

23 July 2018

ASX : ENR

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

Newcrest and Encounter extend Project Generation Alliance

The directors of Encounter Resources Ltd (“Encounter” or “the Company”) are pleased to announce the project generation alliance with Newcrest Mining Limited (ASX: NCM) has been extended for a further 12 months.

The initial 12 month period of the project generation alliance commenced in July 2017. This alliance was highly successful and led to the creation of five separate unincorporated joint ventures between Newcrest and Encounter, covering a total of 4,400km² of the Tanami Gold Province and West Arunta in Western Australia (“WA”) (see ASX announcement 3 May 2018).

Commenting on the alliance extension, Encounter Managing Director Will Robinson said: “Following the decidedly productive initial period we are delighted to continue the project generation alliance with Newcrest in the Tanami and West Arunta regions in Western Australia. We hope to build on the five joint ventures already established which provide Encounter with significant leverage to a pipeline of projects with the potential to host major and giant gold deposits”.

Current Joint Venture Summary Terms

Encounter shareholders have significant exposure 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 ~4,400km². 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.

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).

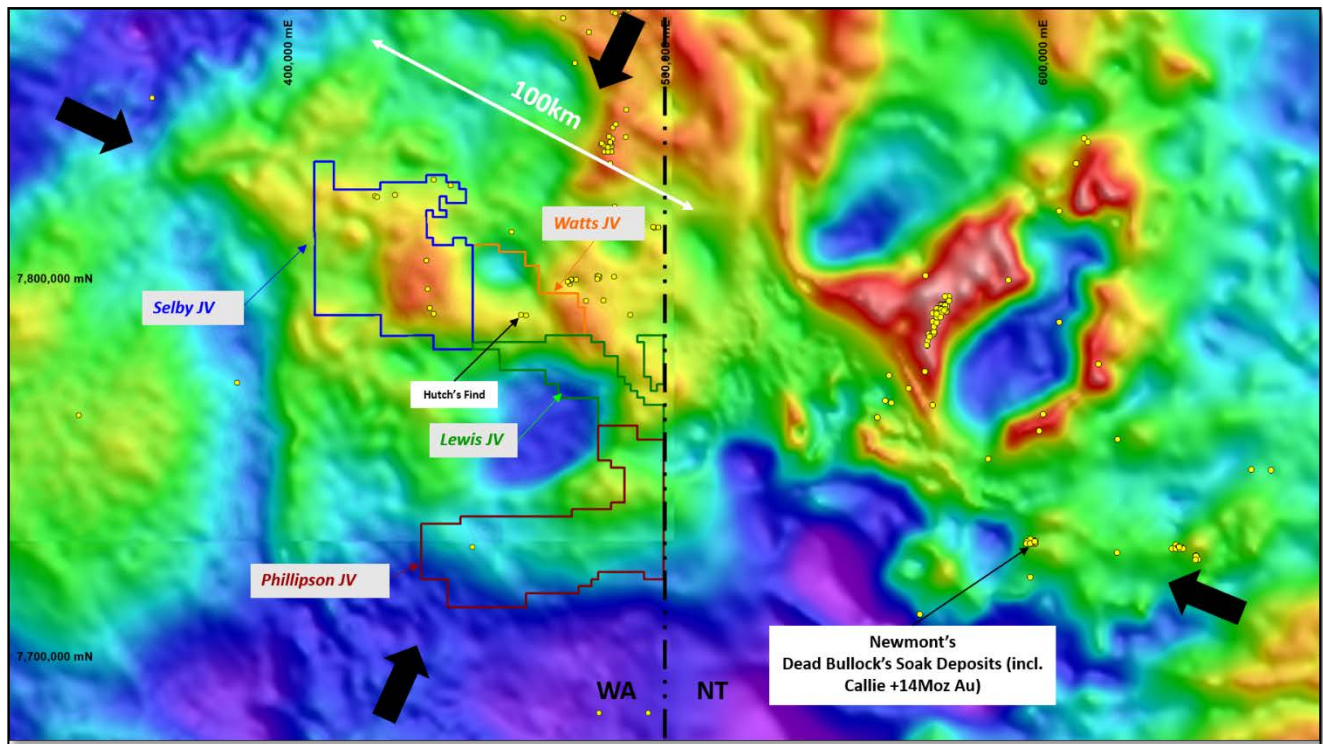


Figure 1 – Tanami Joint Venture areas with gold occurrences over regional gravity data

