

## HIGHLIGHTS

- Major bulk sampling program, to delineate alluvial gold resources, now underway at the Georgetown Gold Operations, Queensland.
- Surface sampling results at the True Blue Prospect, Georgetown Queensland, confirm the presence of high grade gold with values to 33.7g/t Au. Drilling scheduled for end of first quarter 2010.
- Permitting in place for drill testing of the exciting Nackara Arc gold anomaly in South Australia to commence in December 2009.
- Traditional Owners provide approval for the Company to proceed with gold and uranium exploration at the Suplejack Project Northern Territory.
- Company raises \$2.024 million through a strongly supported Share Purchase Plan.



## REVIEW OF OPERATIONS

### CORPORATE ACTIVITIES

#### CAPITAL RAISING

During the quarter the Company completed a successful capital raising by way of a Share Purchase Plan (SPP). Total proceeds of the SPP, before costs, were \$2.024 million and resulted in the issuing of 34.47 million new Eromanga Uranium ordinary shares. The Board of ERO were pleased with the very strong support shown by the Company's shareholders and the endorsement of the realigned exploration strategy with an increased focus on the gold exploration and mining sector. The funds raised in the SPP will be used to accelerate exploration at our Nackara Arc, Georgetown Regional and Suplejack Projects in parallel with development of the Georgetown Gold Operations.

#### FINANCE

As at 30 September 2009, Eromanga had available funds of \$2.11 million of which the majority is held in term deposits with Australian banks. During the September quarter total net operating expenditure by the company was \$0.467 million.

Eromanga Uranium Limited  
ACN 119 031 864

62 Beulah Road Norwood  
South Australia 5067

PO Box 3126 Norwood  
South Australia 5067

Phone 61 8 8132 7970

Fax 61 8 8132 7999

Email [info@eromangauranium.com](mailto:info@eromangauranium.com)

web [www.eromangauranium.com](http://www.eromangauranium.com)

## OPERATIONS

### GEORGETOWN GOLD OPERATIONS

The Georgetown Alluvial Gold Mine and surrounding exploration areas are located to the south-southwest of the township of Georgetown in central-northern Queensland. Georgetown is approximately 375km by sealed road, or five hours west of Cairns (Figure 1). The project is made up of the alluvial gold mine and the surrounding granted exploration licence, EPM15995. The mining operation consists of thirteen (13) granted mining leases, covering a total 389.39 hectares, which are positioned over alluvial wash within Tabletop Creek and the un-mined headwaters of the adjacent Western Creek (Figure 2). The gold recovery plant is currently positioned at the western limits of ML30091 with all mining activities occurring entirely within this tenement



Figure 1 Location of the Georgetown Gold Project.

