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ASX : ENR

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

Two New WA Projects Introduced into Newcrest Generation Alliance

- **Two new project opportunities have been secured and are being assessed under the Project Generation Alliance with Newcrest Mining (ASX:NCM)**
- **Aileron Project is an IOCG style target located in the West Arunta region:**
 - **Discrete magnetic anomaly consistent with the scale of an Ernest Henry or Carrapateena style system**
 - **High amplitude, 400m diameter sub vertical modelled pipe-like body on a major structural lineament**
 - **No previous exploration**
- **Phillipson Range Project (Tanami) has been expanded by two new tenements:**
 - **First mover tenement secured following release of regional scale geochemical soil survey completed by the Geological Survey of Western Australia (“GSWA”)**
 - **Peak gold soil anomaly of 63ppb Au (>100 times background)**
 - **+5km long Au geochemical anomaly in a 5km x 5km auger sampling survey with supporting multi-element anomalism (As, Bi, Co)**
 - **Large scale gold target in unexplored Neoproterozoic corridor in the southern Tanami**

Encounter Resources Ltd (“**Encounter**” or “**the Company**”) advises it has generated and secured two new, high quality project opportunities that are being assessed under the existing Project Generation Alliance with Newcrest Mining Limited (ASX:NCM).

Commenting on the two project acquisitions, Encounter Managing Director Will Robinson said:

“Aileron and Phillipson are genuine first mover opportunities in regions that are opening up to mineral exploration. The Phillipson tenement was pegged over a standout geochemical anomaly following the release of a new GSWA pre-competitive geochemical dataset. Aileron is a high amplitude, interpreted sub-vertical magnetic pipe-like body with scale, context and significant potential. Both new projects are the sort of large scale frontier, first mover opportunities that are highly sought after by major mining companies.”

Phillipson Range Project (Tanami)

Encounter has lodged additional applications along strike, expanding the Phillipson Range Prospect in the south of the Trans Tanami Corridor. This area was the subject of a regional scale pre-competitive geochemical soil survey completed by the Geological Survey of Western Australia* (“GSWA”) that outlined a peak gold soil anomaly up to 63ppb Au in a 5km x 5km auger sampling survey. This is a

significant and standout gold anomaly in the regional geochemical survey and occurs in an area of no previous exploration.

The anomaly is also supported by the next sample taken 5km north that returned up to 7ppb Au and the anomaly remains open to the south. The anomaly is more than 5km long with supporting multi-element anomalism in the area in 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.

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 similar amplitude anomaly contained in a broad regional geochemical program was also integral to the Tropicana gold discovery.

A new airborne gravity survey has also recently been completed in the area by the GSWA and was released in January 2018. Initial interpretation of the survey indicates that the geochemical 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 located to the north. This potentially provides important structural context for the anomaly (see Figure 1).

The Company anticipates that the initial Philipson tenement could be granted as early as July 2018. The plan following grant of the tenement is to complete a heritage assessment and to conduct further geochemical sampling to refine the geochemical anomaly and ground truth the anomaly.

The Phillipson Range Project consists of three large tenements spanning 1,500km². The initial tenement was secured by Encounter in September 2016 but the whole project is being assessed under the Newcrest Project Generation Alliance.

