ERA

ANNUAL REPORT 2013

2013 REVIEW

Brine Concentrator constructed on schedule and on budget

Refer to page 34 for further detail

Ranger 3 Deeps exploration decline project on schedule and on budget

Refer to page 15 for further detail

Ahead of schedule on the rehabilitation of Pit 3, with 22.8 million tonnes already backfilled

Refer to page 13 for further detail

Signing of the Ranger Mining Agreement and establishment of the Kakadu West Arnhem Social Trust

Refer to page 44 for further detail

$52 million in additional cost savings in 2013 as part of ERA's ongoing Business Review and $357 million in cash on hand

Refer to pages 9 and 10 for further detail

Produced 2,960 and sold 2,815 tonnes of uranium oxide

Refer to page 9 and 12 for further detail

Surrounding environment remains protected, as confirmed by the Supervising Scientist Division

Refer to page 33 for further detail

Processing operations impacted by failure of Leach Tank 1, release of slurry mixture fully contained on site

Refer to page 12 for further detail

91 female employees (18 per cent of total workforce) and 79 Indigenous employees (16 per cent of total workforce)

Refer to page 41 for further detail

ERA Manager Mining awarded Australian Mine Manager of the Year

Refer to page 13 for further detail

A new record of 188 injury free days reached

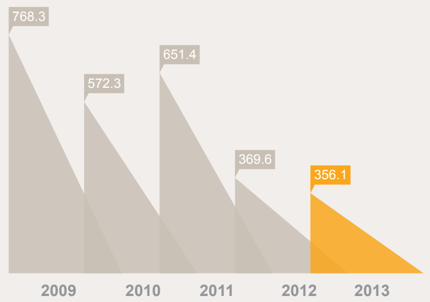
Refer to page 23 for further detail

Net loss after tax – $136 million

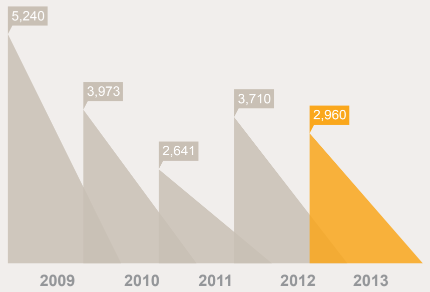
Refer to page 9 for further detail

Front cover: Ranger 3 Deeps exploration decline Construction Manager Chris Hattingh in front of an exploration drill rig. The contract for Phase 1 development of the decline was awarded to McMahon Holdings Ltd. The project is on schedule and on budget.

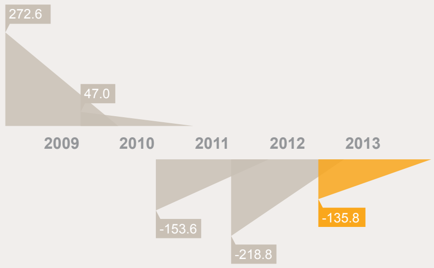
SALES REVENUE ($M)



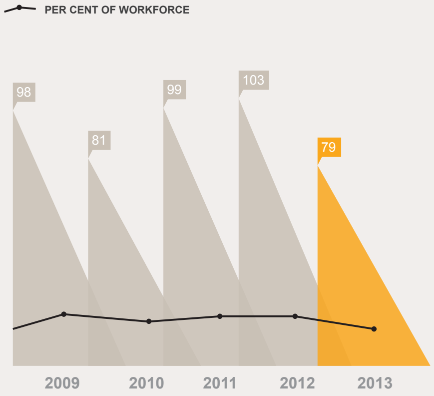
DRUMMED PRODUCTION TONNES (t)



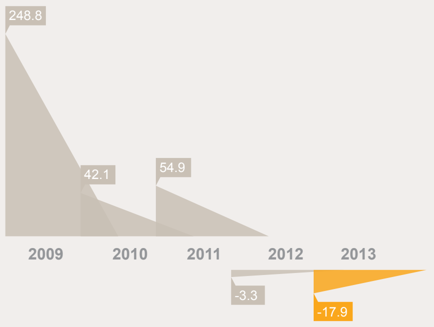
NET PROFIT AFTER TAX ($M)



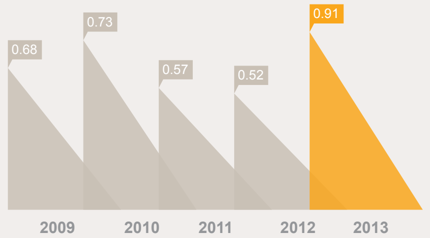
INDIGENOUS EMPLOYEES



OPERATING CASH FLOW ($M)



ALL INJURY FREQUENCY RATE (PER 200,000 HRS WORKED)



Contents

Company Profile

Energy Resources of Australia Ltd (ERA) operates Ranger mine and is Australia's longest continually operating uranium producer.

Uranium has been mined at Ranger for more than three decades and ERA has an excellent track record of reliably supplying customers. Ranger is one of only three mines in the world to have produced in excess of 110,000 tonnes of uranium oxide (U_3O_8).

Following the completion of mining operations in Pit 3 in 2012, ERA has begun the transition from open cut mining to underground exploration of the Ranger 3 Deeps mineral resource and potential underground mining.

Process Operator Robert Thomas

ERA sells its product to power utilities in Asia, Europe and North America under strict international and Australian Government safeguards and non-proliferation conditions to ensure that Australian uranium is only used for peaceful purposes.

Located eight kilometres east of Jabiru and 260 kilometres east of Darwin, in Australia's Northern Territory, Ranger mine lies within the 79 square kilometre Ranger Project Area. In addition, ERA holds the world-class Jabiluka mineral lease. In accordance with the Jabiluka Long Term Care and Maintenance Agreement, Jabiluka will not be developed by ERA without the approval of the Mirarr Traditional Owners. The Ranger Project Area and the Jabiluka mineral lease are located on Aboriginal land and are surrounded by, but separate from, the World Heritage listed Kakadu National Park.

ERA's uranium mining activities are regulated through Commonwealth and Northern Territory legislation. Additional operating agreements have been entered into by the Northern Land Council on behalf of the Traditional Owners under the *Commonwealth Aboriginal Land Rights (Northern Territory) Act 1976*. Further agreements covering the Ranger Project Area were reached in January 2013 by the Gundjeihmi Aboriginal Corporation, on behalf of the Mirarr Traditional Owners, the Northern Land Council, ERA and the Commonwealth Government.

The Company's shares are publicly held and traded on the Australian Securities Exchange, with Rio Tinto, a diversified resources group, holding 68.4 per cent of ERA shares.

Vision

To maintain ERA's position as a world-class uranium supplier that contributes to environmental sustainability and is trusted by the Traditional Owners, the community and our people.

Code of Business Conduct

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

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

Acknowledgement

ERA acknowledges the Mirarr people, Traditional Owners of the land on which ERA operates.

Chairman's Report

Peter McMahon, Chairman

While ERA achieved efficient operations, robust cash generation and good momentum for the development of the Ranger 3 Deeps resource in 2014, a serious process plant failure at Ranger marred an otherwise strong year.

In December, Leach Tank No. 1 at Ranger failed, causing the release of a slurry mixture of natural ore and acid into a designed on-site catchment system which successfully contained the material. No material escaped into Kakadu National Park. There were no injuries to employees or contractors.

The Company suspended processing operations immediately after the incident to assess why the tank failed and the nature of required repairs, and to identify the steps necessary to ensure nothing like it occurs again. A formal regulatory enquiry was announced by both Northern Territory and Commonwealth Governments, and the Company has been co-operating with all of these processes.

When the incident took place some community stakeholders were alarmed, and voiced public concerns about the Company's standards and operating record. As soon as possible, the Company opened the site for inspection by community representatives and regulators.

The radioactivity of the ore concentrate is low and well within levels that are not harmful to humans. Nonetheless, the incident re-awakened latent opposition to uranium mining at Ranger, and it has at least interrupted the developing trust between ERA and its community stakeholders, including representatives of the Mirarr people, the traditional owners of the Ranger site.

ERA is correctly subject to detailed scrutiny at Ranger. While this incident triggered strong concerns, the Company worked quickly and transparently to demonstrate that there were no external impacts and that the containment systems worked as designed.

While the Board is satisfied that the slurry was successfully contained, the Board will do all in its power to ensure that the cause of the tank failure is carefully identified and fully rectified.

At present, the Company is working with Government regulators towards agreeing a path to resume production during 2014. In the meantime, ERA's sales commitments are being met through existing inventory.

More generally, short term market conditions remain subdued and subject to political trends. The resumption of nuclear power generation in Japan has been slower than hoped, while production from Kazakhstan remains high for a low demand global market. On the other hand, the ongoing low spot price for uranium has rendered many potential mining operations uneconomic and is forcing the suspension and closure of some existing operations.

Despite the generally poor demand side conditions, ERA remains positive about the expected strengthening of the global uranium market in the medium term.

Chairman's Report (continued)

The unique role of nuclear energy as a low emissions source of energy and an essential part of the global energy mix remains clear. China's nuclear reactor construction program continues as the driving force in long term demand growth. An estimated 40 to 50 new nuclear plants are planned for construction this decade. In addition, new reactor construction continues in South Korea, USA, United Arab Emirates, France, Russia, Finland, India, Turkey and the United Kingdom.

ERA believes that the nuclear cycle will turn for the Company, driven by market fundamentals which in turn rest upon the high reliability on, and low emissions of, nuclear power.

The Company's focus on the Ranger 3 Deeps project stems from its conviction that the medium term global market for uranium will favour those ready to take advantage when it does turn. The Ranger 3 Deeps mineral resource is recognised as a significant resource by world standards. This year the project exploration decline – designed to enable close spaced underground drilling to further evaluate the resource – progressed on schedule and on budget. Initial results from drilling in the decline during the year have confirmed the current geological model.

Ranger 3 Deeps is a key part of the general momentum of the Company intended to place it in a strong position for the forecast medium term recovery of the uranium market. Completion of open pit mining has been achieved, and with it the Company is demonstrating its capacity and resolve to rehabilitate the mine site. Significant progress in water management and treatment has been achieved with the construction and official opening of the Brine Concentrator in September. Strong and sustained cash earnings have flowed from operations.

The Company believes it can regain community and stakeholder confidence following the tank failure and it intends to do all it can to do so. The Company's objective is to fully recover momentum as it prepares for its future as an underground miner with a significantly smaller environmental footprint, contributing valuably to the global energy market and the local economy.

Peter McMahon

Peter McMahon
Chairman

Chief Executive's Report

Andrea Sutton, Chief Executive

ERA has set strong objectives towards safety, water management, rehabilitation, cost control, strengthening relations with key stakeholders, delivery of major strategic projects, and on developing the world-class Ranger 3 Deeps resource base.

In the face of challenging market conditions, ERA worked towards delivery on these commitments during 2013 and will continue to do so going forward.

In line with projected performance, ERA produced 2,960 tonnes of uranium oxide, generating sales revenue of $356 million. Although ERA reported a net loss after tax of $136 million, cash costs and capital expenditure were lower due to our ongoing focus on reducing consumable and corporate costs and following the completion of the Brine Concentrator in September 2013.

The business continues to be restructured to reflect our new reality as a smaller operator, and an ongoing regime of cost reduction is being implemented to strengthen the business' position.

Our Business Review Programme, which started in 2011, delivered savings of $52 million in 2013 and is on track to achieve its target of $150 million in cumulative savings by the end of 2014.

ERA experienced a significant event on 7 December 2013 with the failure of Leach Tank 1. No employees were injured and the surrounding environment remained protected during the event and in the clean-up period that followed.

ERA voluntarily suspended processing operations immediately after the tank failed.

As at the date of this report, ERA was in the process of assessing the full impact of the event on operations, including:

- the duration of time for which processing operations will remain closed;
- the nature and extent of repair works required at the process plant; and
- the impact on production for 2014.

The health and safety of our people and the community at large, and the protection of the environment remain paramount. This along with continued engagement and dialogue with stakeholders is critical as we recover from this event.

ERA's safety performance in 2013, while still strong, did not maintain the high standard established in 2012. Whilst the Company achieved a new record of 188 injury free days, the All Injury Frequency Rate (AIFR) was 0.91. There were four Lost Time Injuries and three Medical Treatment Cases.

The $120 million Ranger 3 Deeps exploration decline project, designed to allow underground close spaced drilling to take place to further define and evaluate the Ranger 3 Deeps resource, reached 1,694 metres from the surface at 31 December 2013. The project is progressing on schedule and to budget.

The Ranger 3 Deeps mineral resource is currently estimated to contain more than 33,000 tonnes of uranium oxide and is recognised as a significant resource by world standards.

Underground exploration drilling in the decline began in May 2013. Initial

Chief Executive's Report (continued)

drilling results confirm the current geological model and structural interpretation. The Prefeasibility Study will finish in Quarter 4 2014, and the results will be used to assess the viability of a potential underground mine.

In parallel, ERA is developing a $57 million Prefeasibility Study for an underground mining operation to develop the Ranger 3 Deeps mineral deposit. In January 2013, ERA formally commenced the statutory approval process for the proposed Ranger 3 Deeps underground mine.

During 2013 ERA's ability to safely treat and manage water inventories was transformed with the successful construction of the $220 million Brine Concentrator project. This project was executed in collaboration with HPD, a subsidiary of Veolia Water Solutions and Technologies and Hatch Pty Ltd who was the Engineering, Procurement and Construction Management contractor, and was completed on time and to budget.

Officially completed and opened on 19 September 2013, the Brine Concentrator uses internationally proven technology to treat industrial process waters to extremely high standards through a process of heating and evaporative cooling. With the capacity to produce 1.83 billion litres of clean distilled water each year, the Brine Concentrator will be used to manage and reduce ERA's process water inventories, and will play an integral part in future progressive rehabilitation activities at Ranger.

ERA's surface water management practices at Ranger mine were found to be of best practice in 2013, with the release of the findings and recommendations of the Independent Surface Water Working Group in March. Undertaken in partnership with the Gundjeihmi Aboriginal Corporation, representing the Mirarr Traditional Owners, the outcome of the report delivered a watershed agreement between both parties.

Progressive rehabilitation describes the way in which we manage our responsibilities to restore the environment through an ongoing process, and work in this space was accelerated during 2013.

The initial backfill of Pit 3 continues to advance ahead of schedule. At 31 December 2013 a total of 22.8 million tonnes of waste material had been moved in to Pit 3 out of a planned total of 30 million tonnes of material.

In addition, we also progressed with the initial rehabilitation of Pit 1. Dewatering wicks were installed and the first part of a rock layer that is designed to compress the tailings mass to activate the wicks was laid. This will enable the consolidation of tailings and the eventual final capping for closure.

We also worked closely with the Mirarr Traditional Owners to rehabilitate the Jabiluka mineral lease. This project included the removal of a retention pond followed by landform establishment and revegetation activities that engaged local Indigenous business Kakadu Native Plants and local Indigenous workers.

In January 2013 a suite of agreements covering the Ranger Project Area was executed by ERA, the Mirarr Traditional Owners, the Northern Land Council, and the Commonwealth Government. It is particularly important that the Mirarr Traditional Owners are fully informed and have a say about any future mining on their land, and these agreements help to ensure those outcomes, especially through the establishment of a Relationship Committee.

These agreements also deliver to Traditional Owners an increased share of financial benefits from mining, an agreed approach to increasing opportunities for local Aboriginal participation in business development, training and employment, and support for regional socio-economic initiatives.

A specific example of this engagement is the establishment of the Kakadu West Arnhem Social Trust, which administers funding for cultural, educational and other social programmes in the region. In 2013 the Trust provided funding to the Children's Ground programme which is designed to improve the lives of children and families across the West Arnhem Region.

ERA continued to have a strong presence in the community, and 2013 also marked the fourth full year of operation for the award winning Education Partnership between ERA and the West Arnhem College.

Our achievements in 2013 are largely due to the strength of our people. Although our transition from open cut mining to stockpile ore processing with an exploration and development focus has necessarily required a smaller operation, we retain and continue to develop an experienced and talented workforce.

Where we have had to reduce staff numbers, we successfully found opportunities for the majority through redeployment within the Rio Tinto business or in the wider resource industry.

I would like to recognise the professional commitment and effort of our people through this transition period, and I look forward to working with this team together with all of our stakeholders to meet the challenges of 2014.

A Sutton

Andrea Sutton
Chief Executive

2014 Objectives

The Company's objective is to fully recover momentum as it prepares for its future as an underground miner with a significantly smaller environmental footprint, contributing valuably to the global energy market and local economy and enhancing shareholder value.

AREA	OBJECTIVES
HEALTH, SAFETY AND ENVIRONMENT	*Continue to work towards the goal of zero harm* • Focus on strong safety leadership with extensive employee and contractor engagement • Implement Critical Control Management Plans and robust change management to proactively manage ERA's health, safety and environmental risks • Continue to protect the surrounding environment and ensure ERA's operations do not impact on the values of the world heritage listed Kakadu National Park • Implement the recommendations of the Independent Surface Water Working Group
OPERATIONS	*Economically produce uranium from stockpiled ore while integrating rehabilitation activities* • Maximise production of uranium oxide following the recommencement of processing operations. • Embed Brine Concentrator operations to enable a production rate of 1.8GL of clean water per annum
COMMUNITIES AND GOVERNMENT	*Develop a shared understanding and strengthen relationships with key stakeholders in the region* • Maintain effective dialogue and information sharing with the Gundjeihmi Aboriginal Corporation on behalf of the Mirarr Traditional Owners • Engage with governments, government agencies and other key stakeholders to ensure timely outcomes on development projects • Continue to develop a long term vision for Jabiru with Traditional Owners, governments and stakeholders • Ongoing implementation of the objectives of the Ranger Mining Agreement, including business development, training and land management
PEOPLE	*Foster a diverse, committed and capable workforce* • Manage opportunities for employees in the transition to a potential underground mining operation • Continue to grow the diversity of ERA employment with a target of 20 per cent Indigenous and 20 per cent female employees • Continue to support and develop ERA's leaders through leadership programmes and individual development plans • Continue to use flexible people management strategies to ensure a committed and capable workforce • Continue to grow our regional training and development plan
RANGER 3 DEEPS	*Identify the optimal development option for Ranger 3 Deeps* • Complete the Ranger 3 Deeps exploration decline, exploration and evaluation drilling • Complete the Ranger 3 Deeps Prefeasibility Study
REHABILITATION	*Continue progressive rehabilitation of the Ranger Project Area* • Completion of Pit 1 initial capping to inform and finalise the overall rehabilitation strategy • Complete initial 30 million tonne waste rock backfill of Pit 3 and progress approvals for tailings storage and brine management • Progress definition of closure criteria through the closure criteria working group
APPROVALS	*Progress all necessary approvals for the potential development of Ranger 3 Deeps in 2015* • Conduct public consultation and submit all required Environment Impact Statement documentation including Social Impact Assessment • Continue to engage and work collaboratively with the Gundjeihmi Aboriginal Corporation and other key stakeholders on potential underground mining
FINANCIAL	*Ensure that ERA has sufficient cash to support its long term strategy and provide a sustainable shareholder return* • Continue to progress the Business Review Programme towards a target of $150 million in cumulative cash savings by the end of 2014 • Work with suppliers to improve delivery of goods and services in a cost effective way • Continue to restructure the business to adapt to lower production levels and market conditions
EXPLORATION / GROWTH	*Evaluate the exploration potential of the Ranger Project Area* • Progress surface exploration programme on prospective areas on the Ranger Project Area

Operating and Financial Review

Brine Concentrator Construction Manager Ben Fullerton.
The Brine Concentrator was completed on schedule on 19 September 2013.

Financial performance

EARNINGS

For the year ended 31 December 2013, ERA's net loss after tax was $136 million, (2012: $219 million). Earnings before interest, tax, depreciation and amortisation (EBITDA) was $32 million including a non-cash finished goods inventory write-down to net realisable value of $21 million (2012: negative EBITDA of $35 million, inclusive of a $68 million non-cash impairment charge).

REVENUE

Revenue from the sale of uranium oxide in 2013 was $356 million (2012: $395 million). Sales of uranium oxide were 2,815 tonnes (2012: 3,223 tonnes) (see Operations, page 12, for details of production). The average realised sale price of uranium oxide achieved by ERA in 2013 was US$53.92 per pound (2012: US$58.33).

ERA's sales strategy focuses on ensuring a reliable long term supply of uranium oxide to customers, with pricing focussed on the long term price rather than the spot price. In 2013, both the spot and long term uranium oxide indicators declined significantly, adversely affecting ERA's average realised sales price.

Sales of uranium oxide are denominated in US dollars. In 2013, the weakening of the Australian dollar had a favourable impact on ERA's financial results.

COSTS

Total cash costs were significantly lower than 2012 largely due to savings on consumable costs, corporate costs, employee benefits and mining operations focussing on rehabilitation activities. Mining costs related to rehabilitation activities are allocated to the rehabilitation provision on the balance sheet and not the statement of comprehensive income. This partially explains the significant reductions, when compared to 2012, in employee benefits, raw materials and consumables.

Further savings have been accomplished through reduced employee and contractor numbers, a strong focus on raw material and consumable optimisation, and the rationalisation of corporate and overhead costs.

Partially offsetting savings in contractor costs is the increased spend on the Ranger 3 Deeps exploration decline and Prefeasibility Study.

Non-cash costs associated with depreciation have decreased during the year. This is the result of a lower asset cost base in 2013 combined with reduced production levels.

Capital expenditure decreased in 2013 to $91 million (2012: $161 million). The majority of expenditure was related to the construction of the Brine Concentrator, which was officially opened in September 2013.

DIVIDENDS

ERA Directors have determined that a dividend for 2013 will not be paid. No dividend was paid in 2012.

FINANCIAL POSITION

Net assets have decreased during the year by approximately $136 million. Impacting this was a decrease in property, plant and equipment due to significant depreciation, partially offset by capital expenditure (see Brine Concentrator, page 34). Total liabilities have decreased primarily due to a draw down in the rehabilitation provision. ERA maintains approximately $357 million of cash on hand.

REHABILITATION PROVISION

In 2013, ERA completed the Integrated Tailings, Water and Closure Study, which identifies the optimal rehabilitation plan for the Ranger Project Area.

This study has confirmed the timing and technology necessary to deliver the rehabilitation plan in line with the current Ranger Section 41 Authority.

The provision for rehabilitation represents the net present cost for rehabilitation as at 31 December 2013 and stands at $603 million.

The Brine Concentrator was constructed on schedule and has the capacity to produce up to 1.83GL of distillate per year.

NON-CASH FINISHED GOODS INVENTORY NET REALISABLE VALUE ADJUSTMENT

At 31 December 2013, a $21 million (pre-tax) adjustment was made to finished goods inventory to record it at its net realisable value. This was due to high non-cash costs and low December 2013 half year production, which drove the total unit cost of inventory above the expected sales price. The net realisable value adjustment has been included in 'Changes in Inventories' in the statement of comprehensive income.

BUSINESS REVIEW

In 2011, ERA conducted a comprehensive Business Review of operations and strategy to focus on value enhancing activities. The Business Review identified opportunities to operate more efficiently and reduce costs in line with expected future production levels, as well as anticipating and responding to dynamic business conditions.

The initiative targets cumulative cost savings of $150 million in operating costs by the end of 2014.

During 2013, the Business Review achieved cost savings of $52 million, $12 million higher than planned, taking the total cumulative cost savings to $127 million to date.

Savings were achieved through merging management roles, reduction in the use of contractors, reduction in support and services roles, improvement in procurement and maintenance practices and rationalisation of corporate costs.

The $120 million Ranger 3 Deeps exploration decline reached 1,694 metres from surface on 31 December 2013, ahead of schedule.

Northern Territory Chief Minister Adam Giles (centre) visited Ranger's exploration decline after officially opening the Brine Concentrator on 19 September 2013. Shown here with Ranger 3 Deeps exploration decline Construction Manager Chris Hattingh (left) and Northern Territory Minister for Mines and Energy Willem Westra van Holthe (right).

The Brine Concentrator pumping station pumps water from the Tailings Storage Facility to the Brine Concentrator for processing into distillate.

Operations

2013 has seen strong progress on operational and rehabilitation activities, including a focus on reduction in water inventories.

ERA produced 2,960 tonnes of uranium oxide in 2013, 20 per cent less than in the previous year (2012: 3,710 tonnes).

Strong plant utilisation rates helped to offset the lower production associated with processing lower grade stockpiles in the second half of the year.

PLANT PERFORMANCE

During 2013 ERA maintained the high levels of plant performance that have been achieved in recent years. Both the main mills and the laterite mill performed well, achieving a combined throughput among the top five years of production.

Ore treated during the year was 2.3 million tonnes (2012: 2.6 million tonnes), the third highest on record. In 2012, 2.6 million tonnes was a record, exceeding the previous highest throughput record of 2.4 million tonnes set in 2010.

Maintenance strategies ranged from preventative, with frequency based inspections, to condition based assessment which includes oil analysis, wear-rate analysis and vibration analysis. This fit-for-purpose approach is designed to provide optimal reliability and availability in a cost effective way.

The mills were fed with material remaining from the completion of Pit 3 in 2012 and stockpiled ore. Average mill head grade was 0.15 per cent (2012: 0.17). The majority of high grade ore mined prior to completion of mining in Pit 3 was processed during the first half of 2013, with lower grade stockpiled ore fed subsequently.

Milling rates of 288 tonnes per hour (tph) were slightly down on the previous year (2012: 295 tph) due to different ore characteristics. The lower grade also affected extraction and recovery rates.

On 7 December 2013, ERA voluntarily suspended processing operations following the failure of Leach Tank 1. Processing operations were not resumed for the remainder of 2013.

No employees were injured and the surrounding environment remained protected during the event and in the clean-up period that followed.

Ranger mine's containment management systems fully captured the slurry material from the failed leach tank. These containment systems are in place to safeguard Kakadu National Park in the event of plant or equipment failure. The systems operated as designed during the event.

A taskforce consisting of the Northern Territory Department of Mines and Energy, Northern Territory WorkSafe, the Supervising Scientist, the Commonwealth Department of Industry, the Gundjeihmi Aboriginal Corporation and the Northern Land Council was formed to provide a coordinated and consistent approach to managing the regulatory response to this event.

ERA commissioned its own investigation to run in parallel with the regulatory response.

PROGRESSIVE REHABILITATION

With the completion of open cut mining and the construction of the Brine Concentrator, ERA's progressive rehabilitation plans have progressed significantly in 2013, focussing on Pit 1 and Pit 3, as well as tailings and brine management and the Jabiluka Interim Water Management Pond (see Environment, page 35).

Civil construction activities associated with both these projects are being managed as part of ERA's ongoing operations.

Final rehabilitation and revegetation activities will draw from the research findings of ERA's full-scale trial landform project (see Land, page 37), which has identified effective strategies for surface landform design, erosion control and revegetation techniques for plant species.

PIT 3 BACKFILLING OPERATION

Pit 3 is being backfilled with 30 million tonnes of waste material in

Mine Manager of the Year

Mike Stone, Mining Operations Manager.

ERA Mining Operations Manager Mike Stone was awarded Mine Manager of the Year at the Australian Mining Prospect Awards in October following the successful completion of open cut mining at Ranger mine.

Mr Stone was recognised for managing the completion of mining in Ranger mine's Pit 3 in challenging conditions, while maintaining a focus on safety and productivity.

Extreme rainfall during the Northern Territory wet season, steep pit walls and a fixed deadline of 31 December 2012 for completion of mining in Pit 3, required ERA's mining operations and water management teams to develop new processes and schedules.

An innovative strategy to mine at the waterline while Pit 3 was dewatered allowed ERA to complete open cut mining in November 2012, five weeks ahead of schedule, with zero lost time and reportable injuries for the year.

Mr Stone said the project's success has been due to the efforts of both ERA's mining operations and water management teams. "Any recognition of ERA's mining operations achievements really belongs to the many talented men and women working in mining operations and water management," Mr Stone said.

preparation for the planned transfer of tailings from the Tailings Storage Facility and the storage of the brines from the Brine Concentrator.

The backfilling project is ahead of schedule, with 22.8 million tonnes of waste material placed in Pit 3 at 31 December 2013. Once the partial backfill is complete, tailings will be transferred to Pit 3 ahead of the eventual rock capping. Final rehabilitation is to be completed by 2026.

The initial placement of Pit 3 underfill is expected to be completed in 2014, with tailings deposition scheduled to start in 2015.

PIT 1 DEWATERING PROJECT

The dewatering of Pit 1 continued in 2013 with a project beginning in September to place layers of waste rock over the tailings mass.

This rock pre-load is designed to activate a series of vertical wick drains that had previously been installed to drain the area. The layer of pre-load rock will compress the tailings forcing the water in Pit 1 to travel to the surface via the wicks. It is then collected and pumped to the Tailings Storage Facility.

As at 31 December 2013, approximately 70 per cent of the pre-load had been placed. The remainder of the pre-load will be placed in 2014.

WATER MANAGEMENT

In addition to the completion of the Brine Concentrator (see Brine Concentrator, page 34), ERA also completed a number of other water management initiatives in 2013.

Final commissioning of a contingency pumping system linking the Tailings Storage Facility with Pit 3 was completed early in 2013. In conjunction with existing infrastructure, this system will provide ERA with a total capacity to transfer 200 megalitres per day of process water from the Tailings Storage Facility to Pit 3.

In addition, Retention Pond 6, which has a capacity of one gigalitre, was successfully commissioned in March 2013. The new pond increases ERA's ability to manage pond water inventories, and connects to the existing Retention Pond 2 via a two-way pumping system.

Pond water is surface run-off water that has come into contact with mineralised materials such as low grade ore stockpiles and is managed according to quality. Pond water is treated to high standards by ERA's micro filtration reverse osmosis treatment system prior to controlled release via constructed wetland or irrigation.

The findings and recommendations of the Independent Surface Water Working Group on surface water management at Ranger mine were released in March. The main findings were that the current surface water management and regulatory systems are of a very high standard.

ERA General Manager of Operations, Tim Eckersley.

JABIRU AIRPORT

The Jabiru Airport provides a critical regional air transport service for mining operations, tourism, agricultural business, emergency services and local communities. The airport is located on the Ranger Project Area.

In 2013, significant improvements were made to existing infrastructure at the Jabiru Airport in order to provide more services to users and to increase accessibility. This included improvements to security, access, fencing, parking, lighting, airstrip markings and passenger facilities.

In December 2013, ERA was granted Aerodrome Certification of the Jabiru Airport by the Civil Aviation Safety Authority. This will allow larger aircraft capable of carrying over 30 passengers to make use of the facility, providing more access and a wider service.

JABIRU HOUSING

During 2013 ERA continued discussions with the Gundjeihmi Aboriginal Corporation relating to the proposed handover of houses. These houses previously were used to accommodate Ranger employees. ERA currently manages 275 houses in Jabiru.

Construction of the Ranger 3 Deeps exploration decline allows close-spaced exploration drilling, shown here, to take place.

Business Strategy

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 its people. ERA considers that the implementation of this vision will maximise shareholder value and benefit its stakeholders.

A key strategic component in achieving these goals is the transformation from an open cut mining operation to a potential low impact underground mining operation, through underground exploration of Ranger 3 Deeps.

Should the Ranger 3 Deeps mineral resource be approved and successfully commissioned as an operating mine, the timing is likely to coincide with strengthening demand and higher market prices for uranium oxide. This will allow ERA to continue to provide a reliable and competitive uranium supply to the world's nuclear utilities.

ERA's operations are located on Aboriginal land and are surrounded by, but separate from, the World Heritage listed Kakadu National Park. Caring for the surrounding environment and respecting the culture and aspirations of Indigenous people in our community, particularly the Mirarr Traditional Owners, is core to ERA's overall strategy. ERA has made, and will continue to make, substantial investments in water management infrastructure and progressive rehabilitation of the Ranger Project Area with these objectives in mind.

In addition to Ranger 3 Deeps, Jabiluka remains one of ERA's key assets. ERA has entered into a Long Term Care and Maintenance Agreement with the Mirarr Traditional Owners in relation to Jabiluka. Future mining developments at Jabiluka will not occur without the consent of the Mirarr Traditional Owners.

RANGER 3 DEEPS EXPLORATION DECLINE

ERA's Ranger 3 Deeps exploration decline project made significant progress in 2013.

Overall, the project consists of two phases of development and an underground drilling programme:

Phase 1 development:

- 1,900 metres of tunnel development, plus a 185 metre entrance portal;
- Contract awarded to McMahon Holdings Ltd and on schedule for completion in mid-2014.

Phase 2 development:

- An extension to the decline that will take the total length to approximately 3,000 metres and allow the acquisition of a large sample for metallurgical tests;
- Approved by the ERA Minesite Technical Committee, scheduled for completion in October 2014.

Drilling programme:

- Total of 52,000 metres of exploration drilling.
- Drilling will continue throughout 2014.

Phase 1 of the decline development has progressed well and is on schedule. An initial boxcut and portal access tunnel was completed in October 2012, and excavation of the decline commenced in November 2012.

As at 31 December 2013, the tunnel face had reached 1,694 metres from the surface, and development progress averaged approximately five metres per day. The six metre high and 5.5 metre wide tunnel is continuously ventilated with fresh air pumped to the tunnel face.

The exploration decline is designed to allow the close-spaced underground exploration drilling programme to significantly enhance the resolution of the geological model and define the extent of the Ranger 3 Deeps mineralised zone. The Ranger 3 Deeps mineralised zone is currently estimated to contain more than 33,000 tonnes of uranium oxide, and represents a significant resource by world standards.

