



ELDORE MINING CORPORATION LIMITED

ABN 82 110 884 262

5th July 2011

Company Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

REDUCTION IN PURCHASE CONSIDERATION AND CAPITAL RAISING

The Board of Eldore Mining Corporation Limited (ASX: EDM, "the Company") is pleased to advise that it has renegotiated terms for the acquisition of the Baita Copper-Gold mine at Stei, Transylvania, West Romania.

Baita Copper-Gold Mine

The Baita Copper-Gold mine is an integrated underground and copper concentrator plant located in Transylvania, West Romania.

The Company anticipates, following further negotiations between the parties and subject to execution of a contract revision with a revised settlement date of the 1st August 2011, that the purchase consideration will be revised down to 5 million Euros with all other terms in the agreement remaining in full force and effect. The Company anticipates this reduction will enable a more favourable funding structure and will help reduce further dilution so that funds will be applied to enable Eldore to complete the re-start of operations at the Baita Copper mine. The mine ceased operations in February 2010 due to financial and other issues related to the previous owner. At that time mine production was focussed at the 18-Level (depth of 360 metres) and since the closure the mine has been on care and maintenance with most key staff still available.

The Company intends to re-start where mining left off at this level, where strong mineralisation exists, and the ore body remains open in most directions. Two diamond holes drilled approximately 90m below this level show strong mineralisation typical of what has been mined to date.

The Company believes it can re-start operations within 90 days of settlement and quickly rebuild to an annualised rate of 200,000 ore tonnes per annum. A gold rich copper concentrate will be produced and on-sold to third party smelters in India, China or Europe.

Mt Hagen JV - Papua New Guinea

In Papua New Guinea, drilling is underway at the Company's Mt Hagen JV where Eldore is earning a 60% interest by spending \$2 million on exploration.

Field mapping at Kotna Prospect has discovered extensive hydrothermal alteration and copper-gold-molybdenum anomalism considered to be related to a porphyry copper mineralisation style.

The Company has established a field camp and a helicopter supported LF70 diamond drill rig has commenced coring of this exciting target.

Results will be released as they come to hand from this current drilling program.

Burkina Faso

In Burkina Faso, the Company's wholly owned subsidiary Knights Landing Pty Ltd owns the Bonsiega Project where Predictive Discovery Limited (ASX:PDI) is earning a 60% interest by expending \$2 million on exploration. Assays from 11 RC holes from Dave East Prospect have obtained numerous gold intercepts on two lines of RC drilling 400m apart.

The recent reconnaissance RC drilling at the Dave East Prospect in Burkina Faso has identified a very wide, hitherto undrilled gold system approximately 1.5km along strike from artisanal workings at the Dave Prospect. In addition, new power auger results indicate that the bedrock anomalies at Dave and Dave East are continuous and extend for 3.6km along strike, and are open to the east and west.

The current program has now completed approximately 5,300m of reverse circulation (RC) drilling program on the Dave and Dave East Prospects. While the rainy season has now commenced, drilling on 200m line spacing at Dave East will continue for up to 2 weeks more, weather and access permitting

EIDore is confident that a significant discovery is beckoning within its Burkina Faso Joint Venture properties.

Capital Raising

The Company is also pleased to advise that it has completed the placement of 378,000,000 ordinary fully paid shares, together with 378,000,000 free attaching options exercisable at 3 cents each on or before 31 December 2012, at an issue price of \$0.004 to raise \$1,512,000. Funds raised will be utilized to provide ongoing working capital for exploration at the Mt Hagen JV in Papua New Guinea and completion of the planning for the Baita Transaction.

Yours faithfully



A R HAMILTON
Chairman