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ASX Interim report – 30 June 2023

Lodged with the ASX under Listing Rule 4.2A
This information should be read in conjunction with the 31 December 2022 financial report

Contents

Directors' Report

for the half-year ended 30 June 2023

Results for announcement to the market

A summary of revenues and results for the half-year is set out below:

			June 2023 $000	June 2022 $000
Cash flow from operating activities	-232%	to	(112,960)	(34,053)
Revenue from sales of uranium oxide	-100%	to	-	35,261
Revenue from ordinary activities	-72%	to	13,403	47,663
Loss from ordinary activities before tax attributable to members	-887%	to	(331,269)	(33,577)
Loss from ordinary activities after tax attributable to members	-887%	to	(331,269)	(33,577)
Net loss for the period attributable to members	-887%	to	(331,269)	(33,577)
Loss per share (cents)	-450%	to	(3.3)	(0.6)

These financial results have been prepared in accordance with Australian Accounting Standards. All dollars in this report are Australian dollars, unless otherwise stated.

The Directors of Energy Resources of Australia Ltd (**ERA or the Company**) present their report together with the interim financial report of the Company, for the half-year ended 30 June 2023.

Directors

The Directors of the Company at any time during the half-year or since the end of the financial period were:

Name	***Period of Directorship***
Mr R Dennis (Chair)	Appointed November 2022 (appointed as Chair January 2023)
Mr B Welsh	Appointed Chief Executive and Managing Director February 2022
Mr J Carey	Appointed August 2019
Mr J van Tonder	Appointed May 2020
Ms R Fagen	Appointed February 2022
Hon. K Wyatt	Appointed December 2022
Mr S Glenn	Appointed February 2023

Review of operations

Energy Resources of Australia Ltd (**ERA** or the **Company**) incurred negative cash flow from operating activities of $113 million for the half-year ended 30 June 2023 compared to negative $34 million for the same period in 2022. Rehabilitation costs incurred for the half-year ended 30 June 2023 were $114 million compared to $80 million for the same period in 2022.

ERA held total cash resources of $823 million at 30 June 2023, comprised of $227 million in cash at bank, $100 million investments in term deposits with maturity dates greater than three months and $496 million of cash held by the Commonwealth Government as part of the Ranger Rehabilitation Special Account (Trust Fund). The Company's ability to access the funds held in the Trust Fund is subject to the terms of the Ranger Government Agreement (see below). The Company has no debt and $125m in bank guarantees.

ERA recorded a net loss after tax for the half-year ended 30 June 2023 of $331 million (inclusive of $302 million net rehabilitation adjustment) compared to a net loss after tax of $34 million for the same period in 2022. The half-year ended 2023 was adversely impacted by increases to the rehabilitation provision partially offset by lower non-cash discount unwind and a reduction in the estimate due to the increase in the discount rate. Further contributing to the 2023 half-year loss was no uranium oxide sales revenue compared to $35 million for the same period in 2022, with the sale of ERA's last drum of uranium oxide from the Ranger Project Area concluded on 31 May 2022.

Cash costs for the June 2023 half-year were lower than the corresponding period in 2022. This was mainly driven by the completion of all sales of remaining uranium inventories in May 2022 resulting in lower royalties, sustainability payment and selling costs. Cash costs, excluding rehabilitation related expenditure, are now those of a corporate nature.

Interest income for the period was $13.0 million, compared to $1.9 million for the June 2022 half-year. The weighted average interest rate received for the period was 4.27 per cent (2022: 0.64 per cent).

Rehabilitation

At 30 June 2023, the ERA rehabilitation provision is $1,446 million[1]. During the first half of 2023, ERA incurred expenditure of $114 million on rehabilitation activities.

In determining the rehabilitation provision, ERA has considered the preliminary findings from the 2022 reforecast, recent work in preparation for the interim entitlement offer completed in the period, and preliminary findings from the 2022 Feasibility Study process, which is ongoing. The estimate has been updated to the extent that changes have reached a level of development that allow ERA to determine that it is probable that an outflow of resources will be required to settle the obligation. As a result, in 2023 the cost of closure estimate has increased by $368 million which brings the total cost of completing the rehabilitation to $2.18 billion[2] resulting in ERA recording an increase to the closure provision estimate of $313 million. This increase is largely related to the following preliminary findings:

[1] 30 June 2023 provision discounted at 2% per cent. This equates to an estimated $1,600 million in undiscounted nominal terms or $1,520 million in undiscounted real terms.

[2] As previously announced in February 2022, the preliminary findings of ERA's reforecast exercise indicated that the revised total cost of completing the rehabilitation of the Ranger Project Area, including incurred spend since 1 January 2019, was estimated to be between $1.6 billion and $2.2 billion. The revised cost estimate was based on the Ranger Rehabilitation Project being completed in accordance with the methodology set out in the 2020 Mine Closure Plan.

Activity	$ 'million
Completion of Pit 3 Wicking	10
Revegetation and planting	65
Brine Injection works	35
Ranger Water Dam decommissioning	33
Brine Concentrator refurbishment	10
Pit 3 closure	57
Studies	26
Town infrastructure refurbishment	12
Additional project management cost	43
Monitoring and maintenance	55
Other	22
Total	**$368**

In addition to the findings above, there are a number of other significant preliminary findings emerging from the 2022 Feasibility Study process. Analysis and studies of these findings has commenced but have not reached a stage where their size or likelihood of occurring can be confirmed, these include:

- a potential reassessment of the water model and rainfall models used to predict the water treatment aspects of the project, this may result in an increase in forecasts of the volume of water which must be treated,
- possible additional costs in executing the subaerial capping method for Pit 3,
- a possible 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
- a revision to catchment conversion assumptions, since the original feasibility study, to reflect an alternate path forward.

