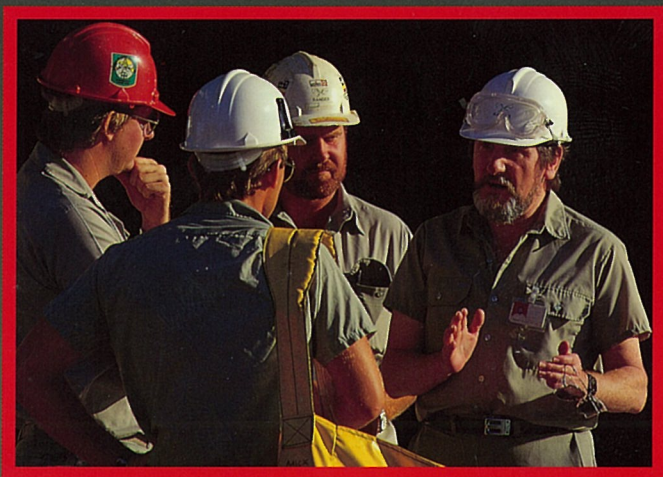


*Energy
Resources of
Australia
Limited*



*1987
Annual Report*



CONTENTS

Financial Highlights	1
Operational Highlights	1
Chairman's Overview	2
Directors' Report	4
Financial Section	13
Profit and Loss Accounts	14
Balance Sheets	15
Notes to the Accounts	16
Statement of Source and Application of Funds	21
Statement by Directors	22
Auditors' Report	22
Stock Exchange Information	23
Board of Directors	IBC

This year's supplemental booklet, entitled 'Why Nuclear' explains briefly the energy requirements of the world and how they are met. It highlights the important role electricity plays and why uranium has been chosen to fuel nuclear electricity plants in many industrialized countries.

NOTICE OF MEETING

This report is to be presented at the Annual General Meeting of members of Energy Resources of Australia Ltd (E.R.A.) in the Ionic Room, the Masonic Centre, cnr Castlereagh and Goulburn Streets, Sydney, at 10 am on Friday, 16 October 1987.

A Notice of Meeting and Proxy Form is enclosed.

*Cover photo and Opposite:
General Manager - Operations, Dr Terry
Gardner (right), discussing safety matters
with Safety Co-ordinator Roley Fletcher (far left),
Operator Geoff Campisi (back to camera)
and the Foreman of the Heavy
Equipment Workshop, Dave Berry (centre).*

Directors

Mr A L Morokoff *Chairman*
Mr A C Copeman
Mr A W Hamer
Mr T Inoue
Dr V Klix
Dr E Miller
Sir Rupert Myers KBE
Mr P H Wade

Secretaries

K B Lewington
R G Kemp

Chief Executive

P J Bradfield

General Managers

T Gardner *Operations*
K B Lewington *Finance*
P J Shirvington *Marketing*

Managers

G B Allen *Administration and Finance*
R A Cleary *Operations*
W A Davies *Business Development*
J W Farthing *Technical Services*
K S Freyberg *Treasurer*
A R Henderson *Special Projects*
P E McNally *Environment*

Registered Office

c/- Mallesons Stephen Jaques
6th Floor, Canberra House
40 Marcus Clarke Street
Canberra City ACT 2601
Telephone: (062) 48 5222

Principal Office

20 Bond Street
Sydney NSW 2000

Postal Address

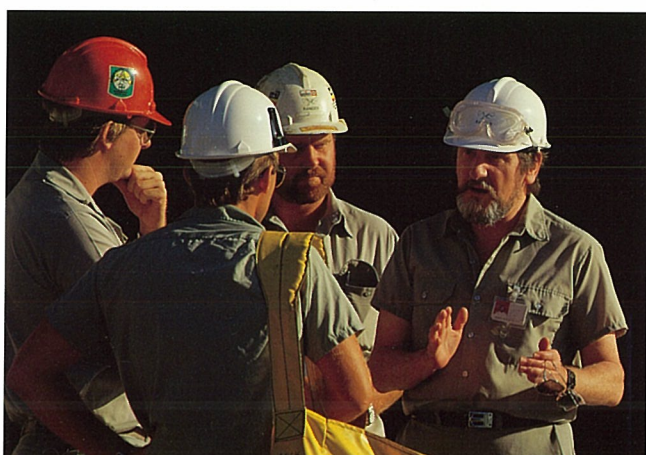
GPO Box 4039
Sydney NSW 2001

Auditors

Coopers & Lybrand

Bankers

Commonwealth Bank of Australia
Westpac Banking Corporation



Energy Resources of Australia Ltd's Ranger Uranium Mine in the Northern Territory employs more than 380 people, where uranium ore is mined and processed to a uranium concentrate (U₃O₈). The product is then packed and shipped overseas for further processing before being used to fuel nuclear electricity generating plants in six customer countries which are parties to Australian bi-lateral safeguards agreements.

FINANCIAL HIGHLIGHTS

<i>Result in \$'000</i>	<i>1987</i>	<i>1986</i>	<i>1985</i>	<i>1984</i>	<i>1983</i>
Revenue	234,263	222,513	233,779	246,136	261,178
Profit before tax	108,085	98,415	109,852	113,021	113,362
Income Tax Expense	56,397	47,991	53,395	55,534	55,969
Profit after tax	51,695	50,424	56,457	57,487	57,393
Earnings per share	12.6 cts	12.3 cts	13.8 cts	14.0 cts	14.0 cts
Dividend	10.0 cts	10.0 cts	10.0 cts	12.5 cts	10.0 cts
Total Assets	883,401	883,608	927,487	941,128	943,226
Issued Capital	410,000	410,000	410,000	410,000	410,000
Capital and Reserves	500,164	489,469	480,045	464,588	458,351

OPERATIONAL HIGHLIGHTS

Two-year exploration programme commences to determine mineral resources in northern part of the Ranger Project Area

Federal Government approves future water management programme: excavation work for deepening Retention Pond 2 begins

Work starts on first stage of new method for tailings disposal

Operations at the Ranger uranium mine are now well established and are going through a period of consolidation and review before expansion plans are finalised. Considerable progress has been made to optimize methods used in the production process and this will continue to increase the efficiency of plant utilization. All changes continue to take the Company's responsibility towards the environment into account.

In the mine pit further upgrading of equipment is increasing efficiency in the rate of ore being extracted and will enable additional mining requirements to be met without expanding the present workforce. Final design plans are being completed and preparation work is going ahead to merge the mine pit with the adjacent borrow pit. The upgrading of the dewatering system has been a step in this direction and further deepening of the pit will be facilitated when the two pits are merged.

A detailed two-year exploration programme has commenced in the northern part of the Project Area to provide for the day when No 1 Orebody is mined out. It is necessary to locate and define all significant resources in the Project Area before long-term mining plans involving No 3 Orebody are finalised.

A notable change in the method of tailings disposal has been the adoption of the beached tailings method. This has been under study for some time and involved the establishment of a small scale trial at Ranger. It is a method widely used at uranium mines for tailings disposal elsewhere in the world and is expected to have both environmental and cost advantages.