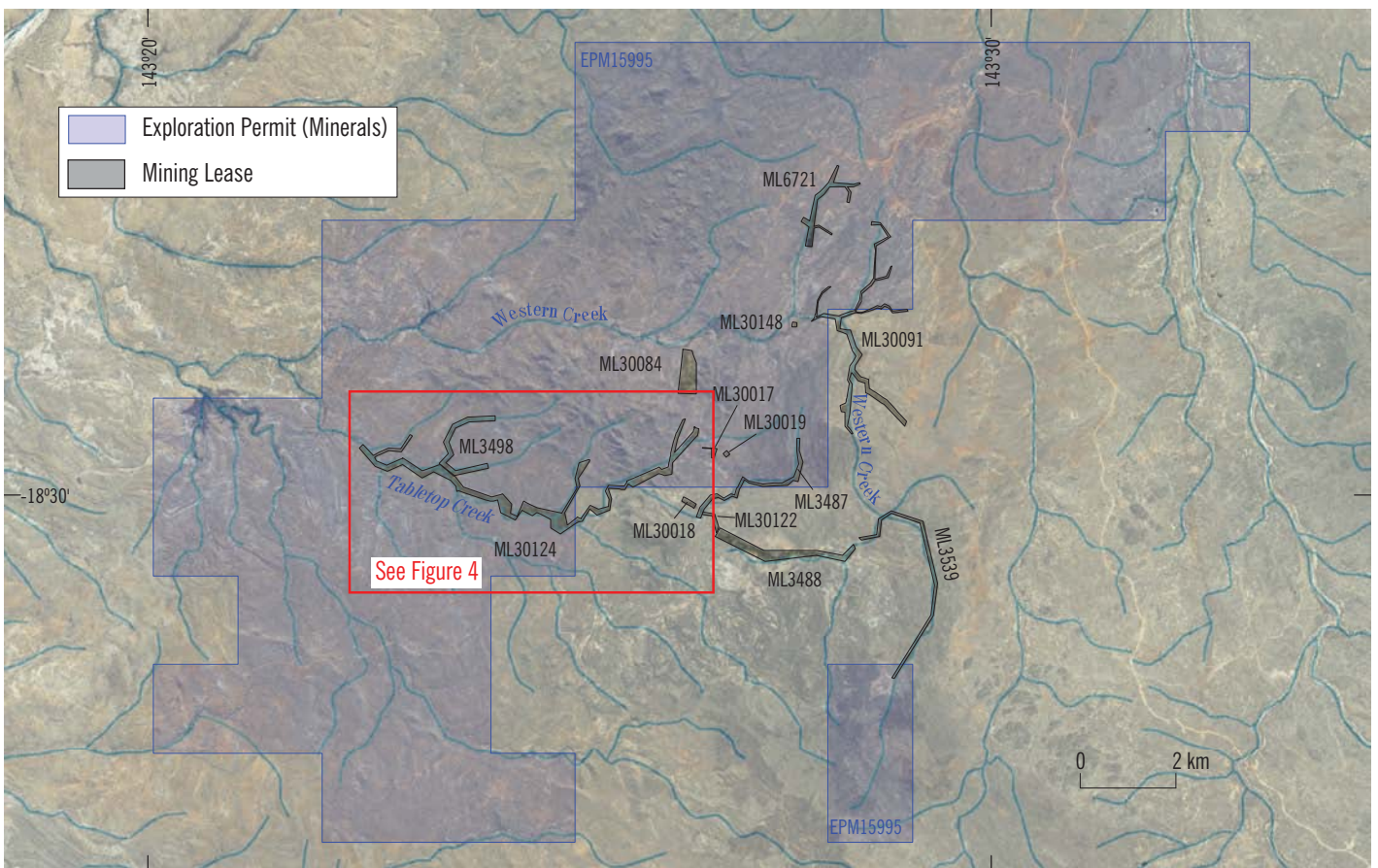


Figure 2 Location of the 13 mining leases and granted Exploration Permit for Minerals EPM 15995.





**Figure 3** Bulk sampling plant, Georgetown Alluvial Gold Operations.

(Figure 2). Mining conducted within ML30091 during the period July 2008 to May 2009 has returned recovered gold values averaging 0.51 g/lcm (a lcm is a loose cubic metre).

Following purchase of 100% of the Georgetown Alluvial Gold Operations in July of this year the Company has undertaken a program of upgrading and repair of all mobile mining plant and gold processing equipment. This program is now essentially complete and the operations are considered by Eromanga Uranium to be compliant with the requirements of the current Plan of Operations. Whilst the Company is now in a position to recommence mining operations the Board believes that the best interests of shareholders will be met by dedicating its personnel and physical resources towards an aggressive bulk sampling program. This program is designed to provide the detailed mineral resource information required to support an expanded mining operation in 2010 along with all of the prerequisite mining and environmental permitting.

Further the Company believes that this sampling program will be close to cost-neutral and can be run in parallel with our exciting exploration initiatives.

### **NEW OPERATIONS PLAN**

The Company has designed, and has now commenced, a program of trenching and bulk sampling across its extensive mining leases at Georgetown. Gold bearing alluvial gravels from this program will be processed through the Company's recently constructed 25 lcm/hr Sampling Plant (Figure 3) and utilise our wholly owned mobile mining equipment. The first area to be bulk sampled is a portion of the Golden Tabletop lease, ML30124, where the Company is hopeful of delineating sufficient gold resources to support an expanded 100 lcm/hr mining operation throughout 2010 (Figure 4).

This bulk sampling program will be run continuously until the onset of the Northern Australian wet season in mid December. Resource estimates will be compiled progressively, on a lease by lease basis, and support the development of a detailed mine plan designed to allow the commencement of operations in 2010 at three times the current installed capacity (i.e. 150 lcm/hr vs 50 lcm/hr).

Under the new Operations Plan the Company believes that the revenue foregone in the remainder of calendar 2009 will be more than offset by the expanded operations in 2010, with the new operations underpinned by quality gold resources and mine planning.



