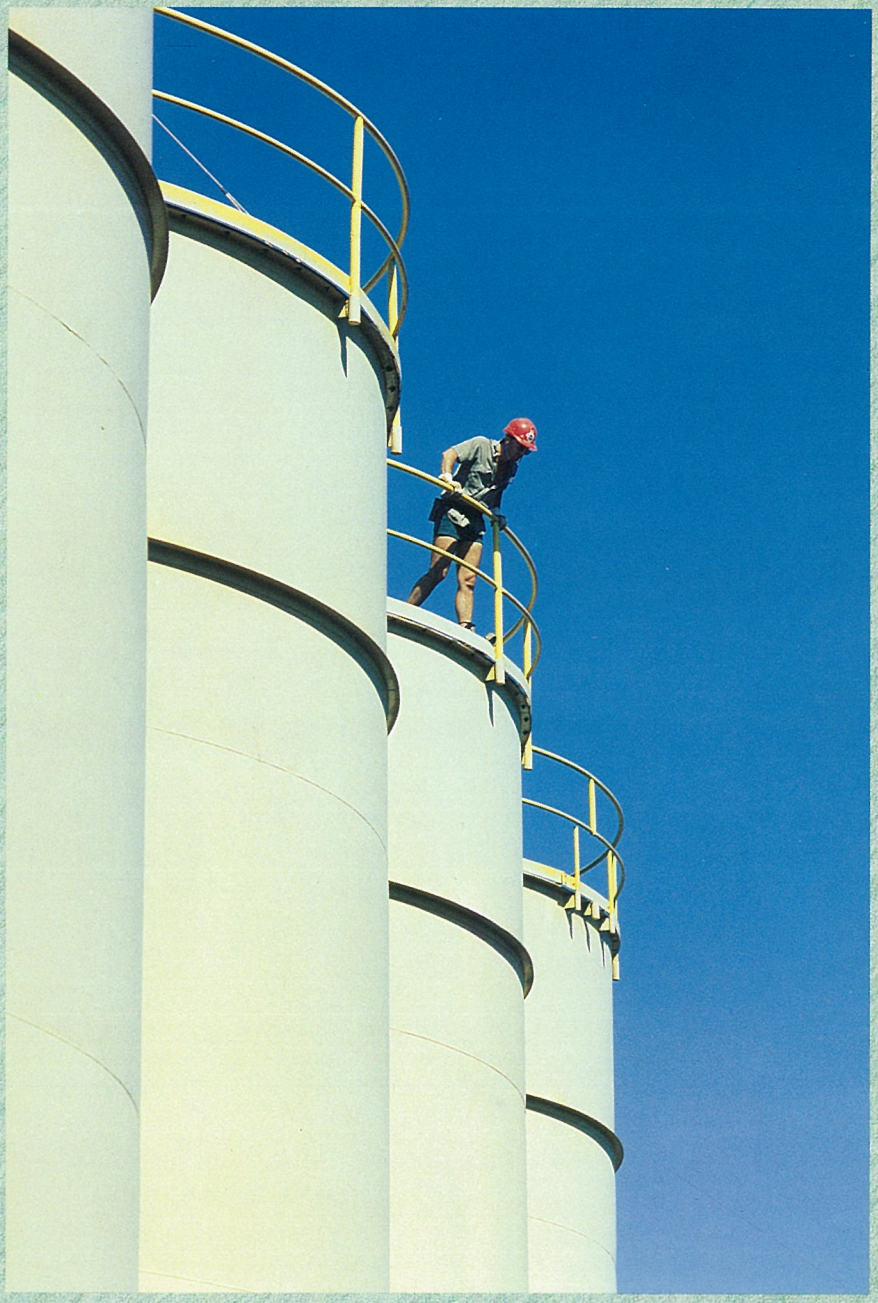
ENERGY RESOURCES OF AUSTRALIA LTD



ANNUAL REPORT 1990

DIRECTORS

AL Morokoff AO	*Chairman*
RL Baillieu	
GW Forster	
T Inoue	
R Knight	*Chief Executive*
Dr E Miller	
Sir Rupert Myers KBE	
PH Wade	
H Weise	

SECRETARIES

WF James
RG Kemp

GENERAL MANAGERS

RA Cleary	*Operations*
DC Haigh	*Commercial*
PJ Shirvington	*Marketing*

MANAGERS

WA Davies	*Marketing*
JW Farthing	*Darwin*
AR Henderson	*Special Projects*
WF James	*Controller*
P McNally	*Environment*
SS Solomons	*Operations*

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BANKERS

Commonwealth Bank of Australia
Westpac Banking Corporation

Cover
Leaching pachucas: *Uranium slurry is pumped into these vessels where it is treated with sulphuric acid. After about 24 hours over 90 per cent of the uranium in the ore is leached, ready for further processing.*
Swamp gum leaf: *Eucalyptus papuana.*

INTRODUCTION

Ten years ago ERA was formed to develop the Ranger ore bodies and to mine, process and market uranium to meet the growing demand for reliable non-polluting, nuclear energy.

During its first decade, ERA has developed an operating philosophy to meet the strict and proper standards imposed on every facet of its operations.

Ranger currently produces almost 8 per cent of the western world's supplies of uranium concentrate.

Ranger has adopted the best proven technology for the safe and cost-efficient extraction of premium grade uranium concentrate from its ore reserves. These high standards are employed to protect the health of its employees, to protect the surrounding Kakadu ecosystems and to respect the culture of the traditional Aboriginal owners.

ERA is seeking to expand and diversify its resource and business base in Australia and overseas through improvements in operating technology and the acquisition and development of low cost resources, thus securing the future growth and prosperity of the Company as a major energy supplier.

Above
No. 1 orebody and tailings dam.

Below
Saleeite: *Saleeite is a secondary mineral containing rich concentrations of uranium. It occurs in the upper, weathered layers of the orebody.*

FINANCIAL HIGHLIGHTS

Result in $000	1990	1989	1988	1987	1986
Revenue	206 898	177 516	251 300	234 263	222 513
Profit before tax	125 830	80 630	131 055	108 085	98 415
Income Tax Expense	68 328	42 876	67 985	49 197	47 991
Profit after tax	57 502	37 754	63 070	58 888	50 424
Total Assets	847 491	882 081	914 622	953 479	883 608
Issued Capital	410 000	410 000	410 000	410 000	410 000
Capital and Reserves	464 793	448 291	546 939	500 164	489 469
Earnings per share, cents	14.0	9.2	15.4	14.4	12.3
Dividend, cents	10.0	15.0	10.0	10.0	10.0

NOTICE OF MEETING

This report is to be presented at the Annual General Meeting of members of Energy Resources of Australia Ltd in the Henry Lawson Room, Ramada Renaissance Hotel, 30 Pitt Street, Sydney, at 10.00 a.m. on Thursday, 18 October 1990.

A Notice of Meeting and Proxy Form is enclosed.


CAT
CATERPILLAR
6

CHAIRMAN'S REVIEW

1990 marks the 10th anniversary of both the incorporation of ERA and the issue of shares in the Company to our Overseas Equity Holders and the Australian public.

ERA had its origins in 1969 with the discovery of the Ranger deposit by Electrolytic Zinc Company of Australia Ltd (EZ) and Peko-Wallsend Operations Ltd. Ore reserves in Nos. 1 and 3 ore bodies were delineated during the 1970's and construction of the process plant and site facilities commenced in early 1979. By 1981 the mine was fully operational and the first product was drummed.

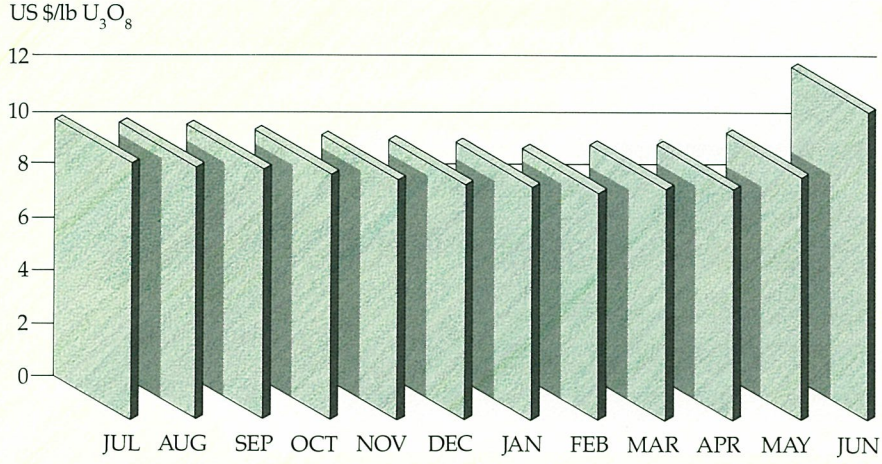
Since then Ranger has produced 27 464 tonnes of uranium concentrate and has contributed about $2 billion to Australia's export earnings. Ranger has also earned the reputation of being one of the world's most efficient, low cost uranium producers. Ranger has proved that mining can be successfully conducted in the Kakadu region without detriment to the environment.

After ten years, with Ranger soundly established, ERA must now focus on its future direction. Despite systematic exploration of the Project Area, no additional reserves have been found, which means the Company must expand and diversify its resource base if it is to prosper into the 21st century.

At the Extraordinary General Meeting held in February, shareholders supported an amendment to the Company's Memorandum of Association which enables the Board and management to consider proposals to augment ERA's reserves of uranium not only in Australia but also overseas, thus providing the essential basis for growth and prosperity.

ERA remains optimistic about the long-term demand for uranium and is well placed to take advantage of any opportunities arising from the present distressed state of the industry in other areas of the world. As part of its acquisition initiative, ERA examined Chevron's Mt. Taylor Mine in New Mexico, USA and Malapai Resources Company's uranium properties in Wyoming and Texas. Negotiations with Chevron and Malapai did not lead to the purchase of any of these properties but with the encouragement of the Board, management has developed a set of criteria against which all potential acquisitions are measured. The search for low cost reserves is continuing with several projects under consideration at the present time.

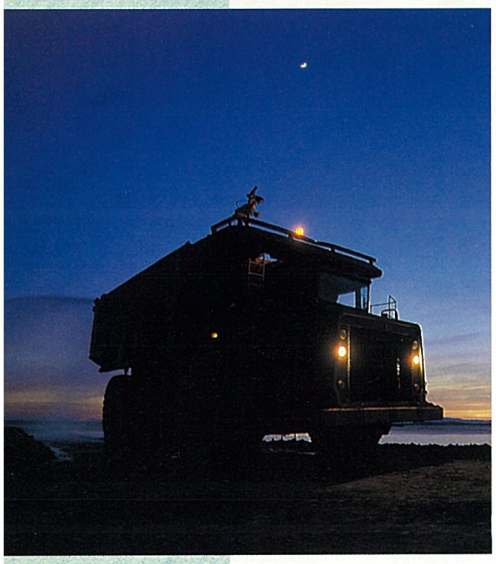
NUEXCO EXCHANGE VALUE — FINANCIAL YEAR 1990



Opposite
Sulphur stockpile: *Sometimes mine visitors mistake this stockpile for yellowcake because of its brilliant colour. In fact, this is sulphur which is converted into sulphuric acid to leach uranium from the mined ore.*
Freshwater mussels: *Velesunio angasi. Molluscs retain natural radioactive materials dissolved out of the soils. By conducting comparative tests between those upstream from Ranger with those downstream, any impact of the mine operation can be measured. No increase in radioactivity has been detected in these mussels.*

Above
Maintenance monitoring: *Dave Brodie, Plant Metallurgist, checks machinery controlling the counter-current decantation thickeners.*

CHAIRMAN'S REVIEW



Above Top
Sulphuric acid plant: *Ranger manufactures its own sulphuric acid which is used to leach uranium from crushed ore.*

Above
Health and safety: *Regular application of water suppresses dust in the mine area. This year Ranger has maintained a National Safety Council of Australia three star rating for its commitment to health and safety.*

The market indicator, or spot price, for uranium continued to decline into 1990 with dramatic effects on the mining industry. Many mines have either closed or have been placed on standby; others have cut back production. Towards the end of the financial year, however, the spot price rose rapidly as is reflected in the accompanying graph on the previous page.

