



23 June 2011

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

Dear Sir/Madam,

Notice to Shareholders

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

The Notice to Shareholders has been sent to all shareholders.

Yours faithfully

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

David W Godfrey
Company Secretary



23 June 2011

Dear Shareholder

Rights Issue

On 15 June 2011, ERO Mining Limited ("ERO") announced a pro rata one-for-five non-renounceable rights issue ("Rights Issue").

The Rights Issue seeks to raise approximately \$1.88 million (before costs) through the issue of approximately 69.7 million new fully paid ordinary shares in ERO.

Use of Funds

The net proceeds from the Rights Issue will be used for working capital purposes and to fund exploration and development including the following:

- Acceleration of the Wertaloono Lithium Project (100% ERO) beyond the first round of drilling of two fully cored reference drillholes. Samples of 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) northwest 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 mobilised to the area to conduct soil and rock chip sampling programs.

Details of the 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.

The Rights Issue is not underwritten. The directors reserve the right to place any shortfall within three months after the close of the offer. Eligible Shareholders' entitlements pursuant to this Rights Issue are non-renounceable and accordingly Eligible Shareholders may:

- take up their rights in full or in part;
- do nothing in which case their rights will lapse; or
- take up their rights in full and apply for additional new shares.

Full details of the Rights Issue are set out in the Prospectus dated 22 June 2011, which was lodged with the Australian Securities and Investments Commission and the ASX on that date. The Prospectus together with an Entitlement and Acceptance Form will be mailed to all Eligible Shareholders on 6 July 2011. A copy of the Prospectus is available through the ASX website.

Key dates

Key dates which shareholders should note are as follows:

- Announcement of Rights Issue – 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 – 30 June 2011
- Despatch of Prospectus, Rights Issue opens – 6 July 2011
- Rights Issue closes – 20 July 2011
- ASX notified of under-subscriptions – 25 July 2011
- Allotment of new shares and despatch of holding statements – 28 July 2011
- New shares commence trading on ASX – 29 July 2011

These dates are indicative only and, subject to the *Corporations Act 2001* and the ASX Listing Rules, may be varied as the directors decide.

Applications for new ordinary shares under the Rights Issue may only be made by completing the Entitlement and Acceptance Form which accompanies the Prospectus. Eligible Shareholders should read the Prospectus carefully. 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