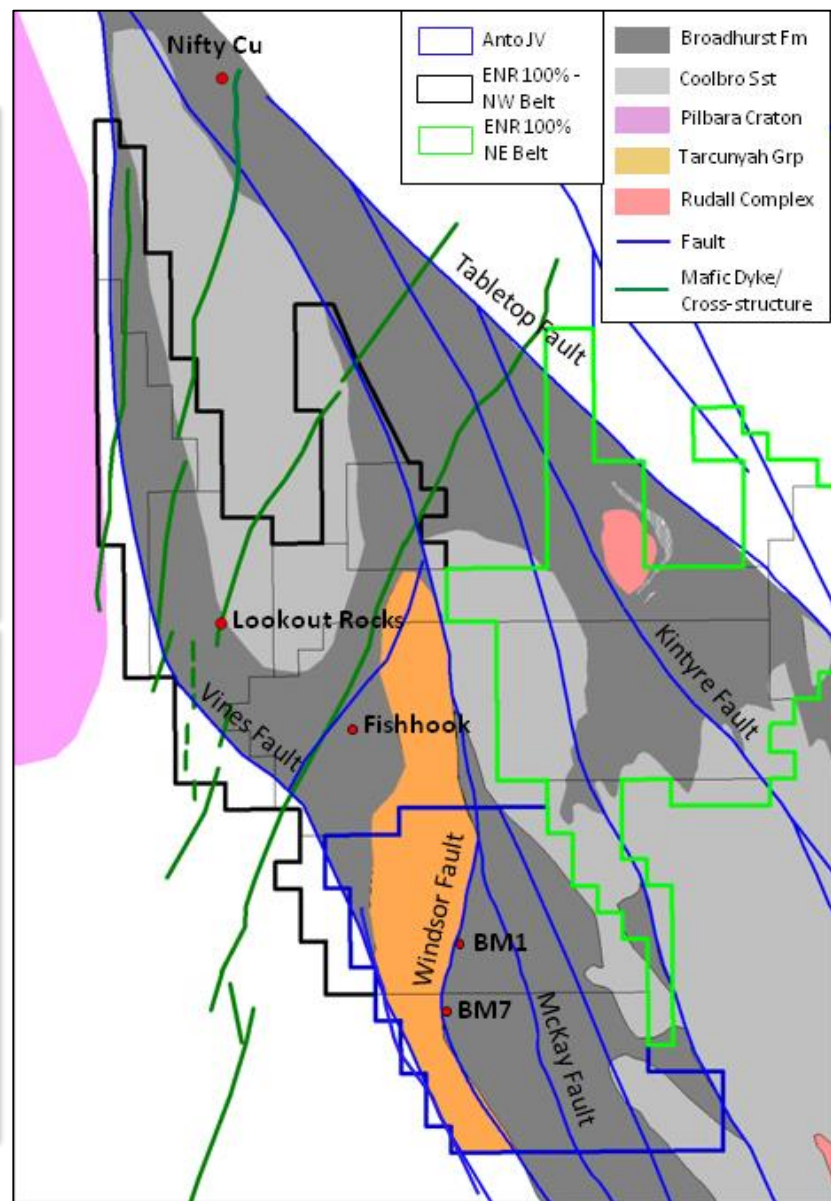


### BM7

6 x 3km Cu mineral system containing high grade Cu sulphide

5m @ 2.5% Cu from 388m\*

140m @ 0.2% Cu from 144m



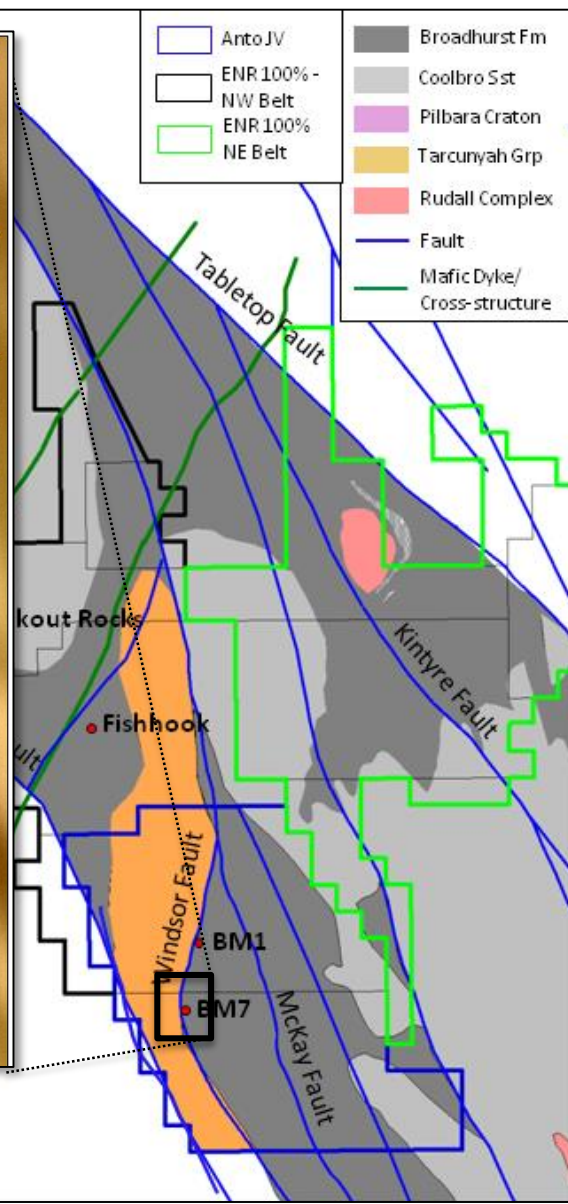
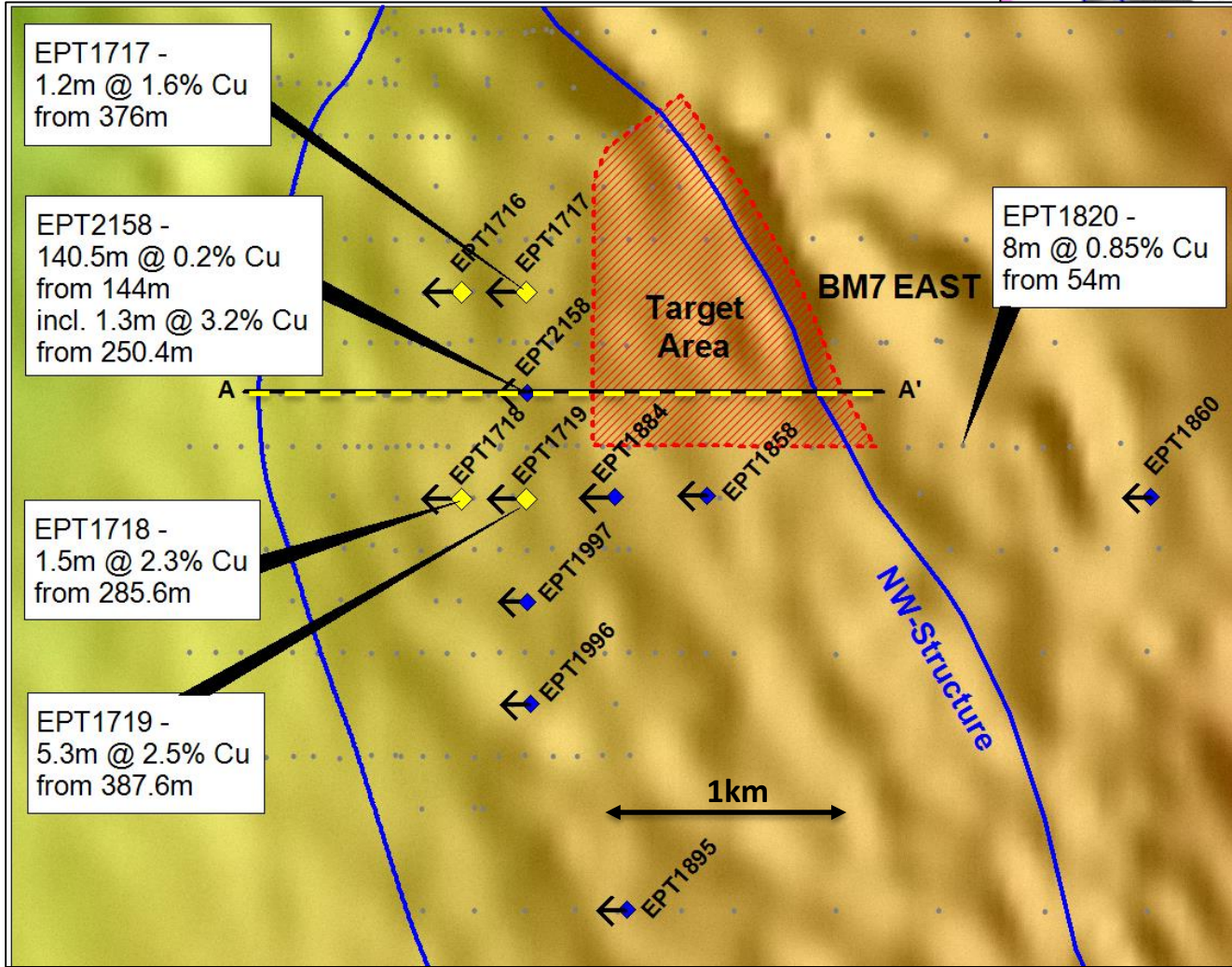
(refer ASX announcements 15 July 2014 & 30 January 2015)

