Energy Resources of Australia Ltd

Annual Report 1981

Energy Resources of Australia Ltd

Notice of Meeting

Notice is hereby given that the Annual General Meeting of the Members of Energy Resources of Australia Ltd will be held at the Reception Hall, Sydney Opera House on Tuesday, the first day of December 1981 at 11.00 am.

Business

1. To receive and consider the Profit and Loss Account of the Company for the year ended 30 June 1981, and the Balance Sheet of the Company as at that date together with group accounts of the Company and its subsidiaries and the reports of the Directors and of the Auditors thereon.

2. To elect four directors —
(i) Mr A W Hamer retires by rotation in accordance with Article 111 of the Company's Articles of Association.
(ii) Messrs G B Lean and W J Holcroft and Sir Rupert Myers retire in accordance with Article 100 of the Company's Articles of Association.
The retiring directors, being eligible, offer themselves for re-election.

3. To appoint auditors —
Coopers & Lybrand, having been nominated and being eligible, offer themselves for re-appointment as Auditors of the Company.

Appointment of Auditors

The Company has received the following nomination:
'Pursuant to Section 166A(1) of the Companies Ordinance 1962
I, Bernard Godfrey Fisk of 27 Mandolong Road, Mosman, NSW, being a member of Energy Resources of Australia Ltd hereby give notice of nomination of Coopers & Lybrand for appointment as Auditors of the Company at the Annual General Meeting to be held on the first day of December, 1981.
Dated this seventeenth day of September 1981.
Accordingly, Coopers & Lybrand, having been nominated and having given the Company the necessary written consent, are eligible and will seek re-appointment at the forthcoming Annual General Meeting.

By Order of the Board
B T Ross
Secretary

9 November 1981

Notes

(i) A member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote instead of the member.
(ii) Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights.
(iii) A proxy need not be a member.
(iv) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation under its common seal or the hand of its attorney.
(v) To be effective, the instrument appointing a proxy and the power of attorney (if any) under which it is signed or an office copy or notarially certified copy thereof shall be deposited at the registered office not less than 48 hours before the time for the holding of the meeting or adjourned meeting (as the case may be).

Energy Resources of Australia Ltd 1981 Annual Report

Energy Resources of Australia Ltd (E.R.A.) was incorporated as a proprietary company in February 1980 for the development of energy resource projects within Australia and specifically for the acquisition of all rights in the Ranger Uranium Project. In July 1980, E.R.A. became a public company and, in September 1980 acquired the interests of the Commonwealth of Australia and the joint venturers, Peko-Wallsend Operations Ltd (Peko), Electrolytic Zinc Company of Australasia Limited (EZ), and the Australian Atomic Energy Commission (AAEC), in the Ranger Project. E.R.A. now has a market capitalisation of about $600 million and gross assets of over $750 million.

Contents

Directors and executives inspect the primary crusher at Ranger during a board visit in May 1981: from left *Bob Harvey, Bernard Fisk, George Lean, Graham Buckett, Alex Morokoff, Alan Mackintosh, Harry Umeda, Kiyoshi Hashikawa, Alan Hamer, George Mackay, Volker Klix, Les Nicholls, Warwick Holcroft.*

The outside cover *shows the Ranger plant at night as a blaze of lights across the ancient land where for over 30,000 years the only light came from Aboriginal fires. In daylight* left *the mine and plant are dwarfed by the vastness of the landscape.*

Board of Directors

A L. Morokoff *Chairman*
A W. Hamer
W J. Holcroft
K. Ito *nominated by holders of 'C' class shares*
G B. Lean
G A. Mackay
L W. Mueller *nominated by holders of 'B' class shares*
Sir Rupert Myers KBE, FTS

Secretaries

R M. Houston
R W. Harvey
B T. Ross

General Management

B G. Fisk *Chief Executive*
S J. Hodge *General Manager, Finance*
D T. Woods *General Manager, Operations*

Registered Office:

C/- Coopers & Lybrand
2nd Floor,
Manufacturers Mutual Insurance Building,
78 Northbourne Avenue,
Canberra City, ACT.
Telephone: (062) 48 5244

Principal Office

Energy Resources of Australia Ltd
20 Bond Street
Sydney, NSW 2000.
Postal Address:
GPO Box 4039, Sydney, NSW 2001.
Telephone: (02) 27 4061.

Auditors

Coopers & Lybrand

Bankers

Commonwealth Trading Bank of Australia
Bank of New South Wales.

Notice of Meeting

This report is to be presented at the Annual General Meeting of members of Energy Resources of Australia Ltd to be held at the Reception Hall of the Sydney Opera House, Bennelong Point, Sydney, at 11.00 am. on Tuesday, First December 1981. A formal Notice of Meeting and proxy form is enclosed with this report.

Chairman's Report

The past financial year has seen the acquisition of all interests in the Ranger Project, the successful completion of the restructuring of E.R.A. to include the Australian public and important overseas participants, and the conclusion of sales contracts with those overseas participants, and others, for the total initial designed capacity of the Project. Additionally, and most importantly, construction of the Ranger mine and mill at Jabiru in the Northern Territory was virtually completed. Construction has taken place within the time set by the company and total expenditure on the plant and associated facilities, including capitalised interest, has been kept within budget.

It is conventional in an annual report to pay tribute to the efforts of the employees of the organisation and generally to do so at the end of the report. To follow that precedent would fail to do justice to the contribution all employees have made and are continuing to make in bringing the Ranger Project into operation so successfully. Mention should be made of the contributions to the successful creation of the company and to the development of the Ranger Project by the two Directors who have resigned before the date of this report, Messrs D S. Stewart and R E. White.

It would, likewise, be appropriate to give cognisance to the special roles played by our major shareholders, both Australian and overseas, by the lenders to the project, by our bankers and by many others in ensuring the successful establishment of the company and a most promising start to its operations.

Human resources are, and will remain, a major factor in the continuing success of E.R.A. Human relations are equally important, both internally and externally. Consequently great emphasis is put upon the company's personnel policies and on its relationship with the rest of the Australian community: the Aboriginal land owners, the other Northern Territorians and the community at large. Fundamental to that relationship is the concern of the company for the environment.

The Ranger mine operates under the strictest environmental conditions of any mining project within Australia or overseas. It is central to those operations that the standards set by the relevant supervisory authorities are adhered to strictly. Radiation levels at the workplace are carefully monitored to ensure that no employee is subject to higher levels of radiation than the limits set by international standards. Rehabilitation of areas of land disturbed during construction is already underway, and stringent measures are undertaken to protect the flora and fauna of the surrounding national park.

During the year, further ore reserves have been delineated in the No. 3 orebody and an exploration program is being maintained to test other anomalies discovered during the earlier exploration of the Ranger Project Area. It is believed that there is a reasonable chance of further increases in ore reserves being delineated.

With the conclusion of further contracts for the sale of uranium concentrates, total commitments now slightly exceed the initial designed capacity of the plant for the period to 1991. It is the intent of the company to produce at such higher capacity and enter into such further sales contracts as operating experience with the plant permits. It is also anticipated that a major expansion of the plant will take place later in this decade when market conditions warrant.

Though the depressed state of the world uranium market, particularly with respect to the published 'spot' price, gives some concern, there are signs of resurgence in the nuclear industry. In any case the spot market is unrepresentative of the industry which is very largely and necessarily geared to long-term contracts.

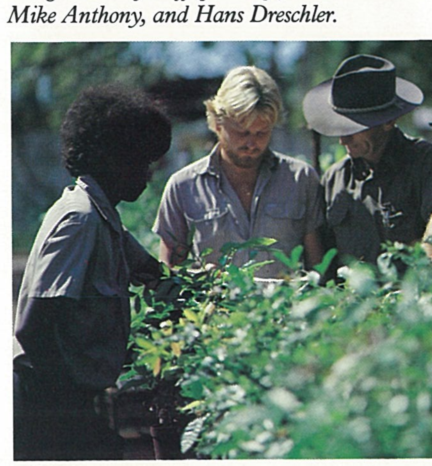
With the achievement of the financial and time goals for the construction of the mine and mill, the Directors remain confident that the modest dividend envisaged in the Prospectus will be paid in respect of the 1981/82 financial year.

A L. Morokoff
Chairman

Right *The ore, carried in 50 tonne haul trucks, is measured for radioactivity at the discriminator and directed to waste dump, stockpiles or processing plant according to the amount of uranium contained.*

Elaine Langridge of Ranger drives a 29.5 tonne fork lift, one of the biggest in Australia.

Ranger nursery staff (from left) Simon Moreen, Mike Anthony, and Hans Dreschler.

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Directors' Report

Above *The plant with counter-current decantation thickeners in foreground, and Mount Brockman in far distance.*

Summary

The main activities of the company during the financial year ended 30 June 1981 were the

- acquisition of the Ranger Uranium Project,
- securing of sales contracts for the uncommitted part of the planned production, and
- continuing construction of the mine and plant at Jabiru, Northern Territory.

