



Prospectus

EHR Resources Limited

ACN 160 017 390

ASX Code: EHX

For the offer of up to 1,111 New Shares at an issue price of \$0.09 per Share to raise up to \$100 (before expenses) (**Cleansing Offer**),

This Prospectus has been prepared primarily for the purpose of Section 708A(11) of the Corporations Act to remove trading restrictions on the sale of New Shares or other Shares that may be issued by the Company prior to the Closing Date without disclosure under Chapter 6D of the Corporations Act.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

**AN INVESTMENT IN THE COMPANY'S SECURITIES SHOULD BE CONSIDERED
SPECULATIVE**

This Prospectus is an important document and should be read in its entirety. It is a prospectus issued pursuant to Section 713 of the Corporations Act. It does not, itself, contain all the information that is generally required to be set out in a full prospectus, but refers to other documents, the information of which is deemed to be incorporated into this Prospectus. The securities offered by this Prospectus should be considered speculative.

IMPORTANT INFORMATION

This Prospectus is dated 20 June 2018 and was lodged with ASIC on that date. Neither ASIC nor ASX or any of their officers, take any responsibility for the contents of this Prospectus.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

In preparing this Prospectus, regard has been had to the fact that ASX maintains a database of publically disclosed information about the Company, that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to professional advisors with whom potential investors may consult. This Prospectus has been prepared pursuant to Section 713 of the Corporations Act, which allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. It is intended to be read in conjunction with publicly available information, as described in Section 5.1 below.

Various statements in this Prospectus constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or implicitly portrayed in this Prospectus. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and our management. The Company cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law. These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus

The Cleansing Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this document under the laws applicable in that jurisdiction. The Cleansing Offer is only made to and able to be accepted by invitees determined by the Company who receive a personalised Application Form.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and any person into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No person is authorised to give any information or to make any representation in connection with the Cleansing Offer that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied upon as having been authorised by the Company in connection with the Cleansing Offer. Neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Prospectus except as required by law and then only to the extent so required.

This Prospectus does not take into account the investment objectives, financial situation and particular needs of any person. Professional advice should be sought before deciding to invest in any securities the subject of this Prospectus.

There are risks associated with an investment in the Company and the securities offered under this Prospectus should be regarded as a speculative investment. **Intending Applicants should read the whole of this Prospectus, the Company's ASX announcements in order to fully appreciate such risks and the manner in which EHR intends to operate before any decision is made to subscribe for New Shares.** The New Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the New Shares.

Certain abbreviations and other defined terms are used throughout this Prospectus. Details of the definitions and abbreviations used are set out in Section 7 of this Prospectus. All financial amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

This Prospectus may be viewed in electronic form online at the Company's website: <https://www.ehrresources.com.au/investor-centre>. The

information on the Company's website (outside the electronic Prospectus) does not form part of this Prospectus. Copies of the Prospectus are available at the registered office of the Company.

Any person may view a copy of this Prospectus or any of the documents referred to in Section 5.1

free of charge via the ASX website, www.asx.com.au under the Company's code "EHX".

