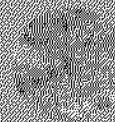


EROMANGA URANIUM

prospectus

EROMANGA URANIUM LIMITED (ASX:ERU) LTD



SOURCING 21ST CENTURY ENERGY

The company is offering to issue 60 million new Shares at an issue price of 25 cents each to raise \$15 million.

- with a minimum subscription of \$10 million
- and the right to accept over-subscriptions up to \$5 million.

CSB

IMPORTANT INFORMATION
This Prospectus provides important information to assist investors in deciding whether or not to invest in the company. It should be read in its entirety. If you do not understand it you should consult your professional advisor.

DATED 4 AUGUST 2006

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INDICATIVE TIMETABLE

Offer opens	14 August 2006
Offer closes	14 September 2006
Expected ASX listing date	29 September 2006

These dates are indicative only and are subject to change. The Company reserves the right to close the Offer early, extend the Offer or withdraw the Offer without notice.

CORPORATE DIRECTORY

Directors	Robert Kennedy	Non-executive Chairman
	Kevin Lines	Managing Director
	Kevin Willis	Non-executive Director
	Ewan Vickery	Non-executive Director
Company Secretary	Richard Willson	
Registered Office	20 Boskenna Avenue	Norwood South Australia 5067
Contact Details	Phone	61 8 8132 7970
	Fax	61 8 8362 5966
	Email	info@eromangauranium.com
	web	www.eromangauranium.com
Independent Geologist	D W Otterman	
Solicitor	DMAW Lawyers	
Auditors and Independent Accountant	Grant Thornton South Australian Partnership	
Company Accountants	Kennedy & Co	
Corporate Adviser	Adelaide Equity Partners	
Share Registry	Computershare Investor Services Pty Ltd	
	Level 5 115 Grenfell Street	Adelaide South Australia 5000
	GPO Box 1903	Adelaide South Australia 5001
	Enquiries (within Australia):	1300 556 161
	Enquiries (outside Australia):	+61 3 9415 4000
Proposed ASX Code:	ERO	
Sponsoring Broker	Cameron Stockbrokers Limited	
	Level 5 CGU House, 10 Spring Street	Sydney
	New South Wales	Australia 2001
	Telephone	02 9232 7700
	Toll free	1800 657 753
	Fax	02 9232 7272
	email	mail@camstock.com.au
	Internet	www.camstock.com.au

IMPORTANT NOTICES

This Prospectus constitutes only general advice and does not take into account your individual investment objectives, financial situation or particular needs. The Company encourages you to seek independent financial and taxation advice before making a decision about whether to subscribe for Shares in this Offer. You should also have regard to the Summary of Risks on page 8 of this Prospectus. An investment in the Offer should be considered speculative.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

A copy of this Prospectus has been lodged with the Australian Securities & Investments Commission ('ASIC'). ASIC takes no responsibility for the content of this Prospectus.

- Access to over 20,000 km² of tenements in South Australia and the Northern Territory, makes Eromanga ideally positioned at the heart of the Australian uranium mining and exploration industry.
- The Eromanga Basin Initiative brings four exciting projects, covering over 16,000 km², that are largely untested and are highly prospective for sedimentary **uranium**.
- Billa Kalina, covering over 4,000 km², provides the opportunity to fast-track post-listing exploration and allow early drill testing.
- Maximus as a cornerstone investor provides the opportunity to earn 70% in the Eromanga Basin Initiative.
- Earning 50% in the flagship Billa Kalina Project (Gawler Craton, SA) – potential for sedimentary uranium and Olympic Dam style **copper, gold, uranium** mineralisation.
- A property portfolio with the opportunity for discovery of completely new uranium districts.
- Team of highly experienced explorers and accomplished business professionals.
- IPO raising \$15m through the issue of 60 million Shares:
 - minimum raising \$10 million
 - right to accept \$5 million oversubscription to raise \$20 million.

will provide approximately 50% public ownership of Eromanga.
- Priority offer to shareholders in Maximus and Flinders.



access to over
20,000 km² of tenements
 in South Australia
 and Northern Territory

TO THE INVESTOR

On behalf of the Directors, I have much pleasure in presenting the Prospectus of Eromanga Uranium Limited (Eromanga) to allow your consideration of this investment opportunity. I recommend its reading in full.

The Directors and Promoters of Eromanga recognised, in early 2006, the opportunity to secure a large and quality tenement portfolio at the heart of uranium exploration and mining in South Australia and the Northern Territory. This rare opportunity arose from the recognition that previous exploration for uranium, in the 1970's and 80's, had largely overlooked the potential for the rocks of the Eromanga Basin to host significant uranium deposits. Globally rocks of a similar age and geological setting to those in the Eromanga Basin are a major source of uranium production, including producing deposits in Niger, Kazakhstan and the New Mexico and Colorado regions of the USA.

The global uranium exploration and mining industry has undergone a renaissance over the last few years with rapidly increasing levels of exploration expenditure, a number of major mine expansions and new developments committed or under consideration. This increased activity has been driven by the recognition that uranium demand is expected to exceed mine supply for the next ten years. With over 440 nuclear reactors operating globally and a further 178 new reactors either under construction, planned or proposed it is expected that multiple new uranium mines will be required

to meet future demand requirements. These short, medium and longer term demand fundamentals have underpinned the uranium spot price, with prices increasing from US\$10 to in excess of US\$45 per pound over the last three years. A further driver for the nuclear energy sector has been the combined concerns over energy security and global warming. This has led to countries such as the United Kingdom and USA, with established nuclear energy sectors, reviewing current policies and considering construction of new reactor capacity.

The Directors of Eromanga believe the combination of strong uranium sector fundamentals and the ability to secure a pre-eminent tenement position, of over 20,000 km², place the company in an excellent position to participate in the global renaissance of nuclear energy.

Eromanga is seeking to raise \$15,000,000 by the offer of 60,000,000 shares at a price of 25 cents per share. The minimum subscription requirement is \$10,000,000. These funds will be fully utilised in the exploration of five project areas in South Australia and the Northern Territory which the Directors believe are highly prospective for the discovery of economic deposits of uranium.

We are delighted to have Cameron Stockbrokers Limited as our Sponsoring Broker, and would encourage investors to avail themselves of their services. Contact details can be found in the Corporate Directory inside the front cover of this Prospectus.

Following the incorporation of Eromanga, Maximus and Eromanga negotiated a Share Sale Agreement whereby Eromanga will acquire, for 44,357,143 vendor shares and 8,035,714 vendor options, 100% of the shares of the Maximus subsidiary company Eromanga Uranium Resources Pty Ltd (EUR). Under two separate joint venture agreements, between EUR and Maximus, EUR has the right to earn 70% of the Eromanga Basin tenements and 50% of the Billa Kalina tenements. The effect of the Share Sale Agreement is that the joint venture rights will transfer to Eromanga Uranium Limited. Assuming Maximum Subscription, these transactions

will give Maximus approximately 30% post listing equity in Eromanga. The shareholders of Maximus and Flinders Diamonds Ltd will have the right, but not the obligation, to participate in a priority offer in the Eromanga IPO.

Eromanga's objectives are focused on creating early shareholder wealth through the discovery of economic uranium deposits and subsequent long-term wealth through profitable mine development. The Directors believe that the blend of experienced management and the projects assembled have good potential to achieve these objectives.

Eromanga will be led by Mr Kevin Lines as Managing Director. Kevin has over 25 years of experience in exploration, project evaluation, and mine management, both in Australia and globally. Most recently he held senior management and consulting roles within the exploration divisions of Normandy Mining and Newmont Australia and will bring critical skills to the company. Supporting Kevin will be a Board with the strong balance of technical, commercial and legal backgrounds prerequisite of a successful exploration company in the modern era. Non-executive Director Dr Kevin Wills has been involved in the discovery and development of economic deposits of gold, base metals and diamonds and also brings to the company his previous experience in uranium exploration with CRA Exploration Pty Ltd. To complement these skills, our remaining non-executive Directors, Mr Ewan Vickery and myself have often provided advice to mining and petroleum companies and we have considerable experience in the accounting, legal and corporate spheres.

Upon completion of a successful ASX listing, it is the Company's intention to immediately initiate extensive airborne geophysical surveys over our tenement holdings in South Australia. This will allow the company to refine our understanding of palaeodrainage geometries and facilitate the design and implementation of drill programmes. Simultaneously we will complete geophysical data acquisition and modelling at the Billa Kalina project to determine the viability of drill testing this exciting target. Our projects in the Northern Territory will require the agreement of Traditional Owners

before on-ground exploration can commence and negotiations to achieve these consents will be a priority.

The Company's Directors join me in recommending the Offer to you and we look forward to welcoming you as a Shareholder of Eromanga in what we believe will be an exciting exploration and future successful mining company.

Yours Sincerely



R M Kennedy

Chairman



SECTION

A

Eromanga is committed to a primary focus on the exploration for, and development of, economic resources of uranium. The Eromanga team is convinced the very strong short, medium and longer term fundamentals of the nuclear energy market, and its reliance on uranium, provide the best opportunity to maximize returns to shareholders.

The team behind Eromanga are all considered well respected leaders in their respective fields and provide the broad depth of experience required to successfully interact with Government, Indigenous people, the Community, and Environmental representatives.

Eromanga will endeavour to achieve the highest standards of corporate governance.

The Eromanga team is conscious of maximising potential and minimizing risk and therefore has assembled a holding of tenements exclusively within South Australia and the Northern Territory, the only Australian jurisdictions that currently host operating uranium mines.

Eromanga's property portfolio supports a business model that provides the opportunity for both near term cashflow and the discovery of major deposits. Eromanga will search for sandstone hosted deposits which are typically amenable to rapid delineation and development by the Company, whilst unconformity style and iron oxide copper/gold/uranium targets provide the opportunity to partner with larger resource companies during development.

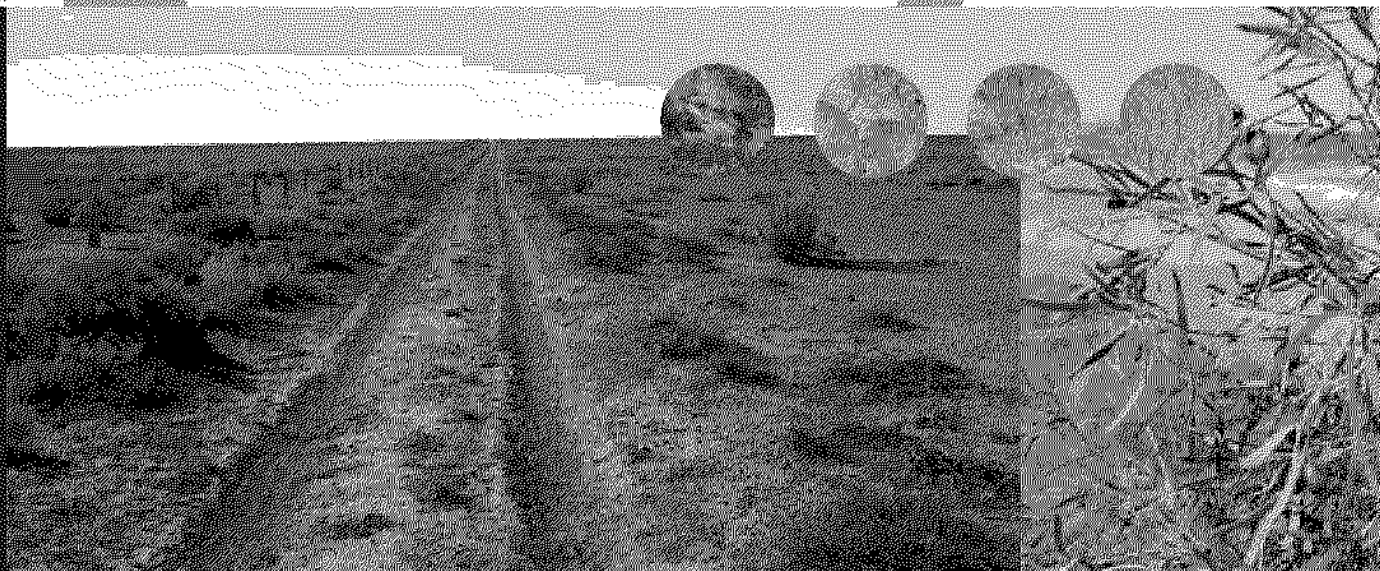
Eromanga's exploration strategy is based around maximising shareholder returns through focused exploration in new and emerging mineral districts. Early entry into these terrains provides the best opportunity for discovery, particularly using innovative but scientifically rigorous fundamentals. These concepts need to be supported by strong, coherent land holdings that allow full value to be leveraged from exploration success.

The Directors believe that the Eromanga Basin Initiative, with over 16,000 km² of tenure across four project areas, and the 4,000 km² Billa Kalina Project provide an excellent portfolio with the exploration potential to achieve our primary objective of increasing shareholder wealth.

Eromanga is committed
to a **primary**
focus
on exploration
for **uranium**

SECTION

A



HOW TO APPLY FOR SHARES

The Company is offering for issue up to 60 million Shares at an issue price of 25 cents each to raise \$15 million, with a minimum subscription of \$10 million and the right to accept over-subscriptions up to \$5 million.

Once you have read this Prospectus, to apply for Shares in the Offer you must:

Complete an Application Form that accompanies a copy of this Prospectus

Although copies of this Prospectus will be available within seven days of the Prospectus Date (in paper form or electronically through the internet site maintained by the Company – refer to the Corporate Directory), you will not be able to access an Application Form until at least seven days after the Prospectus Date. The Company will not accept an application for Shares before the end of that seven day period.

The purpose of the seven day period is to give market participants the opportunity to examine the Prospectus before the Company accepts any application for Shares. The seven day period may be extended by ASIC to up to 14 days.

Give your completed Application Form to the Company together with full payment for your Shares.

You must apply for at least 8,000 Shares (\$2,000) and thereafter in increments of 2,000 Shares (\$500).

Your payment for the Shares must be made in full on application and must be by cheque drawn on and payable at an Australian bank or by direct debit to the Eromanga Uranium Limited Share Offer Account:

BSB	01 5025
Account Number	837994449

Cheques must be made payable to "Eromanga Uranium Limited Share Offer Account".

If you make payment for your Shares by direct debit, you must include an identification reference at the time of confirming your direct debit payment.

You may also participate in the Offer by applying for Shares online and lodging subscription funds via BPAY®, through the Company's website (www.eromangauranium.com). The BPAY® facility is available to investors drawing application monies from an account at an Australian branch of an Australian bank.

Before 14 September 2006 ("Closing Date"), you must deliver your completed Application Form together with payment for your Shares (or direct debit confirmation) to the Company:

by post

Eromanga Uranium Limited Share Offer
c/- Computershare Investor Services Pty Ltd
GPO Box 1903
Adelaide South Australia 5001

or in person

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide South Australia 5000

The Directors may close the Offer early or extend the Closing Date, however, no application for Shares under this Prospectus will be accepted later than 13 months from the Prospectus Date.

ELECTRONIC PROSPECTUS

The Prospectus may be viewed online at www.eromangauranium.com.

If you have received this Prospectus as an electronic prospectus, please ensure you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company at info@eromangauranium.com and the Company will send to you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

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 Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such case, the application monies received will be dealt with in accordance with section 722 of the Corporations Act.

CONDITION

Before any Shares are issued under this Prospectus the Company must receive Valid Applications for at least 40 million Shares (\$10 million).

ASX LISTING

The Company will apply to ASX no later than seven days from the date of this Prospectus for the Company to be admitted to the Official List of ASX and for ASX to grant Official Quotation of:

- existing Shares; and
- Shares to be issued under this Prospectus;

other than those ASX treats as restricted securities as defined in the ASX Listing Rules.

If ASX approval is not granted within three months of the date of this Prospectus all money received by the Company from applicants will be returned in full without interest.

The fact that ASX approval is obtained is not to be taken as an endorsement by ASX of this Offer. ASX takes no responsibility for this Offer or Prospectus.

CHESS and Issuer Sponsorship

Upon the Company being admitted to the Official List, it will be admitted to participate in CHESS in accordance with ASX Listing Rules and the ASTC Settlement Rules. On admission to CHESS, the Company will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's principal register of securities.

The Company will not issue certificates. Rather, holding statements (similar to bank statements) will be dispatched to holders of securities as soon as practicable after allotment. Holding statements will be sent either by CHESS (for holders of securities who elect to hold securities on the CHESS sub-register) or by the Company's share registrar (for holders of securities who elect to hold their securities on the issuer sponsored sub-register). The statements will set out the number of securities allotted to the holder and provide details of a holder's holder identification number (for holders who elect to hold their securities on the CHESS sub-register) or shareholder reference number (in the case of a holding on the issuer sponsored sub-register). Updated holding statements will also be sent to each holder as their holding of securities changes, and also as required by the Listing Rules or the Corporations Act.

PURPOSE OF THE OFFER

The Company is raising funds under this Prospectus primarily to:

- finance exploration and development work on the Company's projects for the next two years;
- evaluate new opportunities in exploration and mining;
- create opportunities for corporate growth.

More specifically, based on current information and budgets, the Company intends to apply the money raised from the issue of Shares under this Prospectus as outlined in the table below.

Results of exploration will lead to an ongoing re-assessment of each project and work programs and budgets may be modified.

If more than \$15 million but less than or equal to \$20 million is raised, the Company intends to apply the amount raised in addition to \$15 million, first to any additional costs of the Offer and second towards the Company's Projects on a pro-rata basis. These additional funds will also allow the company to more actively participate in the ongoing development of the uranium exploration and mining sectors in Australia.

The costs of the Offer include the following amounts which have or will be paid:

Fees paid to	
Adelaide Equity Partners Pty Ltd	\$100,000
ASX	\$39,000
DMAW Lawyers	\$75,000
D W Otterman	\$27,000
Grant Thornton	\$7,000
Prospectus preparation, printing, marketing and distribution	\$150,000

In addition, it is anticipated the Company will pay broker commissions of approximately \$900,000 on Full Subscription and \$600,000 on Minimum Subscription.

EXPENDITURE ITEM	MINIMUM SUBSCRIPTION \$10M			FULL SUBSCRIPTION \$15M		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Marree Project	500,000	650,000	1,150,000	700,000	900,000	1,600,000
Kingoonya Project	550,000	800,000	1,350,000	950,000	1,250,000	2,200,000
Abminga Project	700,000	900,000	1,600,000	700,000	900,000	1,600,000
Billa Kalina Project	1,250,000	1,450,000	2,700,000	1,800,000	2,000,000	3,800,000
Illogwa Project	-	550,000	550,000	-	650,000	650,000
Administration/Working Capital	750,000	559,000	1,309,000	1,000,000	859,000	1,859,000
Corporate Activity/Advanced projects	750,000	650,000	1,400,000	1,350,000	1,950,000	3,300,000
Cost of Offer	500,000	-	500,000	550,000	-	550,000
Total*	5,000,000	5,559,000	10,559,000	7,050,000	8,509,000	15,559,000

* Totals include seed and promoter capital of \$559,000.

Cameron Stockbrokers Limited has been appointed as the sponsoring broker to the Issue. Cameron Stockbrokers Limited will be paid a fee of \$25,000 (plus GST) and be entitled to a management fee of 1% of the total funds raised.

Adelaide Equity Partners Pty Ltd and Nicholas John Smart have, in addition to fees paid, been each issued with 500,000 Unlisted Options in the Company.

Other than in relation to the fees referred to above, the advisors to the Company have no financial interest in the Offer.

The Company considers that if the Offer Condition is met it will have sufficient working capital to carry out its stated objectives for the next two years. It is intended that leading up to the end of two years from the Prospectus Date, on the basis of development and exploration results in relation to the Projects, the Company will seek to raise further equity capital to continue its operations.

RIGHTS AND LIABILITIES ATTACHING TO SHARES

All Shares issued under this Prospectus will be issued on the same terms as each other and as Shares in the Company already on issue. Full details of the rights and liabilities attaching to Shares are set out in the Company's constitution, a copy of which may be inspected at the Company's registered office (refer to the Corporate Directory). Holders of Shares also have common law and statutory rights. A summary of the rights and liabilities attaching to Shares follows.

Voting rights

At a general meeting every shareholder present in person, or by proxy, attorney or representative has one vote on a show of hands and every shareholder present in person or by proxy, attorney or representative has one vote for each Share on a poll.

Dividends

Dividends will be declared by the Directors at their discretion and subject to any special rights (at present there are none) will be payable on all Shares in proportion to the amount of capital for the time being paid up or credited as paid up on those Shares.

Transfer of Shares

Generally, Shares are freely transferable. Where the Listing Rules or the law require the Company to do so, the Directors must decline to register a transfer. If Shares are subject to a restriction agreement entered into by the Company and shareholder, except as permitted by the Listing Rules, a shareholder may not dispose of the Shares and the Directors and the Company will not register a dealing in the Shares.

Future increases in capital

The allotment or issue of any shares of the Company is under the control of the Directors who may, subject to the Corporations Act and the Listing Rules, allot or otherwise dispose of them on such conditions as they see fit.

Variation of rights

The rights and privileges attaching to Shares can be altered by special resolution of the shareholders. A special resolution is a resolution passed by a majority of not less than 75% of those present and voting.

Rights on winding up

In the event of a winding up of the Company:

- any surplus will be divided among the shareholders in the proportion that the amount paid up on the shares bears to the total amount paid up on all shares of the Company on issue;
- surplus assets may, with the sanction of a special resolution, be divided among shareholders in such proportion as the liquidator may determine.

MANAGEMENT OF THE COMPANY

The Directors manage the business of the Company on behalf of shareholders. Subject to the Company's ability in general meeting to increase or reduce the maximum number of directors, the maximum number of Directors is ten and the minimum is three. A Director need not be a shareholder of the Company. A Director may resign from office on giving the Company notice in writing and may be removed by an ordinary resolution of the Shareholders.

A Director who has a personal interest in a matter in which the Company has an interest must declare the nature of the interest at a meeting of the Directors as soon as practicable after the relevant facts have come to the Director's knowledge.

Directors (apart from the Managing Director) must retire on a rotational basis so that one-third of the Directors must retire at each annual general meeting. Each Director will retire from office no later than at the third Annual General Meeting following his or her last election but they may submit themselves for and will be eligible for re-election.

SUMMARY OF RISKS

As with all investments, investors should be aware that the market price of Shares may fall as well as rise. The potential returns of the Company will be exposed to risks specific to the Company and to general investment risks. While it is impossible to identify all risks, the attention of investors is drawn to the following particular risks.

Exploration

Exploration by its nature contains elements of significant risk. Ultimate success depends on the discovery of economically recoverable resources, obtaining the necessary titles and governmental regulatory approvals and obtaining and servicing of funding for mining operations if and when a decision to mine is made.

Development

There can be no assurance that the Company's existing projects or any other projects or tenements that the Company may acquire in the future will result in the discovery of significant resources. Even if significant resources are identified, there can be no guarantee that they will be able to be economically exploited.

Loss of key personnel

The Company's success depends on the competencies of its Directors and senior management. The loss of one or more of the Directors or senior management could have a materially adverse effect on the Company's business, financial position and results of operations. The resulting impact from such an event would depend on the quality of any replacement.

General investment risks

There is a risk that the price of Shares and returns to shareholders may be affected by changes in local and world economic conditions, foreign currency fluctuations, interest rates, levels of tax, taxation law and accounting practice, government legislation or intervention, inflation or inflationary expectations and natural disasters, social upheaval or war in Australia or overseas. Many of these factors are normally beyond the Company's control.

Future capital requirements

The Company may require additional capital to fund further exploration/development of its existing or new projects. The Company's ability to raise sufficient further capital within an acceptable time and on terms acceptable to it will vary according to a number of factors including (without limitation) the prospects of new projects (if any), the results of exploration and subsequent feasibility studies, stock market and industry conditions and the price of relevant commodities.

REGULATION OF THE URANIUM MINING INDUSTRY

Uranium mining in Australia is subject to regulation by State and Federal governments in relation to the full spectrum of activities from exploration and development to production and export. These regulations are generally more rigorous than those applying to conventional mines and can add to the costs of exploration, mining, export and rehabilitation. There is a risk that, should economic deposits of uranium be discovered, the appropriate government approvals may not be received, or may be significantly delayed.

State regulations governing uranium mining vary significantly between jurisdictions and may change with time. For a summary of the principal legislation as it relates to the tenements in this offer the reader is referred to Section E pages 61-62 of this prospectus.



Native Title

Some of the Company's tenements are located within areas that are the subject of claims or applications for native title determination. The Native Title Act 1993 (C'th) and related State native title legislation and aboriginal heritage legislation may affect the Company's ability to obtain access to certain of its exploration areas or to obtain mining production titles. Settling any such claims will incur costs to the Company. The degree to which this may impact on the Company's activities will depend on a number of factors, including the status of particular tenements and their locations. At this stage, the Company is not able to quantify the impact, if any, of such matters on its operations. Investors should refer to the Legal Report on Tenements on pages 59 to 67 of this Prospectus for more information about native title.

CAPITAL STRUCTURE**Total Issued Shares and Unlisted Options**

The effect of the Offer on the capital structure of the Company is set out below.

Unlisted Option Terms

All Unlisted Options are issued on the terms set out below:

- Each Unlisted Option entitles the holder (Optionholder) to subscribe for one fully paid ordinary Share in the Company.
- Each Unlisted Option is exercisable at any time from the date the Unlisted Option is granted until 30 June 2011 (Expiry Date) (inclusive of both dates).
- Some or all of the Unlisted Options may be exercised at any one time or times prior to the Expiry Date provided that no less than 5,000 options are exercised at any one time.
- The exercise price of each Unlisted Option is 30 cents.
- Shares issued pursuant to the exercise of any Unlisted Option will rank in all respects on equal terms with the existing fully paid ordinary shares in the Company.
- No adjustment to the number of shares which each attaching Unlisted Option entitles the Optionholder to subscribe for will be made, except in accordance with paragraph 8 of these terms.
- An Unlisted Option will not entitle the holder to participate in any new issue of shares by the Company, unless the option has been duly exercised prior to the relevant record date.
- If there is a reconstruction or reorganisation (including consolidation, sub-division, reduction or return) of the capital of the Company, the rights of the Optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of the restructure or reorganisation. Any changes to the terms of the Unlisted Options will not result in any benefit being conferred on the Optionholders which is not conferred on the shareholders of the Company.
- If the Company is listed on ASX, application will be made by the Company to ASX for permission for quotation to be granted in respect of shares issued upon exercise of any of the Unlisted Options in the manner required by the Listing Rules.

	As at the prospectus Date	% of Issued Capital as at Prospectus Date	Assuming Minimum Subscription \$10M	% of Issued Capital assuming Minimum Subscription	Assuming Full Subscription \$15M	% of Issued Capital assuming Full Subscription	Assuming Maximum Subscription \$20M	% of Issued Capital assuming Maximum Subscription
Shares								
Directors and Promoters	17,500,003	79.7	17,500,003	16.5	17,500,003	13.9	17,500,003	11.9
Seed Capital	4,472,000	20.3	4,472,000	4.2	4,472,000	3.5	4,472,000	3.1
Vendor (Maximus)*	-	-	44,357,143	41.7	44,357,143	35.1	44,357,143	30.3
Public Subscription	-	-	40,000,000	37.6	60,000,000	47.5	80,000,000	54.7
Total Issued Shares	21,972,003	100.0	106,329,146	100.0	126,329,146	100.0	146,329,146	100.0
Options (unlisted)								
Directors and Promoters	17,500,000	93.3	17,500,000	65.3	17,500,000	65.3	17,500,000	65.3
Vendor (Maximus)*	-	-	8,035,714	30.0	8,035,714	30.0	8,035,714	30.0
Advisors	1,250,000	6.7	1,250,000	4.7	1,250,000	4.7	1,250,000	4.7
Total Issued Unlisted Options	18,750,000	100.0	26,785,714	100.0	26,785,714	100.0	26,785,714	100.0

* These Vendor Shares and Options are conditional on Eromanga achieving listing.

SECTION

A

10 The Unlisted Options will be fully transferable in accordance with the constitution of the Company and, for such time as Eromanga is listed, the ASX Listing Rules and the ASC Business Rules.

11 Shares issued pursuant to the exercise of an Unlisted Option will be issued on a date which will not be more than 10 days after the receipt of a properly executed notice of exercise of Unlisted Option and the application moneys in respect of the exercise of the Unlisted Option.

Priority Offer to Shareholders of Maximus Resources Limited ("Maximus") and Flinders Diamonds Limited ("Flinders")

Eromanga has agreed to grant a priority offer to Maximus shareholders for up to Forty Million Shares (\$10 million) as part of the arrangements with Maximus. Flinders through its vending of properties into Maximus is a 10.8% shareholder of Maximus. Flinders has decided that it will not participate directly in a priority offer to Maximus shareholders but has requested that its share of the priority offer be allocated amongst its shareholders. Accordingly, it is proposed to allocate Shares in the proposed Offer as set out below:

- 1 Thirty Four Million Shares, (\$8.5 million) will be reserved for shareholders of Maximus except Flinders. Each applicant will be issued a marketable parcel of 8,000 shares at 25 cents for \$2,000, on a first-come first-served basis and the balance of any available shares will be issued on a pro rata basis.
- 2 Six Million Shares, (\$1.5 million) will be reserved for shareholders of Flinders. Each applicant will be issued a marketable parcel of 8,000 shares at

25 cents for \$2,000, on a first-come first-served basis and any balance of the available shares will be issued on a pro rata basis.

- 3 Twenty Million Shares, (\$5.0 million) will be available for issue to the public.
- 4 Shareholders of Maximus and Flinders may apply for shares in excess of their priority allocation.
- 5 Subscriptions for a further Twenty Million Shares (\$5 million) will be able to be received and will be allocated at the discretion of the directors.
- 6 To the extent that there is any shortfall in acceptances in any category above such Shares will be allocated at the discretion of the directors.

Interests of the Directors and Promoter

The total issued Shares and total issued Unlisted Options held as at the Prospectus Date, including the holdings of Relevant Interests, by the Directors of the Company and Gary Maddocks as a promoter, are set out below.

	Issued Shares on the Prospectus Date in which a Relevant Interest is held	Unlisted Options on the Prospectus Date in which a Relevant Interest is held
Robert Kennedy	3,540,001	3,500,000
Kevin Lines	4,475,001	4,375,000
Kevin Wills	3,500,000	3,500,000
Ewan Vickery	4,000,001	3,500,000
Gary Maddocks	2,625,000	2,625,000

Maximus and Flinders are promoters of the Company by virtue of the priority offer of Shares made to shareholders of Maximus and Flinders under this Prospectus. Maximus will be issued 44,357,143 Shares and 8,035,714 Unlisted Options under the Share Sale Agreement referred to in the Summary of Material Contracts on page 69. Maximus and Flinders are also the registered holder or applicant of certain of the tenements in which the Company has an interest. The tenement schedule on pages 65 to 67 contains specific details of these tenements.

The Board of Directors of Eromanga aims to achieve the highest standards of corporate governance and has established corporate governance policies and procedures, where practicable, consistent with the ASX Corporate Governance Council's publication "Principles of Good Corporate Governance and Best Practice Recommendations" ("ASXCGC").

The Company to date has not adopted the ASXCGC best practice recommendations other than those specifically identified and disclosed below as the Board believes that it cannot justify the necessary cost in respect of the size and early stage of the entity's life as a listed exploration company.

Principle 1 - Lay solid foundations for management and oversight

Role of the Board

The Board is governed by the Corporations Act 2001, its formal constitution and, after listing, by the ASX Listing Rules. The Board's primary role is to set policy regarding the affairs of the Company for the protection and enhancement of long-term Shareholder value.

The Board takes responsibility for the overall corporate governance of the Company including its strategic direction, management goal setting and monitoring, internal control, risk management and financial reporting.

Board processes and management

The Board has an established framework for the management of the entity including a system of internal control, a business risk management process and appropriate ethical standards.

