Energy Resources of Australia Ltd

A.C.N. 008 550 865

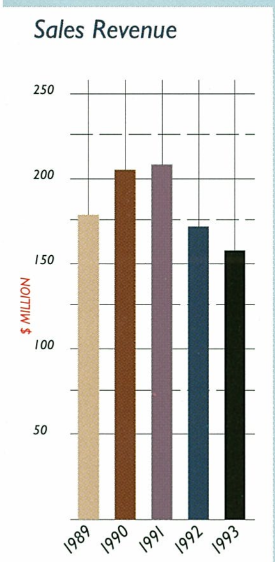
Annual Report 1993

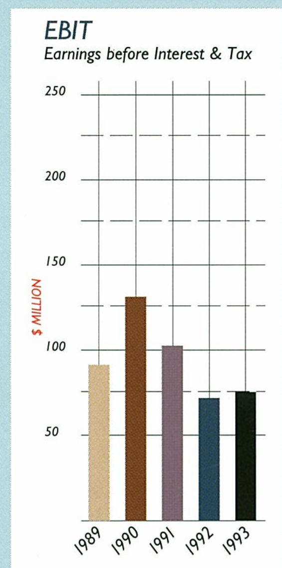
CORPORATE OBJECTIVES

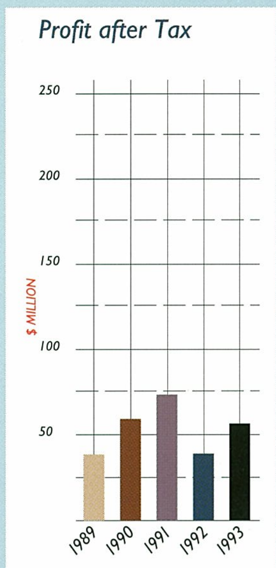
ERA's fundamental objective is to increase the wealth of its shareholders through a commitment to

- *deliver a consistent product on time and at competitive prices;*
- *maintain ore reserves at the level necessary to attract long term contracts from major power utilities world wide;*
- *employ modern cost effective technology and management practices;*
- *maintain stringent environmental standards;*
- *retain a highly skilled and motivated workforce; and*
- *set high standards for employee safety.*

MANAGEMENT STRATEGY







1993 & 1994

Until market prices recover to a level that reflects production costs ERA's management will continue to pursue the objectives, adopted in 1991, and

- *conserve cash for the retirement of debt;*
- *match Ranger production and inventory sales with commitments under long term contracts;*
- *increase and diversify ERA's market share;*
- *source third party uranium for sales with spot market pricing terms;*
- *implement ERA's strategic response to a strengthening market later this decade.*

COMPANY PROFILE

Energy Resources of Australia Ltd (ERA) is a diversified uranium enterprise, selling uranium from the Ranger mine in the Northern Territory and uranium concentrates sourced outside Australia to nuclear electricity utilities in Japan, the Republic of Korea, Europe and the United States.

The Company plans to improve its competitive position relative to other producers in the years ahead; ERA has two significant undeveloped uranium orebodies, Ranger #3 and North Ranger #2 and a secure portfolio of medium and long term sales contracts.

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.

ENERGY RESOURCES OF AUSTRALIA LTD
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 1993

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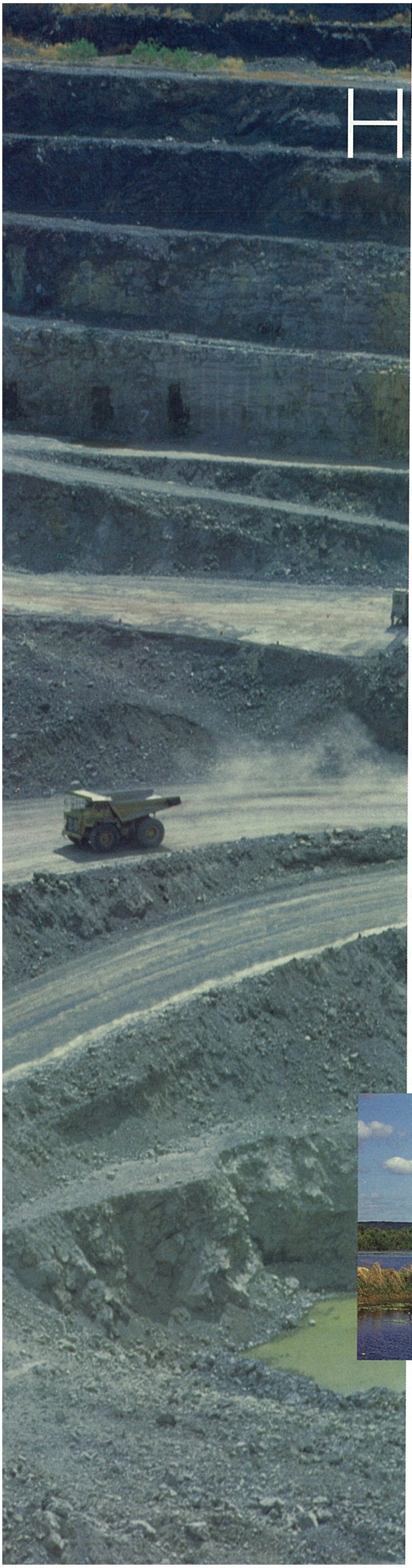
NOTICE OF MEETING

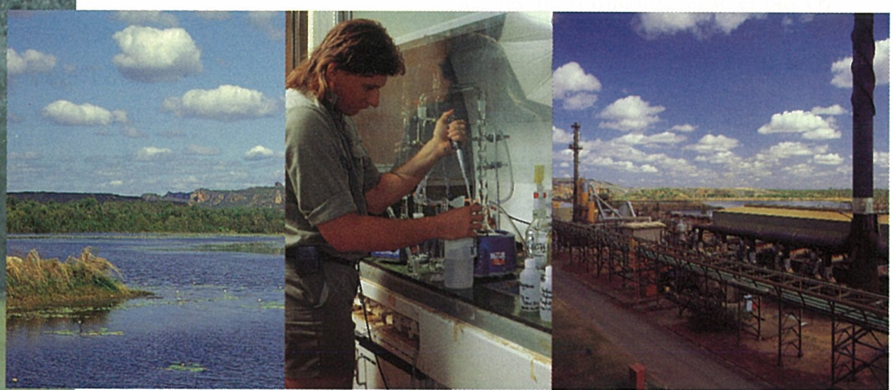
This report will be presented at the 1993 Annual General Meeting of the members of Energy Resources of Australia Ltd in the Fort Macquarie Room of the Inter-Continental Hotel, 117 Macquarie Street, Sydney at 10.00AM on Thursday 21 October 1993. A Notice of Meeting and Proxy Form is enclosed.



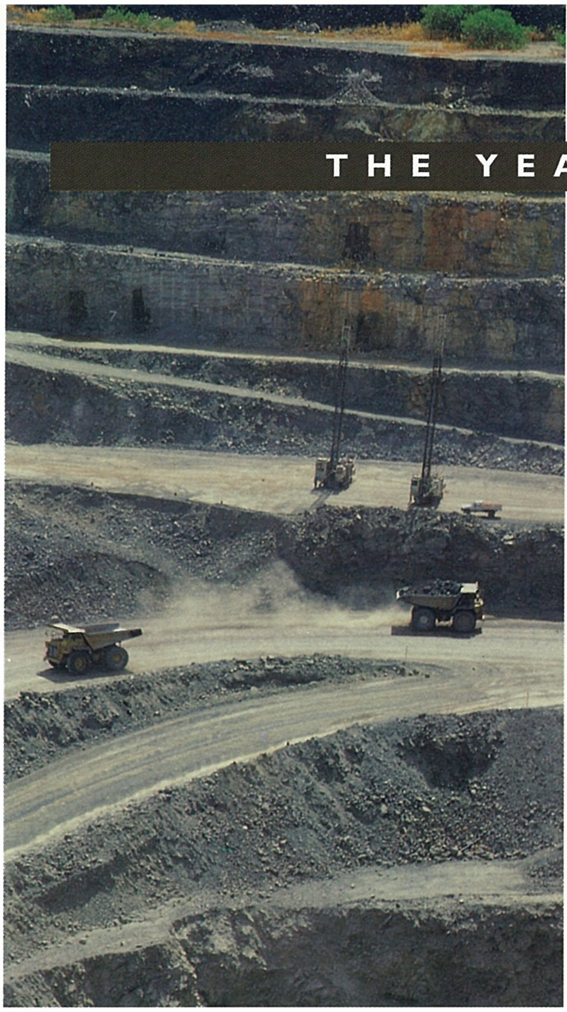
HIGHLIGHTS

In pursuit of corporate and management objectives during the 1993 financial year, ERA

- *earned a profit after tax of $57.690 million;*
- *completed a full cycle of campaign mining and milling operations;*
- *achieved better than budget performance during both campaigns and reduced total operating costs;*
- *earned recognition for Ranger's excellent environmental performance following a public inquiry into uranium mining in the Alligator Rivers Region;*
- *won three new sales contracts with nuclear power utilities;*
- *signed a five year contract for the purchase of uranium from the Republic of Kazakhstan to supply uranium under spot priced contracts to utilities in the United States;*
- *progressed the planning for North Ranger #2;*
- *consolidated long term debt into a five year US$150 million multi–option facility;*
- *post balance date, repaid $58.863 million (US$42 million) of that long term debt.*



THE YEAR IN REVIEW



Despite the continuing depressed state of the uranium market in 1993 ERA consolidated its position as a diversified uranium enterprise, building on changes made in previous years and positioning the Company to respond to improved market conditions.

For the eighth consecutive year world uranium consumption outstripped production, a situation which ERA's annual market forecasts consistently show will demand new mines later this decade. In calendar 1992, world uranium production met only 65 per cent of uranium requirements.

Rise in Profits

Profit after tax was $57.690 million, an increase of 49.1 per cent on 1992 and equivalent to 14.1 cents per share. The result includes a $17.707 million abnormal writeback arising from the restatement of the provision for deferred income tax at the new corporate tax rate of 33 per cent.

Performance is more clearly seen from the trend in profits before interest and tax which at $75.003 million was 4.3 per cent above 1992. This result was achieved despite lower average prices and lower sales tonnages and reflects the tight control of operating costs during the year as well as an improvement in third party profits and the exchange rate.

Sales of Ranger concentrates were 2 250.3 tonnes U_3O_8 (2 230.1 tonnes U_3O_8 in 1992) and of third party concentrates 848.0 tonnes U_3O_8 (down 36.2 per cent owing to several large third party sales in 1992). Total sales tonnage of 3098.3 tonnes was down 12.9 per cent on last year's record but well in line with historical levels.

With a view to future development, debt retirement remained the priority application for cash. Net borrowings were reduced from $138.382 million to $121.720 million over the year and by a further $58.863 million ($US42.0 million) in July 1993.

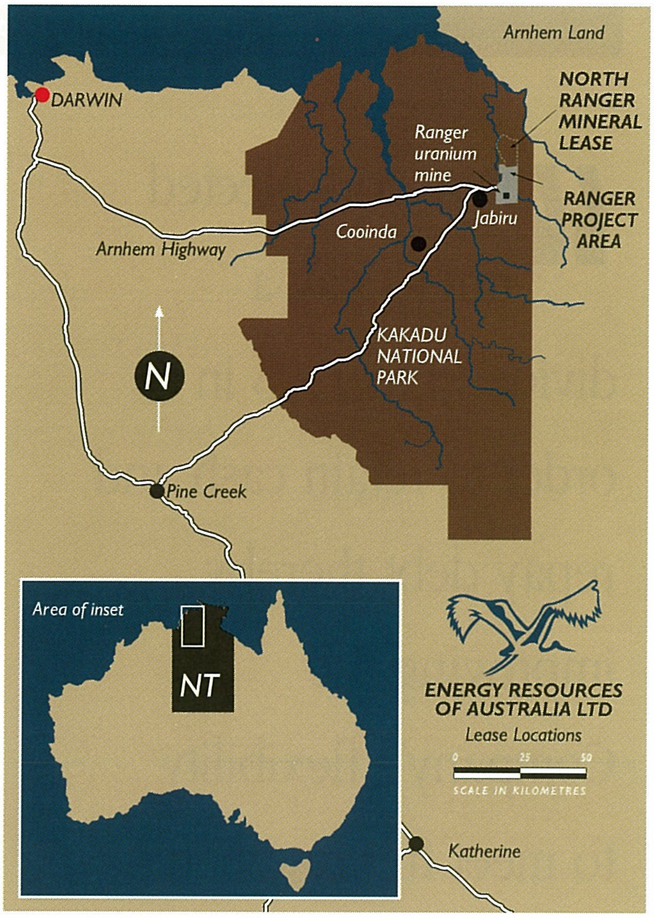
No dividend was declared during the year in recognition of the continuing depressed state of the uranium market and the need to repay debt.

