

**HEALTH CORPORATION LIMITED
(TO BE RENAMED “ERIN RESOURCES LIMITED”)
ACN 116 800 269**

PROSPECTUS

For an offer of 12,500,000 Shares at an issue price of \$0.20 per Share to raise \$2,500,000. Oversubscriptions of up to a further 2,500,000 Shares at an issue price of \$0.20 each to raise a further \$500,000 may be accepted.

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for re-listing following a change to the nature and scale of the Company’s activities.

The Offer is conditional on all resolutions that are being put to Shareholders at the General Meeting to be held on 17 August 2012 being passed, including approval to proceed with the Consolidation.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Shares offered by this Prospectus should be considered highly speculative.**

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1. CORPORATE DIRECTORY

Directors

Mr Grant Davey
Managing Director

Mr James Malone
Non-Executive Chairman

Mr Jason Davis
Non-Executive Director

Mr David Chapman
Non-Executive Director

Mr Michael Houston
proposed new Non- Executive Director

Mr Robert Besley
proposed new Non- Executive Director

Company Secretary

Rachel Jelleff

ASX Code

HEA

Australian Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Senegalese Solicitors

Geni & Kebe SCP D'Avodats
47, Bd de la République
B.P. 14 392 15 023
Dakar SÉNÉGAL

Registered Office

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Email:
info@healthcorporation.com.au

Website:
www.healthcorporation.com.au

Share Registry*

Computershare Investor Services Pty Limited
ABN 48 078 279 277
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45 St Georges Terrace
Perth WA 6000

Telephone: 1300 787 272
Facsimile: +61 8 9323 2033

Independent Geologist

Coffey Mining Pty Ltd
1162 Hay Street
West Perth WA 6005
Australia

Investigating Accountant and Auditor

PKF Mack & Co
2nd Floor
35 Havelock St
West Perth WA 6005

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

2. IMPORTANT NOTICE

This Prospectus is dated 26 July 2012 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

2.1 Conditional Offer and Consolidation

The Offer is conditional on all resolutions that are being put to Shareholders at the General Meeting scheduled to be held on 17 August 2012 being passed, including approval to proceed with the Consolidation. As set out in Resolution 2 of the Notice of Meeting, the Company proposes to consolidate the number of Shares it has on issue on a 10 for 1 basis.

Unless stated otherwise, all references to securities of the Company as set out in this Prospectus are on the basis that the Consolidation has occurred.

In the event that Shareholders do not approve all resolutions at the General Meeting, the Offer will not proceed and investors will be refunded their application monies.

2.2 Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act.

Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

2.3 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.healthcorporation.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may

obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2.4 Forwarding-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

2.5 Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

2.6 Competent Person's Statement

The information in this Prospectus that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Mark Fleming, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Fleming is a full time employee of the Company. Mr Fleming has sufficient experience 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 JORC Code. Mr Fleming consents to the inclusion in this Prospectus of the matters based on his information in the form and context in

which it appears. Mr Fleming has not withdrawn his consent prior to the lodgement of this Prospectus with the ASIC.

3. INVESTMENT OVERVIEW

This section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

3.1 The Company

Health Corporation Limited (to be renamed "Erin Resources Limited") (**HEA** or the **Company**) is an Australian public company listed on the Official List of the ASX (ASX Code: HEA) which has principally been focused on the bioscience technology sector. The Company has recently undergone a major restructuring of its business operations following the disposal of its pharmacy franchising operations in November 2010 and the acquisition of Intramedics Pty Ltd (ACN 108 944 467), a bioscience company on 17 August 2010.

The Company has been continuing with its retained business operations following the restructure and has been actively seeking to identify and evaluate potential new strategic investment opportunities in Australia and overseas suitable for acquisition and development by the Company.

As announced to the ASX on 14 May 2012, the Company has entered into a financing and merger implementation agreement (**Agreement**) to acquire 100% of the issued share capital of Erin Mineral Resources Limited (ACN 128 093 354) (**Erin**), an unlisted Australian public company (**Acquisition**).

Erin holds 100% of the issued share capital in Erin Resources Pty Ltd (ACN 128 242 464) (**Erin Resources**), and Erin Resources in turn holds a 100% interest in Erin Senegal S.A.U (NINEA 004480349), a company incorporated and registered in Senegal (**Erin Senegal**). In addition, Erin Resources holds various interests in seven (7) prospective gold assets located in the Republic of Senegal, being the Lingokoto, Bouroubourou, Wassadou (north and south), Woye, Garaboureya South and Balakonko gold projects (together, the **Projects**). The Projects are located in the Kedougou Inlier, Senegal and are prospective for gold mineralisation.

Furthermore, Erin currently holds various assets located in Nigeria. It is a term of the Agreement that prior to completion, Erin will successfully demerge these assets so that only Erin Resources and Erin Senegal (which both relate to Erin's Senegalese assets) remain within the Erin group. Erin will be seeking shareholder approval for the demerger at its annual general meeting scheduled to be held on 9 August 2012.

As at the date of this Prospectus, Erin has informed the Company that all transfer forms in favour of HEA from all the Erin Shareholders have been signed (**Vendors**). Each of these offers however is conditional upon completion occurring in accordance with the terms of the Agreement.

In exchange for the Company acquiring 100% of the issued share capital in Erin, the Company will issue, by way of consideration on a post-Consolidation basis, 25,000,000 Shares and 13,000,000 voluntary holding lock shares (**VHL Shares**) to the Erin Shareholders (in proportion to their existing holdings in Erin).

As at the date of this Prospectus, the remaining conditions precedent under the Agreement are as follows:

- (a) HEA obtaining all regulatory and Shareholder approvals required by HEA in order to give effect to the Acquisition (unless otherwise waived in writing by HEA);
- (b) Erin delivers signed transfer forms from all Erin shareholders to HEA;
- (c) Erin successfully demerging its Nigerian assets from the Erin group;
- (d) HEA obtaining sufficient applications to meet the minimum subscription under this Prospectus; and
- (e) Erin obtaining any consents required, under the terms of any material contract to which it is a party, to the change of control of Erin as a result of the Acquisition.

If the above conditions are not satisfied on or before completion, the Agreement will automatically terminate between the parties. Furthermore, if completion has not occurred by 31 December 2012 (or such later date as agreed by the parties) the Agreement will automatically terminate between the parties.

A summary of the Agreement is set out in Section 12.1 of this Prospectus.

A summary of the Projects is set out in Section 6.3 of this Prospectus and more detailed information is included in the Independent Geologist's Report in Section 8 of this Prospectus.

Following completion of the Acquisition, the Company will likely wind down its existing operations and focus solely on gold exploration.

3.2 Effect of the Acquisition

The effect of the Acquisition is that the nature and scale of the activities of the Company will change as the Company proposes to focus on exploration of its Senegal Projects following completion. The acquisition of Erin is an event which requires the Company to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules, including seeking Shareholder approval to the acquisition of the Erin shares, issuing a prospectus, consolidating its capital (on a ratio to be set at 10:1 as included in the Notice of Meeting) and obtaining Shareholder spread in accordance with those rules.

The effect of the Acquisition is set out in the capital structure table below, and the Investigating Accountant's Report in Section 9 of this Prospectus which sets out the pro-forma balance sheet of the Company as at 30 April 2012.

3.3 Business Model

The Company proposes to conduct an extensive exploration programme on the Projects, consisting of the following phases:

- (a) infill soil geochemical sampling, which will initially target areas previously identified with gold anomalism on a 120m by 40m grid pattern;
- (b) RAB drilling around the main currently identified soil anomalies utilising 800m and 400m by 25m grids;
- (c) infill soil geochemical grids around the Woye, Bouroubourou, Garabourey South and Wassadou South Permits;

- (d) follow up RAB and RC drilling on areas identified from the soil sampling and RAB drilling;
- (e) RC drilling of identified high priority targets on the Woyé and Bouroubourou Permits. This includes zones of soil gold anomalism and areas of current artisanal workings; and
- (f) follow up geological mapping and fieldwork to identify additional targets.

Further details relating to the proposed exploration strategy and budget on the Projects is set out in the Independent Geologist's Report in Section 8 of this Prospectus.

The Company's main focus over the next 24 months will be to systematically explore the Projects for gold mineralisation with the aim of defining a JORC compliant resource.

A significant number of the Shares on issue prior to the Offer are likely to be classified by ASX as restricted securities and may be escrowed. Some investors may consider that there is an increased liquidity risk associated with investing in the Company as a large portion of the issued Share capital of the Company may not be traded freely for a period of time.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.

On completion of the Acquisition, it is proposed that Michael Houston and Robert Besley (current Directors of Erin) will be appointed as Non-Executive Directors of the Company.

3.4 Summary of the Offer

By this Prospectus, the Company invites investors to apply for 12,500,000 Shares at an issue price of \$0.20 per Share to raise \$2,500,000. Oversubscriptions of up to a further 2,500,000 Shares at an issue price of \$0.20 each to raise a further \$500,000 may be accepted.

The Offer will consist of a Public Offer and a Priority Offer. Under the Priority Offer, the Company is inviting Erin Shareholders (as at the Priority Offer Record Date) to subscribe for up to 50% of Shares available under the Offer, and as such will set aside 7,500,000 Shares or \$1,500,000 for Erin Shareholders.

The Public Offer is comprised of the Offer less Shares taken up under the Priority Offer. Members of the public may apply for Shares under the Public Offer.

The minimum subscription under this Prospectus is \$2,500,000 (being the full subscription).

Completion of the Offer under this Prospectus is subject to:

- (a) the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules (including obtaining the approval of Shareholders with respect to all resolutions at the General Meeting);
- (b) the Company raising the minimum subscription; and

- (c) the Company receiving conditional approval for re-quotation of the Company's Shares on ASX.

If these conditions are not met, the Company will not proceed with the Offer and will repay all application monies received, without interest and in accordance with the Corporations Act.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

Further details of the Offer are set out in Section 5 of this Prospectus.

3.5 Indicative Timetable

As a result of the Consolidation and the change of nature and scale of activities, the securities of the Company will be placed into voluntary suspension on the day of the General Meeting, and trading will be re-instated following the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules. An indicative timetable of events relating to the transaction is outlined below. The timetable is indicative only and is subject to change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

Event	Date
Despatch Notice of Meeting seeking approval for Acquisition	17 July 2012
Lodgement of Prospectus with the ASIC	26 July 2012
Priority Offer Record Date	26 July 2012
Opening of Offer and Priority Offer under the Prospectus	2 August 2012
General Meeting to approve Acquisition and Change in Nature and Scale of Activities	17 August 2012
Suspension of HEA's securities from trading on ASX at the opening of trading	17 August 2012
Closing Date of Priority Offer under the Prospectus	20 August 2012
Closing Date of Offer	20 August 2012
Ex Date – Consolidation	21 August 2012
Consolidation Record Date	27 August 2012
Despatch Date – Consolidation	3 September 2012
Completion and issue of Shares under Offer	6 September 2012
Anticipated date the suspension of trading is lifted and HEA's securities commence trading again on ASX	7 September 2012

3.6 Purpose of the Offer

The purpose of the Offer is to provide additional funds to enable the Company to:

- (a) complete the acquisition of Erin;
- (b) meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules; and
- (c) conduct exploration activities on the Projects.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

3.7 Estimated Exploration Budget

The table below is a statement of current intentions of the Board as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis. The budget is intended to be the same regardless of whether the Company raises the full subscription or full oversubscription under the Offer.

Item	Year 1	Year 2
Soil Sampling	220,000	60,000
RAB Drilling	350,000	100,000
RC Drilling	160,000	350,000
Assaying	230,000	240,000
Resource Studies	Nil	50,000
Exploration Staffing and Exploration Labour costs	340,000	400,000
Total	1,300,000	1,200,000

3.8 Use of Funds

The table below sets out the intended application of funds raised under the Prospectus over a two year period (from the date of reinstatement to trading on the ASX) on the basis of the Company raising the full subscription (\$2,500,000) and full oversubscription (\$3,000,000).

Item	Full Subscription	Percentage of Funds (%)	Full Oversubscription	Percentage of Funds (%)
YEAR 1				
Exploration and development on the Projects	\$1,300,000	38.2%	\$1,300,000	33%
Costs of Offer	\$309,290	9.1%	\$339,740	8.7%
Administration costs	\$275,000	8.1%	\$275,000	7.1%
Unallocated working capital	\$15,710	0.5%	\$235,260	6.0%
Total Year 1	\$1,900,000	55.9%	\$2,150,000	54.8%

Item	Full Subscription	Percentage of Funds (%)	Full Oversubscription	Percentage of Funds (%)
YEAR 2				
Exploration and development on the Projects	\$1,200,000	35.3%	\$1,200,000	31%
Administration costs	\$275,000	8.1%	\$275,000	7.1%
Unallocated working capital	\$25,000	0.7%	\$275,000	7.1%
Total Year 2	\$1,500,000	44.1%	\$1,750,000	45.2%
TOTAL YEARS 1 & 2	\$3,400,000	100%	\$3,900,000	100%

Please refer to Section 3.7 of this Prospectus and the Independent Geologist's Report in Section 8 of this Prospectus for further information on the planned exploration activities and expenditure budget for the Projects. Please note that the use of proceeds includes the Company's existing cash at bank, estimated at \$300,000 at the date of this Prospectus and the amount of \$600,000 currently advanced (or to be advanced) to Erin and estimated to be expended on the current work program which has commenced.

If the Company raises more than the full subscription (\$2,500,000) but less than the full oversubscription (\$3,000,000) under the Offer, the amount raised in excess of the full subscription (after expenses) is intended to be apportioned towards unallocated working capital.

The above table is a statement of current intentions of the Board as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

Please note, the exploration budget set out in the Independent Geologist's Report in Section 8 of this Prospectus is based on US Dollars. For the purposes of the above table, the Company has assumed a 1:1 USD/AUD exchange rate.

3.9 Capital Structure

The capital structure of the Company following completion of the Offer (assuming full oversubscription) is summarised below¹:

Shares ²	Number
Share on issue	21,500,000
Shares to be issued to the Vendors ³	25,000,000
Shares to be issued to Verona Capital	3,500,000
Shares to be issued pursuant to the Offer	15,000,000
Total Shares on completion of the Offer	65,000,000

VHL Shares	Number
VHL Shares currently on issue	Nil
VHL Shares to be issued to the Vendors ⁴	13,000,000
Total VHL Shares on completion of the Offer	13,000,000

Options	Number
Options currently on issue	Nil
Options to be issued to Verona Capital ⁵	4,000,000
Total Options on completion of the Offer	4,000,000

Notes:

¹ All figures above are on a post-Consolidation basis.

² The rights attaching to the Shares are summarised in Section 13.1 of this Prospectus.

³ The issue of these Shares is subject to Shareholder approval at the General Meeting. Further details are included in Section 12.1 of this Prospectus.

⁴ The issue of these VHL Shares is subject to Shareholder approval at the General Meeting. Further details are included in Section 12.1 of this Prospectus. The rights attaching to the VHL Shares are summarised in Section 13.4 of this Prospectus.

⁵ Each Option will be unquoted and is exercisable at \$0.20 on or before 30 June 2017. The issue of these Options is subject to Shareholder approval at the General Meeting. Further details are included in Section 12.1 of this Prospectus. The rights attaching to the Options are summarised in Section 13.3 of this Prospectus.

3.10 Change in Nature and Scale of Activities

As outlined in more detail in Section 12.1 of this Prospectus, the Company has entered into the Financing and Merger Implementation Agreement to acquire Erin Mineral Resources Limited.

The purchase of Erin is an event which requires the Company to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules, including seeking Shareholder approval for a change in the nature and scale of activities. This Prospectus is issued to assist the Company to re-comply with these requirements.

The Company's Shares will be suspended from Official Quotation on the ASX from the date of the General Meeting and will not be reinstated until ASX approves the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotations of its Shares on the ASX. In the event the Company does not receive conditional approval for re-quotations on the ASX then the Company will not proceed with the Offer and will repay all application monies received. In this instance, the Financing and Merger Implementation Agreement would automatically terminate and the acquisition of Erin would not proceed.

3.11 Key Investment Highlights

- (a) The Company has entered into a binding agreement to acquire 100% of Erin, which in turn holds various interests in seven (7) prospective gold assets located in the Republic of Senegal, being the Lingokoto, Bouroubourou, Wassadou (north and south), Woye, Garaboueya South and Balakonko gold projects. On completion of the Acquisition, the Company will become a gold focused exploration company.

- (b) The Woye Project contains a linear gold anomalous zone, extending over 7 kilometres long, with associated artisanal workings linear structural zones. Randgold Resources Limited has recently announced the results of a discovery at Tombo near to the south-western boundary of the Woye Project. Possible extensions into the Woye Project and identified artisanal workings provide an immediate target.
- (c) The Bouroubourou Project lies approximately 16 kilometres northeast of Taranga Gold Corporation's Sabodala Mine and has areas of extensive artisanal gold workings in close proximity to the east. Gold-in-soil anomalies extend over 3 km in 2 structurally controlled zones that are along strike to the west of these workings.
- (d) The Lingokoto Project lies approximately 14 kilometres west of Randgold Resources Limited's Loulo Gold Mine and includes 3 extensive zones of previously un-explored gold-in-soil anomalies.
- (e) The Garaboureira South Project is located on the margin of the Senegal-Mali Shear Zone that hosts the Sadiola Gold Mine, the Loulo Gold Mine and the new Fekola discovery of Papillon Resources Limited. The Garaboureira South Permit lies 10 kilometres north-west of Fekola and has a series of untested gold in soil anomalies.
- (f) Senegal is a politically stable democracy with attractive foreign investment rules.
- (g) The Company's Board, including the two proposed directors, bring together a diverse skill set and considerable experience in all aspects of exploration, operations, finance, corporate development and capital markets.
- (h) The Company has engaged a team of geologists who have significant experience in exploring for gold in the Birimian Greenstone belt of Eastern Senegal.

3.12 Key Risks

The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively manage them is limited.

Set out below are specific risks that the Company is exposed to. Further risks associated with an investment in the Company are outlined in Section 7 of this Prospectus.

Re-Quotation of Shares on ASX

The acquisition of the Projects constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List of the ASX.

The Company's Shares will be suspended from Official Quotation on the ASX on 17 August 2012, being the date of the General Meeting to approve the transaction associated with a change in the nature and scale of the Company's activities. The Company's Shares will not be reinstated to Official Quotation until ASX approves the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.

Satisfaction of Joint Venture Commitments

Pursuant to the Bouroubourou and Lingokoto Joint Venture Agreements with AfriGem Society Limited (**AfriGem**), Erin is required to contribute US\$650,000 to joint venture expenditure on the Bouroubourou Permit and US\$650,000 on the Lingokoto Permit by 17 November 2013.

Furthermore, pursuant to the Joint Venture Agreement with Mining Research Company Society Limited (**MRC**) relating to the Woye, Balakonko and Garaboureya Permits, Erin is required to contribute US\$2,000,000 to joint venture expenditure by 30 May 2014, and Erin must pay MRC US\$50,000 on completion of US\$1,000,000 expenditure (but by no later than 30 November 2012), US\$50,000 on completion of US\$1,500,000 expenditure (but by no later than 30 November 2013) and US\$50,000 on completion of US\$2,000,000 expenditure (but by no later than 30 May 2014).

As at 31 March 2012, Erin has already spent US\$914,838 on the MRC joint venture and US\$723,924 on the AfriGem joint ventures (with US\$576,076 still remaining to be spent on the AfriGem joint ventures and US\$1,235,162 on the MRC joint venture). Given the Company has committed to spend US\$2.5m on joint venture expenditure over the next two years, the Company is confident that it will be able to satisfy these remaining commitments based on its position as at completion.

Liquidity Risk

On completion of the Acquisition, the Company proposes to issue 25,000,000 Shares and 13,000,000 VHL Shares to the Vendors (on a post-Consolidation basis). Furthermore the Company will issue 3,500,000 Shares (on a post-Consolidation basis) to Verona Capital in consideration for services relating to the Acquisition. These securities have all been classified by the ASX as restricted securities and are subject to escrow restrictions of up to 24 months from their date of issue (as required by the ASX Listing Rules). Based on the post-Offer capital structure (on a pre-Consolidation basis) (and assuming no further Shares are issued or Options exercised), this will equate to approximately 53% of the post-Offer expanded Share capital (on a post-Consolidation basis). This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

Renewal of the Balakonko and Garaboureya Permits

Erin has recently applied for renewal of both the Balakonko and Garaboureya Permits which are set to expire on 12 August 2012. It is at the sole discretion of the Ministry of Mines in Senegal (**Ministry**) whether to approve the permits and if any

conditions of the permits have not been met by the joint venture parties (including meeting minimum expenditure obligations on the Projects), the permits may be subject to forfeiture.

The Company cannot guarantee that the permits will be renewed beyond their current expiry date and there is a material risk that, in the event the Company is unable to renew these granted tenements beyond their current expiry date, the Company's interest in the Balakonko and Garaboueya Permits will be relinquished. Furthermore, even if the permits are renewed, the Ministry has the discretion to impose new conditions on the permits for any renewed term.

As at the date of this Prospectus, both renewal applications are still pending with the Ministry. Despite this, the Company is satisfied that it has met all conditions relating to these permits and has no reason to believe that such renewals will be withheld (nor are they likely to be on less favourable terms than before).

Joint Venture Risk

As a result of the Acquisition, the Company will acquire various interests in the Projects via joint ventures currently in place between Erin and each of MRC, SODEMINES and AfriGem.

The Company is subject to the risk that changes in the status of any of the joint ventures (including changes caused by financial failure or default by a participant in the joint venture) may adversely affect the future operations and performance of the Company.

Consent of the Ministry of Mines in Senegal

It is a requirement under each of the joint venture agreements that each of Erin's joint venture partners procures the consent of the Ministry of Mines in Senegal for the assignment of each relevant joint venture interest or otherwise those parties will hold such interest on trust for Erin until such approval has been obtained.

As at the date of this Prospectus, Erin is still awaiting the formal consent from the Ministry for the assignment of its joint venture interest with SODEMINES relating to the Wassadou Permits. Until the Ministry has given its consent for the assignment, Erin's interest in the Wassadou Permits will be held on trust by SODEMINES. As with the AfriGem and MRC joint venture agreements, Erin foresees no problems with the Ministry granting Erin's joint venture interest with SODEMINES.

Contractual Risk

The ability of the Company to achieve its stated objectives will depend on the performance by its joint venture partners of their respective obligations under the joint venture agreements. If any of these joint venture partners defaults in the performance of its obligations, the agreements may be terminated and it may be necessary for the Company to approach the Court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will ultimately be granted on appropriate terms.

Price of Gold

Changes in the market price of gold, which in the past have fluctuated widely, will affect the potential profitability of the Company's projects which would adversely affect the Company's operations and its financial conditions. The viability of the Company's projects will depend on the market price of gold

which is set in the world market and is affected by numerous industry factors beyond the Company's control including the demand for precious metals, currency exchange rates, the global and regional supply and demand for jewellery and industrial products containing gold, production levels, inventories, costs of substitutes, changes in global or regional investments or consumption patterns, sales by central banks and other holders, speculators and producers of gold in repose to any of the above factors and global and regional economic and political factors.

The decline in the market price for gold would have a material adverse impact on the Company's projects and anticipated future operations of the Company.

Exploration and Development Risks

The business of gold exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (a) the discovery and/or acquisition of economically recoverable reserves;
- (b) access to adequate capital for project development;
- (c) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (d) securing and maintaining title to interests;
- (e) obtaining consents and approvals necessary for the conduct of gold exploration, development and production; and
- (f) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from the Projects undergoing an exploration and development program depends on successful exploration and establishment of production facilities. Factors including costs and reliability and commodity prices affect successful project development and operations.

Mining activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown and environmental hazards such as accidental spills or leakages, or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of gold. Even if an apparently viable

deposit is identified, there is no guarantee that it can be economically developed.

Resource estimates

There is not currently a JORC Code compliant resource in relation to the Projects. In the event a resource is delineated this would be an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company and you should refer to the additional risk factors in Section 7 of this Prospectus before deciding whether to apply for Shares pursuant to this Prospectus.

3.13 Financial Information

Following the change in the nature of its activities, the Company will be focused on exploring the Projects. Therefore, the Company's past operational and financial historical performance will not be of significant relevance to future activities.

As a result, the Company is not in a position to disclose any key financial ratios other than its balance sheet which is included in the Investigating Accountant's Report set out in Section 9 of this Prospectus.

The initial funding for the Company's future activities will be generated from the offer of Shares pursuant to this Prospectus. Based upon the success of exploration activities, the Company may also raise further funding from equity raisings in the future to develop the Projects further. If the Company's proposed exploration is successful and the Company chooses to develop its projects then the Company may also consider debt funding.

3.14 Directors

Mr Grant Davey Managing Director

Mr Davey is a Mining Engineer with over 20 years gold experience having worked in senior operational roles in Africa and Australia with AngloGold Ashanti, Anglo Coal and Forbes & Manhattan. Mr Davey was contracted by the Company earlier this year to run the technical and project due diligence process on Erin's Senegal joint venture properties and headed the Company's team that negotiated the acquisition of Erin.

Mr James Malone Non-Executive Chairman

Mr Malone has worked as an accountant, stockbroker business analyst and chief executive officer of medium sized businesses for the past 23 years, with the last 11 years in the natural resources sector. Mr Malone has a Bachelor of Commerce degree from the University of Western Australia and is a Member of

the Australian Society of Certified Practising Accountants. Mr Malone's expertise is in the area of business development, investor relations, capital raisings, ASX liaison and financial and administrative management.

Mr Malone fulfils the role of an independent director as he is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of his judgement.

Mr Jason Davis
Non-Executive Director

Mr Davis is a Perth Regional Head with national stockbroking firm BBY and an active investor in early stage companies. Mr Davis has a Masters of Applied Finance from Macquarie University and is a member of the Australian Institute of Company Directors. Mr Davis' expertise is in the area of corporate finance, capital raising, venture capital investment and business development.

Mr Davis fulfils the role of an independent director as he is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of his judgement.

Mr David Chapman
Non-Executive Director

Mr Chapman is a geologist with over 28 years resource industry experience as a senior and executive manager with WMC Resources Limited and within the junior sector in Australia and overseas, particularly South America, including most recently with Mirabela Nickel Ltd.

Mr Chapman fulfils the role of an independent director as he is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of his judgement.

Mr Michael Houston
Proposed new Non-Executive Director

The Company will appoint Mr Michael Houston as a Non-Executive Director of the Company upon completion of the Acquisition.

Mr Houston has recently resigned as the Managing Director of Erin and has 26 years of mining and executive experience in Zimbabwe. He was previously responsible for all the mining activities of the Anglo American Corporation Zimbabwe Limited group of companies. Mr Houston was recently instrumental in the development of Zimbabwe Platinum Mines as CEO and Chairman of Zimplats Holdings Ltd, an ASX listed company. He is currently a non-executive director of Zimplats Holdings Ltd and Hana Mining Ltd (a Canadian listed company).

Mr Houston will fulfil the role of an independent director as he is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of his judgement.

Mr Robert Besley
Proposed new Non-Executive Director

The Company will appoint Mr Robert Besley as a Non-Executive Director of the Company upon completion of the Acquisition.

Mr Besley is a geologist with more than 40 years' experience in the global mining industry and is a non-executive director of Erin. He was Managing Director of ASX listed CBH Resources Limited from its inception and oversaw its growth to become a major Australian lead-zinc-silver producer. He is currently a non-executive director of KBL Mining Limited and Queensland Mining Limited and is chairman of Silver City Minerals Limited.

Mr Besley will fulfil the role of an independent director as he is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of his judgement.

Mr Besley was previously a non-executive director of BMA Gold Limited, an ASX listed company which went into voluntary administration in January 2007. The company was however successful in paying off all debts to creditors and completing a capital raising and was subsequently reinstated to trading in December of that year.

3.15 Management and Consultants

The Company is aware of the need to have sufficient management to properly supervise the exploration and (if successful) for the development of the projects in which the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company. As the projects require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's projects.

Mr Mark Fleming – Country and Exploration Manager

On or about 1 May 2012, Mr Mark Fleming was appointed by the Company as its Country and Exploration Manager in Senegal. The Company will pay Mr Fleming a salary of \$280,000 per annum (subject to review by the Board). Mr Fleming's employment may be terminated by either party giving one (1) months notice. Mr Fleming will report directly to the Board of Directors.

Upon a takeover of the Company, if the acquiring company or the employee chooses not to continue with the current employment agreement, then Mr Fleming will receive the equivalent of six (6) month's salary in lieu of notice. The employment agreement is otherwise on normal commercial terms.

Mr Daniel Courtney – Senior Geologist

On or about 24 May 2012, Mr Daniel Courtney was appointed by Erin as senior geologist for its Senegal Projects for a period of two years (with an option to renew by Erin). Mr Courtney will be paid a salary of US\$125,000 per annum for his services (subject to review by the Board). Mr Courtney's employment may be terminated by either party giving one (1) months notice. The employment agreement is otherwise on normal commercial terms. It is envisaged that Mr Courtney will continue in this capacity with the Company upon completion of the Acquisition.

3.16 Disclosure of Interests

Directors are not required under the Company's Constitution to hold any Shares. Details of the Directors' and proposed Directors' relevant interests in the securities of the Company as at the date of this Prospectus are set out in the table below¹:

Current Interest

Directors	Shares	Options
Jason Davis	954,419 ²	Nil
Grant Davey	1,300,000	Nil
James Malone	Nil	Nil
David Chapman	Nil	Nil

Notes:

¹ Unless otherwise stated, all figures above are on a post-Consolidation basis.

² 954,419 held indirectly through Riverstone Corporate Pty Ltd <Davis Trading Trust A/C>.

Post-Completion Interest

Current Directors	Shares	Options	VHL Shares	% (Full Subscription)⁸	% (Full Oversubscription)⁸
Jason Davis	954,419 ²	Nil	Nil	1.3%	1.2%
Grant Davey	1,800,000 ³	Nil	Nil	2.4%	2.3%
James Malone	250,000 ⁴	Nil	Nil	0.3%	0.3%
David Chapman	50,000 ⁵	Nil	Nil	0.06%	0.06%
Proposed Directors	Shares	Options	VHL Shares	%	%
Michael Houston	794,594 ⁶	Nil	413,189 ⁶	1.6%	1.5%
Robert Besley	918,350 ⁷	Nil	347,542 ⁷	1.7%	1.6%

Notes:

¹ Unless otherwise stated, all figures above are on a post-Consolidation basis.

² 954,419 Shares held indirectly through Riverstone Corporate Pty Ltd <Davis Trading Trust A/C> (on a post-Consolidation basis).

³ Mr Davey currently holds 1,300,000 Shares (on a post-Consolidation basis). Subject to Shareholder approval at the General Meeting, Mr Davey intends to subscribe for up to 500,000 Shares (on a post-Consolidation basis) under the Offer.

⁴ Subject to Shareholder approval at the General Meeting, Mr Malone intends to subscribe for up to 250,000 Shares (on a post-Consolidation basis) under the Offer.

⁵ Subject to Shareholder approval at the General Meeting, Mr Chapman intends to subscribe for up to 50,000 Shares (on a post-Consolidation basis) under the Offer.

⁶ Subject to Shareholder approval at the General Meeting, ROCK Investments Trading Limited (an entity controlled by Sunrise Discretionary Trust, of which Mr Houston is a beneficiary) will be issued 794,594 Shares and 413,189 VHL Shares (on a post-Consolidation basis) in the Company as part consideration for the acquisition of the Erin shares held by ROCK Investments Trading Limited. ROCK Investments Trading Limited is not a related party of the Company.

⁷ Subject to Shareholder approval at the General Meeting, Mr Robert Besley and Mrs Jane Besley <R & J Besley Superannuation Fund> will be issued 668,350 Shares and 347,542 VHL Shares (on a post-Consolidation basis) in the Company as part consideration for the acquisition of the Erin shares held by Mr Robert Besley and Mrs Jane Besley <R & J Besley Superannuation Fund>. Furthermore, Mr Besley also intends to subscribe for 250,000 Shares (on a post-Consolidation basis) under the Offer.

⁸ These calculations are on the basis that no other Shares are issued or Options exercised.

3.17 Remuneration

The annual remuneration (inclusive of superannuation) payable to each of the Directors was as follows:

Director	Remuneration 2012 Financial Year	Remuneration 2011 Financial Year
Jason Davis	\$1,666.67	\$20,000
Grant Davey	Nil	Nil
James Malone	\$1,666.67	Nil
David Chapman	\$1,666.67	\$5,000
Michael Houston ¹	Nil	Nil
Robert Besley ¹	Nil	Nil

¹ Messrs Houston and Besley have not yet been appointed to the Board.

On completion of the Acquisition, the Company will pay to Messrs Davis, Malone and Chapman by way of back pay, the equivalent of \$1,666.67 (excluding GST) each for every month of service from 1 August 2011 up to the date of completion.

Mr Davey, who was recently appointed as the Company's Managing Director, will be paid a consultancy fee of \$2,500 per day for services rendered following completion of the Acquisition. No formal agreement has yet been entered into but it is intended that the engagement will be on normal commercial terms.

The value of the financial benefit for each Director on remuneration is set out above, the remuneration payable to each is considered to be reasonable remuneration, no member approval is required to have been sought to these payments, and it is not considered there are any specific risks associated with the payments.

3.18 Agreements with Directors or Related Parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The Company has entered into the related party agreements set out below. The Company did not seek Shareholder approval prior to entering into any of the

related party agreements on the basis that the Board negotiated each of them on arm's length terms. No formal agreement has yet been entered into between the Company and Mr Grant Davey.

Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers in certain circumstances.

No formal agreement has yet been entered into but it is intended that an entity associated with Mr Jason Davis may assist with the capital raising and receive commissions on the same terms as brokers assisting with the Offer.

3.19 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer are set out in the respective tables below.

Current Interest

Shareholder	Shares	Options
Craig Burton ²	2,570,252	Nil
Tim Weir ³	2,357,390	Nil
Mr Brett Mitchell and Mrs Michelle Mitchell ⁴	1,695,666	Nil
Joanne Kenny ⁵	1,561,967	Nil
Grant Davey	1,300,000	Nil
Health Information Systems Worldwide Pty Ltd	1,800,001	Nil

Notes:

¹ Unless otherwise stated, all figures above are on a post-Consolidation basis.

² Mr Burton has a relevant interest in 2,570,252 Shares via his association with Alba Capital Pty Ltd.

³ 357,390 Shares (on a post-Consolidation basis) held through Mr Timothy Leonard Weir & Ms Vanya Marian Kelleher <The Tim Weir Super Fund A/C>, and 2,000,000 Shares (on a post-Consolidation basis) held through Helmet Nominees Pty Ltd <Tim Weir Family Fund A/C> .

⁴ 1,464,333 Shares (on a post-Consolidation basis) held through Mr Brett Mitchell and Mrs Michelle Mitchell <Mitchell Spring Family A/C> and 231,333 Shares (on a post-Consolidation basis) held through Mr Brett Mitchell and Mrs Michelle Mitchell <Lefthanders Super Fund A/C>.

⁵ 457,967 Shares (on a post-Consolidation basis) held indirectly through TKPJ Pty Ltd and 1,104,000 Shares (on a post-Consolidation basis) held directly through Joke Pty Ltd <Kenny Family Fund A/C>.

Post-Completion Interest

Shareholder	Shares	Options	% (Full Subscription)⁶	% (Full Oversubscription)⁶
Craig Burton ²	6,070,252	4,000,000	8%	8%
Tim Weir ³	2,357,390	Nil	3.1%	3%
Mr Brett Mitchell and Mrs Michelle Mitchell ⁴	1,695,666	Nil	2.2%	2.2%
Joanne Kenny ⁵	1,561,967	Nil	2.1%	2%
Grant Davey ⁶	1,800,000	Nil	2.4%	2.3%
Health Information Systems Worldwide Pty Ltd	1,800,001	Nil	2.4%	2.3%

Notes:

¹ Unless otherwise stated, all figures above are on a post-Consolidation basis.

² Mr Burton has a relevant interest in 2,570,252 Shares via his association with Alba Capital Pty Ltd. Mr Burton has a controlling interest in Verona Capital and therefore is deemed to have a relevant interest in 3,500,000 Shares and 4,000,000 Options (exercisable at \$0.20 expiring on or before 30 June 2017) (on a post-Consolidation basis) that will be issued to Verona Capital in part consideration for corporate and technical services provided to the Company.

³ 357,390 Shares (on a post-Consolidation basis) held through Mr Timothy Leonard Weir & Ms Vanya Marian Kelleher <The Tim Weir Super Fund A/C>, and 2,000,000 Shares (on a post-Consolidation basis) held through Helmet Nominees Pty Ltd <Tim Weir Family Fund A/C> .

⁴ 1,464,333 Shares (on a post-Consolidation basis) held through Mr Brett Mitchell and Mrs Michelle Mitchell <Mitchell Spring Family A/C> and 231,333 Shares (on a post-Consolidation basis) held through Mr Brett Mitchell and Mrs Michelle Mitchell <Leffhanders Super Fund A/C>.

⁵ 457,967 Shares (on a post-Consolidation basis) held indirectly through TKPJ Pty Ltd and 1,104,000 Shares (on a post-Consolidation basis) held directly through Joke Pty Ltd <Kenny Family Fund A/C>.

⁶ Mr Davey currently holds 1,300,000 Shares (on a post-Consolidation basis). Subject to Shareholder approval at the General Meeting, Mr Davey intends to subscribe for up to 500,000 Shares (on a post-Consolidation basis) under the Offer.

⁷ These calculations are on the basis that no other Shares are issued or Options exercised.

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offer) prior to the Shares commencing trading on ASX.

3.20 Issue of Securities and Payments to Verona Capital

In consideration for the provision of corporate and technical services to the Company relating to the Acquisition, the Company has agreed to issue to Verona Capital, subject to Shareholder approval, 3,500,000 Shares and 4,000,000 Options exercisable at \$0.20 each expiring on or before 30 June 2017 (on a post-Consolidation basis).

Mr Burton, a substantial holder of the Company, currently has a relevant interest in 2,570,252 Shares via his association with Alba Capital Pty Ltd. Mr Burton has a controlling interest in Verona Capital and therefore is deemed to have a relevant interest in 3,500,000 Shares and 4,000,000 Options (on a post-

Consolidation basis) that will be issued to Verona Capital in part consideration for corporate and technical services provided to the Company.

At completion of the Acquisition, Verona Capital will be owed a total of \$275,000 by the Company. This will be satisfied through monthly payments to Verona Capital of \$25,000 (commencing from completion) until this amount has been fully repaid.

3.21 Restricted Securities

Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules, certain securities on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of reinstatement to Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The Company will announce to the ASX full details (quantity and duration) of the securities required to be held in escrow prior to the Shares commencing trading on ASX.

3.22 Corporate Governance

To the extent applicable, in light of the Company's size and nature, the Company has adopted *The Corporate Governance Principles and Recommendations with 2010 Amendments (2nd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 11.1 of this Prospectus and the Company's compliance and departures from the Recommendations are set out in Section 11.3 of this Prospectus.

In addition, the Company's full Corporate Governance Policies are available from the Company's website www.healthcorporation.com.au.

3.23 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

3.24 Dividend Policy

We anticipate that significant expenditure will be incurred in the evaluation and development of our Company's new projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate the two year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

3.25 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$309,290 for the full subscription or \$339,740 for the full oversubscription and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Full Subscription (\$)	Full Oversubscription (\$)
ASIC fees	2,171	2,171
ASX fees	61,790	62,240
Broker Commissions*	150,000	180,000
Legal Fees (Australia)	40,000	40,000
Legal Fees (Senegal)	3,500	3,500
Independent Geologist's Fees	36,000	36,000
Investigating Accountant's Fees	6,500	6,500
Printing and Other Expenses	9,329	9,329
TOTAL	309,290	339,740

* Broker commissions will only be paid on applications made through a licensed securities dealers or Australian financial services licensee and accepted by the Company (refer to Section 5.10 of this Prospectus for further information). The amount calculated is based on 100% of applications being made in this manner. For those applications made directly to and accepted by the Company no broker commissions will be payable and the expenses of the Offer will be reduced and the additional funds will be put towards working capital.

4. LETTER FROM THE MANAGING DIRECTOR

Dear Investor,

On behalf of the Directors of Health Corporation Limited (to be renamed "Erin Resources Limited") (**Health Corporation** or **Company**), I am pleased to present this Prospectus and invite you to become a Shareholder in the Company.

Health Corporation was incorporated in October 2005 and was admitted to the Official List of the ASX on 20 December 2006 as a pharmacy franchise business. In late 2010, the Company underwent a major restructuring of its business operations following the disposal of its pharmacy franchising operations and the acquisition of Intramedics Pty Ltd, a bioscience company.

As foreshadowed in recent ASX announcements, while continuing with its existing business operations, the Company has been reviewing new investment opportunities. Through this process, Health Corporation has identified an opportunity to acquire an interest in seven (7) prospective gold projects located in the Republic of Senegal which the Board considers will bring value to the Company.

As announced to the ASX on 14 May 2012, the Company has entered into a financing and merger implementation agreement to acquire 100% of the issued share capital in Erin Mineral Resources Limited (**Erin**), an unlisted Australian public company (**Acquisition**).

Erin holds 100% of the issued share capital in Erin Resources Pty Ltd (ACN 128 242 464) (**Erin Resources**), and Erin Resources in turn holds a 100% interest in Erin Senegal S.A.U (NINEA 004480349), a company incorporated and registered in Senegal (**Erin Senegal**). In addition, Erin Resources holds various interests in seven (7) prospective gold assets, being the Lingokoto, Bouroubourou, Wassadou (North and South), Woye, Garaboueya South and Balakonko gold projects located in Senegal (together, the **Projects**). The Company will focus on systematically exploring the Projects over the next two years with the aim of defining a JORC compliant resource on the Projects.

Furthermore, Erin currently holds various assets located in Nigeria. It is a term of the Agreement that prior to completion, Erin will successfully demerge these assets so that only Erin Resources and Erin Senegal (which both relate to Erin's Senegalese assets) remain within the Erin group. Erin will be seeking shareholder approval for the demerger at its annual general meeting scheduled to be held on 9 August 2012.

By this Prospectus, the Company offers investors the opportunity to subscribe for 12,500,000 Shares at an issue price of \$0.20 per Share to raise \$2,500,000. The Company may accept oversubscriptions of up to a further 2,500,000 Shares at an issue price of \$0.20 each to raise a further \$500,000 (**Offer**).

It also gives me great pleasure to offer to the shareholders of Erin, a priority offer to participate in the subscription for Shares in the Company.

Due to the proposed change in the nature and scale of the Company's activities, the Company is required to re-comply with Chapters 1 and 2 of the ASX Listing Rules. The Offer made pursuant to this Prospectus is conditional on all resolutions that are being put to Shareholders at the General Meeting scheduled to be held on 17 August 2012 being passed.

The Board of the Company includes Directors experienced in the resources industry and the Company has access to technical consultants in Senegal and Australia, with significant gold exploration experience.

This Prospectus includes details of the Company, its assets and proposed operations, together with a statement of the risks associated with investing in Health Corporation. We recommend that you study this document carefully and, if you are interested in investing in the Company, seek independent professional advice.

The Board joins me in extending this Offer to you and we look forward to welcoming you as a Shareholder of the Company.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Grant Davey', written over a large, loopy scribble.

Grant Davey
Managing Director

5. DETAILS OF THE OFFER

5.1 The Offer

Pursuant to this Prospectus, the Company invites applications for up to 12,500,000 Shares at an issue price of \$0.20 per Share to raise \$2,500,000.

The Company may accept oversubscriptions of up to a further \$500,000 through the issue of up to a further 2,500,000 Shares at an issue price of \$0.20 each under the Offer. The maximum amount that may be raised under this Prospectus is therefore \$3,000,000.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

The Offer consists of a Priority Offer and a Public Offer.

Priority Offer

The Company is inviting Erin Shareholders to become Shareholders of the Company, and has set aside 7,250,000 Shares or \$1,500,000 for Erin Shareholders under the Priority Offer. Erin Shareholders, who hold shares in Erin on the Priority Offer Record Date, may apply for as many Shares as they wish, but must apply for a minimum of 10,000 Shares (\$2,000).

Shares available for Erin Shareholders are limited and allocation of Shares will be at the Board's discretion. Investors eligible to apply for Shares under the Priority Offer should apply by using the Priority Offer Application Form.

The Board retains absolute discretion when deciding whether or not to accept any particular application in part or in full and will not be liable to an Erin Shareholder who is not allocated Shares (or their full application for Shares).

If any of the Shares offered under the Priority Offer available for Erin Shareholder are not applied for by 5.00pm (WST) on the Priority Offer Closing Date, those Shares will be made available to other Applicants pursuant to the Public Offer.

Erin Shareholders who receive this Prospectus outside Australia may be unable to participate in the Priority Offer as described in Section 5.8 of this Prospectus.

Public Offer

The Public Offer is comprised of the Offer less any Shares taken up under the Priority Offer. Members of the public may apply for Shares under the Public Offer by completing the Public Offer Application Form.

The Directors may reject any Application made under the Public Offer or allocate fewer Shares than the Applicant has applied for.

5.2 Minimum subscription

The minimum subscription in respect of the Offer is \$2,500,000 (being the full subscription).

