ERA Energy Resources of Australia Ltd

Capital Raising Presentation

15 November 2019

Not for release or distribution in the United States

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Investors should note that it is a requirement of the Australian Securities Exchange listing rules that the reporting of ore reserves and mineral resources in Australia comply with the Australasian Joint Ore Reserves Committee Code for Reporting of Mineral Resources and Ore Reserves (**JORC Code**), whereas mining companies in other countries may be required to report their mineral reserves and/or resources in accordance with other guidelines. Investors should note that while ERA's mineral resource estimates comply with the JORC Code, they may not comply with the relevant guidelines in other countries.

Important notices (cont'd)

Forward-looking statements

This presentation contains certain forward-looking statements including statements of current intention, statements of opinion and predictions as to possible future events. Forward-looking statements can generally be identified by the use of forward looking words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "foresee", "aim", "will" and other similar expressions within the meaning of securities laws of applicable jurisdictions. They include but are not limited to statements pertaining to the outcome and effects of the Entitlement Offer and ERA's ability to meet its rehabilitation obligations. Indications of, and guidance or outlook on, future earnings, financial position, rehabilitation obligations, performance and strategies are also forward looking statements.

Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Those risks, uncertainties, assumptions and other important factors are not all or entirely within the control of ERA and cannot be predicted by ERA. This includes changes in circumstances or events that may cause objectives to change as well as any statements about market and industry trends, which are based on interpretations of current market conditions. They also include general economic conditions, inflation rates, exchange rates, interest rates, regulatory environments, competitive pressures, selling price, market demand and conditions in the financial markets which may cause objectives to change or may cause outcomes not to be realised. The weather at the Ranger Project Area may also affect the ERA's ability to meet its rehabilitation obligations and the cost of meeting those obligations.

ERA, supported by an experienced external engineering service provider, undertook the Ranger closure feasibility study (**Feasibility Study**) to further refine scheduled rehabilitation activities. The Feasibility Study examined the technical, costing and scheduling aspects of Ranger closure to a high level of detail in order to obtain a best estimate of the rehabilitation obligation. However, the ultimate cost of rehabilitation is uncertain. Costs may vary in response to factors beyond ERA's control such as weather events, legal requirements, technological change and market conditions.

An inability to obtain sufficient funding to meet ERA's future rehabilitation obligations would have a material impact on ERA's business, financial performance and assessment as a going concern. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based.

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An investment in ERA is subject to investment risk and other known and unknown risks, some of which are beyond ERA's control. ERA does not guarantee a particular rate of return (or any return on your investment) or the performance of ERA, nor does it guarantee the repayment of capital from ERA or any particular tax treatment. Please refer to pages 23 to 33 of this presentation – the "Key Risks" section – for further details.

Competent Person

The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is extracted from the ERA 2018 Annual Statement of Reserves and Resources which was released to the market on 8 February 2019 and is available to view at https://www.asx.com.au/asxpdf/20190208/pdf/442gq6rxwywcpj.pdf. ERA confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. ERA confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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Acknowledgement of Traditional Owners

The operations of Energy Resources of Australia Ltd (**ERA** or the **Company**) are located on Aboriginal land and are surrounded by, but separate from, Kakadu National Park

ERA respectfully acknowledges the Mirarr, Traditional Owners of the land on which the Ranger mine is situated

Artist: Tim Djandjomerr (Community Relations Office wall painting)

Outline

- **Executive summary**
- Purpose of the Entitlement Offer
- Details of the Entitlement Offer
- Key risks
- Selling restrictions / jurisdictions

Executive summary

- **ERA is undertaking a fully underwritten 6.13 for 1 pro rata renounceable entitlement offer to raise approximately $476 million, at an offer price of $0.15 per share**
- **Proceeds will fund ERA's rehabilitation obligations for the Ranger Project Area and enable it to continue as a going concern**
  - While the rehabilitation spend occurs progressively over the rehabilitation period, the rehabilitation obligation is definite and must be taken into account by the Board when assessing ERA's present solvency
  - Given the material increase in ERA's assessment of the estimated rehabilitation costs earlier this year, the amount of security required under the Ranger Rehabilitation Trust Fund[1] may increase substantially following completion of the Commonwealth Government's annual review process, expected to complete in the first quarter of 2020
  - Expenditure on Ranger Project Area rehabilitation is not expected to generate any direct financial return for ERA
- **ERA believes the successful rehabilitation of the Ranger Project Area is a prerequisite to support future operations and growth beyond Ranger**
  - $20 million has been provisionally designated from existing cash resources and expected future cash flows for expenditure on prospective growth opportunities or as otherwise determined by the Board

Note: 1. At present, the Ranger Rehabilitation Trust Fund includes both cash ($76 million) and bank guarantees ($334 million). The security requirement of $410 million was determined by the Commonwealth during 2018 when ERA's rehabilitation provision was ~$526 million (provision as at 31 December 2017). The Company's rehabilitation provision increased following finalisation of the Feasibility Study and was $799 million as at 30 June 2019

Executive summary (cont'd)

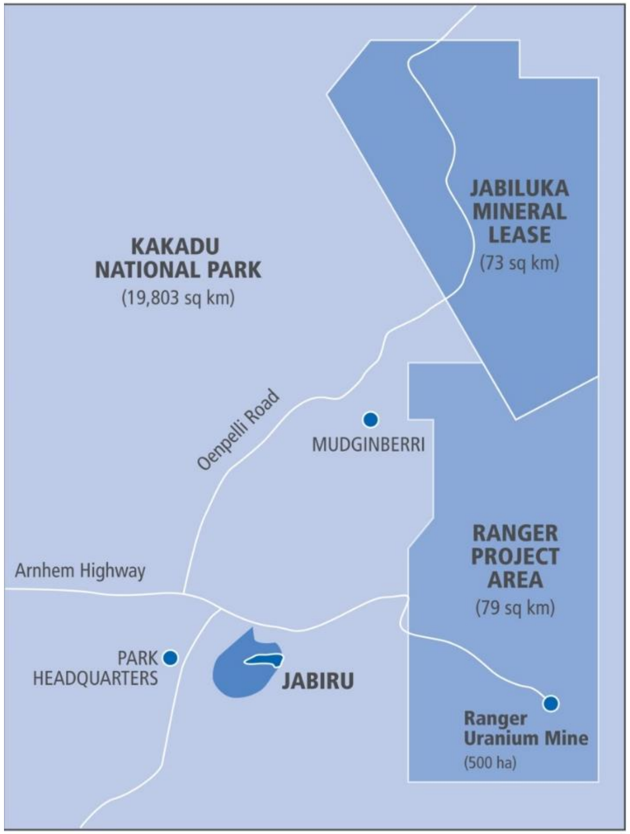
- **ERA has concluded that the Entitlement Offer is the only commercially viable funding solution for the Company to meet its rehabilitation obligations for the Ranger Project Area**
  - The Entitlement Offer follows a comprehensive assessment of a range of potential funding alternatives, including extensive engagement with Rio Tinto
- **Rio Tinto has indicated its support for the capital raising and is acting as underwriter given the inability of ERA to secure third party underwriting support**
  - Rio Tinto (acting through its wholly-owned subsidiaries) has committed to take-up its 68.39% entitlement
  - Rio Tinto's subsidiary, North Limited, will underwrite any shortfall of the Entitlement Offer pursuant to the Underwriting Agreement (the **Underwriter**)
  - Rio Tinto has informed ERA that, in forming its view to participate in, and underwrite, the Entitlement Offer, it has taken into account that the funding contributed to ERA is not expected to result in any direct financial return for ERA
- **Rio Tinto is supportive of the Entitlement Offer with the objective of ensuring that ERA has the funds required to meet its rehabilitation obligations**

Outline

- Executive summary
- **Purpose of the Entitlement Offer**
- Details of the Entitlement Offer
- Key risks
- Selling restrictions / jurisdictions

ERA is one of Australia's largest uranium producers with almost four decades of uranium production history and experience