Underground diamond drilling began in May 2013. Preliminary drilling results were announced in August, and the third drill rig was mobilised in November 2013.

The initial underground drilling results show significant high grade intersections consistent with the expected continuity of mineralisation within this zone of the mineral resource. In 2013, a total of 13,924 metres of drilling, representing 27 per cent of the overall programme, was completed.

In October surface preparation works for a low profile vertical ventilation shaft were completed and civil works for the shaft began in November. The three metre wide ventilation shaft will extend 280 metres below the surface.

The scope of Phase 2 development includes further drilling for resource definition, construction of a proposed one kilometre extension of the exploration decline, excavation of the low profile ventilation shaft, and a cross-cut traversing the ore body to obtain a large sample for geotechnical analysis, radiometric sorting, and metallurgical test work.

Ore obtained from the large sample will not be processed through the Ranger mill and will be set aside for return to the decline should the Ranger 3 Deeps underground mine not progress.

Core samples from the Ranger 3 Deeps mineral resource.

RANGER 3 DEEPS UNDERGROUND MINE PREFEASIBILITY STUDY

During 2013 ERA continued working on the $57 million Prefeasibility Study into the potential development of a Ranger 3 Deeps underground mine. The Prefeasibility Study is on schedule, fully funded and on budget.

The study will determine the economic viability of the proposed Ranger 3 Deeps underground mine, optimise mining methods and confirm metallurgical performance and production rates.

ERA's radiometric sorting plant has been re-commissioned to treat ore that contains high carbonate content, such as that which is expected from the Ranger 3 Deeps mineral resource. The ore sorter will allow rapid and accurate sorting of high carbonate ore, meaning higher and more consistent ore grades can be fed to the mill and processing plant.

Environmental studies will also be conducted, looking at a range of factors including noise and vibration, air quality, hydrogeological assessment, water management, flora and fauna surveys, radiation health and safety, transport and closure planning.

ERA will also consult further with the Gundjeihmi Aboriginal Corporation on behalf of the Mirarr Traditional Owners and other stakeholders as a component of a broader Social Impact Assessment (see Ranger 3 Deeps Social Impact Assessment, page 46).

ERA is targeting late 2015 for commencement of production if the underground mine proves viable and all necessary approvals are obtained.

REGULATORY APPROVAL

Regulatory approval for the Ranger 3 Deeps underground mine is being pursued in accordance with the Northern Territory Environmental Assessment Act and the Commonwealth Environment Protection and Biodiversity Conservation Act 1999.

In January 2013, ERA submitted a “Notice of Intent” and “Referral”, respectively under these Acts to the Northern Territory Environmental Protection Agency and the Commonwealth Department of Sustainability, Environment, Water, Population and Communities (now the Department of Environment).

In March 2013, both agencies determined that the proposed action would require assessment at the level of Environmental Impact Statement (EIS) through a single assessment process. In August, after a period of public review, the guidelines for the EIS were finalised and issued. The draft EIS for the Ranger 3 Deeps underground mine is expected to be submitted in 2014.

For further details on the Ranger 3 Deeps referral and the Commonwealth decision, visit the Department of Environment website at http://www.environment.gov.au.

BUSINESS RISKS

The business risks that could adversely affect the achievement of the financial performance or financial outcomes set out in this section are described below.

Exploration and project development risks

As with all exploration projects, there is a risk that the Ranger 3 Deeps exploration decline or other exploration activities that ERA is undertaking may not be successful in delineating economically mineable reserves and resources. There is also a risk that the development of the Ranger 3 Deeps resource may not be economically viable within the time constraints of the Ranger Section 41 Authority.

Rehabilitation

ERA currently has authority to produce uranium oxide at the Ranger Project Area until January 2021 and must fully rehabilitate the site by January 2026. In 2013 ERA completed comprehensive technical studies on the rehabilitation of the Ranger Project Area, including optimisation of strategies and costings.

The ultimate cost of rehabilitation is uncertain and whilst ERA has used its best estimate, costs may vary in response to factors such as legal requirements, technological change and market conditions.

In addition, if the Ranger 3 Deeps mine is not developed, in the absence of any other successful development, ERA may require an additional source of funding to fully fund the rehabilitation of the Ranger Project Area. Any inability to obtain additional capital or to monetise assets would have a material impact on ERA's business and financial performance.

Water management

Management of water on the Ranger Project Area is critical to the ongoing operation of the Ranger mine and rehabilitation activities. ERA has a number of procedures and initiatives underway in respect to water management, including the newly constructed Brine Concentrator. To the extent that these initiatives cost more than expected or ERA is required to implement further initiatives, ERA's financial and operational performance and position may be impacted.

Uranium market demand, price and foreign exchange risks

ERA's business relates primarily to the production and subsequent sale of uranium oxide to a variety of customers. Demand for, and pricing of, uranium oxide remains sensitive to external economic and political factors, many of which are beyond ERA's control. Global uranium and foreign exchange market fluctuations may materially affect ERA's financial performance.

General regulatory risks

Uranium mining in Australia is extensively regulated by Commonwealth, State and Territory Governments. In particular, the approval processes for uranium mining are more onerous, and therefore more costly, than for the mining of other minerals.

Government actions in Australia and other jurisdictions in which ERA has interests, including new or amended legislation, guidelines and regulations in relation to the environment, uranium or nuclear power sectors, competition policy, native title, and cultural heritage could impact ERA's operations. Operational aspects that may be affected include, among other things, land access rights, the granting of licences and other tenements, the extension of mine life and the approval of developments.

Regulators and stakeholders

Regulatory approvals will be required to commence any production at the proposed Ranger 3 Deeps mine or on any other parts of the Ranger Project Area. If regulatory approvals are not obtained in the proposed timeframe, or are obtained on unfavourable conditions, ERA will not be able to proceed with those developments.

Jabiluka

In relation to Jabiluka, ERA has agreed that future mining development will not occur without the consent of the Mirarr Traditional Owners. There is no guarantee that this consent will be forthcoming and, by extension, that the Jabiluka deposit will be developed.

Future Supply

ERA Exploration Manager Greg Rogers inspects a core sample from Ranger 3 Deeps.

Evaluation and exploration

During 2013 ERA continued work on the $120 million exploration decline to conduct close spaced underground drilling of the Ranger 3 Deeps mineral resource, and the $57 million Prefeasibility Study into the proposed Ranger 3 Deeps underground mine (see Operating and Financial Review, page 9).

The exploration decline project and Prefeasibility Study include 52,000 metres of close spaced diamond drilling to further delineate and determine the extent of the Ranger 3 Deeps mineralised zone.

Underground drilling commenced in May 2013. As at 31 December 2013, a total distance of 13,924 metres of drilling, representing 27 per cent of the overall programme, was completed.

The initial underground drilling results show significant high grade intersections consistent with the expected continuity of mineralisation within this zone of the mineral resource.

Significant intercepts in the first cross section include:

- 39m @ 0.882% eU_3O_8 from 302m
- 35m @ 0.387% eU_3O_8 from 309m
- 33m @ 0.410% eU_3O_8 from 345m

Significant intercepts in the second and third cross sections include:

- 14m @ 0.262% eU_3O_8 from 300m
- 22m @ 0.368% eU_3O_8 from 232m
- 23m @ 0.225% eU_3O_8 from 243m

ERA will be in a position to review the Ranger 3 Deeps resource model in the second half of 2014 and make appropriate adjustments to the mineral resource statement.

During 2013, ERA also conducted surface exploration drilling on the Ranger Project Area, at a cost of $10.5 million. This exploration targeted deep structurally complex areas generated by analysis and interpretations of geology, geochemistry and geophysics to define and determine potential additional resources on the Ranger Project Area. No significant interceptions were encountered.

Jabiluka Reserves and Resources

The Jabiluka project remains under long term care and maintenance and, in accordance with the Long Term Care and Maintenance Agreement, development by ERA will not proceed without the approval of the Mirarr Traditional Owners.

The reserves and resources at Jabiluka remained unchanged during the year at 67,700 tonnes (reserves) and 73,940 tonnes (resources) of contained uranium oxide.

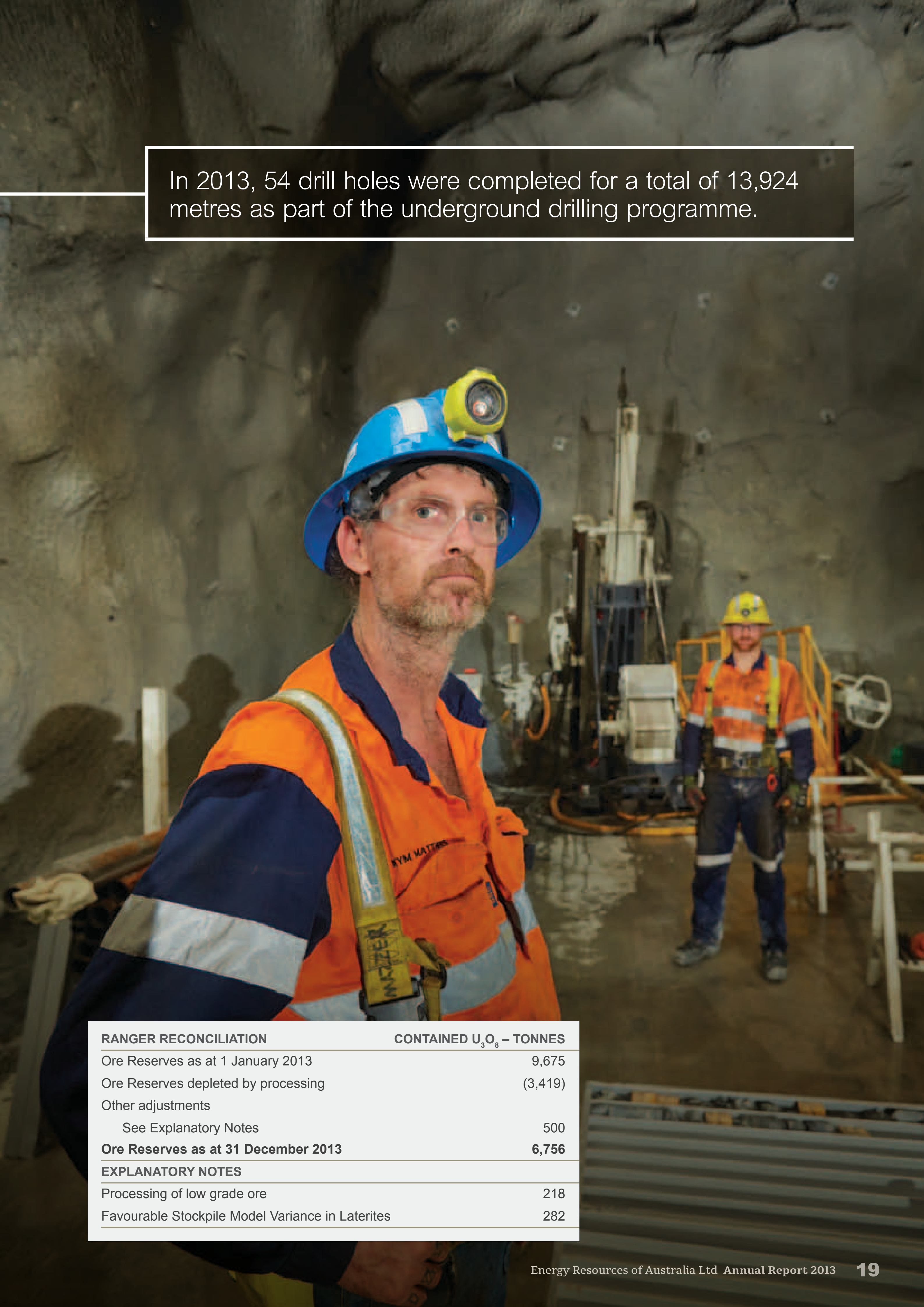
Ranger Project Area Reserves and Resources

During 2013, the Proved and Probable Ore Reserves for Ranger decreased from 9,675 tonnes of uranium oxide to 6,756 tonnes of uranium oxide as a consequence of depletion by processing (3,419 tonnes of uranium oxide).

After metallurgical recovery/losses (84.4%) and drumming of opening inventory (75 tonnes of uranium oxide) this equates to an annualised drummed production of 2,960 tonnes of uranium oxide. This depletion was partially offset by the processing of low grade ores (218 tonnes of uranium oxide) not previously included in reserves and a favourable variance in the recovery of 282 tonnes of uranium oxide from laterite ores that was not forecast by the stockpile model.

For the same period, Ranger Mineral Resources decreased from 63,377 tonnes of uranium oxide to 56,333 tonnes of uranium oxide. The majority of this decrease (7,040 tonnes of uranium oxide) was attributable to the unrecoverable placement of low grade stockpiled materials into the base of Pit 3 in preparation for tailings and brine disposal from 2015.

The table at right sets out the reconciliation of Ore Reserves:



In 2013, 54 drill holes were completed for a total of 13,924 metres as part of the underground drilling programme.

RANGER RECONCILIATION	CONTAINED U_3O_8 – TONNES
Ore Reserves as at 1 January 2013	9,675
Ore Reserves depleted by processing	(3,419)
Other adjustments	
See Explanatory Notes	500
Ore Reserves as at 31 December 2013	**6,756**
EXPLANATORY NOTES	
Processing of low grade ore	218
Favourable Stockpile Model Variance in Laterites	282

ERA 2013 Ore Reserves & Mineral Resources

	CUT-OFF GRADE – IN SITU ORE 0.08% U_3O_8 STOCKPILE ORE 0.08% U_3O_8			CUT-OFF GRADE – IN SITU ORE 0.08% U_3O_8 STOCKPILE ORE 0.06% U_3O_8		
	AS AT 31 DECEMBER 2013			AS AT 31 DECEMBER 2012		
	ORE (Mt)	% U_3O_8	t U_3O_8	ORE (Mt)	% U_3O_8	t U_3O_8
RANGER ORE RESERVES						
Current Stockpiles	5.47	0.123	6,756	7.34	0.132	9,675
Ranger No. 3 Pit In situ						
Proved	-	-	-	-	-	-
Probable	-	-	-	-	-	-
Sub-total Proved and Probable Reserves	5.47	0.123	6,756	7.34	0.132	9,675
Total Ranger No. 3 Stockpiles, Proved and Probable Reserves	**5.47**	**0.123**	**6,756**	**7.34**	**0.132**	**9,675**

	CUT-OFF GRADE – UNDERGROUND IN SITU RESOURCE 0.15% U_3O_8 STOCKPILE ORE 0.02% U_3O_8			CUT-OFF GRADE – OPEN PIT IN SITU RESOURCE 0.02% U_3O_8 UNDERGROUND IN SITU RESOURCE 0.15% U_3O_8 STOCKPILE ORE 0.02% U_3O_8		
	AS AT 31 DECEMBER 2013			AS AT 31 DECEMBER 2012		
RANGER MINERAL RESOURCES						
In Addition To The Above Ore Reserve						
Current Mineralised Stockpiles	49.89	0.05	23,037	69.49	0.04	30,080
In situ resource						
Measured	-	-	-	-	-	-
Indicated	9.49	0.32	30,820	9.49	0.33	30,820
Sub-total Measured and Indicated Resources	59.38	0.09	53,857	78.98	0.06	60,900
Inferred Resources	0.65	0.38	2,477	0.65	0.38	2,477
Total Resources	**60.03**	**0.09**	**56,334**	**79.62**	**0.08**	**63,377**

	AS AT 31 DECEMBER 2013			AS AT 31 DECEMBER 2012		
	CUT-OFF GRADE 0.20% U_3O_8			CUT-OFF GRADE 0.20% U_3O_8		
	ORE (Mt)	% U_3O_8	t U_3O_8	ORE (Mt)	% U_3O_8	t U_3O_8
JABILUKA ORE RESERVES						
Proved	-	-	-	-	-	-
Probable	13.80	0.49	67,700	13.80	0.49	67,700
Total Proved and Probable Reserves	**13.80**	**0.49**	**67,700**	**13.80**	**0.49**	**67,700**
JABILUKA MINERAL RESOURCES						
In Addition To The Above Ore Reserve						
Measured	0.24	0.48	1,140	0.24	0.48	1,140
Indicated	4.30	0.36	15,330	4.30	0.36	15,300
Sub-total Measured and Indicated	4.54	0.36	16,440	4.54	0.36	16,440
Inferred Resources	10.90	0.53	57,500	10.90	0.53	57,500
Total Resources	**15.44**	**0.48**	**73,940**	**15.44**	**0.48**	**73,940**

Note: Ore reserves and mineral resources for Energy Resources of Australia Ltd managed operations are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, December 2004 (the JORC Code) as required by the Australian Securities Exchange (ASX). The JORC Code envisages the use of reasonable investment assumptions, including the use of projected long-term commodity prices, in calculating reserve estimates.

As required by the ASX, the above tables also contain details of other mineralisation that has a reasonable prospect of being economically extracted in the future but which is not yet classified as Proven or Probable Reserves. This material is defined as Mineral Resources under the JORC Code. Estimates of such material are based largely on geological information with only preliminary consideration of mining, economic and other factors. While in the judgment of the Competent Person there are realistic expectations that all or part of the Mineral Resources will eventually become Proven or Probable Reserves, there is no guarantee that this will occur as the result depends on further technical and economic studies and prevailing economic conditions in the future.

The information in this report that relates to Ranger and Jabiluka Mineral Resources or Ore Reserves is based on information compiled by geologists Greg Rogers (a full time employee of Energy Resources of Australia Ltd) and Stephen Pevely (a full time employee of Energy Resources of Australia Ltd) and mining engineer John Murphy (a full time employee of Energy Resources of Australia Ltd) who are all members of the Australasian Institute of Mining & Metallurgy. Greg Rogers, Stephen Pevely and John Murphy have sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration, and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the JORC Code. Greg Rogers, Stephen Pevely and John Murphy consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Summary data for year end 2012 are shown for comparison. Metric units are used throughout. The figures used to calculate reserves and resources are often more precise than the rounded numbers shown in the tables, hence small differences might result if the calculations are repeated using the tabulated figures.

Markets and Customers

Australian exports of uranium oxide are subject to strict safeguards and non-proliferation conditions to ensure that Australian uranium is only used for peaceful purposes.

ERA sells its product to electric utilities in Asia, Europe and North America through an arrangement with Rio Tinto Uranium, which provides expertise in global uranium sales and marketing activities.

ERA produced 2,960 tonnes of uranium oxide in 2013 and sold a total of 2,815 tonnes of uranium oxide.

ERA completed open cut mining from Pit 3 at the end of 2012. For the majority of 2013, ERA processed ore from above-ground stockpiles built up over a number of years.

ERA has a long production history and a strong relationship with a diverse global customer base.

ERA's long production history and strong relationship with its customer base will create a platform for continuity of supply and operations should the Ranger 3 Deeps underground mine be developed as planned.

ERA's average realised price in 2013 was $US53.92 per pound (2012: US$58.33), which was higher than the spot price over the course of the year. This is due to ERA's strategy of long-term contracting using a variety of pricing mechanisms so that the Company is not overly dependent on the spot price, which historically has lagged long term prices.

The global uranium market remains characterised by reduced demand and excess supply, resulting in extremely weak prices, with the spot price for uranium falling to 2006 levels.

More than two years since the accident at Fukushima, the Japanese reactor fleet of 54 units remains shut down. The Japanese Government and regulatory bodies are implementing a programme to re-start some reactors in the first part of 2014. It is expected that three to four reactors will be back on line in the first half of 2014, and possibly five to ten re-started each year after that.

Compounding the effects of reduced demand are continued increases in global mine production and secondary-supply disposition from a variety of sources, creating a substantial supply glut.

Despite this, the longer term outlook for uranium remains encouraging. Demand growth from 2015-2025 is forecast to be higher than at any period since the 1970s, mainly due to new reactor growth in China.

Following the completion of open pit mining in December 2012, ERA has been a stockpile miner. A haul truck is shown here carrying stockpile ore to the process plant for processing.

While the outlook for uranium in the short term has worsened since Fukushima, any impact on long term demand will be largely offset by China's growing nuclear power programme. China will likely become the world's largest user of nuclear energy, surpassing the USA in the early part of the next decade. China's ambitious new-build programme will see nuclear capacity growing from the current level of 14 gigawatts to an estimated 60 gigawatts by 2020, and over 100 gigawatts by the middle of the next decade. ERA was China's first supplier from Australia and it remains an important and growing destination for ERA production.

Of the 70 reactors currently under construction world-wide, 47 of those are in Asia (including India). Since 2000, 50 new reactors have been connected to the global power grid, 40 of which are situated in Asia. The primary drivers are rapidly expanding power requirements needed to sustain economic growth in the region, energy security concerns, and a desire to reduce long term greenhouse gas emissions.

While the next few years could remain challenging for all uranium producers, ERA's work to define a future as an underground miner will position the Company to take advantage of expected future nuclear power growth.

Health and Safety

Safety Advisor Anthony Reid and Supervisor Water Management Edwin Wharam, undertake a safety interaction to assess risks before starting a task.

ERA has established clear goals, accountabilities and systems in pursuit of the Company's goal of zero harm.

These goals, accountabilities and support mechanisms are designed to create and sustain a strong workplace culture of shared and personal responsibility for safe behaviour. This workplace culture is introduced to new employees and contractors through induction processes, reinforced in day-to-day operations through 'tool box' talks and safety leadership, and supported by comprehensive systems and training materials.

In 2013, ERA maintained its focus on operational process safety, and the Critical Control Monitoring Plans that provide focus on our key safety risks, in order to identify and manage safety risks that could result in serious injury or fatality.

Safety leadership is integral to the success of ERA's approach to safety and involves constant engagement with leaders, employees and contractors on safety issues, awareness and training. Safety leadership continued to be of critical importance in the planning and execution of major labour intensive projects in 2013, including the successful construction of the Brine Concentrator, ongoing construction of the Ranger 3 Deeps exploration decline, the commencement of underground drilling operations, progressive rehabilitation projects involving the backfilling of Pit 3, and dewatering activities in Pit 1.

During 2013 ERA continued to emphasise the importance of safety through leadership training and through targeted safety campaigns, including road safety, protection from hand injuries, pre-start safety planning for maintenance crews, and hydration and heat stress management.

Although strong, ERA's safety performance in 2013 did not maintain the high standards established in 2012, as reflected in the 2013 All Injury Frequency Rate (AIFR) and Lost Time Injury Frequency Rate (LTIFR). However, the Company continues to demonstrate improvement in safety performance over the long term.

In August 2013, ERA set a new record of 188 consecutive injury free days, surpassing the previous record of 179 days.

No employees were injured during the leach tank event on 7 December 2013 or in the clean-up operation that followed. ERA personnel displayed an exemplary attitude towards safety by prioritising their own safety at the time when the tank failed.

Injury rates

ERA's AIFR measures all reportable injuries and covers Lost Time Injuries, Restricted Work Injuries and Medical Treatment Cases per 200,000 hours worked.

ERA's safety performance while still strong did not maintain the high standards set in 2012, with an AIFR of 0.91 (2012: 0.52).

ERA's Lost Time Injury Frequency Rate (LTIFR) per 200,000 hours for 2013 was 0.52 compared with 0.31 in 2012.

In 2013 there were three recordable Medical Treatment Cases. A worker sustained a laceration to the left thumb requiring three stiches; a worker sustained a laceration to a finger requiring four stitches; and a worker sustained fractured teeth while removing an inspection cover from a faulty butterfly valve. All these workers have returned to work of full duties.

There were four Lost Time Injuries. A worker sustained a finger crush while working on a compressor; a worker walking on uneven ground dislocated an ankle and fractured lower leg bones; a worker sustained a hand injury while using a spanner; and a worker slipped on loose dirt and strained a shoulder.

Rio Tinto Chief Executive's Safety Award nomination

In September 2013 Rio Tinto representatives carried out site inspections as part of ERA's nomination for the Rio Tinto Chief Executive's Safety Award. The award recognises leadership and achievement in safety performance across Rio Tinto's operations globally.

Over the past ten years ERA has achieved a significant improvement in safety performance; however events in the latter part of 2013 have affected this performance and show the importance of maintaining a focus on safety.

Safety reviews

During 2013 ERA continued to focus on Process Safety, which deals with management of risks related to catastrophic incidents that could lead to multiple fatalities. Process Safety reviews in 2013 examined operational fire management and suppression capabilities, such as the readiness state of automated fire suppression systems.

Process Safety review activities included the use of x-ray inspection techniques to assess the condition of water pipes which supply automatic fire suppression systems. The x-ray inspection techniques are able to detect and identify the location of potential corrosion points or blockages within the fire suppression systems across Ranger infrastructure, both within buildings and underground.

The Process Safety focus reflects ERA's Critical Control Management Plan introduced in 2012, designed to address significant risks which could result in serious injury or fatality. Based on Rio Tinto's Semi Quantitative Risk Assessment, the Critical Control Management Plan systematically documents and addresses control measures to manage risks such as Process Safety, classified plant, crane and electrical competency of contractors, high voltage switching, road travel, working at heights, and slope failure/rock fall.

For example, the Critical Control Management Plan identified the 260 kilometre drive between the Ranger mine in Jabiru and Darwin as one of the biggest safety risks to ERA's workers and contractors. In response, ERA's road safety initiatives include stringent safety standards in all vehicles used for Company business; mandatory pre-start vehicle checks and designated rest breaks; maximum speed limit of 110 kilometres per hour; promotion of road safety with transporters, suppliers, contractors and the community; and ERA's Award winning road safety DVD based specifically on the Arnhem highway, available on ERA's website.

Audits

During 2013 ERA successfully passed independent 'surveillance' audits of its Environmental Management Systems and Safety and Health Management System.

ERA's Environmental Management Systems are certified to ISO 14001, and the Company's Safety and Health Management System is certified to Australian Standard AS4801.

The surveillance audits are an independent interim review designed to identify opportunities for improvement and to ensure the systems remain on track for successful recertification in 2014.

ERA's Environmental Management Systems include Water Management Systems, Safety and Health Management Systems and Radiation Management Systems.

In May 2013, ERA successfully participated in the annual Government and Stakeholder Audit, which monitors compliance with government regulations, and also completed 13 government and stakeholder inspections which are held every four weeks throughout the year.

Light vehicle safety is a priority at ERA, and safety checks are conducted prior to any journey.

Radiation Monitoring

Allan Seini, Radiation Specialist, undertakes a radiation check on vehicles that have entered mining areas, known as 'controlled vehicles'.

ERA's Safety and Health Management Systems are certified to AS4801 and include a comprehensive Radiation Management System.

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

Radiation levels are monitored using a variety of fixed location and mobile personal systems. Monitoring results are compared to limits recommended by the International Commission on Radiological Protection (ICRP) for uranium industry workers as adopted into Australian legislation. The ICRP sets two levels of radiation exposure, other than from natural and medical sources to distinguish between two types of people: members of the public and radiation workers.

These radiation exposure limits (above natural background and medical exposures) are:

- Members of the public: 1 millisievert (mSv) per year;
- 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 more stringently monitored. Radiation results are subject to review prior to being finalised.

Preliminary analysis of the doses for 2013 has been performed and indicates 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 recorded remains around a quarter of the annual dose limit.

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

Doses are calculated using the methodology required by the Code of Practice on Radiation Protection and Radioactive Waste Management in Mining and Mineral Processing and approved in the Ranger Section 41 Authority.

The total effective dose is the sum of the dose from three exposure pathways: external gamma radiation, inhalation of radon decay products, and inhalation of long lived alpha activity. Other potential pathways have been assessed and were found to be very low in comparison and do not significantly affect the overall dose.

All radiation doses to workers at Ranger are available for review by the regulatory authorities in the Northern Territory.

ERA provides occupational radiation dose data for workers at Ranger mine to the Australian Government's Australian National Radiation Dose Register (ANRDR). Dose data for 2011 and 2012 has been uploaded to the ANRDR and is available to all workers. ERA also provides a copy of personal dose records to all designated workers in addition to the ability to obtain them from the ANRDR.

The ANRDR is a commitment by the Australian Government to strengthen occupational health and safety requirements for individuals working at uranium mining and milling sites. It was established to collect, store, manage and distribute the radiation doses records received by workers in the course of their employment.

Results

ERA assures the highest possible quality control on radiation doses and does not finalise the doses until they have been presented and reviewed by the appropriate regulatory authorities.

The maximum and mean annual radiation doses received by designated workers and the maximum radiation doses received by non-designated workers during 2013 will be reported in the 2013 Annual Radiation Protection and Atmospheric Monitoring Report that will be submitted to stakeholders in March 2014 in accordance with the Ranger Section 41 Authorisation. Accordingly, only preliminary data for 2013 is presented in this report.

The maximum and mean annual radiation doses received by designated and non-designated workers are summarised in the table below.

The potential exposures of Jabiru residents and surrounding communities are also monitored. The contribution to radiation dose for members of the public residing in Jabiru from the Ranger mine was 0.055 mSv and is well below the member of public dose limit of 1.0 mSv.

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 Australia is 2 – 3 mSv, but varies according to location.

Electronic supervised vehicle access

ERA uses an electronic supervised vehicle access permit system to control vehicle movements. This system consists of a wireless access card amplifier fixed into every vehicle that has permission to leave the Ranger mine site.

The amplifier transmits the driver's access pass ID number to the gatehouse and an automated boom gate rises if the person and the vehicle are permitted to leave site. Controlled vehicles do not have this amplifier so the driver cannot get the gatehouse boom gate to rise if they try to leave site in a controlled vehicle.

MAXIMUM AND MEAN RADIATION DOSES FOR WORKERS IN 2013

DOSE	DESIGNATED	NON-DESIGNATED
Limit (mSv)	20	20
Maximum Dose (mSv)	3.92	0.84
Mean dose (mSv)	1.2	Not applicable

DESIGNATED WORKER MEAN ANNUAL RADIATION DOSE

ANNUAL RADIATION DOSE (mSv)
2004 – 2013 *At the time of printing, data for Q4 2013 not finalised.

Former ERA Chief Executive Rob Atkinson, Northern Territory Chief Minister Adam Giles, Northern Territory Minister for Mines and Energy Willem Westra van Holthe, Mining Operations Manager Mike Stone, current ERA Chief Executive Andrea Sutton and General Manager Operations Tim Eckersley in front of Pit 3 at Ranger mine.

An event occurred during November 2013 in which two contractors took a controlled vehicle off site via an unauthorised route without radiation clearance. The removal of this vehicle was unauthorised and the event was investigated by ERA and continues to be under investigation by the Northern Territory Department of Mines and Energy. Following the event additional measures have been put in place to improve security around the site. These include additional barriers, gates and fencing, and restricted access between parts of Ranger mine site.

Electronic Personal Dosimeters

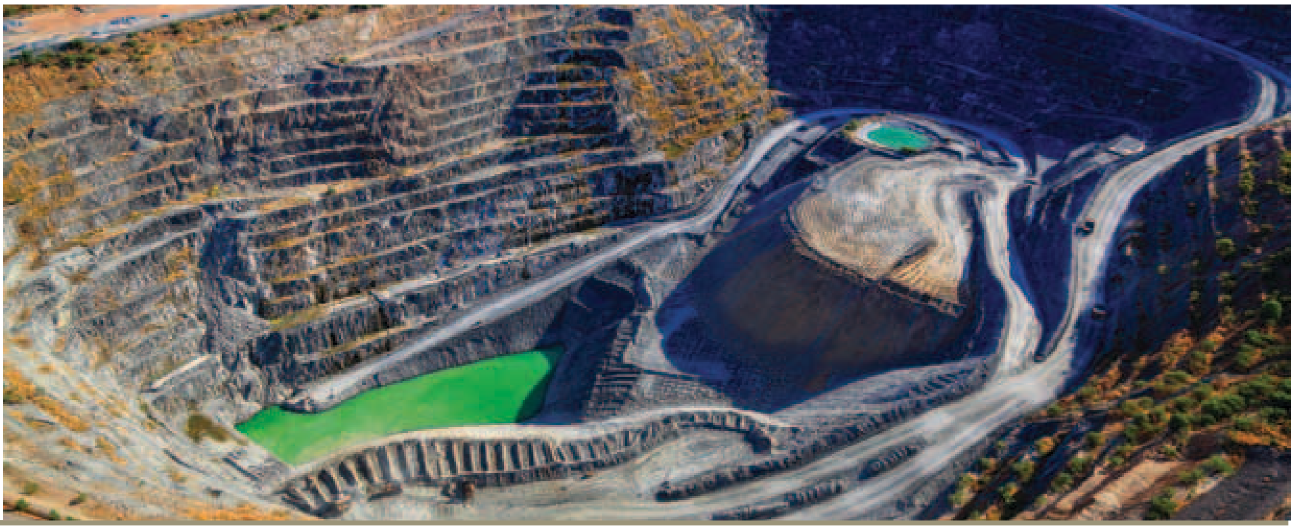
ERA continually seeks to improve the quality of information and monitoring of employees' gamma exposures.

To further reduce personal gamma exposures, ERA invested in Electronic Personal Dosimeters in early 2013. Electronic Personal Dosimeters display real-time dose data in microsieverts (μSv) and the data can be downloaded for further analysis, comparison and storage.

The methods for reducing gamma exposure are time, distance and shielding. The most cost-effective and simple methods to reduce the exposure is by decreasing exposure time and increasing distance from potential sources.

The intention is to use the Electronic Personal Dosimeters to make workers more aware of potential exposures to gamma radiation so that they can then anticipate and avoid or minimise their exposures.