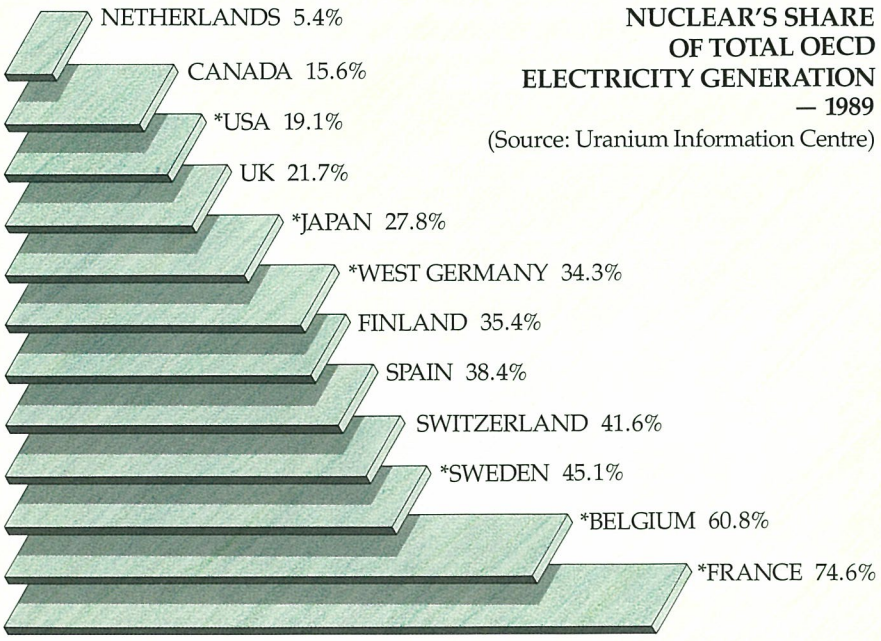
At 30 June 1990, the market indicator stood at US$11.60/lb U_3O_8, a rise of 33 per cent over the historic low of US$8.70/lb U_3O_8. This was the result of increased buying by producers wishing to satisfy existing contracts with spot material which could be purchased for less than their production costs. Although significant, it remains to be seen whether this rise is sustainable given the large inventories which still overhang the market. Even at US$11.60/lb U_3O_8, the market indicator is below the cost of production of all but a few mines. Further rationalisation is likely before the uranium mining industry achieves long-term stability. It is somewhat ironic that, despite the lessons of the past and the realities of the present, some companies are today anxious to hasten the development of new mines.

During the year ERA maintained sales to all existing customers. High global inventory levels, coupled with the depressed prices, provided little encouragement for either consumers or producers to write new long term contracts.

As in earlier years, nuclear power maintained its slow but steady growth. In June 1990, Nuclear Engineering reported 438 operating nuclear power stations in 26 countries, an increase of 10 since the end of 1988. There are a further 100 under construction. Correspondingly, nuclear operating capacity has increased from 311 GWe in December 1988 to 339 GWe in June 1990.

In 1989, nuclear power facilities produced more than 17 per cent of the world's electricity and since 1988, nuclear's share of electricity production has increased in 15 countries.

The accompanying graph illustrates nuclear's percentage share for OECD countries last year.



NUCLEAR'S SHARE OF TOTAL OECD ELECTRICITY GENERATION — 1989
(Source: Uranium Information Centre)

*ERA Customer Countries

CHAIRMAN'S REVIEW

Significant opportunities for the long term expansion of nuclear power generation are expected in Eastern Europe following the recent political changes. The revitalisation of Eastern Europe will necessitate the decommissioning of many existing power plants due to pollution or for reasons of safety. These will be replaced in time with new generating facilities based on advanced western technology. Japan and South Korea are continuing on their strong nuclear programs and Ontario Hydro in Canada has recently announced plans to expand its nuclear capacity.

In Sweden, the government is reassessing its policy to phase out nuclear power, in recognition of the economic and environmental problems associated with other energy sources.

Although there have been no new plant orders in the USA since 1978, concerns about power shortages, oil import dependency and the trade deficit are leading people to reconsider nuclear power as a viable energy alternative.

Ranger has had an abnormally dry "wet season" and no water releases into Magela Creek have been necessary other than a monitored release to test a wetland filter.

In April, mining in the No. 1 Pit was suspended and the workforce redeployed to raise the tailings dam wall by 3.5 metres. This lift will enable Ranger to meet freeboard requirements until the No. 1 Pit is mined out and becomes available as a tailings repository. The decision to use our own workforce instead of contractors has proven very successful. We have saved the expense of contractors and our workforce has benefited greatly from the experience.

Work on the tailings dam will be completed in November 1990, at which time normal mining operations will resume. In the meantime, mill feed is being drawn from the stockpiles of ore previously accumulated near the plant.

Ranger's mill head grade from the time that the plant was commissioned in 1981 until June 1990 has averaged 0.35 per cent U_3O_8, in excess of the average grade of the mine's reserves. Ranger is now a mature operation and its debt has for the most part been repaid. For these reasons the mill head grade has now been reduced to the average of the remaining reserves and will be held at this level, subject only to any future revision of the cut-off grade.

Protection of the environment and rehabilitation of disturbed areas is a primary objective. Therefore it is pleasing to report that because of rehabilitation completed to date and updating of the Rehabilitation Plan, Ranger has been able to suspend contributions to the Rehabilitation Trust Fund and the Federal Government, as Trustee of the Fund, has returned surplus funds to ERA.

The trust fund still holds more than sufficient funds to restore completely the Ranger mine site to the standards required in the approved Rehabilitation Plan.

Ranger management and union representatives have made steady progress towards Award Restructuring which will involve the development of career paths and multiple skills for the site workforce. Negotiations are continuing and final agreement is expected later this year.

In January and June this year, ERA repaid the last instalment of the JAURD loan and retired the Commonwealth Bank domestic debt, leaving the Company with a very modest long term debt level of $39.566 million. In December 1989, ERA was given an A1 short term rating — "for issues which display

Above
On-going rehabilitation: *Progressive revegetation is undertaken by the Environmental Department's rehabilitation experts. Here, young trees are flourishing at the old construction township of Jabiru East.*

Below
Kapok flower: *Cochlospermum fraseri.*

CHAIRMAN'S REVIEW

very strong borrowing characteristics" — by Australian Ratings, reflecting the financial strength of the Company.

The dispute with the Australian Tax Office remains unresolved. The matter is before the Federal Court but both parties have indicated a preparedness to seek a negotiated settlement. In the meantime, the Company has taken the prudent step of providing for all the tax in dispute.

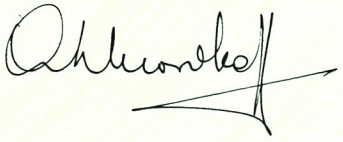
Of equal concern, the Northern Land Council's legal proceedings against the Commonwealth and ERA to have the Agreement for Mining under section 44 of the Aboriginal Land Rights Act (N.T.) set aside are before the Federal Court and may take a number of years to be resolved. Legal advice indicates the proceedings should be resolved in favour of the Company.

During the year, ERA made a submission to the ALP Uranium Policy Review Committee. At the time of writing it remains for this Committee to complete its deliberations. Firm recommendations on changes in policy are not expected until closer to the time of the 1991 ALP Conference. ERA also made a submission to the Industries Commission into Mining and Minerals Processing. These submissions detailed the benefits which have accrued to the local community and the nation from mining at Ranger. They highlighted the fact that mining has caused no detrimental effect to either the Aboriginal population or to the Kakadu National Park and that Ranger's performance in terms of safety and health for its employees ranks with the best in the nation.

ERA is a participant with three other Australian resource based companies, The Broken Hill Proprietary Co Ltd, CRA Limited and Western Mining Corporation Limited, together with the Australian Nuclear Science and Technology Organisation (ANSTO) and the Australian National University, in a study examining the commercial opportunities for SYNROC, an advanced second generation technology for waste immobilisation in the field of nuclear waste management. The study group has commissioned a Swedish company, Svensk Kärnbränslehantering AB (SKB) to provide information and advice, drawing on the knowledge SKB has gained in the handling, storage and disposal of spent fuel arising from Sweden's nuclear power generation program. The final report is due later this year.

The study may offer substantial business opportunities for ERA should there be scope for Australian companies to be involved in aspects of the 'back-end' of the nuclear fuel cycle.

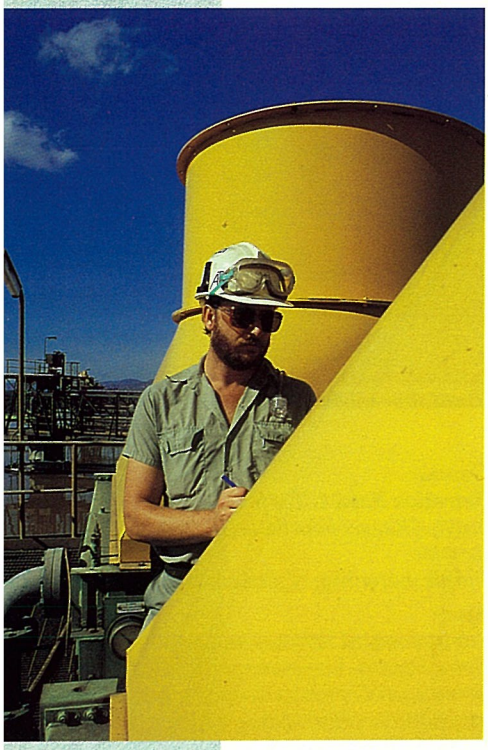
I would like to express my appreciation of the contribution made by all employees to this year's result. In the face of difficult trading conditions, there has been a conscientious team effort to reduce costs and by so doing profits were improved, thereby ensuring the continued prosperity of the Company and its associated communities.