A potential reassessment of the water model and other preliminary findings above, if they eventuate, 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 may exceed current estimates and the previously disclosed range of $1.6 billion to $2.2 billion.

ERA notes that the above revised estimates, as to both cost and schedule, are based on the Ranger rehabilitation project being completed in accordance with the methodology set out in the 2020 Mine Closure Plan.

Progressive rehabilitation of the Ranger Project Area has continued during the first half of 2023 with several key milestones achieved.

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 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 was completed on 9 April 2023 which has accelerated the consolidation of tailings in Pit 3. Geotechnical testing of Pit 3 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 June quarter all brine extracted from process water by the Brine Concentrator was permanently disposed in the Pit 3 underfill in accordance with applicable regulations.

Brine Squeezer process water treatment upgrade work has progressed with construction 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 is below planned performance assumed in ERA’s water model. A consultant was 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. The adequacy of water treatment infrastructure and the water model is being reviewed as part of the 2022 Feasibility Study.

During the first half of 2023, the Jabiru housing refurbishment program continued to progress including the release of further properties. ERA is progressively working to transfer of properties to enable tenanting by third parties.

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

For key updates on the rehabilitation project progress and risks refer to note 2 Critical Accounting Estimates and Judgements.

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)[3] and to further refine the Ranger Project Area rehabilitation execution scope, risks, cost, and schedule (**2022 Feasibility Study**).

The 2022 Feasibility Study has progressed during the last six months 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 is expected to follow. This may ultimately lead to a further revision of the current mine Closure Plan and rehabilitation provision.

As detailed above a number of findings have been identified. In addition, there are a number of other significant preliminary findings emerging from the 2022 Feasibility Study process that require more analysis and studies to determine their 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.

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.

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

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 holding costs of the Jabiluka Mineral Lease including activities to uphold obligations under the Jabiluka Long Term Care and Maintenance Agreement.

Jabiluka Mineral Lease

ERA holds the Jabiluka Mineral Lease – a large, high-quality uranium ore body of global significance. In accordance with the Long-Term Care and Maintenance Agreement signed by ERA in 2005, the Jabiluka deposit will not be developed by ERA without the approval of the Mirarr Traditional Owners. The current lease is due to expire in August 2024 and ERA intends to apply for a renewal as provided for in the lease.

Exploration

There was no exploration expenditure for the half-year ended 30 June 2023.

Dividends

ERA has decided not to declare an interim dividend in respect of the 2023 half-year. No final dividend was paid in respect to the 2022 financial year.

Outlook

ERA's purpose is to create a positive legacy and achieve world-class, sustainable rehabilitation of former mine assets.

The Ranger Rehabilitation Project is unique in that it is rehabilitating land in one of the world's most culturally and environmentally sensitive locations, surrounded by the World Heritage listed Kakadu National Park on the land of the Mirarr Traditional Owners.

The strategic priority of ERA continues to be the comprehensive rehabilitation of the Ranger Project Area to a standard where it can be reincorporated into the surrounding Kakadu National Park if Traditional Owners and the Commonwealth Government wish.

Consequently, ERA's near-term strategic priorities include:

- Continue with progressive rehabilitation of the Ranger Project Area;
- Complete the 2022 Feasibility Study;
- Secure a suitable funding option to meet future rehabilitation obligations;
- Progressive negotiations to extend the existing Ranger authority beyond January 2026 deadline; and
- Preserve the company's undeveloped resources.

Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 and in accordance with that Class Order, amounts in this Directors’ Report and the financial report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

Auditors’ independence declaration

A copy of the auditors’ independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on page 8.

Signed at Brisbane this 30th day of August 2023 in accordance with a resolution of the Directors.

Mr R Dennis
Chair

Competent Person

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is extracted from the ERA 2022 Annual Statement of Reserves and Resources which was released to the market on 13 March 2023 and is available to view on page 20 of the 2022 Annual Report. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Energy Resources of Australia Ltd

I declare that, to the best of my knowledge and belief, in relation to the review of Energy Resources of Australia Ltd for the half-year ended 30 June 2023 there have been:

i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. No contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Derek Meates
Partner
Perth
30 August 2023

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	Notes	Half-year ended **30 June 2023 $'000**	30 June 2022 $'000
Revenue from continuing operations	3	13,403	47,663
Changes in inventories	4	-	(22,524)
Materials and consumables used		(853)	(163)
Employee benefits and contractor expenses		(7,418)	(6,494)
Government and other royalties		-	(1,936)
Commission and shipping expenses		-	(56)
Financing costs	5	(33,932)	(47,615)
Changes in estimate of rehabilitation provision	5	(301,605)	-
Depreciation and amortisation expenses		(146)	(165)
Statutory and corporate expenses		(698)	(2,272)
Other expenses		(20)	(15)
Loss before income tax		(331,269)	(33,577)
Income tax (expense)/benefit		-	-
Loss for the half-year		(331,269)	(33,577)
Total comprehensive loss for the half-year		(331,269)	(33,577)
Loss is attributable to:			
Owners of Energy Resources of Australia Ltd		(331,269)	(33,577)
		(331,269)	(33,577)
Total comprehensive loss for the half-year is attributable to:			
Owners of Energy Resources of Australia Ltd		(331,269)	(33,577)
		(331,269)	(33,577)
		Cents	Cents
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic loss per share	8	(3.3)	(0.6)
Diluted loss per share	8	(3.3)	(0.6)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

