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ASX: ENR

Company Announcements Office
Australian Securities Exchange
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Sydney NSW 2000

Newcrest to Sole Fund Extensive 2019 JV Exploration Program

- **Exploration Joint Venture programs to commence in the Tanami and West Arunta Provinces**
 - **Newcrest have provided Encounter with extensive exploration plans that include over 14,000 metres of RC and diamond drilling in the first phase program**
 - **Exploration programs are targeting Tier 1 equivalent mineral deposits**
 - **Ongoing Project Generation Alliance activity continues**
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The directors of Encounter Resources Ltd (“Encounter” or “the Company”) are pleased to announce that Newcrest Mining Ltd (ASX:NCM) (“Newcrest”) will fund exploration programs across the Encounter-Newcrest joint ventures in the Tanami and West Arunta Provinces in 2019. These exploration programs are targeting Tier 1 equivalent mineral deposits and are anticipated to commence following the completion of heritage surveys for the respective areas.

Commenting on the recently expanded joint ventures with Newcrest, Encounter Managing Director Will Robinson said: “The hunt is on for the next game changing gold discovery in Australia. Major exploration programs are planned across the Tanami and the West Arunta to test a number of well-defined, advanced targets in 2019. These projects have the potential to host gold deposits of scale that appeal to Newcrest and, as such, they provide Encounter shareholders with significant leverage to a pipeline of potential Tier 1 projects fully funded by a major gold producer.”

Encounter-Newcrest have five joint ventures that cover a total of 5,900km² of the Tanami and West Arunta Provinces in Western Australia (“WA”). 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).

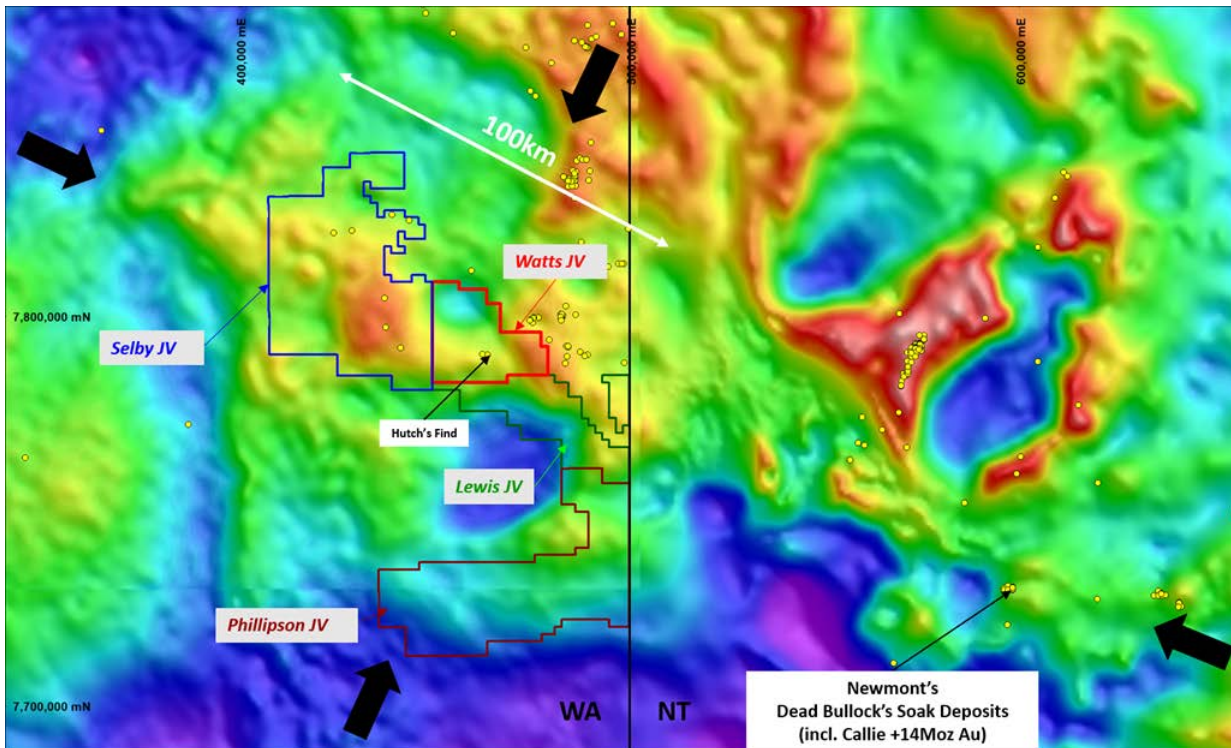


Figure 1 – Tanami Joint Venture areas with gold occurrences over regional gravity data