If the minimum subscription has not been raised within four months after the date of this Prospectus, the Company will either repay the application monies to Applicants or issue a supplementary or replacement prospectus to allow

Applicants one month to withdraw their Application and be repaid their application money. No interest will be paid on this money.

5.3 Oversubscriptions

The Company may accept oversubscriptions of up to a further \$500,000 through the issue of up to a further 2,500,000 Shares at an issue price of \$0.20 each under the Offer. The maximum amount that may be raised under this Prospectus is therefore \$3,000,000.

5.4 Applications

Applications for Shares by Erin Shareholders under the Priority Offer must be made using the Priority Offer Application Form.

Applications for Shares under the Public Offer must be made using the Public Offer Application Form.

Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to "**Health Corporation Limited**" and crossed "Not Negotiable", must be mailed to the address set out on the Application Form so that it is received by no later than the Closing Date.

The Company reserves the right to close the Offer early.

5.5 Re-compliance with Chapters 1 and 2 of the ASX Listing Rules

On the date of the General Meeting, the Company's Shares will be suspended from quotation on the ASX. Provided Shareholders approve the resolutions put forth at the General Meeting (including a change in the nature and scale of the Company's activities), the Company's Shares will continue to be suspended from trading and will not be reinstated to Official Quotation until ASX approves the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

In the event that the Company does not receive conditional approval for re-quotation on ASX, it will not proceed with the Offer and will repay all application monies received.

5.6 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

5.7 Issue

Subject to the minimum subscription to the Offer being reached and ASX granting conditional approval for re-quotation on the ASX, the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the allotment and issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the allottees of all the Shares in their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

Holding statements for Shares issued to the issuer sponsored subregister and confirmation of issue for Clearing House Electronic Subregister System (CHES) holders will be mailed to Applicants being issued Shares pursuant to the Offer as soon as practicable after their issue.

5.8 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the allotment and issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

5.9 Not underwritten

The Offer is not underwritten.

5.10 Commissions payable

The Company reserves the right to pay a commission of 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed

securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

No formal agreement has yet been entered into but it is intended that an entity associated with Mr Jason Davis may assist with the capital raising and receive commissions on the same terms as brokers assisting with the Offer.

6. COMPANY AND PROJECT OVERVIEW

6.1 Background

Health Corporation Limited (to be renamed "Erin Resources Limited") (**HEA** or the **Company**) is an Australian public company listed on the Official List of the ASX (ASX Code: HEA) which has been principally focused on the bioscience technology sector. The Company has recently undergone a major restructuring of its business operations following the disposal of its pharmacy franchising operations in November 2010 and the acquisition of Intramedics Pty Ltd (ACN 108 944 467), a bioscience company on 17 August 2010.

The Company has been continuing with its retained business operations following the restructure and has been actively seeking to identify and evaluate potential new strategic investment opportunities in Australia and overseas suitable for acquisition and development by the Company.

As announced to the ASX on 14 May 2012, the Company has entered into a financing and merger implementation agreement (**Agreement**) to acquire 100% of the issued share capital of Erin Mineral Resources Limited (ACN 128 093 354) (**Erin**), an unlisted Australian public company (**Acquisition**).

Erin holds 100% of the issued share capital in Erin Resources Pty Ltd (ACN 128 242 464) (**Erin Resources**), and Erin Resources in turn holds a 100% interest in Erin Senegal S.A.U (NINEA 004480349), a company incorporated and registered in Senegal (**Erin Senegal**). In addition, Erin Resources holds various interests in seven (7) prospective gold assets located in the Republic of Senegal, being the Lingokoto, Bouroubourou, Wassadou (north and south), Woye, Garaboueya South and Balakonko gold projects (together, the **Projects**). The Projects are located in the Kedougou Inlier, Senegal and are prospective for gold mineralisation.

Furthermore, Erin currently holds various assets located in Nigeria. It is a term of the Agreement that prior to completion; Erin will successfully demerge these assets so that only Erin Resources and Erin Senegal (which both relate to Erin's Senegalese assets) remain within the Erin group. Erin will be seeking shareholder approval for the demerger at its annual general meeting scheduled to be held on 9 August 2012.

As at the date of this Prospectus, Erin has informed the Company that all transfer forms in favour of HEA from all the Erin shareholders have been signed. Each of these offers however is conditional upon completion occurring in accordance with the terms of the Agreement.

In exchange for the Company acquiring 100% of the issued share capital in Erin, the Company will issue, by way of consideration on a post-Consolidation basis, 25,000,000 Shares and 13,000,000 voluntary holding lock shares (**VHL Shares**) to the Erin Shareholders (in proportion to their existing holdings in Erin).

As at the date of this Prospectus, the remaining conditions precedent under the Agreement are as follows:

- (a) HEA obtaining all regulatory and shareholder approvals required by HEA in order to give effect to the Acquisition (unless otherwise waived in writing by HEA);
- (b) Erin delivers signed transfer forms from all Erin shareholders to HEA;

- (c) Erin successfully demerging its Nigerian assets from the Erin group;
- (d) HEA obtaining sufficient applications to meet the minimum subscription under this Prospectus; and
- (e) Erin obtaining any consents required, under the terms of any material contract to which it is a party, to the change of control of Erin as a result of the Acquisition.

If the above conditions are not satisfied on or before completion, the Agreement will automatically terminate between the parties. Furthermore, if completion has not occurred by 31 December 2012 (or such later date as agreed by the parties) the Agreement will automatically terminate between the parties.

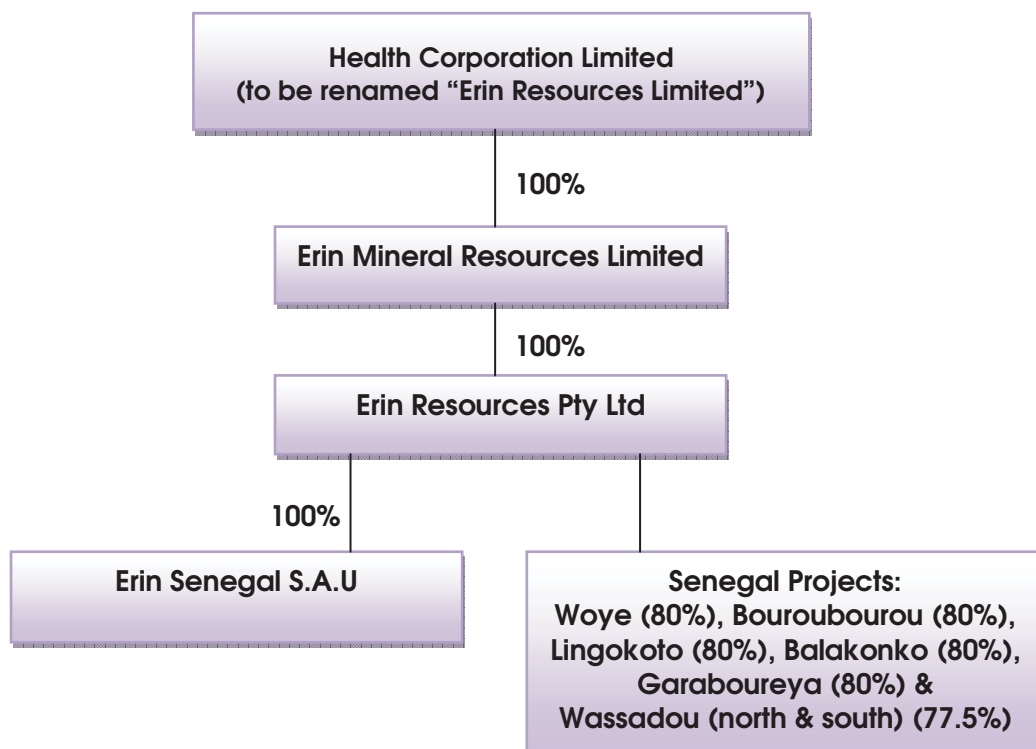
A summary of the Agreement is set out in Section 12.1 of this Prospectus.

A summary of the Projects is set out in Section 6.3 of this Prospectus and more detailed information is included in the Independent Geologist’s Report in Section 8 of this Prospectus.

Following completion of the Acquisition, the Company will likely wind down its existing operations and focus solely on gold exploration.

6.2 Ownership Structure

An overview of the ownership structure of the Company following completion of the Acquisition under the Agreement is shown below:



6.3 Overview of the Projects

On completion of the Agreement, the Company (via its two wholly owned subsidiaries) will have various interests in seven (7) prospective gold assets located in the Republic of Senegal, being the Lingokoto, Bouroubourou,

Wassadou (north and south), Woye, Garaboureira South and Balakonko gold projects (together, the **Projects**).

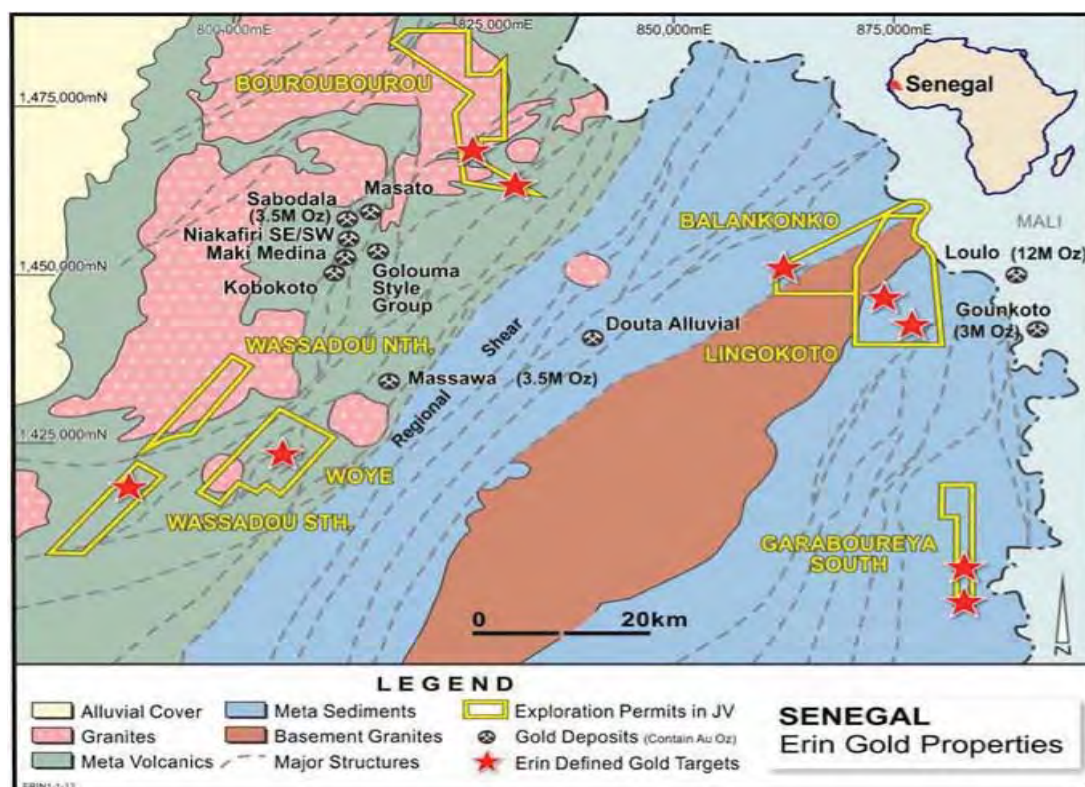


Figure 1: Location of Erin's Senegal Gold Projects

As detailed in the Company's ASX announcement on 28 June 2012, Erin commenced new exploration programs on the Woye and Bouroubourou Projects in May 2012 with the aim to achieve the following by the end of July 2012:

- (a) undertake an initial RC drilling programme on Woye in areas with known geological structure and potential mineralised zones associated with artisanal workings on the tenement area;
- (b) complete infill soil geochemistry to further delineate potential gold anomalies on Woye, Bouroubourou, Garaboureira South, Lingokoto and Wassadou South Projects; and
- (c) undertake RAB drilling on the regions which have stronger soil geochemistry gold anomalies and geological structures on the Woye and Bouroubourou Permits. The results from these programmes will be used to gain further regional geological information which will be used for targeting additional infill soils and drilling to intersect gold mineralisation in the November 2012 - July 2013 drilling season.

Woye Project

The Woye exploration permit 01814 (**Woye Permit**), is held by Mining Research Company Society Ltd (**MRC**). Pursuant to the terms of a joint venture agreement with MRC, Erin holds an 80% interest in the Woye Permit and is required to sole fund all exploration expenditure until completion of a positive feasibility study.

The Woye Permit covers an area of approximately 95 kilometres² and is located along strike to the south of the Sabodala Gold Mine and the Massawa deposit.

The area was previously held by Randgold Resources Limited (**Randgold**) who undertook rock chip sampling, soil sampling and very limited drilling in some areas of the Woye Permit.

Erin undertook regional soil sampling on an 800 metre by 400 metre grid to establish whether potential for gold mineralisation existed within the tenement area. The programme identified a linear gold anomalous zone, extending over 4 kilometres long, with associated artisanal workings linear structural zones.

The main gold anomalism (central to the permit) occurs in an area of anastomosing structures (dilation) and was not tested by the work completed by Randgold, with the exception of a few rock chip samples.

Randgold has recently announced the results of a discovery at Tombo near to the south-western boundary of the Woye Permit (Figure 1), that included drill intersections of 50m @ 3.1g/t Au, 15m @ 12.8g/t Au and 46m @ 2.2g/t Au with possible extensions into the Woye Permit, and identified artisanal workings providing an immediate target. However, there is no guarantee that such discovery will continue on the Woye Permit.

2012 Drilling Programme at Woye

Erin commenced a new exploration program at Woye on 19 May 2012 which includes a soil geochemistry and RAB and RC drilling programs.

The highlights from the 2012 exploration programs at Woye completed to date are set out below:

- (a) two artisanal rock bulk samples from workings at the Woye Gold Exploration Project have produced fire assay results of between 93.2g/t Au – 106g/t Au;
- (b) these initial results strongly support the exploration potential for gold mineralisation in the area; and
- (c) encouraging veining, alteration and structural systems intersected at Woye.

Bulk Sample Results

Two 50 kg bags containing rock samples were taken from artisanal workings on the Woye exploration project, acquired from artisanal miners in May 2012, and were sent off to the SGS laboratory at Kayes in Mali where Aqua Regia and Fire Assay analysis were performed.

The samples consisted mostly of sheared, fractured and rehealed quartz and carbonate veins which have been selectively mined from small underground workings by local artisanal miners. Details of the assay results and procedure are given below:

Table 1 - Woye Project, Senegal. Artisanal Grab Sample Assay Results (UTM Zone 28N 804,731mE 1,421,940mN)		
Sample #	Fire Assay ¹ (g/t Au)	Aqua Regia ² (g/t Au)
S300381	93.2	68.7
S300382	106	83.9
¹ 50g Fire Assay with Atomic Absorption Spectrum (AAS) finish ² 50g Aqua Regia with AAS finish		

The planned soil sampling and RAB and RC drilling is aimed to follow-up first order anomalies and has been designed to target two styles of gold mineralisation that are known to occur in the area:

- (a) gold mineralisation associated with regional structure-parallel shearing, hydrothermal alteration and quartz veined systems. These can be found in parallel or sub parallel gold bearing quartz vein systems which occupy narrow shear zones or lie within brittle fractures systems; and
- (b) broader sheared and alteration zones with silicified, carbonate altered and mineralised felsic dyke systems. Regionally, the felsic dykes are commonly found near or within known deposits such as Teranga's Sabodala deposit and Randgold's Massawa deposit (Figure 1).

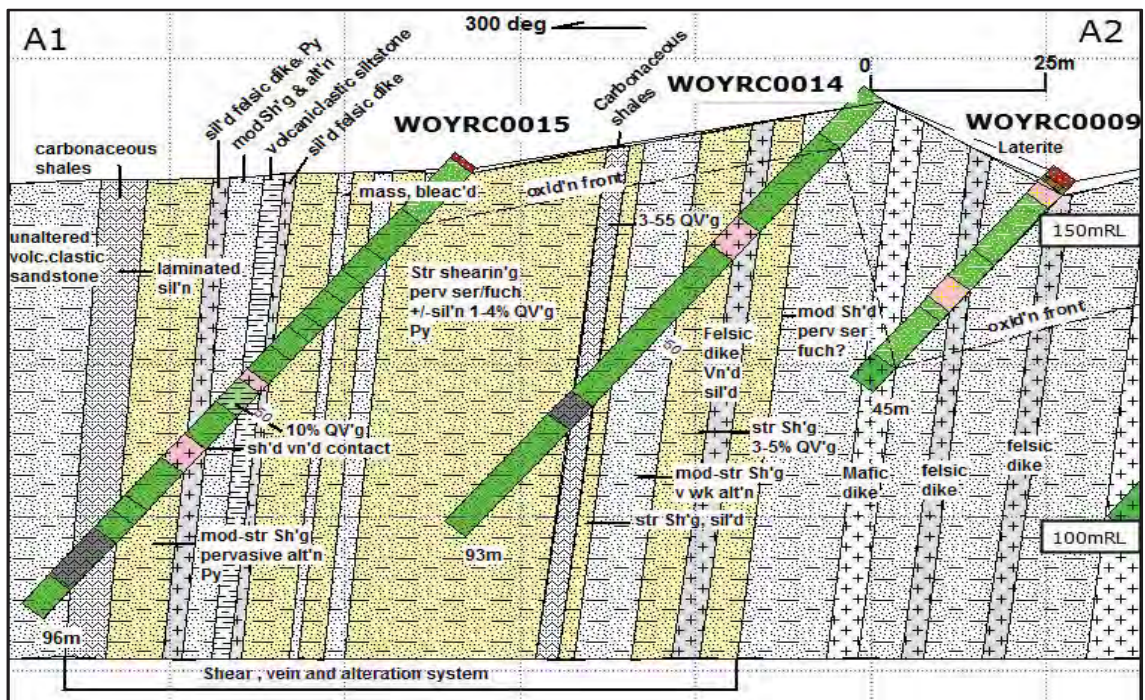


Figure 2: Section A – RC Drillholes. The alteration, shearing and 1-4% quartz veining identified in WOYRC0014 and 15 is indicative of a mineralised system.

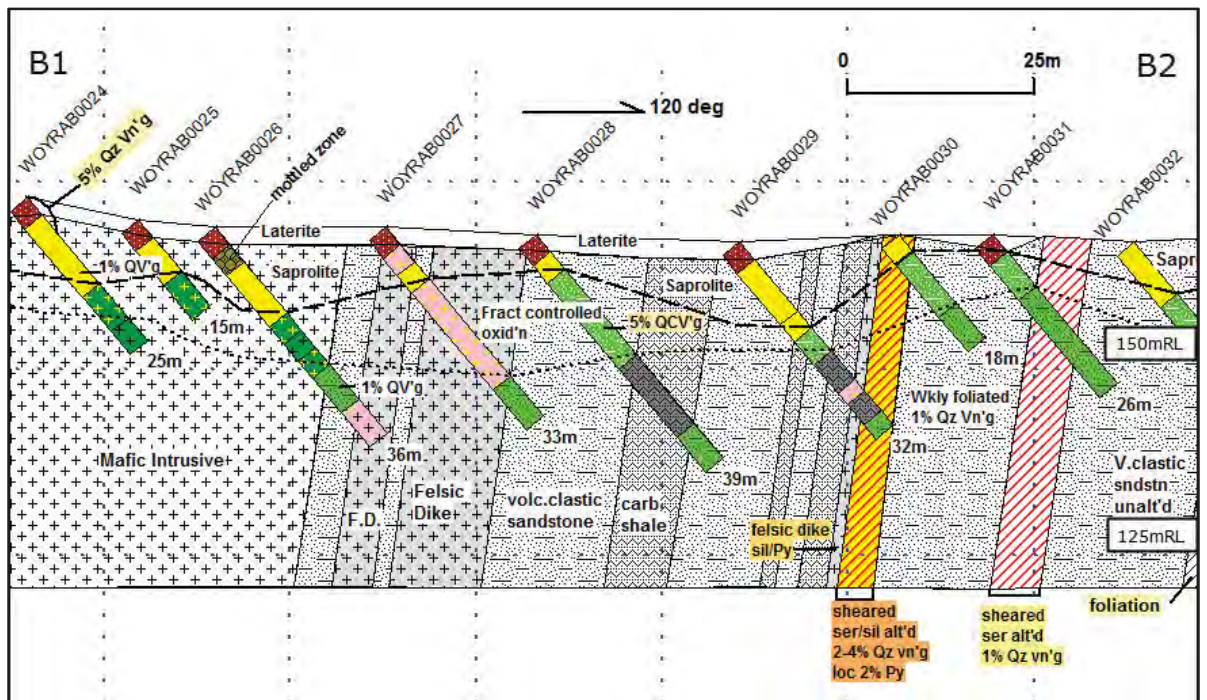


Figure 3: Section B – RAB Drillholes. Showing zones of shearing and veining experienced in RAB drilling at Woye.

Erin’s exploration concept is to look for similar structural and lithological trends to those identified for other nearby known gold deposits. One of the main favourable features targeted includes major deformation zones in the Kenieba Inlier which have a 30° trend; these regions are considered to offer very favourable areas for gold deposition. Further to this, the magnetic anomalies of the Woye property display both a strong 30° regional structural trend as well as common refracted 60° structures; both of which are characteristics of gold mineralisation in this geological environment.

Table 2 below summarises the planned and outstanding drilling and infill soil sampling at Woye as at 28 June 2012.

	RC		RAB		Infill Soil Geochemistry	
	Metres Drilled	Metres Outstanding	Metres Drilled	Metres Outstanding	Planned	Completed
Woye	1,498	282	2,546	1,680	4,684	4,684

Bouroubourou Project

The Bouroubourou exploration permit 10332 (**Bouroubourou Permit**) is held by AfriGem Society Limited (**AfriGem**). Pursuant to the terms of a joint venture agreement with AfriGem, Erin holds an 80% interest in the Bouroubourou Permit and is required to sole fund all exploration expenditure until completion of a bankable feasibility study.

The Bouroubourou Permit covers an area of approximately 121 kilometres² and is located approximately 16 kilometres northeast of the Sabodala Gold Mine.

Erin has completed regional geological and regolith mapping together with regional soil sampling on an 800 metre by 800 metre grid. Infill soil sampling on a spacing of 120 metres by 40 metres commenced late in 2011 and is continuing

over anomalous areas identified in the regional soil sampling programme (red zones).

To date two splay structures, the northern hosting extensive artisanal gold workings, have been identified to the east of the tenement. The workings are within sub-vertical quartz vein sets, central to the shear zones. The two lines of artisanal gold workings extend over 500 metres and 300 metres, and occur along a structure which is interpreted to be within the extension of the structural zone which hosts the Sabodala Mine to the south of the permit.

Based upon the results of the work completed and geological observations in the field, the gold mineralisation is interpreted to be associated with two northeast trending shear zones which form as splays from the regional structural trend. The first and second-order shear zones/fault-splays to the regional shear zones provide favourable structural settings for gold mineralisation. The mineralised zones currently have a strike potential of around 3 kilometres each and present targets for immediate follow up leading to drill evaluation.

Status of Bouroubourou Exploration Drilling Programmes

Infill soil sampling on two areas defined by the regional soil sampling programme was undertaken in late 2011/early 2012. A 4,000 metre RAB programme commenced on this tenement on Saturday 22 June 2012. A second RAB rig has been commissioned to ensure the completion of the drill programme before the end of July 2012, after which we believe access to the property will become difficult due to the heavy rains.

Erin is drill-testing another complex structural trend that is interpreted to be along strike from Teranga's Gora deposit. We believe that the previous good soil geochemistry gold anomalies in this area, located within a strong north-east structural trend, could further be associated with the contact of a granodiorite intrusive and a granitic body. This structural setting is interpreted to be highly favourable for gold mineralisation.

Table 3 below summarises the planned drilling and soil programmes in the area as at 28 June 2012.

	RAB		Infill Soil Geochemistry	
	Metres Drilled	Metres Outstanding	Planned	Completed
Bouroubourou	481	3,519	2,122	2,122

Lingokoto Project

The Lingokoto exploration permit 10333 (**Lingokoto Permit**) is held by AfriGem. Pursuant to the terms of a joint venture agreement with AfriGem, Erin holds an 80% interest in the Lingokoto Permit and is required to sole fund all exploration expenditure until completion of a bankable feasibility study.

The Lingokoto Permit covers an area of approximately 157 kilometres² and is located near the border with Mali, approximately 14 kilometres west of the operational Loulo Gold Mine. The Loulo Mine is situated in a similar geological setting to that which is present within the Lingokoto Permit.

Erin has completed regional geological and regolith mapping together with regional soil sampling on an 800 metre by 800 metre grid. Anomalous areas

have been defined from the regional soil sampling programme (red zones). Lower order anomalies are defined due to the thick cover that exists throughout the permit area.

There is no evidence of modern exploration having taken place within the licence.

The gold anomalism occurs over extensive areas of the volcano-sedimentary rocks and is crossed by northeast trending structures.

Elevated boron values are coincident with the gold anomalies occurring within the andesite volcanics and the calcareous volcanoclastics. Elevated boron levels are potentially indicative of the occurrence of tourmaline. The gold mineralisation at the Loulo Mine has a close association with tourmaline.

The presence of areas of un-explored anomalous gold geochemistry within a structural and geological setting having analogies to the nearby major gold mining operation provides a high quality exploration target for further evaluation.

Balakonko Project

The Balakonko exploration permit 07787 (**Balakonko Permit**) is held by Mining Research Company Society Ltd (**MRC**). Pursuant to the terms of a joint venture agreement with MRC, Erin holds an 80% interest in the Balakonko Permit and is required to sole fund all exploration expenditure until completion of a positive feasibility study.

The Balakonko Permit covers an area of approximately 84 kilometres² and is located directly north of the Lingokoto Permit.

There is no evidence of modern exploration having taken place within the licence.

Erin undertook regional soil sampling on an 800 metre by 400 metre grid to establish whether potential for gold mineralisation existed within the tenement area.

The programme identified a number of point gold anomalies within units of mafic graphitic schists and quartzite/chert. The gold anomalism occurs in a sediment package that Bassari Resources has had recent success in identifying a number of gold prospects and is in the process of resource definition drilling some of these.

Garaboueya South Project (Southern Portion)

The Garaboueya Project is made up of two parts, a northern portion and a southern portion. The Garaboueya South Permit that is included in the Erin joint venture tenements, covers an area of approximately 37 kilometres² and is located south of the Lingokoto Permit. Erin does not have any interest in the Garaboueya North Permit.

The Garaboueya South exploration permit 07786 (**Garaboueya South Permit**) is held by Mining Research Company Society Ltd (**MRC**). Erin holds an 80% interest in the Garaboueya South Permit and is required to sole fund all exploration expenditure until completion of a positive feasibility study.

There is no evidence of modern exploration having taken place within the licence.

Erin undertook regional soil sampling on a 400 metre by 400 metre grid to establish whether potential for gold mineralisation existed within the tenement area.

The area is dominated by extensive lateritic and iron hard-cap cover. The programme identified a number of gold anomalous areas, despite the cover, that appear to be associated with dilation structures of the Mali-Senegal Shear Zone.

The Garaboueya South Project is located approximately 10 kilometres from Papillon Resources Limited's (**Papillon**) recent Fekola discovery in Mali. Papillon have reported substantial gold drill intersections at this project.

Wassadou Project

The Wassadou Project is made up of the Wassadou North exploration permit 000852 (**Wassadou North Permit**) and the Wassadou South exploration permit 12907 (**Wassadou South Permit**). The permits are held by Societe des Mines du Senegal (**SODEMINES**).

Erin holds a 77.5% interest in the two exploration permits via joint venture with SODEMINES and is required to sole fund all exploration expenditure until completion of a positive feasibility study.

The Wassadou North Permit covers an area of approximately 40 kilometres². It is located along strike to the south of the Sabodala Gold Mine and Oromin deposit.

The Wassadou South Permit covers an area of approximately 52 kilometres² and is located along strike further to the south of the Wassadou North Permit.

Wassadou North

Erin completed regional soil sampling on a 400 metre by 400 metre grid to establish whether potential for gold mineralisation existed within the tenement area. Interpretation and reporting of the results is ongoing.

Wassadou South

Erin undertook regional soil sampling on an 800 metre by 400 metre grid to establish whether potential for gold mineralisation existed within the tenement area.

The programme identified a low order gold anomaly occurring in the northern portion of the permit associated with a known "primary" gold occurrence. The gold occurrence is also associated with a sigmoidal "tie" structure between two faults (dilation zone), and has a strong correlation with copper and tellurium (the latter possible indicating an epithermal association). There is also patchy gold anomalism in the middle of the permit that is worthy of further investigation.

Table 4 – Summary of Erin Permits in Senegal

Permit	Area (km ²)	Permit Issued	Joint Venture Partner	Erin Ownership of Final project *
Bouroubourou	121.3	1/12/2010	AfriGem	80%
Lingokoto	157	1/12/2010	AfriGem	80%
Woye	94.45	26/02/2010	MRC	80%
Balakonko (renewal pending)	83.8	13/08/2009	MRC	80%
Garaboureya (renewal pending)	36.6	13/08/2009	MRC	80%
Wassadou North	40.3	1/02/2012	SODEMINES	77.5 %
Wassadou South	52.4	18/11/2011	SODEMINES	77.5%
Total	585.85			

*Government of Senegal may have free carry of 10% of the project

6.4 About Senegal

The Republic of Senegal is a politically stable democratic country located to the south of the Sénégal River in West Africa. The country covers an area of approximately 196,000 kilometres², with a 531 kilometres coastline bordering on the Atlantic Ocean. Senegal is bordered by Mauritania to the north, Mali to the east, and Guinea and Guinea-Bissau to the south with Gambia included in the south central.

Senegal has a population of about 12.5 million (2011 est.). French is the primary language and it is taught in the educational system and used in commerce.

Commercial gold mining started in Senegal in 2009 and is in the early stages of development.

The mining industry is regulated by the Ministry of Mines in Senegal. In 2003 Senegal adopted a new Mining Code. The law was formulated to attract mineral and resources development in the country. State involvement in mining is restricted to royalties which compare favourably with those encountered in countries with well developed mining industries.

Taxation incentives and tax holidays have been legislated in Senegal to attract investment. Erin being an exploration company will benefit from the tax holidays and incentives.

6.5 10% Free Carried Interest

Pursuant to Article 30 of the Senegalese Mining Code, upon the commercial production of the permits, the government of Senegal may have a free-carried interest of 10%, and accordingly the Company's proposed ownership of the Permits would be diluted on a pro-rata basis together with the joint venture partners.

6.6 Future Projects

The Company intends to continue to actively pursue new projects in the resources sector, not only in Australia and Senegal, but elsewhere in the world,

with the hope of subsequently developing mining operations on those projects. The Company has not yet determined any specific criteria for identification of these projects.

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in our Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to our business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

Re-Quotation of Shares on ASX

The acquisition of the Projects constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List of the ASX.

The Company's Shares will be suspended from Official Quotation on the ASX on 17 August 2012, being the date of the General Meeting to approve the transaction associated with a change in the nature and scale of the Company's activities. The Company's Shares will not be reinstated to Official Quotation until ASX approves the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.

Satisfaction of Joint Venture Commitments

Pursuant to the Bouroubourou and Lingokoto Joint Venture Agreements with AfriGem, Erin is required to contribute US\$650,000 to joint venture expenditure on the Bouroubourou Permit and US\$650,000 on the Lingokoto Permit by 17 November 2013.

Furthermore, pursuant to the Joint Venture Agreement with Mining Research Company Society Limited (**MRC**) relating to the Woye, Balakonko and Garaboueya Permits, Erin is required to contribute US\$2,000,000 to joint venture expenditure by 30 May 2014, and Erin must pay MRC US\$50,000 on completion of US\$1,000,000 expenditure (but by no later than 30 November 2012), US\$50,000 on completion of US\$1,500,000 expenditure (but by no later than 30 November 2013) and US\$50,000 on completion of US\$2,000,000 expenditure (but by no later than 30 May 2014).

As at 31 March 2012, Erin has already spent US\$914,838 on the MRC joint venture and US\$723,924 on the AfriGem joint ventures (with US\$576,076 still remaining to be spent on the AfriGem joint ventures and US\$1,235,162 on the MRC joint venture). Given the Company has committed to spend US\$2.5m on joint venture expenditure over the next two years, the Company is confident that it will be able to satisfy these remaining commitments based on its position as at completion.

Liquidity Risk

On completion of the Acquisition, the Company proposes to issue 25,000,000 Shares and 13,000,000 VHL Shares to the Vendors (on a post-Consolidation basis). Furthermore the Company will issue 3,500,000 Shares (on a post-Consolidation basis) to Verona Capital in consideration for services relating to the Acquisition. These securities have all been classified by the ASX as restricted securities and are subject to escrow restrictions of up to 24 months from their date of issue (as required by the ASX Listing Rules). Based on the post-Offer capital structure (on a pre-Consolidation basis) (and assuming no further Shares are issued or Options exercised), this will equate to approximately 53% of the post-Offer expanded Share capital (on a post-Consolidation basis). This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

Renewal of the Balakonko and Garaboureya Permits

Erin has recently applied for renewal of both the Balakonko and Garaboureya Permits which are set to expire on 12 August 2012. It is at the sole discretion of the Ministry of Mines in Senegal (**Ministry**) whether to approve the permits and if any conditions of the permits have not been met by the joint venture parties (including meeting minimum expenditure obligations on the Projects), the permits may be subject to forfeiture.

The Company cannot guarantee that the permits will be renewed beyond their current expiry date and there is a material risk that, in the event the Company is unable to renew these granted tenements beyond their current expiry date, the Company's interest in the Balakonko and Garaboureya Permits will be relinquished. Furthermore, even if the permits are renewed, the Ministry has the discretion to impose new conditions on the permits for any renewed term.

As at the date of this Prospectus, both renewal applications are still pending with the Ministry. Despite this, the Company is satisfied that it has met all conditions relating to these permits and has no reason to believe that such renewals will be withheld (nor are they likely to be on less favourable terms than before).

Joint Venture Risk

As a result of the Acquisition, the Company will acquire various interests in the Projects via joint ventures currently in place between Erin and each of MRC, SODEMINES and AfriGem.

The Company is subject to the risk that changes in the status of any of the joint ventures (including changes caused by financial failure or default by a participant in the joint venture) may adversely affect the future operations and performance of the Company.

Consent of the Ministry of Mines in Senegal

It is a requirement under each of the joint venture agreements that each of Erin's joint venture partners procures the consent of the Ministry of Mines in Senegal for the assignment of each relevant joint venture interest or otherwise those parties will hold such interest on trust for Erin until such approval has been obtained.

As at the date of this Prospectus, Erin is still awaiting the formal consent from the Ministry for the assignment of its joint venture interest with SODEMINES relating to the Wassadou Permits. Until the Ministry has given its consent for the assignment, Erin's interest in the Wassadou Permits will be held on trust by SODEMINES. As with the AfriGem and MRC joint venture agreements, Erin foresees no problems with the Ministry granting Erin's joint venture interest with SODEMINES.

Contractual Risk

The ability of the Company to achieve its stated objectives will depend on the performance by its joint venture partners of their respective obligations under the joint venture agreements. If any of these joint venture partners defaults in the performance of its obligations, the agreements may be terminated and it may be necessary for the Company to approach the Court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will ultimately be granted on appropriate terms.

7.3 Industry specific

Price of Gold

Changes in the market price of gold, which in the past have fluctuated widely, will affect the potential profitability of the Company's projects which would adversely affect the Company's operations and its financial conditions. The viability of the Company's projects will depend on the market price of gold which is set in the world market and is affected by numerous industry factors beyond the Company's control including the demand for precious metals, currency exchange rates, the global and regional supply and demand for jewellery and industrial products containing gold, production levels, inventories, costs of substitutes, changes in global or regional investments or consumption patterns, sales by central banks and other holders, speculators and producers of gold in repose to any of the above factors and global and regional economic and political factors.

The decline in the market price for gold would have a material adverse impact on the Company's projects and anticipated future operations of the Company.

Exploration and Development Risks

The business of gold exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (a) the discovery and/or acquisition of economically recoverable reserves;
- (b) access to adequate capital for project development;
- (c) design and construction of efficient development and production infrastructure within capital expenditure budgets;

- (d) securing and maintaining title to interests;
- (e) obtaining consents and approvals necessary for the conduct of gold exploration, development and production; and
- (f) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from the Projects undergoing an exploration and development program depends on successful exploration and establishment of production facilities. Factors including costs and reliability and commodity prices affect successful project development and operations.

Mining activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown and environmental hazards such as accidental spills or leakages, or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of gold. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

Resource estimates

The Company does not presently have any JORC Code compliant resources on the Permits in which it is acquiring an interest. In the event a resource is delineated this would be an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

7.4 General risks

General Economic and Political Risks

Changes in the general economic and political climate in Senegal and on a global basis could impact on economic growth, gold prices, interest rates, the rate of inflation, taxation and tariff laws, domestic security which may affect the value and viability of any gold activity that may be conducted by the Company.

Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) introduction of tax reform or other new legislation;
- (c) interest rates and inflation rates;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

Sovereign Risk

The Company's key projects are located in Senegal. Senegal is a politically stable democratic country located to the south of the Sénégal River in West

Africa. Commercial gold mining started in Senegal in 2009 and is in the early stages of development.

Possible sovereign risks associated with operating in Senegal include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its shares.

No assurance can be given regarding future stability in Senegal or any other country in which the Company may, in the future, have an interest.

Government policy changes

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Senegal may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

Commodity Price Volatility and Exchange Rate Risks

If the Company achieves success leading to gold production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for gold, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Senegalese and Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States Dollar, the CAF Franc and the Australian Dollar as determined in international markets.

Regulatory

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

8. INDEPENDENT GEOLOGIST'S REPORT



Independent Geologist's Report

**Health Corporation Limited
(to be renamed "Erin Resources Limited")**

Erin Gold Properties in Senegal

MINEWPER00994AA

9 July 2012

9 July 2012

Health Corporation Limited
Level 2, Allendale Square
77 St George's Terrace
Perth WA 6000

Attention: The Board of Directors

Dear Mr Davey

RE: Independent Geologist's Report - Erin Gold Properties in Senegal

Coffey Mining Pty Ltd ("Coffey Mining") has been commissioned by Health Corporation Limited ("HEA"; to be renamed "Erin Resources Limited"), to provide an Independent Geologist's Report ("IGR") on mineral properties prospective for gold in the Republic of Senegal ("Senegal"), in which Erin Mineral Resources Limited ("Erin") has an interest through its wholly owned subsidiary Erin Resources Pty Ltd. The IGR has been prepared on information available up to and including 21st May 2012. This IGR will be included in a prospectus to be lodged by HEA with the Australian Securities and Investments Commission and the Australian Securities Exchange.

The reported tenements comprise seven exploration permits covering 613.55km². Erin Resources Pty Limited ("Erin") holds various interests in these permits via joint venture agreements with the holders of these permits. We understand that HEA is now seeking to acquire 100% of Erin Resources Pty Limited's interests in such permits. The legal status of the assets in which Erin acquired an interest, the various agreements covering those interests, and the exploration, mining and minerals processing legislation applicable in Senegal have not been independently verified by Coffey. The present status of tenements, agreements and legislation described in this report is based on information provided by HEA and Erin, and the report has been prepared on the assumption that exploration and potential development of the projects will prove to be lawfully allowable.


Coffey Mining has based its review of the Projects on information provided by HEA (and its consultants) and Erin, along with technical reports prepared by government agencies, independent consultants, and other relevant published and unpublished data. Site visits were undertaken to the Projects by Coffey Mining between 19th and 21st April 2012. Coffey Mining has endeavoured, by making all reasonable enquiries, to confirm the authenticity and completeness of the technical data upon which the Independent Technical Review is based. A final draft of this report was also provided to HEA, along with a written request to identify any material errors or omissions.

MINEWPER00994AA

The information in this IGR that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Shu Zhan, a professional geologist with over 20 years' experience in the exploration, evaluation and development of mineral properties internationally. Mr Shu Zhan is a Principal Consultant - Geology at Coffey Mining and is a Member of the Australian Institute of Geoscientists. Mr Shu Zhan 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 Exploration Results, Mineral Resources and Ore Reserves'. Mr Shu Zhan consents to the inclusion in the IGR of the matters based on his information in the form and context in which it appears.

Coffey Mining is an exploration, mining and resource consulting firm, which has been providing services and advice to the international mineral industry and financial institutions for over 50 years. Neither Coffey Mining, nor the authors of this report have, or have had previously, any material interest in HEA or the mineral properties or companies in which HEA has, or is earning, an interest. Our relationship with HEA is solely one of professional association between client and independent consultant. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

For and on behalf of Coffey Mining Pty Ltd

A handwritten signature in blue ink, appearing to be "Shu Zhan", written over a horizontal line.
This is a scanned signature held on file by Coffey Mining. The person and signatory consents to its use only for the purpose of this document.
Shu Zhan
Principal Consultant-Geology

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Primary Author
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Supervising Principal
Marian Skwarnecki

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EXECUTIVE SUMMARY

INTRODUCTION

Health Corporation Limited (“HEA”, to be renamed “Erin Resources Limited”), commissioned Coffey Mining Pty Ltd (Coffey) to prepare an Independent Geologist’s Report (IGR) for various gold exploration projects in the Republic of Senegal (Senegal). The Project tenements comprise seven exploration permits covering a total of 613.55km². The ELs are held by three joint ventures between Erin Mineral Resources Limited (“Erin”) and its JV partners. The legal status of the Erin assets, the various agreements covering those interests, and the exploration, mining and minerals processing legislation applicable in Senegal have not been independently verified by Coffey. The present status of tenements, agreements and legislation described in this report is based on information provided by HEA.

The primary author of this report is Mr Shu Zhan. The author has the appropriate relevant qualifications, experience, competence and independence to be considered as “Competent Persons” under the definition provided in the JORC Code.

The Independent Technical Review has been prepared on information provided by HEA and its consultants available up to and including 21st of May 2012. Site visits were undertaken by Ms Kathleen Body, Principal Consultant – Resources from Coffey Mining’s Johannesburg office between 19th and 21st of April, 2012. The following seven ELs were visited: Woyé, Bouroubourou, Garabouréya South, Lingokoto, Balakonko, Wassadou North and Wassadou South.

Country Background

Senegal is located at the westernmost tip of mainland Africa. The country is 196,190km² in area and has a population of about 13 million people. Senegal gained its independence from France in 1960, after about 75 years of French rule. It is a stable, democratic republic under multiparty rule based on the French civil law system. For this reason, Senegal is the location of choice of many foreign embassies and the headquarters of international banks for the West African region.

The climate is subtropical to arid with a distinct wet and dry season. The wet season is from May to October, with the most rain falling in August and September. The dry season is warm from December to April with generally no rainfall.

Senegal relies heavily on donor assistance. The country's key export industries are phosphate mining, fertiliser production, and commercial fishing. The country is also has iron ore and oil exploration projects. Senegal made an important turnaround with real growth in GDP averaging over 5% annually during 1995-2007.

The Minerals Industry of Senegal

Senegal is endowed with a variety of commodities, including precious metals (gold and platinum), base metals (iron, copper, chromium, nickel), industrial minerals (such as industrial phosphates, limestone, salts, barite), heavy minerals (zircon and ilmenite), decorative stones and building materials, and hydrocarbons (natural gas).

Senegal is becoming one of Africa's significant gold producers. A number of gold mines are located in the eastern Senegal close to the border with Mali. The Sabodala gold mine (MDL 90% and Senegal government free-carried 10%) commenced operations in 2009. Currently, Sabodala's resources are reported to contain 3.5Moz of gold (28.8Mt @ 1.41g/t Au Measured and 13.4Mt @ 1.34g/t Au Indicated and 7.3Mt @ 1.2g/t Au Inferred above a 0.3g/t Au lower cutoff. Source: September 2010 43-101 Report). At RandGold's Massawa deposit, south of Sabodala, resources are estimated to be of the order of 3.5Moz of gold (37Mt @ 2.65g/t Indicated and 2.4Mt @ 3.92g/t Au Inferred above a 0.5g/t Au lower cutoff (source: www.randgoldresources.com). Some 25 gold research permits have currently been issued to eight foreign and nine domestic companies.

Coffey Mining has not independently reviewed the resources and reserves of the gold deposits and mines owned by other companies in the region. These figures have been included as a general guide as to the gold endowment in the region. The figures of mineral resources and reserves quoted in this report were compiled from various publicly available sources and reports. It is reasonable to consider that the NI-43101 and SAMREC resources and reserves for these other companies discussed in the text are applicable to JORC reporting standards.

