



## ASX Announcement

10 January 2019

### December 2018 Quarter Operations Review (unaudited)

- Energy Resources of Australia Ltd (**ERA**) produced 1,999 tonnes of uranium oxide in 2018.
- Production in the December 2018 quarter was 613 tonnes of uranium oxide.
- As announced on 6 December 2018, the preliminary findings of the Ranger Project Area closure Feasibility Study highlight a likely rise in the rehabilitation provision of \$296 million. As a result of the likely rehabilitation provision increase, ERA is reviewing all funding options.
- Progressive rehabilitation activities on the Ranger Project Area continued.

	Q4 18	vs Q4 17	vs Q3 18	12 mths 18	vs 12 mths 17
Ore milled ('000 tonnes)	671	-6%	-2%	2,486	-5%
Mill head grade (% uranium oxide)	0.10	-	11%	0.09	-10%
Mill recovery (%)	89.0	6%	4%	86.6	2%
Production – uranium oxide					
- tonnes	613	-	13%	1,999	-13%
- 000 lbs	1,351			4,407	

ERA produced 613 tonnes of uranium oxide in the December 2018 quarter compared to 544 tonnes in the September 2018 quarter. Total production for 2018 was 1,999 tonnes of uranium oxide compared to 2,294 tonnes produced in 2017. This result was at the top end of ERA's 2018 production guidance of 1,600 to 2,000 tonnes.

Production in the December 2018 quarter was higher than the previous quarter due to a higher mill head grade and increased mill recoveries. 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.



During the December 2018 quarter, progressive rehabilitation of the Ranger Project Area continued. This included continued operation of water treatment, the transfer of tailings from the Tailings Storage Facility to Pit 3 and progression of procurement and construction of additional dredging and tailings infrastructure.

### **RANGER PROJECT AREA CLOSURE FEASIBILITY STUDY**

On 6 December 2018, ERA provided an update to the market regarding the preliminary findings of the Ranger Project Area closure Feasibility Study.

The preliminary findings highlight an increase in the estimated cost of the rehabilitation program, with a likely rise in the rehabilitation provision from \$512 million (as at 30 June 2018) to \$808 million<sup>1</sup>, an increase of \$296 million. ERA expects to finalise the Feasibility Study during quarter 1, 2019.

As a result of the likely rehabilitation provision increase, ERA is reviewing all funding options. Rio Tinto has advised ERA 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. ERA and Rio Tinto are engaged in active discussions on various options to manage this process, including possible funding solutions.

### **EXPLORATION AND EVALUATION**

No evaluation or exploration expenditure was incurred for the December 2018 quarter, in line with the September 2018 quarter.

The Ranger 3 Deeps Exploration Decline remains under care and maintenance.

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<sup>1</sup> Likely provision as at 31 December 2018 (unaudited). The provision is discounted at 2 per cent and presented in real terms.



## 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.

ERA provides clean energy to the world and, as a trusted partner, cares for people and country.

ERA has an excellent track record of reliably supplying customers. Uranium has been mined at Ranger for more than three decades. During that time, Ranger has produced in excess of 126,000 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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