



**ELDORE MINING CORPORATION LIMITED**  
ABN 82 110 884 262

13<sup>th</sup> July 2011

Company Announcements Office  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

### **ELDORE BAITA COPPER MINE ACQUISITION UPDATE**

The Board of Eldore Mining Corporation Limited (ASX: EDM, “**the Company**”), as previously advised, has executed revised agreements enabling it to proceed with the completion of the acquisition of the Baita Copper-Gold mine in Romania.

#### **Baita Copper-Gold Mine**

The Baita Copper-Gold mine is an integrated underground and copper concentrator plant located in Transylvania, West Romania. The Company has executed a contract revision with a revised settlement date of 1<sup>st</sup> August 2011. Following settlement the Company will assume full operational control of the day to day management. The Company anticipates recruiting the required key personnel as a priority and implementing its program to return the mine to production. The purchase consideration has been revised down to 5 million Euros at settlement with all other terms in the agreement remaining in full force and effect. The Company is also working to develop a revised and more favourable funding structure which will help reduce dilutionary effects of the transaction. The initial funds will be applied to enable Eldore to complete the re-start of operations at the Baita Copper mine in Romania. The mine ceased operations in February 2010 due to financial and other issues related to the previous owner. At that time mine production was focussed at the 18-Level (depth of 360 metres) and since the closure the mine has been on care and maintenance with most key staff still available.

**Baita Mill Circuit**



**Screens to Crushing Circuit**



The Company intends to re-start where mining left off at this level, where relatively high grade mineralisation exists, (refer to previous ASX releases) and the known ore body remains open in most directions. Two diamond holes drilled approximately 90m below this level show similar grades of mineralisation typical of what has been mined to date.

Samples collected from broken ore stocks both underground and remaining on the surface on 28<sup>th</sup> September 2009 returned an average grade of **2.67% copper** and **2.06 g/t gold**.

The Baita Copper mine has a rated throughput capacity of 120,000 tonnes per annum and production peaked in 2004 at 100,000 tonnes. The fall in throughput tonnage and recovered copper from 2005 represents the inefficiency and dilapidation of the mining and recovery circuits at the plant and it should be noted that recovery fell below 65% during this period. The assay results of the tailings dams support the outdated crushing and recovery outcomes and EDM's decision to upgrade the plant as a priority to improve recovered grades and increase throughput.

The mine plan indicates that by following refurbishment and replacement of certain elements of the plant, an increase in throughput to **200,000 tonnes per annum** should be achievable.

EIDore intends to re-establish operations within 90/120 days following completion of the transaction, which will require re-commissioning and refurbishment of the extensive infrastructure which is part of the purchase consideration. It is anticipated that jobs for approximately 100 of the mine's former personnel will be created as the operations reach full production.

The Company believes once the operations are re-started it will work towards quickly rebuilding throughput to an annualised rate of 200,000 ore tonnes per annum and will seek to extend the mineralisation potential. A gold-rich copper concentrate will be produced and on-sold to third party smelters in India, China or Europe.

#### Tailings Dumps Baita



**Tailings Dumps**

The purchase of the Baita Copper Mine also includes the tailings dumps, and 36 assays undertaken by ALS Chemex from the tailings dams indicated the presence of 39 different metals with copper, gold and silver all existing in recoverable quantities. The dumps are estimated by EDM to contain mineralisation of **4,080 t/Cu, 6,640 t/Zn, 3,100 t/Pb, 6,640 t/Zn, 35 t/Ag and 309 kg/Au**. EDM intends to ship as soon as practical a number of 25kg samples from the tailings dams to Perth, Australia for an independent metallurgical assay to confirm these results. The Company views these results as very encouraging and there is potential for other metals to be recovered in the planned tailings re-treatment operation.

**Funding**

The Company confirms that following the announcement on the 11<sup>th</sup> July 2011 regarding funding, it has undertaken discussions with various alternative financiers to finalise the necessary funding to complete the acquisition. The Company has received a term sheet for consideration which is currently under review, negotiation and subject to formal execution of contracts and completion. The Company will determine the most appropriate mix of capital required to finance the transaction and provide the funding for the expansion and working capital. The Company has also completed a further \$250,000 funding by way of the issue of 62,500,000 shares at an issue price of \$0.004 and 62,500,000 free attaching options exercisable at 3 cents expiring 31 December 2012, to increase its available working capital. This placement was made to unrelated parties and does not require shareholder approval.

The development of this asset will provide Eldore with financial stability to enable it to transition to a Copper-Gold producer with the completion of the Baita Copper-Gold mine acquisition in Romania. The Company will now focus on both re-start of mining and processing operations at the Baita Copper Mine and continuing further exploration on the Company's advanced exploration projects in Papua New Guinea and Burkina Faso.

Yours faithfully



**A R HAMILTON**  
Chairman

*The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the principal of Al Maynard & Associates Pty Ltd and has over 30 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard 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 2004 Edition of the "Australasian Code for reporting of Target Mineralisation, Exploration Results, Mineral Resources and Ore Reserves". Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.*