



2 September 2011

The Manager
Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Billa Kalina Joint Venture

ERO Mining Limited (ASX: "ERO") is pleased to advise it has reached in principle agreement with Maximus Resources Limited (ASX : "MXR") regarding an amendment to the company's Billa Kalina Joint Venture covering EL 4468 and ELAs 351/10, 350/10, 78/10 and 33/10.

Under the terms of the revised agreement, ERO intends to conduct a high resolution gravity survey over the Peeweena Dam Project at Billa Kalina, after which it will earn a 5% equity interest in the tenements. On the basis of the success of this program, ERO will then conduct a drilling program, at its cost, to test the potential of the significant IOCGU anomaly.

On completion of that drilling program ERO Mining will have earned a 30% interest in the joint venture. ERO Mining also has the option to earn a further 20% equity interest (total of 50% equity interest) by funding further exploration to a total value of \$3 million (including expenditure to date of \$1.529 million).

Under the terms of the proposed agreement and post completion of the revised drilling program, MXR would receive a 70% equity interest in the adjoining tenement (ELA 32/10) that is currently 100% owned by ERO.

ERO CEO, Mr Kevin Lines, said this proposed agreement is a major step forward for both companies to be able to test such a high priority drill target.

The parties are moving to have formal transaction documents signed as soon as possible.