evresources

ASX:EVR

ASX ANNOUNCEMENT

31 January 2024

Quarterly Activities Report

For the Period Ending 31st December 2023

HIGHLIGHTS

Parag Copper-Molybdenum Project, Peru (EVR 70%):

- EVR Obtained a drilling permit that allows drilling from 20 platforms.
- AK Drilling appointed as drill contractor – drilling has commenced.
- Initial drilling will target areas previously drilled in a pre-JORC era.
- Community access, partnership and investment agreements signed with the communities of Caujul and Navan.
- Transfer of the licences to a new Special Purpose Vehicle, Anta Parag S.A.C.

Don Enrique Copper Project, Peru (EVR 50%):

- EVR obtained a drilling permit for an initial 20 platform programme and has appointed Energold as drilling contractor.
- Drilling will commence later in 1H 2024 after the commencement of drilling at Parag.
- A multi year access, partnership and investment agreement was signed with the local community of Quero.

Corporate:

- EVR, with the assistance of a Director loan, redeemed convertible notes to the value of A$1.2m. [1]
- EVR Raised funds of A$2m during the quarter for the commencement of drilling, payment to the vendor of the Parag licences, and general working capital purposes. [2]

Copper focused explorer **EV Resources** (ASX:EVR) ("**EVR**" or the "**Company**") is pleased to provide an update on its activities for the quarter ended 31 December 2023.

The focus for the quarter was the permitting of both the Parag and Don Enrique projects, which was successfully achieved during the quarter under review. This achievement marks the end of an intense period of regulatory focus, and drilling has commenced early in 2024 and will continue for the duration of the year.

[1] EVR Announcement 13 December 2023 – Director Loan to Redeem Convertible Notes

[2] EVR Announcement 4 December 2023 – A$2.0M Placement to Advance Copper Exploration in the Americas

REVIEW OF OPERATIONS

Parag Copper-Molybdenum Project, Peru (EVR 70%)

During the reporting period the Company achieved its objective of securing a drilling permit for the high grade Parag copper-molybdenum project located in Huauru province, Peru. This followed an extensive period of community engagement, and the conclusion of multi year land access, partnership and investment agreements with the communities of Caujul and Navan.

Figure 1: Parag Copper-Molybdenum Project Location

Exploration and Next Steps

AK Drilling International have been appointed as drilling contractor and have mobilised to site in early January, after the preparation of drill pads and maintenance of roads.

The drill permit allows for drilling from 20 drill platforms, and will allow a full year of constant work, while a more comprehensive drilling programme is permitted during 2024.

