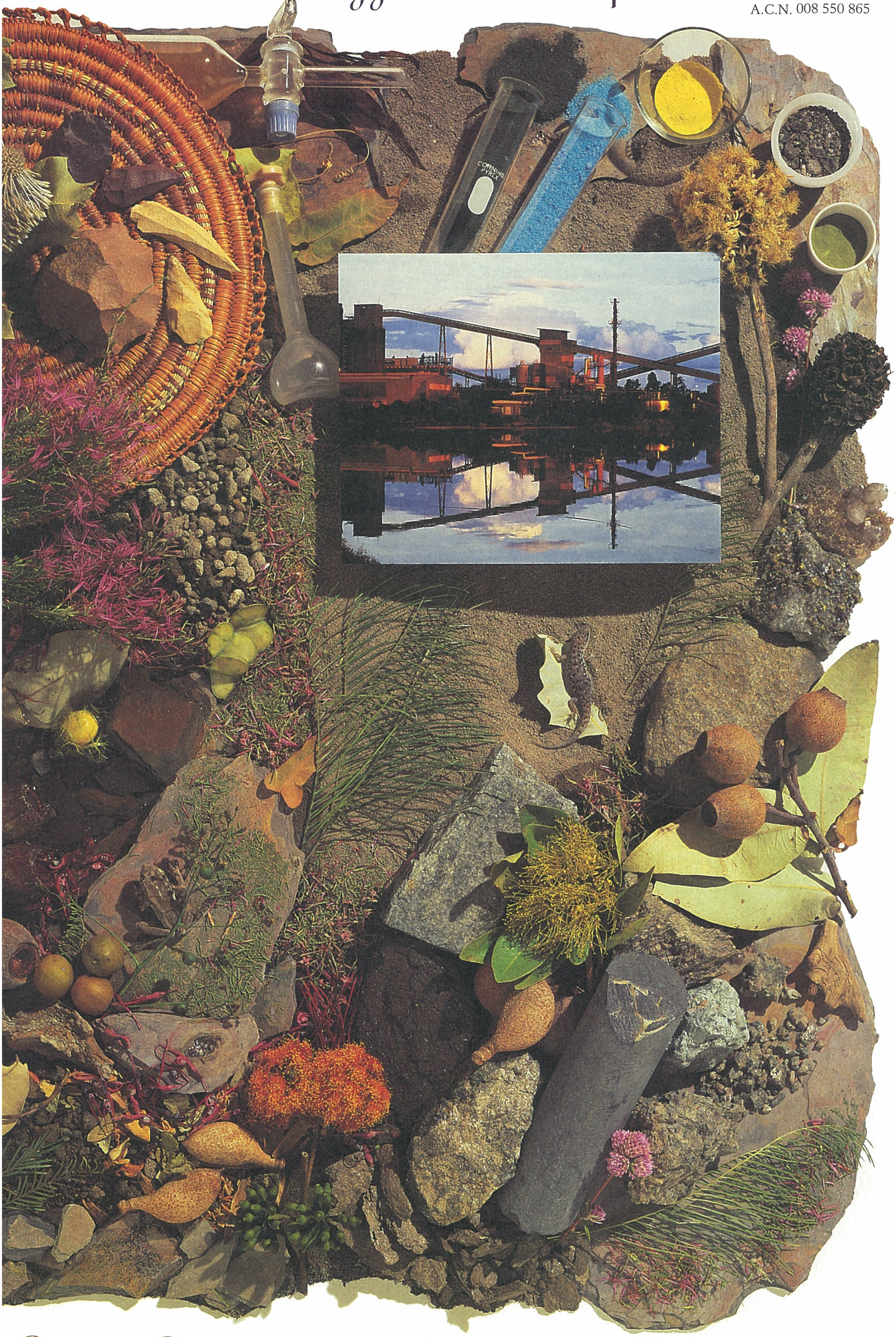
Energy Resources of Australia Ltd

A.C.N. 008 550 865



Annual Report 1994

A Natural Resource
Australia's

Exports & Energy

In 1994 ERA supplied 6 per cent of the uranium required to fuel nuclear electricity reactors in the western world earning Australia \$152.2 million in export revenue.

Worldwide there are 430 nuclear power reactors in operation generating 17 per cent of the world's electricity and over 22 per cent of electricity in OECD countries. With 55 reactors under construction, nuclear electricity and the uranium required to fuel those reactors will remain a permanent feature of the world's energy mix.

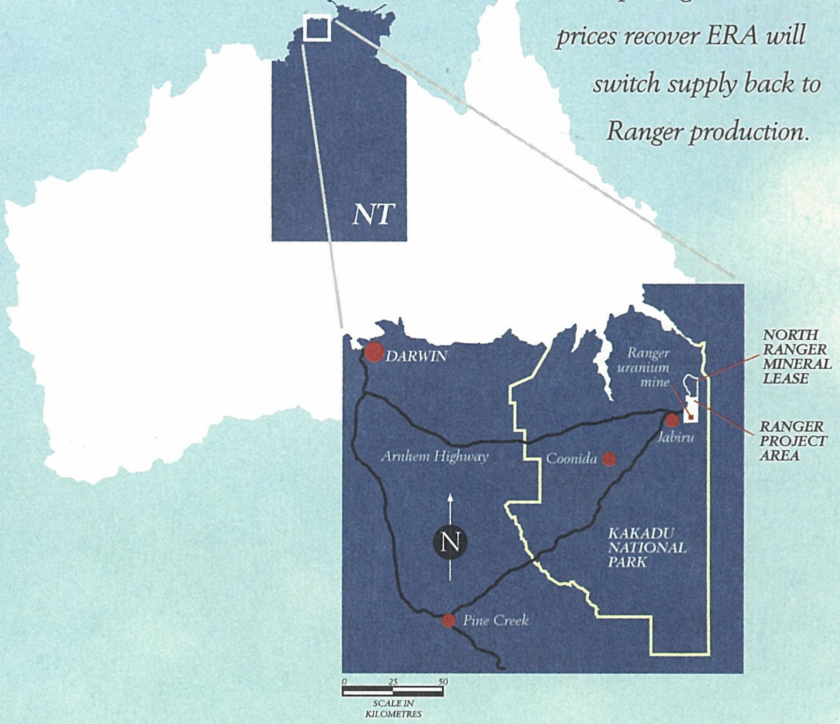
ERA's Ranger and North Ranger uranium resources are located in the region with the largest growth market for uranium in the world. Within Asia there are currently 72 nuclear power reactors operating in five countries and 18 units under construction. Demand for uranium in Asia is expected to increase 45 per cent by the year 2000.

IN 1994 THE ERA RANGER MINE PRODUCED 1 461.8 TONNES OF U_3O_8. TOTAL SALES, AT 3445.2 TONNES U_3O_8, WERE THE SECOND HIGHEST ON RECORD.

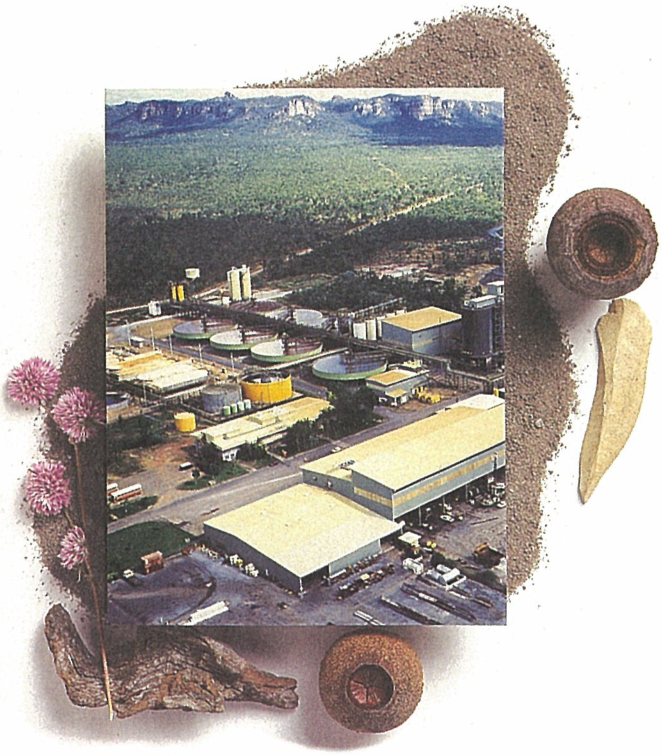
ERA's Strengths

ERA has the strengths to compete and respond to increasing market demand.

- ***Low Cost Resources**: ERA has proven reserves and broken ore stockpiles containing 166 000 tonnes U_3O_8, sufficient to operate the Ranger mine at 5 000 tonnes U_3O_8 per year for 33 years, if justified by market demand.*
- ***Low Incremental Production Costs**: ERA's two undeveloped uranium resources, Ranger #3 and North Ranger #2, can be brought on line without the additional expense or environmental impact of a new mill and other infrastructure.*
- ***Growth and Market Share**: ERA can continue to build market share without committing future Ranger tonnage at low prices by supplying uranium from the Republic of Kazakhstan to satisfy contracts with spot market pricing terms. As prices recover ERA will switch supply back to Ranger production.*



Energy Resources of Australia



Corporate Objectives

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

- *fulfilling the expectations of all stakeholders in the Company's business with special emphasis on the needs of customers, safety of the workforce, the integrity of the environment and the well-being of the Aboriginal community;*
- *continuous improvement in management practice;*
- *realising the value of the Company's assets through development of its ore reserves;*
- *growth in sales of uranium concentrates;*
- *improving earnings and cash flow.*

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 electric utilities in Japan, South Korea, Europe and North America.

The Company has the capacity 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.

Management Strategy

1994 & 1995

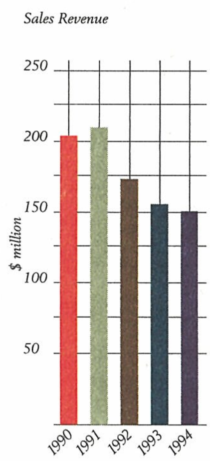
Until market prices recover to a level that reflects production costs, ERA's management will continue to pursue the objectives, adopted in 1991, and

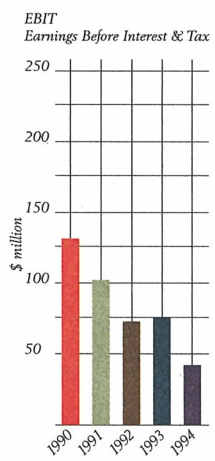
- *increase and diversify ERA's market share;*
- *match Ranger production and inventory sales with commitments under long term contracts;*
- *source third party uranium to satisfy sales with spot market pricing terms;*
- *conserve cash for the retirement of debt.*

Beyond 1995

ERA's long term strategy is to grow substantially from its existing base into the anticipated market recovery thereby lowering its cost of production through economies of scale.

A Natural Advantage





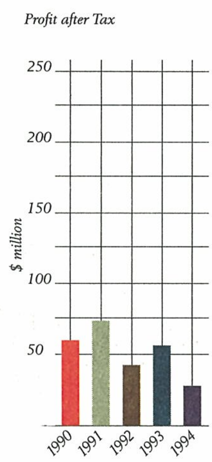
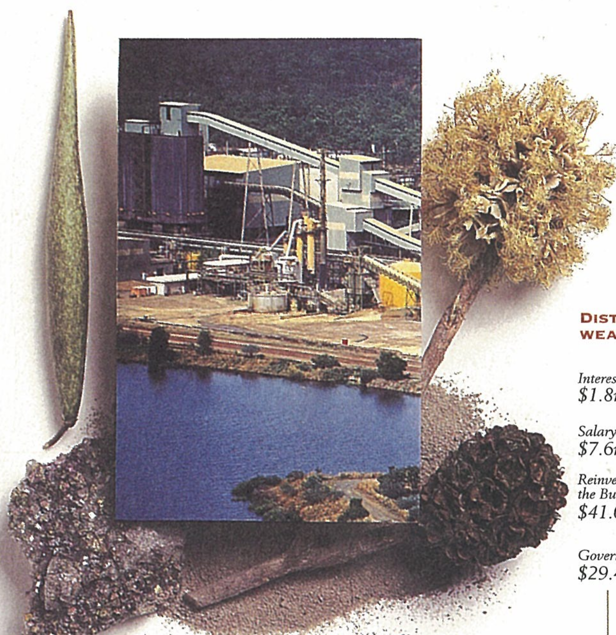


TABLE 1: HIGHLIGHTS

YEAR ENDED 30 JUNE	1994	1993	% CHANGE
Financial, $ million			
Sales revenue	**152.2**	159.5	-4.5
Profit before tax	**44.3**	72.5	-38.9
Income tax expense	**17.8**	14.8	+20.3
Profit after tax	**26.5**	57.7	-54.1
Total assets	**920.5**	975.6	-5.6
Issued capital	**410.0**	410.0	–
Capital & reserves	**651.7**	625.1	+4.2
Earnings per share, cents	**6.5**	14.1	-53.9
Return on shareholders' equity, per cent	**4.2**	9.7	-56.7
Dividend per share, cents	**0**	0	–
Production			
Ore mined, million tonnes	**0.712**	0.830	-14.2
Ore milled, million tonnes	**0.437**	0.426	+3.1
Mill head grade, per cent U_3O_8	**0.389**	0.348	+11.8
Total production, tonnes U_3O_8	**1461.8**	1335.1	+9.5
Sales, tonnes U_3O_8			
Ranger concentrates	**1934.9**	2250.3	-14.0
Other concentrates	**1510.3**	848.0	+78.1
Total sales	**3445.2**	3098.3	+11.2

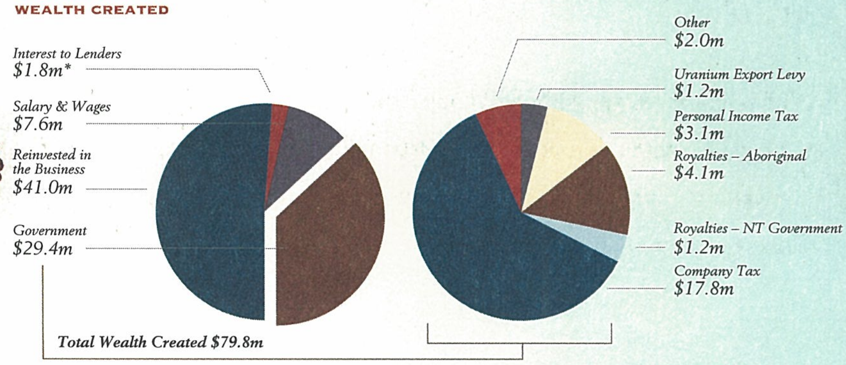


1994 Highlights

In pursuit of corporate and management objectives during the 1994 financial year, ERA

- *earned a profit after tax of $26.507 million;*
- *won new sales contracts with two of the world's top 10 nuclear electric utilities;*
- *achieved sales of 3 445.2 tonnes U_3O_8, the second highest amount in the Company's history;*
- *won two major environment awards in recognition of Ranger's achievements in environmental research and management;*
- *earned a maximum 5-Star safety rating from the National Safety Council of Australia making Ranger the only mine in Australia to hold such a rating;*
- *announced funding of a $500 000 chair in Aboriginal Studies at the Northern Territory University;*
- *completed feasibility studies for ERA's two undeveloped uranium resources, Ranger #3 and North Ranger #2;*
- *concluded a successful Enterprise Agreement at the Ranger mine;*
- *repaid US$42 million (A$58.863 million) in long term debt and, post balance date, a further US$27 million (A$36.388 million).*

DISTRIBUTION OF WEALTH CREATED



* Does not include capitalised interest of $4.2m

Uranium for 1994 and Beyond

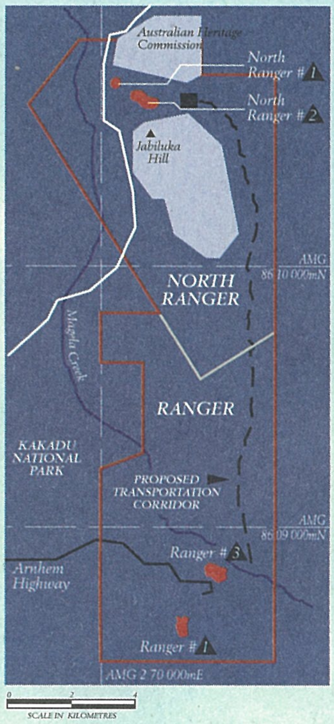
Market Outlook

ERA's market analysis (below right) continues to predict a shortfall in the supply of uranium from all sources over the next ten years. The supply deficit will present low cost producers, such as ERA, with the opportunity to significantly increase production in the second half of this decade.

