

# New Gold Discoveries in a Prolific District



## Investor Update

August 2017

ASX : ENR

# 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.



# Positioned in a Leading Minerals Address

- ❖ **Active explorer in one of the world's most prospective basins**
- ❖ **Targeting shallow gold opportunities with scale potential**
- ❖ **Large prospective landholding over 70km of strike providing leverage in a proven copper-cobalt district**
- ❖ **Project generation alliance with Australia's largest gold mining company, Newcrest Mining Limited (ASX:NCM)**
- ❖ **Backed by leading global resources funds**



# Company Snapshot

Encounter Resources	ASX: ENR
Share price	A\$0.10ps
12 month share price range	A\$0.06 – A\$0.15ps
Shares on issue	192m
Options and performance rights	12.4m
Cash (30 June 2017)	A\$3.6m
Investments (30 June 2017)	A\$0.4m
Debt (30 June 2017)	Nil
Enterprise Value	A\$15.6m
Supportive institutional shareholder base	Sprott, Resource Capital Funds Acorn, Thorney, Eye Investment Management



## Board of Directors

Paul Chapman – Non Executive Chairman	Mr Chapman is a chartered accountant with over twenty five years experience in the resources sector gained in Australia and the United States. Mr Chapman has experience across a range of commodity businesses including gold, nickel, uranium, manganese, bauxite/alumina and oil/gas.
Will Robinson – Managing Director	Mr Robinson founded Encounter Resources Ltd and has overseen the development of the company as its Managing Director. Mr Robinson is a resources industry commercial and finance specialist with over twenty years experience with companies involved in nickel, gold & copper production and exploration.
Peter Berwick – Exploration Director	Mr Bewick is a geologist and held senior mine and exploration geological roles during a 14 year career with WMC. In his time at WMC, Mr Bewick gained extensive experience in project generation for a range of commodities including nickel, gold and bauxite.
Jon Hronsky- Non Executive Director	Dr Jon Hronsky has over 30 years experience in the mineral exploration industry, primarily focused on project generation, technical innovation and exploration strategy development. For the last 10 years he has been Principal of Western Mining Services, a globally-regarded consulting group. Previous senior industry roles include Manager – Strategy & Generative Services for BHP Billiton Mineral Exploration & Global Geoscience Leader for WMC Resources



# Encounter Exploration Strategy

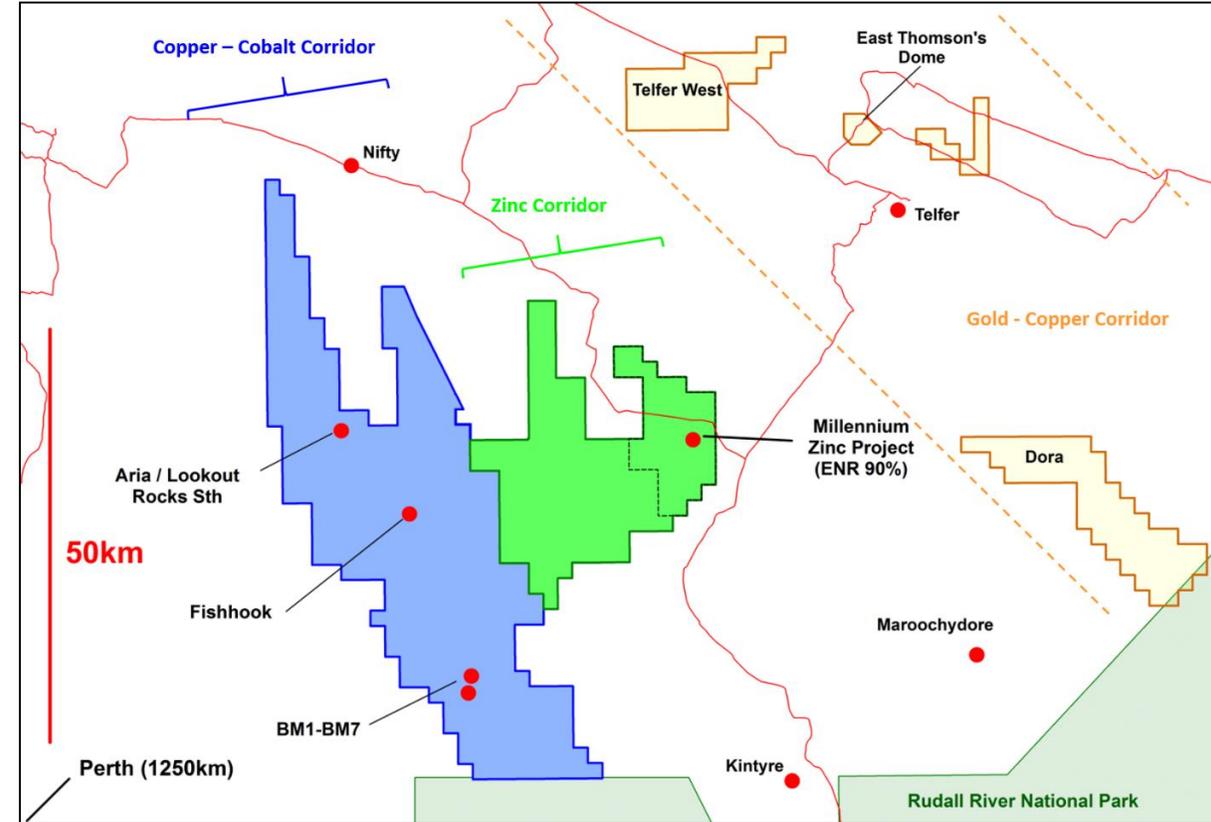
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- ❖ **New discoveries in known mineral provinces to generate superior shareholder returns**
- ❖ **Why we have focused on the Paterson Province:**
  - ❖ **Proven fertility to produce major deposits**
  - ❖ **Large outcropping discoveries made in 1970-80s (Nifty, Telfer, Kintyre)**
  - ❖ **Shallow sand cover inhibited previous explorers**
  - ❖ **Little or no exploration activity for last 25 years**
  - ❖ **Applying modern undercover exploration techniques - IP, CSIRO Ultrafine Soils Fractions, VTEM™**
- ❖ **Gold near term focus while maintaining leverage to district scale targets (copper-cobalt, zinc-lead)**



