

28 November 2014

**ASX : ENR**

**2014 ANNUAL GENERAL MEETING**

**CHAIRMAN'S ADDRESS AND MANAGING DIRECTOR PRESENTATION**

The 2013/14 year was an evolving one for Encounter. New areas of high grade copper and zinc were discovered at separate prospects within the Yeneena project. In spite of difficult commodity and equity markets for exploration, Encounter remains one of the most committed and active greenfield exploration companies in Australia. We remain steadfast in our view of the substantial value that can be unlocked for our shareholders through large scale, frontier exploration in highly prospective under cover terrains in Australia.

In 2013/14 we invested over \$4.5m in exploration. This was mostly at the expanding Yeneena project in the Proterozoic Paterson Province in northern Western Australia. The Yeneena project continues to deliver exciting exploration results for Encounter and has the attention of major mining companies around the world.

We continue to work closely with our earn-in partner, Antofagasta plc, one of the world's largest copper producers, to progress the BM1/BM7 copper discoveries located in the southern portion of the Yeneena project. Progress during the year included the highest grade copper sulphide intersection to date at BM7. We look forward to building on this solid platform.

In addition, recent drilling has significantly expanded the BM1 near surface, high grade oxide zone within the Antofagasta earn-in area. This year's RC drill program at BM1 delivered some of the thickest and highest grade copper oxide intervals so far at the Yeneena project. Work continues in interpreting this expanding near surface secondary copper zone and narrowing the search for a primary copper source. In addition, initial leach testing on the copper oxide mineralisation is in progress to assess to potential treatability of the copper oxide mineralisation discovered at BM1.

Adding to the emerging picture at Yeneena, in November 2013 Encounter discovered high grade zinc sulphide mineralisation at its 100% owned BM2/Millennium prospect located 35km north east of the BM1/BM7 copper discoveries. This zinc discovery enhances the already well-established mineral potential of our 1,850km<sup>2</sup> land holding at the Yeneena project. The current state of the global zinc market is particularly interesting with 7% of the world's supply falling away with the closure of the Century mine in 2015. The industry has long been starved of exploration funding and financial markets are constraining funds for the few startups that are available. Consequently, a number of major zinc players are watching our progress on this project closely.

Encounter continues to expand and advance new opportunities at the Yeneena project. The 2014 field season saw the first systematic exploration completed at the 100% owned Fishhook copper prospect located 20km north of the BM1/BM7 copper discovery. We have also completed the first ever drilling at the Stirling copper/gold prospect located 15km south west of the Telfer gold/copper mine.

The progress achieved throughout the year continues to build our confidence in the potential for major new greenfield discoveries at the Yeneena Project.

Encounter has accumulated a dominant land position in the highly prospective Paterson Province and is well placed to unlock the potential of the priority targets. Our exploration plans are well funded and we have a major in the copper industry as a partner. We will continue to assess other partnership opportunities that may also assist us in making a major discovery and bringing projects into production. Importantly, we have a capable and experienced team that is realising the potential of the Yeneena project.

In closing we would like to thank our committed team for their professionalism and dedication. We are fortunate to have such a talented and enthusiastic team who are leaders in the field. We would also like to thank our earn-in partner, Antofagasta plc and its representatives, our suppliers and other business partners. Finally, we would take this opportunity to thank our fellow shareholders for their ongoing support.

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**encounter**  
RESOURCES LIMITED

# Annual General Meeting

28 November 2014

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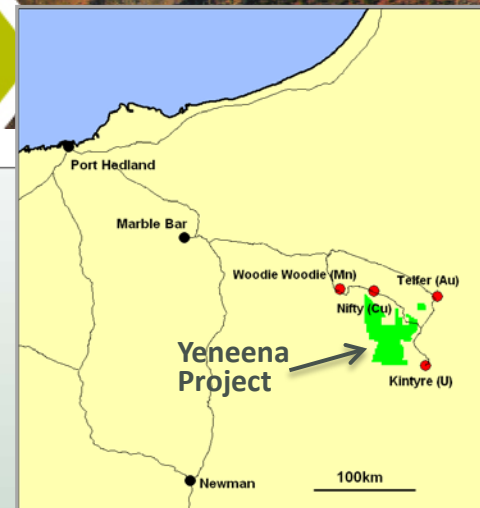


# INVESTMENT SUMMARY



## Greenfields Cu Discovery – BM1-BM7

- Large scale Cu system >14km long and growing
- \$20m farm-in with Antofagasta plc
- 140m @ 0.2% Cu in final 2014 drill hole



## Fishhook Cu Opens Northern Corridor

- Visible blebs of Cu sulphide mineralisation
- Traditional Central-African copper belt setting
- Key ground position secured (100% ENR)



## Zinc Discovery- BM2/Millennium

- Massive zinc sulphide discovered 36.5% zinc
- 3km long zinc system
- Zn sulphides in all 4 diamond holes completed Oct/Nov 2014



