Energy Resources of Australia Ltd

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A member of the Rio Tinto Group

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9 March 2020

Company Announcements Office
ASX Limited
Level 4, Stock Exchange Centre
20 Bridge Street
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

Dear Sir/Madam

Energy Resources of Australia Ltd (ERA) – 2019 Annual Report

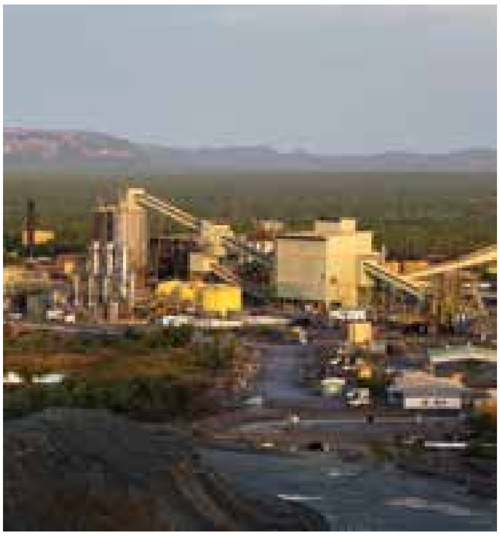
Please find attached a copy of ERA's 2019 Annual Report.

Copies of the Annual Report are expected to be dispatched to all shareholders who have elected to receive a copy of the Annual Report during the week commencing 16 March 2020.

ERA's Annual General Meeting will be held at 9.30am (ACST) on Wednesday 6 May 2020. A copy of the Notice of Annual General Meeting is expected to be sent to all shareholders during the week commencing 16 March 2020.

Yours faithfully

James O'Connell
Legal Counsel | Company Secretary


ANNUAL REPORT 2019

ERA








Daniel's family, Sharon & Ezra
Jabiru residents
for 8 years

In recognition of the contribution ERA families make to Jabiru we have featured our people and their families, including multiple generations, who make Jabiru the wonderful community that it is today.

Our people and their partners contribute to Jabiru in a multitude of ways through their volunteering, local businesses and social contributions.

Aidan's family, Jess, Mahla & Elsy
Jabiru residents
for 2 years

Lesley's family, Roger, Ryan, Chantelle, Josh, Ava, Ellie & Sonny
Jabiru residents
for 14 years

Andrew's family, Dimity, Clementine & Rupert
Jabiru residents
for 1.5 years

Steve's family, Joy, Jakob & Krystal
Jabiru residents
for 5 years

Sioux & Peter
Jabiru residents
for 6 years

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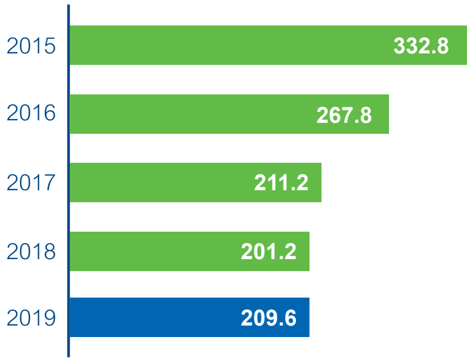

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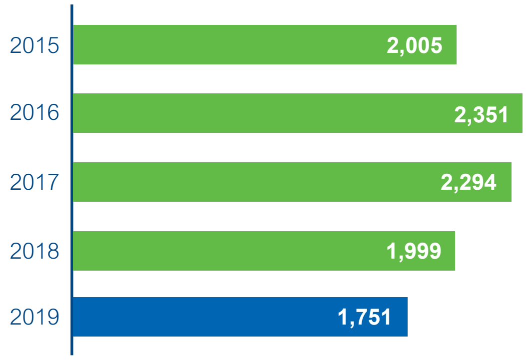
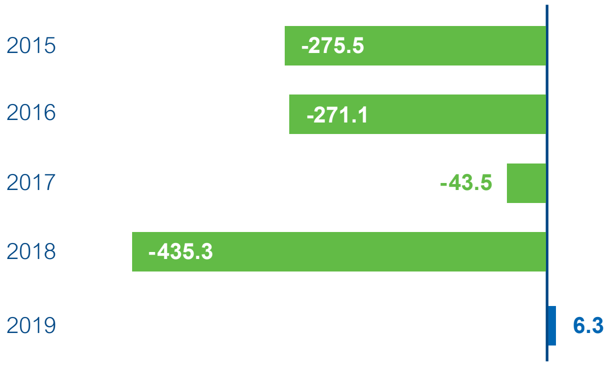
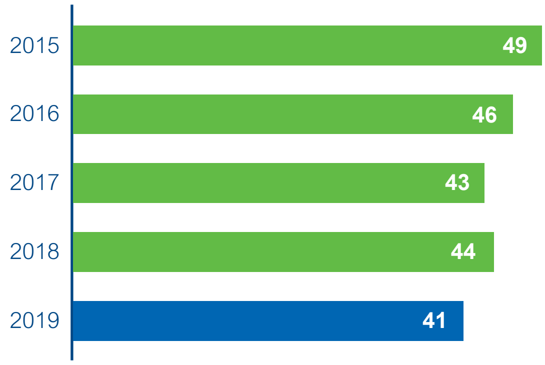


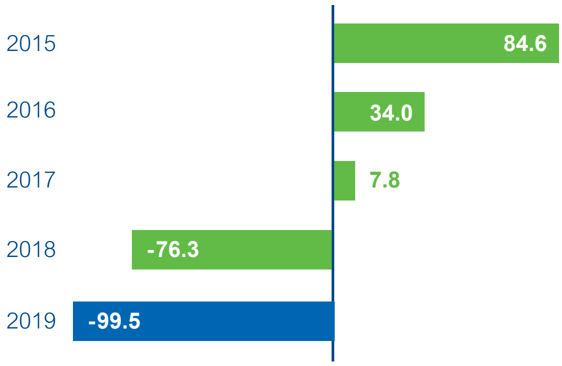
NET PROFIT AFTER TAX ($M)



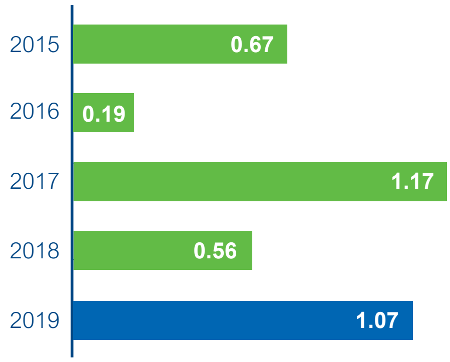
INDIGENOUS EMPLOYEES (FTEs)

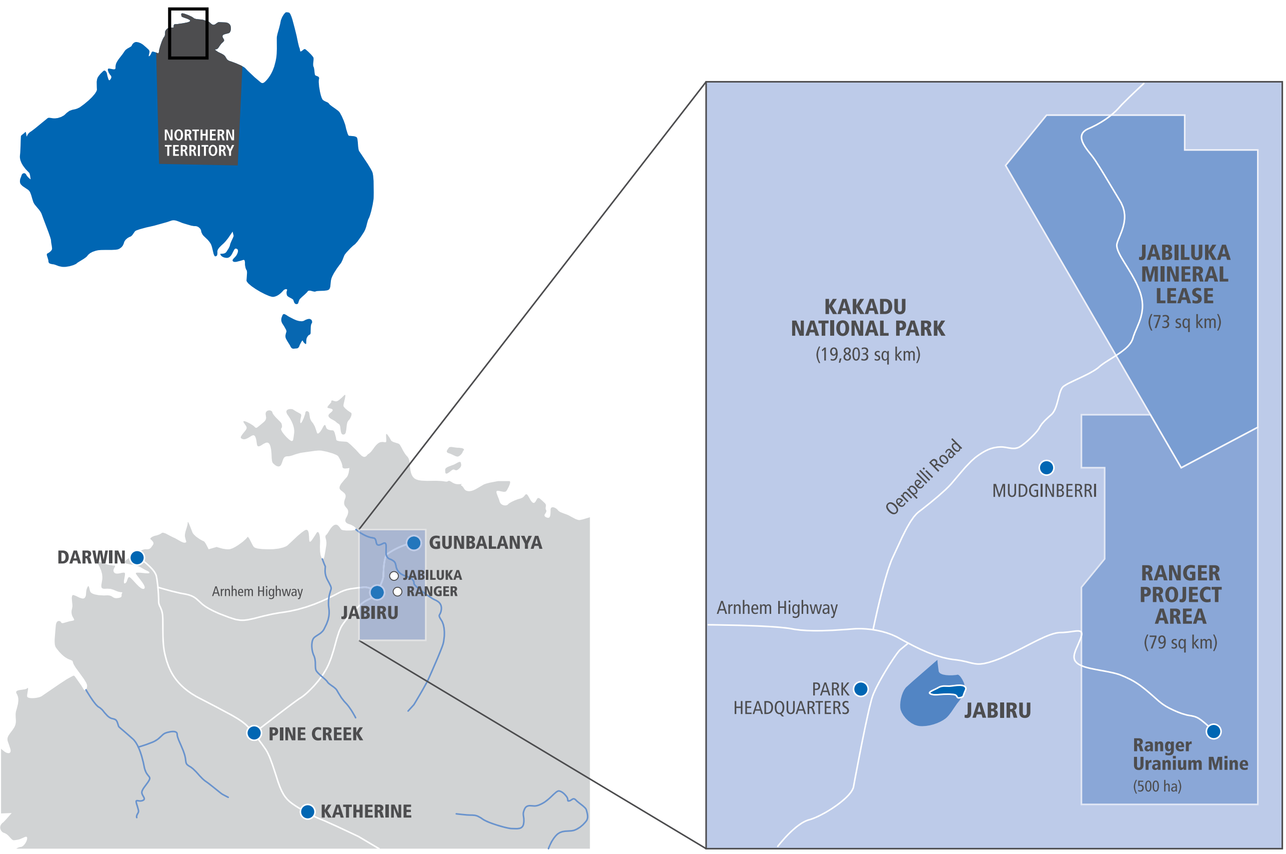


OPERATING CASHFLOW ($M)



ALL INJURY FREQUENCY RATE (PER 200,000 HRS WORKED)





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Canberra City ACT 2601

CHAIRMAN'S REPORT

This year will mark the final year of current operations at Ranger, with processing due to end by 8 January 2021, as required by the Ranger Authority. ERA can celebrate, with considerable pride, almost 40 years of safe and reliable supply of uranium oxide to customers around the world for nuclear power generation. This is a very significant contribution to clean energy, of which all who have worked with the Company can be justifiably proud.

It is well overdue for the international energy debate to include the role that nuclear energy should play in the inevitable move to the cleaner generation of energy.

The main focus over the next five years will clearly be on rehabilitating the Ranger Project Area in accordance with our regulatory obligations. Rehabilitation is not something new at ERA. We have been progressively rehabilitating the Ranger Project Area since mining in Pit 1 was completed in1996. Throughout this time we have worked closely with regulators and key stakeholders on closure planning and approvals, as well as developing a deep understanding and experience in best-in-class rehabilitation practices.

The Ranger Closure Feasibility Study, completed in February 2019, and the subsequent update to the Ranger Mine Closure Plan provide the community with further confidence in ERA's capability to rehabilitate the Ranger Project Area on schedule and in accordance with agreed closure criteria.

The Company's ongoing rehabilitation achievements and the planned closure outcomes at Ranger are at the forefront of industry practice as is appropriate for the region in which we operate. This reflects our commitment to care for country and to create a positive reputational legacy, which is vital to our social license to operate.

The continued strong operating performance of our business in 2019, with production of uranium oxide toward the higher end of projections for the year, is a credit to our people and a commendable performance in the context of diminishing stockpile grades and an aging plant.

While the longer term outlook for the uranium oxide spot market is positive, the market remained depressed in 2019 and is likely to continue so for some time yet.

This has placed pressure on ERA to optimise productivity across the business. The efforts of the ERA workforce to create value through the "Safely Transforming ERA Together" business transformation program has been an extraordinary achievement and exceeded expectations.

In a challenging business context and with the end of Ranger operations drawing closer, it would be easy for the operations workforce to lose enthusiasm and to become distracted. Instead we have seen an engaged, creative and hard-working team that has contributed enthusiastically. This has been demonstrated not only in the business performance, but also in the positive employee scores in the last two half-yearly staff surveys. I am also pleased to note the high level of participation in the Company's "My Future Plan" program which supports employees to plan their career beyond cessation of Ranger operations.

While our safety performance slipped in the early part of 2019, it is to the credit of the workforce that, with concerted effort, this was turned around in the second half of the year. Safety remains our highest priority at ERA.

In November 2019 the Company launched an Entitlement Offer to ensure the Company is able to fully fund the rehabilitation of Ranger, including the annual lodgement of a closure security as required by the Commonwealth Government. After careful consideration over a number of months, it was concluded that this was the only viable funding solution following the increase in the provision for Ranger rehabilitation as a result of the outcomes of the Ranger Closure Feasibility Study.

We were pleased to successfully close the Entitlement Offer in February earlier this year. I thank all of our investors, the Mirarr Traditional Owners and other key stakeholders for their support and understanding as we worked to deliver this funding solution.

I would also like to thank members of the Board, the senior management team and workforce at ERA and all have supported ERA during what has been, at times, a trying year.

PETER MANSELL

CHAIRMAN

CHIEF EXECUTIVE'S REPORT

On behalf of the dedicated team at ERA, I am pleased to report on the Company's achievements in 2019.

As always, our first priority is caring for people. The Company All Injury Frequency Rate (AIFR) for 2019 was 1.07, with six of our team members injured during the year. This was disappointing given our goal of zero injuries. Many of the injuries occurred in the first half of 2019. With a concerted improvement focus and continued removing of risks through critical control processes, it was pleasing to note a significant reduction in injuries in the second half.

While 2019 was not without its challenges, it also saw a range of successes. ERA produced 1,751 tonnes of uranium oxide which was toward the upper end of our guidance of 1,400 to 1,800 tonnes. This excellent result was achieved through outstanding equipment utilisation and record throughput rates despite the difficulties that come with operating a 40-year old plant. This is testament to the hard work and determination of the ERA workforce.

In the context of a depressed uranium oxide market, it has been necessary to achieve efficiencies across the business. During 2019 the business-wide "Safely Transforming ERA Together" program identified smarter ways of working and realised crucial cash generation opportunities in many parts of the Company. Overwhelmingly these initiatives have been generated, nurtured and implemented by the people at ERA. It is a wonderful example of what can be achieved by unleashing the creativity, commitment and collaboration of our people.

This year we emphasised our commitment to caring for the environment by introducing a dedicated priority of "Environment: We care for country and deliver best in class rehabilitation." This recognises the continued protection of the surrounding environment and the progressive delivery on our rehabilitation obligations.

We safely launched our second dredge and, for the second consecutive year, saw record-breaking productivity from the Brine Concentrator. These are impressive outcomes under pressing timelines and with complex technical challenges.

In 2019 we publicly released an updated Ranger Mine Closure Plan which, together with the outcomes of the Ranger Closure Feasibility Study, gives stakeholders and the broader community greater confidence in ERA's ability to achieve the Ranger Mine closure objectives on schedule.

One of the highlights for me this year has been the opportunity to meet with senior Mirarr Traditional Owners on country to gain a deeper understanding of their cultural connection. We also had the opportunity to work with Mirarr to support their vision for the future of Jabiru. I was very pleased to co-sign a Memorandum of Understanding about the future of the town with the Gundjeihmi Aboriginal Corporation and the Commonwealth and the Northern Territory Governments.

When reflecting on 2020, our last full year of production at Ranger under the current authority, my driving thought is this: the way we finish is the way we will be remembered. I want our final year of Ranger production to be, above all, a year of zero harm. A year where everything we do serves to keep ourselves, our colleagues, our communities and our environment safe. In what will be an exciting but also a year of significant change, it is essential that we never lose sight of this most important value and business priority.

An important aspect of the Company's commitment to employee well-being is to help manage uncertainty as we approach the end of Ranger operations. More than 250 ERA employees have participated in the Company's "My Future Plan" program. This program provides training and support for their future beyond Ranger operations, including the potential to redeploy within the wider Rio Tinto group.

Paul Arnold sitting with Yvonne Margarula and Nida Mangarrba in the first Relationship Committee Meeting on Mirarr Country at Djarr Djarr – Image courtesy of Gundjeihmi Aboriginal Corporation.

During 2019 we asked much of our people and they continually rose to the task to support ERA in meeting its objectives. The commitment and achievements of the team give me great confidence in looking to the future. I thank everyone at ERA for their contribution over the past year and look forward to working with the team and all of our stakeholders in the coming year.

PAUL ARNOLD

CHIEF EXECUTIVE AND MANAGING DIRECTOR

COMPANY OVERVIEW

Energy Resources of Australia Ltd (**ERA**) acknowledges the Mirarr people, Traditional Owners of the land on which ERA operates.

ERA operates the Ranger uranium mine, Australia's longest continually operating uranium mine.

ERA has provided international customers with reliable supply of uranium oxide (**U_3O_8**) in the 38 years since production at Ranger began. During that time, Ranger has produced in excess of 130,000 tonnes of uranium.

The Ranger mine's operational infrastructure lies within the 79 square kilometre Ranger Project Area, which is located eight kilometres east of Jabiru and 260 kilometres east of Darwin, in the Northern Territory of Australia. ERA's operations on the Ranger Project Area are undertaken pursuant to an authorisation granted under section 41 of the *Atomic Energy Act 1953* (Cth) (the **Ranger Authority**).

ERA is currently processing stockpiled ore following the completion of open cut mining in 2012.

The Ranger 3 Deeps ore body contains a Mineral Resource of 43,858 tonnes of contained uranium oxide, comprised of 19.58 million tonnes at an overall grade of 0.244% U_3O_8. In 2015, ERA decided not to progress the Ranger 3 Deeps project to feasibility study. The exploration decline and associated infrastructure is currently under a reduced care and maintenance program. In order to fully develop the Ranger 3 Deeps resource, ERA would require an extension to the Ranger Authority which expires in January 2021. ERA is of the view that the prospect of any development is remote considering the economic, legislative and operational challenges that exist.

ERA also holds title to the world-class Jabiluka Mineral Lease. 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 Ranger Project Area and the Jabiluka Mineral Lease are located on Aboriginal land and are surrounded by, but separate from, the World Heritage-listed Kakadu National Park.

In addition to the Ranger Authority, ERA's uranium mining activities are regulated through Commonwealth and Northern Territory legislation. ERA has also entered into a suite of agreements which govern its operations on the Ranger Project Area with the Gundjeihmi Aboriginal Corporation, on behalf of the Mirarr Traditional Owners, the Northern Land Council and the Commonwealth Government.

ERA has a sales and marketing agreement with Rio Tinto Uranium pursuant to which ERA's product is sold to international power utilities under strict international and Australian Government safeguards which ensure that Australian uranium is only used for peaceful purposes.

ERA is committed to strong environmental management practices. The previously exhausted open cut mines at Ranger are being progressively rehabilitated in line with regulatory requirements.

The Company's shares are publicly held and traded on the Australian Securities Exchange, with Rio Tinto, a diversified resources group, currently holding 86.3 per cent of ERA shares.

FINANCIAL PERFORMANCE

In 2019, ERA incurred negative cash flow from operating activities of $100 million compared to negative $76 million in 2018. This was largely due to an increased rehabilitation spend on the Ranger Project Area of $92 million and an ongoing build-up of inventory for sale into future periods.

Despite negative cash flow, ERA continued to generate a positive margin[1] from the sale of uranium oxide.

ERA held total cash resources of $285 million at 31 December 2019, comprised of $209 million in cash at bank and $76 million of cash held by the Commonwealth Government as part of the Ranger Rehabilitation Trust Fund. The Company has no debt. On 15 November 2019, ERA announced a fully underwritten pro rata renounceable entitlement offer to raise approximately $476 million (**Entitlement Offer**) in order to meet ERA's rehabilitation obligations for the Ranger Project Area. The Entitlement Offer closed on 18 February 2020, with the issue of new shares to participating shareholders on 25 February 2020 – further details below.

ERA recorded a net profit after tax of $6 million compared to a net loss after tax of $435 million in 2018. The 2018 earnings were adversely impacted by a change in the rehabilitation estimate and impairment charge of $433 million after tax. The 2019 results were supported by the settlement of a dispute regarding the design, manufacture and supply of certain infrastructure and the successful execution of the ongoing "Transforming ERA Safely Together" program.

The Ranger Project Area continued to be progressively rehabilitated during 2019, with expenditure of $92 million. Expenditure was primarily associated with the dredge operating to transfer tailings from the Tailings Storage Facility to Pit 3, construction and commissioning of water treatment capacity, the backfill of waste material to Pit 1 and various studies. Additional dredging capacity was launched in the second quarter, with full commissioning completed during the third quarter.

At 31 December 2019, the ERA rehabilitation provision is $770 million.[2] The strategy and estimate remain consistent with 31 December 2018.

REVENUE

Revenue from the sale of uranium oxide was $210 million (2018: $201 million). Revenue was favourably impacted by higher sales volumes and a favourable movement in the Australian/US dollar exchange rate. This was partially offset by a lower average realised sales price.

Sales volume for 2019 was 1,597 tonnes compared with 1,467 tonnes for 2018. The average realised sales price on contracted sales in 2019 was US$48.53 per pound compared to US$47.67 per pound in 2018. The average realised price on all sales (including uncontracted material sold into the spot market) in 2019 was US$41.89. The average realised price compares favourably against the average spot price for 2019 of US$25.90 per pound.

With uranium oxide sales denominated in US dollars, the weakening of the Australian dollar had a positive impact on ERA's financial results. With sales weighted towards the first half, the average exchange rate was 70 US cents, compared with 77 US cents for 2018.

As a result of timings within the contract portfolio, sales volumes in 2019 were weighted towards the first half of the year. ERA had substantially fulfilled its contracted sales for the year by 30 June 2019. In the second half of the year, ERA made a number of opportunistic sales into the spot market while also building inventory of uranium oxide for sales in future periods. As at 31 December 2019, ERA had sufficient drummed inventory to meet supply commitments under its existing long term contract portfolio. Therefore 2020 production and future sales volumes will have a greater exposure to the spot market than in 2019.

OPERATING COSTS

Costs for 2019 were lower than the corresponding period in 2018. This result has benefited from the successful execution of a business transformation program. The program was implemented to improve cashflow while maintaining the Company's core values of health, safety and the environment. The Company is well advanced in its execution of the program, with ERA having implemented a number of cost reduction and productivity improvement initiatives across the Company's operations. To date, the transformation program has resulted in cost savings, lower input costs and increased productivity. Further savings are expected to be realised in 2020 as the identified initiatives are progressed.

1. When comparing the marginal production cost to the uranium spot price
2. 31 December 2019 provision discounted at 2 per cent and presented in real terms (undiscounted in real terms of $818 million and $874 million undiscounted in nominal terms)

FINANCIAL PERFORMANCE

These savings in 2019 were however, largely offset by the recognition of an additional provision for payment of employee benefits on termination.

Minor depreciation has been recorded in 2019 due to the implementation of Australian Accounting Standard 16 "Leases". No other depreciation was recorded due to the Ranger Cash Generating Unit remaining fully impaired.

CAPITAL EXPENDITURE

Capital expenditure for the year was $4 million, consistent with 2018. All expenditure in 2019 related to sustaining capital activities. In 2019, capital expenditure was immediately written off to the Statement of Comprehensive Income and recorded in other expenses. This is a result of the Ranger Cash Generating Unit remaining fully impaired.

ENTITLEMENT OFFER

On 15 November 2019, ERA announced the Entitlement Offer of 6.13 new fully paid ERA ordinary shares (**New Shares**) for each existing ERA ordinary share to raise approximately $476 million to fund its rehabilitation obligations for the Ranger Project Area. The terms and conditions of the Entitlement Offer were set out in an information booklet dated 15 November 2019 (**Offer Information Booklet**).

The Entitlement Offer was fully underwritten by North Limited (the **Underwriter** or **North**), a wholly-owned subsidiary of Rio Tinto, pursuant to an Underwriting Agreement dated 15 November 2019. A summary of the Underwriting Agreement was included in the Offer Information Booklet.

On 11 December 2019, the Takeovers Panel (**Panel**) made a Declaration of Unacceptable Circumstances in relation to an application dated 18 November 2019 by Zentree Investments Limited in relation to the affairs of ERA. Copies of the Panel's Declaration and Orders are reproduced on the Panel's website at:

http://www.takeovers.gov.au/content/Media_Releases/2019/downloads/MR19-078.pdf

On 13 December 2019, Rio Tinto lodged an application for a review of the Initial Panel's decision. On 20 January 2020, the review Panel (**Review Panel**) affirmed the decision of the Initial Panel to make a declaration of unacceptable circumstances and varied the Initial Panel's orders. Copies of the Review Panel's declaration and the variations ordered by the Review Panel are reproduced on the Panel's website at:

https://www.takeovers.gov.au/content/Media_Releases/2020/downloads/MR20-005.pdf

New shares under the Entitlement Offer were issued on 25 February 2020. Following the issue of new shares to Rio Tinto under the Entitlement Offer and Underwriting Agreement, Rio Tinto's relevant interests increased from 68.4 per cent to 86.3 per cent.

OPERATIONS AND REHABILITATION

In 2019, ERA produced 1,751 tonnes of uranium oxide, which was towards the higher end of ERA's market guidance of 1,400 to 1,800 tonnes. This was 12 per cent lower than the 1,999 tonnes of uranium oxide produced in 2018. Production was lower in the period due to the impact of declining ore grades from existing stockpiles.

Processing continued from primary ore stockpiles, while additional uranium oxide continued to be produced through brines to leach production, an initiative of the "Safely Transforming ERA Together" program. Under this process, uranium is recovered from recycled brine which was returned to the leaching circuit for further extraction.

Despite the declining head grade, the plant achieved its production milestones for the year, continuing to focus on the optimisation of the mine plan and utilisation of the mill. Business transformation initiatives drove plant throughput for the year to 2.5 million tonnes of uranium ore, with a peak mill rate of 381 tonnes per hour. The average recovery rate for the year was 86.7 per cent and average ore head grade was 0.081 per cent uranium oxide.

In 2019, ERA elected to extend the independent oversight program of process safety management at Ranger until it ceases operations in January 2021. The Noetic Group conducted two oversight visits to further review improvements to process safety management and the implementation of the Company's "Maintaining Process Safety Excellence to Closure" management plan. In 2020, Noetic is scheduled to conduct two further oversight visits, with an internal ERA team maintaining oversight of process safety at Ranger.

RANGER MINE CLOSURE PLAN

Under the Ranger Authority, ERA is required to cease mining and processing activities in the Ranger Project Area by January 2021, with final rehabilitation to be completed by January 2026. The Ranger Mine Closure Plan (the **Plan**) details the works program and schedule to achieve the closure objectives set out in the legal framework and the associated Environmental Requirements.

The inaugural public release of the Plan in June 2018 was a milestone for ERA and followed a rigorous 18 month stakeholder consultation process including discussions with the Gundjeihmi Aboriginal Corporation and the Northern Land Council, as representatives of the Mirarr Traditional Owners, and Northern Territory and Commonwealth Government agencies. ERA released an update to the Plan in October 2019 and will continue to update the Plan annually in close consultation with key stakeholders.

Animation of rehabilitation program available at https://www.energyres.com.au/sustainability/closureplan/

An animation of the rehabilitation program is available on ERA's website (https://www.energyres.com.au/sustainability/closureplan/). It provides a visual overview of the Plan, breaking down the rehabilitation process into readily understood concepts, and a timeline for the works to be carried out. Due to the support of the Gundjeihmi Aboriginal Corporation, the animation also includes a narration in the local Kunwinjku language.

FEASIBILITY STUDY

On 8 February 2019, ERA confirmed the approval and implementation of the closure Feasibility Study for the rehabilitation of the Ranger Project Area (**Feasibility Study**). The Feasibility Study, prepared in accordance with the Ranger Mine Closure Plan, was supported by an experienced engineering services provider and examined the technical, costing and scheduling aspects of Ranger closure having regard to the prescribed closure criteria, the progressive rehabilitation activities already undertaken and updated closure forecasts and modelling.

The approval and implementation of the Feasibility Study resulted in a rehabilitation provision as at 31 December 2018 of $830 million.[3] Following completion of the study, ERA has a consolidated, executable plan (inclusive of progressive rehabilitation activities and post closure activities) to meet the obligations of the Ranger Authority.

3. Discounted at 2 per cent and presented in real terms ($897 million undiscounted in real terms and $973 million undiscounted in nominal terms, excluding employee termination benefits not yet recognised in line with Australian Accounting Standards).

OPERATIONS AND REHABILITATION

The findings of the Feasibility Study further increase confidence to stakeholders that ERA's planned rehabilitation strategy will satisfy regulatory obligations, including the January 2026 milestone.

