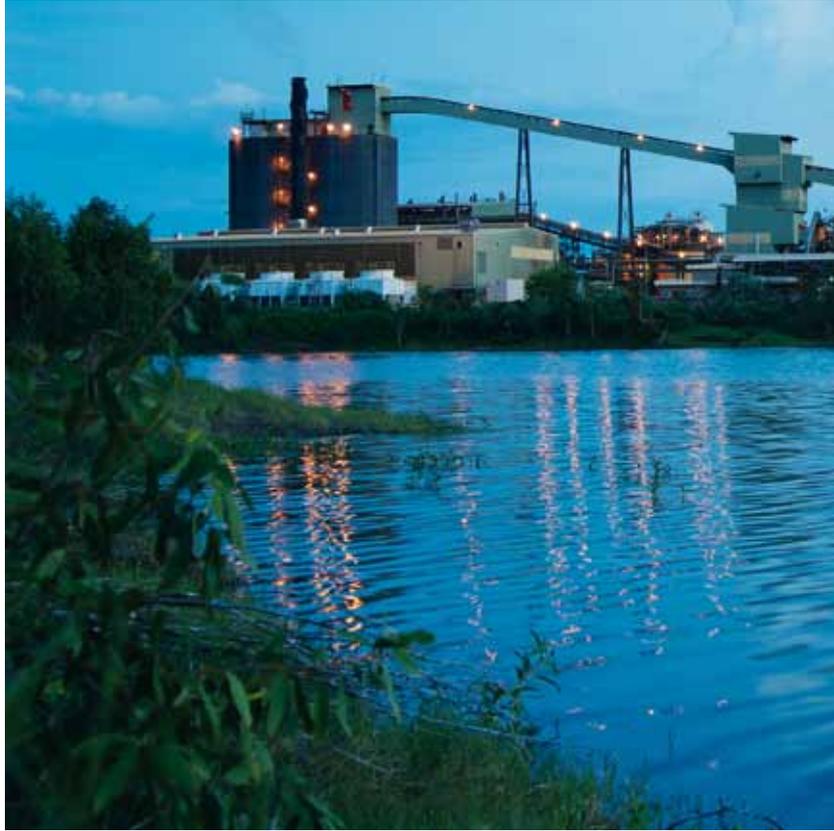




ERA

SUSTAINABLE
DEVELOPMENT
REPORT 2010





ERA is one of the largest uranium producers in the world, delivering on average around 8 per cent of the world's mined uranium production.

OVERVIEW

Energy Resources of Australia Ltd (ERA) acknowledges the Mirarr Traditional Owners on whose land the Company's operations take place.

ERA is an Australian publicly listed Company, with its shares traded on the Australian Securities Exchange. Its major shareholder is Rio Tinto, which holds 68.4 per cent of its shares. Since 1981 ERA has mined and processed uranium ore to produce uranium oxide at the Ranger mine, 260 kilometres east of Darwin, in Australia's Northern Territory. ERA is one of the largest uranium producers in the world, delivering on average around 8 per cent of the world's mined uranium production.

Uranium oxide from the Ranger mine is used solely to fuel nuclear power plants for the efficient generation of electricity. Our customers include power generation companies in North America, Asia and Europe. Sale of ERA uranium is governed by strict international and Australian Government safeguards, and is only available to countries that have signed the Nuclear Non-Proliferation Treaty.

ERA makes a significant contribution to local and national economies, and in 2010 provided 523 full-time equivalent jobs, including 81 full-time Indigenous employees. The 848 hectare Ranger mine site occupies less than 11 per cent of the 79 square kilometre Ranger Project Area, most of which is undisturbed. ERA also holds title to the Jabiluka Mineral Lease directly north of the Ranger Project Area. The Jabiluka Mineral Lease is under long term care and maintenance and will not be developed by ERA without the consent of the Mirarr Traditional Owners. The Ranger Project Area and Jabiluka Mineral Lease are surrounded by, but remain separate from, the Kakadu National Park. One of ERA's guiding principles is that the natural and cultural values of the surrounding world heritage listed Kakadu National Park must continue to be protected. ERA maintained its 30 year history of protection of the surrounding environment during 2010. The Australian Government's Supervising Scientist Division stated in its 2009/2010 Annual Report that extensive monitoring and research programmes "confirm that the environment has remained protected".

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ERA sells its product to power utilities in Asia, Europe and North America under strict international and Australian Government safeguards. Pictured is Los Angeles, USA.

VISION

To be a world class uranium supplier that contributes to environmental sustainability and is trusted by Traditional Owners, the community and our people.

CODE OF BUSINESS CONDUCT

ERA strives to uphold the guiding principles set out in our Code of Business Conduct, namely:

- The paramount importance of the safety and wellbeing of our employees, contractors and the community;
- Creation of value for our shareholders;
- Building partnerships with our customers and aiming to exceed their expectations;
- Caring for our surrounding environment through exemplary management systems and commitment to the principles of sustainable development;
- Respecting the culture and aspirations of Indigenous people in our community, particularly the Mirarr Traditional Owners of the land on which ERA operates;
- Strengthening the culture of compliance within the regulatory framework in which we operate.



ERA acknowledges the Mirarr people, Traditional Owners of the land on which ERA's operations are located.

THE MIRARR

The Mirarr are the Traditional Owners of lands in the Kakadu region. Mirarr country encompasses the Ranger Project Area and the Jabiluka lease, the town of Jabiru and parts of Kakadu National Park, including the wetlands of the Jabiluka billabong country and the sandstone escarpment of Mount Brockman.

In 1995, the Mirarr established the Gundjeihmi Aboriginal Corporation, an incorporated body, to assist them to manage a balance between sustainable development and traditional practice on their land, and to direct income from mining royalties towards the establishment and maintenance of outstation infrastructure and essential services.

The Mirarr have successfully claimed traditional country under the Commonwealth *Aboriginal Land Rights (Northern Territory) Act 1976*, and therefore hold beneficial freehold title to their country via the Kakadu and Jabiluka Land Trusts.

POWER FOR THE WORLD

The importance of nuclear energy as a key part of global energy production gains increasing recognition from government and communities around the world.

Concerns about global warming, projected increases in demand for electricity – particularly from developing countries – and the economic implications of carbon emissions lend new urgency to the search for safe and reliable baseload power.

The key role of nuclear power as an integral part of the global clean energy mix, and its ability to deliver secure base load electricity supply, is driving significant demand growth in China, with industry growth in South Korea and the United States.

According to the World Nuclear Association, there are currently 442 reactors in operation with 63 under construction and a further 156 reactors planned to be in operation by 2030.

As a leading global fuel supplier to the energy sector, ERA has a strong reputation for reliability and quality of supply.

ERA delivers on average around 8 per cent of the world's mined uranium. This supplies fuel for almost 1 per cent of the world's electricity needs.

ERA sells its product to electric utilities in Asia, Europe and North America under strict international and Australian Government safeguards, and only to countries which have signed the Nuclear Non-Proliferation Treaty.

Over the past 30 years, the Ranger mine has proved to be one of the world's largest and most reliable

uranium mines. It is one of only two mines in the world to achieve total production in excess of 100,000 tonnes of uranium oxide.

ERA's excellent reputation as a leading supplier of uranium oxide for electricity generation is based on the Company's long established production history and its long supply relationships with customers across the world.

2010 IN REVIEW

SAFETY RECORD

278 consecutive days worked

at ERA without a lost time injury in 2010, equalling an existing record for ERA.

PRODUCTION

3,793

tonnes of uranium.

WORLD CLASS SAFETY

1,320,583 hours

without a lost time injury.

INDIGENOUS EMPLOYEES

81

fulltime equivalent employees.

EMPLOYEES

523

fulltime equivalent employees.

ORE TREATMENT RECORD

2,400,000

tonnes of ore treated by ERA – a new all time record.

ENVIRONMENT PROTECTION

Surrounding environment remains protected.

WATER TREATMENT

94,800,000 litres

of process water treated by the process water treatment plant.

SOLD

5,026

tonnes of uranium.

2011 TARGETS

- ▶ Continue towards the goal of zero injuries.
- ▶ Ensure ERA's operations do not adversely impact on surrounding environment.
- ▶ Further develop the Safety Leadership Development Programme.
- ▶ Extend process water treatment and management by completing a feasibility study on the brine concentrator and completing a three metre lift of the TSF.
- ▶ Progress rehabilitation strategies and field work, with focus on Pit 1 and Land Application Areas.
- ▶ Demonstrate enhanced monitoring of surrounding waterways.
- ▶ Advance the ERA Climate Change Management programme for energy/greenhouse gas reduction.
- ▶ Embed improvements of plant utilisation and metallurgical performance.
- ▶ Embed mining improvements for planning and operations to ensure mine can be completed at the end of 2012.
- ▶ Engage with land owners and other stakeholders on regional development and future of Jabiru.
- ▶ Work towards achieving regulatory approval for heap leach facility.
- ▶ Work towards gaining approval and starting construction of the exploration decline.
- ▶ Consult with land owners and other stakeholders on major projects.
- ▶ Continue to expand upon Indigenous employment, training and development opportunities and enhanced educational programmes.
- ▶ Strengthen employee engagement through strong positive and felt leadership.
- ▶ Implement market competitive attraction and retention employment strategies.
- ▶ Build upon educational initiatives with the West Arnhem College and the Department of Education and Training.

