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**ASX: ENR**

Company Announcements Office  
Australian Securities Exchange  
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## **Newcrest & Encounter Join Forces in Major Exploration Venture**

- **Encounter completes five new joint ventures with Newcrest in the Tanami and West Arunta regions of WA and will receive up to \$1 million in new funding**
- **Encounter shareholders gain significant exposure to multiple, well funded, exploration programs in one of the most highly sought-after gold exploration districts in Australia**
- **Joint ventures covering 100km of strike along the Trans-Tanami Structure (Selby, Watts, Lewis)**
  - **Selby Joint Venture (1,534km<sup>2</sup>) including:**
    - **Bandicoot – discrete 2km long magnetic anomaly with coincident gold/arsenic geochemical anomaly**
    - **Camel – 7.2m @ 3.1g/t Au from 95m in last drill program (2010)**
  - **Watts Joint Venture (552km<sup>2</sup>) including:**
    - **Hutch's Find – significant zone of gold/arsenic anomalism in colluvium over 5km of strike (19m @ 2.3g/t Au from 98m and 10m @ 5.4 g/t Au from 123m in limited deep drilling)**
    - **Sunset Ridge – 8km long arsenic anomaly defined in shallow drilling**
  - **Lewis Joint Venture (619km<sup>2</sup>) including:**
    - **20 strike km of untested Trans-Tanami Structure**
- **Phillipson Joint Venture (1,570km<sup>2</sup>) – Large scale gold target in unexplored Neoproterozoic corridor in the southern Tanami**
- **Aileron Joint Venture (187km<sup>2</sup>) – IOCG-style target located in the West Arunta region**

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The directors of Encounter Resources Ltd ("Encounter" or "the Company") are pleased to announce that Encounter has entered five separate unincorporated joint ventures with a wholly owned subsidiary of Newcrest Mining Limited (ASX:NCM) ("Newcrest") covering a total of 4,400km<sup>2</sup> of the Tanami Gold Province and West Arunta in Western Australia ("WA"). Initially, each joint venture will be on a 50:50 basis.

**Commenting on the joint ventures, Encounter Managing Director Will Robinson said:** “The Tanami region of Western Australia ticks so many boxes. It is a true district scale opportunity where new datasets provided by the Geological Survey of WA have significantly enhanced prospectivity. Limited prior shallow drilling has outlined footprints of several potential major mineral systems. Aileron and Phillipson are genuine first mover opportunities in untested regions where new data is opening up mineral exploration. We are excited to be fast-tracking exploration via joint ventures with Newcrest, Australia’s largest gold company, which can be fully funded by Newcrest if Encounter so elects.”

### **Benefits of the Joint Ventures**

The benefits of the joint ventures between Newcrest and Encounter include:

- Encounter will be joining forces with Australia’s largest gold company to advance five exciting major projects in the Tanami and West Arunta regions;
- Encounter shareholders gain significant exposure to multiple, well funded, exploration programs in one of the most highly sought-after gold exploration districts in Australia;
- Encounter will receive up to \$1 million in funding as follows: \$100,000 payment to Encounter upon execution of the Phillipson Joint Venture Agreement; a payment of \$400,000 following the later of 1 July 2018 and the grant of tenement E80/5045 (anticipated in July 2018); and a further payment of \$500,000 if Newcrest elects to continue activity on tenement E80/5045 beyond 12 months from the grant of the tenement.
- Exploration to be overseen by a technical committee comprising Encounter’s highly credentialed team and the globally recognised technical expertise of Newcrest, with Newcrest to initially manage the joint ventures; 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.

### **Joint Venture Summary Terms**

- Newcrest and Encounter have entered into five separate joint ventures (Selby, Watts, Lewis, Phillipson and Aileron), initially on a 50:50 basis, that cover a total area of ~4,400km<sup>2</sup>. While these are separate joint ventures, each joint venture is on the same or largely similar terms.
- Newcrest will make a \$100,000 payment to Encounter following execution of the Phillipson Joint Venture Agreement; a payment of \$400,000 following the later of 1 July 2018 and grant of tenement E80/5045 (anticipated in July 2018); and a further payment of \$500,000 if Newcrest elects to continue activity on tenement E80/5045 beyond 12 months from grant.
- Newcrest will be the Manager of each joint venture.
- 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 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.