Principle 2 - Structure Board to add value

Composition of the Board

The Board comprises individuals with a range of knowledge, skills and expertise that are appropriate to its activities and objectives.

The composition of the Board consists of four directors. Three, including the Chairman, are non-executives. Mr Kennedy's role as Chairman of the Board is separate from those of the Managing Director, Mr Lines, who is

responsible for the day to day management of the Company. This is in compliance with the ASXCGC best practice recommendation.

The Company's constitution specifies the number of Directors must be at least three and at most ten. The Board may at any time appoint a Director to fill a casual vacancy. Directors appointed by the Board are subject to election by Shareholders at the following annual general meeting and thereafter Directors (other than the Managing Director) are subject to re-election at least every three years. The tenure for executive Directors is linked to their holding of executive office.

Principle 3 - Promote ethical and responsible decision making

Ethical standards

The Company aims for a high standard of corporate governance and ethical conduct by Directors and employees.

All Directors will be required to provide the Company with details of all securities registered in the Director's name or an entity in which the director has a Relevant Interest.

Directors are required to disclose to the Board any material contract in which they may have an interest. In accordance with section 195 of the Corporations Act, a Director having a material personal interest in any matter to be dealt with by the Board, will not be present when that matter is considered by the Board and will not vote on that matter.

Trading in the Company's Securities

Directors, officers and employees are not permitted to trade in securities of the Company at any time whilst in possession of price sensitive information not readily available to the market. The Corporations Act also prohibits the acquisition and disposal of securities where a person possesses information that is not generally available and which may reasonably be expected to have a material effect on the price of the securities if the information was generally available.

Principle 4 - Safeguard integrity in financial reporting

Audit Committee

The Board proposes to establish an audit committee. The primary role of the committee is to monitor and review the effectiveness of the control environment in the Company and provide an independent and objective review of financial and other information prepared by management, including overseeing the Company's discharge of its responsibilities with respect to:

- reviewing, assessing and making recommendations to the Board on the annual and half year financial reports and all other financial information published or released to the market by the Company;
- overseeing establishment, maintenance and reviewing the effectiveness of the Company's internal control and ensuring efficacy and efficiency of operations, reliability of financial reporting and compliance with applicable Accounting Standards and ASX Listing Rules;

- liaising with and reviewing reports of the external auditor; and
- reviewing performance and independence of the external auditor and where necessary making recommendations for appointment and removal of the Company's auditor.

Principle 5 - Making timely and balanced disclosure

Continuous Disclosure

The Company will operate under the continuous disclosure requirements of the ASX Listing Rules and will ensure that all information which may be expected to affect the value of the Company's securities or influence investment decisions is released to the market in order that all investors have equal and timely access to material information concerning the Company. The information is made publicly available on the Company's website following release to the ASX.

Principle 6 - Respect the rights of shareholders

The Role of Shareholders

The Board will aim to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. In accordance with the ASXCGC best practice recommendations, information is communicated to Shareholders as follows:

- the annual financial report which includes relevant information about the operations of the Company during the year, changes in the state of affairs of the entity and details of future developments, in addition to the other disclosures required by the Corporations Act; the half yearly financial report lodged with the ASX and ASIC and sent to all Shareholders who request it; notifications relating to any proposed major changes in the Company which may impact on share ownership rights that are submitted to a vote of Shareholders;
- notices of all meetings of Shareholders;
- publicly released documents including full text of notices of meetings and explanatory material made available on the Company's web-site; and
- disclosure of the Company's corporate governance practices and communications strategy on this Company's web-site.

*Principle 7 - Recognise and manage risks***Risk Assessment and Management**

The Board recognises that there are inherent risks associated with the Company's operations including mineral exploration and mining, environmental, title, native title, legal and other operational risks. The Board endeavours to mitigate such risks by continually reviewing the activities of the Company in order to identify key business and operational risks and ensuring that they are appropriately assessed and managed.

*Principle 8 - Encourage performance***Performance Evaluation**

The Board will evaluate the performance of the Managing Director, any other executive directors and senior management on a regular basis and will encourage continuing professional development at these levels.

*Principle 9 - Remunerate fairly and responsibly***Remuneration Policy**

In view of the current size of the Board remuneration matters will be monitored by the entire Board having regard to industry practices and laws.

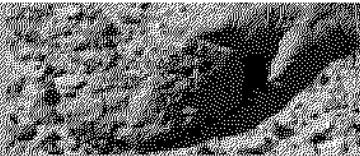
The Company's Constitution specifies that the total amount of remuneration of non executive Directors shall be fixed from time to time by a general meeting. Directors may apportion any amount up to this maximum amount amongst the non executive Directors as they determine. Directors are also entitled to be paid reasonable traveling, accommodation and other expenses incurred in performing their duties as Directors.

The remuneration of the Managing Director is determined by the Board as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of employees is determined by the Managing Director subject to the approval of the Board.

*Principle 10 - Recognise the legitimate interests of stakeholders***Code of Conduct**

The Company requires all its Directors and employees to abide by the highest standards of behaviour, business ethics and in accordance with the law. In discharging their duties, Directors of the Company are required to:

- act in good faith and in the best interests of the Company;
- exercise care and diligence that a reasonable person in that role would exercise;
- exercise their powers in good faith for a proper purpose and in the best interests of the Company;
- not improperly use their position or information obtained through their position to gain a personal advantage or for the advantage of another person to the detriment of the Company;
- disclose material personal interests and avoid actual or potential conflicts of interest;
- keep themselves informed of relevant Company matters;
- keep confidential the business of all Directors meetings; and
- observe and support the Board's corporate governance practices and procedures.



a balanced team
of **seasoned**
explorers
with business acumen

Robert Michael Kennedy

*ASAIT, Grad. Dip (Systems Analysis), FCA,
ACIS, Life Member AIM, FAICD*

Non-Executive Chairman

A Chartered Accountant and a consultant to Kennedy & Co, Chartered Accountants, a firm he founded. Mr Kennedy is the Chairman of Beach Petroleum Limited, Maximus Resources Limited, Flinders Diamonds Limited, Ramelius Resources Limited, GTL Energy Limited, and Monax Mining Limited. He is also a Director of the Friendly Societies Medical Association Limited.

Mr Kennedy's appointment to public company boards has been to provide an independent view. His background as an official liquidator, management consultant and in litigation support has provided the necessary skills for that purpose. He has also been involved in making takeover offers and defending them. Mr Kennedy's appointment as Chairman of several public and private company boards is a result of his inclusive leadership style and his emphasis on corporate governance.

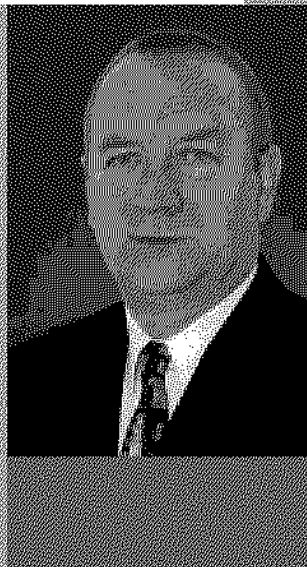
Kevin James Lines

B.Sc.(Geology), MAusIMM

Managing Director

Mr Lines has over 25 years experience in mineral exploration and mining for gold, copper, lead/zinc and tin. He has held senior geological and management positions within Newmont Australia Limited, Normandy Mining Limited and the CRA group of companies. He was the foundation Chief Geologist at Kalgoorlie Consolidated Gold Mines where he led the team that developed the ore-body models and geological systems for the Super-Pit Operations in Kalgoorlie. He has managed the Eastern Australian Exploration Division of Newmont Australia that included responsibility for the expansive tenement holdings of the Tanami region.

Mr Lines has extensive experience in the assessment and evaluation of exploration projects, development properties and mining operations globally. During the last decade he has completed assignments in China, South America, North America, West Africa, Indonesia, and multiple regions of the Former Soviet Union. Most recently he has acted as Consulting Geologist-Newmont Australia with responsibility for the Western Pacific Region. He is a Member of the Australasian Institute of Mining and Metallurgy.



Kevin John Anson Wills*ARSM, PhD, FAusIMM***Non-executive Director**

Dr Kevin Wills is a geologist with 31 years experience in multi commodity mineral exploration including uranium exploration, feasibility studies and mine operations in Australasia. Dr Wills spent seven years with CRA Exploration Pty Ltd, the highlight of which was involvement with the location and evaluation of the Argyle Diamond Deposit. Later, with Penarroya Australia Pty Ltd, his work led to an expansion of reserves at Thalanga and the discovery of the Waterloo base metals deposit.

In the late 1980s, Dr Wills was exploration manager with Metana Minerals NL. He built up a successful exploration team which extended known gold orebodies and made new discoveries. In the early 1990s Dr Wills was regional exploration manager with Dominion Mining Ltd, based in Adelaide. His work on the Gawler Craton led to the development of a calcrete sampling technique which, later on, was instrumental in the Challenger gold discovery.

Recently, Dr Wills resigned as a founding director of Adelaide Resources Ltd and he is currently managing director of Flinders Diamonds Limited and Maximus Resources Limited. He is a recent past chairman of the Adelaide Branch of the AusIMM and the Exploration Committee at the South Australian Chamber of Mines and Energy.

Ewan John Vickery*LLB***Non-Executive Director**

Mr Vickery is a corporate and business lawyer with over 30 years experience in private practice in Adelaide. He has acted as an advisor to companies on a variety of corporate and business issues including capital and corporate restructuring, native title and land access issues, and as lead native title advisor and negotiator for numerous mining and petroleum companies.

Mr Vickery is a Director of Flinders Diamonds Limited and Maximus Resources Limited and member of the Legislation and Land Access Committee of the South Australian Chamber of Mines and Energy Inc, the International Bar Association Energy and Resources Law Section, the Financial Services Institute of Australasia, the Australian Institute of Company Directors and is a past national president of Australian Mining and Petroleum Law Association (AMPLA) Limited.



SECTION

A

As a dedicated uranium exploration company Eromanga has assembled a portfolio of projects with the potential for the discovery of multiple styles of uranium mineralisation.

This balanced portfolio offers both large, strategically positioned, tenement holdings with potential for multiple sandstone hosted uranium deposits and advanced projects with the scope to deliver early discovery success to the Company.

These projects are ideally positioned in South Australia and the Northern Territory where the Company presently has the best opportunity to successfully develop discoveries and ultimately maximise returns to Shareholders.

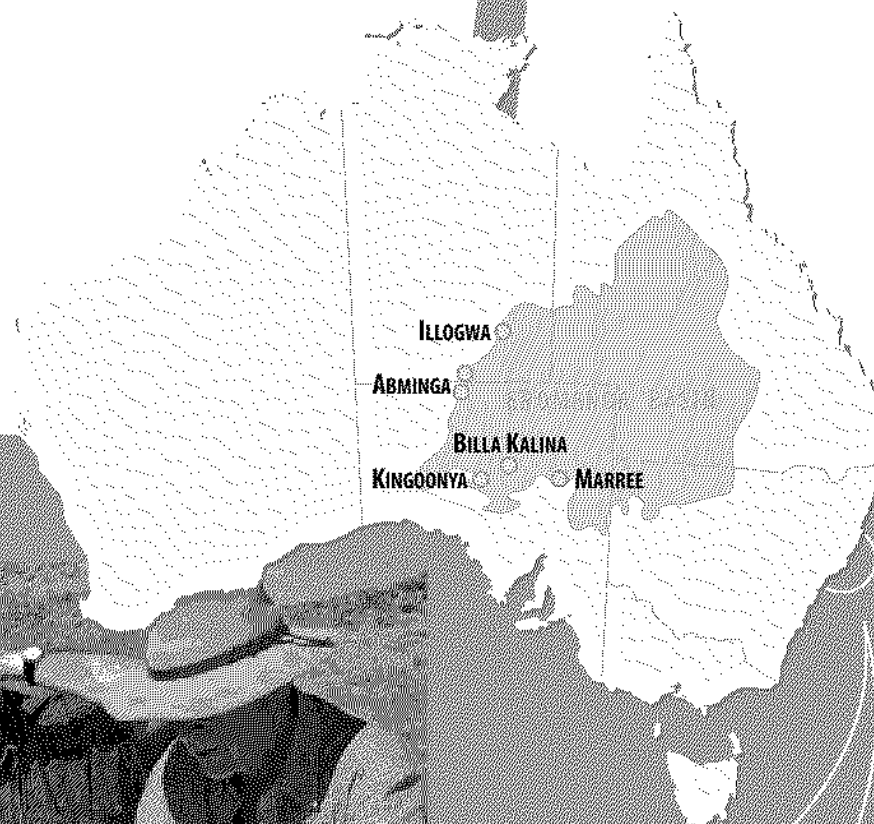
The Eromanga Basin Initiative covers over 16,000 km² of largely underexplored terrain in northern South Australia. The Eromanga Basin Initiative consists of four project areas and is targeting sandstone hosted uranium mineralisation at the contact between the basin and the uranium enriched Precambrian source rocks.

The success of the Beverley mine and approval

of the Honeymoon Project provide clear indications that the discovery of these types of sandstone hosted deposits can result in high value mining projects. Discovery of this style of deposit would provide Eromanga with the opportunity to transition from explorer to uranium producer at manageable capital cost.

The Billa Kalina Project is positioned at the centre of the Stuart Shelf uranium-copper-gold province, host to the world class Olympic Dam Mine, and the Prominent Hill and Carrapateena discoveries. Covering over 4,000 km² this exciting project provides Eromanga with the opportunity for discovery of both uranium-copper-gold deposits, in basement rocks, and sandstone hosted deposits in the overlying Permian Arkaringa Basin. Exploration already completed has identified gravity anomalies similar to those at other known deposits in the region and provides an excellent target for early testing by Eromanga.

The Directors believe that successful exploration is a product of putting "the right people" on "the right ground" at "the right time". At this time of high demand for uranium Eromanga is confident that our strong tenement portfolio, at the heart of the Australian uranium industry, combined with a team of seasoned explorers will result in discovery success.



The principal focus of past and present exploration for sandstone hosted uranium deposits, within South Australia, has been the Tertiary palaeodrainages of the Frome Embayment, and Southwestern Gawler Craton. The team at Eromanga recognized the opportunity for similar styles of uranium mineralisation to develop within the slightly older Mesozoic Eromanga Basin, particularly where the basin margin overlapped the same source rocks that have been fundamental in the development of the Tertiary deposits.

A review of the stratigraphy of the Eromanga Basin confirmed that sequences of alternating sandstone and clay rich horizons, prerequisite for the development of sandstone hosted uranium deposits, are present across extensive areas of the margin of the Eromanga Basin. Based on this

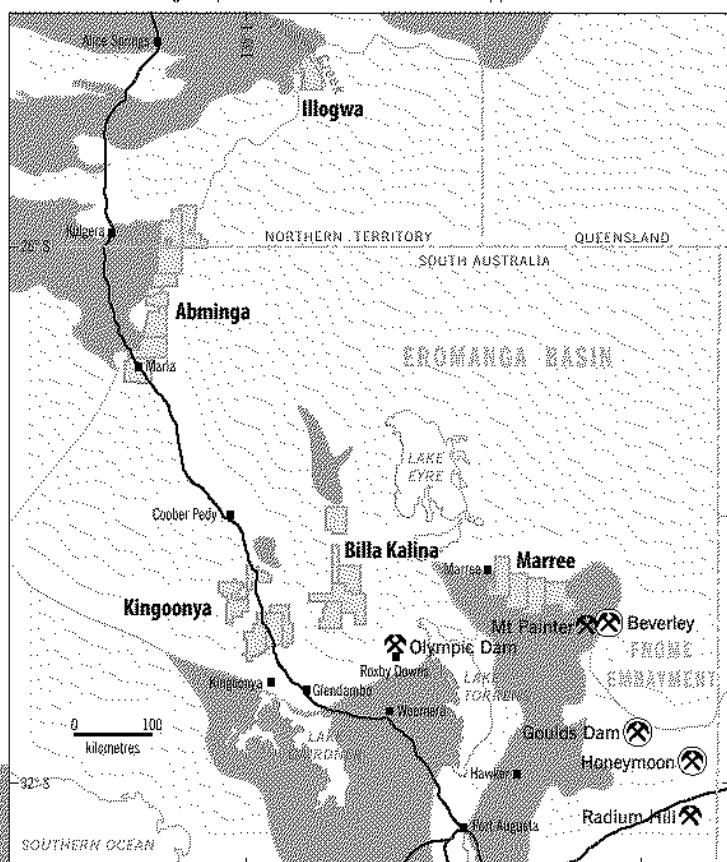
innovative geological model Eromanga has secured tenure over more than 16,000 km² of tenements, in four discrete project areas.

Historically exploration for sandstone hosted uranium mineralisation has been constrained by the high costs involved in the drill definition of favourable palaeodrainages. These costs are amplified in the more remote regions of South Australia and the Northern Territory. The development of sophisticated remote sensing and geophysical techniques now allows these drainages to be precisely defined, rapidly reducing the target area and enhancing the opportunity for discovery.

Under a joint venture with Maximus (Eromanga Basin JV), Eromanga has the right to explore for all minerals and can secure 70% equity by sole funding the initial \$7 million of exploration expense within a six year period. The sole funding commitment applies to the aggregate of all expenditures on the Marree, Kingoonya, Abminga and Illogwa projects.

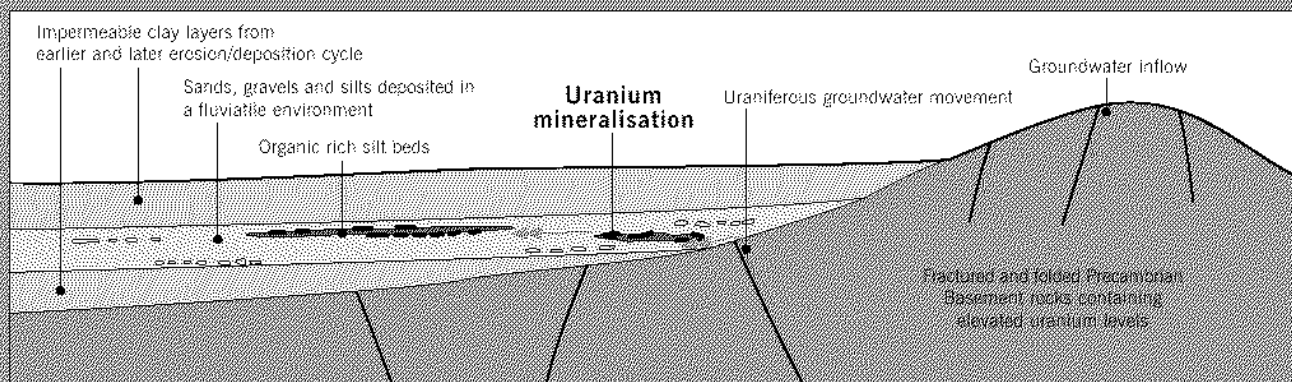
The Directors believe that the combination of new exploration methodologies, a robust geological model and a strong land position place Eromanga in a unique position for discovery success.

Location of Eromanga Exploration Licences and Licence Applications



- Hard rock uranium deposit
- Sedimentary uranium deposit
- Eromanga Basin sediments
- Outcropping Precambrian

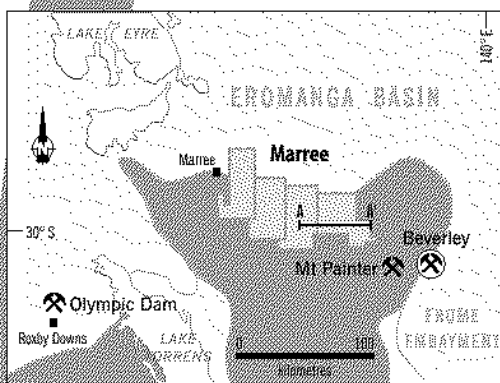
DIAGRAMATIC CROSS-SECTION OF POTENTIAL URANIUM TRAPS IN MESOZOIC SEDIMENTS



1. MARREE PROJECT

- Located 40 kilometres east of the township of Marree, South Australia.
- Earning 70% equity, with the capacity to move to 100%, in four exploration licences covering 3,909 km².
- Tenements positioned at the contact between the Eromanga Basin and the uranium enriched Mount Painter Block, host to known hard rock uranium deposits.
- Similar setting to the operating Beverley Uranium Mine.
- Over 100 kilometres of Eromanga Basin margin available for exploration.
- Multiple targets with potential for sandstone hosted uranium mineralisation.

Marree Project Area Location Plan



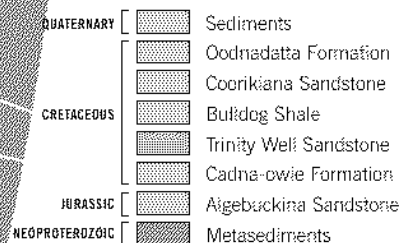
- ⊗ Hard rock uranium deposit
- ⊗ Sedimentary uranium deposit
- Eromanga Basin sediments
- ▨ Outcropping Precambrian

The Marree Project is one of four areas which comprise the Eromanga Basin Initiative, with Eromanga's exploration rights governed by the Eromanga Basin JV. The project holds potential for sandstone hosted uranium mineralisation in multiple stratigraphic positions along the Eromanga Basin margin. Primary targets will be the basal portions of the Coorikiana Sandstone and multiple sandstone horizons within the Cadna-owie Formation.

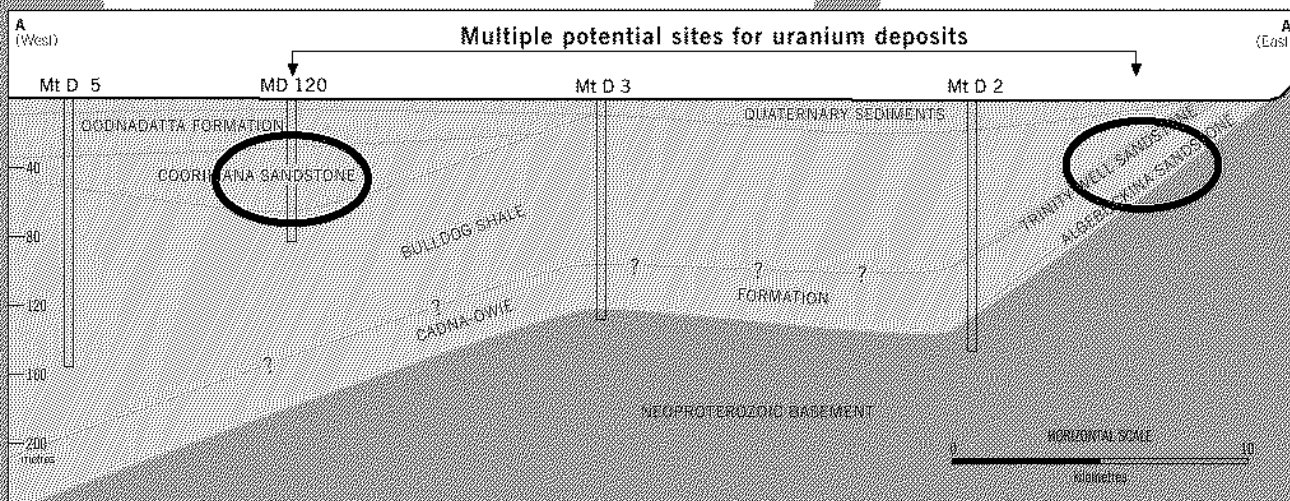
The Coorikiana Sandstone is located immediately above the regionally extensive Bulldog Shale and occupies a similar stratigraphic position to the recent Beverley 4 Mile discovery (by Alliance Resources and Quasar Resources), to the west of the Beverley Mine. This position has not been previously recognized in the tenement area and its relatively shallow depth (less than 100 metres) makes it an ideal target for early evaluation.

Within the Cadna-owie Formation the Algebuckina and Trinity Well Sandstones are sandwiched between clay rich mudstone and siltstone horizons, providing the strong focus on groundwater flow necessary for the development of sandstone hosted uranium mineralisation. These rock units occur extensively throughout the Marree tenements, at shallow depths, and are known to outcrop at Village and Pelican Wells. The combination of favourable stratigraphy and shallow depths increase the likelihood of sandstone hosted mineralisation occurring at economically viable depths.

Following further geological assessment Eromanga will undertake airborne EM and Radiometric surveys which combined with interpretation of remote sensing data will provide detailed definition of palaeodrainage geometries. Targets generated from this initial work will then be subject to on-ground evaluation.



MARREE PROJECT GEOLOGICAL CROSS-SECTION



2. KINGOONYA PROJECT

19

- Located mid-way between the townships of Glendambo and Coober Pedy, South Australia.
- Earning 70% equity, with the capacity to move to 100%, in four exploration licences and one exploration licence application covering 4,060 km².
- Tenements in two discrete blocks proximal to the contact between the Eromanga Basin and underlying Gawler Craton with potential for sandstone hosted uranium deposits in the Algebuckina Sandstone.
- Also targeting unconformity-related, high grade, uranium mineralisation in uplifted block at base of the Mesoproterozoic Pandurra Formation.
- Potential for Tertiary uranium deposits in the upper reaches of the Kingoonya palaeodrainage, host to known uranium mineralisation.

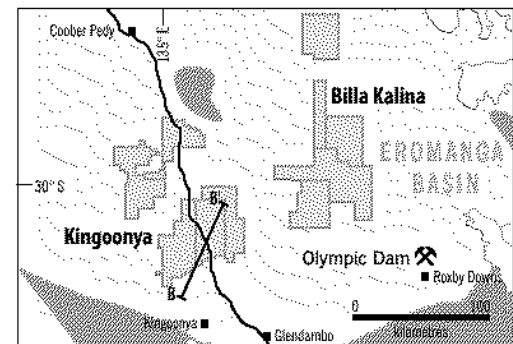
The Kingoonya Project is an integral part of the four areas which constitute the Eromanga Basin Initiative, with Eromanga's exploration rights governed by the Eromanga Basin JV. The project is targeting two distinct styles of uranium mineralisation. Shallow sandstone hosted deposits in Mesozoic and Tertiary palaeodrainages and deeper unconformity related deposits similar to the high grade systems at Alligator River NT and in the Athabasca Basin of Canada.

Geological analysis of the Kingoonya tenements has highlighted the presence of extensive areas of Algebuckina Sandstone stratigraphically positioned between the overlying Bulldog Shale and underlying clay rich carbonaceous shales. At depths of less than 150 metres, the basal portions of Mesozoic drainages within the Algebuckina are prime targets for uranium deposits of the roll-front and tabular type. Potential also exists for the upper reaches of the extensive, Tertiary age, Kingoonya palaeodrainage to extend into Eromanga's tenements. This will be validated by analysis of NOAA satellite imagery prior to further exploration.

Within the Kingoonya tenements block faulting has resulted in the uplift of the basement assemblages and has brought the unconformable contact between

the Mesoproterozoic Pandurra Formation and the Palaeoproterozoic crystalline basement closer to surface. The confluence of this unconformity surface and major structures is a key factor in the development of unconformity-related uranium mineralisation globally. Testing this exciting target will be a major component of Eromanga's exploration at Kingoonya.

Kingoonya Project Area Location Plan

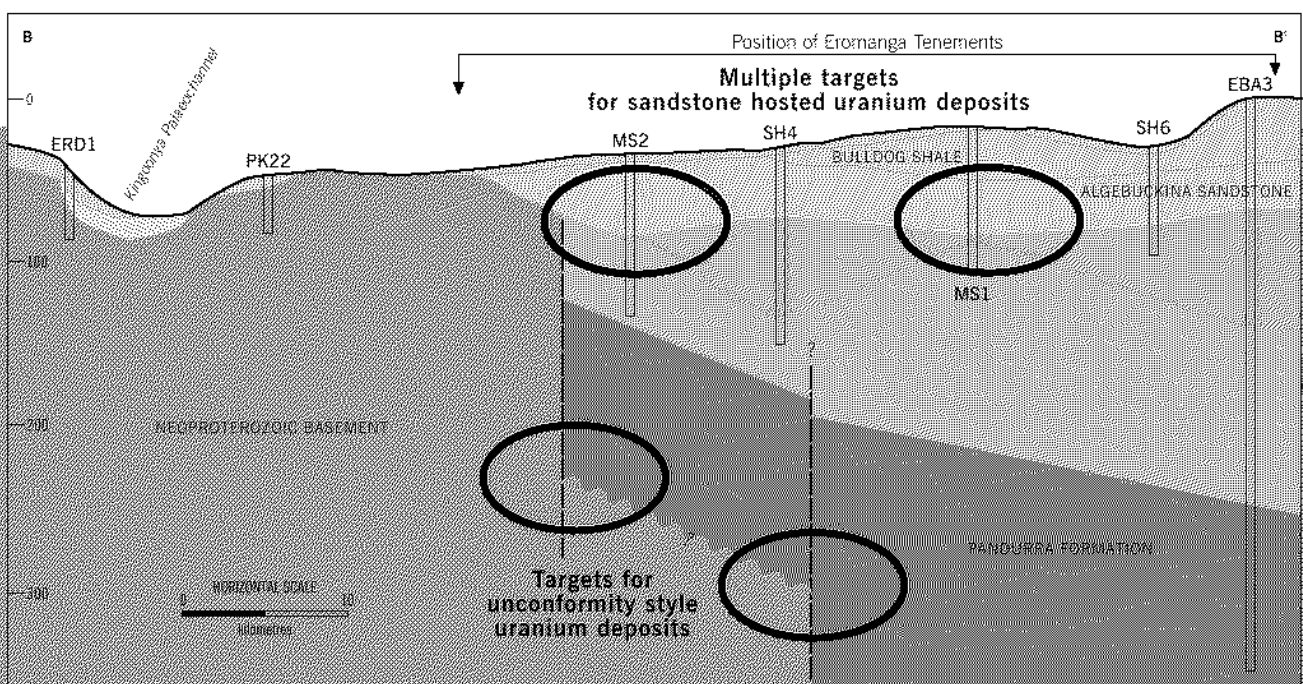


- ⊗ Hard rock uranium deposit
- ⊗ Sedimentary uranium deposit

- Eromanga Basin sediments
- Outcropping Precambrian

- | | | |
|-------------------|-----------|-----------------------|
| QUATERNARY | [Pattern] | Sediments |
| TERTIARY | [Pattern] | Channel sediment |
| | [Pattern] | Bulldog Shale |
| CRETACEOUS | [Pattern] | Algebuckina Sandstone |
| | [Pattern] | Carbonaceous shale |
| PALAEZOIC | [Pattern] | Sediments |
| MESOPROTEROZOIC | [Pattern] | Pandurra Formation |
| PALAEOPROTEROZOIC | [Pattern] | Basement |

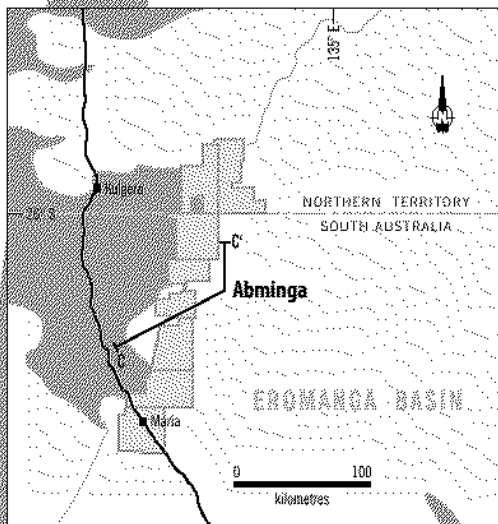
KINGOONYA PROJECT GEOLOGICAL CROSS-SECTION



3. ABMINGA PROJECT

- Located in a linear belt from Marla, South Australia to 50 kilometres north of the South Australian-Northern Territory border.
- Earning 70% equity, with the capacity to move to 100%, in seven exploration licence applications covering 6,966 km².
- A contiguous block positioned over the contact between the Eromanga Basin and the uranium enriched Musgrave Block. Over 230 kilometres of basin margin to explore.
- Targeting sandstone hosted uranium deposits in Mesozoic palaeodrainages along the basin margin.

