

HIGHLIGHTS



- *Drilling commenced at Wertaloona Lithium (EL4601) Project.*
- *Federal Government endorses mining and defence activities in the Woomera Prohibited Area, allowing recommencement of Billa Kalina IOCG Project.*
- *Suplejack (EL26625) Project Deed for Exploration consented to by the Central Lands Council.*
- *Non Renounceable Rights Issue to raise \$1.88 million to advance Lithium, Gold and Uranium projects.*

South Australia

WERTALOONA PROJECT

ERO Mining 100% in ELs 4601 and 4602

An initial two drillhole program has been commenced on EL4601. At the present time, one drillhole (WT2) has been finished to a depth of 150.3 metres and preparatory work including access track and sump constructed for a second drillhole (WT1). Representative samples of fluids intersected and core samples have been submitted to Genalysis Intertek in Adelaide SA for analysis and test work. Test results are expected during July 2011.



Location of ERO Mining's South Australian projects.



Location of drillhole WT1, Wertaloona Project, South Australia.



(Left) 1 m core recovery, and (Right) taking a core sample saturated with groundwater; from drillhole WT2, Wertaloona Project, South Australia, May 2011.

WT1 and WT2 drillholes have been located in close proximity to two holes drilled by Comalco in the 1970s where significant lithium levels were encountered. A number of cuttings samples from Comalco's original drillholes have been located. Cuttings had been taken by Comalco at two metre intervals but apparently not tested. These cuttings have been sampled and are being retested employing modern analytical techniques. Further analysis will provide a greater accuracy to the levels at which the lithium concentrations occur.

Within Wertaloona Station exploration work incorporated sampling of water from shallow groundwater sources including established wells and water bores. These samples have been taken Genalysis Intertek in Perth WA for chemical analysis to detect lithium pathfinder geochemistry to assist planning future exploration programs.

MORALANA PROJECT

ERO Mining 100% in EL4580

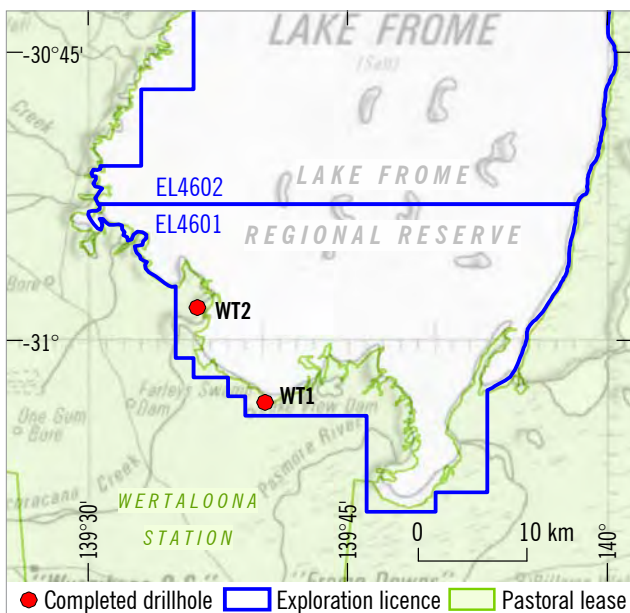
During the quarter no significant ground based exploration activities were undertaken at the Moralana Project.

PADTHAWAY AREA PROJECT

ERO 100% in ELs 4040, 4041, 4042, 4043, 4044, 4045, 4046, 4054, 4418, 4747 and ELAs 326/10, 02/11 and 64/11

During the quarter no significant ground based exploration activities were undertaken at the Padthaway Area Project.

The grant of EL4747 (Wolseley ELA327/10) has been formally approved.



Location of drillholes, Wertaloona Project, South Australia.

BILLA KALINA PROJECT

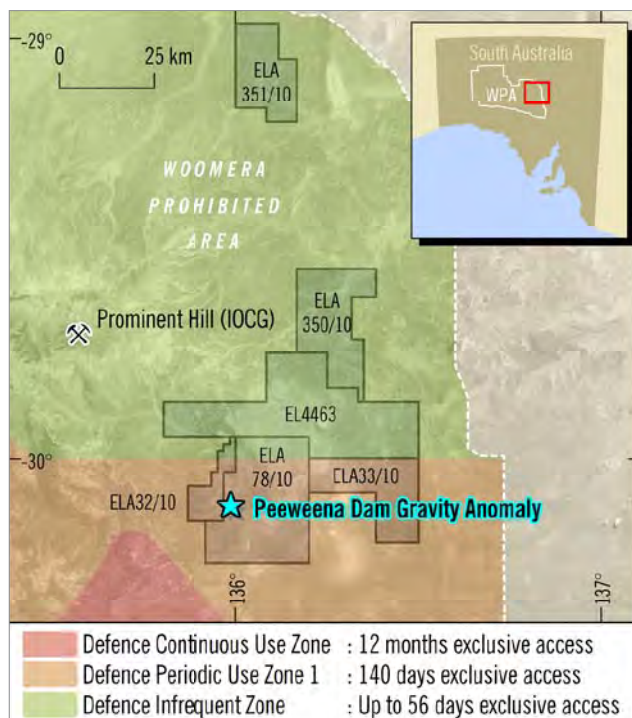
ERO earning 50% under the terms of the Billa Kalina JV from Maximus Resources Ltd in EL 4468 and ELAs 351/10, 350/10, 78/10 and 33/10, ERO Mining 100% in ELA 32/10

During the quarter the Federal Government announced approval of mineral exploration and mining in certain zones of the Woomera Prohibited Area (WPA) in South Australia. The final report of the Government's enquiry into mining and military activities in the WPA confirmed both can coexist in the area. The WPA will be broken into zones indicated by days of exclusive use by the Department of Defence (Defence). Time sharing will be introduced with the Defence having the right to ask explorers and miners to evacuate the sites for set periods. This will allow for campaign exploration and mining in those zones.

