



The Manager

Companies Announcements
Office

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ASX Announcement

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DRILLING COMMENCES FOR LITHIUM ON ERO MINING'S WERTALOONA LITHIUM PROJECT, SOUTH AUSTRALIA

Highlights

- Sonic drilling program commences on the Wertaloona Lithium Project (EL4601).
- Retesting of COMALCO drill core for lithium and uranium being undertaken.
- Shallow ground water sampling commenced on Wertaloona Station lowland to test for lithium and other metal indicators.

WERTALOONA PROJECT

ERO Mining 100% in ELs 4601 and 4602

Following a successful Aboriginal Heritage clearance with the Adnyamathanha people, ERO Mining Limited (ASX:ERO) (the Company or ERO) has commenced an initial sonic drilling program at its Wertaloona Lithium Project adjacent to the Frome saltpan in central-northern South Australia. The exploration project is part of two exploration licences acquired by ERO as part of its successful acquisition

of unlisted mineral explorer, South East Energy Limited (South East), now a 100%-owned subsidiary of ERO.

The drilling program comprises two fully cored drillholes totalling approximately 300 metres and down hole gamma surveys. The drillholes are located in close proximity to two holes drilled by Comalco in the 1970s where significant

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ERO CEO Shane Gale on site, Wertaloona Project, May 2011.

lithium levels were encountered. This previous exploration at Lake Frome undertook very broad scale testing of the surface and subsurface brines for trona (a source of sodium carbonate) and other associated salts for industrial purposes but also encountered significant lithium concentration in the southwestern corner of Lake Frome and the adjacent lowlands. ERO notes that the Comalco investigations were only of the upper part of the Namba Formation and overlying younger sediments and that the drilling was extremely broad scale. Underlying sediments remain untested for lithium.

Sonic drilling is a technique that uses vibration frequencies to allow ease of penetration and provides for near complete and relatively undisturbed core samples from solid and unconsolidated materials. A hydraulic mechanism removes any need for drilling fluid to achieve minimal contamination of core samples. Dual tube drilling methods allow for simultaneous sampling of formation waters while drilling.

The objectives of the coring program are fourfold:

- Greatly expand the depth of drilling undertaken by Comalco at CF1 and CF2 and test all of the middle Tertiary Namba Formation and underlying early Tertiary Eyre Formation. Due to the drilling technologies employed at that time Comalco was unable to fully test the Namba Formation and could not penetrate to the Eyre Formation.



Sonic drilling at the Wertaloona Project, May 2011.

Based on ERO's own evaluation these untested parts of the sedimentary succession also have good potential for lithium and uranium.

- Brine samples hosted in all sandstone layers and systematically spaced sediment samples will be taken for lithium and other indicators (including uranium) and hydro-geological test work using modern techniques.
- The potential of expanded drilling programs with greater focus on economic lithium concentrations, brine flow rates and volumes will be assessed.
- The fully cored holes will provide a much better understanding of the lithium-bearing sediments and brines and be important reference holes for future drilling.

Regionally the project area consists of 1,757 km² which lie largely within the Lake Frome Conservation Park (within which exploration and mining are allowed) and the remainder in pastoral lease land. The area is underlain by several hundred metres of sediments containing sandstone beds with potential to host lithium-bearing brines.

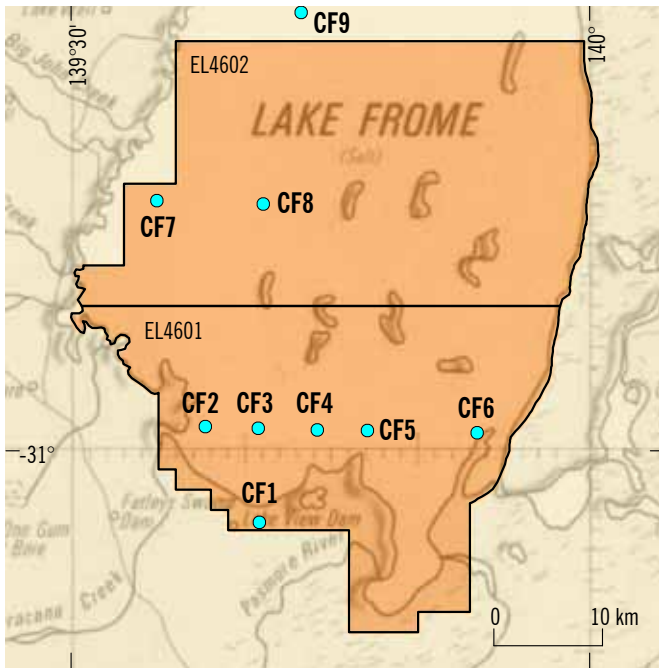
Retesting of earlier COMALCO drill core to verify results

A number of cuttings samples from Comalco's original drillholes have been located and are being retested for lithium and uranium content employing modern analytical techniques.

Table 1 Lithium concentrations (ppm) for 10 m composite bulk samples in Comalco's drillholes (For conversion to %: 250 ppm is equivalent to 0.025%) (Comalco, c1970).

Depth (metres)	CF1	CF2	CF3	CF4	CF5	CF6	CF7	CF8	CF9
0-10	100	250	50	70	70	15	50	20	10
10-20	100	30	30	70	20	70	50	40	30
20-30	150	100	30	20	15	30	70	30	30
30-40	150	200	50	30	30	30	50	10	30
40-50	150	100	70	40	20	50	50	30	30
50-60	100	250	50			30	20	30	30
60-70		250					30	20	30
70-80		200					30		40

The levels of lithium in holes CF1 and CF2 compare favourably with lithium recovered commercially from brines at Silver Peak, Nevada, where levels vary from 100 to 300 ppm (0.010–0.030%). Since the Comalco results are from 10 m composite samples it is impossible to know exactly where the concentrations lie within the zone and whether even higher levels occur but have been averaged out over the 10 m sampling interval.



Location of Commonwealth Aluminium Corporation drillholes on ERO Mining's project area.

Cuttings taken by Comalco at 2 metre intervals, but apparently not tested, have been sampled by ERO. These samples will provide ERO with greater accuracy of the levels at which the lithium concentrations occur. The area in which CF1 and CF2 were drilled thus provides an important exploration target for ERO.

Shallow groundwater sampling Wertaloona Lowlands

At Wertaloona Station exploration work commenced with sampling of water from shallow groundwater sources (including established wells and water bores) taken for chemical analysis, including pathfinder geochemistry of potassium (K), lithium (Li), magnesium (Mg), boron (B), calcium (Ca) and sodium (Na) to assist planning future exploration programs.



ERO CEO Shane Gale (right) obtains a water sample at Bendiuta Bore.

Shane Gale
Chief Executive Officer

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

Disclaimer

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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.

The information in this document that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Stephen Hogan (who is a Member of the Australasian Institute of Mining and Metallurgy) and Mr Llyle Sawyer (who is a Member of Australian Institute of Geoscientists). Mr Hogan is Exploration Manager of the Company and Mr Sawyer is a geologist employed by Geos Mining, whom are independent consultants to the Company. Each has sufficient experience that is relevant to the style of mineralisation and types of deposits under consideration and for the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves (the JORC Code). Mr Hogan and Mr Sawyer consent to inclusion of the information in this document in the form and context in which it appears.