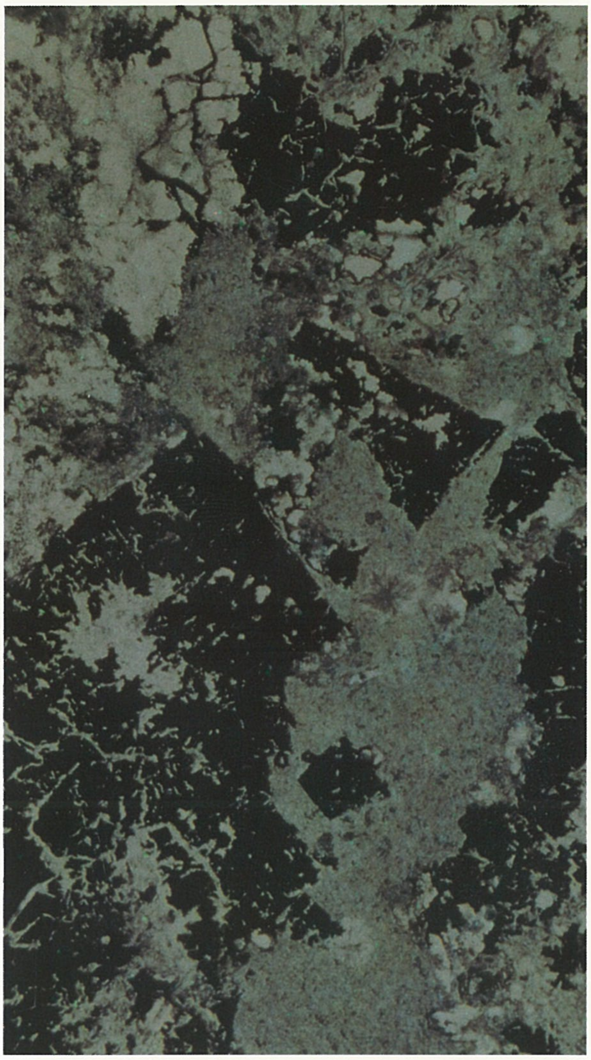
Energy Resources of Australia Ltd
A.C.N. 008 550 865



Annual Report 1992

CORPORATE OBJECTIVES

The principal objective of Energy Resources of Australia Ltd (ERA) is to increase the wealth of its shareholders through a commitment to

- deliver a high grade product on time and at competitive prices;
- maintain ore reserves at the level necessary to attract long term contracts at premium prices;
- employ modern technology and management practices;
- maintain stringent environmental standards;
- retain a highly skilled and motivated workforce; and
- set high standards for employee safety.

In pursuit of these commitments during the 1992 financial year, ERA

- earned a profit after tax of $38.686 million, equivalent to 9.4 cents per share;
- purchased the Jabiluka uranium resource adjacent to Ranger for $125 million;
- restructured operations at Ranger to bring production in line with long term sales to Japan, the Republic of Korea and France, and thereby conserve cash;
- paid a two cent interim dividend and declared a two cent final dividend;
- won a major new supply contract with Korea Electric Power Corporation;
- post balance date, arranged a medium term multi-option debt facility to replace the existing bridging finance for Jabiluka and other debt.

ENERGY RESOURCES OF AUSTRALIA LTD
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 1992

CONTENTS

NOTICE OF MEETING

This report will be presented at the 1992 Annual General Meeting of the members of Energy Resources of Australia Ltd in the Fort Macquarie Room of the Inter-Continental Hotel, 117 Macquarie Street, Sydney at 10.00am on Thursday 15 October 1992.
A Notice of Meeting and Proxy Form is enclosed

> "...ERA is now a leaner, more competitive Company, well equipped to face the challenges that lie ahead."

Despite declining world production and steadily decreasing inventories, the uranium market remained oversupplied throughout the year.

As a consequence of this now persistent condition, many nuclear power utilities have become unwilling, or at least less willing, to pay a premium for security of uranium supply from established producers, insisting instead on spot market related prices even in long term contracts. The spot price, depressed first by excess inventories and now by the perception of plentiful supplies from the Commonwealth of Independent States (CIS), has for some years been below the cost of production for most producers, including ERA.

Conceived originally as a vehicle for managing Ranger and marketing its production, ERA has through necessity become a more diversified uranium enterprise. The depressing influence of the spot market has in recent years forced the Company to source an increasing proportion of its sales elsewhere in order to protect its market share.

COMPANY PROFILE

ERA is the fourth largest uranium producer in the world through its ownership of the Ranger mine in the Northern Territory.

With the acquisition in August 1991 of the neighbouring Jabiluka deposit, the Company is well placed to increase its market share and improve its competitive position in the years ahead.

ERA is a subsidiary of North Broken Hill Peko Limited, a diversified resource company, and has strong shareholder-customer links with utilities in Japan, Germany, France and Sweden.

Ranger's uranium is currently used to generate electric power in Japan, the Republic of Korea and France. ERA also supplies uranium, currently sourced elsewhere, to utilities in Germany, Sweden and the United States.

THE YEAR IN REVIEW

For the time being at least, until prices recover or utilities in general are persuaded once again to take a long term view, ERA must be more than simply a uranium mining company and must broaden its skills to adapt to the realities of the market place.

Management, with the support and encouragement of the Board, has worked throughout the past year to condition the Company to cope with these circumstances by

- restructuring Ranger, still the core of ERA's business, to remain profitable under the worst conditions foreseeable;
- working to increase ERA's market share, taking care to match pricing with source, but with the flexibility to source from Ranger whenever prices improve;
- advancing the Company's development plans so that it is able to respond in a timely way to improved market conditions whenever these eventuate.

ERA sees that it must broaden the base of its capabilities in order to improve its returns to shareholders over the long term.

During 1991-1992, the initiatives necessary to implement this strategy have been put in place while at the same time working to maintain short term performance.

ERA's profit after tax for the year was $38.686 million, equivalent to 9.4 cents per share. This performance, while below historic levels, was the result of continuing depressed market conditions. Uranium traded within the range US$7.25 per pound U_3O_8 to US$8.75 per pound U_3O_8 through the year, remaining below the cost of production of almost all producers.

Sales revenue declined to $170.459 million, the direct result of lower sales tonnages and lower prices. ERA sold 2 230.1 tonnes of Ranger U_3O_8 under long term contracts during the year and 1 328.4 tonnes of U_3O_8 from other sources for a total of 3 558.5 tonnes U_3O_8 overall. Third party material is delivered under ERA's market related contracts which are currently priced at or below the Company's cost of production.

In other respects, the past year has been one of significant achievement, reflecting in part the implementation of the strategies listed above.

On 21 August 1991, ERA acquired the Jabiluka uranium resource, situated some 20km north of the Ranger process plant, from Pancontinental Mining Limited for $125 million. While Jabiluka's mineable reserves have yet to be fully assessed, the acquisition has more than doubled ERA's low cost of production resource base, ranking the Company

Table 1: HIGHLIGHTS

YEAR ENDED 30 JUNE	1992	1991	% CHANGE
Financial, $ million			
Sales revenue	170.5	210.4	-19.0
Profit before tax	69.1	101.6	-32.0
Income tax expense	30.4	27.6	+10.1
Profit after tax	38.7	74.0	-47.7
Total assets	945.4	827.8	+14.2
Issued capital	410.0	410.0	–
Capital & reserves	567.5	545.2	+4.1
Earnings per share, cents	9.4	18.1	-48.0
Return on shareholders' equity, per cent	7.0	14.7	-52.4
Dividend per share, cents	4.0	10.0	-60.0
Production			
Ore mined, million tonnes	0.435	0.661	-34.2
Ore milled, million tonnes	0.986	1.090	-9.5
Mill head grade, per cent U_3O_8	0.324	0.295	+9.8
Total production, tonnes U_3O_8	2980.0	2908.3	+0.3
Sales, tonnes U_3O_8			
Ranger concentrates	2230.1	2598.5	-14.2
Other concentrates	1328.4	802.3	+65.6
Total sales	3558.5	3400.8	+4.6

with the acknowledged world leaders. The issues relating to the expansion of Ranger's production and the development of Jabiluka are discussed more fully in the Directors' Outlook.

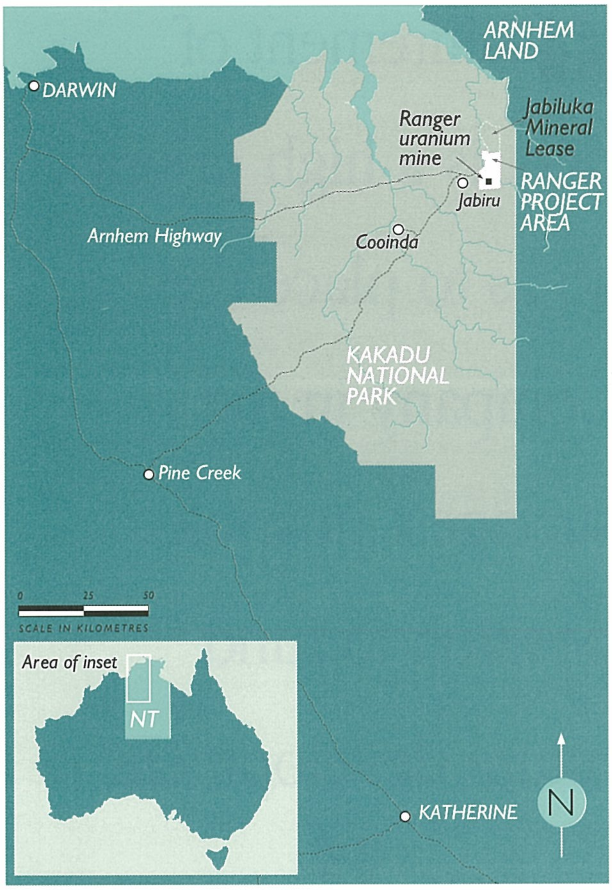
Forecasting the future is a perilous task but the balance of probabilities indicate that these depressed conditions will continue for some time yet. In years past, ERA sought productivity improvements and cost reductions by optimising operations at Ranger at full production, building a significant inventory of product in excess of sales in the process. In 1991, it became clear that, given forecast market conditions, this mode of operations could not continue.

On 4 November 1991, ERA implemented a carefully planned program of restructuring at Ranger to reduce production to about 1700 tonnes U_3O_8 per year without penalty to unit costs. Regrettably, this action resulted in the retrenchment of 41.7 per cent of the workforce but, by doing so, Ranger's viability, both short and long term, has been preserved and indeed enhanced.

Subsequent negotiation of a new enterprise award has eliminated demarcation barriers and allowed the implementation of a Skills Extension Program for the benefit of all employees.

No time was lost due to industrial action throughout this period of traumatic change - testimony to the awareness throughout the workforce of the need for resolute action to improve productivity and to reduce costs for long term viability and security.

Both the Board and management believe that ERA is now a leaner, more competitive Company, well equipped to face the challenges that lie ahead. The past year may well be seen in hindsight as a watershed for ERA. Ranger's production will for the present be matched to firm sales to those utilities in Japan, the Republic of Korea and France that recognise that present market conditions will in the long term prove to be a passing aberration. These utilities recognise the need for security of supply. Their commitment to ERA deserves due acknowledgment by all stakeholders.



ERA retains a close working association with all of its customers, whether they are currently taking deliveries from Ranger or not, recognising that these are difficult times for the nuclear industry as a whole. In particular, the Overseas Equity Holder relationships have without exception been strengthened during the past year, a fact that must augur well for the long term growth and development of the Company.

FINANCE

"Retirement of debt is a high priority, so as to place the Company in the strongest possible position to fund future development projects."

PROFIT AND SALES REVENUE

ERA recorded an operating profit after tax of $38.686 million for the year. The corresponding figure for the previous year, which included an abnormal item of $15.665 million, was $74.050 million.

The reduced profit was a direct result of lower sales tonnages of Ranger concentrate (2 230.1 tonnes, down 14.2 per cent) and lower average prices. US dollar prices under both long term contracts and market related contracts were the lowest recorded in the Company's eleven year history.

Sales revenue at $170.459 million was enhanced by a slightly more favourable A$/US$ exchange rate. The average value of 0.7697 was 2.0 per cent better than the previous year. For the first time the Company adopted a policy of fully protecting its net foreign exchange exposure by means of hedges and options. Gain on foreign exchange transactions, net of option costs, was $1.669 million.

Table 2: SHARES

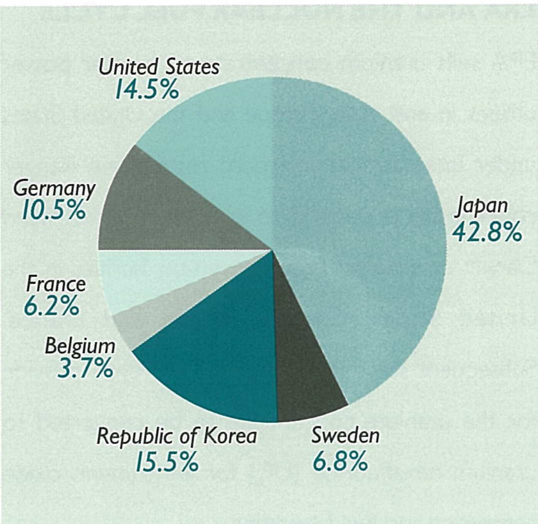
YEAR	1992	1991	1990	1989	1988
Shareholders	14 647	15 519	16 108	17 346	18 463
Price, $ per share					
- year high	1.37	1.68	2.60	3.30	3.00
- year low	1.09	1.20	1.90	2.00	1.80
- year end	1.22	1.47	2.00	2.32	2.80

OTHER REVENUE

Revenue was boosted further by a refund of $10.669 million from the Ranger Rehabilitation Trust Fund ($7.153 million last year). This refund arose from the surplus held in the Trust in excess of the estimated cost of rehabilitating the Ranger Project Area, pursuant to the 1980 agreement between ERA and the Commonwealth.

