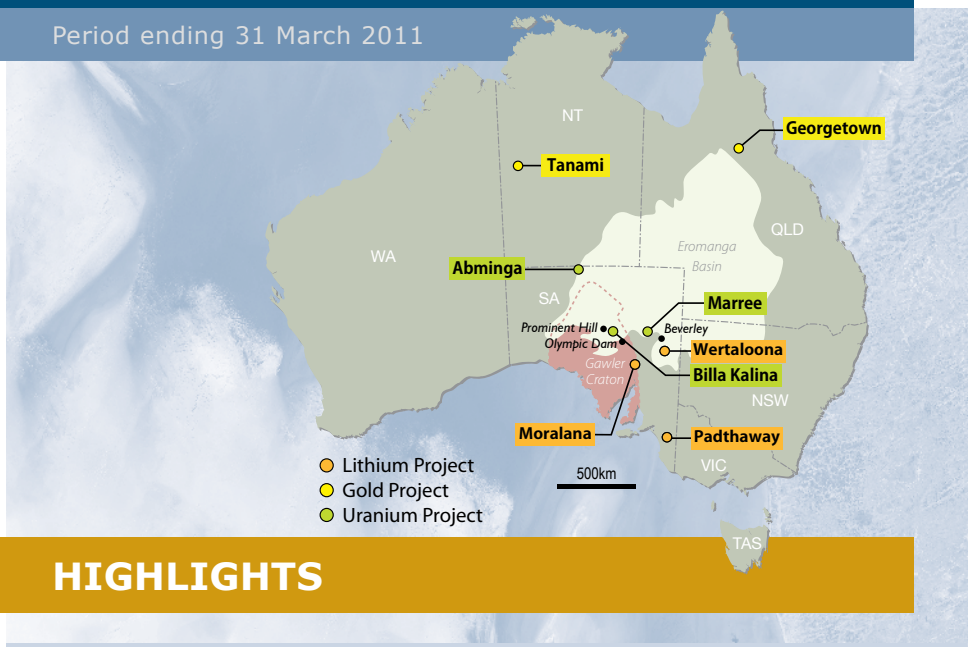
QUARTERLY REPORT

Period ending 31 March 2011



HIGHLIGHTS

- *Approval received for Wertaloona (EL4601) exploration work to proceed in 2nd Qtr 2011*
- *Independent review reveals Padthaway area heavy mineral sands exploration potential*
- *Padthaway area exploration licences renewed*
- *Suplejack (ELA26625) Project Deed for Exploration consented to by NT Central Lands Council*
- *Successful applicant for the Groundrush (ELA28493) competing application in the Tanami*

ERO Mining Limited
ACN 119 031 864

62 Beulah Road
Norwood
South Australia

PO Box 3126
Norwood SA 5067

Phone +61 8 8132 7970

Fax +61 8 8132 7999

Email info@eromining.com

Web www.eromining.com

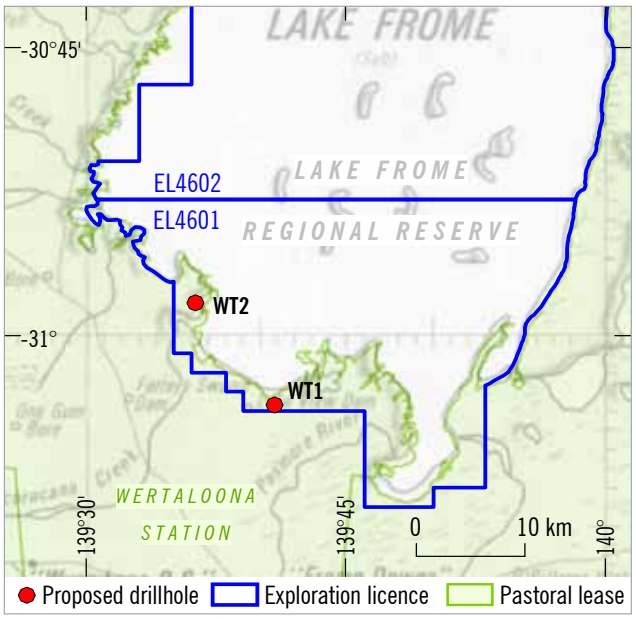
South Australia

Wertaloona Project

ERO Mining 100% in ELs 4601 and 4602

Detailed planning has been completed for an initial two hole, three hundred metre sonic drilling program on EL4601. An Exploration Work Agreement (EWA) submitted during the quarter has been authorised by the Director of Mines for the drilling program.

