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EHR RESOURCES LIMITED

ACN 160 017 390

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10:00am (WST)
DATE: Friday, 24 November 2017
PLACE: Mirador Corporate Pty Ltd
1/1 Altona Street
West Perth WA 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Sarah Smith on (+61 8) 6381 0054.

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IMPORTANT INFORMATION

Time and place of Meeting

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00am (WST) on Friday, 24 November 2017 at:

Mirador Corporate Pty Ltd
1/1 Altona Street
West Perth WA 6005

Your vote is important

The business of the Annual General Meeting affects your shareholding and your vote is important.

Voting in person

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

To be effective, a completed proxy form must be received by no later than **10.00am (WST) on 22 November 2017**, being not less than 48 hours prior to the commencement of the Meeting.

Where the proxy form is executed under power of attorney, the power of attorney must be lodged in the same way as the proxy form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance

with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- the appointed proxy is not the chair of the meeting;
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

The Chairman of the Meeting intends to vote all undirected proxies in favour of each item of business.

Voting by corporate representative

A body corporate may appoint an individual as its representative to attend and vote at the meeting and exercise any other powers the body corporate can exercise at the meeting. The appointment may be a standing one. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

BUSINESS OF THE ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 10:00am (WST) on Friday, 24 November 2017 at Mirador Corporate, 1/1 Altona Street, West Perth WA 6005.

The Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4:00pm (WST) on 22 November 2017.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

AGENDA

ORDINARY BUSINESS:

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the Auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report, as contained in the Company's annual financial report for the financial year ended 30 June 2017.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity), and the Company will disregard any such vote, by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the Voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the Voter is the Chair and the appointment of the Chair as proxy:

- (i) does not specify the way the proxy is to vote on this Resolution; and
- (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR DAVID BRADLEY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr David Bradley, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR JEREMY KING

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Jeremy King, retires by rotation, and being eligible, is re-elected as a Director.”

5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the Shares on issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO MR MARK MAJOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 500,000 Unlisted Options to Mr Mark Major on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Major who participated in the issue of Equity Securities under this Resolution and any associates of that person. However, the Company need not disregard a vote if it is cast

by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 23 OCTOBER 2017

BY ORDER OF THE BOARD



**SARAH SMITH
COMPANY SECRETARY**

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EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10:00am (WST) on Friday, 24 November 2017.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND REPORTS – AGENDA ITEM

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the Period from 1 July 2016 to 30 June 2017 together with the Directors' Declaration, the Directors' Report, the Remuneration Report and the Auditor's Report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.ehrresources.com.au or on the ASX platform for "EHX" www.asx.com.au.

No resolution is required for this item, but Shareholders will be provided with a reasonable opportunity to ask questions or make comments in relation to these reports. The Company's auditor will also be present at the meeting and Shareholders will be given the opportunity to ask the auditor questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and Key Management Personnel of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2017.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

A reasonable opportunity will be provided for discussion of the remuneration report at the annual general meeting.

2.2 Voting consequences

Under changes to the Corporations Act that came into effect on 1 July 2011, a Company will be required to put to Shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the Company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

2.3 Previous Voting Results

At the Company's previous annual general meeting, the votes cast against the remuneration report at that general meeting were less than 25%. Accordingly, a Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy Voting Restrictions

Shareholders appointing a proxy for Resolution 1 should note the following:

If you appoint a member of Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy:

You must direct the proxy how they are to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on Resolution 1.

If you elect to appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member):

You do not need to direct the Chair how you wish them to vote on Resolution 1.

If you appoint any other person as your proxy:

You ***do not*** need to direct your proxy how to vote on this Resolution, and you ***do not*** need to tick any further acknowledgement on the proxy form.

3. **RESOLUTIONS 2 & 3 – RE-ELECTION OF DIRECTORS – MR DAVID BRADLEY AND MR JEREMY KING**

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of three years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election. Accordingly, Mr David Bradley and Mr Jeremy King retire by rotation and being eligible, offer themselves for re-election.

Mr Bradley is an energy industry commercial specialist with over 30 years of business development experience including senior management roles with El Paso Corporation, Epic Energy, and senior managing consulting roles with Wood McKenzie as well as privately advising a broad range of upstream, midstream and downstream energy players in developing and executing commercialisation strategies and business development initiatives. Experience includes significant merger and acquisition coordination roles realising over \$2 billion in completed transactions. Mr Bradley recently organized the successful acquisition of Exmouth Power Pty Ltd along with Fengate Capital Management Group – a Toronto based Super fund. Mr Bradley is current Managing Director of the Exmouth Power business, and as well remains involved in general energy consulting.

Mr King is a corporate advisor and lawyer with over 15 years' experience in domestic and international legal, financial and corporate matters. Mr King spent several years in London where he worked with Allen & Overy LLP and Debevoise & Plimpton LLP and has extensive corporate experience, particularly in relation to cross-border private equity, leveraged buy-out acquisitions and acting for financial institutions and corporate issuers in respect of various equity capital raising.

