ERA Energy Resources Of Australia

# Capital Raising Presentation

## (for Interim Entitlement Offer)

**4 April 2023**

Not for release or distribution in the United States

# Important notices

This presentation has been prepared by Energy Resources of Australia Ltd ABN 71 008 550 865 (**ERA**) in connection with its non-underwritten pro rata renounceable entitlement offer of new fully paid ordinary shares (**New Shares**) to be made to eligible shareholders under section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non Traditional Rights Issues) Instrument 2016/84 (**Interim Entitlement Offer**). It contains general information about ERA's activities as at the date of this presentation. It is information given in summary form and does not purport to be complete or contain all information that an investor should consider when making an investment decision. It should be read in conjunction with ERA's most recent financial report and other periodic and continuous disclosure announcements to the ASX available at www.asx.com.au.

This presentation is not a prospectus, disclosure document or other offering document under Australian law or under any other law (and will not be lodged with the Australian Securities and Investments Commission or any other foreign regulator). It is for information purposes only and is not an invitation nor offer of shares for subscription, purchase or sale in any jurisdiction. The Interim Entitlement Offer is being extended to certain institutional investors based in jurisdictions outside Australia and New Zealand where ERA considers doing so will not contravene the securities laws of those jurisdictions. Shareholders in Australia and New Zealand and certain of those jurisdictions are the Eligible Shareholders. Eligible Shareholders will be entitled to participate in the Interim Entitlement Offer referred to herein. An Interim Entitlement Offer Information Booklet is expected to be made available to Eligible Shareholders on 4 April 2023. Eligible Shareholders who wish to acquire the shares the subject of the Interim Entitlement Offer should consider the Interim Entitlement Offer Information Booklet in deciding whether to apply under the Interim Entitlement Offer and complete the Entitlement and Acceptance Form which will be made available to Eligible Shareholders.

This presentation, including the information contained in this disclaimer, 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 Interim Entitlement Offer have been, or will be, registered under the U.S. Securities Act of 1933, as amended, (**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.

The information in this presentation does not constitute financial product advice (nor investment, tax, accounting or legal advice) and does not take into account your individual investment objectives, including the merits and risks involved in an investment in shares in ERA, or your financial situation, taxation position or particular needs. This presentation is not a recommendation to acquire ERA shares and does not and does not purport to contain all information necessary to make an investment decision. You must not act on the basis of any matter contained in this presentation, but must make your own independent assessment, investigations and analysis of ERA and the shares the subject of the Interim Entitlement Offer referred to herein and obtain any professional advice you require before making any investment decision based on your investment objectives.

All dollar values are in Australian Dollars ($) unless stated otherwise. Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

**Not an offer**

This presentation is not and should not be considered an offer or an invitation to acquire New Shares or any other financial products and does not and will not form any part of any contract for the acquisition of New Shares.

**Financial data**

You should be aware that certain financial data included in this presentation are "non-GAAP financial measures". ERA believes these non-GAAP financial measures provide useful information to users in measuring the financial performance and conditions of ERA. These non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-GAAP financial measures and ratios included in this presentation.

**Ore Reserves and Mineral Resources Reporting Requirements**

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.

**Defined terms**

Capitalised terms used but not defined in this presentation are defined in ERA's capital raising announcement titled "ERA announces up to $369m renounceable entitlement offer to provide interim funding for Ranger Project Area rehabilitation" released to ASX on 4 April 2023.

**New Zealand**

The Interim Entitlement Offer is being extended to New Zealand shareholders in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. This presentation and the Interim Entitlement Offer Information Booklet are not Product Disclosure Statements for the purpose of New Zealand law.

# Important notices

**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. They include but are not limited to statements pertaining to the outcome and effects of the Interim 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 ERA's ability to meet its rehabilitation obligations and the cost of meeting those obligations. Statements relating to the Jabiluka Mineral Lease (MLN1) in particular are subject to the various matters to which the Jabiluka Mineral Lease is subject, including the Mirarr Traditional Owners consent, renewal of the Jabiluka Mineral Lease and upholding the obligations under the Jabiluka Long Term Care and Maintenance Agreement and the general risks mentioned above.

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. Please refer to slides 33 to 44 of this presentation – the “Key Risks” section – for further details.

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. ERA currently has no source of income due to the cessation of uranium oxide processing operations in January 2021 and is reliant on third party funding solutions.

Investors are cautioned not to place undue reliance on forward-looking statements and none of ERA or any of its subsidiaries, affiliates and associated companies (or any of their respective officers, employees or agents) makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward looking statement or any outcomes expressed or implied in any forward looking statements.

To the maximum extent permitted by law, ERA and its directors, officers, employees, agents, associates and advisers disclaim any responsibility and undertake no obligation for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise.

To the maximum extent permitted by law, ERA and its directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to any forward-looking statements to reflect any change in ERA’s financial condition, status or affairs, or any change in the events, conditions or circumstances on which a statement is based, except as required by Australian law.

**Investment risk**

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 slides 33 to 44 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 2022 Ore Reserves & Mineral Resources Statement which was released to the market on page 30 of the Annual Report. ERA confirms that, to the best of its knowledge, 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.

**Disclaimer**

No party other than ERA has authorised or caused the issue, lodgement, submission, dispatch or provision of this presentation, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this presentation. To the maximum extent permitted by law, ERA and its affiliates, officers, employees, agents and advisers disclaim all liability (including for fault or negligence) for any expenses, losses, damages or costs incurred by you as a result of your participation in the Interim Entitlement Offer or the information in this presentation being inaccurate or due to information being omitted from this presentation, whether by way of negligence or otherwise, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this presentation.

You acknowledge and agree that determination of eligibility of investors for the purposes of the Interim Entitlement Offer is determined by reference to a number of matters, including legal requirements and the discretion of ERA and ERA disclaims any duty or liability (including for fault or negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

# 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 people who are the Traditional Owners of the land on which Ranger mine is located.

ERA respectfully acknowledges the Larrakia people as the Traditional Owners of the Darwin region where our head office is located.

We pay our respects to Elders past and present.


*Mural depicting Ngalelek (corella) and karnamarr (black cockatoo) sitting under manmorlak (Kakadu plum tree) sharing manme (food)*

*Excerpt of murals by Ellie Hannon and Selone Djandjomerr on the Jabiru Kabolkmakmen Office and Jabiru Property Services Office in the Jabiru Plaza*

# Executive summary

# Executive summary

**Interim Funding Solution**

- **ERA is undertaking a 5 for 1 non-underwritten pro rata renounceable entitlement offer to raise up to $369m, at an offer price of $0.02 per share (Interim Entitlement Offer)**
- **The Interim Entitlement Offer is an interim funding solution for the Company, with further funding expected to be required by ERA in 2024 for the balance of the required Ranger Project rehabilitation expenditure**
- **Proceeds from the Interim Entitlement Offer are expected to provide ERA with sufficient cash to fund its planned Ranger Project Area rehabilitation related expenditure to the end of Q2 2024 and to repay the Rio Tinto Credit Facility[(1)] (see slide 27)**
- **Furthermore, ERA will use existing cash at bank (net of overdrafts) and relevant net interest received to fund its planned Ranger Project Area rehabilitation related expenditure to the end of Q2 2024, fund corporate costs, working capital, funding costs, and other costs and fund holding costs and the intended renewal of the Jabiluka Mineral Lease (including upholding obligations under the Jabiluka Long Term Care and Maintenance Agreement)[(2)] (see slide 30)**
  - ERA had approximately $561m of cash resources as at 31 December 2022 including $75m cash at bank (net of overdrafts), with the remaining $486m cash held by the Commonwealth Government as part of the Ranger Rehabilitation Special Account (**Trust Fund**)[(3)]. The Company has procured $126m in bank guarantees[(4)]
  - The total expenditure expected to be incurred for planned Ranger Project Area rehabilitation activities from 1 January 2023 to the end of Q2 2024 is currently estimated at $404m (refer to slide 14 for further detail)
- **In the absence of the Interim Entitlement Offer and after taking into account the drawdown of the Rio Tinto Credit Facility, ERA's cash at bank is expected to be exhausted in Q3 2023 at the planned expenditure rate (refer to slide 29 for further details). The Rio Tinto Credit Facility was entered into as a bridging loan facility to provide ERA with necessary liquidity for the purpose of rehabilitating the Ranger Project Area**
- **The IBC of ERA has determined that the Interim Entitlement Offer is the only feasible funding option available for ERA. Moreover, it was determined that the most equitable form of the Interim Entitlement Offer was a traditional, pro-rata, renounceable offer with a rights trading period and shortfall bookbuild**
- **The size and price of the Interim Entitlement Offer was determined having regard to ERA's funding requirements and following a period of engagement with ERA's largest shareholders. All three of ERA's largest shareholders have provided a pre-commitment to take up entitlements, providing funding certainty for ERA for the purpose of rehabilitating the Ranger Project Area**
- **In relation to the pricing of the Interim Entitlement Offer, the $0.02 offer price was the only price at which ERA was able to obtain pre-commitments such that the minimum necessary funds required by ERA to be raised under the Interim Entitlement Offer could be raised**

Energy Resources Of Australia

Notes: (1) ERA has drawn down $100m of the Rio Tinto Credit Facility as a bridging loan facility with repayment expected to occur upon receipt of proceeds of the Interim Entitlement Offer; (2) Funding of the corporate costs, working capital and other costs including holding costs and the intended renewal of the Jabiluka Mineral Lease will be undertaken after the Rio Tinto Credit Facility has been repaid from the proceeds of the Interim Entitlement Offer; (3) As at 28 February 2023, unaudited cash at bank (net of overdrafts) was $44m and unaudited cash held in the Trust Fund was $489m. ERA's 31 December 2022 balances have been shown to align with ERA's estimated rehabilitation activities and the cost associated with these activities (see slide 14). Please note that ERA's cash at bank is affected by working capital movements and forecast rehabilitation spend is not consistent across all months; (4) $125m in bank guarantees are held by the Commonwealth as additional security for ERA's Ranger rehabilitation obligations and $1m in bank guarantees are separately held by the Northern Territory Government as an allowance for Jabiluka rehabilitation.

