TANAMI PROJECT

EL 26625

ANNUAL TECHNICAL REPORT

For the period 24 May 2012 to 23 May 2013

TENEMENT HOLDER: ERO Mining Ltd

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Map Sheets: 1:250,000 SE52-15 Tanami
1:100,000 Wilson Creek 4959

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ERO Mining Ltd
TABLE OF CONTENTS

1. Introduction ........................................................................................................................................ 3
2. Location and Access .......................................................................................................................... 3
3. Tenure .................................................................................................................................................. 3
4. Land Title ........................................................................................................................................... 3
5. Geological Background ...................................................................................................................... 3
6. Exploration History ............................................................................................................................ 4
7. Exploration Summary .......................................................................................................................... 4
8. Exploration Proposal .......................................................................................................................... 4
9. References .......................................................................................................................................... 5

LIST OF FIGURES
Figure 1 Exploration Index Map

LIST OF TABLES
Table 1 Tenement Details
SUMMARY

The Suplejack exploration licence is located approximately 100km north northwest of The Granites Gold Mine and 40km northeast of the Tanami Mine (Figure 1). This is the second annual report for EL 26625 and as such describes the work carried out by ERO Mining Ltd (ERO) on the tenement during the period 24 May 2012 to 23 May 2013.

Work carried out on the tenement consisted of:

- Data Compilation
1. INTRODUCTION

EL 26625 is currently held by ERO Mining Ltd. This report outlines the work carried out by ERO during its second year of tenure.

2. LOCATION AND ACCESS

EL 26625 is located approximately 40 km via road northeast of the Tanami Mine. It lies on the Wilson Creek 4959 1:100 000 map sheets and the Tanami, SE52-15, 1:250 000 map sheet. In 2013 26 blocks were relinquished as required at the end of Year 2.

3. TENURE

<table>
<thead>
<tr>
<th>Tenement Number</th>
<th>Tenement Name</th>
<th>Date Granted</th>
<th>Expiry Date</th>
<th>Area (sub-blocks)</th>
<th>Registered Holder</th>
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<tbody>
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<td>EL 26625</td>
<td>Suplejack</td>
<td>24.05.11</td>
<td>23.05.17</td>
<td>26</td>
<td>ERO Mining Ltd</td>
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</tbody>
</table>

Table 1: Tenement details

4. LAND TITLE

The tenement is located entirely within Suplejack Pastoral Lease (PPL1108).

5. GEOLOGICAL BACKGROUND

The Suplejack tenement contains a linear magnetic feature clearly orientated into a major regional NW trending crustal structure, as seen in regional magnetic images. This association is also noted at the nearby Groundrush Gold Deposit to the south. To the immediate south of the magnetic feature at Talbot North, the magnetic units are aligned NS, resulting in several gold prospects being found within these magnetic units where they intersect the major NW trending features. Gold deposits, on the other hand, are located where the magnetic Proterozoic aged iron and graphite bearing host rocks are aligned parallel to the major NW trending crustal features, where hydrothermal, potentially gold bearing fluids are focused.

The reference to epithermal like quartz veins in the Suplejack region is a further positive sign for the presence of re-activated, gold bearing structures. Epithermal like quartz veins, although barren, are noted in the footwall to the Groundrush Gold Deposit. In addition, magnetite destruction, another positive indicator for gold mineralisation, is noted within the NW trending magnetic feature at Talbot North.

The presence of Middle Proterozoic Gardiner Sandstone is also a positive indicator for the potential for Unconformity Related U-PGE-Au deposits. Most epithermal like quartz veins in the Tanami are emplaced into the Gardiner Sandstone, clearly marking post cover regional structures, which upon intersecting suitable basement rock, have the potential to form unconformity related deposits, by the mixing of oxygenated meteoric basin waters, with reduced methane bearing fluids in the basement.
6. **EXPLORATION HISTORY**

Previous exploration at Suplejack has been exclusively concentrated upon gold. This exploration has consisted of a tenement wide fine soil sampling program, with limited follow-up drilling of resultant geochemical anomalies. The extensive alluvial and colluvial cover, and extensive exposures of both Cambrian Antrim Plateau Volcanics, and Middle Proterozoic Gardiner Sandstone render such exploration programs invalid. No attempt has been made to drill test geophysical targets beneath surficial, and Cambrian cover units. No exploration has been conducted for Unconformity Related Deposits.

7. **EXPLORATION SUMMARY**

During ERO’s second year of tenure the only exploration work conducted on the tenement was data compilation. The planned airborne EM and magnetic survey was not able to be carried out due to the inability to find a suitable geophysical contractor. Efforts are continuing.

No ground based fieldwork has been able to be conducted as we have yet to have heritage surveys carried out and we are therefore unable to set foot on the ground. Heritage surveys cannot be conducted until target areas have been selected by the airborne geophysical surveys.

8. **EXPLORATION PROPOSAL**

As soon as a suitable geophysical contractor can be found ERO intends to conduct an airborne EM and magnetic survey, probably at 200m spacings to determine area of both magnetite and graphite destruction, as positive indicators for a Callie style deposit. In addition, the identification of areas of excess graphite, which in conjunction with major structures in the overlying Gardiner sandstone, would be prospective for Unconformity Related Deposits. These deposits likely to contain uranium in association with graphite bearing basement rocks, and Au+/-PGE in association with more felsic rocks, either arkosic sandstones in basal units of the Gardiner Sandstone, or granites.

Resulting targets would then be drill tested for indications of mineralisation.
9. REFERENCES