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:

- o Bandicoot – discrete 2km magnetic anomaly with coincident gold/arsenic geochemical anomaly
- o 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-Tamami 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 ~120km² 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

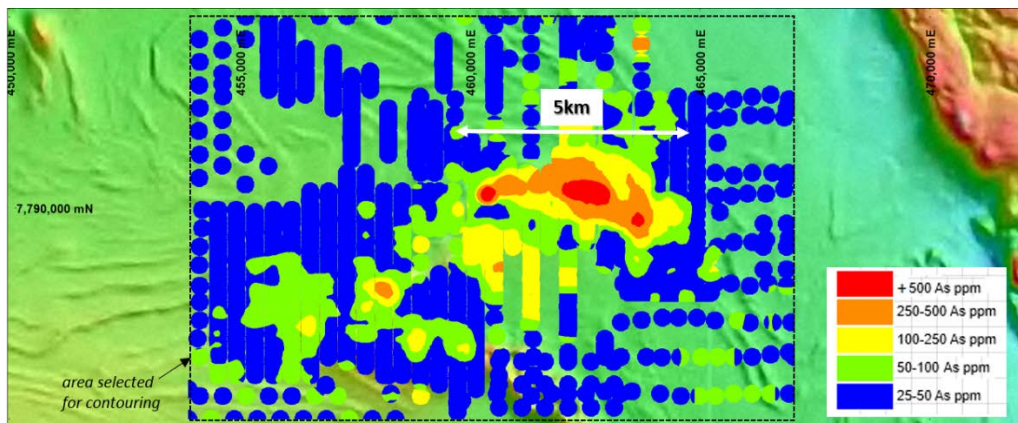


Figure 2a – Hutch's Find prospect. Maximum arsenic (As) in hole over tmi magnetics

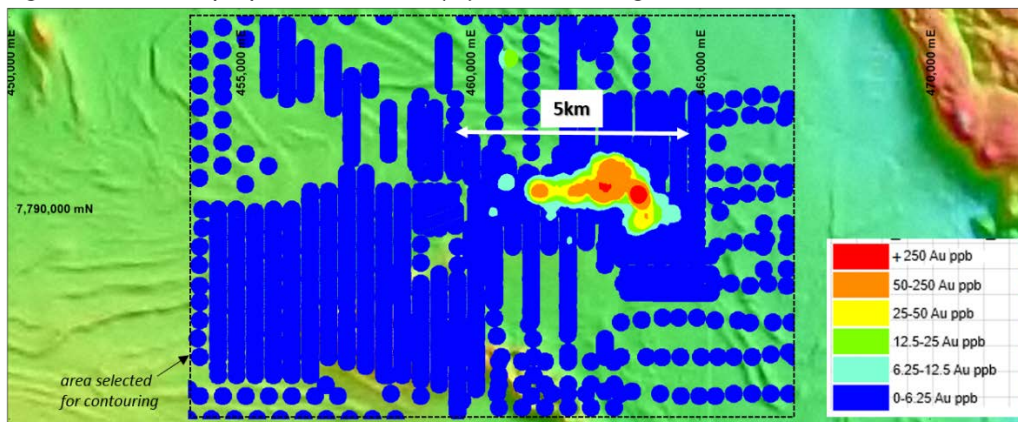


Figure 2b – Hutch's Find prospect. Maximum gold (Au) in hole over tmi magnetics

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 ~1,570km². 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.