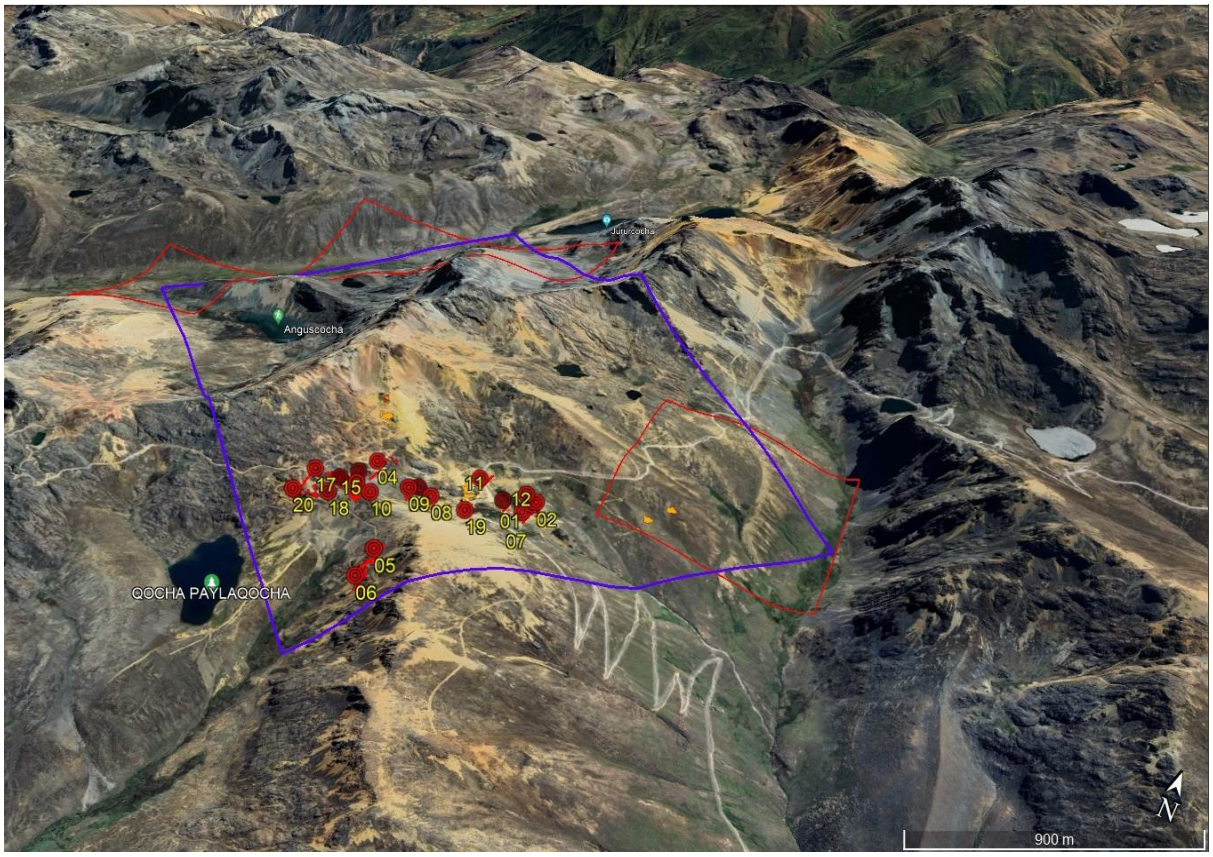

Figure 2 – Google Earth image showing the location of the initial planned drill holes shown by red dots.

The initial focus of the exploration will be to drill well understood targets on the high grade and outcropping breccias orebodies which have had a substantial amount of drilling to date, although most holes were drilled in an era before the adoption of the JORC code and need to be drilled again. Following an initial drill programme, a geophysics programme will be conducted that will be followed by drilling planned to test the deeper lying porphyry target discussed in previous announcements.

Don Enrique Copper Project, Peru (EVR 50%)

During the quarter, EVR focused its attention on obtaining a drilling permit for the Don Enrique project. An initial drilling permit for a 20 platform programme was issued, after extensive engagement with the community of Quero, with whom a multi year land access, engagement and investment agreement was signed. EVR will commence permitting a more expansive programme in mid 2024.

During the quarter, initial drilling targets were selected, for testing a very substantial chargeability high identified after an Induced Polarisation study earlier in 2023. This programme will utilise excellent quality unsealed roads, and test the anomaly which has been interpreted to dip to the west of the previously sampled and mapped hydrothermal breccia structures. The anomaly appears to widen as it dips to the -500m level, which was the extent of the depth tested.