Corporate Directory

Directors

Stephen Dennis
Non-Executive Chairman

David Bradley
Non-Executive Director

Jeremy King
Non-Executive Director

Michael O'Keeffe
Non-Executive Director

Company Secretary

Sarah Smith

Registered Office

Level 1
1 Altona Street
West Perth WA 6005

Head office telephone

(08) 6559 1792

Website

<https://www.ehrresources.com.au/>

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1. SUMMARY OF THE OFFER

Topic	Details	Where to find additional information
What is the offer?	The offer under this Prospectus is an offer of up to 1,111 New Shares at an issue price of \$0.09 to raise up to \$100 before expenses (Cleansing Offer).	Section 2 and Annexure 1
What is the purpose of the Prospectus?	<p>The Company (formerly called Cott Oil and Gas Limited) is a public company that was admitted to the Official List of the ASX on 4 January 2013 and is a "disclosing entity" for the purposes of the Corporations Act. As such, this Prospectus does not contain the same level of disclosure as an initial public offering prospectus. Investors should have regard to the Company's ASX announcements which are available for review on the ASX announcements platform.</p> <p>This Prospectus has been prepared in accordance with Section 708A(11) of the Corporations Act for the purpose of the Company seeking to raise capital up to an aggregate subscription of up to \$100 and removing trading restrictions on the sale of any New Shares issued pursuant to the Cleansing Offer or other Shares issued prior to the Closing Date (including those Shares issued prior to the date of this Prospectus).</p>	Section 2
Can I apply for New Shares under the Cleansing Offer?	<p>You will only be eligible to apply for and receive New Shares under the Cleansing Offer if you receive a written invitation to apply and a personalised Application Form from the Company.</p> <p>An Application for New Shares can only be made by an investor (invited to invest by the Company) using an Application Form. A completed Application Form and accompanying cheque must be mailed or delivered to the Company as follows:</p> <p>Post or Delivery to: <i>The Company Secretary</i> <i>EHR Resources Limited</i></p> <p><i>Level 1</i> <i>1 Altona Street</i> <i>West Perth WA 6005</i></p> <p>Cheques should be made payable to "<i>EHR Resources Limited</i>" and accompany the Application Form to reach the Company no later than the Closing Date.</p>	Section 2.3
What is the Opening Date and Closing Date of the Cleansing Offer?	The Opening Date is 20 June 2018 and the Closing Date is 5.00 pm (WST) 21 June 2018.	Section 2.1
Minimum raising and maximum raising	There is no minimum raising under this Prospectus. New Shares will be issued in response to all valid	-

	Applications received by the Company from its personal invitees. Funds received under the Cleansing Offer will be applied towards the expenses of the Offer. The Maximum Amount the Company will accept pursuant to the Cleansing Offer (i.e. when the Cleansing Offer is Fully Subscribed) is \$100.	
How do the New Shares rank in comparison to existing Shares	All New Shares issued will rank equally in all respects with existing Shares from the date of their issue.	Section 6.1
What is the effect of the Cleansing Offer on the Company?	The effect of the Cleansing Offer on the financial position of the Company is detailed in Section 3. If Fully Subscribed, the Cleansing Offer will not have a material effect on the control of the Company or the financial position of the Company.	Section 3
ASX	<p>The Company is admitted to the Official List of the ASX.</p> <p>Not later than 7 days after the date of this Prospectus, the Company intends to make an application to the ASX for the Official Quotation of the New Shares offered under this Prospectus. The fact that the ASX may admit the New Shares for Official Quotation is not to be taken in any way as an indication of the value or merits of the Company or of the New Shares offered under this Prospectus.</p> <p>Official Quotation, if granted, will commence as soon as practicable after the issue of transaction holding statements to successful Applicants in respect of the New Shares. If permission for quotation of the New Shares offered under this Prospectus is not granted within 3 months after the date of this Prospectus, all Application Money will be refunded without interest.</p>	-
Enquiries	Any enquiries concerning the Cleansing Offer should be directed to the Company's share registry on 1300 288 664 (within Australia) +61 (0)2 9698 5414 (outside Australia), email hello@automic.com.au.	-

2. Overview

2.1 Cleansing Offer

This Prospectus relates to the Cleansing Offer to be made by the Company of up to 1,111 New Shares at an issue price of \$0.09 to raise up to \$100 before expenses. The Company is already included in the Official List of the ASX and the ASX Listing Rules apply to all securities issued by the Company. The New Shares are offered only to invitees determined by the Company (in its absolute discretion) who will receive a personalised Application Form.

There is no minimum subscription amount. The Company will not accept any more than \$100 in subscriptions under the Cleansing Offer.

The opening date of the Cleansing Offer is 20 June 2018 (**Opening Date**) and the closing date of the Offer is 5.00 pm (WST) 21 June 2018 (**Closing Date**). The Company reserves the right to close the Cleansing Offer early without notice. The Cleansing Offer is not underwritten and there is no sponsoring broker.

2.2 The purpose of the Prospectus

Under section 707(3) of the Corporations Act, for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue, a disclosure document should be issued.

Section 708A(5) of the Corporations Act provides an exception to section 707(3) where an entity issues a cleansing notice under section 708A(5). However, as the Company has been suspended from trading on the ASX for more than 5 days in the last 12 months it is precluded from issuing a cleansing notice in accordance with section 708A(5) of the Corporations Act.

Section 708A(11) of the Corporations Act provides another exemption from this general requirement where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

As announced by the Company on 11 April 2018, the Company completed a placement to institutional investors for over 21 million Shares through an institutional placement at \$0.09 per Share to raise approximately \$1.9 million with 1,611,111 of these Shares issued on 15 June 2018 on the receipt of shareholder approval (**Placement**). As an institutional placement, such securities were offered without disclosure under Part 6D of the Corporations Act.