Demand for uranium is expected to grow steadily over the next ten years at about 1 per cent per year. This figure includes demand from existing reactors and those under construction or about to commence construction. The major increase in demand will come from Asia.

Existing mine production is expected to meet about half western world demand over the next four years. Uranium production however is likely to decline as several existing mine reserves are depleted.

As the market improves, unused capacity from several mines will be brought back on line and new mines, which require no new mill facilities, are expected to be developed.



Exports of uranium from the Commonwealth of Independent States have stabilised and in the long term are likely to secure about a 20 per cent market share.

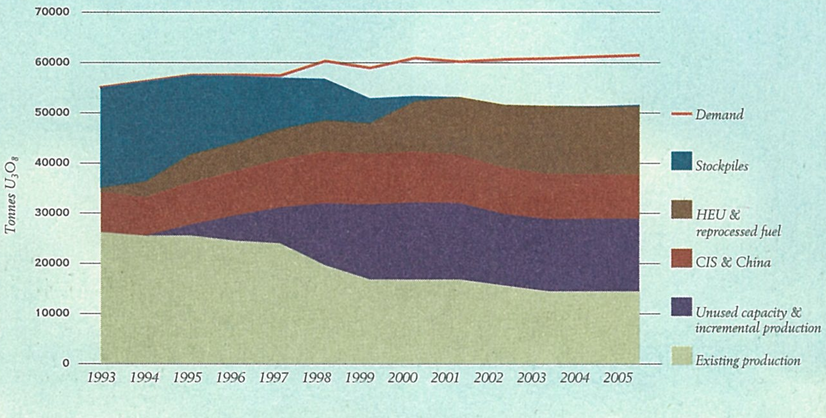
Under an agreement between Russia and the United States, weapons grade uranium, or highly enriched uranium, will be diluted for use in US nuclear electric reactors. This is expected to capture about a 20 per cent market share by 2003. Reprocessing of used nuclear fuel to recycle the remaining energy will be increasingly relied upon by some countries as a fuel source.

Uranium stockpiles accumulated in previous years will continue to reduce.

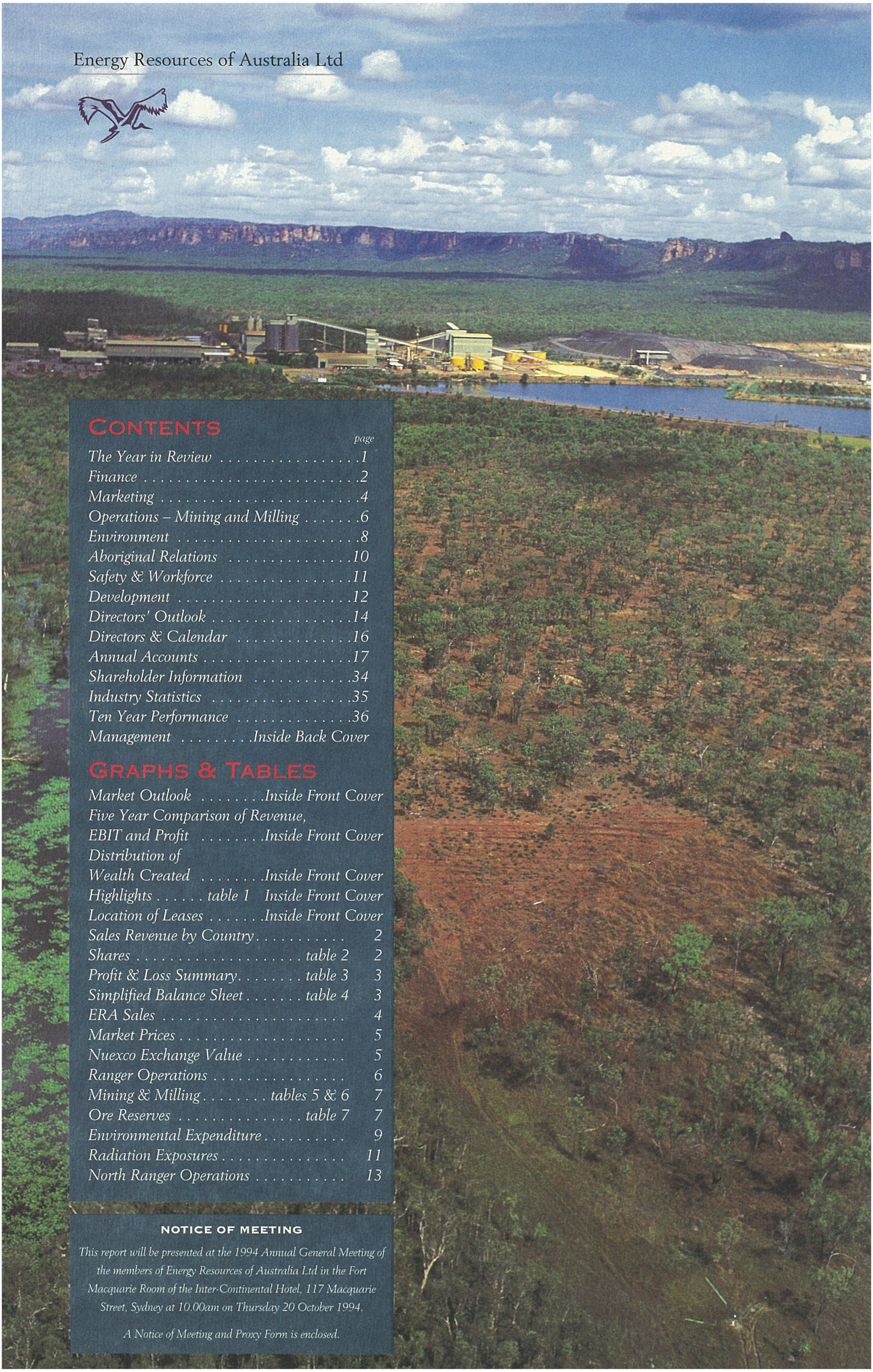
The supply shortfall from all existing sources is expected to grow from the second half of the 1990s.

ERA'S NORTH RANGER #2 (JABILUKA) URANIUM RESOURCE (ABOVE, FOREGROUND)

MARKET OUTLOOK – SUPPLY/DEMAND FORECAST



Energy Resources of Australia Ltd



Contents

page

Graphs & Tables

NOTICE OF MEETING

This report will be presented at the 1994 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 20 October 1994.

A Notice of Meeting and Proxy Form is enclosed.

The Year in Review

ERA's profit after tax at $26.507 million was achieved during some of the most difficult market conditions experienced in the Company's fourteen year history.

In calendar 1993 western uranium production was kept to 48 per cent of uranium demand with uranium concentrates from the Commonwealth of Independent States (CIS) and western inventories supplying the difference. Demand for western uranium production in 1994 remained weak but within expected limits.

The fundamentals of ERA's business nevertheless remain strong. ERA continues to improve market share and achieved total sales of 3 445.2 tonnes U_3O_8 in 1994, the second-highest on record. During the year, ERA also secured its first contract with a Canadian utility for supplies of U_3O_8 from 1997 to 2000 and signed a further contract with a United States utility.

ERA's net debt position at year end stood at $70.627 million ($121.720 million in 1993). Conserving cash for the retirement of debt has been achieved through controlled inventory liquidation and minimising the cash costs of production at Ranger, principally through campaign mining and milling. Production at the mine was 1 461.8 tonnes U_3O_8 in 1994.

Mining resumed at the Ranger #1 Pit in June 1994 and is scheduled to end in December 1994 at which time all ore will have been mined from the pit. Surface stockpiles of Ranger #1 ore will be sufficient to maintain production at projected levels through to 2000. Notwithstanding this, ERA will be seeking to bring on line its next orebody, either North Ranger #2 or Ranger #3, by 1997.

To this end, ERA completed an 18 month feasibility study of North Ranger during the year and undertook a review of the 1991 Ranger #3 feasibility study. The preferred development sequence of the orebodies is North Ranger #2, followed by Ranger #3 within three years of a commencement of mining at North Ranger.

Above: Paula Jackson prepares to board one of Ranger's 80 tonne ore trucks. **Left:** The ERA Ranger Mine.

Campaign mining and milling at Ranger, now into its third cycle, has only been possible through the cooperation of a dedicated and flexible workforce. In a further step towards workplace reform, and after two years of negotiations, an enterprise agreement was endorsed by the Ranger workforce and ratified by the Industrial Relations Commission in December.

The switch from mining to milling each six months has had no detrimental effect on ERA's environmental management record or safety performance. In 1994 ERA received two awards for environmental research and management and received a maximum 5-Star safety rating from the National Safety Council of Australia.

Outlook

The uranium market will remain depressed in the near term. ERA's market forecast however, continues to point to a renewal in demand from 1997. With low debt, a diverse portfolio of contracts and subject only to development and export approvals, ERA is well placed to develop North Ranger #2 or Ranger #3 in succession to Ranger #1 to take full advantage of the market moving into its next period of growth.

Finance

Reduced Earnings

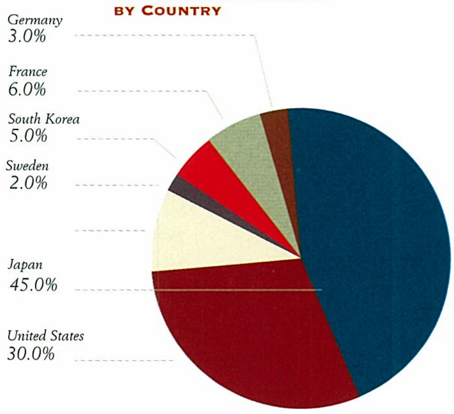
Profit after tax at $26.507 million was the lowest in the Company's fourteen year history but above expectations held at the beginning of the 1994 financial year.

The profit was heavily influenced by lower average prices and reduced sales tonnage of Ranger concentrates which were down from 2 250.3 tonnes U_3O_8 in 1993 to 1 934.9 tonnes U_3O_8 in 1994. Total sales at 3 445.2 tonnes U_3O_8 were however 11 per cent higher than 1993 due to the increased volume of uranium sourced from third parties.

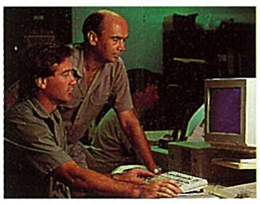
Third party sales continue to meet ERA's primary objective of maintaining market share in depressed market conditions and ameliorating a decline in profits on Ranger sales. Third party uranium fulfils contracts with spot pricing terms currently at a level under ERA's cost of production. In 1994 third party contracts contributed 17 per cent to profit after tax.

Sales revenue, although assisted by a lower average Australian dollar, reached $152.178 million in 1994, a 5 per cent decrease on 1993 revenue. ERA continued its policy of fully protecting its net foreign exchange exposure during the year. The A$/US$ market exchange rate averaged 0.6913 over the 12 months, compared with a protected rate of 0.6833 resulting in a gain on hedging.

ERA Sales by Revenue by Country



Earnings before interest and tax (EBIT) benefited from a further substantial refund of $11.969 million from the Ranger Rehabilitation Trust Fund. EBIT for 1994 was $46.055 million ($75.003 million in 1993).



Top: The Ranger #1 Pit.
Above: Design draughtsman Chris Johnson (standing) and senior electrical engineer Noel Mearing discuss improvements to the Ranger mill.

ERA's dispute with the Australian Taxation Office (ATO) was heard by the Federal Court in April. The dispute related to foreign exchange gains and losses pursuant to a Euronote facility operated by the Company from 1986 to 1991. In a favourable decision for the Company the Court found that the ATO had erred in treating the alleged foreign exchange gains as assessable income. The ATO has appealed the decision.

Borrowings Continue to Reduce

ERA's long-term borrowing facility for US$150 million was drawn down to US$120 million in July 1992 in the form of Transferable Loan Certificates. In July 1993 ERA repaid US$42.0 million of this debt. A further payment of US$27 million was made in July 1994 leaving a balance of US$51 million.

Table 2: Shares

YEAR	1994	1993	1992	1991	1990
Shareholders	***12 688***	*13 768*	*14 647*	*15 519*	*16 108*
Price, $ per share					
- year high	***1.92***	*1.38*	*1.37*	*1.68*	*2.60*
- year low	***1.25***	*1.05*	*1.09*	*1.20*	*1.90*
- year end	***1.25***	*1.30*	*1.22*	*1.47*	*2.00*

Highlights 1994

- Profit after tax of $26.507 million
- $11.969 million refund from the Ranger Rehabilitation Trust Fund
- Long term borrowings reduced to US$51 million by July 1994

Objectives 1995

- Increase cash flow through inventory reduction
- Increase cash flow by maintaining tight cost control

The Ranger mill viewed across Retention Pond 2.

