



**encounter**  
RESOURCES LIMITED

# Diggers and Dealers

August 2021

**Copper and gold in Australia**

**Collaborating with high quality partners  
to make new discoveries**

**ASX: ENR**

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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 BM1 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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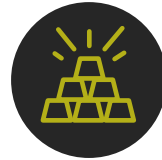
This announcement has been approved for release by the Board of Encounter.

# 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 major gold and base metal 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

Creating value through project generation and discovery

# Encounter at a glance

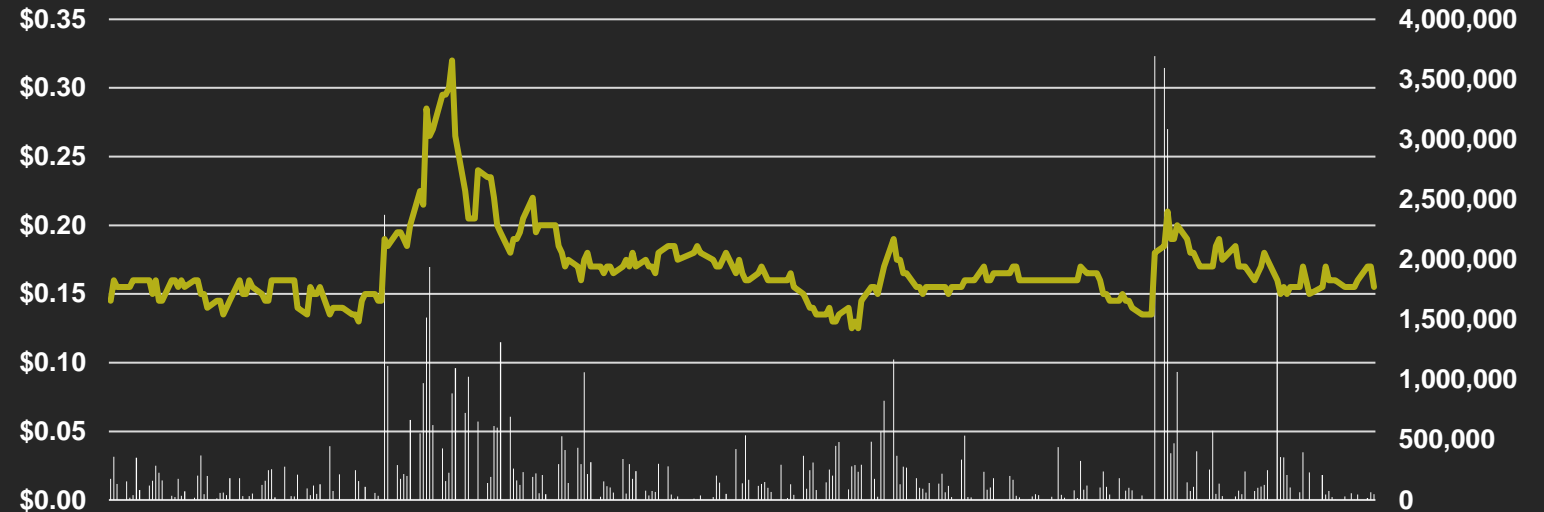
## Capital structure

ASX ticker	ENR
Share price (30/07/2021)	\$0.17
Shares on issue	316M
Options	17M
Market capitalisation	~\$54M
Cash (30/06/21)	~\$5.7M
Listed investments	~\$1M
Enterprise value (net of cash and listed investments)	~\$47M

## Major shareholders

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

## Share price – 12 months



**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*



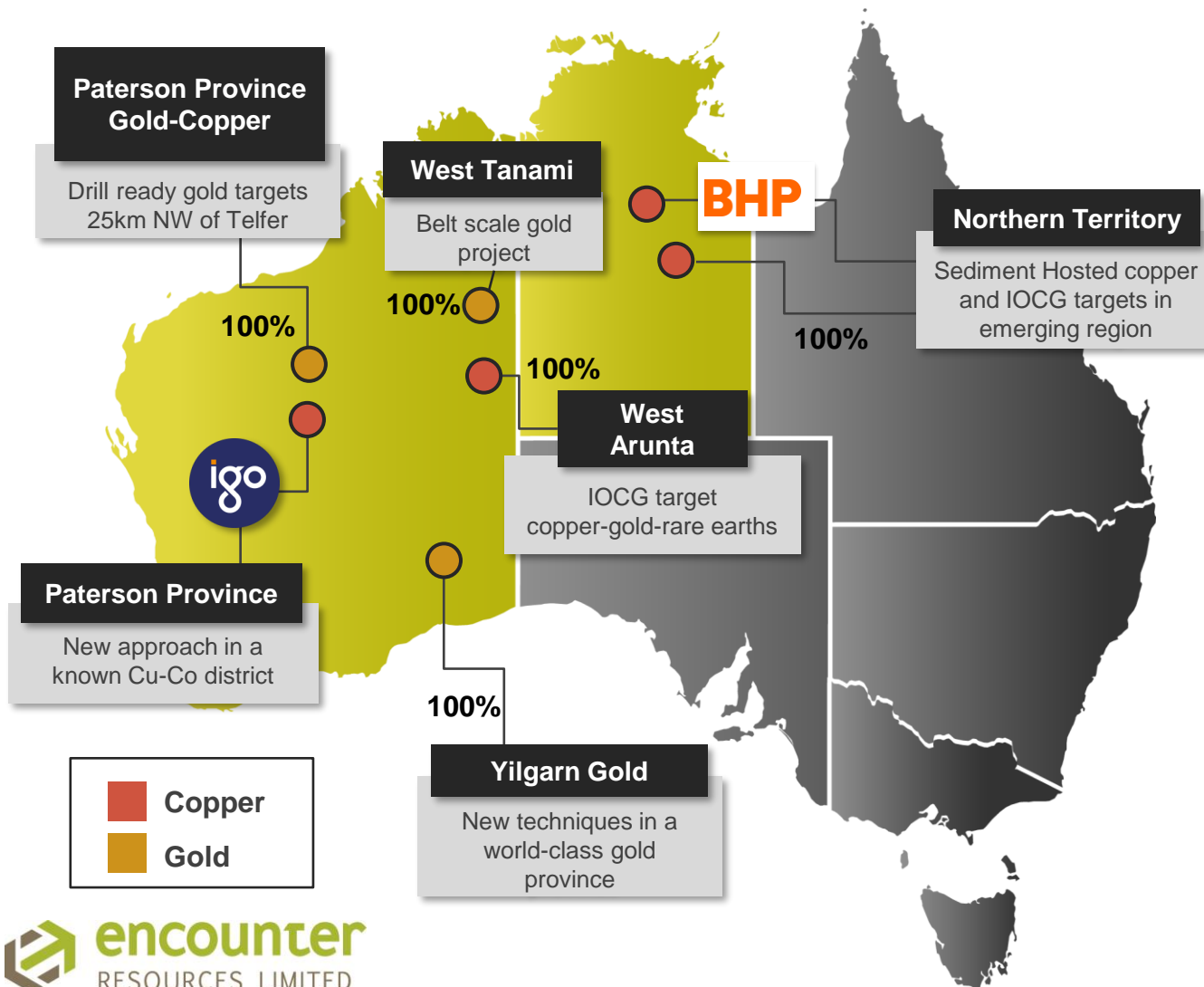
**Mr Peter Bewick**  
Exploration Director  
*B.Eng (Hons),  
MAusIMM*



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

# A premier copper and gold exploration portfolio

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



## Paterson Province - WA

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

## Northern Territory Copper

- Elliott Copper (BHP \$22m earn in)
- Seven camp scale projects (ENR 100%)

## West Arunta - WA

- Aileron IOCG Copper-Gold (ENR 100%)



## West Tanami Gold (Intention to Demerge)



# Paterson Province – WA

Australia's hottest copper address

Lamil – 5km long Cu-Au system

ENR 100%

Yeneena – Copper/cobalt targets



Earn-in

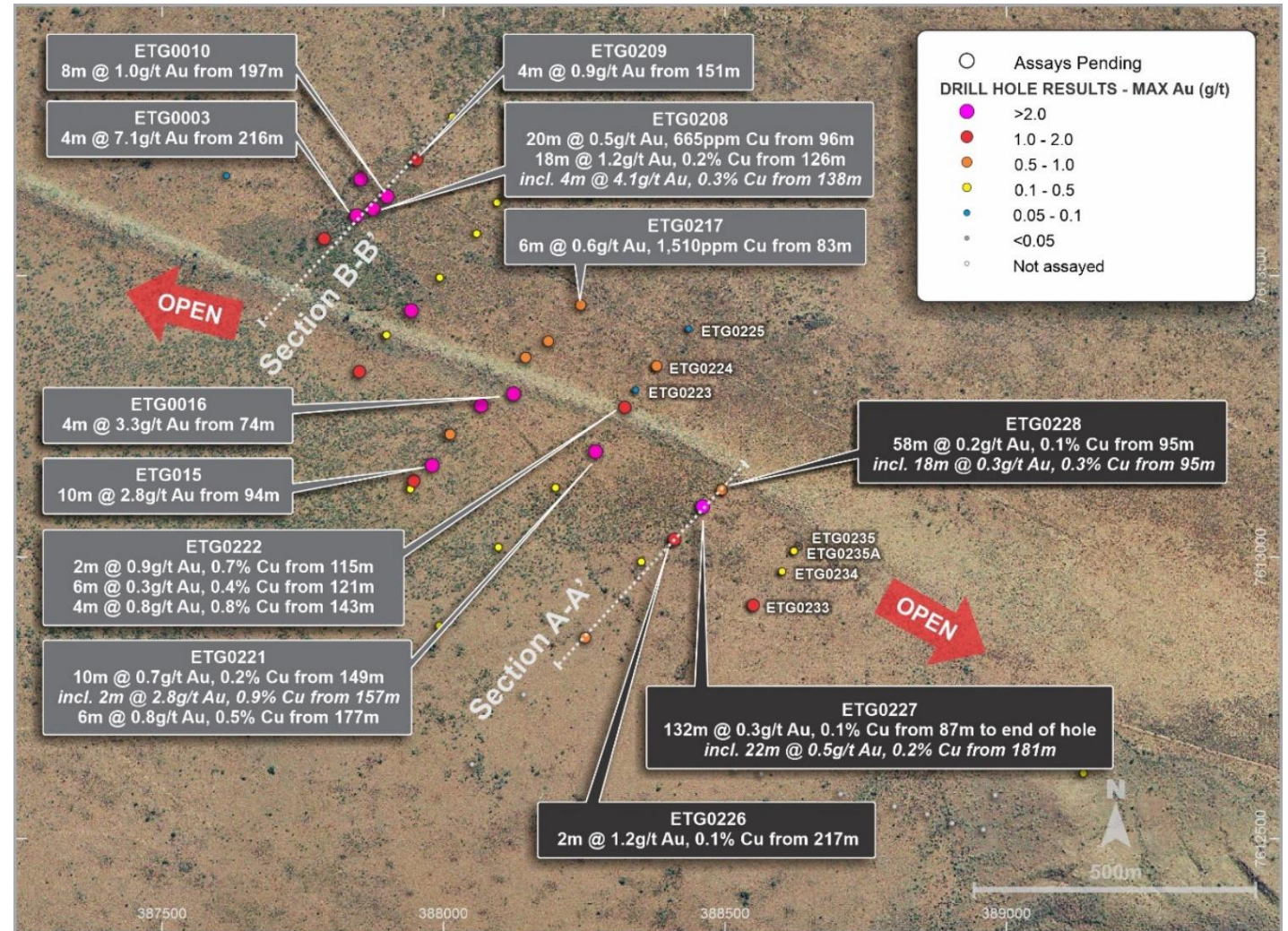


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# Lamil: copper-gold system over 1km long and growing