## 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

133.8m Ordinary Shares

4.8m Employee Options

## Market Cap.

A\$20m @ A\$0.15/share

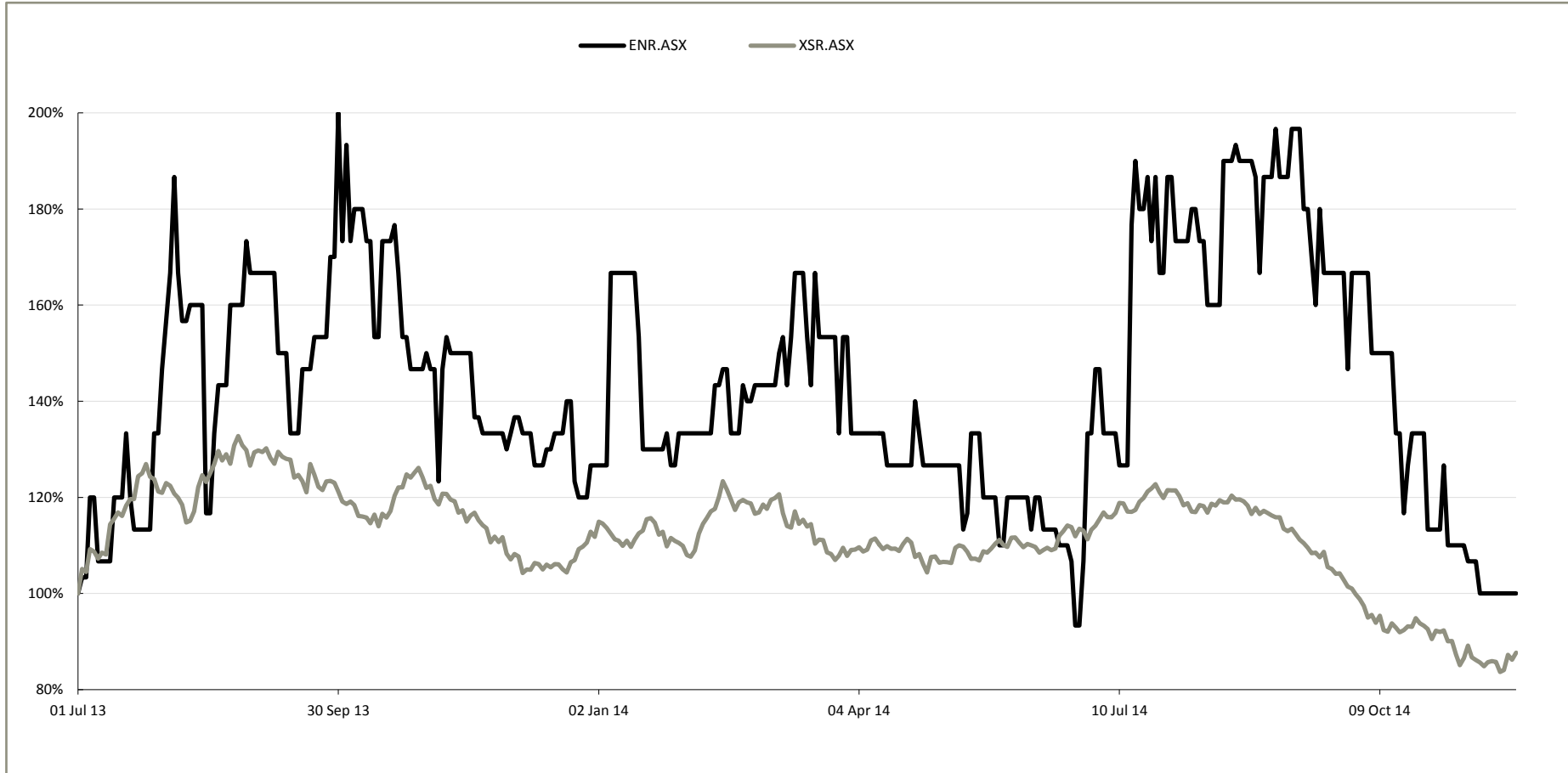
## Cash

\$3.3M at 30 Sep 14



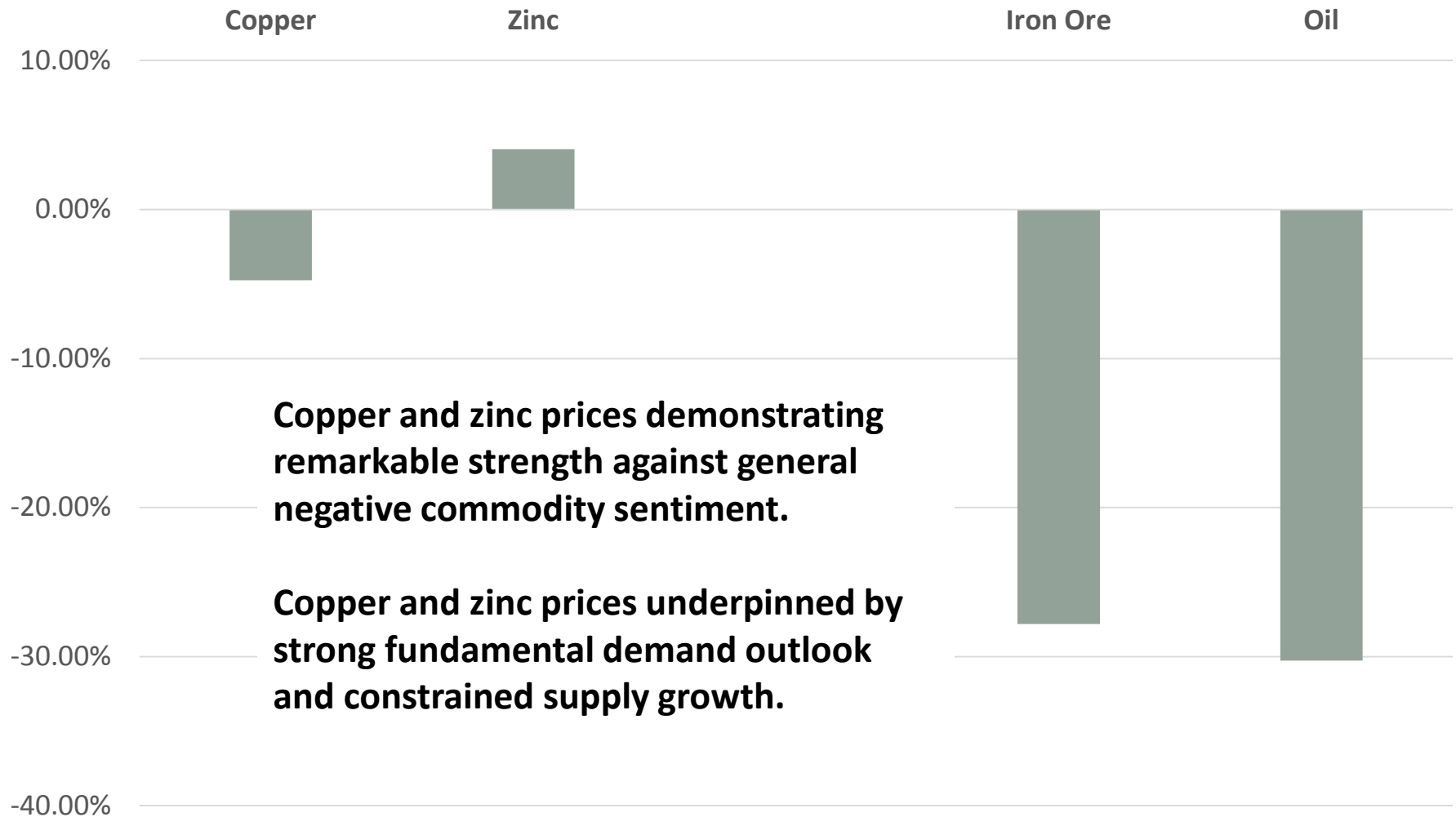
