

30 April 2013

ASX Release

## March Quarterly Activity Report

### Highlights

- Significant exploration activity undertaken during the quarter on several projects
- High grade drilling results recorded at Bouroubourou: including 7m @ 10.41 g/t Au (with 4m @ 17.9g/t Au) at the Maleko gold prospect
- Permit granted for on strike extension to the Bouroubourou permit, an additional 3km of potential trend to the west of the Maleko discovery
- Additional new discovery at the Berola gold prospect on the Bouroubourou permit from recent drilling program
- Trenching and soil geochemistry on to define drill targets on Woye and Garaboueya South
- Board Changes - Appointment of New Managing Director and Chairman

Erin Resources Ltd (“Erin” or “The Company”) undertook a significant exploration program during the quarter on its key gold projects in Senegal (Figure 1) which produced very encouraging high grade intercepts from the RC drilling programs at Bouroubourou. The program is still in its early stage but these results are a strong confirmation of the prospectivity of the area and the exploration strategy being undertaken by the Erin team.

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. The Kedougou Inlier has been the source of approximately 30m oz of discoveries in the past 10 years.

### Overview of Exploration Program for March Quarter

Drilling and trenching undertaken during the March quarter has resulted in two new gold discoveries at Maleko and Berola on the Bouroubourou permit (Figures 1 and 2). These prospects were discovered after a 17 hole RC drilling program (2,500m) and are the result of systematic exploration techniques that started with regional soil sampling and focused in on prospective areas with more detailed soil sampling and trenching.

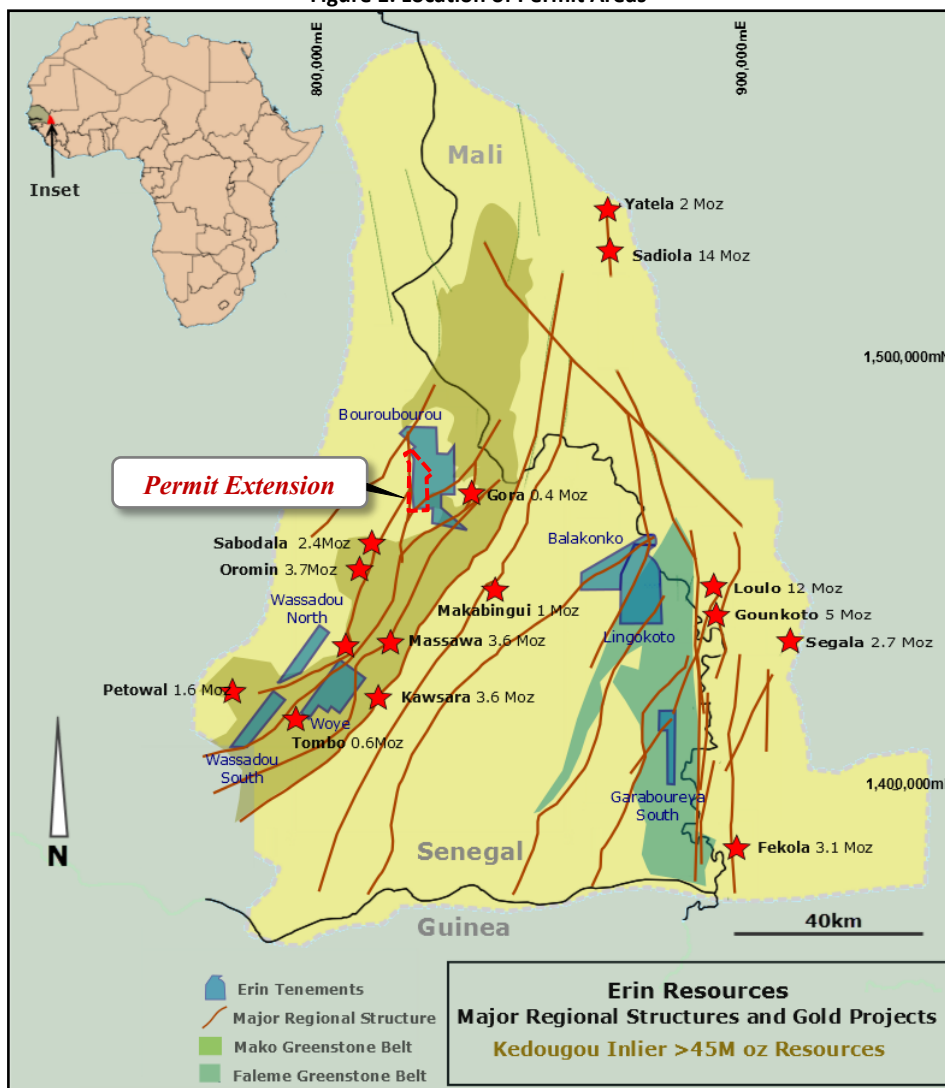
The Maleko and Berola discoveries are well located within the region, as they lie between Teranga’s producing Sabodala mine (2.4m oz, 15km away) and the Gora deposit (0.5m oz, 8km away) which is under feasibility study. Oromin’s deposits (3.7m oz) lies about 15km away to the south-west of the Bouroubourou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