GEOLOGY AND METALLOGENY OF SENEGAL

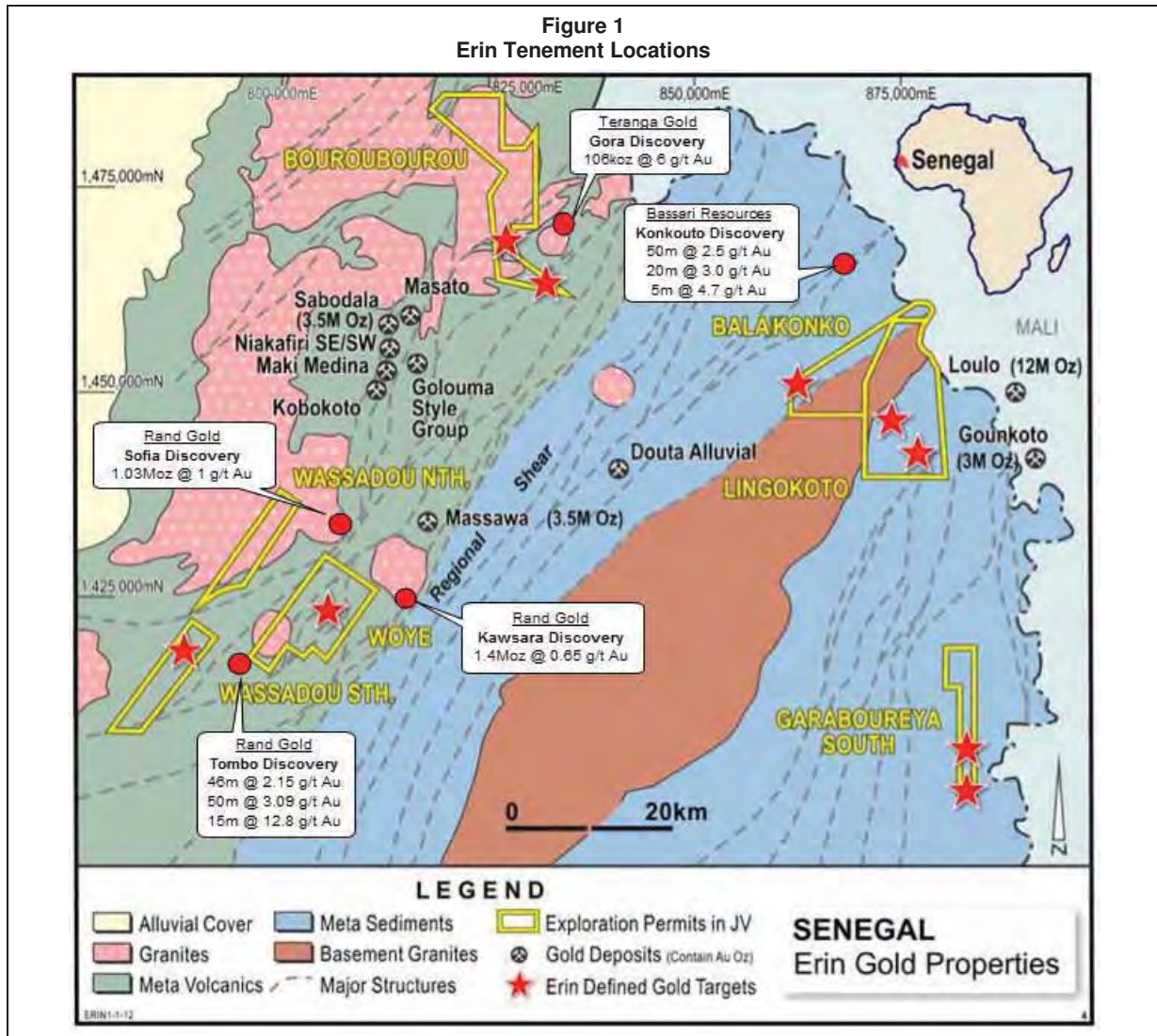
The rocks of Senegal comprise two major geological domains: the Senegal Basin of Mesozoic to Recent age, which occupies more than 75% of the country, and Precambrian basement in the south east.

The Senegal Basin occupies the central part of the Northwest African Coastal Basin (MSGBC Basin). It is typical passive margin opening westward to the Atlantic Ocean and its eastern limit is represented by the Mauritanides. **The Precambrian basement** consists of the Mauritanides bordering the eastern part of the basin and further to the east of Paleoproterozoic volcano-sedimentary sequences of the Kédougou-Kéniéba Inlier. The Mauritanides are Late Paleozoic (Variscan or Hercynian) in age and constitute one of the mobile belts along the margins of the West African Craton. This orogenic belt has experienced a polyphase tectonothermal evolution, including two Pan-African and one Variscan event. The Mauritanides consist of a supracrustal suite of metamorphosed mafic to felsic volcanic, volcanoclastic and epiclastic rocks with a number of banded iron formation (BIF) horizons that host a number of significant Cu-Au targets in Mauritania. The Mauretanicides contain copper-gold and chromium mineralisation.

The Kédougou-Kéniéba Inlier is interpreted to be an accretion of northeasterly-trending Birimian volcanic terrains. It includes two major structures, the Senegal-Mali Shear Zone and the Main Transcurrent Zone (MTZ) with which gold mineralisation is associated. The inlier is divided into three main stratigraphic units from west to east: the mafic volcanic-dominated Mako Supergroup, the turbiditic sedimentary dominated Dialé Supergroup, and the volcano-sedimentary Daléma Supergroup. The Birimian has been intruded by syn-, late and post-tectonic granite plutons and hosts numerous deposits and anomalies of gold, iron, uranium, lithium, tin, molybdenum and nickel.

ERIN MINERAL RESOURCES PROJECTS

The Erin gold projects, consisting of seven exploration permits, are located in southeastern Senegal near the Mali border and some 650-700km from the capital, Dakar (Figure 1).



Road access to the project sites from the regional centre of Tambacounda is via a good regional all-weather sealed road 230km southeast to Kédougou, then about 100km of minor sealed and unsealed roads. These roads are used for the delivery of supplies to the operating mines in the region, including Sobodala gold mine between the Bouroubourou and Wassadou North tenements. There is a 1,250m sealed airstrip at Sabodala capable of handling light to medium-sized aircraft.

All the projects are in the Kédougou-Kéniéba Inlier. Bouroubourou, Woyé, Wassadou North and Wassadou South are underlain by the Mako Supergroup which hosts the Sabodala and Massawa gold deposits. Balakonko is situated at the contact of the Diale Supergroup and the northwestern part of the Saraya granite. The Lingokoto tenement, adjacent to the Balakonko tenement, straddles the contact between the Daléma Supergroup and the southeastern part of the Saraya granite. The Daléma Supergroup also underlies the Garabouréya South tenement and hosts the Loulo gold deposit in Mali.

Exploration and Due Diligence Work on Erin's Properties

Prior to 2011, there was no significant exploration on the tenements in which Erin has acquired an interest.

Following up the MOUs/Agreements between Erin and its JV partners, Erin has conducted a technical due-diligence campaign which consisted of a desktop study of Government magnetic and radiometric data, field geological and regolith mapping, and soil geochemical surveys.

MAJOR CONCLUSIONS AND RECOMMENDATIONS

The most prospective tenements are Woyé, Bouroubourou, Garabouréya South and Lingokoto. The Woyé and Bouroubourou permits appear to have the highest potential to host gold mineralisation. The anomalies are large enough and sufficiently robust to merit immediate additional work.

The northern portion of the Woyé anomaly has been defined by the artisanal miners and further soil sampling is not warranted; the next stage is to drill out the anomaly to establish if there is sufficient mineralisation at depth to continue with the exploration programme. Farther south on Woyé, where there are no artisanal workings, infill soil sampling should be carried out before any drilling programme is started.

At Bouroubourou, two soil anomalies have been identified close to artisanal workings. These currently have a strike potential of around 3km and present targets for immediate follow-up by drilling and soil sampling. Garabouréya South is largely beneath cover and may require shallow regolith drilling, in preference to soil sampling, to follow up on the identified low-level gold anomalies, given that gold anomalism is coincident with magnetic anomalies. At Lingokoto, the presence of gold anomalies and tourmaline- and sulphide-bearing rocks indicates that further work is warranted on the property.

At Balakonko, several low-level gold anomalies have been identified which may require follow-up soil sampling, particularly in the far southwest. Garabouréya South is largely beneath cover and may require shallow regolith drilling, in preference to soil sampling, to follow up on the identified low-level gold anomalies. Wassadou South hosts several weak gold anomalies, including sporadic gold anomalism in the central part of the permit that is worthy of further investigation. A zone of weak gold anomalism in the north is also accompanied by low but anomalous PGE, Ni, Co, Cu and Mn and requires some further investigation. At present, there are only minor indications for the potential for gold mineralisation at Wassadou North.

PROJECT EXPLORATION STRATEGY AND BUDGET

Exploration Strategy

The Erin exploration strategy will consist of the following phases:

- Infill soil geochemical sampling; this will initially preferentially target areas previously identified with gold anomalism on a 120m by 40m grid pattern.
- RAB drilling around the main currently identified soil anomalies utilising 800m and 400m by 25m grids.
- Infill soil geochemical grids around identified targets, particularly in the Bouroubourou and Lingokoto licenses.
- Follow up RAB and RC drilling on areas identified from the soil sampling and RAB drilling.
- RC drilling of identified high priority targets at Woyé. This includes a zone of soil gold anomalism, and areas of current artisanal workings.
- Follow up geological mapping and fieldwork to identify additional targets.

Budget

The two-year budget for the licence areas is estimated to be \$US2.5M. It is envisaged that, of the \$US1.3M that will be spent in the first year on exploration activities, approximately \$US1.16M will be spent on exploration activities at the Woyé and Wassadou tenements, \$US0.65M at Bouroubourou, and \$US0.69M at the Garabouréya South, Lingokoto and Balakonko tenements. The planned two-year budget is shown in Table 1. The budget (\$US2.5M) is intended to be the same regardless of whether HEA raises the full subscription or full oversubscription under the Prospectus.

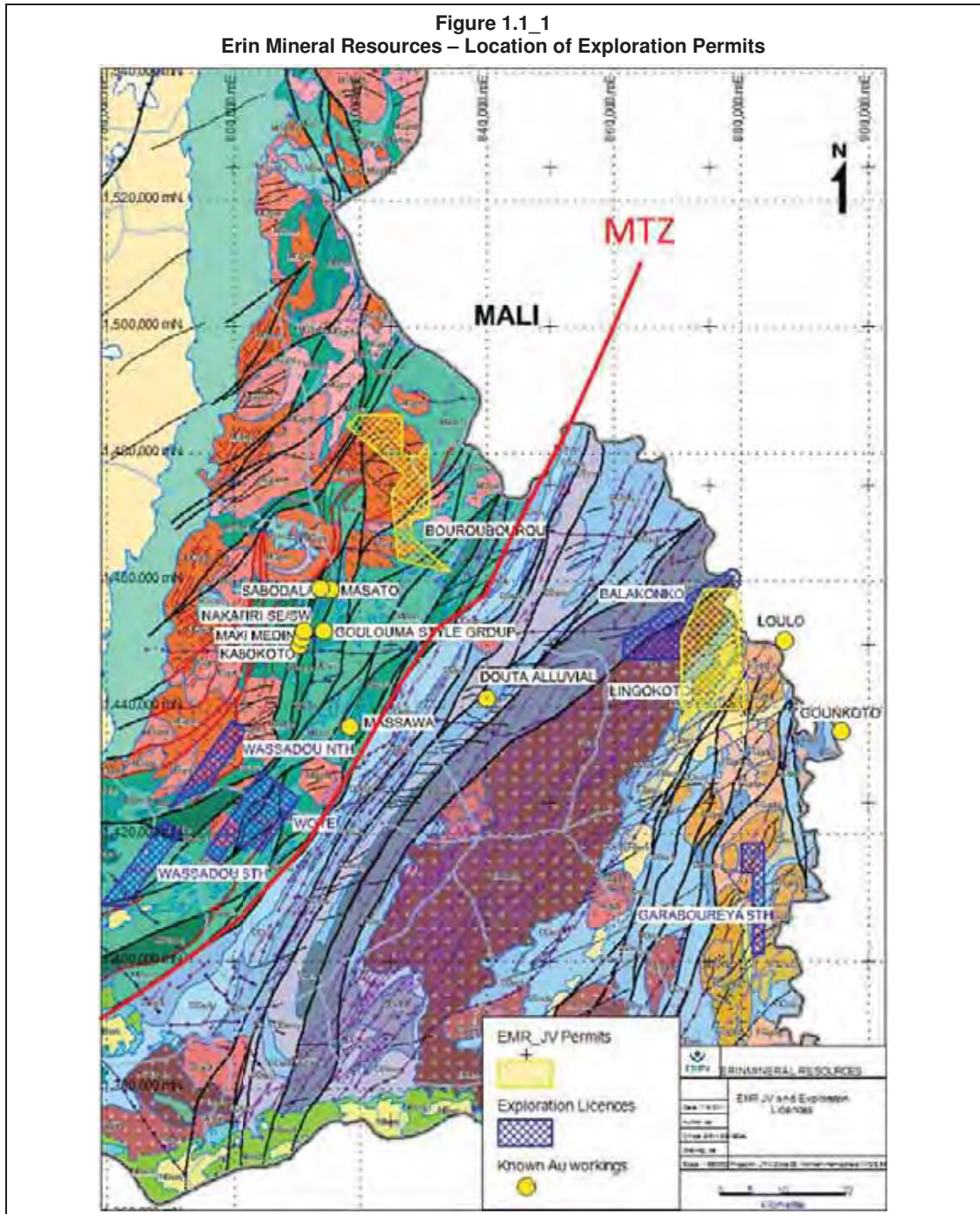
Table 1		
Proposed Two-Year Budget (\$US)		
Item	Year 1	Year 2
Soil Sampling	220,000	60,000
RAB Drilling	350,000	100,000
RC Drilling	160,000	350,000
Assaying	230,000	240,000
Resource Studies	-	50,000
Exploration Staffing/Exploration Labour Costs	340,000	400,000
Total	1,300,000	1,200,000

Coffey considers that the proposed exploration strategies are consistent with the potential of the projects, providing they are appropriately staged to allow careful review at the completion of each phase. Similarly, Coffey considers that the allocated expenditures are consistent with the proposed programmes, and the budgets should prove adequate to meet the anticipated minimum annual statutory expenditure commitments where relevant.

1 INTRODUCTION

1.1 Terms of Reference

Health Corporation Limited (“HEA”; to be renamed “Erin Resources Pty Limited”), commissioned Coffey Mining Pty Ltd (Coffey) to prepare an Independent Geologist’s Report (IGR) for various gold exploration projects in the Republic of Senegal (Senegal). The Project tenements comprise seven exploration permits covering 613.55km² (Figure 1.1_1). The permits are held by three joint ventures between Erin and its JV partners.



The legal status of the Erin assets, the various agreements covering those interests, and the exploration, mining and minerals processing legislation applicable in Senegal have not been independently verified by Coffey. The present status of tenements, agreements and legislation described in this report is based on information provided by HEA, and the report has been prepared on the assumption that exploration and potential development of the projects will prove to be lawfully allowable. Coffey is not qualified to comment on the nature of the transactions or arrangements between HEA and other third parties.

The primary author of this report is Mr Shu Zhan. The author has the appropriate relevant qualifications, experience, competence and independence to be considered as “Competent Persons” under the definition provided in the JORC Code.

This Independent Geologist’s Report has been prepared on information provided by HEA up to and including 21st of May 2012. Site visits were undertaken by Ms Kathleen Body, Principal Consultant - Resources, from Coffey Mining’s Johannesburg office between 19th and 21st of April, 2012. All seven exploration tenements in which Erin is acquiring interest were visited: Woyé, Bouroubourou, Garabouréya South, Lingokoto, Balakonko, Wassadou North and Wassadou South.

1.2 Qualifications, Experience and Independence

Coffey is an exploration, mining and resource consulting firm, which has been providing services and advice to the international mineral industry and financial institutions for over 50 years.

The primary author of this report is Mr Shu Zhan. Mr Shu Zhan is a professional geologist with over 20 years’ experience in the exploration, evaluation and development of mineral properties internationally. He is a Principal Consultant - Geology at Coffey Mining and a Member of the Australian Institute of Geoscientists (AIG).

The author has the appropriate relevant qualifications, experience, competence and independence to be considered as “Competent Persons” under the definition provided in the JORC Code.

Neither Coffey Mining, nor the author of this report have, or have had previously, any material interest in HEA, Verona Capital, or Erin, or the mineral properties or companies in which HEA or Erin has, or is earning, an interest. Our relationship with HEA is solely one of professional association between client and independent consultant. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

Coffey is not in a position to make direct comment on any interest the directors and promoters of HEA may have in the company or its assets, nor is Coffey qualified to comment on or confirm this aspect.

1.3 Principal Sources of Information

The principal sources of information used to compile this report comprise technical reports and data variously compiled by HEA and its consultants, and government agencies, along with discussions with HEA and Erin's technical and corporate management. A listing of the principal sources of information is included in Section 12 of this report.

Site visits were conducted by Ms K Body between 19th and 21st of April, 2012 to all seven tenements which Erin has an interest. Ms Body is Principal Consultant - Geology of Coffey Mining in Johannesburg.

All reasonable enquiries have been made to confirm the authenticity and completeness of the technical data upon which this report is based. The quantum of historical data is such that a detailed review is beyond the scope of this report and Coffey has relied to a certain extent on summary data provided by HEA and Erin. Not all data were present in the databases provided and some of the historical data appears to have been lost.

2 COUNTRY BACKGROUND

2.1 Geography

Senegal, officially the Republic of Senegal (*République du Sénégal*), in western Africa between latitudes 12° and 17°N, and longitudes 11° and 18°W, owes its name to the Sénégal River that borders it to the east and north. Senegal is bounded by the Atlantic Ocean to the west, Mauritania to the north, Mali to the east, and Guinea and Guinea-Bissau to the south; internally it almost completely surrounds the Gambia. Senegal covers a land area of almost 197,000km² (76,000 square miles), and has an estimated population of about 13 million. The climate is tropical with two seasons: the dry and rainy seasons.

The Senegalese landscape consists mainly of the rolling sandy plains of the western Sahel which rise to foothills in the southeast, where Senegal's highest point, an unnamed feature occurs near Nepen Diakha at 584m (1,916ft). The northern border is formed by the Senegal River; other rivers include the Gambia and Casamance. The capital Dakar lies on the Cap Vert Peninsula, the westernmost point of continental Africa.



2.1.1 Geology

The geology of Senegal comprises two major geological domains: the Senegal Basin, which occupies more than 75% of the territory, and the Precambrian basement in the southeast.

The Senegal Basin occupies the central part of the Northwest African Coastal Basin (MSGBC Basin), which extends from the Reguibat Ridge at the northern end of the Guinean Fault. The basin represents a typical passive margin opening westward to the Atlantic Ocean and whose eastern limit is represented by the Mauritanides. Most of the outcrops are Maastrichtian and Eocene rocks. Paleocene and Maastrichtian rocks are also known to be major aquifers that contribute significantly to the water supply. Eocene rocks are host to significant resources of phosphates, limestone, attapulgite, clay and ceramics, and solid fuels. A major part of the basin is covered by superficial Quaternary formations, which are characterised by inactive red sand dunes, semi-active or active yellow and white dunes. These dunes, commonly exploited as building materials around urban centres, contain important resources of heavy minerals.

The Precambrian basement consists of the Mauritanides bordering the eastern part of the basin and further east of Paleoproterozoic volcano-sedimentary sequences of the Kédougou-Kéniéba Inlier (West African Craton).

The Mauritanides are Late Paleozoic (Variscan or Hercynian) in age and constitute one of the mobile belts along the margins of the West African Craton. This orogenic belt has experienced a polyphase tectonothermal evolution, including two Pan-African and one Variscan events. The Mauritanides consist of a supracrustal suite of metamorphosed mafic to felsic volcanic, volcanoclastic and epiclastic rocks with a number of banded iron formation (BIF) horizons that host a number of significant Cu-Au targets in Mauritania.

The Kédougou-Kéniéba Inlier is interpreted to be an accretion of northeasterly-trending Birimian volcanic terrains. It includes two major structures, the Senegalomalian Fault and the Main Transcurrent Zone (MTZ) with which gold mineralisation is associated. The inlier is divided into three main stratigraphic units from west to east: the mafic volcanic-dominated Mako Supergroup, the turbiditic sedimentary dominated Diale Supergroup, and the volcano-sedimentary Daléma Supergroup. The Birimian has been intruded by syn-, late and post-tectonic granite plutons and hosts numerous deposits and anomalies of gold, iron, uranium, lithium, tin, molybdenum and nickel in Birimian formations.

2.1.2 Climate

The climate is tropical with well-defined dry and humid seasons that result from northeast winter and southwest summer winds. The dry season (December to April) is dominated by hot, dry, harmattan wind. Dakar's annual rainfall of about 600mm (24in) occurs between June and October when maximum temperatures average 30°C (86.0°F) and minimums 24.2°C (75.6°F); December to February maximum temperatures average 25.7°C (78.3°F) and minimums 18°C (64.4°F). Temperatures in the interior are higher than along the coast (e.g., average daily temperatures in Kaolack and Tambacounda for May are 30°C (86.0°F) and 32.7°C (90.9°F) respectively, compared to Dakar's 23.2°C (73.8°F), and rainfall increases substantially farther south, exceeding 1,500mm (59.1in) annually in some areas. In the far interior of the country, in the Tambacounda region, particularly on the border with Mali, temperatures can reach as high as 54°C (129.2°F).

2.1.3 Population, Ethnicity, Languages and Religion

The population of Senegal is about 13 million and consists of a wide variety of ethnic groups and, as in most West African countries, several languages are widely spoken. The Wolof are the largest single ethnic group in Senegal at 43%; the Fula and Toucouleur (24%) are the second biggest group, followed by the Serer (14.7%), Jola (4%), Mandinka (3%), Maures or Naarkajors, Soninke, Bassari and many smaller communities (9%). About 50,000 Europeans (mostly French) and Lebanese, as well as smaller numbers of Mauritians and Moroccans, reside in Senegal, mainly in the cities. The majority of Lebanese work in commerce. There are also tens of thousands of Mauritanian refugees in Senegal, primarily in the country's north.

French is the official language, used regularly by a minority of Senegalese educated in a system styled upon the colonial-era schools of French origin (Koranic schools are even more popular, but Arabic is not widely spoken outside of this context of recitation). Most people also speak their own ethnic languages.

Islam is the predominant religion in the country. Islam is practiced by approximately 90% of the country's population; the Christian community, at 10% of the population, includes Roman Catholics and diverse Protestant denominations. There is also 1% population who maintain animism in their beliefs, particularly in the southeastern part of the country.

2.1.4 History of Senegal

Archaeological findings throughout the area indicate that Senegal was inhabited in prehistoric times. Senegal was part of the kingdom of Takrur in the 9th century. Around the 11th century, Islam became the religion of some Senegalese tribes, though not in great numbers. In the 13th and 14th centuries, the area came under the influence of empires to the east; the Jolof Empire of Senegal was also founded during this time.

In the Senegambia region, between 1300 and 1900, close to one-third of the population was enslaved. From the 15th century onwards, various European powers - Portugal, the Netherlands, and Great Britain - competed for trade in the area. In 1677, France came into possession of the island of Gorée, close to modern Dakar, and used it as a base to purchase slaves from the warring chiefdoms on the mainland. It was only in the 1850s that the French began to expand onto the Senegalese mainland, annexing native chiefdoms such as Waalo, Cayor, Baol, and Jolof. Resistance to the French expansion and curtailing of their lucrative slave trade was led in part by Lat-Dior, Damel (great chief) of Cayor.

The French colonies of Senegal and the French Sudan were merged in 1959 and granted their independence as the Mali Federation in 1960. The union broke up after only a few months. Senegal joined with Gambia to form the nominal confederation of Senegambia in 1982. The envisaged integration of the two countries was never carried out, and the union was dissolved in 1989. The Movement of Democratic Forces in the Casamance (MFDC) has led a low-level separatist insurgency in southern Senegal since the 1980s, and several peace deals have failed to resolve the conflict. Nevertheless, Senegal remains one of the most stable democracies in Africa and has a long history of participating in international peacekeeping and regional mediation. Senegal was ruled by a Socialist Party for 40 years until Abdoulaye Wade was elected president in 2000. He was re-elected in 2007 and during his two terms amended Senegal's constitution over a dozen times to increase executive power and to weaken the opposition. His attempt to change the constitution in June 2011 prompted large public protests and his decision to run for a third presidential term sparked a large public backlash that led to his defeat in a March 2012 runoff election with Macky Sall.

2.2 Politics and Governance

Senegal is a republic with a presidency; as of 2001, the president is elected every five years (previously seven years). Senegal has more than 80 political parties. The bicameral parliament consists of the National Assembly, which has 120 seats, and the Senate, which has 100 seats and was reinstated in 2007. An independent judiciary also exists in Senegal. The nation's highest courts that deal with business issues are the constitutional council and the court of justice, members of which are named by the president.

Currently, Senegal has a quasi-democratic political culture, trying to be one of the more successful post-colonial democratic transitions in Africa. Local administrators are appointed by, and responsible to, the president. The marabouts (religious leaders of the various Senegalese Muslim brotherhoods) also exercise a strong political influence in the country. In 2009, however, Freedom House downgraded Senegal's status from 'Free' to 'Partially Free', based on increased centralisation of power in the executive.

2.3 Economy and Infrastructure

After its economy retracted by 2.1% in 1993, Senegal instigated a major economic reform programme with the support of the international donor community. This reform began with a 50% devaluation of the country's currency (the CFA franc); Government price controls and subsidies were also dismantled. As a result, Senegal's inflation went down, investments went up, and the gross domestic product rose approximately 5% a year between 1995 and 2001.

The main industries include food processing, mining, cement, artificial fertiliser, chemicals, textiles, refining imported petroleum, and tourism. Exports include fish, chemicals, cotton, fabrics, groundnuts, and calcium phosphate, and the principal foreign market is India at 26.7% of exports (as of 1998). Other foreign markets include the United States, Italy and the United Kingdom.

Senegal realised full internet connectivity in 1996, creating a mini-boom in information technology-based services. Private activity now accounts for 82% of GDP. On the negative side, Senegal faces deep-seated urban problems of chronic high unemployment, socio-economic disparity, and juvenile delinquency.

Senegal is a major recipient of international development assistance. Donors include USAID, Japan, France and China. Senegal relies heavily on donor assistance. The country's key export industries are phosphate mining, fertiliser production, and commercial fishing. The country also has iron ore and oil exploration projects. The country was adversely affected by the global economic downturn in 2009 and GDP growth fell to 2%. High unemployment, however, continues to prompt migrants to leave Senegal in search of better job opportunities in Europe.

Under the IMF's Highly Indebted Poor Countries (HIPC) debt relief programme, Senegal benefited from eradication of two-thirds of its bilateral, multilateral, and private-sector debt. In 2007, Senegal and the IMF agreed to a new, non-disbursing Policy Support Initiative programme which was completed in 2010. The IMF approved a new three-year policy support instrument in December 2010 to assist with economic reforms. Senegal receives disbursements from the \$540 million Millennium Challenge Account compact it signed in September 2009 for infrastructure and agriculture development.

2.4 Minerals Industry

The modern mining history of Senegal dates to the 1940s and 1950s with the opening of the two large phosphate mines at Taiba and Lam-Lam in the Thies region, 70km east of Dakar. The minerals industry produces approximately 20% of Senegal's export earnings, as well as 20% of the country's GDP (USD25.4 billion (purchasing power) or USD14.7 billion (official exchange rate)). Senegal is among the world's leading producers of phosphate rock. The country accounted for about 6% of global fuller's earth production in 2009. Other commodities produced in the country were basalt, cement, clays, gold, lime, limestone, natural gas, petroleum, salt, and sand.

Phosphate deposits have supported the Senegalese economy for several decades. Industries Chimiques du Sénégal (ICS) is the major producer. Other phosphate deposits under exploration or appraisal include Matam, Coki, Gossas and Niakhene, which would give Senegal a potential of 500-1,000Mt of phosphate, ranking the country among the top ten phosphate producers in the world.

The Senegalese sedimentary basin is also rich in other commodities, including zircon, ilmenite, industrial limestone, attapulgite, and hydrocarbons (natural gas). The Proterozoic basement rocks in the southeastern part of Senegal contain important deposits of gold (Sabodala, Niakifiri, Massawa, Goulouma, Masato and Niamia), iron ore, marble, plus significant uranium, copper and chromium occurrences, making this province an important area for exploration.

Senegal possesses one of the largest zircon mines in the world. Mineral Deposits Limited of Australia has announced a positive feasibility study for the Grande Côte Mineral Sands Project (GCMSP). The GCMSP consists of a series of deposits within a 2km-wide and 80km-long sand dune system that runs along Senegal's coastline about 50km northeast of Dakar. Measured and Indicated mineral resources were estimated to be 1.03 billion metric tons at an average grade of 1.73% heavy minerals using 1.25%HM as cutoff grade (source: ASX/TSX Release 16 June 2010). MDL is planning to produce about 650,000 metric tons per year (tpa) of ilmenite, 85,000tpa of zircon, and 20,000tpa of rutile and leucoxene, making it the fourth largest zircon mine in the world. The project has a mine life of 25 years. The production will represent 8% of the world's consumption of zircon and 25% of European consumption (sourcing from www.mineraldeposits.com.au).

Senegal is becoming one of Africa's significant gold producers. A number of gold mines are located in the eastern Senegal close to the border with Mali. The Sabodala gold mine (MDL 90% and Senegal government free-carried 10%) commenced operations in 2009. Currently, Sabodala's resources are estimated to contain 3.5Moz of gold¹ (28.8MT @ 1.41g/t Au Measured and 13.4Mt @ 1.34g/t Au Indicated and 7.3Mt @ 1.2g/t Au Inferred above a 0.3g/t Au lower cutoff, sourcing from September 2010 43-101 Report¹). At RandGold's Massawa deposit, south of Sabodala, resources are estimated to be of the order of 3.5Moz (37Mt @ 2.65g/t Indicated and 2.4Mt @ 3.92g/t Au Inferred above a 0.5g/t Au lower cutoff (source: www.randgoldresources.com¹). Some 25 gold research permits have currently been issued to eight foreign and nine domestic companies.

The Falémé iron ore deposit is reported the biggest iron ore deposit in Senegal, situated in the south-eastern region of the country. Hematitic supergene-enriched orebodies have developed from magnetite skarn deposits associated with microdiorite intrusions.

¹ Coffey Mining has not independently reviewed the resources and reserves of the gold deposits and mines owned by other companies in the region. These figures have been included as a general guide as to the gold endowment in the region. The figures of mineral resources and reserves quoted in this report were compiled from various publicly available sources and reports. It is reasonable to consider that the NI-43101 and SAMREC resources and reserves for these other companies discussed in the text are applicable to JORC reporting standards.

Other metallic minerals with economic potential include lithium, tin and molybdenum hosted in the Paleoproterozoic granites of the Kédougou-Kéniéba Inlier, copper and chromium in Gabou and Diabal, nickel-copper and platinum in Simpampou, Koulontou and Dioudiou-konko, as well as the occurrences of zinc, lead and tungsten in Birimian rocks. Uranium exploration has gained impetus since 2007 (e.g., East Saraya). Uranium potential also exists in the shales of the Mako and Diale sequences in Proterozoic basement.

Senegal also has valuable marble deposits, mainly in the southeast in the Nebou Bandafassi-lbel region. In addition, siliceous sands occur along the coastal zone. Diatomite is reported at Tanma Lake, barite in Kidira, kaolin in Kouroudiako, and asbestos in Nangare Bassari.

The government has undertaken important reforms to valorise all these resources. On the one hand, these reforms aim at improving the business environment, and on the other hand modernising the legal framework and geological infrastructures to attract and develop foreign direct investments. In the World Bank's latest 'Doing Business' report, Senegal has been ranked as the top reforming country in Africa, and fifth in the world. This attests to the government's objective to establish an international first-class business environment.

With regard to the mining sector, the main achievements are the geological mapping of the Senegal Basin, the airborne geophysical survey of southeastern Senegal, implementation of the Mineral Documentation Centre and the Mining Cadastre, and the enactment of a new mining code that offers many incentives and opportunities to mineral investors.

2.5 Mining Law and Legislation

Senegal adopted a new Mining Code in 2003 (Law No.2003-36; gazetted at the end of February 2004; No.6150, pp339-357). The law was designed to attract and foster mineral resources investment and development in the country. The code embodies a transparent, predictable, simple, stable and non-discriminative mineral regime. The country's Mineral Policy Statement sets forth the main objectives for the development of the mineral resources, and promotes international principles that are necessary to encourage foreign investment in the national economy.

The Mining Code sets forth the mineral ownership, the types of minerals subject to regulation and their legal regime, the access to mineral rights, the rights and obligations of the mineral title's holder, the special incentives granted during exploration and exploitation stages, and the settlement of disputes.

There are four fundamental mineral rights, specifically the research permit, the exploitation permit and the mining concession:

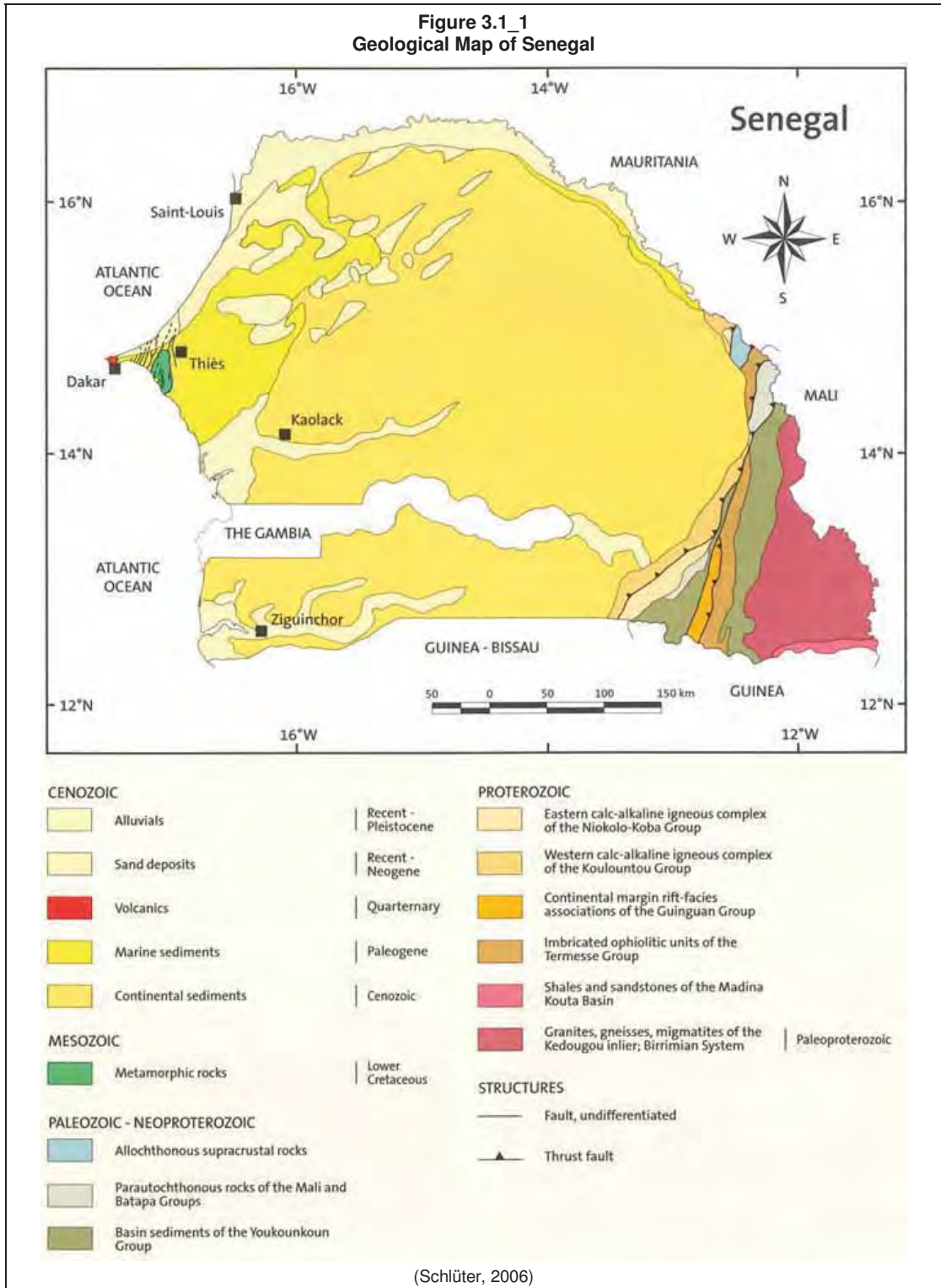
- **Artisanal and Small Mine Exploitation permit:** applicable to gold, diamonds and other gems, and to other substances such as building materials and ornamental stones. The lease is normally square or rectangular and should not exceed 50ha for artisanal exploitation and 5km² for a small mine. The authorisation is granted for a period not exceeding 2 years, but is renewable for up to 3 years or exhaustion of reserves. Artisanal authorisations are limited to 15m depth and exploitation must be by artisanal and not by mechanical means. Small mines may extend to indefinite depth. Authorisations cannot be transferred or let, and can be renounced at any time.

- **Authorisation of Prospecting permit:** issued for up to 6 months and renewable only once and is applicable to any systematic surface or underground exploration for investigation of geological setting, structure or presence of mineralisation. The authorisation conveys a non-exclusive right to prospect for the mineral(s) specified. The authorisation does not confer any particular right for obtaining a mining right or for commercial disposal of any discovered mineral(s). All holders must submit a report indicating all results of the investigation. The authorisation is not transferrable or transmittable, and cannot be used as a guarantee.
- **Exploration permit:** granted for a period not exceeding 3 years, and is renewable twice for periods up to 3 years each. On renewal, the permit must be reduced by at least 25% as a contiguous area. The holder can request an additional 2 years' extension of tenure, subject to agreement with the State; at the end of this period, if exploitation does not commence, the holder loses all right to the permit. In the case of competitive requests, priority is given to the tender offering the best conditions and guarantees for the State. The exploration permit is subject to agreed exploration work programme and budget progress. The holder is entitled to take samples, but not in commercial quantities, and has priority for other additional minerals not already subject to the permit. The holder can, at any time, request to commence exploitation. The existence of a permit granted for one or more minerals does not preclude the granting of a permit over the same area for different minerals, so long as the new authorisation does not impair the original holder's exploration programmes.
- **Mining Exploitation permit:** attributed for a period of five years, and is renewable for a 5 year periods not exceeding 25 years. The issue of a permit entitles the holder to exclusive right of exploitation and free disposal of the mineral(s) for which the title is issued and to indefinite depth. It gives the right to occupation of State land for infrastructure. The holder is obliged to exploit the deposit in a manner which does not compromise proven and probable reserves and which protects the environment. Exploitation must start within 1 year of the granting of the permit, otherwise any fiscal advantages granted by the Minister could be declared null and void. In the case of expiry of the exploitation title without renewal, the plant and infrastructure will be transferred free-of-charge to the State. The State, in addition to its 10% gratuitous share, can negotiate for itself a participation in the share capital of the exploiter. An exploitation permit can be transferred to a mining concession in the case of definition of substantial mineralisation. The title can be withdrawn due to breaches of conditions by the holder, or can be suspended for up to 1 year for non-payment of rents and licence fees, for not carrying out agreed work programmes (without valid reason), lack of upkeep of requisite records, or for transfer or letting of rights without prior approval of the Minister.

3 REGIONAL GEOLOGY

3.1 Geology of Senegal

The rocks of Senegal belong to two major geological domains: the Senegal Basin, which occupies more than 75% of the country, and the Precambrian basement, in the southeast (Figure 3.1_1).



3.1.1 The Senegal Basin

The Senegal Basin is the largest and westernmost marginal basin of western Africa. The overall structure of the basin is that of an “Atlantic type” passive margin half-basin with sedimentary infill, which thickens seaward and consists of superposed prograding wedges with an apparent transgressive character northwards and eastwards reflecting oceanic spreading and subsidence. Two main discontinuities affect the sedimentary sequence; the older is of Senonian age, the later, Oligocene, and is found all over the basin and is characterised by an erosion gap. The sedimentary sequence begins with evaporites of Triassic to Liassic age, apparently coincident with tholeiitic volcanism. The Callovian to Portlandian (Jurassic) is dominated by carbonates which were succeeded by a clastic sequence from late Aptian to Lutetian, represented by fine argillaceous sediments with horizons of organic matter. Emplacement of the Leona alkaline syenite dome during the Maastrichtian coincided with the major tectonic event in the basin’s history and marine regression. Chemical to biochemical deposits have been laid down since the Paleocene. The basin has undergone a continental evolution since the late Eocene, characterised by intense ferrallitic weathering and Miocene and Quaternary volcanism.

Paleocene and Maastrichtian formations are major aquifers that contribute significantly to the water supply for cities and villages in the basin. Tertiary units overlie the Eocene and contain significant resources of phosphate, limestone, attapulgite, clays, and solid fuels.

Most of the basin is covered with superficial Oligocene to Recent units, which are characterised by inactive red sand dunes, and semi-active or active yellow and white dunes. These dunes are commonly exploited as building materials around urban centres and constitute important repositories of heavy minerals.

3.1.2 The Precambrian Basement

The Precambrian basement comprises the Mauritanides, bordering the eastern part of the Senegal Basin and, further east, Paleoproterozoic volcano-sedimentary sequences of the Kédougou-Kéniéba Inlier. The Mauritanides occur along the western margin of the West Africa Craton and are characterised by Variscan folds and thrust faults. The Paleoproterozoic volcano-sedimentary sequences (Birimian) are of great metallogenic importance, as they contain the major gold deposits discovered in the region.

In Senegal, the Mauritanides have been divided into three tectonic units: the Bassaris domain in the east and the Koulountou domain in the west, separated by the triangular Younkounkoun domain. In the Bassaris zone, the sedimentary formations comprise sandstones, quartzites, conglomerates and siltstones, and Cambrian-Ordovician units including tillites, greywackes and dolomites. Volcano-sedimentary units and plutonic rocks (such as the Aftout leucocratic alkaline granite) are distributed around the Koulountou domain. The Younkounkoun domain includes quartzites, muscovite schists, chlorite schists and sandstone. The Mauritanides are affected by overturned and recumbent folding with overthrusting and late Proterozoic and Variscan metamorphism.

The Kédougou-Kéniéba inlier is bounded to the west by the Mauritanides, and on all other sides by the Upper Proterozoic and Cambrian sedimentary units of the Taoudenni Basin. The Kédougou-Kéniéba Inlier is interpreted to be an accretion of northeasterly-trending Birimian volcano-sedimentary terrains. The inlier is divided into three main stratigraphic units from west to east: the Mako Supergroup, the Diale Supergroup and the Daléma Supergroup: The Mako Supergroup occurs in a northeasterly-trending tectonic zone, turning to northwest near Mali border in the north. Lithologies include basalt flows; commonly with carbonate alteration and minor volcanoclastic intercalations, high-Mg basalts or komatiites, andesitic rocks, greywackes, ultramafic sub-volcanic intrusions (pyroxenites) and numerous massive biotite and amphibole granitoids (GI) dated between 2200–2198Ma. These granitoid intrusions are thought to be the thermal driving force for mineralising magmatic fluids responsible for mineralisation in the Kédougou-Kéniéba inlier. The Mako Supergroup hosts the Sabodala deposits, located in an area of intense shearing and silicification associated with pyritic gold mineralisation.

The Diale Supergroup, located between the Mako Supergroup and the western edge of the Saraya granite, has undergone low-grade metamorphism. It includes extensively folded formations, deposited after those of the Mako Supergroup and consisting of mafic rocks, red jaspers, conglomerates, marbles, schists and mica schists. This mafic-andesitic-felsic volcanic arc sequence has been intruded by granitoids dated 2160-2130 Ma (GII), pre-dating the main Birimian deformation event.

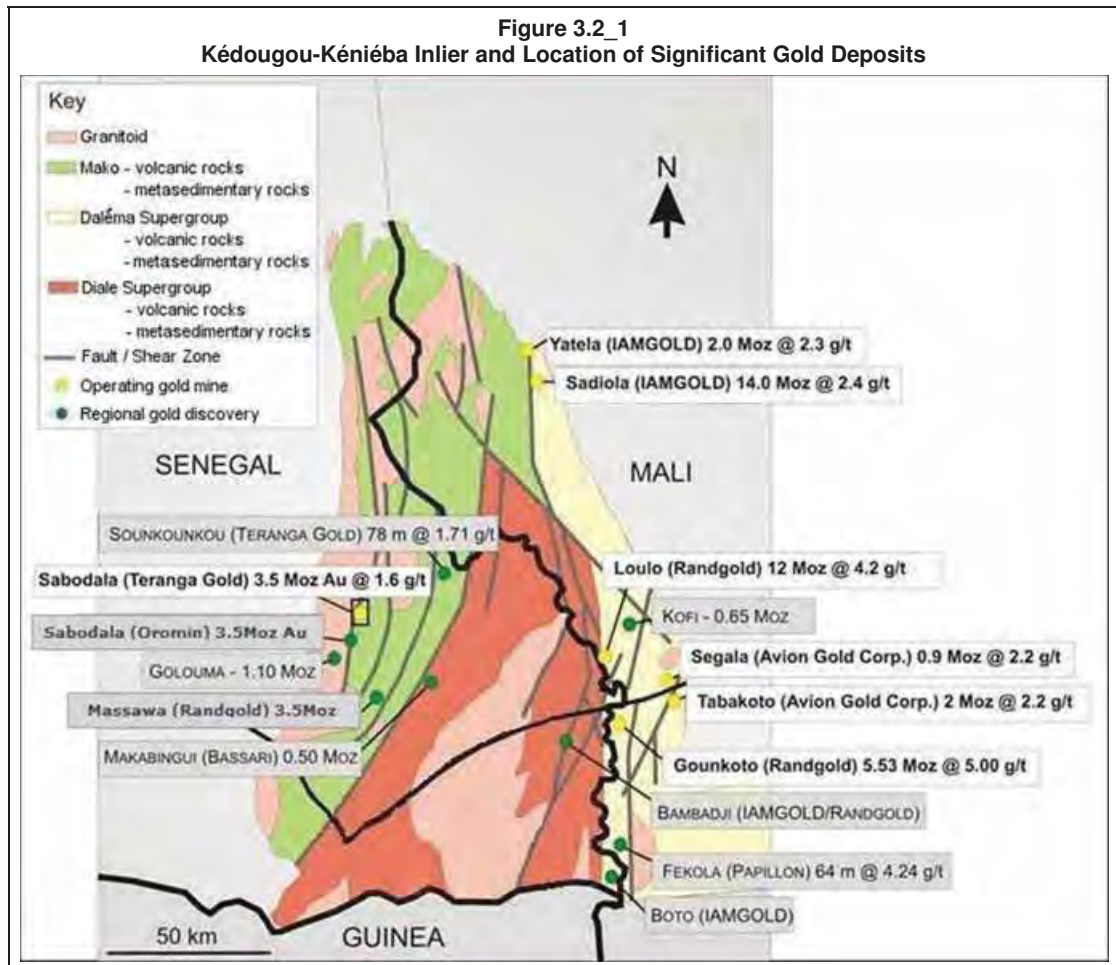
The Daléma Supergroup, located between the Saraya granite and the Falémé River, continues into Mali in its eastern part but disappears in the south under the Segou Madina Kouta Series. It is composed of volcano-sedimentary schists, conglomerates and greywackes. Late granitic plutons (GIII), concordant to the regional foliation have intruded the sequence during the Paleoproterozoic Eburnean Orogeny (2000-1800Ma).

