



## ASX ANNOUNCEMENT

17 May 2013

### PRINCIPAL TERMS OF MANAGING DIRECTOR'S EMPLOYMENT AGREEMENT

Further to the announcement on 15 May regarding the appointment of Mr Joe Houldsworth, ERO Mining Limited (ASX:ERO) ("**ERO**") advises of the following principal terms of his employment agreement, in accordance with Listing Rule 3.16.4.

Mr Houldsworth will receive a total (gross) remuneration package of \$250,000 per annum inclusive of superannuation.

Mr Houldsworth is also entitled to participate in ERO's Incentive Rights Plan ("**Plan**"). Any rights or options granted under the Plan are at the discretion of ERO's Board and are subject to prior approval by shareholders. Separately ERO has agreed to issue Mr Houldsworth 20,000,000 retention rights ("**Rights**"). Provided that Mr Houldsworth is still employed by ERO at the vesting date; 50% of the Rights vest on the first anniversary and 50% vest on the second anniversary of his employment. Upon vesting Mr Houldsworth will be issued with 1 fully paid ordinary share in ERO for each Right, for no consideration. If he ceases employment prior to the vesting of the Rights, the Rights are forfeited.

The agreement with Mr Houldsworth provides that ERO may terminate his employment by not less than three months notice.

**Justin Nelson**

**Company Secretary**