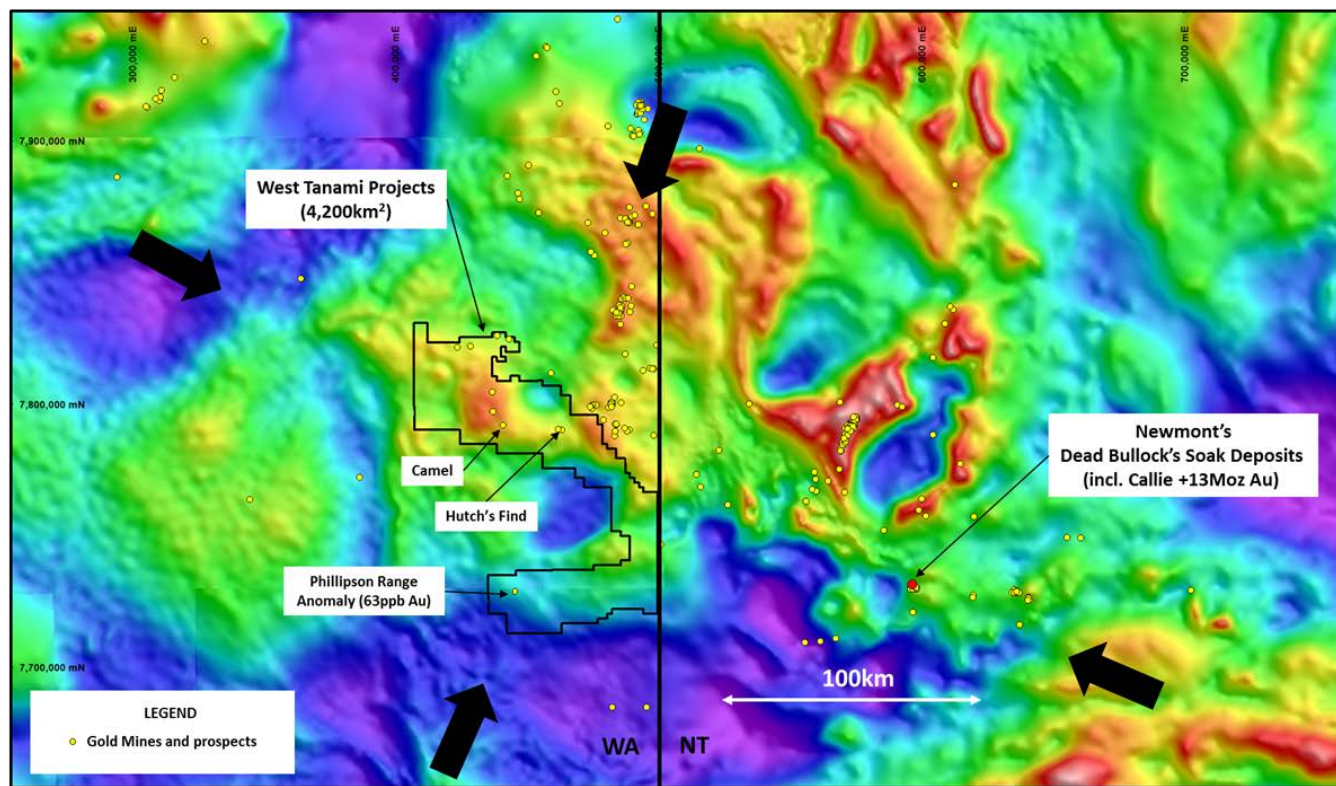


Figure 1 – Project Location Plan (black outline) on Gravity background

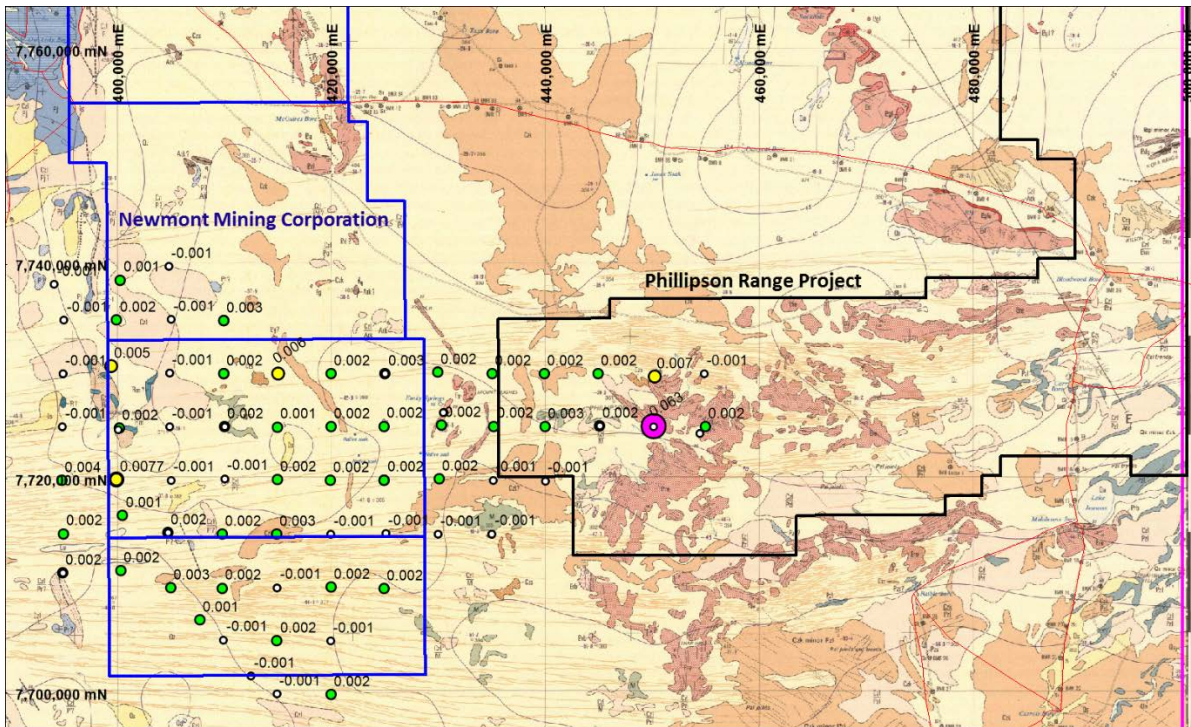


Figure 2 – Phillipson Range Project – GSWA regional soil sampling program (Au ppm)

Aileron (West Arunta)

The Aileron project is located in the Arunta district of Western Australia, 600km west of Alice Springs. There has been no previous mineral exploration in the area of the tenement although Au-Cu 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.

