

*ENERGY  
RESOURCES  
OF  
AUSTRALIA  
LIMITED*

ANNUAL REPORT

1988

## C O N T E N T S

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Board of Directors 1BC

Supplemental Booklet:

'Ranger and the Environment: An Update'

(inside back flap).

## N O T I C E O F M E E T I N G

This report is to be presented at the Annual  
General Meeting of members of Energy  
Resources of Australia Ltd (ERA) in the  
Theatre of The Australian Stock Exchange,  
20 Bond Street, Sydney,  
at 10.00 a.m. on Thursday, 20 October 1988.

A Notice of Meeting and Proxy Form is enclosed.

*“ERA is proud of the high standard of environmental protection achieved at its Ranger Uranium Mine in the Northern Territory. With the continued support of the Supervising Authorities and based on legislation developed for the project, the Company is confident of maintaining this high standard throughout the life of the mine.”*

From: 'Ranger and the Environment: an update.'  
A Supplementary Booklet to this report.

**DIRECTORS**

A.L. Morokoff, Chairman  
R.L. Baillieu  
G.W. Forster  
T. Inoue  
Dr. E. Miller  
Sir Rupert Myers KBE  
P.H. Wade  
H. Weise

**SECRETARIES**

W.F. James  
R.G. Kemp

**CHIEF EXECUTIVE**

P.J. Bradfield

**GENERAL MANAGERS**

Dr. T. Gardner, *Operations*  
D.C. Haigh, *Commercial*  
P.J. Shirvington, *Marketing*

**MANAGERS**

G.B. Allen, *Administration and Finance*  
R.A. Cleary, *Operations*  
W.A. Davies, *Marketing*  
A.R. Henderson, *Special Projects*  
W.F. James, *Controller*  
P. McNally, *Environment*

**REGISTERED OFFICE**

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**PRINCIPAL OFFICE**

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Sydney NSW 2000

**POSTAL ADDRESS**

GPO Box 4039  
Sydney NSW 2001

**AUDITORS**

Coopers & Lybrand

**BANKERS**

Commonwealth Bank of Australia  
Westpac Banking Corporation

## CHAIRMAN'S OVERVIEW



The past year has been one of consolidation at the Ranger Uranium Mine, with plans also being made for expansion. Progress continued to be made in optimising the production process with improved operational efficiencies in the mine and treatment plant resulting in lower costs of production.

The on-going exploration programme in the northern part of the project area has been resumed in the current dry season with the programme due to be completed towards the end of this year. All of the work undertaken recognises the Company's responsibility towards the environment. The Company continues to place strong emphasis on the health and safety of its employees.

In marketing, ERA is continuing to see the benefits of its work over the past few years with a new contract being signed with Electricite de France, the French state-owned power authority, and an additional contract being signed with Kansai Electric, one of our principal shareholder customers. Additional contracts have also been negotiated with US power utilities. We expect sales to increase commensurate with the anticipated growth in long term marketing prospects. There is no doubt that nuclear energy will continue to play an important role in supplying nuclear power to industrialised countries.

The Company is confident that the Government's review of its policy on uranium production and mining will

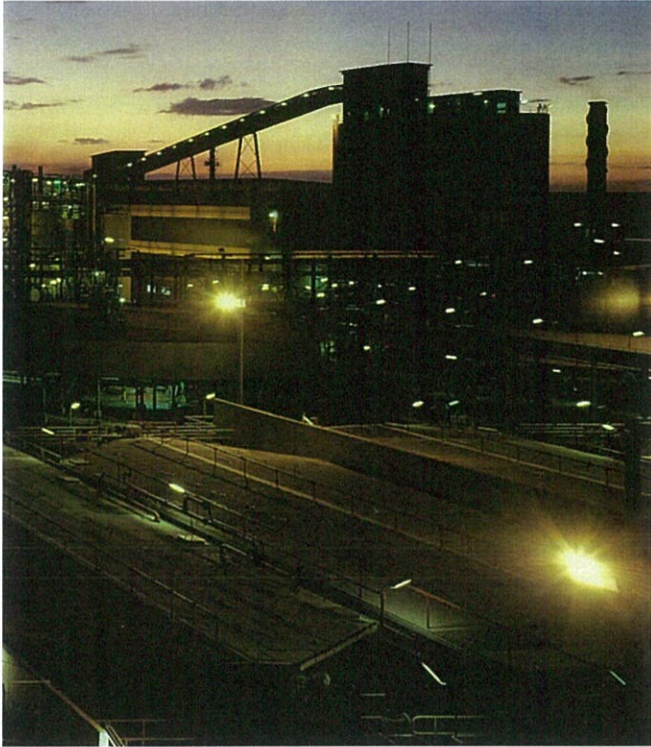
enable ERA to continue to expand thereby maintaining its position as Australia's leading uranium producer.

Previous Annual Reports have contained reference to discussions with shareholder customers who had sought some form of relief under contracts for purchase of uranium concentrate from ERA. During the past year negotiations recognising these past credits were concluded and the new arrangements will strengthen shareholder/customer relationships and enhance the Company's sales programme in the longer term.

During the year approval was given for Cogema, a State owned fuel supply company for French nuclear power plants, to purchase a 1.25% interest in ERA from the Federal Republic of Germany's Saarberg - Interplan URAN GmbH.

The year was marked by the merger of the Company's two major shareholders, North Broken Hill Holdings Limited and Peko-Wallsend Limited. North Broken Hill Holdings Limited now control 65% of the total issued shares of ERA and as a result ERA is a subsidiary of North Broken Hill Holdings Limited.

During the year Mr Alan Hamer retired from the Board. Mr Hamer had been a director of the Company since its formation in 1980 and made a valued contribution to the success of the Company. To fill the vacancy, Mr Lawrence Baillieu, Deputy Chairman of North Broken Hill Holdings



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The process plant at dusk  
with Solvent Extraction section  
in foreground.

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Limited, was appointed a Director of the Company.

Mr Hans Weise, the newly appointed Managing Director of Rheinbraun Australia Pty Ltd was nominated by the holders of 'B' class shares to fill the vacancy created by the return to Germany of Dr Volker Klix in December 1987. Dr Klix has been associated with ERA for some years and his work was much appreciated.

Following the takeover of Peko-Wallsend by North Broken Hill Holdings Limited, Mr Charles Copeman, who was Chief Executive of Peko-Wallsend and who had been a Director of ERA since 1983, resigned from the Board. Mr Copeman made a very substantial contribution to ERA in his time as a Director. To fill that vacancy Mr Bill Forster, Director of Corporate Affairs of North Broken Hill Holdings Limited was appointed a Director of the Company.

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 individual efforts 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 uranium for power generation.

Finally, I commend to you the supplementary booklet which is entitled 'Ranger and the Environment - An Update', which is enclosed with this Annual Report.

**A. L. Morokoff**  
Chairman

## DIRECTORS' REPORT

The Directors of Energy Resources of Australia Ltd submit the accounts and group accounts for the financial year ended 30 June 1988 and report as follows:

### Trading Result

Net consolidated profit after tax for the year was \$63,070,000 compared with \$58,888,000 in 1987. The amount provided for income tax during the year was \$67,985,000 compared with \$49,197,000 in 1987.

Profit after tax and including an extraordinary item arising from the restatement of deferred tax liability was \$88,474,000.

Deliveries of U<sub>3</sub>O<sub>8</sub> during the year of 3,274 tonnes was 74% higher than the 3,048 tonnes delivered in the previous year. While prices were similar to those for last year the negotiations which were concluded with shareholder customers under long term contracts for the purchase of uranium concentrate and which led to the recognition of past credits reduced revenue.