Regulatory Framework



A total of 30 million tonnes of waste rock will be backfilled into Pit 3 as part of the rehabilitation programme.

The Commonwealth and State or Territory Governments impose strict regulations on uranium mining activities in Australia.

These regulations govern a range of key areas relating to uranium mining including occupational health and safety, mine safety, protection and rehabilitation of the environment, native title, exploration, development, production, transport, export, taxes and royalties, labour standards, waste disposal, mine reclamation, toxic and radioactive substances.

The mining and export of uranium is permitted under strict international agreements designed to prevent nuclear proliferation.

Exports are subject to strict safeguards and non-proliferation conditions to ensure that Australian uranium is only used for peaceful purposes.

ERA's mining activities

Commonwealth and Northern Territory legislation provides the regulatory framework for ERA's uranium mining activities.

ERA's operations are closely supervised and monitored by key statutory bodies including:

- Northern Territory Department of Mines and Energy;
- Commonwealth Government's Supervising Scientist Division;
- Northern Land Council;
- Commonwealth Department of Industry (formerly the Department of Resources, Energy and Tourism);
- Alligator Rivers region Advisory Committee (including non-government organisation representatives); and
- Alligator Rivers region Technical Committee (including non-government organisation representatives).

The Ranger and Jabiluka Minesite Technical Committees are the key forums for consideration of environmental matters relating to Ranger and Jabiluka. Committee members include representatives of the Gundjeihmi Aboriginal Corporation, the Northern Land Council, Department of Mines and Energy, and the Supervising Scientist Division.

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. Further information on ARRAC can be obtained at http://www.environment.gov.au/ssd/communication/committees/ arrac/index.

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.

ERA's overall progressive rehabilitation programme will draw on learnings from the Ranger mine Trial Landform.

The 14 ARRTC members include seven independent scientists nominated by the Federation of Australian Scientists and Technological Societies with the remaining representatives being from the Supervising Scientist Division, Northern Territory Government, ERA, Uranium Equities Ltd, Northern Land Council, Parks Australia, and a non-government environment organisation. Further information on ARRTC can be contained at: http://www.environment.gov.au/ssd/communication/committees/ arrtc/index.html.

In January 2013, the Gundjeihmi Aboriginal Corporation on behalf of the Mirarr Traditional Owners, the Northern Land Council, ERA and the Commonwealth Government finalised a suite of agreements to join others that govern operations at the Ranger Project Area, including a new Mining Agreement.

SUSTAINABLE DEVELOPMENT REPORT

Sustainable Development

Overview

The area in which ERA's operations take place is internationally recognised for unique ecosystems and biodiversity, significant environmental and cultural heritage values, and a long tradition of human habitation.

Due to the sensitive nature of the surrounding environment, ERA strives for safety leadership, environmental protection and strong and enduring relationships with all stakeholders.

ERA's capability and commitment to protect the environment in 2013 was confirmed by the Australian Government's Supervising Scientist Division, which conducts extensive monitoring and research programmes. The Supervising Scientist Division's 2012-13 Annual Report, states that: "During the year there were no reported incidents that resulted in any environmental impact to the surrounding environment. The extensive monitoring and research programmes of the Supervising Scientist Division confirm that the environment has remained protected through the period."

ERA will continue to engage with the Mirarr Traditional Owners, with local communities and all levels of government to maintain Jabiru as an important regional centre, and to create educational, cultural, social and economic development opportunities for local people and future generations.

The Mirarr

The Mirarr are Traditional Owners of lands within 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. The Mirarr hold beneficial freehold title to traditional country via the Kakadu and Jabiluka Land Trusts and in accordance with the Commonwealth (*Aboriginal Land Rights (Northern Territory) Act 1976*).

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 across a wide range of fields and activities that cover heritage, economic and community development, education, training and employment.

ERA recognises that the support of Traditional Owners is critically important to future projects and successful rehabilitation.

Seedlings planted as part of the revegetation of the Jabiluka Water Management Pond area are protected by weed mats.

Environment

ERA conducts a wide range of preventative and monitoring activities to ensure its operations do not affect the surrounding environment.

In addition, the Australian Government's Supervising Scientist Division monitors the impact of uranium mining on the environment and people in the Alligator Rivers region, including water quality and aquatic biology indicators in waterways adjacent to the Ranger mine.

ERA's monitoring results and the results from the Supervising Scientist Division are made available to the public.

During 2013, results from statutory monitoring programmes showed that ERA continued to protect the surrounding environment. The Supervising Scientist Division's 2012-2013 Annual Report states that its extensive monitoring and research programmes "confirm that the environment has remained protected through the period."

ERA and the Supervising Scientist Division investigated two events which occurred in November 2013. A controlled vehicle was driven off site without radiation clearance and recovered shortly after by Ranger mine security. No impact to the environment resulted from this event. Secondly, four metal storage drums of a type previously used at Ranger mine were found off site. The site and the drums were inspected by the Northern Territory Department of Health and ERA confirmed that no radioactive material was detected.

An investigation also took place into the leach tank failure which occurred on 7 December. A taskforce consisting of the Northern Territory Department of Mines and Energy, Northern Territory WorkSafe, the Supervising Scientist, the Commonwealth Department of Industry and the Gundjeihmi Aboriginal Corporation was formed to provide a coordinated and consistent approach to managing the regulatory response to this event. Ranger mine's containment management systems fully captured the slurry material from the failed leach tank and the environment surrounding Ranger mine, including Kakadu National Park, remained protected during and following this event. These containment systems are in place to safeguard Kakadu National Park in the event of plant or equipment failure and the systems operated as design during the event.

Radiation and Hygiene Laboratory Assistant Brendan Sanders.

Whilst none of these events had any impact on the environment, ERA takes the potential risk associated with these events very seriously and has investigated each to identify process improvements. ERA also recognises the importance of engaging with stakeholders in regards to events such as these and will continue to maintain a close dialogue with the Gundjeihmi Aboriginal Corporation, Commonwealth and Northern Territory governments, regulatory bodies and other key stakeholders.

Water

Due to the seasonal high rainfall and sensitive nature of the environment in which ERA operates, water management is critical to the success of ERA's business, and to its environmental protection objectives.

Ensuring that the Ranger mine can safely and successfully store and treat large volumes of process water is a principal element of ERA's operational and planning activities.

ERA's approach to water management strategy focusses on comprehensive monitoring systems, significant infrastructure improvements and detailed planning which anticipates future development.

In recent years ERA has successfully completed a range of water management projects including installation of additional ground water monitoring bores and continuous real-time water quality monitoring stations, surface water and seepage interception trenches around stockpiles, lifts of the Tailings Storage Facility clay core, and the installation of over 7,000 prefabricated vertical drains (wicks) across the Pit 1 tailings area.

In 2013 ERA completed further significant water management infrastructure projects, including the construction of the $220 million Brine Concentrator in September, the commissioning of the new one gigalitre capacity Retention Pond 6 in January and the commissioning of the new process water contingency transfer pumping system between the Tailings Storage Facility and Pit 3.

Following the leach tank failure on 7 December 2013, ongoing monitoring of waterways and billabongs surrounding Ranger mine has shown normal readings, confirming that the environment remains protected.

Management of water

ERA's Environment, Safety and Health Management System governs water management across the full range of activities at the Ranger mine site. This includes water capture, storage, supply, distribution, sampling, use, treatment and disposal.

ERA's Water Management Plan sets out the operational activities which fulfil the objectives described in the Environment, Safety and Health Management System.

Each year the Water Management Plan is updated and submitted to regulatory authorities for approval, and every two years ERA's Environment, Safety and Health Management System is subject to independent audit and certification to international standards (ISO 14001).

Water at ERA is managed according to quality, which depends on the nature or class of water. The different classes of water are process water, pond water, release water, potable water and water treatment plant permeate. A new water class, Brine Concentrator distillate, has been added with the commissioning of the Brine Concentrator. Each class of water requires a different management approach.

With the completion of the Brine Concentrator, ERA now has significant capacity to treat process water stored in the Tailings Storage Facility. The Brine Concentrator can produce up to 1.83 billion litres of distillate per year. ERA also uses micro filtration (MF) and reverse osmosis (RO) technology to treat pond water, producing a high quality permeate stream. The high quality treated water from the Brine Concentrator and the existing pond water treatment (MF/RO) plants is released to constructed wetlands or irrigated in designated approved land application areas.

Brine Concentrator

ERA's new $220 million Brine Concentrator was formally opened by the Northern Territory Chief Minister Adam Giles on 19 September. The Brine Concentrator was successfully constructed on schedule and within budget, with an excellent safety performance.

Having completed the first of two acceptance tests in September, the Brine Concentrator will go through a further commissioning and verification phase before the final acceptance test in 2014. This plant will provide ERA with significant capacity and flexibility to manage and treat process water inventories.

The Brine Concentrator uses thermal energy to evaporate water, which is subsequently condensed and discharged as clean distilled water. The facility will treat process water from the Tailings Storage Facility, and will play a key role in ERA's future progressive rehabilitation activities.

This proven technology is scientifically and environmentally sound and will provide ERA with a treatment means to reduce the process water inventory and to manage the impacts of future heavy rainfall events.

The Brine Concentrator units were manufactured and supplied by HPD, LLC, a subsidiary of Veolia Water Solutions and Technologies. Veolia Water Solutions and Technologies has been contracted to operate the Brine Concentrator on behalf of ERA in an "operate and maintain" arrangement.

Water monitoring

ERA has a comprehensive water monitoring system designed to ensure that water is managed in accordance with regulatory and corporate requirements.

The water monitoring system comprises over 200 groundwater bores across the operational area and 13 continuous real-time water quality sensing stations within the Magela and Gulungul creek systems, located upstream and downstream of the Ranger mine.

In addition, ERA has an extensive network of continuous real-time monitoring stations throughout ERA's operational areas, which assist with day-to-day management of water inventories and treatment processes. Data from the water monitoring system is shared with members of the Minesite Technical Committee that includes the Supervising Scientist Division, and provides accurate details of composition and flow rates changes in surface water, ground water and waterways.

Former ERA Chief Executive Rob Atkinson, Executive Officer of the Gundjeihmi Aboriginal Corporation Justin O'Brien, Professor Mark Taylor from Macquarie University, Professor Barry Hart from Water Science Pty Ltd and Monash University, and General Manager Technical and Major Projects Greg Sinclair at the completion of the independent review of surface water management at Ranger mine.

The 2012–13 wet season represents the third season for which continuous monitoring of pH, electrical conductivity and turbidity in the Magela and Gulungul creeks (upstream and downstream of the Ranger mine) has been the primary early warning monitoring method employed by the Supervising Scientist Division. The monitoring stations are equipped with autosamplers that collect water samples triggered by in-stream events such as increases in electrical conductivity or turbidity exceeding defined threshold levels.

The Supervising Scientist Division's 2012-2013 Annual Report states that "water qualities measured in Magela and Gulungul creeks for the 2012-2013 wet season were comparable with previous wet seasons, with the results indicating that the aquatic environment in the creek has remained protected from mining activities."

Independent Surface Water Working Group

In March 2013, ERA and the Gundjeihmi Aboriginal Corporation, representing the Mirarr Traditional Owners, released the findings and 15 recommendations of the Independent Surface Water Working Group (ISWWG).

The ISWWG was established in May 2012 to review surface water management and monitoring associated with the Ranger mine.

The ISWWG comprised representatives from ERA, the Gundjeihmi Aboriginal Corporation, the Supervising Scientist Division and the Northern Land Council, and included an Independent Chair (Professor Barry Hart, Water Science Pty Ltd and Monash University), and an Independent Science Advisor (Professor Mark Taylor, Macquarie University).

The outcome of the report and the consensus agreed to between the parties delivered a watershed agreement and helped improve relations between the Mirarr Traditional Owners and ERA.

The main findings of the ISWWG were that current Ranger mine surface water management and regulatory systems are of a very high standard, and that an agreed action plan is desirable to ensure that the existing standard is maintained.

On advice from the Gundjeihmi Aboriginal Corporation, the ISWWG assessed critically the following concerns of the Mirarr Traditional Owners:

- Surface water management and releases;
- Existing monitoring practices, compliance framework and management responses in relation to surface waters;
- Downstream monitoring to provide confidence that the environment is being protected; and
- The integrity and reporting of, and stakeholder access to, relevant data.

The ISWWG report sets out 15 recommendations designed to further enhance the water management, monitoring and regulatory systems at Ranger. A plan to implement the review findings has been developed.

Jabiluka Interim Water Management Pond

As part of ERA's rehabilitation programme and with the involvement of the Mirarr Traditional Owners, ERA safely dismantled the Interim Water Management Pond at Jabiluka during the 2013 dry season. Rehabilitation of the site is well advanced and revegetation will continue into 2014.

The project forms part of ERA's progressive rehabilitation programme and includes close collaboration with the Gundjeihmi Aboriginal Corporation and Mirarr Traditional Owners. The involvement of the Mirarr Traditional Owners is vital to ensure that the land is rehabilitated in a culturally appropriate manner.

The pond, which previously stored rainwater, was drained, the retaining walls levelled, and the high density polyethylene pond liner material cut up and removed from the site. With collaboration from the Mirarr Traditional Owners, the pond area

The Tailings Storage Facility at Ranger mine stores tailings and water that has come into contact with the mine's uranium extraction circuit.

was then rehabilitated to create a landform profile that recreates as closely as possible the land contours that existed before mining.

During November and December the area was replanted with locally grown native plants sourced from the local Indigenous business Kakadu Native Plants Nursery in Jabiru. Planting will continue into 2014 along with an ongoing monitoring programme. The revegetation programme involved ongoing consultation with the Mirarr Traditional Owners and their representatives, and provided support and training to Indigenous employees to gain accredited industry certification as part of the revegetation activities.

The revegetation programme draws on ERA's experience with revegetation strategies developed from the eight hectare trial landform project at Ranger (see Trial landform, page 38).

Land

ERA's land management responsibilities include operational works such as rehabilitation and closure research and capability demonstrations such as the trial landform, Pit 3 backfilling project, Pit 1 closure, and Land Application Area rehabilitation trials and planning activities.

ERA also carries out land management activities associated with controlled burning, weed management and feral animal control.

Integrated Tailings, Water and Closure Study

In 2013 ERA completed the Integrated Tailings, Water and Closure Study, which provides clear detail of the sequence, timing and accurate costing of a range of programmes of work to complete the closure and rehabilitation of the Ranger site.

These works comply with the ERA's Environmental Requirements and within the time frame specified under the Ranger Section 41 Authority.

Closure strategies and programmes of work required to successfully close and rehabilitate the Ranger Project Area once ERA completes mining and processing activities are set out in ERA's mine closure plan which has been updated to align with the outcomes of the Integrated Tailings, Water and Closure study.

The mine closure plan aligns with ERA's current plans for Ranger operations through to 2021, in accordance with the Ranger Authorisation, and reflects the latest scientific and operational knowledge of rehabilitation techniques.

As a result of the completion of the Integrated Tailings, Water and Closure Study, ERA has confirmed a preferred closure strategy, and announced a revised provision for rehabilitation works ($603 million on a net present cost basis).

The proposed closure strategy involves:

- Transfer of tailings from the Tailings Storage Facility to Pit 3 via dredge operations;
- Disposal of brines through the injection of the brine waste stream from the Brine Concentrator into a secure repository at the base of Pit 3;
- Backfill and rehabilitation of Pit 1, Pit 3 and the Tailings Storage Facility;
- Creation of the final landform designed to mimic as far as possible a pre-mining landscape;
- All associated water treatment/ management, environmental studies, revegetation and rehabilitation works; and
- Demolition and disposal of all site infrastructure.

Rehabilitation works for Pit 1 and Pit 3 progressed in 2013, and detailed planning and studies for brine injection and tailings transfer to Pit 3 were completed.

Pit 3 backfilling

Pit 3 was ERA's second operational pit and was in use from 1994 until November 2012, when ERA successfully completed open cut mining. ERA immediately commenced the initial backfilling project for Pit 3 (see Operations, page 12) to prepare the pit for closure in line with the requirements of the Integrated Tailings, Water and Closure strategy.

A total of 30 million tonnes of low grade material will be placed in Pit 3 as part of the initial backfill, scheduled for completion around mid-2014. The initial backfilling project is progressing ahead of schedule, with 22.8 million tonnes of low grade material placed within the pit at 31 December 2013.

The initial backfill provides the repository for injection and permanent storage of brine produced by the new Brine Concentrator (see Operating and financial review, page 9), and also provides the foundation for permanent storage of tailings from the Tailings Storage Facility and ongoing milling operations.

Ultimately the tailings stored in Pit 3 will be covered by deep layers of material and capped with a landform that mimics as closely as possible the surrounding landscape.

The success of current works to de-water and compress the tailings mass in Pit 1 will provide valuable learning and experience for the final rehabilitation and revegetation works for Pit 3.

Pit 1 closure

Pit 1 was the Ranger mine's first operational pit and was exhausted in 1994. Since then, and in accordance with current regulatory approvals, Pit 1 has been used for storage of tailings and process water.

The early closure and rehabilitation of the mined out Pit 1, and the removal of it as a contributor to the process water inventory is an important part of ERA's land rehabilitation and closure strategy.

Successful rehabilitation of Pit 1 will provide a practical demonstration of ERA's landform rehabilitation skills and techniques.

In the 2013 dry season ERA began placing a 2.5 metre thick "pre-load" layer of low grade rock on top of geotextile fabric placed over the tailings mass within Pit 1. The fabric provides a stable load-spreading surface for earthmoving machinery to place and shape the low grade material preload layer, which will compress the tailings mass and activate over 7,000 prefabricated vertical wick drains.

Michelle Bush from ERA's Environment, Health, Safety, Water and Tailings team at the Ranger mine trial landform.

The wick drains were installed in 2012 and provide dewatering pathways to a depth of up to 40 metres in the tailings mass. As the weight of the pre-load rock layer increases, the wicks will dewater the upper level of the tailings, compressing and consolidating the tailings mass. Water expressed via the wicks will be transferred to the Tailings Storage Facility to maintain a relatively dry tailings surface in Pit 1.

Once a stable surface has been created, backfill operations using heavy machinery are planned, placing layers of material until the final landform is achieved.

The new landform will then be revegetated using knowledge gained from ERA's trial landform project, the Jabiluka Interim Water Management Pond rehabilitation experience and other targeted research.

Trial landform

ERA's large-scale trial landform is providing significant practical experience and leading research opportunities about effective revegetation and rehabilitation strategies for disturbed areas of the Ranger Project Area.

Constructed in 2009, the eight hectare trial landform provides an opportunity to assess erosion, rainfall run-off, and the success of revegetation and natural regeneration.

The landform comprises layers of rock and laterite, planted with local native plants grown from locally sourced seed, collected and propagated by local Indigenous business Kakadu Native Plants. Some trees have recorded heights of nine metres, and following the first flowering observed in 2011, fifteen tree species including Darwin Woollybut (Eucalyptus miniata) are flowering for the second consecutive year.

Results from the trial landform studies are assisting in longer term modelling of the performance of the final landform created during rehabilitation of the entire mine site.

With support and funding from ERA and Australian Postgraduate Awards, Charles Darwin University PhD student Jillianne Segura is studying the role that water retention plays within Kakadu and the reconstructed waste rock landform. In October

Ms Segura presented at the International Society of Ecological Restoration's fifth World Conference on Ecological Restoration. Ms Segura's paper, 'Is there enough water in waste rock substrates to restore a functional tropical savannah to mined lands in northern Australia?' incorporated her research into the eco-hydrology of mine restoration strategies at Ranger uranium mine.

Weed management

ERA carries out regular weed mapping and weed control activities on the Ranger Project Area and Jabiluka lease. Activities are guided by ERA's five-year Weed Management Plan.

Weed mapping is conducted after the finish of the wet season in April and May. This is because wet season floodwaters are a primary dispersal mechanism for weed seeds. The annual weed survey of the Ranger Project Area and Jabiluka Lease was conducted between April and June 2013.

Thirteen Weed Management Areas were surveyed in 2013. Eight of the surveyed areas had an increase in weed area since they were last surveyed, while four had a decrease in weed area, and one area remained weed-free. No weed species were found at the drill-pads and tracks from the recent exploration activities north of Magela Creek, indicating that the ERA Exploration team had maintained a high level of vehicle and machinery hygiene.

The survey recorded 38 introduced plant species on the Ranger Project Area and Jabiluka Mineral Lease, and this is fewer than the number of species recorded in 2012. Two species (*Celosia argentea* and *Emilia sonchifolia*) were recorded for the first time in 2013, but are likely to have been present in previous years. Gamba Grass (*Andropogon gayanus*) continues to have been prevented from establishing on the Ranger Project Area and Jabiluka Mineral Lease.

Energy and greenhouse gas emissions

The main source of energy at the Ranger mine is diesel fuel, which is either used directly in heavy machinery, or used to create electricity.

Electricity produced by the diesel power station is used for lighting, heating, cooling, processing operations, milling ore, and water management (pumping, filtration). The power station also provides electricity for the town of Jabiru and Parks Australia's headquarters.

In 2013, the Ranger operation's measured total energy consumption was estimated at 1,483,390 gigajoules (GJ) (2012: 1,627,834 GJ).

Combined greenhouse gas emissions for 2013 from all diesel, LPG, petrol use and process emissions, calculated as carbon dioxide equivalent ($CO2$-e), was estimated at 113,844 tonnes (2012: 128,725 tonnes).

The 2013 change is due to energy savings and improved efficiency achieved in the mine through a reduced fleet, reduced energy demand associated with downhill haulage for the Pit 3 backfill, and the use of a mobile discriminator. Diesel savings were partially offset by continued work on the Ranger 3 Deeps exploration decline and completion of the Brine Concentrator.

During 2013 ERA continued work on energy efficiency activities designed to comply with Energy Efficiency Opportunity Legislation.

Product stewardship

Product stewardship of uranium involves the consideration of health, safety, environment and social aspects across the full use of the product.

All of Australia's uranium is exported for exclusively peaceful purposes, and only to countries and parties with which Australia has a bilateral nuclear cooperation (safeguards) agreement. These agreements ensure that Australia's nuclear exports remain for exclusively peaceful use. These aspects of uranium stewardship are also regulated by the Australian Safeguards and Non-Proliferation Office and the United Nations International Atomic Energy Agency (IAEA).

ERA plays a key role in developing product stewardship and supporting research for the wider industry through its work with leading international organisations, including the IAEA and the International Commission on Radiological Protection (ICRP). ERA also works closely with key industry associations, including the World Nuclear Association (WNA).

These scientific organisations are at the cutting edge of radiation protection, ensuring a standard global approach to evaluating health, safety and environment performance, and seeking global adoption of best practice in sustainability.

ERA's work with the WNA included the completion of an international uranium mining standardised environmental checklist, which can be used by uranium purchasers to assess the environmental performance of uranium producers.

ERA's engagement with the ICRP focussed on support for cutting edge research into the latest assessment of dosimetry values for indoor exposure to radon and radon decay products. This enables ERA to adopt the latest ICRP results, findings or exposure limit variations.

ERA worked with the IAEA to contribute occupational exposure data as part of a worldwide study of uranium miners. The data highlighted the low occupational doses at Ranger and the protection of workers within the uranium industry.

The backfill of Pit 3 as part of the rehabilitation progamme is ahead of schedule.

Waste management

ERA is collaborating with the Australian Nuclear Science and Technology Organisation to investigate options for managing contaminated hydrocarbon wastes.

These wastes include used engine oils and other lubricants associated with operation and maintenance of machinery in contact with uranium ore, such as mine haul trucks and open gear boxes in the processing plant. Contaminated plant waste hydrocarbons cannot currently be moved off site and are stored in steel drums in a secure facility on site.

The work with Australian Nuclear Science and Technology Organisation involved a review of the levels of contamination in the wastes which found that approximately half of the waste can be safely treated off-site by conventional waste oil management processes.

Risk management

ERA's environmental protection measures, health and safety systems, radiation detection procedures and production activities are monitored, audited and reviewed on a regular basis. ERA strives for best practice in all these areas.

The Company's Code of Business Conduct defines expected standards of behaviours for Company decisions and actions.

ERA's environment policy recognises that exemplary environmental management is crucial to long term success. It requires compliance with all applicable legislation and other commitments and aims to continuously improve environmental management performance.

ERA maintains international certification (ISO 14001) of its Environmental Management System, which includes ERA's Water Management System.

ERA also maintains Australian certification (AS 4801) of its Safety and Health Management System, including ERA's Radiation Management System.

Employment

Local Indigenous employee Benita Alangale in the water laboratory at Ranger mine.

With the completion of open cut mining in late 2012 and the shift to stockpile processing and the continuation of cost saving programmes, ERA's workforce was reduced by 18 per cent during 2013. Where possible, employees affected by reduced requirements have been redeployed within the Rio Tinto group.

As at 31 December 2013, ERA's total workforce was 519 people comprising 495 staff and 24 contractor positions across a range of full-time, job-sharing, part-time and secondment arrangements. This compares with 639 full-time equivalent positions at the same time last year.

ERA also directly employed 19 apprentices, four school-based apprentices, and 10 Indigenous trainees.

ERA's female employment participation declined slightly during 2013 down to 18 per cent (2012: 20 per cent), with 13 females across the business fulfilling leadership roles from supervisor level to manager level.

ERA also provides flexible work arrangements for both male and female employees to help balance work and life commitments.

Indigenous employment has declined slightly in 2013 to 16 per cent (2012: 17 per cent). This is due to a significant portion of staff reduction occurring in operational activities.

The average rolling staff turnover in 2013 was 29.25 per cent (2012: 25 per cent). The closure of open pit mining at Ranger mine and the subsequent reduction of the mining fleet resulted in a higher than average turnover rate. However, a highly successful redeployment programme resulted in affected employees moving to employment elsewhere in the Australian Rio Tinto Group.

Redeployment and future staffing levels

With the completion of open cut mining in late 2012 and the shift to stockpile processing ERA has undergone significant structural and cultural change.

A key impact of these changes has been a continued reduction in employment levels as ERA adjusts to different operating requirements and a smaller operation.

The construction and commissioning of the Brine Concentrator in September 2013 contributed to a reduction in construction workforce needs, and efficiency improvements in the Pit 3 backfill project resulted in further reductions in operational staffing levels.

Consequently redeployment support is a critical component of workforce management strategies.

During 2013 ERA worked closely with Rio Tinto to identify redeployment opportunities with the Rio Tinto business for mine haul drivers and machinery operators. This resulted in the successful redeployment of the vast majority of workers affected by changes in business size and scope.

Looking ahead, ERA will continue to work with Rio Tinto to identify redeployment opportunities for further anticipated reduction in workforce requirements.

Indigenous employment

ERA is a principal employer in the West Arnhem region.

ERA's Indigenous employees are

The health and safety of the workforce is a foremost priority at ERA. The Ranger mine Emergency Response Team practise a confined space rescue and resuscitation.

employed in positions at many levels within the Company, from operations to human resources to leadership roles.

At 31 December 2013, Indigenous employees represented 16 per cent of all ERA full-time equivalent employees. ERA employed 10 Indigenous trainees across a range of operation departments. Trainees are matched with mentors who work on addressing trainees' needs in the workplace and providing both personal and operational support to trainees in the workplace.

The Mentoring Programme is part of ERA's Indigenous Employment Strategy, which also includes flexible work arrangements, workplace literacy and numeracy training, and supporting students from local communities in work experience and school-based apprenticeships.

Indigenous Enterprise Development

During 2013 ERA worked closely with the Gundjeihmi Aboriginal Corporation and local businesses to identify and develop employment and training opportunities for members of local Indigenous communities as part of a new Indigenous Enterprise Development Scheme.

As part of the scheme, ERA, the Gundjeihmi Aboriginal Corporation and Kakadu Native Plants have worked together to develop an Indigenous Revegetation Workforce.

The Indigenous Revegetation Workforce have been involved with the important land management project being undertaken by ERA in close collaboration with the Mirarr, to rehabilitate the Jabiluka Interim Water Management Pond (see Water, page 33).

As part of the Indigenous Revegetation Workforce training, the trainees will be working towards nationally recognised skills accreditation through a Certificate III in Land Management.

In addition to revegetation work at Jabiluka, the Indigenous Revegetation Workforce will work on other landform and rehabilitation projects across the Ranger Project Area, and assist with weed and fire monitoring and management.

Work Ready Programme

ERA worked with local businesses and training providers during 2013 on a Work Ready Programme aimed at school leavers and other local people seeking to enter the workforce or find new employment.

The programme, which is part of ERA's Indigenous Employment and Diversity programme, aims to help local people develop the additional skills needed to enter the local workforce.

This support can assist people to obtain a driver's licence, learn basic first aid, and become competent with basic use of work-related equipment. The programme also identifies potential employment needs among local businesses.

Participants who complete the Work Ready Programme also gain nationally recognised accreditation with a Certificate II in Resource Infrastructure.

Cultural Awareness

ERA's Cultural Awareness Programme provides an essential introduction to the cultural, environmental and historical values of the Kakadu region and the Mirarr Traditional Owners.

Delivered in partnership with the Gundjeihmi Aboriginal Corporation representing the Mirarr Traditional Owners, the Cultural Awareness training forms part of ERA's induction programme.

During the year, 47 new employees and long term contractors attended Cultural Awareness training.

Education Partnership

2013 marked the fourth full year of operation for the award winning Education Partnership between ERA and the West Arnhem College.

In January the West Arnhem College held a graduation ceremony for the first two students from Gunbalanya Campus in Arnhem Land to reach and complete Year 12 in 2012, providing an inspirational example of the great potential of local students. In 2013

Dale Gumurdul, Arijay Camp, Jai Nabulward, Christella Namundja and Kirsty Gamarradj are the second round of students to ever graduate Year 12 from the West Arnhem College in Gunbalanya. They completed their studies in 2013.

the number of students staying on to complete Year 12 at Gunbalanya Campus increased to six, with five students graduating.

The Education Partnership provides quality education and training opportunities leading to real employment and career options for students and families in the West Arnhem region. It provides an integrated programme of activities to build capacity in the local economy, support sustainable regional development, and improve education and employment outcomes for local community members.

This includes opportunities for work experience placements and school-based apprentices at ERA, visits to ERA by teachers and students, school presentations from ERA experts, and support for school-based education programmes involving resource industry development.

During the year ERA employed four school-based apprentices. This programme allowed them to obtain a Certificate II qualification while still enrolled in school at the West Arnhem College.

In addition, students and teachers from the Jabiru and Gunbalanya campuses participated in tours of the Ranger mine. These visits help students learn about employment opportunities at the Ranger mine and to answer questions that teachers or students have about the Ranger mine.

Community

Mining Superintendent David Meador leading a visitor tour of Ranger mine as part of the ERA Community Information Day.

ERA's relationships, partnerships and activities play an important role in supporting the local Jabiru community, and contributing to the regional and Northern Territory economies.

ERA engages with a wide range of organisations, community groups and government agencies across a broad range of issues, including cultural heritage, education, employment and funding opportunities.

Relationship with Mirarr Traditional Owners

The Gundjeihmi Aboriginal Corporation represents the Mirarr Traditional Owners in discussions and negotiations with ERA on matters of mutual interest.

This includes water management, cultural heritage and environmental protection, employment and training, housing and town planning, involvement in decision making processes, royalties, and the future of mining at Ranger.

In January 2013 a suite of agreements covering the Ranger Project Area were executed by the Mirarr Traditional Owners, ERA, the Northern Land Council, and the Commonwealth Government. These agreements cover the existing mining operations and address a range of historical issues. They also provide a structured approach for ongoing engagement and collaboration between the Gundjeihmi Aboriginal Corporation and ERA.

The agreements entitle the Mirarr to greater participation in the benefits from mining on their land. This includes an increased share of royalties, establishment of a regional socio-economic sustainability trust. In addition, the agreement resulted in the formation of a relationship committee with

ERA has a continued presence at the annual local Mahbilil Festival held in Jabiru. 'Mahbilil' means 'afternoon breeze' in the local Kunwinjku language.

ERA to promote information sharing and collaboration and an agreed approach to increasing opportunities for local Aboriginal participation in business development, training and employment.

The Gundjeihmi Aboriginal Corporation and ERA are represented on the Kakadu West Arnhem Social Trust and will each contribute funds on an annual basis.

Examples of initiatives to be supported by the trust include the Children's Ground, a broad community social and health programme, and Culture First, an education initiative focussed on local Indigenous children.

The Mirarr Traditional Owners are also represented via the Gundjeihmi Aboriginal Corporation on the Closure Criteria Committee Working Group and are formal members of the Ranger Minesite Technical Committee.

The Mirarr Traditional Owners and ERA worked together on the Independent Surface Water Working Group (ISWWG), which began work in 2012 and reported in March 2013 on surface water management and monitoring associated with the Ranger mine (see Water, page 33).

ERA will continue to work closely with the Gundjeihmi Aboriginal Corporation and other stakeholders on progress on the recommendations of the ISWWG and other surface water management activities at Ranger mine.

The Gundjeihmi Aboriginal Corporation and Mirarr Traditional Owners are also participating in rehabilitation planning, including decommissioning and rehabilitation of the Jabiluka Iterim Water Management Pond (see Environment, page 35).

Both the Gundjeihmi Aboriginal Corporation and ERA are integral to the future of Jabiru and the region, and are collaborating around town governance, housing, local and Northern Territory Government engagement, infrastructure and local business development.