The 26 per cent reduction of ERA's long-term debt during the year has demanded a high priority in maximising cash flow.

In 1994 ERA's unit costs of production were lower than 1993 unit costs. Cash flow was further boosted by the sale of surplus stock of Ranger concentrates which yielded $16.238 million in cash ($10.778 million in 1993).

ERA will continue to liquidate surplus inventory at a controlled rate into existing contracts.

Capital Expenditure

Capital expenditure in 1994 was $7.293 million. This was mainly associated with the North Ranger project and included capitalised interest ($4.210 million) and the costs of an exploration program at the site.

Dividends

Directors elected not to pay a dividend in 1994. Retirement of debt remains a priority for the Company as it prepares for future project development to meet the forecast growth in uranium demand.

Table 3: Profit and Loss Summary $MILLION

YEAR ENDED 30 JUNE	1994	1993	1992	1991	1990
Sales revenue	**152.2**	159.5	170.5	210.4	206.9
Net expenses	**106.1**	84.5	96.9	108.4	97.9
Abnormal items	–	–	(1.7)	–	21.7
Earnings before interest & tax	**46.1**	75.0	71.9	102.0	130.7
Net interest expense	**1.8**	2.5	2.8	0.4	4.9
Profit before tax	**44.3**	72.5	69.1	101.6	125.8
Income tax expense	**17.8**	14.8	30.4	27.6	68.3
Profit after tax	**26.5**	57.7	38.7	74.0	57.5
Extraordinary gain/(loss) after tax	–	–	–	47.3	–

Table 4: Simplified Balance Sheet $MILLION

AT 30 JUNE	1994	1993	1992	1991	1990
Shareholders' equity	**651.7**	625.1	567.5	545.2	464.8
Share capital	**410.0**	410.0	410.0	410.0	410.0
Retained profits	**241.7**	215.1	157.5	135.2	54.8
Represented by:					
Non-current assets	**739.9**	757.5	733.4	617.3	641.1
- property, plant & equipment	**709.6**	717.3	725.0	617.3	639.0
- other	**30.3**	40.2	8.4	-	2.1
Non-current liabilities	**189.3**	239.3	287.1	188.6	171.6
- creditors and borrowings	**90.4**	136.0	177.8	83.4	64.3
- provisions	**98.9**	103.3	109.3	105.2	107.3
Working capital	**101.1**	106.9	121.2	116.5	(4.7)
- cash	**58.0**	69.5	46.2	7.0	24.0
- net receivables	**17.8**	36.8	(12.0)	62.0	66.0
- stock	**85.2**	88.1	128.1	115.2	97.0
- other	**(59.9)**	(87.5)	(41.1)	(67.7)	(191.7)
Net assets	**651.7**	625.1	567.5	545.2	464.8
Earnings per share, cents	**6.5**	14.1	9.4	18.1	14.0
Return on shareholders' equity, per cent	**4.2**	9.7	7.0	14.7	12.6
Dividends per share, cents	**0.0**	0.0	4.0	10.0	10.0

Marketing

Above: Broken ore stockpiled at the Ranger mine and the secondary crushing circuit leading to Ranger's fine ore storage bins.
Below: Broken ore being loaded for transport to Ranger's primary crusher.

Sales Improve

Uranium sales in 1994 comprised 1 934.9 tonnes U_3O_8 of Ranger concentrates and 1 510.3 tonnes U_3O_8 purchased from third parties (2 250.3 tonnes and 848.0 tonnes U_3O_8 respectively in 1993). Combined, these are the second-highest sales on record.

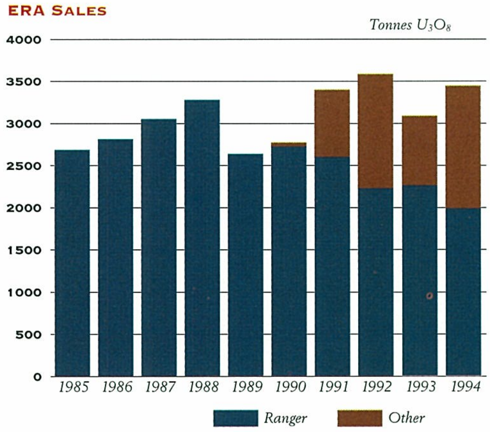
The majority of third party sales were sourced through ERA's contract with the Kazakhstan State Atomic Energy and Industrial Corporation and the Tselinny Mining and Chemical Kombinat. The contract, signed in October 1992, permits ERA to purchase uranium from the Republic of Kazakhstan for five years from 1993.

All sales were made to nuclear electricity utilities in Japan, South Korea, France, Germany, Spain, Sweden and the United States under international and bilateral safeguard regulations.

Market Activity

The attention of the uranium market in 1994 again focussed on supplies from the CIS. In October, Russia sought a review of the Suspension Agreements signed by Russia and five other CIS Republics with the United States in October 1992. The 1992 Agreements effectively suspended an investigation by the US Department of Commerce (DOC) into the dumping of CIS origin uranium into the US during 1991 and 1992.

ERA Sales



Under the terms of the original Suspension Agreements, no CIS origin uranium is permitted to enter the US except under certain pre-March 1992 contracts with US utilities or until the market price, as determined by the DOC, reaches US\$13.00/lb U_3O_8.

Russia's request for a review of its Agreement was in response to the DOC October 1993 market price of US\$11.15/lb U_3O_8, the third such determination below the US\$13.00 threshold necessary to activate the first market price quota of imports into the US.

In late December, in a move which surprised the industry, the DOC and Russia announced they had initialled a draft amendment to the Agreement to cancel the market-price quota system, and in place allow the import of 20 000 tonnes U_3O_8 of Russian uranium over 10 years commencing with 3 000 tonnes per year for the first two years. The imports would, however, only be permitted if matched with an equal volume of newly mined US uranium, and if the average of the uranium

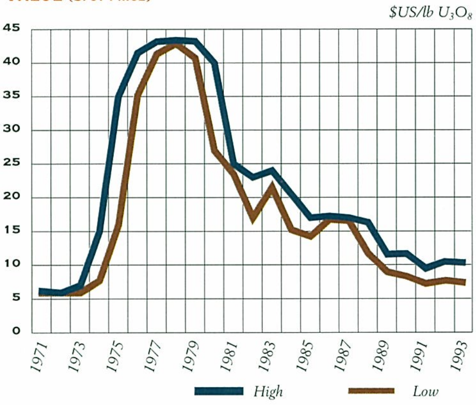
Highlights 1994

- Two new supply contracts, one in Canada the other in the US
- Second highest volume of sales in company's history.

Objectives 1995

- Expand sales and market share without committing future Ranger production to low prices
- Conclude negotiations with Japanese shareholders.

NUEXCO EXCHANGE VALUE (SPOT PRICE)



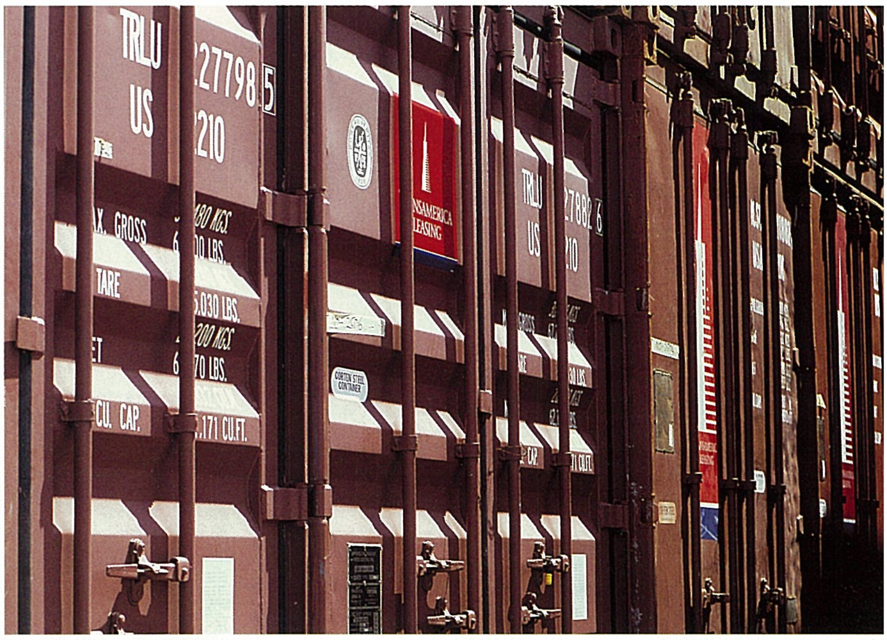
price from each party was equal to or above the DOC determined market price.

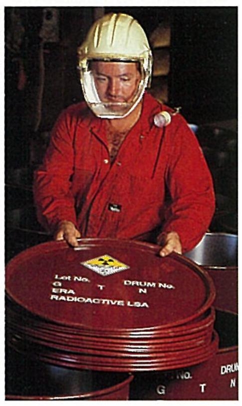
The amendment, signed in March, caused considerable objections from US producers and the CIS Republics of Kazakhstan and Uzbekistan. The Australian and Canadian governments have also objected to the amendment's contravention of free trade agreements. In June, and with no reported contracts for matched sales arising from the amendment, US producers challenged the amendment which will now be reviewed in full by US trade courts. This process is expected to take up to a year and may discourage any matched sales in the interim.

In response to the uncertainty arising from the amendment, the spot price drifted down in trading on low volumes. The spot price commenced the year at US\$9.90/lb U_3O_8 in the restricted US market and US\$6.90 in the unrestricted market. At June 1994 the spot price was US\$9.25/lb U_3O_8 and US\$7.10 respectively.

HEU Agreement Signed

In January, the US and Russia signed the long-awaited agreement for the sale of 500 tonnes of highly enriched uranium (HEU) into the US over the next 20 years. The Agreement provides for the purchase by the US of 10 tonnes HEU per year (equivalent to 3 700 tonnes U_3O_8) from 1994 to 1998 increasing to 30 tonnes per year thereafter for the next 15 years. The agreement stipulates that the HEU must be released in a 'market neutral fashion', however the full effect of the HEU on the market has been accounted for in ERA's internal forecasts of future supply and demand.





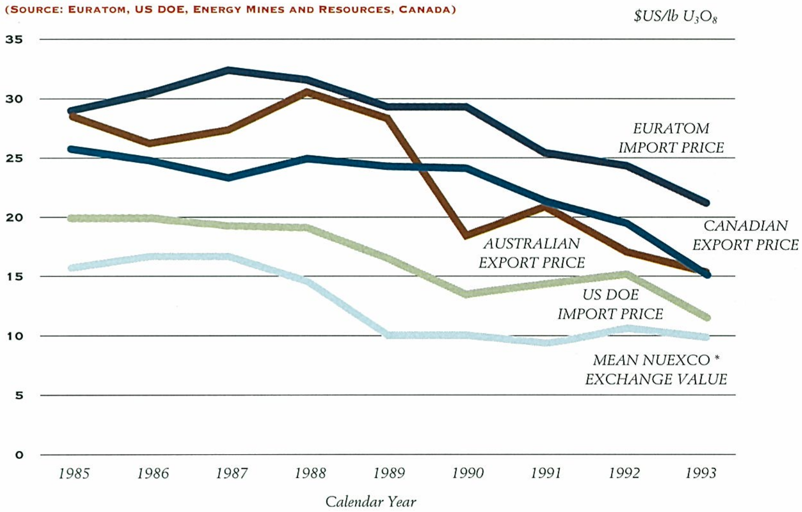
TOP: CONTAINERS OF RANGER URANIUM CONCENTRATES READY FOR TRANSPORT TO DARWIN AND EXPORT.
ABOVE: JOHN BURGESS PREPARES DRUMS FOR RANGER PRODUCT.

Customer Negotiations

The first round of negotiations with ERA's Japanese shareholders on the extension to current long term contracts began in October 1993. The contract renewal covers a 10 year period from 1997.

ERA was successful in securing two new contracts in 1994, one with Ontario Hydro in Canada for deliveries over the period 1997 to 2000 and a further contract with a US utility.

MARKET PRICES
(SOURCE: EURATOM, US DOE, ENERGY MINES AND RESOURCES, CANADA)



Operations
Mining & Milling

Ranger completed its second full cycle of campaign mining and milling in 1994. Since November 1991, Ranger has completed three mill and two mine campaigns. Continuous operations remain scheduled to resume in calendar 1996.

The mining phase from May 1993 to December 1993 commenced one month early to allow mining of Ranger #1 to be completed by December 1994. When mining resumed at Ranger #1 in June 1994 an estimated 0.924 million tonnes of ore at 0.369 per cent remained in the pit.

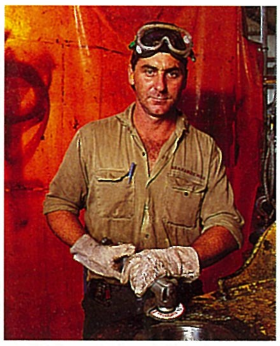
Total tonnes mined in 1994 were 3.463 million tonnes while total ore mined was 0.712 million tonnes at 0.402 per cent U_3O_8.

Mill Performance

Production at the mill was 1461.8 tonnes U_3O_8. Mill feed was entirely reclaimed from stockpiles at an average head grade of 0.389 per cent U_3O_8.

Ranger continues to monitor the cost-effectiveness of the two major consumables at the site, neutralant and sulfuric acid. In May, available supplies of the neutralant caustic magnesia were exhausted and replaced with quicklime. Sulfuric acid, imported from Japan for the 1994 milling campaign, will be manufactured on-site from the next mill campaign after refurbishment of the acid plant in the second half of 1994.

In March, Ranger commissioned a wet screening plant to process lateritic ore (laterite) stockpiled from the early mining of Ranger #1. The new plant allows a laterite slurry to feed directly to the Ranger mill. Laterite, having a high clay content, had previously caused handling problems with the dry crushing circuit especially during the wet season, comprised 7 per cent of mill feed in the 1994 campaign.



TRADE TECHNICIAN GLENN ELLEN REPAIRS A FRONT END LOADER AT RANGER'S HEAVY MACHINERY WORKSHOP.

Reserves

At year end, Ranger had 5.000 million tonnes of Ranger #1 ore at 0.32 per cent U_3O_8 stockpiled which, combined with the remaining ore in Ranger #1 Pit, could sustain production at projected levels through to 2000.

