

New Gold Discovery Near Telfer



encounter
RESOURCES LIMITED

Investor Update

May 2017

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

155.9m Ordinary Shares (Top 40 shareholders hold 68%)
12.9m Options

Market Cap.

A\$18.7m @ A\$0.12/share (9 May 2017)

Cash

~A\$1.0m (31 Mar 2017)

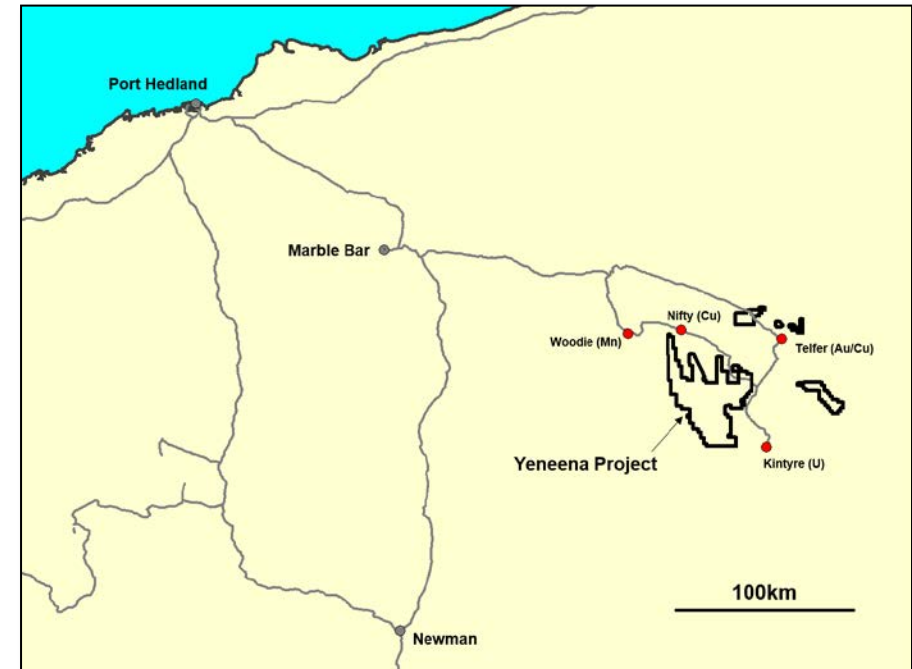
Investments

~A\$0.6m (31 Mar 2017)

Share Register

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

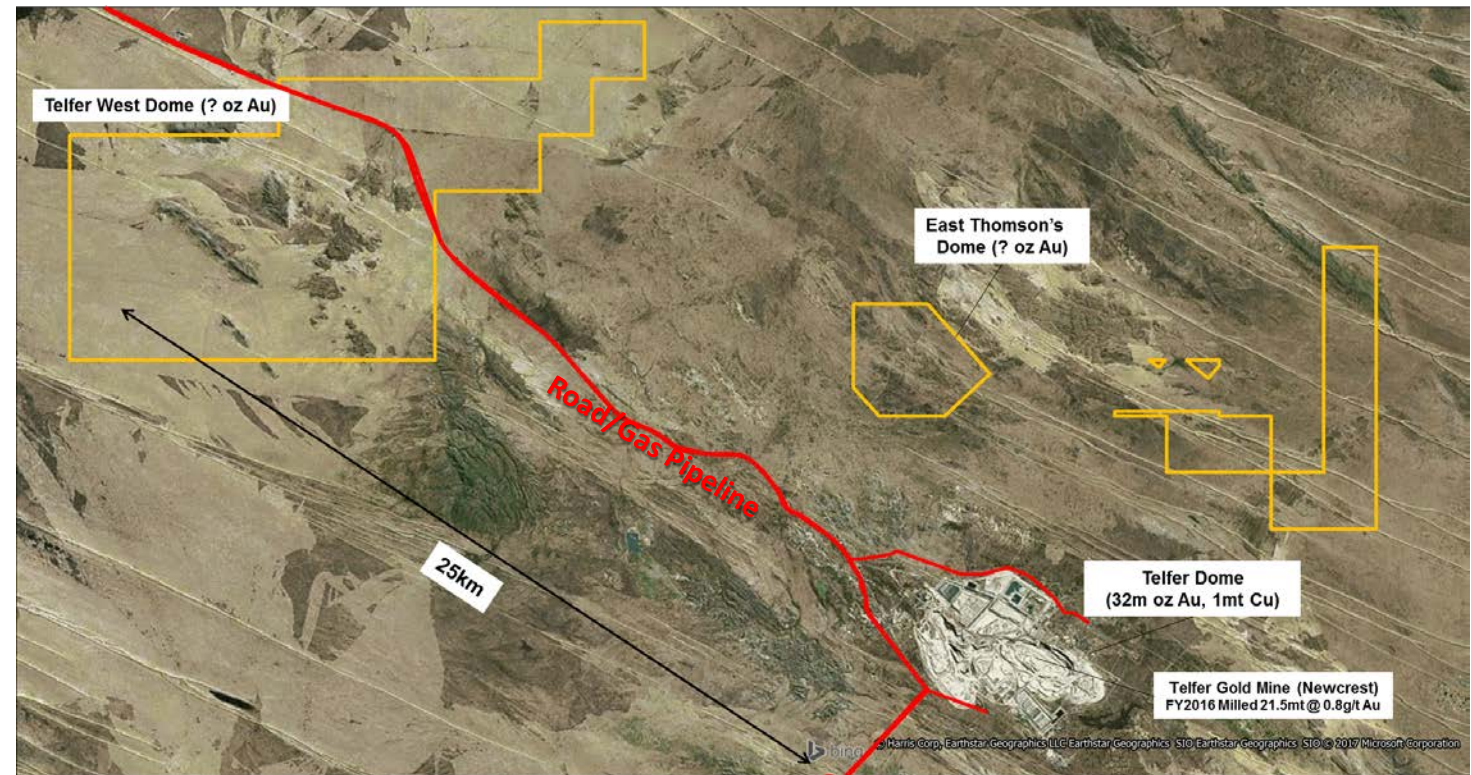
***Large land position in Proterozoic
Paterson Province with proven
fertility and active majors***