During the quarter, negotiations proceeded with the Adnyamathanha Traditional Lands Association (ATLA) acting on behalf of the Adnyamathanha traditional owners for a Work Area Clearance Agreement (WACA) and clearance survey. Subsequent to the quarter the WACA has been signed off by ATLA with survey clearance anticipated in late April or early May 2011.



Location of proposed drillholes at Wertaloona Project, South Australia.

Padthaway Area Project

ERO 100% in ELs 4040, 4041, 4042, 4043, 4044, 4045, 4046, 4054, 4418 and ELAs 326/10,327/10, 02/11 and 64/11

ERO engaged GEOS Mining Mineral Consultants (GEOS) to undertake an assessment of the heavy mineral sands potential across the Company's Padthaway area tenements which were acquired as a result of the successful acquisition of South East Energy ("South East") in January. GEOS' background assessment, 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.

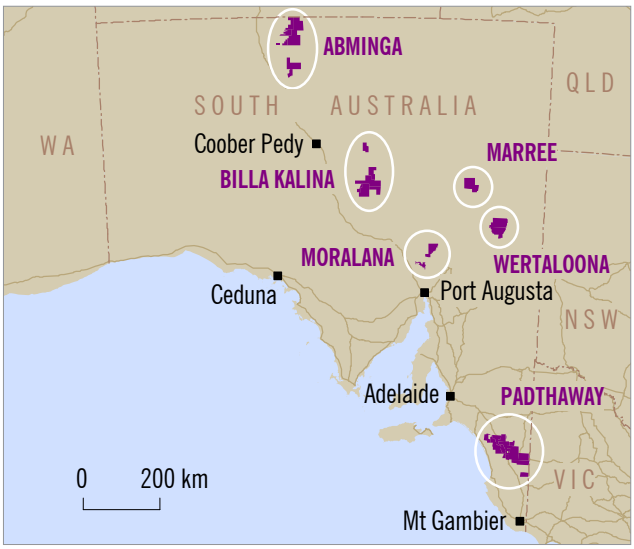
During the quarter ERO held preliminary discussions with a number of parties interested in the mineral sands potential across the Company's Padthaway projects areas. ERO sought and received a one year extension for ELs 4040–4046, 4054 and 4418 which cover areas over which the GEOS mineral sands assessment was conducted. The extension will allow ERO to continue its uranium exploration program and further progress discussions with potential JV partners interested in heavy mineral sands.

Billa Kalina Joint Venture

ERO earning 50% under the terms of the Billa Kalina JV from Maximus Resources Ltd in EL 4468 and ELAs 351/10, 350/10,78/10, 32/10 and 33/10, ERO Mining 100% in ELA 32/10

A Defence Department response to ERO's request for exploration access to investigate a potential gravity feature within the Woomera Prohibited Area states a decision is pending finalisation of the previously announced Federal Government initiated review into the long term use of the Woomera Prohibited Area (WPA).

During the quarter no significant ground based exploration activities were undertaken at the Billa Kalina Projects.



Location of ERO's South Australian projects.