## EXPLORATION ACTIVITIES

### GEORGETOWN REGIONAL GOLD EXPLORATION

(Eromanga Uranium 100% in EPM15995)

True Blue Prospect is located within the granted EPM15995 that was part of the acquisition by the Company of the Georgetown Alluvial Gold Operations in July 2009. The prospect area is located in the headwaters of a tributary of Tabletop Creek and contains a cluster of pits and shallow workings associated with prospecting during the 1930s. Access to the area is excellent with the Company's mine camp and workshop located within two kilometres of the prospect (Figure 5).

Recent exploration has involved the collection of a number of surface rock chip samples designed to validate results from previous exploration completed in the 1980s. A total of 17 samples were collected from spoil heaps associated with shafts and adits at the True Blue Main and The Tunnels historic workings. The results ranged from a low of 0.03g/t up to 33.72g/t gold with six samples returning values in excess of 4g/t Au.

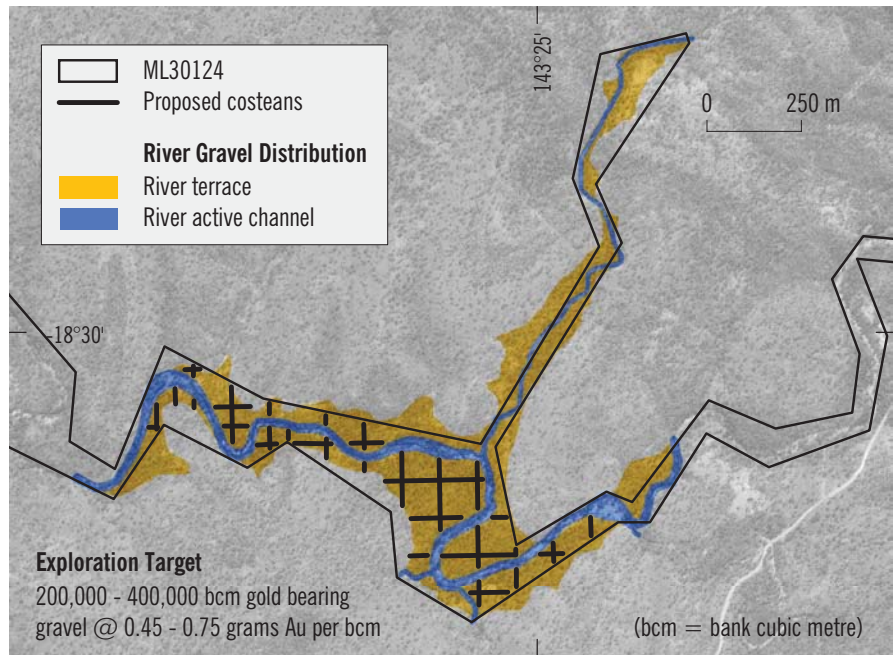


Figure 4 ML30124 (The Golden Tabletop) showing the location of costeans and Au BCM grades.

At The Tunnels prospect results returned peak values of 18.33g/t and 33.72g/t Au from sulphidic quartz veins. Historical production records from The Tunnels show in excess of 120oz of gold were recovered at an average grade of 39g/t Au. Results from True Blue Main were disappointing, with a peak value of 1.16g/t Au, however historic production records indicate that in excess of 1,300oz of gold were recovered at an average grade of 80g/t Au.