The large Saraya batholith intruded the Lower Proterozoic sequences and is a composite body consisting of several plutons and diapirs.

There appear to be two structures which host the major gold deposits. In Senegal, the main structure is the Senegal-Tambo Shear Zone (also called the Main Transcurrent Shear Zone; MTZ), and in Mali the main structure is the Senegal-Mali Shear Zone (SMSZ). These two structures are close together or possibly coalesce near the Sadiola mine.

3.2 Regional Metallogeny of the Precambrian Basement

The Senegalese portion of the Birimian is a highly mineralised belt with significant interest from major gold miners and juniors at both the exploration and production level. The Kédougou-Kéniéba Inlier is endowed with over 30Moz of gold in resources. Two main zones of mineralisation have been identified. Geological studies suggest that mineralisation in the prospective Sabodala volcano-sedimentary belt and the Senegal-Mali Shear Zone is associated with an altered and sulphidised gabbro, which has intruded along the main structure, and typical shear zone-hosted mineralisation along the contact between a package of volcanoclastic and sedimentary rocks. A lapilli tuff acts as a prominent marker horizon in the hanging wall of mineralisation.



A summary of some of the major deposits in the region is given below:

- Sabodala mine (Mineral Deposits Ltd; Figure 3.2_1) is currently the only operating gold mine in Senegal. The operation comprises an open pit with a maximum planned depth of 230m, and a mill with nominal throughput capacity of 2.0Mt pa targeting 150koz pa gold production for 10 years. The company has flagged a mill expansion to initially 3.5mtpa and potential underground development gold (28.8MT @ 1.41g/t Au Measured and 13.4Mt @ 1.34g/t Au Indicated and 7.3Mt @ 1.2g/t Au Inferred above a 0.3g/t Au lower cutoff. Source: September 2010 NI 43-101 Report²).
- Loulo (Randgold) is an operating mine in West Mali, just across the border with Senegal. The operation consists of a large open pit and underground operation with production of >300koz Au pa and LOM to 2030. Grades at the open pit are approximately 3.2g/t with grades increasing to 4-5g/t Au in the underground operation (source: www.randgoldresources.com²).

² Coffey Mining has not independently reviewed the resources and reserves of the gold deposits and mines owned by other companies in the region. These figures have been included as a general guide as to the gold endowment in the region. The figures of mineral resources and reserves quoted in this report were compiled from various publicly available sources and reports. It is reasonable to consider that the NI-43101 and SAMREC resources and reserves for these other companies discussed in the text are applicable to JORC reporting standards.

- Sadiola (AngloGold & IAMGOLD) is an operating mine in West Mali, just across the border with Senegal. The operation consists of five open pits with production of >450koz Au pa. Grades are approximately 2.7-3.4g/t. The mineral resources has been reported measured and indicated 43.7Mt at 2.2g/t containing 3.166Moz gold, plus inferred 144.3Mt at 1.8g/t containing 8.137Moz gold (source: IAMGold's NI 43-101 report 2004²).
- Tabakoto (Avion) is an open pit mine located in West Mali, just across the border with Senegal. The operation has a 700kt pa mill, producing 100koz in 2009 and is looking to ramp up to 200koz from 2012. Avion is looking to test the deposit at depth for potential underground opportunities.
- The OJVG Gold Project (Oromin) comprises nine deposits, including five deposits at feasibility study stage (Golouma South, Golouma West, Masato, Kerekounda and Kourouloulou) and four prospects at exploration stage (Niakafiri SW, Niakafiri SE, Maki Medina and Kobokoto). The current resource endowment is 3.7Moz of gold. For the Masato, Golouma, Kerekounda and Kourouloulou deposits, the combined estimated resources are: Indicated 48.28Mt at 1.63g/t and Inferred 4.64Mt at 2.11g/t; and for Niakafiri SE, Niakafiri SW, Kobokoto and Maki Medina deposits, the combined reported resources are: Measured 1.4Mt at 0.97g/t, Indicated 19.2Mt at 0.69g/t and Inferred 7.04Mt at 0.53g/t (Source: NI43-101 Technical Report dated May 2011²).
- Massawa (Randgold) contains a endowment of 3.38Moz (37Mt @ 2.65g/t Indicated and 2.4Mt @ 3.92g/t Au Inferred above a 0.5g/t Au lower cutoff (source: www.randgoldresources.com²). A prefeasibility study has reported with potential for a 1.8Mt pa plant producing 225koz pa.

4 ERIN'S GOLD PROPERTIES

Erin has seven exploration permits in joint ventures with one of three partners on those properties; Table 4_1 summarises the tenure of the seven licences.

Figure 4_1 shows the geological settings of the tenements. Bouroubourou, Woyé, Wassadou North and Wassadou South are in the Mako Supergroup which also hosts the Sabodala and Massawa gold deposits. Balakonko is situated in the contact of the Diale Supergroup and the northwestern side of the Saraya granitoid intrusion. The Lingokoto tenement, adjacent to the Balakonko tenement in the southeast, straddles the contact between the Daléma Supergroup and the southeastern side of the Saraya granite. The Daléma Supergroup also hosts the Garabouréya South tenement and the Loulo gold deposit in Mali.

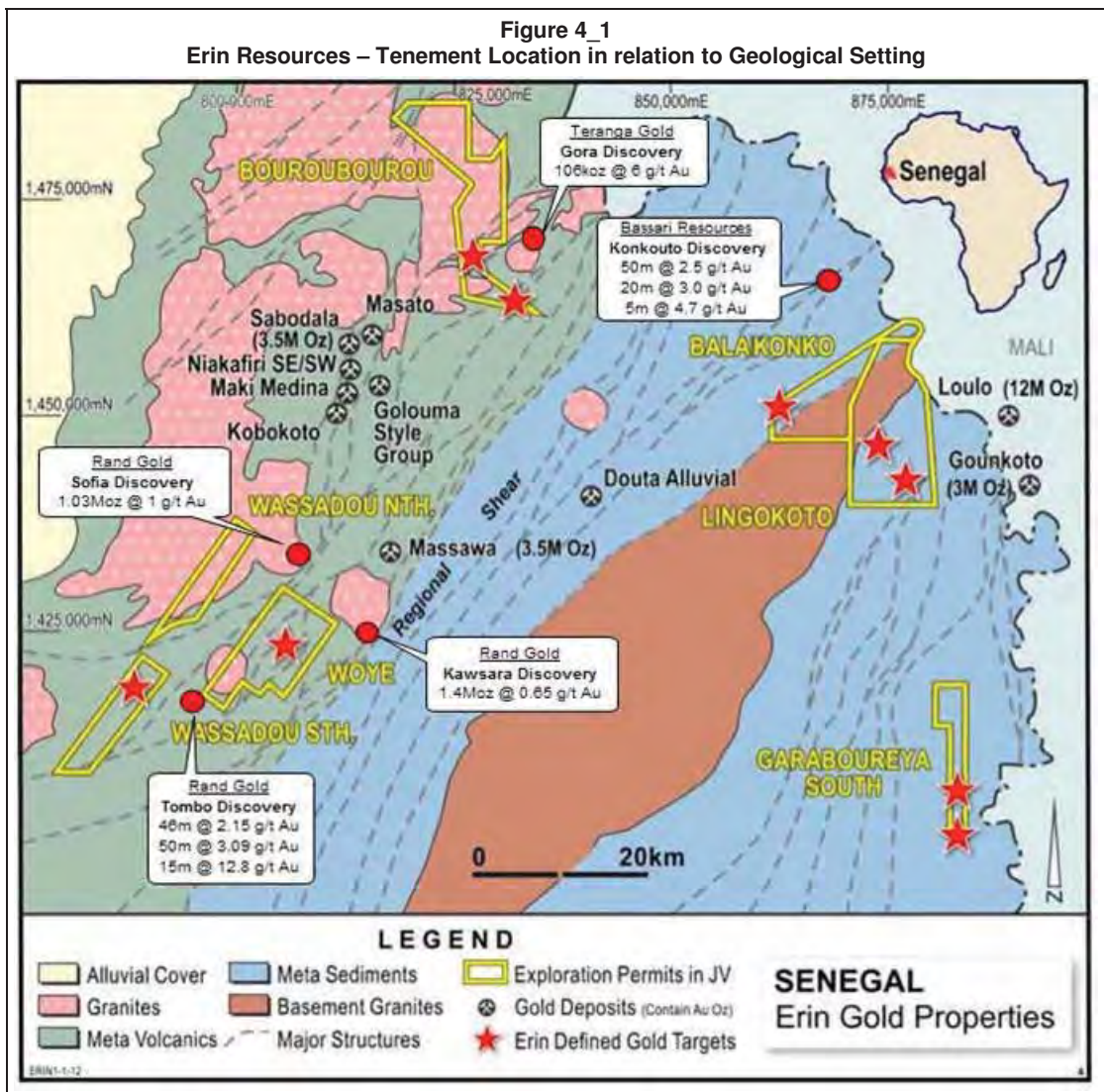


Table 4_1
Erin Mineral Resources - Tenement Schedule

Tenement	Area (km ²)	JV with	Tenement Expenditure (USD)	Erin Ownership of Projects*	Licence Number	Issued Date	Expired Date (3 yr term)
Bourbourou	121.3	AfriGem	690,000 (355,000,000 FCFA)	80%	10332	01 Dec2010	30 Nov2013
Lingokoto	157	AfriGem	690,000 (355,000,000 FCFA)	80%	10333	01 Dec2010	30 Nov2013
Woyé	94.45	MRC	\$1,000,000	80%	01814	26 Feb2010	25 Feb2013
Balakonko	83.8	MRC	\$1,000,000	80%	07787	13 Aug2009	12 Aug2012
Garabouréya South	52.2	MRC	\$1,000,000	80%	07786	13 Aug2009	12 Aug2012
Wassadou North	52.4	SODEMINES	\$1,223,000	77.5%	000852	01 Feb2012	31 Jan2015
Wassadou South	52.4	SODEMINES	\$1,223,000	77.5%	012907	18 Nov2011	17 Oct2014

* The Government of Senegal may have a free-carried interest of 10% of the final projects; accordingly Erin's ownership would be diluted on a pro-rata basis.

5 WOYÉ EXPLORATION LICENSE – MRC JV-1

5.1 Project Introduction

The Saraya Project is made up of three exploration permits; Woyé, Balakonko and Garabouréya South. The Woyé exploration permit 01814 covers an area of 94.45km². The Permit was granted to Mining Research Company SL (MRC) on 26 February 2010 and is due for renewal on 26 February 2013. The tenement is located some 30km north of Kédougou and 35km along strike to the south of the Sabodala Gold Mine and the Massawa deposit (Figure 4_1).

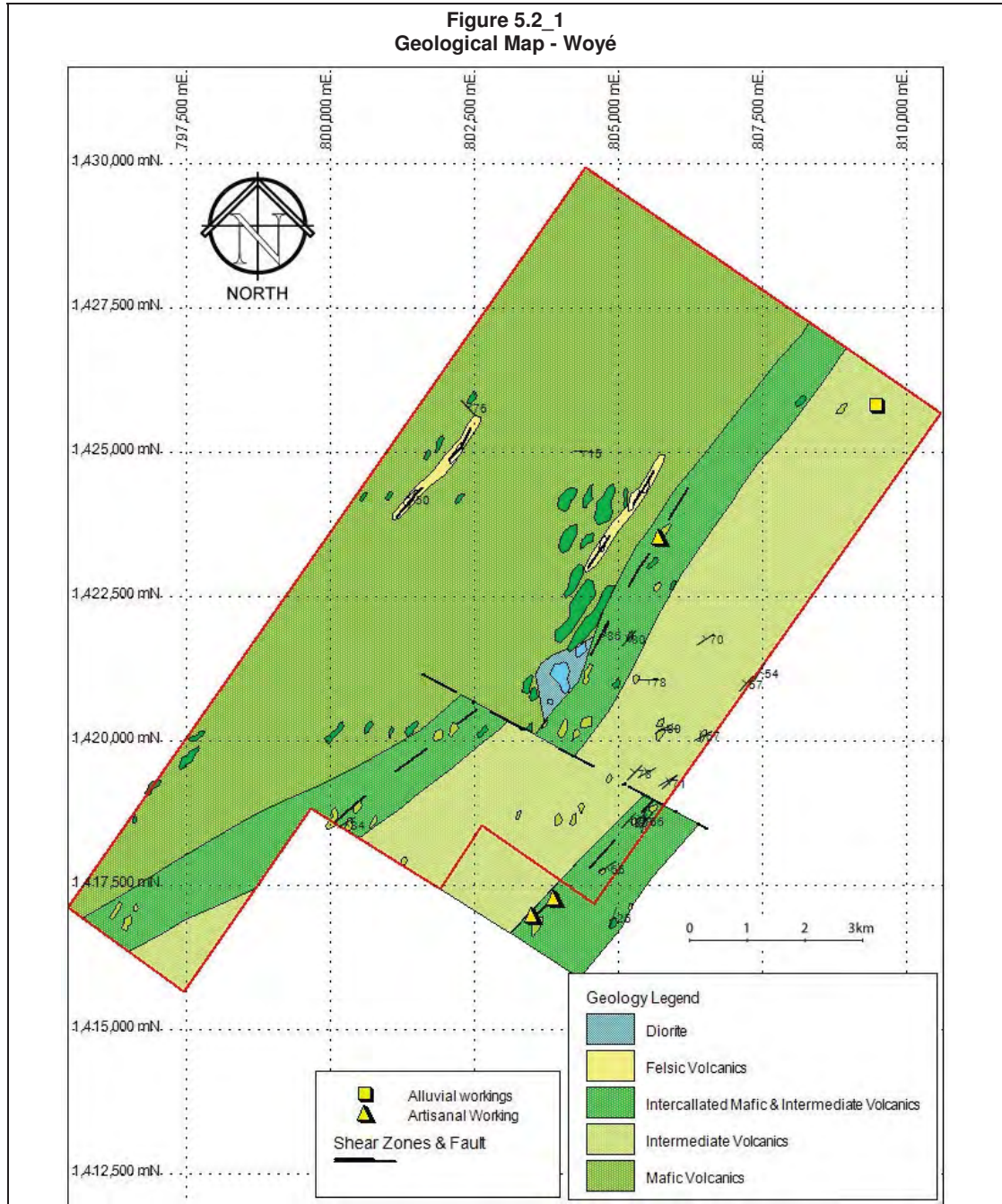
Erin has the right, pursuant to the terms of a joint venture agreement with MRC, to acquire an 80% interest in the exploration permits. Under the terms of agreement, Erin is required to meet as sole contributor, all exploration expenditure until completion of a bankable feasibility study. The tenement is defined by coordinates projected to UTM WGS 84 Zone 28N (Table 5.1_1).

Points	X	Y	Points	X	Y
A	804435	1429934	E	801910	1417434
B	810600	1425666	F	799662	1418831
C	804582	1417177	G	797457	1415645
D	802633	1418541	H	795443	1417103.42

5.2 Project Geology and Mineralisation

The tenement is located within the Kédougou-Kéniéba Inlier. Regional geological maps indicate it is mostly underlain by ultramafic to intermediate volcanic rocks of the Mako Supergroup. Woyé is in the same geologic terrain as the Sabodala mine and appears to straddle the same structure that hosts mineralisation at Sabodala. The main mapped units on Woyé were felsic volcanic, intermediate volcanic, and mafic volcanic rocks intruded by diorite. The rocks generally show a NE-SW strike with low and high dips to the east and west. Shear zones were identified predominantly in the eastern, lower portion of the permit and correspond with the artisanal diggings encountered (Figure 5.2_1). The rocks are affected by low-grade greenschist metamorphic assemblages. Gold mineralisation is interpreted to be associated with lineaments and shear zones which mark the lithological boundaries especially in the central area of the permit.

Woyé is extensively covered by a laterite cap in the northern and south western parts of the tenement. The laterite is up to 2m thick in most places. The residual soils generally occupy the topographic lows on plan.



5.3 Exploration

The area was previously held by Randgold who undertook rock chip sampling, soil sampling and very limited drilling in some areas of the permit. Erin has conducted due diligence work on this tenement, including desktop study on government magnetic and radiometric data; field geological and regolith mapping and interpretation of the results of the soil geochemical survey conducted by Erin in 2011 have also been carried out.

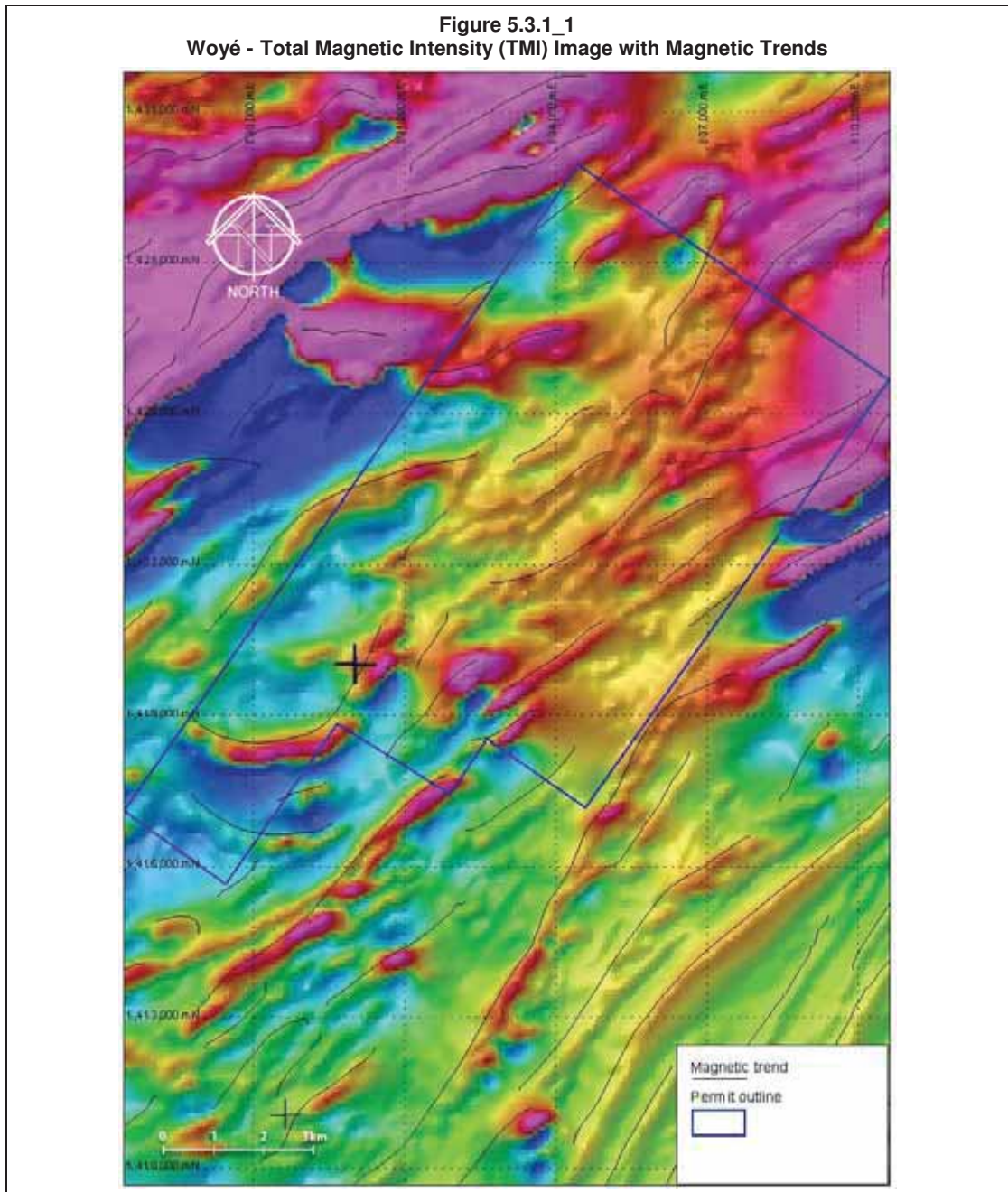
The main controls for gold mineralisation are interpreted to include (i) gold mineralisation is related to mafic volcanic sequences, and (ii) the distribution of the gold soil anomalies is related to NNE-SSW-trending magnetic features.

5.3.1 Geophysical Surveys

The permit was studied with available Government magnetic and radiometric geophysical data. The purpose of this was to identify any major structures and lithology that can be related to gold anomalies and to determine whether such structures can be related to other multi-element anomalies.

Magnetics

The analysis of the magnetic data of the area (Figure 5.3.1_1) shows a significant numbers of NE-SW trending structures. The magnetic data also indicate that about 60% of the entire permit is covered in iron-rich laterite, as represented as magnetic highs with shades of purple and red.



5.3.2 Geochemical Survey

The regional soil sampling programme identified a linear gold anomalous zone, over 4km long, associated with artisanal workings (Figure 5.3.2_1). Artisanal workings were visited in eastern central part of the tenement (Figure 5.5.1_1). The miners are mining a vein on the crest of a hill in pits 1-3m deep and on the flanks of the hill in pits approximately 0.5m deep. Gold mineralisation was being extracted from these workings from altered volcanic rocks with thin veins a few centimetres wide. Processing is carried out in the nearby village. Grades in the mined material are reported to be up to 7g per 50kg (140g/t Au).

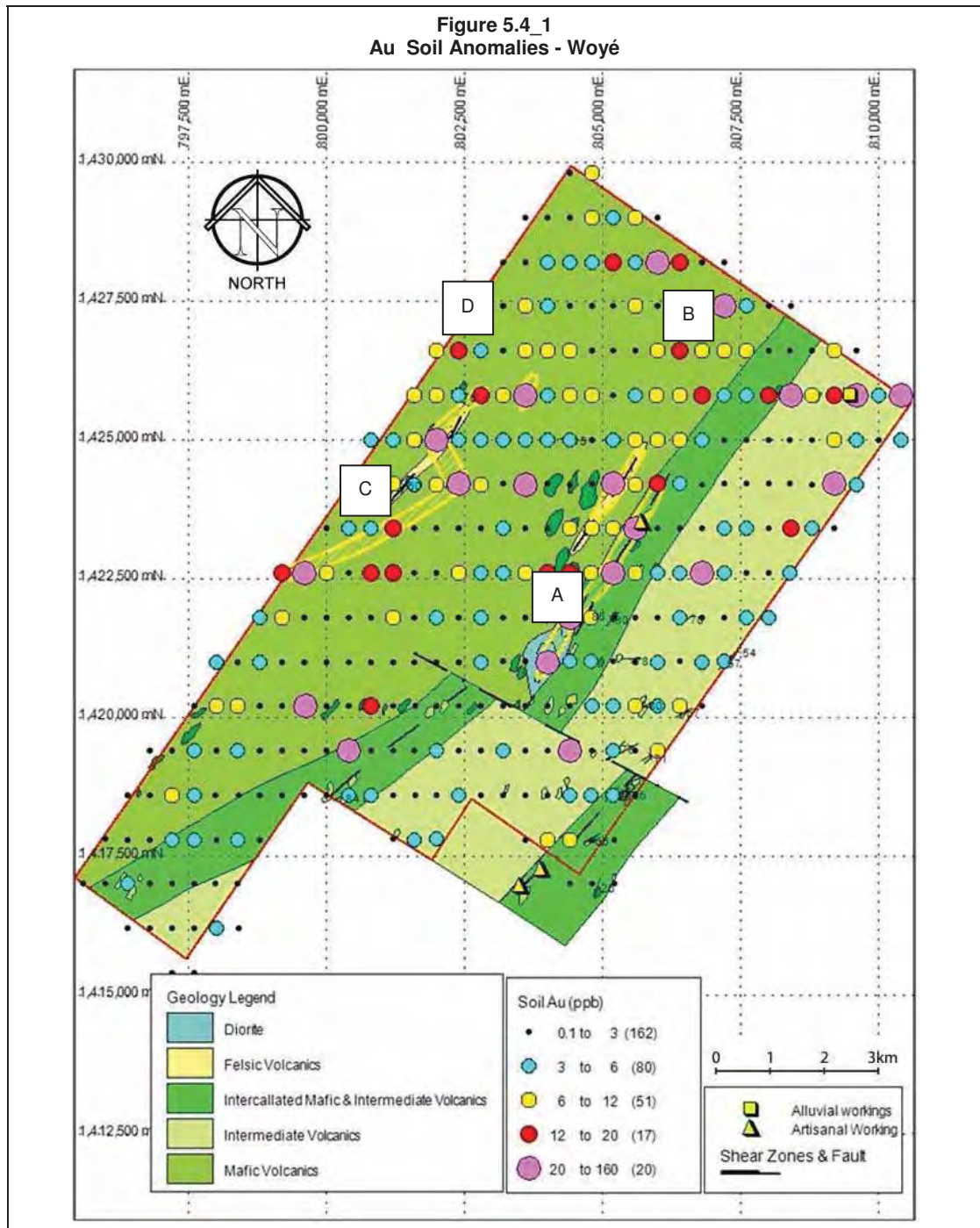
Figure 5.5.1_1
Covered Artisanal Workings at Woyé



Soil sampling was carried out on a 400m x 800m grid and 330 field samples were collected. A further 37 samples were inserted for QAQC purposes. Samples were collected from the ferruginous horizon usually at a depth of about 0.5m, although over lateritic hard pans, the depth was shallower (0.20m-0.35m) due to the hardness of the materials. Samples were sieved to -2mm. Dry sieved samples weighing between 100 and 150g were despatched to Ultra Trace Laboratories in Perth, Australia, for low-level gold (LLD 0.2ppbAu) and 50 element analysis (Mn, Ni, Cu, Co, Zn, Fe, As, Pb and others). The maximum value of Au was 160ppb Au whereas the minimum was <0.1ppb.

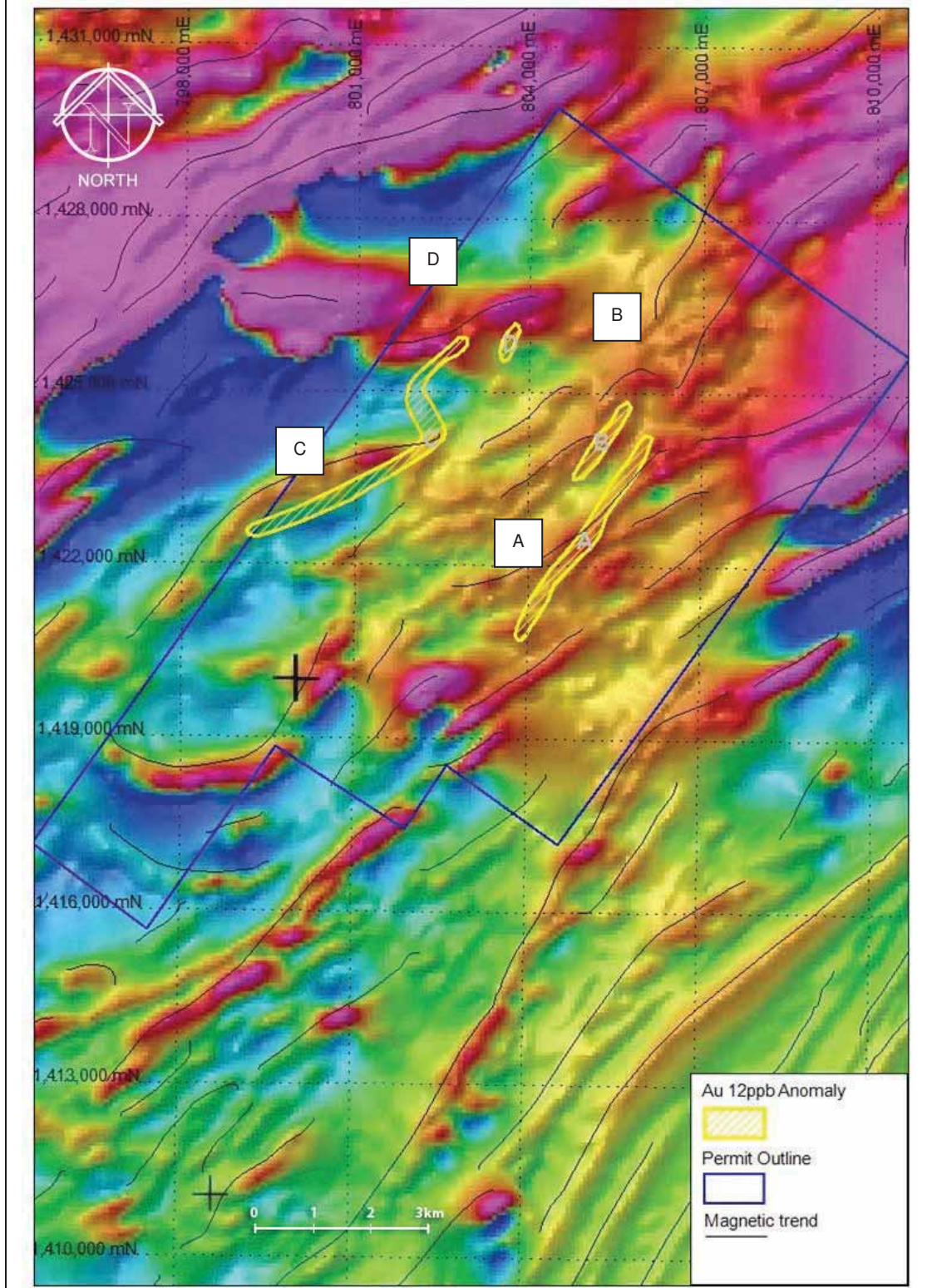
Interpretation of Exploration Results

Four Au soil anomalies have been identified using a cutoff value of 12ppb Au. The zones are labelled A, B, C and D in Figures 5.4_1 and 5.4_2. Zone A has a strike length of approximately 4km and maximum width of approximately 350m; zone B has a strike length of approximately 1.6km and maximum width of approximately 300m; Zone C has a strike length of approximately 5km and maximum width of approximately 400m, and Zone D is an isolated anomaly of 160ppb Au. The three main zones (A, B, and C) have a NNE-SSW orientation. The Au anomalies suggest structural and lithological controls and appear to be related to NNE-SSW trends in the magnetic data.



At Woyé, there is substantial laterite cover. In these areas the values normalised to Fe better define the anomalies. Where there is no laterite cover, the raw gold values are better. There does not appear to be any direct correlation between gold and the other elements. Three anomalies were mapped in the central part of the permit area. The artisanal miners are working in the northern portion of the largest and most coherent anomaly (A; Figure 5.4_2). There is evidence on a hill to the southwest that the artisanal miners are exploring other parts of the anomaly. There is a long east-west-trending linear anomaly in the northeast that is coincident with a drainage channel and probably represents alluvial material. There is a set of incoherent anomalies (C-D) in the central west that have no obvious explanation.

Figure 5.4 2
 Au-in-Soil Anomaly Plotted on TMI with Magnetic Trend of Woyé



5.4 Project Exploration Strategy and Budget

5.4.1 Exploration Strategy and Programme

The Erin exploration strategy will consist of the following phases:

- Infill soil sampling (Figure 5.4.1_1) - soil sampling will be based on six grids (Grids A1 to A6), each grid will have 120m by 40m spaced sampling lines. These grids will cover areas of previously defined gold anomalism and regions with artisanal workings. A total of 4,684 samples are expected to be taken;
- RAB drilling around the main currently identified soil anomalies (Figure 5.4.1_2) utilising 800m and 400m by 25m grids; samples will be taken as 3m composites, with any anomalous samples being resampled at 1m intervals for assay by aqua regia; 147 holes for 5,880m have been planned;
- RC drilling of identified high priority targets - his includes a zone of soil gold anomalism, and areas of current artisanal workings; RC drilling will focus on three lines with 200m line spacing. These lines will cover the area of the main artisanal workings. A total of 1,440m is initially planned. The RC sampling will be initially on 3m composites, with any 1m sampling to be carried out on any interval $> 0.1\text{g/t Au}$.
- Follow-up geological mapping and fieldwork to identify additional targets.

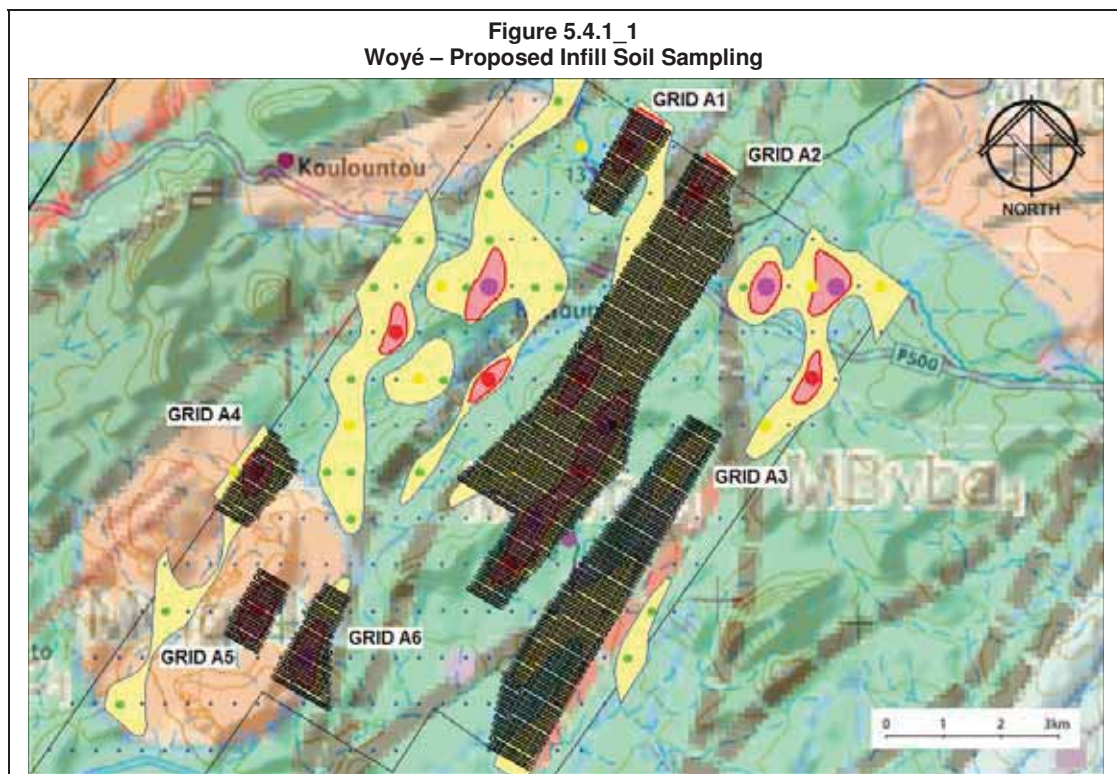
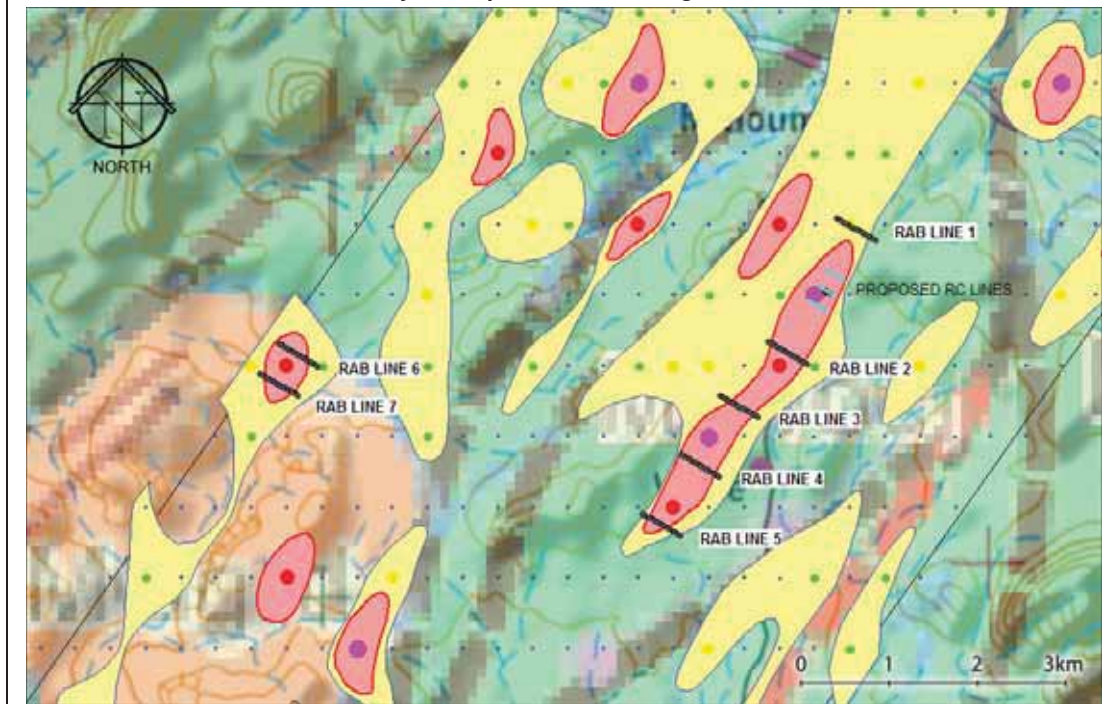


Figure 5.4.1_2
Woyé – Proposed RAB Drilling Lines



5.4.2 Exploration Budget

The budget for the next two years for Woyé and the Wassadou projects is shown in Table 5.4.2_1.

Table 5.4.2_1
Woyé and Wassadou
Proposed Two-Year Budget (\$US)

	Year 1	Year 2
Soil sampling	\$70,000	\$30,000
RAB drilling	\$176,400	-
RC drilling	\$108,000	\$120,000
Assaying	\$105,000	\$180,000
Resource studies	-	\$50,000
Exploration Staffing/Labour Costs	\$120,000	\$200,000
Total	\$579,000	\$580,000

Exploration will comprise soil sampling of the known prospects and areas of gold anomalism will be followed-up by RAB drilling to guide RC drilling to test the high-priority targets.

The proposed annual expenditure of \$579,400 and \$580,000 in Years 1 and 2 respectively, is considered to be consistent with the potential of the Woyé and the Wassadou projects, and is adequate to cover the costs of the proposed programmes.

6 BOUROUBOUROU EXPLORATION PERMIT – AFRIGEM JV-1

6.1 Project Introduction

The Bouroubourou permit 10332 covers an area of 121.3km² located some 16km northeast of the Sabodala Gold Mine and approximately 80km north of Kédougou (Figure 4_1).

Erin and AfriGem Society Limited (“AfriGem”) entered into a joint venture agreement on 17th May 2011 for Erin to earn 80% of the interest of the project.

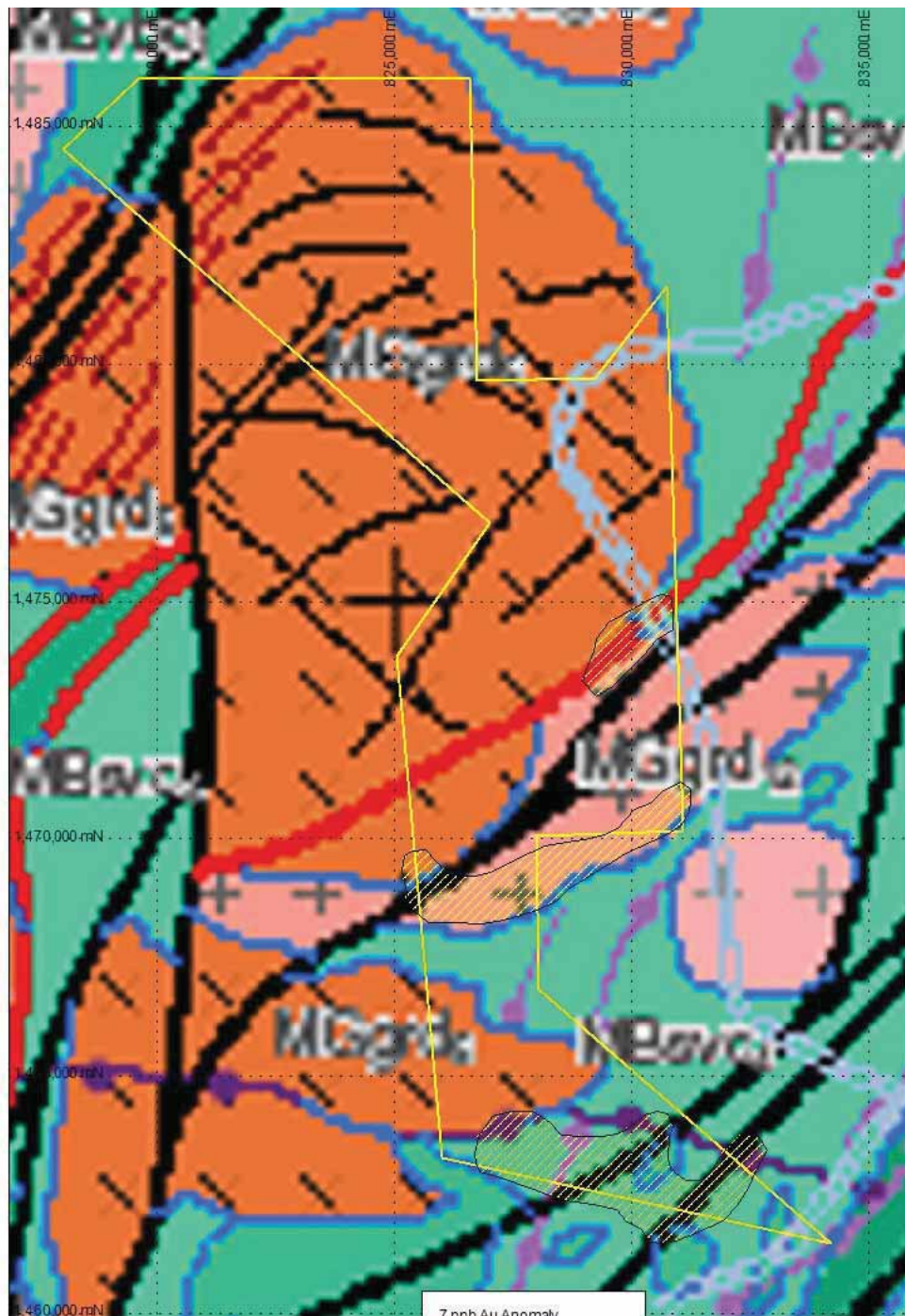
The tenement area is defined by the coordinates projected to UTM WGS 84 Zone 28N (Table 6.1_1).

Table 6.1_1 Coordinates of the Bouroubourou Exploration Permit					
Points	X	Y	Points	X	Y
A	819600	1486000	H	828045.724	1466835.75
B	826592.194	1486041.27	I	834213.911	1461747.17
C	826747.585	1479642.98	J	826005.478	1463277.18
D	829246.973	1479703.55	K	825056.526	1473857.99
E	830750.237	1481639.4	L	827023	1476654.68
F	831082.37	1470157.08	M	818011.625	1484534.44
G	827998.277	1470062.18			

6.2 Project Geology and Mineralisation

The area lies within Birimian rocks of the Kédougou-Kéniéba Inlier. The tenement is predominantly underlain by Proterozoic granite/granodiorite in the north and minor Mako Supergroup mafic volcanic rocks in the south (Figure 6.2_1). Field mapping has confirmed the presence of outcrops of both granite and basalt. Two artisanal diggings, in southern parts of the tenement, indicate the presence of gold mineralisation (Figure 6.2_2). The artisanal diggers appear to be mining quartz vein sets hosted in a shear zone. To date, two splay structures, the northern hosting extensive artisanal gold workings, have been identified. The workings are along sub-vertical quartz vein sets, central to the shear zones. The two lines of workings extend over 500m and 300m respectively, and occur along a structure which is interpreted to be the extension of the structural zone which hosts the Sabodala Mine to the south.

