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The Manager

Companies Announcements Office

Australian Securities Exchange

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## EROMANGA ACQUIRES OPERATING QUEENSLAND GOLD MINE

### HIGHLIGHTS

- Acquisition of 100% ownership of the operating Georgetown Alluvial Gold Mine, including all plant and equipment.
- Purchase includes 13 granted mining leases, all fully permitted and “production ready”.
- Current mining operations have the capacity to generate gold production revenues in excess of \$2 million per annum (at \$1200/oz Au).
- Excellent potential to delineate, with further exploration, alluvial gold resources of 40,000-45,000 ounces, within granted mining leases.
- Near term potential to expand gold output via better utilisation of plant and equipment, followed by staged expansion of processing capacity.
- Mining operations surrounded by granted exploration licence, EPM 15995, with exciting alluvial and hard-rock gold potential.
- Excellent mine location within 30 minutes of the regional service centre of Georgetown.
- Acquisition has been achieved within Eromanga’s available cash reserves and without recourse to debt.

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The Board of Eromanga Uranium Ltd (ERO) is pleased to announce the acquisition of 100% of the Georgetown Alluvial Gold Mine and surrounding exploration licence for the payment of \$2.65 million. This acquisition provides the Company with immediate cash-flow, at a time of considerable economic uncertainty, as well as providing

the opportunity for significant expansion of gold production in the near term. The Board believes that this transaction will form the platform for ongoing growth of the Company with gold production revenues supporting active exploration of our gold and uranium property portfolio.

## Transaction Details

The acquisition of the Georgetown Gold Project, inclusive of the operating mine, has been completed by way of a Share Sale Agreement between the previous owners of Douglas Resources Pty Ltd and ERO Metals Pty Ltd (“ERO Metals”) a 100% owned subsidiary of ERO. Under this agreement ERO Metals has acquired 100% of the issued capital of Douglas Resources Pty Ltd by payment of \$2.65 million.

The assets of Douglas Resources Pty Ltd are now available on a walk-in/walk-out basis with all former employees, officers and directors of Douglas Resources Pty Ltd terminating their services as a pre-condition to completion of the transaction. By acquiring Douglas Resources Pty Ltd, rather than its assets, ERO Metals has maintained the currency of all essential permits and planning authorities, thus ensuring the ability of the Company to seamlessly continue mining operations.

## Overview – Georgetown Gold Project

### Location and Access

The Georgetown Alluvial Gold Mine and surrounding exploration areas are located to the south-southwest of the township of Georgetown in central-northern Queensland. Georgetown is approximately 375km by sealed road, or 5 hours west of Cairns (Figure 1). Access from Georgetown to the mine site is via 32km of sealed and then well maintained gravel roads. Georgetown is the major service centre for the region and its proximity to the mining operations ensures excellent access to key goods and services.

The project area is subject to pronounced wet and dry seasons that cause restrictions on mining activities during the peak of the wet season. As a result the alluvial gold mining is conducted from March to November of each year with no gold production during the December to February period.



Figure 1 Location of the Georgetown Gold Project.



Main plant operating in Area 1 - April 2009.

## Description of Operations

The Georgetown Gold Project is made up of the operating alluvial gold mine and the surrounding granted exploration licence, EPM 15995.

The mining operation consists of thirteen (13) granted mining leases, covering a total 389.39 hectares, which are positioned over alluvial wash within Tabletop Creek and the un-mined headwaters of the adjacent Western Creek (Figure 2). The gold recovery plant is currently positioned at the western limits of ML 30091 with all mining activities occurring entirely within this tenement (Figure 2). Mining conducted within ML 30091 during the period July 2008 to May 2009 has returned recovered gold values averaging 0.51g/lcm (a lcm is a loose cubic metre).

The gold recovery plant has the capacity to treat 50 lcm/hr and is a conventional alluvial gold plant consisting of scrubber/trommel, screens, jigs and Knudsen concentrator. Whilst the recovery plant is fully mobile it is sited such that it will not require relocation during the remainder of the 2009 calendar

year. Water required for the processing plant is sourced from both temporary and permanent dams located within the catchments of Tabletop and Western Creeks. The mine area has a number of large dams built during the mining of Western Creek in the late 1980s and these provide water storages that are well in excess of current mining requirements.