BORROWINGS

The Jabiluka project adjacent to Ranger was purchased by ERA from Pancontinental Mining



ERA Sales Revenue by Sector ***1992***

Limited for $125 million in August 1991. The purchase was financed by a bridging loan. Interest on this loan and other pre-development costs have been capitalised. The bridging finance facility as well as some existing US$ loans were replaced in July 1992 by a US$150 million multi-option facility arranged with a group of international and Australian banks led by Banque Nationale de Paris.

As a result principally of the Jabiluka acquisition, total borrowings increased from $53.346 million to $184.556 million over the year.

FINANCIAL MANAGEMENT

In view of the depressed market conditions for uranium, ERA's financial management is directed more than ever towards cost efficiency and the preservation of cash. Retirement of debt is a high priority, so as to place the Company in the strongest possible position to fund future development projects.

The reorganisation of Ranger operations, matching production with long term commitments, is the principal initiative. At the same time surplus stocks of finished product will be progressively reduced to augment cash flow and capital expenditure is being limited to essential items.

DIVIDENDS

A fully franked interim dividend of two cents per share was paid on 29 May 1992. This dividend was less than historic interim and final dividends, each of which had been at least five cents per share for several years. The reduced dividend reflects the uncertain outlook in the uranium market and Board recognition of the need to retire debt. Directors have declared a fully franked final dividend of two cents per share, payable on 30 November 1992.

Table 3: PROFIT AND LOSS SUMMARY $ MILLION

YEAR ENDED 30 JUNE	1992	1991	1990	1989	1988
Sales revenue	170.5	210.4	206.9	177.5	251.3
Expenses	96.9	108.4	97.9	86.9	102.0
Abnormal items	(1.7)	-	21.7	-	-
Earnings before interest & tax	71.9	102.0	130.7	90.6	149.3
Net interest expense	2.8	0.4	4.9	10.0	18.2
Profit before tax	69.1	101.6	125.8	80.6	131.1
Income tax expense	30.4	27.6	68.3	42.9	68.0
Profit after tax	38.7	74.0	57.5	37.7	63.1
Extraordinary gain/ (loss) after tax	–	47.3	–	(74.9)	25.4

Table 4: SIMPLIFIED BALANCE SHEET $ MILLION

AT 30 JUNE	1992	1991	1990	1989	1988
Shareholders' equity	**567.5**	**545.2**	**464.8**	**448.3**	**546.9**
Share capital	410.0	410.0	410.0	410.0	410.0
Retained profits	157.5	135.2	54.8	38.3	136.9
Represented by:					
Non-current assets	**733.4**	**617.3**	**641.1**	**660.9**	**713.7**
- property, plant & equipment	725.0	617.3	639.0	660.1	685.4
- other	8.4	-	2.1	0.8	28.3
Non-current liabilities	**287.1**	**188.6**	**171.6**	**232.7**	**225.4**
- creditors and borrowings	177.8	83.4	64.3	127.7	124.7
- provisions	109.3	105.2	107.3	105.0	100.7
Working capital	**121.2**	**116.5**	**(4.7)**	**20.1**	**58.6**
- cash	46.2	7.0	24.0	30.2	18.1
- net receivables	(12.0)	62.0	66.0	57.4	83.0
- stock	128.1	115.2	97.0	85.0	63.0
- other	(41.1)	(67.7)	(191.7)	(152.5)	(105.5)
Net assets	**567.5**	**545.2**	**464.8**	**448.3**	**546.9**
Earnings per share, cents	9.4	18.1	14.0	9.2	15.4
Return on shareholders' equity, per cent	7.0	14.7	12.6	7.6	12.0
Dividends per share, cents	4.0	10.0	10.0	15.0	10.0

MARKETING

"...ERA has aggressively pursued new business in order to expand its contract portfolio and underwrite the future expansion of Ranger..."

ERA AND THE NUCLEAR FUEL CYCLE

ERA sells uranium concentrate to nuclear power utilities in east Asia, Europe and the United States under international safeguard regulations. Ranger concentrate is shipped to customers direct from Darwin or supplied from conversion facilities in the United States, Canada, Britain and France. Subsequent steps in the nuclear fuel cycle provide for the uranium concentrate to be converted to uranium hexafluoride (UF_6) for enrichment, oxide conversion and fuel fabrication.

SALES OF URANIUM

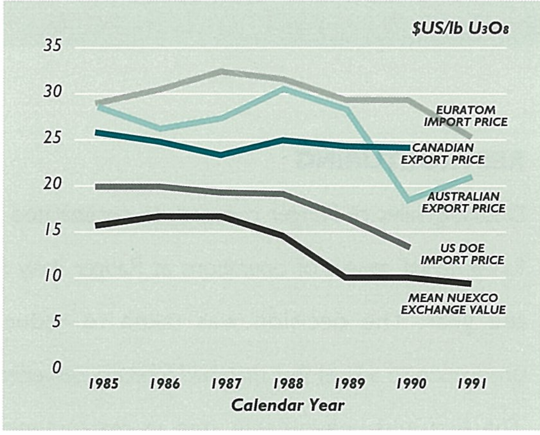
ERA sells uranium under three types of contract, each with different pricing terms,

- fixed price contracts subject to biennial price review,
- market related contracts which reflect the spot price for uranium, and
- formula based contracts which incorporate both long and short term market prices.

Total sales of uranium concentrates during the year were 3 558.5 tonnes U_3O_8, an increase of 4.6 per cent compared with 1991. Of this total, sales of Ranger concentrate were 2 230.1 tonnes U_3O_8 with Japan, the Republic of Korea and France being ERA's major customers. In view of the continuing depressed price, ERA continued its policy of purchasing on the spot market to supply its market related contracts in the United States and western Europe. Total sales of concentrates sourced from third parties during the year were 1 328.4 tonnes U_3O_8.

MARKET REVIEW

Uranium traded on the spot market between US$7.25 and US$8.75 per pound U_3O_8 during the year, closing at US$7.75 per pound U_3O_8.



Market Prices
(Source: Euratom, US DOE, Energy Mines and Resources, Canada)

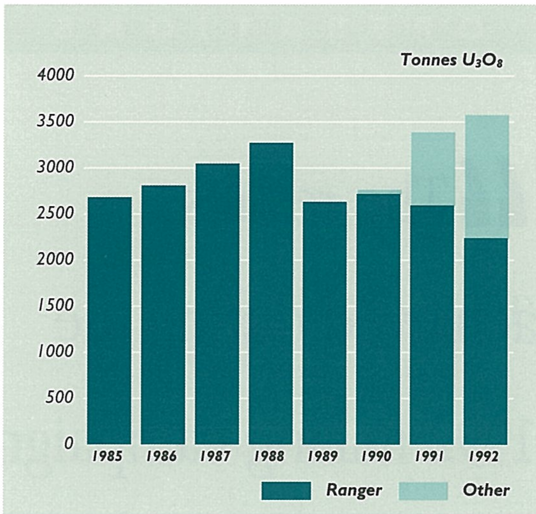
These prices were the lowest in twenty years and well below the total cost of production of most producers.

Uranium consumption continues to outstrip western mine production, reinforcing the trend evident since 1985. In the 1991 calendar year, western world uranium production was 31 700 tonnes U_3O_8, 57 per cent of western utility reactor requirements of 55 300 tonnes U_3O_8, the shortfall being made up by imports from the CIS and excess western inventory drawdown.

In response to the rapid increase in market share won by the CIS and recognising the non-market nature of the CIS economies, a recent ruling by the US Department of Commerce found that CIS uranium imports into the United States had been at less than fair market value. The Department of Commerce has yet to make a final determination on its anti-dumping investigation but has imposed duties of 115.82 per cent on CIS imports in the interim.

Irrespective of the final outcome of the anti-dumping action, it is likely that CIS uranium will retain a significant market share in the years ahead.

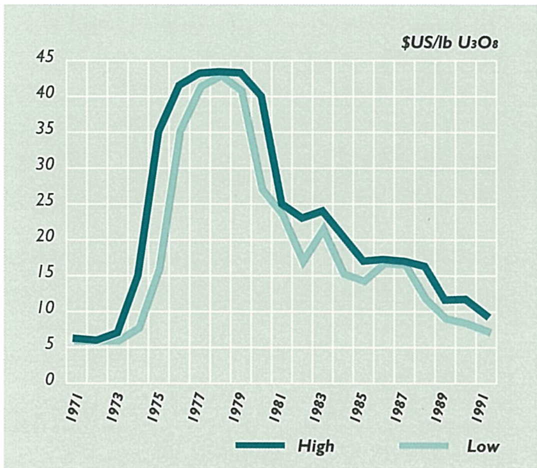
Western reactor requirements are forecast to increase steadily past the year 2000. Both western mine production and inventories are falling year by year, raising the prospect of a shortfall in supply later in the 1990s. CIS exports may delay this shortfall but



ERA Sales

will not bridge the eventual gap. That, of necessity, will require a revival of mine production through the recommissioning of surplus capacity and the development of new mines. Both are contingent upon much improved prices.

During the year, ERA has aggressively pursued new business in order to expand its contract portfolio and underwrite the future expansion of Ranger as demand and prices improve later in the decade. A contract for the supply of 2 500 tonnes U_3O_8 over the period 1995 to 2004 was recently won with Korea Electric Power Corporation, reflecting the willingness of most utilities in the east Asian region in particular to contract directly with uranium producers for long term security of supply. This contract is as yet subject to Australian Government approval.



Nuexco Exchange Value (spot price)

OPERATIONS MINING & MILLING

"The results achieved during the 1992 milling campaign were markedly better both in terms of the technical parameters and cost."

RESTRUCTURING

Declining sales of Ranger concentrate necessitated a fundamental review of operations at Ranger early in the year. The decision was taken to reduce production to a level that matched forecast deliveries.

The first and unavoidable step in restructuring operations at Ranger in November 1991 was the retrenchment of 126 employees representing 41.7 per cent of the workforce at that time. The redundancy package offered to retrenched employees was accepted and no time was lost through industrial action.

For the foreseeable future, while present market conditions prevail, the Ranger process plant will operate from January to June (about 21 weeks) and the mine from June to December (26 weeks) with a five week Christmas shutdown for annual leave.

The first milling campaign ended in May 1992. Operating flexibility, productivity and cost savings all exceeded expectations. The workforce has transferred to the open pit for the duration of the dry season.

Table 5: MINING million tonnes

YEAR ENDED 30 JUNE	1992	1991	1990	1989	1988
Ore mined, cut off grade 0.10% U_3O_8					
to process plant	0.098	0.222	0.468	0.477	0.158
to stockpile	0.337	0.439	0.617	1.923	1.972
total ore mined	0.435	0.661	1.085	2.400	2.130
Low grade mineralisation	0.792	0.569	0.862	1.735	2.840
Construction material	1.316	0.553	1.203	0.440	0.240
Waste rock	–	1.002	0.957	1.399	1.160
Total tonnes mined	2.543	2.785	4.107	5.974	6.370

Table 6: MILLING

YEAR ENDED 30 JUNE	1992	1991	1990	1989	1988
Ore milled, million tonnes					
from mine	0.098	0.222	0.468	0.477	0.158
from stockpile	0.888	0.868	0.621	0.498	0.624
total ore milled	0.986	1.090	1.089	0.975	0.782
Mill head grade, per cent U_3O_8	0.324	0.295	0.314	0.408	0.423
Milling rate, tonnes per hour	158.0	160.4	162.8	168.9	161.2
Mill recovery, per cent	89.83	90.78	90.10	91.06	91.95
Total production, tonnes U_3O_8	2980.0*	2908.3	3084.0	3595.5	3041.5
Product grade, per cent U_3O_8	98.89	98.86	99.05	99.16	99.22

** includes recovery of curcuit inventory at the end of the milling campaign in May 1992.*

RANGER #1

Mining was at a reduced rate compared to previous years as a result of a progressive reduction in manning levels in the early part of 1991 and the cessation of mining in November prior to the milling campaign.

Under the changed operating strategy, mining in #1 Pit will cease on depletion of the ore reserves in December 1995. About 6.8 million tonnes of ore will be held in surface stockpiles at that time if campaign operations are continued throughout the interim period.