(\*Reported pursuant to the 2004 Edition of the JORC Code)





# BM7 Cu PROSPECT

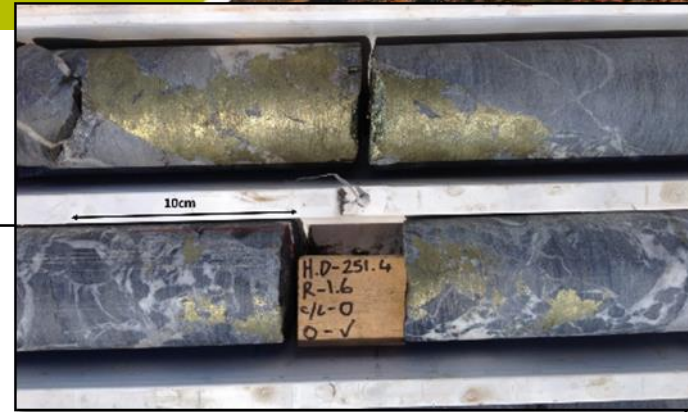


**BM7 Diamond drilling status plan over magnetics**

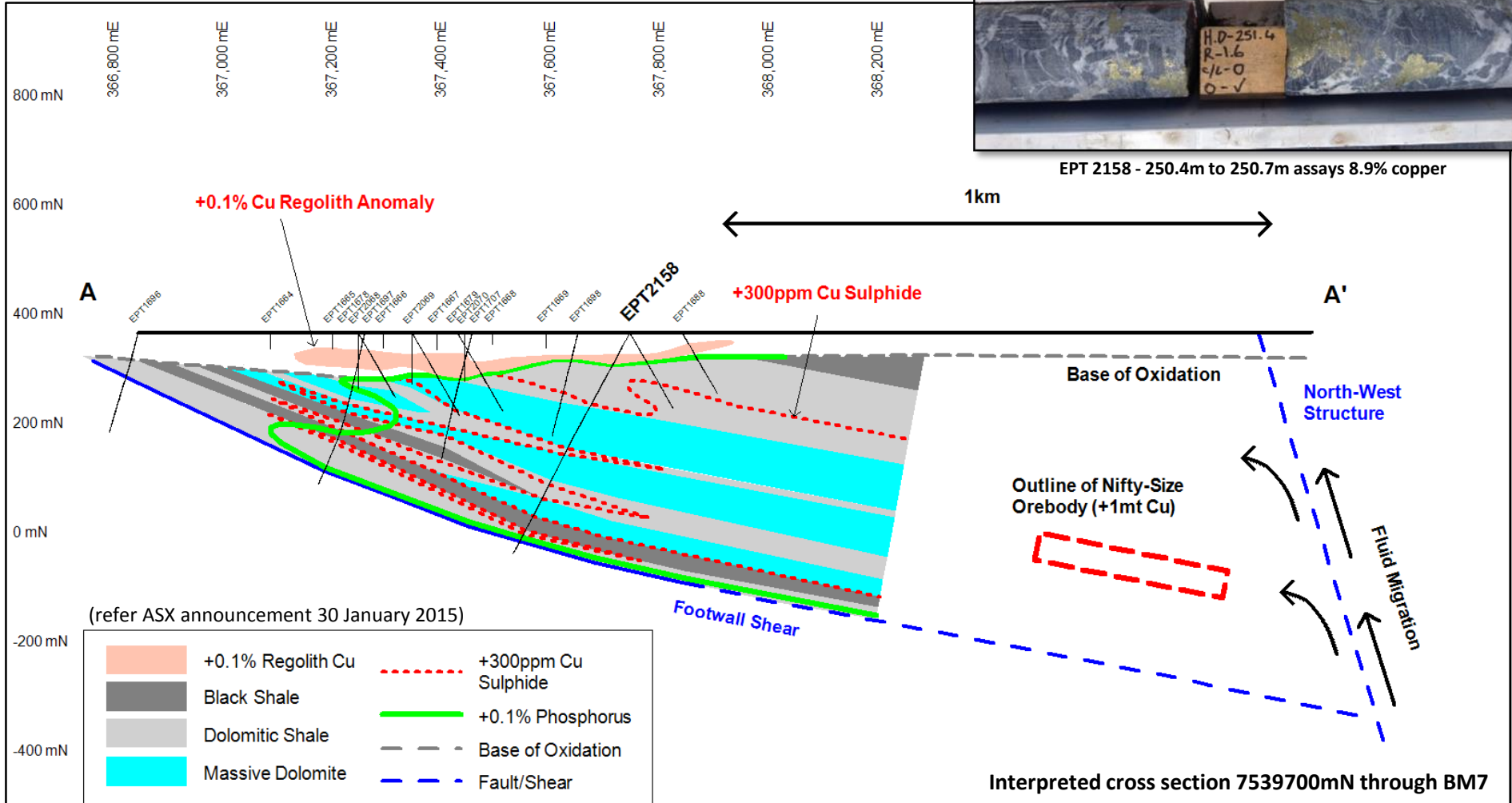
(refer ASX announcement 30 January 2015)

# BM7 INTERPRETED CROSS SECTION

**Cu sulphide mineralisation and phosphorous anomalism (proxy for apatite alteration) within the host carbonate stratigraphy strengthening east towards an interpreted steep NW trending structure.**



