



The Manager
Companies Announcements Office
Australian Securities Exchange
20 Bridge Street SYDNEY NSW 2000

ASX Announcement

27 SEPTEMBER 2010

OPERATIONS and EXPLORATION UPDATE

The Company is pleased to provide an update on the Georgetown Gold Operations, Billa Kalina IOCGU (iron oxide, copper, gold, uranium) Project in the Gawler Craton, and the Tanami Project.



Georgetown Gold Operations

ERO Mining 100%

The Company has recently completed a Heritage Survey with the Traditional Landowners, and is now in receipt of the final survey report which allows access to unmined alluvial terraces to the south and eastern portions of ML30091, where the Company is currently operating the gold recovery plant (Figure 1). When the current mining areas are exhausted of suitable material, and upon final completion of rehabilitation of those areas, the Company will source alluvial wash from these new terraces. The estimated volume of alluvial wash in these new areas is considered sufficient to supply the needs of the gold recovery plant for the remainder of 2010. The grade of these new areas is estimated, based upon previous data, to be within the range of 0.45 to 0.60 grams of gold per loose cubic metre (lcm).

The gold recovery plant continues to operate well with declining frequencies of breakdowns due to progressive maintenance.

Now that a Heritage Survey has been completed, and ERO is in receipt of the final heritage survey report, it is now possible for drilling to be undertaken over the hard rock gold projects at True Blue, and The Tunnels.

At the Airstrip Lease area, recent photo interpretation has highlighted two areas containing potentially significant volumes of alluvial wash that require further evaluation, to determine prospectivity. The areas have been named the Right Hand Bend, and Confluence Prospect, and are contained within EPMA 18130 (ERO Mining 100%), (Figure 2).

The successful completion of an Indigenous Land Use Agreement (ILUA), currently in the negotiation stage, will facilitate the granting of EPMA 18130 and MLA 30227 to allow further exploration and bulk sampling of these prospect areas.