New Sales Contracts

Persistent marketing efforts by the Company resulted in three new contracts with deliveries during the period 1994 to 1998. Two contracts are with United States' utilities and one with ENUSA the Spanish uranium purchasing authority.

Following the high level of uranium imports into the United States from the Commonwealth of Independent States (CIS) in 1991 and early 1992 the US Department of Commerce (DOC) initiated an investigation into the dumping of CIS origin uranium. Agreements suspending the investigation were signed between six CIS republics and DOC in October 1992 limiting imports of CIS concentrates under a price dependent quota.

The Suspension Agreements led to the creation of a two–tiered spot market, with higher spot prices in the restricted US and EC markets. At year end uranium traded in the unrestricted market at US$7.00/lb U_3O_8 while in the restricted market (US and EC countries) the spot price was US$10.00/lb U_3O_8.



Immediately following the signing of the Suspension Agreements ERA concluded a five year contract for the purchase of uranium from the Republic of Kazakhstan. The direct link with a CIS producer allows the Company to service several US contracts under the DOC–Kazakhstan Suspension Agreement as well as other spot related contracts in Europe.

Successful Campaign Operations

The core of ERA's business remains the production of uranium from Ranger. This year saw the completion of the first full cycle of campaign operations. Campaigning, implemented to match production more closely with long term contract sales, has exceeded expectations. Productivity during the mining campaign was above budget; significant cost savings were achieved in major consumables during the milling campaign.

Success in campaign operations at Ranger has not been at the expense of safety or environmental protection. During the year the mine received a Four Star safety rating from the National Health and Safety Council of Australia. Ranger's exemplary environmental performance was also acknowledged in the reporting of a public inquiry into uranium mining in the Alligator Rivers Region by the Northern Territory Legislative Assembly.

Outlook

While the short term outlook for uranium remains depressed all indicators point to renewed demand later this decade. By that time ERA will have considerably reduced debt and captured sufficient market share to underwrite development of either one or both of the Company's unmined uranium orebodies in succession to Ranger #1.

The achievements in the past year are due in large measure to the commitment and effort of ERA employees at all levels within the organisation. Effective team work and a dedication to ever improving performance are essential ingredients for success in the highly competitive uranium market of the 1990s.

More efficient operations at Ranger combined with assertive and innovative marketing have kept ERA in the forefront of its industry.

Table 1: HIGHLIGHTS

YEAR ENDED 30 JUNE	1993	1992	% CHANGE
Financial, $ million			
Sales revenue	159.5	170.5	-6.5
Profit before tax	72.5	69.1	+4.9
Income tax expense	14.8	30.4	-51.3
Profit after tax	57.7	38.7	+49.1
Total assets	975.6	945.4	+3.2
Issued capital	410.0	410.0	–
Capital & reserves	625.2	567.5	+10.2
Earnings per share, cents	14.1	9.4	+50.0
Return on shareholders' equity, per cent	9.7	7.0	+38.6
Dividend per share, cents	0	4.0	–
Production			
Ore mined, million tonnes	0.830	0.435	+90.8
Ore milled, million tonnes	0.426	0.986	-56.8
Mill head grade, per cent U_3O_8	0.348	0.324	+7.4
Total production, tonnes U_3O_8	1335.1	2980.0	-55.2
Sales, tonnes U_3O_8			
Ranger concentrates	2250.3	2230.1	+0.9
Other concentrates	848.0	1328.4	-36.2
Total sales	3098.3	3558.5	-12.9

FINANCE

" Directors elected not to pay a dividend in 1993 in order to retain cash and repay debt thereby improving the Company's flexibility to meet future market opportunities. "

Highlights 1993

A 49.1 per cent increase in profit after tax to $57.690 million.

Improved cash flow, the result of campaign operations and inventory sales.

Repaid $58.863 million of long term debt in July 1993.

Objectives 1994

Reduce inventory.

Conserve cash for retirement of debt.

Maintain tight cost control.

Higher Earnings

Profit after tax of $57.690 million was 49.1 per cent higher than the 1992 profit of $38.686 million.

The profit was achieved on total sales of 3 098.3 tonnes U_3O_8, below the previous year's record but still above the Company's average annual sales since inception. Sales of Ranger concentrates were marginally higher than 1992 at 2 250.3 tonnes U_3O_8.

The Company holds a diversified portfolio of sales contracts. Prices range from negotiated long term prices through composite price formulas to spot related prices in some cases. While average prices expressed in US dollars per pound of U_3O_8 were marginally lower, revenues benefited from a depreciating Australian dollar to reach $159.505 million ($170.459 million in 1992).

During the year the average A$/US$ exchange rate fell 8.5 per cent, from 0.7697 to 0.7040. ERA maintained its policy of fully protecting its net foreign exchange exposure by means of currency options and hedges.

Table 2: SHARES

YEAR	1993	1992	1991	1990	1989
Shareholders	13 768	14 647	15 519	16 108	17 346
Price, $ per share					
- year high	1.38	1.37	1.68	2.60	3.30
- year low	1.05	1.09	1.20	1.90	2.00
- year end	1.30	1.22	1.47	2.00	2.32

A refund of $13.781 million before tax was received from the Ranger Rehabilitation Trust Fund ($10.669 million in 1992). The refund arose from the annual independent assessment of the cost of rehabilitation at Ranger and represents the surplus in the Trust Fund over the requirement to rehabilitate the site.

The reduction in the corporate tax rate from 39 to 33 per cent with effect from 1 July 1993 resulted in a restatement of the Company's deferred tax liability at 30 June. The effect was an abnormal reduction in income tax liability of $17.707 million. While this item contributes directly to profits after tax it has no cash effect.

Borrowings Reduced

In July 1992 the Company restructured its long term borrowings and entered into a five year multi-option facility through a group of international and Australian banks led by Banque Nationale de Paris. The facility was for US$150 million, underwritten to US$127 million. It replaced bridging finance used in the purchase of North Ranger and some additional bank loans. The initial drawdown was US$120 million in the form of Transferable Loan Certificates (TLC's).

Cash flow from operations was conserved for repayment of US$42.0 million of TLC's on the anniversary of their issue in July 1993. The accumulation of cash for debt retirement reduced the Company's net debt position over the year ended 30 June from $138.382 million to $121.720 million.

Cash Flow Management

Production in 1993 was reduced to 1 335.1 tonnes U_3O_8 from 2 980.0 tonnes of U_3O_8 in 1992 with a corresponding reduction in total cash expenditure on production. At the same time $10.778 million in cash was generated through the sale of surplus stocks of Ranger concentrates. The program of controlled stock liquidation will continue throughout 1994.

Capital Expenditure

Capital expenditure in 1993 was $9.364 million. This was mainly associated with the pre-development phase of the North Ranger project which is seen as an essential investment in the Company's future. Expenditure was directed to capitalised interest on North Ranger ($7.018 million), an intensive drilling program at the site and the North Ranger Feasibility Study.

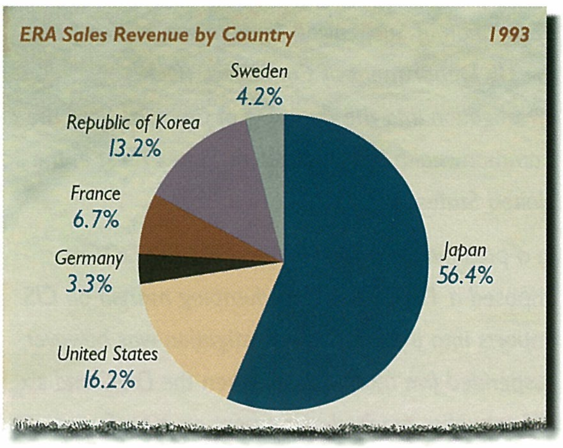


Table 3: PROFIT AND LOSS SUMMARY $MILLION

YEAR ENDED 30 JUNE	1993	1992	1991	1990	1989
Sales revenue	159.5	170.5	210.4	206.9	177.5
Expenses	84.5	96.9	108.4	97.9	86.9
Abnormal items	–	(1.7)	-	21.7	-
Earnings before interest & tax	75.0	71.9	102.0	130.7	90.6
Net interest expense	2.5	2.8	0.4	4.9	10.0
Profit before tax	72.5	69.1	101.6	125.8	80.6
Income tax expense	14.8	30.4	27.6	68.3	42.9
Profit after tax	57.7	38.7	74.0	57.5	37.7
Extraordinary gain/ (loss) after tax	–	–	47.3	–	(74.9)

Table 4: SIMPLIFIED BALANCE SHEET $MILLION

AT 30 JUNE	1993	1992	1991	1990	1989
Shareholders' equity	**625.1**	**567.5**	**545.2**	**464.8**	**448.3**
Share capital	410.0	410.0	410.0	410.0	410.0
Retained profits	215.1	157.5	135.2	54.8	38.3
Represented by:					
Non-current assets	**757.5**	**733.4**	**617.3**	**641.1**	**660.9**
- property, plant & equipment	717.3	725.0	617.3	639.0	660.1
- other	40.2	8.4	-	2.1	0.8
Non-current liabilities	**239.3**	**287.1**	**188.6**	**171.6**	**232.7**
- creditors and borrowings	136.0	177.8	83.4	64.3	127.7
- provisions	103.3	109.3	105.2	107.3	105.0
Working capital	**106.9**	**121.2**	**116.5**	**(4.7)**	**20.1**
- cash	69.5	46.2	7.0	24.0	30.2
- net receivables	36.8	(12.0)	62.0	66.0	57.4
- stock	88.1	128.1	115.2	97.0	85.0
- other	(87.5)	(41.1)	(67.7)	(191.7)	(152.5)
Net assets	**625.1**	**567.5**	**545.2**	**464.8**	**448.3**
Earnings per share, cents	14.1	9.4	18.1	14.0	9.2
Return on shareholders' equity, per cent	9.7	7.0	14.7	12.6	7.6
Dividends per share, cents	0.0	4.0	10.0	10.0	15.0

Elsewhere capital expenditure was limited to essential replacement items and strategic improvements as part of the overall emphasis on cost reduction.

Dividends

Directors elected not to pay a dividend in 1993 in order to retain cash and repay debt thereby improving the Company's flexibility to meet future market opportunities.

Since its formation in 1980 ERA has paid total dividends of $422.1 million, or $1.03 per share, representing 65.2 per cent of cumulative profits after tax to date.

MARKETING

"In a determined push for new business ERA was successful in securing three new supply contracts during the year, two in the United States and one in Spain..."

Highlights 1993

Three new supply contracts – two in the US, one in Spain.

Purchase contract with Kazakhstan, establishing a direct link with a key CIS uranium producer.

Objectives 1994

Increase and diversify the contract portfolio dedicated to Ranger.

Expand third party sales without detriment to Ranger.

Uranium sales in 1993 comprised 2 250.3 tonnes U_3O_8 of Ranger concentrates and 848.0 tonnes U_3O_8 purchased from third parties.

ERA's sales were made under strict international safeguard regulations to nuclear power utilities in Japan, Republic of Korea, France, Germany, Sweden and the United States.

New Contracts

In a determined push for new business ERA was successful in securing three new supply contracts during the year, two in the United States and one in Spain with the uranium purchasing authority ENUSA. The contracts cover deliveries over the 1994 to 1998 period and are a further step towards the fulfilment of a strategy to expand and diversify ERA's market share, a prerequisite for increased production at Ranger.

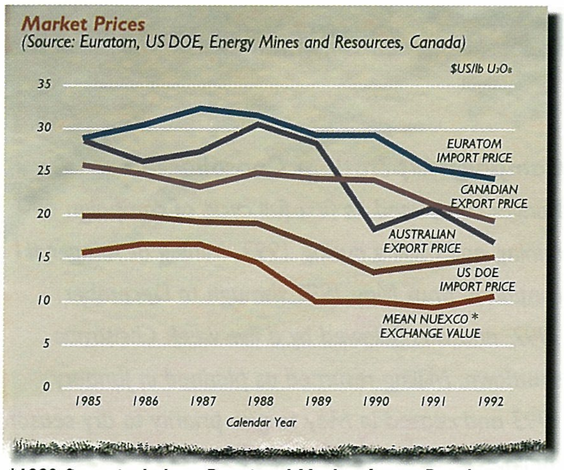
As scheduled, negotiations commenced in April with ERA's overseas equity holders in Japan and Europe for prices and contract terms to apply for two years from January 1994. Prices were agreed with the Company's Japanese customers in June. Agreement was reached with one European shareholder by year end and negotiations are expected to be completed shortly with ERA's other European Overseas Equity Holder.

Negotiations with the Company's Japanese customers for contract extension beyond 1996 are scheduled for later in 1993.

Restrictions to CIS Uranium

By far the most significant event to influence the uranium market during the last year was the negotiation of Suspension Agreements arising from the US Department of Commerce (DOC) investigation into the dumping of uranium from the Commonwealth of Independent States (CIS) in the United States.

In a preliminary ruling in May 1992 the DOC imposed a 115.82 per cent dumping margin on CIS imports into the US. The investigation was however suspended five months later when the DOC and six CIS republics reached agreement on a preferred



***1992 figure includes a Restricted Market Access Penalty**

price dependent quota for future uranium imports into the United States.