High Grade Gold Near Telfer

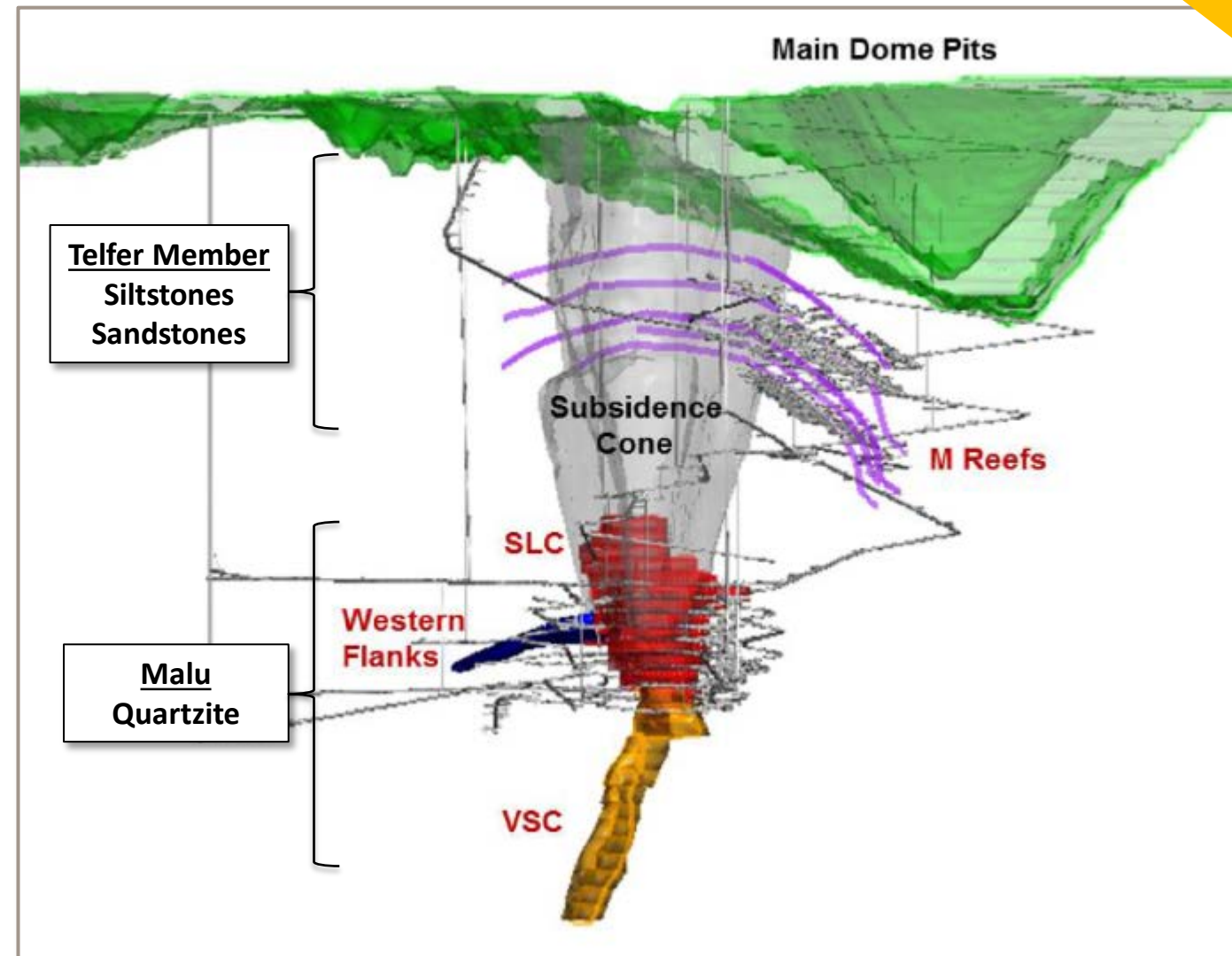
Paterson Gold

- ❖ **Telfer West** - New shallow, high grade gold discovery made in April 2017
- ❖ **East Thomson's Dome** - Large Scale Gold Soil Anomaly (+2km) outlined adjacent to high grade outcropping gold reefs
- ❖ Known district, near infrastructure and the Telfer Au-Cu mine
- ❖ Little or no exploration for 25 years
- ❖ Prior drilling was shallow but extremely well mineralised