Potential problems have been overcome in water management. Extension of spray irrigation has assisted in eliminating excess water within the Restricted Release Zone (RRZ). A decision has been made to deepen Retention Pond 2 which, when completed, will offer a larger storage volume for water within the RRZ. The Company has now increased confidence of being able to meet the requirements laid down by the Federal Government to release water from the RRZ on an average of only once every ten years.

The Company continues to place particular emphasis on health and safety of employees. The reduction in the rate of accidents continues and should be sustained by the new health and safety programme. The report on health and safety commissioned last year by the Conciliation and Arbitration Commission has now been received. The recommendations, entailing minor suggestions for improvements, are being carefully considered.

Agreement has been reached on changes to the industrial award. Concessions have been made by the Company and these changes will result in more flexibility in work practices and facilitate dispute settling procedures.

The 1986 Directors' Report contained a reference to discussions with shareholder-customers for some form of relief under contracts for purchase of uranium concentrate (U_3O_8) from E.R.A. Negotiations continued during the year. Certain shareholder-customers decided to defer acceptance of delivery of material in advance of contract dates which has been past practice. As a result the quantity of U_3O_8 delivered and sales proceeds reported in the accounts are lower than expected. It should be noted that this only affects the timing of deliveries and subsequently of sales. It has no adverse affect on E.R.A.'s cash flow or longer-term sales.

The long-term outlook for uranium sales is good although the short-term market remains soft. In the United States the recent decision to restrict the enrichment of foreign uranium for domestic end-use in that country until the US uranium mining industry is declared viable should not affect existing E.R.A. long-term contracts to utilities in that country. In general, the world demand for long-term supply contracts is increasing as inventories fall and new nuclear power plants come on line. The Company remains confident that forward demand for uranium will warrant plant expansion by the early 1990s.

During the year Mr Mark Bethwaite resigned as a Director of the Company. The contribution made by Mr Bethwaite is very much appreciated. To fill the vacancy, Mr Peter Wade, Managing Director of North Broken Hill Holdings Ltd, was appointed a Director of the Company.

Mr Kunio Ito also resigned as the Director representing the 'C' Class shareholders of E.R.A. in June 1987. Mr Ito, who was Vice President of the Kansai Electric Power Co Inc and President of Japan Australian Uranium Resources Development Co Ltd (JAURD), was a founding Director and instrumental in the Japanese companies taking an interest in E.R.A. The assistance which has been given by Mr Ito has been very much appreciated. Mr Tamotsu Inoue, Vice President of the Kansai Electric Power Co Inc, was nominated to fill the vacancy left by Mr Ito.

I would like to take this opportunity of thanking all employees of Energy Resources of Australia Ltd and its subsidiary, Ranger Uranium Mines Pty Ltd, for their teamwork during the year. The results achieved have enabled the Company to maintain its position as a reliable supplier and a world leader in the production of U_3O_8 for electricity generation.

A. L. Morokoff

A L Morokoff
Chairman



Profit and Dividends (\$m)



Opposite:

The mine pit has now reached a depth of 75 metres.

Below (left):

Surveyor Jim Patterson preparing bench to lay out a drill pattern.

Below (right):

Members of the drill and blast crew, Kelly Stott (left) and Graham Maskell (right), carrying out preparations for blasting.

The Directors of Energy Resources of Australia Ltd (E.R.A.) submit the accounts and Group accounts for the financial year ended 30 June 1987 and report as follows:

TRADING RESULT

Net consolidated profit after tax for the year was \$51,695,000 compared with \$50,424,000 in 1986. The amount provided for income tax during the year was \$56,397,000 (1986: \$47,991,000).

Deliveries of U₃O₈ during the year, 3,048 tonnes, were 8.5% higher than the previous year, 2,810 tonnes. While prices were similar to last year, losses on forward currency transactions and foreign exchange were higher. All forward sales made in earlier years of foreign currency revenues other than those associated with loan financing, were completed by 30 June 1987 and the losses brought to account.

The lower average unit cost of sales is the result of cost efficiencies and lower depreciation due to assets becoming fully depreciated. The profit for the year allows for the increased rate of company tax amounting to \$3,453,000, the increase in the uranium export levy from 11 cents to 80 cents per kg totalling \$2,103,000, and fringe benefits tax amounting to \$626,000.

There was a substantial decrease in interest paid on borrowings because of lower overseas interest rates, the further reduction in borrowings and benefits of the changed borrowing facilities which apply from February 1986.

DIVIDEND

A dividend of \$20,500,000 was paid on 6 July 1987 and Directors have declared a further dividend of \$20,500,000 payable on 30 November 1987. This amount has been included in the accounts for the year. Other than these dividends and a further \$20,500,000 which was provided for in the accounts of the previous year and paid in November 1986, no other amount has been paid or declared by way of dividend since the end of the previous financial year.

It is not expected that income tax paid in the 1987/88 year will be sufficient to make the three dividends, which may become payable in 1987/88, fully franked under the imputation tax provisions of the Income Tax Assessment Act. In later years, when only two dividends will be payable in each year, it is envisaged that income tax payable will enable all dividends to be fully franked.

PRINCIPAL ACTIVITIES

The principal activities of E.R.A. and its subsidiaries in the course of the financial year were the mining, processing and sale of uranium. There was no significant change in the nature of those activities during the financial year.





REVIEW OF OPERATIONS

Amounts of material mined during years ended 30 June 1987/1986

	1987 in million tonnes	1986 in million tonnes
Ore above 0.075% U ₃ O ₈ (processed or stockpiled)	1.71	1.48
Other mineralized material above 0.023% U ₃ O ₈ (stockpiled)	0.92	0.89
Construction material	0.29	0.74
Waste material	2.12	1.59
Total material extracted	5.04	4.70
Total material reclaimed from stockpiles	0.40	0.61
Total material processed	0.86	1.06

Geological ore reserves and stockpiles

	Million tonnes of ore	% U ₃ O ₈	1/7/87 tonnes contained U ₃ O ₈	1/7/86 tonnes contained U ₃ O ₈
<i>No 1 Orebody at 0.10% U₃O₈ cut-off</i>				
Ore Stockpiles	3.1	0.3	10,000	6,800
Proven ore	8.7	0.3	25,500	32,000
Total ore	11.8	0.3	35,500	38,800
<i>No 3 Orebody at 0.05% U₃O₈ cut-off</i>				
Probable ore	35.0	0.2	72,800	72,800
Possible ore	7.0	0.2	12,200	12,200

MINING

Mining of No 1 Orebody continued with emphasis on repositioning the main haul ramp. This will facilitate mining on the lower benches and enable the upper benches to be mined to final design limits. The pit has been increased in depth by one bench making the lowest point now approximately 75 metres deep. The dewatering system was significantly upgraded to enable longer periods of mining from the bottom of the pit during the dry season.

Mine equipment was further upgraded during the year with the acquisition of a track dozer and a wheel dozer as well as four 80 tonne haul trucks. These replace a smaller track dozer and wheel dozer and five of the original 50 tonne haul trucks. Another 50 tonne haul truck has been converted into a water tanker.

An exploration programme is now under way to determine the mineral resources in the highly prospective northern part of the Ranger Project Area. Field work commenced in mid-April. Grids have been established, reconnaissance mapping and some geophysical surveys have been completed and drilling has commenced.