Abminga Project Area Location Plan



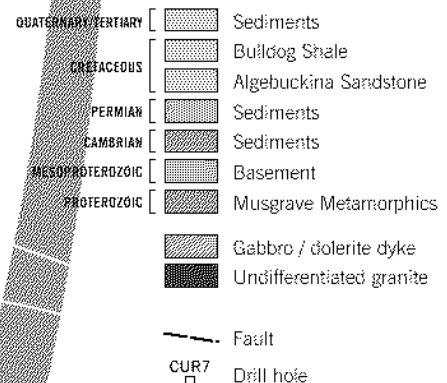
- Hard rock uranium deposit
- Sedimentary uranium deposit
- Eromanga Basin sediments
- Outcropping Precambrian

- Limited exploration in the 1970s highlighted uranium values in drainages up to 18 times background.

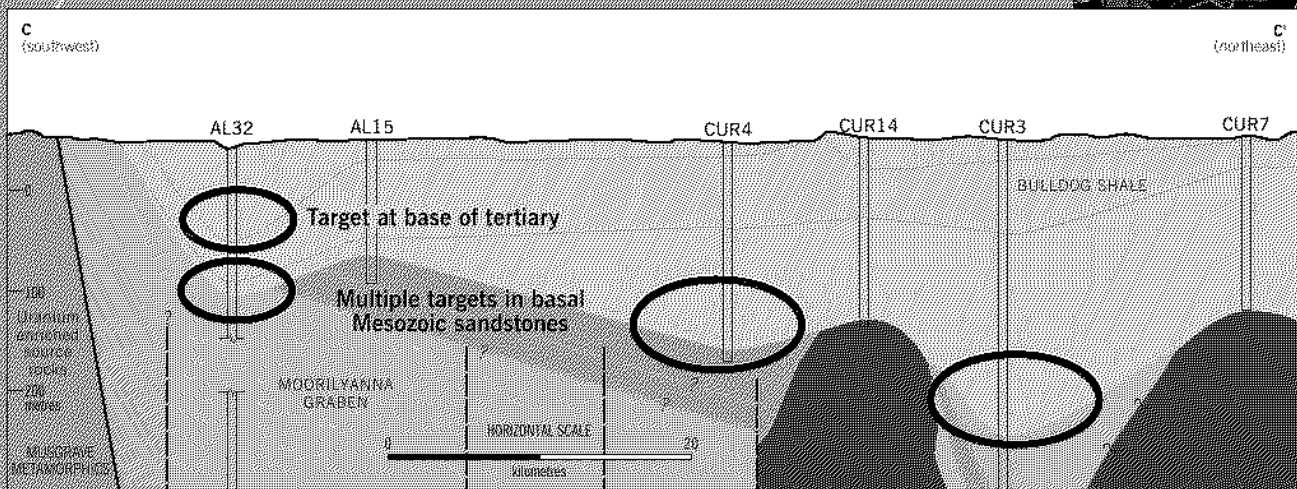
The Abminga Project is the largest of the four projects which make up the Eromanga Basin Initiative, with Eromanga's exploration rights governed by the Eromanga Basin JV. The project will explore over 230 kilometres of the Eromanga Basin margin where it is in contact with the metamorphosed sediments and volcanics of the middle Proterozoic Musgrave Block. The target is sandstone hosted uranium mineralisation in the Mesozoic palaeodrainages.

Limited previous exploration in 1975, by BHP Ltd, involving 56 rotary holes identified northeast trending palaeovalleys along the southern basin margin. Gamma ray logging of these holes highlighted anomalies in the Algebuckina Sandstone, ranging from 4 to 18 times background, with a peak value corresponding to 195 ppm U₃O₈ (equiv.). Eromanga considers these results to be very encouraging given the limited nature of the work undertaken and the restriction on exploration, at that time, to wide spaced drill testing. With the application of modern remote sensing and geophysical techniques Eromanga is confident that a far more detailed understanding of the palaeodrainage architecture can be obtained that will allow focused exploration to be completed on the more favourable sections of the overall system.

It is Eromanga's intention to initiate a program of airborne geophysical surveys to define targets for ground testing. Similar works will be undertaken on the Northern Territory tenement package following negotiation of land access agreements with the Traditional Owners.



ABMINGA PROJECT GEOLOGICAL CROSS-SECTION



4. ILLOGWA PROJECT

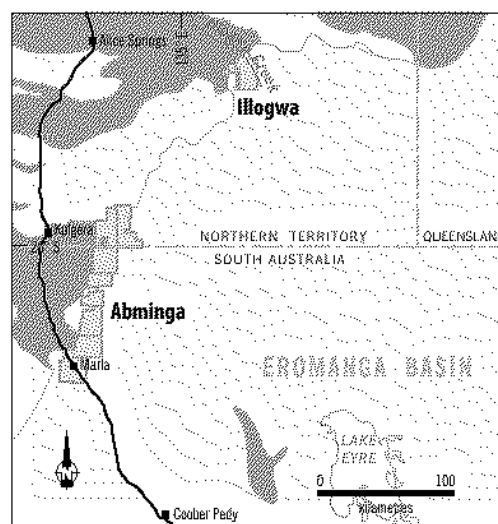
21

- Located approximately 200 kilometres east of Alice Springs, Northern Territory.
- Earning 70% equity, with the capacity to move to 100%, in two exploration licence applications covering 1,333 km².
- Tenements positioned at the contact between the Eromanga Basin and the eastern margin of the late Proterozoic Arunta Province.
- Targeting sandstone hosted uranium mineralisation along shallow basin margin.

The Illogwa project is the most northern tenement holding forming part of the Eromanga Basin Initiative. Exploration in the project area is governed by the terms of the Eromanga Basin JV.

Geological compilation is ongoing after recent receipt of data from the Northern Territory Geological Survey. Integration of this information with data already obtained will allow a better definition of the geometry of the Eromanga Basin. Exploration cannot commence on this tenement block until Eromanga has negotiated land access agreements with the Traditional Owners. This is not expected to occur until Year 2 of our proposed work programs.

Illogwa Project Area Location Plan



- Hard rock uranium deposit
- Sedimentary uranium deposit
- Eromanga Basin sediments
- Outcropping Precambrian



SECTION
B

Potential for Permian sandstone-hosted uranium and Stuart Shelf uranium-copper-gold discoveries.

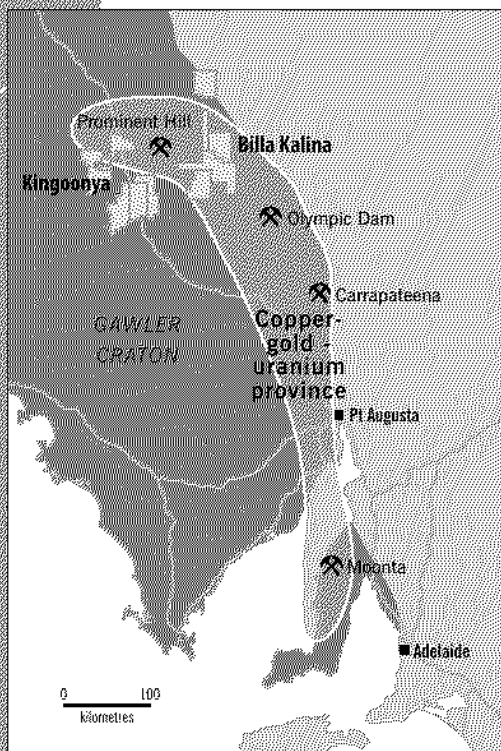
- Located 70 km north-northwest of Olympic Dam (Roxby Downs) uranium-copper-gold mine, South Australia.
- Within the Eastern Gawler Craton uranium-copper-gold province which hosts Olympic Dam mine, the Prominent Hill copper-gold deposit and the recent Carrapateena copper-gold discovery.
- Earning an initial 50% equity (with the capacity to go to 100%) for all non-diamond minerals in five granted exploration licences covering 4,084 km².
- Targeting sandstone-hosted uranium deposits in Permian palaeodrainages along the margins of the Arkaringa Basin.
- Targeting gravity highs for Olympic Dam style iron oxide uranium-copper-gold with geophysics and drilling.

The Billa Kalina uranium-copper-gold project is located approximately 650 kilometres north of Adelaide and within the Olympic Dam Province of the Eastern Gawler Craton. The project lies approximately 70 kilometres to the north-northwest of the Olympic Dam uranium-copper-gold mining operations of BHP Billiton and some 45 kilometres west of the more recently discovered Prominent Hill copper-gold deposit of Oxiana Minerals Limited. The recently discovered Carrapateena copper-gold prospect is also located in this well known mineral province. The north-northwesterly trending G2 structural corridor, a continental scale geological feature thought to represent a long lasting zone of crustal weakness along which the Olympic Dam mineralisation is located, passes through the Eromanga tenements.

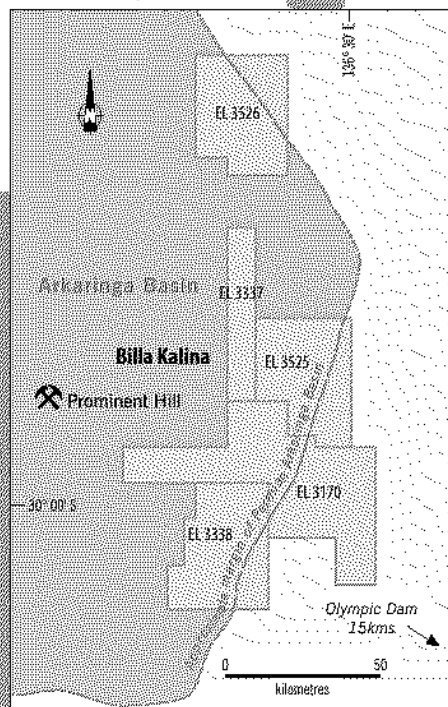
Billa Kalina consists of five largely contiguous tenements in which, by agreement with Flinders, Maximus has the right to explore for all non-diamond minerals. Under a joint venture with Maximus, Eromanga can secure 50% equity by sole funding the initial \$3 million of exploration expense within a six year period. With the exception of a small inlier of Early Proterozoic basement rocks in one exploration licence and a few minor copper and gold prospects, the project area is typical of much of the Eastern Gawler Craton uranium-copper-gold province in that it is covered by a veneer of geologically younger sediments that vary considerably in depth.

Part of the younger sediment cover is the Permian Arkaringa Basin which, given its proximity to both the Olympic Dam and Prominent Hill deposits, is considered to be an excellent target for discovery of sandstone hosted uranium mineralisation. Based on our current understanding of the Arkaringa Basin geometry approximately 130 kilometres of the basin margin

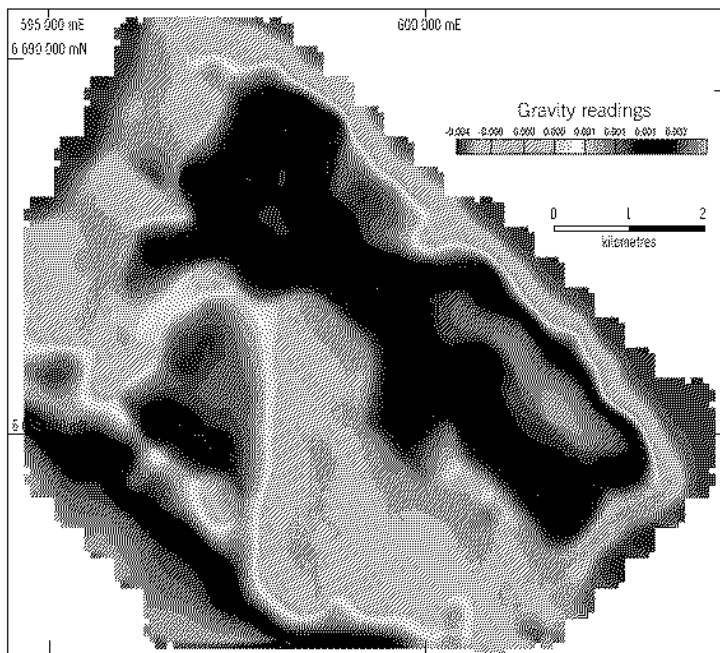
Location of Billa Kalina Project Area



Billa Kalina Project – Extent of Arkaringa Basin



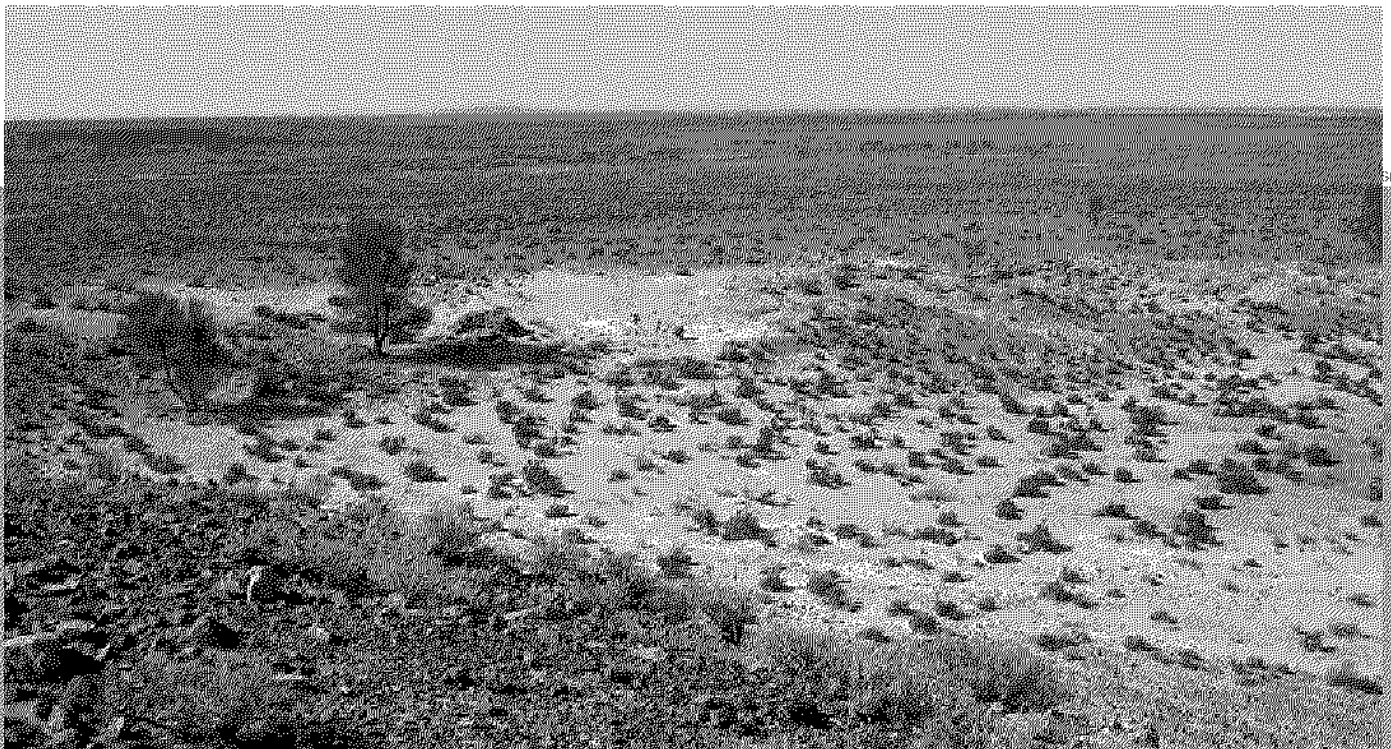
BILLA KALINA GROUND GRAVIMETRIC SURVEY



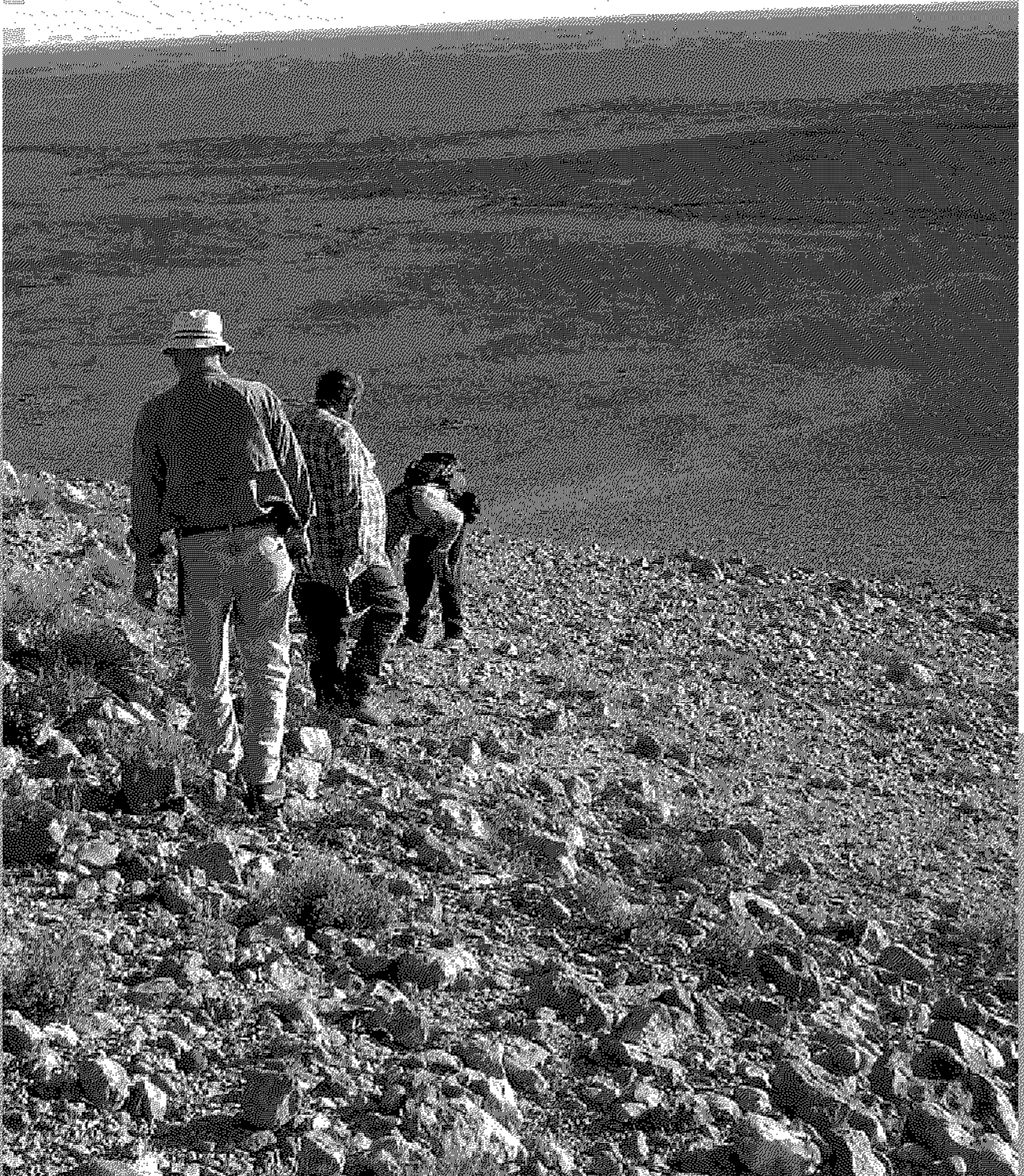
lies within the Billa Kalina project area and will be explored using a combination of modern geophysical techniques (NOAA, EM and detailed radiometrics) and regional drill testing.

Interpretation of regional gravity data has highlighted a broad gravity high beneath the overlying younger sediments. This gravity feature has not received attention from previous explorers but, 45 kilometres to the west of Billa Kalina, the discovery of the Prominent Hill gold–copper deposit, through the drill testing of a gravity high, has increased exploration interest in such targets. The recent Carrapateena discovery was also located by drill testing a gravity anomaly. The Billa Kalina gravity high is located in an area of the tenement package where the Early Proterozoic basement rocks of exploration interest are within 200 to 300 metres of surface, a depth of cover shallower than that at Olympic Dam, but deeper than at Prominent Hill.

Recent detailed ground magnetic and gravimetric surveys, completed by Maximus, will refine understanding of the Billa Kalina gravity anomaly and should allow early exploratory drill testing of the targets that are expected to result.

SECTION
B

portfolio
of **projects** ^{with}
potential
for discovery of uranium



SECTION

B

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The Directors
Eromanga Uranium Limited
20 Boskenna Avenue
NORWOOD SA 5067

INDEPENDENT CONSULTING GEOLOGIST'S REPORT

Dear Sirs,

You have requested an Independent Consulting Geologist's Report ("Report") describing mineral exploration properties located in South Australia and the Northern Territory in which Eromanga Uranium Limited ("Eromanga") has, or is earning, an interest. The report is to be included in a prospectus for the issue of 60 million shares in Eromanga at an issue price of 25 cents per share to raise a total of \$15 million before the costs of the issue ("Prospectus"). The minimum subscription level for the offer will be for 40 million shares to raise \$10 million. Eromanga proposes to lodge the Prospectus with the Australian Securities and Investments Commission on or about 3 August 2006. It is intended that a significant part of the funds raised will be used for the purposes of exploration and evaluation of the mineral properties.

The Report has been prepared in accordance with the Code and Guidelines for Technical Assessment and/or Valuation of Mineral and Petroleum Assets and Mineral and Petroleum Securities for Independent Expert Reports ("Valmin Code") and Australian Securities and Investments Commission ("ASIC") Practice Note 42 (Independence of Experts' Reports).

The Report has been prepared by Mr David Otterman, principal of DW Otterman Exploration Consultant ("OEC"). Mr Otterman holds a Bachelor of Science degree majoring in Geology from McMaster University in Canada and has more than 30 years professional experience, including several years at exploration management level. He has prepared numerous project reviews and information memoranda on behalf of project owners and prospective purchasers, and has worked in all Australian states, Canada and the United States of America, and briefly in other overseas locations. Mr Otterman is a Fellow of the Australasian Institute of Mining and Metallurgy, wherein he is accredited with Chartered Professional status in Geology, and a Member of the Australian Institute of Geoscientists. He has the appropriate qualifications and relevant experience to qualify him as an "Expert" under the definitions provided by the Valmin Code.

As part of his review, Mr Otterman visited the Marree, Billa Kalina and Kingoonya project areas between 10 May and 13 May 2006. In view of the conceptual nature of the project and the lack of surface expression of the target horizons and similarity of geology to the other project areas it was considered that a site visit to the Abminga and Illogwa project areas would not add materially to the existing knowledge base. The locations of the project tenements are shown on maps accompanying the Report.

In preparing the Report, OEC has relied upon information provided to it by the Directors of Eromanga, together with other published and unpublished reports and data. Eromanga has warranted in writing that full disclosure has been made of all known relevant material information, whether in its possession or not, and that to the best of its knowledge and understanding, such information is complete, accurate and true. OEC has not independently verified any of the information provided by Eromanga or any of its associated entities. The principal sources of information are included in a bibliography at the end of the Report. The Report has been prepared to include information available up to and including 31 May 2006. Eromanga has stated that all information provided by it may be presented in the Report and that none of the information is regarded as confidential.

The legal status of tenements, including Native Title considerations, is the subject of a separate Solicitor's Report which appears in Section E of the Prospectus. For this reason, these matters have not been considered in any detail in the Report. It has however been assumed that Eromanga will have lawful access to the tenements for the purposes of conducting exploration and evaluation activities. OEC has not been asked to comment on any vendor or promoter considerations to be paid by Eromanga. The potential consequences of exploration and mining on the environment within the project areas have not been assessed.

The mineral properties discussed in the Report are exploration projects, and as such, are inherently speculative in nature. Never-the-less, OEC considers that they have been acquired on the basis of sound technical merit, and are sufficiently prospective, subject to varying degrees of exploration risk, to warrant further exploration and assessment. Eromanga has prepared staged exploration and evaluation programs specific to the potential of each of the projects.

OEC is of the opinion that Eromanga has in place satisfactory and clearly defined exploration and evaluation programs and expenditure schedules, which are reasonable, having regard to Eromanga's stated objectives. Eromanga intends to raise \$15 million, at least half of which is understood to be committed to acquisition, exploration, development and administration of the mineral properties. The proposed exploration budgets also exceed the anticipated minimum annual statutory expenditure commitments for each of the project areas.

The statements and opinions included in the Report are given in good faith and in the belief that they are not false, misleading or incomplete. Copies of the relevant sections of the Report in draft form were provided to Eromanga together with a written request for comment as to errors of fact or misinterpretation, material omissions, or substantive disagreement as to the assumptions contained therein.

Neither OEC nor its principals has any relationship with Eromanga that could reasonably be construed as affecting their independence in the preparation of the Report. Neither OEC or its principals has any interest or entitlement, direct or indirect, in tenements held by Eromanga, or in the securities and assets of Eromanga, its principal shareholders, or any other company believed to be associated with Eromanga. OEC is entitled to receive a fee based upon normal professional hourly rates for the time taken in the preparation of the Report, plus reimbursement of out-of-pocket expenses necessarily incurred in completing the Report. This fee is payable regardless of the findings of the Report, or the success of the proposed capital raising.

The terms of OEC's appointment include the provision of an indemnity whereby Eromanga will indemnify and compensate OEC in respect of preparing the Report against any and all losses, claims, damages and liabilities to which OEC might become subject under any applicable law or otherwise arising from the preparation of the Report, and which arises wholly or in part from Eromanga or any of its officers providing OEC with any false or misleading information, or the failure of Eromanga or its officers in providing material information.

OEC has consented to the inclusion of its Report in its entirety in the Prospectus in the form and context in which it appears, and has not withdrawn that consent prior to the lodgement of the Prospectus with the Australian Investments and Securities Commission. OEC has only been involved in the preparation of the attached Report, and has authorised and/or caused issue of only that portion of the Prospectus, other than references to and comments relating to the Report elsewhere in the Prospectus. Neither the whole nor any part of the Report, nor any reference thereto may be included in or with, or attached to, any documents, circular, resolution, letter or statement without the prior written consent of OEC as to the form and context in which it is to appear.

Yours faithfully

D.W. Otterman Exploration Consultant



David Otterman BSc., FAusIMM (CP), MAIG

Principal

7 June 2006

1. Executive Summary

Eromanga Uranium Ltd ("Eromanga") is an exploration company focused on the discovery and development of economic resources of uranium. To this end, it has acquired the right to earn an interest in five exploration projects, located in South Australia and the Northern Territory, covering a total of approximately 20,000 square kilometres of tenement holdings prospective for uranium.

The portfolio of projects offers potential primarily for sandstone hosted uranium deposits in Jurassic to Tertiary formations along the margin of the Eromanga Basin ("the Eromanga Basin Initiative"), but also provides scope for the discovery of Permian sandstone hosted uranium deposits, unconformity related uranium deposits and uranium contained in iron oxide copper gold ("IOCG") deposits in older rocks.

Sandstone hosted uranium deposits are defined as epigenetic concentrations of uranium minerals occurring in fluvial, lacustrine and deltaic sandstone formations. The host rock units were deposited in continental settings or on the margins of marine basins. Sedimentation was commonly derived from older crystalline rocks which also provided a source for uranium. Uranium mineralisation occurs in two main deposit forms, tabular and roll-front, both related to infiltration of uranium bearing ground water and deposition by reduction at oxidation/reduction interfaces. In general uranium concentrations are controlled by sedimentary features such as bounding impermeable rock units, above and below the permeable host formation,

rather than by tectonic structures. The uranium minerals are most commonly very fine grained and occupy intergranular spaces and locally replace carbonaceous fossil plant matter. Sulphides are often present. The chief primary uranium ore mineral is uraninite (pitchblende).

Exploitable sandstone hosted uranium deposits occur in many countries of the world and are the dominant sources of uranium in many countries. They are generally restricted to rocks of Silurian and younger ages, the largest known resources occurring in Permian, Jurassic and Tertiary sandstone formations. Notable examples of uranium production from sandstone hosted deposits in Australia are the Beverly and Honeymoon deposits located in the Frome Embayment (Eromanga Basin) of South Australia. Both of these deposits occur in Tertiary palaeochannels. Ore grades average between 0.1% and 0.2% U_3O_8 and methods of extraction include conventional open-pit mining and in-situ leach.

Exploration methods for sandstone hosted uranium deposits have improved dramatically since the last major period of uranium exploration during the 1970s. Today remote sensing and image processing techniques include the use of NOAA thermal satellite imagery, Landsat imagery, and digital terrain models ("DTM") to interpret the positions of concealed palaeochannels. Airborne geophysical techniques, including transient electromagnetic (TEM), radiometric and gravity surveys are used to detect and further define palaeochannel geometry. On the ground, the precise location of the main palaeochannel can be defined by IP, seismic reflection and detailed gravity surveys. Improvements in drilling techniques not only enable accurate sampling through often unconsolidated, semi consolidated and water saturated sediments, but also allow downhole geophysical probing through the inner tube of the drill rod assemblage. Eromanga is familiar with all of these methods and intends to apply them where appropriate.

Unconformity-associated uranium deposits are concentrations of uranium, spatially and most likely genetically related to palaeo-weathering surfaces. They typically occur at the base of a Proterozoic clastic sedimentary sequence where it unconformably overlies pre Middle Proterozoic crystalline basement rocks. The deposits are commonly associated with faults or



fracture zones and the forms of the orebodies are generally controlled by these subvertical structures and by the subhorizontal plane of the unconformity.

Unlike sandstone-hosted deposits, the typical unconformity-associated uranium orebodies often contain extremely high concentrations of uranium, grades ranging from a few tenths of one percent to greater than 12% U_3O_8 . Deposit examples include the uranium deposits of the South Alligator River Basin in the Northern Territory (Ranger, Nabarlek, Jabiluka) and deposits in the Athabasca Basin, Canada (Rabbit Lake, Cigar Lake, Key Lake, Cluff Lake). Conventional open pit and underground mining methods are used for the extraction of ore.

IOCG deposits are characterised by an abundance of hematite and/or magnetite in breccia fillings, veins disseminations and replacements in continental felsic volcano-plutonic settings. They usually exhibit or are proximal to significant magnetic anomalies and have associated gravity anomalies. The main ore minerals of these polymetallic deposits are iron, copper, uranium, gold, silver and rare earth elements. The largest and most important example of an IOCG deposit is the giant Olympic Dam copper-uranium-gold deposit at Roxby Downs, South Australia.

The Eromanga Basin Initiative covers approximately 16,000 square kilometres of largely unexplored terrain and consists of four projects areas: Marree, Kingoonya, Abminga and Illogwa. These areas contain Mesozoic and Cainozoic Formations in contact with Precambrian source rocks, providing an ideal geological environment for the location of sandstone hosted uranium deposits. Under the Eromanga Farm-In and Joint Venture, Eromanga Uranium Resources Pty Ltd ("EPL") can acquire a 70 percent interest from Maximus Resources Limited ("Maximus") in each of the four Eromanga Initiative projects by committing to sole fund the first \$7 million of exploration costs across all tenements over a 6 year period. On completion of this expenditure, Maximus has the right to elect to contribute to expenditure or dilute. If Maximus dilutes to 10 percent, its interest reverts to a 1.5% net smelter return royalty on production. Eromanga Uranium Limited will acquire 100% of EPL under the terms of the Share Sale Agreement with Maximus.

The Marree Project is located in the southwest part of the Eromanga Basin where it onlaps Proterozoic rocks of the Adelaide Geosyncline, approximately 600 kilometres north of Adelaide. The project area is held under four exploration licences covering 3,909 square kilometres. The sedimentary formations within the Marree area are in a relatively good position to have received uranium bearing ground water from the Mount Painter Complex and Neoproterozoic rocks of the Flinders Ranges. Potential exists for sandstone hosted uranium mineralisation at several positions within the stratigraphy of the project area. Previous explorers targeted Tertiary and Quaternary sediments in analogy with the Beverley uranium deposit with limited success. Eromanga's concept is to target permeable Cretaceous rocks sandwiched between finer grained impermeable rocks where groundwater flow has been both focused and restricted enabling the deposition of uranium mineralisation.