Figure 6.2_1
Geological Map - Bouroubourou



7 ppb Au Anomaly		ERIN MINERAL RESOURCES LTD	
Regional Geology Basalts Granite/Tonalite Complex Granite/Granodiorite Complex		Au Soil Anomaly on Geological Map of Bouroubourou	
		Date: 9/3/2011	
		Author: AC	
		Drawing: AC	
		Scale: 1:100000 Projection: UTM Zone 28 Northern Hemisphere UTM 28 S 4	

Figure 6.2_2
Artisanal Gold Mining Near Bouroubourou



6.3 Exploration

6.3.1 Work Completed to January 2012

Erin has completed regional geological and regolith mapping, together with regional soil sampling on an 800m by 800m grid. Soil sampling on the 800m x 800m grid generated 202 field samples. A further 23 samples were inserted for QAQC purposes. Samples were collected from the ferruginous, lateritic horizon at an average depth of 0.5m. They were sieved to -2mm. Dry sieved samples weighing between 100g and 150g were despatched to Ultra Trace Laboratories in Perth, Australia, for ultra-low-level gold and multi-element analysis. 58 elements were assayed including Ag, Cu and As.

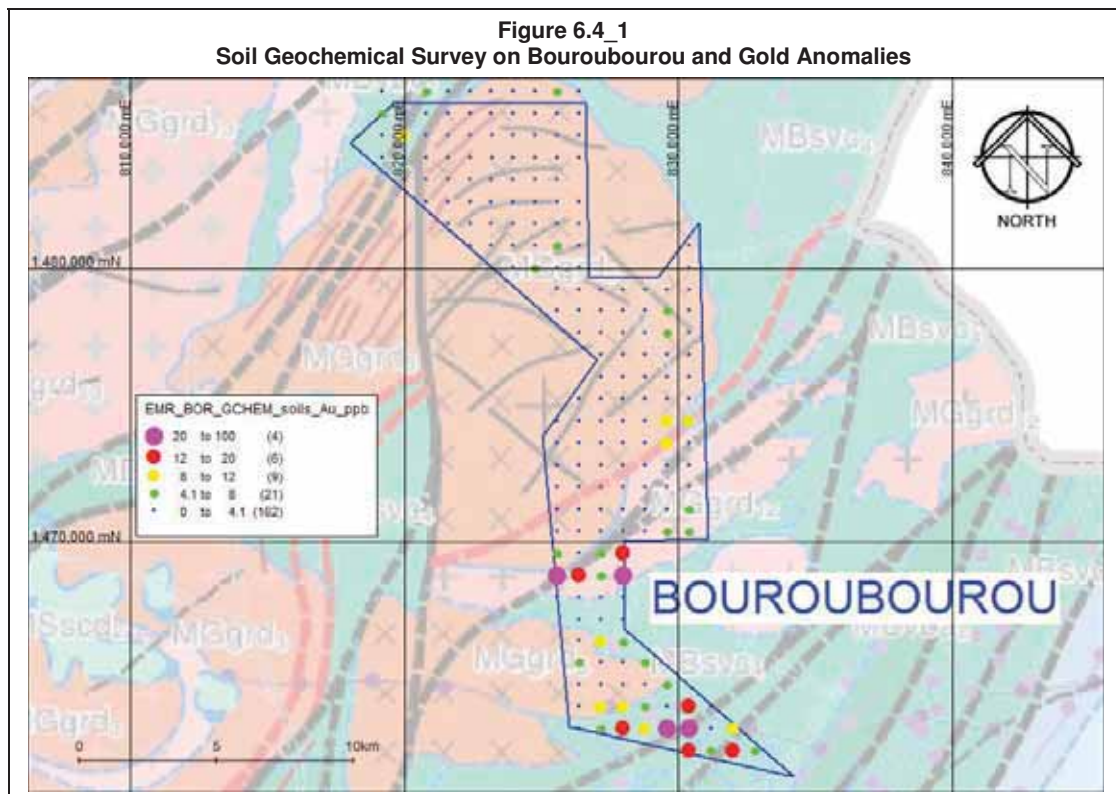
Regolith mapping indicates that most of the area comprises saprolitic soils overlying granite. The northernmost and central-southern sections are blanketed by ferruginous material which was observed to be thicker on the hills (~3m). The lowermost southern part of the tenement is covered by colluvium related to drainages.

6.3.2 Current Activities

Infill soil sampling on a spacing of 120m by 40m over the two anomalous zones has commenced, together with more detailed geological and regolith mapping over the same area. Sampling was planned to be completed by mid-February 2012 with the first assay results expected by the end of February 2012. These results are not available to Coffey Mining for this report.

6.4 Interpretation of Exploration Results

From the soil sampling, at the threshold of >7ppbAu, three gold anomalies have been identified (Figure 6.4_1), which are underlain by the Mako mafic volcanic sequences.



The small northern anomaly appears to be related to a dyke adjacent to a major shear zone. Dykes are commonly spatially associated with shear zones hosting gold mineralisation in the region and are known locally to host gold mineralisation themselves. The northern area mainly comprises saprolitic soils overlying granite. Fieldwork did not yield any surface evidence for this dyke.

The central anomaly has an anomalous halo adjacent to a granite contact with the basalts. The main artisanal diggings are to be found in this area. The artisans appear to be mining a steeply-dipping quartz vein about 0.5m wide, striking in a northeasterly direction (060°N). The central area is blanketed by ferruginous regolith.

The southern anomaly is also underlain by basalt but straddles two major shear zones which could account for the anomalism. The shear zones were not visible in the field. The southern part of the tenement is covered by colluvium related to drainages.

Interpretation of the gold anomalies in relation to underlying geology is as follows:

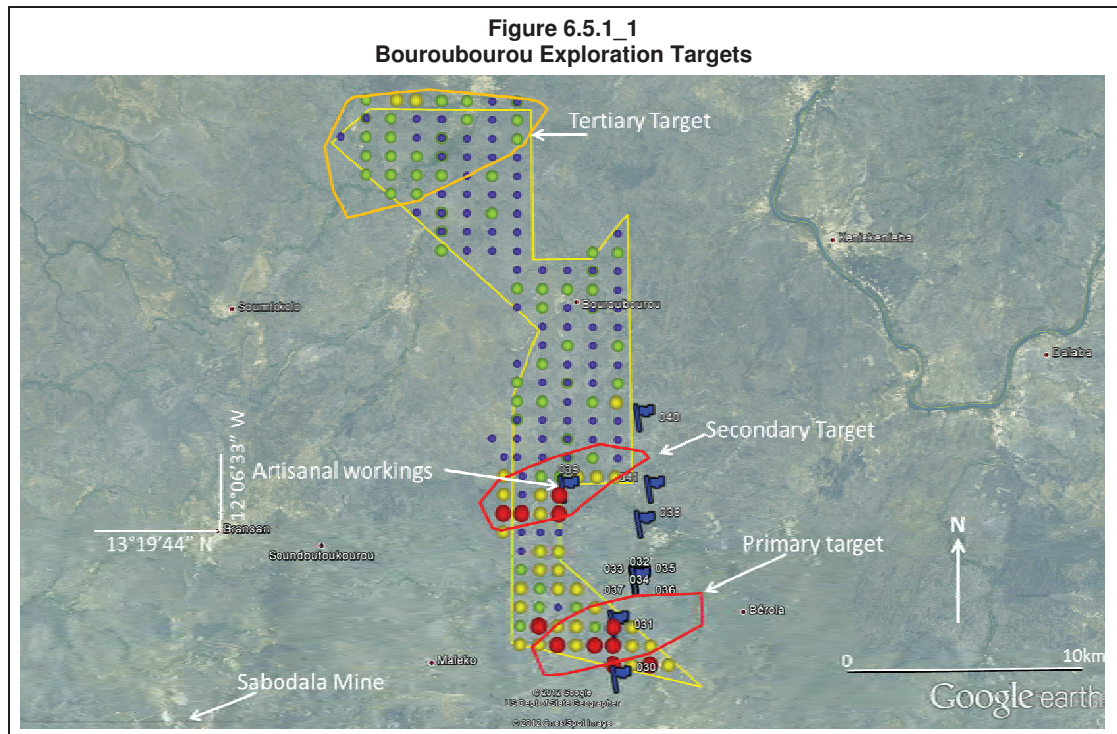
- Soil sampling indicates gold soil anomalies overlie basalts adjacent to granitic plutons and structural lineaments, implying that mineralisation along the granitic contact may be associated with shear zones.
- Gold is associated with As in the southernmost anomaly. Since artisanal mining is proceeding along one of the shear zones, it is believed that at least one anomaly is along the same strike of the quartz vein hosted gold mineralisation.
- The gold-in-soil geochemical anomalies can be interpreted as reflecting underlying shear zones and hydrothermal alteration zones.
- Based upon the results of the work completed and geological observations in the field, gold mineralisation is interpreted to be associated with two northeast-trending shear zones which occur as splays off regional structures. The first- and second-order shear zones/fault splays off regional shear zones provide favourable structural settings for the development of gold mineralisation. The mineralised zones currently each have a strike potential of around 3km and present targets for immediate follow-up by drilling.

6.5 Project Exploration Strategy and Budget

6.5.1 Exploration Strategy and Programme

Erin's aim is to quickly evaluate the anomalous gold trends identified by the regional soil sampling to generate drill targets. With the infill soil sampling over the two areas delineated expected to provide better definition of the anomalous zones, reconnaissance RAB fence drilling is then planned over the zones to quickly assess whether they have the potential to host ore grade mineralisation. RAB drilling will be based on a combination of 800m by 25m grid lines. Samples will be taken as 3m composites, with any anomalous samples re-sampled at 1m intervals for Au assay by aqua regia. In the primary target area (Figure 6.5.1_1), 124 holes for 4,960m will be drilled on two lines (assuming average hole depth to blade refusal of 40m and holes angled at -50°). At the secondary target (Figure 6.5.1_1), 86 holes for 3,440m will be drilled on three lines (assuming average hole depth to blade refusal of 40m and holes angled at -50°).

No artisanal workings were seen within the permit boundary; however, several nearby on a neighbouring property could be seen near the road. One of these is within one of the identified anomalies (Figures 6.2_2 and 6.5_1). Except for the artisanal workings near the central anomaly, there is no surface evidence of mineralisation. Of the three anomalies on Bouroubourou, (Figure 6.1_1), the southernmost is the most prospective, due to expected rock types and structures that are similar to Woyé and Sabodala. The Erin geologist has indicated that the central anomaly is prospective for a skarn-type mineralisation and additional work is warranted. The anomaly in the north is weak and the geological setting is not known to be associated with significant gold mineralisation. If time and budgets allow, an infill sampling programme should be considered before any renewal of permits, to either confirm presence or absence of mineralisation of interest.



Coffey considers that the mineralisation revealed by the artisanal workings next to the Bouroubourou permit boundary could also extend into the permitted area. The key controls for gold mineralisation are interpreted to include: (i) contact of granite intrusions and volcano-sedimentary rocks and (ii) shear zones and small-scale dykes which could be identified from geophysical data. Arsenic may be a pathfinder for gold.

The following are recommended to further better define the area of mineralisation:

- A infill soil sampling programme on the gold anomaly areas;
- Using shallow drilling (e.g., RAB) to identify the bedrock gold anomaly under the laterite cover, weathering profile or colluvium;
- The granitic intrusions and basalts should be mapped in more detail to better define the contacts; and
- Understanding of the structural control of mineralisation would greatly assist in any future follow-up work.

6.5.2 Exploration Budget

The budget for the next two years for the Bouroubourou project is shown in Table 6.5.2_1.

Exploration will comprise soil sampling of the known prospects and areas of gold anomalism will be followed-up by RAB drilling to provide future RC drilling targets.

The proposed annual expenditure of \$430,000 and \$225,000 in Years 1 and 2 respectively, is considered to be consistent with the potential of the Bouroubourou project, and is adequate to cover the costs of the proposed programmes.

Table 6.5.2_1
Bouroubourou
Proposed Two-Year Budget (\$US)

	Year 1	Year 2
Soil sampling	\$90,000	\$15,000
RAB drilling	\$70,000	\$30,000
RC drilling	-	\$50,000
Assaying	\$70,000	\$30,000
Exploration Staffing/Labour Costs	\$200,000	\$100,000
Total	\$430,000	\$225,000

7 GARABOURÉYA SOUTH EXPLORATION LICENSE – MRC JV-3

7.1 Project Introduction

Garabouréya South is one of the three exploration permits of the Saraya Project. Garabouréya South exploration permit 07786 covers an area of 52.2km², some 20km southeast of the Saraya granite (Figure 4_1). The Garabouréya South Exploration Permit was granted to Mining Research Company SL (MRC) on 13 August 2009 and is due for renewal on 12 August 2012. Erin has the right, pursuant to the terms of a joint venture agreement with MRC, to acquire an 80% interest in the exploration permits. Under the terms of agreement, Erin is required to meet as sole contributor, all exploration expenditure until completion of a bankable feasibility study.

The tenement is defined by the coordinates projected to UTM WGS 84 Zone 28N (Table 7.1_1).

Table 7.1_1 Tenement Coordinates – Garabouréya South					
Points	X	Y	Points	X	Y
A	874377.432	1435980.883	G	880111.012	1413949.623
B	880111.012	1435980.883	H	882097.848	1413949.623
C	880111.012	1426873.471	I	883672.188	1413949.623
D	874377.432	1426873.471	J	883672.188	1401050.420
E	883672.188	1418515.906	K	882097.848	1401050.420
F	880111.012	1418515.906			
G	827998.277	1470062.18			

7.2 Project Geology and Mineralisation

The Garabouréya South permit geologically overlies the Daléma Supergroup, between the Saraya granite and the Falémé River. The Daléma Supergroup is composed of volcano-sedimentary schist and greywackes, which were metamorphosed to greenschist facies assemblages. The tenement sits on a featureless laterite plateau with alluvium/colluvium along drainages.

The tenement is underlain by diorites in the north and a northeast-striking chert, below which metasedimentary rocks are bounded north and south by andesite. The outcrops mapped were not extensive and poorly exposed. The rocks generally have NE-SW orientation in the north and NW-SE orientation in the south, with steep dips to the west and east respectively. The local geology is shown in Figure 7.4_1. Gold mineralisation is inferred to be associated with NE-SW structures, especially those within the sedimentary units. The area has extensive laterite cover, which consists of a number of laterite plateaus with residual soils in lower-lying areas and alluvial soils bordering drainages.

Artisanal workings are found in the stream beds and adjacent areas. Artisanal workings are also found in the north portion near Karakéne outside the tenement boundary. Weak gold anomalism is associated with the diorite and a linear feature mapped as chert. The area was traversed during the site visit but the chert feature could not be found. Given the extensive cover it is not known if the lack of significant gold anomalies is due to the laterite cover or just lack of any underlying mineralisation.

7.3 Exploration

Erin conducted due diligence work on this tenement, including a desktop study of Government magnetic and radiometric data, field geological and regolith mapping and interpretation of the results of the 2011 geochemical soil survey.

7.3.1 Geochemical Survey

Erin has completed regional geological and regolith mapping together with regional soil sampling. The programme identified a number of gold anomalies. Soil sampling was carried out on a 400m x 400m grid and 286 field samples were collected. A further 31 samples were inserted for QAQC purposes. Samples were collected from the ferruginous horizon normally at a depth of 0.5m, although over lateritic hard pans, the depth was shallower, typically at 0.1-0.3m due to the hardness of the materials. Samples were dry sieved to -2mm.

Dry sieved samples weighing between 100 and 150g were despatched to Ultra Trace Laboratories in Perth, Australia, for low-level gold (LLD 0.2ppb Au) and multi-element analysis (Ag, Cu, Co, Zn, Fe, As, Pb and others). A maximum value of 343ppb Au was returned.

7.4 Interpretation of Exploration Results

A number of gold-in-soil anomalies are identified using a cutoff value of 20ppb Au (Figures 7.4_1-7.4_2). The gold anomalies are elongate and oriented parallel to interpreted structural trends. It is noted that:

- Gold anomalies are mainly related to structures; and
- Gold anomalies are small and related in the north to NE-SW structural trends and in the south NW-SE magnetic trends.

Figure 7.4_1
Gold Soil Anomalies – Garabouréya South

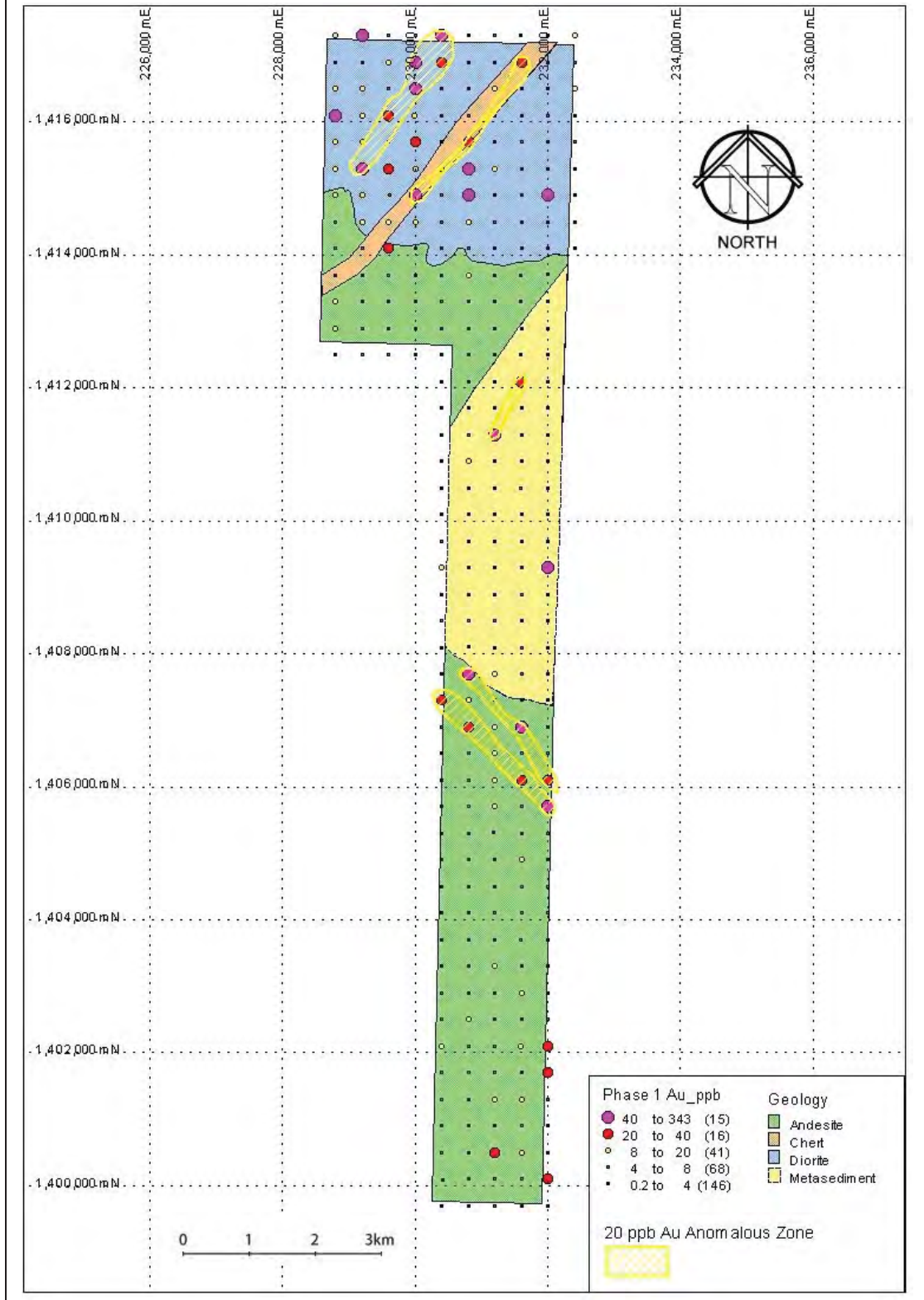
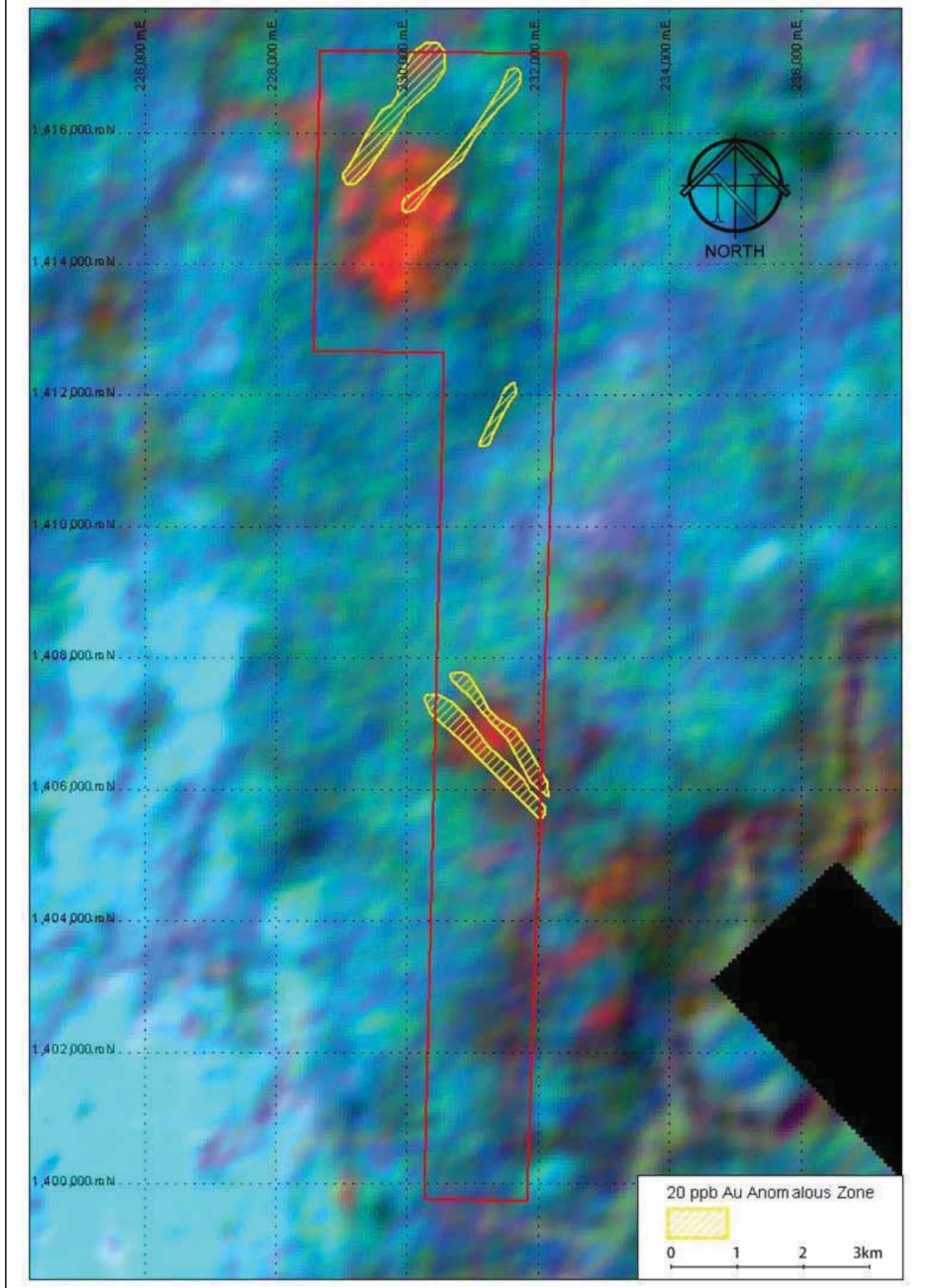


Figure 7.4 2
Gold Soil Anomalies over Radiometrics - Garabouréya South



7.5 Project Exploration Strategy and Budget

7.5.1 Exploration Strategy and Programme

Erin's aim is to quickly evaluate the anomalous gold trends identified with the regional soil sampling to generate drill targets. With the infill soil sampling providing better definition of the anomalous zones, reconnaissance RAB fence drilling is then planned to quickly assess the potential for gold mineralisation. RAB drilling will be based on a combination of 800m by 25m and 400m by 25m grid lines. Samples will be taken as 3m composites, with any anomalous samples re-sampled at 1m intervals for Au assay by aqua regia.

The following are recommended to further better define the area of mineralisation:

- Further geochemical study on gold and other elements may improve the understanding of the geochemical anomaly;
- Shallow drilling (e.g., RAB) to identify the bedrock gold anomalies under the laterite cover or colluvium; and
- Understanding of the structural control of mineralisation would greatly assist in any future follow-up work.

7.5.2 Exploration Budget

The Garabouréya South budgets are included under Balakonko (Section 9.5).

8 LINGOKOTO EXPLORATION LICENSE – AFRIGEM JV-2

8.1 Project Introduction

The Lingokoto exploration permit 10333 covers an area of approximately 157km² and is located near the border with Mali (Figure 4_1), approximately 14km west of the operating Loulo Gold Mine.

Erin has the right, pursuant to the terms of a joint venture agreement with AfriGem SL, to acquire an 80% interest in this tenement. Under the terms of agreement, Erin is required to meet, as sole contributor, all exploration expenditure until completion of a bankable feasibility study.

The tenement area is defined by the coordinates projected to UTM WGS 84 Zone 28N (Table 8.1_1).

Table 8.1_1 Coordinates of the Lingokoto Exploration Permit					
Points	X	Y	Points	X	Y
A	874069.134	1458596.07	E	880392.17	1439756.06
B	878909.601	1458621.58	F	870706.829	1439624.28
C	880210.22	1452895.05	G	870551.258	1451162.26
D	879377.026	1452722.35			

8.2 Project Geology and Mineralisation

The Lingokoto tenement lies within the Kédougou-Kéniéba Inlier, straddling the contact between the Daléma Supergroup and the southeastern margin of the Saraya granite. The Daléma Supergroup also hosts the Garabouréya South tenement and the Loulo gold deposit in Mali.

Field work confirms that some lithologies crop out and strike dominantly northeast-southwest:

- 1) Volcaniclastic and calcareous sedimentary units of the Daléma Supergroup are fine-grained altered, calcite-bearing volcaniclastic rocks.
- 2) Andesitic and volcaniclastic sedimentary rocks do not crop out but are interpreted from electromagnetic data.
- 3) Volcaniclastic rocks with chert and graphite occur in the extreme north of the permit and are very clear from electromagnetic data. This unit appears to be in faulted contact with the granite.
- 4) Muscovite granite was confirmed from numerous outcrops. The extent of the granite can be determined by the widespread distribution of grey termite hills and greyish fine-grained lateritic material.
- 5) The target is gold mineralisation in tourmaline-rich sandstones, which occur at the Loulo mine, 15km to the east.

It was also reported that raw magnetic data shows two trends of structures: approximately east-west and northeast. A composite geological and structural map was compiled from raw data, DME interpretation and field mapping by Erin geologists (Figure 8.3_1).

Loulo Gold Mine, 14km to the east, comprises four gold deposits (Gara, Yalea, Goukoto and Loulo) with significant reported resources of 63.5Mt at average gold grade 3.46g/t, containing and endowment of 8.32Moz gold (59Mt at 4.53g/t Au Measured and Indicated and 17.5Mt @ 3.18g/t Au Inferred above a 0.5g/t Au lower cutoff (source: www.randgoldresources.com). The gold deposits are hosted by tourmalinised Paleoproterozoic sandstones. They are interpreted to be the result of two successive alteration-mineralisation events. The first was the pre-concentration of gold, which was probably derived from a submarine exhalative system. The second event, which produced economic gold grades, was related to D₂.

8.3 Exploration

Work Completed to January 2012

There is no evidence for modern exploration within the permit prior to Erin's involvement. Erin has completed regional geological and regolith mapping. No artisanal workings were seen. The ground in the north is covered by ploughed fields.

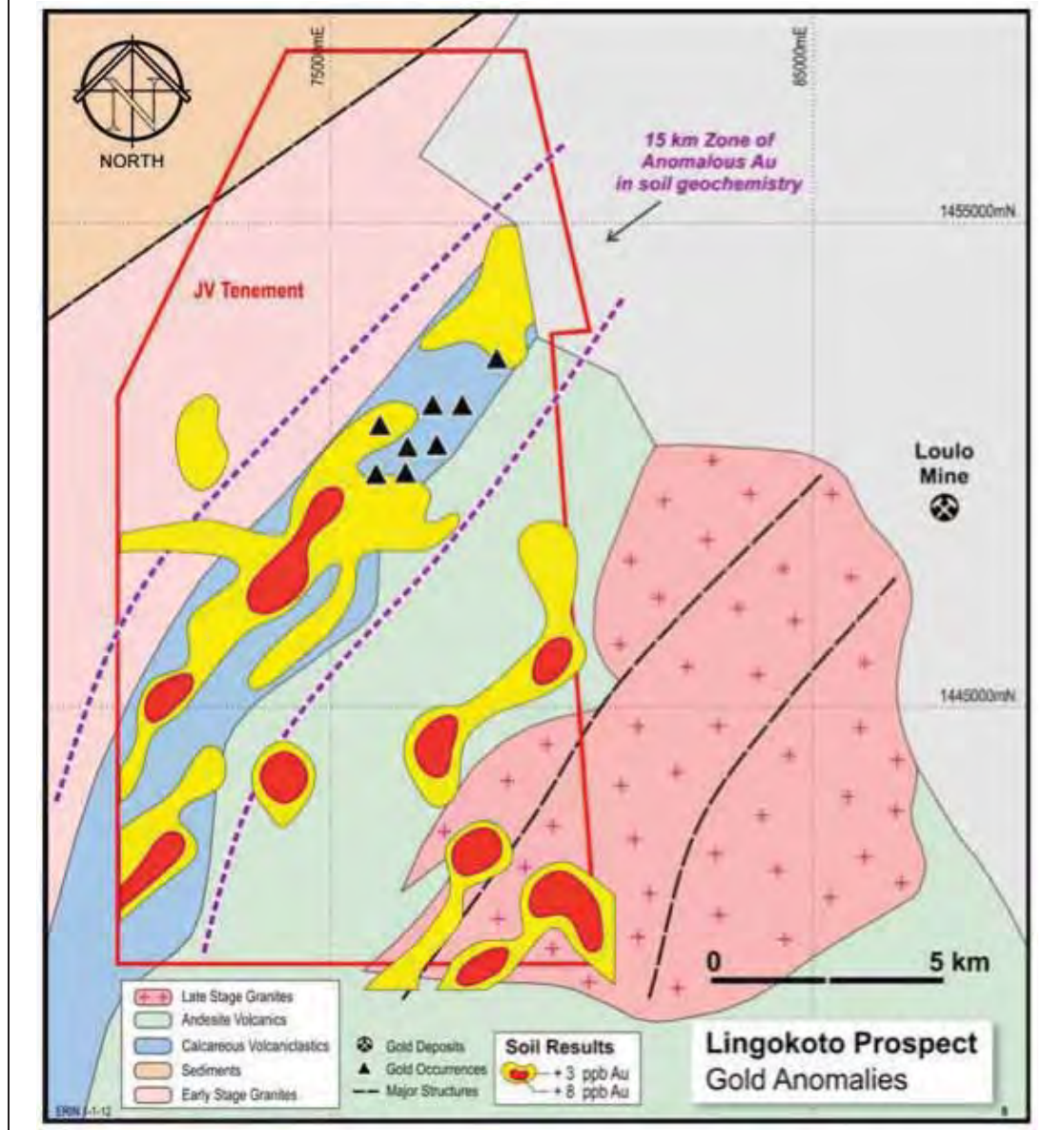
Soil sampling was carried out on an 800m x 800m grid and 275 field samples were collected. A further 31 samples were inserted for QAQC purposes. Samples were collected from the ferruginous horizon usually at a depth of 0.5m, although over granitic lithologies the depth was greater, typically between 0.5m to 0.75m. Samples were sieved to -2mm. Dry sieved samples weighing between 100 and 150g were despatched to Ultra Trace Laboratories in Perth, Australia, for ultra-low-level gold and multi-element analysis. Fifty-nine elements were assayed including Ag, Cu and As.

Thirty-one QAQC samples were inserted, comprising 15 standards and 16 duplicates, but no blanks. All standards were returned within first and second order standard deviation and were therefore deemed to be within acceptable limits. The analytical results are considered acceptable.

Several anomalous areas are indicated from the regional soil sampling programme (Figure 8.3_1). Lower-order anomalies are defined due to the thick cover that exists throughout the permit area.

Gold anomalism occurs over extensive areas of the volcano-sedimentary rocks and is crossed by northeast-trending structures. Higher concentrations of boron are coincident with gold anomalies within the andesitic volcanic rocks and calcareous volcanoclastic units. The regolith map shows the area to be mainly covered by patches of colluvial sheet materials, but this could not be verified in the field. Volcanoclastic lithologies were covered by a thick (>5m) blanket of laterite; above the granite a more siliceous bauxite-type cover had developed in places. Jones (2011) noted that gold and base metal geochemical anomalies were independent of the mapped regolith, and this trend has been observed throughout the region.

Figure 8.3.1
Lingokoto – Gold Anomalies



Current Activities

Infill soil sampling on a spacing of 120m by 40m over two zones is in progress, together with more detailed geological and regolith mapping over the same areas. Sampling was planned to be completed by mid-February 2012, with the first assay results expected by the end of February 2012. The results are not available to Coffey Mining for this report.

8.4 Interpretation of Exploration Results

The soil gold anomalies are defined by values above 3ppb Au. It is noted that the soil gold anomalies are underlain by the volcaniclastic and calcareous sedimentary units of the Daléma Supergroup. There is no correlation between Au and the other elements analysed.

Interpretation of the gold anomalies suggests:

- Soil sampling indicates that soil gold anomalies overlie calcareous volcanoclastic rocks adjacent to granitic plutons, but these are not apparently related to any structural feature.
- Erin considers that Au is associated with Cu and that gold in the soil anomalies reflects a gold skarn. This is not supported by an examination of the raw data.
- Given possible analogies to mineralisation at Loulo, the distribution of Au shows no relationship to the distribution of B anomalies; in fact, B shows little systematic dispersion, except perhaps over the granitic rocks in the southeast.

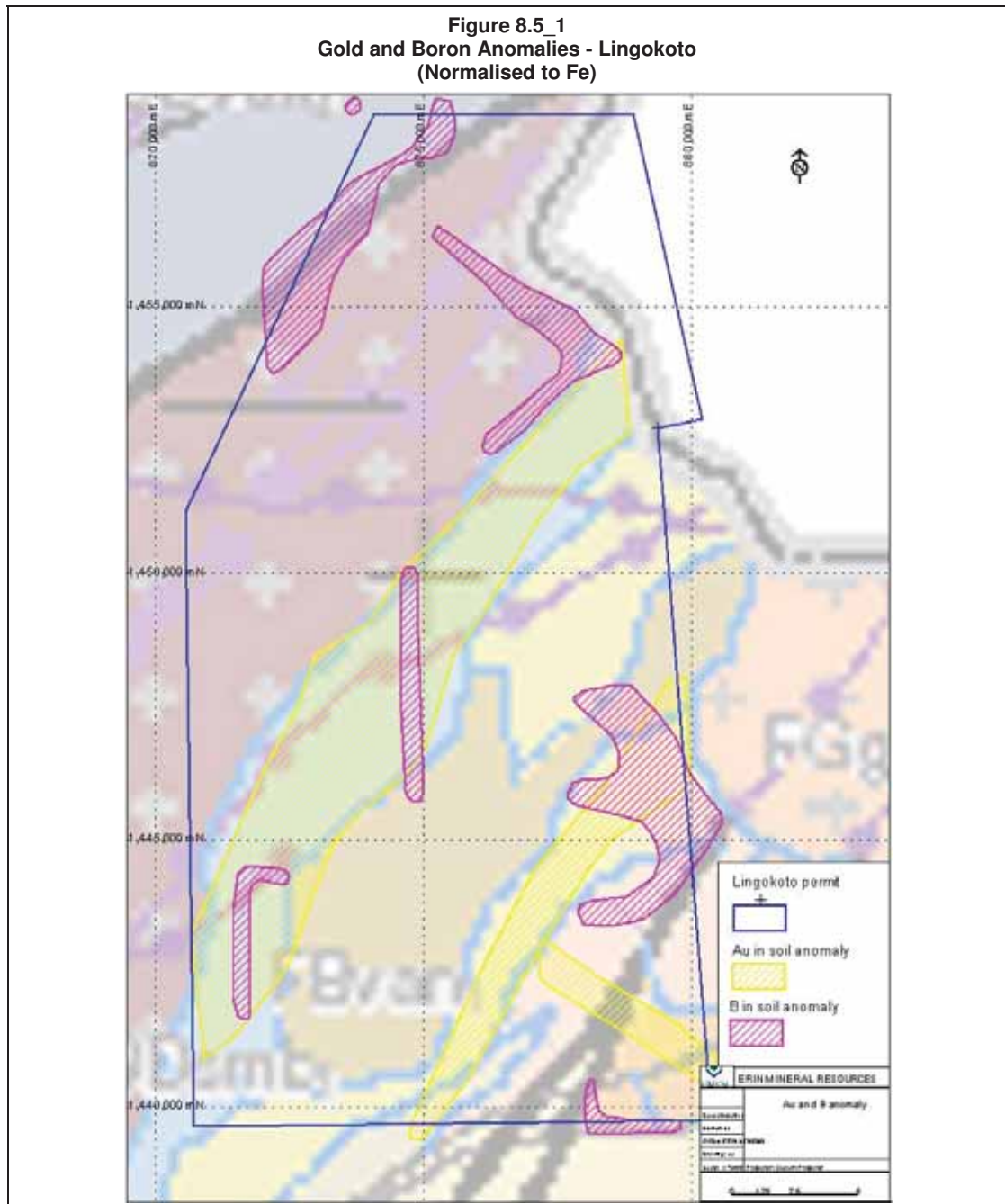
8.5 Project Exploration Strategy and Budget

Erin's aim is to quickly evaluate the anomalous gold trends identified with the regional soil sampling to generate drill targets. With the infill soil sampling providing better definition of the anomalous zones, reconnaissance RAB fence drilling is then planned to quickly assess the potential for gold mineralisation. RAB drilling will be based on a combination of 800m by 25m and 400m by 25m grid lines. Samples will be taken as 3m composites, with any anomalous samples re-sampled at 1m intervals for Au assay by aqua regia.

Two major gold anomalies were identified associated with sedimentary units. Only the northern anomaly was visited. The ground has been ploughed and no outcrop is visible. Float brought to the surface from ploughing showed the presence of barren sediments (carbonate/sandstone?) and a tourmaline-bearing rock (matrix unidentified) with sulphides (pyrite/marcasite).

Maps published in Dommanget et al. (1993) suggest the possibility of mineralisation similar to Loulo in the Lingokoto area. The presence of tourmaline- and sulphide-bearing rocks indicates that further work is warranted on the property. The boron anomalies are not coincident with the gold but the large ones appear next to areas mapped as granites (Figure 8.5_1). The northernmost boron anomaly coincides with a pegmatite mapped in the adjacent Balakonko permit (Section 9). It may be that tourmaline occurs in more than one geological setting in this area.

Coffey considers that the presence of tourmaline- and sulphide-bearing rocks indicates that further work is warranted on the property, although the boron anomalies are interpreted to be related to pegmatite and granitoid. The key controls for gold mineralisation are interpreted to include (1) the margin of granite intrusive and the metavolcanic units with pegmatitic bodies, and (2) shear zones and small-scale dykes which could be related to the presence of tourmaline.



The following are recommended to further better define the area of mineralisation:

- A infill soil sampling programme over the gold anomalies;
- Shallow drilling (e.g., RAB) to identify the bedrock gold anomaly under the laterite cover, weathering profile or colluvium profile;
- Mapping the margin of the granite and the pegmatitic bodies in more detail to better define the contacts; and
- Understanding of the structural control of mineralisation would greatly assist in any future follow-up work.

8.5.1 Exploration Budget

The Lingokoto budgets are included under Balakonko (Section 9.5_2).

It is proposed to RAB drill on a nominal 1,600m by 25m grid targeting the main soil anomalies. Since the anomalies form a linear zone, two lines will also test between soil anomalies. Assuming an average hole depth of 40m to blade refusal, it is envisaged that 110 holes will be drilled for 4,400m. Holes will be angled at -50°.

9 BALAKONKO EXPLORATION LICENSE – MRC JV-2

9.1 Project Introduction

Balakonko is one of the three exploration permits of the Saraya Project and the permit covers an area of 83.8km². The Balakonko permit (Figure 4_1) is located immediately northwest of the Lingokoto tenement, near the border with Mali, approximately 20km west of the operational Loulo Gold Mine.

The Balakonko Permit 07787 was granted to Mining Research Company SL (MRC) on 13 August 2009 and is due for renewal on 12 August 2012. Erin has the right, pursuant to the terms of a joint venture agreement with MRC, to acquire an 80% interest in the exploration permits. Under the terms of agreement, Erin is required to meet as sole contributor, all exploration expenditure until completion of a bankable feasibility study.

The tenement is defined by coordinates projected to UTM WGS 84 Zone 28N (Table 8.1_1).

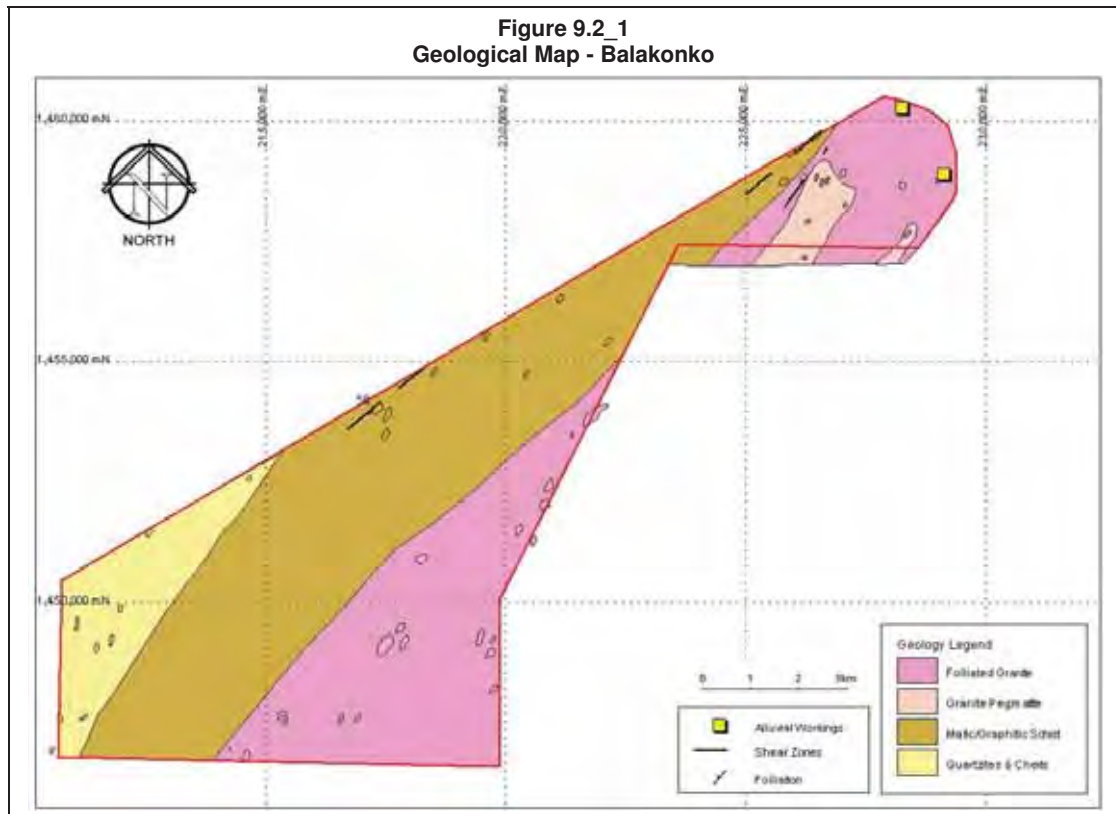
Table 9.1_1 Tenement Coordinates - Balakonko					
Points	X	Y	Points	X	Y
A	861420.217	1451318.186	D	870597.019	1451162.263
B	861420.217	1447657.076	E	874069.134	1458596.065
C	870597.019	1447657.076	F	879921.297	1462801.169

9.2 Project Geology and Mineralisation

The Balakonko property is located on the contact zone between the Saraya granite and the Diale Supergroup (Figure 9.2_1). The Diale Supergroup, located between the Mako Supergroup and the western edge of the Saraya granite is weakly metamorphosed. It principally comprises a thick sequence of bedded turbiditic sandstone, siltstone, and mudstone, as well as shale, greywacke, quartzite and volcanoclastic rocks. These sequences were deposited after those of the Mako Supergroup and have been extensively folded. Bedding in most areas dips moderately to steeply WNW.

Besides the Saraya granite, several phases of smaller intrusions have also intruded the Diale sequence. Most are small stocks and dykes. Common varieties include gabbro, quartz-feldspar porphyry, and medium- to fine-grained granodiorite. Steeply-dipping dykes typically trend northeast, shallowly oblique to the strike of bedding. They are commonly preferred hosts to gold-bearing quartz veins, generally occurring as sets of extension veins and associated with minor shear zones which cross them. The narrow N- to NE-trending shear zones vary from bedding concordant to discordant. Some are localised along felsic dykes.

