



**encounter**  
RESOURCES LIMITED

# Annual General Meeting

25 November 2016

ASX : ENR



# Company Snapshot

## 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

155.6m Ordinary Shares (Top 40 shareholders hold 68%)  
12m Options

## Market Cap.

A\$13.4m @ A\$0.086/share (24 Nov 2016)

## Cash

~A\$2.7m (30 Sep 2016)

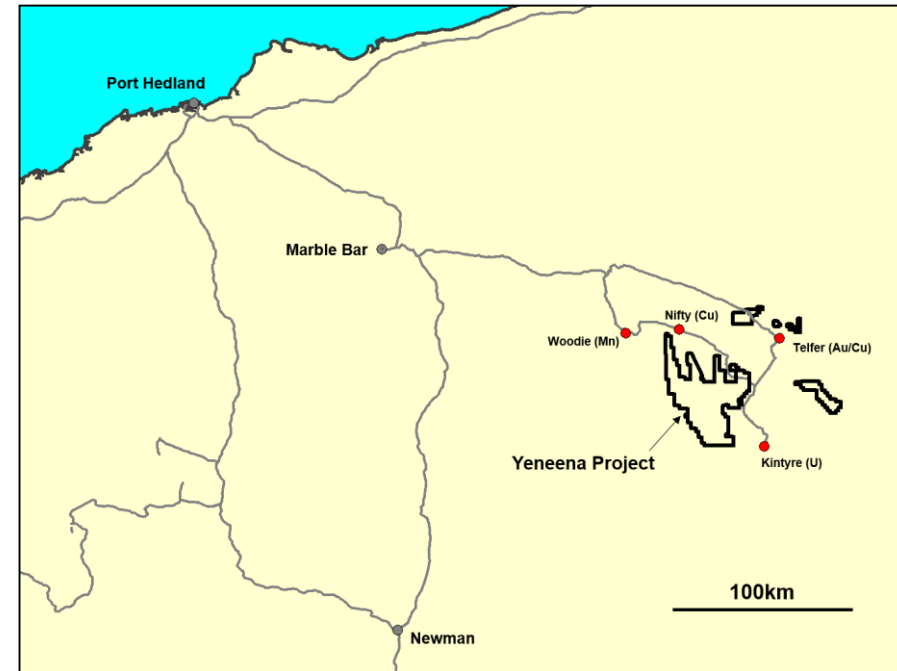
## Investments

~A\$0.9m (30 Sep 2016)

## Share Register

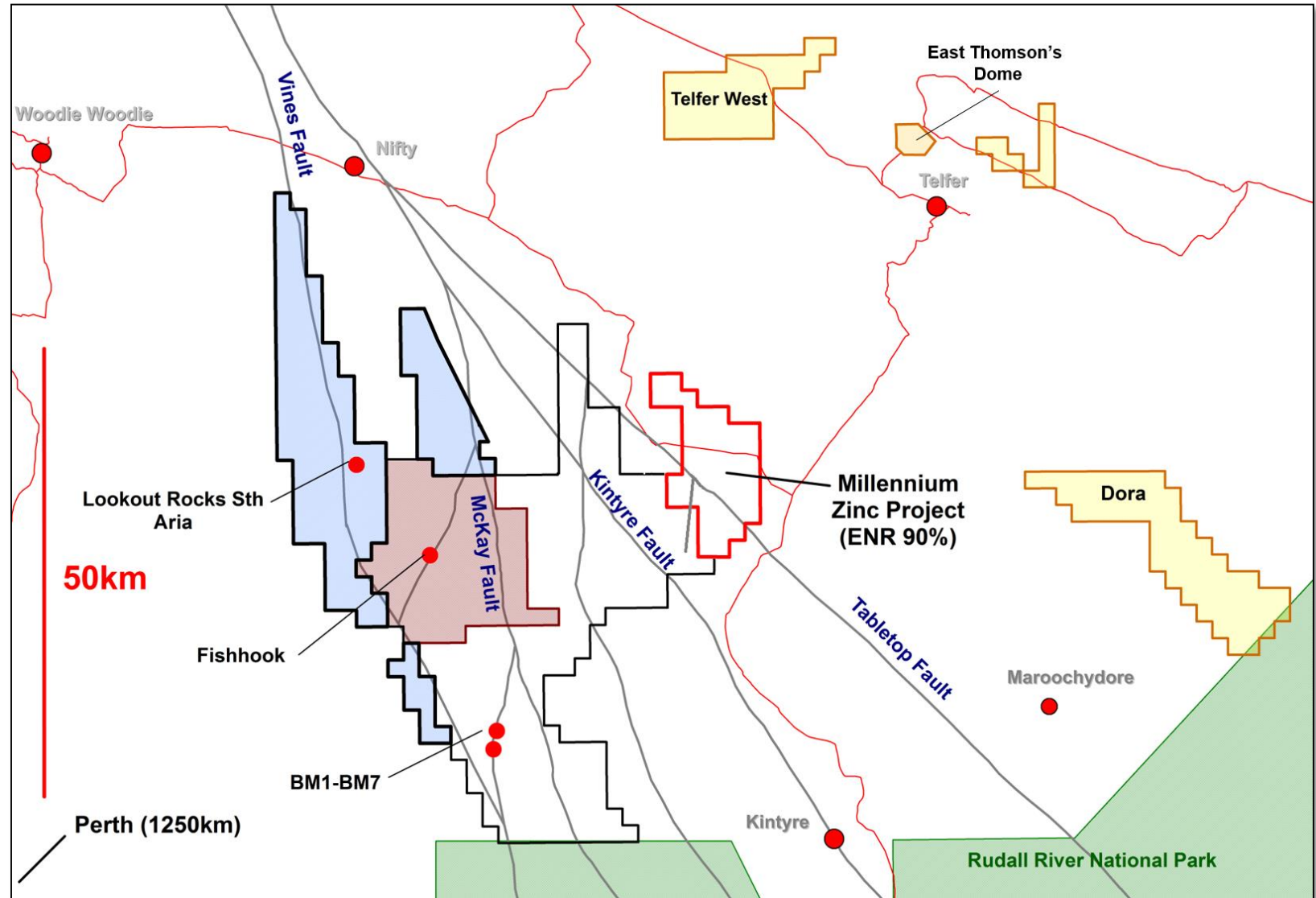
Leading Global Resource Funds (Sprott, RCF, Thorney, Eye Management)

## Main Project – Yeneena (Cu, Zn, Au)



# Creating Value Through Greenfield Exploration...

- ❖ Major land holding in proven Proterozoic Paterson Province
- ❖ A region that produces big deposits
- ❖ Sharing risk at appropriate points to maximise exploration upside
- ❖ New copper and zinc discoveries made by ENR
- ❖ Telfer region gold prospects advancing





# ...in a New Search Space...

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- ❖ Sand covered mineral belt with proven fertility
- ❖ Outcropping discoveries made in 1970-80s (Nifty, Telfer, Kintyre)
- ❖ Minimal subsurface exploration activity up to 2005
- ❖ Leading edge undercover exploration techniques - IP, CSIRO Ultrafine Soils Fractions, VTEM™
- ❖ Recent discoveries:
  - ❖ BM1-BM7 Copper (2010)
  - ❖ Millennium Zinc (2013)
  - ❖ Lookout Rocks Copper (2016)