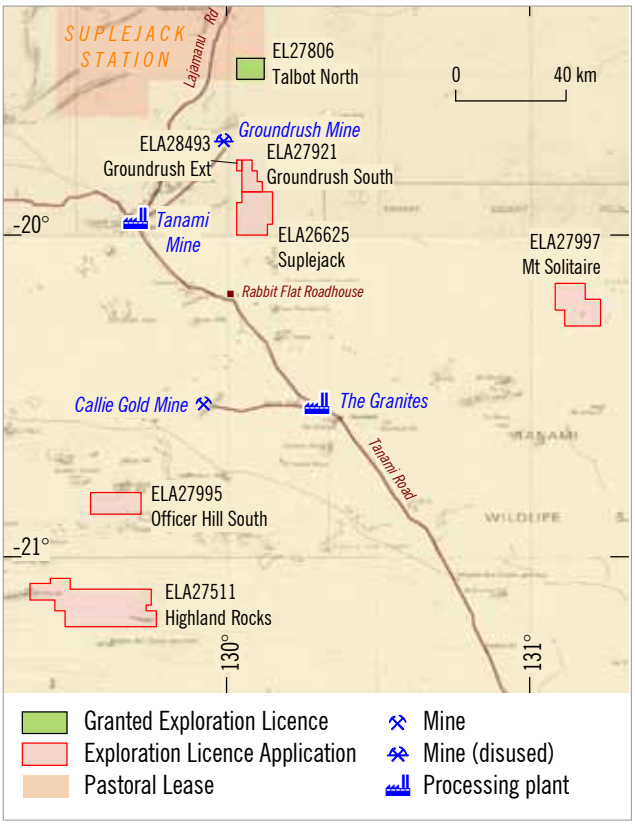
Moralana Project

ERO Mining 100% in EL4580

During the quarter no significant ground based exploration activities were undertaken at the Moralana Project (previously named Lake Torrens Project).

Eromanga Basin JV & Nackara Arc Project

During the quarter no significant ground based exploration activities occurred across the Eromanga Basin Joint Venture project areas. The Nackara Arc Project Joint Venture agreement was terminated during the quarter.



Location of ERO's tenements in the Tanami region, Northern Territory.

Northern Territory

Tanami Exploration

During the quarter ERO further strengthened its tenement holding position in the Tanami gold province. The Tanami region is one of the few remaining provinces in Australia capable of hosting multi-million ounce gold deposits such as the Callie Gold Mine, containing 7 Mozs of gold. The following activity occurred during the quarter:

- The Central Lands Council has consented to the grant of Suplejack (ELA26625) with the Deed for Exploration executed.
- ERO was the successful applicant for the Groundrush Extension (ELA28493) competing application. This tenement lies just to the southwest, along strike from the Groundrush Deposit and adjacent the Groundrush ML. The Groundrush Deposit was mined during 2000–2003 by Newmont Australia. This open pit deposit had a pre-mining resource of 780,000 oz gold at +5 g/t.
- A meeting with the Traditional Owners of the area encompassing the Highland Rocks tenement (ELA27511) has been postponed pending resolution to the disruptions of the Yuendumu community.
- The application for EL 27430 Tanami West was withdrawn in February 2011.