# Executive summary

| | |
|---|---|
| **Ranger Project Area Rehabilitation** | • **ERA remains committed to the comprehensive rehabilitation of the Ranger Project Area for people and country, including meeting all its statutory and contractual obligations**<br>• **Progressive rehabilitation of the Ranger Project Area continued during 2022 with several key milestones achieved**<br>• **ERA is undertaking a feasibility study in connection with a lower technical risk rehabilitation methodology (primarily relating to the subaerial capping of Pit 3) and to further refine the Ranger Project Area rehabilitation execution scope, risks, cost and schedule (2022 Feasibility Study)**<br>– The 2022 Feasibility Study is expected to be completed in September 2023 and will ultimately lead to a revised Mine Closure Plan being developed<br>• **On completion of the Interim Entitlement Offer, subject to the finalisation of the 2022 Feasibility Study (which may result in these estimated costs of rehabilitation increasing) and ERA's internal cost review, at least an approximate additional \$210m to \$756m[(1)] may be required to fund the balance of the cost of the Ranger Project Area rehabilitation, based on the estimated 2021 major reforecast range of between \$1.6bn and \$2.2bn. ERA will consider available funding options for the additional amounts before the funds are expected to be required at the end of Q2 2024, which may include a further equity raise in 2024** |
| **Shareholder Participation and Intentions** | • **ERA has secured binding pre-commitments from Rio Tinto, Packer & Co and Zentree Investments Limited (together, Pre-committed Shareholders) who have committed to subscribe for \$355m in total**<br>• **Rio Tinto's voting power could increase to up to 89.1% in ERA following completion of the Interim Entitlement Offer taking into account the binding pre-commitments and assuming no other shareholders (other than those who have pre-committed) participate and Shortfall Shares are not taken up**<br>– Rio Tinto is not permitted under the ASX Listing Rules to participate in the Shortfall Facility or in the Shortfall Bookbuild, and accordingly will not be issued any New Shares in excess of its entitlement<br>– As Rio Tinto's holding in ERA may increase as a result of the Interim Entitlement Offer, Rio Tinto have provided an intentions statement (attached to this presentation) in relation to ERA's business in accordance with Takeovers Panel Guidance Note 17<br>• **In the event that Rio Tinto beneficially owns 90% or more of the shares in ERA, Rio Tinto would have the option to compulsorily acquire the remaining ERA shares under Part 6A.2 of the *Corporations Act 2001* (Cth) (Corporations Act)**<br>• **Packer & Co and Zentree Investments Limited's % holding in ERA would have to reduce in order for Rio Tinto to own 90% or more of the shares in ERA** |

Energy Resources Of Australia

Notes: (1) Note this range takes into account a potential future drawdown in full of the Trust Fund post 2024. There are restrictions on access to the funds held in the Trust Fund (and there may be a requirement to contribute further funds to the Trust Fund in the future), see slide 29 and Risk Factor 1.5 (on slides 35-36).

# Executive summary

**Outlook**

- **Expenditure on Ranger Project Area rehabilitation is not expected to generate any financial return for ERA. ERA's strategic priority continues to be the comprehensive rehabilitation of the Ranger Project Area in accordance with ERA's obligations such that it can be incorporated into Kakadu National Park if the Mirarr Traditional Owners wish**
- **Consequently, ERA's near-term strategic priorities include:**
  - Securing a suitable funding option to meet future rehabilitation obligations
  - Continuing with progressive rehabilitation of the Ranger Project Area
  - Completing the 2022 Feasibility Study
  - Finalising implementation of a number of initiatives to strengthen project execution capability
  - Progressing negotiations to extend the existing Ranger authority beyond the current January 2026 deadline
- **ERA also intends to apply for a renewal of the Jabiluka Mineral Lease as contemplated under the terms of the Jabiluka Mineral Lease and the Jabiluka Long Term Care and Maintenance Agreement which includes an acknowledgement of ERA's entitlement to "continue to hold" the lease. The Mirarr Traditional Owners have publicly expressed their intention to oppose both the renewal and development of the Jabiluka Mineral Lease**

# Rehabilitation background and status update

# ERA is committed to the Ranger Project Area rehabilitation program and is continuing to progress rehabilitation

- **Ranger commenced production in 1981 and was one of the longest continually operating uranium mines in the world, with production ceasing in January 2021**
- **The Ranger Project Area is undergoing progressive rehabilitation to a standard that the environment at the site is similar to adjacent areas of Kakadu National Park**
- **The rehabilitation of the Ranger Project Area is the largest ever project of its kind in Australia and it is being undertaken in a complex and unique environment with a range of project risks and regulatory requirements**
- **ERA incurred expenditure of $194m on rehabilitation activities in 2022, compared to $154m in the previous year**
- **Since the completion of the 2019 Feasibility Study, ERA has spent approximately $524m on rehabilitation(1) and achieved a number of milestones.**
  - ✓ Pit 1 backfilled, landform constructed and nearly fully planted
  - ✓ Transferred 26.7 Mt of tailings from the Tailings Storage Facility (**TSF**) to Pit 3
  - ✓ Planted approximately 52,000 stems, a combination of trees and grasses
  - ✓ Refurbished more than 90 properties in Jabiru
  - ✓ Processed 7.8GL of water
  - ✓ Generated approximately 281,000 MWh of electricity for the Ranger Project Area and Jabiru
  - ✓ Stakeholder acceptance was received for conversion of the TSF to a water facility and water transfers from Pit 3 to the Ranger Water Dam were completed
  - ✓ Wicking of Pit 3 began in late 2022, this will allow Pit 3 capping to commence in 2023. As of 31 December 2022, 43% of wicks have been placed
  - ✓ Lodged an updated Mine Closure Plan which was made public in September 2022, based on the updated sub aerial methodology of Pit 3 capping

*Mirarr Traditional Owners visit Stage 13*

*Spider web on revegetation on Walem Madjawulu*

Energy Resources Of Australia

Notes: (1) Spend between 1 January 2019 and 31 December 2022.

# Key recent events at Ranger

**Jan-19**
2019 Feasibility Study completed. Estimated cost of Ranger rehabilitation of $973m(1)

**Oct-19**
Updated Ranger Mine Closure Plan released

**Nov-19**
ERA announced an entitlement offer to raise $476m

**Feb-20**
- ERA's entitlement offer completed
- Commonwealth Government finalised its review and revised required security amount to $655m from $410m previously(2)
- ERA contributed $454m from cash raised from the entitlement offer as security, adding to prior cash balance held in the Trust Fund and resulting in $126m in bank guarantees(3)

**Jan-21**
Cessation of processing operations and expiry of right to mine and process at Ranger

**Feb-21**
Transfer of tailings from TSF to Pit 3 completed

**Jul-21**
ERA commenced a reforecast of both cost and schedule data

**Sep and Oct-21**
Reforecast progress updates

**Oct-21**
Brad Welsh appointed as acting CEO, confirmed as CEO and Managing Director in Feb-22

**Nov-21**
Bechtel engaged to assist ERA to finalise its Reforecast

**Jan-22**
Pit 1 initial planting and infill complete

**Jan-22**
Bechtel engaged to undertake a review of ERA's in house project execution capability to manage and complete the rehabilitation

**Feb-22**
Preliminary findings of Reforecast announced

**Apr-22**
Pit 3 capping application based on sub-aerial methodology submitted to stakeholders for approval (pending)

**Apr-22**
Bechtel review of ERA's in house project execution capability completed with improvement opportunities identified for ERA's consideration

**May-22**
2022 Feasibility Study commenced

**Nov-22**
ERA draws down $57m from the Trust Fund

**Nov-22**
Parliament passed amendments to the Atomic Energy Act 1953 allowing additional time to complete rehabilitation

**Dec-22**
Transitioned to a 'project focused' model by implementing an Integrated Project Management Team (IPMT)

| Year | 2019 | 2020 | 2021 | 2022 | Total |
|---|---|---|---|---|---|
| ***Rehabilitation expenditure*** *($m)* | *$93m* | *$82m* | *$154m* | *$194m* | $524m(4) |

ERA Energy Resources Of Australia

Notes: (1) Undiscounted in nominal terms, excluding not yet recognised termination benefits in line with Australian Accounting Standards and including an allowance of $1m in relation to the estimated cost of Jabiluka Mineral Lease rehabilitation expense; (2) $410m security comprised of $76m in cash and $334m in bank guarantees; (3) Includes an additional $1m held as an allowance for Jabiluka rehabilitation. (4) Rounding difference of $1m.

# Summary of cost differences between the 2019 Feasibility Study and the preliminary findings of the Reforecast[1]

- In July 2021, ERA commenced a major reforecast of cost and schedule (**Reforecast**). This followed on from the 2019 Feasibility Study which estimated rehabilitation costs of $973m based on preliminary findings of the forecast. Under the Reforecast:
  - The revised total cost of completing the Ranger Project Area rehabilitation, including incurred spend from 1 January 2019, was estimated to be approximately between $1.6bn and $2.2bn (undiscounted nominal terms)
  - The revised date for completing the Ranger Project Area rehabilitation was forecast to be potentially between Quarter 4, 2027 and Quarter 4, 2028, based on the subaqueous method

| Ranger rehabilitation expenditure estimate from 1-Jan-19 onwards *($m, nominal)* | 2019 Feasibility Study estimate[2] | Prelim. findings of Reforecast[3] | | Spend to date[4] | Key reason for change |
|---|---|---|---|---|---|
| | | Low | High | | |
| Transfer tailings and water treatment | $330m | $500m | $660m | $244m | • Increased tailings and longer duration of dredging<br>• Additional clean-up costs associated with the TSF<br>• Higher water treatment costs due to an increase in water treatment volumes and additional costs to capture run off from Pit 3 |
| Capping and backfill | $247m | $420m | $580m | $67m | • Emergent technical risks and forecast additional cost and schedule impacts in executing the Pit 3 capping works using the subaqueous wicking and capping methodology[1]<br>• The ERA heavy mining equipment fleet requires a significant overhaul to be capable of moving the quantity of bulk materials |
| Site services and support | $160m | $410m | $570m | $123m | • Power costs have increased as the 2019 Feasibility Study estimate assumed Ranger Power Station decommissioning in mid-2021 and a scalable power solution for 2021-2025, which has not eventuated<br>• Brine Concentrator demand has increased since the 2019 Feasibility Study, and the life of the Ranger Power Station has been extended<br>• Operating costs of the camp and town are higher, based on a competitive tender of those services. Additional camp capacity has also been assumed due to higher than assumed headcount<br>• Support costs such as HSEC have increased, as have study costs (notably landform studies to ensure compliant closure) |
| Revegetation | $88m | $90m | $130m | $6m | • Additional seed collection, propagation, fire and weed management costs, among others |
| Owner's team costs and engineering | $87m | $120m | $160m | $66m | • Owner's team expanded relative to the 2019 Feasibility Study assumption based on recent knowledge gained from rehabilitation activities undertaken since the 2019 Feasibility Study |
| Demolition and disposal | $41m | $70m | $80m | $17m | • Costs of ensuring that existing infrastructure is safely maintained have increased |
| Post closure monitoring[5] | $20m | $30m | $40m | $1m | • Additional costs now assumed for post closure maintenance and monitoring activities<br>• Additional funding to enable more constructive engagement with Mirarr Traditional Owners |
| **Total** | **$973m** | **$1,640m** | **$2,220m** | **$524m** | *(Prelim. findings of the Reforecast have been rounded to the nearest $10m)* |

Energy Resources Of Australia

Notes: (1) The preliminary findings of the Reforecast were based on the Ranger rehabilitation project being completed in accordance with the methodology set out in the Mine Closure Plan submitted in September 2022 (i.e. assuming subaqueous capping of Pit 3). Subaerial capping, previously adopted for Pit 1, is a more traditional method and it is currently ERA's preferred methodology; (2) Based on 31 December 2018 rehabilitation provision, $973m undiscounted in nominal terms, excluding not yet recognised termination benefits in line with Australian Accounting Standards. Please note that, if comparing to page 11 of ERA's Capital Raising Presentation released 15 November 2019, the figures in that presentation are displayed from 30 June 2019 onwards; (3) Preliminary findings of the Reforecast have been rounded to the nearest $10m; (4) From 1 January 2019 to 31 December 2022; (5) Including an allowance of $1m in relation to the estimated cost of Jabiluka Mineral Lease rehabilitation expense.