ORE RESERVES

Changes in ore reserves during the year were the result of mining and treatment in the plant and a complete re-assessment of the in-situ reserve using computer models.

ORE PROCESSING

The production target of 3,000 tonnes U₃O₈ was comfortably achieved before the end of the year. A total of 3,124 tonnes U₃O₈ was produced. Metallurgical performance was good with an overall recovery of 93.05%. No major mechanical failures occurred in the processing plant during the year and major maintenance work was carried out as scheduled during regular shutdown periods.

ENVIRONMENTAL CONSIDERATIONS

The Company is operating under strict controls to ensure that there is no detriment to the environment or to those living in the area. This has been confirmed in the 1985/86 annual report of the Supervising Scientist for the Alligator Rivers Region: 'A high standard of protection has so far been achieved and no direct effect of the mining on the bio-physical environment beyond the immediate vicinity of the mine site has occurred.' Research is carried out continuously on improving methods of environmental control. This year particular attention has been given to the rehabilitation programme, tailings disposal and water management modelling.



WATER MANAGEMENT

Rainfall during the 1986/87 wet season was approximately 250 mm below the annual average of 1,555 mm, resulting in a lesser accumulation of water in the Restricted Release Zone (RRZ). This, together with the major developments carried out in water management during the year, has largely overcome the problems of excess water experienced in the past.

The Company has adopted a Five Year Water Management Plan and the goals established for the year were achieved. Significant contributions to the overall improvement in the system were made through the installation of the upgraded dewatering system in the pit, the extension of spray irrigation and the improved screening and segregation of contaminants from storage areas within the plant.

A technical working group was established in November 1985. The group included the Supervising Scientist for the Alligator Rivers Region and representatives of the Northern Territory Government and Ranger Uranium Mines. The group's report suggested three options for future water management. In March 1987 the Federal Government approved an option which anticipates the need to release water only once in ten years. This requires the deepening of Retention Pond 2 which accumulates run-off water from the mine site. Preparations for excavation started in May and the changes are scheduled to be in place for the 1987/88 wet season.

Plans are being developed to improve further the quality of water stored within the RRZ. This will assist in maintaining the current high level of environmental protection.

TAILINGS DISPOSAL

After a successful 12-month trial period approval was granted by Federal and Territory authorities to develop the first stage of a full-scale system for the beaching of tailings. Installation of the first stage is now in progress.

This method of tailings disposal involves spreading successive layers of tailings within sections of the tailings dam. It will produce higher density tailings and reduce the volume of water stored. As a result more effective environmental management of both the tailings and the water in the dam is possible.

MINE REHABILITATION

Ranger has developed a long-term conceptual plan for rehabilitation of the Project Area. It is also preparing a Five Year Plan which must be compatible with short-term statutory requirements and longer-term goals.

During the past six months the data bank for revegetation and rehabilitation of the waste rock dumps has been upgraded. The Commonwealth Scientific and Industrial Research Organisation (CSIRO), in conjunction with Ranger undertook an extensive study on the following aspects of waste rock management:

- assessment of the rate of weathering of the various rock types on the waste dumps;
- identification of the long-term weathering characteristics of the various rock types;
- identification of those rock types that might be suitable for use as a protective erosion barrier; and
- determination of the rate of release of potential contaminants from the rocks during weathering.

An initial report on the long-term conceptual plan for rehabilitation has been submitted to the supervising authorities. The detailed Five Year Plan will be completed later this year.

*Opposite (left):
Two mine pit workers, Dennis Lindsay (top)
and Mark Pearce (foreground) installing
dewatering pump pontoons in the borrow pit.*

*Opposite (right):
Mining Engineer John Murphy
communicating instructions to the
mine fleet.*

*Below (upper):
Engineering apprentice Wayne Short taking
measurements of clarified pregnant
solution.*

*Below (lower):
Senior Mill Engineer Warren Lofthouse
inspecting floor of thickener.*





RADIATION PROTECTION

Upon induction and at regular intervals during their employment at Ranger all employees receive comprehensive training on radiation protection. A high level of control of radiation sources has been maintained through work practices and engineering design. Radiation safety procedures are strictly enforced. To check that high standards of occupational and environmental protection are met, an extensive monitoring programme is in place. It gives early warning of any need for corrective action. Sources of radiation are monitored, ambient radiation is measured and personal monitoring equipment is used to measure actual exposures.

A Ranger employee on average receives less than 5% of the permitted annual limits as set out in the 'Code of Practice on Radiation Protection in the Mining and Milling of Radioactive Ores, 1980'. The results of all monitoring are reported on a monthly basis to the Northern Territory Department of Mines and Energy, the Office of the Supervising Scientist, the Northern Territory Department of Health, the Federated Miscellaneous Workers Union and the Northern Land Council.

OCCUPATIONAL HEALTH AND SAFETY

Improvement in safety performance on site continues. A target of 15% reduction in the lost time injury frequency rate was set and achieved for the year. Five groups have worked for two years without lost time injury.

In April 1987 the National Safety Council of Australia introduced its Five Star Health and Safety Programme to employees at site. The programme will give a more systematic approach to retaining a safe and healthy place of work and will reduce the likelihood of accidents. Occupational health and safety at Ranger is given the very highest priority.

INDUSTRIAL RELATIONS

There were no major strikes during the year. Protracted negotiations took place with the unions at Ranger on terms and conditions of the Award covering workers at site. A satisfactory agreement has been reached. The settlement provides for more flexibility in operations and elimination of certain restrictive work practices.

TRAINING

This year particular attention was given to skill development of Award employees. As a result of the negotiated Award agreement additional training is planned. Training and skill development of supervisors continued.

Company employees attended a wide range of courses, seminars and conferences during the year. These courses offer an opportunity for employees to remain informed of developments in the mining industry and other fields applicable to the Company's operation.

ABORIGINAL COMMUNITY RELATIONS

Ranger's Liaison Officers maintain close contact with the local Aboriginal community and the Gagudju Association which represents the traditional Aboriginal owners of the area. This ensures that all concerns are discussed and given appropriate attention. Tours of the mine site are arranged for groups and individuals. In this way traditional owners are able to gain first hand experience and information, particularly in the environmental area.

Induction courses for Company employees play an important role. These courses draw attention to the rules and restrictions related to local Aboriginal significant sites and entry into nearby Arnhem Land. They also provide an insight into the traditions and culture of the Aboriginal people. More generalized orientation courses are offered to employees' families and other Jabiru residents.

Another area given high priority is the employment and training of people of Aboriginal descent. This is reflected in the diversity of training programmes that have been developed during the last twelve months to include plant operator and office



*Above (upper):
Operator Hugh McAllistar climbing stairs
during pond water tank maintenance.*

*Above (lower):
Mill operator Ray McColl taking a routine
organic sample in the solvent
extraction plant.*

*Opposite:
In the ore processing plant one of the
thickeners is cleaned out ready for inspection.*

assistant courses. At the end of the period there were 23 Aborigines or people of Islander descent working with Ranger.

