

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("**MD&A**") of Era Resources Inc., ("**Era**" or the "**Company**") provides a discussion and analysis of the financial condition and results of operations to enable a reader to assess material changes in the financial condition of the Company between September 30, 2016 and June 30, 2016, and results of operations for the three months ended September 30, 2016, ("**Q1 2017**") and September 30, 2015, ("**Q1 2016**"). The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended September 30, 2016 and with the audited consolidated financial statements and notes thereto of Era for the fiscal year ended June 30, 2016 ("**FY 2016**"). In this MD&A, references to "Company" or "Era" are references to Era Resources Inc. and its wholly-owned subsidiaries.

The financial statements (and the financial information contained in this MD&A) were prepared in accordance with International Financial Reporting Standards ("**IFRS**") including International Accounting Standard, Interim Financial Reporting ("**IAS 34**").

All amounts in this discussion are expressed in millions of United States dollars ("**USD**") except per share data and unless otherwise indicated. All amounts in tables are expressed in thousands of USD, unless otherwise indicated.

This MD&A contains forward-looking information within the meaning of Canadian securities legislation (see "Forward-looking Information" below for a full discussion on the nature of forward-looking information). Information regarding the adequacy of cash resources to carry out the Company's exploration and development programs or the need for future financing is forward-looking information. All forward-looking information, including information not specifically identified herein, is made subject to cautionary language at the end of this document. Readers are advised to refer to the cautionary language included at the end of this MD&A under the heading "Forward-looking Information" when reading any forward-looking information. This MD&A is prepared in accordance with Form 51-102F1 and has been approved by the Company's board of directors (the "**Board of Directors**" or the "**Board**") prior to its release.

This report is dated as of November 25, 2016. Readers are encouraged to read the Company's other public filings, which can be viewed on the SEDAR website (www.sedar.com).

Company Overview

Era is an international mineral exploration and development company listed on the TSX Venture Exchange (the "**TSXV**") (Symbol: ERX). The Company's principal asset is its Yandera copper project (the "**Yandera Project**") in Papua New Guinea ("**PNG**"). The Company is currently focused on advancing the development of the Yandera Project into a commercially viable copper mining operation, with the objective to maximize shareholder value.

Between 2006 and 2016, the Company drilled 514 exploration, resource and geotechnical drill-holes and drove two adits (50 metres and 71 metres long) to test various mineralized zones across the Yandera Project. In December 2006 the Company commissioned a conceptual mining study (the "**CMS**") for the Yandera Project to include a preliminary mine design and open pit optimization, metallurgical testwork, plant flowsheet design and throughput options and capital and operating cost estimates. In July 2007 the CMS was completed and, based on the positive results thereof, the Company determined to proceed with a feasibility study. Phase 1 of the work to support a feasibility study was completed in April 2008 and comprised a comparative development options analysis study that delivered positive results.

Era commenced work on a feasibility study for the development of Yandera in 2008, based on its published copper resource, the prevailing copper price and the state of global financial markets at the time. Since then, global resource markets have become increasingly competitive, with, among other things, the copper price falling, funding for exploration and development decreasing and capital and operating costs escalating, bringing into question the economic viability of the development of the 2012 Yandera resource.

During the latter part of fiscal year 2014, the new management team conducted a comprehensive evaluation and review of all aspects of the prior work conducted towards a feasibility study of the Yandera Project and concluded that, although progress had been made, further exploration and development work was required in order to finalize the feasibility study and, as a result of this review, the feasibility study has been deferred until further work is completed (see "**Outlook**" section).

Taking into account the 2015 updated resource estimate, the review of the 2012 resource, as well as further drilling, mapping

and survey programs completed subsequent to the review that have yielded new mineralization, the Company has renewed enthusiasm about the potential of Yandera.

Overall Performance

Highlights of Q1 2017 and as of the Date of this Report

During Q1 2017 and to the date of this MD&A, the following highlights the Company's significant events:

- **Financing Activities** – The Company entered into a financing agreement with its major shareholder, which consists of three entities controlled by The Sentient Group, (collectively, "**Sentient**"), as follows:
 - On September 20, 2016, the Company announced that it has entered into an amending agreement with Sentient, to extend the maturity of the outstanding first two series of debentures of the Company held by Sentient that were previously set to mature on September 30, 2016 to now mature on July 1, 2017.
 - On October 27, 2016, the Company announced that it has entered into a binding agreement (the "Letter Agreement") with Sentient in connection with the proposed issuance of \$7.0 million principal amount of convertible unsecured debentures.
 - On November 24, 2016, the proposed issuance of \$7.0 million principal amount of convertible unsecured debentures was approved by the Company's shareholders at the annual general and special meeting.
- **Corporate Restructuring** – The Company made the following changes during the fiscal year and to date of this MD&A:
 - On September 20, 2016, the Company announced that Lachlan Reynolds, VP Business Development, ceased to be an officer of the Company and transitioned to a consulting role to continue to act as an advisor to the Company.
- **Exploration & Development Activities** – In keeping with the Company's objective of advancing and optimizing the Yandera Project economics and building on its existing resource and future potential and consistent with the Company's global growth strategy, the following progress at the Company's operations has been made:
 - On July 27, 2016, the Company announced first results of 2016 drilling program at Yandera Project.
 - On September 7, 2016, the Company announced further results of 2016 drilling at Yandera Project.
 - On October 31, 2016, the Company announced final concluding drilling results for its successful 2016 program at Yandera Project.

Yandera Project, Papua New Guinea

The Company's wholly-owned Yandera Project is located 95 kilometres southwest of the northern seaport of Madang in Papua New Guinea and situated within the highly prolific New Guinea Copper-Gold Belt that is host to many major producing mines. The Yandera porphyry system is located within the central portion of the granted 245.5-square kilometre exploration licence that covers over 30 kilometres of strike over the highly prospective Bundi Fault zone.

On May 5, 2015, the Company announced an updated resource estimate for its Yandera Project. This resource estimate has been prepared pursuant to the requirements of National Instrument 43-101 - Standards of Disclosure for Mining Projects ("**NI 43-101**") and the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition ("**JORC**").

Highlights of the Yandera Resource Estimate:

- Measured and Indicated Resources total 630 million tonnes grading 0.33% copper, 0.01% molybdenum and 0.07 ppm gold; or 0.41% copper equivalent (full breakdown by category is shown below);

- Inferred Resources total 117 million tonnes grading 0.30% copper, 0.005% molybdenum and 0.05 ppm gold; or 0.34% copper equivalent.

This 2015 Measured and Indicated copper-equivalent (CuEq) resource estimate for Yandera represents an update of the 2012 resource estimate, which was evaluated on a copper-only basis without the contributing value of ancillary molybdenum (Mo) and gold (Au) that would be produced with the copper (Cu). Other enhancements of the 2015 resource estimate include:

- 1) Incorporation of positive infill/upgrade drilling results from the principal resource areas (Gremi, Imbruminda and Omora) and also at the Dimbi and Rima advanced exploration prospects;
- 2) Refinement of the resource tonnage from the addition of nearly 4,000 new density measurements;
- 3) A reconstruction of the geologic framework focused on host rock and structural controls from the first-time application of oriented drill core data.

Yandera is an igneous-hosted, structurally-controlled Cu-Mo-Au porphyry system comprised of a series of adjacent deposits along recognized structural trends. Mineralization is related to multiple pulses of intrusive rock and hydrothermal alteration. Grade has spatial correlation with late dacite intrusions and polymictic breccias with over-printing phyllic alteration. Broad tabular zones of copper mineralization extend from surface to depths of over 500 metres and have been drill-defined to a strike length of over 5 kilometres.

The resource block model was informed by 35,250 samples from 553 drill holes at an average drill hole spacing of less than 30 metres in the principal resource areas (Gremi, Imbruminda and Omora) and less than 100 metres in other deposits within the model space.

Mineral resources were estimated by Ordinary Kriging using MineSight® software in 25 by 25 by 10 metre blocks (XYZ), constrained by grade shells based on a 0.15% Cu cut-off. Grade estimates within the grade shells were based on capped, five-metre composited assay data. Capping was conducted prior to compositing. The resource model was validated by visual inspection, statistical comparisons of block values to source data and comparison of Kriged results to other interpolation methods and swath plots. Resources were classified into Measured, Indicated and Inferred categories based on Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") definition standards sufficient for NI 43-101 and JORC reporting.

In order to establish a reasonable prospect of eventual extraction in an open pit/sulfide-flotation and oxide-leach context, the mineral resources presented above are reported within a potentially mineable pit configuration at a copper price of US\$3.50/lb Cu, a molybdenum price of US\$15/lb Mo and a gold price of US\$1500/oz Au; metallurgical recoveries of 90% for Cu, 85% for Mo and 65% for Au; mining cost of US\$2.50/tonne of material mined; and process and general and administrative costs of US\$10.00/tonne of material processed. Additional factors include a 2% royalty to the PNG government and a pit slope of 45 degrees.

The resources are reported within the pit configuration above using an internal copper-equivalent cut-off grade of 0.15% CuEq. The metal prices, recoveries and costs listed above were used to define copper-equivalent cut-off.

The metal ratios for reporting copper equivalent are:

$$CuEq = Cu\% + (Mo\% * 4.05) + (Au\ ppm * 0.45)$$

These metal ratios were developed using the metal prices and recovery assumptions listed above. Recoveries are based on metallurgical test work carried out by Era in 2011.

The Mineral Resource Statement, with an effective date of May 1, 2015, is presented in Table 1. The resource estimate has been reported as a total, and as oxide and non-oxide components, as these material types will have different metallurgy and will have different recovery characteristics and costs.

The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues. The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

The Yandera Mineral Resource Statement was prepared by J.B. Pennington, MSc., C.P.G., and Justin Smith, BSc., P.E., both

of SRK Consulting (U.S.), Inc., Reno, Nevada, and provides a classification of resources in accordance with CIM Standards on Mineral Resources and Mineral Reserves: Definitions and Guidelines, November 27, 2010.

For further information on the Yandera Project, please refer to the technical reports titled "Technical Report Updated Resource Estimate Yandera Copper Project Papua New Guinea" dated June 19, 2015, and "Yandera Copper Project, Madang Province, Papua New Guinea" dated April 2012, available on the Company's website and on SEDAR.

Table 1. - Mineral Resource Statement Effective May 1, 2015 for the Yandera Copper, Molybdenum, Gold Deposit, Madang Province, Papua New Guinea. (0.15 CuEq (%) Cut-off)

Zone	Classification	Mass	Metal Grades				Contained Metal				
		(kt)	Cu (%)	Mo (%)	Au (ppm)	CuEq (%)	Cu (kt)	Mo (kt)	Au (kg)	Au (koz)	CuEq (kt)
Total Resource	Measured	195,267	0.37	0.013	0.076	0.46	723	25	14,803	476	890
	Indicated	434,874	0.32	0.008	0.069	0.38	1,379	37	29,940	963	1,663
	Measured & Indicated	630,141	0.33	0.010	0.071	0.41	2,102	62	44,743	1,439	2,553
	Inferred	117,474	0.30	0.005	0.052	0.34	348	6	6,055	195	401
Oxide Resource	Measured	22,426	0.38	0.00	0.000	0.38	86	0	0	0	86
	Indicated	38,715	0.33	0.00	0.000	0.33	127	0	0	0	127
	Measured & Indicated	61,141	0.35	0.00	0.000	0.35	213	0	0	0	213
	Inferred	10,765	0.28	0.00	0.000	0.28	30	0	0	0	30
Non Oxide Resource	Measured	172,841	0.37	0.014	0.086	0.47	638	25	14,803	476	805
	Indicated	396,160	0.32	0.009	0.076	0.39	1,253	37	29,940	963	1,537
	Measured & Indicated	569,001	0.33	0.011	0.079	0.41	1,891	62	44,743	1,439	2,342
	Inferred	106,709	0.30	0.006	0.057	0.35	318	6	6,055	195	371

- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that any part of the Mineral Resources estimated will be converted into a Mineral Reserves estimate;
- Resources stated as contained within a potentially economically minable open pit; pit optimization was based on assumed copper, molybdenum, and gold prices of US\$3.50/lb, US\$15.00/lb, and US\$1,500.00/oz, respectively, recoveries of 90% for Cu, 85% for Mo, 65% for Au, a mining cost of US\$2.50/t, an ore processing cost of US\$10.00/t, and a pit slope of 45 degrees;
- Resources are reported using a 0.15 % CoG on an Equivalent Copper value that included process recoveries for metal;
- The CuEq was calculated using the formula $CuEq = Cu\% + (Mo\% * 4.05) + (Au\text{ ppm} * 0.45)$; and,
- Numbers in the table have been rounded to reflect the accuracy of the estimate and may not sum due to rounding.

Exploration and Development Activities for the Three Months Ended September 30, 2016

In keeping with the Company's objective of advancing and optimizing the Yandera Project economics and building on its existing resource and future potential and consistent with the Company's global growth strategy, the following progress at the Company's operations has been made:

- On July 27, 2016, the Company announced first results of 2016 drilling program at Yandera Project.
- On September 7, 2016, the Company announced further results of 2016 drilling at Yandera Project.
- On October 31, 2016, the Company announced final concluding drilling results for its successful 2016 program at Yandera Project.

Exploration Program

Proximal Exploration Program at Yandera

On April 6, 2016, Era announced results from a proximal surface program and its plans for drilling at the Yandera Project in 2016.

During the latter portion of 2015, geologists mapped and collected 543 rock and 581 soil samples from areas around the footprint of the resource estimate announced in May of 2015. This field work was designed to identify prospective zones outside the limits of the 2015 resource and to develop quality drill targets to expand the resource.

Results from this work show copper mineralization at surface in the Kauwo, South Dimbi-East Gremi and Benbenubu prospect areas, where a number of assays from samples indicated copper concentrations in excess of 0.15% Cu in soils and 0.5% Cu in rocks (Figure 1). These results enhance historical surface geochemistry and are encouraging for expanding the edges of the resource into these prospects, especially in the area southeast of Gremi and Omora.