2010 PERFORMANCE SUMMARY

For 2010, we set specific targets in the following areas:

2010 TARGET	RESULT	NOTE
Increase engagement with local Indigenous community	PROGRESS	A Community Relations Manager was appointed in 2010. Regular liaison with Indigenous groups continues, including on major projects.
Increase process water treatment and management	PROGRESS	The process water treatment plant was commissioned in 2009 and its feed capacity was increased from 1.1 ML/Day up to 1.5 ML/Day in 2010. Completion of a pre-feasibility study into the best options for the treatment of process water over the life of mine. This study led to the recommendation of a brine concentrator, which will be carried forward for further development in 2011.
Continue the journey towards the goal of zero injuries	PROGRESS	All leaders engaged in Safety Leadership Training in 2010. The business exceeded its targets with respect to risk reduction (SQRA). LTIFR a record for the business.
Work towards achieving regulatory approval for heap leach facility	PROGRESS	Feasibility study complete and draft Environmental Impact Statement nearing completion.
Commence work on exploration decline	PROGRESS	Feasibility study complete, awaiting approval. Tenders issued and activities commenced to allow acceleration of project on financial approval.
Secure stakeholder support for accommodation proposals	PROGRESS	Consultations on accommodation took place during the year, including a review of options and work to address stakeholder concerns.
Continue to expand Indigenous employment and training	PROGRESS	Expanded the development programmes and training opportunities for Indigenous employees. Additional resources added to the business to provide support in this area.
Strengthen employee engagement through strong positive and felt leadership	PROGRESS	Employee engagement groups have been established and meet regularly. 2010 Employee Engagement Survey results showed improvement in levels of employee engagement with ERA.
Establish initiatives with secondary schools to promote careers at ERA to Northern Territory Indigenous students	YES	Partnership with local schools in place. The partnership focuses on school to work pathways for local youth including the school at Gunbalanya.

2010 TARGET	RESULT	NOTE
Formalise engagement with the tourism industry around issues of common interest	NO	Plans were not progressed.
Develop the employment aspects of the Territory Teams partnership	PROGRESS	ERA provided trainee employment for a Territory team member who was unable to continue due to personal issues.
Ensure that ERA's operations do not adversely impact on the surrounding environment	YES	Supervising Scientist Division of the Commonwealth Government confirmed in its annual report that the environment has remained protected.
Gain stakeholder feedback on new radiation monitoring programme	PROGRESS	As part of the new programme, stakeholders will be involved in continuous improvement around radiation monitoring.
Identify key regional biodiversity values	YES	ERA Biodiversity Action Plan has been drafted and key regional biodiversity values identified have been captured in this document and actions were proposed.
Expand weed management programme	YES	Annual whole of lease weed surveys completed, weed management effort expanded and significant success in reducing infestation areas.
Complete oil waste management facility	PROGRESS	Oil filtration systems have been added to site to minimise the amount of oil waste. Work will progress in 2011 to expand and improve the oil waste management facility.
Advance the ERA three year Climate Change Management programme for energy/greenhouse gas reduction	YES	Further greenhouse gas reduction work at site includes calciner replacement, compressed air optimisation, Pit 1 catchment optimisation, continued refurbishment of diesel alternators and installation of new automatic voltage regulators.
Finalise ERA product stewardship plan	PROGRESS	Commenced second life cycle analysis and development of an environmental product declaration for uranium oxide.
Continue monitoring of trial landform performance	YES	Trial landform vegetation and erosion monitoring data yields valuable results and improves our knowledge of the behaviour of the reconstructed landform.
Continue drive for operational and production excellence	YES	Excellent performance achieved in the processing plant, with records for utilisation, recovery and extraction.

CHIEF EXECUTIVE'S MESSAGE



Mr Rob Atkinson, Chief Executive



ERA's success in maintaining and improving safety and environmental performance are the highlights of 2010, in a year of extremely high rainfall and challenging operating conditions.

The safety of our people and protection of the environment, are essential elements of sustainable development.

Sustainable development is also about continued economic contribution to provide jobs, support the community in which we operate and ensure availability of resources to protect people and the environment.

We maintained strong focus on our goal of zero injuries throughout the year, particularly in the context of complex and labour intensive operational projects.

In 2010, ERA maintained excellent safety performance, with an All Injury Frequency Rate of 0.71, and a record Lost Time Injury Frequency Rate of 0.2.

Our continual focus on safety, including the use of Take-5 task assessments, site-wide safety audits, our Safety Leadership Development Programme, and the introduction of a more comprehensive incident reporting system have helped contribute to this strong result.

In terms of environmental protection, we have also maintained strong performance in 2010.

The Australian Government's Supervising Scientist Division, which monitors the impact of uranium mining on the environment and people in the Alligator Rivers region, stated in its 2009/2010 Annual Report that its extensive monitoring and research programmes "confirm that the environment has remained protected".

In 2010 ERA made significant improvements in water management, including the installation of new real-time monitoring devices in local waterways, improving process water treatment plant performance, improving on-ground works to control stormwater flows and construction of interception trenches to intercept stockpile surface runoff and seepage water flows.

These improvements, in particular the installation of additional real-time monitoring stations in local waterways, will help to minimise the likelihood of a repeat of the elevated levels of salinity in Magela Creek as recorded in April.

We continued to make progress on rehabilitation strategies, with the trial landform continuing to demonstrate success in revegetation techniques, and completion of preliminary work necessary for dewatering and filling in Pit 1.

We also achieved and maintained record performance in the processing plant during 2010 as a result of further improvements to utilisation, milling rates and process stability.

However, the challenges of operating in a high rainfall environment, coupled with difficulties in accessing high grade ore at the bottom of Pit 3, had an adverse affect on production and economic performance.

As Pit 3 reaches the end of its life high grade ore at the bottom of the pit is located in complex geological structures. During 2010 an infill drilling programme improved confidence in the reliability of the remaining resource.

The combination of record rainfall in April and October, the infill drilling programme, and works to stabilise a section of the south wall of Pit 3 caused significant disruption to our mining schedule, resulting in lower than expected production levels.

The heavy rains, which have continued to set records across the Northern Territory in the 2010/11 wet season, present challenges for ERA, particularly in the area of managing our process water inventory.

As a direct result of heavy rainfall ERA decided to cease operations for 12 weeks in order to minimise the amount of process water generated during the 2010/11 wet season.

This was a precautionary measure to ensure that the level of water on the Tailings Storage Facility remained below the authorised operating level during the remainder of what has turned out to be a record-breaking wet season.

We recognise that substantial capital and operating expenditure over coming years will be required to meet ERA's ongoing commitment to reduce process water inventory and to continue to protect the environment.

ERA is planning for a number of major projects which will significantly reduce the process water inventory, extend production capacity, and investigate the potential and location of new uranium deposits adjacent to Pit 3 and further afield on our lease.

ERA is currently seeking approval for a heap leach project, designed to process around 15,000 to 20,000 tonnes of uranium oxide from low grade ores contained in stockpiles and in material yet to be mined from Pit 3.

The heap leach process is proven technology and the proposed facility will include safeguards designed to safely manage heavy rainfall.

During 2010 we continued work on the draft Environmental Impact Statement (EIS) for

the proposed heap leach facility, and expect to submit the draft EIS for formal assessment under Northern Territory and Commonwealth regulations during the first half of 2011.

Consultation with the community and other stakeholders will continue through this approval process.

In addition, ERA completed studies into development of an exploration decline to conduct underground exploration drilling of the Ranger 3 Deeps resource, estimated to contain 34,000 tonnes of uranium oxide resources.

Financial and technical decisions on proceeding with the exploration decline proposal are expected in the second quarter of 2011.

If exploration delivers results as expected, ERA will commence work on a feasibility study on a low footprint underground mine, prior to seeking formal approvals.

During 2010, ERA completed a preliminary study into a brine concentrator plant capable of treating approximately 1,800 megalitres of process water per year.

A detailed feasibility study into the brine concentrator is planned for 2011 and, if approved, construction is scheduled to commence from 2012, with commissioning expected during the first half of 2013.

The Company stands at a critical turning point.

These projects represent significant opportunities for ERA, and help to ensure continued economic contribution to the region, and bring benefits to the local community, to the Northern Territory and to the Australian economy.

The success of projects, particularly in terms of stakeholder support, hinge on continued safety performance and environmental protection.

It is clear that these projects can only proceed under circumstances in which ERA maintains and improves levels of safety and environmental protection demonstrated throughout 2010.

I would like to thank the ERA leadership team, and all of our employees and contractors for their efforts, professionalism and commitment during a challenging year. I am proud of the way the ERA team strives for stronger performance in all that they do, particularly in safety and environmental performance.



Mr R Atkinson
Chief Executive

GOVERNANCE SYSTEMS

ERA's operations are strictly regulated and monitored reflecting their location adjacent to the World Heritage listed Kakadu National Park and on Aboriginal land.

ERA develops and maintains health and safety systems, radiation detection procedures and environmental protection measures.

These systems, procedures and measures, as well as ERA's operational activities, are subject to regular internal and external monitoring, audits and reviews.

In 2010 ERA maintained certification of its safety and health management systems (AS4801) and its environmental management system (ISO14001).

The Commonwealth and Northern Territory Governments have regulatory functions, powers and duties in relation to ERA's operations.

SUPERVISING SCIENTIST DIVISION

The Commonwealth Government's Supervising Scientist Division (SSD) is responsible for the supervision and monitoring of the environmental performance of uranium mines in the Alligator Rivers Region of the Northern Territory, to ensure the ongoing protection of the environment in the region.

The SSD conducts monthly inspections at Ranger, and quarterly inspections at Jabiluka. These inspections are conducted with the Gundjeihmi Aboriginal Corporation, the Northern Land Council, the Northern Territory Department of Natural Resources, Environment, the Arts and Sport, and the Commonwealth Department of Resources.

In addition, the SSD conducts comprehensive, end of wet season environmental reviews, and monitors all surrounding waterways 24 hours a day with in-stream probes, auto-sampling and regular grab samples, and in-stream monitoring of ecotoxicity indicator species such as water snails.

<http://www.environment.gov.au/ssd>

KEY COMMITTEES

The Ranger and Jabiluka Minesite Technical Committees (MTCs) are key forums for discussion of technical aspects of environmental matters relating to Ranger and Jabiluka.

MTC members include the Northern Land Council representing Traditional Owners, Northern Territory Department of Natural Resources, Environment, the Arts and Sport Resources, the Supervising Scientist Division, and ERA.

The Alligator Rivers Region Advisory Committee (ARRAC) provides a formal forum for consultation on matters relating to the effects of uranium mining on the environment in the region.