# 2016 Highlights

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## Millennium Zn

- ❖ Shale hosted zinc-lead mineralisation extended at least 400m further south-east at Millennium. EIS diamond drill program in progress

## Lookout Rocks Cu

- ❖ Successful intersection of zones of up to 1% Cu in disseminated sulphide mineralisation in the first diamond drill hole at Lookout Rocks South

## Aria IOCG

- ❖ Further copper sulphide mineralisation intersected in second diamond hole at Aria IOCG prospect - Assays Dec 16

## BM7 Copper

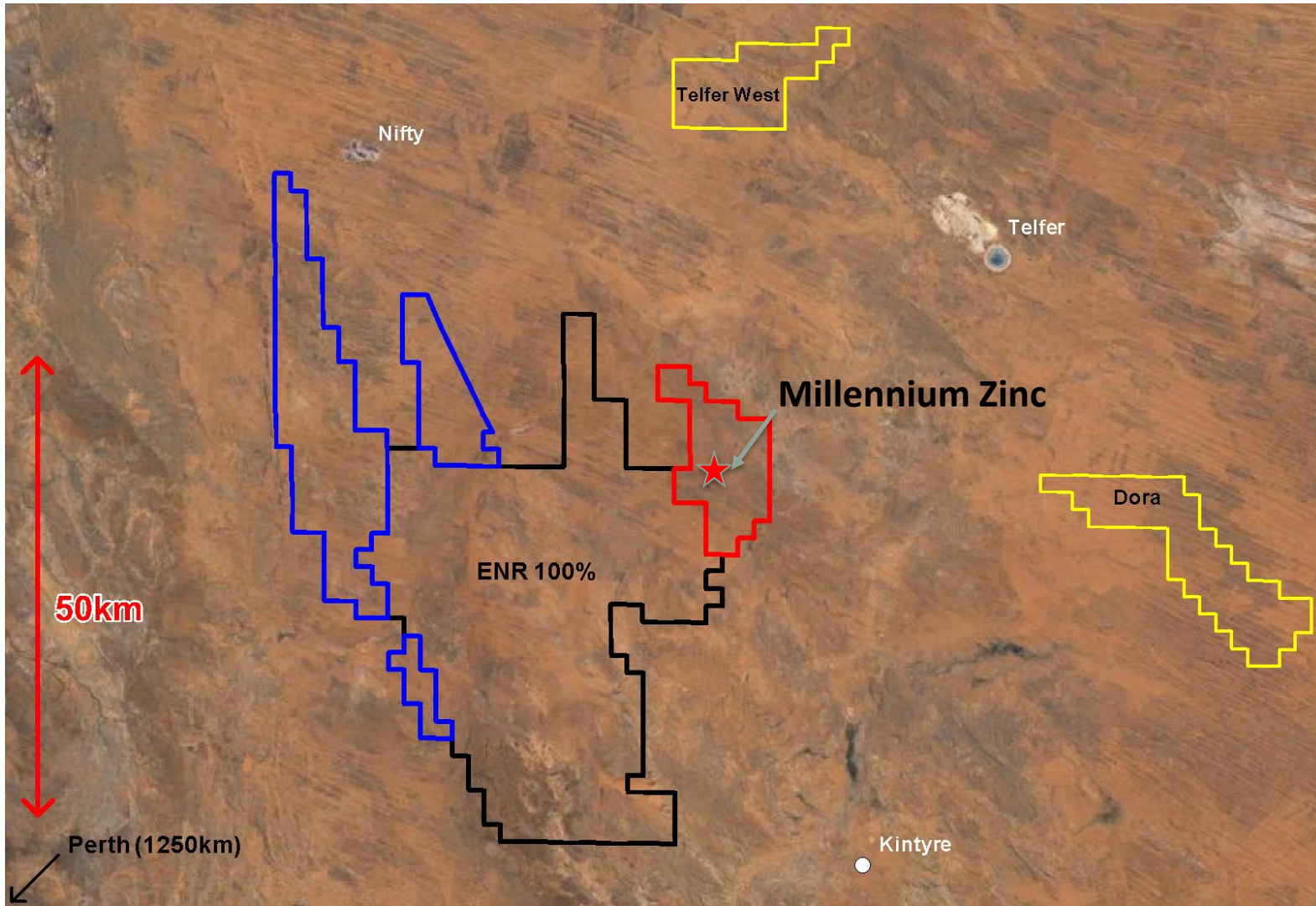
- ❖ Drilling downdip of supergene copper-cobalt mineralisation downdip of EPT1667 -9m @ 1.54% Cu and 1.0% Co from 42m to EOH – Assays Dec 16

## Paterson Gold

- ❖ Substantial volume of stockwork style gold identified at Telfer West, rock chip program returned up to 61.4g/t gold, diamond drilling in progress
- ❖ Invested \$4.3m in exploration in 2015/16 while maintaining sound financial position



# Greenfield Zinc Discovery at Millennium...



- ❖ Large +3km long zinc system
- ❖ First order structural address at intersection of major NE and basin forming NW structures
- ❖ High grade mineralisation in early drilling
- ❖ Hampton Hill Mining (HHM) earning up to 25% by providing up to A\$2 million