Details of the joint ventures are as follows:

1. Watts Joint Venture (Tanami)

The Watts joint venture covers the central corridor of targets where a regional scale north-north-east structure gravity survey intersects the Trans-Tamami Structure including the Hutch's Find and Sunset Ridge prospects. A sizeable program of RC/diamond drilling is planned for the Hutch's Find and Sunset Ridge prospects in 2019. This planned program is scheduled to commence following the completion of a heritage survey.

- Hutch's Find – a significant zone of gold/arsenic anomalism over 5km of strike (Figures 2a and 2b). The limited RC and diamond drilling that has occurred is well mineralised and contains multiple 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 – a 2.5km long arsenic anomaly defined in shallow drilling

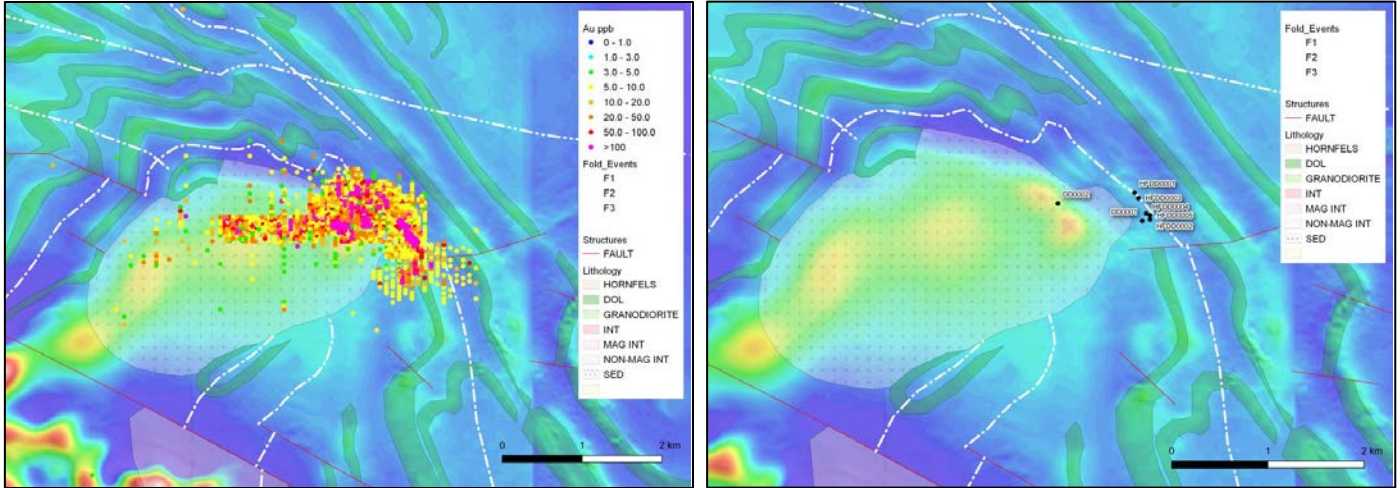


Figure 2a Hutch's Find maximum gold in hole on RTP magnetics and interpreted geology. Gold anomalism data from historical data.
 Figure 2b Historical diamond drill location plan on RTP magnetics and interpreted geology.