### Tanami Corridor Projects – Three Joint Ventures to Fast-Track exploration:

The Selby, Watts and Lewis joint ventures cover in total, 100km of strike along the major structural corridor (Trans-Tanami Structure) that extends through the Tanami region from the Northern Territory into WA (see Figure 1).

The three joint venture areas have been subject to sporadic and fragmented exploration in the past. Encounter has consolidated ground holdings that total ~2,600km<sup>2</sup>. The limited surficial historical exploration has produced highly encouraging results identifying a series of large scale gold/arsenic regolith anomalies. Although only limited deeper drilling has been completed across these regional scale geochemical anomalies, a number of high grade, near surface drill intersections confirm the potential of the area to produce high grade gold. Encounter has acquired a 100km long section of a well mineralised, emerging gold province that is significantly underexplored, particularly on the WA side of the border.

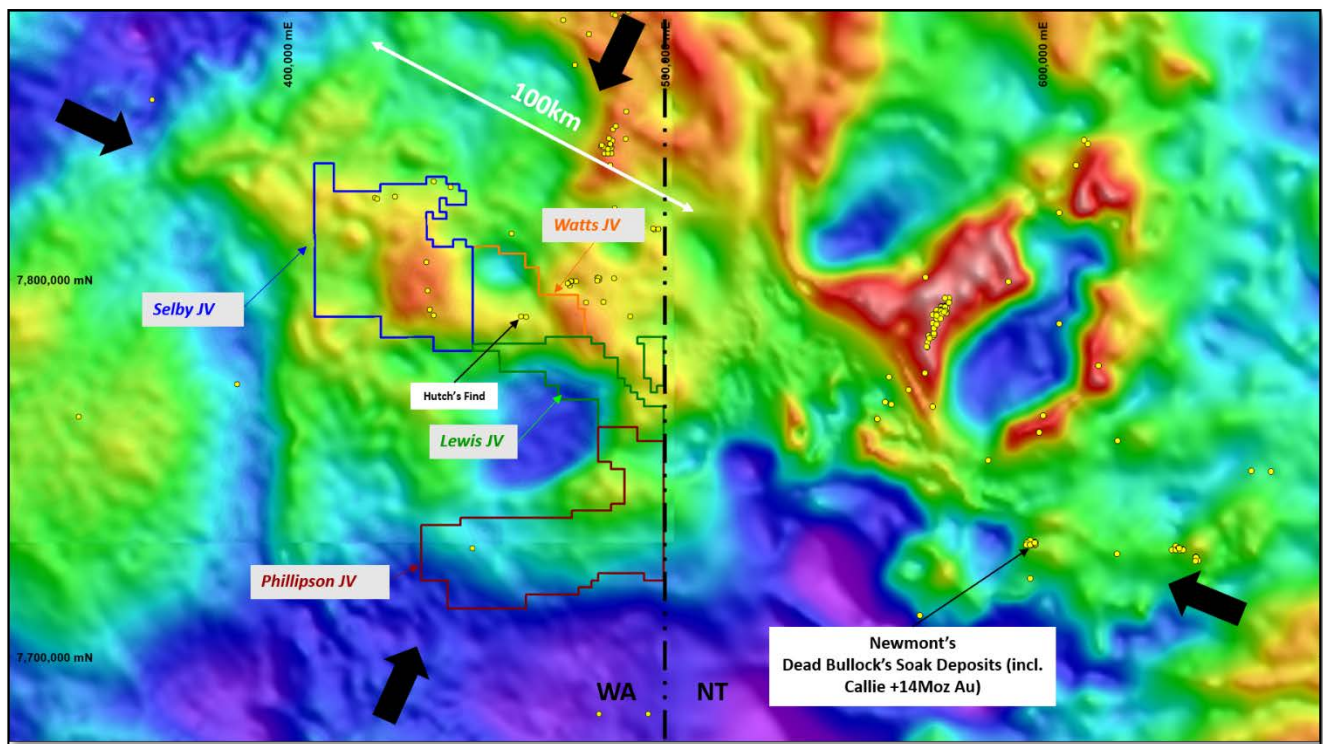


Figure 1 – Tanami Joint Venture areas with gold occurrences over regional gravity data

## 1. Selby Joint Venture

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, prospects at Selby include:

- Bandicoot – discrete 2km magnetic anomaly with coincident gold/arsenic geochemical anomaly