# Overview of Encounter Projects

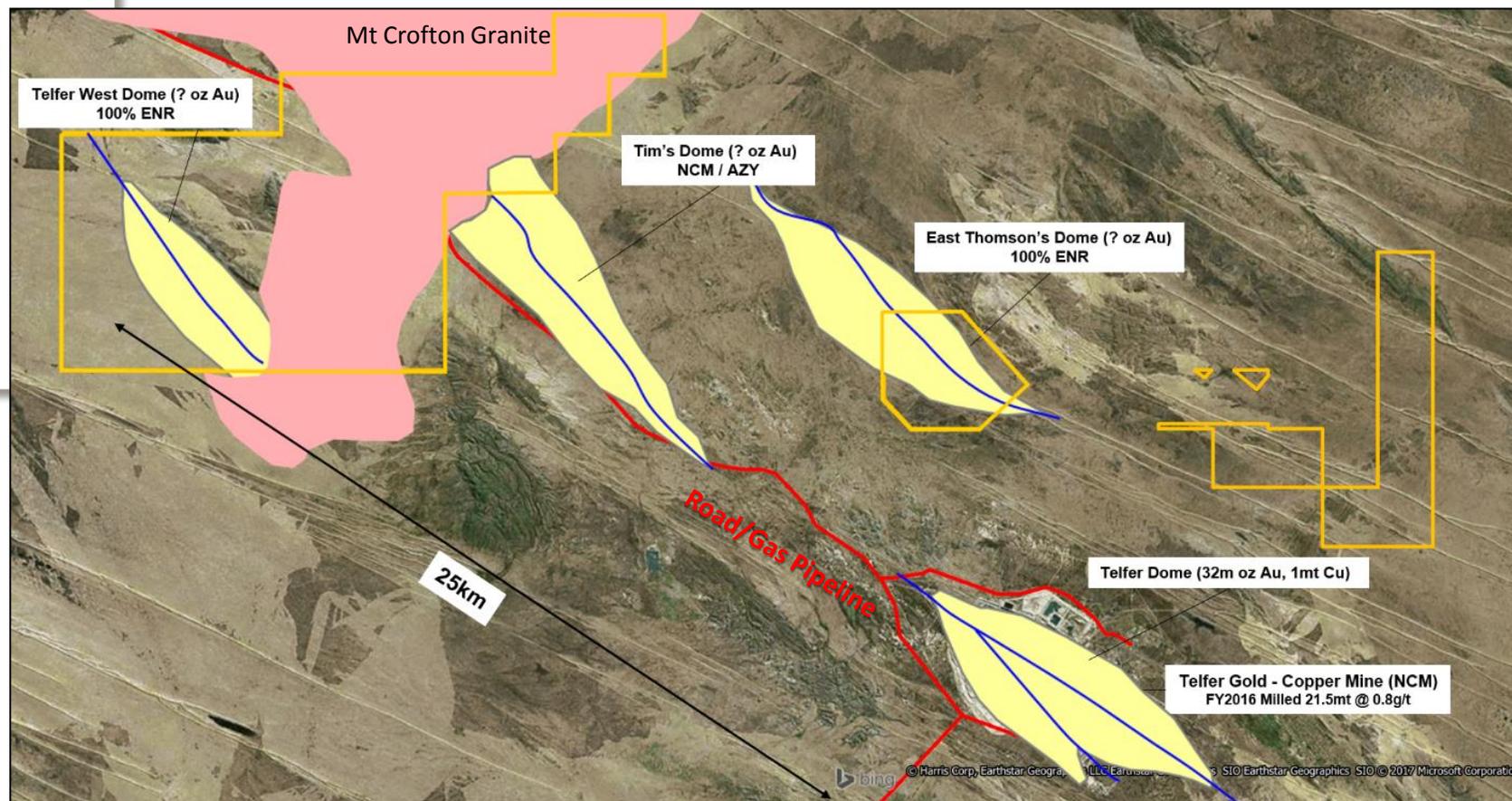
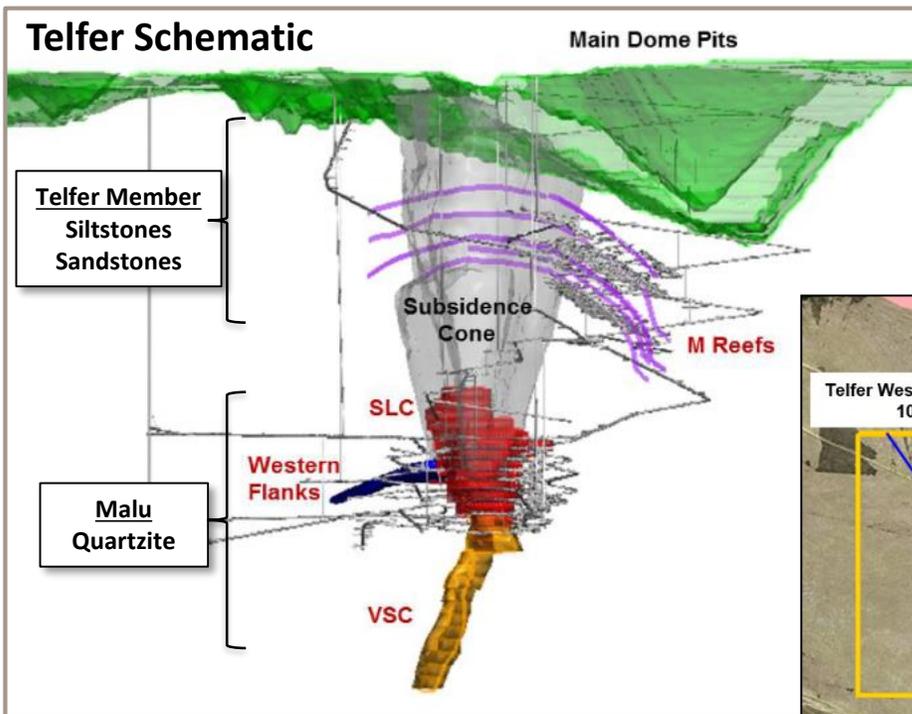
- ❖ **GOLD** - Targeting Proterozoic sediment hosted gold proximal to the Telfer gold mine
- ❖ **COPPER-COBALT** - Multiple mineralisation styles discovered:
  - ❖ 14km long copper Nifty style mineral system at BM1-BM7
  - ❖ IOCG style intrusion containing copper sulphides at Aria
  - ❖ First reductant Zambian copper-belt analogous mineralisation at Lookout Rocks
- ❖ **ZINC** - SEDEX Zinc at Millennium
- ❖ Big scale opportunities in a secure/stable jurisdiction driving increased regional activity
- ❖ Well funded majors & explorers aggressively exploring the Paterson Province



# GOLD



# Targeting Mineralised Domes north-west of Telfer



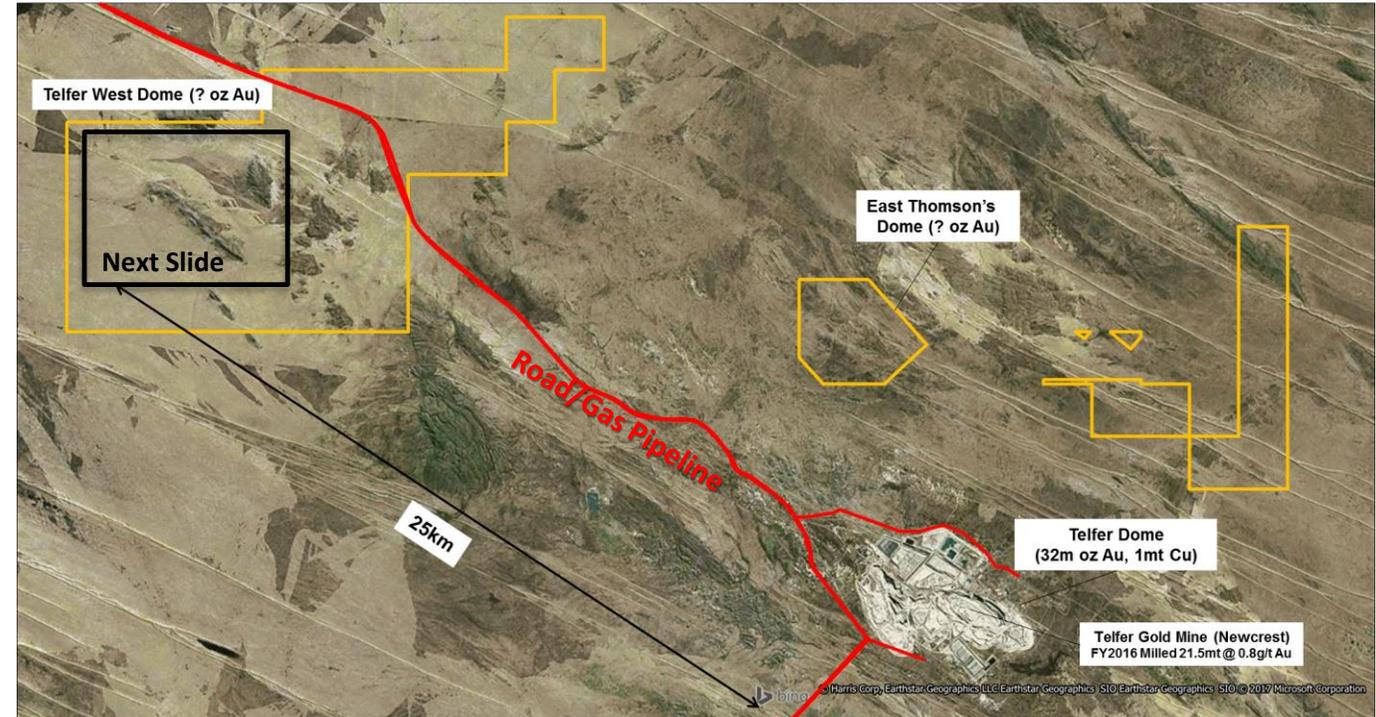
❖ Prospective for Telfer style gold-copper mineralisation contained within:

- ❖ High grade stratabound reefs
- ❖ Spatially associated sub-vertical stockwork systems



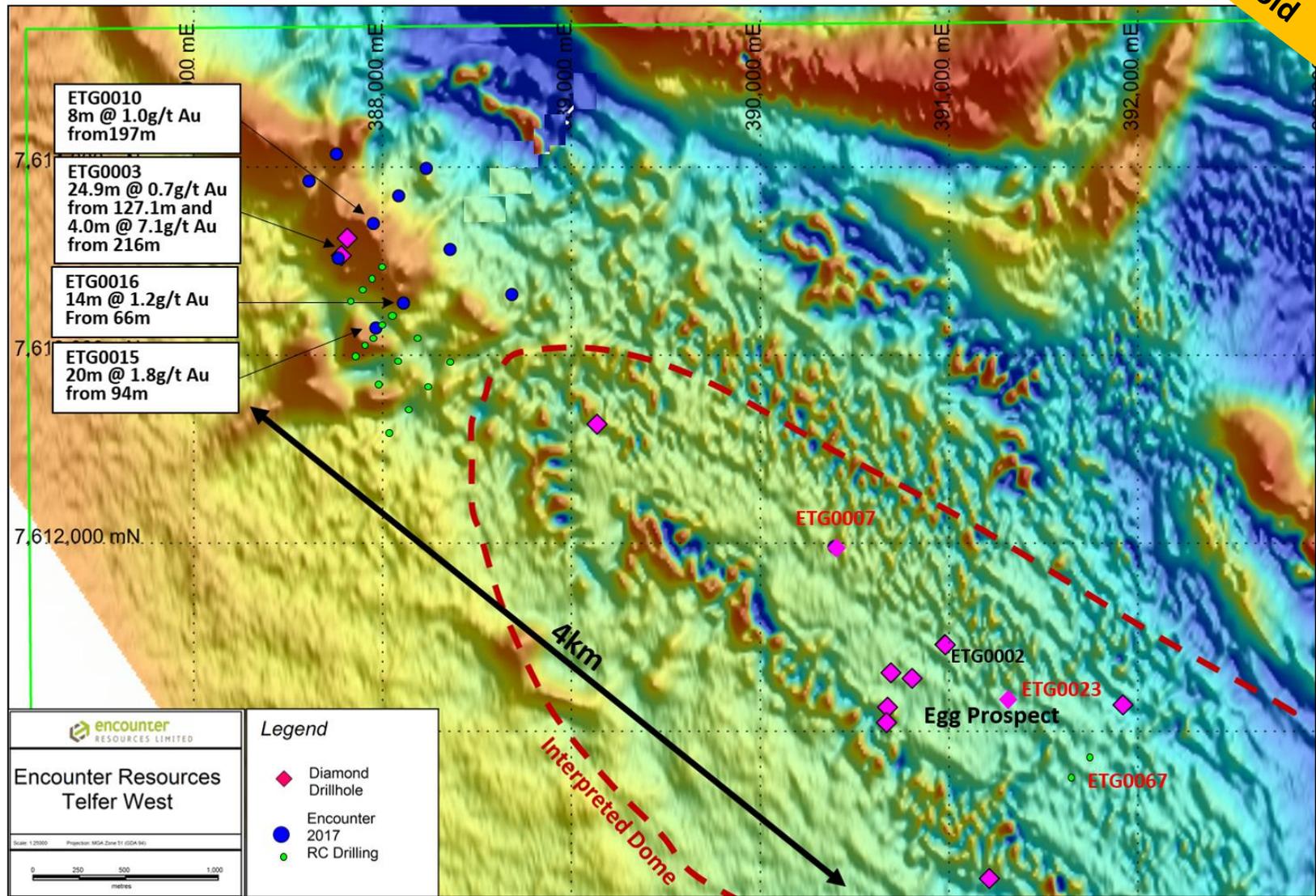
# New Gold Discovery at Telfer West

- ❖ Acquired in 2014 based on structural setting
- ❖ Newmont shallow drilling in the 1980s:
  - ❖ 17 diamond holes completed between 1986 and 1991 (average depth ~100m)
  - ❖ Numerous holes finished in gold – copper anomalism
  - ❖ Dome (5km x 8km) of prospective stratigraphy similar to the host units at Telfer
- ❖ No exploration for 25 years



# Active Exploration Program Generating High Value Targets

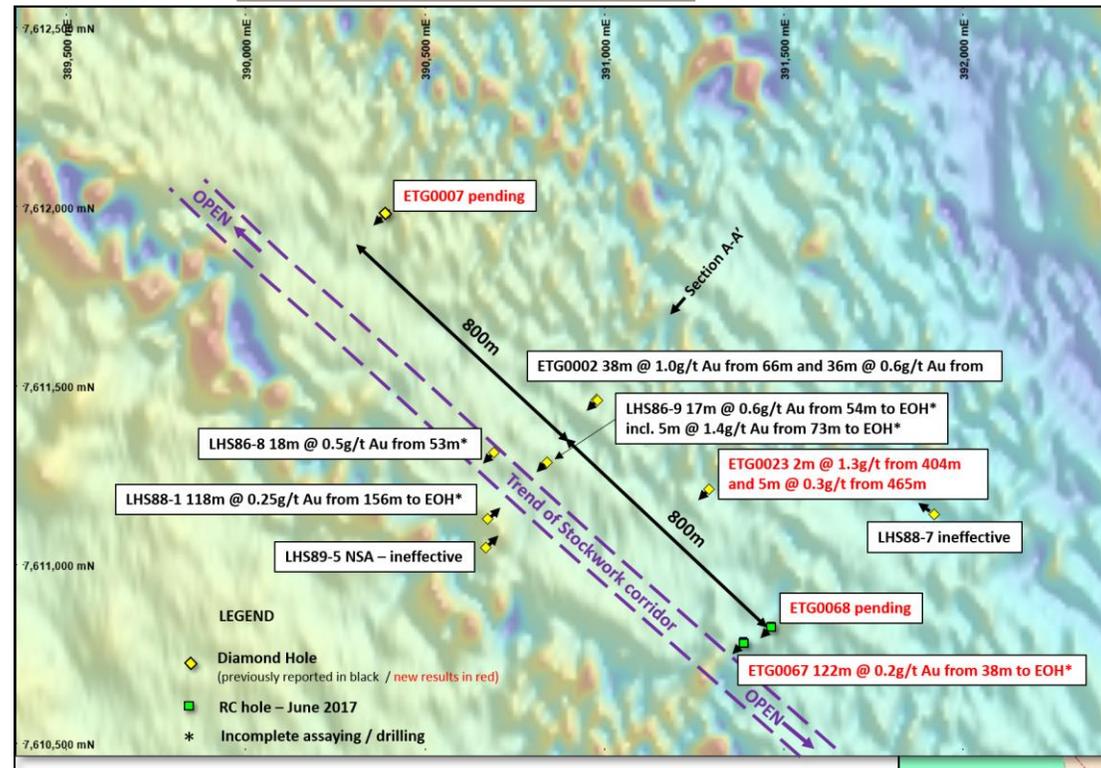
- ❖ Tenement granted in Aug 2016
- ❖ Magnetic survey completed
- ❖ Two diamond holes completed Dec 2016 drilled 4km apart - both well mineralised
- ❖ Broad spaced (~400m x 200m) RC program in April 2017 successfully intersected high grade, near surface gold:
  - ❖ 20m @ 1.8g/t Au from 94m  
incl: 10m @ 2.8g/t Au
  - ❖ 14m @ 1.2g/t Au from 66m  
incl: 4m @ 3.3g/t Au