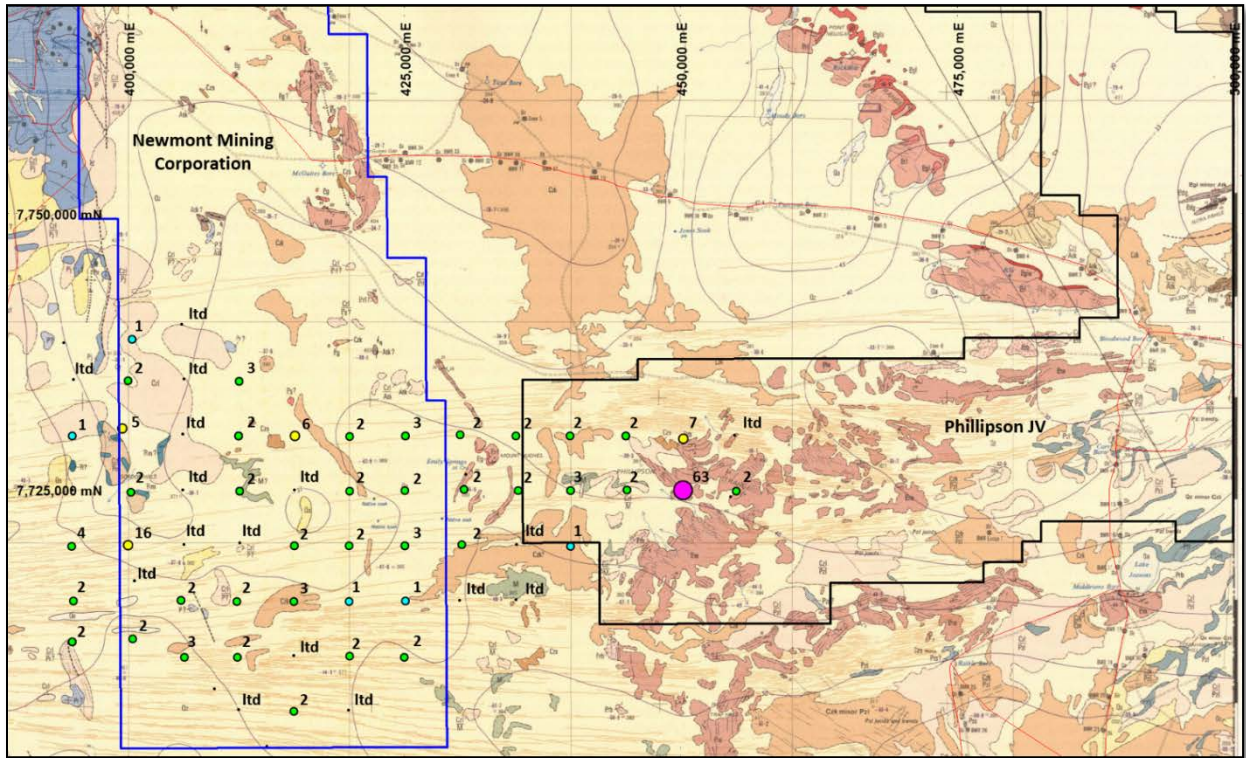


Figure 3 – Phillipson JV – GSWA 250K geology and regional soil sampling program (Au ppb)

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 4).

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.

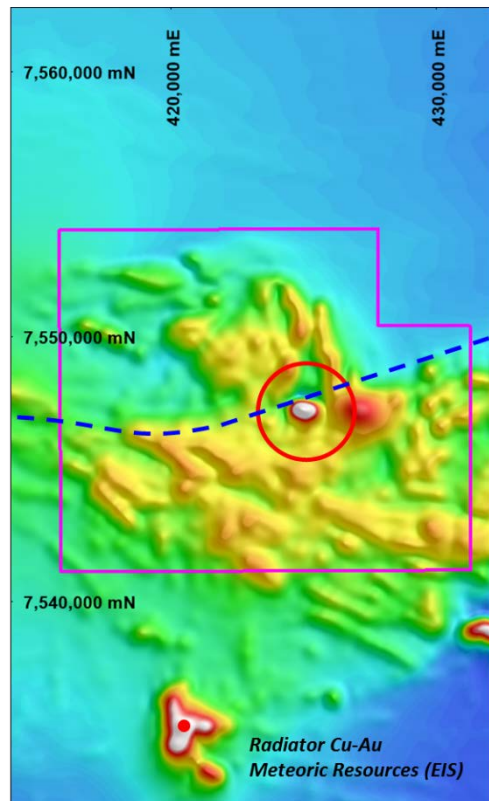


Figure 4 – Aileron magnetic anomaly (TMI)