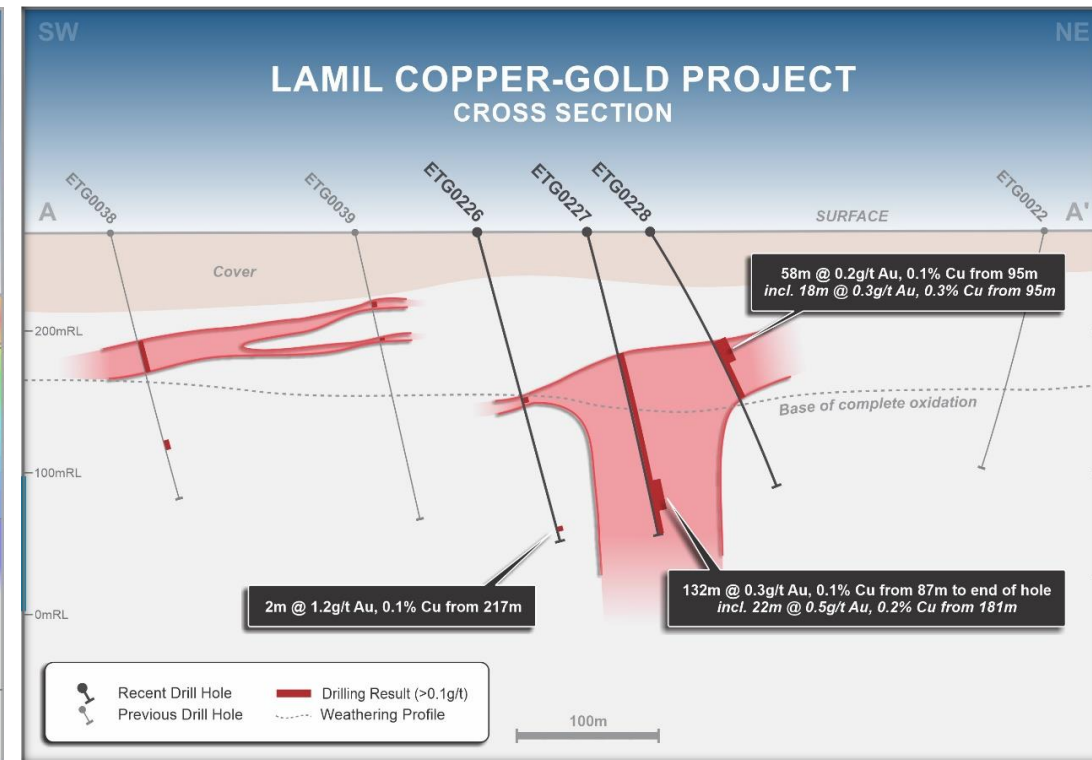
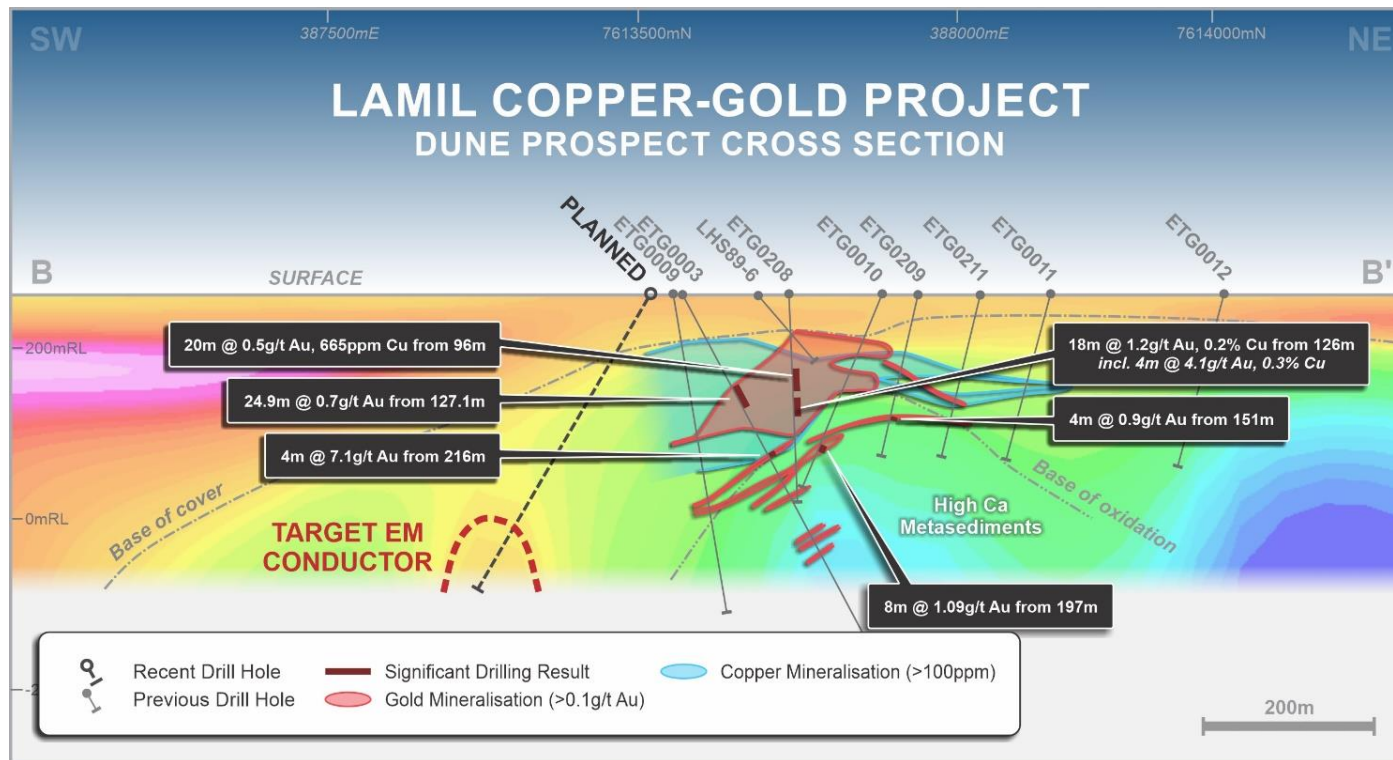
- 100% ENR – located 25km NW of Telfer
- Two diamond rigs currently operating
- Extending a number of RC holes which contain strengthening copper-gold mineralisation towards end of hole, including:
  - ETG0227 - 132m @ 0.31g/t Au and 0.11% Cu from 87m to end of hole including:
    - 22m @ 0.51g/t Au and 0.24% Cu from 181m
- Testing geophysical features proximal to ETG0003 and ETG0208 which intersected:
  - 24.9m @ 0.7g/t Au from 127.1m and 4.0m @ 7.1g/t Au from 216m
  - 18m @ 1.2g/t Au and 0.2% Cu from 126m including:
    - 4m @ 4.1g/t Au and 0.3% Cu from 138m
- EIS co-funded drill program



Dune Prospect (Max in hole Au) and recently completed RC holes

# Lamil: Two diamond drill rigs operating

- Testing geophysical features (EM, Magnetic) proximal to high grade supergene gold intersections
- Extending RC holes which contain strengthening copper-gold mineralisation towards end of hole

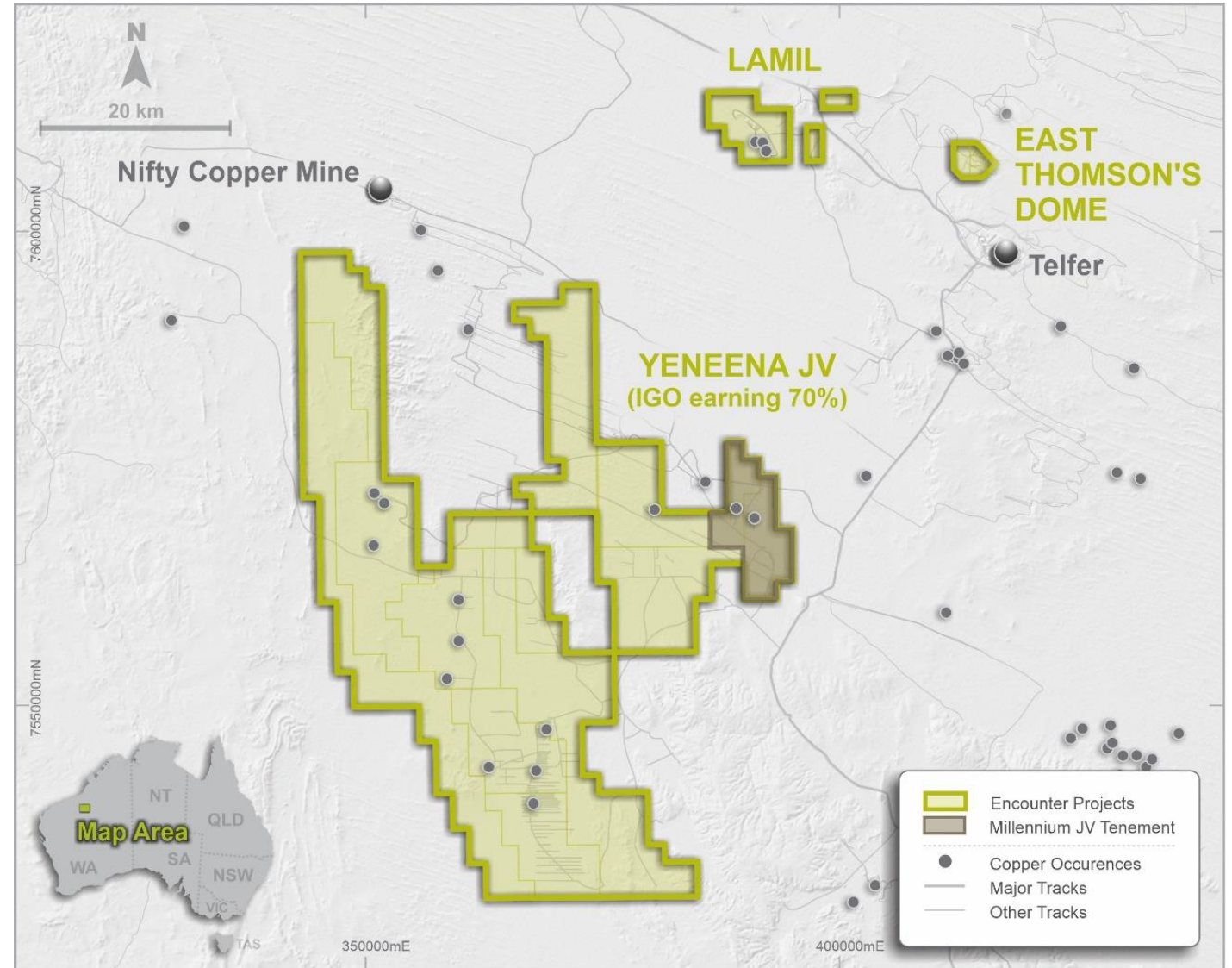




# Yeneena Copper-Cobalt



- Paterson Province is a proven mineral region with a consistent history of discoveries
- ~1,600km<sup>2</sup> of the Paterson Province
- IGO can sole fund \$15 million in exploration expenditure over a maximum seven years to earn a 70% interest
  - Three diamond drill holes completed
  - Ground magneto-telluric (MT) survey underway
  - Preparations for upcoming AC drilling



<sup>1</sup>Refer ASX announcements 15 July 2014, 30 January 2015, 2 March 2017.