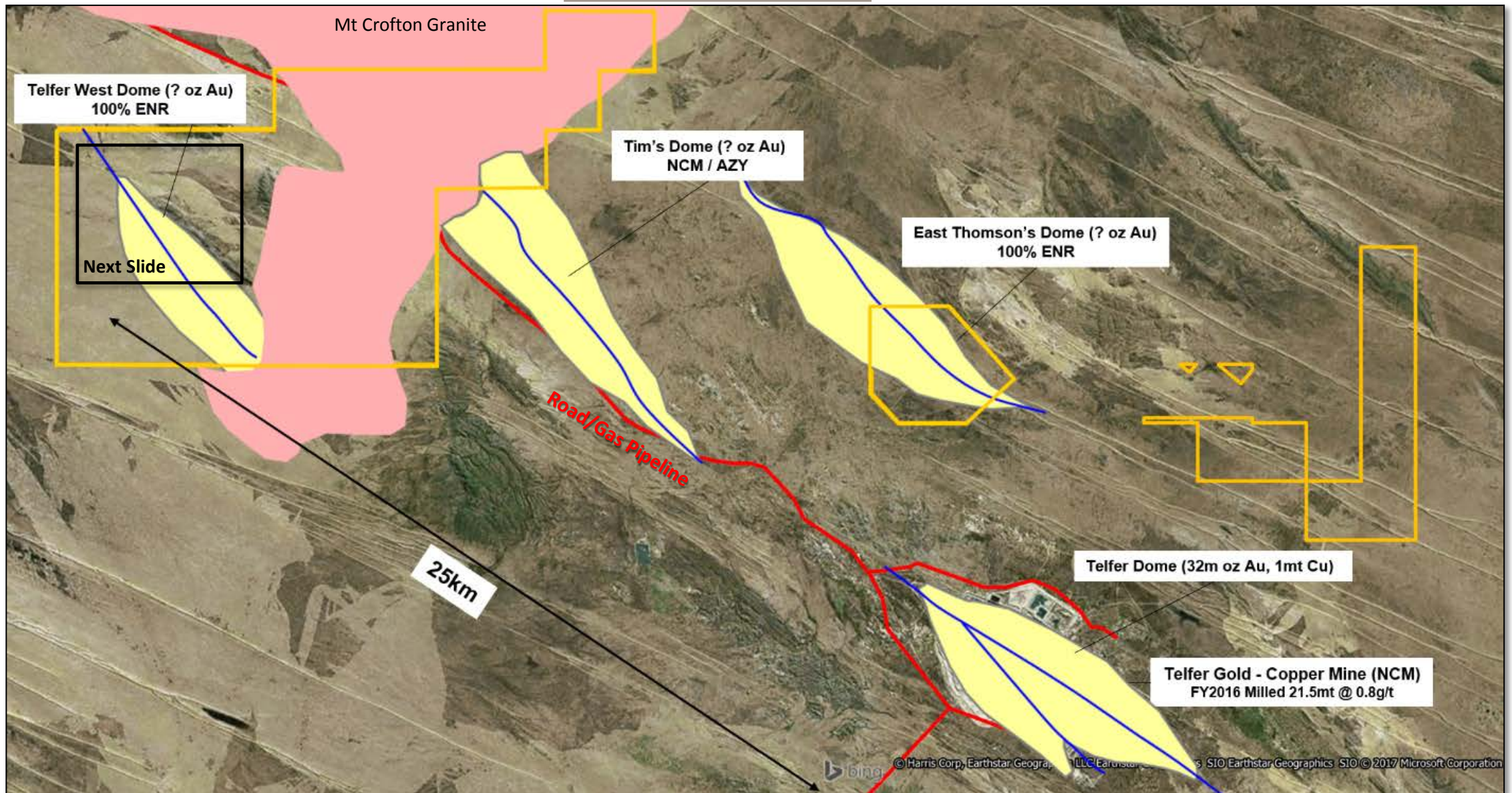


Telfer Schematic Section

- ❖ Gold-copper mineralisation contained within:
 - ❖ High grade stratabound reefs
 - ❖ Spatially associated stockworks
- ❖ Deep weathering depleted copper in the upper sections of the orebody



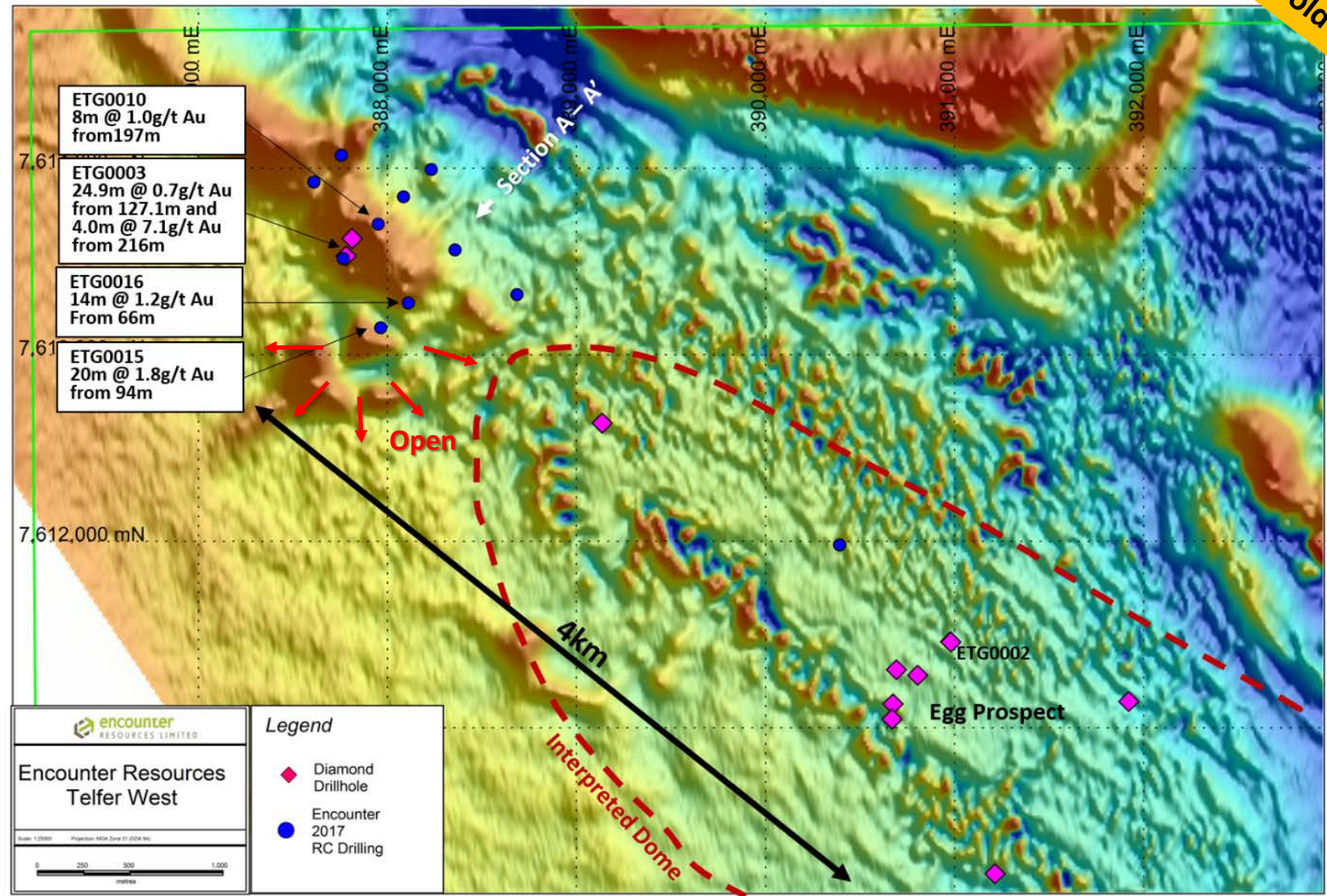
Mineralised domes north-west Telfer



New Gold Discovery at Telfer West

Paterson Gold

- ❖ Dome (5km x 8km) of prospective stratigraphy similar to the host units at Telfer
- ❖ Limited prior exploration completed by Newmont in 1980s
- ❖ An 11 hole, 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



