



Australian Securities Exchange Announcement

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ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

ERO MINING TO ACQUIRE SPARGOVILLE GOLD PROJECT FROM RAMELIUS RESOURCES

- **ERO to acquire the highly prospective Spargoville Gold Project via all scrip deal**
- **Spargoville Gold Project represents an advanced exploration project which hosted the previously mined high-grade Wattle Dam deposit and 36 adjoining tenements**
- **The project covers an extensive exploration area of 11,440 ha**
- **In principle strategic alliance reached with Ramelius Resources**

ERO Mining Ltd (ASX: ERO) (**ERO** or the **Company**) is pleased to announce that it has agreed the terms of a conditional sale and purchase agreement with Ramelius Resources Ltd (ASX: RMS) to acquire the Spargoville Gold Project via an all scrip transaction (**Acquisition**). The Spargoville Gold Project, located in the highly prospective Yilgarn Craton in Western Australia, encompasses the previously mined, high-grade Wattle Dam deposit and over 11,440 ha of surrounding tenements.

The Spargoville Gold Project is an advanced exploration project which is highly prospective for blind orogenic structurally controlled gold lode deposits similar to the Wattle Dam deposit. The Wattle Dam gold mine was an extremely successful underground gold mine for Ramelius between 2006 and 2012, producing 880,000 tonnes at 10.1 g/t Au for approximately 286,000oz.

Within the region, gold mineralisation can be traced over 30kms of strike of the Spargoville Shear. Potential exists for extensions and repetitions to known mineralisation for the project which offer attractive targets for further exploration. The project is also prospective for nickel sulphide mineralisation. While there are no reserves in the package, it is worth noting that no reserves were ever published for the Wattle Dam deposit.

The Spargoville Project consists of a substantial tenement package of 27 granted Mining Leases, 2 granted Exploration licences, 5 Prospecting Licenses and 2 Miscellaneous Licences which include 100% gold rights and various nickel rights. The project is located approximately 60km southeast of Coolgardie and 25 km southwest of Kambalda within the Coolgardie Mineral Field.

The Company is also pleased to announce as part of the Acquisition that it has entered into an in principle agreement with Ramelius for a strategic alliance between the parties pursuant to which Ramelius may assist ERO with the commercialisation of gold discoveries at the Spargoville Project and other ERO gold projects.

The Acquisition is subject to various conditions including the receipt of the applicable shareholder approval. Shareholder approval will be sought by way of a general meeting of the Company's shareholders. Shareholders will be sent a notice of general meeting with further details regarding the Acquisition, and approvals sought, in due course.

ERO Managing Director, Mr Joe Houldsworth, said today: "We are pleased to be in a position to acquire the highly prospective Spargoville Gold Project which contains a large tenement package with huge exploration potential. The project represents an exciting opportunity to potentially discover significant gold deposits similar to Wattle Dam."

"This acquisition also provides a solid platform for the company to deliver on its plans for an exciting new phase of growth," said Mr Houldsworth.

Acquisition Terms

The Company has entered into a conditional Sale and Purchase Agreement (**Agreement**) pursuant to which the Company will acquire 100% of Ramelius' (**Vendor**) right, title and interest in the tenements. The consideration to be paid pursuant to the Agreement will be satisfied via the issue of 133,333,334 fully paid ordinary shares to the Vendor to the value of A\$400,000.

The Agreement is conditional on the following:

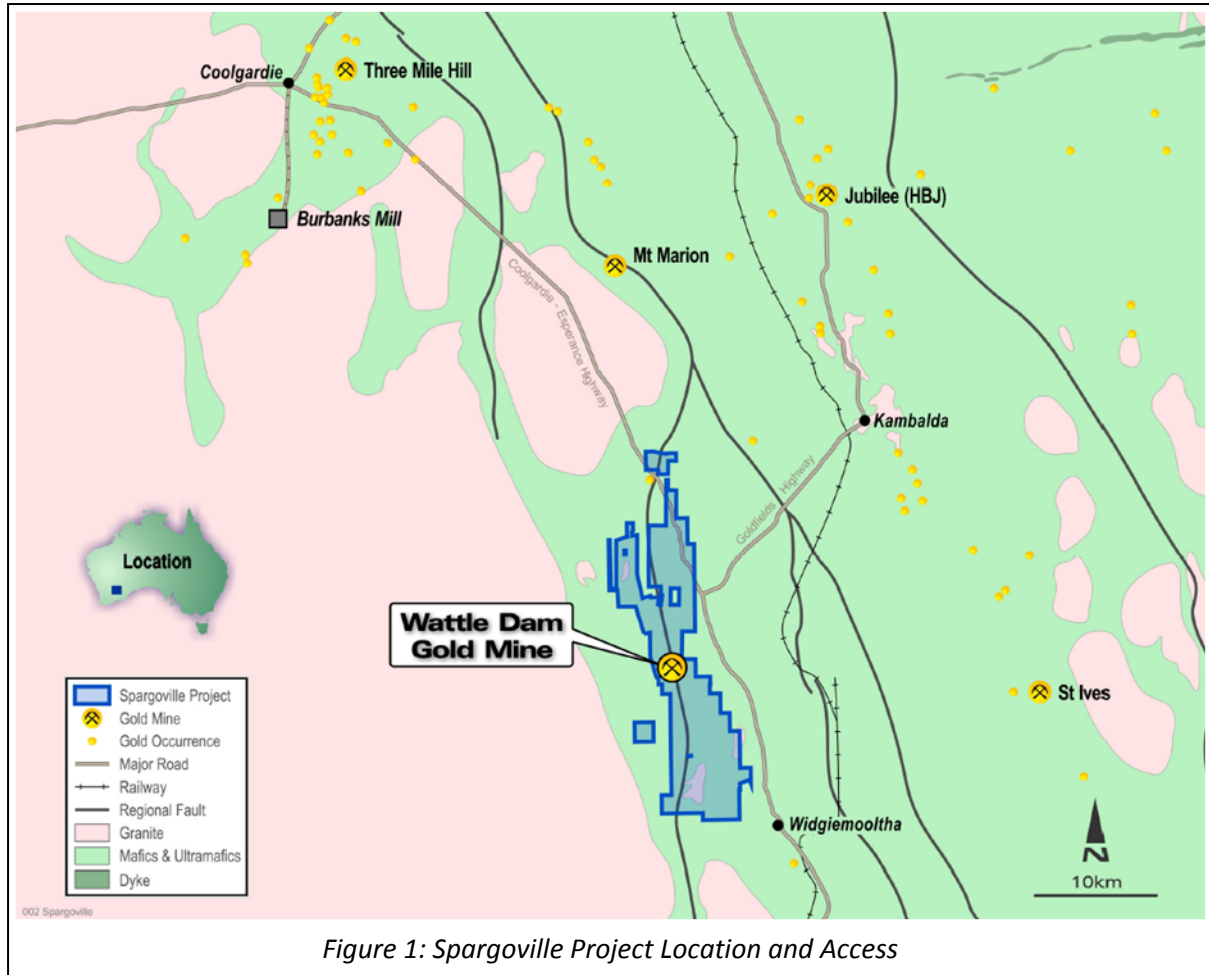
- a) the grant of all shareholder approvals by ERO's shareholders;
- b) the grant of all necessary consents and approvals by the Mines Minister;
- c) ERO being satisfied with the outcome of its due diligence on the project;
- d) the Vendor obtaining any necessary consents from any relevant third party in relation to third party agreements;
- e) the Vendor, ERO and all relevant third parties executing deeds of assignment and assumption in relation to third party agreements (if required);
- f) the Vendor and ERO executing a toll milling agreement;
- g) approval of the EPA for the transfer of environmental authorities related to the tenements.

Spargoville Project

The Spargoville Project incorporates the mined Wattle Dam deposit and over 11,440ha of surrounding exploration leases. Between 2006 and 2012 the Wattle Dam mine produced 880,000 tonnes at 10.1 g/t Au for approximately 286,000oz from a small open pit and underground mining operation. Upon the cessation of mining in 2012 the portal access to the Wattle Dam underground mine was closed and all infrastructure associated with the underground mining operation was removed.

The Spargoville Project includes 100% gold rights and various nickel rights over the package of 36 contiguous granted tenements. The land package also includes all mineral rights excluding nickel, encompassing the small 1A, 5A, 5B and Andrews mining tenements to the east of Wattle Dam.

The Spargoville Project is located approximately 60 kilometres southeast of Coolgardie and 25 kilometres southwest of Kambalda (Figure 1) within the Coolgardie Mineral Field. The junction of the sealed Goldfields and Coolgardie-Esperance Highways abuts the eastern margin of the project area to provide road access from Kalgoorlie and Coolgardie. Numerous grid lines and bush tracks lead off the Coolgardie-Esperance Highway and provide good vehicular access to the individual prospects.



