

30 October 2013

ASX Release

## September Quarterly Activity Report

### Summary

- **Confirmation of significant gold resource potential with initial discoveries on the Bouroubourou projects**
- **Extension of 65km<sup>2</sup> to the Bouroubourou permit acquired - increasing by 3km strike along trend to the Company's discoveries at Maleko and Berola**
- **Completion of Capital Raising with Underwritten Rights Issue**

### Exploration Success at Bouroubourou

During 2013 the Company announced two new gold discoveries at Maleko and Berola on the Bouroubourou Project, which included intersections up to 7m @ 10.41g/t gold. Bouroubourou is one of the Company's 7 exploration assets in Senegal, and lies within the Kedougou Inlier, where over 30 million ounces have been discovered in the last 10 years. These discoveries were made after a 17 hole RC drilling program (2,500m) was completed and these initial drilling results from Bouroubourou are analogous to the mineralisation and early stage exploration results recorded at nearby significant gold discoveries in the Kedougou Inlier.

Erin holds 640km<sup>2</sup> of exploration permits in Senegal and a portfolio of 7 strategically located permits (Figure 4). There are 3 multi-million ounce gold deposits that have recently been discovered within 15 kilometers of Erin's projects: being the Masawa (3.6m oz), Petowal (1.6m oz) and Oromin (3.7m oz) projects. All the Company's projects lie within the Kedougou inlier that extends over eastern Senegal and along the country's western border with Mali.

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

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

### Extension to Bouroubourou Permit Granted

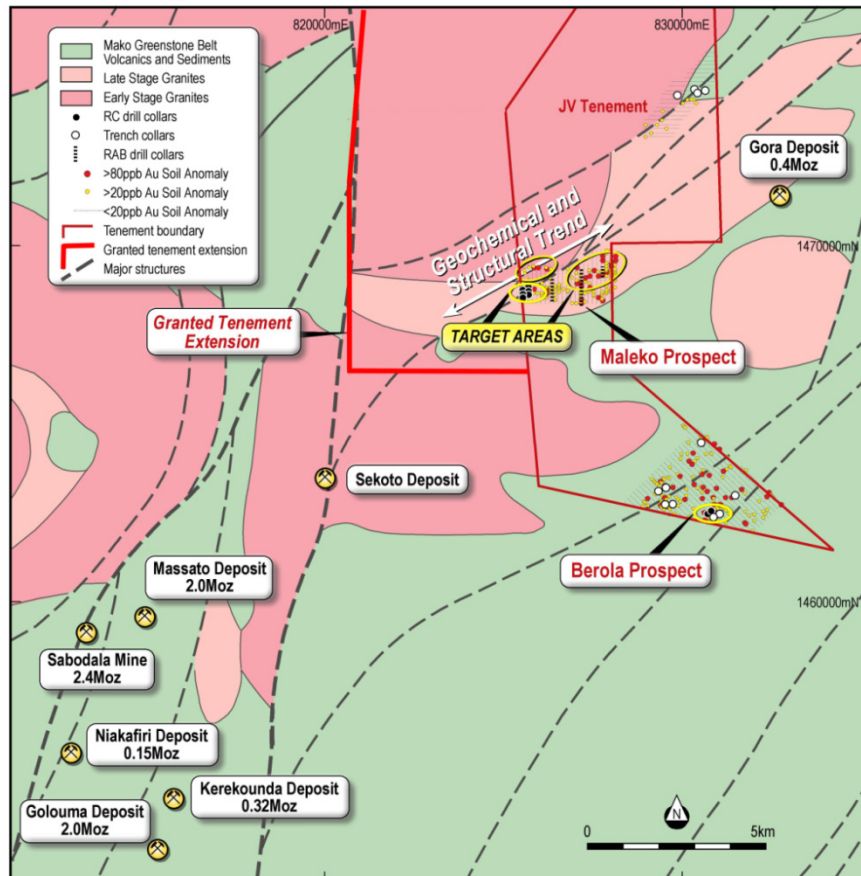
During the quarter, Erin acquired the strategic 65km<sup>2</sup> permit extension to the Bouroubourou tenement, directly west of the Maleko and Berola discoveries, which allows for exploring the potential trend of known mineralisation by up to 3km to the west. See Figure 1. Additionally, there is prospective ground to the north in the new extension permit area.

RC drilling at Maleko, in the 2013 program returned the following significant intersections:

Drill Hole	Down Hole Au Intercept	From Depth (Down hole)
BourRC0011	4m @ 17.9g/t	27
BourRC0002	6m @ 2.71g/t	64
BourRC0004	5m @ 1.88g/t	7
BourRC0012	6m @ 1.24g/t	62

The Maleko and Berola discoveries are well located within the region, as they lie between Teranga’s Sabodala mine (2.4m oz, 15km away) and Gora deposit (0.5m oz, 8km away) that is under feasibility study. Oromin’s deposits (3.7m oz) lie about 15km to the south-west.

