

29 April 2014

March 2014 Quarterly Activity Report

Lingokoto gold discovery marks highly successful quarter for Erin

- **Lingokoto gold discovery made in Senegal with hits including 6m at 51.5gpt**
- **Two wide zones of bedrock anomalism – 140m and 60m respectively - defined from single drill traverse**
- **Lingokoto soil anomaly subsequently extended to over 1.5km strike**
- **Step out aircore drilling program due to commence in early May 2014**
- **New soil sampling carried out on Maleko gold project strike extension, results pending**

Lingokoto Gold Project- Senegal

In January 2014, Erin reported that first-pass RAB testing of an emerging soil anomaly in the southern part of its Lingokoto gold project in Senegal had returned highly encouraging gold results, **including an exceptional near-surface intercept of 6m @ 51.5gpt Au** (see ASX release dated January 29, 2014).

The single drill traverse to provide reconnaissance bedrock information over the soil anomaly (Figure 1) returned two wide zones of strongly anomalous gold anomalism in weathered bedrock; a western zone of 140m wide and an eastern zone 60m wide which included the high grade near-surface result (Figure 2).

These highly promising results prompted Erin to mount a systematic exploration campaign in this area of the Lingokoto permit, including a step out aircore drilling program that is due to commence in early May.

During the quarter, a follow-up soil grid to the south-west of the initial anomaly subsequently extended the anomaly over a distance in excess of 1.5km (see ASX release dated March 24, 2014), with the follow-up soil results aligning strongly with the interpreted strike of the two bedrock gold zones in the RAB traverse. The extended anomaly is considered highly important because it shows a good correlation with regional and local magnetic trends and highlights the potential to greatly extend the known bedrock gold system and the possibility of associated high-grade mineralisation.

The second-phase 5,000-6,000m aircore drilling program which will start shortly is aimed at scoping the continuity of bedrock mineralisation and testing the extended 1.5km soil anomaly. The aircore drilling program will be carried out at 120m to 360m line-spacings along the soil anomaly (Figure 1) and may also be extended to the north-east under alluvial cover as drilling results are returned.

A recent soil grid carried out on the north-eastern side of the alluvial channel returned weakly anomalous gold results but large areas of transported regolith were noted in this grid. Regolith interpretation in this area is continuing as part of the current exploration program. The Lingokoto discovery as it is currently defined lies in a promising sedimentary and volcanoclastic geological package and on a strong NE structural trend. The company is hopeful that the current program can define a bedrock gold system over a significant distance at this prospect. The Erin exploration team plans to follow up encouraging air core drilling results with a targeted RC drilling program.

