

ASX Announcement

26 October 2023

September 2023 Quarter Operations Review and Business Update (unaudited)

- Progressive rehabilitation of the Ranger Project Area continued during the quarter.
- As announced in September 2023, the Company has determined to adopt a programme management approach to the rehabilitation of the Ranger Project Area.
- The Company received outcomes and data from the 2022 Feasibility Study in October 2023 and those matters are currently under review.
- The separate studies previously announced are ongoing and will likely proceed into 2024.
- The Company is unable to confirm the estimated complete project schedule and total rehabilitation costs at this time, due to a number of uncertainties including the review of the outcomes and data from the 2022 Feasibility Study, the outcome of the additional studies and the further work to be undertaken by ERA to verify and attempt to mitigate estimated costs identified in those studies.
- The total rehabilitation costs are expected to materially exceed the previous estimated range of \$1.6 billion to \$2.2 billion.
- Further funding is expected to be required by ERA in 2024 when sufficient certainty is obtained on the expenditure requirements for the first tranche of programme management components for the Ranger Project Area rehabilitation.
- ERA is working collaboratively with Gundjehmi 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.

RANGER REHABILITATION UPDATES

Progressive rehabilitation of the Ranger Project Area continued during the quarter. Material expenditure during the quarter comprised approximately \$49.6 million in rehabilitation expenditure 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 governing agency during the September 2023 quarter. Final approval of the backfill application is expected in the latter part of quarter 1, 2024.

Dry capping of Pit 3 has progressed in terms of planning, engineering design and on-ground activities. Pre-award package strategy for Pit 3 capping has been approved and the final bidder's list and request for tender are awaiting approval. Dewatering of Pit 3 commenced following confirmation of water quality and approval to pump water into the Ranger Water Dam.

As previously announced, drying out of the tailings within the completed wicked zone commenced in quarter 2, 2023. The contract for the supply of amphirolling machines which will accelerate the drying of tailings, was awarded during the September quarter and manufacture of the specialised machinery has commenced.

The Brine Squeezer process water treatment upgrade work progressed reaching 95% completion during the quarter. 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. Progress has been made in identifying and implementing strategies that improve plant reliability and production consistency. Although water quality has been challenging this year, high quality on specification distillate continues to be produced. Operator training, plant condition assessment, asset strategies and tactics, and process improvement initiatives are key focus areas.

During the September 2023 quarter, the Jabiru housing refurbishment program continued to progress. ERA is progressively working to transfer completed properties to enable tenanting by third parties. During the quarter, seven lots each consisting of three-bedroom dwellings were transferred.

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**).

As previously announced a number of significant preliminary findings emerged from the 2022 Feasibility Study process that require more analysis and studies to determine their

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

size or likelihood of occurring. 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. The Company will use the outcomes from the studies to verify and attempt to mitigate estimated costs identified in those studies.

The Company also determined to adopt a programme management approach to the rehabilitation of the Ranger Project Area. This will seek to ensure that each stage of the project can reach appropriate levels of certainty through accurate studies, estimates and costs going forward.

ERA received outcomes and data from the 2022 Feasibility Study in October 2023 and those matters are currently under review. The separate studies outlined above are ongoing and will likely proceed into 2024. While the review of the 2022 Feasibility Study and the additional studies are ongoing:

- the Company has not yet obtained sufficient certainty on the rehabilitation requirements of the programme management components, including the revised estimated schedule and cost, through to September 2027; and
- the Company is unable to confirm the estimated complete project schedule and total rehabilitation costs at this time.

As previously announced, the Company expects the total rehabilitation costs to materially exceed the previous estimated range of \$1.6 billion to \$2.2 billion. In addition, it is expected that the final completion date will also be delayed.

Further updates will be provided when sufficient certainty on estimates and schedule are obtained.

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

The remaining proceeds from the Interim Entitlement Offer completed in May 2023 are expected to provide ERA with sufficient capital to fund its planned Ranger Project Area

rehabilitation expenditure through to approximately quarter 3, 2024.

As previously announced, the Interim Entitlement Offer was an interim funding solution for the Company, with further funding expected to be required by ERA in 2024 when the Company expects to have obtained sufficient certainty on the expenditure required for the first tranche of the estimated Ranger Project Area rehabilitation expenditure.

ERA will use existing cash at bank and relevant 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 September 2023 quarter totalled \$1.13 million (refer item 6.1 of Appendix 4C). This included Directors' compensation (\$0.32 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 (\$0.72 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.

EXPLORATION AND EVALUATION

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

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