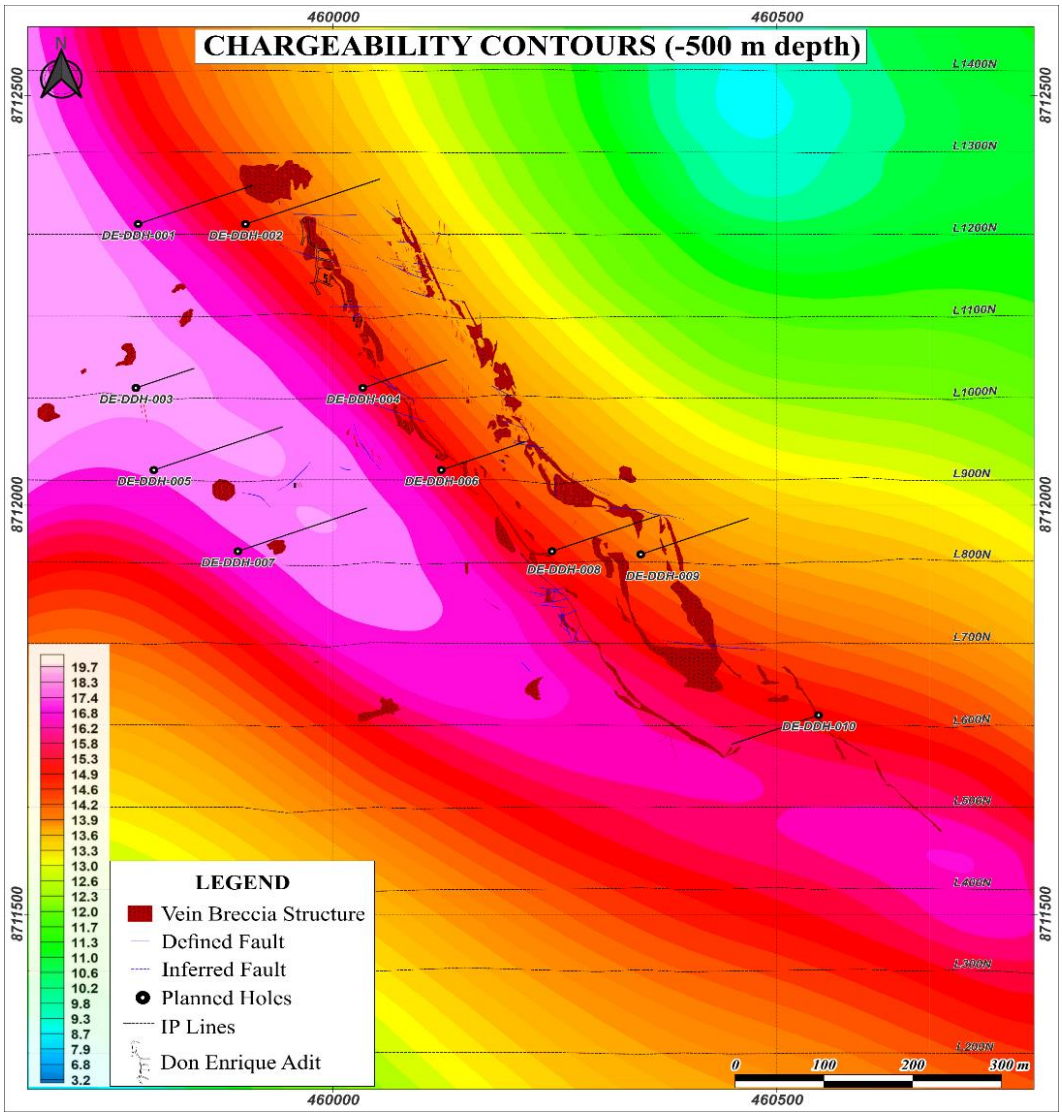

Figure 3 – Chargeability Anomaly at 500 metre depth

The anomaly appears to be widening and intensifying at the north west boundary of the project's licence.

A drilling programme is planned for later in the March quarter of 2024, to follow the initial drilling of the Parag project.

La Cienega Copper Project, Arizona (EVR 100%)

No Work was undertaken in the quarter.

Other Projects

EVR did not complete any activities at its remaining projects and has commenced a process of disposal of its non core holdings, by way of outright sale or Joint Venture.

CORPORATE

Redemption of Convertible Note

During the reporting period, Convertible Notes issued to Obsidian Ventures LLC were redeemed after the Company agreed a $1.2m unsecured loan from a director related entity, Allgreen Holdings Pty Ltd on more favourable terms than the Convertible Notes.

The loan is not convertible into shares and repayment is to take place at the next placement, assuming adequate funds are raised or when the Company is able to repay within 12 months. The loan facility can be draw down by the Company immediately with all funds from the loan to be applied towards paying out the Convertible Notes issued to Obsidian Global GP LLC (Obsidian). The material terms of the loan facility agreement are as follows:

- Loan facility amount: A$1,200,000.
- Loan term: 12 months.
- Interest Rate: 10% per annum.
- Security: Nil.
- The agreement does not include any right to convert the loan to EVR shares.
- The agreement also contains warranty clauses standard for an agreement of this nature.

Placement of Shares

During the quarter, the Company concluded a placement of ordinary shares that raised a total of A$2m in funds at a share price of A$0.01 with an attaching option at A$0.02, to be applied to project drilling, payments due to the vendor of the Parag project, and general working capital.

145,000,000 shares were issued immediately under the Company's placement capacity, while 215,000,000 Options Expiring 30 November 2026 and 55,000,000 EVR ordinary fully paid shares are to be issued, subject to shareholder approval being received at a General Meeting to be held on 31st January 2024.

Other

The Group's cash balance as 31st December 2023 was $872k.

During the quarter the aggregated amount of payments made to related parties and their associates totalled $182k comprising director fees and accounting fees.

$574k was spent on exploration expenditure during the quarter and further details of the exploration activity during the quarter are set out in this report.