Adding to the opportunity at Maleko, the Bouroubourou permit area has been extended to the west by 65km<sup>2</sup> (Figure 1). The tenement extension provides an additional 3km of highly prospective geological and structural trend for the Maleko discovery as well as highly prospective ground to the north of the permit extension.

Trenching and mapping has also been undertaken on the Woye, Wassadou North and Garaboueya South prospects.

Exploration is continuing across the Company's 640km<sup>2</sup> of permit area and the recent discoveries have provided confirmation of the Company's exploration strategy and additional direction on how to proceed for the next exploration phase.

Figure 1. Location of Permit Areas



**Bouroubourou**

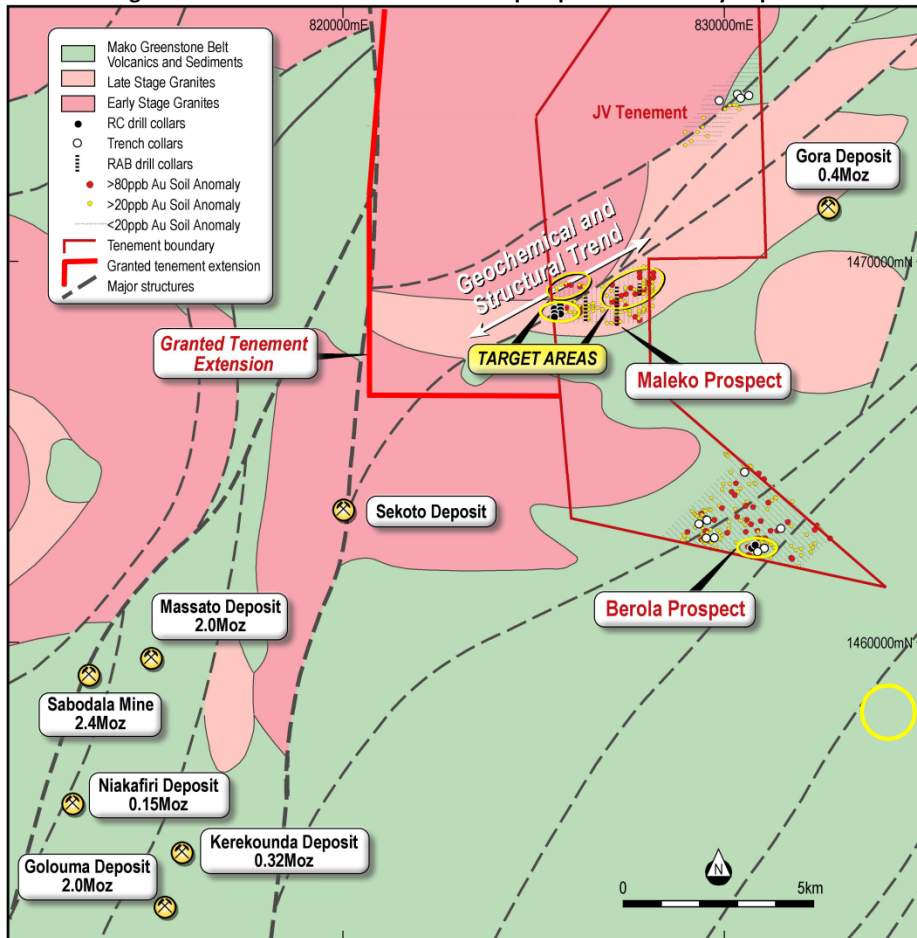
Maleko Prospect

RC drilling of 13 holes for 2,031m (Figure 3) has confirmed the discovery of a new mineralised gold system on the Maleko prospect. This system seems to be open along trend (east and west) and dip. Significant intersections from Maleko are shown in Figures 4 and 5 and include:

Drill Hole	Down Hole 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

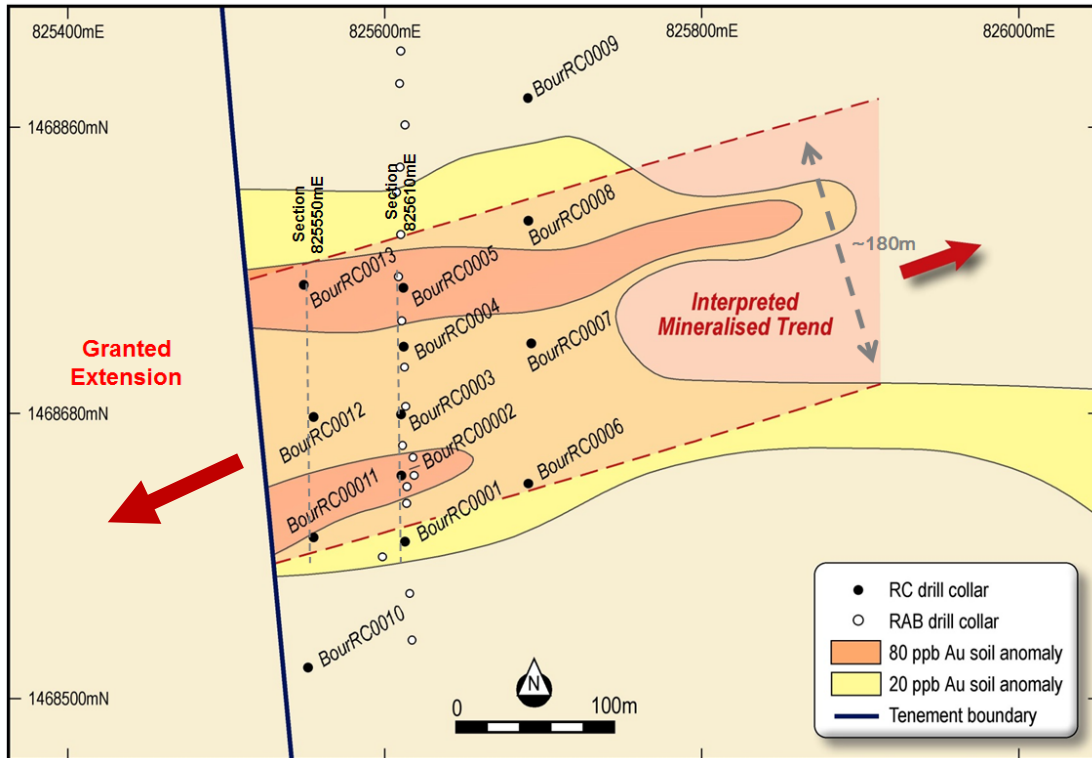
The gold mineralisation at Maleko is interpreted to be similar in character, and lies between, the Sabodala (2.4m oz) and Gora (0.4m oz – 5g/t) deposits and is along a regional trend from Massawa (3.6m oz). See Figure 1. The intersections lie within a zone of mineralisation approximately 180m wide with 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 (Figure 2).

**Figure 2. Location of Maleko and Berola prospects and nearby deposits**



Mineralisation is also 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). Quartz veining is associated with the higher-grade intersections, but can be variably mineralised. As a result, it appears that quartz can be a good indicator of mineralisation potential.

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



Exploration resulting in the discovery of Maleko initially targeted an 80ppm Au geochemical anomaly with a wide spaced RAB drilling program over a broad area (approximately 5km long). One grab sample, assayed at 9g/t Au provided confirmation of primary gold mineralisation nearby. The relatively low-grade of the associated anomaly (80ppb Au) indicates that the Maleko mineralisation is partially concealed and provides direction and encouragement for exploration over the Company’s entire tenement package in Senegal.

The next stage at Maleko is to expand the defined mineralisation to the east and west of the current discovery sections. In addition, the Company will be testing soil anomalies with a similar footprint to Maleko. Further exploration on the Maleko discovery will require a regional soil sampling survey to cover the entire new extension area. This shall be followed up with more detailed soil sampling grid over anomalous areas, to provide targets for RC drilling along trend from Maleko.