**Figure 1. Location of Maleko and Berola discoveries and large gold deposits nearby**



Mineralisation at Maleko (Figure 2) is associated with shearing, quartz veining, sericite/silicic alteration and pyrite within volcanic meta-sedimentary units, consistent in style with multi-million ounce deposits like Teranga’s Sabodala mine (2.4m oz), Randgold’s Massawa deposit (3.6m oz) and Oromin’s deposits (3.7m oz).

The intersections lie within a zone of mineralisation approximately 180m wide with an estimated dip of 35° to the south. This zone appears to be associated with an 80ppb gold soil anomaly, which trends westward and extends at least 400m to the western border of the Bouroubourou permit (Figure 3). The granted extension area to the west provides an additional 3km of highly prospective geology along trend from the Maleko discovery.

Quartz veining is associated with the higher-grade intersections and can be variably mineralised. As a result, it appears that quartz can be a good indicator of mineralization nearby, even if not containing abundant gold.

The next stage for exploration at Maleko is to expand the defined mineralisation to the east and west of the current discovery sections. In addition, the Company is re-evaluating and going back to soil anomalies with similar footprints to Maleko and Berola on all its Senegal permits.

Figure 2. Cross Section 825610mE Showing Significant Intersections, Maleko

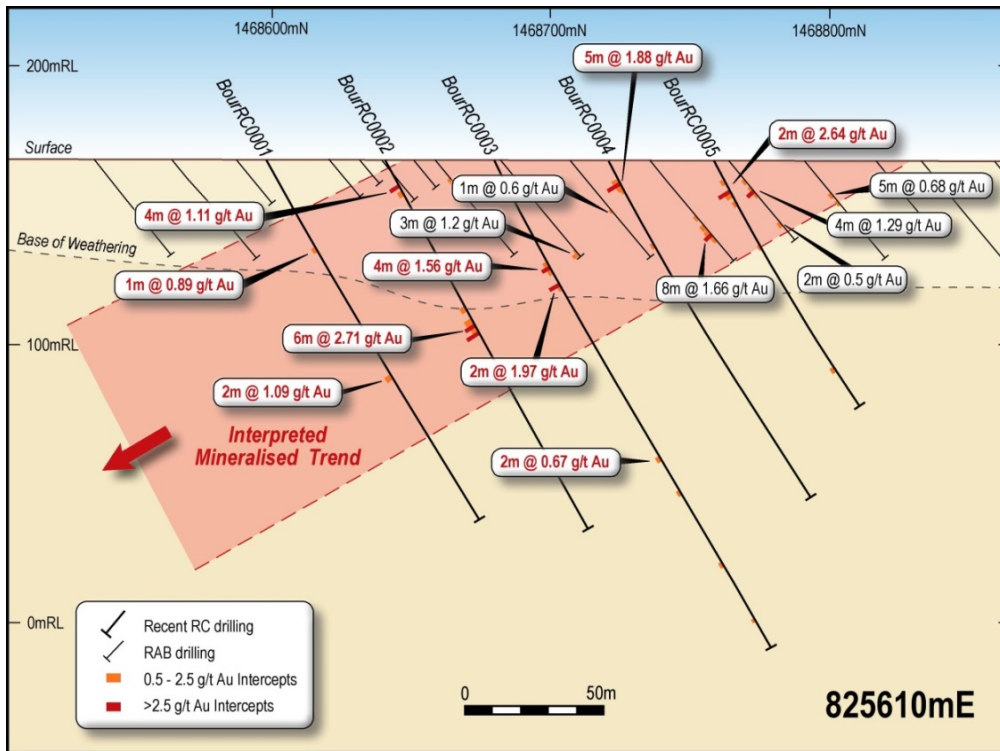


Figure 3. Plan view showing drilling and interpreted extension of the Maleko mineralisation