No artisanal workings were observed on this tenement, main controls for gold mineralisation appear to be (i) the margin of granite intrusive and the metavolcanic sedimentary units with pegmatitic dykes, and (ii) shear zones and small-scale dykes.



9.3 Exploration

Erin has conducted due diligence work on this tenement, including a desktop study of Government magnetic and radiometric data, field geological and regolith mapping and interpretation of the results of the 2011 soil geochemical survey.

9.3.1 Geophysical Surveys

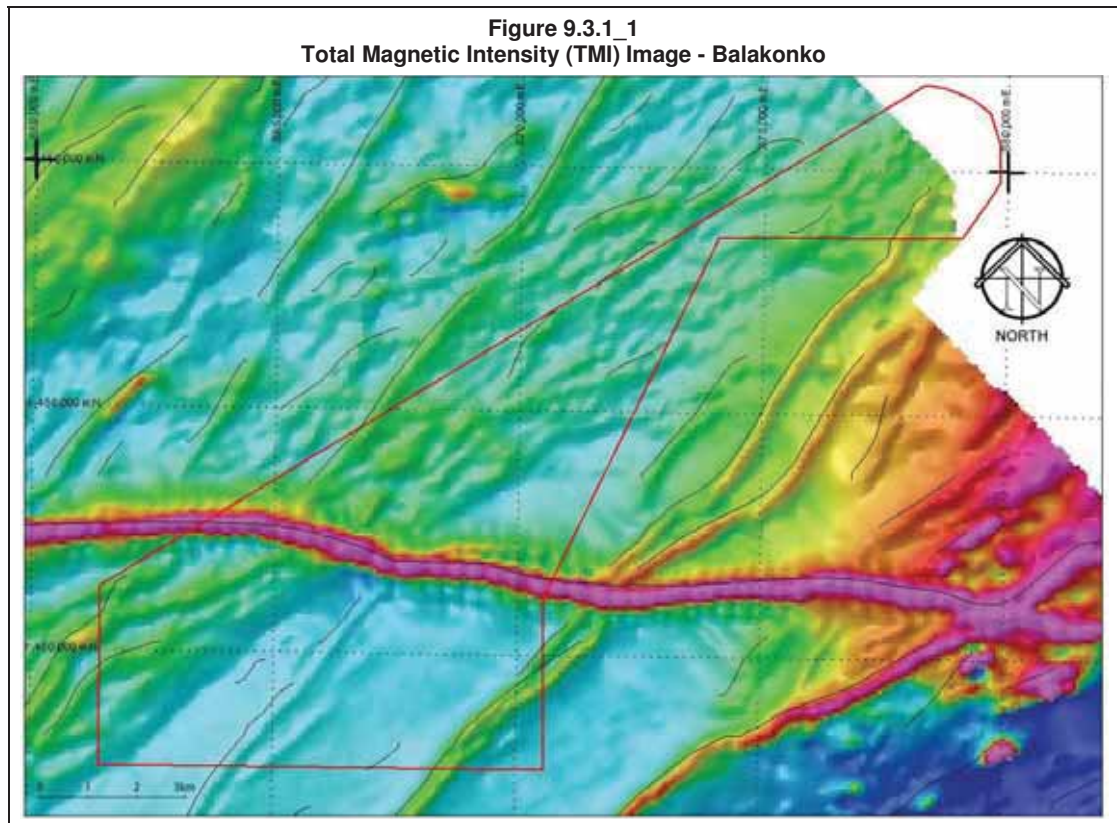
Magnetics

The magnetic data of Balakonko (Figure 9.3.1_1) shows a number of NE-SW-trending structures. The magnetic image also reveals a large E-W trending highly magnetic feature (probably a dyke). This dyke cuts all the previous NE-SW-striking structures.

9.3.2 Geochemical Survey

Erin has completed regional geological and regolith mapping together with regional soil sampling. The programme identified a number of point gold anomalies within mafic graphitic schists and quartzite/chert. Bassari Resources has had recent success in identifying a number of gold prospects in this unit and is in the process of resource definition drilling.

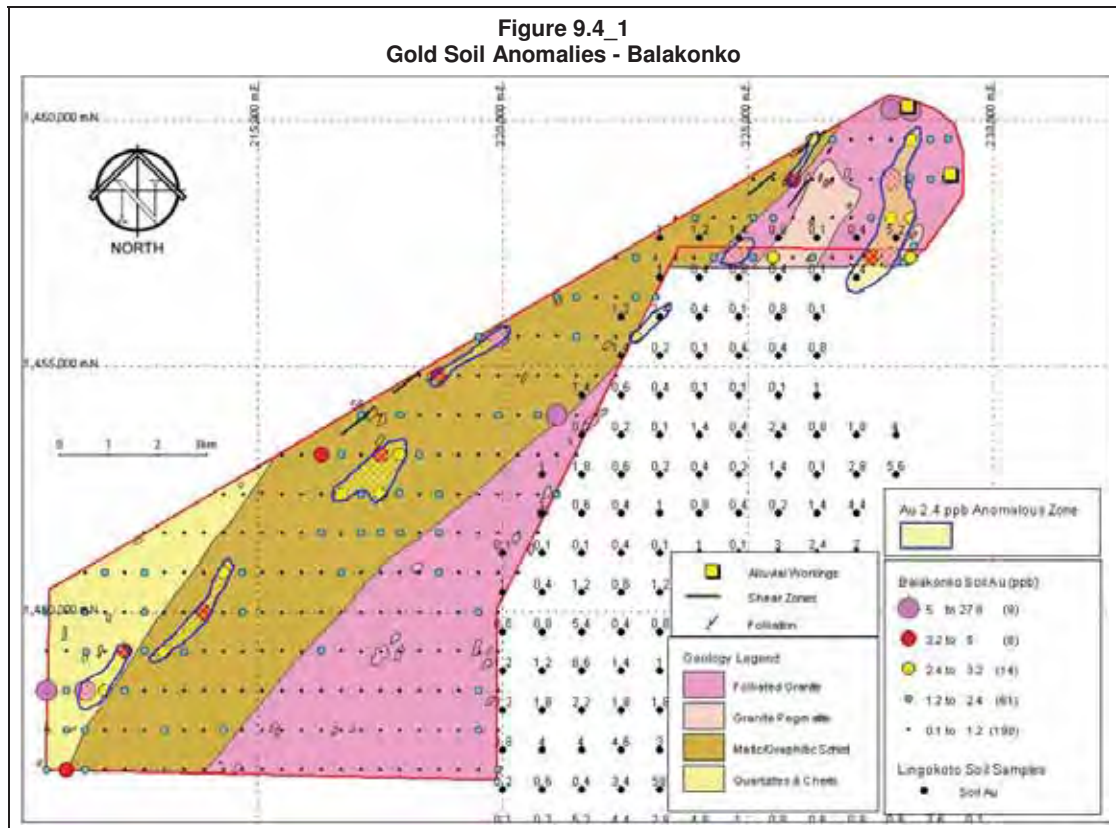
Soil sampling was carried out on a 400m x 800m grid and 289 field samples were collected. A further 16 duplicated samples and 16 blanks/standards were inserted for QAQC purposes. Samples were collected from the ferruginous horizon, generally at depths around 0.5m, although over lateritic hard pans, the depth was shallower, typically at 0.20-0.35m due to the hardness of the materials. Samples were sieved to -2mm.



Dry sieved samples weighing between 100 and 150g were despatched to Ultra Trace Laboratories in Perth, Australia, for low-level gold (LLD 0.2ppb Au) and multi-element analysis (Ag, Cu, Co, Zn, Fe, As, Pb and others). The maximum value of Au was 27.8ppb Au.

9.4 Interpretation of Exploration Results

A number of gold soil anomalies have been identified using a cutoff value of 5ppb Au. The gold anomalies are elongate, oriented NE-SW parallel to structural trends. Most of the anomalies occur over the mafic-graphitic schist unit, although the largest anomaly, in the northeastern part of the tenement, overlies foliated granite (Figure 9.1_1).



9.5 Project Exploration Strategy and Budget

9.5.1 Exploration Strategy and Programme

Erin's aim is to quickly evaluate the anomalous gold trends identified with the regional soil sampling to generate drill targets. With the infill soil sampling providing better definition of the anomalous zones, reconnaissance RAB fence drilling is then planned to quickly assess the potential for gold mineralisation. RAB drilling will be based on a combination of 800m by 25m and 400m by 25m grid lines. Samples will be taken as 3m composites, with any anomalous samples re-sampled at 1m intervals for Au assay by aqua regia.

The following are recommended to further better define the area of mineralisation:

- A infill soil sampling programme over the gold anomalies;
- Shallow drilling (e.g., RAB) to identify the bedrock gold anomalies under laterite cover and colluvium; and
- Understanding of the structural control of mineralisation would greatly assist in any future follow-up work.

9.5.2 Exploration Budget

The budget for the next two years for the Balakonko, Lingokoto and Garabouréya South projects is shown in Table 9.5.2_1.

Table 9.5.2_1		
Balakonko, Lingokoto and Garabouréya South		
Proposed Two-Year Budget (\$US)		
	Year 1	Year 2
Soil sampling	\$60,000	\$15,000
RAB drilling	\$53,600	\$20,000
RC drilling	-	\$130,000
Assaying	\$53,000	\$30,000
Exploration Staffing/Labour Costs	\$124,000	\$200,000
Total	\$290,600	\$395,000

Exploration will comprise soil sampling of the known prospects and areas of gold anomalism will be followed-up by RAB drilling to guide RC drilling to test the high-priority targets.

The proposed annual expenditure of \$290,600 and \$395,000 in Years 1 and 2 respectively, is considered to be consistent with the potential of the Balakonko, Lingokoto and Garabouréya South projects, and is adequate to cover the costs of the proposed programmes.

10 WASSADOU EXPLORATION LICENSES – SODEMINES JV

10.1 Project Introduction

The Wassadou Project is comprised of two exploration permits: Wassadou North and Wassadou South. The permits are held by Société des Mines du Sénégal (SODEMINES). The Wassadou North 000852 was granted on 01 February 2012 and is due for renewal on 31 January 2015. This permit covers an area of 52.4km² and is located along strike and to the south of the Sabodala gold mine and Oromin deposit (Figure 4_1). The Wassadou South 12907 was granted on 18 November 2011 and is due for renewal on 17 November 2014. This permit covers an area of 52.4km² and is located along strike further to the south of the Wassadou North permit (Figure 4_1).

Pursuant to the terms of a joint venture agreement with SODEMINES, Erin has the right to acquire a 77.5% interest in the exploration permits. Under the terms of agreement, Erin is required to meet as sole contributor, all exploration expenditure until completion of a positive feasibility study.

The Wassadou tenements are defined by the coordinates projected to UTM WGS 84 Zone 28.

Table 10.1_1 Coordinates of the Wassadou Exploration Permits					
Wassadou North			Wassadou South		
Points	X	Y	Points	X	Y
A	789832.971	1424159.953	A	789036	1422185
B	792880.69	1425884.78	B	791818	1420209
C	795363.007	1426765.207	C	782826	1408723
D	801876.397	1436506.874	D	779113	1408747
E	799688.431	1438020.807			

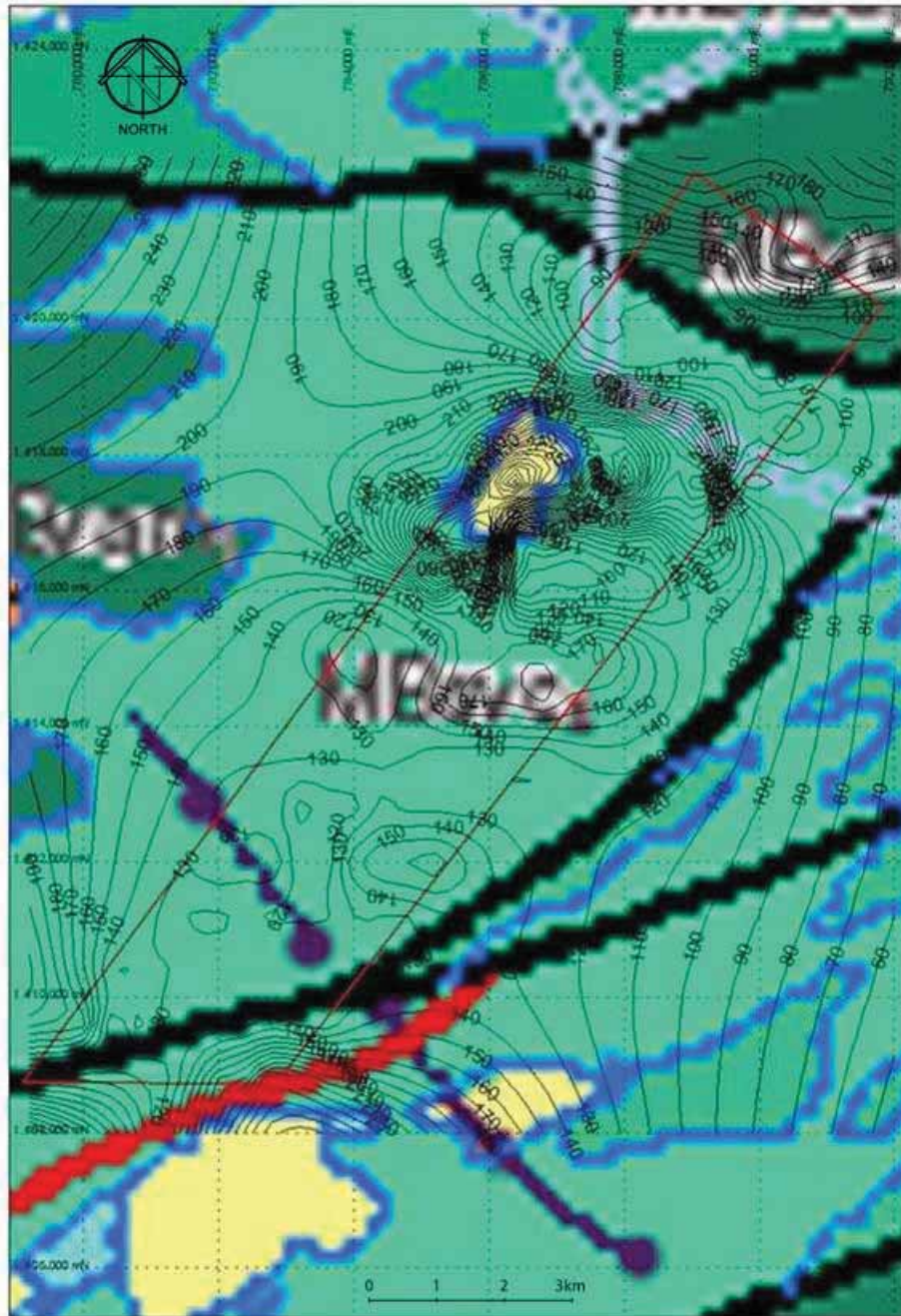
10.2 Project Geology and Mineralisation

The Wassadou project is situated in the Mako Supergroup of the Kédougou-Kéniéba Inlier, composed of mafic and minor ultramafic intrusions, felsic to intermediate volcanic rocks interlayered with sedimentary units, and granitic intrusions. The supergroup has an overall NNE-SSW orientation (Figure 4_1).

The Wassadou North permit is locally composed of granitic/intermediate intrusions which cover more than 80% of the entire tenement (orange unit in Figure 10.3.1_4). The remainder of the tenement is underlain by ultramafic complexes in the south. The rocks were affected by low-grade greenschist metamorphism. The gold potential of this tenement has been downgraded because of an apparent lack of structural settings. Any mineralisation present is considered likely to be associated with intrusive rocks. Wassadou North is extensively covered by colluvial sheet material, including clay, sand and gravel (up to boulder-size), forming low hills with moderate slopes. No artisanal workings were observed.

The Wassadou South permit is locally composed of ultramafic intrusions (dark green) and felsic to intermediate volcanic sediments (light green; Figure 10.2_1). The volcanic units have been metamorphosed at greenschist facies. Gold mineralisation may be associated with E-W and NNE-SSW-trending structures. Wassadou South is extensively covered by a laterite, especially in the south. Residual soils generally occupy the northern part of the area where there is extensive outcrop.

Figure 10.2_1
Geology - Wassadou South



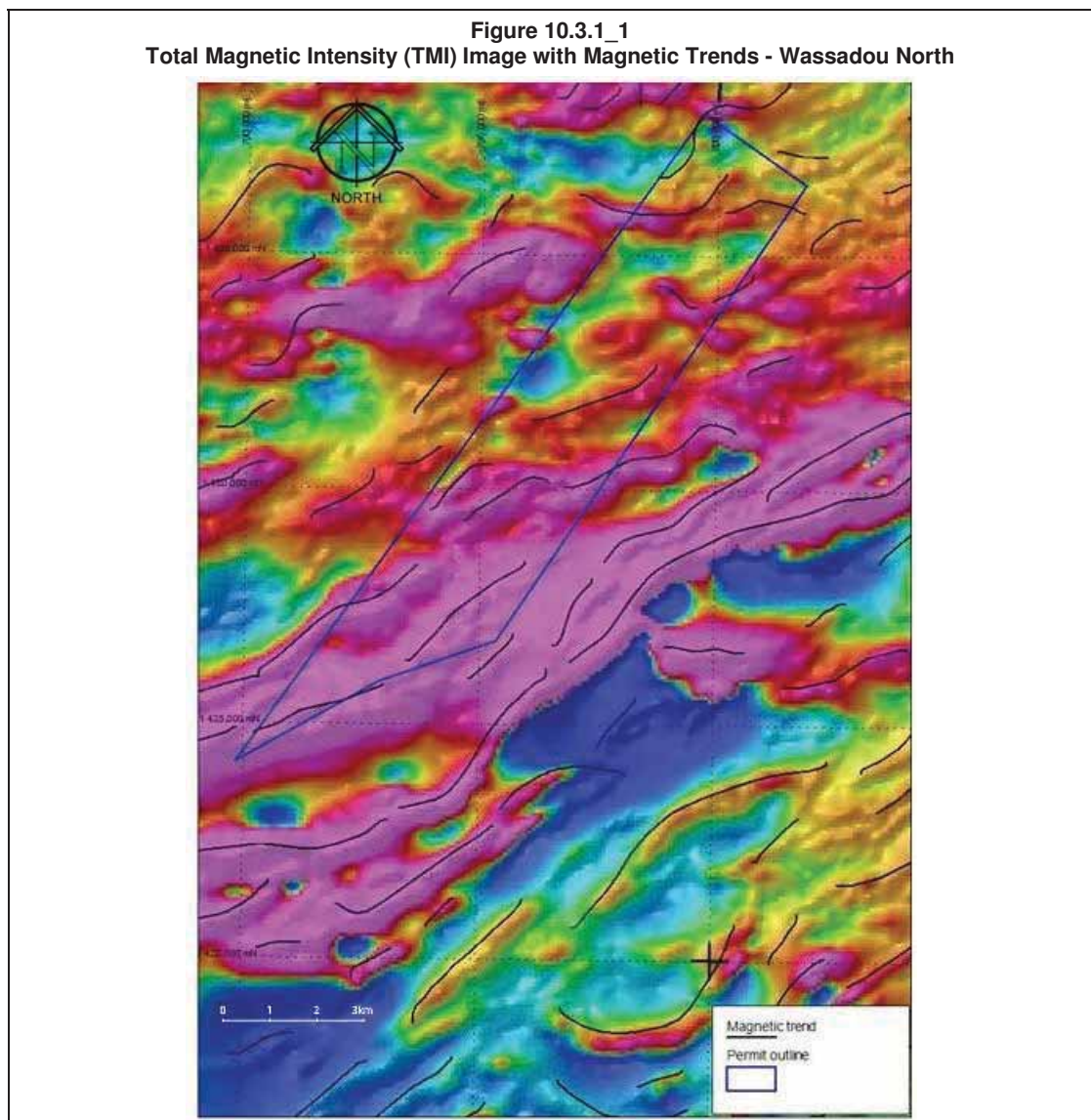
10.3 Exploration

Erin conducted due diligence work on both tenements of this project, including a desktop study of Government magnetic and radiometric data, field geological and regolith mapping and interpretation of the results of the 2011 soil survey.

10.3.1 Exploration on Wassadou North

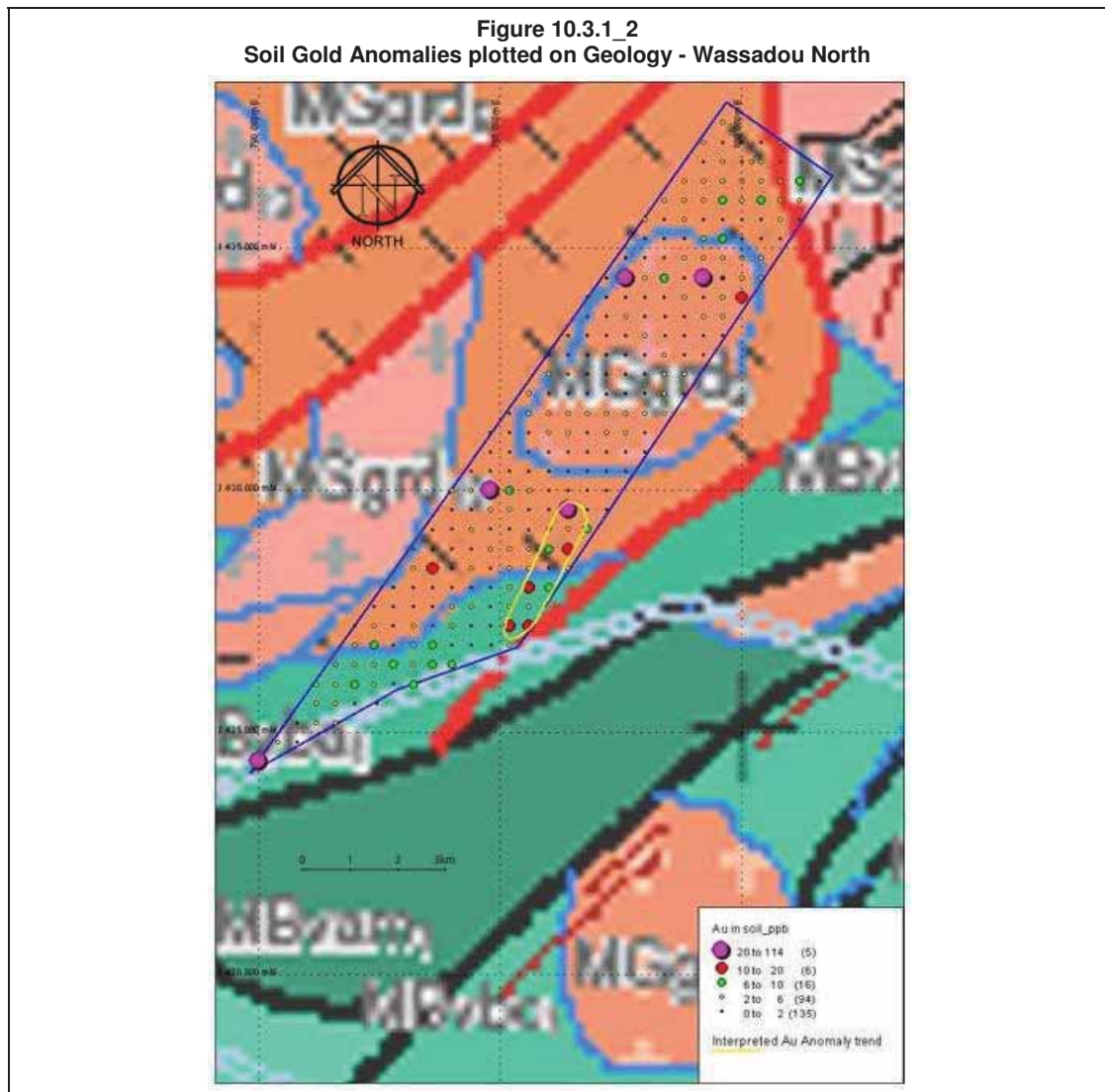
Airborne Magnetic Surveys

The analysis of the magnetic data of the tenement (Figure 10.3.1_1) highlights NE-SW trending structures in the south. The magnetic signatures are relatively moderate in the northern section (within granitic/intermediate intrusions) and high in the south, as is expected from the ultramafic complexes.



Geochemical Survey

Soil sampling was carried out in April 2011 on 400m x 400m grid and 256 field samples were collected (Figure 10.3.1_2). A further 30 QAQC samples were taken. Samples were collected from the ferruginous horizon normally at a depth of 0.5m, although over lateritic hard pans, the depth was shallower, commonly at 0.20-0.35m due to the hardness of the materials. Samples were dry sieved in the field to -2mm. Dry sieved samples weighing between 100 and 150g were despatched to Ultra Trace Laboratories in Perth, Australia, for low-level gold (LLD 0.2ppb Au) and multi-element analysis (Ag, Cu, Co, Zn, Fe, As, Pb and others). The maximum value of Au returned was 114ppb.



Interpretation of Exploration Results

Gold does not correlate with any other element. One significant Au-in-soil anomalous zone was identified using a cutoff value of 6ppb Au (Figure 10.3.1_2). The zone trends NE-SW and is about 3km in length and 500m in width. It crosses the boundary of the two lithological units, suggesting it may be shear-related. The NE-SW trend of the zone may be related to the magnetic trend in this area.

10.3.2 Exploration on Wassadou South

Airborne Magnetic Surveys

Analysis of the magnetic data of the area shows few trends. A magnetic high occurs in the NE part of the permit and could indicate the presence of an ultramafic unit.

Radiometrics

The radiometric image (Figure 10.3.2_1) to a large extent delineates two contrasting lithological units. The dark area in the north indicates the presence of mafic-ultramafic rocks, whereas the pale blue area represents the felsic to intermediate volcanic rocks in the south. The radiometrics suggest that the tenement is underlain by a greater proportion of mafic-ultramafic rock than is evident from the geological map (Figure 10.2_2).

Geochemical Survey

Soil sampling was carried out in March-April 2011 on an 800m x 400m grid and 171 field samples were collected (Figure 10.3.2_2), together with 18 QAQC samples. Samples were collected from the ferruginous horizon normally at a depth of 0.5m, although over lateritic hard pans, the depth was shallower, typically at 0.20-0.35m due to the hardness of the materials. Samples were dry sieved in the field to -2mm. Dry sieved samples weighing between 100 and 150g were despatched to Ultra Trace Laboratories in Perth, Australia, for low-level gold (LLD 0.2ppb Au) and multi-element analysis (Ag, Pt, Pd, As, Cu, Co and others). The maximum value of Au returned was 142ppb.

Interpretation of Exploration Results

The due diligence programme identified a low-order gold anomaly in the northern portion of the permit associated with a known "primary" gold occurrence. The gold occurrence appears to be associated with a sigmoidal dilation zone between two faults; here, gold has a strong correlation with copper and tellurium. There is also sporadic gold anomalism in the central part of the permit that is worthy of further investigation.

The two Au anomalies (northern and Central), represent results above 5ppb Au. The northern zone trends NNE-SSW, whereas the central zone suggests a possible E-W trend; both of these may be related to lithological contacts and, to a lesser extent, structural features (Figure 10.3.2_2).

A zone of weak gold anomalism in the north is also accompanied by low but anomalous PGE, Ni, Co, Cu and Mn and requires some further investigation.

Figure 10.3.2_1
Radiometric Ternary Image - Wassadou South

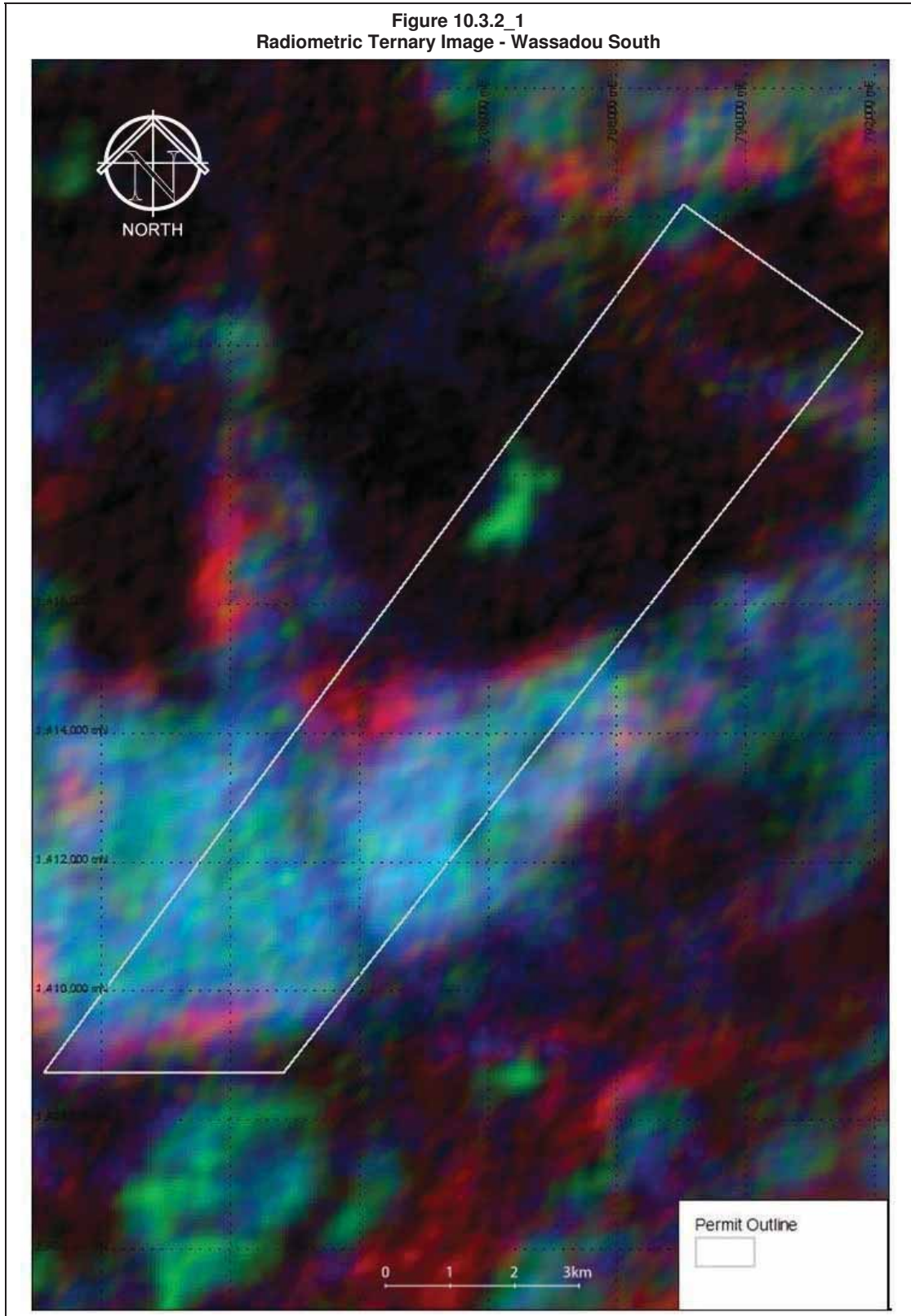
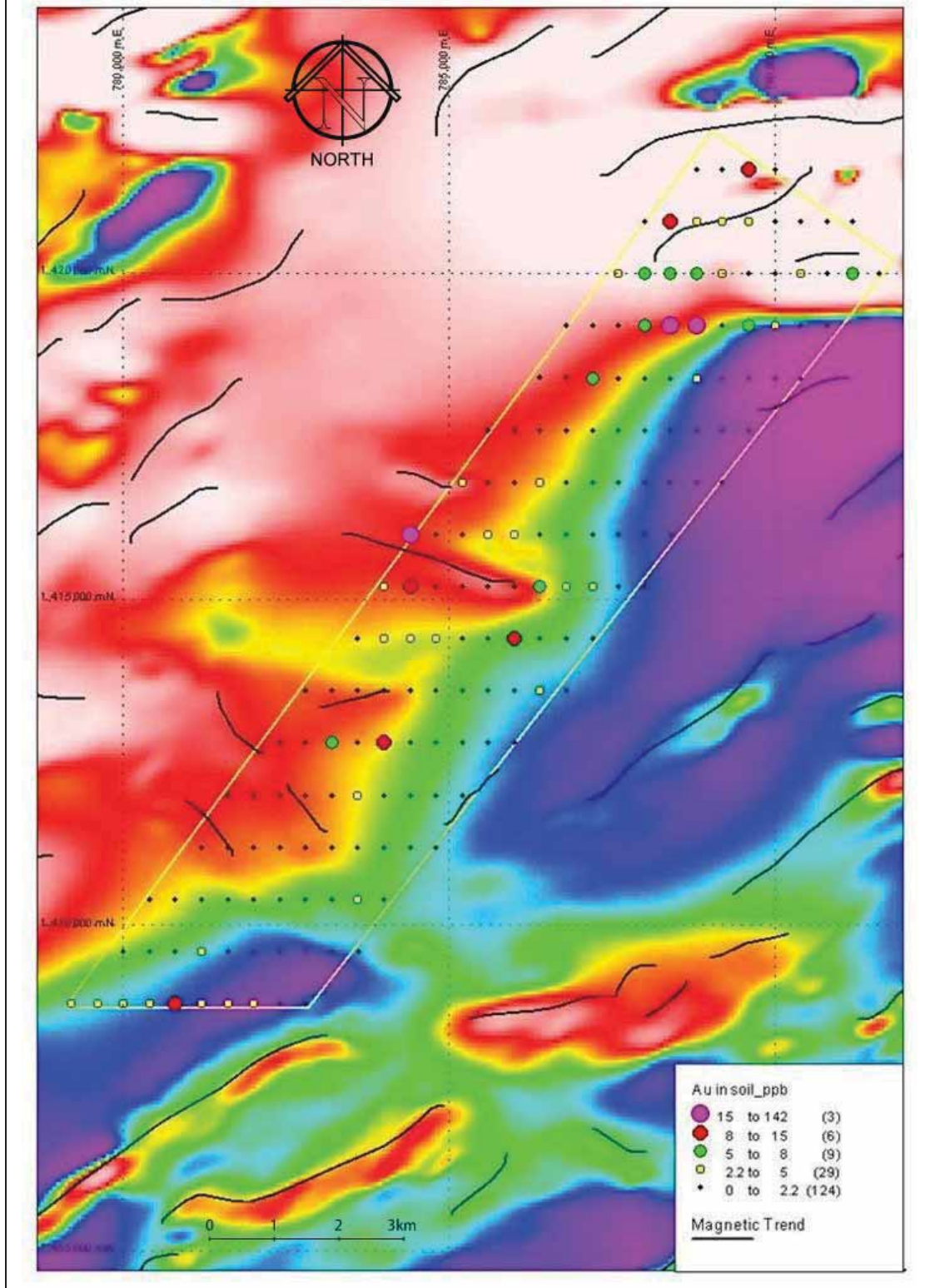


Figure 10.3.2_2
Gold Soil Anomalies over TMI Image - Wassadou South



10.4 Project Exploration Strategy and Budget

10.4.1 Exploration Strategy and Programme

Erin's aim is to quickly evaluate the anomalous gold trends identified with the regional soil sampling to generate drill targets. With the infill soil sampling providing better definition of the anomalous zones, reconnaissance RAB fence drilling is then planned to quickly assess the potential for gold mineralisation. RAB drilling will be based on a combination of 800m by 25m and 400m by 25m grid lines. Samples will be taken as 3m composites, with any anomalous samples re-sampled at 1m intervals for Au assay by aqua regia.

Scattered gold anomalous values were detected on Wassadou North. A weak gold anomaly in the south is also accompanied by low but anomalous PGE. No significant gold anomalies appear to be present at Wassadou South.

Coffey considers that soil gold anomalies are weak and occur on the lateritic cover. On the basis of existing results, neither Wassadou North nor Wassadou South appears to have great potential for hosting gold mineralisation of commercial value.

The following are recommended to further better define the area of mineralisation:

- Further geochemical study on gold and other elements may improve the understanding of the geochemical anomaly; and
- Understanding of the structural control of mineralisation would assist in any future follow-up work.

10.4.2 Exploration Budget

The Wassadou budgets are included under Woyé (Section 7.4_2).

11 CONCLUSIONS AND RECOMMENDATIONS

11.1 Conclusions and Exploration Potential

Erin gold projects comprise seven exploration projects covering 613.55km² located in southeastern Senegal and held in three joint ventures. These permits are: Woyé, Bouroubourou, Garabouréya South, Lingokoto, Balakonko, Wassadou North and Wassadou South. All the projects are in the Kédougou-Kéniéba Inlier. Bouroubourou, Woyé, Wassadou North and Wassadou South are underlain by the Mako Supergroup which hosts the Sabodala and Massawa gold deposits. Balakonko is situated at the contact of the Diale Supergroup and the northwestern part of the Saraya granite. The Lingokoto tenement, adjacent to the Balakonko tenement, straddles the contact between the Daléma Supergroup and the southeastern part of the Saraya granite. The Daléma Supergroup also underlies the Garabouréya South tenement and hosts the Loulo gold deposit in Mali.

Prior to 2011, there was no significant exploration on the tenements in which Erin has acquired an interest. Erin has conducted a technical due-diligence campaign which consisted of a desktop study of Government magnetic and radiometric data, field geological and regolith mapping, and soil geochemical surveys.

The Woyé, Bouroubourou and Garabouréya South permits appear to have the highest potential to host gold mineralisation. The anomalies are large enough and sufficiently robust to merit immediate additional work.

The northern portion of the Woyé anomaly has been defined by the artisanal miners and further soil sampling is not warranted; the next stage is to drill out the anomaly to establish if there is sufficient mineralisation at depth to continue with the exploration programme. Farther south on Woyé, where there are no artisanal workings, infill soil sampling should be carried out before any drilling programme is started. At Bouroubourou, two soil anomalies have been identified near to artisanal workings. These currently have a strike potential of around 3km and present targets for immediate follow-up by drilling and soil sampling.

Garabouréya South is largely beneath cover and may require shallow regolith drilling, in preference to soil sampling, to follow up on the identified low-level gold anomalies. At Lingokoto, the presence of gold anomalies and tourmaline- and sulphide-bearing rocks indicates that further work is warranted on the property. At Balakonko, several low-level gold anomalies have been identified which may require follow-up soil sampling, particularly in the far southwest.

Wassadou South hosts several weak gold anomalies including is also sporadic gold anomalism in the central part of the permit that is worthy of further investigation. A zone of weak gold anomalism in the north is also accompanied by low but anomalous PGE, Ni, Co, Cu and Mn and requires some further investigation. At present, there are only minor indications for the potential for gold mineralisation at Wassadou North.

11.2 Recommendations

The most prospective tenements are Woyé, Bouroubourou, Garabouréya South and Lingokoto. Exploration activities should concentrate on these properties, unless there is sufficient encouragement on any of the other tenements. Infill soil sampling, together with detailed geological and regolith-landform mapping, generation of drill targets, should be completed as soon as practicable. Targets should be drilled initially down to bedrock to determine the nature of the regolith and define gold dispersion within it. Follow-up drilling should investigate extents of the mineralisation envelope(s), followed by deeper drilling to explore for deeper mineralisation and, if required, close-spaced resource-definition drilling. Detailed geophysical surveys may aid in improving drill target generation.

At Balakonko and Garabouréya South, the soil gold anomalies are small and low-level. Infill soil sampling should be completed around existing anomalies, together with detailed regolith-landform mapping, followed by some shallow RAB drilling. If sufficient encouragement is received, exploration should continue; if results are disappointing, and no geophysical targets can be identified, consideration should be given to relinquishing the tenement. Given that outcrop is poor at Garabouréya South, geophysical targeting may be relatively important in defining drill targets beyond the existing soil anomalies, given that gold anomalism is coincident with magnetic anomalies.

At Wassadou North and South, there are few coherent soil gold anomalies. However, infill soil sampling is warranted around existing anomalies; if the anomalies hold, some shallow RAB drilling should be carried out. Further exploration (including geophysical targeting) should then proceed, if sufficiently encouraging results are returned.

In terms of gold prospectivity, the most prospective tenements (in descending order) are;

- Woyé;
- Bouroubourou, Garabouréya South and Lingokoto;
- Balakonko and Wassadou South; and
- Wassadou North.

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Dear Sirs,

INVESTIGATING ACCOUNTANT'S REPORT ON HISTORICAL AND PRO FORMA FINANCIAL INFORMATION

1. Introduction

This Investigating Accountant's Report (Report) has been prepared at your request to report on certain historical and pro forma financial information in respect of Health Corporation Limited (Company) and its controlled entities (Group). The report has been prepared for inclusion in a Prospectus ("the Prospectus") to be dated on or about 25 July 2012 relating to the proposed issue by the Company of 12,500,000 ordinary shares at an issue price of \$0.20 each, to raise a total of \$2,500,000 on a post consolidation basis. The directors of the Company reserve the right to accept oversubscriptions of up to 2,500,000 ordinary shares at an issue price of \$0.20 each, to raise a further \$500,000 on a post consolidation basis.

The Company is proposing to consolidate its share capital on a 10:1 basis subject to shareholder approval.

2. Basis of Preparation

This Report has been prepared to provide investors with information on the historical performance and position of the Group, and pro forma financial information of the Group. The historical and pro forma financial information is presented in an abbreviated form and does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial reports and general purpose financial reports in accordance with the Corporations Act 2001. The financial information has been prepared in accordance with the Australian Equivalents to International Financial Reporting Standards (AIFRS) relating to measurement and recognition.

This report does not address the rights attaching to the securities to be issued in accordance with the Prospectus, nor the risks associated with an investment in the Company. PKF Mack & Co has not been requested to consider the merits and risks associated with becoming a shareholder of the Company, and have not done so or purport to do so. PKF Mack & Co accordingly takes no responsibility for these matters or for any matter or omission in the Prospectus, other than responsibility for this Report.

We disclaim any assumption of responsibility for any reliance on this Report or on the historical financial information or the pro forma financial information to which it relates for any purpose other than for the purpose for which it was prepared.

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PKF Mack & Co is a member of the PKF International Limited network of legally independent member firms. PKF Mack & Co is also a member of the PKF Australia Limited national network of legally independent firms each trading as PKF. PKF Mack & Co does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.

3. Background

Health Corporation Limited (to be renamed "Erin Resources Limited") (Company) is an Australian public company listed on the official list of the ASX (ASX Code: HEA) and following the disposal of the Company's pharmacy franchising operations in November 2010 and the acquisition of Intramedics Pty Ltd, a bioscience company on 17 August 2010, the Company's principal activity was in the bioscience technology sector. Subsequently the directors decided to refocus the activities of the Company in the mining sector.

As such, on 14 May 2012, the Company entered into a financing and merger implementation agreement (Agreement) with Erin Mineral Resources Limited (Erin), an unlisted Australian public company, together with certain warrantors of Erin to acquire 100% of the issued share capital of Erin (Acquisition). Erin holds advanced gold exploration assets in Senegal, West Africa indirectly through its subsidiaries. For further details on the transaction, refer note 2. As at 30 April 2012, the Company has issued the following fully paid ordinary shares:

	Number Issued	Total Value \$
Current shares	190,000,000	5,561,488
Capital raising costs	-	(46,955)
Total	<u>190,000,000</u>	<u>5,514,533</u>

There are no preference shares, partly paid ordinary shares or options over unissued share capital on issue at 30 April 2012.

4. Scope

We have been asked to prepare this Report on the financial information listed below. We have been requested to conduct a review of the following information:

- 4.1. The consolidated statement of comprehensive income for the 10 months period ended 30 April 2012.
- 4.2. The consolidated statement of financial position as at 30 April 2012.
- 4.3. The consolidated statement of cash flows for the 10 months period ended 30 April 2012.
- 4.4. The consolidated pro forma statement of financial position as at 30 April 2012 adjusted to include the financial effects of the transactions set out in Note 2 to the financial information.
- 4.5. Applicable notes to the above statements.

The directors of the Company are responsible for the preparation and presentation of the historical and pro forma financial information including the determination of the pro forma transactions.

Included in this Report is an audited consolidated statement of financial position as at 30 June 2011, an audited statement of comprehensive income and an audited statement of cashflows for the year ended 30 June 2011. These statements have been audited by Hall Chadwick, the previous auditors of the group, who have provided an unqualified audit opinion. As this information has been audited, it does not form part of our review.

5. Review of Historical and Pro Forma Financial Information

Our review has been conducted in accordance with applicable Australian Auditing Standards for Review Engagements and was limited to inquiries and discussions with the directors of the Company, reading of directors' minutes and reviewing the accounting records. We also reviewed the accounting records to ensure consistency in the application of the recognition and measurement principles associated with AIFRS.

Our review also determined whether the pro forma transactions formed a reasonable basis for the preparation of the pro forma statement of financial position as at 30 April 2012.

These review procedures do not provide all the evidence that would be required for an audit. Therefore the level of assurance provided is less than that given in an audit. We have not performed an audit on the historical financial information and the pro forma statement of financial position and accordingly we do not express an audit opinion on the historical financial information and the pro forma statement of financial information.

Review Conclusion

Based on the scope of our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical and pro forma financial information, referred to in this report, does not present fairly:

- (a) the consolidated statement of financial position of Health Corporation Limited and its controlled entities at 30 April 2012, the consolidated statement of comprehensive income for the period ended 30 April 2012 and the consolidated statement of cash flows for the period ended 30 April 2012, together with the notes to those financial statements for the period; and
- (b) the pro forma consolidated statement of financial position of Health Corporation Limited and its controlled entities at 30 April 2012 together with the pro forma notes to the financial statements for that period had the transactions as set out in note 2 of this report taken place on 30 April 2012.