Going forward, ERA will continue to engage with the Gundjeihmi Aboriginal Corporation representing the Mirarr Traditional Owners on issues of common interest.

Royalty payments

ERA's royalty payments are a major source of income for the Indigenous community and the Northern Territory Government.

ERA makes royalty payments of 5.5 per cent of net sales revenue from Ranger mine production.

In 2013, the equivalent of 4.25 per cent of Ranger sales revenue was disbursed to Northern Territory based Aboriginal organisations, including the Gundjeihmi Aboriginal Corporation. A further 1.25 per cent of Ranger sales revenue paid to the Commonwealth is distributed to the Northern Territory Government.

In 2013, ERA's royalties totalled \$18.4 million (2012: \$20.6 million).

As ERA is now processing ore stockpile, under the current operating agreements and legislative framework, royalty payments will continue to decline in line with forecast production rates, unless the Ranger 3 Deeps underground mine is developed.

Collaboration on future of Jabiru

ERA is pleased to note progress with respect to the future of Jabiru.

In June 2013 the Commonwealth Government introduced legislation into Parliament that allowed for the inclusion of Jabiru and surrounding lands in Schedule 1 of the (*Aboriginal Land Rights (Northern Territory) Act 1976*).

ERA has provided strong and active support for the inclusion of Jabiru in the Act. This is a significant step towards formally recognising the Mirarr as traditional landowners of the long-running Jabiru native title claim area, which includes the Jabiru township.

This formal recognition of Mirarr title to land, enshrined in land rights legislation, is also welcome progress toward resolving the future governance of Jabiru and developing a long term vision for the town.

ERA will continue to support the finalisation of arrangements required to transfer these lands from the Commonwealth to the Kakadu Aboriginal Lands Trust, including establishment of a new town lease agreement between the Gundjeihmi Aboriginal Corporation and the Northern Territory Government.

Community engagement

ERA engages with a wide range of stakeholders and community groups within the local Jabiru community and in other parts of the Northern Territory.

This engagement is designed to provide members of the public, community groups, and other stakeholders with opportunity to learn about and understand ERA's operations.

In addition ERA's community engagement provides support to help protect and promote cultural heritage, community health, small business development, including Indigenous business, and education and sport opportunities for young people.

During 2013 ERA maintained a local presence and information source at the ERA Community Office in Jabiru, and provided formal quarterly business updates with key stakeholders and community groups in Jabiru.

The inaugural Kakadu Triathlon was held in Jabiru in May 2013 and had 91 participants.

Ranger 3 Deeps Social Impact Assessment

As part of the Ranger 3 Deeps Prefeasibility Study, ERA is examining the flow-on effects on the local and wider communities created by an underground mining operation.

The Ranger 3 Deeps Social Impact Assessment will identify potential positive and negative social impacts of the proposed underground mine. The assessment will consider the potential impacts on stakeholders in the local Jabiru community, and in the wider Alligator Rivers region, as well as impacts across the Northern Territory and at the national level.

Expected to be completed in mid-2014 and made available as part of Environmental Impact Statement documents, the Social Impact Assessment will be provided to the Commonwealth and Northern Territory Governments to complement approvals for the proposed underground mine.

Community partnerships

ERA provides support to the community through community partnerships, in-kind support and donations of equipment and resources.

In 2013, ERA's community partnership and sponsorship programme provided support for local community-based events, schools and students, sport, the arts and regional festivals.

ERA sponsors the George Chaloupka Fellowship programme run by the Museum and Art Gallery of the Northern Territory Foundation. The George Chaloupka Fellowship promotes and supports research and conservation of Aboriginal rock art located in Arnhem Land Plateau region in the Northern Territory of Australia.

In November the $28,000 Fellowship was awarded to Ms Tristen Jones of the Australian National University.

The Fellowship was awarded to support Ms Jones's rock art research project in the East Alligator River precinct in western Arnhem Land.

ERA continued its support for the Mahbilil Festival in Jabiru in September. The Mahbilil Festival is the feature community and cultural event for Jabiru and the West Arnhem region, which celebrates the diversity of the region through music, dance, art and entertainment. As a long term major sponsor of the festival, ERA was proud to be involved again this year through its community information stall along with many other stallholders.

Community Information Day

ERA held a successful Community Information Day in September to provide an opportunity for local community members, tourists and other people to visit Ranger mine, and to learn about ERA's operations and work to protect the environment.

Footy Means Business

During 2013 ERA continued to support Rio Tinto's Footy Means Business programme, which works with the Australian Football League (AFL) to provide leadership and sports development opportunities for young Indigenous men.

ERA supported Jabiru AFL players Travis Vigona, Peter Cooper and Dylan Guyamala to take part in leadership development and football skills clinics in Melbourne and Sydney. At the end of the programme, participants competed for the Rio Tinto Cup at the Melbourne Cricket Ground.

Managing Director of Rio Tinto Australia David Peever with Dylan Guymala, Peter Cooper and Travis Vigora who participated in the 'Footy means Business' programme in 2013.

A free barbecue and information stall was set up in Jabiru for the day and buses ran regular tours out to the mine site, with ERA staff on hand to explain the mine's operations.

Over 70 people took part in tours, and many more attended the stall and barbecue. The positive response, particularly in relation to ERA's operations, revealed a genuine interest among many members of the public to learn about ERA.

Community Support

ERA's support for cultural and sporting activities in 2013 included sponsorship of the National Indigenous Music Awards in August and the inaugural Kakadu Triathlon in Jabiru in May.

The National Indigenous Music Awards celebrate traditional and contemporary artists from around the country, with female artist Jessica Mauboy winning National Artist of the Year.

Over 91 people took part in the highly successful Kakadu Triathlon, organised by ERA and Darwin Triathlon as a fundraiser for CareFlight. The triathlon involved a 250 metre swim in the Jabiru town pool, a 10 kilometre bike ride and a 2.5 kilometre run. The event gained support from 36 sponsors, including Veolia Water, ERA, Spotless, West Arnhem Shire Council, West Arnhem College, Jabiru Fire Station and Jabiru Police Station.

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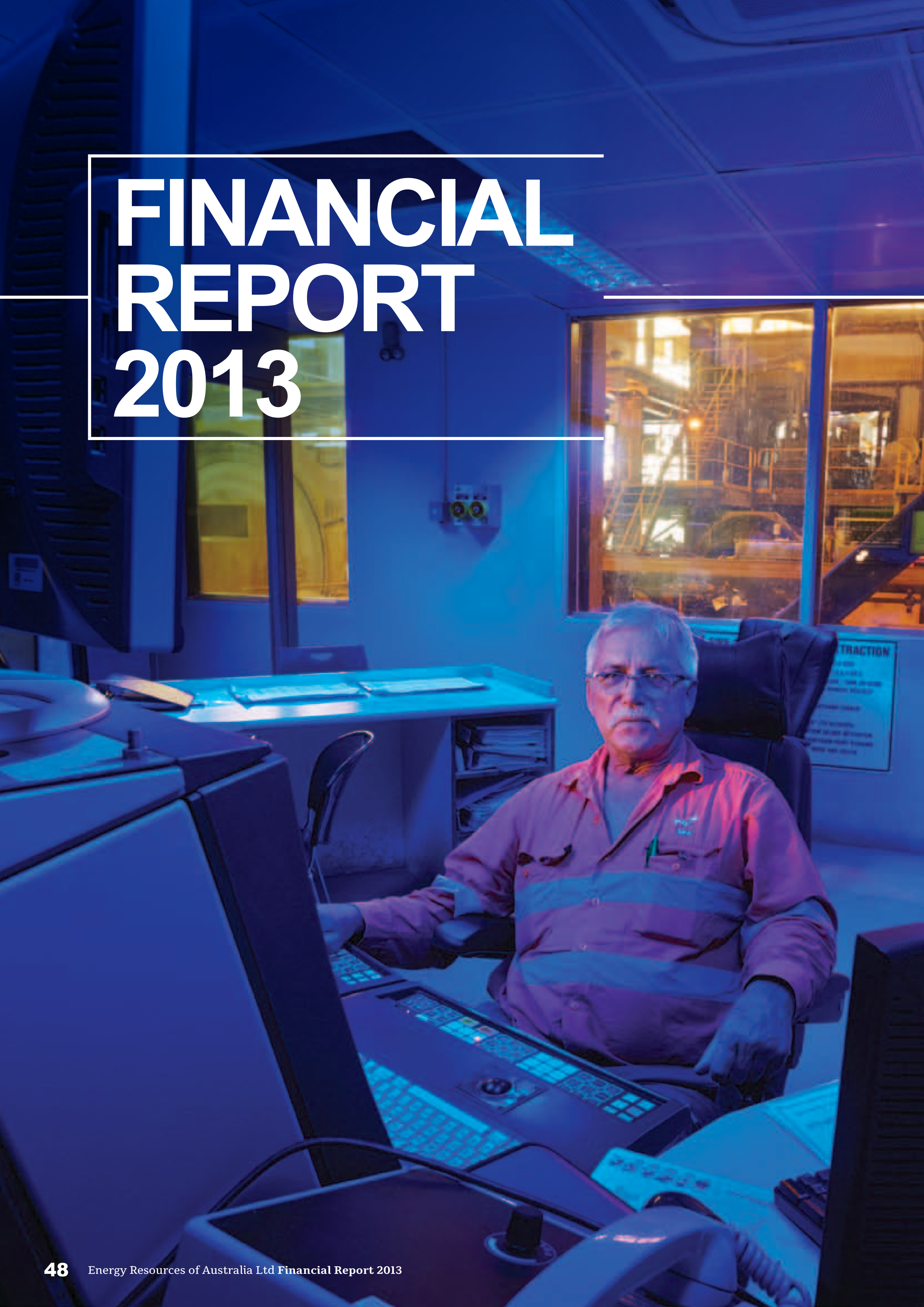

Directors' Report

Directors

1. MR PETER MCMAHON

Chairman
BEcon(Hons), MEcon, MSc

Appointed as a Director in November 2012 and Chairman in January 2013. Member of the Audit and Risk Committee and Remuneration Committee. Mr McMahon has been the principal of an independent advisory business, McMahon Advisory Pty Ltd, since 2010. Prior to this time, Mr McMahon spent 30 years with the Rio Tinto Group in senior commercial roles with emphasis on business and project development in Australia, UK, USA and Europe. Mr McMahon was a non-executive Director and Chairman of Inova Resources Limited until November 2013.

2. MS ANDREA SUTTON

Chief Executive
BE (Hons) Chemical, GradDipEcon, GAICD

Appointed as Managing Director in September 2013 and Chief Executive in September 2013. Ms Sutton brings extensive operational, technical and corporate experience to ERA from her 19 years with Rio Tinto. Ms Sutton was previously Managing Director with the Rio Tinto Support Strategy Review team. Prior to that, Ms Sutton held various roles within the Rio Tinto Group including General Manager Operations at the Bengalla Mine and General Manager Infrastructure with Rio Tinto Iron Ore.

3. MR ROB ATKINSON

Chief Executive
BE(Hons) Mining & Petroleum Engineering

Appointed as Managing Director in September 2008 and Chief Executive in September 2008. Resigned as a Director and Chief Executive in September 2013 to take up the role of Rio Tinto Copper Chief Operating Officer based in London. Mr Atkinson has served with the Rio Tinto Group since 1993, holding management, operational and corporate roles in Australia, the US and the UK, in the Energy, Iron Ore and Aluminium Product Groups. Mr Atkinson was the Chairman of the Australian Uranium Association. Mr Atkinson has been appointed as a Vincent Fairfax Fellow and was a member of the Advisory Board of the Melbourne Business School, Centre for Ethical Leadership.

4. DR HELEN GARNETT

Independent Non-Executive Director
BSc(Hons), PhD, PSM, FTSE, FAICD

Appointed as a Director in January 2005. Chair of the Audit and Risk Committee and member of Remuneration Committee. From 2003 to 2008, Dr Garnett was Vice Chancellor of Charles Darwin University in the Northern Territory. Between 1994 and 2003, Dr Garnett served as the Executive Director of the Australian Nuclear Science and Technology Organisation (ANSTO) and as an Australian representative to the United Nations International Atomic Energy Agency. Dr Garnett is an Emeritus Professor of the University of Wollongong and of Charles Darwin University, a Fellow of the Academy of Technological Sciences and Engineering and a Fellow of the Australian Institute of Company Directors. Dr Garnett is currently the Chair of Delta Electricity, a non-executive Director of Carbon Energy Limited, Director of the Australian Centre for Plant Functional Genomics, Director of the Grape and Wine Research and Development Corporation, Director of the Museum and Art Gallery, NT Foundation, and Director of Sugar Research Australia.

5. MR PETER TAYLOR

Non-Executive Director
BA, BSc, LLB, LLM, FAICD

Appointed as a Director in February 2007. A lawyer in private practice before joining Rio Tinto, Mr Taylor has held a number of executive and management positions in the exploration, project development, commercial and legal operations of the Rio Tinto Group. Mr Taylor has served as Managing Director and Chairman of Bougainville Copper Limited since 21 October 2003, having been a Director since April 1997. Mr Taylor is also a director of a number of unlisted Rio Tinto Group companies.

6. MR JOHN PEGLER

Independent Non-Executive Director
BE (Mining), MAusIMM, MAICD

Appointed as a Director in July 2009. Member of the Audit and Risk Committee and Chair of Remuneration Committee. Mr Pegler also is a non-executive Director and Chairman of Bandanna Energy Limited and non-executive Director of WDS Ltd and CS Energy Limited. He is a Past President and a Life Member of the Queensland Resources Council and a past Chairman and Director of the Australian Coal Association Ltd. Mr Pegler formerly was Chief Executive Officer of Ensham Resources Pty Limited and previously has held operational roles within BP Australia Limited and the Rio Tinto Group including President Director of major gold producer PT Kelian Equatorial Mining in Indonesia and Managing Director Group Procurement Eastern Hemisphere.

7. MRS HELEN NEWELL

Non-Executive Director
BCom (Hons), MBA, GAICD

Appointed as a Director in November 2012. Mrs Newell is currently Vice President Infrastructure and Transformation, Rio Tinto Energy. Prior to joining the Rio Tinto Group in May 2011, Mrs Newell spent 20 years in the transport and infrastructure industry in Australia and North America, with Booz Allen & Hamilton, the Toll Group and Asciano. Mrs Newell is also a Rio Tinto Director of Port Waratah Coal Services Limited, Dalrymple Bay Coal Terminal Pty Ltd and the Ascham School.

Executive Committee

1. MS ANDREA SUTTON

Managing Director and Chief Executive
BE (Chemical), GradDipEcon, GAICD

Appointed as Managing Director in September 2013 and Chief Executive in September 2013. Ms Sutton brings extensive operational, technical and corporate experience to ERA from her 19 years with Rio Tinto. Ms Sutton was previously Managing Director with the Rio Tinto Support Strategy Review team. Prior to that, Ms Sutton held various roles within the Rio Tinto Group including General Manager Operations at the Bengalla Mine and General Manager Infrastructure with Rio Tinto Iron Ore.

2. MR STEEVE THIBEAULT

Chief Financial Officer and Company Secretary
BA (Accounting, Finance)

Mr Thibeault was appointed as Chief Financial Officer in July 2009 and Company Secretary in 2009. Mr Thibeault has over 32 years' experience in the mining and manufacturing industries and previously held diverse senior finance roles with Rio Tinto Alcan and Alcan Aluminium Limited.

3. MR TIM ECKERSLEY

General Manager, Operations
B.Sc. Agric (Hons)

Mr Eckersley was appointed as General Manager Operations in September 2012. Over the last 20 years Mr Eckersley has held various leadership roles in the mining industry including in bauxite, alumina, gold, mineral sands and iron ore. Prior to joining ERA, Mr Eckersley was General Manager within Rio Tinto Iron Ore Expansion Projects business unit.

4. DR GREG SINCLAIR

General Manager, Technical and Major Studies
BAppSc (Chemistry), PhD, FAusIMM

Dr Sinclair was appointed as General Manager Technical and Major Studies in May 2007. Dr Sinclair has over 28 years' experience in the resources sector and has formerly held roles with the Iron Ore Company of Canada, Rio Tinto Technical Services & HSE Groups, North Limited and the Australian Nuclear Science & Technology Organisation.

5. MR ALAN TIETZEL

Chief Advisor Agreements
BA BCom Dip Ed MBA

Mr Tietzel was appointed as General Manager External Relations in July 2010 and subsequently Chief Advisor Agreements in September 2012. He has a background in Aboriginal land agreements, regional development, government relations, human resources and organisation development. Mr Tietzel joined Rio Tinto in 1990. He has worked in the diamonds, salt, bauxite and alumina sectors, and in various corporate functions.

6. MR THOMAS WILCOX

Company Secretary and Legal Counsel
LLB, BCom

Mr Wilcox was appointed as joint Company Secretary and Legal Counsel in November 2013. Mr Wilcox joined Rio Tinto in 2009 and previously served as legal counsel in London and Melbourne with Rio Tinto Exploration. Prior to joining the Rio Tinto Group, Mr Wilcox was employed in private legal practice since 2003.

Meetings of Directors

The number of Directors' and committee meetings held and the number of meetings attended by each of the Directors of the Company during the financial year is shown below:

	DIRECTORS MEETINGS		AUDIT AND RISK COMMITTEE MEETINGS		REMUNERATION COMMITTEE MEETINGS		OTHER COMMITTEE MEETINGS	
DIRECTOR	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
P McMahon	10	10	3	3	6	6	2	2
H Garnett	10	10	3	3	6	6	3	3
P Taylor	10	9	-	-	-	-	-	-
J Pegler	10	10	3	3	7	7	2	2
H Newell	10	9	-	-	-	-	-	-
R Atkinson[1]	5	5	-	-	-	-	1	1
A Sutton[2]	5	5	-	-	-	-	-	-
D Klinger[3]	1	1	1	1	1	1	1	1

Note 1 Resigned as a Director on 23 September 2013.
Note 2 Appointed as a Director on 23 September 2013.
Note 3 Resigned as a Director on 8 February 2013.

Mr Atkinson was invited to Audit and Risk Committee meetings prior to his resignation as a Director and attended all such meetings held during that time.

Ms Sutton was invited to Audit and Risk Committee meetings following her appointment as a Director and attended all such meetings held during that time.

Interests of Directors

The interests of each Director in the share capital of the Company, other companies within the consolidated entity or in a related body corporate as at 31 January 2014 are shown below:

DIRECTORS	ENERGY RESOURCES OF AUSTRALIA LTD ORDINARY SHARES	RIO TINTO LIMITED ORDINARY SHARES	RIO TINTO LIMITED OPTIONS IN ORDINARY SHARES	RIO TINTO LIMITED CONDITIONAL INTERESTS IN ORDINARY SHARES
P McMahon	42,500	18,405	-	-
H Garnett	-	-	-	-
P Taylor	-	29,222	9,368	12,884
J Pegler	-	6,331	-	-
H Newell	161	1,188	-	12,350
A Sutton	-	8,895	2,888	8,953

Remuneration report

The Remuneration Report is set out under the following main headings:

A. Board oversight of remuneration
B. Principles used to determine non-executive Directors' remuneration
C. Principles used to determine executive remuneration
D. Details of remuneration
E. Executive service agreements
F. Share based compensation
G. Additional information

The information provided in the Remuneration Report has been audited by the Company's independent auditor as required by section 308(3C) of the *Corporations Act 2001*.

A Board oversight of remuneration

In 2012, the Board established a Remuneration Committee with responsibility to review:

- remuneration framework and policies (including key performance indicators) for the Company's senior executives;
- remuneration and performance of the Company's senior executives;
- remuneration of the Company's non-executive directors; and
- remuneration disclosures made by the Company.

The Remuneration Committee Charter is available at the Corporate Governance section of the website.

B Principles used to determine non-executive Directors' remuneration

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the non-executive Directors. Up to and including 2012, non-executive Directors' fees and payments were reviewed annually by the Board. From 2013, the Remuneration Committee will review and make recommendations to the Board regarding non-executive Directors' remuneration. These fees are comprised of a base fee and any fees payable to non-executive Directors for their membership on established committees of the Board. ERA does not pay retirement or post-employment benefits to non-executive Directors, however, statutory superannuation contributions are paid to non-executive Directors. In addition, from time to time, the Board may approve that non-executive Directors receive additional fees for services provided outside the established committee processes.

The following principles are applied in determining the remuneration of non-executive Directors:

- the responsibilities of and time spent by the non-executive Directors on the affairs of ERA, including preparation time;
- acknowledgement of the personal risk borne as a Director;
- comparison with professional market rates of remuneration to remain competitive with the market having regard to companies of similar size and complexity; and
- the desire to attract Directors of a high calibre with appropriate levels of expertise and experience.

At the 2008 Annual General Meeting, shareholders resolved to amend the Constitution of the Company to provide that the aggregate remuneration for non-executive Directors of ERA would be not more than $800,000 per annum. At the 2013 Annual General Meeting, the 2012 Remuneration Report was approved with 89.32 per cent of shareholders who cast a vote, voting in favour. The aggregate amount of non-executive Directors' remuneration paid in 2013 was approximately $622,000 inclusive of statutory superannuation.

The non-executive Directors' fees were reviewed by the Board in January 2013. The annual fees for non-executive Directors for 2013 (excluding superannuation) are as follows:

	2014	2013
Chairman	$162,000	$162,000
Non-executive Director	$ 90,000	$90,000
Audit and Risk Committee Chairman*	$20,000	$20,000
Audit and Risk Committee Member*	$13,000	$13,000
Remuneration Committee Chair*	$5,000	$5,000

** Fees are payable in addition to Chairman and non-executive Director fees.*

The Board has resolved that no additional committee fees are payable to members of the Remuneration Committee (other than the Remuneration Committee Chair).

C Principles used to determine executive remuneration

Following its establishment in early 2012, the Remuneration Committee is responsible for the review of, and where appropriate will make recommendations to the Board in respect of, executive remuneration.

As the Company is a member company of the Rio Tinto Group, the Company generally implements the remuneration policies and procedures determined by the Rio Tinto Remuneration Committee and applied to senior management personnel across the wider Rio Tinto Group, to determine the remuneration of the Chief Executive and other key management personnel of the Company (together, 'senior executives').

As a member of the Rio Tinto Group of companies, ERA's senior executives are seconded from Rio Tinto and are hence drawn from the talented pool of executives in the wider Rio Tinto Group.

It is the view of the Remuneration Committee (which has been endorsed by the Board) that a company of ERA's size, scope and remote location would have significant difficulty in attracting executives of the calibre neccesary to ensure superior performance or in retaining them for significant periods if this arrangement was not in place. Under these circumstances, the Board believes that the general application of the Rio Tinto remuneration framework to ERA's senior executives, with appropriate review by the Company's Remuneration Committee, is of benefit to ERA.

For the purposes of assessing the appropriate level of remuneration, the Australian resources sector is considered the most relevant comparator group. Additional references are also made to other relevant supplementary comparator groups comprising companies primarily from the ASX 200. Typically, base salaries are positioned at the median of these comparator groups, while incentive plans are designed with the potential to deliver total remuneration outcomes across the full market range according to business and individual performance.

The related costs of these programmes are recognised in the Company's financial statements. For the purpose of disclosure under the *Corporations Act 2001* and relevant Accounting Standards, the "key management personnel" of the Company and the consolidated entity, apart from the Chief Executive and the non-executive Directors, have been determined to be the General Managers of the Company (including the Chief Advisor Agreements) reporting directly to the Chief Executive.

Executive remuneration, including base salary and short and long term incentive plan awards, and other terms of employment are reviewed annually having regard to the evaluation of individual and business performance against goals set at the start of the year, global economic conditions, relevant comparative information and advice from the Rio Tinto Remuneration Committee. As well as base salary, remuneration packages may include fringe benefits such as medical insurance, car, rent and other allowances, superannuation, retirement entitlements and short and long term incentives.

The annual performance evaluation and management process includes formal consultation between the Chairman (based on the Remuneration Committee's review and recommendations) and the Chief Executive of the Rio Tinto Energy Product Group regarding the Chief Executive of the Company, and between the Remuneration Committee and the Chief Executive of the Company regarding the other senior executives.

The executive pay and reward framework is designed to provide a total remuneration package which is competitive in the market; aligns total remuneration with delivered individual and short and long term business performance; strikes an appropriate balance between fixed and variable components; links variable components to the achievement of challenging individual and business performance targets, and ensures the attraction, motivation and retention of the high calibre senior executives required to lead the Company.

The Company Secretaries of the Company are subject to the same executive remuneration pay and reward framework. The executive pay and reward framework has four components:

- base salary and benefits;
- short term incentive plans;
- long term incentive plans through participation in the Rio Tinto Performance Share Plan (PSP) and Rio Tinto Management Share Plan (MSP); and
- other remuneration such as superannuation.

Performance and non-performance related remuneration

Total remuneration is a combination of the fixed, performance and service related elements described in this report. The short and long term incentive plans (other than the Rio Tinto MSP) are the variable components of the total remuneration package and are therefore "at risk". They are tied to achievement of specific business measures, individual performance and service. The other components are referred to as "fixed" as they are not at risk.

The long term incentive plan is designed to provide a target expected value of between 22.5 and 60 per cent of base salary for the senior executives and the Chief Executive, delivered in any one year through a blend of PSP and MSP awards. In 2013, awards were made under the PSP and the MSP.

Excluding post employment and non-monetary benefits, the proportion of total direct remuneration, assuming maximum award levels and maximum levels of performance, provided by way of variable at risk components, assuming maximum levels of performance, as at 31 December 2013 for the Chief Executive and other senior executives was between 45 and 69 per cent. The actual proportion of total direct remuneration provided by way of variable performance related components will differ from these percentages depending on measured Company and individual performance and the current blend of share plans.

Base salary

Base salary is set at a level consistent with market expectations within the wider Rio Tinto remuneration framework and may be delivered as a mix of cash and prescribed non-financial benefits. It is targeted broadly at the median of companies of similar size, global reach and complexity, including other large natural resource companies. Base salary is reviewed annually and adjusted taking into account the individual and Company performance, global economic conditions, role responsibilities, an assessment against comparator groups, internal relativities and base salary budgets applying to the broader employee population.

Short term incentive plan

The short term incentive plan provides a bonus opportunity and is designed to support the overall remuneration policy by focusing management personnel on calendar year performance against challenging individual and business targets.

Short term incentive performance conditions

Individual performance is reviewed against relevant targets and objectives annually. All senior executives of the Company have between 40 and 70 per cent of their performance based bonus based on business measures with the remainder based on individual measures.

The short term incentive plan bonus payments disclosed in this report are amounts paid in 2013 relating to performance in 2012, as 2013 calculations are not finalised at the date of this report. The Company's business performance measures for 2012 used in the determination of short term incentive plan payments were:

- Financial - ERA net earnings and cash flow.
- Health and safety - ERA All Injury Frequency Rate, Semi Quantitative Risk Assessments and closure rates of Significant Potential Incidents.
- Business - ERA drummed production, completion of mining in Pit 3 and progress on the construction of the Brine Concentrator and Ranger 3 Deeps exploration decline projects.

Bonus Deferral Plan

In 2013, 25 per cent of the Chief Executive's (Mr Atkinson) short term incentive plan bonus pay was satisfied through the deferred award of shares in Rio Tinto Limited under the terms of the Rio Tinto Bonus Deferral Plan (BDP).

The same percentage will be satisfied in 2014 through the deferred award of shares in Rio Tinto Limited under the terms of the Rio Tinto BDP.

Long term incentive plans

In 2012, the Company's Remuneration Committee considered the application of the Rio Tinto long term incentive plan to the Company's senior executives. As previously outlined, the Remuneration Committee believes that the general application of the Rio Tinto remuneration framework (including the Rio Tinto long term incentive plans) to ERA's senior executives with appropriate review by the Remuneration Committee, is of benefit to the Company. As such the Remuneration Committee recommended that the Company's long term incentive plans remain unchanged for 2013. During 2014, the Remuneration Committee will review the position for future years.

Share based remuneration dependent on performance

Performance Share Plan

In 2013 the Rio Tinto Performance Share Plan (PSP) was revised to incorporate a simple structure to align executive reward with shareholder returns and operational performance over a long-term horizon. The PSP provides a conditional right to Rio Tinto shares to eligible senior management personnel within the Rio Tinto Group, including the senior executives of the Company. The conditional awards only vest if the performance condition set by the Rio Tinto Remuneration Committee is satisfied by Rio Tinto, although the Rio Tinto Remuneration Committee retains discretion to satisfy itself that satisfaction of the performance condition is a genuine reflection of the underlying performance of the business. Prior to the vesting of conditional awards, Rio Tinto's TSR performance against the performance condition is calculated independently by Towers Watson.

Subject to Rio Tinto Remuneration Committee approval, awards vest based on the Rio Tinto Group's TSR performance against the Morgan Stanley Capital World Index (one third) and the HSBC Global Mining Index (one third), along with improvement in Rio Tinto EBIT margin (one third) relative to global mining comparators. This is reviewed at 31 December of the fifth year of the grant. The level of vesting depends on performance against the indices.

If Rio Tinto was subject to a change of control or a company restructuring, the conditional awards would only vest subject to the satisfaction of the performance condition measured at the time of the change of control or restructuring. Should this occur within the first 36 months from date of grant of the award, the number of shares that can vest will be reduced pro-rata over the 36 month period. The Rio Tinto Remuneration Committee has discretion to adjust the performance condition to ensure a fair measure of performance.

As a transitional measure, awards granted in 2013 will vest 50 per cent after four years and 50 per cent after five years.

Rio Tinto releases awards to participants as either Rio Tinto plc or Rio Tinto Limited shares. Awards may, upon vesting, be satisfied by Rio Tinto through the transfer of treasury shares, the issue of new shares or the purchase of shares in the market.

Share based remuneration not dependent on performance

Under the Rio Tinto Management Share Plan (MSP), conditional grants of Rio Tinto shares may be awarded to eligible senior executives of the Company which will vest, wholly or partly, upon expiry of a three year vesting period. Rio Tinto shares to satisfy the vesting are purchased by Rio Tinto in the market. Award levels under the MSP are at the discretion of Rio Tinto.

In the case of a change of control, awards vest on the date of the change of control, but the award may be reduced pro rata to reflect the acceleration of vesting. Prior to the change of control, and with the consent of the acquiring company, the shares can be converted to shares in the acquirer. After a change of control, this can only be achieved with the consent of the employee.

Other Share Plans

The senior executives of the Company, together with all employees of the Company, may participate in Rio Tinto share savings and share option plans applicable at particular locations. Up to and including 2011, these include the Rio Tinto Limited share savings plan for senior executives employed from the Rio Tinto Limited group of companies and the Rio Tinto plc share savings plan for senior executives employed from the Rio Tinto plc group of companies. In 2012, the Rio Tinto Remuneration Committee approved and implemented a new global employee share purchase plan. The new plan is offered to eligible employees. Under the plan, employees may acquire shares up to the value of US$5,000 per year capped at 10 per cent of their base salary. Each share purchased will be matched by the Company providing the participant holds the shares and remains employed at the end of the three year vesting period. Further details are at Note 32 to the Financial Statements.

Share dealing policy

The participation of senior executives in the Rio Tinto share plans involving the awarding of Rio Tinto securities at a future date, and any grants of shares and options under these plans, is subject to and conditional upon compliance with the terms of the 'Rules for dealing in securities of Rio Tinto, its subsidiary and associated companies' ("Rules for dealing"). The Rules for dealing expressly prohibit the limiting of exposure to economic risk in relation to such securities, and are available on the Rio Tinto website at *www.riotinto.com*.

D Details of remuneration

Details of the remuneration of each non-executive and executive Director and each of the other senior executives in respect of their services to the Company and the consolidated entity are set out in the following tables.

Non-executive directors of Energy Resources of Australia Ltd

		SHORT TERM BENEFITS			POST EMPLOYMENT BENEFITS	
		DIRECTORS FEES ($000)	CASH BONUS ($000)	NON- CASH BENEFITS ($000)	SUPER-ANNUATION ($000)	TOTAL ($000)
P McMahon[1]	**2013**	167	-	-	15	182
	2012	12	-	-	1	13
D Klingner[2]	**2013**	20	-	-	2	22
	2012	175	-	-	16	191
H Garnett	**2013**	110	-	-	10	120
	2012	110	-	-	10	120
P Taylor[3]	**2013**	90	-	-	-	90
	2012	90	-	-	-	90
J Pegler	**2013**	108	-	-	10	118
	2012	103	-	-	9	112
H Newell[3,4]	**2013**	90	-	-	-	90
	2012	10	-	-	-	10
M Coulter[3,5]	**2012**	80	-	-	-	80
Total 2013		585	-	-	37	622
Total 2012		580	-	-	36	616

Note 1 Appointed as a Director on 20 November 2012; appointed as Chairman on 8 February 2013.
Note 2 Resigned as a Director and Chairman on 8 February 2013.
Note 3 Amounts paid directly to Rio Tinto Limited.
Note 4 Appointed as a Director on 20 November 2012.
Note 5 Resigned as a Director on 20 November 2012.

Executive Director and other key management personnel of the consolidated entity

Set out below is an overview of the remuneration paid to the executive director and other key management personnel in 2013. This includes details of the key elements of remuneration and a summary of total remuneration for 2013.

Rob Atkinson (Chief Executive to 23 September 2013)

Base salary

Mr Atkinson resigned as Chief Executive and Managing Director on 23 September 2013. Mr Atkinson's base salary was reviewed annually, with reference to the underlying performance of ERA, the Rio Tinto Group and Mr Atkinson; global economic conditions, role responsibility, an assessment against relevant comparator groups, internal relativities and base salary budgets applying to the broader employee population.