RANGER OPERATIONS AT COMPLETION OF THE 1994 FINANCIAL YEAR

Highlights 1994

- Completion of second full cycle of campaign mining and milling
- Commissioned a wet screening plant for lateritic ore
- Secured new supplies of major process reagents
- Reduced costs of production

Objectives 1995

- Maintain efficient campaign operations
- Continue to reduce costs of production
- Complete mining of Ranger #1 by December 1994

Ranger #3 reserves (Table 7) were reassessed as part of a feasibility review completed in June with a minor upward adjustment. The results from the in-fill drilling program completed at North Ranger during the 1993 dry season have yet to be incorporated into a new reserve estimate (see also Development Projects page 12).

THE LATERITE PLANT COMMISSIONED AT RANGER IN MARCH.

Future Activities

ERA is finalising a technical and environmental submission for presentation to the supervising authorities to obtain approval to convert the completed Ranger #1 Pit into a tailings repository. It is anticipated that mine personnel will begin converting the completed pit into a tailings repository during 1995.

Table 5: Mining — MILLION TONNES

YEAR ENDED 30 JUNE	1994	1993	1992	1991	1990
Ore mined, cut off grade 0.20% U_3O_8					
to process plant	–	0.004	0.098	0.222	0.468
to stockpile	**0.712**	0.826	0.337	0.439	0.617
total ore mined	**0.712**	0.830	0.435	0.661	1.085
Low grade mineralisation	**1.771**	1.942	0.792	0.569	0.862
Construction material	–	–	1.316	0.553	1.203
Waste rock	**0.980**	1.102	–	1.002	0.957
Total tonnes mined	**3.463**	3.874	2.543	2.785	4.107

Table 6: Milling

YEAR ENDED 30 JUNE	1994	1993	1992	1991	1990
Ore milled, million tonnes					
from mine	–	0.004	0.098	0.222	0.468
from stockpile	**0.437**	0.422	0.888	0.868	0.621
total ore milled	**0.437**	0.426	0.986	1.090	1.089
Mill head grade, per cent U_3O_8	**0.389**	0.348	0.324	0.295	0.314
Milling rate, tonnes per hour	**165.5**	149.9	158.0	160.4	162.8
Mill recovery, per cent	**85.69**	90.56	89.83	90.78	90.10
Total production, tonnes U_3O_8	**1461.8**	1335.1	2980.0	2908.3	3084.0
Product grade, per cent U_3O_8	**98.63**	98.77	98.89	98.86	99.05

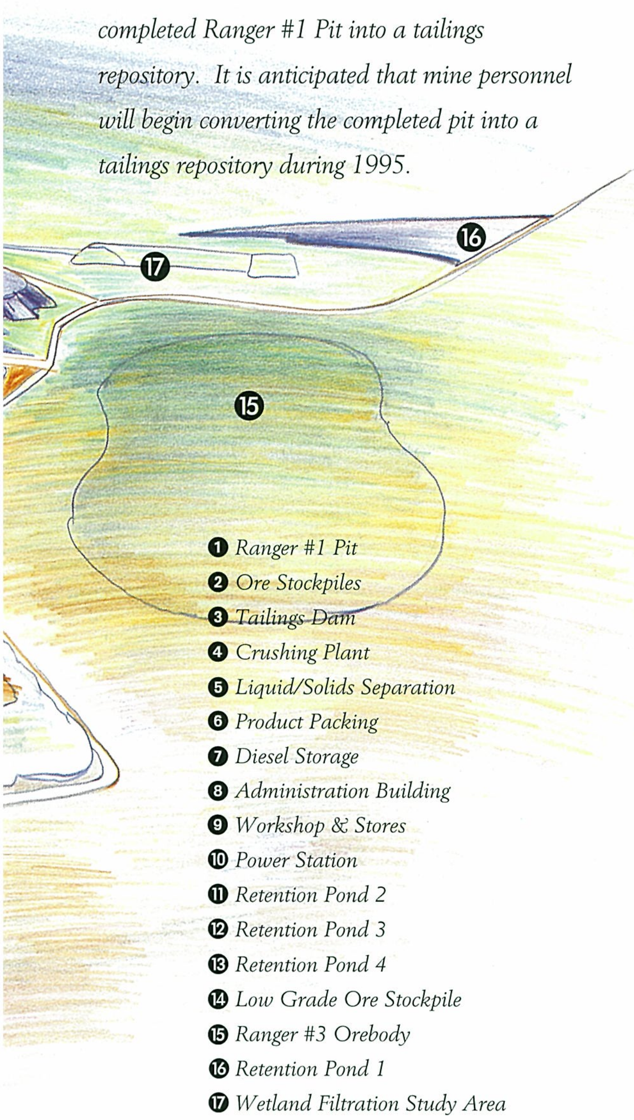
Note: Mining values for 1990 to 1992 are reported to a cut off grade of 0.10% U_3O_8.

Table 7: Ranger Ore Reserves

AT 30 JUNE	1994			1993		
	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	5.000	0.32	15 900	4.724	0.31	14 700
Proved, in pit	0.814	0.37	3 000	1.695	0.35	5 900
Total	5.814	0.32	18 900	6.419	0.32	20 600
Ranger #3						
Proved and Probable, in pit	18.477	0.31	56 615	17.486	0.32	55 300
North Ranger #2						
Proved and Probable, in pit	19.532	0.46	90 400	19.532	0.46	90 400

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.*
2. *Ranger #1 ore reserve figures declined between 1993 and 1994 through production.*
3. *Ranger #3 ore reserve is based on an optimised 0.12 per cent U_3O_8 cut off grade.*
4. *North Ranger #2 and Ranger #1 ore reserves are based on a cut off grade of 0.20 per cent U_3O_8. As at 30 June the results from the 1993 drilling program at North Ranger were still being incorporated into a new reserve estimate.*
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.*



Environment

TWO ENVIRONMENT AWARDS

Ranger's commitment to environmental protection was acknowledged with two environment awards during the year; the NT Landcare Research Award for excellence in environmental research and the Australian Minerals and Energy Environment Foundation (AMEEF) award for Ranger's 13 years of successful environmental management in the highly sensitive Kakadu National Park area. The AMEEF award is the premier mining industry award. Submissions for both awards focussed on Ranger's approach to environmental management and the pursuit of sound land management practices.

CHANGES TO SUPERVISING AUTHORITIES

Improved arrangements for overseeing Ranger's environmental compliance were introduced in 1994. Two new committees were established under amendments to the Environment Protection (Alligator Rivers Region) Amendment Act 1993.

A technical committee with an independent chair will now recommend the research and monitoring programs to be undertaken by the Federal Government's Office of the Supervising Scientist (OSS) while an advisory committee, represented by a broader cross-section of the community, will improve consultation between all stakeholders in the Alligator Rivers Region.

Under the new arrangements a twice-yearly environmental performance review and inspection of Ranger will be conducted by the OSS and NT Department of Mines and Energy. The day-to-day regulation of Ranger remains with the NT Department of Mines and Energy.

TOP: THE MILL AREA AT RANGER WITH REVEGETATED LAND IN THE FOREGROUND.
ABOVE: ENVIRONMENTAL RESEARCH OFFICER SVEN SEWELL AT THE WASTE ROCK DUMP WITH PLANTS TO BE USED TO REVEGETATE THE AREA.

In June, the Federal Government tabled in Parliament legislation to abolish the Uranium Concentrate Export Levy contributed by ERA at a rate of \$1.30/kg U_3O_8 for Federal environmental research and monitoring in the Alligator Rivers Region. The levy is to be replaced with an annual flat fee of \$1.5 million which will fund environmental research by the OSS.

WATER MANAGEMENT

Total rainfall at Ranger for the year was above average at 1606 mm with the highest recorded rainfall in December. Routine overflow from the Retention Pond 1 (RP1) spillway began in January and the release of RP4 water was approved by supervising authorities in the same month. In preparation for the release, biological screening tests were initiated for RP4 in January.

Highlights 1994

- Two significant environment awards
- Improved working arrangements with supervising authorities
- Tabling of legislation to replace the Uranium Concentrate Export Levy
- Establishment of an emu research facility.

Objectives 1995

- Maintain record of no impact on the environment outside the mine site.

All water quality and release criteria were met and downstream monitoring confirmed there was no impact on the Kakadu environment.

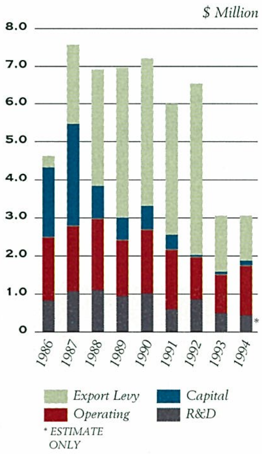
Under a commitment to Ranger's Aboriginal owners, ERA maintained a no-release policy of water contained in RP2. Dewatering of RP2 into the Ranger #1 Pit commenced in February and continued to late March at which time irrigation of the Magela land application area commenced.

Environment Research

In September, work commenced on an emu research facility adjacent to Ranger's environmental laboratory. The project has been established to study and breed the northern emu with the long term aim of passing the experience gained to the region's traditional owners. Emu breeding may be an option for the Ranger Project Area following rehabilitation; the northern emu is a traditional food source for Aboriginal people in the area. The program is expected to last between two and three years.

Ranger continued several research projects in 1994, the most significant relating to the wetland filter which will be fully trialled during the current dry season. ERA will also initiate a tailings capping trial within the next 12 months to begin to determine the feasibility of rehabilitating the Ranger tailings in situ.

Environmental Expenditure



Above right: Paperbarks surround Retention Pond 1 at the Ranger mine.

Rehabilitation Trust Fund

The annual Government review of Ranger's Amended Plan of Rehabilitation was completed in March. The estimated cost of rehabilitating Ranger upon cessation of mining, including a 10 per cent contingency, was $36.236 million ($41.484 million in 1993).

Above: Environmental personnel Jenny Hunter and Sven Sewell net fish at the constructed wetland filter. The filter uses natural processes to remove contaminants from water runoff.

Environmental Services

ERA Environmental Services is now in its third year of operation and has completed projects for six mining companies in the Northern Territory and four projects in other states. Consultancy work focussed on rehabilitation of disturbed sites, environmental planning, biological monitoring and analytical services.

Aboriginal Relations

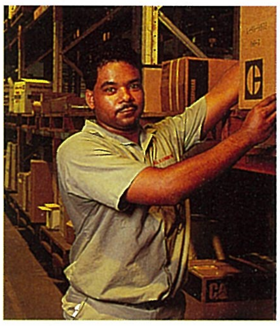
The Aboriginal owners of ERA's Ranger and North Ranger leases are represented by the Gagudju and Djabulukgu Associations.

Regular liaison meetings on the day-to-day operation of the mine were held with traditional owners from both associations. Water management and the drilling program at North Ranger were two areas of key interest in the past year.

Employment

A survey was initiated by ERA in November to determine the potential to increase the number of local Aboriginal employees at Ranger. Employment levels have traditionally been modest at about 6 per cent of the workforce. The survey identified several new candidates willing to undertake employment at the mine, and this will be progressed during the next year.

Several projects contracted to the Gagudju and Djabulukgu Associations were successfully completed during 1994. Rehabilitation of the Ja Ja campsite on the North Ranger lease was completed in late December under a contract with both associations. The Djabulukgu Association also assisted Ranger environment staff with seeding disturbed areas from the 1993 North Ranger drilling program.



Above: Ricky White checks stores at the Ranger mine.

Below: Aboriginal liaison officer Joanne Mitchell with traditional landowner Nellie Bayne and her two daughters.

To develop further effective support by ERA for local traditional owners in social issues and business opportunities, ERA sponsored a tour of indigenous development foundations established by RTZ in South Africa, Zimbabwe and Namibia. Delegates from the Gagudju and Djabulukgu Associations observed first-hand successful projects in education, trade-skills development and business enterprises.

It is hoped that the visit will stimulate initiatives among the Aboriginal traditional owners and strengthen relationships with ERA.

Education

As part of a continuing program to promote Aboriginal education, ERA announced in May that it would fund a Chair in Aboriginal Studies at the Northern Territory University. The five year funding totaling $500 000 will establish Aboriginal and Torres Strait Islander education as a central part of higher education in the Northern Territory. The Chair will be the third of its kind in Australia.

Highlights 1994

- Study tour of development foundations in Africa.
- Funding of a Chair in Aboriginal Studies.

Objectives 1995

- Assist the Djabulukgu and Gagudju associations with projects to gain additional benefit from mining and other activities in the region.

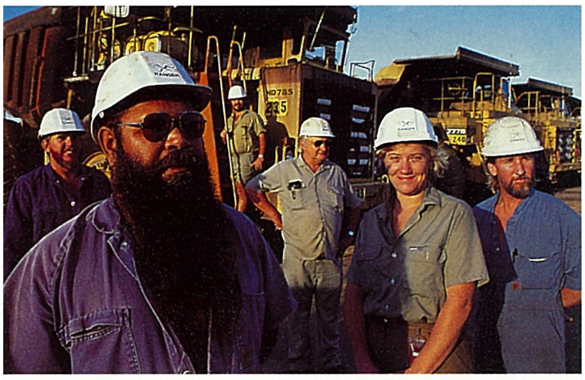
Highlights 1994

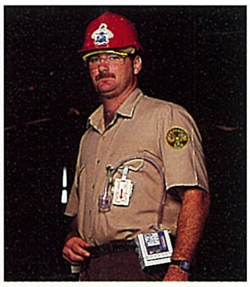
- Maximum 5-Star safety rating for Ranger.
- Conclusion of a site-wide Enterprise Agreement.
- No lost time due to industrial action.

Objectives 1995

- Improve health and safety standards.
- Implement work teams for operations at the mine

Safety & Workforce





Left: Ore truck drivers at the Ranger mine. (From left to right): Warren Chapman, Darryl Jackson, Steve Quigley, Daryl Anderson, Paula Jackson and Chris Jordan.

Above: Steve Purcell with radiation safety equipment used at the mine

Right: Ranger's 5-Star safety rating.

Maximum Safety Rating

In November Ranger was awarded a 5-Star safety rating following the annual audit by the National Safety Council of Australia. The 5-Star award is the maximum possible under the NSCA system; Ranger is the only mine in Australia to currently hold that rating. The NSCA audited 72 separate elements of Ranger's safety program and the number and nature of lost time injuries. Ranger previously held a 4-Star rating from the NSCA.