The Directors (other than Mr David Bradley for Resolution 2 and Mr Jeremy King for Resolution 3) recommend that Shareholders vote in favour of these Resolutions. Mr David Bradley and Mr Jeremy King do not make any recommendation in relation to their own re-election.

4. **RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY**

4.1 **General**

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve this Resolution, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 5.2 below).

The effect of this Resolution will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour for it to be passed.

4.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the A&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the A&P/ASX 300 Index and has a market capitalisation of \$14,250,043 on the basis of the closing Share price on 06 October 2017 of approximately \$0.135.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of Equity Securities on issue, being the Shares.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (a) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (b) plus the number of partly paid shares that became fully paid in the previous 12 months;

- (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under this rule; and
- (d) less the number of Shares cancelled in the previous 12 months.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

4.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph 5.3(b)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).
- (iii) or such longer period if allowed by ASX (**10% Placement Capacity Period**).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.0675 (50% decrease in current issue price)	\$0.135 (Current issue price)	\$0.27 (100% increase in current issue price)
105,555,875 (Current)	Shares issued	10,555,587 Shares	10,555,587 Shares	10,555,587 Shares
	Funds Raised	\$712,502	\$1,425,004	\$2,850,009
158,333,813 (50% increase)*	Shares issued	15,833,381 Shares	15,833,381 Shares	15,833,381 Shares
	Funds Raised	\$1,068,753	\$2,137,506	\$4,275,013
211,111,750 (100% increase)*	Shares issued	21,111,175 Shares	21,111,175 Shares	21,111,175 Shares
	Funds Raised	\$1,425,004	\$2,850,008	\$5,700,017

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The current shares on issue of 105,555,875 are the Shares on issue as at 6 October 2017.
2. The issue price set out above is the closing price of the Shares on the ASX on 6 October 2017.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. There are currently no Options on issue.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
8. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

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Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) for cash consideration in which case the Company intends to use funds to satisfy its earn-in obligations with Eoro Resources Ltd in relation to the La Victoria Gold Silver Project in Peru, for the identification and acquisition of new resources, assets and investments (including expenses associated with such an acquisition), and for general working capital; or
- (ii) as non-cash consideration for the identification and acquisition of new assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s). The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the Company's 2016 AGM. (Previous Approval) on 25 November 2016.

During the 12 month period preceding the date of the Meeting, being on and from 24 November 2016, the Company otherwise issued a total of 28,571,422 shares (approved by Shareholders) and 10,500,000 Options which represents approximately 50.75% of the total diluted number of Equity Securities on issue in the Company on 24 November 2016, which was 76,984,453. Further details of these issues are set out in Schedule 1.

4.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

The Directors recommend that Shareholders vote in favour of this Resolution.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO CONSULTANT

5.1 General

On 23 August 2017, the Company issued 500,000 Unlisted Options to Mr Mark Major who is a technical consultant to the Company in consideration for his services to the Company, and as an incentive for his contribution to the future performance of the Company (**Consultant Options**). The issue of the Consultant Options was in accordance with a consultancy agreement dated 1st August 2017. The full terms and conditions of the Consultant Options are outlined in Schedule 2. In addition, the Consultant Options and any Shares issued on the exercise of the Consultant Options are subject to 24 months escrow from the date of issue.

5.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, without prior approval of shareholders, issue securities if the securities will in themselves or when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period, unless such an issue of securities falls within one of the exceptions set out in Listing Rule 7.2.

5.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (i) 500,000 Consultant Options were issued;
- (ii) the issue price of the Consultant Options was nil;
- (iii) the Consultant Options were issued to the Company's Geologist, Mr Mark Major, who is not a related party of the Company;

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- (iv) the Consultant Options were issued on the terms and conditions set out in Schedule 2; and
 - (v) no funds were raised from the issue as the Consultant Options were issued for nil cash consideration for services to the Company, and as an incentive for their contribution to the future performance of the Company. The proceeds from the exercise of any of the Consultant Options will be applied to the Company's exploration programme and general working capital.

The Directors recommend that Shareholders vote in favour of this Resolution.

6. ENQUIRIES

Shareholders are requested to contact Company Secretary, Sarah Smith on (+61 8) 6381 0054 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

10% Placement Capacity has the meaning given in section 5.1 of this Notice.

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company of EHR means EHR Resources Limited (ACN 160 017 390).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the A&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2017.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Variable A means "A" as set out in the calculation in Section 5.2 of this Notice.

WST means Western Standard Time as observed in Perth, Western Australia.