\*Reported pursuant to the 2004 Edition of the JORC Code.

# Northern Territory

The next hot spot for copper in Australia

**Elliott** – Standout copper in groundwater anomaly

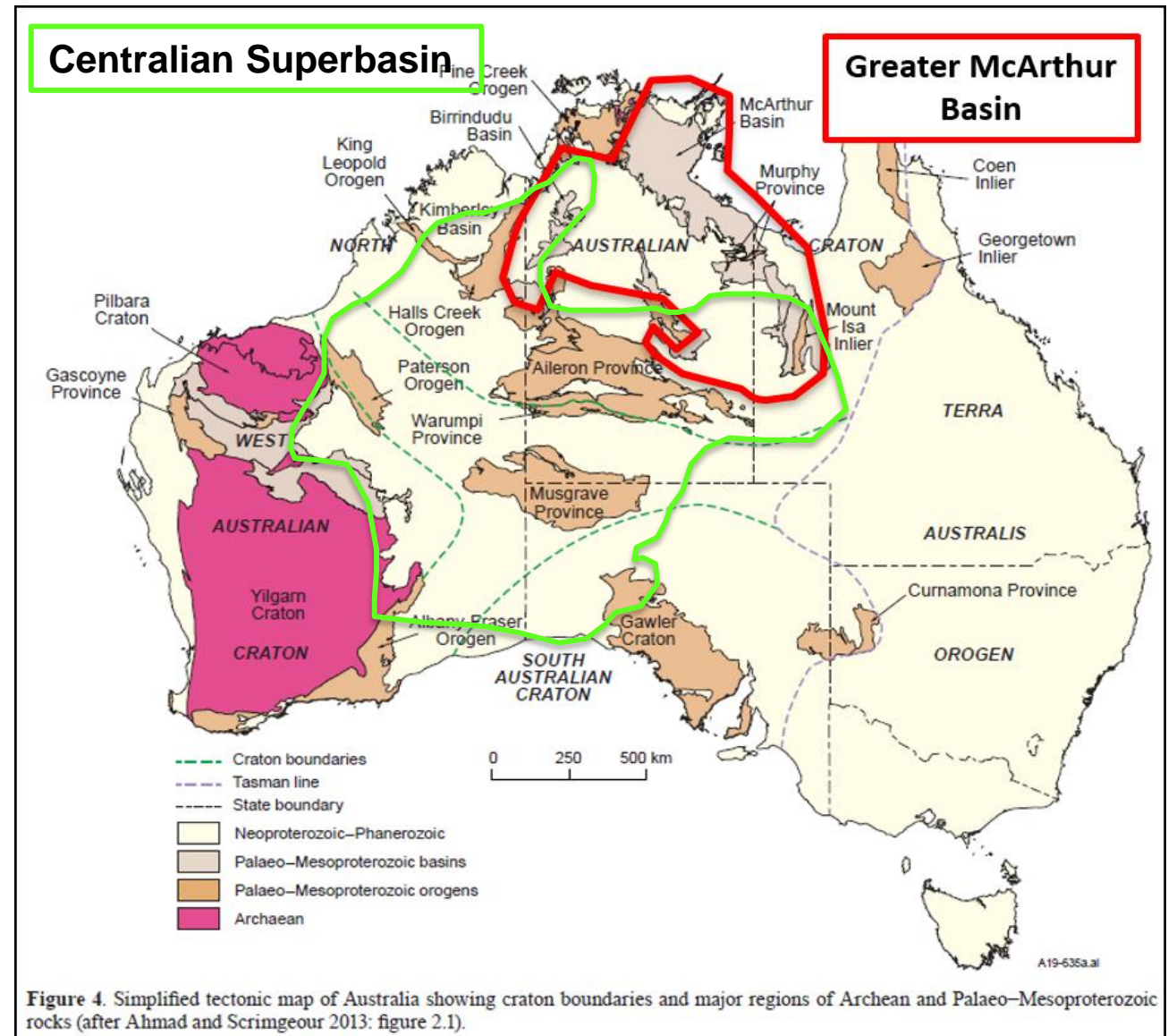
First mover camp scale copper projects

**BHP** Earn in

ENR 100%

# Major Proterozoic basins of Australia

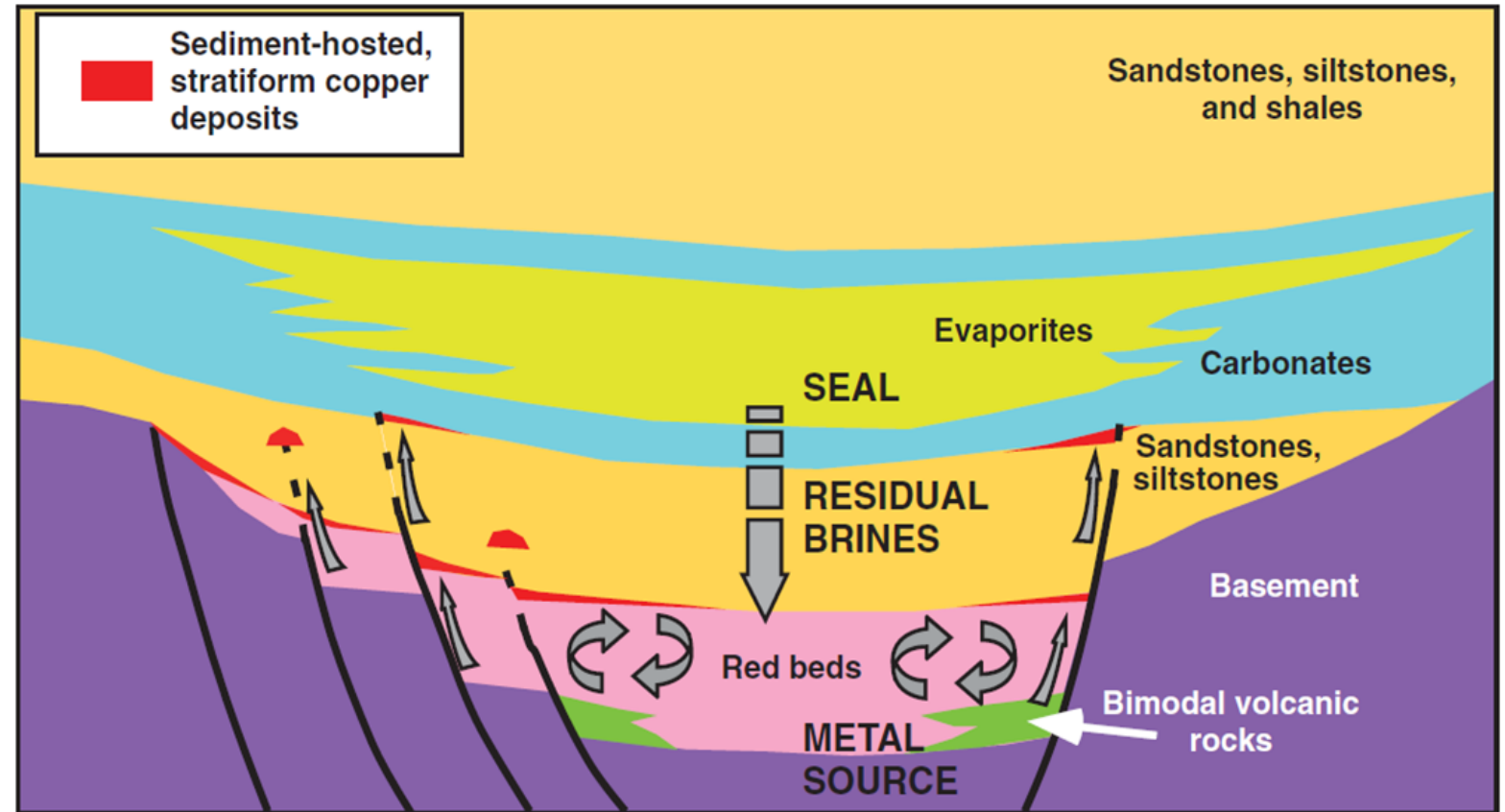
- Central Australia contains two of the largest Proterozoic sedimentary basins in the world
- Known regions for large scale, sediment hosted base metal mineralisation
- Significant deposits including Mt Isa, Century, McArthur in the McArthur Basin and Nifty in the Centralian
- Vastly underexplored areas remain untested undercover in this highly prospective first world jurisdiction
- A significant opportunity exists to discover the world's next great copper belt





# Sediment-hosted copper: the mineral system

Sedimentary deposits are one of the world's fastest growing sources of high grade copper



(Hitzman et al., 2010)

Example of sediment-hosted copper deposit – Ivanhoe Mines Kamoakakula<sup>1</sup>

Indicated Mineral Resource (at 1% total copper cut-off grade)