During the year, there was no production or sale of any uranium concentrates and neither profit was made nor loss incurred.

Acquisition of Ranger Uranium Project

Agreement was reached with the Commonwealth, the AAEC, EZ and Peko, for the acquisition of all interests in the Ranger Uranium Project located at Jabiru, Northern Territory. The relevant documents were executed on 12 September 1980. The total cost to the company of the rights acquired was $407 million, made up as follows:

- $125 million paid in cash to the Commonwealth
- $141 million paid to each of EZ and Peko for their interests in the Project as to $125 million each by the issue of shares in E.R.A. at par and as to $16 million each in cash.

Additionally, E.R.A. paid to the AAEC, EZ and Peko in respect of project costs previously incurred by them, a further $141 million.

Construction and Operations

Construction of the Ranger mine and mill started in January 1979, immediately after the signing of the Government Agreement between the Commonwealth and the then joint venturers, AAEC, EZ and Peko. The construction workforce peaked at 1,200 early in 1981, but with construction now virtually completed, the mine fully operational and the mill undergoing acceptance tests, operational employees out-number the few remaining members of the construction workforce.

On 13 August, the first product was drummed and, to the end of September, 354 tonnes have been produced, all within specification.

It is confidently expected that the project will go on to a fully operational basis in October, having been brought into operation within the overall timetable and budget.

Progress on the new town being constructed at Jabiru has been slower than planned and it will not be finished until next year. This has placed some stress on the provision of accommodation for the workforce and continuing use will have to be made of temporary accommodation at Jabiru East.

Company Structure

E.R.A., formerly a proprietary company, was converted to public company status on 11 July 1980. On 12 September 1980, 125 million 'A' class shares at par were issued to each of Peko and EZ as part-payment for their interests in the Ranger Uranium Project. Subsequently on 15 October 1980, 57.4 million 'B' class shares were issued to German participants through Australian subsidiary companies, 41.0 million 'C' class shares to Japanese participants, and a further 57.5 million 'A' class shares were subscribed for by the Australian public, all at par.

A further 4.1 million 'B' class shares were issued on 28 January 1981 at a premium of 40 cents each, to a Swedish electric power company, Oskarshamnsverkets Kraftgrupp Aktiebolag (OKG). At that time the present equity structure of E.R.A. was established, viz.

		SHARES IN THOUSANDS	%
'A' Class Ordinary shares	Electrolytic Zinc Company of Australasia Limited	125,000*	30.49
	Peko-Wallsend Operations Ltd	125,000*	30.49
	Australian Public	57,500	14.02
'B' Class Ordinary shares	Rheinbraun Australia Pty Limited	25,625	6.25
	UG Australia Developments Pty Limited	16,400	4.00
	Interuranium Australia Pty Limited	15,375	3.75
	Oskarshamnsverkets Kraftgrupp Aktiebolag	4,100	1.00
'C' Class Ordinary shares	Japan Australia Uranium Resources Development Co. Ltd	41,000	10.00
		410,000	100.00

* 37.5 million of these shares held by each of Peko and EZ are subject to restrictions on dividends.

All the above shares except the 57.5 million issued to the Australian public are subject to special conditions as mentioned in Note 2 to the accounts.

Below *Mining operations are being carried out by open-cut methods at the No. 1 orebody, at the rate of 1.15 million tonnes of ore a year.*

Project Financing

E.R.A. (Canberra) Limited, a wholly owned subsidiary of E.R.A., entered into two project loan agreements, one with a Euro-dollar loan consortium led by J. Henry Schroder Wagg & Co. Ltd and the Continental Illinois National Bank and Trust Company of Chicago, and the other with the Japan Australia Uranium Resources Development Co. Ltd, for amounts of US$250 million and US$140 million respectively. These loan agreements were executed on 29 September 1980. Previously, on 12 September, E.R.A. (Canberra) had arranged vendor loans of $30 million from each of EZ and Peko-Wallsend (Canberra) Ltd.

The Euro-dollar consortium has also provided an indemnity to a maximum of US$55 million to facilitate the provision of bank guarantees against rehabilitation obligations of the company in respect of the Ranger Project Area (RPA).

Ore Reserves

The Ranger orebodies were first detected by an airborne radiometric survey in late 1969. The first ground party arrived on the site in October of that year and confirmed the discovery, pegging the first mineral claims. Four anomalies were found within what is now the RPA, while a further anomaly, No. 2, which was discovered at that time, now lies outside the RPA nearer to the Aboriginal sacred site of Mount Brockman. Of the anomalies, Nos 1 and 3 were subsequently proven to the stage of declared ore reserves and are now known as Nos. 1 and 3 orebodies, respectively. Nos. 4 and 5 anomalies have had comparatively little exploration carried out over them and are, this year, being subject to closer examination.

No. 1 orebody has been fully delineated with diamond drilling on a 50 m × 50 m grid and the open pit mine for the extraction of the ore is fully planned.

No. 3 orebody has been diamond drilled on a 100 m × 100 m grid, but is still open at depth to the north-east and south-east corners. No detailed mine planning has yet taken place, but it is reasonable to assume that a large part of the resources will be recovered by open pit mining.

The anomalies which have so far been found in the RPA are only thinly, if at all, covered by non-mineralised material. A moderate covering of alluvium is sufficient to mask all radioactivity and such a cover, over rocks which are prospective for the discovery of further uranium mineralisation, extends northwards from No. 3 orebody for about 8 km across the Magela Creek system and to the boundary of the RPA. Exploration of this area will be time-consuming and relatively expensive, but will be necessary if the full potential of the RPA is to be assessed.

Some minor gold values have been found associated with the uranium in areas of the No. 1 orebody. These occurrences are being carefully followed up to assess whether there is any potential for the recovery of gold. Attention is also being paid to the possible occurrence of gold not associated with uranium in the RPA. It would be premature however, to ascribe any potential value to the gold occurrences.

The known ore reserves of the RPA classified according to the listing requirements of the Australian Associated Stock Exchanges are now:

Geological Reserves

	ORE TONNES	GRADE % U_3O_8	TONNES CONTAINED U_3O_8
No. 1 orebody at 0.10% cut-off			
Proven Ore Reserves	15,563,100	0.336	52,292
Probable Ore Reserves	307,000	0.191	586
Total	15,870,100	0.333	52,878
No. 1 orebody at 0.05% cut-off			
Proven Ore Reserves	21,139,900	0.266	56,282
Probable Ore Reserves	1,019,100	0.109	1,110
Total	22,159,000	0.259	57,392
No. 3 orebody at 0.05% cut-off			
Probable Reserves	23,624,600	0.182	43,100
Possible Ore	14,469,900	0.198	28.703
Total	38,094,500	0.188	71,803

Mining

The mining is a conventional open pit operation using front-end loaders and 50 tonne haul trucks. Benches are 7 m in height with two benches being combined for the mining of waste.

In the initial years, mining is planned at the rate of 4 million tonnes of material per annum, of which 1.15 million tonnes will be ore, the remainder being waste and mineralised waste below ore grade (0.10% U_3O_8). The annual mining rate will be increased, as necessary, to gain access to the deeper ore.

Dilution of the ore during mining is estimated to be 10% by material with an average grade of 0.03% U_3O_8.

Lateritic and weathered materials are being stockpiled separately for subsequent treatment in the mill. Initially, a 15% weathered/85% primary blend will be milled, but this will change towards an increased amount of weathered ore as experience is gained in operation.

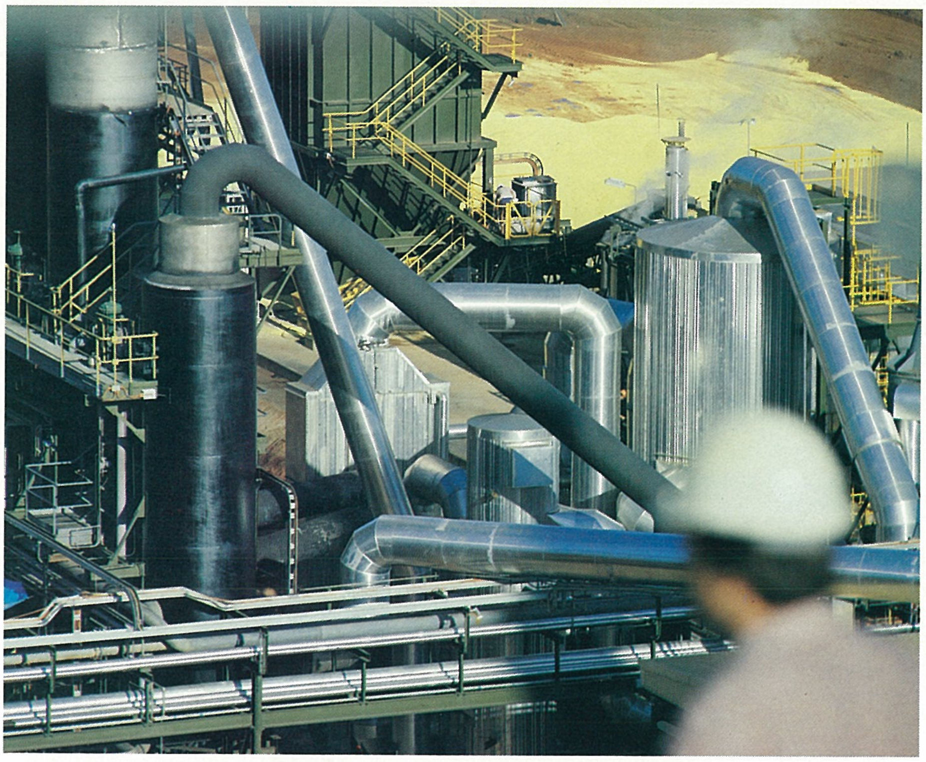
All material above 0.02% uranium and below 0.10% is stockpiled as low grade ore for possible subsequent recovery of uranium.

