Energy Resources Of Australia

ANNUAL REPORT 2022

ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Mirarr people who are the Traditional Owners of country where the Ranger Rehabilitation Project operates, and the Larrakia people who are the Traditional Owners of country where our Darwin head office is located.

We pay our respects to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.

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ABOUT ERA

Energy Resources of Australia (ERA) operated the former Ranger uranium mine, Australia's longest continuous uranium mine surrounded by, but separate from, Kakadu National Park in the Northern Territory.

The former Ranger uranium mine 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 ceased mining operations in 2012 and continued to process stockpiled ore until 8 January 2021, when the Ranger Authority required processing to cease. The sale of the last drum of uranium oxide was made in May 2022. The Ranger Project Area is now being progressively rehabilitated.

Under the Ranger Authority ERA must rehabilitate the Ranger Project Area to establish an environment similar to the adjacent areas of Kakadu National Park so that, in the opinion of the Minister with the advice of the Australian Government's Supervising Scientist Branch, the rehabilitated area could be incorporated into the Kakadu National Park.

ERA's ongoing rehabilitation activities on the Ranger Project Area are undertaken according to an authorisation granted under section 41 of the *Atomic Energy Act 1953* (the Ranger Authority). Under the terms of the current Ranger Authority, ERA's rights to access, occupy and use the Ranger Project Area continue until 8 January 2026. As this Act was amended in November 2022, ERA is working with the Australian Government, Northern Land Council and Gundjeihmi Aboriginal Corporation – on behalf of the Mirarr Traditional Owners – to negotiate a new Ranger Authority that allows rehabilitation works to continue past 8 January 2026.

ERA 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 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.

ERA's strategic priority is to comprehensively rehabilitate the Ranger Project Area and the company's primary focus is to achieving a world-class rehabilitation standard.

The company's shares are publicly held and traded on the Australian Securities Exchange. Rio Tinto, a diversified resources group, currently holds 86.3% of ERA shares.

CHAIR'S REPORT

After being the longest, continuous producer of uranium in Australia, ERA is now focused on rehabilitating the Ranger Project Area to a world-class standard and supporting the future sustainability of Jabiru. Our team is committed to doing this in partnership with the Mirarr Traditional Owners, governments and other key stakeholders.

Whilst I have only been a member of the ERA Board since November 2022, I am familiar with the unique context of our business and have already had the opportunity of meeting and engaging with the Traditional Owners on two occasions since my appointment. It is exciting to be part of the chapter that will see us use rehabilitation to create a physical, ecological and cultural landscape that meets the expectations of the Mirarr Traditional Owners and we look forward to working closely with them on our journey.

2022 has been marked with substantial change for our business as we ramp up efforts to deliver commitments. The Board and I are proud of the progress the team has made in 2022 and the energy going into 2023. Some of the highlights have included:

- efforts to build more certainty in funding and project execution plans;
- a reset of the leadership and governance of the organisation;
- the shift to a project culture supported by strategic partnerships to deliver on our commitments.

Our commitment to world-class rehabilitation

ERA is working to set the standard for mine site rehabilitation in a culturally and environmentally sensitive region. In 2022, we updated our Mine Closure Plan and, for the first time, stipulated a set of cultural closure criteria developed in partnership with the Mirarr Traditional Owners.

Building confidence and certainty

In response to realised risks and additional scope items, cost and schedule overruns are being incorporated into the 2022 Feasibility Study, which is progressing well. We appointed Bechtel (Western Australia) Pty Ltd (Bechtel BWAPL) to support the 2022 Feasibility Study earlier in 2022 and expect it to be completed in September 2023. We anticipate the Feasibility Study will bring increased levels of certainty in our cost and schedule estimates and a clear plan for execution.

In November 2022, the Australian Government amended the *Atomic Energy Act 1953*. ERA, along with Gundjeihmi Aboriginal Corporation (GAC) and the Northern Land Council (NLC), supported passing the amendments to allow ERA to apply to extend its existing Ranger Authority beyond the 8 January 2026 deadline. The amendments allow for a new rehabilitation authority to be issued to ERA to continue undertaking rehabilitation activities post-2026, through to completion. The rehabilitation authority will be limited to rehabilitation activities and will not permit future mining operations. A new agreement with Traditional Owners is required before any new authority can be granted to ERA. We are committed to negotiating this agreement with the Traditional Owners.

ERA is exploring a range of funding strategies to ensure the forecast increase in the rehabilitation cost will be adequately funded. While this work is ongoing, we received an interim payment of $56.8 million from the Ranger Rehabilitation Trust Fund for works already completed. We also negotiated changes to the $100 million Credit Facility with Rio Tinto.

On 9 February 2023, we announced the appointment of Highbury Partnership as financial advisor to the Independent Board Committee of ERA to progress funding discussions including a possible interim entitlement offer.

Reset of leadership and governance of the organisation

After Brad Welsh's permanent appointment as Chief Executive in 2022, Brad has reset the company's vision and realigned the ERA senior management team to reflect the shift from an operating asset to an organisation focussed on the rehabilitation of the Ranger Project Area.

There were further changes at Board level with the departure of independent directors Peter Mansell, Paul Dowd and Shane Charles. We wish them well in their future endeavours and thank them for their service to ERA and its shareholders.

We have since welcomed the appointment of three independent non-executive directors – the Honourable Kenneth Wyatt AM, Stuart Glenn and myself. I was appointed independent non-executive Chair on 31 January 2023 and I thank Justin Carey for his role as interim Chair prior to my appointment. I look forward to working with our new Board in the coming years to deliver world-class rehabilitation.

The Board and I thank all that have been involved with ERA in 2022 for their efforts, support and dedication.

Rick Dennis
Chair

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CHIEF EXECUTIVE'S REPORT

Thank you for the opportunity to give an overview of our business performance in 2022. It has been a year of significant change within our business and with our stakeholders. We have made progress in our project execution approach and building the capability required to deliver world-class rehabilitation in a complex cultural and environmental landscape.

Our business announced schedule and cost overruns in early February 2022. The impact of these overruns has required us to make a fundamental shift to a project mindset and transformation of our organisation. I am pleased to report we have made significant progress on both these goals in addition to delivering ongoing rehabilitation and the 2022 Feasibility Study that is currently underway.

Priorities in 2022 have been:

1. Continuing to focus on the well-being and safety of our people.
2. Commencement of the 2022 Feasibility Study to provide a clear rehabilitation plan reflecting the sub aerial capping of Pit 3, as well as improved clarity on our schedule and cost estimates to deliver rehabilitation commitments.
3. Mobilising a project execution model with the right capability and commitment to supporting project execution.
4. Supporting the delivery of amendments to the *Atomic Energy Act 1953* to allow ERA sufficient time to deliver rehabilitation.
5. Continuing to deliver rehabilitation activities on the Ranger Project Area and remediation works in Jabiru.

Our priority at ERA is the well-being of our people and local communities. We want people who work with ERA to return home safe and healthy to their loved ones after a day's work. I am pleased to report that ERA achieved an All Injury Frequency Rate of 0.0 for the second year in a row in 2022. This means we had no lost time injuries, no restricted work injuries and no medical treatment cases last year. That is an outstanding result and I commend all at ERA for this achievement, especially through a significant period of change.

We continue to build on the work done by our teams to implement the Rio Tinto Safety Maturity Model. In 2022 we have recorded a score of 4.0 in the Safety Maturity Model assessment, which exceeds the 3.7 target set for our business in 2022. This is a great result for our team given that we are still working on implementing this model.

In May 2022, ERA commenced the 2022 Feasibility Study in connection with a lower technical risk rehabilitation methodology. The ERA team and Bechtel BWAPL have worked exceptionally hard in relation to the Feasibility Study. The 2022 Feasibility Study is expected to be completed in September 2023 and it will ultimately lead to a further revised Mine Closure Plan and bring greater certainty for our cost and schedule estimates.

In response to the Ranger Rehabilitation Project cost and schedule overruns announced in early 2022, ERA commissioned Bechtel Australia Pty Ltd (Bechtel BAPL) to undertake an assessment of project execution capability. The findings focussed on three major categories – organisation, process and procedure, and schedules. This informed a series of deliberate actions to shift the organisation's focus from being an operating asset to the rehabilitation of the Ranger Project Area. Actions included organisational redesign, engaging Bechtel BAPL to help ERA plan for an Integrated Project Management Team (IPMT) and a shift to a project execution mindset through cultural and systems change. The IPMT provides the opportunity for ERA to rapidly build and introduce project management system and tools.

ERA has marked a significant milestone in 2022 with the sale of the last drum of uranium oxide produced at Ranger in May 2022. This ends all aspects of Ranger mining, processing and sales. This final sale is the culmination of 40 years of operation and stewardship by the ERA workforce and our key stakeholders. Since production first began at Ranger, ERA has produced and sold a total of 132,000 tonnes of drummed uranium oxide. ERA's strategic focus is now the delivery of world-class rehabilitation of the Ranger Project Area as ERA's legacy.

We were proud to work collaboratively with Gundjeihmi Aboriginal Corporation, Northern Land Council and the Department of Industry, Science and Resources (DISR) to jointly support amendments to the *Atomic Energy Act 1953*. We were pleased the *Atomic Energy Amendment (Mine Rehabilitation and Closure) Bill 2022* was passed in November 2022. These amendments now clear the path for rehabilitation activities to be delivered beyond the legislated deadline of 8 January 2026. ERA is committed to applying for a rehabilitation authority and to see through our full rehabilitation program. ERA recognises the importance of the land on which we operate to the Mirarr Traditional Owners and that they are a key partner and keenly interested in the rehabilitation of the Ranger Project Area. ERA has consistently engaged with the Mirarr people regarding the operation and rehabilitation of the mine through their representative bodies – Northern Land Council and Gundjeihmi Aboriginal Corporation. This will continue in the future.

In 2022 we renewed our vision and purpose, under our new purpose – to *create a positive legacy and achieve world-class, sustainable rehabilitation of former mine assets* – we have continued to undertake progressive rehabilitation with several significant milestones achieved in 2022:

1. We completed the transfer of tailings from the Tailings Storage Facility to Pit 3, a task not often done on other projects. This triggered the sign-off of the first of our Environmental Requirements (11.2).
2. Submitted a revised Mine Closure Plan to reflect our lower technical risk rehabilitation methodology.
3. We commenced wicking which is a major milestone for the project as it signals the project's progress towards eventual backfilling, landform contouring and revegetation.
4. Signed our first major contract with Indigenous owned business Kakadu Native Plants to deliver ecosystem restoration activities.
5. We delivered significant progress on remediation of Jabiru housing, with 81 properties (31%) now rectified and many additional handovers underway.

All of these achievements, as well as planning and approvals for future rehabilitation activities, were carried out in collaboration with the Gundjeihmi Aboriginal Corporation, Northern Land Council, Supervising Scientist Branch, Australian and Northern Territory regulators and various statutory committees.

I particularly thank the Mirarr Traditional Owners for their guidance and support while developing the cultural closure criteria and during site visits as part of the Cultural Reconnection program. We are looking forward to working with the Mirarr Traditional Owners to better understand the rich cultural landscape as part of our rehabilitation activities.

Thank you to everyone who supported ERA in 2022 and I am looking forward to an exciting and productive 2023.

Brad Welsh
Chief Executive &
Managing Director

YEAR IN REVIEW

JAN

- Bechtel BAPL appointed to review inhouse project capability
- Final planting and infill for Pit 1 revegetation is completed

FEB

- Revised rehabilitation costs for Project Ranger are announced
- Brad Welsh appointed Managing Director and Chief Executive of ERA
- Rosemary Fagen appointed as Independent non-executive Director

MAR

APR

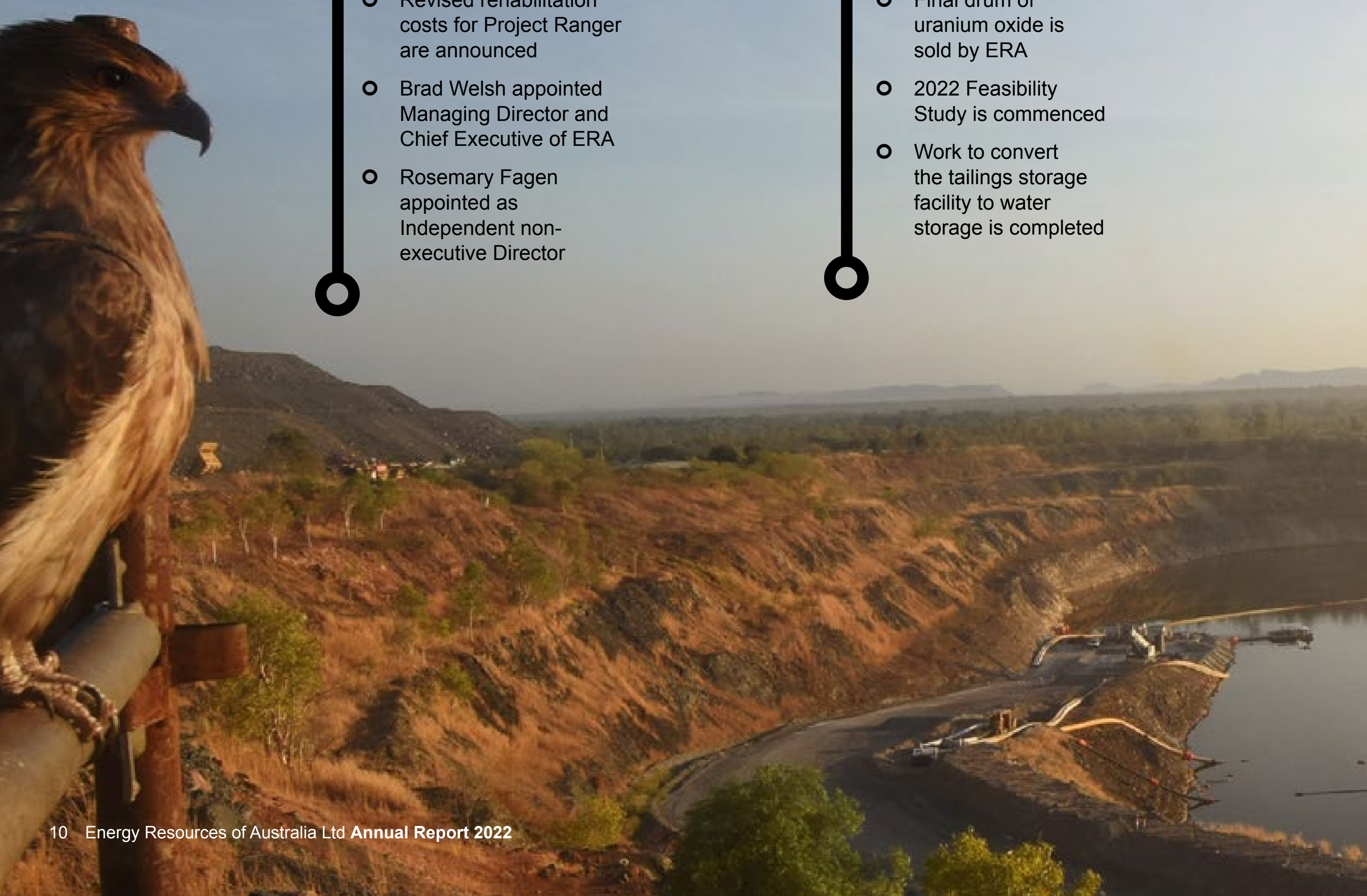
- Pit 3 closure application is submitted

MAY

- Final drum of uranium oxide is sold by ERA
- 2022 Feasibility Study is commenced
- Work to convert the tailings storage facility to water storage is completed

JUN

- Cultural reconnection steering committee visit to Pit 1, TLF and Coonjimba billabong as part of a cultural reconnection visit



JUL

- ERA begins transition to its new purpose and vision statement

AUG

- ERA begins design of the Integrated Project Management Team (IPMT)
- Mirarr elders and Djurrubu Rangers visit Jabiluka as part of a cultural reconnection visit
- Tanya Nakata wins the 2022 Exceptional Woman in Resources NT award
- Sandi Lin wins the Exceptional Young Woman in Resources NT winner for 2022

SEPT

- ERA releases the 2022 update to the Mine Closure Plan
- Independent valuation report is released

OCT

- ERA amended the $100 million loan facility agreement with Rio Tinto
- Resignation of ERA's Independent Board Committee
- Bernard Toakley is appointed to ERA's Project Director role

NOV

- Amendments to the Atomic Energy Act are passed
- Wicking at Pit 3 commences
- Brine injection drill wells are completed
- ERA receives $57 million from the Ranger Trust Fund for rehabilitation works completed between 9 January 2021 to 30 June 2022

DEC

- IPMT implementation begins
- New Independent Board Committee directors are announced

HIGHLIGHTS OF 2022

$194M

TOTAL SPEND ON REHABILITATION WORK IN 2022

26.7M

TONNES OF TAILINGS TRANSFERRED FROM TSF TO PIT 3 OVER PROJECT LIFE

1,909

MEGALITRES OF PROCESS WATER WAS TREATED BY THE BRINE CONCENTRATOR

30%

OF OUR EXECUTIVE COMMITTEE AND MANAGERS WERE WOMEN

20%

OF OUR EXECUTIVE COMMITTEE AND MANAGERS WERE INDIGENOUS

8.47%

OF CONTESTABLE SPEND WAS WITH INDIGENOUS OWNED BUSINESSES

18,153

WICKS PLACED TO DATE OUT OF 41,875 TOTAL (43%)

81

HOUSES IN JABIRU WERE RECTIFIED BY ERA

2022 was a significant year of change for Energy Resources of Australia (ERA) as the company began a new era of work at the Ranger Project Area.

In May 2022, ERA completed its final sale of uranium oxide, officially ending more than 40 years of mining activity at the Ranger Project Area. This cemented the company's focus on rehabilitating the site in line with Australian and Northern Territory government requirements and the wishes of stakeholders and Mirarr Traditional Owners.

In August 2022, ERA officially launched its new purpose to better align with its rehabilitation work - *to create a positive legacy and achieve world-class, sustainable rehabilitation of former mine assets.*

The rehabilitation deadline for the Ranger Project Area is 8 January 2026 subject to the process for its extension which has commenced. On 24 November 2022, Parliament passed amendments to the *Atomic Energy Act 1953* through the *Atomic Energy Amendment (Mine Rehabilitation and Closure) Bill 2022*. The Bill amendments will allow ERA to apply to extend its existing Ranger authority beyond the 8 January 2026 deadline, so the Ranger Project Area can continue to be rehabilitated until the rehabilitation process is complete. ERA, along with the Mirarr Traditional Owners and the Northern Land Council, jointly supported the passage of the Bill.

Project Execution Approach

In response to the Ranger Rehabilitation Project cost and schedule overruns announced in early 2022, ERA appointed Bechtel BAPL to undertake an assessment of project execution capability in January 2022. The findings focussed on three major categories – organisation, process and procedure, and schedules.

This informed a series of deliberate actions to shift the organisation's focus from being an operating asset to the rehabilitation of the Ranger Project Area.

In May 2022, ERA began a feasibility study in connection with a lower technical risk rehabilitation methodology (primarily relating to the subaerial (dry) capping of Pit 3 and to further refine the Ranger Project Area rehabilitation execution scope, risks, cost and schedule (2022 Feasibility Study). Subaerial capping, previously adopted for Pit 1, is a more traditional method and is currently ERA's preferred methodology.

ERA publicly released a revised Mine Closure Plan detailing our lower technical risk methodology in September 2022. While we are still awaiting final sign-off, the plan considered the revised extension to the 8 January 2026 rehabilitation deadline that amendments to the *Atomic Energy Act* allow.

Scoping work and increased resourcing of the feasibility study continued with Bechtel BWAPL's support and the study is forecast to be completed in September 2023. This will ultimately lead to a further revision of the Mine Closure Plan.

Throughout 2022, in parallel to the 2022 Feasibility Study, ERA has been committed to implementing a range of initiatives to improve the organisation's in-house project execution capability to manage and complete the rehabilitation.

In 2022 we accelerated the adoption of project execution, reporting and governance systems supported by implementing an Integrated Project Management Team (IPMT) with support from Bechtel BAPL. This approach brings the best of Bechtel BAPL's project capability alongside ERA's world-class rehabilitation expertise. The transition to the IPMT began in September 2022. Leading the IPMT is newly appointed Project Director Bernard Toakley, who will oversee the execution of the Ranger Rehabilitation Project, reporting to the Chief Executive Officer.

EMBEDDING PROJECT CAPABILITY WITH BECHTEL BAPL

Engaging Bechtel BAPL in 2022 was a strategic move by ERA to embed project culture, capabilities and systems.

ERA's Project Director, Bernard Toakley, explains that while ERA has over 40 years of operational experience, a readiness review completed in early 2022 showed a need for greater project delivery capability in order to take on a project the magnitude and complexity of the Ranger Rehabilitation Project.

"We needed a company like Bechtel BAPL, with their capability in project delivery, together with our expertise to support us to plan the best outcome."

"ERA are very experienced in radiation management, mining compliance, bulk material movement and we hold the stakeholder relationships impacting the project. Bechtel BAPL have experience in project delivery, project controls, project management, cost schedule management and health and safety"

"The engagement will bolster our project delivery capability and bring our skills, knowledge and experience together into an integrated team."

We share very similar values towards our people, quality results, high performance and respect," Bernard said. "There is a lot of common ground and an alignment in the vision we have for the project."

The Project will be recruiting in 2023 to add additional experience and capacity to the Ranger Rehabilitation Project.

Rehabilitation

ERA made exciting progress against key rehabilitation activity milestones throughout 2022.

Learning from Pit 1

Planting at Pit 1 was completed in January with teams working on establishing the ecosystems resilience and supporting growth throughout 2022. Pit 1's ecosystem performed well during the 2022 wet season, showing promising signs of resilience and low mortality rates among plants outside the irrigation area. Weed control at Pit 1 was well maintained thanks to the combined efforts of ERA and Kakadu Native Plant Supplies, which worked tirelessly to keep weeds at Pit 1 under control and allow juvenile plants to establish. Ecosystem services at Pit 1 have achieved impressive results in 2022, especially given the age and development of the area.

The team are very proud of the wide variety of plant species flowering, fruiting and self-recruiting throughout the year, which is an impressive result for such a young ecosystem. This has brought in a range of bugs and insects into the environment.

OUR WORK ON PIT 1

In 2022 the activity at Pit 1 involved monitoring, testing and sharing the progress of establishing the initial ecosystem after planning was completed by the Closure Team in January 2022.

ERA Rehabilitation and Ecology Specialist Meg Parry said Pit 1 met import milestones in 2022.

"Ecosystem services are really kicking off," Meg said. "We're seeing so many flora species flower, fruit and self-recruit and that's happened within a 2-year period, which is fantastic."