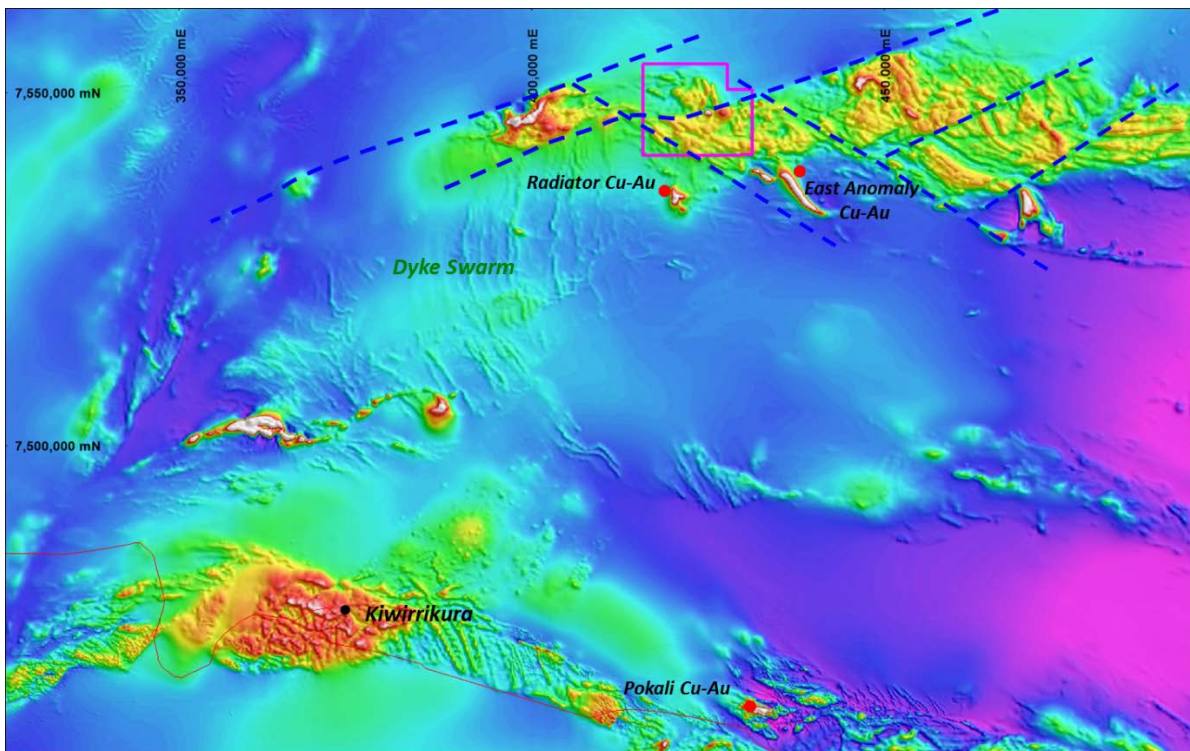


Figure 3 – Aileron Project Location Plan (magenta outline) on TMI background

The anomaly has been modelled as a steeply dipping magnetic body and is approximately 400m in diameter, starting from 200m 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, Encounter plans to complete a heritage survey ahead of diamond drilling to test the anomaly.

The Aileron project is being assessed under the Newcrest Project Generation Alliance.

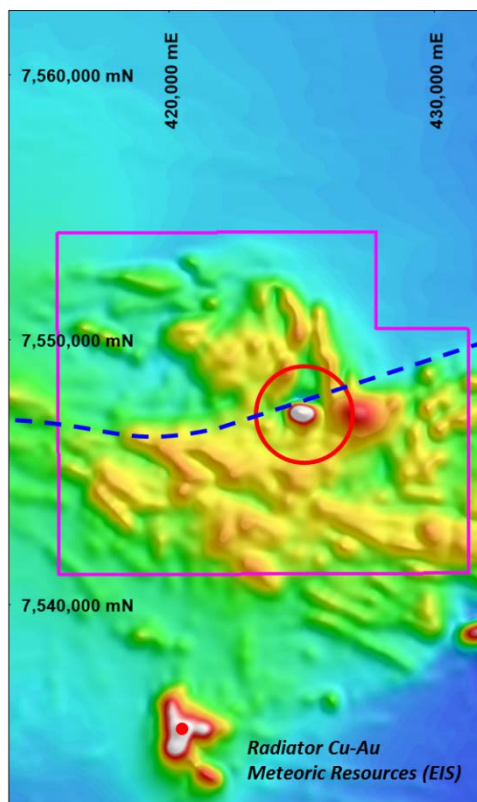


Figure 4 – Aileron magnetic anomaly (TMI)

West Tanami

The West Tanami projects cover 100km of strike along Trans Tanami Corridor in Western Australia (see ASX announcement 14 December 2017). Compilation of historical exploration data, interpretation of the new GSWA gravity data released and initial target generation continues. Encounter expects to be in a position to provide a further update on progress of the target generation process at West Tanami in the coming weeks.

Newcrest Project Generation Alliance summary terms

The Encounter tenements in the West Tanami Phillipson Range, and Aileron are being assessed under the Newcrest Project Generation Alliance (see ASX announcement 14 December 2017), and if approved will enter a 50:50 Joint Venture.

The key terms of the Newcrest Project Generation Alliance include:

- The companies will enter into a 50:50 joint venture over any project(s) approved for further exploration by both parties to the alliance.
- Encounter will have the option to maintain its 50% contributing interest in approved projects by co-funding its attributable share of exploration expenditure.
- Should Encounter elect not to contribute on a 50:50 basis, Newcrest may increase its interest to 80% **by sole funding further exploration activities and delivering a JORC compliant resource of greater than 1 million ounces of gold or gold equivalent.**
- If Newcrest does not elect to increase and maintain its interest to 80% on the terms outlined above, then the joint venture over the identified project will terminate and Newcrest's interest will revert back to Encounter, such that Encounter will hold a 100% interest in the project.
- Should the alliance elect not to proceed with a proposed project then that project will revert back to Encounter on a 100% basis.