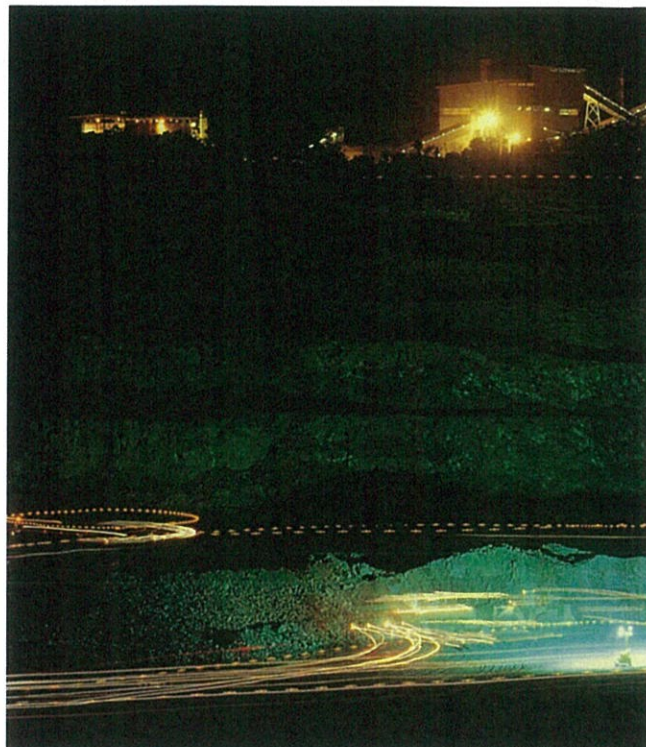
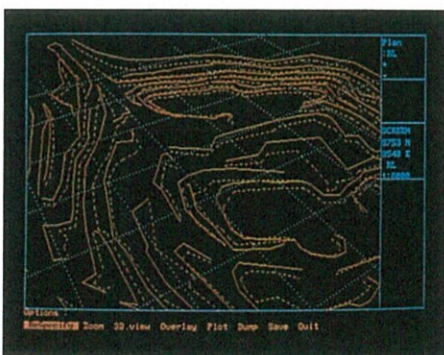
The results continued to reflect forward purchase contracts for US dollars entered into covering loan repayments, and, also some foreign exchange losses. Improved operating efficiencies resulted in a lower unit cost of production. Depreciation was also lower due to some assets becoming fully depreciated.

Profit for the year allows for the further increase in the Commonwealth Government's uranium export levy, which rose from 80 cents per kilogram to \$1.02 per kilogram. The cost to the Company of the uranium export levy amounted to \$3,078,365.

Payments continued to be made, to the Commonwealth Government for the benefit of the traditional Aboriginal landowners, together with the royalty payments to the Northern Territory Government. There was a substantial decrease in interest paid because of lower interest rates and reduced borrowings.

### Dividend

A dividend of five (5) cents per share, totalling \$20.5 million



was paid on 6 July 1987, and a similar dividend was also paid on 30 November 1987. Both dividends were fully franked under the imputation tax provisions of the Income Tax Assessment Act. A further dividend of five (5) cents per share or \$20.5 million was paid on 31 May 1988; franked to 3.74 cents per share. Directors have declared a fully franked final dividend of \$20,500,000 payable on 30 November 1988. No other amount has been paid or declared by way of dividend since the end of the previous financial year.

It is expected that in future only two dividends will be paid each year and that income tax payable will enable all dividends to be fully franked.

### Principal Activities

The principal activities of ERA 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

### Marketing

During the year an additional four contracts were negotiated with utilities in the United States and they received Government approval. A contract with the French state-owned power authority, Electricite de France, was also negotiated. As with all exports of Ranger uranium, those to



France are also covered by an Australian bi-lateral safeguards agreement. France is also a signatory of the Euratom safeguards agreement and accepts International Atomic Energy Agency (IAEA) safeguards on a voluntary basis. A new contract was also signed with Kansai Electric of Japan.

The long term market in the United States remains subject to a final determination of import regulations. The US court imposed restriction on the enrichment of foreign origin uranium for domestic end-use was lifted pending a legal challenge but legislative actions have been proposed to Congress to restrict the use of foreign uranium in US nuclear power plants. There has been no immediate impact on existing ERA long term contracts in the United States. In late June the US Supreme Court found in favour of the US Department of Energy in the lawsuit with the US uranium producers, thus removing barriers to the import of uranium into the United States.

There is a real prospect that the Free Trade Agreement (FTA) between the United States and Canada will be ratified this year by both governments. Under this agreement, Canadian origin material would be deemed equivalent to US origin material. While this will have an impact on the continued viability of higher cost uranium producers in the United States it is not expected to impede the conclusion of additional contracts by ERA with that country. The prospect of the FTA being ratified has

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**Wide view of open pit with the process plant on the horizon, highlighting the depth and scale of the mine.**

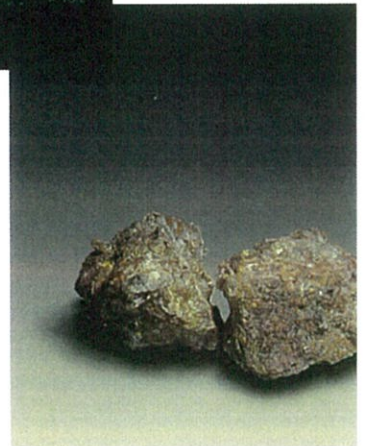
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**Inset: oxidised uranium minerals.**

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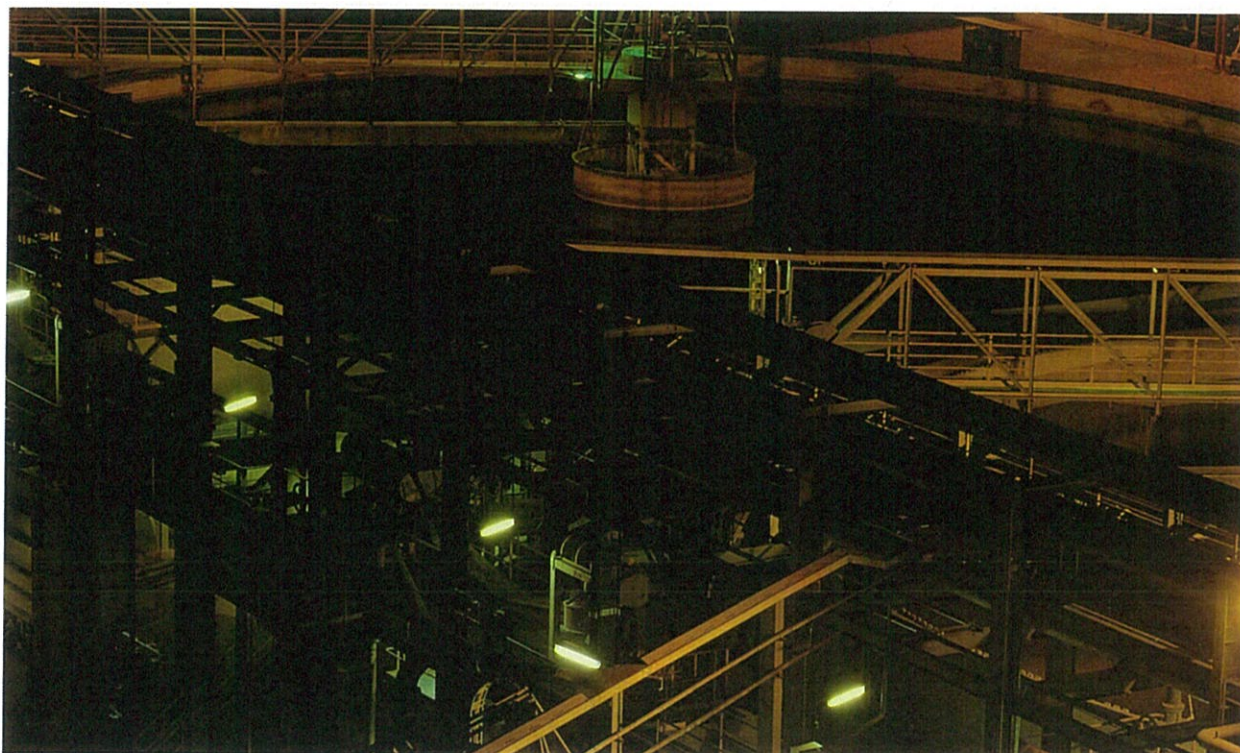
**Mine planning is computer assisted (below left).**

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## DIRECTORS' REPORT



Amounts of material mined during  
years ended 30th June 1988/1987

	1988 in million tonnes	1987 in million tonnes
High-grade ore above 0.10% U <sub>3</sub> O <sub>8</sub> (processed or stockpiled)	2.13	(0.075%) 1.71
Mineralized material above 0.023% U <sub>3</sub> O <sub>8</sub> (stockpiled)	2.84	0.92
Construction material	0.24	0.29
Waste material	1.16	2.12
Total material extracted	6.37	5.04
Total material reclaimed from stockpiles	0.64	0.40
Total material processed	0.80	0.86

substantially eroded the premium that US utilities were prepared to attach to purchases of US origin material and has contributed to a reduction in the current market price.