	Notes	Half-year ended **30 June 2023 $'000**	31 Dec 2022 $'000
ASSETS			
Current assets			
Cash and cash equivalents		226,537	87,116
Trade and other receivables		3,255	4,678
Inventories	4	7,687	8,059
Investments (term deposits)		100,000	-
Other		740	2,924
Total current assets		338,219	102,777
Non-current assets			
Undeveloped properties	2	89,856	89,856
Property, plant and equipment		805	951
Government security receivable	10	496,349	486,187
Total non-current assets		587,010	576,994
Total assets		925,229	679,771
LIABILITIES			
Current Liabilities			
Temporary bank overdraft		-	12,253
Trade and other payables		38,543	33,699
Provisions	5	258,257	279,783
Lease liabilities		290	284
Total current liabilities		297,090	326,019
Non-current liabilities			
Provisions	5	1,197,836	956,728
Lease liabilities		535	681
Total non-current liabilities		1,198,371	957,409
Total liabilities		1,495,461	1,283,428
Net deficit		(570,232)	(603,657)
EQUITY			
Contributed equity	6	1,542,350	1,177,656
Reserves		387,912	387,912
Accumulated losses		(2,500,494)	(2,169,225)
Total deficit		(570,232)	(603,657)

The above balance sheet should be read in conjunction with the accompanying notes.

	Notes	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000
Balance at 1 January 2023		**1,177,656**	**387,912**	**(2,169,225)**	**(603,657)**
Loss for the half-year		-	-	(331,269)	(331,269)
Other comprehensive loss		-	-	-	-
Total comprehensive loss for the half-year		**-**	**-**	**(331,269)**	**(331,269)**
Transactions with owners in their capacity as owners:					
Contributed equity received net of transaction cost	6	364,694	-	-	364,694
Dividends provided for or paid		-	-	-	-
		364,694	-	-	**364,694**
Balance at 30 June 2023		**1,542,350**	**387,912**	**(2,500,494)**	**(570,232)**

	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000
Balance at 1 January 2022	**1,177,656**	**388,594**	**(2,008,672)**	**(442,422)**
Loss for the half-year	-	-	(33,577)	(33,577)
Other comprehensive loss	-	-	-	-
Total comprehensive loss for the half-year	**-**	**-**	**(33,577)**	**(33,577)**
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	-	-	-	-
	-	-	-	-
Balance at 30 June 2022	**1,177,656**	**388,594**	**(2,042,249)**	**(475,999)**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	Half-year ended 30 June 2023 $'000	30 June 2022 $'000
Cash flow from operating activities			
Receipts from customers		1,741	83,454
Payments to suppliers and employees		(3,112)	(37,387)
Payments for rehabilitation		(114,067)	(80,032)
		(115,438)	(33,965)
Interest received		2,831	224
Financing costs paid		(353)	(312)
Net cash (outflow)/inflow from operating activities		(112,960)	(34,053)
Cash flow from investing activities			
Payments for property, plant and equipment		(10)	-
Proceeds from sale of property, plant and equipment		92	2,705
Payments for investments in term deposits		(100,000)	-
Net cash (outflow)/inflow from investing activities		(99,918)	2,705
Cash flow from financing activities			
Proceeds from borrowings		100,000	-
Proceeds from share issues		369,138	-
Share issue transaction costs		(4,444)	-
Repayment of temporary bank overdraft		(12,253)	-
Payment of borrowings		(100,000)	-
Payment of lease liabilities		(140)	(162)
Net cash (outflow)/inflow from financing activities		352,301	(162)
Net increase/(decrease) in cash and cash equivalents		139,423	(31,510)
Cash and cash equivalents at the beginning of the half-year		87,116	163,872
Effects of exchange rate changes on cash and cash equivalents		(2)	(8)
Cash and cash equivalents at end of the half-year		226,537	132,354

1 Summary of significant accounting policies

This general purpose financial report for the interim half-year reporting period ended 30 June 2023 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* (Cth).

The interim financial statements have been drawn up on the basis of accounting policies, consistent with those applied in the financial statements for the year ended 31 December 2022, and in the corresponding interim period.

The Company has adopted all accounting standards and pronouncements that were mandatory for periods beginning on or after 1 January 2023 in this interim financial report. There was no impact on the measurement or disclosure of any balances or transactions presented.

The Company has not early adopted any amendments, standards or interpretations that have been issued but are not yet effective.

The critical accounting judgements and key sources of estimation uncertainty for the half year are the same as those disclosed in the Company's financial statements for the year ended 31 December 2022.

(a) Going Concern

As at 30 June 2023, ERA has a deficiency of capital and reserves of $570 million (2022: $604 million) and has also experienced operating losses during the period ended on that date, driven by significant increases in the rehabilitation estimate.

