ANNUAL REPORT 2015

ERA

2015 YEAR IN REVIEW

Produced 2,005 tonnes and sold 2,183 tonnes of uranium oxide.

Refer to page 7 and page 10 for further detail ▶

$72 million in positive cash flow, $365 million cash at bank.

Refer to page 7 for further detail ▶

Net loss after tax $275 million.

Refer to page 7 for further detail ▶

$405 million spent on rehabilitation and water management since 2012.

Refer to page 28 for further detail ▶

Commissioning of the dredge to transfer tailings from Tailings Storage Facility.

Refer to page 11 for further detail ▶

Ranger 3 Deeps Mineral Resource upgrade to 43,858 tonnes of contained uranium oxide.

Refer to page 16 for further detail ▶

Ranger 3 Deeps Project deferred following completion of Prefeasibility Study.

Refer to page 13 for further detail ▶

Revegetation works at Jabiluka complete with 16,000 plants over 10 years planted.

Refer to page 32 for further detail ▶

Capping of Pit 1 80% complete.

Refer to page 12 for further detail ▶

Female employment participation rate 17%, Indigenous participation rate 13%.

Refer to page 33 for further detail ▶

Process Safety Improvement Action Plan implemented.

Refer to page 10 for further detail ▶

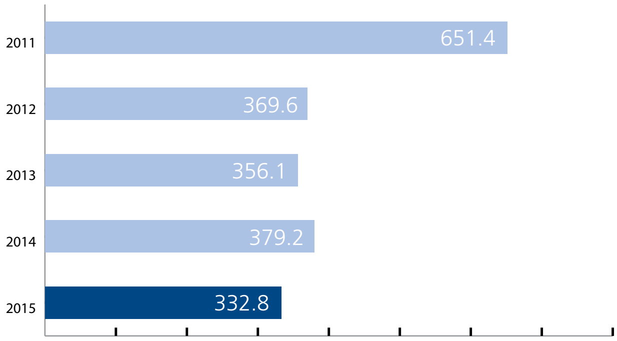
Return to service of critical assets progressed.

Refer to page 10 for further detail ▶

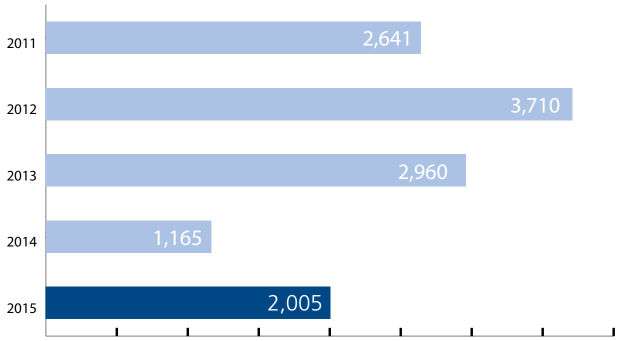
◀ ERA Processing Technician Kevin Horace checks over drummed uranium oxide before it is shipped to customers

2015 YEAR IN REVIEW

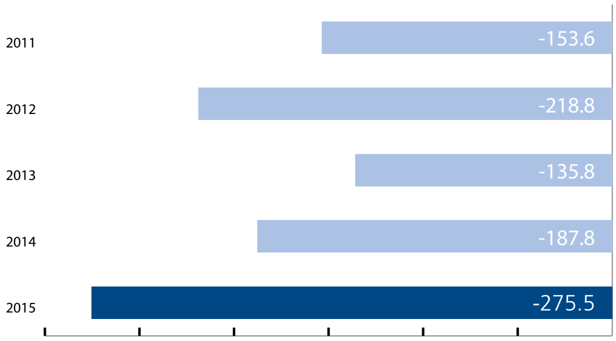
Sales Revenue ($M)



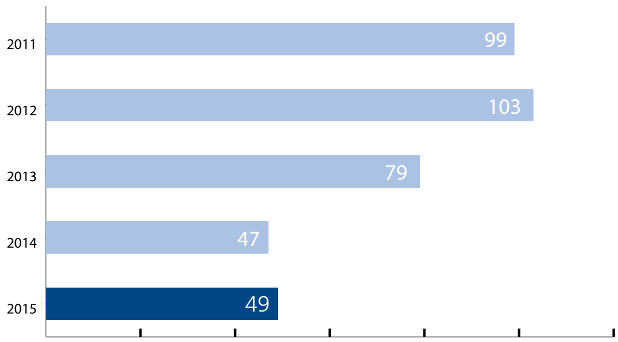
Drummed Production Tonnes (t)



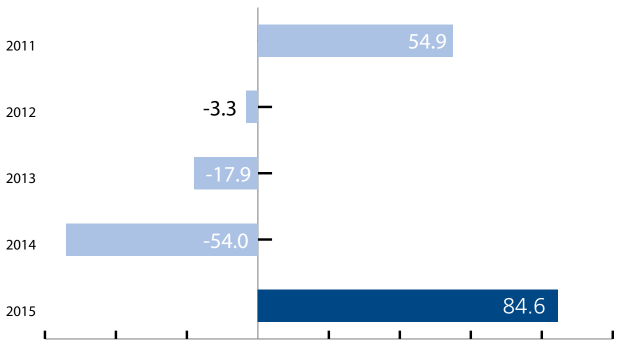
Net Profit After Tax ($M)



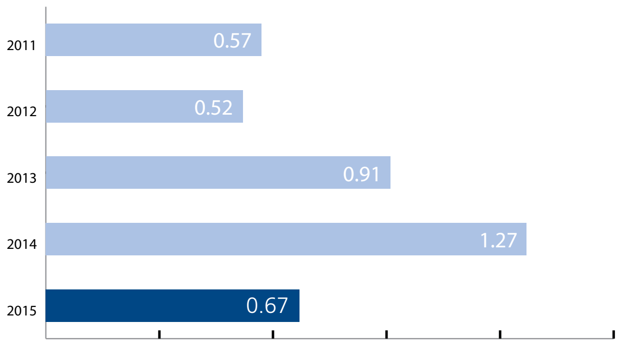
Indigenous Employees (FTE's)



Operating Cashflow ($M)



All Injury Frequency Rate (per 200,000 hrs worked)



CONTENTS

COMPANY OVERVIEW

Energy Resources of Australia Ltd (**ERA**) operates the Ranger uranium mine in the Northern Territory of Australia. As Australia's longest continually operating uranium producer, ERA has been reliably supplying customers for more than three decades.

Located eight kilometres east of Jabiru and 260 kilometres east of Darwin, the 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, the Jabiluka deposit will not be developed by ERA without the approval of the Mirarr Traditional Owners.

Ranger has produced in excess of 120,000 tonnes of uranium oxide (U_3O_8) in the 33 years since it began production.

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. In addition, 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.

ERA is currently processing stockpiled ore following the completion of open cut mining in 2012.

ERA has a sales and marketing agreement with Rio Tinto Uranium pursuant to which ERA's product is sold to international power utilities under strict international and Australian Government safeguards which ensure that Australian uranium is only used for peaceful purposes.

ERA is committed to strong environmental management practices and is continuing progressive rehabilitation of the Ranger Project Area as well as rehabilitation of the Jabiluka site.

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

Acknowledgement

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

ERA is committed to strong environmental management practices and is continuing progressive rehabilitation of the Ranger Project Area as well as rehabilitation of the Jabiluka site.

In 2015, nuclear energy as a low carbon emission source of energy has been firmly put on the agenda in Australia and globally.

PETER MANSELL
CHAIRMAN

CHAIRMAN'S REPORT

I was very pleased to be appointed as the Chairman of the Board of Energy Resources of Australia in late 2015. On behalf of the Board, I would like to acknowledge the five Board members who resigned during the year and thank all of them for their different, but valuable contributions.

The newly constituted Board must now, as a matter of priority, review the business and set the direction and strategy for ERA for the medium to long-term and optimise short-term cash flow. Notwithstanding the decisions announced during the year by the major shareholder Rio Tinto and the Mirarr Traditional Owners not supporting the expansion of the Ranger Mine to an underground operation at this time, the ERA Board has a responsibility to all stakeholders to find a path forward for ERA that maximises shareholder value.

In 2015, nuclear energy as a low carbon emission source of energy was firmly put on the agenda in Australia and globally.

South Australia's Nuclear Fuel Cycle Royal Commission has been a platform to frame the public debate on the future of nuclear energy and uranium mining. A great deal of information, from many differing viewpoints, was presented. The final report and recommendations of the Royal Commission are due to be published by May 2016.

In late 2015, the Prime Minister Malcolm Turnbull, Environment Minister Greg Hunt and Foreign Minister Julie Bishop attended the United Nations Conference on Climate Change in Paris and reinforced their commitment to Australia playing its part in combating climate change. The Prime Minister has been vocal in his support for Australia's uranium export industry to continue to be part of the global energy supply chain mix.

Nuclear energy, as a key component of the global clean energy strategy, addresses the needs of energy security, affordability and low carbon emissions. Large economies, such as China, India and Argentina are increasingly turning to nuclear as part of their future energy supply to provide secure, low carbon electricity on a large scale.

As one of only three uranium mines currently producing in Australia and one with large resources, ERA is in an enviable position to capitalise on the changing sentiment towards nuclear energy and the gains in nuclear technology which have been made as part of the global effort to address climate change.

ERA has a long history of safe operation of its mine and care for the environment. Over the decades it has made significant social and financial contributions, not only to the West Arnhem community, but also the wider Northern Territory and shareholders.

Throughout its operating history, ERA has held and demonstrated a strong commitment to progressive rehabilitation of its sites, details of which are in this Annual Report. Since 2012, ERA has spent more than $405 million on rehabilitation and water management projects, of that $27 million was spent during 2015. The Board will ensure that the Company fulfils its rehabilitation responsibilities consistent with best practice technology and to the satisfaction of all relevant stakeholders.

The Board's aim is to continue to work with stakeholders such as the Northern Territory and Commonwealth Governments, the Mirarr Traditional Owners, their representatives the Gundjeihmi Aboriginal Corporation, shareholders and other key recognised stakeholders to reach a suitable long-term positive outcome for all.

Peter Mansell
Chairman

ERA ended the year with an all injury frequency rate of 0.67. This has been a solid improvement and shows the efforts and focus of the team.

ANDREA SUTTON
CHIEF EXECUTIVE

CHIEF EXECUTIVE'S REPORT

2015 has been a challenging year for ERA in a number of respects. Before I turn to our operational performance let me begin, as always, with safety.

The health and safety of the ERA team, service providers and community and the protection of the local environment continue to be underlying core values within the business.

ERA ended the year with an all injury frequency rate of 0.67 per 200,000 hours worked. This has been a solid improvement and shows the efforts and focus of the team.

Two key areas which we have focused our safety campaigns on this year have been process safety and communication and engagement to build a stronger health and safety culture within the business.

The Process Safety Improvement Action Plan has resulted in improved identification and monitoring of process safety hazards and risks at Ranger and focuses on health and safety leadership and critical risk management. There has also been a renewed focus on asset integrity with on-going testing of key plant infrastructure and preventative maintenance. Four leach tanks out of the original seven are back in use with work continuing on returning an additional leach tank to service.

Although critical assets were still being returned to service during the year, the processing of low-grade stockpiles yielded excellent results for the Company. The processing team delivered an impressive 2,005 tonnes of uranium oxide which was at the higher end of the 2015 guidance.

Production guidance for 2016 is between 1,900 and 2,300 tonnes.

During the year, the Board made the difficult decision that the Ranger 3 Deeps project should not proceed to Final Feasibility Study in the current operating environment. Following that announcement by the Company, the Ranger 3 Deeps Exploration Decline was placed on care and maintenance.

As announced by ERA to the ASX in October, the Gundjeihmi Aboriginal Corporation has formally advised that the Mirarr Traditional Owners do not support an extension to the Ranger Authority. ERA respects the decision of the Traditional Owners and is undertaking a review of its business in light of this decision. The outcome of the review will be announced in the first half of 2016.

ERA holds assets in the Ranger stockpiles, the Ranger 3 Deeps resource and the Jabiluka Mineral Lease.

ERA has reached a number of milestones in progressive rehabilitation in 2015. The final phase of the revegetation project at Jabiluka was completed, bringing the total planting of seedlings on the site to some 16,000 over a decade. This work was completed in close consultation with the Mirarr Traditional Owners.

This year, the rehabilitation of Pit 1 also made good progress with its conversion from a process water to a pond water catchment. When compared to process water, pond water needs less treatment before it is discharged to the external environment.

Capping on Pit 1 progressed with the final layers of laterite being placed over the preload before waste rock is deposited so a revegetation programme can commence.

ERA is taking an innovative approach to the rehabilitation of Pit 3 which was depleted in 2012. A system of injection bores have been installed from the surface of the pit to receive brine from the brine concentrator. Pit 3 began to receive tailings directly from the mill through a pipeline from the plant.

An important aspect of the rehabilitation work for which ERA is responsible at Ranger involves water and tailings management. A key milestone was the launch and successful commissioning of the custom built dredge on the Tailings Storage Facility. The 27 metre long vessel is designed to dredge tailings from the Tailings Storage Facility and deposit them into Pit 3.

Engagement on closure criteria for the mine and associated infrastructure continues with key stakeholders, including the Northern Territory and Commonwealth governments and Traditional Owners.

As noted above, the year has been a challenging one for ERA. We enter 2016 with a newly reconstituted Board looking to the future.

Lastly, I would like to take this opportunity to thank the employees for their hard work in 2015, and their continued commitment to ERA.

A Sutton

Andrea Sutton
Chief Executive

2016 OBJECTIVES

The Company's objective is to continue to produce uranium oxide safely, while protecting the environment and contributing to the global energy market and local economy and enhancing shareholder value.

Area	Objectives
Health, Safety and Environment	Committed to the goal of zero harm • Complete all actions under the Process Safety Improvement Action Plan • Focus on strong safety leadership development • Progressively implement the Critical Risk Management programme at Ranger • Demonstrate a sound understanding of critical risk profiles within the organisation and monitor using the Critical Control Management Plan • Continue to protect the World Heritage listed Kakadu National Park through effective risk assessment and environmental management plans
Financial	Maximise cash generation and shareholder value • Continue to identify savings and cash generation opportunities • Maximise operational efficiencies and cost savings • Continue to maintain optionality of Ranger 3 Deeps and Jabiluka • Finalise and implement the outcomes of the strategic business review
Operations	Economically produce uranium from stockpiled ore while integrating rehabilitation activities • Maximise production of uranium oxide • Optimise availability and throughput of Brine Concentrator • Actively monitor the integrity of the processing plant and operating assets
Rehabilitation and Closure	Continue progressive rehabilitation of the Ranger Project Area • Dredging of the Tailings Storage Facility • Determine closure criteria through the Closure Criteria Working Group • Continue revegetation work on disturbed land
Communities and Government	Develop a shared understanding and strengthen relationships with key stakeholders • Actively engage with the representatives of the Mirarr Traditional Owners, the Gundjeihmi Aboriginal Corporation, to achieve mutually beneficial outcomes for the Company, the Traditional Owners and shareholders • Engage with governments and their agencies to ensure timely outcomes on the Company's objectives • Ongoing implementation of the objectives of the Ranger Mining Agreement including business development, training and land management • Seek to determine the long term future of Jabiru with governments, Traditional Owners and stakeholders
People	Foster a safe, capable, committed and diverse workforce • Continue to grow diversity of the ERA workforce • Continue to grow regional training and development programme • Provide leadership and development opportunities for the workforce

OPERATING AND FINANCIAL REVIEW

Financial performance

This year saw many financial achievements for ERA, with a number of key milestones reached.

ERA continued to generate cash flow from its operations and, for the first time since 2009, with reduced non-operating expenditure, the Company's overall cash resources increased (excluding the 2011 rights issue). This improvement was the result of a determined focus on maximising cash flow from the production of uranium oxide from stockpiles, reduced exploration expenditure, completion of key rehabilitation milestones and favourable foreign exchange.

ERA increased its cash balance by $72 million during 2015, ending the year with $433 million in total cash resources and no debt. Total cash resources consist of $365 million in cash at bank and $68 million of cash held on deposit by the Commonwealth Government as part of the Ranger Rehabilitation Trust Fund.

ERA's 2015 earnings before interest, tax, depreciation and amortisation was $24 million, compared with a loss of $164 million in 2014.

ERA recorded a net loss after tax of $275 million compared to a net loss after tax of $188 million in 2014. This was negatively impacted by ERA recording a non-cash charge for the write down of deferred tax assets of $197 million at half year.

The non-cash charge for the write down was undertaken as a result of the Board decision in June not to progress the Ranger 3 Deeps project to Final Feasibility Study in the current operating environment. As a result of this decision, ERA considered that its carried forward tax losses no longer satisfied the recognition criteria under the Australian Accounting Standards.

REVENUE

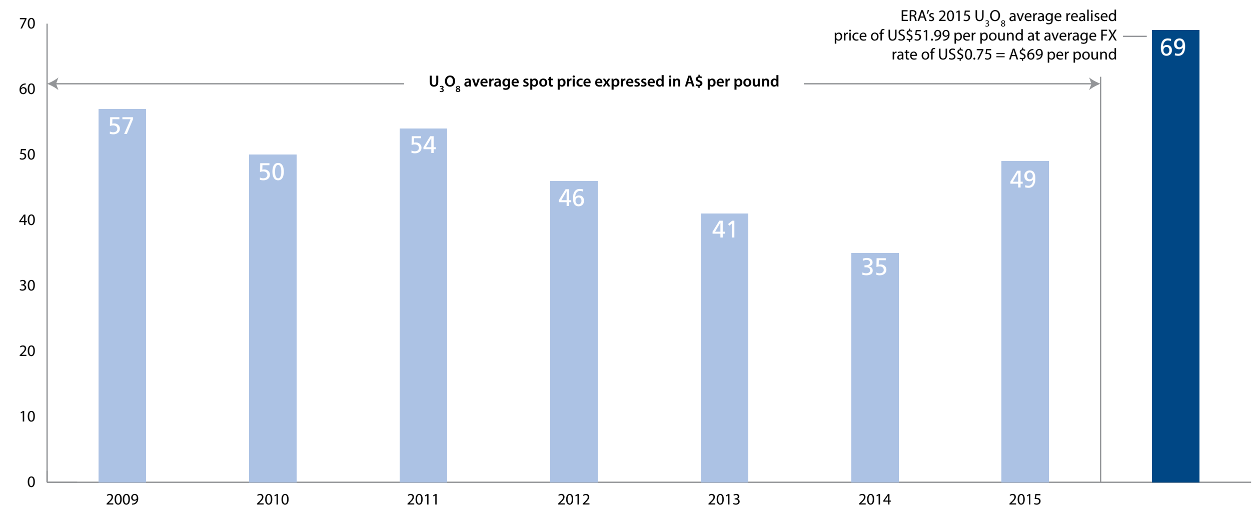
Revenue from the sale of uranium oxide was lower than 2014 at $332.7 million. Despite achieving an average realised price well in excess of the average spot price in 2015 and favourable movements in the USD/AUD exchange rate, reduced sales volume impacted overall revenue.

Sales volume for 2015 was 2,183 tonnes of uranium oxide compared with 3,148 tonnes for 2014.

ERA's average realised sales price has tracked the long-term price index for uranium oxide in 2015. The average realised sales price which ERA received for uranium oxide in 2015 was US$51.99 per pound compared to US$49.50 in 2014. This compares favourably against the average spot price for 2015 of US$36.86 per pound.

Uranium oxide sales are denominated in US dollars. Therefore the weakening of the Australian dollar was beneficial to ERA. The average USD/AUD exchange rate during the year was US$0.75, compared with US$0.91 for 2014.

MARKET URANIUM PRICES EXPRESSED IN AUSTRALIAN DOLLAR TERMS ARE AT THEIR HIGHEST SINCE 2011



	2009	2010	2011	2012	2013	2014	2015
U_3O_8 average spot price (US$ per pound)	46	47	56	48	38	32	37
Average FX rate (AUD/USD)	0.80	0.93	1.04	1.05	0.94	0.91	0.75
U_3O_8 average spot price (A$ per pound)	57	50	54	46	41	35	49

* Rounding differences may occur

OPERATING AND FINANCIAL REVIEW

OPERATING COSTS

Cash costs for 2015 were significantly lower than 2014, due to the elimination of the requirement to purchase uranium oxide (2014: $67 million), an ongoing focus on cash preservation, a favourable exchange rate, reduced exploration and evaluation expenditure and favourable movements in consumable input prices.

The Company's cash generation programme continued to identify further opportunities for savings and efficiency improvements across the business in 2015. Work on pursuing additional opportunities will continue in 2016.

Favourable input costs were achieved through ongoing re-negotiation of procurement contracts and continued internal challenge on process improvement, ensuring the operation maximises value from expenditure.

CAPITAL EXPENDITURE

Capital expenditure for 2015 of $12 million was consistent with the previous year (2014: $12 million). The 2015 year saw capital expenditure directed at the completion of the remaining water management infrastructure and targeted sustaining capital.

REHABILITATION

Progressive rehabilitation continued with expenditure of $27 million incurred. Expenditure was primarily associated with the construction and commissioning of the dredge and associated infrastructure necessary to relocate the tailings stored in the Tailings Storage Facility for final deposition in Pit 3. Key infrastructure to enable brine injection into the bottom of Pit 3 was also engineered during the year.

▲ Senior Supervisor Water Transfer, Sandip Ramani

OPERATING AND FINANCIAL REVIEW

▲ Maintenance Trade Apprentice Dane Warhurst and Superintendent Darren Fairman in the Ranger Power Station

CASH GENERATION CASE STUDIES

Camp removal saves cash

A review was performed in 2015 to optimise and rationalise the Company's camp accommodation. As an outcome to the review, a project was implemented to remove more than two-thirds (242 rooms) of the accommodation at the Ranger Mine Village personnel camp, as well as the mess, all of which were incurring significant rental and operating costs, and were in need of maintenance. This decision required the establishment of a shuttle service to allow the remaining 100 room tenants to access ERA's mess in Jabiru, with appropriate scheduling to ensure the kitchen would operate effectively.

The costs to demobilise the camp were also minimised by selecting a contractor with an innovative approach that enabled the sections of the camp to be removed over a two month period.

All work was completed safely, on time and on budget and resulted in considerable cost savings in rental, operating and maintenance costs as well as cost avoidance for removal.

Power station generates savings

The main diesel power station at Ranger has five 5 megawatt diesel Pielstick engines which supply electricity to the Ranger mine site and the township of Jabiru. At peak times power demand of up to 13.5 megawatts is experienced.

A team of ERA technicians developed and implemented a strategy to overcome compatibility issues between a smaller, highly efficient 2 megawatt DA6 Cummins generator at Ranger and the main power station. The team worked through technical challenges to allow effective integration of the DA6 Cummins and the 5 megawatt Pielsticks which run at different speeds.

The team base-loaded the smaller, more fuel efficient and lower maintenance DA6 generator into the main power station and integrated it with the larger Pielstick engines. With effective integration, the lower cost DA6 is now the highest priority generator to run.

The result is that the DA6 generator's run hours increase, while the Pielsticks' run hours reduce which provides a lower cost outcome for power generation at Ranger.

OPERATING AND FINANCIAL REVIEW

Operations

This year was a successful one for operations at Ranger. The team was focused on the continued safe return of critical assets to service, the continued roll out of the Process Safety Action Improvement Plan and the optimisation of production of uranium oxide.