Committee members include representatives of the Northern Territory Government, the Commonwealth Government, the Northern Land Council, Aboriginal associations, mining companies (including ERA), West Arnhem Shire, the Northern Territory Environment Centre and other members who may be appointed by the Commonwealth Minister for the Environment.

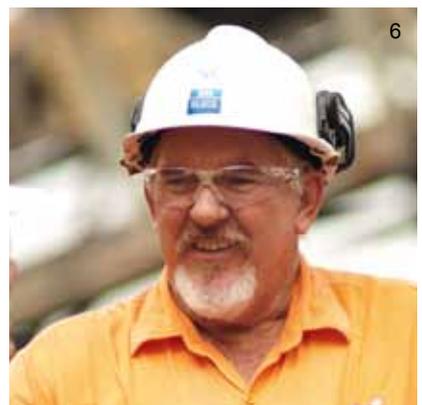
<http://www.environment.gov.au/ssd/communication/committees/arrac/index.html>

The Alligator Rivers Region Technical Committee (ARRTC) oversees the nature and extent of research being undertaken to protect and restore the environment in the Alligator Rivers Region from any effects of uranium mining.

The 13 ARRTC members include seven independent scientists nominated by the Federation of Australian Scientists and Technological Societies and six representatives of key stakeholder organisations, including the Supervising Scientist Division, Northern Territory Government, ERA, Northern Land Council, Parks Australia, and a non-government environment organisation.

<http://www.environment.gov.au/ssd/communication/committees/arrtc/index.html>

- 1 Heavy Equipment Operator, Harry Hazelbane.
- 2 A Jabiru bird glides over the picturesque wetlands.
- 3 Indigenous Liaison team member, Kaye Whiting.
- 4 Protection of the environment is a fundamental principle of ERA's culture.
- 5 An excavator loads ore on to a haul truck.
- 6 Warren Chapman, Learning and Development Officer.



ECONOMIC PERFORMANCE

2010 presented ERA with a range of operational challenges which combined, affected our mining schedule, production and ultimately our economic performance.

Mining operations were affected by record rains in April and October. Rainfall for April was 351 mm, compared with an average of 84 mm. October's rainfall of 270 mm was eight times the average of 36 mm.

Access to the bottom of the pit, where the remaining high grade ore is located, was severely limited by the high level of rainfall. Access to ore located at higher levels in the pit remained open.

Ranger Pit 3 is nearing the end of its life. ERA is now mining at the extremities of the ore body, where the remaining ore is located within increasingly narrow and geologically complex zones.

In addition, a localised area of instability which developed in the south wall of the pit had to be remedied. An in-fill drilling programme was completed

during the year to improve confidence in the reliability of the remaining mineral resource. These events adversely impacted on the 2010 mining schedule.

PRODUCTION

Despite hard work from all staff and significant operational improvements, production was significantly lower than 2009 levels.

Total production for 2010 was 3,793 tonnes (2009: 5,240 tonnes). The reduced production result was primarily due to lower than expected average head grades of 0.19 per cent (2009: 0.26).

Total material mined was 10.6 million tonnes (2009: 19.5 million) with operations affected by work to manage the localised area of instability on the south wall of Pit 3.

REVENUE

ERA's net profit after tax for the year ended 31 December 2010 was \$47 million, down from a record of \$273 million in 2009. Earnings before interest and tax (EBIT) were \$48 million (2009: \$375 million).

Sales of uranium oxide for the year were 5,026 tonnes (2009: 5,497 tonnes). Revenue from the sale of uranium oxide for the year was \$572 million; a decrease of \$196 million compared with a record of \$768 million in 2009.

Purchased materials and consumables costs rose substantially due to the necessity to purchase uranium oxide on the market to meet sales commitments. ERA purchased a total of 925 tonnes of uranium oxide, of which 653 tonnes related to 2010 sales commitments.



CASE STUDY

RECORD PLANT PERFORMANCE

ERA achieved record performance in the processing plant during 2010 as a result of further improvements to utilisation, milling rates and process stability.

Ore treatment for the year was a record 2.4 million tonnes (2009: 2.3 million). Higher than planned performance from the laterite plant combined with the success of 'reliability centred' maintenance strategies helped to deliver record utilisation of 86.9 per cent.

A high level of cooperation between mining, processing and technical project teams backed by improved understanding of ore characteristics helped set new records for recovery rates (88.7 per cent) and extraction rates (93 per cent).

An evening shot of the processing plant conveyor belt.

CONTRIBUTION

ERA contributes to local and Northern Territory economies through payment of royalties, capital expenditure, wages, salaries, contractor payments and purchase of goods and services.

ERA paid wages and salaries of \$67 million in 2010, in line with the previous year (2009: \$68 million). Payments to contractors increased to \$97 million, compared with \$82 million in 2009.

ERA's royalties payments are calculated at 4.25 per cent of net sales revenue, paid to the Commonwealth Government for distribution to Northern Territory based Aboriginal organisations, including the Gundjeihmi Aboriginal Corporation. A further 1.25 per cent of net sales revenue is paid to the Commonwealth and distributed to the Northern Territory Government.

In 2010, ERA's royalties payments totalled \$26 million (2009: \$42 million). Royalties payments declined due to reduced sales volume of Ranger production.

Capital spending increased in 2010 to \$45 million (2009: \$37 million), reflecting ERA's continued investment in further water management infrastructure, and projects such as the calciner replacement and Pit 3 south wall remediation.

MAJOR PROJECTS

ERA has a number of major projects underway which are vital to the Company's future performance.

When implemented (pending approvals) these projects will extend production capability and confirm the extent and location of the Ranger 3 Deeps resource.

HEAP LEACH FACILITY

During 2010, work continued on the \$36 million feasibility study into the proposed heap leach facility at the Ranger mine.

The heap leach facility will produce between 15,000 and 20,000 tonnes of uranium from low grade ores contained in Pit 3 and in stockpiles.

Preparation of ERA's draft Environmental Impact Statement (EIS) for the proposed heap leach facility continues with an expectation that it will be submitted in 2011 for formal assessment under the Northern Territory and the Commonwealth regulations.

Consultation with the community and other stakeholders will continue through this approval process, including during the public comment period.

EXPLORATION DECLINE

The study for the development of an exploration decline to conduct close spaced underground exploration drilling of the Ranger 3 Deeps resource has been completed.

The Ranger 3 Deeps resource contains an estimated 34,000 tonnes of uranium oxide resources, and the mineralised zone remains open to the south.

ERA continues to inform and seek feedback from the Minesite Technical Committee on detailed planning for this project.

A proposal to develop the exploration decline is in the final stages of ERA's approval process with a decision expected in the second quarter of 2011.

The Ranger drill sample yard has been relocated to Jabiru East in preparation for the construction of the decline access portal.

ACCOMMODATION

ERA is reviewing accommodation options for the hundreds of jobs that will be created for the construction of ERA's proposed heap leach facility, exploration decline and brine concentrator (see Water Management page 14).

Options include a new dedicated accommodation village or extension of existing facilities on the Ranger lease and in the town of Jabiru.

At the end of 2010 ERA was consulting with Traditional Owners, local businesses, and government agencies to explore future accommodation opportunities.



ENVIRONMENTAL PERFORMANCE

ERA's vision is to be a world class uranium supplier that contributes to environmental sustainability and is trusted by Traditional Owners, the community and our people.

During 2010, ERA maintained its 30 year history of protection of the surrounding environment based on its statutory monitoring programmes.

The Australian Government's Supervising Scientist Division (SSD), which monitors the impact of uranium mining on the environment and people in the Alligator Rivers region, stated in its 2009/2010 Annual Report that its extensive monitoring and research programmes "confirm that the environment has remained protected".

ERA's own team of experienced scientists, technicians and operators provide research and operational capability to enhance environmental protection and support operational and rehabilitation activities.

Key aspects of ERA's environmental responsibilities include support for the development of the Environmental Impact Statement for the proposed heap leach facility, as well as research

and operational activities associated with water management, monitoring and rehabilitation.

During 2010 ERA maintained international certification (ISO14001) of its environmental management system.

WATER

Water management is the most significant environmental and operational aspect of ERA's activities at Ranger mine.

Water management is an integral part of ERA's Environment, Safety and Health Management System and encompasses all aspects of water capture, storage, supply, distribution, use and disposal at Ranger mine.

ERA's Water Management Plan directs the management of water on site. The Water Management Plan is updated each year and approved by key stakeholders.

There are several different classes of water encountered on ERA's operations, including process water, pond water, release water, potable water, and water treatment plant permeate.

Each class of water differs according to its composition, which dictates the way it is managed.

Process Water Management Strategy

ERA's Process Water Management Strategy is critical for maximising production and enabling progress on new projects, as well as allowing the closure of the exhausted Pit 1, which has been used to store tailings and process water.

Process water is water that has come into contact with the uranium extraction process and is of a quality that requires containment within the Tailings Storage Facility and Pit 1.



CASE STUDY

OPTIMISING OPSIM

ERA uses OPSIM – a leading mining industry operations simulation tool – to model different scenarios for planning and managing process water.

In addition to water forecasting, and in order to meet the unique requirements of the Ranger operation, ERA modified OPSIM to create a water and solutes balance model which is capable of tracking 12 different ions, or solutes, as well as total dissolved solids.

This increased precision is essential for optimising process water planning and management strategies, particularly in relation to the proposed heap leach facility. The planned introduction of a brine concentrator to treat process water is expected to significantly reduce the total volume on site.

Senior Water Strategy Advisor, Louise Frick uses OPSIM to model different scenarios for planning and managing process water.

Process water inventories are reduced by passive evaporation or by treatment through ERA's high density sludge (HDS) process water treatment plant.

The HDS treatment plant was commissioned in 2009 and further work carried out in 2010 resulted in an increased feed capacity from 1.0 megalitre per day to 1.5 megalitres per day.