2. Selby Joint Venture (Tanami)

The Selby joint venture covers the western end of the West Tanami project. 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 that are scheduled for RC drilling in 2019 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

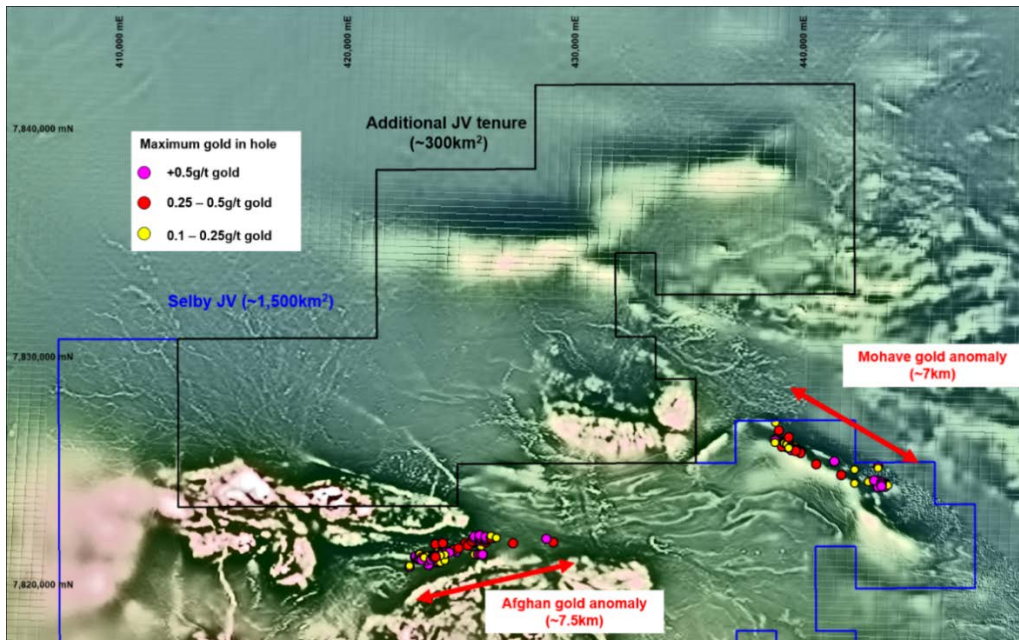


Figure 3– Selby joint venture maximum gold in hole over RTP 1VD magnetics. Gold anomalism data from historical data.

3. Aileron Joint Venture (West Arunta)

The Aileron joint venture is located in the Arunta district of WA, ~600km west of Alice Springs. There has been no previous mineral exploration on the project, although gold/copper anomalies have 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 (Figure 4).

