



7 March 2011

SHARE PURCHASE PLAN

Dear Fellow Shareholder

On 28 February 2011, the Directors of ERO Mining Limited ("ERO") announced a Share Purchase Plan ("SPP"). The SPP is available to all eligible shareholders who are on the share register on the record date, 25 February 2011. Please find enclosed the SPP offer document and your personalised application form. Please read these documents carefully and seek advice from your investment or other professional adviser prior to any decision being made to apply for shares.

The SPP will raise a maximum of \$2.97 million (before costs) through the issue of a maximum of 99 million new fully paid ordinary shares in ERO Mining ("New Ordinary Shares") at 3 cents per share.

There is a maximum of \$2.97 million of shares available under the SPP. Accordingly, applications will be accepted on a first come, first accepted basis, or scaled back on a pro-rata basis, as the Company's directors decide. Each offer is made on the same terms and conditions.

ERO intends to apply capital raised through the SPP towards a major two-State drilling and exploration campaign at its key lithium, uranium and gold exploration projects in South Australia and the Northern Territory. A lithium and uranium push in SA will focus on two areas: Wertaloona, northeast of Port Augusta; and Padthaway Ridge in the State's South East. The NT uranium and gold drive is targeting work on the Company's Suplejack and Talbot North prospects.

Each shareholder eligible to participate in the SPP will be entitled to subscribe for New Ordinary Shares to the value of either \$15,000 (500,000 shares), \$4,999.98 (166,666 shares) or \$2,499.99 (83,333 shares) in the capital of the Company. The cost of 3 cents per share is at a discount of approximately 13% from the average closing price of Shares traded on the ASX over the last five days on which the stock traded up to and including 25 February 2011, being the last day of trading before the SPP was announced.

SPP Timetable

Opening Date for receipt of Applications	Monday 7 March 2011
Closing Date for receipt of Applications	Friday 25 March 2011
Date of Issue of Shares	Tuesday 29 March 2011
Anticipated Date of Quotation of Shares	Thursday 31 March 2011

Immediately following the SPP, the Company will undertake a bonus issue of options to shareholders on the basis of 1 free option for every 4 shares held. The bonus options, at an exercise price of 6 cents, expiring 28 September 2012, will be allotted after the issue of the additional SPP shares, therefore eligible shareholders who subscribe for additional shares under the SPP will be entitled to the increased number of free options.

The Board of ERO are excited by the prospects for growth of the Company over the coming twelve months and strongly recommend the SPP to all of our loyal shareholders.

Yours faithfully

A handwritten signature in black ink, appearing to read "Robert M Kennedy", with a large, stylized flourish at the end.

Robert M Kennedy
Chairman

ERO Mining Ltd
ABN 40 119 031 864

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Norwood 5067
South Australia

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Norwood 5067
South Australia

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email info@eromining.com

ERO MINING LIMITED
ACN 119 031 864

SHARE PURCHASE PLAN – OFFER DOCUMENT

Share Purchase Plan (SPP)	The SPP provides eligible holders of shares in ERO Mining Limited (Company) with the opportunity to acquire up to 99,000,177 additional shares in the Company (Shares). There is a maximum of approximately \$2.97 million of Shares available under the SPP. Accordingly, applications will be accepted on a first come, first accepted basis, or scaled back on a pro-rata basis, as the Company's directors decide. Each offer is made on the same terms and conditions.
Eligibility	Registered holders of fully paid Shares at 5:00 pm (Adelaide time) on 25 February 2011 and having a registered address in either Australia or New Zealand are eligible to participate in the SPP (Eligible Shareholders).
Issue Price	The price per Share issued under the SPP will be 3 cents each. This price is approximately 13% lower than the average closing market price of Shares over the last five days on which shares in the Company were traded up to and including 25 February 2011 (being the last day of trading before the SPP details were announced).
Amount to invest	You may apply under one of the alternatives below: <ul style="list-style-type: none"> • 500,000 Shares at a total application price of \$15,000; or • 166,666 Shares at a total application price of \$4,999.98; or • 83,333 Shares at a total application price of \$2,499.99.
Indicative timetable* *Subject to the <i>Corporations Act 2001</i> and the Listing Rules of ASX Limited, these dates may be varied by the directors without prior notice.	Opening Date for receipt of Applications – 7 March 2011 Closing Date for receipt of Applications – 25 March 2011 Date of Issue of Shares – 29 March 2011 Anticipated Date of Quotation of Shares – 31 March 2011
How to apply	If you wish to participate in the SPP you must complete the enclosed Application Form in accordance with the instructions on that Form and return it together with a cheque made payable to "ERO Mining Limited Share Purchase Plan" before the Closing Date. Alternatively, you can participate in the SPP using BPAY. Payment by BPAY must be received before the Closing Date (refer to the reverse of the enclosed Application Form for further details).
Rights attached to Shares	New Shares will rank equally with existing Shares on issue at the date of allotment.
Transferring rights	The offer is non-renounceable meaning rights to take up Shares cannot be transferred.
What to do if you receive more than one Application Form	If you receive more than one Application Form, or if you hold Shares in more than one capacity, for example if you are both a sole and joint holder of Shares, the maximum number of Shares you may apply for under the SPP is 500,000.
Other terms, conditions and important notices	Other terms, conditions and important notices relating to the SPP appear on the following page and should be read in full before applying for Shares.