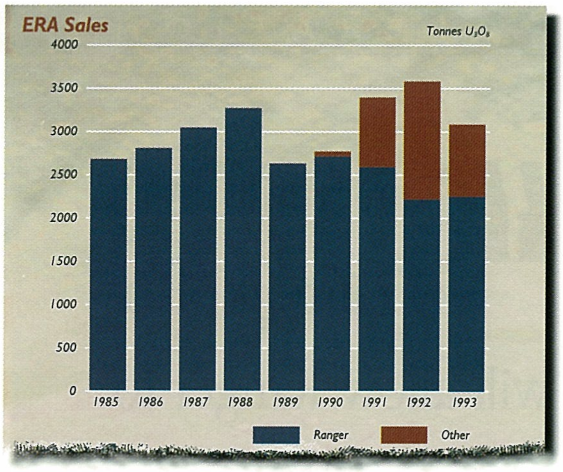
Except under certain long term contracts signed with US utilities prior to March 1992, no CIS uranium can enter the US under the Suspension Agreements until the market price, as determined by the DOC, exceeds US\$13.00/lb U_3O_8. The quota for CIS imports then progressively increases until the price reaches US\$21.00/lb U_3O_8, above which there are no restrictions. At year end the DOC market price stood at US\$11.72/lb U_3O_8 and is due for review in October 1993.

In Europe, the EC nuclear supply agency Euratom has also imposed quotas on CIS imports, limiting the amount of CIS origin uranium any one member utility can purchase to 20 per cent of its net annual requirements.

Faced early in the year with uncertainties arising from possible DOC actions on dumping, the spot price for uranium rose from US\$7.75/lb U_3O_8 in July to US\$8.75/lb U_3O_8 in September. Following the signing of the Suspension Agreements, however, spot prices decreased in the unrestricted markets and increased to over US\$10.00/lb U_3O_8 in the restricted US and EC countries. At year end the unrestricted market price was around US\$7.00/lb U_3O_8 and the restricted market price just above US\$10.00/lb U_3O_8.

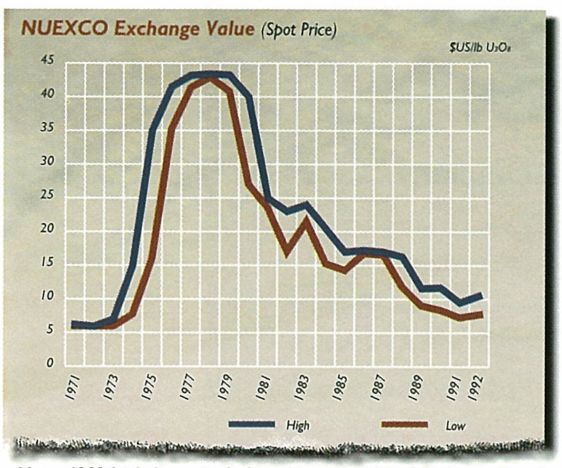
Contract with Kazakhstan

Immediately following the signing of the Suspension Agreements ERA finalised a contract for the purchase of uranium from the Republic of Kazakhstan for five years commencing 1993. The Kazakh contract, with the Kazakhstan State Atomic Energy and Industrial Corporation (KATEP) and the Tselinny Mining and Chemical Kombinat, provides a direct relationship with an established producer. Under the terms of the Suspension Agreement between the DOC and Kazakhstan, ERA has a portfolio of contracts signed prior to March 1992 that allow the Company to sell Kazakh concentrates into the US.



The first delivery of Kazakh uranium was received by ERA at the port of St Petersburg in December 1992 and Kazakh concentrates are now routinely sold under ERA's long term contracts with spot–related pricing terms in the United States and Europe. The ERA/KATEP contract has enabled the Company to maintain market share whilst spot market prices have been below Ranger's cost of production.

In other developments, negotiations are in progress between the US and Russian Governments for the sale of highly enriched uranium (HEU) from Soviet nuclear weapons to the US Government for dilution and fabrication into civil nuclear fuel. The US has agreed in principle to purchase 500 tonnes of HEU from Russia for blending with low enriched uranium over an extended period of time, commencing with 10 tonnes HEU in 1994 displacing the equivalent production of 3 700 tonnes U_3O_8.



Note: 1992 high figure includes a Restricted Market Access Penalty

OPERATIONS MINING & MILLING

"The fulfilment of current plans will allow Ranger to resume continuous operations in calendar 1996..."

Campaign Operations Consolidated

Ranger completed its first full cycle of campaign mining and milling during 1993. Mining at Ranger #1 continued from May 1992 through to December 1992, and was followed by a five week Christmas shutdown. Milling resumed as planned in January 1993 and ceased in May to give priority to dry season mining.

Ore mined and productivity per manshift during the mining phase were consistently above budget and by the completion of milling in May, Ranger had achieved budgeted production costs, due in part to reduced use of two major consumables – sulfuric acid and neutralant – despite a shorter campaign than originally planned.

Table 5: MINING MILLION TONNES

YEAR ENDED 30 JUNE	1993	1992	1991	1990	1989
Ore mined, cut off grade 0.20% U_3O_8					
to process plant	0.004	0.098	0.222	0.468	0.477
to stockpile	0.826	0.337	0.439	0.617	1.923
total ore mined	0.830	0.435	0.661	1.085	2.400
Low grade mineralisation	1.942	0.792	0.569	0.862	1.735
Construction material	–	1.316	0.553	1.203	0.440
Waste rock	1.102	–	1.002	0.957	1.399
Total tonnes mined	3.874	2.543	2.785	4.107	5.974

Table 6: MILLING

	1993	1992	1991	1990	1989
Ore milled, million tonnes					
from mine	0.004	0.098	0.222	0.468	0.477
from stockpile	0.422	0.888	0.868	0.621	0.498
total ore milled	0.426	0.986	1.090	1.089	0.975
Mill head grade, per cent U_3O_8	0.348	0.324	0.295	0.314	0.408
Milling rate, tonnes per hour	149.9	158.0	160.4	162.8	168.9
Mill recovery, per cent	90.56	89.83	90.78	90.10	91.06
Total production, tonnes U_3O_8	1335.1	2980.0	2908.3	3084.0	3595.5
Product grade, per cent U_3O_8	98.77	98.89	98.86	99.05	99.16

Note: Mining values for 1989 to 1992 are reported to a cut off grade of 0.10% U_3O_8.

Ranger #1 Mining Ahead of Schedule

Total tonnes mined from Ranger #1 during the year were 11.3 per cent above budget at 3.874 million tonnes. Ore mined totalled 0.830 million tonnes, 20.8 per cent above budget.

Maintaining this level of performance and using a slightly shorter milling campaign in 1994 and in 1993 will allow the #1 Pit to be mined out by December 1994, one year ahead of the original schedule.

ERA plans to convert the mined-out pit into a repository for tailings. The early completion of mining will allow alternate deposition of tailings in the #1 Pit

Highlights 1993

First full cycle of campaign mining and milling.

Mining at Ranger #1 Pit ahead of schedule.

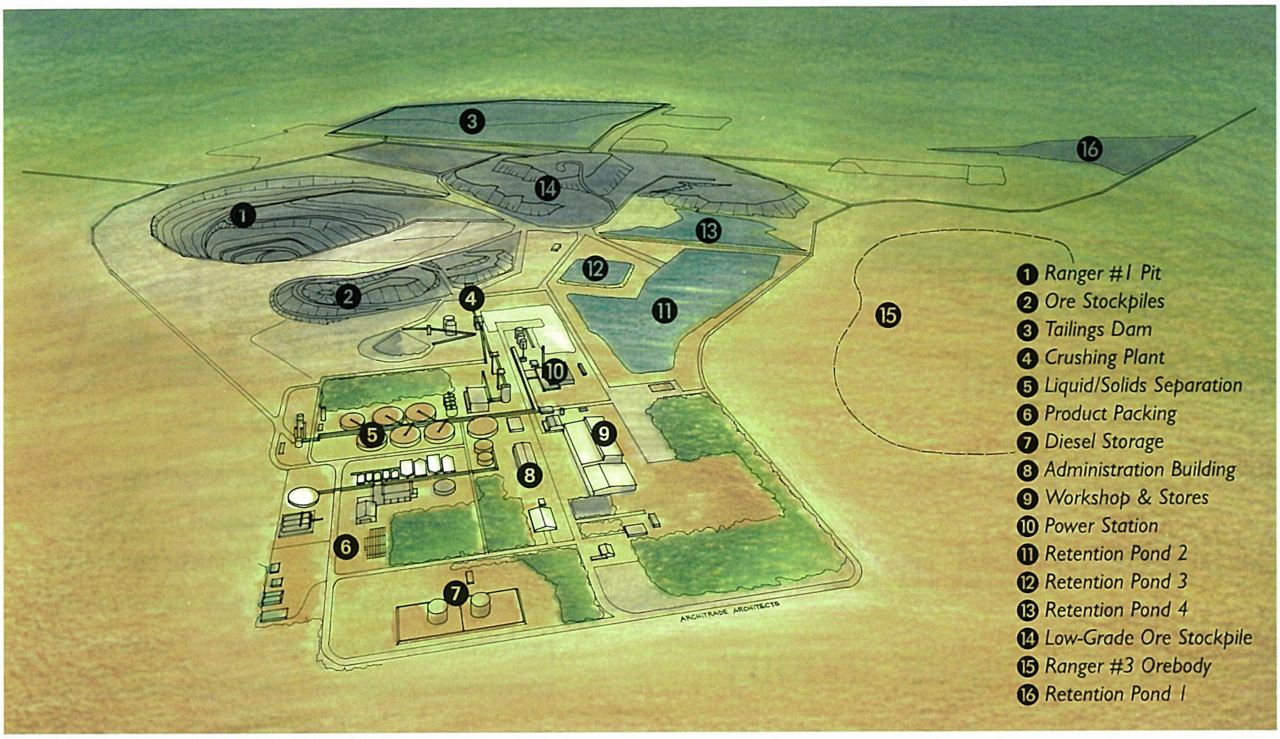
Significantly lower process reagent consumption.

Objectives 1994

Continue efficient campaign operations.

Improve upon previous performance standards.

Reduce costs of production.



Ranger process plant and mine

and the present tailings dam thereby improving consolidation in both.

At the completion of Ranger #1 mining in 1994 surface stockpiles will be 6.081 million tonnes at 0.313 per cent U_3O_8 containing about 17 000 tonnes of recoverable U_3O_8 product.

Table 7: RANGER ORE RESERVES

AT 30 JUNE	1993			1992		
	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	4.724	0.31	14 700	4.321	0.30	12 800
Proved, in pit	1.695	0.35	5 900	4.120	0.27	11 200
Total	6.419	0.32	20 600	8.441	0.28	24 000
Ranger #3						
Proved and Probable	17.486	0.32	55 300	19.870	0.29	58 000
North Ranger #2						
Proved and Probable	19.532	0.46	90 400	—Not determined—		

Notes:

1 *The ore reserves stated above lie within current mine designs and have been adjusted for dilution and mining losses. Cut off grades have been set using ERA's long term price forecast and either actual costs or those estimated in feasibility studies. Ore reserves are reviewed annually and are adjusted for production and for changes in cut off grade.*

2 *Ranger #1 ore reserve figures declined between 1992 and 1993 through production and an increase in cut off grade from 0.1 per cent U_3O_8 to 0.2 per cent U_3O_8 to compensate for campaign milling/mining operation.*

3 *Ranger #3 ore reserve is based on an optimised 0.12 per cent U_3O_8 cut off grade.*

4 *North Ranger #2 ore reserve is based on a cut off grade of 0.20 per cent U_3O_8. Refer also to Page 14 Development.*

5 *Ore reserves in the above table are reported in accordance with the Australasian Code for Reporting Identified Mineral Resources and Ore Reserves (1992). The table has been prepared by a competent person as defined under the Code.*

Milling Performance Steady

Production during the 1993 campaign was 1335.1 tonnes U_3O_8. Mill feed was almost entirely reclaimed from broken ore stockpiles at an average grade of 0.348 per cent U_3O_8. Mill performance figures were comparable to previous years despite the inefficiencies of startup and shutdown in campaign operations.

Reserves and Resources

In addition to the ore reserves listed in Table 7, ERA has significant additional mineral resources

- *in broken rock in stockpile at grades below the current cut off grade and*
- *external to current mine designs for Ranger #3 and North Ranger #2.*

The value of these resources is subject to either continuing studies or periodic review.

Future Development

The fulfilment of current plans will allow Ranger to resume continuous operations in calendar 1996, coinciding with the depletion of the existing product inventory to a minimum working level and the anticipated improvement in market conditions. On this basis, broken ore stocks will meet mill feed requirements until the end of calendar 1999.

If the market improves as anticipated, ERA will need to develop a second mine for initial production in 1998.

"Ranger's high standard of environmental management was acknowledged in the report of a public inquiry into uranium mining in the Alligator Rivers Region..."

