



Annual General Meeting

Perth, WA

26 November 2021

**Copper exploration critical to meeting
market demands**

ASX: ENR

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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 holds shares and options in and is a full time employee of Encounter 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 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 the form and context of the announcement has 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.

Certain exploration drilling results for BMI were 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.

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This announcement has been approved for release by the Board of Encounter.

The Encounter business model



PROJECT GENERATOR MODEL

Progress project pipeline with a mix of alliances, joint ventures and sole funding



TIER 1 TARGETS

Project generation and exploration targeting copper dominant discoveries in world-class mineral belts



HIGH QUALITY PARTNERS

Partner with leading mid-tier and major producers which have well supported, talented and highly resourced exploration teams



FAST ADOPTION OF NEW DATA AND TECHNOLOGIES

Fast mover, early adopter of new technologies and datasets



DATA DRIVEN INSIGHTS

Reduce exploration risk through cost effective and innovative data-driven techniques to rapidly prioritise and assess targets

Transformational year for Encounter – Copper Focus



2019-2020

First mover camp-scale copper position secured across multiple projects – **Northern Territory**



January 2021

IOCG style copper-gold-REE in drilling at Aileron – **West Arunta, WA**



September 2021

High grade copper intersected at Lamil – **Paterson Province, WA**



October 2021

Extensive outcropping copper at Sandover – **Northern Territory**

BHP

May 2021

Earn-in agreement and JV at Elliott Copper – **Northern Territory**



October 2021

Demerger and \$10m IPO of belt scale gold project – **West Tanami, WA**

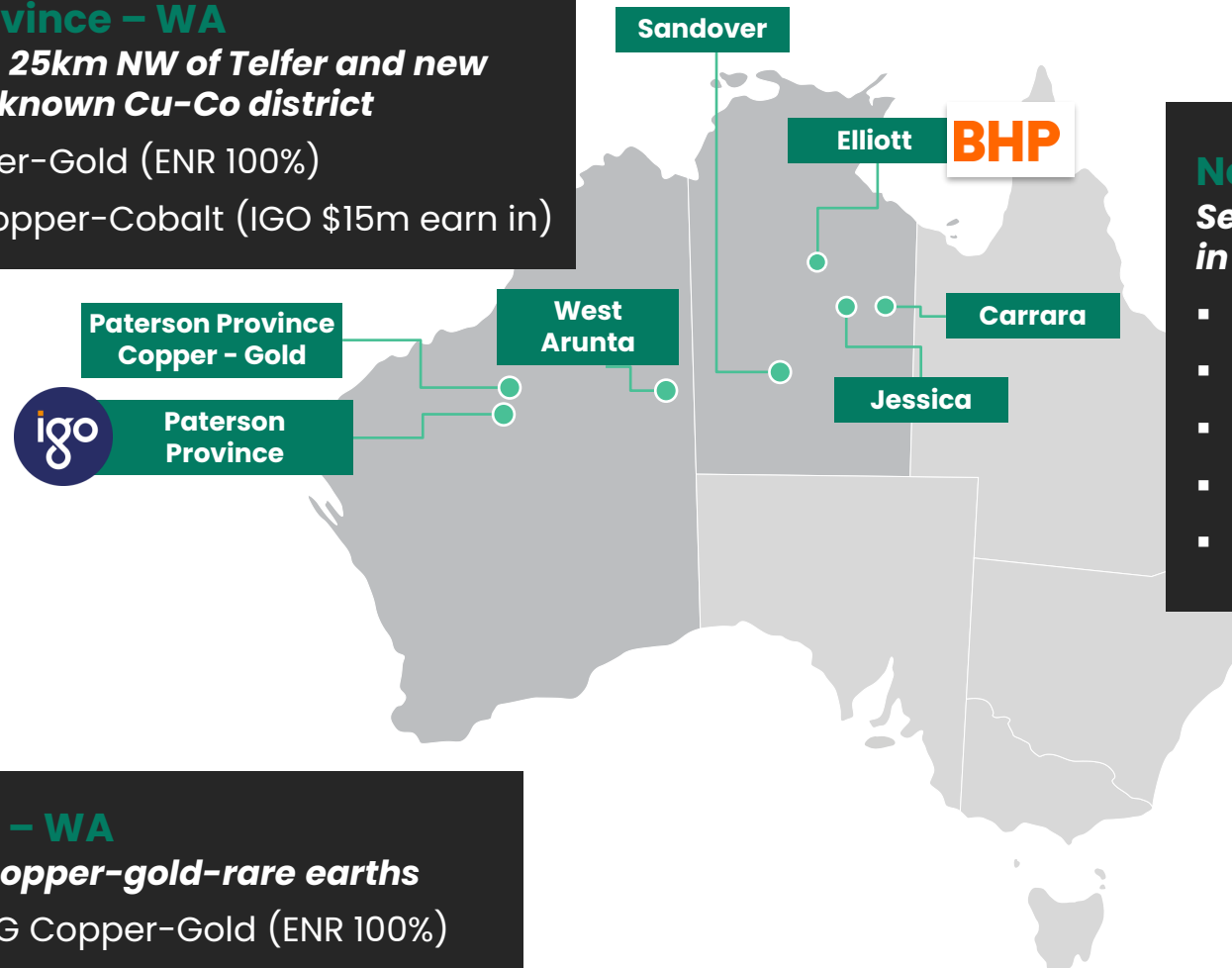
A premier copper exploration portfolio

Early mover positions in world-class minerals belts attracting Tier 1 partners

Paterson Province – WA

Cu-Au System 25km NW of Telfer and new approach in a known Cu-Co district

- Lamil Copper-Gold (ENR 100%)
- Yeneena Copper-Cobalt (IGO \$15m earn in)



Northern Territory Copper

Sediment-hosted copper and IOCG targets in emerging region

- Elliott Copper (BHP \$25m earn in)
- Jessica Copper (ENR 100%)
- Carrara Copper-Zinc (ENR 100%)
- Sandover Copper (ENR 100%)
- Camp Scale Copper projects (ENR 100%)

West Arunta – WA

IOCG targets copper-gold-rare earths

- Aileron IOCG Copper-Gold (ENR 100%)

Copper dominant exploration

Positions in three emerging regions in Australia with potential to host large scale copper discoveries

- Validated through joint venture partners and third party interest in 100% owned assets
- Demerger and IPO of West Tanami gold assets through Hamelin Gold facilitates a greater focus on the copper exploration portfolio

Attractive demand side dynamics for copper:

- Significant increase in production required to support the global megatrends of vehicle electrification and decarbonisation
- Greater focus on sustainability supports the development of new, modern mining operations in high quality jurisdictions like Australia

Attractive supply side dynamics for copper:

- Current discovery and development pipeline will not satisfy the forecast demand increase
- Average global mined copper grades remain in decline
- Increasing portion of global supply coming from higher risk jurisdictions



Encounter at a glance

Creating value through project generation and discovery

Capital structure

| | |
|--|---------|
| ASX ticker | ENR |
| Share price (24/11/2021) | \$0.15 |
| Shares on issue | 316M |
| Options | 14M |
| Market capitalisation | ~\$50M |
| Cash (30/09/21) | ~\$4.1M |
| Listed investments | ~\$0.6M |
| Enterprise value (net of cash and listed investments) | ~\$45M |

Major shareholders

| | |
|-----------------------|--------|
| Board and Management | ~14.2% |
| IGO | ~8.2% |
| Silver Lake Resources | ~5.3% |

Share price – 12 months



Board of Directors



Mr Paul Chapman
Non Executive
Chairman
*B.Comm, ACA,
Grad. Dip. Tax,
MAICD, MAusIMM*