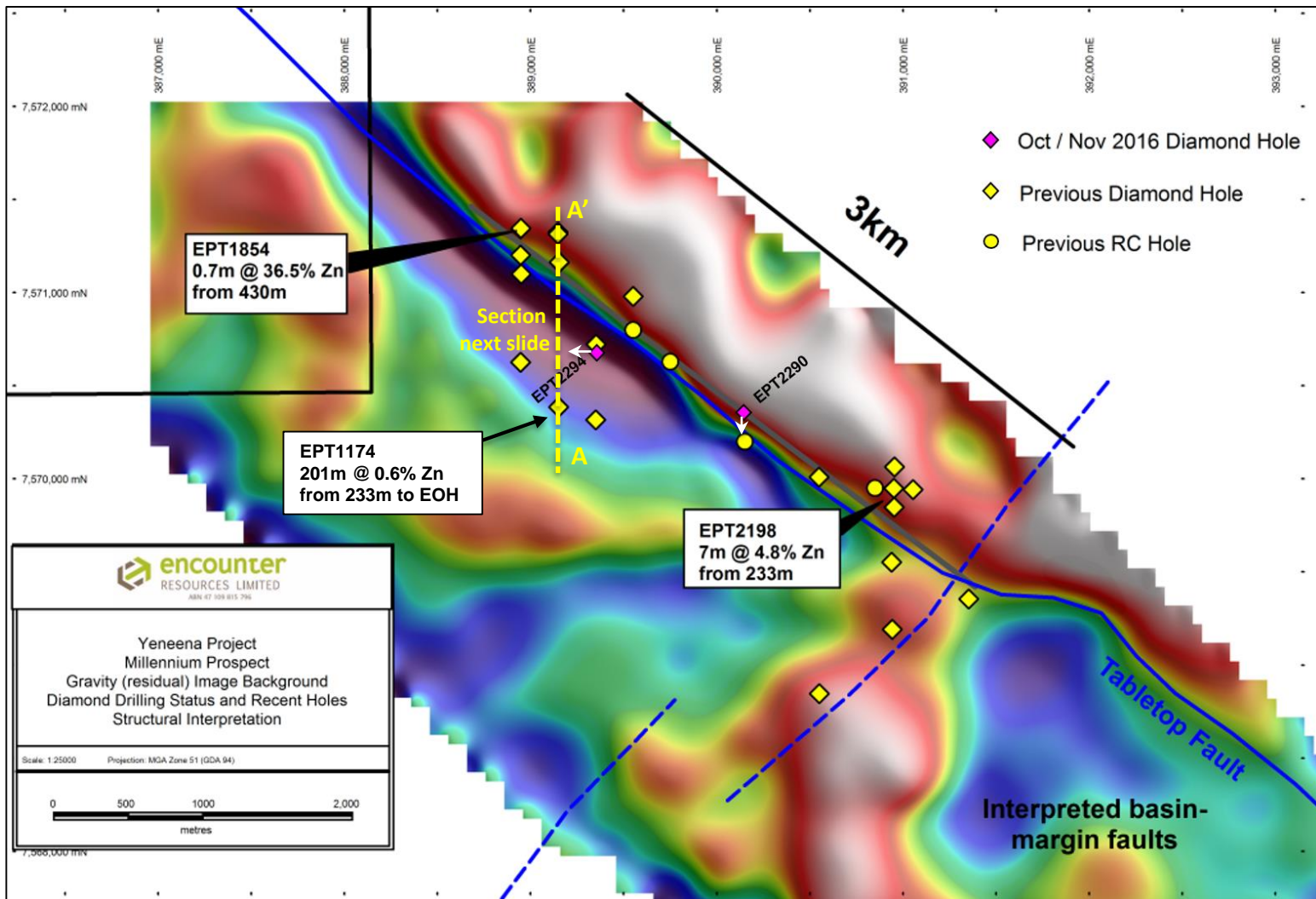


# Large zinc system with high grade Zn sulphide...

Massive zinc sulphide 0.7m @ 36.5%



Thick gossan intersections - 70m @ 2.3%



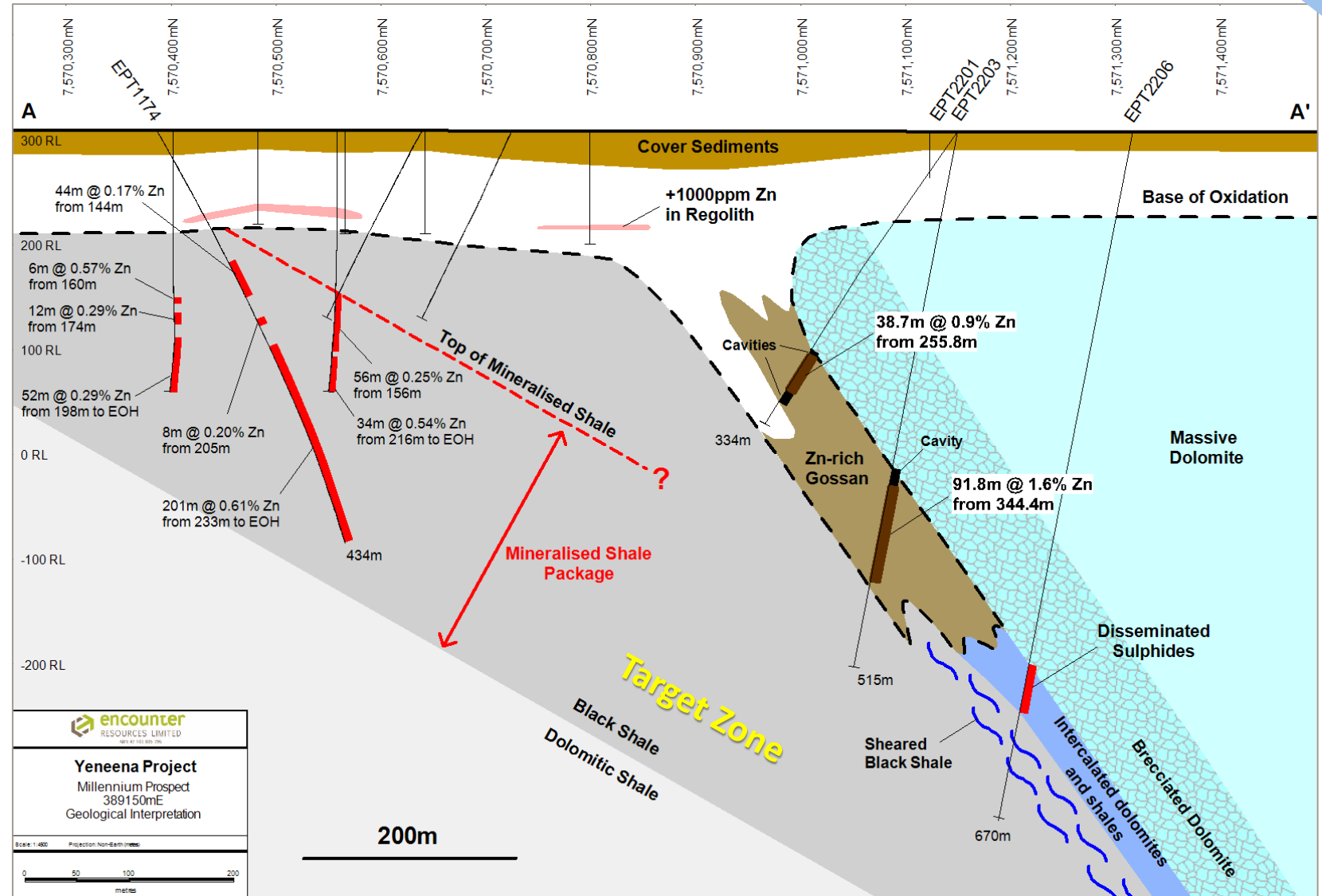
(refer ASX announcements 14 December 2013, 12 January 2015, 17 June 2015, 29 October 2015)



# Millennium - Shale Hosted Zinc Mineralisation

Millennium Zn

- ❖ 1,500-2,000 metre diamond drill program  
EIS co-funded by WA Government
- ❖ EPT1174 - 201m @ 0.6% Zn from 233m to EOH including 29m @ 1.0% Zn from 400m.
- ❖ Designed to test for high grade zinc mineralisation at the base of a thickened mineralized shale package, proximal to the shale-carbonate contact