- **Since commencement of operations at Ranger in 1981, ERA has developed a track record of reliably supplying customers to provide fuel for the global nuclear power generation industry**
- **ERA currently owns two key assets located on Aboriginal land and surrounded by Kakadu National Park:**
  - **Ranger** – mining from Ranger ceased in 2012 with remaining stockpiles continuing to be processed
    - The Ranger Project Area is currently undergoing progressive rehabilitation in line with applicable Commonwealth and Northern Territory statutory requirements
    - Ranger 3 Deeps exploration decline is under a reduced care and maintenance program. ERA is of the view that the prospect of any development is remote considering the economic, legislative and operational challenges that exist
  - **Jabiluka** – a high quality, undeveloped uranium orebody of global significance. At present, the Jabiluka Mineral Lease remains in long term care and maintenance[1]
- **The strategic priority of ERA is to continue the progressive rehabilitation of the Ranger Project Area**
- **Operational priorities continue to be progressed and include:**
  - Maximising the generation of cash flow from processing stockpiled ore at Ranger
  - Delivering cost and productivity improvements via the Safely Transforming ERA Together program
  - Continuing to demonstrate best-in-class protection of the local environment
  - Preserving optionality over the Company's undeveloped resources
  - Maintaining regular engagement with the Company's key stakeholders



Note: 1. In accordance with the Long Term Care and Maintenance Agreement, the Jabiluka deposit will not be developed by ERA without the approval of the Mirarr Traditional Owners

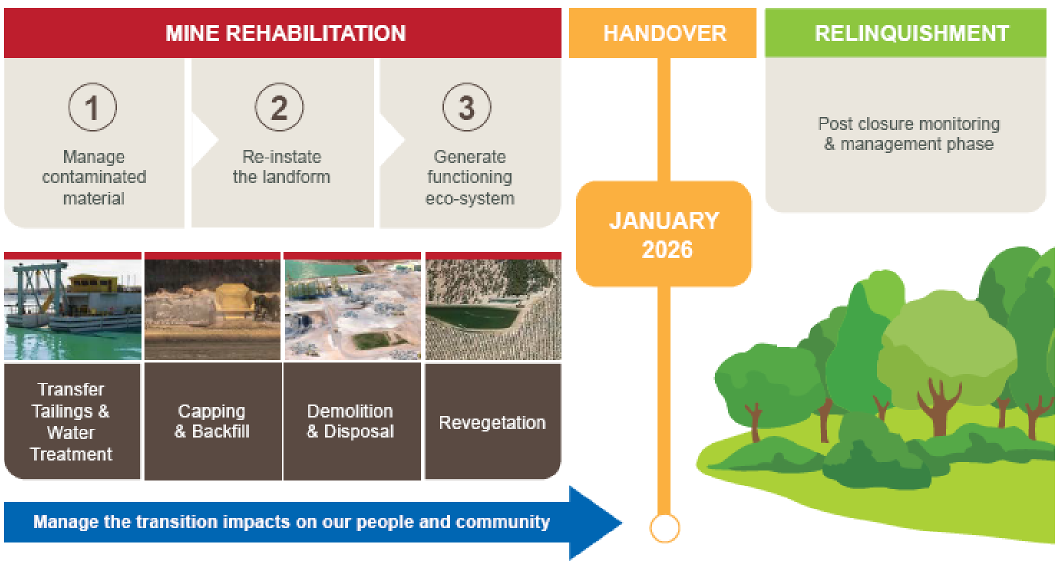
The successful rehabilitation of the Ranger Project Area is a strategic priority for ERA

- **ERA's legal obligations to rehabilitate the Ranger Project Area are long-standing. The Ranger s41 Authority requires ERA to complete rehabilitation by January 2026 so that the environment at the site is similar to adjacent areas of Kakadu National Park**
  - These obligations reflect the cultural and environmental significance of the area to the Mirarr Traditional Owners, Australia and the world
- **ERA has an executable plan to fully rehabilitate the Ranger Project Area in accordance with the Company's legal obligations**
  - The inaugural public release of the Mine Closure Plan in June 2018 was a milestone for ERA and was followed by the finalisation of the Ranger closure feasibility study (**Feasibility Study**) in February 2019
  - The Mine Closure Plan was updated in October 2019 and will continue to be updated annually in close consultation with Traditional Owner representatives, regulators and key stakeholders
- **ERA does not have sufficient existing cash resources or expected future cash flows from sale of inventory or processing of the stockpiles at Ranger to fulfil its rehabilitation obligations. The Entitlement Offer is being undertaken with the objective of ensuring that ERA is able to rehabilitate the Ranger Project Area as contemplated in the Mine Closure Plan**

Overview of Ranger Project Area rehabilitation program

- **As at 30 June 2019, the Company's recorded rehabilitation provision in the balance sheet was $799 million[1] ($858 million undiscounted in real terms[2])**
- **This corresponds to an estimated rehabilitation project expenditure of approximately $925 million (undiscounted in nominal terms)[3]**

Rehabilitation program overview



Estimated rehabilitation project expenditure[4]

As at 30 June 2019	$m
Transfer tailings and water treatment	276
Capping and backfill	226
Site services and support	149
Revegetation	80
Owners cost and engineering[5]	77
Demolition and disposal	38
Estimated expenditure to January 2026	**846**
Post closure monitoring (2026 – 2051)	12
Total (undiscounted in real terms)[2]	**858**
Total (undiscounted in nominal terms)[3]	**925**

Notes:
1. Reported in accordance with Australian Accounting Standards (discounted at 2 per cent in real terms, excluding employee termination benefits not yet recognised and includes an allowance of $1 million in relation to the estimated costs of Jabiluka Mineral Lease rehabilitation expense)
2. Excluding employee termination benefits not yet recognised in line with Australian Accounting Standards and includes an allowance of $1 million in relation to the estimated costs of Jabiluka Mineral Lease rehabilitation expense
3. Including projected impact of inflation and an allowance of $1 million in relation to the estimated costs of Jabiluka Mineral Lease rehabilitation expense, and excluding employee termination benefits not yet recognised in line with Australian Accounting Standards
4. Undiscounted estimated rehabilitation project expenditure including an allowance for contingency (estimate for contingency is based on quantitative risk assessment. For the purposes of the information presented in the table, the contingency amount has been prorated across activities) and excluding employee termination benefits not yet recognised in line with Australian Accounting Standards. The above cost estimate is a central estimate and expected to be within -13% and +15% of the final actual cost, which is the range adopted by ERA to complete a feasibility study. This does not represent a minimum or maximum range and actual costs may vary by more than the specified level of accuracy. Risks associated with the rehabilitation cost estimates are outlined in the Key Risks section
5. Includes an allowance of $1 million in relation to the estimated costs of Jabiluka Mineral Lease rehabilitation expense

![ERA]

The standard of rehabilitation that must be achieved is to return the environment at the Ranger Project Area to a state similar to adjacent areas of the World Heritage listed Kakadu National Park

2012 – *Cessation of mining at Ranger*

Pit 3 at completion of mining in November 2012

2019 – *Progressive rehabilitation*

Pit 3 2019

2023 – Pit 3 approaching completion

Pit 3 capping approaching completion (image from Ranger Closure animation)

2026 – *Completion of rehabilitation*

Revegetated site (image from Ranger Closure animation)

Progressive rehabilitation is underway with a number of milestones achieved

- **Approximately $559 million spent on rehabilitation and water management projects since 2012[1]**
  - Key works completed include construction and operation of the brine concentrator, preliminary Pit 3 backfill, Pit 1 capping and design, and construction and commissioning of the tailings dredging system
- **Closure Feasibility Study finalised in February 2019**
  - Findings of the Feasibility Study increase confidence that ERA's planned rehabilitation strategy will satisfy the applicable regulatory obligations, including the January 2026 milestone
  - The study was supported by an experienced engineering services provider and examined the technical, costing and scheduling aspects of Ranger closure regarding the prescribed closure criteria, the progressive rehabilitation activities already undertaken and updated closure forecasts and modelling
- **Dredging continues to transfer tailings from the Tailings Storage Facility to Pit 3**
  - Additional dredging capacity was commissioned in Q3 2019
- **Construction and commissioning activities continue on alternative process water treatment capacity to complement the existing Brine Concentrator**
- **Following regulatory approval, Pit 1 final backfill and final landform commenced in May 2019**

