

## ASX Announcement

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12 April 2024

### March 2024 Quarter Operations Review and Business Update (unaudited)

- Progressive rehabilitation of the Ranger Project Area continued during the quarter including critical path Pit 3 approvals and procurement activities.
- ERA holds sufficient capital to fund planned rehabilitation expenditure through to Quarter 3, 2024.
- The IBC together with its advisers continue to engage with ERA's major shareholders to determine the optimal funding solution.
- ERA continues to work to progress a new Section 41 Authority (and associated agreements) to extend its existing Ranger authority beyond the current January 2026 deadline, to facilitate completion of all rehabilitation activities in the Ranger Project Area.
- ERA has appointed Rio Tinto to manage the Ranger Rehabilitation Project under a new Management Services Agreement and considers there to be significant value, and potential cost savings, in directly leveraging Rio Tinto's capability.
- ERA expects to spend approximately \$1.1 billion in nominal terms, on rehabilitation activities and other costs up until the end of 2027. Expenditure beyond that date remains highly uncertain and is subject to further study work.
- At 31 December 2023, the ERA rehabilitation provision was \$2,420 million<sup>1</sup>, a net increase of \$1,195 million from the previous period. Of the increase in the provision, approximately 85% of the increase is attributable to rehabilitation activities post 2027.

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<sup>1</sup> 31 December 2023 provision discounted at 2%. This equates to an estimated \$2,961 million in undiscounted nominal terms or \$2,667 million in undiscounted real terms.

## RANGER REHABILITATION UPDATES

Progressive rehabilitation of the Ranger Project Area continued during the quarter. No mining, production and development expenditure was incurred for the March 2024 quarter. Material expenditure during the quarter comprised approximately \$42 million on rehabilitation activities for the Ranger Project Area.

All injury frequency rate remains at 0.00 for the quarter (rolling 0.00) and year to date.

The capping of Pit 3 remains a critical path activity, including the Pit 3 backfill approval application which was resubmitted to the Northern Territory Government governing agency during the September 2023 quarter. ERA notes that the Office of the Supervising Scientist have completed their assessment and provided a report to the Minister endorsing approval of the application. Final approval of the backfill application is expected in the 2<sup>nd</sup> quarter of 2024.

Preparation for the dry capping of Pit 3 continued to progress. Upon the successful dewatering of Pit 3, the next step will be to lay geofabric which will protect the tailings during capping activities followed by initial capping activities. Expected first delivery of geofabric is in the 3<sup>rd</sup> quarter of 2024. A number of bids have been received for the placement of geofabric and initial capping activities and these are currently being evaluated.

Progress was made during the quarter to complete the manufacture of equipment to be used to accelerate the drying of Pit 3 tailings within the completed wicked zone. Mobilisation of this equipment is planned for the 2<sup>nd</sup> quarter of 2024.

The Brine Squeezer process water treatment upgrade work progressed reaching 100% completion in the last quarter. Regulatory approval for operating the Brine Squeezer has been received and commissioning of the plant is in progress. The plant continues to treat pond water while being commissioned to allow additional treatment of process water from the Ranger Water Dam.

Treatment rates of process water through the Brine Concentrator for the quarter were below target primarily due to unplanned outages and feed water quality. The work involved in identifying and implementing strategies to improve plant reliability and production consistency is continuing.

The Jabiru housing refurbishment program continues to progress. ERA continues to progressively transfer completed properties to enable tenanting by third parties.

A Study Execution Plan has been developed to investigate alternative solutions for a number of the uncertainties identified in the 2022 Feasibility Study. Various technical studies into these uncertainties commenced in the quarter while other (previously commenced) studies continued, including but not limited to:

- Investigating alternative lower cost solutions for the management of water inventories requiring treatment;
- Development of sediment and erosion control solutions to optimise release of water from rehabilitated landforms;
- Evolution of the final landform design and construction to optimise the movement of bulk materials and appropriately manage late-stage closure sequencing;
- Investigating alternative lower cost options for site simplification and opportunities for cost optimisation of post-closure monitoring and maintenance;

- and,
- Value engineering and safety in design investigations.

