



CHIEF EXECUTIVE'S ADDRESS

ANNUAL GENERAL MEETING

10 April, 2013

Thank you Peter

I would also like to acknowledge the Larrakia people, custodians of the land on which we meet, and the Mirarr people, custodians of the land on which we operate the Ranger mine.

Overview

ERA had another challenging year in 2012. However, I do believe we successfully met all of the challenges we faced, and enjoyed a year in which we further enhanced our water management credentials, achieved very strong plant and mining performance, and made pleasing progress in strengthening our relationship with the Mirarr Traditional Owners.

In 2011, we raised approximately \$500 million through a rights issue. These funds were to be used to advance most notably the Brine Concentrator, construction of the Ranger 3 Deeps exploration decline and further studies into a potential underground mine.

I am pleased to report that we are delivering on what we said we would do.

Of utmost importance in meeting our targets is a strong safety performance and I am pleased to say that despite all of the challenges we faced in 2012, we achieved the best safety performance in ERA's history.

Another highlight of the past year has been the completion of mining in Pit 3, which concludes more than 31 years of open cut mining at Ranger mine.

This has allowed significant progress to be made in backfilling Pit 3, which is vital to the success of our progressive rehabilitation plans.

In January 2013, the Ranger Mining Agreement was finalised between ERA and the Mirarr Traditional Owners.

I cannot underestimate how important this agreement is to the relationship between ERA, the Gundjeihmi Aboriginal Corporation and Mirarr and I look forward to continuing to develop and strengthen our relationship.

We have also significantly progressed the important and complex Integrated Tailings, Water and Closure Prefeasibility Study which provides a definitive closure plan for the Ranger Project Area. The study provides greater certainty on the techniques, method, schedule requirements and costs to complete the rehabilitation of the Ranger Project Area.

Our future and our ability to bring on new streams of production is dependent on demonstrating our ability to progressively rehabilitate our operations to a high standard. This is important work and we look forward to making significant progress in 2013 and the coming years.

I will now talk in more detail about each key area.

Safety

I am very pleased once again to report a record safety performance. In 2012, we improved our safety performance by 10 per cent from 2011, which was outstanding considering the large amount of work undertaken at Ranger during the year.

It is also important to report that the five reportable injuries we did have were relatively low risk and fortunately of low consequence and all persons made a full recovery.

ERA was nominated for the Rio Tinto Chief Executive's Safety Awards, and won national recognition for outstanding achievement in driver safety initiatives at the Australian Road Safety Awards.

We are very focused on achieving our goal of zero harm and will not waver in our commitment to ensure that each member of our team goes home safely at the end of every day. This goal is achievable.

Environment

ERA's capability and commitment to protecting the environment in 2012 was again confirmed by the Australian Government's Supervising Scientist Division, which confirmed that "the environment has remained protected".

A significant amount of work was completed during 2012 to deliver an important independent environmental report that further signifies the improved relationship between ERA and the Gundjeihmi Aboriginal Corporation, who represent the Mirarr.

The group was established in May last year to review surface water management and monitoring associated with the Ranger mine. The primary purpose was to deal with the Mirarr's long held concerns around the downstream impacts of our mining operations.

The working group consisted of representatives from ERA, Gundjeihmi Aboriginal Corporation, the Supervising Scientist Division and the Northern Land Council. Professor Barry Hart, from Monash University was appointed as

the Independent Chair and Professor Mark Taylor from Macquarie University was the Independent Science Advisor.

The main findings of the working group found that the current surface water management and regulatory systems in place at the Ranger mine are of a very high standard and that there is no scientific evidence of any downstream impact. 15 recommendations were highlighted to be put in place to help ensure that the surface water management system at ERA continues to be best leading practice.

ERA has committed to carry out each of these recommendations as they will assist in further improving the operation of ERA's water management system and the reporting of key data to stakeholders.

People and Community

ERA is a major employer in the Northern Territory and a vital contributor to the economic and social fabric of the Alligator Rivers region.

ERA has long held a strategic focus on fostering and promoting education, training and employment opportunities for Indigenous Australians. The ERA and West Arnhem College Education Partnership, which focuses on creating pathways from school to work at ERA for local students, continues to grow in strength.