Mining is conducted utilising a conventional excavator/truck configuration with the gold bearing alluvial wash hauled from active mining areas to the centrally located gold recovery plant. Quality control during the mining phase is relatively simple with a thin topsoil layer removed prior to excavation of the alluvial gravels. The gravels are visually identifiable and rest immediately on weathered basement. Rehabilitation of mined areas is conducted on an ongoing basis in order to limit the area of ground disturbance to a maximum of 2 hectares at any point in time. The mining and processing activities are supported by a fully equipped workshop, office and accommodation facilities.



Conventional excavator mining - April 2009.

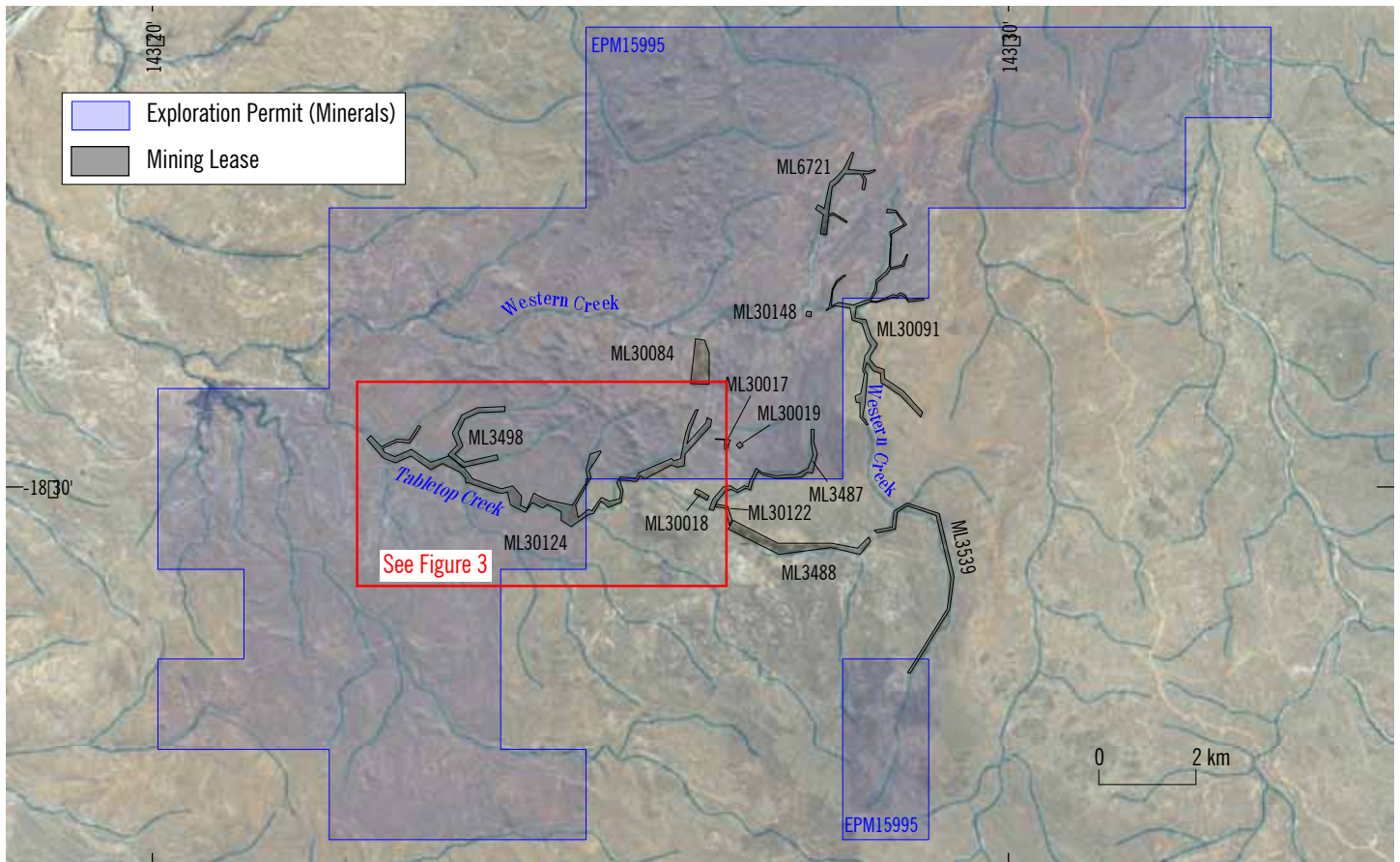


Figure 2 Location of the 13 mining leases and granted Exploration Licence EPM 15995.

**Alluvial Gold Resource Potential**

There are currently no delineated alluvial gold resources, within the project area, that could be classified under the Code of the Joint Ore Reserves Committee (JORC). However the area of the mining leases has been subjected to extensive bulk sampling, by both costeaning and test pitting, with the recoverable gold grades determined by processing of these samples through a gold recovery plant. Eromanga Uranium has contracted the individual responsible for the initial testing and resource estimates to visit the site and provide detail of the methodology that was applied and to verify the location of bulk sample sites. ERO is satisfied that the initial sampling has been conducted in line with accepted industry standards and in a manner appropriate to the style of gold mineralisation under evaluation (Figure 3). Whilst this initial phase of bulk sampling has been conducted in an acceptable manner the quality of documentation of the completed works is not considered, by the Company, to support classification of a JORC compliant resource.

The Company believes that the initial bulk sampling and grade estimation conducted across the granted mining leases at the Georgetown Gold Project strongly supports an Exploration Target of 40,000 to 45,000 ounces of recoverable gold at an average grade of 0.45 to 0.55 g/lcm.

(Exploration Target - the potential quantity and grade is conceptual in nature, and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource)

It is the Company's intention to immediately embark on a program of bulk sampling that will be designed to confirm the earlier test work and allow for the publication of a resource estimate conforming to the JORC guidelines. A 25 lcm/hr test plant will be constructed from surplus equipment, acquired by ERO as part of the current transaction. This plant will be operated in parallel with the main production plant with the objective of validating the Company's current Exploration Target.



Mining operation - April 2009.

