



26 July 2017

**ASX Announcement**

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

*By E-Lodgement*

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**QUARTERLY REPORT**  
**Period Ended 30 June 2017**

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The Board of EHR Resources Limited (**EHR** or **the Company**) (ASX: EHX) provides the following commentary and Appendix 5B for the Quarter ended 30 June 2017.

During the Quarter, Shareholders of EHR approved a change in nature of the Company's activities at a General Meeting held on 15 June 2017 in relation to its Farm-in Agreement with Eoro Resources Ltd. (TSX-V: ELO; FSE: P2Q; "Eoro") whereby EHR has been granted an option to acquire up to a 25% interest in Eoro's La Victoria gold /silver project in Peru. EHR has the right to earn a 25% interest its interest in La Victoria by completing C\$5 million of expenditure on exploration by July 31, 2018.

La Victoria is located in Huandoval District, Pallasca Province, Ancash Department, in the prolific North-Central Mineral Belt of Peru and covers approximately 80.4 square kilometres. (Refer Figure 1). It is situated near world-class, low cost gold producers, and holds excellent potential for discovery. La Victoria has never been drilled previously, and five principal mineralised zones have been identified which will be the subject of an intensive drilling program over the next 18 months.

Eoro is a Canadian exploration and mine development company which holds a 100% interest in La Victoria.

Figure 1 – La Victoria Location





On 5 May 2017, the Company released the Independent Geologists Report for the La Victoria Project.

On 21 June 2017, the Company advised that Eoro announced its ongoing reconnaissance geological mapping and sampling program has outlined a major new mineralised trend in the Victoria South Project area.

### Capital Raising

On 30 May 2017, the Company announced a Public Offer (“Offer”) under its Prospectus to issue 28,571,429 shares at an Offer Price of \$0.07 per share. The Offer closed oversubscribed on 6 July 2017 and raised the maximum under the Prospectus of \$2 million. The Company issued the Public Offer shares on 11 July 2017.

The Company is now in the process of finalising the re-compliance with Chapters 1 and 2 of the Listing Rules and shall keep investors updated in this respect.

### Corporate

As approved at the General Meeting of Shareholders on 15 June 2017, Cott Oil and Gas Limited changed its name change to **EHR Resources Limited**. The Australian Securities and Investments Commission recorded the name change of name on 19 June 2017.

The ASX code for the Company was subsequently changed from “CMT” to “EHX”.

The appointment of Michael O’Keeffe as a Non-Executive Director of the Company was also approved at the General Meeting of Shareholders.

Mr O’Keeffe is well known within the resources industry world-wide. He is currently the Executive Chairman of Champion Iron Limited (ASX: CIA), an iron ore exploration and development company with properties located in Canada and previously was the Executive Chairman of Riversdale Mining Limited, a coal exploration and development company with projects in the United States and Canada prior to that Company being acquired by Rio Tinto PLC in April 2011. Mr O’Keeffe was also the Managing Director of Glencore Australia Limited from 1995 to 2004, a company involved in a range of commodities with projects located across Australia. Mr O’Keeffe will bring a wealth of experience to EHR Resources Limited as it pursues a new direction within the resources sector.

At the end of the Quarter, the Company had cash reserves of \$6.09 million which included \$1.524 million of the proceeds from the Offer. Subsequent to the Quarter on 6 July 2017, the Offer under the Prospectus closed and the Company raised the maximum of \$2 million.

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 <sup>2</sup> | Eloro Resources Limited | 25% <sup>1</sup> |

<sup>1</sup> Subject to re-compliance with Chapters 1 and 2 of the ASX Listing Rules

### Competent Persons

The information in this report that relates to Exploration Results is based on information compiled by Mark Major (BSc Geol., MBA), who is a member of the Australasian Institute of Mining and Metallurgy ("AusIMM"). Mr. Major is an independent consultant geologist for EHR Resources Limited (formerly Cott Oil and Gas Limited). Mr. Major has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as "Competent Persons" as defined by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Major consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