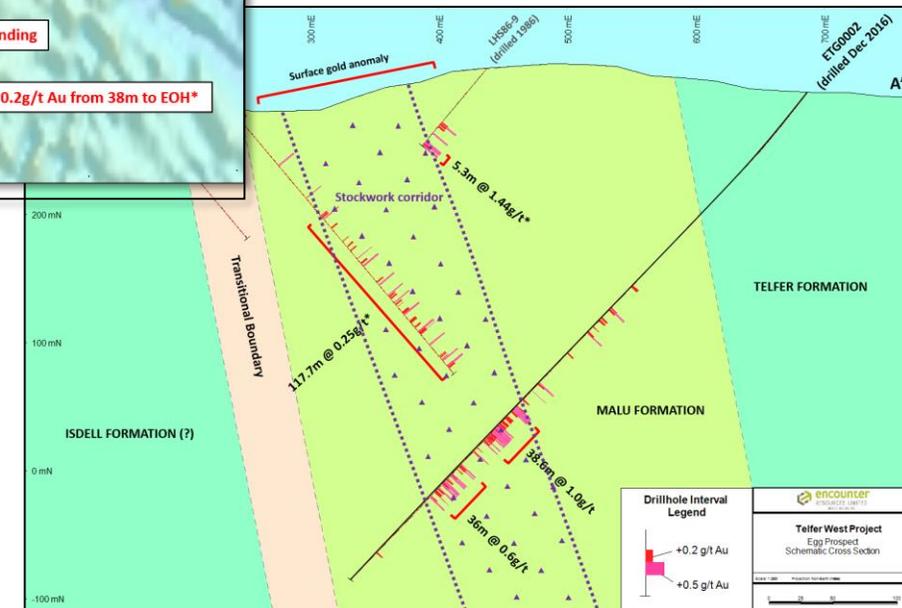
(refer ASX announcement 26 April 2017)

# Egg Prospect at Telfer West – Thick Gold Stockwork Zone

- ❖ Broad, depth extensive, zone of stockwork style gold mineralisation incl:
  - ❖ 38.6m @ 1.0g/t Au from 333m (incl. 4.2m @ 3.2g/t Au from 333.5m) and
  - ❖ 36m @ 0.6g/t Au from 396m (incl. 3.2m @ 3.3g/t Au from 415.2m)
- ❖ Thick mineralised package discovered may extend to surface and is open along strike and at depth

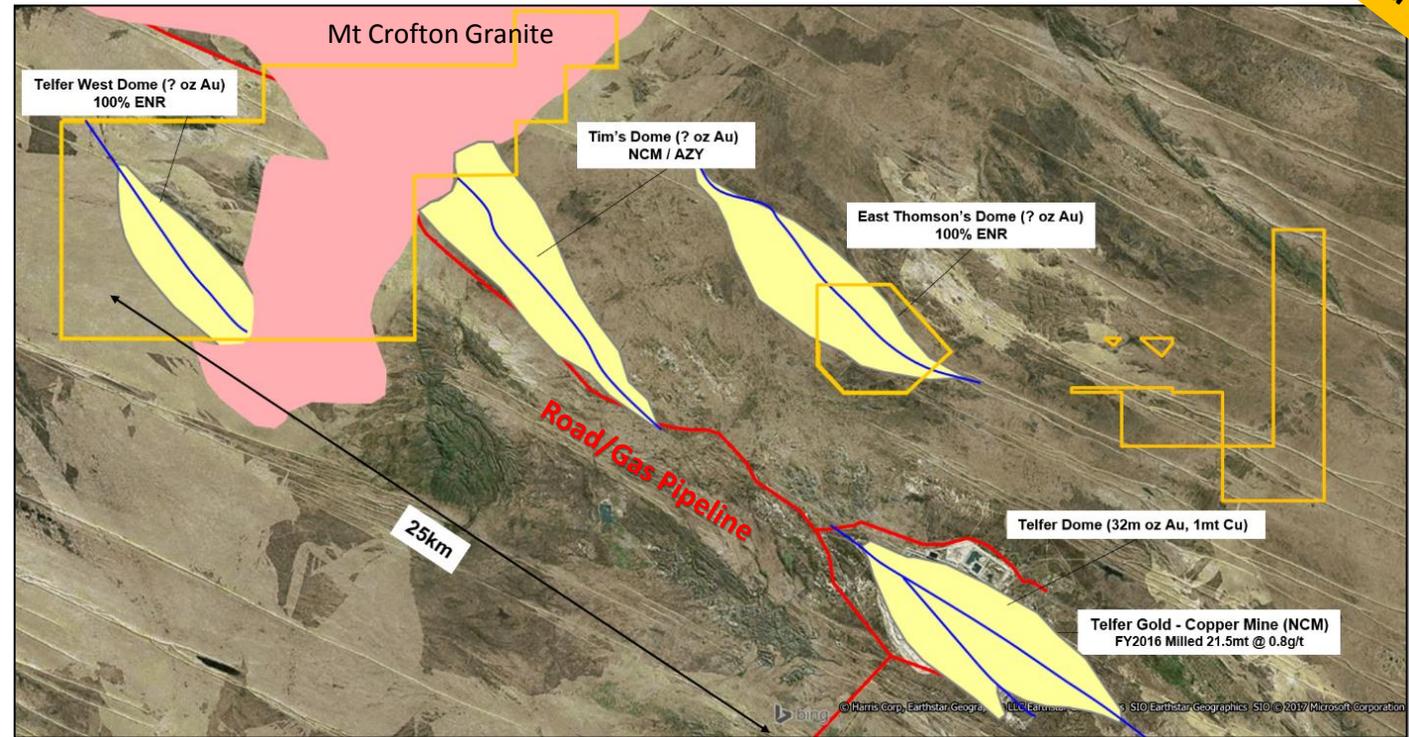


(refer ASX announcements 17 January & 31 July 2017)