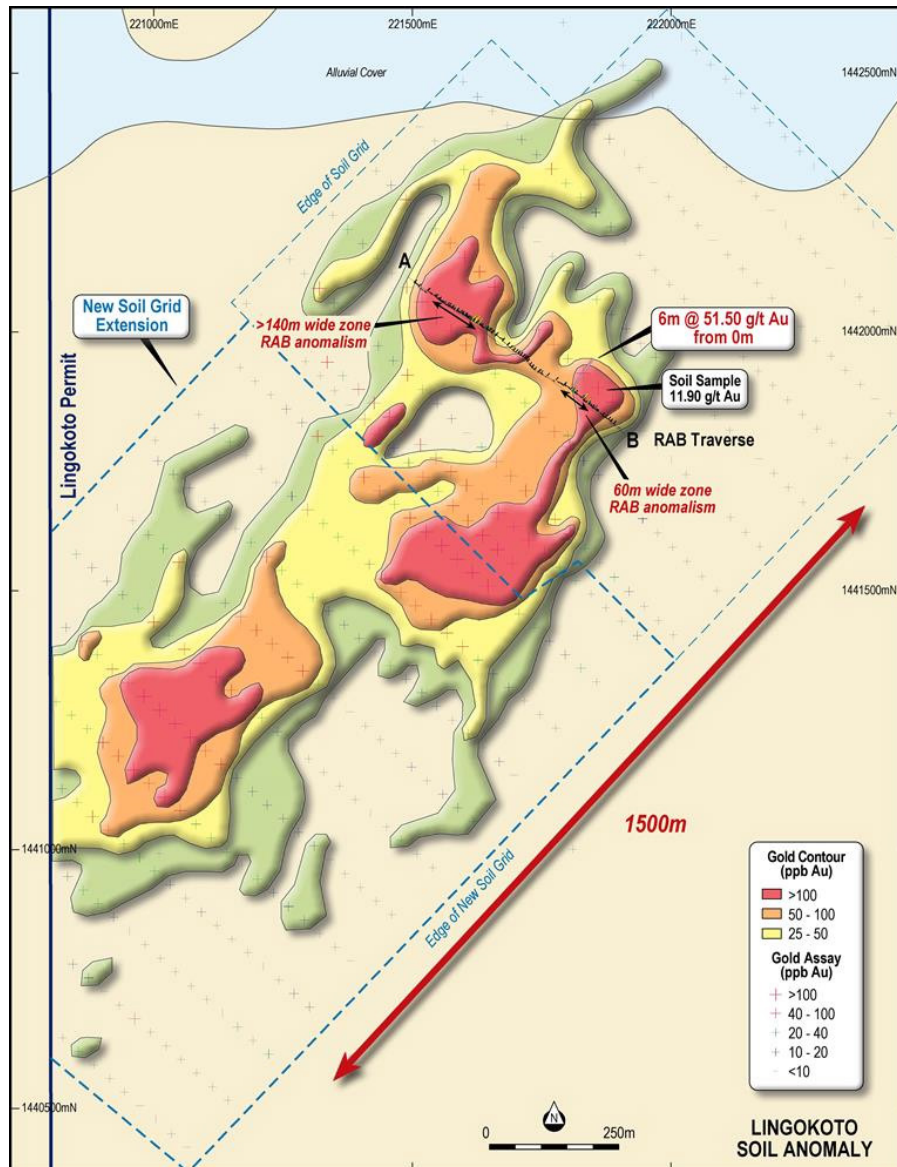


Figure 1. Plan View Lingokoto soil anomaly and initial RAB traverse. Aircore drilling is due to commence along the length of the soil anomaly at 120m to 360m line spacing.

Regionally, the Lingokoto permit lies in a strongly mineralised district but has received limited detailed geochemical coverage by previous explorers and no known drilling prior to Erin’s work in late 2013. The Lingokoto discovery sits within a corridor of anomalism (as defined by 800m x 800m spaced regional soil samples) that extends about 15km through the permit (Figure 3). This corridor is coincident with regional-scale north-east trending structures.

The Company will be completing additional verification sampling around other anomalous results that lie on the corridor and elsewhere on the permit. The region to the east of the permit is host to several 1moz-plus gold deposits, including Randgold Limited’s Loulo goldmine (more than 12Moz gold) which sits 24km east from the Lingokoto anomaly.