Milling

The ore treatment plant has been designed to process 1.15 million tonnes of ore per annum at an average head grade of 0.3% U_3O_8 to produce 3,000 tonnes U_3O_8 in concentrates at a 90% plant availability factor.

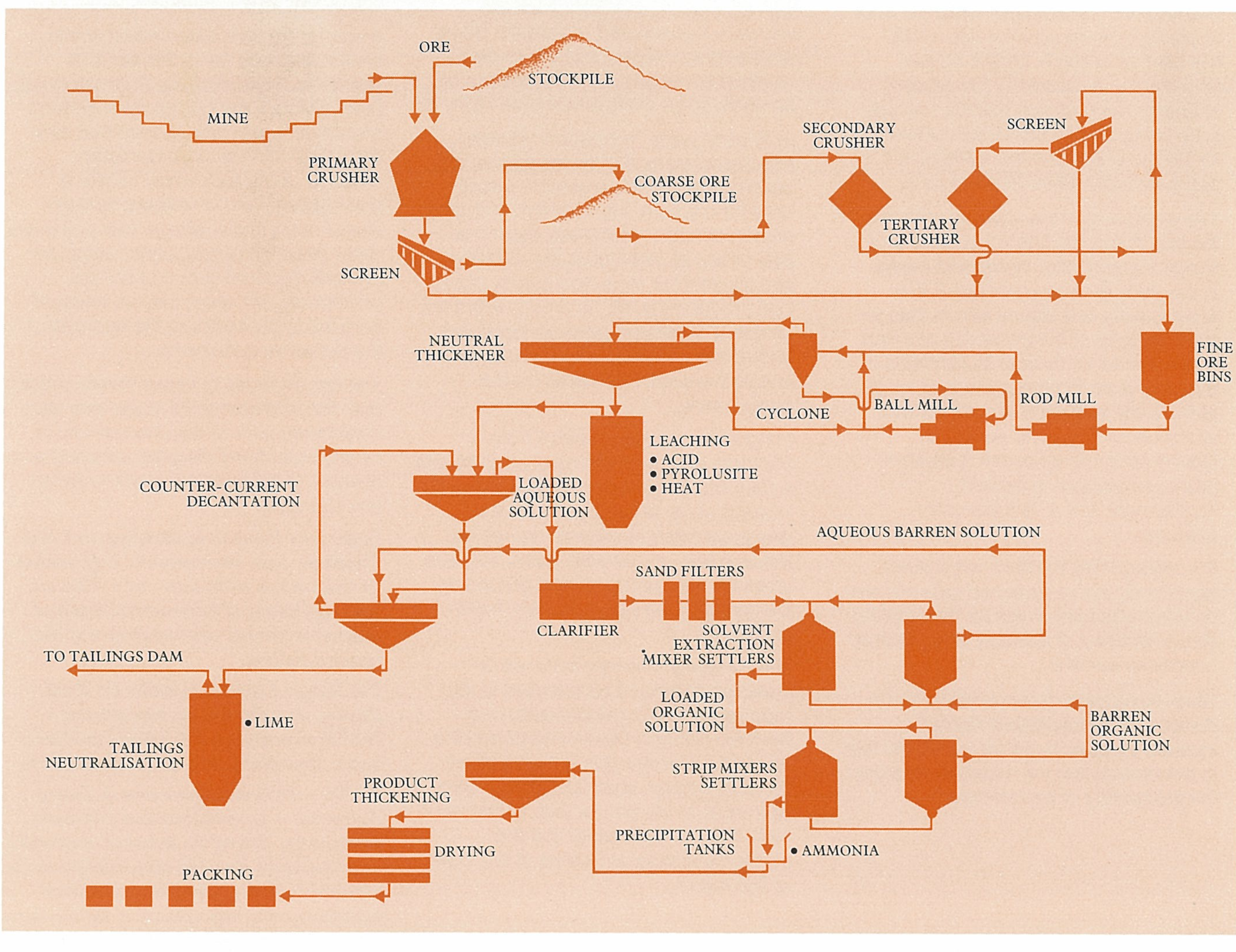
The mill is entirely conventional in design using only equipment of proven reliability. Three-stage crushing is followed by open circuit rod milling and closed circuit ball milling. The ground ore is treated with sulphuric acid and pyrolusite to dissolve the contained uranium and the uranium-bearing solution is separated from the barren pulp by counter-current decantation in a series of rubber lined thickeners. The tailings are neutralised with lime and pumped to the 1 km sq tailings dam.

Uranium is recovered from the acidic solution by extraction into an organic liquor with the aqueous acidic solution being returned to the earlier part of the circuit. Yellowcake (ammonium diuranate) is precipitated from the organic solution by the addition of ammonia and the precipitate is washed, centrifuged and roasted to yield a calcined concentrate containing in excess of 90% U_3O_8.



Sulphuric acid manufactured in the Plant left *at Ranger is used to leach uranium out of the ore after grinding.*

Process flow chart shows production of yellowcake from uranium ore at Ranger by acid dissolution – solvent extraction.



Marketing

Sales contracts already held by EZ and Peko with Japanese, American and Korean electric power utilities became the subject of back-to-back agreements for the supply of uranium concentrates made at the same time as the acquisition of the interests in the Ranger Uranium Project. Additionally, major sales contracts with German and Japanese buyers, which became equity holders in E.R.A., were entered into simultaneously with the sale of that equity. Further major contracts were obtained in January 1981 with OKG at the time of their purchase of equity, and in June 1981 with Synatom SA of Belgium. These contracts brought the total level of commitment to slightly over the initial designed production rate of 3,000 tonnes per annum for the period to 1991 and nearly 95% for the period through to 1996.

Most uranium concentrates are sold under long term contracts, often on the basis of annual price negotiations. Only a small amount of material is sold on the spot market and long term contract and spot prices tend to differ markedly from one another. For example, while the price of uranium on the spot market in 1981 has been at or below US$25.00 per pound U_3O_8, a recent US Department of Energy report shows that the average price being paid by US electric utilities for foreign uranium in the same period is approximately US$40.00 per pound.

The weakening of the uranium market in the last 18 months has led to closure of marginally economic mines and delays in the start-up of new facilities. E.R.A. is particularly well placed with its Ranger mine because of the protection afforded by firm prices for most of its contracts in the early years of production and, long term, by the existence of contract floor prices below which the Australian Government will not permit Australian-produced uranium to be sold. Furthermore, E.R.A. is a low cost producer.

It is believed that the plant will operate significantly above designed capacity and provision has been made for the relatively simple doubling of capacity when market conditions warrant.

Given the advantageous position of the company, it is anticipated that such increase in capacity will be warranted later in this decade and will materially improve the profitablility of the operation.

Export Safeguards

All Australian uranium exports have to be in conformity with the Australian Government's policy on nuclear safeguards. Australia is a signatory to the Nuclear Non-proliferation Treaty and has negotiated a number of Bilateral Safeguards Agreements with other countries which impose even more stringent restrictions on the use of Australian-produced uranium.
After finalisation of agreement with Japan, all Bilateral Safeguards Agreements necessary for deliveries under E.R.A.'s existing sales contracts will be in force and subject only to the completion of administrative arrangements within the countries concerned.

Financial Prospects

The usual difficulties of forecasting financial performance are compounded in E.R.A.'s case by the lack of any extensive operating experience with the new plant. Indications are, however, that the plant will achieve the target of full commercial production in October 1981. This, coupled with the assured markets which the company has secured, makes the Board of Directors confident that the modest dividend envisaged in the Prospectus will be declared for the financial year 1981/82.

In its early years, the company's sales are cushioned by firm prices against any adverse effect of the present low spot price for uranium. It is expected that spot prices will begin to increase again in a year or two as inventories are depleted and the effect of mine closures by higher-cost producers is felt, but in any event the company's uranium sales contracts are underpinned by floor prices which will ensure the continued viability of the Ranger mine.