Pit 1 faced its biggest test of survival during the 2022 wet season with much less rainfall recorded at the Ranger Project Area than in previous years.

"Our plants in areas that weren't irrigated showed signs of stress from lack of rain," Meg said. "We were concerned about their resilience to bounce back, and we expected a lot of mortality, but we didn't lose many and they are showing good signs of resilience, which is promising."

Promising signs bode well for the future of Pit 1's ecosystem to not only cope but thrive in the harsh climate of Jabiru, something that Meg and the Closure Teams have been excited to share throughout 2022.

"It's been exciting to have ministers, stakeholders and Traditional Owners visit Pit 1 and to be able to tell them the establishment is exceeding expectations," she said. "Getting to share our great results with people has been really fun."

The Closure Team's work at Pit 1 continues in 2023 to make sure that the ecosystem establishes itself for the future.

MEET ERA'S MEG PARRY, REHABILITATION AND ECOLOGY SPECIALIST

I feel incredibly lucky to have been part of the ecosystem rehabilitation project at Ranger over the last five years, and to build on the decades of research that's come before me. It's exciting to have been part of the design of the research trials and implementation of this project. Given we are part of a World Heritage Listed National Park site, and we have extreme season conditions, it is a big undertaking to achieve the world-class standards of biodiversity that we are committed to, but it is precisely this challenge that is part of the things I love most about my job.

I am also deeply passionate about partnering with our key stakeholders. The Mirarr Traditional Owners are key to our success. They planted the first 100 seedlings and have been present for various visits since to check how the seedlings are growing, how the flora is establishing, how fauna is returning, and how the ecosystem is developing. I also enjoy working with government and the different scientists and boards to ensure we are at the forefront of research in our rehabilitation approach. We really are setting the standard for future mine closures here.

Having grown up in the Territory and spending my school holidays camping in Kakadu, I'm really proud of this work and I'm hopeful in 10 to 20 years' time I can look back and see the journey of the ecosystem developing and flourishing, all our important fauna coming back and bush fruits here. It will be one of the biggest achievements of my life.

In 2022 four cultural reconnection steering committee visits of the Mirarr Traditional Owners were hosted by ERA to both Ranger and Jabiluka. One of the visits was the Pit 1 ecosystem that they first helped to plant in 2019. The visits were a highlight for the revegetation team in who gained knowledge and understanding from conversations with Traditional Owners about their land and the traditional flora and fauna biodiversity of the area.

EMBEDDING CULTURAL KNOWLEDGE IN REVEGETATION DESIGN

In 2022, ERA worked with Gundjeihmi Aboriginal Corporation (GAC)'s Cultural Reconnection Steering Committee to incorporate the cultural knowledge and desires of Mirarr Traditional Owners into rehabilitation design.

ERA's Rehabilitation & Ecology Specialist, Meg Parry, has been combining her team's environmental science research with this cultural knowledge from Traditional Owners to make sure revegetation work is aligned to the agreed Cultural Closure Criteria.

"I think the way we need to approach revegetation and ecosystem establishment is as if we're building a house. If you just build what you think is important without communication, it might be functional but it's probably not going to fit the people you are building it for. If you ask people what they like and want, like their favourite colour scheme or in our case, maybe their favourite plants, you'll get a little closer. However, if you collaborate with people on how the house should be designed and build the house together, you'll get something that has meaning and connection," says Meg.

During the visits from the Steering Committee, the input from the Traditional Owners influenced and shaped the design of the final landform and informed how Cultural Closure Criteria will be monitored and assessed over time.

"We know from our conversations that we haven't focused on the right elements in the past when it comes to revegetation. To me that just shows the importance of these conversations and how critical it is to listen and collaborate."

ERA's focus is not only to deliver world-class rehabilitation of the Ranger Project Area (RPA), but to deliver on the Cultural Closure Criteria that reflects the Traditional Owners' desire to access and use the RPA for hunting, gathering, recreation and ceremony.

"We need to be creating an environment that works for the owners of the land that we are handing it back to," says Meg.

ERA welcomes the opportunity to continue to collaborate with Traditional Owners to further deliver on our commitments in the Ranger Project Area in 2023.

Preparatory works at Pit 3

ERA's Approvals Team met a major milestone in April 2022 with the draft submission of the Pit 3 Closure Application. This application covers the final stages of rehabilitation activity at Pit 3, including capping and backfilling the pit. The submission is the result of more than 5 years of work developing models, assessments and frameworks to ensure ERA's activity achieves the desired outcome. The team continued to make material progress on the application throughout 2022 and expect it to reach final approval in 2023.

OUR WORK ON THE PIT 3 APPLICATION

An approval is required before ERA can commence a rehabilitation activity at the Ranger Project Area. The approvals application is checked by a range of regulators and stakeholders to make sure the best result will be achieved, and the environment will remain protected for 10,000 years.

"To complete all the modelling and analysis to the point where we could submit the application has taken a lot of years, so it was a really great moment for our team to be able to submit the application" ERA's Senior Manager Approvals and Cultural Heritage Sharon Paulka said.

"We don't get a second chance with this kind of work, once you do something like put waste rock on top of tailings you can't just take it off, so we all have to be absolutely sure the processes we are using are going to work."

WORKING TOWARDS THE FINAL LANDFORM AT PIT 3

Turning Pit 3 into a final landform presents several technical, scientific and environmental challenges, according to ERA's Senior Manager Approvals and Cultural Heritage Sharon Paulka.

Part of ERA's rehabilitation and mine closure responsibilities is to completely cap and backfill Pits 1 and 3 to remove the void from the landscape and ensure that anything within the pits, such as tailings, is contained and the environment is protected for 10,000 years.

"The process of capping and backfilling Pit 1 has been completed and we were able to learn from this," Sharon said.

"We're currently in the process of wicking, which should be finished soon," Sharon said. "Then we'll be putting down a geofabric layer over the tailings followed by waste rock. We will also be removing and treating the water from the tailings."

Once Pit 3 is backfilled and reaches its final landform stage, it will be revegetated using techniques learnt from the success of Pit 1.

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Pit 3 rehabilitation progressed in 2022 along with ongoing water treatment including progressing Brine Squeezer process water modifications. The brine injection drilling was completed in November 2022. Brine injection is required to enable the waste product from the brine concentrator to be safely and securely deposited in the bottom of Pit 3. Being able to successfully install and operate brine injection at Pit 3 is a considerable achievement for ERA given that the process is not widely used elsewhere.

The Brine Concentrator experienced some reliability issues, resulting in it not initially delivering the design criteria volume of process water treatment. An improvement program is underway to rectify these reliability and treatment issues.

Wicking at Pit 3 commenced in October 2022 and involves the careful placement of approximately 41,000 wicks into the tailings from a purpose-built barge. The wicks enable the accelerated dewatering and consolidation of the tailings, and this approach was successfully applied for Pit 1. To date, we have installed 43% of the required wicks. Wicking at Pit 3 has been informed by learnings from the successful wicking completed at Pit 1.

CELEBRATING COMPLETION OF THE BRINE INJECTION WELLS

Pit 3 rehabilitation work is using techniques developed from learnings in Pit 1 and are allowing the ERA team to achieve world-class results.

ERA's Superintendent Projects Isaac Denny said completing the brine injection drilling at Pit 3 was a huge achievement for the project in 2022.

"It's a huge achievement because brine injection drilling isn't often done in mining," Isaac said.

"We finished drilling the wells in November 2022, which was 2 years' worth of work in the making."

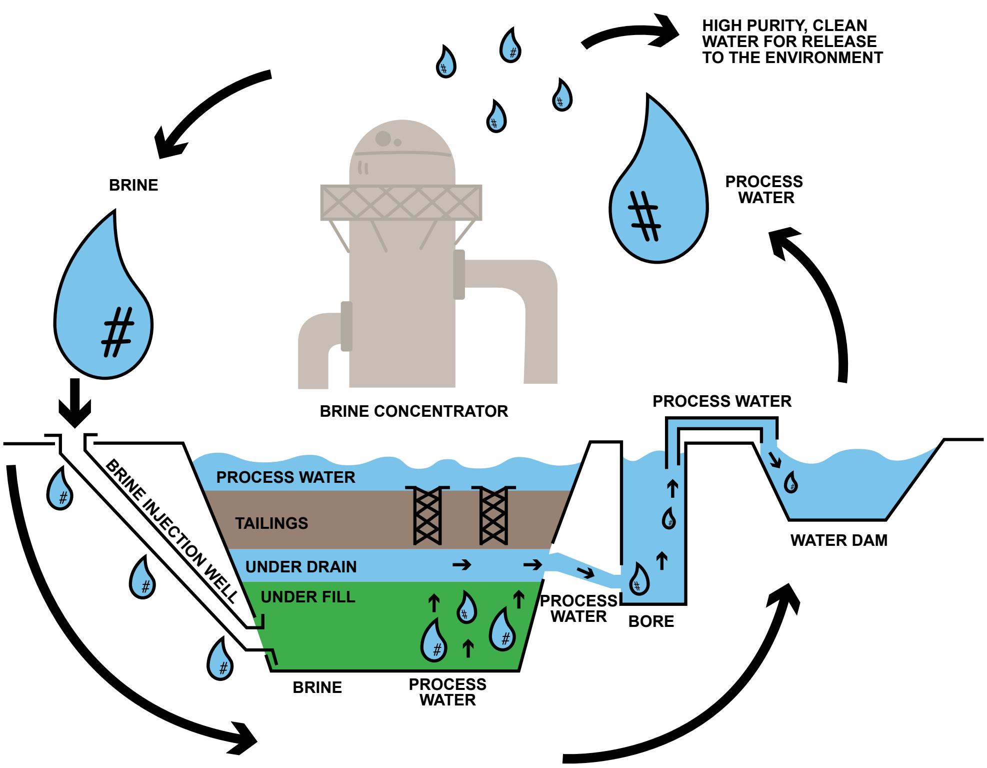
Brine injection wells form part of the process that will allow ERA to cap and backfill Pit 3 and work in conjunction with the wicking process and the brine concentrator to remove and treat liquid from the tailings.

The system works by drilling down the side and curving into the bottom of Pit 3 to create access to the bottom. Salty water that comes out of the brine concentrator is injected into the bottom of the pit, which pushes more liquid into the wicks, which is drawn back into the brine concentrator to be treated and separated.

"It's a cycle," Isaac said. "Pushing salty brine into the bottom of Pit 3 displaces the process water and pushes it up to the underdrain and wicks. The wicks are pushed deep into the tailings, so they catch the process water as it rises and pulls it out of the tailings."

Brine injection will commence in 2023.

Process Water Flow



Our work in Jabiru

Jabiru was originally established to service the workforce working at Ranger uranium mine. The original Head Lease with the Commonwealth expired on 30 June 2021 and on Saturday 26 June 2021, a ceremony in Jabiru was held to hand over the formal deed of grant of Jabiru to the Kakadu Aboriginal Land Trust, marking the return of Jabiru to the Mirarr Traditional Owners. The Mirarr Traditional Owners – through Gundjeihmi Aboriginal Corporation Jabiru Town – have been responsible for Jabiru. The Mirarr Traditional Owners' vision for the future of Jabiru is for it to transition to a 'world leading tourism centre'. As part of ERA's commitments in Jabiru town, we are rectifying the ERA residential housing portfolio. The portfolio consists of 259 residential addresses, made up of 3 and 4-bedroom houses, duplexes, triplexes, townhouses, and several large and small commercial properties.

The Jabiru Housing Rectification Project started property rectification works in August 2021. A total of 81 residential addresses were rectified and transferred to third parties, resulting in 31% of the housing portfolio being completed by December 2022.

MEET ERA'S ARON KURZYDLO, MANAGER BUSINESS SERVICES

As Manager Business Services, I handle the site services and ERA's commitments in Jabiru. It is an incredible place to work – I still remember driving into Jabiru for the first time as the sun was rising over the escarpment and Kakadu stole my breath away.

As an Indigenous man I grew up on Country, so it means so much to me to have my feet back in the dirt. Beyond that, to be a part of this incredible world-class rehabilitation project is career defining as I get to work in Kakadu and in collaboration with Traditional Owners. We are setting a precedent here and to share that journey with a team who has the same vision, values and passion to me is an honour. It is truly what gets me out of bed every day.

In 20 years from now I want to feel that I was a part of something really world-class – to look back and cherish being part of a team to create an amazing outcome that hopefully can be replicated around the country and the world.

Collaboration in 2022

Our commitment to bringing in the right capability to achieve world-class rehabilitation is supported by a 'buy, borrow and build' capability model. ERA has partnered with a range of organisations throughout 2022 and is grateful for the support and expertise brought to the project. A number of successful outcomes that ERA was able to deliver would not have been possible without the collaboration with several organisations.

ERA's relationship with Kakadu Native Plant Supplies has been an important partnership for several years, and in 2022 achieved the milestone of completing the planting of Pit 1. Kakadu Native Plant Supplies is a local family-run Indigenous business in Jabiru.

COLLABORATING WITH LOCAL BUSINESS – KAKADU NATIVE PLANT SERVICES

"Kakadu Native Plants was founded in 2004 and was originally set up to collect seed. Almost 20 years on we are now a full ecosystem restoration company. This means we take care of all aspects of collecting seeds to propagate them, managing the planting and irrigation processes, fire and weed management and consultation with local communities.

"To deliver the enormous volume of plants required for this project in such a harsh and seasonal environment, we grow a lot of our seedlings in the nursery to an appropriate age. We then work with ERA using a special technique to plant the seedlings on the waste rock substrate to give them the best start. This relies on healthy root growth, enough nutrients to get them going and the right amount of water to give them a head start.

What I know, without doubt, is that nature is endlessly inspiring and resilient. Every day you see these little things happening the way you thought they would happen. It's incredible and I love it.

"When this project comes to a close, I will be quite proud of the transformation of the landscape. I hope the Mirarr Traditional Owners feel they were involved and included at every turn and that when the country is handed back it can be integrated easily into the ways in which they want to manage and care for their land moving forward. That will be an emotional day."

– Peter Christophersen,
Kakadu Native Plants spokesperson

All works at the Ranger Project Area have been overseen by the Supervising Scientist Branch of the Department of Climate Change, Energy, the Environment and Water for more than 40 years.

Environmental consultants Umwelt partnered with ERA in early 2022 to assist with the mine closure application for Pit 3. Umwelt provided ERA with the additional technical and resource capacity to complete the company's first Mine Closure Plan in 2 years.

In order to ensure stakeholders perspectives are considered in rehabilitation planning, ERA engaged a diverse range of stakeholders on various aspects of mine closure and rehabilitation through several regular fora, committees and working groups. Engaging with stakeholders through forums, committees and advisories has been a valuable exercise for ERA and has had a positive impact on our ability to deliver world-class rehabilitation.

Closure and rehabilitation activities, processes and criteria for the Ranger Project Area have been developed, scrutinised and adapted through stakeholder engagement mechanisms, including the Ranger Closure Consultative Forum, Mine Technical Committee, Alligator Rivers Region Advisory Committee, Alligator Rivers Region Technical Committee and the Relationships Committee. We thank all those involved.

BUSINESS STRATEGY

ERA's purpose is to create a positive legacy and achieve world-class, sustainable rehabilitation of former mine assets.

The Ranger Rehabilitation Project is unique in that it is rehabilitating land in one of the world's most culturally and environmentally sensitive locations, surrounded by the World Heritage Listed Kakadu National Park on the land of the Mirarr Traditional Owners.

In 2022, ERA's strategic priority continues to be the comprehensive rehabilitation of the Ranger Project Area to a standard where it can be incorporated into the surrounding Kakadu National Park if Traditional Owners and the Australian Government wish.

We plan to deliver our purpose by:

- creating a physical, ecological and cultural landscape that meets the expectations of the Mirarr Traditional Owners
- setting the standard for mine site rehabilitation in a culturally and environmentally sensitive region
- achieving this in partnership with Mirarr Traditional Owners, governments and other key stakeholders.

In July 2021, ERA provided a preliminary announcement around cost and schedule overruns. Bechtel BWAPL was appointed in July 2022 to help undertake the 2022 Feasibility Study to refine the Ranger Project Area rehabilitation execution scope, risks, cost and schedule, which is expected to be delivered in September 2023.

The recent amendments to the *Atomic Energy Act* 1953 allow ERA to apply to extend its existing Ranger authority beyond the current 8 January 2026 deadline so the Ranger Project Area can continue to be rehabilitated until the rehabilitation process is complete. Our planning and 2022 Feasibility Study is working to this new timeframe.

ERA's near-term strategic priorities are to:

- Secure a suitable funding option to meet future rehabilitation obligations;
- Continue with progressive rehabilitation of the Ranger Project Area;
- Complete the 2022 Feasibility Study;
- Finalise implementation of a number of initiatives to strengthen project execution capability;
- Progress negotiations to extend the existing Ranger authority beyond January 2026 deadline; and,
- Preserve the company's undeveloped resources.

In addition to the Ranger Project Area, ERA holds the Jabiluka Mineral Lease – a large, high-quality uranium ore body of global significance. In accordance with the Long-Term Care and Maintenance Agreement signed by ERA in 2005, the Jabiluka deposit will not be developed by ERA without the approval of the Mirarr Traditional Owners. The carrying value of the Jabiluka Undeveloped Property was recorded at approximately $90 million as at 31 December 2022 (unchanged from 31 December 2021). The current lease is due to expire in August 2024 and ERA intends to apply for a renewal as provided for in the lease.

FINANCIAL PERFORMANCE

ERA incurred negative cash flow from operating activities of $147 million in 2022 compared to negative $38 million in 2021.

Cash rehabilitation spend for the year end 31 December 2022 was $194[1] million compared to $153 million[1] in 2021.

ERA held total cash resources of $561 million at 31 December 2022, comprised of $75 million in cash at bank (net of overdrafts) and $486 million of cash held by the Australian Government as part of the Ranger Rehabilitation Trust Fund. The Company has no debt and $126 million in bank guarantees[2].

ERA recorded a net loss before tax and rehabilitation adjustment of $98 million for 2022 compared to a net profit before tax and rehabilitation adjustment of $21 million in 2021. The net loss after tax was $161 million for 2022 compared to a net loss after tax of $650 million in 2021. The 2022 net loss was adversely impacted by reduced sales volumes and increases to the rehabilitation provision through higher non-cash discount unwind and an adjustment to the rehabilitation provision estimate. The 2021 net loss was adversely impacted by an increase to the rehabilitation provision following completion of a rehabilitation major reforecast. Favourable impacts were seen from lower operating costs as a result of the cessation of uranium oxide processing operations in January 2021 and reduced sales costs as a result of the completion of all sales of remaining uranium inventories.

As at 31 December 2022, a revision of the rehabilitation provision cost estimate occurred resulting in an unfavourable adjustment of $62 million compared to an unfavourable adjustment of $668 million in 2021.

Revenue

Revenue from the sale of uranium oxide was $36 million (2021: $190 million). With contracted sales completed in 2021, all sales of remaining uranium oxide inventories were through the spot market. Sales volume for 2022 was 242 tonnes compared with 1,302 tonnes for 2021. In 2022, ERA completed sales of all remaining uranium oxide inventories. The average realised sales price for 2022 was US$48.88 per pound compared to US$47.17 per pound in 2021.

Interest income for 2022 was $9.3 million, compared to $1.9 million for 2021. The weighted average interest rate received on term deposit for the period was 1.53 per cent (2021: 0.30 per cent).

Operating Costs

Cash costs for 2022 were lower than the corresponding period in 2021. This was mainly driven by the cessation of uranium oxide processing in January 2021 and move to full scale rehabilitation. In addition, lower sales in 2022 resulted in lower royalties and selling costs. Operating costs are now those of a corporate nature. Following a sharp decline in the crude oil price in 2020, with a corresponding decrease in gasoil (or diesel), ERA entered into gasoil swap contracts to lock in prices considered to be favourable. In 2022, ERA received $6.8 million from settled gasoil swaps compared to $7.4 million in 2021. All gasoil swaps are now settled.

Rehabilitation

At 31 December 2022, the ERA rehabilitation provision was $1,225 million[3]. During 2022, ERA incurred expenditure of $194 million on rehabilitation activities.

In 2022, ERA recorded an increase to the closure provision estimate of $62 million. This largely related to further development of the Pit 3 capping methodology, higher input costs and additional project management capability.

Progressive rehabilitation of the Ranger Project Area has continued during 2022 with several key milestones achieved as summarised previously.

1 Excludes utilisation of lease costs (2021: $1 million) (2022 $nil).

2 $125 million related to Ranger Project Area and $1 million related to Jabiluka.

3 31 December 2022 provision discounted at 1.5% per cent. This equates to an estimated $1,320 million in undiscounted nominal terms or $1,275 million in undiscounted real terms.

2022 Feasibility Study

In May 2022 ERA commenced a feasibility study update in connection with a lower technical risk rehabilitation methodology (primarily relating to the subaerial capping of Pit 3[4]) and to further refine the Ranger Project Area rehabilitation execution scope, risks, cost and schedule (2022 Feasibility Study). Subaerial capping, previously adopted for Pit 1, is a more traditional method and it is currently ERA's preferred methodology.

Scoping work and increased resourcing of the feasibility study progressed during the year with Bechtel BWAPL's support. The 2022 Feasibility Study is expected to be completed in September 2023 and will ultimately lead to a revised Mine Closure Plan being developed.

As previously announced in February 2022, the preliminary findings of ERA's reforecast exercise indicated that the revised total cost of completing the rehabilitation of the Ranger Project Area, including incurred spend since 1 January 2019, was estimated to be between $1.6 billion and $2.2 billion and would potentially have a revised date for completion of rehabilitation activities between Quarter 4, 2027 and Quarter 4, 2028. The revised estimates, as to both cost and schedule, were based on the Ranger Rehabilitation Project being completed in accordance with the methodology set out in the 2020 Mine Closure Plan. Approximately $524 million of the total cost of completing the rehabilitation of the Ranger Project Area was spent from 1 January 2019 to 31 December 2022. The forecast cost overruns have been caused by a number of factors including complexities in technical risk management, project delays and additional scope matters involving unbudgeted costs. Alongside other factors, risks identified by ERA at the time of its previous entitlement offer in 2019 have materialised, including increased cost pressures and technical challenges to meet the January 2026 deadline for completing the rehabilitation of the Ranger Project Area[5].

For key updates on the rehabilitation project progress and risks refer to note 2 Critical Accounting Estimates and Judgements.

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

5 As previously mentioned, amendments to the *Atomic Energy Act 1953* were passed on 24 November 2022, allowing additional time for ERA to complete the world class rehabilitation of the Ranger Project Area, including long-term monitoring and maintenance, subject to obtaining a new section 41 authority. ERA has commenced discussions with key stakeholders to apply for a new section 41 authority.