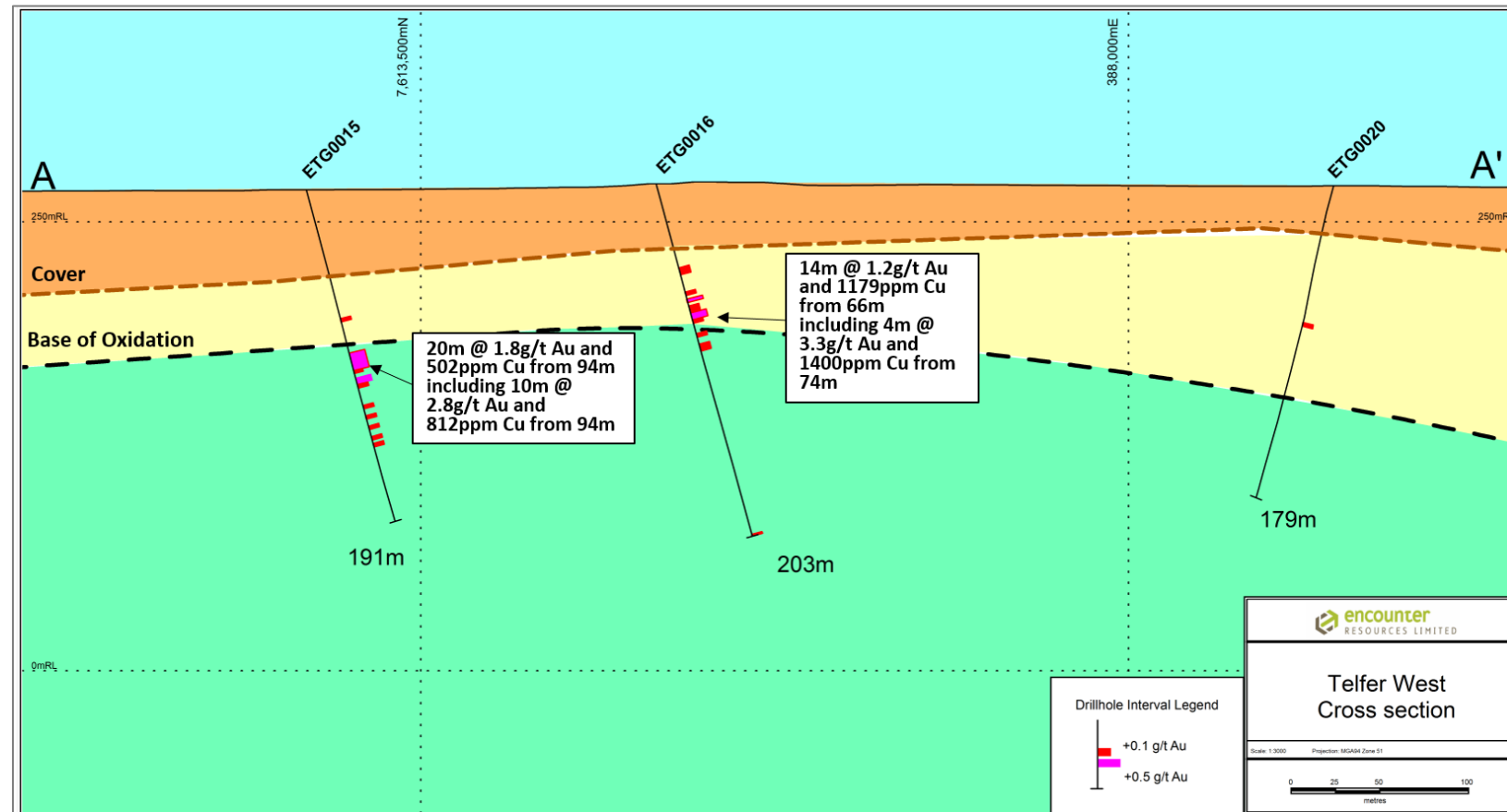
(refer ASX announcement 26 April 2017)



Thick Gold/Copper Zones Discovered at Telfer West

Paterson Gold

- ❖ ETG0015 and ETG0016 are drilled on section, 200m apart and are located over 400m south-east of ETG0003 completed in December 2016 that intersected
 - ❖ 24.9m @ 0.7g/t Au from 127.1m and 4.0m @ 7.1g/t Au from 216m.
- ❖ Mineralisation is potentially open in every direction.
- ❖ Follow up drill program June 2017 (WA Govt co-funded up to \$150,000)