ERA is one of the largest employers of Indigenous people in the Northern Territory, with 103 Indigenous employees at the end of 2012, comprising 17 per cent of ERA's workforce.

ERA is the largest provider of jobs in the Alligator Rivers region. At the end of 2012, ERA's total workforce was 639 people comprising 594 staff and 45

contractor positions across a range of full time, job-sharing, part-time and secondment arrangements.

ERA's female employment participation rate was 20 per cent, including 16 females across the business fulfilling leadership roles from supervisor to manager level.

Approximately half of our employees reside in 275 houses in Jabiru. In addition to ERA's direct economic contribution to the local region, these employees help sustain local businesses and services and are an important part of the social fabric of the township. The prosperity of Jabiru is significantly intertwined with ERA's strategic developments.

I also note that the current town lease expires in 2021, which is leading to some uncertainty about the future of Jabiru. ERA is working closely with the Gundjeihmi Aboriginal Corporation, together with relevant government agencies to determine the longer term land ownership, lease and governance arrangements. Importantly, this includes advocating by ERA for legal recognition of the Mirarr's traditional ownership of the land on which Jabiru is located.

Operations

The production of uranium oxide in 2012 was 3,710 tonnes compared to 2,641 tonnes in 2011.

Uranium oxide production in the second half of 2012 benefited from strong plant performance and access to higher grade ore located at the bottom of the pit, which helped to maintain higher mill head grade.

2012 saw a return to more average rainfall and we enjoyed an early finish to the 2011-12 wet season. After very successfully dewatering four billion litres of

water from Pit 3, we were able to establish earlier mining access to higher grade ore located at the bottom of Pit 3 from May.

The mine performed very well throughout the year. Early completion of Pit 3 in November was achieved in the face of tight operating conditions, restrictions on blast sizes and long uphill haul distances. Immediately on the completion of mining, backfilling of Pit 3 commenced utilising ERA's fleet and mining teams. It is planned that 30 million tonnes of material will be placed in Pit 3 prior to the end of 2014. The backfilling is important to prepare Pit 3 as a tailings repository from 2015. This will in turn allow for the future rehabilitation of the Tailings Storage Facility. The backfill is ahead of schedule with well over 8 million tonnes already returned back to Pit 3.

The high levels of plant performance achieved in 2011 were further improved in 2012 achieving a 31 year record for mill throughput. Ore treated from the main mills and the laterite plant for the year reached 2.6 million tonnes. During the first half of the year, feed for the mill was predominantly sourced from lower grade stockpiled ore. This is the ore that the plant will exclusively treat in the near to mid-term future. The plant handled this material very well. Once Pit 3 was dewatered and access to the high grade ore restored, milling operations shifted to processing the higher grade ore.

In addition, overall plant efficiency delivered a 20 per cent reduction in the cost per milled tonne of material.

Average mill head grade for the year was 0.17 per cent.

Effective management of water at Ranger is inextricably linked to operational performance. Ensuring that the Tailings Storage Facility is able to not only be utilised, but also provide sufficient protection for very heavy rainfall events until Pit 3 is ready to receive tailings in 2015, is a critical component of ERA's Water Management Strategy.

During 2012, we completed a \$25 million project to raise the embankment of the Tailings Storage Facility by 2.3 metres. This project was completed on schedule, budget and without injury.

In addition, we constructed and commissioned a high volume contingency pumping system from the Tailings Storage Facility to Pit 3. This system is designed as a contingency measure to ensure necessary freeboard is maintained in the Tailings Storage Facility in the event of very significant rainfall.

Additional pond water storage capacity has also been delivered through the successful construction of a new one billion litre retention pond.

I believe ERA's water management capability and capacity is in a stronger position than it has been for many years at Ranger. We have the capacity and confidence to manage future extreme rainfall events. This will further be complemented by the successful commissioning and operation of the Brine Concentrator later this year.

Major Projects

The Brine Concentrator is a critical component of ERA's future as the successful treatment of process water is key to rehabilitating the site and ensuring our water balances are in full control.

The ERA Board approved the \$220 million Brine Concentrator project in February 2012 after completion of a detailed Feasibility Study

The Brine Concentrator has the capacity to produce over 1.8 billion litres of clean water per year through the treatment of process water from the Tailings Storage Facility.

