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28 January 2015

December 2014 Quarterly Activity Report

High Impact Gold Exploration Set to Commence at Emerging Lingokoto and Maleko Projects

- The Company remains focused on its priority Lingokoto and Maleko gold projects in Senegal, West Africa
- On completion of new financing arrangements the Company will immediately commence its priority programs at Lingokoto and Maleko in the current dry season
- A high-impact infill drilling program has been designed for the emerging Lingokoto gold discovery, located near Randgold's 12moz Loulo gold mine
- The Lingokoto discovery comprises a zone of near-surface gold mineralisation which has so far been defined over a 1.5km strike length and remains open along strike and at depth
- First-pass aircore drilling at Lingokoto delivered ore-grade intercepts on wide-spaced lines – planned infill aircore will scope the size potential of the system
- Maleko gold prospect, located between Teranga's Sabadola mine and Gora deposit significantly upgraded this year with soil sampling extending the prospect length to at least 1.2km
- Step out RAB drilling planned to test the system identified
- Earlier Maleko RC drilling results included 7m at 10.2 g/t Au, with only 140m of strike drill-tested to date
- Erin continues to assess new project opportunities to complement its West African gold exploration projects. Lower priority Wassadou North and Balakonko prospects relinquished during the period

During the December Quarter the Company completed detailed technical reviews on its seven gold exploration projects in Senegal, West Africa and commenced planning for a focused exploration program for the 2014/15 field season.

The focus of the Company's resources for the upcoming programs will be prioritised on planned in-fill and extensional drilling programs at the Company's Lingokoto gold discovery, including both aircore and RC drilling. The second key objective is a step-out RAB drilling program at the Maleko gold project to define the extent of mineralisation over the 1.2km soil anomaly, which is strategically located only 24km from Teranga Gold's Sabadola mine, the only operating gold mine in Senegal.

The Company considers both of these targets offer shareholders significant uplift in the Company valuation on drilling success.

As part of the strategic and technical review undertaken on the Company's project interests in Senegal during the second half of 2014, the Board decided to relinquish its earned interests and ongoing funding obligations on its lower priority Wassadou North (77.5%) and Balakonko (80%) gold prospects. The Company still retains between a 77.5-80% interest in 5 gold projects in Senegal, and undertook this decision to focus the bulk of its resources and personnel on its priority projects Lingokoto and Maleko.

Lingokoto Gold Project

The final set of aircore drilling results released by the Company in July 2014 confirmed the significant potential of the Lingokoto gold project in Senegal.

These results show Lingokoto is emerging as a substantial gold system, with mineralisation now outlined over a 1km strike length. It remains open to the south-west and at depth.

The region to the east of the permit contains several 1Moz-plus gold deposits, including Randgold Limited's Loulo goldmine (more than 12Moz gold) which lies 24km east of the Lingokoto discovery.

The aircore program completed earlier this year was the first systematic drilling program at Lingokoto, and it successfully extended the known mineralisation 980m to the south-west of the initial RAB intersections, which included a near-surface result of 6m at 51.5gpt (see ASX release dated January 29, 2014).

The aircore results show that the mineralisation runs in two parallel zones up to 90m wide, commences within 35m of the surface and is hosted mostly in weathered bedrock (Figure 1).

An aircore line 360m to the south-west of the initial RAB traverse intersected zones of up to **18m at 1.66g/t end-of-hole** (including **12m at 2.14g/t**). Results from adjacent holes included **12m at 0.97g/t**, **6m at 1.52g/t** and **6m at 1.01g/t** (Figure 2). The same line also intersected results such as **9m at 1.19g/t** and **9m at 1.05g/t** in other anomalous zones.

The southern-most line drilled to date (980m south-west of the initial RAB traverse) has returned results of **3m at 4.81g/t**, **3m at 3.51g/t**, **3m at 2.07g/t** and **6m at 1.47g/t** in several anomalous areas.