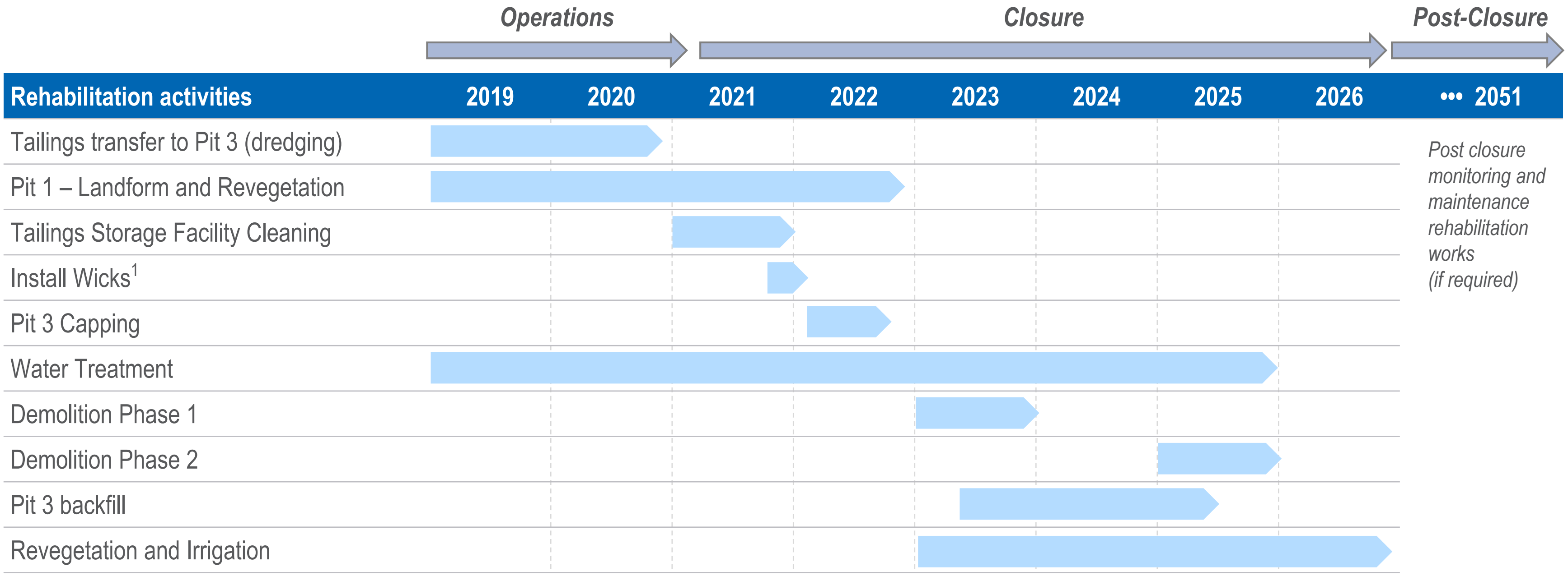
Trial Landform 2019

Workboat Ginga being placed into the Tailings Storage Facility

Note: 1. Excludes operating costs relating to the Brine Concentrator and water treatment and management

ERA has an executable plan to fully rehabilitate the Ranger Project Area in accordance with the Company's obligations

- **The Mine Closure Plan is reviewed and updated annually in accordance with Commonwealth and Northern Territory regulatory requirements**
- **Closure implementation includes the completion of the following key rehabilitation activities before January 2026**



1,190 hectares
of land to be rehabilitated

Over 16.5 gigalitres
of process water treated over next five years

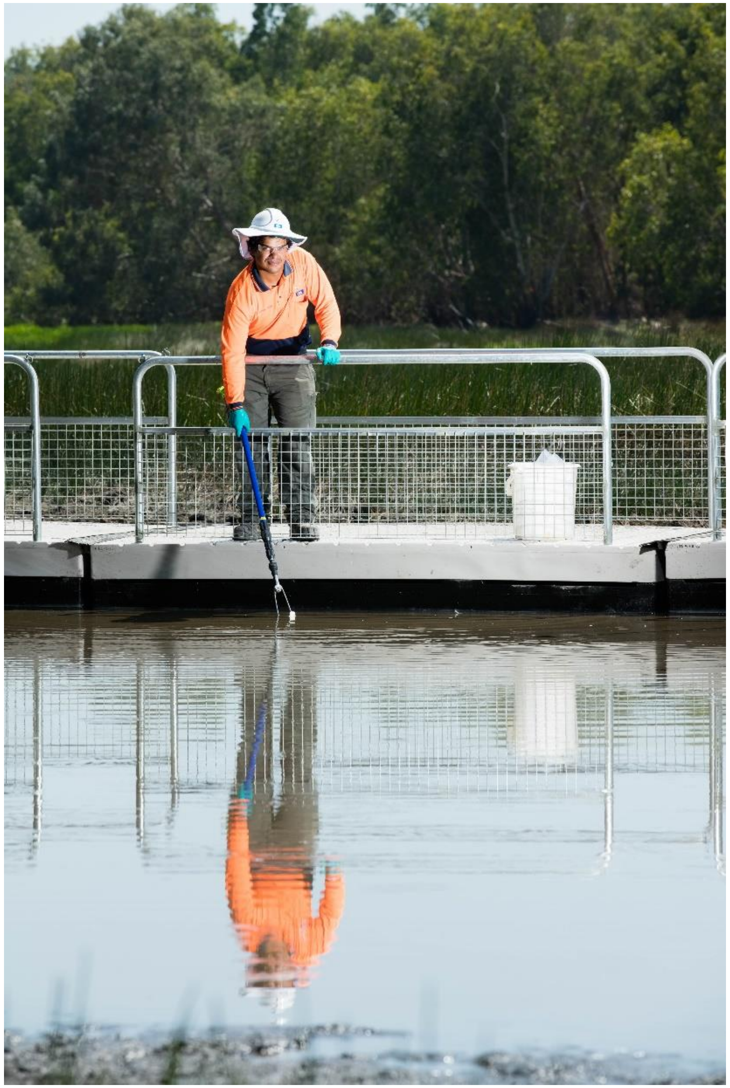
27 million cubic metres
of tailings removed from Tailings Storage Facility

Over 1.2 million
trees to be established or grown

Note: 1. Wicks are pre-fabricated vertical drains which aid the tailings consolidation process

Successful rehabilitation of the Ranger Project Area will create a sustainable, positive legacy for ERA

- **ERA believes successful rehabilitation is a prerequisite to support future operations and growth beyond Ranger**
- **Beyond meeting the Company's environmental, economic and social responsibilities, successful rehabilitation will underpin ERA's reputation with key stakeholders and further demonstrate its commitment to a sustainable, long-term approach to operations in the region**
- **Successful rehabilitation will support ERA in preserving its options with respect to the Jabiluka Mineral Lease**
  - Jabiluka is a large, high quality uranium orebody of global significance and remains one of ERA's key assets. At present, the Jabiluka Mineral Lease remains under long term care and maintenance
  - In accordance with the Long Term Care and Maintenance Agreement, the Jabiluka deposit will not be developed by ERA without the approval of the Mirarr Traditional Owners
- **$20 million has been provisionally designated from ERA's existing cash and expected future cash flows for expenditure on prospective growth opportunities or as otherwise determined by the Board**



Ensuring protection of the surrounding National Park

Outline

Overview of the Entitlement Offer

Offer structure and size	• Fully underwritten 6.13 for 1 pro rata renounceable entitlement offer to raise approximately $476 million – Approximately 3,174 million new fully paid ordinary shares to be issued (**New Shares**) • New Shares issued under the Entitlement Offer will rank equally with existing fully paid ordinary shares in ERA • As the Entitlement Offer is renounceable, Eligible Shareholders may sell all or part of their entitlements on ASX at the prevailing market price for the entitlements (provided there is a viable market for entitlements) • Entitlements trading period commences on Tuesday, 19 November 2019 and ends on Wednesday, 4 December 2019
Offer price	• Offer price of $0.15 per share – 38% discount to the 10-day volume-weighted average price of $0.24 per share (rounded to 2 decimal places) to 14 November 2019[1]
Use of proceeds	• Proceeds raised from the Entitlement Offer, along with ERA's existing cash resources and expected future cash flows, will primarily be used to fund rehabilitation of the Ranger Project Area • Expenditure on Ranger Project Area rehabilitation is not expected to generate any direct financial return for ERA • $20 million has been provisionally designated from existing cash resources and expected future cash flows for expenditure on prospective growth opportunities or as otherwise determined by the Board
Significant shareholder participation	• Major shareholder Rio Tinto has indicated its support for the Entitlement Offer and has committed to take up its 68.39% entitlement in full (acting through its wholly-owned subsidiaries) • Rio Tinto (acting through North Limited) will also underwrite any shortfall of the Entitlement Offer pursuant to the Underwriting Agreement

Note: 1. The Offer Price represents an 8% discount to the theoretical ex-rights price (TERP) of $0.16 per share (rounded to 2 decimal places) as at 14 November 2019. Note TERP is a theoretical calculation only and the actual price at which shares in ERA trade immediately after the ex date of the Entitlement Offer will depend on many factors and may not be equal to TERP

Overview of the Entitlement Offer (cont'd)

