

ERIN RESOURCES LIMITED
ACN 116 800 269

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of 2 Shares for every 3 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.01 per Share together with 1 free attaching Listed Option with an exercise price of \$0.02 expiring on 30 June 2015 for every 4 new Shares subscribed for, to raise \$1,030,831 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

The Offer is fully underwritten. Please refer to Section 4.6 for details of the underwriting arrangement in place for the Offer.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

CONTENTS

1.	CORPORATE DIRECTORY.....	1
2.	TIMETABLE.....	2
3.	IMPORTANT NOTES.....	3
4.	DETAILS OF THE OFFER.....	5
5.	PURPOSE AND EFFECT OF THE OFFER.....	13
6.	RIGHTS AND LIABILITIES ATTACHING TO SECURITIES.....	17
7.	RISK FACTORS	22
8.	ADDITIONAL INFORMATION	27
9.	DIRECTORS' AUTHORISATION	34
10.	GLOSSARY.....	35

1. CORPORATE DIRECTORY

Directors

Brett Mitchell (Executive Chairman)
Grant Davey (Non-Executive Director)
Nicholas Poll (Non-Executive Director)

Company Secretary

Rachel Jelleff

Share Registry*

Computershare Investor Services Pty Limited
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000

Telephone: 1300 850 505
Facsimile: +61 8 9323 2033

Auditor*

PKF Mack & Co
Level 4
35 Havelock St
West Perth WA 6005

Registered Office

Level 7
1008 Hay Street
Perth WA 6000

Telephone: + 61 8 9389 2000
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Website: www.erinresources.com.au

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Underwriter

Argonaut Capital Limited
Level 30,
Allendale Square
77 St Georges Terrace Perth,
WA, 6000

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. TIMETABLE

Lodgement of Prospectus with the ASIC	12 March 2014
Lodgement of Prospectus & Appendix 3B with ASX	12 March 2014
Notice sent to Option holders	12 March 2014
Notice sent to Shareholders	14 March 2014
Ex date	17 March 2014
Record Date for determining Entitlements	21 March 2014
Prospectus despatched to Shareholders & Company announces despatch has been completed	27 March 2014
Closing Date	10 April 2014
Securities quoted on a deferred settlement basis	11 April 2014
ASX notified of under subscriptions	15 April 2014
Despatch of holding statements	17 April 2014
Quotation of Securities issued pursuant to the Offer*	22 April 2014

*The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

3. IMPORTANT NOTES

This Prospectus is dated 12 March 2014 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

3.2 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of two (2) Shares for every three (3) Shares held by Shareholders registered at the Record Date at an issue price of \$0.01 per Share together with one (1) free attaching Listed Option exercisable at \$0.02 expiring on 30 June 2015 for every four (4) new Share subscribed for. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of 103,083,010 Shares and 25,770,753 Listed Options will be issued pursuant to this Offer to raise \$1,030,831.

As at the date of this Prospectus, the Company has 84,574,181 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.1 for further information regarding the rights and liabilities attaching to the Shares.

The Company will apply for quotation of the Listed Options issued under this Prospectus. Refer to Section 6.2 for the terms and conditions of the Listed Options.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

4.2 Minimum subscription

The minimum subscription in respect of the Offer is \$1,030,831 (being the full subscription). No shares will be issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

4.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and

- (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.01 per Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Erin Resources Ltd" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5.00pm WST on the Closing Date.

4.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 3.00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.6 Underwriting

The Offer is fully underwritten by Argonaut Capital Limited, (a non-related party of the Company) (the **Underwriter**). The Underwriter has entered into an underwriting agreement with the Company (**Underwriting Agreement**). Refer to Section 4.7 for a summary of the material terms of the Underwriting Agreement.

An underwriting fee of 5% will be payable to the Underwriter (based on their full underwriting commitment).

The Underwriter is entitled to terminate their Underwriting Agreement upon the occurrence of any one or more of the termination events as set out in the Underwriting Agreement and summarised in Section 4.7.

4.7 Underwriting Agreement

Pursuant to the Underwriting Agreement, the Underwriter agrees to fully underwrite the offer (**Underwritten Amount**). The Company has agreed to pay the Underwriter an underwriting fee of 5% of the Underwritten Amount.

