



22 June 2011

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

Dear Sir/Madam,

Letter to Option Holders

Please find attached for release to the market a Letter to Option Holders in relation to participation in an upcoming non-renounceable Rights Issue for ERO Mining Limited (ERO).

The Letter to Option Holders will be sent to all option holders.

Yours faithfully

A handwritten signature in black ink, appearing to read "D. Godfrey", written over a horizontal line.

David W Godfrey
Company Secretary



22 June 2011

Dear Option holder

Participation in non-renounceable rights issue

The purpose of this letter is to give you notice, as a holder of options over unissued shares ("Options") in ERO Mining Limited ("ERO"), of an upcoming non-renounceable rights issue ("Rights Issue").

ERO shareholders with registered addresses in Australia or New Zealand at 7.00 pm (Adelaide time) on 30 June 2011 ("Record Date") will be eligible to participate in the Rights Issue ("Eligible Shareholders"). All other overseas registered shareholders will not be eligible to participate.

Each Eligible Shareholder will be entitled to subscribe for one new ordinary share in the capital of ERO for every five existing ordinary shares registered in their name on the Record Date. The new ordinary shares will be issued at a cost of 2.7 cents per share.

As an option holder, you do not have any entitlement to participate in the Rights Issue unless your Options are exercised in time for shares to be allotted to you before the Record Date. To ensure that your shares are allotted and issued before the Record Date, your exercise of option forms and relevant payment must be received by the Company no later than 29 June 2011.

Applications for new ordinary shares under the Rights Issue may only be made by completing the Entitlement and Acceptance Form which accompanies the Prospectus. For further information on the Rights Issue, you should contact your professional advisor.

Yours faithfully

ERO Mining Ltd

A handwritten signature in black ink that reads "Shane Gale".

Shane Gale
CHIEF EXECUTIVE OFFICER