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CHIEF EXECUTIVE'S ADDRESS

ANNUAL GENERAL MEETING

12 April 2017

Acknowledgements:

Thank you Peter.

Before talking about our business I would like to acknowledge the Traditional Owners of the country on which our operation is situated, the Mirarr people. I'd also like to acknowledge the Larrakia people, the Traditional Owners of the land on which this meeting is taking place.

Overview:

As the Chairman has outlined, 2016 was a positive one for ERA, with improvements, but also some challenges.

One of our most satisfying achievements was in safety which saw a strong improvement across key aspects. We reached a number of milestones in rehabilitation, our cash position strengthened and production slightly exceeded expectations. All of this was completed as a result of the dedication and commitment of the ERA team.

This morning I'll outline each of these for you, starting with health and safety.



Health and safety:

The health and safety of the team is a core value for ERA and we are committed to the goal of zero harm.

To further support the business, the Board introduced a Health, Safety and Environment Committee in 2016 which provides important governance and guidance to the business and management team.

In 2016, ERA reported a substantial improvement in the safety from the previous year across the key areas of personal safety, critical risks and process safety management.

Firstly, personal safety. ERA measures personal safety by the All Injury Frequency Rate. This is a measure of all reportable injuries – lost time injuries, restricted work injuries and medical treatment cases for every 200,000 hours worked. Our All Injury Frequency Rate in 2016 was 0.19, which is sustained improvement from 2014 and 2015 where the All Injury Frequency Rate was 1.27 and 0.67 respectively.

Secondly, we remain committed to the management of process safety. During the year, we made good progress in the implementation of the Process Safety Improvement Action Plan, with the eighth and final quarterly visit to Ranger by independent consultant Noetic Risk Solutions. The final report by Noetic concluded that ERA has now put itself in a leading position amongst industry peers with regards to process safety. We will continue this focus in 2017.

Finally, ERA continued the implementation of the Critical Risk Management programme which we commenced in late 2015. The aim of Critical Risk Management is to eliminate fatality risks in the workplace by ensuring there are effective controls in place prior to commencing a task. We will continue embedding the programme in 2017.



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People:

Before I move on to operations, I would like to give you a brief update on ERA's workforce which is currently 377 including contractors. Within the business 16 per cent of employees are women and 13 per cent are indigenous employees. During the year, we appointed four new apprentices at Ranger, three of them are women and three are indigenous. It is the first time in Ranger's history that we have employed first year female apprentices and already two of our apprentices have been recognised in the Territory for their achievements. One of our automotive apprentices won school based apprentice of the year and was runner up in the indigenous automotive apprentice of the year, while another was runner up in the first year heavy diesel apprentice of the year. A great result for those individuals.

In 2016, ERA's Pre Employment Programme assisted in the development of work-ready skills and accreditation for seven local indigenous men and women. The Company continues to support work experience and school-based apprenticeships for local students. In 2016, we engaged five school-based apprentices who continued their year 11 and year 12 education while maintaining part-time work at ERA.

Operations:

Turning to operations, ERA produced 2,351 tonnes of uranium oxide in 2016 from processing stockpiled ore, compared with 2,005 tonnes the previous year.

Plant utilisation was strong thanks to a sustained focus on preventative maintenance and asset integrity.

Plant throughput at Ranger in 2016 was a record 2.7 million tonnes of uranium ore.



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An additional leach tank was brought back into service during 2016, bringing to five the number of leach tanks on line.

Production guidance for 2017 is for between 2,000 and 2,400 tonnes of uranium oxide.

Cash Management:

ERA ended 2016 in an improved cash position, recording a net cash increase of \$30 million for the year. The Company achieved cash flow generation of \$54 million from the production and sale of uranium oxide.

The Company's focus on managing our cost base and maximising cash generation involves company-wide initiatives, with all employees encouraged to contribute to reducing waste. The programme is committed to achieving the improvement without compromising the health and safety of our employees, contractors, community and the local environment.

During the year, the average spot price of uranium oxide fell to US\$25.64 per pound. ERA continued to benefit from our long-term marketing strategy that delivered an average realised price of US\$41.87 per pound, approximately US\$16 per pound in excess of the average spot price in 2016.

Cost and cash management will continue to remain central to our approach in the coming years.

There was no expenditure on exploration or evaluation in 2016. Capital expenditure of \$3 million related to sustaining capital expenditure projects.

Our financial position strengthened during 2016, ending the year with \$466 million in total cash resources, consisting of \$396 million in cash at bank plus \$70 million which is held by the Commonwealth Government as part of the Ranger Rehabilitation Trust. ERA has no debt.



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The rehabilitation provision for 2016 increased slightly in the year with a provision of \$511 million reported at 31 December 2016, compared with the provision of \$509 million at the end of 2015.

Credit facility:

ERA's commitment to funding progressive rehabilitation was reinforced by the \$100 million credit facility entered into with our major shareholder Rio Tinto in 2016. The credit facility provides additional assurance to stakeholders that rehabilitation of the Ranger Project Area can be fully funded in a range of business scenarios.

Under current assumptions relevant to ERA's cash position and having regard to the expected years of future production, the Company is confident it will have sufficient financial resources to fully fund its rehabilitation programme.

