Leading Project Generators

Collaborating with high quality partners

Diggers & Dealers Mining Forum

August 2019

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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.

Industry snapshot

- Revival of greenfields exploration for covered gold and base metal Tier 1 deposits in Australia
- Majors and mid-tier companies pursuing growth and restocking project pipelines
- Innovative ideas and exploration tools can generate a genuine competitive advantage
- Investor sentiment towards junior explorers has created real value opportunities

> *"The prospect generators are trading at a substantial discount. I would suggest maybe even historic discounts. The speculative money in the space doesn't seem to be able to differentiate between sole risk exploration that is funding exploration projects with your own balance sheet, and knowledge businesses like prospect generators."*
>
> **Rick Rule, Chief Investment Officer, Sprott Resource Holdings – Streetwise Reports 25 May 2019**

The Encounter business model

Project generation and exploration in world-class mineral belts

Targeting Tier 1 multi-million ounce gold and major base metal discoveries in WA

High quality projects and management supported by mid-tier and major producers

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

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Project Generator Model

The superior model for exploration – multiple opportunities for Tier 1 discoveries and lower equity dilution

	Traditional Junior	Project Generator
Number of projects	Few (1 or 2 flagship projects)	Multiple +5
Target size	Small – moderate (more likely brownfield)	Major tier 1 targets (more likely greenfield)
Expertise	1-2 key geologists	Multiple expert teams, access to pool of technical specialists & latest technological advances
Exploration funding	Shareholder equity	Partner project funding, equity market
Potential outcome	100% of a single discovery	20%-40% of multiple major discoveries
Project development funding	Equity & debt markets	Partner funding to maximise shareholder leverage

Encounter at a glance

Creating value through project generation and discovery

- Targeting **gold deposits with scale** potential in Western Australia: Tanami, Paterson Province, Laverton Tectonic Zone
  - Multiple, well funded, exploration programs via joint ventures with Australia's largest gold miner **Newcrest Mining Ltd** (ASX:NCM) in the Tanami and West Arunta province
  - New copper-gold targets in the Paterson Province analogous to Rio Tinto's Winu discovery
  - New targets in southern extension of the +40Moz Laverton Tectonic Zone (100% ENR)
- Advancing large scale **copper-cobalt** discoveries in the Paterson Province with partner **Independence Group** (ASX:IGO)
- Recently completed placement to **Silver Lake Resources** (ASX:SLR) to accelerate ongoing project generative activities

Capital Structure	
ASX ticker	ENR
Share price (31/07/2019)	$0.10
Shares on issue	279M
Options	10M
Market capitalisation	~$28M
Cash	~$3.7M
Listed investments	~$0.5M
Enterprise value (net of cash and listed investments)	**~$24M**
Major shareholders	
▪ Board and Management	~15%
▪ Independence Group	~9.2%
▪ Silver Lake Resources	~5.3%

Scale opportunities in a first world jurisdiction

Tanami and West Arunta

Fast-tracking exploration via joint ventures with Newcrest

Paterson Province – Copper-Cobalt

New approach in a known Cu-Co district with Independence Group

Paterson Province – Copper-Gold

Copper-Gold targets analogous to Rio Tinto's Winu discovery

Laverton Tectonic Zone

Innovative new generative program in a world class gold province

Board and Management

Highly Experienced Board and Management

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

Mr Paul Chapman is a chartered accountant with over 30 years experience in the resources sector gained in Australia and the United States. He has experience across a range of commodity businesses including gold, nickel, uranium, manganese, bauxite/alumina and oil/gas.

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

Dr. Hronsky has more than 30 years of experience in the mineral exploration industry, primarily focused on project generation, technical innovation and exploration strategy development. He has particular expertise in targeting for nickel sulphide deposits, but has worked across a diverse range of commodities. His work led to the discovery of the West Musgrave nickel sulphide province in Western Australia. Dr. Hronsky was Manager-Strategy & Generative Services for BHP Billiton Mineral Exploration. Dr. Hronsky is an Adjunct Professor at the University of Western Australia in the School of Earth Sciences.

Mr Will Robinson
Managing Director
B.Comm

Mr Robinson has worked in the resources industry in Australia and Canada for over 20 years. He has held senior management roles at a large international resources company and executive roles in the junior mining and exploration sector. Mr Robinson is former president of the resources industry advocacy body, the Association of Mining and Exploration Companies (AMEC) and was on the Australian Government's Resources 2030 Taskforce.

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

Mr Peter Bewick is a 25 year experienced geologist and has held a number of senior mine and exploration geological roles during a 14 year career with Western Mining Corporation. These roles include Exploration Manager and Geology Manager of the Kambalda Nickel Operations, Exploration Manager for St Ives Gold Operation and Exploration Manager for WMC's Nickel Business Unit and Exploration Manager for North America based in Denver, Colorado.

