



## ASX Announcement

15 JUNE 2011

Dear Shareholder

### ERO MINING LIMITED ANNOUNCES RIGHTS ISSUE

ERO Mining Limited (Company) is pleased to announce a 1 for 5 non renounceable rights issue at \$0.027 per share to raise approximately \$1.88 million (before costs) (Rights Issue).

Existing shareholders will be offered the opportunity to purchase one (1) new share for every five (5) shares held by them as at the record date of 30 June 2011 at an issue price of \$0.027 per share. The Rights Issue price reflects an approximately 15% discount to the 30-day volume weighted average price of the Company's shares, for the 30-day period ending on 14 June 2011.

The Company will apply to ASX for official quotation of the shares issued pursuant to the Rights Issue.

Based on the Company's current issued capital, the maximum number of shares that may be issued under the Rights Issue is approximately 69.7 million.

The funds raised from the Rights Issue will be used for working capital purposes and to fund exploration.

The fund raising initiative provides all shareholders of the Company an opportunity to acquire additional shares at an attractive discount to current market prices and proceeds from the Rights Issue will be used primarily to fund ERO's ongoing project development and exploration, including:

- Acceleration of the Wertaloona Lithium Project (100% ERO) beyond the first round of drilling of two fully cored reference drillholes. Samples for the first drillhole (WT2) have been submitted to Genalysis Intertek in Adelaide SA and test results are expected during July 2011;
- Advancing the Tanami Project (100% ERO) north west of Alice Springs in the Northern Territory where high priority gold and uranium exploration targets have been identified within the recently granted (EL26625) Suplejack and Talbots tenements. Maiden field work is scheduled to commence in July 2011 with a field crew mobilized to the area to conduct soil and rock chip sampling programs.

The proposed timetable for the Rights Issue is as follows:

Event	Date
Announcement of Rights Offer. Appendix 3B lodged.	15 June 2011
Prospectus lodged with ASIC and ASX	22 June 2011
Notice sent to Shareholders	23 June 2011
'Ex' Date	24 June 2011
Record Date for determining Shareholders' entitlements	30 June 2011
Despatch of Prospectus to Shareholders, Rights Issue opens	6 July 2011
Closing Date	20 July 2011
Notify ASX of under-subscriptions	25 July 2011
Allotment and despatch date for holding statements	28 July 2011
New shares commence trading on ASX	29 July 2011

The Manager

Companies Announcements  
Office

Australian Securities Exchange

20 Bridge Street  
SYDNEY NSW 2000

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](mailto:info@eromining.com)

web [www.eromining.com](http://www.eromining.com)

Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the new securities. These dates are indicative only.

The Company has decided that it is unreasonable to make the offer to shareholders who have a registered address in a country outside of Australia or New Zealand, having regard to the number of shareholders in such places, the number and value of the new shares they would be offered and the substantial costs of complying with the legal and regulatory requirements in those jurisdictions.

Existing option holders will need to exercise their options and be a registered holder of shares on 30 June 2011 if they wish to receive an entitlement to participate in the Rights Issue.

If after the Closing Date all allotted shares have not been subscribed for by eligible shareholders, the Board of the Company intends to seek bids from shareholders, institutions and other prospective investors for the shares comprising the shortfall. Provision will be made for eligible shareholders to make application for additional shares beyond their entitlement on the Entitlement and Acceptance Form, which is expected to be despatched on 6 July 2011.

Yours faithfully



**Shane Gale**

Chief Executive Officer

ERO MINING LIMITED

### **Media and investor relations contacts**

**Shane Gale**

ERO Mining, t (08) 8132 7911, m 0459 128 252

**Duncan Gordon**

Adelaide Equity, t (08) 8232 8800, m 0404 006 444

**Kevin Skinner**

Field Public Relations, t (08) 8234 9555, m 0414 822 631

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

**[www.eromining.com](http://www.eromining.com)**

### **Disclaimer**

*This document may contain 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 variables which could cause actual results or trends to differ materially.*

# 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 LIMITED

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   | Ordinary Shares   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | Up to a maximum of 69,652,108 Shares (final number to be advised) |
| 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) | Ordinary Fully Paid Shares  |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

---

<p>4 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>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>Yes</p>						
<p>5 Issue price or consideration</p>	<p>\$0.027/Share</p>						
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Pursuant to a 1 for 5 pro-rata non-renounceable Rights Issue</p>						
<p>7 Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates</p>	<p>28 July 2011</p>						
<p>8 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1422 925 1478">Number</th> <th data-bbox="925 1422 1283 1478"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1478 925 1545">417,912,647</td> <td data-bbox="925 1478 1283 1545">Fully Paid Ordinary Shares</td> </tr> <tr> <td data-bbox="686 1545 925 1693">86,862,221</td> <td data-bbox="925 1545 1283 1693">6 cent Options Expiring 28-09-2012</td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	417,912,647	Fully Paid Ordinary Shares	86,862,221	6 cent Options Expiring 28-09-2012
Number	<sup>+</sup> Class						
417,912,647	Fully Paid Ordinary Shares						
86,862,221	6 cent Options Expiring 28-09-2012						

---

+ See chapter 19 for defined terms.

	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 30-6-2011
	196,250,000	5 cent Options Expiring 31-10-2011
	228,000	22 cent Options Expiring 20-3-2012
	50,000	22 cent Options Expiring 19-11-2012
	313,000	16.5 cent Options Expiring 05-03-2013
	441,666	2.8 cent Options Expiring 03-02-2014
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

## 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 for 5
14 +Class of +securities to which the offer relates	Ordinary Shares
15 +Record date to determine entitlements	30 June 2011
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17 Policy for deciding entitlements in relation to fractions	Rounding up to next whole number of Shares
18 Names of countries in which the entity has +security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	Only shareholders with registered addresses in Australia and New Zealand are eligible to participate

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

---

19	Closing date for receipt of acceptances or renunciations	20 July 2011
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	6 July 2011
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	22 June 2011
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

---

+ See chapter 19 for defined terms.

- 32 How do <sup>+</sup>security holders dispose of their entitlements (except by sale through a broker)? N/A
- 33 <sup>+</sup>Despatch date 28 July 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 <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
- 36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional <sup>+</sup>securities

---

<sup>+</sup> See chapter 19 for defined terms.

**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
42 Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 38)		


---

+ See chapter 19 for defined terms.



**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:   
Company Secretary

Date: 15 June 2011

Print name: David W Godfrey

== == == == ==

---

+ See chapter 19 for defined terms.