The obligations of the Underwriter under the Underwriting Agreement are subject to and conditional upon:

- (a) the Underwriter completing a review of the Company to its satisfaction;
- (b) the Underwriter obtaining binding sub-underwriting commitments for the full Underwritten Amount, to the Underwriter's absolute and sole satisfaction. This condition precedent is for the benefit of the Underwriter and may only be waived by the Underwriter; and
- (c) the Underwriter not being bound to underwrite the Offer unless and until the Company lodges the Prospectus with ASIC.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **Prospectus:** any of the following occurs in relation to the Prospectus:
 - (i) it is not lodged with ASIC by 13 March 2014 (or such later date agreed in writing by the Underwriter);
 - (ii) the Underwriter reasonably forms the view that there is a material omission, it contains a material statement which is misleading or deceptive, or a material statement has become misleading or deceptive;
 - (iii) the Underwriter reasonably forms the view that any projection or forecast in the Prospectus becomes, to a material extent, incapable of being met or unlikely to be met in the projected time;
 - (iv) ASIC gives notice of intention to hold a hearing under section 739(2) of the Corporations Act or makes an interim order under section 739(3) of the Corporations Act; or
 - (v) any person other than the Underwriter who consented to being named in the Prospectus withdraws that consent;
- (b) **Supplementary Prospectus:** the Underwriter reasonably forms the view that a supplementary or replacement document (as appropriate) must be lodged with ASIC under section 719 or section 724 of the Corporations Act and the Company does not lodge a supplementary or replacement document (as the case may be) in the form and content and within the time reasonably required by the Underwriter;

- (c) **ASX listing:** ASX does not give approval for the Underwritten Shares (as defined in the Underwriting Agreement) to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified or withheld;
- (d) **Indices fall:** the S&P/ASX Small Resources Index or the US\$ Gold Spot Price is at any time after the date of the Underwriting Agreement 10.0% or more below its respective level as at the date of the Underwriting Agreement;
- (e) **indictable offence:** a director of the Company is charged with an indictable offence;
- (f) **return of capital or financial assistance:** the Company or a related body corporate takes any steps to undertake a proposal contemplated under section 257A of the Corporations Act or passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriter;
- (g) **banking facilities:** the Company's bankers terminating or issuing any demand or penalty notice or amending the terms of any existing facility or claiming repayment or accelerated repayment of any facility or requiring additional security for any existing facility;
- (h) **change in laws:** any of the following occurs:
 - (i) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia;
 - (ii) the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory; or
 - (iii) the adoption by the ASIC, its delegates, ASX, the Reserve Bank of Australia or any other regulatory authority of any regulations or policy,which does or is likely to prohibit, restrict or regulate the principal business of the Company, the Offer or the operation of stock markets generally;
- (i) **failure to comply:** the Company or any related body corporate fails to comply with any of the following:
 - (i) a provision of its constitution;
 - (ii) any statute;
 - (iii) a requirement, order or request, made by or on behalf of the ASIC or any governmental agency; or
 - (iv) any material agreement entered into by it;
- (j) **alteration of capital structure or constitution:** except as described in this Prospectus, the Company alters its capital structure or its Constitution without the prior written consent of the Underwriter;

- (k) **hostilities:** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, Senegal, Japan, Russia, the United Kingdom, the United States of America, or the Peoples Republic of China, other than hostilities involving Afghanistan or Iraq, any country bordering Afghanistan or Iraq or any Arab country (being a country the majority of whose inhabitants are of Arab ethnicity);
- (l) **extended Force Majeure:** a Force Majeure (as defined in the Underwriting Agreement), which prevents or delays an obligation under the Underwriting Agreement, lasting in excess of 2 weeks occurs;
- (m) **default:** the Company is in default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement;
- (n) **adverse change:** any adverse change occurs which materially impacts or is likely to impact the assets, operational or financial position of the Company or a related body corporate (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a related body corporate);
- (o) **investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a related body corporate;
- (p) **due diligence:** there is a material omission from the results of the due diligence investigation performed in respect of the Offer or the results of the investigation or the verification material are false or misleading;
- (q) **Prescribed occurrence:** a Prescribed Occurrence (as defined in the Underwriting Agreement) occurs, other than as disclosed in this Prospectus;
- (r) **Suspension of debt payments:** the Company suspends payment of its debts generally;
- (s) **Event of insolvency:** an Event of Insolvency (as defined in the Underwriting Agreement) occurs in respect of a related body corporate; or
- (t) **Judgment against a related corporation:** a judgment in an amount exceeding \$50,000 is obtained against the Company or a related body corporate and is not set aside or satisfied within 7 days.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

4.8 Disclosure of Underwriting on Voting Power

As set out above, the Offer is fully underwritten by the Underwriter.