Tanami and West Arunta

Major exploration portfolio in one of the world’s most prospective gold regions

Tanami and West Arunta – a major new exploration portfolio

- Multiple joint ventures with Newcrest Mining Limited (ASX:NCM) covering 4,300km^2 of the Tanami Gold Province and West Arunta in WA
- 100km of strike along the major structural corridor that extends through the Tanami
- New regional gravity data shows a fundamental controlling structure for gold mineralisation
- Material new near mine gold discoveries at Newmont Mining's +14Moz Callie gold mine
- Shallow historical exploration has defined multiple Tier 1 deposit footprints
- **Newcrest sole-funding extensive diamond and RC drilling and regional exploration program commencing August 2019**

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Selby, Watts, Lewis JVs with Newcrest

100km of strike along the Trans-Tanami structure

Selby Joint Venture (1,864km^2) including:

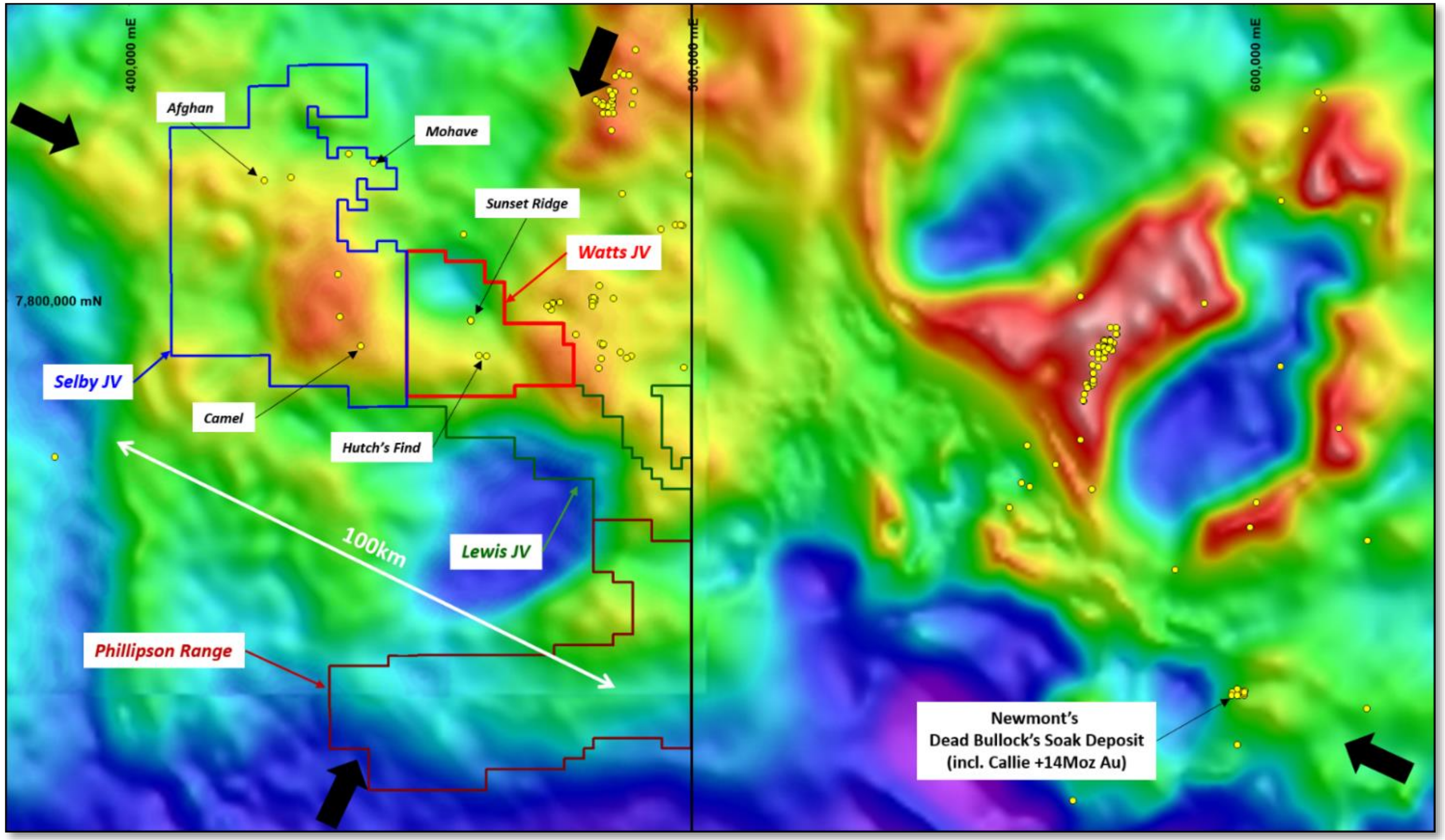
- Mohave Prospect – a +7km long gold-arsenic anomaly that includes thick mineralised drill intersections strengthening at bottom of hole
- Afghan Prospect – a +7.5km long gold anomaly in shallow RAB drilling
- Camel – 7.2m @ 3.1g/t Au from 95m in last drilling[1] completed almost a decade ago

Watts Joint Venture (552km^2) including:

- Hutch's Find – significant zone of gold/arsenic anomalism in colluvium over 6km of strike
- Limited drilling has returned 19m @ 2.3g/t Au from 98m and 10m @ 5.4g/t Au from 123m[1]
- Sunset Ridge – 8km long arsenic anomaly defined in shallow drilling

Lewis Joint Venture (619km^2) including:

- 20 strike km of untested Trans-Tanami Structure



Tanami Joint Venture areas with gold occurrences (yellow) over regional gravity data

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[1]*Refer to Tanami Gold NL Quarterly Report September 2010*