Also, as set out in Section 6.12, the Company is making an Application to the

Federal Court of Australia seeking declaratory relief and ancillary orders relating to prior trading in Shares, so that on-sales of those Shares prior to this issue of this Prospectus will be validated and will not attract any civil liability.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to New Shares or other Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus). Accordingly, the Company is seeking to raise only a nominal amount under this Prospectus as the purpose of this Prospectus is not to raise capital.

As such, the purpose of this Prospectus is to:

- permit New Shares to be offered and issued under the Cleansing Offer to invitees determined by the Company (in its absolute discretion); and
- remove the trading restrictions on the sale of any New Shares issued pursuant to the Cleansing Offer and other Shares issued by the Company under the Placement prior to the date of this Prospectus without a disclosure document in accordance with Section 708A(11) of the Corporations Act.

2.3 Applications

The Cleansing Offer is being offered to investors invited by the Company (in its absolute discretion) and is not available to the general public.

Applications for New Shares under the Cleansing Offer must be made using the Application Form accompanying this Prospectus in accordance with the instructions set out in the Application Form and invitation to receive New Shares.

The Directors reserve the right to issue New Shares pursuant to the Cleansing Offer at their absolute discretion. **Accordingly, please do not submit an Application Form unless directed to do so by the Directors.** By completing an Application Form you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

3. Effect of the Cleansing Offer on the Company

3.1 Effect on financial position of the Company

The purpose of the Cleansing Offer as described in Section 2.2 of this Prospectus is to remove any trading restrictions that may have attached to New Shares or other Shares issued by the Company prior to the Closing Date including those issued under the Placement prior to the date of this Prospectus.

Under the Cleansing Offer an amount of approximately \$100 (before expenses) may be raised. All funds raised if any from the Cleansing Offer will be applied towards the expenses of the Cleansing Offer. See section 6.11 for further details of the estimated expenses of the Cleansing Offer.

After paying for the expenses of the Cleansing Offer, there will be no proceeds from the Offer. The expenses of the Offer which exceed the amount raised under this Prospectus will be met from the Company's existing cash reserves. The Cleansing Offer will have an effect on the Company's financial position, being receipt of funds of \$100 less expenses of the Offer estimated to be \$10,000.

3.2 Effect on the capital structure of the Company

The following table sets out the existing capital structure of the Company as at market close on 18 June 2018 and the maximum number of New Shares that may be issued under this Prospectus pursuant to the terms of the Cleansing Offer.

The below table assumes that prior to the Closing Date there will be no other Share issues by the Company and that there will be no securities convertible into Shares issued and converted prior to the Closing Date.

Capital Structure	Number on Issue
Shares currently on issue	126,666,986
Shares offered pursuant to the Cleansing Offer	1,111
Total Securities on completion of the Cleansing Offer	126,668,097

3.3 Potential effect of the Cleansing Offer on the control of the Company

Details of Shareholders who hold 5% or more of the Shares on issue as at the date of this Prospectus are set out below.

Shareholder	Number of Shares	Voting Power
HSBC Custody Nominees (Australia) Limited	7,498,595	5.92%
Michael O'Keeffe ¹	14,033,927	11.22%

Note:

¹. Held through Eastbourne DP Pty Ltd as trustee for the O'Keeffe Super Fund and Prospect AG Trading Pty Ltd as trustee for the O'Keeffe Family Trust..

If Fully Subscribed, the Cleansing Offer will not have a material effect on the control of the Company as the maximum to be raised under this Prospectus is \$100.

4. Risk factors and continuous disclosure

4.1 Risk factors

The New Shares offered under this Prospectus are considered highly speculative.

There are factors, both specific to the Company and the Project and factors of a general nature, which may affect the future operating and financial performance of the Company and the value of the Shares. Some of these risks may be mitigated by the Company, however many of these factors are outside the control of the Directors.

This Section identifies some, but not all, of the risks which relate directly to the Company's business. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether or not to apply for Shares.

4.2 Specific risks relating to the Company

The Company has a 10% interest in Eoro Resources Limited's La Victoria Gold Silver Project (**Project**) in Peru, and has the right to earn an additional 15% interest in the Project.