On 1 March 2013, Mr Atkinson's base salary was $399,094 (1 March 2012: $399,094).

Having regard to the present economic conditions and the financial and operational performance of ERA, Mr Atkinson recommended to the Remuneration Committee that there be no increase in his base salary, and that of the other key management personnel, in 2013. The Remuneration Committee accepted this recommendation.

STIP objectives

The STIP cash payment made to Mr Atkinson and other key management personnel in 2013 was determined by assessing individual and business performance against objectives set for 2012.

The following individual objectives were set for Mr Atkinson for 2012 were:

- Continue to improve employee engagement and safety during a time of significant change and uncertainty
- Maximise the safe recovery of reserves from Pit 3
- Effective cost management of operational costs, capital costs and provisions
- Continue to execute process and pond water management at a high level including construction progress on the Brine Concentrator
- Continue constructive engagement with the Gundjeihmi Aboriginal Corporation on behalf of the Mirarr Traditional Owners
- Demonstrate progress on Ranger 3 Deeps and surface exploration programmes.

STIP outcomes

Mr Atkinson's achievement against his 2012 personal objectives was assessed as very good. In particular:

- ERA achieved an All Injury Frequency Rate of 0.52 and a low severity rate. In addition ERA continued to have a strong Indigenous workforce representation of 17 per cent and a female employment participation rate of 20 per cent
- ERA safely completed the mining of Pit 3 ahead of schedule in November 2012
- ERA achieved a total of $55 million of cash savings in 2012, and at the end of 2012 the total cumulative savings were $75 million
- Safely completed a 2.3 metre lift of the Tailings Storage Facility and the Brine Concentrator project remained on schedule and budget, in addition the independent review of surface water monitoring and reporting systems commenced
- Key terms of the Ranger Mining Agreement finalised in 2012, with the agreement executed in January 2013 and discussions with the Gundjeihmi Aboriginal Corporation on plans for the progressive rehabilitation of the water pond on the Jabiluka lease commenced
- The Gundjeihmi Aboriginal Corporation became a formal member of the Minesite Technical Committee
- Ground was broken on 1 May 2012 for the Ranger 3 Deeps exploration decline, the box cut was successfully excavated and portal access tunnel completed in October 2012
- Backfill of the box cut was completed by December 2012 and as at 31 December 2012, development of the exploration decline had progressed to approximately 57 metres
- The Ranger 3 Deeps Prefeasibility Study was progressed on schedule and budget.

LTIP awards granted

Award levels are set so as to incentivise executives to provide sufficient retention for the executive team and to contribute to the competitiveness of the overall remuneration package. The value of the awards granted to Mr Atkinson in 2013, based on the fair value calculations performed by individual advisors, was 90 per cent of base salary. The eventual value of the award will depend on performance during the period 2013 to 2017.

Total remuneration

The table below provides a summary of Mr Atkinson's total remuneration disclosed for the years of 2011, 2012 and 2013. The purpose of this table is to enable shareholders to better understand the actual remuneration received and to provide an overview of the actual outcomes of the Company's remuneration arrangements. The remuneration details set out on page 65 include theoretical accounting values relating to various parts of the remuneration packages, most notably long term incentive plan arrangements. Accordingly, the numbers below are not compatible with those in the table on page 65.

(STATED IN $'000)	2013	2012	2011
Base salary paid[1]	287	396	375
STIP cash bonus[2]	198	189	208
STIP deferred shares[3]	66	63	26
LTIP share based payments	181	223	221
Superannuation	88	92	89
Other benefits[4]	87	84	82
Total remuneration	907	1,047	1,001
% change from previous year[5]	(4%)	5%	14%
% of STIP cash bonus awarded	66%	67%	65%
% of STIP cash bonus forfeited	34%	33%	35%

Note 1 *2013 salary paid in financial year to 23 September 2013. Salaries are reviewed with effect from 1 March.*
Note 2 *Bonus payment relates to prior year performance.*
Note 3 *Value of deferred share awards granted under Bonus Deferral Plan.*
Note 4 *Other benefits include accommodation, vehicle and other allowances.*
Note 5 *2013 salary annualised for comparison.*

Andrea Sutton (Chief Executive from 23 September 2013)

Base salary

Ms Sutton was appointed as Chief Executive and Managing Director on 23 September 2013. Ms Sutton's base salary is reviewed annually, with reference to the underlying performance of ERA, the Rio Tinto Group and Ms Sutton; global economic conditions, role responsibility, an assessment against relevant comparator groups, internal relativities and base salary budgets applying to the broader employee population.

On 23 September 2013, Ms Sutton's base salary was $380,000.

STIP objectives and outcomes

Ms Sutton was employed by another Rio Tinto entity in 2012, as such STIP objectives or outcomes are not reported.

LTIP awards granted

As Ms Sutton was employed by another Rio Tinto entity in 2012, LTIP awards are not reported as remuneration.

Total remuneration

The table below provides a summary of Ms Sutton's total remuneration disclosed for 2013 for services rendered to ERA. The purpose of this table is to enable shareholders to better understand the actual remuneration received and to provide an overview of the actual outcomes of the Company's remuneration arrangements. The remuneration details set out on page 65, include theoretical accounting values relating to various parts of the remuneration packages, most notably long term incentive plan arrangements. Accordingly, the numbers below are not compatible with those in the table on page 65.

(STATED IN $'000)	2013
Base salary paid[1]	105
STIP cash bonus	-
STIP deferred shares	-
LTIP share based payments[2]	34
Superannuation	21
Other benefits[3]	53
Total remuneration	213
% change from previous year	-
% of STIP cash bonus awarded	-
% of STIP cash bonus forfeited	-

Note 1 Salary paid in financial year from 23 September 2013 to 31 December 2013. Salaries are reviewed with effect from 1 March.
Note 2 No LTIPs were issued for services to ERA. However, remuneration relates to the progressive vesting whilst employed by ERA.
Note 3 Other benefits include relocation, vehicle and other allowances.

Key management personnel (other than the Chief Executive)

Base salary

Base salaries are reviewed annually, with reference to the underlying performance of ERA, Rio Tinto Group and the individual; global economic conditions, role responsibility, an assessment against relevant comparator groups and base salary budgets applying to the broader employee population.

At the end of 2012 and 2013, the base salaries of the Company's key management personnel (other than the Chief Executive) were:

BASE SALARY A'$000 (UNLESS OTHERWISE SPECIFIED)	2013	2012	% CHANGE
Steeve Thibeault	312	312	-
Tim Eckersley[1]	305	305	-
Greg Sinclair	290	290	-
Alan Tietzel	341	341	-
Dan Janney[2,5]	-	US238	-
Chris Tziolis[3,5]	-	262	-
Peter Eaglen[4,5]	-	247	-

Note 1 Tim Eckersley's employment with ERA commenced on 10 September 2012.
Note 2 Dan Janney's employment with ERA ended on 22 August 2012.
Note 3 Chris Tziolis' employment with ERA ended on 5 October 2012.
Note 4 Peter Eaglen's employment with ERA ended on 31 January 2012.
Note 5 Where key management personnel's employment with ERA ended during the year, the base salary reflects the amount at the date employment ceased.

As outlined above, having regard to the present economic conditions and the financial and operational performance of ERA, the Remuneration Committee accepted management's recommendation that there be no increase in the base salary for the Company's key management personnel in 2013.

STIP objectives and outcomes

	SUMMARY OF INDIVIDUAL OBJECTIVES*
Steeve Thibeault	• Demonstrate leadership in health, safety and environment • Continue to develop framework for cost optimisation throughout ERA • Streamline procurement practices, in line with Business Review objectives • Complete review and update of rehabilitation provision • Revise and enhance framework for effective management of risk and compliance processes • Optimise cash flow management and investment strategy
Tim Eckersley	• As Mr Eckersley joined ERA in September 2012 and was not with the business for a full year, individual performance objectives for 2012 were not established
Greg Sinclair	• Demonstrate leadership in health, safety and environment • Complete the Integrated Tailings, Water and Closure Prefeasibility study on time and on budget • Complete the independent review of surface water management in collaboration with the Gundjeihmi Aboriginal Cororation on behalf of the Mirarr Traditional Owners and the Supervising Scientist Division • Progession of the Ranger 3 Deeps Preafeasibility Study in accordance with Ranger 3 Deeps project timeline • Target generation and progression of the Ranger surface exploration programme
Alan Tietzel	• Demonstrate leadership in health, safety and environment • Facilitate communication and provide leadership in implementing Business Review initiatives • Continue to develop constructive engagement, information sharing and reputational enhancement with government and other stakeholders • Lead stakeholder engagement on major projects to support project development and the future of Jabiru township • Finalise a suite of agreements with Mirarr Traditional Owners, Northern Land Council and government

**Individual objectives relate to the 2012 financial year.*

A summary of the individual targets and performance for each of the Company's key management personnel (other than the Chief Executive) for the 2012 financial year (STIP paid in 2013) is set out in the table below.

MEASURES	WEIGHT (%)	SCORE (OUT OF 200%)	WEIGHTED SCORE (%)
Steeve Thibeault			
Financial performance	10.0	82.1	8.2
Business performance	15.0	137.5	20.6
Health and Safety	15.0	167.8	25.2
Individual	60.0	123.0	73.8
Total	**100.0**	**-**	**127.8**
Tim Eckersley			
Financial performance	10.0	82.1	8.2
Business performance	15.0	137.5	20.6
Health and Safety	15.0	167.8	25.2
Individual	60.0	138.3	83.0
Total	**100.0**	**-**	**137.0**
Greg Sinclair			
Financial performance	10.0	82.1	8.2
Business performance	15.0	137.5	20.6
Health and Safety	15.0	167.8	25.2
Individual	60.0	137.0	82.2
Total	**100.0**	**-**	**136.2**
Alan Tietzel			
Financial performance	10.0	82.1	8.2
Business performance	15.0	137.5	20.6
Health and Safety	15.0	167.8	25.2
Individual	60.0	112.0	67.2
Total	**100.0**	**-**	**121.2**

LTIP awards

Award levels are set so as to incentivise executives to provide sufficient retention for the executive team and to contribute to the competitiveness of the overall remuneration package. The value of the awards granted in 2013, based on the fair value calculations performed by independent advisors, was between 22.5 per cent and 30 per cent of base salary. The eventual value of the award will depend on performance during the period 2013 to 2017.

Executive directors and other key management personnel total remuneration

		SHORT TERM BENEFITS				POST EMPLOY-MENT BENEFITS	SHARE BASED PAY-MENTS	
		CASH SALARY ($000)	CASH BONUS ($000)	OTHER[10] ($000)	TERMINATION PAYMENTS ($000)	SUPER-ANNUA-TION PENSION ($000)	CASH & EQUITY SETTLED ($000)	TOTAL ($000)
Executive directors								
R Atkinson[1]	**2013**	287	198	87	-	88	209	869
	2012	396	189	84	-	92	245	1,006
A Sutton[2]	**2013**	105	-	53	-	21	34	213
Other senior executives								
S Thibeault[3]	**2013**	321	100	82	-	61	83	647
	2012	310	101	169	-	69	86	735
T Eckersley[4]	**2013**	363	125	32	-	70	75	665
	2012	92	-	61	-	17	-	170
G Sinclair[5]	**2013**	299	99	41	-	64	65	568
	2012	287	89	55	-	63	70	564
A Tietzel[6]	**2013**	401	124	80	-	22	108	735
	2012	338	126	119	-	36	111	730
D Janney[7]	**2012**	185	113	58	-	32	74	462
C Tziolis[8]	**2012**	196	76	63	583	19	72	1,009
P Eaglen[9]	**2012**	21	79	6	-	4	6	116
Total 2013		1,776	646	375	-	326	574	3,697
Total 2012		1,825	773	615	583	332	664	4,792

Note 1 Performance related cash bonus: 66 per cent awarded in 2013, 34 per cent forfeited. 67 per cent awarded in 2012, 33 per cent forfeited.
Note 2 No cash bonus is disclosed for 2013 as payments made were in respect to services rendered to another Rio Tinto entity in 2012.
Note 3 Performance related cash bonus: 64 per cent awarded in 2013, 36 per cent forfeited. 68 per cent awarded in 2012, 32 per cent forfeited
Note 4 Performance related cash bonus: 68 per cent awarded in 2013, 32 per cent forfeited. No cash bonus is disclosed for 2012 as payments made were in respect of services rendered to another Rio Tinto entity in 2011.
Note 5 Performance related cash bonus: 68 per cent awarded in 2013, 32 per cent forfeited. 65 per cent awarded in 2012, 35 per cent forfeited.
Note 6 Performance related cash bonus: 61 per cent awarded in 2013, 39 per cent forfeited. 65 per cent awarded in 2012, 35 per cent forfeited.
Note 7 Resigned as General Manager Operations on 22 August 2012. Performance related cash bonus: 69 per cent awarded in 2012, 31 per cent forfeited.
Note 8 As a result of a restructure of the Company's executive committee, Mr Tziolis' role with the Company was made redundant on 5 October 2012. The termination payment described above comprised a payment of six months salary in lieu of notice pursuant to the terms of his employment contract, and payments made in accordance with the Company's redundancy policy which included a service payment, an ex gratia payment, pro rata payments for short term incentive plan bonus and pro rata vesting of long term incentive plan. Maximum performance related cash bonus: 62 per cent awarded in 2012, 38 per cent forfeited.
Note 9 Resigned as General Manager Environmental Strategy on 31 January 2012. Performance related cash bonus: 64 per cent awarded in 2012, 36 per cent forfeited.
Note 10 Other benefits includes relocation, accommodation, travel, vehicle and other allowances and other employment related benefits.

The value of share based awards has been determined in accordance with the recognition and measurement requirements of AASB2 "Share-based Payment". The fair value of awards granted under the Management Share Plan (MSP), the Bonus Deferral Plan (BDP), the Performance Share Plan (PSP) and the Share Savings Plan (SSP) have been calculated at their dates of grant using valuation models provided by external consultants Lane Clark and Peacock LLP, including an independent lattice-based option valuation model and a Monte Carlo valuation model which takes into account the constraints on vesting and exercise attached to these awards.

E Executive service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. These agreements provide for participation in the Rio Tinto short and long term incentive plans upon achieving performance and service goals. The agreements may also provide for other benefits, including: medical insurance; vehicle and accommodation allowances; relocation allowances and expenses and travel allowances.

Key management personnel will also be entitled to a range of pre-existing redundancy entitlements, depending on the business and region from where they were originally employed within the Rio Tinto Group:

- Notice may be worked or fully or partly paid in lieu, at ERA's discretion;
- Additional capped service related payments may apply;
- Pro rata short term incentive plan payments may be paid based on the proportion of the performance period worked;
- Conditional share awards granted from 2013 and held for less than three years at the date of termination are reduced pro-rata;
- Share options or conditional share awards held for less than 12 months at date of termination may be reduced pro-rata;
- There is no contractual entitlement to payments in the event of a change of control; and
- Other major provisions of the agreements relating to remuneration are set out below.

R Atkinson – Chief Executive

Term of agreement – Commenced 8 September 2008 and resigned 23 September 2013

Base salary (excluding superannuation, allowances and other benefits) as at 23 September 2013 of $399,094 per annum. Maximum short term incentive bonus upon meeting performance criteria is 120 per cent of base salary. Base salary and short term incentive targets are to be reviewed annually. Termination by the employee is three months notice in writing or by the employer giving six months notice or equivalent payment in lieu of notice.

A Sutton – Chief Executive

Term of agreement – Open, commenced 23 September 2013

Base salary (excluding superannuation, allowances and other benefits) as at 23 September 2013 of $380,000 per annum. Maximum short term incentive bonus upon meeting performance criteria is 100 per cent of base salary. Base salary and short term incentive targets are to be reviewed annually. Termination by the employee is three months notice in writing or by the employer giving six months notice or equivalent payment in lieu of notice.

S Thibeault – Chief Financial Officer

Term of agreement – 1 December 2012 - 31 March 2015

Base salary (excluding superannuation, allowances and other benefits) as at 31 December 2013 of $311,850 per annum. Maximum short term incentive bonus upon meeting performance criteria is 50 per cent of base salary. Base salary and short term incentive targets to be reviewed annually. Termination by the employee is three months notice in writing or by the employer giving six months notice or equivalent payment in lieu of notice. Mr Thibeault commenced employment with the Company in July 2009 but entered into a new service agreement on 1 December 2012.

T Eckersley - General Manager Operations

Term of agreement - Open, commenced 10 September 2012

Base salary (excluding superannuation, allowances and other benefits) as at 31 December 2013 of $305,000 per annum. Maximum short term incentive bonus upon meeting performance criteria is 60 per cent of base salary. Base salary and short term incentive targets to be reviewed annually. Termination by the employee is three months notice in writing or by the employer giving six months notice or equivalent payment in lieu of notice.

G Sinclair – General Manager Technical Projects

Term of agreement – Open, commenced 1 May 2007.

Base salary (excluding superannuation, allowances and other benefits) as at 31 December 2013 of $289,556 per annum. Maximum short term incentive bonus upon meeting performance criteria is 50 per cent of base salary. Base salary and short term incentive targets to be reviewed annually. Termination by the employee is one months notice in writing or by the employer giving three months notice or equivalent payment in lieu of notice.

A Tietzel – Chief Advisor Agreements

Term of agreement – Open, commenced 1 October 2010

Base salary (excluding superannuation, allowances and other benefits) as at 31 December 2013 of $340,587 per annum. Maximum short term incentive bonus upon meeting performance criteria is 60 per cent of base salary. Base salary and short term incentive targets to be reviewed annually. Termination by the employee is three months notice in writing or by the employer giving six months notice or equivalent payment in lieu of notice.

D Janney – General Manager Operations

Commenced 1 April 2009 and resigned 22 August 2012

Base salary (excluding superannuation, allowances and other benefits) as at 22 August 2012 of US $237,900 per annum. Maximum short term incentive bonus upon meeting performance criteria is 80 per cent of base salary. Base salary and short term incentive targets to be reviewed annually. Termination by the employee is one months notice in writing or by the employer giving three months notice or equivalent payment in lieu of notice.

C Tziolis – Chief Development Officer

Commenced 1 October 2010 and ended 5 October 2012

Base salary (excluding superannuation, allowances and other benefits) as at 5 October 2012 of $261,852 per annum. Maximum short term incentive bonus upon meeting performance criteria is 50 per cent of base salary. Base salary and short term incentive targets to be reviewed annually. Termination by the employee is three months notice in writing or by the employer giving six months notice or equivalent payment in lieu of notice.

P Eaglen – General Manager Environmental Strategy

Commenced 1 June 2010 and resigned 31 January 2012

Base salary (excluding superannuation, allowances and other benefits) as at 31 January 2012 of $247,250 per annum. Maximum short term incentive bonus upon meeting performance criteria is 50 per cent of base salary. Base salary and short term incentive targets to be reviewed annually. Termination by the employee is three months notice in writing or by the employer giving six months notice or equivalent payment in lieu of notice.

F Share based compensation

Rio Tinto Share Option Plan

In 2013 the Rio Tinto Share Option Plan was discountinued. No options were granted in 2013. Details of the costs of the share based payment plans applied by the Company are provided at Note 32 of the Financial Statements.

The terms and conditions of each grant of options affecting remuneration in this or future reporting periods are as follows:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE (PRE RIGHTS ISSUE)	EXERCISE PRICE (POST RIGHTS ISSUE)	VALUE PER OPTION AT GRANT DATE	VALUE PER OPTION POST RIGHTS ISSUE	EARLIEST EXERCISE DATE
Rio Tinto Limited		**$**	**$**	**$**	**$**	
22/04/2004	22/04/2014	34.41	18.30	6.17	6.18	22/04/2007
9/03/2005	9/03/2015	47.04	30.93	8.93	8.93	9/03/2008
7/03/2006	7/03/2016	71.06	54.95	17.09	17.09	7/03/2009
17/03/2009	17/03/2019	49.56	33.45	13.36	13.36	17/03/2012
Rio Tinto plc		**£**	**£**	**£**	**£**	
22/04/2004	22/04/2014	13.29	10.98	2.81	2.33	22/04/2007
9/03/2005	9/03/2015	18.26	15.09	4.09	3.38	9/03/2008
7/03/2006	7/03/2016	27.11	22.40	7.40	6.11	7/03/2009
17/03/2009	17/03/2019	20.01	16.53	6.62	8.29	17/03/2012

Rio Tinto Performance Share Plan

Share awards under the Rio Tinto Performance Share Plan (PSP) are granted at the discretion of the Rio Tinto Remuneration Committee in line with Rio Tinto guidelines. In 2013 the PSP was revised, as a transitional provision 50 per cent potentially vest after four years and 50 per cent potentially vest after five years. The terms and conditions of each right to Rio Tinto Limited or Rio Tinto plc shares affecting remuneration in this or future reporting periods are as follows:

AWARD DATE	MARKET PRICE AT AWARD	PERFORMANCE PERIOD ENDS*	MARKET PRICE AT 31 DECEMBER 2013
Rio Tinto Limited			
22 March 2010	$75.03	31 December 2013	$68.18
21 March 2011	$81.00	31 December 2014	$68.18
19 March 2012	$65.85	31 December 2015	$68.18
27 May 2013	$53.11	31 December 2016	$68.18
27 May 2013	$53.11	31 December 2017	$68.18
Rio Tinto plc			
22 March 2010	£37.30	31 December 2013	£34.10
21 March 2011	£40.58	31 December 2014	£34.10
19 March 2012	£36.14	31 December 2015	£34.10

*Note * Vesting dependent upon continued employment with a Rio Tinto Group company.*

No conditional awards of either Rio Tinto plc or Rio Tinto Limited shares were made as remuneration for key management personnel of the consolidated entity under the PSP in 2009, although adjustments were made to PSP balances following the Rio Tinto rights issue. The Rio Tinto Remuneration Committee reviewed the performance condition applicable to the conditional award and confirmed that vesting will be dependent on Rio Tinto's TSR relative to the designated comparator mining companies.

Rio Tinto Management Share Plan

Share awards under the Rio Tinto Management Share Plan (MSP) are granted at the discretion of the Rio Tinto Remuneration Committee in line with Rio Tinto guidelines. The terms and conditions of each right to Rio Tinto Limited or Rio Tinto plc shares affecting remuneration in this or future reporting periods are as follows:

AWARD DATE	MARKET PRICE AT AWARD	PERFORMANCE PERIOD ENDS*	PRICE AT 31 DECEMBER 2013
Rio Tinto Limited			
22 March 2010	$75.03	31 December 2012	$68.18
21 March 2011	$81.00	31 December 2013	$68.18
19 March 2012	$65.85	31 December 2014	$68.18
27 May 2013	$53.11	31 December 2015	$68.18
Rio Tinto plc			
22 March 2010	£37.30	31 December 2012	£34.10
21 March 2011	£40.58	31 December 2013	£34.10
19 March 2012	£36.14	31 December 2014	£34.10

*Note * Vesting dependent upon continued employment with a Rio Tinto Group company.*

Rio Tinto Bonus Deferral Plan

Share awards under the Rio Tinto Bonus Deferral Plan are granted at the discretion of the Rio Tinto Remuneration Committee in line with Rio Tinto guidelines. The terms and conditions of each right to Rio Tinto Limited shares affecting remuneration in this or future reporting periods are as follows:

AWARD DATE	MARKET PRICE AT AWARD	VESTING DATE*	PRICE AT 31 DECEMBER 2013
Rio Tinto Limited			
BONUS DEFERRAL PLAN			
21 March 2011	$81.00	100% 1 December 2013	$68.18
19 March 2012	$65.85	100% 1 December 2014	$68.18
27 May 2013	$53.11	100% 1 December 2015	$68.18

*Note * Vesting dependent upon continued employment with a Rio Tinto Group company.*

Share based compensation – Rio Tinto employee share schemes

The Directors and key management personnel of the Company who elected to participate in the Rio Tinto employee share schemes as at 31 December 2013 are set out below:

P Taylor	2009 Rio Tinto Limited scheme commencing 1 January 2010
T Eckersley	2010 Rio Tinto Limited scheme commencing 1 January 2011
A Tietzel	2008 Rio Tinto Limited scheme commencing 1 January 2009

Equity instrument disclosures relating to Directors and key management personnel

Options provided as remuneration

Details of options over ordinary shares in Rio Tinto Limited and Rio Tinto plc held during the year and provided as remuneration to the key management personnel of the consolidated entity in respect of their service to ERA are set out below. When exercisable, each option is convertible into one ordinary share of Rio Tinto Limited or Rio Tinto plc.

		BALANCE AT START OF THE YEAR OR ON JOINING[1]	GRANTED AS REMUN-ERATION	EXERCISED DURING THE YEAR	OTHER CHANGES[2]	BALANCE AT END OF THE YEAR[2]	
						VESTED & EXER-CISABLE	UN–VESTED
Rio Tinto plc							
Key management personnel							
S Thibeault	**2013**	1,186	-	-	-	1,186	-
	2012	1,186	-	-	-	1,186	-
D Janney	**2012**	2,033	-	-	-	2,033	-
Rio Tinto Limited							
Executive directors							
R Atkinson	**2013**	2,168	-	-	-	2,168	-
	2012	2,168	-	-	-	2,168	-
A Sutton[1]	**2013**	2,888	-	-	-	2,888	-
Key management personnel							
G Sinclair	**2013**	-	-	-	-	-	-
	2012	760	-	760	-	-	-
A Tietzel	**2013**	4,495	-	-	-	4,495	-
	2012	4,495	-	-	-	4,495	-
C Tziolis	**2012**	396	-	-	-	396	-
Non-executive directors[3]							
P Taylor	**2013**	12,987	-	(3,619)	-	9,368	-
	2012	15,407	-	(2,420)	-	12,987	-
M Coulter	**2012**	11,268	-	(2,259)	-	9,009	-

Note 1 *Where a KMP joined during the year, balance at start of the year reflects holdings at time of commencement with ERA.*

Note 2 *Other changes and end of year balance include changes made in relation to awards for service within the wider Rio Tinto Group, including before joining or after ceasing with ERA, and forfeited options where conditions were not met. Where a KMP left prior to the end of the year, the balance reflects the holding at the time of resignation.*

Note 3 *Changes to balances for non-executive Directors do not relate to remuneration for services provided to the Company.*

Conditional awards provided as remuneration

Performance Share Plan; Management Share Plan; Bonus Deferral Plan; Companies Contributed Award

No conditional awards of ordinary shares of either ERA or of Rio Tinto Limited or Rio Tinto plc were provided during the year as remuneration for services provided to ERA to any of the non-executive Directors of the parent entity. Details of conditional awards of ordinary shares in Rio Tinto Limited and Rio Tinto plc held during the year and provided as remuneration to each of the key management personnel of ERA in respect of their duties as officers of the company are set out below. When exercisable, each award converts into one ordinary share of Rio Tinto Limited or Rio Tinto plc.

		BALANCE AT START OF THE YEAR OR ON JOINING[1]	GRANTED AS REMU-NERATION	VESTED	LAPSED	AWARDS CAN-CELLED	OTHER CHANGES[2]	BALANCE AT END OF YEAR[3]
Rio Tinto plc								
Key management personnel								
S Thibeault	**2013**	3.523	85	(1,569)	-	-	-	2,039
	2012	5,440	79	(1,996)	-	-	-	3,523
Rio Tinto Limited								
Executive directors								
R Atkinson	**2013**	13,881	11,236	(2,310)	-	-	-	22,807
	2012	11,708	5,001	(2,828)	-	-	-	13,881
A Sutton	**2013**	8,953	-	-	-	-	-	8,953
Key management personnel								
S Thibeault	**2013**	1,339	1,506	-	-	-	-	2,845
	2012	-	1,339	-	-	-	-	1,339
T Eckersley	**2013**	3,176	2,322	(702)	-	-	-	4,796
	2012	3,176	-	-	-	-	-	3,176
G Sinclair	**2013**	3,300	1,125	(849)	-	-	-	3,576
	2012	3,259	1,030	(989)	-	-	-	3,300
A Tietzel	**2013**	5,242	2,621	(1,365)	-	-	-	6,498
	2012	5,214	1,619	(1,591)	-	-	-	5,242
C Tziolis	**2012**	2,270	960	(516)	(834)	-	-	1,880
P Eaglen	**2012**	1,869	-	-	-	-	-	1,869
Non-executive directors[3]								
P Taylor	**2013**	11,067	-	(1,786)	-	-	4,645	13,926
	2012	9,802	-	(2,617)	-	-	3,882	11,067
H Newell	**2013**	6,296	-	-	-	-	7,186	13,482
	2012	6,296	-	-	-	-	-	6,296
M Coulter	**2012**	13,235	-	(1,601)	-	-	4,674	16,308

Note 1 *Where a KMP joined during the year, balance at start of the year reflects holdings at time of commencement with ERA.*
Note 2 *Other changes and end of year balance include changes made in relation to awards for service within the wider Rio Tinto Group, including before joining or after ceasing with ERA, and Rio Tinto Rights Issue adjustments to accrued balances. When a KMP left prior to the end of the year, the balance reflects holdings at the date of resignation.*
Note 3 *Changes to balances for non-executive Directors do not relate to remuneration for services provided to the Company.*

Shareholdings

The number of shares held in ERA or Rio Tinto Limited during the financial year by each Director of ERA are set out below.

		BALANCE AT START OF THE YEAR[1]	RECEIVED DURING THE YEAR	OTHER CHANGES DURING THE YEAR	BALANCE AT END OF THE YEAR[2]
Energy Resources of Australia Ltd					
P McMahon	**2013**	-	-	42,500	42,500
R Atkinson	**2013**	-	-	22,958	22,958
H Newell	**2013**	161	-	-	161
	2012	161	-	-	161
Rio Tinto Limited					
P McMahon	**2013**	18,405	-	-	18,405
	2012	18,405	-	-	18,405
D Klingner	**2013**	29,787	-	-	29,787
	2012	29,787	-	-	29,787
P Taylor	**2013**	23,528	5,405	(812)	28,121
	2012	18,491	5,037	-	23,528
J Pegler	**2013**	6,331	-	-	6,331
	2012	6,331	-	-	6,331
R Atkinson	**2013**	888	2,001	(2,001)	888
	2012	888	2,828	(2,828)	888
A Sutton	**2013**	8,895	-	-	8,895
M Coulter	**2012**	908	3,860	(2,458)	2,310

Note 1 Where a Director was appointed during the year, balance reflects holdings at the time of commencement with the Company.
Note 2 Where a Director resigned during the year, balance reflects holdings at time of resignation as a Director of the Company.

G Additional information

Further details relating to options

		VALUE OF OPTIONS EXERCISED DURING THE YEAR	MARKET PRICE AT DATE OF EXERCISE
Value of options exercised during the year			
G Sinclair	**2013**	-	-
	2012	$15,840	$54.29

Loans and other transactions with Directors and other key management personnel

There are no loans with Directors and other key management personnel. Other transactions with Director related entities are disclosed in Note 24 – related parties.

Principal activities
The principal activities of the consolidated entity during the course of the year consisted of the mining, processing and sale of uranium oxide.

Dividends
No dividends have been paid by ERA to members in respect of the 2013 financial year.

Operating and financial review
Details of ERA's review and results of operations are included in the Chairman's Report on page 4, the Chief Executive's Report on page 6 and the Operating and Financial Review section on page 9.

Significant changes to the state of affairs
In the opinion of the Directors, other than matters reported in the Directors' Report, the Chairman's Report and the Chief Executive's Report, there were no significant changes in the state of affairs of the consolidated entity during the year ended 31 December 2013.

Matters subsequent to the end of the financial year
There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material nature that has significantly affected or may significantly affect:

(i) the operations of the consolidated entity;
(ii) the results of those operations; or
(iii) the state of affairs of the consolidated entity subsequent to the financial year ended 31 December 2013.

Likely developments
In the opinion of the Directors, any other likely developments in the operations of the consolidated entity known at the date of this report have been covered within the Annual Report and Notes to the financial statements.

A general review of developments for ERA is presented in the Operating and Financial Review section on page 9.

Annual General Meeting
The 2014 Annual General Meeting will be held on 9 April 2014 in Darwin, in the Northern Territory of Australia. Notices of the 2014 Annual General Meeting are set out in separate letters to the shareholders of the Company.

Indemnification
Clause 11 of the Company's constitution provides that every Director, manager, officer or employee of the Company shall be indemnified out of the funds of the Company against all liability incurred by them in defending any proceedings in which they are successful.

The *Corporations Act 2001* prohibits a company from indemnifying Directors, secretaries, executive officers and auditors from liability except for liability to a party, other than the Company or a related body corporate, where the liability does not arise out of conduct involving a lack of good faith and except for liability for costs and expenses incurred in defending proceedings in which the officer or auditor is successful. An indemnity for officers or employees who are not Directors, secretaries or executive officers, is not expressly prohibited by the *Corporations Act 2001*.

The Directors and Company Secretaries of the Company, and all former Directors and Company Secretaries, have the benefit of the indemnity in Clause 11 of the Company's constitution.

The indemnity also applies to executive officers of the Company (being the Chief Financial Officer and General Managers and other key management personnel and managers who are concerned with, or take part in the management of the Company) as well as other employees.

Insurance
Since the end of the previous financial year, the Company has paid insurance premiums in respect of a Directors' and officers' liability policy of insurance.