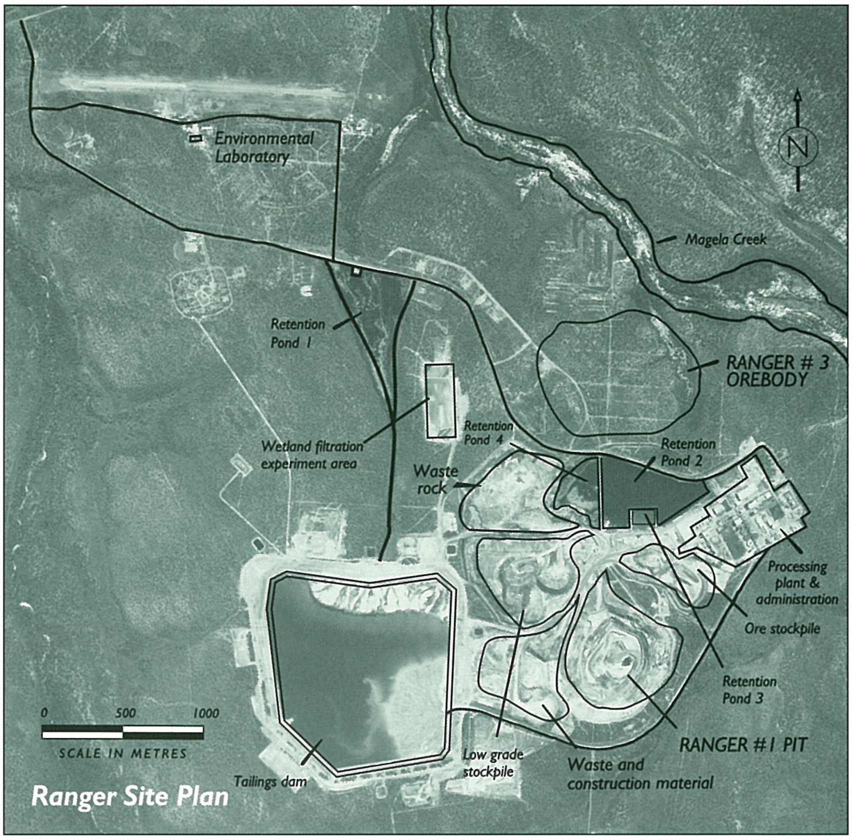


Table 7: RANGER ORE RESERVES

cut off grade 0.10 per cent U_3O_8

AT 30 JUNE	1992			1991		
	ORE, MILLION TONNES	GRADE, PER CENT U_3O_8	CONTAINED U_3O_8 TONNES	ORE, MILLION TONNES	GRADE, PER CENT U_3O_8	CONTAINED U_3O_8 TONNES
Ranger #1						
Stockpile	4.321	0.30	12 800	4.835	0.31	15 100
Proved, in pit	4.120	0.27	11 200	4.561	0.27	12 300
Total	8.441	0.28	24 000	9.396	0.29	27 400
Ranger #3						
Proved	18.970	0.29	55 400	17.590	0.31	54 800
Probable	0.900	0.29	2 600	0.280	0.23	600
Total	19.870	0.29	58 000	17.870	0.31	55 400

Table 8: RANGER MINERAL RESOURCES

cut off grade 0.10 per cent U_3O_8

AT 30 JUNE	1992		1991	
	ORE, MILLION TONNES	GRADE, PER CENT U_3O_8	ORE, MILLION TONNES	GRADE PER CENT U_3O_8
Ranger #3				
Measured	8.4	0.23	3.5	0.23
Indicated	1.0	0.20	1.1	0.22
Total	9.4	0.23	4.6	0.23

The Measured and Indicated Mineral Resources are additional to the Ore Reserves. Ranger #1 Ore Reserve figures declined between 1991 and 1992 due to annual production. Ranger #3 Ore Reserve and Mineral Resource figures increased between 1991 and 1992 due to remodelling of the resource and pit optimisation.
Ore Reserves and Mineral Resources in Tables 7&8 are reported in accordance with the "Australasian Code for Reporting Identified Mineral Resources and Ore Reserves (1992)". The tables have been prepared by a competent person as defined under the Code.

PROCESSING

During the first half of the year, the overall performance of Ranger's process plant varied little from previous years. The results achieved during the 1992 milling campaign were markedly better both in terms of the technical parameters and cost. Production at 2980.0 tonnes U_3O_8 was similar to 1991 but less ore was milled at a higher head grade. Mill feed in the first half of the year was a mixture of primary ore from the pit and stockpiled ore. In the second half year, mill feed was reclaimed entirely from stockpiles.

Significant improvements in the control and use of the two major consumables - sulphuric acid and neutralant - were achieved in the second half of the year and resulted in below budget consumption. Further cost savings were achieved through improved technology in the counter current decantation circuit, reducing the loss of U_3O_8 in solution.

OPERATIONS ENVIRONMENT

> "...through a rigorous interpretation of the complex legislation which covers the operation, ERA has met and exceeded all prescribed environmental and safety standards."

Since inception, strict and complex operating regulations have been in force at Ranger to protect the environment and to ensure the wellbeing of employees. From that time, through a rigorous interpretation of the complex legislation which covers the operation, ERA has met and exceeded all prescribed environmental and safety standards.

WATER MANAGEMENT

Rainfall during the 1991-1992 wet season was well below average with only 983mm falling at Jabiru Airstrip compared to the 21 year average of 1445mm.

In March, permission was granted by the NT Department of Mines and Energy to conduct routine operational releases of water from Ranger's Retention Pond 4 (RP4). RP4, which holds stormwater runoff from the waste rock dumps, has a low uranium content and a healthy aquatic ecosystem. This authorisation was the culmination of extensive monitoring and experimental work.

Routine toxicity testing of Retention Pond waters using sensitive local aquatic organisms (fish, water fleas and hydra) showed that the water held in the three Retention Ponds outside the closed circuit could have been safely released, if required.

Ranger's need for water will decrease under the changed operating strategy of milling in the wet season and mining during the dry season. In anticipation of reduced demand, and continuing past practice, surplus water from RP2 will be dispersed by irrigation prior to the onset of the wet season.

RESEARCH

Continuing the work of earlier years, Ranger accelerated its study of contaminant removal from

View across Retention Pond 1 towards Ranger's tailings dam.

waste water using wetland filtration. An artificial wetland filter system constructed last year has been planted with local aquatic plants and the banks and earthworks vegetated with riparian species. Monitoring equipment has been installed and species establishment, the filtration process and contaminant reduction will be studied during the next wet season.

REHABILITATION

A major revision of the Amended Plan of Rehabilitation was undertaken during the year. The Plan details the work required to rehabilitate the Ranger Project Area in the event of a sudden and premature closure. The revision incorporated the latest changes made to Ranger's operating plans.

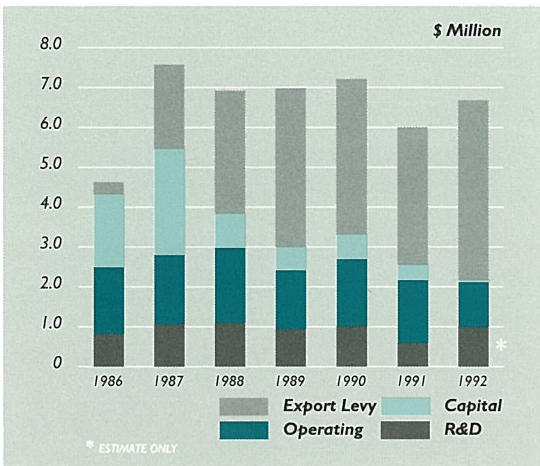
The Rehabilitation Assessor appointed by the Commonwealth Government accepted the principles of the revised Plan. As a result the Department of Primary Industries and Energy authorised the refund of $10.669 million to ERA from the Ranger Rehabilitation Trust Fund. The balance in the fund stood at $50.304 million at year end.

Progressive rehabilitation of the Ranger Project Area continued during the year with the revegetation of three seepage collector sumps around the tailings dam and a five hectare area on the waste rock dump. Three hectares of very low grade mineralisation between the pit and tailings dam were recontoured.

ERA ENVIRONMENTAL SERVICES

There is a growing demand for ERA's environmental expertise. A commercial venture based on this knowledge has completed its first full year of operation. Ranger's analytical laboratory now routinely services ten clients, predominantly from the mining and petroleum industries. Consulting services have undertaken a range of assignments from biological screening to the preparation of an Environmental Impact Statement for the construction of a tailings dam at another Northern Territory mine.

Environmental Expenditure



OPERATIONS WORKFORCE AND COMMUNITY

"The new enterprise award has removed demarcation barriers and puts in place an agreement based on the needs of the operation..."

INDUSTRIAL RELATIONS

Time lost due to industrial action totalled 0.9 per cent of scheduled manhours, all incurred prior to the restructuring in November 1991.

Spurred by the restructuring, Ranger completed negotiations for a new enterprise award during the year with the two unions represented at the site. The Uranium Mining and Processing (NT) Award 1991 was ratified by the Industrial Relations Commission in April 1992 and is the culmination of three years of award restructuring negotiations.

The new enterprise award has removed demarcation barriers and puts in place an agreement based on the needs of the operation including a Skills Extension Program. The Award also provides for more flexible working hours and a new wage structure where pay is matched to skills.

The Skills Extension Program will play a vital part in achieving the level of multiskilling needed to operate

Table 9: VALUE ADDED

YEAR ENDED 30 JUNE	1992 $ MILLION	%	1991 $ MILLION	%
VALUE ADDED				
Sales & other revenue	182.2	100	217.6	100
Less cost of materials & services	51.7	28	53.2	24
Total Value Added (wealth created by ERA)	130.5	72	164.4	76
DISTRIBUTION OF CREATED WEALTH				
Employees salary & wages	11.2	9	11.1	7
Government				
- company income tax	30.4	23	43.2	26
- export levy	4.5	4	3.4	2
- personal income tax	4.0	3	4.3	3
- royalties (Aborigines Benefits Trust Account)	6.2	5	8.2	5
- royalties (NT Government)	1.8	1	2.4	1
- other	1.7	1	3.0	2
- total	48.6	37	64.5	39
Interest to lenders (net)	2.7	2	0.4	–
Dividends	16.4	13	41.0	25
Reinvested in the business				
- depreciation	29.3	22	30.0	18
- retained profit from operations	22.3	17	17.4	11
- total	51.6	39	47.4	29
Total Value Distributed	130.5	100	164.4	100

alternate mine and mill campaigns. It is anticipated that higher levels of training will improve job satisfaction, and hence motivation and performance.

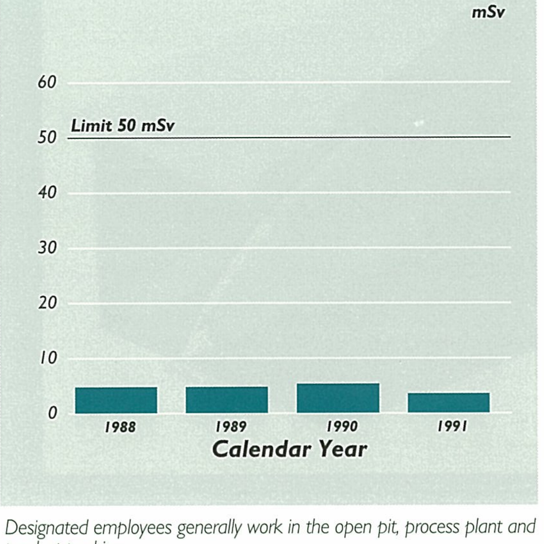
SAFETY AND RADIATION PROTECTION

Ranger's safety Performance Index for 1992 was 407 compared to 394 for 1991. The Performance Index is a safety measurement based on the severity and frequency of lost time injuries.

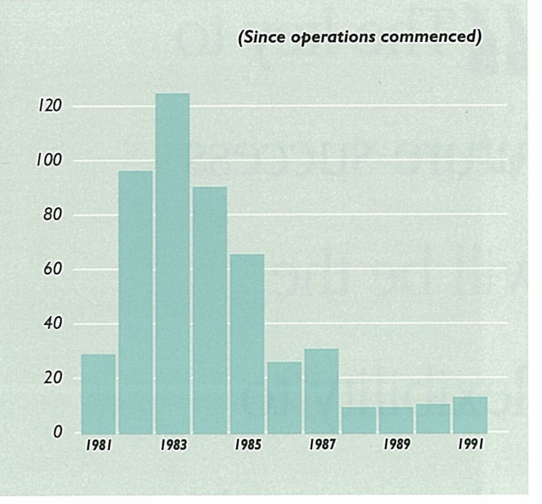
Ranger's radiation monitoring program is designed to ensure that employees and the public are protected from the effects of ionising radiation arising from the Ranger operation. The mean radiation dose to designated employees was 4.6 milliSieverts (mSv) while the mean radiation dose to the most exposed of non-designated employees was 1.4 mSv. The statutory annual radiation limit for designated and non-designated employees is 50 mSv and 5 mSv respectively.

The radiation dose during the 1991 calendar year to residents of Jabiru was calculated at 0.03mSv above natural background. The annual limit for the public is 1 mSv above background.

Average Annual Radiation Doses at Ranger
Designated Employees



Designated employees generally work in the open pit, process plant and product packing.