BUSINESS RISKS

A number of risks and uncertainties, which are both specific to ERA and of a more general nature, may affect the future operating and financial performance of ERA.

This section describes some, but not all, of the material risks and uncertainties that may impact on ERA's financial performance or outcomes.

Rehabilitation

Under applicable Australian 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.

Based on the preliminary findings of the major reforecast (as announced to ASX on 2 February 2022), ERA is not expected to meet its 8 January 2026 rehabilitation deadline as required by the s 41 Authority. On 24 November 2022, Parliament passed amendments to the *Atomic Energy Act 1953*, allowing additional time for ERA to complete the world class rehabilitation of the Ranger Project Area, including long-term monitoring and maintenance. We are required to negotiate new authorities and agreements now the Act has been amended. A revised timeframe for completion has yet to be agreed and this is expected to be confirmed in the 2022 Feasibility study that is expected to be completed in September 2023.

The preliminary findings indicated the revised total cost and schedule for completing the rehabilitation of the Ranger Project Area have increased substantially compared to the Ranger Closure Feasibility Study completed in 2019.

The cost of rehabilitating the Ranger Project Area is uncertain and requires matters involving estimation and judgment. As described earlier, ERA is undertaking the 2022 Feasibility Study. It is possible that, following the 2022 Feasibility Study, ERA's rehabilitation costs may be more (or less) than the current rehabilitation provision estimated by the company. Increased costs could result from factors beyond ERA's control, such as legal requirements, technological changes, environmental conditions, labour costs and availability, impact of pandemics including but not limited to COVID-19, weather events and market conditions.

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.

As indicated previously, ERA notes that the rehabilitation project continues to be exposed to challenging conditions, including tight labour market conditions, supply chain constraints and inflationary pressures being experienced across the broader industry.

Post 2026 Tenure Risk

On 24 November 2022 the *Atomic Energy Amendment (Mine Rehabilitation and Closure) Bill 2022* was passed. The Bill will allow ERA to apply to extend its existing Ranger authority beyond the current 8 January 2026 deadline, so the rehabilitation of Ranger Mine can continue until the rehabilitation process is complete.

The *Atomic Energy Act 1953* (Cth) is administered by the Department of Industry, Science and Resources (DISR). Under the s 41 Authority, ERA had the authority to produce uranium oxide at the Ranger Project Area until January 2021 and must fully rehabilitate the site by 8 January 2026. However, as disclosed above, the deadline of 8 January 2026 will not be met. For access to the site beyond 8 January 2026, a new s 41 Authority is required, which can now be progressed following the amendment to the Atomic Energy Act.

There is a risk that a new s 41 Authority may not be agreed upon in the required timeframe or there may be a material change to terms.

Water Treatment and Injection of Waste Brines

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

Recent performance of the water treatment plant is below the planned performance assumed in ERA's water model. ERA has already commenced mitigation efforts and, as part of the 2022 Feasibility Study, will review the adequacy of the water infrastructure and the water model. Unless this deficit in performance can be addressed, further costs will likely be incurred and there will be potential delays in completing the Ranger Rehabilitation Project.

To the extent that any of these initiatives cost more than expected or ERA is required to implement further initiatives (such as installing additional water treatment infrastructure), the rehabilitation cost may increase further. As a result of treating processed water, a waste stream of contaminated salt is generated. The salt is ultimately to be stored below tailings in Pit 3 by injecting the brine through boreholes. This technology has previously been commissioned but the long-term performance is yet to be fully confirmed. An alternate method of salt disposal would be required if disposing the salt in this way does not prove viable. This would require additional capital expenditure, which has not been allowed for in the rehabilitation estimate or the resulting provision and may not be available to ERA.

Tailings Consolidation

With all tailings transferred to Pit 3, the wicking of Pit 3 commenced in late 2022. During the final capping process, the tailings in Pit 3 will consolidate and express process water that will need to be collected and treated.

Installing vertical wicks will help the consolidation process and the consolidation timeframes are backed up by a detailed model based on in situ testing of site tailings. The consolidation model predictions of rates of process water expression are impacted by many factors, including tailings density and other characteristics, deposition method and free process water volume in the pit during deposition. Detailed engineering continues to further refine the scope of work. The impact to the rehabilitation cost and resulting provision, if any, will be further evaluated as part of assessing alternative capping options for Pit 3 during the 2022 Feasibility Study, which is due to be completed in September 2023.

These impacts have been considered in the reforecast but if the tailings consolidation and process water expression extend further, it could have additional adverse impacts on the cost and schedule of completing rehabilitation.

Bulk Material movement

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

Wet Season and Weather

The Ranger Project Area is subject to the extreme contrast of weather conditions that exist in the Northern Territory. The extent of each wet season can have a significant impact on ERA's rehabilitation activities, including but not limited to an increase in process water inventories. Wet seasons that significantly exceed long term averages will have a material adverse effect on ERA's ability to implement water management and its ability to complete other rehabilitation activities.

This may impact on schedule and cost, including but not limited to, requiring additional process water treatment capacity and may affect ERA's financial position and performance.

Ranger Rehabilitation Trust Fund

ERA is required to maintain the Trust Fund with the Australian Government. The Trust Fund is intended to provide security against the estimated costs of closing and rehabilitating the Ranger Project Area immediately. The company is required to prepare and submit an Annual Plan of Rehabilitation (Annual Plan) to the Australian Government. Once accepted by the Australian Government, the Annual Plan is independently assessed and costed and the amount to be provided by the company into the Trust Fund is then determined.

As at 31 December 2022, ERA had $486 million in cash held by the Australian Government in the Trust Fund. Bank guarantees procured by ERA totaling $125 million are held by the Government as additional security for ERA's rehabilitation obligations (an additional $1 million is held as an allowance for Jabiluka rehabilitation).

These deposits and bank guarantees were provided to the Australian Government based on its review in February 2020 of the 44th Annual Plan of Rehabilitation submitted by ERA (i.e. prior to the reforecast of the cost of Ranger Project Area rehabilitation), and subsequently reduced for an interim payment of $57 million for rehabilitation works completed from 9 January 2021 to 30 June 2022.

ERA has agreed on amendments to the Ranger Government Agreement with the Australian Government to introduce a clearer framework for managing the amount of security held by the Government and releasing funds from the Trust Fund for completed rehabilitation works. However, drawdown of funds under this framework will first require reevaluation of the security following ERA's internal cost review, which is expected to occur after completion of the 2022 Feasibility Study in September 2023. Given the expected increase in the cost of rehabilitating the Ranger Project Area, ERA may be required to provide additional security or funds in the Trust Fund.

Under this new framework, ERA was entitled to submit a one-off interim payment request for the release from the Trust Fund of an amount representing a portion of the cost of rehabilitation works performed at Ranger between 9 January 2021 to 30 June 2022.. As a result, $57 million was received in November 2022.

ERA does not consider that it can rely upon drawdown of any further cash from the Trust Fund before the internal cost review is completed, which is expected to be in September 2023.

ERA's ability to continue to access financial guarantees can be influenced by many factors, including its potential future cash balance, cash flows and shareholder support. Issuers of the bank guarantees have certain pay and walk rights and the guarantees are subject to periodic reviews. Should the banks execute their pay and walk rights or ERA is unable to access bank guarantees, substantial additional cash would be required to indemnify the banks or be deposited into the Trust Fund. This is likely to have a material adverse effect on ERA's business and its financial position and performance, as well as its ability to meet its rehabilitation obligations.

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

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.

On 6 October 2022, ERA agreed to enter into an amended $100 million loan agreement with Rio Tinto (Revised Credit Facility), under which loans of a cumulative value of up to $100 million can be made available to provide ERA with additional liquidity to rehabilitate the Ranger Project Area. The Revised Credit Facility has a maturity date of 31 March 2023 unless additional funds are raised before that, or unless extended by Rio Tinto. The maturity date is subject to deferral for approximately 3 months if ERA is unable to repay the loan at that time. The Revised Credit Facility provides ERA with additional time to negotiate and implement a future funding solution and reassures the company's stakeholders that rehabilitation of the Ranger Project Area will continue to be funded.

A summary of the agreement is provided in the announcement to the ASX dated 6 October 2022.

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 may be impacted.

Regulators and Stakeholders

The Mine Closure Plan is subject to ongoing review and refinement, with ERA required to review and submit an updated plan for regulatory approval each year. In addition, regulatory approvals are required to carry out certain rehabilitation activities. If these regulatory approvals are not obtained or are obtained with amended 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 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 that commenced with a draft plan in December 2016. Key stakeholders who provided feedback on the draft and subsequent annual updates included the Gundjeihmi Aboriginal Corporation and Northern Land Council (as representatives of the Mirarr Traditional Owners), and Northern Territory and Australian government agencies.

In September 2022, 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 Australian ministers for approval in compliance with the authorisation.

Jabiru was transitioned to an Aboriginal township lease under Section 19A of the *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth) in June 2021, however, ERA has remained a major tenant in the town under an interim agreement with the Gundjeihmi Aboriginal Corporation Jabiru Town (GACJT). ERA's licence to occupy the Jabiru properties has been extended to 31 December 2023. The terms and any associated costs of any future license extension to allow ERA to continue to remain in Jabiru are uncertain and will be subject to the approval of GACJT.
The process to undertake extensive rectification of the Jabiru properties, transition the houses to third parties and find alternative accommodation for ERA personnel may result in higher costs than currently projected by ERA.

General Regulatory Risk

Uranium mining in Australia is extensively regulated by Australian, state and territory governments. The areas of uranium mining that are regulated include exploration, development, production, transport, export, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances and native title.
The approval processes for uranium mining are more onerous, and therefore more costly, than for the mining of other minerals.

Government actions in Australia, and other countries or jurisdictions in which ERA has interests, could impact ERA, including new or amended legislation, guidelines and regulations about the environment, uranium or nuclear power sectors, competition policy, native title, and cultural heritage.

Operational aspects that may be affected include, among other things, land access rights, granting licences and other tenements, an extended mine life and development approvals.

Future legislation and changes in the regulatory framework could cause additional expense, capital expenditures, restrictions and delays in the development of ERA's assets – the extent of which cannot be predicted. Any 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.

Jabiluka Mineral Lease

ERA holds title to the Jabiluka Mineral Lease. The Jabiluka Mineral Lease (being an undeveloped property as noted in ERA's 2022 Annual Report) is currently held subject to the Long-Term Care and Maintenance Agreement with the Mirarr Traditional Owners. Under this agreement, the Jabiluka deposit cannot be developed without the approval of the Traditional Owners. There is currently no such approval to develop the Jabiluka deposit. It is uncertain that this approval will be forthcoming and, by extension, that the Jabiluka deposit will be developed. Should this approval not eventuate in the future, the Jabiluka Mineral Lease would face full impairment.

The Jabiluka Mineral Lease is due for renewal in 2024. ERA intends to apply for renewal of the Lease. If ERA has complied with all of its obligations under the Jabiluka Mineral Lease and the Mining Act 1980 (NT), the Northern Territory government *"will renew"* the Jabiluka Mineral Lease for a further term not exceeding 10 years. There is a risk that the renewal will not be granted. If the renewal is granted, a renewal of the Jabiluka Mineral Lease beyond the further term of up to 10 years is not guaranteed, as any further renewals will require the Minister to exercise his or her discretion. Whether such discretion would be exercised in favour of a further renewal of the Jabiluka Mineral Lease is uncertain.

The valuation of Jabiluka requires a high degree of judgment. The carrying value ($90 million) of the Jabiluka Mineral Lease as set out in ERA's 2022 Annual Report considers the above uncertainties, as well as certain other underlying assumptions concerning the valuation of the Jabiluka Mineral Lease including the probability of future development, uranium oxide prices such as term contract price premiums in the future, foreign exchange rates, production and capital costs, discount rate, ore and mineral resources, lease tenure renewal (August 2024) and development delays. Any change to ERA's underlying assumptions regarding the Jabiluka Mineral Lease may result in a further impairment that could adversely affect ERA's financial position.

Ranger 3 Deeps

On 8 January 2021, ERA ceased to be authorised to conduct mining operations in the Ranger Project Area, accordingly development of Ranger 3 Deeps is not an authorised activity. ERA does not have the authority to mine Ranger 3 Deeps and is not pursuing such authority.

In addition to requiring an authorisation to mine Ranger 3 Deeps, the project would need to be economically viable for it to be developed. ERA has historically assessed the economics of the Ranger 3 Deeps project to be unviable. Considering further work undertaken to rehabilitate the Ranger Project Area, the project would now be required to support a standalone mill and tailings construction, among other infrastructure, which would add fixed costs to the operation, further materially challenging the Ranger 3 Deeps Project's viability. ERA has also completed backfill works on the Ranger 3 Deeps decline.

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

Environmental Risk

A condition of the s 41 Authority granted to ERA is that the company must rehabilitate the Ranger Project Area to establish an environment similar to the adjacent areas of Kakadu National Park so the rehabilitated area could be incorporated into Kakadu National Park, if that is the opinion of the Minister with the advice of the Supervising Scientist, and if the Traditional Owners wish. While substantially complete and agreed upon, certain closure criteria relating to environmental matters require careful management.

The updated Mine Closure Plan for the Ranger Project Area still requires final approvals and agreement from stakeholders, including the Minesite Technical Committees. There is a risk that the process to agree on the environmental conditions will give rise to additional rehabilitation obligations that may impact costs and/or schedule.

The ability for ERA to meet its Ranger closure and rehabilitation obligations requires careful management of various environmental conditions into the future, including preventing the:

- pond and process water being discharged to the environment
- impact of surface water on groundwater under the site and surrounding environment
- impact of salt accumulation in dry watercourses during the dry season
- weeds, feral animals and fire from the Kakadu National Park encroaching on the Ranger Project Area
- 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 financial position and performance may be materially impacted.

FUTURE SUPPLY

Evaluation and Exploration

In 2022 no evaluation, exploration expenditure or processing activities were performed by ERA in and around the Ranger Project Area site, including the Ranger 3 Deeps project or on the Jabiluka Mineral Lease area.

Ranger 3 Deeps Reserves and Resources

No work is being conducted to further develop options for the Ranger 3 Deeps deposit in line with ERA ceasing recognition of the Ranger 3 Deeps Mineral Resource in 2020 and the cessation of processing operations in 2021.

Ranger Reserves and Resources

ERA has no remaining Ranger Reserves and Resources due to the conclusion of processing activities under the Ranger Authority.

Jabiluka Reserves and Resources

Jabiluka Reserves consists of a large, high quality uranium ore body estimated to produce 137,000 tonnes of uranium oxide at a cut-off grade of 0.2% U_3O_8.

Jabiluka will not be developed by ERA without the approval of the Mirarr Traditional Owners in accordance with the Jabiluka Long Term Care and Maintenance Agreement.

Governance

ERA's Competent Person (as defined in the following pages) is a consultant 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 Joint Ore Reserve Committee (JORC) Code 2012. The ERA Competent Person uses judgment in carrying out estimates of Ore Reserves and Mineral Resources for ERA, as defined by the JORC Code 2021, including the use of external experts as required.

ERA 2022 Ore Reserves & Mineral Resources

	As at 31 December 2022 CUT OFF GRADE 0.20% U_30_8			As at 31 December 2021 CUT OFF GRADE 0.20% U_30_8		
	ORE (MT)	% U_30_8	T U_30_8	ORE (MT)	% U_30_8	T U_30_8
Jabiluka Mineral Resources						
Measured	1.21	0.89	10,800	1.21	0.89	10,800
Indicated	13.88	0.52	72,200	13.88	0.52	72,200
Sub-total Measured and Indicated	15.09	0.55	82,900	15.09	0.55	82,900
Inferred Resources	10.00	0.54	54,000	10.00	0.54	54,000
Total Resources	**25.10**	**0.55**	**137,100**	**25.10**	**0.55**	**137,100**

Rounding difference may occur.

Assessment of Jabiluka Mineral Resource

The Competent Person has assessed the Jabiluka Mineral Resource reporting as required by the JORC 2012 Code and has considered the following facts and assumptions in this appraisal.

1. The continuing role of nuclear energy as a decarbonised energy source and impact on the long-term uranium market as world economies seek to decarbonise and mitigate the effects of climate change over the next 20 to 50 years.
2. The 2005 Long Term Care and Maintenance Agreement specifically requires approval by the Mirarr Traditional Owners and confirms that Jabiluka will not be developed without the approval of the Traditional Owners, which is consistent with the values of ERA and the Rio Tinto Group.
3. Should the JORC code be updated, or the industry move to a more prescriptive view on Reasonable Prospects for Eventual Economic Extraction (RPEEE), the continued reporting of the Jabiluka Mineral Resource may change in the future.
4. The Rio Tinto Group (ERA major shareholder) has elected in 2022 to no longer report the Jabiluka mineralisation as a Mineral Resource.

Competent persons

As required by the Australian Securities Exchange, the above tables 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 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2012 code). Estimates of such material are based largely on geological information with only preliminary consideration of mining, economic and other factors and are not precise calculations. While in the judgment 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 this announcement that relates to Jabiluka Mineral Resources is based on information compiled by geologist Stephen Pevely who is a part time consultant of ERA. Stephen Pevely is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and activity being undertaken to qualify as a Competent Person as defined in the JORC 2012 code. Stephen Pevely, who is a part time consultant of ERA, consents to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.

HEALTH AND SAFETY

At ERA the health and safety of people is central to operational activities and workplace culture across the business, no matter the level, work type or site location.

ERA's safety goals, accountabilities and systems can be found in the ERA Health, Safety and Environment Management System that is certified to Australian (AS4801) and international (ISO14001) standards and subject to regular review. The key performance measure of safety at ERA is the All Injury Frequency Rate (AIFR). AIFR measures how often a recordable injury occurs every 200,000 work hours and considers lost time injuries, restricted work injuries and medical treatment cases.

Health and safety was a high priority for ERA in 2022 and throughout the year leadership and awareness around safety was promoted to all staff through the leadership success program, mental wellness programs, PhysioAssist, leadership in the field and a range of health and safety workshops.

In 2022, ERA celebrated achieving an AIFR of 0.0 for the second year in a row with no injuries recorded throughout the year.

Previous year's results have been:

- AIFR 2021 – 0.00
- AIFR 2020 – 0.53
- AIFR 2019 – 1.07
- AIFR 2018 – 0.56
- AIFR 2017 – 1.17

COVID-19 Safety

ERA continued to implement COVID-19 controls in line with ERA's COVID-19 Management Plan and advise from the state and Australian governments in 2022. Taking these measures allowed ERA to continue ongoing rehabilitation activities through the year despite interstate border restrictions.

Mental Health and Well-being

Staff mental health and well-being was a high priority for ERA in 2022 as the business transitioned into a new project execution structure. ERA introduced onsite access to an employee assistance program to help support and support mental health within the workforce, which provided face-to-face counselling and facilitated Applied Suicide Intervention Skills Training (ASIST).

ERA's Peer Support Program continued to be promoted and facilitated throughout the business with an emphasis on activities to help boost participation and peer supporters involved in the program.

ERA continued to take a zero-tolerance approach to bullying and harassment in the workplace and proactively guided appropriate workplace behaviours to prevent behavioural escalations. All staff continue to have access to the myVoice program to report occurrences of bullying and harassment. The myVoice program helps ERA to effectively investigate reports to ensure employees are supported and ERA continues to be a safe workplace.

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 has been operational in ERA since 2018 and is based upon leadership and engagement, risk management, work planning and execution and learning and improving.

ERA achieved a SMM score of 4.0 in 2022, which was above the target of 3.7 and demonstrated an increase in last year's results. To achieve this result ERA implemented leadership coaching and training, leadership success training, the Process Safety into Closure Program and the Rio Tinto Behaviours Program, while focusing on targeting leadership in the field.

ERA continued to operate an awards and recognition program to celebrate employees who exhibit an important contribution to ERA's priorities, including health, safety and wellness.

Process Safety

In 2022 ERA continued a control-based process safety approach with oversight visits from Noetic, ERA's independent process safety consultant, to continue transitioning operations onsite to Process Safety Transition to Closure Plan. Functions such as the Brine Concentrator continued to operate under the control-based safety methodology, while most areas of the business moved to safety programs that better fit the requirements of closure and rehabilitation activities.

Emergency Response

Building ERA's Emergency Response Team skills and capabilities continued to be a focus in 2022. ERA invested in specialist training for existing team members and actively recruited new members to increase the emergency response capacity.

ERA's Emergency Response Team are trained to respond and provide support to onsite and offsite incidents, including site evacuations, fires and vehicle accidents.

Radiation Monitoring

ERA monitors radiation at the Ranger Project Area in accordance with the Company's Radiation Policy and Radiation Management Plan. Performance in this area is measured against ERA's Health, Safety and Environmental Management System, which is certified to Australian (AS4801) and international (ISO14001) standards. All radiation dose results continue to be reviewed internally by ERA and external regulators. Quarterly occupational radiation dose data for designated workers at the Ranger Project Area are provided to the Australian Government's Australian Radiation Dose Register (ANRDR).

In 2022, preliminary analysis of the available data on radiation doses received by workers at the Ranger Project Area remain well under the national and international dose limits and the natural background radiation levels.

ERA did not have any designated workers – workers who may be exposed to radiation that exceeds 5 millisieverts (mSv) per year – in 2022, due to mine operations being completed and more stringent monitoring of radiation levels was not required.

The below table provides a summary of maximum and mean annual radiation doses received by workers at the Ranger Project Area over the past 12 months from the third quarter of 2021.

	DESIGNATED WORKERS (mSv)		NON-DESIGNATED WORKERS (mSv)	
Timeframe	**Mean**	**Max**	**Mean**	**Max**
2021 Q3	0.35	1.07	0.12	0.37
2021 Q4	0.40	0.83	0.10	0.20
2022 Q1	N/A	N/A	0.04	0.07
2022 Q2	N/A	N/A	0.07	0.13

The full radiation doses received by workers in 2022 will be reported in the Annual Ranger Mine Radiation Protection and Atmospheric Monitoring Report.

REGULATORY FRAMEWORK

Uranium mining activities in Australia are strictly regulated by the Australian and state or territory governments.

The purpose of these regulations is to ensure uranium mining performance and compliance in a range of critical areas. These include health and safety, process safety, safely managing toxic and radioactive substances, waste disposal, transport safety, export controls, protecting and rehabilitating the environment, native title, exploration and 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 Australian uranium is only used for peaceful purposes.

Regulation of ERA's Operations

Australian and Northern Territory legislation provide the regulatory framework for ERA's uranium mining activities, including rehabilitation.