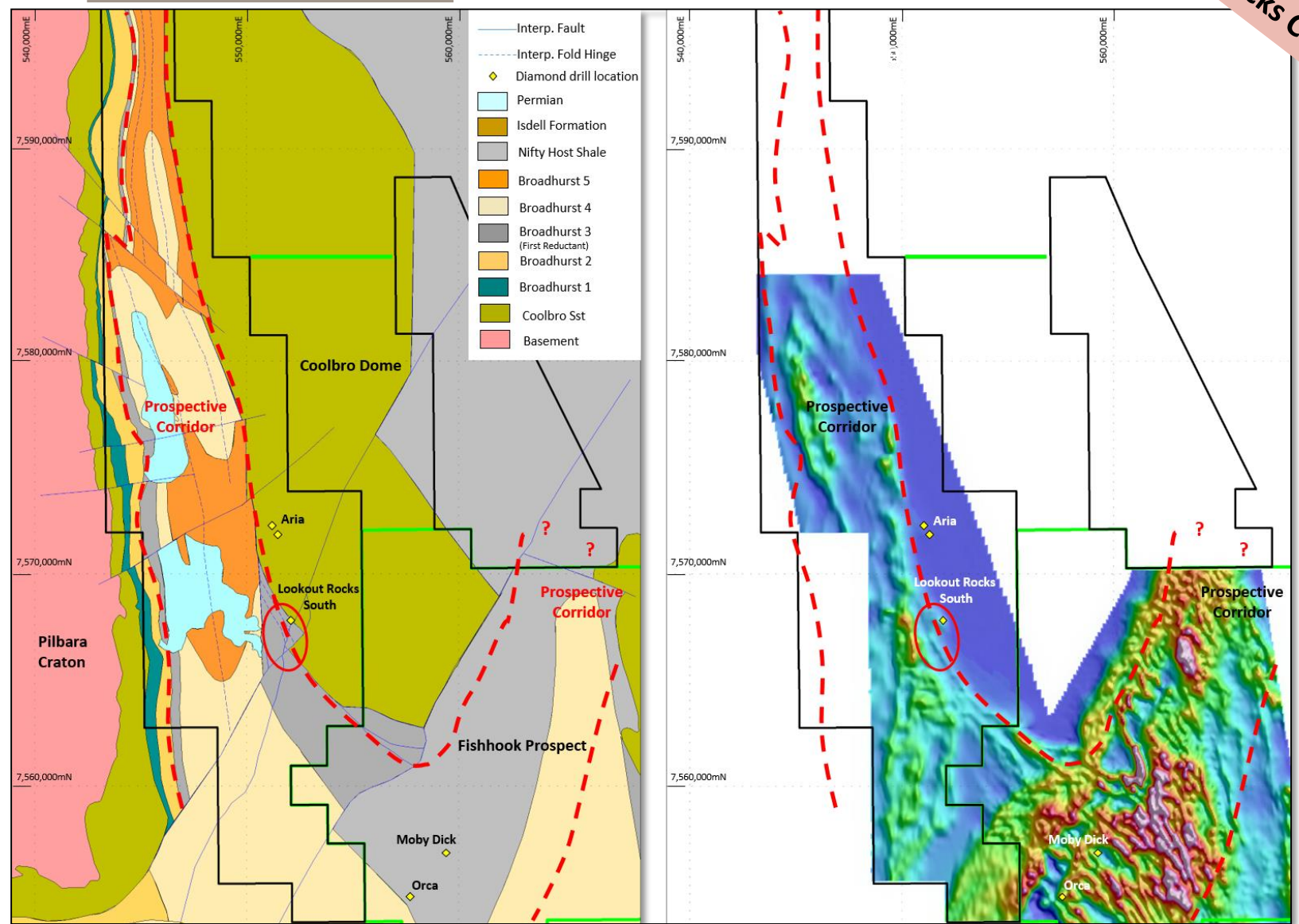




# Lookout Rocks – Zambian style copper prospect in WA

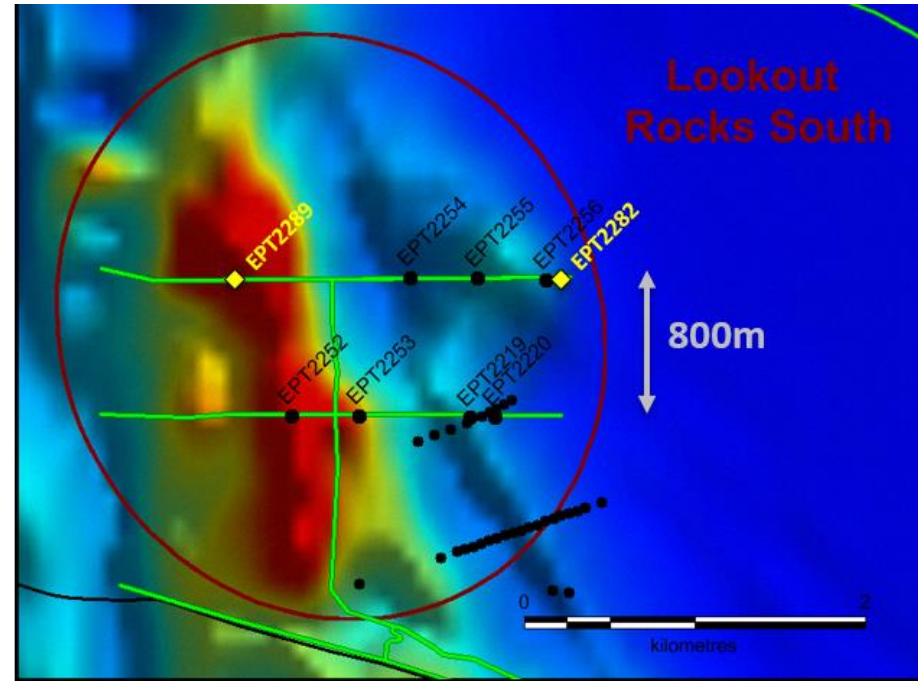
Lookout Rocks Cu

- ❖ VTEM surveys completed 2013 & 2014
- ❖ Over 50 strike kms of interpreted 'first reductant' at the base of the Broadhurst Formation sediments in highly prospective structural setting
- ❖ Shallow sand cover with minimal previous exploration activity
- ❖ \$1.65m invested by Antofagasta July 2015 to August 2016.



# Lookout Rocks – First diamond hole intersects copper

- ❖ First diamond drill hole successfully intersected zones of disseminated copper sulphide mineralisation, up to 1% Cu
- ❖ Mineralisation is hosted by black, reduced carbonaceous sediments, located directly above an oxidised “red bed” stratigraphic unit
- ❖ Zambian copper-belt analogous
- ❖ Stratigraphic contact focusing the copper-cobalt mineralisation is relatively flat and extends laterally
- ❖ Important regional exploration implications



Drill status plan with background image of VTEM Ch35



Disseminated chalcopyrite in carbonaceous shale  
EPT 2282 ~259.2m downhole (1.0%Cu)