Over 100 kilometres of Eromanga Basin margin are available for exploration within the Marree tenements. Eromanga proposes to carry out further geological assessment, interpretation of remote sensing data, and airborne

electromagnetic and radiometric surveys over selected areas to define palaeochannel targets for further ground surveys and drilling.

The Kingoonya project comprises two tenement blocks, totalling 4,060 square kilometres, within the western part of the Eromanga Basin approximately 500 kilometres northwest of Adelaide. The Kingoonya tenements are underlain by Eromanga Basin sediments predominantly of Jurassic to Cretaceous age which contact Archean to Mesoproterozoic sedimentary formations considered to be prospective for sandstone hosted uranium deposits. These rocks thin out against granitic and metamorphic basement rocks of the Gawler Craton, considered the source of uranium for enriched mineralising groundwater. Previous exploration has detected radiometric anomalies in clastic rocks of Cretaceous age and concentrations of uranium in a Tertiary palaeodrainage system, to the west of the tenement block. The eastern portion of this palaeodrainage system may extend onto the Kingoonya tenements.

In addition, interpretation of detailed aeromagnetic data suggests that an uplifted block of Proterozoic Pandurra Formation lies beneath the Mesozoic sediments of the southeastern part of the tenement area. The unconformity with basement rocks at the base of this formation, in areas of structural complexity, is a possible location for high grade, unconformity related uranium mineralisation.

There is a distinct lack of exploration for uranium within the Kingoonya project tenements. Eromanga intends to focus exploration primarily for sandstone hosted deposits within Mesozoic clastic sediments and Tertiary palaeodrainages with exploration for deeper unconformity related deposits in Proterozoic rocks as a secondary, but major, consideration. Completion of data compilation and geological assessment combined with interpretation of remote sensing data and digital elevation models are intended to assist selection of areas for airborne geophysical surveys. Ground based geophysical surveys are anticipated to further define target areas for drilling.

The Abminga Project area (6,914 square kilometres), covers 230 kilometres of the western margin of the Eromanga Basin, in a narrow corridor extending from Marla, South Australia to north of the South Australian-Northern Territory border. In this area the prospective Jurassic-Cretaceous rocks rest unconformably on deeply weathered crystalline

basement rocks of the Musgrave Block. Previous exploration, although limited in detail, indicates the presence of favourable host rocks, radiometric anomalies and uranium in the vicinity of the project tenements. The basal Jurassic Algebuckina Sandstone, a major aquifer and present throughout much the tenement area, is potentially an excellent host rock particularly within the Moorilyanna Graben where it is sandwiched between impervious strata.

Using image processed data from satellite based remote sensing instruments and airborne geophysical surveys, Eromanga intend to obtain a more detailed understanding of the palaeodrainage architecture. The knowledge gained will be applied to allow exploration to focus on more favourable sections of the palaeodrainage system. Selected areas will be tested with percussion drilling and down-hole radiometric probing.

The Illogwa project, located approximately 200 kilometres east of Alice Springs in the Northern Territory, is the last and most northern of the four Eromanga Basin Initiative properties. Project tenements cover 1,333 square kilometres and are positioned at the contact of the Eromanga basin and late Proterozoic sediments at the eastern margin of the Arunta Block. Uranium prospects within crystalline rocks of the Arunta Block, adjacent to the Illogwa project tenements, indicate a potential source for mineralising groundwater. Previous exploration for uranium within the Illogwa Creek tenement is restricted to one company in 1980 and no radiometric anomalies were recorded.

A large part of the project area is situated within the Pmere Nyente Aboriginal land holding and an access agreement is required before exploration can begin. Eromanga expects that an access agreement will be reached during the first year.

The Billa Kalina project, encompassing 4,084 square kilometres, is situated in the Stuart Shelf geological province where undeformed Late Proterozoic and Cambrian to Cainozoic platform sedimentary rocks overlie Early Proterozoic deformed granitic, sedimentary and volcanic rocks. It is located 600 kilometres north of Adelaide and 70 kilometres northwest of the large Olympic Dam copper-uranium-gold deposit. Eromanga, by agreement with Maximus' subsidiary Eromanga Uranium Resources Pty Ltd, can earn a 50% interest in minerals other than diamonds in the project area and has the opportunity to increase its equity should Maximus elect not to contribute to post 50% equity expenditure.

The project tenements cover the southeast margin of the Permian Arckaringa Basin, where the sedimentary rocks thin out as they onlap the underlying Proterozoic basement. Proterozoic rocks are exposed in the Peak and Denison Inlier, which hosts small copper and gold workings, and in the Mt Morgan Inlier, further south in the central part of the tenement area. Approximately 130 kilometres of the basin margin, prospective for Permian sandstone hosted uranium mineralisation, is expected to lie within the Billa Kalina tenements beneath 30-40 metres of overlying sediments.

As the margin is not exposed, geophysical surveys, including remote sensing imagery and electromagnetic and radiometric surveying, and regional drilling programs will be required to target areas for more detailed work.

Eromanga will also explore for Olympic Dam style deposits in Proterozoic basement rocks below 200-300 m of younger cover rocks. Three peak gravity responses and a small, circular magnetic anomaly occur along a gravity ridge identified from South Australian regional gravity data. Maximus has recently completed detailed gravity and magnetic surveys over the regional gravity high and targets, expected from analysis of the data, should be available for drilling shortly after completion of the public offer.

2. Marree Project (earning 70% interest)

The Marree Project is located in the southwest part of the Eromanga Basin, where it onlaps Proterozoic rocks of the Adelaide Geosyncline, approximately 600 kilometres north of Adelaide. The project area is held under four exploration licences (EL3574, 3577, 3578, and 3579) covering 3,909 square kilometres. Under the Eromanga Basin Farm-In and Joint Venture Agreement between Maximus and EPL, EPL is earning 70% equity in the project area and has the opportunity to increase its equity to 100% if Maximus elects not to contribute to post 70% equity expenditure. Eromanga will acquire 100% of EPL under the terms of the Share Sale Agreement. Details of these agreements and the tenements are provided in the Legal Report on Tenements and the Summary of Material Contracts in Section E, page 65 and Section F, page 69 of the Prospectus.

Access to the project is via the sealed highway from Port Augusta to the villages of Farina and Marree. The western boundary of the tenement area is approximately 9 kilometres east of the village of Marree and 5 kilometres north of Farina. Tracks from both of these villages connect to a network of pastoral station tracks providing access within the tenement area. The Strezlecki Track, accessible at Lyndhurst 27 kilometres south of Farina, passes through the eastern part of the property.

Topography consists of low, undulating and flat plains cut by creeks draining toward the Great Artesian Basin. In the central northwestern part of the tenement area, wind blow sand forms northeast trending dunes and ridges. Outside of the tenement area are the Willouran Ranges to the west, and the northern part of the Flinders Ranges to the south and east. Both ranges consist of uplifted and folded rocks of the Adelaide Geosyncline. Vegetation on the plains country is sparse and consists of native grasses, bluebush and saltbush with some red gums along major water courses. Average rainfall is 85 millimetres, falling mainly between October and May. Maximum summer and minimum winter temperatures are frequently above 38 degrees and below 0 degrees centigrade respectively.

2.1 Geological Setting

Marree is situated within a broad, open embayment of Eromanga Basin rocks which transgress onto older basement rocks of the northern part of the Adelaide Geosyncline. These older basement rocks consist of Palaeoproterozoic and Mesoproterozoic metasedimentary sequences and intrusive alkali granite and Neoproterozoic and Cambrian sedimentary rocks. They contain a great variety of mineral deposits including copper and uranium. In particular, numerous uranium deposits and occurrences are found within the Mount Painter Complex to the south east of the project area. To the east of the Mount Painter Complex is the Beverley uranium deposit within Eromanga Basin sediments of the Frome Embayment.

The eastern boundary of the tenement area touches on the western margin of the Adelaide Geosyncline. Here late Proterozoic sediments of the Wilpena and Umbertana Groups are composed principally of siltstone, quartzite and conglomerate and silty shale, limestone and conglomerate. Inliers of these rocks also occur in the southern and western part



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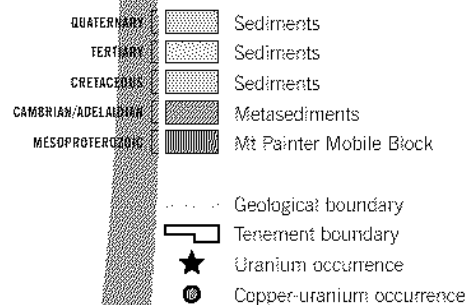
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of the tenement area. Upper Cretaceous shale and sandstone of the Marree Subgroup and a duricrust, developed from Tertiary Mumpewie Formation sandstone, gravel and conglomerate, cover the western and northern portions of the project area. The eastern and southern portions of the project area are covered predominantly by Quaternary sediments consisting of broad areas of gravel and conglomerate derived from the older Adelaide Geosyncline rocks intersected by broad areas of alluvium in creek beds and flood plains.

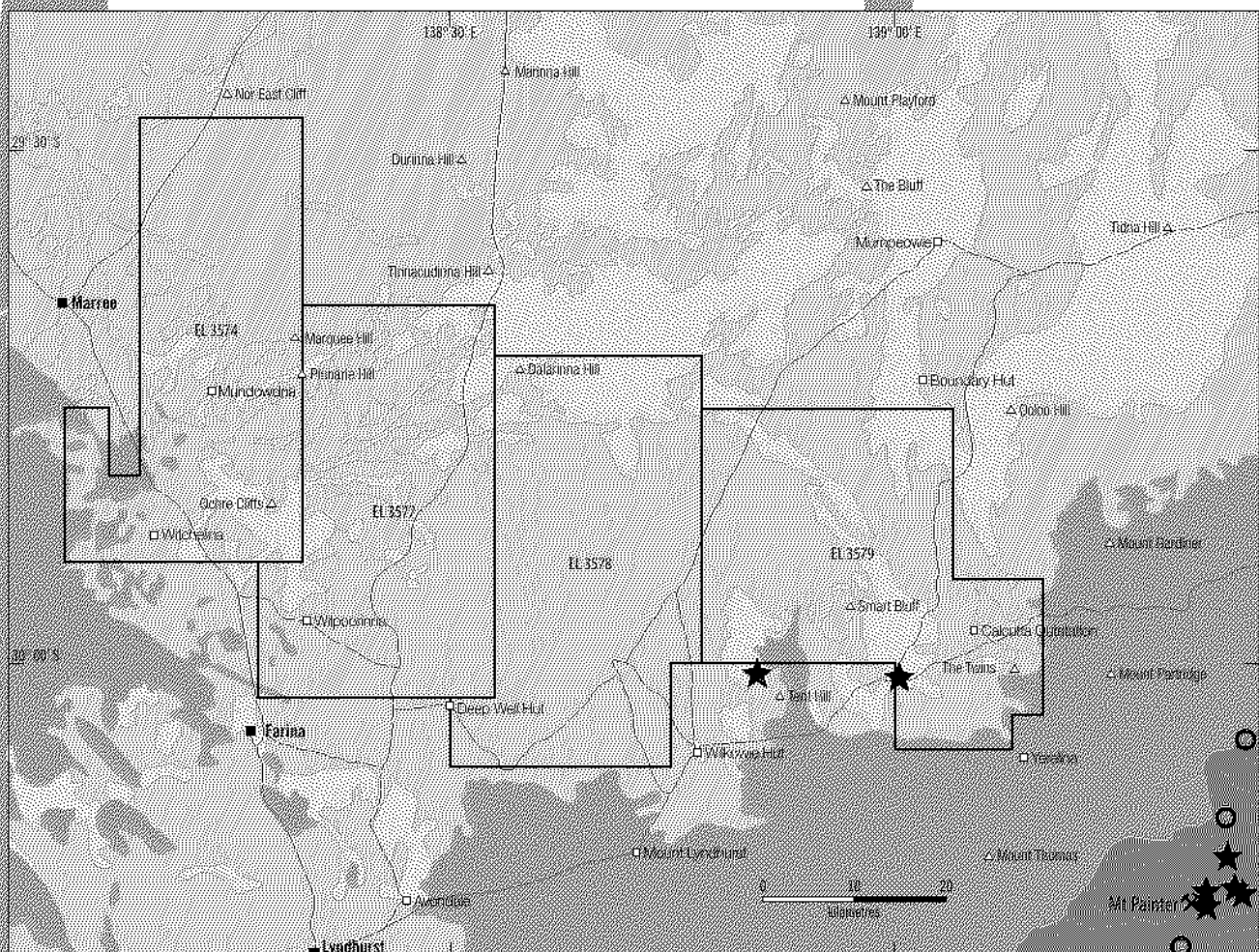
Twenty three drillholes, from the South Australian Resources Information Geoserver ("SARIG") database, within and adjacent to the tenement area, provide a record of subsurface sediments. The intersected stratigraphy from the basement upward consists of:

- Neoproterozoic-Cambrian basement of indurated pyritic siltstone and sandstone, vesicular basalt, conglomerate and greywacke. A regolith of silicified basement or plastic clay is developed on this basement in some holes.

- thin, sporadic lenses of Jurassic-Cretaceous, quartzose Algebuckina Sandstone with siltstone interbeds.
- widespread Cretaceous Cadna-owie Formation of siltstone and fine grained sandstone, feldspathic in part.
- widespread Cretaceous Bulldog Shale of shaley mudstone in part pyritic, carbonaceous and micaceous with some sandy lenses. (Lower Marree Subgroup).
- restricted Cretaceous Coorikiana Sandstone of fine grained sandstone, argillaceous and carbonaceous in part.
- Cretaceous Oodnadatta Formation of silty mudstone.
- a Tertiary-Quaternary succession starting with Paleocene to Eocene fine to medium grained quartzose sandstone of the Eyre Formation with clay interbeds.



MARREE PROJECT GEOLOGY



2.2 Exploration History

Following the discovery of the Beverley uranium deposit in 1970, exploration for uranium deposits within Tertiary sediments flanking the Mount Painter Block was undertaken over a period of fifteen years. Work to the west of the Mt Painter Block, in the vicinity of the Marree project area, was carried out principally by Pechiney (Australia) Exploration Pty. Ltd., Mines Administration Pty. Ltd., Petromin NL, Central Pacific Minerals NL and Nissho Iwai Co. (Australia) Pty. Ltd. Subsequently, exploration for commodities other than uranium, was carried out by several explorers, including CRA Exploration Pty. Ltd. A number of these companies carried out drilling programs and in some instances gamma ray logs of drill holes were recorded.

Pechiney, between 1970 and 1973, explored an area to the north of the Marree project area targeting Tertiary and Quaternary sediments. Forty one anomalies were detected from airborne radiometric surveys from which eight areas were selected for on ground examination and auger drilling where warranted. Pechiney determined that the Lake Arthur area (outside of its tenement holding) contained the most interesting group of anomalies, where radioactivity and yellow secondary uranium minerals occurred in sandstone of the Tertiary Murnpeowie Formation. Of special note was the occurrence of a radioactive anomaly in the Cretaceous Cadna-owie Formation at Catt Mound. However, Pechiney's work concentrated on the Tertiary Murnpeowie Formation representing the main target for uranium mineralisation by analogy with the uranium deposits of the Frome Embayment. Pechiney failed to locate uranium mineralisation and concluded that, although its drilling had been sparse considering the size of the tenement area, the Tertiary was not sufficiently thick and too oxidised within its tenement to contain a roll-front type deposit.

During 1970 and 1971, Central Pacific Minerals NL explored an area covering all of exploration licence application 15/06. Work consisted of collecting water samples from wells in the area and analysing them for uranium. Six stratigraphic holes were drilled and gamma logged. Three of the holes (Mt D1 to D3) penetrated Neoproterozoic basement at depths of 128 to 146 metres. Hole Mt D5 located 5.6 kilometres northeast of Appolinaris Well terminated in Bulldog Shale at 156 metres. No uranium mineralisation was found either in surface prospecting or drilling, although a background radiation of 145 counts per second was recorded from a clay unit at 23 metres depth. Results from the water sampling were considered to be only weakly anomalous at a maximum of 70 ppb.U. In spite of the discouraging results, Central Pacific believed potential within the area was upgraded by Pechiney's discovery of secondary uranium mineralisation in Tertiary duricrust at Lake Arthur.

Subsequently, Nissho Iwai Co. (Australia) acquired an exploration licence covering the central portion of the area formerly held by Central Pacific and in 1973 reported the discovery of the secondary uranium mineral carnotite in the bank of the Yerelina Creek 1.6 kilometres east of Nob Well. A further three occurrences of carnotite were discovered in outcrops of Quaternary basal sandstone and quartz pebble conglomerate, containing unoxidised carbonaceous matter and unconformably covering Tertiary mudstone. Chemical analysis of samples returned values up to 0.068% U_3O_8 . Nissho Iwai then orientated its exploration program toward Quaternary sandstone hosted uranium deposits at the Tertiary unconformity and carried out further

surface investigation, bore and well water sampling, stream sediment sampling, costeaning and drilled 122 rotary percussion holes throughout the licence. Carnotite was observed in four of six costeans dug in the vicinity of the Nob Well and samples from the costeans assayed up to 800 ppm U_3O_8 . Further work in the vicinity of Nob Well revealed that the mineralised horizon was of limited extent, being extensively eroded by the recent drainage system. A new discovery of carnotite, occurring in Cretaceous siltstone overlying shale (Oodnadatta Formation), 3 kilometres northwest of Tent Hill, was reported. However, it was considered that most of the prospective Cretaceous beds were too deep for a uranium deposit to be exploited economically by open cut and the project was abandoned in 1974.

Other uranium explorers in the areas generally reported finding no significant radioactivity or mineralisation.

2.3 Exploration Potential and Strategy

The sedimentary formations of the Eromanga Basin within the Marree tenement package are in a relatively good position to have received uranium bearing ground water from the Mount Painter Complex and Neoproterozoic rocks of the Flinders Ranges over an extensive period of time. Potential exists for sandstone hosted uranium mineralisation at several positions within the stratigraphy of the project area. Previous explorers in the project area have primarily targeted Tertiary and Quaternary sediments as potential hosts, in analogy with the Beverley uranium deposit, and have met with limited success. Eromanga's concept is to target Cretaceous rock formations, in particular the basal portions of the Coorikiana Sandstone, sandstone horizons within the Cadna-owie Formation, and the Algebuckina Sandstone.

The Coorikiana Sandstone is located immediately above the Bulldog Shale and is overlain by the Oodnadatta Formation consisting of laminated thin bedded claystone and siltstone. Nissho Iwai's discovery of carnotite within Oodnadatta Formation siltstone near Tent Hill, suggests potential for mineralisation in these Cretaceous formations. As well, the recently discovered 4 Mile deposit to the west of the Beverley Mine is hosted within a similar stratigraphic position. This position has not been previously explored in the tenement area and, at relatively shallow depths of less than 100 metres, is an ideal target. Although the Coorikiana Sandstone is widespread throughout the southwestern part of the Eromanga basin, it is anticipated that productive

occurrences will be restricted to depressions within the basement and sedimentary sequence in the tenement area.

The Cadna-owie Formation extends throughout the Eromanga Basin. It is mainly composed of siltstone, fine to coarse grained sandstone and claystone intervals and contains coarser grained sandstone members, including the Trinity Well Sandstone which is effectively sealed by finer grained rocks above and below. Underlying the Cadna-owie Formation and less continuous along the southwestern margin of the basin, is the Algebuckina Sandstone. It rests unconformably on pre-Mesozoic units and is composed of fine to coarse grained quartzose sandstone displaying ubiquitous cross bedding and an assemblage of plant fossils, of Early Cretaceous age. In the basin margin areas, the Algebuckina is sealed in places by finer grained clay rich siltstone and claystone of the Cadna-owie Formation above and Neoproterozoic basement below. Occurring at shallow depths throughout the Marree tenement area, these formations provide favourable stratigraphy for economically viable sandstone hosted uranium deposits.

Eromanga proposes to carry out further geological assessment of the Marree tenement area and interpretation of remote sensing data prior to undertaking airborne geophysical surveys over selected areas. Remote sensing data, such as NOAA thermal imagery combined with digital terrain modelling, will be used as a large area, coarse mapping tool to detect palaeodrainage patterns. Areas selected from interpretation of the thermal imagery will be further defined with airborne EM and Radiometric surveys and targets generated from this work will be evaluated on the ground. Provision has been made for drilling where warranted.

Eromanga has budgeted for expenditures of \$700,000 in Year 1 and \$900,000 in Year 2 if the full \$15 million is raised. Should only the minimum subscription of \$10 million be raised, the Year 1 expenditure would be reduced to \$500,000 and the Year 2 expenditure reduced to \$650,000.

The proposed exploration program is considered sound, and consistent with the type of uranium deposit sought and the mineral potential of the project area. Budgeted expenditure is adequate to cover the costs of the proposed exploration program and to meet annual expenditure commitments set by the Department of Primary Industries and Resources South Australia.

3. Kingoonya Project (earning 70% interest)

The Kingoonya project comprises two tenement blocks covering a total area of 4,060 square kilometres within the western part of the Eromanga Basin and is located north of the township of Kingoonya, South Australia approximately 500 kilometres northwest of Adelaide. The northern tenement block of one exploration licence and one licence application (EL 3591, ELA30/06) and the southern tenement block of three exploration licences (EL3573, 3576 and 3590) are separated by about 15 kilometres of ground held by other parties. All of the tenement area lies within the Woomera restricted Area. Under the Eromanga Basin Farm-In and Joint Venture Agreement between Maximus and EPL, EPL is earning 70% equity in the project and has the opportunity to increase its equity to 100% if Maximus elects not to contribute to post 70% equity expenditure. Eromanga will acquire 100% of EPL under the terms of the Share Sale Agreement. Details of the agreements and the tenements are provided in the Legal Report on Tenements and the Summary of Material Contracts in Sections E and F of the Prospectus.

The Stuart Highway traverses the project tenements diagonally from southeast to northwest and station tracks within the tenement area provide reasonable access to most areas. In general topography in the area reflects the underlying Mesozoic to Quaternary geology and comprises undulating gibber plains and uplands, and sand plains. No permanent streams or waterholes are present and the ephemeral drainage is internal and poorly defined often disappearing into the sand, broad floodplains or salt lakes. Vegetation is sparse, the gibber uplands and plains lightly covered with scattered mulga woodland and saltbush-bluebush shrubland with bindyi. Open myall woodland and saltbush and bluebush are found on the sand plains. The climate is semi arid and characterized by hot dry summers and short, cool to cold winters. Rainfall is low and unreliable, and periods of drought are common.

3.1 Geological Setting

The Kingoonya tenements are underlain by Eromanga Basin sediments predominantly of Jurassic to Cretaceous age under a thin cover of Quaternary sediments and residual soil. Scattered exposures of Tertiary silcreted sandstone occur throughout the tenement area. To the south and west of the project area a chain of playa lakes together with a tributary chain from the north is the present day expression of a Tertiary palaeodrainage system referred to as the Kingoonya Palaeochannel. The upper reaches of this palaeodrainage may extend onto the project area.

The Mesozoic stratigraphy consists of Algebuckina Sandstone, Cadna-owie Formation and Bulldog Shale. The Cretaceous Cadna-owie Formation and Jurassic-Cretaceous Algebuckina Sandstone are important aquifers in the region and although in broad terms these aquifers are open systems, they are in places partially or wholly confined. In the southernmost part of the southern tenement group a Tertiary ferruginisation of the Algebuckina Sandstone is evident.

To the south, west and northwest of the tenement area, rocks of the Gawler Craton area are exposed. These rocks are the oldest in the region and comprise Archean to Mesoproterozoic metamorphic, granitic, acid volcanic and meta-sedimentary rocks and represent basement to the Mesozoic sedimentary formations mentioned above. Mineralisation is

An exposure of Hiltaba Suite granite occurs near the southeastern boundary of the southern tenement block. As well, structural interpretation of detailed aeromagnetic data suggests that an uplifted block of Proterozoic Pandurra Formation lies beneath the Mesozoic sediments of the southeastern part of the tenement area. This formation is a possible host for high grade, unconformity related uranium mineralisation.

3.2 Exploration History

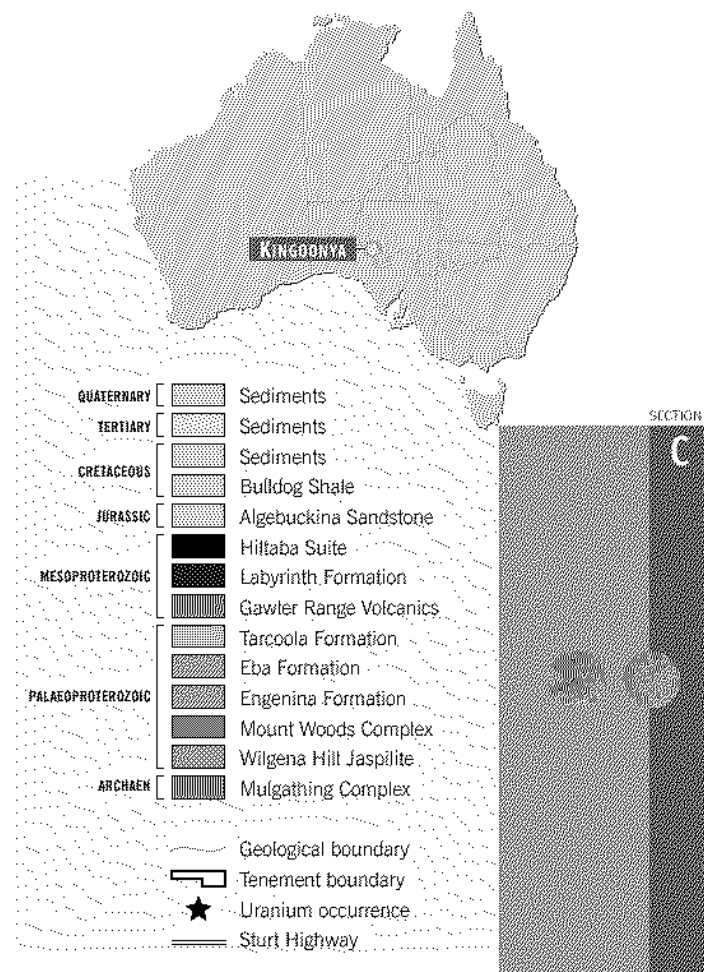
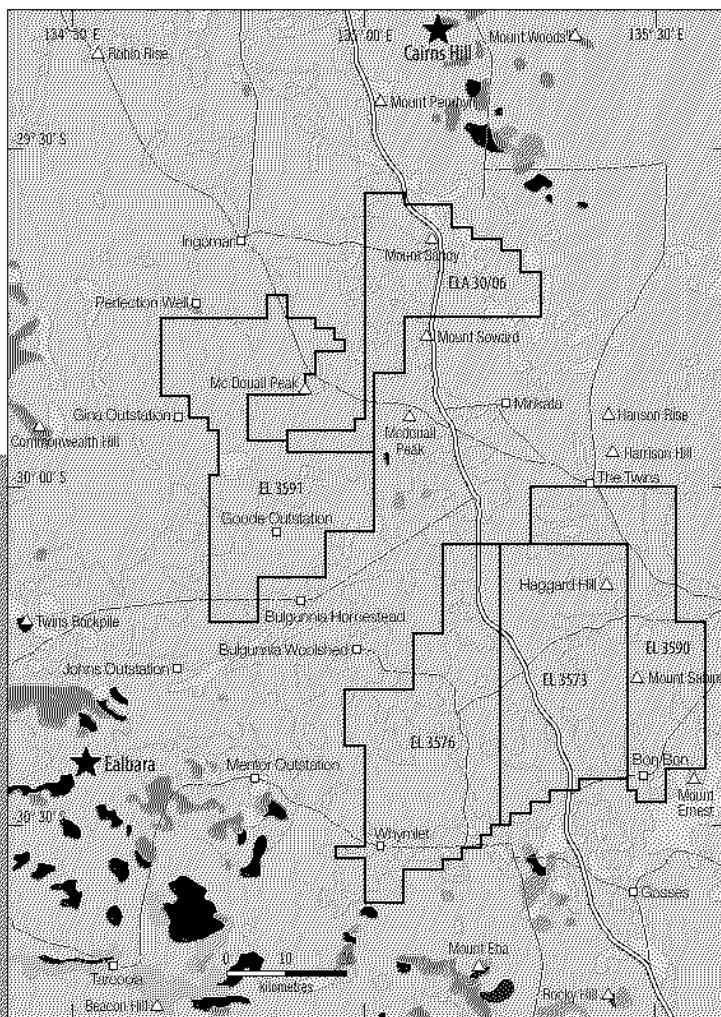
The discovery of the Tarcoola Goldfield, west of the project area, in 1900 prompted widespread prospecting for gold and base metals over the Gawler Craton. Recorded exploration for fossil fuels and base metals commenced in 1959 and a number of major companies have carried out exploration programs since that time, particularly in the period following the discovery of the Olympic Dam orebody in 1976. During that period some exploration was directed toward uranium in rocks of Proterozoic age in the region.

Within parts of the tenement area, exploration has been carried out for Olympic Dam style deposits by Carpentaria Exploration Co Pty Ltd, Esso Exploration & Production Australia Inc, CRA Exploration Pty Ltd and BHP Minerals Ltd in joint venture with Western Mining Corporation Exploration Pty Ltd. Exploration for coal was undertaken by Samedan of Australia and diamond exploration by CRA and Stockdale Prospecting Ltd in joint venture with Agip Australia Pty Ltd.

There has been no exploration specifically for uranium within the tenement area. In 1979, Carpentaria Exploration Pty Ltd, drilled 4 holes, to a maximum depth of 304 metres, along the old alignment of the Stuart Highway, south of the southern tenement block, effectively testing a limited portion of the base of the Proterozoic Pandurra Formation. No mineralisation or radiometric anomalies were reported.

During the period from 1981 to 1983, Agip Australia Pty Ltd held exploration licences covering a vast area of the Eromanga Basin in the region including all of the southern tenement group. Agip's

KINGOONYA PROJECT GEOLOGY



work was orientated mainly toward coal exploration and several open-hole percussion drill holes were drilled within the tenement group. The targeted Permian Mount Toondina formation was found to be absent and no further coal exploration was carried out.

Between 1981 and 1993, CRA Exploration Pty. Ltd. explored for Olympic Dam style mineralisation and diamond bearing kimberlite pipes within a project area which covered the northeastern quarter of the northern tenement block. Commencing in 1981 an aeromagnetic-radiometric survey was carried out and a number of radiometric responses were detected some of which were found to be associated with granite and heavy mineral concentrations. Most radiometric responses in the Cairns Hills, 30 kilometres north of the northern tenement group, were found to be associated with Early Proterozoic gneiss outcrops. However, one anomaly was found to be due to dark carbonate bands within the Mt Anna Sandstone member of the Cadna-owie Formation. Anomalous uranium assays of up to 1145 ppm were reported from this exposure. Twelve drill holes were drilled on the prospect to test for Cretaceous sandstone uranium mineralisation. Low order radiometric responses were noted in two holes but the majority of anomalies were found to be only surficial. No further work was undertaken.

Between 1973 and 1987, Nissho-Iwai Co (Australia) Pty Ltd and PNC Exploration Pty Ltd (PNC) carried out exploration specifically for sedimentary uranium in the Tertiary Kingoonya Palaeochannel west of the southern tenement block. In the Malbooma area, drilling indicated widespread uranium mineralisation in a zone about 1.5 metres thick at the Warrior prospect. The mineralisation was found to occur at an oxidation/reduction interface in lignite bearing Eocene sediments at a depth of about 30 metres. Further significant uranium mineralisation was found over a 25 square kilometre area. In the Ealbara area, PNC collected aeromagnetic and radiometric data and radon measurements over a 125 square kilometre area and drilled 29 open hole percussion holes and one diamond drill hole intersecting lignite bearing Eocene palaeochannel sediments. Radiometric anomalies were reported from several holes at or near the base of surface oxidation in palaeotroughs incised into Gawler basement rocks and Jurassic sediments. A best measurement of 820 counts per second above a background of 35 counts per second over 0.7 metres was recorded at a depth of 70 metres within Eocene sandstone

below the base of oxidation in hole EE11. Further drilling was undertaken along the northern tributary of the Ealbara Channel and two branches were identified. PNC determined that the uranium mineralisation intersected was the result of lateral redox front anomalism and suggested a terminal redox front could be expected along the channel thalweg to the southwest. Attempts to locate a terminal redox front were unsuccessful and the project was abandoned after a brief investigation of the Proterozoic basement rocks as a potential uranium host.