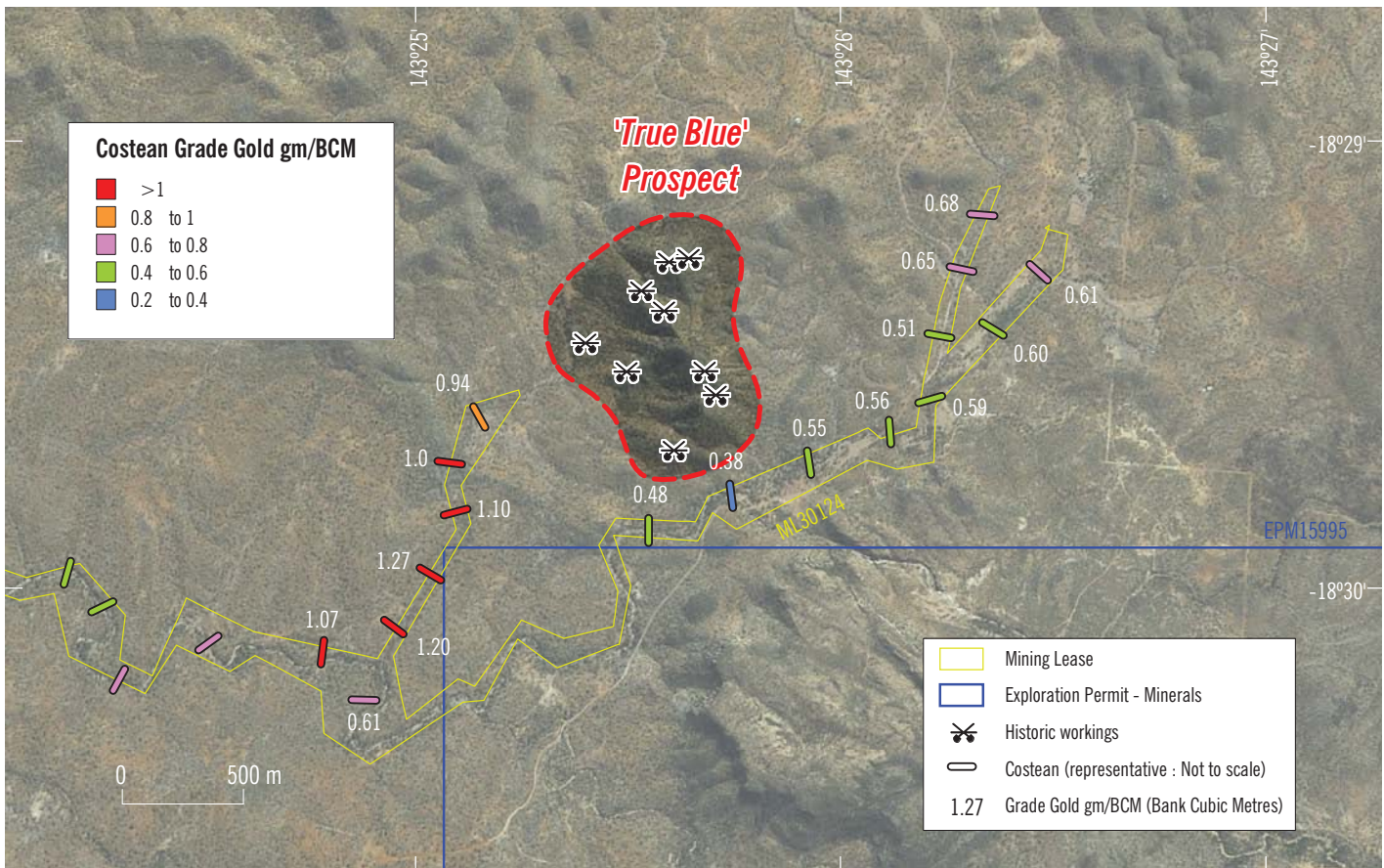


Figure 5 Figure 3 Location of True Blue Prospect.



No drilling testing of the shallow historic workings at either prospect has ever been undertaken and the Company believes that the combination of recent sampling results and historic production records justifies further exploration. A drilling program to test the depth extensions at both prospects is planned for the end of the first quarter of calendar 2010 following completion of agreements with the Traditional Owners and the end of the northern wet season.

## NACKARA ARC GOLD PROJECT

(Eromanga Uranium earning an 80% interest in EL 3692)

The Nackara Arc Project covers all of the granted Exploration Licence EL 3692 (375 sq km) located approximately 35km east of the township of Peterborough, South Australia and approximately three hours drive north-east of Adelaide (Figure 6). The area is semi-arid pastoral lease currently used for sheep and cattle grazing. Access is excellent via the Barrier Highway, linking Adelaide and Broken Hill, and via numerous gravel tracks.

As previously announced (ASX release 9 July 2009) the Company has delineated an exciting surface gold anomaly at the Hillside Prospect (Figure 7). This anomaly extends over 450 metres along strike and remains open to the west and south-east with peak gold values up to 100 times background. These initial exploration results are considered by the Company to be very encouraging and support ongoing exploration at the Hillside Prospect. This assessment is based upon the strongly leached and altered character of the host

