



## ASX Announcement

10 July 2019

### June 2019 Quarter Operations Review (unaudited)

- Energy Resources of Australia Ltd (**ERA**) produced 411 tonnes of uranium oxide in the June 2019 quarter.
- Progressive rehabilitation activities on the Ranger Project Area continued.
- ERA continues to review funding options to address the increase in rehabilitation provision following finalisation of the Range Project Area Closure Feasibility Study in February 2019.
- ERA has implemented a reduced care and maintenance program for the Ranger 3 Deeps exploration decline.

	Q2 19	vs Q2 18	vs Q1 19	6 mths 19	vs 6 mths 18
Ore milled ('000 tonnes)	528	-6%	-13%	1,136	0%
Mill head grade (% uranium oxide)	0.09	13%	-10%	0.09	0%
Mill recovery (%)	87.2	2%	-2%	88.0	3%
Production – uranium oxide					
- tonnes	411	3%	-22%	937	11%
- 000 lbs	906			2,066	

ERA produced 411 tonnes of uranium oxide in the June 2019 quarter compared to 526 tonnes in the March 2019 quarter.

Production was impacted by less ore milled during the quarter. This was due to lower plant utilisation as a result of maintenance performed in May. In accordance with the Company's mine plan, continued uranium production is based on the processing of primary ore stockpiles, applying a declining grade strategy. As expected, reduced grade impacted production following the depletion of higher grade areas of the stockpiles.



Production guidance for 2019 of between 1,400 to 1,800 tonnes of uranium oxide remains unchanged.

During the June 2019 quarter, progressive rehabilitation of the Ranger Project Area was focused on the dredge transferring tailings from the Tailings Storage Facility to Pit 3. Additional dredging capacity was launched in the second quarter with full commissioning expected in quarter 3. This additional capacity is necessary to complete rehabilitation activities within the regulatory timeframe.

## **FUNDING**

On 8 February 2019, ERA confirmed the approval and implementation of the closure Feasibility Study for the rehabilitation of the Ranger Project Area, resulting in an increase in the rehabilitation provision from \$526 million at 31 December 2017 to \$830 million<sup>1</sup> at 31 December 2018.

As a result of the increase in the rehabilitation provision, ERA continued to review all funding options during the first half of 2019. Rio Tinto has advised ERA, that it will work with ERA and its other shareholders and stakeholders with the objective of ensuring that ERA is in a position to meet in full the likely future rehabilitation requirements of the Ranger Project Area. Funding discussions between ERA and Rio Tinto are continuing.

## **RANGER 3 DEEPS**

Given the current uranium market environment, the Ranger 3 Deeps project continues to face material barriers to development. Without a sustained and rapid recovery of the uranium market, the project is not economically viable. Furthermore, with the Ranger Authority requiring processing to cease in January 2021 and with decommissioning and rehabilitation of the Ranger Project Area continuing through to January 2026, the prospect of any development continues to decrease with time.

Following receipt of final regulatory approval, ERA has implemented a reduced care and maintenance program for the Ranger 3 Deeps exploration decline. The implementation of this reduced program maintains project optionality, however amendments to legislation to effect an extension of the Ranger Authority would be required.

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

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<sup>1</sup> 31 December 2018 provision discounted at 2 per cent and presented in real terms (\$896 million undiscounted in real terms).



## EXPLORATION AND EVALUATION

No evaluation or exploration expenditure was incurred for the June 2019 quarter, in line with the March 2019 quarter.

### About Energy Resources of Australia Ltd

Energy Resources of Australia Ltd (**ERA**) is one of the nation's largest uranium producers and Australia's longest continually operating uranium mine.

Together, ERA provides clean energy to the world and cares for people and country.

ERA has an excellent track record of reliably supplying customers. Uranium has been mined at Ranger for more than 35 years. During that time, Ranger has produced in excess of 128,000 tonnes of uranium oxide.

ERA's Ranger mine is located eight kilometres east of Jabiru and 260 kilometres east of Darwin, in Australia's Northern Territory. ERA is a major employer in the Northern Territory and the Alligator Rivers Region.

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