- Camel – 7.2m @ 3.1g/t Au from 95m in last drill program (2010)  
(source Tanami Gold NL Quarterly Report September 2010)

## 2. Watts Joint Venture

The Watts joint venture covers the central corridor of targets where a regional scale north-north-east structure defined in the January 2018 Geological Survey of Western Australia (“GSWA”) gravity survey intersects the Trans Tanami Structure. Watts includes the Hutch’s Find and Sunset Ridge prospects as well as a number of untested anomalies in historical geochemical drilling:

- Hutch’s Find – significant zone of gold/arsenic anomalism over 5km of strike (Figures 2a and 2b). Max-in-hole geochemical plans cover an area of ~120km<sup>2</sup> and include 3,615 holes of which 95% are RAB, aircore or vacuum geochemical holes with an average depth of 11m. The limited RC and diamond drilling that has occurred is well mineralised and contains high grade gold intersections that remain open down plunge and along strike including:
  - HFDD4 – hole depth 184m
    - 19m @ 2.3g/t Au from 98m;
    - 10m @ 5.4 g/t Au from 123m; and
    - 0.5m @ 17.2g/t Au from 164.3m
 (source Tanami Gold NL Quarterly Report September 2010)
- Sunset Ridge – 8km long arsenic anomaly defined in shallow drilling

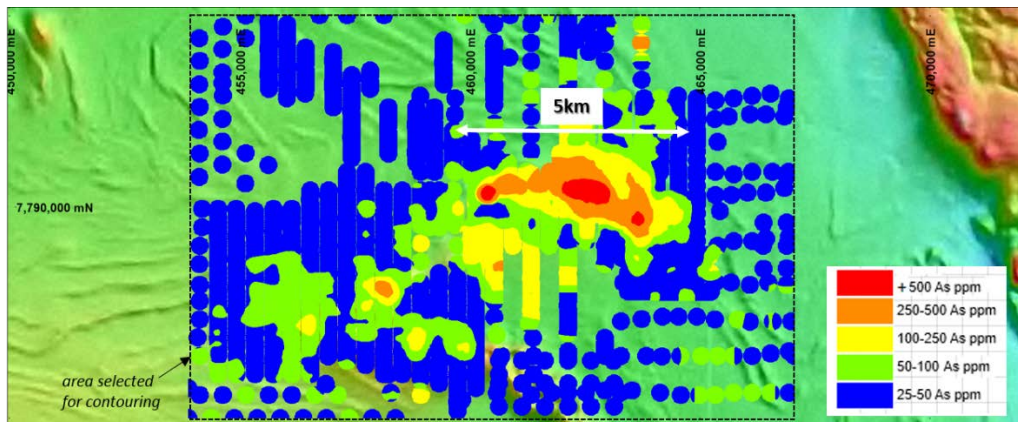


Figure 2a – Hutch’s Find prospect. Maximum arsenic (As) in hole over tmi magnetics