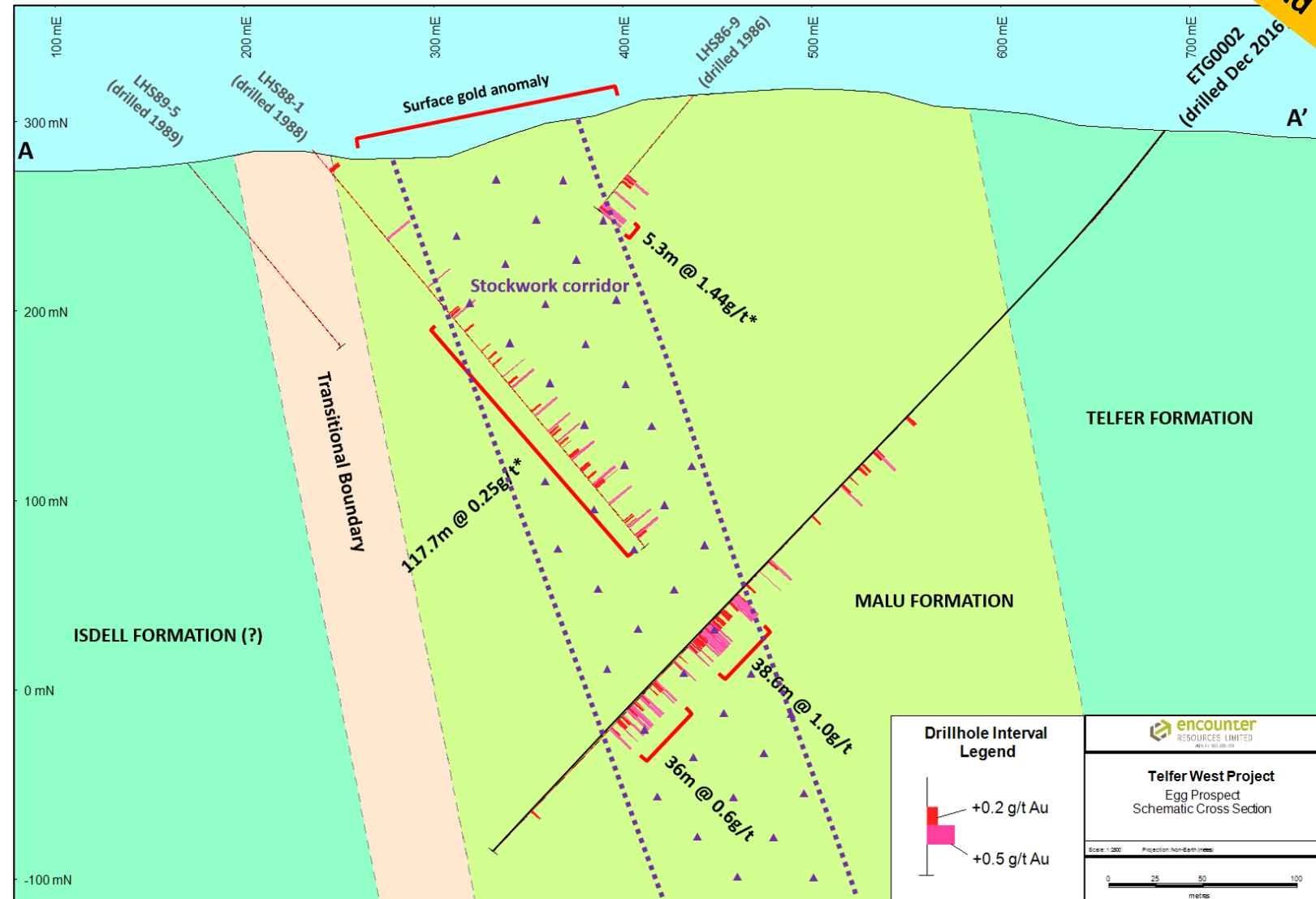
(refer ASX announcement 26 April 2017)



Egg Prospect – Thick Gold Stockwork Zone

Paterson Gold

- ❖ Located 4km south east of the recent RC drilling
- ❖ 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 at the Egg Prospect may extend to surface and is open along strike and at depth.

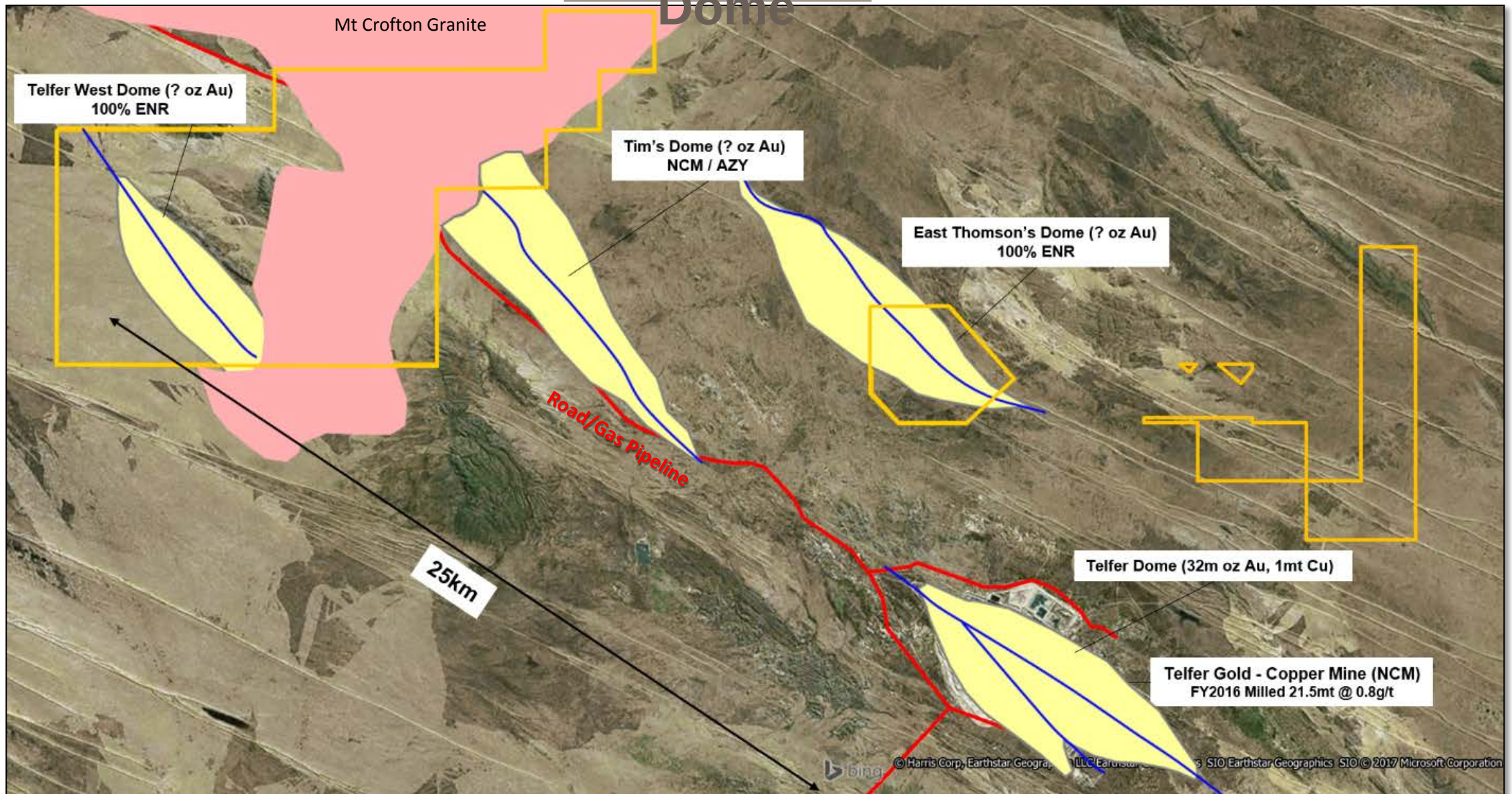


(refer ASX announcement 17 January 2017)