Management continues to closely monitor going concern and solvency. In determining that the company continues as a going concern, management have considered the following factors:

(i) In May 2023, ERA completed an Interim Entitlement Offer, this provided a significant cash injection and confirmed shareholder commitment;
(ii) At 30 June 2023, ERA had $327 million of available cash on hand or on deposit, this is likely to cover planned expenditure into quarter 3, 2024;
(iii) Preliminary findings from the 2022 Feasibility Study; and
(iv) Rio Tinto have continued to express support which reiterates Rio Tinto’s commitment to working with ERA to ensure the rehabilitation of the Ranger Project Area is successfully achieved.

In May 2023, ERA completed a 5 for 1 non-underwritten pro-rata renounceable entitlement offer raising $369 million (before costs), at an offer price of A$0.02 per share (Interim Entitlement Offer). The Interim Entitlement Offer was an interim funding solution for the company to provide sufficient cash to fund planned Ranger Project Area rehabilitation expenditure through to quarter 3, 2024, repay the Rio Tinto Credit Facility of $100 million and fund costs of the Interim Entitlement Offer.

Following the completion of the 2022 Feasibility Study during 2023, ERA will be in a position to determine a longer-term rehabilitation funding solution. At that stage, ERA will engage with Rio Tinto and other shareholders to potentially finalise a funding solution in 2024. An inability to obtain sufficient funding would have a material impact on ERA’s business, financial performance and assessment as a going concern.

The 2022 Feasibility Study has progressed during the year to date and is, subject to the additional studies, expected to be completed in September 2023. This may ultimately lead to a further revision of the current Mine Closure Plan and rehabilitation provision.

Preliminary findings from the 2022 Feasibility Study have identified key changes that impact ERA’s expected closure obligations and other significant preliminary findings emerging that require additional studies to determine the impact on the Ranger rehabilitation completion date and revised total cost of completing the rehabilitation. In addition to changes and emerging significant preliminary findings, ERA has continued to see the rehabilitation project exposed to challenging conditions, including tight labour market conditions, supply chain constraints and inflationary pressures being experienced across the broader industry. 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 and the previously disclosed range.

The Board notes Rio Tinto’s public statements to the effect that it is committed to working with ERA to ensure the rehabilitation of the Ranger Project Area is successfully achieved to a standard that will establish an environment similar to the adjacent Kakadu National Park. Given Rio Tinto subscribed to its full share of its entitlements in the Interim Entitlement Offer, the Board considers that Rio Tinto remains committed to the successful rehabilitation of the Ranger Project Area.

Each year, the Company is required to prepare and submit to the Commonwealth Government an Annual Plan of Rehabilitation (Annual Plan). Once accepted by the Commonwealth Government, the Annual Plan is then independently assessed and costed and the amount to be provided by the Company into the Ranger Rehabilitation Trust Fund (Trust Fund) is then determined. On 10 March 2022, the Commonwealth confirmed that it will not commence its Annual Plan of Rehabilitation 45 (APR 45) assessment to determine the quantum of funds to be deposited with the Commonwealth Trust as required under the Ranger Uranium Project Government Agreement, until after its internal cost review has been completed and funding arrangements had been finalised. ERA expects that the APR 45 assessment would commence in quarter 2, 2024.

At 30 June 2023, ERA has $125m in bank guarantees to the Commonwealth Government over the 44th Annual Plan of Rehabilitation which was finalised in February 2020 (an additional $1 million is held as an allowance for Jabiluka rehabilitation). ERA's ability to continue to access financial guarantees can be influenced by many factors, including its potential future cash balance, cash flows and shareholder support. Issuers of the bank guarantees have certain pay and walk rights and the guarantees are subject to periodic reviews. Should the banks execute their pay and walk rights or should ERA be unable to access bank guarantees, substantial additional cash would be required to indemnify the banks or be deposited into the Trust Fund. ERA continues to maintain regular dialogue with its major relationship banks.

As at 30 June 2023, ERA had no debt and $823 million in total cash resources (comprising $227 million in cash at bank, $100 million investments in term deposits with maturity dates greater than three months and $496 million invested as part of the government security receivable).

ERA will require further funding in 2024 for the required Ranger Project Area rehabilitation expenditure from its shareholders. As a result of these matters, there is a material uncertainty that may cast significant doubt on ERA's ability to continue operating as a going concern. Therefore, it may be unable to realise its costs and discharge its liabilities in the normal course of business.

The directors believe that ERA will be successful in obtaining additional funding support from its shareholders, and that the Annual Plan security requirements will continue to be covered by a mix of cash on deposit, bank guarantees and the funding from its shareholders. According, the financial report has been prepared on a going concern basis.

2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Rehabilitation provision

The calculation of the rehabilitation provision relies on estimates of costs and their timing to rehabilitate and restore disturbed land to establish an environment similar to the adjacent Kakadu National Park in line with the Company's statutory obligations.

The costs are estimated on the basis of a closure plan, taking into account considerations of the technical closure options available to meet ERA's obligations. The provision for rehabilitation represents the net present cost at 30 June 2023 of the preferred plan and represents managements best estimate of cost.

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) and to further refine the Ranger Project Area rehabilitation execution scope, risks, cost, and schedule (2022 Feasibility Study).

The 2022 Feasibility Study has progressed during the year to date 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 is expected to follow. This may ultimately lead to a further revision of the current Mine Closure Plan and rehabilitation provision.