ERA now has a total of 13 contracts with utilities in the United States. It also has long term contracts with utilities in Belgium, the Federal Republic of Germany, France, the Republic of Korea, Japan and Sweden. A settlement was reached late in 1987 with shareholder customers regarding relief sought under long term contracts.

Nuclear power generation worldwide is expanding. During 1987, 23 reactors were commissioned, thereby increasing world capacity of nuclear power by 22,599 MWe. At the end of December 1987 there were 416 reactors in operation and over one hundred reactors under construction in 26 countries in the world. Nuclear power now accounts for about 16% of world electricity production. In France the proportion is 69.8% and in Belgium 67.0%.

### *Mining*

Mining of Orebody No.1 continued. The increased water storage capacity offered by the deepened Retention Pond 2 has relieved the mine of the requirement to maintain a water storage capability in that area. During the year mining developed northward thereby enabling the lower benches to be enlarged. The main haul ramp has been repositioned and some benches on the south and east have now reached the final design stage.



**Inset: precipitated yellowcake (before calcination).**

**View of the Counter-Current-Decantation circuit**

**which separates uranium bearing liquid from**

**the solids (top).**

**The acid plant tower and scaffolding (above).**

Upgrading of the mine equipment continued through the acquisition of an additional front-end loader and 80-tonne haultruck and the replacement of one grader.

The mineral exploration programme continued over the northern part of the Ranger Project Area. Surface geophysics and reconnaissance drilling have defined several particularly prospective areas. These are being further investigated during the dry season of 1988 (usually from July to October).

#### *Ore Reserves*

Changes in ore reserves resulted from mining and a reassessment of insitu reserves.

#### *Ore Processing*

The production target of 3,000 tonnes  $U_3O_8$  was achieved with significantly reduced production costs. Substantial savings were attained through improved control and optimisation of reagent addition levels and through a strategy of measured head grade and subsequent screening to upgrade mill feed.

#### Geological Ore Reserves and Stockpiles

	<i>millions tonnes of ore</i>	<i>% <math>U_3O_8</math></i>	<i>1 July '88 tonnes contained <math>U_3O_8</math></i>	<i>1 July '87 tonnes contained <math>U_3O_8</math></i>
<b>No 1 Orebody at 0.1% <math>U_3O_8</math> cut-off</b>				
Ore stockpiles	4.3	0.3	12,100	10,000
Proven ore	6.2	0.3	19,900	25,500
Total ore	10.5	0.3	32,000	35,500
<b>No 3 Orebody at 0.1% <math>U_3O_8</math> cut-off</b>				
Probable ore	22.1	0.3	63,600	63,600
Possible ore	3.2	0.3	8,600	8,600

*The cut-off for No.3 Orebody which in the 1987 assessment was based on 0.05% bas for 1988 been amended to 0.1%, which is consistent with the cut-off for No.1 Orebody.*

*The use of an increased cut-off grade in the calculation of the No.3 Orebody ore reserve indicates that the Probable reserve has been reduced by 9,200 tonnes of contained  $U_3O_8$  and the Possible reserve by 3,600 tonnes of contained  $U_3O_8$ .*

*The reduction results from a more strict definition of ore outlines as defined by the higher grade. The ore outlines drawn to a 0.05%  $U_3O_8$  cut-off are unchanged and the ore reserve at that cut-off remains as previously stated.*

## DIRECTORS' REPORT

### *Environmental Considerations*

The environmental monitoring programme is being continually refined and updated to ensure that there is no adverse impact from the operations on the region or those living and working in the area. The Department of Mines and Energy reported, in its six-monthly report on Surveillance of Environmental Monitoring in the Alligator Rivers Region up to 30 September 1987, that the Company's monitoring programme is being carried out satisfactorily. The 1986/87 Annual Report of the Supervising Scientist for the Alligator Rivers Region confirmed "that there has been no discernible adverse impact on the environment" from Ranger. It also notes that "there has been no detectable impact on the aquatic environment outside the restricted release zone during the period."

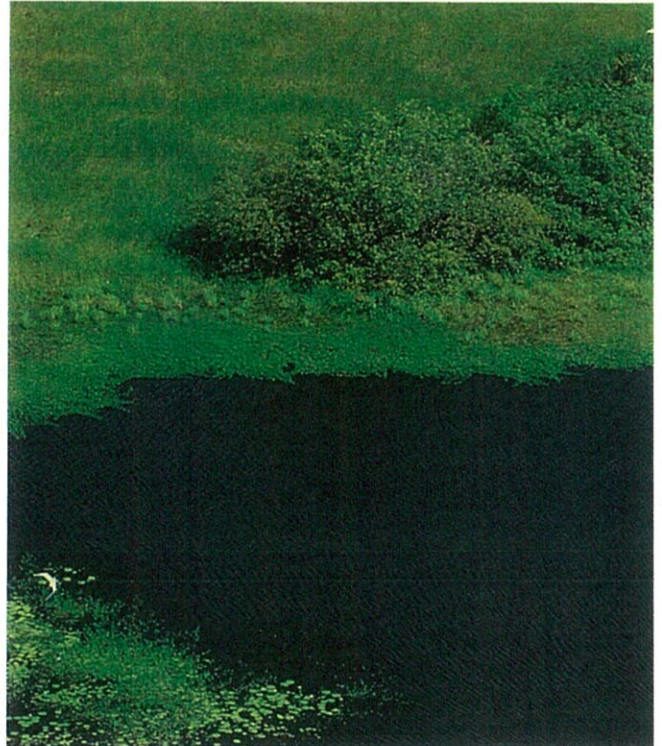
### *Water Management*

The water storage facilities within the Restricted Release Zone (RRZ) were increased during 1987 by the deepening of Retention Pond 2. The volume of water which can now be stored in this pond has increased to over 1.1 million cubic metres.

For the third consecutive year rainfall for the period has been below the average. During the 1987/88 wet season 946 mm of rainfall was recorded at the Jabiru airstrip which was approximately 60% of the average of 1,555 mm. This may necessitate water being imported into the RRZ during the dry season of 1988 to meet the requirements for mining and processing. During the 1987 dry season the first stage of a supplementary water supply system based on the Brockman Borefield aquifer was installed. In the coming year the second stage will be constructed thereby insulating Ranger from any such water shortages.

Water quality of the retention ponds, particularly the RRZ storage facilities, was maintained at a high level during the year. Methods of segregating water of differing qualities and development of a contaminant source control programme were effectively adopted. Water quality in Retention Pond 2 was maintained at a level that would have met all water quality criteria should a release into the Magela Creek, the major water system of the area, have been necessary.

Research and evaluation of the groundwater and surface water in the area of Orebody No. 3 is continuing. It provides information for purposes of planning and scheduling development work and pit design for this orebody.



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The surrounding environment: wetland billabongs provide an ideal haven for birdlife and waterlilies abundant in the waterways.

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### *Mine Rehabilitation*

A Five-Year Rehabilitation Plan has been compiled to coordinate current operations with the Conceptual Long-Term Plan. The Five-Year Plan focusses on the changes that will take place including the stages of mine development, the growth of the waste rock dump and the method of tailings deposition. During this period mining of Oreboddy No.1 will be completed, development of Oreboddy No. 3 will commence and tailings deposition in the tailings dam will cease. Operational efficiency by avoidance of double-handling and minimizing land disturbance is of paramount importance.

Joint research projects with the CSIRO are continuing. These studies are providing valuable information on waste rock weathering characteristics. As they relate to sediment yield from exposed slopes and to vegetation requirements.

### *Safety, Health and Radiation Protection*

In October 1987 the functions of industrial safety, first aid, radiation safety and radiation research were formally combined into a new department called Safety, Health and Radiation Protection. The department also became responsible for the co-ordination of the National Safety Council of Australia (NSCA)'s Five-Star Management Safety

System. These changes will result in improved health and safety direction at Ranger.

