

12 March 2019

ASX: ENR

Company Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
Sydney NSW 2000

Encounter and Newcrest Expand Joint Ventures

- **Encounter-Newcrest Joint Venture tenure increases by over 30% to cover 5,900km²**
- **Selby Joint Venture expanded by ~300km² to cover new targets adjacent to the +7km long Mohave and Afghan gold trends**
- **Aileron Joint Venture expanded by ~1,100km² to include additional targets and now extends over 70km of the West Arunta**

The directors of Encounter Resources Ltd (“Encounter” or “the Company”) are pleased to announce that Encounter and Newcrest Mining Ltd (ASX:NCM) (“Newcrest”) have significantly expanded the Aileron and Selby joint ventures by securing an additional 1,400km² of exploration tenure. The five Encounter-Newcrest joint ventures now cover a total of 5,900km² of the Tanami Gold Province and West Arunta in Western Australia (“WA”).

Commenting on the expanded joint ventures with Newcrest, Encounter Managing Director Will Robinson said: “We are delighted that the project generation alliance continues to create exciting new opportunities for Encounter and Newcrest. With a substantial exploration program planned for the Tanami and West Arunta in 2019, it is pleasing that the generative work continues to build on the five joint ventures already established under our project generation alliance with Newcrest. These projects have the potential to host gold deposits of sufficient scale to attract a major gold company like Newcrest and, as such, they provide Encounter shareholders with significant leverage to a pipeline of quality projects with unquestionable scale potential.”

Selby Joint Venture (Tanami)

The Selby joint venture covers the most western end of the West Tanami project area. Selby includes a number of regional scale geochemical anomalies defined in shallow drilling, discrete geophysical targets and historical high grade gold intersections in limited deeper drilling. While target generation and prioritisation is ongoing, current high priority prospects at Selby include:

- **Mohave Prospect:** A +7km long gold-arsenic anomaly that includes thick mineralised drill intersections strengthening at bottom of hole at the east of the prospect
- **Afghan Prospect:** A +7.5km long gold anomaly in shallow RAB drilling

The new joint venture exploration licence covers the area east and north of the Mohave and Afghan prospects (Figure 1 and 2) that are scheduled for drilling in 2019.