- (a) **Exploration risks:** There can be no assurance that exploration of the Project, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be commercially exploited.
- (b) **Environmental risks:** The operations and proposed activities under the Project are subject to environmental laws and regulations. As with most exploration projects, the activities under the Project are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. In addition to compliance with applicable environmental laws, efforts will be made to conduct exploration activities in accordance with good industry practice.
- (c) **Permit maintenance:** Mining exploration activities are often dependent on the grant or, as the case may be, the maintenance of appropriate licences, permits and regulatory consents which may be withdrawn or subject to certain conditions. There is no assurance that the renewal or grant of permits of licences will be given as a matter of course or that no new conditions will be imposed.
- (d) **Commodity and exchange rate fluctuation:** The Company has an interest in a mineral exploration project. This means that the value of the Company and the value of its proposed interest in the Project are dependent on commodity prices and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company including supply and demand fluctuations, technological advancements and other economic factors.

There is no assurance that, even as commercial quantities of commodities are produced, a profitable market will exist for them. Declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may eventually interrupt operations until a satisfactory reassessment can be completed.

- (e) **Additional requirement for capital:** Additional funding may be required in the event costs exceed estimates and to implement any future operational plans to take advantage of other transaction or joint venture opportunities. While the Company has no immediate plans to raise further funds, a failure to obtain financing for future activities or projects may result in the delay of potential development programs. There is a risk that additional financing will not be available when needed or, if available, that the terms will not be favourable and may involve dilution to Shareholders.
- (f) **Artisanal Miners:** Given the size of the total Project area it is difficult (practically) to prevent unauthorised access to the Project. There is a risk that unauthorised artisanal miners may access the Project area and either cause environmental damage, or damage to themselves which may be partially attributed to the Company. Additionally there is a risk that such persons may cause damage to property, plant and equipment used for the Project.
- (g) **Foreign Jurisdiction risks:** Conducting operations in foreign jurisdictions carries with it exposure to risks relating to domestic labour practices, weather conditions, foreign political and economic environments (including the risk of changes in the political attitude towards mining and exploration), civil disturbances, foreign ownership considerations, tax regulation and changes in the relevant legal and regulatory regime, all of which may affect the future viability of the Project.
- (h) **Reliance on key personnel:** The Company's prospects depend in part on the ability of its senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Company must attract and retain additional highly qualified management and technical personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

4.3 General risk factors

Most of the general risks discussed below are outside the control of the Company and the Directors and cannot be mitigated:

- (a) **Market conditions:** The Company's Shares will carry no guarantee as to profitability, dividends, return of capital, or the price at which they may trade on ASX. The value of the Shares will be determined by the share market and will be subject to a range of factors, many or all of which may be beyond the control of the Company and the management team, including:
 - (i) general economic outlook;
 - (ii) introduction of tax reform or other new legislation;
 - (iii) interest rates and inflation rates fluctuations;
 - (iv) changes in investor sentiment toward particular market sectors;
 - (v) the demand for, and supply of, capital; and
 - (vi) terrorism or other hostilities.
- (b) **Economic & government risks:** The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the resources industry including, but not limited to, the following:

- (i) general economic conditions and outlook, particularly in Peru, Australia and Canada;
- (ii) changes in government policies, taxation and other laws in all applicable jurisdictions, being Australia, Peru and Canada;
- (iii) the strength of equity markets in Australia and around the world and in particular investor sentiment towards the resources sector;
- (iv) movement in interest rates and inflation rates in all applicable jurisdictions being, Australia, Peru and Canada;
- (v) natural disasters, social upheaval or war in all applicable jurisdictions;
- (vi) the future demand for gold and other minerals that may be mined at the Project;
- (vii) inflation and exchange rates; and
- (viii) industrial disputes in any jurisdiction which is relevant to the Company.

(c) **Taxation**

There are tax implications arising from buying and selling Shares, the receipt of dividends (both franked and unfranked) (if any) from the Company and participation in any on-market Share buy-back. Investors should seek their own independent taxation advice before applying for Shares.

(d) **Insurance risks**

Although the Company maintains insurance, no assurance can be given that adequate insurance will continue to be available to the Company in the future on commercially acceptable terms.

5. EHR continuous disclosure and documents available for inspection

The Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations, which require it to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Copies of documents lodged with ASIC (including the Constitution) in relation to the Company may be obtained from, or inspected at, an office of ASIC.