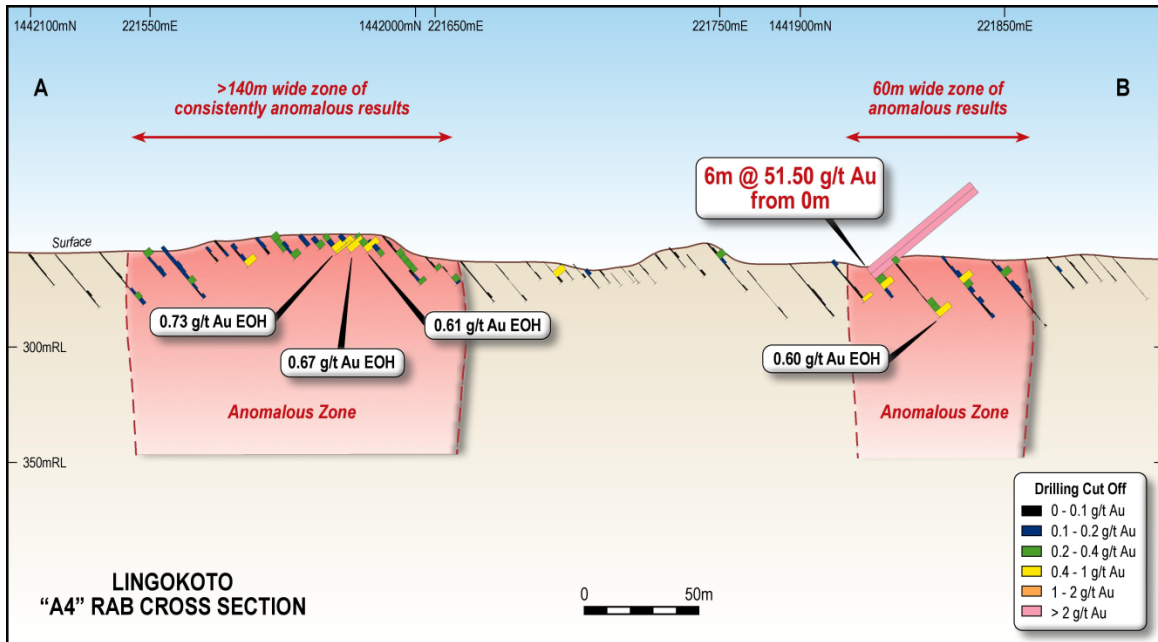


Figure 2. Lingokoto Discovery – Initial RAB cross-section showing wide anomalous gold zones and high grade result

