



ERA Energy Resources of Australia Ltd

2020 Full Year Results

Additional Information for the Financial Community

February 2021





Forward-looking statements

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Forward-looking statements

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

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

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

Competent Person

The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is extracted from the ERA 2020 Annual Statement of Reserves and Resources which was released to the market on 15 February 2021 and is available to view at www.energyres.com.au under ASX Announcements or click [here](#). ERA confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. ERA confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.



Acknowledgement of Traditional Owners

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

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



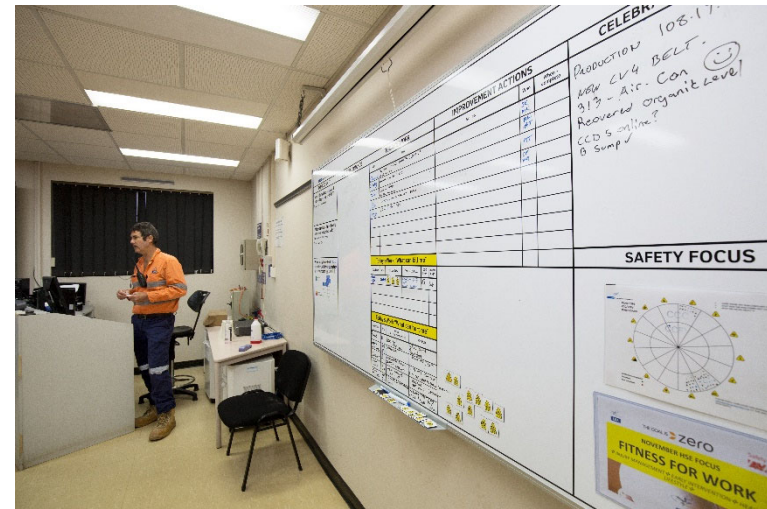
Artist: Tim Djandjomerr (Community Relations Office wall painting)



Health and safety

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

- ERA continues to implement programs with the objective of Zero Harm, whereby all employees and contractors return to their home and families injury-free after each shift
- 50% reduction in All Injury Frequency Rate¹ for 2020 to 0.53 (compares to 1.07 in 2019)
- 2020 health and safety initiatives have focused on:
 - Successful management of the COVID-19 pandemic, with a high-quality plan successfully embedded
 - Safety Maturity Model implementation
 - Leadership development and Mental Wellness program
 - Embedding our 'maintaining Process Safety excellence through closure' program
 - Injury management and incident investigation



¹ Calculated as injury frequency rate per 200,000 hours



Full Year Summary

- Successful ongoing management through the COVID-19 global pandemic, prioritising the health and wellbeing of our communities, employees and contractors
- Production of 1,574 tonnes of uranium oxide
- Revenue of \$242 million and operating cash outflow of \$19 million¹ for the full year
- Successfully completion of the renounceable entitlement offer raising \$476 million to fund the rehabilitation of Ranger
- Ongoing Ranger rehabilitation, including practical completion of bulk dredging of tailings in early February 2021
- Company wide focus on business transformation
- Continued engagement with key stakeholders



Crushed ore through the processing plant



Germinated Pandanus spiralis fruits to be used for revegetation in 2021



ERA continued to deliver on strategic priorities in 2020

Near term strategic priority

Continue the progressive rehabilitation¹ of the Ranger Project Area

2020 outcomes

- Bulk backfill of Pit 1 completed
- Continued dredging of the Tailings Storage Facility (bulk dredging practically complete in February 2021)
- Preparation for the next phase of work in Pit 3 is underway, including detailed design for wicking (to support process water expression), capping and brine injection
- Transformation 2.0 program launched focusing on cost reduction and avoidance initiatives within the rehabilitation project

Maximise the generation of cash flow from the processing of stockpiled ore

- Produced 1,574 tonnes of uranium oxide generating a revenue of \$242 million with a positive cashflow from U₃O₈ sales
- Total cash resources of \$737 million², an increase of \$452 million in the year due to completion of entitlement offer
- Productivity and cost reduction program implemented and delivering benefits

Preserve optionality over undeveloped resources; and progress inorganic growth options evaluation

- Progress 'best in class' rehabilitation to demonstrate a sustainable, positive legacy and underpin potential future growth options
- Approximately \$20 million has been provisionally designated³ for prospective development opportunities. Investment criteria definition progressed.

¹ Rehabilitation provision of \$718 million as at 31 December 2020. Discounted at 1.5 per cent and presented in real dollars

² Comprising \$204 million cash at bank and \$533 million held by the Commonwealth Government as part of the Ranger Rehabilitation Trust Fund

³ Or otherwise as the ERA Board determines to be in the interests of the Company from time to time



Operational performance

Mill Operation	2020	2019
Ore milled ('000 tonnes)	2,495	2,484
Recovery (%)	84.9%	86.8%
Mill head grade (% U ₃ O ₈)	0.07	0.08
Tonnes produced (U ₃ O ₈)	1,574	1,751
Pounds ('000 lbs) produced (U ₃ O ₈)	3,470	3,860

- Strong plant performance with favourable ore milled tonnes – all-time record throughput
- Production was impacted by declining grades, however achieved top end of the 2020 production guidance
- Minimal impacts to production through COVID-19
- Production ceased inline with the Ranger Authority on 8 January 2021, with a total production of 34 tonnes in January 2021