Mr Will Robinson
Managing
Director
B.Comm, MAusIMM



Dr Jon Hronsky
OAM
Non Executive
Director
*BAppSci, PhD,
MAusIMM, FSEG*



Mr Peter Bewick
Non Executive
Director
*B.Eng (Hons),
MAusIMM*



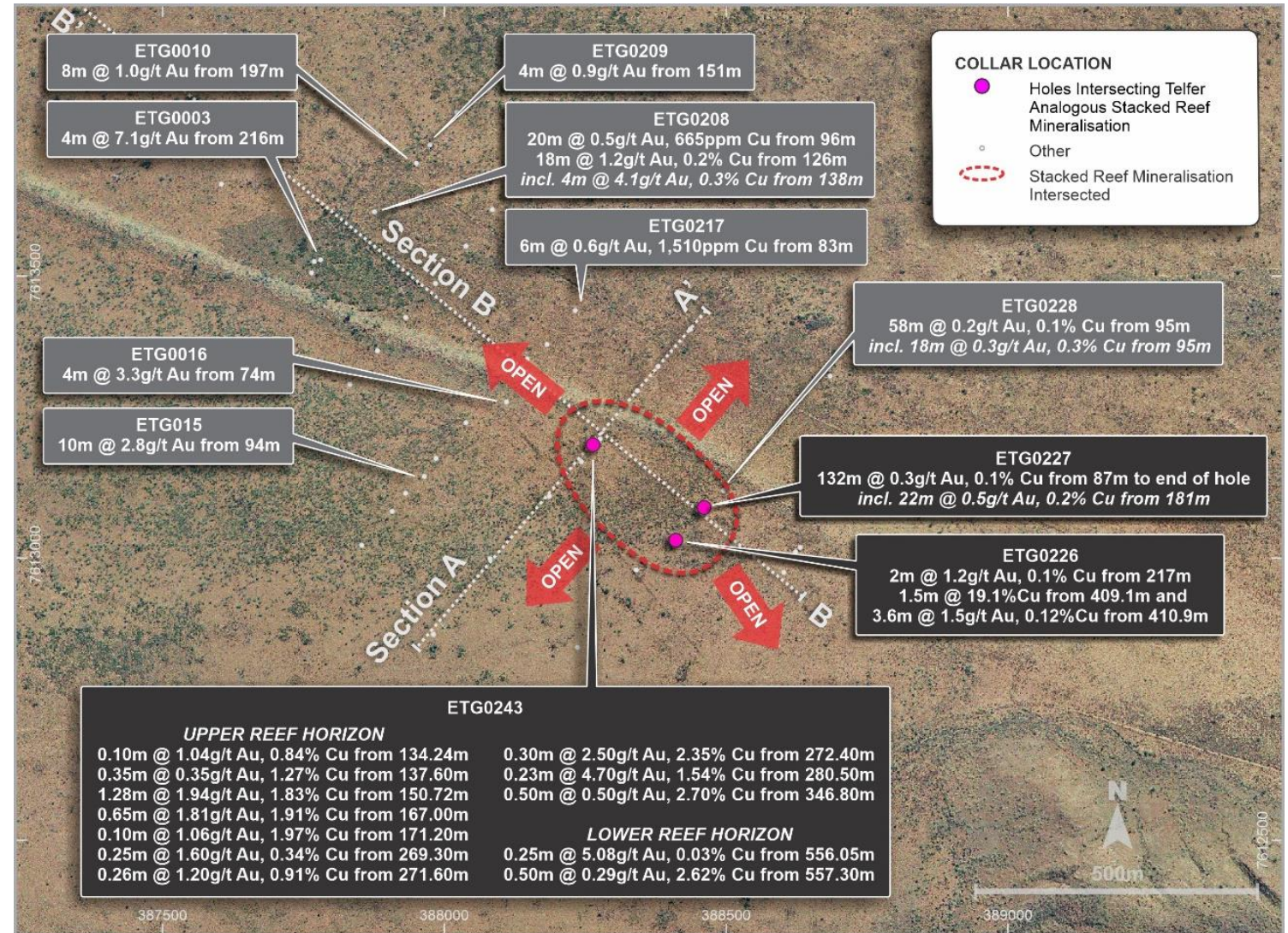
Mr Philip Crutchfield
Non Executive
Director
*B.Comm., LL.B (Hons),
LL.M LSE*

A close-up photograph of several large coils of copper wire, showing the intricate, concentric patterns and the metallic sheen of the copper.

Paterson Province, Western Australia: Australia's hottest copper address

Copper-gold system established at Lamil

- 100% ENR – located 25km NW of Telfer
- Seven hole (2,850m) diamond drill program completed September 21
- Two copper-gold mineralised stratigraphic horizons identified
- Horizons intersected over 200m of strike and remain open in all directions
 - multiple, stacked, narrow copper-gold reefs in a mineralised prospective host package that is over 200m thick
 - high grade, chalcocite dominant copper mineralisation



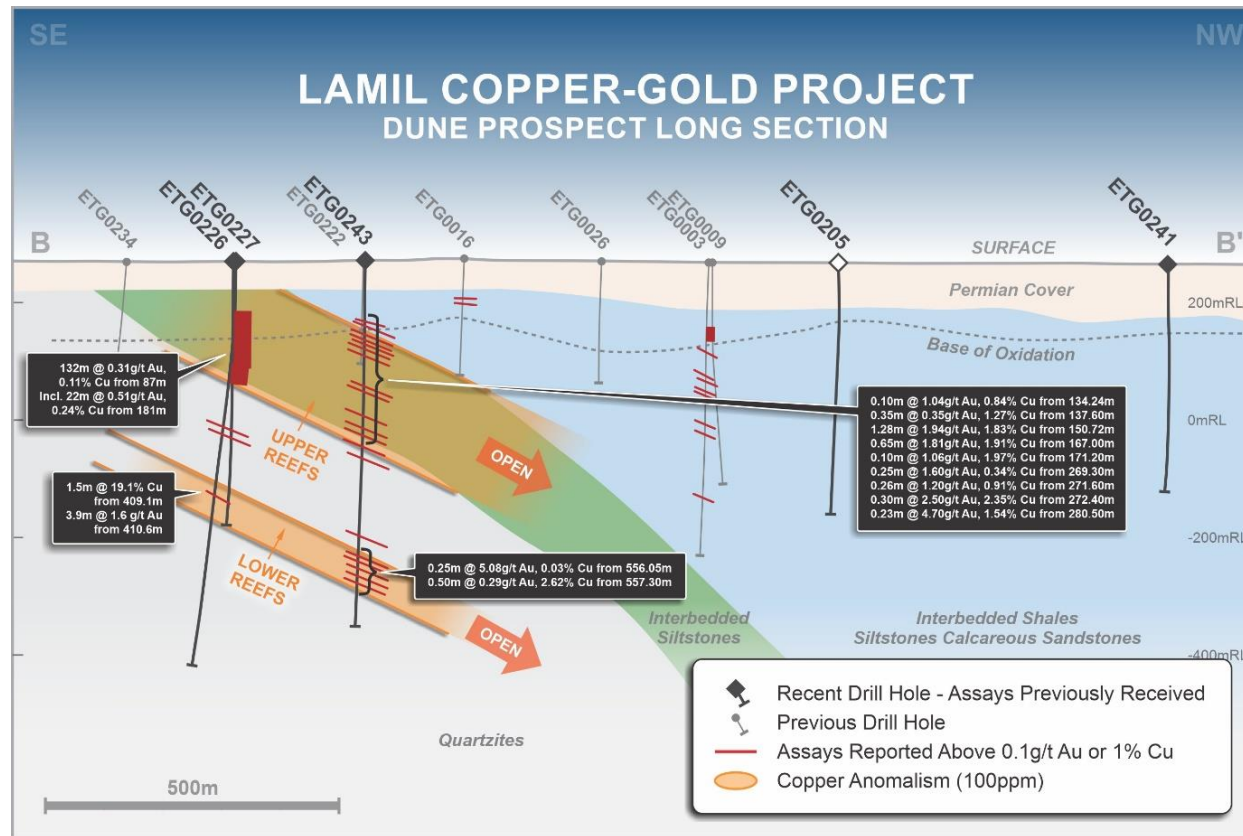
Drilling results point to potential large copper-gold system

High grade copper intersections rare outside of Winu & Havieron



Semi-massive pyrite – chalcocite mineralisation drilled from 409.1 to 410.6m in ETG0226.