ERO Mining Limited
ACN 119 031 864

62 Beulah Road Norwood
South Australia 5067

PO Box 3126 Norwood
South Australia 5067

Phone 61 8 8132 7970

Fax 61 8 8132 7999

Email info@eromining.com

web www.eromining.com

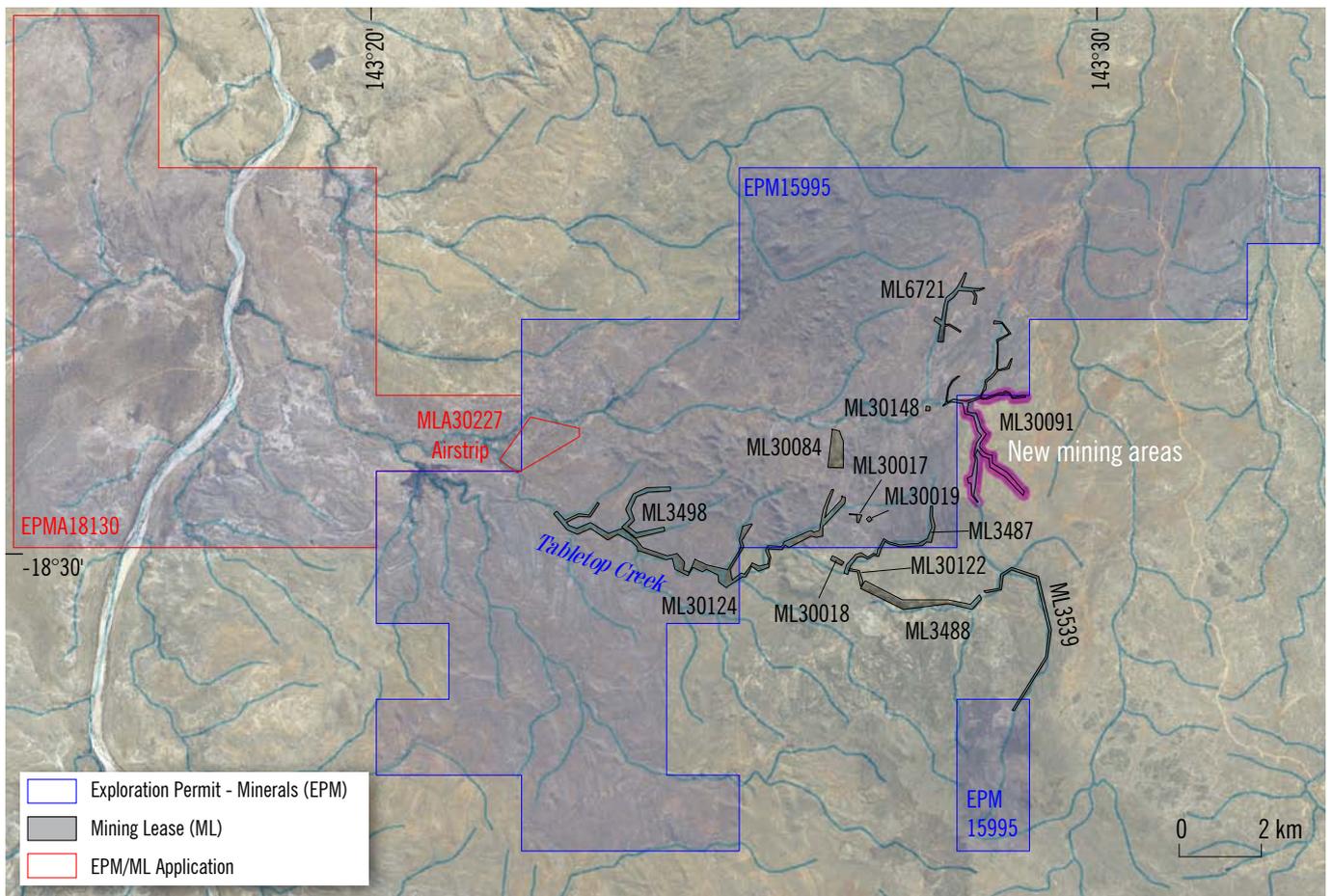


Figure 1 Location of the 13 mining leases and Airstrip Mining Lease application area.

As previously reported, the Company is in receipt of several unsolicited offers to purchase the operation, and, following a review of operations, the Company believes that the sale is in the best interests of shareholders in order to focus efforts on the Company's highly prospective Tanami, and Gawler Craton IOCGU Projects.

One party has completed a site visit, while a second party has scheduled a site visit for early October.



Sheet-wash over alluvial gravels, Airstrip Lease.

Billa Kalina IOCGU Project

ERO Mining earning 50% under the terms of the Billa Kalina JV from Maximus Resources Ltd in ELs 3526, 3525, 4463 and 4468, ELAs 78/10 and 33/10, ERO Mining 100% in ELA 32/10

PEEWEENA DAM

ERO Mining has received notification of the Defence Department's review of the submission for access into the Woomera Prohibited Area (WPA) for the purpose of exploration activities. The Defence Department reiterated that the location of the Peeweena Dam gravity anomaly, and the proposed gravity survey and subsequent drilling, does raise some concerns. They have requested further clarification of several points from the submission, which the Company has supplied.

Given that the area of interest to ERO lies very close to the margin of the Restricted Zone, the Company is hopeful that permission to proceed will be forthcoming from the Defence Department and in such an event will immediately embark on the ground gravity program to validate the single point gravity anomaly (Figure 3).

The Peeweena Dam gravity anomaly has not been subjected to drill testing in the past, and represents a unique discovery opportunity for the Company within the highly prospective Gawler Craton.