In the near term and to protect the environment from high rainfall events, ERA is raising the height of the Tailings Storage Facility and will seek approval to increase the maximum operating level.

In the medium term, ERA plans to complete necessary studies and install a brine concentrator to treat process water and reduce the current process water inventory over the life of the Ranger mine.

During 2010, ERA completed small scale on-site and large scale off-site pilot trials of the brine concentrator technology, and completed a pre-feasibility study into a plant capable of treating 1,800 to 2,500 megalitres per year.

A feasibility study into the brine concentrator is planned for 2011 and, if approved, construction is scheduled to commence from 2012, with commissioning expected during the second half of 2013.

The brine concentrator is proven technology which uses thermal energy to evaporate water, which is subsequently condensed and discharged as permeate.

This brine concentrator permeate will meet water quality requirements for release into ERA's constructed wetland system.

Results of a full scale pilot of covered evaporation channels demonstrated successful evaporation potential, however the evaporation rates were lower than required.

ERA will continue to assess the performance and potential of the covered evaporation channel pilot project, which uses passive solar energy to evaporate process water.

Water monitoring

Installation of additional real-time continuous water quality monitoring stations within local waterways and across site has improved ERA's understanding of creek flow conditions.

Seven new pontoon-based stations were installed within Magela Creek with a further three new real-time continuous monitoring devices installed in Gulungul Creek and other areas across the site.

The pontoons provide a stable platform for the monitoring stations and allow safe access for maintenance and calibration.

Salinity spikes

Routine environmental monitoring of water bodies in and around the Ranger mine recorded an increase in the amount of salts, measured as electric conductivity

(EC), in water in Magela Creek on two occasions in April.

The Supervising Scientist Division (SSD) reported in its Annual Report 2009/2010 that results of ecotoxicological research conducted by the division suggest that "no detrimental environmental impacts would have resulted from these short-lived EC events".

Subsequent analysis of the samples by SSD confirmed that the cause was elevated levels of magnesium sulphate in the water and that these events did not contain significantly elevated levels of uranium or radium.

ENERGY AND GREENHOUSE GASES

ERA uses energy for mining, milling ore, processing operations, water management, lighting, heating, cooling and electricity generation.

ERA's power generator also provides electricity for the town of Jabiru and Parks Australia's headquarters. The principal source of energy for ERA is diesel fuel.

The measured total energy consumption for the Ranger operation in 2010 was 1,406,159 GJ (gigajoules). This compares with 1,505,883 GJ in 2009.

The combined greenhouse gas emissions for 2010 from all diesel, LPG and petrol use, and process emissions, calculated as CO₂ equivalent (CO₂-e), was 108,886 tonnes (2009: 120,811 tonnes).



CASE STUDY

STOCKPILE SEEPAGE INTERCEPTION PROJECT

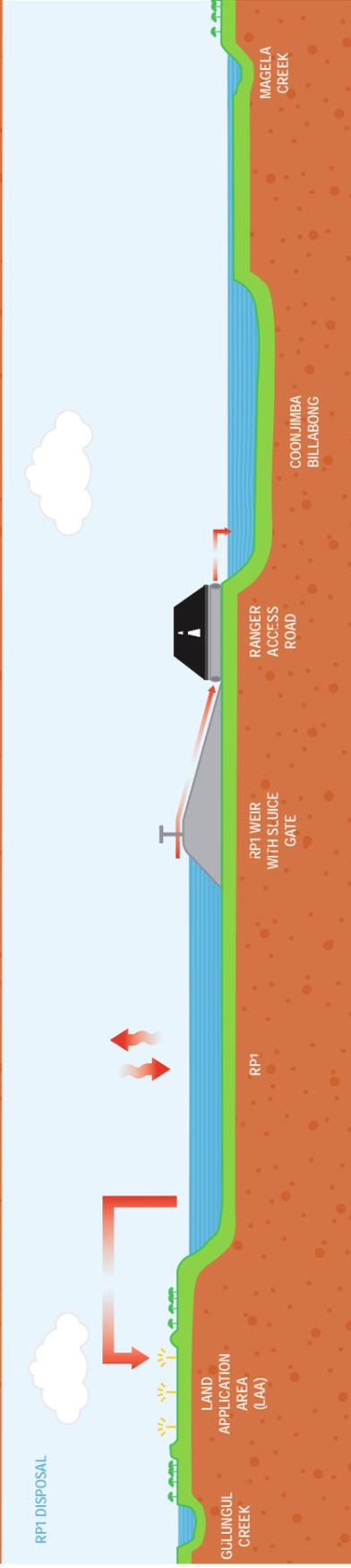
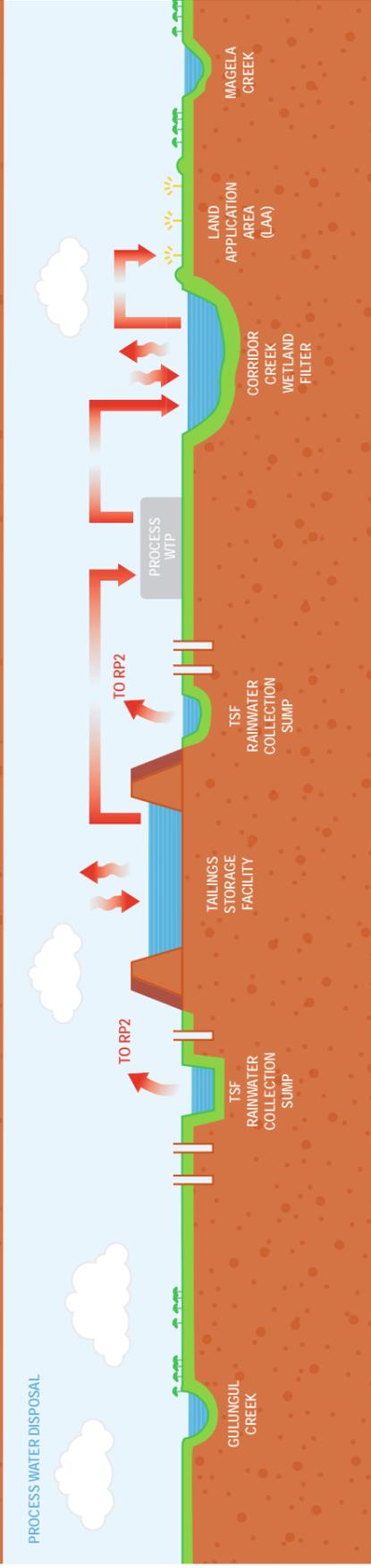
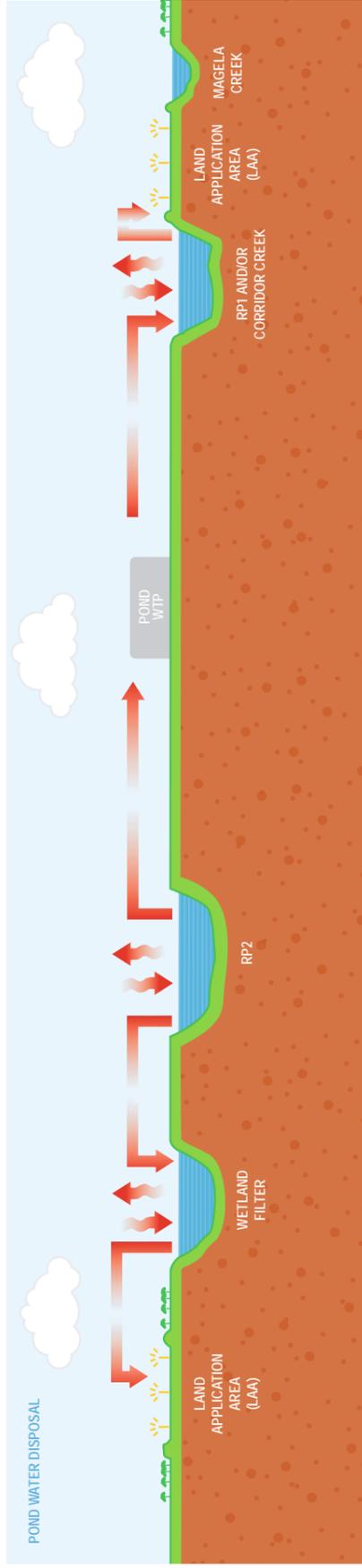
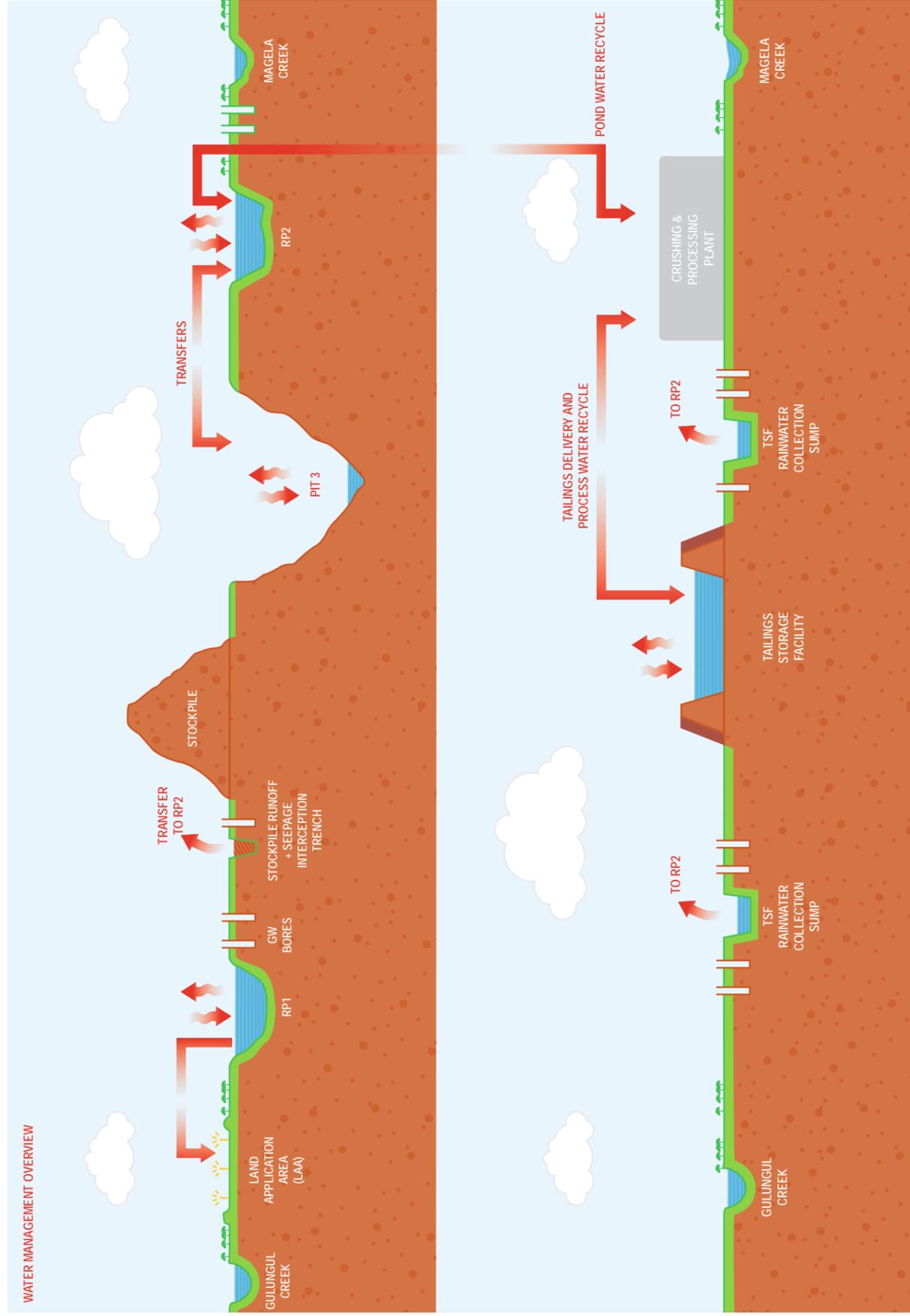
A \$9.4 million stockpile seepage interception project to divert stockpile surface runoff and seepage water flows away from Retention Pond 1 (RP1) was completed in 2010. This project has improved water quality in RP1. Salt levels measured as electrical conductivity in RP1 reduced significantly in the 12 months to December 2010. This improvement is due in part to the stockpile seepage interception project and improved water management practices. The stockpile seepage interception project involved excavation of an interception trench down to the weathered rock zone followed by backfill of the trench with layers of compacted clay to provide an impenetrable clay core. This intercepts surface run-off and seepage flows originating from the surrounding stockpiles and diverts these flows away from RP1.