Total production of 2,005 tonnes of uranium oxide for the year was at the higher end of the range of published guidance of between 1,600 tonnes and 2,200 tonnes.

PROCESS SAFETY IMPROVEMENT ACTION PLAN

Following the failure of Leach Tank 1 in December 2013, a 24 month roadmap was set out to improve process safety at Ranger. On behalf of the Australian and Northern Territory Governments, Noetic Risk Solutions Pty Ltd (**Noetic**) and other independent organisations undertook an investigation and made recommendations to improve the standard of safety in the processing plant area of the mine. Noetic is participating in ongoing regulatory oversight of the Process Safety Improvement Action Plan's implementation and completed a further four visits to Ranger to track progress during the year.

Substantial progress was made during the year in implementing the Process Safety Improvement Action Plan.

Areas of focus have been the identification of process safety hazards and the identification and understanding of the effectiveness of the critical controls in managing the hazards.

ERA has two main processes to check the effectiveness of critical controls. First are the self-assessments carried out by those who are accountable for implementing controls, known as Process Safety Hazard Control Effectiveness monitoring. The second are Critical Control Monitoring Plans which are undertaken by senior leaders.

Key initiatives were introduced in 2015 as part of the Process Safety Improvement Action Plan. These included:

- training across the workforce to initiate cultural change;
- process safety hazards defined, critical controls detailed and monitoring plans established;
- confirming the effectiveness of critical controls; and
- appointment of a dedicated Process Safety Specialist.

As part of the robust system of managing critical assets, other major pieces of infrastructure underwent regular scanning programmes to ensure their integrity.

PRODUCTION

During the year, ERA produced 2,005 tonnes of uranium oxide. Ore was fed from the stockpiles at Ranger and production was uninterrupted except for a scheduled fortnight of shutdown in the second quarter for maintenance.

In December, the processing team achieved the highest run rate of ore through the plant in more than a decade.

October saw the highest monthly containerised production at Ranger for two years.

Average head grade of the ore in 2015 was 0.10 per cent uranium oxide.

Work on the full recovery of all critical assets in the processing plant continued in 2015.

The Board approved the return to service of the Clarifier Tank in October.

The Clarifier Tank enables improved recovery and had been offline since October 2013. It has undergone a complete overhaul including a full rubber reline. Quality assurance for the overhaul, as with all critical assets, has been provided by external certified tank specialists.

Processing of ore continued using four of the original seven leach tanks at Ranger. Leach Tanks 4, 5, 6 and 7 operated throughout the year (except during periods of maintenance), while work was commenced to return Leach Tank 3 to service (expected in the first quarter of 2016).

The laterite plant was successfully recommissioned after an extended period with grade, extraction and throughput all exceeding plan. Leach Tank 5 was used to process laterite ore.

PROGRESSIVE REHABILITATION

Progressive rehabilitation describes the way in which we manage our responsibilities to restore the environment throughout the life of our ongoing operations. This means that rehabilitation of the Ranger site is being completed alongside processing operations.

ERA's pathway to achieving progressive rehabilitation is set out in the Integrated Tailings, Water and Closure Strategy, which provides the strategy for ongoing rehabilitation works, including operational and infrastructure projects necessary for successful closure. The cost and timeframe for execution of the progressive rehabilitation programme were largely unaffected by the announcement regarding Ranger 3 Deeps in June 2015.

ERA has undertaken extensive research (for example into trial landforms and revegetation techniques) and consultation with stakeholders in formulating its closure strategy.

A key element of the Integrated Tailings, Water and Closure Strategy is the Tailings and Brine Management Project, which entered the construction phase in December 2013.

OPERATING AND FINANCIAL REVIEW

The Tailings and Brine Management Project provides an integrated operational pathway for:

- rehabilitating the exhausted Pits 1 and 3;
- managing the transfer of tailings from the Tailings Storage Facility to Pit 3;
- managing the transfer of water between the Tailings Storage Facility and Pit 3;
- managing the brine waste stream from the Brine Concentrator to Pit 3;
- supporting conversion of Pit 1 from a process water catchment to a pond water catchment; and
- redirecting tailings from the processing mill away from the Tailings Storage Facility and into Pit 3.

Making innovative use of proven technologies, the Tailings and Brine Management Project achieved significant progress by the end of 2015 with the successful commissioning of operational elements.

These included the commissioning of the new stainless steel dredge, which will reclaim tailings from the Tailings Storage Facility, associated pumping infrastructure to transfer dredged tailings from the Tailings Storage Facility to Pit 3, and water recovery and pumping infrastructure to transfer excess process water from Pit 3 back to the Tailings Storage Facility, allowing controlled consolidation of tailings within Pit 3.

In addition, the brine transfer pumping and injection infrastructure was constructed, which enables the concentrated brine waste stream from the Brine Concentrator to be injected into the base of Pit 3.

The installation of this infrastructure means that after three years of studies and options assessment, the transfer of tailings to Pit 3, the continued reduction and treatment of process water and tailings in the Tailings Storage Facility, and the safe disposal of all future processing waste is now a matter of routine operation. This is a critical milestone for ERA.

From 2016, all production tailings will be directed to Pit 3, brine waste will be injected securely into the base of Pit 3 for permanent containment, the process water in the Tailings Storage Facility will progressively reduce as it is treated by the Brine Concentrator, and the tailings mass in the Tailings Storage Facility will be progressively transferred to Pit 3 by dredge operations. These activities are integral to the successful execution of the closure strategy which was approved by the Board in January 2013.

▲ Ranger Mine's Tailings Storage Facility

OPERATING AND FINANCIAL REVIEW

REHABILITATION OF PIT 3

The initial backfill of Pit 3 was successfully completed in 2013, with a total of 33.7 million tonnes of waste rock placed into the base of the pit. Five brine injection wells were installed within the engineered backfill which will enable injection of the waste brine from the Brine Concentrator into the pit.

As tailings from the Tailings Storage Facility and milling operations are transferred into the pit, a water recovery drain and extraction pump system will transfer excess water back to the Tailings Storage Facility.

In early 2015, tailings slurry from the mill began to be transferred directly to Pit 3. The tailings from the mill form beaches, with excess water pooling at designated low points at the base of the Pit 3 access ramp.

This allows the safe and progressive movement of extraction pumps and associated infrastructure back up the access ramp as Pit 3 fills with tailings.

On the eventual completion of processing activities, and when the Tailings Storage Facility tailings are completely transferred, the tailings mass in Pit 3 will be capped with a waste rock layer prior to final land formation.

Based on the existing Ranger Authority, Pit 3 rehabilitation, including land formation and revegetation with locally sourced native plant species, is to be completed by 2026.

REHABILITATION OF PIT 1

In parallel with rehabilitation works in Pit 3, the conversion of Pit 1 from a process water catchment to a pond water catchment was also progressed in 2015. This will enable ERA to manage the process water inventory on site better.

In recent years, Pit 1 has been used to store mill tailings as required by the Ranger Authority. In 2012, ERA commenced Pit 1 closure works with the installation of over 7,700 dewatering wicks, the addition of a geotextile fabric layer and of a pre-load rock layer to compress the tailings mass.

The rock pre-load activated the drainage wicks, forcing the water beneath Pit 1 to travel to the surface where it was collected at a low point and pumped to the Tailings Storage Facility.

During 2015 this pre-load rock layer was capped with an impervious layer of laterite covering over 80 per cent of the tailings mass surface.

Completion of the clay liner will allow the final bulk rock fill to be placed in the future ahead of land forming and revegetation.

BRINE CONCENTRATOR

The Brine Concentrator is used to treat process water which is stored in the Tailings Storage Facility and Pit 3. It heats process water to high temperatures, the water then evaporates and is cooled, condensed and discharged to the environment as high quality, clean distilled water.

The commissioning of the Brine Concentrator continued during 2015.

Throughout commissioning, the facility has demonstrated that it can treat water at the desired rate. ERA is working with the equipment manufacturer HPD, a subsidiary of Veolia, to increase plant availability and address various technical issues.

The Brine Concentrator underwent a full shutdown during the year to undergo statutory inspections, planned maintenance and cleaning.

During the year, the Brine Concentrator produced 881.5 megalitres of distillate.

POWER STATION

Significant productivity improvements were made in the power station which continued to service Ranger Mine and the township of Jabiru.

Technical personnel at ERA achieved this by base loading a highly efficient 2 megawatt generator into the diesel power station. This integration of the high speed generator with the low speed diesel alternator resulted in an excellent outcome from a safety, cost and productivity perspective.

All of the five 5 megawatt diesel units in the power station underwent scheduled overhauls and maintenance throughout the year. The efficiency of the power station's operation now means that two of the five units can be offline at any time.

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 holds two undeveloped uranium resources of international significance at Ranger 3 Deeps and Jabiluka. In addition, ERA has stockpiled Ore Reserves at Ranger that, in the absence of development of other resources, are expected to sustain operations until late 2020 under current economic assumptions.

ERA's key business objectives are to:

- continue to operate effectively and safely;
- develop a long term resource base;
- build and maintain strong stakeholder relationships; and
- demonstrate excellence in rehabilitation practices.

ERA considers that the implementation of these objectives will maximise shareholder value and benefit its stakeholders.

OPERATING AND FINANCIAL REVIEW

CURRENT OPERATIONS

Current operations rely on the processing of uranium ore stockpiles following cessation of open pit mining of Pit 3.

In January 2016, ERA announced that it had reclassified 6,003 tonnes of uranium oxide contained within surface stockpiles from Mineral Resources to Ore Reserves. The Company's estimate of Ore Reserves for the Ranger stockpiles at 31 December 2015 was 10,383 tonnes of contained uranium oxide (see Future Supply, page 16).

The Company has generated positive cash flow from the processing of stockpiled ore in each year since the cessation of open pit mining operations in 2012. The Company has initiatives in place to reduce costs and improve productivity to offset the adverse impact of declining ore grades over time. Subject to market conditions, and in the absence of further mine development, the mine plan which supports the Ore Reserves Statement assumes that, stockpiled ore can continue to be economically processed at Ranger until late 2020.

RANGER 3 DEEPS

The Ranger 3 Deeps project involved the construction of a 2,710 metre Exploration Decline and an associated underground exploration drilling programme designed to pave the way to a potential underground mine.

In June, ERA announced that the Ranger 3 Deeps project would not proceed to Final Feasibility Study in the current operating environment. The decision was driven primarily by two key factors. First, the Board's view that the uranium market had not improved as ERA previously expected and there was uncertainty regarding the uranium market's direction in the immediate future. Second, having finalised and considered the Prefeasibility Study, the economics of the project required operations beyond the current Ranger Authority.

Also in June, ERA's major shareholder Rio Tinto announced that it supported ERA's decision to not progress the project, and did not support further study or future development of Ranger 3 Deeps.

In the second half of 2015, the Gundjeihmi Aboriginal Corporation formally advised that the Mirarr Traditional Owners do not support an extension to the Ranger Authority.

▲ Sunrise at Ranger Mine

OPERATING AND FINANCIAL REVIEW

The Ranger Authority is granted under the *Atomic Energy Act 1953* (Cth). The Atomic Energy Act permits one renewal only of the Authority. The existing Ranger Authority, which was renewed in 1999, allows mining and processing operations until 8 January 2021 and access for rehabilitation activities until 8 January 2026. As the renewal has been exercised, the Atomic Energy Act would need to be amended to enable a further renewal by ERA.

As part of the Prefeasibility Study, ERA announced to the market in July it had updated the Ranger 3 Deeps Mineral Resource to 19.58 million tonnes at an overall grade of 0.224% U_3O_8, representing 43,858 tonnes of contained uranium oxide. The Ranger 3 Deeps Exploration Decline remains under care and maintenance.

JABILUKA

In addition to Ranger 3 Deeps, the Jabiluka Mineral Lease remains one of ERA's key assets. Jabiluka is a large, high-quality uranium ore body of international significance. ERA has entered into a Long Term Care and Maintenance Agreement with the Mirarr Traditional Owners in relation to the Jabiluka resource.

Future mining developments at Jabiluka will not occur without the consent of the Mirarr Traditional Owners.

In January 2016, ERA announced that it had written back all Jabiluka Ore Reserves to Mineral Resources. Previously identified Jabiluka Ore Reserves of 67,700 tonnes of uranium oxide have now been re-classified and incorporated into the existing Mineral Resources. Consequently Jabiluka Mineral Resources have been updated to 137,107 tonnes of uranium oxide at a cut-off grade of 0.2% U_3O_8 (see Future Supply, page 17).

STRATEGIC REVIEW

Following advice received from Gundjeihmi Aboriginal Corporation in the second half of 2015 that the Mirarr Traditional Owners do not support an extension to the Ranger Authority, ERA announced an intention to undertake a review of its business.

Following this announcement, the Company has initiated a strategic review with the aim of determining an optimal pathway for the business focused on maximising shareholder value. The outcomes of the strategic review are expected to be announced in the first half of 2016.

▲ Superintendent Dean Bonner with the dredge "Jabiru"

OPERATING AND FINANCIAL REVIEW

BUSINESS RISKS

The business risks that could adversely affect the achievement of the financial performance or financial outcomes of the company are described below.

Undeveloped resources

The Company has significant undeveloped uranium resources at Ranger 3 Deeps and Jabiluka.

In 2015 the ERA Board determined that development of the Ranger 3 Deeps project would not proceed to Final Feasibility study in the current operating environment. This was, in part, due to the Board's assessment that the economics of the project required operations beyond the current Ranger Authority, which permits processing operations until January 2021. An extension of the Ranger Authority would enable the Company to revisit the project's economics over time. Support from the Mirarr Traditional Owners is a key factor in the Company's ability to secure an extension to the Ranger Authority. In the second half of 2015, representatives of the Mirarr Traditional Owners withdrew from negotiations with the Company on the possibility of an Authority extension.

In relation to Jabiluka, ERA has agreed that future mining development will not occur without the consent of the Mirarr Traditional Owners. It is uncertain that this consent will be forthcoming and, by extension, that the Jabiluka deposit will be developed. Should this consent not eventuate in the future, the Jabiluka Undeveloped Property would face full impairment.

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. The ultimate cost of rehabilitation is uncertain and while ERA has used its best estimate, costs may vary in response to factors such as legal requirements, technological change and market conditions. Should current forecasts for foreign exchange rate, prices, costs, resource and mining techniques not be realised, and in the absence of any other successful developments, the Company 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 ERA's processing and rehabilitation activities. ERA has a number of procedures and initiatives underway in respect to water management, including the 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.

Capital and liquidity risks

The future liquidity and capital requirements of the Company will depend on many factors. Should current forecasts for foreign exchange rate, prices, costs, resource and mining techniques not be realised, and in the absence of any other successful developments, the Company may require an additional source of funding to fully fund the rehabilitation of the Ranger Project Area.

Any inability to obtain sufficient capital would have a material impact on the Company's business and financial performance.

Each year, the Company 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 the Company into the Ranger Rehabilitation Trust Fund (**Trust Fund**) is then determined. The Trust Fund includes both cash and financial guarantees.

The Company's ability to continue to access financial guarantees can be influenced by many factors including future cash balance, cash flows and shareholder support. Should one or more of the financial guarantees be withdrawn at any time and the Company is unable to access replacement guarantees, substantial additional cash would be required to be deposited into the Trust Fund. In a scenario where this occurs the Company's cash resources available to fund operations would reduce. The Company has plans in place to address these risks.

Regulators and stakeholders

Regulatory approvals would required to commence any production from the proposed Ranger 3 Deeps mine or on any other parts of the Ranger Project Area and the Jabiluka Mineral Lease. If regulatory approvals are not obtained or are obtained on unsatisfactory conditions, ERA will not be able to proceed with those developments.

FUTURE SUPPLY

EVALUATION AND EXPLORATION

Total evaluation expenditure for 2015 was $9 million, which principally related to close-out activities of the $57 million Ranger 3 Deeps Prefeasibility Study.

ERA suspended the final stage of the surface exploration programme on the Ranger Project Area in 2015 to preserve cash following the deferral of the Ranger 3 Deeps project.

There was no exploration expenditure in 2015.

The Ranger 3 Deeps Exploration Decline remains under care and maintenance.

RANGER 3 DEEPS RESERVES AND RESOURCES

In July, ERA updated the Ranger 3 Deeps Mineral Resource estimate as part of the Ranger 3 Deeps Prefeasibility Study.

Economic assumptions relating to the cut-off grade of the Mineral Resource have been updated in line with the Prefeasibility Study assumptions. This has resulted in an improved Mineral Resource cut-off grade of 0.11% U_3O_8 (previously 0.15% U_3O_8).

The updated estimate has increased the Mineral Resource to 19.58 million tonnes with a change in the overall grade to 0.224% U_3O_8, equating to 43,858 tonnes of contained uranium oxide (previously 12.58 million tonnes with a grade of 0.277% U_3O_8 to 34,867 tonnes of uranium oxide).

The Ranger 3 Deeps geological model has been updated with all underground drilling data acquired to date.

RANGER RESERVES AND RESOURCES

During 2015 ERA processed 2,518 tonnes of uranium oxide.

Offsetting the reduction in Probable Ore Reserves associated with production, in December ERA reduced the cut-off grade for stockpiled ore from 0.08% U_3O_8 to 0.06% U_3O_8. The previous 0.08% U_3O_8 cut-off was relevant to in situ hard rock open pit mining. The revised 0.06% U_3O_8 cut-off reflects lower mining costs for stockpile mining which does not require drilling and blasting.

RANGER RECONCILIATION	CONTAINED U_3O_8 TONNES*
Ore Reserves as at 1 January 2015	6,206
Ore Reserves depleted by processing	(2,518)
Other adjustments. See Explanatory Notes	6,695
Ore Reserves as at 31 December 2015	10,383
Explanatory Notes	
Effect of lowered cut-off grade from 0.08% to 0.06%	6,003
Favourable Stockpile Model Performance	692

*Rounding differences may occur

▲ Stockpiled ore being hauled to the discriminator

FUTURE SUPPLY

Taking into account the 2,518 tonnes of uranium oxide processed in 2015, this had the net effect of increasing the Probable Ore Reserves of uranium oxide for Ranger to 10,383 tonnes at 31 December 2015 (31 December 2014: 6,206 tonnes).

During the reporting period, all processed ore was sourced from either run of mine stocks or low grade stockpiles.

For the same period, Ranger Mineral Resources increased by 3,438 tonnes of uranium oxide, from 52,711 tonnes to 56,149 tonnes.

The increase was mainly due to the lowering of the Ranger 3 Deeps cut-off grade in line with the Prefeasibility Study assumptions.

JABILUKA RESERVES AND RESOURCES

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

Since entering into the Long Term Care and Maintenance Agreement, the reporting of Jabiluka Ore Reserves and Mineral Resources has been grandfathered under the reporting requirements of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 Edition (**JORC 2004 Code**).

In 2015 ERA determined that the 2015 Jabiluka Ore Reserves and Mineral Resources statement should be updated in line with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (**JORC Code 2012**). The Company was of the view that it was appropriate to bring Jabiluka Ore Reserves and Mineral Resources into line with the JORC Code 2012, to reflect updated assumptions in relation to the economic, technical, environment, approvals and communities aspects of the resource. The JORC Code 2012 also requires the completion of prefeasibility level studies to report Ore Reserves, which have not been undertaken.

In accordance with the JORC Code 2012, ERA has written back all Jabiluka Ore Reserves to Mineral Resources.

Previously identified Jabiluka Ore Reserves of 67,700 tonnes of uranium oxide have now been re-classified and incorporated into the existing Mineral Resources.

Consequently Jabiluka Mineral Resources have been updated to 137,107 tonnes of uranium oxide at a cut-off grade of 0.2% U_3O_8.

GOVERNANCE

ERA's Competent Person is a full time employee of ERA. The ERA Board oversees the governance of Resources and Reserves. This includes the annual review and approval of the publicly reported Ore Reserves and Mineral Resources Statement.

As part of its internal controls, ERA applies the standards of the Rio Tinto Ore Reserves Steering Committee (**ORSC**) in the generation and publication of Mineral Resources and Ore Reserves.

The ORSC comprises senior representatives from technical, financial and business fields within the Rio Tinto Group and meets on a quarterly basis.

The ORSC's role includes setting the standards and qualifications for Competent Persons in accordance with the JORC Code 2012 which form the basis of Competent Person appointment by ERA.

Rio Tinto's Resource and Reserve internal audit programme is conducted by independent external consulting personnel in a programme managed by Rio Tinto Group Audit and Assurance with the assistance of the ORSC.

Rio Tinto has continued the development of internal systems and controls to ensure compliance with the JORC Code 2012 in all external reporting including the preparation of reported data by ERA's Competent Person.

Other improvements introduced by the ORSC include a web-based reporting and sign-off database, annual internal Competent Person reports and Competent Person development and training.

Approval of Ore Reserves and Mineral Resources for ERA is the responsibility of the Chief Executive and estimates are carried out by a Competent Person as defined by the JORC Code 2012.

FUTURE SUPPLY

ERA 2015 Ore Reserves & Mineral Resources

	CUT-OFF GRADE – STOCKPILE ORE 0.06% U_3O_8			CUT-OFF GRADE – STOCKPILE ORE 0.08% U_3O_8		
	As at 31 December 2015			As at 31 December 2014		
	Ore (MT)	% U_3O_8	t U_3O_8	Ore (MT)	% U_3O_8	t U_3O_8
RANGER ORE RESERVES						
Current Stockpiles	12.08	0.086	10,383	5.05	0.123	6,206
In situ						
Proved	–	–	–	–	–	–
Probable	–	–	–	–	–	–
Sub-total Proved and Probable Reserves	12.08	0.086	10,383	5.05	0.123	6,206
Total Ranger No. 3 Stockpiles, Proved and Probable Reserves	**12.08**	**0.086**	**10,383**	**5.05**	**0.123**	**6,206**

	CUT-OFF GRADE – STOCKPILE RESOURCE 0.02% U_3O_8 UNDERGROUND INSITU RESOURCE 0.11% U_3O_8			CUT-OFF GRADE – STOCKPILE RESOURCE 0.02% U_3O_8 UNDERGROUND INSITU RESOURCE 0.15% U_3O_8		
RANGER MINERAL RESOURCES						
IN ADDITION TO THE ABOVE RESERVE						
Current Mineralised Stockpiles	31.17	0.04	12,291	38.29	0.05	17,844
In situ resource (R3 Deeps)						
Measured	3.72	0.27	10,134	2.78	0.32	8,922
Indicated	10.41	0.22	22,636	6.30	0.28	17,366
Sub-total Measured and Indicated Resources	45.31	0.10	45,062	47.37	0.09	44,128
Inferred Resources	5.44	0.20	11,087	3.50	0.25	8,579
Total Resources	**50.75**	**0.11**	**56,149**	**50.87**	**0.10**	**52,711**

▲ Ranger Ore Stockpiles and Pit 3

FUTURE SUPPLY

	AS AT 31 DECEMBER 2015 CUT-OFF GRADE 0.20% U_3O_8			AS AT 31 DECEMBER 2014 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 (ALL WRITTEN BACK TO RESOURCE)						
Proved	–	–	–	–	–	–
Probable	–	–	–	13.80	0.49	67,700
Total Proved and Probable Reserves	**–**	**–**	**–**	**13.80**	**0.49**	**67,700**
JABILUKA MINERAL RESOURCES						
Measured	1.21	0.89	10,769	0.24	0.48	1,140
Indicated	13.88	0.52	72,176	4.30	0.36	15,330
Sub-total Measured and Indicated	15.09	0.55	82,945	4.54	0.36	16,440
Inferred Resources	10.03	0.54	54,162	10.90	0.53	57,500
Total Resources	**25.12**	**0.55**	**137,107**	**15.44**	**0.48**	**73,940**

*Rounding differences may occur

Competent persons
Ranger and Jabiluka Ore Reserves and Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (**JORC Code 2012**).