Figure 4. Cross Section 825610mE Showing Significant Intersections, Maleko

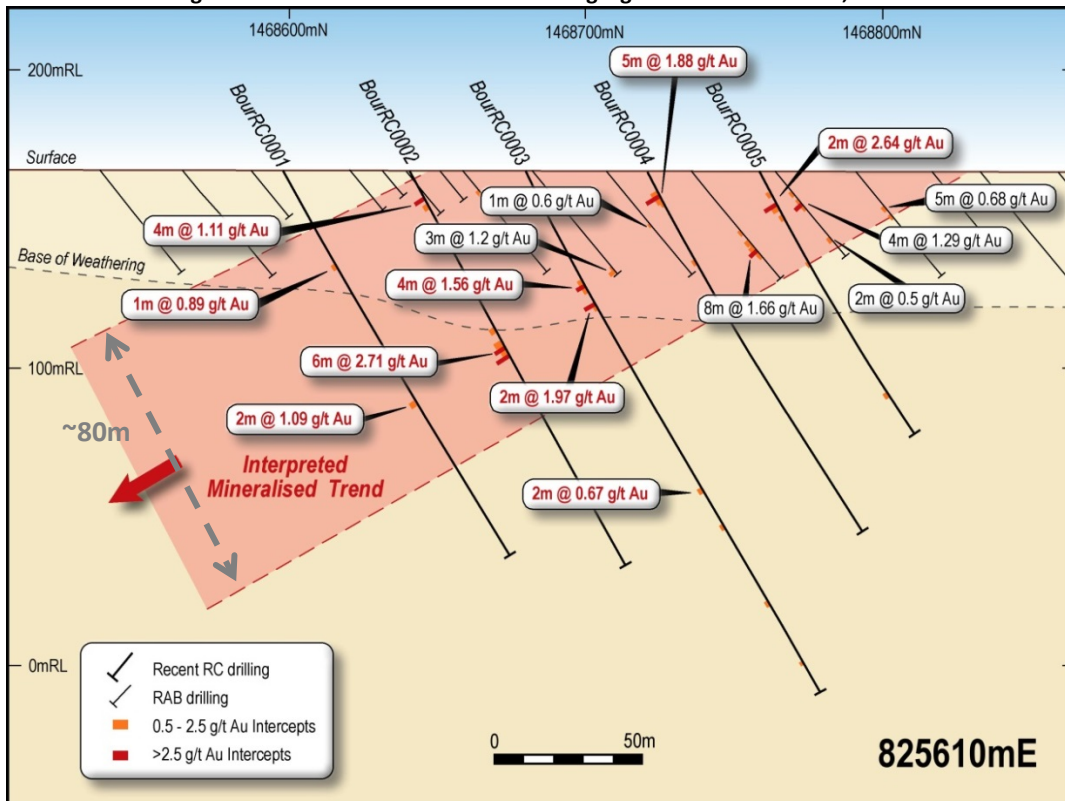
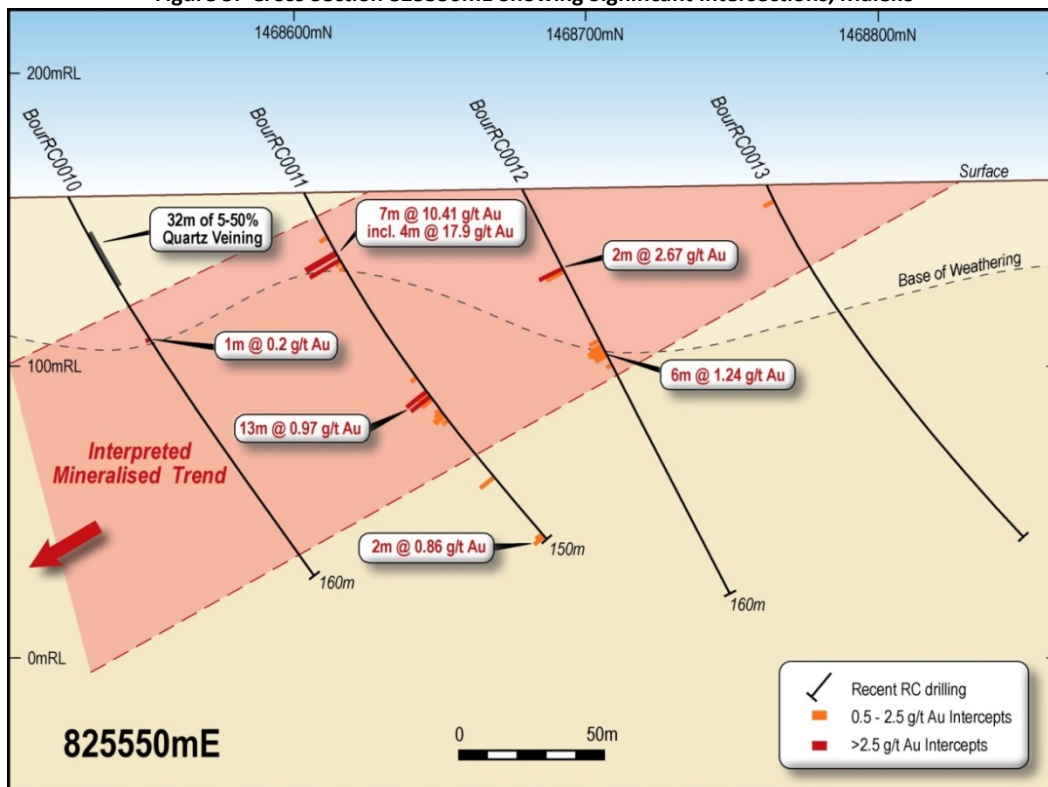