3.3 Exploration Potential and Strategy

Previous exploration for uranium in the Kingoonya project region indicates the existence of radiometric anomalies and uranium mineralisation within prospective host-rock formations, of Cretaceous to Quaternary age. This is encouraging considering the minimal amount of work carried out specifically for uranium and the lack of exploration coverage within the Kingoonya project tenements.

Eromanga intends to target two distinct styles of uranium mineralisation. Primarily the focus will be on sandstone hosted deposits within Mesozoic clastic sediments and Tertiary palaeodrainages. In this context, portions of the Algebuckina Sandstone and the Cadna-owie Formation, including the Mt Anna Sandstone member, at depths of less than 150 metres are prospective. The Algebuckina Sandstone is an aquifer and is also known to contain carbonaceous matter in places. Stratigraphically positioned between the overlying Bulldog Shale and underlying older argillaceous sediments or crystalline basement, it presents an ideal host for roll-front and tabular type deposits. Similarly the Cadna-owie Formation is also favourable. The extension of the upper reaches of the Tertiary Kingoonya Palaeochannel into the tenement holding needs to be determined, and analysis of NOAA thermal imagery should aid in this determination.

Also to be targeted, are deeper unconformity related deposits in Proterozoic rocks, similar to the high grade deposits in the Alligator River District of the Northern Territory and the Athabasca Basin of Canada. These are effectively blind targets where block faulting in the southern part of the project area has resulted in uplift of the basement assemblages and brought the unconformable contact between the Late Proterozoic Pandurra Formation and Early to Middle Proterozoic crystalline basement closer to surface. Anticipated depths to the unconformity and intersecting structures are in the order of 200 to 300 metres.

Interpretation of remote sensing data and completion of data compilation and geological assessment is planned prior to undertaking airborne geophysical surveys within the Kingoonya project area. Provision has been made for ground follow-up and drilling selected targets.

Budgeted expenditures total \$2,200,000 (\$950,000 in Year 1 and \$1,250,000 in Year 2) if the full \$15 million is raised. Under the minimum subscription of \$10 million, the Year 1 expenditure would be reduced to \$550,000 and the Year 2 expenditure reduced to \$800,000.

The proposed exploration strategy and program is considered to be consistent with the type of uranium deposits sought and the mineral potential of the project area. Planned expenditures are sufficient to meet the cost of the proposed two year program, and are adequate to meet the statutory annual expenditure commitments for the tenements.

4. Abminga Project (earning 70% interest)

The Abminga Project is the largest of the four projects which make up the Eromanga Basin Initiative. The contiguous tenement block, consisting of five exploration licences (EL3575, 3599, 3600, 3601 and 3602) in South Australia and two exploration licence applications (25163, and 25166) in the Northern Territory, covers 6,914 square kilometres and forms a narrow corridor along the western margin of the Eromanga Basin, extending from Marla, South Australia in the south to 50 kilometres north of the South Australian-Northern Territory border. Under the Eromanga Farm-In and Joint Venture Agreement between Maximus and EPL, EPL is earning 70% equity in the project and has the opportunity to increase its equity to 100% if Maximus elects not to contribute to post 70% equity expenditure. Eromanga will acquire 100% of EPL under the terms of the Share Sale Agreement. Details of these agreements and the tenements are provided in the Legal Report on Tenements and the Summary of Material Contracts in Sections E and F of the Prospectus.

The Stuart Highway passes diagonally through the southern exploration licence, from southeast to northwest, and the north end of the tenement is approximately 210 kilometres south of Alice Springs at a distance of 60 kilometres east of the Stuart Highway at Kulgera. Access within the area is along pastoral station roads and tracks. Topography consists of a mixture of gibber plains, dissected Tertiary tablelands and Mesozoic and older basement terrains, and sand dunes and sand plains. Variation in relief is about 350 metres. Vegetation is variable depending on physiographical condition and ranges from sparse shrubs and grasses to open mulga woodlands, with concentrations of gidgee, coolibah and mulga trees along watercourses. The area has a hot dry desert climate with short cool to mild winters. Mean annual rainfall is 150 millimetres.

4.1 Geological Setting

The Abminga tenements cover 230 kilometres of the contact between the Eromanga Basin and the Musgrave Block. The Musgrave Block in this region is composed of Mesoproterozoic high grade metasedimentary and metavolcanic rocks of the Musgrave-Mann Metamorphic Suite and granite of the Kulgeran Granite Suite. A major east-west depression, the Moorilyanna Graben, a deep, fault-bounded structure, cuts through the project area commencing in the Musgrave Block and extending east of the project area where it becomes the Eringa Trough, part of the Permian Perdika Basin. The Permian is completely concealed in the project area, however the Eromanga Basin is extensively exposed, although almost entirely covered by Quaternary sand sheets in the area roughly coincident with the Moorilyanna Graben.

In the project area, Jurassic-Cretaceous Algebuckina Sandstone is the basal unit of the Eromanga basin. It is extensively exposed and rests unconformably on deeply weathered crystalline basement. Displaying fluvial channel and overbank features, it contains upward fining sequences and contains carbonaceous clay units and coal layers. The Algebuckina Sandstone is the main ground water aquifer in the region and is sub-artesian. In the project tenements, Cadna-owie Formation occurs as a basal sandy unit to the overlying Bulldog Shale consisting of fine grained silty claystone and siltstone, pyritic and carbonaceous in part. The Bulldog shale, a marine unit, forms the upper impervious layer over the porous sandy target rocks. Succeeding Eromanga Basin formations are absent from the Abminga tenements.



SECTION

C

4.2 Exploration History

The first recorded uranium exploration was undertaken by Dampier Mining Company Ltd (BHP) commencing in 1973. BHP's tenements covered a large area extending east-west through the southern half of exploration licence application 22/06 and most of their work was concentrated within and proximal to the western side of this tenement. A total of 56 rotary holes were drilled, gamma ray logging revealing numerous anomalies, ranging from 4 to 18 times background, in the Algebuckina Sandstone. The highest anomaly occurred in hole AL50, corresponding to an estimated value of 195 ppm U_3O_8 over an interval of 0.75 metres. This hole is located between Maynard's Bore and Tieyon Bore, about 12 kilometres west of Abminga tenement 22/06.

Two northeast trending palaeo-valleys, separated by a basement ridge and filled with Upper Jurassic fluvial sediments and Lower Cretaceous clays, were outlined. These palaeo-valleys trend onto Eromanga's ground. The Jurassic sediments intersected consisted of interbedded carbonaceous, pyritic sandstone and clay, with a highly pyritic basal quartz pebble conglomerate resting unconformably on Proterozoic siltstone basement. BHP were disappointed with the results and did not renew their tenements.

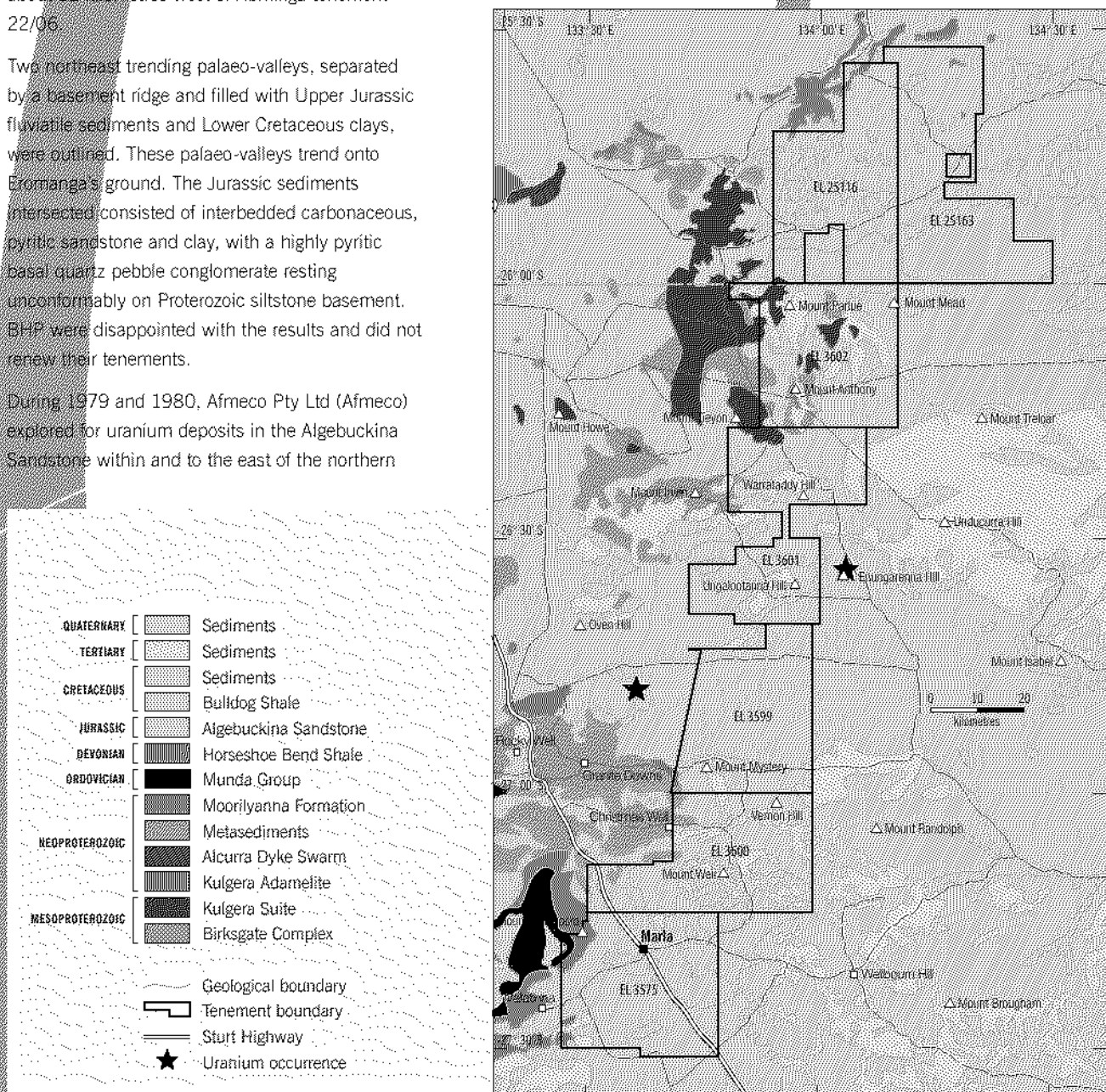
During 1979 and 1980, Afmeco Pty Ltd (Afmeco) explored for uranium deposits in the Algebuckina Sandstone within and to the east of the northern

half of the Abminga project tenements. Five diamond holes and 15 aircore holes were drilled mainly in the vicinity of Enungarena Bore east of the southern part of ELA 22/06. Selected holes were gamma logged and gamma logs were also obtained from 5 water bores. Radiometric anomalies were recorded in 6 drillholes, a highest reading of 190 counts per second recorded from the Algebuckina Sandstone in hole CUR13 near Enungarena Hill.

Chemical analysis of drill samples from CUR13 showed several anomalous uranium values, the highest being 190 ppm and a water sample from the same hole returned a uranium analysis of 180 milligrams per litre.

Afmeco suggested that hole CUR13 was possibly within a channel and located near an oxidation reduction interface. However, no further work was carried out.

ABMINGA PROJECT GEOLOGY



4.3 Exploration Potential and Strategy

Although regional in approach and limited in detail, previous exploration indicates favourable host rocks and the presence of radiometric anomalies and uranium in the vicinity of the project tenements. Potential sandstone hosted uranium mineralisation in Mesozoic palaeodrainages has been demonstrated by this work. The porous Algebuckina Sandstone, present throughout much of the tenement area, is potentially an excellent host rock. It presents a good target particularly within the Moorilyanna Graben where it is sandwiched between impervious strata. The host horizon is within acceptable exploration limits at depths of less than 200 metres.

Eromanga's intention is to obtain a detailed understanding of the palaeodrainage architecture in order to focus exploration on more favourable sections of the palaeodrainage system. Data from satellite remote sensing instruments and airborne geophysical surveys will be interpreted using sophisticated image processing software, to define areas for on ground geophysical surveys. Selected areas will be tested with percussion drilling and down-hole radiometric probing.

Exploration expenditures of \$700,000 in Year 1 and \$900,000 in Year 2 have been budgeted if the full \$15 million is raised. If only the minimum subscription of \$10 million is raised, Year 1 and 2 expenditures would remain unchanged for a total expenditure of \$1,600,000.

The proposed target concept and exploration program is considered to be applicable to the type of uranium deposit sought and consistent with the geology and mineral potential of the project area. The proposed two year program and budgeted expenditures are sufficient to complete the proposed work program and are adequate to meet all statutory annual expenditure commitments for the tenements.

5. Illogwa Project (earning 70% interest)

The Illogwa project, in the Northern Territory, is the most northern of the Eromanga Basin Initiative properties. It is located approximately 200 kilometres east of Alice Springs on the western edge of the Simpson Desert and consists of two exploration licence applications (21561 and 21562) covering 1,333 square kilometres. As with the other projects within the Initiative, Eromanga is earning 70% equity in the project and has the opportunity to increase its equity to 100% if Maximus elects not to contribute to post 70% equity expenditure. Details of the agreement and the tenements can be found in Sections E and F of this Prospectus.

Access from Alice Springs is via the Numery Station road and Colson track which crosses the southwest corner of the tenement area. Exploration licence 21561 is situated entirely on Pmere Nyente Aboriginal land holding. Except for a few low outcrops of Jurassic-Cretaceous sandstone in the northwest corner of the tenement area, the property is entirely covered with sand dunes averaging 7 metres in height above the surrounding landscape. Access within the tenements is restricted to a single track along the Illogwa Creek which passes from northwest to southeast through the northern half of the tenement area.



SECTION

C

5.1 Geological Setting

The Illogwa project tenements are positioned at the contact of the Eromanga basin and late Proterozoic sediments at the eastern margin of the Arunta Block. A northwest trending zone of high magnetic disturbance to the east of the tenement block may indicate an uplifted segment of the Arunta Block (Strangways Metamorphic Complex) beneath Mesozoic and later sedimentary formations.

Crystalline rocks of the Arunta Block, containing uranium occurrences within Proterozoic schist, gneiss and granite to the northwest of the tenement area are a potential source for uranium bearing groundwater. Although the geology of the project tenements is largely unknown, being obscured by recent aeolian quartz sand deposits, limited exposures of Jurassic-Cretaceous Hooray Sandstone, equivalent to the basal Algebuckina Sandstone in other areas of the Eromanga basin, suggest that the area is principally underlain by this formation and succeeding formations. If this is the case, the tenements cover about 70 kilometres of prospective contact sediments.

5.2 Exploration History

Between 1976 and 1979, Agip Nuclear Australia Pty Ltd (Agip) explored an area to the north of Eromanga's tenements. Exploration was directed toward the location of buried palaeochannel sands within the Cainozoic sequence. Resistivity surveys and 21 rotary drill holes were completed. No evidence of uranium mineralisation was detected.

Historical exploration for uranium within the Illogwa Creek tenement area is minimal. In 1980 Afmeco Pty Ltd (Afmeco) selected several areas along

the margin of the Eromanga Basin that were thought to have proximity to favourable uranium source rocks and potential for sandstone hosted uranium deposits. The Illogwa Creek area, covering the northeastern half of Eromanga's current tenement holding, was described as being downstream from uranium anomalies found in the Arunta Complex Basement.

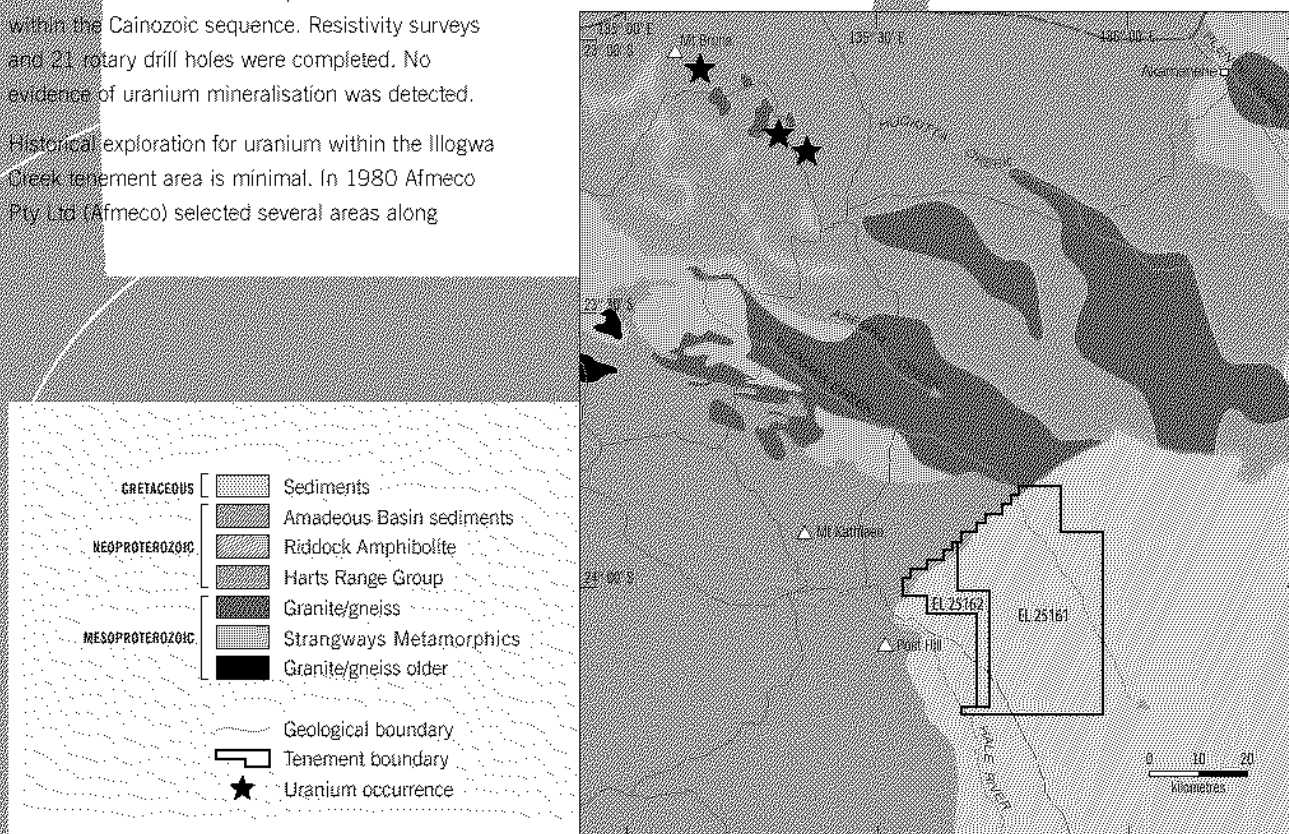
Afmeco drilled 5 stratigraphic holes (aircore), intersecting Wallumbilla Formation (Bulldog Shale) composed of shale, siltstone and minor sandstone and Cadna-owie Formation composed of pyritic, glauconitic sandstone and siltstone. Maximum hole depth was 193 metres. Two of these holes are located along Illogwa Creek within ELA 25161. No radiometric anomalies were recorded.

5.3 Exploration Potential and Strategy

The Hooray-Algebuckina Sandstone and Cadna-owie Formation, along the basin margin, are potential hosts for uranium mineralisation. Adjacent crystalline rocks, with known uranium occurrences, provide a source for uranium in mineralising groundwater. Previous exploration for uranium in the tenement area is minimal and a technical appraisal is required before a comprehensive exploration program can be finalised. Image processed satellite and geophysical data will facilitate a better understanding of the geometry and geology of the basin.

No expenditure is budgeted for the first year after listing. An access agreement with the Aboriginal land holders is required before exploration can begin and it is expected that agreement will be reached during the first year. An expenditure of \$650,000 has been allocated for Year 2. This amount would reduce to \$550,000 if only the Minimum Subscription amount is raised.

ILLOGWA PROJECT GEOLOGY



6. Billa Kalina Project (earning 50% interest in all non-diamond minerals)

The Billa Kalina project area lies within the Olympic Dam Province which hosts Olympic Dam, one of the largest uranium bearing IOCG deposits in the world. IOCG deposits are typically hosted by quartz hematite breccias and have a range of deposit styles. Although usually occurring in areas of significant magnetic relief, they are not always coincident with magnetic anomalies which often are associated with a deeper source than the mineralisation. Gravity signature is more definitive as most significant IOCG deposits have an associated gravity anomaly.

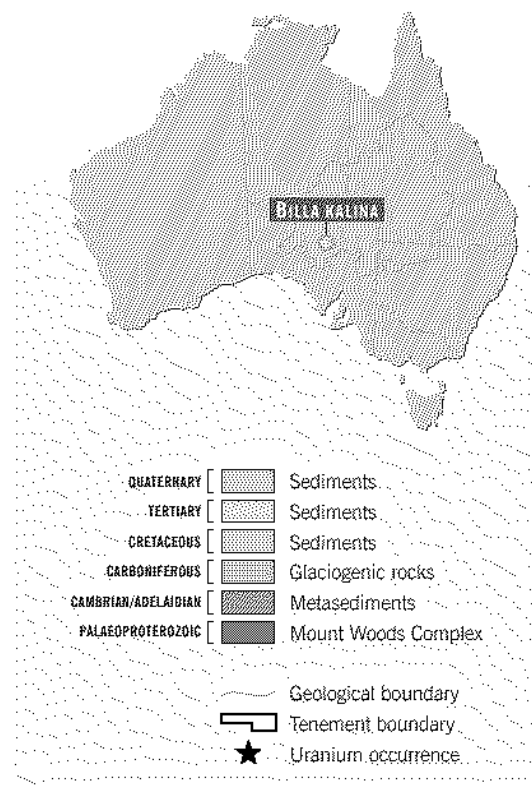
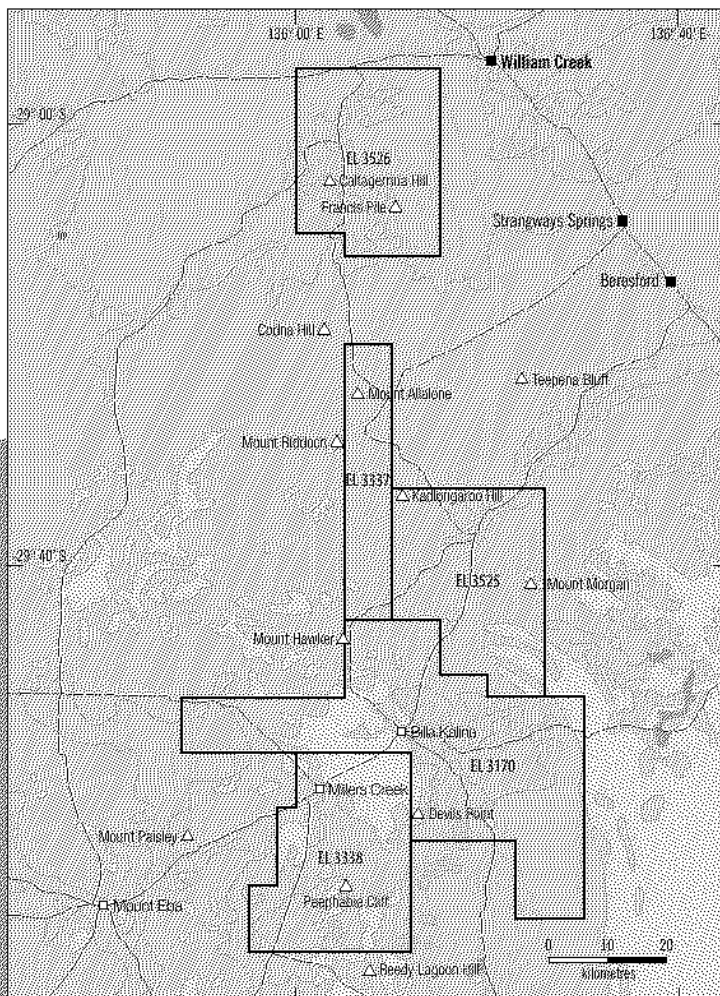
The project area is intersected by the "G2" Gravity Corridor, a north-northwest trending lineament that traverses the Australian continent. The corridor hosts the Olympic Dam deposit, located 70 kilometres to the south-southeast. The strategic location of the project within the Gawler Craton and along the G2 corridor, makes it highly prospective for major deposits of copper, gold and uranium.

Billa Kalina is 650 kilometres north of Adelaide and immediately south of the village of William Creek. It is accessible from Marree via the Oodnadatta Track to Coward Springs and then south to Billa Kalina or alternatively from Glendambo on the Stuart Highway. The tenements cover portions of existing pastoral leases in the region and are almost wholly within the Woomera restricted area. A network of station tracks linking numerous dams and

bores provides good access within the tenement area. Topography consists of broad expanses of gently undulating stony desert known as "gibber plains" interspersed with occasional low ridges and small hills. Drainage is relatively poor and stream incision is generally shallow. Vegetation is sparse. Climate is typical for Central Australia, with a low annual rainfall of 150 mm and mean maximum temperatures ranging between reaching 20°C (July) and 35°C (January).

Tenement holdings consist of 5 granted exploration licences EL3337 ("Welcome Creek") EL3526 ("Francis Swamp"), EL3525 ("Margaret Creek"), EL3170 ("Billa Kalina") and EL3338 ("Millers Creek") encompassing a total area of 4,084 square kilometres for which Maximus, by agreement with Flinders Diamonds Limited, holds 100% equity in non-diamond minerals. EPL, under agreement with Maximus, can earn a 50% interest in minerals other than diamonds in the project area and has the opportunity to increase its equity should Maximus elect not to contribute to post 50% equity expenditure. Eromanga will acquire 100% of EPL under the terms of the Share Sale Agreement. Details of the individual tenements can be found in the Legal Report on Tenements in Section E and terms of agreement are summarised in the Summary of Material Contracts in Section F of this prospectus.

BILLA KALINA PROJECT GEOLOGY



6.1 Geological Setting

The Billa Kalina project area is situated in the Stuart Shelf geological province within the eastern margin of the Gawler Craton, where an incomplete sequence of undeformed Late Proterozoic and Cambrian to Cainozoic platform sedimentary rocks overlies Early Proterozoic deformed granitic and sedimentary rocks and relatively flat lying felsic and mafic volcanics and siltstone. The project area is intersected by the north-northwesterly trending "G2" gravity corridor, which is thought to represent a long lasting zone of crustal weakness.

Proterozoic outcrop is sparse, the area being extensively covered with sedimentary rocks of Permian to Tertiary age. Significant northwest trending fault structures, to the north of the project area have exposed the large Peak and Denison Inlier which hosts small copper and gold workings. A smaller exposure of Proterozoic rocks, the Mt Morgan Inlier, occurs further south in the central part of the tenement area.

Post Proterozoic tectonic activity during the early part of the Palaeozoic led to the development of troughs into which Permian marine sediments

were subsequently deposited. The project tenements cover the southeast margin of one of these Permian basins, the Arckaringa Basin, where the sedimentary rocks thin out as they onlap the underlying Proterozoic basement. Approximately 130 kilometres of the basin margin is understood to lie within the Billa Kalina tenements, and is considered to be prospective for sandstone hosted uranium mineralisation. During the Late Jurassic and Early Cretaceous, fluvio-deltaic sediments were deposited unconformably over the Permian sediments. In the tenement area the thickness of overlying strata to the Permian formations is estimated to average around 30 metres.

Subsequently, erosion, deep weathering and hard duricrust development, in a semi-arid climate, lead to the formation of broad gibber plains obscuring much of the bedrock geology.

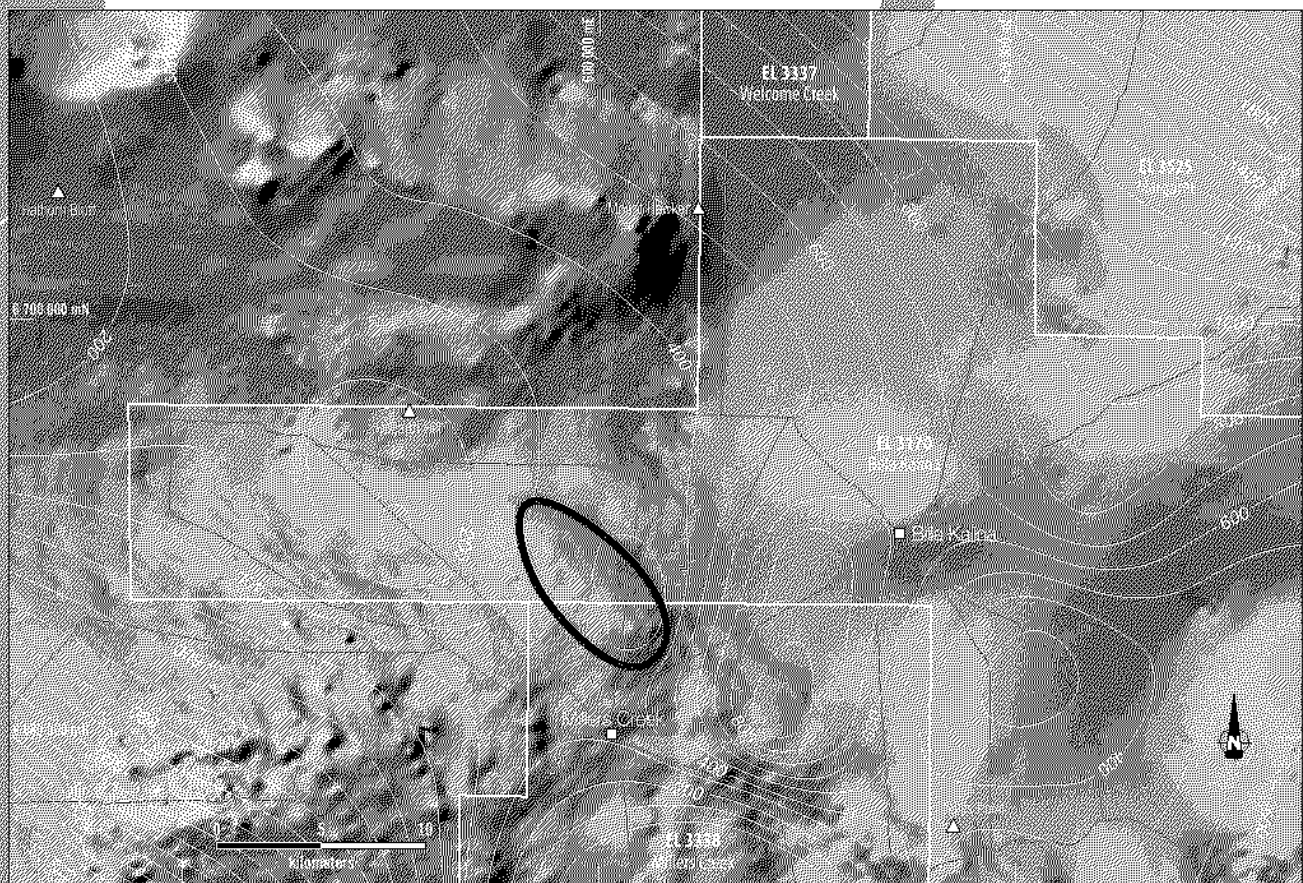
6.2 Exploration History

Small copper, gold and opal prospects occur in the project area, showing that interest in its mineral potential predates more intensive modern exploration programs. Several major companies have been active at various periods of time since the late 1970s, exploring for diamonds, base metals, uranium, gold and coal.