Queensland

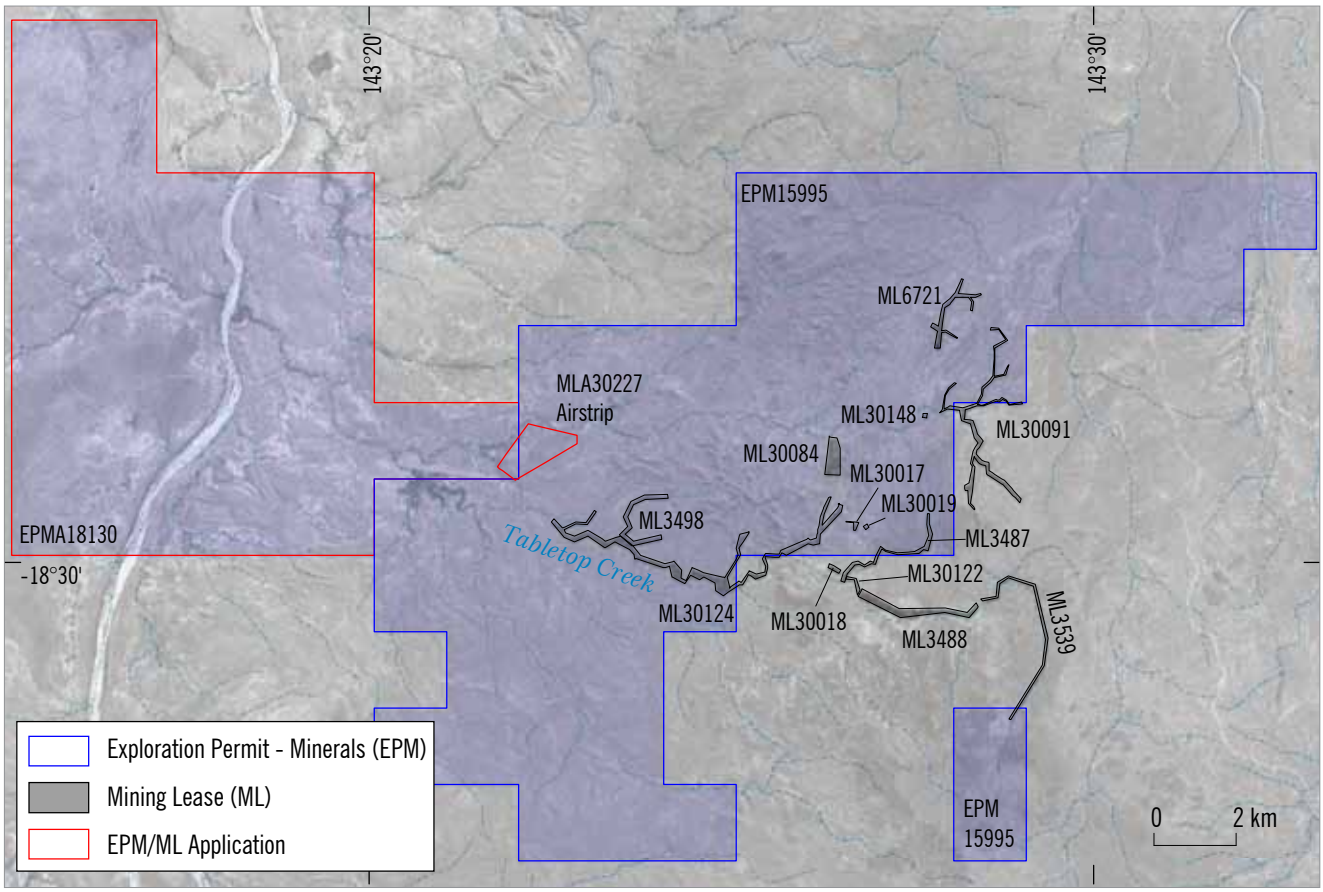
Georgetown Gold

ERO Mining 100%

The application for renewal of EPM 15995 was lodged with the Department of Mines and Energy during the quarter. ERO has recommended the relinquishment of a number of low importance sub-blocks within the EPM. Relinquishment of the sub-blocks does not affect or diminish the status of the Company's mining leases (ML).

During the quarter no significant ground based exploration or gold mining operations were undertaken.

Georgetown mine operations remain closed due to the La Nina climate phase, which is the dominating influence with above normal rainfall and enhanced tropical cyclone activity in the area. The Company is evaluating options for the Georgetown mine operations and is in discussions with a number of interested parties.



Location of ERO's Georgetown tenements in Queensland.

Corporate Activities

- Results of General Meeting
- Exercise of Unlisted Options raises $312,000
- Share Purchase Plan
- Mr Michael Hatcher appointed as an Alternate Director for Dr Neville Alley

As previously announced, at a General Meeting held on 24 January 2011 ERO shareholders' overwhelming approved acquisition of unlisted South East Energy. South East's tenements are situated in South Australia and comprise areas prospective for lithium, uranium and heavy mineral sands.

All ERO Directors participated in an unlisted option exercise including former Directors of South East, Mr Reg Nelson and Mr Glenn Davis. The options were exercised at 5 cents each at a premium to ERO's closing price on the ASX on 10 February 2011 raising $312,000.

ERO announced a Share Purchase Plan ("SPP") that opened on 7 March 2011. As result of global events, including the catastrophic earthquake and tsunami in Japan and conflicts in northern Africa negatively impacting on markets the company elected to extend SPP closure by two weeks to 8 April 2011.

Funds procured from the exercise of unlisted options and SPP will principally fund exploration campaigns on lithium, uranium and gold targets in South Australia and the Northern Territory with proceeds also to be applied to general working capital purposes.

Mr Michael Hatcher has been appointed 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. 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 unlisted Peninsula Resources Ltd.

Shane Gale
CHIEF EXECUTIVE OFFICER

13 April 2011

For further information please contact:

ERO Mining on 08 8132 7970, or

Investor relations:
Mr Duncan Gordon,
Executive Director, Adelaide Equity Partners
on 08 8232 8800 or 0404 006 444

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

www.eromining.com

DISCLAIMER

This report contains 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 a variety of variables which could cause actual results or trends to differ materially.

The information in this report 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,). Mr Hogan is Exploration Manager of the Company and has sufficient experience that is relevant to the style of mineralisation and types of deposit under consideration and 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 consents to inclusion of the information in this report in the form and context in which it appears.