Tonnes (Millions)	Grade % Cu	Contained Cu (kt)
1,387	2.74%	38,000

# Sediment-hosted copper: key ingredients

## EXPLORATION FOCUS

### DISCOVERY ELEMENTS

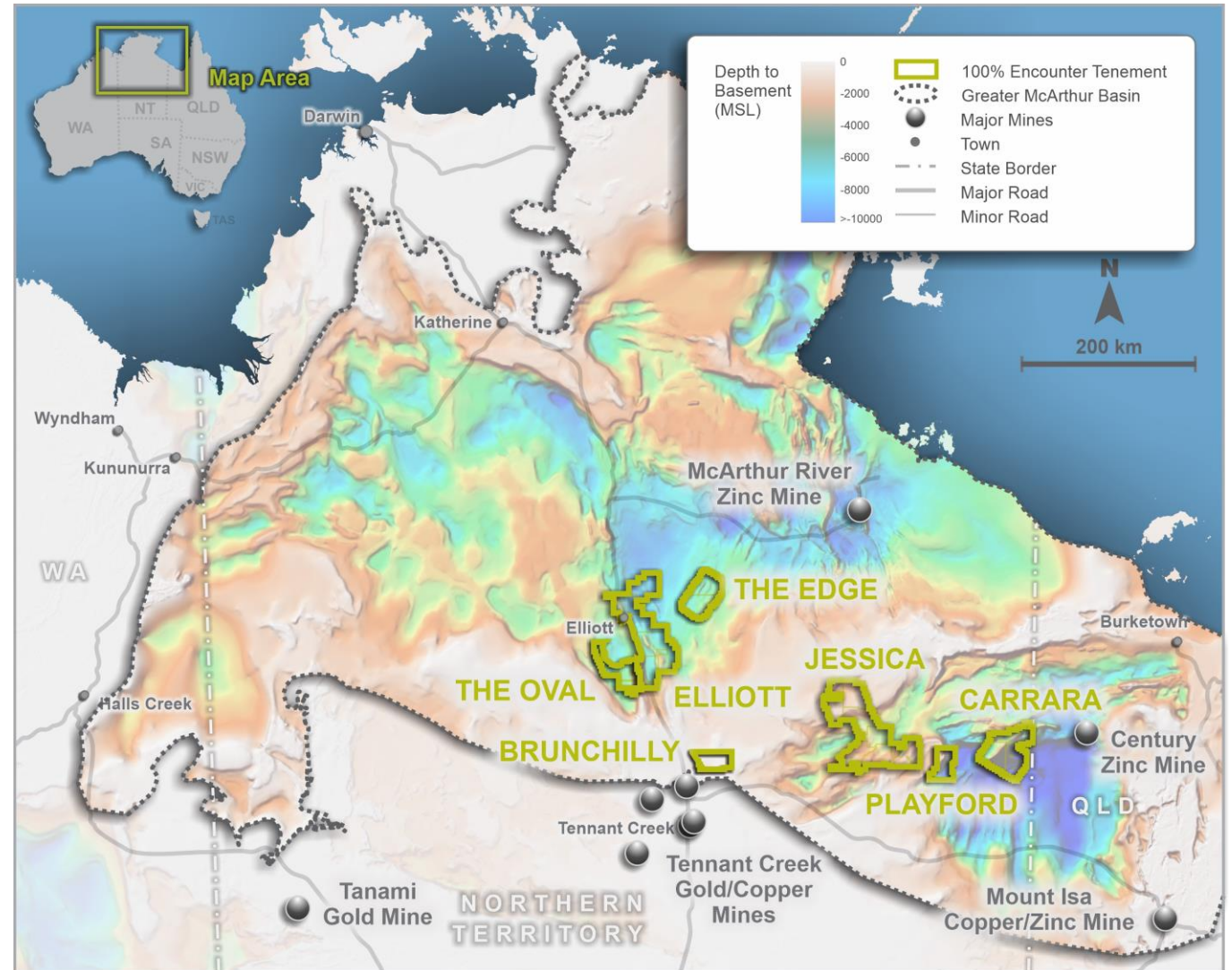
### NT SCORECARD

### EXPLORING FOR THE FUTURE DATA

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

# 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





# Elliott Copper Project **BHP**

- BHP (ASX:BHP) has exercised an option to enter into an earn-in and joint venture agreement covering the 4,500km<sup>2</sup> Elliott Copper Project
- BHP may earn up to a 75% interest in Elliott by spending up to \$22 million over 10 years
- Validates Encounter's NT copper exploration strategy
- 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





# NTGS Core Library – Darwin





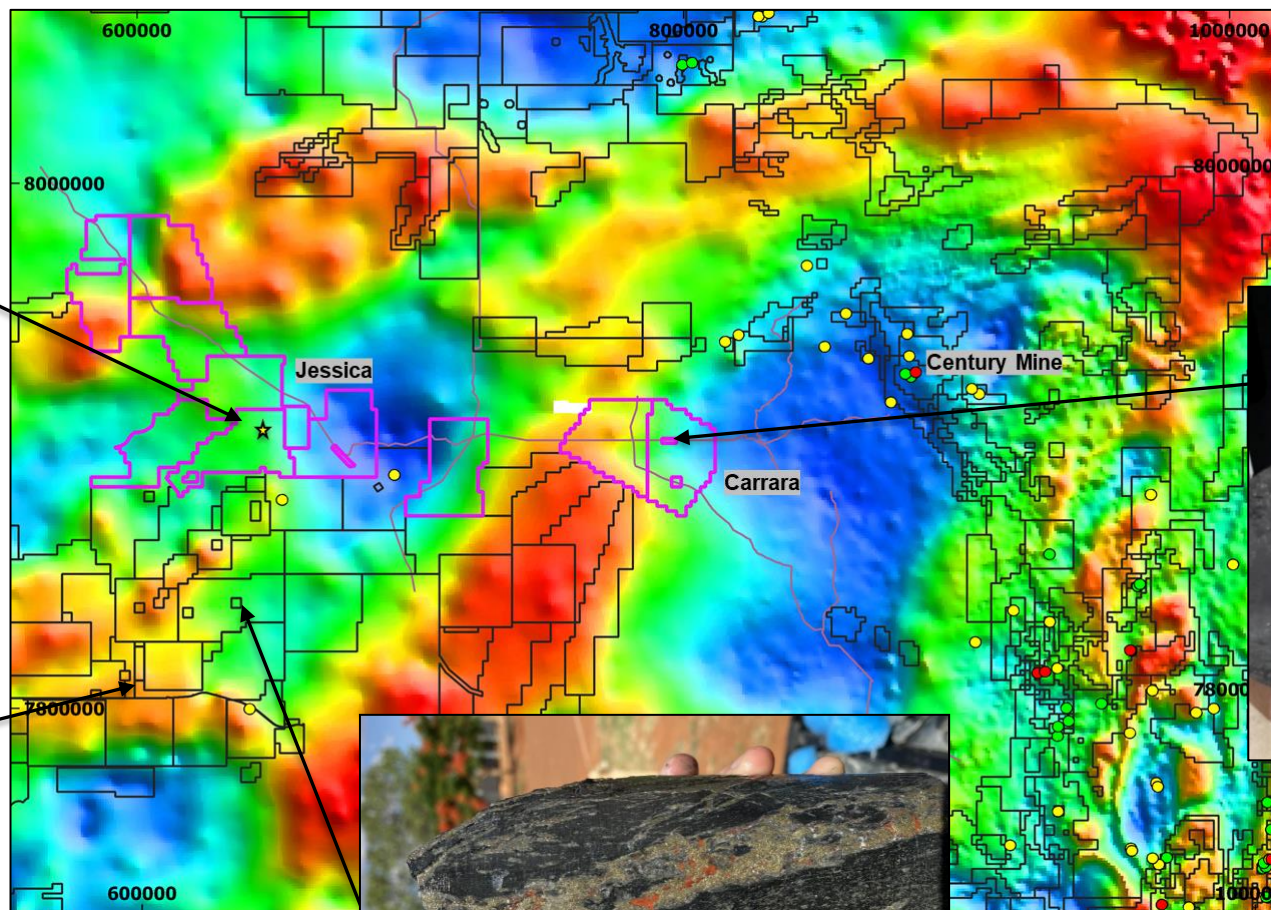
# Jessica and Carrara: copper near surface and at depth



Copper Carbonate (Malachite)  
0-3m from RN28419 – chemical assay  
1.5% Cu <sup>1</sup>



Crosswinds Copper Prospect - Malachite (copper carbonate) mineralisation exposed in table drain <sup>2</sup>



Chalcopyrite contained in a  
calcareous shale unit within NDI  
Carrara1 ~1,617m <sup>4</sup>



Drill hole NDIBK04 pyrite-  
chalcopyrite vein <sup>3</sup>

<sup>1</sup> Refer ENR ASX release 19 Aug 2020

<sup>2</sup> Refer to ASX:MDI release 23 Dec 2020

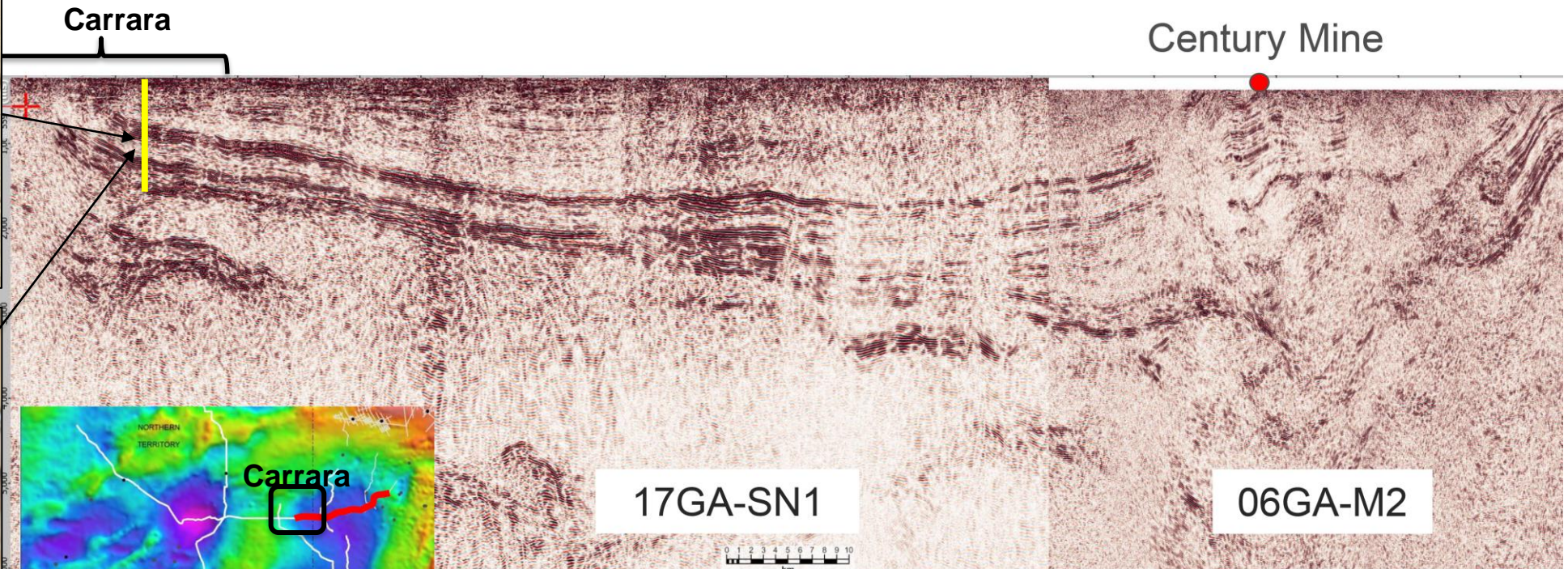
<sup>3</sup> Refer to ASX:ICG release 28 Mar 2021

<sup>4</sup> 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)



A large satellite dish antenna, labeled 'EXPLORER', is mounted on a mobile platform in a dry, grassy field. The background shows a sunset with orange and red clouds.