Regional aerial geophysical surveys and deep drilling for coal and water, have provided broad-based structural and stratigraphic data, from which the tectonic development of the region

-  Magnetic contour interval 100 mgals
-  Track
-  Homestead
-  Hill
-  Exploration licence boundary
-  Anomalous gravity feature

BILLA KALINA PROJECT - REGIONAL GRAVITY WITH DEPTH TO MAGNETIC BASEMENT CONTOURS



has been modelled and the thickness of sedimentary sequences overlying the Proterozoic basement determined.

Basemetal and gold exploration commenced in the late 1970s when Western Mining Corporation (WMC) drilled a prominent magnetic feature in the southeast corner of EL 3525. The anomaly was targeted with two holes to depths of 743 metres and 1500 metres, which failed to penetrate cover sequences.

During the late 1970s and early 1980s, a joint venture initially comprising Newmont and Dampier Mining Company Ltd (Dampier) and subsequently joined by Getty, drilled several deep holes in the area currently covered by ELs 3525 and 3526. No holes intersected basement or significant mineralisation and it was concluded that potential for Olympic Dam style mineralisation would, if present occur at depths in excess of 1 kilometre.

Dampier also drilled 4 stratigraphic holes near Woolshed Well just outside of the western boundary of EL3338. The holes intersected Lower Cretaceous marine sediments below a thin veneer of Recent fluvial sediments. No radiometric anomalies were detected but abnormal amounts of pyrite were reported in hole MC1.

Between 1980 and 1982, Esso Australia Ltd explored the western part of EL3338 for Olympic Dam style mineralisation without success and consequently farmed out their tenement holding to Stockdale Prospecting Limited who explored for diamonds until 1986. Although Stockdale recovered kimberlitic indicator minerals, no diamonds or kimberlite were discovered.

In 1996 MIM, after carrying out an airborne magnetic survey over the northern part of what is now EL 3526, concluded that depth to economic mineralisation was too deep. Similarly, Silver Rose Mining NL concluded from interpretation of compiled open file aeromagnetic data over the southeast corner of EL3529 that the basement targets were too deep.

During 2002, Flinders Diamonds Limited drilled 65 holes within EL 3525. Twenty nine holes were sampled for diamond indicator minerals of which twelve gave positive results and two areas were outlined for further exploration. The drilling also established depth to the top of Permian sedimentary rocks at approximately 40 metres. Potential for IOCG deposits was reviewed and a document describing conceptual targets was drafted for examination by parties interested in farming into the base metal and gold potential of the area.

6.3 Exploration Potential and Strategy.

Eromanga believes the Billa Kalina project area has potential for the discovery of uranium deposits in palaeodrainages within Permian sandstone along the margins of the Arkaringa Basin. This type of target has not been previously investigated in the area. The margin is not exposed and geophysical surveys, including remote sensing imagery and electromagnetic and radiometric surveying, and regional drilling programs will be required to target areas for more detailed work.

Eromanga will also direct its exploration effort, in association with Maximus, toward the discovery of Olympic Dam style iron oxide copper, gold and uranium mineralisation in Proterozoic basement rocks below 200-300 m of younger cover rocks.

IOCG deposits within the Gawler Craton are associated with large hydrothermal breccia systems spatially associated with Hiltaba Suite granitoids that occur on major structures with a complex array of faulting and veining. The Olympic Dam deposit lies at the intersection of the major north-northwest trending G2 and G9C gravity lineaments and is restricted to a large breccia complex, which occurs entirely within the Roxby Downs granite. Geophysical data and exploration drilling indicate that there are numerous coincident gravity-magnetic anomalies on the Gawler Craton especially associated with the G2 lineament. The Prominent Hills copper-gold deposit, located 45 kilometres west of the Billa Kalina Project, and the recently discovered Carrapateena copper-gold prospect to the south, confirms that episodes of hematite brecciation, flooding and mineralisation have occurred at other locations in the Gawler Craton. Both Prominent Hill and Carrapateena were discovered by drill testing gravity anomalies.

In the westward extending panhandle of EL3170, three peak gravity responses and a small, circular magnetic anomaly occur along a gravity ridge identified from South Australian regional gravity and aeromagnetic data. A 200 to 300 metre depth to basement has been modeled from regional aeromagnetic data. Maximus has recently completed detailed gravity and magnetic surveys over the regional gravity high. Preliminary interpretation of the magnetic and gravity data indicates depths of 290 to 690 metres to the top of modelled sources. It is anticipated that compilation of the post basement geology, currently in progress, will provide a better understanding of likely palaeosurfaces and actual depth to basement. This work may also provide more geologically acceptable parameters for remodelling the geophysical data and eventual target definition.

Budgeted expenditures for Years 1 and 2, are \$1,800,000 and \$2,000,000 respectively consequent on raising the fully subscribed amount of \$15 million. Should only the minimum raising of \$10 million be achieved, Year 1 expenditure will be reduced to \$1,250,000 and Year 2 expenditure to \$1,450,000.

The proposed budget and program have been examined and are believed to be consistent with the exploration models proposed and the potential for discovery.

7. Principal Sources of Information

Information for this report was drawn from several sources including published technical reports, public domain corporate information and unpublished PIRSA and DBIRD open file company reports. Among an extensive number of open file company reports consulted, those specifically pertinent to each project area listed as follows:

Marree Project: PIRSA Open File Envelopes Nos. 1327; 1745; 1884 and 2193

Kingooonya Project: PIRSA Open File Envelopes Nos. 3293; 3509; 3772; 4248; 4943; 5047; 5431; 6992 and 8434

Abminga Project: PIRSA Open File Envelopes Nos. 3902 and 2370 and NTGS Open File Company Report CR19780005

Illogwa Project: NTGS Open File Company Reports CR19780102; CR19790063 and CR19810094

Billa Kalina Project: PIRSA Open File Envelope Nos. 3784; 6498 and 8211

Principal published reports and public domain reports consulted are:

Ambrose, G.L. and Flint, R.B. 1980, Billa Kalina, S.A., South Australia Geological Survey, 1:250,000 Geological Series Explanatory Notes.

Bell, R.T. 1996, Sandstone uranium, in *Geology of Canadian Mineral Deposit Types*, (Ed. Eckstrand, O.R., Sinclair, W.D. and Thorpe, R.I.), pp 212 – 219. Geological Survey of Canada, Geology of Canada, No. 8

Benbow, M.C. 1983, Coober Pedy, S.A., South Australia Geological Survey, 1:250,000 Geological Series Explanatory Notes.

Cary, R. and Otterman D.W. 2005, Independent Consulting Geologist's Report for Maximus Resources Limited, Prospectus, Northwind Resources Pty Ltd, Booragoon, W.A., Australia

Coats, R.P. 1973, Copley, S.A., South Australia Geological Survey, 1:250,000 Geological Series Explanatory Notes.

Cowley, W.M. and Martin, A.R. 1991, Kingooonya, S.A., South Australia Geological Survey, 1:250,000 Geological Series Explanatory Notes.

Curtis, J.L., Brunt, D.A. and Binks, P.J. 1990, Tertiary paleochannel uranium deposits in South Australia, in *Geology of the Mineral Deposits of Australia and Papua New Guinea* (Ed. F.E. Hughes), pp. 1631 – 1636. The Australian Institute of Mining and Metallurgy: Melbourne, Monograph No. 14

Drexel, J.F., Preiss, W.V. and Parker, A.J. (Ed.) 1995, The geology of South Australia, Vol. 1, The Precambrian, South Australia. Department of Primary Industry and Resources, Geological Survey Bulletin 54.

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Finch, W.I and Davis, J.F., (Eds) 1985, Geological Environments of Sandstone – Type Uranium Deposits, Report of the Working Group on Uranium Geology, International Atomic Energy Agency, Vienna

Forbes, B.G. et al. 1965, Marree, S.A., South Australia Geological Survey, 1:250,000 Geological Series Map Sheet.

Marmont, S. 1988, Unconformity – type uranium deposits, in *Ore Deposit Models* (Eds. R.G. Roberts and P.A. Sheahan) pp103 – 115. The Geological Association of Canada, Geoscience Canada, Reprint Series 3.

Rogers, P.A. 1986 Abminga, S.A., South Australia Geological Survey, 1:250,000 Geological Series Explanatory Notes.

Ruzicka, V. 1996, Unconformity associated uranium, in *Geology of Canadian Mineral Deposit Types*, (Ed. Eckstrand, O.R., Sinclair, W.D. and Thorpe, R.I.), pp 197 – 210. Geological Survey of Canada, Geology of Canada, No. 8

Shaw, R.D. et al. 1981, Illogwa Creek, N.T., Northern Territory Geological Survey, 1:250,000 Geological Series Map Sheet.

Wells, A.T. et al. 1964, Hale River, N.T., Northern Territory Geological Survey, 1:250,000 Geological Series Map Sheet.

Glossary of Technical Terms

aeolian	Windblown, such as sand dunes, ripple marks or wind erosion. Deposits arranged by the wind.
aeromagnetic survey	Measurement of the earth's magnetic field from a surveying aircraft, for the purpose of recording magnetic characteristics of rocks.
aircore drilling	A method of rotary drilling whereby small core samples and rock chips are recovered by air flow returning inside the drill rods.
alluvium	Unconsolidated detrital material deposited by a stream or river.
alteration	A change in mineralogical composition of a rock commonly brought about by reactions with hydrothermal fluids or weathering.
anomaly / anomalous	A value or group of values higher than the expected norm.
Archaean	The oldest rocks of the Precambrian era, older than about 2,500 million years.
assay	A laboratory procedure for determining the presence or quantity of a component.
auger drilling	A drilling process using a spiral auger to drill and sample generally unconsolidated sediments.
basalt	A volcanic rock of low silica (<55%) and high iron and magnesium composition, composed primarily of plagioclase and pyroxene.
basemetal	Referring to the transition elements, including iron, copper, zinc and lead.
basement	Older, harder rocks underlying younger rock sequences.
basin	A depressed area of basement rocks in which cover sediments have accumulated.
bedrock	Solid rock underlying cover.
billion	1,000 million.
breccia / brecciation	Broken rock caused by deformation, consisting of angular fragments cemented in a fine grained matrix.
Cainozoic	The youngest era of geological time extending from 65 million years ago to the present, including the Tertiary and the Quaternary periods.
Cambrian	The first geological period of the Palaeozoic era extending from 570 million to 505 million years ago.
carbonaceous	A rock or sediment rich in carbon (C), or a sediment rich in organic matter.
carbonate	A compound containing the radical CO ₃ ; commonly calcium carbonate or calcium-magnesium carbonate.
channel	The bed where surface water may flow, an abandoned or buried watercourse, represented by stream deposits of sand or gravel.
chlorite	A platy hydrous silicate related to mica.
clastic	Components of a sedimentary rock that were deposited by erosion and transportation of mineral and rock fragments.
craton	A large, and usually ancient, stable mass of the earth's crust.
Cretaceous	The youngest geological period of the Mesozoic era, extending from 145 million to 65 million years ago.
crystalline	Designating igneous or metamorphic rocks as opposed to sedimentary rock.
deformation	A general term for the process of folding, faulting, shearing, compression or extension of rocks as a result of stress.
deltaic	Pertaining to the deposition in a river delta.
diamond drilling	A method of obtaining a cylindrical core of rock by drilling with a diamond impregnated bit.
DTM	Abbreviation for a Digital Terrain Model, used to provide a representation of the Earth's topography.
duricrust	A hard crust on the surface.
Electromagnetics (EM)	Magnetic or electrical fields associated with artificially generated subsurface currents and their measurement.
Eocene	A geological time period of about 55 million to 35 million years ago.
epigenetic	Mineralisation which has been formed or deposited later than its immediate host rocks, e.g. a vein.
fault / faulting	A fracture in the rock along which there has been relative displacement of the two sides either vertically or horizontally.
felsic	Descriptive of light coloured rocks containing an abundance of feldspars and quartz.
fluvial / fluvatile	Produced by river action.
fold	A bend in strata or any planar structure.
gamma logging	A geophysical technique of measuring the natural gamma radiation of the rock.
gamma radiation/ray	Electromagnetic radiation from an atomic nucleus.

geochemistry	The study of the abundance and distribution of elements in rocks, or their weathering products, by chemical methods.
geophysics	The study of the physical properties of rocks such as magnetism, conductivity and density.
geosyncline	A basin-like downwarp of the earth's crust in which a thick sequence of sedimentary and volcanic rocks has accumulated.
gneiss	A foliated rock formed by regional metamorphism.
granite	A coarse-grained igneous rock containing mainly quartz and alkali feldspar minerals and subordinate plagioclase feldspar and mica.
granitoid	A field term for a coarse grained felsic rock resembling granite.
gravity survey	A geophysical technique involving the systematic survey of readings of the Earth's gravitational field strength related to rock types.
hematite	A mineral composed of ferric iron and oxide.
hydrothermal	Pertaining to hot aqueous solutions having temperatures up to 400°C. The solutions transport and deposit metals and chemicals in solution.
igneous	Rocks that have solidified from molten rock (magma).
indurated	Hardened by cementation.
inlier	An area or group of rocks surrounded by rocks of younger age.
intrusive	A mass of rock formed by magma cooling beneath the earth's surface.
IP	survey Induced Polarisation survey; an electro-geophysical survey technique where potential fields are measured under the influence of an applied current.
Jurassic	The middle time period of the Mesozoic extending from 200 million to 145 million years ago.
lacustrine	Pertaining to the deposition in a lake environment.
lignite	A brownish-black coal.
lineament	A significant linear feature of the earth's crust, usually equating to a major fault or shear structure.
mafic	Descriptive of rocks composed dominantly of magnesium, iron and calcium-rich rock-forming silicates.
magnetic anomalies	Zones where the magnitude and orientation of the earth's magnetic field differs from adjacent areas.
Mesoproterozoic	The middle time subdivision of the Proterozoic geological period, from 1,600 million to 1,000 million years ago.
Mesozoic	The second youngest geological era extending from 250 million to 65 million years ago.
meta (prefix)	Indicating the rock has undergone metamorphism.
metamorphosed	A rock that has been modified by the effects of pressure, heat and fluids.
mineralisation	The concentration of metals and their chemical compounds within a body of rock.
mudstone	A fine grained sedimentary rock.
Neoproterozoic	The youngest time subdivision of the Proterozoic geological period, from 1,000 million to 570 million years ago.
NOAA	Abbreviation for National Oceanic and Atmospheric Administration. A USA government organisation that collects satellite remote sensing data.
ore	Mineral-bearing rock that may be mined and treated at a profit.
orogeny	A process where part of the earth's crust is deformed, over a specific period of time.
outcrop	An exposure of bedrock at surface.
oxidation	The process by which minerals are altered by the action of oxygen.
palaeo (prefix)	Denoting the attribute of great age or involving ancient conditions or ancestral origin.
palaeodrainage	An ancient drainage system.
Palaeoproterozoic	The oldest time subdivision of the Proterozoic geological period, from 2,500 million to 1,600 million years ago.
Palaeozoic	A geological era extending from 570 million to 250 million years ago.
Paleocene	A geological time period of about 65 million to 55 million years ago.
percussion drilling	A form of drilling carried out by the hammering action of a drill bit.
Permian	The youngest period of the Palaeozoic geological era, from 290 million to 250 million years ago.
pitchblende	The most common ore of uranium, which is dominantly composed of the mineral uraninite (UO ₂).
playa lake	A shallow, intermittent lake in an arid or semi arid region that upon evaporation leaves a low flat vegetation free area underlain by stratified clay, silt sand and soluble salts.

plutonic	Pertaining to an intrusive mass of igneous rock.
ppb or ppm	Parts per billion or parts per million.
Precambrian	A geological era of more than 570 million years ago.
prospect	An area of a tenement which has demonstrated potential to host an orebody.
prospective	A general term for the perceived potential for the discovery of an orebody based on the knowledge of factors such as favourable geological setting, structures, alteration, geochemical and/or geophysical responses, and the occurrence of mineralisation.
Proterozoic	The geological time period between 2,500 million to 570 million years ago.
pyrite / pyritic	A mineral consisting of iron and sulphur, (FeS ₂). Containing pyrite.
quartz	A mineral composed of silicon dioxide.
Quaternary	A period of the Cainozoic geological era from 2 million years ago to the present.
radiometric survey	The systematic survey of readings of radiogenic emissions as a result of radioactive processes.
RAB drilling	Rotary airblast drilling; a rotary drilling technique in which sample is returned to surface outside of the rod string by compressed air.
radon	A gas originating from the radioactive decay of uranium minerals.
RC drilling	Reverse circulation drilling; A method of drilling whereby rock chips are recovered by airflow returning inside the drill rods rather than outside, thereby providing usually reliable samples.
Recent	The era of geologic time covering the period from approximately 8 thousand years ago to the present.
redox	A chemical process involving the transfer of electrons by oxidation and reduction. The oxidation-reduction interface in water charged sediments at the top of the water table.
resource	In-situ mineral occurrence from which valuable or useful minerals may be recovered.
roll-front deposit	A type of uranium deposit formed at the boundary between reducing and oxidising environments (redox) in moving groundwater.
sandstone	A medium-grained clastic sedimentary rock composed of rounded or angular fragments.
sediment	Rocks formed by the deposition of solids from water.
seismic survey	The systematic survey of reflected sound waves to measure changes in the density of the Earth's surface between rock and soil layers.
shale	A fine grained sedimentary rock.
shear	A planar zone of dislocation in rock similar to a fault.
siltstone	A very fine grained consolidated clastic rock composed predominantly of silt.
stratigraphy	Composition, sequence and correlation of stratified rock in the earth's crust.
structure	Refers to the deformation of rocks by folding, fracturing, faulting and shearing and the features created by those processes.
structural	Pertaining to geological structure.
sulphide	A mineral compound characterised by the linkage of sulphur and metal.
tectonic	Of, pertaining to or designating the rock structure and external forms resulting from the deformation of the earth's crust.
Tertiary	The first period of the Cainozoic geological era, from 65 million to 1.6 million years ago.
thalweg	A line drawn through the lowest points of a channel or valley in its downward slope thus marking the natural direction of a watercourse.
Triassic	The earliest time period of the Mesozoic extending from 250 million to 200 million years ago.
U	The chemical symbol for uranium.
U ₃ O ₈	The chemical symbol for uranium oxide.
unconformity	A surface erosion or non-deposition that separates younger strata from older rock.
uraninite	A uranium oxide mineral (UO ₂) always partially oxidised with a composition between UO ₂ and U ₃ O ₈ , the mineral constituent of pitchblende.
vein	A thin sheet-like intrusion into a fissure or crack, commonly bearing quartz.
volcanic	Descriptive of rocks originating from extrusive igneous activity.
weathering	The group of processes that change the character and composition of rocks by decay.

The Board of Directors
Eromanga Uranium Limited
20 Boskenna Avenue
NORWOOD SA 5067

1 August 2006

Dear Sirs

INDEPENDENT ACCOUNTANT'S REPORT ON REVIEWED HISTORICAL FINANCIAL INFORMATION

Introduction

We have prepared this Independent Accountant's Report ("report") on the historical information of Eromanga Uranium Limited ("the Company") for inclusion in a Prospectus dated on or about 4 August 2006 relating to the following proposed transaction:

- Pursuant to this prospectus, the Company offers for subscription 60,000,000 Shares in the Company at an issue price of \$0.25 per Share to raise \$15,000,000, with a right for the Company to accept oversubscriptions up to a further \$5,000,000. The minimum subscription is \$10,000,000. All amounts are payable in full on application.

Expressions referred to in the Prospectus have the same meaning in this report.

Background

The Company was incorporated in Adelaide on 29 March 2006 as an unlisted public Company limited by shares. Since its incorporation the objective of the Company has been to identify and acquire uranium deposits within the Eromanga Basin.

Since its incorporation the Company has entered into the following transactions:

- a) Subsequent to 31 May 2006
 - The issue of 250,000 share options to the Company Secretary. Each option is unlisted and has an exercise price of \$0.30 exercisable at any time until 30 June 2011. The fair value of the options is \$1,000.
 - The issue of 1,000,000 share options to the Company's Corporate Advisors. Each option is unlisted and has an exercise price of \$0.30 exercisable at any time until 30 June 2011. The fair value of the options is \$4,000.
- b) Contingent upon the successful listing of the Company on the ASX
 - Pursuant to a Share Sale and Purchase Agreement dated 14 June 2006, Maximus Resources Limited has agreed to sell to the Company all of the issued capital of Eromanga Uranium Resources Pty Ltd ("Eromanga Resources") for the following consideration:
 - 44,357,143 shares with a fair value of \$11,089,286; and
 - 8,035,714 share options with a fair value of \$450,000. The options will be unlisted with an exercise price of \$0.30 exercisable at any time until 30 June 2011.

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Historical and Pro-forma information

The historical and pro-forma financial information ("together referred to as the financial information") set out on pages 51 to 58 of this report comprises:

- The historical Income Statement for the period from incorporation to 31 May 2006;
- The historical Balance Sheet as at 31 May 2006;
- The historical Statement of Cash flows for the period from incorporation to 31 May 2006;
- The historical Statement of Changes in Equity for the period ended 31 May 2006;
- The pro-forma Balance Sheet as at 31 May 2006, based on the assumption that the transactions contemplated in the prospectus have been completed at 31 May 2006; and
- Notes to the historical and pro-forma Financial Information.

Scope

You have requested Grant Thornton to prepare a report covering the following information.

- a) The historical performance of the Company for the period from incorporation to 31 May 2006; and
- b) The historical Balance Sheet as at 31 May 2006 and the Pro-forma Balance Sheet as at 31 May 2006, which assumes completion of the contemplated transactions disclosed in the Prospectus and the transactions which have occurred subsequent to 31 May 2006 which have been detailed above.

The historical information set out on pages 51 to 58 of this report has been extracted from the un-audited financial statements of the Company.

The Directors of Eromanga Uranium Ltd are responsible for the preparation and presentation of the financial information included in this report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and estimates inherent in the financial information.

We have conducted our review of the financial information including the pro-forma adjustments in accordance with the Australian Auditing Standard AUS 902 "Review of Financial Reports". We have made such enquiries and performed such procedures as we in our professional judgement, consider reasonable in the circumstances including:

- analytical procedures on the reviewed financial performance of the Company for the relevant historical period;
- a review of accounting records, work papers and other documents;
- a review of the assumptions used to compile the pro-forma Statement of Balance Sheet;
- a review of adjustments made to the pro-forma historical financial information;

- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia and the accounting policies adopted by the Company; and
- enquiry of directors, management and others.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit and accordingly we do not express an audit opinion.

Review Statement of Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- a) the historical financial information set out on pages 51 to 58 does not present fairly the historical financial position of the Company as at 31 May 2006 and its historical performance and cash flows for the period since incorporation, in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards and other mandatory professional reporting requirements and the accounting policies adopted by the Company; and
- b) the pro-forma Balance Sheet as at 31 May 2006 has not been properly prepared on the basis of the pro-forma transactions.

Subsequent Events

Since the 31 May 2006 and to the date of this report the Company has incurred costs associated with the production of this prospectus and managing of the company's assets.

Apart from the matters dealt with in this report and having regard to the scope of our review, to the best of our knowledge and belief, no material transactions or events outside the ordinary business of the Company have come to our attention that require comment on or adjustment to the information referred to in our report or that would cause such information to be misleading or deceptive.

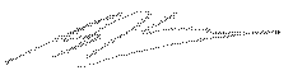
Independence and Disclosure of Interest

Grant Thornton does not have any interest in the outcome of this issue other than for the preparation of this report and for acting as auditors of the Company for which normal professional fees will be received.

Yours faithfully

GRANT THORNTON

South Australian Partnership



S J GRAY

Partner

EROMANGA URANIUM LIMITED & CONTROLLED ENTITIES
ACN 119 031 864

REVIEWED INCOME STATEMENT

FOR THE PERIOD ENDED 31 MAY 2006

	Reviewed Period ended 31 May 2006 \$
Revenue	
	-
Total Revenue	-
Expenses	
Bank fees	6
Computer expenses	375
Office expenses	544
Travel and accommodation	1,105
Survey costs	442
Profit/(Loss) from ordinary activities before income tax expense	(2,472)
Income tax expense	-
Profit/(Loss) from ordinary activities after income tax expense	(2,472)

The above income statement should be read in conjunction with the accompanying notes.

SECTION

D

EROMANGA URANIUM LIMITED & CONTROLLED ENTITIES
ACN 119 031 864

REVIEWED BALANCE SHEET AND CONSOLIDATED PRO FORMA BALANCE SHEET

AS AT 31 MAY 2006

		Reviewed	Unaudited Pro Forma Minimum Subscription	Unaudited Pro Forma Full Subscription	Unaudited Pro Forma Full with over Subscription
		31 May 2006	31 May 2006	31 May 2006	31 May 2006
Note	\$	\$	\$	\$	\$
CURRENT ASSETS					
Cash	3	548,322	9,525,006	14,225,006	18,925,006
Receivables		2,327	2,327	2,327	2,327
Prepaid capital raising costs		23,684	-	-	-
TOTAL CURRENT ASSETS		574,333	9,527,333	14,227,333	18,927,333
NON CURRENT ASSETS					
Exploration assets	4	-	11,539,286	11,539,286	11,539,286
TOTAL NON CURRENT ASSETS		-	11,539,286	11,539,286	11,539,286
TOTAL ASSETS		574,333	21,066,619	25,766,619	30,466,619
CURRENT LIABILITIES					
Payables		302	302	302	302
TOTAL CURRENT LIABILITIES		302	302	302	302
TOTAL LIABILITIES		302	302	302	302
NET ASSETS		574,031	21,066,317	25,766,317	30,466,317
SHAREHOLDERS EQUITY					
Issued capital	5	576,503	21,057,689	25,847,689	30,637,689
Share option reserve		-	455,000	455,000	455,000
Retained earnings		(2,472)	(446,372)	(536,372)	(626,372)
TOTAL SHAREHOLDERS EQUITY		574,031	21,066,317	25,766,317	30,466,317

The above balance sheet and consolidated pro-forma balance sheets should be read in conjunction with the accompanying notes.

EROMANGA URANIUM LIMITED & CONTROLLED ENTITIES
ACN 119 031 864

REVIEWED CASHFLOW STATEMENT

FOR THE PERIOD ENDED 31 MAY 2006

	Period ended 31 May 2006 \$
Operating activities	
Receipts from customers	-
Payments to suppliers	(4,497)
Interest received	-
Cash inflows/(outflows) from operating activities	(4,497)
Investing activities	
Payments for property, plant and equipment	-
Payments made for exploration activities	-
Cash inflows/(outflows) from investing activities	-
Financing activities	
Proceeds from share issues	576,503
Payments for share issue costs	(23,684)
Cash inflows/(outflows) from financing activities	552,819
Net increase/(decrease) in cash	548,322
Cash at the beginning of the period	-
Cash at the end of the period	548,322

The above cashflow statement should be read in conjunction with the accompanying notes.

SECTION

D

EROMANGA URANIUM LIMITED & CONTROLLED ENTITIES
ACN 119 031 864

REVIEWED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MAY 2006

	Reviewed 31 May 2006	
Ordinary Shares \$	Share Option Reserve	Retained Earnings \$
Balance at Incorporation (29 March 2006)		
	-	-
Loss for the period to 31 May 2006	-	(2,472)
Shares issued during the period	-	-
Balance at 31 May 2006	-	(2,472)
Pro-forma transactions		
Issue of new shares pursuant to this prospectus	-	-
Expenses of the offer	-	(184,000)
Deferred tax assets associated with the expenses of the offer written off – Refer Note 1	-	(258,900)
Issue of Share Options to the Company's Corporate Advisors – Refer Note 2	4,000	-
Issue of Share Options issued to the Company Secretary – Refer Note 2	1,000	(1,000)
Issue of shares and share options to Maximus Resources Ltd pursuant to a Share Sale Agreement – Refer Note 2	450,000	-
Pro-forma transactions at 31 May 2006 Minimum Subscription	455,000	(446,372)
Issue of an additional 20,000,000 shares to full subscription	-	-
Additional expenses of the offer	-	-
Deferred tax assets associated with the expenses of the offer written off – Refer Note 1	-	(90,000)
Pro-forma transactions at 31 May 2006 Full Subscription	455,000	(536,372)
Issue of an additional 20,000,000 new shares to Maximum Subscription	-	-
Additional costs of the offer	-	-
Deferred tax assets associated with the expenses of the offer	-	(90,000)
Pro-forma transactions at 31 May 2006 to Maximum Subscription	455,000	(626,372)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

EROMANGA URANIUM LIMITED & CONTROLLED ENTITIES
ACN 119 031 864

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MAY 2006

Note 1 - Statement of Significant Accounting Policies

The financial information has been prepared in accordance with the measurement but not all of the disclosure requirements of Australian Accounting Standards and Urgent Issues Group Consensus Views. In the view of the Directors of Eromanga Uranium Limited ("the Company"), the omitted disclosures would provide no further relevant information to potential investors.

a) Basis of Preparation

Eromanga Uranium Limited has prepared financial statements in accordance with the Australian Equivalents to International Financial Reporting Standards (IFRS).

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

c) Principles of Consolidation

A controlled entity is any entity Eromanga Uranium Limited has the power to control the financial and operating policies so as to obtain benefits from its activities.

All inter-company balances and transactions between entities, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

d) Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

e) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

EROMANGA URANIUM LIMITED & CONTROLLED ENTITIES
ACN 119 031 864

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MAY 2006

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

f) Incorporation

The company was incorporated on 29 March 2006.

g) Contributed equity

Issued capital is recognised at the fair value of the consideration received by the company.

Any capital raising costs are initially recognised as a prepaid expense and offset directly against equity as a reduction of the share proceeds on receipt.

h) Equity-settled compensation

Shares and share options issued as part of employees remuneration payments or to other counterparties in return for goods and services are measured at the more readily determinable fair value of good / service or the fair values of the equity instrument. The fair value of the equity instrument is determined by application of the Black-Scholes methodology.

Where the grant date and the vesting date are different the total expenditure will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

Note 2 – Basis of Preparation of the Consolidated Pro Forma Balance Sheet

The Consolidated Pro Forma Balance Sheet has been prepared from the Reviewed Balance Sheet adjusted for the following transactions as if they had taken place on 31 May 2006:

2.1 Assuming Minimum Subscription

- The issue of 1,000,000 share options to the Company's Corporate Advisors, with a fair value of \$4,000;
- The issue of 250,000 share options, with a fair value of \$1,000, to the Company Secretary;
- The issue of 40,000,000 ordinary shares at an issue price of \$0.25 per share to raise \$10,000,000, less associated capital raising costs estimated to be \$1,047,000 of which \$863,000 has been directly offset against raised capital (\$608,100 net of tax); and
- The issue of 44,357,143 ordinary shares to Maximus Resources Ltd with a fair value of \$11,089,286 and the issue of 8,035,714 share options with a fair value of \$450,000 as consideration for the acquisition of 100% of the share capital of Eromanga Resources Pty Ltd pursuant to a Share Sale Agreement.

2.2 Assuming Full Subscription

- The issue of a further 20,000,000 shares at an issue price of \$0.25 per share to raise an additional \$5,000,000, less additional capital raising costs estimated to be \$300,000 (\$210,000 net of tax).

EROMANGA URANIUM LIMITED & CONTROLLED ENTITIES
ACN 119 031 864

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MAY 2006

2.3 Assuming Maximum Subscription

- The issue of a further 20,000,000 shares at an issue price of \$0.25 per share to raise an additional \$5,000,000, less additional capital raising costs estimated to be \$300,000 (\$210,000 net of tax).