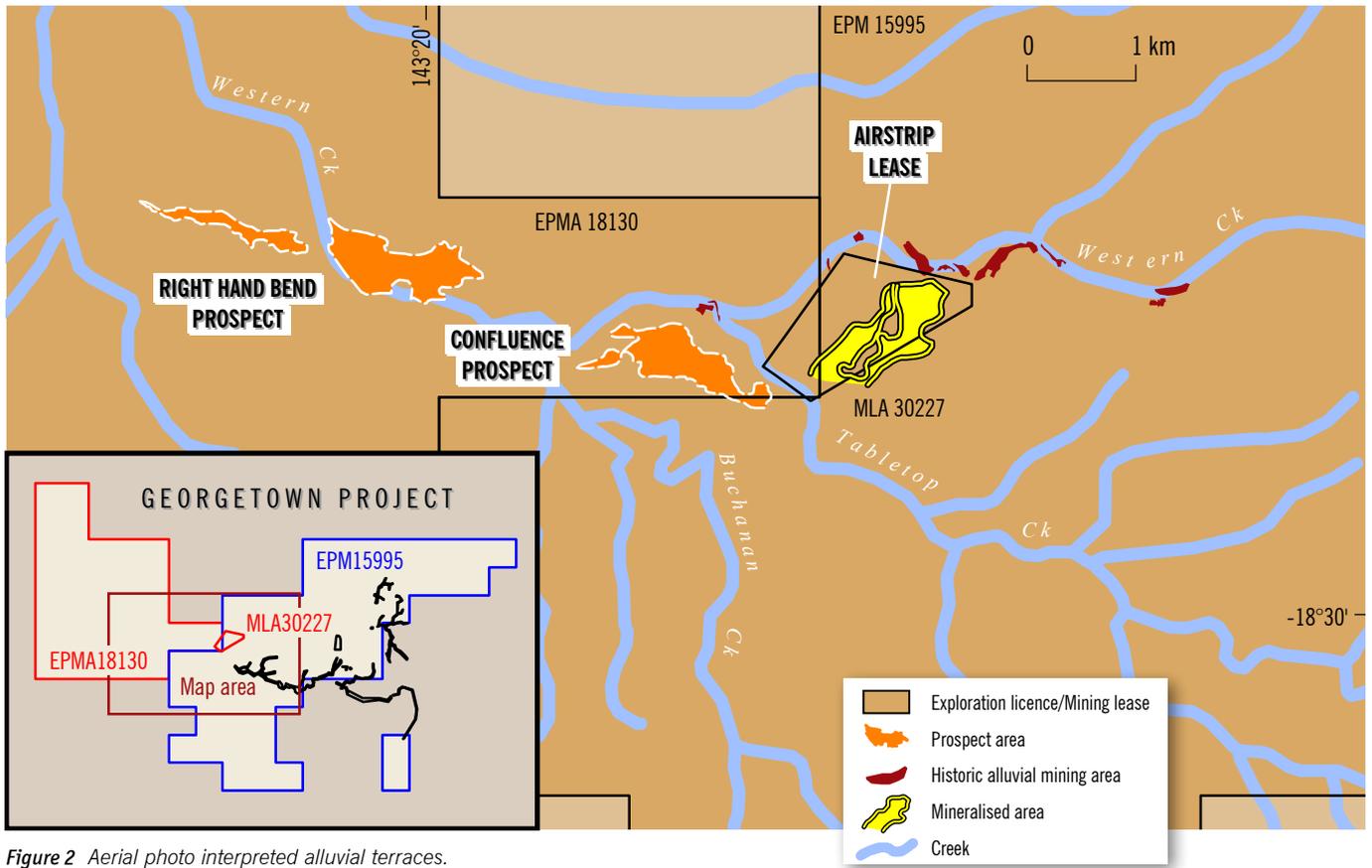


Figure 2 Aerial photo interpreted alluvial terraces.