A major initiative undertaken in 1987 was the development and implementation of an Occupational Rehabilitation Policy. The Policy is designed to bring injured personnel back to meaningful work at the earliest opportunity. Management, unions, general workforce, injured employees, a medical practitioner and the insurance company all participated in this new policy.

In September 1987 management and union officials met to discuss and negotiate a Health and Safety Agreement for Ranger. The Agreement was finally ratified by all parties in December and prescribes a co-operative approach to health and safety issues.

### *Industrial Relations*

There have been no major industrial stoppages during the year. Since agreement was reached in respect of the award negotiations, the majority of items contained in the agreement involving changed work practices have now been implemented. The changes have provided more flexibility and have eliminated many aspects of restrictive work practices.

## DIRECTORS' REPORT

### *Training and Development*

The last Industrial Award Agreement highlighted productivity training for award employees. As a consequence, considerable course development has occurred in training.

A wide range of training programmes to achieve higher productivity through multi-skilling has been developed and carried out. At the same time the programme of supervisor skill training using the Interaction Management Technique has continued.

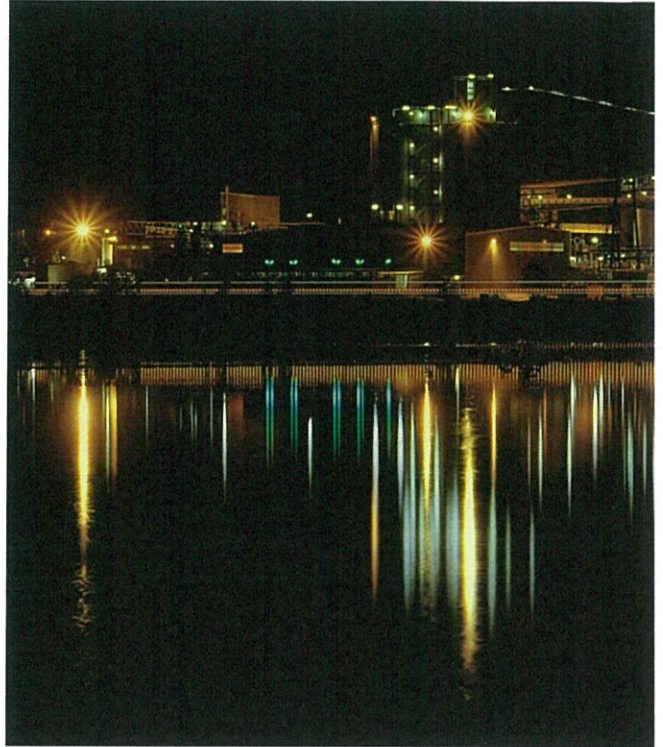
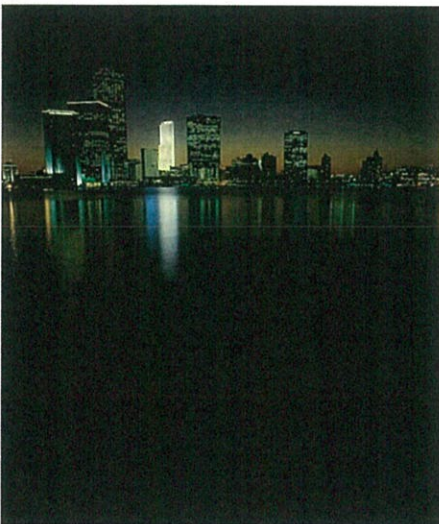
Further Interaction Management Training modules have been acquired to expand the skill range of supervisors.

The Training and Development Section has also been involved in the various processes undertaken by management to develop a series of change strategies in the management and organisation development areas. Specific areas covered have been in presentation, reporting, feedback, evaluation and workshop techniques.

As in previous years employees have attended a wide range of courses, seminars and workshops in Darwin and interstate to keep abreast of developments in their areas of expertise.

### *Aboriginal Community Relations*

A good relationship with local Gagudju people, the traditional landowners of the Ranger Project Area, continues to be maintained through regular liaison. This ensures that the Gagudju people are kept fully informed of Ranger Uranium Mine activities and mining related developments. To protect the cultural interests of these people regular induction courses for new employees and orientation courses

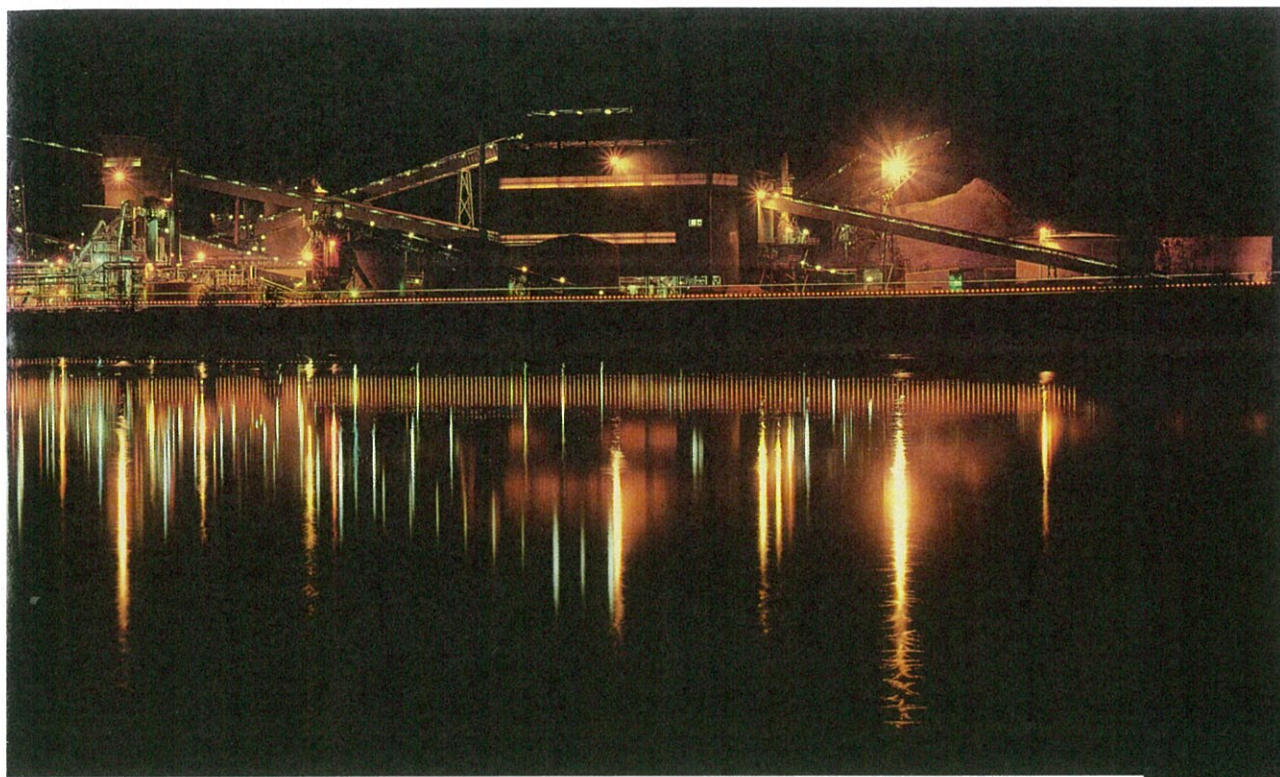


for Jabiru residents highlight restrictions in regard to Aboriginal sacred sites and entry into East Arnhem Land. Such courses also give participants an insight into the culture and traditions of the local Aboriginal people.

Through royalty type payments from the Ranger operation the Gagudju Association has recently been able to complete its accommodation programme. It can now house all local Gagudju tribal members. The Association has also broadened its investment in local tourism through the joint venture in the new 'Crocodile' hotel in Jabiru.

### *Visitors to the Mine*

Tours of the Ranger mine continued to be a regular feature in programmes offered by a number of tour operators. The Company provided trained guides and during the 1987 season some 23,000 people, many of them from overseas, participated in such tours. Group visits were also arranged for 26 Northern Territory schools and eight schools from interstate.