Drilling is at an early stage and initial observations are that gold anomalism is predominantly hosted by saprolitic clays below a laterite profile. Observed lithologies include greywacke, volcanoclastic sediments, diorite, quartzite and zones of sericite-silica-tourmaline-pyrite alteration.

As well as confirming mineralisation over a significant strike length and width, the aircore results highlighted the potential for additional mineralisation to be identified in in-fill and extensional drilling and in fresh rock below the weathered material drilled to date.

This fresh rock will be tested as part of the upcoming RC drilling program.

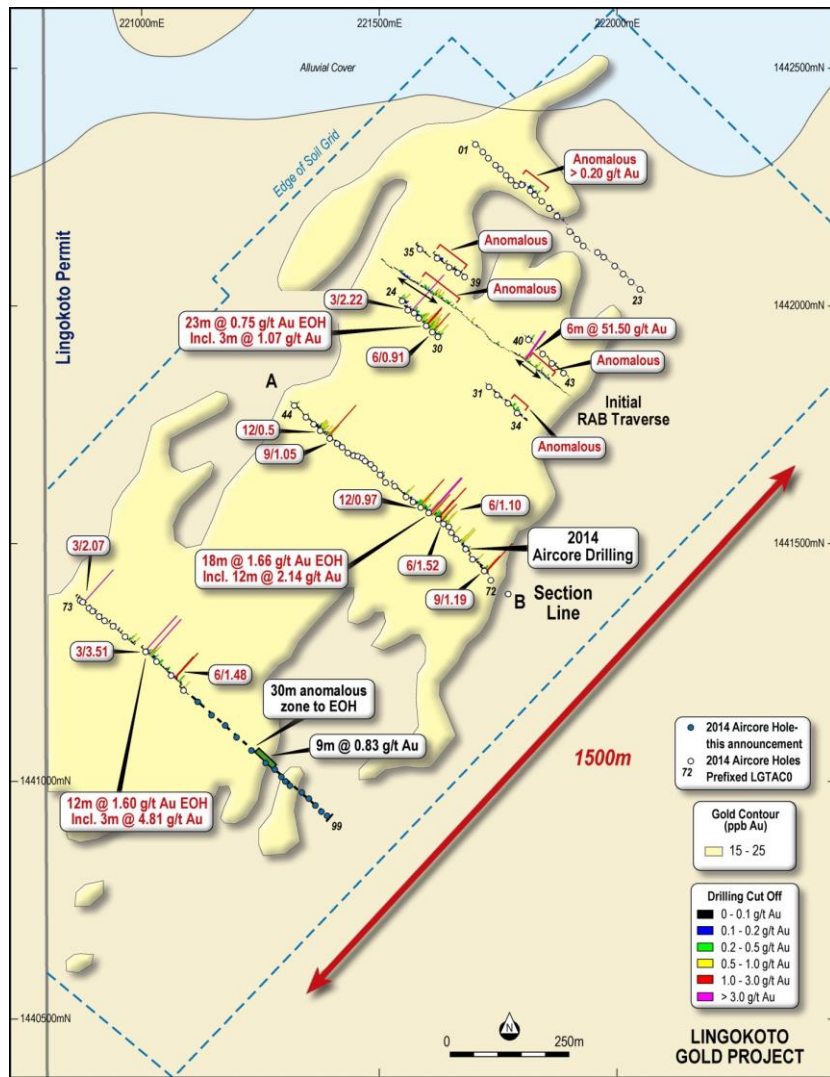


Figure 1. Lingokoto Gold Project – Aircore Collar Locations with Gold Intercepts. Initial RAB line and Soil Anomalism also shown