To comply with the requirement to fully disclose the Underwriters' approximate potential voting power in the Company and the effect of the underwriting by the Underwriter, the table below sets out various scenarios to indicate the effect

on the Company's shareholding depending on the Shortfall (if any) and assuming no existing Options (or proposed Options) are exercised. The potential maximum increase in the shareholding and voting power of the Underwriter is set out in the tables below.

As at the date of this Prospectus, the Underwriter does not currently have a relevant interest in any Securities and therefore will not have any Entitlement under the Offer.

Potential Increase in Shareholding of Underwriter (rounded down)

Event	No. Shares held by Argonaut Capital Ltd
Underwriter holding as at the date of the Prospectus	Nil
After issue of Shares to the Underwriter assuming 100% Shortfall	103,083,010
After issue of Shares to the Underwriter assuming 75% Shortfall	77,312,257
After issue of Shares to the Underwriter assuming 50% Shortfall	51,541,505
After issue of Shares to the Underwriter assuming 25% Shortfall	25,770,752

Potential Increase in Voting Power of Underwriter (rounded up)

Event	Voting Power of Argonaut Capital Ltd
Underwriter holding as at the date of the Prospectus	Nil
After issue of Shares to the Underwriter assuming 100% Shortfall	40%
After issue of Shares to the Underwriter assuming 75% Shortfall	30%
After issue of Shares to the Underwriter assuming 50% Shortfall	20%
After issue of Shares to the Underwriter assuming 25% Shortfall	10%

The information in the table above shows the potential effect of the underwriting of the Offer by the Underwriter. The underwriting obligation of the Underwriter, and therefore voting power of the Underwriter, will reduce by a corresponding amount for the amount of Entitlements taken up by other Shareholders. In addition, the future pattern of shareholding of the Company will change depending on the take up of Entitlements of the other Shareholders.

Notwithstanding the potential effect of the underwriting detailed in the table above, the Underwriter has advised the Company that they have, or will, allocate the Shortfall to a number of sub-underwriters such that neither the Underwriter nor any of the sub-underwriters, individually, will have a voting power in the Company in excess of 20% after the issue of the Shortfall. Therefore, although the information detailed in this Section sets out the hypothetical position of the Underwriter if it is required to subscribe for the Shortfall under the Offer, in practical terms, the Underwriter may not obtain control of the Company as a result of underwriting the Offer.

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 40% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).

4.9 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer which will be placed to the Underwriter or at its direction in accordance with the obligations of the Underwriter under the Underwriting Agreement.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.01 being the price at which Shares have been offered under the Offer, together with one (1) free attaching Listed Option exercisable at \$0.02 on or before 30 June 2015 for every four (4) new Shares subscribed for.

The Directors reserve the right to issue Shortfall Securities at their absolute discretion in accordance with the directors and the Underwriter pursuant to the Underwriting Agreement. Accordingly, do not apply for Shortfall Securities unless instructed to do so by the Directors.

Any Shortfall Securities placed through a licensed securities dealer or Australian financial services licensee may incur brokerage fees. The Listed Options issued as part of the Shortfall will be on the same terms and conditions issued under the Offer.

4.10 ASX listing

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

4.11 Issue of Securities

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act.

The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

4.12 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

The Offer is being made in New Zealand pursuant to the Securities act (Overseas Companies) Exemption Notice 2013.