# West Arunta – WA

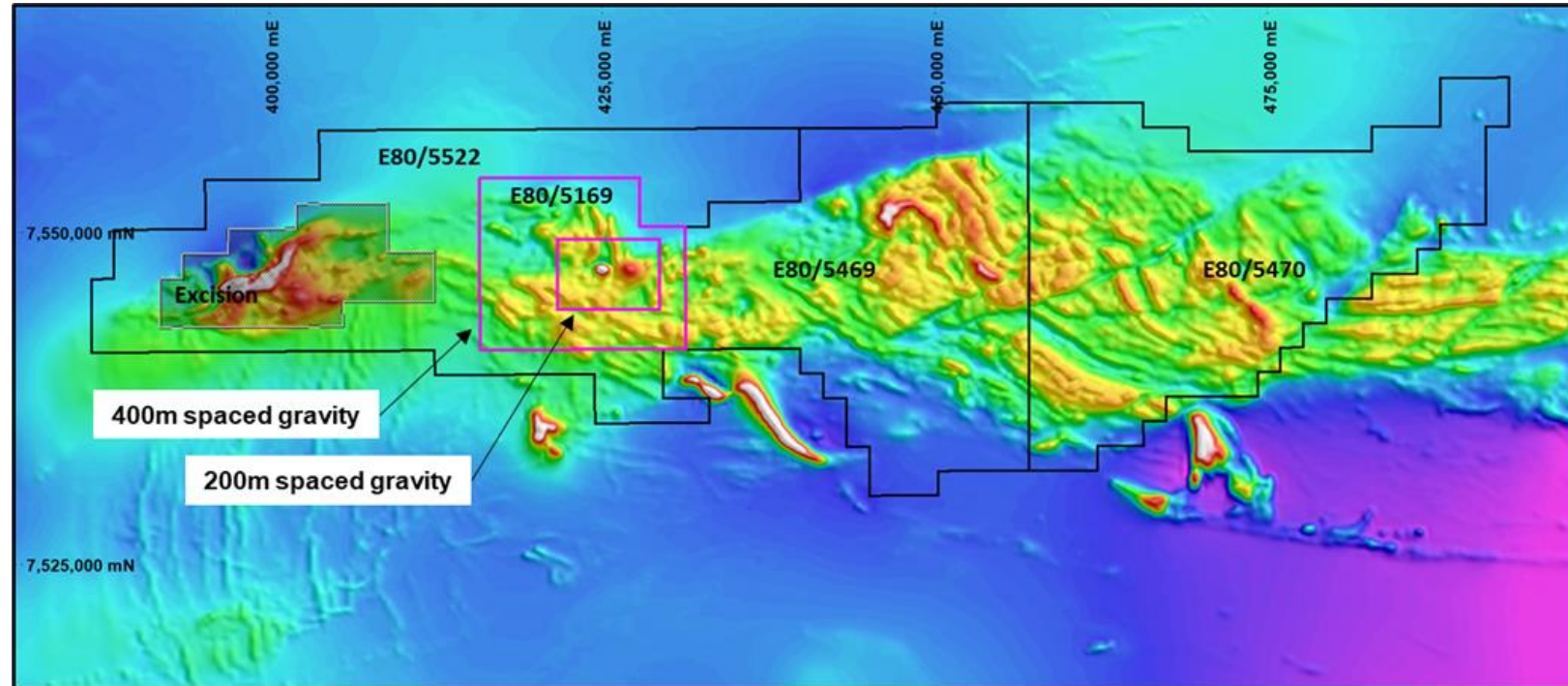
Belt Scale IOCG Opportunity

Aileron Cu-Au-REE project

ENR 100%

# West Arunta: IOCG targets in a new region

- 1,300km<sup>2</sup> 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 completed July 2021
- EIS co-funded drilling to follow (\$150,000)