The JORC Code 2012 envisages the use of reasonable investment assumptions, including the use of projected long term commodity prices, in calculating reserve estimates.

As required by the Australian Securities Exchange (**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 2012. 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 the above table is sourced from the Energy Resources of Australia Ltd (**ERA**) 2015 Annual Statement of Reserves and Resources which was released to ASX on 28 January 2016 and can be found at:
http://www.asx.com.au/asxpdf/20160128/pdf/434mvv7l0j6nhn.pdf

Neither the information that relates to Ranger and Jabiluka Mineral Resources or Ore Reserves, nor the underlying resource models, have changed since the ERA 2015 Annual Statement of Reserves and Resources was disclosed to ASX.

ERA is not aware of any new information or data beyond the updates already provided to the market that materially affects the Ore Reserves and Mineral Resources estimate.

All assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The information in this report that relates to Ranger and Jabiluka Ore Reserves and Mineral Resources is based on information compiled by geologist Stephen Pevely (a full time employee of ERA).

Stephen Pevely is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the JORC Code 2012. Stephen Pevely consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Summary data for year end 2014 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 may result if the calculations are repeated using the tabulated figures.

SALES AND MARKETING

Under ERA's sales and marketing agreement with Rio Tinto Uranium all production from ERA and the Rössing uranium mine in Namibia (which is also majority-owned by Rio Tinto) is purchased by Rio Tinto Uranium and sold to nuclear utility customers around the world. ERA's uranium is ultimately delivered to a variety of customers in the United States of America, Europe, China, Japan, South Korea and Taiwan.

ERA's exposure to the spot price is reduced by an emphasis on long-term contracting in order to capture the highest market value for its product. The average realised price achieved in 2015 was US$51.99 per pound compared with the average spot price of US$36.68 per pound.

The short term uranium market continued to be challenging for producers in 2015, in an environment where supply was greater than demand by approximately 25 million pounds of uranium oxide. Most Japanese reactors remain offline, and some older units in the United States of America and Europe are being closed prematurely due to low electricity prices in some regions. These developments have reduced demand in the short term, while mine production has continued to expand in recent years, particularly in Kazakhstan and Canada. Moreover, utilities are holding high levels of uranium inventories in various forms, which have also reduced near-term demand as well as long-term contracting activity.

However, the longer-term outlook for uranium is more positive.

China continues its strong commitment to nuclear power development, with 29 units in operation and another 22 under construction. ERA was the first Australian supplier of uranium oxide to China, and it remains an important and growing market.

A number of other countries are expanding nuclear power for purposes of energy security and because of the low carbon emissions associated with the generation of electricity through nuclear. At present, new nuclear units are under construction in South Korea, Finland, France, the United States of America and Russia. The United Arab Emirates has embarked on the first major nuclear programme in the Middle East, with four units under construction, the first of which will enter service in 2017. ERA, through Rio Tinto Uranium, is expected to be one of the United Arab Emirates' initial suppliers of uranium oxide following the signing of the Australia-UAE bilateral agreement.

Four years after the failure of the facility at Fukushima, there were some encouraging signs in Japan, as the first two units returned to service during 2015. Following the failure at Fukushima, all of Japan's 54 units were shut down while the regulatory system was overhauled. The two reactors, Sendai 1 and 2, were approved to restart under new regulatory standards in the second half of 2015 and another 26 units are currently undergoing revised safety reviews in anticipation of eventual restart. This process is likely to take a number of years, since all reactors returning to service must meet the Japanese Nuclear Regulation Authority's stringent post-Fukushima safety requirements.

In November, Australia finalised a long-term bilateral civil nuclear agreement with India to export uranium for nuclear power generation. The agreement means that Australia can now export uranium to India for use in that country's safeguarded nuclear units. India has 21 operating reactors and has ambitious plans to add more reactors to help meet its rapidly growing electricity needs in a low carbon manner. India also imports uranium from Canada, Russia, and Kazakhstan.

▲ Drummed production of uranium oxide ready for shipping

HEALTH AND SAFETY

Safety is a core value for ERA. The team at ERA is committed to zero harm.

A comprehensive and co-ordinated focus on safety delivered a significant improvement in safety performance for ERA in 2015.

This was achieved through a variety of programmes and activities designed to ensure that safety was a part of everyday workplace conversations and to build awareness at all levels within the business.

One of the key safety performance measures used by ERA is the All Injury Frequency Rate (AIFR) which expresses the frequency of recordable injuries – lost time injuries, restricted work injuries and medical treatment cases per 200,000 hours worked.

In 2015 ERA achieved an AIFR of 0.67, compared with 1.27 in 2014, and 0.91 in 2013.

SAFETY LEADERSHIP

Safety leadership training was conducted at ERA during August. The training was designed to re-enforce leadership accountability for safety at all levels ranging from senior management through to supervisors and team leaders.

A key focus of the training was to increase contact with front line teams through various mechanisms including increased participation by leaders in tool box talks and start of shift conversations.

MANAGING HEAT AND HUMIDITY

During the hotter months of the year, hydration and heat stress are critical issues for ERA's workforce, especially for employees and contractors required to work outdoors while wearing protective clothing and equipment.

Each year ERA implements programmes designed to encourage behaviours which can help to manage heat stress and maintain hydration.

In 2015 these hot weather programmes were expanded to encourage workers to consider areas like attitude, mental health and job design as part of working in an environment of extreme heat and humidity.

As an example, the environmental weed spraying team has moved its start time to 6am, allowing more work to be completed in the cooler part of the early day and allowing the majority of field work to be finished prior to 2pm which is the hottest part of the day.

AUDITS

ERA's integrated Health, Safety and Environment Management System provides certification to both ISO 14001 (the international standard for environmental management systems) and AS4801 (the Australian standard for occupational health and safety management systems).

During February ERA underwent independent surveillance audits of its integrated Health, Safety and Environment Management System. The surveillance audits ensure the systems remain on track for successful recertification in 2017 by identifying opportunities for improvement.

The 2015 surveillance review had no major findings for ERA, which confirms the health, safety and environment governance and procedures are meeting objectives.

In addition ERA participated in an audit of health, safety and environment standards and management systems in November.

The audit involved personnel from other Rio Tinto operational sites travelling to ERA to conduct a review of ERA's progress in implementing the recently updated Rio Tinto safety standards, which are to be fully implemented by 2016.

UPDATED RIO TINTO SAFETY STANDARDS

First introduced in 2001, and updated in 2011, the Rio Tinto safety standards were updated again in 2015 and reflect the Rio Tinto Group's latest learnings for health, safety, environment and communities and social performance.

The new standards rationalise previous requirements, improving clarity and efficiency, and support improved governance and monitoring across the Rio Tinto Group.

NEW CRITICAL RISK MANAGEMENT SYSTEM

In 2015 ERA began roll out of a new critical risk management (CRM) process implemented by Rio Tinto. CRM is designed to ensure that each work area has a clear understanding of what potentially fatal risks are associated with work activities, and ensure there are effective controls in place and verified to manage those risks.

The CRM programme implementation commenced in November 2015. The new process ensures a standardised approach across all Rio Tinto managed sites and supports a proactive approach to managing critical risks.

RADIATION MONITORING

ERA maintains a comprehensive radiation monitoring programme at Ranger, in accordance with the Company's Radiation Policy and Radiation Management Plan.

This enables the Company to achieve the performance outcomes described in ERA's Health, Safety and Environment Management System, which is certified to Australian (AS4801) and international (ISO14001) standards.

These performance outcomes require that radiation exposure to workers, the public and the environment are as low as reasonably achievable.

A variety of mobile and fixed monitoring stations are used to monitor radiation. There are also personal monitoring systems that are used to capture individual worker radiation dose.

Monitoring results are subject to review prior to being finalised. Preliminary results from the first three quarters of 2015 for workers, the public and the environment were well below regulatory dose limits. Results for the fourth quarter will be finalised and released early in 2016.

Monitoring results are compared to limits recommended by the International Commission on Radiological Protection (ICRP) for uranium industry workers as adopted by 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 annum
- Radiation workers: 20 mSv per annum over a five year period 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.

Examples of activities at Ranger that require a designated worker status include mine production, process production, process maintenance and electrical maintenance.

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

ERA provides occupational radiation dose data for workers at Ranger mine to the Australian Government's Australian National Radiation Dose Register (**ANRDR**).

The ANRDR is managed by the Australian Government to collect, store, manage and distribute the radiation doses records received by individuals working at uranium mining and milling sites.

Designated workers are able to access the ANRDR, and ERA also provides a copy of personal dose records to all designated workers.

RESULTS

To ensure the highest possible quality control on radiation doses, the results are reviewed internally by ERA and externally by the Company's regulators.

The maximum and mean annual radiation doses received by designated workers and the maximum radiation doses received by non-designated workers during 2015 will be reported in the 2015 Annual Radiation Protection and Atmospheric Monitoring Report.

The 2015 report will be submitted to stakeholders in March 2016.

Preliminary analysis of the available dose results for 2015 indicates that all occupational and public radiation doses remain well below the national and international dose limits.

The table on this page provides a summary of the maximum and mean annual radiation doses received by designated and non-designated workers for the first three quarters of the year.

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.

The potential exposures to Jabiru residents from the Ranger mine activities are also monitored throughout the year and are calculated annually.

The resulting contribution from Ranger mine remains very low in comparison to both the public dose limit and the natural background radiation level.

Historically the contribution from Ranger mine has been, on average, approximately 0.02 mSv (or two per cent) of the 1.0 mSv member of public dose limit and less than one per cent of the natural background in Australia of between 2 and 3 mSv (which varies according to location).

RADIATION DOSE	DESIGNATED WORKERS	NON-DESIGNATED WORKERS
Q1 – Maximum (mSv)	1.05	0.13
Q1 – Mean (mSv)	0.25	0.08
Q2 – Maximum (mSv)	1.43	0.29
Q2 – Mean (mSv)	0.38	0.15
Q3 – Maximum (mSv)	1.40	0.36
Q3 – Mean (mSv)	0.28	0.14

REGULATORY FRAMEWORK

▲ Ranger processing plant team members Kieran Leftwich, Elizabeth Miller and Xavier Martini

Uranium mining activities in Australia are strictly regulated by the Commonwealth and State or Territory Governments.

The purpose of these regulations is to ensure uranium mining performance and compliance in a range of critical areas, including health and safety, mine safety, safe management of toxic and radioactive substances, waste disposal, transport safety, export controls, protection and rehabilitation of the environment, native title, exploration, development, taxes and royalties, labour standards and mine reclamation.

International agreements designed to prevent nuclear proliferation also govern the mining and export of uranium. Exports are subject to strict safeguards and conditions to ensure that Australian uranium is only used for peaceful purposes.

REGULATION OF ERA'S OPERATIONS

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:

- Commonwealth Department of Industry, Innovation and Science;
- Northern Territory Department of Mines and Energy;
- Commonwealth Government's Supervising Scientist Branch;
- Northern Land Council;
- 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.

REGULATORY FRAMEWORK

Committee members include representatives of the Gundjeihmi Aboriginal Corporation, the Northern Land Council, the Northern Territory Department of Mines and Energy, the Commonwealth Department of Industry, Innovation and Science and the Commonwealth Supervising Scientist Branch.

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/science/supervising-scientist/communication/committees/arrac

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

The 14 ARRTC members include seven independent scientists nominated by the Federation of Australian Scientists Branch and Technological Societies with the remaining representatives being from the Commonwealth Supervising Scientist Branch, 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/science/supervising-scientist/communication/committees/arrtc

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.

INTERNATIONAL AND AUSTRALIAN CERTIFICATION

ERA maintains international certification (ISO 14001) of its Health, Safety and Environment Management System which includes the Company's Water Management System.

ERA also maintains Australian certification (AS4801) of its Health, Safety and Environment Management System including the Ranger Radiation Management System.

▲ Stockpiled ore being loaded for processing

Sustainability Report

CONTENTS

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

OVERVIEW

The area surrounding ERA's operations is internationally recognised for unique ecosystems and biodiversity, significant environmental and cultural heritage value 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 commitment to protect the environment in 2015 was overseen by the Commonwealth Government's Supervising Scientist Branch, which conducts extensive monitoring and research programmes on the Ranger Project Area and Jabiluka Mineral Lease.

ERA will continue to engage with the Mirarr Traditional Owners, local communities and all levels of government to protect the natural environment in which it operates.

THE MIRARR

The Mirarr are Traditional Owners of the lands on which ERA operates.

Mirarr country encompasses the Ranger Project Area and the Jabiluka Mineral 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 *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 its current operations, future projects and successful rehabilitation.

ENVIRONMENT

ERA is committed to protecting the environment in which it operates. Measures to protect the environment include a wide range of preventative monitoring activities. ERA has a particular focus on water management and monitoring which reflects the potential for extreme rainfall associated with the top end climate. ERA has a strong history of engagement and co-operation with its regulators and other stakeholders to ensure that the environment remains protected.

The Commonwealth's Supervising Scientist Branch monitors the impact of uranium mining on the environment and people in the Alligator Rivers Region, including water quality and aquatic biology indicators in Magela Creek and other waterways adjacent to the Ranger mine.

The Supervising Scientist Branch uses a structured programme of audits and inspections, in conjunction with the Northern Territory Department of Mines and Energy to supervise regional uranium mining operations.

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

During 2015, results from statutory monitoring programmes showed that ERA continued to protect the surrounding environment.

WATER

Effective water management is a fundamental element of ERA's business and environmental protection activities.

The Kakadu region's extended dry periods, potential for extreme storms, and highly variable annual rainfall requires flexibility and innovation in ERA's approach to water management.

The 2014-15 wet season was a below average rainfall year with a total of 1182 millimetres recorded at Jabiru Airport to 30 June 2015 (annual average 1566 millimetres).

Drier conditions resulted in a 25 per cent reduction in the volume of pond water treated through ERA's microfiltration and reverse osmosis treatment facilities.

It was a pivotal year for ERA in water management, with new systems and infrastructure in place to send production tailings and brine to Pit 3, and enabling a planned steady reduction in process water inventories.

ERA's operational and planning activities are built on a comprehensive water management strategy that is based on industry-leading monitoring systems and significant investment in infrastructure for the storage, transfer and treatment of water.

WATER MANAGEMENT PLAN

ERA's Health, Safety and Environment Management System provides the governance framework for all water management operations and planning activities at Ranger.

Water management performance objectives and outcomes set out in the Health, Safety and Environment Management System are delivered through ERA's Water Management Plan.

The Water Management Plan is updated every year and submitted to regulatory authorities for approval, with advice and input from the Minesite Technical Committee.

The 2014-2015 Water Management Plan was approved in March and the updated 2015-16 Water Management Plan was submitted to the Minesite Technical Committee in October.

The Water Management Plan covers water capture, storage, supply, distribution, sampling, use, treatment and disposal across the Ranger mine site, and describes the systems for routine and contingency management of process, pond and release water.

WATER MANAGEMENT INFRASTRUCTURE

A key aspect of ERA's approach to water management is having the flexibility and operational capability to store and treat large volumes of differing types of water based on the quality of that water.

ERA achieves that operational flexibility through a range of water management facilities, systems and infrastructure, including:

- a process water transfer pumping system connecting the Tailings Storage Facility with Pit 3;
- surface water and seepage interception trenches around stockpiles;
- use of continuous real-time water quality monitoring stations;
- an expanded network of ground water monitoring bores (over 220);
- installation of around 7,700 prefabricated vertical drains (wicks) across the Pit 1 tailings area;
- successful diversion of over 60 per cent of Pit 1 catchment away from the process water system to the pond water system;
- water treatment plants; and
- Brine Concentrator.

PEAK PROCESS WATER MILESTONE ACHIEVED

ERA's water management facilities, systems and infrastructure combined in late 2015 to achieve a significant turning point in ERA's operational history – the beginning of sustained reduction in process water volumes contained in the Tailings Storage Facility.

This has been achieved through ERA's progressive rehabilitation of Pit 1 and Pit 3 (see Operations page 12), in conjunction with the Brine Concentrator, the newly commissioned dredge and associated tailings and process water pumping systems, and brine injection wells.

ENVIRONMENT

The dredge will be used to transfer tailings from the Tailings Storage Facility to Pit 3. In addition, all new tailings generated by production operations are now also being directed to Pit 3.

Process water from the Tailing Storage Facility is treated by the Brine Concentrator, which has the capacity to treat up to 1.83 gigalitres of process water per year.

The pure distillate from the Brine Concentrator is released via irrigation or to local waterways and the concentrated brine waste stream will be injected into the base of Pit 3.

Placement of the waste rock capping layer and an impermeable laterite seal over the tailings mass in Pit 1 has enabled the conversion of more than 60 per cent of the Pit 1 catchment from process water to pond water, significantly reducing the volume of process water being sent to the Tailings Storage Facility.

These actions will continue in future years and achieve the net effect of a continual reduction in both the tailings mass and the volume of process water being stored in Tailing Storage Facility.

GULUNGUL CREEK

Water quality monitoring in Gulungul Creek during the 2014-15 wet season recorded two occasions in which electrical conductivity results exceeded associated trigger levels set for Magela Creek.

Gulungul Creek is an ephemeral waterway that flows during the wet season along the western side of the Ranger mine site, and joins Magela Creek downstream of the mine.

ERA and the Supervising Scientist Branch conducted additional monitoring work in response to these events to quantify possible environmental impacts and identify potential contributing water sources.

The Supervising Scientist stated in its 2014-2015 Annual Report that preliminary findings of this monitoring work indicated that "any detectible biological effect was unlikely".

This conclusion is supported by the results of in-situ toxicity monitoring, direct toxicity testing and macro-invertebrate studies carried out by the Supervising Scientist Branch.

INTERCEPTION TRENCHES

In response to elevated levels of electrical conductivity in Gulungul Creek in the 2014-15 wet season ERA has installed approximately 1,000 metres of interception trenches during the 2015 dry season. This complements the interception trench system installed in late 2014.

The interception trenches are located next to the western wall of the Tailings Storage Facility.

The trenches are excavated down to base rock at a depth of approximately four metres and backfilled with impermeable material placed over a water collection system to catch water on the upstream side.

Water collected in the trenches then drains to a new sump at the north-west corner of the Tailings Storage Facility and from there is transferred to ERA's pond water management and treatment system.

The interception trenches prevent significant amounts of shallow groundwater from entering the Gulungul Creek system.

In the past, ERA has successfully used interception trenches to divert surface and shallow groundwater run-off away from Retention Pond 1.

NEW MONITORING POINTS

During 2015 ERA extended its comprehensive groundwater monitoring network with the installation of 21 new wells and additional real-time monitoring telemetry equipment into nine wells.

The telemetry equipment transmits data wirelessly providing continual information about ground water conditions including water quality parameters, such as electrical conductivity.

▲ Technical Officer Water Monitoring, Richard Lindner undertakes onsite testing

ENVIRONMENT

The new monitoring wells will provide valuable data on the effectiveness of ERA's remedial actions to intercept shallow groundwater and maintain water quality in local waterways.

ERA's water monitoring system comprises over 220 groundwater bores across the Ranger operational area.

In addition, ERA operates 14 continuous real-time water quality sensing stations located within the Magela and Gulungul creek systems, upstream and downstream of the Ranger mine. Monitoring stations are equipped with auto samplers that collect water samples triggered by in-stream events.

The water monitoring system helps ensure that water is managed in accordance with ERA's Water Management Plan, meets regulatory requirements and provides assurance to stakeholders through the provision of accurate and timely data.

This data is shared with members of the Minesite Technical Committee, including the Supervising Scientist. The Supervising Scientist also conducts independent monitoring of waters upstream and downstream of the Ranger mine site. The results are published on its website: https://www.environment.gov.au/science/supervising-scientist/supervision/arr-mines/ranger

INDEPENDENT SURFACE WATER WORKING GROUP

The Independent Surface Water Working Group (**ISWWG**) was established by ERA and the Gundjeihmi Aboriginal Corporation to undertake an independent expert review of the surface water management, monitoring, and compliance systems associated with release of water from the Ranger mine site.

The ISWWG consisted of representatives from ERA, the Gundjeihmi Aboriginal Corporation, the Supervising Scientist and the Northern Land Council.

During 2015 further progress was made on recommendations set out in the ISWWG's 2013 review report.

This included a review of historic sediment monitoring data and past and recent literature to inform the development of a new sediment monitoring programme. The recommended approach is currently being trialled alongside investigative studies in Coonjimba Billabong.

In addition, the compliance monitoring programme has been updated through the Minesite Technical Committee and was applied during the 2015/16 wet season.

ERA has also addressed recommendations for improved quality control and monitoring and reporting practices. Continued improvement will be addressed through the annually approved Water Management Plan.

▲ Hydrogeologist Alana O'Neill inspects core drilled for groundwater monitoring bores

MANAGING WATER BY QUALITY

There are a number of different classes of water within the Ranger mine site: process water, pond water, release water, potable water and water including treatment plant permeate or Brine Concentrator distillate.

Each class of water requires a different management approach:

- process water has been in contact with uranium ore during processing operations and must be managed within a closed system, and stored in the Tailings Storage Facility or Pit 3 prior to treatment via the Brine Concentrator;
- pond water has been in contact with stockpiled mineralised material and operational areas of the site, other than those contained within the process water system. Pond water is held in the pond water system comprising a series of sumps and retention ponds prior to being put through reverse osmosis treatment plants;
- potable water is high quality bore water used for drinking and ablution. Water used in ablutions is treated via septic tanks and disposed of via conventional transpiration trenches;
- release water comprises clean site run-off water collected in purpose built storages, and water that has been treated by the Brine Concentrator or water treatment plants to a quality suitable for release;

ENVIRONMENT

- water treatment plant permeate is pond water that has been treated via ERA's micro filtration and reverse osmosis treatment plants. Permeate is release quality water and is either irrigated on designated land application areas during the dry season, or released during the wet season; and
- Brine Concentrator distillate is process water which has been treated by the Brine Concentrator. This distillate is of extremely high quality and like water treatment plant permeate is considered release quality water.

CLOSURE CRITERIA

ERA is currently in the process of developing closure criteria for the Ranger mine, which are then subject to consideration by relevant stakeholders, including the Mirarr Traditional Owners, the Northern Land Council, the Northern Territory Department of Mines and Energy, the Commonwealth Department of Industry, Innovation and Science and the Supervising Scientist Branch.

During 2015, ERA continued work to develop and define these closure criteria, which set out the actions required to rehabilitate the mine with no detrimental impact to the surrounding environment of Kakadu National Park.

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

CULTURAL CRITERIA

Part of the closure criteria development work completed this year related to a review of cultural requirements for closure activities conducted by anthropologist and linguist Murray Garde.