# ERA has reviewed its near term rehabilitation activities and is concurrently undertaking studies to lower execution risk

- **ERA is undertaking studies on rehabilitation options with lower technical risk, which will ultimately lead to a revised Mine Closure Plan. Consequently, the rehabilitation cost and schedule will change relative to the preliminary findings of the Reforecast**
  - Bechtel, a leading global engineering and construction firm, has been appointed to support ERA undertake the 2022 Feasibility Study
  - The 2022 Feasibility Study commenced in May 2022 and is expected to be completed in September 2023
  - The lower technical risk rehabilitation methodology primarily relates to the subaerial capping of Pit 3[(1)], rather than the subaqueous capping methodology contemplated in the 2019 Feasibility Study and preliminary Reforecast. Both methods would result in schedule overruns beyond the s 41 Authority deadline of January 2026
  - Subaerial capping, previously adopted for Pit 1, is a more traditional method with lower technical risk and is currently ERA's preferred methodology
- **ERA is conscious of the need to preserve shareholder funds and does not want to incur rehabilitation expenditure that will not ultimately be required under the Mine Closure Plan as revised following completion of the 2022 Feasibility Study**
- **ERA has therefore reviewed rehabilitation activities for the period between 1 January 2023 to the end of Q2 2024 with a view to ensuring that the schedule for the overall project, based on the alternative lower technical risk Pit 3 capping methodology (i.e. subaerial), is maintained to the greatest extent possible with a focus on essential activities**

ERA Energy Resources Of Australia

Notes: (1) In essence, the subaerial methodology involves Pit 3 drying and being capped subaerially (i.e. not under water).

# Overview of Ranger rehabilitation activities planned to be undertaken to the end of Q2 2024

| | Rehabilitation activities planned between 1 January 2023 and 30 June 2024 | Indicative cost |
|---|---|---|
| 1 Pit 3 initial capping | • Mainly wicking, dewatering, geotextile and initial preparation for capping activities for Pit 3 | $53m |
| 2 Water treatment | • Mainly costs associated with the treatment of process and pond water | $78m |
| 3 Power generation costs | • Mainly operation and maintenance costs associated with the Ranger Power Station | $23m |
| 4 Demolition activities | • Services continuity and demolition of mill and some plant | $16m |
| 5 Other major items | • Direct & indirect labour costs ($122m)<br>• FS ($9m)<br>• Jabiru ($11m)<br>• Studies ($7m)<br>• Camp ($20m)<br>• Others ($42m)<br>• Contingency/escalation ($23m) | $234m |
| | Total | $404m |

Energy Resources Of Australia

Notes: Numbers may not add due to rounding.

# Organisational change

- **In January 2022, Bechtel was engaged to review ERA's in-house project execution capability to manage and complete the rehabilitation**
- **Bechtel identified a number of improvement opportunities for ERA's consideration. In response to these findings, ERA implemented several initiatives to seek to strengthen its in-house project execution capability**
  - ✓ ERA's transition to a 'project-focused' model by implementing an Integrated Project Management Team (**IPMT**) with Bechtel's support to facilitate a fit-for-organisation with improved execution, reporting and governance systems. The transition to the IPMT commenced in December 2022;
  - ✓ A detailed project schedule incorporating the alternative lower technical risk Pit 3 capping methodology (i.e. subaerial) is being developed as part of the Feasibility Study;
  - ✓ Organisational redesign and engaging with industry partners to 'buy, borrow and build' required capabilities to accelerate the business transformation; and
  - ✓ Project Director commenced on 24 October 2022 to oversee the execution of the Ranger Rehabilitation Project, reporting to the Chief Executive Officer, Brad Welsh.

Energy Resources Of Australia

# Regulatory matters

| | |
|---|---|
| **Extension of s 41 Authority beyond January 2026** | – ERA is not expected to be able to meet its rehabilitation deadline of January 2026 and has conveyed that expectation to all stakeholders<br>– To provide access to the site beyond January 2026 to complete rehabilitation of the Ranger Project Area, a new section 41 Authority is required, which first required an amendment to the *Atomic Energy Act 1953* (Cth) (**Atomic Energy Act**)<br>– Amendments to the Atomic Energy Act were passed on 24 November 2022, allowing additional time for ERA to complete the rehabilitation of the Ranger Project Area, including long-term monitoring and maintenance (subject to obtaining a new section 41 Authority)(1)<br>– ERA has commenced discussions to apply for a new section 41 Authority and is working collaboratively with Gundjeihmi Aboriginal Corporation, the Northern Land Council (**NLC**), and relevant Government departments to progress this application and associated agreements, which ERA will continue to progress throughout 2023 |
| **Annual Plan of Rehabilitation** | – ERA is required to prepare and submit its Annual Plan of Rehabilitation 45 (APR 45) to the Commonwealth Government after ERA's internal cost review has been completed and funding arrangements have been finalised<br>– Once accepted by the Commonwealth Government, the Annual Plan of Rehabilitation is then independently assessed and costed and the amount of security to be provided by the Company into the Trust Fund is then determined<br>– ERA submitted a revised Mine Closure Plan in September 2022 which has not been approved yet but is public and it is currently working with stakeholders to address the feedback that has been provided |

Energy Resources Of Australia

Notes: (1) The section 41 Authority is an authority granted by the relevant Minister under s 41 of the *Atomic Energy Act 1953* (Cth) that authorised ERA to mine, recover, treat and process uranium oxide at Ranger. It obliges ERA to rehabilitate the Ranger Project Area.

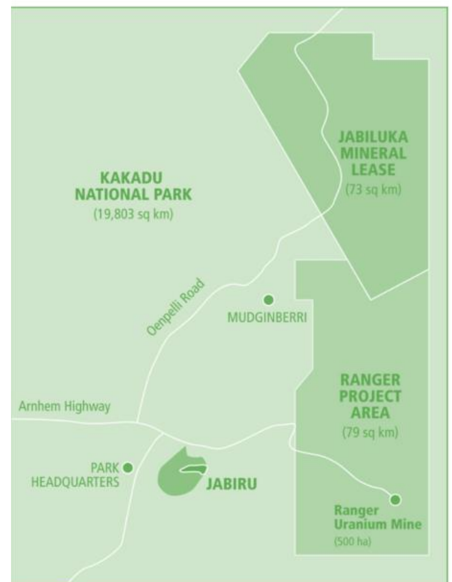
# Regulatory matters

**Arrangements concerning the Ranger Rehabilitation Special Account (Trust Fund)**

- As at 31 December 2022, $486m was held in the Trust Fund as security. In addition, bank guarantees procured by ERA totalling $125m are held by the Commonwealth as additional security for ERA's Ranger rehabilitation obligations (a further $1m is separately held by the Northern Territory Government as an allowance for Jabiluka rehabilitation)
- ERA has agreed amendments to the Ranger Government Agreement with the Commonwealth to introduce a clearer framework for managing the amount of security held by the Commonwealth and releasing funds from the Trust Fund for completed rehabilitation works
- Under this new framework, ERA was entitled to submit a one-off interim payment request for the release from the Trust Fund of an amount representing a portion of the cost of rehabilitation works performed at Ranger between 9 January 2021 and 30 June 2022. As a result of this $57m was received in November 2022
- **However, any further drawdown of funds under this framework firstly requires revaluation of the security following ERA's internal cost review, expected to occur after completion of the 2022 Feasibility Study in September 2023.**
  - Given the Ranger rehabilitation costs may increase, ERA may be required to provide additional security or funds in the Trust Fund
  - ERA has confirmed with the Commonwealth that none of the proceeds raised from this Interim Entitlement Offer will be put into the Trust Fund to provide additional security
- On 10 March 2022, the Commonwealth confirmed that it will not commence its Annual Plan of Rehabilitation 45 (**APR 45**) assessment to determine the quantum of funds to be deposited with the Commonwealth Trust as required under the Ranger Uranium Project Government Agreement, until after its internal cost review has been completed and funding arrangements have been finalised. ERA expects that the APR 45 assessment would commence in Q2 2024
- ERA does not consider that it can rely upon drawdown of any further cash from the Trust Fund before ERA’s internal cost review is completed, which is expected to occur after completion of the 2022 Feasibility Study in September 2023

# Outlook and priorities

- **ERA's purpose is to create a positive legacy and achieve world-class, sustainable rehabilitation of former mine assets at Ranger**
- **The Ranger Rehabilitation Project is unique in that it is rehabilitating land in one of the world's most culturally and environmentally sensitive locations, surrounded by the World Heritage listed Kakadu National Park on the land of the Mirarr Traditional Owners**
- **ERA's strategic priority continues to be the comprehensive rehabilitation of the Ranger Project Area in accordance with its obligations so that it can be reincorporated into the surrounding Kakadu National Park if the Mirarr Traditional Owners wish**
- **Consequently, ERA's near-term strategic priorities include:**
  - Securing a suitable funding option to meet future rehabilitation obligations
  - Continuing with a progressive rehabilitation of the Ranger Project Area
  - Completing the 2022 Feasibility Study
  - Finalising implementation on a number of initiatives to strengthen project execution capability
  - Progressing negotiations to extend the existing Ranger authority beyond January 2026 deadline
- **ERA also intends to apply for a renewal of the Jabiluka Mineral Lease as contemplated under the terms of the Mineral Lease and the Jabiluka Long Term Care and Maintenance Agreement, which includes an acknowledgement of ERA's entitlement to "continue to hold" the lease**
  - The Mirarr Traditional Owners have publicly expressed their intention to oppose both the renewal and development of the Jabiluka Mineral Lease




Energy Resources Of Australia

# Outlook and priorities *cont'd*

- **Ranger 3 Deeps**
  - The amendment to the Atomic Energy Act by the Federal Parliament at the end of 2022 does not allow any further mining in the Ranger Project Area and, as such, development of Ranger 3 Deeps is not an authorised activity under the section 41 Authority
  - ERA does not have authority to mine Ranger 3 Deeps and is not pursuing such an authority
  - ERA has historically assessed the economics of the Ranger 3 Deeps to be unviable
  - No work is being conducted on further development options for the Ranger 3 Deeps deposit
- **ERA also has approximately $293m in tax losses (at a tax rate of 30 per cent) as at 31 December 2022 that are not recognised as deferred tax assets due to the uncertainty regarding ERA's ability to generate adequate levels of future taxable profits**
- **Jabiluka Mineral Lease**
  - ERA intends to apply for renewal of the Jabiluka Mineral Lease as contemplated under the lease and noting the Jabiluka Long Term Care and Maintenance Agreement includes an acknowledgement of ERA's entitlement to "continue to hold" the lease
  - The Mirarr Traditional Owners have publicly expressed their intention to oppose both the renewal and development of the Jabiluka Mineral Lease
  - ERA's view remains that Jabiluka is a large, high quality uranium ore body of global significance
  - However, in accordance with the Jabiluka Long Term Care and Maintenance Agreement, the Jabiluka deposit will not be developed by ERA without the approval of the Mirarr Traditional Owners
  - The Jabiluka Mineral Lease provides that the NT Minister will renew the Jabiluka Mineral Lease for a term not exceeding 10 years provided ERA has complied with the Act and the conditions to which the Jabiluka Mineral Lease is subject (see slide 20).(1) The following slide sets out the key obligations of ERA relating to Jabiluka (under the Jabiluka Long Term Care and Maintenance Agreement) and renewals

ERA Energy Resources Of Australia

Notes: (1) The *Mining Act 1980* (NT) was repealed and replaced with the *Mineral Titles Act 2010* (NT) (together the **Act**).