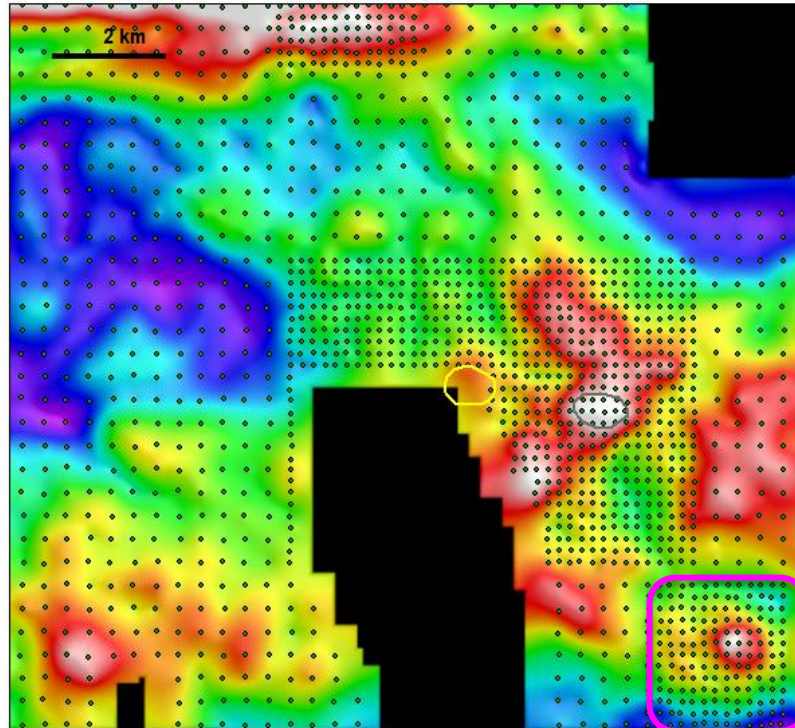


*Aileron Project – Tenement and gravity survey location plan on TMI background*



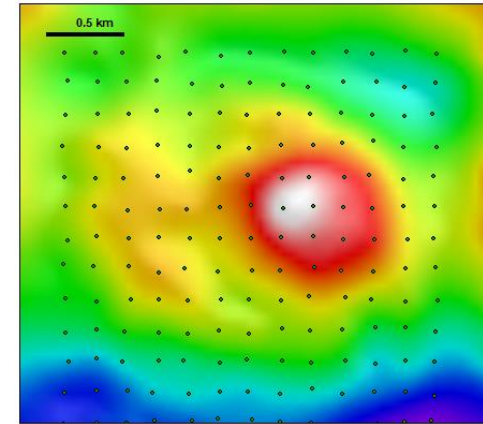
# West Arunta: Initial Gravity Results

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

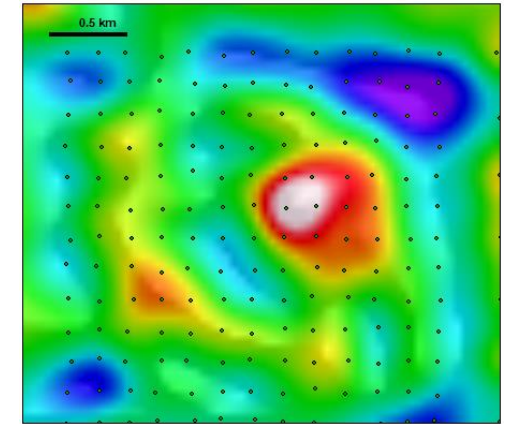


*Aileron Project – Ground gravity Residual Image*

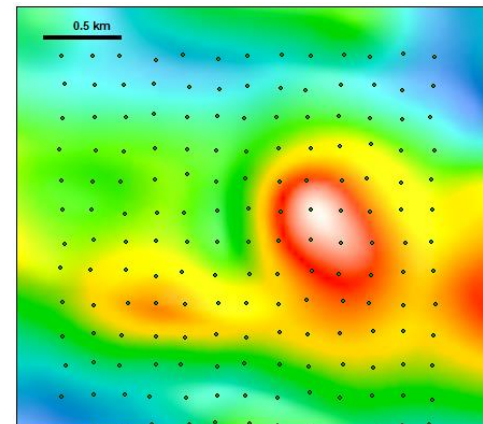
*South-Eastern  
Gravity Anomaly*



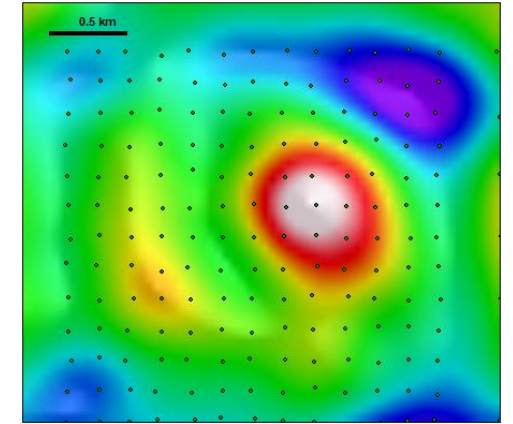
**Residual Gravity**



**Gravity Inversion DS300**



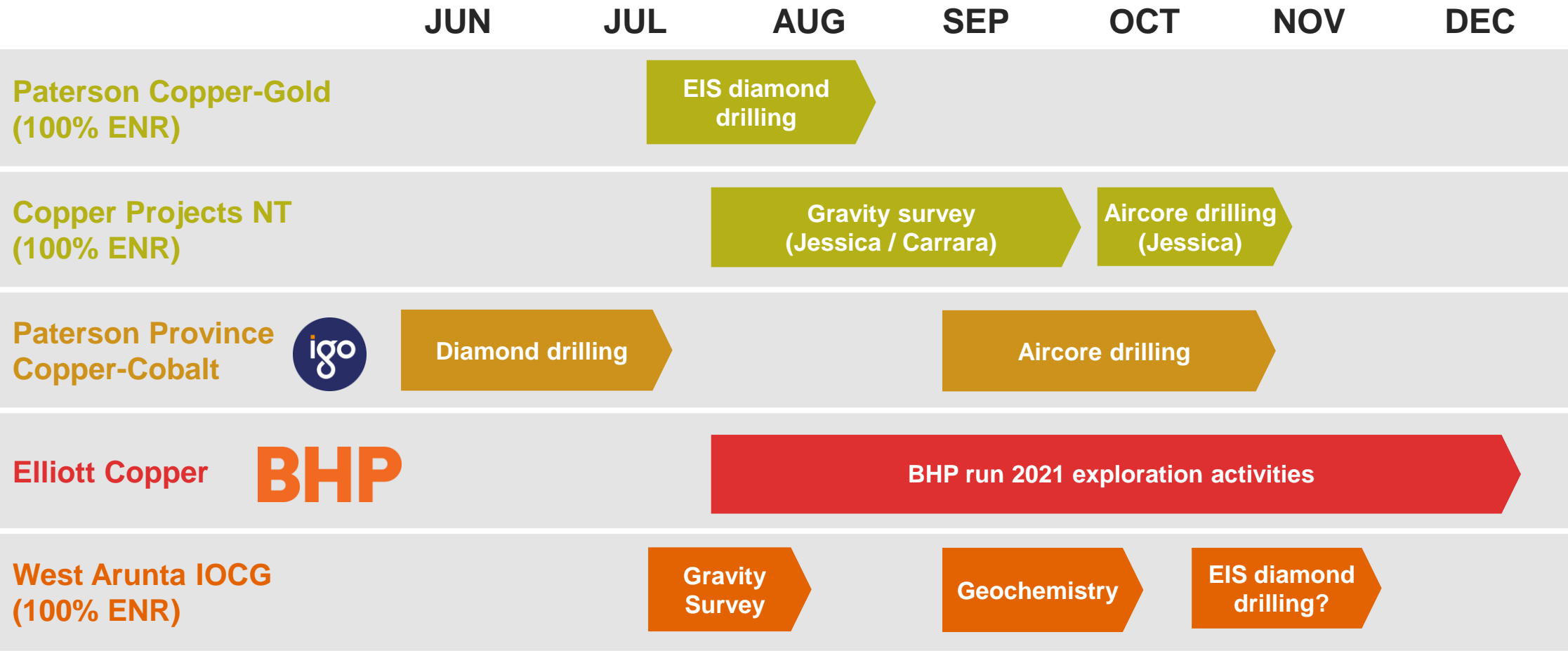
**Magnetics RTP**



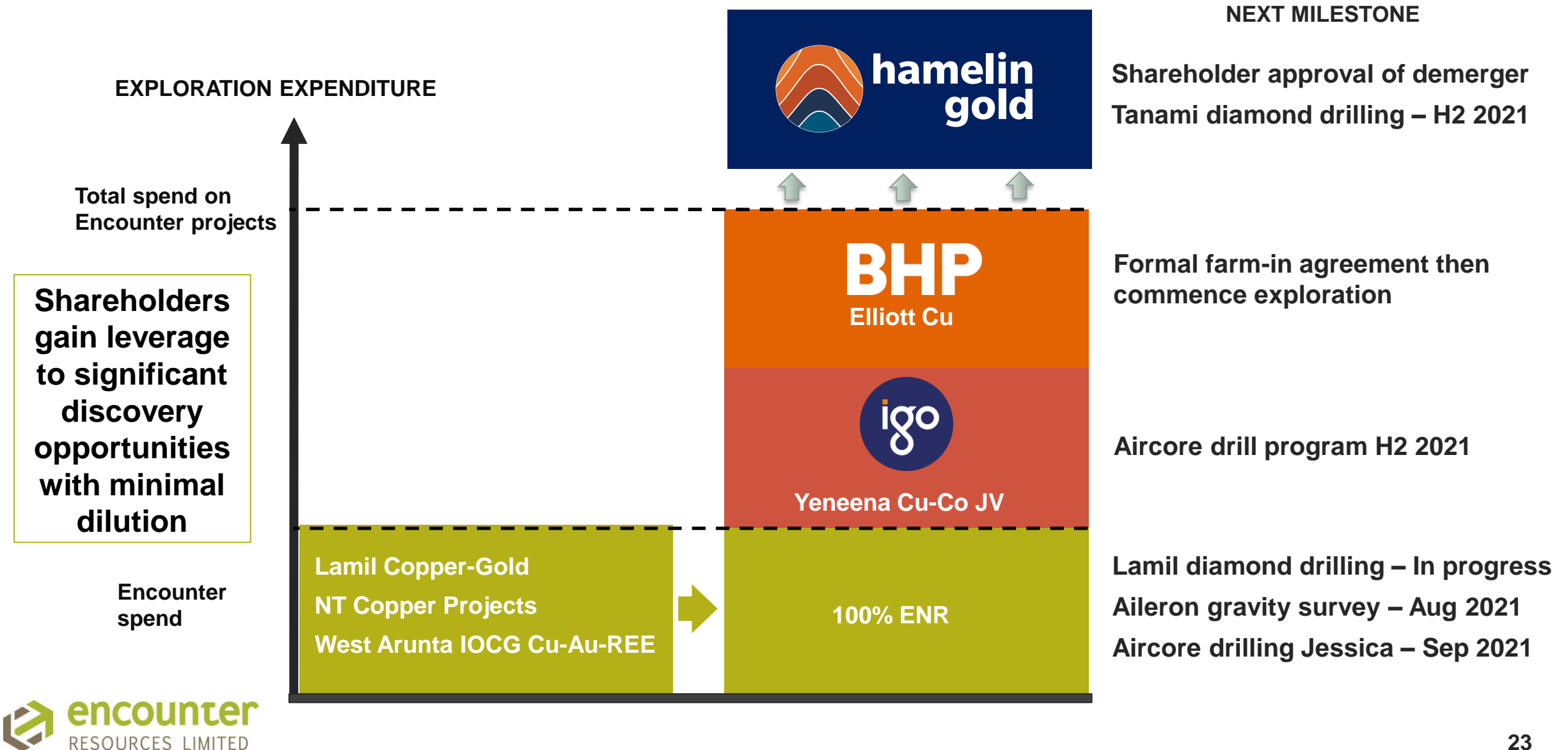
**Gravity Inversion DS500**

*Aileron Project – South-Eastern Gravity Anomaly*

# Upcoming exploration activity



# Foundations established for major exploration drive





# Hamelin Gold

Modern exploration to unlock one of Australia's most underexplored gold provinces



- Encounter intends to demerge and launch of an IPO of subsidiary Hamelin Gold Ltd, subject to Encounter shareholder approval, as well as satisfactory ASX and other regulatory approvals
  - New corporate entity to drive a gold focused exploration business
  - More optimal structure to deliver on the potential within Encounter's current project portfolio across the Tanami, Paterson Province and Northern Territory
- Hamelin will hold a 100% interest in the West Tanami Gold Project in WA
  - Belt-scale exploration opportunity applying learnings from Newmont's adjacent +14Moz Callie gold operation
  - Numerous advanced drill targets and widespread untested opportunity across a 2,275km<sup>2</sup> land position including 100km of prospective strike
- Pro-rata, in-specie distribution to eligible Encounter shareholders and IPO
  - IPO will include a priority offer to eligible Encounter shareholders
- Highly respected team assembled with a clear strategy and focus
  - Peter Bewick as Managing Director
  - Justin Osborne as a Non-Executive Director - former Gold Road Resources Executive Director

# The West Tanami gold province – a sleeping giant



## **HIGHLY CREDENTIALLED TEAM**

Focused and highly skilled exploration team assembled with proven track record of discovery in new belts



## **NEW DATA AND NEW APPROACH**

Reduce exploration risk and increase discovery potential by applying new concepts and innovative exploration techniques



## **UNDERCOVER POTENTIAL**

Vast areas of prospective geology and extensions of mineralised structures beneath thin transported cover



## **INFRASTRUCTURE**

Major investments underway to open up this new mineral district including sealing Tanami Road and installing the Newmont Gas Pipeline

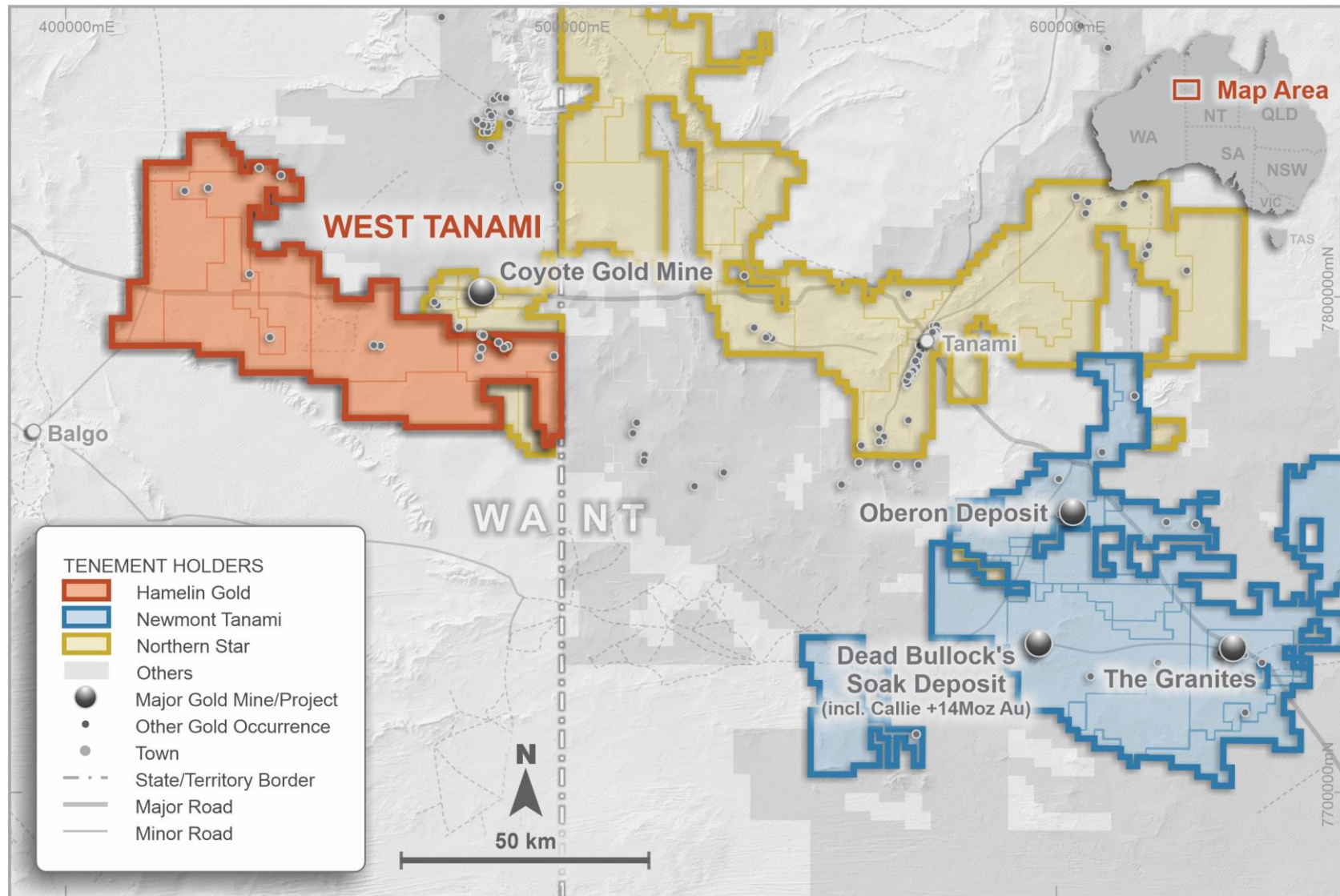


## **A WORLD-CLASS GOLD PROVINCE**

High grade, high margin gold discoveries by Newmont at Callie have recast the prospectivity of the Tanami