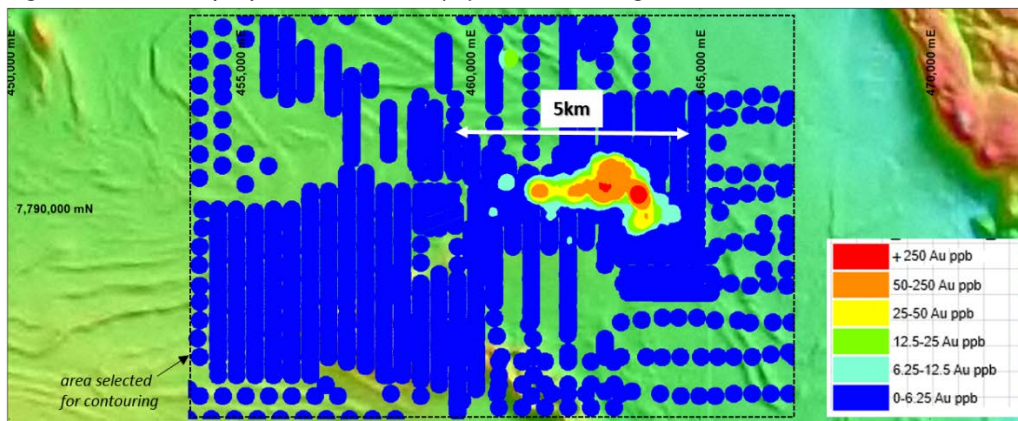


Figure 2b – Hutch’s Find prospect. Maximum gold (Au) in hole over tmi magnetics

## 3. Lewis Joint Venture

The Lewis joint venture covers over 20km of strike over untested Trans-Tanami Structure. This structure has been enhanced and defined in the GSWA January 2018 gravity survey. Vast areas along this highly prospective structure have never seen a soil sample or a drill hole. This is a first mover opportunity into a newly defined area on a prolific regional structure.

### Phillipson Range Project (Southern Tanami)

The Phillipson Project consists of three large tenement applications spanning ~1,570km<sup>2</sup>. The western end of this area was the subject of a regional scale pre-competitive geochemical soil survey completed by the GSWA\* that outlined a peak gold soil anomaly up to 63ppb Au in a 5km x 5km helicopter-supported auger sampling survey. This is a significant and standout gold anomaly in the regional geochemical survey and occurs in an area with absolutely no previous exploration.

The Phillipson anomaly is also supported by the next sample taken 5km north that returned up to 7ppb Au. The anomaly is more than 5km long with supporting multi-element anomalism in the area with arsenic, bismuth and cobalt (As up to 90ppm, Bi up to 2.9ppm and Co up to 13ppm) indicating a possible magmatic origin to the mineralising fluid. The anomaly remains open to the south (Figure 3).

GSWA geochemical sampling has been integral in a number of important recent mineral discoveries in WA. The GSWA geochemical mapping of the Fraser Range collected the highly anomalous Ni-Cu-Co sample proximal to the Nova-Bollinger nickel-copper deposit now owned by Independence Group (ASX:IGO). A gold anomaly of similar amplitude anomaly to that at Phillipson Range, obtained in a broad regional geochemical program was also integral to the Tropicana gold discovery.