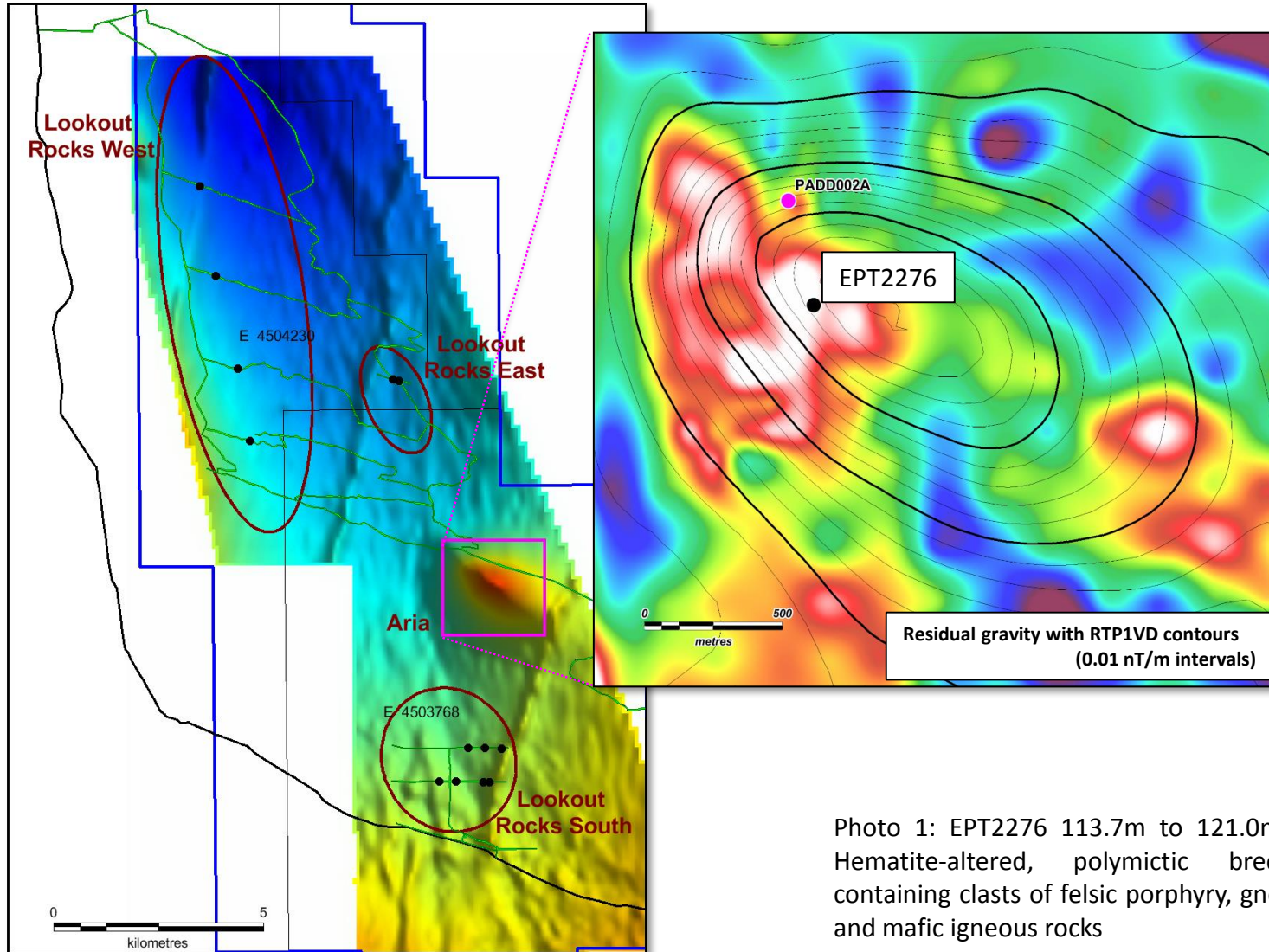


Example of “Red Bed” oxidized sediments  
EPT2282 ~320m downhole

(refer ASX announcement 28 July 2016)



# Aria – IOCG Prospect



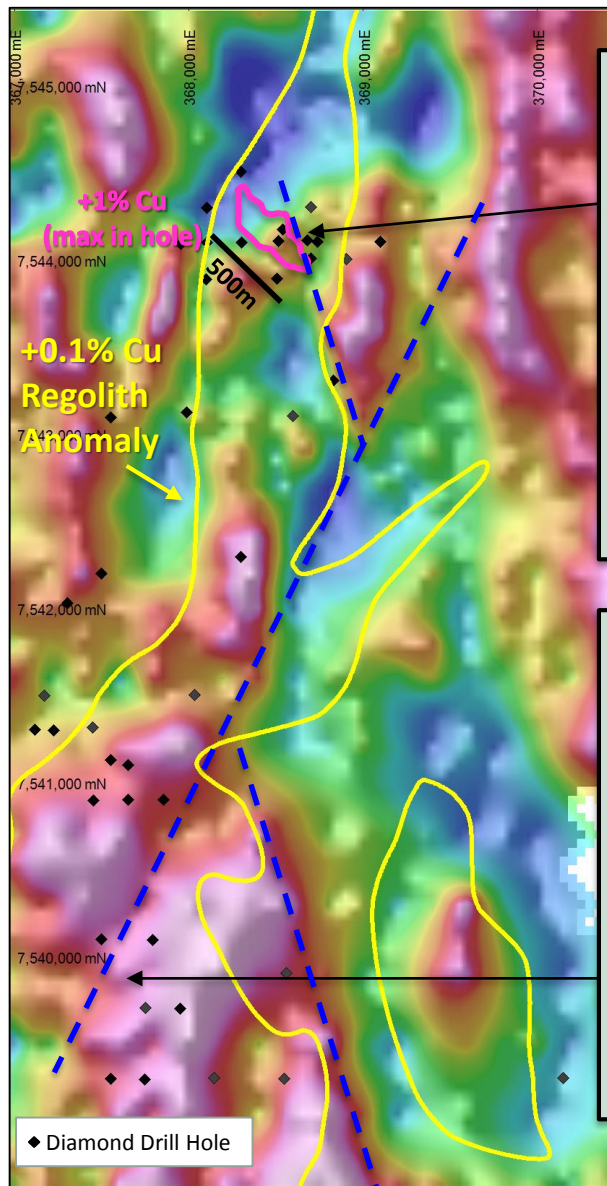
- ❖ Detailed gravity survey completed
- ❖ Discrete density anomaly located on the margin of the previously identified magnetic anomaly
- ❖ 400m diamond hole completed
- ❖ EPT2276 intersected further hematite-altered, polymictic breccia containing blebs of copper sulphide



Photo 1: EPT2276 113.7m to 121.0m – Hematite-altered, polymictic breccia containing clasts of felsic porphyry, gneiss and mafic igneous rocks



# BM7 Project – 14km long Copper System



## BM1

Coherent zone of near surface Cu oxide mineralisation

- 10m @ 6.8% Cu from 32m\*
- 20m @ 2.0% Cu from 22m\*
- 8m @ 3.6% Cu from 18m\*
- 16m @ 3.2% Cu from 26m
- 50m @ 1.1% Cu from 12m



## BM7

Large mineral system containing high grade Cu sulphide

- 5m @ 2.5% Cu from 388m\*
- 52m @ 0.6% Cu from 42m\*
- 9m @ 1.5% Cu & 1.0% Co from 42m to EOH\***
- 74m @ 0.4% Cu from 74m\*
- 140m @ 0.2% Cu from 144m



Cover corrected Gravity Image  
(residual filter applied)

(refer ASX announcements 15 July 2014 & 30 January 2015)  
(\*Reported pursuant to the 2004 Edition of the JORC Code)