- **1.5m @ 19.1% Cu from 409.1m**



Altered & veined siltstone with quartz carbonate-pyrite with chalcopyrite veining ~280.5m in ETG0243

- **0.23m @ 4.70g/t Au & 1.54% Cu**



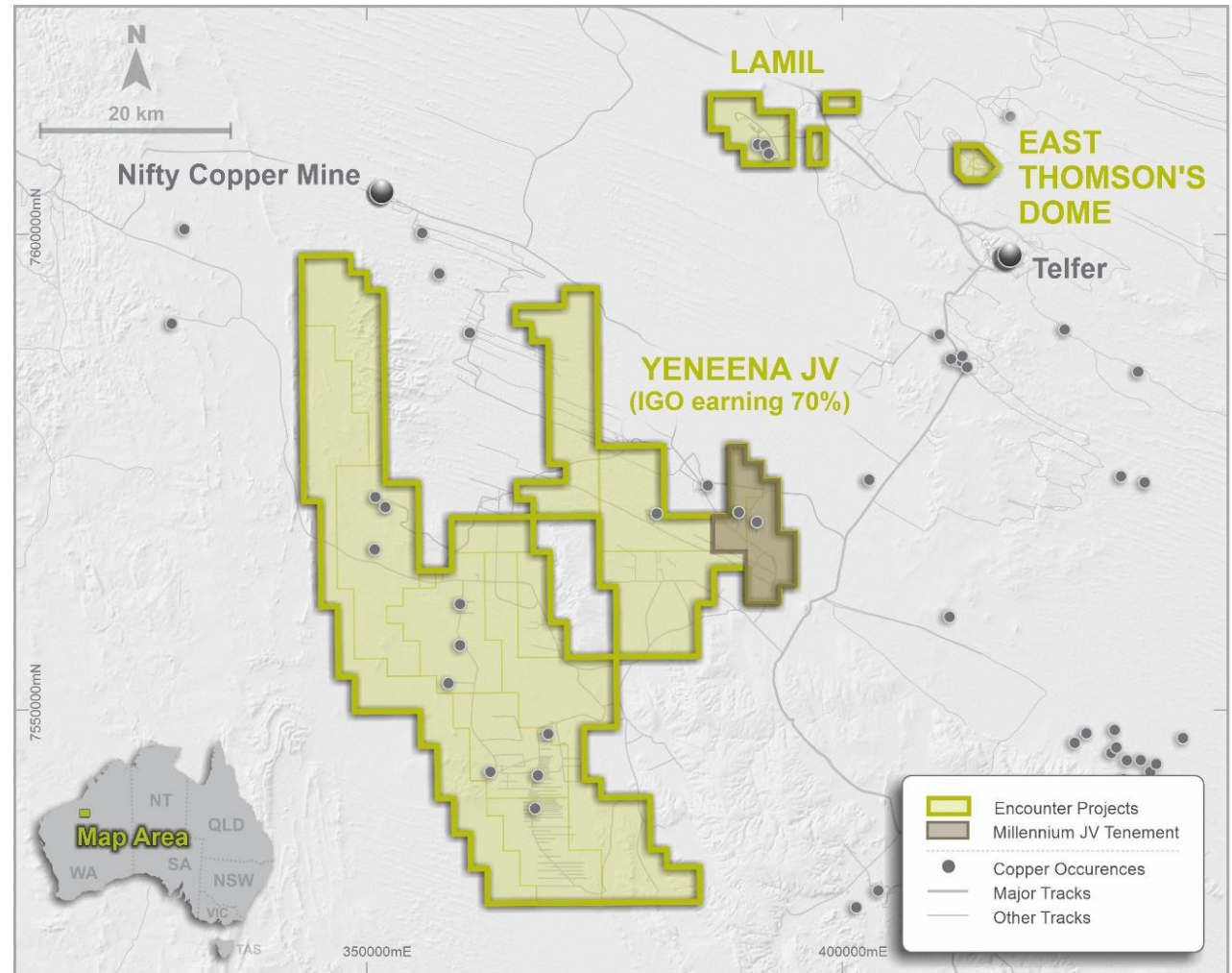
Semi-massive pyrite/chalcopyrite in quartzite unit ~ 347m in ETG0243

- **0.50m @ 0.50g/t Au & 2.70% Cu**

Yeneena Copper-Cobalt



- Paterson Province is a proven mineral region with a consistent history of discoveries
- ~1,600km² of the Paterson Province
- IGO can sole fund \$15 million in exploration expenditure over a maximum seven years to earn a 70% interest
- Data acquisition programs progressed
 - Three diamond drill holes completed
 - Ground magneto-telluric (MT) survey
 - AC drilling
- Interpretation of integrated results will allow for the drill testing of the highest quality targets in 2022



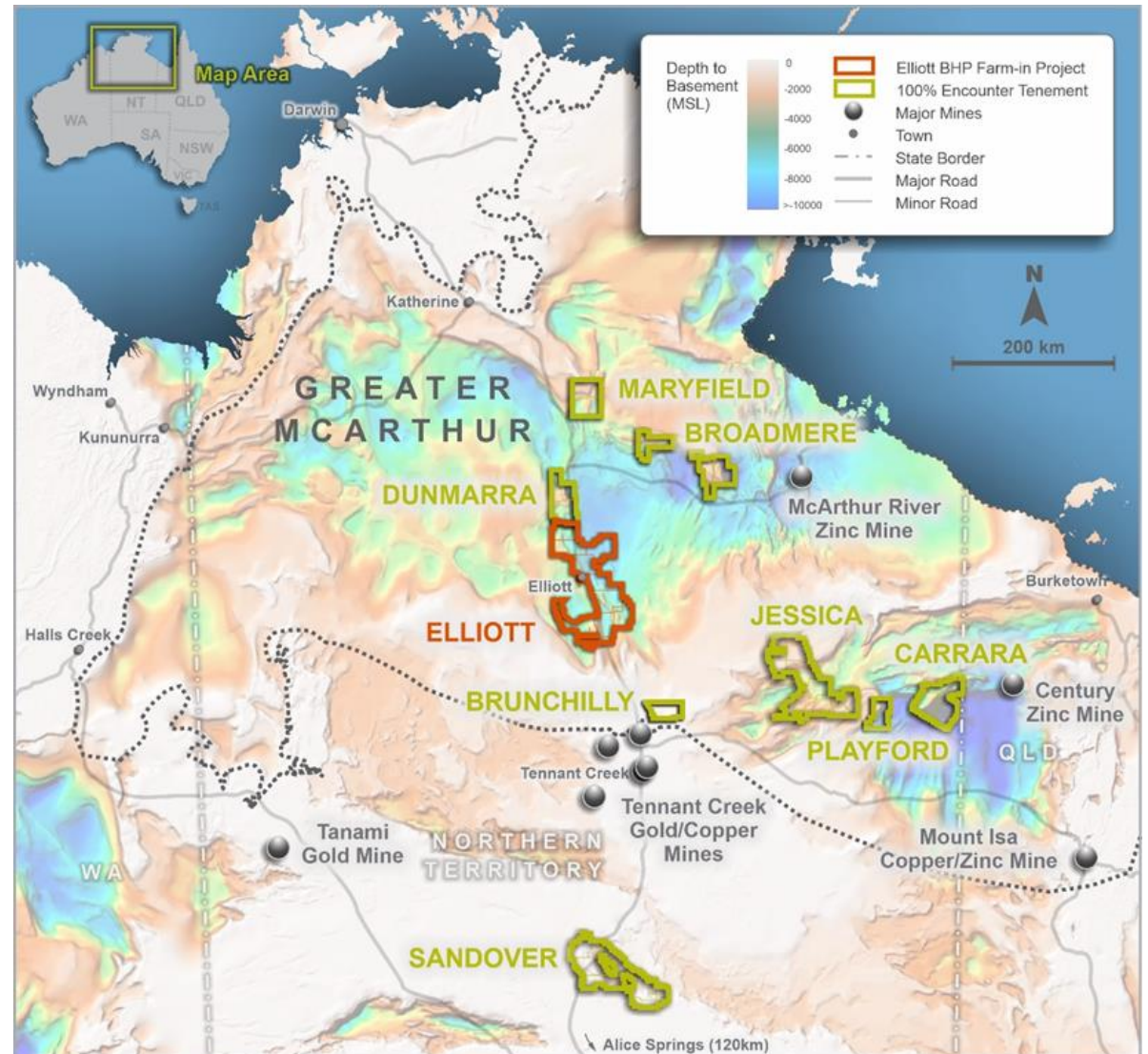


Northern Territory:

The next hot spot for copper in Australia

Northern Territory: the next hot spot for copper in Australia

- Highly prospective, vastly underexplored region under shallow cover
- Located between the major copper-gold producing districts of Mt Isa and Tennant Creek
- Transformational investment in pre-competitive data by Geoscience Australia (GA) and the Northern Territory Geological Survey (NTGS)
- These new datasets are providing crucial early insights into areas prospective for sedimentary hosted deposits
- Encounter has used these datasets as a first mover to build a commanding position in this exciting new province



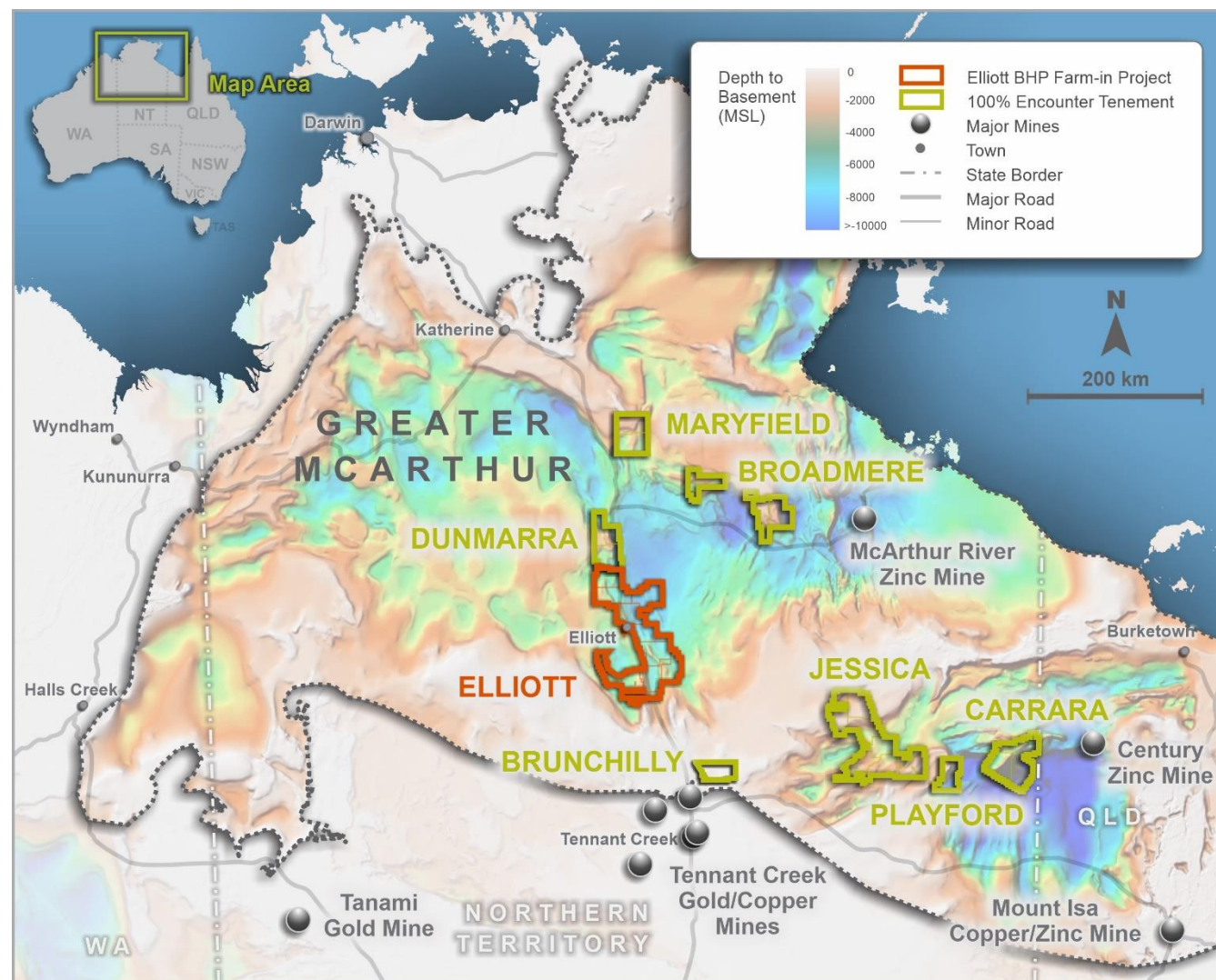
Sediment-hosted copper: key ingredients

EXPLORATION FOCUS

| | DISCOVERY ELEMENTS | NT SCORECARD | EXPLORING FOR THE FUTURE DATA |
|-----------------------|---|--------------|---------------------------------|
| Source rocks | Size of sedimentary basin and sub-basin | ✓ | |
| Brines | Bitten brines vs evaporites or both? | ✓ | |
| Seals | Grabens form a natural containment for dense fluids | ✓ | Gravity, magnetics |
| Inversion | Basin inversion / orogenic event to provide the energy to bring reservoir fluid towards surface | ✓ | |
| Fluid pathways | Basin margin faults and major faults | ✓ | Seismic, MT, AEM |
| Traps | Reductants or failed hydrocarbon traps provide physical and chemical trap sites | ✓ | Magnetics, Hydro-geochem |

Elliott Copper Project **BHP**

- BHP (ASX:BHP) earn-in and joint venture agreement covering the 7,200km² Elliott Copper Project
- BHP may earn up to a 75% interest in Elliott by spending up to \$25 million over 10 years
- Compelling exploration opportunity in the vastly underexplored Greater McArthur Superbasin
- Key ingredients for the formation of large sedimentary copper deposits
- An extensive exploration program, including seismic surveys and drilling, to define prospective deposition sites for sedimentary copper mineralisation