Upon request, the Company will provide you with a copy (free of charge during the Cleansing Offer period of this Prospectus) of:

- » the annual financial reports most recently lodged with ASIC for the financial year ended 30 June 2017 (**2017 Annual Report**);
- » half year financial report lodged with ASIC after lodgement of the 2017 Annual Report; and
- » all continuous disclosure notices given by the Company after lodgement of the 2017 Annual Report with ASIC on 22 September 2017 and before the lodgement of this Prospectus.

5.1 EHR ASX Announcements

The following ASX announcements have been made by the Company to the ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with ASIC are set out below:

Date	ASX Announcement title
22/09/2017	Annual Report to shareholders
23/10/2017	Notice of Annual General Meeting
25/10/2017	Quarterly Activities Report & Appendix 5B
26/10/2017	Drilling Commences at La Victoria
03/11/2017	Appendix 4G
13/11/2017	Response to ASX Price and Volume Query
24/11/2017	Results of Meeting
29/11/2017	Change of Director's Interest Notice
20/12/2017	EHR Resources earns 10% Interest in La Victoria Project
17/01/2018	Results of first Reconnaissance Drilling at La Victoria
30/01/2018	Quarterly Activities Report & Appendix 5B

28/02/2018	Response to ASX Price and Volume Query
02/03/2018	Commencement of next stage of exploration at La Victoria
13/03/2018	Half Year Accounts
05/04/2018	Update on Phase II Drilling at La Victoria
09/04/2018	Trading Halt
11/04/2018	Placement to Raise A\$1.9m
18/04/2018	Cleansing Statement & Appendix 3B - Placement
26/04/2018	Quarterly Activities Report & Appendix 5B
11/05/2018	Notice of General Meeting/Proxy Form
07/06/2018	Exploration Update - La Victoria Gold-Silver Project, Peru
12/06/2018	Results of Meeting
15/06/2018	Cleansing Statement and Appendix 3B
18/06/2018	Suspension Request
18/06/2018	Suspension from Official Quotation

The Company may make further ASX announcements after the date of this Prospectus.

Copies of the abovementioned announcements (as well as any further announcements) will be available on the ASX website, www.asx.com.au under the Company's code "EHX". You are advised to refer to the ASX's website and the Company's website for announcements or updates relating to the Company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision on whether or not to invest.

5.2 Information excluded from continuous disclosure notices

As at the date of this Prospectus, there is no information that has not been disclosed under the continuous disclosure requirements of the Listing Rules and which the Board considers would reasonably be required in order to assess the Company's assets and liabilities, financial position and prospects and the rights and liabilities attaching to New Shares in the Company.

5.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX. The highest, lowest and last market closing prices of the Shares on ASX during the three months immediately preceding the

date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

	\$	Date
Highest	\$0.125	21 March 2018
Lowest	\$0.075	23 May 2018
Last ¹	\$0.078	18 June 2018

¹ The Company's securities have been in suspension since 18 June 2018.

6. Additional information

6.1 Rights Attaching to New Shares in EHR

The New Shares will rank equally in all respects with, and have the same rights as, existing Shares. Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours. In applying for New Shares, the Applicant agrees that it is bound by the terms of the Constitution. The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

(a) Ranking

The Shares offered under the Offer will be fully paid ordinary shares and will rank equally in all respects with the existing fully paid ordinary shares in the Company.

(b) Reports and Notices

Shareholders are entitled to receive all notices, reports, accounts and other documents required to be sent to Shareholders under the Constitution and the Corporations Act.

(c) General Meetings and Notices

Each Shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

The Directors by resolution may convene a general meeting of Shareholders whenever they think fit. Shareholders may convene a general meeting only where entitled under the Corporations Act to do so. The quorum at general meetings is two Shareholders who are present in person or by attorney or by proxy. The Chairman of the Board will generally preside as chairman at general meetings of Shareholders.

(d) Voting at General Meetings

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. The person who holds a Share which is not fully paid shall be entitled to a fraction of a vote equal to that proportion of a vote that the amount paid on the relevant Share bears to the total issue price of the Share. Voting may be in person or by proxy, attorney or representative.

(e) Directors

There must be a minimum of three Directors. At every annual general meeting one third of the Directors (rounded to the nearest whole number) must retire from office. Provided always that no Director shall hold office for more than three years or until the third annual general meeting following their appointment, whichever is longer without submitting themselves for re-election. These retirement rules do not apply to certain appointments including the managing director.