In accordance with the recognition and measurement requirements, but not all of the disclosure requirements, of applicable accounting standards and other mandatory professional reporting requirements in Australia.

6. Subsequent Events

To the best of our knowledge and based on the work we have performed as described in the scope section above there have been no material transactions or events subsequent to 30 April 2012 which would require comment on or adjustment to the financial information referred to above or that would cause the information referred to above to be misleading. Detailed at note 12 are subsequent events to reporting date.

7. Disclosure

At the date of this report PKF Mack & Co does not have any pecuniary interest in the Company or Group that would reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in this matter. PKF Mack & Co will receive a professional fee for the preparation of this Report.

PKF Mack & Co consents to the inclusion of this report in the Prospectus in the form and content in which it is included. At the date of this report this consent has not been withdrawn.

Yours sincerely

PKF Mack and Co

PKF Mack & Co



SIMON FERMANIS
PARTNER
West Perth

25 July 2012

INVESTIGATING ACCOUNTANT'S REPORT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 APRIL 2012

	Note	Reviewed Actual Consolidated 10 months 30 April 2012 \$	Audited Actual Consolidated 12 months 30 June 2011 \$
Revenue	10	50,013	35,508
Expenses			
Finance costs		-	(95,137)
Professional and consultancy fees	10	(318,304)	(62,372)
Marketing expenses		(2,676)	(4,833)
Directors' fees	10	(5,000)	(81,651)
Employee benefit expense		(47,403)	(14,318)
Occupancy expenses		(11,028)	(2,364)
Doubtful debt expense		-	(8,381)
Impairment expense		-	(137,356)
Other expenses		(53,987)	(78,535)
Loss before income tax benefit		(388,385)	(449,439)
Income tax benefit		-	117,283
Loss after income tax benefit		(388,385)	(332,156)
Profit from discontinued operations		-	2,267,324
Total comprehensive (loss)/income		(388,385)	1,935,168

To be read in conjunction with the notes to the financial information

INVESTIGATING ACCOUNTANT'S REPORT

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2012**

	Note	Reviewed Actual Consolidated 30 April 2012 \$	Reviewed Pro forma (Minimum) Consolidated 30 April 2012 \$	Reviewed Pro forma (Maximum) Consolidated 30 April 2012 \$	Audited Actual Consolidated 30 June 2011 \$
CURRENT ASSETS					
Cash and cash equivalents	3	713,454	2,586,023	3,055,573	1,070,885
Other current assets	4	23,184	23,184	23,184	22,938
TOTAL CURRENT ASSETS		736,638	2,609,207	3,078,757	1,093,823
NON CURRENT ASSETS					
Exploration and evaluation expenditure	5	-	4,750,000	4,750,000	-
Other receivables	10	15,510	-	-	-
TOTAL NON CURRENT ASSETS		15,510	4,750,000	4,750,000	1,093,823
TOTAL ASSETS		752,148	7,359,207	7,828,757	1,093,823
CURRENT LIABILITIES					
Other payables	6	312,231	387,231	387,231	227,688
Short term financial liabilities	10	-	-	-	37,833
TOTAL CURRENT LIABILITIES		312,231	387,231	387,231	265,521
NET ASSETS		439,917	6,971,976	7,441,526	828,302
EQUITY					
Contributed equity	7	5,514,533	13,370,243	13,839,793	5,514,533
Share option reserve		-	160,000	160,000	-
Retained loss		(5,074,616)	(6,558,267)	(6,558,267)	(4,686,231)
TOTAL EQUITY		439,917	6,971,976	7,441,526	828,302

To be read in conjunction with the notes to the financial information

INVESTIGATING ACCOUNTANT'S REPORT

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 APRIL 2012

	Reviewed Actual Consolidated 30 April 2012 \$	Audited Actual Consolidated 30 June 2011 \$
Cash flows from operating activities		
Receipts from customers	-	613,669
Interest received	33,998	24,466
Payments to suppliers and employees	(338,086)	(1,069,770)
Finance costs	-	(24,472)
Income tax refund received	-	117,283
Cash flow used in operating activities	(304,088)	(338,824)
Cash flows from investing activities		
Payments for intangible assets	-	(5,000)
Cash flows used in investing activities	-	(5,000)
Cash flows provided by financing activities		
Repayment of loans	-	(25,000)
Payments to leases	-	(17,878)
Receipts from related entities	-	85,000
Loans repaid by franchisees	-	(2,000)
Loan to Erin Mineral Resources Ltd	(15,510)	-
Proceeds from issue of shares, net of cost	-	1,362,042
Repayment of borrowings	(37,833)	-
Cash flows from financing activities	(53,343)	1,402,164
Net (decrease) / increase in cash and cash equivalents	(357,431)	1,058,340
Cash disposed of on disposal of subsidiaries	-	(46,925)
Cash and cash equivalents at start of period	1,070,885	59,470
Cash and cash equivalents at end of period	713,454	1,070,885

To be read in conjunction with the notes to the financial information

INVESTIGATING ACCOUNTANT'S REPORT

NOTES TO THE REVIEWED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 APRIL 2012

Note 1 FINANCIAL REPORTING FRAMEWORK

Basis of preparation of pro forma financial information

The pro forma financial information of the Group has been prepared in accordance with the recognition and measurement requirements, but not all of the disclosure requirements, of applicable accounting standards and other mandatory professional reporting requirements in Australia.

As at the date of this report, the Group's financial information, for the period ended 30 April 2012, has not been subject to an audit and accordingly no audit opinions have been issued.

The Company is an Australian public company listed on the official list of the ASX.

The financial information has been prepared on an accruals and historical cost basis.

The financial information has been prepared on the basis of a going concern. The ability of the Company to continue as a going concern is dependent on the successful completion of the proposed issue by the Company of 12,500,000 ordinary shares.

The reporting period means the period from 1 July 2011 to 30 April 2012.

Significant Accounting Policies

a. Principles of consolidation

A controlled entity is an entity over which Health Corporation Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 10 to the financial statements. All controlled entities have a 30 June financial year end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year ended.

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Non-controlling interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the group, are shown separately within the Equity section of the consolidated Statement of Financial Position and in the consolidated Statement of Comprehensive Income.

b. Acquisition of assets

The acquisition method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued and liabilities assumed at the date of exchange. Where equity instruments are issued in an asset acquisition, the value of the equity instruments is the published market price as at the date of the exchange unless it can be demonstrated that the published price at the date of the exchange is an unreliable indicator of the fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair

INVESTIGATING ACCOUNTANT'S REPORT

NOTES TO THE REVIEWED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 APRIL 2012

value of the net assets acquired, the difference is recognised directly in the statement of comprehensive income.

c. Exploration and evaluation expenditure

Exploration and evaluation expenditure is stated at cost and is accumulated in respect of each identifiable area of interest.

Such costs are only carried forward in respect of areas of interest for which the rights of tenure are current and where:

- (i) such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- (ii) activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation, to the area are continuing.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where carried forward expenditure does not satisfy the policy stated above it is written off to the statement of comprehensive income in that year.

Exploration and evaluation expenditure in relation to an abandoned area of interest is written off to the statement of comprehensive income in the year in which the decision to abandon the area of interest is made.

d. Income tax

The income tax benefit for the year comprises current income tax benefit and deferred tax expense (income).

Tax Consolidation

Health Corporation Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidated legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. The group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 21 October 2005. The tax consolidated group has entered a tax funding agreement whereby each company in the group contributes to the income tax payable by the group in proportion to their contributions to the group's taxable income.

e. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

f. Financial Instruments

Initial Recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

INVESTIGATING ACCOUNTANT'S REPORT

NOTES TO THE REVIEWED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 APRIL 2012

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

g. Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

i. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

j. Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

k. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

l. Trade and other payables

Liabilities to suppliers are recognised for the amount incurred for the provision of goods and services.

m. Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the proceeds received.

n. Share based payments

Share based payments relating to share options are expensed in the consolidated statement of comprehensive income as they vest.

Shares issued in lieu of payment in respect of the acquisition of tenements is capitalised in exploration and evaluation expenditures.

INVESTIGATING ACCOUNTANT'S REPORT

NOTES TO THE REVIEWED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 APRIL 2012

Voluntary holding lock (VHL) shares issued per contract are valued at fair value adjusted for the probability that the milestone related to the VHL shares will be met.

o. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates — Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Note 2 PRO FORMA TRANSACTIONS

Pro forma reviewed figures represent actual reviewed figures at 30 April 2012 adjusted to reflect the following on the assumption that all approvals required to proceed with the transactions are obtained:-

i) Purchase Consideration of the Erin Group

On 14 May 2012, the Company entered into a financing and merger implementation agreement (Agreement) with Erin Mineral Resources Limited (Erin), an unlisted Australian public company, together with certain warrantors of Erin to acquire 100% of the issued share capital of Erin (Acquisition). Erin is an unlisted Australian public company with advanced gold exploration assets in Senegal, West Africa.

In exchange for the Company acquiring 100% of the issued capital of Erin, the Company will issue by way of purchase consideration on a post-consolidation basis, the following to the Erin shareholders (in proportion to their existing shareholding) which will be capitalised as exploration and evaluation expenditure:

- a. The proposed issue of 25,000,000 fully paid ordinary shares under the Agreement. These vendor shares have been valued at \$0.19 each on a post consolidation basis being the last traded share price per share on 14 June 2012.
- b. The proposed issue of 13,000,000 unquoted VHL shares on a post consolidation basis subject which will "vest" (and be released) only upon the earlier of the following being satisfied:
 - (i) a change in control of the Company; or
 - (ii) the Company achieving an enterprise value of \$25 million for 10 consecutive trading days.

If there is no change of control of the Company and the Vesting Condition is not satisfied by the date that is 5 years after the date of issue of the VHL shares, the Company will conduct either a reduction of capital or a share buyback (at a price of \$0.000001 per VHL Share) of the VHL Shares, subject to compliance with the Corporations Act.

As the probability of achieving the milestones is uncertain given the Group is in exploration stage, the voluntary holding shares have not been assigned a value.

ii) Erin Loan Facility

Following the Company's completion of its due diligence, the Company is providing a loan facility to Erin up to \$900,000 to be applied towards advancing the priority exploration activities on the Projects during the period up to completion. Both parties will use their best endeavours to pre-agree leave as where the funds will be applied on the Projects under the Loan facility. The Loan is interest-free and unsecured with the Loan being treated as an intercompany loan between the parties following completion of the Acquisition.

INVESTIGATING ACCOUNTANT'S REPORT

NOTES TO THE REVIEWED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 APRIL 2012

If the Agreement is terminated (for whatever reason) prior to completion of the Acquisition, Erin must, at its election, either:

- (a) repay the full amount of the Loan to the Company;
- (b) convert the Loan to fully paid ordinary shares in the capital of Erin (Erin Shares) (at the price Erin Shares are issued under Erin's next capital raising); or
- (c) repay part of the Loan in cash and convert the balance of the Loan to Erin Shares (at the price Erin Shares are issued under Erin's next capital raising).

For the purposes of the pro forma information, it is assumed that \$568,141 has been advanced to Erin for exploration activities.

iii) Other payables

Included in other payables is an amount of \$75,000 being to be paid to consultants.

iv) Share issues

- a) The issue of 3,500,000 shares on a post-consolidation to Verona Capital Pty Ltd (Verona) in part consideration for the provision of corporate advisory services to the Company. These shares have been valued at \$0.19 per share being the share price on a post consolidation basis on 14 June 2012.
- b) The issue of 25,000,000 shares at \$0.010 (2,500,000 shares at \$0.10 on a post-consolidation basis) in a share placement completed on 13 June 2012 raising \$250,000.

v) Capital raising

- a) The issue of 4,000,000 share options to Verona on a post-consolidation basis to in part consideration for the provision of corporate advisory services to the Company. These share options have been valued at a value of \$0.04 per share option on a post-consolidation basis. The value was determined by using a Black Scholes valuation methodology with the following key assumptions:
 - The share options will be issued at a shareholder meeting to be held in August 2012. For the purpose of valuation, 14 July 2012 is the valuation date.
 - A share price of \$0.019 has been used to value these share options (being the share price at 14 June 2012)
 - Exercise price of \$0.20
 - Volatility of 80%
- b) The proposed issue of 12,500,000 ordinary shares at \$0.20 on a post-consolidation basis each under the Prospectus as follows:

Minimum subscriptions:

To raise \$2,500,000 and an estimate of capital raising costs amounting to \$309,290 comprising 5% of the value of the capital raised payable to brokers as brokers' fees and \$184,290 being legal, professional and regulators' fees for the share issue.

Maximum subscriptions:

To raise \$2,500,000 plus oversubscriptions of 2,500,000 shares at \$0.20 on a post-consolidation basis each under the Prospectus to raise an additional \$500,000 and an estimate of capital raising costs amounting to \$339,740.

INVESTIGATING ACCOUNTANT'S REPORT

NOTES TO THE REVIEWED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 APRIL 2012

	Reviewed Actual Consolidated 30 April 2012 \$	Reviewed Pro Forma (Minimum) Consolidated 30 April 2012 \$	Reviewed Pro Forma (Maximum) Consolidated 30 April 2012 \$	Audited Actual Consolidated 30 June 2011 \$
Note 3 CASH AND CASH EQUIVALENTS				
Cash at bank	57,487	2,586,023	3,055,573	1,070,885
Cash on deposit	655,967	-	-	-
	<u>713,454</u>	<u>2,586,023</u>	<u>3,055,573</u>	<u>1,070,885</u>
Reconciliation of cash (Pro forma reviewed)				
Balance at beginning of the period		713,454	713,454	
Placement - 25,000,000 shares at 1 cent each		250,000	250,000	
Capital raising - 12,500,000 shares at 20 cents each on a post-consolidation basis		2,500,000	2,500,000	
Maximum oversubscriptions on capital raising - 2,500,000 shares at 20 cents each on a post-consolidation basis		-	500,000	
Less: Capital raising costs		(309,290)	(339,740)	
Further funding to Erin Mineral Resources Limited		(568,141)	(568,141)	
Balance at the end of the period		<u>2,586,023</u>	<u>3,055,573</u>	
Note 4 OTHER RECEIVABLES				
GST Receivable	9,959	9,959	9,959	22,938
Accrued Interest Income	1,015	1,015	1,015	-
Prepayments	12,210	12,210	12,210	-
	<u>23,184</u>	<u>23,184</u>	<u>23,184</u>	<u>22,938</u>
Note 5 EXPLORATION AND EVALUATION EXPENDITURE				
Balance at beginning of the period		-	-	
Acquired during the period		4,750,000	4,750,000	
Balance at end of the period		<u>4,750,000</u>	<u>4,750,000</u>	
Note 6 OTHER PAYABLES				
Other payables and accruals	<u>312,231</u>	<u>387,231</u>	<u>387,231</u>	<u>227,688</u>

INVESTIGATING ACCOUNTANT'S REPORT

NOTES TO THE REVIEWED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 APRIL 2012

	Reviewed Actual Consolidated 30 April 2012 \$	Reviewed Pro Forma (Minimum) Consolidated 30 April 2012 \$	Reviewed Pro Forma (Maximum) Consolidated 30 April 2012 \$	Audited Actual Consolidated 30 June 2011 \$
Note 7 ISSUED SHARE CAPITAL AND SHARE OPTIONS				
<i>Issued share capital (\$)</i>				
Balance at beginning of the period	5,514,533	5,514,533	5,514,533	4,032,490
Share issue - August 2010 (35,511,218 shares at \$0.0075)	-	-	-	266,334
Share issue - December 2010 (6,000,000 shares at \$0.0200)	-	-	-	120,000
Share issue - March 2010 (14,200,000 shares at \$0.012)	-	-	-	170,400
Share issue - June 2010 (81,021,955 shares at \$0.012)	-	-	-	972,264
Vendor shares (25,000,000 shares valued at \$0.19 each on a post-consolidation basis)*	-	4,750,000	4,750,000	-
Vendor shares (13,000,000 voluntary holding lock shares) on a post consolidation basis**	-	-	-	-
Placement shares (25,000,000 shares issued at \$0.01 each)	-	250,000	250,000	-
Verona Capital Pty Ltd shares (3,500,000 shares issued valued at \$0.19 each)* on a post-consolidation basis	-	665,000	665,000	-
Capital Raising (12,500,000 or 15,000,000 shares at \$0.20 each) on a post consolidation basis	-	2,500,000	3,000,000	-
Capital raising costs	-	(309,290)	(339,740)	(46,955)
Balance at end of the period	5,514,533	13,370,243	13,839,793	5,514,533

*The shares have been valued at \$0.19 per share on a post-consolidation basis being the Company's share price on 14 June 2012.

**The voluntary holding lock shares are subject to certain vesting conditions. As the probability of achieving the milestones is uncertain given the Group is in exploration stage, the voluntary holding shares have not been assigned a value.

		Post- consolidation	Post- consolidation	
<i>Issued share capital (number of shares)</i>				
Balance at beginning of the period	190,000,000	19,000,000	19,000,000	53,266,827
Share issue - August 2010 (35,511,218 shares at \$0.0075)	-	-	-	35,511,218
Share issue - December 2010 (6,000,000 shares at \$0.0200)	-	-	-	6,000,000
Share issue - March 2011 (14,200,000 shares at \$0.012)	-	-	-	14,200,000
Share issue - June 2011 (81,021,955 shares at \$0.012)	-	-	-	81,021,955
Vendor shares - 25,000,000 shares	-	25,000,000	25,000,000	-
Placement shares - 2,500,000 shares on a post consolidation basis	-	2,500,000	2,500,000	-
Verona Capital Pty Ltd shares - 3,500,000 shares	-	3,500,000	3,500,000	-
Capital Raising - 12,500,000 or 15,000,000 shares	-	12,500,000	15,000,000	-
Balance at end of the period	190,000,000	62,500,000	65,000,000	190,000,000

INVESTIGATING ACCOUNTANT'S REPORT

NOTES TO THE REVIEWED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 APRIL 2012

Note 7 ISSUED SHARE CAPITAL AND SHARE OPTIONS (cont)

		Post- consolidation	Post- consolidation	
<i>Share options reserve</i>				
Balance at beginning of the period	-	-	-	-
Verona Capital Pty Ltd share options issued	-	160,000	160,000	-
Balance at end of the period	-	160,000	160,000	-
<i>Share options (number)</i>				
Balance at beginning of the period	2,508,424	-	-	2,508,424
Share options expired during the period	(2,508,424)	-	-	-
Verona Capital Pty Ltd share options issued	-	4,000,000	4,000,000	-
Balance at end of the period	-	4,000,000	4,000,000	2,508,424

Note 8 CONTINGENT LIABILITIES AND COMMITMENTS

Following the completion of the financing and merger implementation agreement with Erin, the Group is committed to certain minimum exploration expenditure pursuant to the joint venture arrangements entered into by Erin and or its subsidiaries. The minimum exploration expenditure commitments are detailed in the material contracts section of the Prospectus.

Other than detailed above, there were no known contingent liabilities and commitments outstanding for Health Corporation Limited and its controlled entities as at 30 April 2012.

Note 9 CONTROLLED ENTITIES

Name	Country of incorporation	% ownership	Cost of acquisition
<i>Parent entity</i>			
Health Corporation Limited	Australia	100	-
<i>Subsidiaries of Health Corporation Limited</i>			
HEA Management Pty Ltd	Australia	100	-
HIP MBA Pty Ltd	Australia	100	-
Intramedics Pty Ltd	Australia	100	-
Erin Mineral Resources Limited*	Australia	100	4,750,000
<i>Subsidiaries of Erin Mineral Resources Limited*</i>			
Erin Resources Pty Ltd	Australia	100	-
Erin Senegal S.A.U	Senegal	100	-
			<u>4,750,000</u>

* These companies would be part of the Group post completion of the financing and merger implementation agreement.

The fair value of the identifiable assets in Erin and its subsidiaries, "the Erin Group" upon acquisition, was the total consideration paid. The Erin Group had one asset being mining tenements which has been recognised within capitalised exploration and evaluation expenditure in the statement of financial position.

INVESTIGATING ACCOUNTANT'S REPORT

NOTES TO THE REVIEWED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 APRIL 2012

Note 10 RELATED PARTIES

Transactions with related parties

Pursuant to the Erin loan facility arrangements (note 2), the Company paid a total of \$15,510 during the period being exploration expenditure on the Senegal exploration tenements.

Director's fees amounting to \$15,000 that were payable by the Company to a director as at 30 June 2011 were forgiven during the period and have been written off to revenue in the consolidated statement of comprehensive income.

In addition, directors' fees amounting to \$5,000 were paid during the period while the balance of \$55,000 to 30 April 2012 was forfeited by the directors.

A short term loan amounting to \$37,833 advanced by a director which was outstanding at 30 June 2011 was repaid during the period.

A total of \$31,250 was paid to Parati Pty Ltd, a company related to a director of the company for consulting services.

A total of \$200,000 as at 30 April 2012, \$275,000 at completion of the transaction is payable to Verona Capital Pty Ltd Ltd, a company that employs the company's managing director. These amounts are reimbursement of costs to Verona Capital Pty Ltd.

Note 11 SUBSEQUENT EVENTS

On 13 June 2012, the Company announced the completion of a placement to sophisticated investors of 25,000,000 fully paid ordinary shares at 1 cent each (2,500,000 fully paid ordinary shares at 10 cents each on a post-consolidation basis) raising \$250,000 before share issue costs.

Pursuant to the Erin loan facility arrangement, the Company has subsequent to year end paid a further \$373,141 being exploration expenditure on the Senegal exploration tenements bringing the total of the Erin loan account to \$388,650.

On 21 June 2012, the company announced the following:

- a) Its proposal to be renamed "Erin Resources Ltd" ("Erin") following successful completion of the merger as announced on 14 May 2012 and confirmed the appointment of Mr Grant Davey as Managing Director of the Company.
- b) The appointment of Mr Mark Fleming as Exploration Manager for the Company's Senegal operations. The Company entered into an employment agreement with Mr Mark Fleming effective 1 May 2012. The employment contract is subject to a three months probationary period. Mr Mark Fleming is entitled to a salary of \$260,000 per annum to be adjusted to \$280,000 per annum after the completion of the probationary period.
- c) The appointment of Mr Daniel Courtney as Senior Site Geologist. Erin entered into an employment agreement with Mr Daniel Courtney effective 22 May 2012. The employment contract is subject to a three months probationary period. Mr Daniel Courtney is entitled to a net remuneration of US\$125,000 per annum.

10. SENEGAL TITLE REPORT



TITLE REPORT

FOR AND ON BEHALF OF HEALTH CORPORATION LIMITED

By GENI & KEBE SCP

6142 STE -MK/BD/MD

Dakar, 25 July 2012

Dear Sirs,

Our firm is selected to serve as local counsel for Health Corporation Ltd, an Australian company listed on the Australian Securities Exchange (the **Company**), in relation to the acquisition by the Company of 100% of the shares in Erin Mineral Resources Ltd, an unlisted Australian public company (**Erin**). Erin, via its 100% ownership of Erin Resources Pty Ltd (**Erin Resources**) in turn holds various interests in seven (7) exploration permits located in Senegal (**Permits**). Furthermore, Erin Resources 100% owns Erin Senegal SAU, a company incorporated and registered in Senegal (**Erin Senegal**). To this effect, we have been requested to provide a legal title report with a focus on the following areas:

- the legal status of Erin Senegal and validity of the Permits;
- confirmation that there is no pending, threatened or actual litigation against or involving, Erin, Erin Resources and Erin Senegal in the Senegal courts;
- a review of the material agreements affecting the Permits and Erin's interests in the Permits;
- a review of the relevant laws of Senegal affecting the Permits and any material agreements to which Erin and its subsidiaries are a party; and
- Any other issues that may be relevant or appropriate to confirm title and legal status (together the **Opinion**).

This Opinion will be included in a prospectus to be lodged by the Company with the Australian Securities and Investments Commission and announced on the Australian Securities Exchange (**Prospectus**).

PREAMBLE

For the purpose of this Opinion, we have reviewed and considered the applicable legislation, including provisions of:

- Uniform Act of OHADA on Commercial Companies and Economic Interest Group (The Company Act);
- Uniform Act of OHADA organizing collective proceedings for wiping off debts;
- Senegalese General Tax Code;
- Regulation N°18/2003/CM/UEMOA dated December 23rd, 2003 adopting the Community mining Code;
- Act 64-46 dated 17 June 1964 related to the national land;
- Act 2003-36 dated 24 November adopting the Mining Code;
- Decree 2004-647 dealing with the application of the Mining Code; and
- Decree 2009-550 dated 09 June 2009 relating to the competencies of the Minister of Mines.

I. SCOPE OF WORK

We are qualified to practice law in Senegal and within the OHADA space¹. This Opinion is strictly limited to matters of Senegal laws including treaties ratified by Senegal and legal rules derived from such treaties as in force and applied at the date of this Opinion, and other issues which, in our absolute discretion, have been considered significant from a legal perspective.

We have not investigated the laws of any system other than Senegal and no opinion is expressed or implied as to the laws of any other jurisdiction or as to matters of fact.

II. DOCUMENTS EXAMINED

For the purpose of providing this opinion, we have examined:

A. Documents examined in relation to companies

¹ Senegal is a State Party of OHADA, a community of 17 countries sharing the same business law, a same Court of Arbitration and the same Commercial Court of last resort. These countries are: Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Mali, Niger, Senegal and Togo. The Democratic Republic of Congo is the 17th State to join OHADA.

- Copy of subscribing declaration of payment issued by Mr. Moussa Mbaye, Notary, on November 21, 2011;
- Deposit act for ERIN SENEGAL Status dated November 21, 2011;
- ERIN SENEGAL statutes issued by M. Moussa Mbaye, Notary on November 21, 2011;
- Copy of SODEMINES SARL statutes issued by Mr. Amadou Moustapha NDIAYE, Notary on January 14, 2011; and
- Copy of AFRIGEM SL Statutes issued by Mr. Francisco B. FERNANDEZ

We have not been provided with access to Mining Research Company (MRC) and therefore cannot attest to the status of MRC.

B. Documents examined in relation to the Permits

- Copy of Order N° 0184 of February 26, 2010 issued by the Minister in Charge of Mines (“The Minister”) granting to Mineral Research Company the permit named “**Woyé**”;
- Copy of the Mining Convention on “Woyé Perimeter” of January 15, 2010 between The Minister and Mineral Research Company (MRC) represented by Mr. Jesus Borges Rodriguez which detains the power to act for and on behalf of MRC;
- Copy of Order N° 07736 of August 13, 2009 issued by the Minister in Charge of Mines (“The Minister”) granting to Mineral Research Company the permit named “**Garaboureya**”;
- Copy of the Mining Convention on “Garaboureya Perimeter” of August 12, 2009 between The Minister and Mineral Research Company (MRC) represented by Mr. Jesus Borges Rodriguez which detains the power to act for and on behalf of MRC;
- Copy of Order N° 07787 of August 13, 2009 issued by the Minister in Charge of Mines (“The Minister”) granting to Mineral Research Company the permit named “**Balakonko**”;
- Copy of the Mining Convention on “Balakonko Perimeter” of August 12, 2009 between “The Minister” and Mineral Research Company (MRC) represented

by Mr. Jesus Borges Rodriguez who detains the power to act for and on behalf of MRC;

- Copy of Order N° 10332 of December 1st issued by “ The Minister” granting to AFRIGEM SL to the permit named “**Bouroubourou**”;
- Copy of the Mining Convention of December 1st 2010 on “ Bouroubourou Perimeter” between “The Minister” and Afrigem SL, represented by Mr. Hendrik Petrus WESSELS who detains the power to act for and on behalf of AFRIGEM SL
- Copy of Order N° 10333 of December 1st, 2010 issued by “ The Minister” granting to AFRIGEM SL the permit named “**Lingokoto**”;
- Copy of the Mining Convention on “ Lingokoto Perimeter” of December 1st, 2010 between “The Minister” and Afrigem SL, represented by Mr Hendrik Petrus WESSELS who detains the power to act for and on behalf of AFRIGEM SL;
- Copy of Order N° 012907 of November 18th, 2011 issued by “ The Minister” granting to SODEMINES the permit named “**Wassadou South**”;
- Copy of the Mining Convention on “Wassadou South”between “The Minister” and SODEMINES SARL represented by Mr Souleymane SOW, General Manager who is the sole owner of SODEMINES SARL; and
- Copy of Order N° 000852 of February 1st, 2012 issued by “ The Minister” granting to SODEMINES the permit named “**Wassadou North**”;
- Copy of the Mining Convention on “Wassadou North” of January 25th, 2011 between “The Minister” and SODEMINES SARL represented by Mr Souleymane SOW, General Manager who is the sole owner of SODEMINES SARL;
- We have as well checked the database of the Department of Mining in Senegal further to our meetings with Mr. Raymond Sagna, and Mr. Lamine Diouf respectively Agent in Department of Mining and Agent in the Center of Documentation of the Ministry of mining. These meetings were held on 22 and 23 April 2012.

C. Joint Venture and Other Agreements

- Memorandum of Understanding between Afrigold Society Limited and Erin dated 20 November 2010;
- Joint Venture Agreement (Bouroubourou permit) between Afrigem Society Limited and Erin dated 17 May 2011;
- Deed of Assignment (Bouroubourou permit) between Afrigem Society Limited and Erin dated 17 May 2011;
- Joint Venture Agreement (Lingokoto permit) dated 17 May 2011 between Afrigem Society Limited and Erin;
- Deed of Assignment (Lingokoto permit) dated 17 May 2011 between Afrigem Society Limited and Erin;
- Terms of Reference (Lingokoto Permit) between Afrigem Society Limited and Erin and dated 15 January 2011;
- Terms of Reference (Bouroubourou Permit) between Afrigem Society Limited and Erin and dated 15 January 2011;
- Terms of Reference between Societe Des Mines du Senegal (**Sodemines**) and Erin dated 24 January 2011;
- Terms of Reference (Woye, Garabourea & Balakonko Permits) between Mining Research Company Society Limited (**MRC**) and Erin dated 18 May 2011;
- Joint Venture Agreement (Wassadou North and Wassadou South Permits) between Société Des Mines Du Senegal (SODEMINES) and Erin Resources Pty Ltd dated 12 March 2012;
- Joint Venture Agreement (Woye, Garabourea & Balakonko Permits) between Mining Research Company Society Limited and Erin dated 30 November 2011;
- Joint Venture Agreement (in French) between Mining Company of Senegal and Erin dated 12 March 2012; and
- Deed of Assignment (in French) between Mining Company of Senegal and

Erin dated 12 March 2012.

In such examination, we have assumed:

- The genuineness of all signatures and the authenticity of all documents submitted to us as originals; and
- The conformity to originals of all documents submitted to us as certified or reproduced copies (unless it is clear to us that such is manifestly not the case).

Based on the foregoing we are of the following opinion:

III. LEGAL OPINION

1. Corporate documents relating to Erin Senegal

- Copy of subscribing declaration of payment issued by Maître Moussa Mbaye, Notary, on November 21, 2011;
- Deposit act for Erin Senegal Status of November 21, 2011; and
- Erin Senegal statutes issued by Mr. Moussa Mbaye, Notary on November 21, 2011.

2. Status of Erin Senegal

We have reviewed the corporate documents provided by Erin Senegal. In light of the information revealed in the said documents and further to our investigations and research, we are of the opinion that:

Erin Senegal is a public company with a sole shareholder registered under the laws of Senegal and in conformity with the OHADA Company Act for a ninety nine (99) years duration.

It has been notarized and duly registered in conformity with the Senegalese law and the Act above mentioned.

The corporate information is set out in the memorandum drafted by a notary duly appointed. The usual clauses required by the law applicable appear clearly in this memorandum: name, objects, registered office, duration, liability and capital.

In light of this memorandum and the provisions of OHADA Company Act, and according to the documents above listed regarding the registration of Erin Senegal, we are of the opinion that:

- (a) The administrator, officers and auditors are duly and validly appointed.
- (b) Erin Senegal is in good standing in respect of its filing with the Registration at the Registrar of Companies and other filings required by Senegalese law.
- (c) Erin Senegal holds all licenses, consents, permits, and approvals necessary in order to carry on its business as currently carried out, is not in violation, breach, or default of such authorizations, has not received any order or written notice of any actual or intended revocation or modification of such authorizations and is up to date in respect of all filings relating to its business.

In light of these considerations and subject to the qualifications, assumptions and verifications set forth herein, we are of the opinion that:

- (a) Erin Senegal is validly existing with full corporate power and authority to own properties and assets and to carry on business, as now carried on under the laws of Senegal.
- (b) Erin Senegal is properly incorporated in Senegal.
- (c) Erin Senegal is duly and validly licensed in Senegal.
- (d) We are not aware of any factual or legal problems encountered by Erin Senegal that can threaten its net worth or the validity of the contemplated transaction.

3. Erin's Interest in the Permits

3.1 Summary of Erin's Interests

Bouroubourou Permit

On or about 17 May 2011 (**Execution Date**, Erin entered into a joint venture with Afrigem Society Limited (**Afrigem**) for the purpose of exploring for gold and other minerals on the Bouroubourou Permit 10332 (**Bouroubourou Permit**). Erin holds an 80% interest (via a separate deed of assignment) in the joint venture with Afrigem holding the remaining 20%. Erin acts as operator/manager of the joint

venture.

It is a requirement of the joint venture that Afrigem procure the consent of the Ministry of Mines for the assignment of such interest or otherwise will hold such interest on trust for Erin until such approval has been obtained.

Erin is solely responsible for all contributions to joint venture expenditure until the completion of a bankable feasibility study. Erin is required to contribute a minimum of US\$650,000 to joint venture expenditure within two and a half years from the Execution Date.

Erin must contribute at least US\$250,000 to joint venture expenditure prior to withdrawal from the joint venture.

Standard dilution provisions apply for a party not contributing to its proportion of joint venture expenditure.

Afrigem has the right to retain the surface rights on the Bouroubourou Permit to a depth of 15m to recover 37,500 ounces of gold.

If a decision to mine is made, then the parties agree to enter into a separate joint venture operating agreement.

Lingokoto Permit

On or about 17 May 2011 (**Execution Date**), Erin entered into a joint venture with Afrigem for the purpose of exploring for gold and other minerals on the Lingokoto Permit 10333 (**Lingokoto Permit**). Erin holds an 80% interest (via a separate deed of assignment) in the joint venture with Afrigem holding the remaining 20%. Erin acts as operator/manager of the joint venture.

It is a requirement of the joint venture that Afrigem procure the consent of the Ministry of Mines for the assignment of such interest or otherwise hold such interest on trust for Erin until such approval has been obtained.

Erin is solely responsible for all contributions to joint venture expenditure until the completion of a bankable feasibility study. Erin is required to contribute a minimum of US\$650,000 to joint venture expenditure within two and a half years from the Execution Date.

Erin must contribute at least US\$250,000 to joint venture expenditure prior to withdrawal from the joint venture.

Standard dilution provisions apply for a party not contributing to its proportion of joint venture expenditure.

Afrigem has the right to retain the surface rights on the Lingokoto Permit to a depth of 15m to recover 37,500 ounces of gold.

If a decision to mine is made, then the parties agree to enter into a separate joint venture operating agreement.

Woye, Balakonko and Garaboureira Permits

On or about 30 November 2011 (**Execution Date**), Erin entered into a joint venture with Mining Research Company Society Limited (**MRC**) for the purpose of exploring for gold and other minerals on the Saraya Project, consisting of the Woye Permit (01814), Garaboureira Permit (07786) (South Portion) and Balakonko Permit (07787) (together the **Saraya Project**). Erin holds an 80% interest in the joint venture (via a separate deed of assignment) with MRC holding the remaining 20%. Erin acts as operator/manager of the joint venture.

It is a requirement of the joint venture that MRC procure the consent of the Ministry of Mines for the assignment of such interest or otherwise hold such interest on trust for Erin until such approval has been obtained.

Erin is solely responsible for all contributions to joint venture expenditure until it has completed a positive feasibility study, thereafter the parties will contribute pro rata.

Erin is required to contribute a minimum of US\$2,000,000 to joint venture expenditure within two and a half years from the Execution Date.

Erin must contribute at least US\$750,000 to joint venture expenditure prior to withdrawal from the joint venture.

Erin shall pay MRC the following:

- (a) US\$150,000 within 1 week of the Execution Date;
- (b) US\$50,000 on the date of completion of US\$1,000,000 joint venture expenditure, but no later than 12 months after the Execution Date;

- (c) US\$50,000 on the date of completion of US\$1,500,000 joint venture expenditure, but no later than 24 months after the Execution Date; and
- (d) US\$50,000 on the date of completion of US\$2,000,000 joint venture expenditure, but no later than 30 months after the Execution Date.

On completion of a bankable feasibility study and the granting of a mining concession, MRC and Erin agree that dilution due to the government's participation interest will be shares on a pro rata basis between MRC and Erin (MRC will dilute to 18% and Erin will dilute to 72%).

On completion of a bankable feasibility study, MRC may then elect one of the following:

- (a) convert its interest into a 3% net profits royalty; or
- (b) contribute to ongoing project development/exploration funding (government will have a 10% free carry) in proportion to its joint venture interest; or
- (c) sell its interest to Erin at fair market value.

Standard dilution provisions apply for a party not contributing to its proportion of joint venture expenditure.

If a decision to mine is made, then the parties agree to enter into a separate joint venture operating agreement.

Wassadou Permits

On or about 12 March 2012 (**Execution Date**), Erin entered into a joint venture with Societe Des Mines Du Senegal (**SODEMINES**) for the purpose of exploring for gold and other minerals on the Wassadou North Permit 000852 and Wassadou South Permit 012907 (**Wassadou Permits**). Erin holds a 77.5% interest (via a separate deed of assignment) in the joint venture with SODEMINES holding the remaining 22.5%. Erin acts as operator/manager of the joint venture.

Erin is required within one week of the Execution Date to pay the sum of USD\$10,000 to SODEMINES relating to the Wassadou South Permit. Within one week of notifying SODEMINES of the inclusion of the Wassadou North Permit, Erin will be required to pay a further USD\$10,000 to SODEMINES relating to the Wassadou North Permit.

It is a requirement of the joint venture that SODEMINES procure the consent of the Ministry of Mines for the assignment of such interest or otherwise hold such interest on trust for Erin until such approval has been obtained.

Erin is solely responsible for all contributions to joint venture expenditure until the completion of a positive feasibility study. The parties shall then contribute to joint venture expenditure on a pro rata basis. Standard dilution provisions apply for a party not contributing to its proportion of joint venture expenditure.

If a decision to mine is made, then the parties agree to enter into a separate joint venture operating agreement.

3.2 Compliance with the relevant mining and tax laws of Senegal

All the documents listed in A and B of Part II of this Opinion are signed in accordance with the mining Code and its decree.

Furthermore, under the Senegalese Tax Code, any company contemplating to enter in joint ventures or share/asset transfers should provide a certificate from the Tax Office stating that it is in compliance with its fiscal duties. However, as Erin, Erin Resources and its JV partners MRC and Afrigem are foreign companies, they are exempt from these tax requirements.

3.3 Execution of documentation

The documents listed in A and B of Part II of this Opinion are duly signed by the Ministry of Mines and Erin's representatives. As they are co-signed by the government, they do not need to be registered. The agreements listed in C of Part II of this Opinion are duly signed by the parties.

In accordance with Article 20 of the Mining Code, all agreements pertaining to the rights and obligations of parties in relation to a prospecting permit must be submitted for approval by the Minister of Mines. Although the joint venture agreements have been lodged with the Ministry and application for consent of the Minister in relation to the joint ventures has been made, no formal approvals have yet been obtained for the joint ventures. As we understand it, Erin and its joint venture partners are currently liaising with the Ministry in order to obtain the relevant consents. We understand that, despite not having obtained the formal consents, the Ministry has indicated that it has no objection to the various joint ventures in place.

Please note however, that in accordance with Article 22 of the Mining Code and Article 24 of the Decree, the Ministry has the sole discretion to withdraw a permit if a holder does not fulfill its obligations. Although Erin has no reason to believe that the consents will not be obtained, there is a risk that the Ministry could exercise its powers and withdraw the permits and or impose penalties. In accordance with the joint venture agreements, Erin's various interests will be held on trust by its joint venture partners until such approval has been obtained.

3.4 Litigation

To the best of our knowledge and belief and further to our research in the records of the Registry of the District of Dakar's Commercial Court:

- No proceedings are pending for the winding-up or dissolution of Erin Senegal, Erin Resources or Erin.
- No threatened or actual litigation against or involving Erin Senegal, Erin or Erin Resources is pending.

4. *Details of the Permits*

Details of the Permits are set out in the Schedule at Annexure A of this Opinion.

To the best of our knowledge and belief and further to our research in the records and data base of the Center of Documentation of the Department of Mines in Senegal:

- 4.1. The Permits are valid, enforceable, subsisting and in good standing as at the date of this Opinion and have not been revoked and all fees, royalties and any other payments relating thereto have been duly made.
- 4.2. Pursuant to orders of the Ministry of Mines and Industry in Senegal, the Permits are validly and legally granted to MRC, (26 February 2010) SODEMINES (18 November 2011; 1 February 2012) and Afrigem (1 December 2010).
- 4.3. Further to the issuance, MRC, SODEMINES and Afrigem hold good and marketable legal title to the respective Permits and have all rights, easements, interests, covenants or other encumbrances necessary to undertake all works permitted by or required pursuant to the terms of the Permits and/or any applicable Senegalese law in the area covered by the Permits (as more

particularly delineated in the Permits) (**Permit Areas**) and all rights, easements, interests, covenants or other encumbrances necessary to explore, develop and fully exploit all minerals in, on or under the Permit Areas in accordance with the applicable Senegalese law.

4.4. According to the information disclosed to our attention by the Center of Documentation of the Department of Mines, the Permits are free of any encumbrances or other rights to acquire any interest whatsoever on or over or relating in any way to the Permits or the Permit Areas.

4.5. So far as we are aware having carried out all relevant searches, there are no existing claims, actions or proceedings in connection with the Permits, nor are any such claims, actions or proceedings pending or threatened.

4.6. All documents listed in Part II, being permits, agreements, corporate documents do not contravene in any way the laws or applicable regulations of Senegal.

4.7. The carrying into effect of the terms of the Permits does not infringe the exploration, development or production interests of any third party and, so far as we are aware, no event has occurred or is subsisting which constitutes or results in the infringement of any exploration, development or production interests held by third parties as a result of carrying into effect the terms of the Permits.

4.8. All material consents, permissions, authorisations and other approvals required for carrying into effect the terms of the Permits have been obtained and are in full force and effect and all fees due thereunder have been paid and there are no circumstances of which we are aware which indicate that any of such permissions, authorisations, consents or other approvals may be revoked or not renewed or withdrawn or (except to an immaterial or beneficial extent) amended, in whole or in part, in the ordinary course of events.

4.9. The following permits expire on August 12, 2012:

- Permit N° 07736 of August 13, 2009 named “Garaboureya”
- Permit N° 07787 of August 13, 2009 named “Balakonko”

It is a requirement that applications for renewal be made prior to 11 June 2012. According to the Company, Erin is in the process of lodging renewal applications with the Ministry.

5. *Minimum expenditure conditions affecting the Permits*

These conditions are annexed to each convention:

PERMITS	PERIOD	TOTAL (FCFA)	TOTAL (USD)
WOYÉ	Initial Three Years	506,000,000 FCFA	976,589 USD
GARABOUREYA	Initial Three Years	506,000,000 FCFA	976,589 USD
BALAKONKO	Initial Three Years	506,000,000 FCFA	976,589 USD
BOUROUBOYOU	Initial Three Years	275,000,000 FCFA	530,750 USD
LINGOKOTO	Initial Three Years	275,000,000 FCFA	530,750 USD
WASSADOU SOUTH	Initial Three Years	620,000,000 FCFA	1,196,600 USD
WASSADOU NORTH	Initial Three Years	620,000, 000 FCFA	1,196,600 USD

The obligation of the parties to meet the minimum expenditure conditions for the Permits can be made at any time up to and until the last date for renewal of the Permits. If these conditions are not satisfied at the time of renewal, the Permits may be subject to forfeiture. For each year, a minimum amount is required to be spent on each Permit. It is at the discretion of the Ministry to check if the Permit holder spent the approved amount for each particular reference period. Furthermore, it is at the discretion of the Ministry to set any new minimum expenditure conditions upon the grant of a renewed permit.

Erin will be required to show that it has met the minimum expenditure conditions in relation to the Garabourea and Balakonko permits as part of its renewal application for these Permits.

6. *Penalties and Risks*

According to article 22 of the Mining code and article 24 of the Decree 2004-647 dated May 17, 2004 any exploration permit can be withdrawn by decree of the Minister in charge of mines in case the permit holder fails to fulfil its obligation, in particular in the following cases:

- The holder of an exploration permit undertakes mining operations within the exploration permit area without a mining operation title;
- The exploration activity is delayed or suspended for one (01) year without a valid motive;
- The failure without a valid reason to submit an application for a mining permit within a period of one (01) year following the discovery of a commercially viable deposit within the exploration permit area concerned;
- The transfer, transmission or any other transaction concerning title without the prior approval of the Minister;

- The failure by the holder of the permit to undertake, without a valid reason, the annual works program and meet the approved expenditure; and
- The failure by the holder of the permit to pay the agreed fees.