Longer term, the prospects for the company are good with assured sales and a plant which is already demonstrating its inherent ability to produce at least to design standard as regards recoveries, tonnage and concentrate grade. In future years the decreasing interest burden on the company will also materially assist profitability.

The company's Ranger mine will be making a significant contribution to the revenues of the Commonwealth and Northern Territory Governments and the Aboriginal communities in the Northern Territory through taxes and royalty-type payments. In the first full year of operation, 1982/83, it is anticipated that the payments so accrued will be of the order of $65 million.

Environmental Protection

The company adopts strict environmental protection measures in line with the requirements of Commonwealth and Northern Territory laws, and of the Authority to Mine.

Forty five formal environmental requirements are attached to the Authority, including:

- Controlling the quantity, content and timing of water released from operating areas, and releases to the atmosphere.
- Maintaining soil conservation, vegetation and wild life protection measures.
- Using best practicable technology in mining, milling and related operations.
- Progressively rehabilitating all areas where ground has been disturbed.

Twenty-seven staff, including nine graduates, are employed in the environment department to implement environmental protection and to train all employees in its observance. About $1.25 million has been expended on the environmental laboratory in addition to much larger sums on emission control equipment, water retention ponds, etc.

A comprehensive water management system covering the entire site is in operation. Approximately $10 million has been spent on the tailings dam alone to prevent all water release from that dam other than minimal unpreventable seepage. All surface water on site is collected into and processed through one or more of the tailings dam and three water retention ponds, under computer assisted measurement and control procedures. No water may be released from the system without the approval of the Supervising Authority.

The natural levels of heavy metals in plant, bird, fish and animal life in the area were established prior to commencement of mining operations. Regular sampling and analysis of the biota are made to detect any changes.

Right *John Vanderberg (standing) and Ron Cheetham of the environmental staff analyse for trace metals in the laboratory. They are wearing clothing of international standard designed to prevent any impairment of the sensitive analysis.*

The Ranger Laboratory, under Dr Keith Bentley, chief chemist, has been granted a NATA accreditation for chemical analysis of water, atmosphere, soils, sediments and biota.

NATA – National Association of Testing Authorities – is an independent professional organisation. Among the technical community its accreditation is widely acknowledged as the ultimate accolade of competence, consistent with the rigorous requirements of the Northern Territory and Commonwealth authorities.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The radiation safety officer and his staff monitor the mine, mill and surrounding areas for radon and radon-daughter levels and gamma radiation, working in accordance with the Commonwealth's Code of Practice on Radiation Protection in the Mining and Milling of Radioactive Ores which is incorporated into Northern Territory legislation. Radiation levels are well below the maximum exposure permitted under the Code. The gamma radiation dose received by individual employees working in prescribed areas is separately measured to further ensure safety.

The Supervising Scientist, operating from the Government-established Alligator Rivers Region Research Institute, is responsible to the Federal Minister for Home Affairs and Environment. He develops standards and practices and supervises overall the protection of the Alligator Rivers Region.

Checking for radioactivity in the atmosphere, in the water, and in flora and fauna, is an important part of the work of Ranger environmental scientists. The air at Mudginberri Station above left *12km from the plant, is monitored through the device* above.

The billabong above *is continually monitored for radioactivity. Megan Mackintosh of the environmental staff* left *catches a native duck for testing*

Water management forms an extensive part of the Ranger operation, involving a tailings dam and system of retention ponds.
Left and Lower left

Re-vegetation on the edge of the road between the mine and temporary town site has commenced.

Rehabilitation

Because the RPA is surrounded by the Kakadu National Park and will become part of the Park after mining ceases, rehabilitation of the affected areas is particularly important. Rehabilitation is taking place progressively and some areas affected by construction operations have already been revegetated.

The company is required to use native plant species in rehabilitation and has established a nursery which already is providing a regular supply of native plants.

Periodically an assessor appointed by the Commonwealth estimates the cost to rehabilitate the RPA if mining were then to cease. E.R.A. is required to provide to the Commonwealth security for that cost. Initially this security has been provided by a guarantee of the Commonwealth Trading Bank of Australia, indemnified by the Euro-lenders. When uranium sales commence, 2% of the proceeds (or such other percentage as the Minister determines) must be paid into a Commonwealth Government Rehabilitation Trust Fund to gradually retire the bank guarantee.

Relations with the Aboriginal Community

E.R.A.'s formal relations with the Aboriginal community are governed by the November 1978 Commonwealth Agreement with the Northern Land Council (NLC), representing the traditional Aboriginal owners of the RPA; by the September 1980 Government Agreement between the Commonwealth, the original joint venturers, and E.R.A.; and by Commonwealth and Northern Territory legislation. Additionally, the company accepts that it has an obligation to assist the Aborigines working at or living on the mine site to adapt to the difficult task of living within two cultures and to encourage their personal development and participation in the Ranger project.

E.R.A has taken over the Commonwealth's responsibility to pay to the NLC $200,000 annually during the currency of its agreement with the Commonwealth, an additional $150,000 per annum for four years, and once-off payments totalling $1.3 million by completion of mine construction. Up to 30 June 1981 a total of $1.7 million had been paid to the NLC. These payments are distributed to the traditional owners of the land in the Kakadu region through an incorporated body, the Gagudju Association, managed by 10 of the traditional owners.

In addition, when uranium sales commence, 4¼% of the net sales proceeds will be payable to an Aboriginals Benefit Trust Account with the Commonwealth. In the first full year this 4¼% will amount to approximately $10 million.

Of the sales-related payments, 54% (of which 30% is reserved for communities close to Jabiru) will flow on to the NLC, 14% to the Central Land Council, and 2% to the Tiwi Land Council, while 30% will be reserved for future specific projects decided upon after submissions by Territory Aboriginal communities.

In accordance with the Aboriginal Northern Land Rights (NT) Act, E.R.A. is required, and has taken steps, to:

- observe all environmental and rehabilitation requirements
- protect the land and minimise the effect of the project on the area
- minimise any destructive influence on the Aboriginal society
- form and operate an Aboriginal Liaison Committee
- employ on the project as many local Aborigines as practicable
- engage Aboriginal sub-contractors where practicable
- restrict consumption of alcohol in the RPA
- protect Aboriginal sacred sites in the RPA
- promote knowledge, understanding and respect for the traditions, language and culture of the Aboriginal people.

The Aboriginal Liaison Committee, comprising the E.R.A. mine manager, one other company representative, and two members appointed by the NLC, is responsible for monitoring the maintenance of sacred sites, non-entry to restricted areas, and related matters. The company employs an Aborigine as liaison officer between the company and Aborigines in the region, and a number of Aborigines have already been trained and employed in the horticultural section. Now that mining and milling have started, training schemes are being introduced for Aborigines and a program of recruitment is being undertaken.

Strict controls are placed on entry to restricted areas and on the use of transport in other than designated areas.

