

ATLAS CORPORATION

1993 ANNUAL REPORT
Fiscal Year Ended June 30, 1993

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ABOUT ATLAS

Atlas Corporation explores for and develops precious metal deposits. The Company's 3,000 ton per day Gold Bar Project, located near Eureka, Nevada, is in its sixth full year of operation and produces at an average rate of 80,000 ounces of gold per year. The Project is located on a 90 square mile land position in the heart of the prolific Battle Mountain/Eureka gold trend.

Atlas received a cash infusion of \$8.4 million in September, 1993, and welcomed a new management team under the direction of David Birkenshaw, the Company's new Chairman of the Board and Chief Executive Officer. Steve Manz, the new President and Chief Financial Officer, and Michael Gross, the new Senior Vice President and Chief Operating Officer, join Atlas fresh from the turnaround of three 100,000 ounce per year Canadian gold mines. Significant changes will include an accelerated exploration program on the Gold Bar property, implementation of numerous corporate and minesite cost cutting measures, and the introduction of underground mining to select reserves currently subject to high open pit stripping ratios. The Company intends to pursue an aggressive acquisitions program to increase reserves and expand production.

HIGHLIGHTS

- Received \$30 million from the lease of the Grassy Mountain and Musgrove Creek properties. Proceeds were used to fully repay \$14 million in bank debt and to provide \$6.5 million to secure remediation of the Company's shutdown uranium mill'site in Moab, Utah.
- Recent legislation allowing for the reimbursement of reclamation costs associated with uranium produced under Atomic Energy Commission contracts will effectively reduce the Company's Moab reclamation exposure by 56%.
- Gold production fell 33% to 55,080 ounces due to permitting delays, a pit highwall failure and a reduction in contained ounces as predicted by the reserve model. A re-evaluation of all reserves resulted in a \$28.7 million write down of the carrying value of the Gold Bar assets.
- Liquidity problems were averted with an \$8.4 million cash infusion in September 1993. A new management team, fresh from the financial turnaround of three 100,000 ounce per year Canadian gold mines, assumed control with a focus towards operational improvements, cost reductions and increased exploration and development activity.

Financial Data (for the year ended June 30.)	1993	1992
Revenue from gold mining	\$ 19,280,000	\$ 29,624,000
Loss from continuing operations	\$ (28,066,000)	\$ (7,177,000)
Loss from discontinued operations (net)	(875,000)	(76,000)
Cumulative effect on prior years of postretirement benefit obligations	(968,000)	
Net loss	\$ (29,909,000)	\$ (7,253,000)

Per Share Data

Loss from continuing operations	\$ (4.43)	\$ (1.17)
Loss from discontinued operations	(.14)	(.01)
Cumulative effect on prior years of postretirement benefit obligations	(.15)	--
Net loss	\$ (4.72)	\$ (1.18)

Share price at June 30.	\$ 4.25	\$ 5.75
Common shares outstanding at June 30.	6,336,000	6,336,000

Operating Data (ounces)

Annual Gold Production	55,080	81,832
Proven & probable mineable gold reserve (at June 30.)	220,380	1,441,400*

*In October 1992, Atlas leased its Grassy Mountain property (995,900 ounces of proven and probable mineable gold reserve) and its Musgrove Creek exploration property for 35 years for \$30 million and a 5% royalty.

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DEAR SHAREHOLDERS

Fiscal 1993 proved to be a difficult year for Atlas both operationally and financially. These difficulties however have led to changes that I believe position the company for a successful turnaround. With a new, experienced management team in place and an \$8.4 million cash infusion from the September 20, 1993 transaction, the Company is concentrating its operational focus on minimizing costs and maximizing production, while shifting its exploration focus back to optimizing the return from our wholly owned, 90 square mile Gold Bar claim block. This program is designed to overcome the negative results Atlas has experienced over the last several years and return the Company to a position of profitability and growth.

PREVIOUS ACTIVITIES

Fiscal year 1993 began with Atlas leasing its Grassy Mountain property in Oregon and its Musgrove Creek exploration property in Idaho to subsidiaries of Newmont Mining Company for total proceeds of \$30 million. This October 1992 transaction was prompted by the need to generate sufficient cash to repay \$14 million in short term bank debt and to provide \$6.5 million in cash collateral for a surety associated with reclamation of the Company's Moab uranium site. This request for repayment and Atlas' inability to source additional credit lines arose due to the poor performance of the Gold Bar Project over the past three years.