Refer to ENR ASX release 21 May 2021

NTGS Core Library, Darwin



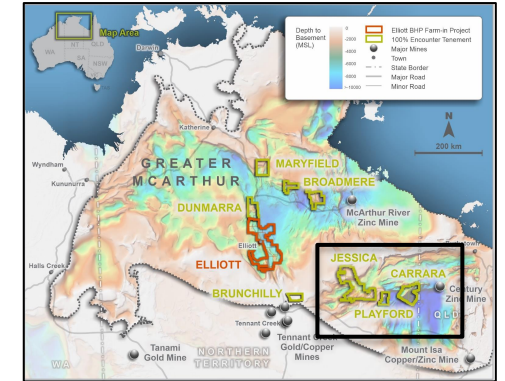
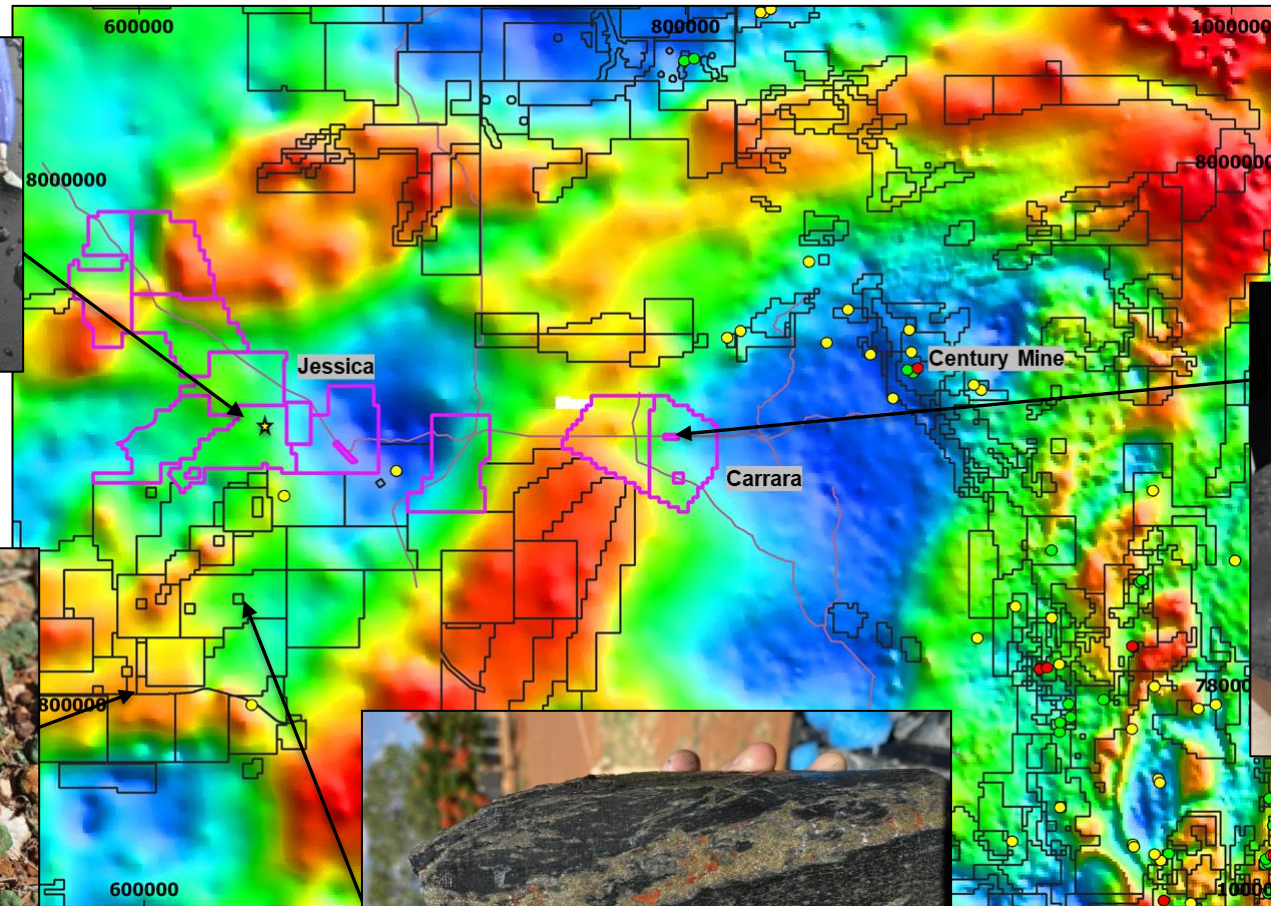
Jessica and Carrara: Copper near surface and at depth



Copper Carbonate (Malachite)
0-3m from RN28419 –
chemical assay 1.5% Cu¹



Crosswinds Copper Prospect – Malachite (copper carbonate) mineralisation exposed in table drain²



Chalcopyrite contained in a calcareous shale unit within NDI Carrara⁴



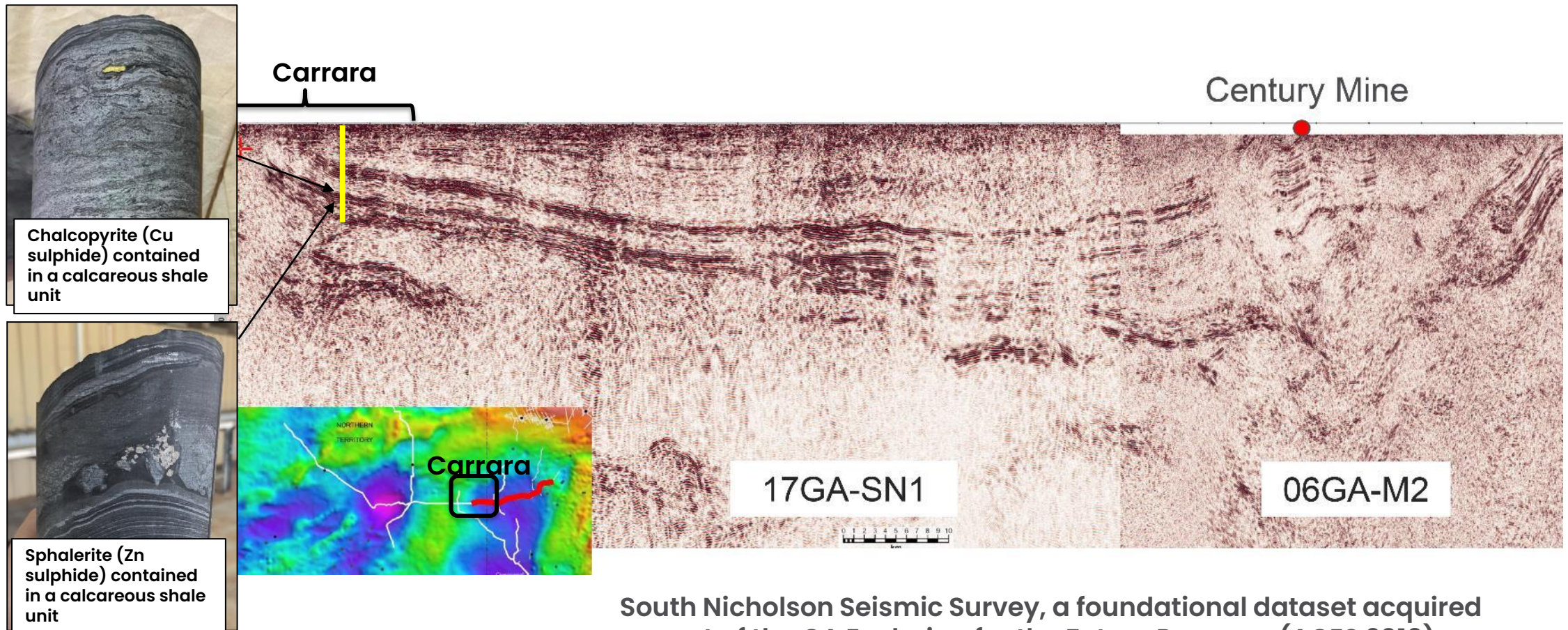
Drill hole NDIBK04 pyrite-chalcopyrite vein³

Drillcore is from the national drilling initiative. It is not the property of the company

¹ Refer ENR ASX release 19 Aug 2020
² Refer to ASX:MDI release 23 Dec 2020
³ Refer to ASX:ICG release 28 Mar 2021
⁴ Refer to ENR ASX release 28 Apr 2021