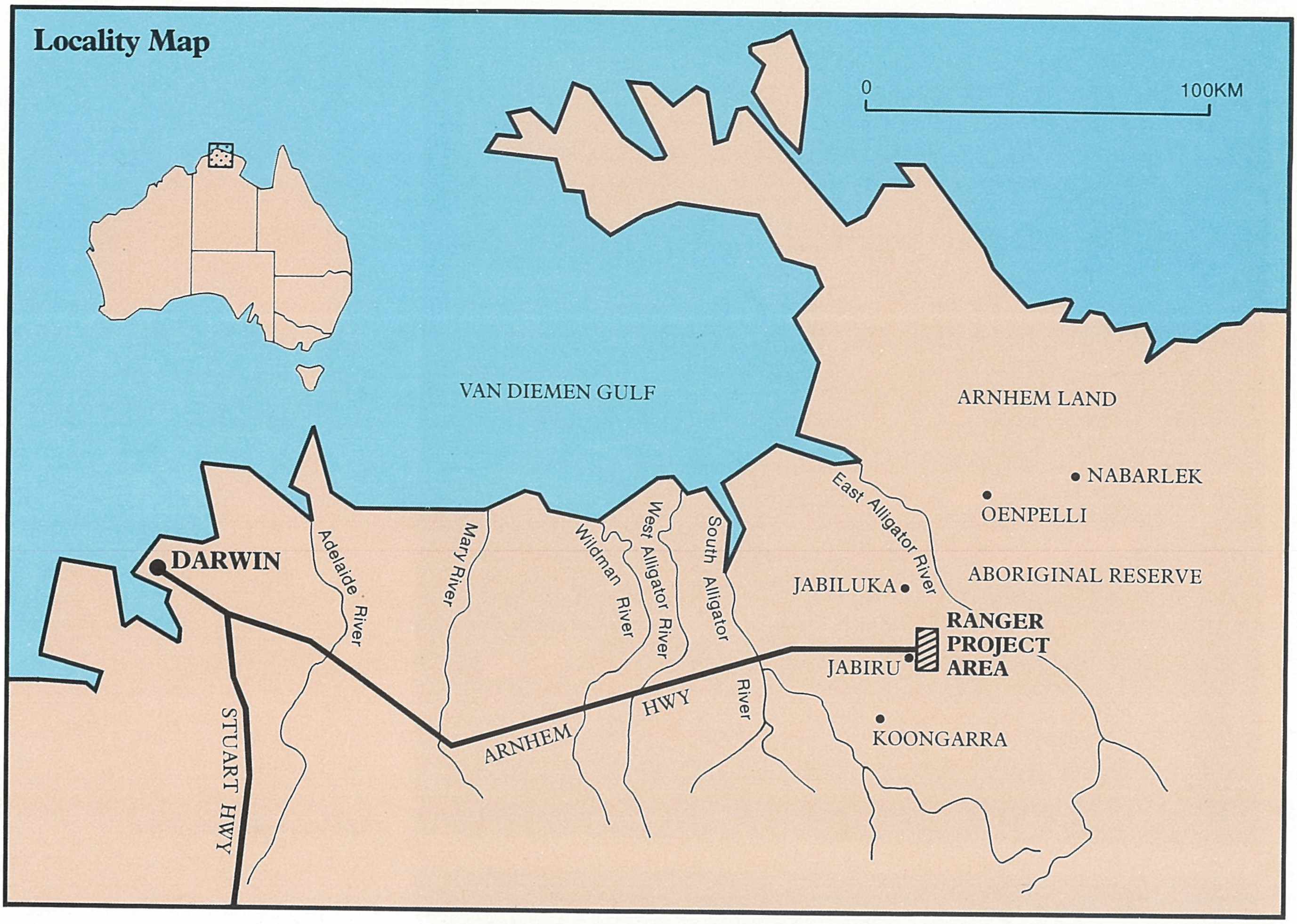
Appropriate instruction on aspects of Aboriginal history and culture is given to all on-site employees by way of an initial course as part of the employee induction program, followed by periodic refresher courses of a more advanced nature.

The Australian Institute of Aboriginal Studies, a section of the Commonwealth Department of Aboriginal Affairs, operates a small unit out of Oenpelli. Company staff maintain contact with the officers of this unit.

Jabiru Township

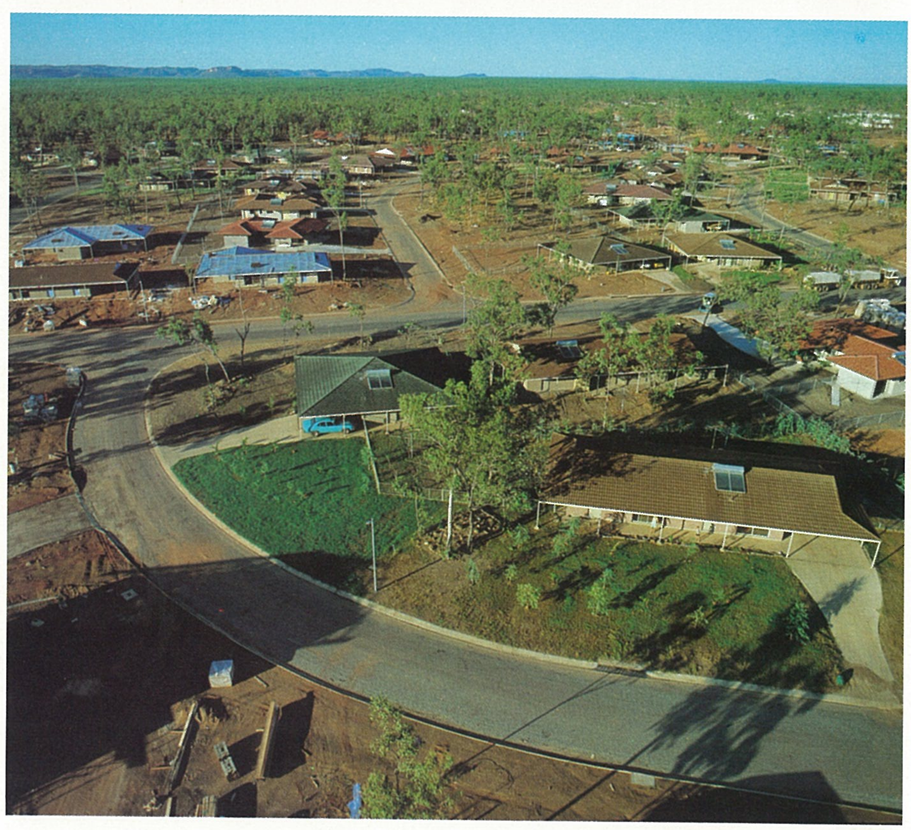
In 1972, the Government and the potential mining companies agreed that one central town to service the various developments expected in the neighbourhood of Jabiru would be of advantage to the region. The alternative, several small towns each of limited life, would pose more, and less manageable, problems for Aborigines and Governmental administration than the one town reasonably expected to develop a long-term life of its own after 40 years or more of mining activity in the region.

In January 1979 the Northern Territory Government set up the Jabiru Town Development Authority to oversee the



development of the permanent town for the region. The Authority consists of three members from mining companies, all of whom are currently representatives of E.R.A., three from the Northern Territory Government and a chairman from the Northern Territory public service.
E.R.A. will have contributed approximately $63 million to the development of the town by the end of construction.

The town is planned for a total population of approximately 3,500. The accommodation includes houses, town houses and single quarters and is supplemented by a shopping and town centre and a variety of recreational facilities.



The township for an eventual population of about 3500, comprising employees of government and mining companies and their families, is being built by the Jabiru Town Development Authority, on which E.R.A. is represented.

Public swimming pool, Jabiru.

Left *School buildings at Jabiru are already being used.*

Right *The new Jabiru town is bordered by a man-made lake.*

History of Ranger

1969 Peko — EZ joint venture discovers Ranger deposit.

1972 Negotiation for mining rights begins.

Sales contracts with two Japanese power utilities approved by Liberal-NCP Government.

Incoming Labor Government defers issue of mining lease.

1974 Lodge Agreement between Commonwealth, Peko and EZ establishes the principle of a joint venture of the parties to mine and process Ranger uranium. Marketing to be the responsibility of the Commonwealth.

1975 Labor Government institutes Ranger Uranium Environmental Inquiry (Fox Commission).

Lodge Agreement elaborated into Memorandum of Understanding.

1976 Fox Commission's first report to new Liberal-NCP Government includes: 'The hazards of mining and milling uranium, if those hazards are properly regulated and controlled, are not such as to justify a decision not to develop Australian uranium mines.'

Machinery established under Aboriginal Land Rights (NT) Act to transfer land to the Aborigines.

1977 Second and final report of Fox Commission on environmental matters in relation to Ranger and whole Alligator Rivers Region.

Government announces decision to allow uranium mining and export to proceed under stringent safeguards.

1978 Commonwealth Government and Northern Land Council on behalf of traditional Aboriginal land owners agree on terms under which mining may proceed.

1979 Government Agreement signed by Commonwealth and by Peko, EZ, and AAEC to amend Memorandum of Understanding. Peko and EZ each entitled to 25% of uranium concentrates produced.

Joint venturers appoint Ranger Uranium Mines Pty Limited (now a wholly owned subsidiary of E.R.A.) as manager of project.

Authority granted under Atomic Energy Act to enable joint venturers to mine.

On-site construction begins.

1980 E.R.A. formed, and acquires the interests in Ranger of the Commonwealth, AAEC, Peko and EZ.

Capital $405.9 million subscribed, 14% by the Australian public. Sales contracts for approximately 88% of initial designed capacity for first 15 years achieved. Loan finance arranged.

1981 Additional sales contracts negotiated to total of committed sales slightly in excess of 100% of initial designed capacity for first 10 years and approximately 95% for first 15 years.