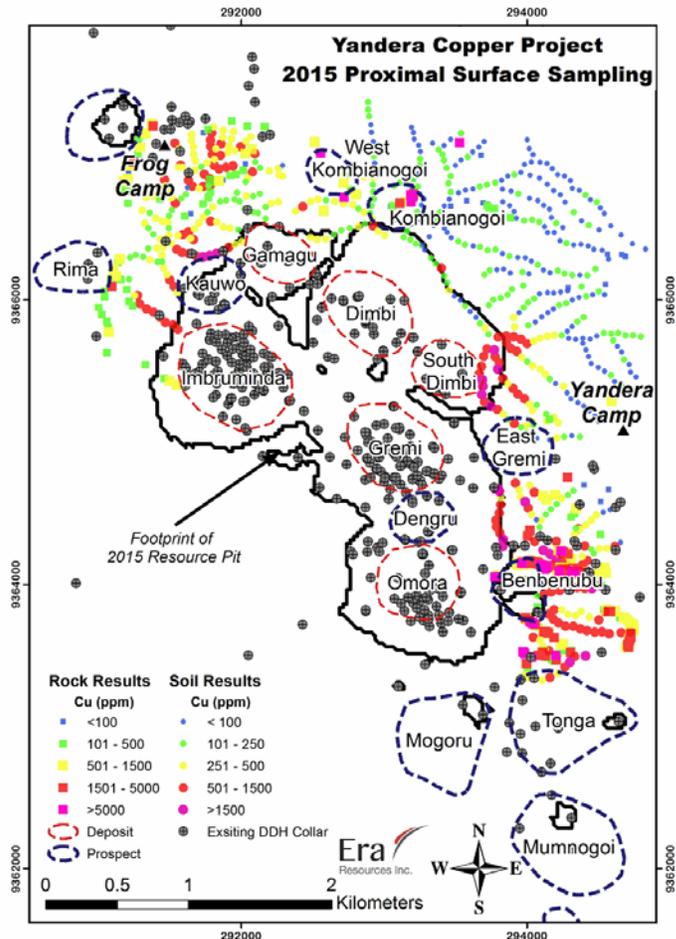
Detailed work on the geologic model and further analysis of the 2015 resource estimation revealed opportunity to in-fill some gaps within the constraining pit model with additional drilling. Era anticipates drilling approximately 6,000 metres of core to add data to some of these gaps. Positive results in these areas would allow conversion of some of the 'in-pit' waste to ore and could allow pit access to known deeper copper mineralization.

Further to the in-fill drilling, Era anticipates drilling approximately 2,500 metres of core to test for extensions of copper mineralization outside of the resource in prospective areas examined in the 2015 proximal surface program. Positive results in these areas would expand the footprint of the 2015 resource pit and add total tonnage to the overall resource.

Quality Control

Analyses were completed by Intertek Labs utilizing fire assay and multi-element ICP-OES methods with internal checks, blanks, duplicates and standards at various intervals in the sequence of samples. Era also inserted standards within the sequence of samples. Data referenced herein was prepared under the supervision of Dr. Nathan Chutas, Exploration Manager, certified professional geologist and Qualified Person as defined by NI 43-101.

Figure 1. Copper Results from the proximal surface exploration program. Note that the solid squares represent rock samples, and the solid circles represent soil samples.



Infill Drilling Campaign

On May 9, 2016, Era announced that its 2016 infill drilling campaign and a scoping study were underway at the Yandera Project. The infill drilling tested targets in the Omora, Gremi, Dimbi, Gamagu and Imbruminda areas, and then tested proximal targets. The Company was highly focused on the opportunity to enhance and expand the 2015 resource estimate with targeted drilling within the framework of an improved geologic model. The drilling was completed by early September 2016 in preparation for an updated resource targeted for the end of the calendar year.

Era has appointed Advisian, part of the Worley Parsons Group, to undertake a scoping and optimization study, which is expected to be completed in the current quarter. The outcome of the study will form the base case for further refinement through prefeasibility and feasibility study phases.

Yandera Drilling Summary

A total of 43 diamond drill holes comprising approximately 8,917 metres were completed at the Yandera Project during the 2016 resource drilling program. The program was designed to infill and expand the Yandera resource, testing opportunities both within and around the margin of the known resource where discovery of additional mineralization can significantly impact the current resource estimate and positively affect potential open pit designs. The program's goal was to advance a large porphyry copper system in the highlands of Papua New Guinea, and the results have been very positive for identifying additional copper mineralization that is likely to convert new material to resource.

The 2016 resource drilling program encountered good additional copper mineralization in gaps within the footprint of the 2015 resource model and intercepted good mineralization outside of the boundaries of the 2015 resources. The infill work focused in the Dengru, Dimbi, South Dimbi, Gremi, Imbruminda, Gamagu and Kauwo areas. The proximal work tested targets east of South Dimbi, east of Omora, at East Gremi and within the Benbenubu areas (Figure 2). Drilling results within the 2015 resource, such as the 196.7 metres averaging 0.278% Cu from YD578 in the Dengru area (see release dated September 7, 2016), the 78.0 metres averaging 0.374% Cu from YD593 in the South Dimbi area and the 144.9 metres averaging 0.296% Cu from YD596 in the Dimbi area, should convert significant volumes of waste to good grade resource. Drilling results at the periphery of the 2015 resource, such as the 218.7 metres averaging 0.201% Cu (including 33.0 metres averaging 0.526% Cu) from YD569 in the South Dimbi area (see release dated July 27, 2016), the 78.0 metres averaging 0.432% Cu from YD 582 in the Benbenubu area and the 69.0 metres averaging 0.284% Cu from YD583 in the East Gremi area (see press release dated September 7, 2016), are likely to add resource and suggest excellent potential for resource growth to the southeast with future exploration. Collectively, the 2016 drilling results are expected to expand the resource estimate and improve the internal waste to resource ration in portions of the modelled open pit shells.

An updated resource estimate for the Yandera Project incorporating all the results from the drill campaign is planned to be completed by the end of calendar year 2016. Prefeasibility work on the project is planned to begin in early 2017.

After completion of the resource drilling, the company drilled an additional six diamond drill holes to collect geotechnical information from within the resource. Data from the geotechnical program will provide further constraints on rock strength and assist with future modelling for possible mine designs.

Results

The company has received assay results for all 43 holes completed (see locations on Figures 3–12). The hole locations and significant intersections are shown below in Tables 2, 3, 4 and 5.

Dengru

A total of four holes for 924 metres have been completed at Dengru (holes YD564, YD568, YD578 and YD580). Drilling at Dengru intersected copper mineralization in material previously classified as waste within preliminary open pit models based on the 2015 resource estimate. Holes YD578 and YD580 (Figure 3) intercepted good copper mineralization within the current open pit shell, that could connect the Gremi and Omora areas in future pit designs. Both YD564 and YD568 also intercepted some copper mineralization below the current open pit shell, which may have the net effect of adding further resource and potentially allowing future pit designs to be deepened (Figure 4). These results fill gaps in drilling data and are expected to increase the resource estimate locally and convert some in-pit waste to resource.

Omora

A total of six holes for 1,210 metres were completed at Omora (holes YD567, YD570, YD571, YD573, YD575 and YD576). Drilling at Omora intersected copper mineralization in material that was categorized as waste in the 2015 resource estimate. Holes YD567, YD570 and YD573 intercepted intervals of copper mineralization that are expected to locally increase the resource estimate. The mineralization intercepted in YD575 and YD576 (Figure 5) is proximal to the margin of the modelled open pit as based on the 2015 resource estimate and results from this hole may allow the boundary of the open pit to be expanded to incorporate new resource.

Benbenubu

A total of six holes for 1,358 metres were completed at Benbenubu (including holes YD582, YD584, and YD586). Targets at Benbenubu focused on mineralization to the east of known mineralization at the Dengru and Omora areas. Drilling intersected additional copper mineralization likely to add resource to the eastern side of the 2015 resource estimate.

Results from YD582 and YD584 show relatively shallow copper mineralization proximal to historical results that are likely to build the resource to the east. Results from YD586 show good copper mineralization likely to add resource between the Omora and Benbenubu areas. Drilling at YD588, YD590, and YD592 intersected copper mineralization well outside the southeastern limits of the 2015 resource estimate that is likely to add resource (Figures 5 and 6). Collectively, these results appear to show a continuation of near-surface mineralization to the southeast that remains largely open to exploration for further resource expansion to the southeast.

South Dimbi

A total of eight holes for 1,624 metres were completed at South Dimbi (holes YD565, YD566, YD566A, YD569, YD572, YD577, YD581 and YD583). Drilling at South Dimbi (Figures 7 and 8) has also intersected additional copper mineralization both within and beneath the open pit shells based on the 2015 resource estimate. Mineralization at South Dimbi appears to occur within structurally controlled zones of altered granodiorite with dikes of porphyritic quartz diorite and porphyritic dacite.

Results from YD569 show intervals of previously unknown higher grade copper mineralization both within and outside of the northeastern portion of the current modelled open pit boundary. Results from YD572 also show intervals of higher grade copper mineralization along the southeastern edge of the South Dimbi portion of the 2015 resource estimate. Results from YD565, YD566 and YD566A are therefore expected to allow conversion of some material previously categorized as waste to additional resource. Results from YD577 show previously unknown copper mineralization within the model 2015 resource pit, which is likely to add resource and potentially locally increase the average grade in portions of South Dimbi (Figure 7). Results from YD581 show copper mineralization thought to be a further extension of a mineralized trend intersected in YD569, which may add resource to the eastern area of South Dimbi.

The results of YD593 intersected copper mineralization that is likely to extend the zone of higher grade copper mineralization observed in YD572 (Figure 8). Results from drilling in the South Dimbi area suggest that the zones of structurally controlled mineralization may have continuity along a northwesterly strike. The additional copper mineralization intercepted here may increase confidence in the possible connectivity with other mineralized zones along trend as well as adding resource by conversion of volumes classified as waste in the 2015 resource model.

East Gremi

A total of five holes for 936 metres were completed at East Gremi (including holes YD583, YD585 and YD587). Targets at East Gremi focused on mineralized trends thought to extend to the southeast from known copper mineralization in the South Dimbi area. Drilling intersected copper mineralization likely to add resource along these trends outside of the 2015 resource estimate.

Results from YD583, YD585 and YD587 show copper mineralization thought to extend to the southeast beyond the South Dimbi area, which may add new resource to the East Gremi area. The results of YD589 and YD591 show additional copper mineralization in the East Gremi area. Drilling in this area is likely to add resource to the southeast of South Dimbi, outside the 2015 resource estimate (Figure 7). The southeasterly striking mineralized trend in the East Gremi area is open to southeast and future exploration may show continuation of this trend.

Dimbi, Gamagu and Kauwo

At Dimbi, six holes totalling 1,272 metres were completed (including YD574). Targets in the Dimbi area focused on converting material within the model 2015 pit to resource and testing for mineralization that may connect with the Gamagu area.

At Gamagu, two holes for 407 metres were completed. At Kauwo, one hole for 167 metres was completed.

Results from drilling in the Dimbi, Gamagu and Kauwo areas show previously unrecognized copper mineralization that may add resource and improve local connectivity of resources in these areas (as observed in YD594, YD596, YD598, YD600, YD602, YD603, YD604, YD605). Results in YD596 showed strong copper mineralization near the previously interpreted gap between Dimbi and Gamagu, and these results may both add resource and increase likelihood of possibly connecting resources from these two areas. Results in YD603 show copper mineralization within a gap in historical data, which may add resource in the Gamagu area (Figure 9 and 10).

Gremi and Imbruminda

At Gremi, two holes for 408 metres were completed (including YD579). Results for YD579 show mineralization at the northeastern edge of Gremi and constrain a geographic boundary for mineralization.

At Imbruminda, three holes for 611 metres were completed.

Drilling at YD595, YD597, YD599 and YD601 in the area between Gremi and Imbruminda intersected copper mineralization that may convert material to resource (Figures 11 and 12). These results show the presence of copper mineralization in a gap in the historical data and may improve the possibility of connecting resources from Gremi and Imbruminda, which could improve the strip ratio in future resource models.

Table 2. Drill Hole Collars. Below are drill hole collar locations, inclination, azimuth, and total depth for the 43 holes with completed assays. Locations are UTM coordinates in reference to Australian Geodetic Datum 1966. These locations were measured with hand-held GPS and have not yet been surveyed to greater resolution. The azimuth for each hole has been corrected for magnetic declination.