While the Gold Bar Project had been able to consistently produce in excess of 80,000 ounces of gold per year during fiscal years 1990 through 1992, cash and non-cash minesite costs continued to escalate through this period. When Atlas moved its mining operations from the original Gold Bar pit to the smaller satellite pits up in the Roberts Mountains (see figure on page 5), the Company experienced increasing stripping ratios, lower grades, longer hauling distances and increasing maintenance costs. At the same time, non-cash costs increased as a direct reflection of a growing pool of unrecovered capital expenditures which included the \$5 million mill expansion in 1989, the \$3.5 million refractory circuit addition in 1990 (which was shut down after 45 days of unsuccessful operation), the building of a \$5.5 million haul road system and numerous other mine development and pre-stripping costs.

During fiscal years 1990, 1991 and 1992, Atlas spent \$12 million on the Grassy Mountain and Musgrove Creek properties. This commitment diverted exploration funding away from the Gold Bar property at a time when it was needed to confirm existing reserves and find additional ore deposits. Funding was also needed for a proper preventive maintenance program to ensure operating cost efficiencies. With this lack of additional reserve generation and with the results of confirmation drilling conducted during the year, Atlas reduced its stated proven and probable reserves to 220,000 ounces. This reduction in recoverable ounces, in conjunction with the escalation in costs, forced Atlas to adjust the carrying value of its assets at the Gold Bar Project by \$28.7 million at June 30, 1993.

CURRENT YEAR RESULTS

The Gold Bar operation produced 55,080 ounces of gold during fiscal year 1993 with total minesite costs of \$485 per ounce (\$323 cash cost + \$162 non-cash cost). This decrease in production from 81,832 ounces the previous year and the increase in minesite costs from \$366 per ounce of gold produced (\$233 cash costs + \$143 non-cash costs) resulted from low mill tonnage, and decreased ore grades and recoveries associated with numerous operating problems and permitting delays. Details on these operating difficulties are outlined within the Operations section of this report.

For the fiscal year ended June 30, 1993, Atlas had a net loss of \$29,909,000, or \$4.72 per share, compared to a net loss of \$7,253,000, or \$1.18 per share, in fiscal 1992. This 1993 loss includes the \$17.8 million gain for the lease of the Grassy Mountain and Musgrove Creek properties, the previously mentioned \$28.7 million write down of producing mineral properties, a \$2.8 million write down of non-producing mineral properties, and a one time \$968,000 negative adjustment to reflect the cumulative effect of prior years on the postretirement benefit obligations of the Company.

CHANGE OF CONTROL

Following an independent operational audit commissioned by the Board of Directors, Richard Weaver, Atlas' President and Chief Executive Officer, resigned in February 1993. In the

absence of a newly appointed President, Gary Davis assumed management control of Atlas until the September change in control.

After struggling through declining production and a liquidity crisis in the third and fourth quarters, Atlas was provided with an \$8.4 million cash infusion by Phoenix Financial Holdings Inc., a Canadian investment holding company. In exchange, Phoenix received 1.5 million Atlas common shares, a \$3.5 million five year convertible debenture (convertible at \$4 per share), and 2 million warrants exercisable over three years at \$3.625 per share. The 1.5 million shares, plus 750,000 of the warrants were then sold in a secondary offering on a private placement basis to a number of Canadian and European financial institutions.

As part of the transaction, the Atlas Board of Directors was reconstituted with Phoenix designees assuming four of the six positions. Phoenix has created a new management team for the Company with a proven track record in the mining industry. Steve Manz is the new President and Chief Financial Officer, and Michael Gross is the new Senior Vice President and Chief Operating Officer. Mr. Manz and Mr. Gross both previously held executive positions at Royal Oak Mines Inc., and were actively involved in that company's acquisition and profitable turnaround of three high cost 100,000 ounce per year gold mines.

FUTURE PLANS

The new management team has developed a business plan which focuses on cost reductions at both the corporate and minesite levels, and includes spending in excess of \$3 million in exploration during the period from October 1993 to June 1994. Although Atlas' head office, production, depreciation and amortization charges on a per ounce basis are among the highest in the industry, a planned 40% reduction in head office costs, an anticipated return of production to 80,000 ounces for fiscal 1994, and numerous planned mine operational efficiencies collectively are designed to allow Atlas to return to profitable operations.