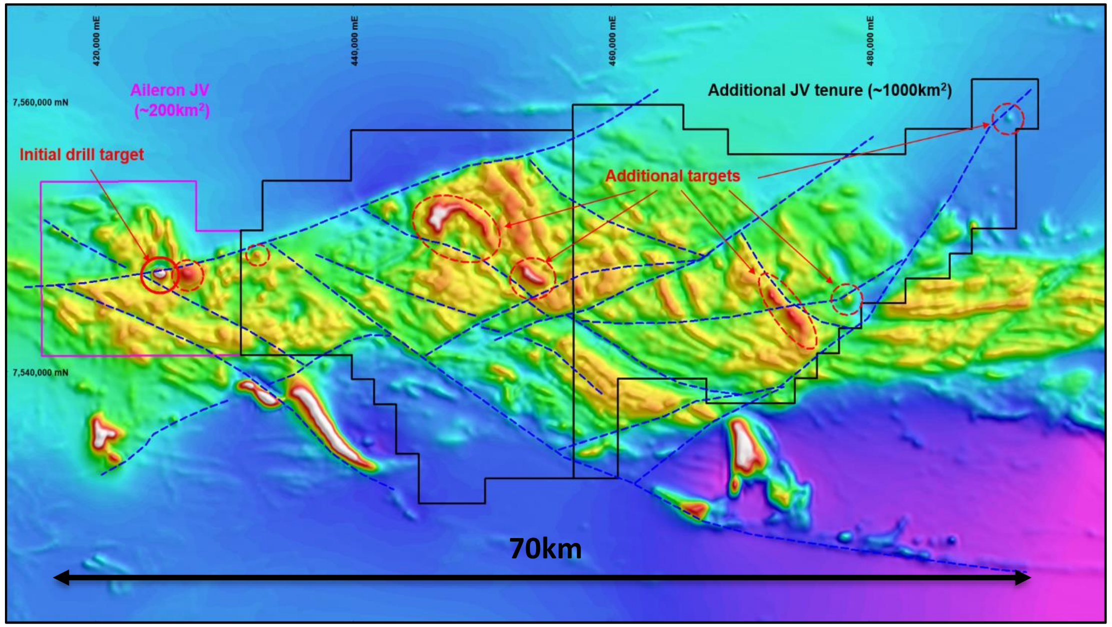
Aileron & Phillipson

Aileron Joint Venture

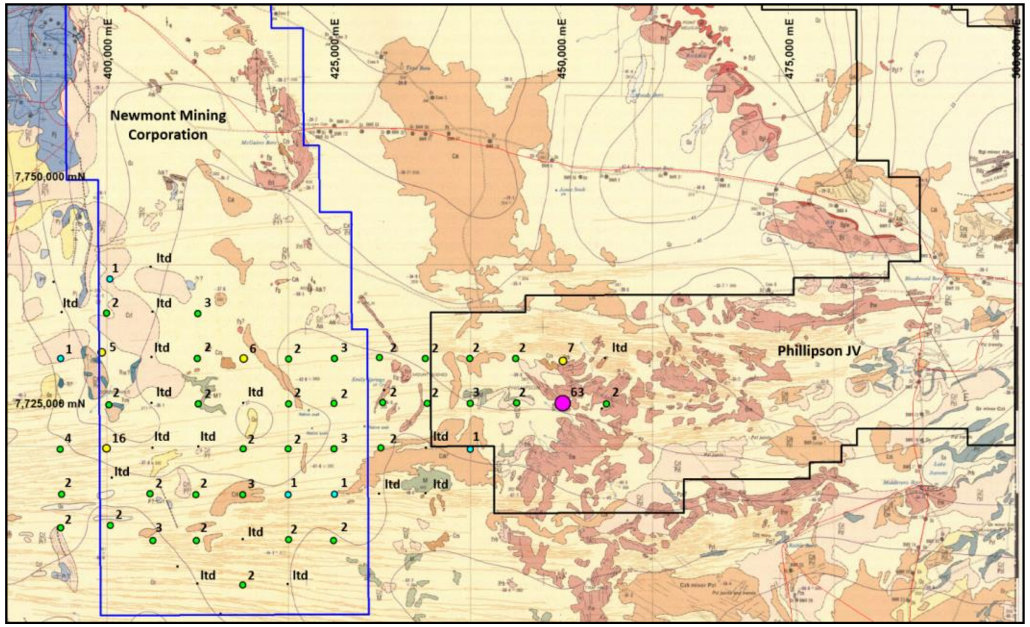
- IOCG target located in the West Arunta with scale of an Ernest Henry or Carrapateena style system
- Initial drill target is a steeply dipping 500 x 200m magnetic body starting from ~50m below surface[1]
- Diamond drilling planned for September 2019

Phillipson Range Project

- Genuine frontier first mover opportunity with significant scale and potential
- Highly anomalous GSWA 63ppm Au anomaly[1]
- Results of on ground validation and geochemical sampling completed July 2019 to determine next steps



Location Plan on TMI background



GSWA geology and regional 5km x 5km soil sampling program (Au ppb)

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[1]*Refer to ASX announcement 21 March 2018*

Paterson Province

- Proterozoic, sediment hosted Copper-Cobalt deposits
- Copper-Gold targets analogous to Rio Tinto’s Winu discovery

A known region generating new discoveries

- **Why has Encounter been exploring in the Paterson Province for the past ten years?**
  - Proven fertility to produce major deposits
  - Large outcropping discoveries made in 1970s and 1980s at Nifty (Cu) and Telfer (Au)
  - Shallow sand cover inhibited previous explorers
  - Applying cutting edge undercover exploration techniques – biogeochem, new CSIRO geochem, drone mapping, IM, VTEM, MT
- Well funded majors and junior explorers aggressively exploring and making new discoveries in the region