HOLE	Easting (m)	Northing (m)	Elevation (m)	Azimuth	Inclination	Total Depth (m)
YD564	293663	9364489	1714	212.5°	-60.4°	223.5
YD565	293679	9365330	1864	205.7°	-71.0°	244.4
YD566	293679	9365330	1864	033.8°	-70.5°	119.8
YD566A	293679	9365330	1864	031.7°	-75.8°	170.1
YD567	293654	9364252	1841	042.0°	-79.5°	256.6
YD568	293552	9364525	1725	208.0°	-60.7°	258.1
YD569	293667	9365481	1929	074.9°	-61.4°	218.7
YD570	293778	9364434	1729	208.5°	-60.5°	224.8
YD571	293582	9364175	1928	212.2°	-69.7°	214.3
YD572	293256	9365337	1729	029.8°	-66.0°	223.1
YD573	293583	9364173	1928	119.6°	-69.6°	248.6
YD575	293845	9364256	1865	010.5°	-60.0°	87.0
YD574	293075	9365549	1780	211.0°	-60.7°	191.7
YD575	293845	9364256	1865	011.1°	-71.7°	178.6
YD577	293403	9365685	1912	206.3°	-65.6°	232.2
YD578	293080	9364483	1769	116.5°	-80.6°	232.7
YD579	293354	9364957	1702	031.6°	-65.5°	200.7
YD580	293208	9364541	1758	123.5°	-61.0°	211.4
YD581	293865	9365411	1900	228.1°	-67.1°	182.9
YD582	294160	9364213	1735	231.3°	-61.1°	250.5
YD583	293722	9365162	1825	027.9°	-60.9°	269.9
YD584	294148	9364201	1748	053.8°	-73.2°	192
YD585	293767	9365026	1734	040.5°	-65.0°	42.9
YD586	293823	9363953	1905	311.2°	-60.8°	210.1
YD587	293767	9365026	1734	040.7°	-66.0°	211.4
YD588	293880	9363719	1861	301.1°	-60.6°	258.0
YD589	293715	9365157	1821	203.5°	-72.7°	201.9
YD590	293667	9363501	1853	135.1°	-76.6°	236.0
YD591	293805	9364903	1661	040.5°	-70.5°	210.2
YD592	294077	9364404	1769	255.7°	-66.0°	211.5
YD593	293262	9365499	1826	220.5°	-75.6°	232.5
YD594	293124	9365887	1931	163.3°	-70.3°	204.5
YD595	292472	9365150	1964	031.7°	-69.9°	209.4
YD596	292654	9366247	2026	037.1°	-65.1°	204.9
YD597	292472	9365152	1963	211.9°	-75.7°	201.2
YD598	292746	9366183	2073	187.2°	-69.6°	202.6
YD599	292606	9365029	1871	298.9°	-61.0°	206.9
YD600	292485	9366010	1978	047.9°	-70.4°	215.4
YD601	292176	9365029	2069	031.7°	-59.6°	200.9
YD602	292494	9366311	1970	207.4°	-75.4°	200.1
YD603	292138	9366257	2014	185.5°	-60.1°	206.9
YD604	292657	9365749	1936	015.6°	-70.6°	253.1
YD605	291994	9366260	1966	325.0°	-60.5°	166.5

Table 3. Significant intersections from assay results of the first 12 holes of drilling at Yandera. Results are grouped by area. Composites were based on a 0.150% Cu cut-off, as used in the 2015 resource estimation and may include up to 10m internal waste. Intervals are based on drilled thicknesses and may not reflect true thickness. Note that ppm is parts per million and 1ppm = 1 gram per tonne.

Area	Hole	From (m)	To (m)	Interval (m)	Cu (%)	Au (ppm)	Mo (%)
Dengru	YD564	144.0	222.0	78.0	0.233	0.020	0.003
	<i>including</i>	150.0	174.0	24.0	0.369	0.028	0.005
	<i>including</i>	174.0	189.0	15.0	0.227	0.016	0.001
	YD568	87.2	169.0	81.8	0.200	0.016	0.003
	<i>including</i>	101.0	133.0	32.0	0.339	0.021	0.004
		238.0	250.0	12.0	0.230	0.011	0.003
South Dimbi	YD565	0.0	243.0	243.0	0.185	0.061	0.002
	<i>including</i>	0.0	39.0	39.0	0.156	0.077	0.001
	<i>including</i>	123.0	135.0	12.0	0.206	0.017	0.002
	<i>including</i>	201.0	243.0	42.0	0.392	0.147	0.007
	YD566	0.0	69.0	69.0	0.176	0.034	0.000
	<i>including</i>	0.0	36.0	36.0	0.225	0.041	0.001
	<i>including</i>	60.0	69.0	9.0	0.210	0.045	0.000
	YD566A	0.0	90.0	90.0	0.150	0.037	0.000
	<i>including</i>	0.0	27.0	27.0	0.267	0.056	0.001
	<i>including</i>	81.0	90.0	9.0	0.153	0.050	0.001
		165.0	170.1	5.1	0.428	0.259	0.009
	YD569	0.0	218.7	218.7	0.201	0.029	0.003
	<i>including</i>	83.0	104.0	21.0	0.451	0.072	0.017
	<i>including</i>	155.0	188.0	33.0	0.526	0.054	0.004
	YD572	6.0	214.0	208.0	0.201	0.017	0.002
	<i>including</i>	12.0	27.0	15.0	0.225	0.011	0.002
	<i>including</i>	67.5	102.4	34.9	0.645	0.035	0.003
	<i>including</i>	108.0	120.0	12.0	0.445	0.033	0.003
Omora	YD567	0.0	256.6	256.6	0.151	0.011	0.001
	<i>including</i>	36.0	66.0	30.0	0.214	0.011	0.002
	<i>including</i>	96.0	153.0	57.0	0.224	0.011	0.000
	YD570	0.0	12.0	12.0	0.220	0.010	0.000
	<i>including</i>	99.0	207.0	108.0	0.164	0.012	0.001
	<i>including</i>	99.0	111.0	12.0	0.330	0.018	0.003
	<i>including</i>	198.0	207.0	9.0	0.671	0.031	0.001
	YD571	50.7	53.7	3.0	0.232	0.003	0.002
	YD573	84.0	90.0	6.0	0.330	0.017	0.001
		147.0	153.0	6.0	0.572	0.037	0.000
		219.0	248.6	29.6	0.176	0.017	0.001
	YD575	0.0	87.3	87.3	0.229	0.020	0.000
<i>including</i>	18.0	54.0	36.0	0.300	0.016	0.000	

Table 4. Significant intersections from assay results of the further 13 holes of drilling at Yandera. Results are grouped by area. Composites were based on a 0.150% Cu cut-off, as used in the 2015 resource estimation and may include up to 10 metres internal waste. Intervals are based on drilled thicknesses and may not reflect true thickness. Note that ppm is parts per million and 1ppm = 1 gram per tonne. Note that YD574 is not listed in the table below as it had no intersections above 0.15% Cu.

Area	Hole	From (m)	To (m)	Interval (m)	Cu (%)	Au (ppm)	Mo (%)	
Omora	YD576	0	48	48	0.256	0.017	0.001	
		60	87	27	0.150	0.054	0.000	
		117	138	21	0.378	0.048	0.001	
Benbenubu	YD582	3	42	39	0.204	0.005	0.001	
		87	111	24	0.245	0.013	0.001	
		144	243	99	0.392	0.020	0.002	
	<i>including</i>	189	204	15	1.145	0.052	0.002	
		YD584	0	78	78	0.432	0.016	0.001
		<i>including</i>	48	57	9	1.936	0.057	0.002
	183		189	6	0.279	0.020	0.000	
	YD586	51	63	12	0.245	0.009	0.000	
		84	99	15	0.211	0.013	0.002	
		156	171	15	0.402	0.021	0.002	
189		204	15	0.338	0.017	0.001		
South Dimbi	YD577	120	196	76	0.566	0.032	0.004	
		<i>including</i>	171.5	196	24.5	1.155	0.081	0.004
		217	226	9	0.291	0.035	0.030	
	YD581	21	39	18	0.232	0.015	0.000	
		<i>including</i>	72	105	33	0.233	0.025	0.001
		93	105	12	0.340	0.045	0.003	
156	182.9	26.9	0.299	0.042	0.003			
Dengru	YD578	36	232.7	196.7	0.278	0.037	0.003	
		<i>including</i>	42	81	39	0.476	0.037	0.006
		<i>with</i>	45	57	12	0.707	0.036	0.005
		<i>including</i>	210	222	12	0.414	0.035	0.001
	YD580	0	9	9	0.160	0.012	0.001	
		<i>including</i>	36	72	36	0.251	0.016	0.002
		36	57	21	0.318	0.018	0.003	
		96	210	114	0.207	0.020	0.002	
<i>including</i>	108	132	24	0.303	0.052	0.003		
<i>including</i>	171	192	21	0.238	0.017	0.002		
Gremi	YD579	12	18	6	0.251	0.013	0.000	
		93	99	6	0.155	0.013	0.000	
East Gremi	YD583	12	27	15	0.198	0.009	0.001	
		<i>including</i>	120	189	69	0.284	0.056	0.012
		132	144	12	0.641	0.061	0.044	
		210	249	39	0.243	0.044	0.003	
	YD585	6	12	6	0.192	0.003	0.000	
	YD587	126	204	78	0.251	0.049	0.011	
		<i>including</i>	150	159	9	0.571	0.132	0.006
		<i>including</i>	174	186	12	0.378	0.043	0.004
<i>including</i>	192	204	12	0.333	0.086	0.014		

Table 5. Significant intersections from assay results of the last 18 holes of drilling at Yandera. Results are grouped by area. Composites were based on a 0.150% Cu cut-off, as used in the 2015 resource estimation and may include up to 10 metres internal waste. Intervals are based on drilled thicknesses and may not reflect true thickness. Note that ppm is parts per million and 1ppm = 1 gram per tonne.

Area	Hole	From (m)	To (m)	Interval (m)	Cu (%)	Au (ppm)	Mo (%)	
Benbenubu	YD588	81	90	9	0.177	0.010	0.002	
		102	111	9	0.307	0.015	0.001	
		135	150	15	0.190	0.011	0.002	
	YD590	18	45	27	0.196	0.013	0.001	
		87	123	36	0.218	0.009	0.005	
		135	186	51	0.184	0.010	0.005	
		201	234	33	0.169	0.012	0.007	
YD592	87	102	15	0.158	0.011	0.007		
East Gremi	YD589	15	57	42	0.238	0.015	0.001	
		75	105	30	0.285	0.048	0.002	
	including	93	105	12	0.481	0.084	0.004	
		135	201.9	66.9	0.216	0.050	0.004	
	including	165	201.9	36.9	0.261	0.075	0.004	
		YD591	3	9	6	0.178	0.017	0.001
	including	24	45	21	0.361	0.022	0.005	
		24	33	9	0.663	0.031	0.006	
		63	102	39	0.173	0.023	0.005	
	including	135	210.3	75.3	0.224	0.033	0.003	
156		183	27	0.354	0.031	0.004		
South Dimbi	YD593	0	15	15	0.168	0.053	0.001	
		27	105	78	0.374	0.051	0.004	
	including	45	57	12	0.510	0.050	0.007	
		78	102	24	0.578	0.045	0.004	
	including	174	192	18	0.283	0.033	0.025	
		207	232.5	25.5	0.765	0.049	0.002	
Dimbi	YD594	99	123	24	0.637	0.041	0.000	
		including	108	123	15	0.922	0.051	0.000
		156	174	18	0.393	0.047	0.000	
		183	192	9	0.270	0.095	0.003	
	YD596	60	204.9	144.9	0.296	0.065	0.007	
		including	105	123	18	0.640	0.050	0.007
	including	159	174	15	0.361	0.042	0.008	
		YD598	69	84	15	0.207	0.056	0.002
	YD600	108	114	6	0.243	0.171	0.008	
		195	201	6	0.237	0.129	0.013	
	YD604	153	171	18	0.173	0.029	0.004	
192		204	12	0.764	0.177	0.005		
Imbruminda	YD595	18	45	27	0.151	0.047	0.001	
		114	147	33	0.204	0.157	0.006	
		159	174	15	0.339	0.088	0.008	
	YD597	72	174	102	0.241	0.038	0.006	
		including	123	135	12	0.542	0.083	0.009
	YD601	126	132	6	0.185	0.004	0.001	
Gremi	YD599	27	48	21	0.218	0.051	0.010	
		123	153	30	0.207	0.060	0.007	
		162	204	42	0.164	0.017	0.003	
Gamagu	YD602	6	36	30	0.206	0.114	0.016	
		66	72	6	0.204	0.031	0.016	
		93	114	21	0.185	0.025	0.003	
		159	180	21	0.184	0.023	0.010	
	including	171	180	9	0.270	0.035	0.017	
		YD603	18	72	54	0.188	0.233	0.017
	including	51	72	21	0.240	0.135	0.028	
		84	117	33	0.232	0.668	0.010	
including	108	117	9	0.473	1.896	0.011		
	Kauwo	YD605	36	42	6	0.167	0.062	0.002
66		78	12	0.361	0.107	0.004		
99		105	6	0.162	0.073	0.002		

Area	Hole	From (m)	To (m)	Interval (m)	Cu (%)	Au (ppm)	Mo (%)
		117	123	6	0.198	0.028	0.001
		135	144	9	0.165	0.041	0.003

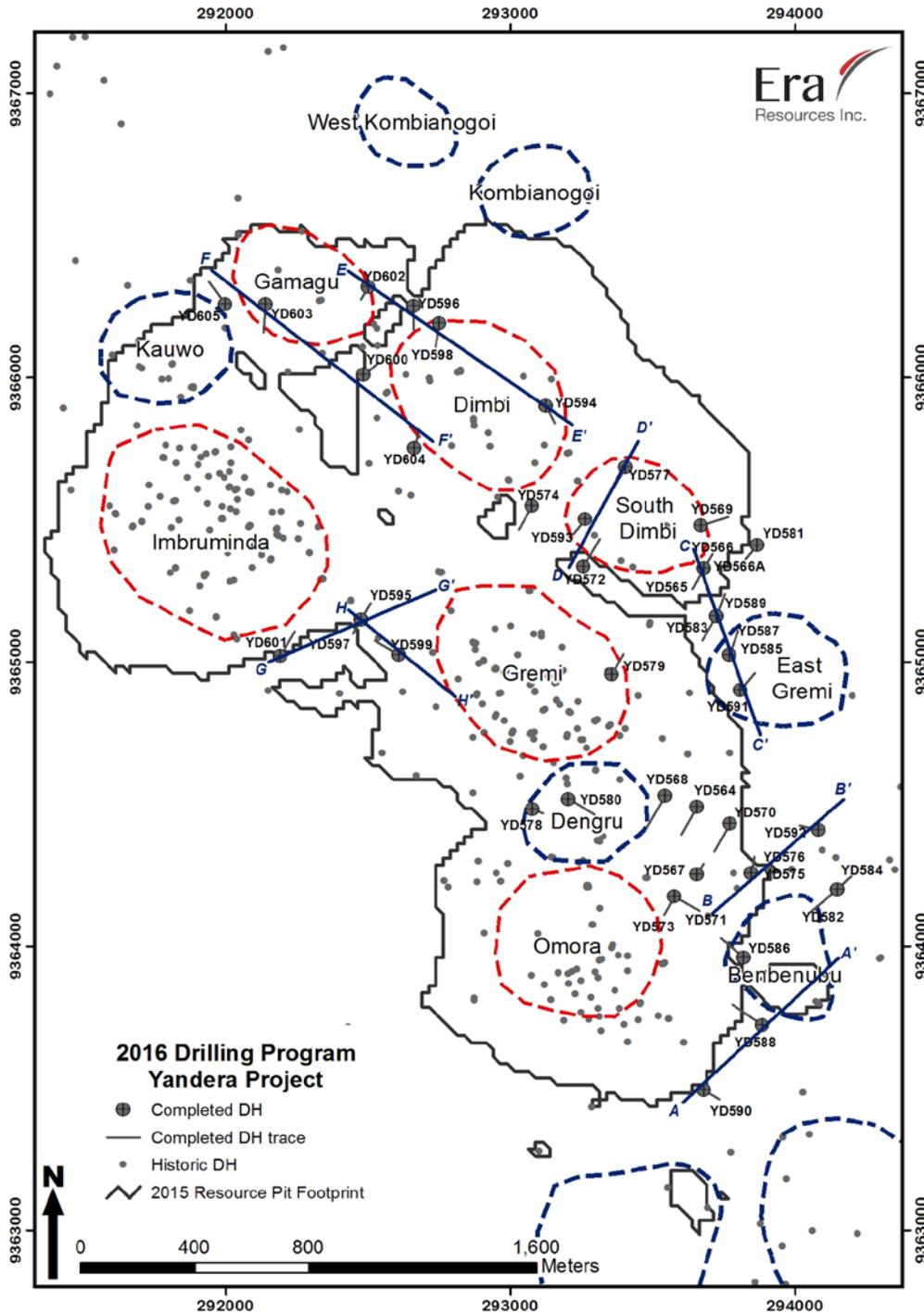


Figure 2. Yandera area prospects and deposits. The blue lines show the centerline of the sections below.