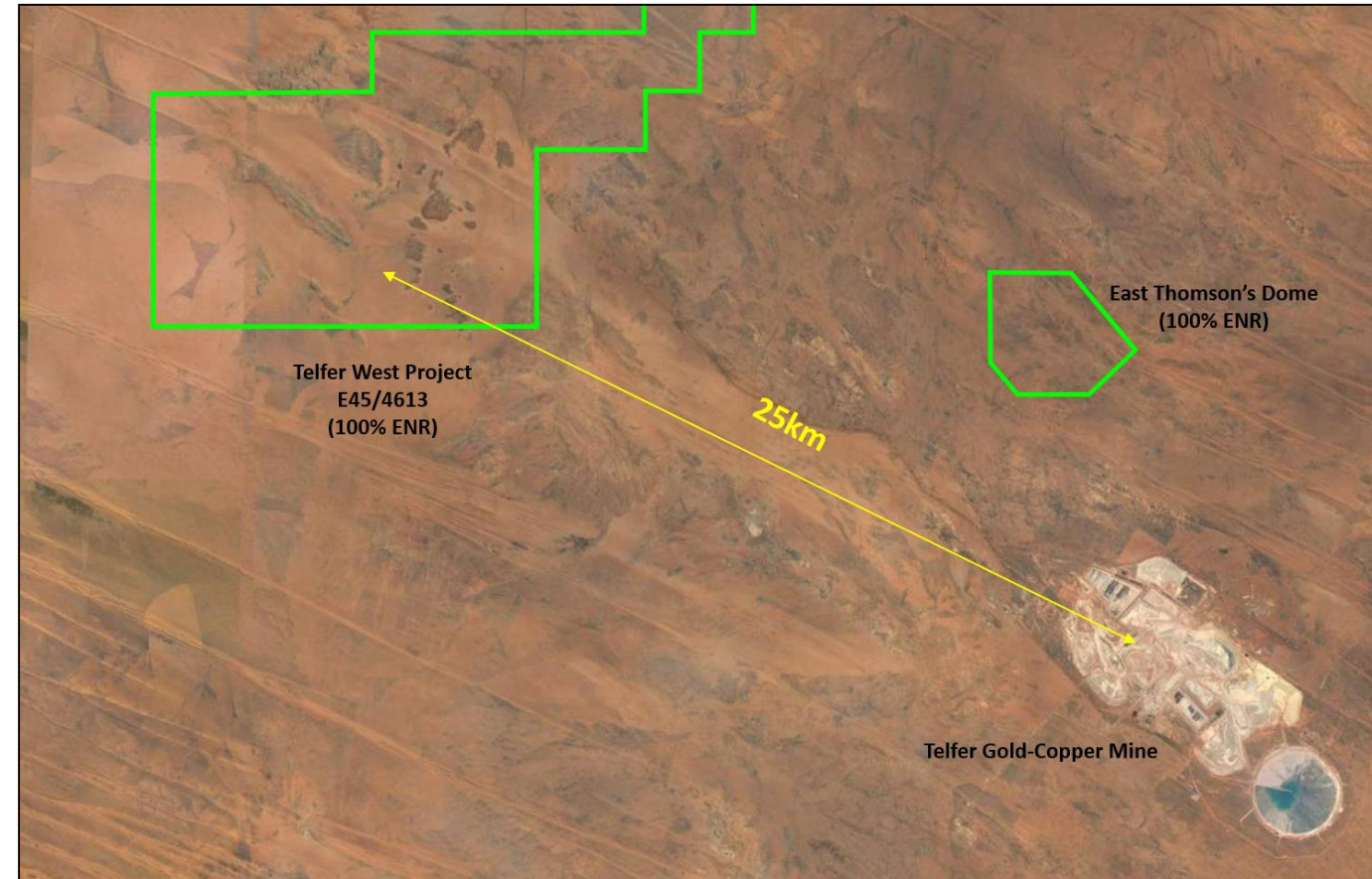
# Large scale gold opportunities near Telfer

## TELFER WEST

- ❖ Dome of prospective stratigraphy similar to the host units at Telfer
- ❖ Egg Prospect contains high grade gold mineralisation within a substantial volume of stockwork style gold mineralisation
- ❖ Sparsely drill tested, particularly at depths below 100 metres
- ❖ Most recent diamond drill program completed by Newmont in 1989

## EAST THOMSON'S DOME

- ❖ Historical near surface gold occurrences in a favourable geological setting located 10km from the Telfer gold-copper mine
- ❖ Most recent substantive exploration was completed by Barrick in 2005

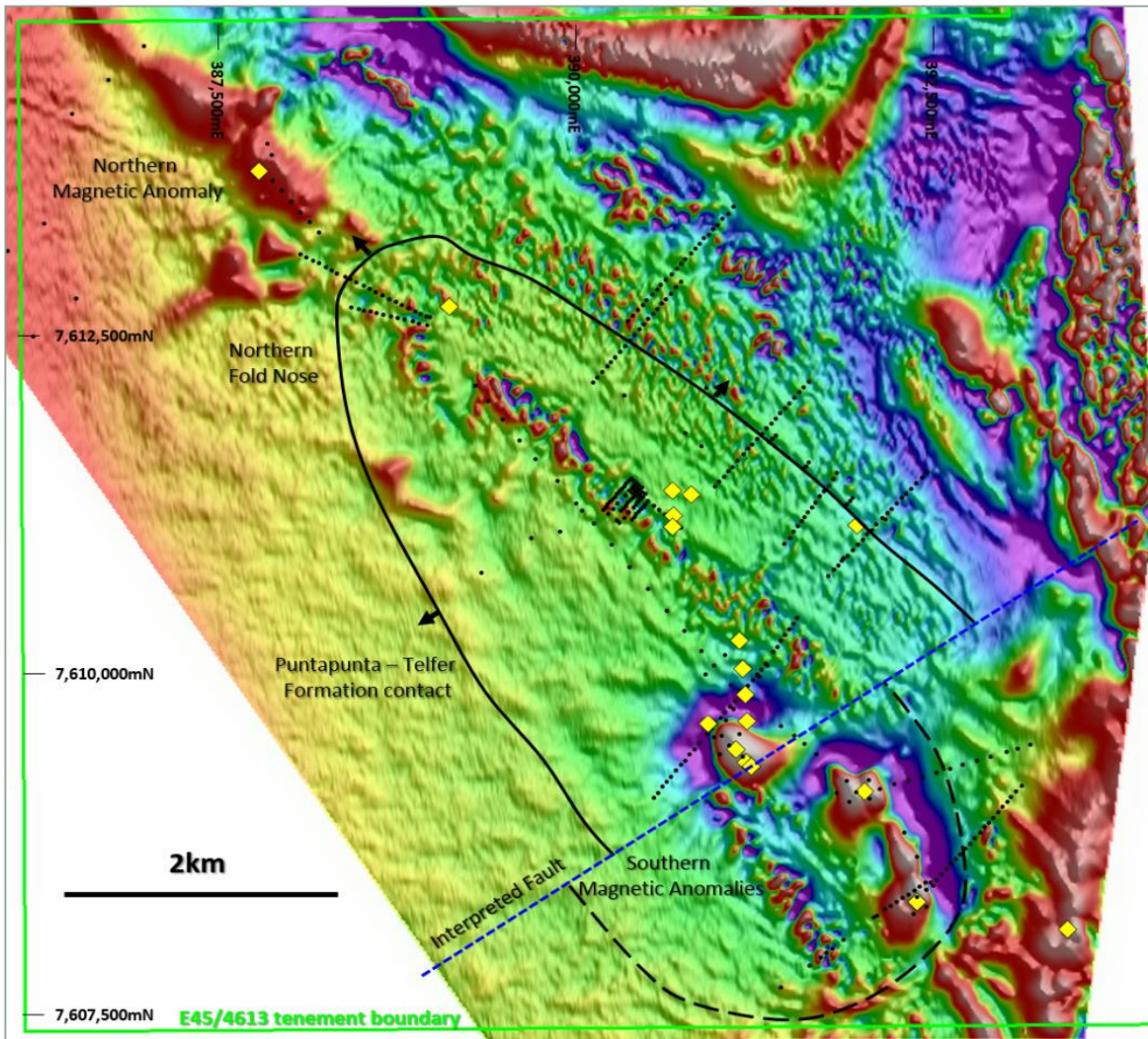


(refer ASX announcement 25 August 2016)

