



ERA Energy Resources of Australia Ltd

2020 Half Year Results

Additional Information for the Financial Community

July 2020





Forward-looking statements

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Forward-looking statements

This presentation includes forward-looking statements. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding ERA’s financial position, business strategy, plans and objectives of management for future operations (including development plans, rehabilitation estimates and subjectives relating to ERA’s products, production forecasts and reserve and resource positions), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of ERA, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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Nothing in this presentation should be interpreted to mean that future earnings per share of ERA will necessarily match or exceed its historical published earnings per share.

All currency mentioned in this presentation is in Australian dollars unless otherwise stated.

Competent Person

The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is extracted from the ERA 2019 Annual Statement of Reserves and Resources which was released to the market on 26 February 2020 and is available to view at <https://www.asx.com.au/asxpdf/20200226/pdf/44fh75xlybyy2l.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.

Acknowledgement of Traditional Owners

The operations of Energy Resources of Australia Ltd (ERA) 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)



Health and safety

Demonstrated commitment to the health and safety of our teams, community and environment in which we operate

- ERA continues to implement programs with the objective of Zero Harm, whereby all employees and contractors return to their home and families after each shift
- All Injury Frequency Rate¹ year to date is 0.68 (compares to 1.07 in 2019) with 2 recordable injuries
- 2020 health and safety initiatives have focused on:
 - Successful management of the COVID-19 pandemic, with a high quality plan successfully embedded
 - Safety Maturity Model implementation
 - Leadership development and Mental Wellness program
 - Embedding our 'maintaining Process Safety excellence through closure' program
 - Injury management and incident investigation



Power station employees working safely



H1 2020 Summary

- Continued focus on all aspects of health, safety and environment
- Successful ongoing management through the COVID-19 global pandemic, prioritising the health and wellbeing of our communities, employees and contractors
- Production of 798 tonnes of uranium oxide
- Revenue of \$168 million and operating cashflow of \$25 million for the first half
- Successful completion of the renounceable entitlement offer, raising \$476 million
- Ongoing Ranger rehabilitation
- Company-wide focus on business transformation
- Continued engagement with key stakeholders



Haul trucks parked safely, ready for the next shift



Brolga I at sunset on the Tailings Storage Facility



ERA continued to deliver on strategic priorities in 2020

Near term strategic priority

Continue the progressive rehabilitation¹ of the Ranger Project Area

2020 outcomes

- Bulk backfill of Pit 1 nearing completion
 - Continued dredging of the Tailings Storage Facility
 - Preparing for the next phase of work in Pit 3, including wicking to support process water expression, capping and brine injection
 - Transformation 2.0 program was launched focussing on cost reduction and avoidance initiatives within the rehabilitation project
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- Produced 798 tonnes of uranium oxide delivering operating cash flow of \$25 million
 - Productivity and cost reduction program implemented and delivering benefits
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- Fully underwritten 6.13 for 1 pro rata renounceable entitlement offer completed in February 2020, successfully raising approximately \$476 million
 - Total cash resources of \$783 million² (as at 30 June 2020)

¹ Rehabilitation provision of \$744 million as at 30 June 2020. Discounted at 2 per cent and presented in real dollars

² Comprising \$252 million cash at bank and \$531 million held by the Commonwealth Government as part of the Ranger Rehabilitation Trust Fund



Operational performance

Production guidance for 2020 of between 1,200 tonnes to 1,600 tonnes

Mill Operation	H1 2020	H1 2019
Ore milled ('000 tonnes)	1,238	1,136
Recovery (%)	85.1%	88%
Mill head grade (% U ₃ O ₈)	0.07	0.09
Tonnes produced (U ₃ O ₈)	798	937
Pounds ('000 lbs) produced (U ₃ O ₈)	1,759	2,066

- Strong plant performance with favourable uranium recoveries
- Minimal impacts to production through COVID-19 restrictions
- Production was impacted by declining ore grades
- Production guidance for 2020 of between 1,200 tonnes to 1,600 tonnes remains unchanged