The stockpile seepage interception project has improved water quality in RP1.

ENVIRONMENTAL PERFORMANCE CONTINUED

WATER TYPE	ORIGIN	HOW IT IS MANAGED	USES AND DESTINATION
Stormwater	Rain falling on undisturbed areas i.e. catchments outside the mine footprint.	Diverted away from disturbed or operational areas.	Directed to waterways as natural rainwater run-off.
Potable water	Brockman and Majela bore fields.	Separate pipe system, strict operational controls and real-time monitoring, non-return valves, unique colour-coded connection fittings.	Bore field water is used for drinking water, wash water, and washroom facilities; septic is captured and transferred to septic tanks and infiltration galleries for disposal.
Release water	Rain falling on catchments within the Ranger footprint.	Water quality is the guiding principle used for managing the release of water. The quality of release waters is such that they do not require incorporation into the pond water inventory but are shed and leave the site as stormwater runoff under controlled conditions.	Release water is closely monitored as an integral part of statutory and operational monitoring to ensure that water quality objectives are met in Magela Creek. Specific streams are routed through passive treatment systems or staging points for management and release.
Pond water	Rainfall that falls on the active pit catchment and stockpile (waste and ore) catchments, generating water of a quality that requires active management.	All pond water is contained on site and cannot be released unless it has been treated or released via evaporation. Directed to Retention Pond 2 (RP2), Retention Pond 3 (RP3) or Ranger Pit 3.	Pond water treatment is by (a) wetland filtration for uranium polishing followed by land application or (b) through two pond water treatment plants which utilise microfiltration/reverse osmosis and ultrafiltration/reverse osmosis technology. Pond water is used for general dust suppression within the mining area, in the power station as cooling water, in the dust collection systems within the operations, and is also used in the processing circuit.
Process water	Process water includes water used in the uranium extraction circuit, and all water that has come into contact with that circuit.	All process water is contained on site and cannot be released unless it has been treated or released via evaporation. Process water is stored in Ranger Pit 1 and the Tailings Storage Facility.	Process water disposal is through passive evaporation from the Tailings Storage Facility and Pit 1 as well as treatment via the high density sludge process water treatment plant.
Water treatment plant permeate	Permeate is produced by the treatment of pond or process water.	Permeate can be directed to a variety of locations depending on operational requirements.	When specific conditions are met treated process water permeate can be released into the first cell of Corridor Creek constructed wetland. Treated and partially treated pond water can be discharged to constructed wetland filters, recycled for use in operations and/or land application.

WATER MANAGEMENT OVERVIEW





ENVIRONMENTAL PERFORMANCE CONTINUED



Climate Change Management programme

ERA's rolling Climate Change Management programme reflects ERA's compliance with requirements of the Commonwealth Government's *Energy Efficiencies Opportunities Act 2006*.

The *Energy Efficiencies Opportunities Act* requires large companies to explore and report on options for improving energy efficiencies.

Major energy opportunities assessed in 2010 include the \$4.9 million calciner replacement project, completed in September 2010, ahead of schedule and without injury.

Diesel is combusted in the calciner to produce high temperatures for the processing of uranium oxide. New calciner burners have improved burning efficiency and heat transfer characteristics, resulting in a projected 10 per cent improvement in efficiency, and annualised savings of approximately 5,000 gigajoules and \$120,000, based on 2010 production.

The ERA Power Station refurbishment programme continued in 2010 with a complete rebuild of generator 5, and work well underway on generator 4. Diesel fuel savings delivered by the programme reached 397,700 litres, compared with 2009.

During 2010 Pit 1 Catchment Minimisation works diverted 258 megalitres of rainfall run-off away from Pit 1 and into clean water systems. This water would have

otherwise added to process water stored in Pit 1 and ultimately required more energy intensive water treatment.

Other energy saving initiatives include a review of compressed air systems, filtering systems for re-use and recycling waste oil, review of scaling in pipes, installation of new site building air conditioning units and a review of energy efficient vehicle purchasing options.

Product stewardship

During 2010 ERA began the second implementation of a Life Cycle Assessment (LCA) for uranium oxide. The first LCA was completed in 2008.

The LCA complies with ISO14060 - Guide for the Inclusion of Environmental Aspects in Product Standards, and captures the impact of uranium oxide production in terms of factors such as primary energy usage, global warming potential, ozone depletion potential and acidification potential.

The LCA supports completion of an Environmental Product Declaration to provide information on the impact of a standard mass (1kg U3O8) of the ERA product.

A number of mining companies, including ERA's parent company Rio Tinto, have provided funding to the World Nuclear Association (WNA) for a uranium related project.

In this project, standardised environmental reporting and assessment criteria are being developed for the uranium industry.

The project also examines mechanisms to encourage and support the adoption of the WNA's Sustaining Global Best Practices in Uranium Mining and Processing.

ERA continues to increase product stewardship capabilities with the appointment of a Chief Advisor Radiation Governance and Product Stewardship to assist with internal and external implementation of product stewardship principles.

Waste management

During 2010, greater effort to segregate waste streams at source helped to reduce volumes of waste sent to landfill to 385 tonnes in 2010, down from 486 tonnes in 2009.

Segregation of waste streams at source has helped prevent larger, industrial wastes from entering the landfill waste site. These larger wastes have been disposed of in Pit 1.

In addition, the implementation and use of Total Waste Management software has allowed more accuracy in recording our waste generation throughout 2010.

Established recycling streams including waste oil, lead acid batteries, cardboard, paper, printer cartridges and other e-waste were improved in 2010 and expanded to include aerosol cans and timber pallets. Installation of eight new recycling stations across site for aluminium cans, plastic bottles, paper and cardboard is planned for 2011.



CASE STUDY

PROTECTING CULTURAL HERITAGE SITES

The Ranger Project Area and Jabiluka Mineral Lease contain many historical and contemporary sites of cultural significance to the Mirarr Traditional Owners. Protecting and preserving these sites is of critical importance and ERA has established stringent guidelines and procedures which govern all on-ground activities.

ERA's Standard Operating Procedure (Land Disturbance) ensures that before any work can begin the proposed action is described in detail and justified, that all regulatory approvals are obtained, that the environment and cultural heritage remains protected and that adequate controls are implemented where disturbance is approved. The permit requires sign-off from five authorised officers, including the ERA Cultural Heritage Representative, and a map of the proposed area must be produced using the Cultural Heritage Geographic Information System (CHGIS).

Based on archaeological information released by the Gundjeihmi Aboriginal Corporation for use across ERA, the CHGIS clearly identifies where ground disturbance can occur without affecting known archaeological material or cultural sites.

Protecting and preserving historical and contemporary sites is of critical importance to ERA.

ENVIRONMENTAL PERFORMANCE CONTINUED

New agreements between ERA and West Arnhem Shire will enable the Shire to deliver glass and aluminium recyclables to the Ranger mine supply yard to benefit from ERA related transport between Jabiru and Darwin. This agreement has been critical in enabling the Shire to deliver these recyclables to Darwin and establish an economically viable recycling programme.

In addition, a steering committee created in December 2010 and comprising ERA, Kakadu National Park, West Arnhem Shire and other local community stakeholders will promote an Integrated Waste Management Strategy in Kakadu National Park.