ERO anticipates its portfolio of advanced applications for access to the WPA shall be promptly expedited. None of ERO's tenements lie in the Defence continuous use zone (red zone).

Recently ERO has located 1 km x 1 km ground gravity survey data, predominantly over the areas to the west and northwest. The data has been interpreted to develop the specificity of the Peeweena Dam anomaly. A gravity survey over the Peeweena Dam area is planned to commence on granting of the EL (ELA 78/10) to complete data compilation and will be used to assist in prioritising drill targets.

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



Location of Peeweena Dam Gravity Anomaly and IOCGU mines in relation to the Indicative Zoning of the Woomera Prohibited Area, May 2011.

EROMANGA BASIN JOINT VENTURE

ERO earning 70% under the Eromanga Basin JV Agreement with Maximus Resources Limited in the Abminga and Marree Projects in ELs 3579, 3601 and 3602

Abminga and Marree Projects

During the quarter no significant ground based exploration activities were undertaken at the Abminga and Marree Projects. The Company is in the process of reviewing the benefits of maintaining an interest in the Abminga and Marree Projects.

Abminga East

ERO Mining 100% in ELs 3982 and 3964

During the Quarter no significant ground based exploration activities were undertaken.

Northern Gawler Craton IOCG Project

ERO Mining 100% in ELs 4019 and 4020

During the Quarter no significant ground based exploration activities were undertaken.

Northern Territory

TANAMI EXPLORATION

ERO Mining 100% in ELs 27806 and EL26625 and ELAs 27511, 27921, 27997, 27995 and 28493

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

Suplejack

ERO Mining 100% in EL26625

The Exploration Licence was granted during the quarter.

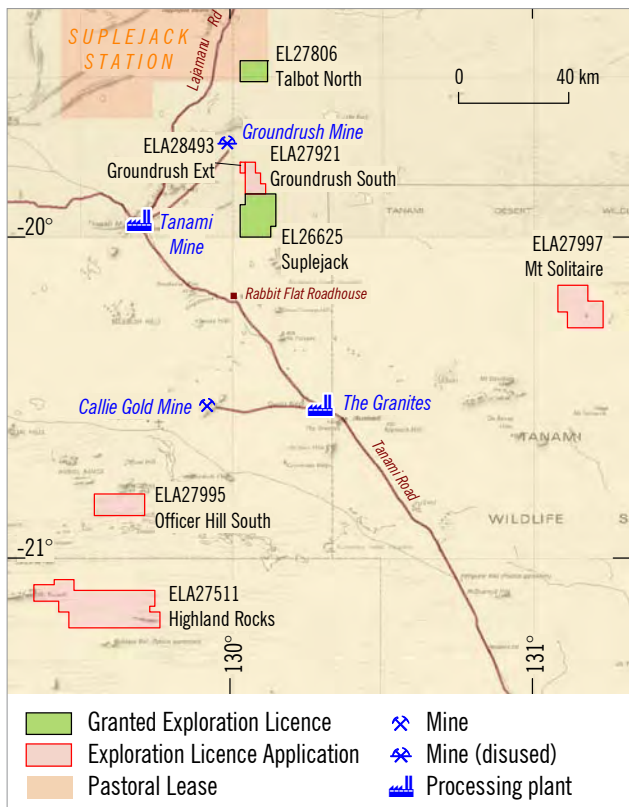
Queensland

GEORGETOWN GOLD OPERATIONS

ERO Mining 100%

During the quarter no significant ground based exploration or gold mining operations were undertaken. Rehabilitation and site access works commenced to areas affected by flooding associated with cyclone Yasi.

As has been previously reported ERO is in discussions with a number of parties interested in the Georgetown Gold Operations assets. During the quarter Company management conducted site visits and assisted due diligence review by the parties.



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

CORPORATE ACTIVITIES

A Share Purchase Plan undertaken in April raised \$545,000 (before costs) with the issue of 18.2 million new shares. Funds from the SPP were utilised to commence the Wertalooona Project drilling program and for general working capital needs.

Rights Issue highlights

- 1 for 5 non renounceable Rights Issue at 2.7 cents per share to raise approximately A\$1.88 million
- Rights Issue price set at approximately 15% discount to the respective 30 day volume weighted average prices of the Company's Share ending on 14 June 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

- Rights Issue available to all registered holders of ERO shares as at the Record Date, being 30 June 2011
- Proceeds from the Rights Issue will be used primarily to fund ERO's ongoing project development and exploration, including:
 - Acceleration of the Wertalooona Lithium Project (100% ERO) beyond the first round of drilling of two fully cored reference drillholes.
 - Advancing the Tanami Project (100% ERO) north west of Alice Springs in the Northern Territory where high priority gold and uranium exploration targets have been identified within the recently granted (EL26625) Suplejack and Talbots tenements. Maiden field work is scheduled to commence in July 2011 with a field crew mobilised to the area to conduct soil and rock chip sampling programs.

Change of Director

Dr Neville Alley resigned as a Director, effective 29 June 2011 and was replaced on the board by Mr Mike Hatcher. Mr Hatcher was previously Dr Alley's alternate and has extensive experience in mineral exploration both domestically and overseas.

Shane Gale

CHIEF EXECUTIVE OFFICER

30 June 2011

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.