# Jabiluka Mineral Lease

- **Jabiluka Mineral Lease**
  - The Jabiluka Mineral Lease area known as Jabiluka was granted on 12 August 1982 as Mineral Lease N1 (**MLN1**)
  - The original term was granted for 42 years, meaning it runs until 11 August 2024
  - ERA intends to apply for its renewal and will begin the process in 2023
- **As set out in the Jabiluka Long Term Care and Maintenance Agreement, the obligations relating to Jabiluka include:**
  - "ERA acknowledges and agrees that prior to ERA undertaking any mining development, or applying for any Authorization in order to undertake mining development, on the Jabiluka Project Area, ERA will obtain the approval of the Traditional Owners which, if given, is to be in accordance with this clause" (Clause 6.1)
- **Entitlement to hold and continue to hold MLN1**
  - "the NLC and Traditional Owners" … "acknowledge that ERA holds and is entitled to continue to hold MLN1, and that they will not initiate, fund or allow to be brought in their names any action which seeks the result that MLN1 is forfeited, cancelled or otherwise prejudicially affected, otherwise than for breach by ERA of the Agreement" (Clause 5.1(d))
  - ERA has numerous obligations in relation to rehabilitation and the environment
- **NT Minister will renew MLN1 subject to certain conditions**
  - Lease may be extended for a further term not exceeding ten years: "The Territory covenants with the lessees that, provided the lessees have complied with the Mining Act and the conditions to which this lease is subject, the Minister at the expiration of this lease and in accordance with that Act will renew this lease for a further term not exceeding ten (10) years." (Condition 2, MLN1)
  - Further renewals beyond an extension of up to 10 years are at the discretion of the Northern Territory Government:
    - MLN1 was granted following entry into an agreement with the Northern Land Council as required under section 43 of the Aboriginal Land Rights (Northern Territory) Act 1976 (Cth) (as it applied in 1982)
    - On 29 March 2023, ERA received a letter from the Northern Land Council, on behalf of the Mirarr Traditional Owners, indicating that in its view MLN1 is not able to be extended by the NT Minister beyond the extension for up to 10 years, and that a new section 43 agreement would be required
    - ERA disagrees with this assertion and considers that MLN1 is capable of further extension, subject to the exercise of discretion by the NT Minister. Clause 5.1 of the section 43 agreement contained a broad consent to all mining titles for Jabiluka
    - Notwithstanding this, ERA acknowledges that a range of matters will be relevant to the exercise of the NT Minister's discretion, including the views of the Mirarr Traditional Owners, and the Jabiluka Mineral Lease cannot be developed without the consent of the Mirarr Traditional Owners under the Long Term Care and Maintenance Agreement
- **The Commonwealth Government also plays a role in the renewal process**
  - Section 187(1) of the Mineral Titles Act 2010 (NT) (MT Act) limits the NT Minister's discretion when exercising a power under the MT Act in relation to a "prescribed substance" which includes uranium. It also provides that the NT Minister must exercise their powers in accordance with, and give effect to, the advice of the Commonwealth. Further, the NT Minister must not exercise their powers otherwise than in accordance with the advice of the Commonwealth. This is relevant because the NT Minister is exercising a power in renewing the Jabiluka Mineral Lease
  - Both the Uranium Mining Principles (agreement between the Commonwealth and Northern Territory Government dated 17 November 2000) and MOU (Memorandum of Understanding between the Commonwealth and Northern Territory Government dated 20 May 2005) reflect the position set out in MT Act so the Commonwealth is fundamental to the decision on whether MLN1 shall be renewed or whether an authorization should be granted in respect of MLN1

ERA Energy Resources Of Australia

# Jabiluka Mineral Lease *cont'd*

- **ERA holds the Jabiluka Mineral Lease**
  - Jabiluka Mineral Lease contains two ore bodies being Jabiluka 1 and the significantly larger Jabiluka 2 that contains approximately 137,100 tonnes of uranium ore equivalent to c. 302 million pounds ("Mlb") of uranium oxide ("U3O8") at an average grade of 0.55%
  - Jabiluka lies 22km north of the Ranger mine on the edge of the Magela Creek floodplain
- **Jabiluka 2 is one of the world's largest high grade uranium deposits and it remains one of ERA's key assets[(1)]**

**Jabiluka II Mineral Resource as at 31 December 2022**

| Classification | Tonnes (Mt) | Grade (% $U_3 0_8$) | Contained Metal (t $U_3 0_8$) |
|---|---|---|---|
| Measured | 1.21 | 0.89 | 10,800 |
| Indicated | 13.88 | 0.52 | 72,200 |
| Inferred | 10.00 | 0.54 | 54,000 |
| **Total** | **25.10** | **0.55** | **137,100**[(2)] |

2022 Jabiluka Ore Reserves and Mineral Resources Statement[(3)]

ERA Energy Resources Of Australia

Notes: (1) Please refer to page 30 of ERA's Annual Report 2022 for more details on the Jabiluka Mineral Resource; (2) Rounding difference may occur; (3) ERA is not aware of any new information or data that materially affects the information included in the 2022 statement and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

# Details of the Interim Entitlement Offer

# Overview of the Interim Entitlement Offer

| | |
|---|---|
| **Offer structure and size** | • 5 for 1 non-underwritten pro rata renounceable entitlement offer to raise up to approximately $369m<br>– Up to approximately 18,457m new fully paid ordinary shares to be offered (**New Shares**) to Eligible Shareholders at 7:00pm Sydney time on the Record Date (7:00pm Sydney time, Tuesday, 11 April 2023)<br>• New Shares issued under the Interim Entitlement Offer will rank equally with existing fully paid ordinary shares in ERA<br>• As the Interim 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)<br>• Entitlements trading commences on 14 April 2023 and ends on 28 April 2023 |
| **Offer price** | • Offer price of $0.02 per share<br>– 90.2% discount to ERA's 5-day VWAP of $0.20(1) and a discount of 60.7% to ERA's TERP of $0.05 per share as at 3 April 2023(2) |
| **Use of proceeds** | • The Interim Entitlement Offer is only an interim funding solution for the Company<br>• Proceeds from the Interim Entitlement Offer are expected to provide ERA with sufficient cash to:<br>– Fund its planned Ranger Project Area rehabilitation related expenditure to the end of Q2 2024<br>– Repay the Rio Tinto Credit Facility(3)<br>– Fund costs of the Interim Entitlement Offer |
| **Binding Pre-commitments** | • ERA has received binding pre-commitments from the Pre-committed Shareholders who have committed to subscribe for $355m in total<br>• Despite giving a pre-commitment Zentree has indicated that it does not consider the Offer to be in the best interests of ERA and Zentree reserves its rights |

Note: (1) Over the five trading day period ending 3 April 2023; (2) TERP is a theoretical calculation only and the actual price at which shares in ERA trade immediately after the ex date of the Interim Entitlement Offer will depend on many factors and may not be equal to TERP. The TERP calculation assumes the Interim Entitlement Offer is fully subscribed; (3) ERA has drawn down $100m of the Rio Tinto Credit Facility as a bridging loan facility with repayment expected to occur upon receipt of proceeds of the Interim Entitlement Offer.

# Overview of the Interim Entitlement Offer *cont'd*

| | |
|---|---|
| **Shortfall Facility** | • Eligible Shareholders (as described in Slide 2), other than Rio Tinto, who take up their entitlement in full may also apply for additional New Shares (**Additional New Shares**) at the Offer Price in excess of their entitlement under the shortfall facility (**Shortfall Facility**)<br>• The allocation of any Additional New Shares under the Shortfall Facility will be limited to the number of New Shares for which valid applications are not received before the Interim Entitlement Offer closes<br>– If the Shortfall Bookbuild does not clear above the Offer Price, Eligible Shareholders applying for Additional New Shares will receive Additional New Shares applied for in preference to any third party investor applications |
| **Shortfall Bookbuild** | • Euroz Hartleys Limited (**Euroz Hartleys**) has been appointed as broker to the Interim Entitlement Offer to undertake a back-end shortfall bookbuild (**Shortfall Bookbuild**) of any New Shares for which valid applications for entitlements are not received from Eligible Shareholders (or persons to whom their entitlements have been renounced) before the Interim Entitlement Offer closes (**Shortfall Shares**)<br>• Euroz Hartleys will invite applications from institutional and/or sophisticated investors for the Shortfall Shares at an issue price that is not less than the Offer Price. As noted above, Eligible Shareholders applying for Additional New Shares will receive Additional New Shares applied for in preference to any third party investor applications if the Shortfall Bookbuild does not clear above the Offer Price |

# Overview of the Interim Entitlement Offer *cont'd*

| | |
|---|---|
| **Rio Tinto will not be issued New Shares in excess of its entitlement** | • Rio Tinto will not be able to apply for Additional New Shares under the Shortfall Facility or the Shortfall Bookbuild, because ASX Listing Rule 10.11 prevents ERA from issuing Shortfall Shares to Rio Tinto without the approval of ERA shareholders. ERA is not proposing to seek the approval of ERA shareholders for this purpose<br>• **This means Rio Tinto will not be issued New Shares in excess of its entitlement** |
| **Nominee Sale Process** | • ERA has appointed Euroz Hartleys as nominee to sell the entitlements which would otherwise have been offered to those ERA shareholders as at the Record Date are not Eligible Shareholders (**Ineligible Shareholders**) if they were eligible to participate in the Interim Entitlement Offer<br>• If there is a viable market for entitlements, these entitlements will be sold by Euroz Hartleys to eligible investors (as outlined above), with the net proceeds, if any, distributed to the Ineligible Shareholders proportionately |
| **Rio Tinto Credit Facility** | • ERA has drawn down $100m of the Rio Tinto Credit Facility as a bridging loan facility to provide ERA with necessary liquidity for the purpose of rehabilitating the Ranger Project Area<br>• Repayment is expected to occur upon receipt of proceeds of the Interim Entitlement Offer<br>• See ERA ASX announcement from 27 March 2023 for more details |