Ranger's safety performance index (a measure of the severity and frequency of lost time injuries and expressed as workdays lost per million hours worked) was 37 in 1994 compared to 67 in 1993.

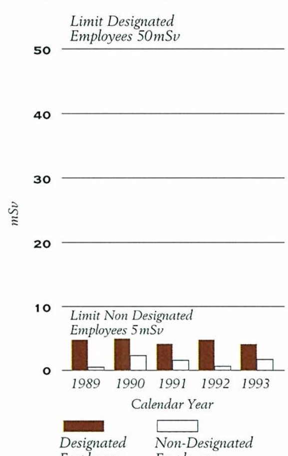
Radiation Doses Below Limits

Radiation doses received by employees at the mine were all significantly below national and international limits. Designated employees received a mean radiation dose of 4.1 milliSieverts (mSv) in calendar 1993 (range 2.0 mSv to 9.8 mSv) or 8 per cent of the 50 mSv statutory limit. The mean radiation dose received by the most exposed group of non-designated employees was 1.7 mSv, significantly below the 5.0 mSv statutory limit.

Residents at Jabiru received doses of less than 0.03 mSv above natural background as a result of activities at Ranger which is located eight kilometres to the east of the township. The natural background at Jabiru is between 2 and 3 mSv and the annual limit above background is 1.0 mSv.

ERA has actively participated in the international discussions which will recommend that the 50 mSv statutory limit for workers in the nuclear industry be reduced to 20 mSv. The International Commission for Radiological Protection recommendations have yet to be ratified but ERA has incorporated the proposed limits into the design for planned underground activities at North Ranger.

Average Annual Radiation Doses at Ranger



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

Employee Relations

In November, Ranger employees voted to adopt an Enterprise Agreement negotiated with the Company. The Agreement allows for annualised salaries with a removal of penalty rates and a reduction in leisure days. The Agreement, a culmination of two years of negotiations, was implemented and certified by the Industrial Relations Commission in December.

The conclusion of Ranger's Enterprise Agreement brings to an end the first stage of ERA's program for workplace reform. Stage two will bring together the concepts of self-directed work teams and continuous improvement.

There was no lost time due to industrial action at Ranger during the year. Annual employee turnover was 11.6 per cent during the year (13.3 per cent in 1993). At year end, 176 people were employed at the mine.

Development

North Ranger #2

ERA has two undeveloped uranium resources; Ranger #3 and North Ranger #2. Ranger #3 lies adjacent to the existing Ranger mill and holds 34 per cent of the Company's reserves.

North Ranger #2 with 55 per cent of the Company's reserves is 20 kilometres to the north of Ranger on an adjoining lease.

The preferred development sequence of the two orebodies is North Ranger #2 followed by Ranger #3 within three years of a commencement of mining at North Ranger. Development at North Ranger #2 and Ranger #3 is subject to obtaining the necessary Aboriginal, environmental and governmental approvals.

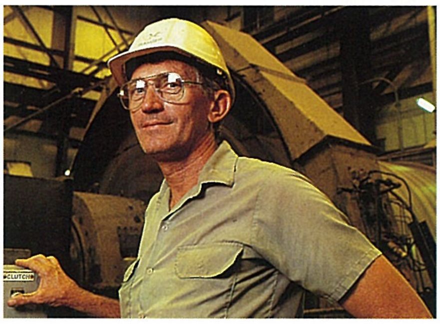
North Ranger Feasibility

The North Ranger #2 Feasibility Study was completed in August 1993. The study confirmed the viability of ERA's proposed development concept which will see the orebody developed by underground methods, accessed from the east with surface facilities and transport road to Ranger located remote from the Magela wetlands, and the ore milled and tailings disposed at the existing Ranger facilities.

In conjunction with the Feasibility Study, independent environmental reports were prepared on flora and fauna, public health and land & water management.

A total of only 39 hectares of land will be required for the surface facilities at the minesite including a 10.5 hectare retention pond to collect any water runoff.

This compares with 820 hectares required under the previously approved stand alone mine proposed by North Ranger's former owners, Pancontinental Mining. A once-through ventilation system with double the normal airflow of a conventional underground mine, combined with selective use of remote mining techniques, will ensure that the operation meets all proposed radiological standards.



TOP: THE RANGER MILL IN THE FOREGROUND WILL BE USED TO PROCESS NORTH RANGER ORE. IN THE BACKGROUND THE RANGER #1 PIT WHICH WILL BE COMPLETED IN DECEMBER 1994.

ABOVE: SHIFT SUPERVISOR AT THE RANGER MILL, RAY GIBSON.

Habitat suspended as a result of the development represents 0.9 per cent of the North Ranger lease and equivalent to less than 0.003 per cent of the Kakadu National Park. There are no rare or endangered species which would be adversely affected by the project. Water managemeni at the site will ensure no release of water to surface drainage in the surrounding area; disposal of water will be primarily by evaporation with some irrigation as practised at Ranger.

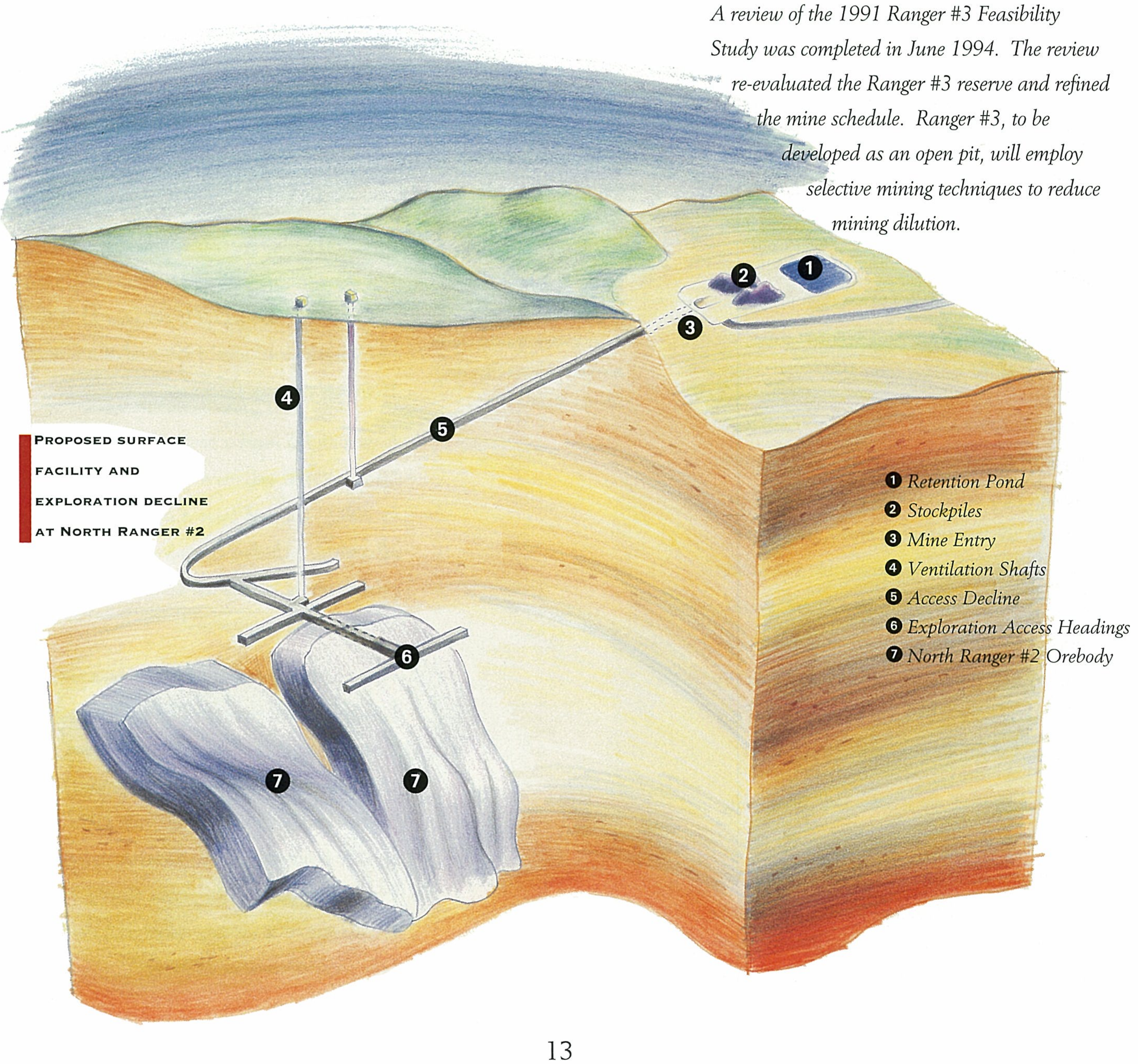
ENGINEERING SECRETARY DIANA LAMB WITH MAINTENANCE PLANNERS LEN BOWMAN AND JOHN WARD USE RANGER'S ENGINEERING INFORMATION SYSTEM.

DRILLING PROGRAM

The 1993 drilling program at North Ranger was completed in December. A total of 31 holes were drilled (12 700 drilled metres) concentrating on the eastern half of the orebody. The current development sequence for North Ranger has been revised to allow a program of closely spaced reserve definition drilling followed by trial stoping ahead of any decision to embark upon a commercial scale mine.

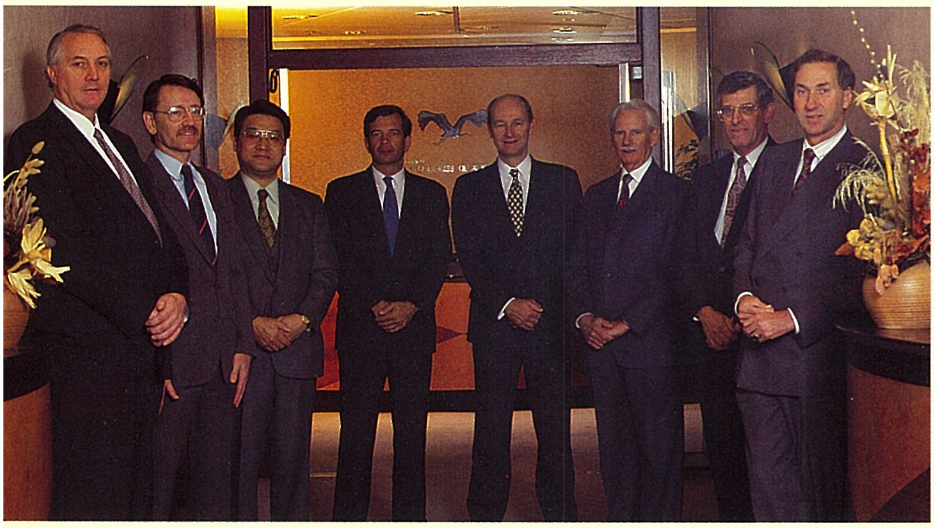
RANGER #3

A review of the 1991 Ranger #3 Feasibility Study was completed in June 1994. The review re-evaluated the Ranger #3 reserve and refined the mine schedule. Ranger #3, to be developed as an open pit, will employ selective mining techniques to reduce mining dilution.



PROPOSED SURFACE FACILITY AND EXPLORATION DECLINE AT NORTH RANGER #2

Directors' Outlook



ERA'S BOARD OF DIRECTORS, (FROM LEFT TO RIGHT), CAMPBELL ANDERSON (CHAIRMAN), RICHARD KNIGHT, HARUMICHI UMEDA (ALTERNATE FOR MASUO SHIBATA), LAURENT CORBIER (ALTERNATE FOR YVES COUPIN), MALCOLM BROOMHEAD (DEPUTY CHAIRMAN), SIR RUPERT MYERS, ALEXANDER CARMICHAEL & PHILLIP SHIRVINGTON (CHIEF EXECUTIVE).

In 1993, western world uranium production was drawn from only 30 operations, less than one-tenth of the number of uranium mines working in 1980 when Ranger commenced operation.

The rationalisation of the industry in the past 14 years has occurred at a time when the uranium needed to fuel western reactors has more than doubled. Reactor uranium requirements in the west have now exceeded production for nine consecutive years, a situation which will drive a recovery in the market from 1997.

In the past year, 57 000 tonnes of U_3O_8 was required to fuel nuclear reactors in the western world. This demand was supplied from four sources; western uranium mines, which met 48 per cent of utility requirements; production from the CIS and China, 14 per cent; mixed oxide fuels from the reprocessing of spent nuclear fuel, 2 per cent; and western inventory which had been built up in the 1980s due to perceived shortfalls in supply, 36 per cent.

In the short term, the market will continue its reliance on inventories and CIS supply to supplement purchases from western producers. The draw down of inventories however, will be at a declining rate; ERA expects that in 1997 inventories will meet only 18 per cent of demand or around 10 000 tonnes U_3O_8 of reactor requirements. At the present rate of depletion all known surplus western inventory supplies will be virtually exhausted by 1999.

During this period, imports of uranium from the CIS are forecast to remain stable but some CIS producers may face production difficulties as supplies of raw materials falter and their true costs are realised.

By 2000, the market share held by mixed oxide fuels is expected to have increased to about 4 per cent of demand. At this time, highly enriched uranium (HEU) from Russian nuclear weapons is likely to be a prominent feature of the uranium market. Under the agreement signed between the US and Russian governments on 14 January this year, 500 tonnes of HEU will be diluted in Russia over the next 20 years and fed into the US market at a rate of 10 tonnes HEU per year (3 700 tonnes U_3O_8 equivalent) until 1999 and at a rate of 30 tonnes per year thereafter.

Even with full market penetration, this new source of 'uranium' will only meet 12 per cent of requirements by 2000. This will leave a shortfall in supply from all sources, including incremental production from existing mines, of between 10 and 15 per cent of total uranium requirements.

The opportunity presented by the expected shortfall in supply is well recognised by producers throughout the western world. With most new mines requiring at least a two year lead time, investment decisions to increase production and sales from 1997 are already being considered. Canada currently has four projects planned for production by 2000 and two extensions to existing mines with the first to be commissioned in 1994.

The opportunity arising from the recovery for Australia to improve its market share has been the major focus of ERA's arguments put to the Australian Labor Party in the past year. The ALP's Three Mine Policy, in place since 1984, continues to limit the number of mines operating in Australia. With only a handful of large new mines required to fill the forecast gap in supply, Australia has but one opportunity this decade to increase substantially export revenue from the sale of uranium.

ERA's Competitive Advantage

The competition to increase market share, principally between Canada and Australia, will be intense. Undoubtedly ERA's greatest strength lies in its large low cost uranium reserves. ERA has proven reserves and broken ore stocks containing 166 000 tonnes U_3O_8, sufficient to operate at 5 000 tonnes per year for 33 years, if justified by market demand.