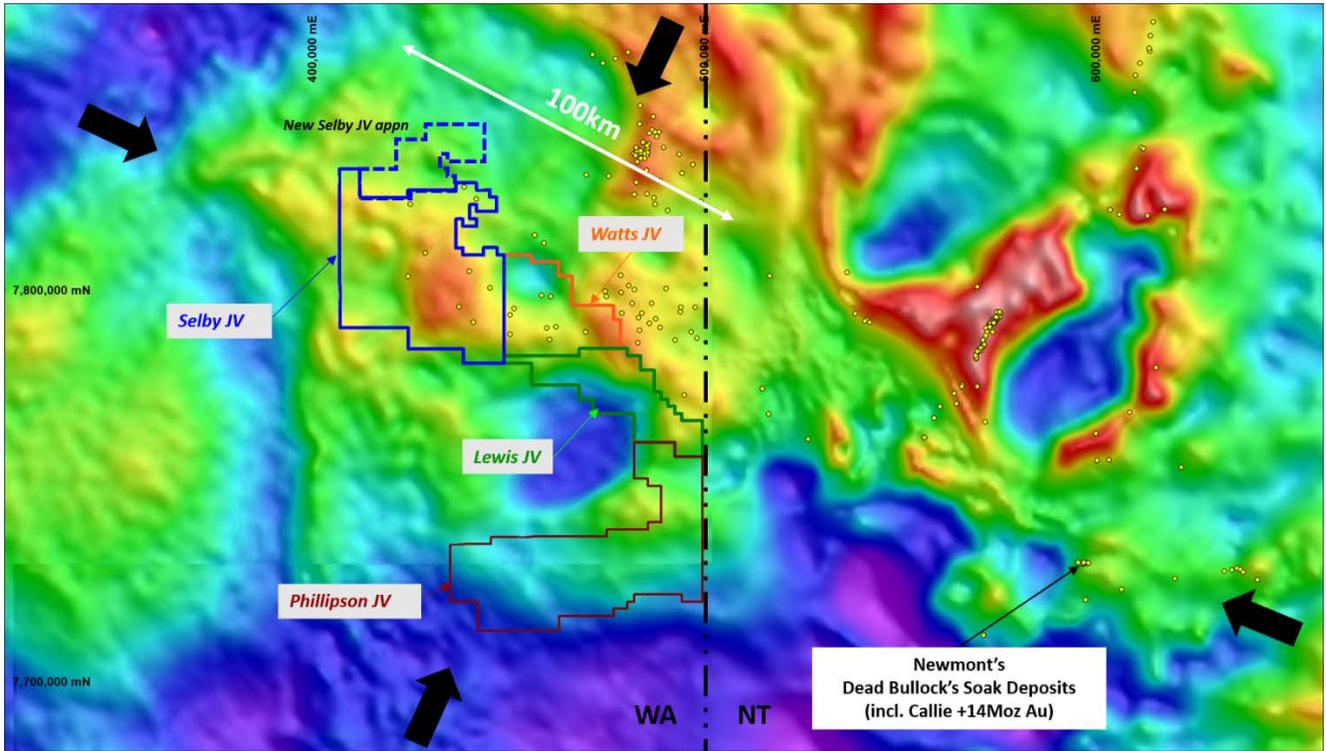


Figure 1 – Tanami Joint Venture areas with gold occurrences over regional gravity data