ERA Energy Resources Of Australia

# Rio Tinto Voting Power

**Voting Power**

- **Rio Tinto's voting power could increase to up to 89.1% in ERA following completion of the Interim Entitlement Offer taking into account the binding pre-commitments and assuming no other shareholders (other than those who have pre-committed) participate and Shortfall Shares are not taken up**
  - Rio Tinto is not permitted under the ASX Listing Rules to participate in the Shortfall Facility or in the Shortfall Bookbuild, and accordingly will not be issued any New Shares in excess of its entitlement
  - As Rio Tinto's holding in ERA may increase as a result of the Interim Entitlement Offer, Rio Tinto have provided an intentions statement (attached to this presentation) in relation to ERA's business in accordance with Takeovers Panel Guidance Note 17
- **In the event that Rio Tinto beneficially owns 90% or more of the shares in ERA, Rio Tinto will have the option to compulsorily acquire the remaining ERA shares under Part 6A.2 of the Corporations Act 2001 (Cth)**
- **Noting that Rio Tinto's voting power could increase to up to 89.1% following completion of the Interim Entitlement Offer, Rio Tinto could subsequently seek to further increase its voting power in ERA, for instance by a subsequent acquisition of shares in ERA in reliance of the "creep" exception in item 9, section 611 of the Corporations Act, which, should Rio Tinto choose to do so, may enable Rio Tinto to beneficially own 90% or more of the shares in ERA (subject to available liquidity)**
- **Packer & Co and Zentree Investments Limited's % holding in ERA would have to reduce in order for Rio Tinto to own 90% or more of the shares in ERA**

# Proceeds of Interim Entitlement Offer

| Sources | Amount | Uses | Amount |
|---|---|---|---|
| Pre-committed proceeds of the Interim Entitlement Offer<br>(Proceeds from the Pre-committed Shareholders) | $355m | Proceeds from Interim Entitlement Offer contribute towards rehabilitation expenditure 1/1/23 to 30/6/24 and 2022 Feasibility Study costs | $252m |
| Uncommitted proceeds of the Interim Entitlement Offer<br>(Remainder, contingent upon participation from other ERA shareholders and the outcome of the Shortfall Bookbuild) | Up to $14 | Repayment of Rio Tinto Credit Facility[(1)] | $100m |
| | | Cost of the Interim Entitlement Offer | $3m |
| | | Uncommitted proceeds of the Interim Entitlement Offer (assuming fully subscribed) to be used for funding future Ranger Project Area rehabilitation costs | Up to $14m |
| **Total** | **Up to $369m** | **Total** | **Up to $369m** |

**ERA has sized the Interim Entitlement Offer with a view to ensuring it will have sufficient funds to enable ERA to undertake the following activities to the end of Q2 2024:**

- continue with planned rehabilitation activities, on an optimised basis, to the end of Q2 2024;
- complete the 2022 Feasibility Study and prepare a revised Mine Closure Plan consistent with the findings of the 2022 Feasibility Study;
- repay the Rio Tinto Credit Facility using proceeds from the Interim Entitlement Offer (as per the terms of the Rio Tinto Credit Facility)

Energy Resources Of Australia

Note: (1) ERA has drawn down $100m of the Rio Tinto Credit Facility as a bridging loan facility with repayment expected to occur upon receipt of proceeds of the Interim Entitlement Offer.

# ERA's liquidity position

# ERA's liquidity position

- ERA had approximately $561m of cash resources as at 31 December 2022 including $75m cash at bank (net of overdrafts), with the remaining $486m cash held by the Commonwealth Government as part of the Trust Fund. The Company has also procured $126m in bank guarantees(1). The cash held by the Trust Fund cannot be used for rehabilitation expenditure until drawdown is approved by the Commonwealth Government. This will first require re-evaluation of the required security as part of the APR process, which is expected to occur following completion of the 2022 Feasibility Study in September 2023. At that stage ERA may be required to provide additional security which may impact the ability to further drawdown funds until additional rehabilitation works are completed
- ERA has had to draw down on the amended Rio Tinto Credit Facility on 27 March 2023 to the sum of $100m given its liquidity position
- Under the Rio Tinto Credit Facility agreement, ERA must repay the principal outstanding amount of $100m when a liquidity event such as this Interim Entitlement Offer occurs
- The total expenditure expected to be incurred for planned Ranger Project Area rehabilitation activities from 1 January 2023 to the end of Q2 2024 is currently estimated at $404m
- In the absence of the Interim Entitlement Offer, and after taking into account the drawdown of the Rio Tinto Credit Facility, ERA's cash at bank is expected to be exhausted in Q3 2023 at the planned expenditure rate, and accordingly the Interim Entitlement Offer is being undertaken as an interim funding solution

ERA Energy Resources Of Australia

Notes: (1) $125m in bank guarantees are held by the Commonwealth as additional security for ERA's Ranger rehabilitation obligations and $1m in bank guarantees are separately held by the Northern Territory Government as an allowance for Jabiluka rehabilitation.

# Sources and uses of funds from 1 January 2023 to the end of Q2 2024

| Sources | Amount | Uses | Amount |
|---|---|---|---|
| Committed net proceeds of the Interim Entitlement Offer (Includes pre-commitments from the Pre-committed Shareholders, and deducts costs of Interim Entitlement Offer) | $352m | Optimised rehabilitation expenditure 1/1/23 to 30/6/24 and 2022 Feasibility Study costs(1) | $404m |
| Uncommitted proceeds of the Interim Entitlement Offer (Remainder, contingent upon participation from other ERA shareholders and the outcome of the Shortfall Bookbuild) | Up to $14 | Repayment of Rio Tinto Credit Facility(2) | $100m |
| Drawdown of Rio Tinto Credit Facility(2) | $100m | Uncommitted proceeds of the Interim Entitlement Offer (assuming fully subscribed) to be used for funding future Ranger Project Area rehabilitation costs | Up to $14m |
| Cash at bank (net of overdrafts)(3) | $75m | Corporate costs, working capital, funding costs and other costs | $19m |
| Net interest received | $7m | Holding costs and intended renewal of the Jabiluka Mineral Lease | $2m |
| | | Estimated cash at bank as at 30 June 2024 assuming only net pre-committed funds raised of $352m | $9m |
| **Total** | **Up to $548m** | **Total** | **Up to $548m** |

**On top of net proceeds from the Interim Entitlement Offer, ERA will use existing cash at bank and relevant net interest received to enable ERA to undertake the following activities to the end of Q2 2024(4):**

- fund corporate costs, working capital, funding costs and other costs;
- determine how best to manage, complete, and fund the balance of the cost of, the Ranger Project Area rehabilitation consistent with the 2022 Feasibility Study and the revised Mine Closure Plan;
- continue engaging with relevant Government authorities and other relevant stakeholders in relation to applying for a new section 41 Authority under the Atomic Energy Act, the receipt of necessary approvals for a revised Mine Closure Plan and arrangements concerning the Trust Fund; and
- fund holding costs and the intended renewal of the Jabiluka Mineral Lease (including upholding obligations under the Jabiluka Long Term Care and Maintenance Agreement)

**On completion of the Interim Entitlement Offer, subject to the finalisation of the 2022 Feasibility Study (which may result in these estimated costs of rehabilitation increasing) and ERA's internal cost review, at least an approximate additional $210m to $756m(5) may be required to fund the balance of the cost of the Ranger Project Area rehabilitation, based on the estimated 2021 major reforecast range of between $1.6bn and $2.2bn. ERA will consider available funding options for the additional amounts before the funds are expected to be required at the end of Q2 2024, which may include a further equity raise in 2024**

ERA Energy Resources Of Australia

Note: (1) The planned rehabilitation works to the end of Q2 2024 have been reviewed with a view to ensuring that the schedule for the overall project based on the alternative lower technical risk Pit 3 capping methodology (i.e. subaerial) is maintained to the greatest extent possible with a focus on essential activities; (2) ERA has drawn down $100m of the Rio Tinto Credit Facility as a bridging loan facility with repayment expected to occur upon receipt of proceeds of the Interim Entitlement Offer; (3) Includes around $19m in cash provisionally designated at the time of ERA's 2019 entitlement offer for prospective development opportunities or as otherwise as the ERA Board determines to be in the best interest of the company; (4) The following activities will be undertaken after the Rio Tinto Credit Facility has been repaid from the proceeds of the Interim Entitlement Offer; (5) Note this range takes into account a potential future drawdown in full of the Trust Fund post 2024.

# Interim Entitlement Offer timetable

# Interim Entitlement Offer timetable

| Event | Date |
|---|---|
| Announcement of Interim Entitlement Offer (including Investor Presentation) | Tuesday, 4 April 2023 |
| ASX release of Interim Entitlement Offer Information Booklet, Cleansing Statement and Appendix 3B | Tuesday, 4 April 2023 |
| Notice sent to all shareholders | Wednesday, 5 April 2023 |
| Ex-date | Thursday, 6 April 2023 |
| Entitlements trading on ASX begins on deferred settlement basis | Thursday, 6 April 2023 |
| Record date for eligibility in the Interim Entitlement Offer | 7:00pm Sydney time, Tuesday, 11 April 2023 |
| Interim Entitlement Offer opens | Thursday, 13 April 2023 |
| Notice sent to Eligible Shareholders with weblink to access personalised Entitlement and Acceptance Form and the Interim Entitlement Offer Information Booklet | Thursday, 13 April 2023 |
| Entitlement trading on ASX on normal settlement basis begins | Friday, 14 April 2023 |
| Entitlements trading on ASX ends | 4:00pm Sydney time, Friday, 28 April 2023 |
| New Shares under the Interim Entitlement Offer commence trading on ASX on deferred settlement basis | Monday, 1 May 2023 |
| Last day to extend the Interim Entitlement Offer closing date | Tuesday, 2 May 2023 |
| Interim Entitlement Offer closes | 5:00pm Sydney time, Friday, 5 May 2023 |
| Announcement of results of issue | Tuesday, 9 May 2023 |
| Determination of allocation under Shortfall Facility and Shortfall Bookbuild | Tuesday, 9 May 2023 |
| Notification of shortfall to ASX | Wednesday, 10 May 2023 |
| Issue of New Shares under the Interim Entitlement Offer | Before 12:00pm Sydney time, Friday, 12 May 2023 |
| New Shares under the Interim Entitlement Offer commence trading on ASX on a normal settlement basis | Monday, 15 May 2023 |

*ERA reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to withdraw or vary the dates of the Interim Entitlement Offer at its discretion and without notice. In particular, ERA reserves the right to extend the closing date of the Interim Entitlement Offer or accept late applications, either generally or in particular cases, without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

# Key risks

# 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.

The rehabilitation of the Ranger Project Area is the largest ever project of its kind in Australia with unique levels of complexity and risk. In light of this and the other risks to which ERA's operations are subject, 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 Interim 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 Interim 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. ERA may be subject to adverse effects which are collectively greater than the effect of such risks materializing in a mutually exclusive manner.