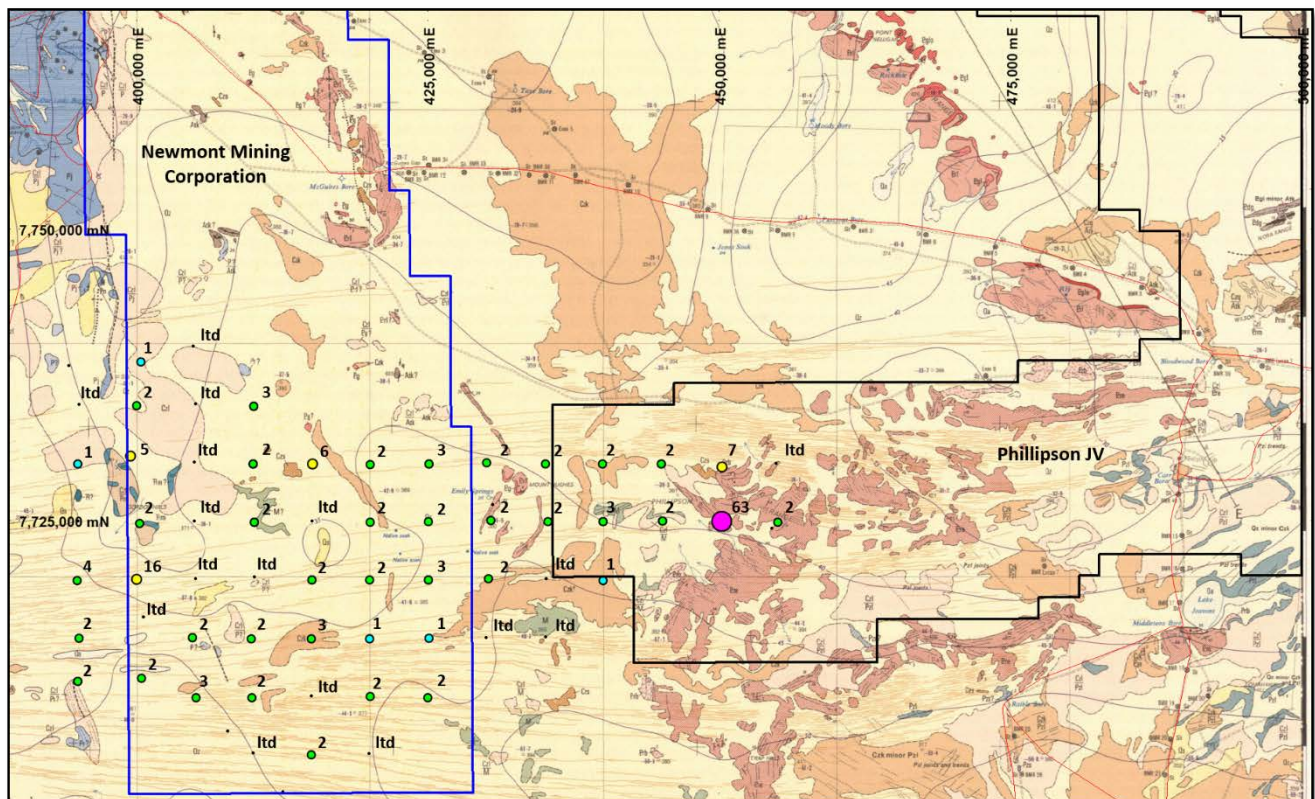


Figure 3 – Phillipson JV – GSWA 250K geology and regional soil sampling program (Au ppb)