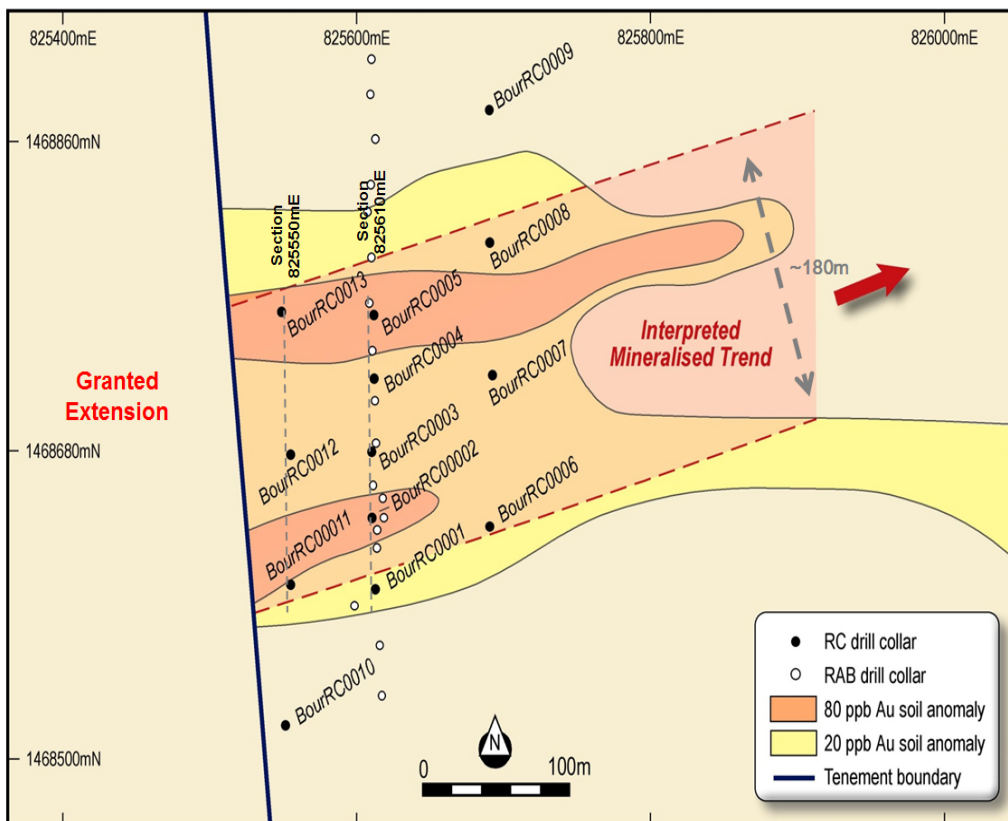
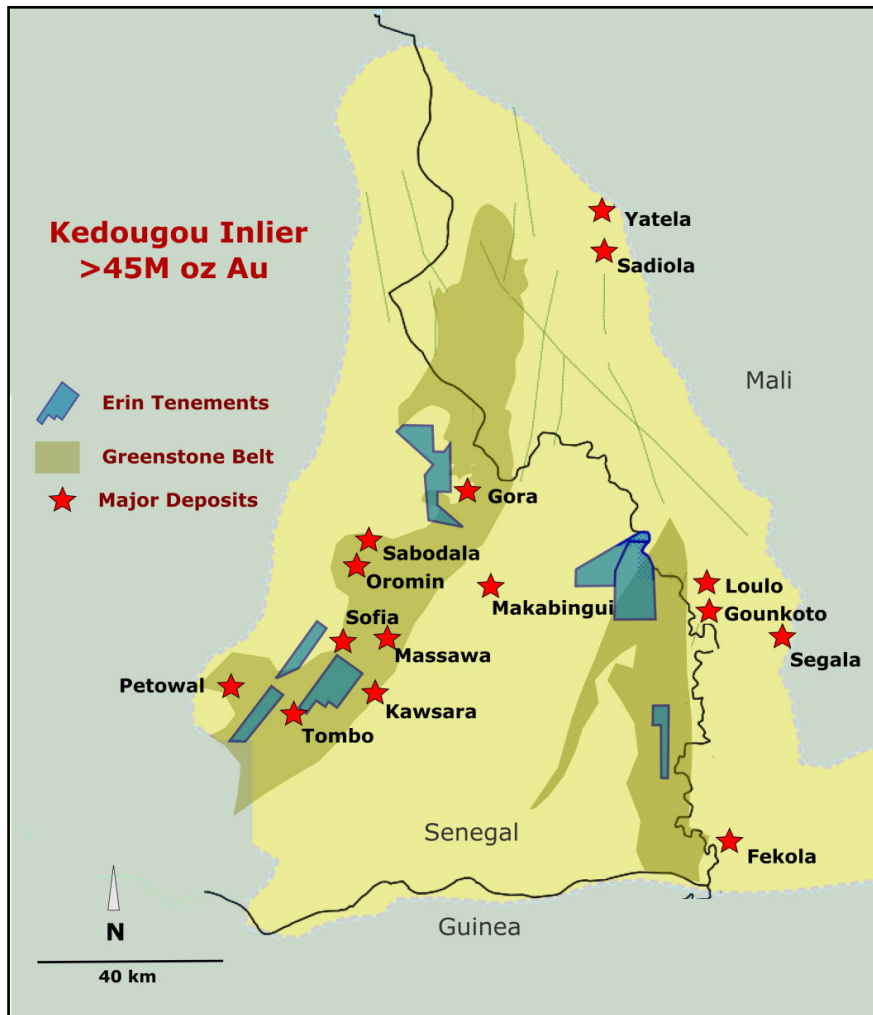


Figure 4. Kedougou Inlier



#### Other Exploration

The discovery at Maleko provided strong encouragement for exploration over the Company's 640km<sup>2</sup> exploration permits. Both the Maleko and Berola mineralisation are partially concealed by transported sediments and intense laterite formation. It is suspected that such circumstances might occur for a number of geochemical anomalies on the Bouroubourou, Garaboryea north and Lingakoto permits. Field mapping and evaluation work were undertaken on these prospects.

