



ASX Announcement

June 2012 Quarter Operations Review

(unaudited)

11 July 2012

	Q2 12	vs Q2 11 ⁽¹⁾	vs Q1 12	6 mths 12	vs 6 mths 11 ⁽¹⁾
Total material mined ('000 tonnes)	3,414	753%	88%	5,226	24%
Ore mined ('000 tonnes)	575	2,775%	1,027%	626	190%
Ore milled ('000 tonnes)	632	743%	-3%	1,282	393%
Mill head grade (% uranium oxide)	0.12	-14%	9%	0.11	-48%
Mill recovery (%)	84.7	-5%	-4%	86.4	-2%
Production – uranium oxide					
- tonnes	632	661%	3%	1,244	107%
- 000 lbs	1,393			2,742	

⁽¹⁾ Processing operations were suspended from 28 January 2011 until 15 June 2011.

Energy Resources of Australia Ltd (**ERA**) produced 632 tonnes of uranium oxide in the June 2012 Quarter. June 2012 Quarter production was three per cent higher than the preceding quarter and significantly higher than the corresponding quarter in 2011. Production of uranium oxide in 2011 was significantly impacted by the suspension of processing operations from 28 January 2011 to 15 June 2011 as a result of the extreme rainfall at the Ranger mine in the 2010/2011 wet season.

Whilst low grade stockpiled ore was being milled, ERA decided to reduce the quantity of reagents used in the June 2012 Quarter to optimise economic returns. This resulted in a decrease in mill recovery compared to the March 2012 Quarter.

Total material mined in the June 2012 Quarter was significantly higher than both the preceding quarter and corresponding quarter in 2011. Mining operations in the June 2011 and March 2012 Quarters were significantly affected by water levels in Pit 3. Whilst mining operations in the June 2012 Quarter were also affected by the water level in Pit 3, dewatering operations proceeded ahead of schedule with full mining access to Pit 3 obtained in late May 2012. Since that time, the productivity of the mining fleet has been high with the majority of the ore mined for the June 2012 Quarter having been produced during the month of June 2012. At this time, ERA expects to complete mining in Pit 3 by the end of 2012.

EXPLORATION AND EVALUATION

Total evaluation expenditure for the June 2012 Quarter was \$0.1 million, compared to \$3 million in the corresponding period of 2011.

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ERA

As previously announced, on 14 June 2012, the ERA Board approved the Ranger 3 Deeps mine prefeasibility study at an estimated cost of \$57 million. This study will evaluate and confirm the scope for a possible Ranger 3 Deeps underground mine. It will also include 16,000 metres of drilling for resource definition (in addition to the 35,000 metres of drilling approved as part of the Ranger 3 Deeps exploration decline project), extension of the decline and the installation of a ventilation shaft.

Total exploration expenditure for the June 2012 Quarter was \$12 million, comprised of \$9 million for the Ranger 3 Deeps exploration decline and \$3 million on surface exploration activities. Exploration expenditure for the corresponding period in 2011 was \$1 million. Total year to date exploration expenditure is \$15 million.

Construction of the Ranger 3 Deeps exploration decline commenced on 1 May 2012 and presently remains on schedule and on budget.

Exploration drilling activities in the June 2012 Quarter were limited due to restricted access, caused by the 2011/2012 wet season, to the target areas on the Ranger Project Area. In late May 2012, ERA recommenced drilling on targets in close proximity to Pit 3. To date, no significant mineralisation has been identified. During the second half of the year, drilling will be focused on target areas in the north of the Ranger Project Area.

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 has an excellent track record of reliably supplying customers. Uranium has been mined at Ranger for three decades. Ranger mine is one of only three mines in the world to produce in excess of 100,000 tonnes of uranium oxide.

ERA's Ranger mine is located eight kilometres east of Jabiru and 260 kilometres east of Darwin, located in Australia's Northern Territory.

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