## 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")**

30 June 2017

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date (12<br>months)<br>\$A'000 |
|---|----------------------------|--|
| <b>1. Cash flows from operating activities</b>            |                            |  |
| 1.1 Receipts from customers                               | 1                          | 1                                      |
| 1.2 Payments for  |                            |  |
| (a) exploration & evaluation                              | (14)                       | (14)                                   |
| (b) development   | -                          | -                                      |
| (c) production  | -                          | -                                      |
| (d) staff costs   | -                          | -                                      |
| (e) administration and corporate costs                    | (366)                      | (770)                                  |
| 1.3 Dividends received (see note 3)                       | -                          | -                                      |
| 1.4 Interest received                                     | 4                          | 24                                     |
| 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                              | -                          | (952)                                  |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(375)</b>               | <b>(1,711)</b>                         |
| <b>2. Cash flows from investing activities</b>            |                            |  |
| 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<br>\$A'000 | Year to date (12<br>months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|--|
| 2.2                                  | Proceeds from the disposal of:                        |                            |  |
|                                      | (a) property, plant and equipment                     | -                          | -                                      |
|                                      | (b) tenements (see item 10)                           | -                          | 4,000                                  |
|                                      | (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)                   | -                          | (2,217)                                |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>-</b>                   | <b>1,783</b>                           |

Explanation necessary for an understanding of the transactions.

2.5 On 3 January 2017, Cott paid A\$2,216,500 to International Exploration Services (IES) under the terms of the Deed of Settlement, Termination and Release dated 23 December 2015 between the Company and IES.

|             |   |              |              |
|-------------|---|--------------|--------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                 |              |              |
| 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)                                       | 1,524        | 1,524        |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                       | <b>1,524</b> | <b>1,524</b> |

3.9 Subsequent to the Quarter on 6 July 2017, the offer under the Prospectus closed and the Company raised the maximum of \$2 million.

|           |  |       |         |
|-----------|--|-------|---------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |       |         |
| 4.1       | Cash and cash equivalents at beginning of period                             | 4,947 | 4,500   |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (375) | (1,711) |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | -     | 1,783   |

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| <b>Consolidated statement of cash flows</b> |  | <b>Current quarter<br/>\$A'000</b> | <b>Year to date (12<br/>months)<br/>\$A'000</b> |
|---|--|------------------------------------|---|
| 4.4   | Net cash from / (used in) financing activities (item 3.10 above) | 1,524                              | 1,524   |
| 4.5   | Effect of movement in exchange rates on cash held                | (2)                                | (2)   |
| <b>4.6</b>                                  | <b>Cash and cash equivalents at end of period</b>                | <b>6,094</b>                       | <b>6,094</b>                                    |

| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|------------|---|------------------------------------|-------------------------------------|
| 5.1        | Bank balances   | 6,094                              | 4,947                               |
| 5.2        | Call deposits   | -                                  | -                                   |
| 5.3        | Bank overdrafts   | -                                  | -                                   |
| 5.4        | Other (provide details)   | -                                  | -                                   |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>6,094</b>                       | <b>4,947</b>                        |

| <b>6.</b> | <b>Payments to directors of the entity and their associates</b>                                      | <b>Current quarter<br/>\$A'000</b> |
|-----------|--|------------------------------------|
| 6.1       | Aggregate amount of payments to these parties included in item 1.2                                   | (21)                               |
| 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 |                                    |

Explanation necessary for an understanding of the transactions

6.1 Directors' fees.

| <b>7.</b> | <b>Payments to related entities of the entity and their associates</b>                               | <b>Current quarter<br/>\$A'000</b> |
|-----------|--|------------------------------------|
| 7.1       | Aggregate amount of payments to these parties included in item 1.2                                   | (72)                               |
| 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 |                                    |

Explanation necessary for an understanding of the transactions

7.1 Company secretarial and corporate advisory fees paid to associated entities.

## Mining exploration entity and oil and gas exploration entity quarterly report

| <b>8. Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i>   | <b>Total facility amount<br/>at quarter end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|--|---|--|
| 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.

| <b>9. Estimated cash outflows for next quarter</b> | <b>\$A'000</b> |
|--|----------------|
| 9.1 Exploration and evaluation                     | (1,968)        |
| 9.2 Development                                    | -              |
| 9.3 Production                                     | -              |
| 9.4 Staff costs                                    | -              |
| 9.5 Administration and corporate costs             | (650)          |
| 9.6 Other (provide details if material)            | -              |
| <b>9.7 Total estimated cash outflows</b>           | <b>(2,618)</b> |

| <b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>                            | <b>Tenement reference and location</b> | <b>Nature of interest</b>                     | <b>Interest at beginning of quarter</b> | <b>Interest at end of quarter</b> |
|--|--|---|---|-----------------------------------|
| 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           | La Victoria Project, Peru              | Farm-in agreement<br>Area: ~80km <sup>2</sup> | 25% <sup>1</sup>                        |                                   |

<sup>1</sup> Subject to re-compliance with Chapters 1 and 2 of the ASX Listing Rules

**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: 26 July 2017

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.