Atlas' 90 square mile claim block (see pages 4 and 5) is situated in the heart of Nevada's prolific Battle Mountain/Eureka Trend and is surrounded by numerous, recently discovered, multi-million ounce gold deposits. This mineral trend, which currently hosts in excess of 20 million ounces of previously mined and known gold

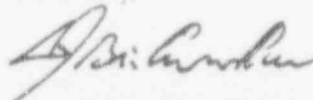
reserves, continues to receive increasing attention from both the mining and investment communities.

As new management, we feel very encouraged by the positive results Atlas has previously shown on the property with its limited exploration expenditures. The \$4 million in exploration spent over the past eight years has successfully located 880,000 ounces of proven and probable reserves on the property. With a discovery cost well below industry average, with 80% of our claim block still unexplored, and with a collection of prioritized geochemical targets with characteristics similar to those which led to the discovery of the five mined deposits, we believe our \$3 million exploration program has the capability of rebuilding the reserve base of the Company.

Atlas will be mining from the Gold Canyon deposit until March 1994, after which open pit mining will continue at the Gold Pick deposit (see page 5). Gold Canyon is the highest grade, lowest stripping ratio deposit mined since the original Gold Bar deposit and is scheduled to provide increased gold production at decreased costs. We are also investigating the possibility of underground mining numerous higher grade ore pods from adits driven in from existing pit bottoms. These deposits currently fall outside economic limits due to associated high stripping ratios. While it is expected that the rebuilding of the reserve base will gradually occur over time, the Company may seek additional joint venture partners to accelerate the exploration and development of its prized claim block.

Finally, I would like to thank Atlas' employees for their dedication during these difficult financial times. As new management, the potential we see and the plans we have developed are a direct expression of the collective enthusiasm and faith you have shown in the underlying quality of assets within the Company. I would also like to thank the shareholders for their perseverance during these adverse times, and I am hopeful that all of the above noted changes will allow Atlas to again report positive results from its activities.

Sincerely,



David J. Birkenstov
Chairman and Chief Executive Officer
November 15, 1993

BATTLE MOUNTAIN/ EUREKA TREND

Marigold (350,000 ozs)

● *Battle Mountain*

Fortitude (1.87 mil ozs)

Hilltop (760,000 ozs)

Cove/McCoy (3.4 mil ozs)

Pipeline (7 mil ozs)

✕ Buckhorn (250,000 ozs)

Cortez (1 mil ozs)

Horse Canyon (330,000 ozs)

Tonkin Springs (310,000 ozs)

**GOLD BAR
CLAIM BLOCK**

Ruby Hill (1.65 mil ozs) ✕

● *Eureka*

Windfall (210,000 ozs) ✕

Ratto Canyon (200,000 ozs)

Hamilton (375,000 ozs) ✕

Easy Junior (250,000 ozs)







Figures in brackets represent previously mined plus estimated existing resource



ATLAS' GOLD BAR CLAIM BLOCK

90 SQUARE MILES



-  Existing Pits
-  Drill Indicated Geologic Resource
-  Exploration Targets
-  Haul Road

OPERATIONS

GOLD BAR

Mining operations at the Gold Bar Project, located near Eureka, Nevada, faced a number of challenges in fiscal 1993. The processing of low grade oxide and highly refractory ores, along with a decrease in available ore, contributed to a 33% drop in production and a 32% increase in production costs.

Gold production for fiscal 1993 was 55,080 ounces at an average grade of .061 ounces per ton. The mill recovery rate for 1993 was 82% compared to 92% in fiscal 1992. This was largely due to the processing of both lower grade oxide ores and more highly refractory ores during the year. The table below shows annual production data for the past four years.

Year Ended June 30	1993	1992	1991	1990
Tons of ore milled (000)	1,120	1,240	1,091	1,150
Average grade (ozs per ton)	.061	.071	.090	.079
Average recovery rate (%)	82	92	82	89
Ounces of gold produced	55,080	81,832	80,727	81,263
Average sales price (\$ per oz)	\$350	\$362	\$379	\$397
Operating Costs (\$ per oz)				
Cash production costs	\$323	\$223	\$207	\$161
Non-cash costs	162	143	98	73
Total	\$485	\$366	\$305	\$234

As expected from mine plan projections, lower grade ores averaging less than .055 ounces per ton were mined during the first quarter of fiscal 1993. This resulted in significantly higher unit production costs.

