ERA Energy Resources of Australia Ltd

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A member of the Rio Tinto Group

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5 March 2021

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) – 2020 Annual Report

Please find attached a copy of ERA's 2020 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 on or about 26 March 2021.

ERA's Annual General Meeting is intended to be held at 9.30am (ACST) on Wednesday 28 April 2021. A copy of the Notice of Annual General Meeting is expected to be sent to all shareholders on or about 26 March 2021.

Yours faithfully

Shanelle English
General Counsel | Company Secretary

ANNUAL REPORT 2020

ERA

ERA Mining team. Final load into Pit 1 on 17 August 2020

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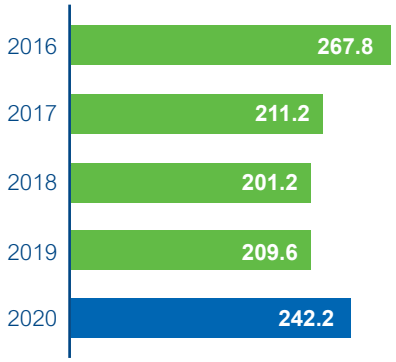

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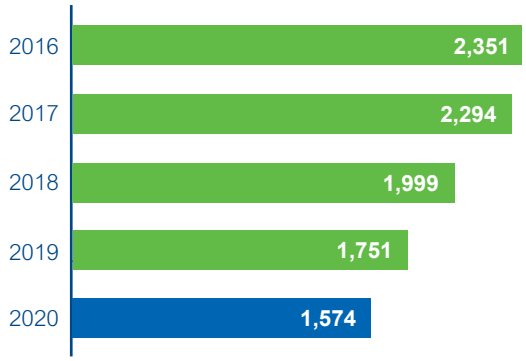

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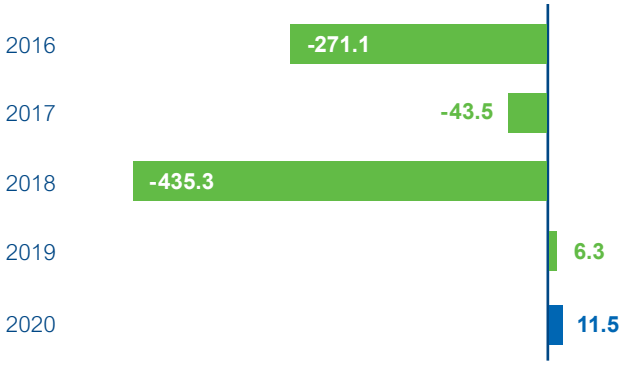

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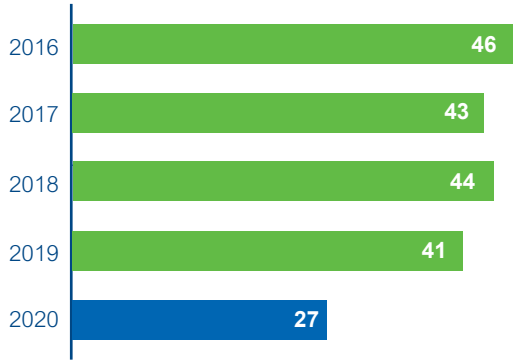

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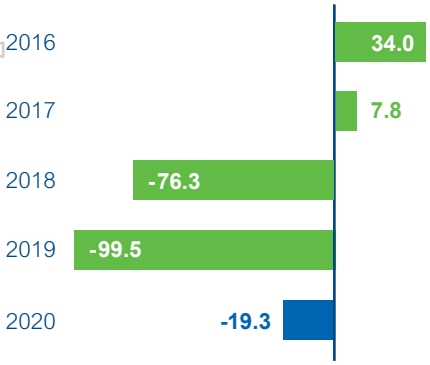

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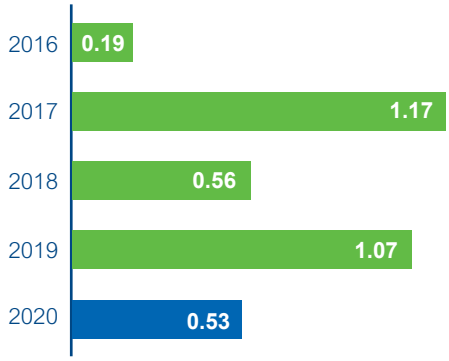
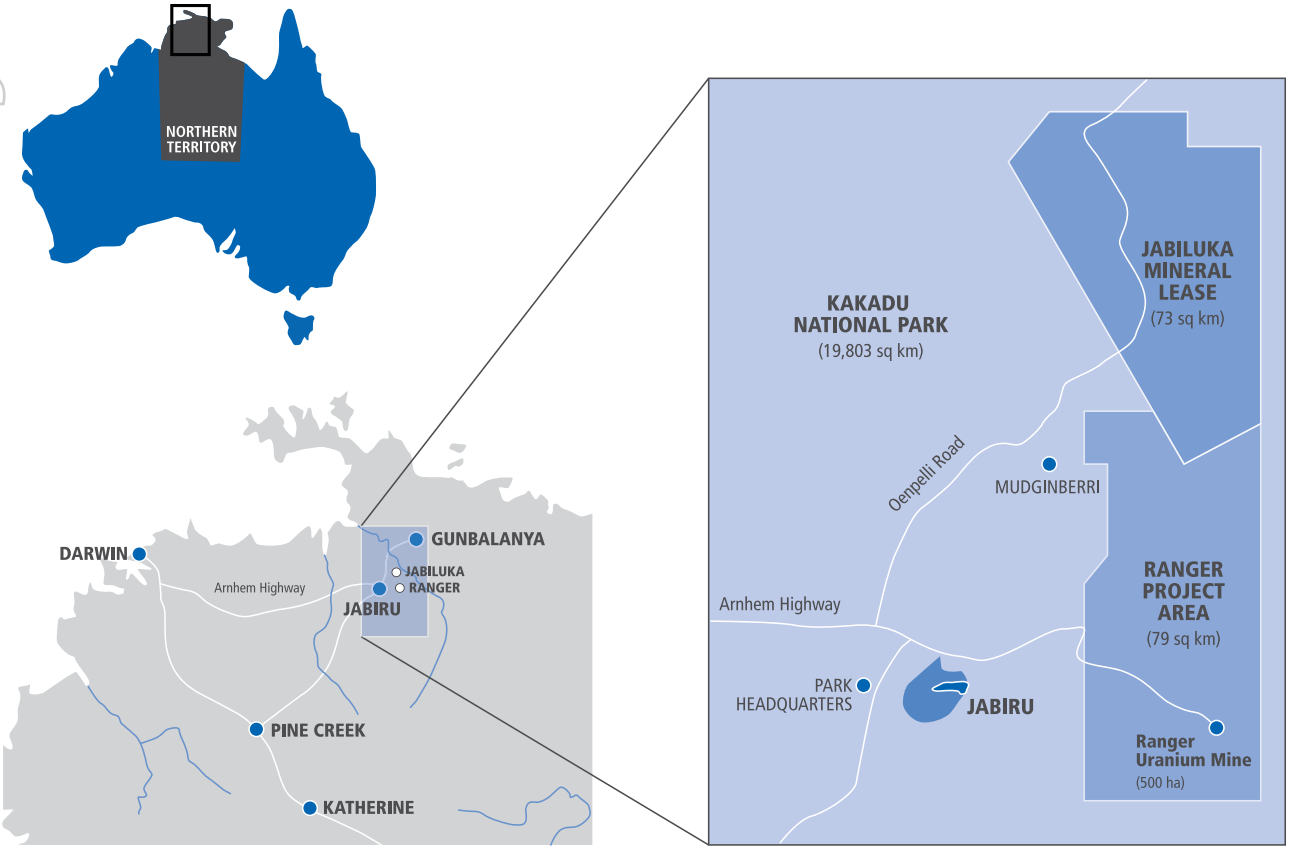


RANGER OPERATIONS MAP



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CHAIRMAN'S REPORT

On the 8 January 2021 we celebrated an historic occasion, the cessation of processing operations at the Ranger mine as required under the Ranger Section 41 Authority. Ranger has been the longest continually producing uranium mine in Australia.

Final drum 8 January 2021

While it is sadly the end of an era, it is also an achievement and something to be celebrated. For forty years, Ranger has contributed to the safe and reliable supply of uranium oxide for peaceful purposes, most notably clean energy generation around the world as well as medical and scientific uses. Importantly, as assessed by the Commonwealth Government, the environment surrounding Ranger has remained protected from the effects of uranium mining during this period.

While we acknowledge that the end of Ranger operations will transform Energy Resource Australia (**ERA**) as we have known it, the Company clearly has an important ongoing role to play in the rehabilitation of the Ranger Project Area.

In addition, the Board will continue to look at opportunities beyond Ranger. With the cessation of production at Ranger, this has assumed an even greater importance. We believe in the role that nuclear energy should and can play in the production of clean energy and addressing the threat of climate change. There are opportunities for ERA to be a part of this future.

2020 was of course a remarkable year for more reasons than being the final full year of processing operations. The Entitlement Offer, launched in November 2019, was completed in February 2020. This Entitlement Offer successfully raised additional funds required to carry out the rehabilitation of Ranger in accordance with our legal obligations and the Ranger Closure Feasibility Study (**Feasibility Study**). I want to once again thank our shareholders, the Mirarr Traditional Owners and other key stakeholders for their support during the Entitlement Offer process.

A major event in 2020 that defied prediction was the global COVID-19 pandemic. This pandemic became a threat to ongoing operations at Ranger, but, even more importantly, it threatened the health of our people and local communities. In the face of this unchartered challenge, the ERA team mobilised swiftly to apply the restrictions imposed or recommended by the health authorities and implemented additional strategies to help limit the spread of this terrible virus.

That the Company's COVID-19 Management Plan was so successful in the planning, approval and execution phases is a tribute to the determination, inventiveness and resilience of the workforce at all levels. Close collaboration with key stakeholders and regulators was also a key factor. By implementing this Management Plan, the Company not only played a key role in preventing the local spread of COVID-19 but was also able to keep Ranger operations running. On behalf of the Board, I thank all of those involved in delivering the Management Plan and the many workers who demonstrated commitment and flexibility in how they adapted to the "new normal" of life during a pandemic.

Despite the challenges of the COVID-19 pandemic, an ageing plant, and diminishing stockpile grades, the Company has achieved a production output at the upper end of the market guidance. The ongoing business transformation efforts of the ERA team to improve productivity has once again been extraordinary and helped the Company to generate cash for future needs.

CHAIRMAN'S REPORT

As we move into 2021, rehabilitation will receive the Company's critical attention. In this work we will continue to be under considerable scrutiny by regulators, key stakeholders and the wider public. The public release, submission and approval of an annually updated Ranger Mine Closure Plan can give all stakeholders confidence that the required closure outcomes will be achieved. The Company has deep knowledge and experience in rehabilitation and has already achieved a number of significant milestones such as the completion of the backfilling of Pit 1 in 2020. I am very confident the Company will achieve industry leading closure outcomes and enhance the Company's positive reputational legacy.

I want to acknowledge the safety and environmental outcomes for 2020. Even just a single injury or environmental event is one too many. Through a turbulent year and with the end of operations approaching, the ERA workforce maintained a strong focus on the protection of people and country. Well done to all.

I would like to thank my fellow members of the Board, the senior management team and all of the workforce at ERA for meeting every challenge thrown at them in this very strange year and for their absolute commitment to ERA during 2020. The Company's successes are simply not possible without your efforts.

Finally, there are many employees leaving the Company in 2021 following the cessation of processing operations. I want to express my gratitude to them all for their contributions to ERA over the years and wish them and their families well in the future.

PETER MANSELL
CHAIRMAN

CHIEF EXECUTIVE'S REPORT

As Chief Executive I am enormously proud to lead and represent the people who work for ERA. That has never been truer than in 2020. It was a year of both extraordinary challenge and significant achievement, and it was our last full year of production at Ranger. For many of our employees it was their final lap before concluding their last days with ERA.

The well-being of people is always ERA's first priority. In 2020 we achieved an All Injury Frequency Rate (AIFR) of 0.53 reflecting that three of our colleagues were injured during the year. While all have recovered and returned to work, our goal is that after a day's work everyone should return home without injury.

Although the 2020 performance is much improved on the six injuries recorded in 2019, we must not lose sight of our goal of zero injuries. I am pleased that many of our leading indicators, such as our progress in maturing our approach to safety and bolstering the effectiveness of our Critical Controls, demonstrate that the ERA team is focused on safety and looking out for each other, and that the goal of zero harm is truly achievable.

The challenge to the health of our employees and local communities in 2020 was the COVID-19 pandemic. The workforce faced restrictions on travel, the rapid implementation of very thorough health screening and hygiene protocols, and changes in how the team went about its daily routines at site and in the Darwin office. In particular, the segregation of employees in all of our facilities and vehicles, according to whether they lived in Jabiru or were from outside of West Arnhem, was a challenging task but also very successful and earned commendation from our key stakeholders.

While a health challenge first and foremost, COVID-19 also represented a threat to continuing Ranger operations. It is a testimony to the commitment of the ERA workforce that processing and rehabilitation activities kept running throughout this entire period. I particularly want to thank those team members who worked for extended periods away from home to achieve this outcome, and to the employees and their families residing in Jabiru who were unable to leave the town without the need to quarantine other than in an emergency. Unlike many other sectors of the economy we are privileged that we could continue operating.

This has been important to ensuring the reliable supply of product to our customers, delivering on our rehabilitation commitments, maintaining employment, and generating economic outcomes for both the region and the business in our last full year of processing at Ranger.

The planning and actions taken by the Company (and strongly supported by the workforce) were important steps in preventing the spread of COVID-19 into the West Arnhem region.

Along with health and safety, another major priority for the Company is caring for country. In addition to protecting the surrounding environment from any impacts of mining operations, we continued to make good headway with the progressive rehabilitation of the Ranger site with expenditure of $80 million in 2020. A significant milestone was the completion of the backfilling and final landform of Pit 1 and commencement of revegetation on that footprint. We also largely completed the bulk transfer of tailings from the Tailings Storage Facility to Pit 3 with the final material moved in February 2021. The Brine Concentrator continues to perform strongly and has proven to be a very effective investment in water management at Ranger.

The 2019 update to the Ranger Mine Closure Plan was approved by the Commonwealth and Northern Territory Governments in May 2020. A further annual update was submitted to the relevant Ministers and also made publicly available on 1 October 2020. The Plan is detailed and robust, reflecting ERA's knowledge, experience and collaboration with regulators and stakeholders in the ongoing task of progressive rehabilitation. The Plan sets out the roadmap for the work of the next five years and I am confident it will result in leading closure outcomes and enhance the Company's positive reputational legacy.

A key purpose in ERA's COVID-19 Management Plan is to help prevent the spread of the virus into local communities. A necessary but unfortunate consequence was to limit opportunities for direct engagement and on-country visits with the Mirarr Traditional Owners in 2020. This was personally disappointing as I greatly value these opportunities for personal interaction, to be able to listen to the Mirarr aspirations and concerns and to share our progress with them. Nevertheless there has been strong ongoing communication and consultation between the Company and the Mirarr, through the Gundjeihmi Aboriginal Corporation and the Northern Land Council, on a range of matters such as the Ranger Mine Closure Plan, progressive rehabilitation, environmental and cultural protection and the future of Jabiru. I thank the Mirarr

CHIEF EXECUTIVE'S REPORT

and their representatives for their continuing support in pursuing our common objectives.

Against the backdrop of the global COVID-19 pandemic, a volatile uranium oxide market and diminishing stockpile grades, ERA recorded strong production and sales results in 2020. Ranger production for the year was 1,574.3 tonnes coming in at the upper end of the guidance of 1,200 to 1,600 tonnes. This strong performance was once again achieved through excellent standards of maintenance, equipment utilization and throughput from a 40 year old plant.

This performance, along with firmer uranium oxide spot prices and the outstanding productivity breakthroughs which continue to be delivered by our business-wide transformation program, resulted in the Company exceeding its sales revenue and cash margin targets for 2020.

Processing operations ceased at Ranger on the 8 January 2021 as required under our regulatory framework. This was an historic milestone. While an opportunity to celebrate what has been achieved at Ranger over the past forty years, it was also the last day of work with ERA for many of our employees. It is sad to farewell these colleagues however it is also pleasing to note the success of the My Future Plan program which will support them in their life after ERA. From redeployment and retraining opportunities through to the support for families relocating from Jabiru, the program has been enormously successful with 95% of the workforce having participated and developed a personal plan.