ERA also has low incremental production costs. Ranger #3 or North Ranger #2 can be brought on line without the additional expense or environmental impact of a new mill and other infrastructure. This gives the Company a competitive edge over many existing producers and green-field projects in terms of both production costs and flexibility.

In the short term and while market conditions remain depressed, the Company will rely on uranium from the Republic of Kazakhstan to satisfy contracts with spot pricing terms. ERA can continue to build market share without committing future Ranger tonnage at low prices with the prospect of switching over to Ranger supply once prices recover.

Despite the continuation of difficult market conditions in the past year and the prospect of depressed demand in the immediate term, ERA has suitably positioned itself with the flexibility in production and strength in resources to respond to the market under all foreseeable conditions.

1994 Objectives Listed in ERA's 1993 Annual Report and Outcomes

Finance

OBJECTIVE:	*Reduced inventory.*
OUTCOME:	*Inventory reduced producing cash of $16.238 million.*
OBJECTIVE:	*Conserve cash for retirement of debt.*
OUTCOME:	*Long term debt reduced by 26% in 1994.*
OBJECTIVE:	*Maintain tight cost control.*
OUTCOME:	*Unit costs of production down.*

Marketing

OBJECTIVE:	*Increase and diversify the contract portfolio dedicated to Ranger.*
OUTCOME:	*New sales contracts with a Canadian utility.*
OBJECTIVE:	*Expand third party sales without detriment to Ranger.*
OUTCOME:	*A 78% increase in third party sales.*

Mining and Milling

OBJECTIVE:	*Continue efficient campaign operations.*
OUTCOME:	*Campaign mining and milling into its third cycle.*
OBJECTIVE:	*Improve upon previous performance standards.*
OUTCOME:	*Increased milling rate, recovery slightly down.*
OBJECTIVE:	*Reduced costs of production.*
OUTCOME:	*Unit costs of production down.*

Environment

OBJECTIVE:	*Progress environmental research projects.*
OUTCOME:	*Emu research facility established and wetland filter prepared for full trial.*
OBJECTIVE:	*Maintain the record of no impact on the environment outside the mine site.*
OUTCOME:	*No impact recorded.*

Workforce and Safety

OBJECTIVE:	*Conclude Enterprise Agreement.*
OUTCOME:	*Enterprise agreement concluded in November 1993.*
OBJECTIVE:	*Further improve health and safety standards.*
OUTCOME:	*A 5-Star health and safety rating (previously 4-Star).*

Directors & Calendar

Mr Campbell Anderson, *BE, age 52, was appointed Chairman of ERA in January 1994. He is also Managing Director of North Broken Hill Peko Limited and previously held the position of Managing Director and Chief Executive of Renison Goldfields Consolidated Limited. Mr Anderson is the immediate past President of the Australia Mining Industry Council, a Director of the Business Council of Australia and Chairman of Ampolex Ltd.*

Mr Malcolm Broomhead, *BE, MBA, age 41, was appointed to the Board in January 1992 and as Deputy Chairman in February 1994. Mr Broomhead is Executive Director – Operations for North Broken Hill Peko Limited. His background includes experience in mining, construction and finance.*

Mr Alexander Carmichael, *AO, CBE, BSc, age 57, 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 the Australian Opera and a Director of Sydney Aquarium Ltd.*

Mr Yves Coupin, *age 51, appointed to the Board in February 1992 at the nomination of the B-class shareholders. Mr Coupin, a mining engineer, is Vice-President – Uranium Division of Compagnie Générale des Matières Nucléaires (COGEMA) and Chairman of Cogema Australia Pty Ltd.*

Mr Richard Knight, *MSc (Eng), DIC, ARSM, C Eng, age 53, a mining engineer and Executive General Manager – Development for North Broken Hill Peko Limited. Chief Executive of ERA from 1989 to 1994 and a Group Executive of Peko-Wallsend Ltd, Mr Knight was appointed to the ERA Board in May 1989.*

Sir Rupert Myers *KBE, MSc, PhD, DSc(Hon), DEng(Hon), LLD(Hon), DLitt(Hon), FTS, age 73, 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 President of the Australian Academy of Technological Sciences and Engineering and a member of the Prime Ministers Science and Engineering Council.*

Mr Masuo Shibata, *age 64, 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).*

Mr Phillip Shirvington, *MSc, age 53, was appointed Chief Executive and a Director of ERA in March 1994. He previously held the position of General Manager – Marketing and other management positions within ERA since inception. He has a background in nuclear science and research.*

Stock Exchange Announcements 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*
17 December 1993	*Mr P H Wade Retirement effective 16 December 1993*
17 January 1994	*Quarterly Report to 31 December 1993*
17 February 1994	*Half Yearly Report and Dividend Announcement*
17 February 1994	*Senior Management Changes*
15 April 1994	*Quarterly Report to 31 March 1994*

Calendar for 1995 Financial Year

15 July 1994	*Quarterly Report to 30 June 1994*
31 August 1994	*Preliminary Final Statement and Dividend Announcement*
17 October 1994	*Quarterly Report to 30 September 1994*
20 October 1994	*ERA Annual General Meeting*
16 January 1995	*Quarterly Report to 31 December 1994*
16 February 1995	*Half Yearly Report and Dividend Announcement*
17 April 1995	*Quarterly Report to 31 March 1995*
30 June 1995	*End of 1995 ERA Financial Year*

Financial Statements

STATUTORY INFORMATION FOR THE YEAR ENDED 30 JUNE 1994
ENERGY RESOURCES OF AUSTRALIA LTD

INDEX | PAGE

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 1994.

DIRECTORS

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

C McC Anderson, Chairman
M W Broomhead
A Carmichael
Y Coupin, representing holders of B Class shares (Alternate L Corbier)
R Knight
Sir Rupert Myers
P J Shirvington, Chief Executive
M Shibata, representing holders of C Class shares (Alternate H Katsura, S Sato, M Yoshida, I Kosaka, H Umeda).

P H Wade resigned from the Board on 16 December 1993 and was replaced by C McC Anderson. B S McComish resigned from the Board on 24 December 1993.
P J Shirvington was appointed to the Board on 1 April 1994.

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. Attended	No. Held *
C McC Anderson (appointed 16 December 1993)	3	3
P H Wade (resigned 16 December 1993)	5	6
M W Broomhead	8	9
A Carmichael	9	9
Y Coupin	0	9
L Corbier (alternate for Y Coupin)	9	9
R Knight	9	9
B S McComish (resigned 24 December 1993)	5	6
Sir Rupert Myers	7	9
M Shibata	0	9
H Katsura (alternate for M Shibata)	2	2
S Sato (alternate for M Shibata)	1	1
H Umeda (alternate for M Shibata)	2	2
M Yoshida (alternate for M Shibata)	1	1
I Kosaka (alternate for M Shibata)	3	3
P J Shirvington (appointed 1 April 1994)	1	1

* *Reflects the number of meetings held during the time the director held office in the 1994 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

ERA has not declared a dividend in the 1993 and 1994 financial years.

REVIEW OF OPERATIONS

The operating profit after tax for ERA for the year ended 30 June 1994 was $26.507 million (1993: $57.690 million). Sales revenue for the year ended 30 June 1994 was $152.178 million (1993: $159.505 million).
A full review of the operations of ERA during the year ended 30 June 1994 is shown in this Annual Report in the sections entitled Finance (page 2), Marketing (page 4), Operations – Mining & Milling (page 6), Environment (page 8), Aboriginal Relations (page10) and Safety and Workforce (page 11).

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 31 page 32).

INFORMATION ON DIRECTORS

The particulars of qualifications, experience and special responsibilities of ERA's directors are shown in the section entitled Directors and Calendar (page 16) in this Annual Report. The interests of each Director in the share capital of the Company or in a related body corporate at the date of this report are shown below.

DIRECTOR	ERA*	NORTH**
C McC Anderson	500	21 829
M W Broomhead	–	5 000 75 000 Options
A Carmichael	–	2 000
R Knight	–	144 818 100 000 Options
Sir Rupert Myers	2 000	–
P J Shirvington	500	8 246 50 000 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 1993, has received or become entitled to receive a benefit other than directors' remuneration included in note 23 (page 28) forming part of the Financial Statements.

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 16 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.

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 12) and Directors' Outlook (page 14) in this Annual Report.

Audit Committee

As at the date of this report ERA did not have an audit committee of the Board of Directors. This is due to the existence of an audit committee at North Broken Hill Peko Limited, ERA's ultimate parent company.

Information on Auditors

KPMG Peat Marwick continues in office in accordance with Section 327 of the Corporations Law.

Signed this 30th day of August 1994 in accordance with a resolution of the directors.

C McC Anderson	*P J Shirvington*
Director	*Director*

Investor Information

Annual General Meeting

ERA holds its Annual General Meeting in October. The 1994 AGM will be held at 10.00am on 20 October 1994 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 below for Canberra and Melbourne addresses).

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.

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,Ffax (02) 299 6204

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.

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

Profit & Loss Account

FOR THE YEAR ENDED 30 JUNE 1994

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	Note	CONSOLIDATED AND PARENT 1994 $000	CONSOLIDATED AND PARENT 1993 $000
Operating profit before abnormal items and income tax	2, 3	**44 281**	72 528
Abnormal items before income tax	4	**–**	–
Operating profit before income tax		**44 281**	72 528
Income tax attributable to operating profit	4, 5	**(17 774)**	(14 838)
Operating profit after income tax		**26 507**	57 690
Retained profits at the beginning of the financial year		**215 145**	157 455
Total available for appropriation		**241 652**	215 145
Dividends provided for or paid	7	**–**	–
Retained profits at the end of the financial year		**241 652**	215 145

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

Balance Sheet

AS AT 30 JUNE 1994

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	Note	CONSOLIDATED AND PARENT 1994 $000	CONSOLIDATED AND PARENT 1993 $000
Current Assets			
Cash	8	**11 592**	30 634
Receivables	9	**78 510**	88 858
Inventories	10	**85 193**	88 085
Other	11	**5 288**	10 469
Total Current Assets		**180 583**	218 046
Non-current Assets			
Inventories	12	**28 605**	25 836
Property, plant and equipment	13	**709 616**	717 296
Other	14	**1 685**	14 382
Total Non-current Assets		**739 906**	757 514
TOTAL ASSETS		**920 489**	975 560
Current Liabilities			
Creditors and borrowings	15	**55 426**	87 986
Provisions	16	**24 098**	23 120
Total Current Liabilities		**79 524**	111 106
Non-current Liabilities			
Creditors and borrowings	17	**90 396**	135 980
Provisions	18	**98 917**	103 329
Total Non-current Liabilities		**189 313**	239 309
Total Liabilities		**268 837**	350 415
NET ASSETS		**651 652**	625 145
Shareholders' Equity			
Share capital	19	**410 000**	410 000
Retained profits		**241 652**	215 145
TOTAL SHAREHOLDERS' EQUITY		**651 652**	625 145

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

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 1994

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	Note	CONSOLIDATED AND PARENT 1994 $000	CONSOLIDATED AND PARENT 1993 $000
		Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Receipts from customers		**153 542**	163 980
Payments to suppliers and employees		**(93 787)**	(98 407)
		59 755	65 573
Income taxes paid		**(21 175)**	(28 385)
Rehabilitation Trust Fund refunds		**23 000**	–
Net cash inflow from operating activities	27	**61 580**	37 188
Cash flows from investing activities			
Payments for property, plant and equipment		**(1 688)**	(781)
Proceeds from sale of property, plant and equipment		**293**	2 691
Interest received		**1 745**	1 300
Interest paid and capitalised		**(4 575)**	(6 972)
North Ranger study costs paid and capitalised		**(1 233)**	(1 597)
Net cash outflow from investing activities		**(5 458)**	(5 359)
Cash flows from financing activities			
Proceeds from borrowings		**19 167**	172 700
Repayment of borrowings		**(82 270)**	(168 691)
Interest and other costs of finance paid		**(3 566)**	(4 191)
Dividends paid	7	**–**	(8 200)
Net cash outflow from financing activities		**(66 669)**	(8 382)
Net increase/(decrease) in cash held		**(10 547)**	23 447
Cash at the beginning of the financial year		**69 545**	46 174
Effects of exchange rate changes on cash		**(1 028)**	(76)
Cash at the end of the financial year	8	**57 970**	69 545

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

1 Significant Accounting Policies

Basis of Accounting
The Financial Statements have been prepared in accordance with applicable Australian Accounting Standards, the Corporations Law and Schedule 5 to 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 25. 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. Upon commencement of development 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 13).

Comparative Figures for 1993
Where necessary, comparative figures for 1993 have been adjusted to conform with changes in presentation in 1994.

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT 1994 $000	CONSOLIDATED AND PARENT 1993 $000

2 Revenue

Sales revenue	152 178	159 505
Other revenue		
Rehabilitation refund	11 969	13 781
Interest received/receivable	1 731	1 648
Proceeds on sale of non-current assets	305	2 691
Management fees and commissions	187	–
	166 370	177 625

3 Operating Profit

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

Charges:		
Amortisation of Ranger Project Rights	6 864	6 321
Depreciation of non-current assets	7 597	8 804
Royalty type expense	1 154	1 571
Payments for Aboriginal interests	4 123	5 541
Rehabilitation fund costs	24	24
Auditors' remuneration		
audit of parent and controlled entities	95	90
other services	99	86
Rent expense on operating leases	981	939
Contributions to employee retirement funds	4	8
Interest paid/payable to		
other corporations	7 715	11 140
finance charges on finance leases	–	1
interest capitalised (note 13)	(4 210)	(7 018)
Provision for employee entitlements	2 170	1 392
Provision for stores obsolescence	60	199
Provision for maintenance	–	99
Provision for doubtful debts	1 045	–
Exploration Expenditure	108	–
Loss on disposal of non-current assets	203	–
Credits:		
Interest received/receivable from other corporations	1 731	1 648
Profit on disposal of non-current assets	–	702

4 Abnormal Items

The operating profit after income tax is arrived at after crediting the following abnormal item:

Restatement of deferred tax balances resulting from a change in the income tax rate from 39% to 33% (note 5)	–	17 707

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT 1994 $000	CONSOLIDATED AND PARENT 1993 $000

5 INCOME TAX

Income tax is calculated as follows:		
Operating profit before income tax	**44 281**	72 528
Tax calculated at 33% (1993: 39%)	**14 613**	28 286
Tax effect of permanent differences:		
Amortisation of Ranger Project Rights and other non-allowable items	**3 189**	4 442
Prima facie tax adjusted for permanent differences	**17 802**	32 728
Income tax overprovided in prior year	**(28)**	(183)
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	**17 774**	14 838

6 FOREIGN CURRENCY

Foreign currency options and hedge contracts which matured during the year in respect of sales proceeds received in United States dollars increased revenue for the year by A$2 113 000 (1993: decreased A$1 417 000). The net exchange loss included in the Profit and Loss Account for the year on the holding of net foreign monetary assets was A$4 301 000 (1993: A$978 000).