The oil waste high temperature incineration facility, which disposes of oil and other waste contaminated by contact with uranium ore, processed an estimated 50 tonnes of oil. The facility is being reviewed to further improve efficiency and safety.

Installation of 'kidney loop' oil filters on fixed plant, including crushers, gearboxes and bearings as part of the preventative maintenance programme was completed in 2010. The filters helped reduce the volume of contaminated waste oil by more than 4,200 litres.

LAND

ERA's mining and processing operations are located on Aboriginal land and surrounded by, but separate from the world heritage Kakadu National Park.

ERA protects the land through research and programmes investigating biodiversity, weed and fire management, protection of cultural heritage, site rehabilitation and revegetation.

Biodiversity

ERA continued work on a Biodiversity Management Plan in 2010 in conjunction with Rio Tinto. The plan, expected to be finalised in 2011, identifies biodiversity values on the Ranger Project Area and Jabiluka Mineral Lease, and sets out actions to direct, monitor and review the effective management of priority biodiversity features.

ERA also participated with the Northern Territory Department of Natural Resources, Environment, the Arts and Sport and Kakadu National Park in biodiversity surveys to monitor populations of the threatened brush-tailed Rabbit-rat (*Conilurus penicillatus*). The surveys included areas outside of Kakadu National Park.

Brush-tailed rabbit-rats were found on the Cobourg Peninsula of the Garig Gunak Barlu National Park, but none were found at Mardugal campground, the last known

population in Kakadu National Park. ERA will continue to work with National Park's on these broader biodiversity assessments.

Weed management

Weed management is a significant challenge affecting all land managers in the Alligator Rivers Region, including Parks Australia, the West Arnhem Shire Council, pastoral businesses and private landholders.

Since 2003, annual fine scale weed mapping has been undertaken on the Ranger Project Area and Jabiluka Mineral Lease to improve on ground weed management and to record long-term changes.

The 2010 mapping was conducted during April and May and focused on the distributions of 13 priority weed species.

A total area of 129.2 hectares of weeds was recorded on the Ranger Project Area in 2010, a decrease of 11.1 hectares compared with 2009 (140.3 ha). A total area of 4.3 hectares of weeds was recorded on the Jabiluka Mineral Lease in 2010, down from 5.9 hectares recorded in 2009.

A total of 2557 hours were spent managing weeds in the 2009/2010 control season, up from 1528 hours in 2008/2009.

There were 29 weed species recorded in 2010, of which 27 were found in the Ranger Project Area and 16 in the Jabiluka Mineral Lease. The most common species were hyptis (*Hyptis suaveolens*), wild passionfruit (*Passiflora foetida*), annual pennisetum (*Pennisetum pedicellatum*) and mission grass (*Pennisetum polystachion*).

Environmental protection burning

In 2010, a total of eight burns at four locations were conducted by ERA. These low-intensity burns incorporated weed management (terrestrial and aquatic) and environmental asset protection (revegetation and riparian), wet season cultural heritage clearance, as well as an overarching biodiversity focus.

Burns were conducted at Djarr Djarr in the Jabiluka Mineral Lease, along the fringes of the Magela wetland, along a narrow buffer north of Magela Creek, at a historic revegetation site on the Ranger mine, and along Gulungul Creek.

REHABILITATION

ERA's mine closure model documents the strategies and actions needed to decommission and rehabilitate the Ranger

Project Area, when ERA's mining and processing operations come to an end.

The closure model is based on current scientific and operational knowledge regarding rehabilitation techniques and ERA's current plans for future operations.

ERA closure plans were audited by Rio Tinto during 2010. A number of projects underway in 2010 extended ERA's knowledge and capabilities of rehabilitation techniques and processes.

These projects include the trial landform project, preparations for closure of Pit 1, and rehabilitation of land application areas.

Pit 1

Preparations for rehabilitation and closure of Pit 1, the Ranger mine's first operational pit, continued in 2010.

The pit, which has been used for storage of tailings and process water, will be filled with waste rock that will settle and compact to form a stable base for a surface landform for revegetation.

Work includes development of a regional groundwater flow model, completion of engineered backfill studies, consolidation modelling, in-pit investigations of tailings geochemistry, pit wall geological characterisation, and preparation for 'wick' drain installation.

These long 'wick' drains made of geotextile fabric up to 40 metres in length are designed to be installed vertically within the tailings mass.

The wicks promote settlement by driving out free process water and improving the overall stability of the tailings surface. Installation of the wick drains is planned for 2011.

Land application areas

Designated land application areas are used to dispose of treated pond water, through evapotranspiration on the Ranger Project Area, and under strict regulatory requirements and environmental controls.

In 2010, ERA and the Environmental Research Institute of the Supervising Scientist completed a comprehensive two-year study into the radiological, heavy metals and vegetation conditions of all land application areas used by ERA.

Based on this study, remediation options have been developed for the rehabilitation of land application areas.

A field trial of remediation options is currently ongoing at ERA's oldest and now disused land application area, the 55 hectare Magela Land Application Area.



CASE STUDY

TRIAL LANDFORM PROJECT

In just 12 months ERA's trial landform is not only providing valuable data on ERA's rehabilitation strategies, it is being rapidly colonised by native animals including the common rock-rat and lizards, many native birds, and insects such as grasshoppers and ants. Trap and release surveys conducted on the trial landform in November 2010 recorded 13 common rock-rat (*Zygomys argurus*), compared with seven animals recorded at the same time in 2009. Prior to taking up residence in the trial landform, the common rock-rat had not previously been identified on the Ranger Project Area, and its nearest known natural habitat is the Mt Brockman stone country.

Constructed in 2008/2009, the landform was planted with a variety of seeds and seedling tubestock to mimic natural, locally occurring habitat types. The landform provides a large scale opportunity to assess the performance of revegetation strategies, erosion characteristics and rainfall runoff patterns.

During 2010 ERA monitored the progress of rehabilitation, in conjunction with the Environmental Research Institute of the Supervising Scientist. Results from landform studies – including information about colonising animals like the common rock-rat – assist longer term modelling of the performance of the ultimate landform to be created during rehabilitation of the entire mine site. As an example, tubestock planting in compacted rocky areas with little or no soil perform best so far, with locally sourced native seedlings planted in these areas already exceeding three metres in height.

During 2010 ERA monitored the progress of rehabilitation, in conjunction with the Environmental Research Institute of the Supervising Scientist.

SOCIAL PERFORMANCE

The safety of staff, contractors and the surrounding community has the highest priority at ERA.

HEALTH AND SAFETY

Managers, employees and contractors are continually engaged on safety issues, awareness and training, as part of ERA's goal of zero injuries.

ERA measures safety primarily by the All Injury Frequency Rate (AIFR). This is a measure of all reportable injuries – lost time injuries, restricted work injuries and medical treatment cases – per 200,000 hours worked.

During 2010 ERA maintained the strong safety performance of 2009, with an AIFR of 0.71 (2009: 0.68).

ERA's Lost Time Injury Frequency Rate (LTIFR) per 200,000 hours for 2010 was 0.20, compared with 0.34 in 2009.

ERA achieved 1,320,583 hours without a lost time injury during 2010, which included complex and labour intensive operational projects such as the calciner replacement project (see page 21).

There were two lost time injuries and five medical treatment injuries during 2010. The lost time injuries involved a cut hand in the heavy equipment workshop, and a fractured ankle after falling when walking over uneven ground. Both personnel made a complete recovery.

The five medical treatment injuries involved a pinched finger, a chipped tooth, a dislocated shoulder resulting from a trip while walking, a cut hand requiring stitches, and a cut chin requiring stitches.

During 2010 a number of safety initiatives and projects were completed, including:

- ▶ Expanding the Significant Potential Incident reporting criteria to include environmental and health issues and incidents.
- ▶ A site-wide internal Process Safety Audit identified opportunities to improve ammonia safety.
- ▶ A Health, Safety, Environment and Quality Audit in March on areas

identified for improvement necessary for ERA to maintain certification to ISO 14001 and AS 4801 in 2011.

- ▶ Providing support for 80 ERA managers, supervisors and team leaders through the Rio Tinto based Safety Leadership Development programme.
- ▶ Participating in an innovative sleep and fatigue management study.

The Health, Safety, Environment and Quality Audit aimed to reduce ERA's risk rating by 15 per cent to comply with Rio Tinto standards.

As a result of implementing actions designed to manage identified risks, including controls designed to minimise the risk of driving between Darwin and Jabiru, ERA achieved a risk rating reduction of 21 per cent.

All injury frequency rates



Safety milestones

The Safety Milestones programme raised Company and community awareness of workplace safety goals by donating funds or equipment to the local community projects when specific targets for days without injury were met during 2010.

To mark 92 days without a recordable injury ERA provided funds for two emergency cyclone sirens for the township of Jabiru.

During 2010, ERA achieved a total of 278 consecutive days worked without a lost time injury. This equalled an existing record for the Company.

ERA continued its recognition and reward for employee-generated health and safety solutions through the Environment Safety and Health awards, an employee awards night recognising safety achievements.

RADIATION MANAGEMENT SYSTEM

ERA's safety and health management systems are certified to AS 4801 and include a comprehensive radiation management system.

Monitoring results are compared to limits recommended by the International Commission on Radiological Protection (ICRP) for uranium industry workers.

The ICRP sets two limits for radiation exposure, above that received from natural background or medical exposure, to distinguish between two types of people: members of the public and radiation workers.

- ▶ Members of the public: 1 millisievert (mSv) per year, and
- ▶ Radiation workers: 20 mSv per year over five years with a maximum of 50 mSv in any one year.

ERA employees and contractors whose occupational exposure to radiation may exceed 5 mSv per year are declared 'designated' workers and their exposure is closely monitored.

As part of ERA practice to have effective and appropriate communication with key stakeholders, including the regulatory authorities, radiation results are subject to review prior to being finalised.

During 2010 ERA appointed a Chief Advisor Radiation Governance and Product Stewardship to assist with strategic analysis of broader radiation issues, as part of moves to expand radiation management capabilities.