	Reviewed 31 May 2006 \$	Unaudited Pro Forma Minimum Subscription 31 May 2006 \$	Unaudited Pro Forma Full Subscription 31 May 2006 \$	Unaudited Pro Forma Maximum Subscription 31 May 2006 \$
Note 3 – Cash Assets				
Cash on hand and at bank	548,322	9,525,006	14,225,006	18,925,006
Note 4 – Exploration assets				
Exploration assets	-	11,539,286	11,539,286	11,539,286

Note 5 – Contributed Equity and Share Options

	Number of shares issued	\$
Paid up capital		
Shares on issue at 31 May 2006	21,972,003	576,503
Pursuant to this Prospectus – Minimum Subscription	40,000,000	10,000,000
Less capital raising costs (net of tax effect)	-	(608,100)
Shares issued to Maximus Resources Ltd pursuant to the Share Sale Agreement	44,357,143	11,089,286
At Minimum Subscription	106,329,146	21,057,689
Additional shares issued pursuant to this Prospectus – Full Subscription	20,000,000	5,000,000
Less additional capital raising costs (net of tax effect)	-	(210,000)
At Full Subscription	126,329,146	25,847,689
Additional shares issued pursuant to this prospectus – Maximum Subscription	20,000,000	5,000,000
Less additional capital raising costs (net of tax effect)	-	(210,000)
At Maximum Subscription	146,329,146	30,637,689

EROMANGA URANIUM LIMITED & CONTROLLED ENTITIES
ACN 119 031 864

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MAY 2006

Share options

On completion of the transactions contemplated in this Prospectus, the following share options will be outstanding;

Share options on issue at 31 May 2006

Directors and Director related entities	17,500,000
Options issued to Corporate Advisors	1,000,000
Options issued to Company Secretary	250,000
Options issued to Maximus Resources Limited	8,035,714
	26,785,714

These options are unlisted, and have an exercise price of \$0.30 and are exercisable at any time up to 30 June 2011.

Note 6 - Expenditure commitments

Due to the nature of the Company's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature or amount of future expenditure. It will be necessary for the company to incur expenditure in order to retain present interests in mineral tenements and joint ventures. The timing and amounts of exploration expenditure commitments of the Company may vary significantly from the forecast based upon the results of work performed by the Company and joint venture partners, which will determine the prospectivity of the relevant area of interest.

Our Ref: GSD ERO60234
 Your Ref:
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D | M | A | W
L A W Y E R S

3 August 2006

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Dear Sirs

LEGAL REPORT ON TENEMENTS

Introduction

This report is prepared for inclusion in an initial public offering prospectus to be issued by Eromanga Uranium Limited (**Company**) on or about 4 August 2006 (**Prospectus**).

This report relates to:

- the interests of Eromanga Uranium Resources Pty Ltd (**EUR**) and Maximus Resources Limited (**MXR**) in respect of certain Exploration Licences and Applications for Exploration Licences as set out in the Schedule attached to and forming part of this report (**Tenements**);
- the material contracts relating to the Tenements which EUR and MXR are parties to (**JV Agreements**) and which are summarised in the "Summary of Material Contracts", commencing on page 68 of the Prospectus;
- any claims over land covered by the Tenements lodged with the National Native Title Tribunal (**NTTT**).

Upon completion of the agreement for the sale and purchase of shares between the Company and MXR referred to in the "Summary of Material Contracts", on page 69 of the Prospectus (**Share Sale Agreement**), the Company will acquire the whole of the issued capital of EUR. Accordingly, the Company's interest in the Tenements will be held through EUR.

Searches

For the purposes of this report we have conducted searches of the Tenements in:

- the register maintained by Primary Industry and Resources South Australia, on 19 May 2006, 14 July 2006 and 28 July 2006;
- the register maintained by the Department of Business, Industry and Resource Development (Northern Territory), on 19 May 2006;
- the register maintained by the NTTT, on 19 May 2006, 25 July 2006 and 31 July 2006.

The Company's interest in the Tenements (through EUR) are contractual rights conferred by the JV Agreements to acquire an interest which are dependent upon the parties complying with, and fulfilling the terms of, the JV Agreements.

On the basis of the searches conducted and our review of the JV Agreements, subject to the enforceability of the JV Agreements and the assumptions and qualifications set out below, we are satisfied that, as at the date of the relevant searches:

- this report (including the Schedule) provides an accurate, without intending to be exhaustive statement as to the status of the Tenements and the Company's interest in the Tenements;
- where title to a Tenement has not been granted or an application for extension of a term of a Tenement is pending, that fact is disclosed in the Schedule;
- subject to the completion of the Share Sale Agreement, the Company, through EUR, has the right to acquire an interest in the Tenements on the terms and conditions of the JV Agreements and subject to the matters referred to in this report and the Schedule; and
- Tenements granted since 23 December 1996 (being all the Tenements listed in the Schedule) are valid assuming the applicable processes prescribed by the native title legislation (described below) were complied with by the relevant State or Territory Government (which we have not checked). The valid grant of any of the current applications for Tenements which may affect native title will require compliance with these applicable processes.

Tenements

The Tenements comprise exploration licences granted or applied for under the Mining Acts in South Australia and Northern Territory.

Mining tenements (including the Tenements listed in the Schedule) are granted subject to various conditions prescribed by the various Mining Acts including payment of rent, compliance with minimum expenditure, reporting requirements and standard environmental conditions. Tenements are also subject to statutory requirements of certain other Acts including Aboriginal heritage legislation and environmental protection legislation. Except as set out below, these standard conditions are not detailed in this report.

JV Agreements

Details of the JV Agreements concerning the Tenements are contained in Section F of the Prospectus. The Company has not identified to us any other material contracts relating to the Tenements.

In examining the JV Agreements we have assumed:

- copies of the JV Agreements provided to us are complete and conform to original documents;
- the authenticity of all seals and signatures on the JV Agreements; and
- that all of the JV Agreements are within the capacity and powers of, and have been validly authorised, executed and delivered by, and are binding on, each of the parties to them.

The JV Agreements are in the course of being registered, stamped and lodged in compliance with the relevant legislation. Further, the JV Agreements confer on EUR the right to lodge a caveat to protect its interest in the Tenements.

On the basis of the foregoing, it is our opinion that the descriptions of the JV Agreements do not contain any statement or matter that is false in a material particular or is materially misleading in the form and context in which it appears.

Native Title

In 1992 the High Court of Australia delivered judgment in the matter of *Mabo v Queensland*, in which indigenous rights in Australian land were recognised as having existed at the time sovereignty over Australia was first asserted by Great Britain and that such indigenous land rights had survived thereafter. Such was the creation of 'native title' rights and interests, which is the collective term given to describe the rights held by Aboriginal and Torres Strait Islander peoples to use and enjoy lands in accordance with their traditional customs and laws.

The results of our searches conducted in the register of the NNTT show that certain of the Tenements are subject to native title claims (as identified in the Schedule). For the reasons set out below, this may affect the Company's ability to obtain access to certain of its exploration areas or to obtain mining leases.

Native Title Legislation

To address the common law rights recognised by the High Court in *Mabo v Queensland*, the Commonwealth Parliament enacted the *Native Title Act 1993* (Cth) (**NTA**) to regulate dealings with native title lands.

The NTA validated acts of the Commonwealth which had occurred prior to the introduction of the NTA, and which would, subsequently, be inconsistent with the protected status of native title (known as "**Past Acts**"). The NTA further made provision for the future ability of governments to extinguish and otherwise affect the native title rights and interests of indigenous Australians (known as "**Future Acts**").

At the time of the introduction of the NTA governments had considered that the grant of a pastoral lease was sufficient to extinguish all native title rights and interests in the land the subject of the lease. However, in 1996 the High Court declared, in the case of *Wik Peoples v Queensland*, that the granting of a pastoral lease would not always result in the extinguishment of native title rights as some native title rights could co-exist with the rights conferred by a pastoral lease.

As a result of the *Wik* decision, doubt was cast over the validity of acts done during the period from the introduction of the NTA (1 January 1994) up until the delivery of the *Wik* decision (23 December 1996).

Accordingly, the NTA was amended to provide a legislative scheme for:

- a process by which native title may be validly extinguished ("Future Acts" as referred to above);
- the validation of Past Acts (including mining tenements and ancillary titles), and intermediate acts affecting native title lands (inclusive of Commonwealth, State and Territory governments);
- the authorisation of acts done in relation to native title lands which occurred after the introduction of the NTA;
- a process by which native title holders have a right to negotiate with the Government and non-native title parties as to the use of native title lands (including negotiations relating to the renewal, variation or grant of a right to mine) (**Right to Negotiate**); and
- the payment of compensation to native title holders for the extinguishment or impairment of native title.

Each of the Mining Acts referred to above also contain specific provisions for land access and a separate right and procedure to negotiate for native title lands in their respective State or Territory ("Right to Negotiate" as referred to above).

Tenements listed in the Schedule which are Future Acts for the purposes of the Mining Acts and the NTA (that is, Tenements granted since 23 December 1996) and which fail to comply with the procedures of the Mining Acts in respect of the Right to Negotiate will be invalid to the extent that native title is affected.

Under each Mining Act referred to above, an exploration licence does not provide to the holders any right to carry out mining operations, prospecting, exploring or mining for minerals on native title land. Mining operations are not restricted if they do not affect the existence, enjoyment or exercise of any right provided by native title, or for which a declaration has been made under State or Commonwealth law that the land is not subject to native title.

The holder of an exploration licence is required to enter into negotiations for an agreement with the holders of or claimants for native title over the relevant area, or to apply to the relevant judicial authority in order to have mining operations authorised under the relevant legislation.

Uranium Legislation

Exploration and mining of uranium is permitted in South Australia and the Northern Territory, the areas covered by the Tenements and within which the Company is proposing to explore for and develop economic resources of uranium. New South Wales and Victoria both have legislation prohibiting uranium exploration and mining. Western Australia and Queensland both have policies that prohibit uranium mining. There is no restriction on uranium exploration and mining in Tasmania although there are no mines operating in that State.

The exploration and mining of uranium in Australia is governed by both State and Federal legislation.

While day to day regulation of the uranium industry is mainly a State/Territory Government responsibility, the Australian Government has specific interests and responsibilities in relation to the regulation of uranium, which are exercised through a number of key legislative and administrative arrangements including the following:

- *The Atomic Energy Act 1953 (Cth) (Atomic Energy Act)*

The Atomic Energy Act provides that a person who discovers uranium must report the discovery to the responsible Minister. The Minister may require a person to furnish written statements or returns at the specified times and in respect of specified periods, containing particulars relating to (among other things) uranium in that person's possession or control. Importantly under this Act, the Commonwealth retains ownership of all uranium found in all Australian Territories.

- *The Environmental Protection and Biodiversity Conservation Act 1999 (EPBC Act)*

The EPBC Act is the principal legislative means by which the environmental impacts associated with mining, use and disposal of nuclear material are regulated. The EPBC Act identifies a number of areas of Commonwealth environmental jurisdiction, one of which is "nuclear actions" which is defined to include mining or milling of uranium ore. Where a nuclear action has, will have, or is likely to have, a significant impact on the environment, approval must be sought from the responsible Minister before a project can proceed. Approval is based on the outcomes of Commonwealth environmental assessment and approval process, although, these can be (and usually are) undertaken jointly with the State/Territory government. The approval must specify the period for which it has effect and set out the conditions attached to the approval.

- *The Nuclear Non-Proliferation (Safeguards) Act 1987*

This Act, derived from the 1973 Treaty on the Non-Proliferation of Nuclear Weapons, has the objective of ensuring the physical security of nuclear materials within Australia. Under this Act, possession of nuclear material (including uranium) requires a permit and approval from the Australian Safeguards and Non-Proliferation Office (ASNO).

- *The Customs Act 1901(Cth) (Customs Act)*

Under the Customs Act, via regulation 9 of the Customs (Prohibited Exports) Regulations 1958 (Cth), an export licence is required for the export from Australia of uranium. The responsible Minister may specify conditions, including mine-site environmental conditions, on the export of uranium. Export applications are subject to assessment by the Department of Industry, Tourism and Resources and the ASNO to ensure that Australian uranium is only being exported for peaceful non-explosive purposes under Australia's network of bilateral safeguards agreements. Australia retains the right to be selective as to the countries with which it is prepared to conclude safeguards arrangements. The length of the licence is determined on a case by case basis.

There is specific legislation regulating the exploration and mining of uranium in South Australia and Northern Territory, the areas covered by the Tenements.

In South Australia, uranium mining is regulated by the following legislative instruments:

- *The Radiation Protection and Control Act 1982 (RPC Act)*

The RPC Act controls activities that involve radiation and radioactive materials in South Australia, including mining and milling of radioactive ores. The RPC Act provides for a licensing and registration system under which a person is prohibited from carrying out operations for the mining of uranium unless the operations are authorised by a licence granted by the responsible Minister. The responsible Minister may attach conditions to the licence. The primary condition applied to all licences is the requirement for compliance with the Commonwealth's Code of Practice for Radiation Protection and Radioactive Waste Management in Mining and Mineral Processing (2005). This Code requires inter alia, uranium mines to have an approved Radiation Management Program and Radiative Waste Management Program in place.

- *The Mining Act 1971 (SA Mining Act) and Mines and Works Inspection Act 1920*

The South Australian Minister for Mineral Resources Development regulates all mining activities in South Australia under the provisions of these Acts. Under these Acts, mine operators are required to obtain a Mining Lease (**ML**) and to develop an approved Mining and Rehabilitation Program (**MARP**) to minimise the environmental effects of mining and ensure adequate decontamination and rehabilitation of mining sites. The ML and MARP must be renewed at regular intervals, generally every seven years. Inspections are carried out to ensure compliance with the conditions of the ML and the MARP.

The Minister may grant a ML under section 10A of the SA Mining Act following consideration of the results of an extensive assessment, including assessment of the likely environmental impacts and satisfactory resolution of any Native Title issues. This section does not prevent recovery of uranium in the course of mining operations carried out for the purpose of other minerals provided that the uranium is stockpiled in accordance with the conditions stipulated by the Minister or is of such low concentration that, in the Minister's opinion, it may be safely discarded as waste and is in fact discarded as waste.

The property in uranium recovered from mining operations conducted under a ML does not pass from the Crown unless and until the Minister gives a written authority to the relevant party to sell and dispose of the uranium.

The Australian Government has specifically reserved its powers over uranium mining in the Northern Territory by means of the Atomic Energy Act and the Northern Territory (Self Government) Regulations 1978. Importantly, the Commonwealth retains ownership of uranium under the Atomic Energy Act.

The responsibilities in relation to the regulation of environmental impacts of uranium mining in the Northern Territory are shared between the Commonwealth and the Northern Territory Government under a series of intergovernmental agreements, the latest of which was signed in 2005. Aside from these agreements, uranium mining in the Northern Territory is regulated by the following legislative instruments:

- The *Mining Act (NT)* (**NT Mining Act**)

This Act deals with title approvals such as exploration and mining. Under section 143 of this Act, the Territory Minister must consult with the Australian Government Minister and must act in accordance with any advice he or she provides before granting a mining title relating to uranium.

- The *Aboriginal Land Rights (Northern Territory) Act 1976* (**ALR Act**)

Under section 137 of the NT Mining Act, the Territory Minister may consent to the applicant negotiating with the relevant Land Council for the grant of an exploration licence on Aboriginal freehold land. This consent authorises the applicant to enter into negotiations with the relevant Land Council under the ALR Act. The ALR Act sets the terms and conditions for operations on Aboriginal Land in the Northern Territory.

- The *Mining Management Act 2001 (NT)* (**MM Act**)

The MM Act provides for the authorisation of mining activities and the management of mining sites. To carry out mining activities in the Northern Territory, an operator must apply for an authorisation from the Territory. This authorisation is granted subject to the condition that the operator complies with a current Mining Management Plan. The operator must have a licence to export uranium issued by the Australian Government Minister for Industry, Tourism and Resources under the Customs (Prohibited Exports) Regulations 1958.

Aboriginal Heritage

The preservation and protection of objects, places, and areas of significance to Aboriginal people is provided for by the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) and similar legislation in each State and Territory.

Under the Commonwealth Heritage Act the responsible Commonwealth Minister is empowered to declare an area or object to be of Aboriginal significance and to be preserved and protected accordingly. Such a declaration can potentially inhibit exploration activities on the Tenements.

Pursuant to the State and Territory Heritage Acts protection and preservation is extended to sites, objects and remains of Aboriginal significance. If any Aboriginal site, object or remains were to be discovered by the joint venturers, EUR and MXR, such discovery must be reported to the relevant Government Minister. It is an offence to fail to report a finding, to cause damage to any Aboriginal object, disturb, or interfere with, or remove any Aboriginal object or remains, whether or not it is reported in the register maintained by the Minister.

Before conducting any activities in relation to the land affected by mining tenements, it is usual for a company to obtain a clearance for Aboriginal heritage. Obtaining a clearance for Aboriginal heritage will not however, relieve the joint venturers of their continuing obligations under the Commonwealth Heritage Act or the State and Territory Heritage Acts.

Assumptions and Qualifications

In preparing this report:

- we have assumed the accuracy and completeness of all Tenement searches and other information or responses which were obtained from the State and Territory Government departments referred to above and the NTTT;
- we have assumed the accuracy and completeness of any instructions or information we have received from the Company or any of its officers, agents and representatives;
- we have not undertaken any enquiries with respect to the status of any negotiations with the traditional owners of land affected by the Tenements;
- where compliance with the requirements necessary to maintain a Tenement in good standing is not disclosed on the face of the searches referred to in this report, we express no opinion on such compliance;
- with respect to any application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted or the conditions that may be imposed upon grant, although we have no reason to believe that any application will be refused;
- where Ministerial consent to any of the JV Agreements is being or will be sought, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we have no reason to believe that any application for consent will be refused; and
- information in the Schedule is accurate as at the dates on which the searches were conducted to obtain the information. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the searches and the date of the Prospectus.

Consent

This report is given solely for the benefit of the Company and the Directors in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

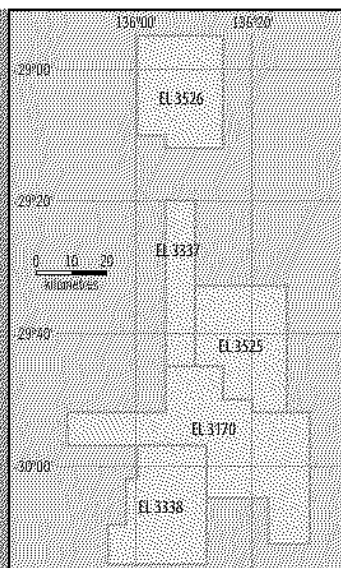
Yours faithfully



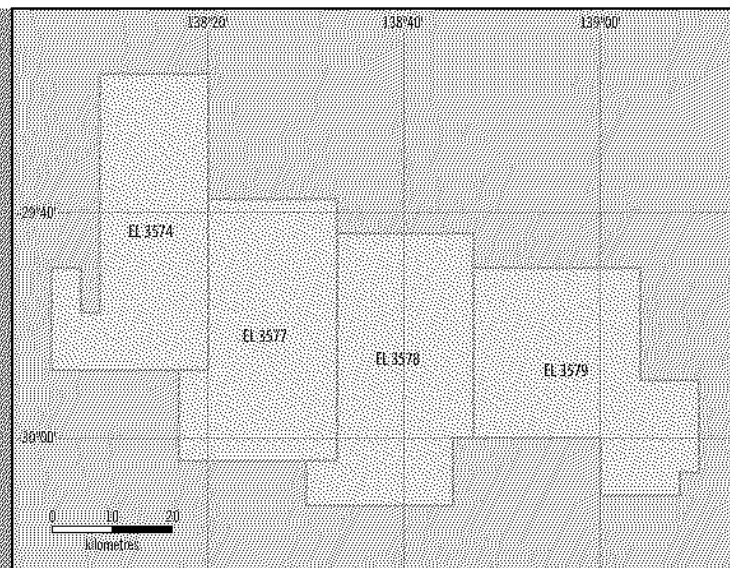
Glenn Davis

Tenement	Status	Area	Date Granted/ Applied	Expiry Date	Registered Holder/ Applicant	Annual Statutory Expenditure Commitment	Claim/ Indigenous Land Use Agreements (ILUA) - NTTF Number	Federal Court Number	Name
South Australia – Billa Kalina Project									
EL 3525	Active	771 km ²	23/02/06	22/02/07	Flinders Diamonds Limited – 100%	\$210,000.00	SC95/7 SC98/2	SAD 6007/98 SAD 6025/98	Antakirinja Matu-Yankunytjatjara The Arabunna Peoples Native Title Claim
EL 3526	Active	734 km ²	23/02/06	22/02/07	Flinders Diamonds Limited – 100%	\$200,000.00	SC98/2 SI2003/008	SAD 6025/98	The Arabunna Peoples Native Title Claim Arabunna Area Minerals Exploitation ILUA
EL 3170	Active	1435 km ²	25/02/04	24/02/07	Flinders Diamonds Limited – 100%	\$240,000.00	SC95/7 SC96/4 SC98/2	SAD 6007/98 SAD 6011/98 SAD 6025/98	Antakirinja Matu-Yankunytjatjara Barngrala Native Title Claim The Arabunna Peoples Native Title Claim
EL 3337	Active	373 km ²	19/05/05	18/05/06 Renewal Decision Pending	Flinders Diamonds Limited – 100%	\$65,000.00	SC95/7 SC98/2	SAD 6007/98 SAD 6025/98	Antakirinja Matu-Yankunytjatjara The Arabunna Peoples Native Title Claim
EL 3338	Active	771 km ²	19/05/05	18/05/06 Renewal Decision Pending	Flinders Diamonds Limited – 100%	\$105,000.00	SC95/7 SC96/4 SC98/2	SAD 6007/98 SAD 6011/98 SAD 6025/98	Antakirinja Matu-Yankunytjatjara Barngrala Native Title Claim The Arabunna Peoples Native Title Claim
South Australia – Fromanga Basin Initiative (Marree Project)									
EL 3579	Active	984 km ²	21/06/06	20/06/07	Maximus Resources Limited – 100%	\$125,000.00	SC99/1	SAD 6001/98	Adnyamathanha No. 1
EL 3578	Active	1000 km ²	21/06/06	20/06/07	Maximus Resources Limited – 100%	\$130,000.00	SC97/4 SC99/1	SAD 6017/98 SAD 6001/98	Dieri Native Title Claim Adnyamathanha No. 1
EL 3577	Active	962 km ²	21/06/06	20/06/07	Maximus Resources Limited – 100%	\$125,000.00	SC97/4 SC99/1	AD 6017/98 SAD 6001/98	Dieri Native Title Claim Adnyamathanha No. 1
EL 3574	Active	963 km ²	21/06/06	20/06/07	Maximus Resources Limited – 100%	\$125,000.00	SC97/4 SC98/2 SC99/1	SAD 6017/98 SAD 6025/98 SAD 6001/98	Dieri Native Title Claim The Arabunna Peoples Native Title Claim Adnyamathanha No. 1

BILLA KALINA PROJECT

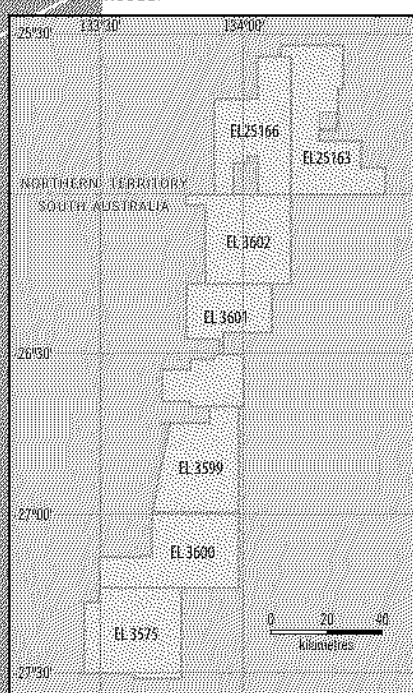


MARREE PROJECT

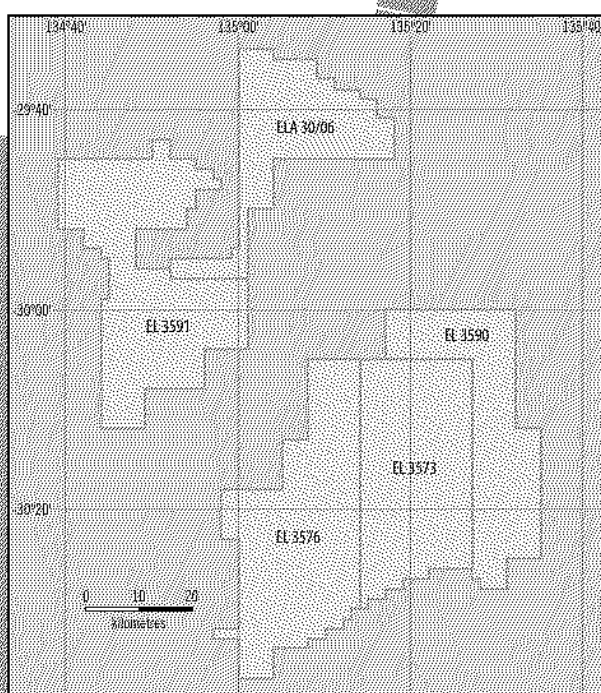


Tenement	Status	Area	Date Granted/ Applied	Expiry Date	Registered Holder/ Applicant	Annual Statutory Expenditure Commitment	Claim/ Indigenous Land Use Agreements (ILUA) - NTIT Number	Federal Court Number	Name
South Australia – Fromanga Basin Initiative (Abminga Project)									
EL 3575	Active	988 km ²	21/06/06	20/06/07	Maximus Resources Limited – 100%	\$125,000.00	SC97/9	SAD 6022/98	Yankunytjatjara/Antakirinja Native Title Claim
EL 3599	Active	903 km ²	17/07/06	16/07/07	Maximus Resources Limited – 100%	\$115,000.00	SC96/3 SC97/9	SAD 6010/98 SAD 6022/98	Eringa Yankunytjatjara/Antakirinja Native Title Claim
EL 3600	Active	959 km ²	17/07/06	16/07/07	Maximus Resources Limited – 100%	\$125,000.00	SC97/9	SAD 6022/98	Yankunytjatjara/Antakirinja Native Title Claim
EL 3601	Active	963 km ²	17/07/06	16/07/07	Maximus Resources Limited – 100%	\$125,000.00	SC96/3	SAD 6010/98	Eringa
EL 3602	Active	966 km ²	17/07/06	16/07/07	Maximus Resources Limited – 100%	\$125,000.00	SC96/3	SAD 6010/98	Eringa
South Australia – Fromanga Basin Initiative (Kingoonya Project)									
EL 3576	Active	973 km ²	21/06/06	20/06/07	Maximus Resources Limited – 100%	\$125,000.00	SC95/7 SI2004/003	SAD 6007/98	Antakirinja Matu-Yankunytjatjara Antakirinja Area Minerals Exploration ILUA
EL 3573	Active	859 km ²	21/06/06	20/06/07	Maximus Resources Limited – 100%	\$115,000.00	SC95/7 SI2004/003	SAD 6007/98	Antakirinja Matu-Yankunytjatjara Antakirinja Area Minerals Exploration ILUA
EL 3590	Active	667 km ²	22/06/06	21/06/07	Maximus Resources Limited – 100%	\$95,000.00	SC95/7 SI2003/007 SI2004/003	SAD 6007/98	Antakirinja Matu-Yankunytjatjara Antakirinja Area Minerals Exploration ILUA Antakirinja Area Minerals Exploration ILUA
EL 3591	Active	980 km ²	22/06/06	21/06/07	Maximus Resources Limited – 100%	\$125,000.00	SC95/7 SI2003/007 SI2004/003	SAD 6007/98	Antakirinja Matu-Yankunytjatjara Antakirinja Area Minerals Exploration ILUA Antakirinja Area Minerals Exploration ILUA
ELA 30/06	Pending	581 km ²	19/01/06		Maximus Resources Limited – 100%		SC95/7 SI2003/007 SI2004/003	SAD 6007/98	Antakirinja Matu-Yankunytjatjara Antakirinja Area Minerals Exploration ILUA Antakirinja Area Minerals Exploration ILUA

ABMINGA PROJECT

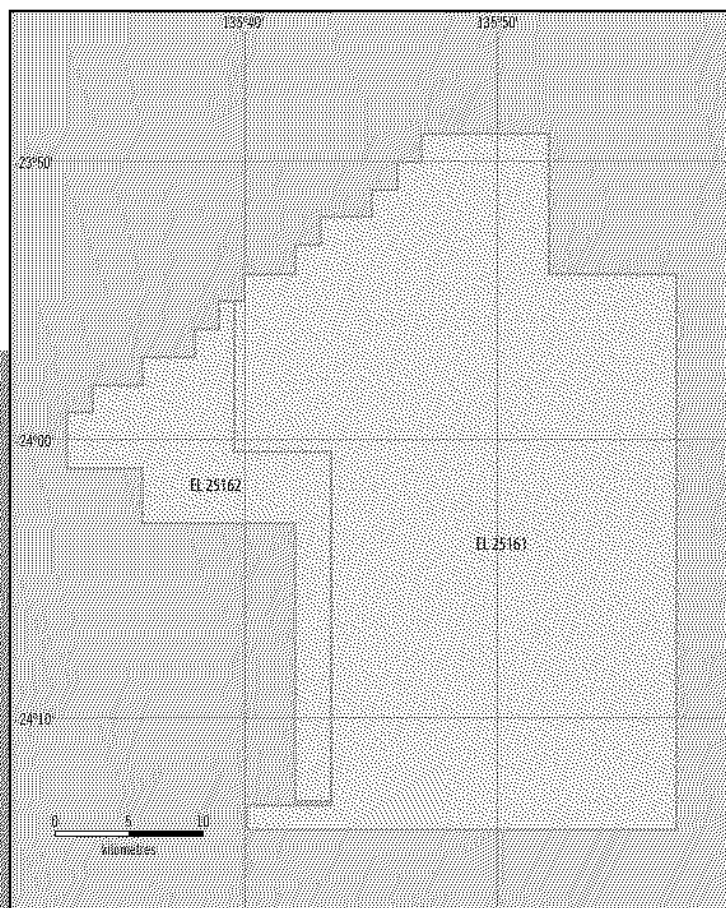


KINGOONYA PROJECT



Tenement	Status	Area	Date Granted/ Applied	Expiry Date	Registered Holder/ Applicant	Annual Statutory Expenditure Commitment	Claim/ Indigenous Land Use Agreements (ILUA) - NITT Number	Federal Court Number	Name
Northern Territory – Eromanga Basin Initiative (Illogwa Project)									
EL 25161	Application	347 sub blocks	25/01/06		Maximus Resources Limited – 100%		Nil		
EL 25162	Application	67 sub blocks	25/01/06		Maximus Resources Limited – 100%		Nil		
Northern Territory – Eromanga Basin Initiative (Abminga Project)									
EL 25163	Application	355 sub blocks	25/01/06		Maximus Resources Limited – 100%		D12003/004		Identye Community Living Area Agreement (ILUA)
EL 25166	Application	312 sub blocks	25/01/06		Maximus Resources Limited – 100%		Nil		

ILLOGWA PROJECT



SECTION

E

Introduction

Set out below is a brief summary of the material contracts which have been entered into by the Company (including EUR which, upon completion of the Share Sale Agreement referred to below, will be the Company's wholly-owned subsidiary). The Directors consider that these contracts are material in terms of the Offer and, as such, are relevant to a potential investor in the Company.

Billa Kalina Farm-In and Joint Venture Agreement ("Billa Kalina Agreement")

The Billa Kalina Agreement dated 23 May 2006 between Maximus and EUR relates to the Billa Kalina Project referred to on pages 22 to 23 of this Prospectus.

By an agreement between Maximus and Flinders dated 29 July 2005, Maximus acquired all rights to minerals other than diamonds on certain tenements held by Flinders ("Non Diamond Mineral Rights").

The Billa Kalina Agreement provides for a grant to EUR by Maximus of a right to farm in to a 50% equity interest in the Non Diamond Mineral Rights on the areas subject to the Tenements listed below and referred to in the Tenement Schedule:

- Granted South Australian Tenements EL3525, EL3526, EL3170, EL3337 and EL3338.

