



## ASX Announcement

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8 February 2019

### Ranger Project Area – closure Feasibility Study finalisation

Energy Resources of Australia Ltd (**ERA**) announces the finalisation of the closure Feasibility Study for the rehabilitation of the Ranger Project Area (**Feasibility Study**).

Following further evaluation of the preliminary findings announced on 6 December 2018, the ERA Board has approved the Feasibility Study and recommends the continued implementation of the rehabilitation program.

The approval and implementation of the Feasibility Study results in an increase in the rehabilitation provision from \$526 million at 31 December 2017 to \$830 million<sup>1</sup> at 31 December 2018 (previously estimated to be \$808 million in the 6 December 2018 announcement based on the preliminary findings). This will be recorded in the 2018 full year financial statements.

The increase of \$305 million<sup>2</sup> compared to 31 December 2017 is largely due to:

- costs associated with tailings transfer to Pit 3, additional water treatment and related infrastructure, and revegetation requirements;
- higher forecast costs relating to site services and owners' costs; and
- an increase in contingency.

The study, prepared in accordance with the Ranger Mine Closure Plan, was publicly released in June 2018. It incorporates progress made regarding the prescribed closure criteria, the progressive rehabilitation activities already undertaken and updated closure forecasts and modelling. Following completion of the study, ERA has a consolidated, executable plan (inclusive of progressive rehabilitation activities and post closure activities) to meet the obligations of the Ranger Authority.

The findings of the Feasibility Study further increase confidence to stakeholders that ERA's planned rehabilitation strategy will satisfy regulatory obligations, including the January 2026 milestone.

### Funding

As a result of the rehabilitation provision increase, ERA is continuing to review 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 continuing to engage in active discussions regarding a funding solution.

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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).

<sup>2</sup> Differences may occur due to rounding.



**ERA**

In addition to its funding arrangements, ERA has implemented a business transformation program in order to increase cashflow from identified and new cost saving and productivity opportunities. The program aims to generate cash while maintaining the core values of health and safety and continued environmental protection.

ERA held total cash resources of \$388 million at 31 December 2018. Total cash resources at 31 December 2018 comprised \$313 million in cash at bank and \$75 million of cash held by the Commonwealth Government as part of the Ranger Rehabilitation Trust Fund. The Company has no debt.



**ERA**

### **About 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 oxide has been produced 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.

For further information, please contact:

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