#### Competent Persons Statement

The information in this document that relates to Exploration Results is based on information compiled or reviewed by Mr Neil Inwood who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Inwood is a full time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Inwood consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

**Corporate**

The Company undertook an entitlements issue and shareholders subscribed for 24,220,318 shares (\$242,203) and 24,220,318 free attaching listed options under the offer as announced on 29 August 2013, leaving a shortfall of 51,737,741 shares (\$517,377) and 51,737,741 options. The entitlement issue was partially underwritten up to \$500,000, and the shortfall and underwritten securities were allotted on 12 September 2013.

The Company also placed an additional 2,662,259 shares at \$0.01 each (\$26,623) and 2,662,259 free attaching listed options exercisable at \$0.02 on or before 30 June 2015 to sophisticated investors, the same terms as the Entitlement Issue.

**Cash Position at 30 September 2013**

The Company had a closing cash balance of \$617,000 at 30 September 2013.

*For and on behalf of the Board*

# Appendix 5B

## Mining exploration entity quarterly report

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

Name of entity

ERIN RESOURCES LIMITED

ABN

30 116 800 269

Quarter Ended ("Current Quarter")

30 SEPTEMBER 2013

### Consolidated statement of cash flows

Cash flows related to operating activities		Current Quarter \$A'000	Year to Date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(30)	(30)
	(b) development	-	-
	(c) production	-	-
	(d) administration & staff	(45)	(45)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (Refund of R&D Rebate to HIP Franchising Pty Ltd)	(102)	(102)
	<b>Net Operating Cash Flows</b>	<b>(177)</b>	<b>(177)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (refund of mining security bonds)	-	-
	<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(177)</b>	<b>(177)</b>

1.13	Total operating and investing cash flows (brought forward)	(177)	(177)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	642	642
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (capital raising cost)	(9)	(9)
<b>Net financing cash flows</b>		<b>633</b>	<b>633</b>
<b>Net increase (decrease) in cash held</b>		<b>456</b>	<b>456</b>
1.20	Cash at beginning of quarter/year	161	161
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>617</b>	<b>617</b>

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

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

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

1.25 Explanation necessary for an understanding of the transactions.

Nil.

**Non-cash financing and investing activities**

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

Nil

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

Nil

### Financing facilities available

Add notes as necessary for an understanding of the position.

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

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and Evaluation	84
4.2 Development	-
4.3 Production	-
4.4 Administration	86
<b>Total</b>	<b>170</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	617	161
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>617</b>	<b>161</b>

### Changes in interests in mining tenements

	Tenement Reference	Nature of Interest (note (2))	Interest at beginning of quarter	Interest at end of Quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A	N/A	N/A	N/A
6.2 Interests in mining tenements acquired or increased	10332 Bouroubourou (65km <sup>2</sup> extension)	Joint Venture Agreement	N/A	80%



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

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

	Total Number	Number Quoted	Issue Price per Security (see note 3) (cents)	Amount Paid Up per Security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	154,624,514 (includes 13,000,000 VHL shares)	136,785,027		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	78,620,318 -	78,620,318 24,331,650	\$0.01 per share Nil – released from escrow	Fully Paid Fully Paid
7.5 <b>*Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	4,000,000 1,000,000 500,000 500,000 78,620,318	Nil Nil Nil Nil 78,620,318	<b>Exercise Price</b> \$0.20 \$0.30 \$0.35 \$0.40 \$0.02	<b>Expiry Date</b> 30 June 2017 23 Jan 2018 23 Jan 2018 23 Jan 2018 30 Jun 2015
7.8 Issued during quarter	78,620,318	78,620,318	\$0.02	30 Jun 2015
7.9 Exercised during quarter				
7.1 Expired during quarter 0				
7.1 <b>Debentures</b> 1 <i>(totals only)</i>				
7.1 <b>Unsecured notes</b> (totals 2 <i>only)</i>				

## Compliance statement

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

A handwritten signature in black ink, appearing to read 'Nick Poll', is written in a cursive style.

**Nick Poll**  
Managing Director

Date: 30 October 2013

## Notes

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