PROGRESSIVE REHABILITATION

Disturbed land on the Ranger Project Area continued to undergo progressive rehabilitation throughout the year alongside operational and water treatment activities. ERA's progressive rehabilitation and water treatment activities are based on extensive research, studies and consultation with stakeholders, with the main activities focussed on dredging operations and completion of the second dredge, Pit 1 bulk backfill, the operation of the Brine Concentrator, as well as the construction of the Brine Squeezer and refurbishment of the smaller scale high density sludge plant.

In line with ERA's statutory obligations, the primary objective is to rehabilitate the Ranger Project Area to form one final landform across the site which will blend in with the surrounding landscape. ERA plans to establish a fully functioning landform and ecosystem that is similar to the surrounding Kakadu National Park.

The area of disturbance around the mine footprint measures approximately 950 hectares where most of the rehabilitation work will occur.

A number of key tasks form the basis of the closure strategy, including:

- treatment of all pond and process water inventories;
- transfer of tailings from the Tailings Storage Facility to the exhausted Pits 1 and 3;
- remediation of the Tailings Storage Facility and contaminated sites;
- removal and re-shaping of the stockpiles and disturbed areas of the Ranger Project Area to establish a final landform; and
- revegetation of the final landform using locally sourced native seeds.

As part of ERA's progressive rehabilitation strategy, many of these rehabilitation activities are well underway.

The transfer of tailings to Pit 1 was completed in late 2008 and the pit is now entering its final stages of backfilling with waste rock in preparation for final landform construction in 2020. In addition, tailings continue to be dredged from the Tailings Storage Facility and transferred to Pit 3, while process water from the Tailings Storage Facility is being treated by the Brine Concentrator prior to release into constructed wetlands and then offsite.

ERA's approach to revegetation is informed by its long-running trial landform research, which began in 2009 to provide for testing of landform design and revegetation strategies. The trial landform used locally sourced native plant species planted out as seed and tube stock into the type of waste rock to be used in the final landform process. In 2019, ERA continued its partnership with Kakadu Native Plants, which collected seeds from native plants in Kakadu National Park and the Ranger Project Area for harvesting for the purposes of revegetation. An outline of the relationship between ERA and Kakadu Native Plants, and accompanying video, are available on ERA's website (https://www.energyres.com.au/media/stories/a-journey-with-kakadu-native-plants-to-mine-rehabilitation/).

A key feature of ERA's closure strategy is the management of tailings and brine which incorporates the rehabilitation of Pits 1 and 3 and the Tailings Storage Facility. These activities continued to progress during 2019.

Additional tailings transfer capacity, through the launch of a second dredge, occurred in the second quarter of 2019. The full commissioning of the dredge was completed during the third quarter, in order to complete rehabilitation activities within the regulatory timeframe. While the dredging operations experienced some technical challenges, a total of 5.8 cubic metres of tailings were transferred from the Tailings Storage Facility to Pit 3.

BRINE CONCENTRATOR

The Brine Concentrator treats process water to produce a distillate (clean water) and a brine (concentrated waste stream). Distillate is discharged to the environment during the wet season.

Originally commissioned in 2013, the Brine Concentrator has undergone upgrades to ensure continuous improvement in performance and to overcome various technical challenges.

The Brine Concentrator consistently achieved above nameplate capacity during 2019, producing 2,109 megalitres of distillate. As foreshadowed by the Ranger Mine Closure Plan, ERA is progressing a project to upgrade the Brine Concentrator to further increase its capacity.

OPERATIONS AND REHABILITATION

REHABILITATION OF PIT 1

Bulk material movement to backfill Pit 1 progressed during 2019, with 4.2 million tonnes of waste rock placed over Pit 1. The backfilling operation is scheduled for completion in 2020, before land forming and revegetation activities commence.

The 39.3 hectare site has stored mill tailings in the pit as required by the Ranger Authority. Approximately 7,700 dewatering wicks were installed in 2012, along with a geotextile fabric layer and a pre-load rock layer to compress the tailings mass. The pre-load rock layer was capped with an impervious layer of laterite in 2016 to prevent surface water infiltration.

REHABILITATION OF PIT 3

Tailings waste from ongoing milling activities continued to be pumped via a pipeline into Pit 3. For some of the year, tailings from the Tailings Storage Facility were deposited into Pit 3 via the subaerial pipeline before the transfer method was transitioned to subaqueous deposition. The level of water held in both Pit 3 and the Tailings Storage Facility is an important factor in the productivity of tailings transfer to Pit 3. During the latter stages of 2019, productivity of the two dredges operating in the Tailings Storage Facility were impacted by low water levels. Water levels are impacted by rainfall, water treatment capacity, tailings consolidation and evaporation.

Cone penetration testing took place through the year to test the consolidation of the tailings in Pit 3.

Excess process water from Pit 3 is pumped back to the Tailings Storage Facility and directed to the Brine Concentrator for treatment. The concentrated brine waste stream from the Brine Concentrator, currently being directed to the Tailings Storage Facility and to the leach tanks (brines to leach), is planned to eventually be injected into Pit 3 for final deposition. The treated water from the Brine Concentrator is released into constructed wetlands prior to release off site.

In similar fashion to Pit 1, wicks will eventually be installed into the tailings mass within Pit 3 and then covered with a geotextile fabric membrane, prior to initial preload. Bulk backfilling is expected to commence in 2023, followed by final landform contouring and revegetation.

REVEGETATION

During 2019, the former drilling core yard on the Ranger Project Area was converted to a revegetation nursery. The nursery now has capacity for 250,000 seedlings, and its capacity is expected to double when stage two of the project completes in 2023. Local Indigenous business Kakadu Native Plants Pty Ltd has been engaged by ERA to collect local native plant seeds under licence and to raise tube stock seedlings suitable for planting into the final landform.

The final landform represents landscape gardening on an industrial scale, using waste rock shaped and contoured to blend with the undulations and terrain characteristics of the surrounding natural woodland.

In 2019, ERA continued to collaborate with Charles Darwin University to investigate methods of establishing understorey such as grasses, shrubs and ground covers on the waste rock trial landform. Several species successfully established, flowered and seeded. One species recruited second generation seedlings on the trial landform. These results will enable ERA to develop appropriate strategies to establish understorey on the final landform.

Barry Pohatu, employee of Kakadu Native Plants, a local indigenous business supporting Ranger rehabilitation.

Kakadu Native Plants are supporting the mine rehabilitation by means of seed collection and raising seedlings which, in time, will be planted on the final landform.

BUSINESS STRATEGY

ERA's purpose is to provide clean energy to the world and care for people and country.

The strategic priority for ERA is the successful rehabilitation of the Ranger Project Area, which ERA believes will demonstrate ERA's commitment to long-term sustainable operations in the region, creating a sustainable, positive legacy and underpin potential future growth opportunities.

The net proceeds of the Entitlement Offer, together with ERA's existing cash resources and expected future cash flows, will be used primarily for the purposes of funding rehabilitation. A sum of $20 million from existing cash resources and expected future cash flows has been provisionally designated for expenditure on prospective development opportunities or otherwise as the ERA Board determines to be in the interests of the Company from time to time.

In addition to Ranger, ERA holds title to the Jabiluka Mineral Lease, a large, high quality uranium orebody of global significance. The carrying value of the Jabiluka Undeveloped Property was recorded at approximately $90 million as at 31 December 2019. In accordance with the Long Term Care and Maintenance Agreement, the Jabiluka deposit will not be developed by ERA without the approval of the Mirarr Traditional Owners.

ERA's near-term strategic priorities are:

- continue the progressive rehabilitation of the Ranger Project Area;
- maximise the generation of cash flow from the processing of stockpiled ore, which can be potentially sustained until the current Ranger Authority expires in January 2021; and
- preserve optionality over the Company's undeveloped resources.

CURRENT OPERATIONS AND RESOURCES

Current operations rely on the processing of existing uranium ore stockpiles following the cessation of open pit mining in Pit 3.

The Company's estimate of Ore Reserves for the Ranger stockpiles at 31 December 2019 was 1,711 tonnes of contained uranium oxide.

The Company is well advanced in its execution of the "Safely Transforming ERA Together" transformation program. Under the program, cost reduction and productivity improvement initiatives have been established for the business to reduce costs and improve productivity to offset the adverse impact of declining ore grades over time.

Subject to market conditions, and in the absence of further mine development, the mine plan which supports the Ore Reserves Statement assumes that stockpiled ore can continue to be economically produced at Ranger until January 2021. In this regard, ERA continues to monitor production economics and plans to continue to produce, in 2020, provided a positive cash margin is generated between the marginal production cost and the uranium spot price.

RANGER 3 DEEPS

ERA has implemented a reduced care and maintenance program for the Ranger 3 Deeps exploration decline. Whilst the implementation of this reduced program maintains project optionality, a rapid and sustained recovery of the uranium market is required for the Ranger 3 Deeps Project to be economically viable.

Amendments to legislation to effect an extension of the Ranger Authority would be required to manage a gap between the cessation of processing in January 2021 and the commencement of Ranger 3 Deeps production at a later point. This gap, together with an extensive care and maintenance program for the mill and a required pause on rehabilitation activities, would add fixed cost to the operation, further challenging the Ranger 3 Deeps Project's viability. With the current Ranger Authority requiring processing to cease in January 2021 and with decommissioning and rehabilitation of the Ranger Project Area continuing through to January 2026, the prospect of any development is remote and further compromised once the Ranger mine infrastructure begins decommissioning.

The Ranger 3 Deeps Mineral Resource remains unchanged for 2019 at 19.58 million tonnes at an overall grade of 0.224% U_3O_8, representing 43,858 tonnes of contained uranium oxide.

JABILUKA

ERA has entered into a Long Term Care and Maintenance Agreement in relation to the Jabiluka Mineral Lease.

Jabiluka is a large, high quality uranium orebody of global significance and remains one of ERA's key assets. Future mining developments at Jabiluka will not occur without the consent of the Mirarr Traditional Owners.

BUSINESS RISKS

The business risks that could adversely affect the achievement of the financial performance or financial outcomes of the Company are described below.

REHABILITATION

In accordance with applicable Commonwealth and Northern Territory Government statutory requirements, ERA is required to cease mining and processing activities at the Ranger Project Area by 8 January 2021 and must rehabilitate the site by January 2026.

On 8 February 2019, ERA confirmed the approval and implementation of the Feasibility Study. The Feasibility Study, prepared in accordance with the Ranger Mine Closure Plan released in June 2018, was supported by an experienced engineering services provider and examined the technical, costing and scheduling aspects of Ranger closure having regard to the prescribed closure criteria, the progressive rehabilitation activities already undertaken and updated closure forecasts and modelling.

Calculating the rehabilitation provision for the Ranger Project Area requires significant estimation and judgement by the Company. Assumptions are made in respect of methods of rehabilitation, costs and timing, as well as the potential for changes in legal requirements, technological changes, environmental conditions, weather events and market conditions. The most significant components of the provision relate to material movement, water treatment, tailings transfer, demolition and revegetation. Any significant change to the components and schedule of activities to implement closure and rehabilitation may adversely affect the cost, timing and completion of the rehabilitation in accordance with applicable Commonwealth and Northern Territory statutory requirements.

Ultimately, the cost of rehabilitation of the Ranger Project Area is uncertain and may be materially more or less than the current rehabilitation estimate. Rehabilitation costs may increase in response to factors beyond ERA's control such as legal requirements, technological changes, environment conditions, weather events and market conditions. In addition, should current forecasts for foreign exchange rate, prices, costs and processing of stockpiles not be realised, additional funding may be required to fund the rehabilitation of the Ranger Project Area. Any increase in rehabilitation costs is likely to have a material adverse effect on ERA's business and its financial position and performance. There is no certainty that the Company could secure additional funding in the future in the event it was required.

BUSINESS RISKS

WATER TREATMENT

Management of water on the Ranger Project Area is critical to the ongoing operation of ERA's processing and rehabilitation activities. ERA has a number of procedures and initiatives underway in respect to water management, including a project to upgrade the capacity of the Brine Concentrator. To the extent that these initiatives cost more than expected or ERA is required to implement further initiatives (such as the installation of additional water treatment infrastructure), ERA may have insufficient funds for rehabilitation.

RANGER REHABILITATION TRUST FUND

Each year, ERA is required to prepare and submit to the Commonwealth Government an Annual Plan of Rehabilitation. Once accepted by the Commonwealth Government, the annual plan is then independently assessed and costed and the amount to be provided by ERA into the Ranger Rehabilitation Trust Fund (**Trust Fund**) is then determined. The Trust Fund includes both cash and financial guarantees.

ERA's ability to continue to access these financial guarantees can be influenced by many factors including future cash balance, cash flows and shareholder support. Guarantees are subject to periodic review by the banks. Should the Company at any point be unable to access financial guarantees, substantial additional cash would be required to be deposited into the Trust Fund. In the scenario where this occurs ERA's cash reserves available to fund operations would reduce. The balance of bank guarantees, and Trust Fund cash held is currently $410 million. In late January 2020, the Commonwealth Government notified ERA that the independent assessor has reviewed the Plan, and estimated the net present cost of implementation to be $671 million. ERA is questioning certain elements of that assessment, but does not expect the final amount to be materially different to the independent assessment. ERA anticipates that the relevant Commonwealth Minister will finally determine the revised security amount and require ERA to provide the additional security into the Trust Fund later in quarter 1 2020. At this time, ERA will evaluate the appropriate mix of bank guarantees and Trust Fund Cash held. This may result in a significant increase in the amount of cash held in the Trust Fund. Should this occur, the Company's ability to drawdown on the cash held in trust will present as an ongoing risk to the Company's cash liquidity position. Drawdown on security is expected to require ongoing review and approval by the Commonwealth Government.

ACCESS TO CAPITAL RISK

On 29 April 2016, the Company entered into a $100 million Loan Agreement with North Limited (a wholly-owned subsidiary of Rio Tinto) in support of ERA's rehabilitation obligations should additional funding ultimately be required. This agreement currently remains in place and is undrawn. Drawdown of the credit facility under the Loan Agreement is subject to ERA being able to demonstrate at the time of drawdown that it satisfies customary conditions precedent as mentioned in the "credit facility agreement" announcement released on 29 April 2016.

The Loan Agreement contains a review mechanism which is triggered if, before the first drawdown, the estimated rehabilitation cost increases by $12.5 million or more for reasons other than external factors or operational issues beyond ERA's reasonable control. The review mechanism ultimately provides Rio Tinto with a right to terminate the Loan Agreement if the parties cannot agree a satisfactory path forward following such an increase in the estimated rehabilitation cost. If future estimates of the rehabilitation costs are materially higher than those currently estimated, ERA will be required to increase the rehabilitation provision, which in turn may result in termination of the Loan Agreement. The termination of the Loan Agreement may have a material adverse effect on ERA's ability to meet its rehabilitation obligations as well as its business and financial position and performance.

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

BUSINESS RISKS

REGULATORS AND STAKEHOLDERS

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

The Ranger Mine Closure Plan builds on more than 20 years of scientific work undertaken on the progressive rehabilitation at Ranger, and was developed by reference to the Western Australian Mine Closure Plan Guidelines (in the absence of relevant Northern Territory closure plan guidelines). It also includes proposed closure criteria for the Ranger mine which addresses the key themes of the final landform, radiation, water, flora and fauna, soils and cultural heritage.

ERA first released the Plan to the public in June 2018 following an intensive stakeholder engagement process with all key stakeholders which commenced on the provision a draft Plan in December 2016. Key stakeholders who provided feedback on the draft included the Gundjeihmi Aboriginal Corporation and Northern Land Council (as representatives of the Mirarr Traditional Owners), and Northern Territory and Commonwealth Government agencies.

In October 2019, the Ranger Mine Closure Plan update was released and will continue to be updated annually in close consultation with Traditional Owner representatives, regulators and key stakeholders. ERA also formally submitted the updated Plan to the relevant Northern Territory and Commonwealth Ministers for approval in compliance with the authorisation.

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

In relation to Jabiluka, as noted under "Undeveloped Resources" ERA has entered into a Long Term Care and Maintenance Agreement with the Mirarr Traditional Owners. ERA has agreed that future mining developments at Jabiluka will not occur without the consent of the Mirarr people. There is no guarantee that this consent will be forthcoming and, by extension, that the Jabiluka deposit will be developed. Should this consent not eventuate in the future, the Jabiluka Undeveloped Property would face full impairment.

BUSINESS RISKS

UNDEVELOPED RESOURCES

The Company is currently processing stockpiled ore following the completion of open cut mining in 2012. The stockpiles are potentially sufficient to sustain operations until 8 January 2021, when the Ranger Authority expires.

The Company has significant undeveloped uranium resources at Ranger 3 Deeps and Jabiluka.

The Company has implemented a reduced care and maintenance program for the Ranger 3 Deeps exploration decline. Whilst the implementation of this reduced program maintains project optionality, a rapid and sustained recovery of the uranium market is required for the Ranger 3 Deeps Project to be economically viable. Amendments to legislation to effect an extension of the Ranger Authority would be required to manage a gap between the cessation of processing in January 2021 and the commencement of Ranger 3 Deeps production at a later point. This gap, together with an extensive care and maintenance program for the mill and a required pause on rehabilitation activities, would add fixed cost to the operation, further challenging the Ranger 3 Deeps Project's viability.

With the current Ranger Authority requiring processing to cease in January 2021 and with decommissioning and rehabilitation of the Ranger Project Area continuing through to January 2026, the prospect of any development is remote and further compromised once the Ranger mine infrastructure begins decommissioning.

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

The Jabiluka Mineral Lease is currently held subject to a Long Term Care and Maintenance Agreement with the Mirarr Traditional Owners. This agreement provides that the Jabiluka deposit will not be developed without the consent of the Traditional Owners. It is uncertain that this consent will be forthcoming and, by extension, that the Jabiluka deposit will be developed. Should this consent not eventuate in the future, the Jabiluka Undeveloped Property would face full impairment.

URANIUM MARKET DEMAND, PRICE AND FOREIGN EXCHANGE RISKS

As ERA's business relates primarily to the production and subsequent sale of uranium oxide to Rio Tinto Uranium for on sale to a variety of customers, fluctuations in the global uranium market may materially affect ERA's financial performance. Demand for, and pricing of, uranium oxide remains sensitive to external economic and political factors, many of which are beyond ERA's control including: worldwide uranium supply and demand, regional political developments in uranium producing and nuclear power generating countries and regions (including potential for trade sanctions), and the price and availability of competing power generating technologies. Accordingly, it is impossible to predict future uranium price movements with certainty.

Global uranium and foreign exchange market fluctuations may materially affect ERA's financial performance.

GENERAL REGULATORY RISKS

Uranium mining in Australia is extensively regulated by Commonwealth, and State or 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 jurisdictions in which ERA has interests, including new or amended legislation, guidelines and regulations in relation to the environment, uranium or nuclear power sectors, competition policy, native title and cultural heritage could impact ERA's operations.

Operational aspects that may be affected include, among other things, land access rights, the granting of licences and other tenements, the extension of mine life and the approval of developments.

BUSINESS RISKS

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.

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.

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

ENVIRONMENTAL RISK

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

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

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

BUSINESS RISKS

OPERATIONS

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

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

ERA is required to cease processing at Ranger no later than 8 January 2021, meaning Ranger has a maximum of one full year of processing the remaining stockpiles. There is a risk that ore grade may vary from that planned, impacting drummed uranium oxide production quantities. Furthermore, given 2020 will be the final year of Ranger production, there is an increase in risks associated with unplanned maintenance and reduced plant availability. In the event of a critical failure of key infrastructure, ERA may elect not to repair the relevant infrastructure and instead elect to conclude processing earlier than planned. This is likely to have a material adverse effect on ERA's ability to meet its rehabilitation obligations as well as its business and financial position and performance.

FUTURE SUPPLY

EVALUATION AND EXPLORATION

There was no evaluation or exploration expenditure for 2019. ERA suspended the final stage of the surface exploration program on the Ranger Project Area in 2015 to preserve cash following the deferral of the Ranger 3 Deeps project.

As noted under "Undeveloped Resources", at present, no work is being conducted on further development options for the Ranger 3 Deeps deposit, no approvals are being pursued and the prospect of any development is remote and further compromised once the Ranger mine infrastructure begins decommissioning.

RANGER 3 DEEPS RESERVES AND RESOURCES

The economic assumptions for the Ranger 3 Deeps Mineral Resource uses a cut-off grade of 0.11% U_3O_8. The Ranger 3 Deeps estimated Mineral Resource is 19.58 million tonnes with an overall grade of 0.224% U_3O_8, equating to 43,858 tonnes of contained uranium oxide.

RANGER RESERVES AND RESOURCES

Probable Ore Reserves of uranium oxide for Ranger decreased by 2,024 tonnes in 2019 to 1,711 tonnes at 31 December 2019 (31 December 2018: 3,735 tonnes).

This included the impact of depletion by processing in 2019 of 2,024 tonnes. During the reporting period, all processed ore was sourced from either run of mine stocks or low grade stockpiles.

For the same period, Ranger Mineral Resources remained consistent at 54,701 tonnes.

JABILUKA RESERVES AND RESOURCES

The Jabiluka Mineral Lease remains under long term care and maintenance. In accordance with the Long Term Care and Maintenance Agreement, development by ERA will not proceed without the approval of the Mirarr Traditional Owners.

The Jabiluka estimated Mineral Resource is 137,107 tonnes of uranium oxide at a cut-off grade of 0.2% U_3O_8.

GOVERNANCE

ERA's Competent Person is a full time employee of ERA. The ERA Board oversees the governance of Resources and Reserves. This includes the annual review and approval of the publicly reported Ore Reserves and Mineral Resources Statement.

Internal approval of Ore Reserves and Mineral Resources for ERA is the responsibility of the Chief Executive and estimates are carried out by a Competent Person as defined by the JORC Code 2012.

As part of its internal controls, ERA applies the standards of the Rio Tinto Ore Reserves Steering Committee (**ORSC**) in the generation and publication of Mineral Resources and Ore Reserves. The ORSC comprises senior representatives from technical, financial and business fields within the Rio Tinto Group and meets on a quarterly basis.

The ORSC's role includes setting the standards and qualifications for Competent Persons in accordance with the JORC Code 2012 which form the basis of Competent Person appointment by ERA.

Rio Tinto's Resource and Reserve internal audit program is conducted by independent external consulting personnel in a program managed by Rio Tinto Group Audit and Assurance with the assistance of the ORSC.

Rio Tinto has continued the development of internal systems and controls to ensure compliance with the JORC Code 2012 in all external reporting including the preparation of reported data by ERA's Competent Person.

Other improvements introduced by the ORSC include a web-based reporting and sign-off database, annual internal Competent Person reports and Competent Person development and training.

ERA 2019 ORE RESERVES & MINERAL RESOURCES

	CUT-OFF GRADE – STOCKPILE ORE 0.06% U_3O_8 AS AT 31 DECEMBER 2019			CUT-OFF GRADE – STOCKPILE ORE 0.06% U_3O_8 AS AT 31 DECEMBER 2018		
	ORE (MT)	% U_3O_8	T U_3O_8	ORE (MT)	% U_3O_8	T U_3O_8
RANGER PROBABLE ORE RESERVES Current Stockpiles	2.42	0.071	1,711	4.90	0.076	3,735
In situ						
Proved	–	–	–	–	–	–
Probable	–	–	–	–	–	–
Sub-total Proved and Probable Reserves	2.42	0.071	1,711	4.90	0.076	3,735
Total Ranger No. 3 Stockpiles, Proved and Probable Reserves	**2.42**	**0.071**	**1,711**	**490**	**0.076**	**3,735**

RANGER MINERAL RESOURCES *IN ADDITION TO THE ABOVE RESERVE*	CUT-OFF GRADE – STOCKPILE RESOURCE 0.02% U_3O_8 UNDERGROUND INSITU RESOURCE 0.11% U_3O_8			CUT-OFF GRADE – STOCKPILE RESOURCE 0.02% U_3O_8 UNDERGROUND INSITU RESOURCE 0.11% U_3O_8		
	ORE (MT)	% U_3O_8	T U_3O_8	ORE (MT)	% U_3O_8	T U_3O_8
Current Mineralised Stockpiles	27.16	0.04	10,843	27.16	0.04	10,843
In situ resource (R3 Deeps)						
Measured	3.72	0.27	10,134	3.72	0.27	10,134
Indicated	10.41	0.22	22,636	10.41	0.22	22,636
Sub-total Measured and Indicated Resources	41.29	0.11	43,614	41.29	0.11	43,614
Inferred Resources	5.44	0.20	11,087	5.44	0.20	11,087
Total Resources	**46.74**	**0.12**	**54,701**	**46.74**	**0.12**	**54,701**

	AS AT 31 DECEMBER 2019 CUT-OFF GRADE 0.20% U_3O_8			AS AT 31 DECEMBER 2018 CUT-OFF GRADE 0.20% U_3O_8		
	ORE (MT)	% U_3O_8	T U_3O_8	ORE (MT)	% U_3O_8	T U_3O_8
JABILUKA ORE RESERVES **(all written back to Mineral Resources)**						
Proved	–	–	–	–	–	–
Probable	–	–	–	–	–	–
Total Proved and Probable Reserves	**–**	**–**	**–**	**–**	**–**	**–**
JABILUKA MINERAL RESOURCES						
Measured	1.21	0.89	10,769	1.21	0.89	10,769
Indicated	13.88	0.52	72,176	13.88	0.52	72,176
Sub-total Measured and Indicated	15.09	0.55	82,945	15.09	0.55	82,945
Inferred Resources	10.03	0.54	54,162	10.03	0.54	54,162
Total Resources	**25.12**	**0.55**	**137,107**	**25.12**	**0.55**	**137,107**

Rounding difference may occur.

FUTURE SUPPLY

ORE RESERVES	URANIUM OXIDE (U_3O_8 TONNES)*
Ranger Ore Reserves as at 31 December 2018	3,735
Depletion by Processing	(2,024)[4]
Ranger Ore Reserves as at 31 December 2019	**1,711**

**Rounding differences may occur*

COMPETENT PERSONS

Ranger and Jabiluka Ore Reserves and Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (**JORC Code 2012**).

The JORC Code 2012 envisages the use of reasonable investment assumptions, including the use of projected long term commodity prices, in calculating reserve estimates.

As required by the Australian Securities Exchange (**ASX**), the above tables also contain details of other mineralisation that has a reasonable prospect of being economically extracted in the future but which is not yet classified as Proven or Probable Reserves.

This material is defined as Mineral Resources under the JORC Code 2012. Estimates of such material are based largely on geological information with only preliminary consideration of mining, economic and other factors.

While in the judgement of the Competent Person there are realistic expectations that all or part of the Mineral Resources will eventually become Proven or Probable Reserves, there is no guarantee that this will occur as the result depends on further technical and economic studies and prevailing economic conditions in the future.

The information in the above table is sourced from the ERA 2019 Annual Statement of Reserves and Resources which was released to ASX on 26 February 2020 and can be found at: https://www.asx.com.au/asxpdf/20200226/pdf/44fh75xlybyy2l.pdf

Neither the information that relates to Ranger and Jabiluka Mineral Resources or Ore Reserves, nor the underlying resource models, have changed since the ERA 2019 Annual Statement of Reserves and Resources was disclosed to ASX.

ERA is not aware of any new information or data beyond the updates already provided to the market that materially affects the Ore Reserves and Mineral Resources estimate.

All assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The information in this report that relates to Ranger and Jabiluka Ore Reserves and Mineral Resources is based on information compiled by geologist Stephen Pevely (a full time employee of ERA).

Stephen Pevely is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the JORC Code 2012. Stephen Pevely consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Summary data for year end 2018 are shown for comparison. Metric units are used throughout. The figures used to calculate reserves and resources are often more precise than the rounded numbers shown in the tables, hence small differences may result if the calculations are repeated using the tabulated figures.

4. This does not include 26.6 tonnes of metal recovered from brines-to-leach process water, as this does not come directly from reserve.

SALES AND MARKETING

ERA sells uranium primarily under long term contracts via a sales and marketing agreement with Rio Tinto Uranium.

ERA entered into a Revised Sales and Marketing Agreement with Rio Tinto Uranium in August 2017. Under the revised agreement, ERA's allocation of existing Rio Tinto Uranium contracts were fixed from 1 January 2017.

ERA's reliance on long-term contracts provides its customers with security of continued supply, and has helped ERA achieve prices for its uranium that are significantly above the global spot price.

The average realised sales price on contracted sales in 2019 was US$48.53 per pound compared to US$47.67 per pound in 2018. The average realised price on all sales (including uncontracted material sold into the spot market) in 2019 was US$41.89. The average realised price compares favourably against the average spot price for 2019 of US$25.90 per pound.

ERA's customers are located in the United States of America, Europe, China, Japan, South Korea and the UAE and use ERA's product as fuel to generate low emissions power.