# ENR SHARE PRICE

## ENR vs ASX Small Resources Index



# THE RIGHT COMMODITIES

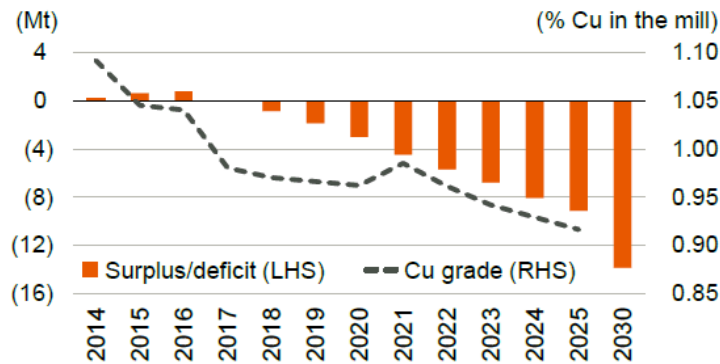
Price Change since 30 June 2014



# 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

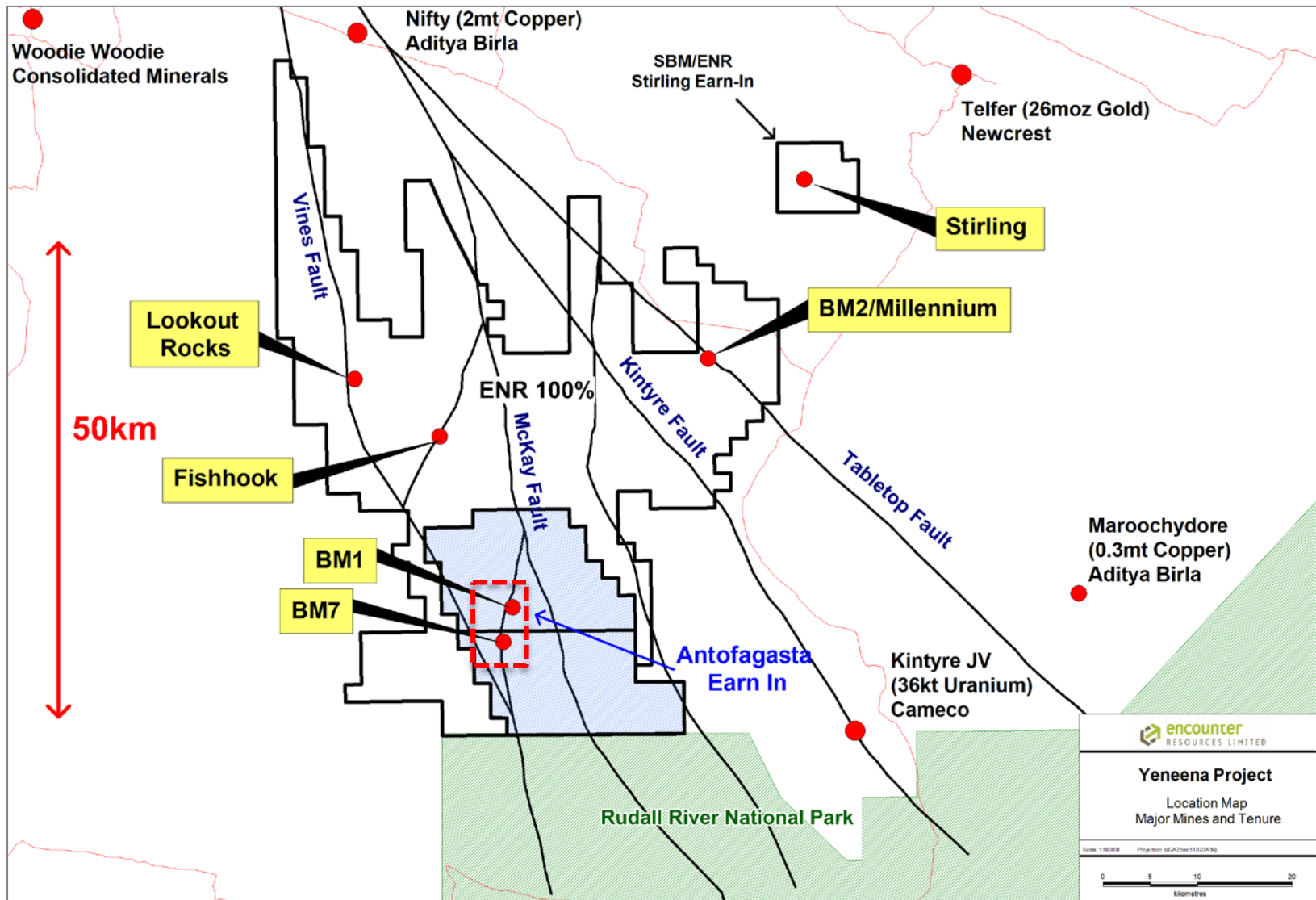
**- Forecasting ~30% increase in Zn demand by 2019**