ERA's activities on the Ranger Project Area and Jabiluka Lease (MLN1) are closely supervised and monitored by key statutory bodies and stakeholder organisations including:

- Northern Territory Department of Industry, Tourism and Trade (DITT), the Australian Government Department of Industry, Science and Resources (DISR), the Supervising Scientist Branch (SSB), the Gundjeihmi Aboriginal Corporation (GAC) and the Northern Land Council (NLC) representing Mirarr Traditional Owners
- Alligator Rivers Region Advisory Committee (including non-government organisation representatives)
- 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 DISR 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, Australian Government, Northern Land Council, Aboriginal associations, mining companies (including ERA), West Arnhem Regional Council, Northern Territory Environment Centre and other members who may be appointed by the Australian Government's Minister for the Environment. Further information on ARRAC can be found at: https://www.dcceew.gov.au/science-research/supervising-scientist/communication/committees/arrac

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

The 10 ARRTC members include independent scientists nominated by the Federation of Australian Scientists Branch and Technological Societies with the remaining representatives being drawn from the Supervising Scientist Branch, Northern Territory Government, Uranium Equities Ltd, Northern Land Council, Parks Australia and an environmental non-government organisation. Further information on ARRTC can be found at: https://www.dcceew.gov.au/science-research/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

RICK DENNIS

INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHAIR

BCom, LLB, CA

Mr Dennis was appointed as an independent Non-Executive Director in November 2022 and Independent Chair on 31 January 2023.

Mr Dennis is Chair of the Audit and Risk Committee and Independent Board Committee and a member of the Remuneration Committee and Disclosure Committee.

Mr Dennis had 35 years with global professional services firm Ernst & Young and was Queensland Managing Partner from 2001-2007. He held several executive and board roles at EY, including Chief Operating Officer in Oceania, and Deputy Chief Operating Officer and Chief Financial Officer for the Asia-Pacific practice from 2010-2014 where he was responsible for overseeing the financial and operational integration of the Australian and Asian member firms.

Mr Dennis is currently non-executive Chair of ASX listed AF Legal Group Limited, a non-executive director of ASX-listed Motorcycle Holdings Limited, Cettire Limited, Apiam Animal Health Limited and Step One Clothing Limited, and is a member of the Queensland Advisory Board of Australian Super.

Mr Dennis is dual qualified in law and commerce.

BRAD WELSH

CHIEF EXECUTIVE AND MANAGING DIRECTOR

LLB, MMINENG

Mr Welsh was appointed as Acting Chief Executive of ERA in October 2021 and appointed as Chief Executive and Managing Director in February 2022.

Mr Welsh is a member of the Disclosure Committee.

Mr Welsh is from the Muruwari tribe in north-western New South Wales, and grew up in the Aboriginal community of Redfern, Sydney. Prior to joining ERA, Mr Welsh was the Chief Advisor Closure Strategy Non-Managed Assets with Rio Tinto.

Mr Welsh's previous roles include Chief Advisor Indigenous Affairs with Rio Tinto and Acting General Manager of the Weipa bauxite operation in Northern Queensland which made Mr Welsh the first Indigenous general manager operations in Rio Tinto's history.

HON. KEN WYATT

INDEPENDENT NON-EXECUTIVE DIRECTOR

AM, JP, BED, DIPED, DIPT

Hon Ken Wyatt AM JP was appointed as an independent Non-Executive Director in December 2022.

Mr Wyatt is Chair of the Remuneration Committee and a member of the Independent Board Committee and Sustainability Committee.

As a proud Noongar, Yamatji and Wongi man, Mr Wyatt brings extensive experience and a unique perspective to the Board of ERA. Mr Wyatt served as the Member for Hasluck in the Federal Parliament from 2010 to 2022. He was first Indigenous Australian appointed to the Commonwealth Ministry and first Aboriginal Australian to serve in Cabinet when he was appointed Minister for Indigenous Australians (2019-2022).

Mr Wyatt served as Australia's first Indigenous Minister for Indigenous Australians, where he was able to secure the historic National Agreement on Closing the Gap and established the Indigenous Voice. He also pioneered the National Roadmap on Indigenous Skills, Jobs and Wealth Creation and was instrumental in the Commonwealth Government securing the copyright to the Aboriginal Flag.

Not only has Mr Wyatt had an extensive career in health, education, Aboriginal Affairs and Aboriginal Land issues before entering politics, he has also made an enormous contribution to the wider community. This was recognised in 1996 when he was awarded the Order of Australia in the Queen's Birthday Honours list and in 2000 the Centenary of Federation Medal for 'his efforts and contribution to improving the quality of life for Aboriginal and Torres Strait Islander people and mainstream Australian society in education and health.'

STUART GLENN

INDEPENDENT NON-EXECUTIVE DIRECTOR

BSC, CSEP, MAICD

Mr Glenn was appointed as an independent Non-Executive Director in February 2023.

Mr Glenn is Chair of the Rehabilitation Committee and a member of the Independent Board Committee and Audit and Risk Committee.

Mr Glenn has served as a professional Company Director for over 10 years where he is focused on asset management, project delivery and business improvements through better project management, increased data analytics and the introduction of accurate and timely reporting and controls. Prior to this, he had a successful executive management career, both in Australia and overseas in the Transport Infrastructure and Energy Sectors and held senior executive roles at Parson's Brinckerhoff International (now known as WSP) who provides professional engineering, project management and program management services to global infrastructure projects.

Mr Glenn has held Chair and non-executive director roles in the Infrastructure, Oil & Gas, Planning and Energy sectors. He is currently the Chairman of Nukon Pty Ltd (a subsidiary of Sage Group Ltd) and a non-executive director of Sage Group Holdings Pty Ltd, and Epic Energy SA Pty Ltd (including numerous subsidiary companies in their national Renewable Energy generation portfolio).

Mr Glenn is a graduate of Columbia University and Murdoch University and is a member of the Australian Institute of Company Directors.

JUSTIN CAREY

NON-EXECUTIVE DIRECTOR

BCom

Mr Carey was appointed as a Non-Executive Director in August 2019. Mr Carey was Interim Chair from October 2022 to 31 January 2023.

Mr Carey is Chair of the Disclosure Committee and a member of the Audit and Risk Committee.

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. 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 Group's corporate entities and leading the Group's 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.

ROSEMARY FAGEN

NON-EXECUTIVE DIRECTOR

MSc Biochemistry, MBA/GDM, AGSM GAICD

Ms Fagen was appointed as a Non- Executive Director in February 2022.

Ms Fagen is Chair of the Sustainability Committee and a member of the Remuneration Committee.

Ms Fagen is currently the Head of Operational Excellence, People; Office of the Chief Operating Officer of Rio Tinto. As part of the Chief Operating Officer's core team, Rosemary is driving transformational change to the business with the introduction of the Rio Tinto Safe Production System. She is providing the strategic approach to change management, ensuring the business is resourced, ready, empowered and engaged to bring together proven tools, rituals and leading practices into the one framework.

Ms Fagen holds post-graduate degrees in biochemistry and business administration. Ms Fagen has a wide variety of experience including overseeing Copper & Diamonds' human resources strategies, processes and functions as Vice President, People & Organisation. Prior to this, Ms Fagen was Vice President, Human Resources Rio Tinto's Energy group from 2010 to 2014. Before joining Rio Tinto, Ms Fagen held positions in the aviation sector including Executive Vice President, Human Resources for Qatar Airways and held senior human resources leadership positions with Qantas Group and AWA Limited.

JACQUES 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 is a member of the Rehabilitation Committee.

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 was appointed by the Oyu Tolgoi Board of Directors as the new Chief Development Officer for Oyu Tolgoi effective 1 December 2020.

Executive Committee

RICHARD PREST

CHIEF FINANCIAL OFFICER AND JOINT COMPANY SECRETARY

BE Chemical, MBA, AAICD

Mr Prest was appointed as Chief Financial Officer in March 2021 and appointed as joint Company Secretary in December 2021.

Mr Prest brings substantial financial leadership, business development and transformation skills to ERA. Mr Prest has spent more than 30 years in the resources sector and brings previous experience as a CFO, General Manager of Finance and Director for Rio Tinto including Gove Operations in the Northern Territory.

Mr Prest has a degree in Chemical Engineering and a Master of Business Administration.

BERNARD TOAKLEY

PROJECT DIRECTOR

Mr Toakley joined Energy Resources of Australia in October 2022 as Project Director.

Prior to joining ERA Mr Toakley held senior project leadership positions with major energy companies and contractors both nationally and internationally.

SHANNON COATES

JOINT COMPANY SECRETARY

LLB, BJuris, GAICD, ACIS

Ms Coates was appointed as joint Company Secretary in December 2021.

Ms Coates is a qualified lawyer, Chartered Secretary and graduate of the AICD's Company Directors course. She has more than 25 years' experience in corporate law and compliance, is an Executive Director of national governance service provider Source Governance and is currently company secretary to a number of ASX listed companies, with a strong focus on resources.

DIRECTORS' REPORT

Directors

The persons who served as directors of ERA throughout 2022 and until the date of this Directors' Report are:

- Rosemary Fagen was appointed as a Non-Executive Director on 1 February 2022;
- Brad Welsh, having been initially appointed as Acting Chief Executive on 4 October 2021, was subsequently appointed as Chief Executive and Managing Director on 18 February 2022;
- Peter Mansell, Paul Dowd and Shane Charles resigned as Independent Non-Executive Directors on 6 October 2022;
- Justin Carey was appointed as a Non-Executive Director on 7 August 2019; subsequently appointed Interim Chair on 6 October 2022; and reverted to Non-Executive Director on 31 January 2023;
- Richard (Rick) Dennis was appointed as an Independent Non-Executive Director on 23 November 2022 and Independent Non-Executive Chair on 31 January 2023;
- Hon. Ken Wyatt was appointed as an Independent Non-Executive Director on 19 December 2022;
- Stuart Glenn was appointed as an Independent Non-Executive Director on 3 February 2023;
- Jacques van Tonder was appointed as a Non-Executive Director on 29 May 2020;

Details of the qualifications, experience and special responsibilities of the current Directors of ERA are set out on pages 38 to 41 of this 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:

	DIRECTORS[8]	AUDIT AND RISK COMMITTEE[8]	REMUNERATION COMMITTEE[8]	SUSTAINABILITY COMMITTEE[8]	REHABILITATION COMMITTEE[8]	OTHER[8,9]
R Dennis[1]	2/2	-	-	-	-	-
B Welsh[2]	9/9	-	-	-	-	1/1
K Wyatt[3]	-	-	-	-	-	-
S Glenn[4]	-	-	-	-	-	-
J Carey[5]	9/9	-	-	-	-	-
R Fagen[6]	9/9	-	-	-	-	-
J van Tonder	8/9	-	-	0/2	6/12	-
P Mansell[7]	6/6	3/3	1/1	-	-	22/23
S Charles[7]	6/6	3/3	1/1	2/2	6/12	23/23
P Dowd[7]	6/6	3/3	1/1	2/2	12/12	22/23

Note 1 *Appointed as a Director 23 November 2022. Appointed as Chair effective 31 January 2023.*
Note 2 *Appointed as a Director 18 February 2022. Mr Welsh attended meetings in his role as Acting Chief Executive until being appointed as a Director.*
Note 3 *Appointed as a Director 19 December 2022.*
Note 4 *Appointed as a Director 3 February 2023.*
Note 5 *Mr Carey attended meetings in his role as Interim Chair effective 6 October 2022.*
Note 6 *Appointed as a Director 1 February 2022.*
Note 7 *Resigned as a Director 6 October 2022.*
Note 8 *Number of meetings attended / maximum the Director was eligible to attend.*
Note 9 *Other meetings include meetings of the Independent Board Committee and Disclosure Committee.*

Following the resignation of independent Non-Executive Directors Peter Mansell, Shane Charles and Paul Dowd, all Board Committees were suspended on 13 October 2022. The Rehabilitation Committee was re-established on 16 December 2022. The Independent Board Committee (IBC) was re-established on 31 January 2023 and remaining Committees were re-established on 16 February 2023.

Mr Welsh was invited to meetings of the Audit and Risk Committee, Rehabilitation Committee and the Sustainability Committee and attended such meetings as an attendee.

DIRECTORS' REPORT

Interests of Directors

The interests of each Director in the share capital of the Company and its related body corporates as at 10 March 2023 are shown below:

DIRECTORS	ENERGY RESOURCES OF AUSTRALIA LTD ORDINARY SHARES	RIO TINTO LIMITED ORDINARY SHARES	RIO TINTO LIMITED CONDITIONAL INTERESTS IN ORDINARY SHARES
B Welsh[1]	-	5,256	2,110
S Glenn[2]	-	149	-
J Carey	-	7,235	2,019
R Fagen[3]	-	29,332	18,081
J van Tonder	-	-	5,339

Note 1 Appointed as a Director 18 February 2022.
Note 2 Appointed as a Director 3 February 2023.
Note 3 Appointed as a Director 1 February 2022.
Note 4 Mr Dennis and Mr Wyatt do not hold shares or conditional interests in shares in Rio Tinto Limited.

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 is responsible for reviewing, and where appropriate making recommendations to the Board in respect of, the following matters:

- Remuneration framework and policies (including key performance indicators) for the Company's senior executives;
- Remuneration and performance of the Company's senior executives;
- Remuneration of the Company's non-executive Directors;
- Remuneration disclosures to be made by the Company; and
- Other relevant matters identified as requested by the Board.

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 2022 Annual General Meeting, the 2021 Remuneration Report was approved with 99.92 per cent of shares voted in favour (voting comprised 3,187,997,362 votes 'for' the resolution and 2,404,578 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 2022 was approximately $812,000 inclusive of statutory superannuation.

DIRECTORS' REPORT

The non-executive Directors' fees were last reviewed by the Board in January 2022. The annual fees for non-executive Directors for 2022 (excluding superannuation) were as follows:

	2022	2021
Chair	**$194,826**	$186,080
Non-executive Director	**$108,237**	$103,378
Audit and Risk Committee Chair[1]	**$25,977**	$24,811
Audit and Risk Committee Member[1]	**$14,352**	$13,708
Sustainability Committee Chair[1]	**$22,080**	$21,089
Sustainability Committee Member[1]	**$14,352**	$13,708
Remuneration Committee Chair[1]	**$22,080**	$21,089
Independent Board Committee[1]	**$14,352**	-

Note 1 *Fees are payable in addition to Chair and non-executive Director fees.*

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.

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 General Managers of the Company 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 2022 included formal consultation between the Chair (based on the Remuneration Committee's review and recommendations) and the Rio Tinto Chief Executive Australia, 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 2022.

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.

DIRECTORS' REPORT

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 Equity Incentive Plan (**EIP**), share-based remuneration, including management share awards (**MSA**), performance share awards (**PSA**) and bonus deferral awards (**BDA**) where applicable; and
- 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 30 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 2022 only MSAs were awarded to the ERA Chief Executive and senior executives.

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 2022 for the Chief Executive and senior executives was between 50 and 60 per cent. The actual proportion of total direct remuneration provided by way of variable performance related components will differ from these percentages depending on measured Company, Rio Tinto and individual performance and the current blend of share plans.

Base salary

Base salary is set at a level consistent with market expectations within the wider Rio Tinto remuneration framework and may be delivered as a mix of cash and prescribed non-financial benefits. It is targeted broadly at the median of companies of similar size, global reach and complexity, including other large natural resource companies. Base salary is reviewed annually and adjusted taking into account the individual and Company performance, global economic conditions, role responsibilities, an assessment against comparator groups, internal relativities and base salary budgets applying to the broader employee population. In 2022 due to higher than expected inflation a one-off salary increase was provided to Chief Executive, senior executives and ERA staff of 2.7 per cent.

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 (excluding the Project Director) of the Company have 40 per cent of their performance-based bonus based on business measures, with the remainder based on individual measures.

The bonus payments shown as remuneration relate to performance in 2022.

The Company's business performance measures for 2022 used in the determination of short term incentive plan payments were:

- Safety - All Injury Frequency Rate, and measures relating to the Safety Maturity Model;
- Business – completion of wicking installation, completion of mechanical and electrical certificates of completion for Brine Squeezer upgrade, Pit 3 capping approval, Brine injection wells commission, Brine Concentrator performance and Brine Concentrator Improvement Plan.

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 2022, 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;
- Other forms of awards are permitted under the EIP and may be used in the event the Rio Tinto Groups renumeration approach changes.

DIRECTORS' REPORT

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 on vesting. Vesting may be delayed where a participant is subject to any external investigation or similar circumstances.

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, no pro rating will apply to deferred bonus awards or on performance share awards where the participant leaves more than three years after the grant.

Awards

The current intention remains that awards will be made under the EIP in the form of Conditional Awards 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 Deloitte.

Subject to Rio Tinto Remuneration Committee approval, awards vest based on the Rio Tinto Group's TSR performance against the MSCI 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.

IHS Markit, the provider of the EMIX Global Mining Index, is conducting a consultation on the cessation of the EMIX indices, including the EMIX Global Mining Index. If the EMIX Global Mining Index is discontinued, the Rio Tinto Remuneration Committee will review and determine an appropriate approach to measuring TSR performance relative to sector peers for the 2023 PSAs as well as other in-flight awards.

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. Award levels under the EIP are at the discretion of Rio Tinto.

Other Share Plans

All employees of the company may participate in Rio Tinto share purchase plans applicable at particular locations. Under the plan (known as and referred to later in this report as myShare), employees may acquire shares up to the value of US$5,250 (or local currency equivalent) per year, capped at 15 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 32 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 'Rio Tinto Securities Dealing Policy' (**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 section.

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)
R Dennis[1]	2022	11	-	-	1	12
K Wyatt[2]	2022	5	-	-	-	5
J Carey	2022	107	-	-	-	107
	2021	103	-	-	-	103
R Fagen[3]	2022	98	-	-	-	98
J van Tonder	2022	118	-	-	-	118
	2021	117	-	-	-	117
P Mansell[4]	2022	185	-	-	19	204
	2021	221	-	-	22	243
S Charles[4]	2022	123	-	-	13	136
	2021	142	-	-	14	156
P Dowd[4]	2022	120	-	-	12	132
	2021	138	-	-	13	151
M Hanrahan[5]	2021	33	-	-	-	33
Total 2022		767	-	-	45	812
Total 2021		754	-	-	49	803

Note 1 Appointed as a Director 23 November 2022. Appointed as Chair effective 31 January 2023.
Note 2 Appointed as a Director 19 December 2022.
Note 3 Appointed as a Director 1 February 2022.
Note 4 Resigned as a Director 6 October 2022.
Note 5 Resigned as a Director 28 April 2021.

Executive Director and senior executives

Set out below is an overview of the remuneration paid to the Executive Director and senior executives in 2022. This includes details of the key elements of remuneration and a summary of total remuneration for 2022.

Brad Welsh

(Acting Chief Executive from 4 October 2021, Chief Executive and Managing Director from 18 February 2022)

Base salary

Mr Welsh was appointed as Acting Chief Executive on 4 October 2021 and appointed Chief Executive and Managing Director on 18 February 2022. Mr Welsh'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 31 December 2022, Mr Welsh's base salary was $400,530 (31 December 2021 $324,800, in addition a higher duties allowance of $64,960 per year was payable).

STIP objectives

The following individual objectives were set for Mr Welsh for 2022:

- Prevention of high consequence safety and environmental events. Demonstrate Health, Safety and Environment leadership and lead sustained improvement in health and safety performance;
- Establishing an enhanced project execution capability model to effectively deliver Ranger Rehabilitation. Effective implementation of Ranger Rehabilitation Project, including strategies for water management, completion of wicking installation, and progress on the 2022 Feasibility Study;
- Provision of high quality support to the Independent Board committee in respect of potential funding solutions to meet future rehabilitation obligations; and
- Effective leadership behaviours in interaction with employees, the Board and stakeholders including Traditional Owners, regulators, investors and the community.

STIP outcomes

Mr Welsh's achievement against his 2022 individual objectives was assessed as 'good'.

Mr Welsh's 2022 STIP appraisal relates to his performance in the role of ERA Chief Executive and was assessed at 98.2% out of 200%. The individual performance component representing 60% and business performance representing 40%, with an appraised score of 100.0% and 95.5% respectively.

Detailed outcomes are below:

- All Injury Frequency Rate to 0.00 (2021; 0.00);
- Design and implementation progressed of an Integrated Project Management Team, with Bechtel BAPL's support;
- 2022 Feasibility Study progressing, with completion expected in September 2023;
- Pit 3 wicking behind schedule with completion now expected March 2023;
- Brine concentrator distillate production below target;
- Interim funding solution progressed and subsequently put on hold pending Board Renewal and re-establishment of the IBC; and
- Continued building strong and effective relationships with key stakeholders.

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 granted to Mr Welsh in 2022, based on the expected value calculations performed by independent advisors, was 30 per cent of base salary. The award is not subject to any performance conditions.

Total remuneration

The table below provides a summary of Mr Welsh's total remuneration disclosed for ERA for 2022. 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.

(STATED IN $'000)	2022	2021[3]
Base salary paid[1]	379	81
STIP cash bonus	118	25
LTIP share based payments	92	32
Superannuation	92	9
Other benefits[2]	226	23
Total remuneration	907	170
% change from previous year	-	-
% of maximum STIP cash bonus awarded	49%	61%
% of maximum STIP cash bonus forfeited	51%	39%

Note 1 Salaries are reviewed with effect from 1 March, with the next review due March 2023.
Note 2 Other benefits include accommodation, relocation, vehicle and other allowances and Company paid superannuation above statutory requirements that is taken as cash.
Note 3 Remuneration disclosed from date appointed as Acting Chief Executive on 4 October 2021.

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 2021 and 2022, the base salaries of the Company's senior executives were:

BASE SALARY $000	2022	2021	CHANGE
Richard Prest[1]	372	355	5%
Bernard Toakley[2]	560	-	-
Forrest Egerton[3]	308	294	5%
Alan Tietzel[4]	401	383	5%
Lesley Bryce[5]	-	336	-
David Blanch[6]	-	264	-

Note 1 Appointed as Chief Financial Officer in March 2021.
Note 2 Appointed as Project Director in October 2022 on a services contract with a daily rate of $2,800. In addition, a bonus of 15% of consultancy services paid is payable upon successful completion of the project. Annualised salary equivalent reported above excluding bonus payment.
Note 3 Appointed as General Manager Closure in January 2021. Retrenched as General Manager Closure in November 2022.
Note 4 Retrenched as General Manager External Relations in July 2022.
Note 5 Resigned as General Manager Operations in January 2021.
Note 6 Resigned as Chief Financial Officer in March 2021.

STIP objectives and outcomes

The individual objectives set out below relate to the 2022 financial year (with the corresponding STIP Award paid in 2023).

