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ASX Release

Underwritten Non-Renounceable Rights Issue to Raise \$1m

Erin Resources Limited (**Erin** or **Company**) is pleased to announce it is undertaking an underwritten pro-rata non-renounceable rights issue to raise up to approximately \$1,030,831 to fund the Company's priority exploration programs in Senegal, following the recent discovery at the Lingokoto Project as announced on 29 January 2014.

The high priority Lingokoto exploration project was discovered following a first-pass RAB testing of the emerging "A4" soil anomaly in the southern part of Erin's Lingokoto permit in December 2012 that returned highly encouraging gold results, including an exceptional near-surface intercept of 6m @ 51.5g/t Au. This single traverse of RAB drilling defined two distinct anomalous gold zones in consecutive drill holes of 60m and 140m.

The Lingokoto permit lies in a strongly mineralised district but has received only partial geochemical coverage by previous explorers, with no historical drilling activity. The region to the east of the permit is host to several >1moz gold deposits, including Randgold Limited's Loulo goldmine (>12Moz gold) which sits 24km east from the A4 anomaly.

Details of the Offer

The Offer to shareholders is two (2) fully paid ordinary shares in the capital of the Company (**Share**) for every three (3) Shares held by Shareholders registered at the Record Date at an issue price of 1 cent per Share, together with one (1) free attaching Listed Option (**Option**) for every four (4) Shares issued exercisable at 2 cents each on or before 30 June 2015 (the **Offer**). This Offer is underwritten, subject to conditions, by Argonaut.

Participation in the Entitlement Issue is available to Erin Shareholders registered on the record date of 21 March 2014 (**Record Date**) and who reside in Australia or New Zealand (**Eligible Shareholders**). Optionholders who wish to participate in the Offer must exercise their options and be entered onto the register as a Shareholder prior to the Record Date.

As the Offer is non-renounceable, the rights cannot be transferred or sold. Based on the current capital structure of the Company, up to 103,083,010 Shares and 25,770,753 Listed Options will be issued pursuant to the Offer. Shares issued under the Offer will rank equally with all fully paid ordinary shares in the capital of the Company which the Company currently has on issue.

The Company will apply for official quotation of the Listed Options issued under the Offer which will be exercisable at \$0.02 each on or before 30 June 2015.

Further details of the Offer, including details of the timetable and key risks of the Offer, will be set out in the prospectus which has been lodged with ASIC and is to be released to the ASX and available on the Company's website.

The funds raised pursuant to the Offer will be used for:

| Item of Expenditure | Amount (\$) |
|--|------------------|
| Priority exploration programs at Lingokoto and Bouroubourou projects | 600,000 |
| Other exploration and tenement costs | 100,000 |
| General finance and administration costs | 105,000 |
| Expenses of the Offer | 78,920 |
| Available working capital | 146,911 |
| Total | 1,030,831 |

Outlined below is a timetable of relevant events and dates relating to the Offer. These dates are indicative only and subject to change.

| Event | Date |
|---|---------------|
| Lodgement of Prospectus with the ASIC | 12 March 2014 |
| Lodgement of Prospectus & Appendix 3B with ASX | 12 March 2014 |
| Notice sent to Option holders | 12 March 2014 |
| Notice sent to Shareholders | 14 March 2014 |
| Ex-date | 17 March 2014 |
| Record Date for determining Entitlements | 21 March 2014 |
| Prospectus despatched to Shareholders & Company announces despatch has been completed | 27 March 2014 |
| Closing Date | 10 April 2014 |
| Securities quoted on a deferred settlement basis | 11 April 2014 |
| ASX notified of under subscriptions | 15 April 2014 |
| Despatch of holding statements | 17 April 2014 |
| Quotation of Securities issued pursuant to the Offer* | 22 April 2014 |

*The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

For and on behalf of the Board