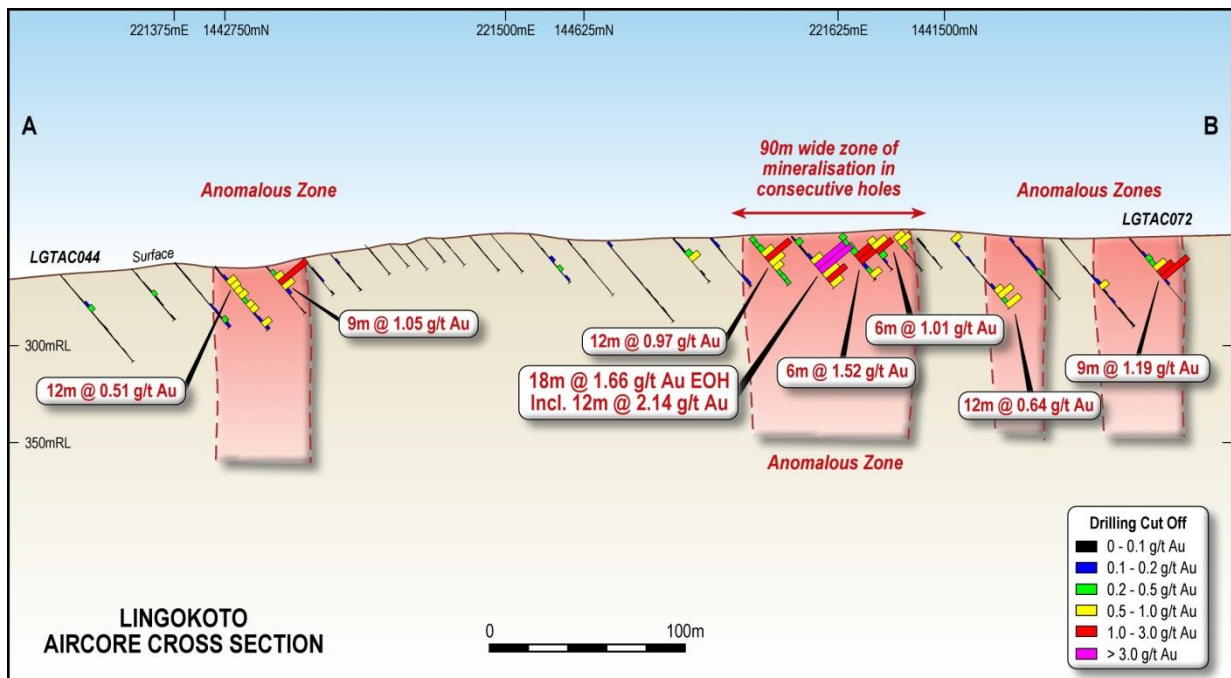


Figure 2. Gold Intercepts on Aircore Traverse 360m SW of Initial RAB Line

Maleko Gold Project

In early 2014, the Company reported fresh soil sampling results from the Maleko prospect, confirming Maleko as the Company's second highly promising gold project in Senegal, with the anomaly more than doubling in length to 1.2km.

The Maleko project is strategically located only 20km from Teranga's Sabadola mine, the only operating gold mine in Senegal. Maleko is located between Sabadola and Teranga's Gora deposit, which is high grade feed for the Sabadola mill.

Drilling at Maleko in late 2013 returned strong results from bedrock, including 7m at 10.4g/t. The drilling program was only conducted over a 140m strike length, with the best results coming from the western-most traverse against the original permit boundary, where the anomaly now remains open for a further 1km.

Erin intends to conduct a second round of drilling at Maleko in the upcoming exploration program. This will follow the priority drilling program at the Lingokoto gold project.