The aim is to ensure closure planning and activities, including rehabilitation and revegetation, take into account important cultural values, and re-create a cultural landscape in which the Mirarr can resume traditional practices.

The report – *Closure Criteria Development – Cultural* is the result of consultations with the Mirarr Traditional Owners through the Gundjeihmi Aboriginal Corporation, together with fieldwork and research conducted over a 12 month period between 2013 and 2014.

After a period of consultation, the report was approved for release by the Gundjeihmi Aboriginal Corporation in early 2015.

The report reflects the Mirarr Traditional Owners' responses to the cultural closure criteria objectives established by the Ranger Closure Criteria Working Group.

This includes a set of 12 cultural closure criteria, outlines the post-closure land use and provides a list of vegetation that has cultural significance.

The successful completion of these cultural closure criteria is a significant milestone.

Examples of desired rehabilitation and revegetation outcomes that reflect cultural values include:

- the landform can be accessed, and is readily traversable, by people;
- culturally important flora and fauna are present;
- traditional practices can resume (e.g. occupancy, camping, burning and harvesting); and
- visual connection with key cultural sites is re-established.

▲ Principal Advisor Rehabilitation and Ecology Ping Lu at the Jabiluka revegetation site

LAND

REVEGETATION

Revegetation is a key component of the progressive rehabilitation activities which have been taking place at Jabiluka and Ranger.

Over the year, significant progress was made in rehabilitation management at both sites, including the trials carried out to determine the best path forward for revegetation of the Ranger site.

JABILUKA

Over the 2014-15 wet season, hundreds of native tube stocks were planted as part of the third phase of a revegetation project at Jabiluka, bringing the total plantings to approximately 16,000 for the period between 2005 and 2015.

The saplings were raised from seeds collected locally and consisted of 22 different species of native plants. This work was carried out in conjunction with Kakadu Native Plants, a local indigenous business. Eight indigenous workers from Kakadu Native Plants and five ERA indigenous trainees were part of the team which helped in the planting programme.

A total of 19 monitoring plots and two transects were established and surveyed for progress. In October, survey results revealed a tree density of 1,530 stems per hectare of which about 500 stems per hectare were eucalyptus and non-acacia species, which is above target planting density of 1,000 stems per hectare.

Ongoing weed, fire and water quality management is in place at Jabiluka.

RANGER

Closure studies and revegetation trials at Ranger progressed throughout the year. A trial comparing four different revegetation methods across an eight hectare trial landform has determined that the optimum method for revegetation at Ranger is by using tubestock plantings grown on waste rock. The four metre section of the landform which consisted of waste rock from the run of mine proved to be the most successful option. Annual monitoring results found that the height, trunk diameter and density of the tubestocks which were planted on the waste rock far exceeded those planted on a mix of laterite and waste rock and direct seeding methods. Weeds were also less prevalent on the waste rock section of the landform and there was no problem with waterlogging.

There have been some excellent indicators of a functional nutrient cycle on the trial landform. These indicators include various species of mushrooms. Fauna like frogs, spiders, birds, snakes, rock rats and dingoes are also colonising on the revegetated areas. During the year, permission was granted for ERA, through Kakadu Native Plants, to collect seeds from within Kakadu National Park to raise tubestocks for planting at Ranger.

During the year, Dr Ping Lu, Principal Advisor Rehabilitation and Ecology was assisted on the trial landform studies by two students from Charles Darwin University who were undertaking Masters and PhD studies. Ping is a Fellow of the Charles Darwin University and a co-supervisor of the students.

WEED MANAGEMENT

ERA carries out regular weed control activities on the Ranger Project Area and Jabiluka Mineral Lease.

Activities are guided by ERA's land management strategy which targets priority species including *Annual pennisetum*, Mission Grass and Rattlepod.

The weed season runs from October to May. In-field weed monitoring shows that ERA's programme has resulted in a progressive reduction of weed infestation over the Ranger Project Area.

In 2015 ERA adopted a qualitative approach to weed management, providing a greater role for the Land Management team to assess trends in defined weed management areas, backed by regular on-ground observations.

CONTROLLED BURN

In some circumstances ERA uses controlled burns to manage weeds. In October a weed management burn was approved outside of the Annual Fire Plan and was carried out on a day when weather conditions became more extreme than forecast.

The fire travelled across the Ranger Project Area into Kakadu National Park. ERA supported Parks Australia and Northern Territory Fire and Rescue Service with on-ground fire-fighting activities and funded the use of helicopter water bombing to extinguish the fire.

The incident and response has resulted in development of closer working relationships with Parks Australia and Northern Territory Fire and Rescue Service through a formal working arrangement and additional internal approval processes for controlled burns outside of the burn season which traditionally finishes at the end of June.

EMPLOYMENT

After significant reduction in workforce size in recent years due to completion of mining operations and a number of major projects, ERA's employee numbers and turnover have stabilised.

At 31 December 2015, ERA's total workforce was 409 people (full time equivalent, including 38 contractors). This compares with 415 at the same time in 2014, and 519 in 2013.

ERA also directly employed 10 apprentices, five school-based apprentices, and eight Indigenous trainees. At year end Indigenous employment was approximately 13 per cent of employees, a slight increase over 2014 (12 per cent).

ERA's female employment participation declined slightly during 2015 to 17 per cent of employees (2014: 18 per cent).

The average rolling staff turnover in 2015 was 21 per cent (2014: 39 per cent) reflecting previous years' completion of open pit mining operations, completion of major infrastructure projects and associated studies, and conclusion of related redeployment programmes.

INDIGENOUS EMPLOYMENT

ERA maintains a strong focus on Indigenous employment as a consequence of its role as a major employer in Jabiru and the West Arnhem region.

At 31 December 2015, ERA had a total of 49 Indigenous employees, representing 13 per cent of employees (2014: 12 per cent).

Indigenous employees are engaged in a variety of roles within ERA, ranging from operational functions through to leadership positions at superintendent and senior-supervisor levels.

▲ ERA Community Relations team members Nicole Jacobsen and Keleasha Ogden in Jabiru

ERA engaged eight new Indigenous trainees in 2015. These trainees work in areas including plant operations, water management, warehousing, and community relations.

Indigenous trainees are paired with workplace mentors. The Mentoring Programme for Indigenous trainees is part of ERA's Indigenous Employment Strategy. It includes flexible work arrangements, workplace literacy and numeracy training and support for students from local communities in work experience and school-based apprenticeships.

Four of the new Indigenous trainees for 2015 have been recruited via the Pre-Employment Programme.

PRE-EMPLOYMENT PROGRAMME

ERA continued support for the Pre-Employment Programme, which provides opportunities for school leavers and other local people to learn skills and gain accreditation to enable them to enter the workforce or find new local employment.

The programme is supported by a range of stakeholders including ERA, Warnbi Aboriginal Organisation, Carey Training, Westpac, Jabiru Medical Centre and the Northern Territory Department of Business.

In 2015 eight participants completed the five week course and successfully achieved accreditation in Certificate II – Resource Infrastructure Work Preparation, which includes a Certificate in First Aid.

INDIGENOUS ENTERPRISE DEVELOPMENT

The Indigenous Enterprise Development scheme completed its third year of operation in 2015. The scheme involves ERA working with the Gundjeihmi Aboriginal Corporation and local businesses to develop employment and training opportunities.

During the year ERA worked with the Indigenous operators of the Anbinnik Caravan Park in Jabiru on a proposal to provide overflow accommodation for ERA employees or contractors.

ERA also worked with Carey Training, an Indigenous owned and operated registered training organisation, to deliver the 2015 Pre-Employment Programme.

In addition local Indigenous people can gain recognised skills accreditation through a Certificate III in Land Management by participating in ERA's Indigenous Revegetation Workforce.

The Indigenous Enterprise Development scheme provides accredited training for people from local Indigenous communities to work on regional revegetation activities, such as progressive rehabilitation activities at ERA, weed management and fire monitoring.

EMPLOYMENT

EDUCATION PARTNERSHIP

ERA continued its support for the Education Partnership which is designed to provide assistance and encourage collaboration with the West Arnhem College.

The Education Partnership provides education and training opportunities which support employment and career options for students and families in the West Arnhem region.

The Partnership improves education and employment outcomes for local community members, supports regional development, aims to build capacity and resilience in the local economy and supports sustainable regional development.

An integrated programme of activities includes work experience placements and school-based apprenticeships for local students at ERA, school visits and presentations by ERA employees, and support for school-based education programmes involving resource industry development.

During 2015 ERA continued to provide opportunities for school-based apprenticeships and supported a school expedition "road show" to highlight career pathways in the mining sector.

APPRENTICESHIPS

In 2015 ERA continued its apprenticeship programme with a new intake of four apprentices, bringing the total number of ERA apprentices to 10. The apprentices are engaged for four years and achieve Certificate III in various mining and industry related fields.

In 2015 ERA engaged five school-based apprentices. School-based apprentices continue their year 11 and year 12 schooling while maintaining part-time work at ERA. A school-based apprenticeship can lead to further employment or a full-time apprenticeship, either with ERA or with another employer.

CULTURAL AWARENESS

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

During the year 35 new employees and long-term contractors participated in cultural awareness training.

The programme is delivered in partnership with the Gundjeihmi Aboriginal Corporation representing the Mirarr Traditional Owners.

▲ Community Relations Trainee Keleasha Ogden

COMMUNITY

RELATIONSHIP WITH MIRARR TRADITIONAL OWNERS

The Mirarr Traditional Owners of the land on which ERA operates are key stakeholders, and their input and support for our activities are integral to our business.

The Gundjeihmi Aboriginal Corporation represents the Mirarr Traditional Owners in discussions and negotiations with ERA on a range of matters of interest to both parties.

Throughout 2015 ERA held discussions with the Gundjeihmi Aboriginal Corporation on a diverse range of matters including rehabilitation planning, cultural heritage and environmental protection, employment and training, water management, housing and town planning, royalties, community activities and the Kakadu West Arnhem Social Trust.

During 2015, ERA and the Gundjeihmi Aboriginal Corporation also held formal negotiations about the future of mining at Ranger.

RANGER AUTHORITY

The negotiations about the future of mining at Ranger were specifically focussed on the Company's proposal to extend the Ranger Authority beyond 2021, for the purpose of mining the Ranger 3 Deeps resource. In the second half of 2015, the Gundjeihmi Aboriginal Corporation formally advised that the Mirarr Traditional Owners did not support an extension to the Ranger Authority.

ERA continues to maintain discussion with the Gundjeihmi Aboriginal Corporation on a wide range of issues.

ENGAGEMENT AND COLLABORATION

A number of formal structures are in place to ensure that the Gundjeihmi Aboriginal Corporation and ERA are able to meet regularly, share information and create opportunities for ongoing engagement and collaboration.

The Relationship Committee, established under the 2013 Ranger Mining Agreement, met on a regular basis throughout 2015 to promote information sharing and collaboration, to respond to Mirarr questions on Ranger operational matters and to discuss opportunities for increasing local Aboriginal participation in business development, training and employment.

Each year ERA makes a Sustainability Payment to the Northern Land Council which is passed through to the Kakadu West Arnhem Social Trust. The Kakadu West Arnhem Social Trust is a charitable trust founded by senior Mirarr Traditional Owner Yvonne Margarula in 2013. The Trust funds programmes which aim to address Aboriginal disadvantage in the Kakadu West Arnhem region. Along with the Gundjeihmi Aboriginal Corporation, ERA is represented on the Kakadu West Arnhem Social Trust board.

The multi-million dollar trust supports initiatives that deliver long-term, positive benefit to the local community.

The Kakadu West Arnhem Social Trust's activities include support for the Children's Ground programme, which delivers education, health and allied support services in Jabiru and outstations across Kakadu, the Culture First Programme at Jabiru Area School, and the Gunbang Action Group's alcohol management coordination programme.

The Gundjeihmi Aboriginal Corporation and the Northern Land Council represent the Mirarr Traditional Owners on Ranger related committees which meet on a regular basis. These include the Ranger Minesite Technical Committee and the Closure Criteria Working Group.

ERA and the Gundjeihmi Aboriginal Corporation continue to collaborate in regard to the township of Jabiru, including town governance, housing, local and Northern Territory Government engagement, infrastructure and local business development.

ROYALTY PAYMENTS

Following the completion of Pit 3 mining operations, ERA continues to generate revenue from the processing of stockpiled ore. This Ranger production will continue to deliver royalty payments to the Indigenous community and the Northern Territory Government.

These royalty payments are calculated on 5.5 per cent of net sales revenue from Ranger mine production.

The equivalent of 4.25 per cent of Ranger sales revenue is paid to Northern Territory-based Aboriginal organisations, including the Gundjeihmi Aboriginal Corporation.

The remaining 1.25 per cent of royalties derived from Ranger sales revenue is paid to the Commonwealth and distributed to the Northern Territory Government.

In 2015, ERA's royalties totalled $17.9 million. This compares with $15.4 million paid in 2014 and $18.4 million 2013.

Under current agreements, royalty payments are expected to decline in line with forecast production rates.

With the decision to defer further studies on the Ranger 3 Deeps project, ERA will continue to process remaining low grade ore stockpiles.

COMMUNITY

JABIRU OUTLOOK

ERA is a substantial contributor to the economy, population, infrastructure and services in Jabiru. ERA continues to work within the current legal framework which requires the Company to cease mining and processing activities in January 2021. The current Jabiru town lease is also due to expire in July 2021.

ERA is seeking to understand the social and economic implications of a potential exit from Jabiru and has begun preliminary contingency planning for reducing its presence in Jabiru.

In 2015 ERA continued to advocate for agreement on the future governance arrangements, to take effect in 2021, in order to provide certainty for the town.

The long term future for Jabiru is closely linked to formal recognition of Mirarr traditional ownership of the land on which Jabiru is located and the options for future lease governance.

COMMUNITY EVENTS

In 2015, ERA hosted a series of organised site visits to the Ranger mine, providing an opportunity for approximately 450 local community members and tourists to see the Ranger operations and the work being done in parallel to protect the environment.

ERA's community partnership sponsorship programme provides financial and in-kind support for local community-based events, schools, sporting clubs and cultural events. ERA continued its long-running support for the Mahbilil festival which was held in Jabiru in September as well as the Kakadu Triathlon which was held in Jabiru in May and raised $7,193 for CareFlight.

ERA was again a major sponsor of the National Indigenous Music Awards in Darwin which celebrates the achievements of traditional and contemporary musicians.

▲ General Manager – Operations, Tim Eckersley hosts a meeting with Jabiru business and community leaders

Financial Report

CONTENTS

DIRECTOR'S REPORT

Directors

Mr Peter Mansell
CHAIRMAN
B.Com, LLB, H. Dip. Tax, FAICD

Appointed as a Director and Chairman of the Board in October 2015. Chair of the Remuneration Committee and member of the Audit and Risk Committee.

Mr Mansell has extensive experience in the mining, corporate and energy sectors, both as an advisor and as an independent non-executive Chairman and Director of listed and unlisted companies. He is currently a Director of Aurecon Group Pty Ltd and Foodbank of Australia Ltd. Mr Mansell practised law for a number of years as a partner in corporate and resources law firms in each of South Africa and Australia. Mr Mansell retired from legal practice in 2004 and has since held directorships in a number of companies including BWP Management Ltd, Foodland Associated Ltd, OZ Minerals Ltd, W.A. Newspaper Holdings Ltd (Chairman), Western Power (Chairman) and Zinifex Ltd (Chairman). Mr Mansell also chaired the Advisory Board of Pacific Aluminium Ltd in anticipation of its intended float in 2014.

Ms Andrea Sutton
CHIEF EXECUTIVE
BE (Hons) Chemical, GradDipEcon, GAICD

Appointed as Managing Director and Chief Executive in September 2013.

Ms Sutton brings extensive operational, technical and corporate experience to ERA from her 21 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. Currently Chair of the Northern Territory Minerals Council of Australia Management Committee and Member of the Northern Territory Mining Advisory Council.

Mr Bruce Cox
NON-EXECUTIVE DIRECTOR
BCom, CPA, MBA, GAICD

Appointed as a Director in November 2014. Chair of the Audit and Risk Committee between June 2015 and January 2016 and member of the Remuneration Committee between June and December 2015.

Mr Cox is currently the President and Chief Executive Officer of Pacific Aluminium and is a member of Rio Tinto Alcan's Executive Committee. Mr Cox has more than 34 years' experience with Rio Tinto and BHP, and prior to his current role was Managing Director of Rio Tinto Diamonds. Mr Cox's career has spanned the steel, platinum, copper, iron ore and diamond commodity sectors and he has lived in Australia, Zimbabwe, Chile, the United Kingdom and the United States. Mr Cox is a CPA, Graduate of the Australian Institute of Company Directors and has a Bachelor of Commerce and Masters of Business Administration.

Ms Joanne Farrell
NON-EXECUTIVE DIRECTOR
BSc, Grad Dip Business Management

Appointed as a Director in June 2014. Chair of the Remuneration Committee and member of the Audit and Risk Committee between June and December 2015.

Ms Farrell is currently the Global Head of Health, Safety, Environment and Communities (HSEC) for Rio Tinto and is responsible for leading the team that provides policy, standards guidance and governance of HSEC matters for the Rio Tinto group of companies. Ms Farrell has held a number of roles in 28 years with Rio Tinto, including in the Iron Ore, Aluminium, Diamonds, Exploration and Energy groups. She brings extensive experience in HSEC, human resources, organisational effectiveness, communications and external relations.

DIRECTOR'S REPORT

Directors

Mr Shane Charles

NON-EXECUTIVE DIRECTOR

LLB

Appointed as a Director in October 2015. Member (from October 2015) and now Chair (from January 2016) of the Audit and Risk Committee.

Mr Charles is currently Chairman of the Toowoomba and Surat Basin Enterprise, an independent, business driven organisation with a vision to pursue sustainable growth and diversity within the region. He is at the forefront of developing an Asia strategy for the region (principally in relation to China) to allow producers and exporters the opportunity to access new markets and capital. Mr Charles was also the inaugural Chief Executive Officer of the TSBE. Mr Charles is a Commissioner of the GasFields Commission Queensland, a statutory body designed to facilitate and promote co-existence between the on-shore gas industry, rural landholders and regional communities. Mr Charles was previously the Chairman of Stanwell Corporation Limited.

Mr Paul Dowd

NON-EXECUTIVE DIRECTOR

BSc (Eng), FAusIMM, MAICD

Appointed as a Director in October 2015. Member of the Remuneration Committee.

Mr Dowd is a mining engineer with 50 years' experience in the mining industry, primarily in the private sector, but also serving in the public sector as head of the Victorian Mines and Petroleum Departments. He is currently a non-executive Director of OZ Minerals Ltd and PNX Metals Ltd. Mr Dowd has previously held senior executive positions as Managing Director of Newmont Australia Ltd and Vice President Australia and New Zealand Operations for Newmont Mining Corporation and prior to that as Chief Operating Officer of Normandy Mining Ltd. He was previously Chairman of Adelaide Resources Ltd and a non-executive Director of Macarthur Coal Ltd. Mr Dowd is Chairman of the CSIRO Minerals Resources Sector Advisory Council, and an Advisory Board Member of the South Australian Minerals and Petroleum Expert Group (SAMPEG) and the University of Queensland – Sustainable Minerals Institute.

Mr Simon Trott

NON-EXECUTIVE DIRECTOR

BSc (Hon), GradDipFin, GAICD

Appointed as a Director in December 2015.

Mr Trott has 18 years' experience in the mining industry, across various roles in finance, business development and operations having worked in Australia, Asia and the United Kingdom. He was appointed Managing Director, Rio Tinto Diamonds, Salt and Uranium in January 2016, with accountability for the marketing, operational and commercial aspects of Rio Tinto Diamonds, Dampier Salt Limited and Rio Tinto Uranium Canada, marketing under Rio Tinto Uranium and Rio Tinto's investments in ERA and Rössing Uranium. Mr Trott is currently a director of Dampier Salt Limited, a director of Rössing Uranium Limited and a director of Chlor Alkali Unit Pte Ltd. He holds a Bachelor of Science (Hon), a Graduate Diploma in Finance and Investment and is a Graduate Member of the Australian Institute of Company Directors.

DIRECTOR'S REPORT

Directors

Mr Peter McMahon
CHAIRMAN
BEcon(Hons), MEcon, MSc

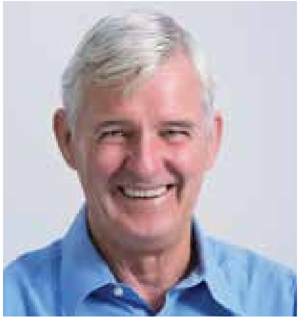
Appointed as a Director in November 2012 and Chairman in January 2013. Member of the Audit and Risk Committee and Remuneration Committee before resigning as a Director in June 2015.

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.

Dr Helen Garnett
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 before resigning as a Director in June 2015.

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.



Mr Peter Taylor
NON-EXECUTIVE DIRECTOR
BA, BSc, LLB, LLM, FAICD

Appointed as a Director in February 2007. Resigned as a Director in April 2015.

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.

Mr John Pegler

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 before resigning as a Director in April 2015.

Mr Pegler is a non-executive Director of WDS Ltd and CS Energy Limited. He is a former Director and Chairman of Bandanna Energy Limited, 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.

Dr David Smith

NON-EXECUTIVE DIRECTOR

BSc (Hons), PhD, FAICD

Appointed as a Director in January 2015. Member of the Audit and Risk Committee and Remuneration Committee before resigning as a Director in June 2015.

Dr Smith is currently a non-executive director of Bradken Limited. He is a former Chairman of Bannerman Resources Limited and non-executive director of Atlas Iron Limited and Macmahon Holdings Limited. Prior to that Dr Smith has had more than 30 years' experience with Rio Tinto in roles including Managing Director of the Simandou iron ore project in Guinea, Managing Director of Pilbara Iron and Managing Director of Rössing Uranium Limited in Namibia. His career has spanned the uranium, coal, salt, iron ore and aluminium commodity sectors. Dr Smith has a Bachelor of Science (Hons) from the University of New South Wales and a Ph.D in Metallurgy. He is a Fellow of the Australian Institute of Company Directors and Deputy Chairman of the West Australian Ballet Company.

DIRECTOR'S REPORT

Executive Committee

Ms Andrea Sutton
CHIEF EXECUTIVE
BE (Hons) Chemical, GradDipEcon, GAICD

Appointed as Managing Director and Chief Executive in September 2013.

Ms Sutton brings extensive operational, technical and corporate experience to ERA from her 21 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. Currently Chair of the Northern Territory Minerals Council of Australia Management Committee and Member of the Northern Territory Mining Advisory Council.

Mr James May
CHIEF FINANCIAL OFFICER
BA (Hons) FCA

Mr May was appointed as Chief Financial Officer in June 2014 and brings financial, accounting and business development experience to ERA. Mr May has over 15 years' experience in finance roles in the energy and extractive resources sector. Prior to joining ERA, Mr May held various finance and corporate roles within Rio Tinto. Mr May is a Chartered Accountant through the Institute of Chartered Accountants in England and Wales.

Mr Tim Eckersley
GENERAL MANAGER, OPERATIONS
B.Sc. Agric (Hons)

Mr Eckersley was appointed as General Manager Operations in September 2012. Over the last 22 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.