# YENEENA PROJECT

## Major land position amongst giant mineral deposits



# BM1 - BM7 PROSPECTS

## Copper mineral system 14km long and growing

### BM1

Coherent zone of near surface Cu oxide mineralisation

10m @ 6.8% Cu from 32m

16m @ 3.2% Cu from 26m (2014)\*

50m @ 1.1% Cu from 12m (2014)\*

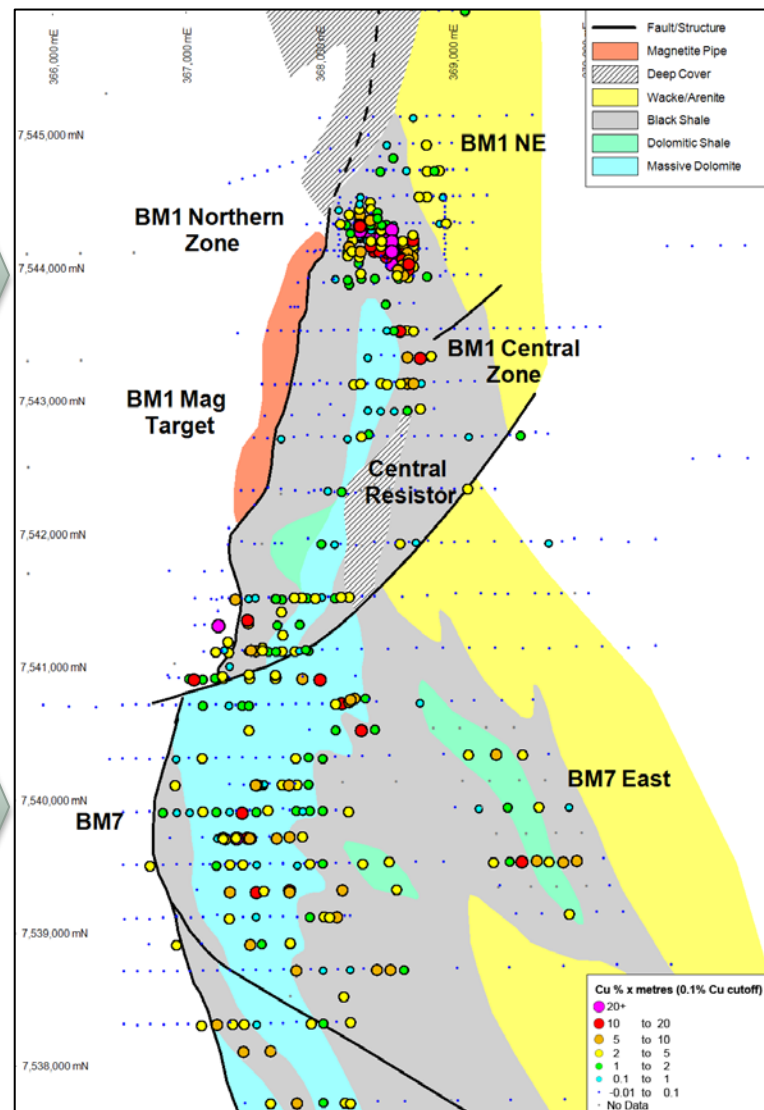


### BM7

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

5m @ 2.5% Cu from 388m

140m @ 0.2% Cu from 144m (2014)\*



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



# BM1 COPPER DISCOVERY

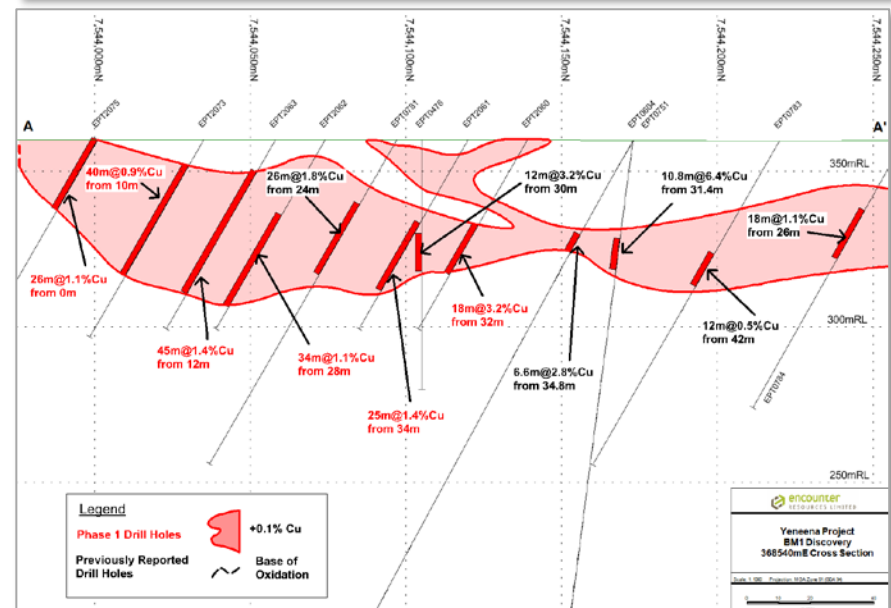
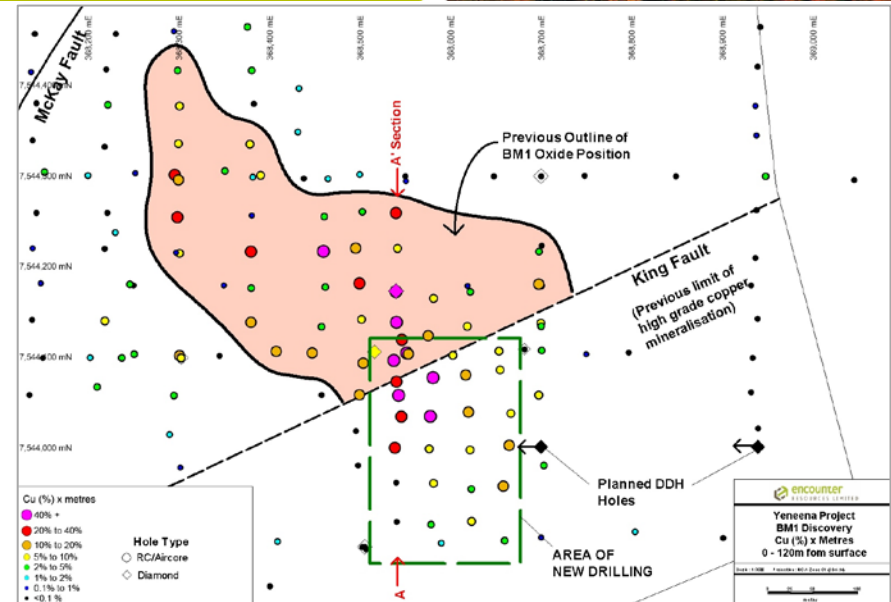
- Significant copper intersected from 2014 in-fill and extensional drilling at the BM1 Prospect:

- 45m @ 1.4% Cu from 12m incl.  
16m @ 3.2% Cu from 26m
- 18m @ 3.2% Cu from 32m incl.  
9m @ 6.0% Cu from 37m
- 50m @ 1.1% Cu from 12m incl.  
19m @ 2.3% Cu from 31m

- Diamond drilling to the south-east of the BM1 oxide zone intersected copper sulphide mineralisation which remains open to the south east.