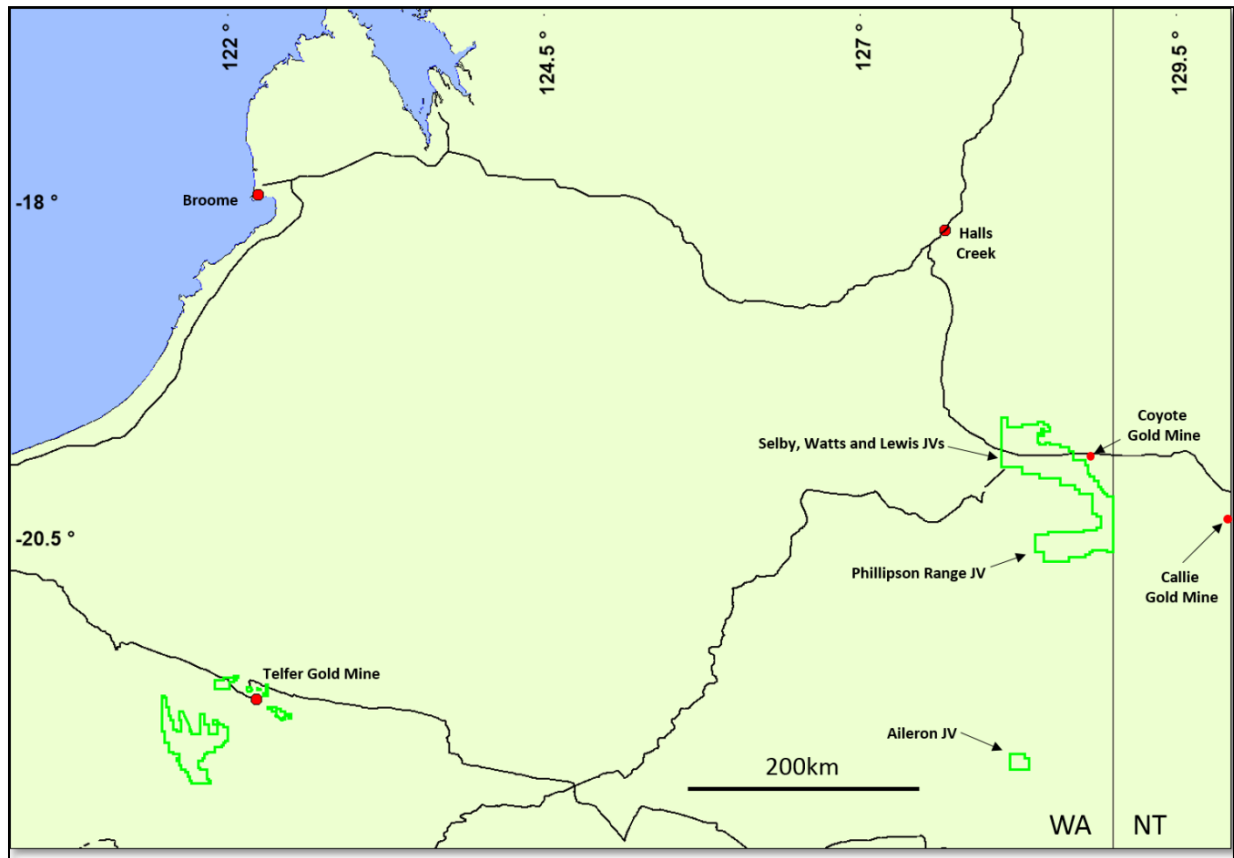


Figure 5 – Regional Location Plan

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 is one of the most active greenfield exploration companies in Australia. The Company is focused on discovering major gold deposits in Western Australia’s most prospective gold districts: the Tanami, the Paterson Province and the Laverton Tectonic Belt.

Encounter controls a major ground position in the Paterson Province of 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).

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