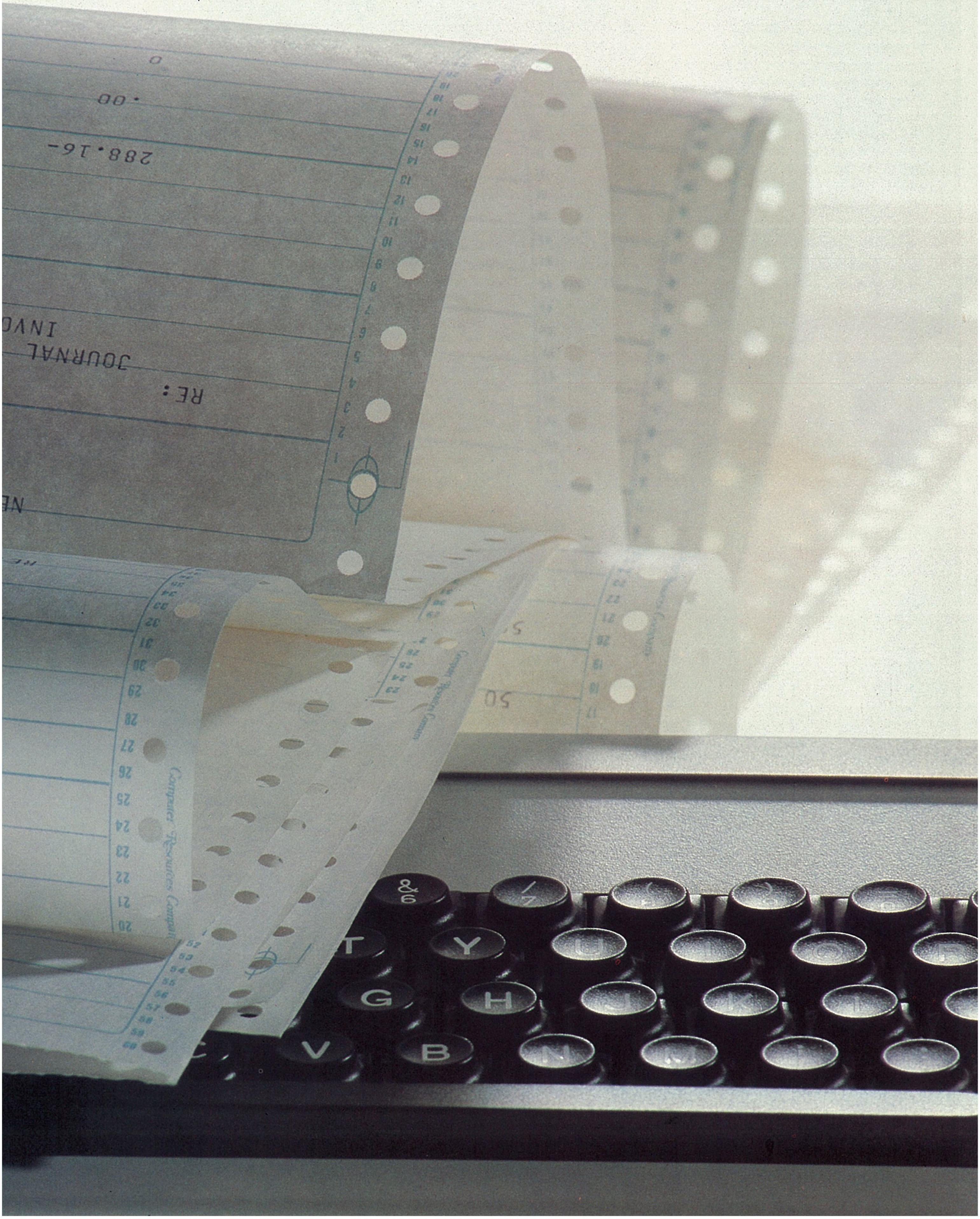
Further capital $5.74 million subscribed.

Construction virtually completed by July.

Energy Resources of Australia Ltd

Incorporated in the Australian Capital Territory

Financial Statements – 30 June 1981



Statement by Directors

In the opinion of the directors, the accounts of the company and the group accounts set out on pages 18 to 24 are drawn up so as to give a true and fair view respectively of the state of affairs as at 30th June 1981 and the results for the year ended on that date of the company and of the group so far as they concern members of the company.

Signed at Sydney this 17th day of September 1981 in accordance with a resolution of the directors.

A L. Morokoff Director
G A. Mackay Director

Statement by Principal Accounting Officer

To the best of my knowledge and belief, the accounts of the company and the group accounts set out on pages 18 to 24 give a true and fair view of the matters required to be dealt with therein by Section 162 of the Companies Ordinance 1962.

Sydney 11 September 1981.

K S. Freyberg

Report of the Auditors to the Members

In our opinion:

(a) the accompanying accounts, being the balance sheet and profit and loss account of Energy Resources of Australia Ltd and group accounts, being the consolidated balance sheet and consolidated profit and loss account of the company and its subsidiaries, which have been prepared under the historical cost convention stated in Note 1 are properly drawn up in accordance with the provisions of the Companies Ordinance 1962, and so as to give a true and fair view of:

(i) the state of affairs of the company and of the group as at 30 June 1981 and of the results of the company and of the group for the year ended on that date so far as they concern members of the holding company; and

(ii) the other matters required by Section 162 of the Ordinance to be dealt with in the accounts and in the group accounts:

(b) the accounting records and other records, and the registers required by the ordinance and the corresponding law of New South Wales to be kept by the company and by its subsidiaries have been properly kept in accordance with the provisions thereof.

We are satisfied that the accounts of the subsidiaries that have been consolidated with other accounts are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts and we have received satisfactory information and explanations required by us for that purpose.

No auditor's report on the accounts of any of the subsidiaries was made subject to any qualification, or included any comment made under Subsection (3) of Section 167 of the relevant legislation.

Coopers & Lybrand
Chartered Accountants

by **M J. Sharpe**

Sydney, 18 September 1981

Energy Resources of Australia Ltd & Its Subsidiary Companies

Profit & Loss Statements

For the year ended 30 June 1981

	GROUP $'000	COMPANY $'000
Operating Profit before income tax (NOTE 5)	Nil	Nil
Less: Income Tax applicable thereto (NOTE 1 (g))	Nil	Nil
Operating Profit	Nil	Nil
Unappropriated Profits — previous year	Nil	Nil
Unappropriated Profits — 30 June 1981	$Nil	$Nil

Energy Resources of Australia Ltd & its Subsidiary Companies

Balance Sheet as at 30 June 1981

		GROUP		COMPANY	
		$'000	$'000	$'000	$'000
Authorised Capital					
500,000,000 shares of $1.00 each			500,000		500,000
Issued and Fully Paid (NOTE 2)					
'A' class shares of $1.00 each			307,500		307,500
'B' class shares of $1.00 each			61,500		61,500
'C' class shares of $1.00 each			41,000		41,000
			410,000		410,000
Premium on Shares (NOTE 3)			1,640		1,640
			411,640		411,640
Represented by —					
Ranger Project Rights and Property					
Rights (NOTE 4)		407,000		407,000	
Mine Development and Plant (NOTE 5)		331,648		331,648	
			738,648		738,648
Subsidiaries (NOTE 6)			—		10
Deferred Expenditure (NOTE 7)			7,927		7,927
Exchange Fluctuation Account (NOTE 1(D))			3,597		3,597
Current Assets					
Cash at bank and on hand		14		14	
Short term deposits		10,000		10,000	
Accounts receivable		1,880		1,880	
Ore stockpiled (NOTE 8)		1,773		1,773	
Stores at cost		9,534		9,534	
		23,201		23,201	
Less:					
Current Liabilities					
Short term (Unsecured)		7,000		7,000	
Working capital			16,201		16,201
			766,373		766,383
Less:					
Non-Current Liabilities					
Secured loans (NOTE 9)					
Project loans	247,023				
Vendor loans	66,285				
		313,308		—	
Bank loan (Unsecured)		11,855		11,855	
Creditors (NOTE 10)		29,570		27,796	
Amount owing to subsidiary					
Secured (NOTE 9)		—		315,082	
Unsecured		—		10	
			354,733		354,743
			411,640		411,640

Energy Resources of Australia Ltd

Consolidated Statement of Source & Application of Funds

Year ended 30 June 1981

	$'000
Source of Funds	
Proceeds from:	
Issue of shares	160,000
Premium on shares	1,640
Secured Loans	243,426
Vendor Loans	66,285
Bank Loan	11,855
Short Term Loan	7,000
Creditors	29,570
	519,776
Application of Funds	
Acquisition of:	
Ranger Project Rights & Property	488,648
Current Assets	23,201
Deferred Expenditure	7,927
	519,776

Notes to and forming part of the Accounts & Group Accounts for the year ended 30 June 1981

1. Summary of Significant Accounting Policies

The financial position of the company and the group is accounted for and reported in these accounts under what is generally known as the historical cost convention.

(a) Principles of Consolidation

The group accounts comprise consolidated accounts of all subsidiaries within the meaning of the Companies Ordinance. A list of subsidiaries appears in Note 6. All inter-company balances are eliminated.

(b) Capitalisation of Costs

Until completion and commissioning of the mine and plant, all expenditure will be capitalised.

(c) Depreciation and Amortisation

Depreciation of the asset 'Mining Development and Plant' will be provided for annually as follows:—
(i) individual assets that have a life equal to or longer than the estimated remaining life of the mine will be depreciated over not longer than that estimated mine life,
(ii) each other asset will be depreciated over its estimated operating life.

(d) Foreign Currency Conversions

Foreign Currency items in the Balance Sheet are converted at the rate of exchange ruling at 30 June 1981. Net unrealised exchange gains and losses on overseas borrowings are reflected in an exchange fluctuation account and will be transferred to the Profit and Loss Account over a period not greater than the remaining term of the borrowings.