**1. RISKS RELATING THE RANGER PROJECT AREA AND THE REHABILITATION PROJECT**

**1.1 Change in Rehabilitation estimate and provision**

In accordance with applicable Commonwealth and Northern Territory Government statutory requirements, ERA ceased mining and processing activities at the Ranger Project Area in January 2021 and must fully rehabilitate the site by January 2026. However, under the amended Atomic Energy Act 1953 (Cth) (amended pursuant to the Atomic Energy Amendment (Mine Rehabilitation and Closure) Act 2022 (Cth)), ERA anticipates receiving approval to continue rehabilitation beyond 8 January 2026, so that rehabilitation of the Ranger Mine can continue until the rehabilitation process is complete. Furthermore, the preliminary findings of the Reforecast (as announced to ASX on 2 February 2022) indicate that the revised total cost and schedule for completing the rehabilitation of the Ranger Project Area have both increased substantially compared to the 2019 Feasibility Study.

Ultimately, the cost of rehabilitation of the Ranger Project Area is uncertain and requires matters involving estimation and judgment. As described earlier in this presentation, ERA is undertaking the 2022 Feasibility Study in connection with a lower technical risk rehabilitation methodology (primarily relating to the subaerial capping of Pit 3) which is preferred by ERA and to further refine the Ranger Project Area rehabilitation execution scope, risks, cost and schedule. It is possible that, following the 2022 Feasibility Study, ERA's rehabilitation costs may be more (or less) than the current rehabilitation provision estimated by the Company and further work may need to be undertaken after the completion of the 2022 Feasibility Study (currently expected to complete in September 2023) which may impact in additions to the estimated costs ranges. Such variation in costs could result from factors beyond ERA's control such as legal requirements, technological changes, environment conditions, labour costs and availability, impact of pandemics including but not limited to COVID-19, weather events and market conditions.

The Company notes that the revised estimates from the Reforecast are in accordance with the methodology set out in the Mine Closure Plan which has been subject to further updates. As previously announced to ASX including in the Annual Report for 2022, released on 13 March 2023 (**Annual Report 2022**) ERA is undertaking the 2022 Feasibility Study which will lead to a revised Mine Closure Plan. However, it is anticipated that under the current and any revised Mine Closure Plans there will be schedule overruns (caused by a number of factors including complexities in technical risk management, project delays and additional scope matters involving unbudgeted costs) of the current s 41 Authority project end date and potential increases in rehabilitation costs. Any increase in rehabilitation costs is likely to have a material adverse effect on ERA's business and its financial position and performance. As indicated previously, ERA notes that the rehabilitation project continues to be exposed to challenging conditions, including tight labour market conditions, supply chain constraints and inflationary pressures being experienced across the broader industry.

# Key risks

**1.2 Water treatment and injection of waste brines**

Management of water on the Ranger Project Area is critical to ongoing rehabilitation activities. ERA has a number of procedures and initiatives underway in respect to water management, including the upgrade to the capacity of the Brine Concentrator which was commissioned in February 2021.

Recent performance of the water treatment plant is below the planned performance assumed in ERA's water model. ERA has already commenced mitigation efforts and, as part of the 2022 Feasibility Study, will review the adequacy of the water infrastructure and the water model. Treatment rates of process water through the Brine Concentrator were adversely impacted by plant reliability issues resulting in production rates falling below design criteria volumes. ERA is working with the operator to put in place a sustainable recovery plan.

Unless this deficit in performance can be addressed, it is likely that further costs will be incurred and there will be potential delays in completion of the Rehabilitation.

To the extent that any of these initiatives cost more than expected or ERA is required to implement further initiatives (such as the installation of additional water treatment capability), the rehabilitation cost may increase further.

In addition, as a result of treating processed water, a waste stream of contaminated salt is generated. The salt is ultimately to be stored below tailings in Pit 3 via injecting the brine through bore holes. 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 the rehabilitation estimate and resulting provision and may not be available to ERA.

**1.3 Tailings Consolidation**

Following the completion of the transfer of tailings to Pit 3, the wicking 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, with the forecast consolidation timeframes backed up by a detailed model based on in situ testing of site tailings. The consolidation model predictions of rates of process water expression are impacted by many factors, including tailings density and other characteristics, deposition method and free process water volume in the pit during deposition. Detailed engineering continues to further refine the scope of work. The impact to the rehabilitation cost and resulting provision, if any, will be further evaluated as part of the assessment of the alternative Pit 3 capping methodology during the 2022 Feasibility Study to be completed in September 2023. These impacts have been considered in the Reforecast, but to the extent tailings consolidation and process water expression extend further, this could have additional adverse impacts on cost and schedule of completing rehabilitation.

**1.4 Bulk Material Backfill**

Once capping of Pit 3 is complete, large scale bulk material backfill and landform shaping will occur. Bulk material movements are sensitive to the volume of material which is to be moved and the schedule of movement. To the extent volumes or costs of movement change, there may be a material impact on the rehabilitation cost or schedule.

**1.5 Ranger Rehabilitation Special Account (Trust Fund)**

Under the Ranger Uranium Project Government Agreement, ERA is required to maintain the 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. 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.

As at 31 December 2022, ERA had $486 million in cash held by the Commonwealth Government in the Trust Fund. In addition, bank guarantees procured by ERA totalling $125 million(1) are held as additional security for ERA's Ranger rehabilitation obligations.(2) These bank guarantees were provided to the Commonwealth Government based on its review, in February 2020, of the 44th Annual Plan of Rehabilitation submitted by ERA (i.e. prior to the preliminary findings of the Reforecast).

ERA has agreed amendments to the Ranger Uranium Project Government Agreement with the Commonwealth to introduce a clearer framework for managing the amount of security held by the Commonwealth and releasing funds from the Trust Fund for completed rehabilitation works. Under this new framework, ERA was entitled to submit a one-off interim payment request for the release from the Trust Fund of an amount representing a portion of the cost of rehabilitation works performed at Ranger between 9 January 2021 and 30 June 2022. As a result of this, $57m was received in November 2022.

(1) $125m in bank guarantees are held by the Commonwealth as additional security for ERA's Ranger rehabilitation obligations

(2) Excludes $1m bank guarantee provided for Jabiluka, separately held by the Northern Territory Government as an allowance for Jabiluka rehabilitation

# Key risks

However, any further drawdown of funds under this framework will first require revaluation of the security following ERA's internal cost review, expected to occur after completion of the 2022 Feasibility Study in September 2023. Given the expected increase in the Ranger rehabilitation costs, ERA may be required to provide additional security or funds into the Trust Fund – in other words there is a risk that ERA would not be able to draw down funds held in the Trust Fund and would in fact need to contribute further funds into the Trust Fund.

ERA has confirmed with the Commonwealth that none of the proceeds raised from this Interim Entitlement Offer will be put into the Trust Fund to provide additional security. On 10 March 2022, the Commonwealth confirmed that it will not commence its Annual Plan of Rehabilitation 45 (**APR 45**) assessment to determine the quantum of funds to be deposited with the Commonwealth Trust as required under the Ranger Uranium Project Government Agreement, until after its internal cost review has been completed and funding arrangements had been finalised. ERA expects that the APR 45 assessment would commence in Q2 2024.

ERA's ability to continue to access financial guarantees can be influenced by many factors, including its potential future cash balance, cash flows and shareholder support. Issuers of the bank guarantees have certain pay and walk rights and the guarantees are subject to periodic reviews. Should the banks execute their pay and walk rights or ERA is unable to access bank guarantees, substantial additional cash would be required to indemnify the banks or 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.

**1.6 Jabiru properties**

Jabiru was transitioned to an Aboriginal township lease under Section 19A of the Aboriginal Land Rights (Northern Territory) Act 1976 (Cth) in June 2021, however ERA has remained a major tenant in the town under an interim agreement with the Gundjeihmi Aboriginal Corporation Jabiru Town (**GACJT**). ERA's licence to occupy the Jabiru properties expires on 31 December 2023. The terms and any associated costs of any future license extension or sublease to allow ERA to continue to remain in Jabiru are uncertain and will be subject to the approval of GACJT. These processes may result in higher costs than currently projected by ERA. ERA acknowledges the Gundjeihmi Aboriginal Corporation (**GAC**) commissioned the Stafford Strategy which focuses on repurposing of the Jabiru township from mining to tourism.

**1.7 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 rehabilitation activities, including but not limited to an increase in process water inventories. Wet seasons that significantly 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 activities. This may have a material impact on schedule and cost, including but not limited to, requiring additional process water treatment capacity. Accordingly, this may affect ERA's financial position and performance.

**1.8 Environmental risk**

A condition of the s 41 Authority granted to ERA 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 require careful management.

The updated Mine Closure Plan for Ranger is still to be finalised and agreed to by stakeholders (including, in particular, the Minesite Technical Committees). There is a risk that the process to agree the environmental conditions will give rise to additional rehabilitation obligations which may impact on costs and/or schedule.

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;
- the impact of surface water on groundwater under the site and on surrounding environment;
- the 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
- the 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

**2. RISKS RELATING TO JABILUKA**

**2.1 Jabiluka Mineral Lease**

ERA also holds title to the Jabiluka Mineral Lease. The Jabiluka Mineral Lease (being an undeveloped property as noted in ERA's Annual Report 2022) is currently held subject to the Long Term Care and Maintenance Agreement with the Mirarr Traditional Owners (**Traditional Owners**). Under this agreement, the Jabiluka deposit cannot be developed without the approval of the Traditional Owners and the Traditional Owners have publicly indicated that there is "no consent from Mirarr for mining at Jabiluka". Given this stated position of the Traditional Owners, there is a high risk that this approval will not be forthcoming and, by extension, that the Jabiluka deposit will not be developed. Should this approval not eventuate in the future, the Jabiluka Mineral Lease would face full impairment.

Following entry into the Long Term Care and Maintenance Agreement, and in recognition of the fact that the Jabiluka deposit cannot be developed without Traditional Owners' approval, the Northern Territory government entered into a Waiver Agreement with ERA, which waives the requirement for ERA to use the area the subject of the Jabiluka Mineral Lease continuously and exclusively for the purposes for which the Jabiluka Mineral Lease was granted (**Waiver Agreement**). The Waiver Agreement can be terminated in a number of circumstances, including for non-compliance with its conditions and by the Northern Territory government on six months' written notice. If the Waiver Agreement is terminated, ERA may not be able to comply with the conditions of the Jabiluka Mineral Lease, which could prejudice the prospects of renewal.