The policy indemnifies all Directors and officers of ERA and its controlled entities (including the Directors, Company Secretaries, and executive officers referred to above) against certain liabilities. In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of Directors' and officers' liability insurance as such disclosure is prohibited under the terms of the contract.

Environmental regulation and policy
ERA strives to be at the forefront of environmental management in the uranium industry. It operates in accordance with relevant Commonwealth and Northern Territory environmental legislation as well as site specific environmental licences, permits and statutory authorisations. ERA's environmental management system is ISO14001 compliant.

ERA is required to report any incident that is a divergence from strict compliance with statutory requirements, even if the incident has no detrimental environmental impact, and reports are made to the Minister for Mines and Energy (Northern Territory); the Supervising Scientist Division of the Commonwealth Department of Environment (formerly the Department of Sustainability, Environment, Water, Population and Communities); the Northern Land Council; the Commonwealth Department of Industry (formerly the Department of Resources, Energy & Tourism) and the Gundjeihmi Aboriginal Corporation (representatives of the Mirarr Traditional Owners).

The Supervising Scientist Division confirmed in its most recent report, relating to the operating year to 30 June 2013, that there were no reported incidents that resulted in any environmental impact off the immediate mine site, and that the environment remained protected through the period.

There were no prosecutions commenced or fines incurred in respect of ERA's environmental performance during 2013. Further details of ERA's environmental performance are included in the "Environment" section of the Annual Report on page 33.

Corporate governance

The Board of ERA considers high standards of corporate governance to be critical to business integrity and performance. The corporate governance structures and practices in place at ERA are substantially in compliance with the Corporate Governance Principles and Recommendations – Second Edition developed by the Australian Securities Exchange Corporate Governance Council ("Council").

Areas where the corporate governance practices of ERA do not follow the Council's recommendations arise due to Rio Tinto's 68.4 per cent ownership of the Company and the management direction, services and support this provides. The extent to which the Company does not comply is detailed in the Corporate Governance Statement on pages 77 to 81.

Rounding of amounts

The Company is of a kind referred to in ASIC Class Order 98/0100 and in accordance with that Class Order amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise indicated.

Auditors

PricewaterhouseCoopers are the auditors of the consolidated entity. No person who was an officer of the consolidated entity during the year was a former partner or director of the auditors. Each of the Directors at the time this report was approved has confirmed that:

- so far as he or she is aware, there is no relevant audit information (ie information needed by the auditors in connection with preparing their report) of which the auditors are unaware; and
- he or she has taken all steps that they ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

Non audit services

The Company may decide to employ the auditors on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

Details of the amount paid or payable to the auditors for audit services are set out below.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit and Risk Committee, is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. All non-audit services are reviewed by the Audit and Risk Committee to ensure they do not impact on the impartiality and objectivity of the auditors and do not undermine the general principles relating to auditors' independence as set out in Professional Statement F1, including reviewing or auditing the auditors' own work, acting in a management or decision making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards. Accordingly, the Directors have satisfied themselves that the provision of non-audit services by the auditors does not compromise the auditor independence requirements of the *Corporations Act 2001*.

During the year, the following fees were paid or payable for services provided by the auditors of the Company, its related practices and non-audit related firms.

	2013 $000	2012 $000
AUDIT SERVICES		
PricewaterhouseCoopers		
Audit and review of financial reports	230	361
Total Remuneration for audit services	230	361
Taxation services	-	-
Non-audit services	-	-
Total Remuneration	230	361

Information on Auditor

PricewaterhouseCoopers continues in office in accordance with Section 327 of the *Corporations Act 2001*.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 76.
Signed at Brisbane this 7 February 2014 in accordance with a resolution of the Directors.

Peter McMahon

P McMahon
Director
Brisbane
7 February 2014

Auditor's Independence Declaration

As lead auditor for the audit of Energy Resources of Australia Ltd for the year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Energy Resources of Australia Ltd and the entities it controlled during the period.

John O'Donoghue
Partner
PricewaterhouseCoopers

7 February 2014

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Corporate Governance Statement

The Board of ERA considers high standards of corporate governance to be critical to business integrity and performance and to maximise the overall long term return to shareholders. The Board seeks to ensure that ERA meets the objectives of its shareholders, while paying proper regard to the interests of employees and external stakeholders.

The corporate governance structures and practices in place at ERA are substantially in compliance with the 2nd Edition of the Corporate Governance Principles and Recommendations with 2010 Amendments ("Principles") developed by the Australian Securities Exchange ("ASX") Corporate Governance Council ("Council").
The Board has considered the Council's Principles, and ERA did not comply with the following recommendations for the whole of the reporting period:

- Recommendation 2.1 – there was not a majority of independent Directors; and
- Recommendation 2.4 – there was no established nominations committee.

Areas where the corporate governance practices in place at ERA do not follow the recommendations set out in the Council's Principles arise due to Rio Tinto's ownership of 68.4 per cent of the shares of the Company and the management direction, services and support provided by Rio Tinto. As explained further below, the Board considers that in each case this is appropriate. The Corporate Governance section of the Company's website (*www.energyres.com.au*) sets out the further information required by the Council's Principles.

The Board

Responsibilities and charter

In carrying out its responsibilities and powers, the Board at all times recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the ERA's shareholders and employees and the community.

The Board Charter underpins the strategic guidance and effective management oversight provided by the Board, and defines the division of responsibility between Board and management by formal delegation and a system of Board reserve powers.

The Board approves strategy and business plans and monitors the performance of ERA against these plans. The Board also monitors compliance with policies prescribed by the Board in areas such as health and safety, environment, business ethics, internal control and risk management. These policies are designed to ensure that ERA meets or exceeds the regulatory requirements governing its operations.

In addition to the matters expressly required by law to be approved by the Board, the powers specifically reserved for the Board are as follows:

(a) confirming the appointment and removal of a Chief Executive proposed by Rio Tinto and the terms and conditions of the Chief Executive's employment;

(b) appointment and removal of a Company Secretary;

(c) appointment of the Chair of the Board and members of Board Committees;

(d) any matters set out in the Schedule of Matters Reserved for Decision or Consideration by the Board; and

(e) approval, subject to the Constitution, the *Corporations Act 2001* and the ASX Listing Rules, of each of the following:

  (i) the Issue of new shares or other securities in the Company;

  (ii) incurring of debt (other than trade creditors incurred in the normal course of business)

  (iii) capital expenditure in excess of $5,000,000;

  (v) the acquisition, divestment or establishment of any significant business assets;

  (vi) changes to the discretions delegated from the Board;

  (vii) the annual operating budgets plan;

  (viii) changes to the capital and operating approval limits of senior management; and

  (ix) the annual report and interim and preliminary final reports.

Composition

From 1 January 2013 to 8 February 2013, the Board of ERA consisted of seven Directors, six of whom were non-executive. During this time Dr Klingner was the Chairman and an independent, non-executive Director. Dr Garnett, Mr McMahon and Mr Pegler served as independent non-executive Directors. Mr Taylor and Mrs Newell, who are current executives of Rio Tinto, also served as non-executive Directors. Mr Atkinson was an executive Director and held the position of Chief Executive until 23 September 2013.

On 8 February 2013, the number of Directors was reduced to six with the resignation of Dr Klingner as a Director. Mr McMahon was elected as Chairman of the Board on 8 February 2013.

On 23 September 2013, Mr Atkinson resigned as a Director and Chief Executive. Ms Sutton was elected as a Director and Chief Executive of ERA on 23 September 2013.

The Board strives to achieve a diversity of skills, experience and perspective among its directors. Details of the Directors, their experience, qualifications and other appointments are set out on pages 50 to 51. Details of the independent status of Directors is outlined in the Independence section below.

Qualification for Board membership is driven by the principle that the Board's composition should reflect the right balance of skills, knowledge and diversity that the Board considers will best serve the interests of ERA and all of its shareholders. Decisions relating to appointment of Directors are made by the full Board. Directors appointed by the Board are required by ERA's Constitution to submit themselves for election by shareholders at the Annual General Meeting following their appointment. There is no share ownership qualification for appointment as a Director.

The Board has not established a nominations committee. The Board recognises that this does not follow Recommendation 2.4 of the Council's Principles. The Board considers that its existing practices in reviewing director competencies, Board succession planning, Board performance evaluation and director selection and nomination carried out in accordance with the Board Charter, are satisfactory and appropriate given the size of the Board and ERA's current ownership structure.

Non-executive Directors are required to retire at least every three years in accordance with ERA's Constitution, but may offer themselves for re-election.

Independence

For the purposes of determining Director independence, the Board considers any material business relationship which could interfere, or be perceived to interfere, with the Director's independence of judgement, ability to provide a strong, valuable contribution to the Board's deliberations and the Director's ability to act in the best interest of ERA and all shareholders. Where contracts in the ordinary course of business exist between ERA and a company in which a Director has declared an interest, these are reviewed for materiality to both ERA and the other party to the contract.

The following may be taken into account in considering such material business relationships:

- whether, within the last three years, the Director or a close family member has been a member of executive management of ERA, employed in a senior position with a member of the Rio Tinto Group or has received additional remuneration from the Company or a member of the Rio Tinto Group;
- whether the Director or a close family member is, or is associated with, a substantial shareholder (more than 5 per cent of the voting shares) in the Company or in a member of the Rio Tinto Group;
- the Director's cross directorships of or significant links with or involvement in other companies;
- the Director's length of service on the Board; and
- whether, within the last three years, the Director or a close family member has had, either directly or indirectly and whether as principal, employee or consultant, a material business relationship with ERA or with a member of the Rio Tinto Group, whether as an auditor, professional adviser, supplier, or customer ("material" being more than five per cent of ERA's or the counterparty's consolidated gross revenue per annum).

Dr Garnett and Mr Pegler are independent non-executive Directors.

Dr Klingner was nominated to the Board by Rio Tinto in 2004. Dr Klingner was previously an executive of Rio Tinto, however, a significant period of time (over seven years) had elapsed since Dr Klingner ceased employment with Rio Tinto. The Board is satisfied that Dr Klingner has no continuing relationship with Rio Tinto that would interfere with his independent exercise of judgement and that he is an independent director.

Mr McMahon was nominated to the Board by Rio Tinto in November 2012. Mr McMahon was previously an executive of Rio Tinto, however, a sufficient period of time (three years) had elapsed since he ceased employment with Rio Tinto. The Board is satisfied that Mr McMahon has no continuing relationship with Rio Tinto that would interfere with his independent exercise of judgement and that he is an independent director.

For the period 8 February 2013 to 31 December 2013, the Board of Directors did not consist of a majority of independent Directors. This does not follow Recommendation 2.1 of the Council's Principles. The Board considered it was appropriate that the composition of the Board recognised Rio Tinto's 68.4 per cent shareholding.

All Directors are required to, and do, bring an independent judgment to bear on Board decisions and act in accordance with their statutory duties of good faith and for a proper purpose, and in the interests of all shareholders.

All related party transactions, including those with Rio Tinto, have been determined by the independent Directors to be in the interests of ERA.

Chairman and Chief Executive

The Chairman, Mr McMahon, is an independent non-executive Director. Mr McMahon's other appointments are set out on page 50. The Board considers that none of his other commitments interfere with the discharge of his duties to ERA.

The Chief Executive is Ms Sutton, who is also a Director. This is consistent with Recommendation 2.3 of the Council's Principles that the Chief Executive and Chairman be different people.

Board meetings

The Board held six scheduled meetings and four extraordinary meetings during 2013. In addition, there were 13 meetings held in 2013 of subcommittees established by the Board. The Board meeting attendance details for Directors in 2013 are set out on page 54.

Performance self assessment

In 2011, the Board performed an evaluation of itself that:

(a) considered the performance of the Directors and the Board and the adequacy of the Board's structures and processes, including the Board Charter;

(b) set out goals and objectives of the Board for the upcoming year; and
(c) considered whether any improvements or changes to the Board structures and processes, including the Board Charter and Audit and Risk Committee Charter, were necessary or desirable.

The process of evaluation and self assessment took the form of a questionnaire completed by each of the Directors and Company Secretaries. Following collation by an external consultant, the results and the adequacy and appropriateness of the self assessment process were compiled. A report outlining the results was circulated to all Directors and discussed at the next Board meeting, where actions arising were agreed.

The next performance self assessment will be conducted in 2014.

Independent professional advice

The Board has adopted a procedure for Directors wishing to seek independent professional advice, at the Company's expense, in the furtherance of their duties. The Board recognises that there may be circumstances in which individual Directors are entitled to independent professional advice, at the Company's expense, in the furtherance of their duties, and any Director may do so by arrangement with the Company Secretary.

Remuneration

ERA's Constitution provides that the aggregate remuneration paid to non-executive Directors of ERA in any one year will not exceed $800,000 or such other amount as may be approved by shareholders from time to time. At the 2013 Annual General Meeting, shareholders approved the 2012 Remuneration Report with 89.32 per cent of shareholders who cast a vote, voting in favour.

In 2012, the Board established a Remuneration Committee. At 31 December 2013, the Remuneration Committee comprised three non-executive independent Directors, being Mr Pegler (Chair), Dr Garnett and Mr McMahon. A majority of members constitutes a quorum for a meeting. The Chief Executive may be invited to attend Remuneration Committee meetings. Other executives may also be invited to discuss or report on particular agenda items.

The Remuneration Committee Charter sets out the role and objectives of the Remuneration Committee. A summary of the objectives of the Remuneration Committee is set out on page 55 of the Remuneration Report. The complete Remuneration Committee Charter is available at the Corporate Governance section of ERA's website.

Audit and Risk committee

The Audit and Risk Committee is appointed by the Board and at 31 December 2013 comprised three non-executive independent Directors. Two Directors constitute a quorum. The present members of the Audit and Risk Committee are Dr Garnett (Chair), Mr Pegler and Mr McMahon. The Company's Chief Financial Officer, Chief Executive, Legal Counsel and Company Secretary, the external auditor and the internal auditors are invited to attend all meetings.

The Audit and Risk Committee Charter sets out the role and terms of reference of the Audit and Risk Committee and is reviewed regularly. The Audit and Risk Committee Charter is available at the Corporate Governance section of ERA's website.

The Committee provides a formal structure for reviewing ERA's financial statements, accounting policies, control systems, risk management practices and taxation issues, and for liaison with the external and internal auditors. The Committee also reviews the adequacy of internal and external audit arrangements.

The Committee advises the Board of any matters that might have a significant impact on the financial condition of ERA and has the authority to investigate any matters within its terms of reference, having full access to the information and resources of ERA to fulfil its function. Related party transactions are considered by the Audit and Risk Committee. The Committee reviews compliance with the *Corporations Act 2001*, and the requirements of the ASX and other regulatory requirements.

The Audit and Risk Committee held three scheduled meetings during 2013. Attendance details of the 2013 meetings of the Audit and Risk Committee, and the qualifications and experience of the members, are set out in the Directors' Report on pages 50 and 51 respectively.

Each year the external auditor submits a schedule of audit services and fee estimate to the Audit and Risk Committee for consideration and approval. PricewaterhouseCoopers have been ERA's external auditor for a number of years. Each year, the Audit and Risk Committee reviews the effectiveness of the external audit process and the independence of the auditor. Based on its 2013 review, the Audit and Risk Committee was satisfied with the external audit process and that the external auditor remained independent. Any work to be conducted by the external auditor other than the audit is approved by the Audit and Risk Committee.

Details of the fees paid to PricewaterhouseCoopers during 2013 are outlined on page 75.

Diversity

ERA acknowledges the benefits that flow from advancing Board and employee diversity, in particular gender and Indigenous diversity. These benefits include identification and rectification of gaps in the skills and experience of directors and employees, enhanced employee retention, greater innovation and maximisation of available talent to achieve corporate goals and increased financial performance.

Diversity in the context of the Company primarily refers to groups which are under represented in its workforce. ERA has a particular focus on the representation of women and Indigenous people in its workforce. ERA's policy on diversity can be found on the Company's website at *www.energyres.com.au*. In accordance with the Company's diversity policy, ERA has set measurable objectives to achieve diversity. The objectives and the Company's progress in achieving each objective is set out below:

OBJECTIVE	OUTCOME
Women to represent 20 per cent of the management (being manager level and above) and the Board by 2015.	As at 31 December 2013 female participation at manager, general manager and Board level is 10 per cent. Women comprise 50 per cent of Directors. Total female participation is 18 per cent.
Target of 33 per cent Indigenous people and 25 per cent female participation in new apprenticeships by 2014.	As at 31 December 2013, ERA has 18 full time apprentices, 9 of whom are Indigenous (50 percent). In addition, ERA has six school based apprentices.
Target Indigenous employment of 20 per cent by the end of 2013.	ERA ended 2013 with an Indigenous employment rate of 16 per cent.

As at 31 December 2013, the proportion of women employed by ERA was as follows:

Board of directors	50%
Executive committee and managers	4%
Company	18%

Code of business conduct

ERA has a Code of Business Conduct to be met by all employees and Directors. All employees are required to maintain high standards of ethical behaviour in the execution of their duties and comply with all applicable laws and regulations in Australia and in every other country in which the Company engages in business. The Code of Business Conduct is reviewed to ensure it adequately addresses the issues facing the Company and is available for inspection on the Corporate Governance section of the Company's website at *www.energyres.com.au*.

In addition to the Company's Code of Business Conduct, the Company's employees are required to comply with Rio Tinto's statement of business practice *The Way We Work*, available at Rio Tinto's website at *www.riotinto.com*.

The Company has a confidential whistleblower programme known as 'Speak-OUT'. Employees are encouraged to report any suspicion of unethical or illegal practices.

Purchase and sale of Company securities

ERA has in place a formal policy that reinforces to all Directors, officers and employees the prohibitions against insider trading. The Share Trading Policy is available for inspection at the Corporate Governance section of the Company's website at *www.energyres.com.au*.

In addition, the "Rules for dealing in securities of Rio Tinto, its subsidiary and associated companies" ("Rules for dealing") apply to the participation of ERA executives in the Rio Tinto long term incentive plans involving the awarding of Rio Tinto securities at a future date. Any such grants of shares and options under the Rio Tinto plans are subject to and conditional upon compliance with the terms of the Rules for dealing, including an express prohibition on hedging or limiting of exposure to economic risk in relation to such securities.

Under the ERA Share Trading Policy:

- Directors and senior managers must advise the Chairman in writing, and receive approval in writing from the Chairman, if they intend to purchase or sell ERA securities. In regard to his own dealings, the Chairman is required to notify the Chair of the Audit and Risk Committee.
- No dealings in ERA securities may take place for the period from the end of any relevant financial period to the trading day following announcement of ERA's annual results or half year results.

Particulars of the interests held by Directors are outlined on page 54 of the Remuneration Report.

Risk identification and management

ERA has in place a range of policies and procedures to manage the risks associated with its operating activities. These policies and procedures have been adopted by the Board, with primary oversight by the Audit and Risk Committee, to ensure that potential business risks are identified and appropriate action taken.

The management of risk is an integral part of the responsibility of both the Board and management and is carried out through an integrated risk management assurance process including an internal audit programme delivered by the Company's internal auditors and a detailed internal control process covering all of ERA's material business risks.

ERA benefits from the Rio Tinto Group's knowledge, policies and practices on risk management and corporate assurance, developed to manage Rio Tinto's diverse business activities covering a variety of commodities and operational locations. Together, these make up a comprehensive framework and approach to risk analysis and risk management. The Board has in place a number of systems to identify and manage business risks.

These include:

- the identification and review of all of the business risks known to be facing the Company;
- the provision of reports and information by management to the Board, on a periodic basis, confirming the status and effectiveness of the plans, controls, policies and procedures implemented to manage business risks;
- guidelines for ensuring that capital expenditure and revenue commitments exceeding certain approved limits are placed before the Board for approval;
- limits and controls for all financial exposures, including the use of derivatives;
- a regulatory compliance programme; and
- safety, health and environmental policies which are supported by a set of standards and management systems which recognise the Company's commitment to achieving high standards of performance in all its activities in these areas.

In 2013, the Board undertook an assessment of the strategic risks to the Company's business and the mitigation strategies to be implemented by management. The strategic risks identified through this assessment were management of water; cashflow over the period 2013 to 2016; exploration and the potential development of the Ranger 3 Deeps resource; stakeholder support of the Company's strategic initiatives; rehabilitation of the Ranger Project Area; and internal controls relating to the Company's license to operate.

These strategic risks are in addition to risks inherent to the mining industry generally which include economic conditions (fluctuations in commodity pricing and exchange rates); international regulation of greenhouse gas emissions and impact of climatic conditions.

The Chief Executive and Chief Financial Officer give statements, in writing, to the Board regarding the financial reporting and operational results being founded on a sound system of internal compliance and control and the financial statements giving a true and fair view of the Company's position and of the results of the Company's operations. This statement relies on ERA's sound system of risk management and internal compliance and control which implements the policies adopted by the Board, and confirms that ERA's risk management and internal compliance and control system is operating efficiently and effectively in all material respects. From 2013, all General Managers of the Company make a declaration that they:

- understand the key requirements of each business integrity element of the Rio Tinto's *The Way We Work*; and
- have engaged with their direct reports to:
  - promote awareness of the business integrity values; and
  - ensure compliance with the Company's expectations around each value.

Public statements and disclosure matters

ERA makes full and immediate disclosures to its shareholders and the market as required by, and in accordance with, its legal and regulatory obligations. Established systems are in place to ensure compliance and matters that may have a material impact on the price or value of ERA's securities are reported to the market in accordance with the ASX Listing Rules and the *Corporations Act 2001*. ERA's Continuous Disclosure Policy is available on the Company's website at *www.energyres.com.au*.

Shareholder communication

ERA recognises the importance of effective communication with shareholders and the general investment community. Apart from ERA's compliance with its mandatory continuous disclosure obligations, ERA takes steps to ensure that its shareholders and other stakeholders are kept informed. Full advantage is taken of the Annual General Meeting to inform shareholders of current developments and to give shareholders the opportunity to ask questions. As recommended by the Council's Principles, PricewaterhouseCoopers, ERA's external auditor, attends the Annual General Meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report. ERA shareholders are also able to submit written questions regarding the statutory audit report to the auditor via the Company. Any questions received and answers provided will be made available to members at ERA Annual General Meetings. Shareholders who are unable to attend meetings are encouraged to appoint a proxy to vote either as they direct or at their discretion.

ERA believes that investor seminars, presentations and briefings on financial and operational issues, including social and environmental performance, are valuable ways of communicating with relevant professionals, employees and other interested persons. The Chief Executive and Chief Financial Officer conduct regular meetings with the Company's major investors and analysts, and the Company organises investor briefings to coincide with the release of half year and full year financial results. Recordings of investor briefings for full and half year results are available on the "Presentations" section of ERA's website.

ERA gives equal access to information disclosed in investor seminars, presentations and briefings. If any such event is used to disclose new material, it will, in advance or simultaneously, be disclosed to the ASX and available on ERA's website.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2013

	NOTES	CONSOLIDATED 2013 $'000	2012 $'000
Revenue from continuing operations	3	370,144	422,849
Changes in inventories		14,140	108,169
Purchased materials (uranium oxide)		-	(55,595)
Materials and consumables used		(88,459)	(128,851)
Employee benefits and contractor expenses		(172,512)	(212,415)
Government and other royalties	4	(18,407)	(20,639)
Commission and shipping expenses		(10,371)	(7,228)
Depreciation and amortisation expenses	4	(232,169)	(243,651)
Non-cash impairment charge	13	-	(68,044)
Financing costs	4	(32,402)	(29,465)
Statutory and corporate expenses		(10,761)	(14,869)
Other expenses	4	(5,744)	(5,046)
Profit/(loss) before income tax		(186,541)	(254,785)
Income tax (expense)/benefit	5	50,712	36,026
Profit/(loss) for the year		(135,829)	(218,759)
Other comprehensive income for the year, net of tax		-	–
Total comprehensive income for the year		(135,829)	(218,759)
Profit/(loss) is attributable to:			
Owners of Energy Resources of Australia Ltd		(135,829)	(218,759)
Total comprehensive income for the year is attributable to:			
Owners of Energy Resources of Australia Ltd		(135,829)	(218,759)
Earnings per share for profit/(loss) attributable to the ordinary equity holders of the Company:			
Basic earnings per share (cents)	28	(26.2)	(42.3)
Diluted earnings per share (cents)	28	(26.2)	(42.3)

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

Consolidated Balance Sheet

As at 31 December 2013

	NOTES	CONSOLIDATED 2013 $'000	CONSOLIDATED 2012 $'000
ASSETS			
Current assets			
Cash and cash equivalents	7	357,208	467,345
Trade and other receivables	8	20,107	42,154
Inventories	9	248,522	208,374
Other	10	2,305	516
Total current assets		628,142	718,389
Non-current assets			
Inventories	11	112,584	137,884
Undeveloped properties	12	203,632	203,632
Property, plant and equipment	13	530,346	666,167
Deferred tax assets	14	88,897	38,155
Investment in trust fund	15	63,960	62,048
Total non-current assets		999,419	1,107,886
Total assets		1,627,561	1,826,275
LIABILITIES			
Current liabilities			
Payables	16	72,512	100,242
Provisions	17	91,223	78,005
Total current liabilities		163,735	178,247
Non-current liabilities			
Provisions	18	529,804	578,409
Total non-current liabilities		529,804	578,409
Total liabilities		693,539	756,656
Net assets		934,022	1,069,619
EQUITY			
Contributed equity	19	706,485	706,485
Reserves	20	390,533	390,301
Accumulated lossess	20	(162,996)	(27,167)
Total equity		934,022	1,069,619

The above balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2013

CONSOLIDATED	NOTES	CONTRIBUTED EQUITY $'000	RESERVES $'000	RETAINED EARNINGS $'000	TOTAL $'000
Balance at 1 January 2012		706,485	390,459	191,592	1,288,536
Profit/(loss) for the year		-	-	(218,759)	(218,759)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	(218,759)	(218,759)
Transactions with owners in their capacity as owners:					
Employee share options – value of employee services	20	-	(158)	-	(158)
		-	(158)	-	(158)
Balance at 31 December 2012		706,485	390,301	(27,167)	1,069,619
Profit/(loss) for the year		-	-	(135,829)	(135,829)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	(135,829)	(135,829)
Transactions with owners in their capacity as owners:					
Employee share options – value of employee services	20	-	232	-	232
		-	232	-	232
Balance at 31 December 2013		706,485	390,533	(162,996)	934,022

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

Consolidated Cash Flow Statement

For the year ended 31 December 2013

	NOTES	CONSOLIDATED 2013 $'000	2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers			
(inclusive of Goods and Services Tax)		406,432	449,582
Payments to suppliers and employees			
(inclusive of Goods and Services Tax)		(294,468)	(398,873)
		111,964	50,709
Payments for exploration and evaluation		(66,186)	(48,645)
Payments for rehabilitation		(73,327)	(28,293)
Interest received		11,161	22,428
Financing costs paid		(1,465)	(3,211)
Income taxes (paid)/refunded		(29)	3,688
Net cash (outflow)/inflow from operating activities	27	(17,882)	(3,324)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(91,133)	(160,750)
Proceeds from sale of property, plant and equipment		-	29
Net cash (outflow)/inflow from investing activities		(91,133)	(160,721)
CASH FLOW FROM FINANCING ACTIVITIES			
Employee share option payments		(1,106)	(1,196)
Net cash (outflow)/inflow from financing activities		(1,106)	(1,196)
Net increase/(decrease) in cash and cash equivalents		(110,121)	(165,241)
Cash and cash equivalents at the beginning of the financial year		467,345	632,584
Effects of exchange rate changes on cash and cash equivalents		(16)	2
Cash and cash equivalents at end of year	7	357,208	467,345

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

Notes to the Consolidated Financial Statements

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Energy Resources of Australia Ltd (ERA) and its subsidiaries.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board, and the *Corporations Act 2001*.

(i) Compliance with IFRS

The financial statements of ERA also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention.

(iii) Critical accounting estimates

The presentation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies of ERA. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

(b) Principles of consolidation

(i) Subsidiaries

On 11 September 2013, ERA's only subsidiary EWL Science Pty Ltd was deregistered. ERA has no other subsidiaries.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of ERA (referred to as Company or parent entity) as at 31 December 2013 and the results of all subsidiaries for the year then ended. ERA and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of ERA.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Sale of goods

Sales are brought to account when the products pass from the physical control of the Company pursuant to an enforceable contract, when selling prices are known or can be reasonably estimated and when the products are in a form that requires no further treatment by the Company.

In the case where a sale occurs and immediately after which (part of) the goods are borrowed back by ERA under a separate agreement, the revenue is deferred until repayment of the borrowed goods occurs.

(ii) Rendering of services

Revenue from the rendering of services is recognised when the service is provided.

(iii) Other revenue/income

Other revenue/income recognised by the Group includes:

- interest income, which is recognised on a time proportion basis using the effective interest rate method;
- rental income, which is recognised on a straight line basis;
- net gains on disposal of assets, which is recognised at the date control of the asset passes to the acquirer;
- foreign exchange gains, and
- insurance recoveries, which is recognised on confirmation from the insurer that the claim payment has been approved.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is ERA's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

(e) Financing costs

Financing costs (including interest) are included in the statement of comprehensive income in the period during which they are incurred, except where they are included in the cost of non-current assets that are currently being developed and will take a substantial period of time to complete. The borrowing costs included in the cost of such developments are those costs that would have been avoided if the expenditure on the development had not been made.

Once the asset is ready for use, the capitalised borrowing costs are depreciated as a part of the carrying amount of the related asset.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's outstanding borrowings during the year.

(f) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure, adjusted for risk, required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money. The increase in the provision due to the passage of time is recognised as interest expense.

(i) Rehabilitation

ERA is required to rehabilitate the Ranger Project Area upon cessation of mining operations. The costs are estimated on the basis of a closure model, taking into consideration the technical closure options available to meet ERA's obligations and applying a probability weighting to each option based on the likelihood of executing each option. When it is deemed only one option is available it is assigned a 100 per cent probability. The cost estimates are calculated annually during the life of the operation to reflect known developments, and are subject to regular reviews.

The amortisation or unwinding of the discount applied in establishing the net present value of provisions is charged to the statement of comprehensive income in each accounting period. The amortisation of the discount is shown as a financing cost. Other movements in the provision for closure and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to lives of operations and revisions to discount rates are capitalised within fixed assets. These costs are then depreciated on a unit of production basis over the life of the reserves.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the outstanding continuous rehabilitation work at each balance date. All costs of continuous rehabilitation work are charged to the provision as incurred.

Separately, ERA is required to maintain with the Commonwealth Government the Ranger Rehabilitation Trust Fund ("trust fund"), to provide security against the estimated costs of closing and rehabilitating the mine immediately (rather than upon the planned cessation of mining operations). Each year, ERA is required to prepare and submit to the Commonwealth Government an Annual Plan of Rehabilitation. Once accepted by the Commonwealth Government, the annual plan is then independently assessed and costed and the amount to be provided by ERA, in the trust fund, is then determined. The trust fund includes both cash and financial guarantees. The cash portion is shown as an investment on the balance sheet (note 15), and interest received by the trust fund is shown as interest income.

ERA is required to rehabilitate the Jabiluka mineral lease upon cessation of operations to a standard specified by the Authorisation to operate issued by the Northern Territory Government. The estimated cost of rehabilitation is currently secured by a bank guarantee and fully provided for in the financial statements.

(g) Income tax

Income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company generates taxable income (Australia).

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(i) Tax consolidation legislation

ERA and its wholly owned Australian controlled entity has implemented the tax consolidation legislation as at 31 December 2005 and have agreements governing these relationships for tax purposes in place.

The head entity, ERA and the controlled entities in the tax consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated Group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, ERA also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group.

Assets or liabilities arising with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

(h) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

Trade receivables are normally settled within 45 days and are carried at amounts due. The collectability of trade receivables is reviewed on an ongoing basis and specific provisions are made for any doubtful amounts. Receivables which are known to be uncollectible are written off.

Other receivables relate to transactions outside the usual operating activities of the Group and are predominately concerned with rental receipts from employees and businesses located within the Jabiru township. These ongoing activities are expected to be settled during the 12 months subsequent to balance date but are assessed regularly and impaired accordingly.

(i) Inventories

Inventories, other than stores, are carried at the lower of cost and net realisable value. Net realisable value is determined based on estimated future sales prices, exchange rates and capital and production costs, including transport.

Inventory is valued using the weighted average cost method and includes both fixed and variable production costs as well as cash and non-cash charges.

Stockpiles represent ore that has been extracted and is available for further processing. If there is significant uncertainty as to when the stockpiled ore will be processed it is expensed as incurred. Where the future processing of this ore can be predicted with confidence, for example because it exceeds the mine's cut off grade, it is valued at the lower of cost and net realisable value.

If the ore will not be processed within 12 months after the balance sheet date it is included within non-current assets and net realisable value is calculated on a discounted cash flow basis.

Work in progress inventory includes ore stockpiles and other partly processed material. Quantities are assessed primarily through surveys and assays.

Stores are valued at cost or net realisable value where applicable and are impaired accordingly to take into account obsolescence.

For inventory management purposes the Company may enter into uranium loans as a lending or receiving party. These loans are entered into for logistical purposes and loans received are repaid from the Company's inventory. The uranium loans do not meet the definition of a financial liability and are recorded net of inventory.

(j) Impairment of assets

Assets that have an indefinite useful life and intangible assets that are not yet available for use are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction.

The value in use is determined using the present value of the future cashflow expected to be derived from an asset or cash generating unit.

