



09 August 2017

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

By E-Lodgement

Update on the La Victoria Gold-Silver Project, Peru

EHR Resources Limited (ASX: EHX) (**EHR the Company**) advises that following the recent re-compliance with the ASX Listing Rules and re-quotation of the Company's securities on the ASX on August 4, 2017, all conditions to the La Victoria Option Agreement with Eloro Resources Ltd. (TSX-V: ELO) dated March 29, 2017 (the "**Agreement**") have now been satisfied, and accordingly, the Stage 1 Earn-in has commenced.

Pursuant to the Agreement, during the Stage 1 Earn-in Period EHR is required to contribute C\$2 million towards exploration expenditures at Eloro's wholly-owned La Victoria Gold Silver Project in Peru (the "**Project**" or "**La Victoria**"), after which it will earn a 10% interest in the Project. EHR may then elect to proceed with the Stage 2 Earn-in, whereby it will be required to contribute a further C\$3 million in exploration expenditures in order to earn an additional 15% interest in the Project (for a total interest in the Project of 25%).

La Victoria Exploration Update

Recent geological work by Eloro shows that there is an extensive multi-phase epithermal gold-silver mineralizing system on La Victoria centred around the Puca Fault and environs (*see Figure 1*). Gold mineralization occurs in a variety of structural settings both parallel to the northeast trending Puca Fault as well as perpendicular along likely tear faults related to this structure. Mineralization has been identified vertically over 1 kilometre from elevation 3100 metres at Rufina to elevation 4200m at San Markito as well as along strike on different structures for up to 3+ kilometres.

Previous groundwork has identified targets for the Stage 1 drilling at Rufina and San Markito. The final drilling permit application for the Rufina area was submitted July 3, 2017 to the Ministry of Energy and Mines and is currently being reviewed for approval. The water permit field work including volume and flow readings has been completed with the technical report to be submitted shortly in support of the water permit application. Once approved, Eloro will undertake an 8,000m drill programme at La Victoria – the first time the prospect has been drilled.

In addition, geological mapping and sampling programs are continuing in the Victoria-Victoria South and Ccori Orcco target areas to better evaluate these extensive mineralized areas.

Eloro has contracted for an additional 50.7-line kilometres of Induced Polarization and Resistivity survey (IP/Res). This survey, being supervised under the direction of Dr. Chris Hale, P.Geo., Eloro's Chief Geophysicist, will extend the IP/Res coverage toward the northeast from the 2016 survey at



Rufina to Victoria-Victoria South and Ccori Orcco over an area of approximately 2.2km by 3.4km. Once completed, this will allow three dimensional models of Resistivity and Chargeability to be calculated over the whole survey area to a depth of 150m. The IP/Res data will be interpreted in conjunction with magnetic survey data and detailed geological mapping to identify high priority targets for drilling.

Contractors have been engaged to extend the detailed magnetic surveys over the newly acquired southern portion of the property as this technique is very effective in outlining structures and potential mineralized areas.

The environmental and archaeological assessment for the Victoria-Victoria South and Ccori Orcco areas is in progress and will be submitted in connection with the drilling permit application for these areas. Preliminary drill sites have been outlined based on geological and magnetic surveys; these sites will be refined following receipt of results from the IP/Res survey. These results will be compiled for the drilling permit application for the Victoria-Victoria South and Ccori Orcco areas.

About Eloro Resources Ltd.

Eloro is an exploration and mine development company which holds a 100% undivided interest in the La Victoria Gold/Silver Project, located in the prolific North-Central Mineral Belt of Peru. The La Victoria Gold/Silver Project covers 80.4 square kilometres and is within 50 km of several large, low-cost producing gold mines, with three producers visible from the property. Infrastructure in the area is good with access to road, water, and electricity and is located at an altitude that ranges from 3,100m to 4,200m above sea level. Eloro also holds a portfolio of gold and base-metal properties in northern and western Quebec. For additional technical information on the La Victoria Project, the reader is referred to the NI 43-101 Technical Report on the La Victoria Au-Ag Property, Ancash, Peru filed under the Company's profile on SEDAR (www.sedar.com).

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.

Competent Persons

The information in this report that relates to Exploration Results is based on information compiled by Dr William Norman Pearson (P. Geo.), who is a member of the Association of Professional Engineers and Geoscientists of British Columbia. Dr. Pearson is an independent consultant geologist for EHR Resources Limited (formerly Cott Oil and Gas Limited). Mr. Pearson 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 Pearson consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

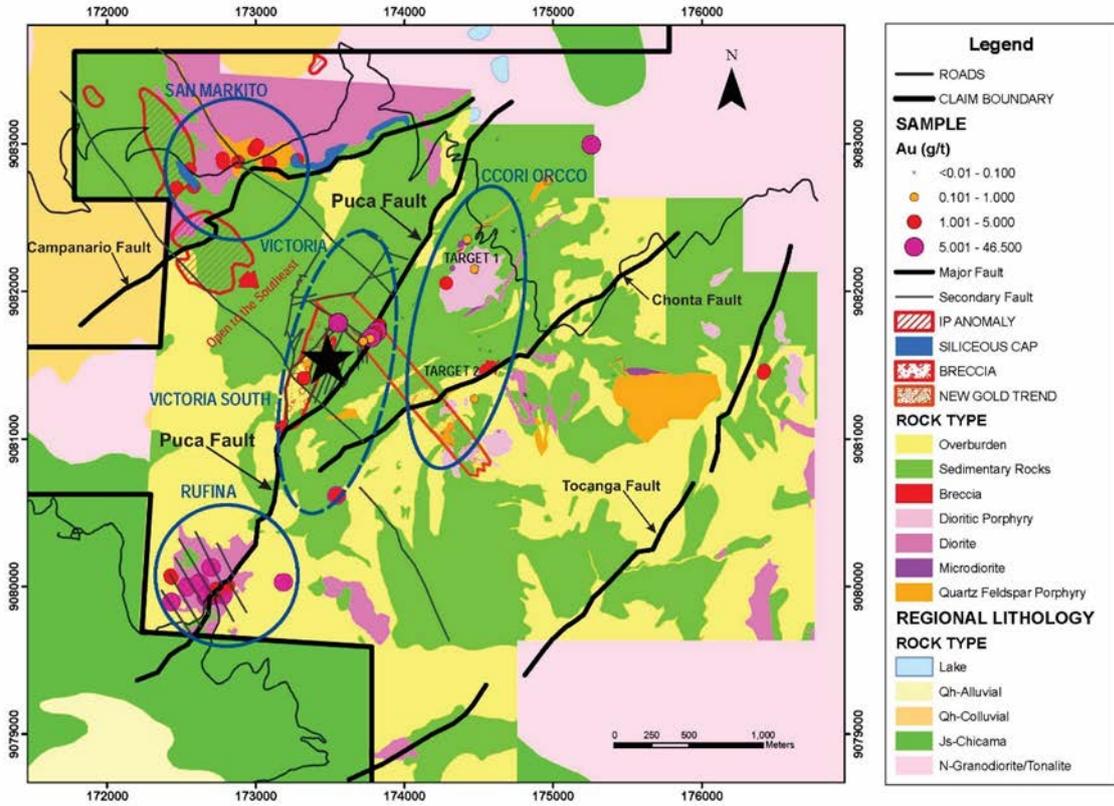


Figure 1: Geology Plan Map of La Victoria Property

For and on behalf of the Board,



Stephen Dennis
Chairman

For personal use only