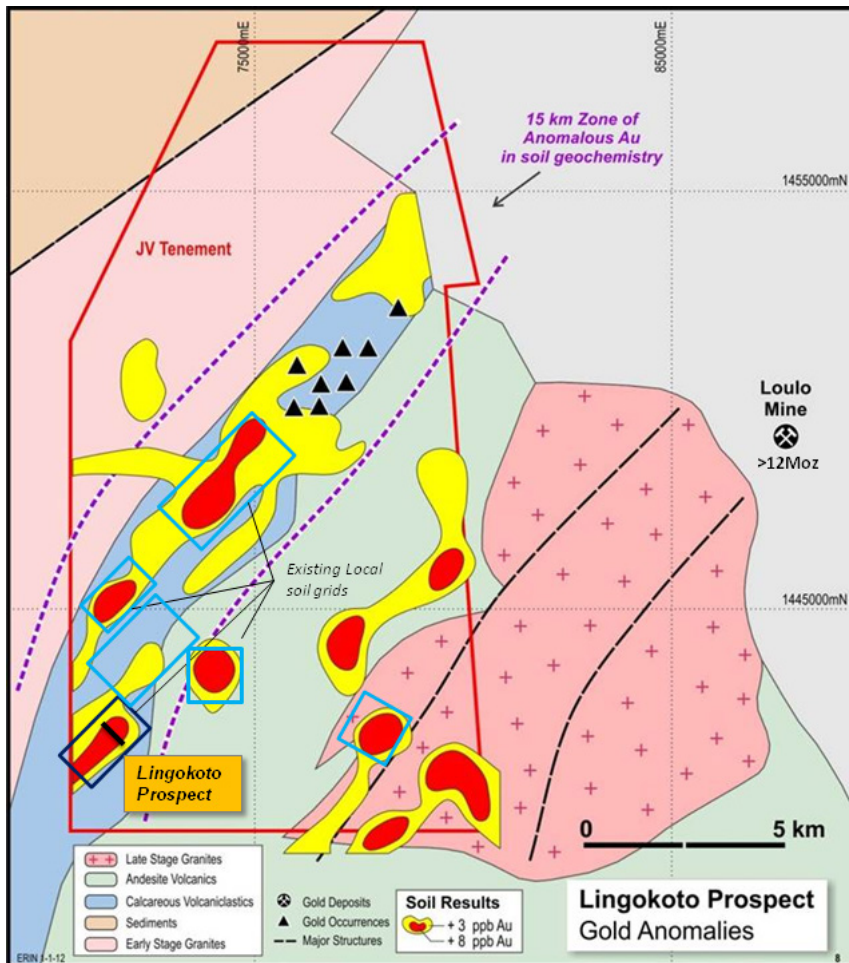


Figure 3. Lingokoto Permit and Regional Geochemical Anomalism

New Soil Sampling Program Completed at Maleko Gold Project

During the Quarter, Erin also completed an extensional soil grid on the Bouroubourou permit (Figure 4) in order to test the westward continuation of the Maleko gold system it defined in 2012. RC drilling in 2013 at Maleko returned strong bedrock gold results including 7m at 10.41g/t Au, with the system remaining open to the west against an old tenement boundary. The Bouroubourou permit was extended last year, enabling exploration to continue along this mineralised zone to the west. The soil sampling results from this new program are currently pending.

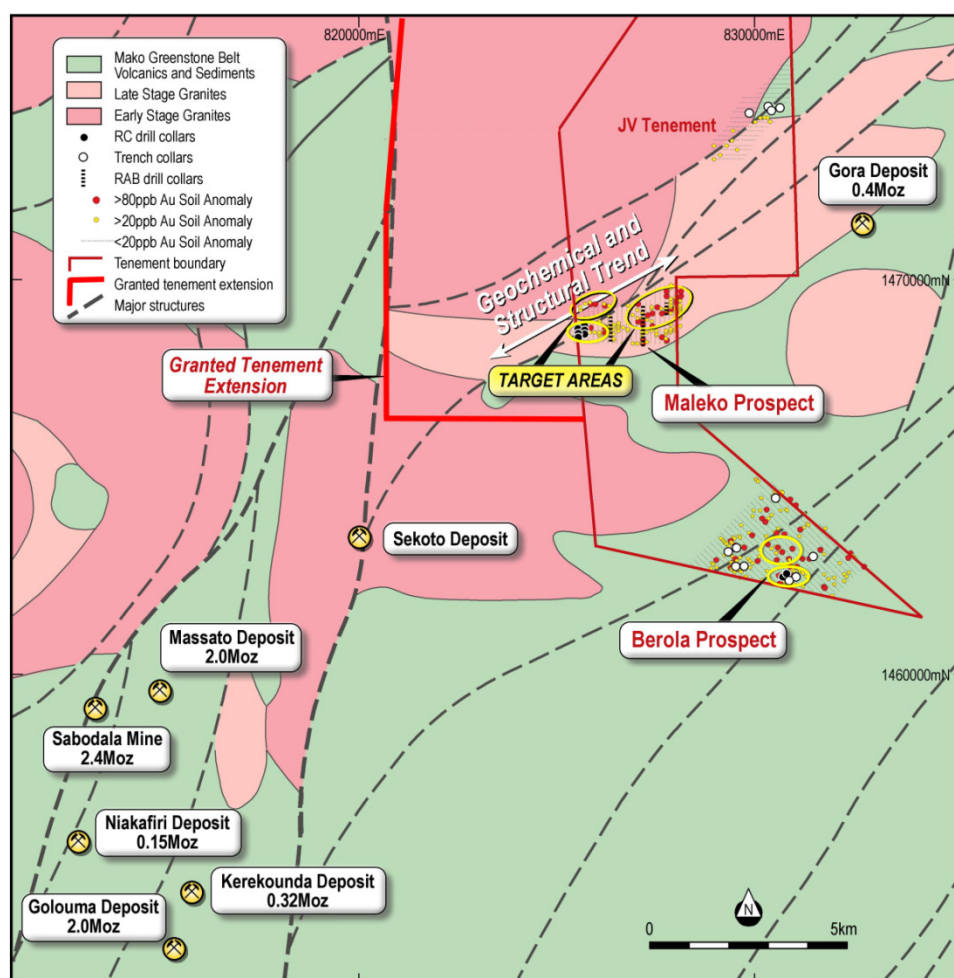


Figure 4. Location of Maleko and Berola discoveries and large regional gold deposits