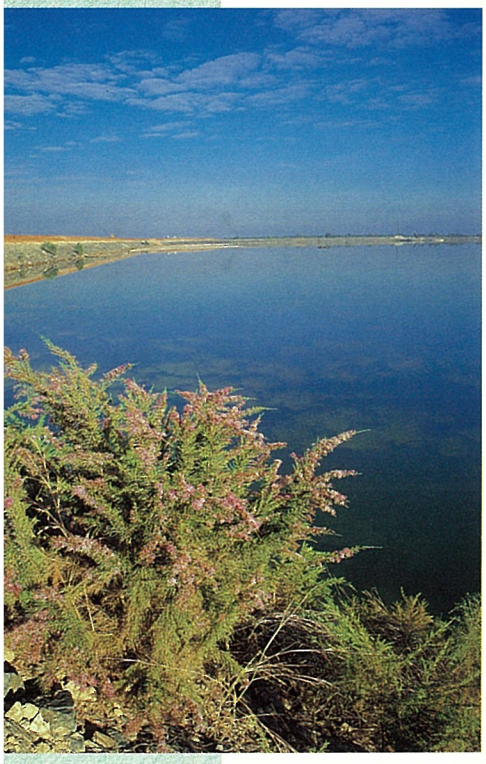


AL Morokoff AO
Chairman

Opposite
Retention Pond 1: *The first spectacular image of Ranger from the access road to the mine.*
Purple water lily: *Nymphaea violacea.*

Above
Environmental Services nursery: *Garry Stewart, Environmental Services foreman and Godfrey Schleemann, apprentice horticulturist prepare native seedlings for the mine rehabilitation program.*





Left Top
Maintenance checks: *Dave Brodie, Plant Metallurgist, inspects a radiator at the compressed air plant. All machinery is checked at regular intervals to ensure the smooth and efficient running of the mine operation.*

Left Bottom
Native flora: *A Turkey Bush, indigenous to the Top End and Kakadu National Park, has found a home on the tailings dam wall.*

Above
Water Management System: *Water is supplied to the Ranger process by collecting excess rainfall run-off in an extensive pond system. Water management is directed by water quality and volume criteria which is monitored by computer-based hydrological modelling.*

FINANCIAL RESULTS

Net consolidated profit after tax rose 52.3 per cent to $57.502 million in the year ending 30 June 1990, compared with $37.754 million last year. While sales of 2 716 MT U_3O_8 were 3.2 per cent higher than last year, the 1990 result further benefited from a more favourable $A/$US exchange rate.

The 1990 result was improved by a write-back to profits of $6.224 million and a return to profits of $15.427 million previously accumulated in the Ranger Rehabilitation Trust Fund. This followed a major review of the Amended Ranger Mine Site Rehabilitation Plan and subsequent assessment by the Commonwealth.

Offsetting this is a provision of $9.552 million raised against profits for interest payable on income tax in dispute. The Australian Tax Office has assessed the Company's 1989 Income Tax return on the same basis as previous years' amended assessments. The Company has lodged objections to this assessment as well as continuing with the prudent approach of providing for all tax in dispute. The Company has had the matter referred to the Federal Court where proceedings have commenced.

The Company's cost of production was well contained during the year, especially in terms of direct operating costs at Ranger. However, the Company continues to be burdened by the discriminatory export levy on Ranger uranium, which was increased to $1.30/kg U_3O_8 from 1 July 1989. The cost of this tariff to the Company was $3.894 million. Payments to the Commonwealth Government for traditional Aboriginal owners continued together with royalty payments to the Northern Territory Government. These payments amounted to $8.674 million and $2.493 million respectively for the year.

External debt continues to reduce substantially with the last instalment of the JAURD loan being repaid in January 1990. Debt as at 30 June 1990 including finance lease liabilities was $66.541 million compared with $126.492 million a year ago.

DIVIDENDS

Last year's final dividend of five (5) cents per share was paid on 30 November 1989. An interim dividend of five (5) cents per share was paid on 31 May 1990. These dividends, totalling $41.000 million were fully franked under the imputation tax provisions of the Income Tax Assessment Act.

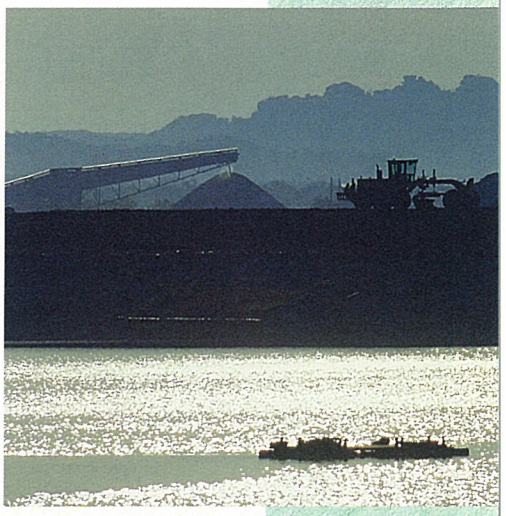
Directors have declared a fully franked final dividend of five (5) cents per share payable on 30 November 1990. No other amount has been paid or declared by way of dividend since the end of the previous financial year.

It is expected that income tax payable in the future will enable the Company to continue to pay fully franked dividends.

REVIEW OF OPERATIONS

MARKETING

After a decade of almost unrelenting decline, the spot price bottomed in February 1990 at US$8.70/lb U_3O_8, the lowest price (in real terms) since the start of commercial uranium sales. A tentative recovery saw the price rise to US$11.60/lb U_3O_8 at the end of June. It remains to be seen whether this price will be sustained, in view of the fact that market fundamentals remain unchanged.



Above
The Ranger plant: *A view across the tailings dam.*

Below
Bush cockroach: *Cosmozozteria subzonata.*

The spot market was characterised by inventory disposal by US utilities, distress sales by US producers and short selling by traders. At its depth, market weakness was compounded by the appearance on western markets of enriched and natural uranium from the non-traditional supply sources of Eastern Europe and Russia.

The timing of any sustained recovery in price will be influenced by the rate and extent to which the large international inventories are reduced. Current inventory levels outside the Eastern Bloc countries are estimated to contain the equivalent of four years' uranium concentrate consumption.

During the year, ERA concluded negotiations with its seven original shareholder/customers under the mid-term review provisions contained in each of the long term contracts.

Three Japanese utilities, The Kansai Electric Power Company, Kyushu Electric Power Company and Shikoku Electric Power Company, which purchase 1 000 short tons of U_3O_8 per year under equity-related sales contracts, agreed on a revised price of US$26/lb U_3O_8 to apply to their contracts from January 1990.

Successful negotiations were also concluded with two German shareholder/customers, Urangesellschaft and Interuran, and agreement was reached for the same revised pricing terms to apply.

The third German shareholder/customer, Rheinisch-Westfaelisches Elektrizitaetswerk AG (RWE), has terminated its long term contract with effect from 31 December 1990.

ERA understands that RWE's decision to terminate the contract is the result of delays and difficulties encountered within its sector of the nuclear power industry in the Federal Republic of Germany. These have led to the accumulation of high inventories of uranium. RWE will continue to take its full contract quantity of 625 short tons of U_3O_8 per year at the current contract price until the end of 1990.

ERA is hopeful that RWE will renew its contract at such time in the future when its inventory has been reduced to a commercial level. In the interim, RWE's Australian subsidiary, Rheinbraun Australia Pty. Ltd., remains a staunch supporter of the Company.

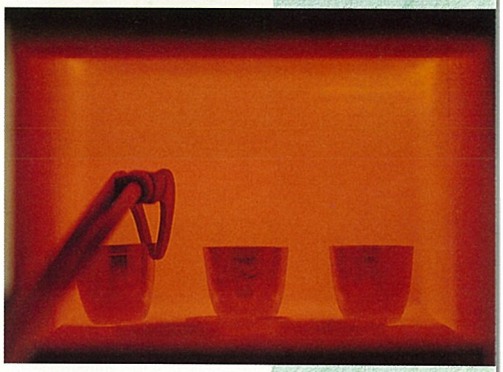
Agreement was also reached with OKG Aktiebolag of Sweden on the same basis as that agreed with other shareholder/customers. OKG's non-equity related contract with ERA for 120.5 short tons per year was renegotiated at the same time.

ERA's contract with Electricite de France whose associate, Cogema, became an equity holder in 1987 was not subject to this review, nor were ERA's non-equity related contracts with Belgian, Korean and US utilities. However the pricing arrangements of some contracts were adjusted as necessary to retain relativity with the shareholder contracts.

These revised contractual terms have all been approved by the Australian Government.

The successful review of these contracts at a time of such adverse market conditions maintains the strong ties existing between ERA and its long term customers.

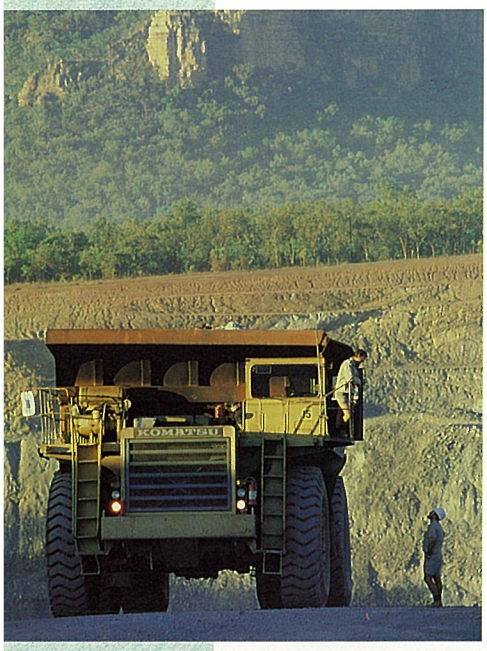
Negotiations are scheduled in 1991 to determine prices which will apply for the two years from January 1992.



Opposite
Tailings Dam Wall: *The wall is being raised a further 3.5 metres to increase the capacity of the dam and meet statutory requirements.*
Fusion beads: *A molten mixture of uranium concentrate and powdered glass is placed in platinum moulds. Assaying the mixture determines uranium purity.*

Above Top
Process plant: *In the grinding building, uranium ore is finely ground in rod and ball mills before being fed into a series of leaching pachucas.*

Above
Checking uranium quality: *Samples of yellowcake are mixed with powdered glass and fused in a high-temperature furnace. The liquid is cast into moulds forming a fusion bead when cooled. This bead is then assayed for uranium purity in an X-ray spectrometer.*



Above Top
Haul truck on No. 1 pit haul road: *Ranger has 11 haul trucks, each capable of carrying 77 tonnes of mined ore.*

Above
Product packing: *Fred Harland, Mill Operator, prepares empty drums ready to be filled with calcined yellowcake. Since processing began in 1981, Ranger has produced 27 464 tonnes of uranium concentrate.*

MINING

Mining continued in the No. 1 Pit; 4.107 million tonnes being extracted. The pit was deepened to No. 10 bench about 110 metres below the original surface, and expanded towards the south in the upper benches to expose further ore. Unmineralised schists and cherts stockpiled separately are being used in raising the tailings dam wall. Mining was suspended in April 1990 and the mine personnel were transferred to the tailings dam lift.

Further diamond drilling of the No. 3 ore body to delineate the limits of mineralisation was followed by a recalculation of the mineable reserves from first principles.

Exploration within the Ranger Project Area failed to find any significant additional bodies of mineralisation and has consequently been terminated.

TABLE 1

Mining, year end 30 June	1990 million tonnes	1989 million tonnes
Ore mined (cut off grade 0.10% U_3O_8)		
– to process plant	0.468	0.477
– to stockpile	0.617	1.923
– Total	1.085	2.400
Low grade mineralisation to stockpile (cut off grade 0.023% U_3O_8)	0.862	1.735
Construction material	1.203	0.440
Waste material	0.957	1.399
Total material mined	4.107	5.974

TABLE 2

Milling, year end 30 June	1990 million tonnes	1989 million tonnes
Ore milled		
– from mine	0.468	0.477
– from stockpile – mine	0.610	0.498
– crusher	0.011	—
– Total	1.089	0.975
Mill headgrade, % U_3O_8	0.314	0.408

TABLE 3

Mineable Ore Reserves and Stockpiles as at 30 June 1990

	Ore Million tonnes	Grade U_3O_8 %	Contained U_3O_8 tonnes
No. 1 Orebody (cut off grade, 0.10% U_3O_8)			
Ore stockpiles	5,262	0.30	15 800
Proven ore	4.850	0.28	13 400
Total ore	10.112	0.29	29 200
No. 3 Orebody (cut off grade, 0.10% U_3O_8)			
Proven ore	20.303	0.26	52 800

TABLE 4

Mineral Resource Statement

	Ore Million tonnes	% U_3O_8	Contained U_3O_8 tonnes
No. 3 Orebody (cut off grade, 0.10% U_3O_8)			
Measured resource	4.2	0.24	10 000
Indicated resource	3.1	0.27	8 500
Total resource	7.3	0.25	18 500

PROCESSING

Production for the year totalled 3 083.968 tonnes U_3O_8. This was achieved by milling 1.089 million tonnes of ore with an average head grade of 0.314 per cent U_3O_8.