SUMMARY OF INDIVIDUAL OBJECTIVES

Richard Prest

- Prevention of high consequence safety and environmental events;
- Demonstrate Health, Safety and Environment leadership and contribute to sustained improvement in health and safety performance;
- Provide leadership in establishing an enhanced project execution capability model;
- Provision of high quality support to the Independent Board committee in respect of potential funding solutions to meet future rehabilitation obligations;
- Deliver efficient and effective commercial support services to ERA, including IT, procurement and site services;
- Effective leadership and stakeholder engagement around key activities to support a successful Jabiru town transition;
- Deliver excellence in accounting, performance reporting and financial forecasting; and
- Demonstrate behaviours that align with the values of accountability, teamwork, integrity and respect.

A summary of the individual targets and performance for each of the Company's senior executives (other than the Chief Executive) for the 2022 financial year (with the corresponding STIP Award paid in 2023) is set out in the table below.

MEASURES	WEIGHT (%)	RESULT (OUT OF 200%)	WEIGHTED RESULT (%)
Richard Prest			
Business and financial performance	25.0	44.8	11.2
Health and Safety	15.0	180.0	27.0
Individual	60.0	120.0	72.0
Total	**100.0**	**-**	**110.2**
Forrest Egerton[2]			
Business and financial performance	25.0	-	-
Health and Safety	15.0	-	-
Individual	60.0	-	-
Total	100.0	-	-
Alan Tietzel[3]			
Business and financial performance	25.0	-	-
Health and Safety	15.0	-	-
Individual	60.0	-	-
Total	**100.0**	**-**	**-**

Note 1 B Toakley appointed as Project Director in October 2022 as a contractor. No STIP to be paid under the consulting services contract.
Note 2 Retrenched as General Manager Closure in November 2022.
Note 3 Retrenched as General Manager External Relations in July 2022.

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 2021 financial year (with corresponding STIP Award paid in 2022) is set out in the table below.

MEASURES	WEIGHT (%)	RESULT (OUT OF 200%)	WEIGHTED RESULT (%)
Richard Prest			
Business and financial performance	25.0	50.4	12.6
Health and Safety	15.0	133.0	20.0
Individual	60.0	100.0	60.0
Total	**100.0**	**-**	**92.6**
Forrest Egerton			
Business and financial performance	25.0	50.4	12.6
Health and Safety	15.0	133.0	20.0
Individual	60.0	80.0	48.0
Total	**100.0**	**-**	**80.6**
Alan Tietzel			
Business and financial performance	25.0	50.4	12.6
Health and Safety	15.0	133.0	20.0
Individual	60.0	60.0	36.0
Total	**100.0**	**-**	**68.6**
Lesley Bryce[1]			
Business and financial performance	25.0	-	-
Health and Safety	15.0	-	-
Individual	60.0	-	-
Total	**100.0**	**-**	**-**
David Blanch[2]			
Business and financial performance	25.0	-	-
Health and Safety	15.0	-	-
Individual	60.0	-	-
Total	**100.0**	**-**	**-**

Note 1 Resigned as General Manager Operations in January 2021
Note 2 Resigned as Chief Financial Officer in March 2021.

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 2022, based on the fair value calculations performed by independent advisors, was between 22.5 per cent and 30.0 per cent of base salary.

Bernard Toakley, Project Director is on a services contract and not eligible to participate in the STIP or LTIP but is eligible for a project completion bonus equivalent to 15% of his consultancy fees.

DIRECTORS' REPORT

Executive Director and senior executives total remuneration

		SHORT TERM BENEFITS			POST EMPLOYMENT BENEFITS				
		CASH SALARY ($000)	CASH BONUS[9] ($000)	OTHER[10] ($000)	RETENTION PAYMENTS[11] ($000)	TERMINATION PAYMENTS[5,6] ($000)	SUPER-ANNUATION PENSION ($000)	LONG TERM INCENTIVES ($000)	TOTAL ($000)
Executive Director									
B Welsh[1]	2022	379	118	226	-	-	92	92	907
	2021	81	25	23	-	-	9	32	170
P Arnold[2]	**2021**	316	-	98	-	-	25	170	609
Senior executives									
R Prest[3]	2022	366	122	59	-	-	79	112	738
	2021	266	99	55	-	-	23	96	539
B Toakley[4]	2022	148	-	-	-	-	-	22	170
F Egerton[5]	2022	262	-	160	242	946	56	71	1,737
	2021	294	59	137	76	-	53	49	668
A Tietzel[6]	2022	228	-	54	-	963	50	85	1,380
	2021	382	79	120	-	-	30	125	736
L Bryce[7]	**2021**	28	-	6	-	-	5	7	46
D Blanch[8]	**2021**	67	-	23	-	-	7	12	109
Total 2022		**1,383**	**240**	**499**	**242**	**1,909**	**277**	**382**	**4,932**
Total 2021		**1,434**	**262**	**462**	**76**	**-**	**152**	**491**	**2,877**

Note 1 Performance related cash bonus: 49 per cent awarded in 2022, 51 per cent forfeited. 61 per cent awarded in 2021, 39 per cent forfeited. 2021 cash bonus apportioned for time employed by ERA.
Note 2 No performance related cash bonus was granted for services to ERA in 2022 and 2021.
Note 3 Performance related cash bonus: 55 per cent awarded in 2022, 45 per cent forfeited. 46 per cent awarded in 2021, 54 per cent forfeited.
Note 4 Mr Toakley' cash salary amount is representative of consultancy fees paid on his services contract commencing 24 October 2022. Completion bonus (long term incentives) is accrued but not payable until successful completion of the project, it represents 15% of his consultancy services paid.
Note 5 As a result of a restructure of the company's executive committee, Mr Egerton' role with the company was made redundant in November 2022. The termination payment described above comprised unused leave, a payment of six months salary in lieu of notice pursuant to the terms of his employment contract, and payments made in accordance with the company's redundancy policy which included a service payment, an ex gratia payment, pro rata payment for short term incentive plan bonus and pro rata vesting of long term incentive plan. No performance related cash bonus was granted for services to ERA in 2022. 40 per cent awarded in 2021, 60 per cent forfeited.
Note 6 As a result of a restructure of the company's executive committee, Mr Tietzel' role with the company was made redundant in July 2022. The termination payment described above comprised unused leave, a payment of six months salary in lieu of notice pursuant to the terms of his employment contract, and payments made in accordance with the company's redundancy policy which included a service payment, an ex gratia payment, pro rata payment for short term incentive plan bonus and pro rata vesting of long term incentive plan. No performance related cash bonus was granted for services to ERA in 2022. 34 per cent awarded in 2021, 66 per cent forfeited.
Note 7 No performance related cash bonus was granted for services to ERA in 2022 and 2021. Resigned January 2021.
Note 8 No performance related cash bonus was granted for services to ERA in 2022 and 2021. Resigned March 2021.
Note 9 Performance and related bonuses disclosed in 2022 relate to services in 2022 (equally bonuses disclosed in 2021 relate to services in 2021).
Note 10 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 11 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.

The value of share based awards has been determined in accordance with the recognition and measurement requirements of AASB 2 '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.

DIRECTORS' REPORT

E Executive service agreements

For reasons explained on page 46, 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.

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 Chair regarding any material changes to remuneration and benefits. Changes to the terms of an employment agreement must be consistent with those made generally for all employees of the Rio Tinto employer, and ERA's Chair 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.

B Welsh – Chief Executive and Managing Director

Term of agreement – Open, commenced as Acting Chief Executive, 4 October 2021
Commenced as Chief Executive and Managing Director, 18 February 2022

Base salary (excluding superannuation, allowances and other benefits) as at 31 December 2022 of $400,530 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 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.

R Prest – Chief Financial Officer

Term of agreement – Open, commenced 8 March 2021

Base salary (excluding superannuation, allowances and other benefits) as at 31 December 2022 of $371,927 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.

B Toakley – Project Director

Term of agreement – 3 years with options of a further 1 year + 1 year extension at the discretion of the Company, commenced 24 October 2022

Base salary equivalent of $560,000 (excluding superannuation, allowances and other benefits), representing consultancy fees paid on an agreed services contract commencing 24 October 2022. Annualised salary represents the contracted daily rate of $2,800 less 10.5% superannuation and adjusted for, annual leave, personal leave and public holidays. A completion bonus of $420 per day (excluding GST) is payable where the Company determines in its sole and absolute discretion that the Consultant has satisfactorily completed all Services in accordance with the Contract. Termination of the contract by the Company giving the Consultant not less than 30 days' notice of its intention to do so.

F Egerton – General Manager Closure

Term of agreement – Commenced 15 January 2021 and ceased 11 November 2022

Base salary (excluding superannuation, allowances and other benefits) as at 11 November 2022 of $308,343 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 – Commenced 1 October 2010 and ceased 31 July 2022

Base salary (excluding superannuation, allowances and other benefits) as at 31 July 2022 of $401,241 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 who are permanent employees 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.

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 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 2022
Rio Tinto Limited			
18 March 2019	$93.17	31 December 2023	$116.41
16 March 2020	$77.65	31 December 2024	$116.41
18 March 2021	$110.80	31 December 2025	$116.41

Note 1 Vesting dependent upon continued employment with a Rio Tinto Group company and achievement of relevant performance conditions as detailed in the Remuneration Report on page 48.

No PSA was awarded during 2022.

DIRECTORS' REPORT

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 2022
Rio Tinto Limited			
16 March 2020	$77.65	20 February 2023	$116.41
18 March 2021	$110.80	19 February 2024	$116.41
23 March 2022	$113.68	17 February 2025	$116.41

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

Rio Tinto employee myShare

Under Rio Tinto myShare, employees may acquire shares up to the value of US$5,250 (or local currency equivalent) per year, capped at 15 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.

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 2022 are set out below:

B Welsh	Rio Tinto myShare
J Carey	Rio Tinto myShare
R Fagen	Rio Tinto myShare
R Prest	Rio Tinto myShare

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. On vesting, 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 REMUNERATION	VESTED	LAPSED	AWARDS CANCELLED	OTHER CHANGES[2]	BALANCE AT END OF YEAR[3]
Rio Tinto Limited								
Executive Director								
B Welsh	**2022**	2,414	1,236	(1,177)	-	-	-	2,473
	2021	2,414	-	-	-	-	-	2,414
P Arnold	**2021**	11,348	3,762	(1,543)	-	-	-	13,567
Senior executives								
R Prest	**2022**	3,528	1,196	(1,555)	-	-	-	3,169
	2021	2,431	1,097	-	-	-	-	3,528
F Egerton	**2022**	1,691	809	(1,489)	-	(798)	-	213
	2021	1,509	749	(567)			-	1,691
A Tietzel	**2022**	3,805	1,336	(3,603)	-	(1,538)	-	-
	2021	4,305	1,409	(1,909)	-	-	-	3,805
L Bryce	**2021**	3,481	-	-	-	-	-	3,481
D Blanch	**2021**	1,996	-	-	-	-	-	1,996
Non-executive Directors[4]								
J Carey	**2022**	3,352	-	(1,230)	-	-	918	3,040
	2021	3,642	-	(1,604)	-	-	1,314	3,352
R Fagen	**2022**	28,194	-	(7,405)	-	(2,070)	5,345	24,064
J van Tonder	**2022**	3,638	-	(1,211)	-	-	4,193	6,620
	2021	3,909	-	(1,417)	-	-	1,146	3,638
M Hanrahan	**2021**	11,829	-	(2,372)	-	-	3,508	12,965

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

No Directors hold shares in ERA. The number of shares held in 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 YEAR	BALANCE AT END OF THE YEAR[2]
Rio Tinto Limited					
B Welsh	2022	3,151	1,640	-	4,791
J Carey	2022	4,151	4,759	(2,926)	5,984
	2021	6,502	2,153	(4,504)	4,151
R Fagen	2022	19,340	9,413	(4,189)	24,564
J van Tonder	2022	-	1,428	(1,428)	-
	2021	-	1,735	(1,735)	-
P Mansell	2022	-	-	-	-
	2021	2,000	-	(2,000)	-
P Dowd	2022	750	-	(375)	375
	2021	750	-	-	750
P Arnold	2021	2,241	1,811	(2,280)	1,772
M Hanrahan	2021	-	2,417	(1,335)	1,082

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.
Note 3 Mr R Dennis and Mr K Wyatt do not hold shares in Rio Tinto Limited.

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 26 – Related parties.

DIRECTORS' REPORT

Principal activities

The principal activities of the Company during the course of the year consisted of the sale of uranium oxide and site rehabilitation.

Dividends

No dividends have been paid by ERA to members in respect of the 2022 financial year (2021: nil).

Operating and financial review

Details of ERA's review and results of operations are included in the Chair's Report on page 6, the Chief Executive's Report on page 8 and the Financial Performance section on page 24.

Significant changes to the state of affairs

In the opinion of the Directors, other than matters reported in the Directors' Report, the Chair'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 2022.

Matters subsequent to the end of the financial year

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, other than matters reported in the Chair's Report and the Chief Executive's Report on pages 6 and 8 respectively, 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 2022.

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 section on page 24.

Annual General Meeting

The 2023 Annual General Meeting will be held in Darwin, in the Northern Territory of Australia. Notice of the 2023 Annual General Meeting will be given to the shareholders of the Company in accordance with the Corporations Act. 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 becomes 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 Secretaries 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

DIRECTORS' REPORT

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 2022 was overseen by the Supervising Scientist Branch, which conducts extensive monitoring and research programs on the Ranger Project Area and Jabiluka Mineral Lease.

There were no prosecutions commenced or fines incurred in respect of ERA's environmental performance during 2022. 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 63 to 70.

Company secretaries

Richard Prest and Shannon Coates are company secretaries of ERA, each having been appointed to the role on 10 December 2021. Their qualifications and experience are set out on page 42.

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 (i.e. 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.

No non audit services were performed by KPMG during the year.

When performed 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.

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.

	2022 $000	2021 $000
KPMG Australia		
Audit and review of financial reports	295	291
Audit and review of financial reports (additional prior year fees)	24	37
Total remuneration for audit services	319	328
Other non-audit related services	-	-
Total remuneration	319	328

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 62.

Signed at Brisbane this 10 March 2023 in accordance with a resolution of the Directors.

R Dennis
Director
Brisbane
10 March 2023

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 Limited for the financial year ended 31 December 2022 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

Derek Meates
Partner
Perth
10 March 2023

CORPORATE GOVERNANCE STATEMENT

The Board of ERA considers the highest standards of corporate governance to be critical to business integrity and performance and the ability to maximise the overall long term return to shareholders. The Board seeks to ensure that ERA meets the objectives of its shareholders, whilst 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), with the exception of any departures articulated in this Corporate Governance Statement.

This Corporate Governance Statement is current as at 10 March 2023 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 ERA's shareholders, 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 reserved 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 controls 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 and the terms and conditions of the Chief Executive's employment;
- Appointment and removal of a Company Secretary;
- Appointment of the Chair 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;
  - (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 receives 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 currently consists of seven Directors, six of whom are non-executive and three of whom are independent:

- Richard (Rick) Dennis, Independent Non-Executive Chair;
- Brad Welsh, Chief Executive and Managing Director;
- Hon. Ken Wyatt, Independent Non-Executive Director
- Stuart Glenn, Independent Non-Executive Director;
- Justin Carey, Non-Executive Director;
- Rosemary Fagen, Non-Executive Director;
- Jacques van Tonder, Non-Executive Director.

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 38 to 41. 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. While 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

CORPORATE GOVERNANCE STATEMENT

satisfactory and appropriate given the size of the Board and ERA's current ownership structure. The process to identify and nominate new independent Directors from time to time is led by the incumbent independent Directors. Decisions relating to the appointment of Directors are made by the full Board. Directors appointed by the Board (with the exception of the Managing Director) 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 applicable 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 currently 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 55 to 56).

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 the Ranger Project Area, 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

CORPORATE GOVERNANCE STATEMENT

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

Mr Dennis, the Hon. Mr Wyatt and Mr Glenn are each considered by the Board to be independent Directors.

For the whole reporting period, the Board of Directors did not consist of a majority of independent Directors, with four of the seven Directors nominees of the Company's largest shareholder, Rio Tinto. This does not follow Recommendation 2.4 of the Council's Principles. However, the Board considered this was appropriate given the ownership structure of the Company, notably Rio Tinto's 86.3 per cent shareholding.

The Board has policies and protocols in place to safeguard the integrity of the Board's decision making process and 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.

Chair and Chief Executive

Following the resignation of Independent Non-Executive Chair Mr Peter Mansell in October 2022, Mr Justin Carey was appointed as Interim Chair. Mr Carey is a Rio Tinto nominee Director. Mr Carey's other appointments are set out on page 40. The Board considers that none of his other commitments or employment by Rio Tinto interfered with the discharge of his duties to ERA during his tenure as Interim Chair. On 31 January 2023, Mr Carey stepped down as Interim Chair and Mr Dennis was appointed as Independent Non-Executive Chair.

Mr Brad Welsh was appointed as Acting Chief Executive on 4 October 2021 and Managing Director and Chief Executive on 18 February 2022.

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 Chair, 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 42.

Board meetings

The number of Directors and Committee meetings held and the number of meetings attended by each of the Directors of the Company or members of the Committees respectively during the financial year are set out on page 43.

Board Performance

The Board has a process for periodically evaluating its performance, as well as the performance of its Committees and individual Directors. The evaluation generally takes the form of an internal self-assessment process facilitated by the Chair. After consulting each Director and the Company Secretary, the Chair 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 Board's composition changed significantly in 2022, with the resignation of Independent Non-Executive Directors Mr Mansell (Chair), Mr Charles and Mr Dowd. Consequently, an evaluation of the Board's performance was not undertaken in 2022. The current Board will consider and undertake an evaluation of Board performance at an appropriate time.

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.

CORPORATE GOVERNANCE STATEMENT

Remuneration Committee

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 2022 Annual General Meeting, the 2021 Remuneration Report was approved with 99.92 per cent of shares voted in favour (voting comprised 3,187,997,362 votes 'for' the resolution and 2,404,578 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. At the beginning of 2022, the Remuneration Committee comprised three Non-executive Directors, being Mr Mansell (Committee Chair), Mr Dowd and Mr Charles, all of whom were independent. Following the resignation of the independent Non-executive Directors on 6 October 2022, the Board resolved to suspend all Committees due to the reduced size of the Board, with the full Board assuming Committee functions pursuant to the Remuneration Committee Charter. Following the appointment of independent Non-executive Directors Mr Dennis (Chair), the Hon. Mr Wyatt and Mr Glenn, on 16 February 2023 the Board resolved to re-establish the Remuneration Committee, with membership comprising the Hon. Mr Wyatt (Committee Chair), Ms Fagen and Mr Dennis.

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 one meeting during 2022. Attendance details of the 2022 meetings of the Remuneration Committee are set out in the Directors' Report on page 43.

The Remuneration Committee Charter sets out the role and objectives of the Remuneration Committee. A summary of the objectives of the Remuneration Committee and the policies and practices of the Company regarding the remuneration of non-executive Directors, the Chief Executive and senior executives is set out on pages 45 to 48 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 2022. Details of how the performance evaluation process is undertaken by the Board in respect of the Chief Executive and senior executives are set out on pages 49 to 53 of the Remuneration Report.

Audit and Risk Committee

The Audit and Risk Committee is appointed by the Board and at the beginning of 2022 comprised three Non-executive Directors, being Mr Charles (Committee Chair), Mr Mansell and Mr Dowd, all of whom were independent. Following the resignation of the independent Non-executive Directors on 6 October 2022, the Board resolved to suspend all Committees due to the reduced size of the Board, with the full Board assuming Committee functions pursuant to the Audit and Risk Committee Charter. Following the appointment of independent Non-executive Directors Mr Dennis (Chair), the Hon. Mr Wyatt and Mr Glenn, on 16 February 2023 the Board resolved to re-establish the Audit and Risk Committee, with membership comprising Mr Dennis (Committee Chair), Mr Carey and Mr Glenn.

The Company's Chief Financial Officer, Chief Executive, General Counsel and 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 three meetings during 2022. Attendance details of the 2022 meetings of the Audit and Risk Committee, and the qualifications and experience of the members, are set out in the Directors' Report on pages 43 and 38 to 40 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 2022. Each year, the Audit and Risk Committee reviews the effectiveness of the external audit process and the independence of the auditor. Based on its 2022 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.

CORPORATE GOVERNANCE STATEMENT

Details of the fees paid to KPMG during 2022 are outlined on page 61.

Sustainability Committee

In 2016 the Board established a Sustainability Committee. At the beginning of 2022, the Sustainability Committee comprised three Non-executive Directors, being Mr Dowd (Committee Chair), Mr Charles and Mr van Tonder, two of whom were independent. Following the resignation of the independent Non-executive Directors on 6 October 2022, the Board resolved to suspend all Committees due to the reduced size of the Board, with the full Board assuming Committee functions pursuant to the Sustainability Committee Charter. Following the appointment of independent Non-executive Directors Mr Dennis (Chair), the Hon. Mr Wyatt and Mr Glenn, on 16 February 2023 the Board resolved to re-establish the Sustainability Committee, with membership comprising Ms Fagen (Committee Chair) and the Hon. Mr Wyatt.

The Sustainability Committee Charter sets out the role and objectives of the Sustainability 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 the sustainability of ERA operations, including health, safety and environmental management.

The Sustainability Committee held two scheduled meetings during 2022. Attendance details of the 2022 meetings of the Sustainability Committee, and the qualifications and experience of the members, are set out in the Directors' Report on pages 43 and 39 to 40 respectively.

Rehabilitation Committee

In October 2021, the Board established a Rehabilitation Committee. At the beginning of 2022, the Rehabilitation Committee comprised three Non-executive Directors, being Mr Dowd (Committee Chair), Mr Charles and Mr van Tonder, two of whom were independent. Following the resignation of the independent Non-executive Directors on 6 October 2022, the Board resolved to suspend all Committees due to reduced size of the Board, with the full Board assuming Committee functions pursuant to the Rehabilitation Committee Charter. Due to the significant focus on rehabilitation of the Ranger Project Area, on 16 December 2022, the Board resolved to re-establish the Rehabilitation Committee, with membership comprising Mr van Tonder (Committee Chair) and Mr Welsh. Following the appointment of independent Non-executive Directors Mr Dennis (Chair), the Hon. Mr Wyatt and Mr Glenn, on 16 February 2023, the Board resolved to vary the membership of the Rehabilitation Committee to comprise Mr Glenn (Committee Chair) and Mr van Tonder.

The Committee is mandated to receive and share information on, and review and evaluate, key aspects of risk, performance and activities of the Ranger Rehabilitation Project and to provide feedback and recommendations to the Board.