Shareholders resident in Australia or New Zealand holding Securities on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.13 Enquiries

Any questions concerning the Offer should be directed to Rachel Jelleff, Company Secretary, at info@erinresources.com.au or on +61 8 9389 2000.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise \$1,030,831.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	(\$)	%
1.	Priority exploration programs at Lingokoto and Bouroubourou projects ¹	600,000	58.21
2.	Other exploration and tenement costs	100,000	9.70
3.	General finance and administration costs	105,000	10.18
4.	Expenses of the Offer ²	78,920	7.66
5.	Available working capital ³	146,911	14.25
	Total	1,030,831	100

Notes:

1. The A4 discovery within the Lingokoto permit, is the Company's highest priority exploration target. Further geochemical work and follow up drilling is required to explore the strike extensions to the A4 discovery as announced on 29 January 2014. A soil geochemistry program is underway that will be necessary to assist with drill targeting in the new extension area.
2. Refer to Section 8.7 of this Prospectus for further details relating to the estimated expenses of the Offer.
3. The Directors current intention for the \$146,911 Available Working Capital is to be held as cash until a decision is made to use further funds on new exploration programs or used for a partial repayment of working capital loans. As detailed above, the Company's main priority from the funds raised is to be used for the exploration programs at Lingokoto and Bouroubourou.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis. On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$951,911 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
 - (b) increase both the number of Shares on issue (154,624,514) and Options
-

on issue (84,574,181) as at the date of this Prospectus to 257,707,524 Shares and 110,344,934 Options.

5.3 Pro-forma balance sheet

The audited balance sheet as at 31 December 2013 and the unaudited pro-forma balance sheet as at 31 December 2013 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Notes	Audited 31-Dec-13 \$	Consolidated Pro forma Post Completion Maximum \$
CURRENT ASSETS			
Cash and cash equivalents	1	331,355	1,283,266
Other current assets		69,020	69,020
TOTAL CURRENT ASSETS		400,375	1,352,286
NON-CURRENT ASSETS			
Exploration		8,695,491	8,695,491
TOTAL NON-CURRENT ASSETS		8,695,491	8,695,491
TOTAL ASSETS		9,095,866	10,047,777
CURRENT LIABILITIES			
Creditors and borrowings	2	191,213	191,213
TOTAL CURRENT LIABILITIES		191,213	191,213
NON-CURRENT LIABILITIES			
Loan Facility - Verona Capital Pty Ltd		275,000	275,000
TOTAL NON-CURRENT LIABILITIES		275,000	275,000
TOTAL LIABILITIES		466,213	466,213
NET ASSETS / (LIABILITIES)		8,629,653	9,581,564

EQUITY

Share capital	3	14,749,398	15,701,309
Options reserve		330,006	330,006
Other reserve		47,489	47,489
Retained loss		(6,497,240)	(6,497,240)
TOTAL EQUITY		<u>8,629,653</u>	<u>9,581,564</u>
Shares on issue	4	154,624,514	257,707,524
Value per share		0.056	0.037

Notes:

1	Cash and cash equivalents are reconciled as follows:	A\$
	Cash and cash equivalents on hand	331,355
	Capital raising - 103,083,010 shares @ 1 cent each	1,030,831
	Capital raising costs	<u>(78,920)</u>
	Total cash and cash equivalents post completion of transaction	<u>1,283,266</u>
2	Creditors and borrowing are reconciled as follows:	A\$
	Trade Creditors	<u>191,213</u>
		<u>191,213</u>
3	Share capital are reconciled as follows:	A\$
	Opening share capital as at 31 March 2013	14,749,398
	Capital raising - 103,083,010 shares @ 1 cent each	1,030,831
	Capital raising costs	<u>(78,920)</u>
	Total share capital post completion of transaction	<u>15,701,309</u>
4	Shares on issue are reconciled as follows:	Number of shares
	Shares on issue	154,624,514
	Capital Raising	<u>103,083,010</u>
	Total shares on issue post completion of transaction	<u>257,707,524</u>

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

Shares

	Number
Fully Paid Ordinary Shares currently on issue	141,624,514
VHL Ordinary Shares* currently on issue	13,000,000

Shares offered pursuant to the Offer	103,083,010
Total Shares on issue after completion of the Offer	257,707,524

*The VHL Ordinary Shares only convert to Shares upon the enterprise value of the Company exceeding \$25,000,000 for ten (10) consecutive trading days within five (5) years of the date of issue.