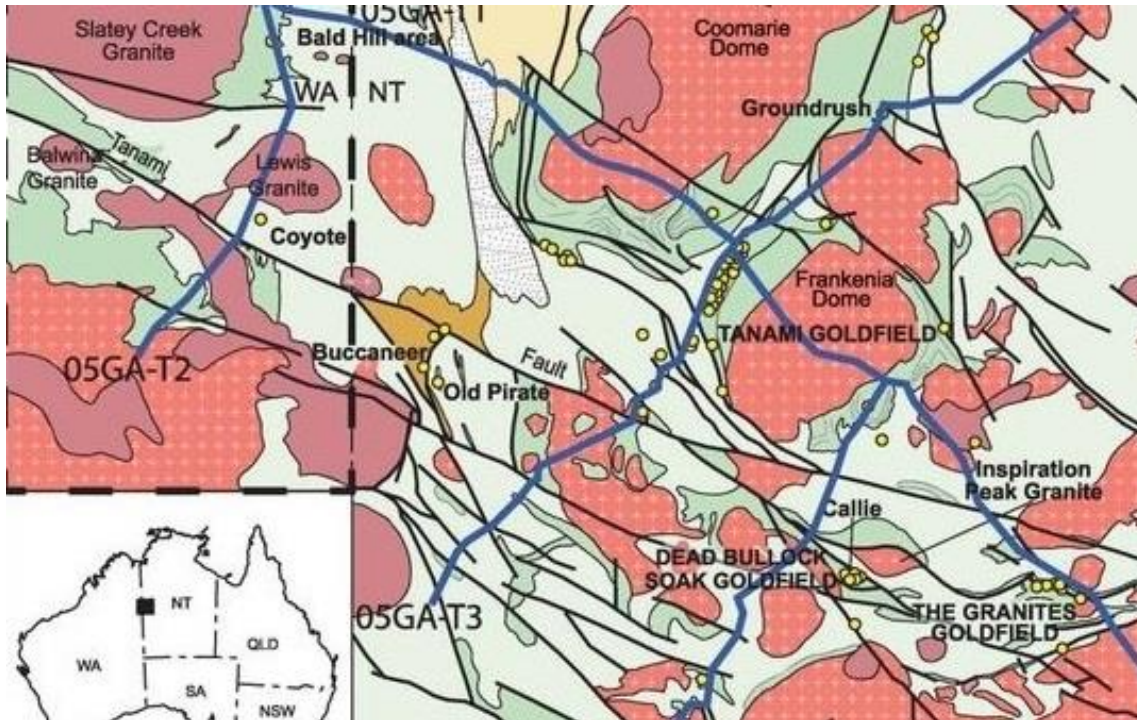
# The Tanami Gold Province



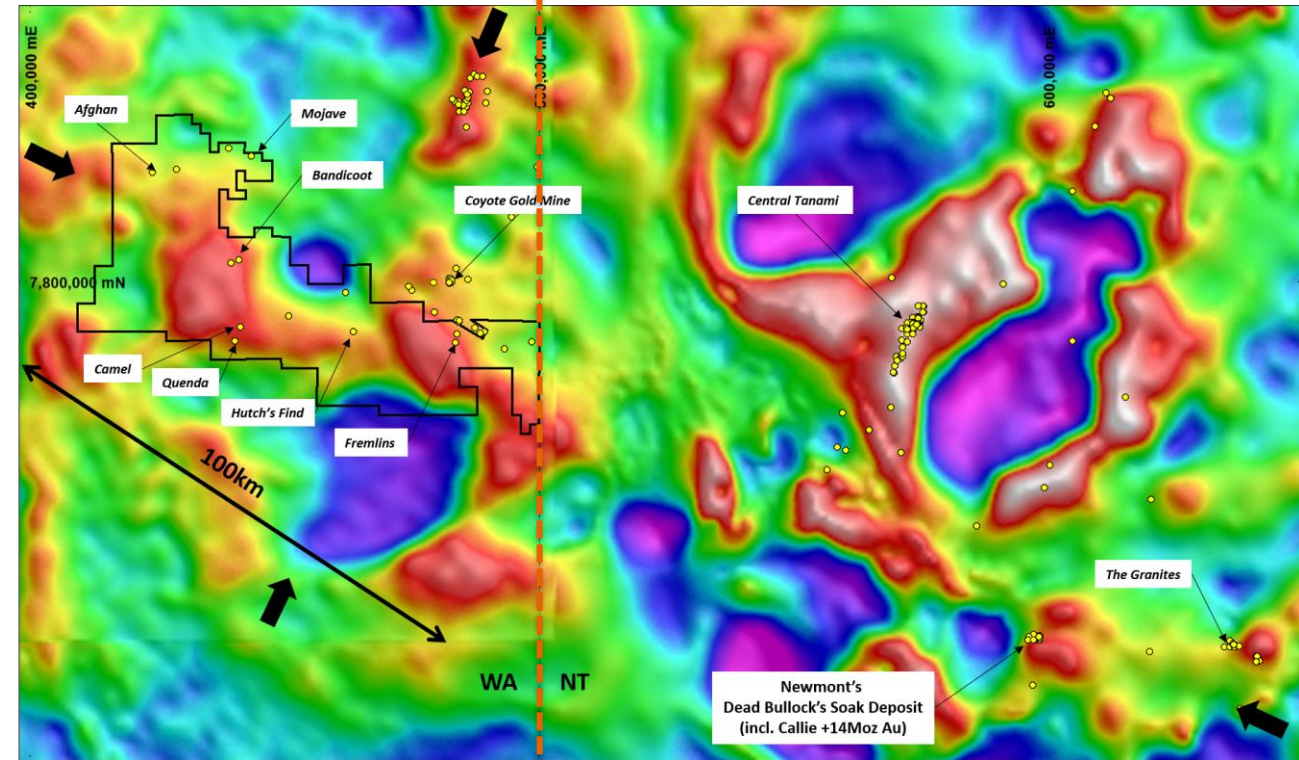


# West Tanami: Major extension of the Tanami Gold Province

~0.7Moz Au ← ~25Moz Au



Tanami Geology and gold occurrences



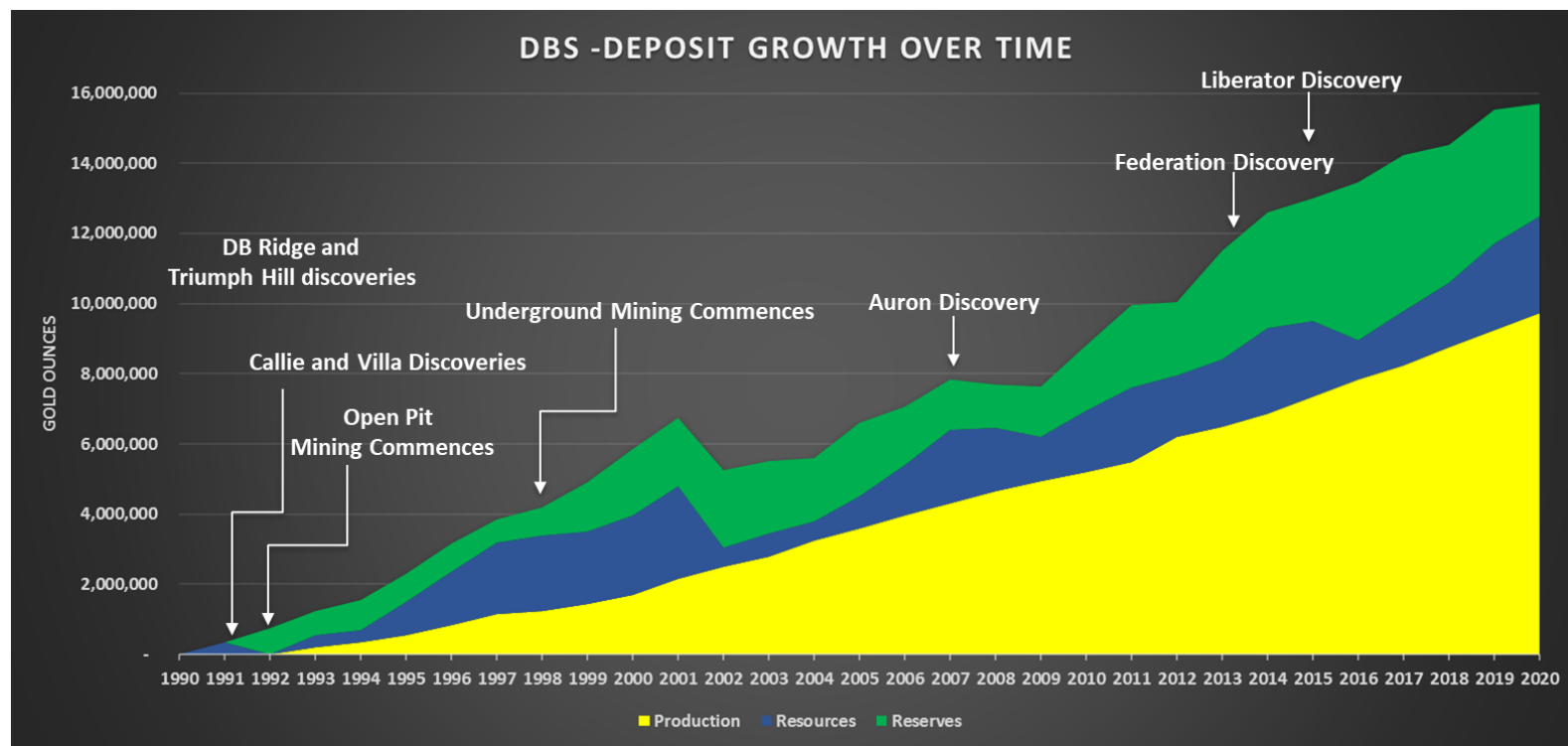
West Tanami leasing with gold occurrences over regional gravity data

... same geology, same key structures, **but underexplored**

# Newmont's Tanami Operations

Lowest AISC gold production within Newmont's global portfolio (~\$US650/oz)

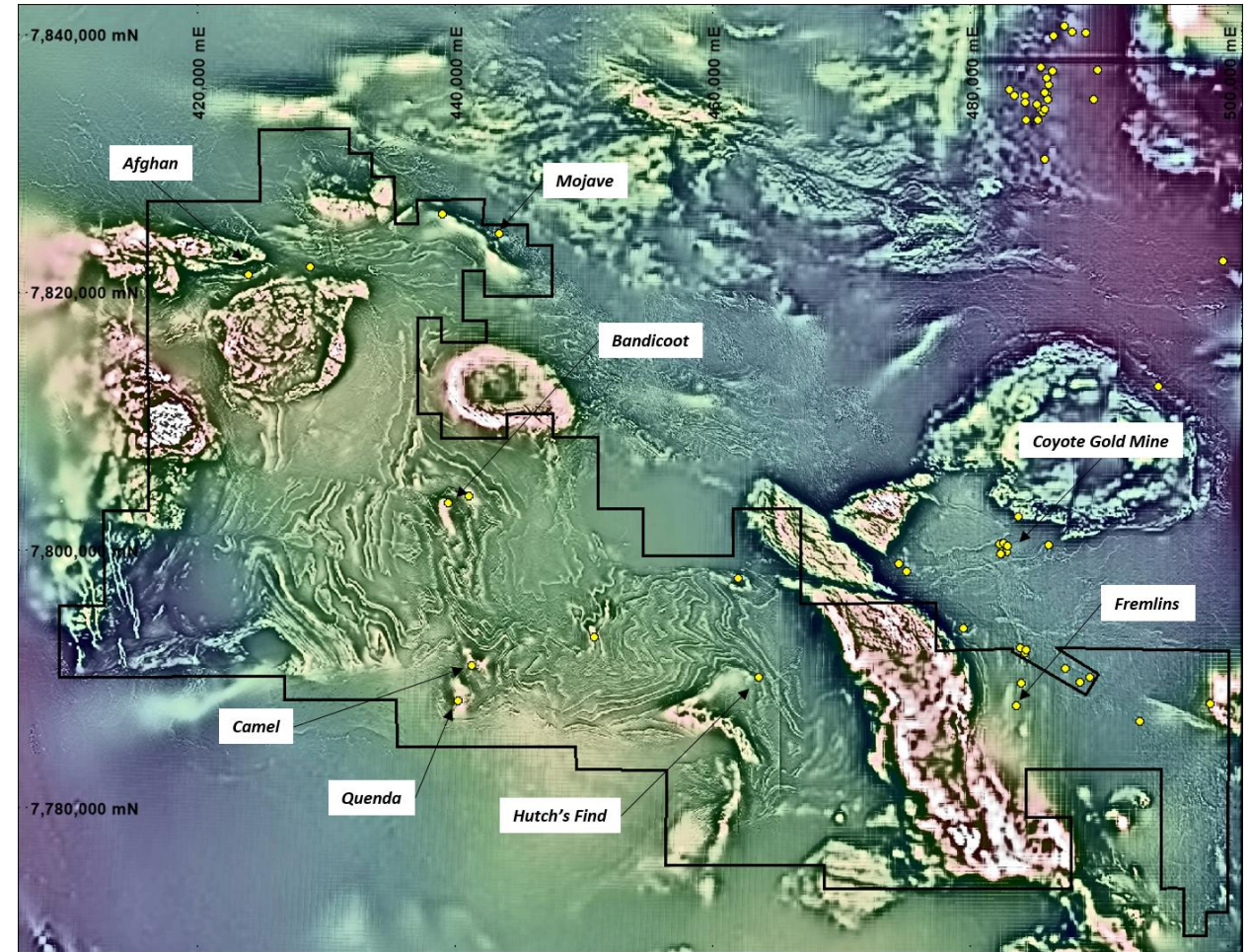
- Newmont's Tanami Operations have undergone transformational improvement since 2013 with AISC ~45% lower and production ~80% higher
- Tanami is a world class asset producing >500koz pa and projected to grow to ~700koz pa
- Tanami Expansion 2 secures future to 2040 and provides platform for growth