During the dry season tours are available on a daily basis and, during the wet season, on a limited basis. 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 carried out its planned conversion of all single persons' accommodation to one-bedroom self-contained flats and as a result communal messing facilities were no longer required. 24 two-bedroom units or duplexes were also constructed to cater for the shortfall in accommodation facilities. In addition to the 57 flats for single employees and 24 two-bedroom units the Company now provides 166 three and four-bedroom houses and 36 townhouses for Ranger employees.

The construction of the 'Crocodile' hotel is well under-way and will be officially opened in September 1988. This \$13.5 million project, operated by the Four Seasons Group on behalf of the Gagudju Association, will affect the town's potential to attract and cater for tourists.

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**View of the retention pond reflecting the lights of the Ranger process plant.**

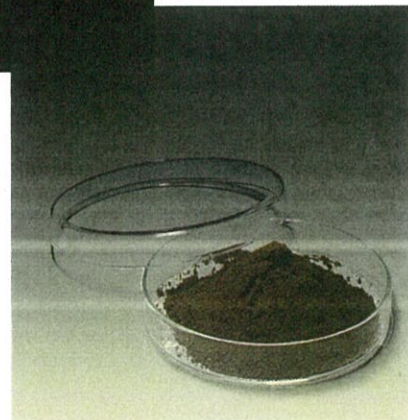
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**Inset: calcined yellowcake - uranium oxide as it is exported.**

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**Clean nuclear power contributes to the lighting of Miami, Florida (below left).**

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# ENERGY RESOURCES OF AUSTRALIA LIMITED



## ADDITIONAL STATUTORY INFORMATION

**P. J. Bradfield**  
Chief Executive

### *Directors*

The names of the Directors of ERA 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 ERA declared since 1 July, 1987.

### *State of Affairs of the Group during the 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 ERA 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 ERA, since 30 June 1987 has received or become entitled to receive a benefit (other than Directors' remuneration included in the notes to the accounts).

### *Rounding-off*

The holding company, ERA, 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 31st day of August 1988, in accordance with a resolution of the Directors.

**A.L. Morokoff**  
Director

**P.H. Wade**  
Director

# ENERGY RESOURCES OF AUSTRALIA LIMITED

## FINANCIAL SECTION

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## PROFIT AND LOSS STATEMENT

For the year ended 30 June, 1988

<i>Energy Resources of Australia Limited and subsidiaries</i>		<i>Consolidated and Parent</i>	<i>Consolidated and Parent</i>
	<i>Note</i>	<i>1988</i>	<i>1987</i>
		<i>\$000</i>	<i>\$000</i>
Operating profit	1-3	131,055	108,085
Income tax attributable to operating profit	4	67,985	49,197
<b>Operating profit after income tax</b>		<b>63,070</b>	<b>58,888</b>
Income tax (expense) benefit attributable to extraordinary items	5	25,404	(7,193)
<b>Operating profit and extraordinary items after income tax</b>		<b>88,474</b>	<b>51,695</b>
Retained profits at the beginning of the year		90,164	79,469
Prior year adjustment for leased assets		(699)	-
<b>Total available for appropriation</b>		<b>177,939</b>	<b>131,164</b>
Dividends provided for or paid	21	41,000	41,000
<b>Retained profits at the end of the year</b>		<b>136,939</b>	<b>90,164</b>

## BALANCE SHEET

As at 30 June, 1988

<i>Energy Resources of Australia Limited and subsidiaries</i>		<i>Consolidated and Parent</i>	<i>Consolidated and Parent</i>
	<i>Note</i>	<i>1988</i>	<i>1987</i>
		<i>\$000</i>	<i>\$000</i>
<b>Current Assets</b>			
Cash	6	21,966	18,084
Receivables	7	104,347	110,580
Inventories	8	63,044	61,684
Other	9	11,583	14,061
<b>Total Current Assets</b>		<b>200,940</b>	<b>204,409</b>
<b>Non-Current Assets</b>			
Property, plant & equipment	10	323,790	318,295
Other	11	389,892	430,775
<b>Total Non-Current Assets</b>		<b>713,682</b>	<b>749,070</b>
<b>Total Assets</b>		<b>914,622</b>	<b>953,479</b>
<b>Current Liabilities</b>			
Creditors and borrowings	12	59,439	46,274
Provisions	13	82,888	96,326
<b>Total Current Liabilities</b>		<b>142,327</b>	<b>142,600</b>
<b>Non-Current Liabilities</b>			
Creditors and borrowings	14	124,690	190,073
Provisions	15	100,666	120,642
<b>Total Non-Current Liabilities</b>		<b>225,356</b>	<b>310,715</b>
<b>Total Liabilities</b>		<b>367,683</b>	<b>453,315</b>
<b>Net Assets</b>		<b>546,939</b>	<b>500,164</b>
<b>Shareholders' Equity</b>			
Share capital	16	410,000	410,000
Retained profits		136,939	90,164
<b>Total Shareholders' Equity</b>		<b>546,939</b>	<b>500,164</b>

Notes on and forming part of the accounts are annexed.

## SIGNIFICANT ACCOUNTING POLICIES

### *Used in the ERA Group*

#### **Basis of Accounting**

These accounts are based on the historical cost accounting convention as practised in Australia and the accounting policies adopted are consistent with those of the previous year, except as otherwise stated.

The accounts have been made out in accordance with the requirements of the Schedule 7 of the Companies (New South Wales) Regulations as in force on 30 September 1987, and comply with Australian Accounting Standards and applicable Approved Accounting Standards.

#### **Principles of Consolidation**

The consolidated financial accounts give a view of the group as a whole. A list of subsidiaries appears in Note 22. All inter-company transactions are eliminated.

#### **Depreciation and Amortisation**

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 amortised over the estimated mine life and in relation to projected revenue from production.

#### **Foreign Currency**

Foreign currency transactions are converted to Australian dollars at exchange rates ruling at the dates of those transactions. Accounts payable and receivable in foreign currency at balance date are converted to Australian dollars at exchange rates ruling on that date.

Exchange differences arising from the conversion of amounts payable and receivable in foreign currencies are treated as operating revenue and expenses in the period in which they arise.

In the case of borrowings that have been hedged the difference between the exchange rate at drawdowns and the rate at the end of the year as reflected on the closing outstanding balance is shown as a foreign exchange hedge asset.

#### **Inventories**

Inventories are 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 broken ore within the mine.

#### **Deferred Expenses**

Deferred expenses are amortised over periods to which they relate. The share issue expenses have been written off over the first five financial years of full operation.

Borrowing costs incurred in 1981 are being amortised over eight and a half years from 15 November 1981 to the scheduled final repayment of the projected loans. Cost incurred in 1986 are amortised over five years to January 1991.

#### **Income Tax**

Income tax expense for the year is based on pre-tax accounting profit adjusted for items which, as a result of treatment under income tax legislation, create permanent differences between pre-tax accounting profit and taxable income.

To arrive at tax payable, adjustments to income tax expense are made for items which have been included in time periods for accounting purposes which differ from those specified by income tax legislation.

The extent to which timing differences give rise to income tax becoming payable in a different year as indicated by accounting treatment is recorded in the balance sheet as provision for deferred income tax.

#### **Sales**

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

#### **Leases**

Effective from 1 July 1987 the Group has adopted the provisions set out in Statement of Accounting Standard AAS17 and Approved Accounting Standard ASRB 1008 in accounting for leases.

The adoption of these provisions requires a distinction to be made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incident to ownership of the leased property, and operating leases under which the lessor effectively retains all such risks and benefits. Where non-current assets are acquired by means of finance leases, the present value of minimum lease payments is established as a non-current asset at the beginning of the lease term and amortised on a straight line basis over its expected economic life. A corresponding liability is also established and each lease payment is allocated between such liability and interest expense. Operating lease payments are charged to the profit and loss account in the periods in which they are incurred.

The effect of this change in accounting policy on the accounts for the Group and the Company is that the value of fixed assets increased by \$5,286,000, non-current liabilities increased by \$5,033,000, current liabilities increased by \$2,032,000, deferred income tax liabilities decreased by \$672,000, opening balance of retained earnings was reduced by \$699,000, and current year's profit was reduced by \$408,000.