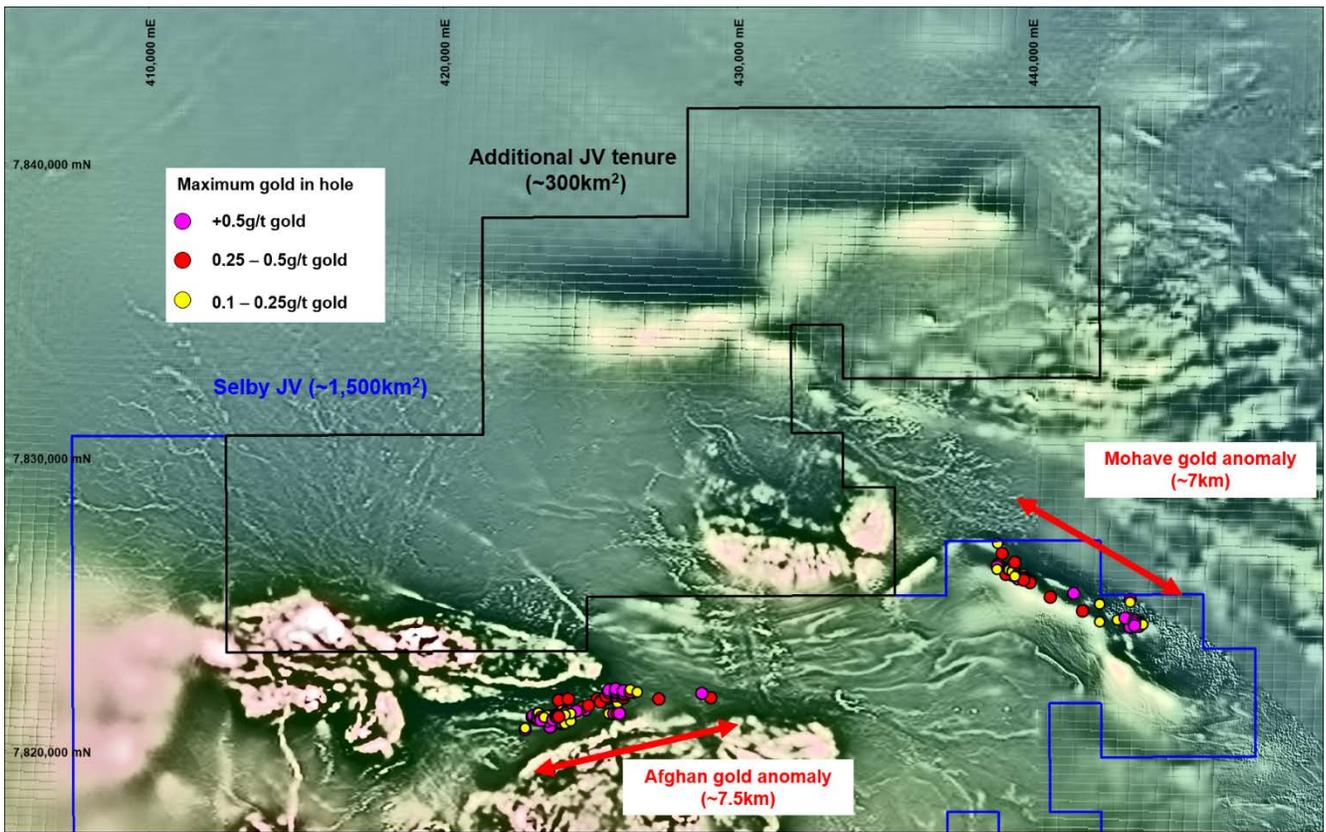


Figure 2 – Selby Joint Venture maximum gold in hole over RTP 1VD magnetics

Aileron Joint Venture (West Arunta)

The Aileron project is located in the Arunta district of WA, ~600km west of Alice Springs. There has been no previous mineral exploration on the tenement, although gold/copper mineralisation has been identified within the region. The project contains a number of existing structural targets identified through aerial magnetic surveying, including a discrete magnetic anomaly consistent with the scale of an Ernest Henry or Carrapateena style system (Figures 3).