Final product ready for transport



ERA

Half year financial performance

Ranger continues to generate positive margins from the sale of U₃O₈

A\$ million	H1 2020	H1 2019
Revenue from sales	168	170
Cash flow from operating activities	25	36
Rehabilitation spend	39	48
Net profit after tax	40	49
Total cash and cash equivalents	252	349
Government security receivable	531	76
Total cash and cash receivable	783	425
Total rehabilitation provision ¹	744	799



Pit 3 with Ranger Mine in background

Cash resources increased in the year

- ERA continued to generate a positive cash margin from the production and sale of uranium oxide.
- Achieved average realised price of US\$48.73 per pound, representing a US\$15.78 per pound premium to the closing spot price (average contracted sales price was US\$52.99 per pound)
- Sales volumes in both 2019 and 2020 are weighted towards the first half, with ERA having now substantially fulfilled its contracted sales for the year
- Future sales will have a higher exposure to the spot market
- Total cash resources on hand of \$783 million at 30 June 2020 (including \$531 million held by the Commonwealth Government as part of the Ranger Rehabilitation Trust Fund)

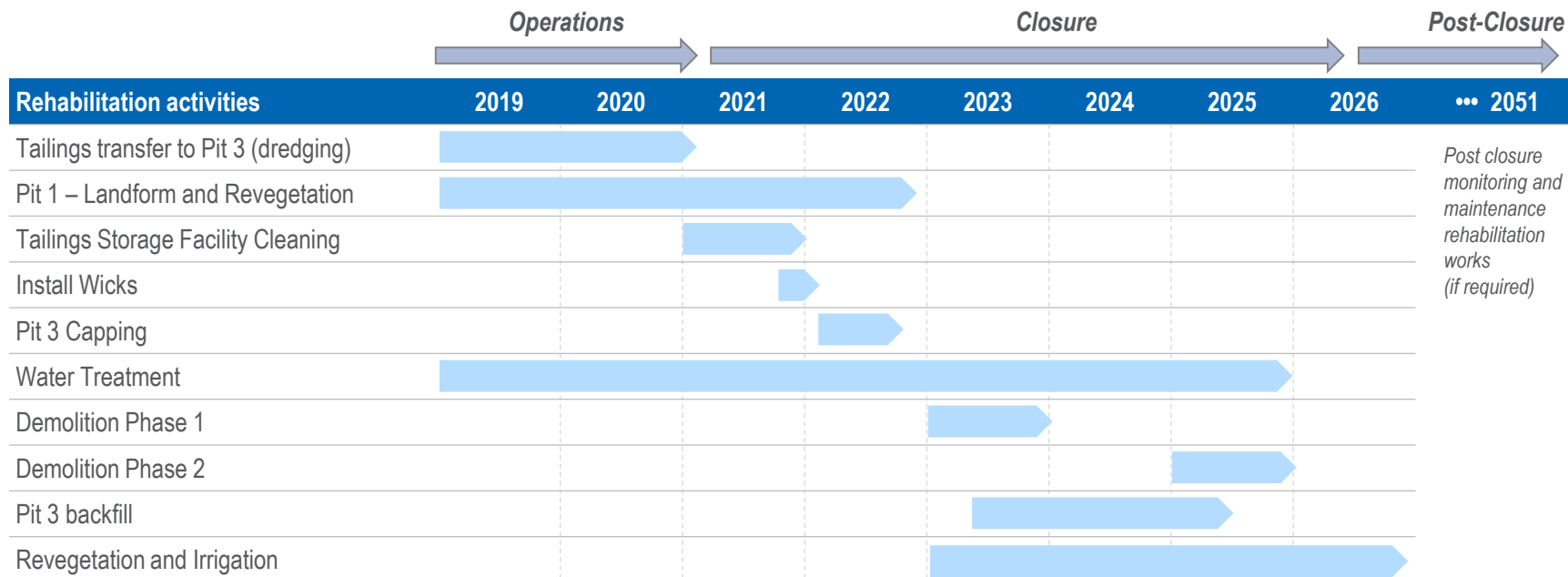
Continued focus on cash conservation

- Business transformation program delivers increased cash flow from cost saving and productivity initiatives, despite the challenges of declining grade.