# Targeting Shallow High Grade Gold Reefs at East Thomson's Dome

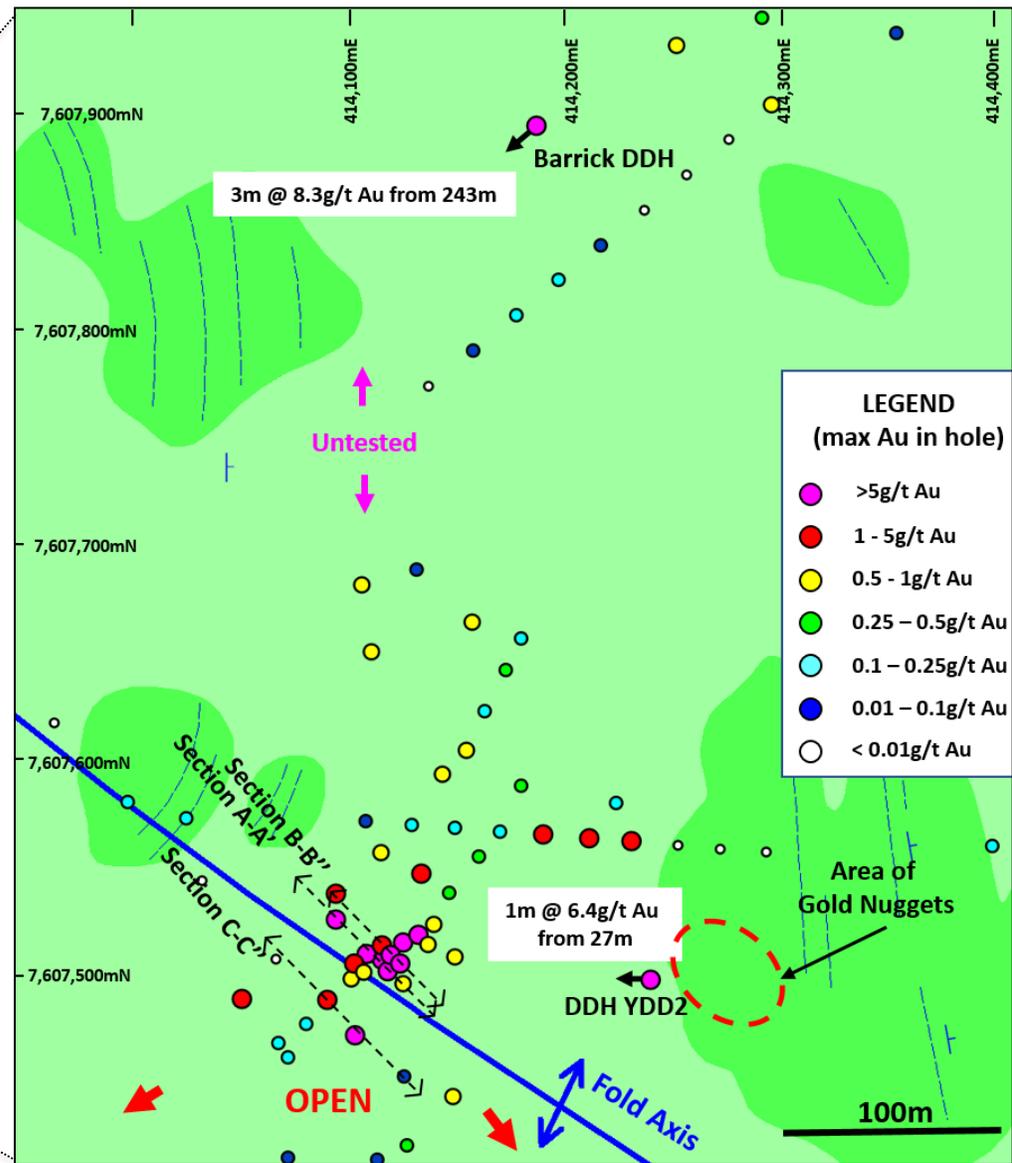
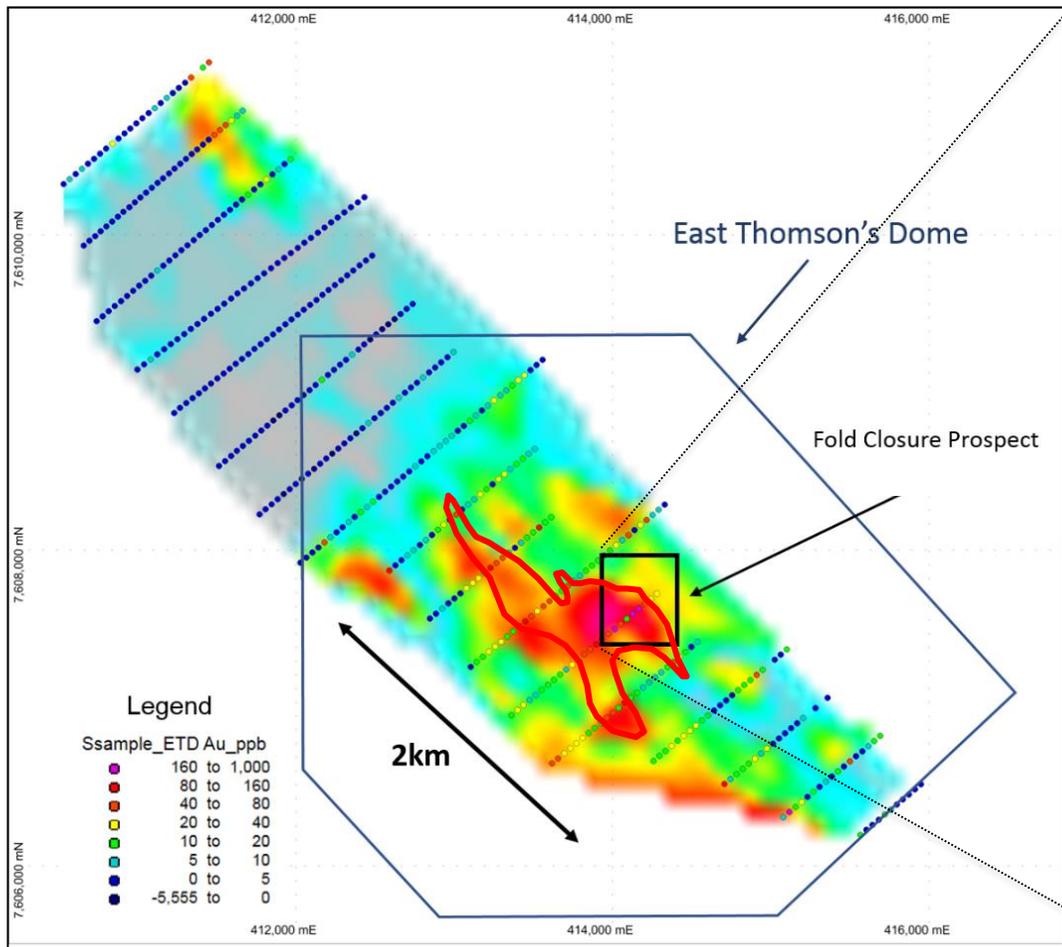
- ❖ Located 5km north-west of Telfer
- ❖ Historical shallow exploration in the 1980's and early 90s mainly shallow RAB and RC
- ❖ 438 holes drilled: average hole depth 28m, only 10 holes deeper than 100m
- ❖ Drilling discovered high grade gold reefs including:
  - ❖ 4m @ 29 g/t Au from 31m in NTR 5
  - ❖ 2m @ 33 g/t Au from 22m in NTR 12
  - ❖ 10m @ 9.8 g/t Au from 16m in NTR 17
  - ❖ 2m @ 76.2 g/t Au from 35m in NTR 57
  - ❖ 7m @ 17.1 g/t Au from 16m in NTR 61
- ❖ Most recent exploration by Barrick in 2003-06 - Two +1000m deep diamond holes completed and intersected gold quartz reef - 3m @ 8.2g/t Au from 243m open in all directions
- ❖ Encounter focusing on shallow near surface gold associated with +2km long gold/copper soil anomaly



(refer ASX announcement 14 February 2017)