SCHEDULE OF TENEMENTS

Project	Tenement ID	Indirect Interest * this Quarter	Indirect Interest * previous Quarter
PERU – PARAG PROJECT			
Viento	010196004	70%	70%
Parag 192	650003719	70%	70%
Viento 193	650003819	70%	70%
Parag 191	650003619	70%	70%
PERU – DON ENRIQUE PROJECT			
Don Enrique	0100769-12	50%	50%
Chaupiloma 2007	0105549-07	50%	50%
Chaupiloma 2008	0101581-08	50%	50%
COCOA Beach	0101558-15	50%	50%
UNITED STATES – LA CIENEGA			
La Cienega Project	AZ105298039 to AZ105298112	100%	100%
La Cienega Project	AZ105298113 to AZ105298187	100%	100%
PERU – YANAMINA PROJECT			
Malu I	RJ. N° 5721-95-RPM	100%	100%
Malu II	R.P. N° 1294-2010	100%	100%
Malu III	R.P. N° 4646-2010	100%	100%
MonicaT	R.P.N°6057-2008	100%	100%
Gladys E	R.P. N° 4152-2009	100%	100%
AUSTRALIA - KHARTOUM PROJECT			
Khartoum	EPM19112	100%	100%
Khartoum	EPM19113	100%	100%
Khartoum	EPM19114	100%	100%
Khartoum	EPM19203	100%	100%
Khartoum	EPM14797	100%	100%
Khartoum	EPM27892	100%	100%
Khartoum	EPM28310 - Application	100%	100%
AUSTRALIA – PILBARA LITHIUM PROJECTS			
Shaw River	E45/5849	100%	100%
AUSTRIA – WEINEBENE PROJECT			
Weinebene	82/16 (001/16) – 141/16 (060/16)	80%	80%
AUSTRIA – EASTERN ALPS PROJECT			
Glanzalm-Ratzell-Poling	01/19/JDR – 17/19/JDR	80%	80%
Millstätter Seerücken	18/19/JDR – 23/19/JDR, 55/16 (FS 13)	80%	80%
Thalheim (Judenburg)	43/16 (FS 1) - 44/16 (FS 2)	80%	80%
Hohenwart	56/16 (1083/16) – 81/16 (1181/16)	80%	80%
Mitterberg	45/16 (FS 3) – 49/16 (FS 7)	80%	80%
St. Radegund - Garrach	51/16 (FS 9) – 53/16 (FS-11)	80%	80%
Mittereck	24/19/JDR - 36/19/JDR	80%	80%

SERBIA PERMITS			
Rekovac	2224	14.5%	14.5%
Pranjani	2427	14.5%	14.5%

Dobranja	2428	14.5%	14.5%
Ursule	2429	14.5%	14.5%
Siokovac	2430	14.5%	14.5%

* Designates EV Resources Limited's interest in permits held through the following entities:

- Peru Permits (Parag) – Anta Parag S.A.C. incorporate in Peru and owned 70%;
- Peru Permits (Don Enrique) – Minera Montserrat incorporated in Peru and owned 50%;
- United States Permits – EV Resources USA Inc incorporated in the US and owned 100%
- Peru Permits (Yanamina) - Coripuquio SAC (formerly Minera Wealth Peru S.A.C) incorporated in Peru and owned 100%;
- Australia Khartoum Project – EV Resources Silver Pty Ltd incorporated in Australia and owned 100%;
- Australia Shaw River Project – EV Resources Pilbara Lithium Pty Ltd incorporated in Australia and owned 100%.
- Austria Permits – EV Resources Gmbh incorporated in Austria and owned 80%;
- Serbia Permits - Balkan Mining and Minerals (ASX:BMM) of which EVR holds a 14.5% interest.

-ENDS-

For further information, please contact:

Luke Martino
Non-Executive Chairman
Tel: +61 8 6489 0600
E: luke@evresources.com.au

Hugh Callaghan
Executive Director
Tel: +61 8 6489 0600
E: adrian@evresources.com.au

This ASX announcement was authorised for release by the Board of EV Resources Limited.

Forward Looking Statement

Forward Looking Statements regarding EVR´s plans with respect to its mineral properties and programs are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)", "potential(s)"and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. There can be no assurance that EVR's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that EVR will be able to confirm the presence of additional mineral resources, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of EVR's mineral properties. The performance of EVR may be influenced by a number of factors which are outside the control of the Company and its Directors, staff, and contractors.