# Australia's most underexplored gold district

- Belt scale gold project (~2,275km<sup>2</sup>) in a Tier 1 jurisdiction
- 100km of strike along the major structural corridor interpreted to be the key controlling structure for gold mineralisation in the Tanami
- Extensive areas of shallow cover and limited deeper drilling (30 holes >200m deep)
- Modern, prioritised and focused strategy to assess
  - Open, high-grade gold intersections
  - Significant multi-kilometre scale geochemical anomalies
  - A portfolio of untested geophysical targets



*Key prospect locations on detailed aeromagnetics*



# Hamelin exploration strategy

- Understanding the structural architecture is the key to exploration success
  - Complete detailed aeromagnetic coverage
  - Complete structural and stratigraphic interpretation and targeting program
  - Conduct diamond drilling of priority targets to confirm structural and stratigraphic model
- Understanding the regolith is key to determining the effectiveness of previous exploration
  - Complete ASTER and radiometrics coverage
  - Complete regolith amenability map
  - Assess modern surface geochemistry techniques to see through transported cover

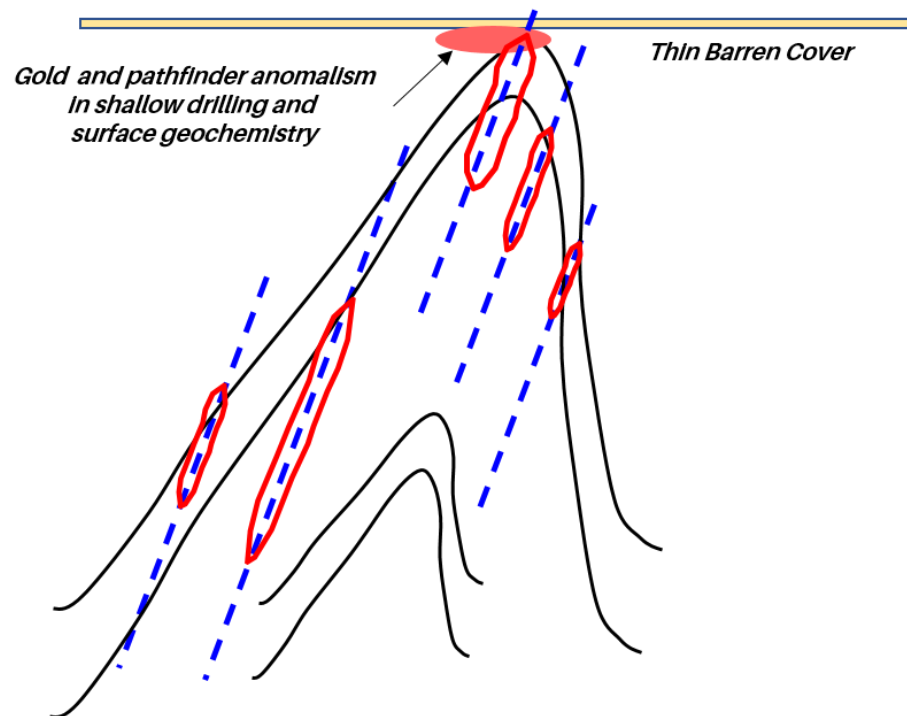


*Orientation Fine Fraction soil sampling – Tanami June 2021*



# Systematic modern exploration

## Traditional Exploration Search Space

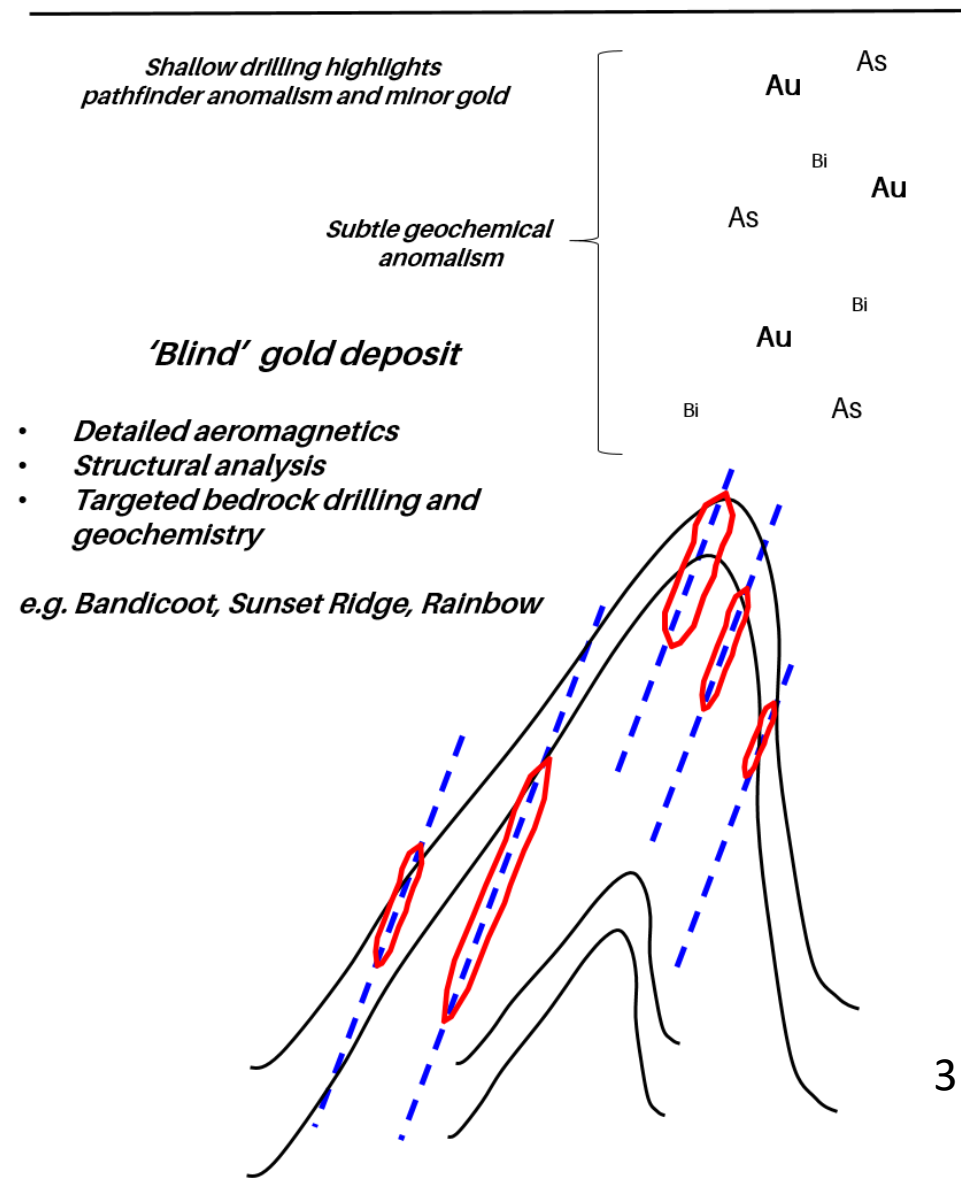


*Gold deposit under shallow cover or residual*

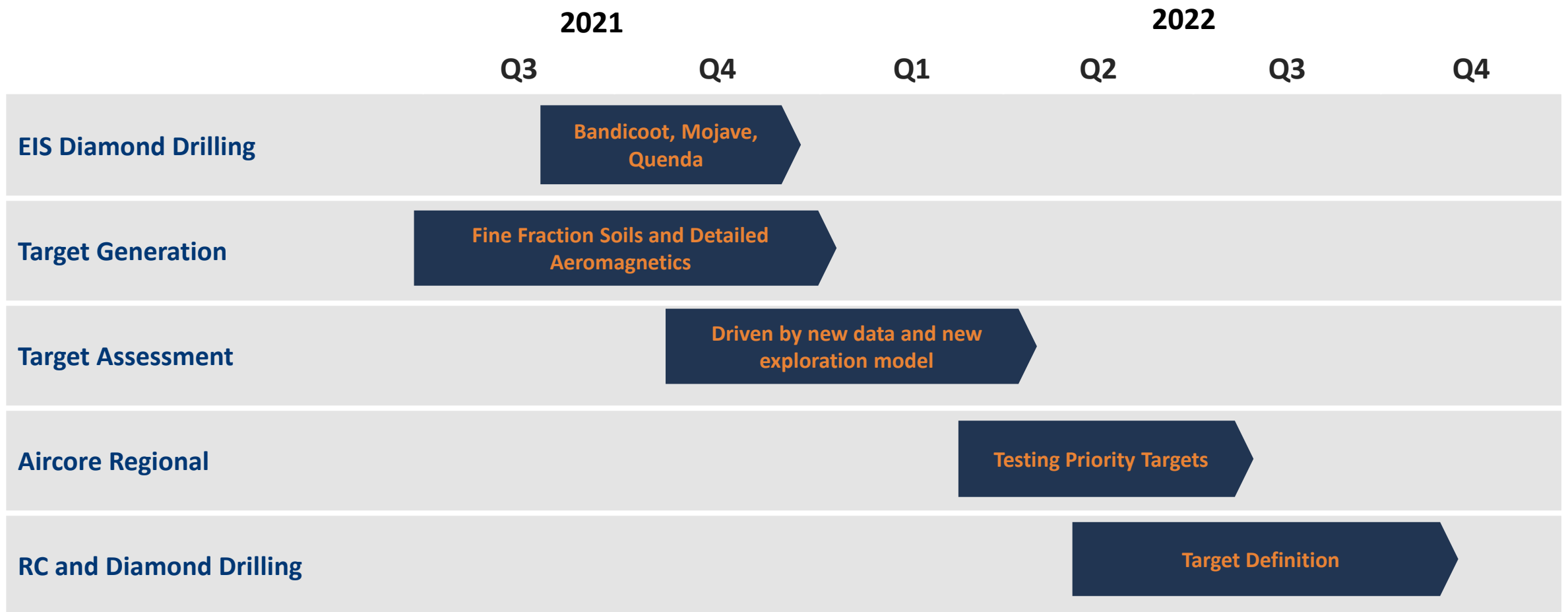
- Detailed aeromagnetics and radiometrics
- Regolith and structural interpretation
- Traditional surface geochemistry
- Shallow, targeted drilling

*e.g. Camel, Hutch's Find, Afghan, Mohave, Fremains*

## New Exploration Search Space



# Next 18 months of exploration activity





# Demerger Rationale

## The people and the project + the focus and the funding

### WEST TANAMI EXPLORATION POTENTIAL

- 100km of strike in Australia's most underexplored Tier 1 gold district
- New geophysical datasets, geological understanding and exploration approach

### OPTIMISED CORPORATE STRUCTURE

- Encounter and Hamelin clarify exploration focus
- Both companies will hold transformational discovery opportunities in world-class mineral belts

### EXPERIENCED BOARD AND MANAGEMENT

- Extensive greenfields and near mine exploration knowledge
- Proven project generation and discovery success

### INVESTMENT OPPORTUNITY

- In-specie distribution and priority offer to eligible Encounter shareholders
- IPO Prospectus to follow with ASX listing (subject the ASX approval) expected in the December 2021 quarter