Shortfall Facility	• Eligible Shareholders who take up their entitlement in full may also apply for additional New Shares at the Offer Price in excess of their entitlement under the Shortfall Facility • The allocation of any additional New Shares will be limited to the number of New Shares for which valid applications are not received before the Entitlement Offer closes
Shortfall Bookbuild	• Euroz Securities Limited has been appointed as broker to the Entitlement Offer to undertake a back-end shortfall bookbuild of any shortfall shares that remain available after allocations have been made under the Shortfall Facility • Subject to demand, the broker will invite applications for New Shares from institutional and/or sophisticated investors for New Shares not taken up under the Shortfall Facility, at an issue price that is not less than the Offer Price • Any New Shares not placed through this Shortfall Bookbuild would, subject to the Underwriting Agreement, then be acquired by the Underwriter • Any premium received on New Shares issued under the Shortfall Bookbuild will be designated for expenditure on prospective growth opportunities or as otherwise determined by the Board
Nominee Sale Process	• ERA has appointed BurnVoir Corporate Finance as nominee to sell the entitlements which would otherwise have been offered to ineligible shareholders if they were eligible to participate in the Entitlement Offer • If there is a viable market for entitlements, these entitlements will be sold by the nominee to eligible investors, with the net proceeds, if any, distributed to the ineligible shareholders proportionately
Rio Tinto Credit Facility	• The existing $100 million loan agreement with North Limited, a wholly-owned subsidiary of Rio Tinto entered into in 2016 (**Loan Agreement**) is currently undrawn and remains in place should additional funding ultimately be required • Drawdown of the credit facility under the Loan Agreement is subject to ERA being able to demonstrate at the time of drawdown that it satisfies customary conditions precedent as mentioned in the "credit facility agreement" announcement released on 29 April 2016

Proceeds enable ERA to fund its rehabilitation obligations for the Ranger Project Area and continue as a going concern

As at 30 June 2019	$ million
Total estimated rehabilitation project expenditure[1]	**925**
Less: Total cash resources, including $76 million held in the Ranger Rehabilitation Trust Fund	(425)
Less: Net proceeds from the entitlement offer[2]	(474)
Balance of rehabilitation expenditure[1] to be funded through future cash flows (as at 30 June)[3]	**26**

- **In determining the size of the Entitlement Offer, ERA has taken into account the following factors:**
  - As a result of timings within the contract portfolio, sales volumes in 2019 are weighted towards the first half of the year, with ERA substantially fulfilling its contract sales for the year by 30 June 2019. Absent receipt of proceeds from the Entitlement Offer the cash balance is expected to decline by the 2019 year end
    - The cash balance at 31 October 2019 was $328 million (unaudited including $76 million held by the Commonwealth Government as part of the Ranger Rehabilitation Trust Fund)
  - During the second half of 2019, ERA expects to produce sufficient drummed inventory to meet supply commitments under its existing long-term contract portfolio. As a result, a greater proportion of future sales will be exposed to the spot market. ERA continues to monitor production economics and plans to continue to produce, in 2020, provided a positive cash margin is generated between the marginal production cost and the uranium spot price
  - Future cashflow including interest earned on the cash balance is forecast to fund business continuity costs (including employee termination benefits). Furthermore, a sum of $20 million[4] has been provisionally designated from existing cash resources and expected future cash flows for expenditure on prospective development opportunities or otherwise as the ERA Board determines to be in the interests of the Company from time to time
  - A level of contingency has been included in the estimated rehabilitation project expenditure and the existing $100 million credit facility with Rio Tinto remains in place and is undrawn

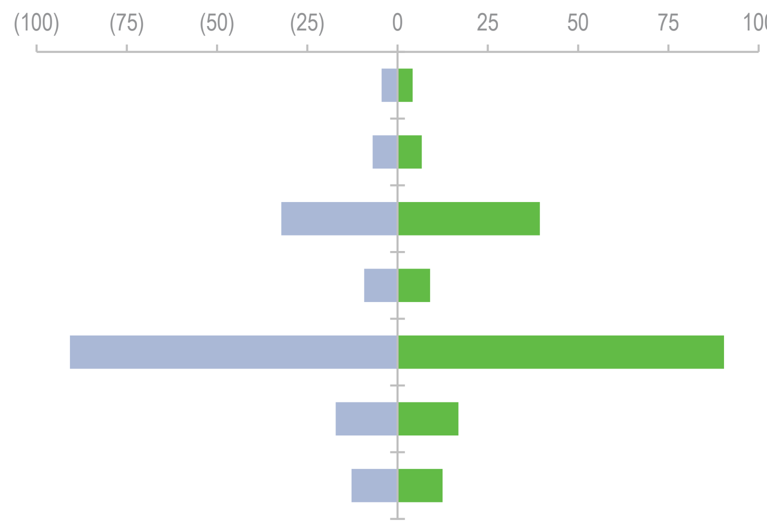
Notes:
1. Undiscounted in nominal terms and excluding employee termination benefits not yet recognised in line with Australian Accounting Standards and includes an allowance of $1 million in relation to the estimated costs of Jabiluka Mineral Lease rehabilitation expense
2. Net of transaction costs
3. This is a point in time estimate and the balance will change over time due to a number of factors including the spend on rehabilitation and working capital movements
4. This amount will increase by the premium (if any) received on any New Shares issued under the Shortfall Bookbuild

Cash flow forecast sensitivity

- Proceeds raised from the Entitlement Offer, along with ERA's existing cash resources and expected future cash flows, will primarily be used to fund rehabilitation of the Ranger Project Area
- It is important to note that the Company's cash flow projections are reliant on the accuracy of underlying operational and macroeconomic assumptions over the period of the rehabilitation program
- Potential impact to cumulative future cash flows based under various sensitivities is summarised below
- Notwithstanding the diligence applied by the Company through the Feasibility Study process, risks exist that the amount raised will be insufficient and further funds will be required. Further detail in relation to risk of adverse movements are contained in the Key Risks section

Item	Assumption	Sensitivity (±10%)
Interest rate	1.50% p.a.	±15bps
Inflation	2.10% p.a.	±21bps
AUDUSD	0.73	±0.07
U_3O_8 spot price[1]	US$27/lb	±US$3/lb
Estimated cost of rehabilitation[2,3]	$925m	±10%
Operating costs[4]	$172m	±10%
Production[5]	1,440 tonnes	±10%

Potential impact to cumulative future cash flows ($m)



Note:
1. ERA has a number of existing customer contracts that are required to be fulfilled through to 2021 and therefore the sensitivity shown above is only in relation to the forecasted sales expected to be sold at spot prices
2. Undiscounted in nominal terms
3. Excluding employee termination benefits not yet recognised in line with Australian Accounting Standards and includes an allowance of $1 million in relation to the estimated costs of Jabiluka Mineral Lease rehabilitation expense
4. Estimated operating costs for 2020 (net of cost savings from business transformation program) based on internal estimates used for forecasting future cash flows. Operating costs include raw materials and consumable costs, fuel (diesel) costs, employee salaries and benefits (excluding termination benefits), contractors and consultants costs, royalty costs, water treatment costs, shipping and other statutory and corporate costs. Estimated operating costs for 2020 are subject to final detailed planning and endorsement by the Board
5. Production estimate until January 2021 based on prior period performance and internal estimates used for forecasting future cash flows. Production guidance for FY20 is subject to final detailed planning and endorsement by the Board and will be provided along with ERA's FY19 results release

Entitlement Offer timetable

Key events	Date
Announcement of Entitlement Offer	Friday, 15 November 2019
ASX release of Offer Booklet, Cleansing Notice and Appendix 3B	Friday, 15 November 2019
Notices sent to shareholders	Monday, 18 November 2019
“Ex” date	Tuesday, 19 November 2019
Entitlements trading on ASX begins on deferred settlement basis	Tuesday, 19 November 2019
Record date for eligibility in the Entitlement Offer	7:00pm (AEDT) on Wednesday, 20 November 2019
Entitlement Offer opens	Friday, 22 November 2019
Mailing of personalised Entitlement and Acceptance Form and the Offer Booklet to Eligible Shareholders, and entitlements allocated	Friday, 22 November 2019
Entitlement trading on ASX on normal settlement basis begins	Monday, 25 November 2019
Entitlements trading on ASX ends	Wednesday, 4 December 2019
New Shares under the Entitlement Offer commence trading on ASX on deferred settlement basis	Thursday, 5 December 2019
Last day to extend the Entitlement Offer closing date	Friday, 6 December 2019
Entitlement Offer closes	5:00pm (AEDT) on Wednesday, 11 December 2019
Determination of allocation under Shortfall Facility and Shortfall Bookbuild	Friday, 13 December 2019
Notification of Shortfall to ASX	Monday, 16 December 2019
Issue of New Shares under the Entitlement Offer	Wednesday, 18 December 2019
New Shares under the Entitlement Offer commence trading on ASX on a normal settlement basis	Thursday, 19 December 2019
Despatch of holding statements for New Shares under the Entitlement Offer	Thursday, 19 December 2019

Outline

Key risks

Introduction

A number of risks and uncertainties, which are both specific to ERA and of a more general nature, may affect the future operating and financial performance of ERA and the value of ERA shares. This section describes some, but not all, of the material risks and uncertainties associated with investing in ERA which potential investors should consider together with publicly available information (including this presentation) concerning ERA before participating in the Entitlement Offer or making an investment decision. You should carefully consider the following risk factors, as well as the other information provided to you by ERA in connection with the Entitlement Offer, and consult your financial and legal advisers before deciding whether to invest in the New Shares. The risks and uncertainties described below are not the only ones facing ERA. Additional risks and uncertainties that ERA is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect ERA's business and its financial position and performance.