In determining the rehabilitation provision, ERA has considered the preliminary findings from the 2022 reforecast, recent work in preparation for an interim entitlement offer and preliminary findings from the 2022 Feasibility Study. The estimate has been updated to the extent that changes have reached a level of development that allow ERA to determine that it is probable that an outflow of resources will be required to settle the obligation and a more reliable estimate can be made of the amount of the obligation.

Key changes that have been identified that meet these criteria include:

- additional Pit 3 wicking costs necessary to finalise the program and recover schedule,
- higher costs to complete brine injection bores and infrastructure as well as a future bore drilling program and bore hole remediation,
- additional forecast costs of revegetating the site,
- a proposed camp expansion to accommodate additional workers during peak periods of activity,
- higher cost associated with Jabiru housing refurbishments and town infrastructure,
- additional water decant tower costs associated with Pit 3 water management and rectification works on the Ranger Water Dam, and
- additional environmental study and monitoring costs.

In addition to changes identified above, ERA has continued to see the rehabilitation project exposed to challenging conditions, including tight labour market conditions, supply chain constraints and inflationary pressures being experienced across the broader industry. These impacts, as far as currently known, have been considered in the estimate. This has resulted in an increase to the provision of $313 million that has been recorded in the Statement of Comprehensive Income. This brings the estimated total rehabilitation cost to $2.18 billion (nominal), which is at the upper end of the previously disclosed range of $1.6 billion to $2.2 billion. The estimated closure provision at 30 June 2023, excluding unrecognised employee termination benefits and including an allowance of $1 million for Jabiluka rehabilitation is $1,446 million.

In addition to the findings above, there are a number of other significant preliminary findings emerging from the 2022 Feasibility Study process. Analysis and studies of these findings has commenced but have not reached a stage where their size or likelihood of occurring can be confirmed, these include:

- a potential reassessment of the water model and rainfall models used to predict the water treatment aspects of the project, this may result in an increase in forecasts of the volume of water which must be treated,
- possible additional costs in executing the subaerial capping method for Pit 3,
- a possible 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
- a revision to catchment conversion assumptions since the original feasibility study to reflect an alternative path forward.

A potential reassessment of the water model and other preliminary findings above, if they eventuate, 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 and the previously disclosed range of $1.6 billion to $2.2 billion.

ERA notes that the above revised estimates, as to both cost and schedule, are based on the Ranger rehabilitation project being completed in accordance with the methodology set out in the 2020 Mine Closure Plan.

Progressive rehabilitation of the Ranger Project Area has continued during the first half of 2023 with several key milestones achieved. Key milestones include the completion of Pit 3 wicking and the recommissioning of the brine injection system, used to dispose of waste brines from the Brine Concentrator. The Brine concentrator has continued to operate with treatment rates of process water for the June quarter on target although utilisation was impacted by a planned shutdown for annual maintenance. Other key rehabilitation activities continued including Jabiru housing refurbishment, Brine Squeezer process water modification and further environmental studies.

Major activities to complete the rehabilitation plan include bulk material movements, water treatment, demolition and revegetation. Major cost sensitivities include Pit 3 capping, material movements and water treatment.

The rehabilitation of the Ranger Project Area is the largest ever project of its kind in Australia with unique levels of complexity and risk. The ultimate cost of rehabilitation is uncertain and can vary in response to many factors including legal requirements, technological change, weather events and market conditions. The 2022 Feasibility Study is underway and scheduled for completion in September 2023. As such it is reasonably possible that outcomes from within the next financial year may be different from the current cost estimate and could require material adjustment to the rehabilitation provision for the Ranger Project Area. Selected risks for the Ranger rehabilitation provision are detailed below.

Tailings consolidation
Following the completion of the transfer of tailings to Pit 3, the wicking of Pit 3 commenced and has now been completed. During the final capping process the tailings in Pit 3 will consolidate and express process water, which will need to be collected and treated. The consolidation process is aided by the installation of vertical wicks and the knowledge of the consolidation timeframes is backed up by a detailed model based on in situ testing of site tailings.

The consolidation model predictions of rates of process water expression are impacted by many factors, including tailings density and other characteristics, deposition method and free process water volume in the pit during deposition. Detailed engineering continues to further refine the scope of work. The impact to the rehabilitation cost and resulting provision is being evaluated as part of the assessment of alternate capping options for Pit 3 during the 2022 Feasibility Study due to be completed in September 2023.

These impacts have been considered in the reforecast but to the extent tailings consolidation and process water expression extend further could have additional adverse impacts on cost and schedule of completing rehabilitation.

Process water and injection of waste brines
Management of water on the Ranger Project Area is critical to ongoing rehabilitation activities. ERA has a number of procedures and initiatives underway in respect to water management, including the potential refurbishment of the Brine Concentrator and alternate water capture and treatment options.

Recent performance of the water treatment plant is below the performance assumed in ERA's water model. ERA has already commenced mitigation efforts and, as part of the 2022 Feasibility Study, is reviewing the adequacy of the water treatment infrastructure and the water model. Unless this deficit in performance can be addressed, it is likely that further costs will be incurred and there will be potential delays in the completion of rehabilitation.

In addition, it is emerging from the 2022 Feasibility Study process, that it may be necessary to reassess the water model and rainfall models used to predict the water treatment aspects of the project. This may result in an increase in forecasts volumes of water which must be treated.