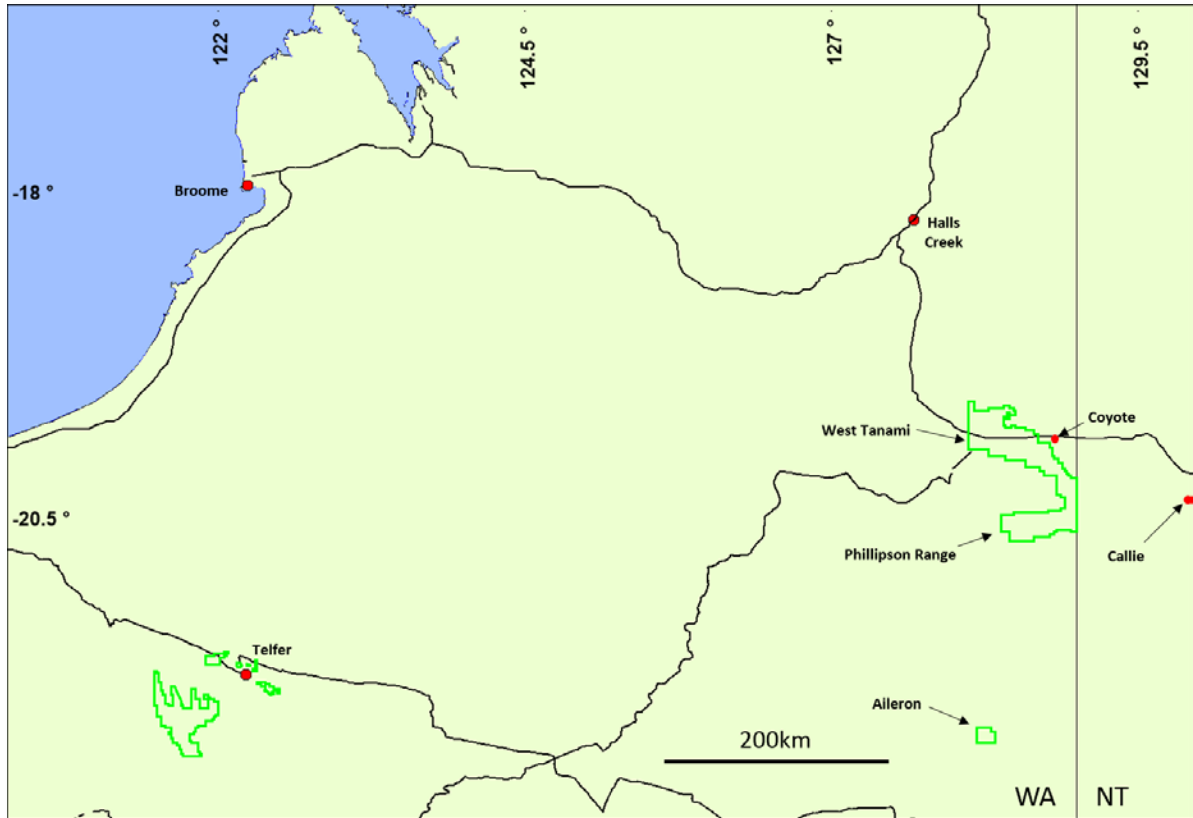


Figure 5 – Regional Location Plan

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 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. Encounter is one of the most active greenfield exploration companies in Australia.

The Company’s gold portfolio in the Paterson Province includes Telfer West, a recently identified large scale gold system, and East Thomson’s Dome where widespread coarse gold has been identified adjacent to high grade outcropping gold reefs.

Separate to the projects in the Paterson Province, Encounter has an project generation alliance covering northern WA with Australia’s largest gold mining company, Newcrest Mining Limited (ASX:NCM).

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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 Ngururpa area, northeastern Western Australia by PA Morris*