Highlights 1993

Environment performance backed by public inquiry.

Water management successfully matched to campaign operations.

Objectives 1994

Progress environmental research projects.

Maintain the record of no impact on the environment outside the minesite.

Environmental Performance Praised

Ranger's high standard of environmental management was acknowledged during the year in the report of a public inquiry into uranium mining in the Alligator Rivers Region by the Sessional Committee on the Environment of the Northern Territory Legislative Assembly.

The inquiry followed persistent allegations by environmental groups that uranium mining was having an impact on the environment outside the minesite. Submissions on Ranger's environmental performance were received from all major conservation groups and supervising authorities.

The inquiry concluded that the concerns raised by environmental groups had no basis in fact and that there was no suggestion whatsoever that Ranger was having a deleterious impact on the Kakadu environment.

This finding was confirmed by the Office of the Supervising Scientist in its 1992 Annual Report.

Life-of-Mine Research Introduced

Ranger has completed a life-of-mine environmental research plan which will guide the research required to develop best practice for long term environmental protection and staged rehabilitation of the minesite.

During the year environmental research at Ranger focussed on improving the establishment of a self–sustaining ecosystem on previously disturbed parcels of land. This work has been undertaken with the CSIRO Minesite Rehabilitation Research Group. The research is proving the value of rehabilitation techniques which use micro-organisms at an early stage in the revegetation of disturbed areas.

Experiments at Ranger's wetland filter have entered their third year with further aquatic vegetation being transplanted in the filter with the assistance of the Australian Trust for Conservation Volunteers. The filter is now ready for a full-scale trial with stockpile runoff water next wet season.

View across Retention Pond One at Ranger towards Mount Brockman.

In total ERA progressed 14 separate environmental research projects during 1993 enhancing the Company's ability to manage the Ranger environment.

Water Management for Campaign Operations

Water management during the year was tailored to the demands of campaign operations.

In anticipation of reduced water demand only a minimum amount of water was retained in Retention Pond 2 (RP2) prior to the onset of the wet season. Irrigation of surplus water continued through to August and recommenced in December after the start of the wet season.

The wet season began with above average rainfall; total rainfall for the year, however, was below average at 1224 mm. Overflow from the RP1 spillway began in February and an operational release from RP4 was approved by the supervising authorities in the same month.

Pre-release testing of the waters using biological screening techniques showed that the pond waters were not harmful in any way to even the most sensitive aquatic organisms present. All water release criteria were met and assessment of water quality downstream revealed no impact on the Kakadu environment.

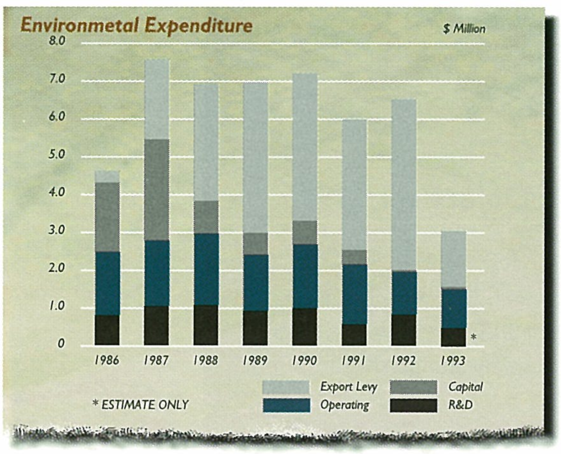
Rehabilitation Trust Fund

The statutory review of Ranger's Amended Plan of Rehabilitation was completed by the Government-appointed assessor in March. The estimated cost of rehabilitating Ranger should ERA be required to cease mining, including a 10 per cent contingency, was estimated to be $41.484 million in net present value terms.

Demand for Environmental Services

ERA Environmental Services, the Company's environmental consultancy, carried out nine contracts during the year along with several environmental monitoring projects for clients in the Northern Territory.

The consultancy is now a small but growing business within ERA. The demand for the service reflects ERA's growing reputation in this field and is demonstrating the wider application of the environmental expertise developed through operations at Ranger.



OPERATIONS WORKFORCE AND COMMUNITY

"In April, Ranger began negotiations with employees for an Enterprise Agreement. This follows the successful ratification of an Enterprise Award..."

Four Star Safety Award

In November Ranger was awarded a Four Star safety rating on the five star scale following the annual audit by the National Safety Council of Australia.

The grading acknowledged the high standard of health and safety management at Ranger and the improvement in Ranger's safety Performance Index, down from 420 in 1992 (excluding contractors) to 67 in 1993 (including contractors).

Radiation Doses Well Below Limits

The mean radiation dose to designated employees at the mine was 5.0 milliSieverts (mSv) in calendar 1992 (range 0.0 mSv to 9.7 mSv) or 10 per cent of the 50 mSv statutory limit. The mean radiation dose to the most exposed group of non–designated employees was 0.8 mSv. All doses in this category were below the 5 mSv statutory limit.

In calendar 1992 the radiation dose to residents of Jabiru was calculated to be less than 0.1 mSv above natural background (annual limit 1 mSv). The natural background radiation at Jabiru is between 2 and 3 mSv.

Highlights 1993

Four Star health and safety award for Ranger.

Negotiations for an Enterprise Agreement.

No lost time due to industrial action.

Objectives 1994

Conclude Enterprise Agreement.

Further improve health and safety standards.

Table 8: VALUE ADDED

YEAR ENDED 30 JUNE	1993 $ MILLION	1993 %	1992 $ MILLION	1992 %
VALUE ADDED				
Sales & other revenue	176.0	100	182.2	100
Less cost of materials & services	65.4	37	51.7	28
Total Value Added (wealth created by ERA)	110.6	63	130.5	72
DISTRIBUTION OF CREATED WEALTH				
Employees salary & wages	7.0	6	11.2	9
Government				
- company income tax	14.8	13	30.4	23
- export levy	1.5	1	4.5	4
- personal income tax	3.0	3	4.0	3
- royalties (Aboriginals Benefit Trust Account)	5.5	5	6.2	5
- royalties (NT Government)	1.6	2	1.8	1
- other	1.9	2	1.7	1
- total	28.3	26	48.6	37
Interest to lenders (net)	2.5	2	2.7	2
Dividends	–	–	16.4	13
Reinvested in the business				
- depreciation and amortisation	15.1	14	29.3	22
- retained profit from operations	57.7	52	22.3	17
- total	72.8	66	51.6	39
Total Value Distributed	**110.6**	**100**	130.5	100

Negotiations for an Enterprise Agreement Commence

In April, Ranger commenced negotiations with employees for an Enterprise Agreement. This follows the successful ratification of an Enterprise Award in November 1992. It is anticipated that the Agreement will provide common conditions of employment for all employees, eliminating the current division between staff and award, and lead to a better focus on team effort and improved productivity.

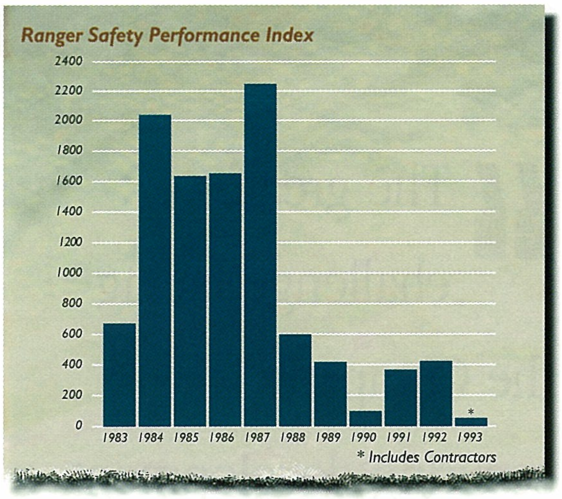
As a step towards the Enterprise Agreement, a pilot Agreement for ERA Environmental Services employees was negotiated and certified by the Industrial Relations Commission in March 1993. The Agreement has a twelve month term.

There was no time lost due to industrial action at Ranger during the year. Employee turnover at the mine was 13.3 per cent on an annualised basis. At year end 173 people were employed at the mine.

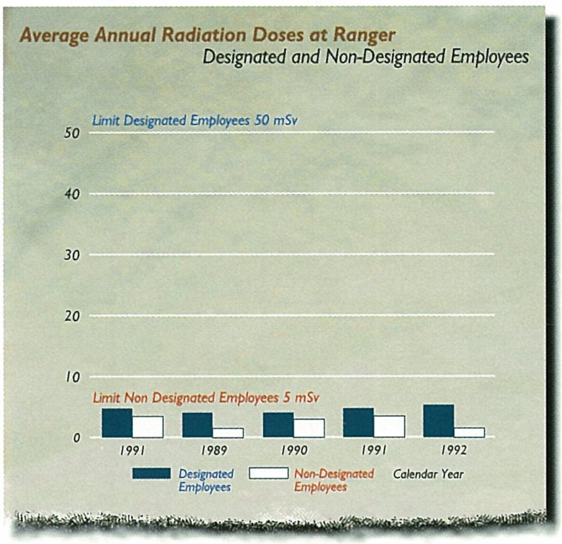
Aboriginal Liaison

ERA's relationship with both the Djabulukgu and Gagudju Associations grew during the year, mainly as a result of additional liaison responsibilities with the Aboriginal owners of the North Ranger lease. ERA also examined the potential for the development of Aboriginal businesses on the Ranger and North Ranger leases. This initiative, led by traditional owners, involved the Northern Land Council and the Australian National Parks and Wildlife Service.

Regular Liaison Committee meetings and visits to outstations kept traditional owners up to date with the day to day operation of the mine. Of particular interest to traditional owners this year was ERA's revised wet season water management strategy.



The performance index is a safety measurement based on the severity and frequency of lost time injuries



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

Technical Officer Ben Matthews carries out a distillation at Ranger's environment laboratory.

DEVELOPMENT

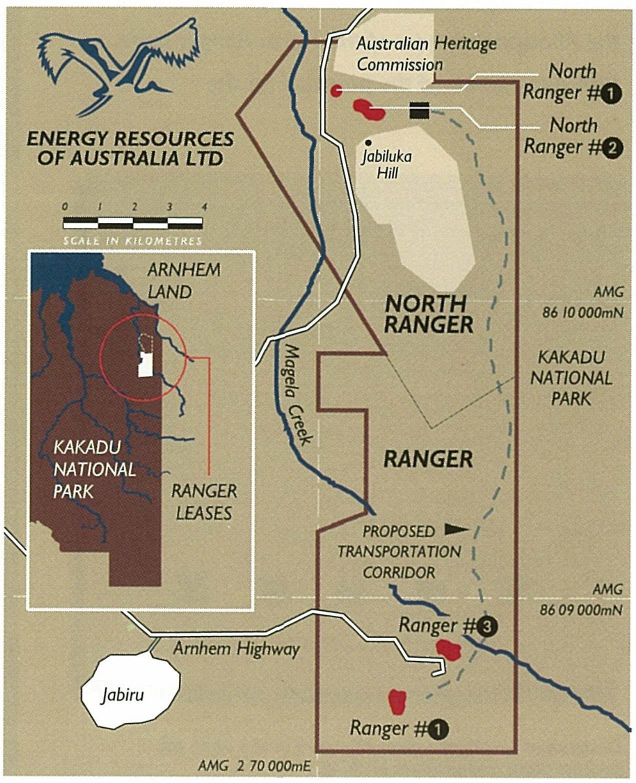
" The greatest challenge facing the Company is securing development approval for North Ranger in time to reap the benefits of the anticipated improvement in market conditions. "

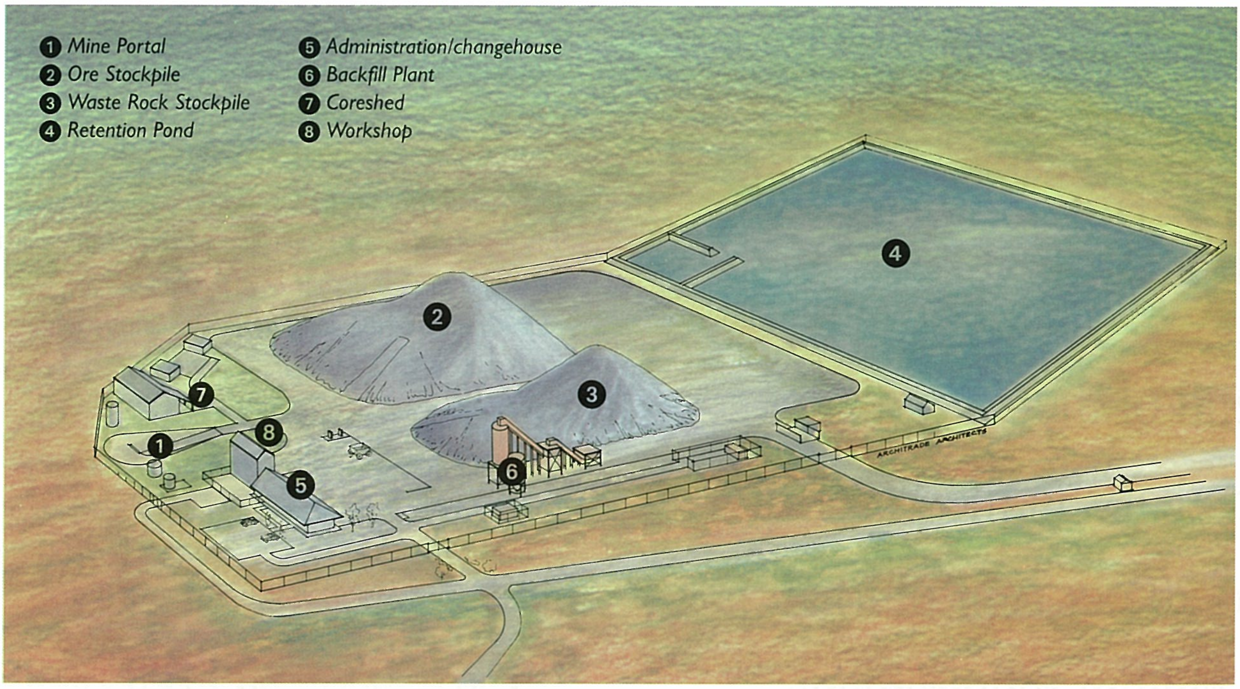
During 1993 considerable effort was applied to formulating ERA's response to the expected resurgence in uranium demand and price. ERA's ability to seize emerging opportunities in the uranium market will depend on the timely development later this decade of either North Ranger #2 or Ranger #3 or a combination of the two. Studies during the year focussed on the North Ranger #2 project complementing work done last year on Ranger #3 and the expansion of the Ranger process plant.