Cessation of Processing 8 January 2021 BBQ Luncheon

2020 was an extraordinary year. It was matched by an extraordinary performance by the people at ERA. I want to thank all employees, contractors, suppliers and our stakeholders for their support and contribution during the year. I wish those leaving us in 2021 all the very best for the future and look forward to working with the remaining team as we rise to the opportunity to deliver best in class rehabilitation outcomes at Ranger.

PAUL ARNOLD
CHIEF EXECUTIVE AND MANAGING DIRECTOR

COMPANY OVERVIEW

ERA acknowledges the Mirarr people, the Traditional Owners of the land on which ERA operates.

ERA operates the Ranger uranium mine, which was Australia's longest continually producing uranium mine. ERA, in accordance with IAEA and Australian Government standards, has provided international customers with reliable supply of uranium oxide (**U_3O_8**) in the 40 years since production at Ranger began. During that time, Ranger produced in excess of 132,000 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, including ongoing rehabilitation activities, are undertaken pursuant to an authorisation granted under section 41 of the *Atomic Energy Act 1953* (Cth) (the **Ranger Authority**).

Following the completion of open cut mining in 2012, ERA continued to process stockpiled ore until 8 January 2021, when the Ranger Authority required processing to cease.

In 2015, ERA decided not to progress the Ranger 3 Deeps project to feasibility study. The exploration decline and associated infrastructure will be rehabilitated through 2021, following the conclusion of processing at Ranger Project Area as required by the Ranger Authority. ERA is of the view that the prospect of any development is remote considering the economic, legislative and operational challenges that exist. Consequently, ERA has written-off reported mineral resources for the project at 31 December 2020.

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 that ceased on 8 January 2021 were regulated through Commonwealth and Northern Territory legislation. ERA has also entered into a suite of agreements which govern its activities 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 an ongoing 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 have been and are continuing to be progressively rehabilitated in line with regulatory requirements, with the aim that the rehabilitated environment will be similar to and could be incorporated into the surrounding Kakadu National Park.

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

ERA incurred a cash outflow from operating activities of $19 million in 2020, compared to an outflow of $100 million in 2019. Rehabilitation costs incurred for the year end 31 December 2020 were $80 million[1] compared to $92 million in 2019.

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

ERA held total cash resources of $737 million at 31 December 2020, comprised of $204 million in cash at bank and $533 million of cash held by the Commonwealth Government as part of the Ranger Rehabilitation Trust Fund. The Company has no debt.

Cash reserves were substantially increased following the completion of the fully underwritten, renounceable Entitlement Offer, which raised $476 million to support rehabilitation of the Ranger Project Area.

ERA recorded a net profit after tax of $11 million compared to $6 million in 2019. The 2020 net profit was supported by higher sales revenue and lower cash costs resulting from the continued successful execution of the "Safely Transforming ERA Together" program (**Transformation Program**). As at 31 December 2020, a revision in the rehabilitation provision discount rate and a number of minor revisions in timing of rehabilitation spend resulted in an unfavourable change in rehabilitation expense and therefore impact to earnings of $7 million.

In response to the ongoing COVID-19 pandemic, ERA continues to maintain controls and protocols in accordance with the Company's COVID-19 Management Plan to protect our employees and local communities as our first priority and ensure full compliance with Government requirements. ERA has continued to operate throughout this period with minimal impact to production or sales volumes.

REVENUE

Revenue from the sale of uranium oxide was $242 million (2019: $210 million). Revenue was favourably impacted by higher sales volume and a favourable movement in the Australian/US dollar exchange rate.

Sales volume for 2020 was 1,721 tonnes compared with 1,597 tonnes for 2019. The average realised sales price for 2020 was US$42.60 per pound compared to US$41.89 per pound in 2019. The average realised price was impacted by increased sales into the spot market. The average realised price on contracted sales in 2020 was US$53.77 per pound compared to US$48.53 per pound in 2019.

The average realised price compares favourably against the average spot price for 2020 of US$29.74 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 67 US cents, compared with 70 US cents for 2019. ERA sought to maximise exposure to the favourable movement in the Australian dollar whereby ERA entered into a number of forward foreign exchange contracts from USD denominated sales. Forward contracts were entered in respect of certain contracted sales which were forecast at the time for delivery between May 2020 and March 2021. Forward exchange contracts have been entered into at an average rate of 65 US cents for up to 70 per cent of the contracted US denominated sales proceeds. At 31 December 2020, ERA retained $63 million in forward contracts.

Interest income for 2020 was $5.6 million, compared to $7.6 million for 2019. The weighted average interest rate received on term deposit for the period was 0.8 per cent. This compares unfavourably to 1.5 per cent assumed in the Entitlement Offer.

OPERATING COSTS

Cash costs for 2020 were lower than the corresponding period in 2019. This was mainly driven by the successful execution and ongoing delivery of ERA's business Transformation Program. During the first half of 2020, ERA launched the next phase of the program, "Transforming 2.0", which has greater focus on the rehabilitation project. The program targets idea generation and initiative implementation, with the objectives to deliver cost reductions and avoidance, without compromising safety or environmental outcomes.

Following a sharp decline in the crude oil price, with a corresponding decrease in gasoil (or diesel), ERA entered into gasoil swap contracts to lock in prices considered to be favourable when compared to ERA's assumptions in the Entitlement Offer. ERA agreed to purchase forward gasoil swaps at a weighted average price of US$41.59 per barrel ex-Singapore. The forward contracts commenced in June 2020 and extend through to 31 March 2022 for a total quantity of 325,133 barrels. At 31 December 2020, ERA retained US$9 million in swap contracts. The contracts were entered in US dollars and are settled monthly in arrears.

Excludes $2 million (2019: $1 million) in utilisation of lease costs.

OPERATIONS AND REHABILITATION

In 2020, ERA produced 1,574 tonnes of uranium oxide, which was towards the higher end of ERA's market guidance of 1,200 to 1,600 tonnes. This was 10 per cent lower than the 1,751 tonnes of uranium oxide produced in 2019. Production was lower in the period due to the impact of declining ore grades from existing stockpiles.

Processing continued from primary ore stockpiles with uranium oxide production largely unimpacted by COVID-19.

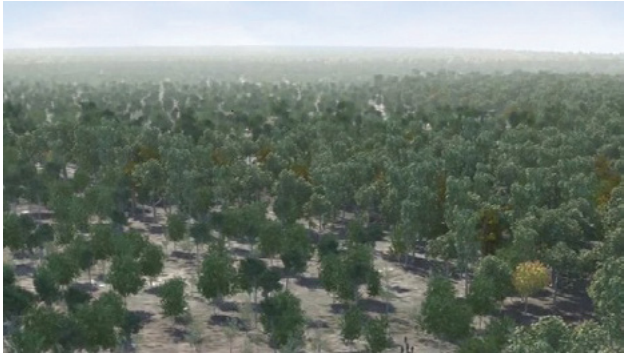
Despite the declining head grade, the plant achieved its production milestones for the year, continuing to focus on the optimisation of the mine plan and utilisation of the mill. Business transformation initiatives drove plant throughput for the year to 2.5 million tonnes of uranium ore, with an average mill rate of 327 tonnes per hour. The average recovery rate for the year was 84.9 per cent and average ore head grade was 0.07 per cent uranium oxide.

In 2020, ERA continued the independent oversight program of process safety management at Ranger. The Noetic Group conducted two oversight visits, one of which was a virtual desktop visit, to further review improvements to process safety management and the implementation of the Company's "Maintaining Process Safety Excellence to Closure" management plan. In 2021, ERA will extend the Noetic program to complete oversight of our new plan "Process Safety Management in Transition to Closure" with an internal ERA team maintaining oversight of process safety at Ranger as we enter the make safe period prior to mill decommissioning.

RANGER MINE CLOSURE PLAN

Under the Ranger Authority, ERA was required to cease mining and processing activities in the Ranger Project Area by 8 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 a further update to the Plan in October 2020 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.

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 focused on bulk dredging of tailings operations, completion of Pit 1 bulk backfill in August, the operation of the Brine Concentrator, as well as commencing a project to increase the capacity of the Brine Concentrator.

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.

OPERATIONS AND REHABILITATION

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 Pit 3;
- Pit 3 remediation including installation of wicks to accelerate water expression from tailings, capping activities followed by bulk backfill;
- 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 bulk backfill and shaping of the final landform is now complete. Preparations are being made to commence planting in March 2021. Bulk dredging was completed in February 2021. Work has commenced on the Tailings Storage Facility wall cleaning and trials commenced in December 2020 to inform the process for cleaning the Tailings Storage Facility floor. Process water from the Tailings Storage Facility is being treated by the Brine Concentrator prior to release into constructed wetlands before release offsite. Trials are being completed to assess the opportunity to utilize the Brine Squeezer for treating process water.

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 2020, ERA continued its partnership with Kakadu Native Plants Pty Ltd, which collected seeds from native plants in Kakadu National Park and the Ranger Project Area for the purposes of revegetation.

A key feature of ERA's closure strategy is the management of tailings and brine and their deposition in Pit 3. These activities continued to progress during 2020.

While the dredging operations experienced some technical challenges during 2020, a total of 6,194,482 cubic metres of tailings were transferred from the Tailings Storage Facility to Pit 3 with bulk dredging completed in February 2021.

BRINE CONCENTRATOR

The Brine Concentrator treats process water to produce a purified water and a brine (concentrated waste stream). The purified water 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 achieved above nameplate capacity during 2018 and 2019. However, in 2020, due to planned shutdown days for a planned upgrade and power system issues (which led to direct down time as well as downtime to clean the scale developed in Brine Concentrator tubes), the plant achieved 1,763 mega litres (**ML**) of annual purified water. This is still 96.3% of nameplate capacity of 1,830 ML.

Brine Concentrator production improvement initiatives implemented during 2018 to 2020 continued to improve the plant's daily production capacity and enabled the Brine Concentrator to demonstrate 7.2 ML per day record daily production against the name plate daily capacity of 5.7 ML per day. As foreshadowed by the Ranger Mine Closure Plan, ERA commenced a project in 2020 to upgrade the Brine Concentrator to further increase its capacity. This project is expected to be completed in quarter 1 of 2021. Originally this upgrade was envisaged to increase the Brine Concentrator plant production up to 7.44 ML per day. Following earlier improvement made in the Brine Concentrator's capability, it is now expected to exceed this design capacity.

REHABILITATION OF PIT 1

Bulk material movement to backfill Pit 1 was completed during 2020, with 17 million tonnes of backfill placed over the 750 metre wide Pit 1. Shaping of the final landform has been completed in preparation for revegetation activities commencing in 2021.

The 39.3 hectare site stores mill tailings in Pit 1 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.

OPERATIONS AND REHABILITATION

Backfilling of Pit 1 was completed 2 weeks ahead of schedule and under budget. A celebratory video is available on ERA's website (https://www.energyres.com.au/media/stories/ranger-minesite-pit-1-rehabilitation-and-completion-of-bulk-backfilling/).

REHABILITATION OF PIT 3

Tailings waste from ongoing milling activities continued to be pumped via a pipeline into Pit 3. Tailings from the Tailings Storage Facility were deposited into Pit 3 via subaqueous deposition and the use of the subaerial pipeline when the subaqueous spigot is under maintenance. 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 year, productivity of the two dredges operating in the Tailings Storage Facility were impacted by low free process water levels (with a greater proportion of process water being retained in tailings than planned). Water levels are impacted by rainfall, water treatment capacity, tailings consolidation (including retention of water within tailings) and evaporation.

Cone penetration testing commenced in the latter part of 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 purified water from the Brine Concentrator is released into constructed wetlands prior to release off site.

In similar fashion to Pit 1, wicks will 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 2020, ERA's long-term local Indigenous business partner Kakadu Native Plants Pty Ltd continued to collect local native plant seeds and to raise tube stock seedlings suitable for planting into the final landform. By the end of the 2020, 29 per cent of seeds required for the final landform revegetation had been collected and stored in secure, temperature–controlled rooms.

Of the 40 tree and shrub species that were introduced on the Ranger trial landform in 2009 and are still present today, 37 have flowered and fruited at least once in the last two years. Almost three-quarters of the 40 species have self-recruited, either via seed and/or vegetative reproduction (suckering). The three species that have not flowered are *Gardenia megasperma, Owenia vernicosa* and *Pandanus spiralis*, all of which were direct seeded, slow growing and are generally still too small to flower and fruit.

One green plum tree died and decomposed that gave way to several dozen of its offspring and recruits of other species on the trial landform.

A 3.6 hectare section of disturbed ground, adjacent to Pit 1 (Stage 13.1), was contoured to the designed final landform surface and became available for revegetation at the beginning of 2020. ERA used this area to conduct opportunistic, small-scale precursor revegetation trials to inform future large-scale Pit 1 activities. So far over 2,200 tubestock have been planted at Stage 13.1.

Native seedlings planted on Stage 13.1 (8 July 2020).

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 completed in February 2020, 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 approximately $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.

Consequently ERA's near-term strategic priorities are:

- complete rehabilitation of the Ranger Project Area;
- maximise the generation of cash flow from the remaining inventories of drummed uranium oxide;
- preserve optionality over the Company's undeveloped resources; and
- progress inorganic growth options evaluation.

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 2020. 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.

CURRENT OPERATIONS AND RESOURCES

Current operations now relate to the sale of the remaining inventories of drummed uranium oxide following the cessation of ore processing on 8 January 2021.

In 2021, the Company produced 34 tonnes of drummed uranium oxide leading up to the cessation of processing operations on 8 January 2021.

The Company continued with execution of the Transformation Program through 2020. 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. These initiatives have extended into reducing costs and creating productivity improvements for rehabilitation activities as part of the next phase of the program; "Transformation 2.0".

RANGER 3 DEEPS

Given the current uranium market environment, the Ranger 3 Deeps project faces material barriers to development.

Amendments to legislation to effect an extension of the Ranger Authority would be required to manage the gap between the cessation of processing at 8 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 materially challenging the Ranger 3 Deeps Project's viability.

Due to the ongoing constrained market conditions the project remains uneconomic. Consequently, ERA will progress remediation of the Ranger 3 Deeps decline and decommissioning the Ranger ore processing facilities through the first half of 2021. Plant decommissioning is due to complete in the third quarter of 2021. While the timing of plant demolition works remain under review, the current plan supports demolition in approximately 2023.

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

The Ranger 3 Deeps Mineral Resource as been written-off at 31 December 2020.

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 ceased mining and processing activities at the Ranger Project Area on 8 January 2021 and is progressing to rehabilitate the site by January 2026.

ERA is currently implementing the rehabilitation activities contemplated in the 2019 Feasibility Study and the Plan.

The most recent updated Plan was released in October 2020 and is the result of further scientific research, engineering design and ongoing stakeholder consultation, and includes contingency provisions. Calculating the rehabilitation provision for the Ranger Project Area requires significant estimation and judgement by ERA. 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, Pit 3 backfill, 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, including amended legal requirements, technological changes, environment conditions, weather events, market conditions and border restrictions due to COVID-19. In addition, should current forecasts for foreign exchange rates, prices and costs 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 rehabilitation activities. ERA has implemented a number of procedures and initiatives in respect to water management, including the recent project to upgrade the capacity of the Brine Concentrator which was commissioned in February 2021. 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 (at 31 December 2020 are $125 million), additional cash would be required to be deposited into the Trust Fund. In the scenario where this occurs, ERA's cash liquidity available to fund rehabilitation would reduce. The balance of bank guarantees and cash held by the Commonwealth Government is currently $655 million.

ERA expects to submit the Annual Plan for Rehabilitation to the Commonwealth Government in early March 2021. An Independent assessor will be appointed by the Commonwealth Government to review the plan. Following Independent review, the relevant Commonwealth department will seek endorsement from the relevant Minister for the revised security position. Following the opportunity to review, ERA at that time will evaluate the appropriate mix of bank guarantees and Trust Fund cash held. This may result in a significant increase or decrease in the amount of cash held in the Trust Fund.

Should the relevant Minister seek to increase the Trust Fund balance beyond ERA's reported rehabilitation provision, and therefore beyond the estimate that underpinned the Entitlement Offer, a funding shortfall may result.

The mechanism for drawdown on security in the Trust Fund as work progresses, is currently the subject of discussions between ERA and the Commonwealth Government. The mechanism and approach will require review and approval by the Commonwealth Government.

The Trust Fund is disclosed as Government Security Receivable in the Financial Statements.

TAILINGS CONSOLIDATION

Following the completion of the transfer of tailings to Pit 3 the final capping of Pit 3 will commence. During the capping process the tailings in Pit 3 will consolidate and express process water that will need to be collected and treated. The consolidation process will be aided by installing vertical wicks, with the forecast consolidation timeframes backed up by a detailed model based on in situ testing of site tailings. The consolidation model accuracy and predictions of rates of process water expression is impacted by many factors including tailings density and other characteristics, deposition method and free process water volume in the pit during deposition.