The uranium spot price remained volatile in 2019 with a closing December spot price of US$24.82 per pound approximately 14 per cent lower than the closing December 2018 price.

The pace of Japanese nuclear reactor restarts has been slow following the failure at Fukushima. The World Nuclear Association notes there are currently 442 operable nuclear reactors in the world providing approximately 10 per cent of the share of global electricity generation and a further 53 reactors under construction.

Many analysts believe China's nuclear energy program has a key role to play in the longer term uranium outlook.

Despite the rise of renewable energy sources, nuclear power is expected to continue to play an important role in the overall global energy mix.

HEALTH AND SAFETY

At ERA, safety comes first. It is central to workplace culture and operational activities. ERA's safety goals, accountabilities and systems are articulated in ERA's Health, Safety and Environment Management System, which is certified to Australian (AS4801) and international (ISO14001) standards and subject to regular review.

A key performance measure at ERA is the All Injury Frequency Rate (**AIFR**). AIFR measures the frequency of recordable injuries – lost time injuries, restricted work injuries and medical treatment cases – per 200,000 hours worked.

In 2019, ERA achieved an AIFR of 1.07 (2018: 0.56; 2017: 1.17).

During the year ERA recorded five lost time injuries, no restricted work day injuries and one medical treatment case injury.

The importance of safety leadership and safety awareness was highlighted through the year. These initiatives included Management Essentials, ASIST (suicide intervention training), Build Up Blues, Peer Support and Workforce Resilience programs, hearing conservation campaign and several workshops on other health and safety issues.

SAFETY MATURITY MODEL

The Safety Maturity Model (**SMM**) is a global Rio Tinto safety initiative that drives behaviours and activity to deliver effective safety performance across the three pillars of the safety strategy; fatality elimination, reducing injuries and illnesses and catastrophic event prevention.

The model is led through leadership engagement, creating an enabling environment in the areas of risk management, leaning and improving and work planning and execution.

The SMM is a two year program being implemented over 2019 and 2020.

A number of SMM initiatives that were implemented at ERA included leadership coaching training, introduction of a cascaded coaching program, targeted leadership in the field and HSE Back to Basics.

MANAGING HEAT AND HUMIDITY

During the wet season from October through to March, hydration and thermal stress become critical issues for ERA's workforce. Employees and contractors required to work outdoors while wearing protective clothing and equipment are at a higher risk of thermal stress.

Each year ERA implements a holistic program "Beat the Build-Up Blues" designed to encourage behaviours which can help to manage mental wellness, fitness for work, work/life balance, thermal stress and maintain hydration. In 2019, ERA again promoted the campaign during the build-up season.

AUDITS

ERA's integrated Health, Safety and Environment Management System provides certification to both ISO 14001 (the international standard for environmental management systems) and AS4801 (the Australian standard for occupational health and safety management systems). The system was audited in February 2019 and December 2019 with re-certification granted.

ERA underwent a Rio Tinto Safety Maturity Assessment in April and November 2019.

HEALTH AND SAFETY

EMERGENCY RESPONSE

Building ERA's Emergency Response Team skills and capabilities continued to be a strong focus during 2019. The team comprises 10 Emergency Services Officers and 26 workforce volunteers who are trained to respond immediately to incidents such as evacuation, fires or vehicle accidents.

ERA has invested in specialist training for team members and has also been actively recruiting and training new members.

RADIATION MONITORING

ERA monitors radiation at Ranger in accordance with the Company's Radiation Policy and Radiation Management Plan.

The desired performance outcomes are described in ERA's Health, Safety and Environment Management System, which is certified to Australian (AS4801) and international (ISO14001) standards.

Monitoring results are compared to limits recommended by the International Commission on Radiological Protection (**ICRP**) for occupationally exposed persons as adopted by Australian legislation.

ERA employees and contractors whose occupational exposure to radiation may exceed 5 millisieverts (**mSv**) per year are declared 'designated' workers and their exposure is more stringently monitored. Examples of activities at Ranger that require a designated worker status include mine production, process production, process maintenance and electrical maintenance.

To ensure the highest possible quality control on radiation doses, the results are reviewed internally by ERA and externally by the Company's regulators. ERA provides quarterly occupational radiation dose data for workers at Ranger mine to the Australian Government's Australian Radiation Dose Register.

The maximum and mean annual radiation doses received by designated workers and the maximum radiation doses received by non-designated workers during 2019 will be reported in the 2019 Annual Ranger Mine and Ranger 3 Deeps Radiation Protection and Atmospheric Monitoring Report.

Preliminary analysis of the available dose results for 2019 indicates that all occupational and public radiation doses remain well below the national and international dose limits. The resulting contribution from Ranger mine remains very low in comparison to both the public dose limit and the natural background radiation level.

The table on this page provides a summary of maximum and mean annual radiation doses received by designated and non-designated workers for the first three quarters of the year. Historically the theoretical contribution from the Ranger mine has been, on average, approximately 0.02 mSv (or two per cent) of the 1 mSv member of public dose limit and less than one per cent of the natural background radiation level in Australia of between 2 and 3 mSv.

	DESIGNATED WORKERS (mSv)		NON DESIGNATED WORKERS (mSv)	
2019	Mean	Max	Mean	Max
Q1	0.32	1.37	0.11	0.32
Q2	0.38	1.25	0.12	0.22
Q3	0.36	1.05	0.16	0.31

REGULATORY FRAMEWORK

Uranium mining activities in Australia are strictly regulated by the Commonwealth and State or Territory Governments.

The purpose of these regulations is to ensure uranium mining performance and compliance in a range of critical areas, including health and safety, mine safety, safe management of toxic and radioactive substances, waste disposal, transport safety, export controls, protection and rehabilitation of the environment, native title, exploration, development, taxes and royalties, labour standards and mine reclamation.

International agreements designed to prevent nuclear proliferation also govern the mining and export of uranium. Exports are subject to strict safeguards and conditions to ensure that Australian uranium is only used for peaceful purposes.

REGULATION OF ERA'S OPERATIONS

Commonwealth and Northern Territory legislation provide the regulatory framework for ERA's uranium mining activities.

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

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

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

The Alligator Rivers Region Advisory Committee (**ARRAC**) provides a formal forum for consultation on matters relating to the effects of uranium mining on the environment in the region.

Committee members include representatives of the Northern Territory Government, the Commonwealth Government, the Northern Land Council, Aboriginal associations, mining companies (including ERA), West Arnhem Regional Council, the Northern Territory Environment Centre and other members who may be appointed by the Commonwealth Minister for the Environment.

Further information on ARRAC can be obtained at: http://www.environment.gov.au/science/supervising-scientist/communication/committees/arrac

The Alligator Rivers Region Technical Committee (**ARRTC**) oversees the nature and extent of research being undertaken to protect and restore the environment in the Alligator Rivers Region from any effects of uranium mining.

The 10 ARRTC members include independent scientists nominated by the Federation of Australian Scientists Branch and Technological Societies with the remaining representatives being from the Commonwealth Supervising Scientist Branch, Northern Territory Government, Uranium Equities Ltd, Northern Land Council, Parks Australia and a non-government environment organisation.

Further information on ARRTC can be contained at: http://www.environment.gov.au/science/supervising-scientist/communication/committees/arrtc

INTERNATIONAL AND AUSTRALIAN CERTIFICATION

ERA maintains international certification (ISO 14001) of its Health, Safety and Environment Management System which includes the Company's Water Management System.

ERA also maintains Australian certification (AS4801) of its Health, Safety and Environment Management System including the Ranger Radiation Management System.

FINANCIAL REPORT

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DIRECTOR'S REPORT

DIRECTORS

PETER MANSELL

CHAIRMAN

BCom, LLB, H. Dip. Tax, FAICD

Appointed in October 2015.

Chairman of Remuneration Committee and member of Audit and Risk Committee.

Mr Mansell has extensive experience in the mining, corporate and energy sectors, both as an advisor and as an independent non-executive Chairman and Director of listed and unlisted companies.

Mr Mansell practised law for a number of years as a partner in corporate and resources law firms in each of South Africa and Australia. He retired from legal practice in 2004 and has since held directorships in a number of companies including BWP Management Ltd, Foodland Associated Ltd, OZ Minerals Ltd, W.A. Newspaper Holdings Ltd (Chairman), Electricity Networks Corporation (trading as Western Power) (Chairman) and Zinifex Ltd (Chairman).

Mr Mansell also chaired the Advisory Board of Pacific Aluminium Ltd in anticipation of its intended float in 2014.

External appointments: Non-executive Chairman of Ora Banda Mining Ltd, DRA Global Limited and the Cancer Research Trust and non-executive director of Foodbank Australia Limited; former non-executive director of Aurecon Group Pty Ltd (until September 2017) and Tap Oil Limited (until January 2018).

PAUL ARNOLD

CHIEF EXECUTIVE AND MANAGING DIRECTOR

BE (Hons) Mining, MBA, MAusIMM, MAICD

Appointed in August 2017.

Mr Arnold brings extensive experience to ERA gained over more than 25 years in the resources sector working in operations, commercial, business analysis and major project development roles. Mr Arnold has worked in the Rio Tinto group since 2001 and was most recently Rio Tinto Aluminium's Pacific Operations Engineering and Growth team leader. Before joining Rio Tinto, Mr Arnold worked for more than a decade with BHP in operations and corporate roles.

Mr Arnold was a Director of the Queensland Resources Council for over 5 years and as past Chair of the Indigenous Affairs Committee established the annual Queensland Resources Council Indigenous Awards in 2014.

SHANE CHARLES

NON-EXECUTIVE DIRECTOR

LLB

Appointed in October 2015.

Chair of the Audit and Risk Committee from January 2016; member of Health, Safety and Environment Committee and Remuneration Committee.

Mr Charles is currently the Chairman of the Toowoomba and Surat Basin Enterprise (TSBE), an independent, business driven economic development organisation with a vision to pursue sustainable growth and diversity. Mr Charles is also currently President of the Royal Agricultural Society of Queensland.

He has also previously acted as Chairman of Stanwell Corporation Limited, as director and Chairman of the Endeavour Foundation and as a commissioner of the Gasfields Commission of Queensland.

External appointments: Chairman of TSBE; and President of the Royal Agricultural Society of Queensland.

DIRECTOR'S REPORT

DIRECTORS

PAUL DOWD

NON-EXECUTIVE DIRECTOR

BSC (ENG), FAUSIMM, MAICD

Appointed in October 2015.

Chair of Health, Safety and Environment Committee; member of Audit and Risk Committee and Remuneration Committee.

Mr Dowd is a mining engineer with more than 50 years' experience in the mining industry, primarily in the private sector, but also serving in the public sector as head of the Victorian Mines and Petroleum Departments. Mr Dowd has previously held senior executive management positions including as Managing Director of Newmont Australia Ltd and Vice President of Newmont Mining Corporation's Australian and New Zealand Operations and prior to that as Chief Operating Officer of Normandy Mining Ltd.

Mr Dowd was previously Chairman of Adelaide Resources Ltd and a non-executive Director of Oz Minerals Limited and Macarthur Coal Ltd.

External appointments: Non-executive Director of PNX Metals Limited; Chairman of CSIRO Minerals Resources Sector Advisory Council; Advisory Board Member of South Australian Minerals and Petroleum Expert Group (SAMPEG) and University of Queensland – Sustainable Minerals Institute.

ANDREA SUTTON

NON-EXECUTIVE DIRECTOR

BE (Hons) Chemical, GradDipEcon, GAICD

Appointed in October 2018.

Member of Health, Safety and Environment Committee.

Ms Sutton served as Chief Executive and Managing Director of ERA from 2013 to 2017. In addition to her ERA experience, Andrea brings almost 25 years of operational, technical and corporate experience with Rio Tinto to the ERA Board and was most recently the head of health, safety, security and environment services.

External appointments: Board member of Infrastructure WA, former chair of the Northern Territory Minerals Council of Australia Management Committee; former member of the Northern Territory Mining Advisory Council.

JUSTIN CAREY

NON-EXECUTIVE DIRECTOR

BCom

Appointed in August 2019.

Mr Carey brings extensive financial, technical and corporate experience, with over 25 years' experience in a variety of commercial finance roles, with 20 of those years' experience within the mining industry. Included in that time Justin spent two and a half years as CFO for Oyu Tolgoi LLC based in Mongolia. Since leaving Mongolia Justin has been in the Rio Tinto corporate finance team, first as finance officer for the groups corporate entities and currently in leading the groups planning and forecasting processes as the General Manager Financial Planning & Analysis. Justin has served on several Rio Tinto entity boards and brings extensive experience in corporate governance and control processes.

DIRECTOR'S REPORT

DIRECTORS

EXECUTIVE COMMITTEE

ZARA FISHER

NON-EXECUTIVE DIRECTOR

B Com, MASc, MAICD

Appointed in August 2016 and resigned in August 2019.

Previous member of Health, Safety and Environment Committee (from January 2017).

Ms Fisher has worked in the mining industry for over 20 years and was formerly Vice President HSE for Rio Tinto Iron Ore. In this role she was accountable for the health, safety and environmental performance of Rio Tinto's Iron Ore operations and a member of the Iron Ore Executive Committee. Ms Fisher worked with Rio Tinto in a range of roles in Australia and internationally in the Iron Ore, Aluminium, Copper, Energy and Minerals groups. Ms Fisher has extensive experience in operations, maintenance, strategy, corporate services and finance.

Ms Fisher holds a Bachelor of Commerce and a Masters of Applied Science (Environmental Management and Restoration) and is a member of the Australian Institute of Company Directors. Prior to joining Rio Tinto Ms Fisher worked in chartered accounting.

PAUL ARNOLD

CHIEF EXECUTIVE AND MANAGING DIRECTOR

BE (Hons) Mining, MBA, MAusIMM, MAICD

See biography on page 28.

DAVID BLANCH

CHIEF FINANCIAL OFFICER

BA, CA, Grad Dip Applied Finance

Mr Blanch was appointed as Chief Financial Officer in July 2018 and brings over 16 years' financial, accounting and business development experience to ERA.

Mr Blanch brings previous experience in business analysis in the Rio Tinto Copper & Diamonds product group and has also worked in various financial and corporate roles in Rio Tinto. Mr Blanch is a Chartered Accountant through the Institute of Chartered Accountants in Australia.

DIRECTOR'S REPORT

EXECUTIVE COMMITTEE

LESLEY BRYCE

GENERAL MANAGER OPERATIONS

B ENG (HONS) FIEAUST, CPENGEXEC, MAUSIMM, GAICD

Ms Bryce was appointed General Manager Operations in June 2017.

Ms Bryce has previously worked in diagnostic engineering in the electronics industry, and Quality Management (ISO 9001) and Business Improvement in the manufacturing industry. In 2005 Ms Bryce joined Rio Tinto working in the Shared Services, Aluminium and Argyle Diamonds sectors.

Ms Bryce brings to ERA senior level experience in Business Improvement, Operations, Projects and Planning.

JAMES O'CONNELL

LEGAL COUNSEL AND COMPANY SECRETARY

LLB, BCOM

Mr O'Connell joined ERA as Legal Counsel in June 2017 and was appointed Company Secretary in August 2017.

Mr O'Connell joined Rio Tinto in 2010, most recently acting as Senior Corporate Counsel in London. Before joining Rio Tinto, Mr O'Connell worked at private law firms in Melbourne and London. Professionally qualified in both Australia and the United Kingdom, he has Bachelor of Laws and Bachelor of Commerce degrees from Monash University.

ALAN TIETZEL

GENERAL MANAGER EXTERNAL RELATIONS

BA, BCOM, DIP ED MBA

Mr Tietzel was appointed as General Manager External Relations in July 2010 and subsequently Chief Advisor Agreements in September 2012. He has a background in Aboriginal land agreements, regional development, government relations, human resources and organisation development.

Mr Tietzel joined Rio Tinto in 1990 and has worked in the diamonds, salt, bauxite and alumina sectors and in a variety of corporate functions.

DIRECTOR'S REPORT

Meetings of Directors

The number of Directors and committee meetings held and the number of meetings attended by each of the Directors of the Company during the financial year are shown below:

DIRECTOR	DIRECTORS MEETINGS[4]	AUDIT AND RISK COMMITTEE[4]	REMUNERATION COMMITTEE[4]	HSE COMMITTEE[4]	OTHER[4,5]
P Mansell	12/12	4/4	2/2	-	15/16
P Arnold	12/12	-	-	-	1/1
S Charles	12/12	4/4	2/2	3/3	16/16
P Dowd	12/12	4/4	2/2	3/3	15/15
A Sutton[1]	12/12	-	-	2/2	-
J Carey[2]	6/7	-	-	-	-
Z Fisher[3]	5/5	-	-	1/1	-

Note 1 Appointed as a member of the HSE Committee 9 September 2019.
Note 2 Appointed as a Director 7 August 2019.
Note 3 Resigned as a Director 7 August 2019.
Note 4 Number of meetings attended/maximum the Director would have attended.
Note 5 Other meetings include meetings of the committee formed for the purposes of the assessment of funding alternatives.

Mr Arnold was invited to meetings of the Audit and Risk Committee and the Health, Safety and Environment Committee and attended all such meetings held during that time.

Interests of Directors

The interests of each Director in the share capital of the Company and its related body corporates as at 31 January 2020 are shown below:

DIRECTORS	ENERGY RESOURCES OF AUSTRALIA LTD ORDINARY SHARES	RIO TINTO LIMITED ORDINARY SHARES	RIO TINTO LIMITED CONDITIONAL INTERESTS IN ORDINARY SHARES
P Mansell	-	2,000	-
P Arnold	-	3,971	10,591
S Charles	-	-	-
P Dowd	-	1,500	-
A Sutton	-	18,895	7,621
J Carey[1]	-	4,153	4,471

Note 1 Appointed as a Director 7 August 2019.

DIRECTOR'S REPORT

Remuneration report

The Remuneration Report is set out under the following main headings:

A. Board oversight of remuneration
B. Principles used to determine non-executive Directors' remuneration
C. Principles used to determine executive remuneration
D. Details of remuneration
E. Executive service agreements
F. Share based compensation
G. Additional information

The information provided in the Remuneration Report has been audited by the Company's independent auditor as required by section 308(3C) of the *Corporations Act 2001*.

A Board oversight of remuneration

The Remuneration Committee has responsibility to review:

- remuneration framework and policies (including key performance indicators) for the Company's Chief Executive and senior executives;
- remuneration and performance of the Company's Chief Executive and senior executives;
- remuneration of the Company's non-executive Directors; and
- remuneration disclosures made by the Company.

The Remuneration Committee Charter is available at the Corporate Governance section of ERA's website.

B Principles used to determine non-executive Directors' remuneration

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the non-executive Directors. The Remuneration Committee reviews and makes recommendations to the Board regarding non-executive Directors' remuneration. These fees are comprised of a base fee and any fees payable to non-executive Directors for their membership on established committees of the Board. ERA does not pay retirement or post-employment benefits to non-executive Directors, however, statutory superannuation contributions are paid to non-executive Directors. In addition, from time to time, the Board may approve that non-executive Directors receive additional fees for services provided outside the established committee processes.

The following principles are applied in determining the remuneration of non-executive Directors:

- the responsibilities of, and time spent by, the non-executive Directors on the affairs of ERA, including preparation time;
- acknowledgement of the personal risk borne as a Director;
- comparison with professional market rates of remuneration to remain competitive with the market having regard to companies of similar size and complexity; and
- the desire to attract Directors of a high calibre with appropriate levels of expertise and experience.

At the 2008 Annual General Meeting, shareholders resolved to amend the Constitution of the Company to provide that the aggregate remuneration for non-executive Directors of ERA would be not more than $800,000 per annum. At the 2019 Annual General Meeting, the 2018 Remuneration Report was approved with 96.25 per cent of shares voted in favour (voting comprised 355,929,859 votes 'for' the resolution and 13,882,793 votes 'against' the resolution). North Limited and Peko-Wallsend Pty Ltd, which are both Rio Tinto entities, voted a combined total of 354,078,854 votes 'for' the resolution. The aggregate amount of non-executive Directors' remuneration paid in 2019 was approximately $793,000 inclusive of statutory superannuation.

The non-executive Directors' fees were reviewed by the Board in January 2019. The annual fees for non-executive Directors for 2019 (excluding superannuation) were as follows:

	2019	2018
Chairman	$180,000	$172,000
Non-executive Director	$100,000	$96,000
Audit and Risk Committee Chair[1]	$24,000	$22,500
Audit and Risk Committee Member[1]	$13,260	$13,260
Health, Safety and Environment Chair[1]	$20,400	$20,400
Health, Safety and Environment Committee Member[1]	$13,260	$13,260
Remuneration Committee Chair[1]	$20,400	$20,400
Other[2]	$13,260	-

Note 1 Fees are payable in addition to Chairman and non-executive Director fees.
Note 2 Rule 10.3 of the Company's constitution provides that "if a Director, at the request of the Board and for the purposes of the Company, performs extra services or makes special exertions… the Company may pay that Director a fixed sum set by the Board for doing so." Given the significant number of meetings (15), additional travel undertaken over the period and increased demands on their time, the non-independent directors resolved it was reasonable and appropriate to compensate the independent directors for their services as members of the Board Committee established to oversee the funding position of the Company. The compensation was a one-off fixed sum of $13,260 each.

The Board also confirmed that all non-executive Director and Committee fees should increase by a percentage equal to the average increase awarded to employees across the Company until the next detailed review is conducted, which should take place in January 2021.

C Principles used to determine executive remuneration

The Remuneration Committee is responsible for the review of, and where appropriate will make recommendations to the Board in respect of, executive remuneration.

The *Corporations Act 2001* and relevant Accounting Standards require disclosures in respect of "key management personnel", being those persons having authority and responsibility for planning, directing and controlling the activities of the Company.

DIRECTOR'S REPORT

The key management personnel are, in addition to the Directors, the permanent General Managers of the Company (including the General Manager External Relations) reporting directly to the Chief Executive. Throughout this Remuneration Report the key management personnel who are not Directors are collectively referred to as "senior executives".

As the Company is a member company of the Rio Tinto Group, it generally implements the remuneration policies and procedures determined by the Rio Tinto Remuneration Committee and applied to senior management personnel across the wider Rio Tinto Group to determine the remuneration of the Chief Executive and senior executives.

As a member of the Rio Tinto Group, ERA's Chief Executive and senior executives are seconded from Rio Tinto and are hence drawn from the talented pool of executives in the wider Rio Tinto Group. It is the view of the Remuneration Committee (which has been endorsed by the Board) that a company of ERA's size, scope and remote location would have significant difficulty in attracting executives of the calibre necessary to ensure superior performance or in retaining them for significant periods if this arrangement was not in place. Under these circumstances, the Board believes that the general application of the Rio Tinto remuneration framework to ERA's Chief Executive and senior executives, with appropriate review by the Company's Remuneration Committee, is of benefit to ERA.

For the purposes of assessing the appropriate level of remuneration, the Australian resources sector is considered the most relevant comparator group. Additional references are also made to other relevant supplementary comparator groups. Typically, base salaries are positioned at the median of these comparator groups, while incentive plans are designed with the potential to deliver total remuneration outcomes across the full market range according to business and individual performance. The related costs of these programs are recognised in the Company's financial statements.

Executive remuneration, including base salary and short and long term incentive plan awards, and other terms of employment are reviewed annually having regard to the evaluation of individual and business performance against goals set at the start of the year, global economic conditions and relevant comparative information. As well as base salary, remuneration packages may include fringe benefits such as medical insurance, car, rent and other allowances, superannuation, retirement entitlements and short and long term incentives.

The annual performance evaluation and management process for 2019 included formal consultation between the Chairman (based on the Remuneration Committee's review and recommendations) and the Chief Executive, Rio Tinto Energy and Minerals regarding the Chief Executive of the Company, and between the Remuneration Committee and the Chief Executive of the Company regarding the senior executives.

An annual performance evaluation of the Chief Executive and senior executives was undertaken in 2019.

The executive pay and reward framework is designed to provide a total remuneration package which is competitive in the market, aligns total remuneration with delivered individual and short and long term business performance, strikes an appropriate balance between fixed and variable components, links variable components to the achievement of challenging individual and business performance targets, and ensures the attraction, motivation and retention of the high calibre senior executives required to lead the Company.

The Company Secretary of the Company is subject to the same executive remuneration pay and reward framework.

The executive pay and reward framework has four components:

- base salary and benefits;
- short term incentive plans;
- long term incentive plans through participation in the Rio Tinto 2018 Equity Incentive Plan (**EIP**), the Rio Tinto plan introduced in 2018 which will govern all future long-term, share-based remuneration, including management share awards (**MSA**), performance share awards (**PSA**) and bonus deferral awards (**BDA**).
- other remuneration such as superannuation.

Performance and non-performance related remuneration

Total remuneration is a combination of the fixed, performance and service related elements described in this report. The short and long term incentives are the variable components of the total remuneration package and are therefore "at risk". They are tied to achievement of specific business measures, individual performance and service. Other components are referred to as "fixed" as they are not at risk.

The long term incentive plans are designed to provide a target expected value of between 22.5 and 45 per cent of base salary for the senior executives and the Chief Executive, delivered in any one year through a blend of PSAs, MSAs and BDAs. In 2019 PSAs, MSAs and BDAs were awarded.

Excluding post-employment and non-monetary benefits, the proportion of total direct remuneration, assuming maximum award levels and maximum levels of performance, provided by way of variable at risk components as at 31 December 2019 for the Chief Executive and senior executives was between 48 and 68 per cent. The actual proportion of total direct remuneration provided by way of variable performance related components will differ from these percentages depending on measured Company, Rio Tinto and individual performance and the current blend of share plans

Base salary

Base salary is set at a level consistent with market expectations within the wider Rio Tinto remuneration framework and may be delivered as a mix of cash and prescribed non-financial benefits. It is targeted broadly at the median of companies of similar size, global reach and complexity, including other large natural resource companies. Base salary is reviewed annually and adjusted taking into account the individual and Company performance, global economic conditions, role responsibilities, an assessment against comparator groups, internal relativities

DIRECTOR'S REPORT

and base salary budgets applying to the broader employee population.

Short term incentive plan

The short term incentive plan provides a bonus opportunity and is designed to support the overall remuneration policy by focusing management personnel on calendar year performance against challenging individual and business targets.

Short term incentive performance conditions

Individual performance is reviewed against relevant targets and objectives annually. The Chief Executive and senior executives of the Company have between 40 and 70 per cent of their performance-based bonus based on business measures, with the remainder based on individual measures.

The short term incentive plan bonus payments disclosed in this report are amounts paid in 2019 relating to performance in 2018, as 2018 performance calculations are not finalised at the date of this report. The Company's business performance measures for 2018 used in the determination of short term incentive plan payments were:

- Safety - All Injury Frequency Rate, Lost Time Injuries and measures relating to implementation of critical risk management (**CRM**);
- Financial - net earnings and free cash flow; and
- Business - drummed production, cost of material milled, volume and cost of material moved and Brine Concentrator performance.

Incentive Plans

In 2018, Rio Tinto implemented a new discretionary employee share plan, the Rio Tinto EIP, for executive directors and employees. The EIP replaced Rio Tinto's Performance Share Plan (**PSP**) 2013, Management Share Plan (**MSP**) 2007 and Bonus Deferral Plan (**BDP**). This allowed Rio Tinto to continue operating its long-term incentive arrangements (including bonus deferred awards) through a single set of plan rules. As previously outlined, the Remuneration Committee believes that the general application of the Rio Tinto remuneration framework (including the EIP to ERA's Chief Executive and senior executives, with appropriate review by the Remuneration Committee) is of benefit to the Company. During 2020, the Remuneration Committee will review the position for future years.

Awards under the EIP can take the form of:

- Conditional Awards - under which the participant receives shares for free automatically to the extent the award vests (which may be subject to the achievement of performance conditions);
- Forfeitable Shares - under which the participant receives free shares on grant, which must be given back to the extent the award lapses;
- Options - under which the participant can acquire shares, to the extent their award has vested, either at no cost or at a price set when the option is granted.

Inclusion of other award types is to provide for sufficient flexibility in the future should the Group's remuneration approach change during the life of the Plan. Awards may also be granted as cash awards.

An award may be granted on the basis that it will normally only vest to the extent that a performance condition, set by the Rio Tinto Remuneration Committee at the time of grant, is satisfied by Rio Tinto. However, awards representing deferred bonuses will not be subject to performance conditions. The vesting of awards granted to executive directors (other than bonus deferred awards) will always be subject to a performance condition, except as otherwise permitted by Rio Tinto's Remuneration Policy.

Conditional awards and nil-cost options will be granted on the basis that the participant will receive dividend equivalents for the vesting period (in additional shares or cash) when, and to the extent that, the award vests or is exercised. The dividend equivalent will be calculated based on the aggregate value of dividends paid during the vesting period unless the Rio Tinto Remuneration Committee decides to use a different approach.