Mineralised domes north-west Telfer – East Thomson's Dome

Paterson Gold



Reef Style Gold at East Thomson's Dome

Paterson Gold

- ❖ Located 5km north-west of Telfer
- ❖ Regional soil geochemistry has identified a large scale (+2km) gold anomaly adjacent to historical gold occurrences adding scale potential to the project.
- ❖ Surface prospecting has also found gold nuggets interpreted to be shedding from nearby outcropping quartz veins at East Thomson's
- ❖ Historical shallow exploration in the 1990s on one of the reefs discovered high grade gold including intersections:
 - ❖ 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

- ❖ Additional high grade reefs have been identified that remain open down dip and along strike
- ❖ RC/diamond drill program to commence in June 2017 immediately following the next phase of drilling at Telfer West



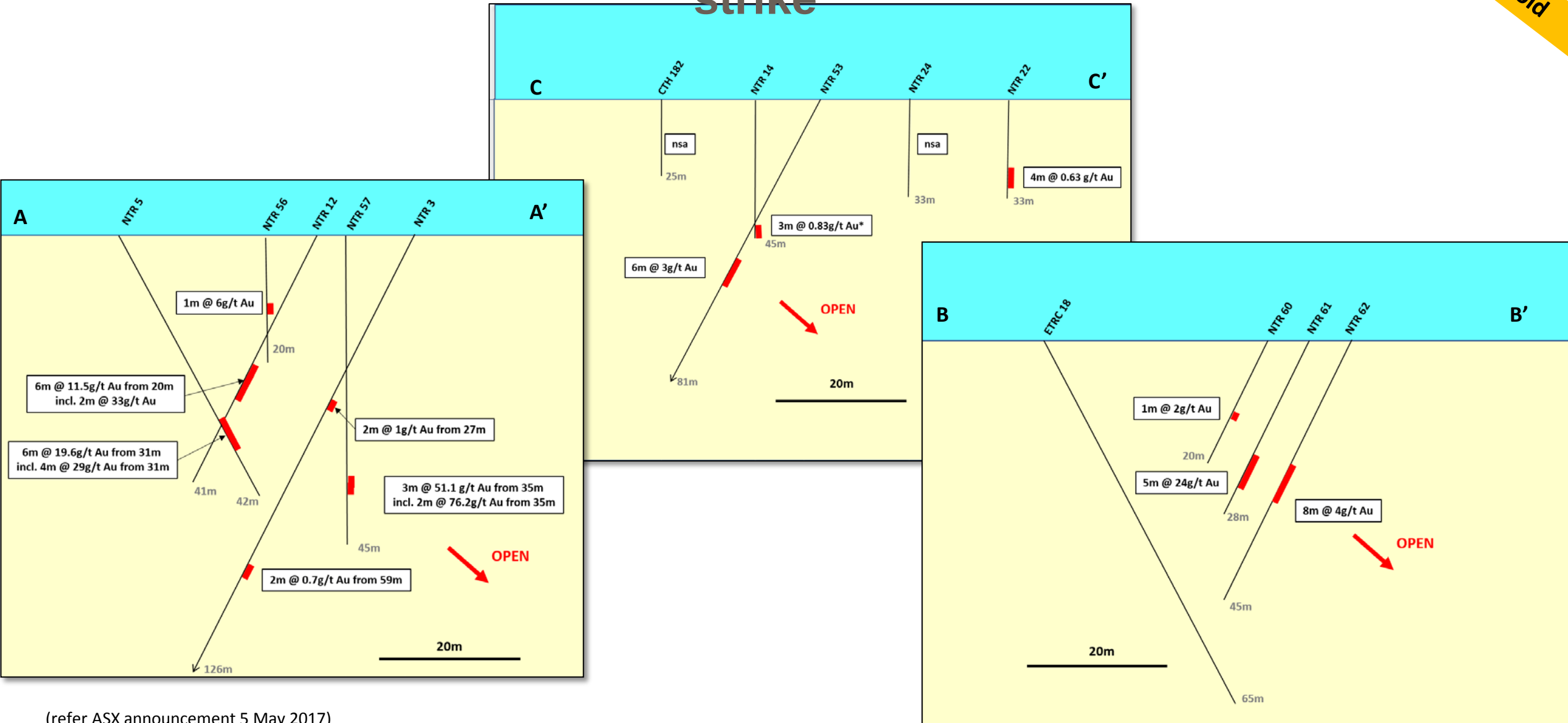
(refer ASX announcements 14 February and 5 May 2017)