Mill operations were reviewed by an independent metallurgical consultant. The consultant suggested only minor changes, most of which have been implemented.

The mill head grade was lowered as part of a strategy to maximise the economic utilisation of the remaining ore deposit.

Low recovery and high acid consumption in the mill resulted from treating somewhat more refractory ore from the lower benches of the pit.

A successful trial was conducted on 17 380 tonnes of stockpiled laterite ore. This ore will form a component of the mill feed during the next few years.

ENGINEERING

Significant cost-savings are being realised at Ranger with the introduction of innovative maintenance technologies that predict wear in both mobile and static machinery.

TAILINGS DAM

In order to increase the capacity of the Ranger tailings dam, thereby providing adequate storage capacity until No. 1 Pit is mined out in 1993, the dam embankment is being raised 3.5 metres.

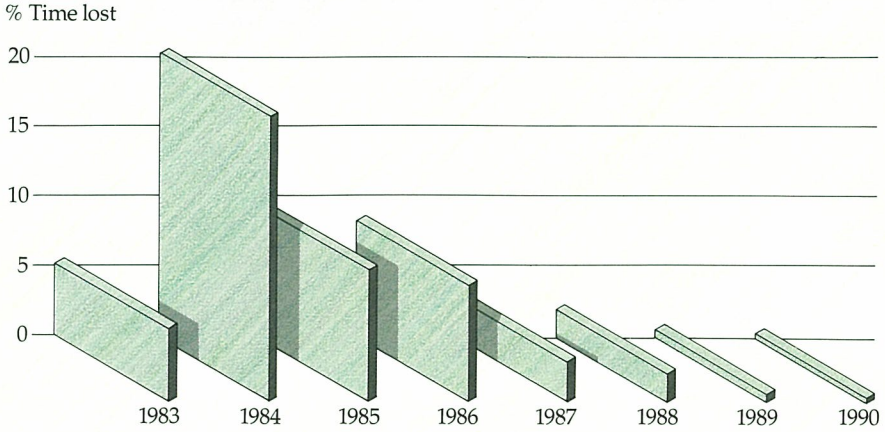
Previous tailings dam lifts have been carried out by earthmoving contractors. The current lift is being undertaken by the mine crew using Ranger equipment, supplemented as necessary with hired plant. A project management team was formed in March 1990 and construction began in April with completion scheduled for November 1990. The lift involves the preparation and placement of approximately 1 695 000 cubic metres of material. The project is on schedule and within budget.

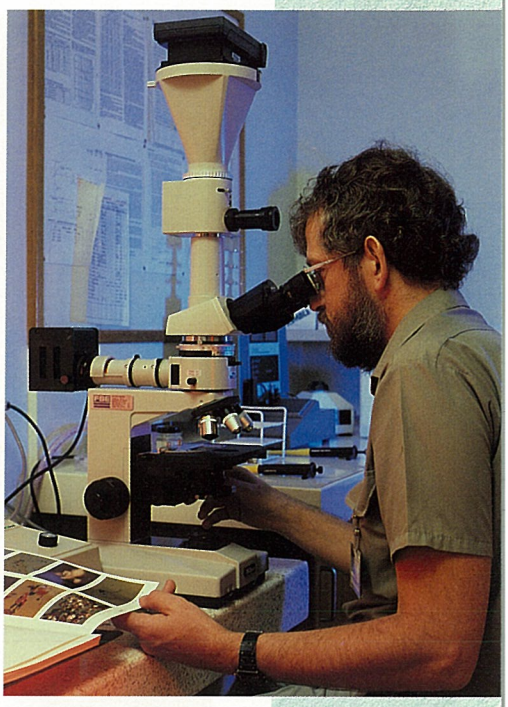
INDUSTRIAL RELATIONS

There have been no strikes at Ranger for the past two years.

During the year, time lost to industrial matters was less than 0.4 per cent of scheduled hours and was restricted to report-back meetings by Union Officials and Delegates to their members. By agreement between management, unions, union delegates and award employees, these meetings are conducted during the least disruptive times of the working day. The low lost-time factor was achieved through the cooperation of all parties concerned. Negotiations on structural efficiency and award modernisation have occurred throughout the year and are continuing.

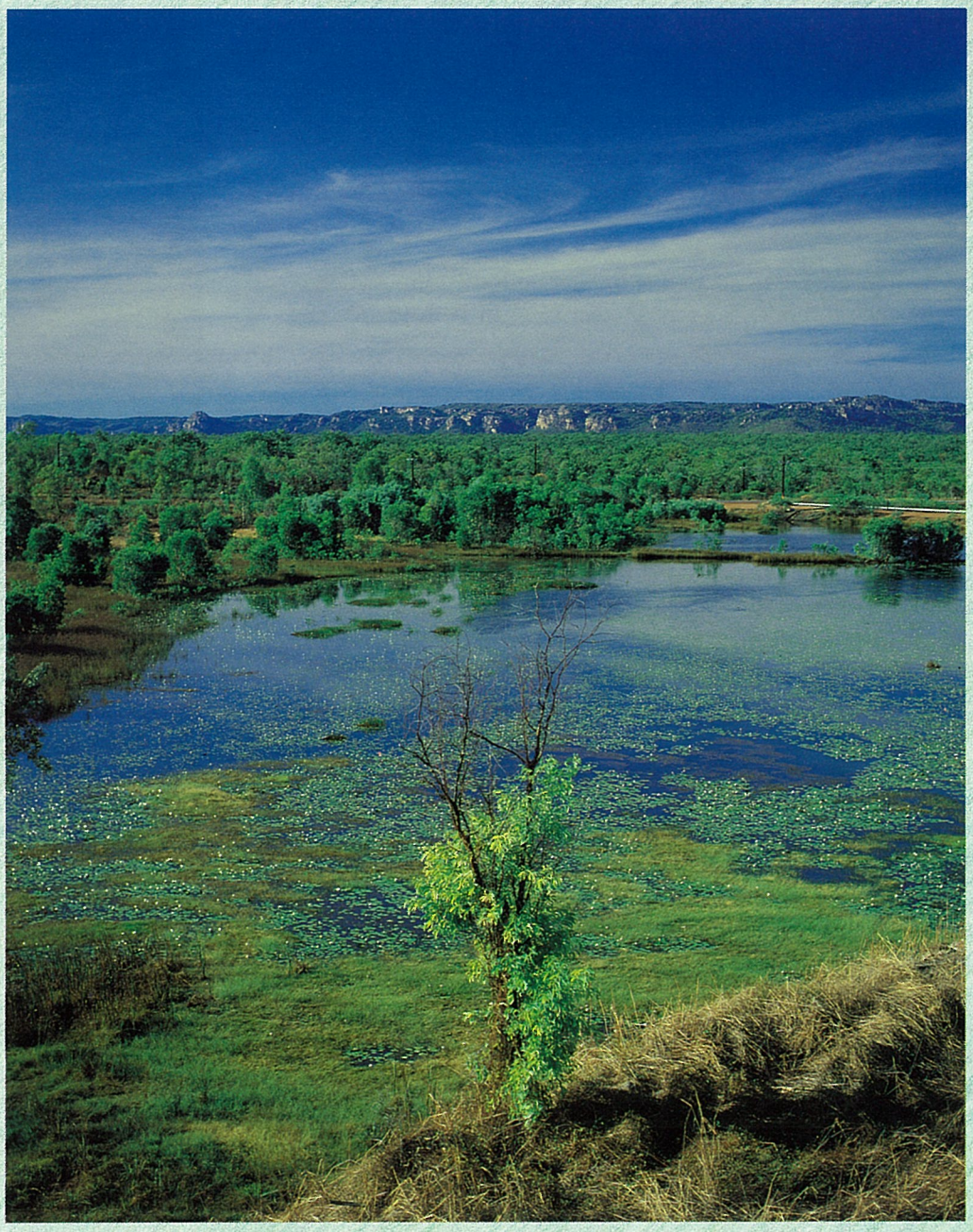
TIME LOST PER ANNUM AS A RESULT OF INDUSTRIAL MATTERS





Above
Science and machine monitoring: *Senior Technical Services Engineer, Chris Crooks, refers to a wear particle atlas to compare engine oil samples under a polarising microscope. Scientific monitoring enables Ranger to analyse the condition of machines and predict their wear rate.*

Below
Vibration probe: *One piece of equipment used in Ranger's predictive maintenance program. At various stages of a machine's life, vibration is recorded and computer-analysed to detect problems.*



ENVIRONMENT

ERA's commitment to protecting the environment is reflected in the scope and scale of the Company's monitoring and environmental research programs. These are subject to continual review and refinement to maintain the highest standard of protection.

Thirty-three people, including scientists, technical officers and nursery workers, out of Ranger's total workforce of 321 are employed in the Environment Department. The Company's operations are monitored by the:

(i) Northern Territory Mines Environment Directorate;

(ii) Northern Territory Work Health;

(iii) Northern Territory Department of Mines and Energy;

(iv) Commonwealth Office of the Supervising Scientist.

More than one hundred Government personnel are involved in surveillance at Ranger.

Opposite
Retention Pond 4: *Retention Pond 4 is the sediment control pond collecting wet season runoff from the waste rock dump.*
Two-lined dragon: *Diporiphora bilineata.*

Above
The Ranger environment: *The sacred site of Mount Brockman, three kilometres from Ranger, is where the Rainbow Serpent sleeps. Blast vibration from mining is carefully controlled so as not to disturb the Aboriginal snake dreaming.*

WATER MANAGEMENT

Water quality of the retention ponds, particularly those in the Restricted Release Zone (RRZ), was maintained at a high level during the year. The water in Retention Pond 2 (RP2) which is collected from the mine pit, ore stockpiles and other areas within the RRZ, would have met all water quality criteria had a release into Magela Creek been necessary.

During the 1989/90 wet season, rainfall was well below the average of 1 400mm with only 1 000mm being received. No water was released from RP2 and only a small quantity was released from RP4 for experimental purposes. The water in RP4 is collected from the waste rock stockpile which is located outside the RRZ.

The water released from RP4 was directed through a constructed wetland filter consisting of Typha, a species of Bull Rush, and Eleocharis, a Spike Rush. The trial was conducted to assess the removal of solutes from water by vegetation and soils. Water chemistry and biological toxicity were monitored during the release and a significant reduction of solutes was recorded.