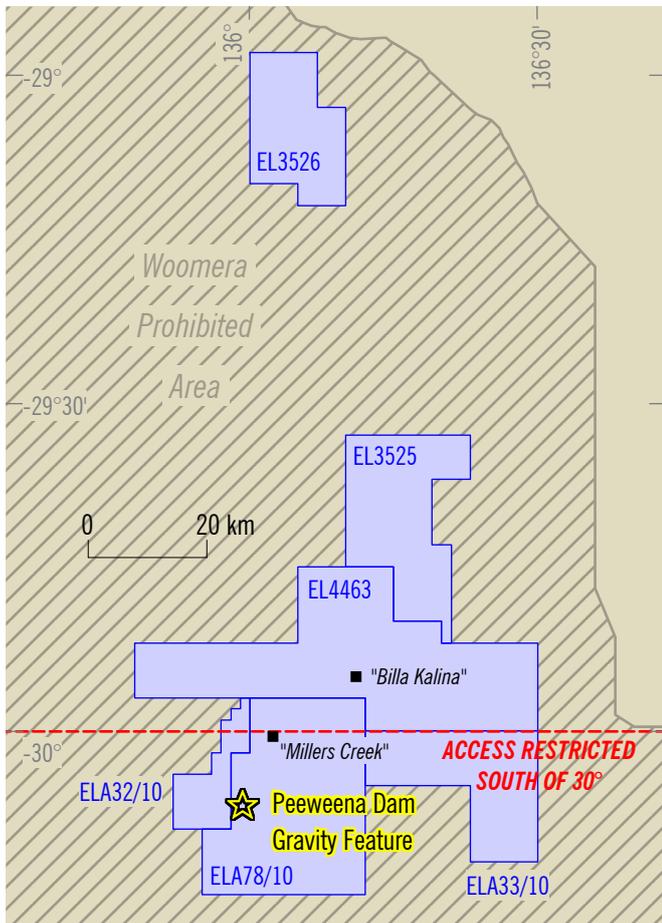


Figure 3 Location of Peeweena Dam.

The anomalous data point that defines the Peeweena Dam target has amplitude of approximately 10 mgal, and is based upon a single data reading from 6–7 km spaced gravity stations. The survey was conducted by the Bureau of Mineral Resources. The gravity feature is located adjacent to a major northeast trending structure, separating the contact between to Archean basement to the west, and Proterozoic–Palaeozoic sediment to the east, within the regionally dominant northwest trending G2 structural corridor.

Significant single point gravity data from the same regional dataset highlighted both the Olympic Dam and Prominent Hill Deposits, prior to their eventual discoveries (Figure 4).

Tanami Project

ERO Mining 100% in ELA 27430, ELA 25511, EL 27806, ELA 27921, ELA 27995, ELA 27997 and ELA 26625

SUPLEJACK

ERO Mining 100%

The Suplejack Project is located approximately 30 km east of the Tanami Gold Mine, currently being refurbished by Tanami Gold. ERO considers this tenement prospective for both high-grade, unconformity-related uranium mineralisation and gold deposits of the Ranger and Callie styles respectively.

The Company has agreed to the terms proposed by the Traditional Owners for the project area and awaits a final sign