Paterson Gold



Multiple high grade reefs remain open down dip and along strike



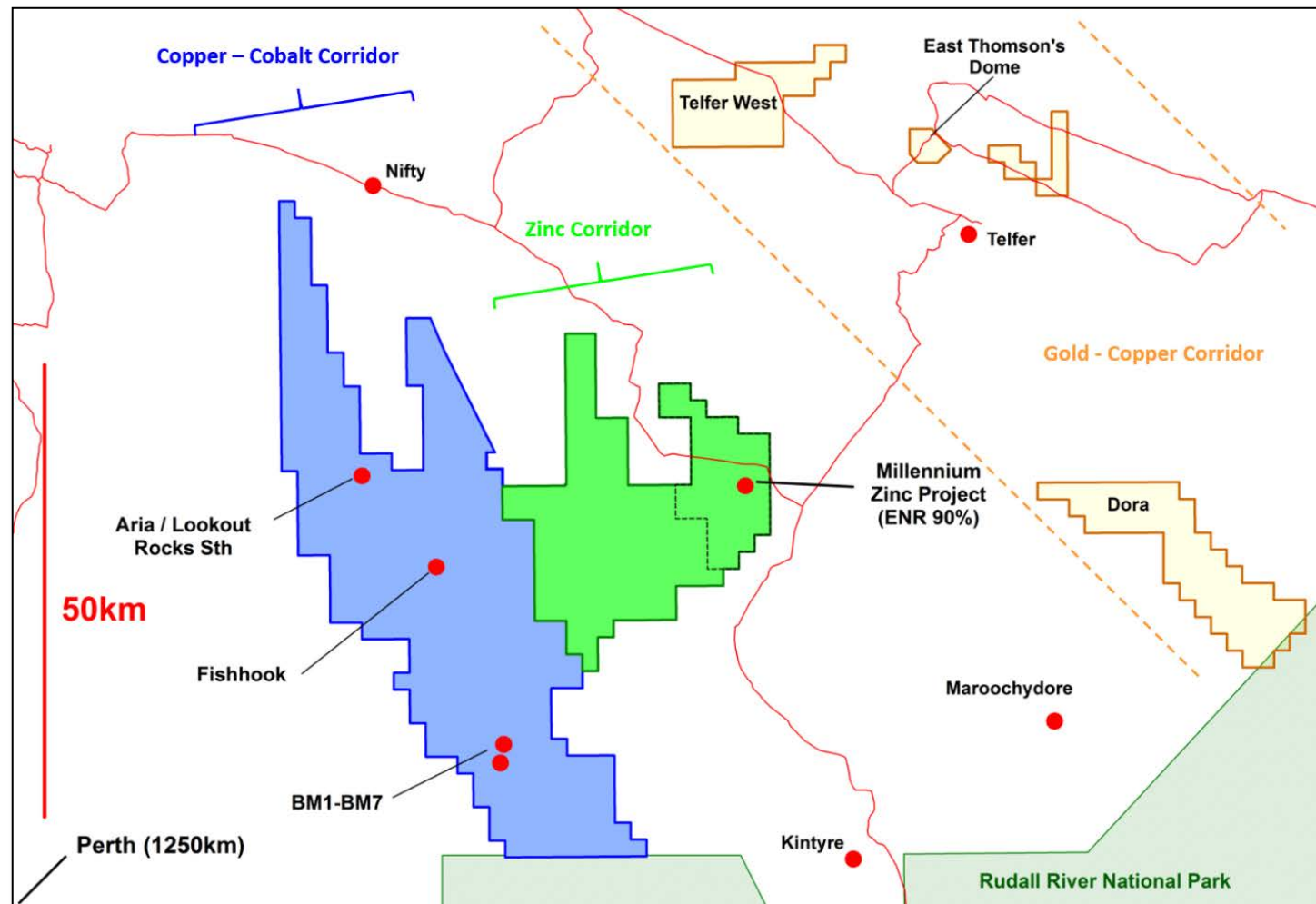
(refer ASX announcement 5 May 2017)



70km Long Copper-Cobalt Corridor South of Nifty

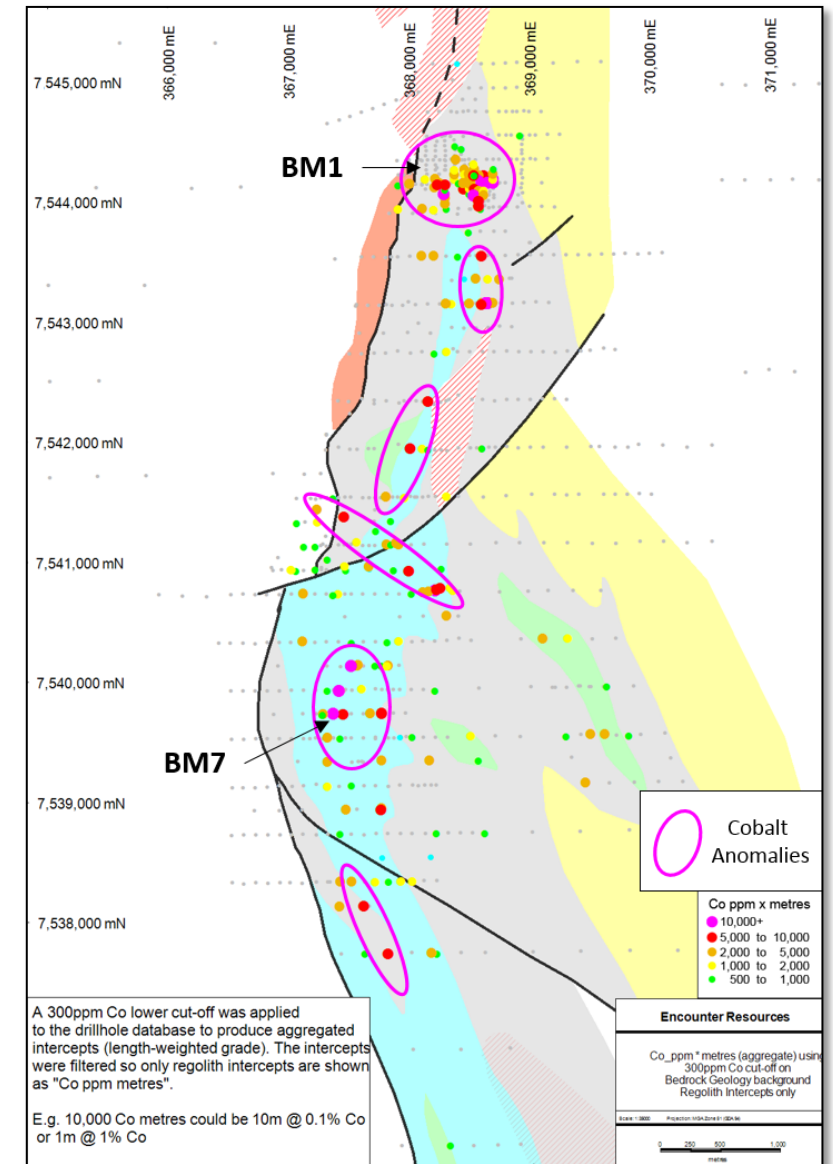
Copper

- ❖ Central African Copperbelt is one of the world's largest sources of copper and the world's largest source of cobalt
- ❖ Proterozoic aged, sediment hosted deposits similar age and geological setting to the Yeneena basin in WA
- ❖ Multiple mineralisation styles:
 - ❖ 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
- ❖ Actively seeking major project partner



