

ASX Announcement

28 July 2023

- Progressive rehabilitation of the Ranger Project Area continued during the quarter.
- As announced in May 2023, ERA completed a non-underwritten pro rata renounceable entitlement offer of new fully paid ERA ordinary shares. Approximately \$369 million was raised with net proceeds expected to fund planned Ranger Project Area rehabilitation through to quarter 3, 2024, following repayment of the Rio Tinto Credit Facility and funding costs of the offer.
- During the quarter, ERA settled the Rio Tinto Credit Facility of \$100 million out of the proceeds from the Interim Entitlement Offer in accordance with the agreement.
- The 2022 Feasibility Study process continued throughout the quarter and a preliminary finding, relating to the reassessment of the water model, is an increase in the estimated volume of water requiring treatment. An increase in the estimated volume of water to be treated will likely have a corresponding impact on the Ranger rehabilitation completion date and revised total cost of completing the rehabilitation.
- Following this preliminary finding, ERA has commissioned an additional study to consider a range of options for an increased volume of water treatment. The additional study is expected to continue past September 2023.
- There are other preliminary findings from the 2022 Feasibility Study process which may have an impact on the forecast costs and schedule, including bulk material movement. Further reviews are being undertaken, and alternative options are being considered, on those matters.
- The 2022 Feasibility study is otherwise forecast to be completed in September 2023 and will be followed by a period of consultation with major stakeholders. This will ultimately lead to a revised Mine Closure Plan.
- ERA is working collaboratively with Gundjeihmi Aboriginal Corporation, the Northern Land Council (NLC), and relevant Government departments 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.

June 2023 Quarter Operations Review and Business Update

(unaudited)

RANGER REHABILITATION UPDATES

Progressive rehabilitation of the Ranger Project Area continued during the quarter. No mining, production and development expenditure was incurred for the June 2023 quarter. Material expenditure during the quarter comprised approximately \$55 million in rehabilitation expenditure for the Ranger Project Area.

All injury frequency rate remains at 0.00 for the quarter (rolling 0.00).

The capping of Pit 3 remains a critical path activity, including wicking and the Pit 3 backfill approval application. Dry capping of Pit 3 has progressed in terms of planning, engineering design and on-ground activities. Approval has been received to dewater the pit and commence the drying of the tailings, which will then enable machinery to access the pit floor for the capping and backfill activities. Capping and backfill activities will start once the Pit 3 dry capping application is approved. Work has continued during the quarter on scientific studies to address stakeholder feedback on the 2022 application, with groundwater modelling largely complete and other studies progressing based on the outputs from the groundwater modelling. The Pit 3 application is expected to reach final approval in 2023.

Wicking has now been completed which has accelerated the consolidation of tailings in Pit 3. Geotechnical testing of Pit 3 tailings has been undertaken to determine how well the material is consolidating and early indications are that this is progressing as expected.

Following successful commissioning of the brine injection upgrade system in March, operations have commenced and during the quarter all brine extracted from process water by the Brine Concentrator was permanently disposed in the Pit 3 underfill in accordance with applicable regulations.

The Brine Squeezer process water treatment upgrade work progressed with concrete works completed in May including equipment deliveries and installation. This upgrade will allow additional treatment of process water from the Ranger Water Dam.

Treatment rates of process water through the Brine Concentrator for the quarter were on target although utilisation was impacted by a planned shutdown for annual maintenance. A consultant has been engaged and completed a review of the proposal for improving the performance of the Brine Concentrator. A roadmap has been developed to provide subject matter expert oversight during the implementation which aims to deliver sustained operational improvement.

During the June 2023 quarter, the Jabiru housing refurbishment program continued to progress including the release of a further nine completed properties. ERA is progressively working to transfer completed properties to enable tenanting by third parties. During the quarter thirteen lots consisting of twenty-one dwellings were subleased and transferred, along with five vacant blocks. A further six residential properties also had roof replacements completed.

Factors including the tight labour market, supply chain constraints and inflationary pressures being experienced across the broader industry continue to impact the project.

2022 FEASIBILITY STUDY

In May 2022, ERA commenced a feasibility study in connection with a lower technical risk rehabilitation methodology (primarily relating to the subaerial (dry) capping of Pit 3)¹ and to further refine the Ranger Project Area rehabilitation execution scope, risks, cost, and schedule (**2022 Feasibility Study**).

The 2022 Feasibility Study has materially progressed during the last quarter and is, subject to the additional studies mentioned below, expected to be completed in September 2023. A period of consultation with key stakeholders including Government, major shareholders and traditional owners will follow. This will ultimately lead to a further revision of the current Mine Closure Plan.