Geology

The Spargoville Project is situated within the Coolgardie Domain in the Kalgoorlie Terrane of the Archaean Norseman to Wiluna Greenstone Belt. The overall stratigraphy of the Kalgoorlie Terrane is recognised by a basal basaltic unit, overlain by a komatiitic unit and an upper basaltic unit. These volcanic sequences are in turn conformably overlain by volcanoclastics and sedimentary sequences and variably intruded by syn deformational granitic stocks and late stage post deformational Proterozoic dolerite dykes. The Coolgardie Domain is bound by the Zuleika Shear to the east and batholithic granites to the west.

Within the Coolgardie Domain the lower basalt unit is formally referred to as the Burbanks Formation and the overlying komatiitic unit is referred to as the Hampton Formation. The upper basalt unit is not exposed within the Coolgardie Domain. Locally, the greenstone belt stratigraphy near Wattle Dam is dominated by synclinally folded Black Flag Group equivalent quartzo-feldspathic metasedimentary rocks occupying the core of the syncline to the west of the mine. Linear thrust stacked

tracks of mafic and ultramafic units from respective Burbanks and Hampton Formations sit along the limbs of the regional syncline. The Spargoville Shear Zone is traced along the eastern limb of the syncline.

The northern and southern extents of the Spargoville Project are intruded by syn-tectonic domal granites, including the Depot Granite to the north of the mine.

Tenement Details

The Spargoville Project consists of 27 granted Mining Leases (Figure 2), 2 granted Exploration Licenses, 5 granted Prospecting Licenses and 2 Miscellaneous Licenses encompassing 11,440ha of land.

Joe Houldsworth Managing Director

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Further information relating to ERO Mining Limited and its various exploration projects can be found at its website: www.eromining.com

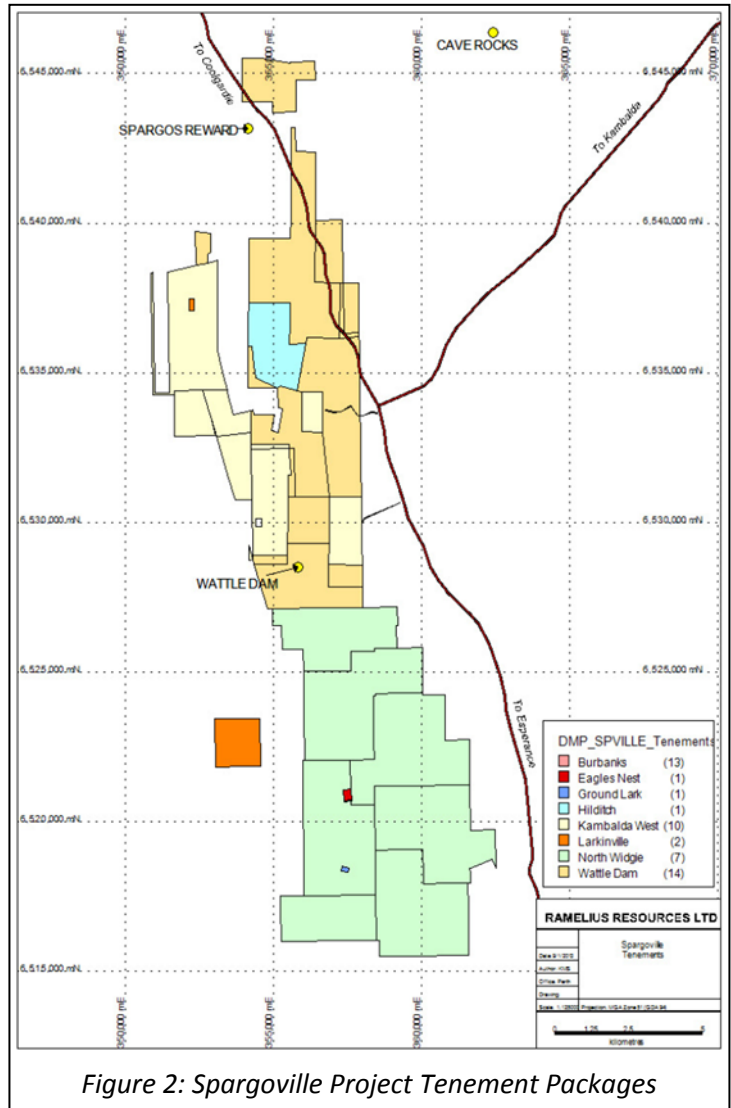


Figure 2: Spargoville Project Tenement Packages