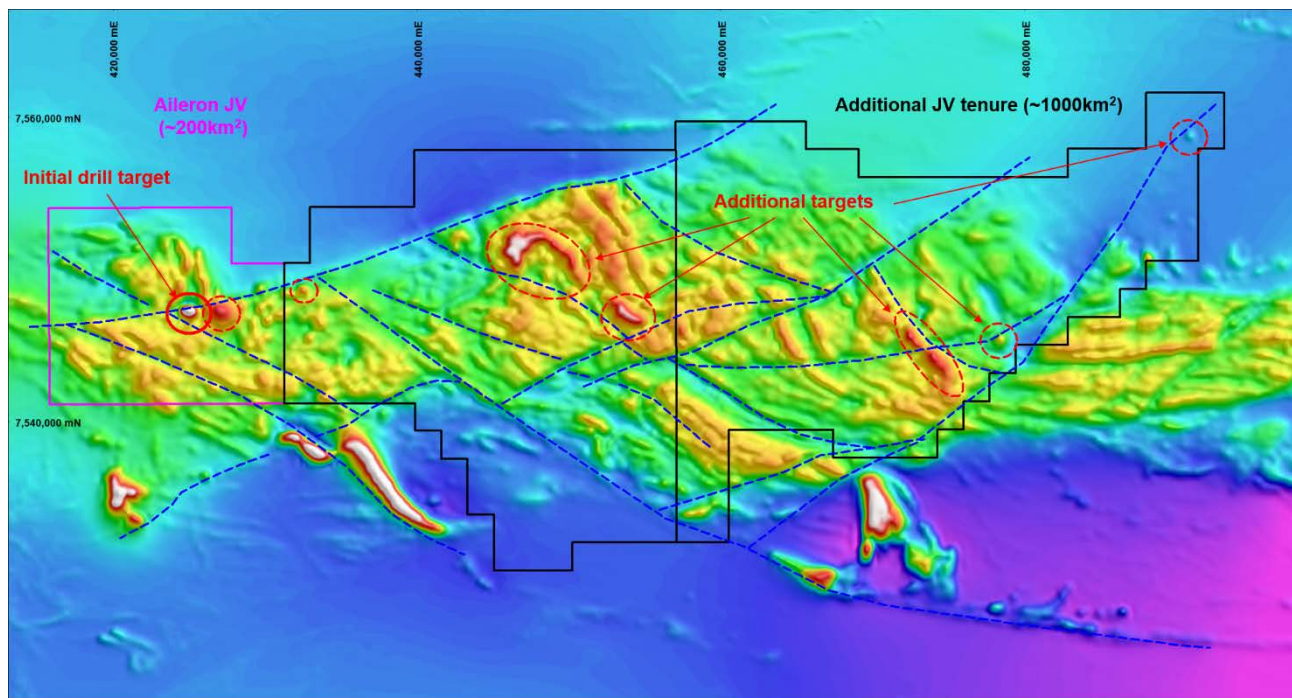


Figure 4 – Aileron joint venture interpreted structures and targets on TMI background

The initial anomaly to be drilled has been re-modelled utilising recently acquired close spaced aeromagnetic data, as a steeply dipping 500 x 200m magnetic body starting from ~50m below surface. The strongly magnetic body is modelled to a depth of 1km.

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 with diamond drilling planned for May/June 2019.

4. Phillipson Range Joint Venture (Southern Tanami)

The Phillipson joint venture consists of three large tenements 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 (Figure 5) (refer ASX announcement 21 March 2018).

On ground assessment and additional geochemical sampling is the next step to validate this standout gold anomaly.