Change in rehabilitation estimate and provision

In accordance with applicable Commonwealth and Northern Territory Government statutory requirements, ERA is required to cease mining and processing activities at the Ranger Project Area by January 2021 and must rehabilitate the site by January 2026.

On 8 February 2019, ERA confirmed the approval and implementation of the Feasibility Study. The Feasibility Study, prepared in accordance with the Ranger Mine Closure Plan released in June 2018, was supported by an experienced engineering services provider and examined the technical, costing and scheduling aspects of Ranger closure having regard to the prescribed closure criteria, the progressive rehabilitation activities already undertaken and updated closure forecasts and modelling. Approval and implementation of the Feasibility Study resulted in an estimated rehabilitation provision as at 31 December 2018 of $830 million (discounted at 2 per cent and presented in real terms; $897 million undiscounted in real terms, excluding employee termination benefits not yet recognised in line with Australian Accounting Standards and includes an allowance of $1 million in relation to the estimated costs of Jabiluka Mineral Lease rehabilitation expense). The current rehabilitation provision for the Ranger Project Area as at 30 June 2019 is $799 million (discounted at 2 per cent and presented in real terms; $925 million undiscounted in nominal terms, excluding employee termination benefits not yet recognised in line with Australian Accounting Standards and includes an allowance of $1 million in relation to the estimated costs of Jabiluka Mineral Lease rehabilitation expense). Calculating the rehabilitation provision requires significant estimation and judgement by the Company. Assumptions are made in respect of methods of rehabilitation, costs and timing, as well as the potential for changes in legal requirements, technological changes, environmental conditions, weather events and market conditions. The most significant components of the provision relate to material movement, water treatment, tailings transfer, demolition and revegetation. Any significant change to the components and schedule of activities to implement closure and rehabilitation may adversely affect the cost, timing and completion of the rehabilitation in accordance with applicable Commonwealth and Northern Territory statutory requirements.

Ultimately, the cost of rehabilitation of the Ranger Project Area is uncertain and may be more or less than the current rehabilitation estimate. Rehabilitation costs may increase in response to factors beyond ERA's control such as legal requirements, technological changes, environment conditions, weather events and market conditions. In addition, should current forecasts for foreign exchange rate, prices, costs and processing of stockpiles not be realised, additional funding may be required to fund the rehabilitation of the Ranger Project Area. Any increase in rehabilitation costs is likely to have a material adverse effect on ERA's business and its financial position and performance. In addition, the rehabilitation provision is discounted at 2 per cent and presented in real terms, this discount rate is reviewed from time to time to ensure alignment with broader economic conditions. Any change to this, along with changes to the timing of payments would impact the discounted provision causing it to be increased or decreased, may materially affect ERA's business and its financial position and performance.

Water treatment

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 (such as the installation of additional water treatment infrastructure), ERA may have insufficient funds for rehabilitation which will adversely affect its financial position and performance.

Wet season and weather

The Ranger Project Area is subject to the extreme contrast of weather conditions that exist in the Northern Territory. The extent of each wet season can have a significant impact on ERA's processing and rehabilitation activities, including but not limited to a suspension of processing operations. Wet seasons that exceed long term averages will have a material adverse effect on ERA's ability to implement water management and on its ability to meet its other rehabilitation initiatives and, accordingly, affect ERA's financial position and performance.

Key risks (cont'd)

Transfer of Tailings to Pit 3

ERA is well progressed with the dredging of tailings for the Tailings Storage Facility to their final deposition point in Pit 3. Completion of this activity within the required schedule is critical to meeting the overall closure timeline. Key factors that could impact the timely transfer of tailings, include: tailings characteristics, free process water levels and dredge availability and productivity. Any material delay to tailings transfer completion may impact the closure schedule or require additional funds to compress the schedule, which will materially adversely affect ERA's financial position and performance as well as its ability to meet its rehabilitation obligations.

Process Water Salt Disposal

As a result of treating process water, a waste stream of contaminated salt is generated. This is ultimately stored below tailings in Pit 3. This technology has previously been commissioned but the long-term performance is yet to be fully confirmed. Should the disposal of salt in this manner not prove viable, an alternate method of salt disposal would be required. This would require additional capital expenditure which has not been allowed for in either the schedule or costing and may not be available to ERA. This could materially adversely affect ERA's financial position as well as its ability to meet its rehabilitation obligations.

Tailings Consolidation and Expression of Process Water

Following the completion of transfer of tailings to Pit 3 from the processing plant and dredging from the Tailings Storage Facility, the final capping of Pit 3 will commence. During the capping process the tailings in Pit 3 will consolidate and express process water that will need to be collected and treated. The consolidation process will be aided by installing vertical wicks and the knowledge of the consolidation timeframes is backed up by detailed model based on in situ testing of site tailings. The consolidation model accuracy and predictions of rates of process water expression is impacted by many factors including; tailings density and other characteristics, deposition method and free process water volume in the pit during deposition. Should tailings consolidation take longer than expected, process water expression will take longer and as such require active treatment beyond ERA's current estimates. This would involve running the Brine Concentrator longer which has not been allowed for in either the schedule or costing. This could result in ERA not meeting its rehabilitation obligations on time and require additional funding that may not be available to ERA, and have a material adverse effect on ERA's financial position and performance.

Environmental risk

A condition of the authority granted to ERA pursuant to section 41 of the Atomic Energy Act 1953 (Cth) (**s.41 Authority**) is that ERA must rehabilitate the Ranger Project Area to establish an environment similar to the adjacent areas of Kakadu National Park such that, in the opinion of the Minister with the advice of the Supervising Scientist, the rehabilitated area could be incorporated into the Kakadu National Park. While substantially complete and agreed, certain closure criteria relating to environmental matters for Ranger are still to be finalised and agreed to by the stakeholders (including, in particular, the Ranger and Jabiluka Minesite Technical Committees). The ability for ERA to meet its Ranger closure and rehabilitation obligations requires careful management of various environmental conditions into the future, including preventing:

- pond and process water being discharged to the environment;
- impact of surface water on groundwater under the site and on the surrounding environment;
- impact of salt accumulation in dry watercourses during the dry season;
- weeds, feral animals and fire from the Kakadu National Park encroaching the Ranger Project Area; and
- release, spillage and impact on the surrounding environment of hazardous materials such as radioactive material, diesel and acid.

If these environmental conditions are not satisfactorily managed, ERA's ability to complete the rehabilitation program in a timely and cost effective manner will be at risk and ERA's business and its financial position and performance may be materially impacted.

Key risks (cont'd)

Ranger Rehabilitation Trust Fund

ERA is required to maintain a Ranger Rehabilitation Trust Fund (**Trust Fund**) with the Commonwealth Government. The Trust Fund is intended to provide security against the estimated costs of closing and rehabilitating the Ranger 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 (**Annual Plan**). 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 Trust Fund is then determined. Given the material increase in ERA's assessment of the estimated rehabilitation costs in February 2019, the amount of security required to be provided may well increase substantially following completion of the Commonwealth Government's annual review process. This is currently expected to complete in the first quarter of 2020.

At present, the Trust Fund includes both cash ($76 million) and bank guarantees ($334 million). The security requirement of $410 million was determined by the Commonwealth during 2018 when ERA's rehabilitation provision was ~$526 million (provision as at 31 December 2017). The Company's rehabilitation provision increased following finalisation of the Feasibility Study and was $799 million as at 30 June 2019. The Company's ability to continue to access financial guarantees can be influenced by many factors including potential future cash balance, cash flows and shareholder support. At present, the Company has a shortfall between its existing cash balance and the security under the Annual Plan. Should one or more of the financial guarantees be withdrawn prior to completion of the Entitlement Offer and the Company is unable to access replacement guarantees, substantial additional cash would be required to be deposited into the Trust Fund. This is likely to have a material adverse effect on ERA's business and its financial position and performance as well as its ability to meet its rehabilitation obligations.