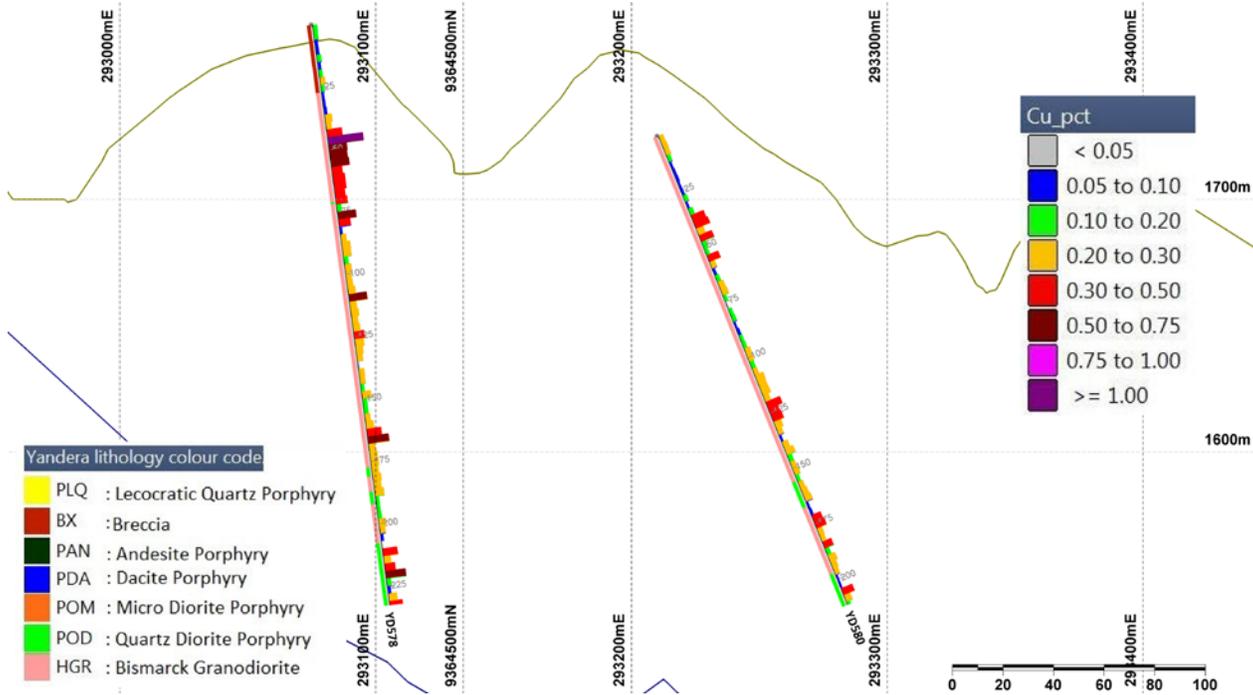


Figure 3. Dengru Section. This section is oriented west-southwest to east-northeast and the look direction is to the north-northwest. The section width is 125 metres. The brown line is the topography and the blue line is the bottom of the modelled open pit for the 2015 resource. The right side of each drill trace shows copper values and the left side of each trace shows lithology. The legend in Section A-A' applies to all other sections.

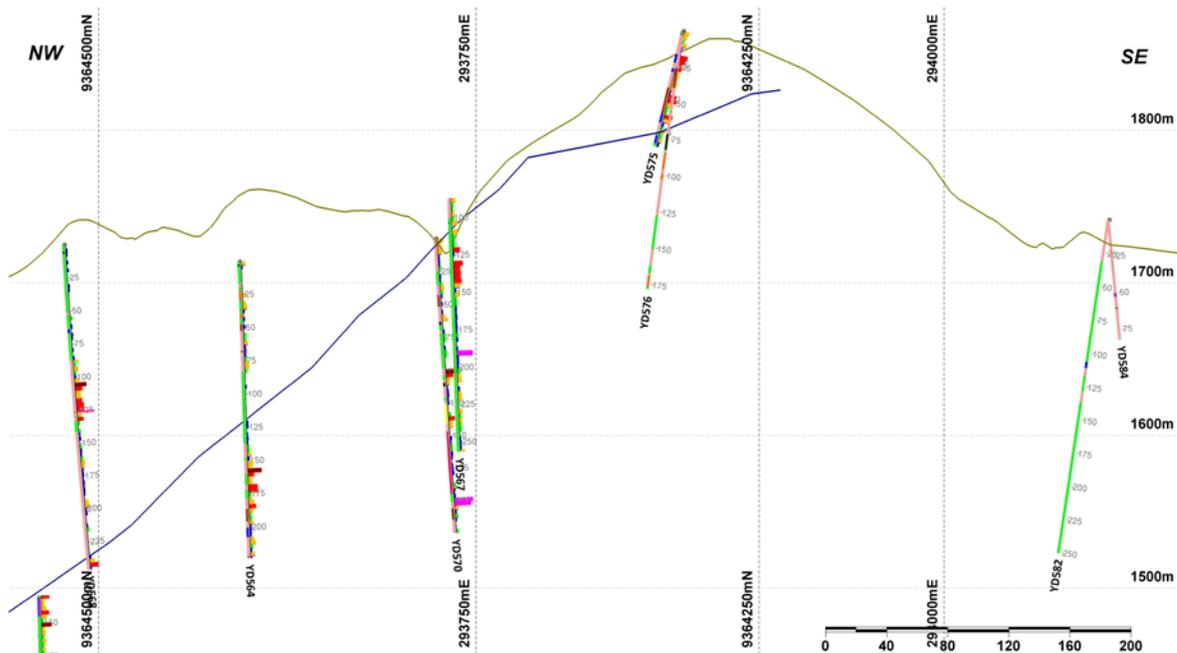


Figure 4. Omora Section. This section is oriented northwest to southeast with the look direction to the northeast. The section width is 125 metres. The brown line is the topography and the blue line is the bottom of the modelled open pit for the 2015 resource.

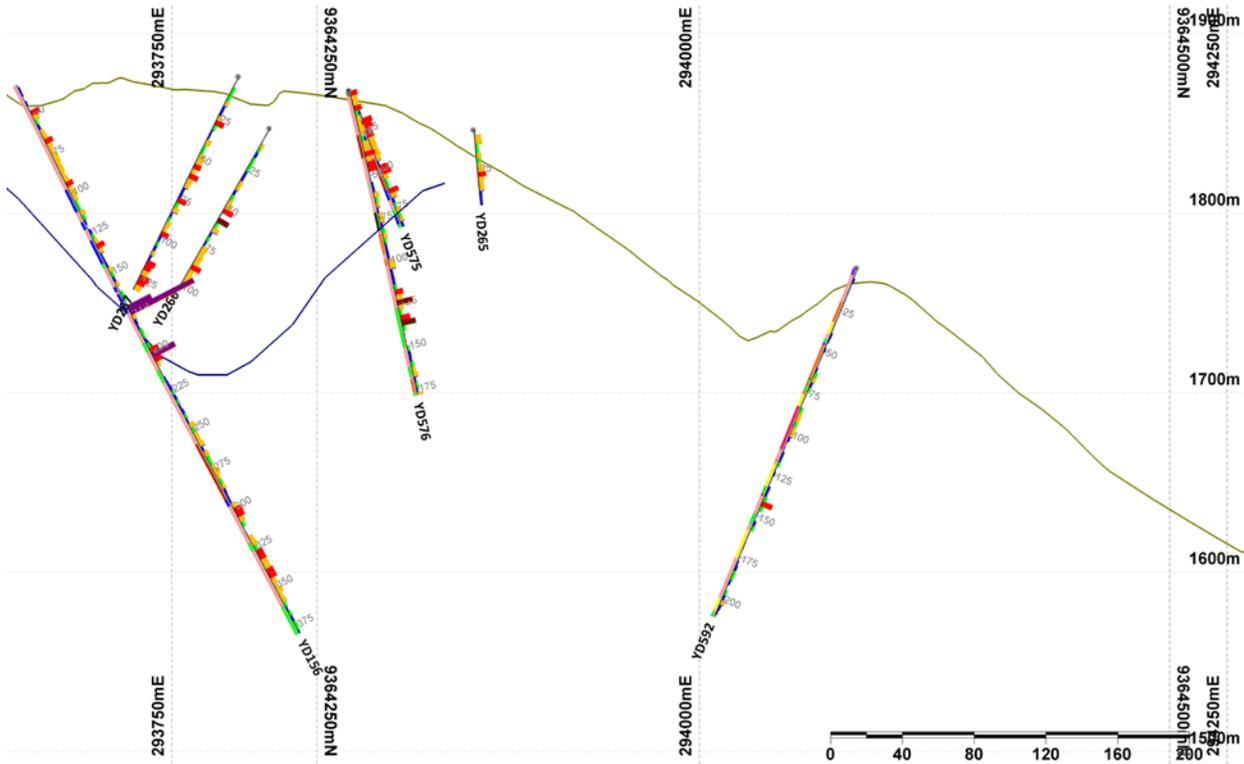


Figure 5. Section B-B'. This section is oriented southwest to northeast with the look direction to the northwest. The section width is 50 metres. The brown line is the topography and the blue line is the bottom of the modelled open pit for the 2015 resource.

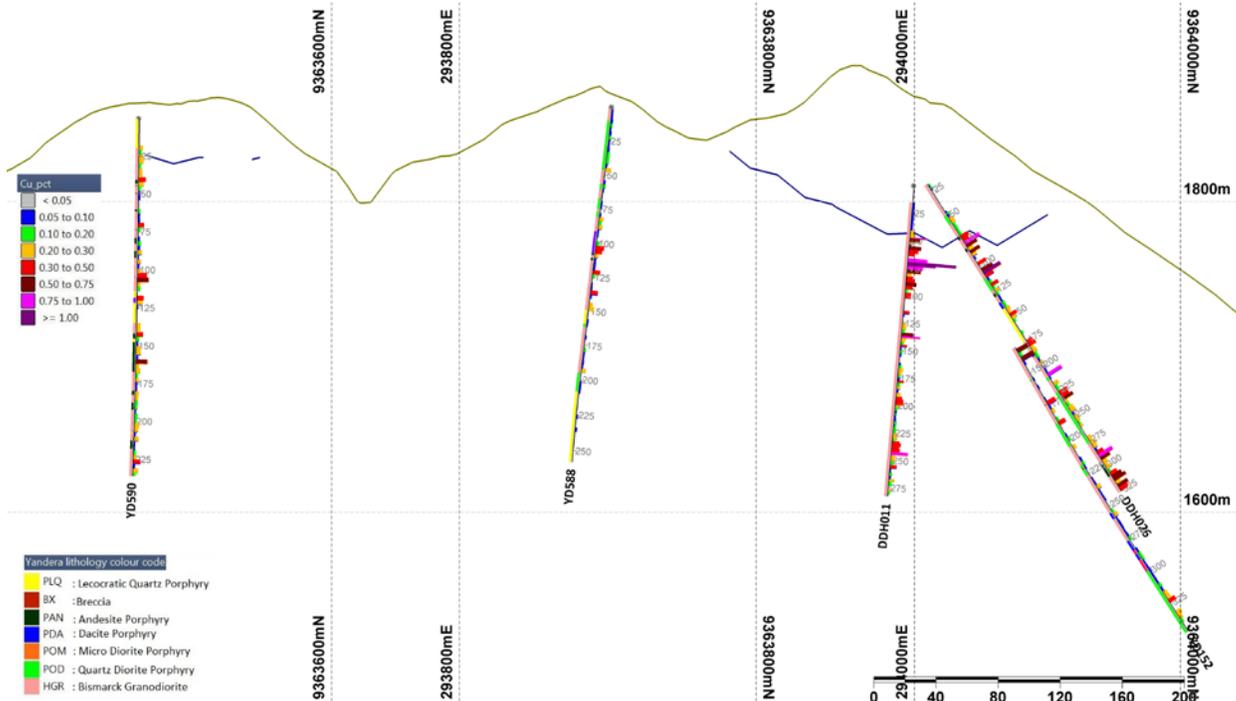


Figure 6. Section A-A'. This section is oriented southwest to northeast and the look direction is to the northwest. The section width is 100 metres. The brown line is the topography and the blue line is the bottom of the modelled open pit for the 2015 resource. The right side of each drill trace shows copper values and the left side of each trace shows lithology. The legend in Section A-A' applies

to all other sections.