Awards will normally vest, to the extent that any performance condition is met, at the end of a period set when the award is granted or the end of the period over which any performance condition is tested. Shares will be issued or transferred to the participant (or an option may be exercised) from vesting. Vesting may be delayed where a participant is subject to any external investigation or similar circumstances.

An award may be granted on the basis that the participant is required to hold a net number of vested shares (or shares subject to an option) for a set period following vesting.

If Rio Tinto was subject to a change of control, awards will vest subject to the extent to which any performance condition has been satisfied. Alternatively, participants may be allowed or required to exchange their awards for equivalent awards over shares in the acquiring company. If awards vest, the awards will be pro-rated unless the Rio Tinto Remuneration Committee decides otherwise. However, pro rating will not apply to deferred bonus awards or, normally, where an award subject to a performance condition vests on or after the third anniversary of grant.

Awards

The current intention remains that awards will be made under the EIP in the form of Conditional Awards to replicate awards previously made under the PSP, MSP and BDP and in line with the Rio Tinto Group's Remuneration Policy.

Performance Share Awards

Performance share awards (**PSA**), provide a conditional right to Rio Tinto shares to eligible senior management personnel within the Rio Tinto Group, including the Chief Executive and senior executives of ERA. Award levels under the EIP are at the discretion of Rio Tinto.

DIRECTOR'S REPORT

The conditional awards only vest if the performance condition set by the Rio Tinto Remuneration Committee is satisfied by Rio Tinto, although the Rio Tinto Remuneration Committee retains discretion to satisfy itself that satisfaction of the performance condition is a genuine reflection of the underlying performance of the business. Prior to the vesting of conditional awards, Rio Tinto's Total Shareholder Return (**TSR**) performance against the performance condition is calculated independently by Willis Towers Watson.

Subject to Rio Tinto Remuneration Committee approval, awards vest based on the Rio Tinto Group's TSR performance against the Morgan Stanley Capital World Index (one half) and the EMIX Global Mining Index (one half), relative to global mining comparators. This is reviewed at 31 December of the fifth year of the grant. The level of vesting depends on performance against the indices.

Management Share Awards

Management share awards (**MSA**) are conditional grants of Rio Tinto shares to eligible employees of the company which will vest, wholly or partly, upon expiry of a three year vesting period. Rio Tinto shares to satisfy the vesting are purchased in the market. Award levels under the EIP are at the discretion of Rio Tinto.

Other Share Plans

All employees of the company may participate in Rio Tinto share purchase plans applicable at particular locations. Under the plan, employees may acquire shares up to the value of US$5,000 (or local currency equivalent) per year capped at 10 per cent of their base salary. Each share purchased will be matched by the Company (currently at a ratio of one for one) providing the participant holds the shares and remains employed at the end of the three year vesting period. Further details are at Note 30 to the Financial Statements.

Share dealing policy

The participation of the Chief Executive and senior executives in the Rio Tinto share plans involving the awarding of Rio Tinto securities at a future date, and any grants of shares and options under these plans, is subject to and conditional upon compliance with the terms of the "Rules for dealing in securities of Rio Tinto" (**Dealing Rules**). The Dealing Rules for dealing expressly prohibit the limiting of exposure to economic risk in relation to such securities, and are available on the Rio Tinto website at www.riotinto.com.

DIRECTOR'S REPORT

D Details of remuneration

Details of the remuneration of each non-executive and executive Director and each of the senior executives in respect of their services to the Company are set out in the following table.

Non-executive Directors of Energy Resources of Australia Ltd

		SHORT TERM BENEFITS			POST EMPLOYMENT BENEFITS	
		DIRECTORS FEES ($000)	CASH BONUS ($000)	NON- CASH BENEFITS ($000)	SUPER- ANNUATION ($000)	TOTAL ($000)
P Mansell	2019	227	-	-	22	249
	2018	205	-	-	20	225
S Charles	2019	151	-	-	14	165
	2018	132	-	-	12	144
P Dowd	2019	147	-	-	14	161
	2018	130	-	-	12	142
A Sutton [1,2,3]	2019	104	-	-	6	110
	2018	16	-	-	-	16
J Carey[1,4]	2019	40	-	-	-	40
Z Fisher[1,5]	2019	68	-	-	-	68
	2018	109	-	-	-	109
K McLeish[1,6]	2018	35	-	-	-	35
S Kaufman [1,7]	2018	45	-	-	-	45
Total 2019		737	-	-	56	793
Total 2018		672	-	-	44	716

Note 1 Amounts paid directly to Rio Tinto Limited (amounts paid directly to Ms Sutton from 10 May 2019).
Note 2 Appointed as a Director 30 October 2018.
Note 3 Appointed as a member of the Health, Safety and Environment Committee 9 September 2019.
Note 4 Appointed as a Director 7 August 2019.
Note 5 Resigned as a Director 7 August 2019.
Note 6 Appointed as a Director 19 June 2018 and resigned as a Director 30 October 2018.
Note 7 Resigned as a Director 19 June 2018.

DIRECTOR'S REPORT

Executive Director and senior executives

Set out below is an overview of the remuneration paid to the Executive Director and senior executives in 2019. This includes details of the key elements of remuneration and a summary of total remuneration for 2019.

Paul Arnold (Chief Executive and Managing Director from 2 August 2017)

Base salary

Mr Arnold was appointed as Chief Executive and Managing Director on 2 August 2017. Mr Arnold's base salary was reviewed annually with reference to the underlying performance of ERA and the Rio Tinto Group, global economic conditions, role responsibility, individual performance, an assessment against relevant comparator groups, internal relativities and base salary budgets applying to the broader employee population.

On 1 March 2019, Mr Arnold's base salary was $387,329 (1 March 2018 $378,000).

STIP objectives

The STIP cash payment made to Mr Arnold in 2019 was determined by assessing individual and business performance in 2018 against objectives set for that year.

The following individual objectives were set for Mr Arnold for 2018:

- safe and predictable operations with particular emphasis on process safety, asset integrity, productivity, output, quality, costs and cash flow;
- effective implementation of strategies for water management, other environmental controls and progressive rehabilitation and dredging operations, including stable and consistent operation of Brine Concentrator; and
- effective leadership behaviours in interaction with employees, the Board and stakeholders including Traditional Owners, regulators, investors and the community.

STIP outcomes

Mr Arnold's achievement against his 2018 individual objectives was assessed as 'good'. Detailed outcomes are below:

- a decrease in the All Injury Frequency Rate to 0.56 (2017; 1.17);
- production of 1,999 tonnes of uranium oxide was at the top end of market guidance;
- Ranger rehabilitation program progressed to schedule;
- strong cash management focus of cash reserves;
- optimised availability and throughput of the Brine Concentrator, including injection of brine into Pit 3 backfill; and
- continued progress with key stakeholders regarding rehabilitation of the Ranger Project Area.

LTIP awards granted

Award levels are set so as to incentivise executives to provide sufficient retention for the executive team and to contribute to the competitiveness of the overall remuneration package. The value of the MSAs and PSAs granted to Mr Arnold in 2019, based on the expected value calculations performed by individual advisors, was 45 per cent of base salary. The eventual amount that vests will depend on performance during the period 2019 to 2023.

DIRECTOR'S REPORT

Total remuneration

The table below provides a summary of Mr Arnold's total remuneration disclosed for the years of 2018 and 2019. The purpose of this table is to enable shareholders to better understand the actual remuneration received and to provide an overview of the actual outcomes of the Company's remuneration arrangements. The remuneration details set out on page 42 include theoretical accounting values relating to various parts of the remuneration packages, most notably long term incentive plan arrangements. Accordingly, the numbers below are not compatible with those in the table on page 42.

(STATED IN $'000)	2019	2018
Base salary paid[1]	385	377
STIP cash bonus[2]	144	170
STIP deferred shares[3]	48	57
LTIP share based payments	190	135
Superannuation	29	30
Other benefits[4]	162	164
Total remuneration	958	933
% change from previous year	3%	-
% of maximum STIP cash bonus awarded	51%	69%
% of maximum STIP cash bonus forfeited	49%	31%

Note 1 *Salaries are reviewed with effect from 1 March.*
Note 2 *Bonus payment relates to prior year performance.*
Note 3 *Value of deferred share awards granted under the EIP.*
Note 4 *Other benefits include accommodation, vehicle and other allowances and Company paid superannuation above statutory requirements that is taken as cash.*

DIRECTOR'S REPORT

Senior executives

Base salary

Base salaries are reviewed annually, with reference to the underlying performance of ERA, the Rio Tinto Group and the individual, global economic conditions, role responsibility, an assessment against relevant comparator groups and base salary budgets applying to the broader employee population.

At the end of 2018 and 2019, the base salaries of the Company's senior executives were:

BASE SALARY A'$000 (UNLESS OTHERWISE SPECIFIED)	2019	2018	CHANGE
David Blanch	247	240	3%
Lesley Bryce	315	288	9%
Alan Tietzel	371	366	1%

STIP objectives and outcomes

The individual objectives set out below relate to the 2018 financial year (with the corresponding STIP Award paid in 2019).

	SUMMARY OF INDIVIDUAL OBJECTIVES
Lesley Bryce	• Prevention of high consequence safety and environmental events • Demonstrate Health, Safety and Environment leadership and contribute to sustained improvement in health and safety performance • Achieve target metrics for production and cost, plant utilisation, availability and recovery • Delivery of planned rehabilitation activities in accordance with the Ranger Mine Closure Plan, including dredging and tailings deposition in Pit 3 • Demonstrate behaviours that align with the values of accountability, teamwork, integrity and respect
Alan Tietzel	• Prevention of high consequence safety and environmental events • Demonstrate Health, Safety and Environment leadership and contribute to sustained improvement in health and safety performance • Continue effective implementation of stakeholder engagement strategy • Design, plan and deliver stakeholder initiatives which progress the Company's direction on Ranger closure planning and the future of Jabiru • Demonstrate behaviours that align with the values of accountability, teamwork, integrity and Respect
David Blanch	• Prevention of high consequence safety and environmental events • Demonstrate Health, Safety and Environment leadership and contribute to sustained improvement in health and safety performance • Lead the program management for cash generation and cost improvement across ERA • Deliver efficient and effective commercial support services to ERA, including IT and procurement • Deliver excellence in accounting, performance reporting and financial forecasting • Lead ERA's sales and logistics planning, maximizing the value of ERA's marketing arrangements • Demonstrate behaviours that align with the values of accountability, teamwork, integrity and respect

DIRECTOR'S REPORT

A summary of the individual targets and performance for each of the Company's senior executives (other than the Chief Executive) for the 2018 financial year (with the corresponding STIP Award paid in 2019) is set out in the table below.

MEASURES	WEIGHT (%)	RESULT (OUT OF 200%)	WEIGHTED RESULT (%)
Lesley Bryce			
Business and financial performance	25.0	121.4	30.4
Health and Safety	15.0	163.0	24.4
Individual	60.0	145.0	87.0
Total	**100.0**	**-**	**141.8**
Alan Tietzel			
Business and financial performance	25.0	121.4	30.4
Health and Safety	15.0	163.0	24.4
Individual	60.0	110.0	66.0
Total	**100.0**	**-**	**120.8**
David Blanch			
Business and financial performance	25.0	121.4	30.4
Health and Safety	15.0	163.0	24.4
Individual	60.0	115.0	69.0
Total	**100.0**	**-**	**123.8**

LTIP awards

Award levels are set so as to incentivise executives to provide sufficient retention for the executive team and to contribute to the competitiveness of the overall remuneration package. The value of the awards granted to the Company's senior executives (other than the Chief Executive) in 2019, based on the fair value calculations performed by independent advisors, was between 22.5 per cent and 30 per cent of base salary.

DIRECTOR'S REPORT

Executive Director and senior executives total remuneration

		SHORT TERM BENEFITS				POST EMPLOYMENT BENEFITS	SHARE BASED PAYMENTS	
		CASH SALARY ($000)	CASH BONUS[6] ($000)	OTHER[7] ($000)	TERMINATION PAYMENTS ($000)	SUPER-ANNUATION PENSION ($000)	CASH & EQUITY SETTLED ($000)	TOTAL ($000)
Executive Director								
P Arnold[1]	**2019**	385	144	162	-	29	190	910
	2018	377	170	164	-	30	135	876
Senior executives								
D Blanch[2]	**2019**	246	74	116	-	53	49	538
	2018	120	-	90	-	35	15	260
L Bryce[3]	**2019**	307	123	118	-	29	85	662
	2018	283	102	128	-	30	53	596
A Tietzel[4]	**2019**	369	133	104	-	29	141	776
	2018	365	129	102	-	30	119	745
J May[5]	**2018**	136	89	47	-	57	31	360
Total 2019		1,307	474	500	-	140	465	2,886
Total 2018		1,281	490	531	-	182	353	2,837

Note 1 Performance related cash bonus: 51 per cent awarded in 2019, 49 per cent forfeited. 69 per cent awarded in 2018, 31 per cent forfeited.
Note 2 Performance related cash bonus: 62 per cent awarded in 2019, 38 per cent forfeited. Salary paid in 2018 financial year from 2 July to 31 December 2018.
Note 3 Performace related cash bonus: 71 per cent awarded in 2019, 29 per cent forfeited. 63 per cent awarded in 2018, 37 per cent forfeited.
Note 4 Performance related cash bonus: 60 per cent awarded in 2019, 40 per cent forfeited. 61 per cent awarded in 2018, 39 per cent forfeited.
Note 5 Salary paid in financial year from 1 January 2018 to 1 June 2018. Performance related cash bonus: 74 per cent awarded in 2018, 26 per cent forfeited.
Note 6 Performance and related bonuses paid in 2019 relate to services in 2018 (equally bonuses paid in 2018 relate to services in 2017).
Note 7 Other benefits include relocation, accommodation, travel, vehicle, other allowances, Company paid superannuation above statutory requirement that is taken as cash excluding cash paid site allowances which are treated as cash salary.

The value of share based awards has been determined in accordance with the recognition and measurement requirements of AASB2 “Share-based Payment”. The fair value of awards granted under the Rio Tinto 2018 Equity Incentive Plan, the Rio Tinto Management Share Plan (**MSP**), Bonus Deferral Plan (**BDP**), Performance Share Plan (**PSP**) and myShare has been calculated at their dates of grant using valuation models provided by external consultants Lane Clark and Peacock LLP, including an independent lattice-based option valuation model and a Monte Carlo valuation model which takes into account the constraints on vesting and exercise attached to these awards.

DIRECTOR'S REPORT

E Executive service agreements

Remuneration and other terms of employment for the Chief Executive and senior executives are formalised in service agreements. These agreements provide for participation in the Rio Tinto short and long term incentive plans upon achieving performance and service goals. The agreements may also provide for other benefits, including: medical insurance, vehicle and accommodation allowances, relocation allowances and expenses and travel allowances.

The Chief Executive and senior executives are also entitled to a range of pre-existing redundancy entitlements, depending on the business and region from where they were originally employed within the Rio Tinto Group. These include:

- notice may be worked or fully or partly paid in lieu, at ERA's discretion;
- additional capped service related payments may apply;
- pro rata short term incentive plan payments may be paid based on the proportion of the performance period worked;
- conditional share awards granted and held for less than three years at the date of termination are reduced pro-rata;
- conditional share awards held for less than three years at date of termination are reduced pro-rata;
- there is no contractual entitlement to payments in the event of a change of control; and
- other major provisions of the agreements relating to remuneration as set out below.

P Arnold - Chief Executive

Term of agreement - Open, commenced 2 August 2017

Base salary (excluding superannuation, allowances and other benefits) as at 31 December 2019 of $387,329 per annum. Maximum short term incentive bonus upon meeting performance criteria is 100 per cent of base salary. Base salary and short term incentive targets are to be reviewed annually. Termination by the employee is three months' notice in writing or by the employer giving six months' notice or equivalent payment in lieu of notice.

In addition to Mr Arnold's service agreement, ERA has entered into a secondment agreement with Rio Tinto in relation to Mr Arnold's services to ERA. The secondment agreement provides that ERA can end Mr Arnold's secondment by giving Rio Tinto three months' notice at any time. Rio Tinto can end Mr Arnold's secondment by giving three months' notice to ERA provided such notice can be given no earlier than 2 May 2020.

L Bryce - General Manager Operations

Term of agreement - Open, commenced 1 June 2017

Base salary (excluding superannuation, allowances and other benefits) as at 31 December 2019 of $315,000 per annum. Maximum short term incentive bonus upon meeting performance criteria is 60 per cent of base salary. Base salary and short term incentive targets to be reviewed annually. Termination by the employee is three months' notice in writing or by the employer giving six months' notice or equivalent payment in lieu of notice.

D Blanch - Chief Financial Officer

Term of agreement - Open, commenced 2 July 2018

Base salary (excluding superannuation, allowances and other benefits) as at 31 December 2019 of $247,200 per annum. Maximum short term incentive bonus upon meeting performance criteria is 50 per cent of base salary. Base salary and short term incentive targets to be reviewed annually. Termination by the employee is three months' notice in writing or by the employer giving six months' notice or equivalent payment in lieu of notice.

A Tietzel - General Manager External Relations

Term of agreement - Open, commenced 1 October 2010

Base salary (excluding superannuation, allowances and other benefits) as at 31 December 2019 of $370,515 per annum. Maximum term incentive bonus upon meeting performance criteria is 60 per cent of base salary. Base salary and short term incentive targets to be reviewed annually. Termination by the employee is three months' notice in writing or by the employer giving six months' notice or equivalent payment in lieu of notice.

DIRECTOR'S REPORT

F Share based compensation

Rio Tinto Performance Share Awards

Rio Tinto Performance Share Awards (**PSA**) are granted at the discretion of the Rio Tinto Remuneration Committee in line with Rio Tinto guidelines. 100 per cent potentially vest after five years. PSAs have been granted under either the previous Rio Tinto Performance Share Plan or, for awards granted from 2018, granted under the EIP. The terms and conditions of each right to Rio Tinto Limited or Rio Tinto plc shares affecting remuneration in this or future reporting periods are as follows:

AWARD DATE	MARKET PRICE AT AWARD	PERFORMANCE PERIOD ENDS[1]	MARKET PRICE AT 31 DECEMBER 2019
Rio Tinto Limited			
11 March 2016	$44.57	31 December 2020	$100.40
9 March 2017	$58.97	31 December 2021	$100.40
15 May 2018	$83.61	31 December 2022	$100.40
18 March 2019	$93.17	31 December 2023	$100.40

Note 1 Vesting dependent upon continued employment with a Rio Tinto Group company and achievement of relevant performance conditions.

Rio Tinto Management Share Awards

Rio Tinto Management Share Awards (**MSA**) are granted at the discretion of the Rio Tinto Remuneration Committee in line with Rio Tinto guidelines. MSAs have been granted under either the previous Rio Tinto Management Share Plan or, for awards granted from 2018, granted under the EIP. The terms and conditions of each right to Rio Tinto Limited or Rio Tinto plc shares affecting remuneration in this or future reporting periods are as follows:

AWARD DATE	MARKET PRICE AT AWARD	PERFORMANCE PERIOD ENDS[1]	PRICE AT 31 DECEMBER 2019
Rio Tinto Limited			
9 March 2017	$58.97	18 February 2020	$100.40
15 May 2018	$83.61	15 February 2021	$100.40
18 March 2019	$93.17	21 February 2022	$100.40

Note 1 Vesting dependent upon continued employment with a Rio Tinto Group company.

DIRECTOR'S REPORT

Rio Tinto Bonus Deferral Awards

Rio Tinto Bonus Deferral Awards (**BDA**) are granted at the discretion of the Rio Tinto Remuneration Committee in line with Rio Tinto guidelines. BDAs have been granted under either the previous Rio Tinto Bonus Deferral Plan or, for awards granted from 2018, under the EIP. The terms and conditions of each right to Rio Tinto Limited shares affecting remuneration in this or future reporting periods are as follows:

AWARD DATE	MARKET PRICE AT AWARD	VESTING DATE[1]	PRICE AT 31 DECEMBER 2019
Rio Tinto Limited			
15 May 2018	$83.61	1 December 2020	$100.40
18 March 2019	$93.17	1 December 2021	$100.40

Note 1 Vesting dependent upon continued employment with a Rio Tinto Group company.

Share based compensation – Rio Tinto employee share schemes

The key management personnel and Directors of the Company who elected to participate in the Rio Tinto myShare share purchase plan as at 31 December 2019 are set out below:

P Arnold	Rio Tinto myShare
D Blanch	Rio Tinto myShare
L Bryce	Rio Tinto myShare
J Carey	Rio Tinto myShare
A Tietzel	Rio Tinto myShare

Equity instrument disclosures relating to key management personnel

Options provided as remuneration

Details of options over ordinary shares in Rio Tinto Limited and Rio Tinto plc held during the year and provided as remuneration to key management personnel in respect of their service to ERA (or, in the case of non-executive Directors, to Rio Tinto) are set out below. When exercisable, each option is convertible into one ordinary share of Rio Tinto Limited or Rio Tinto plc.

						BALANCE AT END OF THE YEAR[3]	
		BALANCE AT START OF THE YEAR OR ON JOINING[1]	GRANTED AS REMUN-ERATION	EXERCISED DURING THE YEAR	OTHER CHANGES[2]	VESTED & EXER-CISABLE	UNVESTED
Rio Tinto Limited							
Non-executive Directors[4]							
A Sutton	**2019**	1,158	-	(1,158)	-	-	-
	2018	1,158	-	-	-	1,158	-

Note 1 Where key management personnel joined during the year, balance at start of the year reflects holdings at time of commencement with ERA.
Note 2 Other changes and end of year balance include changes made in relation to awards for service within the wider Rio Tinto Group, including before joining or after ceasing with ERA, and forfeited options where conditions were not met.
Note 3 Where key management personnel left prior to the end of the year, the balance reflects the holding at the time of resignation.
Note 4 Changes to balances for non-executive Directors do not relate to remuneration for services provided to the Company.

DIRECTOR'S REPORT

Conditional awards provided as remuneration

Rio Tinto 2018 Equity Incentive Plan

No conditional awards of ordinary shares of either ERA or of Rio Tinto Limited or Rio Tinto plc were provided during the year as remuneration for services provided to ERA to any of the non-executive Directors. Details of conditional awards of ordinary shares in Rio Tinto Limited and Rio Tinto plc held during the year and provided as remuneration to the Chief Executive and senior executives of ERA in respect of their duties as officers of ERA are set out below. When exercisable, each award converts into one ordinary share of Rio Tinto Limited or Rio Tinto plc.

		BALANCE AT START OF THE YEAR OR ON JOINING[1]	GRANTED AS REMUN-ERATION	VESTED	LAPSED	AWARDS CANCELLED	OTHER CHANGES[2]	BALANCE AT END OF YEAR[3]
Rio Tinto Limited								
Executive Director								
P Arnold	**2019**	8,837	3,713	(1,959)	-	-	-	10,591
	2018	5,754	4,877	(1,794)	-	-	-	8,837
Senior executives								
L Bryce	**2019**	2,610	1,189	(675)	-	-	-	3,124
	2018	1,880	1,318	(588)	-	-	-	2,610
D Blanch	**2019**	1,533	736	(336)	-	-	-	1,933
	2018	1,533	-	-	-	-	-	1,533
A Tietzel	**2019**	5,866	1,583	(2,126)	-	-	-	5,323
	2018	6,325	1,865	(2,181)	-	(143)	-	5,866
J May	**2018**	3,643	966	(1,043)	-	(45)	-	3,521
Non-executive Directors[4]								
A Sutton	**2019**	19,515		(7,778)			(4,116)	7,621
	2018	21,019	-	(1,660)	-	-	156	19,515
J Carey	**2019**	4,471	-	-	-	-	-	4,471
Z Fisher	**2019**	14,115	-	(1,869)	-	-	3,447	15,693
	2018	11,268		(1,627)			4,474	14,115
K McLeish	**2018**	25,397	-	-	-	-	-	25,397
S Kaufman	**2018**	23,603	-	(1,621)	-	-	15,618	37,600

Note 1 *Where key management personnel joined during the year, balance at start of the year reflects holdings at time of commencement with ERA.*
Note 2 *Other changes and end of year balance include changes made in relation to awards for service within the wider Rio Tinto Group, including before joining or after ceasing with ERA, and Rio Tinto Rights Issue adjustments to accrued balances.*
Note 3 *When key management personnel left prior to the end of the year, the balance reflects holdings at the date of resignation.*
Note 4 *Changes to balances for non-executive Directors do not relate to remuneration for services provided to ERA.*

DIRECTOR'S REPORT

Shareholdings

The number of shares held in ERA or Rio Tinto Limited during the financial year by each Director of ERA are set out below.

		BALANCE AT START OF THE YEAR[1]	INCREASED DURING THE YEAR	OTHER CHANGES DURING THE THE YEAR	BALANCE AT END OF THE YEAR[2]
Rio Tinto Limited					
P Mansell	**2019**	2,000	-	-	2,000
	2018	2,000	-	-	2,000
P Arnold	**2019**	2,713	2,619	(650)	4,682
	2018	704	2,009	-	2,713
A Sutton	**2019**	9,937	9,373	(415)	18,895
	2018	9,937	1,600	(1,600)	9,937
P Dowd	**2019**	1,500	-	-	1,500
	2018	1,744	-	(244)	1,500
J Carey	**2019**	4,100	42	-	4,142
Z Fisher	**2019**	3,708	2,127	(1,200)	4,635
	2018	4,162	1,832	(2,286)	3,708
S Kaufman	**2018**	2,944	1,721	-	4,665
K McLeish	**2018**	6,019	56	-	6,075

Note 1 Where a Director was appointed during the year, balance reflects holdings at the time of commencement with the Company.
Note 2 Where a Director resigned during the year, balance reflects holdings at time of resignation as a Director of the Company.

G Additional information

Loans and other transactions with Directors and other key management personnel

There are no loans with Directors and other key management personnel. Other transactions with Director related entities are disclosed in Note 24 – Related parties.

DIRECTOR'S REPORT

Principal activities
The principal activities of the Company during the course of the year consisted of the mining, processing and sale of uranium oxide.

Dividends
No dividends have been paid by ERA to members in respect of the 2019 financial year (2018: nil).

Operating and financial review
Details of ERA's review and results of operations are included in the Chairman's Report (page 4), the Chief Executive's Report (page 5) and the Financial Performance (page 7) and Operations and Rehabilitation (page 9) sections.

Significant changes to the state of affairs
In the opinion of the Directors, other than matters reported in the Directors' Report, the Chairman's Report and the Chief Executive's Report, there were no significant changes in the state of affairs of the Company during the year ended 31 December 2019.

Matters subsequent to the end of the financial year
On 15 November 2019, the Company announced a pro-rata renounceable entitlement offer of 6.13 new fully paid ERA ordinary shares to fund its rehabilitation obligations for the Ranger Project Area (Entitlement Offer). The terms and conditions of the Entitlement Offer are set out in an Offer Information Booklet released on 15 November 2019.

The Entitlement Offer was fully underwritten by North Limited (the Underwriter or North), a wholly-owned subsidiary of Rio Tinto, pursuant to an Underwriting Agreement dated 15 November 2019 (Underwriting Agreement).

On 11 December 2019, the Takeovers Panel (Initial Panel) made a declaration of unacceptable circumstances and orders in relation to an application dated 18 November 2019 by Zentree Investments Limited in relation to the affairs of ERA. Copies of the Initial Panel's declaration and orders are reproduced on the Panel's website at:

http://www.takeovers.gov.au/content/Media_Releases/2019/downloads/MR19-078.pdf

On 13 December 2019, Rio Tinto lodged an application for a review of the Initial Panel's decision. On 20 January 2020, the review Panel (Review Panel) affirmed the decision of the Initial Panel to make a declaration of unacceptable circumstances and varied the Initial Panel's orders. Copies of the Review Panel's declaration and the variations ordered by the Review Panel are reproduced on the Panel's website at:

https://www.takeovers.gov.au/content/Media_Releases/2020/downloads/MR20-005.pdf

New shares under the Entitlement Offer were issued on 25 February 2020. Following the issue of the new shares to Rio Tinto under the Entitlement Offer and Underwriting Agreement, Rio Tinto's relevant interests in the Company increased from 68.4 to 86.3 per cent.

Other than detailed above, there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material nature that has significantly affected or may significantly affect:

- the operations of the Company;
- the results of those operations; or
- the state of affairs of the Company subsequent to the financial year ended 31 December 2019.

Likely developments
In the opinion of the Directors, any likely developments in the operations of the Company known at the date of this report have been covered within the Annual Report and Notes to the financial statements.

A general review of developments for ERA is presented in the Operations and Rehabilitation section on page 9.

Annual General Meeting
The 2020 Annual General Meeting will be held on 6 May 2020 in Darwin, in the Northern Territory of Australia. Notices of the 2020 Annual General Meeting will be set out in separate letters to the shareholders of the Company.