(k) Property, plant and equipment

(i) Acquisition

Items of property, plant and equipment are recorded at historical cost and, except for land, are depreciated as outlined below. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

(ii) Depreciation and amortisation

Depreciation of plant and equipment is provided for as follows:

(a) individual assets that have a life equal to or longer than the estimated remaining life of the Ranger mine are depreciated on a unit of production basis over the life of the reserves; and

(b) each other asset is depreciated over its estimated operating life on a straight line basis.

The following indicates the depreciation method for buildings and plant and equipment on which the depreciation charges are based:

- Buildings – units of production over the life of reserves
- Plant and equipment* – units of production over the life of reserves

*Some of these assets are depreciated on a straight line basis over their useful operating life which is less than the life of the Ranger mine. See below for the estimated useful lives.

- Office equipment: computers - three years
- Office equipment: general - five years
- Plant and equipment - five years
- Furniture & fittings - ten years
- Motor vehicles - five years
- Tailings Storage Facility - three years
- Brine Concentrator - seven years

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

(iii) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (Note 22). Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(iv) Mine properties

Mine properties, consisting principally of Ranger Project mining rights, are amortised on a unit of production basis over the life of the economically recoverable reserves of Ranger.

(v) Deferred stripping costs

Stripping costs incurred in the development of a mine before production commences are capitalised as part of the cost of constructing the mine and subsequently amortised over the life of the mine on a units of production basis.

Stripping costs incurred during the production stage of mining operations are deferred where they are separately identifiable and do not form part of normal mining activities. These costs are deferred and amortised over the period in which the associated ore is produced.

(l) Exploration and evaluation expenditure

Exploration and evaluation expenditure comprises costs which are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- construction of underground tunnels, where necessary for exploration drilling;
- examining and testing extraction and treatment methods; and
- compiling pre-feasibility and feasibility studies.

Exploration and evaluation expenditure also includes the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects.

Capitalisation of exploration expenditure commences when there is a high degree of confidence in the project's viability and hence it is probable that future economic benefits will flow to ERA. Capitalised exploration expenditure is reviewed for impairment at each balance sheet date.

Subsequent recovery of the resulting carrying value depends on successful development of the area of interest or sale of the project. If a project does not prove viable, all unrecoverable costs associated with the project and the related impairment provisions are written off. Any impairment provisions raised in previous years are reassessed if there is a change in circumstances which indicates that they may no longer be required, for example if it is decided to proceed with development. If the project proceeds to development, the amounts included within intangible assets are transferred to property, plant and equipment.

(i) Undeveloped properties

Undeveloped properties are mineral concessions where the intention is to develop and go into production in due course. The carrying values of these assets are reviewed annually by management and the results of these reviews are reported to the Board and Audit and Risk Committee. Impairment is assessed based on a status report regarding ERA's intentions for development of the undeveloped property and is reviewed using the fair value less cost to sell method.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(n) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services received prior to the end of the financial year, whether or not billed to the Company or consolidated entity. Trade accounts payable are normally settled within 60 days. These are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(p) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates derivatives as hedges against highly probable forecast transactions (cash flow hedges).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective.

The effective portion of changes in the fair value is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income.

Amounts accumulated in equity are recycled in the statement of comprehensive income in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). When a forecast transaction is no longer expected to occur the cumulative gain or loss that was reported in equity is immediately transferred to the statement of comprehensive income.

Derivative financial instruments are not held for speculative purposes.

(q) Employee entitlements

(i) Wages and salaries, annual leave and sick leave

The liability for employee entitlements to wages and salaries represents the amount which the consolidated entity has a present obligation to pay resulting from employees' services provided up to the reporting date. A provision exists for annual leave and accumulating sick leave as it is earned by employees and is measured at the amount expected to be paid when it is settled and includes all related on costs. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision of employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using the rates attaching to Commonwealth Government securities at the reporting date, which most closely match the terms of maturity of the related liabilities.

(iii) Superannuation plan

Employees of the Company are entitled to benefits on retirement, disability or death from their membership of the Rio Tinto Staff Superannuation Fund ("The Fund"). The Fund has both a defined benefit and a defined contribution section. Contributions to the defined contribution superannuation plans are expensed in the income statement when incurred.

The defined benefits section currently has only one member from ERA and as such any surplus or deficit of plan assets are disclosed in the financial statements of the sponsoring entity, Rio Tinto Services Limited.

(iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(r) Segment reporting

Management has determined the operating segments based on the reports reviewed by the Chief Executive, used to make strategic decisions. The Chief Executive considers the business from a product perspective.

(s) Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and deposits held at call, net of any bank overdrafts.

(t) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(u) Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(v) Rounding of amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been 'rounded off' in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(w) Share based payments

The fair value of cash settled share plans is recognised as a liability over the vesting period of the awards. Movements in that liability between accounting dates are recognised as an expense. The grant date fair value of the awards is taken to be the market value of the shares at the date of award reduced by a factor for anticipated relative Total Shareholder Return ('TSR') performance. Fair values are subsequently re-measured at each accounting date to reflect the number of awards expected to vest based on the current and anticipated TSR performance. If any awards are ultimately settled in shares, the liability is transferred direct to equity as the consideration for the equity instruments issued.

Equity settled share plans are settled either by the issue of shares by the relevant parent Company, by the purchase of shares on market or by the use of shares previously acquired as part of a share buyback. The fair value of the share plans is recognised as an expense over the expected vesting period with a corresponding entry to other reserves. If the cost of shares acquired to satisfy the plans exceeds the expense charged, the excess is taken to the appropriate reserve. The fair value of the share plans is determined at the date of grant, taking into account any market based vesting conditions attached to the award (e.g. Total Shareholder Return). The Group uses fair values provided by independent actuaries calculated using a lattice based option valuation model.

Non-market based vesting conditions (e.g. earnings per share targets) are taken into account in estimating the number of awards likely to vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet date up to the vesting date, at which point the estimate is adjusted to reflect the actual awards issued. No adjustment is made after the vesting date even if the awards are forfeited or not exercised.

Further information about the treatment of individual share based payment plans is provided in Note 32.

(x) Dividends

Provision is made for the amount of any dividend declared, determined or publicly recommended by the Directors on or before the end of the financial year but not distributed at balance date.

(y) Parent entity financial information

The financial information for the parent entity, Energy Resources of Australia Ltd (ERA), disclosed in Note 30 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(z) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2013 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date

of AASB 9 and Transition Disclosures (effective from 1 January 2015).

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

(ii) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013).

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The Group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Group will adopt the new standard from its operative date, which means that it will be applied in the annual reporting period ending 31 December 2014.

There are no other standards that are not yet effective and that are expected to have an impact on the entity in the current or future reporting periods and in forecast transactions.

2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Rehabilitation provision

The calculation of the rehabilitation provision relies on estimates of costs and their timing required to rehabilitate and restore disturbed land to establish an environment similar to adjacent areas of Kakadu National Park.

The costs are estimated on the basis of a rehabilitation model, taking into account consideration of the preferred options available to meet ERA's obligations. The cost estimates are reviewed annually during the life of the operation to reflect known developments.

A Prefeasibility Study was conducted during 2012 and completed in early 2013. As a result of the study, the preferred rehabilitation plan was modified for the year ended 31 December 2012. Following finalisation of the study in 2013, no material modifications have been made to the rehabilitation plan. The provision for rehabilitation represents the net present cost at 31 December 2013, based on current disturbance, of the preferred plan within the requirements of the Ranger Project Area Authority.

The ultimate cost of rehabilitation is uncertain and can vary in response to many factors such as legal requirements, technological change and experience at other sites. To the extent that ERA's future estimates of the rehabilitation costs are different to those currently estimated, ERA will adjust the provision for rehabilitation costs to reflect additional knowledge obtained.

A key sensitivity in estimating the rehabilitation provision is the discount rate applied to the underlying cash flows. ERA has maintained a real discount rate of 2.5 per cent.

(b) Taxation

The Group has recognised certain deferred tax assets for deductible temporary differences and recoverable losses carried forward. In recognising these deferred tax assets assumptions have been made regarding the Group's ability to generate future taxable profits. A key assumption is the approval and development of Ranger 3 Deeps mine, should this not occur it is unlikely tax assets would remain recoverable.

Judgement is required in regard to the application of income tax legislation. There is an inherent risk and uncertainty in applying these judgements and a possibility that changes in legislation will impact the carrying amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet.

(c) Determination of ore reserves and resources

ERA estimates its ore reserves and resources based on information compiled by Competent Persons as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves of December 2012 (the JORC code). There are numerous uncertainties inherent in estimating ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values and provisions for rehabilitation. A full statement of ERA Ore Reserves and Mineral Resources as at 31 December 2013 is on pages 20 and 21.

(d) Asset carrying value

ERA has two cash generating units (CGU), the Ranger Project Area (RPA) and the Jabiluka mineral lease. The Ranger CGU includes all assets and liabilities related to activities on the RPA, including the rehabilitation provision and the associated asset capitalised within property, plant and equipment. The Jabiluka CGU relates to the Jabiluka lease which is currently under a long term care and maintenance agreement.

ERA has considered a range of possible impairment indicators, including the failure of Leach Tank No. 1 and market consensus price and foreign exchange expectations.

On 7 December 2013, Leach Tank No. 1 at the ERA Ranger processing plant failed causing a spill that was contained on site. Processing operations were suspended and clean-up operations commenced. ERA has commissioned a full investigation into the incident.

On 9 December 2013, ERA received notifications from the Northern Territory Department of Mines and Energy and the Commonwealth Minister for Industry to suspend processing operations at the Ranger Mine and not to recommence without regulatory approval, including a requirement from the Commonwealth to demonstrate the integrity of the Ranger processing plant and that human safety and the surrounding environment remains protected.

ERA has considered the implications of the incident with respect to stakeholder concerns, environmental protection and economic considerations. ERA considers that upon completion of all investigations and any rectifications, processing will recommence.

ERA's financial modelling also includes the development of Ranger 3 Deeps mine, which remains subject to ERA Board and regulatory approvals, and which the Company has assigned a high probability of development. Should development of Ranger 3 Deeps not occur, the Ranger CGU would face impairment.

Market consensus uranium price and exchange rate is determined by surveying a sample of brokers and financial institutions to gather their estimation of both the long term uranium price and AUD exchange rate. In 2013, the results of this survey have shown a softening of the uranium market and continued strength of the Australian dollar; however the magnitude of this is not significant enough to cause impairment, when other factors such as sunk capital are considered.

When ERA assesses CGUs for recoverability, the Company uses the greater of fair value less costs to sell or value in use. Historically, ERA has used the fair value less costs to sell method for the Ranger Project Area, it has been determined based on discounted cash flow modelling of a set of probability weighted strategic outcomes. In assessing impairment, estimates are required of resource and development potential, future market prices, discount rate, exchange rates, rehabilitation, capital and production costs in order to assist in the judgment of the recoverable amount.

Estimates and judgement associated with the Jabiluka undeveloped property are disclosed in Note 12.

(e) Inventory net realisable value

The calculation of net realisable value is sensitive to key assumptions about the future including: uranium price, Australia/US dollar exchange rate and where applicable costs to complete. The sales price of uranium oxide is denominated in US dollars, so fluctuations in the Australian/US dollar exchange rate will affect the proceeds received from sales and consequently the recoverable amount.

At 31 December 2013, a $21.3 million (pre-tax) adjustment was made to finished goods inventory to record it at its net realisable value. This was due to high non-cash costs and low December 2013 half year production, which drove the total unit cost of inventory above the expected sales price. The net realisable value adjustment has been included in 'Changes in inventories' in the statement of comprehensive income.

3 Revenue

	2013 $'000	2012 $'000
REVENUE FROM CONTINUING OPERATIONS		
Sales revenue		
Sale of goods	355,868	395,399
Rendering of services	271	1,230
Total sales revenue	356,139	396,629
Other revenue		
Interest received/receivable, other parties	13,073	25,257
Rent received	932	963
Total other revenue	14,005	26,220
Total revenue from continuing operations	370,144	422,849

4 Expenses

	NOTES	2013 $'000	2012 $'000
LOSS BEFORE INCOME TAX INCLUDES THE FOLLOWING SPECIFIC EXPENSES:			
Cost of sales			
Produced product (uranium oxide)		294,247	302,370
Purchased product (uranium oxide)		5,166	67,965
Total cost of sales		299,413	370,335
Depreciation			
Mine land and buildings		4,790	5,885
Plant and equipment		139,029	120,555
Total depreciation		143,819	126,440
Amortisation			
Mine properties		14,073	20,009
Rehabilitation asset		74,277	97,202
Total amortisation		88,350	117,211
Total depreciation and amortisation expenses		232,169	243,651
Government and other royalties			
Royalty payments	22	4,184	4,691
Payments to Indigenous interests	22	14,223	15,948
Total Government and other royalties		18,407	20,639
Financing costs			
Related parties		-	27
Other parties		1,465	3,183
Unwinding of discount (rehabilitation provision)		30,937	26,255
Total Financing Costs		32,402	29,465
Doubtful debts expense		(91)	112
Net loss on disposal of property, plant & equipment		783	722
Net foreign exchange loss/(gain)		(146)	235
Rental expense relating to operating leases		7,667	8,308
Research and development expenditure		28,013	34,493
Total exploration and evaluation expenditure (including Ranger 3 Deeps exploration decline)		66,186	48,645
Defined contribution superannuation expense		6,240	6,773

5 Income tax expense/(benefit)

	2013 $'000	2012 $'000
INCOME TAX EXPENSE/(BENEFIT)		
Current tax	-	-
Deferred tax	(50,937)	(35,897)
Under/(over) provided in prior years	225	(129)
Income tax expense/(benefit)	(50,712)	(36,026)
Deferred income tax (revenue)/expense included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets (Note 14B)	(48,197)	(28,419)
(Decrease)/increase in deferred tax liabilities (Note 14A)	(2,740)	(7,478)
Deferred tax	(50,937)	(35,897)
RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE		
Operating loss before income tax	(186,541)	(254,785)
Tax at the Australian tax rate of 30% (2012 – 30%)	(55,962)	(76,435)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Impairment of non-current assets	-	20,413
R&D tax concession	(2,801)	(3,449)
Amortisation	22,283	29,161
Rehabilitation expenditure	(14,464)	(5,624)
Other items	7	37
Income tax under/(over) provided in prior years	225	(129)
Income tax expense/(benefit)	(50,712)	(36,026)
AMOUNTS RECOGNISED DIRECTLY IN EQUITY		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or (credited) to equity		
Net deferred tax asset (Note 14B)	(29)	34

Tax consolidation legislation

Energy Resources of Australia Ltd and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as at 31 December 2005. The accounting policy in relation to this legislation is set out in Note 1(g).

6 Dividends

Dividends paid or declared

No dividends have been paid or declared for the year ended 31 December 2013 (2012: nil).

Dividends franking account

	2013 $'000	2012 $'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2012 – 30%)	234,095	234,095

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for franking credits that will arise from the payment of the amount of the provision for income tax as applicable.

The ability to utilise the franking account credits is dependent upon there being sufficient available profits to declare dividends.

7 Cash and cash equivalents

	2013 $'000	2012 $'000
CURRENT		
Cash at bank and in hand	3,294	1,361
Deposits at call	353,914	465,984
Cash and cash equivalents	357,208	467,345

Cash at bank/Deposits at call

Cash assets and deposits bear floating interest rates between 0.0 per cent and 3.3 per cent (2012 – 0.0 per cent and 4.3 per cent).

Interest rate risk exposure

The Group's exposure to interest rate risk is discussed in Note 29.

8 Trade and other receivables

	2013 $'000	2012 $'000
CURRENT		
Trade debtors	12,188	34,448
Other debtors	7,968	7,846
Provision for impairment	(49)	(140)
Net other debtors	7,919	7,706
Trade and other receivables	20,107	42,154

Impairment of receivables

No trade receivables are past due. There is no impairment of trade receivables.

Other receivables relate to transactions outside the usual operating activities of the Group and are predominately concerned with receipts from employees and businesses operating within the Jabiru township. These ongoing activities are expected to be settled during the 12 months subsequent to balance date.

Foreign exchange and interest rate risk

ERA operates internationally but is primarily exposed to foreign exchange risk arising from currency exposures with respect to the US dollar.

A summarised analysis of the sensitivity of trade and other receivables to foreign exchange and interest rate risk can be found in Note 29.

Fair value and credit risk

Due to the short-term nature of trade and other receivables, their carrying amount approximates their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. The Group does not hold any collateral as security. Refer to Note 29 for more information on the financial risk management policy of the Group.

9 Inventories – current

	2013 $'000	2012 $'000
Stores and spares	23,730	23,021
Ore stockpiles at cost	27,721	35,852
Work in progress at cost	2,602	4,531
Finished product U_3O_8 at cost	-	144,970
Finished product U_3O_8 at net realisable value	194,469	-
Total current Inventory	248,522	208,374

Inventory expense

Obsolescence of inventory provided for and recognised as an expense during the year ended 31 December 2013 amounted to $426,427 (2012: $284,677).

Write-downs of inventories to net realisable value recognised as an expense during the year ended 31 December 2013 amounted to $21,331,679 (2012 – Nil). The expense has been included in 'Changes in inventories' in statement of comprehensive income.

10 Other assets

	2013 $'000	2012 $'000
Prepayments	2,305	516

11 Inventories – non-current

	2013 $'000	2012 $'000
Ore stockpiles at cost	112,584	137,884

12 Undeveloped properties

	2013 $'000	2012 $'000
Jabiluka: Long-term care and maintenance development project		
Balance brought forward	203,632	203,632
Amount capitalised during the year	-	-
Total undeveloped properties	203,632	203,632

Undeveloped properties are considered an asset not yet ready for use. The recoverable amount of the undeveloped properties is determined using the fair value less cost to sell method.

Fair value less cost to sell has been determined using a discounted cash flow model. Key assumptions to which the model is most sensitive include:

- Uranium prices
- Foreign exchange rates
- Production and capital costs
- Discount rate
- Ore reserves and mineral resources

In determining the value assigned to each key assumption, management has used external sources of information and has utilised the expertise of external consultants to validate entity-specific assumptions such as costs, production techniques and mineral reserves.

Further, the Company's cash flow forecasts are based on estimates of future uranium prices, which assume market prices will revert to the Company's assessment of the long term average price, generally over a period of three to five years.

The recoverable amount is dependent on the development and life of the ore body together with the term and continuity of the mining lease. It reflects expected future cashflows contained in the long term asset plan with an adjustment of cashflows expected to take into account project development risk. The Company has projected cashflows for the period of the current mining lease, together with a ten year renewal period.

The discount rate applied to the future cash flow forecasts represent an estimate of the rate the market would apply having regard to the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

13 Property, plant and equipment

CONSOLIDATED	MINE LAND AND BUILDINGS $'000	PLANT AND EQUIPMENT $'000	MINE PROPERTIES $'000	REHABILITATION $'000	TOTAL $'000
YEAR ENDED 31 DECEMBER 2013					
Opening net book amount	14,699	416,648	35,307	199,513	666,167
Additions	-	91,133	-	-	91,133
Disposals	-	(783)	-	-	(783)
Change in estimate	-	-	-	5,998	5,998
Transfers	85	(85)	-	-	-
Depreciation/amortisation charge	(4,790)	(139,029)	(14,073)	(74,277)	(232,169)
Impairment charge	-	-	-	-	-
Closing net book amount	9,994	367,884	21,234	131,234	530,346
Cost	111,169	1,139,046	421,700	396,911	2,068,826
Accumulated depreciation/amortisation	(101,175)	(771,162)	(400,466)	(265,677)	(1,538,480)
Net book amount	9,994	367,884	21,234	131,234	530,346
YEAR ENDED 31 DECEMBER 2012					
Opening net book amount	20,584	377,204	55,316	288,150	741,254
Additions	-	160,750	-	-	160,750
Disposals	-	(751)	-	-	(751)
Change in estimate	-	-	-	76,609	76,609
Transfers	-	-	-	-	-
Depreciation/amortisation charge	(5,885)	(120,555)	(20,009)	(97,202)	(243,651)
Impairment charge	-	-	-	(68,044)	(68,044)
Closing net book amount	14,699	416,648	35,307	199,513	666,167
Cost	111,084	1,048,781	421,700	390,913	1,972,478
Accumulated depreciation/amortisation	(96,385)	(632,133)	(386,393)	(191,400)	(1,306,311)
Net book amount	14,699	416,648	35,307	199,513	666,167

Assets under construction

The carrying amounts of the assets disclosed above include the following expenditure recognised in relation to property, plant and equipment which is in the course of construction:

	2013 $'000	2012 $'000
Plant and equipment	3,130	182,519

Impairment charge Ranger cash generating unit

No impairment charge has been recorded in 2013 (2012: $68,044,433).

In 2012, the lower long term uranium price and exchange rate assumptions adopted by the ERA Board and a continued increase in cost to meet its rehabilitation obligations resulted in a reduction in the fair value of the Ranger CGU to the extent that a non cash impairment of $68 million was recognised, using a 9.25 per cent discount rate.

In recent years ERA has placed focus on ensuring adequate provision exists to cover rehabilitation activities. When the estimate is increased by additional disturbance, change in discount rate or a change in estimate, the increase is capitalised into property plant and equipment. Since 2010 this has resulted in a significant increase in this component of property, plant and equipment. ERA considers that this portion of property, plant and equipment is individually significant and contributes to impairment, as such the impairment charge was allocated completely to this component of property, plant and equipment.

14 Deferred tax liabilities

	2013 $'000	2012 $'000
(A) DEFERRED TAX LIABILITY		
The balance comprises temporary differences attributable to:		
Amounts recognised in profit and loss		
Property, plant and equipment	-	9,845
Investment in trust fund	19,188	18,615
Undeveloped properties	23,405	23,405
Inventories	39,639	33,558
Receivables	858	752
Other	122	-
Total deferred tax liabilities	83,212	86,175
Off-set of deferred tax asset pursuant to set-off provisions (Note 14B)	(83,212)	(86,175)
Net deferred tax liabilities	-	-
Movements		
Opening balance at 1 January	86,175	93,722
(Credited)/debited to the income statement (Note 5)	(2,740)	(7,478)
Under provided in prior years credited to the income statement	(223)	(69)
Closing balance at 31 December	83,212	86,175
(B) DEFERRED TAX ASSETS		
The balance comprises temporary differences attributable to:		
Amounts recognised in profit and loss		
Tax losses	70,944	36,776
Research and development tax offset	25,003	13,797
Property, plant and equipment	914	-
Rehabilitation	67,683	65,936
Employee provisions	4,407	4,765
Other	2,092	1,300
	171,043	122,574
Amount recognised directly in equity		
Transaction costs	1,438	2,157
Share benefits	(372)	(401)
Total deferred tax assets	172,109	124,330
Set-off of deferred tax liabilities pursuant to set-off provisions (Note 14A)	(83,212)	(86,175)
Net deferred tax assets	88,897	38,155
Movements		
Opening balance at 1 January	124,330	95,876
Credited to the income statement (Note 5)	48,197	28,419
(Under)/over provided in prior years credited to the income statement	(447)	69
Credited to equity (Note 5)	29	(34)
Closing balance at 31 December	172,109	124,330

15 Investment in trust fund

	2013 $'000	2012 $'000
NON-CURRENT		
Trust Fund	63,960	62,048

Trust fund

The Trust Fund holds a restricted fixed term investment in the form of bank bills which mature and are reinvested periodically. The applicable weighted average interest rate for the year ended 31 December 2013 was 3.70 per cent (2012: 4.78 per cent).

16 Payables

	2013 $'000	2012 $'000
CURRENT		
Trade payables	66,271	90,242
Amounts due to related parties	4,433	8,000
Other payables	1,808	2,000
Total payables	72,512	100,242

17 Provisions – current

	2013 $'000	2012 $'000
CURRENT		
Employee benefits	11,535	11,778
Leach tank remediation	1,300	-
Rehabilitation	78,388	66,227
Total current provisions	91,223	78,005

Leach tank remediation

Following the collapse of Leach Tank No. 1 on 7 December 2013, a provision for $1,300,000 has been raised to cover the remaining investigation and deconstruction costs. These costs are expected to be incurred early in 2014.

Movements in provisions

Movements in the rehabilitation provision during the financial year is set out below:

	REHABILITATION $'000
CONSOLIDATED – 2013	
Carrying amount at the start of the year	66,227
Payments	(73,327)
Transfer from non-current provision	85,488
Carrying amount at the end of the year	78,388

	REHABILITATION $'000
CONSOLIDATED – 2012	
Carrying amount at the start of the year	25,128
Payments	(28,293)
Transfer from non-current provision	69,392
Carrying amount at the end of the year	66,227

18 Provisions – non-current

	2013 $'000	2012 $'000
NON-CURRENT		
Employee benefits	4,728	4,780
Rehabilitation	525,076	573,629
Carrying amount at the end of the year	529,804	578,409

Movements in provisions

Movements in the rehabilitation provision during the financial year is set out below:

	REHABILITATION $'000
CONSOLIDATED – 2013	
Carrying amount at the start of the year	573,629
Change in estimate	127
Unwinding of discount	30,937
Additional provisions recognised	5,871
Transfer to current provision	(85,488)
Carrying amount at the end of the year	525,076

	REHABILITATION $'000
CONSOLIDATED – 2012	
Carrying amount at the start of the year	540,157
Change in estimate	22,355
Change in discount rate	19,296
Unwinding of discount	26,255
Additional provisions recognised	34,969
Transfer to current provision	(69,392)
Carrying amount at the end of the year	573,629

19 Share capital

	2013 SHARES	2012 SHARES	2013 $'000	2012 $'000
SHARE CAPITAL				
A Class shares fully paid	517,725,062	517,725,062	706,485	706,485
Total contributed equity			706,485	706,485

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Capital risk management

Details of the Group's exposure to risks when managing capital are set out in Note 29.

20 Reserves and retained profits

	2013 $'000	2012 $'000
RESERVES		
Share-based payments reserve	1,033	801
Capital reconstruction	389,500	389,500
Total Reserves	390,533	390,301
Movements		
Share-based payments reserve		
Balance 1 January	801	959
Option expense	232	(158)
Balance 31 December	1,033	801
Capital reconstruction		
Balance 1 January	389,500	389,500
Movements	-	-
Balance 31 December	389,500	389,500
RETAINED PROFITS		
Movements in retained profits were as follows:		
Opening retained earnings – 1 January	(27,167)	191,592
Net loss for the year	(135,829)	(218,759)
Dividends paid	-	-
Closing retained earnings/(accumulated losses) – 31 December	(162,996)	(27,167)

Nature and purpose of reserves

The share based payments reserve is used to recognise the fair value of equity instruments issued to employees but not exercised.

Capital reconstruction reserve

In June 1995, ERA reduced its share capital by cancelling $0.95 of the capital paid up on each issued share and reducing the par value of each issued share from $1.00 to $0.05. The cancelled capital (comprising $389,500,000 in total) was credited to a Capital Reconstruction Reserve. The Company has the ability to distribute capital to shareholders from this reserve.

21 Contingencies

Contingent liabilities

Legal actions against the Company.

The remaining argument in the action listed in the Federal Court against the former Commonwealth Minister for Resources and ERA claiming that due process was not followed in granting approvals for the Jabiluka Mill Alternative is dormant. Should ERA proceed with the Jabiluka Mill Alternative, notice will be given to the applicant who may or may not wish to pursue the argument further.
No material losses are anticipated in respect of the contingent liabilities disclosed above.

22 Commitments

Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	2013 $'000	**2012 $'000**
Within one year	83,242	95,337

Lease commitments

Future operating lease rentals not provided for in the financial statements and payable:

	2013 $'000	**2012 $'000**
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable		
Within one year	2,882	3,468
Later than one year but not later than five years	4,928	4,375
Total operating leases	7,810	7,843

The consolidated entity leases property, plant and equipment under operating leases expiring between one and four years. Some leases provide the consolidated entity with a right of renewal at which time all terms are renegotiated.

Mineral tenement leases

Future mineral tenement lease payments not provided for in the financial statements and payable:

	2013 $'000	**2012 $'000**
Within one year	138	73
Later than one year but not later than five years	554	291
Later than five years	784	485
Total mineral tenement leases	1,476	849

In order to maintain current rights of tenure to mining tenements, the consolidated entity will be required to outlay an amount of $138,439 in the year ending 31 December 2014 in respect of tenement lease rentals.

ERA is liable to make payments to the Commonwealth as listed below:

(i) An annual amount equal to the sum payable by the Commonwealth to the Northern Land Council pursuant to the Section 44 Agreement Aboriginal Land Rights (NT) Act 1976 for rent for the duration of the agreement. This amounts to $932,900 per annum for 2014 and is indexed for future years.

(ii) Amounts equal to the sums payable by the Commonwealth to the Aboriginal Benefits Reserve pursuant to a determination under Section 63(5) (b) of the Aboriginal Land Rights (NT) Act 1976. These amounts were calculated at 4.25 per cent of Ranger net sales revenue until 30 June 2012. On execution of a suit of agreements between ERA, the Commonwealth and the Northern Land Council a revised rate of 2.5 per cent of Ranger net sales revenue was payable to the Commonwealth from 1 July 2012 and 1.75 per cent of Ranger net sales revenue payable to the Northern Land Council or an entity representing the Mirarr Traditional Owners as directed by the Northern Land Council (amounts paid during 2013: $14,223,368. 2012: $15,948,383).

(iii) Amounts equal to sums payable by the Commonwealth to the Northern Territory pursuant to an understanding in respect of financial arrangements between the Commonwealth and the Government of the Northern Territory. These amounts are also calculated as though they were royalties and the relevant rate is 1.25 per cent of Ranger net sales revenue (amounts paid during 2013: $4,183,344. 2012: $4,690,701).

ERA is liable to make payments to the Northern Land Council (NLC) pursuant to the Section 43 Agreement (*Aboriginal Land Rights (NT) Act 1976*) between Pancontinental Mining Limited and Getty Oil Development Company Limited and the NLC dated 21 July 1982, which was assigned to ERA with the consent of the NLC, as listed below:

(i) Up front payment of $3,400,000 on the commencement of production at Jabiluka.

(ii) Annual royalty payments calculated at 4.5 per cent of net sales revenue less $500,000 less any amounts paid to the Aboriginal Benefits Reserve by the Commonwealth under the conditions specified in the mineral lease for the first 10 years and thereafter at 5 per cent of net sales revenue less any amounts paid to the Aboriginal Benefits Reserve by the Commonwealth under the conditions specified in the mineral lease (refer commitment below).

ERA is liable to make payments to the Commonwealth in respect of the Jabiluka project pursuant to the conditions attached to the Mineral Lease. The amount payable was, until 30 June 1990, calculated at the rate of 5.25 per cent of net sales revenue from the Jabiluka project. The Jabiluka project is now under long term care and maintenance and will not be developed without the approval of the Mirarr Traditional Owners.

23 Auditor’s remuneration

During the year the auditor of the parent entity and its related practices earned the following remuneration:

	2013 $’000	2012 $’000
AUDIT SERVICES		
PricewaterhouseCoopers Australian firm		
Audit and review of financial reports	230	361
Other services	-	-
Total remuneration of PricewaterhouseCoopers Australia	230	361

24 Related parties

Directors

The names of persons who were Directors of ERA at any time during the financial period are as follows:

P McMahon, D Klingner (resigned 8 February 2013), H Garnett, A Sutton (appointed 23 September 2013), R Atkinson (resigned 23 September 2013), P Taylor, J Pegler and H Newell.

Information relating to Directors' compensation, shareholdings and retirement benefits is set out in the Remuneration Report in the Directors' Report.

Key management personnel

Key management personnel compensation

	2013 $'000	2012 $'000
Short-term employee benefits	3,382	4,376
Post-employment benefits	363	368
Share-based payments	574	664
	4,319	5,408

In compliance with Corporations Regulations 2001 2M.3.03 the Company has provided detailed remuneration disclosures in the Directors report. The relevant information can be found in the Remuneration Report on pages 55 to 73.

Loans with Directors and key management personnel

There were no loans with Directors or key management personnel during 2013 (2012: nil).

Transactions with Directors and Director-related entities

There were no transactions with Director related entities other than Rio Tinto Limited during 2013 (2012: Nil). Details of transactions with Rio Tinto Limited are outlined below.

Controlled entity

Information relating to the controlled entity is set out in Note 25.

Ultimate parent entity

The ultimate parent entity is Rio Tinto Limited. This interest is held through North Limited (incorporated in Victoria, Australia) which has beneficial ownership of 68.4 per cent of the issued ordinary shares of the Company. North Ltd owns 34.1 per cent directly and the remaining 34.3 per cent through its subsidiary, Peko Wallsend Ltd.

Interest income

Interest income is received from Rio Tinto Finance Ltd which holds cash on behalf of the Company.

Transactions with related parties

The following transactions occurred with related parties:

	2013 $'000	2012 $'000
Management services fees paid to ultimate parent entity:		
Rio Tinto Group Companies	1,600	1,600
Consulting fees paid to:		
Rio Tinto Group Companies	12,787	11,800
Other reimbursements for commercial services:		
Rio Tinto Group Companies	14,669	46,528
Amounts received from related parties:		
Rio Tinto Group Companies – other	49,774	1,855
Rio Tinto Group Companies – interest	2,925	12,827
Dividends paid to:		
Related parties – North Ltd	-	-
Related parties – Peko Wallsend Ltd	-	-

Consulting fees paid to Rio Tinto Group Companies relate to technical services for major projects.