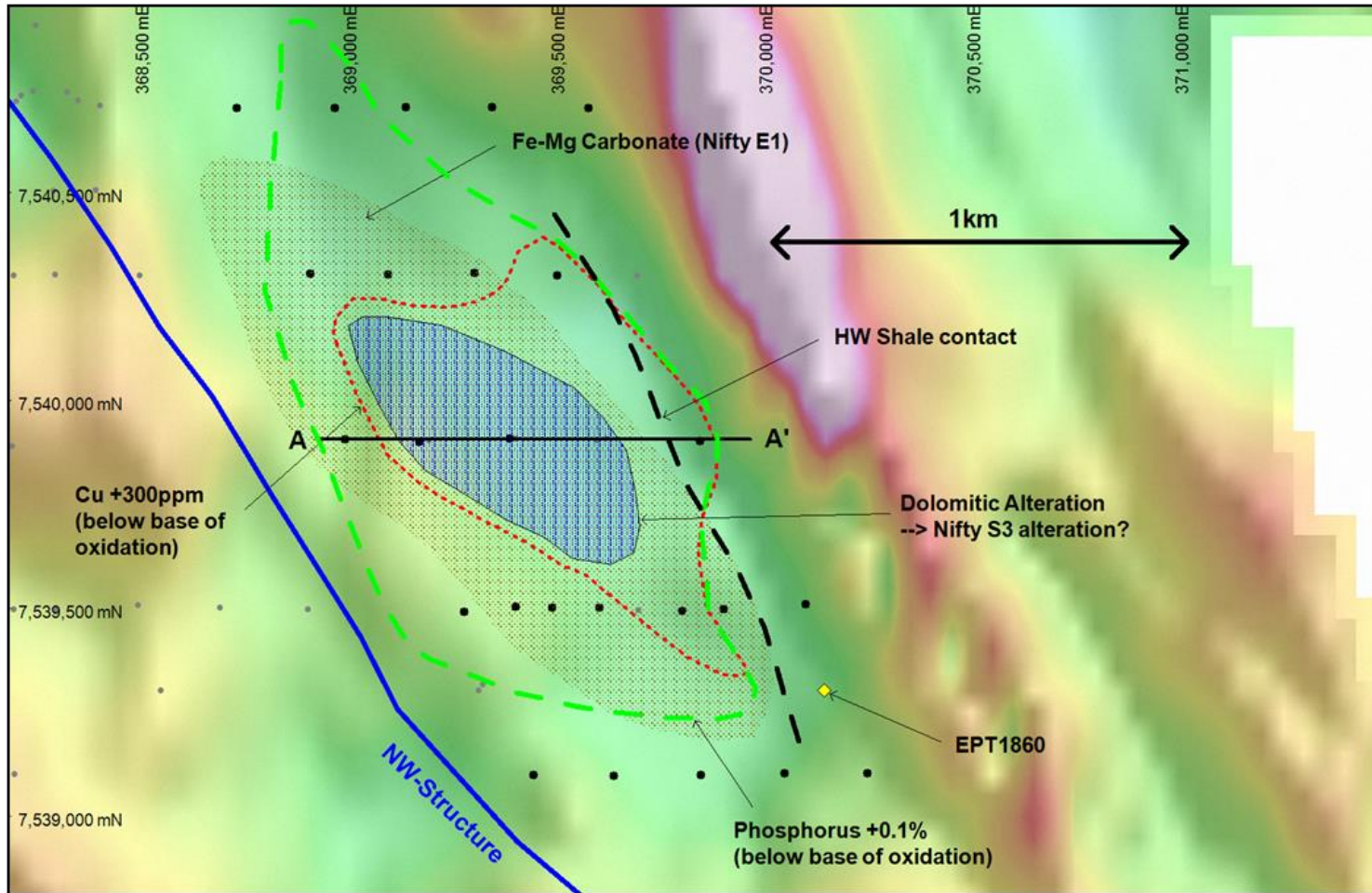
EPT 2158 - 250.4m to 250.7m assays 8.9% copper





# BM7 EAST

The alteration and mineralisation at BM7 East similar to immediate hangingwall of the Nifty copper deposit. Large geochemical footprint, untested at depth.



Plan view of alteration and mineralisation through BM7 East – background image Ch40 VTEM

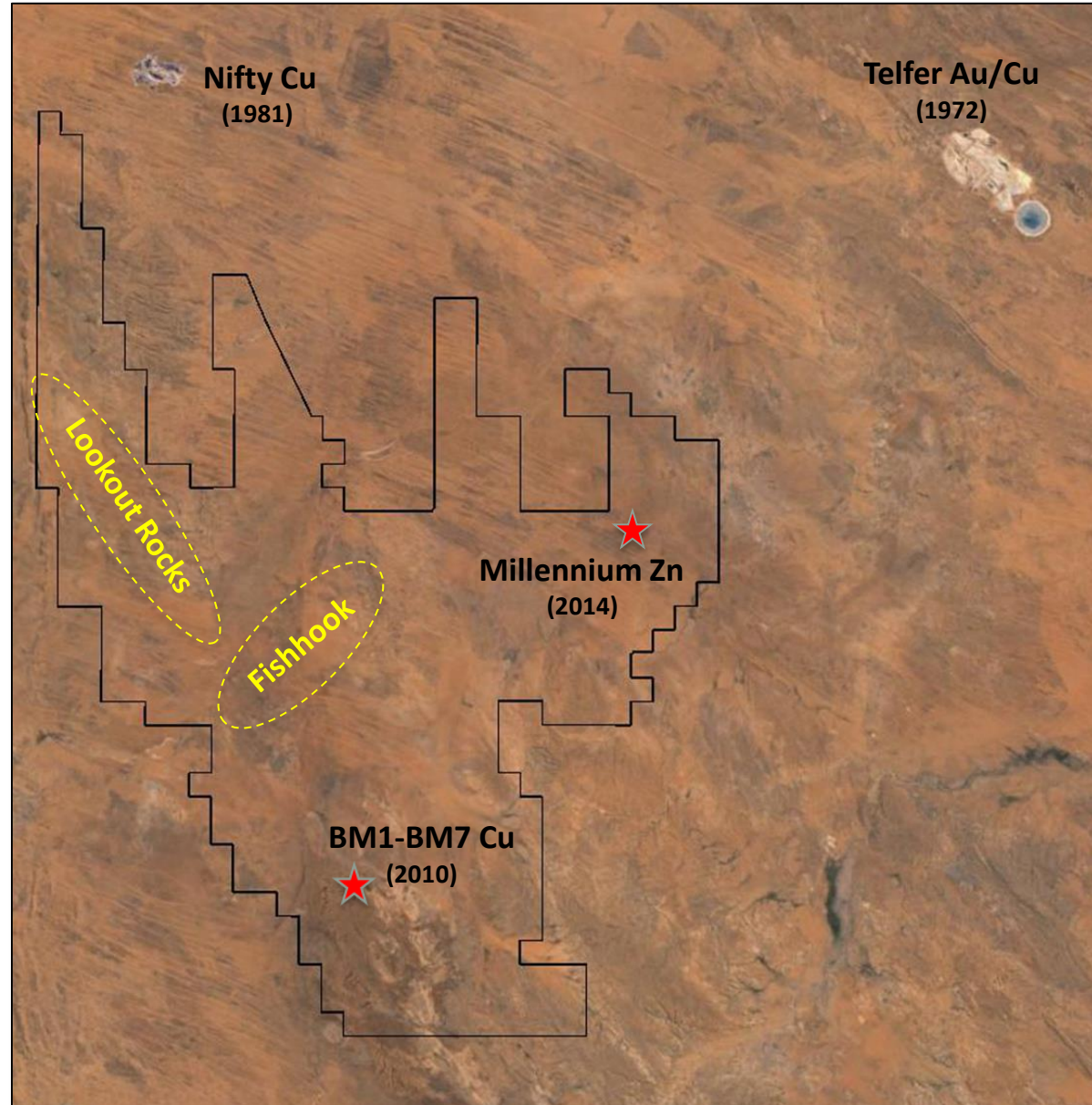
(refer ASX announcement 30 January 2015)





# NORTHERN CORRIDOR OPENS UP

- Fishhook and Lookout Rocks
- Shallow sand cover with minimal previous exploration
- VTEM surveys completed 2013 & 2014
- First drilling completed at Fishhook in 2014
- Held 100% ENR

