



30 January 2018

ASX Announcement

Manager of Company Announcements
ASX Limited
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

By E-Lodgement

QUARTERLY REPORT Period Ended 31 December 2017

The Board of EHR Resources Limited (**EHR** or **the Company**) (ASX: EHX) provides the following commentary and Appendix 5B for the Quarter ended 31 December 2017.

La Victoria Exploration Update

EHR is currently earning up to a 25% interest in the La Victoria Gold-Silver Project (**Project**) in northern Peru through a two-stage farm-in agreement with its Joint Venture partner, Eloro Resources Limited (**Eloro**), which was signed in March 2017.

EHR was required to spend CAD\$2m on exploration in order to earn a 10% interest in the Project, and during the quarter, this expenditure requirement was satisfied, with the result that the Company now holds a 10% interest in the La Victoria Project.

The Company also holds an option to acquire an additional 15% of La Victoria by spending a further CAD\$3m on exploration by July 31, 2018, which it is well funded to meet should it elect to proceed with the second stage of the farm-in.

During the quarter, final permits required to commence exploration drilling were received, and drilling commenced in November, focusing initially on the highly prospective Rufina Zone at La Victoria.

A total of 2,261 m of reconnaissance diamond drilling in 8 holes was completed during the quarter with locations shown in Figure 1. The drilling program was briefly suspended over the Christmas and New Year period, and recently recommenced. Drill core was logged and samples were sent to laboratories in Lima, Peru for assaying. Initial results were received in January 2018 and reported in the announcement released to ASX on 17 January 2018.

The initial reconnaissance drilling tested the upper part of an extensive gold-bearing epithermal system, and the further drilling at Rufina will be deeper to test for high-grade bonanza zones that the geological model predicts may be from 50 to 300 meters below.

PLAN MAP OF RUFINA DRILLING

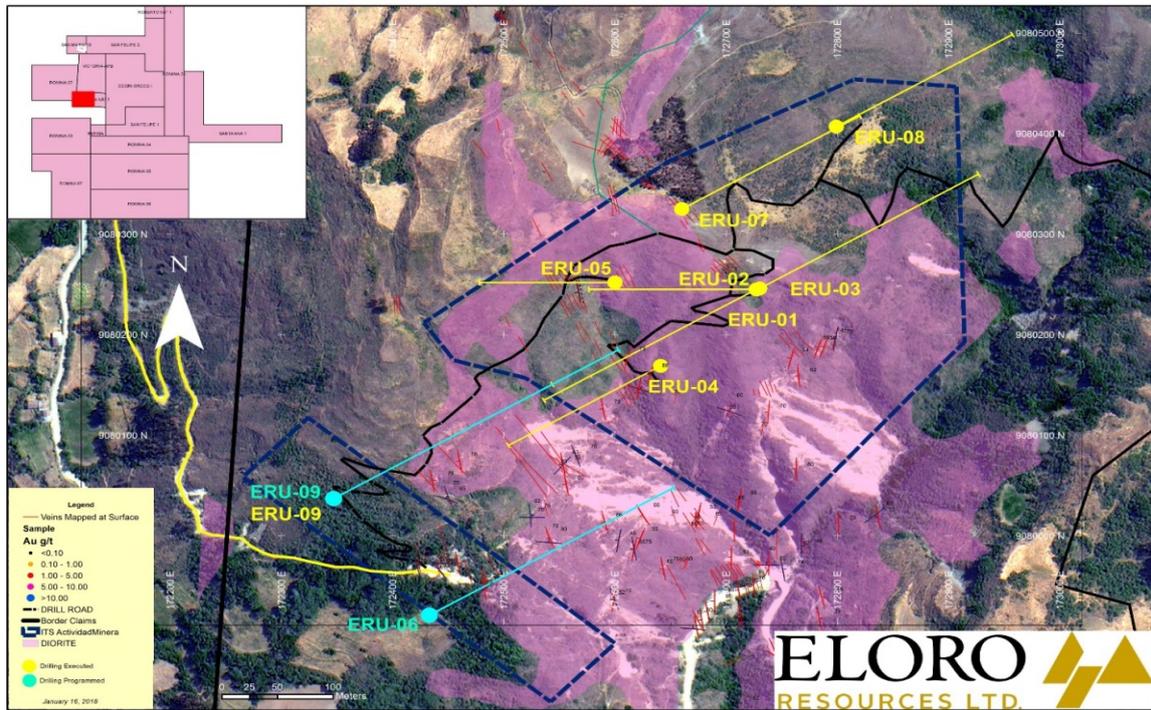


Figure 1: Plan map showing locations of diamond drill holes completed along with hole traces on the Rufina target zone.

The Company also received Magnetic and Induced Polarisation/Resistivity geophysical (IP/Res) survey reports from Real Eagle Explorations E.I.R.L during the quarter (following on from work completed earlier in 2017). IP/Res surveys were taken over the Victoria South, Rufina and Ccori Orcco areas, while the magnetic survey was over the southern claims (newer claims), where previously there was insufficient data. The new magnetic data was merged with existing data to produce a detailed total magnetic intensity map. Three prospective magnetic anomalies were highlighted for detailed mapping and sampling in early 2018 (Figure 2).

