



24 April 2019

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 March 2019**

The Board of EHR Resources Limited (**EHR** or **the Company**) (ASX: EHX) provides the following commentary and Appendix 5B for the Quarter ended 31 March 2019.

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 multi-stage farm-in agreement with its TSX-V listed joint venture partner, Eloro Resources Limited (**Eloro**). In December 2017, EHR completed the first stage of the farm-in by contributing CA\$2 million to exploration, and as a result earned an initial 10% interest in the Project.

In March 2018, Eloro and EHR restructured their arrangements for the Stage 2 Earn-in Period by dividing Stage 2 into two components, Stage 2A and Stage 2B (refer ASX Announcement lodged 2 March 2018). Under these restructured arrangements, EHR committed in Stage 2A to spend CA\$1.6m on exploration to earn an additional 8% interest in the Project. Stage 2A was completed during the December 2018 quarter with the Company now holding an 18% interest in the Project. Following completion of Stage 2A, EHR may elect to proceed with Stage 2B, whereby EHR would earn a further 7% interest in the Project by spending an additional CA\$1.4million on exploration. Under the current arrangements with Eloro, EHR is not required to make any final decision in relation to proceeding with Stage 2B until drilling permits are issued for the proposed San Markito exploration program (refer below).

During the Quarter, reanalysis was carried out on selected core from the 4,216m of drilling at Rufina as part of Eloro's QA/QC process. A detailed mineral determination study was also conducted from 18 representative rock samples collected from the three mineralized sectors at La Victoria. These studies were undertaken to assist with future exploration planning and geological understanding of the mechanisms in which the mineralization occurred. Findings and details of the methodologies used from these studies can be found in the ASX Announcements released 12 March 2019 and 25 March 2019.

Ongoing local community engagement continues over the project with a focus on the San Markito area, although progress remains slow. In order for a drilling campaign to commence at San Markito, drill permits must first be obtained which, in Peru, are required to be underpinned by a process of local



community engagement and support. The next community meeting is scheduled for late this month. Eloro remains confident that the requisite approvals for San Markito will be forthcoming, following which it is planned to commence a 5 hole diamond drilling program comprising 2,000 meters within the target area.

Corporate

During the Quarter, the Company lodged its Half Yearly Report and Accounts for the 6 months ended 31 December 2018.

The Company is actively seeking new business development opportunities in mineral resources.

About EHR Resources Limited

EHR is a mineral resources company which holds an 18% interest in the La Victoria Gold/Silver Project, located in the prolific North-Central Mineral Belt of Peru, and has the right to earn a further 7% interest in the Project. The La Victoria Gold/Silver Project, owned and operated by Eloro Resources Limited (TSX-V: ELO), covers 89 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's beliefs, opinions and estimates of the Project 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	~80km2	Elores Resources Limited	18%

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 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (see item 10)	(20)	(734)
(b) development	-	-
(c) production	-	-
(d) staff costs	(2)	(7)
(e) administration and corporate costs	(44)	(463)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	13	48
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(53)	(1,156)
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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	-	-
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	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,745	3,840
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(53)	(1,156)
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)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	8
4.6	Cash and cash equivalents at end of period	2,692	2,692

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	2,692	2,745
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)	2,692	2,745

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**

(17)

-

Explanation necessary for an understanding of the transactions

- 6.1 Company secretarial and financial management fees paid to a Director related entity \$16,800

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	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Add notes as necessary for an understanding of the position</i>		
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.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(100)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	(126)
9.6 Other (business development)	-
9.7 Total estimated cash outflows	(226)

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			

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: 24 April 2019

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.