Final drum of product packed on the 8 January 2021 ready for transport



Full year financial performance

Ranger continues to generate positive margins from the sale of U₃O₈

A\$ million	2020	2019
Revenue from sales	242	210
Cash flow from operating activities (including rehabilitation spend)	(19)	(100)
Rehabilitation spend ¹	80	92
Net profit after tax	11	6
Total cash and cash equivalents	204	209
Government security receivable	533	76
Total cash and cash receivable	737	285
Total rehabilitation provision ²	718	770

Cash resources increased in the year

- ERA continued to generate a positive cash margin from the production and sale of uranium oxide
- Achieved average realised price of US\$42.60 per pound, representing a US\$12.86 per pound premium to the average spot price (average contracted sales price was US\$53.77 per pound)
- Future sales will have a higher exposure to the spot market, with final contracted sales volumes due to be filled in 2021
- Total cash resources on hand of \$737 million at 31 December 2020 (including \$533 million held by the Commonwealth Government as part of the Ranger Rehabilitation Security)

Continued focus on cash conservation

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



Progressive rehabilitation ongoing with complex and interdependent schedule

- Approximately \$685 million spent on rehabilitation and water management projects since 2012¹
- Rehabilitation project progress:
 - Dredging continued to transfer tailings from the Tailings Storage Facility to Pit 3 with bulk transfers completed in February 2021. Some delays have been experienced due to COVID-19 restrictions and low free process water levels. Floor cleaning is ongoing.
 - Pit 1 backfill was completed in August 2021, with revegetation planning and execution underway
 - Execution planning is continuing for future key rehabilitation works.
- Approximately 330 employee career plans prepared through to cessation of operations (or approximately 95 per cent of the workforce) under the “My Future Plan” program, which aimed to support employees for “life after ERA”
- Process water treatment, Tailings Storage Facility floor cleaning and Pit 3 wicking activities are on the critical path through 2021



9 ¹ Excludes operating costs relating to the Brine Concentrator and water treatment and management



Rehabilitation progress: Pit 1 and 3



Pit 1 1992



Pit 1 bulk backfill completed 17 August 2020

Pit 3 September 2014



Pit 3 February 2021



Bulk tailings transfer complete in February, supporting wicking activities to be initiated in late 2021



Rehabilitation progress



Close monitoring of Stage 13



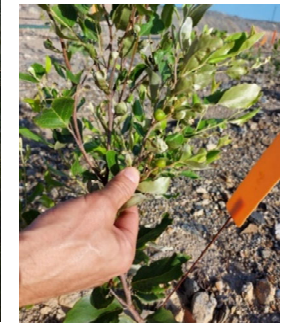
Stage 13 planted and irrigated



Seed germination and propagation



*Tailings Storage Facility January 2021
(bulk tailings transfer completed in February, with floor cleaning to progress)*



*Revegetation –
flowering / fruiting*



Regular engagement with key stakeholders

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

- **Ranger Rehabilitation**
 - Mine Closure Plan was approved by Commonwealth and Northern Territory Ministers in March 2020 with support from Northern Land Council (NLC) and Gundjehmi Aboriginal Corporation (GAC)
 - Formal stakeholder engagement through Ranger Closure Consultative Forum, Minesite Technical Committee, Alligator Rivers Region Technical and Consultative Committees
- **Future of Jabiru**
 - Ongoing engagement with GAC, NLC and Governments to plan for the transition of Jabiru to a new head lease in 2021.
 - Planning for works on ERA assets in preparation for handover to a new town entity under the Aboriginal Land Rights Act in 2021
- **Communications and contributions**
 - Regular consultation with Mirarr and their representatives on matters of mutual interest including land management, Ranger operational and rehabilitation matters, and community initiatives
 - West Arnhem regional support includes local training and employment opportunities; funding and in-kind support to a range of community programs; provision of subsidized housing to third parties; community use of Ranger airport.
 - Close collaboration with health authorities and local agencies to help prevent the spread of COVID-19. This included self-imposed restrictions on worker travel and interaction.



The town of Jabiru forecast to transition to a new head lease in 2021



Working with local partners to distribute sanitiser product to communities to help prevent the spread of COVID-19



Outlook

- On 8 January 2021, **production at the Ranger mine ceased** in line with the Ranger Authority
- ERA **retains drummed inventory to fulfill a number of marketing contracts** through 2021. Residual uncontracted sales will continue to be opportunistically sold into the spot market
- Execution of the “**Transformation 2.0**” **program is well progressed**, which has a greater focus on the rehabilitation project
- Rehabilitation near term focus to complete the **Tailings Storage Facility floor clean**, enabling **Pit 3 remediation**, while progressing transition of the ownership of **housing in Jabiru** to a new township entity established **on behalf of Traditional Owners**.
- Given the current uranium market environment, the **Ranger 3 Deeps project** continues to face materials barriers to development and consequently ERA will continue to progress the remediation of the Ranger 3 Deeps decline and decommissioning of the Ranger Plant during the first half of 2021
- ERA believes the **successful rehabilitation of the Ranger Project Area is a prerequisite** to support future operations and growth beyond Ranger
- ERA to **explore inorganic growth options** evaluation through 2021