#### **Contributions to Superannuation Funds**

Contributions made by the group to existing employee contributory superannuation funds (to provide benefits for employees and their dependants on retirement, disability or death) are charged to the profit and loss account.



**STATEMENT OF SOURCES & APPLICATIONS OF FUNDS**

*For the year ended 30 June, 1988*

<i>Energy Resources of Australia Limited and subsidiaries</i>	<i>Consolidated</i>		<i>Consolidated</i>	
	<i>1988</i>	<i>1988</i>	<i>1987</i>	<i>1987</i>
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
<b>Sources of Funds</b>				
Funds from Operations				
Inflows of funds from operations	255,704		238,704	
Less outflows of funds from operations	124,649	131,055	130,619	108,085
Add non-cash items				
Amortisation and depreciation	19,483		20,739	
Other	4,800	24,283	(505)	20,234
		155,338		128,319
Reduction in Assets				
Current Assets				
Cash on hand	7		7	
Trade debtors	5,141		-	
Other debtors	1,092		-	
Prepayments	357	6,597	-	7
Fixed Assets				
Cash proceeds from sale		1,034		828
Increase in Liabilities				
Current Liabilities				
Creditors	4,667		1,781	
Borrowings	6,377	11,044	-	1,781
Non-Current Liabilities				
Creditors		10,714		-
		184,727		130,935
<b>Applications of Funds</b>				
Increase in Assets				
Current Assets				
Short term deposits	3,889		9,778	
Trade debtors	-		5,317	
Other debtors	-		3,100	
Stock on hand	1,532	5,421	263	18,458
Non-Current Assets				
Mine plant, equipment and facilities		17,929		2,403
Reduction in Liabilities				
Current Liabilities				
Borrowings	-		497	
Creditors	-	-	508	1,005
Non-Current Liabilities				
Borrowings	42,349		53,733	
Creditors	-	42,349	30	53,763
Dividends paid		61,500		20,500
Income tax paid		55,775		34,806
Maintenance paid		201		-
Employee entitlements paid		1,552		-
		184,727		130,935

NOTES ON AND FORMING PART OF THE ACCOUNTS

<i>Energy Resources of Australia Limited and subsidiaries</i>	<i>Consolidated and Parent</i>	
	<i>1988</i>	<i>1987</i>
	<i>\$000</i>	<i>\$000</i>
<b>1. Revenue</b>		
(a) Sales revenue	251,300	234,263
(b) Other revenue		
Interest received	4,404	4,441
Proceeds on sale of non-current assets	1,034	828
	<u>256,738</u>	<u>239,532</u>

	<i>Consolidated</i>		<i>Parent</i>	
	<i>1988</i>	<i>1987</i>	<i>1988</i>	<i>1987</i>
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>

**2. Operating Profit**

(a) The operating profit before income tax is arrived at after charging and crediting the following specific items:

*Charges:*

Amortisation of Ranger Project Rights	6,691	6,767	6,691	6,767
Amortisation of deferred expense	444	844	444	844
Depreciation of fixed assets	12,348	13,182	12,348	13,182
Royalty type expense	3,461	3,567	3,461	3,567
Payments for Aboriginal interests	12,127	12,171	12,127	12,171
Rehabilitation fund payments and guarantee costs	5,288	5,724	5,288	5,724
Exploration costs	1,299	180	1,299	180
Loss on translation of foreign exchange hedge asset	10,227	12,696	6,515	8,106
Auditors' remuneration				
audit of accounts and group accounts	112	107	112	107
other services	275	67	275	67
other benefits received	-	-	-	-
Rent expense on operating leases	539	517	539	517
Finance charges on finance leases	1,179	560	1,179	560
Contribution to employee retirement fund	450	481	450	481
Interest paid/payable to				
related companies	-	-	6,852	10,939
other corporations	21,422	28,991	14,570	18,052
Provision for employee entitlements	2,573	1,575	2,573	1,575
Provision for obsolescence	172	113	172	113
Provision for maintenance	111	-	111	-

*Credits:*

Interest received/receivable from other corporations	4,404	4,441	4,404	4,441
Profit on disposal of fixed assets	973	560	973	560
Profit on translation of foreign borrowings	10,227	12,696	6,515	8,106

(b) The operating profit is also arrived at after crediting the following abnormal item:

Adjustment to provision for deferred income tax - amount surplus to requirements	-	7,200	-	7,200
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NOTES ON AND FORMING PART OF THE ACCOUNTS

<i>Energy Resources of Australia Limited and subsidiaries</i>	<i>Consolidated and Parent</i>	<i>Consolidated and Parent</i>
	<i>1988</i>	<i>1987</i>
	<i>\$000</i>	<i>\$000</i>

**3. Directors' and Executives' Remuneration**

Aggregate income received or due and receivable by:

- directors from the Company and related corporations	463
- executive officers whose total income exceeds \$85,000 pa.	645

The number of directors and executive officers whose total income fell within the following bands:

**Directors**

\$ 0 to \$ 9,999	3
\$ 10,000 to \$ 19,999	2
\$ 30,000 to \$ 39,999	1
\$ 40,000 to \$ 49,999	1
\$ 70,000 to \$ 79,999	2
\$ 80,000 to \$ 89,999	1
\$100,000 to \$109,999	1

**Executive officers**

\$ 85,000 to \$ 94,999	2
\$ 95,000 to \$104,999	1
\$115,000 to \$124,999	1
\$125,000 to \$134,999	1
\$155,000 to \$164,999	1

Comparative figures cannot be specified without unreasonable expense or delay.

**4. Income Tax**

(a) Income tax is calculated as follows:

Operating profit before income tax	131,055	108,085
Tax calculated at 49%	64,217	52,962
Increased income tax due to amortisation of Ranger Project Rights and other non-allowable items	3,768	3,435
Adjustment to provision for deferred income tax - amount surplus to requirements	-	(7,200)
Total income tax expense on operating profit	67,985	49,197
Tax effect of timing differences	(7,547)	4,152
Provision for current income tax	60,438	53,349

(b) The provision for deferred income tax relates to timing differences

99,596	120,530
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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.

In 1987 the Australian Taxation Office (ATO) commenced an audit of the Company's taxation affairs. All save one of the

matters raised during the course of the audit have been resolved. The outstanding matter involves the deductibility of certain losses incurred by the Company during the income years 1982-1987. The suggestion as to the nature of these losses made by the ATO during the course of the audit remains the subject of ongoing submissions and discussions between the Company and the ATO.

NOTES ON AND FORMING PART OF THE ACCOUNTS

<i>Energy Resources of Australia Limited and subsidiaries</i>	<i>Consolidated and Parent</i>	<i>Consolidated and Parent</i>
	<i>1988</i>	<i>1987</i>
	<i>\$000</i>	<i>\$000</i>
<b>5. Extraordinary Items</b>		
Adjustment to provision for deferred income tax- change in rate from 49% to 39% (1987: 46% to 49%)	25,404	(7,193)
<b>6. Cash</b>		
Cash at banks and on hand	15	22
Short term loans and deposits	21,951	18,062
	21,966	18,084
<b>7. Current Assets – Receivables</b>		
Trade debtors – receivable within one year <sup>a</sup>	102,062	107,203
Other debtors <sup>b</sup>	2,297	3,389
Provision for doubtful debts	(12)	(12)
	104,347	110,580
<sup>a</sup> Bad debts written off against provisions: \$Nil (1987: \$Nil)		
<sup>b</sup> Bad debts written off against provisions: \$Nil (1987: \$Nil)		
<b>8. Current Assets – Inventories</b>		
Stores	13,070	11,601
Less provision for obsolescence	(880)	(708)
	12,190	10,893
Ore stockpile	17,094	12,289
Work in progress	142	102
Finished product U <sub>3</sub> O <sub>8</sub>	33,618	38,400
At cost	63,044	61,684
<b>9. Current Assets – Other</b>		
Foreign exchange hedge asset	7,084	9,205
Prepayments	4,499	4,856
	11,583	14,061
<b>10. Non-Current Assets – Property, Plant and Equipment</b>		
Plant, equipment and facilities – cost	406,379	398,370
Less provision for depreciation	87,875	80,075
	318,504	318,295
Plant, equipment and facilities – leased	10,964	–
Less accumulated amortisation	5,678	–
	5,286	–
Total plant, equipment and facilities	323,790	318,295

NOTES ON AND FORMING PART OF THE ACCOUNTS

<i>Energy Resources of Australia Limited and subsidiaries</i>	<i>Consolidated and Parent</i>	<i>Consolidated and Parent</i>
	<i>1988</i>	<i>1987</i>
	<i>\$000</i>	<i>\$000</i>
<b>11. Non-Current Assets – Other</b>		
Ranger Project Rights – cost	407,000	407,000
Less accumulated amortisation	45,350	38,659
	361,650	368,341
Share issue expenses – cost	3,158	3,158
Borrowing costs – cost	5,592	5,592
	8,750	8,750
Less amounts written off	7,581	7,137
	1,169	1,613
Foreign exchange hedge asset	27,073	60,821
	389,892	430,775

The Ranger Project Rights were acquired from the former Ranger joint venturers. These included 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.