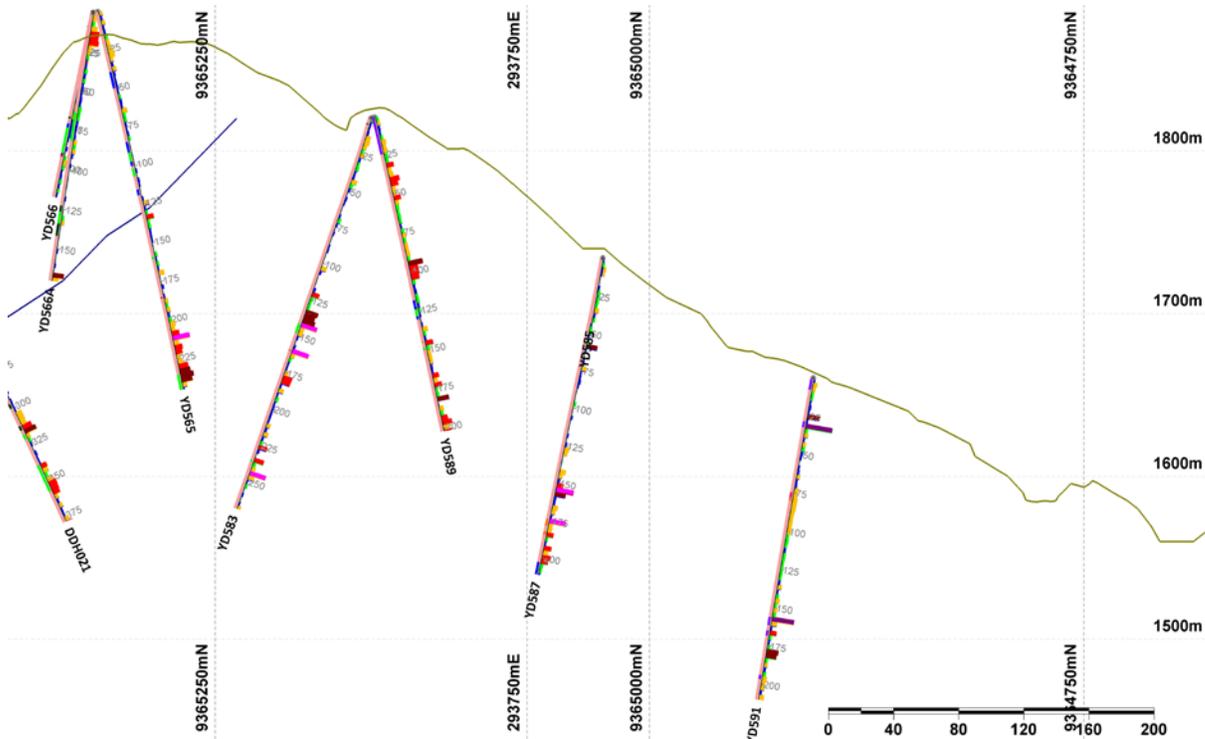


Figure 7. Section C-C'. This section is oriented northwest to southeast and the look direction is to the northeast. The section width is 100 metres. The brown line is the topography and the blue line is the bottom of the modelled open pit for the 2015 resource.

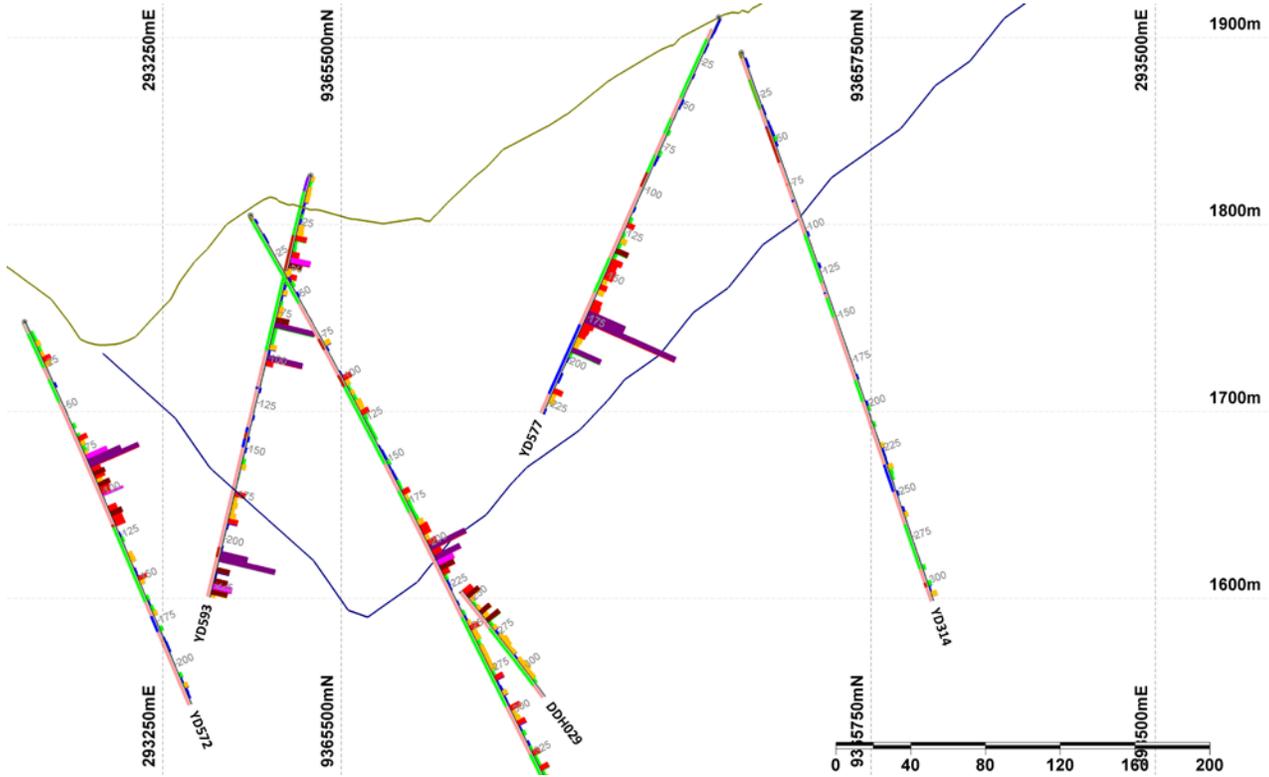


Figure 8. Section D-D'. This section is oriented southwest to northeast and the look direction is to the northwest. The section width is 50 metres. The brown line is the topography and the blue line is the bottom of the modelled open pit for the 2015 resource

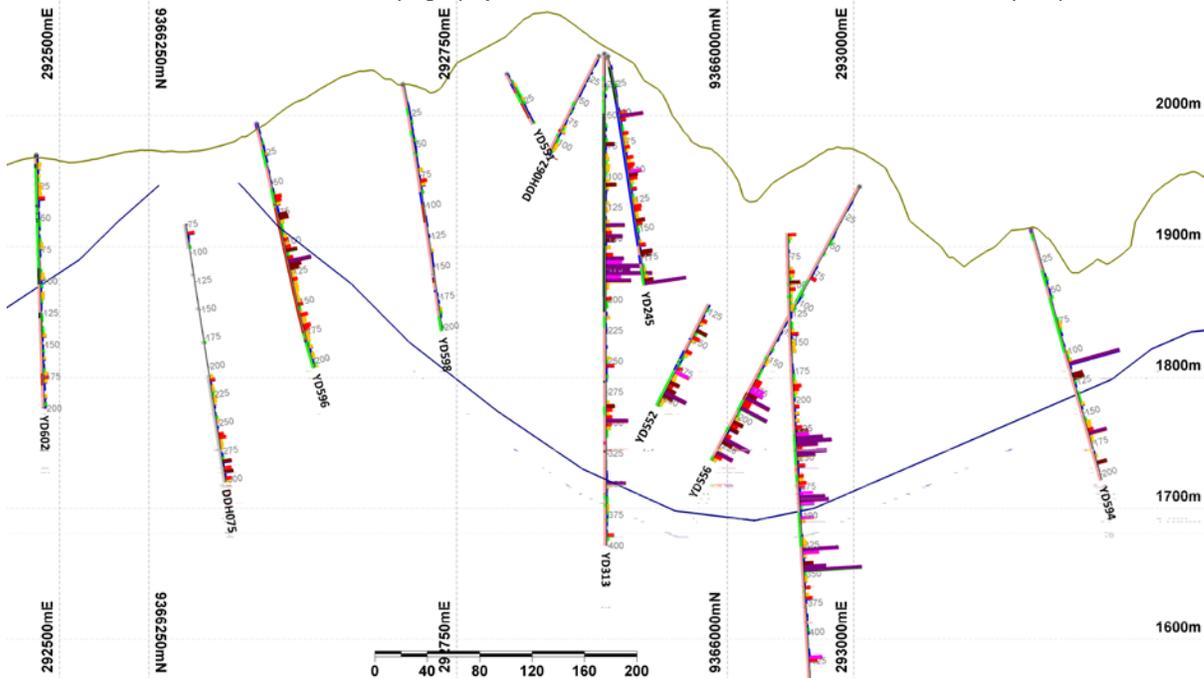


Figure 9. Section E-E'. This section is oriented northwest to southeast and the look direction is to the northeast. The section width is 50 metres. The brown line is the topography and the blue line is the bottom of the modelled open pit for the 2015 resource.

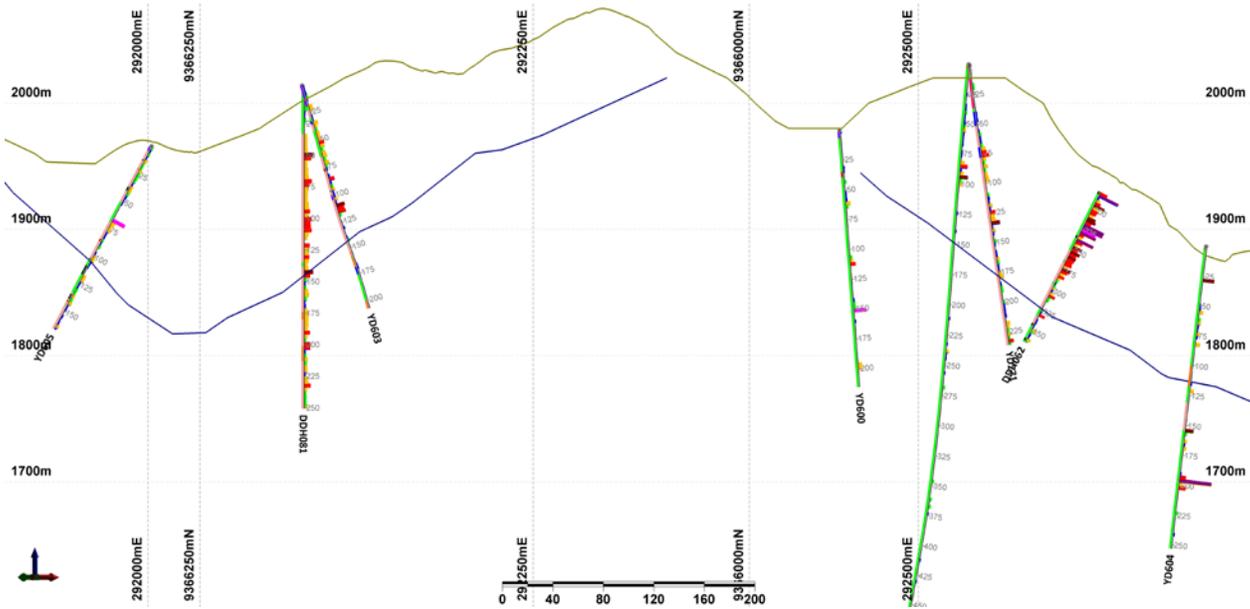


Figure 10. Section F-F'. This section is oriented northwest to southeast and the look direction is to the northeast. The section width is 125 metres. The brown line is the topography and the blue line is the bottom of the modelled open pit for the 2015 resource.

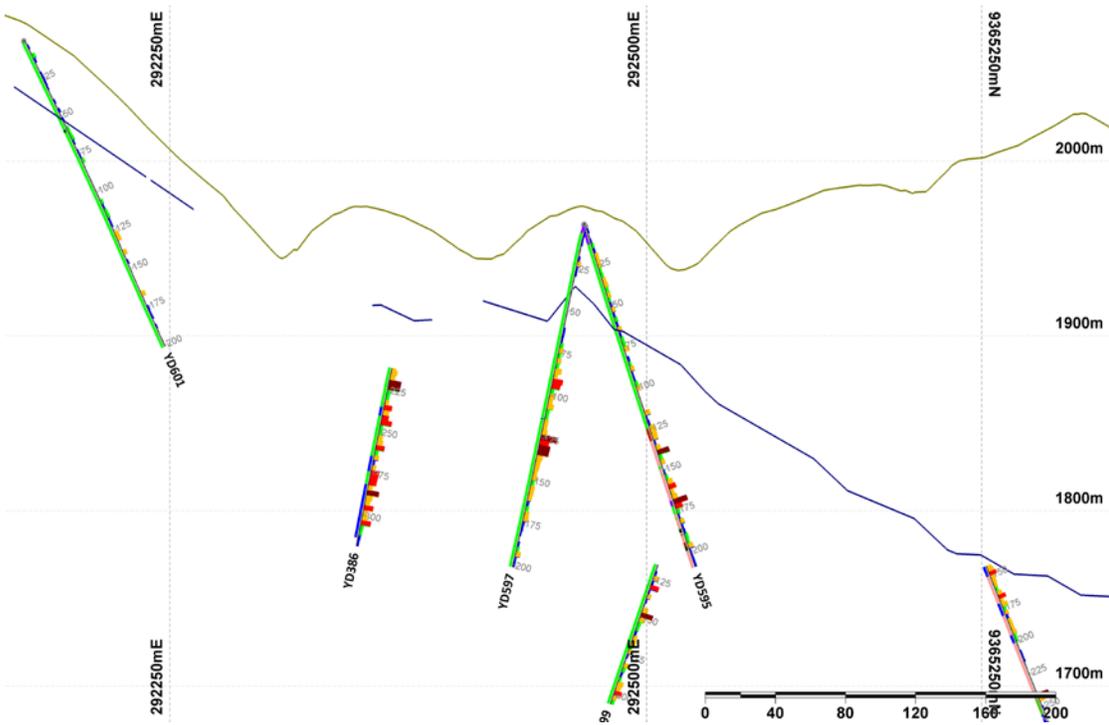


Figure 11. Section G-G'. This section is oriented southwest to northeast with the look direction to the northwest. The section width is 125 metres. The brown line is the topography and the blue line is the bottom of the modelled open pit for the 2015 resource.