Background

Erin holds 640sqkm of exploration permits in Senegal and a portfolio of seven strategically located permits (Figure 5). All the Company's projects lie within the Kedougou inlier that extends over eastern Senegal and along the country's western border with Mali. There are three multi-million ounce gold deposits that have recently been discovered within 15 kilometers of Erin's projects and in Senegal: Masawa (3.6m oz), Petowal (1.6m oz) and Oromin (3.7m oz).

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 and production at the Sabodala mine in 2009. The country's mining code, introduced in 2003, is based on mining codes found in Australia and Canada.

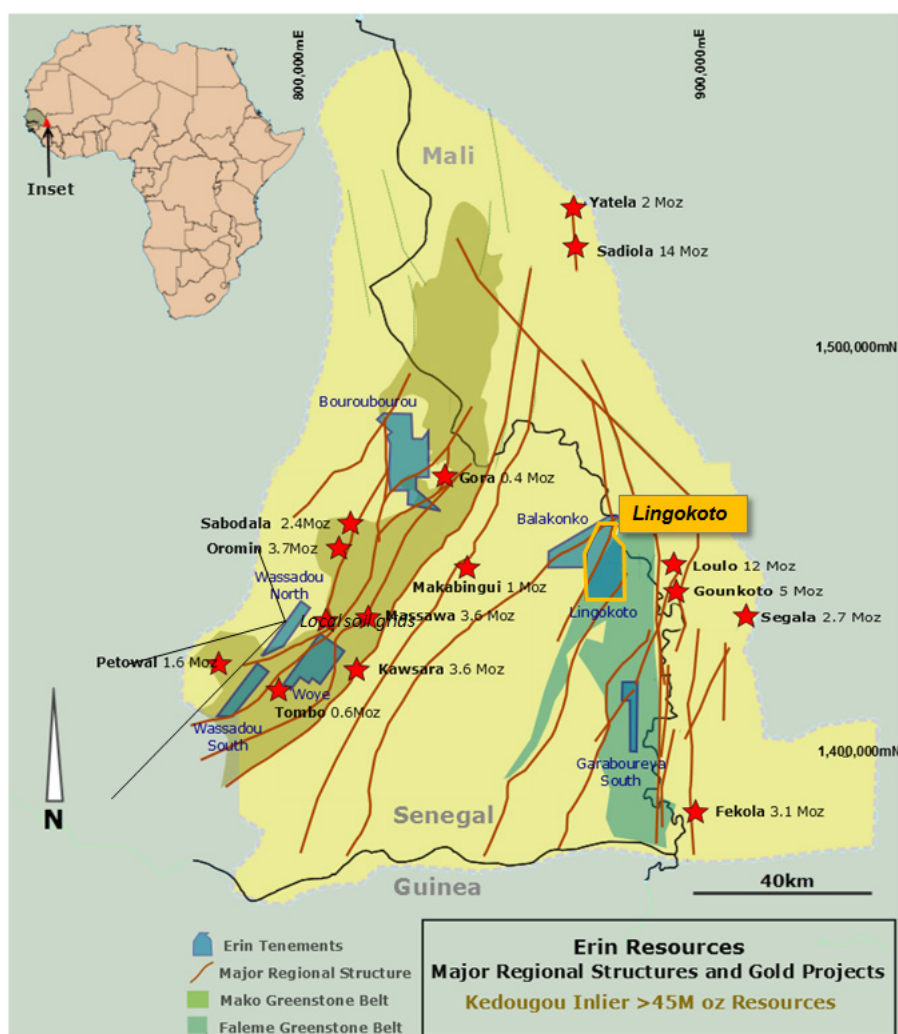


Figure 5. Regional Plan Senegal Permits and Location of Lingokoto Permit

Tenements Located in the Republic of Senegal as at 31 March 2014

Permit No.	Permit Title	Area (km ²)	Issued	Region	Erin Ownership
07786	Garaboureira (south portion)	36.6	13/08/2009	Kedougou	80%
07787	Balakonko	62.8	13/08/2009	Kedougou	80%
01814	Woye	94.4*	26/02/2010	Kedougou	80%
10332	Bouroubourou	139.7	01/12/2010	Kedougou	80%
10333	Lingokoto	120.5*	01/12/2010	Kedougou	80%
12907	Wassadou South	49.9	18/11/2011	Kedougou	77.5%
00852	Wassadou North	40.3	01/02/2012	Kedougou	77.5%

*Lingokoto and Woye permits were renewed for a further 3yr term during the March quarter.

Competent Persons Statement

The information in this document that relates to Exploration Results is based on information compiled or reviewed by Mr Nick Castleden who is a member of the Australian Institute of Geosciences. Mr Castleden 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Castleden consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Exploration results referring to Lingokoto have been previously disclosed by Erin Resources in accordance with JORC 2012 in the announcements dated 29/01/2014 entitled 'High Grades Encountered in First Pass Drilling'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The exploration results relating to the other projects were previously prepared and disclosed under the JORC Code 2004 and have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Company confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified from the original market announcement. Refer to www.erinresources.com for details on exploration results.

Corporate- Rights Issue Strongly Supported by Major Shareholders

The Company completed its rights issue capital raising as announced on 15 April 2014, with existing shareholders strongly supporting the offer and taking up their entitlements totaling 74,216,156 ordinary shares (\$742,161.56) and 18,554,102 listed options (ERIOB), leaving a shortfall of only 28,867,147 shares (\$288,671.47) and 7,216,724 listed options. The listed options are exercisable at \$0.02 expiring 30 June 2015 and trade under the ASX code ERIOB.

