



This is the first Annual Report to Employees from Pasminco Metals. Many of you will be aware of the many changes that have taken place since the formation of our new Business Unit.

We are fortunate to be involved in the establishment of Pasminco, a new and entirely separate company of world standing in the zinc/lead industry. Pasminco Limited, formed in 1988 from the merger of the CRA and North Broken Hill Peko zinc and lead interests, is among Australia's top thirty companies listed on the Stock Exchange. Our Business Unit – Pasminco Metals – is the Australian smelting arm of Pasminco.

Merging business on such a large scale presents challenges and opportunities. I especially want to thank everyone who has contributed to making the merger come together so effectively. The results achieved for our first financial year have provided an excellent starting point for Pasminco Metals. Whilst the higher metal prices are the main reason for this result, operating performance also played a significant part. I would like to thank all employees for their contribution to the very pleasing and most welcome results.

Pasminco Metals is made up of three principal operating sites:



Port Pirie, South Australia
lead and zinc metals and alloys
silver, gold and copper metals
sulphuric acid



Risdon, Tasmania
zinc metal, alloys and residues
sulphuric acid and fertilisers



Cockle Creek, New South Wales
zinc metal
lead, silver, gold in bullion
minor metals and alloys
sulphuric acid

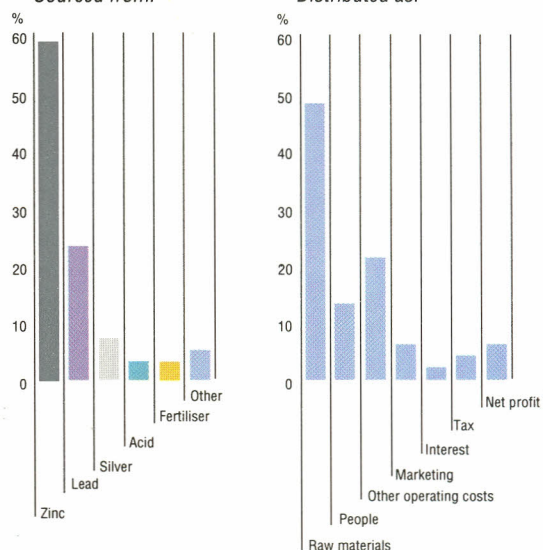
Pasminco Metals also has a 50% interest in, and manages, the secondary lead processing operations of Australian Refined Alloys Pty. Limited (ARA). This company has two operating plants – one in Sydney and the other in Melbourne – producing lead alloys from battery and other lead scrap.

RESULTS IN BRIEF

\$970 million gross Sales Revenue

Sourced from:

Distributed as:



*Pasminco Metals' net profit was \$58.7 million (after deducting interest and tax of \$55.2 million). This represents a 36% contribution to Pasminco Limited's net profit of \$163.3 million.

Employees at year end numbered 3609.

Capital expenditure was \$113.8 million.

PRODUCTION

Production ('000 tonnes)