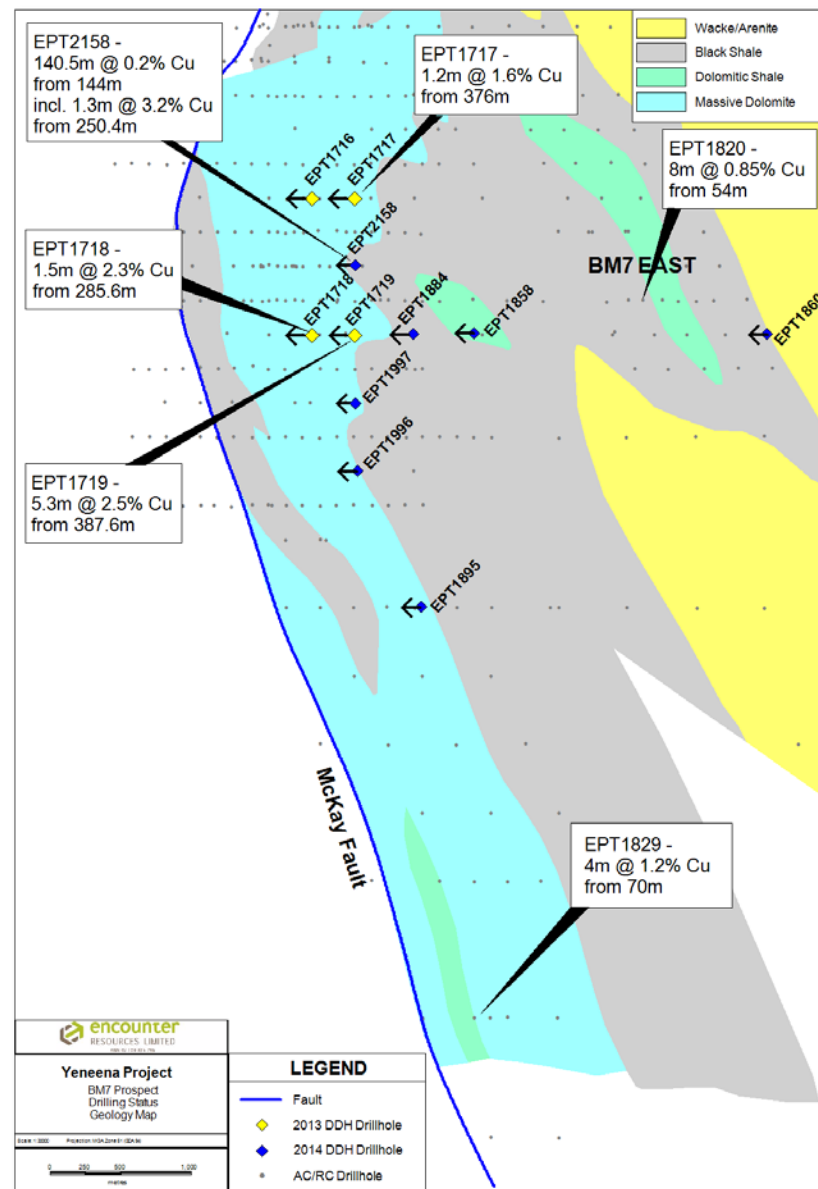
- Positive results from initial metallurgical leach testing. Cu oxide samples >1% Cu yielded an average recovery of 87%.

(refer ASX announcement 15 July 2014)



# BM7 COPPER DISCOVERY

- Final diamond hole of 2014, EPT2158, intersected a broad zone of copper sulphide mineralisation (140m @ 0.2% Cu) including several bands grading over 1% Cu and 1.3m @ 3.2% Cu from 250m  
(refer ASX announcement 31 October 2014)
- EPT2158 is located 400m north of a previous intersection of 5.3m @ 2.5% Cu
- RC drilling intersected new zones of copper mineralisation north-east of BM1 and also at the BM7 East prospect



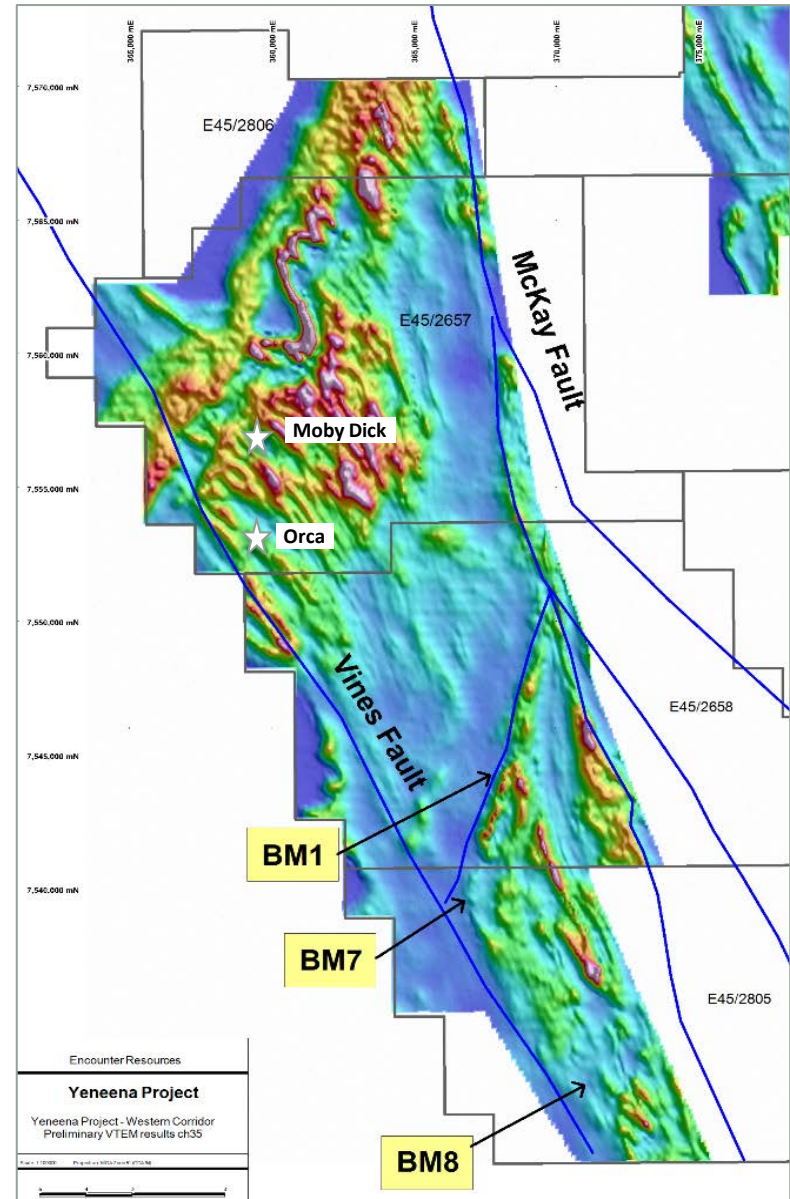
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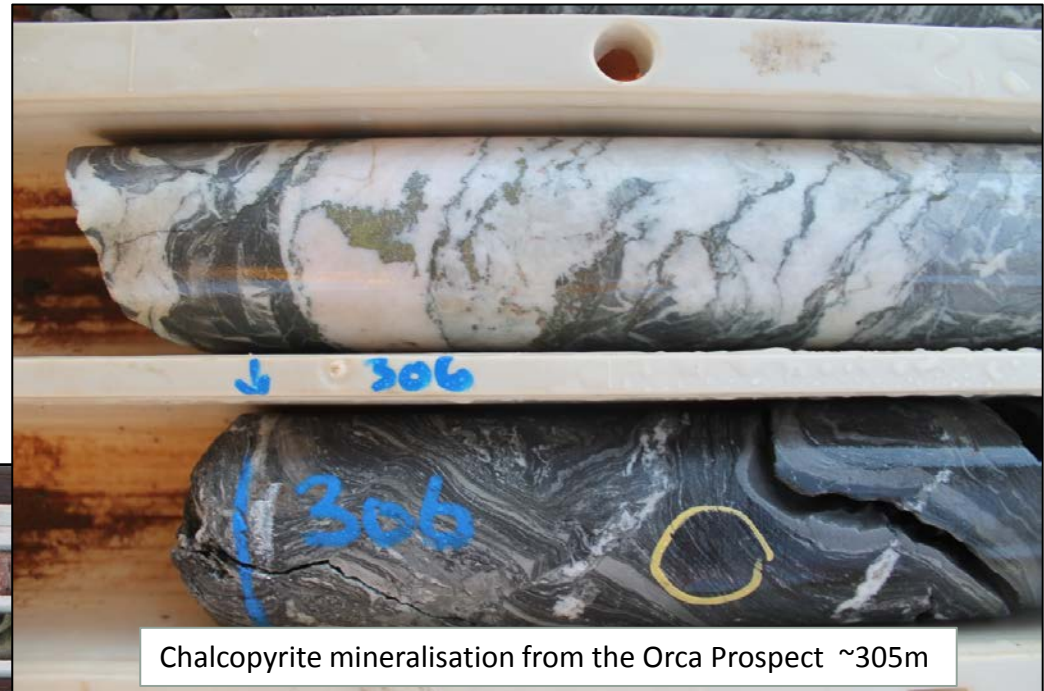
# FISHHOOK PROSPECT