Indemnification
Clause 11 of the Company's constitution provides that every Director, manager, officer or employee of the Company shall be indemnified out of the funds of the Company against all liability incurred by them in defending any proceedings in which they are successful.

The *Corporations Act 2001* prohibits a company from indemnifying Directors, secretaries, executive officers and auditors from liability except for liability to a party, other than the Company or a related body corporate, where the liability does not arise out of conduct involving a lack of good faith and except for liability for costs and expenses incurred in defending proceedings in which the officer or auditor is successful. An indemnity for officers or employees who are not Directors, secretaries or executive officers, is not expressly prohibited by the *Corporations Act 2001*.

The Directors and Company Secretary of the Company, and all former Directors and Company Secretaries, have the benefit of the indemnity in Clause 11 of the Company's constitution.

The indemnity also applies to executive officers of the Company (being the senior executives and managers who are concerned with, or take part in the management of the Company) as well as other employees.

Insurance
Since the end of the previous financial year, the Company has paid insurance premiums in respect of a Directors' and officers' liability policy of insurance.

The policy indemnifies all Directors and officers of ERA (including the Directors, Company Secretaries, and executive officers referred to above) against certain liabilities.

DIRECTOR'S REPORT

In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

Environmental regulation and policy

ERA strives to be at the forefront of environmental management in the uranium industry. It operates in accordance with relevant Commonwealth and Northern Territory environmental legislation as well as site specific environmental licences, permits and statutory authorisations. ERA's environmental management system is ISO14001 compliant.

ERA is required to report any incident that is a divergence from strict compliance with statutory requirements, even if the incident has no detrimental environmental impact, and reports are made to the Department of Primary Industry and Resources (Northern Territory); the Supervising Scientist Branch of the Commonwealth Department of Environment; the Northern Land Council; the Commonwealth Department of Industry, Science, Energy and Resources and the Gundjeihmi Aboriginal Corporation (representatives of the Mirarr Traditional Owners).

ERA's commitment to protect the environment in 2019 was overseen by the Supervising Scientist Branch, which conducts extensive monitoring and research programs on the Ranger Project Area and Jabiluka Mineral Lease.

There were no prosecutions commenced or fines incurred in respect of ERA's environmental performance during 2019. The environment remained protected throughout the period.

Corporate governance

The Board of ERA considers high standards of corporate governance to be critical to business integrity and performance. The corporate governance structures and practices in place at ERA are substantially in compliance with the 3rd Edition of the Corporate Governance Principles and Recommendations developed by the ASX Corporate Governance Council (Council).

Areas where the corporate governance practices of ERA do not follow the Council's recommendations arise due to Rio Tinto's 86.3 per cent ownership of the Company and the management, direction, services and support this provides. The extent to which the Company does not comply is detailed in the Corporate Governance Statement on pages 52 to 55.

Rounding of amounts

The Company is of a kind referred to in ASIC Class Order 2016/191 and in accordance with that Class Order amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise indicated.

Auditor

PricewaterhouseCoopers is the auditor of the Company. No person who was an officer of the Company during the year was a former partner or director of the auditor. Each of the Directors at the time this report was approved has confirmed that, so far as he or she is aware:

- there is no relevant audit information (ie information needed by the auditor in connection with preparing its report) of which the auditor is unaware and;
- he or she has taken all steps that they ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Non audit services

The Company may decide to employ the auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company are important.

Details of the amounts paid or payable to the auditor for audit services are set out below.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit and Risk Committee, is satisfied that the provision of non-audit services is compatible with the general standard of independence for the auditor imposed by the *Corporations Act 2001*.

All non-audit services are reviewed by the Audit and Risk Committee to ensure they do not impact on the impartiality and objectivity of the auditor and do not undermine the general principles relating to auditor's independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards. Accordingly, the Directors have satisfied themselves that the provision of non-audit services by the auditor does not compromise the auditor independence requirements of the C*orporations Act 2001*.

During the year, the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-audit related firms.

	2019 $000	2018 $000
PricewaterhouseCoopers Australia		
Audit and review of financial reports	275	290
Audit and review of financial reports (additional prior year fees)	65	10
Total remuneration for audit services	340	300
Other non-audit related services	316	-
Total Remuneration	656	300

DIRECTOR'S REPORT

Information on Auditor

PricewaterhouseCoopers continues in office in accordance with Section 327 of the *Corporations Act 2001*.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 51.

Signed at Perth this 6th March 2020 in accordance with a resolution of the Directors.

P Mansell
Director
Perth
6 March 2020

AUDITOR'S INDEPENDENCE DECLARATION

Auditor's Independence Declaration

As lead auditor for the audit of Energy Resources of Australia Ltd for the year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Charles Christie
Partner
PricewaterhouseCoopers

Melbourne
6 March 2020

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CORPORATE GOVERNANCE STATEMENT

The Board of ERA considers high standards of corporate governance to be critical to business integrity and performance and to maximise the overall long term return to shareholders. The Board seeks to ensure that ERA meets the objectives of its shareholders, while paying proper regard to the interests of employees and external stakeholders.

The corporate governance structures and practices in place at ERA are substantially in compliance with the 3rd Edition of the Corporate Governance Principles and Recommendations (Principles) developed by the ASX Corporate Governance Council (Council).

The Board has considered the Council's Principles, and ERA did not comply with the following recommendation for the whole of the reporting period:

- Recommendation 2.4 – there was not a majority of independent Directors.

As explained further below, the Board considers that this is appropriate. This Corporate Governance Statement is current as at 6 March 2020 and has been approved by the Board of ERA.

Board responsibilities and charter

In carrying out its responsibilities and powers, the Board at all times recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the ERA's shareholders and employees and the community.

The Board Charter underpins the strategic guidance and effective management oversight provided by the Board, and defines the division of responsibility between Board and management by formal delegation and a system of Board reserve powers.

Other than as specifically reserved to the Board in the Board Charter, responsibility for the management of ERA's business is delegated to the Chief Executive who is accountable to the Board.

The Board approves strategy and business plans and monitors the performance of ERA against these plans. The Board also monitors compliance with policies prescribed by the Board in areas such as health and safety, environment, business ethics, internal control and risk management. These policies are designed to ensure that ERA meets or exceeds the regulatory requirements governing its operations.

In addition to the matters expressly required by law to be approved by the Board, the powers specifically reserved for the Board are as follows:

- confirming the appointment and removal of a Chief Executive proposed by Rio Tinto and the terms and conditions of the Chief Executive's employment;
- appointment and removal of a Company Secretary;
- appointment of the Chairman of the Board and members of Board Committees;
- any matters set out in the Schedule of Matters Reserved for Decision or Consideration by the Board; and
- approval, subject to the Constitution, the *Corporations Act 2001* and the ASX Listing Rules, of each of the following:
  - (i) the issue of new shares or other securities in the Company;
  - (ii) incurring of debt (other than trade creditors incurred in the normal course of business);
  - (iii) capital expenditure in excess of $5,000,000;
  - (iv) the acquisition, divestment or establishment of any significant business assets;
  - (v) changes to the discretions delegated from the Board;
  - (vi) the annual operating budget plan;
  - (vii) changes to the capital and operating approval limits of senior management; and
  - (viii) the annual report and interim and preliminary final reports.

The Board Charter is available at the Corporate Governance section of ERA's website.

Composition

Throughout 2019, the Board of ERA consisted of six Directors, five of whom were non-executive.

Mr Mansell, Mr Charles and Mr Dowd all served as independent non-executive Directors throughout 2019. Ms Fisher and Ms Sutton, who are former executives of Rio Tinto, and Mr Carey, an executive of Rio Tinto, also served as non-executive Directors during the period.

On 7 August 2019, Ms Fisher resigned as a Director.

Mr Carey was appointed as a Director on 7 August 2019.

Skills, experience and diversity

The Board strives to achieve a diversity of skills, experience and perspective among its Directors. Details of the Directors, their experience, qualifications and other appointments are set out on pages 28 to 29. Details of the independent status of each Director are outlined in the Independence section below.

Qualification for Board membership is driven by the principle that the Board's composition should reflect the right balance of skills, knowledge and diversity that the Board considers will best serve the interests of ERA and all of its shareholders.

The Board reviews its structure, size and composition regularly. The Board has not established a Nominations Committee. The Board considers that its existing practices in reviewing Director competencies, Board succession planning, Board performance evaluation and Director selection and nomination carried out in accordance with the Board Charter, are satisfactory and appropriate given the size of the Board and ERA's current ownership structure.

The process to identify and nominate new independent Directors from time to time is led by the incumbent independent Directors. Decisions relating to the appointment of Directors are made by the full Board. Directors appointed by the Board are required by ERA's Constitution to submit themselves for re-election by shareholders at the Annual General Meeting following their

CORPORATE GOVERNANCE STATEMENT

appointment. There is no share ownership qualification for appointment as a Director.

The ERA Board undertakes appropriate background checks and screening prior to appointing a Director or putting a candidate to security holders for election as a Director. ERA provides security holders with all material information in its possession concerning each Director standing for election or re-election in the explanatory notes accompanying the notice of meeting.

Non-executive Directors are required to retire at least every three years in accordance with ERA's Constitution, but may offer themselves for re-election. The key attributes that the Board seeks to achieve in its membership are set out below.

Mining	Senior executive experience in the resources industry, including mining, development, marketing and exploration
Health, Safety and Environment	Familiarity with issues associated with workplace health and safety, environment and social responsibility
Financial	Proficiency in financial accounting and reporting, corporate finance, internal financial controls, corporate funding and associated risks
Technical	A strong understanding in technical areas of the resource industry, including engineering, mining and processing
Strategy	Proven ability in developing and implementing successful business strategies, including the capacity to probe and challenge management on the delivery of strategic objectives
Governance	Commitment to the highest standards of governance, including Board experience with other ASX listed companies that demonstrate rigorous governance standards
Executive leadership	Sustainable success in business at a very senior executive level
Government relations	Interaction with government and regulators and involvement in public policy initiatives and decisions
Community and indigenous engagement	Experience in engaging with a cross-section of community and Indigenous stakeholders
Risk management	Experience in developing and establishing risk management frameworks, setting risk appetite and overseeing organisational risk culture

Appointment, induction training and professional development

All new non-executive Directors sign a letter of appointment which sets out the key terms and conditions of their appointment including duties, rights and responsibilities, the time commitment envisaged and the Board's expectations regarding their involvement with committee work. The Chief Executive and senior executives enter into service agreements which govern the terms of their employment (see page 43).

Induction training is provided to all new Directors. It includes comprehensive induction materials, discussions with the Chief Executive and senior executives and the option to visit the Company's operations at Ranger mine, either by appointment or with the Board during its next site tour. The induction materials and discussions include information on the Company's strategy, culture and values, key corporate and Board policies, the Company's financial, operational and risk management position, the rights and responsibilities of Directors, the role of the Board and its committees and meeting arrangements.

All Directors are expected to maintain the skills required to discharge their obligations to the Company. ERA provides the opportunity for Directors to participate in professional development activities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

Independence

For the purposes of determining Director independence, the Board considers any material business relationship which could interfere, or be perceived to interfere, with the Director's independence of judgement, ability to provide a strong, valuable contribution to the Board's deliberations and the Director's ability to act in the best interests of ERA and all shareholders. Where contracts in the ordinary course of business exist between ERA and a company in which a Director has declared an interest, these are reviewed for materiality to both ERA and the other party to the contract.

In addition to the examples set out in the Principles, the following may be taken into account in considering such material business relationships:

- whether, within the last three years, the Director or a close family member has been a member of executive management of ERA, employed in a senior position with a member of the Rio Tinto Group or has received additional remuneration from the Company or a member of the Rio Tinto Group;
- whether the Director or a close family member is, or is associated with, a substantial shareholder (more than five per cent of the voting shares) in the Company or in a member of the Rio Tinto Group;
- the Director's cross directorships of, or significant links with, or involvement in, other companies;
- the Director's length of service on the Board and whether this may have compromised independence; and
- whether, within the last three years, the Director or a close family member has had, either directly or indirectly and whether as principal, employee or consultant, a material business relationship with ERA or with a member of the Rio Tinto Group, whether as an auditor, professional adviser, supplier, or customer ("material" being more than five per cent of ERA's or the counterparty's consolidated gross revenue per annum).

CORPORATE GOVERNANCE STATEMENT

Mr Mansell, Mr Charles and Mr Dowd are considered by the Board to be independent Directors.

For the reporting period, the Board of Directors did not consist of a majority of independent Directors. This does not follow Recommendation 2.4 of the Council's Principles. The Board considers it is appropriate that the composition of the Board recognised Rio Tinto's 86.3 per cent shareholding.

All Directors are required to, and do, bring an independent judgement to bear on Board decisions and act in accordance with their statutory duties of good faith and for a proper purpose, and in the interests of all shareholders.

All related party transactions, including those with Rio Tinto, have been determined by the independent Directors to be on arm's length terms and in the interests of ERA.

Chairman and Chief Executive

The Chairman, Mr Mansell, is an independent non-executive Director. Mr Mansell's other appointments are set out on page 28. The Board considers that none of his other commitments interfere with the discharge of his duties to ERA.

The Chief Executive is Mr Arnold, who is also a Director.

Company Secretary

The Company Secretary is responsible for ensuring that Board procedures are complied with and that governance matters are addressed. All Directors have direct access to the Company Secretary who is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. Details of the Company Secretary's experience and qualifications are set out on page 31.

Board meetings

The Board held six scheduled meetings and six extraordinary meeting during 2019. In addition, there were 16 meetings held in 2019 of Committees established by the Board. The Board and Committee meeting attendance details for Directors in 2019 are set out on page 32.

Performance self assessment

The Board has a process for periodically evaluating its performance, as well as the performance of its committees and individual Directors. The evaluation and self-assessment generally takes the form of an internal process facilitated by the Chairman. After consulting each Director and the Company Secretary, the Chairman reports a summary of the findings to all Directors for discussion at the next Board meeting where relevant actions are agreed. Periodically the Board may utilise the services of an external consultant to facilitate the process. The external process takes the form of a questionnaire completed by each of the Directors and the Company Secretary. Following collation by the consultant, the results, adequacy and appropriateness of the self-assessment process are compiled. A report outlining the results is circulated to all Directors and discussed at the following Board meeting where actions arising are agreed.

The Chairman conducted an evaluation of the Board in 2019 obtaining feedback from the Directors on the performance of the Board and its committees.

Independent professional advice

The Board has adopted a procedure for Directors wishing to seek independent professional advice, at the Company's expense, in the furtherance of their duties. The Board recognises that there may be circumstances in which individual Directors are entitled to independent professional advice at the Company's expense in the furtherance of their duties, and any Director may do so by arrangement with the Company Secretary.

Remuneration

ERA's Constitution provides that the aggregate remuneration paid to non-executive Directors of ERA in any one year will not exceed $800,000 or such other amount as may be approved by shareholders from time to time. At the 2019 Annual General Meeting, the 2018 Remuneration Report was approved with 96.25 per cent of shares voted in favour (voting comprised 355,929,859 votes 'for' the resolution and 13,882,793 votes 'against' the resolution). North Limited and Peko-Wallsend Pty Ltd, which are both Rio Tinto entities, voted a combined total of 354,078,854 votes 'for' the resolution.

In 2012, the Board established a Remuneration Committee. Throughout 2019, the Remuneration Committee comprised three non-executive Directors, being Mr Mansell (Chair), Mr Dowd and Mr Charles, all of whom are independent. A majority of members constitutes a quorum for a meeting. The Chief Executive may be invited to attend Remuneration Committee meetings. Other executives may also be invited to discuss or report on particular agenda items.

The Remuneration Committee Charter sets out the role and objectives of the Remuneration Committee. A summary of the objectives of the Remuneration Committee and the policies and practices of the Company regarding the remuneration of non-executive Directors, the Chief Executive and senior executives is set out on pages 33 to 36 of the Remuneration Report.

The complete Remuneration Committee Charter is available at the Corporate Governance section of ERA's website at www.energyres.com.au

Details of how the performance evaluation process is undertaken by the Board in respect of the Chief Executive and senior executives are set out on pages 33 to 36 of the Remuneration Report.

Audit and Risk Committee

The Audit and Risk Committee is appointed by the Board and throughout 2019 comprised three non-executive Directors, all of whom are independent. A majority of members constitutes a quorum. The present members of the Audit and Risk Committee are Mr Charles (Chair), Mr Mansell and Mr Dowd. The Company's Chief Financial Officer, Chief Executive and Legal Counsel & Company Secretary, the external auditor and the internal auditor are invited to attend all meetings.

CORPORATE GOVERNANCE STATEMENT

The Audit and Risk Committee Charter sets out the role and terms of reference of the Audit and Risk Committee and is reviewed regularly. The Audit and Risk Committee Charter is available at the Corporate Governance section of ERA's website.

The Committee provides a formal structure for reviewing ERA's financial statements, accounting policies, control systems, risk management practices and taxation issues and for liaison with the external and internal auditors. The Committee also reviews the adequacy of internal and external audit arrangements.

The Audit and Risk Committee advises the Board of any matters that might have a significant impact on the financial condition of ERA and has the authority to investigate any matters within its terms of reference, having full access to the information and resources of ERA to fulfil its function. Related party transactions are considered by the Audit and Risk Committee. The Audit and Risk Committee reviews compliance with the *Corporations Act 2001*, and the requirements of the ASX and other regulatory requirements.

The Audit and Risk Committee held four meetings during 2019. Attendance details of the 2019 meetings of the Audit and Risk Committee, and the qualifications and experience of the members, are set out in the Directors' Report on pages 32 and 28 to 29.

Each year the external auditor submits a schedule of audit services and fee estimate to the Audit and Risk Committee for consideration and approval. PricewaterhouseCoopers has been ERA's external auditor for a number of years. Each year, the Audit and Risk Committee reviews the effectiveness of the external audit process and the independence of the auditor. Based on its 2019 review, the Audit and Risk Committee was satisfied with the external audit process and that the external auditor remained independent. Any work to be conducted by the external auditor other than the audit is approved by the Audit and Risk Committee.

Details of the fees paid to PricewaterhouseCoopers during 2019 are outlined on page 49.

Health, Safety and Environment Committee

The Health, Safety and Environment Committee is appointed by the Board and ordinarily comprises three non-executive Directors. A majority of members constitutes a quorum. Throughout 2019, Mr Dowd (Chair) and Mr Charles were members of the Health, Safety and Environment Committee. Ms Fisher served as a member of the Committee in 2019, but resigned as a Director during the period. Ms Sutton was appointed to the Committee on 9 September 2019. The Company's Chief Executive, General Manager Operations and Company Secretary are invited to attend all meetings.

The Health, Safety and Environment Committee Charter sets out the role and objectives of the Health, Safety and Environment Committee and is reviewed regularly. It is available at the Corporate Governance section of ERA's website.

The Committee provides a formal structure to further support governance and initiatives for improvement in health, safety and the environmental management of ERA operations.

The Health, Safety and Environment Committee held three scheduled meetings during 2019. Attendance details of the 2019 meetings of the Health, Safety and Environment Committee, and the qualifications and experience of the members, are set out in the Directors' Report on pages 32 and 28 to 29.

Funding Committee

In January 2019, the Board resolved that a Committee comprising Mr Mansell (Chair), Mr Dowd and Mr Charles, being those Directors considered to be independent from Rio Tinto, be established to further progress the engagement with Rio Tinto regarding funding options or transactions under consideration by the Company. The Committee was granted all of the powers, authorities and discretions of the Board in respect of, among other things, evaluating, negotiating and, if they consider it to be in the best interests of the Company, approving any proposed agreement with Rio Tinto (including entering into any funding support term sheet and subsequent binding agreement with Rio Tinto) in relation to any funding proposal. A majority of members constitutes a quorum. The committee held 15 meetings during 2019.

Diversity

ERA acknowledges the benefits that flow from advancing Board and employee diversity, in particular gender and Indigenous diversity. These benefits include identification and rectification of gaps in the skills and experience of Directors and employees, enhanced employee retention, greater innovation and maximisation of available talent to achieve corporate goals and increased financial performance.

Diversity, in the context of the Company, primarily refers to groups which are underrepresented in its workforce. ERA has a particular focus on the representation of women and Indigenous people in its workforce. ERA's policy on diversity can be found on the Company's website at www.energyres.com.au. In accordance with the Company's diversity policy, ERA has set measurable objectives to achieve diversity.

CORPORATE GOVERNANCE STATEMENT

The objectives and the Company's progress in achieving each objective are set out below:

OBJECTIVE	OUTCOME
Women to represent 20 per cent of the management (being manager level and above) and the Board by end of 2019.	As at 31 December 2019 female participation at manager, Executive Committee and Board level is 29 per cent. Women comprise 17 per cent of Directors. Total female participation is 18 per cent.
Target of 33 per cent Indigenous people and 25 per cent female participation in new apprenticeships by end of 2019.	Throughout 2019, ERA had 4 full time apprentices, 3 of whom are female (75 per cent) and 3 of whom are indigenous (75 per cent). In addition, ERA had five Indigenous trainees.
Target Indigenous employment of 20 per cent by the end of 2019.	ERA ended 2019 with an Indigenous employment rate of 12 per cent.

As at 31 December 2019, the proportion of women employed by ERA was as follows:

Board of Directors	17%
Executive Committee and managers	29%
Company	18%

Code of business conduct

We have clear standards around bribery and corruption, conflicts of interest, antitrust, benefits, sponsorships and donations, data privacy, fraud and third party due diligence. ERA has a Code of Business Conduct to be met by all employees and Directors. All employees are required to maintain high standards of ethical behaviour in the execution of their duties and comply with all applicable laws and regulations in Australia and in every other country in which the Company engages in business.

The Code of Business Conduct is reviewed to ensure it adequately addresses the issues facing the Company and is available for inspection on the Corporate Governance section of the Company's website at www.energyres.com.au.

In addition to the Company's Code of Business Conduct, the Company's employees are required to comply with Rio Tinto's statement of business practice *The Way We Work*, available at Rio Tinto's website at www.riotinto.com. These provide a clear framework for how we should conduct our business.

The Company has a confidential whistleblower program known as Speak-Out 'Talk to Peggy'. Employees are encouraged to report any suspicion of unethical or illegal practices. Further details regarding the program are available in the Corporate Governance seciton of the Company's website at www.energyres.com.au.

Purchase and sale of Company securities

ERA has in place a formal policy that reinforces to all Directors, officers and employees the prohibitions against insider trading. The Share Trading Policy is available for inspection at the Corporate Governance section of the Company's website at www.energyres.com.au.

In addition, the "Rules for dealing in securities of Rio Tinto" (Dealing Rules) apply to the participation of ERA executives in the Rio Tinto long term incentive plans involving the awarding of Rio Tinto securities at a future date. Any such grants of shares and options under the Rio Tinto plans are subject to, and conditional upon, compliance with the terms of the Dealing Rules, including an express prohibition on hedging or limiting of exposure to economic risk in relation to such securities.

Under the ERA Share Trading Policy:

- Directors, senior executives and senior managers must advise the Chairman in writing, and receive approval in writing from the Chairman, if they intend to purchase or sell ERA securities.
- In regard to his own dealings, the Chairman is required to notify the Chair of the Audit and Risk Committee.
- No dealings in ERA securities may take place for the period from the end of any relevant financial period to the trading day following announcement of ERA's annual results or half year results.

Particulars of the interests held by Directors are outlined on page 32 of the Remuneration Report.

Risk identification and management

ERA has in place a range of policies and procedures to manage the risks associated with its operating activities. These policies and procedures have been adopted by the Board, with primary oversight by the Audit and Risk Committee, to ensure that potential business risks are identified and appropriate action taken.

The Company has an annual internal audit program that is determined by the Audit and Risk Committee. The annual internal audit program is executed by an outsourced provider which reports back to the Audit and Risk Committee on its assessment of the Company's control environment. In addition, the Company Secretary provides support for internal audit planning activities and the monitoring of actions implemented by the Company in response to findings raised by the internal auditor.

ERA benefits from the Rio Tinto Group's knowledge, policies and practices on risk management and corporate assurance, developed to manage Rio Tinto's diverse business activities covering a variety of commodities and operational locations. Together, these make up a comprehensive framework and approach to risk analysis and risk management.

The Board has in place a number of systems to identify and manage business risks. These include:

- the identification and review of all of the business risks known to be facing the Company;

CORPORATE GOVERNANCE STATEMENT

- the provision of reports and information by management to the Board, on a periodic basis, confirming the status and effectiveness of the plans, controls, policies and procedures implemented to manage business risks;
- guidelines for ensuring that capital expenditure and revenue commitments exceeding certain approved limits are placed before the Board for approval;
- limits and controls for all financial exposures, including the use of derivatives;
- a regulatory compliance program; and
- safety, health and environmental policies which are supported by a set of standards and management systems which recognise the Company's commitment to achieving high standards of performance in all its activities in these areas.

The Audit and Risk Committee reviews ERA's risk management framework at least annually, and did so in 2019, to satisfy itself that it continues to be sound.

The Audit and Risk Committee and the Board has assessed the strategic risks to the Company's business and the mitigation strategies to be implemented by management. The strategic risks identified through this assessment were future operating cash flow and financial resources, stakeholder support of the Company's strategic initiatives, rehabilitation of the Ranger Project Area, internal constraints relating to the Company's licence to operate, external events relating to the Company's licence to operate and retention and recruitment of key personnel.

These strategic risks are in addition to risks inherent to the mining industry generally which include economic conditions (fluctuations in commodity pricing and exchange rates), international regulation of greenhouse gas emissions and impact of climatic conditions. More information on ERA's business risks, including any material exposure to economic, environmental and social sustainability risks, is set out on pages 14 to 19 of the Annual Report.

Each reporting period, the Chief Executive and the Chief Financial Officer give statements to the Board that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the Australian Accounting Standards and give a true and fair view of the Company's financial position and performance. The statements also provide that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively in all material respects.

Public statements and disclosure matters

ERA makes full and immediate disclosures to its shareholders and the market as required by, and in accordance with, its legal and regulatory obligations. Established systems are in place to ensure compliance and matters that may have a material impact on the price or value of ERA's securities are reported to the market in accordance with the ASX Listing Rules and the *Corporations Act 2001*. ERA's Continuous Disclosure Policy is available at the Corporation Governance section of ERA's website at www.energyres.com.au.

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. These controls, supervised by the Chief Executive and Chief Financial Officer, provide reasonable assurance regarding the reliability of the Group's financial reporting and the preparation and presentation of financial statements for external reporting purposes, in accordance with International Financial Reporting Standards (IFRS). The Company's internal controls over financial reporting include policies and procedures designed to ensure the maintenance of records that: (i) accurately and fairly reflect transactions and dispositions of assets; (ii) provide reasonable assurances that transactions are recorded as necessary, enabling the preparation of financial statements in accordance with IFRS, and (iii) receipts and expenditures are made with the authorisation of management and directors of each of the companies.

Shareholder communication

ERA recognises the importance of effective communication with shareholders and the general investment community. Apart from ERA's compliance with its mandatory continuous disclosure obligations, ERA takes steps to ensure that its shareholders and other stakeholders are kept informed. Full advantage is taken of the Annual General Meeting to inform shareholders of current developments and to give shareholders the opportunity to ask questions. PricewaterhouseCoopers, ERA's external auditor attends the Annual General Meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report. ERA shareholders are also able to submit written questions regarding the statutory audit report to the auditor via the Company. Any questions received and answers provided will be made available to members at the Annual General Meeting. Shareholders who are unable to attend meetings are encouraged to appoint a proxy to vote either as they direct or at their discretion.

ERA believes that investor seminars, presentations and briefings on financial and operational issues, including social and environmental performance, are valuable ways of communicating with relevant professionals, employees and other interested persons. The Chief Executive and Chief Financial Officer are available for regular meetings with the Company's major investors, and the Company releases investor presentations to coincide with the release of half year and full year financial results.

ERA gives equal access to information disclosed in investor seminars, presentations and briefings. If any such event is used to disclose new material, it will, in advance or simultaneously, be disclosed to the ASX and available on ERA's website.

