

Quarterly Report January to March 2017



Corporate

The Company will take advantage of the current market downturn in the copper mining section across the globe and look to pursue growth through investment and acquisition with good potential opportunities.

On 9 March 2017, the board has reassessed the prospects of Wutonggou project and, based on recommendations from the project manager in China as well accounting for prevailing negative market conditions, has determined that it can no longer be considered commercially viable. Unless there is significant change in market conditions, it is likely that the Wutonggou exploration licence will not be further renewed upon expiration of its current term. The Company has prepared to extend the Kyzyl-Leto tenement holdings for further three years.

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.

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.