The Company continues to support the Daluk Resource Centre which provides local Aboriginal women with a variety of adult education programmes and training in traditional activities. A new activity supported by the Company, the Department of Employment and Industrial Relations and the Gagudju Association, is a housing construction programme using local materials. It involves Aboriginal trainees living in the area and has great potential for developing into a business enterprise.

VISITORS TO THE MINE

Tours of the Ranger mine are now a regular feature in programmes offered by a number of tour operators. Trained guides are provided by the Company for these tours. During the 1986 season 19,000 people, many of them from overseas, toured the mine. Visits were also arranged for groups of students from 32 Northern Territory schools.

Tours are available on a daily basis during the dry season and on a limited basis during the wet. Each tour includes a visit to the pit and tailings dam and a drive-through tour of the ore processing plant. Participants follow the journey of the ore from the pit through the processing plant to packing of the product in preparation for export overseas.

JABIRU TOWNSHIP

The Company has decided to convert all single persons' accommodation to one-bedroom self-contained units and will be constructing 24 two-bedroom units in 1987/88. This will provide all employees with kitchens so that communal messing facilities will be no longer necessary.

A major development in sporting facilities this year was the construction of the new permanent golf club house. It was funded entirely by Jabiru Golf Club members and offers an additional dining facility to residents of Jabiru.

In March 1987 the Northern Territory Government issued a permit for construction of a two-storey hotel near the centre of Jabiru. It is planned that the hotel will be operated by the Four Seasons Group on behalf of the Gagudju Association which is the representative body for the traditional owners of the area. It will cost \$13.5 million and will have a marked effect on the town's potential to attract and cater for tourists.

MARKETING

An active marketing campaign was maintained, with regular visits to electric power utilities in countries which are parties to Australia's bi-lateral safeguards agreements. These agreements are a pre-requisite for uranium exports. Australia has concluded 11 agreements and during the year negotiations for a twelfth were finalised. At the beginning of the financial year the two-year embargo on the export of uranium to France was lifted.

At the Annual General Meeting in October last year, the Chairman announced that two additional long-term contracts had been signed. Both contracts were with utilities in the United States and have subsequently received Government approval. This brings the total number of contracts with utilities in the United States to nine. E.R.A. has long-term contracts with utilities in Sweden, Belgium, the Federal Republic of Germany, the Republic of Korea, Japan and the United States of America.

The long-awaited decision on the appeal against the US court-imposed restriction on enrichment of foreign uranium for domestic end-use was handed down on 20 July 1987. It upholds the 1986 Denver District Court ruling. Further appeals are possible. This decision is not expected to have any immediate impact on existing E.R.A. long-term contracts in the United States. The outlook for uranium exports to



Above (upper):

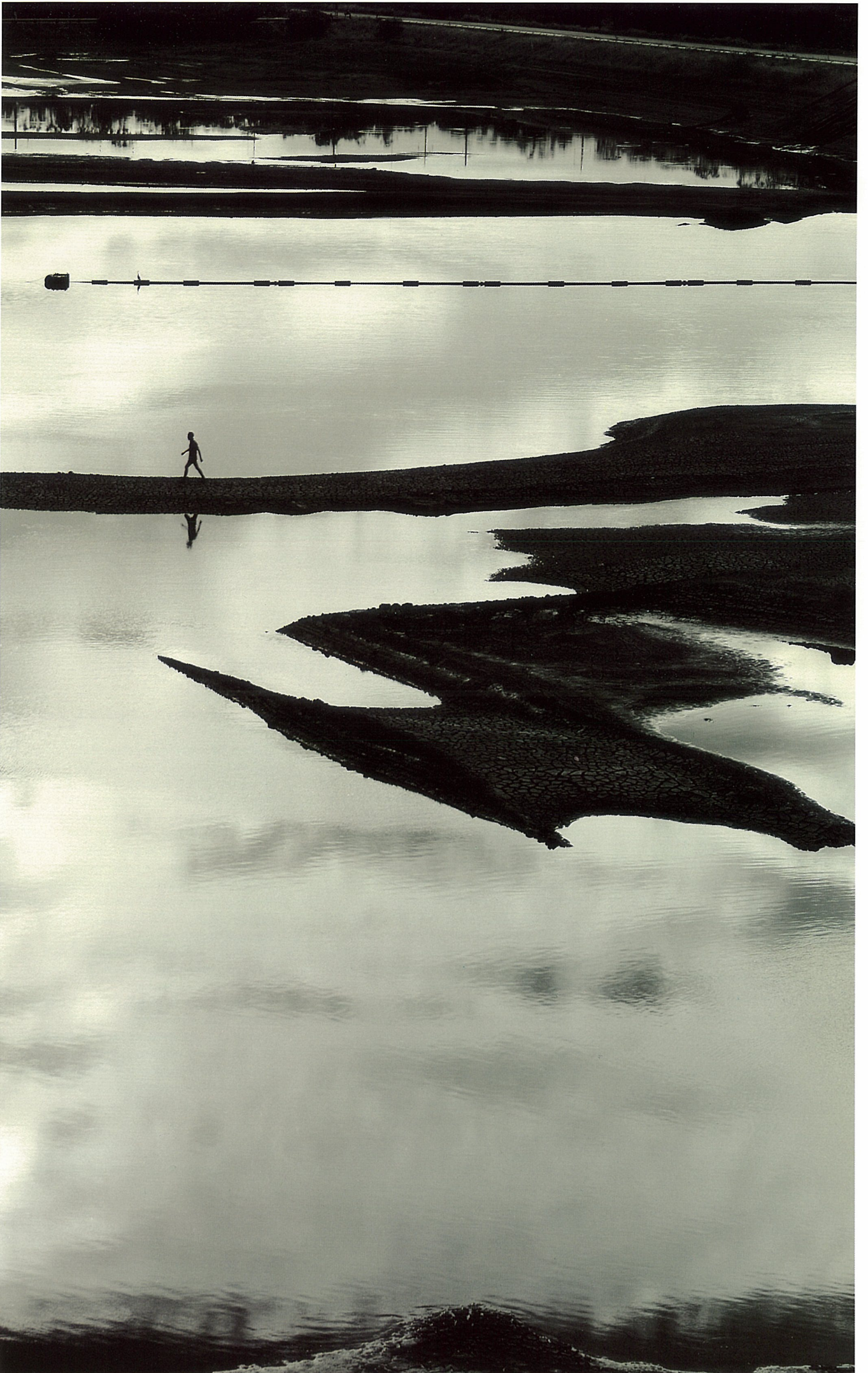
As part of the revegetation programme Barbara Turner monitors the effectiveness of a pest control programme in the nursery.

Above (lower):

Radiation Safety Officer Rob Auty (right) discussing radiation monitoring procedures with Northern Territory Department of Mines and Energy representative Dr Jiri Kvasnicka (left).

Opposite:

Retention Pond 2 being emptied of water before deepening of the pond commences.



that country continues to be uncertain due to this latest development and also to legislative actions which have been proposed to Congress to restrict the use of foreign uranium in US reactors. These matters and the impact of the United States embargo against imports of South African origin uranium are being closely monitored. They will affect prices and supply/demand balances in the different market sectors.

Negotiations have continued with shareholder-customers regarding relief sought under long-term contracts.