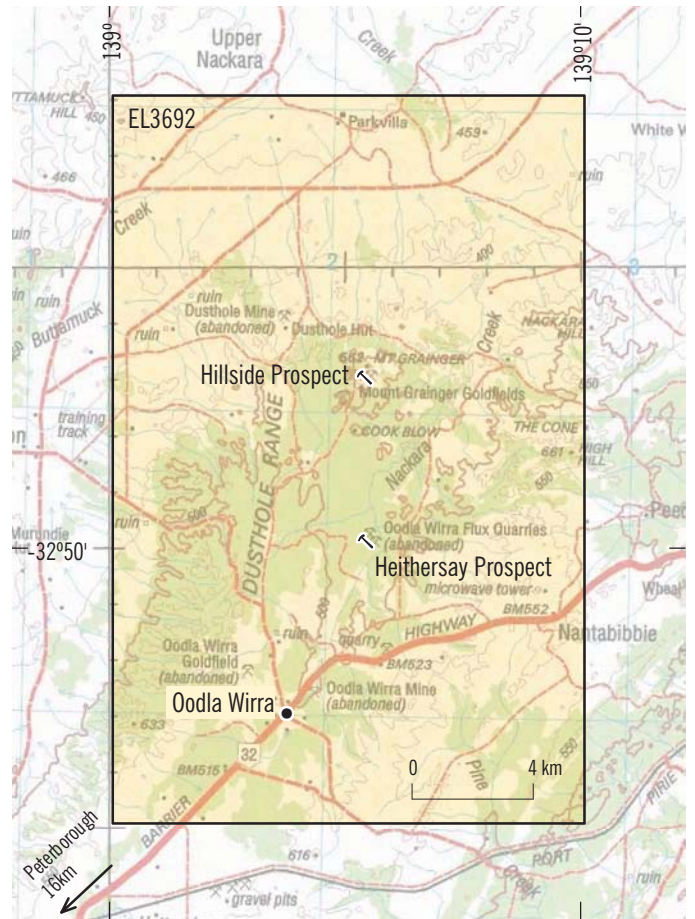


Figure 6 Location of Hillside Prospect, Nackara Arc Gold Project area.