Mr Thomas Wilcox
COMPANY SECRETARY AND LEGAL COUNSEL
LLB, LLM, BCom

Mr Wilcox was appointed as Company Secretary and Legal Counsel in November 2013. Mr Wilcox joined the Rio Tinto Group in 2009 and has previously served as legal counsel in London and Melbourne, working predominantly with the Exploration and Energy Groups. Prior to joining the Rio Tinto Group, Mr Wilcox was employed in private legal practice since 2003. Mr Wilcox is a Director of Australian Football League Northern Territory.

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.

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. His employment with ERA ceased on 1 March 2015. Dr Sinclair has over 30 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.

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:

DIRECTOR	DIRECTORS MEETINGS SCHEDULED[6]	DIRECTORS MEETINGS SHORT NOTICE[6]	AUDIT AND RISK COMMITTEE MEETINGS[6]	REMUNERATION COMMITTEE MEETINGS[6]	OTHER COMMITTEE MEETINGS[6]
P McMahon[1]	3/3	5/5	1/1	2/2	1/1
A Sutton	7/7	9/9	-	-	1/1
B Cox	7/7	9/9	4/4	-	-
J Farrell	6/7	8/9	3/3	-	-
H Garnett[1]	3/3	5/5	1/1	2/2	1/1
J Pegler[2]	3/3	1/1	1/1	2/2	-
D Smith[3]	3/3	5/5	1/1	-	-
P Taylor[2]	3/3	1/1	-	-	-
P Mansell[4]	1/1	1/1	1/1	-	-
S Charles[4]	1/1	0/1	1/1	-	-
P Dowd[4]	1/1	1/1	-	-	-
S Trott[5]	1/1	-	-	-	-

Note 1 Resigned as a Director 20 June 2015.
Note 2 Resigned as a Director 13 April 2015.
Note 3 Appointed as a Director 27 January 2015. Resigned as a Director 20 June 2015.
Note 4 Appointed as a Director 26 October 2015.
Note 5 Appointed as a Director 6 December 2015.
Note 6 Number of meetings attended/maximum the Director could have attended.

Ms Sutton was invited to each Audit and Risk Committee meeting and attended all such meetings held during the year.

Interests of Directors

The interests of each Director in the share capital of the Company and its related body corporates as at 31 January 2016 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
A Sutton	-	11,537	2,888	9,350
P McMahon[1]	42,500	7,823	-	-
B Cox	-	5,399	8,111	45,624
H Garnett[1]	-	-	-	-
J Farrell	-	26,777	3,666	37,328
J Pegler[2]	-	6,331	-	-
D Smith[3]	-	23,039	-	-
P Taylor[2]	-	35,948	5,312	16,426
P Mansell[4]	-	3,500	-	-
S Charles[4]	-	-	-	-
P Dowd[4]	-	1,744	-	-
S Trott[5]	-	2,355	-	24,510

Note 1 Resigned as a Director 20 June 2015.
Note 2 Resigned as a Director 13 April 2015.
Note 3 Appointed as a Director 27 January 2015. Resigned as a Director 20 June 2015.
Note 4 Appointed as a Director 26 October 2015.
Note 5 Appointed as a Director 6 December 2015.

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

The Remuneration Committee has responsibility to review:

- remuneration framework and policies (including key performance indicators) for the Company's Chief Executive and senior executives;
- remuneration and performance of the Company's Chief Executive and 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 ERA's 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. The Remuneration Committee reviews and makes 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 2015 Annual General Meeting, the 2014 Remuneration Report was approved with 92.32 per cent of shares voted in favour (voting comprised 363,749,929 votes 'for' the resolution and 30,240,884 votes 'against' the resolution). North Limited and Peko-Wallsend Pty Ltd, which are both Rio Tinto entities, voted a combined total of 354,078,854 votes 'for' the resolution. The aggregate amount of non-executive Directors' remuneration paid in 2015 was approximately $535,000 inclusive of statutory superannuation.

The non-executive Directors' fees were reviewed by the Board in January 2015. The Board resolved that there would be a modest increase in non-executive Directors' fees in 2015. There was no increase in committee fees. The annual fees for non-executive Directors for 2015 (excluding superannuation) are as follows:

	2015	2014
Chairman	$165,000	$162,000
Non-executive Director	$92,000	$90,000
Audit and Risk Committee Chair*	$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

The Remuneration Committee is responsible for the review of, and where appropriate will make recommendations to the Board in respect of, executive remuneration.

The *Corporations Act 2001* and relevant Accounting Standards require disclosures in respect of "key management personnel", being those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel are, in addition to the Directors, the permanent General Managers of the Company (including the Chief Advisor Agreements) reporting directly to the Chief Executive. Throughout this Remuneration Report the key management personnel who are not Directors are collectively referred to as "senior executives".

As the Company is a member company of the Rio Tinto Group, it 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 senior executives.

As a member of the Rio Tinto Group, ERA's Chief Executive and 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 necessary 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 Chief Executive and 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. 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.

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 and relevant comparative information. 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 Managing Director, Rio Tinto Diamonds, Salt and Uranium regarding the Chief Executive of the Company, and between the Remuneration Committee and the Chief Executive of the Company regarding the senior executives.

An annual performance evaluation of the Chief Executive and senior executives was undertaken in 2015.

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 Secretary of the Company is 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), Rio Tinto Management Share Plan (MSP) and, in the case of the Chief Executive, the ERA Long Term Incentive Plan (ERA LTIP); 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 plans are designed to provide a target expected value of between 22.5 and 45 per cent of base salary for the senior executives and the Chief Executive, delivered in any one year through a blend of PSP, MSP and, in the case of the Chief Executive, ERA LTIP awards. In 2015, awards were made under the MSP and ERA LTIP.

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 as at 31 December 2015 for the Chief Executive and senior executives was between 48 and 68 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. The Chief Executive and 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 2015 relating to performance in 2014, as 2015 performance calculations are not finalised at the date of this report. The Company's business performance measures for 2014 used in the determination of short term incentive plan payments were:

- Safety - ERA All Injury Frequency Rate and Lost Time Injuries;
- Financial - ERA net earnings and free cash flow; and
- Business - ERA drummed production, cost of material milled, volume and cost of material moved, Brine Concentrator performance, Ranger 3 Deeps and progression of rehabilitation of Pit 1 and Pit 3.

Bonus Deferral Plan

In 2015, 25 per cent of the Chief Executive's (Ms Sutton) 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 2016 through the deferred award of shares in Rio Tinto Limited under the terms of the Rio Tinto BDP.

Long term incentive plans

In 2015, the Company's Remuneration Committee considered the application of the Rio Tinto long term incentive plan to the Company's Chief Executive and 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 Chief Executive and 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 2015. During 2016, the Remuneration Committee will review the position for future years.

Share based remuneration dependent on performance

Performance Share Plan

The Rio Tinto PSP provides a conditional right to Rio Tinto shares to eligible senior management personnel within the Rio Tinto Group, including the Chief Executive and 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 Total Shareholder Return (TSR) performance against the performance condition is calculated independently by Willis 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 Euromoney 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.

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.

Chief Executive's long term incentive plan

Consistent with the approach in 2014, in 2015 the Remuneration Committee recommended that the Chief Executive's long term incentive award be delivered in Rio Tinto shares under the Rio Tinto MSP and under the ERA Long Term Incentive Plan (ERA LTIP). The Chief Executive is the only executive who participates in this plan. The amount of the Chief Executive's long term incentive award that would otherwise have been provided under the Rio Tinto PSP has been provided under the ERA LTIP.

The ERA LTIP is an award of rights that have a value calculated by reference to the Company's share price (ie phantom shares). Whether or not the rights vest depends on the extent to which the relevant performance conditions have been satisfied over the performance period. Awards have a three year performance period commencing on 1 January of the year of grant. For the 2015 award, the performance conditions will be measured over a three year period (from 1 January 2015 to 31 December 2017).

DIRECTOR'S REPORT

The two performance conditions are a relative TSR condition and the achievement of ERA strategic measures. Each condition will be assessed independently. Strategic performance conditions have been chosen to ensure that the long term incentive award is assessed against both the Company's relative performance against other uranium producers and the achievement of ERA strategic measures. The Board considers that this reflects the appropriate mix of incentives to achieve an improvement in ERA's performance over the long term.

For the TSR performance condition, rights vest based on ERA's TSR performance against Areva SA, Cameco Corp, Denison Mines Corp, Energy Fuels Inc, Fission Uranium Corp, Paladin Energy Limited, Summit Resources Limited, Uranium Energy Corp and Ur-Energy Inc over the performance period. Vesting will be subject to ERA's ranked position using the following schedule:

Equal or greater to 2nd ranked company	100 per cent of the rights subject to the TSR condition vest
Between the 5th and 2nd ranked companies	Between 22.5 per cent and 100 per cent of the rights subject to the TSR condition vest, on a pro rata basis
Above the 6th ranked company	22.5 per cent of the rights subject to the TSR condition vest
Equal to the 6th ranked company or below	Nil vesting

For the ERA strategic measures, an assessment of the level of vesting applicable to this portion of the award is to be assessed by the Remuneration Committee, with the final outcome to be recommended to the Board by the Chairman at the end of the three year performance period. The elements to be considered in respect of ERA strategic measures include financial performance, organisational and personnel related performance, relations with stakeholders and progress in respect of the Ranger 3 Deeps underground mine project. For outstanding performance, the Board may determine to permit a number of rights to vest that is equal to 150 per cent of the initial number of rights awarded that were subject to ERA strategic measures condition.

Upon vesting, the value of the ERA LTIP award will be converted into Rio Tinto MSP shares. The number of Rio Tinto MSP shares to be awarded will be calculated based on the five day average Rio Tinto Limited share price prior to the Rio Tinto MSP grant date in March of the year of vesting. Any Rio Tinto MSP shares provided will vest after a further two year period in February 2020. There are no further performance conditions, however, the Rio Tinto MSP shares can be forfeited in certain circumstances related to cessation of employment.

Share based remuneration not dependent on performance

Management Share Plan

Under the Rio Tinto MSP, conditional grants of Rio Tinto shares may be awarded to eligible employees 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 Rio Tinto 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

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, myShare. 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 30 to the Financial Statements.

Share dealing policy

The participation of the Chief Executive and 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' ("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 senior executives in respect of their services to the Company 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]	**2015**	89	-	-	8	97
	2014	175	-	-	16	191
B Cox[2]	**2015**	92	-	-	-	92
	2014	9	-	-	-	9
H Garnett[1]	**2015**	56	-	-	5	61
	2014	110	-	-	10	120
J Farrell[2]	**2015**	92	-	-	-	92
	2014	50	-	-	-	50
J Pegler[3]	**2015**	31	-	-	3	34
	2014	108	-	-	10	118
D Smith[4]	**2015**	46	-	-	4	50
P Taylor[2,3]	**2015**	26	-	-	-	26
	2014	90	-	-	-	90
H Newell[2,5]	**2014**	40	-	-	-	40
P Mansell[6]	**2015**	31	-	-	6	37
S Charles[6]	**2015**	17	-	-	3	20
P Dowd[6]	**2015**	17	-	-	3	20
S Trott[2,7]	**2015**	6	-	-	-	6
Total 2015		503	-	-	32	535
Total 2014		582	-	-	36	618

Note 1 Resigned as a Director 20 June 2015.
Note 2 Amounts paid directly to Rio Tinto Limited.
Note 3 Resigned as a Director 13 April 2015.
Note 4 Appointed as a Director 27 January 2015. Resigned as a Director on 20 June 2015.
Note 5 Resigned as a Director 11 June 2014.
Note 6 Appointed as a Director 26 October 2015.
Note 7 Appointed as a Director 6 December 2015.

Executive Director and senior executives

Set out below is an overview of the remuneration paid to the executive Director and senior executives in 2015. This includes details of the key elements of remuneration and a summary of total remuneration for 2015.

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 1 March 2015, Ms Sutton's base salary was $400,402.

STIP objectives

The STIP cash payment made to Ms Sutton in 2015 was determined by assessing individual and business performance in 2014 against objectives set for that year.

The following individual objectives were set for Ms Sutton for 2014:

- Completion of the work programmes required by regulators and the ERA Board to achieve a safe restart of the Ranger processing plant within the agreed timeframes
- Execution of the water management strategy, including progress of the tailings and brine management system, capping of Pit 1 and finalisation of Pit 3 stage 1 backfill and infrastructure implementation to schedule and budget
- Ranger 3 Deeps Prefeasibility Study development and submission of the Ranger 3 Deeps Draft Environmental Impact Statement
- Develop and implement optimisation strategy for the Brine Concentrator
- Management of cash flow and implementation of continued cash management controls
- Establish an ongoing independent review of operational safety and environmental risks

STIP outcomes

Ms Sutton's achievement against her 2014 personal objectives was assessed as 'good'. Detailed outcomes are below:

- Safety performance deteriorated in 2014 with an increase in the All Injury Frequency Rate to 1.27 (2013: 0.91)
- Work programme completed for the restart of the Ranger processing plant to the satisfaction of the regulators and Board requirements
- ERA produced 1,165 tonnes of uranium oxide following the restart of processing operations and sold 3,148 tonnes of uranium oxide
- The Ranger rehabilitation programme progressed to schedule, including Pit 1 capping and Pit 3 stage 1 backfill
- ERA achieved its target of $150 million in cost reductions set in 2011 and continued strong cash management focus
- The Ranger 3 Deeps Exploration Decline was completed on schedule and budget
- The Ranger 3 Deeps Prefeasibility Study was substantially completed on schedule and budget
- Brine Concentrator commissioning and optimisation continued in 2014

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 Ms Sutton in 2015, based on the fair value calculations performed by individual advisors, was 45 per cent of base salary. The eventual value of the award will depend on performance during the period 2015 to 2017.

Total remuneration

The table below provides a summary of Ms Sutton's total remuneration disclosed for 2014 and 2015. 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 54 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 54.

(STATED IN $'000)	2015	2014
Base salary paid[1]	399	389
STIP cash bonus[2]	136	175
STIP deferred shares[3]	45	57
LTIP share based payments	223	143
Superannuation	143	98
Other benefits[4]	84	84
Total remuneration	1,030	946
% change from previous year	9	-
% of maximum STIP cash bonus awarded	46	61
% of maximum STIP cash bonus forfeited	54	39

Note 1 *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.*

Senior executives

Base salary

Base salaries are reviewed annually, with reference to the underlying performance of ERA, the 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 2014 and 2015, the base salaries of the Company's senior executives were:

BASE SALARY A'$000 (UNLESS OTHERWISE SPECIFIED)	2015	2014	CHANGE
Tim Eckersley	322	315	2%
James May	240	235	2%
Greg Sinclair[1]	297	297	-
Steeve Thibeault[2]	-	316	-
Alan Tietzel	355	349	2%

Note 1 *Employment with ERA ceased on 1 March 2015. Salary is reflected at time of resignation.*
Note 2 *Employment with ERA ceased on 30 May 2014. Salary is reflected at time of resignation.*

STIP objectives and outcomes

The individual objectives set out below relate to the 2014 financial year (with the corresponding Short Term Incentive Payment paid in 2015).

	SUMMARY OF INDIVIDUAL OBJECTIVES
Tim Eckersley	• Prevention of high consequence safety and environmental events • Demonstrate Health, Safety and Environment leadership • Business Transformation – workforce transformation and on boarding major projects • Cash reduction and preservation for Ranger operations • Productivity maximisation and improvement for Ranger operations • Safe delivery of uranium oxide production targets (pro-rated to mill restart date) • Completion of Pit 1 pre-load and Pit 3 stage 1 backfill • Embed brine concentrator into Ranger operations • Leadership and engagement – develop effective stakeholder relationships
James May	• Prevention of high consequence safety and environmental events • Demonstrate Health, Safety and Environment leadership • Achieve accounting and reporting excellence in all material respects • Drive and deliver cash generation and cost improvement opportunities for ERA • Manage treasury processes and financing risks for the business • Deliver best practice procurement service to ERA • Support major investment decisions through high quality project evaluation • Demonstrable leadership on ERA finance matters internally and externally
Greg Sinclair	• Prevention of high consequence safety and environmental events • Demonstrate Health, Safety and Environment leadership • Deliver the objectives of the Ranger 3 Deeps Prefeasibility Study • Implement the Tailings and Brine Management Project • Implement the Pit 1 Rehabilitation Project • Implement progressive rehabilitation programme and continue to engage stakeholders in relation to closure criteria • Safely execute the surface exploration programme to target high grade deposits on the Ranger Project Area and ensure compliance with the JORC Code in regard to the reporting of reserves and resources • Deliver the agreed cost reduction targets as part of ongoing business improvement initiatives
Alan Tietzel	• Prevention of high consequence safety and environmental events • Demonstrate Health, Safety and Environment leadership • Progress implementation of commitments and opportunities in the Ranger Mining Agreement • Develop long term engagement and negotiation strategy for strategic growth and tenure extension • Cash management – ensure outcomes of strategic project negotiations have regard to cost impacts • Secure Traditional Owner support for a Ranger 3 Deeps underground mine • Undertake, support and provide guidance on Government Relations matters

A summary of the individual targets and performance for each of the Company's senior executives (other than the Chief Executive) for the 2014 financial year (with the corresponding Short Term Incentive Payment paid in 2015) is set out in the table below.

MEASURES	WEIGHT (%)	SCORE (OUT OF 200%)	WEIGHTED SCORE (%)
Tim Eckersley			
Financial performance	10.0	143.6	14.4
Business performance	15.0	69.1	10.4
Health and Safety	15.0	0.0	0.0
Individual	60.0	108.0	64.8
Total	**100.0**	**-**	**89.6**
James May			
Financial performance	10.0	143.6	14.4
Business performance	15.0	69.1	10.4
Health and Safety	15.0	0.0	0.0
Individual	60.0	108.0	64.8
Total	**100.0**	**-**	**89.6**
Greg Sinclair			
Financial performance	10.0	143.6	14.4
Business performance	15.0	69.1	10.4
Health and Safety	15.0	0.0	0.0
Individual	60.0	93.0	55.8
Total	**100.0**	**-**	**80.6**
Alan Tietzel			
Financial performance	10.0	143.6	14.4
Business performance	15.0	69.1	10.4
Health and Safety	15.0	0.0	0.0
Individual	60.0	100.0	60.0
Total	**100.0**	**-**	**84.8**

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 2015, based on the fair value calculations performed by independent advisors, was between 22.5 per cent and 30 per cent of base salary.

Executive Director and senior executives total remuneration

		SHORT TERM BENEFITS				POST EMPLOYMENT BENEFITS	SHARE BASED PAYMENTS[7]	
		CASH SALARY ($000)	CASH BONUS[8] ($000)	OTHER[7] ($000)	TERMINATION PAYMENTS ($000)	SUPERANNUATION PENSION ($000)	CASH & EQUITY SETTLED ($000)	TOTAL ($000)
Executive Director								
A Sutton[1]	**2015**	399	136	84	-	143	223	985
	2014	389	175	84	-	98	169	915
Senior executives								
T Eckersley[2]	**2015**	364	85	32	-	70	100	651
	2014	360	117	33	-	72	88	670
J May[3]	**2015**	239	53	75	-	51	39	457
	2014	137	-	38	-	27	17	219
G Sinclair[4]	**2015**	49	-	6	-	10	11	76
	2014	296	89	38	-	66	63	552
A Tietzel[6]	**2015**	396	89	46	-	35	112	678
	2014	397	122	38	-	30	107	694
S Thibeault[5]	**2014**	131	94	31	-	34	34	324
Total 2015		1,447	363	243	-	309	485	2,847
Total 2014		1,710	597	262	-	327	478	3,374

Note 1 Performance related cash bonus: 46 per cent awarded in 2015, 54 per cent forfeited, 61 per cent awarded in 2014, 39 per cent forfeited.
Note 2 Performance related cash bonus: 45 per cent awarded in 2015, 55 per cent forfeited. 64 per cent awarded in 2014, 36 per cent forfeited.
Note 3 Performance related cash bonus: 45 per cent awarded in 2015, 55 per cent forfeited. No cash bonus is disclosed for 2014 as payments were made in respect to services rendered to another Rio Tinto entity in 2013.
Note 4 Salary paid in financial year from 1 January 2015 to 1 March 2015. No cash bonus was paid in respect to services rendered to ERA during the year, 62 per cent awarded in 2014, 38 per cent forfeited.
Note 5 Salary paid in financial year from 1 January 2014 to 30 May 2014. Performance related cash bonus: 60 per cent awarded in 2014, 40 per cent forfeited.
Note 6 Performance related cash bonus: 42 per cent awarded in 2015, 58 per cent forfeited, 60 per cent awarded in 2014, 40 per cent forfeited.
Note 7 Other benefits includes relocation, accommodation, travel, vehicle and other allowances excluding cash paid site allowances which are treated as cash salary.
Note 8 Performance related bonuses paid in 2015 relate to services in 2014 (equally bonuses paid in 2014 relate to services in 2013).

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 Rio Tinto Management Share Plan (MSP), Bonus Deferral Plan (BDP), Performance Share Plan (PSP) and Share Savings Plan (SSP) has 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.

The fair value of awards granted under the ERA Long Term Incentive Plan (ERA LTIP) has been calculated at their date of grant using a valuation model provided by external consultant Ernst & Young.

E Executive service agreements

Remuneration and other terms of employment for the Chief Executive and senior executives 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.

The Chief Executive and senior executives 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. These include:

- 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 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 as set out below.

A Sutton - Chief Executive

Term of agreement - Open, commenced 23 September 2013

Base salary (excluding superannuation, allowances and other benefits) as at 31 December 2015 of $400,402 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.

In addition to Ms Sutton's service agreement, ERA has entered into a secondment agreement with Rio Tinto in relation to Ms Sutton's services to ERA. The secondment agreement provides that ERA can end Ms Sutton's secondment by giving Rio Tinto six months' notice at any time. Rio Tinto can end Ms Sutton's secondment by giving six months' notice to ERA, provided such notice can be given no earlier than 23 March 2016.

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 2015 of $321,946 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.

J May - Chief Financial Officer

Term of agreement - Open, commenced 5 May 2014

Base salary (excluding superannuation, allowances and other benefits) as at 31 December 2015 of $240,311 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.

G Sinclair - General Manager Technical Projects

Term of agreement - commenced 1 May 2007 and resigned 1 March 2015

Base salary (excluding superannuation, allowances and other benefits) as at 1 March 2015 of $297,000 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 month 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 2015 of $354,860 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.

S Thibeault - Chief Financial Officer

Term of agreement - commenced 1 December 2012 and resigned 30 May 2014

Base salary (excluding superannuation, allowances and other benefits) as at 30 May 2014 of $316,000 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.

F Share based compensation

Rio Tinto Share Option Plan

In 2013 the Rio Tinto Share Option Plan was discontinued. Details of the costs of the share based payment plans applied by the Company are provided at Note 30 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		**$**	**$**	**$**	**$**	
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 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, and as a transitional provision, 50 per cent potentially vest after four years and 50 per cent potentially vest after five years. No PSP was granted as remuneration during 2015. 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[1]	MARKET PRICE AT 31 DECEMBER 2015
Rio Tinto Limited			
19 March 2012	$65.85	31 December 2015	$44.71
27 May 2013	$53.11	31 December 2016	$44.71
27 May 2013	$53.11	31 December 2017	$44.71

Note 1 Vesting dependent upon continued employment with a Rio Tinto Group company.