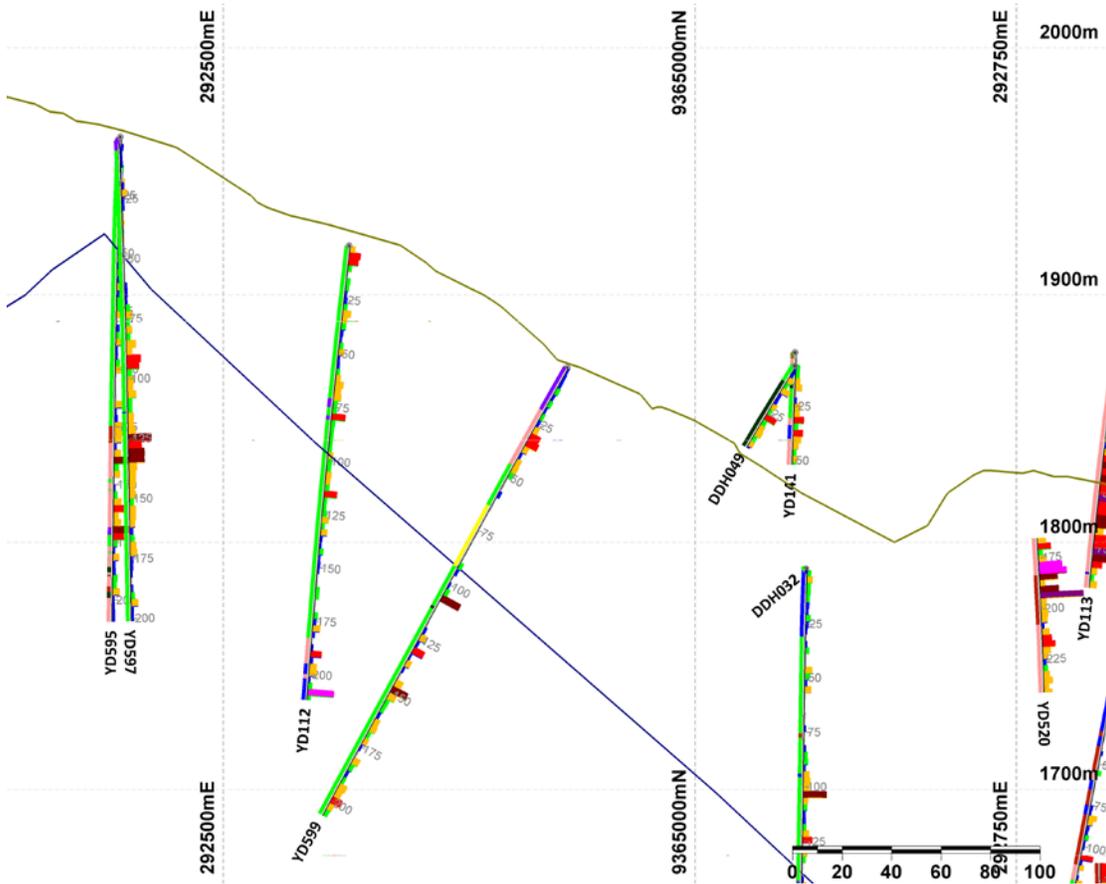


Figure 12. Section H-H'. This section is oriented northwest to southeast with the look direction to the northeast. The section width is 100 metres. The brown line is the topography and the blue line is the bottom of the modelled open pit for the 2015 resource.

Quality Control

Analyses were completed by ITS (PNG) Limited, a laboratory independent of the Company located at Lae, PNG, utilizing fire assay and multi-element ICP-AES methods with internal checks, blanks, duplicates and standards at various intervals in the sequence of samples. Era also inserted standards and blanks within the sequence of samples of halved core. The results of quality control samples indicate that the assays are reliable. Intervals of core sampled were generally 3 metres in length.

Regional Exploration at Yandera

In November and December of 2015, a field crew completed rock and soil sampling and surface mapping at a poorly understood copper prospect about 6 km to the southeast of the 2015 resource at Yandera. This program examined occurrences of narrow, high-grade copper mineralization observed by previous workers and some local prospectors in the Pomiea area.

Pomiea Prospect Results

On May 30, 2016, Era announced results from surface work at the Pomiea prospect. Exploration work over the last few years has highlighted some important northwesterly striking mineral trends that seem to extend outside the known resource at Yandera. During the latter portion of 2015, geologists mapped and sampled at the Pomiea Prospect, along this trend, approximately 6 kilometres to the southeast of the Yandera resource (Figure 13). Although previous work identified potential copper mineralization there, the late-2015 work represents the first substantial sampling efforts at Pomiea, which includes the collection of 230 rock samples with assay results that show elevated copper, as well as locally anomalous silver and molybdenum (Table 6).

Reconnaissance mapping suggests northwesterly-striking tabular bodies of diorite, intrusive breccia, quartz-diorite porphyry

and andesite intrude granodiorite of the Bismarck batholith. Copper mineralization observed at Pomiea is structurally controlled, vein and breccia fill, high-grade copper sulfides most commonly located near northeasterly striking structures hosted in diorite and intrusive breccia (Figure 14). Chalcopyrite and bornite are the dominant sulfide minerals with minor pyrite. The host granodiorite displays weak propylitic alteration, while rocks adjacent to high-grade mineralization show weak potassic alteration with secondary biotite and locally disseminated copper sulfides.

Results from this work suggest the presence of strong copper mineralization at Pomiea and the prospectivity of the broader mineral trend that contains the Yandera resource. Future exploration work has potential to identify additional high-grade mineralized zones to the northwest and southeast, well beyond the currently known resources.

Table 6. Assay results for rock samples with greater than 1% copper. Coordinates are in UTM Zone 55 with a datum of AGD 1966.

Sample ID	Easting (m)	Northing (m)	Au ppm	Ag ppm	Cu %	Mo ppm
YE05946	299557	9360153	0.041	29.8	1.45	22
YE05948	299534	9360159	1.99	104	3.74	14
YE05960	2996054	93603364	0.045	163	2.63	4
YE05961	299604	93603294	0.074	24.7	1.02	6
YE05976	299452	9360691	0.829	25.5	4.43	85
YE05977	299453	9360693	0.636	22.6	3.60	195
YE05993	299471	9360733	0.064	6.3	1.50	11
YE06000	299459	9360703	0.215	696	8.43	121
YE06003	299464	9360711	0.182	38.3	2.85	3
YE06004	299465	9360714	0.192	47.2	2.77	2
YE06010	299473	9360727	0.166	4.8	1.47	4
YE06050	299371	9360765	0.014	5.8	1.52	1622
YE06055	299363	9360784	0.092	15.3	3.20	108
YE06056	299373	9360786	0.02	10.8	2.00	74
YE06060	299364	9360816	0.049	2.4	1.05	412
YE06062	299377	9360818	0.04	3.9	1.24	17
YE06065	299393	9360822	0.041	17.1	1.65	140
YE06066	299390	9360828	0.042	15.8	2.97	1971
YE06067	299372	9360828	0.055	6.1	1.19	1069
YE06075	299357	9360806	0.055	5.4	1.10	322
YE06134	299377	9360835	0.586	2.7	1.29	<1
YE06177	299175	9360749	0.022	15.4	1.56	436
YE06178	299174	9360756	0.018	16.1	1.08	326
YE06203	299219	9360845	0.038	13.5	1.47	452
YE06223	299328	9360757	1.77	326	9.99	6386
YE06224	299484	9360679	0.441	104	5.72	972
YE06225	299495	9360692	1.61	463	20.66	1802
YE06227	299481	9360660	0.64	239	16.37	519

Quality Control

Analyses were completed by ITS (PNG) Limited, a laboratory independent of the Company located at Lae, PNG, utilizing fire assay and multi-element ICP-AES methods with internal checks, blanks, duplicates and standards at various intervals in the sequence of samples. Era also inserted standards within the sequence of samples.

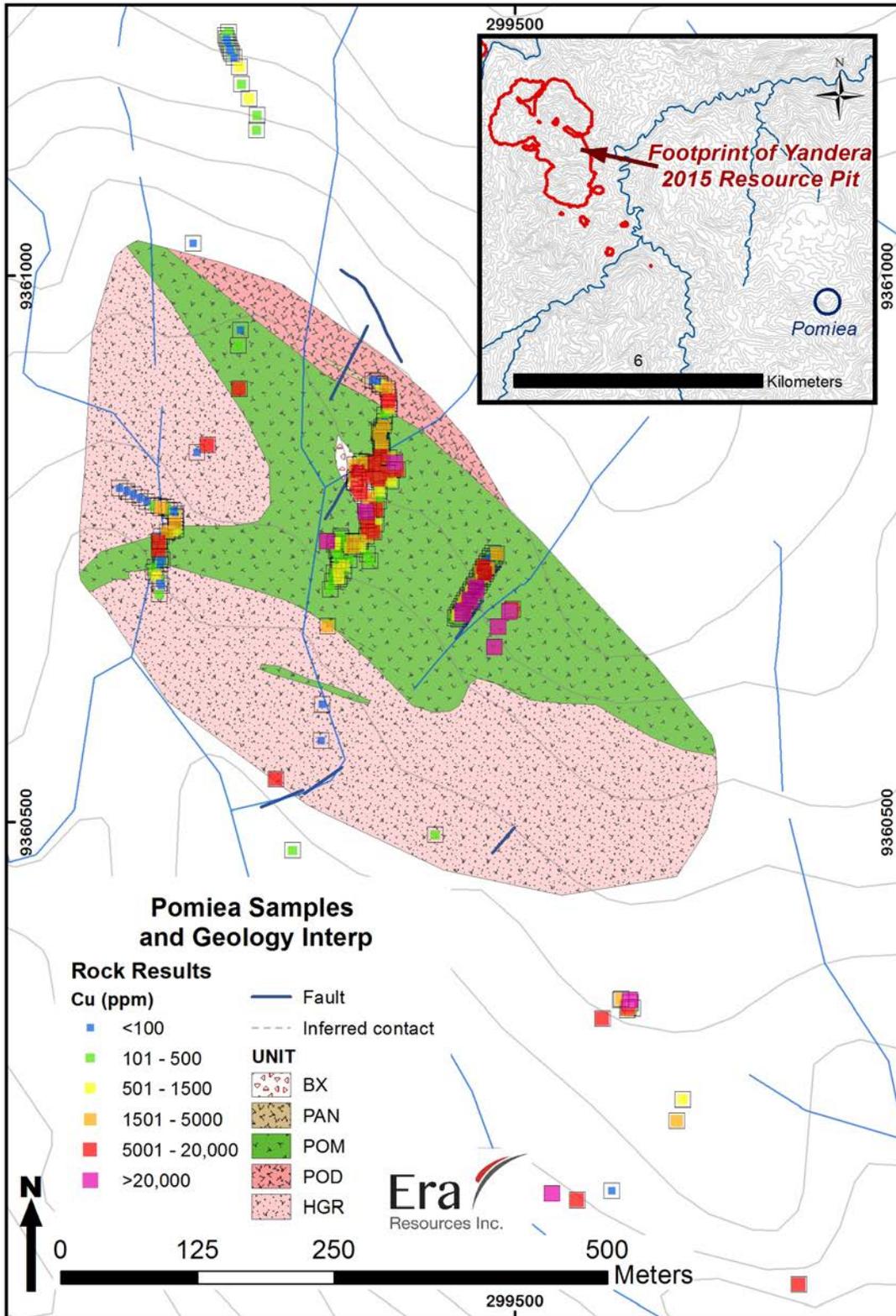


Figure 13. Samples from Pomiea area. Note that 20,000 ppm copper is equivalent to 2% copper. Unit BX is breccia, PAN is porphyritic

andesite, POM is microdiorite, POD is quartz porphyry diorite and HGR is granodiorite.

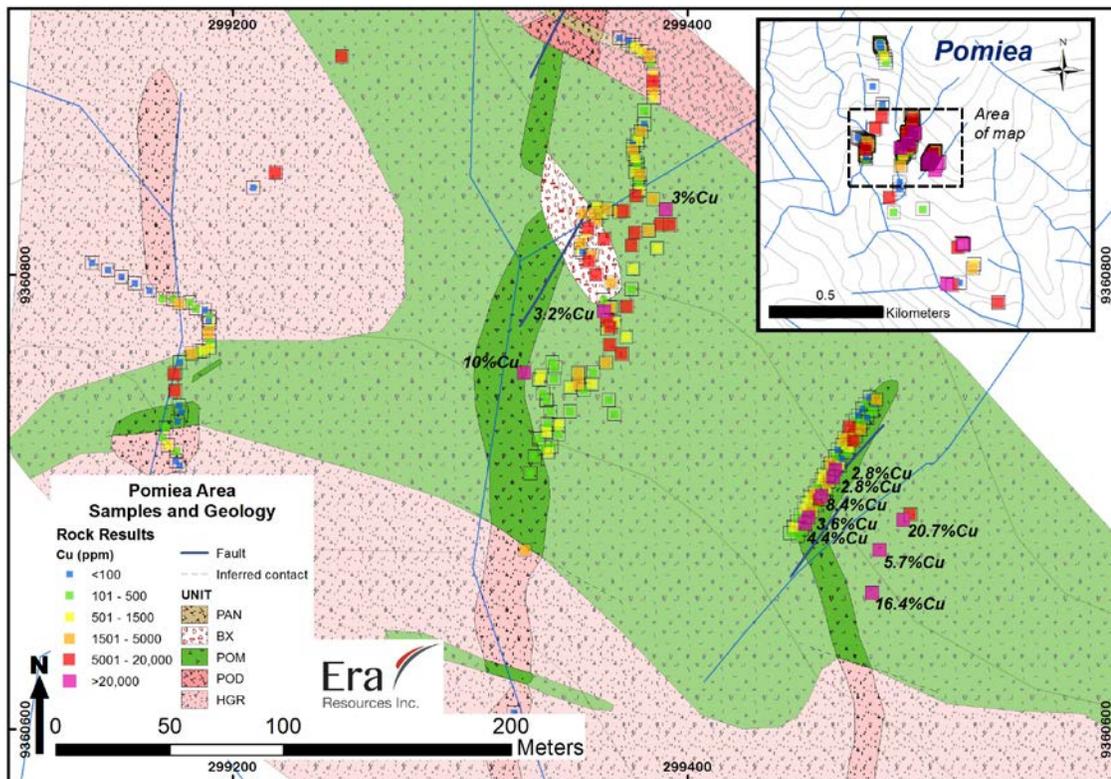


Figure 14. Detailed map of higher grade Pomiea samples and Geology. Note that copper results for samples with over 2% copper are labelled. Rock types are the same as in Figure 13.