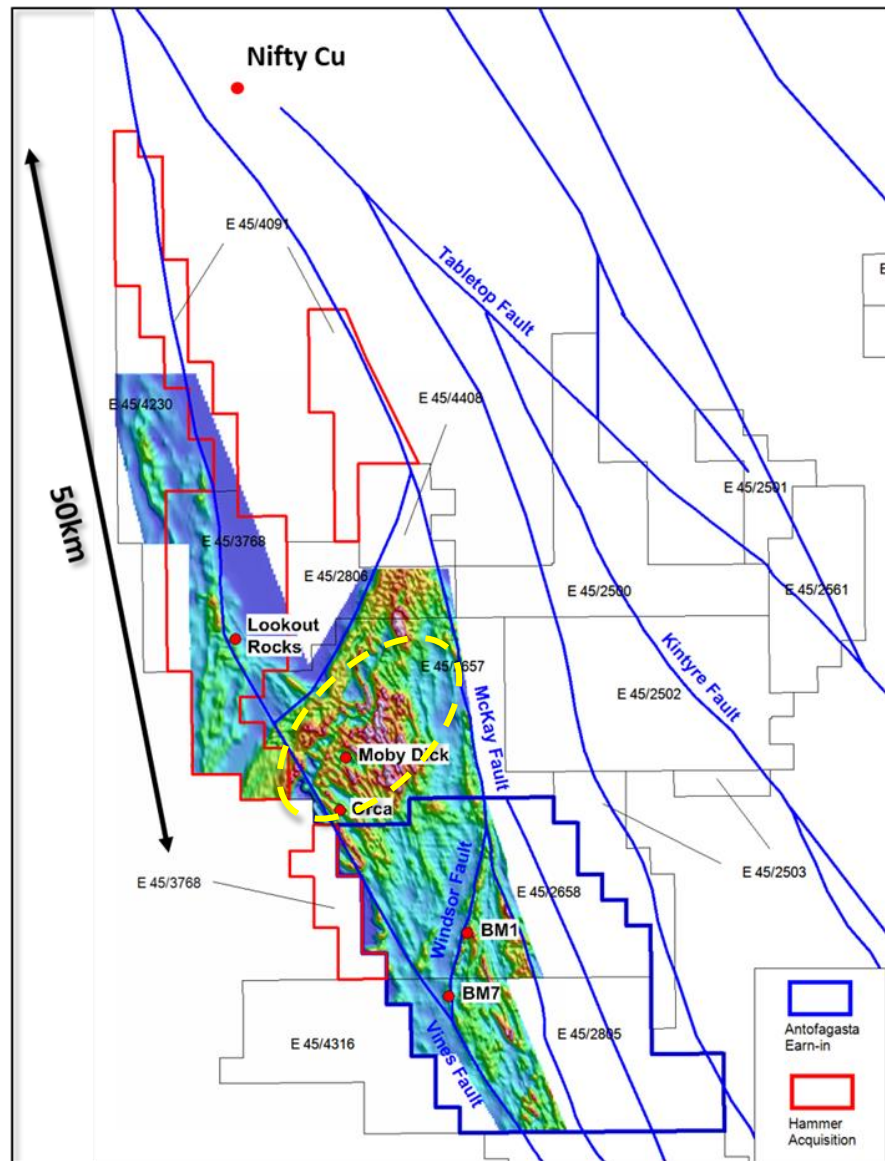


# FISHHOOK

- Significant north-east trending structure that mirrors the BM1-BM7 copper system
- First diamond drill program - copper sulphides within highly oxidised 'red-rock altered' sediments
- Key elements of the sediment hosted copper model in a traditional Central-African copper belt setting



'Red-rock' altered sediments from the Moby Dick Prospect ~242-248m



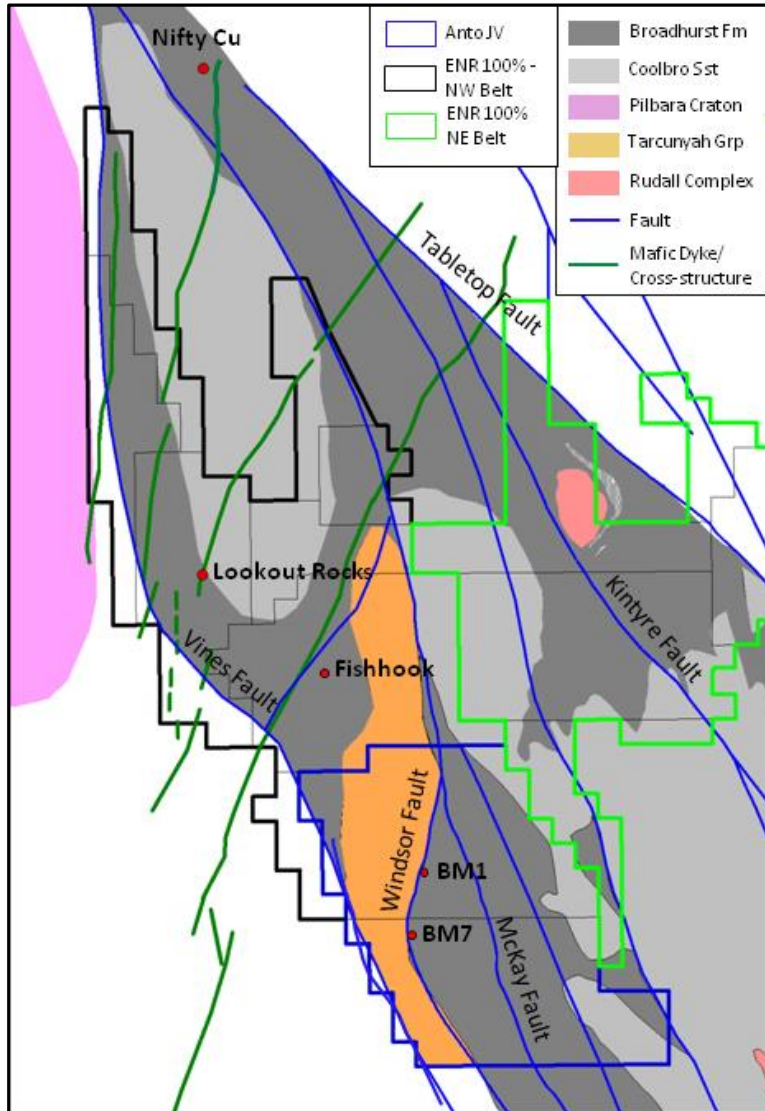
(refer ASX announcement 30 September 2014)