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[1]	PRICE AT 31 DECEMBER 2015
Rio Tinto Limited			
27 May 2013	$53.11	31 December 2015	$44.71
17 March 2014	$60.28	31 December 2016	$44.71
23 March 2015	$54.02	31 December 2017	$44.71

Note 1 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[1]	PRICE AT 31 DECEMBER 2015
Rio Tinto Limited			
27 May 2013	$53.11	100% 1 December 2015	$44.71
17 March 2014	$60.28	100% 1 December 2016	$44.71
23 March 2015	$54.02	100% 1 December 2017	$44.71

Note 1 Vesting dependent upon continued employment with a Rio Tinto Group company.

Share based compensation – Rio Tinto employee share schemes

The key management personnel of the Company who elected to participate in Rio Tinto employee share schemes as at 31 December 2015 are set out below:

P Taylor	Rio Tinto myShare Savings Plan
J Farrell	Rio Tinto myShare Savings Plan
B Cox	Rio Tinto myShare Savings Plan
T Eckersley	Rio Tinto Share Savings Plan
	Rio Tinto myShare Savings Plan
A Tietzel	Rio Tinto myShare Savings Plan
S Trott	Rio Tinto myShare Savings Plan

Equity instrument disclosures relating to 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 key management personnel in respect of their service to ERA (or, in the case of non-executive Directors, to Rio Tinto) 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 REMUNERATION	EXERCISED DURING THE YEAR	OTHER CHANGES[2]	BALANCE AT END OF THE YEAR[3]	
						VESTED & EXERCISABLE	UNVESTED
Rio Tinto plc							
Senior executives							
S Thibeault	**2014**	1,186	-	-	-	1,186	-
Rio Tinto Limited							
Executive Director							
A Sutton	**2015**	2,888	-	-	-	2,888	-
	2014	2,888	-	-	-	2,888	-
Senior executives							
A Tietzel	**2015**	2,008	-	-	-	2,008	-
	2014	4,495	-	(2,487)	-	2,008	-
Non-executive Directors[4]							
P Taylor	**2015**	7,343	-	(2,031)	-	5,312	-
	2014	9,368	-	(2,025)	-	7,343	-
J Farrell	**2015**	8,090	-	(4,424)	-	3,666	-
	2014	8,090	-	-	-	8,090	-
B Cox	**2015**	8,111	-	-	-	8,111	-
	2014	8,425	-	(314)	-	8,111	-

Note 1 *Where a key management personnel 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.*
Note 3 *Where a key management personnel left prior to the end of the year, the balance reflects the holding at the time of resignation.*
Note 4 *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

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. Details of conditional awards of ordinary shares in Rio Tinto Limited and Rio Tinto plc held during the year and provided as remuneration to the Chief Executive and senior executives of ERA in respect of their duties as officers of ERA 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								
Senior executives								
S Thibeault	**2014**	2,039	78	(1,568)	-	(144)	-	405
Rio Tinto Limited								
Executive Director								
A Sutton	**2015**	9,630	2,427	(2,561)	-	(146)	-	9,350
	2014	8,953	2,438	(1,564)	-	(197)	-	9,630
Senior executives								
T Eckersley	**2015**	5,371	1,619	(1,078)	-	(87)	-	5,825
	2014	4,795	1,581	(899)	-	(107)	-	5,371
J May	**2015**	1,799	1,224	(656)	-	-	-	2,367
	2014	1,799	-	-	-	-	-	1,799
G Sinclair	**2015**	3,542	-	(267)	-	(97)	-	3,178
	2014	3,576	1,128	(1,033)	-	(129)	-	3,542
S Thibeault	**2014**	2,845	1,486	-	-	-	-	4,331
A Tietzel	**2015**	6,417	1,798	(1,514)	-	(153)	-	6,548
	2014	6,498	1,770	(1,644)	-	(207)	-	6,417
Non-executive Directors[4]								
P Taylor	**2015**	14,000	-	(3,038)	-	-	5,464	16,426
	2014	13,926	-	(4,069)	-	-	4,143	14,000
H Newell	**2014**	13,482	-	(1,188)	-	-	10,688	22,982
J Farrell	**2015**	31,017	-	(7,541)	-	-	13,815	37,291
	2014	32,374	-	(1,515)	-	-	158	31,017
B Cox	**2015**	41,484	-	(10,848)	-	-	14,988	45,624
	2014	42,849	-	(1,479)	-	-	114	41,484
S Trott	**2015**	24,473	-	-	-	-	-	24,473

Note 1 *Where a key management personnel 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.*
Note 3 *When a key management personnel left prior to the end of the year, the balance reflects holdings at the date of resignation.*
Note 4 *Changes to balances for non-executive Directors do not relate to remuneration for services provided to ERA.*

ERA Long Term Incentive Plan

In addition to the conditional awards set out above, as at 31 December 2015, Ms Sutton had been awarded a cumulative total of 223,528 rights (31 December 2014 balance: 129,837 rights) that have a value calculated by reference to the Company's share price (i.e. phantom shares). These awards have a three year performance period and, upon vesting, will be converted into Rio Tinto MSP shares based on the five day average Rio Tinto Limited share price prior to the Rio Tinto MSP grant date in March of the year of vesting. Any Rio Tinto MSP shares provided will vest after a further two year period. Further details of the ERA LTIP are available on pages 47 and 48.

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]	INCREASED DURING THE YEAR	OTHER CHANGES DURING THE YEAR	BALANCE AT END OF THE YEAR[2]
Energy Resources of Australia Ltd					
P McMahon	**2015**	42,500	-	-	42,500
	2014	42,500	-	-	42,500
Rio Tinto Limited					
P McMahon	**2015**	18,405	-	(10,582)	7,823
	2014	18,405	-	-	18,405
A Sutton	**2015**	9,211	3,170	(844)	11,537
	2014	8,895	1,880	(1,564)	9,211
P Taylor	**2015**	33,804	4,601	(2,457)	35,948
	2014	28,121	5,683	-	33,804
J Pegler	**2015**	6,331	-	-	6,331
	2014	6,331	-	-	6,331
J Farrell	**2015**	19,404	12,077	(4,740)	26,741
	2014	19,131	1,788	(1,515)	19,404
B Cox	**2015**	5,395	9,571	(9,567)	5,399
	2014	5,395	1,476	(1,476)	5,395
D Smith	**2015**	33,078	65	(10,104)	23,039
P Mansell	**2015**	3,137	363	-	3,500
P Dowd	**2015**	1,744	-	-	1,744
S Trott	**2015**	2,318	-	-	2,318

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			
	2015	-	-
	2014	$66,199	$58.78

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 Company 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 2015 financial year (2014: nil).

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 5 and the Operating and Financial Review section on page 7.

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 Company during the year ended 31 December 2015.

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 Company;
(ii) the results of those operations; or
(iii) the state of affairs of the Company subsequent to the financial year ended 31 December 2015.

Likely developments

In the opinion of the Directors, any likely developments in the operations of the Company 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 7.

Annual General Meeting

The 2016 Annual General Meeting will be held on 4 May 2016 in Darwin, in the Northern Territory of Australia. Notices of the 2016 Annual General Meeting will be 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 Secretary 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 senior executives 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.

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 Department of Mines and Energy (Northern Territory); the Supervising Scientist Branch of the Commonwealth Department of Environment; the Northern Land Council; the Commonwealth Department of Industry, Innovation and Science and the Gundjeihmi Aboriginal Corporation (representatives of the Mirarr Traditional Owners).

ERA's commitment to protect the environment in 2015 was overseen by the Supervising Scientist Branch, which conducts extensive monitoring and research programs on the Ranger Project Area and Jabiluka Mineral Lease.

There were no prosecutions commenced or fines incurred in respect of ERA's environmental performance during 2015. The environment remained protected through the period. Further details of ERA's environmental performance are included in the Environment section of the Annual Report on page 28.

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 3rd Edition of the Corporate Governance Principles and Recommendations developed by the ASX 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 64 to 70.

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 Company. No person who was an officer of the Company 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.

	2015 $000	2014 $000
AUDIT SERVICES		
PricewaterhouseCoopers Australia		
Audit and review of financial reports	345	310
Audit and review of financial reports (additional 2014 fees)	108	40
Total remuneration for audit services	453	350
Taxation services	-	-
Audit related services	100	-
Total Remuneration	553	350

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 63.

Signed at Perth this 10 February 2016 in accordance with a resolution of the Directors.

P Mansell
Director
Perth
10 February 2016

AUDITOR'S INDEPENDENCE DECLARATION

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Energy Resources of Australia Ltd for the year ended 31 December 2015, 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.

John O'Donoghue
Partner
PricewaterhouseCoopers

Melbourne
10 February 2016

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

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 3rd Edition of the Corporate Governance Principles and Recommendations ("Principles") developed by the 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 2.4 – there was not a majority of independent Directors.
- Recommendation 2.5 – the Chair of the Board and Chief Executive were the same person for part of the reporting period.
- Recommendations 4.1 and 7.1 – for part of the reporting period the Audit and Risk Committee was not chaired by an independent Director, nor did it have a majority of independent Directors.
- Recommendation 8.1 – for part of the reporting period the Remuneration Committee was not chaired by an independent Director, nor did it have a majority of independent Directors.

As explained further below, the Board considers that in each case this is either appropriate or was an unavoidable consequence of the resignation of the Board's independent Directors in June 2015.

This Corporate Governance Statement is current as at 10 February 2016 and has been approved by the Board of ERA.

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.

Other than as specifically reserved to the Board in the Board Charter, responsibility for the management of ERA's business is delegated to the Chief Executive who is accountable to the Board.

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 budget plan;

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

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

The Board Charter is available at the Corporate Governance section of ERA's website.

Composition

From 1 January 2015 to 13 April 2015, the Board of ERA consisted of eight Directors, seven of whom were non-executive. On 13 April 2015, the number of Directors decreased to six, following the resignation of Mr Taylor and Mr Pegler as non-executive Directors.

On 20 June 2015, Mr McMahon, Dr Garnett and Dr Smith resigned as non-executive Directors, reducing the number of Directors to three, being Ms Sutton, Mr Cox and Ms Farrell.

On 26 October 2015, the number of Directors was increased to six with the appointment of Mr Mansell (Chairman), Mr Charles and Mr Dowd as non-executive Directors. On 6 December 2015 Mr Trott was appointed as a non-executive Director, increasing the number of Directors to seven. Mr Cox will stand down as a Director at the 2016 Annual General Meeting, reducing the number of Directors to six.

Ms Sutton was the Board's only executive Director and held the position of Chief Executive throughout 2015. Following the resignation of Mr McMahon, and prior to the appointment of Mr Mansell, Ms Sutton served as Chief Executive and Acting Chair.

Mr Mansell, Mr Charles, Mr Dowd, Dr Garnett, Mr McMahon, Mr Pegler and Dr Smith all served as independent non-executive Directors in 2015. Mr Cox, Ms Farrell, Mr Taylor and Mr Trott, who are all executives of Rio Tinto, also served as non-executive Directors during the period.

Skills, experience and diversity

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 38 to 41. Details of the independent status of each Director 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.

The Board reviews its structure, size and composition regularly. The Board has not established a nominations committee. 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.

The process to identify and nominate new independent Directors from time to time is led by the incumbent independent Directors (with the exception of the most recent appointments of independent Directors in October 2015 which was necessarily undertaken in the absence of incumbents). Decisions relating to the appointment of Directors are made by the full Board. Directors appointed by the Board are required by ERA's Constitution to submit themselves for re-election by shareholders at the Annual General Meeting following their appointment. There is no share ownership qualification for appointment as a Director.

The ERA Board undertakes appropriate background checks and screening prior to appointing a Director or putting a candidate to security holders for election as a Director. ERA provides security holders with all material information in its possession concerning each Director standing for election or re-election in the explanatory notes accompanying the notice of meeting.

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.

The key attributes that the Board seeks to achieve in its membership are set out below.

Mining	Senior executive experience in the resources industry, including mining, development, marketing and exploration
Health, Safety and Environment	Familiarity with issues associated with workplace health and safety, environment and social responsibility
Financial	Proficiency in financial accounting and reporting, corporate finance, internal financial controls, corporate funding and associated risks
Technical	A strong understanding in technical areas of the resource industry, including engineering, mining and processing
Strategy	Proven ability in developing and implementing successful business strategies, including the capacity to probe and challenge management on the delivery of strategic objectives
Governance	Commitment to the highest standards of governance, including Board experience with other ASX listed companies that demonstrate rigorous governance standards
Executive leadership	Sustainable success in business at a very senior executive level
Government relations	Interaction with government and regulators and involvement in public policy initiatives and decisions
Community and indigenous engagement	Experience in engaging with a cross-section of community and Indigenous stakeholders
Risk management	Experience in developing and establishing risk management frameworks, setting risk appetite and overseeing organisational risk culture

Appointment, induction training and professional development

All new non-executive Directors sign a letter of appointment which sets out the key terms and conditions of their appointment including duties, rights and responsibilities, the time commitment envisaged and the Board's expectations regarding their involvement with committee work. The Chief Executive and senior executives enter into service agreements which govern the terms of their employment (see pages 55 and 56).

Induction training is provided to all new Directors. It includes comprehensive induction materials, discussions with the Chief Executive and senior executives and the option to visit the Company's operations at Ranger mine, either by appointment or with the Board during its next site tour.

The induction materials and discussions include information on the Company's strategy, culture and values; key corporate and Board policies; the Company's financial, operational and risk management position; the rights and responsibilities of Directors; and the role of the Board and its committees and meeting arrangements.

All Directors are expected to maintain the skills required to discharge their obligations to the Company. ERA provides the opportunity for Directors to participate in professional development activities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

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 interests 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.

In addition to the examples set out in the Principles, 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 five 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 this may have compromised independence; 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).

Mr Mansell, Mr Charles and Mr Dowd are considered by the Board to be independent Directors, as were Dr Garnett, Mr Pegler and Dr Smith prior to their resignations.

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. Prior to his resignation, the Board was satisfied that Mr McMahon had no continuing relationship with Rio Tinto that would interfere with his independent exercise of judgement and that he was an independent Director.

For the reporting period, the Board of Directors did not consist of a majority of independent Directors (including between 20 June 2015 and 26 October 2015 when there were no independent Directors). This does not follow Recommendation 2.4 of the Council's Principles. The Board considers it appropriate that its usual composition (being an equal mix of independent and non-independent Directors) recognises Rio Tinto's 68.4 per cent shareholding.

All Directors are required to, and do, bring an independent judgement 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 on arm's length terms and in the interests of ERA.

Chairman and Chief Executive

The Chairman, Mr Mansell, is an independent non-executive Director. Mr Mansell's other appointments are set out on page 38. 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.

Between 21 June 2015 and 26 October 2015, Ms Sutton served as Chief Executive and Acting Chair of the Board. This is not consistent with Recommendation 2.5 of the Council's Principles. The Board considered this at the time and determined that Ms Sutton was the most appropriate person to serve as Acting Chair until new independent Directors were appointed.

Company Secretary

The Company Secretary is responsible for ensuring that Board procedures are complied with and that governance matters are addressed. All Directors have direct access to the Company Secretary who is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. Details of the Company Secretary's experience and qualifications are set out on page 42.

Board meetings

The Board held seven scheduled meetings and nine extraordinary meetings during 2015. In addition, there were eight meetings held in 2015 of committees established by the Board. The Board and Committee meeting attendance details for Directors in 2015 are set out on page 44.

Performance self assessment

In 2014 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 the Company Secretary. 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 following Board meeting, where actions arising were agreed.

Due to the timing and number of changes to the Board's composition in 2015, a performance evaluation was not carried out in the period.

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 2015 Annual General Meeting, the 2014 Remuneration Report was approved with 92.32 per cent of shares voted in favour (voting comprised 363,749,929 votes 'for' the resolution and 30,240,884 votes 'against' the resolution). North Limited and Peko-Wallsend Pty Ltd, which are both Rio Tinto entities, voted a combined total of 354,078,854 votes 'for' the resolution.

In 2012, the Board established a Remuneration Committee. At 31 December 2015, the Remuneration Committee comprised three non-executive Directors, being Mr Mansell (Chair), Mr Dowd and Ms Farrell, two of whom are independent. 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.

During the period from 1 July 2015 to 6 December 2015, the Remuneration Committee was comprised of Ms Farrell (Chair) and Mr Cox, neither of whom are considered by the Board to be independent. This does not follow Recommendation 8.1 of the Council's Principles but was unavoidable following the resignation of independent Directors. The composition of the Remuneration Committee was modified shortly after the appointment of new independent Directors in October 2015 to be in line with Recommendation 8.1.

Prior to 20 June 2015, the Remuneration Committee was comprised of Mr Pegler (Chair until 13 April 2015), Dr Smith (Chair from 13 April 2015), Dr Garnett and Mr McMahon, all of whom were independent Directors.

The Remuneration Committee Charter sets out the role and objectives of the Remuneration Committee. A summary of the objectives of the Remuneration Committee and the policies and practices of the Company regarding the remuneration of non-executive Directors, the Chief Executive and senior executives is set out on pages 45 to 48 of the Remuneration Report. The complete Remuneration Committee Charter is available at the Corporate Governance section of ERA's website.

Details of how the performance evaluation process is undertaken by the Board in respect of the Chief Executive and senior executives are set out on pages 45 and 48 of the Remuneration Report.

Audit and Risk Committee

The Audit and Risk Committee is appointed by the Board and at 31 December 2015 comprised three non-executive Directors, two of whom are independent. A majority of members constitutes a quorum. The present members of the Audit and Risk Committee are Mr Cox (Chair), Mr Mansell and Mr Charles. The Company's Chief Financial Officer, Chief Executive and Legal Counsel & Company Secretary, the external auditor and the internal auditor are invited to attend all meetings.

During the period from 1 July 2015 to 6 December 2015, the Audit and Risk Committee was comprised of Mr Cox (Chair) and Ms Farrell, neither of whom are considered by the Board to be independent. This does not follow Recommendations 4.1 or 7.1 of the Council's Principles but was unavoidable following the resignation of independent Directors. The composition of the Audit and Risk Committee was modified shortly after the appointment of new independent Directors to be more in line with Recommendations 4.1 and 7.1 of the Council's Principles.

As at 31 December 2015 the Audit and Risk Committee continued to be chaired by Mr Cox. This does not follow Recommendations 4.1 or 7.1 of the Council's Principles.
In December the Board considered the composition of the Audit and Risk Committee in light of the skills and experience of the current Directors and determined that it was appropriate for Mr Cox to remain as Chair for the remainder of 2015.

Prior to 20 June 2015 the Audit and Risk Committee was comprised of Dr Garnett (Chair), Mr McMahon, Mr Pegler (until 13 April 2015) and Dr Smith, all of whom were independent Directors.

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 Audit and Risk 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 Audit and Risk 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 2015 and two extraordinary meetings. Attendance details of the 2015 meetings of the Audit and Risk Committee, and the qualifications and experience of the members, are set out in the Directors' Report on pages 38 to 41 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 has 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 2015 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 2015 are outlined on page 62.

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 objectives are set out below:

OBJECTIVE	OUTCOME
Women to represent 20 per cent of the management (being manager level and above) and the Board by end of 2015.	As at 31 December 2015 female participation at manager, Executive Committee and Board level is 24%. Women comprise 29% of Directors. Total female participation is 17%.
Target of 33 per cent Indigenous people and 25 per cent female participation in new apprenticeships by end of 2015.	Throughout 2015, ERA had ten full time apprentices, four of whom are Indigenous (40%). In addition, ERA has five school based apprentices.
Target Indigenous employment of 20 per cent by the end of 2015.	ERA ended 2015 with an Indigenous employment rate of 13 per cent.

As at 31 December 2015, the proportion of women employed by ERA was as follows:

Board of Directors	29%
Executive Committee and managers	24%
Company	17%

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" ("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 44 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 Company has an annual internal audit programme that is determined by the Audit and Risk Committee. The annual internal audit programme is executed by an outsourced provider which reports back to the Audit and Risk Committee on its assessment of the Company's control environment. In addition, the Company's compliance officer provides support for internal audit planning activities and the monitoring of actions implemented by the Company in response to findings raised by the internal auditor.

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.

The Audit and Risk Committee reviews ERA's risk management framework at least annually, and did so in 2015, to satisfy itself that it continues to be sound.

In 2015, both the Audit and Risk Committee and 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 process water management, cashflow over the period 2016 to 2018, Ranger 3 Deeps mine, stakeholder support of the Company's strategic initiatives, rehabilitation of the Ranger Project Area, internal constraints relating to the Company's licence to operate, external events relating to the Company's licence to operate, long term resource access and human resources.

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. More information on ERA's business risks, including any material exposure to economic, environmental and social sustainability risks, is set out on page 15 of the Annual Report.

Each reporting period, the Chief Executive and the Chief Financial Officer give statements to the Board that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the Australian Accounting Standards and give a true and fair view of the Company's financial position and performance. The statements also provide that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively in all material respects. In 2015, the Chief Executive and senior executives of the Company also made a declaration that they:

- understood the key requirements of each business integrity element of the Rio Tinto's *The Way We Work*; and
- had actively 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 at the Corporation Governance section of ERA's website.

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. 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 the Annual General Meeting. 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.

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.