A preliminary finding emerging from the 2022 Feasibility Study process, relating to reassessment of the water model and rainfall models used to predict the water treatment aspects of the project, is an increase in forecasts of the volume of water which must be treated.

Other significant preliminary findings emerging from the 2022 Feasibility Study process include:

- Following analysis of emergent technical risks associated with the sub-aqueous wicking and capping method for the Pit 3 capping works, an increase in cost and schedule to move to a dry capping method is likely;
- An increase in the forecast costs associated with the movement of stockpiled materials back into Pit 3, and bulk material movement activities required to establish final landform; and
- Catchment conversion assumptions have been revised since the original feasibility study to reflect a more likely path forward, which have had an adverse impact on the completion date and rehabilitation cost.

The water model and other preliminary findings above are likely to have a corresponding impact on the Ranger rehabilitation completion date and revised total cost of completing the rehabilitation. The impact on the timing and costs remains uncertain, and there are risks, if suitable mitigations or alternative solutions cannot be found, that the completion date and total rehabilitation costs will exceed current estimates.

Given the significance of the preliminary findings, management is undertaking separate studies to investigate alternative solutions for:

- Minimising the inflows of water to the process water storage;
- Lower cost alternatives for the treatment of mildly contaminated process water;
- Improving the water treatment capacity and reducing the operating costs of the water treatment systems;
- Optimising the movement of bulk materials into Pit 3; and
- A value engineering study.

The scope and timing of these additional study activities will be advised in a further announcement when details are confirmed.

¹ In essence, the subaerial methodology involves Pit 3 drying and being capped subaerially (i.e., not under water)

EXTENSION OF SECTION 41 AUTHORITY BEYOND JANUARY 2026

ERA continues to work collaboratively with Gundjeihmi Aboriginal Corporation (**GAC**), the Northern Land Council (**NLC**), and relevant Government departments 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.

INTERIM FUNDING UPDATE

As previously announced in May 2023, ERA completed a 5 for 1 non-underwritten pro rata renounceable entitlement offer of new fully paid ERA ordinary shares (**Interim Entitlement Offer**). The Interim Entitlement Offer, which was fully subscribed (inclusive of the applications under the Shortfall Facility), provided a total of approximately \$369 million (before costs). Following the Interim Entitlement Offer, Rio Tinto's voting power and relevant interest remain unchanged at 86.33%.

A portion of the proceeds from the Interim Entitlement Offer were used to repay the Rio Tinto Revised Credit Facility of \$100 million and fund costs of the Interim Entitlement Offer of approximately \$4.4 million. The remaining proceeds are expected to provide ERA with sufficient capital to fund its planned Ranger Project Area rehabilitation expenditure through to quarter 3, 2024.

The Interim Entitlement Offer is an interim funding solution for the Company, with further funding expected to be required by ERA in 2024 for the required Ranger Project Area rehabilitation expenditure.

ERA will use existing cash at bank and net interest received to fund its planned Ranger Project Area rehabilitation expenditure through to quarter 3, 2024, fund corporate costs, working capital, funding costs, and other costs including the intended renewal of the Jabiluka Mineral Lease and activities to uphold obligations under the Jabiluka Long Term Care and Maintenance Agreement.

CORPORATE

Payments to related parties and their associates in the June 2023 quarter totalled \$1.52 million (refer item 6.1 of Appendix 4C). This included Directors' compensation (\$0.31 million), consulting fees paid to Rio Tinto group companies (\$0.09 million) and other reimbursements paid for commercial services received from Rio Tinto group companies (\$1.12 million). In addition to the above payments, ERA settled the \$100 million Rio Tinto Revised Credit Facility and placed \$100 million with Rio Tinto Finance Ltd in a three-month interest-bearing deposit which for the purposes of the quarterly cashflow report is included as cash and cash-equivalents at the end of the period. All related party transactions that were conducted with Rio Tinto group companies were on arm's length terms and conditions and at market rates.

EXPLORATION AND EVALUATION

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

This announcement has been authorised by the Board.

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:

Media

Jessica Silvester
ERA
Mobile: +61 419 864 865
Email: jessica.silvester@riotinto.com

Investor Relations

Craig Sainsbury
Automic Markets
Mobile: +61 428 550 499
Email: craig.sainsbury@automicgroup.com.au

Website: www.energyres.com.au
Twitter: Follow @ERARangerMine on Twitter