North Ranger Feasibility Study

By year end the evaluation of North Ranger #2 was nearing its conclusion. The Feasibility Study covers all technical aspects of the proposed development as well as health and safety issues, environmental impact and matters of interest to the Aboriginal owners.

The development of North Ranger #2 is currently prohibited under the Australian Labor Party's Three Mines Policy. The greatest challenge facing the Company is to secure development approval for North Ranger in time to reap the benefits of the anticipated improvement in market conditions.





Proposed surface facilities at North Ranger

North Ranger #2 will begin as a small underground mine accessed by a decline. Development will take about 18 months from the time that the portal is collared. The initial operation will serve to confirm the mining method, equipment selection and operating procedures before production is increased to match the requirements of the market and the full potential of the reserves. Ore will be trucked on a dedicated private road to the Ranger process plant about 20 kilometres to the south.

Mine facilities are being designed in consultation with the traditional owners to minimise the area of land in use and the environmental impact.

Development with Minimum Impact

Access to North Ranger #2 is now planned from the east rather than the west. This will allow the mine access road and surface facilities to be located remote from the road to Oenpelli and Magela floodplain, making the operation visible to the public only from the air.

Studies have shown that the environmental impact of ERA's development proposal for North Ranger #2 will be significantly less than the proposal described in the original approved Environmental Impact Statement.

The current proposal draws on extensive operational and environmental management experience gained at Ranger over the past twelve years and on the demonstrated absence of any impact on the environment outside the immediate Ranger site during that time.

Reserves and Resources

The North Ranger resource estimate was revised during the year to include data from the 1992 drilling program. The resource calculation confirmed previous estimates. The mining reserve, at a cut off grade of 0.20 per cent U_30_8, has been calculated to be 19.532 million tonnes at 0.46 per cent U_30_8 containing 90 400 tonnes U_30_8.

The mining reserve for North Ranger #2 has been based on the measured and indicated resources in the two most significant of the eight mineralised horizons. The measured and indicated resources in those two horizons account for 91.7 per cent of the total measured and indicated resources at the nominated cut off grade.

Inferred resources are by definition insufficiently well defined to allow the calculation of a mining reserve. Inferred resources represent 17.5 per cent of the total resource currently known at North Ranger #2.

North Ranger #2 is similar to the orebodies at Ranger with respect to geology, mineralogy and processing characteristics.

DIRECTORS' OUTLOOK

"The uncovered demand towards the end of the decade, perhaps in the order of 5 to 20 per cent of total uranium requirements, presents an opportunity for ERA to develop a new mine and increase production."

Improving Market by late 1990s

The depressed market conditions which have prevailed for almost the last decade have forced a savage rationalisation of the uranium mining industry to the point that, in 1992, western world uranium production was less than half of consumption.

Although supply and demand can for the time being be balanced from other sources of supply – depletion of surplus inventories, imports from the CIS and China and by reprocessing – this situation cannot persist indefinitely. The present rate of inventory depletion will completely exhaust known supplies from this source by the year 2000.

Much has been written during the past year about the likely market impact of highly enriched uranium (HEU) released through the dismantling of nuclear weapons. Beginning next year diluted HEU may well become a significant factor in the supply equation and cushion the emerging uranium shortfall to some extent. Notwithstanding this development, studies undertaken by ERA show an undeniable need to increase mine production before 2000 for supply to match demand overall.

Western world production will however continue to decline in the years immediately ahead until such time as price and demand reach a level that will support investment in new mines. The fittest have survived the economic attrition of the past ten years but there is now an emerging threat of reserve depletion and with it the need to develop replacement mines even to maintain the present level of production.

ERA believes that imports from the CIS and China will meet between 15 and 20 per cent of western world demand during the 1990s although the longer term survival of some CIS mines is somewhat problematic. Mixed oxide fuels and HEU may satisfy as much as 10 per cent of uranium demand towards 2000.

The uncovered demand towards the end of the decade, perhaps in the order of 5 to 20 per cent of total uranium requirements, presents an opportunity for ERA to develop a new mine and increase production. Competition for market share will be *intense but ERA's uranium resources rank with the best in the world and are highly regarded by the world's major nuclear power utilities.*

Options for Future Growth

Australia and Canada dominate the world scene in undeveloped uranium resources. The CIS republics of Kazakhstan, Russia and Uzbekistan also have large reserves but these are generally low grade and their long term viability is open to question. Competition for market share among private sector producers in the 1990s will be at its most intense between Canada, specifically the province of Saskatchewan, and Australia.

The ability of Australia's producers to take advantage of this emerging market opportunity is constrained by the Australian Labor Party's Three Mines Policy. Regardless of the reasons behind the implementation of this policy in 1983, times have changed. Nuclear power is an established component of electricity generation in most industrialised countries and will remain so.

ERA believes that there is a clear opportunity for increased sales from 1996 and is actively seeking to persuade the Federal Government to allow the timely development of North Ranger #2. Rigid adherence to the Three Mines Policy will simply result in Saskatchewan increasing its already dominant market share and cast doubt on Australia's willingness to be a reliable supplier.

In addition to Ranger #1, ERA has two viable orebodies to meet uncommitted demand later this decade. The Company is fortunate in that the mineralogical and metallurgical characteristics of each are similar to those of Ranger #1. Both can therefore be processed through the existing Ranger plant with only minor modifications.

In the short term, campaign mining and milling is the best mode of operation for Ranger. If current market forecasts are realised Ranger will resume continuous milling in calendar 1996. Broken ore stockpiled from Ranger #1 can feed the process plant to capacity until the end of 1999.

The major decision facing ERA is the choice of which deposit to develop as the next mine. There are several considerations to be taken into account.

On economic grounds there is little to choose between ERA's two undeveloped orebodies, Ranger #3 and North Ranger #2. Ranger #3 has the advantage of being an open pit located adjacent to the Ranger process plant. ERA already has within its workforce the skills needed to mine Ranger #3. The development of North Ranger #2 requires, however, a high level of expertise in underground mining – expertise which is readily available in the ERA management team.

Below, ERA Board of Directors at Ranger (left to right): Mr Masuo Shibata, Mr Richard Knight (Chief Executive), Mr Alexander Carmichael, Mr Bruce McComish, Sir Rupert Myers, Mr Peter Wade (Chairman), Mr Malcolm Broomhead and Mr Laurent Corbier (alternate for Mr Yves Coupin).

DIRECTORS' OUTLOOK

> "Provided costs are carefully controlled the Company has the wherewithal to be a low-cost competitive producer for at least the next 30 years."

Orderly resource depletion is also a major consideration. North Ranger #2 holds more than 55 per cent of the Company's mining reserves, as currently known, and offers the best prospect for finding additional reserves to replace those mined. Moreover, the head grade from North Ranger #2 is 50 per cent higher than that of Ranger #3 and is sufficiently high to allow ERA to meet its objective in terms of market share without the need for a process plant expansion.

It is not desirable, however, to launch North Ranger into full production at once. ERA will take a flexible approach to total production to accommodate market fluctuations and to resolve the technical problems which can arise in any new mine.

Long Term Outlook

In the final analysis ERA's preferred option for growth will depend on how the market evolves. The events of the last two years have tested the mettle of ERA's workforce and demonstrated their underlying resilience. While the pace of change has at times been uncomfortable, the achievements both in efficiency and productivity are there for all to see – as are the cost savings which have flowed from them. While there is no scope for complacency, there is also no reason for gloom.

ERA's existing plant and infrastructure when combined with the Company's uranium reserves allow a flexible response to future market conditions however they may materialise. Provided costs are carefully controlled the Company has the wherewithal to be a low-cost competitive producer for at least the next 30 years.

Directors are very conscious of the fact that it will be several years before the profits arising from the anticipated improvement in market conditions flow through to shareholders. In the meantime every effort is being made by all employees to improve the performance of the business and to maximise profits within the constraints of present circumstances.

Board of Directors

Mr Peter H Wade FCPA, aged 59, 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, a Director of Gunns Kilndried Timber Industries Ltd and Deputy Chairman of the Commonwealth Serum Laboratories Ltd.

Mr Malcolm W Broomhead BE, MBA, age 40, was appointed to the Board in January 1992. Mr Broomhead is Executive Director – Mining & Industrial for North Broken Hill Peko Limited and a Director of Pasminco Limited. His background includes experience in mining construction and investment.

Mr Alexander Carmichael AO, CBE, BSc, age 56, appointed to the ERA Board in February 1993 and a Director of the North Group since March 1988. Mr Carmichael is also Deputy Chairman of Turbine Components of Australia Pty Ltd and of the Australian Opera. He is a Director of Sydney Aquarium Ltd.

Mr Yves Coupin age 50, appointed to the Board in February 1992 at the nomination of the B-class shareholders. Mr Coupin, a mining engineer, is Vice-President – Mining and Enrichment of Compagnie Générale des Matières Nucléaires (COGEMA) and Chairman of Cogema Australia Pty Ltd.

Mr Richard Knight MSc (Eng), DIC, ARSM, C Eng, age 52, 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.

Mr Bruce S McComish BCA (Hons), ACA, age 45, joined the ERA Board in February 1993 and holds the position of Executive General Manager – Corporate Affairs at North Broken Hill Peko Ltd.

Sir Rupert Myers KBE, MSc, PhD, DSc(Hon), DEng(Hon), LLD(Hon), DLitt(Hon), FTS, age 72, 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, Winston Churchill Memorial Trust in Australia and James N Kirby Foundation.

Mr Masuo Shibata age 63, appointed to the ERA Board in February 1991 at the nomination of holders of C-class shares. Mr Shibata is Executive Vice President and Director of Kansai Electric Power Co Inc and President and a Director of Japan Australia Uranium Resources Development Co Ltd (JAURD).

Stock Exchange Announcements 1993 Financial Year

15 July 1992	Quarterly Report to 30 June 1992
20 August 1992	Preliminary Final Statement and Dividend Announcement
15 October 1992	Quarterly Report to 30 September 1992
30 October 1992	Purchase Contract with the Republic of Kazakhstan
18 January 1993	Quarterly Report to 31 December 1992
18 February 1993	Half Yearly Report and Dividend Announcement
22 February 1993	Notification of Change of Directors
15 April 1993	Quarterly Report to 31 March 1993

Calendar for 1994 Financial Year

16 July 1993	Quarterly Report to 30 June 1993
19 August 1993	Preliminary Final Statement and Dividend Announcement
15 October 1993	Quarterly Report to 30 September 1993
21 October 1993	ERA Annual General Meeting
17 January 1994	Quarterly Report to 31 December 1993
17 February 1994	Half Yearly Report and Dividend Announcement
15 April 1994	Quarterly Report to 31 March 1993
30 June 1994	End of 1994 ERA Financial Year

Information on Shareholding

Shareholders who require information about their shareholding or dividend payments should contact ERA's principal registry C/- KPMG Peat Marwick, Level 17, 44 Market Street (GPO Box 1486) Sydney NSW 2001. Phone (02) 299 3988, fax (02) 299 6204 (refer page 39 for addresses in Canberra and Melbourne).

Change of Address

Shareholders who have changed their address should advise the change in writing to ERA Share Registry C/- KPMG Peat Marwick, Level 17, 44 Market Street (GPO Box 1486) Sydney NSW 2001. Ph (02) 299 3988, fax(02) 299 6204.