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SCHEDULE 1- ISSUES OF EQUITY SECURITIES SINCE 24 NOVEMBER 2016

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 06/07/2017 Appendix 3B – 06/07/2017	10,000,000	Unlisted Options (full terms & conditions in Schedule 2)	Options issued to Directors as per Prospectus dated 30 May 2017, and approved by shareholders at the GM held on 16 June 2017.	Nil per Option Closing share price on 3 March 2017: \$0.07 (being the last traded price prior to suspension from quotation pending re-compliance with the ASX Listing Rules)	Consideration: Nil - issued as consideration for services to the Company, and as an incentive for Directors contribution to future performance of the Company Current Value = \$453,369
Issue – 11/07/2017 Appendix 3B – 11/07/2017	28,571,422	Shares	The fully paid ordinary shares were issued to participants of a Public Offer pursuant to the Prospectus lodged 30 May 2017 and approved by shareholders at GM held on 16 June 2017	\$0.07 per Share (Discount of Nil to closing price of \$0.07 on 3 March 2017 being the last traded price prior to suspension from quotation pending re-compliance with the ASX Listing Rules)	Consideration: \$2,000,000 Amount Spent = Nil Intended use of Funds: To satisfy the Company's earn in obligations for its Joint Venture with Eoro Resources in relation to the La Victoria gold silver project in Peru, and for working capital. Current value = \$4,000,000
Issue – 23/08/2017 Appendix 3B – 23/08/2017	500,000	Unlisted Options (full terms & conditions in Schedule 2)	Options issued to Consultant as consideration for their services to the Company, and as an incentive for their contribution to the future performance of the Company.	Nil per Option Closing share price on date of issue: \$0.105	Consideration: Nil - issued as consideration for services to the Company, and as an incentive for Consultant contribution to future performance of the Company Current Value = \$37,325

Notes:

- Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
- Fully paid ordinary shares in the capital of the Company, ASX Code: EHX (terms are set out in the Constitution).
- This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.14) on the ASX on the trading day prior to the date of this Notice. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing

model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

SCHEDULE – TERMS AND CONDITIONS OF UNLISTED CONSULTANT OPTIONS

- (a) No monies will be payable for the issue of the Options.
- (b) Subject to condition (q), the options will become exercisable 1 year after the date the Options are issued provided that at the time of exercise the relevant Director/Consultant is still a Director/Consultant of the Company;
- (c) The Options shall expire at 5.00pm (WST) 30 June 2021 ("Expiry Date"). In addition, the Options (if not yet exercised) will automatically lapse should the Director/Consultant cease to be a director/consultant, for whatever reason, with the Company.
- (d) Subject to conditions (n) and (o) each Option shall carry the right in favour of the option holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
- (e) Subject to condition (m) the exercise price for each Option is **A\$0.07 (Exercise Price)**.
- (f) Subject to condition (m) the Exercise Price of Shares the subject of the Options shall be payable in full on exercise of the Options.
- (g) Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the option holder to:
- (i) exercise all or a specified number of Options; and
 - (ii) pay the Exercise Price in full for the exercise of each Option.
- (h) The notice must be accompanied by a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the option holder to the balance of the Options held by them.
- (i) The Company shall issue the resultant Shares and deliver the holding statement within five business days of the exercise of the Option.
- (j) Subject at all times to the requirements of the Corporations Act 2001 (Cth), the Director Options shall be transferable only to related parties but will not be listed on the Australian Securities Exchange ("ASX").
- (k) Shares issued pursuant to an exercise of Options shall rank, from the date of issued, equally with existing Shares in all respects.
- (l) The Company shall within five business days of any exercise of the Options apply for official quotation on the ASX of the Shares issued pursuant to the exercise of any of the Options.
- (m) In the case of any entitlements issue (other than a bonus issue) the Exercise Price of the Option shall be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

O' = the new exercise price of the Option

O = the old exercise price of the Option

E = the number of underlying securities into which one Option is exercisable

P = the average market price per Share (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex-rights date or ex-entitlements date.

S = the subscription price for a security under the pro-rata issue.

D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).

N = the number of securities with rights or entitlements that must be held to receive a rights to one new security.

- (n) In the case of a bonus issue the number of Shares over which the Option is exercisable shall be increased by the number of Shares which the option holder would have received if the Option had been exercised before the record date for the bonus issue. The Company shall notify the ASX of the adjustments in accordance with the Listing Rules.
- (o) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, the number of the Options or the exercise price of the Options or both shall be reconstructed (as appropriate) in accordance with the Listing Rules of ASX.
- (p) The Options will not give any right to participate in dividends until Shares are issued pursuant to the exercise of the relevant Options.
- (q) The Options will not give any to right to participate in new issues until Shares are issued pursuant to the exercise of the relevant Options.
- (r) Notwithstanding condition (b), all Options may be exercised by the option holder:
 - (i) in the event a takeover bid (as defined in the Corporations Act 2001 (Cth)) to acquire any Shares becomes or is declared to be unconditional, irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid or not; or
 - (ii) at any time after the occurrence of an event which results in a shareholder, or group of associated shareholders, being entitled to sufficient Shares to give it or them the ability, and that ability is successfully exercised, in a general meeting, to replace all or a majority of the board of directors of the Company; or
 - (iii) if a merger by way of scheme of arrangement under the Corporations Act 2001(Cth) has been approved by the Court under section 411(4)(b) of the Corporations Act 2001 (Cth).