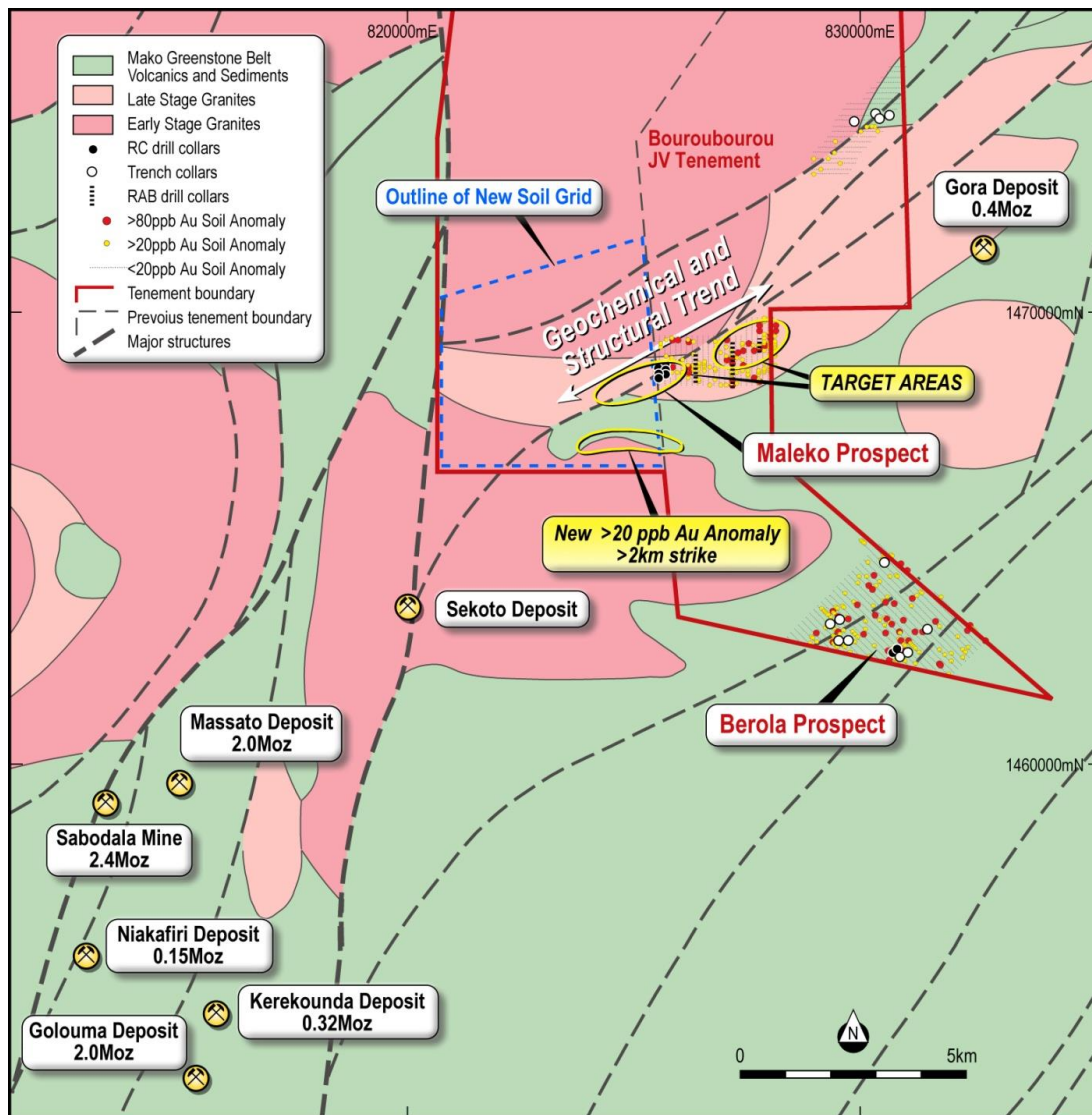


Figure 3. Erin target areas & new soil grid in relation to regional geology and gold deposits

Background

Erin holds 441km² of exploration permits in Senegal and a portfolio of five strategically located permits (Figure 4). All the Company's projects lie within the Kedougou inlier that extends over eastern Senegal and along the country's western border with Mali. There are four multi-million ounce gold deposits that have recently been discovered within 25km of Erin's projects and in Senegal: Loulo (12Moz), Masawa (3.5Moz), Petowal (1.4Moz) and Oromin (3.7Moz).

About 30Moz of gold has been discovered in Senegal over the last 10 years and the Kedougou inlier hosts over 45Moz of gold in resources. This inlier forms a part of the Birimian shield, which covers most of West Africa and hosts over 280Moz of gold.