Commencement of the farm in under this agreement is conditional on receipt of all necessary governmental consents and approvals and the Company completing an equity capital raising of at least \$10,000,000 on or before 23 November 2006. The shareholders of Maximus approved the terms of this agreement at a general meeting held on 25 July 2006.

The farm-in is to take place by EUR spending \$3,000,000 on the Tenements in relation to the Non Diamond Mineral Rights within six years to earn a 50% participating interest in the Non Diamond Mineral Rights subject to EUR:

- spending a minimum of \$800,000 in the first year after commencement before it has a right to withdraw; and
- spending a further \$800,000 in the second year after commencement.

Once EUR has earned a 50% interest in the Non Diamond Mineral Rights, the parties to this agreement will be deemed to have formed a joint venture to be called the "Billa Kalina Joint Venture" with the participating interests of the parties being:

- Maximus 50%
- EUR 50%.

From the date of formation of the joint venture, the parties will contribute to expenditure in proportion to their participating interest in the joint venture subject to the right of each party:

- to make an election to not contribute to a feasibility study in respect of any part of the Tenements in relation to the Non Diamond Mineral Rights in which case the non-contributing party shall be deemed to have withdrawn from the joint venture in respect of the area the subject of the feasibility study and be entitled to a net smelter royalty of 1.5% in respect of that area; and
- to, with the prior written agreement of the other party, excise an area or areas in relation to the Non Diamond Mineral Rights from the Tenements in which case the other party shall have no further right or interest in the area(s) excised in relation to Non Diamond Mineral Rights but is entitled to a net smelter royalty of 1.5% in respect of those area(s).

The Billa Kalina Agreement provides that, upon formation of the joint venture, the following provisions will apply:

- the parties have pre-emptive rights in relation to any assignment of the other party's participating interest;
- EUR will be the manager of the joint venture until it resigns or is removed by the operating committee;
- a party has the option to dilute its participating interest in the joint venture to 10% by electing not to contribute to joint venture costs;
- a party will be deemed to have withdrawn from the joint venture upon its participating interest in the joint venture diluting to less than 10%, in which case, that party will receive a net smelter royalty of 1.5%.

The Billa Kalina Agreement otherwise contains standard terms and conditions.

Eromanga Basin Farm-In and Joint Venture Agreement ("Eromanga Basin Agreement")

The Eromanga Basin Agreement dated 23 May 2006 between Maximus and EUR relates to the Eromanga Basin Initiative referred to on pages 17 to 21 of this Prospectus.

The Eromanga Basin Agreement provides for a grant to EUR by Maximus of a right to farm in to a 70% equity interest in the Tenements listed below and referred to in the Tenement Schedule:

- Granted South Australian Tenements EL3579, EL3578, EL3577, EL3574, EL3575, EL3599, EL3600, EL3601, EL3602, EL3576, EL3573, EL3590 and EL3591.
- Application for South Australian Tenement ELA 30/06.
- Applications for Northern Territory Tenements EL 25161 – 25163 and EL 25166.

Commencement of the farm-in under this agreement is conditional on receipt of all necessary governmental consents and approvals and the Company completing an equity capital raising of at least \$10,000,000 on or before 23 November 2006. The shareholders of Maximus approved the terms of this agreement at a general meeting held on 25 July 2006.

The farm-in is to take place by EUR spending \$7,000,000 on the Tenements within six years to earn a 70% participating interest in the tenements subject to EUR:

- spending a minimum of \$1,000,000 in the first year after commencement before it has a right to withdraw; and
- spending a further \$1,500,000 in the second year after commencement.

Once EUR has earned a 70% interest in the Tenements, the parties to this agreement will be deemed to have formed a joint venture to be called the "Eromanga Basin Joint Venture" with the participating interests of the parties being:

- Maximus 30%
- EUR 70%.

From the date of formation of the joint venture, the parties will contribute to expenditure in proportion to their participating interests in the joint venture. This is subject to each party's right to elect to not contribute to a feasibility study in respect of any part of the Tenements in which case the non-contributing party shall be deemed to have withdrawn from the joint venture in respect of the area the subject of the feasibility study and be entitled to a net smelter royalty of 1.5% in respect of that area.

The Eromanga Basin Agreement provides that upon formation of the joint venture, the following provisions will apply:

- the parties have pre-emptive rights in relation to any assignment of the other party's participating interest;
- EUR will be the manager of the joint venture until it resigns or is removed by the operating committee;
- a party has the option to dilute its participating interest in the joint venture to 10% by electing not to contribute to joint venture costs;
- a party will be deemed to have withdrawn from the joint venture upon its participating interest in the joint venture diluting to less than 10%, in which case, that party will receive a net smelter royalty of 1.5%.

The Eromanga Basin Agreement otherwise contains standard terms and conditions.

Agreement between Maximus and the Company ("Share Sale Agreement")

The Share Sale Agreement was entered into on or about 14 June 2006 between Maximus and the Company. Pursuant to this agreement, Maximus has agreed to sell to the Company all of the issued capital of EUR in consideration for the issue to Maximus of 44,357,143 Shares and 8,035,174 Unlisted Options ("Consideration Securities"). The Consideration Securities will be issued simultaneously with the issue of Shares to applicants pursuant to this Prospectus.

The members of Maximus approved the share sale transaction under the Share Sale Agreement at a general meeting held on 25 July 2006.

Completion of the Share Sale Agreement is conditional on the Company completing an equity capital raising of at least \$10,000,000 on or before 14 October 2006.

Agreement between the Company and Adelaide Equity Partners Pty Ltd ("Adelaide Equity")

By a letter agreement dated 20 April 2006, the Company has engaged the services of Adelaide Equity to provide corporate advisory services in relation to the IPO. Remuneration under this agreement includes payment of a monthly retainer of \$10,000 (plus GST) and a flat success fee of \$70,000 (plus GST) payable within seven (7) days of successful completion of the IPO. The Company has also issued 500,000 Unlisted Options to Adelaide Equity and 500,000 Unlisted Options to Nicholas John Smart who is a consultant with Adelaide Equity.

Agreement between the Company and DW Otterman Exploration Consultant ("OEC")

The Company has engaged OEC to prepare the Independent Geologist's Report ("IGR") for inclusion in this Prospectus.

In accordance with the terms of the engagement, OEC was paid a fee based upon normal professional hourly rates for the time taken in preparing the IGR and reimbursed out-of-pocket expenses necessarily incurred in completing the IGR.

In preparing the IGR, OEC has relied upon information provided to it by the Company as well as other published and unpublished reports and data. Accordingly, the Company has agreed to indemnify and compensate OEC against any and all losses, claims, damages and liabilities to which OEC might become subject under any applicable law or otherwise arising from the preparation of the IGR and which arises wholly or in part from the Company or any of its officers providing to OEC any false or misleading information, or the failure of the Company or its officers in providing material information.

Agreements between the Company and its Directors

Managing Director Employment Agreement

By an employment agreement made between the Company and Mr Kevin Lines dated 2 August 2006, the Company has agreed to employ Mr Lines as Managing Director for a term of three years unless his employment is terminated in accordance with the terms of the agreement.

This agreement may be terminated by either party giving not less than six months' prior written notice (however the Company may terminate by payment of six months' remuneration in lieu of notice) or by mutual agreement.

The Company may also immediately terminate the agreement if Mr Lines:

- fails to remedy a material breach of the agreement within thirty days after receipt by him of a written notice from the Company specifying the material breach;
- is convicted of any serious criminal offence carrying a term of imprisonment of ten years or greater;
- becomes partially or totally incapacitated from performing the duties of the position of Managing Director;
- is guilty of wilful neglect in performing his duties; or
- commits a serious or persistent breach of the agreement or is guilty of personal misconduct including a deliberate or intentional breach of Company security.

Mr Lines's initial total remuneration package is \$218,000.00 per annum, which includes superannuation. This is to be reviewed after six months from the date of commencement of his employment and every twelve months thereafter. Mr Lines is entitled to the usual leave entitlements.

Remuneration of Non-Executive Directors

Non-executive Directors are paid an annual fee for their service to the Board and all committees of the Board within the maximum aggregate sum for such Directors approved from time to time by Shareholders.

The proposed maximum aggregate sum is \$300,000 per annum. The remuneration of individual Directors will be determined after (and if) the Company is admitted to the Official List.

Deeds of Access, Indemnity and Insurance

The Company has entered into deeds of access, indemnity and insurance with each Director of the Company. Each deed provides the Director with a right of access to Board papers and other documents and requires the Company to indemnify the Director for liability incurred as an officer of the Company, subject to restrictions imposed by the Corporations Act and the terms of the Company's constitution. Each deed also requires the Company to maintain an insurance policy against liability incurred by a Director in his capacity as a director during his term of office and seven years thereafter.

Office Accommodation and Servicing Arrangements

FME Exploration Services Pty Ltd ("FME") was established to provide Maximus and Flinders with clerical, administration and other services ("Service Arrangements"). Maximus and Flinders also share office accommodation as part of the Service Arrangements.

Maximus and Flinders currently have equal ownership in FME. Subject to the successful completion of the IPO, Eromanga will acquire an equity interest in FME so that each of Maximus, Flinders and Eromanga will hold one third of the issued shares in FME.

Eromanga has also entered into a service agreement with FME ("Service Agreement") pursuant to which Eromanga will be able to participate in the benefits derived from the Service Arrangements. The Service Agreement is also subject to the successful completion of the IPO and is on the same terms and conditions as the agreements FME has in place with Maximus and Flinders in relation to the Service Arrangements.

FME will provide services to each of Maximus, Flinders and the Company as required and the level of services shall be agreed between them every six months. They will also agree in writing on the allocation of the costs and expenses incurred in respect of the Service Arrangements for each six month period and, in the absence of an agreement, the allocation of such costs and expenses will be determined by an independent firm of chartered accountants selected by agreement between the parties, or failing agreement, nominated by the Australian Institute of Chartered Accountants (South Australia Division).

Employee Share Option Plan

The Directors have resolved to establish "The Eromanga Uranium Limited Employee Share Option Plan" (the "Plan") to provide employees of the Company and any its related bodies corporate with the opportunity to participate in the equity of the Company. The Plan relates to the grant of options to subscribe for Shares ("Options") and is designed to reward participants for past performance and also provide an incentive for future performance. No Options have been granted under the Plan as at the date of this Prospectus.

The terms of the Plan are set out in rules of the Plan ("Rules"). A summary of the Rules of the Plan is set out below:

- all employees (whether full time or part time) and contractors of the Company will be eligible to participate in the Plan ("Eligible Persons")
- the grant of Options to each Eligible Person is in the discretion of the Board
- each Option is to subscribe for one fully paid ordinary share in the Company. When issued the Share will rank equally with other ordinary shares in the Company
- options may not be transferred and quotation of Options on the ASX will not be sought. However, the Company will apply to the ASX for official quotation of Shares issued on the exercise of Options
- the total number of Options which may be issued under the Plan is limited under the Rules. The Board may not issue Options if the number of Options on issue (that have neither been exercised nor lapsed) exceeds 5% of the total number of issued Shares in the Company from time to time

- the Options will be issued free at grant. The Board shall, at its discretion, determine the exercise price of each Option. However, no Option shall be offered at an exercise price of less than the market value of a Share
- the market value of a Share is the weighted average sale price of the Shares traded on the ASX over the period of five trading days prior to the date of grant of the Option or if there were no transactions in the Shares on the ASX during that five day period, the last sale price at which an offer was made on the ASX during that five day period
- each Option has a term of five years and will expire on the fifth anniversary of its date of issue ("Exercise Period")
- subject to the Rules and the terms of issue of an Option, an Option may be exercised at any time during the Exercise Period. Options may be exercised immediately if takeover offers are made for Shares under a takeover bid or a scheme of arrangement in accordance with the Corporations Act
- Options will not entitle holders to participate in any rights issues, bonus issues or other equity raisings without first exercising their Options
- if any reconstruction of the issued capital of the Company takes place (including any consolidation or division of Shares or reduction or return of capital) the Options will be reorganised in accordance with the Listing Rules
- the Board may amend the Rules subject to the requirements of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires the following words will have the corresponding meanings set out below:

Application Form	the application form accompanying this Prospectus;
ASIC	the Australian Securities and Investments Commission;
ASTC Settlement Rules	the rules of ASX Settlement and Transfer Corporation Pty Ltd;
ASX	Australian Stock Exchange Limited;
Billa Kalina Project	the project referred to on page 22 of this Prospectus;
Board	the board of Directors;
CHESS	Clearing House Electronic Subregister System. It is an electronic book-entry register of holdings of approved securities;
Closing Date	the date on which the Offer closes;
Company	Eromanga Uranium Limited;
Corporations Act	Corporations Act 2001 (Cth);
Directors	the directors of the Company;
Eromanga	Eromanga Uranium Limited;
Eromanga Basin Initiative	the portfolio of projects referred to on pages 17 to 21 of this Prospectus, namely the Marree Project, the Kingoonya Project, the Abminga Project, and the Illogwa Project;
Eromanga Basin JV	the joint venture between Maximus and EUR established pursuant to the Eromanga Basin Agreement referred to on pages 69 of this Prospectus;
EUR	Eromanga Uranium Resources Pty Ltd;
Exploration Licence	an area granted under the Mining Act in respect of mineral exploration;
Exposure Period	the period of 7 days from the date of lodgement of this Prospectus for as extended by ASIC for a further period of no more than 7 days pursuant to section 727(3) of the Corporations Act);
Flinders	Flinders Diamonds Limited;
Full Subscription	the raising of \$15 million by the acceptance of 60,000,000 shares at 25 cents each pursuant to this Prospectus;
HIN	Holder Identification Number;
IPO	(or Initial Public Offer) the first offering of Shares to the public made under this Prospectus;
Issue	the offering and issuing of Shares relating to this Prospectus;
Listing Rules	the official listing rules of ASX;
Maximum Subscription	the raising of \$20 million by the acceptance of 80,000,000 shares at 25 cents each pursuant to this Prospectus;
Maximus	Maximus Resources Limited;
Mining Act	the Mining Act in South Australia or the Northern Territory as the context requires;

Minimum Subscription	the minimum amount of capital required to satisfy the Offer Conditions, being \$10 million by the acceptance of 40,000,000 shares at 25 cents each pursuant to this Prospectus;
Offer	the offer of Shares made under this Prospectus;
Offer Conditions	any conditions placed on the IPO by the Directors;
Offer Period	the period commencing on the Opening Date and ending on the Closing Date;
Official List	the official list of companies that ASX has admitted and not removed;
Official Quotation	quotation of the Shares on the Official List;
Opening Date	the date immediately following the expiry of the Exposure Period referred to in the Details of the Offer section of this Prospectus after which Valid Applications will be accepted;
Priority Offer	the offer of up to a maximum of 10,000,000 Shares in total on a first in basis to shareholders of Maximus and Flinders who hold shares in the respective companies at the Record Date, as described on page 10 of this Prospectus;
Prospectus	this prospectus, in paper or electronic format and any supplementary or replacement prospectus;
Prospectus Date	the date appearing on the cover of this Prospectus;
Record Date	the date set by the Company as the date on which the shareholders of Maximus and Flinders who may participate in the Priority Offer is determined;
Relevant Interest	has the meaning given in the Corporations Act;
Share Sale Agreement	the agreement dated on or about 14 June 2006 between Maximus and the Company referred to on page 69 of this Prospectus;
Shareholders	holders of Shares in Eromanga;
Shares	fully paid ordinary shares in the capital of the Company;
Summary of Risks	the list of investment risks set out on page 8 of this Prospectus;
Tenement	an Exploration Licence or any form of licence or title held or applied for by Maximus, EUR or the Company or in which the Company has an interest;
Tenement Schedule	the schedule of Tenements and applications for Tenements attached to and forming part of the Legal Report on Tenements included in this Prospectus;
Unlisted Options	unlisted options to subscribe for Shares with an expiry date of 30 June 2011 on terms set out on page 9 of this Prospectus;
Valid Application	an application for Shares completed in accordance with the instructions on the Application Form accompanying this Prospectus;
Vendor Shares	Shares issued to an entity who has sold something to Eromanga in return for Shares.

CONSENTS

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The entities set out below have given and as at the Prospectus Date had not withdrawn their written consent as set out below:

- D W Otterman, to being named in this Prospectus (including any electronic Prospectus) as the independent geologist to the Company and to the inclusion in the Prospectus of the Independent Geologist's Report;
- DMAW Lawyers, to being named in this Prospectus (including any electronic Prospectus) as the solicitors to the Company and to the inclusion in the Prospectus of the Legal Report on Tenements;
- Grant Thornton, to being named in this Prospectus (including any electronic Prospectus) as the auditor and the independent accountant and to the inclusion in the Prospectus of the Independent Accountant's Report;
- Kennedy & Co, to being named in this Prospectus (including any electronic Prospectus) as the Company's accountant;
- Adelaide Equity Partners Pty Ltd, to being named in this Prospectus (including any electronic Prospectus) as the corporate adviser to the Company;

- Cameron Stockbrokers Limited, to being named in this Prospectus (including any electronic Prospectus) as the sponsoring broker to the Issue;

"Cameron Stockbrokers Limited does not make, or purport to make, any statement in this Prospectus or any statement on which a statement in this Prospectus is based; and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus, other than a reference to its name.

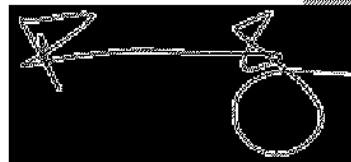
"Cameron Stockbrokers Limited was not involved in the due diligence process undertaken in relation to this Prospectus"

- Computershare Investor Services Pty Ltd, to being named in this Prospectus (including any electronic Prospectus) as the Company's share registrar.

Computershare Investor Services Pty Ltd has had no involvement in the preparation of any part of this Prospectus other than being named as share registrar to the Company. Computershare Investor Services Pty Ltd has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus. None of the other parties listed above has caused the issue of this Prospectus.

The Directors each have consented in writing to the issue of this Prospectus and this Prospectus is issued in accordance with a resolution of the Directors.

Signed on behalf of Eromanga Uranium Limited



Chairman



EROMANGA URANIUM

Registry Use Only

Application Form EROMANGA URANIUM LIMITED ACN 119 031 864

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional adviser without delay. You should read the entire prospectus carefully before completing this form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the prospectus.

Broker Code

Adviser Code

A I/we apply for

Number of Shares in Eromanga Uranium Limited at \$0.25 per Share or such lesser number of Shares which may be allocated to me/us

B I/we lodge full Application Money

A\$

C Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)

Title or Company Name	Given Name(s)	Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

D Enter your postal address - Include State and Postcode

Unit	Street Number	Street Name or PO Box / Other Information

City / Suburb / Town

State

Postcode

E Enter your contact details

Contact Name

Telephone Number - Business Hours / After Hours

()

F CHESS Participant

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any securities issued as a result of the IPO will be held on the Issuer Sponsored subregister.

Cheque details - Make your cheque or bank draft payable to Eromanga Uranium Limited - Applications Account

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A\$
Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A\$

By submitting this Application Form, I/we declare that this application is completed and lodged according to the Prospectus and the declarations/statements on the reverse of this Application form and I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate. I/we agree to be bound by the Constitution of the Company.

See back of form for completion guidelines

How to complete this form

A Shares Applied for

Enter the number of Shares you wish to apply. The application must be for a minimum of 8,000 Shares. Applications for greater than 8,000 Shares must be in multiples of 2,000 Shares.

B Application Monies

Enter the amount of Allocation Shares. To calculate the amount, multiply the number of Shares by the price per Share.

C Applicant Name(s)

Enter the full name **you wish to appear** on the statement of share holding. This must be either **your own name** or the name of a company. Do not print applicants' name. Do should refer to the table below for the correct form of registrable title. Applications using the **wrong form** of names may be rejected. Clearing **house** Electronic Subregister System (CESS) participants should **complete** their name identically to that **presently registered** in the CESS system.

Postal Address

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

F CHESS

Eromanga Uranium Limited (the Company) is also the ASX participant in CBSS, operated by ASX Settlement and Transfer Corporation Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited. In CBSS, the company will operate an electronic CBSS Subregister of security holdings and an electronic Issuer Sponsored Subregister of security holdings. Together the two Subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of Shares allotted. If you are a CBSS participant (or are sponsored by a CBSS participant) and you wish to hold Shares allotted to you under this Application on the CBSS Subregister, enter your CBSS ID Number, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

G Payment

Our cheque or bankdraft payable to Eromanga Uranium Limited in Australian currency and cross it to be negotiable. Our cheque or bankdraft must be drawn on an Australian Bank

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Pin (do not staple) your cheque(s) to the Application Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

Before completing the Application Form the applicant(s) should read this prospectus to which this application relates. By lodging the Application Form, the applicant agrees that this application for Shares in Eromanga Uranium Limited is upon and subject to the terms of the prospectus and the Constitution of Eromanga Uranium Limited, agrees to take any number of Shares that may be allotted to the Applicant(s) pursuant to the prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

Application Forms must be received at the Adelaide office of Computershare Investor Services Pty Limited by no later than 5.00pm on the day of the AGM. Return the Application Form with cheques attached to:

5.00pm (ACST) on 14 September 20

Complershare Investor Services Limited
1903
ADELAIDE SA 5001

Complershare Investor Services Limited
Level 5
115 Grenfell Street
ADELAIDE SA 5000

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Limited (CIS) as registrar for securities maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications, or related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. You acknowledge that you are providing personal information held by CIS, or you could like to correct information that is inaccurate, incorrect or out of date, please contact CIS. You may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. If you do not wish to receive such material, please contact CIS. You can contact CIS using the details provided on the front of this form or Email pic@compshare.com

ies issuers (the issuer) for the purpose of
ur personal information may be disclosed to our
mitted by you. You could like details of our
contact CIS. In accordance with the Corporations Act
tions. You may elect not to receive marketing
sharecomau

If you have any enquiries concerning your application, please contact the Computershare Investor Services Pty Limited on 1300 556 161.

Correct forms of registrable title(s)

[illegible]

# of names	Correct form of Registration	Incorrect form of Registration
Individual -Use given name(s) in full, not initials	Mhn Alfred Smith	A. Smith
Joint -Use given name(s) in full, not initials	Mhn Alfred Smith & Ed Janet Wile Smith	John Alfred S. and Ed Wile Smith
Company -Use company title, not abbreviations	AB Pltd	AB Pl AB Co
Trusts -Use trustee(s) personal name(s) -Do not use the name of the trust	Mhny Smith Enny Smith Emily AC>	Enny Smith Emily Trust
Deceased Estates -Use executor(s) personal name(s) -Do not use the name of the deceased	Michael Smith Est John Smith AC>	Estate of Late John Smith
Minor & person under the age of 18 -Use the name of a responsible adult with an appropriate designation	Mhn Alfred Smith Bar Smith AC>	Bar Smith
Partnership -Use partners personal name(s) -Do not use the name of the partnership	Edohn Smith & Michael Smith John Smith & Son AC>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names -Use office bearer(s) personal name(s) -Do not use the name of the club etc	Ed Janet Smith AB Tennis Association AC>	AB Tennis Association
Supranomination funds -Use the name of trustee of the fund -Do not use the name of the fund	John Smith Pltd Supr Fund AC>	John Smith Pltd Supranomination Fund



EROMANGA URANIUM

Registry Use Only

Application Form EROMANGA URANIUM LIMITED ACN 119 031 864

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional adviser without delay. You should read the entire prospectus carefully before completing this form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the prospectus.

A I/we apply for

Number of Shares in Eromanga Uranium Limited at \$0.25 per Share or such lesser number of Shares which may be allocated to me/us

B I/we lodge full Application Money

A\$

C Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)

Title or Company Name	Given Name(s)	Surname
Joint Applicant 2 or Account Designation		
Joint Applicant 3 or Account Designation		

D Enter your postal address - Include State and Postcode

Unit	Street Number	Street Name or PO Box / Other Information
City / Suburb / Town		
		State
		Postcode

E Enter your contact details

Contact Name	Telephone Number - Business Hours / After Hours
	()

F CHESS Participant

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any securities issued as a result of the IPO will be held on the Issuer Sponsored subregister.

Cheque details - Make your cheque or bank draft payable to Eromanga Uranium Limited - Applications Account

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A\$
Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A\$

By submitting this Application Form, I/we declare that this application is completed and lodged according to the Prospectus and the declarations/statements on the reverse of this Application form and I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate. I/we agree to be bound by the Constitution of the Company.

See back of form for completion guidelines

How to complete this form

A Shares Applied for

Enter the number of Shares you wish to apply. The application must be for a minimum of 8,000 Shares. Applications for greater than 8,000 Shares must be in multiples of 2,000 Shares.

B Application Monies

Enter the amount of Allocation Shares. To calculate the amount, multiply the number of Shares by the price per Share.

C Applicant Name(s)

Enter the full name ~~you wish to appear~~ on the statement of share holding. This must be either ~~your own~~ name or the name of a company. Do not print applicants' name. Do should refer to the table below for the correct form of registrable title. Applications using the ~~wrong~~ form of names may be rejected. Clearing ~~house~~ Electronic Subregister System (CESS) participants should ~~complete~~ their name identically to that ~~presently~~ registered in the CESS system.

Postal Address

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

F CHESS

Eromanga Uranium Limited (the Company) is also the ASX participant in CBSS, operated by ASX Settlement and Transfer Corporation Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited. In CBSS, the company will operate an electronic CBSS Subregister of security holdings and an electronic Issuer Sponsored Subregister of security holdings. Together the two Subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of Shares allotted. If you are a CBSS participant (or are sponsored by a CBSS participant) and you wish to hold Shares allotted to you under this Application on the CBSS Subregister, enter your CBSS ID Number, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

G Payment

Our cheque or bankdraft payable to Eromanga Uranium Limited in Australian currency and cross it to be negotiable. Our cheque or bankdraft must be drawn on an Australian Bank

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Pin (do not staple) your cheque(s) to the Application Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

Before completing the Application Form the applicant(s) should read this prospectus to which this application relates. By lodging the Application Form, the applicant agrees that this application for Shares in Eromanga Uranium Limited is upon and subject to the terms of the prospectus and the Constitution of Eromanga Uranium Limited, agrees to take any number of Shares that may be allotted to the Applicant(s) pursuant to the prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

Application Forms must be received at the Adelaide office of Computershare Investor Services Pty Limited by no later than 5pm on the day of the AGM. Please return the Application Form (with cheques) attached to:

5.00pm (ACST) on 14 September 20

Complershare Investor Services Limited
1903
ADELAIDE SA 5001

Complershare Investor Services Limited
Level 5
115 Grenfell Street
ADELAIDE SA 5000

Privacy Statement

Personal information is collected on this form by Compershare Investor Services Plc (CIS) as registrar for securities maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications, or related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. You may wish to correct information that is inaccurate, incorrect or out of date, please contact CIS. You may also send material (including marketing material) to the issuer in addition to general corporate communications by contacting CIS. You can contact CIS using the details provided on the front of this form or Email pic@compershare.co.uk

ies issuers (the issuer) for the purpose of
ur personal information may be disclosed to our
mitted by law. You could like details of our
contact CIS. In accordance with the Corporations Act
tions. You may elect not to receive marketing
sharecomau

If you have any enquiries concerning your application, please contact the Computershare Investor Services Pty Limited on 1300 556 161.

Correct forms of registrable title(s)

Be that legal entities are allowed to hold Shares. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable titles below.

# of names	Correct form of Registration	Incorrect form of Registration
Individual -Use given name(s) in full, not initials	Mhn Alfred Smith	A. Smith
Joint -Use given name(s) in full, not initials	Mhn Alfred Smith & Ed Janet Wile Smith	John Alfred S. and Mr. Smith
Company -Use company title, not abbreviations	AB R Ltd	AB P AB Co
Trusts -Use trustee(s) personal name(s) -Do not use the name of the trust	Henry Smith Henry Smith Emily AC>	Henry Smith Emily Trust
Deceased Estates -Use executor(s) personal name(s) -Do not use the name of the deceased	Michael Smith Est John Smith AC>	Estate of Late John Smith
Minor & person under the age of 18 -Use the name of a responsible adult with an appropriate designation	Mhn Alfred Smith Peter Smith AC>	Peter Smith
Partnership -Use partners personal name(s) -Do not use the name of the partnership	John Smith & Michael Smith John Smith & Son AC>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names -Use office bearer(s) personal name(s) -Do not use the name of the club etc	Ed Janet Smith AB Tennis Association AC>	AB Tennis Association
Supernnuation funds -Use the name of trustee of the fund -Do not use the name of the fund	John Smith R Ltd Super fund AC>	John Smith R Ltd Supernnuation fund



EROMANGA URANIUM

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Application Form EROMANGA URANIUM LIMITED ACN 119 031 864

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A\$

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Title or Company Name	Given Name(s)	Surname
Joint Applicant 2 or Account Designation		
Joint Applicant 3 or Account Designation		

D Enter your postal address - Include State and Postcode

Unit	Street Number	Street Name or PO Box / Other Information
City / Suburb / Town		
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Contact Name	Telephone Number - Business Hours / After Hours
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Holder Identification Number (HIN)	Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any securities issued as a result of the IPO will be held on the Issuer Sponsored subregister.
X	

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Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
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Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
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How to complete this form

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Lodgement of Application

Application Forms must be received at the Adelaide office of Computershare Investor Services Pty Limited by no later than 4pm on the day of the AGM. Please return the Application Form (in cheques) attached to:

5.00pm (ACST) on 14 September 20

Complershare Investor Services Limited
1903
ADELAIDE SA 5001

Complershare Investor Services Limited
Level 5
115 Grenfell Street
ADELAIDE SA 5000

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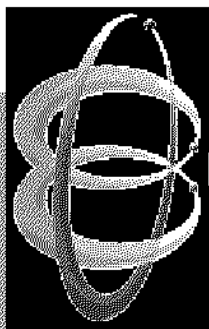
ies issuers (the issuer) for the purpose of
ur personal information may be disclosed to our
mitted by law. You could like details of our
contact CIS. In accordance with the Corporations Act
tions. You may elect not to receive marketing
sharecomau

If you have any enquiries concerning your application, please contact the Computershare Investor Services Pty Limited on 1300 556 161.

Correct forms of registrable title(s)

the name of the legal entity. Legal entities are allowed to hold Shares. Allocations must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable titles below.

# of names	Correct form of Registration	Incorrect form of Registration
Individual -Use given name(s) in full, not initials	M ^{rs} hn Alfred Smith	A. Smith
Joint -Use given name(s) in full, not initials	M ^{rs} hn Alfred Smith & M ^{rs} Janet M ^{rs} Smith	Jhn Alfred & Janet M ^{rs} Smith
Company -Use company title, not abbreviations	AB Pl ^{td}	AB Pl AB Co
Trusts -Use trustee(s) personal name(s) -Do not use the name of the trust	M ^{rs} hn Smith Enny Smith Emily AC>	Enny Smith Emily Trust
Deceased Estates -Use executor(s) personal name(s) -Do not use the name of the deceased	Michael Smith Est Jhn Smith AC>	Estate of Late Jhn Smith
Minor & person under the age of 18 -Use the name of a responsible adult with an appropriate designation	M ^{rs} hn Alfred Smith M ^{rs} Smith AC>	M ^{rs} Smith
Partnership -Use partners personal name(s) -Do not use the name of the partnership	M ^{rs} hn Smith & Michael Smith Jhn Smith & Son AC>	Jhn Smith & Son
Clubs/Unincorporated Bodies/Business Names -Use office bearer(s) personal name(s) -Do not use the name of the club etc	M ^{rs} Janet Smith AB Tennis Association AC>	AB Tennis Association
Supernnuation Funds -Use the name of trustee of the fund -Do not use the name of the fund	Jhn Smith Pl ^{td} Sup ^r Fund AC>	Jhn Smith Pl ^{td} Supernnuation Fund



EROMANGA URANIUM

web: www.eromanga uranium.com