If the Commonwealth subsequently increases the amount of security required in the Trust Fund and ERA is unable to meet the Commonwealth's demand for the increased amount, this would place its ability to meet its rehabilitation obligations with the Commonwealth and Northern Territory Governments at significant risk and place ERA's ability to continue as a going concern at risk.

Access to capital risk

On 29 April 2016, the Company entered into a $100 million Loan Agreement with North Limited (a wholly-owned subsidiary of Rio Tinto) in support of ERA's rehabilitation obligations should additional funding ultimately be required. This agreement currently remains in place and is undrawn. Drawdown of the credit facility under the Loan Agreement is subject to ERA being able to demonstrate at the time of drawdown that it satisfies customary conditions precedent as mentioned in the "credit facility agreement" announcement released on 29 April 2016. The Loan Agreement contains a review mechanism which is triggered if, before the first drawdown, the estimated rehabilitation cost increases by $12.5 million or more for reasons other than external factors or operational issues beyond ERA's reasonable control. The review mechanism ultimately provides Rio Tinto with a right to terminate the Loan Agreement if the parties cannot agree a satisfactory path forward following such an increase in the estimated rehabilitation cost. If future estimates of the rehabilitation costs are materially higher than those currently estimated, ERA will be required to increase the rehabilitation provision, which in turn may result in termination of the Loan Agreement. The termination of the Loan Agreement may have a material adverse effect on ERA's ability to meet its rehabilitation obligations as well as its business and financial position and performance.

Should ERA require additional funding for rehabilitation of the Ranger Project Area or otherwise beyond the Entitlement Offer, there can be no assurance that additional funding will be available on acceptable terms, or at all. Any inability to obtain additional capital or to monetise assets would have a material adverse effect on ERA's ability to meet its rehabilitation obligations as well as its business and its financial position and performance. If ERA does not have sufficient funding to support its continued operations and rehabilitation of the Ranger Project Area, ERA may be unable to meet its liabilities as and when they fall due and its ability to continue as a going concern.

Other support from Rio Tinto

ERA has arrangements with Rio Tinto to provide operational support, under which Rio Tinto provides certain shared services to ERA, including corporate services, procurement and technical mining support on an arm's length basis. To the extent that these arrangements come to an end, ERA would need to procure replacement services. A loss of access to Rio Tinto's resources and support may have a material adverse effect on ERA's business and its financial position and performance as well as its ability to meet its rehabilitation obligations.

Key risks (cont'd)

Compulsory acquisition of ERA by Rio Tinto

The take-up by the Underwriter and its related bodies corporate of their entitlements, and the Underwriter underwriting the Entitlement Offer, is likely to result in greater control passing to Rio Tinto (and its related bodies corporate) that could be materially adverse to ERA shareholders. If, immediately after the Entitlement Offer, Rio Tinto has beneficial interests in 90% or more of all ERA shares, it will have the right (but not the obligation) to compulsorily acquire all of the remaining ERA shares in accordance with the statutory procedure set out in Part 6A.2 of the Corporations Act 2001 (Cth) (otherwise known as the "general compulsory acquisition procedure").

ERA has been informed by Rio Tinto that it has not yet decided whether it will exercise its right of compulsory acquisition if it is entitled to do so, and it does not intend to make that decision until the outcome of the Entitlement Offer is known. If Rio Tinto elects to exercise the right of compulsory acquisition, it must:

- offer a cash amount for the acquisition of the remaining ERA shares, which must be the same amount for each share;
- engage an independent expert nominated by ASIC to prepare a report which states whether, in the expert's opinion, the proposed price gives fair value for the ERA shares being acquired; and
- provide shareholders with a copy of the Compulsory Acquisition Notice, the expert's report and an objection form.

The cash amount per share offered by Rio Tinto pursuant to any potential compulsory acquisition process of the remaining ERA shares is uncertain and would be determined by Rio Tinto at its discretion, which could be more or less than the Offer Price under the Entitlement Offer.

Trading and liquidity risks

There can be no guarantee that an active market for ERA shares will exist. There may be relatively few potential buyers or sellers of ERA shares on the ASX at any given time. In addition, given the increased likelihood that the Underwriter and its related bodies corporate will increase their relevant interest in ERA through their commitment to take up their entitlements under and the Underwriter underwriting the Entitlement Offer, it is likely that there will be considerably reduced liquidity. This may increase the volatility of the market price of ERA shares. It may also affect the prevailing market price at which shareholders are able to sell their shares. This may result in shareholders receiving a market price for their shares that is less or more than the price that shareholders paid for their New Shares under the Entitlement Offer.

Prospective development risks

Mining, exploration and the development of mineral interests are high risk activities that require significant expenditure over extended periods of time. There is no guarantee that any prospective development opportunities in which ERA may undertake will be successful in delineating economically viable mineable reserves and resources. There is also no guarantee that any prospective development opportunities will be economically viable, as for example, the size of the resource or its grade may be less than expected or the ore may contain more carbonate than expected (impacting processing and recovery).

Nor is there any guarantee that ERA will be able to secure and/or maintain title to ERA's exploration and mining tenements. In particular, ERA's current right to occupy the Ranger Project Area expires in January 2026 and its ability to renew this right is limited by legislation. The current s.41 Authority requires ERA to cease mining and processing operations on the Ranger Project Area by January 2021 and complete rehabilitation by January 2026 (see "Security of Tenure and the Atomic Energy Act" on page 29).

Any prospective development opportunities in which ERA is, or may become, involved are subject to risks, including technical risk, obtaining necessary stakeholder approvals, changes in reserves, commodity prices, exchange rates, constructions costs, design requirements and delays in construction. Each may adversely affect the commerciality and economics of a prospective development opportunity. Further, any prospective development opportunity will require consultation with, and in some cases approval and/or support of, various stakeholders, including the Traditional Owners, regulatory bodies and shareholders, prior to any prospective development proceeding.

Prospective developments may also require significant additional funding. If ERA elects to proceed with any prospective mining or exploration opportunities, there is no guarantee that it will be able to raise sufficient additional capital at a cost that is economically viable.

Key risks (cont'd)

Undeveloped properties – Jabiluka Mineral Lease

Undeveloped properties are considered assets not yet ready for use. At present, undeveloped properties consist of the Jabiluka Mineral Lease.

The Jabiluka Mineral Lease is currently held subject to a Long Term Care and Maintenance Agreement with the Mirarr Traditional Owners. This agreement ensures the Jabiluka deposit will not be developed without the consent of the 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 valuation of the Jabiluka Mineral Lease requires a high degree of judgment. To determine the fair value, ERA uses a probability weighted discounted cash flow model, based on post-tax cash flows expressed in real terms, estimated until the end of the life of mine plan and discounted using an asset-specific post-tax real discount rate. Results are cross checked against market valuations of other undeveloped mining projects in the uranium industry and the broader mining sector, including market valuations of mining assets subject to long term approval constraints.

Key assumptions to which the Jabiluka model is sensitive include: the probability of future development (which includes an assessment of obtaining any required approval and/or support of various stakeholders, including the Traditional Owners, regulatory bodies and shareholders), uranium oxide prices (including term contract price premiums in the future), foreign exchange rates, production and capital costs, discount rate, ore reserves and mineral resources, lease tenure renewal and development delays. A change in these assumptions may result in further impairment. Selected downside sensitivities to the fair value of the Jabiluka Cash Generating Unit and the potential impact on impairment testing at 30 June 2019 are summarised below:

Sensitivity	Potential outcome
-10 per cent change in the forecast uranium oxide prices	$88 million impairment
+20 per cent change in forecast development cost	$75 million impairment
+5 per cent change in forecast Australian/US dollar exchange rates	$36 million impairment
1 per cent increase in discount rate	$35 million impairment

A change in any of ERA's underlying assumptions may result in further impairment which could adversely affect ERA's financial position and performance.