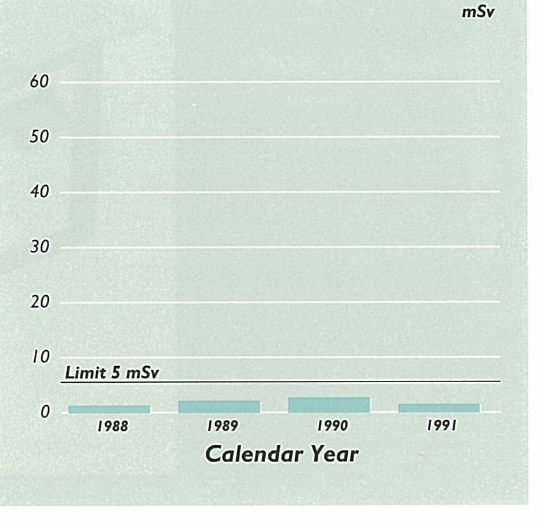


Lost Time Injury Frequency Rate

ABORIGINAL LIAISON

The Company's good rapport with both the local Traditional Owners and Aboriginal associations continued during the year. Visits to outstations and Traditional Owners occurred on a regular basis keeping communications open and responsive. ERA's acquisition of the Jabiluka lease brings with it significant responsibilities to the Djabulukgu Association and its members. The Company hopes to develop a close working relationship with the Association as steps are taken to obtain development approval for this resource.

Average Annual Radiation Doses at Ranger
Non-Designated Employees



DEVELOPMENT PROJECTS

"The key to future success will be the flexibility to tailor operations to the needs of the market."

Despite the recent availability of uranium from the CIS, the fundamentals of supply and demand for uranium continue to highlight the need for increased production and new mines later in the 1990s as excess inventories decrease to normal working levels. The ability of western producers to respond to the forecast requirements is a matter of some concern, given the weakened state of the industry and the complex development approval process for new projects.

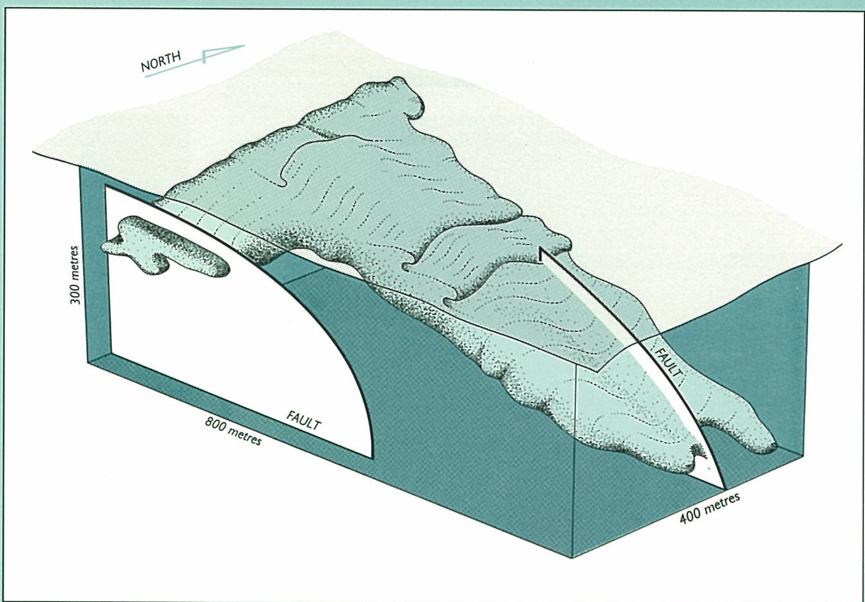
On present indications, the 1990s will present an opportunity for Australia to secure a participation in the industry commensurate with its resources.

ERA is better placed to take advantage of these future opportunities than most of its competitors. Three major projects are being studied that will add substantial value to the Company's existing assets. These projects, outlined below, are being considered both as stand alone developments and in combination.

Ranger #3

Perspective view from the south-east.

The proved and probable ore reserve in Ranger #3 is 19.87 million tonnes @ 0.29 per cent U_3O_8 at a cut off grade of 0.10 per cent U_3O_8



The key to future success will be the flexibility to tailor operations to the needs of the market. With two major resources, a proven plant and competitive production costs, ERA is well placed to develop that flexibility.

MILL EXPANSION

The Ranger plant, originally designed to process 1.1 million tonnes of ore per year, can mill 1.3 million tonnes per year under continuous operating conditions. A simple expansion of the grinding circuit coupled with limited plant extensions and modifications further downstream will allow a cost effective expansion to 2.0 million tonnes of ore per year.

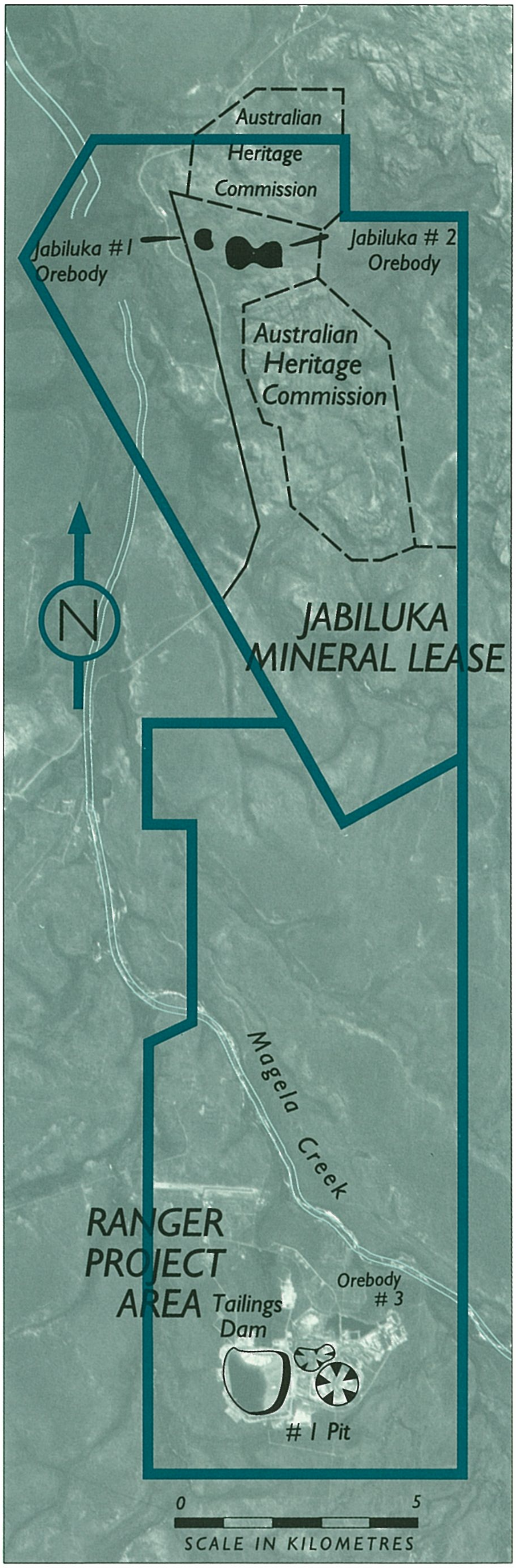
RANGER #3

During the year, the pit design for Ranger #3 was revised and optimised as the first step towards that orebody's eventual development. The geology of Ranger #3 is similar to Ranger #1 and metallurgical test work has confirmed that the present plant can readily process Ranger #3 ore.

Development of Ranger #3 after the depletion of Ranger #1 was proposed in the original Ranger Environmental Impact Statement and as such the environmental requirements for Ranger allow the development of this deposit. Some statutory approvals remain outstanding and additional evaluation of water management and tailings disposal issues will be undertaken during the coming year.

JABILUKA #2

The Jabiluka resource was purchased by ERA in August 1991 for $125 million, a cost believed to be well below the long term value of the resource to the Company. Development of Jabiluka #2 will be subject to a number of formal approval requirements and is at present specifically excluded



Ranger Project Area and Jabiluka Mineral Lease.

under the Federal Government's Three Mines Policy. Work is in progress on a feasibility study. Pancontinental's resource data base has been checked and validated, and the resource estimated again from first principles.

The mineralisation occurs in eight distinct horizons within the Cahill schist formation.

The total resource calculated to a cut off grade of 0.10 per cent U_3O_8 is 45.487 million tonnes at 0.40 per cent U_3O_8; 65 per cent of the resource tonnage and more than 70 per cent of the contained uranium are within a single horizon. The main ore horizon is open both at depth and along strike to the east.

Discrete zones of coincident gold mineralisation occur west of the Hegge Fault. Within the total uranium resource, 2.392 million tonnes grade 3.7 g/t gold in addition to 0.47 per cent U_3O_8.

Table 10: JABILUKA MINERAL RESOURCE

CUT OFF GRADE 0.10 PER CENT U_3O_8

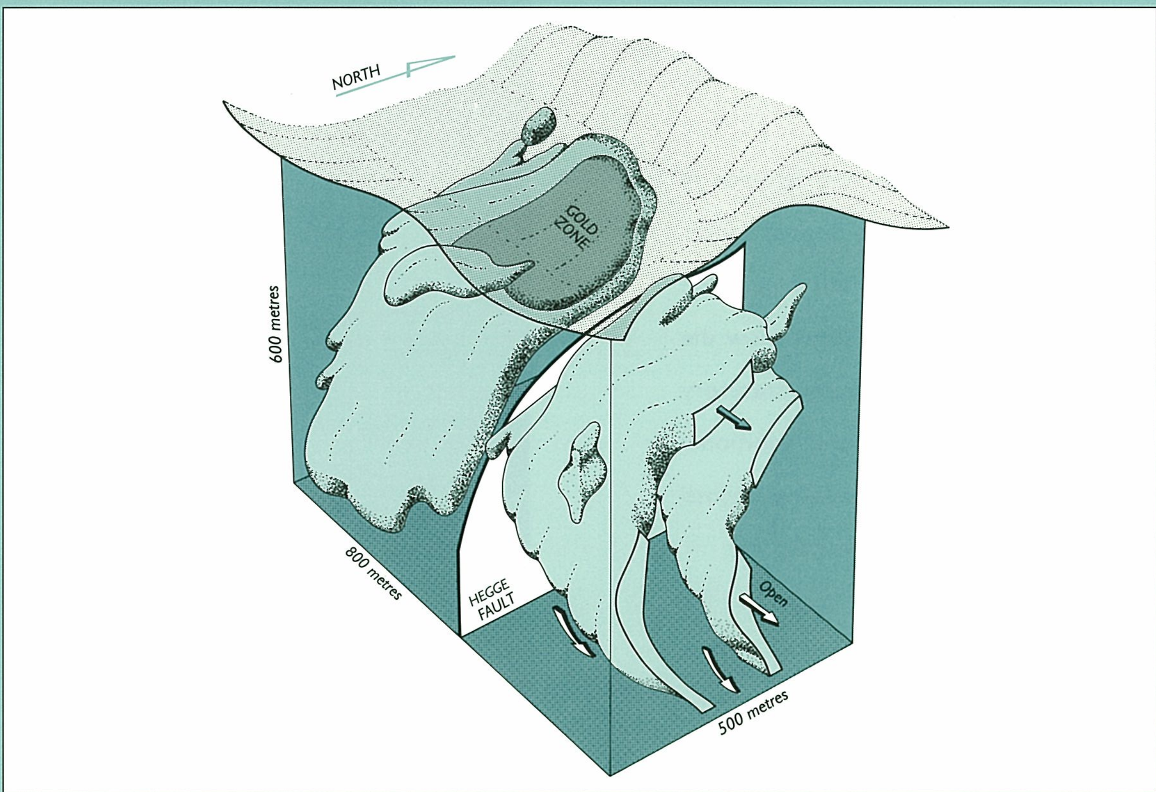
AT 30 JUNE 1992

	ORE, MILLION TONNES	GRADE, PER CENT U_3O_8	CONTAINED U_3O_8 TONNES
Jabiluka #2			
Measured	17.103	0.45	77 600
Indicated	18.941	0.38	71 200
Inferred	9.443	0.35	32 800
Total	**45.487**	**0.40**	**181 600**

Mine design work has begun and the feasibility study is scheduled for completion in 1993. The study will evaluate Jabiluka both as a 'stand alone' mine in succession to Ranger #1 and as a smaller scale development integrated with Ranger #3.

EXPLORATION

Drilling resumed at Jabiluka in June. The 1992 program will assist the geotechnical evaluation of the proposed mine access infrastructure and will provide additional resource information within that part of the orebody to be mined first.



Jabiluka #2 *Perspective view from the south-east*

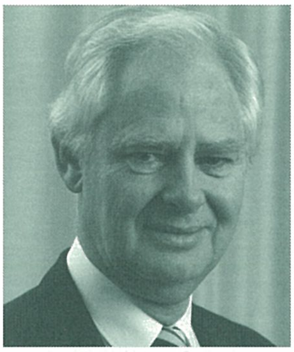
DIRECTORS' OUTLOOK

... the Directors believe significant progress has been made towards addressing both the short term wellbeing and the long term future of the company.

Despite its relative financial strength, the Company was forced during the year to follow the path taken by many other uranium producers and scale down its operations to ensure Ranger's continued viability. Since milling resumed in February, operating performance first in the mill and now in the mine has been the best ever achieved. Given the continuing support of ERA's principal customers, the Board believes that Ranger is now secure for the duration of the depressed market.

Improved trading conditions may yet be several years away. In 1991, western world mine production was less than 60 per cent of consumption, and is likely to continue its downward trend until prices improve as the weaker producers exit the industry and support is withdrawn from high cost mines. The balance between production and consumption has in the past been met from previously accumulated inventories held by utilities and Governments.

Over the past two years, inventory drawdown has been supplemented by increasing exports of uranium from the Commonwealth of Independent States, the former Soviet Union. The long term availability of this material at present levels and at current prices is open to question, but the present perception especially in the US market is one of almost limitless supply.