Carrara: prospective basin architecture

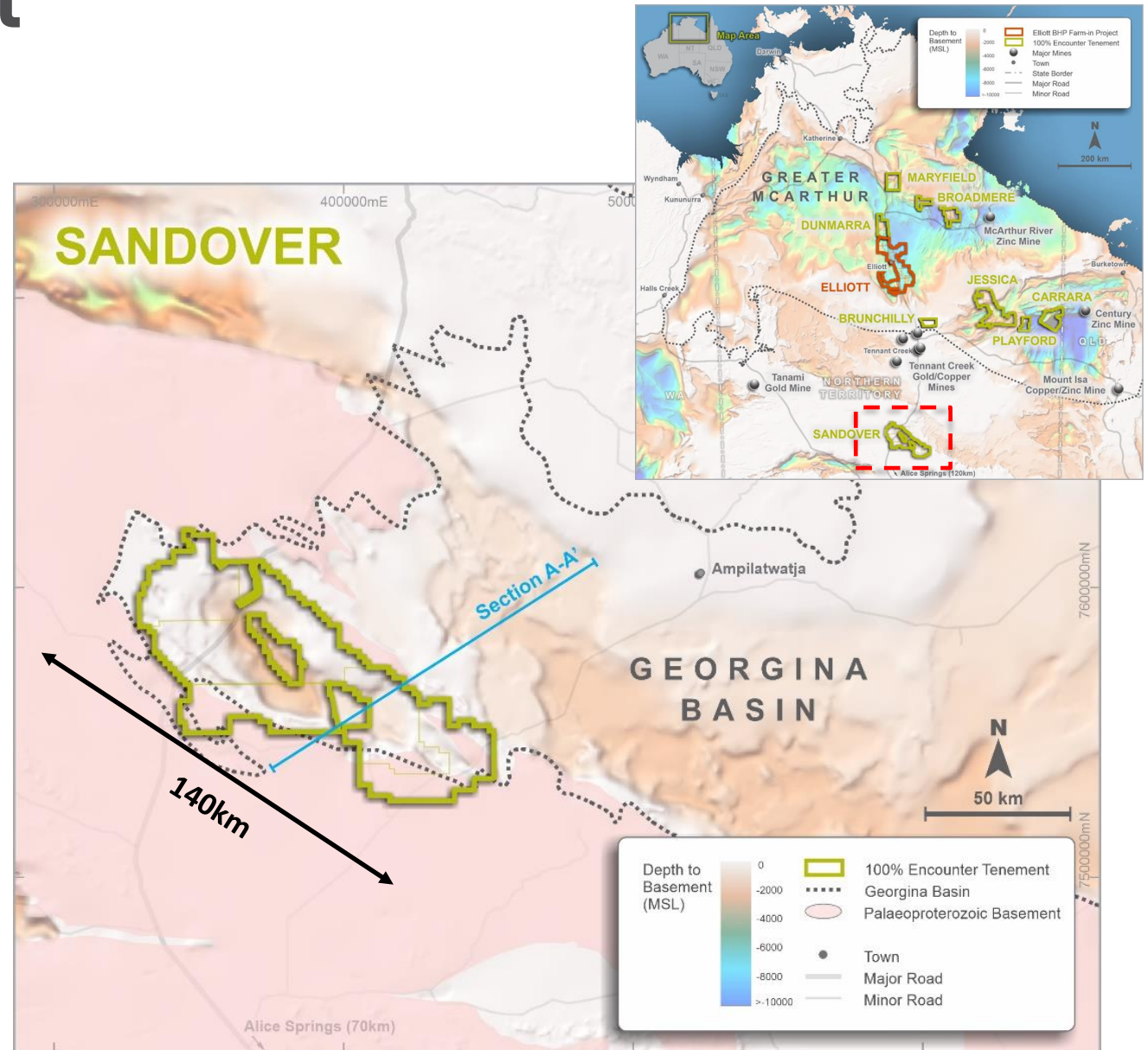
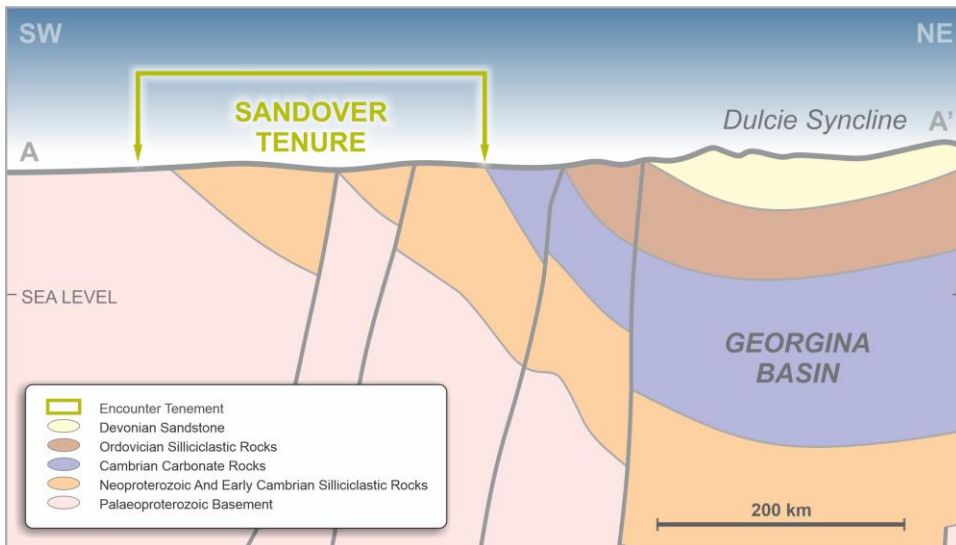
Correlation of prospective stratigraphic units from the Isa Super Basin into the Carrara Sub-basin indicates the Mount Isa Province extends to the west



South Nicholson Seismic Survey, a foundational dataset acquired as part of the GA Exploring for the Future Program (AGES 2019)

Sandover Copper Project

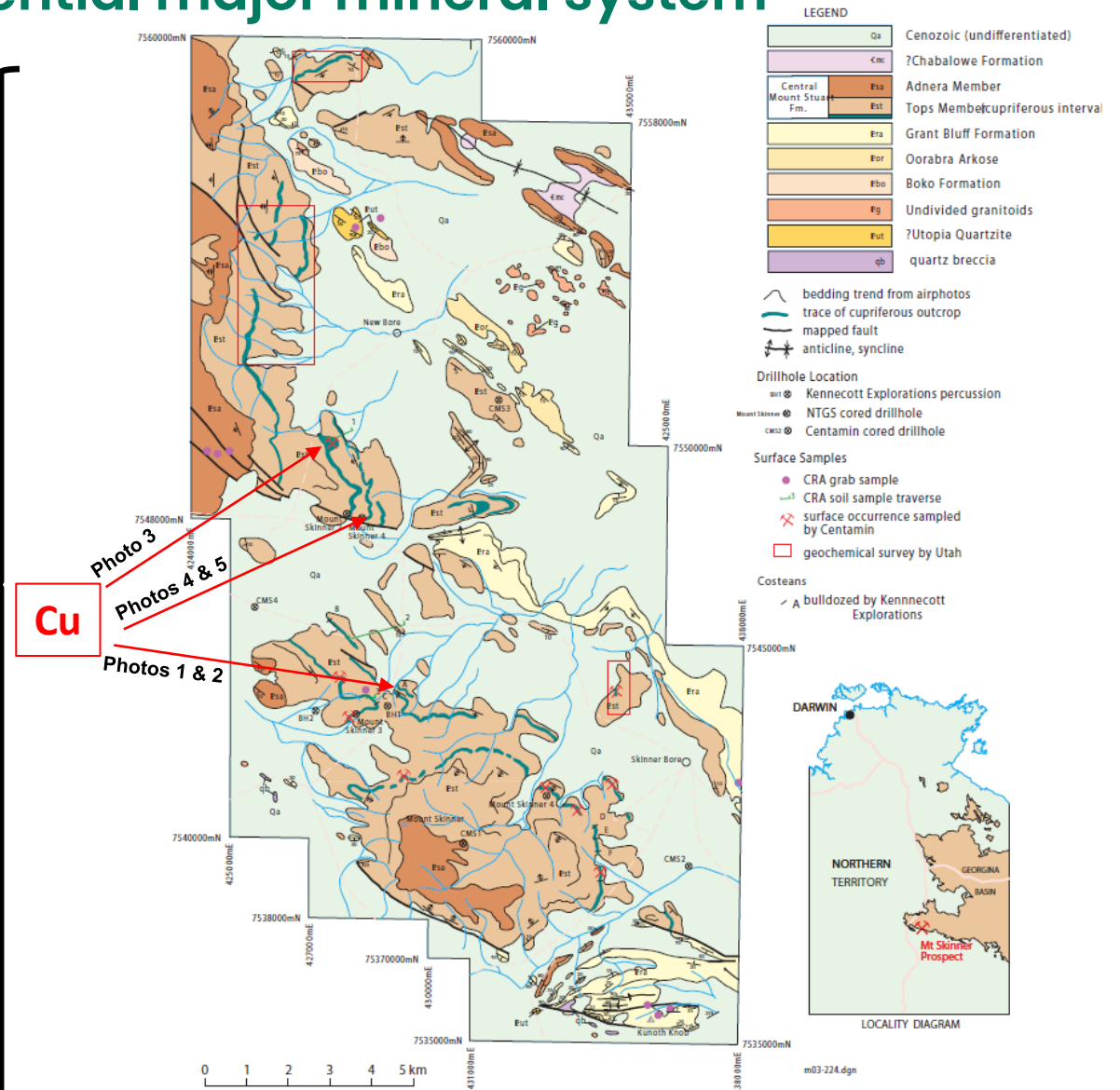
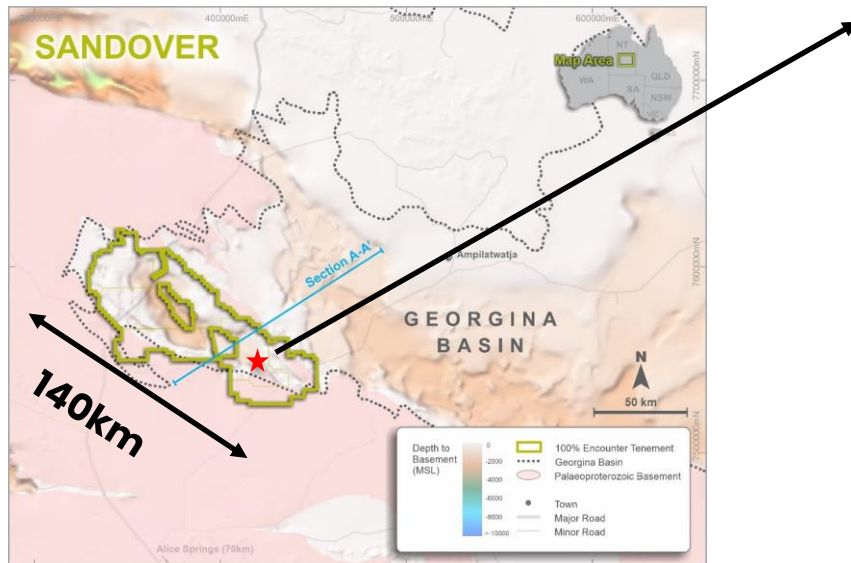
- 170km north-east of Alice Springs
- Zambian copper belt analogous – very rare to find in an Australian setting
- Targeting the Neoproterozoic basal Georgina basin sediments
- +20km of outcropping malachite in the Neoproterozoic Central Mt Stuart Formation