**12. Current Liabilities – Creditors and Borrowings**

Unsecured:

Current maturities of long term loans:

Bills payable	10,000	–
Other loans	22,174	24,295
	32,174	24,295
Finance lease liabilities	2,032	–
Bank overdraft	3,908	5,321
	38,114	29,616
Trade creditors	8,386	3,781
Other creditors	12,939	12,877
	21,325	16,658
	59,439	46,274

Current maturities of long term loans are repayable in the following currencies: (Australian dollar equivalents are shown)

Australian dollars	10,000	–
United States dollars (Note 17)	22,174	24,295
	32,174	24,295

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 the issue of Euronotes and the provision of letters of credit.

**NOTES ON AND FORMING PART OF THE ACCOUNTS**

<i>Energy Resources of Australia Limited and subsidiaries</i>	<i>Consolidated and Parent</i>	<i>Consolidated and Parent</i>
	<i>1988</i>	<i>1987</i>
	<i>\$000</i>	<i>\$000</i>

**13. Current Liabilities – Provisions**

Employee entitlements	1,780	1,717
Maintenance	170	260
Dividend	20,500	41,000
Income Tax (Note 4)	60,438	53,349
	<b>82,888</b>	<b>96,326</b>

**14. Non-Current Liabilities – Creditors and Borrowings**

Unsecured:		
Notes and bills payable	88,362	143,606
Other loans	16,631	42,517
	<b>104,993</b>	<b>186,123</b>
Term creditors	14,664	3,950
Finance lease liabilities	5,033	-
	<b>124,690</b>	<b>190,073</b>

Non-current borrowings are repayable in the following currencies: (Australian dollar equivalents are shown)

Australian dollars	6,000	25,600
United States dollars (Note 17)	98,993	160,523
	<b>104,993</b>	<b>186,123</b>

Total non-current creditors and borrowings are repayable as follows:

Year ending June 1990	24,990
1991	1,510
1992	35,526
1993	48,000
1994	8,107
1995	6,557

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 the issue of Euronotes and the provision of letters of credit.

The Australian dollar equivalent of non-hedged foreign currency balances included in Notes and bills payable in 1988: \$14,255,000 (1987: \$Nil). The currency denominated is United States dollars.

**15. Non-Current Liabilities – Provisions**

Employee entitlements	1,070	112
Deferred income tax (Note 4)	99,596	120,530
	<b>100,666</b>	<b>120,642</b>



NOTES ON AND FORMING PART OF THE ACCOUNTS

<i>Energy Resources of Australia Limited and subsidiaries</i>	<i>Consolidated and Parent</i>	<i>Consolidated and Parent</i>
	<i>1988</i>	<i>1987</i>
	<i>\$000</i>	<i>\$000</i>

**16. Share Capital**

Authorised capital comprises:

500,000,000 shares of \$1.00 each 500,000 500,000

Issued and paid up capital comprises:

307,500,000 A Class shares of \$1.00 each fully paid 307,500 307,500

61,500,000 B Class shares of \$1.00 each fully paid 61,500 61,500

41,000,000 C Class shares of \$1.00 each fully paid 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.

**17. Foreign Currency**

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 A\$87,011,000 (1987: A\$114,793,000) being required to repay the principal of the loans at 30 June 1988, US\$95,625,000 (1987: US\$133,125,000), whereas the conversion of the principal in US dollars at the rate of exchange at year end was A\$121,167,000 (1987: A\$184,819,000). 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 A\$24,578,000 (1987: A\$31,465,000).

Forward sale contracts which were entered into during the year for US dollars in respect of some further sales proceeds were completed by 30 June 1988 and the losses brought to account. These reduced revenue for the year by A\$230,000 (1987: A\$25,082,000).

The net exchange loss included in the profit and loss account for the year on the holding of net foreign monetary assets was A\$4,260,000 (1987: A\$4,713,000).

**18. Commitments**

(a) **Commitments for capital expenditure** 1,039 2,352

(b) **Lease and Hire Commitments**

(i) **Operating Leases - Offices**

Aggregate of amounts contracted but not provided for in the accounts 432 915

Due within 1 year 430 500

Due between 1-2 years 2 415

432 915

Rent expense for period 539 517

NOTES ON AND FORMING PART OF THE ACCOUNTS

<i>Energy Resources of Australia Limited and subsidiaries</i>	<i>Consolidated and Parent</i>	<i>Consolidated and Parent</i>
	<i>1988</i>	<i>1987</i>
	<i>\$000</i>	<i>\$000</i>
<b>18. Commitments (continued)</b>		
<i>(ii) Finance Leases</i>		
Aggregate amount contracted for in respect of finance leases (plant, equipment and facilities) is capitalised in the accounts in accordance with the accounting policies		
Total lease liability		
- current	2,032	-
- non-current	5,033	-
Total	7,065	-
Finance lease commitments		
Due within 1 year	2,909	2,709
Due between 1-2 years	3,878	2,782
Due between 2-5 years	1,164	5,316
Minimum lease payments	7,951	10,807
Less future finance charges	886	2,760
	7,065	8,047

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

*(i)* an amount equal to the sum payable by the Commonwealth to the Northern Lands Council pursuant to the Section 44 Agreement (Aboriginal Land Rights (N.T.) Act 1976). This amounts 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 (N.T.) Act. These amounts are calculated as though they were royalties payable pursuant to the Northern Territory Mining Act and represent 4.4% of net sales revenue (1988: \$12,127,000/1987: \$12,171,000);

*(iii)* amounts equal 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 1.4% (1988: \$3,461,000/1987: \$3,567,000);

*(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 (1988: \$5,288,000/1987: \$5,724,000).

**19. 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 1988, would have been \$58,633,000 (1987: \$51,617,000) whilst the balance of the Trust Fund was \$50,995,000 (1987: \$40,009,000). Note 18(c)(iv).

The Northern Land Council has taken legal proceedings against the Commonwealth of Australia and E.R.A. to have the Agreement for Mining under Section 44 of the Aboriginal Land Rights (N.T.) Act set aside. The matter came before the High Court and has now been remitted to the Federal Court and may take some time to be resolved. Legal advice indicates the proceedings will be resolved in favour of the Company.

Under certain conditions when the minimum price as approved by the Minister for Primary Industries and Energy of the Commonwealth of Australia exceeds the contract price as set out in the sale agreements with certain customers, the customer becomes entitled to a credit which will reduce the contract price when the contract price exceeds the minimum price. No credits were payable at 30 June 1988.

NOTES ON AND FORMING PART OF THE ACCOUNTS

<i>Energy Resources of Australia Limited and subsidiaries</i>	<i>Consolidated and Parent</i>	<i>Consolidated and Parent</i>
	<i>1988</i>	<i>1987</i>
	<i>\$000</i>	<i>\$000</i>

**20. Financial Reporting by Segments**

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

Revenue by geographical segments:

United States	10,596	10,027
Japan	71,642	87,379
Korea	29,722	28,197
Europe	139,340	108,660
	<u>251,300</u>	<u>234,263</u>

All operating expenditure is incurred in one geographical area and the assets are based in Australia.