Subject to the provisions of the Constitution, the Company may elect a person as a Director or remove any Director by resolution passed in general meeting. The

Director may also appoint a person to be a Director however any Director so appointed will hold office only until the next annual general meeting and then is eligible for re-election.

Directors may appoint any person approved by a majority of other Directors as an alternate Director.

The Directors are to be paid for their services. The total aggregate remuneration payable to Non-executive Directors may not be increased without the approval of the Company in general meeting. The Directors may subject to the ASX Listing Rules adopt any scheme or plan they consider to be in the interests of the Company which provides for the payment of retirement benefits to any Director, such scheme must not confer any benefits exceeding those contemplated in section 200F of the Corporations Act or the ASX Listing Rules except with Shareholder approval.

Subject to the Constitution, issues are decided by a majority of votes of Directors present and voting. In the case of an equality of votes, the Chair of the meeting has a casting vote in addition to the Chair's deliberative vote except that the Chair must not exercise a casting vote at any meeting at which only two of the Directors who are present are entitled to vote.

(f) Directors' Indemnity

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(g) Dividends

Subject to the rights of holders of shares issued with any special rights (at present there are none), the profits of the Company which the Board may from time to time determine to distribute by way of dividend are divisible to each Share of a class on which the Board resolves to pay a dividend in proportion to the amount for the time being paid on a Share bears to the total issue price of the share. All Shares currently on issue and the New Shares to be issued under this Prospectus are fully paid Shares.

(h) Rights on a Winding Up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the shareholders:

- (i) divide the assets of the Company among the members in kind;
- (ii) for that purpose fix the value of assets and decide how the division is to be carried out as between the members and different class of members; and
- (iii) vest assets of the Company in trustees on any trusts for the benefit of the members as the liquidator thinks appropriate.

(i) Transfer of Shares

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

The Directors may decline to register a transfer of Shares:

- (i) if the transfer is a transfer of Restricted Securities which is or might be in breach of the ASX Listing Rules or any escrow agreement entered into by the Company in relation to such Restricted Securities under the Listing Rules;
- (ii) on which the Company has a lien or which are subject to forfeiture; or
- (iii) if permitted or required to do so under the Listing Rules.

(j) Future Changes in Share Capital

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued Shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(k) Shareholder Liability

As the Shares under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(l) Alteration of Constitution

Under the Corporations Act, the Constitution can only be amended by a special resolution, which is a resolution that has been passed by at least 75% of the votes cast by Shareholders entitled to vote on the resolution. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6.2 Interests of EHR Directors

Other than as announced to ASX or set out below or elsewhere in this Prospectus, no Director, or any entity in which a Director is a partner or director, has or has had in the 2 years before the date of this Prospectus, any interest in:

- » the formation or promotion of the Company;
- » property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Cleansing Offer; or
- » the Cleansing Offer,

and no amounts have been paid or agreed to be paid (in cash, Shares or otherwise) and no other benefit has been given or agreed to be given to any Director or to any entity in which a Director is a partner or a Director, either to induce him to become, or qualify as, a Director or otherwise for services rendered by him or by the entity in connection with the formation or promotion of the Company or the Cleansing Offer.

6.3 Interests of Directors in existing EHR securities

Interests of Directors – Existing Shareholdings

The interests of the Directors (including via controlled entities) in the securities of the Company as at market close on 18 June 2018 are as follows:

Director	Shareholding	Interest ⁵	Options
Chairman, Stephen Dennis ¹	4,469,123	3.53%	2,500,000
Jeremy King ²	2,913,122	2.30%	2,500,000
David Bradley ³	1,713,278	1.37%	2,500,000
Michael O'Keeffe ⁴	14,033,927	11.08%	2,500,000

¹ Includes securities held by Stephen Dennis and Alison Dennis as trustees for the Dennis Super Fund.

² Includes securities held through MPJK Investments Pty Ltd and Bushwood Nominees Pty Ltd.

³ Includes securities held by David Bradley and Melanie Bradley as trustees for the David Bradley Super Fund.

⁴ Includes securities held through Eastbourne DP Pty Ltd as trustee for the O'Keeffe Super Fund, and Prospect AG Trading Pty Ltd as trustee for the O'Keeffe Family Trust..