To the extent that any of these initiatives cost more than expected or ERA is required to implement further initiatives (such as the installation of additional water treatment infrastructure), the rehabilitation cost and schedule may increase further.

In addition, as a result of treating processed water a waste stream of highly concentrated contaminated water, known as brine, is generated. The brine is ultimately to be stored below tailings in Pit 3 via injecting the brine through bore holes. This technology has previously been commissioned but the long-term performance is yet to be fully confirmed. Should the disposal of brine in this manner not prove viable, an alternate method of brine disposal would be required. This would require additional capital expenditure which has not been allowed for in the rehabilitation estimate.

Bulk material movement
Once capping of Pit 3 is complete, large scale bulk material backfill and landform shaping will occur. Bulk material movements are sensitive to the volume of material which is to be moved and the schedule of movement. To the extent volumes, costs or methods of movement change, there may be a material impact on the rehabilitation cost or schedule.

Other factors
In addition to the factors identified above there are many additional items that could impact the estimate, including: rehabilitation time frames, evaporation rates, stakeholder requirements, higher costs of relinquishing Jabiru township housing, engineering studies, other site contaminants, plant mortality and project support costs.

In estimating the rehabilitation provision, a risk-free discount rate is applied to the underlying cash flows. At 30 June 2023, the real discount rate was 2 percent, this was increased from 1.5 per cent at 31 December 2022 as a result of changes in macro-economic conditions.

Cash flow timing
The company estimates the presentation of its rehabilitation provision between current and non-current liabilities, based on anticipated timing of expenditure from updated cash flow forecasts.

Asset carrying values

ERA has two cash generating units (CGUs); the Ranger Project Area and the Jabiluka Mineral Lease. The Ranger CGU includes all assets and liabilities related to activities on the Ranger Project Area, including the rehabilitation provision. The Jabiluka Undeveloped Property relates to the Jabiluka Mineral Lease, which is currently under a Long-Term Care and Maintenance Agreement with Traditional Owners.

At 30 June 2023 the property, plant and equipment in the Ranger CGU continues to be fully impaired. When capital expenditure is incurred, it is immediately expensed to the Statement of Comprehensive Income. For the half-year ended 30 June 2023, $0.01 million in capital expenditure was expensed.

At the end of each reporting period, ERA assesses whether there are any indications that ERA's CGUs may be impaired or circumstances have changed to indicate reversal of prior impairments. This requires judgement in analysing possible impacts caused by factors such as the price of uranium oxide, foreign exchange movements, Mineral lease extension, operating and capital estimates, discount rate, project progression and Traditional Owner relationships.

Undeveloped Properties Judgements

Undeveloped properties are considered assets not yet ready for use. In reporting periods where impairment testing is required, the recoverable amount of the undeveloped properties was determined using the fair value less costs of disposal method. Undeveloped properties consist of the Jabiluka Mineral Lease.

The Jabiluka Mineral Lease is currently subject to a Long-Term Care and Maintenance Agreement with Traditional Owners. This agreement ensures the Jabiluka deposit will not be developed without the consent of the Mirarr Traditional Owners. It is uncertain that this consent will be forthcoming and, by extension, that the Jabiluka deposit will be developed. Should this consent not eventuate in the future, the Jabiluka Undeveloped Property would face full impairment. An impairment of $90m was recorded in 2018.

The valuation of the Jabiluka Mineral Lease requires a high degree of judgement. To determine the fair value, ERA has historically used a probability weighted discounted cash flow model, based on post-tax cash flows expressed in real terms, estimated until the end of the life of mine plan and discounted using an asset specific post-tax real discount rate. These results have historically been cross checked against market valuations of other undeveloped mining projects in the uranium industry and the broader mining sector, including market valuations of mining assets subject to long term approval constraints.

ERA regularly reviews and updates these assumptions and assesses potential impairment indicators and impairment reversal indicators. For the June 2023 half-year, the review did not identify any indicators that the carrying amount of the Jabiluka Undeveloped Property may not be recovered in full, from successful development or sale.

This review primarily considered the following key factors:

- The successful interim entitlement offer and market capitalisation exceeding net assets;
- The ongoing strength of the uranium spot price;
- Valuation technique and resource multiples;
- Uranium price changes based on market analysis from reputable firms on the long-term uranium oxide price and the ongoing presence of a contract price premium;
- Long term consensus forecast Australian/US dollar exchange rates; and
- Applicable discount rate.

The review of these factors did not identify any material changes that would warrant a full impairment or impairment reversal review to be conducted or represent a change in Management's overall view of value. As a result, the carrying value of the Jabiluka Undeveloped Property remains at $90 million.

Further, ERA hold the view that the critical determinants of the value of Jabiluka are:

- The Long-Term Care and Maintenance Agreement, signed with the Northern Land Council and Traditional Owners;
- A better shared understanding of the cultural landscape of MLN1, and,
- A renewal of the MLN1 lease before August 2024.

Management considered that until this work is completed no further impairment or reversal of prior impairment are warranted.

Key assumptions to which the Jabiluka model is sensitive include: the probability of future development (which includes an assessment of obtaining any required approval and/or support of various stakeholders, including Traditional Owners, regulatory bodies and shareholders), uranium oxide prices (including term contract price premiums in the future), foreign exchange rates, production and capital costs, discount rate, ore reserves and mineral resources, lease tenure renewal (August 2024) and development delays.