Options

	Number
Listed Options currently on issue Exercisable at \$0.02 on or before 30 June 2015	78,574,181
Listed Options offered pursuant to the Offer Exercisable at \$0.02 on or before 30 June 2015	25,770,753
Options currently on issue:	
Unquoted exercisable at \$0.20 on or before 30 June 2017	4,000,000
Unquoted exercisable at \$0.30 on or before 23 January 2018	1,000,000
Unquoted exercisable at \$0.35 on or before 23 January 2018	500,000
Unquoted exercisable at \$0.40 on or before 23 January 2018	500,000
Total Options on issue after completion of the Offer	110,344,934

As at the date of this Prospectus the Company has 17,793,350 Shares subject to escrow (this figure includes 13,000,000 VHL Ordinary Shares).

5.5 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Craig Burton	13,710,759	8.87
Exploration Capital Partners 2009 Limited Partnership	11,530,151	7.46

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of

the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution

passed at a separate meeting of the holders of the shares of that class.

Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6.2 Free Attaching Listed Options

(a) Entitlement

Each Listed Option entitles the holder to subscribe for one Share upon exercise of the Listed Option.

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Listed Option will be \$0.02 (**Exercise Price**).

(c) Expiry Date

Each Listed Option will expire at 5.00pm (WST) on 30 June 2015 (**Expiry Date**). A Listed Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Listed Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Listed Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Listed Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Listed Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Listed Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and

- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) issue the number of Shares required under these terms and conditions in respect of the number of Listed Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Listed Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Listed Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Listed Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Listed Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Listed Options without exercising the Listed Options.

(l) **Change in exercise price**

A Listed Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Listed Option can be exercised.

(m) **Quoted**

The Company will apply for quotation of the Listed Options on ASX.

(n) **Transferability**

The Listed Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

7. RISK FACTORS

7.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 154,624,514 currently on issue to 257,707,524. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX the day before lodgement of the prospectus of \$0.011 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

7.3 Industry specific

Price of Gold

Changes in the market price of gold, which in the past has fluctuated widely, will affect the potential profitability of the Company's projects which would adversely affect the Company's operations and its financial conditions. The viability of the Company's projects will depend on the market price of gold which is set in the world market and is affected by numerous industry factors beyond the Company's control including the demand for precious metals, currency exchange rates, the global and regional supply and demand for jewellery and industrial products containing gold, production levels, inventories, costs of substitutes, changes in global or regional investments or consumption patterns, sales by central banks and other holders, speculators and producers of gold in repose to any of the above factors and global and regional economic and political factors.

The decline in the market price for gold would have a material adverse impact on the Company's projects and anticipated future operations of the Company.

Exploration and Development Risks

The business of gold exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (a) the discovery and/or acquisition of economically recoverable reserves;
- (b) access to adequate capital for project development;
- (c) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (d) securing and maintaining title to interests;
- (e) obtaining consents and approvals necessary for the conduct of gold exploration, development and production; and
- (f) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from the Projects undergoing an exploration and development program depends on successful exploration and establishment of production facilities. Factors including costs and reliability and commodity prices affect successful project development and operations.

Mining activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown and environmental hazards such as accidental spills or leakages, or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of gold. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

Resource estimates

The Company does not presently have any JORC Code compliant resources on the permits in which it has an interest. In the event a resource is delineated this would be an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional

fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

7.4 General risks

(a) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(e) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(f) **Sovereign Risk**

The Company's key projects are located in Senegal. Senegal is a politically stable democratic country located to the south of the Sénégal River in West Africa. Commercial gold mining started in Senegal in 2009 and is in the early stages of development.

Possible sovereign risks associated with operating in Senegal include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its shares.

No assurance can be given regarding future stability in Senegal or any other country in which the Company may, in the future, have an interest.

(g) **Government policy changes**

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Senegal may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(h) **Commodity Price Volatility and Exchange Rate Risks**

If the Company achieves success leading to gold production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for gold, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Senegalese and Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United

States Dollar, the CAF Franc and the Australian Dollar as determined in international markets.