These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

EV Resources Limited

ABN	Quarter ended ("current quarter")
66 009 144 503	31 Dec 2023

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(135)	(235)
	(b) development		
	(c) production		
	(d) staff costs	(59)	(239)
	(e) administration and corporate costs	(332)	(713)
1.3	Dividends received (see note 3)		
1.4	Interest received	1	4
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other - legal fees	-	(210)
1.9	**Net cash from / (used in) operating activities**	**(525)**	**(1,393)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	(296)	(296)
	(c) property, plant and equipment	(13)	(28)
	(d) exploration & evaluation	(574)	(975)
	(e) investments	-	-
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments	-	374
	(e) 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**	**(883)**	**(925)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,450	1,450
3.2	Proceeds from issue of convertible debt securities	-	1,306
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(188)	(458)
3.5	Proceeds from borrowings	1,200	1,200
3.6	Repayment of borrowings / convertible notes	(1,122)	(1,122)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other – Share applications	300	300
3.10	**Net cash from / (used in) financing activities**	**1,640**	**2,676**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	640	514
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(525)	(1,393)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(883)	(925)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,640	2,676

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**872**	**872**

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	872	640
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**872**	**640**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	102
6.2	Aggregate amount of payments to related parties and their associates included in item 2	80

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	1,200	1,200
7.2	Credit standby arrangements		
7.3	Other	25,000	-
7.4	**Total financing facilities**	26,200	1,200
7.5	**Unused financing facilities available at quarter end**		25,000
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

$25M Finance Facility

Terms of the $25M Equity Placement Agreement are as follows:

- **Investment**: $25 million via an equity drawdown facility.
- **Term**: The Company has the option to drawdown on the facility for 60 months commencing on 1 March 2023, or an earlier date agreed upon.
- **Security Shares**: The security provided to the Investor is 35 million shares to be issued prior to the first drawdown (Security Shares) which may be utilised to offset any drawdown.
- **Placement Request**: On drawdown of the facility, the Company is to send a Placement Request requiring either:
  - an amount of securities for the Investor to purchase at the Placement Price. The number of securities to be purchased will be equal to the lower of:
    - The number of securities requested;
    - 30% of the total volume traded in the 10 trading days prior to each Placement Request;
    - $2m divided by the Placement Price;
    - The Available Facility Limited (being $25M less drawdowns completed) divided by the Placement Price;
    - The Company's available placement capacity under LR 7.1; and
    - The number of Security Shares less the aggregate amounts of any reductions; or
  - a placement amount (the "Requested Placement Amount"). The Requested Placement Amount will be the lesser of:
    - the Requested Placement Amount;
    - $250,000, which may be increased to $500,000 by mutual agreement;
    - the Available Facility Limit (being $25M less drawdowns completed);
    - the Placement Price multiplied by the total of Security Shares less the aggregate amount of any reductions to the Security Share number; and
    - the Placement Price multiplied by the Company's available capacity under Listing Rules 7.1.
- **Placement Price:** The price of the drawdown will be 95% of the average of the lowest 3 daily VWAPs during the 11 trading days following the Placement Request being sent to the Investor ("Calculation Period").
- **Trading Restriction:** The Investor agrees to not trade more than $25,000 worth of EVR shares or more than 20% of the relevant days' volume (whichever is higher), in a single day. Where the number of shares has been specified in the Placement Request, then the Investor agrees not to sell in excess of 3m shares or 20% of the daily trading volume (whichever is greater) during the Calculation Period.
- **Placement Conditions**: The following conditions must be met prior to a Placement:
  - The Shares are not suspended from trading on the ASX or subject to a trading halt.
  - It has been at least 12 Trading Days since the immediately prior Placement Request Date, provided that this may be reduced to a lesser number of days by mutual agreement between the Investor and the Company.
  - The Shares have not traded below A$0.008 per Share during any of the 10 prior Trading Days;
  - The immediately prior Placement Request has Completed.
  - No Event of Default has occurred.

$1.2M Loan

The material terms of the loan facility agreement are as follows:

- Loan facility amount: A$1,200,000
- Loan term: 12 months
- Interest Rate: 10% per annum
- Security: Nil
- The agreement does not include any right to convert the loan to EVR shares.

The agreement also contains warranty clauses standard for an agreement of this nature.

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(525)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(574)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,099)
8.4	Cash and cash equivalents at quarter end (item 4.6)	872
8.5	Unused finance facilities available at quarter end (item 7.5)	25,000
8.6	Total available funding (item 8.4 + item 8.5)	25,872
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	23.5

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 31 January 2024

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.