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CHAIRMAN'S ADDRESS

ANNUAL GENERAL MEETING

9 April, 2014

Good morning, ladies and gentlemen.

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

2013 was a year of continuing market challenges, operational achievements, a leadership change and towards the end of the year, an unfortunate incident when a leach tank failed at Ranger. While we have come through a difficult period in 2013, your Board remains confident of an eventual recovery in the uranium market and is doing all it can to position this business, through the focus on Ranger 3 Deeps, for such a recovery.

This morning, I wish to focus my comments on four key matters.

The first is the recovery of the Ranger processing plant to allow for a timely restart following the leach tank incident.

Secondly, I have some comments on the uranium market outlook.

Thirdly, I wish to note the major events and achievements of 2013, and finally, I wish to make some comments on the Company's financial position.



1. RESTART OF OPERATIONS

The failure of the leach tank in December caused the release of a slurry, which is a mixture of ore and acid, into the on-site containment systems which captured the slurry as they are designed to do. The radioactivity of the slurry was low and well within levels that are not harmful to humans.

No material escaped into Kakadu National Park and ongoing monitoring has confirmed that there has been no impact on areas outside our operations.

There were no injuries to our employees or contractors as a result of the leach tank failure.

ERA suspended its operations and also received notification from the Northern Territory Department of Mines and Energy and the Commonwealth Minister for Industry to suspend processing and not to recommence without regulatory approval.

Subsequently ERA commissioned an independent investigation to assess why the tank failed and to review the structural integrity of the rest of the plant.

ERA has recently confirmed that the work to dismantle and remove Leach Tank 1 and its associated infrastructure from the Ranger processing area is now complete.

The investigation commissioned by ERA into the failure of Leach Tank 1 is also complete. The investigation was undertaken in two phases and was led by independent experts with experience in major incident investigation and asset integrity and maintenance respectively.



Findings from the first phase of the investigation show that the rubber lining inside leach tank 1, which protects the tank structure from corrosion, had been damaged as a result of wear from a failed baffle near the bottom of the tank.

During the second phase of the investigation, an independent expert assessed the condition of critical assets at the processing plant and also the asset maintenance strategies associated with those assets.

The review has been extremely rigorous. It considered more than 8,800 assets and classified 1,138 of these items as critical assets.

The report has made a number of recommendations on steps ERA should take prior to any restart which would satisfy the Board and management of the integrity of Ranger's processing plant.

Seven critical actions were recommended to be completed prior to the restart of processing. All of these related to inspections and thickness testing of leach tanks and other processing plants.

The ERA Board has now approved a scope of work to bring the processing plant to readiness for restart.

The restart of processing operations remains subject to the receipt of regulatory approvals. The relevant authorities include the Commonwealth Minister for Industry and the Executive Director of the Department of Mines and Energy in the Northern Territory.



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The scope of work to bring the site to readiness for restart is in line with the independent asset integrity and maintenance review of the Ranger processing plant commissioned by the Company. The scope of work is scheduled to be completed in April 2014.

In addition to the recommendations of the asset integrity and maintenance review, the scope also incorporates work identified by ERA's own risk assessment activities and includes the rectification of process plant infrastructure that was damaged when Leach Tank 1 failed.

Our investigation is separate to regulatory reviews. ERA continues to work with members of the government-appointed taskforce in order to satisfy the taskforce's terms of reference in a timely manner.

While processing did stop in December 2013, sales have continued. ERA built a large inventory of uranium oxide in 2013 and has sufficient inventory to meet all sales commitments in the first half of 2014. We are currently evaluating a range of alternatives to meet sales commitments in the second half of 2014. The outcome of this work and the quantities involved will depend on the timing of the restart of processing operations.

ERA is properly subject to detailed scrutiny at our operations. The important thing from your Board's perspective was that the Company worked quickly and transparently to show there were no external impacts and that the containment system did what it was intended to do. We have conducted a rigorous review and are implementing all the recommendations from the asset integrity and maintenance review.

The Board and management understand the importance of restoring confidence in the safety and environmental performance of the Ranger mine. Our objective



is to give the community confidence that we have taken this incident seriously and that we intend to take all appropriate steps to rectify the situation.

2. URANIUM MARKET OUTLOOK

I would now like to comment on some of the factors influencing the uranium market at present.

Key factors in the subdued uranium market have been the lack of a restart of Japanese reactors, which is subject to political trends, and production from Kazakhstan which has been high given the low demand environment globally.

The speed with which the Japanese Government brings its reactor fleet back online as well as development of new nuclear plants in China is being assessed by industry analysts.

There is a consensus that the near term outlook will continue to be driven by the timing of Japanese restarts, until which time it is likely the uranium price will remain at low levels.

In the medium term the outlook is a little more positive with new reactor builds expected to drive demand and current low prices preventing any new supply being developed.

The current low spot price for uranium has rendered many potential mining operations uneconomic. We have seen this lead to the reconsideration of some existing operations.

Nuclear power generation will play a role in reducing the world's carbon emissions. According to the World Nuclear Association nuclear power provides 11% of the world's electricity and 21% of the OECD's electricity. It points to the World Energy Outlook highlighting the importance of nuclear power in meeting



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energy needs while achieving security of supply and minimising carbon dioxide emissions.