ERA continues to monitor the rate of tailings consolidation in Pit 3 compared to the consolidation model assumed for the purposes of the rehabilitation Feasibility Study. While there is a greater proportion of process water being retained within the tailings than planned, detailed engineering continues to further refine the scope of work. The impact to the Ranger rehabilitation program, if any, will be further evaluated during the first half of 2021 (including to what extent there is adequate contingency in the estimate to support any potential overrun). Should mitigating actions be required, these could include implementing a higher density wicking program to support process water expression, additional geotextile fabric to support initial capping activities and / or the use of process water treatment capacity for longer than previously planned, each of which have not been allowed for directly in either the schedule or cost estimate.

BUSINESS RISKS

PROCESS WATER SALT DISPOSAL

As a result of treating process water, a waste stream of contaminated salt is generated. This is ultimately to be stored below tailings in Pit 3 via injecting the brine through bore holes. This technology has previously been commissioned but the long-term performance is yet to be fully confirmed. Recommissioning activities are due to commence in the first half of 2021. Should the disposal of salt in this manner not prove viable, an alternate method of salt disposal would be required. This would require additional capital expenditure which has not been allowed for in either the schedule or cost estimate and may not be available to ERA.

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 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 existing cash resources and expected future cash flows, 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 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 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 2020, the latest updated Plan 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.

With respect to Jabiru, ERA sub-leased housing is due to transition to a new entity established on behalf of Traditional Owners under Commonwealth legislation. Housing will be required to meet certain standards at the time of expiry of the current town head lease. The cost associated with house and dwelling remediation and / or demolition is subject to the condition of the current properties. The cost to meet these conditions will be further understood through 2021.

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 and rehabilitation aspects that may be affected include, among other things, land access rights, the granting of licenses and other tenements and the approval of developments.

Future legislation and changes in the regulatory framework could cause additional expense, capital expenditures, restrictions and delays in the rehabilitation and potential development of ERA's assets, the extent of which cannot be predicted. Any such government action may require increased capital, rehabilitation or other expenditures and could prevent or delay certain activities 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 Mirarr People are the Traditional Owners of the land on which the Ranger Project Area and Jabiluka is situated.

The 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 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

BUSINESS RISKS

will be at risk and ERA's business and its financial position and performance may be materially adversely affected.

UNDEVELOPED RESOURCES

The Company ceased processing stockpiled ore on 8 January 2021, as required under the Ranger Authority. The Company has significant undeveloped uranium resources at Ranger 3 Deeps and Jabiluka.

Given the current uranium market environment, the Ranger 3 Deeps project faces material barriers to development.

Amendments to legislation to effect an extension of the Ranger Authority would be required to manage the gap between the cessation of processing at 8 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 materially challenging the Ranger 3 Deeps Project's viability.

Due to the ongoing constrained market conditions the project remains uneconomic. Consequently, ERA will progress remediation of the Ranger 3 Deeps decline and decommissioning the Ranger ore processing facilities through the first half of 2021. Plant decommissioning is due to complete in the third quarter of 2021. While the timing of plant demolition works remain under review, the current plan supports demolition in approximately 2023.

While the resource remains in the ground and therefore available for extraction should future economic and regulatory conditions support, amendments to legislation to effect an extension of the Ranger Authority would be required. The economics of the project at that stage would be required to support a standalone mill and tailings construction amongst other infrastructure.

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 whether this consent will be forthcoming and, by extension, if 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

ERA will continue to sell contracted and uncontracted drummed uranium oxide to Rio Tinto Uranium for on sale to a variety of customers. Consequently, currency and global uranium market fluctuations may materially affect ERA's financial performance. Demand for, and pricing of, uranium oxide remains sensitive to external economic and political factors, all 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 not possible to predict future uranium price movements with certainty.

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

BUSINESS RISKS

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.

POST 2026 TENURE RISK

Under the *Atomic Energy Act 1953*, ERA's access to the Ranger Project Area ceases on 8 January 2026. Discussions are currently underway with key stakeholders including Traditional Owner and Commonwealth representatives, to enable ongoing access to the Ranger Project Area after this date, for ERA to undertake monitoring and, if required, minor remedial or maintenance works. This will require an amendment to the *Atomic Energy Act 1953*, and then there will be a need to negotiate the terms of these future tenure arrangements.

JABIRU TOWN HEAD LEASE

In consequence of the forthcoming expiry of the Jabiru town head lease on 30 June 2021, ERA has an obligation to carry out certain rectification works to assets currently held by ERA in Jabiru. The scope and cost of these rectification works is currently under review.

SUPERVISING SCIENTIST BRANCH

As provided for under a Deed of Agreement between the Company and the Commonwealth, the Company has sought a review of the annual contribution made by the Company toward funding the Supervising Scientist Branch's research into the environmental effects of uranium mining. ERA supports the role of the Supervising Scientist Branch (**SSB**) and this review does not affect the ongoing collaboration between the SSB and ERA on progressive rehabilitation of the Ranger mine site.

FUTURE SUPPLY

EVALUATION AND EXPLORATION

There was no evaluation or exploration expenditure for 2020. 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

With the Section 41 Authority requiring processing to end on 8 January 2021 and the ongoing constrained uranium market, whereby the project remains uneconomic, ERA has written-off the Ranger 3 Deeps Mineral Resource at 31 December 2020.

RANGER RESERVES AND RESOURCES

Following the conclusion of processing activities on the Ranger Project Area, as required under the Ranger Authority, ERA has written-off remaining Reserves and Resources.

By 31 December 2020, probable Ore Reserves of uranium oxide for Ranger had therefore decreased by 1,711 tonnes (31 December 2019: 2,024 tonnes).

This included the impact of depletion by processing in 2020 of 1,787 tonnes. Depletion exceeded reported reserves by 76 tonnes as a result of more favourable ore being realised than compared to estimates. During the reporting period, all processed ore was sourced from either run of mine stocks or low grade stockpiles.

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 137,100 tonnes of uranium oxide at a cut-off grade of 0.2% U_3O_8.

GOVERNANCE

ERA's Competent Person is an 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 2020 ORE RESERVES & MINERAL RESOURCES

	CUT-OFF GRADE – STOCKPILE ORE 0.06% U_3O_8 AS AT 31 DECEMBER 2020			CUT-OFF GRADE – STOCKPILE ORE 0.06% U_3O_8 AS AT 31 DECEMBER 2019		
	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
In situ						
Proved	–	–	–	–	–	–
Probable	–	–	–	–	–	–
Sub-total Proved and Probable Reserves	–	–	–	2.42	0.071	1,711
Total Ranger No. 3 Stockpiles, Proved and Probable Reserves	**–**	**–**	**–**	**2.42**	**0.071**	**1,711**

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
In situ resource (R3 Deeps)						
Measured	–	–	–	3.72	0.27	10,134
Indicated	–	–	–	10.41	0.22	22,636
Sub-total Measured and Indicated Resources	–	–	–	41.29	0.11	43,614
Inferred Resources	–	–	–	5.44	0.20	11,087
Total Resources	**–**	**–**	**–**	**46.74**	**0.12**	**54,701**

	AS AT 31 DECEMBER 2020 CUT-OFF GRADE 0.20% U_3O_8			AS AT 31 DECEMBER 2019 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	10,800	1.21	0.89	10,769
Indicated	13.88	0.52	72,200	13.88	0.52	72,176
Sub-total Measured and Indicated	15.09	0.55	82,900	15.09	0.55	82,945
Inferred Resources	10.03	0.54	54,000	10.03	0.54	54,162
Total Resources	**25.12**	**0.55**	**137,100**	**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 2019	1,711
Depletion by Processing	(1,787)[1]
Favourable Ore Realised Compared to Estimate	76
Ranger Ore Reserves as at 31 December 2020	–

**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 2020 Annual Statement of Reserves and Resources which was released to ASX on 15 February 2021 and can be found at: https://www.asx.com.au/asxpdf/20210215/pdf/44smzl109xqyxy.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 2020 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 (an 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 2019 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.

1. This shows a small negative reserve as a result of depletion at the end of the year. This is a result of more favourable ore being realised than compared to the underlying model estimate.

SALES AND MARKETING

ERA sells uranium under long term contracts and into the spot market 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. However, these long term contracts are due to expire in 2021.

The average realised sales price on contracted sales in 2020 was US$53.77 per pound compared to US$48.53 per pound in 2019.The average realised price on all sales (including uncontracted material sold into the spot market) in 2020 was US$42.60 per pound.

The average realised price compares favourably against the average spot price for 2020 of US$29.74 per pound.

ERA's customers and end users 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 2020 with a closing December spot price of US$30.42 per pound, approximately 23 per cent higher than the closing December 2019 price.

HEALTH AND SAFETY

At ERA, we care for people and their 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 all recordable injuries – lost time injuries, restricted work injuries and medical treatment cases – per 200,000 hours worked.

In 2020, ERA achieved an AIFR of 0.53 (2019: 1.07, 2018: 0.56; 2017: 1.17).

During the year ERA recorded one restricted work day injury and two medical treatment case injuries.

The importance of safety leadership and safety awareness was highlighted through the year. These initiatives included "Beat the Build-Up Blues", peer support, mental wellness programs, PhysioAssist, respiratory protection campaign and several workshops on other health and safety issues.

COVID-19 SAFETY

ERA implemented a COVID-19 Management Plan in 2020 in response the global pandemic to continue to operate safely and in accordance with governmental guidelines. ERA was a recipient of the 2020 Chief Minister Northern Territory Export and Industry Awards; Resource Supply and Service Award for outstanding resilience and innovation in response to COVID-19.

MENTAL HEALTH & WELL BEING

ERA implemented a number of programs throughout 2020 with the objective of maximising the mental health and wellbeing of the ERA workforce. This included the provision of onsite access to an Employee Assistance Program for face to face counselling, plus facilitation of the ERA Peer Support Program.

In response to the COVID-19 pandemic, ERA launched a Workforce Mental Wellbeing Strategy to support workers to remain mentally healthy during the pandemic. Wellbeing activity packs were provided to workers confined to the accommodation camp and there was also additional support provided to workers restricted to Jabiru or working from home.

ERA has processes in place to proactively guide appropriate workplace behaviours, as well as a Speak Out program that provides an opportunity for employees to report occurrences of bullying or harassment. Each case is carefully investigated with the objective of ensuring that ERA continues to be a safe workplace where employees can deliver to their full potential.

SAFETY MATURITY MODEL

The Safety Maturity Model (SMM) is a global Rio Tinto 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 based upon Leadership Engagement, creating an enabling environment in the areas of Risk Management, Leaning and Improving and Work Planning and Execution.

HEALTH AND SAFETY

The SMM is in its second year of the program which commenced implementation in 2019.

A number of SMM initiatives that were implemented at ERA included leadership coaching training, targeted leadership in the field, Process Safety into Closure, Rio Tinto Behaviours program and ERA's Recognition Awards that celebrate contributions to ERA's priorities including safety and health.

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 2020, ERA again promoted the campaign during the build-up season with awareness materials, hydration monitoring, heat stress monitoring and skin cancer checks.

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 December 2019 with re-certification granted.

ERA underwent a Rio Tinto Safety Maturity Assessment in November 2020 and a Rio Tinto Business Conformance Audit of the Health, Safety, Environment and Communities Performance Standards. A comprehensive action management plan was generated in response to the minor non-conformances identified in this Business Conformance Audit.

EMERGENCY RESPONSE

Building ERA's Emergency Response Team skills and capabilities continued to be a strong focus during 2020. The team comprises 1 Emergency Services Supervisor, 4 Emergency Services Officers, 2 Security Officers and 19 Emergency Response Team member workforce volunteers who are trained to respond immediately to incidents such as evacuation, fires or vehicle accidents. The Emergency Response Team also respond to offsite incidents, providing support in the event of regional events such as fire or motor vehicle accidents. Contract Emergency services Officers are also engaged as required to ensure adequate emergency services coverage.

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 and process maintenance.

HEALTH AND SAFETY

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 (ANRDR).

The maximum and mean annual radiation doses received by designated workers and the maximum radiation doses received by non-designated workers during 2020 will be reported in the 2020 Annual Ranger Mine and Ranger 3 Deeps Radiation Protection and Atmospheric Monitoring Report.

Preliminary analysis of the available dose results for 2020 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)	
2020	Mean	Max	Mean	Max
Q1	0.31	0.91	0.12	0.32
Q2	0.32	0.95	0.11	0.36
Q3	0.35	0.96	0.16	0.30

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 and rehabilitation activities are closely supervised and monitored by key statutory bodies and stakeholder organisations including:

- Northern Territory Department of Industry, Tourism and Trade (**DITT**), the Commonwealth Department of Industry, Science, Energy and Resources (**DISER**), the Commonwealth Supervising Scientist Branch (**SSB**), 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, DITT, 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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DIRECTORS' REPORT

DIRECTORS

PETER MANSELL

CHAIRMAN

BCom, LLB, H. Dip. Tax, FAICD

Mr Mansell was appointed as a Director and Chairman of the Board in October 2015.

Mr Mansell also serves as Chair of the Remuneration Committee and member of the 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, the Cancer Research Trust and Foodbank of Western Australia.

PAUL ARNOLD

CHIEF EXECUTIVE AND MANAGING DIRECTOR

BE (Hons) Mining, MBA, MAusIMM, MAICD

Mr Arnold was appointed as Managing Director and Chief Executive of ERA in August 2017.

Mr Arnold has more than 30 years experience in the resources sector working in operations, commercial, and major project development roles with Rio Tinto and BHP, in coal, bauxite, alumina and energy.

Since his appointment, Mr Arnold has overseen the planning and execution of the Ranger Mine Closure Plan, the successful completion of the $476 million Entitlement Offer in early 2020 and led the Company wide business transformation programme delivering substantial value and productivity improvements.

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.

PAUL DOWD

NON-EXECUTIVE DIRECTOR

Bsc (Eng), FAusIMM, MAICD

Mr Dowd was appointed as a Director of ERA in October 2015.

Mr Dowd is also 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 positions as Managing Director of Newmont Australia Ltd and Vice President Australia and New Zealand Operations for Newmont Mining Corporation 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 Macarthur Coal Ltd and OZ Minerals Limited.

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

DIRECTORS' REPORT

DIRECTORS

SHANE CHARLES
NON-EXECUTIVE DIRECTOR

LLB

Mr Charles joined the ERA Board as a non-executive director in October 2015.

Mr Charles is the Chair of ERA's Audit and Risk Committee, and sits on the Remuneration Committee, and Health Safety and Environment Committee (from January 2016).

Mr Charles is an experienced Non-Executive Director and has based most of his career from his home in Toowoomba in regional Queensland. He is passionate about the ability and capability of regional Australia and has been at the forefront of many advocacy efforts to ensure regional Australia is not forgotten.

Mr Charles current roles include amongst others, Chairman of Toowoomba and Surat Basin Enterprise Pty Ltd and its subsidiary entities, and President of the Royal Agricultural Society of Queensland. He is also the Managing Director of Sunland Legal, a digitally based legal services provider. He has a strong interest in corporate governance and to that end also sits on a regional committee for the Australia Institute of Company Directors.

Previous significant roles include periods of service as Chairman of Stanwell Corporation Limited, Deputy Chairman and Commissioner of the GasFields Commission of Queensland, Chairman of Sunrise Way Rehabilitation Limited, and as Chairman of the Endeavour Foundation.

JUSTIN CAREY
NON-EXECUTIVE DIRECTOR

BCom

Mr Carey was appointed as a non-executive director 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 Mr Carey spent two and a half years as CFO for Oyu Tolgoi LLC based in Mongolia.

Since leaving Mongolia Mr Carey has held various roles within the Rio Tinto corporate finance team, including as finance officer for the groups corporate entities and leading the groups planning and forecasting processes as the General Manager Financial Planning & Analysis.

Mr Carey has served on several Rio Tinto entity boards and brings extensive experience in corporate governance and control processes.

MARCIA HANRAHAN
NON-EXECUTIVE DIRECTOR

BBus, MIS, MIntEcon&F

Ms Hanrahan joined the ERA Board as a non-executive director in May 2020.

Ms Hanrahan is the Head of Risk at Rio Tinto and is accountable for supporting leaders in embedding risk management into their core business processes, building risk management capability, and advancing a risk-aware culture. Ms Hanrahan has over 20 years' experience in the resource industry within operating, corporate and major capital projects in a range of disciplines, working across aluminium, alumina, bauxite, industrial minerals and coal divisions.