ERA's view remains that Jabiluka is a large, high quality uranium ore body of global significance.

Taxation

As at 30 June 2023, ERA had approximately $300 million of tax losses (at 30% per cent) that are not recognised as deferred tax assets due to uncertainty regarding ERA's ability to generate adequate levels of future taxable profits. This treatment is reviewed at each reporting date. Should future taxable profits eventuate this treatment will not impact ERA's ability to utilise available tax losses in future periods.

Judgement is required in regard to the application of income tax legislation. There is an inherent risk and uncertainty in applying these judgements and a possibility that changes in legislation will impact the carrying amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet.

3 Segment information

Description of Segment

Management has determined the operating segment based on the reports reviewed by the Chief Executive that are used to make strategic decisions.

The Chief Executive considers the business from a product perspective and has identified only one reportable segment in the half-year ended 30 June 2023, being site rehabilitation. There are no other unallocated operations.

Segment Revenue

The revenue from external parties reported to the Chief Executive is measured in a manner consistent with that in the statement of comprehensive income.

Revenues from customers are derived from the sale of uranium. Segment revenue reconciles to total revenue from continuing operations with the addition of other income, which includes asset sales, interest revenue and rent received. There was no revenue from the sale of uranium oxide in 2023 with the final sale of uranium oxide being completed in May 2022.

The Company is domiciled in Australia. The result of its revenue from external customers in other countries is outlined in the table below:

	Half-year ended	
	30 June 2023 $'000	30 June 2022 $'000
Sales to customers		
Asia	-	35,261
Total sale of goods	-	35,261
Other revenue	13,403	12,402
Total other revenue	13,403	12,402
Total revenue from continuing operations	13,403	47,663

Segment revenues are allocated based on the country in which the customer is based. ERA placed all sales through a marketing agreement with Rio Tinto Uranium based in Asia.

	30 June 2023 $'000	31 Dec 2022 $'000

4 Inventories

(a) Inventories – current

Stores & spares	7,687	8,059
Total current inventory	7,687	8,059

Inventories are carried at the lower of cost or net realisable value in accordance with AASB 102 *Inventories*.

5 Provisions

(a) Provisions – current

Employee benefits	9,488	11,198
Rehabilitation	248,769	268,585
Total current provisions	258,257	279,783

Movement in current rehabilitation provisions		
Carrying amount at the start of the year	268,585	222,898
Payments	(114,067)	(194,190)
Transfer from non-current provision	94,251	239,877
Carrying amount at the end of the period	248,769	268,585

(b) Provisions – non-current

Employee benefits	831	653
Rehabilitation	1,197,005	956,075
Total non-current provisions	1,197,836	956,728

Movement in non-current rehabilitation provisions		
Carrying amount at the start of the year	956,075	1,027,971
Unwinding of discount	33,576	105,824
Change in discount rate	(11,181)	-
Change in estimate	312,786	62,157
Transfer to current provision	(94,251)	(239,877)
Carrying amount at the end of the period	1,197,005	956,075

Employee Benefits

During the half year ended 30 June 2023, a provision for benefits payable on termination of employment continued to be recognised. A total of $1.1M was recognised as payable in 2023 and has been recognised as a current liability (2022: $1.0M). The remaining employer benefits relate to annual leave and long service leave. Entitlements currently payable are classified as current provisions and entitlements due in greater than 12 months are classified as non-current provisions.

6 Share capital

	30 June 2023 $'000	31 Dec 2022 $'000
A Class shares fully paid (#)		
Shares on issue at the start of the year	3,691,383	3,691,383
Shares issued during the period (at $0.02 per share)	18,456,916	-
Total shares on issue at the end of the period	22,148,299	3,691,383
Total contributed equity ($)		
Contributed equity at the start of the year	1,177,656	1,177,656
Additional contributions of equity ($0.02 per share for 18,456,915,990 shares)	369,138	-
Share issuance costs	(4,444)	-
Contributed equity at the end of the period	1,542,350	1,177,656

As previously announced in May 2023, ERA's 5 for 1 non-underwritten pro rata renounceable entitlement offer of new fully paid ERA ordinary shares (Interim Entitlement Offer) closed successfully on 10 May 2023.

7 Contingencies

Legal actions against ERA

Unresolved legal action commenced (in 1999) by the Mirarr Traditional Owners in the Federal Court against the former Federal Minister for Resources and ERA, claiming that due process was not followed in granting approvals for the Jabiluka Mill Alternative, is dormant. Should ERA proceed with the Jabiluka Mill Alternative, notice will be given to the applicant who may or may not wish to pursue the argument further. No material losses are anticipated in respect of this legal dispute.

8 Loss per share

	Half-year ended	
	30 June 2023 Cents	30 June 2022 Cents
Basic loss per share	(3.3)	(0.6)
Diluted loss per share	(3.3)	(0.6)

Weighted average number of ordinary shares on issue used in the calculation basic earnings per share 2023: 22,148,299,188 (2022: 3,691,383,198).

9 Liquidity and capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The future liquidity and capital requirements of ERA will depend on many factors. As a result of rehabilitation provision increases, ERA has insufficient funds to fully fund rehabilitation. 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), has provided a total of approximately $369 million (before costs). The new shares issued rank equally with the existing ERA shares on issue, therefore Rio Tinto's purchase of new shares is equivalent to their existing shareholdings. As such, 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.