- VTEM survey completed June 2013
- Significant north-east trending structure that mirrors the BM1-BM7 copper system
- Shallow sand cover with minimal previous exploration
- 7,500m AC drilling program Sept 2014:
  - **Orca** - assays up to 2m @ 0.4% Cu, 104g/t silver and end of hole bedrock copper anomalism grading above 0.1% Cu (refer ASX announcement 30 September 2014)
  - **Moby Dick** - 2km long +0.1% copper geochemical anomaly coincident with a resistive geophysical anomaly



# FISHHOOK PROSPECT

The first diamond drill program intersected disseminated and blebby copper sulphide mineralisation within a sequence containing highly oxidised 'red-rock altered' sediments



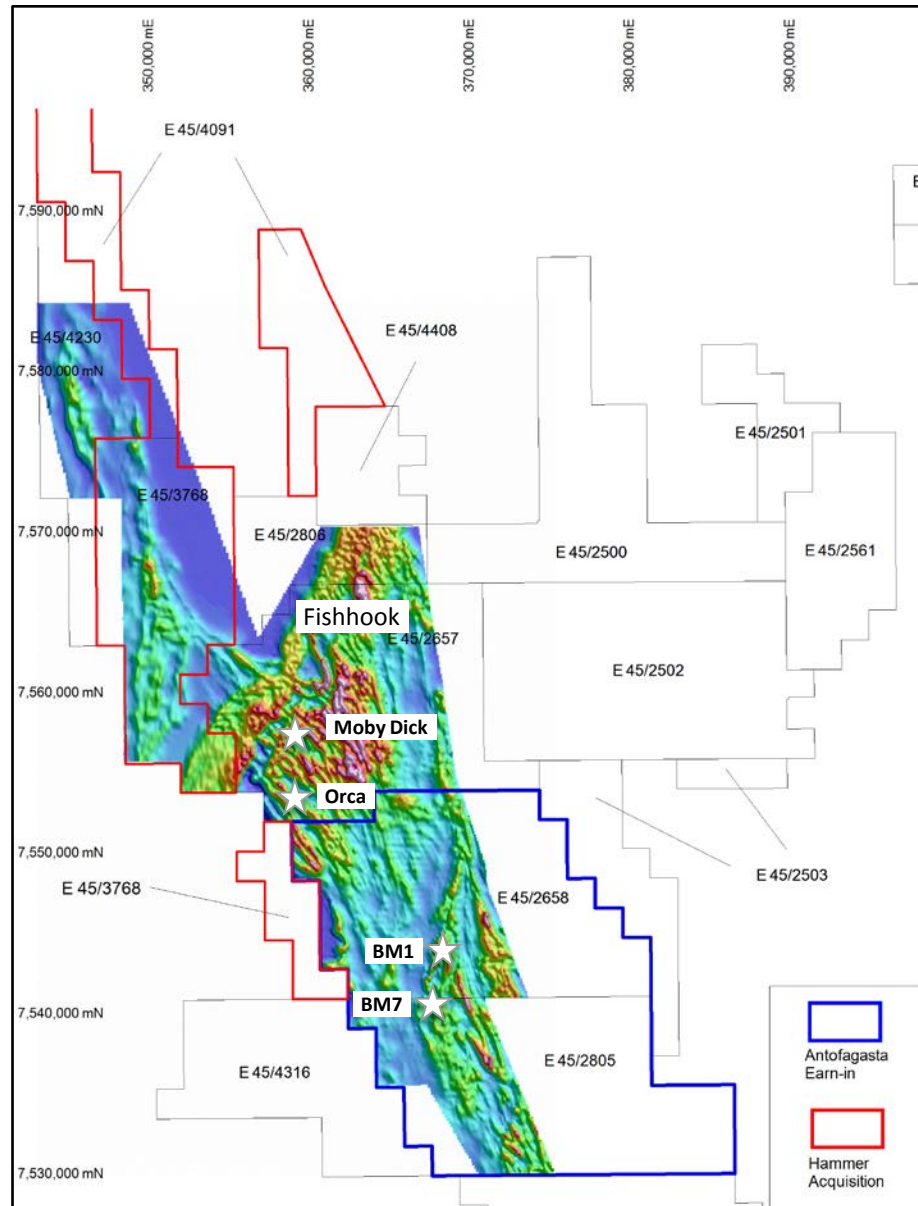
Drill core exhibiting key elements of the sediment hosted copper model in a traditional Central-African copper belt setting