Nuclear power production is expected to continue to grow over the next decade but at a slower pace largely due to a lower rate of energy growth. According to the International Atomic Energy Agency (IAEA) a further twenty one reactors were commissioned throughout the world in 1986 increasing capacity by an additional 20,938 MWe*. At the end of December 1986 there were 397 reactors in operation and 133 reactors under construction.

Consumption of U_3O_8 by the western world exceeded production for the first time. Procurement is expected to stay below requirements, however, as consumers draw from inventories. This situation is expected to last until the beginning of the 1990s. In the short term U_3O_8 requirements will rise only slightly. A sharper increase is predicted between 1990 and the end of the century. The Uranium Institute in London estimates that procurements will increase from 41,600 tonnes U_3O_8 at the beginning of the next decade to 51,700 tonnes U_3O_8 by the year 2000.

*1 Megawatt of electricity (MWe) = 1 million Watts of net electrical output

ADDITIONAL STATUTORY INFORMATION

Directors The names of the Directors of E.R.A. in office at the date of this report, together with particulars of qualifications, experience and special responsibilities of each are shown on the inside back cover of this report. No Director has an interest in any contract or proposed contract with E.R.A. declared since 1 January 1984.

State of Affairs of the Group during Financial Year The Directors are not aware of any significant change in the state of affairs of the Group that occurred during the financial year which has not been covered elsewhere in this Report.

Post Balance Date Matters The Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in financial years subsequent to the financial year except as stated elsewhere in this Report.

Likely Developments In the opinion of the Directors likely developments in the operations of the Group known at the date of this Report have been covered generally within this Report, the Balance Sheets and Profit and Loss Accounts and notes thereon. Directors are not aware of any other specific development likely to have a significant effect on the operations of the Group or the expected results of those operations.

Options No options on shares in E.R.A. or in any subsidiary were granted during the financial year

and up to the date of this Report nor are any such options outstanding.

Directors' Benefits No Director of E.R.A., since the end of the previous financial year has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Group accounts, or the fixed salary of a full-time employee of E.R.A. or of a related corporation) by reason of a contract made by E.R.A. or a related corporation with a director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest, save and except that Mr A L Morokoff is a director of a company which provides professional services for E.R.A. in the ordinary course of business.

Rounding-off The holding company, E.R.A., is a company of the kind referred to in sub-Regulation 6 of Regulation 58 of the Companies Regulations and amounts in this Report and the Accounts have been rounded off to the nearest thousand dollars in accordance with Section 271 of the Companies Act 1981.

Signed at Sydney this 21st day of August 1987, in accordance with a resolution of the Directors.

A L Morokoff
Director

A C Copeman
Director



Above (upper):

As part of the ongoing environmental protection programme, water samples are carefully selected by Diane Hutton in preparation for analysis.

Above (lower):

Aboriginal Liaison Officer Rob Manley (left) and Aboriginal trainee Ian Lee (right) discuss the progress Ian is making as a computer operator.

FINANCIAL SECTION



PROFIT AND LOSS ACCOUNTS

For the year ended 30 June 1987

Energy Resources of Australia Ltd
(Incorporated in the Australian Capital Territory)

14

	-	Note	Consolidated		Parent	
			1987 \$'000	1986 \$'000	1987 \$'000	1986 \$'000
Revenue			234,263	222,513	234,263	222,513
Operating Profit before income tax			108,085	98,415	108,085	98,415
Income Tax expense applicable thereto		10	56,397	47,991	56,397	47,991
Operating Profit After Tax before abnormal and extraordinary items			51,688	50,424	51,688	50,424
<i>Abnormal item</i>						
Adjustment to provision for deferred income tax – amount surplus to requirements			7,200	–	7,200	–
			58,888	50,424	58,888	50,424
<i>Extraordinary item</i>						
Adjustment to provision for deferred income tax – increase in tax rate from 46% to 49%			7,193	–	7,193	–
Operating Profit after abnormal and extraordinary items and after tax			51,695	50,424	51,695	50,424
<i>Dividends</i>						
Dividend paid			–	20,500	–	20,500
Dividend payable			41,000	20,500	41,000	20,500
			41,000	41,000	41,000	41,000
Retained Surplus at 1 July 1986			79,469	70,045	79,469	70,045
Retained Surplus at 30 June 1987			90,164	79,469	90,164	79,469
Profit before income tax includes the following items:						
Credited						
Interest received/receivable						
other corporations			4,441	10,355	4,441	10,355
Profit on disposal of fixed assets			560	8	560	8
Charged						
Amortization of Ranger Project Rights			6,767	6,508	6,767	6,508
Depreciation of mine plant, equipment and facilities			13,182	15,621	13,182	15,621
Directors' emoluments		12	194	137	194	137
Royalty type expense		13	3,567	3,043	3,567	3,043
Payments for Aboriginal interests		13	12,171	10,547	12,171	10,547
Rehabilitation fund payments and guarantee costs		13	5,724	5,309	5,724	5,309
Exploration costs			180	–	180	–
Interest paid/payable to subsidiary companies			–	–	10,939	28,591
other corporations			28,991	37,099	18,052	8,508
Auditors' remuneration						
audit services			107	105	107	105
other services			67	66	67	66
Other benefits received by the auditors			–	–	–	–
Amortization of deferred expense		7	844	2,190	844	2,190
Rent expense on operating leases			517	384	517	384
Finance charges on finance leases			560	517	560	517

BALANCE SHEETS

As at 30 June 1987

Energy Resources of Australia Ltd
(Incorporated in the Australian Capital Territory)

15

	Note	Consolidated		Parent	
		1987 \$'000	1986 \$'000	1987 \$'000	1986 \$'000
<i>Current Assets</i>					
Cash at bank and on hand		22	29	22	29
Short term deposits		18,062	8,284	18,062	8,284
Trade debtors		107,203	101,886	107,203	101,886
Other debtors	2	8,181	5,081	8,181	5,081
Stock on hand	3	61,684	61,421	61,684	61,421
		195,152	176,701	195,152	176,701
Interests in Subsidiaries	4	-	-	10	10
<i>Fixed Assets</i>					
Ranger Project Rights	5	368,341	375,108	368,341	375,108
Mine plant, equipment and facilities	6	318,295	329,342	318,295	329,342
		686,636	704,450	686,636	704,450
Deferred Expenses	7	1,613	2,457	1,613	2,457
Total Assets		883,401	883,608	883,411	883,618
<i>Current Liabilities</i>					
Bank overdraft		5,270	3,775	5,270	3,775
Trade creditors and bills payable		21,234	20,948	21,234	20,948
Borrowings					
unsecured	8	16,179	16,676	-	-
Owing to subsidiary					
unsecured		-	-	16,179	16,676
Other creditors		319	827	319	827
Dividends payable		41,000	20,500	41,000	20,500
Provision for income tax		53,349	42,639	53,349	42,639
		137,351	105,365	137,351	105,365
<i>Non-Current Liabilities</i>					
Borrowings					
unsecured	8	125,303	179,036	125,303	179,036
Creditors and accrued expenses		53	83	53	83
Owing to subsidiary					
unsecured		-	-	10	10
Provision for deferred income tax	10	120,530	109,655	120,530	109,655
Total Liabilities		383,237	394,139	383,247	394,149
Issued and Paid Up Capital	11	410,000	410,000	410,000	410,000
Retained Surplus		90,164	79,469	90,164	79,469
Total Share Capital and Reserves		500,164	489,469	500,164	489,469
		883,401	883,608	883,411	883,618

NOTES TO THE ACCOUNTS

Notes to and forming part of the Accounts for the year ended 30 June 1987

16

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounts have been prepared on the basis of historical costs. The accounting policies adopted are consistent with those of the previous year.