7 DIVIDENDS

Franked dividends paid during the period, provided in the previous period	–	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	**234 431**	190 049

8 CASH

Cash at banks and on hand	**1 792**	27 434
Short-term deposits (at call)	**9 800**	3 200
	11 592	30 634
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	**11 592**	30 634
Add: Short-term deposits (note 9)	**46 500**	40 000
Less: Bank overdrafts (note 15)	**122**	1 089
Balance per Statement of Cash Flows	**57 970**	69 545

9 CURRENT ASSETS – RECEIVABLES

Short-term deposits	**46 500**	40 000
Loans to directors	**14**	16
Trade debtors[a]	**28 575**	33 362
Less provision for doubtful debts	**1 045**	–
Other debtors[b]	**4 496**	15 510
Less provision for doubtful debts	**30**	30
	78 510	88 858

[a] *Bad debts written off against provisions: $Nil (1993: $Nil)*
[b] *Bad debts written off against provisions: $Nil (1993: $Nil)*

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT 1994 $000	CONSOLIDATED AND PARENT 1993 $000
10 CURRENT ASSETS – INVENTORIES		
Stores	8 034	8 633
Less provision for obsolescence	1 347	1 287
	6 687	7 346
Ore stockpile	3 860	2 688
Work in progress	173	242
Finished product U_3O_8	74 473	77 809
At cost	85 193	88 085
11 CURRENT ASSETS – OTHER		
Prepayments	4 464	6 880
Foreign exchange hedge asset	824	3 589
	5 288	10 469
12 NON-CURRENT ASSETS – INVENTORIES		
Ore stockpile	28 605	25 836
13 NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT		
Land – cost	1	1
Buildings – cost	91 658	91 658
Less provision for depreciation	32 958	31 561
	58 700	60 097
Plant and equipment – cost	339 463	338 767
Less provision for depreciation	136 229	130 685
	203 234	208 082
Mine properties		
Ranger Project Rights – cost	407 000	407 000
Less accumulated amortisation	109 768	102 903
	297 232	304 097
Exploration and evaluation expenditure		
North Ranger uranium resource – cost	125 000	125 000
Interest capitalised	21 856	17 646
North Ranger costs capitalised	3 593	2 373
	150 449	145 019
Total property, plant and equipment	709 616	717 296

The directors believe that based on their expectation of future foreign exchange and interest rates, sale 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 former venturers.

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT 1994 $000	CONSOLIDATED AND PARENT 1993 $000

14 Non-current Assets – other

Foreign exchange hedge asset	**1 685**	14 382

15 Current Liabilities – Creditors and Borrowings

Unsecured:		
Bank overdraft	**122**	1 089
Bank loans	**3 900**	–
Notes and bills payable	**37 022**	74 727
Amount owing to related bodies corporate	**67**	34
Amount owing to ultimate parent entity	**83**	81
	41 194	75 931
Trade creditors	**10 356**	7 822
Other creditors	**3 876**	4 233
	14 232	12 055
	55 426	87 986

16 Current Liabilities – Provisions

Employee entitlements	**2 172**	2 240
Maintenance	**191**	219
Income tax	**21 735**	20 661
	24 098	23 120

17 Non-current Liabilities – Creditors and Borrowings

Unsecured:		
Notes and bills payable	**86 384**	134 509
Bank loans	**3 800**	–
Term creditors	**212**	1 471
	90 396	135 980

18 Non-current Liabilities – Provisions

Employee entitlements	**843**	846
Deferred income tax	**98 074**	102 483
	98 917	103 329

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.

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT 1994 $000	CONSOLIDATED AND PARENT 1993 $000

19 SHARE CAPITAL

Authorised capital comprises:		
750 000 000 shares of $1.00 each	**750 000**	750 000
Issued and paid up capital comprises:		
307 500 000 A Class shares of $1.00 each fully paid	**307 500**	307 500
61 500 000 B Class shares of $1.00 each fully paid	**61 500**	61 500
41 000 000 C Class shares of $1.00 each fully paid	**41 000**	41 000
	410 000	410 000

The B and C Class shares rank pari passu with the A Class shares except that the B and C Class shares have limitations, restrictions and special rights as to conversion, quotation and disposal of shares and voting in specified matters.

20 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 $36 236 000 at 31 March 1994 whilst the balance of the Ranger Rehabilitation Trust Fund at that date was $48 986 000. The difference of $12 750 000 represents the refund recognised in the Financial Statements at 30 June 1994 of $11 969 000 (note 2) and $781 000 of the 30 June 1993 refund yet to be received.

The Northern Land Council (NLC) 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 was remitted to the Federal Court. 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$8 780 000 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 resulted in the issue of amended assessments to the Company for the 1987 and 1988 years. The amended assessments were contested by the company in the Federal Court and the decision was that relevant amounts were incorrectly included by the ATO in the company's assessable incomes for the 1987 and 1988 years. An appeal has been lodged by the ATO and the matter has been set down for a hearing in the Federal Court in September 1994. 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.

21 COMMITMENTS

(a) **Commitments for capital expenditure**		
Aggregate capital expenditure contracted for, but not provided for in the accounts		
Not later than one year	**692**	486
(b) **Lease commitments**		
(i) *Operating Leases*		
Aggregate of amounts contracted but not provided for in the accounts	**4 762**	5 606
Due within 1 year	**967**	939
Due between 1–2 years	**891**	920
Due between 2–5 years	**2 489**	2 509
Due after 5 years	**415**	1 238
	4 762	5 606

21 COMMITMENTS [CONTINUED]

(ii) *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 1995 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 Ranger net sales revenue (1994: $3 923 000 / 1993: $5 341 000);*

(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 Ranger net sales revenue (1994: $1 154 000 / 1993: $1 571 000);*

(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 Ranger 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.*

22 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 or specified dollar amounts 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 1 July 1993 by W E Walker, FIAA of M Mercer 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.

23 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 bodies corporate (including North Broken Hill Peko Limited), within the following bands are:

	1994	1993
$ 20 000 to $ 29 999	3	4
$ 70 000 to $ 79 999	–	1
$ 80 000 to $ 89 999	1	–
$160 000 to $169 999	1	–
$170 000 to $179 999	1	1
$220 000 to $229 999	–	1
$250 000 to $259 999	–	1
$280 000 to $289 999	1	–
$290 000 to $299 999	–	1
$350 000 to $359 999	1	–
$410 000 to $419 999	1	–
$560 000 to $569 999	–	1
$720 000 to $729 999	1	–

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT **1994 $000**	CONSOLIDATED AND PARENT 1993 $000

23 DIRECTORS' AND EXECUTIVES' REMUNERATION [CONTINUED]

(i) ***Remuneration of Directors*** [CONTINUED]

	1994 $000	1993 $000
Total remuneration received or due and receivable by the directors, including alternate and executive directors, from:		
the Company	**574**	345
related bodies corporate (including North Broken Hill Peko Limited)	**1 649**	1 330
	2 223	1 675

(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 and related bodies corporate, within the following bands are:

	1994	1993
$ 100 000 to $ 109 999	**4**	1
$ 110 000 to $ 119 999	**2**	3
$ 120 000 to $ 129 999	**2**	2
$ 130 000 to $ 139 999	**2**	–
$ 140 000 to $ 149 999	**–**	2
$ 150 000 to $ 159 999	**1**	1
$ 170 000 to $ 179 999	**1**	1
$ 200 000 to $ 209 999	**–**	1
$ 240 000 to $ 249 999	**2**	–
$ 250 000 to $ 259 999	**–**	1
$ 280 000 to $ 289 999	**2**	–

	1994 $000	1993 $000
Total remuneration received or due and receivable by these executives from:		
the Company	**2 424**	1 768
related bodies corporate (including North Broken Hill Peko Limited)	**155**	–
	2 579	1 768

(iii) ***Retirement Benefits***

	1994 $000	1993 $000
Amounts paid by the Company and related bodies corporate (including North Broken Hill Peko Limited) to superannuation funds and directors in respect of the directors, alternate directors and principal executive officers' retirement	**–**	112

The above amounts (including the comparatives) are disclosed in accordance with ASC Class Order dated 22 June 1994.

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

24 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 25.

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: C McC Anderson, M W Broomhead, A Carmichael, Y Coupin (L Corbier, Alternate), R Knight, B S McComish, Sir Rupert Myers KBE, M Shibata (H Katsura/S Sato/M Yoshida/I Kosaka/H Umeda, Alternates), P J Shirvington, P H Wade (Dr D R Stewart, Alternate).

Information relating to directors' remuneration and retirement benefits is set out in note 23.

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, D C Haigh, W F James, P J Shirvington and P E McNally.

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT 1994 $000	CONSOLIDATED AND PARENT 1993 $000

24 RELATED PARTIES [CONTINUED]

Aggregate movements in loan balances

Aggregate loans at the beginning of the financial year	16	13
Aggregate loans at the beginning of the financial year for new directors	8	–
Add loans advanced during the financial year	14	5
Less loan instalments repaid during the financial year	24	2
Aggregate loans at the end of the financial year	14	16

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.

D C Haigh and W F James fully repaid their loans prior to balance date.
Loans in respect of R Knight and P J Shirvington were transferred to North Broken Hill Peko Limited during the year.

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 26.

Amounts receivable from these director-related entities at 30 June 1994 totalled $18 713 000 (1993: $20 246 000).

Superannuation Fund
Information relating to the economic entity's superannuation fund is set out in note 22.

25 INVESTMENTS IN CONTROLLED ENTITIES

	CLASS OF SHARE	PLACE OF INCORPORATION	PARENT INVESTMENT AT COST $
(a) ***Shares in controlled entities***			
E.R.A. (Canberra) Limited	*Ordinary*	*ACT*	5
ERA Environmental Services Pty Ltd (Formerly Ranger Export Development Company Pty Ltd)	*Ordinary*	*NSW*	20
Ranger Uranium Mines Pty Ltd	*Ordinary*	*NSW*	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 $548 (1993: $600).

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT 1994 $000	CONSOLIDATED AND PARENT 1993 $000

26 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:

	1994 $000	1993 $000
United States	44 869	25 849
Japan	67 887	90 019
Korea	7 787	20 980
Europe	31 635	22 657
	152 178	159 505
Sales revenue included above from direct shareholder–customers	68 995	76 594

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

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

	1994 $000	1993 $000
Operating profit after income tax	26 507	57 690
Add/(less) items classified as investing/financing activities:		
(Profit)/loss on sale of non-current assets	203	(702)
Interest paid	3 566	4 191
Interest received	(1 745)	(1 300)
Add/(less) non-cash items		
Depreciation and amortisation	14 461	15 125
Net exchange differences	1 463	2 780
Change in operating assets and liabilities		
(Increase)/Decrease in trade debtors	4 787	2 185
(Increase)/Decrease in other debtors	11 028	(13 930)
(Increase)/Decrease in inventories	63	14 186
(Increase)/Decrease in prepayments	2 416	1 205
(Decrease)/Increase in trade and other creditors	1 160	(30 587)
(Decrease)/Increase in provision for income taxes payable	1 074	(7 697)
(Decrease)/Increase in provision for deferred income tax	(4 409)	(5 850)
(Decrease)/Increase in other provisions	1 006	(108)
Net cash inflow from operating activities	61 580	37 188

28 Financing Arrangements

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

	1994 $000	1993 $000
Total facilities		
Bank overdrafts	3 000	3 000
Note and bill facilities	201 965	293 964
Bank loan facilities	7 700	–
	212 665	296 964
Used at balance date		
Bank overdrafts	122	1 089
Note and bill facilities	123 406	209 236
Bank loan facilities	7 700	–
	131 228	210 325
Unused at balance date		
Bank overdrafts	2 878	1 911
Note and bill facilities	78 559	84 728
Bank loan facilities	–	–
	81 437	86 639

Interest rates on all facilities are variable.

ENERGY RESOURCES OF AUSTRALIA LTD AND CONTROLLED ENTITIES	CONSOLIDATED AND PARENT 1994 $000	CONSOLIDATED AND PARENT 1993 $000

28 FINANCING ARRANGEMENTS [CONTINUED]

Bank overdrafts
The bank overdrafts are unsecured and may be drawn at any time. 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 1994 balance date.
The Multi Option Facility is unsecured and amounts can be drawn down at any time over the next three years.

29 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:

	1994 $000	1993 $000
United States dollars		
Current – Receivables		
Trade debtors	**5 059**	–
Other debtors	**225**	–
Current – Creditors and Borrowings		
Trade creditors	**6 897**	4 550
Notes and bills payable	–	11 956
Non-current – Creditors and Borrowings		
Notes and bills payable	–	17 935
Term creditors	**212**	1 471

30 EARNINGS PER SHARE

Basic earnings per share: *1994 $0.06; 1993 $0.14*
Diluted earnings per share: *1994 $0.06; 1993 $0.14*
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share: 1994: 410 000 000 shares; 1993: 410 000 000 shares.

31 POST BALANCE DATE EVENTS

On 27 July 1994, ERA repaid US$27 000 000 of Transferable Loan Certificates under the Company's Multi Option Facility.

STATEMENT BY DIRECTORS

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

   (a) *The Financial Statements set out on pages 20 to 32 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 1994, and the state of affairs at 30 June 1994, 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 this 30th day of August 1994 in accordance with a resolution of the directors.