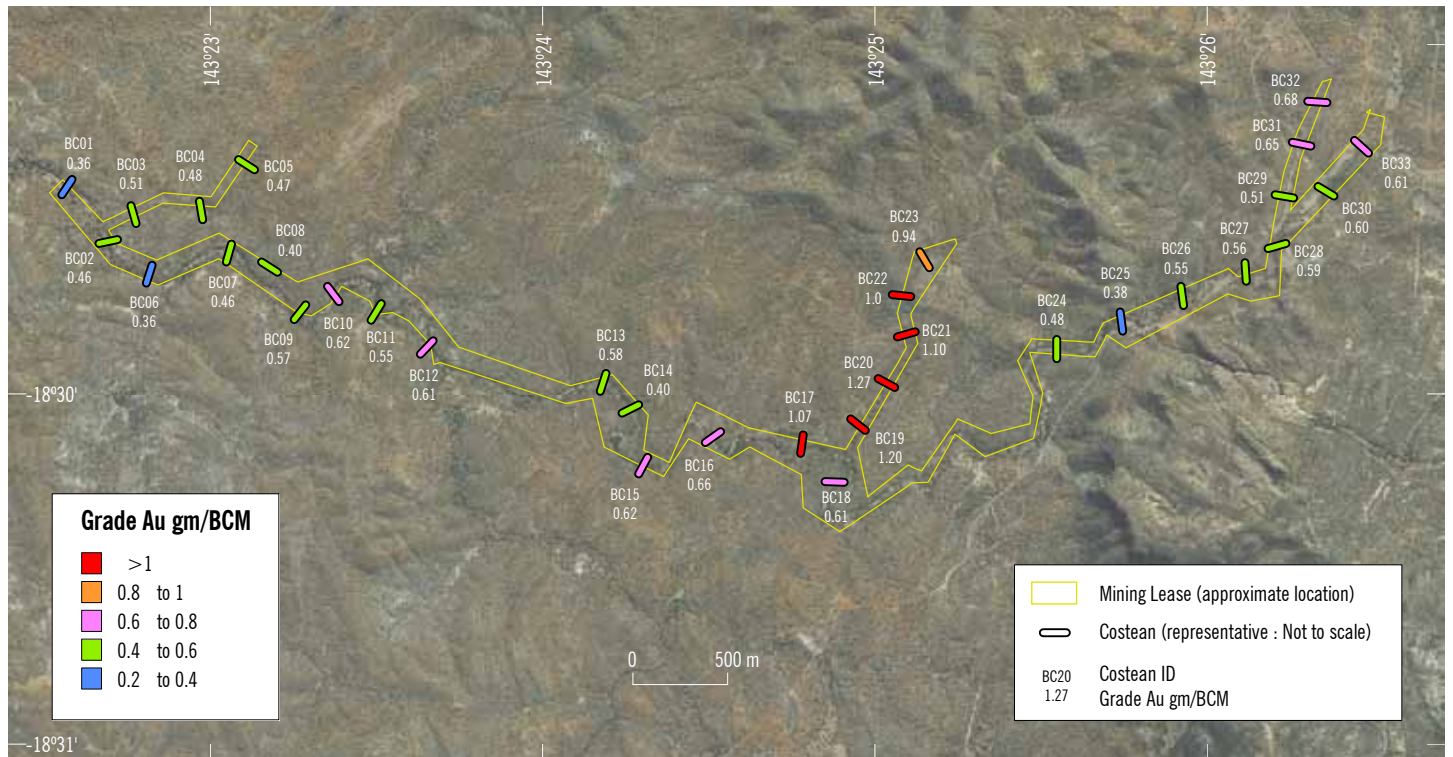


Figure 3 ML 30124 (The Golden Tabletop) showing the location of costeans and Au BCM grades.

## Near Term Operation Focus

The Company intends to immediately suspend operation of the gold recovery plant for a period of 4 to 5 weeks. This measure is considered essential to allow time for the completion of a number of plant modifications, required to improve operational efficiency. In parallel with the upgrades to the recovery plant the Company intends to complete major servicing and repairs to mining equipment and to access some additional items of mining plant.

We believe that this approach to the commencement of full scale mining operations will insure the best chance of maintaining safe and efficient gold production throughout the remainder of the year.

Upon the establishment of "steady-state" single shift operations it is the Company's intention to investigate the commencement of a two-shift operation of the recovery plant. This would significantly increase the Company's gold output at very minimal capital cost and ensure better return on our investment in the mining operations.

## Future Mine Expansion

Conversion of the Company's Exploration Target to JORC compliant resources will allow the Company to significantly expand the mine operations. The Company believes that the potential alluvial resources within the granted mining leases would support a staged expansion of operations. The initial addition of a 100 lcm/hr processing

plant would treble the installed processing capacity at the mine site and could be achieved for the expenditure of \$1 to \$1.5 million.

In order to fully quantify the rate and size of potential mine expansions the Company will prioritise the testing and estimation of gold resources across all of the 13 granted mining leases.

**Kevin Lines**  
MANAGING DIRECTOR

11 June 2009



*Mining operation Area 1 - April 2009.*

*Gold from the Georgetown Project.*

For further information please contact Eromanga Uranium on 08 8132 7970 or Investor Relations – Mr Duncan Gordon on 0404 006 444

Further information relating to Eromanga Uranium Limited and its various exploration projects can be found on the Eromanga website:  
[www.eromangauranium.com](http://www.eromangauranium.com)

## Disclaimer

*This presentation contains forward looking statements that are subject to risk factors associated with the exploration and mining industry.*

*It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a variety of variables which could cause actual results or trends to differ materially.*

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Kevin Lines who is a Member of the Australasian Institute of Mining and Metallurgy, and who has sufficient experience relevant to the style of mineralisation, the type of deposit under consideration, and the activity he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves (the JORC Code). This report is issued in the form and context in which it appears with the written consent of the Competent Person, who is Managing Director of the Company.*