Table 9: URANIUM PRODUCTION AND RESOURCES

	1988	1989	1990	1991	1992	WORLD PRODUCTION 1992, %(2)	WORLD URANIUM RESOURCES <US$80 PER Kg U (3)
	THOUSAND TONNES U_3O_8(1)						
Australia	4.21	4.37	4.17	4.43	2.75	6.5	469 000
Canada	14.69	13.39	10.28	9.70	11.07	26.3	146 000
France	4.07	3.88	3.32	2.91	2.51	6.0	23 800
Kazakhstan/Kyrghystan(4)	-	-	-	-	3.30	7.8	95 000(5)
Namibia	4.14	3.63	3.79	2.89	2.00	4.8	84 750
Niger	3.50	3.49	3.34	3.50	3.50	8.3	166 070
Russia(4)	-	-	-	-	3.06	7.3	127 000(5)
South Africa	4.57	3.49	2.92	1.99	2.09	5.0	247 600
USA	5.98	6.07	3.99	3.58	2.13	5.1	101 900
Uzbekistan/Tadjikistan(4)	-	-	-	-	3.18	7.6	171.000(5)
Other(6)	26.48	25.69	23.92	19.97	6.45(7)	15.3	422.920(8)
Total	67.64	64.01	55.73	48.97	42.04	100.0	2 055 040

1 Production data from the Uranium Institute.
2 Includes production from Eastern Europe, CIS and China.
3 Unless otherwise indicated, the figures quoted are for Reasonably Assured Resources (tonnes U) as at January 1991 (IAEA 1992).
4 No production available 1988-1991. Estimated production from CIS included in 'Other'.
5 Uranium Institute data.
6 Unless otherwise indicated production data includes Argentina, Belgium, Hungary, Brazil, India, Portugal, Spain, Gabon and Germany; includes estimated production from Eastern Europe, CIS and China for 1988-1991.
7 Production data includes Argentina, Belgium, Hungary, Brazil, India, Spain, Gabon, Germany, Eastern Europe, China and Ukraine.
8 Derived total.

Table 10: 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

Tables 9, 11 and 12 present calendar year figures only

Table 11: TOP TEN URANIUM MINES - WESTERN WORLD 1992*

MINE	COUNTRY	OWNERSHIP	MINE TYPE	PRODUCTION, THOUSAND TONNES U_3O_8	WORLD PRODUCTION, PER CENT
Key Lake	Canada	Cameco/Uranerz	Open pit	6.44	15.3
Rabbit Lake	Canada	Cameco/Uranerz	Open pit/underground	2.54	6.1
Akouta	Niger	Cogema/Onarem	Underground	2.32	5.5
Rossing	Namibia	RTZ	Open pit	2.00	4.8
Olympic Dam	Australia	WMC	By-product (copper)	1.40	3.3
Ranger	**Australia**	**ERA**	**Open pit**	**1.35**	**3.2**
Vaal Reefs	South Africa	Anglo American	By-product (gold)	1.26	3.0
Arlit	Niger	Cogema/Onarem	Open pit	1.18	2.8
Herault	France	Cogema	Open pit/underground	0.89	2.1
La Crouzille	France	Cogema	Open pit/underground	0.62	1.5
Total				20.00	47.6

**** Source Uranium Institute***

Table 12: NUCLEAR POWER AROUND THE WORLD 1992

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	7.3	19.2	28.7	193
Armenia	-	-	-	-	-	-	21.7	–
Belgium	7	5484	-	-	40.9	59.9	114.7	1114
Brazil	1	626	1	1245	1.8	0.7	10.9	46
Bulgaria	6	3538	-	-	11.6	32.5	65.6	804
Canada	21	14874	1	881	76.0	15.2	283.2	2024
China	1	288	2	1812	0.5	0.1	1.1	460
Cuba	-	-	2	816	-	-	-	–
Czech RP	4	1632	2	1784	12.3	20.7	26.8	472
Finland	4	2310	-	-	18.2	33.2	55.4	540
France	56	57688	5	7125	321.7	72.9	709.10	9526
Germany	21	22559	-	-	150.0	30.1	448.0	3774
Hungary	4	1729	-		13.1	46.4	30.2	259
India	9	1593	5	1010	5.6	3.3	101.3	197
Iran	-	-	2	2392	-	-	-	–
Italy	-	-	-	-			81.0	–
Japan	44	34238	9	8129	217.0	27.7	556.11	8356
Kazakhstan	1	135	-	-	0.5	0.6	19.6	–
Korea RP	9	7220	3	2550	56.5	43.2	72.1	1597
Lithuania	2	2760	1	1380	15.6	60.0	14.6	514
Mexico	1	654	1	654	3.9	3.2	3.9	126
Netherlands	2	504	-	-	3.6	4.9	43.9	90
Pakistan	1	125	-	-	0.5	1.2	21.3	11
Romania	-	-	5	3155	-	-	-	–
Russia	28	18893	18	14175	119.6	11.8	439.9	3153
South Africa	2	1842	-	-	9.3	6.0	16.3	271
Slovak RP	4	1632	4	1552	11.1	49.5	49.5	413
Slovenia	1	632	-	-	3.8	34.6	11.3	131
Spain	9	7101	-	-	53.4	36.4	119.8	1675
Sweden	12	10002	-	-	60.8	43.2	183.2	1837
Switzerland	5	2952	-	-	22.1	39.6	88.10	644
Taiwan	6	4890	-	-	32.5	35.4	68.1	651
UK	37	12066	1	1188	69.1	23.2	962.10	2359
Ukraine	15	13020	6	5700	71.0	25.0	128.11	1572
USA	109	98729	3	3480	618.8	22.3	1702.4	20402
Total 1992	424	330651	72	59720	2027.6	n/a	6479.9	63211
Total 1991	420	326611	76	62044	2009.1	n/a	6038.9	63335

Source: IAEA, * data from Uranium Institute. Connected to the grid during 1992: Canada(1), France(1), India(2), Japan(2) Disconnected from grid during 1992: United States(2)

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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 1993.

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)

M W Broomhead

A Carmichael

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

R Knight, Chief Executive

B S McComish

Sir Rupert Myers

M Shibata, representing holders of C Class shares (Alternate H Katsura, I Kosaka, S Sato, H Umeda, M Yoshida).

R L Baillieu resigned from the Board on 18 February 1993 and was replaced by A Carmichael. G W Forster resigned from the Board on 18 February 1993 and was replaced by B S McComish.

The number of directors' meetings and the number of meetings attended by each of the directors during the financial year are shown below.

DIRECTOR	DIRECTORS' MEETINGS	
	No. of Meetings attended	No. of Meetings held *
P H Wade	10	10
R L Baillieu (resigned 18 Feb 1993)	5	7
M W Broomhead	10	10
A Carmichael (elected 18 Feb 1993)	3	3
Y Coupin	1	10
L Corbier (alternate for Y Coupin)	9	9
G W Forster (resigned 18 Feb 1993)	7	7
R Knight	9	10
B S McComish (elected 18 Feb 1993)	2	3
Sir Rupert Myers	10	10
M Shibata	2	10
H Katsura (alternate for M Shibata)	1	1
K Nawa (alternate for M Shibata)	3	3
S Sato (alternate for M Shibata)	1	1
H Umeda (alternate for M Shibata)	1	1
M Yoshida (alternate for M Shibata)	2	2

* Reflects the number of meetings held during the time the director held office in the 1993 financial year.

Note: On the occasions that Messrs Y Coupin and M Shibata could not attend a meeting their alternates attended.

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 dividends have been paid by ERA:

	1993 $000	1992 $000
Interim dividend of two (2) cents per share paid on 29 May and fully franked	–	8 200
Final dividend of two (2) cents per share paid on 30 November and fully franked	–	8 200
TOTAL DIVIDENDS FOR YEAR	–	16 400

REVIEW OF OPERATIONS

The operating profit after tax for ERA for the year ended 30 June 1993 was $57.690 million (1992:$38.686 million). Sales revenue for the year ended 30 June 1993 was $159.505 million (1992:$170.459 million).

A full review of the operations of ERA during the year ended 30 June 1993 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 affect 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 (refer note 32 page 36).

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 (page 14) and Directors' Outlook (page 16) 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 13 August 1993 are shown below.

DIRECTOR	ERA*	NORTH**
M W Broomhead	–	4 000 250 000 Options
A Carmichael	–	2 000
R Knight	–	138 042 300 000 Options
B S McComish	–	1 017 200 000 Options
Sir Rupert Myers	2000	–
Dr D R Stewart	–	2 880
P H Wade	2000	12 931 250 000 Options

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

**** North** *North Broken Hill Peko Limited - shares of 50c each fully paid. (Options to subscribe for shares of 50c each fully paid under the North Broken Hill Share Option Incentive Plan.)*

DIRECTORS' BENEFITS

No Director of ERA, since 30 June 1992, 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 Financial Statements and pages 1 to 20 of this Annual Report are rounded off to the nearest one thousand dollars in accordance with Section 311 of the Corporations Law and Regulation 3.5.05.

INFORMATION ON AUDITORS

KPMG Peat Marwick was appointed Auditor of the Company on 15 October 1992.

Signed at Sydney this 25th day of August 1993 in accordance with a resolution of the directors.

P H Wade
Director

R Knight
Director

INVESTOR INFORMATION

Annual General Meeting

ERA holds its Annual General Meeting in October. The 1993 AGM will be held at 10.00am, 21 October 1993 at the Inter Continental Hotel, 117 Macquarie Street, Sydney.

Types of Shares

ERA has three classes of shares, A, B and C. The different classes have equal voting rights, however, B and C class shareholders have special director-appointing powers. The publicly listed shares are limited to A class shares.

Information on Shareholding

Shareholders who require information about their shareholding or dividend payments should contact ERA's principal registry C/- KPMG Peat Marwick, Level 17, 44 Market Street (GPO Box 1486) Sydney NSW 2001.
Ph (02) 299 3988, fax (02) 299 6204 (refer page 39 for addresses in Canberra and Melbourne).

Change of Address

Shareholders who have changed their address should advise the change in writing to:

ERA Share Registry C/- KPMG Peat Marwick
Level 17, 44 Market Street
(GPO Box 1486) Sydney NSW 2001
Ph (02) 299 3988, fax (02) 299 6204

Transfer of Shares - FAST

ERA's listed shares are included in the Flexible Accelerated Security Transfer (FAST) scheme of the Australian Stock Exchange. The scheme enables shareholders to elect to maintain their shareholdings in uncertificated form if they are either an institutional participating investor or sponsored through a stockbroker.

A major proportion of all transfers received are under the FAST system and account for more than 90 per cent of shares transferred.

Shareholders who wish to continue to receive and hold certificates representing their holdings are not affected by the FAST scheme. FAST is the first step in the introduction of an electronic transfer and settlement system in Australia (to be named CHESS - Clearing Housing Electronic Sub-register System).

Tax File Numbers

Tax File Numbers or Exemption details are recorded from shareholders who wish to advise the information. Dividend advice statements when issued to shareholders indicate whether or not a shareholder's Tax File Number has been recorded.

ERA normally pays fully franked dividends. In the event of an unfranked dividend being paid, ERA will be required to deduct tax at the top marginal rate from the dividend paid to shareholders resident in Australia who have not supplied a Tax File Number or Exemption form.

Corporate Practices and Conduct

ERA supports the objectives of the 'Corporate Practices and Conduct' paper issued by leading Australian professional business organisations and endorses the need for directors and management of public companies to apply the highest standards in behaviour and accountability to the manner in which their business is conducted.