As previously announced, ERA has appointed Rio Tinto to manage the Ranger Rehabilitation Project under a new Management Services Agreement (MSA). The MSA is expected to be implemented in the 2<sup>nd</sup> quarter of 2024, with the transition period expected to take 2 to 3 months.

## **EXTENSION OF SECTION 41 AUTHORITY BEYOND JANUARY 2026**

ERA continues to work to progress a new Section 41 Authority (and associated agreements) to extend its existing Ranger authority beyond the original January 2026 deadline. This will allow additional time for ERA to complete the rehabilitation of the Ranger Project Area, including long-term monitoring and maintenance.

## **FUNDING UPDATE**

As outlined in ERA's 2023 Annual Report (released to the ASX on 12 March 2024) and previous quarterly updates, the proceeds from the Interim Entitlement Offer in May 2023 (approximately \$369 million before costs) are expected to provide ERA with sufficient capital to fund planned rehabilitation expenditure through to Quarter 3, 2024.

Further funding is expected to be required by ERA in 2024 to fund the next tranche of planned rehabilitation works until the end of 2027.

At 31 December 2023, the ERA rehabilitation provision was \$2,420 million<sup>2</sup>, a net increase of \$1,195 million from the previous period. Of the increase in the provision, approximately 85% of the increase is attributable to rehabilitation activities post 2027.

ERA expects to spend approximately \$1.1 billion in undiscounted nominal terms until the end of 2027 on rehabilitation activities, fund corporate costs, working capital, funding costs and other costs, and fund holding costs associated with the renewal of the Jabiluka Mineral Lease including upholding obligations under the Jabiluka Long Term Care and Maintenance Agreement.

Activities post 2027 and estimates of their cost, remain highly uncertain. These activities remain subject to a number of studies and are potentially sensitive to external events, as such, estimates of expenditure beyond 2027 are subject to further study work.

As referred to in ERA's ASX release on 12 March, the IBC together with its advisers continue to engage with ERA's major shareholders to determine the optimal path forward.

ERA will keep the market informed in relation to material developments regarding the potential equity raise or other funding options consistent with its continuous disclosure obligations.

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<sup>2</sup> 31 December 2023 provision discounted at 2%. This equates to an estimated \$2,961 million in undiscounted nominal terms or \$2,667 million in undiscounted real terms.

## **CORPORATE**

Net payments to related parties and their associates in the March 2024 quarter totalled \$0.4 million, as outlined in item 6.1 of Appendix 4C. This included Directors' compensation (\$0.5 million), consulting fees paid to Rio Tinto group companies (\$0.2 million), and other reimbursements for commercial services received from Rio Tinto group companies (\$1.0 million) partially offset by Rio Tinto's reimbursement to ERA for leave and other employment liabilities transferred (\$1.2 million). All related party transactions that were conducted with Rio Tinto group companies were on arm's length terms and conditions and at market rates.

As previously announced, ERA has lodged an application for the renewal of the Jabiluka Mineral Lease (MLN1). 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.

## **EXPLORATION AND EVALUATION**

No evaluation or exploration expenditure was incurred in the March 2024 quarter, in line with the December 2023 quarter.

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This announcement has been authorised by the Board.

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## About Energy Resources of Australia Ltd

Energy Resources of Australia Ltd (ERA) has been one of the nation's largest uranium producers and operated Australia's longest continually producing uranium mine.

After the closure of the Ranger Mine in 2021, ERA is now committed to creating a positive legacy and achieving world-class, sustainable rehabilitation of former mine assets.

The Ranger Rehabilitation Project is located on Aboriginal land and is surrounded by, but separate from, Kakadu National Park. ERA respectfully acknowledges the Mirarr people, Traditional Custodians of the land on which the Ranger Project Area is situated.

ERA's Ranger Project Area (100%) is located eight kilometres east of Jabiru and 260 kilometres east of Darwin, in Australia's Northern Territory. ERA also holds title to the Jabiluka Mineral Lease (100%) and is a signatory to the Long Term Care and Maintenance Agreement over the Jabiluka Mineral Lease.

For further information, please contact:

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