The Rehabilitation Committee held 12 scheduled meetings during 2022. Attendance details of the 2022 meetings of the Rehabilitation Committee, and the qualifications and experience of the members, are set out in the Directors' Report on pages 43 and 39 to 41 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 were considered to be independent of Rio Tinto, being Mr Mansell (Chair), Mr Dowd and Mr Charles. Following the resignation of the independent Non-executive Directors on 6 October 2022, the Board resolved to suspend the IBC. Following the appointment of independent Non-executive Directors Mr Dennis (Chair), the Hon. Mr Wyatt and Mr Glenn, on 31 January 2023, the Board resolved to re-establish the IBC, with membership comprising Mr Dennis (Chair), the Hon. Mr Wyatt and Mr Glenn.

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 Chair 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 Chair 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/Policies/INF157_Conflicts_of_Interest_and_Related_party_Transactions_Policy.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 2022	As at 31 December 2022 female participation at manager, Executive Committee and Board level is 27 per cent. Women comprise 17 per cent of Directors. Total female participation is 20 per cent.
Target Indigenous employment of 15 per cent by the end of 2022.	ERA ended 2022 with an Indigenous employment rate of nine per cent. Eight per cent of Indigenous employees were female and three employees held supervisor leadership roles. Indigenous employment at Executive Committee and manager level is 20 per cent.

As at 31 December 2022, the proportion of women employed by ERA was as follows:

Board of Directors	17%
Executive Committee and managers	30%
Company	20%

Code of business conduct

ERA has 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 regularly 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 uses Rio Tinto's confidential whistleblower program known as 'myVoice'. It offers an avenue through which our employees, contractors, suppliers and customers can report concerns anonymously, subject to local law. Employees are encouraged to report any suspicion of unethical or illegal practices. Further details regarding the program are available in the Corporate Governance section 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 Chair in writing and receive approval in writing from the Chair, if they intend to purchase or sell ERA securities.
- In regard to his own dealings, the Chair 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 44 of the Director's Report.

CORPORATE GOVERNANCE STATEMENT

Risk identification and management

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

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

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

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

- The identification and review of all of the business risks known to be facing the Company;
- 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 2022, 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 26 to 29 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.

CORPORATE GOVERNANCE STATEMENT

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 2022 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 conduct of the audit and the statutory audit report to the auditor via the Company. Any questions received and answers provided will be made available to members at the Annual General Meeting. Shareholders who are unable to attend meetings are encouraged to appoint a proxy to vote either as they direct or at their discretion.

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

When conducted, 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 2022

	NOTES	2022 $'000	2021 $'000
Revenue from continuing operations	3	55,309	201,007
Changes in inventories	4	(22,524)	(119,673)
Materials and consumables used		(235)	(1,618)
Employee benefits and contractor expenses		(15,918)	(21,821)
Government and other royalties	4	(1,936)	(9,891)
Commission and shipping expenses		(56)	(2,585)
Depreciation and amortisation expenses		(312)	(354)
Changes in estimate of rehabilitation provision	19	(62,157)	(668,149)
Financing costs	4	(106,467)	(19,529)
Statutory and corporate expenses		(6,009)	(4,158)
Other expenses	4	(248)	(624)
Loss before income tax		(160,553)	(647,395)
Income tax (expense)/benefit	5	-	(2,817)
Loss for the year		(160,553)	(650,212)
Other comprehensive loss			
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 loss		-	2,817
Other comprehensive loss for the year, net of tax		-	(6,574)
Total comprehensive loss for the year		(160,553)	(656,786)
Loss is attributable to:			
Owners of Energy Resources of Australia Ltd		(160,553)	(650,212)
Total comprehensive loss for the year is attributable to:			
Owners of Energy Resources of Australia Ltd		(160,553)	(656,786)
Earnings per share for loss attributable to the ordinary equity holders of the Company:			
Basic earnings/(loss) per share (cents)	29	(4.3)	(17.6)
Diluted earnings/(loss) per share (cents)	29	(4.3)	(17.6)

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

BALANCE SHEET

AS AT 31 DECEMBER 2022

	NOTES	2022 $'000	2021 $'000
ASSETS			
Current assets			
Cash and cash equivalents	7	87,116	163,872
Trade and other receivables	8	4,678	33,375
Inventories	9	8,059	29,613
Government security receivable	10	-	65,400
Derivative financial instruments	11	-	3,451
Other	12	2,924	829
Total current assets		102,777	296,540
Non-current assets			
Undeveloped properties	13	89,856	89,856
Property, plant and equipment	14	951	92
Government security receivable	15	486,187	469,442
Total non-current assets		576,994	559,390
Total assets		679,771	855,930
LIABILITIES			
Current Liabilities			
Temporary bank overdraft	16	12,253	-
Trade and other payables	17	33,699	36,803
Lease liabilities		284	93
Provisions	18	279,783	232,732
Total current liabilities		326,019	269,628
Non-current liabilities			
Lease liabilities		681	-
Provisions	19	956,728	1,028,724
Total non-current liabilities		957,409	1,028,724
Total liabilities		1,283,428	1,298,352
Net deficit		(603,657)	(442,422)
EQUITY			
Contributed equity	21	1,177,656	1,177,656
Reserves	22	387,912	388,594
Accumulated losses	22	(2,169,225)	(2,008,672)
Total deficit		**(603,657)**	**(442,422)**

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	CONTRIBUTED EQUITY $'000	RESERVES $'000	ACCUMULATED LOSSES $'000	TOTAL $'000
Balance at 1 January 2021		1,177,656	395,383	(1,358,460)	214,579
Loss for the year		-	-	(650,212)	(650,212)
Other comprehensive loss		-	(6,574)	-	(6,574)
Total comprehensive loss for the year	22	-	(6,574)	(650,212)	(656,786)
Transactions with owners in their capacity as owners:					
Contributions of equity – net of transaction cost		-	-	-	-
Employee share options – value of employee services	22	-	(215)	-	(215)
		-	(215)	-	(215)
Balance at 31 December 2021		1,177,656	388,594	(2,008,672)	(442,422)
Loss for the year		-	-	(160,553)	(160,553)
Other comprehensive loss		-	-	-	-
Total comprehensive loss for the year	22	-	-	(160,553)	(160,553)
Transactions with owners in their capacity as owners:					
Contributions of equity – net of transaction cost		-	-	-	-
Employee share options – value of employee services	22	-	(682)	-	(682)
		-	(682)	-	(682)
Balance at 31 December 2022		1,177,656	387,912	(2,169,225)	(603,657)

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 2022

	NOTES	2022 $'000	2021 $'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		75,488	194,155
Payments to suppliers and employees		(28,750)	(78,552)
		46,738	115,603
Payments for rehabilitation	18	(194,190)	(153,149)
Interest received		1,133	343
Financing costs paid		(644)	(731)
Net cash (outflow)/inflow from operating activities	28	(146,963)	(37,934)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(227)	(43)
Proceeds from sale of property, plant and equipment		2,725	-
Proceeds from government security receivable	10	56,778	-
Net cash (outflow)/inflow from investing activities		59,276	(43)
CASH FLOW FROM FINANCING ACTIVITIES			
Temporary bank overdraft	16	12,253	-
Payment of lease liabilities		(300)	(1,677)
Employee share option payments		(1,009)	(835)
Net cash (outflow)/inflow from financing activities		10,944	(2,512)
Net increase/(decrease) in cash and cash equivalents		(76,743)	(40,489)
Cash and cash equivalents at the beginning of the financial year		163,872	204,350
Effects of exchange rate changes on cash and cash equivalents		(13)	11
Cash and cash equivalents at end of year	7	87,116	163,872

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) Going Concern

As at 31 December 2022, ERA has a deficiency of capital and reserves of $604 million and has also experienced operating losses and negative cash flows during the year ended on that date. As a result of the increase in the rehabilitation estimate in 2021 and 2022 and given ERA's available cash on hand, during 2022 ERA undertook preparations to launch an entitlement offer. Following engagement with ERA's three largest shareholders, no pre-commitments to subscribe for entitlements in the Interim Entitlement Offer were forthcoming based on the terms proposed by the then IBC.

In declining to support the Interim Entitlement Offer at the price proposed by the IBC, Rio Tinto noted the lack of pre-commitment from minority shareholders. Rio Tinto further advised the IBC that Rio Tinto does not expect its investment in rehabilitation to generate financial returns, and as such Rio Tinto considers the offer price should reflect fair value which has regard to that expectation, the material cost over runs and interim funding requirements and the Mirarr People's publicly stated position on the future development of Jabiluka. Rio Tinto advised the IBC that, in its view, the IBC's proposed offer price of a 10-15% discount to the prevailing share price of ERA did not have regard to these factors.

As a consequence, the IBC announced on 28 July 2022 that it did not have sufficient confidence that proceeding with the Interim Entitlement Offer on the terms it had proposed would raise the necessary funds. Given the above, the IBC delayed the launch of the Interim Entitlement Offer in order to engage an independent valuation expert to determine the fair value of ERA shares, on a basis consistent with an independent expert's valuation prepared under Part 6A.4 of the Corporations Act and in accordance with published ASIC guidance (including Regulatory Guide 111). This would then help determine the offer price of the Interim Entitlement Offer.

In August 2022 the IBC engaged Grant Thornton to determine the fair value of ERA and as subsequently announced on 26 September 2022 this resulted in a valuation range of between $0.159 and $0.243 per share. Rio Tinto continued to express a view that this did not reflect their view of fair value.

On 6 October 2022, ERA agreed to enter into an amended $100 million loan agreement with Rio Tinto (Revised Credit Facility), under which loans of a cumulative value of up to $100 million can be made available to provide ERA with additional liquidity for the purpose of rehabilitating the Ranger Project Area. The Revised Credit Facility has a maturity date of 31 March 2023 unless additional funds are raised before that, or unless extended by Rio Tinto. The maturity date is subject to deferral for approximately three months if ERA is unable to repay the loan at that time.

Following the agreement of the terms of the Revised Credit Facility, which provides a pathway to an interim funding solution, ERA's then Chairman, Peter Mansell, and the two independent non-executive directors at the time, Paul Dowd and Shane Charles (who comprise the IBC), resigned from the board of ERA on 6 October 2022.

In early 2023, as noted above, the IBC was re-established following the appointment of three independent non-executive directors.

Work has progressed on funding solutions, including work on a possible interim entitlement offer with a target launch in March 2023 to provide sufficient funding to enable rehabilitation to continue until Q1 2024. ERA has appointed Highbury Partnership as financial adviser, Herbert Smith Freehills as legal adviser to the Independent Board Committee and Ashurst as legal adviser to the Company.

The Board notes Rio Tinto's public statements to the effect that it is committed to working with ERA to ensure the rehabilitation of the Ranger Project Area is successfully achieved to a standard that will establish an environment similar to the adjacent Kakadu National Park. Given this, and ongoing engagement, the Board considers that Rio Tinto subscribing for its full pro rata share of its entitlements in an interim entitlement offer, would be more likely and consistent with Rio Tinto's stated commitment to the completion of the Ranger Project Area rehabilitation project. Rio Tinto's full participation in an interim entitlement offer (at an agreed price) would ensure that funding required for the rehabilitation of the Ranger Project Area until Q1 2024 is successfully raised.

Following the completion of the 2022 Feasibility Study during 2023, subject to successfully executing an interim funding solution to fund expenditure to Q1 2024, ERA will be in a position to determine a longer-term rehabilitation funding solution. At that stage, ERA will engage with Rio Tinto and other shareholders to potentially finalise a funding solution in early 2024. An inability to obtain sufficient funding would have a material impact on ERA's business, financial performance and assessment as a going concern. Rio Tinto has reiterated its commitment to ensuring the rehabilitation of the Ranger Project Area is successfully achieved to a standard that will establish an environment similar to the adjacent Kakadu National Park.

Each year, the Company is required to prepare and submit to the Commonwealth Government an Annual Plan of Rehabilitation (Annual Plan). Once accepted by the Commonwealth Government, the Annual Plan is then independently assessed and costed and the amount to be provided by the Company into the Ranger Rehabilitation Trust Fund (Trust Fund) is then determined. The Trust Fund includes both cash and financial guarantees. The 45th Annual Plan of Rehabilitation is currently being undertaken to align with the conclusion of processing which occurred on 8 January 2021 and consider impacts identified through the rehabilitation reforecast process. Further work on the reforecast (through the 2022 Feasibility Study) and alterations to the Pit 3 capping strategy are ongoing. This review may revise the determined security position which may require additional funding requirements.

At 31 December 2022, ERA has $125 million in bank guarantees to the Commonwealth Government over the 44th Annual Plan of Rehabilitation which was finalised in February 2020 (an additional $1 million is held as an allowance for Jabiluka rehabilitation). Issuers of the bank guarantees have certain pay and walk rights and the guarantees are subject to periodic reviews. Should the banks execute their pay and walk rights or should ERA be unable to access bank guarantees, substantial additional cash would be required to indemnify the banks or be deposited into the Trust Fund. ERA continues to maintain regular dialogue with its major relationship banks.

ERA has reviewed its forecast cash expenditure in light of these developments and is closely monitoring its rehabilitation commitments. ERA remains committed to maintaining the current Ranger Project Area rehabilitation schedule to the extent it possibly can. As at 31 December 2022, ERA had no debt and $561 million in total cash resources (comprising $75 million in cash at bank (net of overdrafts) and $486 million invested as part of the government security receivable).

The Company has announced plans for a possible interim entitlement offer with a target launch in March 2023. In line with the current rehabilitation plan and in the absence of the interim entitlement offer, ERA's cash at bank and undrawn loan facility is expected to be exhausted in Q2 2023.

As a result of these matters, there is a material uncertainty that may cast significant doubt on ERA's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Should additional funding support from its shareholders not occur ERA would likely have insufficient cash on hand to continue its current activities within the foreseeable future. However, the directors believe that ERA will be successful in obtaining additional funding support from its shareholders, and that the Annual Plan security requirements will continue to be covered by a mix of cash on deposit, bank guarantees and the funding from its shareholders. Accordingly, the financial report has been prepared on a going concern basis.

(ii) Compliance with IFRS

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

(iii) Historical cost convention

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

(iv) Critical accounting estimates

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

(b) Principles of consolidation

(i) Subsidiaries

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

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

(c) Revenue recognition

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

The Company recognises revenue when the amount of revenue can be reliably measured. It is probable that future economic benefits will flow to the entity and 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).

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.

NOTES TO THE FINANCIAL STATEMENTS

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;
- 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.

(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 of 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 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 has historically entered 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 has historically designated 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 it is a deferred tax liability, ERA considers whether 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 statement of comprehensive income.

(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.

NOTES TO THE FINANCIAL STATEMENTS

(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 management's 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.

Stores are valued at the lower of cost or net realisable value and are impaired accordingly to take into account obsolescence. The Company discloses obsolescence changes in Note 9.

Uranium inventories are split between a current and non-current assets classification, based on management's 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 over their useful life. 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

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;
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option; and
- The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the incremental borrowing rate is used.

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

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

Payments associated with short-term leases and leases of low-value assets are recognised as an expense in the statement of comprehensive income. 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 projects 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 at each reporting date 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.

(o) Trade and other payables

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

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(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 financing costs.

(i) Rehabilitation

The Company is required to rehabilitate the Ranger Project Area upon cessation of mining operations, which occurred on 8 January 2021. The costs are estimated on the basis of a closure plan, 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 allocated directly to the statement of comprehensive income.

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 was occurring were allocated to operating costs. The operation of the Brine Concentrator, pond water management and power station are costs that were allocated to operating costs up until production of uranium oxide ceased (8 January 2021). Following cessation of uranium oxide production these costs are allocated to the closure provision. Costs associated with non-rehabilitation corporate activities remain in operating costs and so are not provided for.

Separately, the Company is required to maintain the Ranger Rehabilitation Special Account (Trust Fund) with the Commonwealth Government. The Trust Fund is intended to provide security against the estimated costs of closing and rehabilitating the Ranger Project Area immediately. Each year, the Company is required to prepare and submit to the Commonwealth Government an Annual Plan of Rehabilitation (Annual Plan). Once accepted by the Commonwealth Government, the Annual Plan is then independently assessed and costed and the amount to be provided by the Company into the Trust Fund is then determined.

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 10.

Government security receivable balances are split between current and non-current assets based on management's 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 of $1 million. The Jabiluka Mineral Lease remains under a Long Term Care and Maintenance Agreement and will not be developed without the consent of Mirarr Traditional Owners.

(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.

(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.

Cash instruments that qualify as cash equivalents have an original maturity date no greater than three 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 32.

(x) Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. However, the Company has not 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 will be no anticipated material impact to the balances and transactions of the Company.

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

NOTES TO THE FINANCIAL STATEMENTS

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.

The costs are estimated on the basis of a closure plan, 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 2022 of the preferred plan (subaerial capping) and represents management's best estimate of cost.

In July 2021, ERA commenced a major reforecast of cost and schedule. This followed on from the 2019 Feasibility Study which expanded on the earlier prefeasibility study completed in 2011. The reforecast continued into early 2022, including an external evaluation of the preliminary findings, which were reflected in the 2021 Rehabilitation provision. The preliminary findings by ERA from its reforecast exercise based on the Ranger rehabilitation project being completed in accordance with the methodology set out in the 2020 Mine Closure Plan indicates that:

(i) The revised total cost of completing the Ranger Project Area rehabilitation, including incurred spend from 1 January 2019, is forecast to be approximately between $1.6 billion and $2.2 billion (undiscounted nominal terms). The previously announced closure estimate, which was based on the Ranger Project Area closure Feasibility Study finalised in 2019 ("Feasibility Study"), was $973 million (undiscounted nominal terms). Approximately $524 million of the total cost of completing the rehabilitation of the Ranger Project Area was spent from 1 January 2019 to 31 December 2022; and

(ii) The revised date for completing the Ranger Project Area rehabilitation is forecast to be between Quarter 4, 2027 and Quarter 4, 2028.

ERA notes that the above revised estimates, as to both cost and schedule, are based on the Ranger rehabilitation project being completed in accordance with the methodology set out in the 2020 Mine Closure Plan.

In determining the provision, ERA has considered the preliminary findings from the reforecast, recent work in preparation for an interim entitlement offer and potential optimisation of the Pit 3 capping strategy. In addition, ERA has continued to see the rehabilitation project exposed to challenging conditions, including tight labour market conditions, supply chain constraints and inflationary pressures being experienced across the broader industry. These impacts, as far as currently known, have been considered in the estimate. This has resulted in an increase to the provision of $62 million that has been recorded in the statement of comprehensive income.

The reforecast estimate is prepared in nominal terms, it has then been adjusted to real terms by removing the impacts of inflation. This has then been discounted at 1.5% to give a closure provision. The estimated closure provision at 31 December 2022, excluding unrecognised employee termination benefits and including an allowance of $1 million for Jabiluka rehabilitation is $1,225 million.

Progressive rehabilitation of the Ranger Project Area has continued during 2022 with several key milestones achieved. In February 2022, stakeholder acceptance was received for the conversion of the Tailings Storage Facility (TSF) to a water storage facility. Water transfers from Pit 3 to the Ranger Water Dam (RWD) were then completed. Following this wicking of Pit 3 began in late 2022 and is forecast to be completed in March 2023, which will allow Pit 3 capping to commence in 2023. The Pit 3 capping application based on the dry capping methodology for the capping of Pit 3 was officially submitted in April 2022, a major milestone for ERA. Work is progressing on a response to initial stakeholder feedback received. ERA's Pit 3 dry capping study has progressed to execution and the design engineer has been engaged and detailed design commenced.

ERA's Jabiru housing refurbishment program continues to progress. ERA is progressively working with GACJT and JKL for the transfer of properties to enable tenanting by third parties.

Other key rehabilitation activities continued including: drilling of additional brine injection wells to aid salt disposal, Brine Squeezer process water modification as well as ongoing water treatment. Treatment rates of process water through the Brine Concentrator were adversely impacted by plant reliability issues resulting in production rates falling below design criteria volumes.

Major activities to complete the rehabilitation plan include bulk material movements, water treatment, demolition and revegetation. Major cost sensitivities include Pit 3 capping, 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. The 2022 Feasibility Study is underway and scheduled for completion in September 2023. As such it is reasonably possible that outcomes from within the next financial year may be different from the current cost estimate and could require material adjustment to the rehabilitation provision for the Ranger Project Area.

Selected risks for the Ranger rehabilitation provision are detailed below.

Tailings consolidation

Following the completion of the transfer of tailings to Pit 3, the wicking of Pit 3 commenced. During the final capping process the tailings in Pit 3 will consolidate and express process water, which 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 predictions of rates of process water expression are impacted by many factors, including tailings density and other characteristics, deposition method and free process water volume in the pit during deposition. Detailed engineering continues to further refine the scope of work. The impact to the rehabilitation cost and resulting provision, if any, will be further evaluated as part of the assessment of alternate capping options for Pit 3 during the 2022 Feasibility Study due to be completed in September 2023.

These impacts have been considered in the reforecast but to the extent tailings consolidation and process water expression extend further could have additional adverse impacts on cost and schedule of completing rehabilitation.

Process water and injection of waste brines

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

Recent performance of the water treatment plant is below planned performance assumed in ERA's water model. ERA has already commenced mitigation efforts and, as part of the 2022 Feasibility Study, will review the adequacy of the water infrastructure and the water model. Unless this deficit in performance can be addressed, it is likely that further costs will be incurred and there will be potential delays in the completion of rehabilitation.

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

In addition, as a result of treating processed water a waste stream of contaminated salt is generated. The salt is ultimately to be stored below tailings in Pit 3 via injecting the brine through bore holes. This technology has previously been commissioned but the long-term performance is yet to be fully confirmed. Should the disposal of salt in this manner not prove viable, an alternate method of salt disposal would be required. This would demand additional capital expenditure which has not been allowed for in the rehabilitation estimate.

Bulk material movement

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

Other factors

In addition to the factors identified above there are many additional items that could impact the estimate, including: rehabilitation time frames, evaporation rates, stakeholder requirements, higher costs of relinquishing Jabiru township housing, engineering studies, other site contaminants, plant mortality and project support costs.

In estimating the rehabilitation provision, a risk-free discount rate is applied to the underlying cash flows. At 31 December 2022, the real discount rate was 1.5 per cent, which remains consistent with 31 December 2021.

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 $293 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 at each reporting date. Should future taxable profits eventuate this treatment will not impact ERA’s ability to utilise available tax losses in future periods.

Judgement is required in regards 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. The Jabiluka Undeveloped Property relates to the Jabiluka Mineral Lease, which is currently under a Long Term Care and Maintenance Agreement with Traditional Owners.

At 31 December 2022 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. For the year ended 31 December 2022, $0.23 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 judgement in analysing possible impacts caused by factors such as the price of uranium oxide, foreign exchange movements, Mineral lease extension, operating and capital estimates, discount rate, project progression and Traditional Owner relationships.

(d) Undeveloped properties judgements

Undeveloped properties are considered assets not yet ready for use under AASB 6 *Exploration for and Evaluation of Mineral Resources*. In reporting periods where impairment testing is required, the recoverable amount of the undeveloped properties was determined using the fair value less costs of disposal

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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. An impairment of $90m was recorded in 2018.