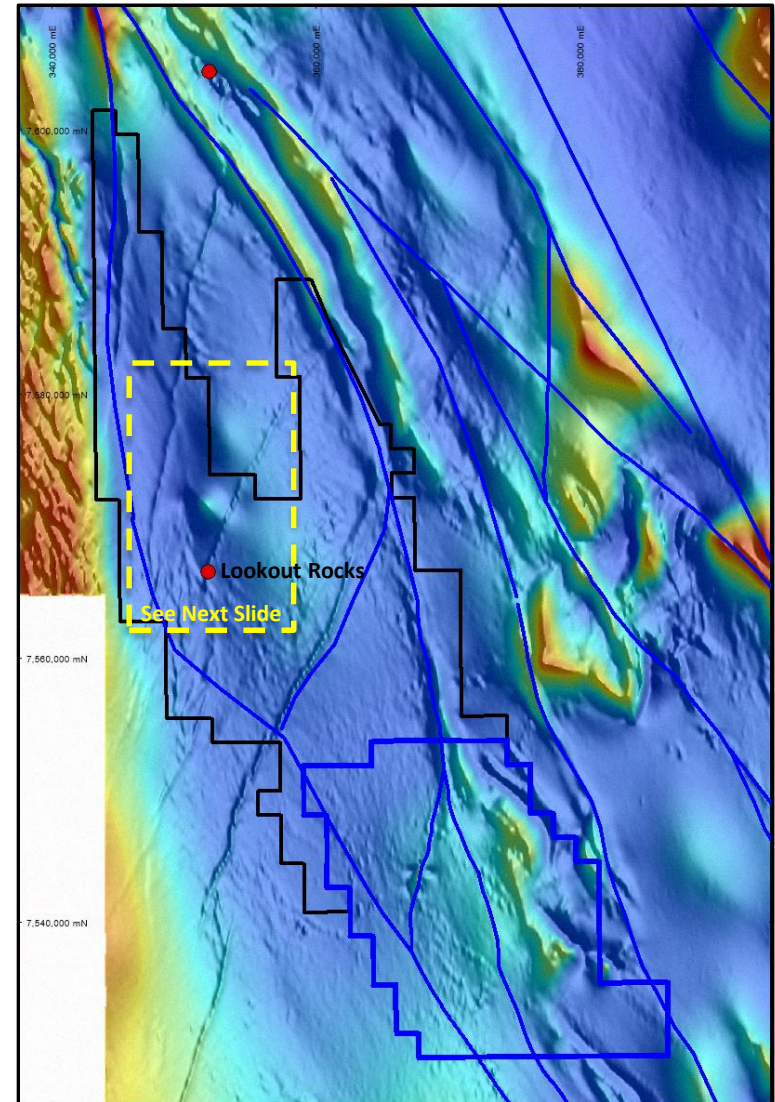


# LOOKOUT ROCKS

## Geology



## Magnetics

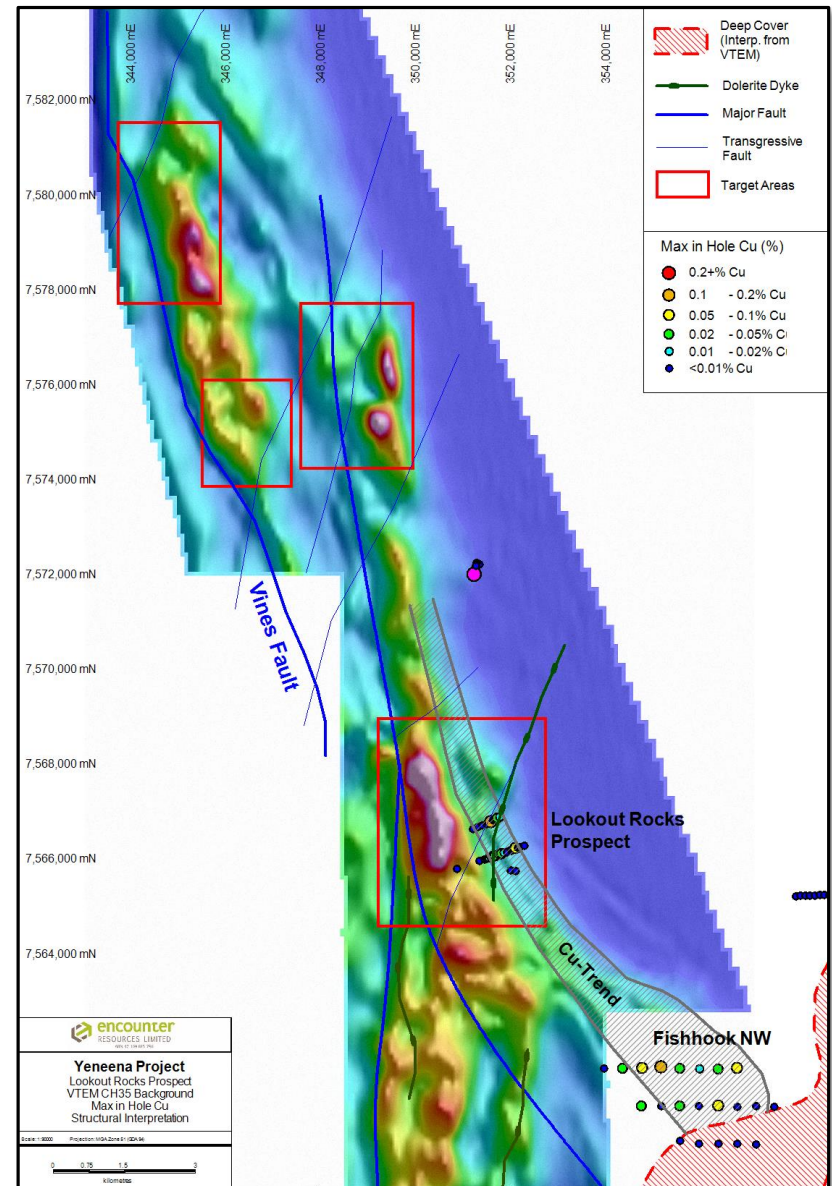




# LOOKOUT ROCKS

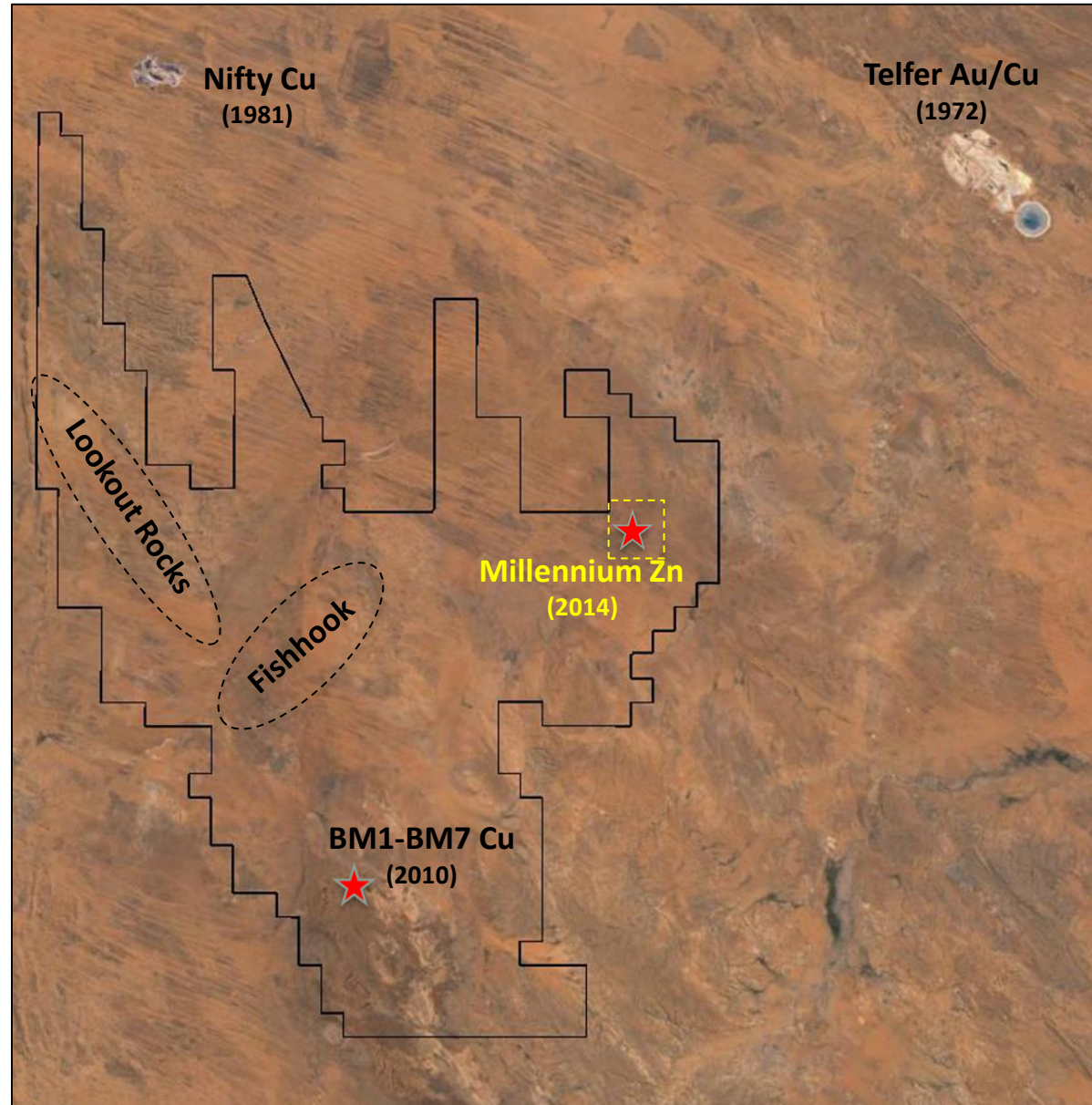
- VTEM survey completed in 2014
- Historical exploration at the project is limited to a shallow RAB drilling program completed in the 1980s that intersected anomalous copper oxide mineralisation
- Structures that extend SW from the Nifty copper deposit cross-cut the major basin-forming faults at Lookout Rocks
- EIS co-funded drilling grant for 2015 includes aircore, RC and diamond drilling (up to \$150,000)

(refer ASX announcement 30 January 2015)



