



The Manager
 Companies Announcements
 Office
 Australian Securities Exchange
 20 Bridge Street
 SYDNEY NSW 2000

ASX Announcement

23 MARCH 2011

CORPORATE UPDATE AND REVIEW OF HEAVY MINERAL SANDS POTENTIAL - PADTHAWAY, SA

Highlights

- ERO holds 5,134 km² prospective for heavy mineral sands in SA
- Evaluation of heavy mineral sands exploration potential carried out by GEOS Mining Mineral Consultants
- Discussions commenced with parties interested in exploration for mineral sands
- Share Purchase Plan offer period extended
- Appointment of Alternate Director



ERO Mining Limited's (ERO) wholly owned subsidiary, South East Energy Limited (South East), holds nine exploration licences and four exploration licence applications near Padthaway in the southeast of South Australia (the "Tenements" - Table 1). The

Tenements are 100% owned by South East.

South East had taken up these areas to explore for uranium in areas of anomalous surface uranium, as well as areas where anomalous concentrations of uranium were discovered in the 1970s, in particular where areas of Olney Formation occur at shallow depths. The Tenements are located in the south western part of the Murray Basin, a Cainozoic basin which contains a number of heavy mineral sand deposits.

The closest known mineral sands deposits are to the north at the Mindarie Mineral Sands Mine and the Iluka Resources Limited Douglas Mine, approximately 80 km to the south-southeast. The Mindarie deposit is a classic strandline deposit and the Douglas Mine is a high grade deposit situated on a strandline in which the accumulation of heavy minerals has been enhanced by headlands associated with a basement high.

ERO engaged GEOS Mining Mineral Consultants to undertake an assessment of the heavy mineral sands potential across the Tenements. GEOS' background assessment,

Tenement Application/ Number	Tenement Name	Area (km ²)
EL 4040	Geegeela	461
EL 4041	Keith	973
EL 4042	Keppoch	245
EL 4043	Bordertown	497
EL 4044	Sugarloaf Hill	411
EL 4045	Kumorna	286
EL 4046	Mt Boothby	263
EL 4054	Mt Charles	669
EL 4418	Eden	627
	EL Total	4,432
ELA326/10	Makin	377
ELA327/10	Wolseley	55
ELA02/11	Willalooka	116
ELA64/11	The Gap	154
	ELA Total	702

Table 1 Padthaway Project Tenements.

ERO Mining Limited
 ACN 119 031 864
 62 Beulah Road Norwood
 South Australia 5067
 PO Box 3126 Norwood
 South Australia 5067
 Phone 61 8 8132 7970
 Fax 61 8 8132 7999
 Email info@eromining.com
 web www.eromining.com

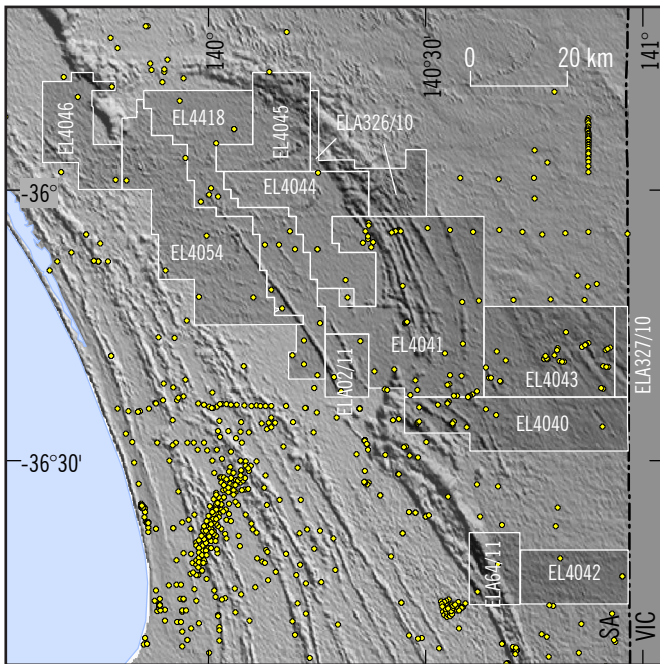


Figure 1 Digital Terrain Model showing Tertiary strandlines and historic drillholes from PIRSA database (PIRSA, 2011).