The Brine Concentrator will provide ERA with a proven and effective treatment means to reduce the process water inventory, which will assist with the successful rehabilitation of the Tailings Storage Facility.

The Brine Concentrator units were manufactured and supplied by HPD, a subsidiary of Veolia Water Solutions and Technologies. Components for the Brine Concentrator were constructed in the USA, Germany, China and Thailand, with all major components delivered to Ranger in December 2012. Hatch Pty Ltd was engaged as EPCM contractor and Downer EDI Limited is undertaking the construction phase of the project.

After the successful completion of the civil works, assembly of components began in November and the Brine Concentrator is expected to be commissioned and fully operational in Quarter 3 2013.

This project is making very good progress and is currently on schedule and on budget.

The Ranger 3 Deeps exploration decline is a crucial project for ERA. If Ranger 3 Deeps proves to be a viable operation, it represents ERA's future as an underground miner, utilising already disturbed ground on the Ranger Project Area and occupying a very much smaller footprint than open cut mining. As an example, Pit 3 is 68 hectares of surface disturbance and the proposed Ranger 3 Deeps underground mine will only cover three hectares. The underground mine will also produce less waste, will not be a water catchment, produce significantly lower emissions of dust and noise and still allows ERA to undertake progressive rehabilitation of the Ranger Project Area.

The deposit currently contains a JORC compliant resource of 34,000 tonnes of uranium oxide, which is one of the most significant recent uranium finds in the world.

Progress on this project during 2012 was very pleasing.

ERA engaged Macmahon Underground Pty Ltd to construct the exploration decline. Construction of the decline began in May last year, and the box cut and portal access tunnel were successfully completed in October 2012.

In December, there were delays in the advancement of the tunnel due to poor ground conditions in the weathered rock, resulting in 57 metres of decline tunnel being completed by the end of the year. Ground conditions have subsequently improved and progress this year has been at significantly higher levels. The face position is now 639 metres from the surface.

The project is on budget and schedule. Exploration drilling will commence in late Quarter 2 2013 and over the next 12-18 months the full scale of the resource will be understood, including its size, quality and geological limits. These are exciting times.

In parallel with the exploration decline, ERA began a \$57 million Prefeasibility Study into the potential development of a Ranger 3 Deeps underground mine.

These studies will determine the economic viability of the project, optimise required mining methods and costs, and confirm metallurgical performance and potential production rates. Detailed environmental studies will also be conducted.

The first step in the environmental assessment process has been completed with the submission of a Referral and Notice of Intent to the Commonwealth and Northern Territory Governments respectively. On 13 March, 2013 the Commonwealth Government announced that the proposed Ranger 3 Deeps underground mine is a controlled action and will require assessment under the Environmental Protection Biodiversity Conservation Act. This will require an Environmental Impact Statement to be developed. ERA looks forward to

developing this EIS and highlighting the substantial environmental benefits of a potential underground mine.

ERA has and will continue to extensively consult with the Gundjeihmi Aboriginal Corporation and the Mirarr Traditional Owners on this project to help ensure their full understanding and acceptance of the project and to deal with any significant concerns that they may have.

Assuming that the project is viable and we are granted approval, we are targeting the end of 2015 for production to commence at Ranger 3 Deeps underground mine.

Our Strategy

ERA's strategy is based around bringing to fruition our vision of evolving into an underground mining operation which occupies a significantly smaller footprint on the Ranger Project Area.

To achieve this, we need to further strengthen the extremely important relationship with the Mirarr Traditional Owners and continue to make significant positive social and economic impacts within the Alligator Rivers region.

We must successfully demonstrate our capacity, plans and methodology to rehabilitate the Ranger Project Area to the standard required. We need to provide evidence of our commitment and capacity to return the land to a similar standard to which existed prior to mining.

The key elements of our strategy have progressed very well in 2012.

The Integrated Tailings Water and Closure Prefeasibility Study is critical to ERA's future no matter the operating scenario. This work provides the rehabilitation strategy for the entire site including Pit 3 and the Tailings Storage Facility, the specific methods to reduce water inventory to zero and how to

effectively manage salts and brines and importantly how to do all this in the most cost effective manner.

The Prefeasibility Study is on target and is scheduled for completion in May 2013.