⁵ These percentage interest levels assume that no options in the Company are exercised.

None of the Directors will participate in the Cleansing Offer.

Remuneration of the Directors

Under the Constitution, the Board may decide the remuneration that each Director is entitled to from the Company for his or her services. However, in accordance with the Constitution and the Listing Rules the total amount paid to all Non-Executive Directors of the Company must not exceed in aggregate in any financial year, the amount fixed by the Company in a general meeting. This amount has been fixed at \$250,000.

The Company will pay the Chairman a Non-Executive Chairman fee of \$55,000 plus superannuation and each Non-Executive Director an annual Director fee of \$40,000 plus superannuation.

Other than as set out above or elsewhere in this Prospectus, no Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or (
 - (ii) the Cleansing Offer; or
- (c) the Cleansing Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or

(ii) the Cleansing Offer.

6.4 Related Party Transactions

There are no related party transactions entered into that have not otherwise been disclosed in this Prospectus or announced to the market.

6.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue;
- holds, or has held in the 2 years before the date of lodgement of this Prospectus with ASIC, any interest in:
 - » the formation or promotion of the Company;
 - » property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Cleansing Offer or the Cleansing Offer itself; or
 - » the Cleansing Offer,

and no amounts have been paid or agreed to be paid (in cash, Shares or otherwise) and no other benefit has been given or agreed to be given to any of the above persons for services rendered by him or by the entity in connection with the formation or promotion of the Company or the Cleansing Offer.

K&L Gates has acted as solicitor to the Company in relation to the Cleansing Offer. The Company estimates that it will pay K&L Gates \$8,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC K&L Gates has been paid fees totalling \$224,927 (excluding GST and disbursements) for legal services provided to the Company.

6.6 Restricted securities

The Options issued to the Directors and noted in section 6.3 are classified as 'Restricted Securities' (as defined in the Listing Rules).

6.7 Broker handling fees

No handling fees are payable in connection with the Cleansing Offer under this Prospectus.

6.8 Offers outside Australia

This Prospectus does not, and is not intended to, constitute an offer of securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue / distribute this Prospectus. The distribution of this Prospectus outside Australia may be restricted by law and persons who come into

possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

6.9 Taxation

The Directors do not consider that it is appropriate to provide investors with advice regarding the taxation consequences of accepting the Cleansing Offer under this Prospectus. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to investors in respect of any issue.

6.10 Privacy disclosure

By filling out the Application Form you are providing personal information to the Company through its Share Registry. The Corporations Act requires the Company to include information about each security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if you cease to be a security holder in the Company. The Company, and the Registry on its behalf, may collect, hold and use that Information in order to process your Application, facilitate dividend payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements. Your personal information may also be provided to the Company's members, agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. If you do not provide the information requested in the Application Form, the Company and the Registry may not be able to process or accept your Application.

6.11 Expenses of this Cleansing Offer

The total expenses of the Cleansing Offer are estimated to be approximately \$10,000 comprising ASIC lodgement fees, legal fees, share registry fees and printing and other administrative expenses.

6.12 Legal proceedings

As announced on 18 June 2018, the Company is making an application to the Federal Court of Australia seeking declaratory relief and ancillary orders relating to prior trading in Shares issued under the Placement, so that the on-sales of those Shares prior to this issue of this Prospectus will be validated and will not attract any civil liability.

Among other reasons set out in Section 2.2, the Company is lodging this Prospectus under section 708A(11) of the Corporations Act to cleanse the New Shares issued under the Prospectus and other Shares issued by the Company prior to the Closing Date (including those Shares issued prior to the date of this Prospectus) so that subsequent trading is not subject to secondary trading restrictions under the Corporations Act. The Company will keep the market updated accordingly. As at the date of this Prospectus, the Company is not otherwise involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.13 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with

their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each party referred to in this Section:

- does not make, or purport to make, any statement in this Prospectus or any statement on which a statement made in the Prospectus is based other than as specified in this Section; and
- in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

K&L Gates has given its written consent to being named as legal advisers to the Cleansing Offer. K&L Gates has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

6.14 Authority of Directors

The Directors have made all reasonable enquiries in the preparation of this Prospectus and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of New Shares pursuant to this Prospectus. This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors. Each of the Directors of the Company has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act and has not withdrawn that consent.