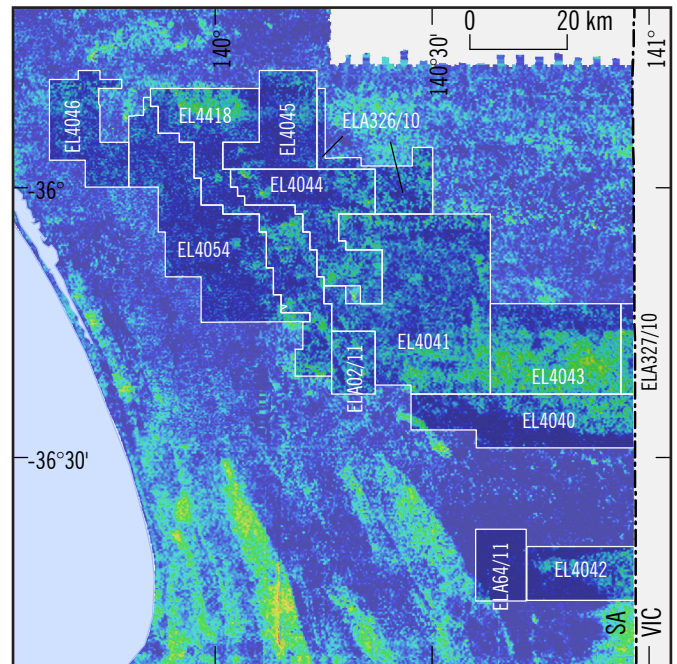


Figure 2 Radiometrics highlight radioactive materials found in mineral sands to strandlines (PIRSA, 2011).

together with ERO's own review, has significantly contributed to ERO's understanding of the geology of the area and will enable the Company to further evaluate potential joint ventures for mineral sands exploration across the Tenements.

Publicly available Digital Terrain Model (DTM) and Radiometrics data (Figures 1 & 2) have been used to infer the locations of possible heavy mineral sand deposits. Strandlines are clearly defined by higher elevations in the DTM (Figure 1).

Historic Exploration

Strand Minerals NL intercepted heavy minerals in the area in 1998/99 and ERO considers the strandlines, which continue

to the northwest into South East's tenement areas, to be good heavy mineral sands exploration opportunities (Table 2).

Iluka Resources carried out broadscale exploration in the area from 2001 to 2003. Drilling confirmed the extent of prospective sand horizons and the quality of the Parilla Sand sequence, but no economically significant heavy mineral intersections were made (Table 3).

Drilling by Kymura Pty Ltd (1999 to 2004) and Southern Titanium NL (2001 to 2005) in areas adjacent to South East's tenements indicate undifferentiated sands, possibly Parilla Sands or Quaternary age sand, above the Murray Group Limestone.

Hole ID	Depth from (m)	Depth to (m)	Result (Total -3.35mm)
BT-1	11	12	1M@0.28% HM
BT-1	20	21	1M@0.34% HM
BT-3	13	14	1M@0.52% HM
BT-11	20	21	1M@0.13% HM
BT-11	23	24	1M@0.18% HM
BT-13	16	17	1M@0.35% HM
BT-22	24	25	1M@0.26% HM

Table 2 Results of Strand Minerals NL drilling.