ERA provides shareholders with the option to receive communications from, and send communications to, the Company and the share registrar electronically. The contact details are available on the Company's website.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTES	2019 $'000	2018 $'000
Revenue from continuing operations	3	235,929	215,612
Changes in inventories		26,642	30,799
Materials and consumables used		(81,499)	(79,877)
Employee benefits and contractor expenses		(108,821)	(109,953)
Government and other royalties	4	(11,085)	(10,724)
Commission and shipping expenses		(5,589)	(3,453)
Depreciation and amortisation expenses		(176)	-
Non-cash impairment charge	12	-	(113,776)
Changes in estimate of rehabilitaton provision	17	-	(343,199)
Financing costs	4	(34,580)	(22,539)
Statutory and corporate expenses		(9,055)	(14,205)
Other expenses	4	(5,514)	(5,008)
Profit/(loss) before income tax		6,252	(456,323)
Income tax (expense)/benefit	5	-	21,049
Profit/(loss) for the year		6,252	(435,274)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		6,252	(435,274)
Profit/(loss) is attributable to:			
Owners of Energy Resources of Australia Ltd		6,252	(435,274)
Total comprehensive income for the year is attributable to:			
Owners of Energy Resources of Australia Ltd		6,252	(435,274)
Earnings per share for profit/(loss) attributable to the ordinary equity holders of the Company:			
Basic earnings per share (cents)	27	1.2	(84.1)
Diluted earnings per share (cents)	27	1.2	(84.1)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

BALANCE SHEET

AS AT 31 DECEMBER 2019

	NOTES	2019 $'000	2018 $'000
ASSETS			
Current assets			
Cash and cash equivalents	7	208,591	313,736
Trade and other receivables	8	9,400	10,519
Inventories	9	144,281	115,352
Other	10	5,785	1,484
Total current assets		368,057	441,091
Non-current assets			
Inventories	11	28,118	30,104
Undeveloped properties	12	89,856	89,856
Property, plant and equipment	13	4,213	-
Investment in trust fund	14	76,333	74,715
Total non-current assets		198,520	194,675
Total assets		566,577	635,766
LIABILITIES			
Current liabilities			
Payables	15	41,465	37,877
Income received in advance		-	34,561
Lease liabilities		2,408	-
Provisions	16	137,351	102,233
Total current liabilities		181,224	174,671
Non-current liabilities			
Lease liabilities		1,770	-
Provisions	17	658,270	741,885
Deferred tax liabilities	18	-	-
Total non-current liabilities		660,040	741,885
Total liabilities		841,264	916,556
Net liabilities		(274,687)	(280,790)
EQUITY			
Contributed equity	19	706,485	706,485
Reserves	20	388,748	388,897
Accumulated losses	20	(1,369,920)	(1,376,172)
Total equity		(274,687)	(280,790)

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTES	CONTRIBUTED EQUITY $'000	RESERVES $'000	RETAINED EARNINGS $'000	TOTAL $'000
Balance at 1 January 2018		706,485	389,300	(940,898)	154,887
Profit/(loss) for the year		-	-	(435,274)	(435,274)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	(435,274)	(435,274)
Transactions with owners in their capacity as owners:					
Employee share options – value of employee services	20	-	(403)	-	(403)
		-	(403)	-	(403)
Balance at 31 December 2018		706,485	388,897	(1,376,172)	(280,790)
Profit/(loss) for the year		-	-	6,252	6,252
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	6,252	6,252
Transactions with owners in their capacity as owners:					
Employee share options – value of employee services	20	-	(149)	-	(149)
		-	(149)	-	(149)
Balance at 31 December 2019		706,485	388,748	(1,369,920)	(274,687)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTES	2019 $'000	2018 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers			
(inclusive of Goods and Services Tax)		219,197	215,290
Payments to suppliers and employees			
(inclusive of Goods and Services Tax)		(230,704)	(239,089)
		(11,507)	(23,799)
Payments for rehabilitation		(91,965)	(58,946)
Interest received		5,953	8,479
Financing costs paid		(1,981)	(2,070)
Net cash (outflow)/inflow from operating activities	26	(99,500)	(76,336)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(3,623)	(4,334)
Proceeds from sale of property, plant and equipment		500	-
Net cash (outflow)/inflow from investing activities		(3,123)	(4,334)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(1,087)	-
Employee share option payments		(1,418)	(1,068)
Net cash (outflow)/inflow from financing activities		(2,505)	(1,068)
Net increase/(decrease) in cash and cash equivalents		(105,128)	(81,738)
Cash and cash equivalents at the beginning of the financial year		313,736	395,477
Effects of exchange rate changes on cash and cash equivalents		(17)	(3)
Cash and cash equivalents at end of year	7	208,591	313,736

The above cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for Energy Resources of Australia Ltd (ERA).

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board, and the *Corporations Act 2001*.

(i) Going Concern

As at 31 December 2019, ERA, has a deficiency of capital and reserves of $275 million (2018: $281 million), it has also experienced operating losses and negative cash flows during the financial year ending on that date.

As a result of the increase in rehabilitation provision in 2018, ERA launched an entitlement offer on 15 November 2019 to raise approximately $476 milion. The offer completed on 25 February 2020. Prior to this there was a material uncertainty over ERA's ability to continue as a going concern. ERA now considers that it will have adequate available cash to fully rehabilitate the Ranger Project Area, as such no further uncertainity exists over ERA's ability to continue as a going concern.

(ii) Compliance with IFRS

The financial statements of the Company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(iii) Historical cost convention

These financial statements have been prepared under the historical cost convention.

(iv) Critical accounting estimates

The presentation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies of the Company. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

(b) Principles of consolidation

(i) Subsidiaries

ERA has no subsidiaries and is referred to in the financial report as the Company or ERA.

Subsidiaries are all those entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Sale of goods

ERA places all sales through a marketing agreement with Rio Tinto Marketing PTE Limited (Rio Tinto Uranium) based in Singapore (Marketing Agreement).

Generally under the marketing agreement with Rio Tinto Uranium, payment for uranium oxide is connected to the date the material is shipped. When this is the case, once cash is received it is treated as unearned revenue until the sale occurs and control transfers. The amount of consideration does not contain a significant financing component as payment terms are significantly less than one year.

Certain sales may be provisionally priced at the date revenue is recognised. Sales revenue is accounted for under AASB 15 'Revenue from Contracts with Customers' and subsequent movements in provisionally priced receivables is accounted for under AASB 9 'Financial Instruments'.

Revenue from contracts with customers is recognised on provisionally priced sales based on the selling price for the period stipulated in the contract, with subsequent fair value movements reported as revenue. This is because it is highly probable that the revenue would not be subject to a significant revenue reversal.

As noted above, certain sales may be provisionally priced at the date revenue is recognised, however, substantially all Uranium sales are reflected at final prices in the results for the period due to the majority of sales being settled prior to the period end. The final selling price for all provisional priced products is based on the price for the quotational period stipulated in the contract. The change in value of the provisionally priced receivable is based on relevant market prices and is included in sales revenue as noted above.

Sales revenue as disclosed in these accounts includes revenue from movements in provisionally priced receivables, consistent with the treatment in prior periods.

Sales revenue is recognised on individual sales when control transfers to the customer. Judgement is required and

NOTES TO THE FINANCIAL STATEMENTS

generally the Company would consider the following indicators (acknowledging the standard does not have a hierarchy). The customer has control if the customer has:

- the significant risks and rewards of ownership and has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the good or service;
- a present obligation to pay in accordance with the terms of the sales contract;
- accepted the asset. Sales revenue may be subject to adjustment if the product specification does not conform to the terms specified in the sales contract but this does not impact the passing of control and is immaterial. Assay and specification adjustments have been immaterial historically;
- legal title to the asset. The Company usually retains legal title until payment is received for credit risk purposes only; and
- physical possession of the asset. This indicator may be less important as the customer may obtain control of an asset prior to obtaining physical possession, which may be the case for goods in transit.

After consideration of these five indicators, the company considers that control passes and sales revenue is recognised when, following a contractual requirement the product is transferred out of the Company's holding account at the uranium converter (usually upon delivery to the converter) or upon delivery if the exchange occurs not at a uranium converter, at which stage the risks of ownership are transferred. There is only one performance obligation, being for provision of product at the point where control passes.

Sales revenue excludes any applicable sales taxes. Mining royalties payable are presented as an operating cost.

In the case where a sale occurs immediately after which (or part of) the goods are borrowed back by the company under a seperate agreeement, the revenue is deferred until repayment of the borrowed goods occurs.

(ii) Rendering of services

Revenue from the rendering of services is recognised when the service is provided.

(iii) Other revenue/income

Other revenue/income recognised by the Company includes:

- interest income, which is recognised on a time proportion basis using the effective interest rate method;
- rental income, which is recognised on a straight line basis;
- net gains on disposal of assets, which is recognised at the date control of the asset passes to the acquirer;
- contract compensation, which is recognised upon cancellation of a sales contract;
- foreign exchange gains; and
- insurance recoveries, which is recognised on confirmation from the insurer that the claim payment has been approved.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

(e) Financing costs

Financing costs (including interest) are included in the statement of comprehensive income in the period during which they are incurred, except where they are included in the cost of non-current assets that are currently being developed and will take a substantial period of time to complete. The borrowing costs included in the cost of such developments are those costs that would have been avoided if the expenditure on the development had not been made.

Once the asset is ready for use, the capitalised borrowing costs are depreciated as a part of the carrying amount of the related asset.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's outstanding borrowings during the year.

(f) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure, adjusted for risk, required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money. The increase in the provision due to the passage of time is recognised as interest expense.

(i) Rehabilitation

The Company is required to rehabilitate the Ranger Project Area upon cessation of mining operations. The costs are estimated on the basis of a closure model, taking into consideration the

NOTES TO THE FINANCIAL STATEMENTS

technical closure options available to meet the Company's obligations. The cost estimates are calculated annually during the life of the operation to reflect known developments, and are subject to regular reviews.

The amortisation or unwinding of the discount applied in establishing the net present value of provisions is charged to the statement of comprehensive income in each accounting period. The amortisation of the discount is shown as a financing cost. Other movements in the provision for closure and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to lives of operations and revisions to discount rates are capitalised within fixed assets, unless the assets that they relate to are fully written down or impaired in which case the movement in the provision is allocated directly to the statement of comprehensive income. These costs are then depreciated on a unit of production basis over the life of the reserves.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the outstanding continuous rehabilitation work at each balance date. All costs of continuous rehabilitation work are charged to the provision as incurred.

Costs are allowed for in the closure provision when they are directly related to rehabilitation of the Ranger Project Area. Costs incurred to operate and manage the site whilst uranium oxide production is occurring are allocated to operating costs and so excluded from the rehabilitation provision. The operation of the Brine Concentrator and pond water management are costs that are allocated to operating costs up until such time as the production of uranium oxide ceases (forecast to be January 2021), they are then included in the closure provision from this time. Following cessation of uranium oxide production all costs associated with the Ranger Project Area are included in the closure provision, cost associated with other corporate activities will remain in operating costs and so are not provided for.

Separately, the Company is required to maintain with the Commonwealth Government the Ranger Rehabilitation Trust Fund (Trust Fund), to provide security against the estimated costs of closing and rehabilitating the mine immediately (rather than upon the planned cessation of mining operations). Each year, the Company is required to prepare and submit to the Commonwealth Government an Annual Plan of Rehabilitation. Once accepted by the Commonwealth Government, the annual plan is then independently assessed and costed and the amount to be provided by the Company in the Trust Fund, is then determined. The Trust Fund includes both cash and financial guarantees. The cash portion is shown as an investment on the balance sheet (Note 14), and interest received by the Trust Fund is shown as interest income. The balance of bank guarantee is shown at Note 28.

The Company is required to rehabilitate the Jabiluka Mineral Lease upon cessation of operations to a standard specified by the Authorisation to operate issued by the Northern Territory Government. The estimated cost of rehabilitation is currently secured by a bank guarantee and fully provided for in the financial statements.

(g) Income tax

Income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company generates taxable income (Australia).

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(h) Trade and other receivables

Trade receivables are recognised at fair value.The company applies the forward looking expected credit loss model required by AASB 9, using the simplified approach for its trade receivables portfolio review and the general approach for all other financial assets as required by the standard.

Trade receivables are normally settled within 45 days and are carried at amounts due. The collectability of trade receivables is reviewed on an ongoing basis and specific provisions are made for any doubtful amounts. Receivables which are known to be uncollectible are written off.

Other receivables relate to transactions outside the usual operating activities of the Company and are predominantly concerned with rental receipts from employees and businesses located within the Jabiru township. These ongoing activities are expected to be settled during the 12 months subsequent to balance date but are assessed regularly and impaired accordingly.

NOTES TO THE FINANCIAL STATEMENTS

(i) Inventories

Inventories, other than stores, are carried at the lower of cost and net realisable value. Net realisable value is determined based on estimated future sales prices, exchange rates and capital and production costs, including transport.

Inventory is valued using the weighted average cost method and includes both fixed and variable production costs as well as cash and non-cash charges.

Stockpiles represent ore that has been extracted and is available for further processing. If there is significant uncertainty as to when the stockpiled ore will be processed it is expensed as incurred. Where the future processing of this ore can be predicted with confidence, for example because it exceeds the mine's cut-off grade, it is valued at the lower of cost and net realisable value.

Work in progress inventory includes ore stockpiles and other partly processed material. Quantities are assessed primarily through surveys and assays.

Stores are valued at the lower of cost or net realisable value and are impaired accordingly to take into account obsolescence.

For inventory management purposes the Company may enter into uranium loans as a lending or receiving party. These loans are entered into for logistical purposes and loans received are repaid from the Company's inventory. The uranium loans do not meet the definition of a financial liability and are recorded net of inventory.

(j) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction.

The value in use is determined using the present value of the future cashflow expected to be derived from an asset or cash generating unit.

(k) Property, plant and equipment

(i) Acquisition

Items of property, plant and equipment are recorded at historical cost and, except for land, are depreciated as outlined below. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

(ii) Depreciation and amortisation

Depreciation of plant and equipment is provided for as follows:

(a) individual assets that have a life equal to or longer than the estimated remaining life of the Ranger mine are depreciated on a unit of production basis over the life of the reserves; and

(b) each other asset is depreciated over its estimated operating life on a straight line basis.

The following indicates the depreciation method for buildings and plant and equipment on which the depreciation charges are based:

- buildings – units of production over the life of reserves;
- plant and equipment* – units of production over the life of reserves.

* Some of these assets are depreciated on a straight line basis over their useful operating life which is less than the life of the Ranger mine. See below for the estimated useful lives.

  - Office equipment: computers - three years
  - Office equipment: general - five years
  - Plant and equipment - five years
  - Furniture and fittings - ten years
  - Motor vehicles - five years
  - Tailings Storage Facility - three years
  - Brine Concentrator - seven years

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

All ERA's property, plant and equipment (excluding right of use assets) is currently fully impaired. Property, plant and equipment expenditure incurred is recorded directly in other expenses.

(iii) Deferred stripping costs

Stripping costs incurred in the development of a mine before production commences are capitalised as part of the cost of constructing the mine and subsequently amortised over the life of the mine on a units of production basis.

Stripping costs incurred during the production stage of mining operations are deferred where they are separately identifiable and do not form part of normal mining activities. These costs are deferred and amortised over the period in which the associated ore is produced.

(l) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use asset is shown as a non-current asset and depreciated over the shorter of its useful life and the lease terms on a straight line basis. As right-of-use assets represent an economic benefit they are not impaired as is the case for other Ranger cash generating unit (CGU) assets.

NOTES TO THE FINANCIAL STATEMENTS

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.
- The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined,
- the incremental borrowing rate is used.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised as an expense in profit or loss. Short-term leases are leases with a lease term of twelve months or less.

Treatment of lease agreements recognised in the rehabilitation provision

Lease payments have been contemplated in the rehabilitation provision. However, once a lease for equipment to be used in rehabilitation activities is entered into, a separate lease liability and right-of-use asset is recognised. The rehabilitation obligation is not extinguished by entering into a lease, instead, the rehabilitation obligation is extinguished over time as the leased asset is put to use in executing the rehabilitation program.

Lease payments are allocated to the lease liability, with the interest component allocated to financing cost in the Statement of Comprehensive Income.

Where the right-of-use asset resulting from the lease arrangement is to be used exclusively for rehabilitation, it represents an economic resource which will have a future use in the completion of rehabilitation activity. As such the right-of-use asset is not impaired as is the case for other non-lease Ranger Cash Generating Unit (CGU) assets.

When the right-of-use asset is depreciated, the depreciation charge is allocated to the rehabilitation provision to reduce the outstanding amount provided for in the rehabilitation provision.

(m) Exploration and evaluation expenditure

Exploration and evaluation expenditure comprises costs which are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- construction of underground tunnels, where necessary for exploration drilling;
- examining and testing extraction and treatment methods; and
- compiling prefeasibility and feasibility studies.

Exploration and evaluation expenditure also includes the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects.

Capitalisation of exploration expenditure commences when there is a high degree of confidence in the project's viability and hence it is probable that future economic benefits will flow to the Company. Capitalised exploration expenditure is reviewed for impairment indicators at each balance sheet date.

Subsequent recovery of the resulting carrying value depends on successful development of the area of interest or sale of the project. If a project does not prove viable, all unrecoverable costs associated with the project and the related impairment provisions are written off. Any impairment provisions raised in previous years are reassessed if there is a change in circumstances which indicates that they may no longer be required, for example if it is decided to proceed with development. If the project proceeds to development, the amounts included within intangible assets are transferred to property, plant and equipment.

(i) Undeveloped properties

Undeveloped properties are mineral concessions where the intention is to develop and go into production in due course. The carrying values of these assets are reviewed annually by management and the results of these reviews are reported to the Board and Audit and Risk Committee. Impairment is assessed using the fair value less cost of disposal method.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(o) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services received prior to the end of the financial year, whether or not billed to the Company. Trade accounts payable are normally settled within 60 days. These are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

(p) Employee entitlements

(i) Wages and salaries, annual leave and sick leave

The liability for employee entitlements to wages and salaries represents the amount which the Company has a present obligation to pay resulting from employees' services provided up to the reporting date. A provision exists for annual leave and accumulating sick leave as it is earned by employees and is measured at the amount expected to be paid when it is settled and includes all related on costs. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision of employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using the rates attaching to Commonwealth Government securities at the reporting date, which most closely match the terms of maturity of the related liabilities.

(iii) Superannuation plan

Employees of the Company are entitled to benefits on retirement, disability or death from their membership of the Rio Tinto Staff Superannuation Fund ("The Fund"). The Fund has both a defined benefit and a defined contribution section. Contributions to the defined contribution superannuation plans are expensed in the income statement when incurred.

The Company has no staff who are members of the defined benefits section.

(iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(q) Segment reporting

Management has determined the operating segments based on the reports reviewed by the Chief Executive, used to make strategic decisions. The Chief Executive considers the business from a product perspective.

(r) Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and deposits held at call, net of any bank overdrafts.

(s) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(t) Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(u) Rounding of amounts

The Company is of a kind referred to in Class Order 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been 'rounded off' in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(v) Share based payments

The fair value of cash settled share plans is recognised as a liability over the vesting period of the awards. Movements in that liability between accounting dates are recognised as an expense. The grant date fair value of the awards is taken to be the market value of the shares at the date of award reduced by a factor for anticipated relative Total Shareholder Return (TSR) performance. Fair values are subsequently re-measured at each accounting date to reflect the number of awards expected to vest based on the current and anticipated TSR performance. If any awards are ultimately settled in shares, the liability is transferred direct to equity as the consideration for the equity instruments issued.

Equity settled share plans are settled either by the issue of shares by the relevant parent Company, by the purchase of shares on market or by the use of shares previously acquired as part of a share buyback. The fair value of the share plans is recognised as an expense over the expected vesting period with a corresponding entry to other reserves.

NOTES TO THE FINANCIAL STATEMENTS

If the cost of shares acquired to satisfy the plans exceeds the expense charged, the excess is taken to the appropriate reserve. The fair value of the share plans is determined at the date of grant, taking into account any market based vesting conditions attached to the award (e.g. TSR). The Company uses fair values provided by independent actuaries calculated using a lattice based option valuation model. Non-market based vesting conditions (e.g. earnings per share targets) are taken into account in estimating the number of awards likely to vest.

The estimate of the number of awards likely to vest is reviewed at each balance sheet date up to the vesting date, at which point the estimate is adjusted to reflect the actual awards issued. No adjustment is made after the vesting date even if the awards are forfeited or not exercised.

Further information about the treatment of individual share based payment plans is provided in Note 30.

(w) New accounting standards and interpretations

The Company has not early adopted any amendments, standards or interpretations that have been issued but are not yet effective.

(i) AASB 16 leases – Accounting policy applied from 1 January 2019

The new accounting standards and interpretations adopted on 1 January 2019 related to AASB 16 "leases". The impact of the transition and new accounting policies are disclosed below.

This note explains the impact of the adoption of AASB 16 leases and also discloses the new accounting policies applied from 1 January 2019, where these differ from those applied in prior periods.

There was no impact on equity attributable to owners of ERA as at 1 January 2019 from the adoption of AASB 16.

The standard, which replaces AASB 117 "Leases", removes the concept of operating and finance leases for lessees, replacing it with a single accounting model under which lessees must recognise all leases (including property and equipment) on the balance sheet as a new 'right of use asset' and 'lease liability'.

Previously, leases in which a significant portion of risks and rewards at ownership were not transferred to the the company as leassee were classified as operating leases (Note 22). Payments were made under operating leases (net at any incentives received from the lessor) were charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Payments associated with low value assets (below $5,000) and short term leases (less than twelve months), continue to be recognised on a straight-line basis as an expense in the profit and loss. Low-value assets comprise Information Technology equipment or small site tooling. Additionally, mineral leases are excluded from the standard and costs continue to be recognised on a straight-line basis.

The Company has used the modified retrospective approach in transitioning to the standard. At the end of December 2018, no leases were identified that were required to be recognised under the standard. The permitted practical expedient of accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short term leases was used in applying AASB 16 for the first time. The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company relied on its assessment made applying AASB 117 and Interpretation 4 Determining whether an Arrangement contains a lease.

A reconciliation of lease commitments recognised at 1 January 2019 is detailed below:

Operating lease commitments disclosure as at 31 December 2018 (note 22)	417
(less): short-term leases not recognised as a liability	(317)
(less) low-value leases not recognised as a liability	(100)
Lease liability recognised as at 1 January 2019	-

Details regarding the leases are disclosed separately in Note 1 (l) and 22.

NOTES TO THE FINANCIAL STATEMENTS

2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Rehabilitation provision

The calculation of the rehabilitation provision relies on estimates of costs and their timing to rehabilitate and restore disturbed land to original condition.

The costs are estimated on the basis of a closure model, taking into account considerations of the technical closure options available to meet ERA's obligations. The provision for rehabilitation represents the net present cost at 31 December 2019 of the preferred plan within the requirements of the Ranger Authority. The Ranger Authority requires ERA to cease mining and processing activities by January 2021 and complete rehabilitation of the Ranger Project Area by January 2026.

The closure model is based on the recently completed Feasibility Study which expanded on the previous Prefeasibility Study completed in 2011. Key packages of work progressed since 2012 include preliminary Pit 3 backfill, Pit 1 capping and design, construction and commissioning of the tailings dredging system. The Feasibility Study has increased the level of certainty regarding forecast rehabilitation expenditure.

Major activities to complete the rehabilitation plan include: material movements, water treatment, tailings transfer, demolition and revegetation. Major cost sensitivities include material movements, water treatment and tailings transfer costs.

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. It is reasonably possible that outcomes from within the next financial year that are different from the current cost estimate could require material adjustment to the rehabilitation provision for the Ranger Project Area.

Selected downside sensitivities on the Ranger rehabilitation provision are detailed below.

Process water

Additional process water volumes are sensitive to many factors and any additional water would require treating through ERA's process water treatment infrastructure, primarily the brine concentrator. Water volumes can vary due to:

- additional rainfall above an average wet season;
- the performance of water treatment plants, including new smaller scale plants that are yet to be fully commissioned;
- the timing of closure of which water catchments occurs; and
- the volume of water expressed from tailings.

If water treatment volumes exceed the available capacity, it may be necessary to expand treatment capacity. This may involve the construction of an additional brine concentrator plant or other alternate technology. This has not been allowed for in the estimate and would come at significant additional cost. Furthermore, any significant delay may further compress the schedule requiring alteration to other closure activities.

Bulk material movement

Pit 3 bulk material movements are sensitive to the volume and unit cost of the material which is to be moved and the schedule of movement.

Tailings transfer

Tailings transferred from the Tailings Storage Facility to Pit 3 are principally sensitive to the characteristics of the tailings being moved. An additional dredge has been launched and is now fully commissioned to reduce the risk underpinning this process and maintain the schedule.

Other factors

In addition to the factors described above there are many additional items that the estimate is sensitve to including: evaporation rates, stakeholder requirements, brine salt disposal, engineering studies, tailings consolidation rates, plant mortality and project support costs.

In estimating the rehabilitation provision a risk-free discount rate is applied to the underlying cash flows. At 31 December 2019, the real discount rate was 2.00 per cent.

(b) Taxation

ERA has approximately $195 million tax losses (at 30 per cent) 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.

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 recognised on the balance sheet.

(c) Determination of ore reserves and resources

ERA estimates the Ore Reserves and Mineral Resources based on information compiled by a Competent Person as defined

NOTES TO THE FINANCIAL STATEMENTS

in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC code). There are numerous uncertainties inherent in estimating Ore Reserves and Mineral Resources and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of Ore Reserves and may, ultimately, result in the Ore Reserves being restated. Such changes in Ore Reserves could impact on depreciation and amortisation rates, asset carrying values and provisions for rehabilitation. ERA's Ore Reserves and Mineral Resources Statement as at 31 December 2019 is on pages 21 and 22.

(d) Asset carrying values

ERA has two cash generating units (CGUs), the Ranger Project Area and the Jabiluka Mineral Lease. The Ranger CGU includes all assets and liabilities related to activities on the Ranger Project Area, including the rehabilitation provision. The Jabiluka Undeveloped Property relates to the Jabiluka Mineral Lease which is currently subject to a Long Term Care and Maintenance Agreement with Traditional Owners.

At 31 December 2019, the property, plant and equipment in the Ranger CGU continues to be fully impaired. When capital expenditure is incurred it is immediately expensed to the Statement of Comprehensive Income. In the year ended 31 December 2019, $4 million in capital expenditure was expensed.

At the end of each reporting period, ERA assesses whether there are any indications that the CGUs may be impaired or whether circumstances have changed to indicate reversal of prior impairments. This requires judgment in analysing possible impacts caused by factors such as the price of uranium oxide, foreign exchange movements, project progression, Traditional Owner relationships and weather impacts on process water inventories.

ERA assesses the recoverable amount using a fair value less costs of disposal (FVLCD) method. ERA conducts impairment testing using a probability-weighted discounted cash flow model.

(e) Undeveloped Properties

Undeveloped properties are considered assets not yet ready for use. In reporting periods where impairment testing is required, the recoverable amount of the undeveloped properties is determined using the fair value less costs of disposal method. Undeveloped properties consist of the Jabiluka Mineral Lease.

The Jabiluka Mineral Lease is currently subject to a Long Term Care and Maintenance Agreement with Traditional Owners. This agreement ensures the Jabiluka deposit will not be developed without the consent of the Mirarr Traditional Owners. It is uncertain that this consent will be forthcoming and, by extension, that the Jabiluka deposit will be developed. Should this consent not eventuate in the future, the Jabiluka Undeveloped Property would face full impairment.

The valuation of the Jabiluka Mineral Lease requires a high degree of judgment. To determine the fair value, ERA uses a probability weighted discounted cash flow model, based on post-tax cash flows expressed in real terms, estimated until the end of the life of mine plan and discounted using an asset-specific post-tax real discount rate. Results are cross checked against market valuations of other undeveloped mining projects in the uranium industry and the broader mining sector, including market valuations of mining assets subject to long term approval constraints. The approach has been reviewed by an external valuation expert.

ERA regularly reviews and updates these assumptions and assesses potential impairment indicators. In 2019, the review did not identify any indicators that the carrying amount of the Jabiluka Undeveloped Property may not be recovered in full from successful development or sale. This review primarily considered the following key factors:

- uranium consensus price changes based on a set of brokers that regularly provide a view on the long term uranium oxide price and the ongoing presence of a contract price premium;
- long term consensus forecast Australian/US dollar exchange rates;
- probability and timing of development and ongoing stakeholder relations; and
- applicable discount rate.

The review of these factors did not identify any material changes that would warrant a full impairment review to be conducted. As a result the carrying value of the Jabiluka Undeveloped Property remains at $90 million.

Key assumptions to which the Jabiluka model is sensitive include: the probability of future development (which includes an assessment of obtaining any required approval and/or support of various stakeholders including Traditional Owners, regulatory bodies and shareholders), uranium oxide prices (including term contract price premiums in the future), foreign exchange rates, production and capital costs, discount rate, ore reserves and mineral resources, lease tenure renewal and development delays. A change in these assumptions may result in further impairment.

Selected downside sensitivities to the fair value of the Jabiluka CGU and the potential further impact on impairment testing at 31 December 2019 are summarised below:

Sensitivity	Potential further impairment
-10 per cent change in the forecast uranium oxide prices	$76 million further impairment
+20 per cent change in development capital	$76 million further impairment
+5 per cent change in forecast Australian/US dollar exchange rates	$20 million further impairment
+1 per cent change in discount rate	$19 million further impairment

ERA's view remains that Jabiluka is a large, high quality uranium ore body of global significance.