Furthermore, the Jabiluka Mineral Lease is due for renewal in August 2024. ERA intends to commence the process to apply for renewal of the Jabiluka Mineral Lease in 2023. Provided that ERA has complied with all of its obligations under the Jabiluka Mineral Lease and the Mining Act 1980 (NT) which has now been repealed and replaced with the Mineral Titles Act 2010 (NT) (together, the **Mining Act**), the Jabiluka Mineral Lease provides that at the end of the Jabiluka Mineral Lease and in accordance with the Mining Act, the Northern Territory government will renew the Jabiluka Mineral Lease for a further term not exceeding 10 years. A renewal of the Jabiluka Mineral Lease beyond the further term of up to 10 years is not guaranteed, as any further renewals will require the NT Minister to exercise their discretion, including having regard to the views of the Traditional Owners (and, as noted on page 20, the Northern Land Council, on behalf of the Mirarr Traditional Owners, has indicated that in its view the Jabiluka Mineral Lease is not able to be extended by the NT Minister beyond the extension for up to 10 years, and that a new section 43 agreement would be required). Whether the NT Minister's discretion would be exercised in favour of any further renewals of the Jabiluka Mineral Lease is uncertain, given the positions expressed by certain stakeholders against the development of Jabiluka and renewal of MLN1 (including the Traditional Owners and the Gundjeihmi Aboriginal Corporation). The NT Minister must also act in accordance with the advice of the Commonwealth and must not exercise their powers otherwise than in accordance with the advice of the Commonwealth.

The valuation of Jabiluka requires a high degree of judgment. The carrying value of the Jabiluka Mineral Lease ($90 million) as set out in ERA's Annual Report 2022 takes into account the above uncertainties, as well as certain other underlying assumptions concerning the valuation of the Jabiluka Mineral Lease (including probability of future development (including the probability of obtaining the necessary approvals), the potential for the NT Minister to amend the conditions of the Jabiluka Mineral Lease, uranium oxide prices (such as term contract price premiums in the future), foreign exchange rates, production and capital costs, discount rate and mineral resources, lease tenure renewal and development delays). Any change to ERA's underlying assumptions regarding the Jabiluka Mineral Lease may result in further impairment which could adversely affect ERA's financial position.

**2.2 Uranium market demand and price risks**

Fluctuations in the global uranium market may materially affect the valuation of the Jabiluka Mineral Lease and consequently ERA's financial position.

With the growing reliance on renewable energy, there may be increased demand for uranium to offset the use of fossil fuels, however 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.

# Key risks

**3. RISKS RELATING TO THE INTERIM ENTITLEMENT OFFER AND OTHER GENERAL AND SPECIFIC RISKS APPLICABLE TO ERA**

**3.1 Valuation of ERA and its shares**

The valuation of ERA and its shares is uncertain and requires a high degree of judgment. There is a risk that the ERA's shares may trade at a price that is lower than the price under which New Shares are offered under the Interim Entitlement Offer.

An independent valuation report was previously prepared by Grant Thornton and released on ASX on 26 September 2022, in which Grant Thornton valued ERA at between $0.159 and $0.243 per share, subject to a number of assumptions set out in the report. This valuation assigned a value of between $982 million and $1,284 million to the Jabiluka Mineral Lease, which significantly exceeds the carrying value of $90 million assigned to that asset in ERA's financial statements. The assumptions set out in the report underpinning this valuation may differ from the current factual setting or the current views held by ERA in relation to the Jabiluka Mineral Lease. However, ERA continues to believe that an adjustment to that carrying value is not warranted, for reasons explained ERA's Annual Report 2022.

As set out in ERA's Annual Report 2022:

- Valuation of the Jabiluka Mineral Lease requires a high degree of judgment, and is dependent on a number of factors including the probability of future development (which includes an assessment of obtaining any required approval and/or support of various stakeholders, including 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 (August 2024) and development delays. In particular, the consent of the Traditional Owners would be required for such development and the Traditional Owners have indicated that "there is no consent from Mirarr for mining at Jabiluka". Refer to section 2.1 of these Key Risks for further detail.

- The Company is subject to very significant contractual rehabilitation obligations. The ultimate cost of rehabilitation is uncertain and can vary in response to many factors including legal requirements, technological change, weather events and market conditions. The 2022 Feasibility Study is underway and scheduled for completion in September 2023. As such it is reasonably possible that outcomes from within the next financial year may be different from the current cost estimate and could require material adjustment to the rehabilitation provision for the Ranger Project Area.

**3.2 Future access to capital**

The Interim Entitlement Offer is an interim funding solution for the Company. Proceeds from the Interim Entitlement Offer are expected to provide ERA with sufficient cash to fund its planned activities until quarter 2 2024. This assumes no change to the security required to be contributed into the Trust Fund in that period. ERA's current best estimate is that it will need to raise up to approximately $355 million to undertake these activities during the interim funding period. However, risks exist that the amount raised will be insufficient for the planned activities and further funds will required before Q2 2024.

ERA will in any event require additional funding beyond the Interim Entitlement Offer, including to complete the rehabilitation of the Ranger Project Area. It is anticipated that ERA will undertake one or more transactions for raising additional funds for, among other things, Ranger Project Area rehabilitation costs in 2024. There can be no assurance that additional funding will be available in the future.

Any inability to obtain additional capital or, should it choose to do so, 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.

**3.3 Financial position**

After completion of the Interim Entitlement Offer, ERA's financial position will remain in a net deficit position. ERA has no current source of income and hence ERA's ability to effectively complete rehabilitation and undertake growth actvities depends on its ability to raise additional capital, the prospects of which as noted above are subject to risk. If ERA is unable to obtain such additional funding as required, or on favourable terms, this could have a material adverse effect on ERA's financial position and prospects.

**3.4 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 support on an arm's length basis. Upon request, Rio Tinto is also able to provide project execution and technical support services to ERA. 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

**3.5 Rio Tinto voting power**

Rio Tinto's current voting power in ERA is 86.3%. Rio Tinto's voting power could increase to up to 89.1% in ERA following completion of the Interim Entitlement Offer taking into account the binding pre-commitments and assuming no other shareholders (other than those who have pre-committed) participate and Shortfall Shares are not taken up. Rio Tinto may in the future acquire further interests of up to 3% over a 6 month period. If this occurs, Rio Tinto 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").

**3.6 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 that Rio Tinto and its related bodies corporate may increase their relevant interest in ERA through their commitment to take up their entitlements under the Interim Entitlement Offer (and assuming other shareholders do not take up their full entitlement), it is likely that there will be an adverse impact on free float. 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 or actual ability to sell their holdings. 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 Interim Entitlement Offer.

**3.7 Dilution of existing shareholders in ERA**

If Eligible Shareholders do not participate in the Interim Entitlement Offer, then their percentage shareholding in ERA will be diluted and they will not be exposed to future increases or decreases in ERA's share price in respect of those New Shares that would have been issued to them had they participated in the Interim Entitlement Offer.

**3.8 Risk of selling or transferring Entitlements**

An Eligible Shareholder who does not wish to take up Entitlements can sell them on ASX or transfer them to another person or entity (excluding Rio Tinto) other than on ASX during the trading period. Prices obtainable for Entitlements may rise and fall over the trading period and liquidity may vary. Sale of Entitlements at one stage in the trading period may result in a higher or lower price of a sale of Entitlements at a different stage in the trading period or through the Shortfall Bookbuild (as set out on slide 24). There is no guarantee that there will be a viable market during, or on any particular day in, the trading period, on which to sell Entitlements on ASX. Eligible Shareholders who wish to sell their Entitlements may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for Entitlements.

If an Eligible Shareholder chooses to transfer Entitlements to another person or entity other than on ASX, there is no guarantee that there will be value received for transferred Entitlements. Eligible Shareholders should also note that a sale of all or part of your Entitlements could result in the selling Eligible Shareholder's percentage shareholding in ERA being diluted as a result of not participating to the full extent in the Interim Entitlement Offer.

The tax consequences from selling or transferring Entitlements or from doing nothing may be different. Before selling or transferring Entitlements, Eligible Shareholders should seek independent tax advice and may wish to refer to the tax information contained in the Interim Entitlement Offer Information Booklet which will provide further information on potential taxation implications for certain Australian shareholders.

**3.9 Litigation risk**

ERA is subject to litigation. Shareholders have previously threatened to take action and/or commenced proceedings (including before the Takeovers Panel) against ERA and/or its directors in relation to governance and/or the Interim 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. Such claims and/or proceedings may impact ERA's ability to complete the Interim Entitlement Offer under the scheduled timeline as a result of Court or Takeovers Panel orders, or otherwise. This may have materially adverse impacts on ERA, as well as on persons who have disposed of their entitlements who may experience delays in receiving value for such disposals if the Interim Entitlement Offer is delayed.

Furthermore, 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 ERA 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.

# Key risks

**3.10 Key persons, organisational structure and resourcing**

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.

Furthermore, ERA's ability to successfully execute the rehabilitation of Ranger and any subsequent projects is dependent on ERA having not only the right human resources to execute such projects but also the appropriate organisational structure and culture. Any weaknesses or inefficiencies in the organisational structure or culture could result in project deficiencies not being appropriately identified or escalated in a timely or appropriate manner and result in cost overruns or schedule delays to ERA's projects including rehabilitation. This may adversely affect ERA's operations and financial performance.

**3.11 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 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.

Nor is there any guarantee that ERA will be able to secure or maintain title to ERA's exploration and mining tenements. In particular, ERA's right to operate at the Ranger Project Area expired in January 2021 and it is not permitted to renew this right for any purpose other than rehabilitation. As noted in section 1.1 above, under the amended Atomic Energy Act 1953 (Cth) ERA anticipates receiving approval to continue rehabilitation beyond 8 January 2026 so that rehabilitation of the Ranger Mine can continue until the rehabilitation process is complete.

Any prospective development opportunities in which ERA is, or may become, involved are subject to risks which can impact project development and operations, including technical risk, obtaining necessary stakeholder and regulatory approvals, changes in resources, 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 of, various stakeholders, including the Traditional Owners, shareholders and regulatory bodies, prior to any prospective development proceeding.

Prospective developments may also require 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.

**3.12 Supply chain and counterparty risk**

ERA's operations take place within a complex supply chain. The operations (including its rehabilitation obligations) are dependent on suppliers of services, equipment and infrastructure to ensure its projects and operations can be executed effectively and to ensure obligations are met. Failure of significant components of this supply chain due to strategic factors such as business failure or serious operational factors, could have an adverse effect on ERA's operations.

ERA relies on various key supplier relationships and on contractors to conduct aspects of its rehabilitation project. As such, ERA is exposed to risks related to their activities. A loss or deterioration in any of these key supplier relationships or a failure by contractors or other counterparties to perform and manage their obligations to an acceptable standard and in accordance with key contracts could have a material adverse effect on ERA's operations, financial position and prospects. This is beyond ERA's control.

# Key risks

**3.13 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 or as regulatory requirements change. 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 any development and mining plans that ERA may have in the future (noting ERA does not have any current plans for development and mining as its immediate focus is on completing the rehabilitation of the Ranger Mine).

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, which are likely to have a material adverse effect on ERA's financial position and performance.