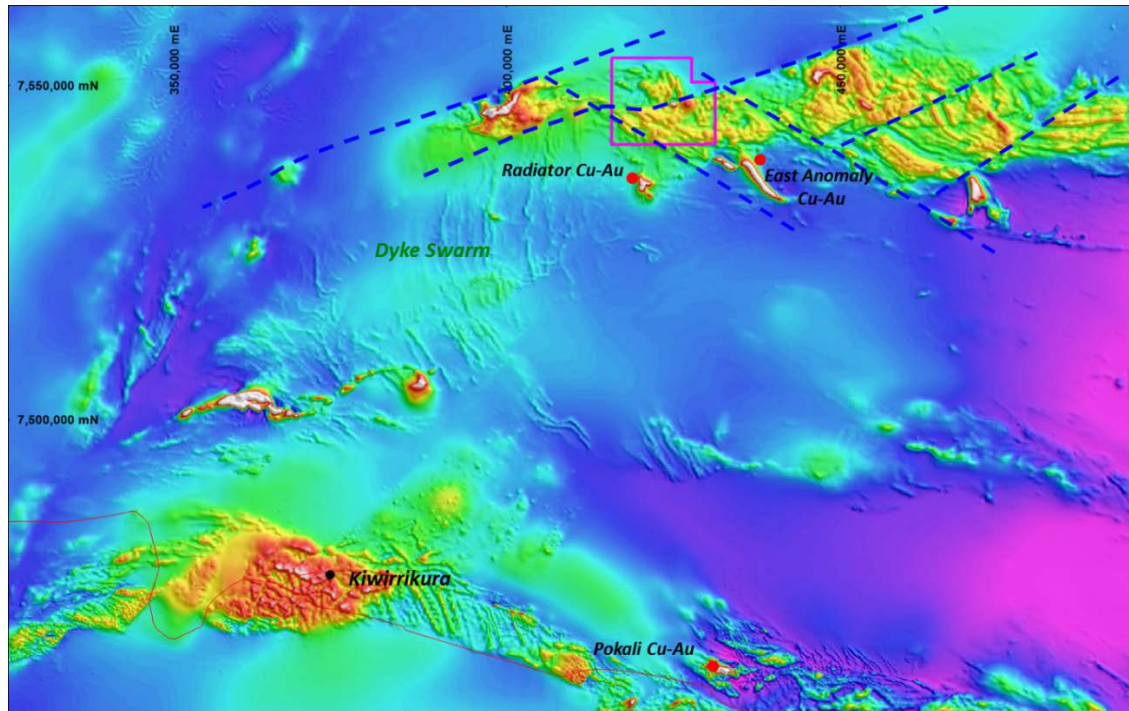
A GSWA airborne gravity survey released in January 2018 indicates that the Phillipson anomaly is located on a major regional north-north-east structure and also on a structure sub-parallel to the main

Trans-Tanami structural corridor to the north. This potentially provides important structural context for the anomaly (see Figure 1).

Encounter anticipates that the main Phillipson tenement could be granted as early as July 2018. Following grant, a heritage assessment will be completed and further geochemical sampling undertaken to refine the geochemical anomaly.

### **Aileron (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 discrete magnetic anomaly consistent with the scale of an Ernest Henry or Carrapateena style system (Figure 5).



**Figure 4 – Aileron Project Location Plan (tenement shown in magenta outline) on TMI background**

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

Following the grant of the tenement, a heritage survey will be completed to prepare for potential diamond drilling to test the anomaly.

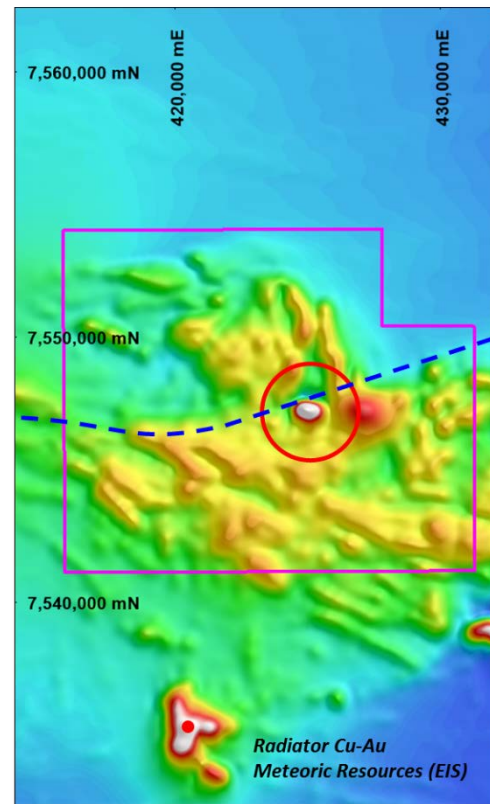


Figure 5 – Aileron magnetic anomaly (TMI)

### Next Steps

Compilation and interpretation of historical exploration is well advanced and ongoing along with target prioritisation by the technical committee. Joint venture tenement applications are expected to be granted over the next few months with field exploration activities to commence shortly thereafter.