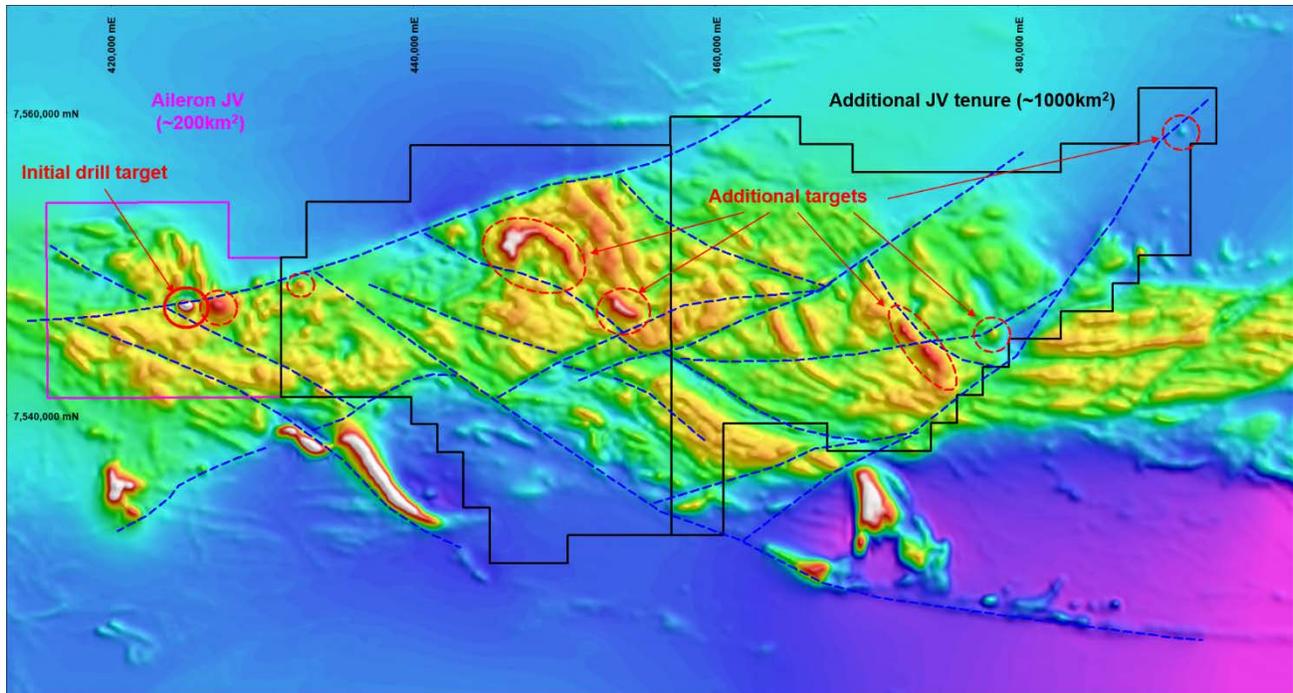


Figure 3 – Aileron JV interpreted structures and targets on TMI background

The anomaly has been modelled as a steeply dipping magnetic body and is ~400m in diameter, starting from ~150m below surface and plunging to a depth of 1km. The interpreted structural architecture adjacent to the magnetic anomaly is conducive to major fluid flow.

The initial Aileron project tenement was granted during January 2019 and the project was recognised by WA Government through a co-funded drilling grant of up to \$150,000 under the Exploration Incentive Scheme.

Initial field reconnaissance at Aileron is scheduled to commence shortly in preparation for diamond drilling in 2019.

The new joint venture tenement applications extend the project east to cover over 70km segment of the West Arunta. The new tenure covers a zone of magnetic alteration and structural complexity and contains subtle gold and bismuth soil geochemical anomalism along key structures.

Joint Venture Summary Terms

Encounter shareholders have significant leverage to multiple, well funded, exploration programs in one of the most highly sought-after gold exploration districts in Australia and in the event of a decision to mine, Encounter can elect to enter a production joint venture with an experienced developer and operator in Newcrest:

- Newcrest and Encounter entered into five separate joint ventures (Selby, Watts, Lewis, Phillipson and Aileron), initially on a 50:50 basis, that cover a total area of ~5,900km². While these are separate joint ventures, each joint venture is on the same or largely similar terms.
- Encounter has the option to maintain its 50% interest in any or all of the joint ventures by contributing to its share of exploration expenditure. This election will be made after reviewing the first joint venture budget for each project area covering the period to 30 June 2019.
- Should Encounter elect not to contribute on a 50:50 basis on any given joint venture, Newcrest may increase its interest to 80% in that relevant joint venture **by sole funding exploration activities and delivering a JORC Inferred Resource of greater than 1 million ounces of gold or gold equivalent.**
- Upon notification of the JORC Inferred Resource, Encounter can elect to maintain its 20% interest in the joint venture by funding its portion of future expenditure or Newcrest will acquire Encounter's joint venture interest for fair value (being an amount agreed or as determined by independent experts).
- Prior to a decision to mine being made, if Encounter elects not to contribute to expenditure at any time after previously contributing, then standard industry dilution formulas will apply down to a 10% interest. If Encounter's interest dilutes below 10%, the interest will be transferred to Newcrest and Encounter will be entitled to a 2% net smelter royalty.
- If Newcrest elects at any time to withdraw from the joint venture or its interest in the joint venture dilutes to below 10%, Newcrest's interest will be transferred to Encounter.
- After the completion of a feasibility study, Encounter can elect to participate in mine development in proportion to its joint venture interest by voting to approve a decision to mine. Should Encounter vote against a decision to mine, Newcrest can acquire Encounter's joint venture interest for fair value (being an amount agreed or as determined by independent experts).
- Encounter can elect to sell its joint venture interest to a third party subject to Newcrest having a pre-emptive right. Encounter also retains a pre-emptive right in the event Newcrest wishes to sell its joint venture interest to a third party.