Figure 5. Cross Section 825550mE Showing Significant Intersections, Maleko



Berola and A1 Prospects

The Berola prospect lies on a 3.5km long, northeast trending structure that has been identified in regional mapping and geophysics (Figures 1 and 2). This orientation is consistent with trends that host nearby multi-million ounce gold deposits such as Sabodala (2.4m oz), Oromin (3.7m oz) and Masawa (3.6m oz).

A total of 5 trenches for 625m and 4 RC holes for 462m (Figure 6) were as completed on the Berola prospect during the quarter; additionally 7 trenches for 907m were undertaken at the A1 prospect to the north. The trenching at Berola identified new gold mineralisation at a depth of about 1.5m, including best intercepts of (Figure 4):

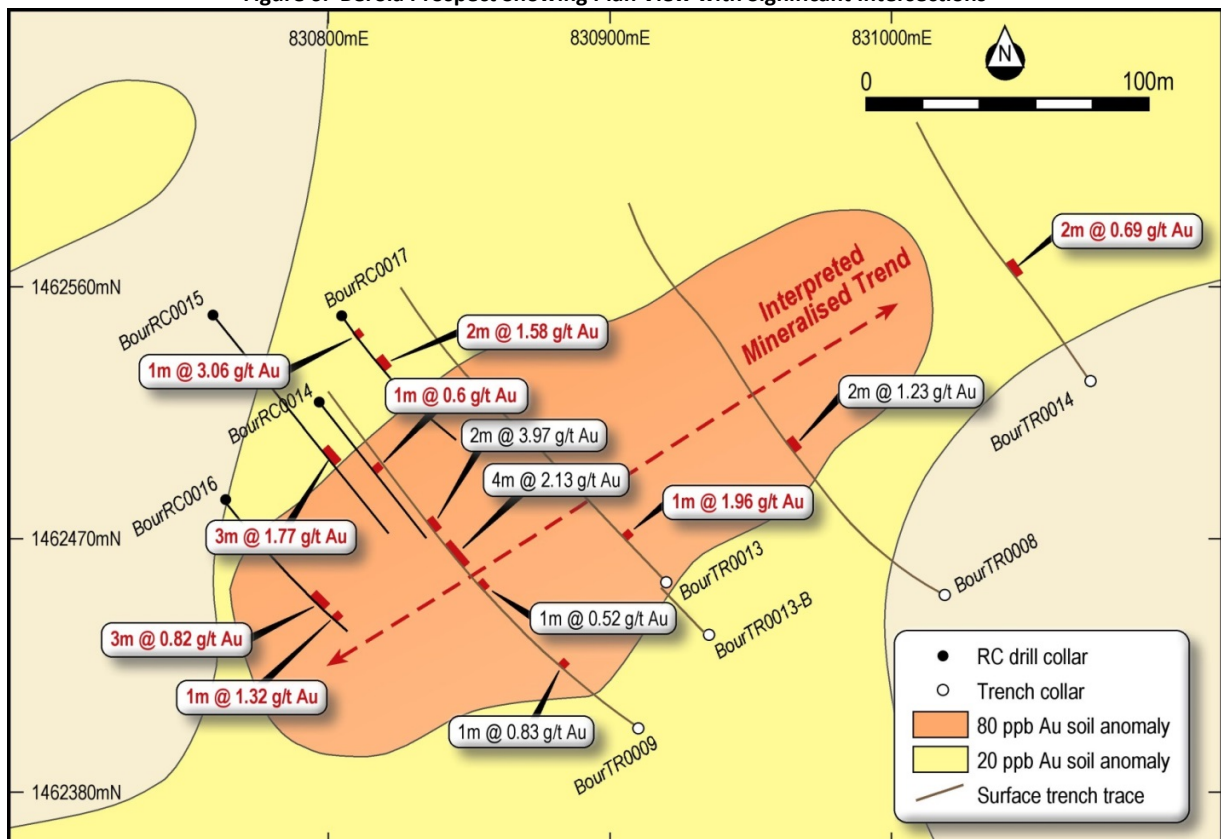
- 4m @ 2.13g/t
- 2m @ 3.97g/t

The 4 hole follow up RC drilling program (Figure 4) intersected narrow mineralisation to vertical depths of 85m. Best intersections include:

Drill Hole	Down Hole Intercept	From Depth (Down hole)
BourRC0015	3m @ 1.77g/t	154
BourRC0017	1m @ 3.06g/t	3