Senegal only recently commenced industrial scale gold mining and production at the Sabodala mine in 2009. The country's mining code, introduced in 2003, is based on mining codes found in Australia and Canada.

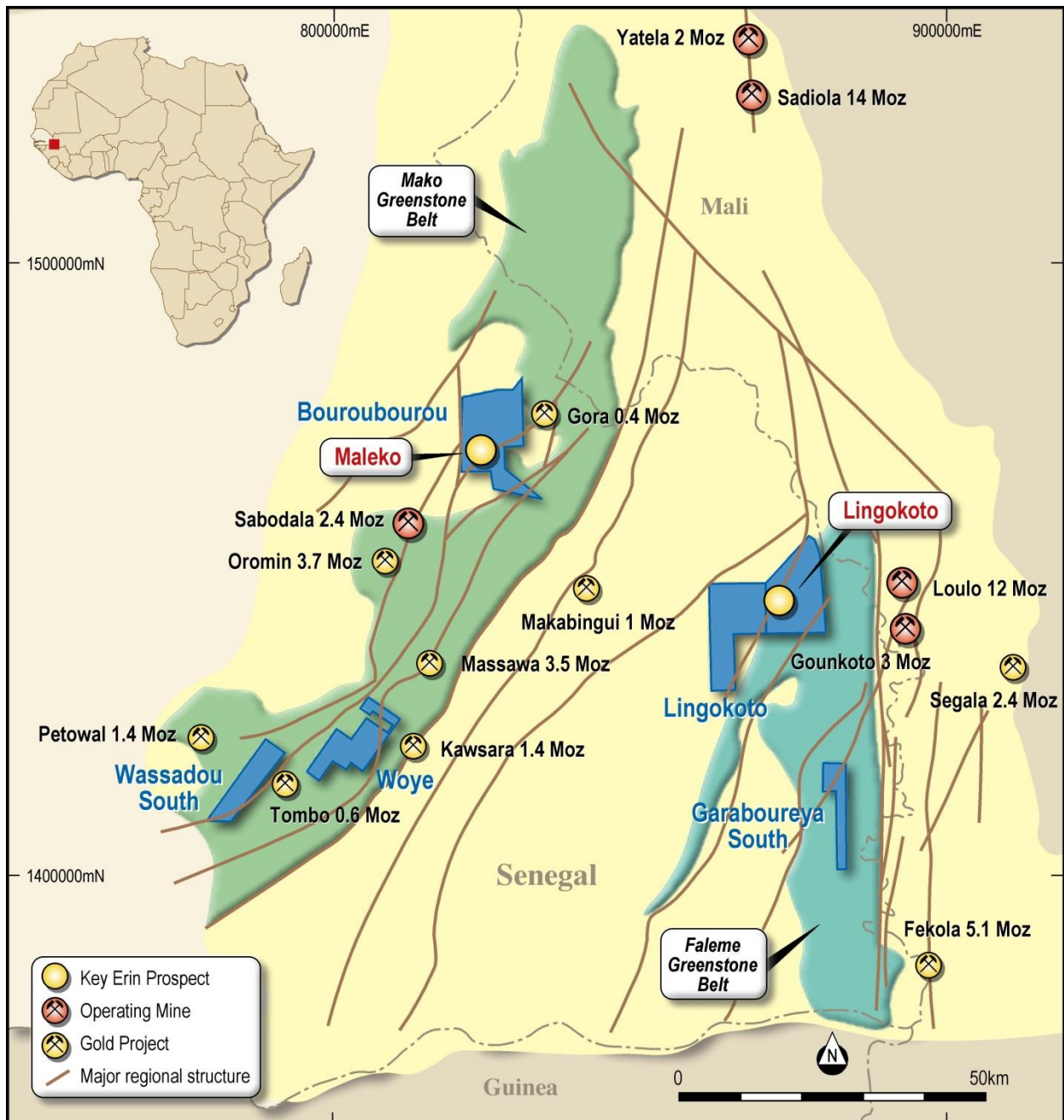


Figure 4. Regional Plan Senegal Permits and Location of Lingokoto Permit

Tenements Located in the Republic of Senegal as at 31 December 2014

Permit No.	Permit Title	Area (km ²)	Issued	Region	Erin Ownership
07786	Garaboureyea (south portion)	36.6	13/08/2009	Kedougou	80%
01814	Woye	94.4	26/02/2010	Kedougou	80%
10332	Bouroubourou	139.7	01/12/2010	Kedougou	80%
10333	Lingokoto	120.5	01/12/2010	Kedougou	80%
12907	Wassadou South	49.9	18/11/2011	Kedougou	77.5%

Competent Persons Statement

The information in this document that relates to Exploration Results is based on information compiled or reviewed by Mr Nick Castleden who is a member of the Australian Institute of Geosciences. Mr Castleden is a full time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Castleden consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Exploration results referring to Lingokoto have been previously disclosed by Erin Resources in accordance with JORC 2012 in the announcements dated 29/01/2014 entitled 'High Grades Encountered in First Pass Drilling'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The exploration results relating to the other projects were previously prepared and disclosed under the JORC Code 2004 and have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Company confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified from the original market announcement. Refer to www.erinresources.com for details on exploration results.

Corporate

During the Quarter, the Company held its Annual General Meeting at which all resolutions passed.

Erin's geological team continues to assess other project opportunities with the potential to add significant value to the Company and complement its West African gold exploration projects.

Cash Position at 31 December 2014

The Company had a closing cash balance of \$154k at 31 December 2014.

For and on behalf of the Board

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

ERIN RESOURCES LIMITED

ABN

30 116 800 269

Quarter Ended ("Current Quarter")

31 DECEMBER 2014

Consolidated statement of cash flows

		Current Quarter \$A'000	Year to Date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(65)	(223)
	(b) development	-	-
	(c) production	-	-
	(d) administration & staff	(32)	(169)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	(27)	(52)
Net Operating Cash Flows		(123)	(441)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