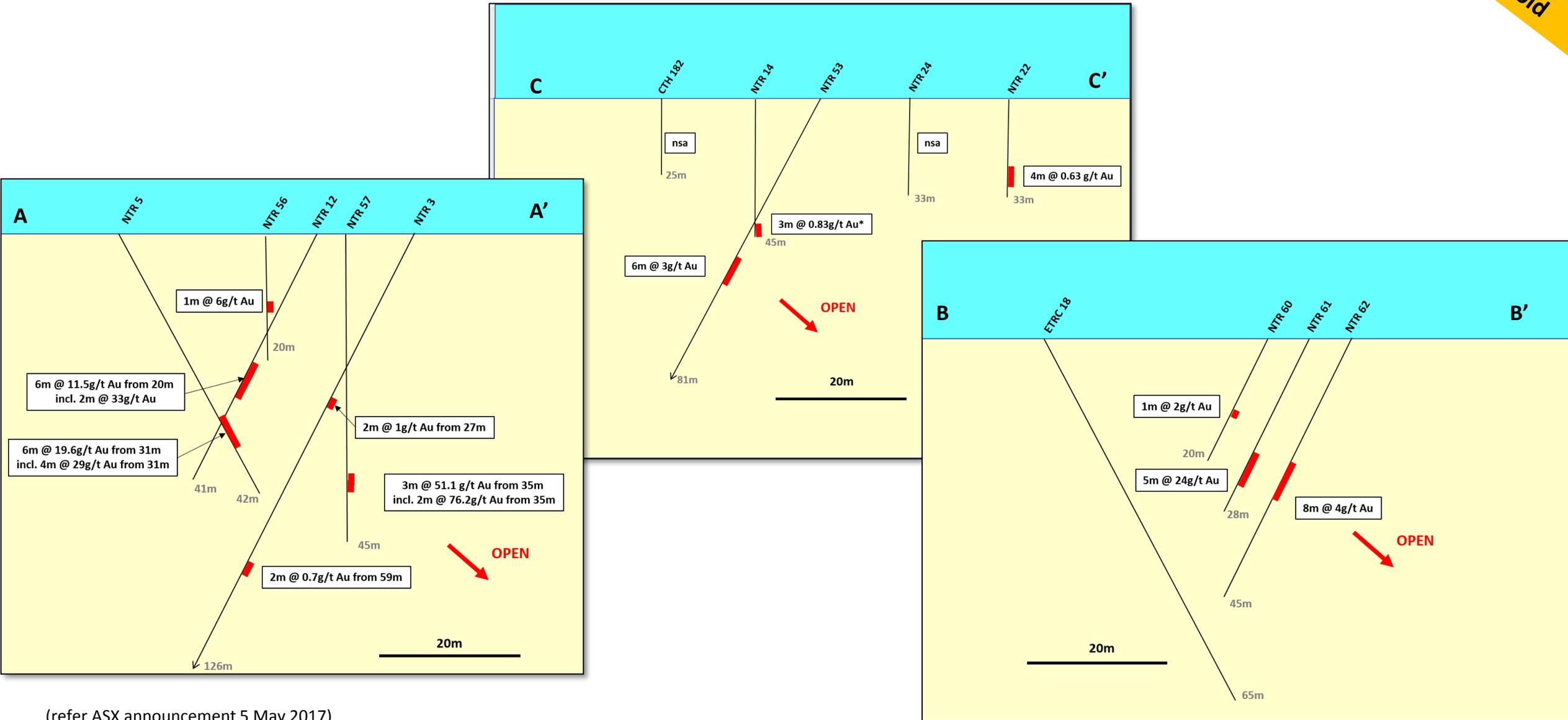
# Large Scale Gold Soil Anomaly at East Thomson's Dome

Regional soil geochemistry has identified a large scale (+2km) gold anomaly adjacent to historical gold occurrences adding scale potential to the project.



(refer ASX announcement 5 May 2017)

# Multiple high grade reefs remain open down dip and along strike



(refer ASX announcement 5 May 2017)



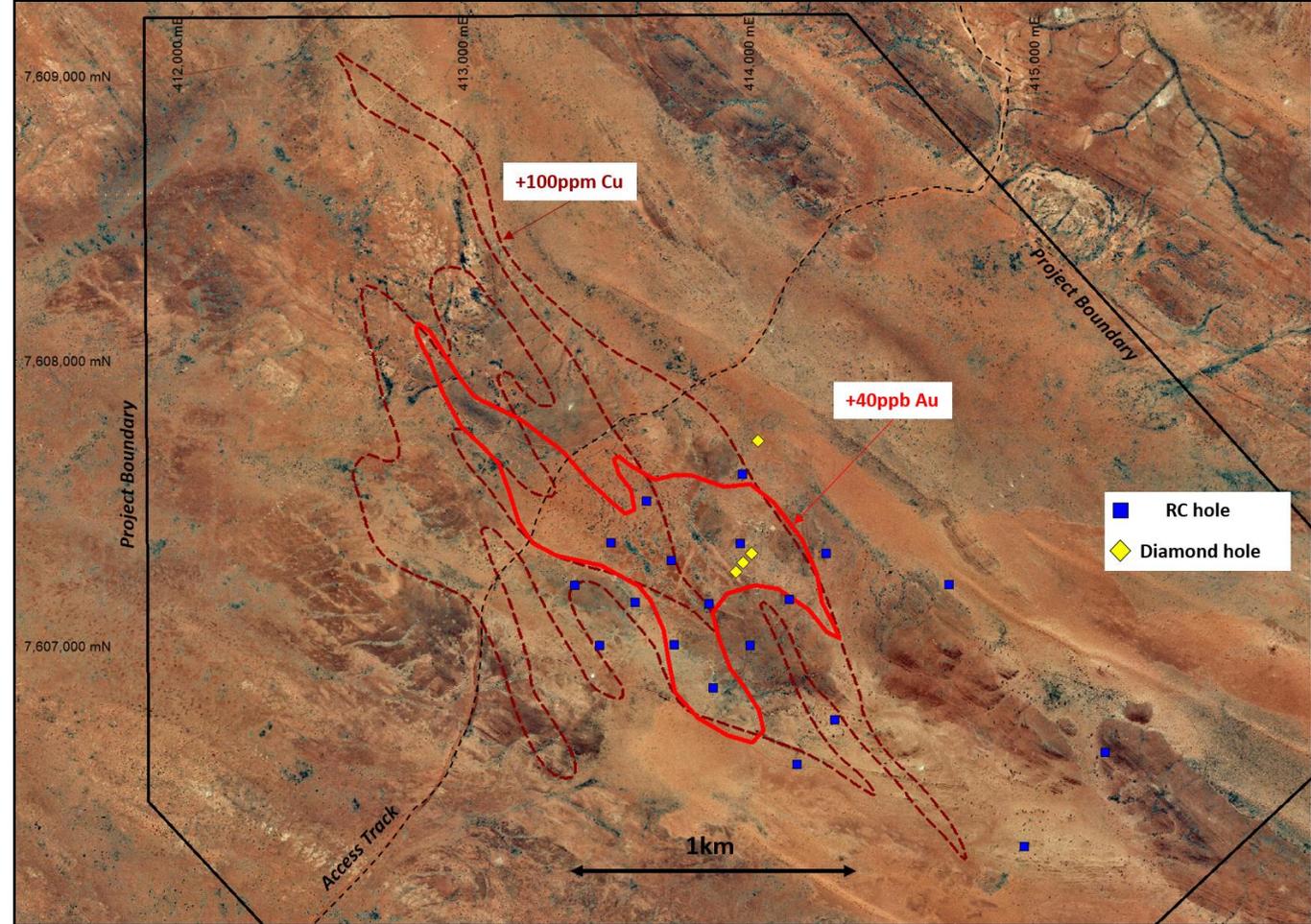
# Current Drill Program at East Thomson's Dome

- ❖ Surface prospecting has found gold nuggets interpreted to be shedding from nearby outcropping quartz veins separate from the historical drilling



- ❖ RC/diamond drill program in progress:
  - ❖ 4 diamond holes targeting down dip of high grade reefs at Fold Closure and up dip of Barrick intersection
  - ❖ 20 RC drill holes targeting the broader 2km soil geochemical anomaly

RC/Diamond Drill Program in Progress



(refer ASX announcements 14 February and 5 May 2017)