BourRC0017	2m @ 1.58g/t	34

Mineralisation at Berola is open at depth and along strike. Further work to understand the gold mineralisation within this area is planned to include mapping, trenching and drilling.

Figure 6. Berola Prospect Showing Plan View with Significant Intersections



## Other Exploration

The discovery at Maleko has given renewed encouragement for exploration over the Company's 640km<sup>2</sup> under exploration permit. 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 (Figure 5). Field mapping and evaluation work are underway on these prospects.

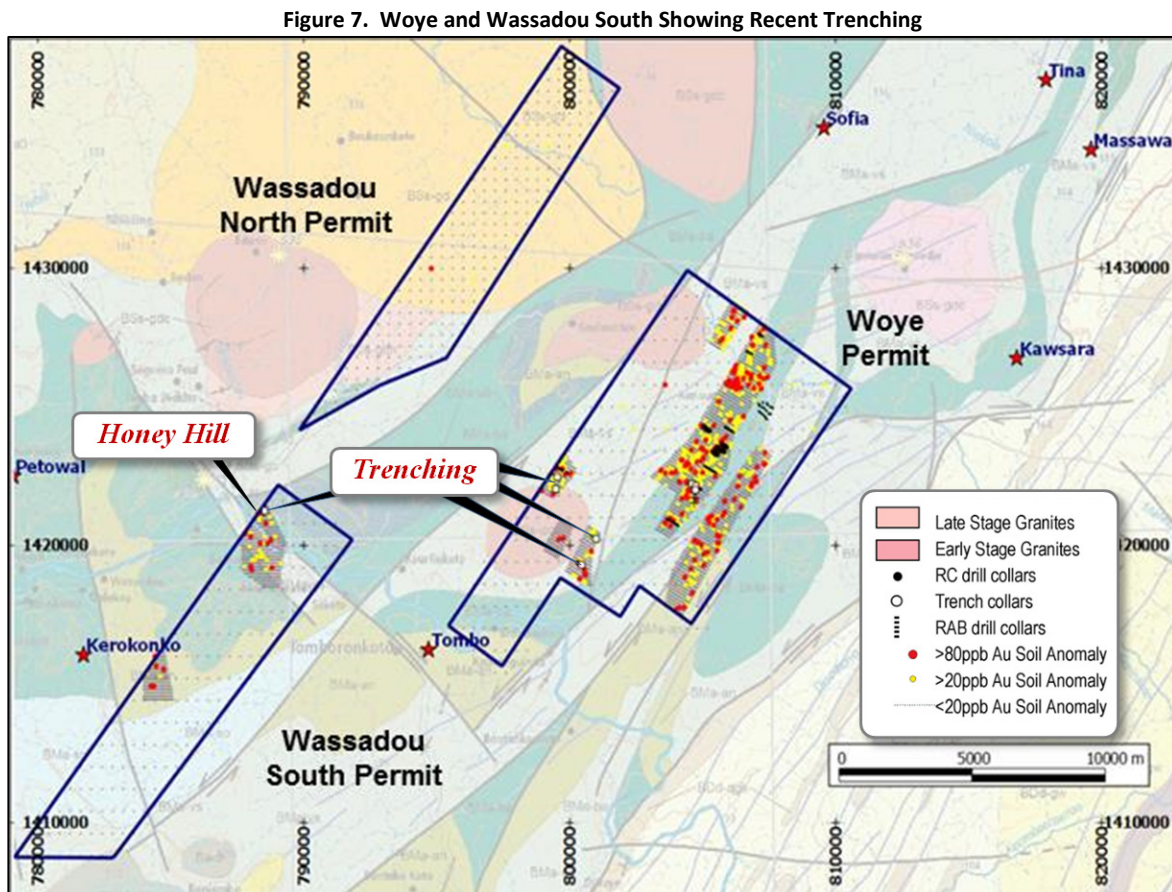
Research is underway to look at geochemical techniques, to help see through this cover, and more detailed mapping is underway to identify areas where geochemistry has not been effective. The first phase of this work is using field mapping to identifying where geochemical anomalies have been possibly concealed, by laterite and sediments, and their continuity interrupted. RAB drilling will be deployed where geochemistry has been ineffective.