ERA provides shareholders with the option to receive communications from, and send communications to, the Company and the share registrar electronically. The contact details are available on the Company's website.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTES	2015 $'000	2014 $'000
Revenue from continuing operations	3	348,260	401,798
Changes in inventories		(46,800)	(124,876)
Purchased materials (uranium oxide)		-	(66,933)
Materials and consumables used		(74,449)	(85,300)
Employee benefits and contractor expenses		(135,768)	(215,816)
Government and other royalties	4	(17,908)	(15,423)
Commission and shipping expenses		(5,130)	(2,333)
Depreciation and amortisation expenses	4	(111,933)	(119,977)
Financing costs	4	(22,031)	(29,301)
Statutory and corporate expenses		(12,787)	(11,247)
Other expenses	4	(1,252)	(4,194)
Profit/(loss) before income tax		(79,798)	(273,602)
Income tax (expense)/benefit	5	(195,695)	85,802
Profit/(loss) for the year		(275,493)	(187,800)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(275,493)	(187,800)
Profit/(loss) is attributable to:			
Owners of Energy Resources of Australia Ltd		(275,493)	(187,800)
Total comprehensive income for the year is attributable to:			
Owners of Energy Resources of Australia Ltd		(275,493)	(187,800)
Earnings per share for profit/(loss) attributable to the ordinary equity holders of the Company:			
Basic earnings per share (cents)	27	(53.2)	(36.3)
Diluted earnings per share (cents)	27	(53.2)	(36.3)

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

BALANCE SHEET

AS AT 31 DECEMBER 2015

	NOTES	2015 $'000	2014 $'000
ASSETS			
Current assets			
Cash and cash equivalents	7	365,326	293,318
Trade and other receivables	8	20,440	11,232
Inventories	9	132,950	146,559
Other	10	480	1,392
Total current assets		519,196	452,501
Non-current assets			
Inventories	11	49,673	85,728
Undeveloped properties	12	203,632	203,632
Property, plant and equipment	13	259,990	358,485
Deferred tax assets	14	-	174,627
Investment in trust fund	15	68,324	66,751
Total non-current assets		581,619	889,223
Total assets		1,100,815	1,341,724
LIABILITIES			
Current liabilities			
Payables	16	50,139	55,621
Income received in advance		38,930	14,911
Provisions	17	39,958	40,552
Total current liabilities		129,027	111,084
Non-current liabilities			
Provisions	18	480,750	485,033
Deferred tax liabilities	14	21,091	-
Total non-current liabilities		501,841	485,033
Total liabilities		630,868	596,117
Net assets		469,947	745,607
EQUITY			
Contributed equity	19	706,485	706,485
Reserves	20	389,751	389,918
Accumulated losses	20	(626,289)	(350,796)
Total equity		469,947	745,607

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTES	CONTRIBUTED EQUITY $'000	RESERVES $'000	RETAINED EARNINGS $'000	TOTAL $'000
Balance at 1 January 2014		706,485	390,533	(162,996)	934,022
Profit/(loss) for the year		-	-	(187,800)	(187,800)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year				(187,800)	(187,800)
Transactions with owners in their capacity as owners:					
Employee share options – value of employee services	20	-	(615)	-	(615)
		-	(615)	-	(615)
Balance at 31 December 2014		706,485	389,918	(350,796)	745,607
Profit/(loss) for the year		-	-	(275,493)	(275,493)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	(275,493)	(275,493)
Transactions with owners in their capacity as owners:					
Employee share options – value of employee services	20	-	(167)	-	(167)
		-	(167)	-	(167)
Balance at 31 December 2015		706,485	389,751	(626,289)	469,947

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTES	2015 $'000	2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers			
(inclusive of Goods and Services Tax)		375,701	448,514
Payments to suppliers and employees			
(inclusive of Goods and Services Tax)		(261,400)	(368,975)
		114,301	79,539
Payments for exploration and evaluation		(8,749)	(83,205)
Payments for rehabilitation		(26,538)	(56,977)
Interest received		6,920	7,871
Financing costs paid		(1,340)	(1,219)
Net cash (outflow)/inflow from operating activities	26	84,594	(53,991)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(11,906)	(11,590)
Proceeds from sale of property, plant and equipment		247	2,652
Net cash (outflow)/inflow from investing activities		(11,659)	(8,938)
CASH FLOW FROM FINANCING ACTIVITIES			
Employee share option payments		(904)	(962)
Net cash (outflow)/inflow from financing activities		(904)	(962)
Net increase/(decrease) in cash and cash equivalents		72,031	(63,891)
Cash and cash equivalents at the beginning of the financial year		293,318	357,208
Effects of exchange rate changes on cash and cash equivalents		(23)	1
Cash and cash equivalents at end of year	7	365,326	293,318

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

NOTES TO THE 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 Energy Resources of Australia Ltd (ERA).

(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 the Company 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 the Company. 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

ERA has no subsidiaries and is referred to in the financial report as the Company.

Subsidiaries are all those entities (including special purpose entities) over which the Company 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 Company controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. 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 Company.

(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 Company 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 Company'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 Company 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 the Company 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 Company 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 financial statements are presented in Australian dollars, which is the Company'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 Company 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

The Company 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 the Company'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, the Company 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, the Company 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 the Company 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.

The Company 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 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.

(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 Company and are predominantly 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.

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

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 Company 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 Company 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 Area 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 prefeasibility 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 the Company. 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 the Company'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. 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 Company 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 Company 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 Company has no staff who are members of the defined contribution section.

(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 Company 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. TSR). The Company 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 30.

(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) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2018 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 Company'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 Company does not have any such liabilities.

(ii) AASB 15 Revenue from Contracts with Customers

AASB 15 'Revenue from contracts with customers' establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard is not applicable until 1 January 2017 but is available for early adoption. ERA has not yet determined the extent of the impact, if any.

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 Company and that are believed to be reasonable under the circumstances.

The Company 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 the Company's obligations. The provision for rehabilitation represents the net present cost at 31 December, based on current disturbance, of the preferred plan within the requirements of the Ranger Section 41 Authority.

The cost estimates are reviewed annually during the life of the operation to reflect known developments. In 2015 this review resulted in a decrease to the provision of $4.9 million. The change in estimate considered updated technology and learnings from work conducted to date, both on the Ranger Project Area and other operations. The overall rehabilitation strategy remains unchanged.

The ultimate cost of rehabilitation is uncertain and can vary in response to many factors. It is reasonably possible that outcomes within the next financial year that are different from the current cost estimate could require material adjustment (increase or decrease) to the rehabilitation provision for the Ranger Project Area. Further information with regard to funding of the rehabilitation provision is discussed in Note 28.

In estimating the rehabilitation provision a risk free discount rate is applied to the underlying cash flows. At 31 December the Company has reduced the real discount rate from 2.5 per cent to 2.25 per cent. This resulted in an increase in the provision of $7.2 million.
The overall change in the estimate (including change in estimate and discount rate) to the rehabilitation provision is an increase of $2.3 million at 31 December 2015.

(b) Taxation

At the end of 31 December 2014, the Company recognised certain deferred tax assets for temporary differences and recoverable losses carried forward. In recognising these deferred tax assets assumptions were made regarding the Company's ability to generate future taxable profits, including from development of the Ranger 3 Deeps underground mine. At the half year ended 30 June 2015, the Company recorded a non-cash charge for the write down of the Company's deferred tax assets of $196.7 million. Following the Company's announcement on 11 June 2015 that the Ranger 3 Deeps project will not proceed to Final Feasibility Study in the current operating environment, the Company considers that the criteria under Australian Accounting Standards for the recognition of carried forward deferred tax losses are no longer satisfied.

As the write off is a non-cash item, it does not have any impact on cash flow of the Company's operations, nor will it impact the availability of tax losses in future periods. The Company will continue to consider the recoverability over time.

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. Further details on deferred tax assets are included in Note 14.

(c) Determination of ore reserves and resources

The Company estimates its Ore Reserves and Mineral Resources based on information compiled by Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC code). There are numerous uncertainties inherent in estimating Ore Reserves and Mineral Resources 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 Ore Reserves and may, ultimately, result in the Ore Reserves being restated. Such changes in Ore Reserves could impact on depreciation and amortisation rates, asset carrying values and provisions for rehabilitation. The Company's Ore Reserves and Mineral Resources Statement as at 31 December 2015 is on pages 18 and 19 of the Annual Report.

(d) Asset carrying value

The Company has two cash generating units (CGUs), the Ranger Project Area and the Jabiluka Mineral Lease. The Ranger CGU includes all assets and liabilities related to activities on the Ranger Project Area, including the rehabilitation provision and the associated asset capitalised within property, plant and equipment. The Jabiluka Undeveloped Property relates to the Jabiluka Mineral Lease which is currently under a long term care and maintenance agreement.

The Company's balance sheet contains items that have been subject to impairment testing during the year.

When the Company assesses CGUs for recoverability, the Company uses the greater of fair value less costs of disposal or value in use. The Company has used the fair value less costs of disposal method for the Ranger CGU, with recoverability being determined based on discounted cash flow modelling of a set of probability weighted strategic outcomes.

The Company has concluded through detailed impairment testing that the Ranger CGU and Jabiluka Undeveloped Property are not impaired.

It is reasonably possible that outcomes within the next financial year that are different from the current assumptions around future market prices, resource and development potential, discount rate and rehabilitation, capital and production costs, could require a material adjustment (increase or decrease) to the carrying amount of the Ranger CGU.

Market consensus uranium price and exchange rate forecasts are determined by surveying a sample of brokers and financial institutions to gather their estimation of both the long term uranium price and AUD/USD exchange rate.

The fair value less costs of disposal method under Australian Accounting Standard 136 centres on determining the fair value of the Company's CGUs being the price that would be received to sell an asset in an orderly transaction between market participants at measurement date. In this context, the Company considers that the fair value of the Ranger CGU includes option value for the Ranger 3 Deeps project on the basis that it is possible that the Ranger 3 Deeps mine is able to be developed in the future subject to achieving an Authority extension. This assessment represents a substantial reduction in the probability of pursuing development of Ranger 3 Deeps relative to the assessment performed at 31 December 2014 where a high probability was assigned.

Estimates and judgements 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, AUD/USD exchange rate and, where applicable, costs to complete.

The sales price of uranium oxide is denominated in US dollars, so fluctuations in the AUD/USD exchange rate will affect the proceeds received from sales and consequently the recoverable amount.

At 31 December 2015, an $11.3 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 2015 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. Total net realisable value adjustments recorded periodically through the year was $31.2 million (pre-tax).

3 Revenue

	2015 $'000	2014 $'000
REVENUE FROM CONTINUING OPERATIONS		
Sale of goods	332,669	378,955
Rendering of services	108	211
Total sales revenue	332,777	379,166
Other revenue		
Interest received/receivable, other parties	8,493	10,662
Rent received	829	862
Compensation uranium oxide received	-	9,415
Contract compensation	6,161	-
Net gain on sale of property, plant and equipment	-	1,693
Total other revenue	15,483	22,632
Total revenue from continuing operations	348,260	401,798

4 Expenses

	NOTES	2015 $'000	2014 $'000
LOSS BEFORE INCOME TAX INCLUDES THE FOLLOWING SPECIFIC EXPENSES:			
Cost of sales			
Produced product (uranium oxide)		294,101	247,912
Purchased product (uranium oxide)		-	66,933
Total cost of sales		294,101	314,845
Depreciation			
Mine land and buildings		3,298	2,176
Plant and equipment		81,592	82,165
Total depreciation		84,890	84,341
Amortisation			
Mine properties		8,199	4,766
Rehabilitation asset		18,844	30,870
Total amortisation		27,043	35,636
Total depreciation and amortisation expenses		111,933	119,977
Government and other royalties			
Royalty payments	22	4,070	3,505
Payments to Indigenous interests	22	13,838	11,918
Total Government and other royalties		17,908	15,423
Financing costs			
Other parties		1,341	1,219
Unwinding of discount (rehabilitation provision)		20,690	28,082
Total Financing Costs		22,031	29,301
Doubtful debts expense		(6)	(43)
Net loss on disposal of property, plant & equipment		538	-
Net foreign exchange loss/(gain)		292	58
Rental expense relating to operating leases		5,417	7,097
Research and development expenditure		1,705	22,790
Total exploration and evaluation expenditure (including Ranger 3 Deeps exploration decline)		8,749	83,205
Expenditure related to plant recommissioning		-	14,227
Defined contribution superannuation expense		5,024	5,795

5 Income tax expense/(benefit)

	2015 $'000	2014 $'000
INCOME TAX EXPENSE/(BENEFIT)		
Current tax	-	-
Deferred tax	195,331	(85,814)
Under/(over) provided in prior years	364	12
Income tax expense/(benefit)	195,695	(85,802)
Deferred income tax (revenue)/expense included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets (Note 14B)	197,573	(70,641)
(Decrease)/increase in deferred tax liabilities (Note 14A)	(2,242)	(15,173)
Deferred tax	195,331	(85,814)
RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE		
Operating loss before income tax	(79,798)	(273,602)
Tax at the Australian tax rate of 30% (2014: 30%)	(23,940)	(82,081)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Derecognition of deferred tax assets	219,667	-
R&D tax concession	(1,705)	(2,278)
Amortisation	5,653	9,261
Rehabilitation expenditure	(4,348)	(10,721)
Other items	4	5
Income tax under/(over) provided in prior years	364	12
Income tax expense/(benefit)	195,695	(85,802)
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)	23	72

6 Dividends

Dividends paid or declared

No dividends have been paid or declared for the year ended 31 December 2015 (2014: nil).

Dividends franking account

	2015 $'000	2014 $'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2014: 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

	2015 $'000	2014 $'000
CURRENT		
Cash at bank and in hand	3,640	6,188
Deposits at call	361,686	287,130
Cash and cash equivalents	365,326	293,318

Cash at bank/Deposits at call

Cash assets and deposits bear floating interest rates between 0.0 per cent and 3.3 per cent (2014: 0.0 per cent and 2.8 per cent).

Interest rate risk exposure

The Company's exposure to interest rate risk is discussed in Note 28.

8 Trade and other receivables

	2015 $'000	2014 $'000
CURRENT		
Trade debtors	17,427	9,222
Other debtors	3,013	2,016
Provision for impairment	-	(6)
Net other debtors	3,013	2,010
Trade and other receivables	20,440	11,232

Impairment of receivables

No trade receivables are past due. There is no impairment of trade receivables.

Other debtors relate to transactions outside the usual operating activities of the Company 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

The Company 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 28.

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 Company does not hold any collateral as security. Refer to Note 28 for more information on the financial risk management policy of the Company.

9 Inventories – current

	2015 $'000	2014 $'000
Stores and spares	16,923	19,787
Ore stockpiles at cost	36,337	35,835
Work in progress at cost	6,879	-
Work in progress at net realisable value	-	710
Finished product U_3O_8 at net realisable value	72,811	90,227
Total current Inventory	132,950	146,559

Inventory expense

Obsolescence of inventory provided for and recognised as an expense during the year ended 31 December 2015 amounted to $1,351,475 (2014: nil).

Write-downs of inventories to net realisable value recognised as an expense during the year ended 31 December 2015 amounted to $31,220,392 (2014: $47,605,931). The expense has been included in 'Changes in inventories' in the statement of comprehensive income.

10 Other assets

	2015 $'000	2014 $'000
Prepayments	480	1,392

11 Inventories – non-current

	2015 $'000	2014 $'000
Ore stockpiles at cost	49,673	85,728

12 Undeveloped properties

	2015 $'000	2014 $'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; and
- 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 Jabiluka Mineral Lease is currently under long-term care and maintenance. The Company has agreed that future mining development will not occur without the consent of the Mirarr Traditional Owners. It is uncertain that this consent will be forthcoming and, by extension, that the Jabiluka deposit will be developed. Should this consent not eventuate in the future, the Jabiluka Undeveloped Property would face full impairment.

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

	MINE LAND AND BUILDINGS $'000	PLANT AND EQUIPMENT $'000	MINE PROPERTIES $'000	REHABILITATION $'000	TOTAL $'000
YEAR ENDED 31 DECEMBER 2015					
Opening net book amount	7,494	296,674	16,468	37,849	358,485
Additions	-	11,906	-	-	11,906
Disposals	-	(785)	-	-	(785)
Change in estimate	-	-	-	2,317	2,317
Transfers	-	-	-	-	-
Depreciation/amortisation charge	(3,298)	(81,592)	(8,199)	(18,844)	(111,933)
Closing net book amount	4,196	226,203	8,269	21,322	259,990
Cost	110,845	1,161,122	421,700	336,713	2,030,380
Accumulated depreciation/amortisation	(106,649)	(934,919)	(413,431)	(315,391)	(1,770,390)
Net book amount	4,196	226,203	8,269	21,322	259,990
YEAR ENDED 31 DECEMBER 2014					
Opening net book amount	9,994	367,884	21,234	131,234	530,346
Additions	-	11,590	-	-	11,590
Disposals	(324)	(635)	-	-	(959)
Change in estimate	-	-	-	(62,515)	(62,515)
Transfers	-	-	-	-	-
Depreciation/amortisation charge	(2,176)	(82,165)	(4,766)	(30,870)	(119,977)
Closing net book amount	7,494	296,674	16,468	37,849	358,485
Cost	110,845	1,150,001	421,700	334,396	2,016,942
Accumulated depreciation/amortisation	(103,351)	(853,327)	(405,232)	(296,547)	(1,658,457)
Net book amount	7,494	296,674	16,468	37,849	358,485

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:

	2015 $'000	2014 $'000
Plant and equipment	4,956	5,969

14 Deferred tax assets

	2015 $'000	2014 $'000
(A) DEFERRED TAX LIABILITY		
The balance comprises temporary differences attributable to:		
Amounts recognised in profit and loss		
Investment in trust fund	20,497	20,025
Undeveloped properties	23,405	23,405
Inventories	16,203	22,175
Receivables	771	1,014
Other	-	-
Total deferred tax liabilities	60,876	66,619
Off-set of deferred tax asset pursuant to set-off provisions (Note 14B)	(39,785)	(66,619)
Net deferred tax liabilities	21,091	-
Movements		
Opening balance at 1 January	66,619	83,212
(Credited)/debited to the income statement (Note 5)	(2,242)	(15,173)
Under provided in prior years credited to the income statement	(3,501)	(1,420)
Closing balance at 31 December	60,876	66,619
(B) DEFERRED TAX ASSETS		
The balance comprises temporary differences attributable to:		
Amounts recognised in profit and loss		
Tax losses	-	127,222
Research and development tax offset	-	33,915
Property, plant and equipment	14,697	4,119
Rehabilitation	20,523	69,736
Employee provisions	3,656	4,060
Other	909	1,919
	39,785	240,971
Amount recognised directly in equity		
Transaction costs	-	719
Share benefits	-	(444)
Total deferred tax assets	39,785	241,246
Set-off of deferred tax liabilities pursuant to set-off provisions (Note 14A)	(39,785)	(66,619)
Net deferred tax assets	-	174,627
Movements		
Opening balance at 1 January	241,246	172,109
Credited to the income statement (Note 5)	(197,573)	70,641
(Under)/over provided in prior years credited to the income statement	(3,865)	(1,432)
Credited to equity (Note 5)	(23)	(72)
Closing balance at 31 December	39,785	241,246

15 Investment in Trust Fund

	2015 $'000	2014 $'000
NON-CURRENT		
Trust Fund	68,324	66,751

Trust Fund

The Ranger Rehabilitation 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 2015 was 2.93 per cent (2014: 3.33 per cent).

16 Payables

	2015 $'000	2014 $'000
CURRENT		
Trade payables	47,832	48,870
Amounts due to related parties	1,497	5,833
Other payables	810	918
Total payables	50,139	55,621

17 Provisions – current

	2015 $'000	2014 $'000
CURRENT		
Employee benefits	9,012	9,345
Rehabilitation	30,946	31,207
Total current provisions	39,958	40,552

Movements in provisions

Movements in the rehabilitation provision during the financial year are set out below:

	REHABILITATION $'000
2015	
Carrying amount at the start of the year	31,207
Payments	(26,538)
Transfer from non-current provision	26,277
Carrying amount at the end of the year	30,946

	REHABILITATION $'000
2014	
Carrying amount at the start of the year	78,388
Payments	(56,977)
Transfer from non-current provision	9,796
Carrying amount at the end of the year	31,207

18 Provisions – non-current

	2015 $'000	2014 $'000
NON-CURRENT		
Employee benefits	3,175	4,188
Rehabilitation	477,575	480,845
Carrying amount at the end of the year	480,750	485,033

Movements in provisions

Movements in the rehabilitation provision during the financial year is set out below:

	REHABILITATION $'000
2015	
Carrying amount at the start of the year	480,845
Change in estimate	2,317
Unwinding of discount	20,690
Additional provisions recognised	-
Transfer to current provision	(26,277)
Carrying amount at the end of the year	477,575

	REHABILITATION $'000
2014	
Carrying amount at the start of the year	525,076
Change in estimate	(74,242)
Unwinding of discount	28,082
Additional provisions recognised	11,725
Transfer to current provision	(9,796)
Carrying amount at the end of the year	480,845

19 Share capital

	2015 SHARES	2014 SHARES	2015 $'000	2014 $'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 shareholders' 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 Company's exposure to risks when managing capital are set out in Note 28.

20 Reserves and retained profits

	2015 $'000	2014 $'000
RESERVES		
Share-based payments reserve	251	418
Capital reconstruction	389,500	389,500
Total Reserves	389,751	389,918
Movements		
Share-based payments reserve		
Balance 1 January	418	1,033
Option expense	(167)	(615)
Balance 31 December	251	418
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	(350,796)	(162,996)
Net loss for the year	(275,493)	(187,800)
Dividends paid	-	-
Closing retained earnings/(accumulated losses) – 31 December	(626,289)	(350,796)

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, the Company 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 the Company claiming that due process was not followed in granting approvals for the Jabiluka Mill Alternative is dormant. Should the Company 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 liability disclosed above.

22 Commitments

Capital commitments
Capital expenditure contracted for at the reporting date is as follows:

	2015 $'000	2014 $'000
Within one year	7,160	50,051

Lease commitments
Future operating lease rentals not provided for in the financial statements and payable:

	2015 $'000	2014 $'000
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable		
Within one year	1,365	1,753
Later than one year but not later than five years	4,073	4,821
Total operating leases	5,438	6,574

The Company leases property, plant and equipment under operating leases expiring between one and four years. Some leases provide the Company 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:

	2015 $'000	2014 $'000
Within one year	146	138
Later than one year but not later than five years	583	609
Later than five years	534	711
Total mineral tenement leases	1,263	1,458

In order to maintain current rights of tenure to mining tenements, the Company will be required to outlay an amount of $145,730 in the year ending 31 December 2016 in respect of tenement lease rentals.

The Company 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 for rent for the duration of the agreement. This amounts to $968,672 for 2015 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 (Northern Territory) Act 1976*. The Company is required to pay 2.5 per cent of Ranger net sales revenue to the Commonwealth and 1.75 per cent of Ranger net sales revenue to the Northern Land Council or an entity representing the Mirarr Traditional Owners as directed by the Northern Land Council (amounts paid during 2015: $13,837,954; 2014: $11,918,129).

(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 2015: $4,069,987; 2014: $3,505,332).

The Company is liable to make payments to the Northern Land Council pursuant to the Section 43 Agreement between Pancontinental Mining Limited and Getty Oil Development Company Limited and the Northern Land Council dated 21 July 1982, which was assigned to the Company with the consent of the Northern Land Council, 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).

The Company 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 Company earned the following remuneration:

	2015 $’000	2014 $’000
AUDIT SERVICES		
PricewaterhouseCoopers Australian firm		
Audit and review of financial reports	345	310
Audit and review of financial reports (additional 2014 fees)	108	40
Audit related services	100	-
Total remuneration of PricewaterhouseCoopers Australia	553	350

24 Related parties

Directors

The names of persons who were Directors of the Company at any time during the financial year are as follows:

Peter Mansell (appointed 26 October 2015), Shane Charles (appointed 26 October 2015), Paul Dowd (appointed 26 October 2015), Peter McMahon (resigned 20 June 2015), Helen Garnett (resigned 20 June 2015), Andrea Sutton, Peter Taylor (resigned 13 April 2015), John Pegler (resigned 13 April 2015), Joanne Farrell, Bruce Cox, David Smith (appointed 27 January 2015, resigned 20 June 2015) and Simon Trott (appointed 6 December 2015).

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

	2015 $'000	2014 $'000
Short-term employee benefits	2,556	3,151
Post-employment benefits	341	363
Share-based payments	485	478
	3,382	3,992

In compliance with *Corporations Regulations 2001* 2M.3.03 the Company has provided detailed remuneration disclosures in the Director's Report. The relevant information can be found in the Remuneration Report on pages 45 to 60.

Loans with Directors and key management personnel

There were no loans with Directors or key management personnel during 2015 (2014: Nil).

Transactions with Directors and Director-related entities

There were no transactions with Directors or Director-related entities other than Rio Tinto Limited during 2015 (2014: nil). Details of transactions with Rio Tinto Limited are outlined below.