DIRECTORS' REPORT

DIRECTORS

JAQUES VAN TONDER

NON-EXECUTIVE DIRECTOR

MBAProjMgt, MMaint&AssMgt, GAICD

Mr van Tonder joined the ERA Board as a non-executive director in May 2020.

Mr van Tonder joined Rio Tinto more than 20 years ago and has held senior operational management roles at Palabora, Robe Valley, Cape Lambert Operations, Hope Downs 4 and Argyle. Mr van Tonder has been a senior leader in the Rio Tinto Group Technical functional team since 2017 and has been instrumental in leading the Asset Management global transformation programme as head of the Asset Management Centre of Excellence.

Mr van Tonder has recently been appointed by the Oyu Tolgoi Board of Directors as the new chief development officer for Oyu Tolgoi effective 1 December 2020.

EXECUTIVE COMMITTEE

DAVID BLANCH

CHIEF FINANCIAL OFFICER

BA, CA, GradDipAppFin

Mr Blanch was appointed as Chief Financial Officer in July 2018.

Mr Blanch joined Rio Tinto in 2008 and has worked in various senior finance and commercial roles across several divisions, most recently within the Copper and Diamonds portfolio. Mr Blanch is a Chartered Accountant through the Institute of Chartered Accountants in Australia.

LESLEY BRYCE

GENERAL MANAGER OPERATIONS

B Eng (Hons) FIEAust, CPEngExec, MAusIMM, GAICD

Ms Bryce was appointed General Manager Operations in June 2017 and resigned in January 2021.

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.

DIRECTORS' REPORT

EXECUTIVE COMMITTEE

ALAN TIETZEL

GENERAL MANAGER EXTERNAL RELATIONS

BA, Bcom, DipEd, MBA

Mr Tietzel was appointed as General Manager External Relations in July 2010.

Mr Tietzel 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.

SHANELLE ENGLISH

GENERAL COUNSEL AND COMPANY SECRETARY

LLB, GDLP

Ms English joined ERA as General Counsel and Company Secretary in September 2020.

Ms English joined Rio Tinto in 2012 as Corporate Counsel most recently serving as the Acting General Manager for the Rio Tinto Amrun Project and as the Procurement & Contracts Manager for Closure Studies and Execution with Rio Tinto. Ms English worked at Minter Ellison Lawyers and Allens prior to that.

FORREST EGERTON

GENERAL MANAGER CLOSURE

Mr Egerton was appointed General Manager Closure in January 2021.

Over the last 11 years Mr Egerton has held various leadership roles with Energy Resources Australia, including Manager Operations and Manager Water Treatment & Tailings.

Prior to joining ERA, Mr Egerton was involved in Desalination, Water Treatment and Hospitality industries.

DIRECTORS' 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[3]	AUDIT AND RISK COMMITTEE[3]	REMUNERATION COMMITTEE[3]	HSE COMMITTEE[3]	OTHER[3,4]
P Mansell	8/8	3/3	2/2	-	8/8
P Arnold	8/8	-	-	-	1/1
S Charles	8/8	3/3	2/2	3/3	8/8
P Dowd	8/8	3/3	2/2	3/3	7/7
J Carey	8/8	-	-	-	-
M Hanrahan[1]	5/5	-	-	-	-
J van Tonder[1]	5/5	-	-	2/2	-
A Sutton[2]	3/3	-	-	1/1	-

Note 1 Appointed as Director 29 May 2020.
Note 2 Resigned as a Director 29 May 2020.
Note 3 Number of meetings attended / maximum the Director would have attended.
Note 4 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 28 February 2021 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	-	2,287	10,044
S Charles	-	-	-
P Dowd	-	750	-
J Carey	-	8,117	2,228
M Hanrahan[1]	-	2,372	9,762
J van Tonder[1]	-	1,665	2,492
A Sutton[2]	-	18,895	7,621

Note 1 Appointed as a Director 29 May 2020.
Note 2 Resigned as a Director 29 May 2020. Holding is at the time of resignation.

DIRECTORS' 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 2020 Annual General Meeting, the resolution to increase this limit to $950,000 was approved with 96.80 per cent of shares voting in favour (voting comprised 3,488,564,371 votes 'for' the resolution and 115,041,466 votes 'against' the resolution). At the 2020 Annual General Meeting, the 2019 Remuneration Report was also approved with 96.64 per cent of shares voted in favour (voting comprised 3,481,985,849 votes 'for' the resolution and 121,087,253 votes 'against' the resolution). North Limited and Peko-Wallsend Pty Ltd, which are both Rio Tinto entities, voted a combined total of 3,186,682,634 votes 'for' the resolution. The aggregate amount of non-executive Directors' remuneration paid in 2020 was approximately $823,000 inclusive of statutory superannuation.

The non-executive Directors' fees were reviewed by the Board in January 2020. The annual fees for non-executive Directors for 2020 (excluding superannuation) were as follows:

	2020	2019
Chairman	$183,330	$180,000
Non-executive Director	$101,850	$100,000
Audit and Risk Committee Chair[1]	$24,444	$24,000
Audit and Risk Committee Member[1]	$13,505	$13,260
Health, Safety and Environment Chair[1]	$20,777	$20,400
Health, Safety and Environment Committee Member[1]	$13,505	$13,260
Remuneration Committee Chair[1]	$20,777	$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) in 2019, 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.

DIRECTORS' REPORT

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.

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 2020 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 2020.

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**), 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 2020 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 2020 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.

DIRECTORS' REPORT

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 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.

In prior period Remuneration Reports bonus payments were included in remuneration in the year paid, due to the current year bonus payments not being finalised at the date of the report. In 2020, bonus payments shown as remuneration relate to performance in 2020. This is a result of revisions to the timetable for finalising these payments. The 2019 comparative has been restated for consistency (payment related to 2019 performace).

The Company's business performance measures for 2020 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, marginal unit cost, transformation program delivered, tailings transfer, Brine Concentrator performance and rehabilitation earned value.

Incentive Plans

In 2018, Rio Tinto implemented a new discretionary employee share plan, 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 reviewed 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 - The EIP allows for various share based remuneration to be delivered, however, the awards to the Chief Executive and senior executives in the form of PSA, MSA and BDA are conditional awards which deliver shares to the participant on vesting (which for PSA are also subject to the achievement of performance conditions)

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 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 three years after the award is granted.

DIRECTORS' REPORT

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 and the ERA Remuneration Committee.

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. Awards also had an EBIT condition prior to 2018.

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. Awards also had an EBIT condition prior to 2018.

Other Share Plans

All employees of the company may participate in Rio Tinto share purchase plans applicable at particular locations. Under the plan (known as and referred to later in this report as myShare), 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 Rio Tinto and paid by ERA (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 33 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*.

DIRECTORS' 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	2020	218	-	-	21	239
	2019	227	-	-	22	249
S Charles	2020	140	-	-	13	153
	2019	151	-	-	14	165
P Dowd	2020	136	-	-	13	149
	2019	147	-	-	14	161
J Carey[1]	2020	102	-	-	-	102
	2019	40			-	40
M Hanrahan[2]	2020	60	-	-	-	60
J van Tonder[2]	2020	68	-	-	-	68
A Sutton [3,4,5]	2020	47	-	-	5	52
	2019	104	-	-	6	110
Z Fisher[6]	2019	68	-	-	-	68
Total 2020		771	-	-	52	823
Total 2019		737	-	-	56	793

Note 1 Appointed as a Director 7 August 2019.
Note 2 Appointed as a Director 29 May 2020.
Note 3 Resigned as a Director 29 May 2020.
Note 4 Amounts paid directly to Rio Tinto Limited (amounts paid directly to Ms Sutton from 10 May 2019).
Note 5 Appointed as a member of the Health, Safety and Environment Committee 9 September 2019
Note 6 Resigned as a Director 7 August 2019.

DIRECTORS' REPORT

Executive Director and senior executives

Set out below is an overview of the remuneration paid to the Executive Director and senior executives in 2020. This includes details of the key elements of remuneration and a summary of total remuneration for 2020.

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 2020, Mr Arnold's base salary was $394,495 (1 March 2019 $387,329).

STIP objectives

The STIP payable to Mr Arnold for service in 2020 was determined by assessing individual and business performance in 2020 against objectives set for that year.

The following individual objectives were set for Mr Arnold for 2020:

- 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 2020 individual objectives was assessed as 'very good'. Detailed outcomes are below:

- a significant decrease in the All Injury Frequency Rate to 0.53 (2019; 1.07);
- production of 1,574 tonnes of uranium oxide was at the top end of market guidance;
- Ranger rehabilitation program progressed to schedule;
- strong cash management focus on 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 2020, based on the expected value calculations performed by independent advisors, was 53 per cent of base salary. The eventual amount that vests will depend on performance during the period 2021 to 2024.

DIRECTORS' REPORT

Total remuneration

The table below provides a summary of Mr Arnold's total remuneration disclosed for the years of 2019 and 2020. 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 44 include 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 44.

(STATED IN $'000)	2020	2019
Base salary paid[1]	393	385
STIP cash bonus[2]	202	179
STIP deferred shares[3]	67	60
LTIP share based payments	210	190
Superannuation	29	29
Other benefits[4]	140	162
Total remuneration	1,041	1,005
% change from previous year	4%	9%
% of maximum STIP cash bonus awarded	68%	62%
% of maximum STIP cash bonus forfeited	32%	38%

Note 1 Salaries are reviewed with effect from 1 March.
Note 2 Bonus payable / paid refers to current 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.

DIRECTORS' 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 2019 and 2020, the base salaries of the Company's senior executives were:

BASE SALARY '$000	2020	2019	CHANGE
David Blanch	264	247	7%
Lesley Bryce	336	315	7%
Alan Tietzel	377	371	2%

STIP objectives and outcomes

The individual objectives set out below relate to the 2020 financial year (with the corresponding STIP Award paid in 2021).

In prior period Remuneration Reports bonus payments were included in remuneration in the year paid, due to the current year bonus payments not being finalised at the date of the report. In 2020, bonus payment shown as remuneration relate to performance in 2020. This is a result of revisions to the timetable for finalising these payments. The 2019 comparative has been restated for consistency (payment related to 2019 performace).

	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

DIRECTORS' REPORT

A summary of the individual targets and performance for each of the Company's senior executives (other than the Chief Executive) for the 2020 financial year (with the corresponding STIP Award paid in 2021) is set out in the table below.

MEASURES	WEIGHT (%)	RESULT (OUT OF 200%)	WEIGHTED RESULT (%)
Lesley Bryce			
Business and financial performance	25.0	129	32.3
Health and Safety	15.0	144	21.6
Individual	60.0	140	84.0
Total	**100.0**	-	137.9
Alan Tietzel			
Business and financial performance	25.0	129	32.3
Health and Safety	15.0	144	21.6
Individual	60.0	120	72.0
Total	**100.0**	-	125.9
David Blanch			
Business and financial performance	25.0	129	32.3
Health and Safety	15.0	144	21.6
Individual	60.0	140	84.0
Total	**100.0**	-	137.9

A summary of the individual targets and performance for each of the Company's senior executives (other than the Chief Executive) for the 2019 financial year (with corresponding STIP Award paid in 2020) is set out in the table below.

MEASURES	WEIGHT (%)	RESULT (OUT OF 200%)	WEIGHTED RESULT (%)
Lesley Bryce			
Business and financial performance	25.0	130	32.5
Health and Safety	15.0	110	16.5
Individual	60.0	140	84.0
Total	**100.0**	-	133.0
Alan Tietzel			
Business and financial performance	25.0	130	32.5
Health and Safety	15.0	110	16.5
Individual	60.0	100	60.0
Total	**100.0**	-	109.0
David Blanch			
Business and financial performance	25.0	130	32.5
Health and Safety	15.0	110	16.5
Individual	60.0	120	72.0
Total	**100.0**	-	121.0

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 2020, based on the fair value calculations performed by independent advisors, was between 22.1 per cent and 35.8 per cent of base salary.

DIRECTORS' REPORT

Executive Director and senior executives total remuneration

		SHORT TERM BENEFITS				POST EMPLOYMENT BENEFITS	SHARE BASED PAYMENTS	
		CASH SALARY ($000)	CASH BONUS[5] ($000)	OTHER[6] ($000)	RETENTION PAYMENTS[7] ($000)	SUPER-ANNUATION PENSION ($000)	CASH & EQUITY SETTLED ($000)	TOTAL ($000)
Executive Director								
P Arnold[1]	**2020**	393	202	140	-	29	210	974
	2019	385	179	162	-	29	190	945
Senior executives								
D Blanch[2]	**2020**	262	91	134	82	29	58	656
	2019	246	75	116	-	53	49	539
L Bryce[3]	**2020**	332	139	167	99	29	106	872
	2019	307	126	118	-	29	85	665
A Tietzel[4]	**2020**	376	142	119	-	29	135	801
	2019	369	121	104	-	29	141	764
Total 2020		1,363	574	560	181	116	509	3,303
Total 2019		1,307	501	500	-	140	465	2,913

Note 1 Performance related cash bonus: 68 per cent awarded in 2020, 32 per cent forfeited. 62 per cent awarded in 2019, 38 per cent forfeited.
Note 2 Performance related cash bonus: 69 per cent awarded in 2020, 31 per cent forfeited. 61 per cent awarded in 2019, 39 per cent forfeited.
Note 3 Performace related cash bonus: 69 per cent awarded in 2020, 31 per cent forfeited. 67 per cent awarded in 2019, 33 per cent forfeited.
Note 4 Performance related cash bonus: 63 per cent awarded in 2020, 37 per cent forfeited. 54 per cent awarded in 2019, 46 per cent forfeited.
Note 5 Performance and related bonuses disclosed in 2020 relate to services in 2020 (equally bonuses disclosed in 2019 relate to services in 2019).
Note 6 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.
Note 7 Retention Payments were a conditional discretionary cash bonus aimed at retaining employees considered critical to ERA delivering on its commitments in relation to stockpile processing and rehabilitation of the Ranger Project Area until 31 December 2020.

In prior period Remuneration Reports bonus payments were included in remuneration in the year paid, due to the current year bonus payments not being finalised at the date of the report. In 2020, bonus payments shown as remuneration relate to performance in 2020. This is a result of revisions to the timetable for finalising these payments. The 2019 comparative has been amended for consistency (payments relating to 2019 performance).

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 attached to these awards.

E Executive service agreements

For reasons explained on page 36 above, as a member of the Rio Tinto Group, ERA’s Chief Executive and senior executives are seconded from Rio Tinto under agreements between ERA and Rio Tinto.

The secondment agreements provide for the Chief Executive and senior executives to work under the direction of and be responsible to the ERA Board. They include acknowledgements from Rio Tinto to the effect that the relevant executive’s duties as an officer of ERA will require him or her to, among other things, act in good faith in the best interests of ERA as a whole and that, in doing so, the executive will be taken to be performing his or her duties to the relevant Rio Tinto employing company.

As part of the process of appointment of a senior executive (including the Chief Executive) under this secondment arrangement, the relevant executive is provided with a written statement relating to their responsibilities and duties as an officer of the Company, which they are required to sign for their appointment.

DIRECTORS' REPORT

Under the secondment agreements, during the secondment period ERA must pay amounts in respect of the relevant executive's base salary and other entitlements in accordance with their employment agreements with Rio Tinto. The employment agreements provide for participation of the relevant executives in the Rio Tinto short and long term incentive plans upon achieving performance and service goals. The employment agreements may also provide for other benefits, including: medical insurance, vehicle and accommodation allowances, relocation allowances and expenses and travel allowances.

In setting the executives' remuneration and any rewards based on performance, the Rio Tinto employing company is required to have regard to the recommendations of the ERA Board, and to consult with the ERA chairman regarding any material changes to remuneration and benefits. Changes to the terms of an employment agreements must be consistent with those made generally for all employees of the Rio Tinto employer, and ERA's chairman must be promptly informed of any material changes.

Each of the secondment agreements with Rio Tinto provides that ERA can end the secondment by giving Rio Tinto three months' notice at any time. Likewise, Rio Tinto can end the executive's secondment by giving three months' notice to ERA.

Key provisions of the employment agreements of the Chief Executive and senior executives relating to remuneration are 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 2020 of $394,495 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.

L Bryce – General Manager Operations

Term of agreement – Commenced 1 June 2017 - Resigned January 2021

Base salary (excluding superannuation, allowances and other benefits) as at 31 December 2020 of $335,821 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 2020 of $264,578 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 2020 of $377,370 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.

The Chief Executive and senior executives are also entitled under their employment agreements with Rio Tinto 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.

There is no contractual entitlement to payments in the event of a change of control.