Profit and Loss Account

For the year ended 30 June 1993

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	Note	CONSOLIDATED AND PARENT 1993 $000	CONSOLIDATED AND PARENT 1992 $000
Operating profit before abnormal items and income tax	2,3	**72 528**	70 815
Abnormal items before income tax	4	**–**	(1 726)
Operating profit before income tax		**72 528**	69 089
Income tax attributable to operating profit	4,5	**(14 838)**	(30 403)
Operating profit after income tax		**57 690**	38 686
Retained profits at the beginning of the financial year		**157 455**	135 169
Total available for appropriation		**215 145**	173 855
Dividends provided for or paid	7	**–**	(16 400)
Retained profits at the end of the financial year		**215 145**	157 455

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

Balance Sheet

As at 30 June 1993

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	Note	CONSOLIDATED AND PARENT 1993 $000	CONSOLIDATED AND PARENT 1992 $000
Current Assets			
Cash	8	**30 634**	35 053
Receivables	9	**88 858**	40 741
Inventories	10	**88 085**	128 107
Other	11	**10 469**	8 085
Total Current Assets		**218 046**	211 986
Non-Current Assets			
Receivables	12	**–**	8 374
Inventories	13	**25 836**	–
Property, plant and equipment	14	**717 296**	725 046
Other	15	**14 382**	–
Total Non-Current Assets		**757 514**	733 420
TOTAL ASSETS		**975 560**	945 406
Current Liabilities			
Creditors and borrowings	16	**87 986**	51 820
Provisions	17	**23 120**	39 054
Total Current Liabilities		**111 106**	90 874
Non-Current Liabilities			
Creditors and borrowings	18	**135 980**	177 827
Provisions	19	**103 329**	109 250
Total Non-Current Liabilities		**239 309**	287 077
Total Liabilities		**350 415**	377 951
NET ASSETS		**625 145**	567 455
Shareholders' Equity			
Share capital	20	**410 000**	410 000
Retained profits		**215 145**	157 455
TOTAL SHAREHOLDERS' EQUITY		**625 145**	567 455

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

Statement of Cash Flows

For the year ended 30 June 1993

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	Note	CONSOLIDATED AND PARENT 1993 $000	CONSOLIDATED AND PARENT 1992 $000
		Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Receipts from customers		**163 980**	214 799
Payments to suppliers and employees		**(98 407)**	(100 499)
		65 573	114 300
Income taxes paid		**(28 385)**	(47 041)
Rehabilitation Trust Fund refunds		**–**	10 669
Net cash inflow from operating activities	28	**37 188**	77 928
Cash flows from investing activities			
Payments for property, plant and equipment		**(781)**	(1 833)
Proceeds from sale of property, plant and equipment		**2 691**	1 020
Interest received		**1 300**	1 881
Payment for North Ranger resource		**–**	(125 000)
Interest paid and capitalised		**(6 972)**	(9 595)
North Ranger study costs paid and capitalised		**(1 597)**	(762)
Net cash outflow from investing activities		**(5 359)**	(134 289)
Cash flows from financing activities			
Proceeds from borrowings		**172 700**	156 552
Repayment of borrowings		**(168 691)**	(27 886)
Interest and other costs of finance paid		**(4 191)**	(5 278)
Dividends paid	7	**(8 200)**	(28 700)
Net cash inflow (outflow) from financing activities		**(8 382)**	94 688
Net increase in cash held		**23 447**	38 327
Cash at the beginning of the financial year		**46 174**	7 024
Effects of exchange rate changes on cash		**(76)**	823
Cash at the end of the financial year	8	**69 545**	46 174

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 applicable Australian 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 are charged to the Profit and Loss Account 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.*

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 the current tax rate of 33 per cent.

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.

North Ranger Uranium Resource

The cost of the North Ranger 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.

Non-Current Assets

The carrying amounts of all non-current assets are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. In assessing recoverable amounts the relevant cash flows have been discounted to their present value.

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 (note 14).

Comparative Figures for 1992

Where necessary, comparative figures for 1992 have been adjusted to conform with changes in presentation in 1993.

Notes to and forming part of the Financial Statements

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT 1993 $000	CONSOLIDATED AND PARENT 1992 $000
2. Revenue		
Sales revenue	**159 505**	170 459
Other revenue		
Rehabilitation refund	**13 781**	10 669
Interest received/receivable	**1 648**	1 840
Proceeds on sale of non-current assets	**2 691**	1 020
	177 625	183 988

3. Operating Profit

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

	1993 $000	1992 $000
Charges:		
Amortisation of Ranger Project Rights	**6 321** *	13 662
Amortisation of leased assets	**–**	568
Depreciation of non-current assets	**8 804** *	15 053
Royalty type expense	**1 571**	1 763
Payments for Aboriginal interests	**5 541**	6 195
Rehabilitation fund costs	**24**	23
Auditors' remuneration		
audit of parent and controlled entities	**90**	112
other services	**86**	248
Rent expense on operating leases	**939**	1 034
Contributions to employee retirement funds	**8**	78
Interest paid/payable to		
other corporations	**11 140**	15 138
finance charges on finance leases	**1**	129
interest capitalised (note 14)	**(7 018)**	(10 628)
Provision for employee entitlements	**1 392**	1 435
Provision for stores obsolescence	**199**	80
Provision for maintenance	**99**	267
Provision for doubtful debts	**–**	18
Loss on disposal of non-current assets	**–**	266
Credits:		
Interest received/receivable from other corporations	**1 648**	1 840
Profit on disposal of non-current assets	**702**	–

* As a result of the campaign mining and milling in the current year, production of U_3O_8 in the period was 1335.097 tonnes U_3O_8 compared to 2979.954 tonnes U_3O_8 in the previous year. Consequently amortisation and depreciation was lower for the period.

4. Abnormal Items

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

	1993 $000	1992 $000
Credits:		
Restatement of deferred tax balances resulting from a change in the income tax rate from 39% to 33% (note 5)	**17 707**	–
Charges:		
Retrenchment costs	**–**	1 726
Income tax benefit attributable to abnormal item	**–**	(673)
Abnormal items after income tax	**–**	1 053

Notes to and forming part of the Financial Statements

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT 1993 $000	CONSOLIDATED AND PARENT 1992 $000
5. Income Tax		
Income tax is calculated as follows:		
Operating profit before income tax	**72 528**	69 089
Tax calculated at 39%	**28 286**	26 945
Tax effect of permanent differences:		
Amortisation of Ranger Project Rights and other non-allowable items	**4 442**	4 244
Prima facie tax adjusted for permanent differences	**32 728**	31 189
Income tax overprovided in prior year	**(183)**	–
Income tax refund	**–**	(786)
Abnormal item:		
Restatement of deferred tax balances resulting from a change in the income tax rate (note 4)	**(17 707)**	–
Income tax expense on operating profit	**14 838**	30 403

6. Foreign Currency

Foreign currency options and hedge contracts which matured during the year in respect of sales proceeds received in United States dollars decreased revenue for the year by A$1 417 000 (1992: increased A$1 669 000). The net exchange loss included in the Profit and Loss Account for the year on the holding of net foreign monetary assets was A$978 000 (1992: A$637 000)

	1993 $000	1992 $000
7. Dividends		
Franked dividends paid during the period, provided in the previous period	**8 200**	20 500
Franked dividends provided and paid for in this period	**–**	8 200
Dividends provided for during this period which will, when paid, be franked out of franking credits already in existence	**–**	8 200
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	**190 049**	157 455
8. Cash		
Cash at banks and on hand	**27 434**	30 053
Short-term deposits (at call)	**3 200**	5 000
	30 634	35 053
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	**30 634**	35 053
Add: Short-term deposits (note 9)	**40 000**	12 000
Less: Bank overdrafts (note 16)	**1 089**	879
Balance per Statement of Cash Flows	**69 545**	46 174
9. Current Assets - Receivables		
Short term deposits	**40 000**	12 000
Loans to directors	**16**	13
Trade debtors[a]	**33 362**	27 173
Other debtors[b]	**15 510**	1 585
Less provision for doubtful debts	**30**	30
	88 858	40 741

[a] Bad debts written off against provisions: $Nil (1992:$Nil)

[b] Bad debts written off against provisions: $Nil (1992:$Nil)

Notes to and forming part of the Financial Statements

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT 1993 $000	CONSOLIDATED AND PARENT 1992 $000
10. Current Assets - Inventories		
Stores	**8 633**	10 130
Less provision for obsolescence	**1 287**	1 112
	7 346	9 018
Ore stockpile	**2 688**	24 811
Work in progress	**242**	104
Finished product U_3O_8	**77 809**	94 174
At cost	**88 085**	128 107
11. Current Assets - Other		
Prepayments	**6 880**	8 085
Foreign exchange hedge asset	**3 589**	–
	10 469	8 085
12. Non-Current Assets - Receivables		
Term debtors	**–**	8 374
13. Non-Current Assets - Inventories		
Ore stockpile	**25 836**	–
14. Non-Current Assets - Property, Plant and Equipment		
Land - cost	**1**	1
Building - cost	**91 658**	92 637
Less provision for depreciation	**31 561**	29 782
	60 097	62 855
Plant and equipment - cost	**338 767**	340 656
Less provision for depreciation	**130 685**	125 273
	208 082	215 383
Mine properties		
Ranger Project Rights - cost	**407 000**	407 000
Less accumulated amortisation	**102 903**	96 583
	304 097	310 417
Exploration and evaluation expenditure		
North Ranger uranium resource - cost	**125 000**	125 000
Interest capitalised	**17 646**	10 628
North Ranger costs capitalised	**2 373**	762
	145 019	136 390
Plant and equipment - leased	**–**	703
Less accumulated amortisation	**–**	703
	–	–
Total property, plant and equipment	**717 296**	725 046

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 1993 $000	CONSOLIDATED AND PARENT 1992 $000
15. Non-Current Assets - Other		
Foreign exchange hedge asset	**14 382**	–
16. Current Liabilities - Creditors and Borrowings		
Unsecured:		
Bank overdraft	**1 089**	879
Bank loans	**–**	10 000
Notes and bills payable	**74 727**	–
Finance lease liabilities	**–**	65
Amount owing to related corporations	**34**	8
Amount owing to ultimate parent entity	**81**	138
	75 931	11 090
Trade creditors	**7 822**	33 064
Other creditors	**4 233**	7 666
	12 055	40 730
	87 986	51 820
17. Current Liabilities - Provisions		
Employee entitlements	**2 240**	2 341
Maintenance	**219**	155
Dividend	**–**	8 200
Income tax	**20 661**	28 358
	23 120	39 054
18. Non-Current Liabilities - Creditors and Borrowings		
Unsecured:		
Notes and bills payable	**134 509**	16 036
Bank loans	**–**	158 455
Term creditors	**1 471**	3 336
	135 980	177 827
19. Non-Current Liabilities - Provisions		
Employee entitlements	**846**	917
Deferred income tax	**102 483**	108 333
	103 329	109 250

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.

20. Share Capital

		1993 $000	1992 $000
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.

Notes to and forming part of the Financial Statements

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 $41 484 000 at 31 March 1993 whilst the balance of the Ranger Rehabilitation Trust Fund at that date was $55 265 000. The difference of $13 781 000 represents the refund recognised in the Financial Statements and receivable at 30 June 1993 (note 2).

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 by June 2005 in the case of one contract, an amount of A$9 570 000 is payable at that time.

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 and will be the subject of court proceedings shortly. 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.

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT 1993 $000	CONSOLIDATED AND PARENT 1992 $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	**486**	594
(b) Lease Commitments		
(i) Operating Leases		
Aggregate of amounts contracted but not provided for in the accounts	**5 606**	6 909
Due within 1 year	**939**	987
Due between 1-2 years	**920**	987
Due between 2-5 years	**2 509**	2 749
Due after 5 years	**1 238**	2 186
	5 606	6 909

Notes to and forming part of the Financial Statements

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT 1993 $000	CONSOLIDATED AND PARENT 1992 $000

22. Commitments [CONTINUED]

(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

	1993 $000	1992 $000
Total lease liability		
current	–	65
non-current	–	–
	–	65
Finance lease commitments		
Due within 1 year	–	86
Minimum lease payments	–	86
Less future finance charges	–	21
	–	65

(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 1994 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 Aboriginals Benefit 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 (1993: $5 341 000/1992:$5 995 000);

(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 (1993: $1 571 000/ 1992: $1 763 000);

(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.

23. Superannuation Benefits and Commitments

The superannuation plans provide benefits on retirement, disablement, death, retrenchment or withdrawal from service, the principal types of benefits being lump sum defined benefits and lump sum accumulation benefits. Contributions are made by employees and the Company as percentages of salary or wages as required by the relevant trust deeds. The contribution obligations are legally enforceable up to the date upon which any such obligation is terminated by appropriate action pursuant to the relevant trust deed.

An actuarial assessment of the plans was last made as at 1July1990 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.

Notes to and forming part of the Financial Statements

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT 1993 $000	CONSOLIDATED AND PARENT 1992 $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:

	1993	1992
$ 0 to $ 9 999	–	1
$ 10 000 to $ 19 999	–	1
$ 20 000 to $ 29 999	4	2
$ 30 000 to $ 39 999	–	1
$ 40 000 to $ 49 999	–	2
$ 70 000 to $ 79 999	1	–
$170 000 to $179 999	1	1
$210 000 to $219 999	–	1
$220 000 to $229 999	1	–
$240 000 to $249 999	–	1
$250 000 to $259 999	1	1
$290 000 to $299 999	1	–
$560 000 to $569 999	1	–
$610 000 to $619 999	–	1

Total remuneration received or due and receivable by the directors, including alternate and executive directors, from:

	1993 $000	1992 $000
the Company	345	388
related corporations (including North Broken Hill Peko Limited)	1 328	1 313
	1 673	1 701

(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:

	1993	1992
$100 000 to $109 999	2	1
$110 000 to $119 999	2	3
$120 000 to $129 999	2	2
$140 000 to $149 999	2	2
$150 000 to $159 999	1	2
$170 000 to $179 999	1	–
$200 000 to $209 999	1	–
$240 000 to $249 999	–	1
$250 000 to $259 999	1	–

	1993 $000	1992 $000
Total remuneration received or due and receivable by these executives from the Company	1 763	1 542

(iii) Retirement Benefits

	1993 $000	1992 $000
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	112	705

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

Notes to and forming part of the Financial Statements

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, A Carmichael, Y Coupin (L Corbier, Alternate), G W Forster, R Knight, B S McComish, Sir Rupert Myers KBE, M Shibata (H Katsura/K Nawa/S Sato/M Yoshida/H Umeda/I Kosaka, Alternates), P H Wade (Dr D R Stewart, Alternate).