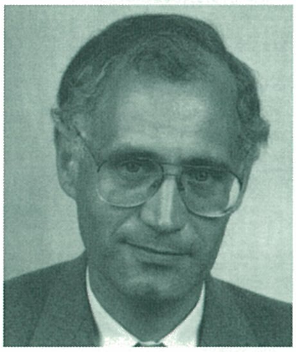
PETER WADE
Chairman of ERA, Managing Director of North Broken Hill Peko Limited.

Given the steady decline of western inventories and the uncertainties surrounding those in the CIS, if supply from surplus production in the CIS should at some time fail to meet market expectations, the effect may well be dramatic.

Such an event, when it happens, will present a golden opportunity for those producers able to respond, and their host countries. Recognising this opportunity, but without being able to forecast its timing, ERA is developing a step-by-step response strategy which given timely Government approvals

DIRECTORS' OUTLOOK

...ERA has the strength and the resources to grow substantially in the years ahead...



YVES COUPIN
Director of ERA, nominated by B-class shareholders. "As a major player in the world nuclear fuel industry, Cogema takes a long term view of its participation in ERA. In that respect, Cogema and its partner EDF, the French utility, appreciate the overall quality and longevity of ERA's uranium reserves."

By restructuring operations at Ranger and by purchasing Jabiluka, the Directors believe that significant progress has been made towards addressing both the short term wellbeing and the long term future of the Company.

Much remains to be done before the Company can develop Jabiluka, not the least of which will be to secure Federal Government approval. Planning and evaluation are progressing steadily within the limits imposed by the need for stringent cost controls.

Resource depletion is no longer an issue; indeed, with both Ranger and Jabiluka, ERA now ranks with the acknowledged world leaders in terms of its resources.

MASUO SHIBATA
Director of ERA, nominated by C-class shareholders. "Japanese electric utilities, Kansai, Kyushu, and Shikoku, hold equity in ERA through JAURD to secure the long term and stable supply of uranium for their nuclear power generation."

Rigorous supply and demand forecasting reaching beyond 2000 indicates that subdued market conditions, and reduced sales from Ranger, may continue for several years. During this period, management will focus on two parallel priorities;

consolidate and enhance the operating improvements already secured at Ranger - reducing costs, conserving cash and repaying debt, working to improve the Company's position relative to its principal competitors; and

position the Company to take full advantage of the eventual recovery in demand and price through a timely expansion of production, thereby ensuring the orderly long term development of the Company.

ERA's present portfolio of contracts covers the delivery of more than 4000 tonnes U_3O_8 per year, if and when utilities call for both base tonnages and options, and is sufficient to underwrite a 50 per cent expansion at Ranger.

With this in mind, a range of development options are currently being studied in order to formulate a flexible response to future market opportunities, however and whenever these may occur. ERA's response to improving demand will depend on the strength of that improvement and the extent to which prices respond to demand. As a first line of response, the Company has a substantial inventory of uranium product stored at the various conversion plants overseas. If, as this inventory is depleted, conditions warrant the resumption of milling year round, this second step can be taken on limited notice and without further capital investment. As described elsewhere, the Company's further response options are

- an expansion of the Ranger process plant by 50 per cent to 2.0 million tonnes of ore per year,
- the development of either Ranger #3 or, subject to Federal Government approval, Jabiluka #2,

or possibly a combination of the two.

Implementation will depend on market conditions, the growth in nuclear power and the market share that the Company can secure.

These development projects, which will allow a measured response to any emerging market scenario, add significantly to ERA's already proven strengths as a mine operator and a reliable supplier of uranium to the world's nuclear power utilities.

The short term outlook may be bleak, but ERA has the strength and the resources to grow substantially in the years ahead as uranium inventories decline and the demand for mine production is restored.

BOARD OF DIRECTORS

PETER H WADE FCPA, aged 58, an accountant. Mr Wade was appointed Chairman of ERA in January 1992 after joining the Board in March 1987. He is Managing Director of North Broken Hill Peko Limited, Chairman of Gunns Kilndried Timber Industries Ltd, Deputy Chairman of the Commonwealth Serum Laboratories Ltd and a Director of Pasminco Limited.

R LAWRENCE BAILLIEU BSc, BA, age 57, a Director of ERA since December 1987. Mr Baillieu is also Deputy Chairman of North Broken Hill Peko Limited, a Director of the National Commercial Union Limited and a Director of the Civil Aviation Authority.

MALCOLM W BROOMHEAD BE, MBA, age 39, was appointed to the Board in January 1992. Mr Broomhead is Executive Director - Mining & Industrial for North Broken Hill Peko Limited. His background includes experience in mining construction and investment.

YVES COUPIN age 49, appointed to the Board in February 1992 at the nomination of the B-class shareholders. Mr Coupin, a mining engineer, is Vice-President - Mining Division of Compagnie Générale des Matières Nucléaires (COGEMA) and Chairman of Cogema Australia Pty Ltd.

G WILLIAM FORSTER FCPA, FCIS, FCIM, age 59, an accountant and a Director of ERA since May 1988.

RICHARD KNIGHT MSc (Eng), DIC, ARSM, C Eng, age 51, a mining engineer and Chief Executive of ERA. Formerly a Group Executive of Peko-Wallsend Ltd, Mr Knight was appointed to the ERA Board in May 1989.

SIR RUPERT MYERS KBE, MSc, PhD, DSc(Hon), DEng(Hon), LLD(Hon), DLitt(Hon), FTS, age 71, a metallurgist and a Director of ERA since September 1981. Sir Rupert Myers is a former Vice-Chancellor of the University of New South Wales. He is also Chairman of Unisearch Limited. Other directorships include CSR Limited, Winston Churchill Memorial Trust in Australia, James N Kirby Foundation and A W Tyree Foundation.

MASUO SHIBATA age 62, appointed to the ERA Board in February 1991 at the nomination of holders of C-class shareholders. Mr Shibata is Senior Managing Director of Kansai Electric Power Company and President and a Director of the Japan Australia Uranium Resources Development Co Ltd (JAURD).

Table 11: URANIUM PRODUCTION AND RESOURCES

	1987	1988	1989	1990	1991	WORLD PRODUCTION 1991, %(2)	WORLD URANIUM RESOURCES <US\$80 PER Kg U (3)
	THOUSAND TONNES U_3O_8(1)						
Australia	4.46	4.21	4.37	4.17	4.43	14.0	486 500[4]
Canada	14.67	14.69	13.39	10.28	9.70	30.6	132 000
France	3.75	4.07	3.88	3.32	2.91	9.2	42 000
Gabon	0.94	1.10	1.03	0.84	0.80	2.5	13 000
Germany	4.85	4.67	4.52	3.50	1.33	4.2	1 000
Namibia	4.18	4.14	3.63	3.79	2.89	9.1	112 000[4]
Niger	3.54	3.50	3.49	3.34	3.50	11.0	174 000
South Africa	4.66	4.57	3.49	2.92	1.99	6.3	317 000
USA	5.68	5.98	6.07	3.99	3.58	11.3	107 000
Other[5]	0.97	0.94	0.61	0.72	0.60	1.8	929 300[6]
Total	47.70	47.87	44.48	36.87	31.73	100.0	2 313 800

1 Production data from the Uranium Institute.
2 Excludes production from eastern Europe, CIS and China; estimated CIS 1991 production 12 380 tonnes U_3O_8 (Uranium Institute).
3 Unless otherwise indicated, the figures quoted are for Reasonably Assured Resources (tonnes U) as at January 1989 (IAEA 1990).
4 Uranium Institute data.
5 Production data includes Argentina, Belgium, Brazil, India, Portugal and Spain; excludes eastern Europe, CIS and China.
6 Derived total. Includes CIS Reasonably Assured Resources of 465 000 tonnes U.

Table 12: CONVERSION FACTORS

FROM	TO	MULTIPLY BY
U	U_3O_8	1.1793
U_3O_8	U	0.8480
tonnes U	pounds U_3O_8	2599.8
pounds U_3O_8	kg U	0.3846
tonnes	pounds	2204.6
pounds	kg	0.4536
kg	tonnes	1000

Table 13: TOP TEN URANIUM MINES 1991

MINE	COUNTRY	PRINCIPAL OWNER	MINE TYPE	PRODUCTION, THOUSAND TONNES U_3O_8	WORLD PRODUCTION, PER CENT *
Key Lake	Canada	Cameco	Open pit	6.389	20.1
Ranger	**Australia**	**ERA**	**Open pit**	**3.121**	**9.8**
Rossing	Namibia	Rossing Uranium	Open pit	2.890	9.1
Akouta	Niger	Cominak	Underground	1.769	5.6
Olympic Dam	Australia	WMC/BP	By-product (copper)	1.313	4.1
Vaal Reefs	South Africa	Anglo American	By-product (gold)	1.104	3.5
Herault	France	Cogema	Open pit/underground	1.075	3.4
La Crouzille	France	Cogema	Open pit/underground	1.050	3.3
Elliot Lake	Canada	Denison	Underground	0.945	3.0
Arlit	Niger	Somair	Open pit	0.907	2.9
Total				20.563	64.8

* *Excludes eastern Europe, CIS and China.*

Table 14: NUCLEAR POWER AROUND THE WORLD 1991

COUNTRY	REACTORS IN OPERATION	CAPACITY, MWe	REACTORS UNDER CONSTRUCTION	CAPACITY, MWe	OUTPUT, TWh	NUCLEAR, PER CENT	OPERATING EXPERIENCE, YEARS+ MONTHS	URANIUM REQUIREMENTS, TONNES U_3O_8 *
Argentina	2	935	1	692	7.2	19.1	26.7	197
Belgium	7	5484	-	-	40.4	59.3	107.7	1167
Brazil	1	626	1	1245	1.3	0.6	9.9	40
Bulgaria	6	3538	-	-	13.2	34.0	59.6	792
Canada	20	13993	2	1762	80.1	16.4	263.1	1851
China	1	288	2	1812	-	-	0.1	409
CIS	45	34673	25	21255	212.1	12.6	559.3	5487
Cuba	-	-	2	816	-	-	-	-
Czechoslovakia	8	3264	6	3336	22.2	28.6	68.1	993
Finland	4	2310	-	-	18.4	33.3	51.4	572
France	56	56873	5	7705	314.9	72.7	655.3	9350
Germany	21	22390	-	-	140.0	27.6	425.8	3913
Hungary	4	1645	-	-	12.9	48.4	26.2	327
India	7	1374	7	1540	4.7	1.8	93.1	209
Iran	-	-	2	2392	-	-	-	-
Japan	42	32044	10	9192	209.5	23.8	514.3	8530
Korea RP	9	7220	3	2550	53.5	47.5	63.1	1625
Mexico	1	654	1	654	4.1	3.6	2.9	129
Netherlands	2	508	-	-	3.5	4.9	41.9	109
Pakistan	1	125	-	-	0.4	0.8	20.3	9
Romania	-	-	5	3125	-	-	-	-
South Africa	2	1842	-	-	9.1	5.9	14.3	268
Spain	9	7067	-	-	53.2	35.9	110.7	1526
Sweden	12	9817	-	-	73.5	51.6	171.2	2046
Switzerland	5	2952	-	-	21.7	40.0	83.10	620
Taiwan	6	4890	-	-	33.9	37.8	62.1	1070
UK	37	11710	1	1188	62.0	20.6	925.10	2305
USA	111	99757	3	3480	612.6	21.7	1592.3	19660
Yugoslavia	1	632	-	-	4.7	6.3	10.3	131
Total	420	326611	76	62044	2009.1	n/a	6038.9	63335

*Source: IAEA, * data from Uranium Institute.*

Tables 11,13 and 14 present calendar year figures only.

Financial Statements and Statutory Information for the year ended 30 June 1992

Directors' Report

The directors of Energy Resources of Australia Ltd (ERA) present the financial statements of the Company and its controlled entities for the year ended 30 June 1992.

DIRECTORS

The following persons hold office as directors of ERA at the date of this report:

P H Wade, Chairman (Alternate Dr D R Stewart)

R L Baillieu (Alternate Dr D R Stewart)

M W Broomhead

Y Coupin, representing holders of B Class shares (Alternate L Corbier)

G W Forster

R Knight, Chief Executive

Sir Rupert Myers

M Shibata, representing holders of C Class shares (Alternate H Katsura, K Nawa, S Sato, M Yoshida)

Mr A L Morokoff retired as Chairman of ERA on 31 December 1991, Dr E Miller retired from the Board on 31 December 1991 and was replaced by Mr M W Broomhead, Mr H Weise retired as the Director representing C Class shareholders on 22 February 1992 and was replaced by Mr Y Coupin.

Ten Board meetings were held during 1992. Attendances by each director or their alternate were P H Wade 10, R L Baillieu 10, M W Broomhead 5, Y Coupin 3, G W Forster 10, R Knight 10, Sir Rupert Myers 9, M Shibata 10, A L Morokoff 6, Dr E Miller 5, H Weise 7.

PRINCIPAL ACTIVITIES

The principal activities of ERA and its controlled entities in the course of the financial year consisted of mining, processing and the sale of uranium. There was no change in the nature of those activities during the financial year.