Dated 20 June 2018

By:


Jeremy King
Director
EHR Resources Limited

7. Definitions

\$ or A\$ or AUD means references to dollar amounts in Australian currency;

AEDT means Australian Eastern Daylight Time;

ASIC means the Australian Securities and Investments Commission;

Applicant means the person completing an Application Form;

Application means an Application for Shares under this Prospectus made by an Applicant using an Application Form;

Application Form means the form which is attached to this Prospectus;

Application Monies means the money payable by Applicants for New Shares under the Cleansing Offer;

ASX means ASX Limited ACN 008 624 691;

ASX Settlement means ASX Settlement Pty Ltd ACN 008 504 532;

ASX Settlement Operating Rules means the operates rules of ASX Settlement from time to time;

Business Day means a day that is not a Saturday, Sunday or a public holiday in Perth, Western Australia;

Cleansing Offer means the offer described in Section 1 of this Prospectus;

Closing Date means 5.00 pm (WST) 21 June 2018 which may be varied by the Company in its discretion;

Company or EHR means EHR Resources Limited ACN 160 017 390;

Constitution means the constitution of the Company;

Corporations Act means the *Corporations Act 2001*(Cth);

Directors or **Board** means the board of directors of the Company;

Exempt Investors means investors who are otherwise exempt from disclosure by the Company pursuant Section 6D of the Corporations Act;

Fully Subscribed (and **Full Subscription**) means full subscription for all New Shares pursuant to the Cleansing Offer, namely 1,111 New Shares at an issue price of \$0.09 per Share;

Issue Price means \$0.09;

Listing Rules means the listing rules of ASX;

Maximum Amount means the maximum amount the Company will accept in subscriptions pursuant to the Cleansing Offer, namely \$100;

New Share means a Share issued pursuant the Cleansing Offer under this Prospectus;

Official Quotation means the quotation on the ASX of Shares issued pursuant to the Cleansing Offer

Opening Date means 20 June 2018;

Option means the option to acquire a Share issued by the Company;

Placement has the meaning given to that term in section 2.1(b);

Project has the meaning given to that term in section 4.2;

Prospectus means this prospectus dated 8 June 2018;

Restricted Securities means securities of the Company which are subject to escrow pursuant to the Listing Rules;

Section means a section of this Prospectus; and

Share means a fully paid ordinary share in the issued capital of the Company.

APPLICATION FORM

To:

The Directors
EHR Resources Limited ACN160 017 390

Level 1
 1 Altona Street
 West Perth WA 6005

The Cleansing Offer is only able to be accepted by eligible recipients of an invitation from the Company, using this personalised Application Form.

Application

1. I (being the person named in item 1 of the Schedule) apply for New Shares as described in the prospectus dated 20 June 2018 lodged with ASIC (**Prospectus**) to which this Application forms part.
2. I understand that the Company makes no representation or guarantee in respect of any investment in New Shares other than as detailed in the Prospectus or which arise as a matter of law.
3. I acknowledge that:
 - (a) the Prospectus (referred to above) has been lodged by the Company with ASIC in respect of the offer of the New Shares described in the Prospectus;
 - (b) I have read, understood and obtained independent legal and financial advice concerning the Prospectus and this investment in the New Shares;
 - (c) I make this Application for New Shares pursuant to the terms of the Prospectus;
 - (d) by lodging this Application Form and a cheque for the Application Monies I apply for the number of New Shares specified in this Application Form or such lesser number as may be allocated by the Directors;
 - (e) an investment in the Company is speculative and there is no guarantee that there will be any return on Shares (whether by way of dividends or return of capital or any other manner whatever); and
 - (f) there is no guarantee that there will be any market (whether official or unofficial) for trading of the Company Shares generally.
4. This Application is irrevocable and unconditional.
5. The validity and construction of this Application and, where the Application is accepted, the terms on which New Shares are allotted to the Applicant is governed and construed in accordance with the laws of the State of Western Australia.

SCHEDULE 1

1. **Name and address of Applicant:**

2. **Contact Details:**

Daytime contact:

Email contact:

3. **CHESS Details:** PID.....HIN.....

4. **Number of New Shares:**

5. **Total Subscription Price: \$\$\$**

6. **Cheque details:**

Drawer:

Bank and Branch:

Dated: # #

2018

Execution

Signed Sealed and Delivered by
#[insert] in the presence of:

.....
Signature of Applicant

.....
Signature of witness

.....
Name of witness
(please print)