About Encounter

Encounter Resources Limited is one of the most productive project generation and active mineral exploration companies listed on the Australian Securities Exchange. Encounter's primary focus is on discovering major gold deposits in Western Australia's most prospective gold districts: the Tanami, the Paterson Province and the Laverton Tectonic Belt.

The Company is advancing a highly prospective suite of projects in the Tanami and West Arunta regions via five Joint Ventures with Australia's largest gold miner, Newcrest Mining Limited (ASX:NCM).

Encounter also 100% controls an extensive, underexplored project position covering the southern extension of the +40Moz Laverton Tectonic Zone.

Complementing its expansive gold portfolio, Encounter controls a major ground position in the emerging Proterozoic Paterson Province where it is exploring for copper-cobalt deposits with highly successful mining and exploration company Independence Group NL (ASX:IGO).

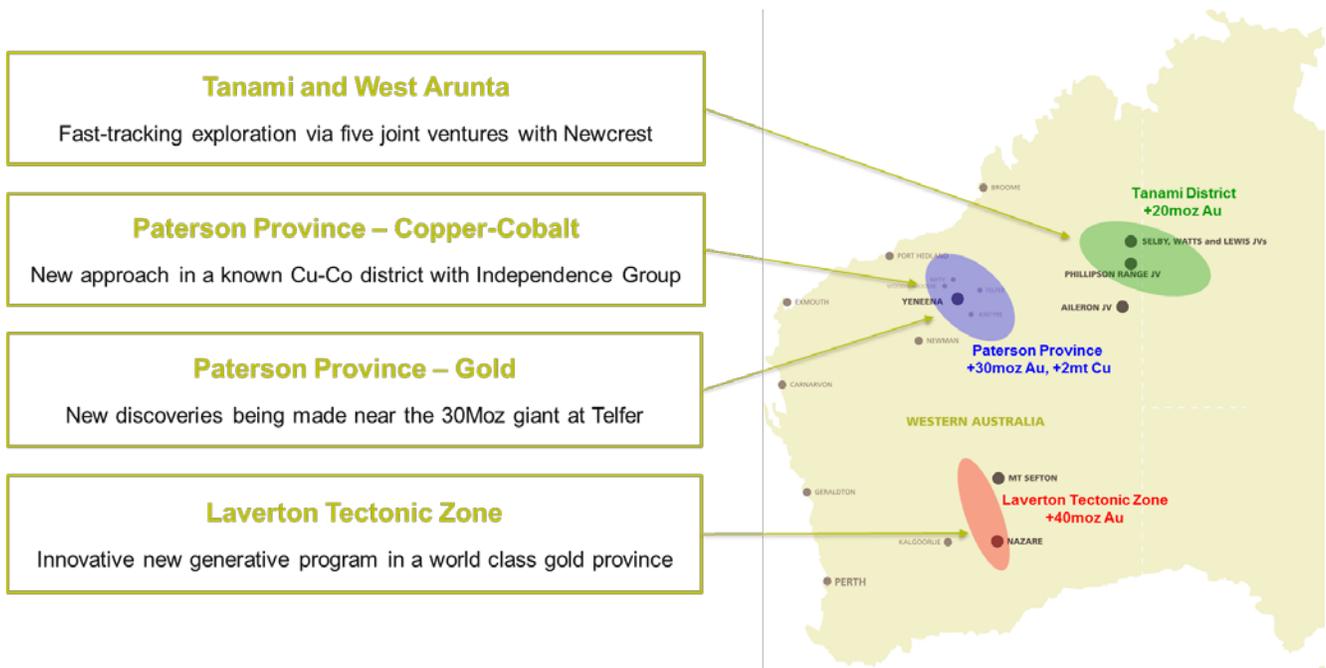


Figure 4 – Project Location Plan

For further information, please contact:

Will Robinson
Managing Director
+61 8 9486 9455
contact@enrl.com.au

Michael Vaughan
Fivemark Partners
+61 422 602 720
michael.vaughan@fivemark.com.au

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 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 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.