C McC Anderson
Director

P J Shirvington
Director

AUDITORS' REPORT

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

Scope

We have audited the Financial Statements of Energy Resources of Australia Ltd for the financial year ended 30 June 1994 consisting of the Profit and Loss Account, Balance Sheet, Statement of Cash Flows, accompanying notes, and the Statement by Directors set out on pages 20 to 33. 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 misstatement. 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 1994 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

C M Jackson
Partner
Sydney, 30th August 1994

Shareholder Information

ENERGY RESOURCES OF AUSTRALIA LTD

TWENTY LARGEST SHAREHOLDERS

of A Class Ordinary Shares as at 22 August 1994

SHAREHOLDERS	NUMBER OF SHARES HELD
Peko Wallsend Ltd	*136 329 100*
North Broken Hill Peko Limited	*135 566 900*
Pendal Nominees Pty Limited	*5 650 768*
National Nominees Limited	*4 261 564*
Permanent Trustee Company Limited	*3 768 586*
MLC Life Limited	*1 888 268*
Westpac Custodian Nominees Limited	*1 026 693*
Australian Mutual Provident Society	*777 776*
Victorian Superannuation Board	*704 300*
ANZ Nominees Limited	*692 611*
Barclays Australia Custodian Services Limited	*690 500*
NRMA Investments Pty Limited	*681 100*
BT Custodians Limited	*437 400*
State Authorities Superannuation Board	*412 700*
Chase Manhattan Nominees Limited	*387 700*
Citicorp Nominees Pty Limited	*380 600*
Clipper Investments Ltd	*374 900*
Accident Compensation Commission	*346 200*
Icianz Pension Fund Sec Pty Ltd	*282 400*
Argo Investments Ltd	*200 000*
Total of top twenty holdings	***294 860 066***

The proportion of A Class Ordinary Shares held by the twenty largest shareholders is 95.89%.

REGISTER OF SUBSTANTIAL SHAREHOLDERS

Shares held as at 22 August 1994

A CLASS ORDINARY SHAREHOLDERS	NUMBER OF SHARES HELD
Peko Wallsend Ltd	*136 329 100*
*North Broken Hill Peko Limited**	*271 896 000*

B CLASS ORDINARY SHAREHOLDERS	NUMBER OF SHARES HELD
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	NUMBER OF SHARES HELD
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.*

Entitlement to Votes

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 Stock Exchange Ltd. The home exchange is Sydney.

DISTRIBUTION OF SHAREHOLDERS as at 22 August 1994

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

	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 – 99	*28*	*0.2*	*1 287*	*0.0*
100 – 1 000	*10 792*	*85.5*	*3 977 255*	*1.3*
1 001 – 5 000	*1 488*	*11.7*	*3 677 046*	*1.2*
5 001 – 10 000	*196*	*1.6*	*1 468 254*	*0.5*
over 10 000	*129*	*1.0*	*298 376 158*	*97.0*
	12 633	*100.0*	*307 500 000*	*100.0*

There were 28 holders of less than a marketable parcel of ordinary shares.

(b) B Class Ordinary Shareholders

Equal to 15.0% of the issued capital

	NUMBER OF SHARES	%
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

	NUMBER OF SHARES	%
Japan Australia Uranium Resources Development Co Ltd	*41 000 000*	*100.0*

Total Issued Capital	***410 000 000***

URANIUM PRODUCTION AND RESOURCES

	1989	1990	1991	1992	1993	WORLD PRODUCTION 1993, %(2)	WORLD URANIUM RESOURCES <US$80 PER Kg U (3)
	THOUSAND TONNES U_3O_8(1)						
Australia	4.37	4.17	4.43	2.75	2.67	7.0	462 000
Canada	13.39	10.28	9.70	11.07	10.82	28.2	277 000
France	3.88	3.32	2.91	2.51	2.01	5.2	19 850
Kazakhstan/ Kyrghystan(4)	-	-	-	3.30	3.18	8.3	417 000(5)
Namibia	3.63	3.79	2.89	2.00	1.96	5.1	80 620
Niger	3.49	3.34	3.50	3.50	3.44	9.0	159 170
Russia(4)	-	-	-	3.06	2.83	7.4	127 000(5)
South Africa	3.49	2.92	1.99	2.09	2.03	5.3	144 400
USA	6.07	3.99	3.58	2.13	1.53	4.0	114 000
Uzbekistan(4)	-	-	-	3.18	3.07	8.0	171 000(5)
Other(6)	25.69	23.92	19.97	6.45(7)	4.83(7)	12.5	402 660(8)
Total	64.01	55.73	48.97	42.04	38.37	100.0	2 374 700(5)

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 1993 (IAEA 1994).
4 No production data available 1989-1991. 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 1989-1991.
7 Production data includes Argentina, Belgium, Hungary, Brazil, India, Spain, Gabon, Germany, Eastern Europe, China and Ukraine.
8 Derived total.

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
tonnes	*kg*	1000

Tables 9, 11 and 12 present calendar year figures only

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*	6.27	16.3
Rabbit Lake	*Canada*	*Cameco/Uranerz*	*Open pit/underground*	2.71	7.1
Akouta	*Niger*	*Cogema/Onarem*	*Underground*	2.32	6.0
Rossing	*Namibia*	*RTZ*	*Open pit*	1.96	5.1
Ranger	***Australia***	***ERA***	***Open pit***	**1.34**	**3.5**
Olympic Dam	*Australia*	*WMC*	*By-product (copper)/underground*	1.33	3.5
Vaal Reefs	*South Africa*	*Anglo American*	*By-product (gold)/underground*	1.31	3.4
Arlit	*Niger*	*Cogema/Onarem*	*Open pit*	1.12	2.9
Cluff Lake	*Canada*	*Cogema*	*Open pit/underground*	1.03	2.7
Stanleigh	*Canada*	*Rio Algom*	*Underground*	0.82	2.1
Total				20.21	52.6

*** Source Uranium Institute***

NUCLEAR POWER AROUND THE WORLD 1993

COUNTRY	REACTORS IN OPERATION	CAPACITY, MWe	REACTORS UNDER CONSTRUCTION	CAPACITY, MWe	OUTPUT, TWh	NUCLEAR, PER CENT	OPERATING EXPERIENCE, YEARS+MONTHS	URANIUM REQUIREMENTS, TONNES U_3O_8 *
Argentina	2	935	1	692	7.2	14.2	30.7	175
Belgium	7	5527	-	-	39.5	58.9	121.7	1077
Brazil	1	626	1	1245	0.4	0.2	11.9	53
Bulgaria	6	3538	-	-	14.0	36.9	71.1	478
Canada	22	15755	-	-	88.6	17.3	304.11	2025
China	2	1194	1	906	2.5	0.3	2.5	218
Cuba	-	-	2	816	-	-	-	–
Czech RP	4	1648	2	1824	12.6	29.2	30.8	439
Finland	4	2310	-	-	18.8	32.4	59.4	561
France	57	59033	4	5815	350.2	77.7	766.5	10765
Germany	21	22657	-	-	145.0	29.7	469.1	4049
Hungary	4	1729	-	-	13.0	43.3	34.2	414
India	9	1593	5	1010	5.4	1.9	110.3	186
Iran	-	-	2	2392	-	-	-	–
Japan	48	38029	6	5645	246.3	30.9	603.7	8597
Kazakhstan	1	70	-	-	0.4	0.5	20.6	8
Korea, South	9	7220	7	5770	55.4	40.3	81.1	1972
Lithuania	2	2370	-	-	12.3	87.2	16.6	514
Mexico	1	654	1	654	3.7	3.0	4.9	116
Netherlands	2	504	-	-	3.7	5.1	45.9	125
Pakistan	1	125	1	300	0.4	0.9	22.3	13
Romania	-	-	5	3155	-	-	-	99
Russia	29	19843	4	3375	119.2	12.5	468.6	4179
South Africa	2	1842	-	-	7.2	4.5	18.3	275
Slovak RP	4	1632	4	1552	11.0	53.6	53.5	696
Slovenia	1	632	-	-	3.8	43.3	12.3	107
Spain	9	7105	-	-	53.6	36.0	128.8	1498
Sweden	12	10002	-	-	58.9	42.0	195.2	1775
Switzerland	5	2985	-	-	22.0	37.9	93.10	596
Taiwan	6	4890	-	-	33.0	33.5	74.1	1057
UK	35	11909	1	1188	79.8	26.3	994.2	2725
Ukraine	15	12679	6	5700	75.2	32.9	143.11	2012
USA	109	98784	2	2330	610.3	21.2	1810.8	19305
Total 1993	430	337820	55	44369	2093.4	n/a	6902.2(1)	66109
Total 1992	424	330651	72	59720	2027.6	n/a	6479.9	63211

*Source: IAEA, * data from Uranium Institute.* *Connected to the grid during 1993: Canada (1), China (1), France (1), Japan (4), Russia (1) Disconnected from grid during 1992: United Kingdom (2)*
(1) Includes Italy 81.0, Armenia 21.7.

Ten Year Performance

ENERGY RESOURCES OF AUSTRALIA LTD

YEAR ENDED 30 JUNE	**1994**	1993	1992	1991	1990	1989	1988	1987	1986	1985
Sales Revenue ($000)	**152 178**	159 505	170 459	210 407	206 898	177 516	251 300	234 263	222 513	233 779
Profit Before Tax ($000)	**44 281**	72 528	69 089	101 604	125 830	80 630	131 055	108 085	98 415	109 852
Income Tax Expense ($000)	**17 774**	14 838	30 403	27 554	68 328	42 876	67 985	49 197	47 991	53 395
Profit After Tax ($000)	**26 507**	57 690	38 686	74 050	57 502	37 754	63 070	58 888	50 424	56 457
Total Assets ($000)	**920 489**	975 560	945 406	827 756	847 491	882 081	914 622	953 479	883 608	927 487
S'holders' Equity ($000)	**651 652**	625 145	567 455	545 169	464 793	448 291	546 939	500 164	489 469	480 045
Long Term Debt ($000)	**88 499**	120 127	174 491	52 107	39 566	102 821	82 953	125 302	179 036	191 261
Current Ratio	**2.27**	1.96	2.33	2.24	0.98	1.10	1.41	1.43	1.68	1.33
Liquid Ratio	**1.13**	1.09	0.84	0.96	0.49	0.56	0.91	0.94	1.13	1.04
Gearing Ratio(%)	**12.0**	16.3	23.9	13.3	12.1	22.2	15.1	20.5	26.8	28.5
Interest Cover (times)	**13.1**	18.2	15.5	19.6	12.6	5.2	6.6	4.5	3.3	3.1
Return on S'holders' Equity (%)	**4.2**	9.7	7.0	14.7	12.6	7.6	12.0	11.9	10.4	12.0
Earnings per Share (cents)	**6.5**	14.1	9.4	18.1	14.0	9.2	15.4	14.4	12.3	13.8
Dividends per Share (cents)	**0**	0	4.0	10.0	10.0	15.0	10.0	10.0	10.0	10.0
Payout Ratio (%)	**0**	0	42.4	55.4	71.3	162.9	65.0	69.6	81.3	72.6
Share Price ($)	**1.25**	1.30	1.22	1.47	2.00	2.32	2.80	2.70	1.50	1.45
Price–Earnings Ratio	**19.2**	9.2	12.9	8.1	14.3	25.2	18.2	18.8	12.2	10.5
Dividend Yield (%)	**0**	0	3.3	6.8	5.0	6.5	3.6	3.7	6.7	6.9
Net Tangible Assets per Share ($)	**1.59**	1.52	1.38	1.33	1.13	1.09	1.33	1.22	1.19	1.17
No. of Employees	**193**	198	191	339	340	354	374	414	409	421
Profit After Tax per Employee ($000)	**137.3**	291.4	202.5	218.4	169.1	106.6	168.6	142.2	123.3	134.1
Ore Mined (million tonnes)	**0.712**	0.830	0.435	0.661	1.085	2.400	2.130	1.714	1.480	0.903
Ore Milled (million tonnes)	**0.437**	0.426	0.986	1.090	1.089	0.975	0.782	0.869	0.968	1.021
Mill Head Grade (% U_3O_8)	**0.389**	0.348	0.324	0.295	0.314	0.408	0.423	0.379	0.350	0.317
Mill Recovery (%)	**85.69**	90.56	89.83	90.78	90.10	91.06	91.95	93.05	92.00	92.45
Production (tonnes U_3O_8)	**1 461.8**	1 335.1	2 980.0	2 908.3	3 084.0	3 595.5	3 041.5	3 123.8	3 067.0	3 037.0
Sales – Ranger Concentrates (tonnes U_3O_8)	**1 934.9**	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
Sales – Other Concentrates (tonnes U_3O_8))	**1 510.3**	848.0	1 328.4	802.3	47.6	–	–	–	–	–
Sales – Total (tonnes U_3O_8)	**3 445.2**	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

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–Earnings Ratio = share price/earnings per share

Dividend Yield = dividend per share/share price

Net Tangible Assets per Share = net assets/number of shares issued

Gearing Ratio = (long term debt + term creditors)/(shareholders' equity + long term debt + term creditors)

Directors

C Anderson	Chairman
M Broomhead	Deputy Chairman
A Carmichael	
Y Coupin	
R Knight	
Sir Rupert Myers	
M Shibata	
P Shirvington	Chief Executive

Secretaries

S O'Sullivan

R Kemp

Management

AS AT 30 AUGUST 1994

P Shirvington	Chief Executive
R Cleary	General Manager - NT Operations
P McNally	General Manager - Environmental Services
S O'Sullivan	Chief Financial Officer
W Davies	General Manager - Marketing
R Scotford	Manager - Copper and Uranium Marketing

Auditors

KPMG Peat Marwick

Bankers

Commonwealth Bank of Australia

Westpac Banking Corporation

Banque Nationale de Paris

Publications Available from ERA

Nuclear Issues – Briefing Papers (1994)

Aboriginal People and Ranger (1993)

Rehabilitation at Ranger (1992)

Kakadu and Ranger (1992)

The Efficient Use of Energy (1992)

The Ranger Operation (1992)

Training at Ranger (1991)

Health and Safety at Ranger (1991)

Managing Water at Ranger (1990)

Milling Operations (1990)

Geology and Mining (1990)

Ranger and the Environment (1988)

Why Nuclear? (1987)

Towards Safe Disposal of Spent Ranger Uranium Fuel (1986)

ERA Newsletter (quarterly)

For copies of the publications listed above or further information, please contact the Manager – Public Affairs (02) 256 8900.

Energy Resources of Australia Ltd

A.C.N. 008 550 865

Principal Office

Level 18, Gateway
1 Macquarie Place
Sydney NSW 2000

(GPO Box 4039 Sydney NSW 2001)

Telephone (02) 256 8900
Facsimile (02) 251 1817

ERA Darwin Office

Level 8, 22 Mitchell Street

(PO Box 4871)
Darwin NT 0801

Telephone (089) 816 525
Facsimile (089) 815 005

ERA Ranger Mine

Locked Bag No.1
Jabiru NT 0886

Telephone (089) 381 211
Facsimile (089) 381 203

Registered Office

C/– Mallesons Stephen Jaques

Advance Bank Centre
60 Marcus Clarke Street
Canberra City
ACT 2601

Telephone (06) 268 3900

Designed and produced by Armstrong Miller+McLaren.