We have carried out many changes during 2011 and 2012 to reduce costs and improve our business to help ensure it is in a better position to meet all of its challenges in the next few years.

ERA continues to reshape the business to reflect our current reality. We are no longer a business producing in excess of 5,000 tonnes each year, and our commitment to achieving our environmental, operational and rehabilitation objectives means we must continue to keep focusing on reducing the cost of running this business.

The very strong and visible focus on sensible and pragmatic cost reduction will continue as we strive to ensure our operations are as low cost as possible without compromising our performance. This work will help to ensure that if Ranger 3 Deeps is approved and viable, we can produce uranium at a very competitive cost.

The signing of the Ranger Mining Agreement heralds a strengthening relationship between ERA and the Mirarr Traditional Owners.

We now look forward to assisting the Gundjeihmi Aboriginal Corporation to implement a Sustainability Trust, which will deliver social initiatives in the local region.

We have also set up a Relationship Committee, which will ensure effective information sharing and review processes between ourselves and the Mirarr Traditional Owners.

We will continue to work together on an agreed approach to increase opportunities for local Aboriginal participation in business development, training and employment.

I would like to acknowledge the outstanding initiative being undertaken by the Gundjeihmi Aboriginal Corporation in their commitment to improving educational outcomes for their children by building a Residential College in Jabiru to help improve access to education.

This Residential College was 100 per cent funded by royalties from the Ranger mine and is a practical representation of how strategic initiatives funded from mining benefits can improve the future of local people.

It is important to highlight that the Ranger Mining Agreement does not contemplate the future of mining beyond the existing Ranger Authority. It covers the existing operations and addresses a range of historical issues. It also provides a structured approach for ongoing engagement and collaboration between the Gundjeihmi Aboriginal Corporation and ERA on matters of mutual interest.

It is sincerely hoped that the signing of this Agreement provides further strengthening of the relationship and for all parties to look towards the future. We believe the futures of ERA, the Mirarr and the local region are entwined in many ways.

Conclusion

So, in summary, while 2012 was another challenging year, I believe it was a successful year for ERA.

Very good progress has been made and significant milestones achieved in all key areas. We continue to work very hard to ensure our strategic plan is delivered on time and on budget – we are doing what we said we would do.

ERA has delivered strong safety performance and will continue to strive for zero injuries.

Pit 3 was completed ahead of schedule and backfilling is well underway, which is an important and demonstrable start to progressive rehabilitation.

Water management is being managed very well and ERA is in a strong position to manage extreme weather events in the future.

2013 marks a new chapter for the Company with our short to mid-term production being sourced solely from stockpiles.

The Brine Concentrator and Ranger 3 Deeps exploration decline projects are on schedule and budget.

ERA is progressing well to make the transition from open cut mining to the lower impact and smaller environmental footprint of a potential underground operation, pending the outcome of further studies and obtaining all necessary stakeholder and regulatory approvals.

2013 will be an exciting time for the Ranger 3 Deeps project as we start to see the results of the exploration drilling programme.

I believe that the gaining of approval for a viable Ranger 3 Deeps underground mine will provide significant shareholder value and re-establish ERA as one of

the premier producers of uranium at a time that we expect uranium markets to start tightening and prices improving.

ERA will continue to restructure the business to adapt to lower production levels and subsequent revenue and we will continue to aggressively challenge and find ways to sensibly reduce costs in all parts of the business.

Our relationship with the Gundjeihmi Aboriginal Corporation and the Mirarr Traditional Owners is greatly enhanced with the signing of the Ranger Mining Agreement.

ERA has been an important business to the region and the Northern Territory for many years. I believe we have much more to contribute, and the future of this business will be strongly dictated by our ability to deliver upon our environmental performance, relationship building, project delivery and cost reduction strategies.

I would like to thank our shareholders for their continued support as we go through this significant transition. I clearly recognise how challenging a time it has been for you. I can assure you that we are working hard to deliver shareholder value and we believe our current strategy will do just that.

I would like to echo the Chairman's thanks and appreciation to the team at ERA. There are not many businesses that have faced the challenges that ERA has faced on all fronts in recent years. The support, resilience and determination of our leaders, team members, contractors, suppliers and major project providers has been at a very high level and I sincerely thank every person for their efforts, loyalty, commitment and importantly safety performance.

Thank you.