

Quarterly Report October to December 2015



Corporate

The Company will take advantage of the current market downturn in the mining section across the globe and look to acquire related project with good potential.

Exploration Projects

No further exploration activities occurred in the two tenements held by the Company in Xinjiang Autonomous Region due to extremely unfavourable weather conditions.

As stated in the Company's last quarterly Report it is increasingly difficult to develop new projects in China because of regulatory risk, sovereign risk, environmental factors and financing issues. Combined with the falling value of the Australian Dollar this has proved to be even more difficult for the Company seeks to develop offshore assets.

Until the Company is able to carry out its plan to develop its existing assets, the directors are committed to carrying out meaningful work by identifying and assessing opportunities that may be valuable to the Company. With a solid mineral asset base and sufficient cash from its initial public offering to carry out its work programs, the Company remains in a strong position to generate future wealth for shareholders.

Kyzyl-Leto Copper Project

Kyzyl-Leto has Chinese classified Non – JORC compliant mineralization of 4,271,500 tons at 1.93% copper for 82,300 tons of copper metal and an exploration license area of 13.05 square kilometers. Under the Chinese System of Resources Classification the resources have been classified as 332 and 333 which represent – Discovered but Indicated and Inferred respectively. The Company plans to bring this project into production as soon as possible.

The Kyzyl-Leto East and West prospects remain prospective for additional copper mineralization targeting potential extensions to currently know mineralization. The priority is to target higher copper grades, increase tonnage and confidence in the mineralization at the Kyzyl-Leto East and West prospects Post infill drilling JORC Compliant Resources could be estimated and economic studies applied to the appropriate level of classified resource.

Within the broader Kyzyl license there remains strong exploration potential to discover additional outcropping and possible concealed mineralization related to other QAP intrusive bodies. Initial exploration completed has identified several other QAP dykes with low to moderate grade copper mineralization at surface. Additional work programs are proposed that will evaluate known copper anomalies but also assist in discovering potentially concealed mineralization.

Wutonggou Gold Project

At Wutonggou, exploration to date has shown there is gold and copper mineralization extending over at least 250m along strike that warrants further investigation. The exploration license area for this project is 18.70 square kilometers.

Competent Person's Requirement – Exploration Results and Mineral Resources

Information in this announcement that relates to the Company's exploration results or estimates of mineral resources or ore reserves was originally provided in the Company's Replacement Prospectus dated 4 August 2014 and announced on the ASX on 19 September 2014 (Replacement Prospectus). The Company confirms that it is not aware of any new information or data that materially affects the information included in the Replacement Prospectus and in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the Replacement Prospectus continue to apply and have not materially changed.

Tenement Holdings and Movements

Mining Tenements and Beneficial Interest held as at the end of the December 2015 Quarter

Summary of Kyzyl-Leto Project Chinese Classified Resources:

| Chinese Classification | Tonnes | % | Grade Cu% | Copper Metal | Location | % Interest held by ERX |
|-----------------------------------|---------|------|-----------|--------------|--------------------------------|------------------------|
| Kyzyl-Leto West (No.2 prospect) | | | | | | |
| 332 | 1448700 | 80.8 | 1.47 | 21287 | Yining,Xinjiang Province,China | 100 |
| 333 | 345300 | 19.2 | 1.79 | 6170 | Yining,Xinjiang Province,China | 100 |
| Total | 1794000 | | 1.53 | 27457 | | |
| Kyzyl-Leto West (No.2+1 prospect) | | | | | | |
| 332 | 65900 | 28.5 | 0.87 | 571 | Yining,Xinjiang Province,China | 100 |
| 333 | 165500 | 71.5 | 0.89 | 1479 | Yining,Xinjiang Province,China | 100 |
| Total | 231400 | | 0.89 | 2050 | | |
| Kyzyl-Leto East (No.8 prospect) | | | | | | |
| 332 | 1647100 | 73.3 | 2.32 | 38226 | Yining,Xinjiang Province,China | 100 |
| 333 | 599000 | 26.7 | 2.43 | 14581 | Yining,Xinjiang Province,China | 100 |
| Total | 2246100 | | 2.35 | 52807 | | |
| Combined Kyzyl-Leto Resources | | | | | | |
| 332 | 3161700 | 74.0 | 1.90 | 60084 | Yining,Xinjiang Province,China | 100 |

| | | | | | | |
|-------------|---------|------|------|-------|-----------------------------------|-----|
| 333 | 1109800 | 26.0 | 2.00 | 22230 | Yining,Xinjiang Province,China | 100 |
| Grand Total | 4271500 | | 1.93 | 82314 | | |

Summary of Wutonggou Project Chinese Classified Resources:

| Chinese Classification | Tonnes(t) | % | Grade(Au) | Kg(Au) | Ounces(Au) | Location | % Interest |
|------------------------|-----------|------|-----------|--------|------------|-----------------------------------|------------|
| 332 | 43800 | 22.7 | 1.69 | 74.05 | 2380 | Yining,Xinjiang Province,China | 100 |
| 333 | 149100 | 77.3 | 2.67 | 398.85 | 12823 | Yining,Xinjiang Province,China | 100 |
| Total | 192900 | | 2.45 | 472.9 | 15203 | | |

The Company has not acquired or relinquished any interest in any of its tenements during the quarter.