Sandover Copper Project

Outcropping malachite outlines potential major mineral system

- Major elements of a sediment-hosted copper system present
 - Juxtaposition of Neoproterozoic sediments against crystalline basement
 - Evaporites
 - Reduced stratigraphic units to trap Cu brines, within a red-bed sequence
 - Evidence of copper mineralisation event



Sandover Copper Project

+20km of outcropping copper in Zambian copper belt setting



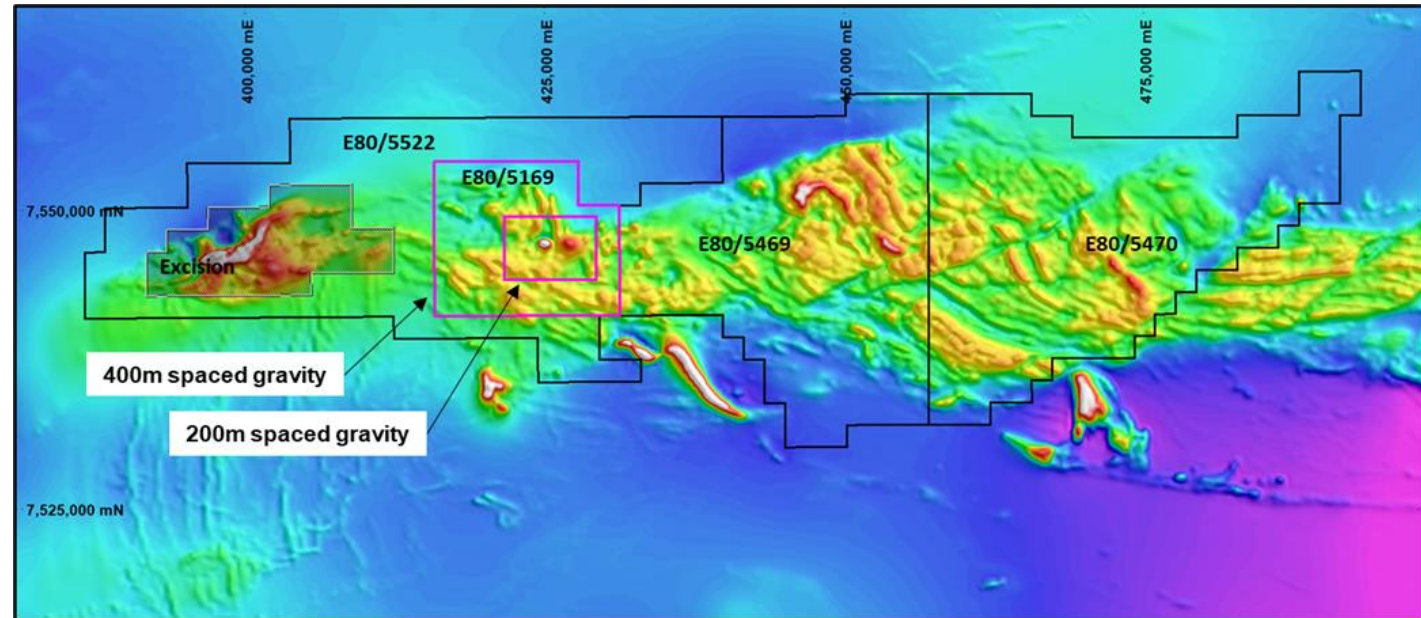


West Arunta, Western Australia:

“The next major copper exploration
focus in WA”

West Arunta: IOCG targets in an unexplored region

- 1,300km² West Arunta province of WA
- First diamond drill hole to a depth of 158m (EAL001) intersected hydrothermal hematite-altered mafic intrusions and granite with a distinctive IOCG geochemical signature
- Metal anomalism is associated with hematite-alteration
- IOCG mineralisation often has a strong density contrast (Olympic Dam, Prominent Hill) meaning gravity surveys could provide drill targets and a clear pathway to discovery
- Gravity survey August - November 2021
- EIS co-funded drilling to follow (\$150,000)

