



02 March 2018

Manager of Company Announcements
ASX Limited

By E-mail

Commencement of the Next Stage of Exploration at the La Victoria Gold Project, Peru

EHR Resources Limited (**the Company** or **EHX**) welcomes the release in Toronto yesterday of an announcement by its project partner Eoro Resources Limited (**Eoro**) in relation to the initiation of the next stage of exploration, including exploratory drilling, at the La Victoria Gold Property ("La Victoria") in the North-Central Mineral Belt of Peru. The Company currently holds a 10% interest in La Victoria through its Peruvian subsidiary and is earning up to a 25% interest in the Project.

As announced to ASX on 17 January 2018, the decision to proceed with the Stage 2 Earn-in period to acquire an additional 15% of La Victoria was extended to the end of February 2018, to allow the Company sufficient time to negotiate a restructure of the Stage 2 farm-in arrangements with Eoro. EHX has now formally notified Eoro that it intends to proceed with the Stage 2 Earn-in period described further below.

In order to better align the required budgeting and near to mid-term exploratory drilling campaigns with the status of various permitting requirements, by mutual agreement Eoro and EHX have agreed to divide Stage 2 of the Earn-in phase into two components, namely Stage 2A and Stage 2B. Subject to a potential adjustment described in the next paragraph, with the completion of Stage 2B, EHX will have increased its interest in La Victoria by another 15% by expending an additional Canadian (CA)\$3 million on exploration at the project.

As per the terms of the revised agreement, EHX has agreed to purchase an additional 8% interest of La Victoria in Stage 2A by incurring exploration expenditure of CA\$1.6 million on or before June 30, 2018, subject to extension if modification drilling permits are delayed. Following the completion of Stage 2A, EHX will have ten business days to notify Eoro that it intends to exercise the option to proceed with the Stage 2B Earn-in phase, whereby EHX would earn a further 7% interest by expending an additional CA\$1.4 million on or before December 31, 2018, subject to extension if modification permits are delayed.

At the end of either the Stage 2A Purchase Period or the Stage 2B Earn-in Period, a joint venture would be formed between Eoro and EHX on the basis of their respective interests in La Victoria on the typical terms for a joint venture of this nature, with Eoro being the project operator.

A copy of today's announcement by Eoro is attached.



For and on behalf of the Board

Sarah Smith
Company Secretary

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 Eloro 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.

Eloro Resources and EHR Resources Announce Commencement of the Next Stage of Exploration at the La Victoria Gold Project, Peru

Toronto, Canada, March 1, 2018 – Eloro Resources Ltd. (TSX-V: ELO; FSE: P2Q) (“Eloro” or the “Corporation”) is pleased to announce the initiation of the next stage of exploration, including exploratory drilling at the La Victoria Gold Property (“La Victoria”) in the North-Central Mineral Belt of Peru. EHR Resources Limited (“EHR”), which currently holds a 10% interest through its Peruvian subsidiary and is earning up to a 25% interest in La Victoria, has notified Eloro that it is proceeding with the Stage 2 Earn-in period described further below. Eloro’s Peruvian subsidiary currently owns a 90% interest in La Victoria.

In order to better align the required budgeting and near to mid-term exploratory drilling campaigns with the status of various permitting requirements, by mutual agreement Eloro and EHR have agreed to divide the Stage 2 of the Earn-in phase into two components, namely Stage 2A and Stage 2B. Subject to a potential adjustment described in the next paragraph, with the completion of Stage 2B EHR will have increased its interest in La Victoria by another 15% by expending an additional \$3 million in exploration at the project.

As per the terms of the agreement, EHR has agreed to purchase an additional 8% interest fund in Stage 2A by incurring exploration expenses of \$1.6 million on or before June 30, 2018, subject to extension if modification permits are delayed. Following the completion of Stage 2A, EHR would have ten business days to notify Eloro that it intends to exercise the option set forth in the Stage 2B Earn-in phase, whereby EHR would earn a further 7% interest by expending an additional \$1.4 million on or before December 31, 2018, subject to extension if modification permits are delayed.

At the end of either the Stage 2A Purchase Period or the Stage 2B Earn-in Period, a joint venture would be formed between Eloro and EHR on the basis of their respective interests in La Victoria on the typical terms for a joint venture, with Eloro being the operator.

Eloro is hosting the public between March 4 to 7, 2018 at Booth No. 2326 of the PDAC International Convention, Trade Show & Investors Exchange, located in Exhibit Halls F & G of the South Building, Metro Toronto Convention Centre, Toronto, Canada.

About Eloro Resources Ltd.

Eloro is an exploration and mine development company with a portfolio of gold and base-metal properties in Peru and Quebec. Eloro owns a 90% interest in the La Victoria Gold/Silver Project, located in the North-Central Mineral Belt of Peru some 50 km south of Barrick’s Lagunas Norte Gold Mine and Tahoe’s La Arena Gold Mine. The Property consists of eight mining concessions and eight mining claims encompassing approximately 89 square kilometres. The Property has good infrastructure with access to road, water and electricity and is located at an altitude that ranges from 3,100 m to 4,200 m above sea level.

For further information please contact Jorge Estepa, Vice-President of Eloro Resources Ltd. at (416) 868-9168.

Information in this news release may contain forward-looking information. Statements containing forward-looking information express, as at the date of this news release, the Corporation’s plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results and are believed to be reasonable based on information currently available to the Corporation. There can be no assurance that forward-looking statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. Readers should not place undue reliance on forward-looking information.

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