NOTES TO THE FINANCIAL STATEMENTS

(f) Inventory net realisable value

The calculation of net realisable value is sensitive to key assumptions including: uranium price, Australia/US dollar exchange rate and, where applicable, costs to complete. The sales price of uranium oxide is denominated in US dollars, so fluctuations in the Australian/US dollar exchange rate will affect the proceeds received from sales and consequently the recoverable amount.

Inventories are carried at the lower of cost or net realisable value in accordance with AASB 102.

No net realisable value adjustments was recorded at 31 December 2019 (2018:nil).

Where necessary the net realisable value adjustments are included in 'Changes in inventories' in the statement of comprehensive income.

(g) Employee Benefits

During the year ended 31 December 2019, the Company continued to develop and plan for the restructure of the work force post production. This has now reached a level of detail where a provision for benefits payable on termination has been recognised in line with Australian Accounting Standards. The total provision recognised is $10 million. This is split between current liabilities and non current liabilities based on whether the balance is forecast to be payable within one year.

Potential termination payments beyond 2021 are yet to be recognised due to the level of uncertainty regarding quantum and timing.

NOTES TO THE FINANCIAL STATEMENTS

3 Revenue

	2019 $'000	2018 $'000
REVENUE FROM CONTINUING OPERATIONS		
Sale of goods	209,636	201,203
Rendering of services	41	70
Total sales revenue	209,677	201,273
Other revenue		
Interest received/receivable, other parties	7,571	10,293
Rent received	926	904
Contract compensation (uranium oxide)	3,083	3,194
Dispute settlement	14,071	-
Insurance recoveries	101	152
Net gain on sale of property, plant and equipment	500	-
Net revenue foreign exchange gain / (loss)	-	(204)
Total other revenue	26,252	14,339
Total revenue from continuing operations	235,929	215,612

4 Expenses

	NOTES	2019 $'000	2018 $'000
PROFIT/(LOSS) BEFORE INCOME TAX INCLUDES THE FOLLOWING SPECIFIC EXPENSES:			
Cost of sales			
Third party produced product U308		1,548	-
Produced product (uranium oxide)		138,792	144,432
Total cost of sales		140,340	144,432
Government and other royalties			
Royalty payments	22	2,519	2,437
Payments to Indigenous interests	22	8,566	8,287
Total Government and other royalties		11,085	10,724
Financing costs			
Other parties		1,982	2,070
Unwinding of discount (rehabilitation provision)		32,598	20,469
Total Financing Costs		34,580	22,539
Other Expenses			
Property, plant and equipment expensed		3,623	4,334
Office and other expenses		1,891	674
Total Other Expenses		5,514	5,008
Other individually significant expenses			
Net expenses foreign exchange (gain)/loss		(155)	362
Short term and low value leases		725	917
Interest expense related to leases		40	-
Sustainability payment to aboriginal interests		2,059	2,021
Defined contribution superannuation expense		3,980	3,992

NOTES TO THE FINANCIAL STATEMENTS

5 Income tax expense/(benefit)

	2019 $'000	2018 $'000
INCOME TAX EXPENSE/(BENEFIT)		
Current tax	-	-
Deferred tax	-	(21,049)
Under/(over) provided in prior years	-	-
Income tax expense/(benefit)	-	(21,049)
Deferred income tax (revenue)/expense included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets (Note 18B)	(422)	2,280
(Decrease)/increase in deferred tax liabilities (Note 18A)	422	(23,329)
Deferred tax	-	(21,049)
RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE		
Operating loss before income tax	6,252	(456,323)
Tax at the Australian tax rate of 30% (2018: 30%)	1,876	(136,897)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Derecognition of deferred tax assets	8,323	126,977
Rehabilitation expenditure	(10,192)	(11,632)
Other items	(7)	503
Income tax expense/(benefit)	-	(21,049)

6 Dividends

Dividends paid or declared

No dividends have been paid or declared for the year ended 31 December 2019 (2018: nil).

Dividends franking account

	2019 $'000	2018 $'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2018: 30%)	234,095	234,095

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for franking credits that will arise from the payment of the amount of the provision for income tax as applicable.

The ability to utilise the franking account credits is dependent upon there being sufficient available profits to declare dividends.

NOTES TO THE FINANCIAL STATEMENTS

7 Cash and cash equivalents

	2019 $'000	2018 $'000
CURRENT		
Cash at bank and in hand	33,486	15,528
Deposits at call	175,105	298,208
Cash and cash equivalents	208,591	313,736

Cash at bank/Deposits at call

Cash assets and deposits bear floating interest rates between 0 per cent and 2.82 per cent (2018: 0.0 per cent and 2.83 per cent).

Interest rate risk exposure

The Company's exposure to interest rate risk is discussed in Note 28.

8 Trade and other receivables

	2019 $'000	2018 $'000
CURRENT		
Trade debtors	3,161	2,815
Amounts due to related parties	3,712	5,016
Other debtors	2,527	2,688
Trade and other receivables	9,400	10,519

Impairment of receivables

No trade receivables are past due. There is no impairment of trade receivables.

Other debtors relate to transactions outside the usual operating activities of the Company and are predominately concerned with receipts from employees and businesses operating within the Jabiru township. These ongoing activities are expected to be settled during the 12 months subsequent to balance date.

Foreign exchange and interest rate risk

The Company operates internationally but is primarily exposed to foreign exchange risk arising from currency exposures with respect to the US dollar.

A summarised analysis of the sensitivity of trade and other receivables to foreign exchange and interest rate risk can be found in Note 28.

Fair value and credit risk

Due to the short-term nature of trade and other receivables, their carrying amount approximates their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

The Company does not hold any collateral as security. Refer to Note 28 for more information on the financial risk management policy of the Company.

9 Inventories – current

	2019 $'000	2018 $'000
Stores and spares	16,214	15,913
Work in progress at cost	3,808	1,879
Finished product U_3O_8 at cost	124,259	97,560
Total current Inventory	144,281	115,352

NOTES TO THE FINANCIAL STATEMENTS

Inventory expense

Obsolescence of inventory provided for and recognised as an expense during the year ended 31 December 2019 amounted to $104,542 (2018: $141,812).

Write-downs of inventories to net realisable value recognised as an expense during the year ended 31 December 2019 amounted to $Nil (2018: $Nil).

10 Other assets

	2019 $'000	2018 $'000
Prepayments	5,785	1,484

11 Inventories – non-current

	2019 $'000	2018 $'000
Finished product U_3O_8 at cost	28,118	30,104

12 Undeveloped properties

	2019 $'000	2018 $'000
Jabiluka: Long-term care and maintenance development project		
Balance brought forward	89,856	203,632
Amount capitalised during the year	-	-
Non-cash impairment change	-	(113,776)
Total undeveloped properties	89,856	89,856

Undeveloped properties are considered an asset not yet ready for use. In reporting periods where impairment testing is required, the the recoverable amount of the undeveloped properties is determined using the fair value less cost of disposal method.

Fair value less cost of disposal is determined using a discounted cash flow model. In 2019 no impairment test was required as a trigger assessment did not identify any indicators that the carrying amount of the Jabiluka Undeveloped Property may not be recoverable in full from successful development or sale. Key assumptions the fair value is most sensitive to include:

- uranium prices;
- foreign exchange rates;
- production and capital costs;
- discount rate;
- Ore Reserves and Mineral Resources; and
- probability of future development.

As a result of identifying an indicator of impairment at 30 June 2018 ERA conducted an impairment review of the Jabiluka Undeveloped Property. In determining the value assigned to each key assumption, the Company used external sources of information and utilised the expertise of external consultants to validate entity-specific assumptions. Further, the Company's cash flow forecasts were based on estimates of future uranium prices, which are based on long term broker consensus forecasts and assume a premium for long term contracts. ERA concluded that the fair value of the Jabiluka Undeveloped Property amounted to $89.9 million, resulting in an after tax impairment charge of $90.4 million, comprising impairment charge of $113.8 million, partially offset by the release of a deferred tax liability of $23.4 million as at June 2018.

A review of possible indicatiors of impairment was conducted in 2019 with no factors identified that indicate the Jabiluka Undeveloped Property faced further impairment. Further details can be found in Note 2.

The recoverable amount is dependent on the development and life of the ore body together with the term and continuity of the mining lease. It reflects expected future cashflows contained in the long term asset plan with an adjustment of cashflows expected to take into account project development risk. The Company has projected cashflows for the period of the current mining lease, together with a ten year renewal period.

NOTES TO THE FINANCIAL STATEMENTS

The Jabiluka Mineral Lease is currently under long-term care and maintenance. The Company has agreed that future mining development will not occur without the consent of the Mirarr Traditional Owners. It is uncertain that this consent will be forthcoming and, by extension, that the Jabiluka deposit will be developed. Should this consent not eventuate in the future, the Jabiluka Undeveloped Property would face full impairment.

The discount rate applied to the future cash flow forecasts represents an estimate of the rate the market would apply having regard to the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

13 Property, plant and equipment

	MINE LAND AND BUILDINGS $'000	PLANT AND EQUIPMENT $'000	MINE PROPERTIES $'000	REHAB-ILITATION $'000	RIGHT OF USE ASSETS $'000	TOTAL $'000
YEAR ENDED 31 DECEMBER 2019						
Opening net book amount	-	-	-	-	-	-
Additions	-	3,623	-	-	5,266	8,889
Disposals	-	-	-	-	-	-
Depreciation charged to rehabilitation provision	-	-	-	-	(877)	(877)
Depreciation/amortisation charge	-	-	-	-	(176)	(176)
Additons immediately impaired	-	(3,623)	-	-	-	(3,623)
Closing net book amount	**-**	**-**	**-**	**-**	4,213	4,213
Cost	110,845	1,179,347	421,700	342,327	5,266	2,059,485
Accumulated depreciation/ amortisation/impairment/writeoffs	(110,845)	(1,179,347)	(421,700)	(342,327)	(1,053)	(2,055,272)
Net book amount	-	-	-	-	4,213	4,213
YEAR ENDED 31 DECEMBER 2018						
Opening net book amount	-	-	-	-	-	-
Additions	-	4,334	-	-	-	4,334
Disposals	-	-	-	-	-	-
Change in estimate	-	-	-	-	-	-
Additons immediately impaired	-	(4,334)	-	-	-	(4,334)
Closing net book amount	**-**	**-**	**-**	**-**	**-**	**-**
Cost	110,845	1,175,724	421,700	342,327	-	2,050,596
Accumulated depreciation/ amortisation/impairment	(110,845)	(1,175,724)	(421,700)	(342,327)		(2,050,596)
Net book amount	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Right of use assets

Right of use assets include buildings at $881,000 and equipment used for rehabilitation at $3,332,000.

Assets under construction

The cost of the assets disclosed above include the following expenditure disclosed in property, plant and equipment which is in the course of construction:

	2019 $'000	2018 $'000
Plant and equipment	2,220	1,618

NOTES TO THE FINANCIAL STATEMENTS

14 Investment in trust fund

	2019 $'000	2018 $'000
NON-CURRENT		
Trust Fund	76,333	74,715

Trust Fund

The Ranger Rehabilitation Trust Fund holds a restricted fixed term investment in the form of bank bills which mature and are reinvested periodically. The Trust Fund is held at fair value through profit or loss (FVTPL) and is classified as a non-current receivable. The applicable weighted average interest rate for the year ended 31 December 2019 was 2.02 per cent (2018: 2.47 per cent).

15 Payables

	2019 $'000	2018 $'000
CURRENT		
Trade payables	39,735	36,059
Amounts due to related parties	910	1,110
Other payables	820	708
Total payables	41,465	37,877

16 Provisions – current

	2019 $'000	2018 $'000
CURRENT		
Employee benefits	13,856	10,357
Rehabilitation	123,495	91,876
Total current provisions	137,351	102,233

Employee benefits provision

During 2019 a provision for benefits payable on termination of employment was recognised. A total of $10.1 million was recognised, with $3.1 million classified as a current provision and $7.0 million classified as a non current provision (Note 17). Further details are in Note 2(g). The remaining employee benefits relate to annual leave and long service leave. Entitlements currently payable are classified as current provisions and entitlements due in greater than 12 months are classified as non current provsions.

Movements in rehabilitation provision

Movements in the rehabilitation provision during the financial year are set out below:

	REHABILITATION $'000
2019	
Carrying amount at the start of the year	91,876
Payments	(91,965)
Utilisation of lease assets	(877)
Transfer from non-current provision	124,461
Carrying amount at the end of the year	123,495

NOTES TO THE FINANCIAL STATEMENTS

	REHABILITATION $'000
2018	
Carrying amount at the start of the year	71,640
Payments	(58,946)
Transfer from non-current provision	79,182
Carrying amount at the end of the year	91,876

17 Provisions – non-current

	2019 $'000	2018 $'000
NON-CURRENT		
Employee benefits (Note 16)	11,598	3,350
Rehabilitation	646,672	738,535
Carrying amount at the end of the year	658,270	741,885

Movements in rehabilitation provision

As a result of the Ranger Cash Generating Unit being fully impaired in 2016, the 2018 changes in rehabilitation estimates were allocated directly to the Statement of Comprehensive Income. Movements in the rehabilitation provision during the financial year are set out below:

	REHABILITATION $'000
2019	
Carrying amount at the start of the year	738,535
Change in estimate	-
Unwinding of discount	32,598
Transfer to current provision	(124,461)
Carrying amount at the end of the year	646,672

	REHABILITATION $'000
2018	
Carrying amount at the start of the year	454,049
Change in estimate	343,199
Unwinding of discount	20,469
Transfer to current provision	(79,182)
Carrying amount at the end of the year	738,535

NOTES TO THE FINANCIAL STATEMENTS

18 Deferred tax liability

	2019 $'000	2018 $'000
(A) DEFERRED TAX LIABILITY		
The balance comprises temporary differences attributable to:		
Amounts recognised in profit and loss		
Investment in trust fund	22,901	22,415
Inventories	3,780	3,734
Receivables	460	570
Total deferred tax liabilities	27,141	26,719
Off-set of deferred tax asset pursuant to set-off provisions (Note 18B)	(27,141)	(26,719)
Net deferred tax liabilities	-	-
Movements		
Opening balance at 1 January	26,719	50,048
(Credited)/debited to the income statement (Note 5)	422	(23,329)
Closing balance at 31 December	27,141	26,719

	2019 $'000	2018 $'000
(B) DEFERRED TAX ASSETS		
The balance comprises temporary differences attributable to:		
Amounts recognised in profit and loss		
Property, plant and equipment	15,337	20,331
Employee provisions	7,642	4,111
Other	4,162	2,277
Total deferred tax assets	27,141	26,719
Set-off of deferred tax liabilities pursuant to set-off provisions (Note 18A)	(27,141)	(26,719)
Net deferred tax assets	-	-
Movements		
Opening balance at 1 January	26,719	28,999
Credited to the income statement (Note 5)	422	(2,280)
Closing balance at 31 December	27,141	26,719

NOTES TO THE FINANCIAL STATEMENTS

19 Share capital

	2019 SHARES	2018 SHARES	2019 $'000	2018 $'000
SHARE CAPITAL				
A Class shares fully paid	517,725,062	517,725,062	706,485	706,485
Total contributed equity			706,485	706,485

Following completion of the Entitlement Offer on 25 February 2020, A class shares increased to 3,173,658,136.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a shareholders' meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Capital risk management

Details of the Company's exposure to risks when managing capital are set out in Note 28.

20 Reserves and retained profits

	2019 $'000	2018 $'000
RESERVES		
Share-based payments reserve	(752)	(603)
Capital reconstruction	389,500	389,500
Total Reserves	388,748	388,897
Movements		
Share-based payments reserve		
Balance 1 January	(603)	(200)
Option expense	(149)	(403)
Balance 31 December	(752)	(603)
Capital reconstruction		
Balance 1 January	389,500	389,500
Movements	-	-
Balance 31 December	389,500	389,500
ACCUMULATED LOSSES		
Movements in retained profits were as follows:		
Opening retained earnings – 1 January	(1,376,172)	(940,898)
Net profit/(loss) for the year	6,252	(435,274)
Closing retained earnings/(accumulated losses) – 31 December	(1,369,920)	(1,376,172)

Nature and purpose of reserves

The share based payments reserve is used to recognise the fair value of equity instruments issued to employees but not exercised.

Capital reconstruction reserve

In June 1995, the Company reduced its share capital by cancelling $0.95 of the capital paid up on each issued share and reducing the par value of each issued share from $1.00 to $0.05. The cancelled capital (comprising $389,500,000 in total) was credited to a Capital Reconstruction Reserve. The Company has the ability to distribute capital to shareholders from this reserve.

NOTES TO THE FINANCIAL STATEMENTS

21 Contingencies

Contingent liabilities

Legal actions against the Company:

The remaining argument in the action listed in the Federal Court against the former Commonwealth Minister for Resources and the Company claiming that due process was not followed in granting approvals for the Jabiluka Mill Alternative is dormant. Should the Company proceed with the Jabiluka Mill Alternative, notice will be given to the applicant who may or may not wish to pursue the argument further.

No material losses are anticipated in respect of the contingent liability disclosed above.

22 Commitments

Capital commitments

Capital expenditure contracted for at the reporting date is as follows:

	2019 $'000	2018 $'000
Within one year	481	3,158

Lease commitments

Future lease payments for short-term and low value leases not provided for in the financial statements and payable:

	2019 $'000	2018 $'000
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable		
Within one year	100	367
Later than one year but not later than five years	-	50
Total short-term and low value leases	100	417

The Company leases information technology equipment and small site tooling under short-term and low value leases expiring in less than one year.

Lease commitments recognised in the balance sheet

Lease liabilities recognised in the balance sheet are classified as a current liablity when payable within one year and a non-current liability when payable in greater than one year. No leases have payments due in greater than three years.

Mineral tenement leases

Future mineral tenement lease payments not provided for in the financial statements and payable:

	2019 $'000	2018 $'000
Within one year	1,189	1,172
Later than one year but not later than five years	1,610	2,711
Later than five years	-	102
Total mineral tenement leases	2,799	3,985

In order to maintain current rights of tenure to mining tenements, the Company will be required to outlay an amount of $1.2 million in the year ending 31 December 2020 in respect of tenement lease rentals. This includes payments for the Ranger Project Area and Jabiluka Lease. In 2019, lease payments for the Ranger Project Area have been removed from lease commitments and allocated to mining tenement leases. The 2018 comparitive has been updated for consistency.

NOTES TO THE FINANCIAL STATEMENTS

The Company is liable to make payments to the Commonwealth as listed below:

(i) An annual amount equal to the sum payable by the Commonwealth to the Northern Land Council pursuant to the Section 44 Agreement for rent for the duration of the agreement. This amounted to $1,036,232 for 2019 and is indexed for future years.

(ii) Amounts equal to the sums payable by the Commonwealth to the Aboriginal Benefits Reserve pursuant to a determination under Section 63(5) (b) of the *Aboriginal Land Rights (Northern Territory) Act 1976*. The Company is required to pay 2.5 per cent of Ranger net sales revenue to the Commonwealth and 1.75 per cent of Ranger net sales revenue to the Northern Land Council or an entity representing the Mirarr Traditional Owners as directed by the Northern Land Council (amounts paid during 2019: $8,565,674; 2018: $8,286,580).

(iii) Amounts equal to sums payable by the Commonwealth to the Northern Territory pursuant to an understanding in respect of financial arrangements between the Commonwealth and the Government of the Northern Territory. These amounts are also calculated as though they were royalties and the relevant rate is 1.25 per cent of Ranger net sales revenue (amounts paid during 2019:$2,519,316; 2018:$2,437,229) .

The Company is liable to make payments to the Northern Land Council pursuant to the Section 43 Agreement between Pancontinental Mining Limited and Getty Oil Development Company Limited and the Northern Land Council dated 21 July 1982, which was assigned to the Company with the consent of the Northern Land Council, as listed below:

(i) Up front payment of $3,400,000 on the commencement of production at Jabiluka.

(ii) Annual royalty payments calculated at 4.5 per cent of net sales revenue less $500,000 less any amounts paid to the Aboriginal Benefits Reserve by the Commonwealth under the conditions specified in the Jabiluka Mineral Lease for the first 10 years and thereafter at 5 per cent of net sales revenue less any amounts paid to the Aboriginal Benefits Reserve by the Commonwealth under the conditions specified in the mineral lease (refer commitment below).

The Company is liable to make payments to the Commonwealth in respect of the Jabiluka project pursuant to the conditions attached to the mineral lease. The amount payable was, until 30 June 1990, calculated at the rate of 5.25 per cent of net sales revenue from the Jabiluka project. The Jabiluka project is now under long term care and maintenance and will not be developed without the consent of the Mirarr Traditional Owners.

23 Auditor's remuneration

During the year the auditor of the Company earned the following remuneration:

	2019 $'000	2018 $'000
PricewaterhouseCoopers Australian firm		
Audit and review of financial reports	275	290
Audit and review of financial reports (additional prior year fees)	65	10
Other non-audit related services	316	-
Total remuneration of PricewaterhouseCoopers Australia	656	300

NOTES TO THE FINANCIAL STATEMENTS

24 Related parties

Directors

The names of persons who were Directors of the Company at any time during the financial year are as follows:

Peter Mansell, Shane Charles, Paul Dowd, Paul Arnold, Zara Fisher (resigned 7 August 2019), Andrea Sutton and Justin Carey (appointed 7 August 2019).

Information relating to Directors' compensation, shareholdings and retirement benefits is set out in the Remuneration Report in the Directors' Report.

Key management personnel

Key management personnel and Directors' compensation

	2019 $'000	2018 $'000
Short-term employee benefits	3,018	2,974
Post-employment benefits	196	226
Share-based payments	465	353
	3,679	3,553

In compliance with *Corporations Regulations 2001* 2M.3.03 the Company has provided detailed remuneration disclosures in the Director's report. The relevant information can be found in the Remuneration Report on pages 33 to 36.

Loans with Directors and key management personnel

There were no loans with Directors or key management personnel during 2019 (2018: Nil).

Transactions with Directors and Director-related entities

There were no transactions with Directors or Director-related entities other than Rio Tinto Limited during 2019 (2018: nil). Details of transactions with Rio Tinto Group Companies are outlined below.

Ultimate parent entity

The ultimate parent entity is Rio Tinto Limited. This interest is held through North Limited (incorporated in Victoria, Australia) which has beneficial ownership of 86.3 per cent of the issued ordinary shares of the Company. North Ltd owns 52.0 per cent directly and the remaining 34.3 per cent through its subsidiary, Peko-Wallsend Pty Ltd. This follows the completion of the Entitlement Offer on 25 February 2020, prior to this Rio Tinto Limited held 68.4 per cent.

Interest income

Interest income is received from Rio Tinto Finance Ltd which holds cash on behalf of the Company.

NOTES TO THE FINANCIAL STATEMENTS

Transactions with related parties

The following transactions occurred with related parties:

	2019 $'000	2018 $'000
Management services fees paid to ultimate parent entity:		
Rio Tinto Group Companies	(91)	(91)
Consulting fees paid to:		
Rio Tinto Group Companies	(1,770)	(2,193)
Other reimbursements paid for commercial services received:		
Rio Tinto Group Companies	(12,929)	(12,154)
Amounts received from related parties:		
Rio Tinto Group Companies – sales	208,883	202,327
Rio Tinto Group Companies – interest	1,471	1,105
Dividends paid to:		
Related parties – North Ltd	-	-
Related parties – Peko-Wallsend Pty Ltd	-	-

Amounts received from related parties include sales of uranium oxide at market price. The Company is party to a marketing agreement with Rio Tinto Uranium on the basis that it represented a superior value to the Company then alternative marketing agreements considered. Under the revised marketing agreement, uranium oxide produced by the Company is sold to Rio Tinto Uranium a related party of Rio Tinto plc.

Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Aggregate amounts received from and payable to each class of other related parties at balance date were as follows:	2019 $'000	2018 $'000
Current assets - cash assets		
Related parties - Rio Tinto Finance Ltd	55,105	98,208
Current assets - receivables		
Related parties - Rio Tinto Group Companies	3,712	5,016
Current liabilities - creditors		
Related parties - Rio Tinto Group Companies	910	1,110
Current liabilities - income received in advance		
Related parties - Rio Tinto Group Companies	-	34,561

All related party transactions were conducted on arm's length terms and conditions and at market rates.

NOTES TO THE FINANCIAL STATEMENTS

25 Segment information

Description of segments

Management has determined the operating segment based on the reports reviewed by the Chief Executive that are used to make strategic decisions.

The Chief Executive considers the business from a product prospective and has identified only one reportable segment in the year ended 31 December 2019, being the mining, processing and selling of uranium. There are no other unallocated operations.

Primary reporting – business segments

The segment information provided to the Chief Executive for the reportable segment is as follows:

	URANIUM	
	2019 $'000	**2018 $'000**
Revenue from external customers	209,677	201,273
Other revenue	26,252	14,339
Total segment revenue	235,929	215,612
Segment result	6,252	(456,323)
Income Tax Benefit	-	21,049
Profit/(loss) for the year	6,252	(435,274)
Segment assets	566,577	635,766
Total assets	566,577	635,766
Segment liabilities	841,264	916,556
Total liabilities	841,264	916,556
Acquisitions of non-current assets	3,623	4,334
Non-cash Impairment charge	-	113,766
Depreciation and amortisation expenses	176	-
Net (gain)/loss on sale of property, plant and equipment	(500)	-

NOTES TO THE FINANCIAL STATEMENTS

Other segment information

Segment revenue

The revenue from external parties reported to the Chief Executive is measured in a manner consistent with that in the income statement.

Revenues from external customers are derived from the sale of uranium. A breakdown of revenue and results is provided in the tables below. Segment revenue reconciles to total revenue from continuing operations as disclosed in Note 3.

The Company is domiciled in Australia. The result of its revenue from external customers in other countries is outlined in the table below:

	SEGMENT REVENUES FROM SALES TO EXTERNAL CUSTOMERS	
	2019 $'000	**2018 $'000**
Asia	209,636	201,203
Total revenue	209,636	201,203

Segment revenues are allocated based on the country in which the customer is located. During 2017 the Company entered into a revised marketing agreement with Rio Tinto Uranium based in Asia. Details are disclosed in Note 24.

Segment assets

The amounts provided to the Chief Executive with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment and other assets, net of provisions.

All assets of the Company as at 31 December 2019 are in Australia with the exception of inventories in transit or at converters of $122,715,101 (2018: $57,344,834). All acquisitions of property, plant and equipment and other non-current assets occurred in Australia.

Segment liabilities

The amounts provided to the Chief Executive with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. Segment liabilities consist primarily of trade and other creditors, employee entitlements and provisions. The Company does not have any borrowings or derivative financial instruments as at 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS

26 Reconciliation of loss after income tax to net cash inflow/(outflow) from operating activities

	2019 $'000	2018 $'000
Profit/(Loss) for the year	6,252	(435,274)
Add/(less) items classified as investing/financing activities:		
Net (gain)/loss on sale or write-off of non-current assets	3,123	4,334
Add/(less) non-cash items:		
Depreciation and amortisation	176	-
Non cash impairment charge	-	113,776
Rehabilitation provision: unwinding of discount	32,598	20,469
Employee benefits: share based payments	1,270	665
Net exchange differences	17	3
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(33,442)	(13,036)
(Increase)/decrease in inventories	(26,944)	(29,530)
(Increase)/decrease in other assets	(4,301)	(1,011)
(Increase)/decrease in investment in trust fund	(1,618)	(1,814)
(Decrease)/increase in payables	3,588	1,100
(Increase)/decrease in net deferred tax assets	-	(21,049)
(Decrease)/increase in provisions	(80,219)	285,031
Net cash inflow/(outflow) provided from operating activities	(99,500)	(76,336)

27 Earnings per share

	2019 CENTS	2018 CENTS
Basic earnings per share	1.2	(84.1)
Diluted earnings per share	1.2	(84.1)

Earnings used in the calculation of basic and diluted earnings per share: 2019: $6,252,075 (2018: ($435,273,942)).
Weighted average number of ordinary shares on issue used in calculation of basic earnings per share: 2019: 517,725,062 shares (2018: 517,725,062). Earnings per share has been calculated on the basis of the Company's issued capital prior to the issue of shares under the pro-rata entitlement offer approved on 15 November 2019.

28 Financial risk management

The Company carries out risk management under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as written policies covering specific areas, such as mitigating interest rate and other risks, use of derivative and non-derivative financial instruments.

The Company's business is mining and not trading. Accordingly, the Company only contracts to sell uranium that it plans to produce, however purchasing uranium for resale may be required in circumstances where actual production falls short of contractual sales volumes. The Company operates entirely in Australia and is exposed primarily to Australian dollar denominated costs. Sales are primarily denominated in US dollars.

