
NEWS

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ADELAIDE EXPLORER SETS SIGHTS ON NEW GOLD, URANIUM TARGETS IN S.A. AND N.T.

Drilling will begin at South Australia's newest gold project next week, it was announced today, shortly after the global spot price for the precious metal touched a fresh all-time high.

Speaking at the annual general meeting of Eromanga Uranium Limited (ASX: "ERO") in Adelaide, Company Chairman, Mr Robert Kennedy, said the newly recapitalised company would begin the first phase of drill-testing at the 375 km² Nackara Arc Gold Project near Peterborough, northeast of Adelaide, by the end of next week.

The announcement came less than 48 hours after the global spot price for gold touched a new record high of US\$1,174 an ounce.

"The first phase of drill-testing of Nackara Arc is due to commence by the end of next week, to test the exciting surface anomaly identified by the Company at the Hillside Prospect," Mr Kennedy said.

"The fact that we are commencing this program at a time when gold is continually setting new US dollar price records augurs very well for this highly prospective new project."

In July, Eromanga announced the discovery of a 450-metre-long surface gold anomaly open on two sides at Hillside, with peak gold values up to 100 times regular background values – including visible gold particles within "mullock piles" left by historic small-scale gold workings.

Drilling at Nackara Arc will be funded by the proceeds of a strongly supported recent Share Purchase Plan, which raised \$2.024 million for Eromanga, together with imminent cash-flow from the Company's Georgetown alluvial gold project, 375 km west of Cairns in northern Queensland.

"Our main gold processing plant at Georgetown is being commissioned as I speak, and we anticipate that it will operate at or near full capacity for the remainder of the North Australian dry season," Mr Kennedy said.

“This is a major step forward for the Company, not only allowing us to take immediate advantage of the current strong gold price, but also ensuring that we are well positioned to recommence gold production at the earliest possible opportunity in 2010.”

Recent surface sampling at Georgetown has continued to confirm the presence of high-grade gold, with values of up to 33.7 g/t au, and the Company has scheduled first drilling at the newly acquired project at the end of the first quarter of 2010.

Mr Kennedy said the cash-flow from Georgetown would also support Eromanga’s third priority target at the Suplejack gold and uranium project 600 km northwest of Alice Springs, where recent approvals by Traditional Owners have paved the way for Eromanga to roll out an exploration campaign in March or April of next year.

“The Board of Eromanga believes the strength of the current global gold market will be maintained throughout 2010 and that this offers the Company the opportunity to generate significant forecast cash-flows from our new mining operation at Georgetown,” Mr Kennedy said.

“We believe that this will place our Company in the enviable position of being able to self-fund aggressive exploration programs across both our gold and uranium exploration portfolios.”

Shareholders at the Adelaide meeting also approved a resolution for the Company to change its name to “ERO Mining Limited” to better reflect the move away from an exclusive focus on uranium to a more diversified minerals portfolio, led by a strong focus on gold.

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