SHARE PURCHASE PLAN – OFFER DOCUMENT

OTHER IMPORTANT TERMS, CONDITIONS AND NOTICES

1. You should be aware that the market price of Shares may rise or fall before the Shares are allotted to you under the SPP; therefore, the issue price of Shares under the SPP may exceed or be less than the market price of Shares at the time of allotment to shareholders.
2. Shareholders will be bound by the constitution of the Company and these terms and conditions by accepting the offer to acquire Shares under the SPP.
3. The Company has a broad discretion to accept or reject your application to purchase Shares under the SPP, including (without limitation) if: your Application Form is incorrectly completed or incomplete or otherwise determined by the Company to be invalid; the cheque or money order that you enclose with the Application Form is not made out for the exact amount of the parcel of Shares that you have selected on the Application Form, is dishonoured or has not been completed correctly; or the Company believes that you are not an Eligible Shareholder.
4. The Company may issue to any person fewer Shares than the person applied for under the SPP. No interest will be paid on any application money returned to you.
5. Eligible Shareholders that are custodians as defined under ASIC Class Order 09/425 (**Custodians**) that hold shares of the Company on behalf of another person (**Beneficiary**), may apply for up to a maximum amount of \$15,000 for each Beneficiary if, in conjunction with the Application Form, they provide the Company with a certificate certifying the following:
 - 5.1 the Custodian holds Shares on behalf of Beneficiaries who have instructed the Custodian to apply for the Company's shares on their behalf under the SPP;
 - 5.2 the number of Beneficiaries to which the certificate relates;
 - 5.3 the name and address of each Beneficiary;
 - 5.4 in respect of each Beneficiary, the number of Shares that the Custodian holds on their behalf;
 - 5.5 in respect of each Beneficiary, the number or the dollar amount of Shares which each Beneficiary has instructed the Custodian to apply for on their behalf; and
 - 5.6 that there are no Beneficiaries in respect of whom the total of the application price for the following exceeds \$15,000:
 - 5.6.1 the shares applied for by the Custodian on their behalf under the SPP; and
 - 5.6.2 any other Shares issued to the Custodian in the 12 months before the application as a result of an instruction given by that Beneficiary to the Custodian to apply for Shares on their behalf under an arrangement similar to the SPP.
6. If you apply to participate in the SPP by completing and returning the Application Form, or by using BPay:
 - 6.1 your application, on these terms and conditions, will be irrevocable and unconditional (it cannot be withdrawn);
 - 6.2 you acknowledge that you are an Eligible Shareholder;
 - 6.3 you certify that the aggregate of the application price paid by you for the following does not exceed \$15,000 (even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP):
 - 6.3.1 the Shares applied for by you under the SPP;
 - 6.3.2 any other shares issued to you under any similar arrangement to the SPP in the 12 months before the application;
 - 6.3.3 any other Shares which you have instructed a Custodian to apply for on your behalf under the SPP; and
 - 6.3.4 any other shares issued to a Custodian in the 12 months before the application as a result of an instruction given by you to the Custodian to apply for shares on your behalf under an arrangement similar to the SPP.
 - 6.4 you acknowledge that you are lawfully permitted to accept the offer to acquire Shares under the SPP and participate in the SPP in accordance with the laws applicable in Australia and any other applicable laws in the jurisdiction in which you and/or the beneficial owner of your Shares are situated.
7. The Company may modify or terminate the SPP at any time. The Company will notify ASX of any modification or termination of the SPP. The omission to give notice of any modification to or termination of the SPP or the failure of ASX to receive such notice will not invalidate the termination or modification.
8. The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant, application or Shares. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

Securityholder Reference Number (SRN)

000001
000
SAM
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

I 1234567890 I N D

🔒 For your security keep your SRN/HIN confidential.

Entitlement Number:
Record Date: 25 February 2011
Offer Closes: 5.00pm (ACDT) 25 March 2011
Price per Security: A\$0.03

SHARE PURCHASE PLAN APPLICATION FORM

This personalised form can only be used in relation to the securityholding represented by the SRN or HIN printed above. This is an important document and requires your immediate attention. If you are in doubt about how to deal with this document, please consult your financial or other professional adviser.