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

Information relating to directors' shareholdings is set out in the Directors' Report.

Loans to Directors

Loans to directors disclosed in note 9 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:

	CONSOLIDATED AND PARENT **1993** **$000**	CONSOLIDATED AND PARENT 1992 $000
Aggregate loans at the beginning of the financial year	**13**	9
Add loans advanced during the financial year	**5**	5
Less loan instalments repaid during the financial year	**2**	1
Aggregate loans at the end of the financial year	**16**	13

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.

Director Related Entities

Two directors of ERA, Mr M Shibata and Mr Y Coupin, are also directors of Japan Australia Uranium Resources Development Co Ltd (JAURD) and Cogema Australia Pty Ltd respectively. Both JAURD directly, and entities related to Cogema Australia Pty Ltd, purchased drummed U_3O_8 during the year.

All purchases were conducted on commercial terms and conditions. Total revenue derived from these director related entities is set out in note 27.

Amounts receivable from these director related entities at 30 June 1993 totalled $20 246 000 (1992: 19 275 000).

Superannuation Fund

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

Other Related Parties

Aggregate amounts brought to account in relation to other transactions with each class of other related parties:

	1993	1992
Dividends paid/payable to		
Ultimate parent entity	**–**	5 323
Related corporation	**–**	5 453

Notes to and forming part of the Financial Statements

	CLASS OF SHARE	PLACE OF INCORPORATION	PARENT INVESTMENT AT COST $
26. Investments In Controlled Entities			
(a) Shares in controlled entities			
E.R.A. (Canberra) Limited	Ordinary	Australian Capital Territory	5
Ranger Export Development Company Pty Ltd	Ordinary	New South Wales	20
Ranger Uranium Mines Pty Ltd	Ordinary	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 $600 (1992: $643).

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT **1993** **$000**	CONSOLIDATED AND PARENT 1992 $000
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:		
United States	**25 849**	24 716
Japan	**90 019**	72 995
Korea	**20 980**	26 458
Europe	**22 657**	46 290
	159 505	170 459
Sales revenue included above from direct shareholder-customers	**76 594**	102 349
All operating expenditure is incurred in one geographical area and the assets are based in Australia.		
28. Reconciliation of Operating Profit after Income Tax to Net Cash Inflow from Operating Activities		
Operating profit after income tax	**57 690**	38 686
Add/(less) items classified as investing/financing activities:		
(Profit)/loss on sale of non-current assets	**(702)**	266
Interest paid	**4 191**	5 278
Interest received	**(1 300)**	(1 881)
Add/(less) non-cash items		
Depreciation and amortisation	**15 125**	29 283
Net exchange differences	**2 780**	1 722
Change in operating assets and liabilities		
(Increase)/Decrease in trade debtors	**2 185**	40 906
(Increase)/Decrease in other debtors	**(13 930)**	1 853
(Increase)/Decrease in inventories	**14 186**	(12 952)
(Increase)/Decrease in prepayments	**1 205**	(1 247)
(Decrease)/Increase in trade and other creditors	**(30 587)**	(6 091)
(Decrease)/Increase in provision for income taxes payable	**(7 697)**	(21 328)
(Decrease)/Increase in provision for deferred income tax	**(5 850)**	4 681
(Decrease)/Increase in other provisions	**(108)**	(1 248)
	37 188	77 928

Notes to and forming part of the Financial Statements

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT 1993 $000	CONSOLIDATED AND PARENT 1992 $000

29. Financing Arrangements

The economic entity has access at balance date to the following financing facilities:

	1993 $000	1992 $000
Total facilities		
Bank overdrafts	3 000	3 000
Note and bill facilities	293 964	72 654
Bank loan facilities	-	213 455
	296 964	289 109
Used at balance date		
Bank overdrafts	1 089	879
Note and bill facilities	209 236	16 036
Bank loan facilities	-	168 455
	210 325	185 370
Unused at balance date		
Bank overdrafts	1 911	2 121
Note and bill facilities	84 728	56 618
Bank loan facilities	-	45 000
	86 639	103 739

Interest rates on all facilities are variable.

Bank overdrafts

The bank overdrafts are unsecured and may be drawn at anytime. The bank overdrafts are payable on demand and are subject to annual review.

Note and bill facilities

All facilities are subject to a negative pledge agreement.

The bill facility is unsecured and may be drawn at any time and is subject to annual review. No drawdowns against this facility had been made as at the 1993 balance date.

The Multi Option Facility is unsecured and amounts can be drawn down at any time over the next four years.

30. Receivables and Payables Denominated in Foreign Currencies

The Australian dollar equivalents of unhedged amounts payable or receivable in foreign currencies, calculated at year end exchange rates are as follows:

	1993 $000	1992 $000
United States dollars		
Current - Creditors & Borrowings		
Trade creditors	4 550	8 878
Other creditors	–	843
Notes and bills payable	11 956	–
Non-Current - Creditors & Borrowings		
Bank loans	–	53 455
Notes and bills payable	17 935	16 036
Term creditors	1 471	2 361

31. Earnings per Share

Basic earnings per share: 1993 $0.14/share; 1992 $0.09/share

Diluted earnings per share : 1993 $0.14/share; 1992 $0.09/share

Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share: 1993, 410 000 000 shares; 1992, 410 000 000 shares

32. Post Balance Date Events

On 27 July 1993 ERA repaid US$42 000 000 of Transferable Loan Certificates under the Company's Multi Option Facility.

Statutory Statements

Statement by Directors

1. In the opinion of the Directors of Energy Resources of Australia Ltd:

   (a) The Financial Statements set out on pages 24 to 36 are drawn up so as to give a true and fair view of the results and cash flows for the financial year ended 30 June 1993, and the state of affairs at 30 June 1993, of the Company and the economic entity;

   (b) the consolidated accounts have been made out in accordance with Divisions 4A and 4B of Part 3.6 of the Corporations Law; and

   (c) 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.

2. The Financial Statements have been made out in accordance with applicable Australian Accounting Standards.

Signed at Sydney this 25th day of August 1993 in accordance with a resolution of the directors.

P H Wade
Director

P. H. Wade.

R Knight
Director

R. Knight.

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 1993 consisting of the Profit and Loss Account, Balance Sheet, Statement of Cash Flows, accompanying notes, and the statement by directors set out on pages 24 to 37. The Financial Statements comprise the accounts of the Company and the consolidated accounts of the economic entity, being the Company and its controlled entities. 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 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 and their cash flows.

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 of the Company and the economic entity at 30 June 1993 and the results and cash flows of the Company and the economic entity for the financial year ended on that date; 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 applicable Australian Accounting Standards.

KPMG Peat Marwick

KPMG Peat Marwick,
Chartered Accountants

Craig Jackson

C M Jackson
Partner
Sydney, 25 August 1993

Shareholder Information

Twenty Largest Shareholders of A Class Ordinary Shares as at 13 August 1993

Shareholders	Shares Held
Peko Wallsend Ltd	136 329 100
North Broken Hill Peko Limited	135 566 900
Pendal Nominees Pty Limited	6 186 460
National Nominees Limited	3 344 004
Permanent Trustee Company Limited	2 030 500
Australian Mutual Provident Society	1 867 776
MLC Life Limited	1 582 149
ANZ Nominees Limited	1 192 171
GIO Life Ltd	874 885
Barclays Australia Custodian Services Limited	731 900
Westpac Custodian Nominees Limited	557 171
Investment Services Nominees Pty Ltd	545 100
BT Custodians Limited	437 400
State Superannuation Board of Victoria	415 400
Permanent Trustee Company Limited	383 100
Clipper Investments Ltd	374 900
Citicorp Nominees Pty Limited	313 800
Perpetual Trustee Company Limited	299 800
Icianz Pension Fund Sec Pty Ltd	282 400
Chase Manhattan Nominees Limited	220 100
Total of top twenty holdings	**293 535 016**

The proportion of A Class Ordinary Shares held by the twenty largest shareholders is 95.45%.

Register of Substantial Shareholders

Shares held as at 13 August 1993

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 May 1992 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 September 1980 and December 1981.

**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 13 August 1993

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

	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 – 99	19	0.1	853	0.0
100 – 1 000	11 746	85.3	4 381 322	1.4
1 001 – 5 000	1 648	12.0	4 027 583	1.3
5 001 – 10 000	217	1.6	1 656 360	0.6
over 10 000	132	1.0	297 433 882	96.7
	13 762	100.0	307 500 000	100.0

There were 19 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
Facsimile: (02) 299 6204

Victoria

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

Australian Capital Territory

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

Ten Year Performance

Year ended 30 June

	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
Sales Revenue ($000)	**159 505**	170 459	210 407	206 898	177 516	251 300	234 263	222 513	233 779	246 136
Profit Before Tax ($000)	**72 528**	69 089	101 604	125 830	80 630	131 055	108 085	98 415	109 852	113 021
Income Tax Expense ($000)	**14 838**	30 403	27 554	68 328	42 876	67 985	49 197	47 991	53 395	55 534
Profit After Tax ($000)	**57 690**	38 686	74 050	57 502	37 754	63 070	58 888	50 424	56 457	57 487
Total Assets ($000)	**975 560**	945 406	827 756	847 491	882 081	914 622	953 479	883 608	927 487	941 128
S'hlds' Equity ($000)	**625 145**	567 455	545 169	464 793	448 291	546 939	500 164	489 469	480 045	464 588
Long Term Debt ($000)	**120 127**	174 491	52 107	39 566	102 821	82 953	125 302	179 036	191 261	242 264
Current Ratio	**1.96**	2.33	2.24	0.98	1.10	1.41	1.43	1.68	1.33	1.48
Liquid Ratio	**1.09**	0.84	0.96	0.49	0.56	0.91	0.94	1.13	1.04	1.21
Gearing (%)	**16.3**	23.9	13.3	12.1	22.2	15.1	20.5	26.8	28.5	34.3
Interest Cover (times)	**18.2**	15.5	19.6	12.6	5.2	6.6	4.5	3.3	3.1	3.2
Return on Shareholders' Equity (%)	**9.7**	7.0	14.7	12.6	7.6	12.0	11.9	10.4	12.0	12.5
Earnings/Share (cents)	**14.1**	9.4	18.1	14.0	9.2	15.4	14.4	12.3	13.8	14.0
Dividends/Share (cents)	**0**	4.0	10.0	10.0	15.0	10.0	10.0	10.0	10.0	12.5
Payout Ratio (%)	**0**	42.4	55.4	71.3	162.9	65.0	69.6	81.3	72.6	89.2
Share Price ($)	**1.30**	1.22	1.47	2.00	2.32	2.80	2.70	1.50	1.45	1.40
Price-Earnings Ratio	**9.2**	12.9	8.1	14.3	25.2	18.2	18.8	12.2	10.5	10.0
Dividend Yield (%)	**0**	3.3	6.8	5.0	6.5	3.6	3.7	6.7	6.9	8.9
Net Tangible Assets per Share ($)	**1.52**	1.38	1.33	1.13	1.09	1.33	1.22	1.19	1.17	1.13
No. of Employees	**198**	191	339	340	354	374	414	409	421	429
Profit After Tax per Employee ($000)	**291.4**	202.5	218.4	169.1	106.6	168.6	142.2	123.3	134.1	134.0
Ore Mined (million tonnes)	**0.830**	0.435	0.661	1.085	2.400	2.130	1.714	1.480	0.903	0.780
Ore Milled (million tonnes)	**0.426**	0.986	1.090	1.089	0.975	0.782	0.869	0.968	1.021	1.004
Mill Head Grade (% U_3O_8)	**0.348**	0.324	0.295	0.314	0.408	0.423	0.379	0.350	0.317	0.343
Mill Recovery (%)	**90.56**	89.83	90.78	90.10	91.06	91.95	93.05	92.00	92.45	89.92
Production (t U_3O_8)	**1 335.1**	2 980.0	2 908.3	3 084.0	3 595.5	3 041.5	3 076.2	3 067.0	3 037.0	3 098.7
Sales (t U_3O_8)										
Ranger Concentrates	**2 250.3**	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
Other Concentrates	**848.0**	1 328.4	802.3	47.6	–	–	–	–	–	–
Total	**3 098.3**	3 558.5	3 400.8	2 763.7	2 633.4	3 274.0	3 048.0	2 810.2	2 682.0	2 668.7

DEFINITIONS OF STATISTICAL RATIOS

Current Ratio = current assets/current liabilities
Liquid Ratio = (current assets – inventory – prepayments - foreign exchange hedge asset)/(current liabilities – bank overdraft)
Interest Cover = earnings before interest and tax/interest expense
Return on Shareholders' 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
MW Broomhead	
A Carmichael	
Y Coupin	
R Knight	Chief Executive
BS McComish	
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
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