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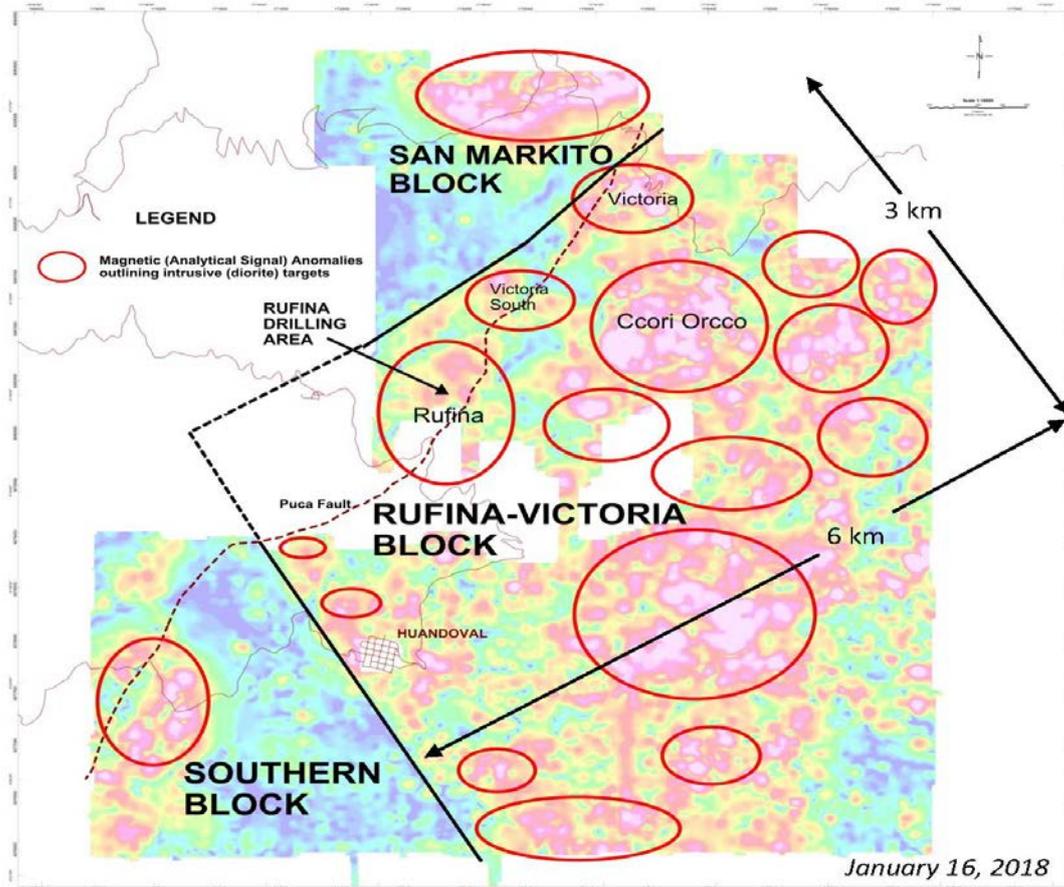


Figure 2: Total magnetic intensity merged from the 2017 and 2010 magnetic data has outlined 16 likely prospective intrusives including those already confirmed in our major target areas.

Corporate

During the quarter, the Company changed its registered office to:

L1, 1 Altona Street
WEST PERTH 6005

The Company held its Annual General Meeting of shareholders on 24 November 2017. All resolutions put to the meeting were passed on a show of hands.

At the end of the Quarter, the Company had cash reserves of approximately \$3.67 million.



About EHR Resources Limited

EHR is a mineral resources company which is earning up to a 25% interest in the La Victoria Gold/Silver Project, located in the prolific North-Central Mineral Belt of Peru. The La Victoria Gold/Silver Project, owned and operated by Eoro Resources Limited (TSX-V: ELO), covers 80.4 square kilometres and is within 50 km of several large, low-cost producing gold mines including Yanacocha (Newmont Mining), La Arena (Tahoe Resources) and Laguna Norte (Barrick Gold). Infrastructure in the area is good with access to road, water, and electricity and the project is located at an altitude that ranges from 3,100m to 4,200m above sea level.

Caution regarding Forward Looking Information

This document contains forward looking statements concerning EHR Resources Limited. Forward Looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements in this document are based on EHR Resources beliefs, opinions and estimates of the project mentioned as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions or estimates should change or to reflect other future developments.

For and on behalf of the Board,

Stephen Dennis
Chairman

The following table sets out the information as required by ASX Listing Rule 5.3.3 namely:

1. Mining tenements held at the end of the Quarter and their location;
2. Mining tenements disposed during the Quarter and location;
3. Beneficial percentage interests held in farm-in or farm-out agreements at end of Quarter; and
4. Beneficial percentage interests held in farm-in or farm-out agreements acquired or disposed of during the Quarter.

Agreement	Project/Permit	Location	Area	Holder	Beneficial %
Farm-in	La Victoria Project	Peru	~80km ²	Eoro Resources Limited	10%

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

EHR Resources Limited

ABN

33 160 017 390

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,460)	(2,267)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(198)	(488)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	16	50
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – Settlement Costs	-	-
1.9 Net cash from / (used in) operating activities	(1,642)	(2,705)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

+ See chapter 19 for defined terms

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Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-
Explanation necessary for an understanding of the transactions.			
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	476
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(190)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (proceeds from unissued shares)	-	-
3.10	Net cash from / (used in) financing activities	-	286
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,094	6,094
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,642)	(2,705)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	286

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	1	(5)
4.6	Cash and cash equivalents at end of period	3,670	3,670

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,670	5,311
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,670	5,311

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000

(117)

-

Explanation necessary for an understanding of the transactions

- | | | |
|-----|---|----------|
| 6.1 | Director and consulting fees paid to Directors and/or Director related entities | \$92,013 |
| | Company secretarial and financial management fees paid to a Director related entity | \$25,200 |

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000

-

-

Explanation necessary for an understanding of the transactions

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Nil.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(1,200)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	(150)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(1,350)

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	N/A			

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

Company secretary

Date: 30 January 2018

Print name:

Sarah Smith

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.