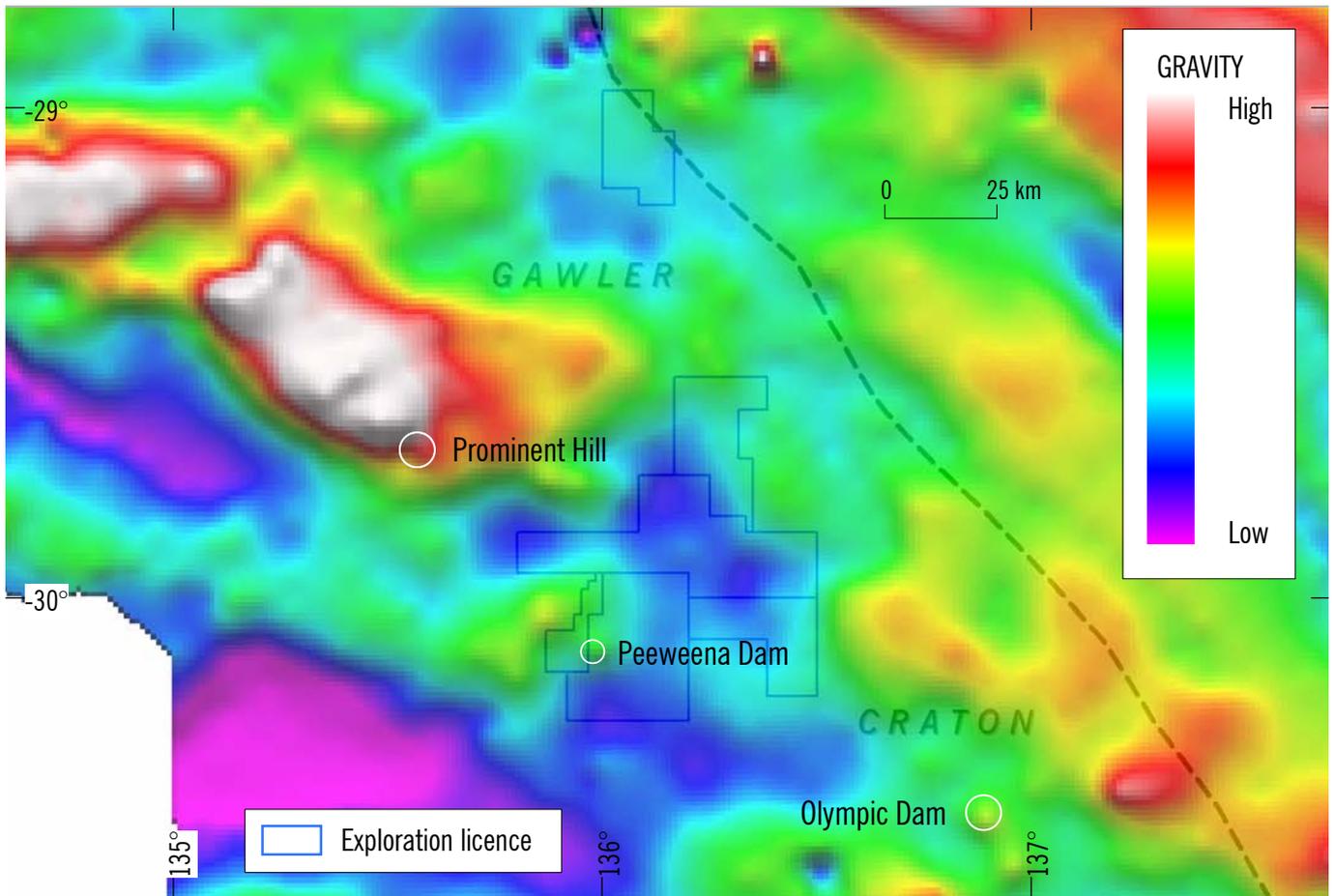


Figure 4 Circa 1970 Gawler Craton regional gravity survey.

off of the documentation, after a successful final meeting. In the interim, the Traditional Owners have allowed the Company to complete an airborne EM survey ahead of the final sign off.

The Company proposes to conduct an airborne EM survey over the Suplejack Project, in conjunction with an EM survey at Talbot North. These surveys are intended to detect areas of graphitic shales, adjacent regional structural breaks that represent sites for the location of unconformity-related uranium mineralisation. The Company has identified suitable contractors to undertake the survey, and subject to contractor availability, expects to conduct both surveys late 2010.

Stephen Hogan
EXPLORATION MANAGER
ERO Mining Limited

08 8132 7970

27th September 2010

DISCLAIMER

This report 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 Stephen Hogan 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 an employee of the Company.

FOR FURTHER INFORMATION

Please contact
ERO Mining Limited
on 08 8132 7970, or

Investor Relations –
Mr Duncan Gordon
Executive Director
Adelaide Equity Partners
on 08 8232 8800 or 0404 006 444

Further information relating to ERO Mining Limited and its various exploration projects can be found on its website:

www.eromining.com