



ELDORE MINING CORPORATION LTD.
ABN 82 110 884 252

12 October 2011

Stephanie Yong
Senior Adviser, Listings(Sydney)
ASX Compliance Pty Ltd
20 Bridge Street
Sydney NSW 2000

By email: stephanie.yong@asx.com.au

Dear Stephanie

We refer to your letter dated 6 October 2011 and respond as follows:

1. The Company confirms that in the Directors' opinion the Full Year Report :
 - (a) complies with accounting standards; and
 - (b) gives a true and fair view of the financial performance of the Company.
2. The Company is of the view that the financial condition of the Company is sufficient to warrant continued listing on ASX in accordance with the requirements of listing rule 12.2.
3. The Company has formed the view in 2 above on the basis that the Directors have reasonable expectation based on discussion with major shareholders and other parties that additional equity capital can be raised to meet the Company's ongoing working capital requirements.
4. The Company confirms that it is in compliance with the listing rules and, in particular, listing rules 3.1 and 12.2.

Yours sincerely

Paul Johnstone
Director



ELDORE MINING CORPORATION LIMITED
ABN 82 110 884 252

Stephanie Yong

Senior Adviser, Listings(Sydney)

ASX Compliance Pty Ltd

20 Bridge Street

Sydney NSW 2000

By email: stephanie.yong@asx.com.au

Dear Stephanie,

We refer to your email dated the 13 October 2011. The Company has been requested to explain its compliance with listing rule 12.2 with reference to the 4 points in the auditor's Disclaimer of Opinion. The Company responds (*in italics*) as follows:

1) *Recoverability of Receivables*

During the financial year ended 30 June 2011, the company advanced, by way of unsecured loans, \$1,525,500 to various entities in circumstances where these advances were repayable by 30 June 2011. These advances remain unrecovered at 30 September 2011. These advances have not been recovered and are unsecured and may not therefore be recovered. In these circumstances we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves that these advances will be recovered. The recovery of these advances is material as to whether the company is a going concern.

The company has loan agreements with certain entities and is in constant contact with the parties concerned. The directors are of the opinion and confident that the agreements will be honoured.

(2) *Deposit on Baita Project*

In March 2011 the company entered into an agreement with Far East and Pacific Investments to acquire the Baita Copper Mine at some time in the future. With respect to this agreement, \$3,716,198 has been advanced to parties associated with Far East and Pacific Investments. We have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves in relation to the terms of the proposed acquisition and have not obtained sufficient appropriate audit evidence to satisfy ourselves that these advances are likely to be recovered. The recovery of these advances is material as to whether the company is a going concern

The company is continuing to negotiate with Far East and Pacific Investments to reach settlement of the transaction. An extension fee has been paid by the company and financing proposals are ongoing between the parties.



3) Subsequent Events

- (i) Commitments and contingent liabilities arising from the proposed acquisition of the Baita Copper mine from Far East and Pacific Investments

The Company is continuing negotiation to complete the transaction. Funding facilities for the project form part of those discussions.

- (ii) Commitments and contingent liabilities arising from the terms of an agreement entered into with AGS Capital Group LLC for a funding facility of \$25,000,000. There is currently a dispute as to the effect/enforceability of this agreement.

The Agreement has been terminated and this has been announced to the market on 11 July.

- (iii) Commitments and contingent liabilities arising from the Mt Hagen Joint Venture with Pacific Nuigini Limited.

The company has withdrawn from the project with no further commitments or contingent liabilities. This was announced to the market on 17 August."

- (iv) Commitments and contingent liabilities arising from the Burkina Faso project with Predictive Discovery Ltd.

Burkina Faso is subject to JV meetings between the company and its Partner Predictive Discovery Ltd. The Commitments and Liabilities will form part of discussion moving the project forward.

(4) Going Concern

The financial statements have been prepared on a going concern basis which assumes the commercial realisation of the future potential of the consolidated entity's assets, and discharge of its liabilities in the normal course of business. The directors have stated that there are reasonable grounds to believe that the consolidated entity is a going concern. As a result of our inability to obtain sufficient appropriate audit evidence as described above and given the material nature of those matters as to whether the company is a going concern, we were unable to assess whether the going concern basis of preparing the financial report is appropriate.

The company by way of an announcement dated 29 September 2011, which is therefore post balance date, has indicated that it may enter into funding arrangements in the future. Given our inability to obtain sufficient appropriate audit evidence as described above we are unable to assess the significance of the matters set out in this announcement as to whether the going concern basis of preparing the financial report is appropriate.



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The company announced that it had executed a term sheet for the provision of an equity funding facility of up to A\$15,000,000 with Roswell Capital Partners, LLC ("Roswell"), subject to the execution of formal agreements. The 36 month facility will provide part of the funding requirements for the Baita Copper-Gold mine acquisition in Romania.

Yours Sincerely

Damon Sweeny
Company Secretary



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Sydney NSW 2000
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Australia Square
NSW 1215

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www.asx.com.au

6 October 2011

Damon Sweeney
Company Secretary
Eldore Mining Corporation Limited
1186 Hay Street
West Perth WA 6005

By Email

Dear Damon,

Eldore Mining Corporation Limited (the "Company")

ASX Limited ("ASX") refers to the following:

1. The Company's Annual Report for the period ended 30 June 2011, released to ASX on 3 October 2011 (the "Annual Report").
2. The Independent Audit Report on pages 59-61 of the Annual Report (the "Auditor's Report") which states the following:

"Basis for Disclaimer of Opinion

We have been unable to obtain sufficient appropriate audit evidence in relation to the operations of the company and its subsidiaries to enable us to satisfy ourselves as to the following matters:

(1) Recoverability of Receivables

During the financial year ended 30 June 2011, the company advanced, by way of unsecured loans, \$1,525,500 to various entities in circumstances where these advances were repayable by 30 June 2011. These advances remain unrecovered at 30 September 2011. These advances have not been recovered and are unsecured and may not therefore be recovered. In these circumstances we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves that these advances will be recovered. The recovery of these advances is material as to whether the company is a going concern.