Progressive rehabilitation ongoing with complex and interdependent schedule

- **Approximately \$642 million spent on rehabilitation and water management projects since 2012¹**
- **Rehabilitation project progress:**
 - Dredging continues to transfer tailings from the Tailings Storage Facility to Pit 3 with the final cuts to the floor having commenced. Some delays have been experienced due to COVID-19 restrictions and low free process water levels.
 - Pit 1 backfill is nearing completion. Final contouring and ripping will commence in late July
 - Execution planning is continuing for future key rehabilitation works.
- **330 career plans prepared to date (or approximately 91 per cent of the workforce) under the “My Future Plan” program, which aims to support employees for “life after ERA”**
- **Tailings transfer and process water treatment activities remain on the critical path through 2020**



Rehabilitation progress



Pit 1 backfill - final stages



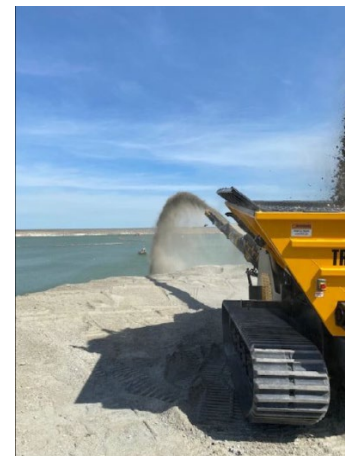
Stage 13 plants and irrigation (first final landform)



TSF Wall Cleaning



High speed stacker commissioned in June





Regular engagement with key stakeholders

ERA's operations are located on Aboriginal land, are surrounded by Kakadu National Park and significantly underpin the Alligator River's regional economy. Regular engagement with key stakeholders is an important, ongoing part of our business.

• Ranger Rehabilitation

- Ranger Mine Closure Plan was approved by Commonwealth and Northern Territory Ministers in March 2020 with support from Northern Land Council (NLC) and Gundjeihmi Aboriginal Corporation (GAC)
- Formal stakeholder engagement through Ranger Closure Consultative Forum, Minesite Technical Committee, Alligator Rivers Region Technical Committee
- Regular collaboration with GAC, NLC, Supervising Scientist Branch (SSB) and regulatory agencies

• Future of Jabiru

- Ongoing engagement with GAC, NLC and Governments to plan for the future of Jabiru following cessation of Ranger operations and transition in 2021 to a township lease under the Aboriginal Land Rights Act (NT) 1976.

• Communications and contributions

- Regular formal and informal consultation with Mirarr Traditional Owners and their representatives on matters of mutual interest including cultural heritage and land management..
- Regular community meetings and updates on operational and community matters. Funding and in-kind support to a range of community programs in the West Arnhem region.



Trial landform



On-country discussions with senior Traditional Owners



Outlook

- **8 January 2021 will see the end of the processing of stockpiled ore at Ranger**
 - Will result in significantly reduced organisation size, including rationalised overhead costs
 - Transition to a project based organisation
 - ERA will retain drummed inventory to fulfil a number of marketing contracts through 2021. Residual uncontracted sales will continue to be opportunistically sold into the spot market
- **Execution of the “Transformation 2.0” program, which has a greater focus on the rehabilitation project**
- **Rehabilitation near term focus to conclude tailings transfer to Pit 3, enabling execution of wicking and capping activities in late 2021**
 - Tailings consolidation progress continues to be monitored, with indications that a greater proportion of process water is being retained within the tailings. Mitigating actions, if required, will be evaluated during the second half of 2020.
- **Ranger Authority requires processing to cease in January 2021**
 - Given the current uranium market environment, the Ranger 3 Deeps project continues to face material barriers to development.
 - Without a sustained and rapid recovery of the uranium market, the project is not economically viable
 - Furthermore, with the requirement to decommission and rehabilitate the Ranger Project Area through to January 2026, the prospect of any development is highly remote and continues to decrease with time.
- **Residual uncontracted material will continue to be opportunistically sold into the spot market**
- **ERA believes the successful rehabilitation of the Ranger Project Area is a prerequisite to support future operations and growth beyond Ranger**