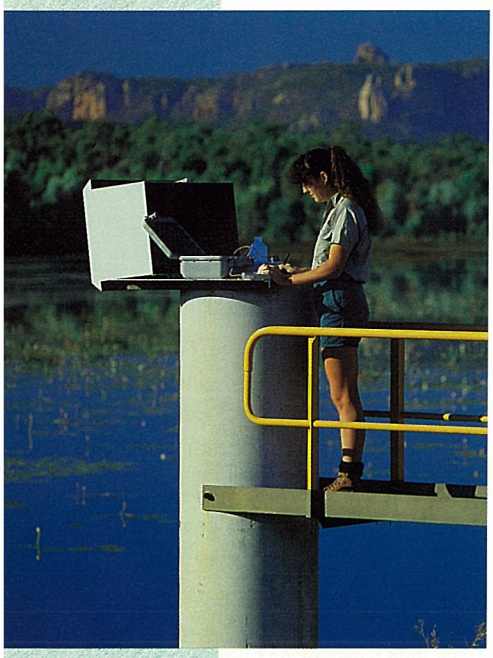
Water from the wetland filter flowed into Djalkmara Billabong and finally into Magela Creek where the water had no adverse impact on the aquatic ecosystem.

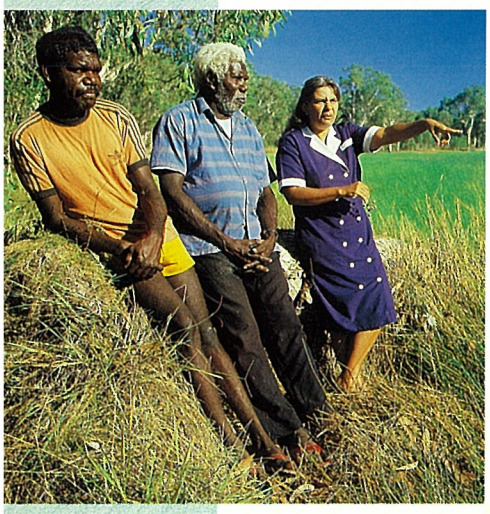
Because of the "drought" conditions, water was pumped from Magela Creek into RP2 to supplement pond water supplies. Electrification and automation of the Brockman Borefield water supply system was completed towards the end of 1989.

A research project involving Ranger, CSIRO, ANSTO and Australian Ground Water Consultants investigating the movement of solutes downslope from the tailings dam has provided valuable results. The construction of the tailings dam lift includes a modified seepage collector system, the design of which will be based on the research results. Research will continue during the next wet season.

MINE REHABILITATION

During the 1989/90 wet season, sampling of water, vegetation and soil was undertaken in three areas: inside the RRZ adjacent to the Very Low Grade ore





Above Top
Water level recorder, Retention Pond 1: *In an average Top End wet season about 1400mm of rain falls on the mine site. Retention Pond 1 contains wet season runoff of drinking-water quality. Therese Fox, Environmental Laboratory Technical Assistant, checks water levels and quality on a regular basis.*

Above
Regular communication with Aboriginal traditional owners: *Aboriginal Liaison Officer, Jo-Ann Mitchell, maintains close contact with local Aboriginal communities. Here, she is talking with "Big Bill" Neidjie, a tribal elder of the Bunitj Clan and Raymond Gammarrawu, a traditional owner of the Ranger Project Area and member of the Mirrar Gundjeibmi Clan.*

dump (VLG — 0.02 per cent uranium to 0.05 per cent uranium); outside the RRZ along the run-off drain from the waste rock construction material stockpile; and in RP4.

The goals of this project are to identify the processes which remove mobilised elements from run-off and subsequently to design and construct a wetland filter which will improve the quality of RRZ water so that it can be managed outside the RRZ. Research work is continuing. Once it is shown that VLG run-off water can be managed outside the RRZ it will be possible to progressively rehabilitate this material together with waste rock as part of the final landform.

This year, a major review of the Amended Rehabilitation Plan was undertaken to take account of progressive rehabilitation already completed and to bring the Plan into line with current rehabilitation objectives.

A review by the Government-appointed Rehabilitation Assessor revealed that moneys already accumulated in the trust fund for rehabilitation of the Ranger site exceeded the estimated cost of rehabilitation, including contingency. Accordingly, surplus funds were returned to the Company.

TRAINING AND DEVELOPMENT

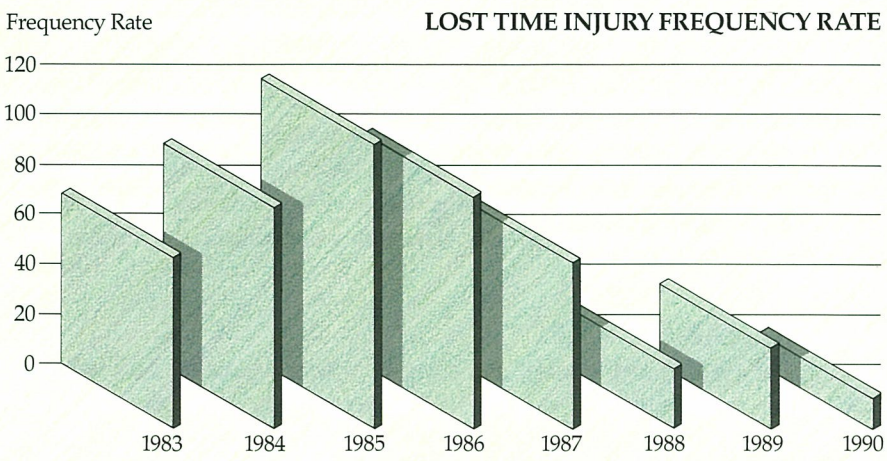
Employee training and development has focussed on Award Restructuring. A skills extension program has been in operation for the entire year.

The program was implemented in three stages; first, the identification of skills that would enhance productivity and assist in determining a career path for employees; second, the structuring of skill matrices to challenge and reward employees expanding their job skills and, third, the design of courses relating to the identified skills.

SAFETY, HEALTH AND RADIATION PROTECTION

A high standard of radiation protection was maintained by means of good engineering design, operating procedures, continued training and commitment by all employees.

The average dose to the most exposed group of employees was 5.5 mSv per year and the maximum dose was 12.9 mSv per year. The limit set by the International Commission for Radiological Protection for those employees working in the mine and mill is 50 mSv per year. The remainder of the workforce received an average radiation dose of 0.7 mSv for the year, the limit allowed being 5 mSv per year.



In February this year, the third audit was undertaken by the National Safety Council of Australia (NSCA) as part of the Five Star Health and Safety Management System. The NSCA has recently revised its auditing criteria resulting in a more stringent grading structure. Under the new criteria,Ranger maintained its three star rating, reflecting the commitment of the Company and its employees to improving the existing high standards of health and safety.

This is illustrated further by a reduction in the Lost Time Injury Frequency Rate from 33 last year to 13 this year (equivalent to a reduction of almost 60 per cent in lost time injuries), and a drop in the number of days lost through work related injury per million man hours from 425 last year to 98 this year. For a company in an inherently hazardous industry, this is an excellent performance.

ABORIGINAL EMPLOYMENT AND LIAISON

The continual efforts of Ranger to enhance the Company's Aboriginal training programs have resulted in a marked improvement during the past year in both the stability of the Aboriginal workforce and the level of their achievements.

Recognising this, the Company has expanded the scope of its programs offered. These now range from the acquisition of basic skills through to integrated tertiary studies.

For the first time, Aboriginal employees have engaged in study at university level. Their drive for excellence reflects strong commitment and motivation.

Initiatives in both the formalisation of the Traditional Owner Visitation Program and improved communication procedures during the past 12 months have been well accepted by the Aboriginal community. By these initiatives, the Company is striving to improve the quality and regularity of contact with all associated traditional owners, as well as provide advance notice on events of particular interest to the Aboriginal community.

MINE VISITORS

About 21 000 visitors gained a firsthand look at Australia's largest operating uranium mine. They came from all parts of the world and included scientists, ambassadors, politicians, students, schoolchildren and tourists. Feedback was very positive and the response demonstrates the value of providing the opportunity to create a lasting and favourable public impression by maintaining Ranger's "open door" policy.

The object of this positive approach is to promote awareness of the Company's efforts as a responsible and environmentally aware corporate citizen.

Above
Monitoring radioactivity: *Jennifer Hunter, a trainee in the Environmental Laboratory, catches a long-necked turtle at Georgetown Billabong for testing. Jennifer is a traditional owner and is studying for her Associate Diploma in Laboratory Practices, Biology.*

Below
The Rainbow Serpent: *This Aboriginal bark painting was created by an artist from Oenpelli in Arnhem Land. It depicts a Rainbow Serpent with the legs of a kangaroo in its waterhole surroundings.*

ADDITIONAL STATUTORY INFORMATION

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 change in the nature of those activities during the financial year.

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 page 20 of this report. No Director has an interest in any contract or proposed contract with ERA declared since 1 July 1989.

DIRECTORS' REPORT

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 subsequent financial years except as stated elsewhere in this report.

LIKELY DEVELOPMENTS

As advised in the body of this report, ERA is actively seeking to augment and diversify its resource base through the acquisition of properties hosting low-cost reserves for future development. This initiative, begun in 1989, will continue until such time as ERA controls the reserves needed to meet the growth and profit aspirations of the Company and its shareholders. The timing of success in this endeavour is difficult to predict given that ERA is competing for resources against other mining companies and utilities with a similar long term commitment to nuclear power.

Otherwise, 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 thereto.

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 1989, has received or become entitled to receive a benefit other than Director's remuneration included in the notes to the accounts.

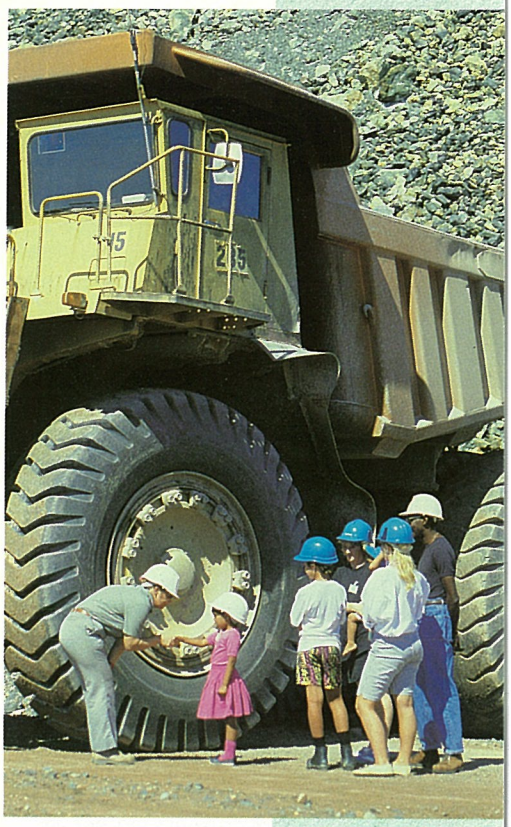
ROUNDING-OFF

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 Code.

Signed at Sydney the 31st day of August 1990, in accordance with a resolution of the Directors.

A L Morokoff AO
Director

H Weise
Director

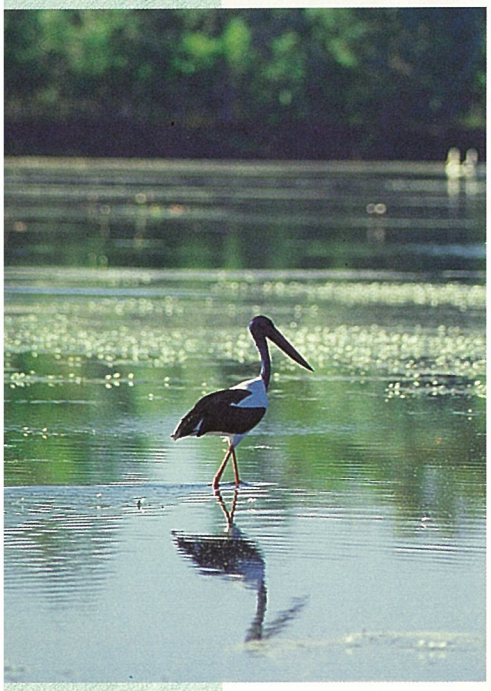


Opposite
Diesel fuel tank.