The valuation of the Jabiluka Mineral Lease requires a high degree of judgment. To determine the fair value, ERA has historically used 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. These results have historically been 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.

ERA regularly reviews and updates these assumptions and assesses potential impairment indicators and impairment reversal indicators. In December 2022, the review did not identify any indicators that the carrying amount of the Jabiluka Undeveloped Property may not be recovered in full from successful development or sale. This review primarily considered the following key factors:

- The value attributed to the Jabiluka Undeveloped Property as part of the recent ERA Independent Valuation conducted as part of the proposed Ranger rehabilitation funding solution; and
- Negative stakeholder sentiment and statements around the eventual development of Jabiluka, as a result of the ERA Independent Valuation; including impacts on the probability and timing of development and ongoing stakeholder relations.

In August 2022, the then IBC engaged an independent expert (Grant Thornton) to provide an independent valuation of the Company aiming at determining an appropriate entitlement offer price for the interim entitlement offer that was proposed during 2022 (Interim Entitlement Offer). On 26 September 2022 the Independent Valuation Report prepared by Grant Thornton was released, assigning a value of between $982 and $1,284 million to the Jabiluka Undeveloped Property.

Having regard to the views of Grant Thornton around the potential value of Jabiluka and the opposing statements from the Traditional Owners, which are not new, ERA does not believe that there is sufficient compelling evidence to change the likelihood of the development of Jabiluka.

Other factors that were considered include:

- Uranium price changes based on market analysis from reputable firms 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; and
- Applicable discount rate.

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

Further, ERA hold the view that the critical determinants of the value of Jabiluka include:

- The Long Term Care and Maintenance Agreement, signed with the Northern Land Council and Traditional Owners;
- A better shared understanding of the cultural landscape of MLN1, and,
- A renewal of the MLN1 lease before August 2024.

Management considered that until this work is completed no further impairment or reversal of prior impairment was warranted.

Key assumptions to which the Jabiluka model is sensitive include: the probability of future development (which includes an assessment of obtaining any required approval and/or support of various stakeholders, including Traditional Owners, regulatory bodies and shareholders), uranium oxide prices (including term contract price premiums in the future), foreign exchange rates, production and capital costs, discount rate, ore reserves and mineral resources, lease tenure renewal (August 2024) and development delays.

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

(e) Employee benefits judgements

Following ERA's decision to implement an Integrated Project Management Team (IPMT), there has been a change to the Company workforce, triggering certain termination benefits. The total provision recognised in line with Australian Accounting Standards is $1.5 million and is based on estimated termination packages for employees impacted by the transition to the IPMT and includes provision for severance payable until 31 March 2023. This is a current liability based on the balance being payable within one year.

Potential termination payments beyond March 2023 are yet to be recognised due to the level of uncertainty regarding quantum and timing.

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3 Revenue

	2022 $'000	2021 $'000
REVENUE FROM CONTINUING OPERATIONS		
Sale of goods	35,555	190,347
Total sales revenue	35,555	190,347
Other revenue		
Interest received/receivable, other parties	9,257	1,942
Rent received	824	862
Asset sales and recoveries	2,879	407
Net gain on non-hedge forward contracts	6,794	7,449
Total other revenue	19,754	10,660
Total revenue from continuing operations	55,309	201,007

4 Expenses

	NOTES	2022 $'000	2021 $'000
PROFIT BEFORE INCOME TAX INCLUDES THE FOLLOWING SPECIFIC EXPENSES:			
Cost of sales			
Produced product (uranium oxide)		22,524	120,830
Total cost of sales		22,524	120,830
Government and other royalties			
Royalty payments	24	440	2,248
Payments to Indigenous interests	24	1,496	7,643
Total government and other royalties		1,936	9,891
Financing costs			
Other parties		643	732
Unwinding of discount (rehabilitation provision)	19	105,824	18,797
Total financing costs		106,467	19,529
Other expenses			
Property, plant and equipment expensed	14	227	43
Office and other expenses		21	581
Total other expenses		248	624
Other individually significant expenses			
Short term and low value leases		11	16
Interest expense related to leases		8	13
Sustainability payment to Indigenous interests		2,172	2,108
Defined contribution superannuation expense		419	506

NOTES TO THE FINANCIAL STATEMENTS

5 Income tax expense/(benefit)

	2022 $'000	2021 $'000
INCOME TAX EXPENSE/(BENEFIT)		
Current tax	-	2,817
Deferred tax	-	-
Income tax expense/(benefit)	-	2,817
Deferred income tax (revenue)/expense included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets (Note 20B)	16,591	564
(Decrease)/increase in deferred tax liabilities (Note 20A)	(16,591)	(564)
Deferred tax	-	-
RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE		
Operating loss before income tax	(160,553)	(647,395)
Tax at the Australian tax rate of 30% (2021: 30%)	(48,166)	(194,219)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Current year losses and temporary differences not recognised	58,673	216,328
Rehabilitation expenditure	(10,515)	(18,897)
Other items	8	(395)
Income tax expense/(benefit)	-	2,817

No deferred tax asset is recognised due to uncertainty over ERA's ability to generate future taxable profits.

6 Dividends

Dividends paid or declared

No dividends have been paid or declared for the year ended 31 December 2022 (2021: nil).

Dividends franking account

	2022 $'000	2021 $'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2021: 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

	2022 $'000	2021 $'000
CURRENT		
Cash at bank and in hand	87,116	55,658
Deposits at call	-	108,214
Total cash and cash equivalents	87,116	163,872

Cash at bank/Deposits at call

Cash assets and deposits bear floating interest rates between 0 per cent and 4.10 per cent (2021: 0 per cent and 0.46 per cent).

Interest rate risk exposure

The Company's exposure to interest rate risk is discussed in Note 30.

8 Trade and other receivables

	2022 $'000	2021 $'000
CURRENT		
Trade debtors	2,536	2,045
Amounts due from related parties	2	27,017
Other debtors	2,140	4,313
Total trade and other receivables	4,678	33,375

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 30.

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

NOTES TO THE FINANCIAL STATEMENTS

9 Inventories – current

	2022 $'000	2021 $'000
Stores and spares	8,059	7,089
Finished product U_3O_8 at cost	-	22,524
Total current inventory	8,059	29,613

Inventory expense

Obsolescence of inventory (stores and spares) provided for and recognised as an expense during the year ended 31 December 2022 amounted to $nil (2021: $715,422). This amount has been included in Materials and Consumables used within the statement of comprehensive income.

10 Government security receivable

	2022 $'000	2021 $'000
CURRENT		
Government security receivable	-	65,400

ERA is required to maintain the Ranger Rehabilitation Special Account (Trust Fund) with the Commonwealth Government. The Trust Fund is intended to provide security against the estimated costs of closing and rehabilitating the Ranger Project Area immediately. Each year, the Company is required to prepare and submit to the Commonwealth Government an Annual Plan of Rehabilitation (Annual Plan). Once accepted by the Commonwealth Government, the Annual Plan is then independently assessed and costed and the amount to be provided by the Company into the Trust Fund is then determined.

ERA has agreed amendments to its Government Agreement with the Commonwealth to introduce a clearer framework for managing the amount of security held by the Commonwealth and releasing funds from the Trust Fund for completed rehabilitation works. However, drawdown of funds under this framework will first require revaluation of the security following ERA's internal cost review, which is expected to occur after completion of the 2022 Feasibility Study in September 2023. Given the expected increase in the cost of rehabilitating the Ranger Project Area, ERA may be required to provide additional security or funds in the Trust Fund. Under this new framework, ERA was entitled to submit a one-off interim payment request for the release from the Trust Fund of an amount representing a portion of the cost of rehabilitation works performed at Ranger between 9 January 2021 and 30 June 2022. As a result of this $57 million was received in November 2022.

As at 31 December 2022, ERA had $486 million in cash currently held by the Commonwealth Government as part of the Ranger Rehabilitation Special Account (Trust Fund). In addition, bank guarantees procured by ERA totalling $125 million are held by the Commonwealth as additional security for ERA's Ranger rehabilitation obligations (an additional $1 million is held as an allowance for Jabiluka rehabilitation). These deposits and bank guarantees were provided to the Commonwealth Government based on its review in February 2020 of the 44th Annual Plan of Rehabilitation submitted by ERA (i.e. prior to the Reforecast of the cost of Ranger Project Area rehabilitation), and subsequently reduced for an interim payment of $57 million for rehabilitation works completed from 9 January 2021 to 30 June 2022.

ERA does not consider that it can rely upon drawdown of any further cash from the Trust Fund before the internal cost review is completed, which is expected to be in September 2023. As such, all government security receivable is classified as non-current assets.

ERA's ability to continue to access financial guarantees can be influenced by many factors, including potential future cash balance, cash flows and shareholder support. Issuers of the bank guarantees have certain pay and walk rights and the guarantees are subject to periodic reviews. Should the banks execute their pay and walk rights or should ERA be unable to access bank guarantees, substantial additional cash would be required to indemnify the banks or be deposited into the Trust Fund. This is likely to have a material adverse effect on ERA's business and its financial position and performance as well as its ability to meet its rehabilitation obligations.

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

The applicable weighted average interest rate for the year ended 31 December 2022 was 1.53 per cent (31 December 2021: 0.30 per cent).

NOTES TO THE FINANCIAL STATEMENTS

11 Derivative financial instruments

	2022 $'000	2021 $'000
FINANCIAL ASSETS – CURRENT		
Gasoil swap contracts (non designated hedge)	-	3,451
Total current financial assets	-	3,451

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.

No gasoil swap contracts remain outstanding at 31 December 2022.

12 Other assets

	2022 $'000	2021 $'000
Prepayments	2,924	829

NOTES TO THE FINANCIAL STATEMENTS

13 Undeveloped properties

	2022 $'000	2021 $'000
Jabiluka: Long-term care and maintenance development project		
Balance brought forward	89,856	89,856
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 recoverable amount of undeveloped properties was determined using the fair value, less costs of disposal method.

To determine the fair value, ERA has historically used 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. These results have historically been 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.

ERA regularly reviews and updates assumptions and assesses potential impairment indicators and impairment reversal indicators. In 2022 no impairment test was required as a trigger assessment did not identify any indicators that the carrying amount of the Jabiluka Undeveloped Property may not be recoverable in full from successful development or sale. Key assumptions the fair value is most sensitive to include:

- Probability of future development (which includes an assessment of obtaining any required approval and/or support of various stakeholders, including Traditional Owners, regulatory bodies and shareholders);
- Uranium oxide prices (including term contract price premiums in the future);
- Foreign exchange rates;
- Production and capital costs;
- Discount rate;
- Ore Reserves and Mineral Resources;
- Lease tenure renewal (August 2024); and
- Development delays.

The recoverable amount is dependent on the development and life of the ore body together with the term and continuity of the mining lease. Furthermore, the Jabiluka Mineral Lease is due for renewal in August 2024. ERA intends to apply for renewal of the Lease. Provided that ERA has complied with all of its obligations under the Jabiluka Mineral Lease and the *Mining Act 1980* (NT), the Northern Territory government *"will renew"* the Jabiluka Mineral Lease for a further term not exceeding 10 years. There is a risk that the renewal will not be granted. If the renewal is granted, a renewal of the Jabiluka Mineral Lease beyond the further term of up to 10 years is not guaranteed, as any further renewals will require the Minister to exercise his or her discretion. Whether such discretion would be exercised in favour of a further renewal of the Jabiluka Mineral Lease is uncertain. If this was not to occur it is likely the Jabiluka Undeveloped Property would face full impairment.

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

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. An impairment of $90m was recorded in 2018.

NOTES TO THE FINANCIAL STATEMENTS

14 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 2022						
Opening net book amount	-	-	-	-	92	92
Additions	-	227	-	-	1,171	1,398
Disposals	-	-	-	-	-	-
Depreciation charged to rehabilitation provision	-	-	-	-	-	-
Depreciation/Amortisation charge/write-offs	-	-	-	-	(312)	(312)
Additions immediately impaired	-	(227)	-	-	-	(227)
Closing net book amount	-	-	-	-	951	951
Cost	110,845	1,179,810	421,700	342,327	1,171	2,055,853
Accumulated depreciation/ Amortisation/impairment/ write-offs	(110,845)	(1,179,810)	(421,700)	(342,327)	(220)	(2,054,902)
Net book amount	-	-	-	-	951	951
YEAR ENDED 31 DECEMBER 2021						
Opening net book amount	-	-	-	-	1,756	1,756
Additions	-	43	-	-	-	43
Disposals	-	-	-	-	-	-
Change in lease term	-	-	-	-	(83)	(83)
Depreciation charged to rehabilitation provision	-	-	-	-	(1,227)	(1,227)
Depreciation/Amortisation charge/write-offs	-	-	-	-	(354)	(354)
Additions immediately impaired	-	(43)	-	-	-	(43)
Closing net book amount	-	-	-	-	92	92
Cost	110,845	1,179,583	421,700	342,327	5,183	2,059,638
Accumulated depreciation/ Amortisation/impairment/ write-offs	(110,845)	(1,179,583)	(421,700)	(342,327)	(5,091)	(2,059,546)
Net book amount	-	-	-	-	92	92

NOTES TO THE FINANCIAL STATEMENTS

Right of use assets

Right of use assets include building costs of $1,171,000.

Assets under construction

There were no property, plant and equipment assets used in the course of construction.

15 Government security receivable

	2022 $'000	2021 $'000
NON-CURRENT		
Government security receivable	486,187	469,442

Further details are provided in Note 10.

16 Temporary bank overdraft

	2022 $'000	2021 $'000
CURRENT		
Rio Tinto Finance Ltd	12,253	-
Total temporary bank overdraft	12,253	-

Rio Tinto Finance Ltd bank account

Rio Tinto Finance Ltd (a related party) holds cash on behalf of the Company (RTF Account) in order to transact payments. In the ordinary course of business during December 2022, funds were transferred from the RTF Account to ERA's operating bank account which brought the account into an overdrawn position. As soon as the Company became aware of the situation in early January 2023, arrangements were made to ensure sufficient funds were transferred from the Company's bank account into the RTF Account returning the balance to a positive position. Additional funding for rehabilitation is not available to ERA through this account facility.

17 Trade and other payables

	2022 $'000	2021 $'000
CURRENT		
Trade payables	30,814	34,331
Amounts due to related parties	2,492	2,074
Other payables	393	398
Total trade and other payables	33,699	36,803

18 Provisions – current

	2022 $'000	2021 $'000
CURRENT		
Employee benefits	11,198	9,834
Rehabilitation	268,585	222,898
Total current provisions	279,783	232,732

NOTES TO THE FINANCIAL STATEMENTS

Employee benefits provision

During 2022 a provision for benefits payable on termination of employment continued to be recognised. A total of $1.5 million was recognised as payable in 2022 and has been recognised as a current liability. Further details are in Note 2(e). 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 provisions.

Movements in rehabilitation provision

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

	REHABILITATION $'000
2022	
Carrying amount at the start of the year	222,898
Payments	(194,190)
Transfer from non-current provision	239,877
Carrying amount at the end of the year	268,585

	REHABILITATION $'000
2021	
Carrying amount at the start of the year	162,928
Payments	(153,149)
Utilisation of lease assets	(1,227)
Transfer from non-current provision	214,346
Carrying amount at the end of the year	222,898

19 Provisions – non-current

	2022 $'000	2021 $'000
NON-CURRENT		
Employee benefits (Note 18)	653	753
Rehabilitation	956,075	1,027,971
Carrying amount at the end of the year	956,728	1,028,724

NOTES TO THE FINANCIAL STATEMENTS

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, changes in rehabilitation estimates are allocated directly to the statement of comprehensive income. Movements in the rehabilitation provision during the financial year are set out below:

	REHABILITATION $'000
2022	
Carrying amount at the start of the year	1,027,971
Change in estimate	62,157
Unwinding of discount	105,824
Transfer to current provision	(239,877)
Carrying amount at the end of the year	956,075

	REHABILITATION $'000
2021	
Carrying amount at the start of the year	555,371
Change in estimate	668,149
Unwinding of discount	18,797
Transfer to current provision	(214,346)
Carrying amount at the end of the year	1,027,971

NOTES TO THE FINANCIAL STATEMENTS

20 Deferred tax liability

	2022 $'000	2021 $'000
(A) DEFERRED TAX LIABILITY		
The balance comprises temporary differences attributable to:		
Amounts recognised in profit and loss		
Government security receivable	5,988	23,022
Inventories	2,315	1,851
Receivables	330	351
Total deferred tax liabilities	8,633	25,224
Set-off of deferred tax asset pursuant to set-off provisions (Note 20B)	(8,633)	(25,224)
Net deferred tax liabilities	-	-
Movements		
Opening balance at 1 January	25,224	25,788
(Credited)/debited to the income statement (Note 5)	(16,591)	(564)
Closing balance at 31 December	8,633	25,224

	2022 $'000	2021 $'000
(B) DEFERRED TAX ASSETS		
The balance comprises temporary differences attributable to:		
Amounts recognised in profit and loss		
Rehabilitation provision	4,471	16,148
Employee provisions	3,558	3,166
Other	604	5,910
Total deferred tax assets	8,633	25,224
Set-off of deferred tax liabilities pursuant to set-off provisions (Note 20A)	(8,633)	(25,224)
Net deferred tax assets	-	-
Movements		
Opening balance at 1 January	25,224	25,788
Credited/(debited) to the income statement (Note 5)	(16,591)	(564)
Closing balance at 31 December	8,633	25,224

NOTES TO THE FINANCIAL STATEMENTS

21 Share capital

	2022 SHARES	2021 SHARES	2022 $'000	2021 $'000
SHARE CAPITAL				
A Class shares fully paid	3,691,383,198	3,691,383,198	1,177,656	1,177,656
Total contributed equity			1,177,656	1,177,656

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 30.

22 Reserves and retained profits

	2022 $'000	2021 $'000
RESERVES		
Share-based payments reserve	(1,588)	(906)
Capital reconstruction	389,500	389,500
Cashflow hedge reserve	-	-
Total reserves	387,912	388,594
Movements		
Share-based payments reserve		
Balance 1 January	(906)	(691)
Share-based payments expense / (reversal)	(682)	(215)
Balance 31 December	(1,588)	(906)
Capital reconstruction		
Balance 1 January	389,500	389,500
Movements	-	-
Balance 31 December	389,500	389,500
Cashflow hedge reserve		
Balance at 1 January	-	6,574
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	-	9,561
Gain on changes in fair value reclassified to profit or loss	-	(9,561)
Balance 31 December	-	-
ACCUMULATED LOSSES		
Movements in accumulated losses were as follows:		
Opening accumulated losses – 1 January	(2,008,672)	(1,358,460)
Net loss for the year	(160,553)	(650,212)
Closing accumulated losses – 31 December	(2,169,225)	(2,008,672)

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.

NOTES TO THE FINANCIAL STATEMENTS

23 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.

24 Commitments

Capital commitments

The company has no capital commitments and rehabilitation commitments are not shown as they are fully provided for in the rehabilitation provision.

Lease commitments recognised in the balance sheet

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

Mineral tenement leases

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

	2022 $'000	2021 $'000
Within one year	1,314	1,235
Later than one year but not later than five years	2,688	3,659
Later than five years	-	-
Total mineral tenement leases	4,002	4,894

In order to maintain current rights of tenure to mining tenements, the Company will be required to outlay an amount of $1.3 million in the year ending 31 December 2023 in respect of tenement lease rentals. This includes payments for the Ranger Project Area and Jabiluka Lease.

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 $1,153,251 for 2023 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 2022: $1,496,207; 2021: $7,643,160). All Ranger sales were completed in 2022 and as such no future Ranger Royalties are payable.

(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 2022: $440,061; 2021: $2,247,988). All Ranger sales were completed in 2022 and as such no future Ranger Royalties are payable.

NOTES TO THE FINANCIAL STATEMENTS

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.

25 Auditor's remuneration

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

	2022 $'000	2021 $'000
KPMG Australian firm		
Audit and review of financial reports	295	291
Audit and review of financial reports (additional prior year fees)	24	37
Other non-audit related services	-	-
Total auditor's remuneration paid	319	328

26 Related parties

Directors

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

Richard (Rick) Dennis, Brad Welsh, Hon. Ken Wyatt AM, Justin Carey, Rosemary Fagen, Jacques van Tonder, Peter Mansell (resigned 6 October 2022), Shane Charles (resigned 6 October 2022), and Paul Dowd (resigned 6 October 2022).

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

	2022 $'000	2021 $'000
Short-term employee benefits	3,131	2,988
Termination payments	1,909	-
Post-employment benefits	322	201
Share-based payments / other long-term incentives	382	491
	5,744	3,680

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 45 to 59.

NOTES TO THE FINANCIAL STATEMENTS

Loans with Directors and key management personnel

There were no loans with Directors or key management personnel during 2022 (2021: nil).

Transactions with Directors and Director-related entities

There were no transactions with Directors or Director-related entities other than Rio Tinto Limited during 2022 (2021: 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.

Interest income

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

Transactions with related parties

The following transactions occurred with related parties.

	2022 $'000	2021 $'000
Management services fees paid to ultimate parent entity:		
Rio Tinto Group Companies	-	-
Consulting fees paid to:		
Rio Tinto Group Companies	(1,292)	(1,145)
Other reimbursements paid for commercial services received:		
Rio Tinto Group Companies	(5,074)	(10,883)
Amounts received from related parties:		
Rio Tinto Group Companies – sales	35,555	190,347
Rio Tinto Group Companies – interest	666	172
Rio Tinto Group Companies – employee transfers and minor receipts	1,190	2,067
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 than 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. All Ranger sales were completed in 2022.

NOTES TO THE FINANCIAL STATEMENTS

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:

	2022 $'000	2021 $'000
Aggregate amounts received from and payable to each class of other related parties at balance date were as follows:		
Current assets – cash assets		
Related parties – Rio Tinto Finance Ltd	-	86,040
Current assets – receivables		
Related parties – Rio Tinto Group Companies	2	27,017
Current liabilities – temporary bank overdraft		
Related parties – Rio Tinto Finance Ltd	12,253	-
Current liabilities – creditors		
Related parties – Rio Tinto Group Companies	2,492	2,074

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

27 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 2022, being the 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	
	2022 $'000	2021 $'000
Revenue from external customers	35,555	190,347
Other revenue	19,754	10,660
Total segment revenue	55,309	201,007
Segment result	(160,553)	(647,395)
Income tax benefit	-	(2,817)
Loss for the year	(160,553)	(650,212)
Segment assets	679,771	855,930
Total assets	679,771	855,930
Segment liabilities	1,283,428	1,298,352
Total liabilities	1,283,428	1,298,352
Acquisitions of non-current assets	1,398	43
Depreciation and amortisation expenses	312	354

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 statement of comprehensive income.

