



16 August 2013

Dear Optionholder

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 Ltd (**Company**) of an upcoming non-renounceable rights issue (**Rights Issue** or **Offer**).

The Company is undertaking a two for three non-renounceable Rights Issue at an issue price of \$0.003 per share to raise up to \$1,625,000 (approximately). In addition, subscribers will receive one free attaching new option for every two new shares subscribed for, exercisable at \$0.006 on or before 24 September 2014. The Company will apply to the ASX for the new shares and new options under the Rights Issue to be granted official quotation.

Only shareholders of the Company with an address on the Company's register in Australia or New Zealand at 7.00pm (Adelaide time) on 27 August 2013 (**Record Date**) will be eligible to participate in the Offer.

The Directors of the Company reserve the right to issue shortfall shares under the Offer at their discretion within three months after the close of the Offer.

As an optionholder, you do not have any entitlement to participate in the Offer 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 Form and relevant payment, in cleared funds, must be received by the Company no later than 27 August 2013.

Before making a decision whether to exercise your options or to participate in the Offer, you should seek independent advice from your professional advisor.

Yours sincerely

A handwritten signature in black ink, appearing to read "Justin Nelson", is written over a horizontal line.

Justin Nelson
Company Secretary
ERO Mining Ltd