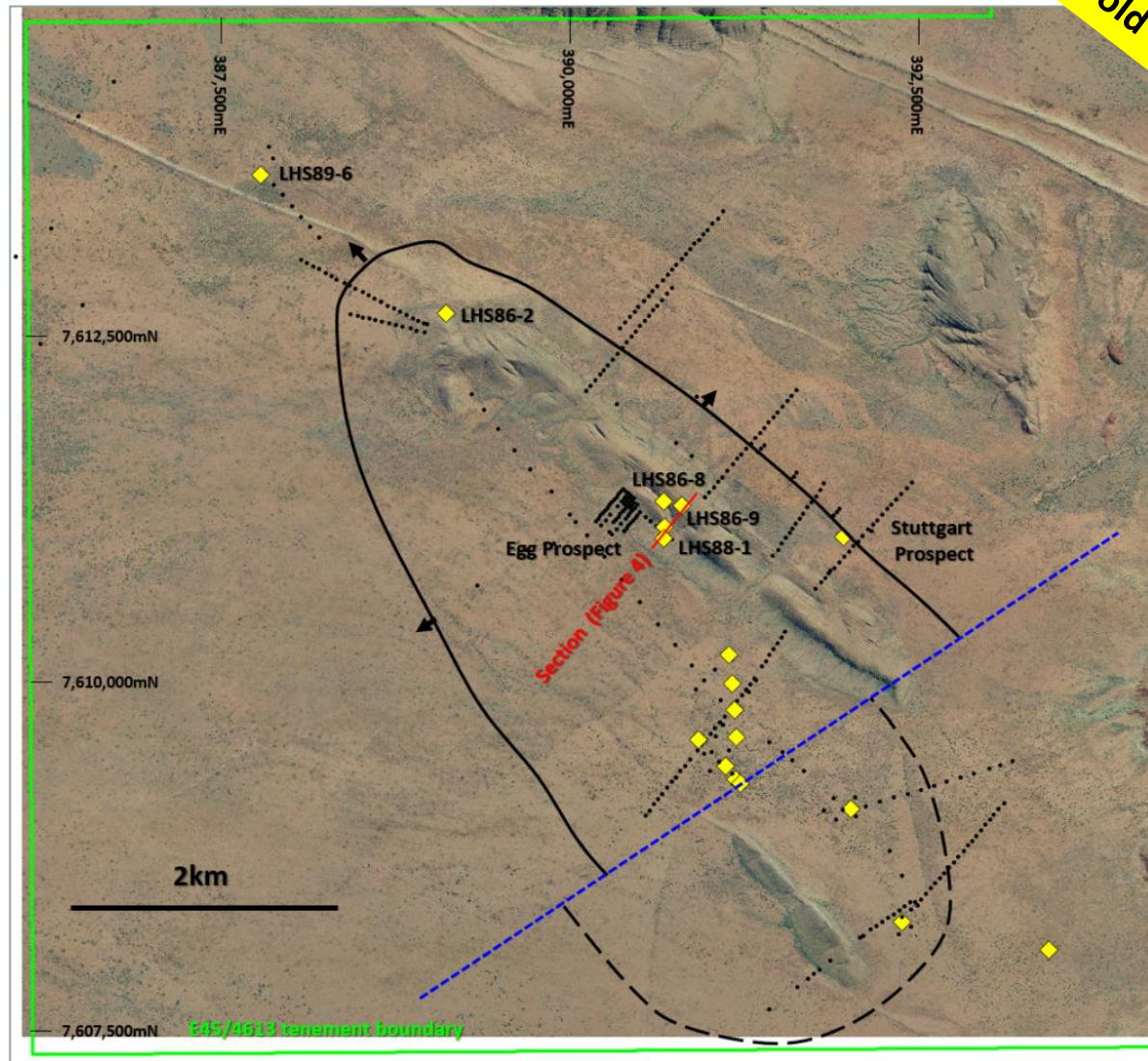




# Telfer West Gold/Copper Project



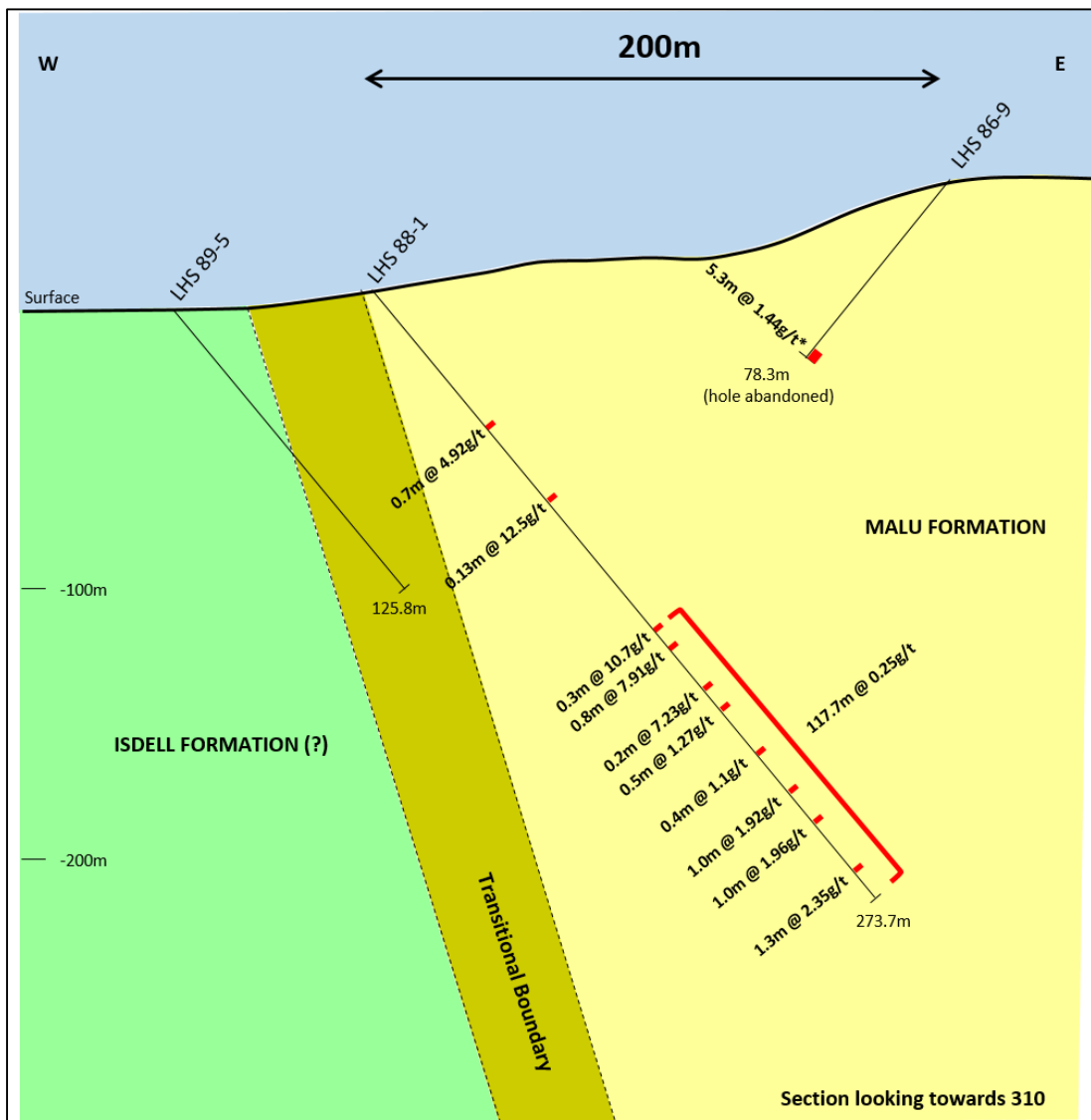
Historical drilling and interpreted geology. Historical diamond holes (yellow diamonds), all other holes (black dots). Detailed aeromagnetic background (TMI 1VD pseudo colour image)