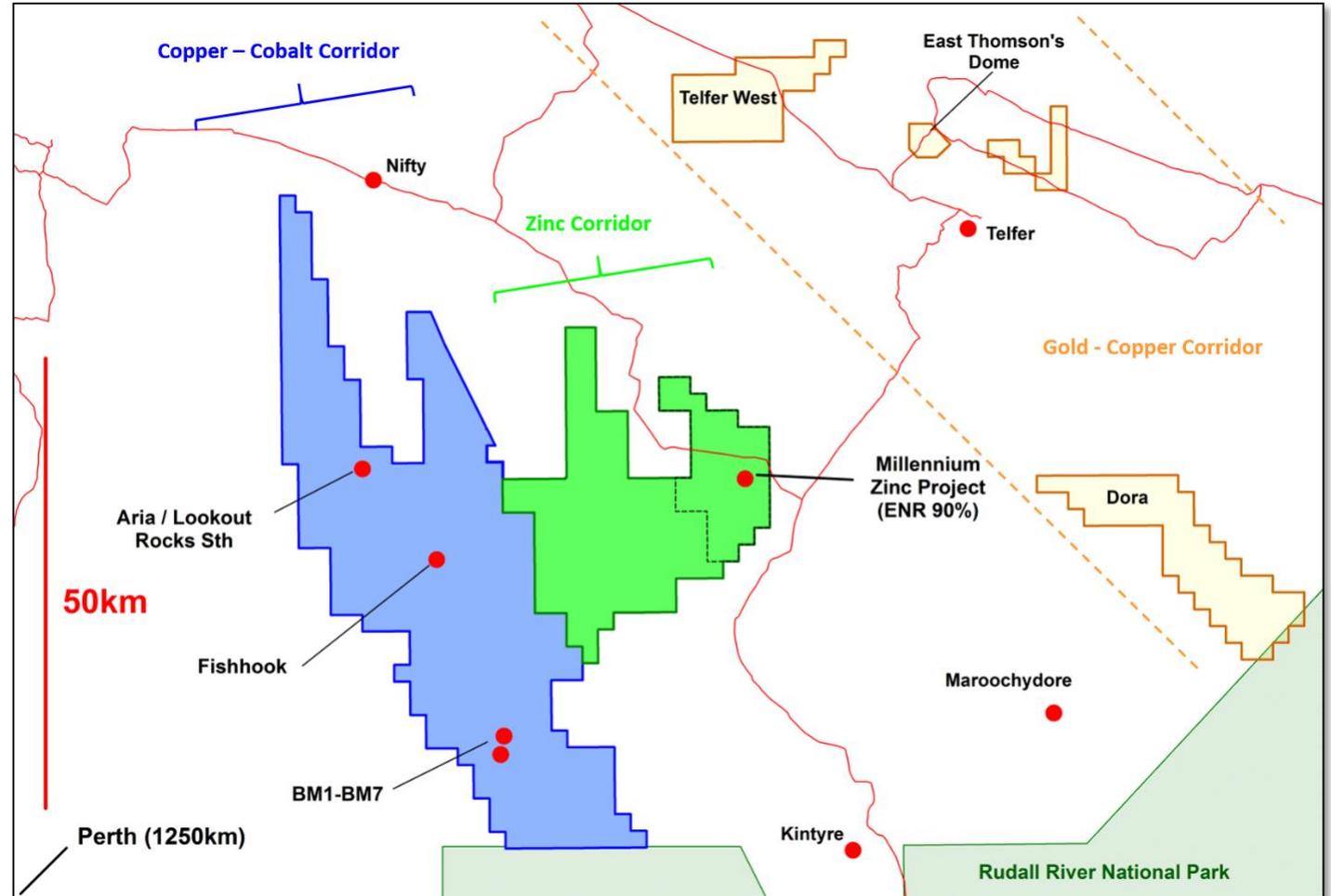
# COPPER - COBALT



# 70km Long Copper-Cobalt Corridor South of Nifty

Copper

- ❖ Proterozoic aged, sediment hosted deposits in the Central African Copperbelt are one of the world's largest sources of copper and the world's largest source of cobalt
- ❖ Similar age and geological setting has been defined in the Yeneena Basin in WA
- ❖ Proof of concept though drilling results
- ❖ Large landholding at key structural location
- ❖ Multiple mineralisation styles discovered highlighting regional potential
- ❖ High grade copper-cobalt intersections



# 70km Long Copper-Cobalt Corridor South of Nifty

## ❖ Multiple mineralisation styles discovered:

❖ **14km long copper Nifty style mineral system at BM1-BM7**

❖ **IOCG style intrusion containing copper sulphides at Aria**

❖ **First reductant Zambian copper-belt analogous mineralisation at Lookout Rocks**

## 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

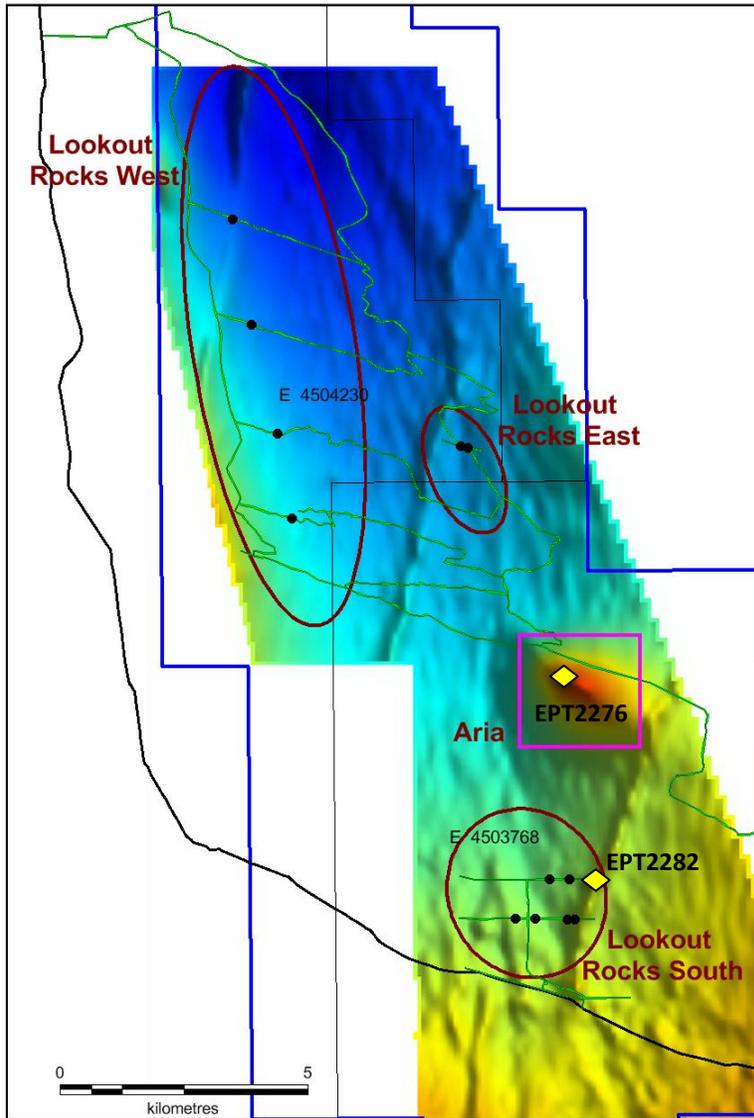
5m @ 2.5% Cu from 388m\*  
52m @ 0.6% Cu from 42m\*  
**9m @ 1.5% Cu & 1.0% Co from 42m to EOH\***  
74m @ 0.4% Cu from 74m\*  
140m @ 0.2% Cu from 144m



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



# 70km Long Copper-Cobalt Corridor South of Nifty



## Aria

- ❖ IOCG style intrusion containing copper sulphides
- ❖ Discrete density anomaly located on the margin of the previously identified magnetic anomaly



EPT2276 intersected further hematite-altered, polymictic breccia containing blebs of copper sulphide

