



Australian Securities Exchange Announcement

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ASX Market Announcements
Australian Securities Exchange
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ERO MINING TO ACQUIRE SECOND W.A. GOLD PROJECT

- **ERO to acquire Exploration Licence E15/1249 in prolific Eastern Goldfields in WA in all scrip deal**
- **Tenement contains the Valley Floor Prospect and covers an exploration area of ~5.5 km²**
- **Drilling planned for second half of 2013 subject to receipt of shareholder approvals and completion of acquisition**

ERO Mining Ltd (ASX: ERO) (**ERO** or **the Company**) is pleased to announce that the Company is to acquire Exploration Licence E15/1249 in Western Australia.

The Company has agreed the terms of a conditional share sale agreement to acquire 100% of the issued capital of Valley Floor Resources Pty Ltd (**VFR**), the holder of Exploration Licence E15/1249 directly south of Kambalda and containing the Valley Floor Gold Prospect (**Acquisition**). The terms are an all scrip deal.

A drilling program across Valley Floor is planned for the second half of 2013, to test the interpreted structures for gold mineralisation.

It is the second gold acquisition in WA for ERO this week. The Company announced on Monday its intention to acquire the highly prospective Spargoville Gold Project (see ASX Announcement dated 1 July 2013) directly to the west of Valley Floor.

Both acquisitions are in line with the invigorated growth strategy announced by ERO in May.

“The acquisition of this tenement in the premier Eastern Goldfields in WA will be another step in the right direction for the company following the recent announcement of our intention to purchase the Spargoville Gold Project,” ERO’s Managing Director, Mr Joe Houldsworth, said today.

“This tenement containing the Valley Floor Prospect will create a formidable exploration package for the company in conjunction with the Spargoville Project,” he said.

“This acquisition is in line with ERO’s exciting new phase of growth targeting new prospective opportunities in the gold sector with significant exploration upside potential.”

The Acquisition is subject to various conditions including the receipt of the applicable shareholder approval. Shareholder approval will be sought for this Acquisition and the acquisition of the Spargoville Project by way of a general meeting of the Company’s shareholders. Shareholders will be sent a notice of general meeting with further details regarding the Acquisition, and approvals sought, in due course.

Tenement Profile

E15/1249 is situated approximately 15km south of Kambalda in the Eastern Goldfields of Western Australia and is 4 graticular blocks in area (~5.5 square kilometres).

The tenement lies to the west of the Boulder – Lefroy fault, the major gold bearing structure in the Eastern Goldfields. This well documented structural trend and high grade corridor trends north-northwest through Lake Lefroy linking the town of Kambalda in the north to the mines to the south of the lake, and which hosts a multi-million ounce gold camp.

The geology underlying the tenement is masked by a veneer of lacustrine overburden. However, with technical advances in processing, aeromagnetics and gravity surveys in conjunction with data gleaned from bedrock intercepts from the limited drilling in the area, it is possible to determine that there is a high basement under the lacustrine clays dominated by Archaean felsic sediments including the biotite-bearing metasedimentary rocks of the Merougil Beds.

The Alpha Island Fault (a key control on the development of major gold systems along the Boulder – Lefroy fault) which appears from Gravity Survey and Aeromagnetic interpretation to run in a southerly direction from Kambalda in the north to this tenement in the south, was the focus of several recent exploration discoveries including Goldfields’ recent “Invincible discovery” (Figure 1).

Acquisition Terms

The independent directors have agreed the terms for a conditional share sale agreement (**Agreement**) pursuant to which the Company will acquire 100% of the issued capital of VFR from the shareholders of VFR (**Vendors**). Two of the Vendors are entities related to two of the Company’s directors, Mr Joe Houldsworth and Mr Robert Kennedy.

The consideration to be paid pursuant to the Agreement will be satisfied via the issue of 50,000,000 fully paid ordinary shares to be apportioned amongst the Vendors to the value of A\$150,000.

The Agreement will be conditional on the following:

- a) the grant of all necessary shareholder approvals by ERO’s shareholders;

- b) the grant of all necessary regulatory approvals;
- c) ERO being satisfied with the outcome of its due diligence on VFR and the tenement.

Joe Houldsworth
Managing Director

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Further information relating to ERO Mining Limited and its exploration projects can be found at its website: www.eromining.com

Figure 1