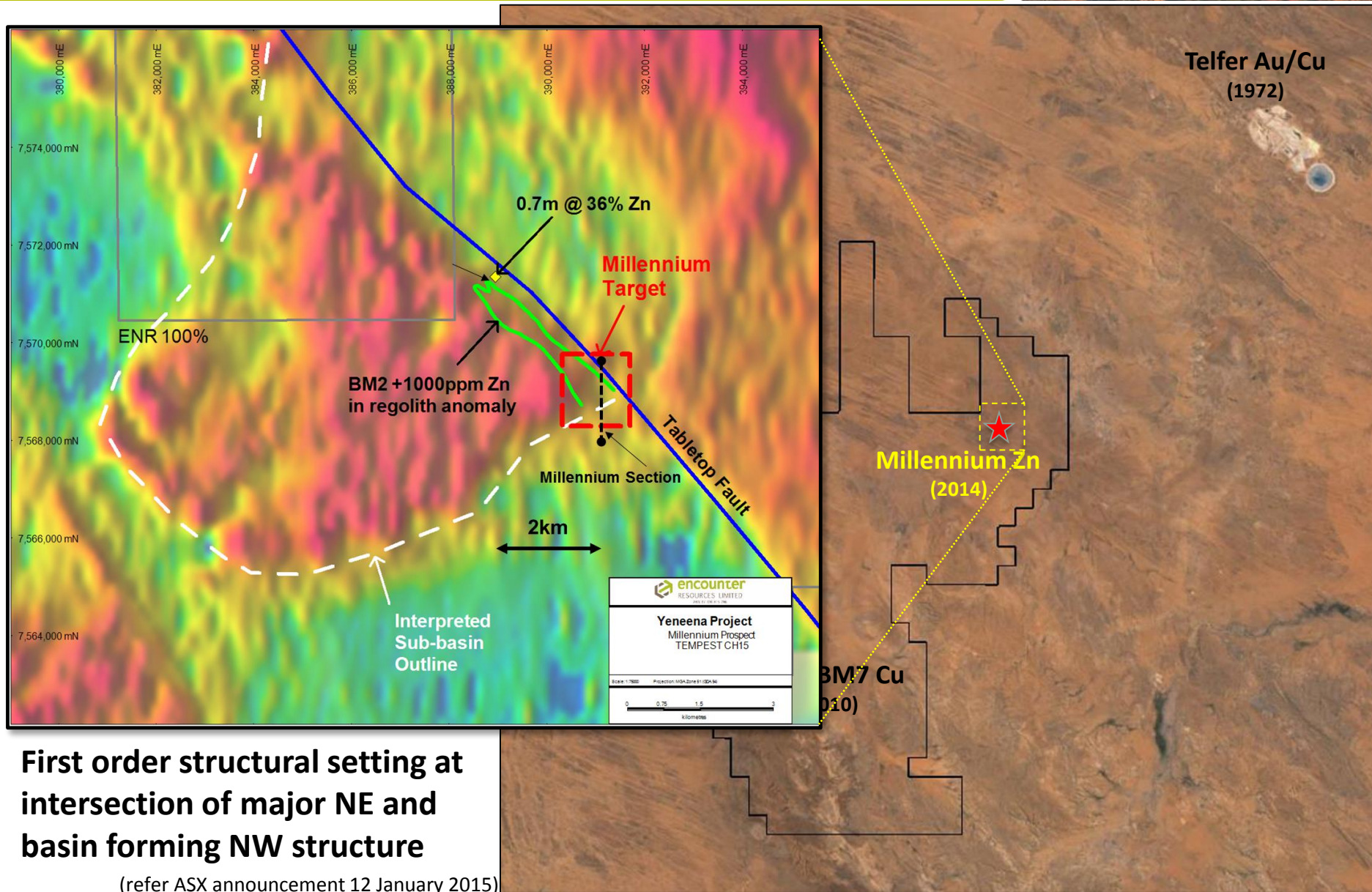
# MILLENNIUM ZINC DISCOVERY

- Greenfield zinc discovery made in 2013/14
- Open +3km long system
- First order structural address
- Large tonnage potential at easily explorable depth
- High grade mineralisation intersected in early drilling
- Remains open along strike and at depth
- Large scale untested gravity anomaly adjacent to zinc mineralisation





# MILLENNIUM ZINC DISCOVERY



**First order structural setting at intersection of major NE and basin forming NW structure**

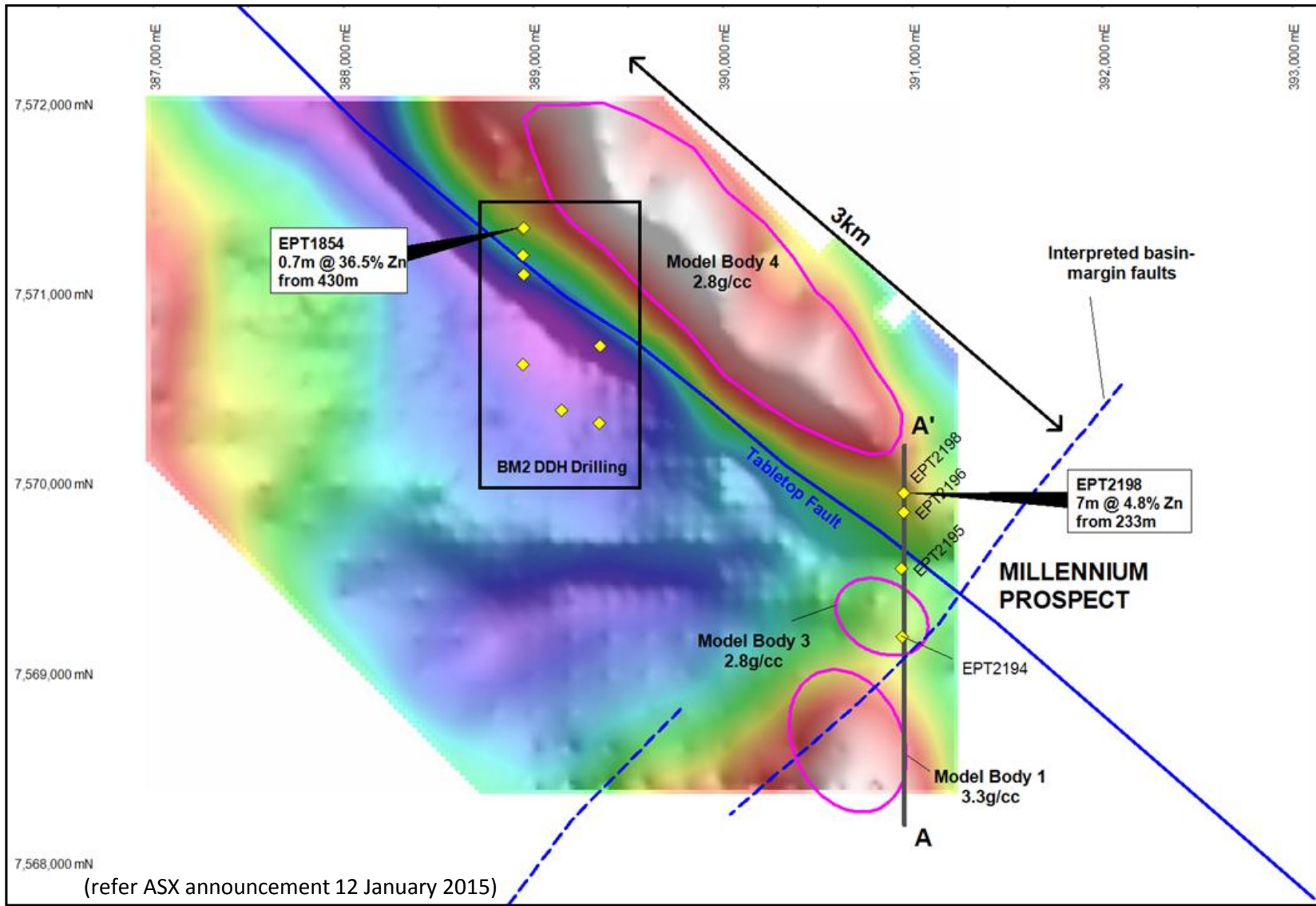
(refer ASX announcement 12 January 2015)