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 (refund of mining security bonds)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(123)	(441)

1.13	Total operating and investing cash flows (brought forward)	(123)	(441)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Capital raising costs (underwriting fee)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(123)	(441)
1.20	Cash at beginning of quarter/year	277	595
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	154	154

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 \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	40
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions.

Amount includes Director fees.

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

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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

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount Available \$A'000	Amount Used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-
3.3 Convertible note	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and Evaluation	70
4.2 Development	-
4.3 Production	-
4.4 Administration	30
Total	100

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 \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	134	277
5.2 Deposits at call	20	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	154	277

Changes in interests in mining tenements

	Tenement Reference	Nature of Interest (note (2))	Interest at beginning of quarter	Interest at end of Quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	00852	Relinquishment of Wassadou North	77.5%	0
	07787	Relinquishment of Balakonko	80%	0
6.2 Interests in mining tenements acquired or increased	N/A	N/A	N/A	N/A

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 Preference *securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	257,707,934 (includes 13,000,000 VHL shares)	244,707,934		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			Exercise Price	Expiry Date
	4,000,000	Nil	\$0.20	30 June 2017
	1,000,000	Nil	\$0.30	23 Jan 2018
	500,000	Nil	\$0.35	23 Jan 2018
	500,000	Nil	\$0.40	23 Jan 2018
	119,344,890	119,344,890	\$0.02	30 Jun 2015
	11,250,000	Nil	\$0.025	30 June 2017
	11,250,000	Nil	\$0.04	30 June 2017
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.1 Expired during quarter				
0				
7.1 Debentures 1 <i>(totals only)</i>				
7.1 Unsecured notes <i>(totals only)</i> 2				

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.

A handwritten signature in black ink, appearing to read 'Brett Mitchell', written in a cursive style.

Brett Mitchell
Executive Director

Date: 28 January 2015

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* applies 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.