Telfer West airphoto – Historical diamond holes (yellow diamonds), all other holes (black dots)



# Telfer West Gold/Copper Project



Egg Prospect cross section from historical report



Egg Prospect LHS 86-9 from ~65m to EOH (note incomplete sampling)

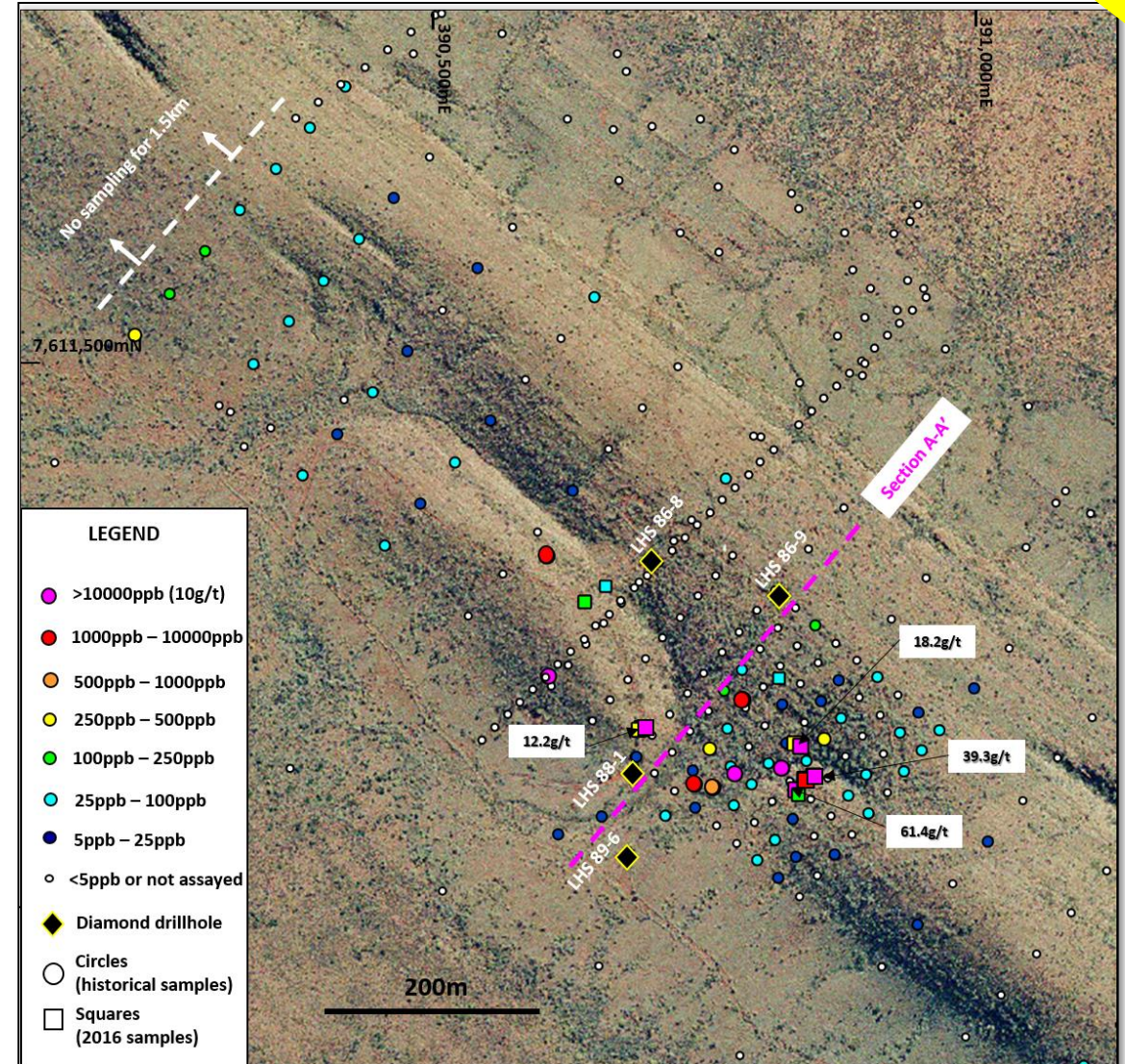
- ❖ The Egg Prospect within the Malu Formation contains high grade gold mineralisation with anomalism extending for at least 4km to the north-west



# Telfer West Gold/Copper Project

- ❖ Recent Activity
  - ❖ Airborne magnetic survey July 2016
  - ❖ Surface geochemical sampling Aug 2016
  - ❖ Heritage survey completed Oct 2016
  - ❖ IP (induced polarisation) survey Nov 2016
- ❖ Surface rock chip program at the Egg Prospect has confirmed historical geochemistry returning up to 61.4g/t gold
- ❖ Diamond drilling at Telfer West - Nov 2016
- ❖ Drilling will initially focus on the Egg Prospect and the north-west magnetic anomaly adjacent to LHS89-6

(refer ASX announcement 20 October 2016)



Telfer West, Egg Prospect surface geochemistry



# Two diamond drill rigs currently operating at Yeneena/Telfer West

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- ❖ **Millennium Zinc Project** - 1,500-2,000m diamond drill program primarily designed to test for high grade zinc mineralisation at the base of a thickened mineralised shale package – First assays Dec 2016
- ❖ **Telfer West Gold Project** - Diamond drilling will focus on the Egg Prospect which contains several areas of high grade gold within a substantial volume of stockwork style gold mineralisation and where a recent surface rock chip program returned up to 61.4g/t gold. First assays Dec 2016
- ❖ **Lookout Rocks South Copper** - The first follow up drilling since the successful intersection of narrow zones of disseminated copper sulphide mineralisation, up to 1% Cu, at the targeted first reductant position in June 2016
- ❖ **Aria IOCG Copper Target** - Drill hole EPT2276 will be extended to test for the source of the discrete gravity and magnetic anomalies and for potentially stronger concentrations of copper mineralisation. First assays Dec 2016
- ❖ **BM7 Copper-Cobalt Target** - RC program to test for continuity of the copper-cobalt mineralisation intersected in aircore hole EPT1667 (9m @ 1.54% Cu and 1.0% Co from 42m to EOH). Assays Dec 2016



# The Investment Case

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- **Under-cover frontier exploration to create enduring value**
- **Exposure to large scale exploration upside in copper, zinc and gold**
- **Large land position in district with proven fertility and active majors (2000km<sup>2</sup>)**
- **Risk sharing at appropriate points to maximise return for ENR shareholders**
- **Leading global resources funds on register (Sprott, RCF, Thorney, Eye Investment Fund)**
- **Sound cash position**
- **EDI (Exploration Development Incentive) - exploration credits to be distributed to shareholders**
- **Drilling to test advanced exploration targets**





# Disclaimer & Compliance Statement

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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.