# MILLENNIUM ZINC DISCOVERY

## Gravity



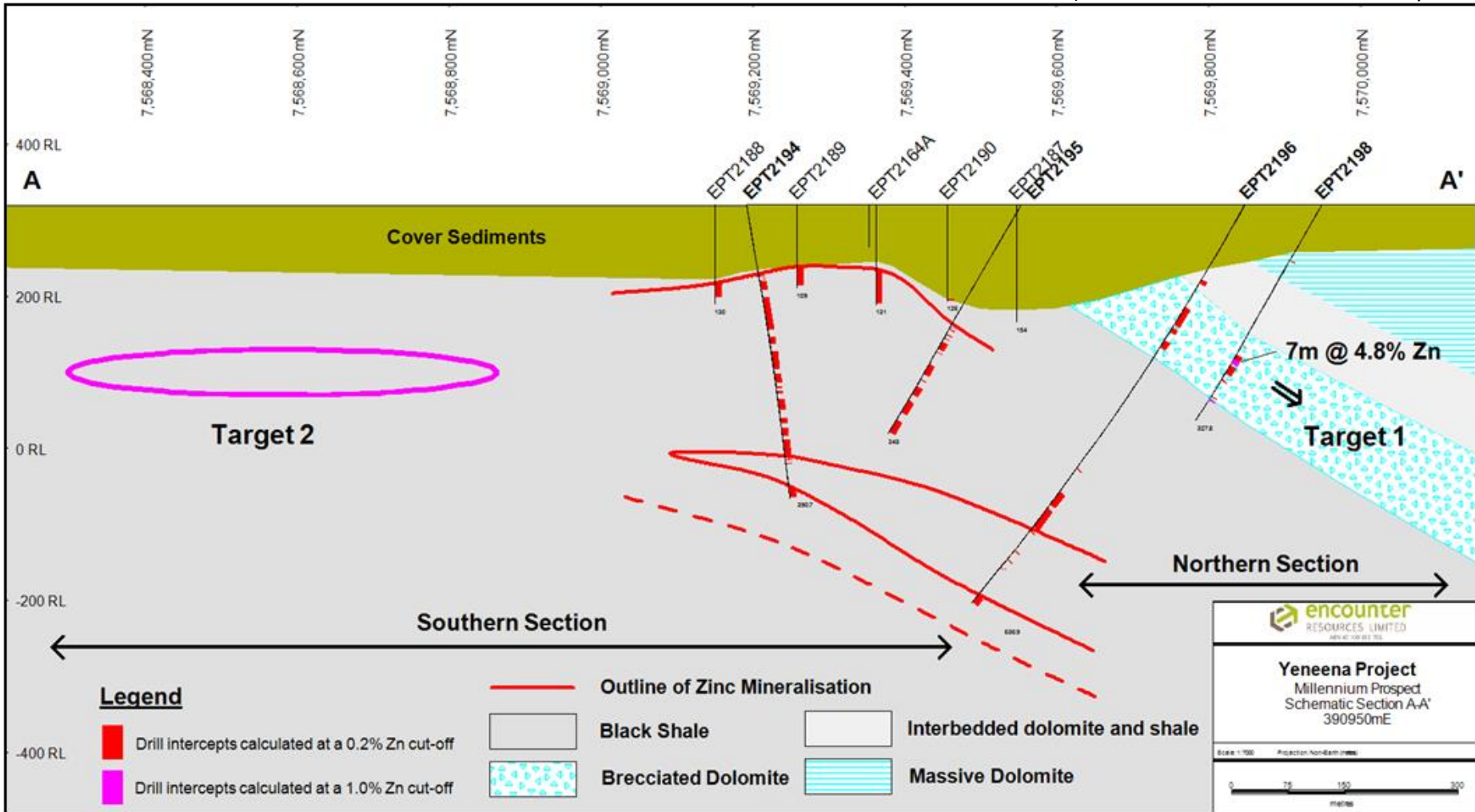
# MILLENNIUM ZINC DISCOVERY

Diamond drilling has identified two distinct styles :

**Target 1 - Zinc mineralisation adjacent to the carbonate – shale contact**

**Target 2 - Shale hosted Zinc-Lead mineralisation**

(refer ASX announcement 12 January 2015)





# MILLENNIUM - TARGET 1

The mineralisation adjacent to the carbonate – shale contact is strengthening with depth and remains open at depth and along strike

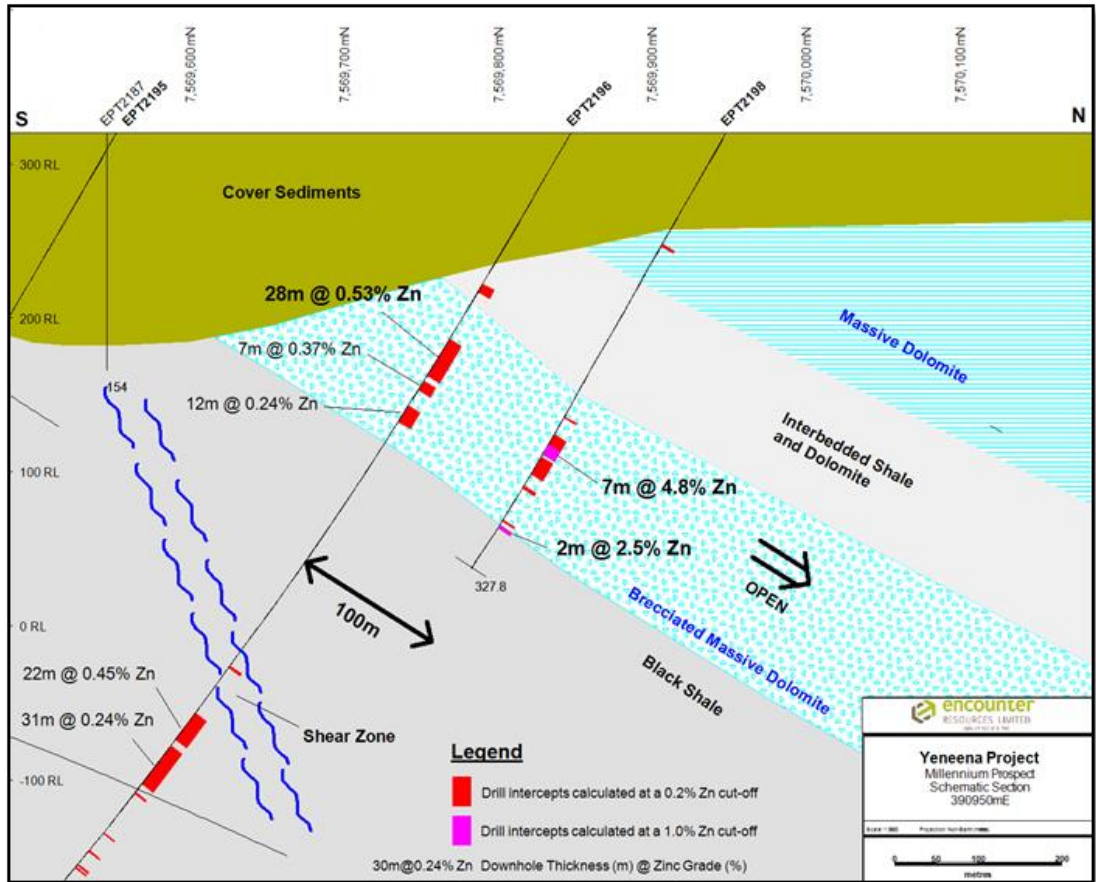


Photo 1: Millennium prospect – EPT2198 (~235.6m) Sphalerite (brown) and pyrite in brecciated carbonate core sample width approx. 50mm