**21. Dividends**

Franked dividends paid during the period, provided in the previous period	41,000	-
Dividends paid \$20,500,000, franked to 3.74 cents per share out of existing franking credits	15,334	-
Dividends provided which will, when paid, be franked out of franking credits which will arise from income tax payments in the following period	20,500	-
Unappropriated profits and reserves which could be distributed as franked dividends using franking credits already in existence or which are expected to arise from income tax payments in the following period	42,410	-

**22. Investments**

<i>Place of Incorporation</i>	<i>Parent Investment at Cost \$</i>
<b>(a) Shares in subsidiary companies</b>	
E.R.A. (Canberra) Limited	5
Ranger Export Development Company Pty Ltd	20
Ranger Uranium Mines Pty Ltd	20
	<u>45</u>

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 \$69 (1987: \$14).

**(c) Holding Company**

The Company is a 65.1% subsidiary of North Broken Hill Holdings Limited, a company incorporated in Victoria.

**23. Superannuation Benefits and Commitments**

Staff are entitled after serving a qualifying period to benefits on retirement, disability or death. The superannuation plan provides defined benefits based on years of service and final average salary. Employees contribute to the plan at various percentages of their wages and salaries. The Company also contributes to the plan. The Company's contributions are not legally enforceable.

An actuarial assessment of the plan was last made as at

1 July 1987 by Mr. M.F. Murphy B.A., F.I.A., F.I.A.A.. Based on this assessment, the directors are of the view that the assets of the fund are sufficient to satisfy all benefits that would have vested under the plan in the event of termination of the plan, and voluntary or compulsory termination of employment of each employee.

The amount paid to prescribed Superannuation Funds in connection with the retirement from a prescribed office was \$32,700 during the year ended 30 June 1988.

## STATUTORY STATEMENTS

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### *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 24, are drawn up so as to give a true and fair view of the state of affairs as at 30 June 1988, and the profits 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 31st day of August 1988 in accordance with a resolution of the Directors.

**Sir Rupert Myers**  
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 25 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:

(a) the state of affairs of the Company and of the group as at 30 June 1988 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;

(b) 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, 31st August, 1988



## STOCK EXCHANGE INFORMATION

### Twenty Largest Shareholders of A Class Ordinary Shares as at 15 August, 1988

Shareholders	Shares Held
Peko-Wallsend Ltd	136,329,100
North Broken Hill Holdings Ltd	130,570,600
CTB Nominees Ltd	5,785,918
Pendal Nominees Pty Ltd	3,341,700
Australian Mutual Provident Society	2,383,500
The National Mutual Life Association of Australasia Ltd	1,972,800
Government Insurance Office of New South Wales	1,324,600
MLC Life Ltd	1,301,667
ANZ Nominees Ltd (Melbourne)	797,592
National Nominees Ltd	779,240
The Perpetual Executives and Trustees Association of Australia Ltd	712,750
Burns Philp Trustee Co Ltd	538,500
Australian Foundation Investment Co Ltd	500,000
Bank of New South Wales Nominees Pty Ltd	492,400
State Authorities Superannuation Board	492,300
Schroders Dual Fund Ltd	374,900
Eagle Star Nominees Ltd	369,900
Sun Alliance Life Assurance Ltd	299,400
QBE International Investments Ltd	289,700
Iciansz Pension Fund Security Pty Ltd	282,400
<b>Total of top twenty Holdings</b>	<b>288,938,967</b>

The proportion of A Class Ordinary Shares held by the twenty largest shareholders is 93.96%.

### Interest of Directors in the share capital of the Company and related Companies as at 31 August, 1988 (beneficially held unless otherwise shown)

Director	ERA	North	Norgold
R.L. Baillieu	10,000	389,314 391,183 (non beneficially held)	64,886 65,197 (non beneficially held)
G.W. Forster	-	10,754 300,000 Options	2,160
A.L. Morokoff	5,000	-	-
Sir Rupert Myers	2,000	-	-
P.H. Wade	2,000	6,251 500,000 Options	1,000

#### Key:

ERA - Energy Resources of Australia Ltd. - shares of \$1 each fully paid.

North - North Broken Hill Holdings Limited - shares of 50¢ each fully paid.

- Options to subscribe for shares of 50¢ each fully paid under the North Broken Hill Share Option Incentive Plan.

Norgold - Norgold Limited - shares of 20¢ each fully paid.

## STOCK EXCHANGE INFORMATION

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

### Entitlement to Vote (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/her.

### 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 15 August, 1988*

<i>(a) A Class Ordinary Shareholders</i>			<i>Equal to 75.0% of the issued capital</i>	
	Number of Shareholders	%	Number of Shares	%
1-99	12	0.1	619	0.0
100-1,000	15,764	85.4	6,099,691	2.0
1,001-5,000	2,261	12.3	5,352,603	1.7
5,001-10,000	249	1.3	1,878,409	0.6
over 10,000	171	0.9	294,168,678	95.7
	18,457	100.0	307,500,000	100.0
<i>(b) B Class Ordinary Shareholders</i>			<i>Equal to 15.0% of the issued capital</i>	
Rheinbraun Australia Pty Ltd			25,625,000	41.6
UG Australia Developments Pty Ltd			16,400,000	26.7
Interuranium Australia Pty Ltd			10,250,000	16.7
Cogema Australia Pty Ltd			5,125,000	8.3
OKG Aktiebolag			4,100,000	6.7
			61,500,000	100.0
<i>(c) C Class Ordinary Shareholders</i>			<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	100.0

## STOCK EXCHANGE INFORMATION

### Register of Substantial Shareholders

Shares held as at 15 August, 1988

#### A Class Ordinary Shareholders

Peko-Wallsend Ltd	136,329,100
North Broken Hill Holdings Ltd*	266,899,700

#### B Class Ordinary Shareholders

Rheinbraun Australia Pty Ltd	25,625,000
UG Australia Developments Pty Ltd	16,400,000
Interuranium Australia Pty Ltd	10,250,000

#### C Class Ordinary Shareholders

Japan Australia Uranium Resources Development Co Ltd	41,000,000
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\*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 North Broken Hill Holdings Ltd 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.

Elders Resources Ltd, Elders IXL Ltd and NZ Forest Products Ltd each has a deemed relevant interest in:

263,274,100 A Class Ordinary Shares  
61,500,000 B Class Ordinary Shares  
41,000,000 C Class Ordinary Shares

by reason of entitlement to more than 20% of the voting shares in North Broken Hill Holdings Ltd.

### Share Registries

#### New South Wales

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

#### Australian Capital Territory

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

#### Victoria

C/- Professional Share Registries (NSW) Pty Ltd  
Bishop Connelly & Duncan, 3rd Floor, 11 Bank Place,  
Melbourne, VIC 3000.  
Telephone: (03) 670 0206.

## 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 and Eromanga Energy Ltd.

*Mr. R. L. Baillieu*, a Company Director, became a Director of ERA in December 1987 on the retirement of Mr. Hamer. He is Deputy Chairman of North Broken Hill Holdings Ltd, Director Australian Bank Ltd, the National Commercial Union Ltd, and Norgold Ltd.

*Mr. G. W. Forster*, an accountant and Director of Corporate Affairs for North Broken Hill Holdings Ltd became a Director of ERA in May 1988, on the retirement of Mr. Copeman. He is also a Director of North Broken Hill Holdings Ltd, The Broken Hill Associated Smelters Pty Ltd and Peko Oil Ltd.

*Mr. T. Inoue*, nominated by holders of 'C' Class Shares, was appointed a Director of ERA in June 1987. 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. E. Miller*, a mining engineer, was appointed a Director of ERA in July 1986. He was formerly a Group Executive of Peko-Wallsend Ltd and Executive Director of Robe River Mining Co Pty Ltd. At the beginning of 1988 he was appointed Chief Executive of Peko-Wallsend Ltd.

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

*Mr. P. H. Wade*, Managing Director of North Broken Hill Holdings Ltd, joined the Board of ERA in March 1987. Mr Wade has been a Director of North Broken Hill Holdings Ltd since October 1984. He was Director - Forestry & Paper before becoming Managing Director. He is also a Commissioner of the Commonwealth Serum Laboratories, a Director of Gunns Kilndried Timber Industries Ltd and Peko Oil Ltd.

*Mr. H. Weise*, a geologist, was nominated by holders of 'B' Class Shares, in December 1987, to fill the vacancy created by the retirement of Dr. V. Klix. He is Managing Director of Rheinbraun Australia Pty Ltd.

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