Undeveloped resources – Ranger 3 Deeps

The Company has significant undeveloped resources at Ranger 3 Deeps. The Company has implemented a reduced care and maintenance program for the Ranger 3 Deeps exploration decline. Whilst the implementation of this reduced program maintains project optionality, a rapid and sustained recovery of the uranium market is required for the Ranger 3 Deeps Project to be economically viable. Amendments to legislation to effect an extension of the s.41 Authority would be required to manage a gap between the cessation of processing in January 2021 and the commencement of Ranger 3 Deeps production at a later point. This gap, together with an extensive care and maintenance program for the mill and a required pause on rehabilitation activities, would add fixed cost to the operation, further challenging the Ranger 3 Deeps Project's viability. With the current s.41 Authority requiring processing to cease in January 2021 and with decommissioning and rehabilitation of the Ranger Project Area continuing through to January 2026, the prospect of any development is remote and further compromised once the Ranger mine infrastructure begins decommissioning.

At present, no work is being conducted on further development options for the Ranger 3 Deeps deposit.

Key risks (cont'd)

Resource estimates and ore reserves

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely, to some extent, on interpretations made which may prove to be inaccurate. Although qualified professionals have been employed to prepare resource estimates for ERA, such estimates may nevertheless prove to be inaccurate.

Furthermore, resource estimates are likely to change over time as new information becomes available. Should ERA encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be adjusted in a way that could adversely affect ERA's business and its financial position and performance as well as its ability to meet its rehabilitation obligations. It may also have an impact on ERA's development and mining plans.

No assurance can be given that the anticipated tonnages and grades of ore will be achieved during production or that the indicated level of recovery will be realised. Material price fluctuations, as well as increased production costs, reduced recovery rates or fluctuations in foreign exchange, may render ore reserves containing relatively lower grades uneconomic and may ultimately result in a restatement of such ore reserves. Moreover, short-term operating factors relating to ore reserves, such as the need for sequential development of ore bodies and the processing of new or different ore types or grades, may cause ERA's mining operation to be unprofitable which is likely to have a material adverse effect on ERA's financial position and performance and ability to meet its rehabilitation obligations.

The Annual Statement of Ore Reserves and Mineral Resources is scheduled to be updated in January 2020 and comply with Mandatory JORC 2012 guidelines. This will include assessment by ERA's Competent Person on the ongoing inclusion of the resources associated with Ranger 3 Deeps and Ranger Stockpiles. This assessment may result is the de recognition of these mineral resources either in 2020 or following the cessation of processing at Ranger, required to be no later than January 2021.

General regulatory risks

Uranium mining in Australia is extensively regulated by Commonwealth and State and Territory Governments. The areas of uranium mining that are regulated include exploration, development, production, transport, export, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances and native title. In particular, the approval processes for uranium mining are more onerous, and therefore more costly, than for the mining of other minerals.

The mining and export of uranium is currently permitted under strict international agreements designed to prevent nuclear proliferation. The export of uranium is tightly controlled by the Commonwealth Government through its licensing process and Australian uranium can only be exported to countries that have signed the nuclear non-proliferation treaty.

Government actions in Australia and other countries or jurisdictions in which it 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.

Future legislation and changes in the regulatory framework could cause additional expense, capital expenditures, restrictions and delays in the development of ERA's assets, the extent of which cannot be predicted. Any such government action may require increased capital or operating expenditures and could prevent or delay certain operations by ERA, which could have a material adverse effect on ERA's business and its financial position and performance as well as its ability to meet its rehabilitation obligations.

Key risks (cont'd)

Regulators and stakeholders

Uranium mining in the Northern Territory is regulated through a suite of Commonwealth and Northern Territory legislation. The Traditional Owners of the land on which the Ranger Project Area and Jabiluka is situated are the Mirarr people.

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

- the Northern Territory Department of Primary Industry and Resources (DPIR), the Commonwealth Department of Industry, Innovation and Science (DIIS), the Commonwealth Supervising Scientist Branch (SSB) and the Gundjeihmi Aboriginal Corporation (GAC) and the Northern Land Council (NLC) (representing the Mirarr);
- the Alligator Rivers Region Advisory Committee (including non-government organisation representatives); and
- the Alligator Rivers Region Technical Committee (including non-government organisation representatives).

The Ranger and Jabiluka Minesite Technical Committees – made up ERA, DPIR, GAC, NLC and SSB (with DIIS as observers) – are the key forums for approvals on environmental matters relating to Ranger and Jabiluka.

The Ranger Mine Closure Plan is subject to ongoing review and refinement, with ERA required to review and submit an updated Annual Plan for regulatory approval each year. In addition, regulatory approvals are required in order to carry out certain rehabilitation activities. If these regulatory approvals are not obtained in a timely manner or are obtained on unsatisfactory conditions, ERA's ability to complete the rehabilitation program in a timely and cost effective manner will be at risk and ERA's business and its financial position and performance may be materially adversely affected.

Regulatory approvals would also be required to commence any production from the Ranger 3 Deeps or on any other parts of the Ranger Project Area. As mentioned under "Undeveloped resources – Ranger 3 Deeps", at present, no work is being conducted on further development options for the Ranger 3 Deeps deposit, no approvals are being pursued and the prospect of any development is remote and further compromised once the Ranger mine infrastructure begins decommissioning.

In relation to Jabiluka, as mentioned under "Undeveloped properties – Jabiluka Mineral Lease" ERA has entered into a Long Term Care and Maintenance Agreement with the Mirarr Traditional Owners. ERA has agreed that the future mining developments at Jabiluka will not occur without the consent of the Mirarr people. There is no guarantee 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.

Security of Tenure and the Atomic Energy Act

The grant or maintenance of tenements or obtaining renewals depends on ERA being successful in obtaining required statutory approvals for proposed activities.

ERA conducts operations on the Ranger Project Area pursuant to the s.41 Authority. The Atomic Energy Act 1953 (Cth) is administered by the Commonwealth Department of Industry, Innovation and Science. Under the s.41 Authority, 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.

ERA's current operational, exploration and development strategy has regard to the limits of the current s.41 Authority (i.e. the cessation of mining and processing activities at the Ranger Project Area by January 2021).

Any application for a renewal of the right to explore, mine and process uranium oxide at the Ranger Project Area beyond January 2021 will require an amendment to the Atomic Energy Act to be passed by the Commonwealth Parliament. The conduct of mining and processing operations beyond January 2021 would also require ERA to obtain other related Commonwealth and Northern Territory mining and environmental approvals. While ERA is not currently seeking these approvals, if sought by ERA, there is no guarantee that the legislative amendments would be passed, or passed in the manner sought by ERA.

Key risks (cont'd)

Nature of uranium production

Uranium production involves risks which, even with a combination of experience, knowledge and careful evaluation, may not be able to be adequately mitigated. Mining operations are subject to hazards normally encountered in exploration and production. These include unexpected geological formations, rock falls, flooding, and other incidents or conditions which could result in damage to plant or equipment. Any such issues may result in a material adverse impact on ERA's ability to meet its rehabilitation obligations as well as its business and financial position and performance.

Any future commissioning of production from ERA's undeveloped resources, or other prospective development opportunities, may not proceed to plan (if at all) due to factors beyond ERA's control, including regulatory issues, capital costs, changes in legal requirements, technological changes, adverse weather events and adverse environment and market conditions, amongst other things.

Operational risks

ERA's operations may be delayed or be unsuccessful for many reasons, including unanticipated financial, operational or political events, cost overruns, decline in uranium prices and demand, foreign exchange fluctuations, equipment and labour shortages, technical concerns including possible reserves and deliverability difficulties, environmental impacts including climatic conditions, increases in operating cost structures, community or industrial actions and any other circumstance which results in the delay, suspension or termination of ERA's capital or exploration projects and/or the total or partial loss of ERA's capital. Certain of these risks are set out in greater detail below.

In addition, during the second half of 2019 ERA expects to have produced sufficient drummed inventory to meet supply commitments under its existing long-term contract portfolio. As a result, a greater portion of future sales will be exposed to the spot market. ERA continues to monitor production economics and plans to continue to produce, in 2020, provided a positive cash margin is generated between marginal production cost and the uranium spot price. Should this diminish, ERA may choose to cease production earlier than planned. This is likely to have a material adverse impact on ERA's ability to meet its rehabilitation obligations as well as its business and financial position and performance.

Continued operations

ERA is required to cease processing at Ranger no later than January 2021, meaning Ranger has one final full year of processing the remaining stockpiles. There is a risk that ore grade may vary from that planned, impacting drummed uranium oxide production quantities. Furthermore, given 2020 will be the final year of Ranger production, there is an increase in risks associated with unplanned maintenance and reduced plant availability. In the event of a critical failure of key infrastructure, ERA may elect not to repair the relevant infrastructure and instead elect to conclude processing earlier than planned. This is likely to have a material adverse effect on ERA's ability to meet its rehabilitation obligations as well as its business and financial position and performance.