(a) Principles of Consolidation

The consolidated accounts give a view of the Group as a whole. A list of subsidiaries appears in Note 4. All inter-company transactions are eliminated.

(b) Depreciation and Amortization

Depreciation of plant equipment and facilities is provided for as follows:

- (i) individual assets that have a life equal to or longer than the estimated remaining life of the mine are depreciated over a period not longer than the estimated mine life in proportion to ore reserve utilisation; and
- (ii) each other asset is depreciated over its estimated operating life on a straight line basis.

Ranger Project Rights are amortized over the estimated mine life and in relation to projected revenue from production.

(c) Foreign Currency

Amounts payable to and by the Group in foreign currency have been converted to Australian currency at rates of exchange ruling at year end. Where, however, forward exchange cover has been obtained the settlement rate is used.

(d) Stock on Hand

Stock is at the lower of cost and net realisable value using the average cost method. Cost includes both fixed and

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

(e) Deferred Expenses

Deferred expenses are amortized over periods to which they relate.

The balance of share issue expenses is being written off over the first five financial years of full operation, 1983/1987.

Borrowing costs incurred in 1981 are being amortized over 8½ years from 15 November 1981 to the scheduled final repayment of the project loans. Costs incurred in 1986 are amortized over five years to January 1991.

(f) Income Tax

Tax effect accounting procedures are followed whereby the income tax expense in the Profit and Loss Account is matched with the accounting profit (after allowing for permanent differences). Income tax on net cumulative timing differences is set aside to the deferred income tax account.

(g) Sales

Sales are accounted for when product has been delivered in accordance with a sales contract.

(h) Leases

Leases of plant, equipment and premises have not been capitalised. Lease payments are included as expenses when incurred.

	<i>Consolidated and Parent</i>	<i>Consolidated and Parent</i>
	<i>1987 \$'000</i>	<i>1986 \$'000</i>
2. OTHER DEBTORS		
Other debtors	8,193	5,093
Less provision for doubtful debts	12	12
	<hr/> 8,181	<hr/> 5,081
3. STOCK ON HAND		
Stores	11,601	15,004
Less provision for obsolescence	708	595
	<hr/> 10,893	<hr/> 14,409
Ore stockpile	12,289	8,774
Work in progress	102	1,184
Finished product U ₃ O ₈	38,400	37,054
	<hr/> 61,684	<hr/> 61,421

4 . S U B S I D I A R I E S - 1 9 8 6 A N D 1 9 8 7

(a) Shares in Subsidiary Companies	<i>Place of Incorporation</i>	<i>Energy Resources of Australia Ltd Investment at Cost \$</i>
E.R.A. (Canberra) Limited	Australian Capital Territory	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.
The operations of the subsidiaries did not result in a profit or a loss and no dividends were paid to the parent company.

(b) Loan to Subsidiary Company

Unsecured subordinated loan to E.R.A. (Canberra) Limited \$10,000 (1986: \$10,000).

	<i>Consolidated and Parent 1987 \$'000</i>	<i>Consolidated and Parent 1986 \$'000</i>
--	--	--

5 . R A N G E R P R O J E C T R I G H T S

Ranger Project Rights at cost	407,000	407,000
Less amortization	38,659	31,892
Net Balance	368,341	375,108

This represents 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.

**6 . M I N E P L A N T , E Q U I P M E N T
A N D F A C I L I T I E S**

Plant, equipment and facilities at cost	398,370	398,561
Less provision for depreciation	80,075	69,219
Written down value	318,295	329,342

NOTES TO THE ACCOUNTS

Notes to and forming part of the Accounts for the year ended 30 June 1987

18

	<i>Consolidated and Parent</i>	<i>Consolidated and Parent</i>
	<i>1987 \$'000</i>	<i>1986 \$'000</i>
7 . D E F E R R E D E X P E N S E S		
Deferred expenses, capitalized at cost, comprise:		
Share issue expenses	3,158	3,158
Borrowing costs	5,592	5,592
	<u>8,750</u>	<u>8,750</u>
Less amounts written off, Note 1(e)	7,137	6,293
Total	<u>1,613</u>	<u>2,457</u>

8 . B O R R O W I N G S

Borrowing facilities are on an unsecured, negative pledge basis. The facilities extend to 30 June 1994 with differing annual reduction

amounts from 30 June 1987 and provide for issues of Euronotes and the provision of letters of credit.

9 . F O R E I G N C U R R E N C Y

The Group has sales proceeds in US dollars exceeding repayments of borrowings, interest and other costs in US dollars.

Forward purchase contracts for US dollars have been entered into covering the principal outstanding in US dollars under loan agreements. These hedge contracts will have the effect of \$A114,792,618 (1986: \$A157,476,071) being required to repay the principal of the loans at 30 June 1987, US\$133,125,000 (1986: US\$182,625,000), whereas the conversion of the principal in US dollars at the rate of exchange at year end was \$A184,818,825 (1986: \$A270,956,973). There are forward sales contracts for US dollars which match the

purchase contracts covering loan repayments. These contracts for US dollars resulted in revenue for the year being reduced by \$A31,465,000 (1986: \$A21,732,000).

Forward sale contracts which were entered into in previous years for US dollars in respect of some further sales proceeds were completed by 30 June 1987 and the losses brought to account. These reduced revenue for the year by \$A25,082,000 (1986: \$A6,991,000).

The net exchange loss included in the profit and loss account for the year on the holding of net foreign monetary assets was \$A4,713,000 (1986: \$A2,345,000).

	<i>Consolidated and Parent</i>	<i>Consolidated and Parent</i>
	<i>1987 \$'000</i>	<i>1986 \$'000</i>

10 . I N C O M E T A X

Income tax is calculated as follows:

Operating profit before income tax	108,085	98,415
Tax calculated at 49% (1986: 46%)	52,962	45,271
Tax effect of permanent differences:		
– decreased income tax expense due to investment allowance	–	(273)
– increased income tax expense due to amortization of Ranger Project Rights and other non-allowable items	3,435	2,993
Income tax expense	<u>56,397</u>	<u>47,991</u>

Note 10 Continued

Provision for deferred income tax

The provision for deferred income tax arises from certain costs being allowable for income tax purposes earlier than the time when the

corresponding charge is made against book profits. Deductions under Division 10 and Section 51 of the Income Tax Assessment Act are the main factors.

	<i>Consolidated and Parent</i>	
	<i>1987 \$'000</i>	<i>1986 \$'000</i>
11. CAPITAL		
Authorized capital 500,000,000 shares of \$1.00 each	500,000	500,000
Issued and paid up capital		
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

The B and C Class shares rank pari passu with the A Class shares except that the B and C Class shares have limitations, restrictions and special

rights as to conversion, quotation and disposal of shares and voting in specified matters.

