



CHAIRMAN'S ADDRESS

ANNUAL GENERAL MEETING

29 May 2020

Good morning ladies and gentlemen.

On behalf of your Board, I would like to start by acknowledging the Whadjuk Nyoongar people, the custodians of the land on which we are conducting this AGM and from which we are streaming to you. I would also like to acknowledge the Mirarr people, the custodians of the land on which the Ranger mine operates.

This is the first time we have conducted our AGM in this way and we appreciate your efforts to join us. As we reflect on the past year, it is difficult to think of a greater change in our environment than that which has occurred since I last addressed you at our 2019 AGM.

In March this year, it became clear that COVID-19 would bring major changes to our operations and people. I will talk more in a minute about the steps ERA has taken to limit the spread of COVID-19 and to protect its people and the communities in which it operates.

As always, our first priority at ERA is to look out for each other's wellbeing, health and safety. A few injuries at the beginning of 2019 were disappointing, and prompted a review of our safety systems and processes. There was a much better performance in the second half, and we have maintained that momentum in the year to date. We remain firmly committed to our goal of zero injuries.

Concluding the 2019 financial year and the start of this year have been busy yet productive periods for ERA. We produced 1,751 tonnes of uranium oxide at Ranger in 2019, towards the upper end of production guidance for the year. With the stockpiled ore grade steadily diminishing, this was only achievable with excellent plant reliability and throughput which is

a credit to the team at Ranger. Paul will speak more about the team's achievements in a moment.

During 2019 the uranium oxide market remained volatile. I remain optimistic that, in the longer term, projections for a recovery will prove accurate although the timing of this remains difficult to predict. Despite a recent and very welcome uplift in the spot price, it is unclear whether this is sustainable and whether it will continue to rise. The experience of the past few years has certainly taught us to be cautious. Nevertheless I believe that nuclear energy has a fundamentally important role to play in enabling the global community to address the challenge of climate change and, as such, the long term outlook for uranium oxide demand remains promising.

I want to turn to another very significant development in the past year and that is the progress we made in addressing our funding position.

In February 2019 we approved the Ranger Closure Feasibility Study which was commenced in 2017. The findings of the Feasibility Study further increased our confidence that our planned rehabilitation programme will satisfy statutory obligations, including the requirement to have completed rehabilitation activities by January 2026. However, with a detailed and robust cost estimation as part of the Feasibility Study, it also became clear to the Board that ERA would need to raise further funds to meet the full cost of rehabilitation.

In November 2019, we announced a renounceable entitlement offer to raise \$476 million in order to meet our Ranger Project Area rehabilitation obligations. The Entitlement Offer was fully underwritten by Rio Tinto and its subsidiaries.

The decision to proceed with an Entitlement Offer followed a rigorous and extensive review process to explore potential funding alternatives for ERA. As part of this, your Board delegated the responsibility for engagement with Rio Tinto to a committee comprised only of independent directors.

After much work and deliberation, the Entitlement Offer was judged to be the only commercially viable funding solution available in the circumstances and the only option that would allow ERA to continue as a going concern.

In February 2020, after a number of delays due to Takeovers Panel proceedings, we achieved completion of the Entitlement Offer.

As a result of the underwriting arrangement, Rio Tinto's stake in ERA increased to 86.33%. We thank Rio Tinto for their support as well as other shareholders who subscribed to the Entitlement Offer. I am pleased to acknowledge our shared commitment to meeting the Company's rehabilitation obligations, which we obviously take very seriously. I would like to thank the Mirarr people and the Gundjeihmi Aboriginal Corporation in particular for their support through the long process to achieve a funding solution. We very much appreciate the strong relationship we have with all our stakeholders, most especially the Traditional Owners of the land on which the Ranger mine is located.

The strategic priority for ERA now is the successful rehabilitation of the Ranger Project Area, which we believe will demonstrate our commitment to long-term sustainable operations in the region, create a positive legacy and underpin future growth opportunities. Our best-in-class rehabilitation commitment not only addresses our statutory rehabilitation obligations but also reflects our respect for the cultural and environmental significance of the region, establishing a foundation for any future and growth beyond our current operations.

We believe that there is much to be celebrated by the resource industry, communities and governments in the progress and targeted outcomes of our world leading rehabilitation program at Ranger, at a time when the Australian and global resource sector needs such case studies to underpin its long-term sustainability.

In 2019 we continued with progressive rehabilitation work at Ranger with a full year expenditure of \$92 million. Expenditure on rehabilitation will only increase in coming years and this is a major Northern Territory project in its own right, continuing ERA's economic contribution which is now even more valuable as the country recovers from the effects of COVID-19.

ERA has taken the necessary steps through our COVID-19 Management Plan to limit the spread of COVID-19 and keep our people and communities safe. ERA's greatest priority is the health and safety of its people and the communities in which it operates. We fully

support all Government directives and health protocols to prevent the spread of COVID-19 to vulnerable people in remote communities.

In addition to the Management Plan, we have been looking for other ways to contribute to the Jabiru community: we have been participating members of the Jabiru Pandemic Action Group and we have been distributing antibacterial soap with our community partners to the Jabiru and West Arnhem communities.

I believe the manner in which the Company has responded to the COVID-19 threat to public health is a very real reflection of the values of this business and its people, and it demonstrates our commitment to partnering with our key stakeholders for our collective benefit.

This year, 2020, marks the last full year of uranium oxide production at Ranger after forty years of continuous operations. ERA has been a safe and reliable supplier to world markets over that period, at times accounting for 1% of global electricity supply. The Company has also contributed significantly to the development of the Jabiru township and has underpinned the local economy, paid royalties and taxes, and been a major employer in the Northern Territory during this time. During these decades of operation, there has been no impact on the surrounding environment and we are already well progressed in planning and executing the rehabilitation of the Ranger Project Area.

This is truly a proud record. It is a record that your Board remains optimistic can be leveraged for future opportunities, even as we confront the reality of an approaching deadline for Ranger operations.

To conclude, these have certainly been challenging times for our people with the business transformation imperative, the share entitlement offer, adapting to a new normal to address the COVID-19 pandemic and planning for life after the cessation of Ranger processing. I thank them sincerely for their hard work throughout 2019 and the great effort they have put in to keep Ranger operational and to protect local communities in the face of COVID-19.

I will now hand over to our Chief Executive, Paul Arnold, to update you on ERA's operations.

Thank you.