The JORC Code 2012, which ERA's reserves and resources are assessed against is currently undergoing a review. The review is considering nine key areas for detailed review as follows:

- Competent Person
- Reasonable Prospects for Eventual Economic Extraction (**RPEEE**)
- Environmental, Social, Governance (ESG)
- Reporting of Risks
- Reconciliation Performance Reporting
- Guidance notes
- Use of JORC Code for non-reporting purposes
- Relationship to ASX Listing Rules and/or to other Codes
- Other Issues (including format and structure)

The implications of the JORC review on the reporting of ERA's reserves and resources are not yet known. Should the JORC code be updated, or the industry move to a more prescriptive view on the RPEEE, the continued reporting of the Jabiluka mineral resource may change in the future.

**3.14 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. Operational aspects that may be affected include, among other things, land access rights, the granting of licenses 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

### 3.15 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 Industry, Tourism and Trade (**DITT**), the Commonwealth Department of Industry, Science and Resources (**DISR**), the Commonwealth Supervising Scientist Branch (**SSB**) (part of the Department of Climate Change, Energy, the Environment and Water) and the Gundjeihmi Aboriginal Corporation and the Northern Land Council (**NLC**) (representing the Mirarr), all of which are represented, together with ERA, on the Ranger and Jabiluka Minesite Technical Committees;
- 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 of ERA, DITT, GAC, NLC, DISR and SSB – 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. The process to obtain such regulatory approvals may be delayed for reasons beyond ERA's control. If these regulatory approvals are not obtained in a timely manner, obtained on unsatisfactory conditions or the resulting outcome is unsatisfactory, 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.

In relation to Ranger 3 Deeps, ERA has ceased to be authorised to conduct mining operations in the Ranger Project Area. Accordingly, development of Ranger 3 Deeps is not an authorised activity and ERA is not pursuing such an authority in relation to Ranger 3 Deeps. As noted above, ERA anticipates receiving approval to continue rehabilitation beyond 8 January 2026 under the amended Atomic Energy Act 1953 (Cth) (for the purpose of rehabilitation activities only) which will permit ERA to continue rehabilitation of the Ranger Project Area.

In relation to Jabiluka, ERA has entered into the 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 approval of the Mirarr people. While renewal of the lease in respect of Jabiluka is to be prepared, there is no guarantee that this approval will be forthcoming and, by extension, that the Jabiluka deposit will be developed.

### 3.16 Security of Tenure and amendments to 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 rehabilitation activities on the Ranger Project Area pursuant to the s 41 Authority. The Atomic Energy Act 1953 (Cth) is administered by the DISR. Under the s 41 Authority, ERA had authority to produce uranium oxide at the Ranger Project Area until January 2021 and must fully rehabilitate the site by January 2026. However, pursuant to the amended Atomic Energy Act 1953 (Cth) (amended by the Atomic Energy Amendment (Mine Rehabilitation and Closure) Act 2022 (Cth)), ERA anticipates approval to continue rehabilitation beyond 8 January 2026, so that rehabilitation of Ranger Mine can continue until the rehabilitation process is complete. ERA has commenced negotiations with the GAC and NLC on the application for a new s 41 Authority.

### 3.17 Nature of uranium production

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. As mentioned above, following entry into the Long Term Care and Maintenance Agreement, the Jabiluka deposit cannot be developed without the approval of the Traditional Owners.

# Key risks

**3.18 Operational risks**

ERA's activities 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.

**3.19 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, 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 outflows 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 condition and performance of ERA and its ability to meet its rehabilitation obligations.

**3.20 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).

**3.21 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 had approximately $293 million in tax losses (at 30 per cent) as at 31 December 2022 that are not recognised as deferred tax assets due to uncertainty regarding ERA's ability to generate adequate levels of future taxable profits. This treatment is reviewed periodically. Should future taxable profits eventuate this treatment will not impact ERA's ability to utilise available tax losses in future periods. However, judgement is required in regard to the application of income tax legislation. There is an inherent risk and uncertainty in applying these judgements and a possibility that changes in legislation will impact the carrying amount of deferred tax assets and deferred tax liabilities recognized on the balance sheet.

**3.22 Insurance**

ERA endeavours to maintain insurance within ranges of coverage in accordance with industry practice. There is a risk that ERA's insurance may not be of a nature or level to provide adequate cover. The occurrence of an event that is not covered or fully covered could have an adverse effect on ERA's business and its financial position and performance as well as its ability to meet its rehabilitation obligations.

**3.23 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

**3.24 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 condition 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 condition 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 (including oil) 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.

# 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 2021.

Other than in the Interim 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.

**United States**

This presentation and any other materials relating to the Interim 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 Interim 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.

# Selling restrictions / jurisdictions *cont'd*

**Singapore**

This presentation has not been registered as a prospectus with the Monetary Authority of Singapore and the New Shares will be offered pursuant to one or more exemptions under the Securities and Futures Act 2001 of Singapore (the **SFA**). Accordingly, this Booklet and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the New Shares may not be 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 any person in Singapore other than on reliance of one or more exemptions under the SFA and in accordance with the conditions of, any other applicable provision of the SFA. Save for the Eligible Shareholders in reliance of one or more exemptions under the SFA, the Interim Entitlement Offer is not directed or targeted at persons in Singapore.

Where the New Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor) (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the New Shares pursuant to an offer made under Section 275 of the SFA except:

- to an investor as defined under Section 4A of the SFA or to a relevant person as defined in Section 275(2) of the SFA, or to any person pursuant to an offer referred to in Section 275(1A) or Section 276(4)(institutional)(B) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- pursuant to Section 276(7) of the SFA; or
- as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018

# Selling restrictions / jurisdictions *cont'd*

**Hong Kong**

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

**Switzerland**

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

# Rio Tinto Intention Statement

**Background**

Given Rio Tinto's current shareholding in ERA and the potential for its relevant interest to increase marginally from 86.3% to approximately 89.1% as a result of Rio Tinto's participation in the proposed Interim Entitlement Offer (depending on the extent of participation by other ERA shareholders) in order to comply with Takeovers Panel Guidance Note 17, Rio Tinto sets out the following information regarding its intentions in relation to the continuation of the business of ERA; any major changes to the business of ERA and any redeployment of ERA resources; and the future employment of the present employees of ERA on completion of the Entitlement Offer.

These intentions are based on the information concerning ERA, its business and the general business environment which is known to Rio Tinto at the time of preparation of this Offer Booklet. Final decisions regarding these matters will only be made by Rio Tinto in light of material information and circumstances at the relevant time, including the outcome of the 2022 Feasibility Study and subsequent revisions to the Ranger Mine Closure Plan (Closure Plan) (described in further detail below). Accordingly, the statements set out in this section are statements of current intention only, which may change as new information becomes available to Rio Tinto or as circumstances change.

Rio Tinto notes that the total expenditure, time and proposed process to complete rehabilitation of the Ranger Project Area are currently uncertain. However, Rio Tinto anticipates, in line with disclosures made by ERA to the market, that further funding will be required.

In line with disclosures by ERA to the market, Rio Tinto notes that, once there is sufficient information known to ERA regarding the update required to the Closure Plan and the costs to implement the revised Closure Plan, ERA will consider further funding options to ensure that ERA is either sufficiently capitalised or has access to sufficient resources to fund the balance of the revised rehabilitation expenditure provision for the Ranger Project Area. Rio Tinto reiterates its commitment to working with ERA to ensure the rehabilitation of the Ranger Project Area is successfully achieved. Rio Tinto will consider participation in such further funding solutions at the relevant time, subject to acceptable terms.

**General intentions in respect of the future conduct of ERA’s business**

Rio Tinto’s present intention is for ERA to continue its business under the supervision of the ERA Board with the primary objective of ensuring that the rehabilitation of the Ranger Project Area is successfully achieved in compliance with ERA’s obligations and in accordance with the Closure Plan.

Rio Tinto notes that in May 2022 ERA commenced the 2022 Feasibility Study in connection with a lower technical risk rehabilitation methodology (primarily relating to the subaerial capping of Pit 3) and to further refine the Ranger Project Area rehabilitation execution scope, risks, cost and schedule, a process which ERA has stated it expects to be completed in September 2023. As this process is ongoing, it is not clear as at the date of this Offer Booklet whether ERA will continue its business in substantially the same manner as it is presently conducted or whether changes will be required. Once the outcomes of the 2022 Feasibility Study and revised Closure Plan has been considered and approved by the ERA Board (which ERA expects to be in mid-2024), Rio Tinto understands and intends that ERA's business will be conducted consistent with the revised Closure Plan and that any changes to the manner in which ERA currently conducts its business will be limited to changes necessary to implement the revised Closure Plan.

As previously mentioned, based on the preliminary findings of the Reforecast, ERA does not expect to meet the current timeframe to complete the rehabilitation of the Ranger Project Area pursuant to the current s41 Authority, being January 2026. In order to provide access to the Ranger Project Area beyond January 2026, a new s41 Authority is required which first required an amendment to the Atomic Energy Act 1953 (Cth). On 24 November 2022, Parliament passed amendments to the Atomic Energy Act 1953 (Cth) allowing additional time for ERA to complete the rehabilitation of the Ranger Project Area, including long term monitoring and maintenance. ERA has commenced discussions to apply for a new s41 Authority and is working collaboratively with Gundjeihmi Aboriginal Corporation, the Northern Land Council (NLC), and relevant Government departments to progress this application and associated agreements, which ERA will continue to progress throughout 2023.

# Rio Tinto Intention Statement *cont'd*

**Employees**

Rio Tinto notes that ERA's ongoing employment requirements are a matter for ERA. In response to a review commissioned by ERA and conducted by Bechtel, ERA has implemented a number of initiatives to seek to strengthen its in-house project execution capability including:

- ERA's transition to a 'project-focused' model by implementing an Integrated Project Management Team (IPMT) with Bechtel to facilitate a fit-for-organisation with improved execution, reporting and governance systems. The transition to the IPMT commenced in December 2022;
- a detailed project schedule incorporating the alternative lower technical risk Pit 3 capping methodology (i.e. subaerial) is being developed as part of the 2022 Feasibility Study;
- organisational redesign and engaging with industry partners to 'buy, borrow and build' required capabilities to accelerate the business transformation continued; and
- Project Director commenced on 24 October 2022 to oversee the execution of the Ranger Rehabilitation Project, reporting to the Chief Executive Officer.

Rio Tinto notes that ERA's decision to implement an IPMT has resulted in a change in ERA's workforce, however, the ongoing employment requirements will be a matter for the ERA board to consider, with input from the management of ERA.

**Assistance with rehabilitation management**

At ERA's request, Rio Tinto provides project support, which includes organisational and technical support. Rio Tinto have offered this technical support to ERA to allow it to leverage Rio Tinto's technical expertise and experience in rehabilitation projects of significant size and complexity to assist ERA to complete the 2022 Feasibility Study.

This assistance is in addition to the ongoing technical and functional support that Rio Tinto provides ERA through existing service arrangements.

**Jabiluka**

Rio Tinto intends to continue to support ERA's commitments in the Long Term Care and Maintenance Agreement that the Jabiluka deposit will only developed with the prior consent of the Mirarr Traditional Owners and acknowledges that the Mirarr People are opposed to development and renewal of the Jabiluka mineral lease.