(2) Deposit on Baita Project

In March 2011 the company entered into an agreement with Far East and Pacific Investments to acquire the Baita Copper Mine at some time in the future. With respect to this agreement, \$3,716,198 has been advanced to parties associated with Far East and Pacific Investments. We have not been able to obtain sufficient



appropriate audit evidence to satisfy ourselves in relation to the terms of the proposed acquisition and have not obtained sufficient appropriate audit evidence to satisfy ourselves that these advances are likely to be recovered. The recovery of these advances is material as to whether the company is a going concern.

(3) Subsequent Events

We have been unable to obtain sufficient appropriate audit evidence to support the accuracy of the subsequent events set out in the financial report:

- (i) Commitments and contingent liabilities arising from the proposed acquisition of the Baita Copper mine from Far East and Pacific Investments.*
- (ii) Commitments and contingent liabilities arising from the terms of an agreement entered into with AGS Capital Group LLC for a funding facility of \$25,000,000. There is currently a dispute as to the effect/enforceability of this agreement.*
- (iii) Commitments and contingent liabilities arising from the Mt Hagen Joint Venture with Pacific Nulgini Limited.*
- (iv) Commitments and contingent liabilities arising from the Burkina Faso project with Predictive Discovery Ltd.*

These matters are material as to whether the company is a going concern.

(4) Going Concern

The financial statements have been prepared on a going concern basis which assumes the commercial realisation of the future potential of the consolidated entity's assets, and discharge of its liabilities in the normal course of business. The directors have stated that there are reasonable grounds to believe that the consolidated entity is a going concern. As a result of our inability to obtain sufficient appropriate audit evidence as described above and given the material nature of those matters as to whether the company is a going concern, we were unable to assess whether the going concern basis of preparing the financial report is appropriate.

The company by way of an announcement dated 29 September 2011, which is therefore post balance date, has indicated that it may enter into funding arrangements in the future. Given our inability to obtain sufficient appropriate audit evidence as described above we are unable to assess the significance of the matters set out in this announcement as to whether the going concern basis of preparing the financial report is appropriate.

Disclaimer of Opinion

In our opinion, because of our inability to obtain sufficient appropriate audit evidence, as described in the Basis for Disclaimer of Opinion paragraph, and the significant effect of such adjustments, if any, as might have been determined to be necessary had this limitation not existed, we are unable to and do not express an opinion as to whether the financial report of Eldore Mining Corporation Limited is in accordance with the Corporations Act 2001, including:



- a) *Giving a true and fair view of Eldora Mining Corporation Limited's financial position as at 30 June 2011 and of its performance for the year ended on that date, and*
- b) *Complying with Australian Accounting Standards and the Corporations Regulations 2001.*

Report on Other Legal and Regulatory Requirements

In accordance with the matters described In the Basis for Disclaimer of Opinion paragraph, we have not been given all information, explanation and assistance necessary for the conduct of the audit to determine whether other legal and regulatory requirements have been complied with as required by the Corporations Act 2001 and also in relation to other regulatory requirements as may be deemed appropriate.”

3. Listing Rule 3.1 - Once an entity is or becomes +aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's +securities, the entity must immediately tell ASX that information.
4. Listing Rule 12.2 - An entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.
5. Listing Rule 19.11A - If a listing rule requires an entity to give ASX +accounts, the following rules apply:
 - (b) The +accounts must be prepared to Australian accounting standards. If the entity is a foreign entity the +accounts may be prepared to other standards agreed by ASX.
6. Listing Rule 19.2 - An entity must comply with the listing rules as interpreted:
 - * in accordance with their spirit, intention and purpose;
 - * by looking beyond form to substance; and
 - * in a way that best promotes the principles on which the listing rules are based.

In light of the information contained in the Annual Report and the application of the listing rules stated above can the Company please respond to the following:

1. Is the Company able to confirm that in the Directors' opinion the Annual Report:
 - (a) complies with Accounting Standards; and
 - (b) gives a true and fair view of the financial performance of the Company?
2. Is the Company of the view that the financial condition of the Company would be sufficient to warrant continued listing on ASX in accordance with the requirements of listing rule 12.2?



3. If the answer to question 2 is "Yes", please explain why the Company has formed the conclusion that the financial condition of the Company would be sufficient to warrant continued listing on ASX in accordance with the requirements of listing rules 12.2.
4. If the answer to question 2 is "No", please explain what steps the Company has taken, or would envisage to be required, to warrant continued listing on ASX in accordance with the requirements of listing rule 12.2. Specifically, the Company should submit the reasons (including any previous disclosures made to the market) it considers relevant given the matters outlined in the Auditor's Report.
5. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rules 3.1 and 12.2.

Please note the ASX reserves its right under listing rule 18.7 to release this letter and the Company's response to the market. Accordingly the Company's response should address each question separately and be in a format suitable for release to the market.

This letter deals with important matters and you may wish to consult your advisers. If you wish to provide submissions, unless the information is required to be released to the market immediately under listing rule 3.1, a response is requested by **no later than close of business AEDT on Wednesday, 12 October 2011**.

Any submissions or response should be sent to me by a return email or on facsimile number (02) 9241 7620. It should not be sent to the Company Announcements Office.

If you have any questions in relation to the above please contact me.

Yours sincerely,

[Sent electronically without signature]

Stephanie Yong
Senior Adviser, Listings (Sydney)