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 Pty 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:

	2015 $'000	2014 $'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	(3,186)	(9,153)
Other reimbursements paid for commercial services received:		
Rio Tinto Group Companies	(18,676)	(85,718)
Amounts received from related parties:		
Rio Tinto Group Companies – other	327,594	245,118
Rio Tinto Group Companies – interest	1,894	1,827
Dividends paid to:		
Related parties – North Ltd	-	-
Related parties – Peko-Wallsend Pty 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 (2015: nil and 2014: $66,933,276).

Amounts received from related parties include sales of uranium oxide at market price. In April 2014, the Company entered into a marketing agreement with Rio Tinto Uranium on the basis that it represented superior value to the Company's then existing marketing agreements and the alternative marketing agreements considered. Under the new marketing agreement, uranium oxide produced by the Company is sold to Rio Tinto Uranium and pooled with uranium oxide produced from the Namibian operation of Rössing Uranium Limited, a related party of Rio Tinto plc.

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:	2015 $'000	2014 $'000
Current assets - cash assets		
Related parties - Rio Tinto Finance Ltd	172,621	102,531
Current assets - receivables		
Related parties - Rio Tinto Group Companies	16,248	6,066
Current liabilities - creditors		
Related parties - Rio Tinto Group Companies	1,497	5,833

All related party transactions were conducted on arm's length terms and conditions and at market rates.

25 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 2015, 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	
	2015 $'000	**2014 $'000**
Revenue from external customers	332,777	379,166
Other revenue	15,483	22,632
Total segment revenue	348,260	401,798
Segment result	(79,798)	(273,602)
Income tax benefit/(expense)	(195,695)	85,802
Profit/(loss) for the year	(275,493)	(187,800)
Segment assets	1,100,815	1,341,724
Total assets	1,100,815	1,341,724
Segment liabilities	630,868	596,117
Total liabilities	630,868	596,117
Acquisitions of non-current assets	11,906	11,590
Depreciation and amortisation expense	111,933	119,977
Net (gain)/loss on sale of property, plant and equipment	538	(1,693)

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 below. Segment revenue reconciles to total revenue from continuing operations as disclosed in Note 3.

The Company 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	
	2015 $'000	2014 $'000
Asia	332,669	260,549
North America	-	108,569
Europe	-	8,461
Africa	-	1,376
Total revenue	332,669	378,955

Segment revenues are allocated based on the country in which the customer is located. During 2014 the Company entered into a new marketing agreement with Rio Tinto Uranium based in Asia. Details are disclosed in Note 24.

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 Company as at 31 December 2015 are in Australia with the exception of inventories in transit or at converters of $66,245,519 (2014: $60,084,720). 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 Company does not have any borrowings or derivative financial instruments as at 31 December 2015.

26 Reconciliation of loss after income tax to net cash inflow/(outflow) from operating activities

	2015 $'000	2014 $'000
Loss for the year	(275,493)	(187,800)
Add/(less) items classified as investing/financing activities:		
Net (gain)/loss on sale of non-current assets	538	(1,693)
Add/(less) non-cash items:		
Depreciation and amortisation	111,933	119,977
Rehabilitation provision: unwinding of discount	20,690	28,082
Employee benefits: share based payments	737	346
Net exchange differences	23	(1)
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(9,208)	8,875
(Increase)/decrease in inventories	49,664	128,819
(Increase)/decrease in other assets	912	913
(Increase)/decrease in investment in trust fund	(1,573)	(2,791)
(Decrease)/increase in payables	18,537	(1,981)
(Increase)/decrease in net deferred tax assets	195,718	(85,730)
(Decrease)/increase in provisions	(27,884)	(61,007)
Net cash inflow/(outflow) provided from operating activities	84,594	(53,991)

27 Earnings per share

	2015 CENTS	2014 CENTS
Basic earnings per share	(53.2)	(36.3)
Diluted earnings per share	(53.2)	(36.3)

Earnings used in the calculation of basic and diluted earnings per share: 2015: ($275,493,403) (2014: ($187,799,509)).
Weighted average number of ordinary shares on issue used in calculation of basic earnings per share: 2015: 517,725,062 shares (2014: 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 30.

28 Financial risk management

The Company 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 Company's business is mining and not trading. Accordingly, the Company 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 Company operates entirely in Australia and is exposed primarily to Australian dollar denominated costs. Sales are denominated in US dollars.

Market risk

Foreign exchange risk

The Company 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 Company policy to hedge against foreign exchange risk.

The Company's exposure to foreign currency risk at the reporting date was as follows:

	2015 USD $'000	**2014 USD $'000**
Trade receivables	11,416	5,259
Trade payables	(2,371)	(466)

Group sensitivity

At 31 December 2015, 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 $1,097,182 higher/lower (2014: $499,098 higher/lower).

At 31 December 2015, 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 $227,837 higher/lower (2014: $39,805 higher/lower).

Commodity price risk

In the absence of uranium being traded on global futures exchanges, the Company 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 Company to manage commodity price risk.

Interest rate risk

The Company'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 Company is exposed to interest rate risk on cash in the Ranger Rehabilitation Trust Fund.

Credit risk

The Company 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 Ranger Rehabilitation Trust Fund are limited to high credit quality financial institutions. The Company has policies that limit the amount of credit exposure to any one financial institution.

	2015 $'000	2014 $'000
TRADE RECEIVABLES		
AA	-	-
A	17,427	9,222
BBB	-	-
Other	-	-

Liquidity and capital risk

The Company's objectives when managing capital are to safeguard the Company'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 Company 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 Company's balance sheet in the longer term through pro-active capital management programmes.

The future liquidity and capital requirements of the Company will depend on many factors. Should current forecasts for foreign exchange rate, prices, costs, resource and mining techniques not be realised, and in the absence of any other successful developments, the Company may require an additional source of funding to fully fund the rehabilitation of the Ranger Project Area. Any inability to obtain sufficient capital would have a material impact on the Company's business and financial performance.

Each year, the Company 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 the Company into the Ranger Rehabilitation Trust Fund (Trust Fund) is then determined. The Trust Fund includes both cash and financial guarantees.

The Company's ability to continue to access the financial guarantees can be influenced by many factors including future cash balance, cash flows and shareholder support. Should one or more of the financial guarantees be withdrawn at any time and the Company is unable to access replacement guarantees, substantial additional cash would be required to be deposited into the Trust Fund. In a scenario where this occurs the Company's cash resources available to fund operations would reduce.

The Company has plans in place to address these risks.

The Company currently has no debt and $433 million in total cash resources (comprising $365 million of cash on hand or at call (Note 7) and $68 million invested as part of the Trust Fund (Note 15)). 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.

29 Events occurring 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 Company in subsequent financial years.

30 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 2015, 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
2015							
Rio Tinto Limited	8,592	-	(356)	(1,333)	(483)	6,420	1,831
Weighted average fair value at grant date	$43.00	-	$44.79	$62.26	$62.26	$37.45	$44.79
Rio Tinto plc	-	-	-	-	-	-	-
Weighted average fair value at grant date	£-	-	£-	£-	£-	-	-
2014							
Rio Tinto Limited	11,843	-	49	(2,473)	(827)	8,592	1,816
Weighted average fair value at grant date	$52.36	-	$39.13	$75.81	$75.81	$43.00	$62.26
Rio Tinto plc	979	-	(405)	(430)	(144)	-	-
Weighted average fair value at grant date	£34.25	-	£31.28	£36.35	£36.35	-	-

The weighted average share price at the date of exercise of rights to shares exercised during the year ended 31 December 2015 was $59.09 (2014: $65.91).

The weighted average remaining contractual life of rights to shares outstanding at the end of the period was 2 years (2014: 3 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 shares.

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 (TSR) 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 2015, 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
2015							
Rio Tinto Limited	4,896	-	-	-	-	-	4,896
Weighted average exercise price	$49.87	-	-	-	-	-	$49.87
2014							
Rio Tinto Limited	7,383	-	-	(2,487)	-	4,896	4,896
Weighted average exercise price	$43.90	-	-	$32.17	-	$49.87	$49.87
Rio Tinto plc	1,186	-	(1,186)	-	-	-	-
Weighted average exercise price	£16.53	-	£16.53	-	-	-	-

The weighted average share price at the date of exercise of options exercised during the year ended 31 December 2015 was nil (no options were exercised) (2014: $58.78).

The weighted average remaining contractual life of share options outstanding at the end of the period was 0 years (2014: 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 in 2015. 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 2015, 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
2015							
Rio Tinto Limited	13,777	-	(3,545)	(5,444)	(2,664)	2,124	-
Weighted average exercise price	$53.36	-	$54.21	$52.69	$51.80	$55.62	-
2014							
Rio Tinto Limited	20,345	-	(2,689)	(2,371)	(1,508)	13,777	4,514
Weighted average exercise price	$54.62	-	$50.18	$59.26	$58.08	$53.36	$48.73

The weighted average share price at the date of exercise of conditional grants of shares exercised during the year ended 31 December 2015 was $52.12 (2014: $61.81).

The weighted average remaining contractual life of share options outstanding at the end of the period was 1 year (2014: 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 shares.

myShare Savings Plan

The myShare plan was introduced to all eligible staff members in 2013 and is described in the Remuneration Report. Awards under this plan 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 2015, 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
2015							
Rio Tinto Limited	14,381	8,483	(768)	-	(5,163)	16,933	-
Weighted average exercise price	$58.25	$51.87	$56.53	-	$57.45	$55.38	-
2014							
Rio Tinto Limited	7,850	8,233	(1,120)	-	(582)	14,381	-
Weighted average exercise price	$56.37	$59.63	$56.04	-	$56.34	$58.25	-

The weighted average share price at the date of exercise of conditional grants of shares exercised regularly during the year ended 31 December 2015 was nil (2014: nil).

The weighted average remaining contractual life of share options outstanding at the end of the period was 2 years (2014: 3 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 shares.

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 2015, 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
2015							
Rio Tinto Limited	16,478	6,193	(2,822)	(3,899)	-	15,950	-
Weighted average fair value at grant date	$57.35	$54.49	$57.30	$58.83	-	$55.88	-
2014							
Rio Tinto Limited	16,001	7,460	(2,581)	(4,402)	-	16,478	-
Weighted average fair value at grant date	$61.68	$61.04	$57.31	$79.41	-	$57.35	-
Rio Tinto plc	1,060	78	-	(1,138)	-	-	-
Weighted average fair value at grant date	£40.58	£31.17	-	£39.94	-	-	-

The weighted average share price at the date of exercise of conditional grants of shares exercised regularly during the year ended 31 December 2015 was $52.78 (2014: $62.53).

The weighted average remaining contractual life of conditional grants of shares outstanding at the end of the period was 2 years (2014: 2 years).

The model inputs for conditional rights granted during the year ended 31 December 2015 included:

(a) rights are granted for no consideration and have a three year life;
(b) exercise price: nil (2014: nil);
(c) grant date: 23 March 2015 (2014: 17 March 2014);
(d) expiry date: 20 February 2018 (2014: 14 February 2017); and
(e) share price at grant date: $55.88 (2014: $61.04).

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 shares.

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
2015							
Rio Tinto Limited	1,689	875	-	(844)	-	1,720	-
Weighted average fair value at grant date	$57.15	$55.68	-	$53.11	-	$58.39	-
2014							
Rio Tinto Limited	746	943	-	-	-	1,689	-
Weighted average fair value at grant date	$53.11	$60.35	-	-	-	$57.15	-

The weighted average share price at the date of exercise of conditional grants of shares exercised during the year ended 31 December 2015 was $44.01 (2014: nil).

The weighted average remaining contractual life of share options outstanding at the end of the period was 2 years (2014: 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 shares.

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:

	2015 $'000	2014 $'000
Share based payment expense	17	418

DIRECTORS' DECLARATION

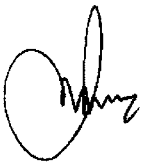
In the Directors' opinion:

(a) the financial statements and notes set out on pages 71 to 107 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 Company's financial position as at 31 December 2015 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 the *Corporations Act 2001* (Cth). This declaration is made in accordance with a resolution of the directors.



P Mansell
Perth
10 February 2016

INDEPENDENT AUDITOR'S REPORT

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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 2015, the statement of comprehensive income, statement of changes in equity and the cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

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 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

INDEPENDENT AUDITOR'S REPORT

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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 company's financial position as at 31 December 2015 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 company's financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 45 to 60 of the directors' report for the year ended 31 December 2015. 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 2015 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

John O'Donoghue
Partner

Melbourne
10 February 2016

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 10 February 2016. The Directors have the power to amend and reissue the financial statements.

The shareholder information set out below was applicable as at 31 January 2016.

Distribution of equity securities

Analysis of numbers of registered equity security holders by size of holding:

	ORDINARY SHARES			
	NUMBER OF SHARE-HOLDERS	% OF SHARE-HOLDERS	NUMBER OF SHARES	% OF ISSUED SHARES
1 – 1000	7,058	54.16	2,457,811	0.47
1,001 – 5,000	3,603	27.65	9,336,271	1.80
5,001 – 10,000	1,140	8.75	8,568,469	1.66
10,001 – 100,000	1,160	8.90	30,015,302	5.80
100,001 and over	71	0.54	467,347,209	90.27
	13,032	100.00	517,725,062	100.00

There were 7,717 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	77,350,319	14.94
HSBC Custody Nominees (Australia) Limited	8,364,137	1.62
Citicorp Nominees Pty Limited	7,896,653	1.53
J P Morgan Nominees Australia Limited	4,248,224	0.82
ABN AMRO Clearing Sydney Nominees Pty Ltd	1,097,518	0.21
National Nominees Limited	866,747	0.17
Ganra Pty Ltd	651,429	0.13
National Nominees Limited	627,658	0.12
HSBC Custody Nominees (Australia) Limited	627,188	0.12
John E Gill Trading Pty Ltd	531,000	0.10
Merrill Lynch (Australia) Nominees Pty Limited	375,675	0.07
Mr Leon Arharidis and Mrs Kiveli Arharidis	366,000	0.07
Bainpro Nominees Pty Limited	358,110	0.07
UBS Nominees Pty Ltd	337,890	0.07
MC Cormick Tyre Service Pty Ltd	331,777	0.06
Mr Kien Tuong Ta	325,000	0.06
Pershing Australia Nominees Pty Ltd	308,906	0.06
Mrs Junxian Li	289,700	0.06

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 at a shareholders' meeting 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 9:30am on Wednesday 4 May 2016 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.

2015 ASX ANNOUNCEMENTS

07 Dec 2015	Appointment of Director
29 Oct 2015	Outcome of Impairment Review
25 Oct 2015	Appointment of Directors
15 Oct 2015	Update on Ranger Authority Extension
13 Oct 2015	September 2015 Quarterly Operations Review
08 Oct 2015	Response to ASX Price Query
30 Jul 2015	Half Year Results June 2015
30 Jul 2015	Interim Report - 30 June 2015
22 Jul 2015	Write Down of Deferred Tax Assets
10 Jul 2015	June 2015 Quarter Operations Review
10 Jul 2015	Ranger 3 Deeps Resource Update
22 Jun 2015	Resignation of Independent Directors
12 Jun 2015	Ranger 3 Deeps Project - Further Update
11 Jun 2015	Ranger 3 Deeps Project Update
14 Apr 2015	2015 Annual General Meeting Chairman's Address
14 Apr 2015	2015 Annual General Meeting Chief Executive's Address
13 Apr 2015	Resignation of Directors
10 Apr 2015	March 2015 Quarterly Operations Review
16 Feb 2015	Annual Report Release
09 Feb 2015	Financial Presentation Full Year Results
06 Feb 2015	Full Year Results 2014
06 Feb 2015	Annual Statement of Reserves & Resources
06 Feb 2015	Final Report - Appendix 4E
13 Jan 2015	December 204 Quarter Operations Review

Details of these announcements are available at *www.energyres.com.au*.

TEN YEAR PERFORMANCE

YEAR ENDED 31 DECEMBER	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Sales Revenue ($000)	332,777	379,166	356,139	396,629	651,381	572,283	768,297	496,359	357,080	312,698
Earnings Before Interest and Tax ($000)	(88,292)	(284,274)	(199,431)	(278,266)	(220,633)	47,726	374,737	317,957	108,012	68,745
Profit/(Loss) Before Tax ($000)	(79,798)	(273,602)	(186,541)	(254,785)	(206,340)	59,427	382,053	312,569	98,366	62,247
Income Tax Expense/ (Benefit) ($000)	195,695	(85,802)	(50,712)	(36,026)	(52,741)	12,423	109,479	90,784	22,277	18,640
Profit/(Loss) After Tax ($000)	(275,493)	(187,800)	(135,829)	(218,759)	(153,599)	47,004	272,574	221,785	76,089	43,607
Total Assets ($000)	1,100,815	1,341,724	1,627,561	1,826,275	1,948,972	1,423,396	1,359,131	1,170,409	985,353	869,350
Shareholders' Equity ($000)	469,947	745,607	934,022	1,069,619	1,288,536	951,076	966,574	758,926	606,021	552,491
Long Term Debt ($000)	-	-	-	-	-	-	-	-	-	-
Current Ratio	4.0	4.1	3.8	4.0	7.1	3.4	3.1	1.5	1.8	3.6
Liquid Ratio	3.0	2.7	2.3	2.9	6.0	2.1	2.2	0.8	1.0	2.1
Gearing Ratio (%)	-	-	-	-	-	-	-	-	-	-
Interest Cover (times)	-	-	-	(156.7)	(177.9)	47.8	33.5	5.6	7.79	6.3
Return on Shareholders' Equity (%)	(58.6)	(25.2)	(14.5)	(20.5)	(11.9)	4.9	31.6	29.2	13.1	8.0
Earnings Per Share (cents)	(53.2)	(36.3)	(26.2)	(42.3)	(29.7)[1]	24.6	142.9	116.3	39.9	22.9
Dividends Per Share (cents)	-	-	-	-	-	8.0	39.0	28.0	20.0	17.0
Payout Ratio (%)	-	-	-	-	-	32	27	24	28	74
Share Price ($) closing	0.36	1.30	1.26	1.27	1.23	11.13	23.89	19.00	19.50	20.80
Price-Earning Ratio	(0.68)	(3.58)	(4.81)	(3.00)	(2.54)	45.24	16.72	16.34	48.88	90.98
Dividend Yield (%)	-	-	-	-	-	2.96	1.42	1.47	1.03	0.82
Net Tangible Assets per Share ($)	0.91	1.44	1.80	2.07	2.49	4.99	5.07	3.98	3.20	2.90
No. of Employees	374	389	519	594	567	523	521	519	419	385
Profit After Tax per Employee ($000)	(736.6)	(482.8)	(264.8)	(374.5)	(270.9)	89.87	523.17	427.33	181.6	113.3
Ore Mined (million tonnes)	-	-	-	3.8	1.2	1.4	2.2	3.5	2.9	3.3
Ore Milled (million tonnes)	2.5	1.3	2.3	2.6	1.6	2.4	2.3	2.0	1.9	2.0
Mill Head Grade (% U_3O_8)	0.10	0.11	0.15	0.17	0.18	0.19	0.26	0.30	0.31	0.26
Mill Recovery (%)	82.0	81.5	84.8	86.2	87.9	87.2	88.3	88.2	88.2	87.5
Production (tonnes U_3O_8) – Drummed	2,005	1,165	2,960	3,710	2,641	3,793	5,240	5,339	5,412	4,748
Sales – Ranger Concentrates (tonnes U_3O_8)	2,183	2,164	2,767	2,665	3,258	4,373	5,497	5,272	5,324	5,760
Sales – Other Concentrates (tonnes U_3O_8)	-	984	48	558	1,908	653	–	–	–	–
Sales – Total (tonnes U_3O_8)	2,183	3,148	2,815	3,223	5,167	5,026	5,497	5,272	5,324	5,760

Note 1 *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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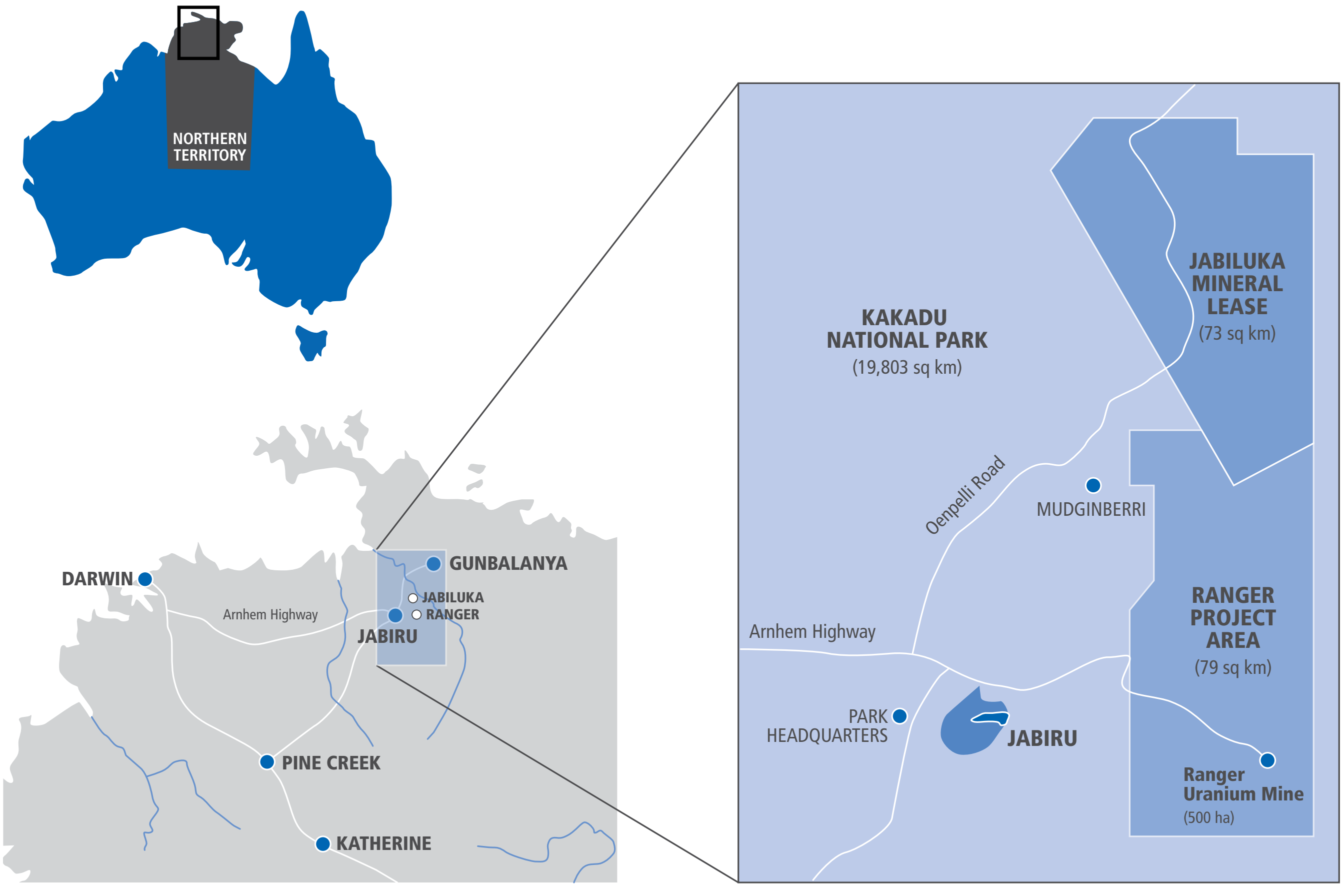

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