DIRECTORS' 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 2020
Rio Tinto Limited			
9 March 2017	$58.97	31 December 2021	$113.83
15 May 2018	$83.61	31 December 2022	$113.83
18 March 2019	$93.17	31 December 2023	$113.83
16 March 2020	$77.65	31 December 2024	$113.83

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 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 2020
Rio Tinto Limited			
15 May 2018	$83.61	18 February 2021	$113.83
18 March 2019	$93.17	21 February 2022	$113.83
16 March 2020	$77.65	20 February 2023	$113.83

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

DIRECTORS' 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 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 2020
Rio Tinto Limited			
18 March 2019	$93.17	1 December 2021	$113.83
16 March 2020	$77.65	1 December 2022	$113.83

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 2020 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

DIRECTORS' REPORT

Conditional awards provided as remuneration

Rio Tinto 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	**2020**	10,591	3,989	(3,232)	-	-	-	11,348
	2019	8,837	3,713	(1,959)	-	-	-	10,591
Senior executives								
L Bryce	**2020**	3,124	1,173	(816)	-	-	-	3,481
	2019	2,610	1,189	(675)	-	-	-	3,124
D Blanch	**2020**	1,933	714	(651)	-	-	-	1,996
	2019	1,533	736	(336)	-	-	-	1,933
A Tietzel	**2020**	5,323	1,525	(2,543)	-	-	-	4,305
	2019	5,866	1,583	(2,126)	-	-	-	5,323
Non-executive Directors[4]								
J Carey	**2020**	4,471	-	(2,127)	-	-	1,298	3,642
	2019	4,471	-	-	-	-	-	4,471
M Hanrahan	**2020**	10,248	-	-	-	-	1,581	11,829
J van Tonder	**2020**	3,909	-	-	-	-	-	3,909
A Sutton	**2020**	7,621	-	-	-	-	-	7,621
	2019	19,515		(7,778)			(4,116)	7,621
Z Fisher	**2019**	14,115	-	(1,869)	-	-	3,447	15,693

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.*
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.*

DIRECTORS' 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	**2020**	2,000	-	-	2,000
	2019	2,000	-	-	2,000
P Arnold	**2020**	4,682	4,809	(7,250)	2,241
	2019	2,713	2,619	(650)	4,682
P Dowd	**2020**	1,500	-	(750)	750
	2019	1,500	-	-	1,500
J Carey	**2020**	4,142	2,360	-	6,502
	2019	4,100	42	-	4,142
M Hanrahan	**2020**	2,328	-	(2,328)	-
J van Tonder	**2020**	1,564	-	(1,564)	-
A Sutton	**2020**	18,895	-	-	18,895
	2019	9,937	9,373	(415)	18,895
Z Fisher	**2019**	3,708	2,127	(1,200)	4,635

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 27 – Related parties.

DIRECTORS' 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 2020 financial year (2019: nil).

Operating and financial review

Details of ERA's review and results of operations are included in the Chairman's Report on page 4, the Chief Executive's Report on page 6 and the Financial Performance and Operations and Rehabilitation sections on pages 9 and 10.

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 2020.

Matters subsequent to the end of the financial year

On 8 January 2021 following the expiry of the Section 41 Authority (*Atomic Energy Act 1953*), processing of uranium ore within the Ranger Project Area (RPA) ceased. ERA will now focus activity on the RPA on rehabilitation inline with the Authorisation, with completion required by January 2026.

Other than detailed above, in the interval between the end of the year and the date of this report there has not arisen 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 2020.

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 Financial Performance and Operations and Rehabilitation section on page 10.

Annual General Meeting

The 2021 Annual General Meeting will be held in Darwin, in the Northern Territory of Australia. Notices of the 2021 Annual General Meeting will be sent out in separate letters to the shareholders of the Company. It is anticipated the meeting will be an in person meeting with the Company closely monitoring the COVID-19 situation in the event that a virtual or hybrid option become required.

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.

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, Innovation and Science and the Gundjeihmi Aboriginal Corporation (representatives of the Mirarr Traditional Owners).

ERA's commitment to protect the environment in 2020 was overseen by the Supervising Scientist Branch, which conducts extensive monitoring and research programs on the Ranger Project Area and Jabiluka Mineral Lease.

DIRECTORS' REPORT

There were no prosecutions commenced or fines incurred in respect of ERA's environmental performance during 2020. 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 4th 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 53 to 59.

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

KPMG 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 *Corporations 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.

	2020 $000	2019 $000
PricewaterhouseCoopers Australia		
Audit and review of financial reports	-	275
Audit and review of financial reports (additional prior year fees)	31	65
KPMG		
Audit and review of financial reports	215	-
Audit and review of financial reports (additional prior year fees)	-	-
Total remuneration for audit services	246	340
Other non-audit related services	-	316
Total Remuneration	246	656

Information on Auditor

KPMG 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 52.

Signed at Perth this 5 March 2021 in accordance with a resolution of the Directors.

P Mansell
Director
Perth
5 March 2021

AUDITOR'S INDEPENDENCE DECLARATION

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Energy Resources of Australia Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Energy Resources of Australia Ltd for the financial year ended 31 December 2020 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Derek Meates
Partner

Perth

5 March 2021

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 4th 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 5 March 2021 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 recieves copies of all material market announcements promptly after they have been made.

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

Composition

The Board of ERA consists of seven Directors, six of whom are non-executive.

Mr Mansell, Mr Charles, and Mr Dowd all served as independent, non-executive Directors throughout 2020. Ms Sutton, who is a former executive of Rio Tinto, and Mr Carey also served as non-executive Directors during the period. Mr van Tonder and Ms Hanrahan were appointed as non-executive Directors on 29 May 2020.

On 29 May 2020, Ms Sutton resigned as a Director.

Mr Mansell, Mr Charles and Mr Dowd were first appointed in 2015, Mr Arnold was appointed in 2017 and Mr Carey was appointed in 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 30 to 32 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.

CORPORATE GOVERNANCE STATEMENT

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 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. There is also a separate written agreement between ERA and each of its Chief Executive and senior executives relating to their respective responsibilities and duties as an officer of the Company (see pages 44 and 45).

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 shareholders as a whole. 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

CORPORATE GOVERNANCE STATEMENT

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).

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 considered it was appropriate that the composition of the Board recognises 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 shareholders as a whole.

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 30. 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 33.

Board meetings

The Board held 8 scheduled meetings and no extraordinary meetings during 2020. In addition, there were 8 meetings held in 2020 of Committees established by the Board. The Board and Committee meeting attendance details for Directors in 2020 are set out on page 34.

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 2020 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 2020 Annual General Meeting, the resolution to increase this limit to $950,000 was approved with 96.80 per cent of shares voting in favour (voting comprised 3,488,564,371 votes 'for' the resolution and 115,041,466 votes 'against' the resolution). At the 2020 Annual General Meeting, the 2019 Remuneration Report was approved with 96.25 per cent of shares voted in favour (voting comprised 3,481,849 votes 'for' the resolution and 121,087,253 votes 'against' the resolution). North Limited and Peko-Wallsend Pty Ltd, which are both Rio Tinto entities, voted a combined total of 3,186,682,634 votes 'for' the resolution.

In 2012, the Board established a Remuneration Committee. Throughout 2020, 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 held two meetings during 2020. Attendance details of the 2020 meetings of the Remuneration Committee are set out in the Directors' Report on page 34.

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 nonexecutive Directors, the Chief Executive and senior executives is set out on pages 35 to 38 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*.

An annual performance evaluation of the Chief Executive and senior executives was undertaken in 2020. Details of how the performance evaluation process is undertaken by the Board in

CORPORATE GOVERNANCE STATEMENT

respect of the Chief Executive and senior executives are set out on pages 40 to 43 of the Remuneration Report.

Audit and Risk Committee

The Audit and Risk Committee is appointed by the Board and throughout 2020 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 General Counsel & Company Secretary, the external auditor and the internal auditor are invited to attend all meetings.

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 3 meetings during 2020. Attendance details of the 2020 meetings of the Audit and Risk Committee, and the qualifications and experience of the members, are set out in the Directors' Report on pages 34 and 30 respectively.

Each year the external auditor submits a schedule of audit services and fee estimate to the Audit and Risk Committee for consideration and approval. KPMG is appointed as ERA's external auditor for 2020. Each year, the Audit and Risk Committee reviews the effectiveness of the external audit process and the independence of the auditor. Based on its 2020 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 KPMG during 2020 are outlined on page 51.

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 2020, Mr Dowd (Chair) and Mr Charles were members of the Health, Safety and Environment Committee. Ms Sutton served as a member of the Committee in 2020, but resigned as a Director during the period. Mr van Tonder was appointed to the Committee following her resignation in May 2020. 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 2020. Attendance details of the 2020 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 34 and 30 to 33 respectively.

Independent Board Committee

In May 2020, the Board adopted a Conflicts of Interests and Related Party Transactions Policy. The purpose of the Policy is to outline a process for identification, review, approval and disclosure of Related Party Proposals, with a view to ensuring that all decisions of the Board are made in the best interests of the Company as well as ensuring compliance with the law. The Board also formally established the Independent Board Committee (IBC) of directors who are considered to be independent of Rio Tinto, being Mr Mansell (Chair), Mr Dowd and Mr Charles. The IBC has been delegated all of the powers, authorities and discretions of the Board with respect to any transaction or proposal:

- in which, in the opinion of the Chairman of the IBC, a Related Party has or may have interests other than its interest as shareholder in common with other shareholders; or
- where, in the opinion of the Chairman of the IBC, the interests of ERA and a Related Party conflict or may appear to conflict, excluding any transaction or proposal in which a member of the IBC is a conflicted Director.

For so long as Rio Tinto has a controlling interest in the Company, Rio Tinto will be taken to be a Related Party for this purpose. A copy of the Policy (including IBC's Charter) are available on the Company's website at *https://www.energyres.com.au/uploads/general/200505_Conflicts_policy_and_Independent_Committee_Charter_(FINAL).pdf*.

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.

CORPORATE GOVERNANCE STATEMENT

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.

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 senior executives (being manager level and above) and the Board by end of 2020.	As at 31 December 2020 female participation at manager, Executive Committee and Board level is 24 per cent. Women comprise 14 per cent of Directors. Total female participation is 17 per cent.
Target of 33 per cent Indigenous people and 25 per cent female participation in new apprenticeships by end of 2020.	Throughout 2020, ERA had 4 full time apprentices, 1 of which was female (25 per cent) and 3 of whom are indigenous (75 per cent). In addition, ERA had five male and one female trainee (16 per cent).
Target Indigenous employment of 15 per cent by the end of 2020.	ERA ended 2020 with an Indigenous employment rate of 10 per cent. 17 per cent of indigenous employees were female and four employees held supervisor leadership roles.

As at 31 December 2020, the proportion of women employed by ERA was as follows:

Board of Directors	14%
Executive Committee and managers	29%
Company	17%

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*. This includes ERA's values and provides 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*.

The Board is informed of any material breaches and incidents reported under its Code of Business Conduct, whistleblower policy or anti bribery and corruption policy.

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 49 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

CORPORATE GOVERNANCE STATEMENT

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;
- 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 2020, 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 15 to 20 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.

Modern Slavery Statement

ERA is a reporting entity under the Australian Modern Slavery Act 2018 (Cth) and will be included in Rio Tinto's joint 2020 Modern Slavery Statement which will be published on behalf of the reporting entities in the Rio Tinto Group.

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. KPMG, 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.

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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 2020

	NOTES	2020 $'000	2019 $'000
Revenue from continuing operations	3	254,891	235,929
Changes in inventories		(13,988)	26,642
Materials and consumables used		(71,818)	(81,499)
Employee benefits and contractor expenses		(101,304)	(108,821)
Government and other royalties	4	(12,517)	(11,085)
Commission and shipping expenses		(5,069)	(5,589)
Depreciation and amortisation expenses		(353)	(176)
Changes in estimate of rehabilitaton provision	20	(6,529)	-
Financing costs	4	(24,949)	(34,580)
Statutory and corporate expenses		(9,260)	(9,055)
Other expenses	4	(461)	(5,514)
Profit/(loss) before income tax		8,643	6,252
Income tax (expense)/benefit	5	2,817	-
Profit/(loss) for the year		11,460	6,252
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
Changes in the fair value of cash flow hedges		9,391	-
Income tax relating to components & other comprehensive income		(2,817)	-
Other comprehensive income for the year, net of tax		6,574	-
Total comprehensive income for the year		18,034	6,252
Profit/(loss) is attributable to:			
Owners of Energy Resources of Australia Ltd		11,460	6,252
Total comprehensive income for the year is attributable to:			
Owners of Energy Resources of Australia Ltd		18,034	6,252
Earnings per share for profit/(loss) attributable to the ordinary equity holders of the Company:			
Basic earnings per share (cents)	30	0.4	1.2
Diluted earnings per share (cents)	30	0.4	1.2

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

BALANCE SHEET

AS AT 31 DECEMBER 2020

	NOTES	2020 $'000	2019 $'000
ASSETS			
Current assets			
Cash and cash equivalents	7	204,350	208,591
Trade and other receivables	8	7,788	9,400
Inventories	9	132,704	144,281
Government security receivable[1]	10	123,316	-
Derivative financial instrument	11	12,423	-
Other	12	2,030	5,785
Total current assets		482,611	368,057
Non-current assets			
Inventories	13	15,423	28,118
Undeveloped properties	14	89,856	89,856
Property, plant and equipment	15	1,756	4,213
Derivative financial investments	16	580	-
Government security recievable[1]	17	409,927	76,333
Total non-current assets		517,542	198,520
Total assets		1,000,153	566,577
LIABILITIES			
Current liabilities			
Trade and other payables	18	39,290	41,465
Lease liabilities		1,583	2,408
Provisions	19	188,399	137,351
Total current liabilities		229,272	181,224
Non-current liabilities			
Lease liabilities		186	1,770
Provisions	20	556,116	658,270
Deferred tax liabilities	21	-	-
Total non-current liabilities		556,302	660,040
Total liabilities		785,574	841,264
Net assets		214,579	(274,687)
EQUITY			
Contributed equity	22	1,177,656	706,485
Reserves	23	395,383	388,748
Accumulated losses	23	(1,358,460)	(1,369,920)
Total equity		214,579	(274,687)

Note 1 Described as 'Investment in Trust Fund' in 31 December 2019 Financial Report.

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTES	CONTRIBUTED EQUITY $'000	RESERVES $'000	ACCUMULATED LOSSES $'000	TOTAL $'000
Balance at 1 January 2019		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	23	-	-	6,252	6,252
Transactions with owners in their capacity as owners:					
Employee share options – value of employee services	23	-	(149)	-	(149)
		-	(149)	-	(149)
Balance at 31 December 2019		706,485	388,748	(1,369,920)	(274,687)
Profit/(loss) for the year		-	-	11,460	11,460
Other comprehensive income		-	6,574	-	6,574
Total comprehensive income for the year	23	-	6,574	11,460	18,034
Transactions with owners in their capacity as owners:					
Contributions of equity - net of transaction cost		471,171	-	-	471,171
Employee share options – value of employee services	23	-	61	-	61
		471,171	61	-	471,232
Balance at 31 December 2020		1,177,656	395,383	(1,358,460)	214,579

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 2020

	NOTES	2020 $'000	2019 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers			
(inclusive of Goods and Services Tax)		268,885	219,197
Payments to suppliers and employees			
(inclusive of Goods and Services Tax)		(209,596)	(230,704)
		59,289	(11,507)
Payments for rehabilitation		(80,190)	(91,965)
Interest received		2,673	5,953
Financing costs paid		(1,052)	(1,981)
Net cash (outflow)/inflow from operating activities	29	(19,280)	(99,500)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(193)	(3,623)
Proceeds from sale of property, plant and equipment		-	500
Contributions to Government security receivable	10	(454,000)	-
Net cash (outflow)/inflow from investing activities		(454,193)	(3,123)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(2,408)	(1,087)
Proceeds from issues of shares		476,049	-
Share issue transaction costs		(2,791)	-
Employee share option payments		(1,616)	(1,418)
Net cash (outflow)/inflow from financing activities		469,234	(2,505)
Net increase/(decrease) in cash and cash equivalents		(4,239)	(105,128)
Cash and cash equivalents at the beginning of the financial year		208,591	313,736
Effects of exchange rate changes on cash and cash equivalents		(2)	(17)
Cash and cash equivalents at end of year	7	204,350	208,591

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*. The financial report has been prepared under the assumption that the Company is a going concern.

(i) 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).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, except for where specifically outlined that an alternative basis has been used within Note 1.

(iii) 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 the criteria pertaining to the transfer of control of goods or rendering of services has been met as described in the sections below.

(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).

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. This is because it is highly probable that the revenue would not be subject to a significant revenue reversal based on an estimate formed from historical evidence.