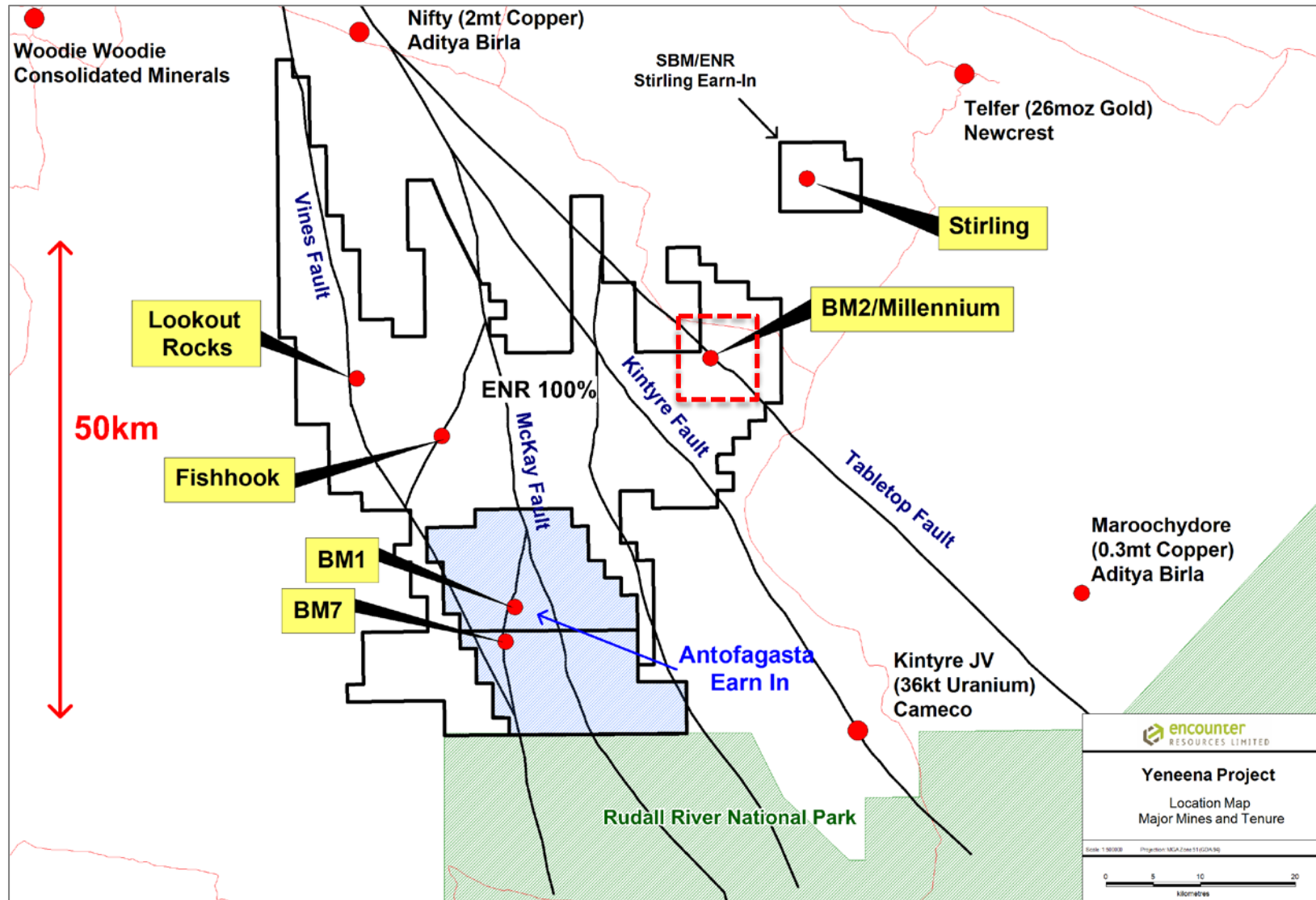
# ADDITIONAL GROUND ACQUIRED

- Fishhook drilling opens up the potential for further sediment hosted copper occurrences along this the northern corridor
- Encounter to acquire 100% interest in Exploration Licences E45/3768 and E45/4091 from Hammer Metals Ltd
- Consideration 750,000 fully paid ordinary shares of Encounter subject to 18 month escrow
- Good outcome for both parties



# YENEENA PROJECT

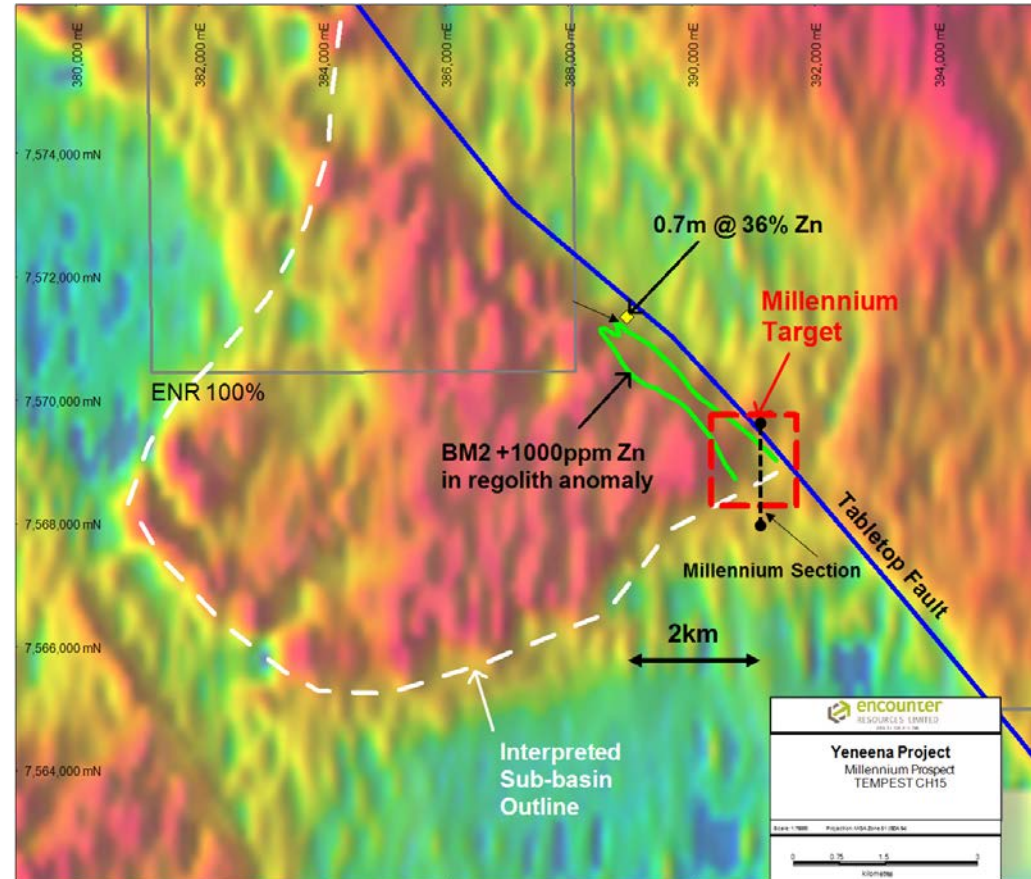
## Major land position amongst giant mineral deposits