(e) Ore in Situ

No accounting value is attributed to ore in situ or to broken ore within the mine.

(f) Deferred Expenditure

This expenditure includes costs incurred in securing contracts for the sale of uranium, formation expenses, share issue expenses and borrowing expenses. See Note 7.

(g) Income Tax

Tax effect accounting procedures will be followed whereby the income tax expense in the Profit and Loss Account will be matched with the accounting profit (after allowing for permanent differences). Income tax on net cumulative timing differences will be set aside to a deferred income tax account. The future tax benefit relating to investment allowance on capital expenditure to 30 June 1981 has not been brought to account.

2. Capital

(a) A resolution of shareholders on 11 September 1980 increased the authorised capital of the company from $10,000 by the creation of a further 499,990,000 shares of $1 each;

(b) The company allotted, on 9 July 1980, 4 'A' class shares and on 12 September 1980, 249,999,994 'A' class shares and on 15 October 1980, 57,400,000 'B' and 41,000,000 'C' class shares of $1 each;

(c) On 29 September 1980 the company invited the public to subscribe for and subsequently issued 57,500,000 'A' class shares of $1 each;

(d) The company allotted on 28 January 1981, 4,100,000 'B' class shares of $1 each at a premium of $0.40 each.

(e) The 'B' and 'C' class shares rank pari passu with the 'A' class shares except that:
(i) 250,000,000 'A' class shares issued to Peko-Wallsend Operations Ltd. and Electrolytic Zinc Company of Australasia Limited have restrictions including as to disposal. In addition, 75,000,000 of these shares have limitations as to dividends.
(ii) the 'B' and 'C' class shares have limitations, restrictions and special rights as to conversion, quotation and disposal of shares and voting on specified matters.

3. Premium on Shares — $1,640,000

4,100,000 'B' class shares of $1 were issued at a premium of $0.40 each. The total premium of $1,640,000 was transferred to Reserve.

4. Ranger Project Rights at Cost — $407,000,000

The above represents the cost to E.R.A. of the Ranger interests acquired from the former Ranger joint venturers, including rights to receive and sell the concentrates produced from the Ranger Project Area and the benefits of long term sales contracts previously arranged by certain of the former venturers.

It is intended that this cost will be amortised over the estimated life of the mine and in relation to projected revenue from production.

5. Mine Development and Plant, at cost – $331,648,000

With the exception of that charged to the other asset accounts set out in the Balance Sheet, all expenditure by the company up to the commissioning of the mine and plant has been and will be capitalised into the above account. The total of such expenditure has been reduced by the direct cost of ore mined and stockpiled during mine development. The cost of concentrate produced during the commissioning period will be similarly treated.

The amount so capitalised up to 30 June 1981 includes interest paid of $42,572,000 less interest received of $1,753,000. It also includes the sum of $48,973,000 being the company's share of the cost of the Jabiru township.

6. Subsidiaries

(a) Shares in Subsidiary Companies

	PLACE OF INCORPORATION	ENERGY RESOURCES OF AUSTRALIA LTD — INVESTMENT AT COST
		$
E.R.A. (Canberra) Limited	ACT	5
Ranger Export Development Company Pty. Ltd.	New South Wales	20
Ranger Uranium Mines Pty Ltd	New South Wales	20
		45

The above subsidiaries are wholly owned and were acquired by the company on 12 September 1980.

(b) Loan to Subsidiary Company

Unsecured subordinated loan to E.R.A. (Canberra) Ltd $10,000

7. Deferred Expenditure

Deferred expenditure has been capitalised at cost in accordance with the policy set out in Note 1(f), and comprises:

			$'000
Company formation:	Share Issue	2,873	
	Preliminary expenses	286	3,159
Revenue:	Borrowing costs		3,917
	Marketing expenditure		851
			$7,927

Company Formation – $3,159,000

It is intended that the Share Premium Account ($1,640,000) will be applied during 1981/2 in reduction of this account. The balance will be written off over the first five years of full operation, commencing in 1982/3. The amount is not deductible for tax purposes.

Borrowing Costs – $3,917,000

These expenses will be amortised over approximately 8½ years, commencing with completion of construction and commissioning and ending with the scheduled final repayment instalment of the project loans.

Marketing – $851,000

These expenses will be amortised over the calendar years 1982–6, inclusive of both.

8. Ore Stockpiled – $1,773,000

This represents the cost charged by contractors for ore stockpiled during mine development for future use.

9. Secured Loans

Project Loans (US$283,583,000) — A$247,023,000

These loans, which include interest accrued, are covered by first ranking debenture stock secured by fixed and floating charges over the whole of the Ranger Project, the sales contracts, and the uncalled capital of the parent company and of E.R.A. (Canberra) Ltd. Repayment of these borrowings and payment of interest thereon are more than matched by sales contracts expressed in United States currency.

Vendor Loans — A$66,285,000
These loans are covered by second ranking debenture stock secured over the whole of the Ranger Project, the sales contracts and the uncalled capital of the company and of E.R.A. (Canberra) Ltd.
Under the terms of the Project and Vendor Loan Agreements, repayments will be over a term of approximately eight years commencing six months after the passing of the lenders' completion tests.
Amount owing to subsidiary — $315,082,000

At Balance date the following amounts were due through E.R.A. (Canberra) Ltd to the principal lenders:	$A'000
Project Loans	247,023
Vendor Loans	66,285
Interest payable accrued	1,774
Secured	315,082

10. Creditors

	$'000
Trade	27,796
Interest (accrued)	1,774
	29,570

Trade creditors are in respect of mine development and construction. Interest relates to interest payable under the loan agreements. In accordance with loan agreements, sums required to pay creditors will be financed before their due dates by further drawdowns under project loans.

11. Directors Emoluments

Total emoluments of directors of the company received and receivable by:

	GROUP $	COMPANY $
Executive Directors (excluding salaries)	—	—
Other Directors	71,538	71,538
	71,538	71,538
Total emoluments of Directors of subsidiaries, who are not also Directors of the company — Executive Directors (excluding salaries)	—	—
Other Directors	—	—
	71,538	71,538

12. Auditors Remuneration — group and company

Total amounts received and receivable by the auditors of the company for:
(a) Audit of the Group $ 63,000
(b) Other $284,000
No other benefits were received by the auditors.

13. Interest Payable to Subsidiaries

The amount of interest payable to a subsidiary for the year was $27,297,000 (for moneys borrowed by the subsidiary and on-lent to E.R.A.)

14. Forecast Cost to Complete

The capital cost of the project to the date commercial production of uranium concentrates commences is estimated by the directors to be approximately $387 million including capitalised interest. The cost estimate is subject to variation as construction progresses and is made up as follows:

	'000's
(a) expenditure to 30 June 1981	$331,648
(b) contractual commitments at 30 June 1981	$ 15,609
(c) additional capital costs to complete the project	$ 39,743
	$387,000

15. Future Commitments & Royalties

E.R.A. is liable to make payments to the Commonwealth as listed below:

(a) amounts equal to the sums payable by the Commonwealth to the Northern Land Council pursuant to the Section 44 Agreement (Aboriginal Land Rights (NT) Act). These amounts are:
   (i) $200,000 per annum during the currency of the Agreement;
   (ii) an amount of $300,000 which is payable on completion of construction of the Treatment Plant;
   (iii) an amount of $150,000 payable within thirty days of 9 January 1982.

(b) amounts equal to the sums payable by the Commonwealth to the Aboriginals Benefit Trust Account pursuant to Section 63 (5) of the Aboriginal Land Rights (NT) Act. These amounts are calculated as though they were royalties payable pursuant to the Northern Territory Mining Act. Currently the amount represents 4¼% of net sales revenue.

(c) amounts equivalent to sums payable by the Commonwealth to the Northern Territory pursuant to an understanding in respect of financial arrangements between the Commonwealth and the Government of the Northern Territory. These amounts are also calculated as though they were royalties and the relevant rate is 1¼%.

(d) amounts equal to 2% (or such other rate as the Minister of State for the time being administering Section 41 of the Atomic Energy Act may determine) of the payments received by E.R.A. in respect of sales of uranium concentrates. These amounts are credited to the Ranger Rehabilitation Trust Fund to provide for rehabilitation of the mine site at the time of cessation of mining operations.

16. Contingent Liability

E.R.A. has given to the Commonwealth Government an undertaking to rehabilitate the Ranger Project Area after cessation of mining operations. This undertaking has been secured by a bank guarantee given by the Commonwealth Trading Bank of Australia. That bank has in turn been indemnified by the Eurolenders and E.R.A. has given the latter a counter-indemnity.

The estimated cost of rehabilitation, should E.R.A. have been required to cease mining at 30 June 1981, would have been $13,699,000.