DIVIDENDS

The following fully franked dividends have been or are payable by ERA:

	1992 $000	1991 $000
Interim dividend of two (2) cents per share paid on 29 May	**8 200**	–
Interim dividend of five (5) cents per share paid on 31 May	**–**	20 500
Final dividend of five (5) cents per share paid on 29 November	**–**	20 500
Final dividend of two (2) cents per share payable on 30 November	**8 200**	–
TOTAL DIVIDENDS FOR YEAR	**16 400**	41 000

REVIEW OF OPERATIONS

The operating profit after tax for ERA for the year ended 30 June 1992 was $38.686 million (1991: $74.050 million). Sales revenue for the year ended 30 June 1992 was $170.459 million (1991: $210.407 million).

A full review of the operations of ERA during the year ended 30 June 1992 is shown in this Annual Report in the sections entitled Finance (Page 4), Marketing (Page 6), Operations - Mining & Milling (Page 8), Operations - Environment (Page 10) and Operations - Workforce and Community (Page 12).

STATE OF AFFAIRS

The directors are not aware of any significant change in the state of affairs of the economic entity that occurred during the financial year which has not been covered elsewhere in this Annual 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 effect the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in subsequent financial years except as stated elsewhere in this Annual Report.

LIKELY DEVELOPMENTS

In the opinion of the directors, likely developments in the operations of the economic entity known at the date of this report have been covered within the Annual Report, the Balance Sheet and Profit and Loss Account and notes thereto.

A review of developments and the outlook for ERA is presented in the sections entitled Development Projects (Page 14) and Directors' Outlook (Page 17) in this Annual Report.

INFORMATION ON DIRECTORS

The particulars of qualifications, experience and special responsibilities of ERA's directors are shown in the section entitled Board of Directors (Page 19) in this Annual Report.

The interests of each Director in the share capital of the Company as at 14 August 1992 are shown below.

DIRECTOR	ERA*	NORTH**
R L Baillieu	10 000	1 434 516 319 768 *(non beneficially held)*
M W Broomhead	–	3 000 250 000 Options
G W Forster	5 000	34 470 450 000 Options
R Knight	–	129 357 300 000 Options
Sir Rupert Myers KBE	2 000	–
Dr D R Stewart	–	2 880
P H Wade	2 000	11 211 750 000 Options

***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.)

DIRECTORS' BENEFITS

No Director of ERA, since 30 June 1991, has received or become entitled to receive a benefit other than Director's remuneration included in note 24 (page 33) forming part of the accounts.

SHARE OPTIONS

No options on shares in ERA or in any controlled entity have been granted during the financial year and up to the date of this report nor are any such options outstanding.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in regulation 3.6.05(6) of the Corporations Regulations and amounts in the Directors' Report and financial statements are rounded off to the nearest thousand dollars, in accordance with section 311 of the Corporations Law and regulation 3.5.05.

INFORMATION ON AUDITORS

Coopers & Lybrand, continues in office in accordance with section 327 of the Corporations Law.

Signed at Sydney this 26th day of August 1992 in accordance with a resolution of the directors.

P H Wade
Director

R Knight
Director

Profit and Loss Account

For the year ended 30 June 1992

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	Note	CONSOLIDATED AND PARENT **1992 $000**	CONSOLIDATED AND PARENT 1991 $000
Operating profit before abnormal items and income tax	2, 3	**70 815**	101 604
Abnormal items before income tax	4	**(1 726)**	-
Operating profit before income tax		**69 089**	101 604
Income tax attributable to operating profit	5, 6	**(30 403)**	(27 554)
Operating profit after income tax		**38 686**	74 050
Profit on extraordinary item	6	**–**	47 326
Operating profit and extraordinary item after income tax		**38 686**	121 376
Retained profits at the beginning of the financial year		**135 169**	54 793
Total available for appropriation		**173 855**	176 169
Dividends provided for or paid	8	**(16 400)**	(41 000)
Retained profits at the end of the financial year		**157 455**	135 169

The above Profit and Loss Account should be read in conjunction with the accompanying notes.

Balance Sheet

At 30 June 1992

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	Note	CONSOLIDATED AND PARENT **1992 $000**	CONSOLIDATED AND PARENT 1991 $000
Current Assets			
Cash	9	**35 053**	4 597
Receivables	10	**28 741**	79 876
Inventories	11	**128 107**	115 155
Other	12	**20 085**	10 821
Total Current Assets		**211 986**	210 449
Non-Current Assets			
Receivables	13	**8 374**	–
Property, plant & equipment	14	**725 046**	617 307
Other	15	**–**	–
Total Non-Current Assets		**733 420**	617 307
Total Assets		**945 406**	827 756
Current Liabilities			
Creditors and borrowings	16	**51 820**	20 733
Provisions	17	**39 054**	73 249
Total Current Liabilities		**90 874**	93 982
Non-Current Liabilities			
Creditors and borrowings	18	**177 827**	83 355
Provisions	19	**109 250**	105 250
Total Non-Current Liabilities		**287 077**	188 605
Total Liabilities		**377 951**	282 587
Net Assets		**567 455**	545 169
Shareholders' Equity			
Share capital	20	**410 000**	410 000
Retained profits		**157 455**	135 169
Total Shareholders' Equity		**567 455**	545 169

The above Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 1992

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	Note	CONSOLIDATED AND PARENT **1992** **$000** Inflows (Outflows)	CONSOLIDATED AND PARENT 1991 $000 Inflows (Outflows)
Cash flows from operating activities			
Receipts from customers		**214 799**	202 131
Payments to suppliers and employees		**(100 499)**	(99 028)
		114 300	103 103
Interest received		**1 881**	4 768
Interest and other costs of finance paid		**(5 278)**	(4 456)
Income taxes paid		**(47 041)**	(80 844)
Rehabilitation Trust Fund refunds		**10 669**	22 580
Net cash inflow from operating activities	28	**74 531**	45 151
Cash flows from investing activities			
Payments for property, plant and equipment		**(1 833)**	(7 934)
Proceeds from sale of property, plant and equipment		**1 020**	43
Payment for Jabiluka resource		**(125 000)**	–
Interest paid and capitalised		**(9 595)**	–
Jabiluka study costs paid and capitalised		**(762)**	–
Net cash outflow from investing activities		**(136 170)**	(7 891)
Cash flows from financing activities			
Proceeds from borrowings		**156 552**	75 262
Repayment of borrowings		**(27 886)**	(88 851)
Loans from related parties		**–**	12 705
Repayment of loans to related parties		**–**	(12 090)
Dividends paid	8	**(28 700)**	(41 000)
Net cash inflow (outflow) from financing activities		**99 966**	(53 974)
Net increase (decrease) in cash held		**38 327**	(16 714)
Cash at the beginning of the financial year		**7 024**	24 016
Effects of exchange rate changes on cash		**823**	(278)
Cash at the end of the financial year	9	**46 174**	7 024

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements

1. Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared in accordance with Statements of Accounting Concepts, applicable Accounting Standards and the disclosure requirements of schedule 5 of the Corporations Regulations.

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 economic entity as a whole. A list of controlled entities appears in note 26. All inter-company transactions are eliminated.

Where the heading "Consolidated and Parent" appears, the accounts for the parent entity 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 recoverable 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.

Exchange differences on the specific hedging of revenue and expense items are deferred until the date of purchase or sale at which time they are included in the measurement of the transactions to which they relate.

Costs or gains arising at the time of entering into hedge transactions are accounted for separately and brought to account in profit and loss over the lives of the hedge transactions.

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 were amortised over eight and one-half years from 15 November 1981 to the scheduled final repayment of the project loans. Cost incurred in 1986 were 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 representative of the pattern of benefits derived from the leased assets and accordingly are charged to the Profit and Loss Account in the periods in which they are incurred.

Contributions to Superannuation Funds

Contributions made by the economic entity 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.

Cash

For purposes of the Statement of Cash Flows, cash includes deposits at call and short term deposits which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

Jabiluka Uranium Resource

The cost of the Jabiluka uranium resource and related development costs are carried forward as exploration and evaluation expenditure to the extent that they are expected to be recouped through successful development and economic exploitation of the resource. Such costs will be transferred to mine properties and subsequently amortised against production from that area.

Interest Expense

Interest is expensed as incurred except where it relates to specific borrowings for the financing of major projects where it is capitalised up to the date when the asset is substantially completed and ready for its intended use.

Comparative Figures for 1991

Where necessary comparative figures for 1991 have been adjusted to conform with changes in presentation in 1992.

Notes to and forming part of the Financial Statements

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT **1992 $000**	CONSOLIDATED AND PARENT 1991 $000
2. Revenue		
(a) Sales revenue	**170 459**	210 407
(b) Other revenue		
Rehabilitation refund	**10 669**	7 153
Interest received/receivable	**1 840**	4 803
Proceeds on sale of non-current assets	**1 020**	43
	183 988	222 406

3. Operating Profit

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

	1992 $000	1991 $000
Charges:		
Amortisation of Ranger Project Rights	**13 662**	13 674
Amortisation of deferred expense	**–**	284
Amortisation of leased assets	**568**	984
Depreciation of non-current assets	**15 053**	15 036
Royalty type expense	**1 763**	2 352
Payments for Aboriginal interests	**6 195**	8 198
Rehabilitation fund costs	**23**	23
Auditors' remuneration		
audit of parent and controlled entities	**112**	125
other services	**248**	194
Rent expense on operating leases	**1 034**	936
Finance charges on finance leases	**129**	307
Contributions to employee retirement funds	**78**	565
Interest paid/payable to		
related corporations	**–**	86
other corporations	**4 510**	4 805
Provision for employee entitlements	**1 435**	2 560
Provision for stores obsolescence	**80**	158
Provision for maintenance	**267**	426
Provision for doubtful debts	**18**	–
Loss on disposal of non-current assets	**266**	–
Credits:		
Interest received/receivable from other corporations	**1 840**	4 803
Profit on disposal of non-current assets	**–**	12

Notes to and forming part of the Financial Statements

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT **1992 $000**	CONSOLIDATED AND PARENT 1991 $000

4. Abnormal Items

The operating profit after income tax is arrived at after crediting and charging the following abnormal items:		
Credits:		
Amount provided for contested income tax no longer required (notes 5 & 6)	**-**	15 665
Charges:		
Retrenchment costs	**1 726**	–
Income tax benefit attributable to abnormal item	**(673)**	–
Abnormal items after income tax	**1 053**	–

5. Income Tax

Income tax is calculated as follows:		
Operating profit before income tax	**69 089**	101 604
Tax calculated at 39%	**26 945**	39 625
Tax effect of permanent differences:		
Amortisation of Ranger Project Rights and other non-allowable items	**4 244**	4 974
Prima facie tax adjusted for permanent differences	**31 189**	44 599
Income tax overprovided in prior year	**-**	(1 380)
Income tax refund	**(786)**	–
Abnormal items:		
Writeback of contested income tax (notes 4 & 6)	**-**	(15 665)
Income tax expense on operating profit	**30 403**	27 554

6. Extraordinary Items

Writeback of contested income tax	**-**	47 326

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 1991 financial statements, the Company was in dispute with the Commissioner of Taxation regarding the income tax liabilities of the Company for the years 1984 to 1989 inclusive. The Company took a prudent approach to the dispute and provided for the full amount of primary tax in dispute and interest totalling $92 991 000 by 30 June 1990.

This dispute was settled in full on 28 June 1991 with payments totalling $30 000 000 to the Australian Taxation Office.

The balance of $62 991 000 was written back to the 1991 Profit and Loss Account on the following basis:

i) $15 665 000 as abnormal;

ii) $47 326 000 as extraordinary.

Although it was proper for the writeback of $47 326 000 to be included as an extraordinary item in the Profit and Loss Account for the year ended 30 June 1991, such a writeback would now need to be included as an abnormal item in the Profit and Loss Account because of a change in the law. If the writeback had been classified totally as an abnormal item that would have had no impact on retained profits at 30 June 1991.

7. Foreign Currency

The economic entity has sales proceeds in United States dollars exceeding repayments of borrowings, interest and other costs in United States dollars.

Foreign currency options and hedge contracts which matured during the year in respect of sales proceeds received in United States dollars increased revenue for the year by A$1 669 000 (1991: A$3 077 000).