RioTinto NEWCREST MINING LIMITED FMG Fortescue The New Force in Iron Ore

Sipa Resources Limited ANTIPAMINERALS METALS X LIMITED

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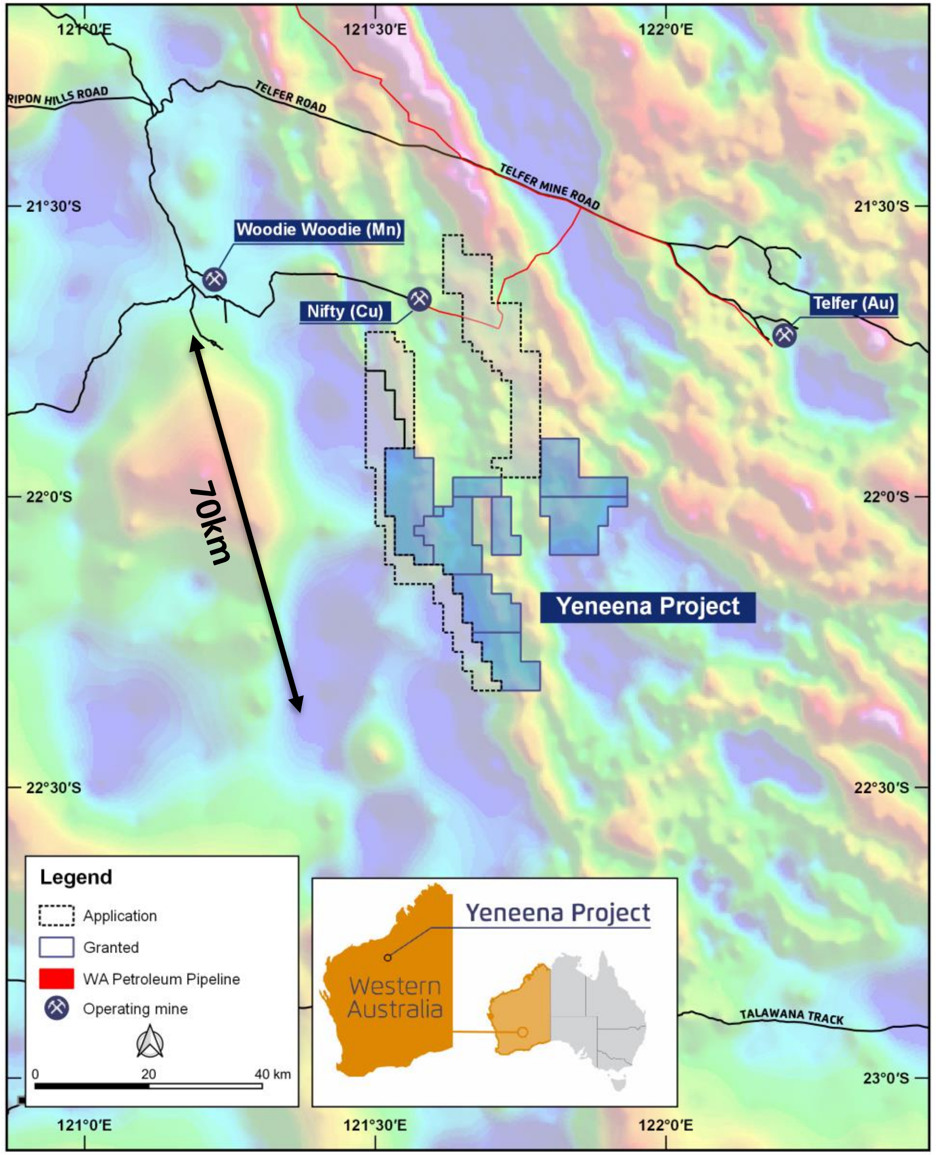
Australia's Hottest Copper Address

- The Paterson Province is a proven mineral region with a consistent history of discoveries
- Encounter holds exploration tenure over 1,600km² of the Paterson Province:
  - Central African Copperbelt analogue
  - Magmatic Copper-Gold (Winu analogue)
- Independence Group NL (IGO) and Encounter joined forces in November to advance the Yeneena Copper-Cobalt Project:
  - IGO became a major shareholder in Encounter
  - IGO has the right to enter into a $15M earn-in agreement to secure a 70% interest in Yeneena any time before 1 March 2020
  - **$1.6M work program planned in 2019**



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Yeneena Copper-Cobalt Project – Paterson Province WA

BM1-BM7[1]: a 14km long copper-cobalt system

- BM1: Coherent zone of shallow copper oxide mineralisation. Best intersections include:
  - 10m @ 6.8% Cu from 32m*
  - 20m @ 2.0% Cu from 22m*
  - 8m @ 3.6% Cu from 18m*
  - 16m @ 3.2% Cu from 26m
- BM7: Large mineral system containing extensive copper sulphide mineralisation. Best intersections include:
  - 5m @ 2.5% Cu from 388m
  - 52m @ 0.6% Cu from 42m
  - 74m @ 0.4% Cu from 74m
- BM1-BM7 also contains a number of high grade cobalt intersections including:
  - 9m @ 1.0% Co and 1.5% Cu from 42m
  - 14m @ 0.45% Co and 0.38% Cu from 14m