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 is recognised on individual sales when control transfers to the customer. This occurs when the uranium transfers from the Company's account at converter locations to its customers account. It is at this stage under the respective arrangement that the company no longer can control or direct goods.

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.

Receipts from sales revenue are generally received 30 days from the date of sale.

(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;

NOTES TO THE FINANCIAL STATEMENTS

- 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) 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 to 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.

(g) 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.

(h) Financial instruments

Financial assets and financial liabilities are recognised in ERA's Balance Sheet when ERA becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Management uses valuation techniques to determine the fair

NOTES TO THE FINANCIAL STATEMENTS

value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(i) Derivative financial instruments

ERA enters into both forward foreign exchange contracts and gasoil swap contracts. These contracts are used to manage ERA's exposure to US dollar sales and the price of diesel used to run major mine infrastructure.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless ERA has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

(ii) Hedge Accounting

ERA designates forward exchange contracts as hedging instruments in the form of cash flow hedges. At the inception of the hedge relationship, ERA documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, ERA documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that ERA actually hedges and the quantity of the hedging instrument that ERA actually uses to hedge that quantity of hedged item.

(iii) Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and presented in the cash flow hedge reserve under equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the 'other gains and losses' line item. Sources of ineffectiveness include the effect of credit risk on the hedging instrument and the mismatch of the timing of settlements between the hedged item and the hedging instrument.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

ERA discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. If the forecast transactions are no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve in equity is reclassified to profit or loss immediately.

Unrecognised gains and losses recorded in the hedge reserve will give rise to a deferred tax asset or liability. This is recorded in the cash flow hedge reserve. ERA then considers if this is recoverable in the event it is a deferred tax asset. In the event if is a deferred tax liability, ERA considers weather unrecognised deferred tax assets should be recognised to offset the liability. Where this occurs the recognition of the deferred tax asset is recorded through income tax benefit in the profit and loss statement.

(iv) Fair value measurement

When measuring the fair value of its assets and liabilities, the Company uses observable market data. All assets and liabilities measured at fair value, including hedging instruments, use Level 1 valuation techniques: quoted prices (adjusted) in active markets for identical assets or liabilities. Note 31, under the heading 'Fair Value Estimation', details those balances that are measured at fair value.

(i) Inventories

Inventories are carried at the lower of cost and net realisable value. Net realisable value for uranium is determined based on estimated future sales prices, exchange rates and capital and production costs, including transport. Net realisable value for stores is determined based on managements estimate of the extent to which the inventory is usable.

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. For stores, the costing includes solely material purchase prices.

NOTES TO THE FINANCIAL STATEMENTS

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. The Company discloses obsolence changes in Note 9.

Uranium inventories is split between a current and non-current assets classification based on managements estimate on when it will realise economic benefit from the sale of inventories. Management performs this estimate based on sales schedules with its customers and historical experience around sales timing.

(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.

(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

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exist:

- the term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration and evaluation of mineral resources in the specific area are not budgeted or planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resource and the decision was made to discontinue such activities in the specific area; or
- sufficient data exists to indicate that, although development in the specific area of interest is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

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 should be reviewed, 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. For accounting purposes, the company reviews for evidence of impairment indicators on an annual basis and, where identified, the recoverable amount is estimated.

(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

NOTES TO THE FINANCIAL STATEMENTS

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.

(p) 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 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. The operation of the Brine Concentrator, pond water management and power station are costs that are allocated to operating costs up until such time as the production of uranium oxide ceases (8 January 2021). Following cessation of uranium oxide production there will be no costs associated with the Ranger Project Area that will be included in the Statement of Profit or Loss and Other Comprehensive Income. Costs strictly associated with non-rehabilitation 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 a Government Security Receivable on the balance sheet (Note 10), and interest received by the Trust Fund is shown as interest income. The balance of bank guarantee is shown at Note 31.

Government Security Receivable balances are split between current and non-current assets based on managements estimate as to when cash will be received from the Commonwealth Government.

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.

(q) 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.

NOTES TO THE FINANCIAL STATEMENTS

(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.

(r) 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.

(s) 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.

Cash instruments that qualify as cash equivalents have an original maturity date no greater than 3 months.

(t) 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.

(u) 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.

(v) 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.

(w) 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. 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.

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 33.

(x) Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these financial statements. Management has also concluded that, when those new standards become applicable and are adopted, there is no anticipated material impact to the balances and transactions of the Company.

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 establish an environment similar to the adjacent Kakadu National Park in line with the Company's statutory obligations.

In estimating the rehabilitation provision, a risk-free discount rate is applied to the underlying cash flows estimates. The rehabilitation provision estimate undiscounted and presented in real terms is $747 million (2019: $818 million). At 31 December 2020, the real discount rate was reduced from 2 per cent to 1.5 per cent. This reflects overall forecast changes seen in risk free rates and inflationary assumptions. This change in discount rate resulted in an increase in the provision of $9.1 million. This was partially offset by a reduction in the provision of $2.6 million based on amendment to inflationary assumptions and the timing of spend impacting the discounted costs.

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 2020 of the preferred plan within the requirements of the Ranger Authority. The Ranger Authority requires ERA to cease mining and processing activities by 8 January 2021 and complete rehabilitation of the Ranger Project Area by 8 January 2026.

The closure model is based on the 2019 Feasibility Study which expanded on the earlier prefeasibility study completed in 2011. The estimate has been reviewed at 31 December 2020 and updated to incorporate any identified changes in cost, scope or schedule and where impacts have been identified, reflected as a drawdown or return in overall project contingency.

Key packages of work completed since 2012 include preliminary Pit 3 backfill, Pit 1 capping, design and backfill, construction and commissioning of the tailings dredging system and construction of water treatment infrastructure including the brine concentrator and brine squeezer.

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

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 risks on the Ranger rehabilitation provision are detailed below.

Tailings consolidation

Following the completion of transfer of tailings to Pit 3 the final capping of Pit 3 will commence. During the capping process the tailings in Pit 3 will consolidate and express process water that will need to be collected and treated. The consolidation process will be aided by the installation of vertical wicks and the knowledge of the consolidation timeframes is backed up by a detailed model based on in situ testing of site tailings. The consolidation model accuracy and predictions of rates of process water expression is impacted by many factors including: tailings density and other characteristics, deposition method and free process water volume in the pit during deposition.

ERA continues to monitor the rate of tailings consolidation in Pit 3 compared to the consolidation model assumed for the purposes of the rehabilitation feasibility study. It is apparent that a greater proportion of process water is being retained within the tailings than forecast. Further studies and testing are ongoing to validate the consolidation model assumptions used. The impact to the Ranger rehabilitation program, if any, will be further evaluated once studies and detailed design are completed during the first half of 2021. Should mitigating actions be required, these could include implementing a higher density wicking program to support process water expression, additional geotextile fabric to add strength to tailings to enable capping activities to proceed, and / or use of process water treatment capacity for longer than previously planned, each of which have not been allowed for in either the schedule or cost estimate.

Process Water

In order to increase process water treatment capacity, ERA has progressed both re-commissioning activity of the high density sludge (HDS) plant, the commissioning of the brine squeezer (including conducting process water treatment trials) and brine concentrator expansion project. The recommissioning of the HDS plant has been impacted by both the timing of external consents and a number of technical commissioning issues. Subject to future process water inventory volumes, this may necessitate the HDS operating longer than previously planned. The brine squeezer commissioning has progressed, albeit with production limited due to low pond water volumes through a large portion of the year. Trials to evaluate the potential for the brine squeezer to treat process water are ongoing. The brine concentrator expansion project is progressing with commissioning expected in quarter 1, 2021.

Treatment of process water remains on the projects' critical path. As previously noted, the feasibility study assumed a long term average annual rainfall for the region in forecasting future water treatment requirements. Annual rainfall can vary from year to year. Historically, the region has seen higher than average rainfall in periods of 'La Nina'. The Bureau of Meteorology has forecast

NOTES TO THE FINANCIAL STATEMENTS

the 2020/2021 wet season to be an 'La Nina'. Rainfall wet season to date, would support this assessment, with higher than average rainfall. The impact on the overall rehabilitation program is unknown and will be sensitive to rainfall for the remainder of the wet season and future years.

Overall, process water volumes are sensitive to many factors. Any additional water would require treating through ERA's process water treatment infrastructure, in large part 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 and timing 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 additional process water treatment capacity 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.

Process Water salt disposal
As a result of treating process water, a waste stream of contaminated salt is generated. This is ultimately to be stored below tailings in Pit 3 via injecting the brine through bore holes. Recommissioning activities for this infrastructure have successfully occurred although the long-term performance is yet to be fully confirmed. Should the disposal of salt in this manner not prove viable, an alternate method of salt disposal would be required. This could require significant additional capital expenditure which has not been allowed for in either the schedule or cost estimate and may not be available to ERA.

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

Other factors
In addition to the factors identified above there are many additional items that the estimate could be impacted by, including: evaporation rates, stakeholder requirements, engineering studies, other site contaminants, plant mortality and project support costs. These represent a possible obligation from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events or a present obligation that arises from past events but are not recognised because the amount of the obligation cannot be measured with sufficient reliability.

Cash flow timing
The company estimates the presentation of its rehabilitation provision between current and non-current liabilities, based on anticipated timing of expenditure from updated cash flow forecasts.

(b) Taxation

ERA has approximately $188 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 the 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) 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 and the associated asset capitalised within property, plant and equipment. 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 2020, 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 2020, $0.2 million in capital expenditure was expensed.

At the end of each reporting period, ERA assesses whether there are any indications that ERA's CGUs may be impaired, or 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, operating and capital estimates, discount rate, project progression, and Traditional Owner relationships.

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.

(d) Undeveloped Properties Judgements

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.

NOTES TO THE FINANCIAL STATEMENTS

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 and impairment reversal indicators. In 2020, 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. While some improvement in macro-economic factors has been identified, it was determined it was too early to conclude whether these would be sustained. As such, no indicators were identified that the previously recorded impairment should be reversed. 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 the Traditional Owners, regulatory bodies and shareholders), uranium oxide prices (including term contract price premiums in the future), foreign exchange rates, production and capital costs, discount rate, ore reserves and mineral resources, lease tenure renewal and development delays. A change in these assumptions may result in further impairment.

Selected downside sensitivities to the fair value of the Jabiluka Undeveloped Property at 31 December 2020 are summarised below. Based on current assumptions, no single change in the below sensitivities would result in further impairment, however should all occur full impairment would result.

Sensitivity	Impact on value $million
-5 per cent change in forecast uranium oxide price	(60)
+20 per cent change in development capital	(109)
+5 per cent change in forecast Australian/ US dollar exchange rates	(56)
+1 per cent change in discount rate	(61)

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

(e) Uranium 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 2020 (2019:nil).

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

(f) Employee Benefits Judgements

During the year ended 31 December 2020, 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 $11.2 million. This is a current liability based on the balance being 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

	2020 $'000	2019 $'000
REVENUE FROM CONTINUING OPERATIONS		
Sale of goods	242,222	209,636
Rendering of services	235	41
Total sales revenue	242,457	209,677
Other revenue		
Interest received/receivable, other parties	5,582	7,571
Rent received	857	926
Contract compensation (uranium oxide)	1,922	3,083
Legal settlement	-	14,071
Insurance recoveries	2	101
Net gain on sale of property, plant and equipment	-	500
Net gain on non-hedge forward contracts	3,962	-
Net revenue foreign exchange gain / (loss)	109	-
Total other revenue	12,434	26,252
Total revenue from continuing operations	254,891	235,929

4 Expenses

	NOTES	2020 $'000	2019 $'000
PROFIT BEFORE INCOME TAX INCLUDES THE FOLLOWING SPECIFIC EXPENSES:			
Cost of sales			
Third party produced product U308		971	1,548
Produced product (uranium oxide)		164,095	138,792
Total cost of sales		165,066	140,340
Government and other royalties			
Royalty payments	25	2,845	2,519
Payments to Indigenous interests	25	9,672	8,566
Total Government and other royalties		12,517	11,085
Financing costs			
Other parties		1,052	1,982
Unwinding of discount (rehabilitation provision)	20	23,897	32,598
Total Financing Costs		24,949	34,580
Other Expenses			
Property, plant and equipment expensed		193	3,623
Office and other expenses		268	1,891
Total Other Expenses		461	5,514

NOTES TO THE FINANCIAL STATEMENTS

	2020 $'000	2019 $'000
Other individually significant expenses		
Short term and low value leases	137	725
Interest expense related to leases	59	40
Sustainability payment to aboriginal interests	2,094	2,059
Defined contribution superannuation expense	4,009	3,980

5 Income tax expense/(benefit)

	2020 $'000	2019 $'000
INCOME TAX EXPENSE/(BENEFIT)		
Current tax	(2,817)	-
Deferred tax	-	-
Under/(over) provided in prior years	-	-
Income tax expense/(benefit)	(2,817)	-
Deferred income tax (revenue)/expense included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets (Note 21B)	1,353	(422)
(Decrease)/increase in deferred tax liabilities (Note 21A)	(1,353)	422
Deferred tax	-	-
RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE		
Operating profit before income tax	8,643	6,252
Tax at the Australian tax rate of 30% (2019: 30%)	2,593	1,876
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Derecognition of deferred tax assets	4,373	8,323
Rehabilitation expenditure	(10,301)	(10,192)
Other items	518	(7)
Income tax expense/(benefit)	(2,817)	-

6 Dividends

Dividends paid or declared

No dividends have been paid or declared for the year ended 31 December 2020 (2019: nil).

Dividends franking account

	2020 $'000	2019 $'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2019: 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

	2020 $'000	2019 $'000
CURRENT		
Cash at bank and in hand	15,588	33,486
Deposits at call	188,762	175,105
Cash and cash equivalents	204,350	208,591

Cash at bank/Deposits at call

Cash assets and deposits bear floating interest rates between 0 per cent and 1.74 per cent (2019: 0.0 per cent and 2.82 per cent).

Interest rate risk exposure

The Company's exposure to interest rate risk is discussed in Note 31.

8 Trade and other receivables

	2020 $'000	2019 $'000
CURRENT		
Trade debtors	3,219	3,161
Amounts due from related parties	2,187	3,712
Other debtors	2,382	2,527
Trade and other receivables	7,788	9,400

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 31.

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 31 for more information on the financial risk management policy of the Company.

9 Inventories – current

	2020 $'000	2019 $'000
Stores and spares	5,931	16,214
Work in progress at cost	776	3,808
Finished product U_3O_8 at cost	125,997	124,259
Total current Inventory	132,704	144,281

NOTES TO THE FINANCIAL STATEMENTS

Inventory expense

Obsolescence of inventory provided for and recognised as an expense during the year ended 31 December 2020 amounted to $5,346,529 (2019: $104,542). This amount has been included in Materials and Consumable used within the Statement of Comprehensive Income.

10 Government security receivable

	2020 $'000	2019 $'000
CURRENT		
Government security recievable	123,316	-

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.

The Commonwealth Government finalised its review in February 2020, the relevant Commonwealth Government Minister confirmed a revised security amount of $655 million. In order to meet its statutory obligation, ERA contributed $454 million from the Entitlement Offer proceeds during the period, adding to balances held in the prior period of $77 million, with a total of $531 million as cash held on deposit with the Department of Industry, Science, Energy and Resources (DISER) and $125 million in bank guarantees.

The cash held as security is invested in term deposits to optimise returns whilst providing appropriate security. This is disclosed as a Government Security Receivable in the Balance Sheet and was previously entitled Investment in Trust Fund in the Company's financial reports. The 45th Annual Plan of Rehabilitation is currently being prepared to align with the conclusion of processing on 8 January 2021. This review will revise the determined security position. Despite this presenting as the final Annual Plan of Rehabilitation, ERA and/or the Commonwealth Government are expected to retain the right to seek review of the security position in the future, should material change in the cost estimate take place.

As rehabilitation progresses, the security requirement is forecast to decrease largely in line with the annual rehabilitation spend and cash and/or bank guarantees will be withdrawn from the Trust Fund. Drawdown is subject to approval by the Commonwealth Government, consequently there remains a risk to the Company's liquidity and financial position should the Government Security Receivable value not reduce broadly in line with the Company's forecast rehabilitation spend.

It is estimated that a portion of the Government Security Receivable will be returned to the Company during 2021. In determining the magnitude of this and the resulting portion that will be held as a current asset, the Company has determined it appropriate to consider that the estimated rehabilitation spend for the first three quarters of 2021 will be returned in 2021. This portion has been recorded as a current asset. This will be impacted by any return of security resulting from a change in security requirement, as well as any decision made by the Company to provide security through a varied mix of cash on deposit or bank guarantees.