Above
Mine public relations: *More than 20,000 people, including many groups of schoolchildren, visit Ranger each year.*

Below
Yellowcake: *Ammonium diuranate or "yellowcake" is converted to uranium oxide by calcination.*

BOARD OF DIRECTORS



Above Top
Fire control: *Throughout the Ranger operation, strict fire control is vital. These pipes protect the solvent extraction circuit which contains organic solvents.*

Above
The Jabiru: *Australia's only indigenous stork is a native of northern Australia. It is common in Kakadu National Park and often seen around the mine site.*

Mr AL Morokoff AO, (age 61) the Chairman since foundation in 1980, is an electrical engineer. He is Chairman of Australia Telecommunications Corp and the Parliament House Construction Authority and Deputy Chairman of Lend Lease Corporation Limited. He is also a Director of Australian Wildlife Fund Limited and IBM Australia Limited.

Mr RL Baillieu, (age 55) became a Director of ERA in December 1987. He is Deputy Chairman of North Broken Hill Peko Limited and also a Director of the National Commercial Union Limited.

Mr GW Forster, (age 57) an accountant and Director of Corporate Affairs for North Broken Hill Peko Limited became a Director of ERA in May 1988.

Mr T Inoue, (age 70) nominated by holders of 'C' Class Shares, was appointed a Director of ERA in June 1987. He is President and a Director of Japan Australia Uranium Resources Development Co Ltd (JAURD).

Mr R Knight, (age 49) a mining engineer, was appointed a Director of ERA in May 1989. He is Chief Executive of ERA and was formerly a Group Executive of Peko-Wallsend Ltd.

Dr E Miller, (age 55) 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 1989 he was appointed Director – Mining and Industrial of North Broken Hill Peko Limited and is a Director of Pasminco Limited.

Sir Rupert Myers KBE, (age 69) a metallurgist, has been a Director since 1981. He is a former Vice-Chancellor of the University of New South Wales. He is also Chairman of Unisearch Limited. Other directorships include CSR Limited, IBM Australia Limited, Winston Churchill Memorial Trust in Australia, James N Kirby Foundation, A W Tyree Foundation and Earthwatch Australia.

Mr PH Wade, (age 56) an accountant, joined the Board of ERA in March 1987 and is Managing Director of North Broken Hill Peko Limited. He is also a Commissioner of the Commonwealth Serum Laboratories, a Director of Pasminco Limited and Gunns Kilndried Timber Industries Ltd.

Mr H Weise, (age 59) a mining engineer, was nominated by holders of 'B' Class Shares, in December 1987. He is Managing Director of Rheinbraun Australia Pty Ltd.

ENERGY RESOURCES OF AUSTRALIA LTD

FINANCIAL SECTION

PROFIT AND LOSS STATEMENT For the year ended 30 June 1990

ENERGY RESOURCES OF AUSTRALIA LTD AND SUBSIDIARIES	NOTE	CONSOLIDATED AND PARENT 1990 $000	CONSOLIDATED AND PARENT 1989 $000
Operating profit before abnormal items and income tax	1-3	**104 179**	80 630
Abnormal items before income tax	6	**21 651**	—
Operating profit before income tax		**125 830**	80 630
Income tax attributable to operating profit	4-5	**68 328**	42 876
Operating profit after income tax		**57 502**	37 754
Loss on extraordinary item	5	**—**	(74 902)
Operating profit/(loss) and extraordinary items after income tax		**57 502**	(37 148)
Retained profits at the beginning of the year		**38 291**	136 939
Total available for appropriation		**95 793**	99 791
Dividends provided for or paid	23	**41 000**	61 500
Retained profits at the end of the year		**54 793**	38 291

BALANCE SHEET As at 30 June 1990

ENERGY RESOURCES OF AUSTRALIA LTD AND SUBSIDIARIES	NOTE	CONSOLIDATED AND PARENT 1990 $000	CONSOLIDATED AND PARENT 1989 $000
Current Assets			
Cash	7	**21 180**	3 031
Receivables	8	**78 575**	79 974
Inventories	9	**96 987**	84 978
Other	10	**9 666**	53 244
Total Current Assets		**206 408**	221 227
Non-Current Assets			
Receivables	11	**1 813**	—
Property, plant & equipment	12	**301 233**	309 637
Other	13	**338 037**	351 217
Total Non-Current Assets		**641 083**	660 854
Total Assets		**847 491**	882 081
Current Liabilities			
Creditors and borrowings	14	**40 725**	64 861
Provisions	15	**170 338**	136 264
Total Current Liabilities		**211 063**	201 125
Non-Current Liabilities			
Creditors and borrowings	16	**64 272**	127 671
Provisions	17	**107 363**	104 994
Total Non-Current Liabilities		**171 635**	232 665
Total Liabilities		**382 698**	433 790
Net Assets		**464 793**	448 291
Shareholders' Equity			
Share capital	18	**410 000**	410 000
Retained profits		**54 793**	38 291
Total Shareholders' Equity		**464 793**	448 291

Notes to 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.

Principles of Consolidation

The consolidated financial accounts give a view of the group as a whole. A list of subsidiaries appears in Note 24. All inter-company transactions are eliminated. Where the heading "Consolidated and Parent" appears, the accounts for the parent company are equal to the accounts on consolidation.

Depreciation and Amortisation

Depreciation and amortisation of plant and equipment 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;

(ii) each other asset is depreciated over its estimated operating life on a straight line basis.

Ranger Project Rights

Ranger Project Rights are amortised over actual production as a proportion of the estimated reserves.

Foreign Currency

Foreign currency transactions are converted to Australian dollars at exchange rates ruling at the dates of those transactions. Amounts payable and receivable in foreign currency at balance date are converted to Australian dollars at the exchange rate 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 stated 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 the period 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. Costs 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 using current tax rates.

Sales

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

Leases

A distinction is 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.

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 1990

ENERGY RESOURCES OF AUSTRALIA LTD AND SUBSIDIARIES		CONSOLIDATED		CONSOLIDATED	
		1990 $000	1990 $000	1989 $000	1989 $000
Sources of Funds					
Funds from Operations					
Inflows of funds from operations	(Note 1)	**228 105**		186 369	
Less outflows of funds from operations		**102 275**	**125 830**	105 739	80 630
Add non-cash items					
Amortisation and depreciation		**29 571**		30 216	
Other		**1 830**	**31 401**	2 189	32 405
			157 231		113 035
Reduction in Assets					
Current Assets					
Loan to holding company		**4**		—	
Short term deposits (at call)		**2 000**		2 000	
Trade debtors		**16 683**		25 321	
Short term deposits		**24 670**		—	
Prepayments		**1 763**	**45 120**	—	27 321
Non Current Assets					
Leased assets		**3 670**		—	
Plant and equipment		**336**	**4 006**	1 035	1 035
Increase in Liabilities					
Current Liabilities					
Other creditors		**—**		2 445	
Notes and bills payable		**4 169**		11 312	
Loan from holding company		**9**		—	
Loan from related corporation		**30**	**4 208**	—	13 757
Non-Current Liabilities					
Term creditors		**—**		10 186	
Notes and bills payable		**—**	**—**	21 920	32 106
			210 565		187 254
Applications of Funds					
Increase in Assets					
Current Assets					
Cash on hand		**20 149**		1 016	
Short term deposits		**—**		10 700	
Other debtors		**15 288**		944	
Stock on hand		**11 888**		22 050	
Loan to holding company		**—**		4	
Prepayments		**—**	**47 325**	2 949	37 663
Non-Current Assets					
Term debtors		**1 813**		—	
Buildings		**239**		—	
Plant and equipment		**11 754**	**13 806**	5 515	5 515
Reduction in Liabilities					
Current Liabilities					
Other loans		**327**		14 763	
Bank overdraft		**340**		2 423	
Finance lease liabilities		**538**		—	
Trade creditors		**3 012**		1 210	
Other creditors		**6 982**	**11 199**	—	18 396
Non-Current Liabilities					
Term creditors		**144**		—	
Notes and bills payable		**61 619**		—	
Finance lease liabilities		**1 636**	**63 399**	2 052	2 052
Dividends paid			**41 000**		61 500
Income tax paid			**32 175**		60 010
Maintenance paid			**98**		428
Employee entitlements paid			**1 563**		1 690
			210 565		187 254

Notes to and forming part of the accounts

ENERGY RESOURCES OF AUSTRALIA LTD AND SUBSIDIARIES	CONSOLIDATED AND PARENT	CONSOLIDATED AND PARENT
	1990 $000	1989 $000
1. Revenue		
(a) Sales revenue	**206 898**	177 516
(b) Other revenue		
Rehabilitation refund (Note 6)	**15 427**	—
Interest received/receivable	**5 442**	7 463
Proceeds on sale of non-current assets	**338**	1 390
	228 105	186 369

ENERGY RESOURCES OF AUSTRALIA LTD AND SUBSIDIARIES	CONSOLIDATED		PARENT	
	1990 $000	1989 $000	1990 $000	1989 $000
2. Operating Profit				
The operating profit before abnormal items and income tax is arrived at after charging and crediting the following specific items:				
Charges:				
Amortisation of Ranger Project Rights	**12 737**	11 159	**12 737**	11 159
Amortisation of deferred expense	**443**	443	**443**	443
Amortisation of leased assets	**1 540**	2 193	**1 540**	2 193
Depreciation of fixed assets	**14 851**	16 421	**14 851**	16 421
Royalty type expense	**2 493**	2 304	**2 493**	2 304
Payments for Aboriginal interests	**8 674**	8 033	**8 674**	8 033
Rehabilitation fund payments and guarantee costs	**56**	4 056	**56**	4 056
Exploration costs	**93**	1 365	**93**	1 365
Diminution in value of inventories	**1 594**	—	**1 594**	—
Loss on translation of foreign borrowings	—	2 344	—	1 502
Auditors' remuneration				
audit of accounts and group accounts	**111**	106	**111**	106
other services	**439**	339	**439**	339
Rent expense on operating leases	**682**	524	**682**	524
Finance charges on finance leases	**594**	927	**594**	927
Contributions to employee retirement funds	**862**	831	**862**	831
Interest paid/payable to				
related companies	—	—	**650**	3 169
other corporations	**9 780**	16 514	**9 130**	13 345
Provision for employee entitlements	**1 794**	2 081	**1 794**	2 081
Provision for stores obsolescence	—	150	—	150
Provision for maintenance	**160**	402	**160**	402
Credits:				
Interest received/receivable from other corporations	**5 442**	7 463	**5 442**	7 463
Profit on disposal of fixed assets	**2**	355	**2**	355
Profit on translation of foreign exchange hedge asset	—	2 344	—	1 502
Provision for stores obsolescence	**121**	—	**121**	—

ENERGY RESOURCES OF AUSTRALIA LTD AND SUBSIDIARIES	CONSOLIDATED AND PARENT 1990 $000	CONSOLIDATED AND PARENT 1989 $000

3. Directors' and Executives' Remuneration

Remuneration of Directors

The number of directors of the company, including executive directors, who received or in respect of whom income is due and receivable, from the holding company and related corporations, within the following bands are:

	1990	1989
$ 0 to $ 9 999	—	1
$ 10 000 to $ 19 999	—	3
$ 20 000 to $ 29 999	3	—
$ 50 000 to $ 59 999	—	1
$ 90 000 to $ 99 999	1	1
$130 000 to $139 999	1	—
$170 000 to $179 999	1	—
$210 000 to $219 999	—	1
$220 000 to $229 999	—	1
$240 000 to $249 999	1	—
$320 000 to $329 999	1	—
$340 000 to $349 999	—	1
$440 000 to $449 999	1	—

Total remuneration received or due and receivable by the directors, including executive directors, from the holding company and related corporations.	**1 468**	982
Amounts paid to superannuation funds and directors in respect of the directors and principal executive officers' retirement.	**113**	91

Remuneration of Executives

The number of executive officers and executive directors who received, or in respect of whom income is due and receivable, which equals or exceeds $85 000, from the holding company and related corporations, within the following bands are:

	1990	1989
$ 85 000 to $ 94 999	1	4
$ 95 000 to $104 999	5	1
$105 000 to $114 999	1	3
$115 000 to $124 999	—	1
$125 000 to $134 999	1	—
$135 000 to $144 999	2	—
$155 000 to $164 999	—	1
$165 000 to $174 999	1	—

Total remuneration received or due and receivable by these executives from the holding company and related corporations	**1 281**	1 064

ENERGY RESOURCES OF AUSTRALIA LTD AND SUBSIDIARIES	CONSOLIDATED AND PARENT 1990 $000	CONSOLIDATED AND PARENT 1989 $000
4. Income Tax		
(a) Income tax is calculated as follows:		
Operating profit before income tax	**125 830**	80 630
Tax calculated at 39%	**49 074**	31 446
Abnormal items: Interest on contested income tax (Note 5)	**9 552**	—
Tax effect of permanent differences:		
Amortisation of Ranger Project Rights and other non-allowable items	**7 749**	4 847
Back to back hedge losses (Note 5)	**1 953**	6 583
Prima facie tax adjusted for permanent differences	**68 328**	42 876
Tax effect of timing differences	**(2 675)**	(4 080)
Contested income tax attributable to prior periods	**81 485**	74 902
Income tax over provided in previous year	**37**	—
Provision for current income tax	**147 175**	113 698
(b) The provision for deferred income tax that relates to timing differences	**106 351**	103 676

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.

5. Extraordinary Items		
Contested Income Tax [a]	—	(74 902)

[a]Following the audit of the Company's affairs carried out by the Australian Taxation Office in 1987 and 1988 referred to in Note 5 of the 1989 accounts, the Company is in dispute with the Commissioner of Taxation regarding the income tax liabilities of the Company for the years 1984 to 1989 inclusive. Amended assessments for the years 1984 to 1987, and assessments for the 1988 and 1989 years, have been issued on a basis unacceptable to the Company. Following advice received from Senior Counsel the Company lodged objections against the assessments and included a cross claim as to the deductibility of $125 million paid to the Commonwealth for uranium concentrates. The objections for the years 1984 to 1987 inclusive have been rejected. No payment of this disputed amount is required until the matter is settled but interest on this amount is accruing from 27 October 1989. The Commissioner has not yet ruled on the Company's objections for 1988 and 1989. Interest has been treated as an abnormal item and has had the effect of increasing income tax attributable to operating profit for the year by $9 552 000. The matter has been referred to the Federal Court in Sydney and proceedings have commenced. On the basis of advice received that the amount of tax assessed is a liability of the company, notwithstanding the existence of undetermined objections and appeals to the Federal Court, it has been decided, as a matter of prudence, to continue to provide for the full amount on the basis of the amended assessments until such time as the dispute is resolved. The liability in respect of 1990 has been calculated on the same basis, and the effect has been to increase income tax attributable to operating profit by $1 953 000. No part of the disputed amount has been paid.

ENERGY RESOURCES OF AUSTRALIA LTD AND SUBSIDIARIES	CONSOLIDATED AND PARENT 1990 $000	CONSOLIDATED AND PARENT 1989 $000
6. Abnormal Items		
The operating profit after income tax is also arrived at after crediting and charging the following abnormal items:		
Credits:		
Refund from the Rehabilitation Trust Fund on the reassessment of the cost to rehabilitate the Ranger Project Area	**15 427**	—
Amounts provided for the Rehabilitation Trust Fund in the 1988 and 1989 accounts, now no longer required	**6 224**	—
Abnormal items before income tax	**21 651**	—
Income tax attributable to abnormal items	**8 444**	—
Abnormal items after income tax	**13 207**	—
Charges:		
Interest on contested income tax included in income tax (Note 4)	**9 552**	—
7. Cash		
Cash at banks and on hand	**21 180**	1 031
Short term deposits (at call)	**—**	2 000
	21 180	3 031
8. Current Assets — Receivables		
Loan to holding company	**—**	4
Trade debtors-receivable within one year[a]	**60 058**	76 741
Other debtors[b]	**18 529**	3 241
Less provision for doubtful debts	**12**	12
	78 575	79 974
Amounts receivable in foreign currencies(Australian dollar equivalents are shown):		
United States dollars — Unhedged[c]	**60 058**	70 118
9. Current Assets — Inventories		
Stores	**12 860**	11 629
Less provision for obsolescence	**875**	996
	11 985	10 633
Ore stockpile	**21 049**	19 611
Work in progress	**796**	636
Finished product U_3O_8	**63 157**	54 098
At cost	**96 987**	84 978

[a]Bad debts written off against provisions: $Nil (1989: $Nil)
[b]Bad debts written off against provisions: $Nil (1989: $Nil)
[c]The corresponding amount in United States dollars for Trade debtors is $47 140 000 (1989: $52 673 000)

ENERGY RESOURCES OF AUSTRALIA LTD AND SUBSIDIARIES	CONSOLIDATED AND PARENT 1990 $000	CONSOLIDATED AND PARENT 1989 $000
10. Current Assets — Other		
Short term deposits	**3 981**	28 651
Foreign exchange hedge asset	**—**	17 145
Prepayments	**5 685**	7 448
	9 666	53 244
11. Non Current Assets — Receivables		
Term debtors	**1 813**	—
12. Non-Current Assets — Property, Plant and Equipment		
Land — cost	**1**	1
Building — cost	**92 941**	92 702
Less provision for depreciation	**24 956**	23 724
	67 985	68 978
Plant and equipment — cost	**327 140**	316 551
Less provision for depreciation	**95 445**	78 985
	231 695	237 566
Plant and equipment — leased	**7 294**	10 964
Less accumulated amortisation	**5 742**	7 872
	1 552	3 092
Total property, plant and equipment	**301 233**	309 637

In accordance with clause 31(2) of Schedule 7, the directors believe the above values assigned to land and buildings appropriately reflect current values based on their existing use.

13. Non-Current Assets — Other		
Ranger Project Rights — cost	**407 000**	407 000
Less accumulated amortisation	**69 247**	56 510
	337 753	350 490
Share issue expenses — cost	**3 158**	3 158
Borrowing costs — cost	**5 592**	5 592
	8 750	8 750
Less accumulated amortisation	**8 466**	8 023
	284	727
	338 037	351 217

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.

ENERGY RESOURCES OF AUSTRALIA LTD AND SUBSIDIARIES	CONSOLIDATED AND PARENT 1990 $000	CONSOLIDATED AND PARENT 1989 $000
14. Current Liabilities — Creditors and Borrowings		
Unsecured:		
Current maturities of long term loans:		
Notes and bills payable	**25 481**	21 312
Other loans	**—**	17 472
	25 481	38 784
Finance lease liabilities	**1 494**	2 032
Bank overdraft	**1 145**	1 485
Loan from holding company	**9**	—
Loan from related corporation	**30**	—
	28 159	42 301
Trade creditors	**4 164**	7 176
Other creditors	**8 402**	15 384
	12 566	22 560
	40 725	64 861
Current maturities of long term loans are repayable in the following currencies (Australian dollar equivalents are shown):		
Australian dollars	**—**	8 000
United States dollars — Hedged (Note 19)	**—**	17 472
— Unhedged[a] (Note 19)	**25 481**	13 312
	25 481	38 784

[a]The corresponding amounts in United States dollars are $20 000 000 (1989: $10 000 000)

Borrowing facilities are on an unsecured, negative pledge basis. The facilities extend to 30 June 1994 with differing annual reduction amounts from 30 June 1989 and provide for the issue of Euronotes and the provision of letters of credit.

15. Current Liabilities — Provisions		
Employee entitlements	**2 458**	1 923
Maintenance	**205**	143
Dividend	**20 500**	20 500
Income Tax (Note 4)	**147 175**	113 698
	170 338	136 264

ENERGY RESOURCES OF AUSTRALIA LTD AND SUBSIDIARIES	CONSOLIDATED AND PARENT 1990 $000	CONSOLIDATED AND PARENT 1989 $000
16. Non-Current Liabilities — Creditors and Borrowings		
Unsecured:		
Notes and bills payable	**38 221**	99 840
Term creditors	**24 706**	24 850
Finance lease liabilities	**1 345**	2 981
	64 272	127 671
Non-current borrowings are repayable in the following currencies (Australian dollar equivalents are shown):		
United States dollars — Hedged (Note 19)	**—**	31 200
— Unhedged[a] (Note 19)	**38 221**	68 640
	38 221	99 840
Total non-current creditors and borrowings are repayable as follows: Year ending June 1992	**4 422**	8 549
1993	**7 530**	44 813
1994	**39 045**	58 428
1995	**13 275**	14 245

[a]The corresponding amounts in United States dollars are $30 000 000 (1989: $51 562 000).

Borrowing facilities are on an unsecured, negative pledge basis. The facilities extend to 30 June 1994 with differing annual reduction amounts from 30 June 1989 and provide for the issue of Euronotes and the provision of letters of credit.

17. Non-Current Liabilities — Provisions		
Employee entitlements	**1 012**	1 318
Deferred income tax (Note 4)	**106 351**	103 676
	107 363	104 994
18. Share Capital		
Authorised capital comprises:		
750 000 000 shares of $1.00 each	**750 000**	750 000
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.

19. 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 that were entered into covering part of the principal outstanding in US dollars under loan agreements (refer Notes 14 and 16 for unhedged principal) were completed by 30 June 1990. There were forward sales contracts for US dollars which matched the purchase contracts covering loan repayments. These contracts for US dollars resulted in revenue for the year being reduced by $A5 008 000 (1989: $A16 880 000).

Foreign currency options and hedge contracts which were entered into during the year for US dollars in respect of some further sales proceeds were completed by 30 June 1990 and the losses brought to account. These reduced revenue for the year by $A1 205 000 (1989: $A730 000).

The net exchange loss included in the profit and loss account for the year on the holding of net foreign monetary assets was $A794 000 (1989: $A3 299 000).