BM1 Diamond core

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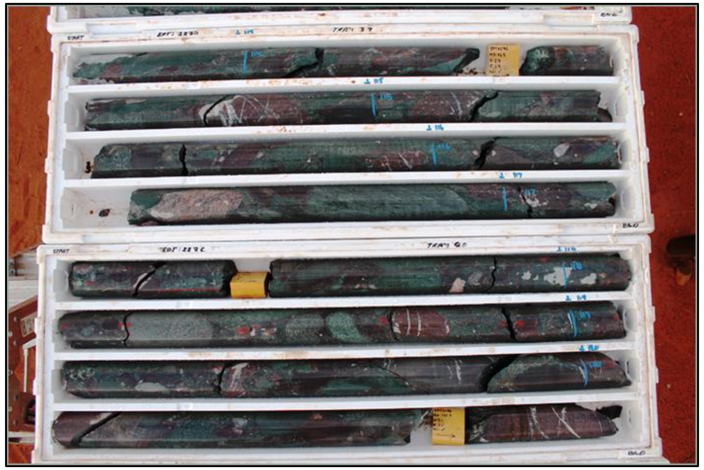
[1]*Refer ASX announcements 15 July 2014, 30 January 2015, 2 March 2017.*
**Reported pursuant to the 2004 Edition of the JORC Code.*

Yeneena Copper-Cobalt Project – Paterson Province WA

- Initial on-ground exploration activity for 2019 included the first use of several advanced exploration technologies at Yeneena, including:
  - A large-scale magnetotelluric survey (~100 line-km) to advance 3D target definition – completed in July 2019
  - End-of-hole trace multi-element geochemistry of historical aircore drilling to define alteration footprints of copper deposits