There is ongoing development of new nuclear plants in China, South Korea, the USA, United Arab Emirates, France, Russia, Turkey, Finland, India and the United Kingdom.

This translates into an estimated 40 to 50 nuclear plants that are being planned for development this decade.

ERA believes that as demand and supply come back into alignment the cycle will turn, driven by these market fundamentals and the high reliability and low carbon emissions of nuclear power.

Despite the challenges we have had to contend with, the ERA Board and executive team remain focused on ensuring that ERA is repositioned to once again become a leading supplier of uranium.

3. EVENTS AND ACHIEVEMENTS

2013 has been a period of change for ERA. One significant milestone was the change of ERA's Chief Executive.

Our previous Chief Executive Rob Atkinson moved on to a senior management role within Rio Tinto.

I would like to thank Rob for his valuable and dedicated service to the company during his five year tenure.

We welcome Andrea Sutton, who joined ERA as Chief Executive in September 2013.

The change of Chief Executive was just one of many milestones which shaped the year that was 2013.



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Last year saw ERA continue the progressive rehabilitation of the Ranger Project Area, and complete the Integrated Tailings, Water and Closure Study, which has confirmed the timing and technology necessary to deliver the rehabilitation plan.

We have made strong progress on the rehabilitation of the Interim Water Management Pond at Jabiluka.

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.

We worked with the Gundjeihmi Aboriginal Corporation, which represents the Traditional Owners, on an independent surface water working group.

We took a further step to improve the management of process water at the Ranger site, with the construction of a Brine Concentrator.

ERA's Ranger 3 Deeps exploration decline project made significant progress in 2013, while the business continued working on the \$57 million Prefeasibility Study into the potential development of a Ranger 3 Deeps underground mine.

We continue to be a significant social and economic contributor to the Northern Territory. Last year ERA royalty payments totalled \$18.4 million. Our royalties represent 5.5 per cent of net sales revenue from Ranger mine production.

The equivalent of 4.25 per cent of Ranger sales revenue was disbursed to Northern Territory-based Aboriginal corporations, including the Gundjeihmi Aboriginal Corporation, which represents the Mirarr Traditional Owners.

A further 1.25 per cent paid to the Commonwealth is distributed to the Northern Territory Government.



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We are also proud to be a major employer with more than 500 employees and contractors and we are a leading employer of indigenous people in the Northern Territory and the principal employer in the West Arnhem region.

4. FINANCIALS

During 2011 ERA completed an entitlement offer to raise approximately \$500 million, with a view to use the offer to fund: the construction of a Brine Concentrator for \$220 million and other water management initiatives; the construction of the Ranger 3 Deeps exploration decline and associated exploration drilling; Ranger 3 Deeps evaluation studies; and an expanded exploration program.

The significant cash raised during this entitlements issue has allowed ERA to meet its strategic objectives.

As at 31 December 2013 ERA's cash balance was \$357 million, which will allow ERA to continue to meet its strategic goals into the future, including the construction of the Ranger 3 Deeps exploration decline and associated exploration drilling, and Ranger 3 Deeps evaluation studies.

Our 2013 financials reflect the fact that we were processing ore stockpiles.

For the year ended 31 December 2013, ERA's net loss after tax was \$136 million, which compares to \$219 million in 2012. Our improved earnings compared to 2012 reflect the fact that we had no purchases of uranium oxide in 2013 and mining operations focused on the Pit 3 backfilling and we had reduced non-cash costs. These factors were partially offset by reduced sales revenue and the finished goods inventory adjustment to record it at its net realisable value.



During 2013, sales of uranium oxide were 2,815 tonnes, compared to 3,223 tonnes last year. Revenue from the sale of uranium oxide was \$356 million in 2013, which compares to \$395 million in 2012.

Sales of uranium oxide are denominated in US dollars. As a result the weakening of the Australian dollar had a favourable impact on our results.

Total cash costs were significantly lower than 2012 and the main reason for that was 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 were achieved because of our reduced employee and contractor numbers, a strong focus on raw material and consumable optimisation, and the rationalisation of corporate and overhead costs.

Non-cash costs associated with depreciation have decreased during the year. This is the result of a lower asset core base in 2013 combined with reduced production levels. A large portion of the depreciation is based on the units of production method.

Capital expenditure decreased during the year to \$91 million, compared to \$161 million in 2012. Most of this capex related to the construction of the process water Brine Concentrator, which was officially opened in September.

Summary

In summary, initiatives such as the Brine Concentrator and Ranger 3 Deeps are important elements intended to place ERA in a good position for the medium term recovery of the uranium market.



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In closing I would like to say that ERA's objective is to fully recover momentum following the leach tank incident, as it prepares for a future as an underground miner with a significantly smaller environmental footprint and able to contribute valuably to the global energy market as well as the local economy.

I would like to express my appreciation to all of the ERA team for their efforts during what has been a challenging year.

I will now hand over to the Andrea Sutton to address you further on ERA's operational performance.