So far as we are aware having carried out all relevant searches, there does not appear to be any contravention by Erin, Erin Resources or Erin Senegal.

The following penalties are also applied in case of infringements to the clauses of the mining code and its decree of application:

- Fine
- Imprisonment
- Confiscation of substances extracted in an illicit way
- Confiscation of transport means, things or objects which have served or were destined to commit the infringement or have been the product
- The ban up to five years maximum to exercising professional or social activities for which the infringement has been committed
- The ban to stay in Senegal in accordance with the article 36 of Penal Code.

As at the date of this Opinion, there are no penalties imposed against Erin, Erin Resources or Erin Senegal. There is no risk until Erin and its joint venture partners breach the clauses of the laws applicable to the permits.

7. *Summary of the relevant Senegalese laws affecting the Permits*

7.1. MINING LAW

Act 2003-36 dated 24 November adopting the Mining Code

Decree 2004-647 dated may 17, 2004 dealing with the application of the Mining Code

Issuance of the permits of exploration

According to the Senegalese Mining Code, the permit of exploration is issued by Decree of the Minister in Charge of Mining for a duration not exceeding three years subject to previous rights of third parties on the perimeter concerned.

In light of article 18 of Decree 2004-647 dated May 17, 2004 dealing with the application of the Mining Code, if the Minister of Mines does not act within twenty-one (21) days following the signature of the agreement, the applicant is deemed awarded an exploration permit.

Renewal of the permits of exploration

The permit of exploration is renewable twice by decree of the Minister in Charge of mines for consecutive periods not exceeding three (years) each. At the time of the renewal of the permit, the area of its perimeter is reduced by at least 1/4th each time.

If the decision of the Minister in charge of mines has not been taken within twenty-one (21) days following the notification of the admissibility of the application, the right of renewal of the exploration permit is thereby granted to the applicant.

Rights conferred to the holder of the permit of exploration

According to Article 19 of the Mining Code the exploration permit confers to its holder, within the boundaries of its perimeter, on surface and indefinitely in depth, the exclusive right to explore for mineral substances for which it is issued.

The permit holder is also entitled to:

- The taking of samples of mineral substances extracted during exploration works, subject to previous reports to Administration of mines and subject to the works done for exploration;
- An exploitation permit or a mining concession, subject to the in force regulations and if it has during the validity period of the research permit, given of the existence of a commercially exploitable deposit inside the requested perimeter; and
- A priority for the granting of an exploration permit for all substances other than those relative to its mining title and which could be discovered inside the perimeter of the valid exploration permit.

The holder of an exploration permit can at any time request to commence exploitation in case of the highlighting of one or more economically exploitable deposits in the conditions foreseen by the present Code. In this case the aforesaid holder is reputed to have satisfied all his obligations of works and expenses foreseen in its exploration permit.

The holder has the exclusive right in all discoveries commercially exploitable in case of request before the expiry of the permit.

The holder has the right to transfer and to transmit the permit pursuant to the

approval of the Minister of Mines.

The obligations of the permit holder

The holder of mining titles shall fulfil various obligations, including:

- To elect domicile within the Republic of Senegal and notify it to the Minister of Mines
- To start mining operations as soon as possible within a maximum of six (6) months as from the notification date of the granting of the exploration permit
- To exploit the deposit in a way which does not compromise the reserves and which protects the environment
- To report regularly the results of the mining operations
- To spend for the accepted works the minimum amount approved
- To protect the environment and shall submit an Environmental Impact Assessment at the exploitation stage as well as an Environmental Management Plan
- To deposit funds in a fiduciary bank account opened in the host country in order to cover mine closure and mine rehabilitation costs.

Fiscal and tax incentives

Under the mining Code, the holder of an exploration permit of mineral substances, during the entire period of validity of the permit and its renewals, in the framework of its exploration operations, benefits from the total exemption of the taxes regime and taxes of any nature.

Agreements on permits of exploration

According to the Mining Code, the exploration permit is transferable and transmissible subject to the prior approval of the Minister in charge of Mines.

All protocols and convention that have the purpose to entrust, to give up, to transfer partially or totally the rights and obligations resulting from the permit are submitted to the approval of the Minister of Mines.

Mining convention

The mining convention signed between the State and the applicants is annexed to all permit of exploration, permit of exploitation or mining concession. The mining convention specifies the rights and obligation of the state and the mining holder. It guarantees to the mining title beneficiary the stability of conditions granted to its company, notably in relation to the tax system, economic conditions

and exchange rules.

Fees and tax

For assigning, renewal, extension or transformation, the exploration permit is subject to the payment of a (500,000 FCFA/ USD\$958.00) fixed entry fee paid once to the Regional Mines Service where the permit area is localised.

A mining tax is applicable once full scale mining production has been reached by the permit holder and conditions for payment are specified in the decree of application of the mining code. The mining tax rate is 3% of the value of the mine site and it cannot be subjected to any exemption. There are no other fees or tax required for the permits.

7.2 ENVIRONMENT LAW

According to article 83 of the Mining Code, All applicants for a permit of exploitation or mining concession or an authorisation of a small mine exploitation must prepare at his own expenses and environmental impact study in accordance with the Environment Code and the application decrees.

We have no information (complaint, Court decision, report) implicating Erin, Erin Resources or Erin Senegal for breach of the relevant environment laws.

DISCLAIMER

All the opinions expressed above must be taken under the following reservations:

- This opinion is issued solely on the basis of the laws in force in Senegal.
- The application and enforcement of any contract or instrument is subject to compliance with the applicable law and may be limited by certain rules of public order.
- This Opinion is issued on the exclusive behalf of Health Corporation Limited. It should not be used for any purposes other than those for which it was issued.
- References to conversion into USD is current as at the date of this Opinion.

CONSENT

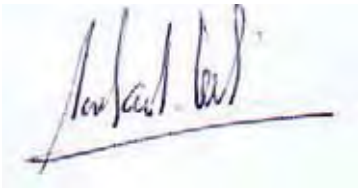
GENI & KEBE consent to the inclusion of this Opinion in the Prospectus to be lodged by the Company with the Australian Securities and Investments Commission and consent to any reference given in the Prospectus to fees paid by

the Company to GENI & KEBE for legal services rendered. GENI & KEBE have not withdrawn their consent prior to the date of the Prospectus.

YOURS TRULY

Mouhamed KEBE

PARTNER

A handwritten signature in black ink, appearing to read "Mouhamed KEBE", is written over a horizontal line. The signature is cursive and somewhat stylized.

ANNEXURE A – SCHEDULE OF PERMITS

Project	Licence ID	Registered Holder (%)	Date of Grant	Term ²	Date of Expiry ³	Date indicated to require the renewal of the permit	Area	Erin Interest in Project
Lingokoto	Lingokoto Exploration Permit 10333	20% held by AfriGem Society Ltd	1 December 2010	3 years	30 November 2013	2 months before date of expiry	121.3 sqkms	80%
Bouroubourou	Bouroubourou Exploration Permit 10332	20% held by AfriGem Society Ltd	1 December 2010	3 years	30 November 2013	Two months before date of expiry	157.0 sqkms	80%
Wassadou	Wassadou South Exploration Permit 12907	22.5% held by Société des Mines du Sénégal	18 November 2011	3 years	17 November 2014	Two months before date of expiry	52.4 sqkms	77.5%
	Wassadou North Exploration Permit 00852		1 February 2012		31 January 2015	2 months before date of expiry	40.3 sqkms	
Woye	Woye Exploration Permit 01814	20% held by Mining Research Company Society Ltd	26 February 2010	3 years	25 February 2013	2 months before date of expiry	94.5 sqkms	80%
Balakonko	exploration permit 07787	20% held by Mining Research Company Society Ltd	13 August 2009	3 years	12 August 2012	2 months before date of expiry	83.8 sqkms	80%
Garaboureya	Southern portion of the Garaboureya Exploration Permit 07786	20% held by Mining Research Company Society Ltd	13 August 2009	3 years	12 August 2012	2 months before date of expiry	36.6 sqkms	80%

² Subject to renewal every three years

³ Subject to renewal every three years

11. DIRECTORS AND CORPORATE GOVERNANCE

11.1 Directors

Disclosure of the Directors (and proposed Directors) and their background is contained at the beginning of this Prospectus in the Investment Overview section.

11.2 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations with 2010 Amendments (2nd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.healthcorporation.com.au.

Board of directors

The Board is responsible for corporate governance of the Company. The Board is responsible for, and has the authority to determine all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company.

The monitoring and ultimate control of the business of the Company is vested in the Board. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of the Company's shareholders. The specific responsibilities of the Board include:

- (a) overseeing the Company, including its control and accountability systems;
- (b) appointment, evaluation, rewarding and if necessary the removal of the Managing Director (or equivalent) and the Company Secretary and senior management personnel;
- (c) in conjunction with members of the senior management team, to develop corporate objectives, strategies and operations plans and to approve and appropriately monitor plans, new investments, major capital and operating expenditures, use of capital, acquisitions, divestitures and major funding activities;

- (d) establishing appropriate levels of delegation to the executive Directors to allow them to manage the business efficiently;
- (e) monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company, including the reviewing and approving of annual budgets;
- (f) monitoring the performance of senior management, including the implementation of strategy, and ensuring appropriate resources are available to them;
- (g) identifying areas of significant business risk and to ensure that the Company is appropriately positioned to manage those risks;
- (h) overseeing the management of safety, occupational health and environmental matters;
- (i) satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- (j) satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately;
- (k) ensuring that appropriate internal and external audit arrangements are in place and operating effectively;
- (l) having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct; and
- (m) reporting accurately to shareholders, on a timely basis.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting.

However, subject thereto, the Company is committed to the following principles:

- (a) the Board is to comprise persons with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (b) the principal criterion for the appointment of new directors is their ability to add value to the Company and its business.

No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board membership, but an informal assessment process, facilitated in consultation with the Company's professional advisors, has been committed to by the Board.

Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that the written clearance of the Clearance Officer must be obtained prior to trading.

External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

Audit committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

Diversity policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

11.3 Departures from Recommendations

Following admission to the Official List of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the date of this Prospectus are set out on the following pages.

RECOMMENDATIONS		COMMENT
1.	Lay solid foundations for management and oversight	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	<p>The Company's Corporate Governance Policies include a Board Charter, which discloses the specific responsibilities of the Board and those delegated to senior executives.</p> <p>The Board delegates responsibility for the day-to-day operations and administration of the Company to the Managing Director.</p>
1.2	Companies should disclose the process for evaluating the performance of senior executives.	<p>The Company's Corporate Governance Policies include a section on performance evaluation practices adopted by the Company.</p> <p>The chair will monitor the Board and the Board will monitor the performance of any senior executives who are not directors, including measuring actual performance against planned performance.</p>
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	<p>Explanation of departures from Recommendations 1.1 and 1.2 (if any) are set out above. The Company will provide an explanation of any departures from Recommendations 1.1 and 1.2 (if any) in its future annual reports.</p> <p>No performance evaluation of senior executives has taken place to date, as the Company's only current executive, Grant Davey, has only recently been appointed. In any event, this process will be conducted annually and the first year has not been completed. Future annual reports will disclose whether such a performance evaluation has taken place in the relevant reporting period and whether it was in accordance with the process disclosed.</p> <p>The Corporate Governance Policies, which includes the Board Charter, are posted on the Company's website.</p>
2.	Structure the board to add value	
2.1.	A majority of the board should	An independent director is one who is independent from management and free from any

	be independent directors.	business or other relationship that could, or could reasonably be perceived to materially interfere with the exercise of independent judgement. Currently, the Board consist of a Managing Director, a Non-Executive Chairman and two Non-Executive Directors. In accordance with the definition above, the Company has three independent, non-executive directors.
2.2.	The chair should be an independent director.	Mr James Malone is the Non-Executive Chairman and is an independent director.
2.3.	The roles of chair and chief executive officer should not be exercised by the same individual.	The Company has a Managing Director who is separate from the chair.
2.4.	The board should establish a nomination committee.	No formal nominations committee has been established by the Company as yet. The duties and responsibilities typically delegated to such a committee are considered to be the responsibility of the full Board, given the size and nature of the Company's activities and as such, the Board does not believe that any marked efficiencies or enhancements would be achieved by the creation of a separate nomination committee. Where necessary, the Board seeks advice of external advisers in connection with the suitability of applicants for Board membership.
2.5.	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	The Company's Corporate Governance Policies include a section on Performance Evaluation Practices adopted by the Company. The performance of the Board and individual directors are evaluated in accordance with the Performance Evaluation Practices. The performance of all directors is reviewed by the Chairman on an ongoing basis and any director whose performance is considered unsatisfactory is asked to retire. The Chairman's performance is reviewed by the other Board members. The Company has established firm guidelines to identify the measurable and qualitative indicators of the director's performance during the course of the year.
2.6.	Companies should provide the information indicated in the Guide to reporting on Principle 2.	The Company has provided details of each director, such as their skills, experience and expertise relevant to their position in this Prospectus and will also provide these details on its website and in future annual reports. Explanation of departures from Principles and Recommendations 2.1, 2.2, 2.3, 2.4 and 2.5 (if any) are set out above. The Company will provide an explanation of any departures from

		Recommendations 2.1, 2.2, 2.3, 2.4 and 2.5 (if any) in its future annual reports.
		No performance evaluation of senior executives has taken place to date, as the Company's only current executive, Grant Davey, has only recently been appointed. In any event, this process will be conducted annually and the first year has not been completed. Future annual reports will disclose whether such a performance evaluation has taken place in the relevant reporting period and whether it was in accordance with the process disclosed.
		The Company's Corporate Governance Policies, which includes the Performance Evaluation Practices, are posted on the Company's website.
3.	Promote ethical and responsible decision-making	
3.1.	<p>Companies should establish a code of conduct and disclose the code or a summary of the code as to:</p> <ul style="list-style-type: none"> the practices necessary to maintain confidence in the company's integrity the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 	<p>The Company's Corporate Governance Policies include a formal Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment.</p> <p>The Company is committed to the highest level of integrity and ethical standards in all business practices. Directors and employees must conduct themselves in a manner consistent with current community and corporate standards and in compliance with all legislation. In addition, the Board subscribes to the Statement of Ethical Standards as published by the Australian Institute of Company Directors.</p> <p>All directors and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.</p> <p>The Company's Corporate Governance Policies, which include the Code of Conduct, are posted on the Company's website.</p>
3.2.	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The	The Company's Corporate Governance Policies include a Diversity Policy. The Diversity Policy addresses equal opportunities in the hiring, training and career advancement of directors, officers and employees. The Diversity Policy provides a framework for establishing measurable objectives to achieve the aims of its Diversity Policy, with particular focus on gender diversity

	policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	within the Company and for the Board to assess annually both the objectives and the progress in achieving them. The Company is committed to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees and is utilised to enhance the Company's performance. The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives.
3.3.	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.	Due to the small scale of the Company's operations and the limited number of employees, the Company has not yet set measurable objectives for achieving gender diversity. As a priority, the Company is focusing on the participation of women on its Board and within senior management. The Board is in the process of determining appropriate measurable objectives for achieving gender diversity.
3.4.	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Currently, the Company and its consolidated entities have two (2) female employees/executives: <ul style="list-style-type: none"> - its company secretary; and - its chief financial officer, which represent approximately 33% of the total employees, executives and/or board members of the Company and its consolidated entities. There are currently no female members of the Board of the Company. The information has been provided in the annual report.
3.5.	Companies should provide the information indicated in the Guide to reporting on Principle 3.	The Company will provide an explanation of any departures from Recommendations 3.1, 3.2, 3.3 and 3.4 (if any) in its future annual reports. The Company's Corporate Governance Policies, which includes the Code of Conduct and Diversity Policy, are posted on the Company's website.
4.	Safeguard integrity in financial reporting	
4.1.	The board should establish an audit committee.	The Board considers the Company is not currently of a size, or its financial affairs of such complexity, to justify the establishment of an audit committee. The Board, as a whole, currently serves as the audit committee.

		Once the Board deems that the Company warrants an audit committee, one will be formed in compliance with this Recommendation.
4.2.	<p>The audit committee should be structured so that it:</p> <ul style="list-style-type: none"> • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members. 	<p>Whilst there is currently no formal audit committee, the overall structure of the Board which serves as the informal audit committee is structured in a manner consistent with the Recommendation.</p> <p>The Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned. Further, the Board does not consider that the Company is of sufficient size to justify the appointment of additional directors for the sole purpose of satisfying this recommendation as it would be cost prohibitive and counterproductive.</p> <p>As the operations of the Company develop the Board will reassess the formation of the audit committee.</p>
4.3.	The audit committee should have a formal charter.	In the absence of an audit committee, the Board sets aside time to deal with issues and responsibilities usually delegated to the audit committee to ensure the integrity of the financial statements of the Company and the independence of the external auditor. The audit committee, or the full Board of the Company, is also responsible for establishing policies on risk oversight and management.
4.4.	Companies should provide the information indicated in the Guide to reporting on Principle 4.	The Company does not have an audit committee. The Board carries out the duties of the audit committee. The Company will explain any departures from the Corporate Governance Recommendations 4.1, 4.2 and 4.3 (if any) in its future annual reports.
5.	Make timely and balanced disclosure	
5.1.	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those	The Company's Corporate Governance Policies include a Continuous Disclosure Policy, which is designed to ensure the compliance with the disclosure obligations under the Corporations Act and the ASX Listing Rules and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position. The Managing Director and the Company Secretary are responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

	policies.	
5.2.	Companies should provide the information indicated in Guide to Reporting on Principle 5.	The Company will provide an explanation of any departures from Principle and Recommendation 5.1 (if any) in its future annual reports. The Corporate Governance Policies, which includes a Continuous Disclosure Policy, are posted on the Company's website.
6.	Respect the rights of shareholders	
6.1.	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The Company's Corporate Governance Policies include a Shareholders Communication Policy, which aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. The policy provides that information will be communicated to shareholders through: <ul style="list-style-type: none"> • the Annual Report which is distributed to all shareholders; • Half-Yearly Reports, Quarterly Reports, and all Australian Securities Exchange announcements which are posted on the Company's website; • the Annual General Meeting and other meetings so called to obtain approval for Board action as appropriate; and • compliance with the continuous disclosure requirements of the Australian Securities Exchange Listing Rules.
6.2.	Companies should provide the information indicated in the Guide to reporting on Principle 6.	The Company will provide an explanation of any departures from Recommendation 6.1 (if any) in its future annual reports. The Corporate Governance Policies, which includes a Shareholders Communication Policy, are posted on the Company's website.
7.	Recognise and manage risk	
7.1.	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Company's Corporate Governance Policies include a Risk Management and Internal Compliance and Control Policy. Management determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.
7.2.	The board should require management to design and implement the risk	The Company's Corporate Governance Policies include a Risk Management and Internal Compliance and Control Policy. Risk oversight, management and internal control are dealt with on a continuous basis by

	management and the Board, with differing degrees of involvement from various directors and management, depending upon the nature and materiality of the matter.	management and the Board, with differing degrees of involvement from various directors and management, depending upon the nature and materiality of the matter. Management and the Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board Meetings.
7.3.	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with Section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	In the absence of an audit committee, the Board sets aside time to deal with issues and responsibilities usually delegated to the audit committee to ensure the integrity of the financial statements of the Company and the independence of the external auditor. For each reporting period, the Board receives assurance from the Managing Director that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. The Audit Committee, or the full Board of the Company, is also responsible for establishing policies on risk oversight and management.
7.4.	Companies should provide the information indicated in Guide to Reporting on Principle 7.	The Company will explain any departures from in Guide to Reporting on Principle 7. Recommendations 7.1, 7.2 and 7.3 (if any) in its future annual reports. The Corporate Governance Policies, which includes a Risk Management and Internal Compliance and Control Policy, are posted on the Company's website.
8.	Remunerate fairly and responsibly	
8.1.	The board should establish a	The Board considers the Company is not currently of a size, or its affairs of such complexity, to

	remuneration committee.	justify the establishment of a Remuneration Committee. This will be reviewed as the Company's circumstances change. Until a Remuneration Committee is established, the Board as a whole is responsible for the remuneration arrangements for the Directors and executives of the Company and considers it more appropriate to set aside time at Board meetings each year to specifically address matters that would ordinarily fall to a Remuneration Committee.
8.2.	<p>The remuneration committee should be structured so that it:</p> <ul style="list-style-type: none"> • consists of a majority of independent directors • is chaired by an independent director • has at least three members 	Although no formal remuneration committee has been established, the overall structure of the Board which serves as the informal remuneration committee is structured in a manner consistent with the Recommendation.
8.3.	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	<p>Executive Directors remuneration packages may comprise of:</p> <ul style="list-style-type: none"> • fixed salary; • performance based bonuses; • participation in any share/option scheme; and • statutory superannuation. <p>Non-Executive Directors receive fixed directors fees only, and do not participate in any performance-based remuneration. Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors.</p> <p>Remuneration of non-executive directors is determined by the Board with reference to comparable industry levels and, specifically for directors' fees, within the maximum amount approved by shareholders. There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors.</p> <p>Full remuneration disclosure, including superannuation entitlements has been provided by the Company in its annual reports.</p>

8.4.	Companies should provide the information indicated in the Guide to reporting on Principle 8.	The Company will provide an explanation of any departures from Corporate Governance Recommendations 8.1, 8.2 and 8.3 (if any) in its future annual reports. The Corporate Governance Policies are posted on the Company's website.
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12. MATERIAL CONTRACTS

12.1 Financing and Merger Implementation Agreement

On 14 May 2012, the Company entered into a financing and merger implementation agreement (**Agreement**) with Erin Mineral Resources Limited (ACN 128 093 354) (**Erin**), an unlisted Australian public company, together with certain warrantors of Erin to acquire 100% of the issued share capital of Erin (**Acquisition**).

In accordance with the terms of the Agreement, the Company has made separate offers to each of the shareholders in Erin (**Vendors**) to acquire 100% of their Erin shares, conditional upon completion occurring in accordance with the Agreement. As at the date of this Prospectus, Erin has informed the Company that all transfer forms in favour of HEA from all the Erin shareholders have been signed.

The material terms of the Agreement are as follows:

Due Diligence

Under the Agreement, the Company and Erin had until 30 May 2012 to conduct technical, legal and financial due diligence on the other party. On 30 May 2012, each party notified the other that it was satisfied with its due diligence investigations.

Consideration

In exchange for the Company acquiring 100% of the issued share capital in Erin, the Company will issue, by way of consideration on a post-Consolidation basis, the following to the Erin Shareholders (in proportion to their existing holdings in Erin):

- (a) 25,000,000 Shares; and
- (b) 13,000,000 voluntary holding lock shares (**VHL Shares**) which will may only be released from their holding lock upon the earlier of the following being satisfied:
 - (i) a change in control of the Company; or
 - (ii) the Company achieving an enterprise value of A\$25 million for ten (10) consecutive trading days (**Milestone**), (together, the **Consideration Securities**).

The Company will apply for quotation of the VHL Shares upon completion and the VHL Shares will be fully paid ordinary shares that will rank equally with all existing Shares on issue.

If there is no change of control of the Company and the Milestone is not satisfied by the date that is 5 years after the date of issue of the VHL Shares, HEA will conduct either a reduction of capital or a share buyback (at a price of \$0.000001 per VHL Share) of the VHL Shares, subject to compliance with the Corporations Act.

The Consideration Securities will be subject to escrow restrictions for 12 months (or 24 months in the case of related parties of the Company) from their date of issue in accordance with the ASX Listing Rules.

Loan to Erin

The Company has provided a loan facility to Erin of up to A\$900,000 to be applied towards advancing the priority exploration activities on the Projects (**Loan**) during the period up to completion. The Loan is interest-free and unsecured, and will be treated as an intercompany loan between the parties following completion of the Acquisition.

If the Agreement is terminated (for whatever reason) prior to completion of the Acquisition, Erin must, at its election, either:

- (a) repay the full amount of the Loan to HEA;
- (b) convert the Loan to fully paid ordinary shares in the capital of Erin (**Erin Shares**) (at the price Erin Shares are issued under Erin's next capital raising); or
- (c) repay part of the Loan in cash and convert the balance of the Loan to Erin Shares (at the price Erin Shares are issued under Erin's next capital raising),

on the date of completion of Erin's next capital raising.

Termination

The Agreement will automatically terminate if (amongst other things), on or before completion:

- (a) HEA fails to acquire 100% of the Erin shares as a result of each Erin shareholder accepting the offer from HEA;
- (b) HEA fails to obtain all regulatory and shareholder approvals required by HEA in order to give effect to the Acquisition (unless otherwise waived in writing by HEA);
- (c) Erin fails to obtain all regulatory approvals required by Erin in order to give effect to the Acquisition;
- (d) Erin fails to successfully demerge its Nigerian assets from the Erin group;
- (e) HEA fails to obtain sufficient applications to meet the minimum subscription under this Prospectus; or
- (f) Erin fails to obtain any consents required, under the terms of any material contract to which it is a party, to the change of control of Erin as a result of the Acquisition.

Furthermore, if completion has not occurred by 31 December 2012 (or such later date as agreed by the parties in writing) the Agreement will automatically terminate between the parties.

Consolidation of Capital

As required by the ASX Listing Rules, the Company will undertake a consolidation of its issued share capital on the basis of 1 Share for every 10 Shares held (**Consolidation**) so that the Company's Shares are valued at a minimum of \$0.20 each following the Consolidation.

Capital Raising

In order to fund the Acquisition and to re-comply with Chapters 1 and 2 of the ASX Listing Rules, the Company will conduct a capital raising (**Capital Raising**) to raise up to \$3,000,000 at an issue price of at least \$0.20 (following the Consolidation). The Capital Raising will be conducted under a full form prospectus to be prepared by HEA.

The Company will be required to set aside up to 50% of the shares offered under the Capital Raising for Erin shareholders in priority to all other applicants (**Priority Offer**).

Messrs Grant Davey, James Malone, David Chapman and Robert Besley (a proposed director of the Company) will all be subscribing for Shares under the Capital Raising (subject to Shareholder approval at the General Meeting).

Placement

The Company will be required to issue:

- (a) subject to shareholder approval, 3,500,000 Shares (on a post-Consolidation basis) to Verona Capital Pty Ltd (**Verona Capital**) in part consideration for the provision of corporate and technical services to the Company; and
- (b) 2,500,000 Shares (on a post-Consolidation basis) to investor clients of Verona Capital to raise net proceeds of \$250,000 (**Placement**).

The Company has already completed the placement of 2,500,000 Shares (on a post-Consolidation basis) in (b) above on 13 June 2012. The Company is seeking ratification of this prior issue in order to cleanse its 15% placement capacity at its upcoming General Meeting.

Demerger of Erin's Nigerian Assets

Erin currently holds various assets located in Nigeria. It is a term of the Agreement that prior to completion; Erin will successfully demerge these assets so that only Erin Resources and Erin Senegal (which both relate to Erin's Senegalese assets) remain within the Erin group.

Issue of Options to Verona Capital

In part consideration for the provision of corporate and technical services to the Company, the Company will issue at completion (subject to Shareholder approval), 4,000,000 unlisted options (on a post-Consolidation basis) to Verona Capital exercisable at \$0.20 each expiring on or before 30 June 2017.

New Board of Directors

It is a requirement that on or before completion, two (2) of Erin's existing directors, will be appointed as directors of HEA (with Erin's other directors resigning as directors of Erin). The Company currently proposes to appoint Mr Robert Besley and Mr Mike Houston from Erin to the Board of Directors of HEA.

Mr Jason Davis, Mr Jim Malone, Mr David Chapman and Mr Grant Davey (who was appointed as Managing Director of the Company on 21 June 2012) will remain on the Board of HEA.

Change of Name

As a result of the Acquisition, and subject to Shareholder approval, the Company proposes to change its name to Erin Resources Limited.

12.2 Joint Venture Agreement – Bouroubourou Permit

On 17 May 2011 (**Execution Date**) Erin entered into a joint venture with AfriGem Society Limited (**AfriGem**) for the purpose of exploring for gold and other minerals on the Bouroubourou Permit 10332 (**Bouroubourou Permit**). Erin holds an 80% interest (via a separate deed of assignment) in the joint venture with AfriGem holding the remaining 20%. Erin acts as operator/manager of the joint venture.

It is a requirement of the joint venture that AfriGem procure the consent of the Ministry of Mines in Senegal for the assignment of such interest or otherwise will hold such interest on trust for Erin until such approval has been obtained.

Erin is required to pay US\$75,000 to AfriGem on the Execution Date.

In addition, Erin is solely responsible for all contributions to joint venture expenditure until the completion of a bankable feasibility study. Erin is required to contribute a minimum of US\$650,000 to joint venture expenditure within two and a half years from the Execution Date.

Erin must contribute at least US\$250,000 to joint venture expenditure prior to withdrawal from the joint venture.

Standard dilution provisions apply for a party not contributing to its proportion of joint venture expenditure.

AfriGem has the right to retain the surface rights on the Bouroubourou Permit to a depth of 15 metres to recover 37,500 ounces of gold.

If a decision to mine is made, then the parties agree to enter into a separate joint venture operating agreement.

12.3 Joint Venture Agreement – Lingokoto Permit

On 17 May 2011 (**Execution Date**), Erin entered into a joint venture with AfriGem Society Limited (**AfriGem**) for the purpose of exploring for gold and other minerals on the Lingokoto Permit 10333 (**Lingokoto Permit**). Erin holds an 80% interest (via a separate deed of assignment) in the joint venture with AfriGem holding the remaining 20%. Erin acts as operator/manager of the joint venture.

It is a requirement of the joint venture that AfriGem procure the consent of the Ministry of Mines in Senegal for the assignment of such interest or otherwise hold such interest on trust for Erin until such approval has been obtained.

Erin is required to pay US\$75,000 to AfriGem on the Execution Date.

In addition, Erin is solely responsible for all contributions to joint venture expenditure until the completion of a bankable feasibility study. Erin is required to contribute a minimum of US\$650,000 to joint venture expenditure within two and a half years from the Execution Date.

Erin must contribute at least US\$250,000 to joint venture expenditure prior to withdrawal from the joint venture.

Standard dilution provisions apply for a party not contributing to its proportion of joint venture expenditure.

AfriGem has the right to retain the surface rights on the Lingokoto Permit to a depth of 15 metres to recover 37,500 ounces of gold.

If a decision to mine is made, then the parties agree to enter into a separate joint venture operating agreement.

12.4 Joint Venture Agreement – Woye, Balakonko and Garaboureya Permits

On 30 November 2011 (**Execution Date**), Erin entered into a joint venture with Mining Research Company Society Limited (**MRC**) for the purpose of exploring for gold and other minerals on the Saraya Project, consisting of the Woye Permit (01814), Garaboureya Permit (07786) (South Portion) and Balakonko Permit (07787) (together the **Saraya Project**). Erin holds an 80% interest in the joint venture (via a separate deed of assignment) with MRC holding the remaining 20%. Erin acts as operator/manager of the joint venture.

It is a requirement of the joint venture that MRC procure the consent of the Ministry of Mines in Senegal for the assignment of such interest or otherwise hold such interest on trust for Erin until such approval has been obtained.

Erin is solely responsible for all contributions to joint venture expenditure until it has completed a positive feasibility study, thereafter the parties will contribute pro rata.

Erin is required to contribute a minimum of US\$2,000,000 to joint venture expenditure within two and a half years from the Execution Date.

Erin must contribute at least US\$750,000 to joint venture expenditure prior to withdrawal from the joint venture.

Erin shall pay MRC the following:

- (a) US\$150,000 within 1 week of the Execution Date;
- (b) US\$50,000 on the date of completion of US\$1,000,000 joint venture expenditure, but no later than 12 months after the Execution Date;
- (c) US\$50,000 on the date of completion of US\$1,500,000 joint venture expenditure, but no later than 24 months after the Execution Date; and
- (d) US\$50,000 on the date of completion of US\$2,000,000 joint venture expenditure, but no later than 30 months after the Execution Date.

On completion of a bankable feasibility study and the granting of a mining concession, MRC and Erin agree that dilution due to the government's participation interest will be shares on a pro rata basis between MRC and Erin (MRC will dilute to 18% and Erin will dilute to 72%).

On completion of a bankable feasibility study, MRC may then elect one of the following:

- (a) convert its interest into a 3% net profits royalty; or

- (b) contribute to ongoing project development/exploration funding (government will have a 10% free carry) in proportion to its joint venture interest; or
- (c) sell its interest to Erin at fair market value.

Standard dilution provisions apply for a party not contributing to its proportion of joint venture expenditure.

If a decision to mine is made, then the parties agree to enter into a separate joint venture operating agreement.

12.5 Joint Venture Agreement – Wassadou Permits (North and South)

On 12 March 2012 (**Execution Date**), Erin entered into a joint venture with Societe Des Mines Du Senegal (**SODEMINES**) for the purpose of exploring for gold and other minerals on the Wassadou North Permit 000852 and Wassadou South Permit 012907 (**Wassadou Permits**). Erin holds a 77.5% interest (via a separate deed of assignment) in the joint venture with SODEMINES holding the remaining 22.5%. Erin acts as operator/manager of the joint venture.

Erin is required within one week of the Execution Date to pay the sum of USD\$10,000 to SODEMINES relating to the Wassadou South Permit. Within one week of notifying SODEMINES of the inclusion of the Wassadou North Permit, Erin will be required to pay a further USD\$10,000 to SODEMINES relating to the Wassadou North Permit.

It is a requirement of the joint venture that SODEMINES procure the consent of the Ministry of Mines in Senegal for the assignment of such interest or otherwise hold such interest on trust for Erin until such approval has been obtained.

Erin is solely responsible for all contributions to joint venture expenditure until the completion of a positive feasibility study. The parties shall then contribute to joint venture expenditure on a pro rata basis. Standard dilution provisions apply for a party not contributing to its proportion of joint venture expenditure.

If a decision to mine is made, then the parties agree to enter into a separate joint venture operating agreement.

13. ADDITIONAL INFORMATION

13.1 Litigation

As at the date of this Prospectus, our Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against our Company.

13.2 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the

proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being

wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

13.3 Options to be issued to Verona Capital

Pursuant to the Agreement between the Company and Erin detailed in Section 12.1 of this Prospectus, the Company has agreed to issue, subject to Shareholder approval 4,000,000 Options to Verona Capital (on a post- Consolidation basis) in consideration for technical and corporate services relating to the Acquisition.

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will only vest and become capable of exercise upon the voluntary holding lock in respect of the VHL Shares being released.
- (c) Each Option will expire at 5.00pm (WST) on 30 June 2017 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) Subject to paragraph (l), the amount payable upon exercise of each Option will be \$0.20 (**Exercise Price**).
- (e) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (f) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised; (**Exercise Notice**).
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (i) Subject to the expiry of any applicable escrow period the Options shall be freely transferable.

- (j) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (k) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (l) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (m) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (n) An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

13.4 VHL Shares

The VHL Shares will be issued on the following terms and conditions:

- (a) The VHL Shares will be quoted and will be subject to a voluntary holding lock, meaning that Erin shareholders will not be able to sell, assign or otherwise transfer their VHL Shares until the voluntary holding lock is released (or, if the voluntary holding lock is released within 12 months, until the remainder of the 12 month escrow period has elapsed).
- (b) The voluntary holding lock will be released if HEA reaches an enterprise value of \$25 million for 10 consecutive trading days (**Milestone**). Enterprise value is calculated as market capitalisation plus debt minus cash.
- (c) The voluntary holding lock will also be released if there is a "change of control event" in relation to HEA – that is a takeover or merger of HEA (excluding the merger with Erin) or an HEA shareholder or group of associated HEA shareholders holding more than 50% of the shares in HEA.
- (d) HEA will apply for the VHL Shares to be quoted on ASX.
- (e) The VHL Shares will be fully paid ordinary shares that will rank equally with the Company's existing Shares on issue.
- (f) If, within 5 years from the date of issue of the VHL Shares, the Milestone is not reached and there is no change of control event in relation to HEA, the VHL Shares will be cancelled by way of a selective capital reduction or share buyback (at \$0.000001 per VHL Share).

13.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

13.6 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (d) the formation or promotion of the Company; or
- (e) the Offer.

Coffey Mining Pty Ltd has acted as Independent Geologist and has prepared the Independent Geologist's Report which is included in Section 8 of this Prospectus. The Company estimates it will pay Coffey Mining Pty Ltd a total of \$36,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Coffey Mining Pty Ltd has not received fees from the Company for any other services.

PKF Mack & Co has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 9 of this Prospectus. The Company estimates it will pay PKF Mack & Co a total of \$6,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, PKF Mack & Co has received fees of approximately \$8,800 (including GST) from the Company for any other services.

Steinepreis Paganin has acted as the Australian solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$40,000 (excluding GST) for services in respect of this Prospectus up to lodgement. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has rendered fees of approximately \$182,673.98 (excluding GST and disbursements) to the Company for its services (which includes services in respect of this Prospectus).

Geni & Kebe SCP D'Avodats has acted as the Senegalese solicitors to the Company and has prepared the Senegal Title Report which is included in Section 10 of this Prospectus. The Company estimates it will pay Geni & Kebe SCP D'Avodats a total of \$3,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Geni & Kebe SCP D'Avodats has not received any fees from the Company for any other services.

13.7 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Coffey Mining Pty Ltd has given its written consent to being named as Independent Geologist in this Prospectus, the inclusion of the Independent Geologist's Report in Section 8 of this Prospectus in the form and context in which the report is included and the inclusion of statements contained in the Managing Director's Letter in Section 4, Investment Overview in Section 3 and Section 6 of this Prospectus in the form and context in which those statements are included. Coffey Mining Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

PKF Mack & Co has given its written consent to being named as Investigating Accountant and as the auditor to the Company in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 9 of this Prospectus in the form and context in which the information and report is included. PKF Mack & Co has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the Australian solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Geni & Kebe SCP D'Avodats has given its written consent to being named as the Senegalese solicitors to the Company in this Prospectus and to the inclusion of the Senegal Title Report in Section 10 of this Prospectus in the form and context in which the report is included. Geni & Kebe SCP D'Avodats has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Computershare Investor Services Pty Limited has given its written consent to being named as the share registry to the Company in this Prospectus. Computershare Investor Services Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

13.8 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in Section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants is also managed through disclosure to the ASX. In addition, the Company posts this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

13.9 Electronic Prospectus

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.healthcorporation.com.au.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic

Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

13.10 Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

13.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company will apply to participate in CHES. Investors who do not wish to hold their equity securities in the Company through CHES will be issuer sponsored by the Company. Because the subregisters are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be issued with a statement, sent by post, that sets out the number of Shares issued to them under this Prospectus and advising holders of their Holder Identification Number or Securityholder Reference Number. Subsequently, where a holding changes in the course of a calendar month that holder will be issued with a statement that sets out the changes in their holding. That statement is despatched in the week following the relevant month end.

13.12 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

14. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

A handwritten signature in black ink, consisting of several overlapping loops and a vertical stroke at the bottom, positioned above a horizontal line.

Grant Davey
Managing Director
For and on behalf of
Health Corporation Limited
(to be renamed "Erin Resources Limited")

15. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ means an Australian dollar.

Acquisition means acquisition of 100% of the issued share capital of Erin under the Agreement.

AfriGem means AfriGem Society Limited.

Agreement or **Financing and Merger Implementation Agreement** means the financing and merger implementation agreement dated 14 May 2012 between the Company, Erin and certain warrantors of Erin pursuant to which the Company will acquire 100% of the issued share capital of Erin.

Applicant means a person who submits an Application Form.

Application Form means the application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Board means the board of Directors as constituted from time to time.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Investment Overview in Section 3 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or **Health Corporation** means Health Corporation Limited (to be renamed "Erin Resources Limited") (ACN 116 800 269).

Consolidation means the consolidation of its issued share capital of the Company on the basis of 1 Share for every 10 Shares held.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Erin means Erin Mineral Resources Limited (ACN 128 093 354).

Erin Resources means Erin Resources Pty Ltd (ACN 128 242 464).

Erin Senegal means Erin Senegal S.A.U (a company incorporated and registered in Senegal).

Erin Shareholders means shareholders of Erin as at the Priority Offer Record Date.

Exposure Period means the period of seven days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than seven days pursuant to Section 727(3) of the Corporations Act.

General Meeting means the general meeting of Shareholders scheduled to be held on or about 17 August 2012.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

MRC means Mining Research Company Society Limited.

Notice of Meeting means the notice of general meeting of the Shareholders dated 17 July 2012.

Offer means the offer of Shares pursuant to this Prospectus as set out in Section 5 of this Prospectus.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Permits means the exploration permits in which the Company has an interest as further described in the Senegal Title Report set out in Section 10 of this Prospectus or any one of them as the context requires.

Priority Offer means the offer of Shares to Erin shareholders pursuant to this Prospectus as set out in Section 5 of this Prospectus.

Priority Offer Closing Date means the closing date of the Priority Offer as set out in the indicative timetable in the Investment Overview in Section 3 of this Prospectus (subject to the Company reserving the right to extend the Priority Offer Closing Date or close the Priority Offer early).

Priority Offer Record Date means the record date of the Priority Offer as set out in the indicative timetable in the Investment Overview in Section 3 of this Prospectus.

Prospectus means this prospectus.

Public Offer means the public offer pursuant to this Prospectus as set out in Section 5 of this Prospectus.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

SODEMINES means Societe des Mines du Senegal.

Vendors means the shareholders of Erin.

Verona Capital means Verona Capital Pty Ltd (ACN 081 627 830).

VHL Shares means those voluntary holding lock shares with the terms as set out in Section 13.4.

WST means Western Standard Time as observed in Perth, Western Australia.

Return your Form:

✉ **By Mail:**
C/O BBY Limited
Level 6 / 105 St Georges Tce
Perth WA 6000

For all enquiries:

📞 **Phone:**
(within Australia) 08 9389 2000
(outside Australia) + 61 8 9389 2000

Public Offer Application Form

 **Your form and payment must be received by 5.00pm (AWST) Monday 20 August 2012**

This is an important document and requires your immediate attention. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser. You should read the entire Prospectus before completing this form. As per the Corporations Act, this form should not be distributed unless included in, or accompanied by, the Prospectus.

Step 1: Apply for Shares

Provide the number of shares you wish to apply for and the application amount to be paid (number of shares x \$0.20 (issue price)). The application must be for a minimum of 10,000 Shares. Applications for a greater number must be in multiples of 1,000 Shares.

Step 2: Provide your Details

Individual / Joint Applications: This must be your full name or the name of a company. Up to 3 joint applicants can register. Refer to the table below as applications using the wrong form may be rejected.

Postal Address: This will be used for all correspondence.

Contact Details: These are not compulsory but will assist us if we need to contact you.

Step 3: CHESS Holdings Only

If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold the shares allotted to you under this application on the CHESS Subregister, enter your CHESS HIN. Otherwise leave Step 3 blank and on allotment you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

Note: if your name and address details do not correspond with the details held at CHESS, your application will be deemed to be without the CHESS HIN and any shares issued will be held on the Issuer Sponsored subregister.

Step 4: Make Your Payment

Make your cheque or bank draft payable to 'Health Corporation Limited' and cross 'Not Negotiable'. Your cheque or bank draft must in Australian currency and be drawn on an Australian account. Complete the cheque details in the boxes in Step 4 overleaf. Alternatively, make your payment via direct credit using the banking details listed in Step 4 overleaf.

Please note:

Your total payment amount must match the amount shown in Step 1. If paying by cheque or bank draft, paperclip (do not staple) your payment to the application form for return and payments will be processed on the day of receipt. Cash is not accepted and receipts will not be forwarded.

Turn over to complete the form →

Correct Forms of Registrable Titles

Applications must be made in the name(s) or natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation or completed as described in the correct forms of registrable title(s) below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual - Use given name(s) in full, not initials	Mr John Alfred Smith	J.A Smith
Joint - Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company - Use company title, not abbreviations	ABC Pty Ltd	ABC P/L; ABC Co
Trusts - Use trustee(s) personal name(s) - Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates - Use executor(s) personal name(s) - Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) - Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships - Use partners personal name(s) - Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names - Use office bearer(s) personal name(s) - Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

Application Form

STEP 1 Apply for Shares

I/We apply for:

I/We lodge full application payment of:

A\$

shares at \$0.20 per share or such lesser number of shares which may be allocated to me/us. The application must be for a minimum of 10,000 Shares. Applications for a greater number of shares must be in multiples of 1,000 Shares.

STEP 2 Provide your Details

Individual / Joint Applications

Title or Company Name

Given Name(s)

Surname

Joint Applicant 2 or Account Designation

Joint Applicant 2 or Account Designation

Postal Address

Unit

Street Number

Street Name or PO Box

Street Name or PO Box (continued)

City/Suburb/Town

State

Postcode

Contact Details

Contact Name

Telephone Number (Business Hours)

STEP 3 CHESS Holdings Only - supply your Holder Identification Number

STEP 4 Make your payment

By cheque or bank draft payable to 'Health Corporation Limited' and cross 'Not Negotiable'

Drawer

Cheque Number

BSB Number

Account Number

Amount of Payment

By direct credit using the below banking details and return this completed Application Form in accordance with the instructions you have been provided.

Bank: Bank of Western Australia Limited

BSB and Account number: 306089 2804254

Account name: Health Corporation Ltd

Reference details to be used for the payment: Your Applicant Name

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited (CIS) as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS using the details provided above or email privacy@computershare.com.au