In November 1992, it became evident that the Company was not going to receive operating permits in time to begin development of the Gold Canyon deposit on schedule. In response, Atlas altered its mine plan, accelerating development work on the Goldstone North deposit in order to replace mill feed originally planned from Gold Canyon. Because both additional equipment and personnel were needed to ensure timely ore production from Goldstone North, Atlas employed a contract mining firm to perform the work. Contract prestripping of the deposit began in late November with the first gold production from Goldstone North in March.

Late in the second quarter and continuing into the third, the number of ounces actually produced from the Gold Pick East deposit was significantly less than predicted by Atlas' original reserve estimates. This negative variance was caused by the limited dissemination of gold mineralization into the surrounding host rock which resulted in lower gold production and higher production costs during both periods. The loss of 8,000 ounces of anticipated gold production, combined with the lower gold prices prevailing throughout the second and third quarters, resulted in charges of \$2,227,000 to adjust the carrying value of certain inventories to market value. In response to the loss of ounces at the Gold Pick East deposit, Atlas initiated a detailed re-evaluation of all reported reserves at the Gold Bar property with implementation of an in-fill drilling program on the remaining orebodies. Information on the results of that program can be found within the Reserves section of this report.

The increased capital demands of the expedited contract prestripping program on Goldstone North, in addition to the low gold prices and production losses from Gold Pick East, all contributed to a depletion of the Company's working capital during the third quarter. To address this problem, Atlas entered into a financial arrangement with the contract mining firm for deferred payment of approximately \$3.5 million for prestripping the Goldstone North deposit. This agreement included a continued contract for the mining of the Gold Canyon deposit, and a provision that Atlas sell certain of its mining equipment with proceeds from the sale being paid to the contract mining firm. In July 1993, Atlas sold a portion of its mining equipment for proceeds of \$1.2 million which resulted in a reported loss on the sale of \$615,000.

In May 1993, mining at the Goldstone North deposit was temporarily suspended when instability in the pit highwall created potentially hazardous conditions for mining personnel. During the one-month period it took the Company to stabilize the highwall, milling operations continued by processing previously

stockpiled, low-grade oxide and higher grade refractory ores. This resulted in recoveries falling below 70% and higher costs. Fourth quarter gold production of 15,200 ounces was approximately 5,000 ounces below projections. Both recovery and grades improved during the first quarter of fiscal 1994 when mining was resumed on the Goldstone North deposit.

RESERVES

As a result of the large, negative variance in the number of ounces recovered from the first phase of mining the Gold Pick East deposit, Atlas initiated a complete review of its gold reserves at the Gold Bar project. The review included a 108 hole, or 32,430 foot, in-fill drilling program, metallurgical testing and geological mapping. This work, reviewed by an independent geological consultant, resulted in the Company reducing proven and probable ore reserves from 445,500 ounces as of June 30, 1992 to 220,380 ounces as of June 30, 1993. The average grade of the reserves rose to .078 ounces per ton at June 30, 1993 from .055 ounces per ton at June 30, 1992. Please see the table below for specific information on each deposit.

DEPOSIT	TONS (000)	GRADE (Ozs Per Ton)	CONTAINED OUNCES
Gold Canyon	770,397	.080	61,440
Gold Pick	1,381,002	.079	109,560
Gold Ridge	426,000	.059	25,090
Goldstone	130,928	.104	13,670
Stockpile	126,580	.084	10,620
Total	2,834,907	.078	220,380

Calculated using a \$400 gold price

The largest part of the reduction in proven and probable reserves of 155,000 ounces occurred at the Gold Pick deposit. New data developed from actual mining indicated that the gold values were not continuous in quantity or quality and could not support the original pit design. A new pit was designed for continued mining of this deposit which greatly reduced the ore tons moved and improved the average grade from .055 to .079 ounces per ton.

During the fourth quarter, Atlas adjusted the carrying value of its assets downward to reflect the reduction in its reserves. As the revised mine plan does not provide for the complete recovery of unamortized costs, a charge to operations during the fourth quarter of \$28,716,000 was made to adjust the carrying value of the Company's mining assets.