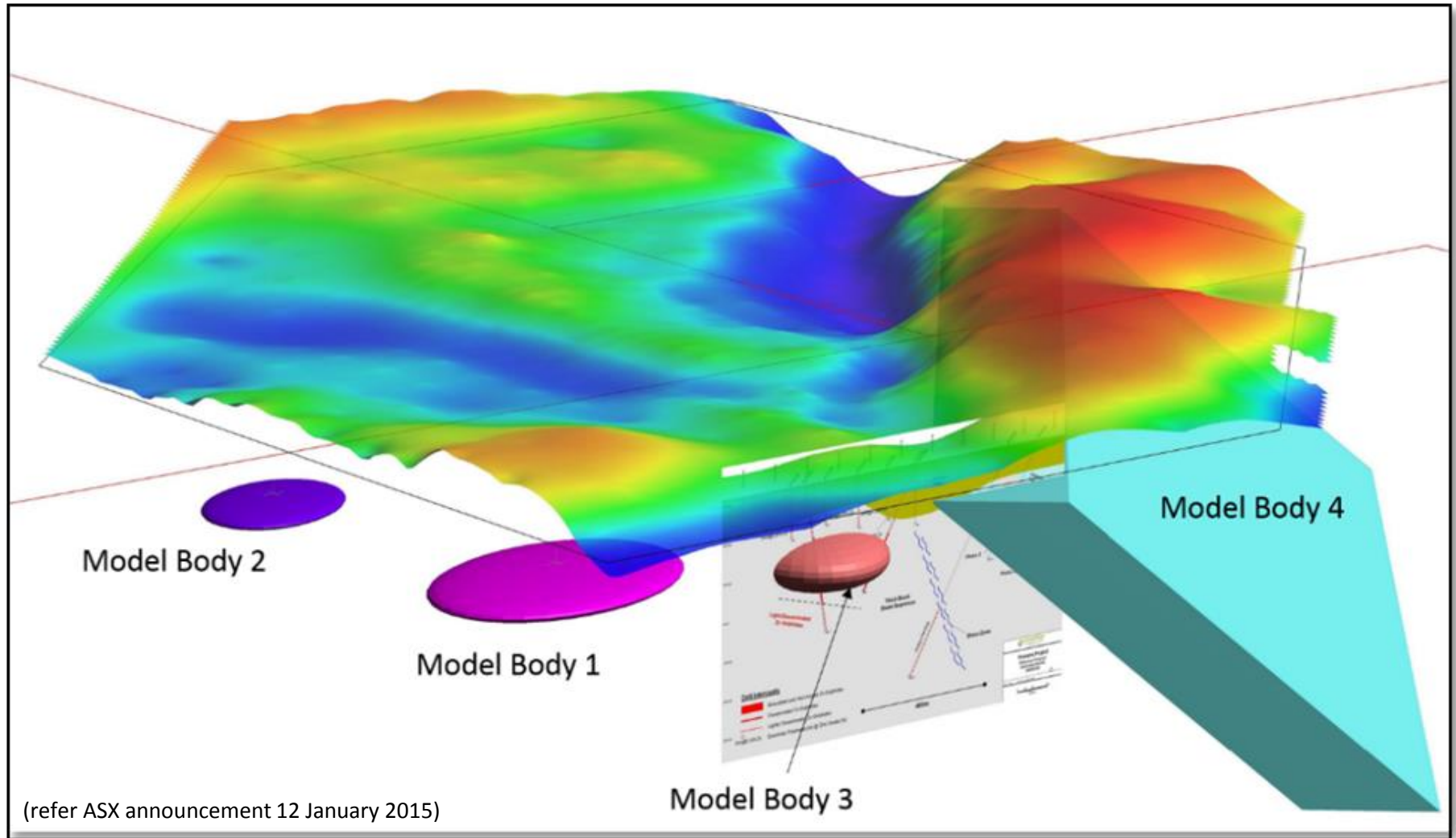
Photo 2: Millennium prospect – EPT2198 (~295m) Sphalerite (light brown) and minor pyrite in brecciated shale - 6.6% Zn core sample width approx. 50mm

(refer ASX announcement 12 January 2015)



# MILLENNIUM – TARGET 2

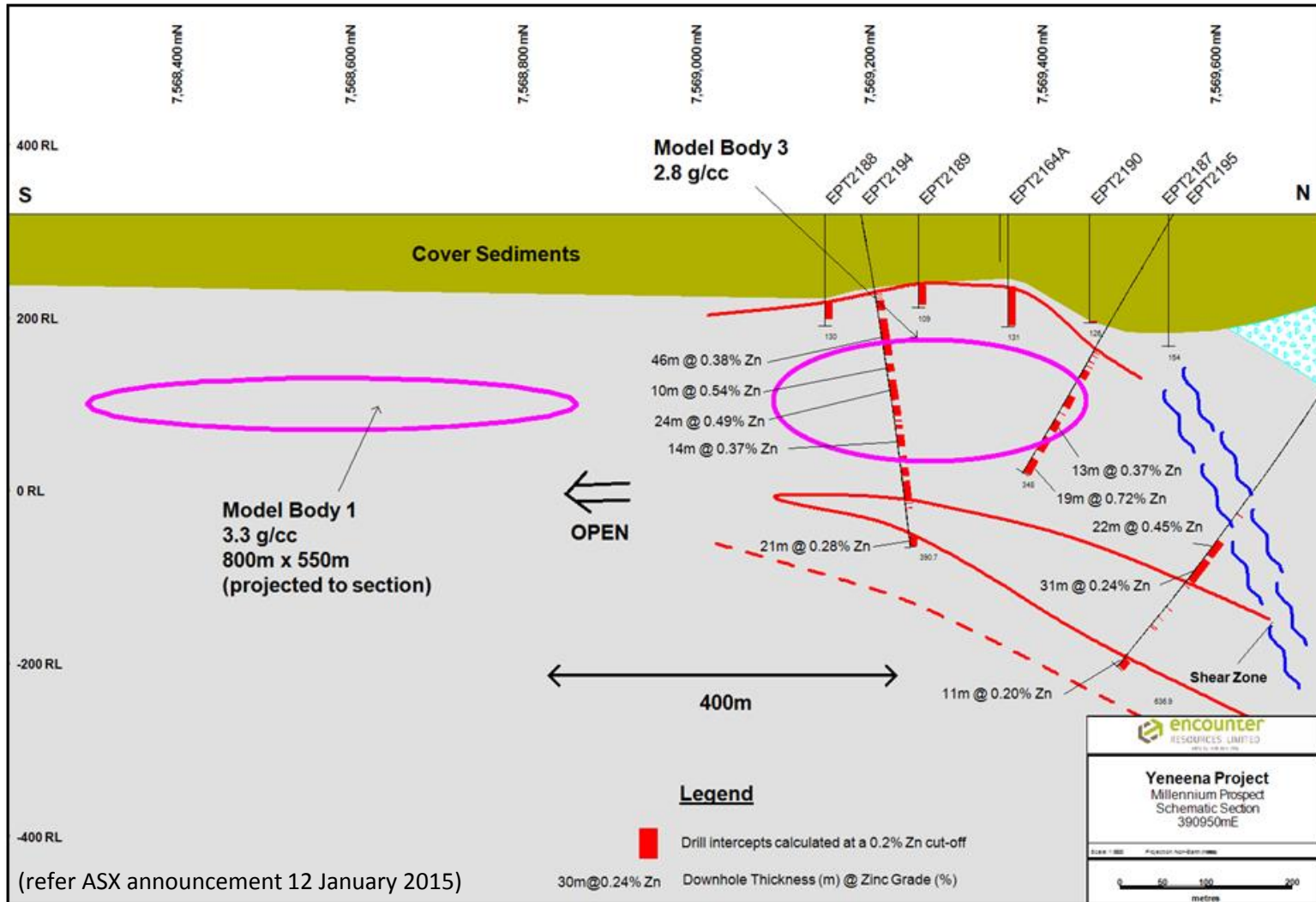
Shale hosted Zinc-Lead Mineralisation - Significant 0.5mgal density anomaly to the south of the mineralised halo intersected in the Nov14 diamond drilling - 'Model Body 1'





# MILLENNIUM – TARGET 2

Untested gravity anomaly 'Model Body 1' could be responding to a potential accumulation of more intense sulphide mineralisation



(refer ASX announcement 12 January 2015)



# 2014 MILESTONES

- ✓ **22,000m aircore/RC drilling, 9,500m diamond drilling completed**
- ✓ **Significant advancement in the understanding of vectors to high grade Cu mineralisation that has defined multiple drill targets**
- ✓ **Thick zone of copper sulphide at BM7 140m @ 0.2% Cu in final 2014 drill hole**
- ✓ **Copper sulphides intersected in first diamond drill program at Fishhook – Opening up northern corridor**
- ✓ **Major new zinc mineral system discovered at Millennium that remains open in all directions and at depth**





## Copper

**Drill test compelling Nifty analogue down dip of 140m @ 0.2% Cu at BM7**

**Complete first deep drilling at BM7 East target**

**Initial drill test of Lookout Rocks prospects (EIS co funded)**

## Zinc

**Drill test large scale gravity target at Millennium**

**Drill test down dip and along strike of last hole drilled in 2014 7m @ 5% Zn**

**Consider funding alternatives to advance this rare, large scale, greenfield zinc opportunity**

**Drilling scheduled to re-commence in April 2015**



## *Yeneena – Australia's Next Great Mineral District?*

- **Highly active explorer**
- **Large scale, greenfield copper and zinc discoveries made by Encounter**
- **Funding of copper exploration through Antofagasta farm-in**
- **Major land position secured (>1850km<sup>2</sup>)**
- **The right commodities - strong fundamentals for copper and zinc**



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Certain exploration drilling results for BM1, BM2 and BM7 are first disclosed under JORC code 2004. It has not been updated since to comply with the JORC code 2012 on the basis that the information has not materially changed.

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 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 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Bewick consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases and the form and context of the announcement has not materially changed.