	<i>Consolidated</i>		<i>Parent</i>	
	<i>1987 \$'000</i>	<i>1986 \$'000</i>	<i>1987 \$'000</i>	<i>1986 \$'000</i>

12. DIRECTORS'

EMOLUMENTS

There were no Executive Directors of the Company. Total emoluments including retirement benefits received and receivable by other Directors

194	137	194	137
-----	-----	-----	-----

No emoluments (excluding salaries) were received by Directors of subsidiaries who are not also Directors of the Company.

13. COMMITMENTS

(a) Commitments for capital expenditure

2,952	384	2,952	384
-------	-----	-------	-----

(b) Lease and Hire Commitments

(i) Operating Leases – Office

Aggregate amount contracted but not provided for in the accounts

915	1,427	915	1,427
-----	-------	-----	-------

Due within 1 year

500	517	500	517
-----	-----	-----	-----

Due within 1-2 years

415	498	415	498
-----	-----	-----	-----

Due within 2-5 years

–	412	–	412
---	-----	---	-----

915	1,427	915	1,427
-----	-------	-----	-------

Rent expense for period

517	384	517	384
-----	-----	-----	-----

NOTES TO THE ACCOUNTS

Notes to and forming part of the Accounts for the year ended 30 June 1987

20

Note 13 Continued

	Consolidated		Parent	
	1987 \$'000	1986 \$'000	1987 \$'000	1986 \$'000
(ii) Finance Leases				
Aggregate amount contracted but not provided for in the accounts	8,047	5,092	8,047	5,092
Due within 1 year	2,709	1,864	2,709	1,864
Due within 1-2 years	2,782	1,859	2,782	1,859
Due within 2-5 years	5,316	3,569	5,316	3,569
Minimum lease payments	10,807	7,292	10,807	7,292
Less future finance charges	2,760	2,200	2,760	2,200
Present value of minimum lease payments – motor vehicles and plant	8,047	5,092	8,047	5,092
Rent expense for period	2,049	1,895	2,049	1,895

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

(i) amounts equal to the sums payable by the Commonwealth to the Northern Lands Council pursuant to the Section 44 Agreement (Aboriginal Land Rights (Northern Territory) Act 1976). These amount to \$200,000 per annum during the currency of the Agreement;

(ii) 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 and represent 4¼% of net sales revenue (1987: \$11,971,000/1986: \$10,347,000);

(iii) 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% (1987: \$3,567,000/1986: \$3,043,000);

(iv) 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 (1987: \$5,824,000/1986: \$4,896,000).

14. CONTINGENT LIABILITIES

E.R.A. has given to the Commonwealth Government an undertaking to rehabilitate the Ranger Project Area after cessation of mining operations. To the extent from time to time that the amount standing to the credit of the Ranger Rehabilitation Trust Fund is insufficient to meet the then estimated cost of rehabilitation, this undertaking has been secured by a bank guarantee given by the Commonwealth Bank of Australia.

The estimated cost of rehabilitation (including contingency), should E.R.A. have been required to cease

mining at 30 June 1987, would have been \$51,617,190 (1986: \$46,354,000) whilst the balance of the Trust Fund was \$40,009,000 (1986: \$29,695,000). See Note 13(c)(iv).

The Northern Land Council has taken legal proceedings against the Commonwealth Government of Australia and E.R.A. to have the agreement for mining under Section 44 of the Aboriginal Land Rights (NT) Act set aside.

The matter is before the High Court but may take some time to be finally resolved. Legal advice indicates action will be resolved in favour of the Company.

15. FINANCIAL REPORTING BY SEGMENTS

The Company is solely a uranium miner and producer operating in Australia.

16. ACCOUNTS DISCLOSURE

These accounts comply with the requirements of Schedule 7 of the Companies Regulations which were in force at 30 September 1986.

STATEMENT OF SOURCE & APPLICATION OF FUNDS

For the year ended 30 June 1987

21

	<i>Consolidated</i>		<i>Consolidated</i>	
	<i>1987 \$'000</i>	<i>1987 \$'000</i>	<i>1986 \$'000</i>	<i>1986 \$'000</i>
Sources of Funds				
Funds from Operations				
Inflows of funds from operations	238,704		232,868	
Less outflows of funds from operations	<u>130,619</u>	108,085	<u>134,453</u>	98,415
Add non cash items				
Amortization and depreciation		<u>20,234</u>		<u>24,319</u>
		128,319		122,734
Reduction in Assets				
<i>Current assets</i>				
Cash on hand	7		-	
Short term deposits	-		32,850	
Trade debtors	-	7	<u>11,303</u>	44,153
<i>Fixed assets</i>				
Cash proceeds from Sale		828		-
Increase in Liabilities				
<i>Current liabilities</i>				
Bank overdraft	1,495		1,473	
Trade creditors and bills payable	<u>286</u>	1,781	<u>4,147</u>	5,620
<i>Non-current liabilities</i>				
Creditors and accrued expenses		-		<u>48</u>
		<u>130,935</u>		<u>172,555</u>
Application of Funds				
Increase in Assets				
<i>Current assets</i>				
Cash on hand	-		14	
Short term deposits	9,778		-	
Trade debtors	5,317		-	
Other debtors	3,100		1,586	
Stock on hand	<u>263</u>	18,458	<u>13,892</u>	15,492
<i>Non-current assets</i>				
Mine plant, equipment and facilities	2,403		7,575	
Deferred expenses	<u>-</u>	2,403	<u>1,526</u>	9,101
Reduction in Liabilities				
<i>Current liabilities</i>				
Borrowings	497		39,817	
Other creditors	<u>508</u>	1,005	<u>2,237</u>	42,054
<i>Non-current liabilities</i>				
Borrowings	53,733		12,225	
Creditors and accrued expenses	<u>30</u>	53,763	<u>-</u>	12,225
Dividends paid		20,500		41,000
Income tax paid		<u>34,806</u>		<u>52,683</u>
		<u>130,935</u>		<u>172,555</u>

Statement by Directors

Energy Resources of Australia Ltd
(Incorporated in the Australian Capital Territory)

1. In the opinion of the Directors:

(a) the accounts of the Company and of the Group, set out on pages 14 to 21, are drawn up so as to give a true and fair view of the state of affairs as at 30 June 1987, and the profit for the year ended on that date, of the Company and of the Group as far as they concern members of the Company; and

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

2. The accounts are in accordance with Australian Accounting Standards and applicable Approved Accounting Standards.

Signed at Sydney this 21st day of August 1987 in accordance with a resolution of the Directors.

P H Wade
 Director

A L Morokoff
 Director

Auditors' Report

Auditors' Report to the Members of
 Energy Resources of Australia Ltd
(Incorporated in the Australian Capital Territory)

We have audited the accounts and Group accounts set out on pages 14 to 22 in accordance with Australian Auditing Standards.