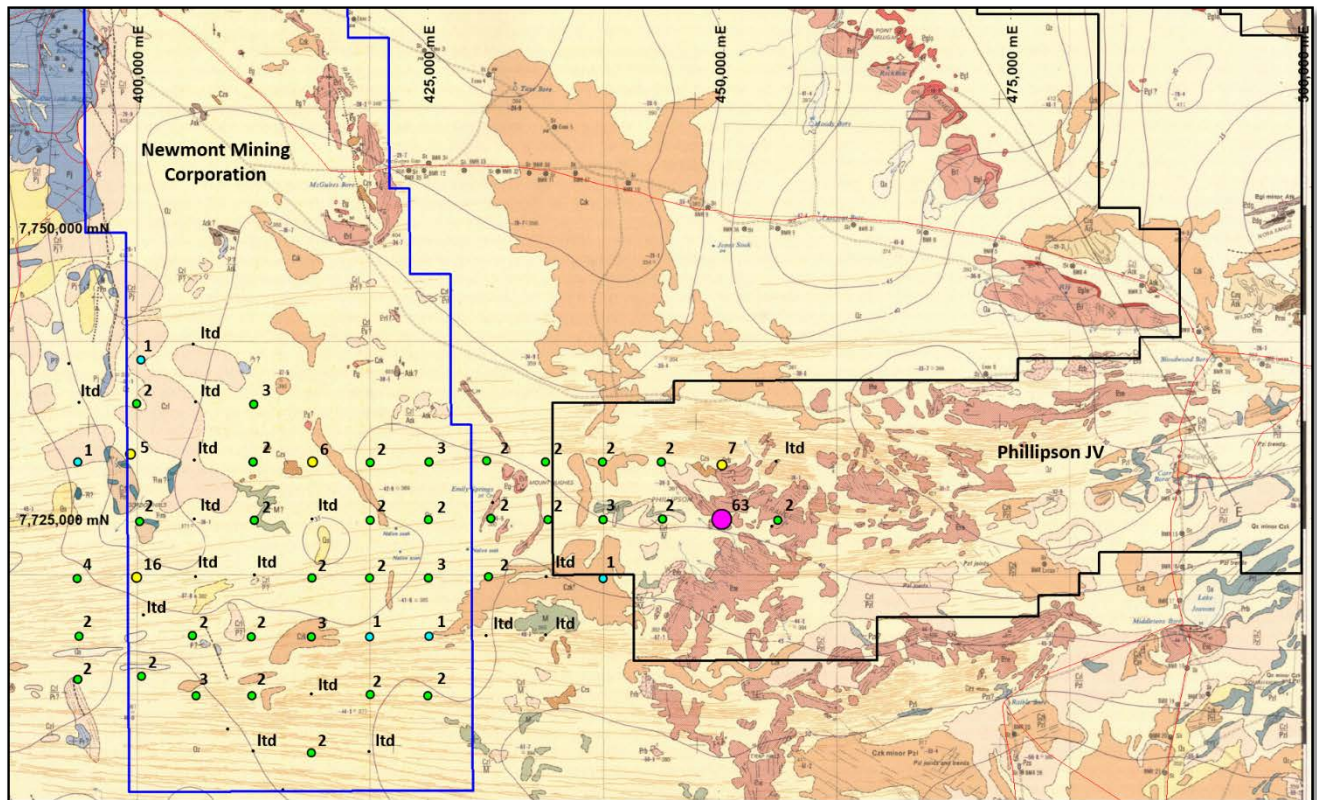


Figure 5 – Phillipson joint venture – GSWA 250K geology and regional soil sampling program on 5km x 5km grid (Au ppb)

5. Lewis Joint Venture (Tanami)

The Lewis joint venture covers over 20km of strike of 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 major regional structure. Initial reconnaissance and geochemistry are planned for 2019.

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 elected for Newcrest to sole fund expenditure. Newcrest may increase its interest to 80% in any of the joint ventures **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).

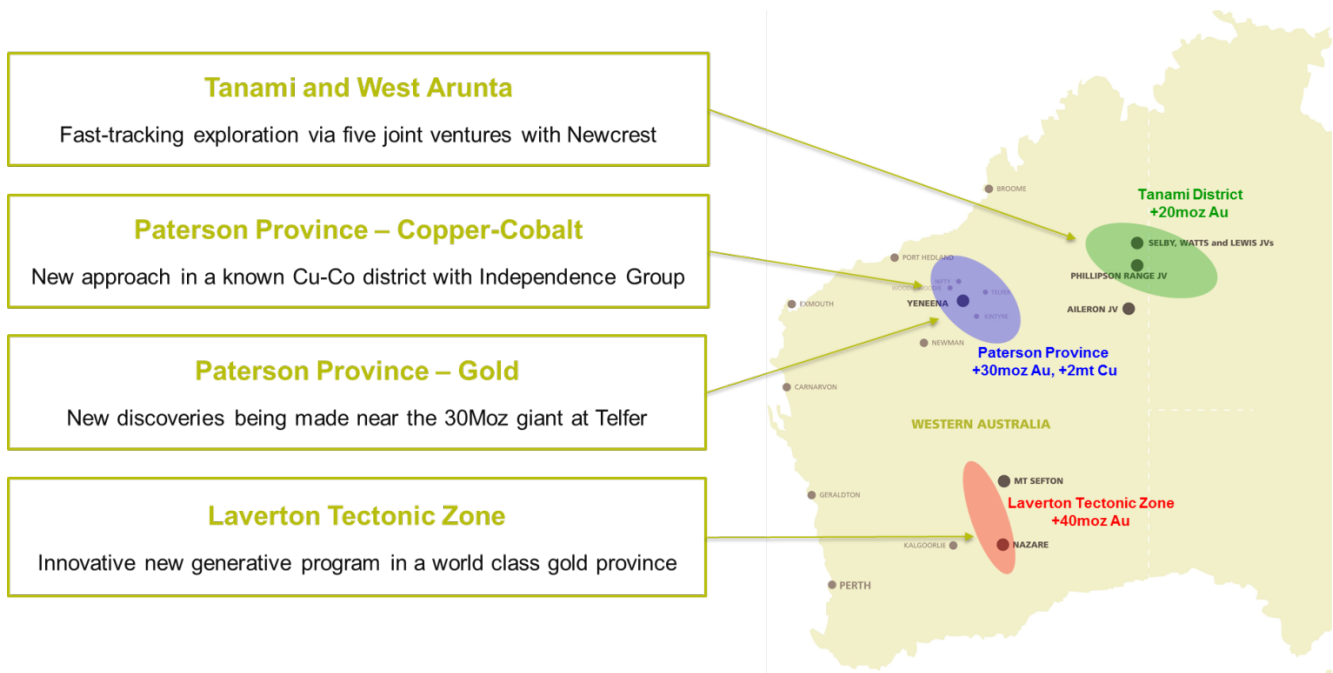


Figure 6 – Project Location Plan

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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.