The net exchange loss included in the Profit and Loss Account for the year on the holding of net foreign monetary assets was A$637 000 (1991: A$1 004 000)

Notes to and forming part of the Financial Statements

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT 1992 $000	CONSOLIDATED AND PARENT 1991 $000
8. 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	**8 200**	20 500
Dividends provided for during this period which will, when paid, be franked out of franking credits already in existence	**8 200**	20 500
Unappropriated profits 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	**157 455**	132 646
9. Cash		
Cash at banks and on hand	**30 053**	597
Short-term deposits (at call)	**5 000**	4 000
	35 053	4 597
The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:		
Balance as above	**35 053**	4 597
Add: Short-term deposits (note 12)	**12 000**	3 983
Less: Bank overdrafts (note 16)	**879**	1 556
Balance per Statement of Cash Flows	**46 174**	7 024
10. Current Assets - Receivables		
Amount owing from ultimate parent entity	**–**	16
Loans to directors	**13**	9
Trade debtors[a]	**27 173**	76 453
Other debtors[b]	**1 585**	3 410
Less provision for doubtful debts	**30**	12
	28 741	79 876
11. Current Assets - Inventories		
Stores	**10 130**	12 788
Less provision for obsolescence	**1 112**	1 033
	9 018	11 755
Ore stockpile	**24 811**	23 981
Work in progress	**104**	2 266
Finished product U_3O_8	**94 174**	77 153
At cost	**128 107**	115 155

[a] Bad debts written off against provisions: $Nil (1991: $Nil)

[b] Bad debts written off against provisions: $Nil (1991: $Nil)

Notes to and forming part of the Financial Statements

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT 1992 $000	CONSOLIDATED AND PARENT 1991 $000
12. Current Assets - Other		
Short-term deposits	**12 000**	3 983
Prepayments	**8 085**	6 838
	20 085	10 821
13. Non-Current Assets - Receivables		
Term debtors	**8 374**	–
14. Non-Current Assets - Property, Plant and Equipment		
Land - cost	**1**	1
Building - cost	**92 637**	93 777
Less provision for depreciation	**29 782**	28 029
	62 855	65 748
Plant and equipment - cost	**340 656**	337 513
Less provision for depreciation	**125 273**	110 602
	215 383	226 911
Mine properties		
Ranger Project Rights - cost	**407 000**	407 000
Less accumulated amortisation	**96 583**	82 921
	310 417	324 079
Exploration and evaluation expenditure		
Jabiluka uranium resource - cost	**125 000**	–
Interest capitalised	**10 628**	–
Jabiluka costs capitalised	**762**	–
	136 390	–
Plant and equipment - leased	**703**	3 960
Less accumulated amortisation	**703**	3 392
	–	568
Total property, plant and equipment	**725 046**	617 307

The directors believe that based on their expectation of future foreign exchange and interest rates, sales prices of uranium and government approval to sell such uranium, the recoverable amount of non-current assets is in excess of the carrying value of the non-current assets. In determining this recoverable amount future cash flows have been discounted to their present values.

In accordance with clause 32(2) of schedule 5 of the Corporations Regulations, the directors believe the above values assigned to land and buildings appropriately reflect current values based on their existing use.

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.

Notes to and forming part of the Financial Statements

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT **1992** **$000**	CONSOLIDATED AND PARENT 1991 $000
15. Non-Current Assets - Other		
Share issue expenses - cost	**–**	3 158
Borrowing costs - cost	**–**	5 592
	–	8 750
Less accumulated amortisation	**–**	8 750
	–	–
16. Current Liabilities - Creditors and Borrowings		
Unsecured:		
Bank overdraft	**879**	1 556
Bank loans	**10 000**	–
Finance lease liabilities	**65**	1 239
Amount owing to related corporation	**8**	113
Amount owing to ultimate parent entity	**138**	–
	11 090	2 908
Trade creditors	**33 064**	9 387
Other creditors	**7 666**	8 438
	40 730	17 825
	51 820	20 733
17. Current Liabilities - Provisions		
Employee entitlements	**2 341**	2 872
Maintenance	**155**	191
Dividend	**8 200**	20 500
Income tax	**28 358**	49 686
	39 054	73 249
18. Non-Current Liabilities - Creditors and Borrowings		
Unsecured:		
Notes and bills payable	**16 036**	–
Bank loans	**158 455**	52 022
Finance lease liabilities	**–**	85
Term creditors	**3 336**	31 248
	177 827	83 355
19. Non-Current Liabilities - Provisions		
Employee entitlements	**917**	1 598
Deferred income tax	**108 333**	103 652
	109 250	105 250

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 1936* are the main factors.

Notes to and forming part of the Financial Statements

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT **1992 $000**	CONSOLIDATED AND PARENT 1991 $000
20. 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.

21. Contingent Liabilities

Energy Resources of Australia Ltd

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 $48 156 000 at 31 March 1992 (1991: $51 353 000) whilst the balance of the Ranger Rehabilitation Trust Fund was $50 304 000 at 30 June 1992 (1991: $52 739 000).

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 1976* 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 exceeded the contract price as set out in the sale agreements with certain customers, the customer became 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. In the unlikely event that the spot price does not reach US$16 per pound U_3O_8 in the case of one contract, an amount of A$8 811 000 is payable in the year 2005.

A dispute with the Australian Taxation Office in relation to the assessability/deductibility of realised foreign exchange gains/losses on certain borrowings has resulted in the issue of amended assessments to the Company for the 1987 and 1988 years. The amended assessments are being contested by the Company. The period over which the gains/losses have arisen is 1986 to 1991. The effect of applying the Australian Taxation Office's basis of calculation to all of the relevant years results in a claim against the Company for a further $870 000 of tax. This amount has not been recognised in the financial statements.

Other Persons

ERA has given a guarantee to a bank in respect of a term loan of $250 000 for the Jabiru Golf Club.

No material losses are anticipated in respect of any of the above contingent liabilities.

Notes to and forming part of the Financial Statements

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT **1992** **$000**	CONSOLIDATED AND PARENT 1991 $000
22. Commitments		
(a) Commitments for capital expenditure		
Aggregate capital expenditure contracted for, but not provided for in the accounts		
Not later than one year	**594**	473
(b) Lease Commitments		
(i) Operating Leases		
Aggregate of amounts contracted but not provided for in the accounts	**6 909**	8 532
Due within 1 year	**987**	939
Due between 1-2 years	**987**	939
Due between 2-5 years	**2 749**	2 733
Due after 5 years	**2 186**	3 921
	6 909	8 532
(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	**65**	1 240
non-current	**–**	85
	65	1 325
Finance lease commitments		
Due within 1 year	**86**	1 380
Due between 1-2 years	**–**	86
Minimum lease payments	**86**	1 466
Less future finance charges	**21**	141
	65	1 325

(iii) Mineral Tenement Leases

In order to maintain current rights of tenure to mining tenements the economic entity will be required to outlay in the year ending 30 June 1993 an amount of approximately $73 000 in respect of tenement lease rentals.

(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 Land 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 Aborigines Benefits Trust Account pursuant to section 63(5) of the *Aboriginal Land Rights (N.T.) Act 1976*. These amounts are calculated as though they were royalties payable pursuant to the *Mining Act 1980 of the Northern Territory* and represent 4.25% of net sales revenue (1992: $5 995 000 / 1991: $7 998 000);

(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% of net sales revenue (1992: $1 763 000 / 1991: $2 352 000);

(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 1953* may determine) of the payments received by the Company 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.

Notes to and forming part of the Financial Statements

23. 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 plans. The Company's contributions are legally enforceable up to the date upon which any such obligation is terminated by appropriate action pursuant to the trust deed.

An actuarial assessment of the plans was last made at 1 July 1990 by W E Walker FIAA of William M Mercer Campbell Cook & Knight Pty Ltd. According to the assessment, at the time of the assessment, funds were available to satisfy all benefits that would have been vested under each plan in the event of the termination of the plan, or the voluntary or compulsory termination of employment of each employee member.

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT **1992 $000**	CONSOLIDATED AND PARENT 1991 $000

24. Directors' and Executives' Remuneration

(i) Remuneration of Directors

The number of directors of the Company, including alternate and executive directors, who received income or in respect of whom income is due and receivable, from the Company and related corporations (including North Broken Hill Peko Limited), within the following bands are:

			1992	1991
$ 0	to	$ 9 999	**1**	1
$ 10 000	to	$ 19 999	**1**	1
$ 20 000	to	$ 29 999	**2**	2
$ 30 000	to	$ 39 999	**1**	–
$ 40 000	to	$ 49 999	**2**	1
$ 90 000	to	$ 99 999	**–**	1
$130 000	to	$139 999	**–**	1
$170 000	to	$179 999	**1**	2
$190 000	to	$199 999	**–**	1
$210 000	to	$219 999	**1**	–
$240 000	to	$249 999	**1**	–
$250 000	to	$259 999	**1**	–
$270 000	to	$279 999	**–**	1
$490 000	to	$499 999	**–**	1
$610 000	to	$619 999	**1**	–

Total remuneration received or due and receivable by the directors, including alternate and executive directors, from:	1992 $000	1991 $000
the Company	**388**	427
related corporations (including North Broken Hill Peko Limited)	**1 313**	1 222
	1 701	1 649

(ii) Remuneration of Executives

The number of executive officers and executive directors who received income, or in respect of whom income is due and receivable, which equals or exceeds $100 000, from the Company, within the following bands are:

			1992	1991
$100 000	to	$109 999	**1**	1
$110 000	to	$119 999	**3**	3
$120 000	to	$129 999	**2**	1
$130 000	to	$139 999	**–**	1
$140 000	to	$149 999	**2**	1
$150 000	to	$159 999	**2**	1
$190 000	to	$199 999	**–**	1
$240 000	to	$249 999	**1**	–

	1992 $000	1991 $000
Total remuneration received or due and receivable by these executives from the Company	**1 542**	1 206

Notes to and forming part of the Financial Statements

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT **1992 $000**	CONSOLIDATED AND PARENT 1991 $000

24. Directors' and Executives' Remuneration [CONT'D]

(iii) Retirement Benefits

Amounts paid by the Company and related corporations (including North Broken Hill Peko Limited) to superannuation funds and directors in respect of the directors, alternate directors and principal executive officers' retirement	**705**	53

Amounts are shown in aggregate as the directors believe the provision of full particulars would be unreasonable.

25. Related Parties

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

Controlled Entities

Information relating to controlled entities is set out in note 26.

Ultimate Parent Entity

The ultimate parent entity is North Broken Hill Peko Limited (incorporated in Victoria, Australia) which owns 66.3% of the issued ordinary shares of the Company.

Directors

The names of persons who were directors of Energy Resources of Australia Ltd at any time during the financial year are as follows:

R L Baillieu (Dr D R Stewart, Alternate), M W Broomhead, Y Coupin (L Corbier, Alternate), G W Forster, R Knight, Dr E Miller, A L Morokoff AO, Sir Rupert Myers KBE, M Shibata (H Hashikawa/K Nawa/S Sato, Alternates), P H Wade (Dr D R Stewart, Alternate), H Weise (W H J Barr, Alternate).

Information relating to directors' remuneration and retirement benefits is set out in note 24.

Loans to Directors

Loans to directors disclosed in note 10 are in respect of employee share schemes for shares in North Broken Hill Peko Limited. These loans were made by Energy Resources of Australia Ltd to R Knight, R A Cleary and D C Haigh.

Aggregate movements in loan balances:		
Aggregate loans at the beginning of the financial year	**9**	10
Add loans advanced during the financial year	**5**	–
Less loan instalments repaid during the financial year	**1**	1
Aggregate loans at the end of the financial year	**13**	9

The loans are interest free and the principal is repaid in equal instalments over a period of not more than 10 years.

The loans are secured by retention of the relative share certificates until such time as the loans are fully repaid.

Superannuation Fund

Information relating to the economic entity's superannuation fund is set out in note 23.

Other Related Parties

Aggregate amounts included in the determination of operating profit before income tax that resulted from transactions with each class of other related parties:

Notes to and forming part of the Financial Statements

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT **1992 $000**	CONSOLIDATED AND PARENT 1991 $000
25. Related Parties [CONT'D]		
Interest paid to		
Ultimate parent entity	**-**	86
Aggregate amounts brought to account in relation to other transactions with each class of other related parties:		
Dividends paid/payable to		
Ultimate parent entity	**5 323**	13 057
Related corporation	**5 453**	13 633
Loans advanced from		
Ultimate parent entity 1992: $Nil (1991: US$ 10 000 000)	**-**	12 705
Loan repayments to		
Ultimate parent entity 1992: $Nil (1991: US$ 10 000 000)	**-**	12 090

	PLACE OF INCORPORATION	PARENT INVESTMENT AT COST $
26. Investments In Controlled Entities		
(a) Shares in controlled entities		
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 controlled entities are wholly owned. The operations of the controlled entities did not result in a profit or a loss and no dividends were paid to the parent entity.

(b) Loan to controlled entity

Unsecured subordinated loan to E.R.A.(Canberra) Limited $643 (1991: $689).

(c) Disposal of controlled entity

Canadian Jabiru Holdings Ltd was disposed of during the year. This company did not trade during the year and did not contribute to the operating profit of the parent entity. The fair value of its net tangible assets at time of disposal was $2.

27. 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:

	1992	1991
United States	**24 716**	23 977
Japan	**72 995**	70 997
Republic of Korea	**26 458**	29 609
Europe	**46 290**	85 824
	170 459	210 407
Sales revenue included above from shareholder-customers	**102 349**	136 775

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

28. Reconciliation of Net Cash Inflow from Operating Activities to Operating Profit after Income Tax

	1992	1991
Net cash inflow from operating activities	**74 531**	45 151
Depreciation and amortisation	**(29 283)**	(29 978)
Net (loss)/profit on sale of non-current assets	**(266)**	12

Notes to and forming part of the Financial Statements

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT 1992 $000	CONSOLIDATED AND PARENT 1991 $000

28. Reconciliation of Net Cash Inflow from Operating Activities to Operating Profit after Income Tax [CONT'D]

Net exchange differences	**(1 722)**	(58)
Reclassification of income tax extraordinary item	–	(47 326)
Change in operating assets and liabilities		
Increase/(Decrease) in trade debtors	**(40 906)**	14 582
Increase/(Decrease) in other debtors	**(1 853)**	(15 094)
Increase/(Decrease) in inventories	**12 952**	18 168
Increase/(Decrease) in prepayments	**1 247**	1 153
Decrease/(Increase) in trade and other creditors	**6 091**	(11 762)
Decrease/(Increase) in provision for income taxes payable	**21 328**	97 489
Decrease/(Increase) in provision for deferred income tax	**(4 681)**	2 699
Decrease/(Increase) in other provisions	**1 248**	(986)
Operating profit after income tax	**38 686**	74 050

29. Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

Total facilities		
Bank overdrafts	**3 000**	3 000
Bank loan facilities	**286 109**	76 822
	289 109	79 822
Used at balance date		
Bank overdrafts	**879**	1 556
Bank loan facilities	**184 491**	52 022
	185 370	53 578
Unused at balance date		
Bank overdrafts	**2 121**	1 444
Bank loan facilities	**101 618**	24 800
	103 739	26 244

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at anytime in either Australian or United States currency. The bank overdraft facilities may be drawn at any time. Interest rates on all facilities are variable.