Pursuant to the terms and conditions of the **ERO Mining Limited** Share Purchase Plan (SPP) contained in the letter to **ERO Mining Limited** securityholders dated 7 March 2011, **ERO Mining Limited** is offering eligible securityholders the opportunity to purchase Ordinary Shares up to a maximum value of **A\$15,000.00** per eligible securityholder, subject to a minimum application of **A\$2,499.99**.

If you do not wish to purchase additional shares under this offer there is no need to take action.

By making your payment, you agree to be bound by the Constitution of **ERO Mining Limited** and agree that the submission of this payment constitutes an irrevocable offer to you by **ERO Mining Limited** to subscribe for **ERO Mining Limited** Shares on the terms of the SPP. In addition, by submitting the slip below you certify that the aggregate of the application price paid by you for:

- the Shares the subject of the slip below; and
- any other shares and interests in the class applied for by you under the Share Purchase Plan or any similar arrangement in the 12 months prior to the date of submission of the slip below, does not exceed A\$15,000.00.

METHOD OF ACCEPTANCE

You can apply for shares and make your payment utilising one of the payment options detailed overleaf.

ERO Mining Limited may make determinations in any manner it thinks fit, in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant or application. Any determinations by **ERO Mining Limited** will be conclusive and binding on all eligible securityholders and other persons to whom the determination relates. **ERO Mining Limited** reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all eligible securityholders even where **ERO Mining Limited** does not notify you of that event.

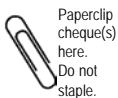
ERO

S P R B



▼ PLEASE DETACH HERE ▼

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Paperclip
cheque(s)
here.
Do not
staple.



EFC 'A'jbjb' @mited
ACN 119 031 864

Please see overleaf for Payment Options



Billers Code: 123456

Ref No: 1234 5678 9012 3456 78

I/We wish to purchase:

500,000 shares or A\$15,000.00 or 166,666 shares or A\$4,999.98 or 83,333 shares or A\$2,499.99

* These share amounts may be subject to scale-back in accordance with the terms of the SPP.

Payment Details – Please note that funds are unable to be directly debited from your bank account

Drawer	Cheque number	BSB number	Account number	Cheque amount
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

Make your cheque or bank draft payable to **ERO Mining Limited – Share Purchase Plan**

Contact Details

Please provide your contact details in case we need to speak to you about this slip

Name of contact person

Contact person's daytime telephone number

How to accept the Share Purchase Plan

Payment Details

You can apply for shares by utilising the payment options detailed below. There is no requirement to return the slip below if you are paying by electronic means. By making your payment using either electronic means or by cheque, bank draft or money order, you confirm that you:

- agree to all of the terms and conditions of the Share Purchase Plan as enclosed with this Application Form;

Make your cheque, bank draft or money order payable to ERO Mining Limited – Share Purchase Plan in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian branch of a financial institution. Please ensure you submit the correct amount. Incorrect payments may result in your application being rejected. Complete cheque details in the boxes provided. **Please note that funds are unable to be directly debited from your bank account.**

If paying by cheque, return the slip below and Cheque, Bank Draft or money order in the envelope provided.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the slip below where indicated. Cash will not be accepted. A receipt for payment will not be forwarded.

Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding the slip below.

Lodgement of Application

If you are applying for shares and your payment is being made by BPAY®, you do not need to return the slip below. Your payment must be received by no later than **5.00pm (ACDT) on 25 March 2011**. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Ensure you have read and accurately followed your banking institution's BPAY FAQ or other instructions prior to making multiple payments for multiple holdings under this offer. Neither CIS nor **ERO Mining Limited** accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order, the slip below must be received by Computershare Investor Services Pty Limited (CIS) **Adelaide** by no later than **5.00pm (ACDT) on 25 March 2011**. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for securityholders in Australia. **New Zealand holders will need to affix the appropriate postage.** Return the slip below with cheque, bank draft or money order attached.

Neither CIS nor the Company accepts any responsibility if you lodge the slip below at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you have any enquiries concerning this form or your entitlement, please contact CIS on 1300 652 385.

This form may not be used to notify your change of address. For information, please contact CIS on **1300 652 385** or visit www.computershare.com (certificated/issuer sponsored holders only).

CHESS holders must contact their Controlling Participant to notify a change of address

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Payment Options:



Billers Code: **123456**

Ref No: **1234 5678 9012 3456 78**

Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au



By Mail

ERO Mining Limited
Computershare Investor
Services Pty Limited
GPO Box 2987
Adelaide, SA, 5001