Qualified Person

Scientific and technical information herein was prepared and approved by Dr. Nathan Chutas, Exploration Manager of the Company, a certified professional geologist and a "qualified person" (as defined by National Instrument 43-101 ("NI 43-101")).

Work Program Outlook

Management recognizes that additional and improved resources are required to elevate the Yandera deposit to one that is economically robust and to justify proceeding with the feasibility study. To realize that objective, the Company's completed and planned work program going forward is comprised of the following activities:

- Completed the scoping study to incorporate processing of oxide mineralization as well as the expanded sulphide resource.
- Completed the exploration program in Q1 2017 aimed at further expansion of the resource through targeted infill and peripheral drilling.
- Actively evaluate development options, including mine plan, mineral processing, facilities and infrastructure requirements, deep sea tailings placement, power supply, and requisite approvals.
- Commence Pre-Feasibility work in Q3 2017.
- Commence Feasibility study in Q3 2018.

Financial Capability

The Company is an exploration and development stage entity and has not yet achieved profitable operations. It is subject to risks and challenges similar to companies in a comparable stage of development. These risks include, but are not limited to, the challenges of securing adequate capital to fund its activities, operational risks inherent in the mining industry and global economic and commodity price volatility. The underlying value of the Yandera Project and the recoverability of the related capitalized costs are dependent on the Company's ability to successfully develop the Yandera Project by, among other things, securing necessary permits, obtaining the required financing to complete the development and construction and upon future profitable production from, or the proceeds from the disposition of, its mineral property.

At the end of Q1 2017, the Company reported accumulated comprehensive losses of \$106.7 million (Q1 2016— \$102.8 million). As at September 30, 2016, the Company had a working capital deficiency of \$40.7 million (Q1 2016— \$43.8 million). The Company's sole source of funding during Q1 2017 has been available cash from the issuances of convertible debt instruments to Sentient.

As at September 30, 2016, the Company had \$5.3 million in available cash and cash equivalents (June 30, 2016— \$8.2 million) and less than \$0.1 million in short term investments held as restricted cash on September 30, 2016 and June 30, 2016 respectively. There are no sources of operating cash flows. Given the Company's current financial position and the ongoing exploration and evaluation expenditures on the Yandera Project, Era's major shareholder, Sentient has to date provided financial assistance to the Company. The section below under the header "*Liquidity, Capital Resources and Going Concern – Financing Activities*" sets out the details of the restructuring of the Company's financial commitments and financing transactions with Sentient.

The Company will need to raise additional capital through the issuance of equity or other available financing alternatives in parallel with financial support provided by Sentient in order to continue funding its operating, exploration and evaluation activities, and eventual development of the Yandera Project. Although the Company has been successful in its past fund-raising activities, there is no assurance as to the success of future fundraising efforts or as to the sufficiency of funds raised in the future.

These circumstances, along with other risks relevant to exploration companies, such as continuing losses, result in material uncertainty that lends significant doubt as to the ability of the Company to fulfil its exploration and development activities and, accordingly, the appropriateness ultimately of the use of the accounting principles applicable to a going concern.

Management expects that additional funding will be provided from Sentient or other sources, and therefore the Financial Statements have been prepared on the basis that the Company will continue as a going concern.

Selected Financial Information

The amounts are derived from the condensed interim consolidated financial statements prepared under IFRS.

Three months ended September 30,

<i>In thousands of US dollars, except per share amounts</i>	2016	2015
Interest income	4	2
Other income	12,051	2,195
Income (loss) from continuing operations	5,731	(2,717)
Income (loss) per share (basic)	0.50	(0.24)
Income (loss) per share (diluted)	(0.01)	(0.24)

Results of Operations

Other income is comprised of income (loss) due to the movement in fair value of the derivative liability in relation to the conversion option feature contained in the convertible debentures and a gain resulting from the extinguishment of debt pursuant to the amending agreement for the maturity terms of the first two series of debentures entered into on August 30, 2016.

Net income in Q1 2017 was \$8.4 million higher than the net loss in Q1 2016. The increase is mainly driven by other income of \$12.1 million compared to other income of \$2.2 million in Q1 2016 resulting in a \$9.9 million increase (quarter-over-quarter) offset by higher financing costs in Q1 2017. The financing costs were comprised of accretion expense on the convertible debentures of \$5.4 million and were \$1.7 million higher in Q1 2017 compared to \$3.7 million in Q1 2016 (\$1.7 million increase quarter-over-quarter). The higher financing costs in Q1 2017 resulted from higher debt loads compared to the prior year's quarter.

Total Assets

Total assets during the Q1 2017 period decreased by a net of \$0.9 million from the end of FY 2016. The change is attributed to a decrease in cash and cash equivalents of \$2.9 million offset by an increase to exploration and evaluation assets of \$2.1 million and a net cumulative decrease to property, plant and equipment and other receivables and other current assets of \$0.1 million.

Non-Current Liabilities

Non-current liabilities are comprised of the debt component of the convertible unsecured debentures issued in November 2015, April 2016 and May 2016, respectively. Non-current liabilities increased by \$0.7 million during Q1 2017 compared to the end of FY 2016 due to the recording of accretion for Q1 2017.

Investment in Exploration and Evaluation Assets

Investment in exploration and evaluation assets relates primarily to the Yandera Project. During Q1 2017, the Company spent a total of \$2.2 million in additions to exploration and evaluation assets. In aggregate, exploration and evaluation assets increased by \$2.1 million in Q1 2017 due to an increase of \$0.1 million in negative translation adjustments arising from the translation of foreign denominated currency balances.

Quarterly Results of Operations

The results of operations for the eight most recently completed fiscal quarters are summarized in the following tables, which have been derived from the financial statements of the Company prepared in accordance with IFRS.

<i>In thousands of US dollars, except per share amounts</i>	2017	2016	2016	2016
	1st quarter	4th quarter	3rd quarter	2nd quarter
Statement of (Loss) / Profit				
Interest income	4	5	4	1
Other income (loss)	12,051	(7,097)	2,749	24,846
Net Income (loss)	5,731	(13,440)	(3,164)	19,039
Net income (loss) per share — basic	0.50	(1.18)	(0.28)	1.67
Net loss per share — diluted	(0.01)	(1.18)	(0.28)	(0.01)
Statement of Financial Position				
Cash, cash equivalents and short term investments	5,342	8,250	4,984	7,524
Total assets	140,713	141,590	139,984	142,937
Total non-current financial liabilities	8,898	8,165	7,279	6,299

<i>In thousands of US dollars, except per share amounts</i>	2016 1 st quarter	2015 4 th quarter	2015 3 rd quarter	2015 2 nd quarter
Statement of (Loss) / Profit				
Interest income	2	3	2	1
Other (loss) income	2,195	10,534	(9,563)	12,956
Net (loss) income	(2,717)	6,630	(13,415)	8,064
Net (loss) income per share — basic	(0.24)	0.58	(1.18)	0.71
Net loss per share — diluted	(0.24)	(1.01)	(1.18)	(0.03)
Statement of Financial Position				
Cash, cash equivalents and short term investments	2,957	4,879	6,850	8,989
Total assets	143,956	149,900	155,474	162,614
Total non-current financial liabilities	6,438	5,997	37,183	34,362

Three Months Ended September 30, 2016, and September 30, 2015

A net income of \$5.7 million in Q1 2017 compared to a net loss of \$2.7 million in Q1 2016 resulted in an income increase of \$8.4 million quarter-over-quarter and was due to the following events with other income being the most significant:

- Other income in Q1 2017 is comprised of a gain due to the movement in fair value of the derivative liability in relation to the conversion feature option contained in the convertible debentures and a gain due to the revaluation and extinguishment of the debt pursuant to the amending agreement with Sentient entered into on August 30, 2016. The fair value adjustment on the derivative financial instrument combined with a net gain resulting from the debt extinguishment totalled \$12.1 million gain in Q1 2017 compared to \$2.2 million gain in Q1 2016 resulting in a \$9.9 million increase (quarter-over-quarter). Changes in fair value of the derivative liability are impacted by changes in assumptions and inputs used to determine the fair value, the most significant of which are the Company's share price, volatility and life of the conversion options
- General and administrative expenses in Q1 2017 of \$0.8 million were lower by \$0.2 million when compared to Q1 2016 of \$1.0 million. The decrease is primarily due to higher administrative costs incurred in Q1 2016 in relation to purchase of the La Cobota property.
- Financing costs comprised of the accretion expense on the convertible debentures were \$5.4 million in Q1 2017 compared to \$3.7 million in Q1 2016 (\$1.7 million increase quarter-over-quarter). The higher financing costs in Q1 2017 resulted from higher debt loads compared to the prior year's quarter.

Liquidity, Capital Resources and Going Concern

Liquidity

The main sources of liquidity are the Company's cash and cash equivalents, investments in term deposits, stock option exercises, equity issuances and debt instrument issuances. As at September 30, 2016, cash and cash equivalents were \$5.3 million compared to \$8.2 million at June 30, 2016.

The Company's principal requirements for cash over the next twelve months will be to fund the ongoing exploration costs at the Yandera Project, general corporate and administrative costs and to service the Company's current trade and other payables. The Company will defer discretionary expenditures, as required, in order to manage and conserve cash.

On October 27, 2016, the Company announced that it has entered into a binding Letter of Agreement with Sentient for the proposed financing transaction of \$7.0 million, which will improve the liquidity and increase the capital resources of the Company.

Working Capital

As at September 30, 2016, the Company had a working capital deficiency of \$40.7 million (June 30, 2016— \$44.9 million deficiency), calculated as total current assets less total current liabilities. The decrease in working capital deficiency by \$4.2

million is mainly due to a decrease in current liabilities of \$7.2 million offset by a decrease to cash and cash equivalents of \$2.9 million and decrease in receivables and other current assets of \$0.1 million.

At the end of September 30, 2016, the Company had current liabilities of \$46.1 million (June 30, 2016— \$53.3 million). The decrease of \$7.2 million compared to June 30, 2016 is due to the decrease to loans and borrowings of \$6.7 million, a decrease to a derivative financial instrument by \$0.6 million and an increase to trade and other payables by \$0.1 million

Going Concern

The underlying value of the Company's exploration and evaluation assets is dependent upon the existence, and economic recovery of mineral reserves in the future and the ability of the Company to raise funds to continue and complete the development of the Yandera Project and to obtain all necessary permits. In addition, the Yandera Project may be subject to political and economic instability risks, unfavourable changes in existing government regulations, adverse metal market prices, etc.

As at September 30, 2016, the Company had no sources of operating cash flows and did not have sufficient cash to fund the development of the Yandera Project. The Company will need to raise additional capital through the issuance of equity or other financing alternatives in parallel with financial support provided by its major shareholder, Sentient, in order to continue funding its operating, exploration and evaluation activities, and the eventual development of the Yandera Project. Although, the Company has been successful in its past fundraising activities, there is no assurance as to the success of future fundraising efforts or as to the sufficiency of funds raised in the future. If funds are not raised, it would result in further curtailment of activities and Yandera Project delays.

These circumstances, along with other risks relevant to exploration companies, such as continuing losses, result in material uncertainty which lends significant doubt as to the ability of the Company to fulfil its exploration and development activities and, accordingly, the appropriateness ultimately of the use of the accounting principles applicable to a going concern.

Considering the risks listed above, management anticipates that the Company will be able to meet its financial obligations for the fiscal 2017 year. The proposed \$7.0 million financing with Sentient will improve the Company's cash position and therefore, the management's assessment of the Company is that it remains a going concern.

The Company's contractual obligations as at the end of September 30, 2016 are set out below:

Contractual Obligations <i>In thousands of US dollars</i>	Total	Less than 1 year	1–2 years	After 2 years
Trade and other payables	2,034	2,034	-	-
Provisions	209	209	-	-
Derivative financial instrument	11,378	11,378	-	-
Convertible debentures ⁽¹⁾	41,412	32,514	8,898	-
Total contractual obligations	55,033	46,135	8,898	-

⁽¹⁾ The convertible debentures issued to Sentient represent unsecured debt. The debt is convertible into common shares at the option of the holder, or repayable by the Company on the due date. The presentation shown above assumes payment is made in cash and also assumes no conversions of the convertible debentures into common shares by the holders prior to the maturity date.

Financing Activities

On October 27, 2016, the Company announced that it has entered into a binding Letter Agreement with Sentient in connection with the proposed issuance of \$7.0 million principal amount of convertible unsecured debentures (the "Debentures") of the Company. In addition to the Company, its wholly-owned subsidiaries, Yandera Mining Company Limited and Marengo Mining (PNG) Limited (collectively, the "PNG Subsidiaries") have executed the Letter Agreement as co-issuers of the Debentures.

Sentient intends to subscribe for the Debentures, which shall be issued on a private placement basis, The Transaction is also subject to approval by the TSXV.