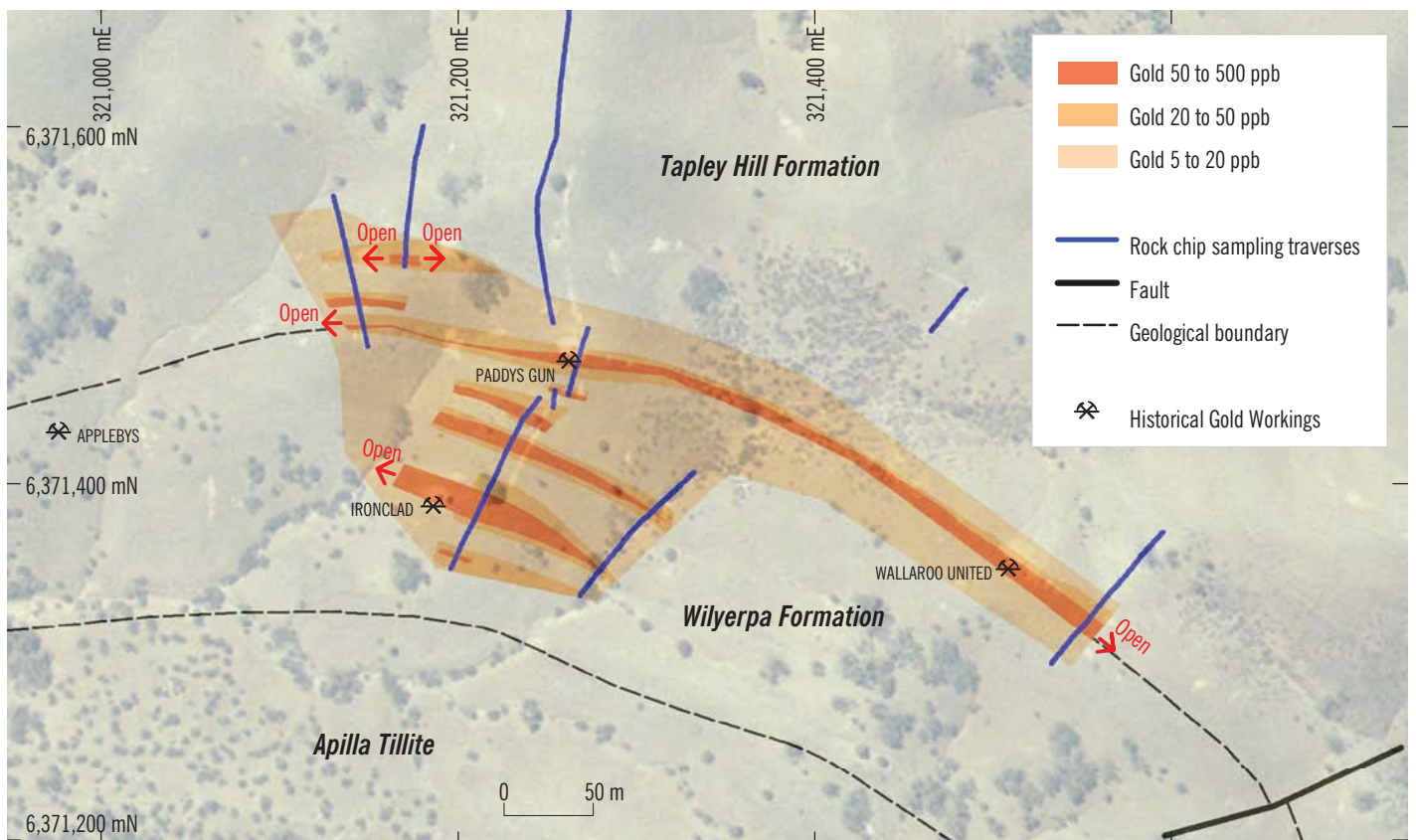


Figure 7 Location of Hillside Prospect, Nackara Arc Gold Project area.

shales and mudstones that clearly indicates the oxidisation of the original sulphide assemblage (primarily pyrite) and remobilisation of any associated gold mineralisation. This interpretation is further supported by the recognition of coarse particulate gold that can be panned from oxidised host rock within the mullock piles from historic mining. This coarse gold is interpreted to have been leached from the overlying sediments and redeposited at, or near, the base of oxidation.

The Company has now completed negotiation with local property owners and all permitting is in place for the first drill testing of the Hillside prospect to commence in December 2009 (subject to confirmation of drill rig availability). The drilling program will target the mineralisation below the base of oxidation with the objective of defining the grade and extent of the gold system in the primary zone.

### SUPLEJACK GOLD/URANIUM PROJECT

*(Eromanga Uranium 100% in EL26625)*

The Suplejack Project is located in the Tanami Region of the Northern Territory approximately 600km north-west of Alice Springs and covers an area of 168 sq km. The Company considers this tenement to be prospective for both high-grade, unconformity

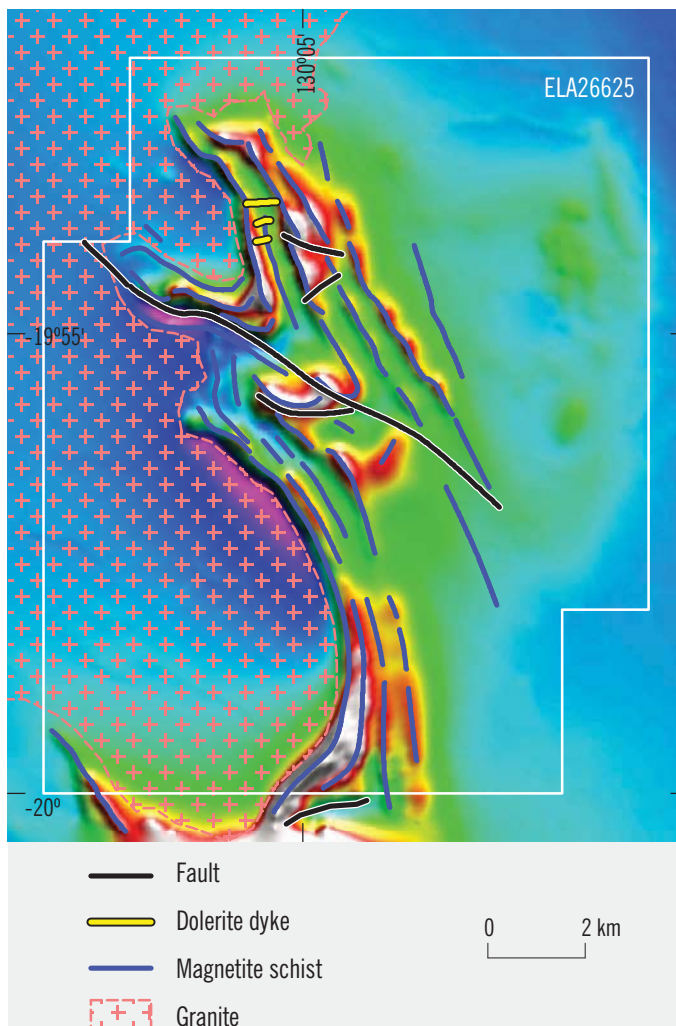
related uranium mineralisation and for gold deposits of the Coronation Hill, Callie and Groundrush styles.