### Woye

A total of 4 trenches for 859m were undertaken at the A4 and A6 prospects at Woye (Figure 7); results from these trenches are pending.

The recent trenching at Woye targeted mineralisation associated with late-stage granite intrusions. Similar associations are seen in a number of large nearby deposits such as Massawa (3.3m oz), Gora (0.4m oz) and Makabingui (1m oz). Work continues to explore this association and further possibilities for a deposit.

Further RC drilling may be planned pending the trench results.



### Wassadou South

A large quartz vein at Honey Hill extends for about 200m and is located on the Wassadou South permit (Figure 7). A grab sample in quartz float assayed 11g/t Au, this was followed up by a single trench (142m long). The best trench intercept was 2m @ 1g/t Au along the contact of the sheared felsic volcanics.

The early stage work at Honey Hill indicates potential for mineralisation in both the large quartz vein and in the nearby sheared contact of the felsic volcanics. The Petawal discovery (1.5m oz) lies about 3km to the west of Honey Hill.

Further RC drilling and rock chip sampling is planned to follow up trench results and test the mineralisation potential. Additional mapping and trenching is also planned for the prospect.

### Garaboureya South

During the March quarter, 2 trenches for 145m were finalised at the Garaboureya South prospect after which the machinery moved to the Bouroubourou prospect.

RAB drilling will be planned to target mineralisation suspected to be hidden by the laterite profile.

### **New Managing Director and Board**

On 4 April 2013 Erin Resources Limited (the Company) announced the appointment of Nick Poll as Managing Director of the Company, forming a new Board of Directors with Mr Brett Mitchell as Chairman and Mr Grant Davey as Non-Executive Director. This change followed the completion of a strategic review and recent changes to the project team in Senegal.

The Board and major shareholders are very pleased to have secured the services of Mr Poll as the Company's Managing Director. Mr Poll is a very experienced and highly regarded exploration geologist, having been integral in the largest nickel sulphide deposit discovery in over a decade and previously holding various senior roles in gold exploration with WMC Resources Limited.

Mr Grant Davey stepped down from the position of Managing Director as a result of this appointment and remains on the board as a Non-Executive Director.

The new appointments followed Mr James Malone and Mr Robert Besley both stepping down as Chairman and Non-Executive Director respectively.

The new Board and management team are enthusiastic about Erin's search for significant gold deposits in Senegal and to build on the Company's existing asset portfolio. The Company will continue to focus on value driven exploration, maximizing the money spent on field operations and strong cash management.

### **New Erin Board of Directors**

#### **Mr Nick Poll**

Mr Poll is a geologist with over 25 years of experience in the geological and business development of mining projects. Most recently, he was co-founder and Managing Director of Mirabela Nickel Limited and led the discovery, development and construction of the Santa Rita nickel project. Santa Rita is the largest nickel sulphide discovery in over a decade and was built within 5 years - from first drill hole to first nickel production. The mine now produces about 20,000t of nickel a year at a cash cost below US\$6.00/lb of nickel.



