

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

ERO MINING LTD

ABN

40 119 031 864

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | Bonus Options  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 86,945,537   |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Exercisable at 6 cents each and expiring on 28 September 2012. |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>No</p> <p>Ordinary shares issued upon exercise of Bonus Options will rank equally with existing Shares</p>						
<p>5 Issue price or consideration</p>	<p>The Bonus Options will be issued free to eligible shareholders</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To reward shareholders for their loyalty and support</p>						
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>9 May 2011</p>						
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="694 1556 997 1601">Number</th> <th data-bbox="997 1556 1281 1601">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="694 1601 997 1668">348,177,223</td> <td data-bbox="997 1601 1281 1668">Fully Paid Ordinary Shares</td> </tr> <tr> <td data-bbox="694 1668 997 1834">86,945,537</td> <td data-bbox="997 1668 1281 1834">6 cent Options Expiring 28-09-2012</td> </tr> </tbody> </table>	Number	+Class	348,177,223	Fully Paid Ordinary Shares	86,945,537	6 cent Options Expiring 28-09-2012
Number	+Class						
348,177,223	Fully Paid Ordinary Shares						
86,945,537	6 cent Options Expiring 28-09-2012						

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	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	26,785,714	30 cent Options Expiring 30-06-2011
		196,250,000	5 cent Options Expiring 31-10-2011
		228,000	22 cent Options Expiring 20-03-2012
		50,000	22 cent Options Expiring 19-11-2012
		313,000	16.5 cent Options Expiring 5-03-2013
		441,666	2.8 cent Options Expiring 3-02-2014
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable.	

## Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	1 Bonus Option for every 4 shares held on the Record Date
14	+Class of +securities to which the offer relates	Ordinary shares.
15	+Record date to determine entitlements	2 May 2011
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements to Bonus Options will be rounded up to the next whole number.

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<p>18 Names of countries in which the entity has +security holders who will not be sent new issue documents</p> <p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p>	<p>Botswana, China, Hong Kong, United Arab Emirates, United Kingdom, United States of America</p>
<p>19 Closing date for receipt of acceptances or renunciations</p>	<p>Not applicable</p>
<p>20 Names of any underwriters</p>	<p>Not applicable</p>
<p>21 Amount of any underwriting fee or commission</p>	<p>Not applicable</p>
<p>22 Names of any brokers to the issue</p>	<p>Not applicable</p>
<p>23 Fee or commission payable to the broker to the issue</p>	<p>Not applicable</p>
<p>24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders</p>	<p>Not applicable</p>
<p>25 If the issue is contingent on +security holders' approval, the date of the meeting</p>	<p>Not applicable</p>
<p>26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled</p>	<p>Not applicable</p>
<p>27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders</p>	<p>11 April 2011</p>
<p>28 Date rights trading will begin (if applicable)</p>	<p>Not applicable</p>
<p>29 Date rights trading will end (if applicable)</p>	<p>Not applicable</p>

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30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	
33	+Despatch date	9 May 2011

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders – Provided separately to ASX

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
 1 - 1,000                      Provided separately to ASX  
 1,001 - 5,000

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- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

37 A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

Number	+Class

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+ See chapter 19 for defined terms.

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		
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**Quotation agreement**


1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  ..... Date: 10 May 2011  
Company Secretary

Print name: David W Godfrey  
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