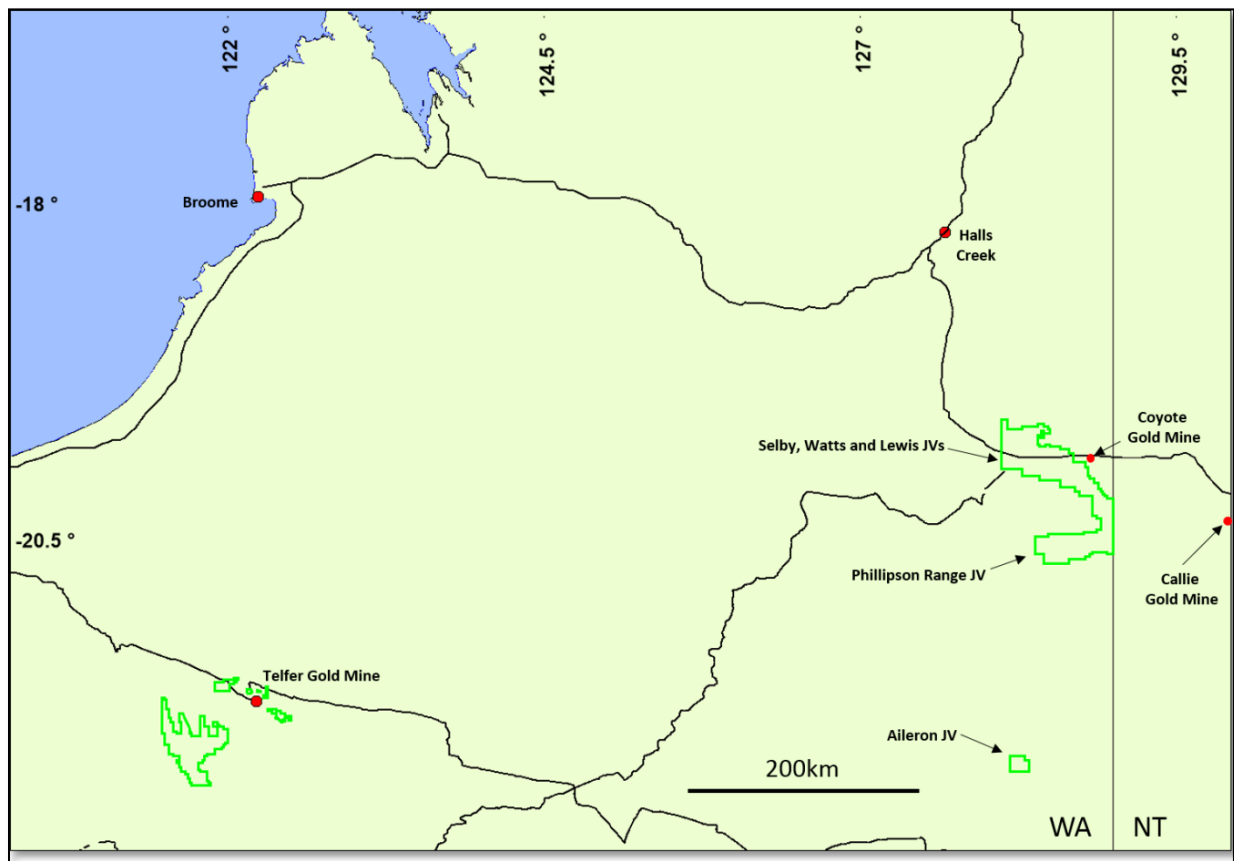


Figure 6 – Regional Location Plan

### About Encounter

Encounter Resources Limited is a Western Australian (“WA”) based project generation, exploration and resource development company listed on the Australian Stock Exchange.

Encounter controls a major ground position in the Paterson Province in WA exploring for gold-copper deposits in the Telfer region and a highly prospective land package in the Tanami region to be explored via five Joint Ventures with Newcrest Mining Limited (ASX:NCM). Encounter is one of the most active greenfield exploration companies in Australia.

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*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. \* Regolith and spinifex chemistry from the Ngurrpa area, northeastern Western Australia by PA Morris*