Radiation monitoring programme

The aim of ERA's Ranger mine radiation monitoring programme is to ensure that its work force, members of the public, and the environment are not exposed to unacceptable levels of ionising radiation

which may arise from ERA's uranium mining and processing operations.

The radiation monitoring programme is designed to demonstrate the following outcomes:

- ▶ Operations at Ranger have no adverse effect on the health of members of the regional community;
- ▶ Radiation doses to workers are as low as reasonably achievable (ALARA), social and economic factors being taken into account and are less than the occupational dose limit; and
- ▶ Radiation doses to people who are not workers are as low as reasonably achievable and are less than the member of public dose limit.

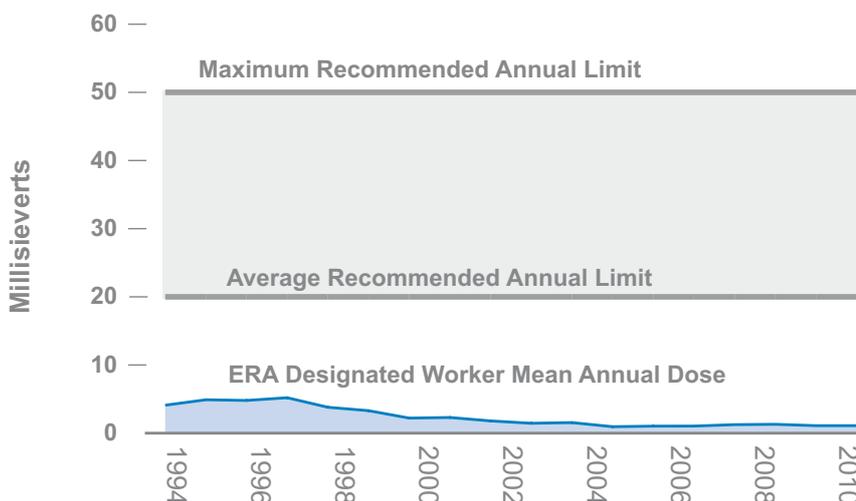
Routine monitoring is conducted to determine the level of exposure to an individual or a work group.

This routine monitoring forms the basis of the "statutory" monitoring programme. It allows ERA to demonstrate compliance with recommended limits; and produces the results needed for stakeholders to readily determine the radiation conditions arising from the operation.

In addition to routine monitoring, there is operational, campaign and research monitoring at the Ranger operations.

Operational monitoring is focused on day-to-day operational conditions and on determining short term trends in radiation parameters.

Designated worker mean annual radiation dose





SOCIAL PERFORMANCE CONTINUED

Campaign monitoring tasks include investigative and post-event monitoring to explore detailed exposures of sub-groups, the effect of changes to processes or procedures, to check on cleanup, or to check on engineering modifications.

Research monitoring includes re-confirming the particle size distribution, dust ore grade, or radionuclide composition, in an area or throughout the workings, after any major change in process or in ore source or type.

Analysis of 2010 monitoring results

Preliminary analysis of the doses has been performed and confirm that all occupational and public radiation doses remain well below the national and international dose limits.

Average doses are in line with those measured in previous years and the maximum individual dose remains around a quarter of the annual dose limit.

Average doses are well below this maximum value and are similar in magnitude to the natural variation in background radiation experienced worldwide.

The doses are in line with the ICRP principles of Justification, Optimisation and Limitation. The doses to workers remain at the lower end of the spectrum for uranium workers.

The potential exposures of Jabiru residents and surrounding communities are also monitored, and the contribution from the Ranger mine remains very low in comparison with both the public dose limit and the natural background radiation.

The natural background in the area is 2-3 mSv but varies according to location and other factors such as dwellings and lifestyle.

EMPLOYMENT

Providing stable, long term and rewarding employment, backed by career and professional development opportunities is one of ERA's major contributions to the Northern Territory.

In 2010 ERA's workforce comprised a total of 523 jobs (2009: 521) and 80 permanent contractor positions.

Taking job-sharing, part-time arrangements and permanent contractors into account, ERA's total workforce was 617.

New employees and contractors are introduced to the cultural, environmental and historical values of the Kakadu region and the Mirarr Traditional Owners through Cultural Awareness Programme courses.

During the year, 119 employees and contractors took part in these courses, which are part of ERA's induction programmes and delivered in partnership with the Gundjeihmi Aboriginal Corporation representing the Mirarr Traditional Owners.

Indigenous employment

A key part of ERA's five year employment strategy is to continually build upon and develop an Indigenous workforce that is skilled and locally-based.

Indigenous employee numbers have dropped slightly for the year, and additional resources have been added to the business to provide support in this area.

At 31 December 2010, ERA had 81 Indigenous employees (2009: 91) and nine Indigenous permanent contractors. Indigenous employees represent 15.5 per cent of ERA's direct workforce.

In 2010, ERA expanded its Indigenous Employment Liaison Team to three people, comprising a Superintendent and two Support Officers. The team has introduced a new mentoring system which pairs new Indigenous employees with experienced employees who provide a guidance and support role.

During 2010, ERA worked with the Minerals Council of Australia (Northern Territory Division) and the Northern Territory Government to support the new pilot pre-employment programme for Indigenous employees in the mining industry, with three programme participants working at ERA.

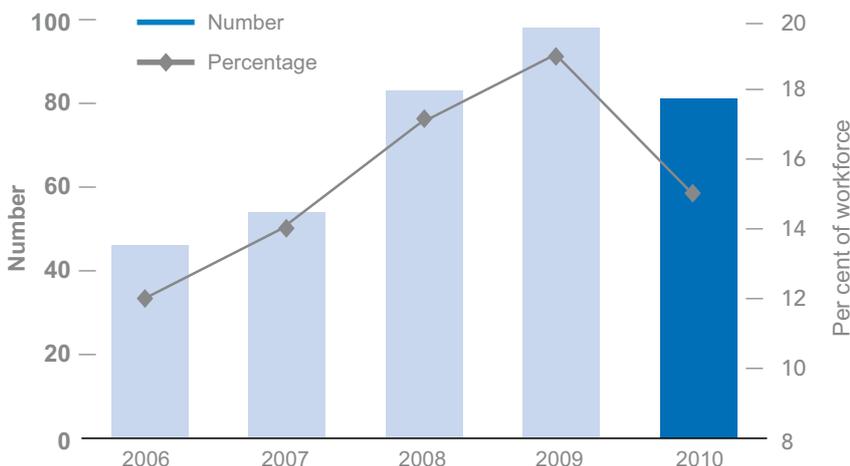
The accredited training is held at the Batchelor Institute of Indigenous Tertiary Education. On the job training is undertaken when the participants attend the mine site.

The study/work cycle is based on 12 hour shifts starting at 5am, similar to the type of rosters used in 24 hour mining operations, and prepares potential Indigenous employees for working in the mining industry.

ERA also supported Indigenous employees in gaining professional development and support for language and literacy skills training.

Three Indigenous employees completed the nationally accredited Certificate IV in "Training and Assessment", while 18 Indigenous employees enrolled for further learning as part of the Commonwealth Government's Workplace English Language and Literacy Programme.

Indigenous employees



Indigenous employee Colin Naborlhborlh, was one of four participants from ERA who completed the pre-employment programme.

At 31 December 2010, ERA had 81 Indigenous employees (2009: 91) and nine Indigenous permanent contractors. Indigenous employees represent 15.5 per cent of ERA's direct workforce.

SOCIAL PERFORMANCE CONTINUED

Further education and training

During 2010, ERA supported 132 employees to enrol in further education and training and achieve nationally recognised industry certification.

Training was delivered in partnership with the registered training organisation Careers Australia Institute of Training and Australian Apprentices Northern Territory.

Twenty-two employees enrolled in Certificate III Metalliferous Mining Operations – Processing. Ten Indigenous employees enrolled in Certificate IV Workplace Training and Assessing through the Community-based Indigenous Trainer Programme (CBIT). Four completed the course in 2010, with one to complete it in 2011.

Fifteen employees enrolled in Certificate IV Frontline Management, five in Certificate III Warehousing, and a further 52 employees enrolled in Certificate III Surface Extractive Operations, due for completion in 2011.

Education partnership

ERA's education partnership with the Northern Territory Department of Education and Training offers all students in Jabiru, Gunbalanya and the surrounding region greater education opportunities and access to pathways for future career options and training.

West Arnhem College, which has campuses at Jabiru and Gunbalanya,

reported increased attendance, education outcomes and community involvement after the education partnership's first year of operation in 2010.

The college was a finalist in the 2010 Northern Territory Smart Schools Award for its partnership with ERA.

During 2010, ERA had 16 full-time apprentices and four school-based apprentices. By year's end, four apprentices completed their training and transferred to a full-time job with ERA.

In 2011, ERA increased apprenticeship opportunities to 21 full time apprentices and seven school-based apprentices.

COMMUNITY RELATIONS

ERA makes a significant contribution to local communities and the wider Territory and national economies, including \$860,000 in partnerships and sponsorships.

In particular, ERA makes a major contribution to the town of Jabiru, which is one of the largest regional centres within the Northern Territory, and is both a mining town and the gateway to the Kakadu National Park.

The majority of Jabiru residents either work directly for ERA, or indirectly in service and support activities made possible by the mine's continued operation.

ERA's community relations programme includes support for local schools and students, sport, the arts, local events,

regional festivals, community safety awareness raising, and community health and child care, including a contribution to Kakadu Health Services to assist with the employment of a community doctor.

An important focus of the programme is to minimise the impact of mining on cultural heritage.

ERA appointed a new Community Relations Manager to provide clear direction and communication of ERA's community relations goals and engagement activities. Development of a new Community Relations Strategy, defining goals, roles and work plans began in late 2010.

ERA also appointed a new Infrastructure Manager who is responsible for reviewing and managing community infrastructure, with a focus on the airport, contractor camp and Jabiru town facilities.

During the year around 3,300 people, including tourists, industry representatives, students and key stakeholders took part in Ranger mine guided tours.