30. Receivables and Payables Denominated in Foreign Currencies

Amounts not effectively hedged		
United States dollars:		
Current Receivables		
Trade debtors	**27 173**	68 308
Non-Current Receivables		
Term debtors	**8 374**	–
Current - Creditors & Borrowings		
Trade creditors	**8 878**	1 306
Other creditors	**843**	1 711
Non-Current - Creditors & Borrowings		
Bank loans	**53 455**	52 022
Notes and bills payable	**16 036**	–
Term creditors	**2 361**	10 326

31. Post Balance Date Events

On 8 July 1992 the Company signed a medium term US $150 000 000 multi-option debt facility to replace the existing bridging finance for Jabiluka and other maturing debts.

Statutory Statements

Statement by Directors

Energy Resources of Australia Ltd

In the opinion of the directors:

(a) the financial statements set out on pages 23 to 36 are drawn up in accordance with divisions 4, 4A and 4B of part 3.6 of the Corporations Law and so as to give a true and fair view of:

(i) the state of affairs as at 30 June 1992 and the profit for the financial year ended on that date of the Company and the economic entity; and

(ii) the other matters with which they deal;

(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.

Signed at Sydney this 26th day of August 1992 in accordance with a resolution of the directors.

R. Knight

R Knight
Director

P. H. Wade

P H Wade
Director

Auditors' Report

Auditors' Report to the Members of
Energy Resources of Australia Ltd

Scope

We have audited the financial statements of Energy Resources of Australia Ltd for the financial year ended 30 June 1992 as set out on pages 23 to 37. The financial statements include the consolidated accounts of the economic entity constituted by the Company and the entities it controlled during all or part of, or at the end of, the financial year. The Company's directors are responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material mis-statement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian accounting concepts and standards and statutory requirements so as to present a view which is consistent with our understanding of the Company's and the economic entity's financial position and the results of their operations.

The name of the entity controlled during part of the financial year, but of which we have not acted as auditor is Canadian Jabiru Holdings Ltd.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial statements of Energy Resources of Australia Ltd are properly drawn up:

(a) so as to give a true and fair view of:

(i) the state of affairs as at 30 June 1992 and the profit for the financial year ended on that date of the Company and the economic entity; and

(ii) the other matters required by divisions 4, 4A and 4B of part 3.6 of the Corporations Law to be dealt with in the financial statements;

(b) in accordance with the provisions of the Corporations Law; and

(c) in accordance with Statements of Accounting Concepts and applicable Accounting Standards.

Coopers & Lybrand.

COOPERS & LYBRAND
Chartered Accountants

by M J Sharpe
Sydney, 26 August 1992

Shareholder Information

Twenty Largest Shareholders of A Class Ordinary Shares as at 14 August 1992

SHAREHOLDERS	SHARES HELD
Peko Wallsend Ltd	136 329 100
North Broken Hill Peko Limited	135 566 900
Pendal Nominees Pty Limited	6 452 561
Australian Mutual Provident Society (Account no. 1)	2 157 276
MLC Life Limited	1 615 367
GIO Life Ltd	1 559 196
National Nominees Limited	1 520 224
ANZ Nominees Limited	1 403 371
Permanent Trustee Company Limited	1 184 300
Bank of New South Wales Nominees Pty Limited	811 560
Barclays Australia Custodian Services Limited	605 600
Australian Mutual Provident Society (Account no. 2)	586 700
Investment Services Nominees Pty Ltd	545 100
BT Custodians Limited	437 400
State Superannuation Board of Victoria	385 400
Clipper Investments Ltd	374 900
Perpetual Trustee Company Limited	299 800
Icianz Pension Fund Sec Pty Ltd	282 400
Chase Manhattan Nominees Ltd	204 200
Argo Investments Ltd	200 000
Total of top twenty holdings	**292 521 355**

The proportion of A Class ordinary shares held by the twenty largest shareholders is 95.13%.

Register of Substantial Shareholders as at 14 August 1992

A Class Ordinary Shareholders	
Peko Wallsend Ltd	136 329 100
North Broken Hill Peko Limited*	271 896 000
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
Cogema Australia Pty Ltd **	5 125 000
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 May1992 received from North Broken Hill Peko Limited, ERA was informed that North Broken Hill Peko 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 September1980 and December1981.

** By a notice of change in interest of substantial shareholders dated 20 January 1992 received from Compagnie Générale Des Matières Nucléaires (Cogema), ERA was informed that Cogema has a relevant interest in all shares held by UG Australia Developments Pty Ltd, Interuranium Australia Pty Ltd and Cogema Australia Pty Ltd.

Shareholder 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 14 August 1992

(a) A Class Ordinary Shareholders — Equal to 75.0% of the issued capital

	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 - 99	14	0.1	603	0.0
100 - 1 000	12 438	84.9	4 678 664	1.5
1 001 - 5 000	1810	12.4	4 391 451	1.4
5 001 - 10 000	235	1.6	1 803 600	0.6
over 10 000	144	1.0	296 625 682	96.5
	14 641	100.0	307 500 000	100.0

There were 14 holders of less than a marketable parcel of ordinary shares.

(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/- KPMG Peat Marwick
Level 17
44 Market Street
Postal Address: GPO Box 1486
Sydney NSW 2001
Telephone: (02) 299 3988
Fax: (02) 299 6204

Australian Capital Territory
C/- KPMG Peat Marwick
80 Northbourne Avenue
Postal Address: GPO Box 799
Canberra City ACT 2601
Telephone: (06) 249 1877
Fax: (06) 247 6190

Victoria
C/- KPMG Peat Marwick
Level 4
161 Collins Street
Postal Address: GPO Box 2975EE
Melbourne VIC 3001
Telephone: (03) 288 5555
Fax: (03) 288 6237

Ten Year Performance

YEAR ENDED 30 JUNE	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983
Sales Revenue ($000)	**170 459**	210 407	206 898	177 516	251 300	234 263	222 513	233 779	246 136	261 178
Profit Before Tax ($000)	**69 089**	101 604	125 830	80 630	131 055	108 085	98 415	109 852	113 021	113 362
Income Tax Expense ($000)	**30 403**	27 554	68 328	42 876	67 985	49 197	47 991	53 395	55 534	55 969
Profit After Tax ($000)	**38 686**	74 050	57 502	37 754	63 070	58 888	50 424	56 457	57 487	57 393
Total Assets ($000)	**945 406**	827 756	847 491	882 081	914 622	953 479	883 608	927 487	941 128	943 226
S'hlds' Equity ($000)	**567 455**	545 169	464 793	448 291	546 939	500 164	489 469	480 045	464 588	458 351
Long Term Debt ($000)	**174 491**	52 107	39 566	102 821	82 953	125 302	179 036	191 261	242 264	293 267
Current Ratio	**2.33**	2.24	0.98	1.10	1.41	1.43	1.68	1.33	1.48	1.53
Liquid Ratio	**0.84**	0.96	0.49	0.56	0.91	0.94	1.13	1.04	1.21	1.27
Gearing (%)	**23.9**	13.3	12.1	22.2	15.1	20.5	26.8	28.5	34.3	39.0
Interest Cover (times)	**15.5**	19.6	12.6	5.2	6.6	4.5	3.3	3.1	3.2	2.9
Return on S'hlds' Equity (%)	**7.0**	14.7	12.6	7.6	12.0	11.9	10.4	12.0	12.5	12.9
Earnings per Share (cents)	**9.4**	18.1	14.0	9.2	15.4	14.4	12.3	13.8	14.0	14.0
Dividends per Share (cents)	**4.0**	10.0	10.0	15.0	10.0	10.0	10.0	10.0	12.5	10.0
Payout Ratio (%)	**42.4**	55.4	71.3	162.9	65.0	69.6	81.3	72.6	89.2	58.4
Share Price ($)	**1.22**	1.47	2.00	2.32	2.80	2.70	1.50	1.45	1.40	1.45
Price-Earnings Ratio	**12.9**	8.1	14.3	25.2	18.2	18.8	12.2	10.5	10.0	10.4
Dividend Yield (%)	**3.3**	6.8	5.0	6.5	3.6	3.7	6.7	6.9	8.9	6.9
Net Tangible Assets per Share ($)	**1.38**	1.33	1.13	1.09	1.33	1.22	1.19	1.17	1.13	1.12
No. of Employees	**191**	339	340	354	374	414	409	421	429	404
Profit After Tax per Employee ($000)	**202.5**	218.4	169.1	106.6	168.6	142.2	123.3	134.1	134.0	142.1
Ore Mined (million tonnes)	**0.435**	0.661	1.085	2.400	2.130	1.714	1.480	0.903	0.780	0.374
Ore Milled (million tonnes)	**0.986**	1.090	1.089	0.975	0.782	0.869	0.968	1.021	1.004	1.044
Mill Head Grade (% U_3O_8)	**0.324**	0.295	0.314	0.408	0.423	0.379	0.350	0.317	0.343	0.318
Mill Recovery (%)	**89.83**	90.78	90.10	91.06	91.95	93.05	92.00	92.45	89.92	90.35
Production (t U_3O_8)	**2 980.0**	2 908.3	3 084.0	3 595.5	3 041.5	3076.2	3 067.0	3 037.0	3 098.7	3 006.1
Sales - Ranger Concentrates (t U_3O_8)	**2 230.1**	2 598.5	2 716.1	2 633.4	3 274.0	3 048.0	2 810.2	2 682.0	2 668.7	3 152.2
Sales - Other Concentrates (t U_3O_8)	**1 328.4**	802.3	47.6	-	-	-	-	-	-	-
Sales - Total (t U_3O_8)	**3 558.5**	3 440.8	2 763.7	2 633.4	3 274.0	3 048.0	2 810.2	2 682.0	2 668.7	3 152.2

Definitions of Statistical Ratios

Current Ratio	= current assets/current liabilities
Liquid Ratio	= (current assets - inventory - prepayments)/(current liabilities - bank overdraft)
Interest Cover	= earnings before interest and tax/interest expense
Return on S'hlds' Equity	= profit after tax/average shareholders' equity
Earnings per Share	= profit after tax/number of shares issued
Dividends per Share	= dividends paid/number of shares issued
Payout Ratio	= dividends paid/profit after tax
Price-Earning Ratio	= share price/earnings per share
Dividend Yield	= dividend per share/share price
Net Tangible Assets per Share	= net assets/number shares issued
Gearing Ratio	= (long term debt + term creditors)/(shareholders' equity + long term debt + term creditors)

DIRECTORS

PH Wade	Chairman
RL Baillieu	
MW Broomhead	
Y Coupin	
GW Forster	
R Knight	Chief Executive
Sir Rupert Myers	
M Shibata	

SECRETARIES

WF James
RG Kemp

MANAGEMENT

R Knight	Chief Executive
RA Cleary	General Manager , NT Operations
SS Solomons	Resident Manager, Ranger
PE McNally	Manager, Environment
DC Haigh	General Manager, Commercial
WF James	Controller
KW Lonie	General Manager, Technical Services
PA Baily	Manager, Metallurgy
PJ Shirvington	General Manager, Marketing
WA Davies	Manager, Marketing
RF Scotford	Manager, Sales and Analysis

AUDITORS

Coopers and Lybrand

BANKERS

Commonwealth Bank of Australia
Westpac Banking Corporation

PUBLICATIONS AVAILABLE FROM ERA

Rehabilitation at Ranger (1992)

Kakadu and Ranger (1992)

The Ranger Operation (1991)

What Future for Nuclear Power? (1991)

Training at Ranger (1991)

Health and Safety at Ranger (1991)

Managing Water at Ranger (1990)

Milling Operations (1990)

Mining and Geology (1990)

Ranger and the Environment (1988)

Towards Safe Disposal of Spent Ranger Uranium Fuel (1986)

Safeguarding Ranger Uranium (1985)

ERA Newsletter (quarterly)

For copies of the publications listed above, please contact the Research Officer or the Librarian on (02) 256 8900.

Designed and produced by Designads Australia. Film separations and planning Curman Litho. Printing by Merritt Madden.

ENERGY RESOURCES OF AUSTRALIA LTD

PRINCIPAL OFFICE
Level 18, Gateway
1 Macquarie Place
Sydney NSW 2000
Telephone (02) 256 8900
Facsimile (02) 251 1817

POSTAL ADDRESS
GPO Box 4039
Sydney NSW 2001

REGISTERED OFFICE
C/- Mallesons Stephen Jaques
Advance Bank Centre
60 Marcus Clarke Street
Canberra City ACT 2601
Telephone (06) 268 3900

Cover and side panels: photomicrograph of Ranger #1 ore showing black crystals of uraninite (uranium oxide) surrounded by the host rock, chlorite (dark grey) and quartz grains (light grey). Cover micrograph is magnified 35 times.