  - Application of new surface geochemistry techniques to detect base metal anomalies through shallow sand cover
- The full integration and interpretation of these data is in progress and will guide follow-up geophysical and drilling programs

Lookout Rocks (Zambian Copperbelt analogue): Disseminated chalcopyrite in carbonaceous shale ~259m down hole (1.0%Cu) (EPT2282)



Drill core from Aria IOCG-style intrusion with copper sulphides (EPT2276)

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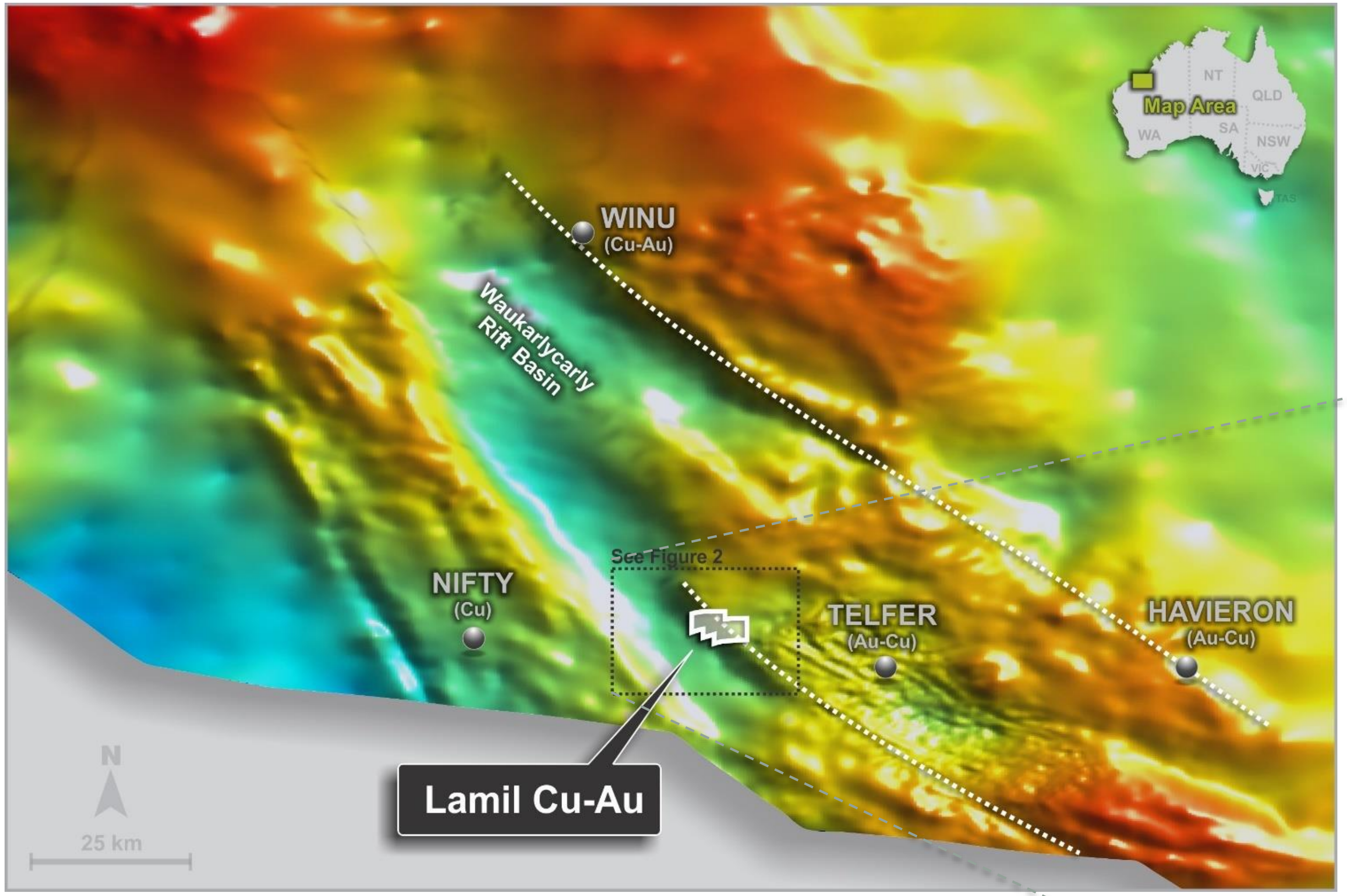
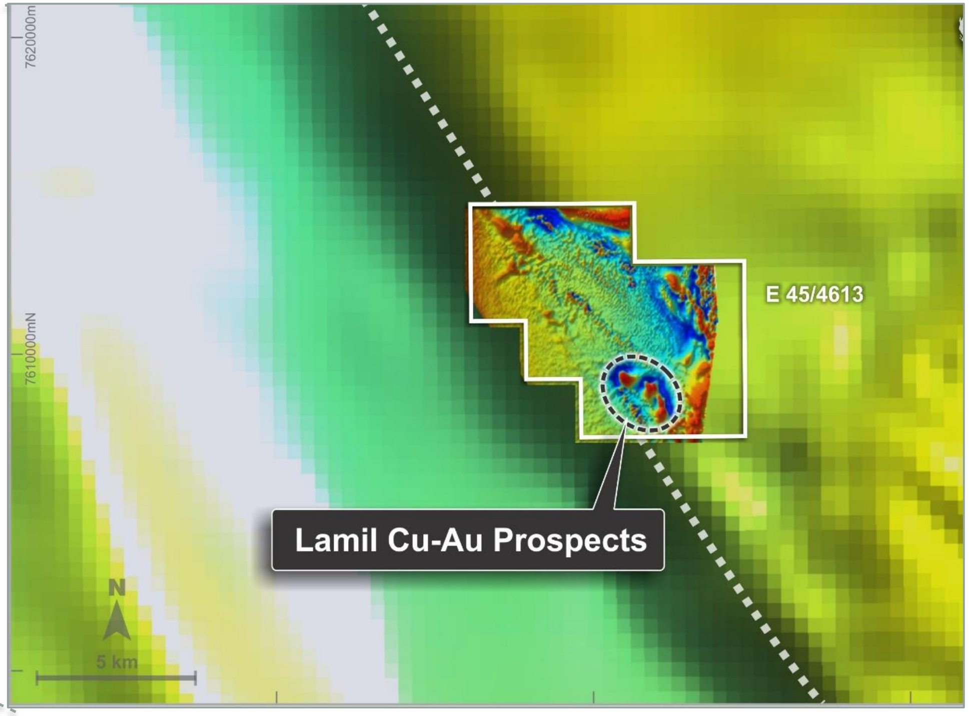
New Copper-Gold Targets in the Paterson Province