The project area covers a complexly folded sequence of Davidson Beds, host to the Callie and Granites Mines further south, that have been offset by west-northwest trending faults (Figure 8). This stratigraphic/structural setting has close similarities to known gold systems in the Tanami Region but has not been effectively explored. The favourable host sequence lies beneath a thin veneer of younger sediments and volcanics which have precluded the identification of potential gold systems by use of conventional surface geochemistry. It is the Company's intention to use a combination of geophysics and drilling to fully explore this very promising project.

The Company has recently received notification from the Central Land Council that the Traditional Owners of the project area have approved the Company's application to explore for both gold and uranium. This very pleasing result now allows Eromanga to commence detailed planning and enter discussions with geophysical contractors with the objective of starting on-ground exploration of the Suplejack Project as soon as possible following the end of the 2009–10 northern wet season.

**Mr Kevin Lines**  
MANAGING DIRECTOR

30 October 2009



**Figure 8** Suplejack preliminary magnetic interpretation.

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Kevin Lines who is a Member of the Australasian Institute of Mining and Metallurgy, and who has sufficient experience relevant to the style of mineralisation, the type of deposit under consideration, and the activity he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves (the JORC Code). This report is issued in the form and context in which it appears with the written consent of the Competent Person, who is Managing Director of the Company.*

For further information please contact  
Kevin Lines on 08 8132 7970 or 0419 801 010

Further information relating to Eromanga Uranium Limited and its various exploration projects can be found on the Eromanga website:

**[www.eromangauranium.com](http://www.eromangauranium.com)**

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Eromanga Uranium Limited

ABN

40 119 031 864

Quarter ended ("current quarter")

30 September 2009

### Consolidated statement of cash flows

| Cash flows related to operating activities                      | Current quarter<br>\$A'000 | Year to date<br>(3 months)<br>\$A'000 |
|-----------------------------------------------------------------|----------------------------|---------------------------------------|
| 1.1 Receipts from product sales and related debtors             |                            |                                       |
| 1.2 Payments for                                                |                            |                                       |
| (a) exploration and evaluation                                  | (547)                      | (547)                                 |
| (b) development                                                 |                            |                                       |
| (c) production                                                  |                            |                                       |
| (d) administration                                              | (253)                      | (253)                                 |
| 1.3 Dividends received                                          | 5                          | 5                                     |
| 1.4 Interest and other items of a similar nature received       |                            |                                       |
| 1.5 Interest and other costs of finance paid                    |                            |                                       |
| 1.6 Income taxes paid                                           |                            |                                       |
| 1.7 Other (provide details if material)                         | 328                        | 328                                   |
| <b>Net Operating Cash Flows</b>                                 | <b>(467)</b>               | <b>(467)</b>                          |
| <b>Cash flows related to investing activities</b>               |                            |                                       |
| 1.8 Payment for purchases of:                                   |                            |                                       |
| (a) prospects                                                   |                            |                                       |
| (b) equity investments                                          |                            |                                       |
| (c) other fixed assets                                          | (205)                      | (205)                                 |
| 1.9 Proceeds from sale of:                                      |                            |                                       |
| (a) prospects                                                   |                            |                                       |
| (b) equity investments                                          |                            |                                       |
| (c) other fixed assets                                          |                            |                                       |
| 1.10 Loans to other entities                                    |                            |                                       |
| 1.11 Loans repaid by other entities                             |                            |                                       |
| 1.12 Other (provide details if material)                        |                            |                                       |
| <b>Net investing cash flows</b>                                 | <b>(205)</b>               | <b>(205)</b>                          |
| 1.13 Total operating and investing cash flows (carried forward) | <b>(672)</b>               | <b>(672)</b>                          |