The Company has recorded this reimbursable amount under the guidance of AASB Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds. Under Interpretation 5, the Company accounts for the amounts as a non-financial asset, or reimbursement, under AASB 137 Provisions, Contingent Liabilities and Contingent Assets. Measurement of the reimbursement is at the company's share of the fair value of the net assets of the fund, which is 100 per cent of the cash deposits held in the fund plus accrued interest. The fund carries no other balances but short-term deposits. This amount was previously disclosed as a financial asset measured at fair value through profit or loss. Other than the renaming of the balance, there is no impact on the reported asset balance, profit or loss or cash flows for the prior period comparative.

In this financial report, the balance is presented as a current and non-current asset as the Company anticipates being reimbursed for a portion of the security amount within 12-months from balance date.

Cash flows to/from the fund are considered to be advances to/from a third party and therefore disclosed under Investing Activities.

The applicable weighted average interest rate for the year ended 31 December 2020 was 0.85 percent (2019: 2.02 per cent).

NOTES TO THE FINANCIAL STATEMENTS

11 Derivative finanical instruments

	2020 $'000	2019 $'000
FINANCIAL ASSETS - CURRENT		
Forward exchange contracts (designated hedge)	9,391	-
Gasoil swap contracts (non designated hedge)	3,032	-
Total Current Financial Assets	12,423	-

Forward foreign exchange contracts

The forward exchange contracts have been designated and are effective as a hedging instrument.

The forward exchange contracts are measured at fair value on a recurring basis using a Discounted Cash Flows methodology. The contracts are valued, using market quoted forward exchange rates as inputs and when material discounted based on applicable yield curves derived from market quoted interest rates.

All forward foreign exchange contracts will mature in less than 12 months and so are recorded as a current asset. The following table details the ERA's liquidity analysis for its derivative financial instruments based on contractual maturities. The table has been drawn up based on the undiscounted cash flows. Settlement of the forward foreign exchange contract occurs on a gross cash flow basis.

Sell USD/Buy AUD	AUD Notional (A$ million)	Average Exchange rate
Less than 1 year	63.4	0.66

At 31 December 2020, had the Australian Dollar weakened/strengthened by 10 per cent against the US Dollar with all other variables held constant, the change in financial assets would have affected pre tax other comprehensive income for the full year by $4.9 million.

The Company did not have any sources of hedge ineffectiveness emerging in designated relationships.

Gasoil swap contracts

The Gasoil swaps have been measured at fair value, with the resulting gains recorded in the profit and loss.

The Gasoil swap contracts are measured at fair value on a recurring basis using a Discounted Cash Flows methodology. The contracts are valued, using market quoted forward exchange rates as inputs and when material discounted based on applicable yield curves derived from market quoted interest rates.

Gasoil swap contracts will mature as follows and are recorded as a non current asset when maturity is greater than 1 year. The following table details the ERA's liquidity analysis for its derivative financial instruments based on contractual maturities. The table has been drawn up based on the undiscounted cash flows. Settlement of the Gas Oil swap contracts occurs on a net cash flow basis, based on the spot price at settlement.

Buy Gasoil	Notional US$	US$ per barrel
Less than 1 year	5.6	40.30
Greater then 1 year less than 2 years	2.4	48.81

At 31 December 2020, had the Gasoil forward price weakened/strengthened by 10 per cent with all other variables held constant, the change in financial assets would have affected pre tax profit for the half year by $1.4 million.

12 Other assets

	2020 $'000	2019 $'000
Prepayments	2,030	5,785

NOTES TO THE FINANCIAL STATEMENTS

13 Inventories – non-current

	2020 $'000	2019 $'000
Finished product U_3O_8 at cost	15,423	28,118

14 Undeveloped properties

	2020 $'000	2019 $'000
Jabiluka: Long-term care and maintenance development project		
Balance brought forward	89,856	89,856
Amount capitalised during the year	-	-
Non-cash impairment change	-	-
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 2020 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 develpement 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 and timing of future development and ongoing stakeholder relations.

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.

Further details can be found in Note 2(c).

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.

NOTES TO THE FINANCIAL STATEMENTS

15 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 2020						
Opening net book amount	-	-	-	-	4,213	4,213
Additions	-	193	-	-	-	193
Disposals	-	-	-	-	-	-
Depreciation charged to rehabilitation provision	-	-	-	-	(2,104)	(2,104)
Depreciation/amortisation charge/writeoffs	-		-	-	(353)	(353)
Additons immediately impaired	-	(193)	-	-	-	(193)
Closing net book amount	**-**	**-**	**-**	**-**	1,756	1,756
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)	(3,510)	(2,057,729)
Net book amount	-	-	-	-	1,756	1,756
YEAR ENDED 31 DECEMBER 2019						
Opening net book amount	-	-	-	-	-	-
Additions	-	3,623	-	-	5,266	8,889
Disposals	-	-	-	-	-	-
Depreciation charged to rehab 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

NOTES TO THE FINANCIAL STATEMENTS

Right of use assets

Right of use assets include buildings at $528,000 and equipment used for rehabilitation at $1,228,000.

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:

	2020 $'000	2019 $'000
Plant and equipment	-	2,220

16 Derivative financial instruments

	2020 $'000	2019 $'000
FINANCIAL ASSETS - NON CURRENT		
Gasoil swap contracts	580	-
Total Non-current Financial assets	580	-

NOTES TO THE FINANCIAL STATEMENTS

17 Government security receivable

	2020 $'000	2019 $'000
NON-CURRENT		
Government security receivable	409,927	76,333

Further details are provided in Note 10.

18 Trade and other payables

	2020 $'000	2019 $'000
CURRENT		
Trade payables	34,144	39,735
Amounts due to related parties	4,309	910
Other payables	837	820
Total trade and other payables	39,290	41,465

19 Provisions – current

	2020 $'000	2019 $'000
CURRENT		
Employee benefits	25,471	13,856
Rehabilitation	162,928	123,495
Total current provisions	188,399	137,351

Employee benefits provision

During 2020 a provision for benefits payable on termination of employment continued to be recognised. A total of $11.2 million was recognised as payable in 2021 and has been recognised as a Current Liability. Further details are in Note 2(f). The remaining employer 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
2020	
Carrying amount at the start of the year	123,495
Payments	(80,190)
Utilisation of lease assets	(2,104)
Transfer from non-current provision	121,727
Carrying amount at the end of the year	162,928

NOTES TO THE FINANCIAL STATEMENTS

	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

20 Provisions – non-current

	2020 $'000	2019 $'000
NON-CURRENT		
Employee benefits (Note 19)	745	11,598
Rehabilitation	555,371	646,672
Carrying amount at the end of the year	556,116	658,270

Movements in rehabilitation provision

As a result of the Ranger Cash Generating Unit being fully impaired in 2016 and the cessation of uranium production in January 2021, the 2020 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
2020	
Carrying amount at the start of the year	646,672
Change in estimate	(2,572)
Change in discount rate	9,101
Unwinding of discount	23,897
Transfer to current provision	(121,727)
Carrying amount at the end of the year	555,371

	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

NOTES TO THE FINANCIAL STATEMENTS

21 Deferred tax liability

	2020 $'000	2019 $'000
(A) DEFERRED TAX LIABILITY		
The balance comprises temporary differences attributable to:		
Amounts recognised in profit and loss		
Government Security Receivable	23,022	22,901
Inventories	2,354	3,780
Receivables	412	460
Total deferred tax liabilities	25,788	27,141
Off-set of deferred tax asset pursuant to set-off provisions (Note 21B)	(25,788)	(27,141)
Net deferred tax liabilities	-	-
Movements		
Opening balance at 1 January	27,141	26,719
(Credited)/debited to the income statement (Note 5)	(1,353)	422
Closing balance at 31 December	25,788	27,141
(B) DEFERRED TAX ASSETS		
The balance comprises temporary differences attributable to:		
Amounts recognised in profit and loss		
Rehabilitation Provision	11,152	15,337
Employee provisions	9,078	7,642
Other	5,558	4,162
Total deferred tax assets	25,788	27,141
Set-off of deferred tax liabilities pursuant to set-off provisions (Note 21A)	(25,788)	(27,141)
Net deferred tax assets	-	-
Movements		
Opening balance at 1 January	27,141	26,719
Credit/(debited) to the income statement (Note 5)	(1,353)	422
Closing balance at 31 December	25,788	27,141

NOTES TO THE FINANCIAL STATEMENTS

22 Share capital

	2020 SHARES	2019 SHARES	2020 $'000	2019 $'000
SHARE CAPITAL				
A Class shares fully paid	3,691,383,198	517,725,062	1,177,656	706,485
Total contributed equity			1,177,656	706,485

	2020 '000	2019 '000
Movements		
A Class shares fully paid		
Share capital at the start of the year	517,725	517,725
Shares issued during the year (at $0.15 per share)	3,173,658	-
Share capital at the end of the financial year	3,691,383	517,725
Total contributed equity		
Contributed equity at the start of the year	706,485	706,485
Additional contribution of equity ($0.15 per share for 3,173,658,137 shares)	476,049	-
Share issuance costs	(4,878)	-
Contributed equity at the end of the year	1,177,656	706,485

As announced on 20 February 2020, ERA's fully underwritten 6.13 for 1 pro rata renounceable entitlement offer of new fully paid shares to raise approximately $476 million closed successfully in February 2020. The proceeds, to be used primarily to fund ERA's statutory rehabilitation obligations for the Ranger Project Area, have been invested in short duration term deposits across a variety of Australian deposit taking institutions.

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 31.

NOTES TO THE FINANCIAL STATEMENTS

23 Reserves and retained profits

	2020 $'000	2019 $'000
RESERVES		
Share-based payments reserve	(691)	(752)
Capital reconstruction	389,500	389,500
Cashflow hedge reserve	6,574	-
Total Reserves	395,383	388,748
Movements		
Share-based payments reserve		
Balance 1 January	(752)	(603)
Option expense / (reversal)	61	(149)
Balance 31 December	(691)	(752)
Capital reconstruction		
Balance 1 January	389,500	389,500
Movements	-	-
Balance 31 December	389,500	389,500
Cashflow hedge reserve		
Balance at 1 January	-	-
Unsettled change in fair value (before tax)	9,391	-
Tax on unsettled change in fair value	(2,817)	-
Gain on changes in fair value of settled hedges	4,707	-
Gain on changes in fair value reclassified to profit or loss	(4,707)	-
Balance 31 December	6,574	-
ACCUMULATED LOSSES		
Movements in accumulated losses were as follows:		
Opening accumulated losses – 1 January	(1,369,920)	(1,376,172)
Net profit (loss) for the year	11,460	6,252
Closing accumulated losses – 31 December	(1,358,460)	(1,369,920)

Nature and purpose of reserves

Share based payments reserve

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.

Cashflow hedge reserve

The nature of the Cashflow hedge reserve is described in Note 11.

NOTES TO THE FINANCIAL STATEMENTS

24 Contingencies

Contingent liabilities

Potentially material 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.

There is a matter currently in mediation with the Commonwealth Government regarding the Company's contribution to research into uranium mining in the region. This matter is in a confidential mediation process. Any possible future settlement or cost to the Company remains uncertain.

25 Commitments

Capital commitments

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

	2020 $'000	2019 $'000
Within one year	43	481

Lease commitments

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

	2020 $'000	2019 $'000
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable		
Within one year	65	100
Later than one year but not later than five years	-	-
Total short-term and low value leases	65	100

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 are due in greater than three years.

Mineral tenement leases

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

	2020 $'000	2019 $'000
Within one year	1,197	1,189
Later than one year but not later than five years	4,841	4,964
Later than five years	-	1,172
Total mineral tenement leases	6,038	7,325

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 2021 in respect of tenement lease rentals. This includes payments for the Ranger Project Area and Jabiluka Lease.

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 $1,043,486 for 2020 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 2020: $9,672,272; 2019: $8,565,674).

(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 2020:$2,844,786; 2019:$2,519,316) .

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.

26 Auditor's remuneration

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

	2020 $'000	2019 $'000
KPMG Australian firm		
Audit and review of financial reports	215	-
Audit and review of financial reports (additional prior year fees)	-	-
Other non-audit related services	-	-
Total remuneration of KPMG Australia	215	-
PricewaterhouseCoopers		
Audit and review of financial reports	-	275
Audit and review of financial reports (additional prior year fees)	31	65
Other non-audit related services	-	316
Total remuneration of PricewaterhouseCoopers Australia	31	656
Total remuneration paid	246	656

NOTES TO THE FINANCIAL STATEMENTS

27 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, Andrea Sutton (resigned 29 May 2020), Justin Carey, Marcia Hanrahan (appointed 29 May 2020) and Jacques van Tonder (appointed 29 May 2020).

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

	2020 $'000	2019 $'000
Short-term employee benefits	3,449	3,045
Post-employment benefits	168	196
Share-based payments	509	465
	4,126	3,706

In compliance with *Corporations Regulations 2001* 2M.3.03 the Company has provided detailed remuneration disclosures in the Directors' Report. The relevant information can be found in the Remuneration Report on pages 35 to 49.

Loans with Directors and key management personnel

There were no loans with Directors or key management personnel during 2020 (2019: Nil).

Transactions with Directors and Director-related entities

There were no transactions with Directors or Director-related entities other than Rio Tinto Limited during 2020 (2019: 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:

	2020 $'000	2019 $'000
Management services fees paid to ultimate parent entity:		
Rio Tinto Group Companies	-	(91)
Consulting fees paid to:		
Rio Tinto Group Companies	(1,271)	(1,770)
Other reimbursements paid for commercial services received:		
Rio Tinto Group Companies	(14,359)	(12,929)
Amounts received from related parties:		
Rio Tinto Group Companies – sales	242,222	208,883
Rio Tinto Group Companies – interest	556	1,471
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 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:	2020 $'000	2019 $'000
Current assets – cash assets		
Related parties – Rio Tinto Finance Ltd	61,657	55,105
Current assets – receivables		
Related parties – Rio Tinto Group Companies	2,187	3,712
Current liabilities – creditors		
Related parties – Rio Tinto Group Companies	4,309	910
Current liabilities – income received in advance		
Related parties – Rio Tinto Group Companies	-	-

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

NOTES TO THE FINANCIAL STATEMENTS

28 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 2020, being the processing, selling of uranium and site rehabilitation. 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	
	2020 $'000	2019 $'000
Revenue from external customers	242,457	209,677
Other revenue	12,434	26,252
Total segment revenue	254,891	235,929
Segment result	8,643	6,252
Income Tax Benefit	2,817	-
Profit/(loss) for the year	11,460	6,252
Segment assets	1,000,153	566,577
Total assets	1,000,153	566,577
Segment liabilities	785,574	841,264
Total liabilities	785,574	841,264
Acquisitions of non-current assets	193	3,623
Non-cash Impairment charge	-	-
Depreciation and amortisation expenses	353	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	
	2020 $'000	2019 $'000
Asia	242,222	209,636
Total revenue	242,222	209,636

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. All uranium sales are to this customer. Details are disclosed in Note 27.

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 2020 are in Australia with the exception of inventories in transit or at converters of $94,161,318 (2019: $106,239,852). 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 as at 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

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

	2020 $'000	2019 $'000
Profit/Loss for the year	11,460	6,252
Add/(less) items classified as investing/financing activities:		
Net (gain)/loss on sale or write-off of non-current assets	193	3,123
Net (gain)/loss on non hedge financial assets	(3,612)	-
Add/(less) non-cash items:		
Depreciation and amortisation	353	176
Rehabilitation provision: unwinding of discount	23,897	32,598
Change in closure estimate	6,529	-
Employee benefits: share based payments	1,677	1,270
Interest on Government Security Receivables	(2,909)	(1,618)
Recovery at deferred tax assets on hedge	(2,817)	-
Net exchange differences	2	17
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	1,612	(33,442)
(Increase)/decrease in inventories	24,272	(26,944)
(Increase)/decrease in other assets	1,663	(4,301)
(Decrease)/increase in payables	(2,174)	3,588
(Decrease)/increase in provisions	(79,426)	(80,219)
Net cash inflow/(outflow) provided from operating activities	(19,280)	(99,500)

30 Earnings per share

	2020 CENTS	2019 CENTS
Basic earnings per share	0.4	1.2
Diluted earnings per share	0.4	1.2

Earnings used in the calculation of basic and diluted earnings per share: 2020: ($11,460,136) (2019: $6,252,075).

Weighted average number of ordinary shares on issue used in calculation of basic earnings per share: 2020: 3,204,465,785 shares (2019: 517,725,062).

31 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. The Company operates entirely in Australia and is exposed primarily to Australian dollar denominated costs. Sales are primarily denominated in US dollars.