Regional gravity over Seebase depth to Proterozoic basement image (red = shallow, blue = deep)

- Broad zones of copper-gold anomalism associated with series of discrete magnetic anomalies located on a regional scale gravity lineament
- Structural setting of the Lamil is analogous to Rio Tinto's Winu copper-gold discovery



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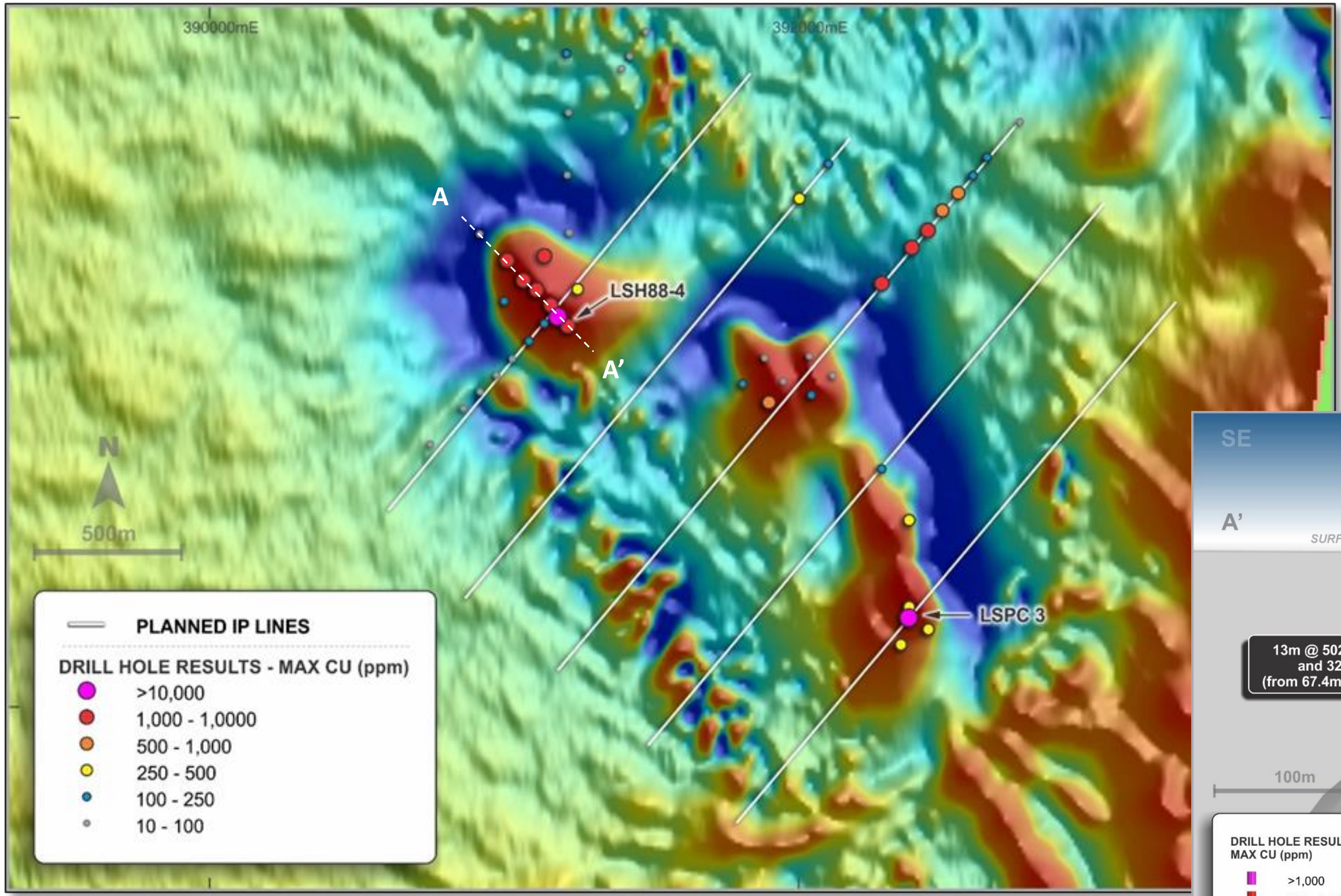
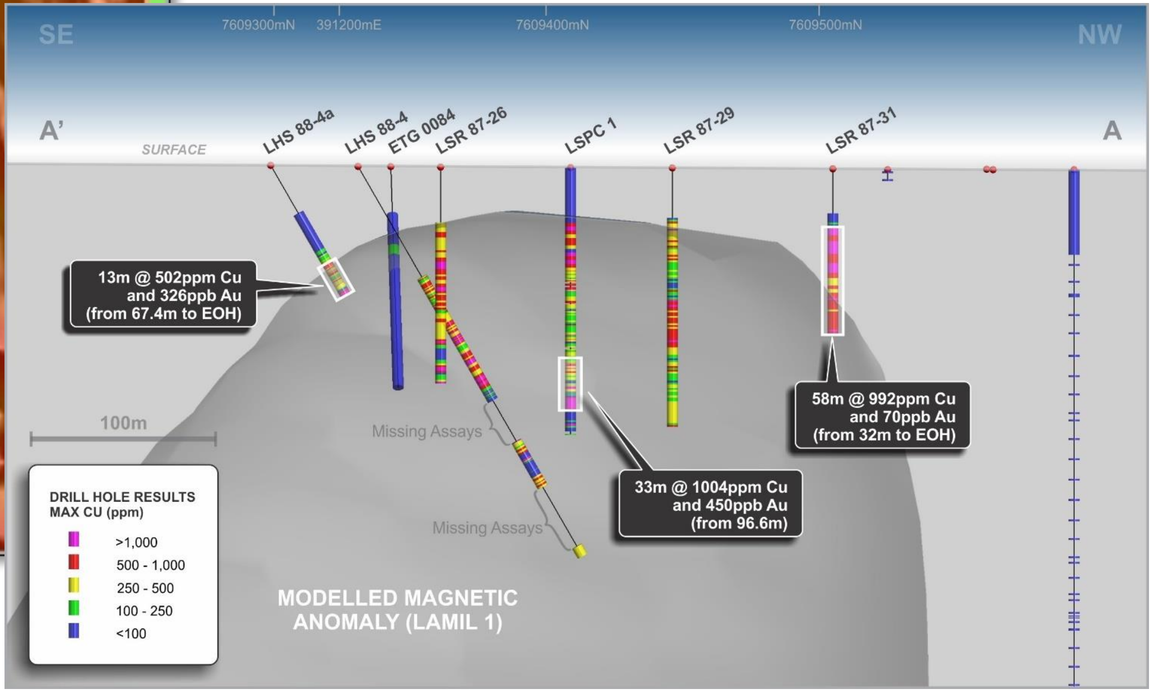
Broad Zones of Copper-Gold Anomalism at Lamil



Drill location plan with aeromagnetic background (TMI 1VD pseudo colour image) and IP lines

- Shallow historical drilling by Newmont in the 1980s, targeting gold, intersected thick zones of strong copper anomalism*
- Historical drilling targeted magnetic anomalies
- Induced Polarisation (IP) survey completed July 2019



