



Recovery from tank incident

Update #3

ERA

ERA is progressing with recovery from, and investigation into, the Leach Tank 1 failure in December 2013. The tank has now been safely dismantled and the surrounding area cleared. The independent investigation into the incident is also complete, and has identified the root cause.

Key points:

- Work to dismantle and remove Leach Tank 1 and associated infrastructure is complete.
- The dismantled sections from the failed tank have been removed to another area on the Ranger mine site.
- The final clean-up of slurry material from the area surrounding Leach Tank 1 is complete.
- ERA's investigation was undertaken in two phases and was led by independent experts with experience in major incident investigation and asset integrity and maintenance respectively.

Root cause:

- The root cause investigation found that the rubber lining inside Leach Tank 1, which protects the tank from corrosion, had been damaged by a baffle plate which had partially failed inside the tank.
- The damaged rubber lining allowed acidic slurry mixture to come into contact with the tank's steel wall. The acid corroded the steel and this led to the failure of the tank.
- The investigation has also found that modifications made to Leach Tank 1 in 2009 to process laterite ore instead of primary ore are likely to have contributed to causing the baffle to come loose.

Before



After



Deconstruction: The cleared area in front of the remaining leach tanks, with the base of Leach Tank 1 circled in red following its removal



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Asset integrity and maintenance investigation:

- The six other leach tanks on site, which all process primary ore, have been emptied and thorough inspections of the tanks are underway.
- These inspections identified some metal fatigue in the baffle supports in Leach Tank 6.
- As a result of this, ERA has decided to redesign and replace the baffles in all of the leach tanks before they are returned to service.
- This phase of the investigation has focussed on assessment of the condition of critical assets at the Ranger processing plant and the asset maintenance strategies associated with those assets.
- A total of 8,827 individual assets were reviewed, with the following findings:
- A total of seven critical actions were recommended before plant restart. All of these relate to inspections and thickness testing of the leach tanks and other processing plant tanks.
- The report recommended a further 28 actions be performed on specific assets or systems prior to those assets or systems being returned to service. Except for those actions relating to assets or systems which are not needed to run the processing plant, all of these recommended actions will be implemented prior to the restart of processing operations. The remainder will be implemented following the restart of processing operations.
- The report also made 48 non-critical recommendations which are to be implemented within six to 12 months following restart of the processing plant.
- ERA has accepted all of the independent expert's recommendations from the asset integrity and maintenance investigation and is progressing their implementation across the plant as part of its operational schedule to allow for the restart of processing operations.

What happens next:

- The restart of processing operations remains subject to approval from the Commonwealth Minister for Industry, the Northern Territory Executive Director of the Department of Mines and Energy and the ERA Board.
- ERA's investigation is separate from, but run in parallel with, the joint investigation being undertaken by the Government-appointed taskforce, which is still ongoing.
- The full financial and production impact for 2014 will depend on a range of factors, including the reparation works required on processing plant infrastructure and when ERA is authorised to recommence processing operations.
- As announced on 19 December 2013, ERA built a large inventory of uranium oxide in 2013 and has sufficient inventory to meet all sales commitments in the first half of 2014.
- ERA is currently looking at options to meet sales commitments in the second half of 2014. The decision regarding these alternatives and the quantities involved will depend on the timing of restart of processing operations.
- Ongoing monitoring confirms that this incident has had no impact on the surrounding environment or Kakadu National Park.
- All other activities at Ranger, including rehabilitation, water management and the Ranger 3 Deeps Exploration Decline, continue as scheduled.

For more information:

- Visit www.energyres.com.au
- Visit the ERA Jabiru office in the plaza