17. Use of Comparative Figures

Comparative figures as at 30 June 1980 have not been shown. The company was incorporated on 8 February 1980 and at that date two $1 shares were issued in consideration for cash. Up to 30 June 1980, no other activities or transactions had occurred.

18. Conversion to Public Company

On 11 July 1980, Energy Resources of Australia Pty Ltd was converted into a public company, thereinafter named Energy Resources of Australia Ltd.

19. Turnover

No sales of concentrate were made during the year.

20. Rounding of Amounts

All amounts have been rounded off to the nearest thousand dollars.

Directors' Statutory Report

The following report by directors of Energy Resources of Australia Ltd is presented pursuant to Section 162A (2) of the Companies Ordinance 1962.

Directors

The names of the directors in office at the date of this report are:

A L. Morokoff	K. Ito	L W. Mueller
A W. Hamer	G B. Lean	Sir Rupert Myers
W J. Holcroft	G A. Mackay	

Principal Activities

The principal activities of the company and its subsidiaries in the course of the financial year were the acquisition of all interest in, and the planning, financing and development of a uranium mine and treatment plant in the Northern Territory of Australia and the marketing of the mine's future production of uranium concentrates.

There were no significant changes in the nature of those activities during that period except for those consequent on approaching completion of construction and impending production.

Profit and Loss

The net amount of profit or loss of the group for the financial year before and after tax was nil.

Subsidiaries Acquired During the Year

	Cost
E.R.A. (Canberra) Limited	$ 5.00
Ranger Export Development Company Pty. Ltd.	$20.00
Ranger Uranium Mines Pty. Ltd.	$20.00

No subsidiaries were disposed of during the financial year.

Transfers to or from Reserves or Provisions

The movements in reserves or provisions were:

Account	Corporation	Amounts 000's
Premium on Shares	E.R.A.	$1,640 added to reserves

Issue of Shares

The company allotted on 9 July 1980, 4 'A' Class Shares and on 12 September 1980, 249,999,994 'A' Class Shares and on 15 October 1980, 57,400,000 'B' and 41,000,000 'C' Class Shares of $1.00.

On 29 September 1980, the company invited the public to subscribe for and subsequently issued 57,500,000 'A' Class Shares of $1 each;

The company allotted on 28 January 1981, 4,100,000 'B' Class Shares of $1 each at a premium of $0.40 each.

The purpose of the issues was the financing of the project.

Dividends

The directors recommend that no dividends be paid. No dividend has been paid or declared since the end of the previous financial year.

Dividends in Favour of E.R.A.

No subsidiary paid or declared a dividend in favour of E.R.A. Ltd since the end of the previous financial year.

Bad and Doubtful Debts

During the financial year no bad debts were written off and no provision was made for bad or doubtful debts.

The directors of the company were not aware of any circumstances which would require debts to be written off as bad or for a provision to be made for bad or doubtful debts.

Valuation of Current Assets

The directors of the company (before the profit and loss account and balance sheet were made out) took reasonable steps to ascertain whether any current assets were unlikely to realise, in the ordinary course of business, their value as shown in the accounting records of the company.

At the date of the report, directors are not aware of any circumstances which would render the values attributed to current assets in the group accounts misleading.

Charges on Assets and Contingent Liabilities
At the date of the report there does not exist:

(i) any charge on the assets of any corporation in the group which has arisen since the end of the financial year and which secures the liabilities of any other person or,

(ii) any contingent liability of any corporation in the group which has arisen since the end of the financial year.

Contingent Liabilities
No contingent or other liability of any corporation in the group has become enforceable or is likely to become enforceable within the period of 12 months after the end of the financial year which, in the opinion of the directors of the holding company, will or may substantially affect the ability of the corporation to meet its obligations as and when they fall due.

Circumstances Affecting Accounts
At the date of this report, directors are not aware of any circumstances not otherwise dealt with in the report or group accounts which would render any amount stated in the group accounts misleading.

Unusual Items
The results of the operations of the group or of a corporation in the group during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction, or event of a material and unusual nature.

Unusual Events Since End of Year
There has not arisen in the interval between the end of the financial year and the date of the report any item, transaction, or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of any corporation in the group for the next financial year.

Directors' Benefits
No director of the company, since the end of the previous financial year, has received or become entitled to receive any benefit by reason of a contract made by the company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for Mr A. L. Morokoff who provides professional services.

By Resolution of the Board.

A. L. Morokoff
Director

L. W. Mueller
Director

17 September 1981

Stock Exchange Information

Entitlement to Votes (Article 85)

Subject to any rights or restrictions for the time being attached to any shares on a show on hands every Member present in person or by proxy or by attorney or by Representative and entitled to vote shall have one vote, and on a poll every Member present in person or by proxy or by attorney or by Representative shall have one vote for each share held by him.

Stock Exchange Listing

E.R.A. shares are listed on the exchanges of the Australian Associated Stock Exchanges. The home exchange is the Sydney Stock Exchange Ltd.

Distribution of Shareholders as at 1 September 1981

(a) 'A' Class ordinary shareholders, excluding vendor securities: distribution of shareholdings.

	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1–1000	31,979	86.1	13,358,955	23.3
1001–5000	4,436	12.0	10,541,903	18.3
5001–10,000	391	1.1	3,003,900	5.2
10,001 & over	311	0.8	30,595,242	53.2
	37,117	100.0	57,500,000	100.0

Equal to 14.02% of the issued capital

(b) 'A' Class ordinary shareholders, vendor securities: shares issued in October 1980 to Peko and EZ as part payment for their interests in the Ranger Uranium Project.

	NUMBER OF SHARES	%
Peko	125,000,000	50.0
EZ	125,000,000	50.0
	250,000,000	100.0

Equal to 60.98% of the issued capital

(c) 'B' Class ordinary shares

	NUMBER OF SHARES	%
Rheinbraun Australia Pty. Limited	25,625,000	41.6
UG Australia Developments Pty. Limited	16,400,000	26.7
Interuranium Australia Pty. Limited	15,375,000	25.0
Oskarshamnsverkets Kraftgrupp Aktiebolag	4,100,000	6.7
	61,500,000	100.0

Equal to 15.00% of the issued capital

(d) 'C' Class ordinary shares

	NUMBER OF SHARES	%
Japan Australia Uranium Resources Development Co. Ltd.	41,000,000	100

Equal to 10.00% of the issued capital

Twenty Largest Shareholders of 'A' Class Ordinary Shares Excluding Vendor Securities as at 1 September 1981

NAME	SHARES HELD
North Broken Hill Holdings Ltd.	3,000,000
ANZ Nominees Ltd (Melbourne) (ANZ Banking Group Limited)	2,349,412
Australian Mutual Provident Society	2,220,050
Pendal Nominees Pty Ltd (B T Australia Ltd)	2,006,200
CTB Nominees Ltd (Commonwealth Trading Bank of Australia)	1,972,900
National Nominees Limited (National Bank of Australasia)	1,476,247
Bank of NSW Nominees Pty Ltd (Bank of New South Wales)	1,395,770
The Mutual Life & Citizens Assurance Co Ltd	1,000,000
ANZ Nominees Ltd (Sydney) (ANZ Banking Group Limited)	757,474
Darling Nominees Pty Ltd (Schroder Darling & Co Ltd)	481,500
The Colonial Mutual Life Assurance Society Ltd	400,000
The National Mutual Life Association of A/asia Ltd	299,993
Anfrank Nominees Pty Ltd (Rivkin & Company)	297,900
Harlowes Nominees Pty Ltd (Ord Minnett)	296,700
Mogul Mining NL	278,300
BNP Nominees (Aust) Pty Ltd (Banque Nationale de Paris)	252,450
Perpetual Nominees Limited (Perpetual Trustee Co Ltd)	249,100
Development Nominees Pty Ltd (Development Finance Corp. Ltd)	233,500
Burns Philp Trustee Co Ltd	232,500
The Wales Nominees (Vic) Pty Ltd (Bank of New South Wales)	220,100
Total	19,420,096

The proportion of shares held by the twenty largest shareholders is 33.8 %

Interest of directors in the share capital of the company as at 21 July 1981.	SHARES HELD
A L. Morokoff	5,000
A W. Hamer	5,000
W J. Holcroft	10,000
G B. Lean	9,000
G A. Mackay	5,000

Share Registries

NSW:
c/- Professional Share Registries (NSW) Pty. Ltd.
4th Floor, 720 George Street,
Sydney, NSW 2000
Telephone: (02) 211 5299

VICTORIA:
c/- Professional Share Registries (NSW) Pty. Ltd.
c/- Pannell Kerr Forster,
22nd Floor, 500 Bourke Street,
Melbourne, VIC 3000
Telephone: (03) 60 5222

ACT:
c/- Professional Share Registries (NSW) Pty. Ltd.
c/- Houston & Brown,
3rd Floor, 40 Marcus Clarke Street,
Canberra City, ACT 2601
Telephone: (062) 49 8515

PHOTOGRAPHY: KRAIG CARLSTROM