Licence	Work performed	Holes/metres	Intersections (>1% or >3%) Hole Number	Interval (m)	Grade (%)
EL2872	eg. Lit, Mag interp; geol-modelling; drilling	152/3907	S0034	13.5-15	1.3
			S0036	13.5-15	1.2
			S0037	13.5-15	1.3
			S0041	21-22.5	1.1
			S0041	22.5-24	1.2
			S0041	24-25.5	1.1
			S0093	12-13.5	4.4

Table 3 Heavy mineral intersections greater than 1% in Iluka's EL2872 (Pochinetto, 2003).

Forward Plans

- ERO's stated policy is to:
 - » Focus exploration on key lithium, uranium and gold projects in SA and the Northern Territory.
 - » Evaluate potential mineral sands joint ventures or farmin opportunities in the Padthaway region.
- Proposed Exploration Program:
 - » Close spaced low altitude magnetic and radiometrics data as an aid in planning drilling.
 - » Initially explore the prospective Parilla sands.
 - » Reconnaissance drilling to confirm the presence of other Parilla Sand strandlines and investigate the Quaternary sands.

Extension of Share Purchase Plan

Recent global events, including the catastrophic earthquake and tsunami in Japan and emerging conflicts in northern Africa, have negatively impacted markets over the past few weeks. Sentiment appears to be improving as markets come to better appreciate the effects of these events and market conditions continue to stabilise.

The Board of the Company is supporting the Share Purchase Plan (SPP) and has resolved to extend the closing date of the SPP to 8 April 2011 to provide shareholders with an opportunity to assess the merits of the offer in a more stable market environment. The Board reserves the right to close the offer early.

As a result of the extension, the SPP indicative timetable has been revised as follows:

EVENT DATE

Offer Closing Date	Friday, 8 April 2011
Allot new shares	Friday, 15 April 2011
ASX quotation of new shares	Monday, 18 April 2011
Bonus Issue Record Date	Monday, 2 May 2011

Appointment of Alternate Director

ERO is pleased to announce the appointment of Mr Michael Hatcher as an Alternate Director for Dr Neville Alley effective as of 23 March 2011.

Mr Hatcher BSc (Hons), MAusIMM has a geology degree from the University of Adelaide and over 40 years' experience in the resources industry during which time he has held a range of senior technical and managerial positions.

Mr Hatcher's career includes 16 years with the Newmont/Normandy Mining/North Flinders Mines corporate group. During this period he held positions including director geology –Ghana, and was chief operations geologist for Normandy/Newmont's many Australian mines (including Golden Grove, Tanami, Jundee and Pajingo) as well as its New Zealand (Waihi), Turkey (Ovacik) and USA (Midas) operations.

Mr Hatcher's exploration roles include exploration manager for Greenbushes Mines and its subsidiary Lithium Australia; exploration manager and director of Driffield Mining, a consortium of private exploration companies active in the Northern Territory. Mr Hatcher has extensive experience in the near mine exploration programs conducted at the many operations he has been involved with.

Mr Hatcher is a member of the Australasian Institute of Mining and Metallurgy, and is currently also a non-executive director of ASX listed Outback Metals Limited and Peninsula Resources Ltd.



Shane Gale

Chief Executive Officer

23 March 2011

Media and investor relations contacts:

Shane Gale

ERO Mining: t (08) 8132 7911, m 0459 128 252

Duncan Gordon

Adelaide Equity: t (08) 8232 8800, m 0404 006 444

Kevin Skinner

Field Public Relations: t (08) 8234 9555, m 0414 822 631

Further information relating to ERO Mining Limited and its various exploration projects can be found on its website:

www.eromining.com

Disclaimer

This document may contain forward looking statements that are subject to risk factors associated with the exploration and mining industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by variables which could cause actual results or trends to differ materially.

Information in this report that relates to Exploration results, Mineral Resources and Reserves is based on information compiled by Sue Border, who is a Fellow of the AusIMM and of AIG and is a consultant employed by Geos Mining. She has sufficient relevant experience to qualify as a competent person as defined in the 2004 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC code). Sue Border consents to the inclusion in this report of this information in the form and context in which it appears.