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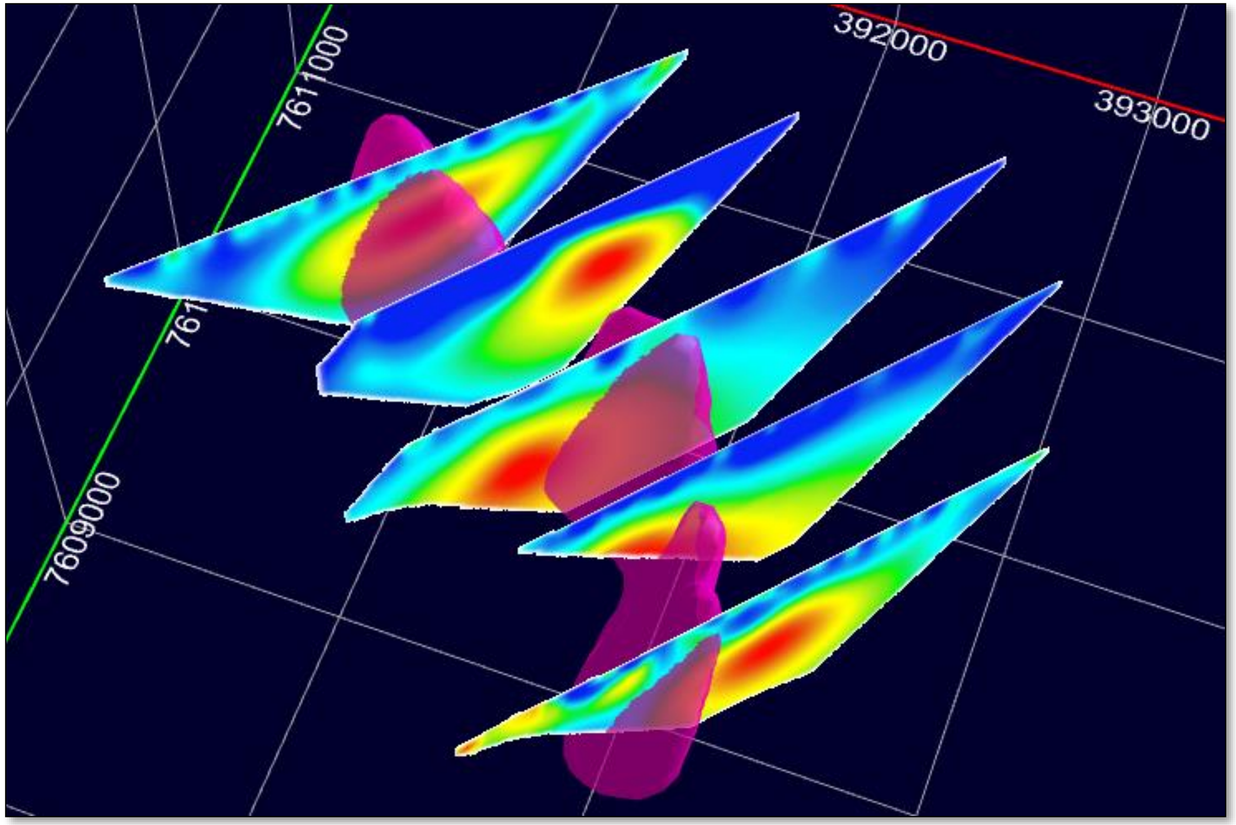
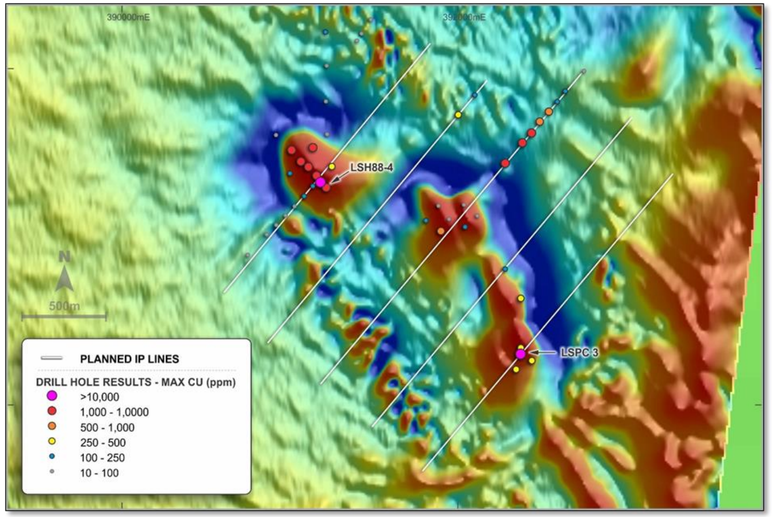
*Refer to ASX announcement 27 May 2019

Induced Polarisation (IP) Survey at Lamil



Preliminary chargeability inversion model cross sections and modelled magnetic anomalies *

- Chargeability anomaly identified on western side of the modelled magnetic anomaly in an area of no previous drilling
- Anomalies may represent stronger sulphide development within the larger 2km long zone of intense alteration
- AEM survey to be completed in August 2019 as a precursor to RC/diamond drilling
- Potential to introduce a suitable joint venture partner in the future, consistent with project generator model



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Refer to ASX announcement 5 August 2019

A Leading Project Generator

New ideas, data and technology

Generating and effectively evaluating new projects

- Fast mover, early adopter of **new technologies** and **new datasets**
- Reduce exploration risk and uncertainty through **data-driven** approaches
- Apply cost effective new techniques to rapidly prioritise targets

Filtering and progressing targets

Advancing earlier stage 100% owned targets to determine scale and potential

- Lamil Copper-Gold
- Nazare Gold
- Mt Sefton Gold
- Stansmore Zinc
- Hazlett
- Elliot Copper (NT)

Partners driving large 2019 budgets

Collaborating with high quality partners to make new discoveries

- Multi-million ounce Tanami targets
- Copper-cobalt in the Paterson

Substantial 2019 programs:

- Major geophysics and drilling programs planned for 2019 across the Tanami and the Paterson
- Well-defined advanced targets

Newcrest Mining Limited	IGO	Silver Lake Resources
Multiple JVs with Australia's largest gold producer	**Substantial shareholder and JV option**	**Introduced as a new substantial shareholder**

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Investment proposition

- At the forefront of a major exploration revival in the world-class Paterson Province and Tanami regions
- Extensive, well funded exploration programs in 2019
- Early mover, innovative ideas and exploration tools generating a genuine competitive advantage
- Project Generator model provides multiple, funded opportunities for Tier 1 discoveries and lower equity dilution for shareholders

> *"Our Project Generator model provides Encounter shareholders with significant leverage to a pipeline of potential Tier 1 projects funded by major producers."*
>
> **Will Robinson**
> **Managing Director**
> **Encounter Resources**