Territory teams

As Principal Partners for the Territory Teams programme, ERA and Rio Tinto are providing \$1 million over three years to support the Territory Thunder football team and Territory Storm netball team.

The Territory Thunder team made the Queensland AFL finals series in only its second year of competition, while the Territory Storm netball team also performed well.



CASE STUDY

LEARNING AND WORKING

Almost one in four ERA employees engaged in professional development in 2010, and as one of the many ERA people juggling studies and full-time work Community Development Officer Leona Katzer said the challenge is well worth the effort.

Leona successfully completed a Graduate Certificate in Community Relations at the University of Queensland by correspondence, while continuing her work with the ERA Community Relations team in Jabiru.

Leona said her studies helped her develop a greater understanding of relationships between communities and the mining industry, and allowed her to incorporate frameworks, tools and techniques associated with community development and engagement directly into her role. "The course has enabled me to plan and implement community programmes through effective community engagement," Leona said.

The course covered community aspects, development, engagement and working with Indigenous people. Leona's academic achievements and community contributions were recognised with an Australia Day award.

Leona Katzer successfully completed a Graduate Certificate in Community Relations at the University of Queensland by correspondence.



SOCIAL PERFORMANCE CONTINUED

Territory Thunder football players held coaching clinics for school students in Jabiru and Gunbalanya.

Preserving and promoting Indigenous art

In December 2010, Rio Tinto and ERA were proud to be the major sponsors of an exhibition of one of the Northern Territory's most distinguished and respected Aboriginal leaders, and one of Australia's most significant artists, Bardayal 'Lofty' Nadjamerrek at the Sydney Museum of Contemporary Art (MCA).

ERA's support assisted members of the Injalak Arts and Crafts Association in Gunbalanya to travel to the exhibition and to participate in professional development workshops at the MCA.

In 2011, ERA's support will enable the MCA to hold community events and professional development workshops for local artists in the Alligator Rivers Region of West Arnhem Land.

ERA also supports research and conservation of Aboriginal rock art through its sponsorship of the George Chaloupka Fellowship research programme.

The Fellowship supports research and conservation of Aboriginal rock art in the Arnhem Land Plateau area of the Northern Territory, and recognises the outstanding work of rock art historian Dr George Chaloupka.

In August ERA announced an additional funding grant of \$85,000 to support the Fellowship for a further three years to 2014.

Northern Territory rock art expert Daryl Guse was awarded the Fellowship for 2010, for a proposal to work with Traditional Owners to document and conserve rock art in the Urmarning (Red Lily Dreaming) precinct in Arnhem Land.

Festivals and music

ERA supported the Mahbilil Festival in Jabiru in September, which celebrates local and contemporary Indigenous culture, music and food. The festival has a strong family focus and is increasingly famous for its spectacular lantern parade and magpie goose cooking competition.

In August ERA sponsored and presented the Album of the Year Award at the Northern Territory Indigenous Music Awards in Darwin. The award was won by Garrangali Band.

During September, ERA's support enabled the Gondwana National Indigenous Children's Choir to extend their visit to the Northern Territory to include the Alligator Rivers Region.

Representatives of the choir, including Artistic Director and founder Lyn Williams, held musical workshops and auditions at schools in Jabiru and Gunbalanya.



CASE STUDY

RESPONSIBLE PET OWNERSHIP

With the township of Jabiru playing a dual role as the gateway to the World Heritage Listed Kakadu National Park and a major Territory mining town, local residents have a special responsibility to care for the environment.

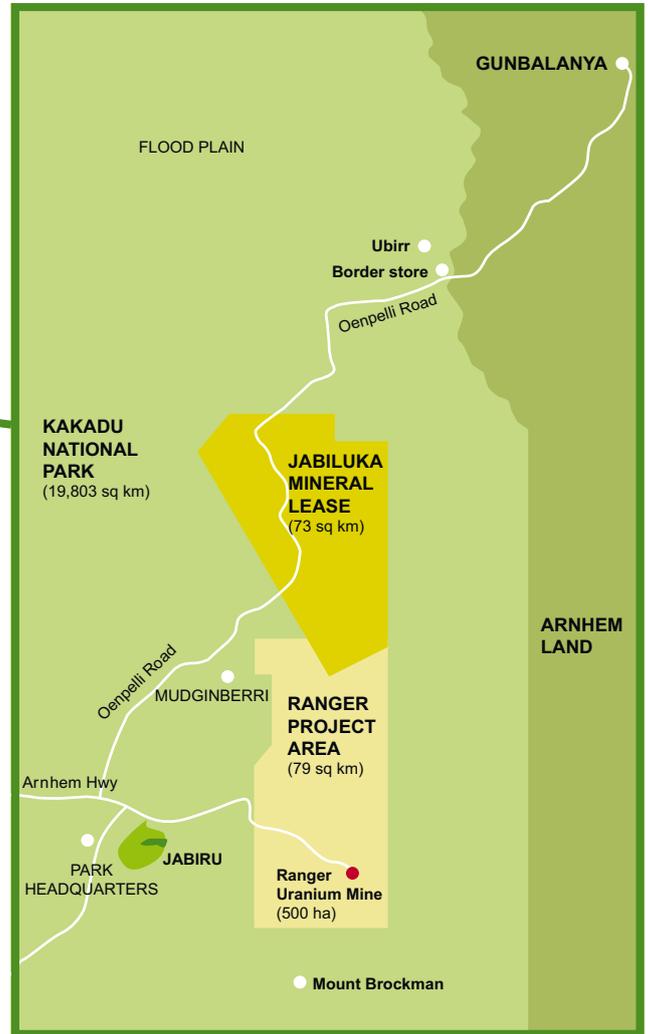
During 2010 ERA's Community Relations team worked with Kakadu National Park and the West Arnhem Shire Council to raise awareness of responsible pet ownership.

Jabiru residents are allowed to have no more than two pet dogs. Cats and birds are not allowed.

A community information programme helped inform Jabiru residents, including ERA employees living in Jabiru, about ways to ensure pet dogs are managed to protect local wildlife.

Jabiru resident Dionne Nowak pictured with her family pet dog, Zeus.

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RANGER MINE

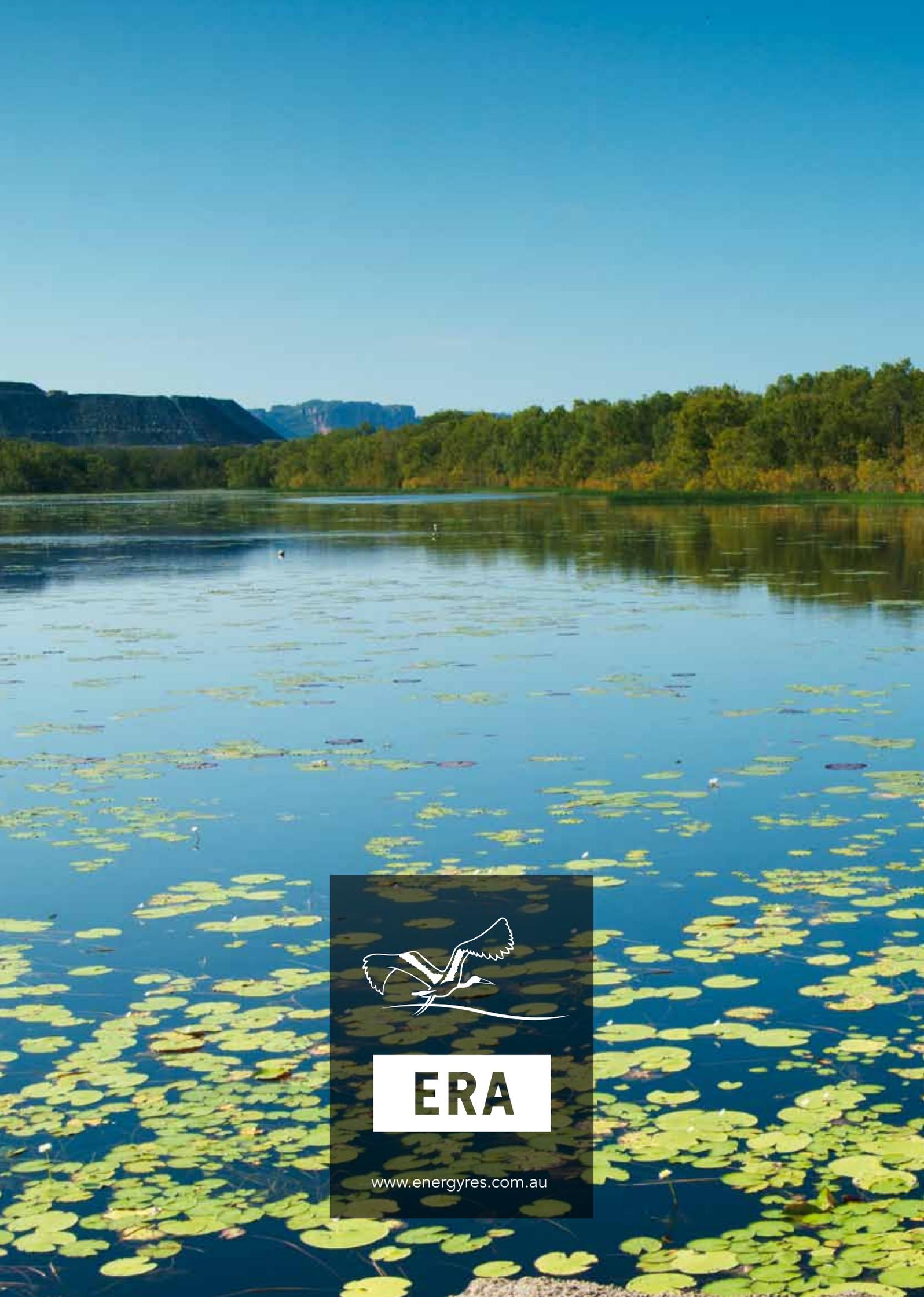
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