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.

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. Following the completion of the 2022 Feasibility Study during 2023, ERA will be in a position to determine a longer-term rehabilitation funding solution. At that stage, ERA will engage with Rio Tinto and other shareholders to potentially finalise a funding solution in 2024. An inability to obtain sufficient funding would have a material impact on ERA's business, financial performance and assessment as a going concern. Rio Tinto has reiterated its commitment to ensuring the rehabilitation of the Ranger Project Area is successfully achieved to a standard that will establish an environment similar to the adjacent Kakadu National Park.

As at 30 June 2023, ERA had no debt and $823 million in total cash resources (comprising $227 million in cash at bank or cash equivalents, $100 million investments in term deposits with maturity dates greater than three months and $496 million invested as part of the government security receivable).

10 Government security receivable

ERA is required to maintain the Ranger Rehabilitation Special Account (Trust Fund) with the Commonwealth Government. The Trust Fund is intended to provide security against the estimated costs of closing and rehabilitating the Ranger mine immediately. Each year, the Company is required to prepare and submit to the Commonwealth Government an Annual Plan of Rehabilitation (Annual Plan). Once accepted by the Commonwealth Government, the Annual Plan is then independently assessed and costed and the amount to be provided by the Company into the Trust Fund is then determined.

As at 30 June 2023, ERA had $496 million in cash currently held by the Commonwealth Government as part of the Ranger Rehabilitation Special Account (Trust Fund). In addition, bank guarantees procured by ERA totalling $125 million are held by the Commonwealth as additional security for ERA's Ranger rehabilitation obligations (an additional $1 million is held as an allowance for Jabiluka rehabilitation). These deposits and bank guarantees were provided to the Commonwealth Government based on its review in February 2020 of the 44th Annual Plan of Rehabilitation submitted by ERA (i.e. prior to the preliminary findings of the Reforecast).

ERA has agreed amendments to its Government Agreement with the Commonwealth to introduce a clearer framework for managing the amount of security held by the Commonwealth and releasing funds from the Trust Fund for completed rehabilitation works. Under this new framework, ERA was entitled to submit a one-off interim payment request for the release from the Trust Fund of an amount representing a portion of the cost of rehabilitation works performed at Ranger between 8 January 2021 and 1 June 2022. As a result of this, $57 million was received in November 2022.

However, any further drawdown of funds under this framework will first require revaluation of the security following ERA's internal cost review, which is expected to occur after completion of the 2022 Feasibility Study in 2023. Given the expected increase in the Ranger rehabilitation costs, ERA may be required to provide additional security or funds in the Trust Fund.

ERA confirmed with the Commonwealth that none of the proceeds raised from the Interim Entitlement Offer would be put into the Trust Fund to provide additional security. On 10 March 2022, the Commonwealth confirmed that it will not commence its Annual Plan of Rehabilitation 45 (APR 45) assessment to determine the quantum of funds to be deposited with the Commonwealth Trust as required under the Ranger Uranium Project Government Agreement, until after its internal cost review has been completed and funding arrangements had been finalised. ERA expects that the APR 45 assessment would commence in quarter 2, 2024.

ERA's ability to continue to access financial guarantees can be influenced by many factors, including potential future cash balance, cash flows and shareholder support. Issuers of the bank guarantees have certain pay and walk rights and the guarantees are subject to periodic reviews. Should the banks execute their pay and walk rights or ERA is unable to access bank guarantees, substantial additional cash would be required to indemnify the banks or be deposited into the Trust Fund. This is likely to have a material adverse effect on ERA's business and its financial position and performance as well as its ability to meet its rehabilitation obligations.

Cash flows to/from the fund are considered to be advances to/from a third party and therefore disclosed under Investing activities when they occur.

The applicable weighted average interest rate for the year ended 30 June 2023 was 4.27 per cent (31 December 2022: 0.64 per cent).

	30 June 2023 $'000	31 Dec 2022 $'000

11 Net tangible asset backing

Net tangible asset backing per ordinary share	(0.03)	(0.16)

12 Events occurring after the reporting period

No other matters or circumstances has arisen since the end of the period that have significantly affected or may significantly affect the operations or state of affairs of the Company in subsequent financial years.

In the Directors' opinion:

(a) The interim financial statements and notes set out on pages 9 to 22 are in accordance with the *Corporations Act 2001* (Cth), including:
   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements including Australian Accounting Standard AASB 134 Interim Financial Reporting; and
   (ii) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Mr R Dennis
Chair
Brisbane
30 August 2023

Independent Auditor's Review Report

To the shareholders of Energy Resources of Australia Ltd

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of Energy Resources of Australia Ltd.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Energy Resources of Australia Ltd does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the Half-year ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- Balance sheet as at 30 June 2023;
- Statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date;
- Notes 1 to 12 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The ***Interim Period*** is the 6 months ended on 30 June 2023.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to Note 1a), "Going concern" in the Interim Financial Report. The events or conditions disclosed in Note 1, indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Interim Financial Report. Our conclusion is not modified in respect of this matter.

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Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- The preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- Such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30 June 2023 and its performance for the half year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

Derek Meates
Partner
Perth
30 August 2023