Other reimbursements for commercial services include the purchase of uranium oxide at market price (2013: $Nil and 2012: $28,461,857).

Amounts received from related parties include sales of uranium oxide at market price.

Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Aggregate amounts received from and payable to each class of other related parties at balance date were as follows:	2013 $'000	2012 $'000
Current assets - cash assets		
Related parties - Rio Tinto Finance Ltd	87,060	206,527
Current assets - receivables		
Related parties - Rio Tinto Group Companies	2,992	94
Current liabilities - creditors		
Related parties - Rio Tinto Group Companies	4,433	8,000

All related party transactions were conducted on arm's length terms and conditions and at market rates.

25 Investment in controlled entity

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b):

			EQUITY HOLDING	
NAME OF ENTITY	COUNTRY OF INCORPORATION	CLASS OF SHARES	2013 %	2012 %
EWL Sciences Pty Ltd	Australia	Ordinary	-	100

The above controlled entity was wholly-owned and no dividends were paid to the parent entity (2012: $Nil).

On 28 November 2012, ERA resolved that EWL Sciences Pty Ltd be wound up as a member's voluntary liquidation. On the same day, Simon Wallace-Smith and Salvatore Algeri of Deloitte Touche Tohmatsu were appointed to act as joint and several liquidators of the Company. EWL Sciences Pty Ltd was subsequently deregistered on 11 September 2013.

26 Segment information

Description of segments

Management has determined the operating segment based on the reports reviewed by the Chief Executive that are used to make strategic decisions.

The Chief Executive considers the business from a product prospective and has identified only one reportable segment in the year ended 31 December 2013, being the mining, processing and selling of uranium. There are no other unallocated operations.

Primary reporting – business segments

The segment information provided to the Chief Executive for the reportable segment is as follows:

	URANIUM	
	2013 $'000	2012 $'000
Revenue from external customers	356,139	396,629
Other revenue	14,005	26,220
Total segment revenue	370,144	422,849
Segment result	(186,541)	(254,785)
Income tax benefit	50,712	36,026
Profit for the year	(135,829)	(218,759)
Segment assets	1,627,561	1,826,275
Total assets	1,627,561	1,826,275
Segment liabilities	693,539	756,656
Total liabilities	693,539	756,656
Acquisitions of non-current assets	91,133	160,750
Depreciation and amortisation expense	232,169	243,651
Net loss on sale of property, plant and equipment	783	722

Other segment information

Segment revenue

The revenue from external parties reported to the Chief Executive is measured in a manner consistent with that in the income statement.

Revenues from external customers are derived from the sale of uranium. A breakdown of revenue and results is provided in the tables above. Segment revenue reconciles to total revenue from continuing operations as disclosed in Note 3.

The consolidated entity is domiciled in Australia. The result of its revenue from external customers in other countries is outlined in the table below:

	SEGMENT REVENUES FROM SALES TO EXTERNAL CUSTOMERS	
	2013 $'000	2012 $'000
Asia	63,044	58,894
United States	227,215	291,984
Europe	65,609	44,521
Total revenue	355,868	395,399

Segment revenues are allocated based on the country in which the customer is located.

Segment assets

The amounts provided to the Chief Executive with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment and other assets, net of provisions.

All assets of the consolidated entity as at 31 December 2013 are in Australia with the exception of inventories in transit or at converters of $69,727,008 (2012 – $55,973,835). All acquisitions of property, plant and equipment and other non-current assets occurred in Australia.

Segment liabilities

The amounts provided to the Chief Executive with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. Segment liabilities consist primarily of trade and other creditors, employee entitlements and provisions. The consolidated entity does not have any borrowings or derivative financial instruments as at 31 December 2013.

27 Reconciliation of loss after income tax to net cash inflow/(outflow) from operating activities

	2013 $'000	2012 $'000
Loss for the year	(135,829)	(218,759)
Add/(less) items classified as investing/financing activities:		
Net (gain)/loss on sale of non-current assets	783	722
Add/(less) non-cash items:		
Depreciation and amortisation	232,169	243,651
Non cash impairment charge	-	68,044
Rehabilitation provision: unwinding of discount	30,937	26,255
Employee benefits: share based payments	1,338	1,037
Net exchange differences	16	(2)
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	22,047	25,046
(Increase)/decrease in inventories	(14,848)	(107,408)
(Increase)/decrease in other assets	(1,789)	(135)
(Increase)/decrease in investment in trust fund	(1,912)	(2,829)
(Decrease)/increase in payables	(27,730)	20,004
(Decrease)/increase in current tax liabilities	-	3,698
(Increase)/decrease in net provision for deferred tax assets	(50,742)	(36,001)
(Decrease)/increase in provisions	(72,322)	(26,647)
Net cash inflow/(outflow) provided from operating activities	(17,882)	(3,324)

28 Earnings per share

	2013 CENTS	2012 CENTS
Basic earnings per share	(26.2)	(42.3)
Diluted earnings per share	(26.2)	(42.3)

Earnings used in the calculation of basic and diluted earnings per share: 2013: $(135,828,888) (2012: $(218,758,940))
Weighted average number of ordinary shares on issue used in calculation of basic earnings per share: 2013: 517,725,062 shares (2012: 517,725,062).

Options

Options granted to employees under the share-based payment plans are for options in Rio Tinto plc and Rio Tinto Limited. Therefore, the options have not been included in the determination of diluted earnings per share. Details relating to the options are set out in Note 32.

29 Financial risk management

ERA carries out risk management under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as written policies covering specific areas, such as mitigating interest rate and other risks, use of derivative and non-derivative financial instruments.

The Group's business is mining and not trading. Accordingly, the Group only contracts to sell uranium that it plans to produce, however purchasing uranium for resale may be required in circumstances where actual production falls short of contractual sales volumes. The Group operates entirely in Australia and is exposed primarily to Australian dollar denominated costs. Sales are denominated in US dollars.

Market risk

Foreign exchange risk

ERA markets its products internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. It is not Group policy to hedge against foreign exchange risk.

The Group's exposure to foreign currency risk at the reporting date was as follows:

	2013 USD $'000	2012 USD $'000
Trade receivables	10,873	35,738
Trade payables	283	896

Group sensitivity

At 31 December 2013, had the Australian Dollar weakened/strengthened by 10 per cent against the US Dollar with all other variables held constant, the change in trade receivables would have effected post-tax profit for the year by $853,185 higher/lower (2012: $2,399,099 higher/lower).

At 31 December 2013, had the Australian Dollar weakened/strengthened by 10 per cent against the US Dollar with all other variables held constant, the change in trade payables would have effected post-tax profit for the year by $20,634 higher/lower (2012: $58,624 higher/lower).

Commodity price risk

In the absence of uranium being traded on global futures exchanges, the Group uses a combination of both fixed and market price related contracts for future sales to manage this exposure. No financial instruments are used by the Group to manage commodity price risk.

Interest rate risk

The Group's main interest rate risk arises from cash on deposit. When cash is surplus to operational and investing requirements it is invested in lump sum deposits to maximise interest received. In addition, the Group is exposed to interest rate risk on cash in the investment trust fund.

Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Where customers are rated by an independent credit rating agency, these ratings are used to set credit limits. If no independent rating exists, the credit quality of the customer is subject to extensive assessment. Letters of credit and other forms of credit insurance are also used as required. Derivative counterparties, cash transactions and cash invested through the investment/trust fund are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

	2013 $'000	2012 $'000
TRADE RECEIVABLES		
AA	-	-
A	-	-
BBB	12,188	34,448
Other	-	-

Liquidity and capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group does not have a target debt to equity ratio, but has a policy of maintaining a flexible financing structure to be able to fund capital expenditure programmes, pay dividends and fund expansion opportunities as they arise. This policy is balanced against the desire to ensure efficiency in the debt/equity structure of the Group's balance sheet in the longer term through pro-active capital management programmes.

The Group currently has no debt and $357,207,723 of cash on hand or at call (Note 7). No debt covenants exist.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these amounts.

30 Parent entity financial information

Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2013 $'000	2012 $'000
Balance sheet		
Current assets	628,142	718,389
Total assets	1,627,561	1,826,275
Current liabilities	163,735	178,248
Total liabilities	693,539	756,656
Shareholders' equity		
Issued capital	706,485	706,485
Reserves		
Capital reconstruction	389,500	389,500
Share-based payments	1,033	801
Retained earnings	(162,996)	(27,167)
Profit or loss for the year	(135,829)	(218,759)
Total comprehensive income	(135,829)	(218,759)

(i) No guarantees have been provided by the parent entity.

(ii) The commitments for the parent entity are consistent with those reported in Note 22 for the consolidated entity.

31 Events occuring after the reporting period

No matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect the operations or state of affairs of the consolidated entity in subsequent financial years.

32 Share-based payments

ERA participates in a number of share-based payment plans administered by Rio Tinto plc and Rio Tinto Limited, which are described in detail in the Remuneration Report. These plans have been accounted for in accordance with the fair value recognition provisions of AASB2, 'Share-based Payment', which means that AASB2 has been applied to all grants of employee share-based payments that had not vested as at 1 January 2004.

Performance Share Plan

The Performance Share Plan (PSP) was revised in 2013 with details listed in the Remuneration Report.

The fair value awards granted under the PSP have been calculated at their dates of grant using a Monte Carlo valuation model which takes into account the Total Shareholder Returns (TSR) performance conditions. No forfeitures are assumed. The awards are accounted for in accordance with the requirements applying to equity-settled sharebased payments transactions.

A summary of the status of shares granted under the share plan at 31 December 2013, and changes during the year, is presented below:

	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	TRANSFERS IN/(OUT)	EXERCISED DURING THE YEAR	FORFEITED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXER-CISABLE AT END OF THE YEAR
CONSOLIDATED – 2013							
Rio Tinto Limited	14,536	9,613	(12,306)	-	-	11,843	3,300
Weighted average fair value at grant date	$62.99	$34.52	$50.90	-	-	$52.36	$75.81
Rio Tinto plc	979	-	-	-	-	979	574
Weighted average fair value at grant date	£34.25	-	-	-	-	£34.25	£36.35
CONSOLIDATED - 2012							
Rio Tinto Limited	9,972	4,079	561	-	(76)	14,536	-
Weighted average fair value at grant date	$70.91	$44.79	$52.08	-	$44.79	$62.99	-
Rio Tinto plc	2,899	727	(2,647)	-	-	979	-
Weighted average fair value at grant date	£34.31	£34.46	£34.38	-	-	£34.25	-

The weighted average share price at the date of exercise of rights to shares exercised during the year ended 31 December 2013 was Nil (no shares were exercised) (2012: Nil).

The weighted average remaining contractual life of rights to shares outstanding at the end of the period was 3 years (2012: 2 years).

Where shares are issued to employees of subsidiaries within the Rio Tinto Group, the subsidiaries compensate the parent for the amount recognised as expense in relation to these options.

Share Option Plan

The Share Option Plan was discontinued in 2013 and as such no awards were made. It is policy to settle these awards in equity, although the participants at their discretion can be offered a cash alternative. The awards are accounted for in accordance with the requirements applying to equity-settled share-based payment transactions. The performance conditions in relation to Total Shareholder Return have been incorporated in the measurement of fair value for these awards by modelling the correlation between Rio Tinto's (TSR) and that of the index. The relationship between Rio Tinto's TSR and the index was simulated many thousands of times to derive a distribution which, in conjunction with the lattice-based option valuation model, was used to determine the fair value of the options. Expected volatilities are based on the historical volatility of Rio Tinto's share return.

A summary of the status of options granted under the plan at 31 December 2013, and changes during the year, is presented below:

	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	TRANSFERS IN/(OUT)	EXERCISED DURING THE YEAR	FORFEITED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXERCIS-ABLE AT END OF THE YEAR
CONSOLIDATED – 2013							
Rio Tinto Limited	10,789	-	324	(3,730)	-	7,383	7,383
Weighted average exercise price	$40.01	-	$40.81	$41.70	-	$43.90	$43.90
Rio Tinto plc	1,186	-	-	-	-	1,186	1,186
Weighted average exercise price	£16.53	-	-	-	-	£16.53	£16.53
CONSOLIDATED - 2012							
Rio Tinto Limited	17,402	-	-	(6,613)	-	10,789	10,789
Weighted average exercise price	$33.67	-	-	$23.33	-	$40.01	$40.01
Rio Tinto plc	3,219	-	(2,033)	-	-	1,186	1,186
Weighted average exercise price	£16.53	-	£16.53	-	-	£16.53	£16.53

The weighted average share price at the date of exercise of options exercised during the year ended 31 December 2013 was $65.21 (2012: $67.53).

The weighted average remaining contractual life of share options outstanding at the end of the period was 0 years (2012: 0 years).

Where options are issued to employees of subsidiaries within the Rio Tinto Group, the subsidiaries compensate the parent for the amount recognised as expense in relation to these options.

Share Savings Plan

The Share Savings Plan was replaced with the MyShare Savings Plan in 2013, and as such no awards were made. Awards under these plans are settled in equity and accounted for accordingly. The fair value of each award on the day of grant was estimated using a lattice-based option valuation model, including allowance for the exercise price being at a discount to market price. A summary of the status of options granted under the plan at 31 December 2013, and changes during the year, is presented below:

	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	TRANSFERS IN/(OUT)	EXERCISED DURING THE YEAR	FORFEITED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXER-CISABLE AT END OF THE YEAR
CONSOLIDATED – 2013							
Rio Tinto Limited	38,446	-	(1,355)	(9,082)	(7,664)	20,345	3,434
Weighted average exercise price	$54.55	-	$54.40	$48.73	$61.25	$54.62	$59.26
CONSOLIDATED - 2012							
Rio Tinto Limited	51,255	-	(2,003)	(1,221)	(9,585)	38,446	13,435
Weighted average exercise price	$55.08	-	$59.28	$58.34	$55.91	$54.55	$53.64

The weighted average share price at the date of exercise of conditional grants of shares exercised during the year ended 31 December 2013 was $60.85 (2012: $68.39).

The weighted average remaining contractual life of share options outstanding at the end of the period was 1 year (2012: 2 years).

Where shares are issued to employees of subsidiaries within the Rio Tinto Group, the subsidiaries compensate the parent for the amount recognised as expense in relation to these options.

MyShare Savings Plan

The MyShare plan was introduced to all eligible staff members in 2013 and is described in the Remuneration Report. Awards under these plans are settled in equity and accounted for accordingly. The fair value of each award on the day of grant is set equal to the share price on the day of grant.

A summary of the status of options granted under the plan at 31 December 2013, and changes during the year, is presented below:

	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	TRANSFERS IN/(OUT)	EXERCISED DURING THE YEAR	FORFEITED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXER-CISABLE AT END OF THE YEAR
CONSOLIDATED – 2013							
Rio Tinto Limited	-	6,305	-	-	(51)	6,254	-
Weighted average exercise price	-	$56.41	-	-	$59.06	$56.39	-

The weighted average share price at the date of exercise of conditional grants of shares exercised regularly during the year ended 31 December 2013 was Nil.

The weighted average remaining contractual life of share options outstanding at the end of the period was 2 years.

Where shares are issued to employees of subsidiaries within the Rio Tinto Group, the subsidiaries compensate the parent for the amount recognised as expense in relation to these options.

Management Share Plan

The Management Share Plan was introduced in 2007 and is described in the Remuneration Report. The awards will be settled in equity including the dividends accumulated from date of award to vesting. The awards are accounted for in accordance with the requirements applying to equity-settled share-based payment transactions. The fair value of each award on the day of grant is set equal to share price on the day of grant. No forfeitures were assumed. A summary of the status of shares granted under the share plan at 31 December 2013, and changes during the year, is presented below:

	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	TRANSFERS IN/(OUT)	EXERCISED DURING THE YEAR	FORFEITED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXER-CISABLE AT END OF THE YEAR
CONSOLIDATED – 2013							
Rio Tinto Limited	14,939	8,048	(2,069)	(4,917)	-	16,001	-
Weighted average fair value at grant date	$71.01	$53.72	$63.45	$75.03	-	$61.68	-
Rio Tinto plc	2,544	85	-	(1,569)	-	1,060	-
Weighted average fair value at grant date	£38.67	£37.30	-	£37.30	-	£40.58	-
CONSOLIDATED - 2012							
Rio Tinto Limited	17,019	4,897	746	(6,965)	(758)	14,939	-
Weighted average fair value at grant date	$67.21	$58.83	$58.19	$52.01	$67.00	$71.01	-
Rio Tinto plc	10,431	1,505	(4,413)	(4,979)	-	2,544	-
Weighted average fair value at grant date	£30.02	£35.62	£37.75	£19.82	-	£38.67	-

The weighted average share price at the date of exercise of conditional grants of shares exercised regularly during the year ended 31 December 2013 was $68.07 (2012: $60.17).

The weighted average remaining contractual life of conditional grants of shares outstanding at the end of the period was 3 years (2012: 3 years).

The model inputs for conditional rights granted during the year ended 31 December 2013 included:

(a) rights are granted for no consideration and have a three year life
(b) exercise price: – (2012: –)
(c) grant date: 27 May 2013 (2012: 19 March 2012)
(d) expiry date: 14 February 2016 (2012: 19 March 2015)
(e) share price at grant date: $53.11 (2012: $65.85)

Where shares are issued to employees of subsidiaries within the Rio Tinto Group, the subsidiaries compensate the parent for the amount recognised as expense in relation to these options.

Bonus Deferral Plan

The Bonus Deferral Award was established for the mandatory deferral of a specific percentage of the Chief Executive's Short Term Incentive Plan bonus payment into Rio Tinto shares. The vesting of these awards is dependent only on service conditions being met. The awards will be settled in equity including the dividends accumulated from date of award to vesting. The awards are accounted for in accordance with the requirements applying to equity-settled share based payment transactions. The fair value of each award on the day of grant is equal to share price on the day of grant less a small adjustment for the timing of dividends vesting. No forfeitures are assumed.

	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	TRANSFERS IN/(OUT)	EXERCISED DURING THE YEAR	FORFEITED DURING THE YEAR	BALANCE AT END of THE YEAR	VESTED AND EXER-CISABLE AT END OF THE YEAR
CONSOLIDATED – 2013							
Rio Tinto Limited	1,265	1,149	(1,359)	(309)	-	746	-
Weighted average fair value at grant date	$69.35	$53.11	$55.57	$81.00	-	$53.11	-
CONSOLIDATED – 2012							
Rio Tinto Limited	292	973	-	-	-	1,265	-
Weighted average fair value at grant date	$81.00	$65.85	-	-	-	$69.35	-

The weighted average share price at the date of exercise of conditional grants of shares exercised during the year ended 31 December 2013 was $65.14 (2012: Nil).

The weighted average remaining contractual life of share options outstanding at the end of the period was 2 years (2012: 2 years).

Where shares are issued to employees of subsidiaries within the Rio Tinto Group, the subsidiaries compensate the parent for the amount recognised as expense in relation to these options.

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2013 $'000	2012 $'000
Share based payment expense	1,338	1,037

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 82 to 121 are in accordance with the *Corporations Act 2001* (Cth), including:

- (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2013 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable. Note 1 (a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive and the Chief Financial Officer required by section 295A of *Corporations Act 2001* (Cth). This declaration is made in accordance with a resolution of the directors.

P McMahon
Brisbane
7 February 2014

pwc

Independent auditor's report to the members of Energy Resources of Australia Ltd

Report on the financial report

We have audited the accompanying financial report of Energy Resources of Australia Ltd (the company), which comprises the balance sheet as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Energy Resources of Australia Ltd (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Auditor's opinion

In our opinion:

(a) the financial report of Energy Resources of Australia Ltd is in accordance with the *Corporations Act 2001,* including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 55 to 73 of the directors' report for the year ended 31 December 2013. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Energy Resources of Australia Ltd for the year ended 31 December 2013 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

John O'Donoghue
Partner

Melbourne
7 February 2014

Shareholder Information

Energy Resources of Australia Ltd is a for-profit company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised by Directors on 7 February 2014. The Directors have the power to amend and reissue the financial statements.

The shareholder information set out below was applicable as at 31 January 2014.

Distribution of equity securities

Analysis of numbers of registered equity security holders by size of holding:

	A CLASS ORDINARY SHARES			
	NUMBER OF SHARE-HOLDERS	% OF SHARE-HOLDERS	NUMBER OF SHARES	% OF ISSUED SHARES
1 – 1000	8,077	51.28	2,977,034	0.58
1,001 – 5,000	4,527	28.74	11,758,457	2.27
5,001 – 10,000	1,545	9.81	11,310,663	2.18
10,001 – 100,000	1,521	9.66	38,713,922	7.48
100,001 and over	80	0.51	452,964,986	87.49
	15,750	100.00	517,725,062	100.00

There were 4,879 holders of less than a marketable parcel of ordinary shares.

Equity security holders

The names of the twenty largest registered holders of quoted equity securities are listed below:

	NUMBER OF SHARES	% OF ISSUED SHARES
Peko Wallsend Ltd	177,535,718	34.29
North Limited	176,543,136	34.10
HSBC Custody Nominees (Australia) Limited	22,467,245	4.34
HSBC Custody Nominees (Australia) Limited	20,746,410	4.01
JP Morgan Nominees Australia Limited	16,747,463	3.23
Citicorp Nominees Pty Limited	12,121,141	2.34
National Nominees Limited	4,194,005	0.81
QIC Limited	1,365,554	0.26
Boda Investments Pty Ltd	868,572	0.17
Ganra Pty Ltd	651,429	0.13
UBS Nominees Pty Ltd	555,019	0.11
John E Gill Trading Pty Ltd	531,000	0.10
Ariki Investments Pty Limited	500,000	0.10
Brazil Farming Pty Ltd	500,000	0.10
BNP Paribas Noms Pty Ltd	486,153	0.09
Burleigh Heads Holdings Pty Ltd	475,000	0.09
ABN Amro Clearing Sydney Nominees Pty Ltd	404,542	0.08
Pages Super Pty Ltd	400,000	0.08
Merril Lynch (Australia) Nominees Pty Limited	390,994	0.08

Entitlements to vote

Subject to any rights or restrictions for the time being attached to any shares on a show of hands, every member present in person or by proxy or by attorney or by representative and entitled to vote shall have one vote.

On a poll, every member present in person or by proxy or by attorney or by representative shall have one vote for each share held by him/her.

Annual General Meeting

The next Annual General Meeting will be held at 10am on Wednesday 9 April 2014 in Darwin, Northern Territory, Australia.

Tax file numbers

Tax file numbers or exemption details are recorded from shareholders who wish to provide the information. Dividend advice statements, when issued to shareholders, indicate whether or not a shareholder's tax file number has been recorded. ERA normally pays fully franked dividends. In the event of an unfranked dividend being paid, ERA will be required to deduct tax at the top marginal rate from the dividend paid to shareholders resident in Australia who have not supplied a tax file number or exemption form.

Information on shareholding

Shareholders who require information about their shareholding or dividend payment should contact ERA's principal registry.

Shareholders who have changed their address should advise the change in writing to:

ERA Share Registry

Computershare Investor Services Pty Ltd
117 Victoria Street
West End QLD 4101
Telephone: +61 (0) 3 9473 2500
Facsimile: +61 (0) 3 9415 4000

Sponsored shareholders should note, however, that they should contact their sponsored broker to initiate a change of address.

2013 ASX Announcements

19 December 2013	Ranger processing plant incident - update
10 December 2013	Notification received from regulators
9 December 2013	Containment of tank failure - update
9 December 2013	Failure of tank and containment at Ranger mine
28 November 2013	Ranger 3 Deeps further exploration drilling results released
26 November 2013	Resignation & Appointment of Company Secretary
22 November 2013	ERA Financial Community Presentation October 2013
10 October 2013	September 2013 Quarter Operations Review
19 September 2013	Opening of Brine Concentrator at Ranger mine
16 September 2013	Financial Community Presentation September 2013
13 September 2013	ERA appoints new Chief Executive and Managing Director
30 August 2013	Ranger 3 Deeps First Exploration Drilling Results Released
1 August 2013	ERA 2013 Half Year Results Presentation
31 July 2013	ASX Interim Report 30 June 2013
31 July 2013	June 2013 Half Year Results
10 July 2013	June 2013 Quarter Operations Review
29 April 2013	Financial Community Presentation April 2013
10 April 2013	2013 Annual General Meeting - Results of Voting
10 April 2013	2013 AGM Chief Executive's Address
10 April 2013	2013 AGM Chairman's Address
9 April 2013	March 2013 Quarter Operations Review
21 March 2013	ERA and GAC complete independent review of surface water
13 March 2013	Ranger 3 Deeps mine environmental approval processes
5 March 2013	Annual General Meeting Proxy Form
5 March 2013	Notice of Annual General Meeting
5 March 2013	Annual Report to Shareholders
12 February 2013	Director Resignation
1 February 2013	Financial Community Presentation February 2013
31 January 2013	Annual Statement of Reserves and Resources
31 January 2013	ERA 2012 Full Year Results
24 January 2013	Ranger Mining Agreement Finalised
16 January 2013	ERA lodges Ranger 3 Deeps underground mine referral
10 January 2013	December 2012 Quarter Operations Review

Details of these announcements are available at *www.energyres.com.au*.

Ten Year Performance

YEAR ENDED 31 DECEMBER	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004[1]
Sales Revenue ($000)	356,139	396,629	651,381	572,283	768,297	496,359	357,080	312,698	262,036	236,270
Earnings Before Interest and Tax ($000)	(199,431)	(278,266)	(220,633)	47,726	374,737	317,957	108,012	68,745	65,452	42,773
Profit/(Loss) Before Tax ($000)	(186,541)	(254,785)	(206,340)	59,427	382,053	312,569	98,366	62,247	59,620	39,239
Income Tax Expense/ (Benefit) ($000)	(50,712)	(36,026)	(52,741)	12,423	109,479	90,784	22,277	18,640	18,554	2,193
Profit/(Loss) After Tax ($000)	(135,829)	(218,759)	(153,599)	47,004	272,574	221,785	76,089	43,607	41,066	37,046
Total Assets ($000)	1,627,561	1,826,275	1,948,972	1,423,396	1,359,131	1,170,409	985,353	869,350	864,162	862,875
Shareholders' Equity ($000)	934,022	1,069,619	1,288,536	951,076	966,574	758,926	606,021	552,491	539,764	509,819
Long Term Debt ($000)	-	-	-	-	-	-	-	-	-	-
Current Ratio	3.8	4.0	7.1	3.4	3.1	1.5	1.8	3.6	3.8	5.2
Liquid Ratio	2.3	2.9	6.0	2.1	2.2	0.8	1.0	2.1	2.3	3.1
Gearing Ratio (%)	-	-	-	-	-	-	-	-	-	-
Interest Cover (times)	-	(156.7)	(177.9)	47.8	33.5	5.6	7.79	6.3	6.5	4.7
Return on Shareholders' Equity (%)	(14.5)	(20.5)	(11.9)	4.9	31.6	29.2	13.1	8.0	7.6	7.3
Earnings Per Share (cents)	(26.2)	(42.3)	(29.7)[2]	24.6	142.9	116.3	39.9	22.9	21.5	19
Dividends Per Share (cents)	-	-	-	8.0	39.0	28.0	20.0	17.0	17.0	17.0
Payout Ratio (%)	-	-	-	32	27	24	28	74	80	88
Share Price ($) closing	1.26	1.27	1.23	11.13	23.89	19.00	19.50	20.80	10.02	6.59
Price-Earning Ratio	(4.81)	(3.00)	(2.54)	45.24	16.72	16.34	48.88	90.98	47.70	34.7
Dividend Yield (%)	-	-	-	2.96	1.42	1.47	1.03	0.82	1.70	2.58
Net Tangible Assets per Share ($)	1.80	2.07	2.49	4.99	5.07	3.98	3.20	2.90	2.80	2.67
No. of Employees	519	594	567	523	521	519	419	385	354	273
Profit After Tax per Employee ($000)	(264.8)	(374.5)	(270.9)	89.87	523.17	427.33	181.6	113.3	116.0	143.7
Ore Mined (million tonnes)	-	3.8	1.2	1.4	2.2	3.5	2.9	3.3	2.2	0.8
Ore Milled (million tonnes)	2.3	2.6	1.6	2.4	2.3	2.0	1.9	2.0	2.3	2.1
Mill Head Grade (% U_3O_8)	0.15	0.17	0.18	0.19	0.26	0.30	0.31	0.26	0.29	0.28
Mill Recovery (%)	84.8	86.2	87.9	87.2	88.3	88.2	88.2	87.5	88.3	88.8
Production (tonnes U_3O_8) – Drummed	2,960	3,710	2,641	3,793	5,240	5,339	5,412	4,748	5,910	5,137
Sales – Ranger Concentrates (tonnes U_3O_8)	2,767	2,665	3,258	4,373	5,497	5,272	5,324	5,760	5,552	5,024
Sales – Other Concentrates (tonnes U_3O_8)	48	558	1,908	653	–	–	–	–	136	581
Sales – Total (tonnes U_3O_8)	2,815	3,223	5,167	5,026	5,497	5,272	5,324	5,760	5,688	5,605

Note 1 Restated to comply with IFRS
Note 2 Post rights issue

Definition of statistical ratios

Current Ratio	=	current assets/current liabilities
Liquid Ratio foreign exchange	=	(current assets-inventory-prepayments-foreign exchange hedge asset on borrowings)/(current liabilities-bank overdraft – hedge liability)
Gearing Ratio	=	(long term debt + term creditors)/(shareholders' equity + long term debt + term creditors)
Interest Cover	=	earnings before interest and tax/interest expense
Return on Shareholders' Equity	=	profit after tax/average shareholders' equity
Earnings per Share	=	profit after tax/weighted average number of shares issued

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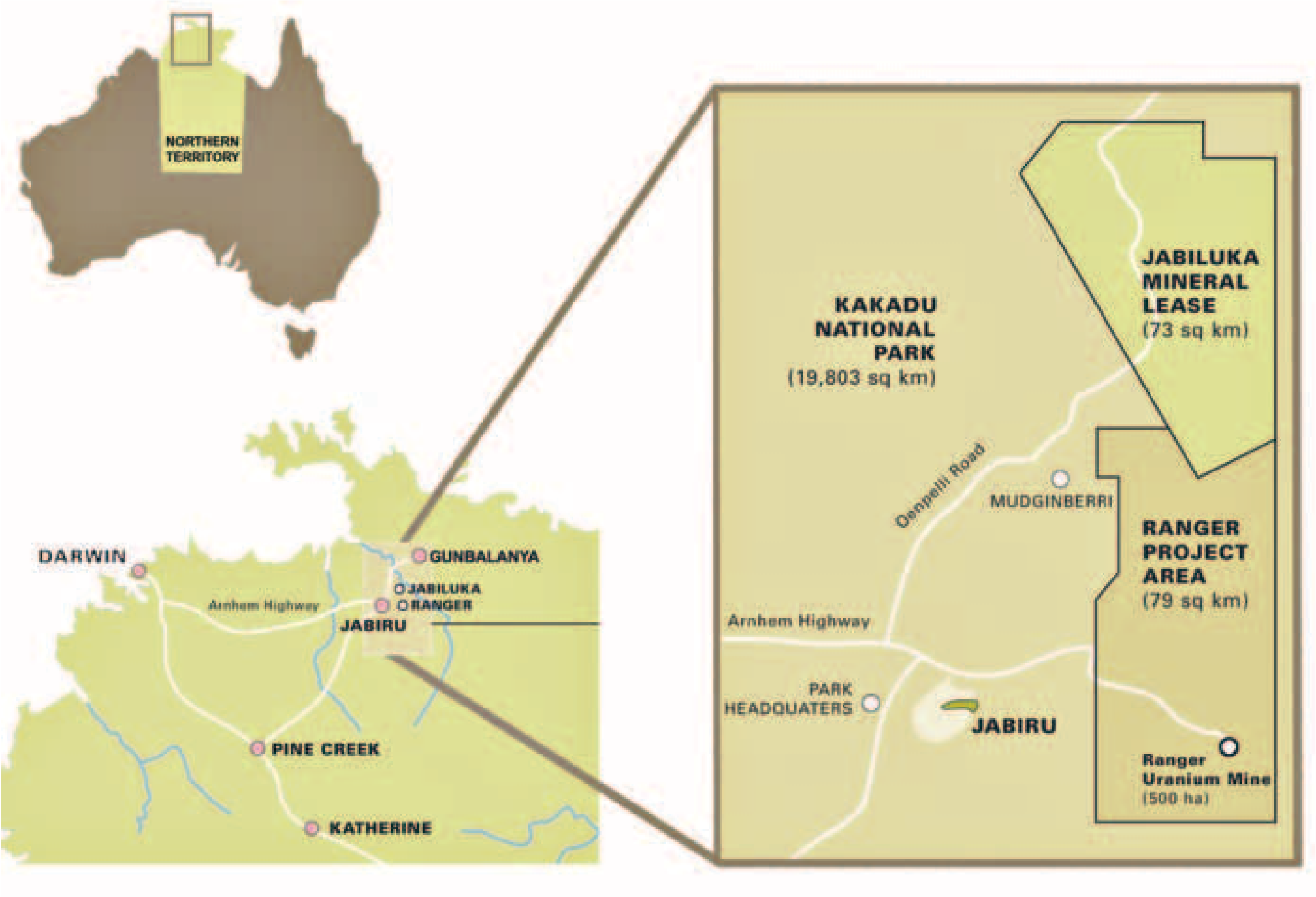
Corporate Directory



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