Pursuant to the terms of the offer, the shortfall of 28,867,147 ordinary shares and 7,216,724 listed options is currently being placed to eligible shareholders in accordance with the underwriting agreement entered into between the Company and Argonaut Capital Limited.

Cash Position at 31 March 2014

The Company had a closing cash balance of \$64k at 31 March 2014.

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 2014

Consolidated statement of cash flows

		Current Quarter \$A'000	Year to Date (9 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(173)	(301)
	(b) development	-	-
	(c) production	-	-
	(d) administration & staff	(94)	(259)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	4
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)
Net Operating Cash Flows		(266)	(658)
Cash flows related to investing activities			
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)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(266)	(658)

1.13	Total operating and investing cash flows (brought forward)	(266)	(658)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	643
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Capital raising costs (underwriting fee)	-	(79)
	Net financing cash flows	-	564
	Net increase (decrease) in cash held	(266)	(94)
1.20	Cash at beginning of quarter/year	331	161
1.21	Exchange rate adjustments to item 1.20	(1)	(3)
1.22	Cash at end of quarter	64	64

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	37
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions.

Director and consulting 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	202
4.2 Development	-
4.3 Production	-
4.4 Administration	125
Total	327

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	64	331
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	64	331

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 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	154,624,514 (includes 13,000,000 VHL shares)	136,831,164		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			Exercise Price	Expiry Date
	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
	78,574,181	78,574,181	\$0.02	30 Jun 2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.1 Expired during quarter 0				
7.1 Debentures 1 <i>(totals only)</i>				
7.1 Unsecured notes (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 'Brett Mitchell'.

Brett Mitchell
Chairman

Date: 29 April 2014

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.