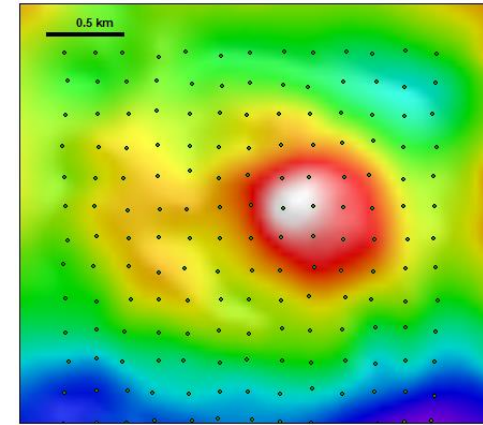


Aileron Project – Tenement and gravity survey location plan on TMI background

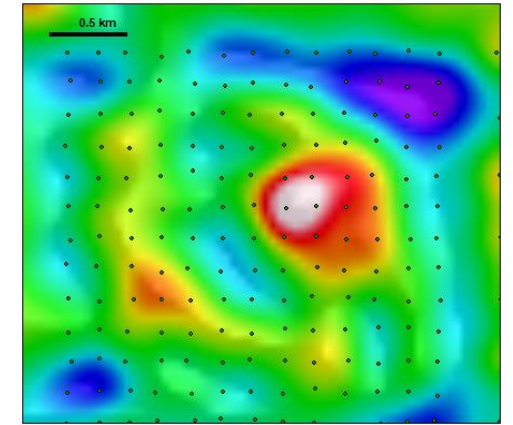
Refer to ASX announcement 12 July 2021

West Arunta: Initial gravity results

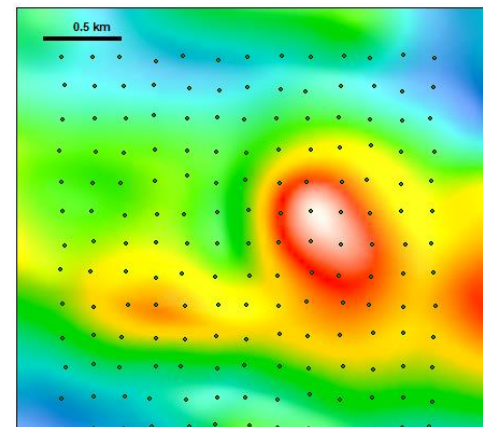
- Discrete, pipe-like density anomaly ~600m by 600m (~2 mgal)
- Coincident magnetic anomalism
- Next Steps - Heritage survey, surface geochemistry then drilling



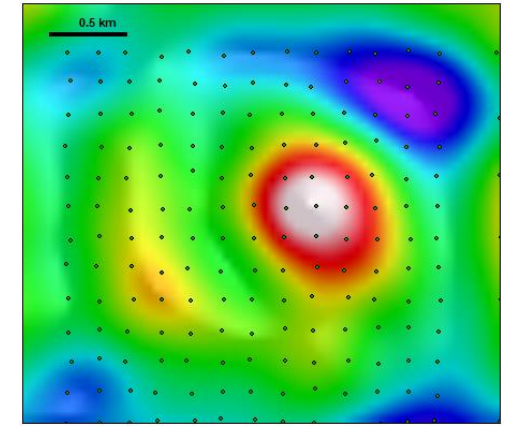
Residual Gravity



Gravity Inversion DS300



Magnetics RTP

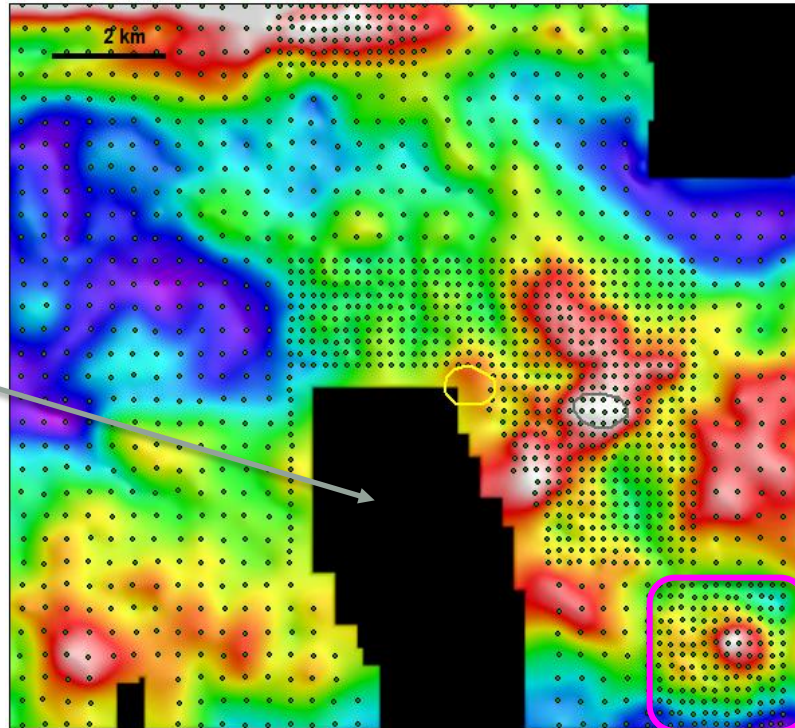


Gravity Inversion DS500

South-Eastern Gravity Anomaly

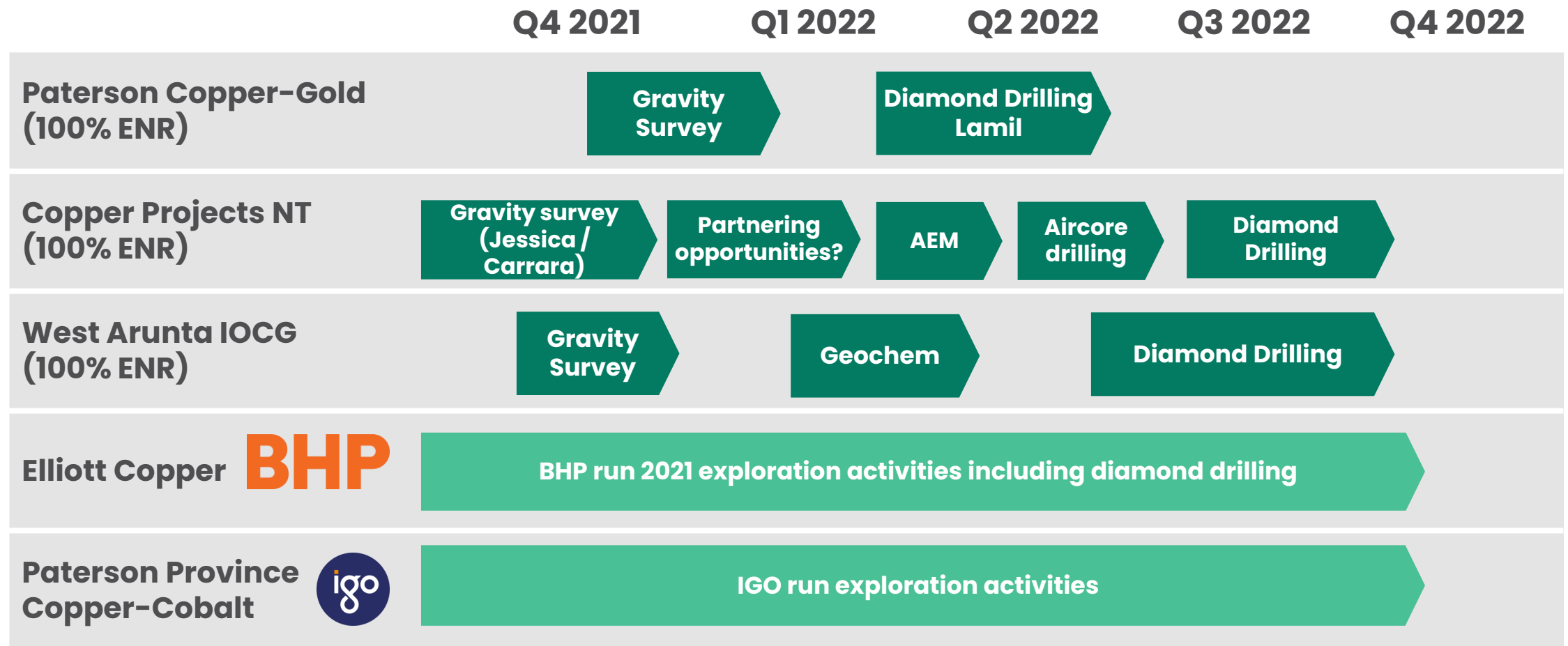
South-Eastern Gravity Anomaly

Gravity Survey
Nov 2021



Aileron Project - Ground gravity Residual Image

2022 exploration activity



Foundations established for major copper exploration drive

Major new copper discoveries required to meet burgeoning demand

Sediment-hosted copper systems are a high grade and large deposit style

Central Australia has the right geology for sediment-hosted and IOCG copper deposits....but underexplored

Partnering with majors to maximise exploration investment and activity

BHP



Encounter shareholders have prime exploration leverage to the decarbonisation and electrification megatrends