Cost savings and productivity improvement program

The Company is also well advanced in its execution of the 'Safely Transforming ERA Together' business transformation program. Under the program, cost reduction and productivity improvement initiatives have been established for the business. The successful execution of this program is important to achieving ERA's cash flow forecast. As such, there is no guarantee that the cost saving initiatives will result in improvements in operational or financial performance of the level expected (if at all) or that such improvements will arise within the expected timeframe.

Personnel

Recruiting and retaining qualified personnel is important to the success of ERA. The number of persons skilled in the rehabilitation, exploration and development of mining properties is limited and competition for such persons is strong. Difficulties in recruiting and retaining appropriately skilled staff may adversely impact ERA's ability to undertake the rehabilitation activities as outlined in this presentation in a timely and cost effective manner, as well as adversely impact ERA's ability to effectively investigate any prospective development opportunities.

Key risks (cont'd)

Loss of customers

ERA sells uranium oxide produced at its Ranger mine to Rio Tinto Marketing Pte Ltd (**RTU**) in accordance with the terms of the Amended and Restated Agreement for the Sale and Purchase of Natural Uranium Concentrates dated 16 August 2017 for on sale to RTU's customers. Under that agreement, ERA's allocation of existing RTU customer contracts was fixed with effect from 1 January 2017. A number of these RTU customer contracts are required to be fulfilled through to 2021. In the event these contracts were to be terminated or the supply commitments reduced and ERA was required to sell uranium oxide produced on the current spot forecast price, ERA's business, financial position and performance and ability to meets its rehabilitation obligations would be materially adversely affected.

Uranium market demand and price risks

As ERA's business relates primarily to the production and sale of uranium oxide to a variety of buyers, fluctuations in the global uranium market may materially affect ERA's financial performance.

Demand for, and pricing of, uranium oxide remains sensitive to external economic and political factors, many of which are beyond ERA's control, including: worldwide uranium supply and demand, regional political developments in uranium producing and nuclear power generating countries and regions (including potential for trade sanctions), and the price and availability of competing power generating technologies. Accordingly, it is impossible to predict future uranium price movements with certainty.

ERA does not hedge the price for which it sells uranium oxide, although it has successfully realised a price premium to spot rates due to historical contracts. There is no guarantee that a price premium could be realised in the future and any sustained reduction in uranium prices from historical averages may adversely affect ERA's business and its financial position and performance as well as its ability to meet its rehabilitation obligations.

The Company only contracts to sell uranium oxide that it plans to produce, however purchasing uranium oxide for resale may be required in circumstances where actual production falls short of sales volumes required to fulfil long term contractual commitments with its customers. An increase in the amount of uranium oxide that ERA is required to purchase on the spot market would increase ERA's exposure to uranium oxide price risks. An increase in the price at which uranium oxide was purchased, or an inability to purchase uranium oxide where required to satisfy a contractual commitment, could have a material adverse effect on ERA's ability to meet its rehabilitation obligations as well as its business and financial position and performance.

Interest rate and inflation rate risk

An assessment of ERA's cash flow projections in order to meet the Company's rehabilitation obligations involves consideration of interest rates and inflation rates over the period of rehabilitation.

The Company's main interest rate risk arises from cash on deposits. A reduction in interest rates, in line with recent monetary policy decisions by the Reserve Bank of Australia and ongoing expectations of a low interest rate environment in Australia, to levels below that estimated by the Company may result in lower projected interest received on cash resources.

The Company's main inflation rate risk arises from cost inflation on rehabilitation and business continuity expenditure. An increase in inflation rates to levels above that estimated by the Company may result in higher cash outflow than currently anticipated by the Company.

Any material difference in actual interest rates and inflation rates over the period of rehabilitation may have a material adverse effect on the business, financial position and performance of ERA and its ability to meet its rehabilitation obligations.

Foreign exchange risk

International prices of uranium oxides are denominated in United States Dollars, while ERA's expenses are principally denominated in Australian Dollars. Accordingly, ERA is exposed to the fluctuations and volatility of the rate of exchange between the United States Dollar and the Australian Dollar (as determined in international markets).

Key risks (cont'd)

Tax risks

ERA is subject to taxation and other imposts in Australia. Future changes in taxation laws, including changes in interpretation or application of existing laws by the courts or taxation authorities in those jurisdictions, may affect taxation treatment of an investment in ERA securities or the holding or disposal of those securities. Tax considerations may differ for each investor. Therefore, investors are encouraged to seek professional tax advice in connection with any investment in ERA securities.

In addition to the normal level of income tax imposed on all industries in Australia, as ERA operates in the resources sector it is required to pay specific government royalties, direct and indirect taxes and other imposts. Consequently, ERA may be affected by changes in government taxation and royalty policies, or in the interpretation or application of such policies.

ERA has approximately $183 million in tax losses (at 30 per cent) as at 30 June 2019 that are not recognised as deferred tax assets due to the uncertainty regarding ERA's ability to generate adequate levels of future taxable profits. This treatment is reviewed periodically. ERA's carry forward tax losses can be utilised to offset any future taxable profits, subject to satisfaction of the tax loss recoupment tests under the income tax legislation at the time of utilisation. There is always a possibility that changes in legislation will impact the ability to utilise tax losses or impact the carrying amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet.

Litigation risk

ERA is subject to litigation risks. A shareholder has threatened to take action against ERA and/or its directors in relation to governance and/or the Entitlement Offer. In addition, all industries, including the minerals exploration and production industry, are subject to legal claims. Such legal claims can be brought with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material adverse effect on its business, financial position and performance and ability to meets its rehabilitation obligations.

Insurance

The occurrence of an event that is not covered or not fully covered by insurance maintained by ERA could have a material adverse effect on ERA's business and its financial position and performance as well as its ability to meet its rehabilitation obligations. Given ERA is required to cease mining operations by January 2021 and it is unlikely that the plant could be rebuilt in the event of catastrophic damage before that date, the Company has decided to cease maintaining business interruption insurance. In reaching this decision, ERA also had regard to the costs of maintaining business interruption insurance and did not consider it was commercially beneficial for ERA to continue paying for business interruption insurance in light of ERA's planned cessation of mining operations.

Financial information and forecasts

The forward looking statements, opinion and estimates provided in this presentation, rely on various contingencies and assumptions. Various factors and risks, both known and unknown, many of which are outside the control of ERA, may impact upon the performance of ERA and cause actual performance to vary significantly from expected results. There can be no guarantee that ERA will achieve its stated objectives or that forward looking statements or forecasts will prove to be accurate.

Key risks (cont'd)

Risks relating to equity investments and markets

Investors should be aware that there are risks associated with any investment in a company listed on ASX. The value of ERA shares may rise above or fall below the Offer Price, depending on the business, financial position and performance of ERA. Further, the price at which ERA shares trade on ASX may be affected by a number of factors unrelated to the business, financial position and performance of ERA and over which ERA and its directors have no control. These external factors include (but are not limited to):

- economic conditions in Australia and overseas;
- investor sentiment in the local and international stock markets;
- operational or environmental issues at any nuclear power stations globally;
- commodity prices and foreign exchange movements;
- changes in fiscal, monetary, regulatory and other government policies both in Australia and customer countries; and
- geo-political conditions such as acts or threats of terrorism or military conflicts.

Investors should note that the historic share price performance of ERA shares provides no guidance as to its future share price performance.

Outline

- Executive summary
- Purpose of the Entitlement Offer
- Details of the Entitlement Offer
- Key risks
- **Selling restrictions / jurisdictions**

Selling restrictions / jurisdictions

International Offer Restrictions

This document does not constitute an offer of new ordinary shares (**New Shares**) of the Company in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**).

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing member of the Company, (ii) an "institutional investor" (as defined in the SFA) or (iii) a “relevant person" (as defined in section 275 of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Selling restrictions / jurisdictions

United States

This presentation and any other materials relating to the Entitlement Offer does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. Neither the entitlements nor the New Shares to be offered and sold in the Entitlement Offer have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be exercised or taken up, and the New Shares may not be offered or sold, directly or indirectly, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities law of any state or other jurisdiction of the United States. There will be no public offer of the entitlements or the New Shares in the United States. This presentation may not be released or distributed in the United States.

By accepting this presentation, you represent and warrant that you are not located in the United States and are not acting on behalf of a person located in the United States and any exercise or taking up of entitlements or purchase of New Shares by you or any person on whose behalf you are acting will be done solely outside the United States in offshore transactions in accordance with Regulation S under the U.S. Securities Act, and you agree to be bound by the foregoing restrictions.