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	
	2022 $'000	2021 $'000
Asia	35,555	190,347
Total revenue	35,555	190,347

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 26. All Ranger sales were completed in 2022.

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 2022 are in Australia. As at 31 December 2021, with the exception of inventories in transit or at converters of $22,524,134, all assets were in Australia. 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 temporary bank overdraft, trade and other creditors, employee entitlements and provisions. The Company does not have any borrowings as at 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

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

	2022 $'000	2021 $'000
Loss for the year	(160,553)	(650,212)
Add/(less) items classified as investing/financing activities:		
Net (gain)/loss on sale or write-off of non-current assets	(2,498)	126
Net (gain)/loss on non hedge financial assets	3,451	161
Add/(less) non-cash items:		
Depreciation and amortisation	312	354
Rehabilitation provision: unwinding of discount	105,824	18,797
Change in closure estimate	62,157	668,149
Employee benefits: share based payments	327	620
Interest on government security receivable	(8,123)	(1,599)
Recovery of deferred tax assets on hedge	-	2,817
Net exchange differences	13	(11)
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	28,697	(25,587)
(Increase)/decrease in inventories	21,554	118,514
(Increase)/decrease in other assets	(2,095)	1,204
(Decrease)/increase in payables	(3,104)	(2,487)
(Decrease)/increase in other provisions	1,265	(15,631)
Payments for rehabilitation	(194,190)	(153,149)
Net cash (outflow)/inflow provided from operating activities	(146,963)	(37,934)

29 Earnings per share

	2022 CENTS	2021 CENTS
Basic loss per share	(4.3)	(17.6)
Diluted loss per share	(4.3)	(17.6)

Loss used in the calculation of basic and diluted earnings per share: 2022: $160,553,033 (2021: $650,212,207).

Weighted average number of ordinary shares on issue used in calculation of basic earnings per share: 2022: 3,691,383,198 shares (2021: 3,691,383,198).

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

Market risk

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

NOTES TO THE FINANCIAL STATEMENTS

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

	2022 USD $'000	2021 USD $'000
Trade receivables	-	19,402
Trade payables	(549)	(346)

Group sensitivity

At 31 December 2022 ERA had no trade receivables sensitive to foreign currency movements, therefore there would be nil impact on the pre-tax profit for the year had the Australian Dollar weakened/strengthened by 10 per cent against the US Dollar with all other variables held constant (2021: $2,581,681 higher/lower).

At 31 December 2022, 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 $79,043 higher/lower (2021: $46,071 higher/lower).

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. The applicable weighted average interest rate for the government security receivable for the year ended 31 December 2022 was 1.53 per cent (31 December 2021: 0.30 per cent).

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.

	2022 $'000	2021 $'000
TRADE RECEIVABLES		
AA	-	-
A	2	27,017
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.

The future liquidity and capital requirements of ERA will depend on many factors. As a result of the increase in the rehabilitation estimate in 2021 and 2022 and ERA's available cash on hand, during 2022 ERA undertook preparations to launch an entitlement offer. Following engagement with ERA's three largest shareholders, no pre-commitments to subscribe for entitlements in the Interim Entitlement Offer were forthcoming based on the terms proposed by the then IBC.

In declining to support the Interim Entitlement Offer at the price proposed by the IBC, Rio Tinto noted the lack of pre-commitment from minority shareholders. It further advised the IBC that Rio Tinto does not expect its investment in rehabilitation to generate financial returns, and as such Rio Tinto considers the offer price should reflect fair value which has regard to that expectation, the material cost over runs and interim funding requirements and the Mirarr People's publicly stated position on the future development of Jabiluka. Rio Tinto advised the IBC that, in its view, the IBC's proposed offer price of a 10-15% discount to the prevailing share price of ERA did not have regard to these factors.

As a consequence, the IBC announced on 28 July 2022 that it did not have sufficient confidence that proceeding with the Interim Entitlement Offer on the terms it had proposed would raise the necessary funds. Given the above, the IBC delayed the launch of the Interim Entitlement Offer in order to engage an independent valuation expert to determine the fair value of ERA shares, on a basis consistent with an independent expert's valuation prepared under Part 6A.4 of the Corporations Act and in accordance with published ASIC guidance (including Regulatory Guide 111). This would then help determine the offer price of the Interim Entitlement Offer.

In August 2022 the then IBC engaged Grant Thornton to determine the fair value of ERA and as subsequently announced on 26 September 2022 this resulted in a valuation range of between $0.159 and $0.243 per share. Rio Tinto continued to express a view that this did not reflect their view of value.

On 6 October 2022, ERA agreed to enter into an amended $100 million loan agreement with Rio Tinto (Revised Credit Facility), under which loans of a cumulative value of up to $100 million can be made available to provide ERA with additional liquidity for the purpose of rehabilitating the Ranger Project Area. The Revised Credit Facility has a maturity date of 31 March 2023 unless additional funds are raised before that, or unless extended by Rio Tinto. The maturity date is subject to deferral for approximately three months if ERA is unable to repay the loan at that time.

Following the agreement of the terms of the Revised Credit Facility, which provided a pathway to an interim funding solution, ERA's then Chairman, Peter Mansell, and the independent non-executive directors at the time, Paul Dowd and Shane Charles (who comprise the IBC), resigned from the board of ERA on 6 October 2022.

In early 2023, as noted above, the IBC was re-established following appointment of three independent non-executive directors.

Work has progressed on funding solutions, including work on a possible interim entitlement offer with a target launch in March 2023 to provide sufficient funding to enable rehabilitation to continue until Q1 2024. ERA has appointed Highbury Partnership as financial adviser, Herbert Smith Freehills as legal adviser to the Independent Board Committee and Ashurst as legal adviser to the Company.

The Board notes Rio Tinto's public statements to the effect that it is committed to working with ERA to ensure the rehabilitation of the Ranger Project Area is successfully achieved to a standard that will establish an environment similar to the adjacent Kakadu National Park and ERA has the means to complete this critical rehabilitation project. Given this, and ongoing engagement, the Board considers that Rio Tinto subscribing for its full pro rata share of its entitlements in an interim entitlement offer, would be more likely and consistent with Rio Tinto's stated commitment to the completion of the Ranger Project Area rehabilitation project. Rio Tinto's full participation in an interim entitlement offer (at an agreed price) would ensure that funding required for the rehabilitation of the Ranger Project Area until Q1 2024 is successfully raised.

Following the completion of the 2022 Feasibility Study during 2023, subject to successfully executing an interim funding solution to fund expenditure to Q1 2024, ERA will be in a position to determine a longer-term rehabilitation funding solution. At that stage, ERA will engage with Rio Tinto and other shareholders to potentially finalise a funding solution in early 2024. An inability to obtain sufficient funding would have a material impact on ERA's business, financial performance and assessment as a going concern. Rio Tinto has reiterated its commitment to ensuring the rehabilitation of the Ranger Project Area is successfully achieved to a standard that will establish an environment similar to the adjacent Kakadu National Park.

As at 31 December 2022, ERA had no debt and $561 million in total cash resources (comprising $75 million in cash at bank (net of overdrafts) and $486 million invested as part of the government security receivable).

The Company has announced plans for a possible interim entitlement offer with a target launch in March 2023. In line with the current rehabilitation plan and in the absence of the interim entitlement offer, ERA's cash at bank and undrawn loan facility is expected to be exhausted in Q2 2023.

31 Events occurring after the reporting period

No other matters or circumstances have 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.

NOTES TO THE FINANCIAL STATEMENTS

32 Share-based payments

ERA participates in a number of share-based payment plans administered by 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 AASB 2, 'Share-based Payment'.

Rio Tinto Performance Share Awards

The Rio Tinto Performance Share Award (PSA) details are described in the Remuneration Report. 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 awards are accounted for in accordance with the requirements applying to equity-settled share-based 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 2022, and changes during the year, is presented below:

	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	TRANS-FERS IN/(OUT)	EXERCISED DURING THE YEAR	FORFEITED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXERCISABLE AT END OF THE YEAR
2022							
Rio Tinto Limited	213	-	-	-	-	213	-
Weighted average fair value at grant date	$93.17	-	-	-	-	$93.17	-
2021							
Rio Tinto Limited	6,940	1,856	(8,583)	-	-	213	-
Weighted average fair value at grant date	$85.06	$110.80	$90.43	-	-	$93.17	-

The weighted average share price at the date of exercise of conditional grants of shares exercised during the year ended 31 December 2022 was nil (2021: nil).

The weighted average remaining contractual life of conditional grants of shares outstanding at the end of the period was two years (2021: three 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 2022, 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
2022							
Rio Tinto Limited	6,536	3,787	(610)	(2,559)	(715)	6,439	-
Weighted average exercise price	$103.34	$102.67	$101.99	$95.16	$107.07	$105.91	-
2021							
Rio Tinto Limited	11,021	3,442	598	(7,797)	(728)	6,536	-
Weighted average exercise price	$89.75	$116.28	$89.75	$89.30	$97.98	$103.34	-

The weighted average share price at the date of exercise of conditional grants of shares exercised regularly during the year ended 31 December 2022 was $105.96 (2021: $113.18).

The weighted average remaining contractual life of share options outstanding at the end of the period was two years (2021: 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) details are described in the Remuneration Report. 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. Award levels under the EIP are at the discretion of Rio Tinto. 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 the share price on the day of grant. No forfeitures are assumed. A summary of the status of shares granted under the MSA plan at 31 December 2022, and changes during the year, is presented below:

	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	TRANSFERS IN/(OUT)	EXERCISED DURING THE YEAR	FORFEITED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXERCISABLE AT END OF THE YEAR
2022							
Rio Tinto Limited	11,088	4,550	-	(7,795)	(2,336)	5,507	-
Weighted average fair value at grant date	$94.97	$112.42	-	$92.98	$111.50	$105.19	-
2021							
Rio Tinto Limited	12,924	4,358	(2,239)	(3,955)	-	11,088	-
Weighted average fair value at grant date	$85.08	$109.26	$83.09	$85.13	-	$94.97	-

The weighted average share price at the date of exercise of conditional grants of shares exercised regularly during the year ended 31 December 2022 was $113.04 (2021: $127.47).

The weighted average remaining contractual life of conditional grants of shares outstanding at the end of the period was two years (2021: 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.

NOTES TO THE FINANCIAL STATEMENTS

Bonus Deferral Award

The Bonus Deferral Award (BDA) details are described in the Remuneration Report. Rio Tinto Bonus Deferral Awards (BDA) are granted at the discretion of the Rio Tinto Remuneration Committee in line with Rio Tinto guidelines. BDAs are granted under the EIP. 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 EXERCISABLE AT END OF THE YEAR
2022							
Rio Tinto Limited	-	-	-	-	-	-	-
Weighted average fair value at grant date	-	-	-	-	-	-	-
2021							
Rio Tinto Limited	1,266	689	(1,306)	(649)	-	-	-
Weighted average fair value at grant date	$84.15	$107.76	$92.12	$93.17	-	-	-

The weighted average share price at the date of exercise of conditional grants of shares exercised regularly during the year ended 31 December 2022 was $Nil (2021: $101.40).

The weighted average remaining contractual life of share options outstanding at the end of the period was nil years (2021: nil 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:

	2022 $'000	2021 $'000
Share based payment expense	327	620

DIRECTOR’S DECLARATION

In the Directors’ opinion:

a. The financial statements and notes set out on pages 71 to 109 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 2022 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.

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.

R Dennis
Brisbane

10 March 2023

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 2022 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 2022;
- 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; and
- The 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 these requirements.

INDEPENDENT AUDITOR'S REPORT

KPMG

Material uncertainty related to going concern

We draw attention to Note 1(a)(i), "Going Concern" in the financial report. The conditions disclosed in Note 1(a)(i), indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Company's assessment of going concern. Our approach to this involved:

- Evaluating the feasibility, quantum and timing of the Company's plans to obtain additional funding from its major shareholder to address going concern;
- Assessing the Company's cash flow forecasts for incorporation of the Company's operations and plans to address going concern, in particular forecast rehabilitation expenditure; and
- Determining the completeness of the Company's going concern disclosures for the principle matters casting significant doubt on the Company's ability to continue as a going concern, the Company's plans to address these matters, and the material uncertainty.

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 period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the Key Audit Matter.

<table>
<tr><th colspan="2">Rehabilitation provision ($1,224.6 million)</th></tr>
<tr><td colspan="2">Refer to Note 18 and 19 to the Financial Report</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>The rehabilitation provision is a key audit matter due to:
• The size of the provision;
• Inherent complexity in the Company estimating future environmental restoration and rehabilitation costs; and
• The significant judgement applied by the Company to determine the provision.
We focused on the significant and judgmental assumptions the Company applied in their rehabilitation provision including:</td><td>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:
– Understand and identify new significant risks related to rehabilitation activities;
– Evaluate the updates in methodology applied by the Company and Company's external expert in determining the nature and extent of rehabilitation activities by comparison to industry practice; and</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT

KPMG

• Nature and extent of rehabilitation activities required. This impacts the completeness of the rehabilitation provision estimate; • Forecasted closure costs and timing 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. We involved sustainability closure specialists and valuation specialists to supplement our senior audit team members in assessing this key audit matter.	– Assess certain assumptions regarding the forecast closure costs of closure activities based on their experience and familiarity with applicable legislative requirements and industry practice and the Company's closure commitments. • Assessing the competence, scope and objectivity of the Company's internal and external experts used in the determination of the rehabilitation provision; • Inspecting the most recent closure studies and other technical material prepared by the Company relating to changes in the closure provision to assess the nature and scope of work planned to be undertaken. This included assumptions relating to the nature and timing of closure and rehabilitation activities; • Testing key controls in relation to the process to identify changes in rehabilitation activities required; • On a sample basis, testing the basis of forecasted closure cost by obtaining an understanding of the nature of the estimate and inspecting underlying documentation for forecast 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 the 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 to compare the discount rate used by the Company to external data such as yields on long-term government bonds; • Testing mathematical accuracy of the Company's rehabilitation provision calculation; and • Assessing the rehabilitation provision disclosures in the financial report including disclosure of risks and uncertainties 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; and*
- 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: 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 2022, complies with *Section 300A* of the *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 45 to 59 for the year ended 31 December 2022.

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

KPMG

Derek Meates
Partner
Perth
10 March 2023

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 10 March 2023. The Directors have the power to amend and reissue the financial statements.

The shareholder information set out below was applicable as at 28 February 2023.

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	4,943	51.82%	1,444,282	0.04%
1,001 - 5,000	2,478	25.98%	6,532,366	0.18%
5,001 – 10,000	851	8.92%	6,585,742	0.18%
10,001 – 100,000	1,128	11.82%	32,860,177	0.89%
100,001 and over	139	1.46%	3,643,960,631	98.71%
	9,539	100.00%	3,691,383,198	100.00%

There were 6,155 holders of less than a marketable parcel of ordinary shares.

Substantial shareholders

Substantial shareholders as disclosed in substantial shareholder notices provided to the Company:

	NUMBER OF SHARES	% OF ISSUED SHARES
North Limited[1]	1,920,852,964	52.04%
Peko-Wallsend Ltd[1]	1,265,829,670	34.29%
Packer & Co Limited ATF Packer & Co Investigator Trust[2]	293,106,266	7.94%

Note 1 As lodged 27 February 2020.
Note 2 As lodged 6 December 2022.

SHAREHOLDER INFORMATION (unaudited)

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	331,131,147	8.97%
HSBC Custody Nominees (Australia) Limited	78,579,091	2.13%
BNP Paribas Nominees Pty Ltd ACF Clearstream	5,236,072	0.14%
Citicorp Nominees Pty Ltd	3,856,648	0.10%
BNP Paribas Nominees Pty Ltd	1,844,857	0.05%
Creative Living (QLD) Pty Ltd	1,300,000	0.04%
Neweconomy Com Au Nominees Pty Ltd	1,261,722	0.03%
Mr Li Wan	1,084,265	0.03%
Airport Finance Pty Ltd	900,000	0.02%
Mr Samuel Lin (Lin S/F A/C)	900,000	0.02%
Mrs An-Shu Tseng	842,198	0.02%
Mr Kien Tuong Ta (S&P Superannuation Fund A/C)	766,500	0.02%
Mrs Tew Hua Cameron	765,000	0.02%
Vigor Door Corporation Pty Ltd	761,771	0.02%
Mrs Patricia Anne Allen and Mr Robert Stanley Allen	750,000	0.02%
Mr Mark Watson	739,478	0.02%
Mrs Faye Lesley Duffield	713,000	0.02%
Mrs Qiuyu Ping	658,022	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 2023 Annual General Meeting will be held in Darwin, in the Northern Territory of Australia. Notices of the 2023 Annual General Meeting will be given to the shareholders of the Company in accordance with the Corporations Act. 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 becomes required.

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 Limited

Level 1, 200 Mary Street
Brisbane QLD 4000

Telephone:

1300 552 270 (within Australia)
+61 3 9415 4000 (outside Australia)

Online:

www.investorcentre.com/contact

Sponsored shareholders should note, however, that they should contact their sponsored broker to initiate a change of address.

2022 ASX ANNOUNCEMENTS (unaudited)

19 December 2022	Initial Director's Interest Notice
19 December 2022	Appointment of Independent Non-executive Director
6 December 2022	Change in substantial holding
24 November 2022	Atomic Energy Act Amendments Bill
23 November 2022	Initial Director's Interest Notice
23 November 2022	Appointment of Independent Non-executive Director
2 November 2022	Ranger Mine Closure Interim Payment Request Application
19 October 2022	Quarterly Cashflow Report - Appendix 4C
19 October 2022	Quarterly Activities Report
6 October 2022	Interim funding update and director resignations
3 October 2022	Response to media and update on independent directors
26 September 2022	Independent Expert's Report Received
30 August 2022	June 2022 Half Year Results
30 August 2022	Half Yearly Report and Accounts
29 July 2022	Quarterly Activities Report
28 July 2022	Replacement update regarding interim entitlement offer
28 July 2022	Update regarding interim entitlement offer
24 June 2022	Response to Australian Financial Review article
24 June 2022	Pause in Trading
27 April 2022	2022 AGM Results
27 April 2022	2022 AGM Chief Executive's Address
27 April 2022	2022 AGM Chairman's Address
11 April 2022	Change of Registered Office
8 April 2022	Quarterly Activities Report
28 March 2022	Notice of Annual General Meeting/Proxy Form
16 March 2022	Appendix 4G
16 March 2022	2021 Annual Report
28 February 2022	ERA 2021 Full Year Results
28 February 2022	Preliminary Final Report
28 February 2022	Annual Statement of Reserves and Resources
23 February 2022	Annual General Meeting Information
21 February 2022	Initial Director's Interest Notice
21 February 2022	Appointment of Managing Director and Chief Executive
4 February 2022	Initial Director's Interest Notice - Updated
2 February 2022	RIO: Rio Tinto notes ERA update on Ranger mine
2 February 2022	Ranger Rehabilitation Project cost and schedule overruns
1 February 2022	Initial Director's Interest Notice
1 February 2022	Appointment of Director
31 January 2022	Trading Halt
13 January 2022	Quarterly Activities Report

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

TEN YEAR PERFORMANCE (unaudited)

YEAR ENDED 31 DECEMBER

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Sales Revenue ($000)	35,555	190,347	242,457	209,677	201,273	211,181	267,765	332,777	379,166	356,139
Earnings Before Interest and Tax ($000)	(169,490)	(648,967)	3,413	(1,103)	(466,616)	(52,925)	(279,781)	(88,292)	(284,274)	(199,431)
Profit/(Loss) Before Tax ($000)	(160,553)	(647,395)	8,643	6,252	(456,323)	(43,532)	(271,077)	(79,798)	(273,602)	(186,541)
Income Tax Expense/ (Benefit) ($000)	-	2,817	(2,817)	-	(21,049)	-	-	195,695	(85,802)	(50,712)
Profit/(Loss) After Tax ($000)	(160,553)	(650,212)	11,460	6,252	(435,274)	(43,532)	(271,077)	(275,493)	(187,800)	(135,829)
Total Assets ($000)	679,771	855,930	1,000,153	566,577	635,766	797,312	819,432	1,100,815	1,341,724	1,627,561
Shareholders' Equity ($000)	(603,657)	(442,422)	214,579	(274,687)	(280,790)	154,887	198,559	469,947	745,607	934,022
Long Term Debt ($000)	-	-	-	-	-	-	-	-	-	-
Current Ratio	0.3	1.1	2.1	2.0	2.5	3.2	4.0	4.0	4.1	3.8
Liquid Ratio	0.3	0.7	0.9	1.2	1.9	2.5	3.1	3.0	2.7	2.3
Return on Shareholders' Equity (%)	26.6	147.0	5.3	2.3	155.0	(28.1)	(136.5)	(58.6)	(25.2)	(14.5)
Earnings Per Share (cents)	(4.3)	(17.6)	0.4	1.2	(84.1)	(8.4)	(52.4)	(53.2)	(36.3)	(26.2)
Share Price ($) closing	0.22	0.34	0.33	0.17	0.25	0.91	0.44	0.36	1.30	1.26
Price-Earning Ratio	(5.05)	(1.93)	82.50	13.75	(0.29)	(10.83)	(0.83)	(0.68)	(3.58)	(4.81)
Net Tangible Assets per Share ($)	(0.16)	(0.12)	0.06	(0.54)	(0.54)	0.30	0.38	0.91	1.44	1.80
No. of Employees	198	204	317	352	355	358	356	374	389	519
Profit After Tax per Employee ($000)	(810.9)	(3,187.3)	36.15	17.61	(1,226.1)	(121.6)	(761.5)	(736.6)	(482.8)	(264.8)
Ore Mined (million tonnes)	-	-	-	-	-	-	-	-	-	-
Ore Milled (million tonnes)	-	0.02	2.5	2.5	2.5	2.6	2.7	2.5	1.3	2.3
Mill Head Grade (% U_3O_8)	-	0.07	0.07	0.08	0.09	0.10	0.10	0.10	0.11	0.15
Mill Recovery (%)	-	86.1	84.9	86.8	86.6	84.7	84.9	82.0	81.5	84.8
Production (tonnes U_3O_8) Drummed	-	34	1,574	1,751	1,999	2,294	2,351	2,005	1,165	2,960
Sales – Ranger Concentrates (tonnes U_3O_8)	242	1,302	1,711	1,577	1,467	2,089	2,130	2,183	2,164	2,767
Sales – Other Concentrates (tonnes U_3O_8)	-	-	10	20	-	-	9	-	984	48
Sales – Total (tonnes U_3O_8)	242	1,302	1,721	1,597	1,467	2,089	2,139	2,183	3,148	2,815

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*

NOTES

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