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

|                                                   |                                                            |              |              |
|---------------------------------------------------|------------------------------------------------------------|--------------|--------------|
| 1.13                                              | Total operating and investing cash flows (brought forward) | (672)        | (672)        |
| <b>Cash flows related to financing activities</b> |                                                            |              |              |
| 1.14                                              | Proceeds from issues of shares, options, etc.              | 2,024        | 2,024        |
| 1.15                                              | Proceeds from sale of forfeited shares                     |              |              |
| 1.16                                              | Proceeds from borrowings                                   |              |              |
| 1.17                                              | Repayment of borrowings                                    |              |              |
| 1.18                                              | Dividends paid                                             |              |              |
| 1.19                                              | Other (provide details if material)                        |              |              |
|                                                   | <b>Net financing cash flows</b>                            | <b>2,024</b> | <b>2,024</b> |
|                                                   | <b>Net increase (decrease) in cash held</b>                | <b>1,352</b> | <b>1,352</b> |
| 1.20                                              | Cash at beginning of quarter/year to date                  | 758          | 758          |
| 1.21                                              | Exchange rate adjustments to item 1.20                     |              |              |
| 1.22                                              | <b>Cash at end of quarter</b>                              | <b>2,110</b> | <b>2,110</b> |

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

|      |                                                                  | Current quarter<br>\$A'000 |
|------|------------------------------------------------------------------|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 117                        |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   |                            |

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.



### Financing facilities available

*Add notes as necessary for an understanding of the position.*

|                                 | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             |                             |                        |
| 3.2 Credit standby arrangements |                             |                        |

### Estimated cash outflows for next quarter

|                                | \$A'000    |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 300        |
| 4.2 Development                | 150        |
| <b>Total</b>                   | <b>450</b> |

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

|                                                  | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|--------------------------------------------------|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 2,010                      | 558                         |
| 5.2 Deposits at call                             | 100                        | 200                         |
| 5.3 Bank overdraft                               |                            |                             |
| 5.4 Other (provide details)                      |                            |                             |
| <b>Total: cash at end of quarter (item 1.22)</b> | <b>2,110</b>               | <b>758</b>                  |

### Changes in interests in mining tenements

|     | Tenement<br>reference                                         | Nature of interest<br>(note (2)) | Interest at<br>beginning<br>of quarter | Interest at<br>end of<br>quarter |
|-----|---------------------------------------------------------------|----------------------------------|----------------------------------------|----------------------------------|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed |                                  |                                        |                                  |
| 6.2 | Interests in mining tenements acquired or increased           |                                  |                                        |                                  |

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

|                                                                                                                                | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|--------------------------------------------------------------------------------------------------------------------------------|--------------|---------------|-----------------------------------------------|--------------------------------------------------|
| 7.1 <b>Preference +securities</b><br><i>(description)</i>                                                                      |              |               |                                               |                                                  |
| 7.2 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions |              |               |                                               |                                                  |
| 7.3 <b>+Ordinary securities</b>                                                                                                | 160,175,576  | 160,175,576   |                                               |                                                  |
| 7.4 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs              | 34,469,896   | 34,469,896    |                                               |                                                  |
| 7.5 <b>+Convertible debt securities</b><br><i>(description)</i>                                                                |              |               |                                               |                                                  |
| 7.6 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted              |              |               |                                               |                                                  |
| 7.7 <b>Options</b><br><i>(description and conversion factor)</i>                                                               | 26,785,714   |               | <i>Exercise price</i><br>\$0.30               | <i>Expiry date</i><br>30/06/2011                 |
|                                                                                                                                | 283,000      |               | \$0.22                                        | 20/03/2012                                       |
|                                                                                                                                | 225,000      |               | \$0.22                                        | 19/11/2012                                       |
|                                                                                                                                | 635,500      |               | \$0.165                                       | 05/03/2013                                       |
|                                                                                                                                | 941,666      |               | \$0.028                                       | 03/02/2014                                       |
| 7.8 Issued during quarter                                                                                                      |              |               |                                               |                                                  |
| 7.9 Exercised during quarter                                                                                                   |              |               |                                               |                                                  |
| 7.10 Expired during quarter                                                                                                    |              |               |                                               |                                                  |
| 7.11 <b>Debentures</b><br><i>(totals only)</i>                                                                                 |              |               |                                               |                                                  |
| 7.12 <b>Unsecured notes</b><br><i>(totals only)</i>                                                                            |              |               |                                               |                                                  |

+ See chapter 19 for defined terms.



## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Company Secretary)

Date: 30 October 2009

Print Name: David W Godfrey

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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