



Australian Securities Exchange Announcement

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ASX Market Announcements
Australian Securities Exchange
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GOLD EXPLORER, ERO MINING, TO RAISE UP TO \$1.2M **VIA NON-RENOUCEABLE ENTITLEMENT ISSUE**

Western Australia and Northern Territory-focused gold explorer, ERO Mining Limited (ASX: ERO) (**ERO** or **Company**), is pleased to announce a pro-rata non-renounceable entitlement issue to raise approximately A\$1.2 million (**Entitlement Issue** or **Offer**) to advance its proposed new gold projects.

The move is part of ERO's invigorated growth strategy unveiled in May under the Company's new management which has already resulted in the proposed acquisition of the Spargoville and Valley Floor gold projects, both to the south of Kambalda in Western Australia's Eastern goldfields.

The Company intends to apply the funds raised by the Entitlement Issue towards:

- Initial air core reconnaissance drilling to test the interpreted structures for gold mineralisation at the Valley Floor Gold Prospect, 15 km south of Kambalda;
- An initial review of the extensive database from the Spargoville Gold Project, further to the west of Valley Floor and containing the previously mined high grade 286,000 ounce Wattle Dam gold mine. This review will prioritise drill targets within the numerous gold occurrences that exist along the 30 kilometre strike length of the project area including:
 - **8500N prospect** – where further exploratory drill testing is required to test for high grade mineralised embayments along the Porphyry and Ultramafic contact;
 - **Golden Orb** – hosted in the same prospective sequence as Wattle Dam Gold Mine and has potential for a Blind High Grade Eastern Zone similar to Wattle Dam;

- **West Larkinville** – further drill testing is required to delineate a bed rock source for the enriched blanket of supergene gold mineralisation;
- **Eagles Nest** – requires further exploratory Reverse Circulation drilling to evaluate deeper high grade targets.
- Exploring for blind orogenic structurally controlled gold lode systems similar to Wattle Dam Gold Mine including extensions and repeats;
- General working capital.

The use of the funds from the Entitlement Issue in the manner specified above will be subject to the completion of the acquisitions of the Spargoville Gold Project and Valley Floor Prospect, including the receipt of the necessary shareholder approvals. In the unlikely event that ERO does not complete the proposed acquisitions, the funds will be allocated towards due diligence and execution of alternative acquisitions, the Tanami Project northwest of Alice Springs in the Northern Territory and general working capital purposes.

The Entitlement Issue is being offered on the basis of two (2) new ERO ordinary shares for every three (3) ordinary shares held at an issue price of \$0.003 per share (**New Shares**). Subscribers to the Entitlement Issue will also receive one (1) free attaching option for every two (2) New Shares subscribed for, exercisable at \$0.006 on or before 24 September 2014 (**Attaching Options**).

The Entitlement Issue price reflects a 22% discount to the most recent 30-day volume weighted average price of the Company's shares.

Shareholders with an address in Australia or New Zealand on the Company's register on 27 August 2013 will be eligible to participate in the Entitlement Issue (**Eligible Shareholders**).

The New Shares will rank equally with all existing fully paid ordinary shares in the Company, and the Company will apply for official quotation of the Attaching Options.

The Directors reserve the right to place the remaining shortfall at their discretion within three months after the close of the Offer. Eligible Shareholders' entitlements pursuant to this Entitlement Issue are non-renounceable and accordingly, they 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 Entitlement Issue will be set out in the Prospectus which will be lodged by the Company with ASIC and ASX on 19 August 2013.

Existing option holders will need to exercise their options and be a registered holder of shares at the close of business on 27 August 2013 if they wish to participate in the Entitlement Issue.

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.

The proposed timetable for the Entitlement Issue is as follows:

Event	Date
Prospectus lodged with ASIC and ASX	Monday 19 August 2013
Notice sent to shareholders	Tuesday 20 August 2013
'Ex' Date	Wednesday 21 August 2013
Record Date	Tuesday 27 August 2013
Dispatch of Prospectus and Entitlement & Acceptance Forms to Shareholders, Entitlement Issue opens	Monday 2 September 2013
Closing Date	Monday 16 September 2013
Notify ASX of under subscriptions	Thursday 19 September 2013
Allotment and dispatch date for holding statements	Tuesday 24 September 2013
New Shares commence trading on ASX	Wednesday 25 September 2013

The above dates are indicative only. Subject to the ASX Listing Rules, the Directors reserve the right to withdraw the Offer at any time, close the Entitlement Issue early or extend the Closing Date for the Offer at their discretion. Should the Offer be closed early or extended, there will be a consequential effect on the anticipated date of issue for the New Shares.

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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