Future Supply:

Looking to the future, ERA owns three main resource and reserve assets namely, the stockpiles at the Ranger operation, Ranger 3 Deeps resource and Jabiluka Mineral Lease.

During 2016, the Ranger Ore Reserves decreased from 10,383 tonnes of uranium oxide to 8,081 tonnes primarily as a result of processing. Under current economic assumptions, the mine plan assumes that the processing of stockpiled ore is viable until late 2020.

In June 2015, ERA announced that the Ranger 3 Deeps project will not progress to a final feasibility study in the current operating environment. This was due to two main factors, namely, that the uranium market had not improved as ERA previously expected and there was uncertainty regarding the direction of the uranium market in the immediate future. In addition, the



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economics of the project required operations beyond the current Ranger Authority which expires in 2021.

Last year, the market saw little improvement, therefore the Ranger 3 Deeps decline and associated infrastructure remains on care and maintenance at a cost of approximately \$4 million per annum.

The Ranger 3 Deeps mineral resource based on the updated resource model equates to 43,857 tonnes of uranium oxide.

The Jabiluka Mineral Lease remains under long term care and maintenance in accordance with our agreement with the Traditional Owners. Jabiluka mineral resources in line with the 2012 JORC Code remain the same at 137,107 tonnes of uranium oxide at a cut-off grade of 0.2 per cent uranium oxide.

Social Impact Assessment and Closure:

In late 2016, ERA initiated a Social Impact Assessment regarding Jabiru. The purpose of the Social Impact Assessment is to gather information from local residents and business owners to help the Company develop a transition and rehabilitation strategy for the town. The existing Jabiru town head lease will expire in 2021 and ERA has a range of rehabilitation obligations in the town which it must prepare for ahead of the lease expiring.

A separate process involving the Commonwealth Government, Northern Territory Government and Traditional Owner representatives has commenced to develop and agree a future plan for Jabiru.

For the Ranger Project Area, ERA submitted the draft Closure plan to stakeholders in December 2016.

The draft plan builds on the closure criteria and details such activities as backfill planning, the demolition of the plant, revegetation, landforming and



water management. The plan details how ERA will achieve closure under the environmental obligations and includes rehabilitation work which has already been undertaken at Ranger over many years.

This is a large body of work, which is based on decades of scientific research which has been carried out by ERA and the Supervising Scientist Branch of the Commonwealth Government.

ERA plans to publically release the Closure plan following feedback from stakeholders.

Progressive rehabilitation:

ERA has a strong commitment to rehabilitating the disturbed land at Ranger and Jabiluka and since 2012 we have invested more than \$425 million in rehabilitation and water management projects. In 2016, we spent \$20 million on rehabilitation. The main activities focused on the laterite capping of Pit 1 and the commissioning of the dredge which completed its first full year of service transferring tailings from the Tailings Storage Facility to Pit 3. In March 2016, ERA submitted a notification to stakeholders for bulk backfilling of Pit 1 so that revegetation of the area can commence. In April 2017 we received notification of approval to progress Pit 1 rehabilitation from the Northern Territory and Commonwealth Governments.

At Jabiluka, the team is engaged in ongoing weed, fire and water quality management. The 16,000 native saplings planted over the disturbed area have now matured into trees and are flourishing.

In Pit 3, tailings were deposited via two pipelines from the mill and tailings storage facility. The tailings inflow is designed to consolidate the lower layers and allow for excess process water to be pumped back to the Tailings Storage Facility. Brine Injection into the bottom of Pit 3 commenced during 2016.



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Water management is a large part of the rehabilitation programme at Ranger.

The brine concentrator, which is used to treat process water, demonstrated that it can operate at the desired rate and most of the technical issues associated with the infrastructure were addressed leading to more consistent performance.

In accordance with the existing Ranger Authority, all mining and processing activities at Ranger must cease by January 2021 and rehabilitation must be completed by January 2026.

Effective and timely rehabilitation is important to ERA and our stakeholders. We continue to progress activities and demonstrate our commitment to our stakeholders, the land and local environment and to ensure our ongoing licence to operate.

Before I conclude, I'd like to show you a short video of the rehabilitation work at Jabiluka and Ranger taken from the air, so you can see for yourself the progress we are making.

[VIDEO – REHABILITATION]

Conclusion:

ERA is continuing to focus on environmental protection and the health and safety of all stakeholders, whilst maximising value for all shareholders.

While the short term outlook is challenging, the long-term outlook remains positive for the uranium market.

We are proud of our strong improvement in safety, strong production results, cash generation and many milestones in progressive rehabilitation which we achieved in 2016.



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As Peter mentioned, last year Ranger mine celebrated 35 years since production began, which is no mean feat.

We remain committed to our strategic priorities which are: continuing progressive rehabilitation, maximising cash flow from the processing of stockpiled ore and preserving the option for future development of Ranger 3 Deeps.

Finally, as this will be my final AGM, I would like to thank all of the ERA employees for their commitment to the business and to the shareholders for your engagement and understanding throughout my time as Chief Executive which has been challenging but enjoyable all the same.

Thank you for your time.