Market risk

Foreign exchange 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:

	2020 USD $'000	2019 USD $'000
Trade receivables	1,436	2,512
Trade payables	(3,329)	(181)

Group sensitivity

At 31 December 2020, 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 $186,929 higher/lower (2019: $358,704 higher/lower).

At 31 December 2020, 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 $433,490 higher/lower (2019: $25,802 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 Government Security Receivable.

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 Government Security Receivable are limited to high credit quality financial institutions. The Company has policies that limit the amount of credit exposure to any one financial institution.

	2020 $'000	2019 $'000
TRADE RECEIVABLES		
AA	-	-
A	5,406	6,873
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 to the rehabilitation provision in 2018, ERA successfully completed an Entitlement Offer in February 2020 and raised $476 million. Following the finalisation of the Entitlement Offer, ERA considers that it has adequate cash available to rehabilitate the Ranger Project Area in line with regulatory requirements. ERA's funding of rehabilitation is sensitive to multiple factors including operating cashflows, technological developments, economic factors including interest rates, weather, regulatory and stakeholder expectations and environmental factors. See Note 10 for further commentary on the Government Security Receivables from the Commonwealth Government.

NOTES TO THE FINANCIAL STATEMENTS

In April 2016, ERA entered into a $100 million credit facility agreement with Rio Tinto. This agreement remains in place. No amount of the facility is in use at balance date (31 December 2019 - $nil)

As at 31 December 2020, ERA had no debt and $737 million in total cash resources (comprising $204 million of cash on hand or at call and $533 million invested as part of the Government Security Receivables).

Fair value estimation

The Company carries forward exchange contracts measured at fair value and presented within derivative financial instruments on the face of the statement of financial position. These contracts have a fair value of $9,391,000 (2019: $nil). The valuation technique applied is forward pricing, which uses Level 1 observable inputs. The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency. The Company has not separately disclosed the fair values of financial instruments such as trade receivables and payables, as well the government security receivable, because their fair values are their face value and valuation techniques are not complex to warrant separate disclosure. These financial instruments also use Level 1 inputs.

32 Events occurring after the reporting period

On 8 January 2021, in accordance with the section 41 Authority (*Atomic Energy Act 1953*), processing of uranium ore within the Ranger Project Area (RPA) ceased. ERA will now focus activity on the RPA on rehabilitation inline with the Authorisation, with completion required by January 2026.

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.

33 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'.

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 2020, 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
2020							
Rio Tinto Limited	5,056	1,884	-	-	-	6,940	-
Weighted average fair value at grant date	$87.82	$77.65	-	-	-	$85.06	-
2019							
Rio Tinto Limited	2,827	2,229	-	-	-	5,056	-
Weighted average fair value at grant date	$83.61	$93.17	-	-	-	$87.82	-

The weighted average share price at the date of exercise of conditional grants of shares exercised during the year ended 31 December 2020 was nil (2019: nil).

The weighted average remaining contractual life of conditional grants of shares outstanding at the end of the period was four years (2019: four years).

Where shares are issued to employees of subsidiaries within the Rio Tinto Group, the subsidiaries compensate the parent for the amount recognised as an expense in relation to these shares.

NOTES TO THE FINANCIAL STATEMENTS

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 2020, 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
2020							
Rio Tinto Limited	11,965	4,889	(482)	(3,750)	(1,601)	11,021	-
Weighted average exercise price	$83.93	$98.92	$81.62	$67.11	$81.62	$96.74	-
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	-

The weighted average share price at the date of exercise of conditional grants of shares exercised regularly during the year ended 31 December 2020 was $97.10 (2019: $93.82).

The weighted average remaining contractual life of share options outstanding at the end of the period was two years (2019: 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 an expense in relation to these shares.

Rio Tinto Management Share Awards

The Rio Tinto Management Share Award (MSA) is 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 2020, 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
2020							
Rio Tinto Limited	14,641	4,664	-	(6,381)	-	12,924	-
Weighted average fair value at grant date	$77.12	$74.36	-	$58.97	-	$85.08	-
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	-

The weighted average share price at the date of exercise of conditional grants of shares exercised regularly during the year ended 31 December 2020 was $95.27 (2019: $94.32).

The weighted average remaining contractual life of conditional grants of shares outstanding at the end of the period was two years (2019: two years).

Where shares are issued to employees of subsidiaries within the Rio Tinto Group, the subsidiaries compensate the parent for the amount recognised an expense in relation to these shares.

NOTES TO THE FINANCIAL STATEMENTS

Bonus Deferral Award

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. 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
2020							
Rio Tinto Limited	1,275	853	-	(862)	-	1,266	-
Weighted average fair value at grant date	$87.45	$78.35	-	$83.40	-	$84.15	-
2019							
Rio Tinto Limited	745	530		-	-	1,275	-
Weighted average fair value at grant date	$83.39	$93.14		-	-	$87.45	-

The weighted average share price at the date of exercise of conditional grants of shares exercised reguarly during the year ended 31 December 2020 was $97.65 (2019: Nil).
The weighted average remaining contractual life of share options outstanding at the end of the period was 2 years (2019: 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 an 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:

	2020 $'000	2019 $'000
Share based payment expense	1,677	1,270

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the financial statements and notes set out on pages 60 to 97 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 2020 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

05 March 2021

INDEPENDENT AUDITOR'S REPORT

KPMG

Independent Auditor's Report

To the shareholders of Energy Resources of Australia Ltd

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Energy Resources of Australia Ltd (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Balance sheet as at 31 December 2020
- Statement of comprehensive income, statement of changes in equity, and cash flow statement for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 are independent of the Company in accordance with 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 fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matter

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current year.

The matter we identified was 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 the matter.

INDEPENDENT AUDITOR'S REPORT

KPMG

Accounting for rehabilitation provision ($718.3million)	
Refer to Note 2(a), 19 & 20 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
Accounting for the rehabilitation provision was a key audit matter due to the size of the provision and the significant and judgmental assumptions used by the Company to determine the provision. We focused on the significant and judgmental assumptions the Company applied in their rehabilitation provision including: • nature and extent of rehabilitation activities required. This impacts the completeness of the rehabilitation provision estimate; • forecast closure costs for key rehabilitation activities; and • economic assumptions, such as the discount rate. The Company utilises both internal and external experts to assist in the determination of the rehabilitation provision. As a result of the above significant and judgmental assumptions, this area required significant audit effort. Consequently, we included sustainability closure specialists and valuation specialists to supplement our senior audit team members in assessing this key audit matter.	Our procedures included: • assessing the appropriateness of the Company's accounting policy for the recognition and measurement of the rehabilitation provision with the requirements of the accounting standards; • working with our sustainability closure specialists to: – evaluate the methodology applied by the Company's external expert in determining the nature and extent of rehabilitation activities by comparison to industry practice; and – perform risk assessment procedures to identify key rehabilitation activities. • assessing the competence, scope and objectivity of the Company's internal and external experts used in the determination of the rehabilitation provision; • performing testing over key rehabilitation controls in relation to the internal expert's process to identify changes in rehabilitation activities required; • on a sample basis, testing the underlying forecast closure cost by obtaining an understanding of the nature of the estimate and inspecting underlying documentation for rehabilitation activities; • obtaining the Company's latest external expert report as well as internal and external underlying documentation to compare to the nature and quantum of costs contained in the Company's rehabilitation provision; • testing the accuracy of historical rehabilitation provision by comparing to actual expenditure incurred. We used this to challenge the Company's current cost estimations; • working with our valuation specialists, we independently developed a discount rate and compared it to the estimate used by management; • testing mathematical accuracy of the Company's rehabilitation provision calculation; and • assessing the disclosures in the financial report using our understanding obtained from our testing against the requirements of the accounting standard. This included checking the current and non-current rehabilitation provision disclosure for consistency to the planned timing of the rehabilitation expenditure.

INDEPENDENT AUDITOR'S REPORT

KPMG

Other Information

Other Information is financial and non-financial information in Energy Resources of Australia Ltd's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they 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 objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 this 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: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our Auditor's Report.

INDEPENDENT AUDITOR'S REPORT

KPMG

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Energy Resources of Australia Ltd for the year ended 31 December 2020, complies with *Section 300A* of *Corporations Act 2001*.

Directors' 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 responsibilities

We have audited the Remuneration Report included in the Directors' report on pages 35 to 49 for the year ended 31 December 2020.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Derek Meates
Partner

Perth

5 March 2021

SHAREHOLDER INFORMATION (UNAUDITED)

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 5 March 2021. The Directors have the power to amend and reissue the financial statements.

The shareholder information set out below was applicable as at 31 January 2021.

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	5,302	55.49%	1,642,210	0.04%
1,001 - 5,000	2,307	24.14%	6,012,678	0.16%
5,001 – 10,000	823	8.61%	6,307,111	0.17%
10,001 – 100,000	1,001	10.48%	30,222,952	0.82%
100,001 and over	122	1.28%	3,647,198,247	98.81%
	9,555	100.00%	3,691,383,198	100.00%

There were 6,412 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	292,854,667	7.93%
HSBC Custody Nominees (Australia) Limited	87,386,457	2.37%
J P Morgan Nominees Australia Pty Ltd	40,117,132	1.09%
Citicorp Nominees Pty Ltd	5,378,449	0.15%
Neweconomy Com Au Nominees Pty Ltd	1,517,191	0.04%
BNP Paribas Noms Pty Ltd	1,302,560	0.04%
Creative Living (QLD) Pty Ltd	1,300,000	0.04%
Airport Finance Pty Ltd	1,102,660	0.03%
Australian Executor Trustees Limited	935,110	0.03%
Mr Samuel Lin	900,000	0.02%
Mr Li Wan	873,265	0.02%
Mr Kien Tuong Ta	766,500	0.02%
Mrs Patricia Anne Allen and Mr Robert Stanley Allen	750,000	0.02%
Mrs Faye Lesley Duffield	713,000	0.02%
Lemmis Holdings Pty Ltd	713,000	0.02%
Ms Seng Bee Teoh and Mr Sin Mong Wong	703,000	0.02%
Mrs Qiuyu Ping	658,022	0.02%
HSBC Custody Nominees (Australia) Limited	641,693	0.02%

SHAREHOLDER INFORMATION (UNAUDITED)

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.

All substantive resolutions at a meeting of security holders are decided by a poll.

Annual General Meeting

The next Annual General Meeting will be held in person in Darwin, Northern Territory, Australia, with consideration being given to a hybrid or virtual option closer to the meeting if the COVID-19 situation immediately prior to the meeting requires.

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.

2020 ASX ANNOUNCEMENTS (UNAUDITED)

15 Dec 2020	Response to ASX Query
15 Dec 2020	Pause in Trading
8 Oct 2020	Third Quarter Activities Report
8 Sept 2020	Company Secretary Appointment/ Resignation
29 July 2020	Financial Community Presentation
27 July 2020	Half Yearly Report and Accounts
27 July 2020	June 2020 Half Year Results
8 July 2020	Second Quarter Activities Report
29 May 2020	2020 Annual General Meeting - Results of Meeting
29 May 2020	Chief Executives Address to Shareholders
29 May 2020	Chairman's Address to Shareholders
29 Apr 2020	Notice of Annual General Meeting
29 Apr 2020	Annual General Meeting Proxy Form
9 Apr 2020	Update regarding COVID-19
9 Apr 2020	First Quarter Activities Report
30 Mar 2020	Update regarding COVID-19
23 Mar 2020	Update regarding COVID-19
9 Mar 2020	2019 Annual Report
9 Mar 2020	Appendix 4G
3 Mar 2020	Financial Community Presentation - Full Year Results
27 Feb 2020	Change in substantial holding from RIO
27 Feb 2020	Ceasing to be a substantial holder
26 Feb 2020	ERA 2019 Full Year Results
26 Feb 2020	Preliminary Final Report
26 Feb 2020	Annual Statement of Reserves and Resources
25 Feb 2020	Cleansing Statement
20 Feb 2020	Completion of Entitlement Offer & Notification of Shortfall
19 Feb 2020	Entitlement Offer update
17 Feb 2020	Change in substantial holding
13 Feb 2020	Becoming a substantial holder
12 Feb 2020	Reinstatement of Class to Official Quotation - ERAN
30 Jan 2020	Update on Annual Plan of Rehabilitation
24 Jan 2020	Despatch of Additional Supplementary Statement
20 Jan 2020	Takeovers Panel announcement and Entitlement Offer update
20 Jan 2020	TOV: Energy Resources of Australia Ltd Review Panel Decision
13 Jan 2020	Takeovers Panel announcement and Entitlement Offer update
13 Jan 2020	TOV: ERA - Review Panel Makes Interim Orders
9 Jan 2020	Fourth Quarter Activities Report

Details of these announcements are available at *www.energyres.com.au*.

TEN YEAR PERFORMANCE (UNAUDITED)

YEAR ENDED 31 DECEMBER	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Sales Revenue ($000)	242,457	209,677	201,273	211,181	267,765	332,777	379,166	356,139	396,629	651,381
Earnings Before Interest and Tax ($000)	3,413	(1,103)	(466,616)	(52,925)	(279,781)	(88,292)	(284,274)	(199,431)	(278,266)	(220,633)
Profit/(Loss) Before Tax ($000)	8,643	6,252	(456,323)	(43,532)	(271,077)	(79,798)	(273,602)	(186,541)	(254,785)	(206,340)
Income Tax Expense/ (Benefit) ($000)	(2,817)	-	(21,049)	-	-	195,695	(85,802)	(50,712)	(36,026)	(52,741)
Profit/(Loss) After Tax ($000)	11,460	6,252	(435,274)	(43,532)	(271,077)	(275,493)	(187,800)	(135,829)	(218,759)	(153,599)
Total Assets ($000)	1,000,153	566,577	635,766	797,312	819,432	1,100,815	1,341,724	1,627,561	1,826,275	1,948,972
Shareholders' Equity ($000)	214,579	(274,687)	(280,790)	154,887	198,559	469,947	745,607	934,022	1,069,619	1,288,536
Long Term Debt ($000)	-	-	-	-	-	-	-	-	-	-
Current Ratio	2.1	2.0	2.5	3.2	4.0	4.0	4.1	3.8	4.0	7.1
Liquid Ratio	0.9	1.2	1.9	2.5	3.1	3.0	2.7	2.3	2.9	6.0
Return on Shareholders' Equity (%)	5.3	2.3	155.0	(28.1)	(136.5)	(58.6)	(25.2)	(14.5)	(20.5)	(11.9)
Earnings Per Share (cents)	0.4	1.2	(84.1)	(8.4)	(52.4)	(53.2)	(36.3)	(26.2)	(42.3)	(29.7)
Share Price ($) closing	0.33	0.17	0.25	0.91	0.44	0.36	1.30	1.26	1.27	1.23
Price-Earning Ratio	82.5	13.75	(0.29)	(10.83)	(0.83)	(0.68)	(3.58)	(4.81)	(3.00)	(2.54)
Net Tangible Assets per Share ($)	0.06	(0.54)	(0.54)	0.30	0.38	0.91	1.44	1.80	2.07	2.49
No. of Employees	317	352	355	358	356	374	389	519	594	567
Profit After Tax per Employee ($000)	36.15	17.61	(1,226.1)	(121.6)	(761.5)	(736.6)	(482.8)	(264.8)	(374.5)	(270.9)
Ore Mined (million tonnes)	-	-	-	-	-	-	-	-	3.8	1.2
Ore Milled (million tonnes)	2.5	2.5	2.5	2.6	2.7	2.5	1.3	2.3	2.6	1.6
Mill Head Grade (% U_3O_8)	0.07	0.08	0.09	0.10	0.10	0.10	0.11	0.15	0.17	0.18
Mill Recovery (%)	84.9	86.8	86.6	84.7	84.9	82.0	81.5	84.8	86.2	87.9
Production (tonnes U_3O_8) – Drummed	1,574	1,751	1,999	2,294	2,351	2,005	1,165	2,960	3,710	2,641
Sales – Ranger Concentrates (tonnes U_3O_8)	1,711	1,577	1,467	2,089	2,130	2,183	2,164	2,767	2,665	3,258
Sales – Other Concentrates (tonnes U_3O_8)	10	20	-	-	9	-	984	48	558	1,908
Sales – Total (tonnes U_3O_8)	1,721	1,597	1,467	2,089	2,139	2,183	3,148	2,815	3,223	5,167

Definition of statistical ratios

Current Ratio	=	current assets/current liabilities
Liquid Ratio	=	(current assets-inventory-prepayments-foreign exchange hedge asset on borrowings)/(current liabilities-bank overdraft – foreign exchange 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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Dredge 'Brolga' on the Tailings Storage Facility. Bulk dredging works completed 15 February 2021.