Mr Poll held various positions in exploration and mining projects for gold and nickel over a long career with WMC Resources Limited. During this time, he established and managed WMC's early stage gold exploration program in French Guiana.

Mr Poll has a BSc (Hons) from the University of Western Australia, an MSc in geology from the Colorado School of Mines and an MSc in business from the London Business School. He speaks fluent French and Portuguese and is a member of the Australian Institute of Mining and Metallurgy (AIMM) and the Australian Institute of Company Directors (AICD).

Mr Poll is also non-executive director of Fraser Range Metals Pty Ltd.

#### **Mr Brett Mitchell**

Mr Mitchell is a corporate finance professional with over 20 years of experience in the finance and resource industries. He has been involved in the founding, financing and management of private and publicly-listed companies in both executive and non-executive directorship roles. He has held various roles as an executive of the Verona Capital group, over the last 9 years.

Mr Mitchell holds a Bachelor of Economics from the University of Western Australia. He is currently a Director of Transerv Energy Ltd, Citation Resources Ltd, Tamaska Oil and Gas Ltd, Wildhorse Energy Ltd and Quest Petroleum NL. He is also a member of the Australian Institute of Company Directors (AICD).

#### **Mr Grant Davey**

Mr Grant Davey is a mining engineer with over 20 years of senior management and operational experience in the construction and operation of gold, platinum and coal mines in Africa, Australia, South America and Russia. More recently, he has been involved in venture capital investments in several exploration and mining projects and is currently focused on developing the Panda Hill project, a niobium mine in Tanzania, with Verona Capital.

Mr Davey is Managing Director of Panda Hill Mining Pty Ltd and a member of the Australian Institute of Company Directors (AICD).

#### **Corporate**

During the quarter the Company lodged its audited Half Year Financial Statements on 6 March 2013.

#### **Cash Position at 31 March 2013**

The Company had a closing cash balance of \$737k at 31 March 2013.

#### ***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.

*For and on behalf of the Board*

# Appendix 5B

## Mining exploration entity quarterly report

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

Name of entity

ERIN RESOURCES LIMITED

ABN

30 116 800 269

Quarter Ended ("Current Quarter")

31 MARCH 2013

### Consolidated statement of cash flows

Cash flows related to operating activities		Current Quarter \$A'000	Year to Date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(387)	(1,449)
	(b) development	-	-
	(c) production	-	-
	(d) administration & staff	(214)	(629)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	19
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if materials)	-	-
	<b>Net Operating Cash Flows</b>	<b>(601)</b>	<b>(2,059)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(8)	(8)
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>(8)</b>	<b>(8)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(609)</b>	<b>(2,067)</b>

1.13	Total operating and investing cash flows (brought forward)	(609)	(2,067)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	2,592
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)	(1)	(285)
	<b>Net financing cash flows</b>	<b>(1)</b>	<b>2,307</b>
	<b>Net increase (decrease) in cash held</b>	<b>(610)</b>	<b>240</b>
1.20	Cash at beginning of quarter/year	1,362	516
1.21	Exchange rate adjustments to item 1.20	(15)	(19)
1.22	<b>Cash at end of quarter</b>	<b>737</b>	<b>737</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	117
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions.

Consulting fees and directors' fees.

**Non-cash financing and investing activities**

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

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	494
4.2 Development	-
4.3 Production	-
4.4 Administration	118
<b>Total</b>	<b>612</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	737	1,362
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>737</b>	<b>1,362</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	N/A	N/A	N/A	N/A

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

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

	Total Number	Number Quoted	Issue Price per Security (see note 3) (cents)	Amount Paid Up per Security (see note 3) (cents)
7.1 <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>	75,958,059 (includes 13,000,000 VHL performance shares)	33,208,059		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>			<b>Exercise Price</b>	<b>Expiry Date</b>
	4,000,000	Nil	\$0.20	30 June 2017
	1,000,000	Nil	\$0.30	23 Jan 2018
	500,000	Nil	\$0.35	23 Jan 2018
	500,000	Nil	\$0.40	23 Jan 2018
7.8 Issued during quarter	1,000,000	Nil	\$0.30	23 Jan 2018
	500,000	Nil	\$0.35	23 Jan 2018
	500,000	Nil	\$0.40	23 Jan 2018
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> <i>(totals only)</i> 2				

## Compliance statement

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



**Brett Mitchell**  
Chairman

Date: 30 April 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.