## Lookout Rocks South

- ❖ First diamond drill hole intersected copper mineralisation, up to 1% Cu
- ❖ Copper hosted by black, reduced carbonaceous sediments, located above oxidised “red bed” stratigraphic unit - Zambian copper-belt analogous



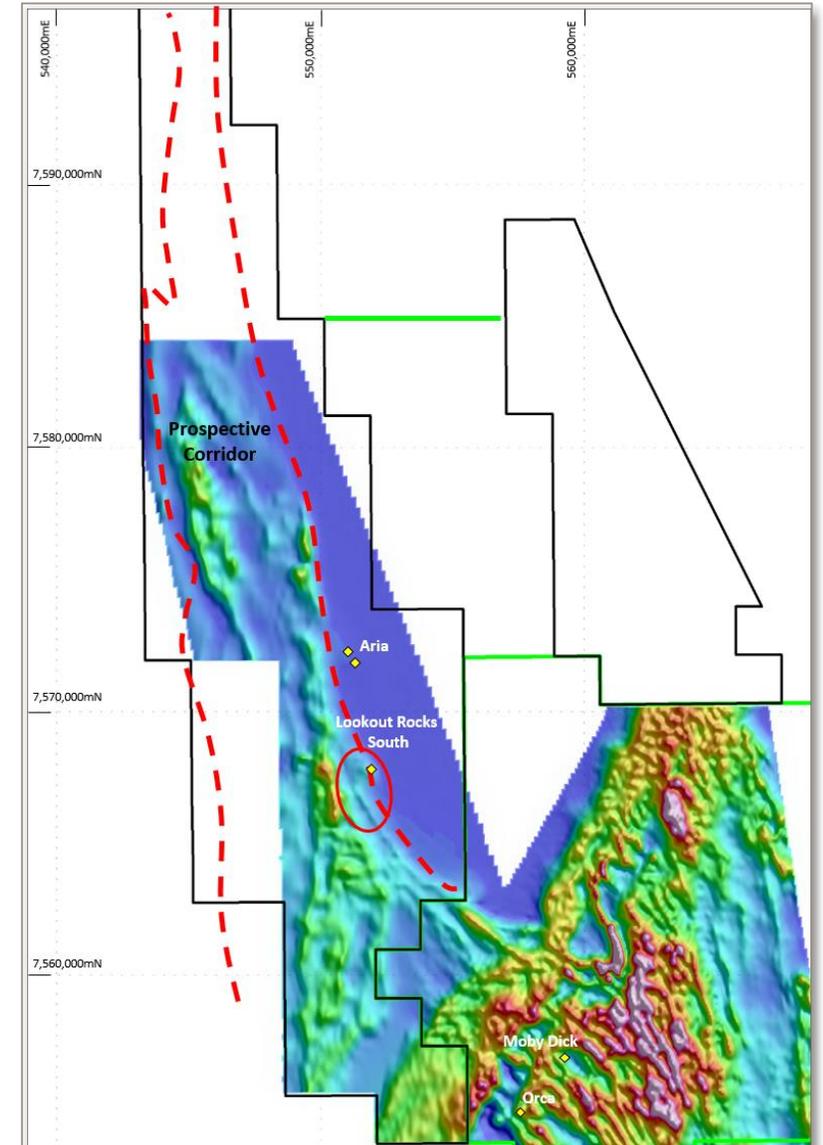
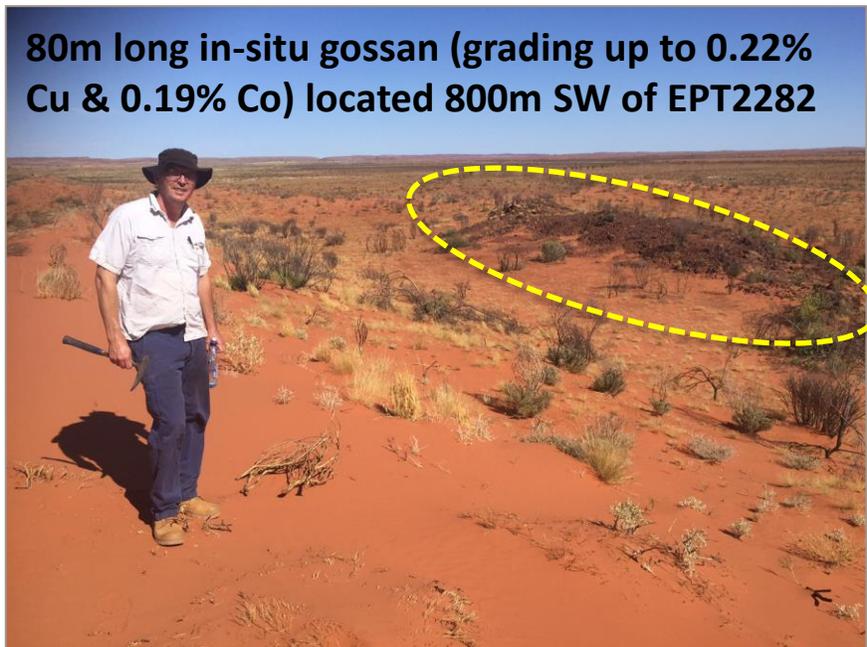
Disseminated chalcopyrite in carbonaceous shale  
EPT 2282 ~259.2m downhole (1.0% Cu)



“Red Bed” oxidized sediments  
EPT2282 ~320m downhole

# Near term Cobalt-Copper Drilling at Yeneena

- ❖ **BM7** - A +600 long zone of near surface copper-cobalt mineralisation untested at depth. Includes intersection of 9m @ 1.0% Co and 1.5% Cu from 42m to EOH. Drilling July 2017.
- ❖ **Lookout Rocks** - The recently identified gossan at Lookout Rocks where surface rock chip sampling returned grades up to 0.19% Co and 0.22% Cu. Drilling Sep 2017.



## **Newcrest-Encounter Project Generation Alliance**

- ❖ **Project generation alliance with Australia's largest gold mining company, Newcrest Mining Limited (ASX:NCM)**
- ❖ **Newcrest will fund Encounter up to A\$500,000 over the next 12 months to generate new 'camp scale' exploration opportunities in northern WA**
- ❖ **Key terms of the alliance include:**
  - ❖ **50:50 joint venture over any approved projects**
  - ❖ **Encounter option to maintain 50% interest by co-funding exploration or;**
  - ❖ **Newcrest may increase its interest to 80% by sole funding exploration and delivering a JORC compliant resource >1 Million oz gold or gold equivalent.**
  - ❖ **Should the alliance elect not to proceed with a project then it will revert back to Encounter 100%**

(refer ASX announcements 21 July 2017)



# Upcoming Field Activities 2017

	Jul	Aug	Sep	Oct
<b>Telfer West – RC/diamond drilling</b>	EIS co-funded			
<b>East Thomson’s Dome RC/diamond drilling</b>				
<b>BM7 Copper-Cobalt RC drill program</b>				
<b>Lookout Rocks-Fishhook Copper RC/diamond</b>	EIS co-funded			
<b>Millennium diamond drilling</b>		HHM co-funded		



# The Investment Case

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- ❖ **Active explorer in one of the world's most prospective basins**
- ❖ **Targeting shallow gold opportunities with scale potential - known district, near infrastructure**
- ❖ **Large prospective landholding over 70km of strike providing leverage in a proven minerals district (copper-cobalt, lead-zinc) (~2000km<sup>2</sup>)**
- ❖ **Strong in house expertise to drive target generation**
- ❖ **Project generation alliance with Australia's largest gold mining company, Newcrest Mining Limited (ASX:NCM)**
- ❖ **Backed by leading global resources funds (Sprott, Resource Capital Funds, Acorn, Thorney, Eye Investment Management)**