(i) **Regulatory**

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
11/03/2014	Half Yearly Report and Accounts
27/02/2014	New Exploration Program Commenced at Lingokoto
20/02/2014	Investor Presentation February 2014
31/01/2014	December Quarterly Activity and Cashflow Report
29/01/2014	High Grades Encountered in First Pass Drilling
26/11/2013	Results of Annual General Meeting
30/10/2013	September Quarterly Activity and Cashflow Report
25/10/2013	Annual Report 2013

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.erinresources.com.au.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.024	29 January 2014
Lowest	\$0.008	10 December 2013 – 17 January 2014
Last	\$0.011	11 March 2014

8.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement Shares	Entitlement Options	\$
Brett Mitchell - Direct	3,566,336 ¹	1,783,168	2,377,558	594,390	23,776
Brett Mitchell - Indirect	2,400,000 ³	2,400,000 ³	1,600,000	400,000	16,000
Nicholas Poll	Nil	Nil	Nil	Nil	Nil
Grant Davey - Direct	3,062,776 ²	1,531,388	2,041,851	510,463	20,419
Grant Davey - Indirect	3,600,000 ³	3,600,000 ³	2,400,000	600,000	24,000

Notes

1. 694,002 Shares are held by Brett Mitchell & Michelle Mitchell <Lefthanders Super Fund A/C>. Mr Mitchell is a trustee and beneficiary of the Lefthanders Super Fund A/C. 2,872,334 Shares are held by Brett Mitchell & Michelle Mitchell <Mitchell Spring Family A/C>. Mr Mitchell is a trustee and beneficiary of the Mitchell Spring Family A/C.
2. 1,250,000 Shares are held directly by Grant Davey. 1,120,000 Shares are held by Elgra Consultancy Pty Ltd, of which Mr Davey is the sole director and shareholder. 692,776 Shares are held by Davey Management (Aus) Pty Ltd <Davey Family Super Fund A/C>. Mr Davey is a director of the trustee company and a trustee and beneficiary of the Davey Family Super Fund A/C.
3. 12,000,000 Shares and 12,000,000 Options (consisting of 4,000,000 unlisted Options exercisable at \$0.20 expiring on or before 30 June 2017 and 8,000,000 listed Options exercisable at \$0.02 expiring on or before 30 June 2015) in the Company are held by Verona Capital Pty Ltd (Verona). Mr Davey and Mr Mitchell are directors and shareholders of Verona. Mr Davey has an indirect beneficial interest in 3,600,000 Shares and 3,600,000 Options held in Verona, and Mr Mitchell has an indirect beneficial interest in 2,400,000 Shares and 2,400,000 Options held in Verona.

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum this amount excludes executive directors.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors per financial year.

Director	2013/14	2012/13
Brett Mitchell	\$60,500	\$7,500
Nicholas Poll	\$25,000	\$55,271
Grant Davey	\$25,000	\$169,167

8.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (d) the formation or promotion of the Company; or
- (e) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$1,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$153,855 (excluding GST and disbursements) for legal services provided to the Company.

Argonaut Capital Ltd has acted as underwriter in relation to the Offer. The Company estimates it will pay to Argonaut Capital Ltd \$51,542 for these services, pursuant to the Underwriting Agreement. During the 24 months preceding lodgement of this Prospectus with the ASIC, Argonaut Capital Ltd has been paid fees totalling \$13,200 for broker services provided to the Company.

8.6 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section;
- (c) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC; and

- (d) Argonaut Capital Ltd has given its written consent to being named as the underwriter to the Company in this Prospectus. Argonaut Capital Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$78,920 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,225
ASX fees	8,153
Legal fees	1,000
Share Registry Costs	11,000
Printing and distribution	3,000
Underwriting fees (maximum fee)	51,542
Miscellaneous	2,000
Total	<u>78,920</u>

Please note, any Shortfall Securities placed through a licensed securities dealer or Australian financial services licensee may incur brokerage fees. No arrangements or terms have yet been made by the Company.

9.1 Electronic prospectus

The Corporations Act allows distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9389 2000 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.erinresources.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

9.2 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

9.3 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

9.4 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

10. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Brett Mitchell
Executive Chairman
For and on behalf of Erin Resources Ltd

11. **GLOSSARY**

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Securities pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Erin Resources Limited (ACN 116 800 269).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Listed Option means Option exercisable at \$0.02 on or before 30 June 2015.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Securities means Shares and/or Options offered pursuant to the Entitlement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.7 of this Prospectus.

Shortfall Securities means those Securities issued pursuant to the Shortfall.

Underwriter means Argonaut Capital Limited.

WST means Western Standard Time as observed in Perth, Western Australia.