In our opinion the accounts and Group accounts are properly drawn up in accordance with the provisions of the Companies Act 1981 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 1987 and of the profit of the Company and of the Group for the year ended on that date so far as they concern members of the holding company;

(ii) the other matters required by Section 269 of that Act to be dealt with in the accounts and in the Group accounts;

and are in accordance with Australian Accounting Standards and applicable Approved Accounting Standards.

Coopers & Lybrand, Chartered Accountants

by M J Sharpe
Sydney, 21 August 1987

Information pursuant to Australian Associated Stock Exchanges Listing Requirement 3c.

Entitlement to Votes (Article 85)

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

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 14 August 1987.

(a) A Class Ordinary Shareholders		<i>Equal to 75.0% of the issued capital</i>		
	<i>Number of Shareholders</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
1-99	19	0.1	793	0.0
100-1,000	17,115	85.5	6,692,031	2.2
1,001-5,000	2,439	12.2	5,791,450	1.9
5,001-10,000	263	1.3	1,974,309	0.6
over 10,000	193	0.9	293,041,417	95.3
	20,029	100.0	307,500,000	100.0
(b) B Class Ordinary Shareholders		<i>Equal to 15.0% of the issued capital</i>		
Rheinbraun Australia Pty Limited			25,625,000	41.6
UG Australia Developments Pty Ltd			16,400,000	26.7
Interuranium Australia Pty Limited			15,375,000	25.0
OKG Aktiebolag			4,100,000	6.7
			61,500,000	100.0
(c) C Class Ordinary Shareholders		<i>Equal to 10.0% of the issued capital</i>		
Japan Australia Uranium Resources Development Co Ltd			41,000,000	100.0
Total Issued Capital			410,000,000	

Register of Substantial Shareholders

Shares held as at 14 August 1987

A Class Ordinary Shareholders

Peko-Wallsend Ltd	136,329,100
EZ Industries Limited*	263,274,100

B Class Ordinary Shareholders

Rheinbraun Australia Pty Limited	25,625,000
UG Australia Developments Pty Ltd	16,400,000
Interuranium Australia Pty Limited	15,375,000

C Class Ordinary Shareholders

Japan Australia Uranium Resources Development Co Ltd	41,000,000
--	------------

*By a notice of change in interest of substantial shareholders dated 29 May 1986 received from North Broken Hill Holdings Limited, E.R.A. was informed that EZ Industries Limited has a relevant interest in all A Class ordinary shares held by Peko-Wallsend Ltd and all the B Class shares and

C Class shares on issue. The relevant interest is said to have arisen under an agreement and a series of instruments entered into by E.R.A. with its shareholders between September 1980 and December 1981.

Twenty Largest Shareholders of A Class Ordinary Shares as at 14 August 1987

<i>Shareholder</i>	<i>Shares Held</i>
Peko-Wallsend Ltd	136,329,100
EZ Industries Limited	126,945,000
Australian Mutual Provident Society	4,992,660
CTB Nominees Ltd	3,785,900
Pendal Nominees Pty Ltd	3,396,700
MLC Life Limited	1,815,367
National Nominees Limited	972,178
ANZ Nominees Ltd (Melbourne)	877,062
The National Mutual Life Association of Australasia Ltd	871,800
Government Insurance Office of New South Wales	760,200
The Perpetual Executors & Trustees Association of Australia Limited	706,650
Bank of New South Wales Nominees Pty Ltd	705,050
Hambro Securities Ltd	625,100
Capital Financial Group Ltd	573,700
Melsaf Nominees Pty Ltd	524,900
The City Mutual Life Assurance Society Ltd	524,000
Eagle Star Nominees Ltd	511,600
Australian Foundation Investment Co Ltd	500,000
Public Authorities Superannuation Board	492,300
Schroders Dual Fund Ltd	374,900
Total	286,284,167

The proportion of A Class Ordinary Shares held by the 20 largest shareholders is 93.1%

Interest of Directors in the share capital of the Company as at 21 August 1987

<i>Director</i>	<i>Shares Held</i>
A L Morokoff	5,000
A W Hamer	15,000
Sir Rupert Myers	2,000

Share Registries

New South Wales	Victoria	Australian Capital Territory
C/- Professional Share Registries (NSW) Pty Ltd 4th Floor, 720 George Street Sydney NSW 2000 Telephone: (02) 211 5299	C/- Professional Share Registries (NSW) Pty Ltd Bishop Connelly & Duncan 3rd Floor, 11 Bank Place Melbourne VIC 3000 Telephone: (03) 670 0206	C/- Professional Share Registries (NSW) Pty Ltd C/- Houston & Hanna 3rd Floor, 40 Marcus Clarke Street Canberra City ACT 2601 Telephone: (062) 49 8515

BOARD OF DIRECTORS

Mr A L Morokoff, the Chairman since foundation in 1980, is an electrical engineer. He is Chairman of the Parliament House Construction Authority and Deputy Chairman of Lend Lease Corporation Ltd. Other directorships include IBM Australia Ltd, MLC Ltd and Eromanga Energy Ltd.

Mr A C Copeman is a mining engineer and has been a Director since 1983. He is Chief Executive and a Director of Peko-Wallsend Ltd, having held that position since 1982. He is a Director of Peko-Oil Ltd and of the Australian Mining Industry Council.

Mr A W Hamer qualified as an industrial chemist and was previously Deputy Chairman and Managing Director of ICI Australia Ltd. He has been a Director of E.R.A. since 1980. He is a Director of EZ Industries Ltd, Woodside Petroleum Ltd, Tubemakers of Australia Ltd, Big J Ltd, Reckitt & Colman Australia Ltd, and a Trustee of the RE Ross Trust.

Mr T Inoue, nominated by holders of 'C' Class Shares, was appointed a Director of E.R.A. in June 1987 to fill the casual vacancy created by the retirement of Mr K Ito. He is Executive Vice-President and a Director of the Kansai Electric Power Co Inc and President and a Director of Japan Australian Uranium Resources Development Co Ltd (JAURD).

Dr V Klix, a geologist, was nominated by holders of 'B' Class Shares, to fill the vacancy created by the retirement of Mr L W Mueller at the end of October 1986. He is Managing Director of Rheinbraun Australia Pty Ltd.

Dr E Miller is a mining engineer and was appointed a Director of E.R.A. in July 1986. He is a Group Executive of Peko-Wallsend Ltd and Executive Director of Robe River Mining Co Pty Ltd.

Sir Rupert Myers, KBE, has been a Director since 1981. He is a metallurgist and a former Vice-Chancellor of the University of New South Wales. He is Chairman of the New South Wales State Pollution Control Commission, of Technoprodut Resources Pty Ltd and of Technoprodut Holdings Ltd. Other directorships include CSR Ltd, Winston Churchill Memorial Trust in Australia, James N Kirby Foundation, A W Tyree Foundation and Earthwatch Australia.

Mr P H Wade, an accountant, joined the Board of E.R.A. in March 1987. He filled the casual vacancy left by Mr Bethwaite. Mr Wade has been a Director of North Broken Hill Holdings Ltd since October 1984. He was Director - Forestry & Paper before becoming Managing Director of the Group. He is also a Commissioner of the Commonwealth Serum Laboratories and Director of Gunns Kilndried Timber Industries Ltd.

