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20 April 2015

## March 2015 Quarterly Report New Exploration Programs Commenced

- **Next phase exploration programs commenced on the priority Lingokoto and Maleko gold projects in Senegal, West Africa**
- **Aircore drill programs planned to scope size potential and prioritise RC drilling**
- **Successful completion of working capital placement to sophisticated investors**
- **Company has funds of \$309,000 at bank at the end of the quarter**

Erin Resources (ASX:ERI) is pleased to report on the Company's activities for the quarter ended 31 March 2015.

### Corporate

During the Quarter the Company completed a Placement to sophisticated and professional investors on 12 March 2015 to raise \$322,134 before costs through the issue of 64,426,983 ordinary shares at \$0.005 each. For every four (4) Shares subscribed for the Company one (1) free attaching Listed Option was issued, exercisable at \$0.02 on or before 30 June 2015.

The Placement was completed under the Company's existing ASX LR 7.1 and 7.1A capacity. The Company's placement capacity was subsequently refreshed, and the Listed Options were issued, following shareholder approval at the General Meeting held on 14 April 2015.

Erin's Board and Management team continues to assess new project and investment opportunities to add value to the existing assets for the benefit of all shareholders.

### Cash Position at 31 March 2015

The Company had a closing cash balance of \$309k at 31 March 2015.

### Operational

During the quarter, the Company commenced its next phase exploration programs at **Lingokoto** and **Maleko**, with the initial programs including soil sampling and geological mapping. The next phase exploration programs to follow on include infill aircore drilling on the Lingokoto discovery and a step out RAB/Aircore drilling campaign at Maleko.

### **Lingokoto**

The Lingokoto gold discovery is a new zone of mineralisation identified during 2014 that has the potential to develop into a very substantial gold system.

During the reporting period, an initial exploration program including soil sampling and geological mapping was started. Results from this program are expected in May 2015.

The current exploration plan is this is to be followed by infill aircore drilling, with line-spacing to be 240 metres apart. Following this a Reverse Circulation (RC) drilling campaign will be carried out to test fresh-rock and depth extensions.

**Lingokoto is a completely new system on a regional structural corridor, has no artisanal workings and offers considerable upside on infill and deeper drilling.**

### **Maleko**

**Maleko** is an established Erin prospect that remains open along strike. It is strategically located only 24km from Teranga Gold's Sabodala mine, the only operating gold mine in Senegal.

The Erin landholding was extended to 139.7 km<sup>2</sup> in 2013 and the Company can now explore an additional 3km of the Maleko structural corridor and associated soil anomalism. The Company also carried out soil sampling and geological mapping at prospect during the reporting period.

Erin intends to conduct an extensional RAB drilling program as part of the next phase of exploration activities to be undertaken during 2015.

**Maleko is a promising prospect, with established high-grade gold mineralisation, untested strike extensions and potential for early development due to its proximity to the Sabodala mill.**

*For and on behalf of the Board*

### **Background**

Erin holds 441km<sup>2</sup> of exploration permits in Senegal and a portfolio of five strategically located permits. All the Company's projects lie within the Kedougou inlier that extends over eastern Senegal and along the country's western border with Mali. There are four multi-million ounce gold deposits that have recently been discovered within 25km of Erin's projects and in Senegal: Loulo (12Moz), Masawa (3.5Moz), Petowal (1.4Moz) and Oromin (3.7Moz).

### **Tenements Located in the Republic of Senegal as at 31 March 2015**

Permit No.	Permit Title	Area (km <sup>2</sup> )	Issued	Region	Erin Ownership
07786	Garaboureyea (south portion)	36.6	13/08/2009	Kedougou	80%
01814	Woye	94.4	26/02/2010	Kedougou	80%
10332	Bouroubourou	139.7	01/12/2010	Kedougou	80%
10333	Lingokoto	120.5	01/12/2010	Kedougou	80%
12907	Wassadou South	49.9	18/11/2011	Kedougou	77.5%

**Competent Persons Statement**

*The information in this document that relates to Exploration Results is based on information compiled or reviewed by Mr Nick Castleden who is a member of the Australian Institute of Geosciences. Mr Castleden is a full time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Castleden consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.*

*Exploration results referring to Lingokoto have been previously disclosed by Erin Resources in accordance with JORC 2012 in the announcements dated 29/01/2014 entitled 'High Grades Encountered in First Pass Drilling'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The exploration results relating to the other projects were previously prepared and disclosed under the JORC Code 2004 and have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Company confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified from the original market announcement. Refer to [www.erinresources.com](http://www.erinresources.com) for details on exploration results.*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

ERIN RESOURCES LIMITED

ABN

30 116 800 269

Quarter Ended ("Current Quarter")

31 MARCH 2015

### Consolidated statement of cash flows

		Current Quarter \$A'000	Year to Date (9 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(51)	(240)
	(b) development	-	-
	(c) production	-	-
	(d) administration & staff	(95)	(299)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	(49)
<b>Net Operating Cash Flows</b>		<b>(145)</b>	<b>(583)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (refund of mining security bonds)	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(145)</b>	<b>(583)</b>

1.13	Total operating and investing cash flows (brought forward)	(145)	(583)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	297	297
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Capital raising costs (underwriting fee)	-	-
	<b>Net financing cash flows</b>	<b>297</b>	<b>297</b>
	<b>Net increase (decrease) in cash held</b>	<b>152</b>	<b>(286)</b>
1.20	Cash at beginning of quarter/year	157	595
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>309</b>	<b>309</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current Quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	73
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions.

Amount includes accrued directors fees and reimbursements.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount Available \$A'000	Amount Used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-
3.3 Convertible note	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and Evaluation	100
4.2 Development	-
4.3 Production	-
4.4 Administration	75
<b>Total</b>	<b>175</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	287	135
5.2 Deposits at call	22	22
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>309</b>	<b>157</b>

### Changes in interests in mining tenements

	Tenement Reference	Nature of Interest (note (2))	Interest at beginning of quarter	Interest at end of Quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A	N/A	N/A	N/A
6.2 Interests in mining tenements acquired or increased	N/A	N/A	N/A	N/A

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total Number	Number Quoted	Issue Price per Security (see note 3) (cents)	Amount Paid Up per Security (see note 3) (cents)
7.1 <b>Preference *securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	322,134,917 (includes 13,000,000 VHL shares)	322,134,917 (includes 13,000,000 VHL shares)		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	64,426,983	64,426,983	\$0.005	Fully Paid
7.5 <b>*Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<b>Exercise Price</b>	<b>Expiry Date</b>
	4,000,000	Nil	\$0.20	30 June 2017
	1,000,000	Nil	\$0.30	23 Jan 2018
	500,000	Nil	\$0.35	23 Jan 2018
	500,000	Nil	\$0.40	23 Jan 2018
	119,344,890	119,344,890	\$0.02	30 Jun 2015
	11,250,000	Nil	\$0.025	30 June 2017
	11,250,000	Nil	\$0.04	30 June 2017
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.1 Expired during quarter				
0				
7.1 <b>Debentures</b> 1 <i>(totals only)</i>				
7.1 <b>Unsecured notes</b> <i>(totals only)</i> 2				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

A handwritten signature in black ink, appearing to read 'Brett Mitchell'.

**Brett Mitchell**  
Executive Director

Date: 20 April 2015

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* applies to this report.
- 5 **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.