Market risk

The Company markets its products internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

NOTES TO THE FINANCIAL STATEMENTS

The Company's exposure to foreign currency risk at the reporting date was as follows:

	2019 USD $'000	2018 USD $'000
Trade receivables	2,512	3,364
Trade payables	(181)	(275)

Group sensitivity

At 31 December 2019, had the Australian Dollar weakened/strengthened by 10 per cent against the US Dollar with all other variables held constant, the change in trade receivables would have affected pre-tax profit for the year by $358,704 higher/lower (2018: $477,596 higher/lower).

At 31 December 2019, had the Australian Dollar weakened/strengthened by 10 per cent against the US Dollar with all other variables held constant, the change in trade payables would have effected pre-tax profit for the year by $25,802 higher/lower (2018: $38,982 higher/lower).

Commodity price risk

In the absence of uranium being traded on global futures exchanges, the Company uses a combination of both fixed and market price related contracts for future sales to manage this exposure. No financial instruments are used by the Company to manage commodity price risk.

Interest rate risk

The Company's main interest rate risk arises from cash on deposit. When cash is surplus to operational and investing requirements it is invested in lump sum deposits to maximise interest received. In addition, the Company is exposed to interest rate risk on cash in the Ranger Rehabilitation Trust Fund.

Credit risk

The Company has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Where customers are rated by an independent credit rating agency, these ratings are used to set credit limits. If no independent rating exists, the credit quality of the customer is subject to extensive assessment. Letters of credit and other forms of credit insurance are also used as required. Cash transactions and cash invested through the Ranger Rehabilitation Trust Fund are limited to high credit quality financial institutions. The Company has policies that limit the amount of credit exposure to any one financial institution.

	2019 $'000	2018 $'000
TRADE RECEIVABLES		
AA	-	-
A	6,873	7,831
BBB	-	-
Other	-	-

Liquidity and capital risk

ERA's objectives when managing capital are to safeguard ERA's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

ERA does not have a target debt to equity ratio, but has a policy of maintaining a flexible financing structure to be able to fund capital expenditure programs, pay dividends and fund expansion opportunities as they arise. This policy is balanced against the desire to ensure efficiency in the debt/equity structure of ERA's balance sheet in the longer term through pro-active capital management programs.

The future liquidity and capital requirements of ERA will depend on many factors. As a result of the increase in the rehabilitation provision in 2018, ERA has undertaken an Entitlement Offer to raise approximately $476 million (refer to Note 29 below). Following the finalisation of the Entitlement Offer ERA considers that it has adequate cash available to fully rehabilitate the Ranger Project Area. As a result no material uncertainty exists over ERA's ability to continue as a going concern.

In April 2016, ERA entered into a $100 million credit facility agreement with Rio Tinto. This agreement remains in place.

NOTES TO THE FINANCIAL STATEMENTS

Each year, ERA is required to prepare and submit to the Commonwealth Government an Annual Plan of Rehabilitation. Once accepted by the Commonwealth Government, the annual plan is then independently assessed and costed and the amount to be provided by ERA into the Ranger Rehabilitation Trust Fund (Trust Fund) is then determined. The Trust Fund includes both cash and financial guarantees.

ERA's ability to continue to access these financial guarantees can be influenced by many factors including future cash balance, cash flows and shareholder support. Guarantees are subject to periodic review by the banks. Shoud the Company at any point be unable to access fianancial guarantees, substantial additional cash would be required to be deposited into the Trust Fund. In the scenario where this occurs ERA's cash reserves available to fund operations would reduce. The balance of bank guarantees, and Trust Fund Cash held is currently $410 million. In late January 2020, the independent assessor notified ERA that the estimated Annual Plan of Rehabilitation would increase to $671 million. ERA is questioning certain elements of that assessment, but does not expect the final amount to be materially different to the independent assessment. ERA anticipates that the relevant Commonwealth Minister will finally determine the revised security amount and require ERA to provide the additional security into the Trust Fund later in quarter 1 of 2020. At this time, ERA will evaluate the appropriate mix of bank guarantees and Trust Fund Cash held. This may result in a significant increase in Trust Fund Cash held.

ERA places cash deposits with a mix of approved financial institutions. ERA monitors these deposits periodically with a view of maximising interest revenue, minimising risk and exposure to any one financial institution and cash liquidity. Consequently, ERA holds a variety of term deposits and at call cash accounts.

ERA currently has no debt and $285 million in total cash resources (comprising $209 million of cash on hand or at call and $76 million invested as part of the Trust Fund).

Fair value estimation

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these amounts.

29 Events occurring after the reporting period

On 15 November 2019, the Company announced a pro-rata renounceable entitlement offer of 6.13 new fully paid ERA ordinary shares to fund its rehabilitation obligations for the Ranger Project Area (Entitlement Offer). The terms and conditions of the Entitlement Offer are set out in an Offer Information Booklet released on 15 November 2019.

The Entitlement Offer was fully underwritten by North Limited (the Underwriter or North), a wholly-owned subsidiary of Rio Tinto, pursuant to an Underwriting Agreement dated 15 November 2019 (Underwriting Agreement).

On 11 December 2019, the Takeovers Panel (Initial Panel) made a declaration of unacceptable circumstances and orders in relation to an application dated 18 November 2019 by Zentree Investments Limited in relation to the affairs of ERA. Copies of the Initial Panel's declaration and orders are reproduced on the Panel's website at:

http://www.takeovers.gov.au/content/Media_Releases/2019/downloads/MR19-078.pdf

On 13 December 2019, Rio Tinto lodged an application for a review of the Initial Panel's decision. On 20 January 2020, the review Panel (Review Panel) affirmed the decision of the Initial Panel to make a declaration of unacceptable circumstances and varied the Initial Panel's orders. Copies of the Review Panel's declaration and the variations ordered by the Review Panel are reproduced on the Panel's website at:

https://www.takeovers.gov.au/content/Media_Releases/2020/downloads/MR20-005.pdf

New shares under the Entitlement Offer were issued on 25 February 2020. Following the issue of the new shares to Rio Tinto under the Entitlement Offer and Underwriting Agreement, Rio Tinto's relevant interests in the Company increased from 68.4 to 86.3 per cent.

No other matters or circumstances has arisen since the end of the financial year that have significantly affected, or may significantly affect the operations or state of affairs of the Company in subsequent financial years.

30 Share-based payments

ERA participates in a number of share-based payment plans administered by Rio Tinto plc and Rio Tinto Limited, which are described in detail in the Remuneration Report. These plans have been accounted for in accordance with the fair value recognition provisions of AASB2, 'Share-based Payment'.

NOTES TO THE FINANCIAL STATEMENTS

Rio Tinto Performance Share Awards

The Rio Tinto Performance Share Award (PSA) details are described in the Remuneration Report. The awards are accounted for in accordance with the requirements applying to equity-settled sharebased payments transactions. The fair value of each award on the day of grant is set equal to the share price on the day of grant. No forfeitures are assumed. A summary of the status of shares granted under the share plan at 31 December 2019, and changes during the year, is presented below:

	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	TRANSFERS IN/(OUT)	EXERCISED DURING THE YEAR	FORFEITED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXERCISABLE AT END OF THE YEAR
2019							
Rio Tinto Limited	2,827	2,229	-	-	-	5,056	-
Weighted average fair value at grant date	$83.61	$93.17	-	-	-	$87.82	-
2018							
Rio Tinto Limited	1,058	2,622	(238)	(427)	(188)	2,827	-
Weighted average fair value at grant date	$39.25	$83.37	$55.24	$34.52	$34.52	$83.61	-

The weighted average share price at the date of exercise of conditional grants of shares exercised during the year ended 31 December 2019 was $Nil (2018: $82.25).

The weighted average remaining contractual life of conditional grants of shares outstanding at the end of the period was four years (2018: five years).

Where shares are issued to employees of subsidiaries within the Rio Tinto Group, the subsidiaries compensate the parent for the amount recognised as expense in relation to these shares.

myShare Savings Plan

The myShare plan was introduced to all eligible staff members in 2013 and is described in the Remuneration Report. Awards under this plan are settled in equity and accounted for accordingly. The fair value of each award on the day of grant is set equal to the share price on the day of grant.

A summary of the status of conditional shares granted under the plan at 31 December 2019, and changes during the year, is presented below:

	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	TRANSFERS IN/(OUT)	VESTED DURING THE YEAR	FORFEITED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXERCISABLE AT END OF THE YEAR
2019							
Rio Tinto Limited	14,067	5,594	212	(5,635)	(2,273)	11,965	-
Weighted average exercise price	$78.13	$91.21	$60.27	$46.15	$60.27	$83.93	-
2018							
Rio Tinto Limited	16,103	4,987	(111)	(5,405)	(1,507)	14,067	-
Weighted average exercise price	$61.69	$78.80	$62.32	$51.87	$62.32	$78.13	-

The weighted average share price at the date of exercise of conditional grants of shares exercised regularly during the year ended 31 December 2019 was $93.82 (2018: $78.18).

The weighted average remaining contractual life of conditional grants of shares outstanding at the end of the period was two years (2018: two years).

Where shares are issued to employees of subsidiaries within the Rio Tinto Group, the subsidiaries compensate the parent for the amount recognised as expense in relation to these shares.

NOTES TO THE FINANCIAL STATEMENTS

Rio Tinto Management Share Awards

The Rio Tinto Management Share Award (MSA) which are described in the Remuneration Report. The awards will be settled in equity including the dividends accumulated from date of award to vesting. The awards are accounted for in accordance with the requirements applying to equity-settled share-based payment transactions. The fair value of each award on the day of grant is set equal to share price on the day of grant. No forfeitures were assumed. A summary of the status of shares granted under the MSA plan at 31 December 2019, and changes during the year, is presented below:

	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	TRANSFERS IN/(OUT)	EXERCISED DURING THE YEAR	FORFEITED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXER-CISABLE AT END OF THE YEAR
2019							
Rio Tinto Limited	14,969	4,767	-	(5,095)	-	14,641	-
Weighted average fair value at grant date	$62.17	$89.27	-	$44.59	-	$77.12	-
2018							
Rio Tinto Limited	16,246	5,527	(1,708)	(5,096)	-	14,969	-
Weighted average fair value at grant date	$52.75	$81.55	$59.62	$54.02	-	$62.17	-

The weighted average share price at the date of exercise of conditional grants of shares exercised regularly during the year ended 31 December 2019 was $94.32 (2018: $82.48).

The weighted average remaining contractual life of conditional grants of shares outstanding at the end of the period was two years (2018: two years).

Where shares are issued to employees of subsidiaries within the Rio Tinto Group, the subsidiaries compensate the parent for the amount recognised as expense in relation to these shares.

Bonus Deferral Plan

The Bonus Deferral Award (BDA) is detailed and described in the Remuneration Report. These awards were established for the mandatory deferral of a specific percentage of the Chief Executive's Short Term Incentive Plan bonus payment into Rio Tinto shares. The vesting of these awards is dependent only on service conditions being met. The awards will be settled in equity including the dividends accumulated from date of award to vesting. The awards are accounted for in accordance with the requirements applying to equity-settled share based payment transactions. The fair value of each award on the day of grant is equal to share price on the day of grant less a small adjustment for the timing of dividends vesting. No forfeitures are assumed.

	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	TRANSFERS IN/(OUT)	EXERCISED DURING THE YEAR	FORFEITED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXER-CISABLE AT END OF THE YEAR
2019							
Rio Tinto Limited	745	530	-	-	-	1,275	-
Weighted average fair value at grant date	$83.39	$93.17	-	-	-	$87.45	-
2018							
Rio Tinto Limited	-	745		-	-	745	-
Weighted average fair value at grant date	-	$83.39		-	-	$83.39	-

The weighted average share price at the date of exercise of conditional grants of shares exercised during the year ended 31 December 2019 was $Nil (2018: Nil).

NOTES TO THE FINANCIAL STATEMENTS

The weighted average remaining contractual life of conditional grants of shares outstanding at the end of the period was 2 years (2018: 2 years).

Where shares are issued to employees of subsidiaries within the Rio Tinto Group, the subsidiaries compensate the parent for the amount recognised as expense in relation to these shares.

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2019 $'000	2018 $'000
Share based payment expense	1,270	665

DIRECTOR'S DECLARATION

In the Directors' opinion:

(a) the financial statements and notes set out on pages 58 to 93 are in accordance with the *Corporations Act 2001* (Cth), including:

- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (ii) giving a true and fair view of the Company's financial position as at 31 December 2019 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable. Note 1 (a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive and the Chief Financial Officer required by section 295A of the *Corporations Act 2001* (Cth). This declaration is made in accordance with a resolution of the directors.

P Mansell
Perth

6 March 2020

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report

To the members of Energy Resources of Australia Ltd

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Energy Resources of Australia Ltd (the Company) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 31 December 2019 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the balance sheet as at 31 December 2019
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the cash flow statement for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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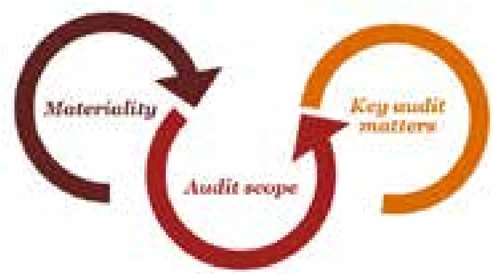
INDEPENDENT AUDITOR'S REPORT

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Company, its accounting processes and controls and the industry in which it operates.



Materiality	*Audit scope*
• For the purpose of our audit we used overall materiality of $2.7 million, which represents approximately 1% of the Net Liabilities. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose Net Liabilities because, in our view, it is the benchmark which is most representative of the Company in its current stage and is most relevant to the users of the financial statements. • We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.	• Our audit focused on where the Company made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • The audit procedures were predominantly performed at the Company's Darwin office and the shared service centre in Brisbane.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

INDEPENDENT AUDITOR'S REPORT

Key audit matter	*How our audit addressed the key audit matter*
Accounting for the cost of rehabilitation of the Ranger Project Area *(Refer to notes 16 and 17) $770 million provision*	
The Company is required under the Ranger section 41 Authority (Ranger Authority) to fully rehabilitate the Ranger Project Area site by January 2026. Calculating the final rehabilitation provision requires significant estimation and judgement by the Company. Assumptions are required to be made in respect of methods of rehabilitation, costs and timing. The most significant components of the provision relate to material movements, water treatment, tailings transfer, demolition and revegetation. The provision may still change as a result of the outcomes of current progressive rehabilitation activities and ongoing technical studies. The calculation of the provision requires significant input from specialists and experts, both within and external to the Company. Given the significance of this balance and the factors outlined above, the provision for rehabilitation was a key audit matter.	We obtained an understanding of how the Company monitors and updates the provision. We obtained the Company's calculation of the rehabilitation obligation (the model). We checked the timing of the cash flows in the model were consistent with the requirements of the Ranger Authority. We obtained an understanding of the basis of estimate for the significant costs within the model and assessed the reasonableness of these. For significant cost estimates within the model we compared the amount in the provision to the Company's external expert's estimate of costs. Furthermore, we assessed the experts' objectivity, competence and independence. We developed an understanding of the costs incurred during the year and compared the actual spend to the prior period's estimation to assess the Company's historical ability to forecast accurately. We evaluated the discount rate used to discount the provision.
Carrying value assessment for the Jabiluka Undeveloped Property *(Refer to note 12) $90 million carrying value*	
Assessing the carrying amount of the Company's Jabiluka Undeveloped Property asset was a key audit matter. Factors giving rise to this conclusion included the financial size of the balance and the judgement required by the Company in the assessment of the carrying value as a result of the long-term nature of the asset, particularly in relation to: • Whether the development of the Jabiluka resource will ultimately proceed given it requires consent of the Mirarr Traditional	We performed procedures over the assessment of the carrying value of the Jabiluka Undeveloped Property, by updating our understanding of: • The likelihood and timing of development; • The latest long-term uranium oxide forecast price and AUD/USD exchange rate; • Changes in circumstances since the last assessment of the carrying value, including

INDEPENDENT AUDITOR'S REPORT

pwc

Key audit matter	*How our audit addressed the key audit matter*
Owners under the Long Term Care and Maintenance Agreement; • The long-term uranium oxide price and the AUD/USD exchange rate used in the probability weighted discounted cash flow model to estimate the fair value of the asset.	matters related to the discount rate; • The consent process required; • The resource including size and grade. Having updated our understanding of the above points, we considered whether there had been any changes in these assumptions which would give rise to an impairment indicator.
Liquidity and capital management *(Refer to notes 28 and 29)* The Company recognised a cash balance of $209 million and a further amount of $76 million held in the Ranger Rehabilitation Trust Fund by the Commonwealth Government for the purposes of the rehabilitation at 31 December 2019. At 31 December 2019 the Company had insufficient resources to fully fund the rehabilitation of the Ranger Project Area. Subsequent to the balance sheet date the Company has undertaken an Entitlement Offer to raise approximately $476 million. Following the finalisation of the Entitlement Offer, the Company considers that it has adequate cash available to fully rehabilitate the Ranger Project Area. The risks around funding and the outcome of the Entitlement Offer are important to understand the financial position of the Company and were therefore considered to be a key audit matter.	We evaluated the process by which the Company projects cash flows over the medium to long term. We inspected the Rio Tinto credit facility agreement to assess the Company's position with regard to key terms and conditions supporting the continued availability of the agreement. Our procedures included obtaining written confirmation of cash balances and the financial guarantees provided by a number of banks. We inspected the information relating to, and the outcome of, the Entitlement Offer subsequent to the balance sheet date and the incorporation of this into the cash flow projections.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 33 to 47 of the directors' report for the year ended 31 December 2019.

In our opinion, the remuneration report of Energy Resources of Australia Ltd for the year ended 31 December 2019 complies with section 300A of the *Corporations Act 2001*.

INDEPENDENT AUDITOR'S REPORT

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Charles Christie
Partner

Melbourne
6 March 2020

SHAREHOLDER INFORMATION

Energy Resources of Australia Ltd is a for-profit company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised by Directors on 6 March 2020. The Directors have the power to amend and reissue the financial statements.

The shareholder information set out below was applicable as at 26 February 2020.

Distribution of equity securities

Analysis of numbers of registered equity security holders by size of holding:

	ORDINARY SHARES			
	NUMBER OF SHARE-HOLDERS	% OF SHARE-HOLDERS	NUMBER OF SHARES	% OF ISSUED SHARES
1 - 1,000	5,471	55.71	1,736,442	0.05
1,001 - 5,000	2,400	24.44	6,174,713	0.17
5,001 – 10,000	818	8.33	6,197,464	0.17
10,001 – 100,000	1,004	10.22	30,042,063	0.81
100,001 and over	128	1.30	3,647,232,516	98.80
	9,821	100.00	3,691,383,198	100.00

There were 7,231 holders of less than a marketable parcel of ordinary shares.

Equity security holders

The names of the twenty largest registered holders of quoted equity securities are listed below:

	NUMBER OF SHARES	% OF ISSUED SHARES
North Limited	1,920,852,964	52.04
Peko Wallsend Ltd	1,265,829,670	34.29
BNP Paribas Noms Pty Ltd	293,007,113	7.94
HSBC Custody Nominees (Australia) Limited	84,988,124	2.30
J P Morgan Nominees Australia Pty Limited	33,352,981	0.90
Citicorp Nominees Pty Limited	10,727,917	0.29
Little Cove Capital Pty Ltd	2,000,000	0.05
Creative Living (Qld) Pty Ltd	1,526,000	0.04
National Nominees Limited	1,350,761	0.04
Airport Finance Pty Ltd	1,140,800	0.03
Mr Tian Lan Luan	942,956	0.03
Australian Executor Trustees Limited	935,110	0.03
Morgan Stanley Australia Securities (Nominee) Pty Limited	843,577	0.02
Mr Li Wan	823,265	0.02
Mrs Tew Hua Cameron	806,500	0.02
Mrs Faye Lesley Duffield	713,000	0.02
Lemmis Holdings Pty Ltd	713,000	0.02
Northern Property Group Pty Ltd	713,000	0.02
Mrs Qiuyu Ping	658,022	0.02
Ganra Pty Ltd	651,429	0.02

SHAREHOLDER INFORMATION

Entitlements to vote

Subject to any rights or restrictions for the time being attached to any shares on a show of hands, every member present in person or by proxy or by attorney or by representative and entitled to vote at a shareholders' meeting shall have one vote.

On a poll, every member present in person or by proxy or by attorney or by representative shall have one vote for each share held by him/her.

Annual General Meeting

The next Annual General Meeting will be held at 9.30 am on 6 May 2020 in Darwin, Northern Territory, Australia.

Tax file numbers

Tax file numbers or exemption details are recorded from shareholders who wish to provide the information. Dividend advice statements, when issued to shareholders, indicate whether or not a shareholder's tax file number has been recorded. ERA normally pays fully franked dividends. In the event of an unfranked dividend being paid, ERA will be required to deduct tax at the top marginal rate from the dividend paid to shareholders resident in Australia who have not supplied a tax file number or exemption form.

Information on shareholding

Shareholders who require information about their shareholding or dividend payment should contact ERA's principal registry.

Shareholders who have changed their address should advise the change in writing to:

ERA Share Registry

Computershare Investor Services Pty Ltd
Level 1, 200 Mary Street
Brisbane QLD 4000
Telephone: +61 (0) 3 9473 2500
Facsimile: +61 (0) 3 9415 4000

Sponsored shareholders should note, however, that they should contact their sponsored broker to initiate a change of address.

2019 ASX ANNOUNCEMENTS

20 Dec 2019	Entitlement Offer Despatch of Supplementary Statement
13 Dec 2019	ERA notes lodgment of Takeover Panel review application
13 Dec 2019	TOV: ERA Panel receives Review Application
11 Dec 2019	Takeovers Panel announcement and Entitlement Offer Update
11 Dec 2019	TOV:ERA Declaration of Unacceptable Circumstances and Orders
5 Dec 2019	Suspension of Class from Official Quotation
4 Dec 2019	ERA notes Takeover Panel interim orders
22 Nov 2019	Despatch of Entitlement Offer Information Booklet
19 Nov 2019	Takeover Panel : ERA Panel Receives Application
19 Nov 2019	ERA notes lodgement of Takeovers Panel application
18 Nov 2019	Despatch of notices to shareholders
15 Nov 2019	Appendix 3B
15 Nov 2019	Entitlement Offer Information Booklet
15 Nov 2019	Cleansing Statement
15 Nov 2019	ERA Capital Raising Investor Presentation
15 Nov 2019	ERA Capital Raising
9 Oct 2019	Quarterly Activities Report
8 Aug 2019	Resignation and appointment of directors
31 July 2019	ERA Additional Information for the Financial Community
25 July 2019	Half Yearly Report and Accounts
25 July 2019	Funding update
25 Jul 2019	June 2019 Half Year Results
10 Jul 2019	Quarterly Activities Report
25 Jun 2019	Change in substantial holding
13 Jun 2019	ERA releases further details on tailings facilities
12 Apr 2019	Change in substantial holding
10 Apr 2019	2019 Annual General Meeting- Results of Voting
10 Apr 2019	2019 AGM Chief Executive’s Address
10 Apr 2019	2019 AGM Chairman’s Address
10 Apr 2019	Quarterly Activities Report
5 Mar 2019	Annual General Meeting Proxy Form
5 Mar 2019	Notice of Annual General Meeting
18 Feb 2019	2018 Annual Report
13 Feb 2019	ERA Financial Community Presentation February 2019
Feb 2019	Responses to ASX Price Query
8 Feb 2019	ERA 2018 Full Year Results
8 Feb 2019	Preliminary Final Report
8 Feb 2019	Ranger Project Area- Closure Feasibility Study Finalisation
8 Feb 2019	Annual Statement of Reserves and Resources
10 Jan 2019	Quarterly Activities Report

Details of these announcements are available at www.energyres.com.au.

TEN YEAR PERFORMANCE

YEAR ENDED 31 DECEMBER	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Sales Revenue ($000)	209,677	201,273	211,181	267,765	332,777	379,166	356,139	396,629	651,381	572,283
Earnings Before Interest and Tax ($000)	(1,103)	(466,616)	(52,925)	(279,781)	(88,292)	(284,274)	(199,431)	(278,266)	(220,633)	47,726
Profit/(Loss) Before Tax ($000)	6,252	(456,323)	(43,532)	(271,077)	(79,798)	(273,602)	(186,541)	(254,785)	(206,340)	59,427
Income Tax Expense/ (Benefit) ($000)	-	(21,049)	-	-	195,695	(85,802)	(50,712)	(36,026)	(52,741)	12,423
Profit/(Loss) After Tax ($000)	6,252	(435,274)	(43,532)	(271,077)	(275,493)	(187,800)	(135,829)	(218,759)	(153,599)	47,004
Total Assets ($000)	566,577	635,766	797,312	819,432	1,100,815	1,341,724	1,627,561	1,826,275	1,948,972	1,423,396
Shareholders' Equity ($000)	(274,687)	(280,790)	154,887	198,559	469,947	745,607	934,022	1,069,619	1,288,536	951,076
Long Term Debt ($000)	-	-	-	-	-	-	-	-	-	-
Current Ratio	2.0	2.5	3.2	4.0	4.0	4.1	3.8	4.0	7.1	3.4
Liquid Ratio	1.2	1.9	2.5	3.1	3.0	2.7	2.3	2.9	6.0	2.1
Gearing Ratio (%)	-	-	-	-	-	-	-	-	-	-
Interest Cover (times)	-	-	-	-	-	-	-	(156.7)	(177.9)	47.8
Return on Shareholders' Equity (%)	(2.3)	155.0	(28.1)	(136.5)	(58.6)	(25.2)	(14.5)	(20.5)	(11.9)	4.9
Earnings Per Share (cents)	1.2	(84.1)	(8.4)	(52.4)	(53.2)	(36.3)	(26.2)	(42.3)	(29.7)[1]	24.6
Dividends Per Share (cents)	-	-	-	-	-	-	-	-	-	8.0
Payout Ratio (%)	-	-	-	-	-	-	-	-	-	32
Share Price ($) closing	0.17	0.25	0.91	0.44	0.36	1.30	1.26	1.27	1.23	11.13
Price-Earning Ratio	13.75	(0.29)	(10.83)	(0.83)	(0.68)	(3.58)	(4.81)	(3.00)	(2.54)	45.24
Dividend Yield (%)	-	-	-	-	-	-	-	-	-	2.96
Net Tangible Assets per Share ($)	(0.54)	(0.54)	0.30	0.38	0.91	1.44	1.80	2.07	2.49	4.99
No. of Employees		355	358	356	374	389	519	594	567	523
Profit After Tax per Employee ($000)	17.61	(1,226.1)	(121.6)	(761.5)	(736.6)	(482.8)	(264.8)	(374.5)	(270.9)	89.87
Ore Mined (million tonnes)	-	-	-	-	-	-	-	3.8	1.2	1.4
Ore Milled (million tonnes)	2.5	2.5	2.6	2.7	2.5	1.3	2.3	2.6	1.6	2.4
Mill Head Grade (% U_3O_8)	0.08	0.09	0.10	0.10	0.10	0.11	0.15	0.17	0.18	0.19
Mill Recovery (%)	86.8	86.6	84.7	84.9	82.0	81.5	84.8	86.2	87.9	87.2
Production (tonnes U_3O_8) – Drummed	1,751	1,999	2,294	2,351	2,005	1,165	2,960	3,710	2,641	3,793
Sales – Ranger Concentrates (tonnes U_3O_8)	1,577	1,467	2,089	2,130	2,183	2,164	2,767	2,665	3,258	4,373
Sales – Other Concentrates (tonnes U_3O_8)	20	-	-	9	-	984	48	558	1,908	653
Sales – Total (tonnes U_3O_8)	1,597	1,467	2,089	2,139	2,183	3,148	2,815	3,223	5,167	5,026

Note 1 Post rights issue

Definition of statistical ratios

Current Ratio	=	current assets/current liabilities
Liquid Ratio foreign exchange	=	(current assets-inventory-prepayments-foreign exchange hedge asset on borrowings)/(current liabilities-bank overdraft – hedge liability)
Gearing Ratio	=	(long term debt + term creditors)/(shareholders' equity + long term debt + term creditors)
Interest Cover	=	earnings before interest and tax/interest expense
Return on Shareholders' Equity	=	profit after tax/average shareholders' equity
Earnings per Share	=	profit after tax/weighted average number of shares issued

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Back Cover L-R:

(Daniel, Sharon & Ezra), (Zoran, Anthony, Mick),(Aidan, Jess, Mahla & Elsy), (Gayle), (Lesley, Roger, Ryan, Chantelle, Josh, Ava, Ellie & Sonny), (Andrew, Dimity, Clementine & Rupert), (Steve, Joy, Jakob & Krystal), (Sioux & Peter)