ENERGY RESOURCES OF AUSTRALIA LTD AND SUBSIDIARIES	CONSOLIDATED AND PARENT 1990 $000	CONSOLIDATED AND PARENT 1989 $000
20. Commitments		
(a) Commitments for capital expenditure		
Aggregate capital expenditure contracted for but not provided for in the accounts		
Not later than one year	**449**	535
(b) Lease and Hire Commitments		
(i) Operating Leases — Offices		
Aggregate of amounts contracted but not provided for in the accounts	**6 554**	6 590
Due within 1 year	**721**	475
Due between 1-2 years	**721**	686
Due between 2-5 years	**2 147**	2 056
Due after 5 years	**2 965**	3 373
	6 554	6 590
(ii) Finance Leases		
Aggregate amount contracted for in respect of finance leases (plant and equipment) is capitalised in the accounts in accordance with the accounting policies		
Total lease liability		
— current	**1 494**	2 032
— non-current	**1 345**	2 981
	2 839	5 013
Finance lease commitments		
Due within 1 year	**1 796**	2 740
Due between 1-2 years	**1 400**	1 824
Due between 2-5 years	**86**	1 486
Minimum lease payments	**3 282**	6 050
Less future finance charges	**443**	1 037
	2 839	5 013

(c) ERA 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 4.25% of net sales revenue (1990: $8 474 000/1989: $7 833 000);

(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 1.25% (1990: $2 493 000/1989: $2 304 000);

(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 ERA 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 when the fund is in deficit (1990: ($21 651 000)/1989: $4 056 000).

ENERGY RESOURCES OF AUSTRALIA LTD AND SUBSIDIARIES	CONSOLIDATED AND PARENT	CONSOLIDATED AND PARENT
	1990 $000	1989 $000

21. Contingent Liabilities

ERA has given to the Commonwealth Government an undertaking to rehabilitate the Ranger Project Area after cessation of mining operations.

The latest estimated cost of rehabilitation (including a 10% contingency), should ERA have been required to cease mining, was $50 411 000 at 31 March 1990 (1989: $66 134 000) whilst the balance of the Ranger Rehabilitation Trust Fund was $51 832 000 at 30 June 1990 (1989: $58 391 000).

The Northern Land Council has taken legal proceedings against the Commonwealth of Australia and ERA 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 and/or sacrifice which will reduce the contract price when the contract price exceeds the minimum price of U_3O_8. No credits or sacrifices were due and payable at 30 June 1990.

22. Financial Reporting by Segments

The Company is solely a uranium miner and producer operating in Australia. Revenue is derived from customers in the following geographical areas:		
United States	**19 530**	11 700
Japan	**71 371**	52 690
Korea	**17 751**	5 838
Europe	**98 246**	107 288
	206 898	177 516

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

23. Dividends

Franked dividends paid during the period, provided in the previous period	**20 500**	20 500
Franked dividends provided and paid for in this period	**20 500**	41 000
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**	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. (This does not include franking credits which may arise from the contested income tax)	**54 793**	38 291

	PLACE OF INCORPORATION	PARENT INVESTMENT AT COST $
24. Investments		
(a) Shares in subsidiary companies		
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 $75 717 (1989: $34 067).

25. Superannuation Benefits and Commitments
Staff are entitled after serving a qualifying period to benefits on retirement, disability or death. The superannuation plans provide defined benefits based on years of service and final average salary. Employees contribute to the plans 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 BA, FIA, FIAA. 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 plans in the event of termination of the plans, and voluntary or compulsory termination of employment of each employee.

	CONSOLIDATED AND PARENT
	1990 $000

26. Related Parties
Related parties of Energy Resources of Australia Ltd fall into the following categories:

Subsidiaries
Information relating to subsidiaries is set out in Note 24.

Ultimate Holding Company
The ultimate holding company is North Broken Hill Peko Limited (incorporated in Victoria, Australia) which owns 65.1% of the issued ordinary shares of the company.

Directors
Information relating to directors is set out in Note 27.

Superannuation Fund
Information relating to the group's superannuation fund is set out in Note 25.

Transactions With Related Parties
The aggregate amounts of each different type of transaction with related parties, other than wholly owned subsidiaries and transactions with directors set out in Note 3 were as follows:

Dividends paid/payable to the ultimate holding company	26 691
Foreign exchange hedge transactions with ultimate holding company-gain/(loss)	(2 038)

ENERGY RESOURCES OF AUSTRALIA LTD
AND SUBSIDIARIES

27. Information on Directors

The names of persons who were directors of the parent company at any time during the financial year are as follows: A L Morokoff AO; R L Baillieu; G W Forster; T Inoue; R Knight; Dr E Miller; Sir Rupert Myers KBE; P H Wade; H Weise; K Hashikawa, S Sato and K Nawa (Alternates for T Inoue).

Interest of directors in the share capital of the Company and related Companies as at 31 August 1990 (beneficially held unless otherwise shown)

DIRECTOR	ERA	NORTH
R L Baillieu	10 000	1 422 017
		319 768 (non beneficially held)
G W Forster	—	13 682
		450 000 Options
R Knight	—	115 419
		300 000 Options
Dr E Miller	—	4 327
		450 000 Options
A L Morokoff AO	5 000	—
Sir Rupert Myers KBE	2 000	—
P H Wade	2 000	9 138
		750 000 Options
H Weise	—	1 000

Key:
ERA Energy Resources of Australia Ltd — shares of $1 each fully paid.
North North Broken Hill Peko Limited — shares of 50c each fully paid.
(Options to subscribe for shares of 50c each fully paid under the North Broken Hill Share Option Incentive Plan.)

STATUTORY STATEMENTS

Statement by Directors

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

1. The ultimate liability, if any, in respect of the contested tax of $92 990 000 (as detailed in Note 5) cannot be assessed at this stage.

2. In the opinion of the Directors subject to 1 above:
(a) the accounts of the Company and of the Group, set out on pages 23 to 36, are drawn up so as to give a true and fair view of the state of affairs as at 30 June 1990, 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) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

3. The accompanying accounts have been made out in accordance with Australian Accounting Standards and applicable Approved Accounting Standards.

Signed at Sydney this 31st day of August 1990 in accordance with a resolution of the Directors.

A. L. Morokoff AO
Director

R. Knight
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 23 to 37 in accordance with Australian Auditing Standards.

Note 5 sets out details of a dispute between the Company and the Commissioner of Taxation regarding income tax liabilities. At 30 June 1989, the Company had provided $81 485 000 in respect of contested tax liabilities assessed by the Commissioner of Taxation. The Company has provided a further $11 505 000 in the current year's results comprising:

(a) $1 953 000; the increase in tax attributable to the current year's results as a result of calculating tax on the same basis as the contested assessments; and

(b) $9 552 000; interest accrued for the current year on the contested assessments.

Due to the uncertainty of the ultimate outcome of the dispute we are unable to form an opinion as to $11 505 000 of the income tax expense for the current year and the $92 990 000 provision for income tax as at 30 June 1990.
In our opinion, subject to the effects on the financial statements of the ultimate resolution of the matter referred to above, 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 1990 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; and

(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 1990

STOCK EXCHANGE INFORMATION

Twenty Largest Shareholders of A Class Ordinary Shares as at 15 August 1990

SHAREHOLDERS	SHARES HELD
Peko Wallsend Ltd	136 329 100
North Broken Hill Peko Limited	130 570 600
Pendal Nominees Pty Ltd	6 516 089
CTB Nominees Ltd	6 076 400
State Authorities Superannuation Board	2 175 824
Government Insurance Office of New South Wales	1 766 911
MLC Life Limited	1 430 867
ANZ Nominees Ltd (Melbourne)	1 262 024
Australian Mutual Provident Society (Account no 1)	1 144 576
Perpetual Trustees Victoria Ltd	982 850
Burns Philp Trustee Co Ltd	730 600
Australian Mutual Provident Society (Account no 2)	630 400
Bank of New South Wales Nominees Pty Ltd	447 678
BT Custodians Ltd	437 400
Schroders Dual Fund Ltd	374 900
Barclays Australia Custodian Services Limited	337 200
National Nominees Ltd	322 483
Perpetual Trustee Co Ltd	294 430
Icianz Pension Fund Sec Pty Ltd	282 400
Eagle Star Trustees Ltd	276 700
Total of top twenty holdings	292 389 432

The proportion of A Class Ordinary Shares held by the twenty largest shareholders is 95.08%.

Register of Substantial Shareholders	Shares held as at 15 August 1990
A Class Ordinary Shareholders	
Peko Wallsend Ltd	136 329 100
North Broken Hill Peko 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

* By a notice of change in interest of substantial shareholders dated 29 May 1986 received from North Broken Hill Holdings Limited, ERA was informed that North Broken Hill Holdings 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 ERA with its shareholders between September 1980 and December 1981.

STOCK EXCHANGE INFORMATION

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/her.

Stock Exchange Listing

ERA 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 1990

(a) A Class Ordinary Shareholders			Equal to 75.0% of the issued capital	
	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1-99	16	0.1	643	0.0
100-1 000	13 826	85.9	5 253 959	1.7
1 001-5 000	1 928	12.0	4 556 602	1.5
5 001-10 000	199	1.2	1 493 742	0.5
over 10 000	133	0.8	296 195 054	96.3
	16 102	100.0	307 500 000	100.0

(b) B Class Ordinary Shareholders	Equal to 15.0% of the issued capital	
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

(c) C Class Ordinary Shareholders	Equal to 10.0% of the issued capital	
Japan Australia Uranium Resources Development Co Ltd	41 000 000	100.0
Total Issued Capital	410 000 000	100.0

Share Registries

New South Wales
C/- Professional Share
Registries (NSW) Pty Ltd
Ground Floor, 414 Pitt Street
Sydney NSW 2000
Telephone: (02) 211 5299

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

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

FINANCIAL SUMMARY (since operations began)

Year Ended 30 June	1990	1989	1988	1987	1986	1985	1984	1983	1982
Current Ratio	0.98	1.10	1.41	1.43	1.68	1.33	1.48	1.53	1.13
Liquid Ratio	0.49	0.56	0.91	0.94	1.13	1.04	1.21	1.27	0.88
Long Term Debt/Equity	0.09	0.23	0.15	0.25	0.37	0.40	0.52	0.64	0.79
Debt/Equity	0.14	0.28	0.20	0.28	0.40	0.52	0.64	0.76	0.93
Gearing (%)	7.8	18.7	13.2	20.0	26.8	28.5	34.3	39.0	44.2
Interest Cover (times)	12.6	5.2	6.6	4.5	3.3	3.1	3.2	2.9	1.9
Return on Net Assets (%)	16.7	11.6	18.2	15.8	14.9	17.2	17.7	19.2	10.2
Return on S'hlds Equity (%)	12.6	7.6	12.0	11.9	10.4	12.0	12.5	12.9	8.9
Earnings/Share (cents)	14.0	9.2	15.4	14.4	12.3	13.8	14.0	14.0	9.2
Dividends/Share (cents)	10.0	15.0	10.0	10.0	10.0	10.0	12.5	10.0	4.0
Payout Ratio (%)	71.3	162.9	65.0	69.6	81.3	72.6	89.2	58.4	35.4
Share Price ($)	2.00	2.32	2.80	2.70	1.50	1.45	1.40	1.45	1.55
Price-Earnings Ratio	14.3	25.2	18.2	18.8	12.2	10.5	10.0	10.4	16.8
Dividend Yield (%)	5.0	6.5	3.6	3.7	6.7	6.9	8.9	6.9	2.6
Net Tangible Assets per share ($)	1.13	1.09	1.33	1.22	1.19	1.17	1.13	1.12	1.06
No. of Employees	340	354	374	414	409	421	429	404	414
Profit After Tax per empl ($000)	169.1	106.6	168.6	142.2	123.3	134.1	134.0	142.1	91.4

Design and Production: Design Resource Graphics Photography: Howard Paton, Copy: Noel Castley, Film: Montage, Print: Pot Still Press.

Below
Calcined yellowcake: *Yellowcake is heated to 700 degrees Celsius in a calciner. The final product, a black/green powder which is more than 98 per cent pure uranium oxide, is packed and exported.*