The Debentures will mature on December 31, 2017 and will not bear interest. Each \$1,000 (one thousand) principal amount of Debentures will be convertible into common shares of the Company at a conversion price of C\$0.25 per common share (the "Conversion Price"). Each Debenture will be convertible, in whole or in part, at the option of Sentient and at any time, into

common shares at the Conversion Price, for each \$1,000 principal amount of Debentures, subject to adjustment in certain circumstances as described below. In addition, the Debentures will be guaranteed by each of Marengo Mining (Australia) Limited and Yandera Mining Company (Holdings) Pty Limited.

Pursuant to the terms of the Letter Agreement, the Company and Sentient have agreed that the Conversion Price for the currently outstanding debentures of the Company in the aggregate principal amount of \$59.9 million held by Sentient pursuant to the terms of prior debenture financings between the Company and Sentient will be adjusted to C\$0.25 per common share of the Company upon the Company receiving the necessary the requisite approvals from the TSXV.

On August 30, 2016, the Company entered into an amending agreement with Sentient to extend the maturity of the outstanding first two series of debentures of the Company held by Sentient that were previously set to mature on September 30, 2016. These debentures will now have a maturity date of July 1, 2017. The Company had previously reported a change in the maturity date of the same series of debentures in April of 2016. The four series of debentures have maturity dates now of June 30, 2017, July 1, 2017 and December 31, 2017.

The modified maturity terms as per the amending agreement dated August 30, 2016 resulted in significant changes to the discounted present values of cash flows for debentures issued on January 14, 2014 and July 15, 2014 which were previously set to mature on September 30, 2016.

Due to the zero coupon interest rate (as a result of the change in terms due to the modification on November 20, 2015), the existing debentures were fair valued using the present value methodology. The principal face values were discounted based on the prorated effective interest rate derived from the fair value of the Investment Debentures issued in November 2015. The existing debentures were extinguished and new fair values of the convertible debentures were recognized.

The overall impact resulting from extinguishments and revaluations during Q1 2017 was as follows:

For the convertible debentures issued on January 15, 2014, the new fair value of \$18,804 was recognized. The net gain resulting from extinguishments and revaluations for the three months ended September 30, 2016 totalled \$8,442.

For the convertible debentures issued on July 15, 2014, the new fair value of \$6,456 was recognized. The net gain resulting from extinguishments and revaluations for the three months ended September 30, 2016 totalled \$3,002.

The following tables display debt instruments issued and outstanding as of the date of this report and the activities of the Company's current and long term debt instruments for the three months period ended September 30, 2016.

September 30, 2016	Principal Face Value	Maturity
<i>In thousands of US dollars</i>		
January 2014 convertible debentures	28,231	July 1, 2017
July 2014 convertible debentures	10,195	July 1, 2017
December 2014 convertible debentures	7,500	June 30, 2017
November 2015 convertible debentures	7,000	December 31, 2017
April 2016 convertible debentures	3,000	December 31, 2017
May 2016 convertible debentures	4,000	December 31, 2017

2017	At June 30, 2016	Extinguishment/R evaluations, Net	Accretion	At September, 30, 2016
January 2014 convertible debentures	25,308	(8,442)	2,896	19,762
July 2014 convertible debentures	8,999	(3,002)	1,173	7,170
December 2014 convertible debentures	4,936	-	646	5,582
November 2015 convertible debentures	3,367	-	439	3,806
April 2016 convertible debentures	2,623	-	60	2,683
May 2016 convertible debentures	2,175	-	234	2,409
	47,408	(11,444)	5,448	41,412
Less: current portion	39,243			32,514
Total long term debt	8,165			8,898

The total financing costs on the convertible debentures recognized and expensed in the condensed interim consolidated statements for the period ended September 30, 2016 were \$5.4 million (September 30, 2015 - \$3.7 million) and were comprised of accretion.

During the fiscal years of 2015 and 2016, the Company completed the aggregate issuance of \$31.7 million principal amount of convertible unsecured debentures (the "Debentures") to Sentient. The underlying details of these borrowings are disclosed in the Note 11 of the Company's audited annual financial statements for the year ended June 30, 2016. In addition, at September 30, 2016, the Company had a derivative financial instrument balance of \$11.4 million resulting from the conversion option feature contained in the debentures.

Uses of Cash

During Q1 2017, the Company used \$0.8 million in operating activities, primarily for the payment of operating expenses such as salaries, and other general, corporate and administrative expenses. In addition, during Q1 2017, the Company used net of \$2.1 million in investing activities primarily on expenditures for the continuing exploration and development activities at the Yandera Project.

During Q1 2016, the Company used \$1.0 million in operating activities and \$0.9 million in net investing activities for exploration and development expenditures at the Yandera Project.

Commitments and Contingencies – Outstanding

The Company has certain commitments to meet the minimum expenditure requirements on the mineral exploration assets in PNG in which it has an interest.

The Company had no contingent liabilities as at September 30, 2016.

Future minimum payments as at September 30, 2016, under agreements to which the Company is a party are as follows:

<i>In thousands of US dollars</i>	Less than 1 year	1–5 years	Total
Lease commitments	20		20
Exploration commitments	435	109	544
Total	455	109	564

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at September 30, 2016.

Transactions with Related Parties

The Company's related parties as defined by International Accounting Standard 24 "Related Party Disclosures" (IAS 24), include the Company's subsidiaries, executive and non-executive directors, senior officers and key management personnel. Transactions with related parties are measured at fair value, which is the amount of consideration established and agreed upon by the related parties. All related party transactions entered into by the Company have been approved by the Board of Directors of the Company and/or shareholders of the Company as required.

Key management personnel are defined as directors and senior officers of the Company.

Transactions with related parties during Q1 2017 and Q1 2016 are listed below:

(a) Compensation of Key Management Personnel:

<i>In thousands of US dollars</i>	Three Months Ended September 30,	
	2016	2015
Salaries, fees, wages and other benefits	243	266
Share-based compensation	2	26
Total	245	292

(b) Transactions with Sentient

Subsequent to Q1 2017 period, as announced on October 27, 2016, the Company entered into a financing agreement with Sentient in connection with the proposed issuance of \$7.0 million principal amount of convertible unsecured debentures. Details of this financing are described in the "Financing Activities" section above.

Financial Instruments

In thousands of US dollars

	Fair Value at September 30, 2016	Basis of Measurement	Associated Risks
Cash and cash equivalents	5,275	Loans and receivables	Credit and foreign exchange
Short term investments - restricted cash	67	Loans and receivables	Credit and foreign exchange
Accounts receivable and other current assets	141	Loans and receivables	Credit, foreign exchange
Trade and other payables	2,034	Amortized cost	Foreign exchange
Provisions	209	Amortized cost	Foreign exchange
Derivative financial instrument	11,378	Fair value through profit and loss	Interest, foreign exchange
Loans and borrowings	41,412	Amortized cost	Interest, foreign exchange

Loans and receivables— Cash and cash equivalents, short-term deposits, accounts receivables and other current assets, trade and other payables and provisions mature in the short term and their carrying values approximate their fair values.

Amortized cost —The debt component of the convertible debentures subsequent to its initial recognition at fair value, is measured at amortized cost as described above.

Fair value through profit or loss —The debt component of the convertible debentures is initially measured at fair value, net of direct expenses, through profit or loss, then subsequently at amortized cost. The convertible debentures contain embedded derivatives due to the conversion option feature that significantly modify the cash flows that otherwise would be required by the contract.

Embedded derivatives are segregated from the host liability debt component and accounted for separately. The conversion feature is recognized initially and subsequently at the end of each reporting period at fair value using the Black-Scholes option pricing model. Any changes in fair value of the derivatives are recognized as profit or loss in the consolidated statement of comprehensive loss. Up-front costs and fees related to the convertible debentures are netted against the loan liability balance.

The risk free interest rate used in the fair value computation is the interest rate on Canadian marketable bonds with maturity similar to the remaining life of the convertible debenture. The discount rate used is based on the prorated effective interest rate derived from the fair value of the November 2015 debentures. The expected volatility estimate at date of convertible debt extinguishment and September 30, 2016 considers both, the historical price volatility of the Company and the TSX Venture Composite Index.

Application of the Black-Scholes option pricing model requires the use of assumptions. Changes in the underlying assumptions of these models could materially impact the determination of the fair value of a financial instrument.

Future Accounting Standards and Pronouncements

IFRS 9 "Financial Instruments" (IFRS 9)

IFRS 9 addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in the statement of earnings to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for

financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. This standard is effective for annual periods beginning on or after January 1, 2018. The Company is still assessing the impact of this standard.

IAS 7 "Statement of Cash Flows"

Disclosures related to financing activities was amended to require disclosures about changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for years beginning on or after January 1, 2017. The Company is still assessing the impact of this standard.

IAS 12 "Income Taxes"

Deferred tax was amended to clarify (i) the requirements for recognizing deferred tax assets on unrealized losses; (ii) deferred tax where an asset is measured at a fair value below the asset's tax base, and (iii) certain other aspects of accounting for deferred tax assets. This amendment is effective for years beginning on or after January 1, 2017. The Company is still assessing the impact of this standard.

IFRS 16 "Leases"

IFRS 16 replaces current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease (on the balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low value assets, however this exemption can only be applied by lessees. The standard applies to annual periods beginning on or after January 1, 2019, with earlier application permitted if IFRS 15, Revenue from Contracts with Customers, is also applied. The Company is still assessing the impact of this standard.

Risk and Uncertainties

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of Era and the value of the common shares of the Company. These include risks that are widespread risks associated with any form of business and specific risks associated with Era's business and its involvement in the exploration and mining industry generally and in PNG in particular. Please see "*Papua New Guinea*" in the Company's annual information form dated October 5, 2016, (the "**AIF**"), a copy of which is available on SEDAR at www.sedar.com. While most risk factors are largely beyond the control of Era and its directors, the Company will seek to mitigate the risks where possible, for example by maintaining its key relationships with PNG's federal and regional governments and local people. However, an investment in the common shares of the Company is considered speculative due to the nature of Era's business and the present stage of its development.

The Company is subject to the following risks and uncertainties, which are discussed in detail in the AIF, available on SEDAR at www.sedar.com, and should be reviewed in conjunction with this document:

- The Company has negative operating cash flows and might not be able to continue as a going concern;
- The Company will require additional funding in the future and no assurances can be given that such funding will be available on the terms acceptable to the Company or at all;
- The Company's ability to maintain its obligations under the terms of its convertible debentures and other debt obligations;
- The speculative nature of resource exploration and development projects;
- The uncertainty of mineral resource estimates and the Company's lack of mineral reserves;
- The Company's ability to successfully establish mining operations and profitably produce copper, molybdenum and gold;
- Dependence on the Yandera Project;
- Operations of the Company are carried out in geographical areas that are subject to various other risk factors;

- The economic uncertainty of operating in a developing country such as PNG, such as the availability of local labour, local and outside contractors and equipment when required to carry out the Company's exploration and development activities;
- Other foreign operations risks; potential changes in applicable laws and government regulations and potential changes in PNG's mining or investment policies;
- The Company is not insured against all possible risks;
- Environmental risks and hazards;
- The title of the Company's mineral properties cannot be guaranteed and may be subject to prior unregistered agreements, transfers and other defects, and the risk of obtaining a mining permit and the successful renewal of currently pending renewal applications;
- The commodity prices may affect the Company's value, changes in and volatility of commodity prices and its hedging policies;
- Increased competition in the mineral resource sector;
- The Company may have difficulty recruiting and retaining key personnel;
- Currency fluctuations risk;
- Repatriation of earnings, no assurances that PNG or any other foreign country that the Company may operate in the future will not impose restrictions on repatriation of earnings to foreign entities;
- No production revenues;
- Stock exchange prices;
- Conflicts of interest;
- Ability to exercise statutory rights and remedies under Canadian securities law;
- Enforceability of foreign judgements;
- Unforeseen litigation;
- Structural subordination of the Company's common shares;
- The Company's future sales or issuance of common shares;
- Risk of suspension of public listing due to failure to comply with local securities regulations;
- Risk of fines and penalties; and
- Risk of improper use of funds in local entity.

Share Capital Information

As at the date of this MD&A, the following number of common shares of the Company and other securities of the Company exercisable for common shares of the Company are outstanding:

Securities	Common shares on exercise
Common shares	11,377,792
Stock options	112,750
Convertible debentures	150,958,681
Fully diluted share capital	162,449,223

Disclosure Controls and Procedures

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's accounting policies.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Forward-looking Information

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information includes, but is not limited to, information that reflects management's expectations regarding Era's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A, the Company has made numerous assumptions. The assumptions include, among other things, assumptions regarding: (i) the accuracy of exploration results received to date; (ii) anticipated costs and expenses; (iii) the accuracy of the Company's mineral resource estimate; (iv) the future price of copper, molybdenum and gold; and (v) that the supply and demand for copper, gold, molybdenum, and other metals develop as expected. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, among other things, the following: (i) need for additional financing to develop the Yandera Project; (ii) decreases in the price of copper and molybdenum; (iii) exploration risk; (iv) the risk that the Company will not be able to obtain or renew the requisite permits and licenses to carry out its planned exploration activities; (v) dependence on the Yandera Project; (vi) PNG State equity interest; and (vii) the ability of the Company to satisfy its debt obligations.

The Company's AIF dated October 5, 2016, contains additional information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be as anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward-looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this MD&A is qualified by this cautionary statement.

Additional Information

Additional information about the Company and its business activities is available under the Company's profile on the Canadian SEDAR website at www.sedar.com.

Qualified Person and Technical Information

The scientific and technical information contained in this MD&A was prepared by or under the supervision of and reviewed and approved by Dr. Nathan Chutas. Dr. Chutas is a Certified Professional Geologist with the American Institute of Professional Geologists in the US and he provides technical advisory consultancy services to Era. Dr. Chutas is a "**Qualified Person**" as defined by NI 43-101. Dr. Chutas verified the data underlying the information in this MD&A.

For further information relating to the Yandera Project, please see the technical report titled "Technical Report Updated Resource Estimate Yandera Copper Project Papua New Guinea" dated June 19, 2015 prepared by SRK Consulting (U.S.) Inc. which is available under the Company's issuer profile on SEDAR at sedar.com.