Cobalt-Copper Opportunities at Yeneena

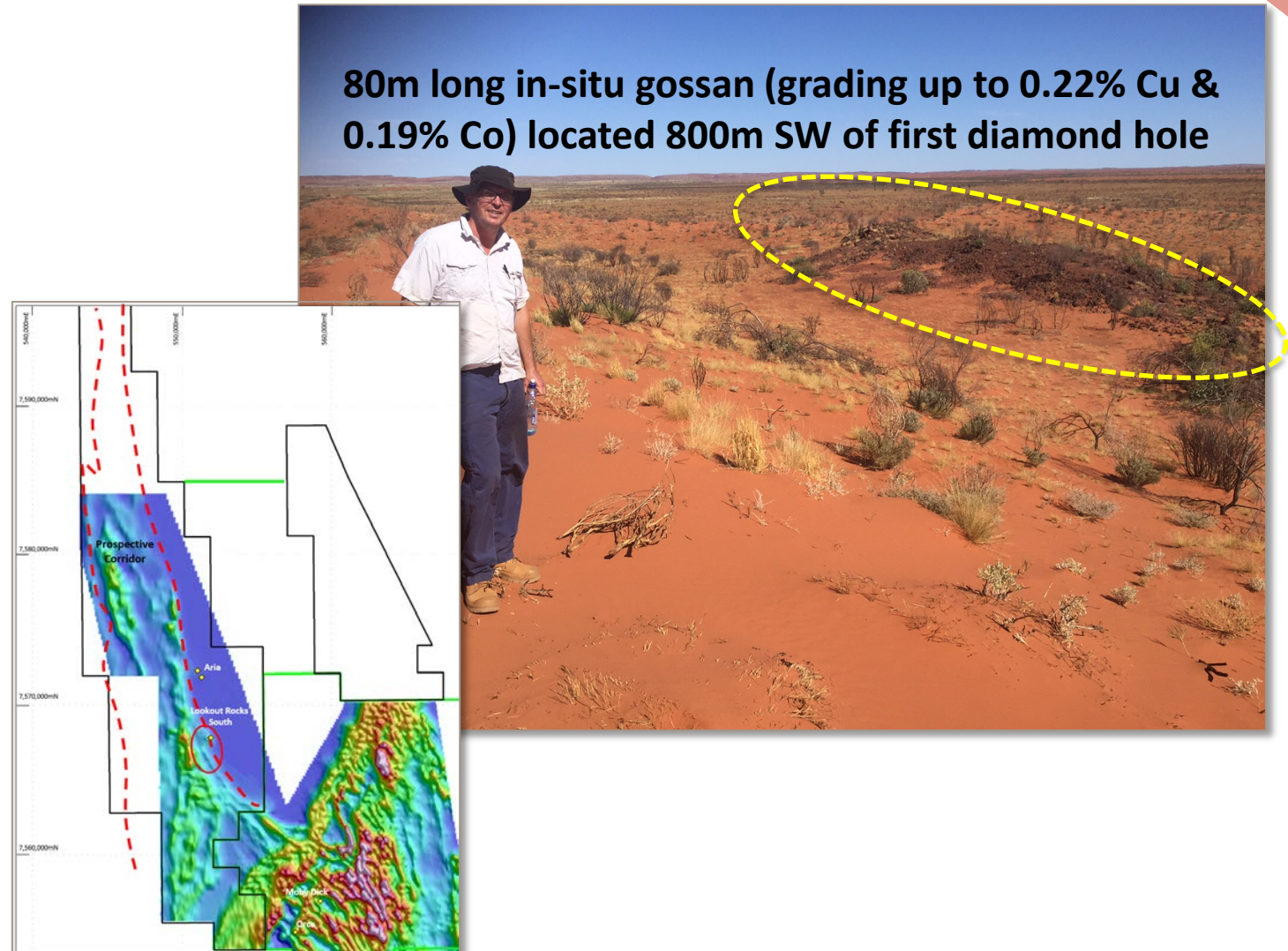
- ❖ **BM7** - A +600 long zone of near surface cobalt mineralisation untested at depth. Includes intersection of 9m @ 1.0% Co and 1.5% Cu from 42m to EOH
- ❖ **BM1** - The coherent zone of copper oxide mineralisation includes several high grade cobalt intersections including 14m @ 0.45% Co and 0.38% Cu from 14m
- ❖ **Lookout Rocks** - The recently identified gossan at Lookout Rocks where surface rock chip sampling returned cobalt grades up to 0.19% Co and 0.22% Cu



Copper-Cobalt gossan discovered at Lookout Rocks

Copper

- ❖ First diamond drill hole intersected copper sulphide mineralisation, up to 1% Cu
- ❖ Copper hosted by black, reduced carbonaceous sediments, located above oxidised “red bed” stratigraphic unit - Zambian copper-belt analogous
- ❖ In-situ copper gossan identified
- ❖ Drill testing in Jun-Jul 2017



(refer ASX announcement 28 July 2016)



Upcoming Field Activities 2017

	Apr	May	Jun	Jul
Telfer West – RC/diamond drilling (EIS Co Funded)				
East Thomson’s Dome RC/diamond drilling				
BM7 Copper-Cobalt RC drill program				
Lookout Rocks-Fishhook Copper RC/diamond (EIS Co Funded)				
Millennium diamond drilling (HHM Co Funded)				



The Investment Case

- **Advanced gold projects - high grade, near surface, scale potential, known district, near infrastructure**
- **New gold discovery at Telfer West made in April 2017**
- **Exposure to large scale copper-cobalt and zinc exploration upside**
- **Large land position in district with proven fertility and active majors (~2000km²)**
- **Tight capital structure - risk sharing at appropriate points to maximise return for ENR shareholders**
- **Leading global resources funds on register (Sprott, RCF, Thorney, Eye Investment Fund)**
- **Drilling to test advanced targets recommencing May 2017**



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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.