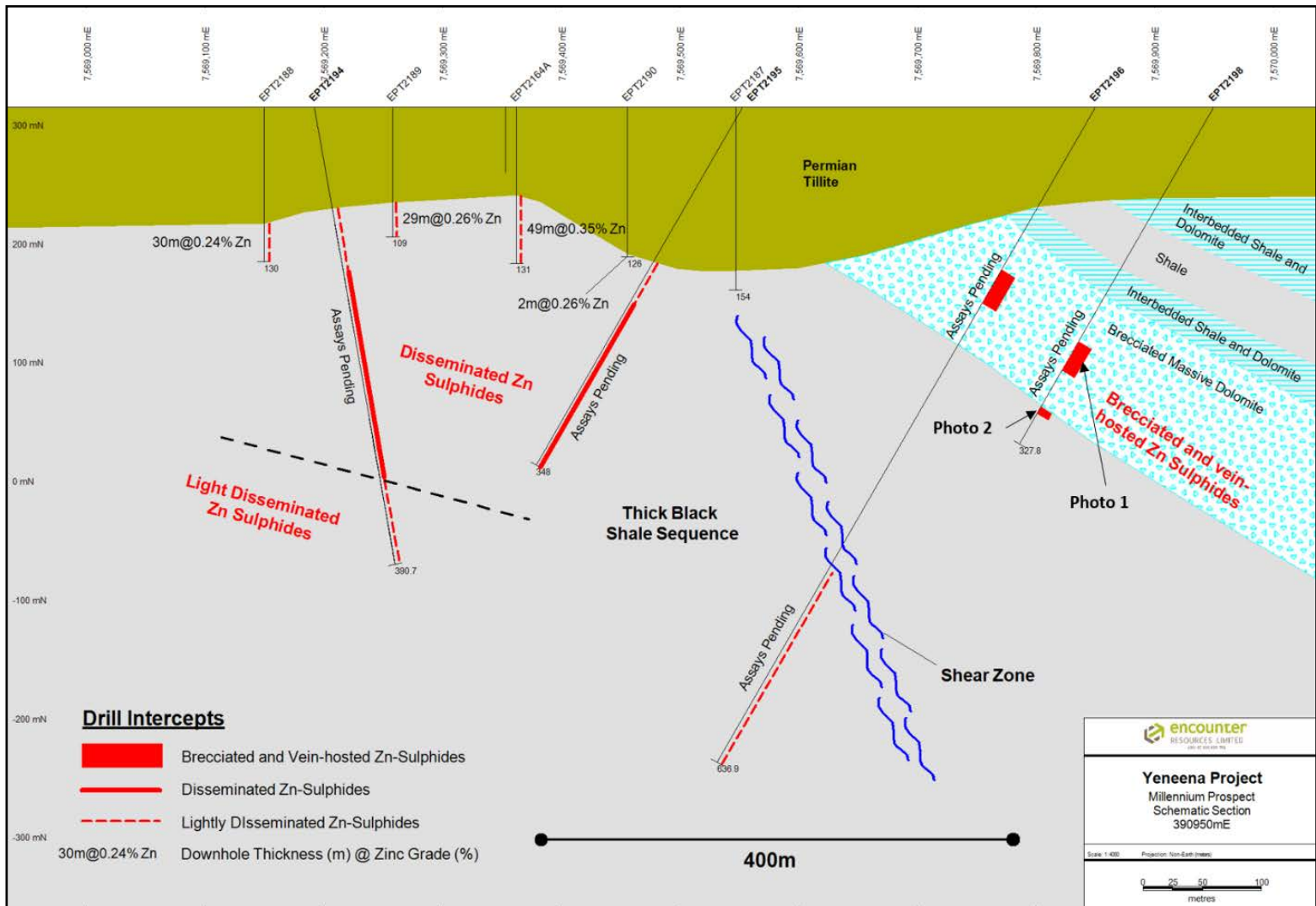
## Large Scale Zinc Mineral System

- High grade zinc/silver intersected in the first diamond hole into key geological contact at BM2
- 0.7m @ 36.5% zinc and 37g/t silver (refer ASX announcement 13 December 2013)
- Zinc regolith anomalism along this target contact extends over 3km
- Millennium target at the interpreted intersection of the key mineralising structure (Tabletop Fault) and the margin of a sub basin within the Broadhurst sediments



100% Encounter held ground

## Zinc sulphide mineralisation in all four diamond holes drilled



(refer ASX announcement 15 October 2014 and 27 November 2014 for Millennium results)





# MILLENNIUM ZINC

- The two hole program was expanded to a four hole program
- 1,700m diamond drilling program complete
- Co-funded under the WA Government EIS (up to \$150,000)
- Large scale zinc mineral system identified at Millennium
- Remains open in all directions and at depth
- Assay results expected in December 2014



**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  
core sample width approx. 50mm**

(refer ASX announcement 27 November 2014)



# BM7 – 2014 MILESTONES

- ✓ **High grade copper intersections expand BM1 oxide footprint**
- ✓ **Thick zone of copper sulphide at BM7 140m @ 0.2% Cu**
- ✓ **Copper sulphides intersected in first diamond drill program at Fishhook – Opening up northern corridor**
- ✓ **Large scale zinc mineral system at Millennium that remains open in all directions and at depth**
- ✓ **22,000m aircore/RC drilling, 9,500m diamond drilling completed**





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

- ***Large scale copper system over 14km long and growing***
- ***Major mining company funding through Antofagasta farm-in***
- ***Key ground position secured (>1850km<sup>2</sup>)***
- ***Large scale zinc discovery at 100% owned BM2/Millennium***
- ***Fundamentally strong outlook for copper and zinc demand***
- ***Highly active explorer maintaining sound cash position***



# ACKNOWLEDGEMENTS

Our employees and contractors

Our earn-in partner Antofagasta

Drilling contractors DDH1 and Strike Drilling

Our shareholders

THANK YOU



## 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.