EXPLORATION

Exploration drilling during the year was confined to the Gold Bar claim block. The Company performed limited drilling on five of nine targets previously identified as promising. The results from one of these targets were very encouraging and further drilling is currently underway. While it is anticipated that additional reserves will be delineated on one or more of these targets, data obtained to date is not sufficient to allow any reserve calculations to be made.

GREENLAND

During fiscal 1993, Atlas negotiated an agreement for the evaluation of mineral potential on a large area of ice-free land in southern Greenland. The resulting joint venture with Nunaoil A/S, a company owned jointly by the Danish Government and the Greenland Home Rule Authorities, was announced on June 3, 1993. The agreement covers an area of interest approximately 11,500 square miles in size and constitutes the majority of land located below the latitude 62° North. This agreement was the first of its kind signed in Greenland since the authorities implemented revised mining policies in 1992 to encourage investment in exploration and mine development by foreign entities.

The agreement includes exclusive access, with limited exception, to the existing geological information gathered by Nunaoil on the area of interest for a period of up to three years. The agreement includes terms for the 50/50 joint development of any deposit deemed "economical" by both parties. In accordance with this, Atlas and Nunaoil made application to, and received from, the Danish Ministry of Energy an

exclusive exploration license for a 270 square mile concession located within the area covered by the Nunaoil agreement.

Atlas geologists, working together with Greenlandic geologists, initiated mapping and geologic sampling during the field season, both on the concession and on 38 previously targeted exploration sites. The targets were selected upon completion of a joint review with Nunaoil of the known geological information and identification of the most promising geological structures indicative of gold and several other types of mineralization. The terms of the agreement are broad based and, while the current focus is on precious metals, the potential of base metals, rare earths and industrial minerals will ultimately be investigated. As final analysis and reports are still incomplete, full results of this field season's activities are not yet available. However, several significant gold anomalies were identified and development of a program for the next field season is underway.

OTHER ISSUES

In October 1992, Atlas leased its Grassy Mountain deposit and Musgrove Creek exploration property to subsidiaries of Newmont Mining Company for initial consideration of \$22.5 million and an advance of \$7.5 million on a 5% net smelter royalty retained by the Company. The term of the lease is for 35 years with the option to extend for three additional 10 year periods. Atlas immediately used \$14 million of the proceeds to repay the Company's existing credit line and another \$6.5 million to secure a letter of credit for remediation of the Moab, Utah uranium site. The Company reported a gain on this transaction during the second quarter of \$17,803,000.

Also in October 1992, the "Comprehensive National Energy Policy Act" was signed into law by former President George Bush. This legislation is significant to Atlas as it includes a provision for the reimbursement of reclamation expenses at uranium sites to the extent that the tailings were generated under Atomic Energy Commission contracts. At Atlas' Moab, Utah uranium site, 56% of the tailings were generated under these contracts and will qualify for reimbursement of reclamation expenses. The

Department of Energy has prepared draft regulations for the implementation of this legislation and is currently reviewing comments made by industry. This legislation should result in significant reductions in future expenses as well as recoupment of certain past reclamation expenditures by the Company.

In July 1993, the Nuclear Regulatory Commission (NRC) published in the Federal Register its intent to amend Atlas' license to allow the Company to proceed with its proposed reclamation plan for the Moab, Utah uranium site. The NRC and Atlas are currently responding to issues raised during the public comment period. Atlas last operated the plant in 1984 and has been awaiting approval by the NRC of revisions to its previously approved reclamation plan. The 1979 reclamation plan, which was prepared as part of a complete Environmental Impact Statement, is designed to stabilize and cap the uranium tailings in place on the existing site.

During fiscal 1993, Atlas accelerated decommissioning the Moab mill facility under the previously approved reclamation plan. This work involves removing plant equipment and scrap, dismantling buildings and disposing of any contaminated mill materials. Approximately 60% of the work is completed and this portion of the reclamation is expected to be finished in early 1994.

Also during the year, Atlas and other responsible parties prepared the engineering studies for reclamation of an asbestos minesite located near Coalinga, California, which was operated by the Company from 1962 to 1967. This information was consolidated into a prefinal design and submitted to the Environmental Protection Agency (EPA) for review. With the expected EPA approval, reclamation work should be completed during calendar year 1994. The Company continues to pursue litigation to recover costs associated with this remediation from insurance carriers whose policies provide applicable coverage. Recent court decisions regarding this issue have been favorable to the Company's position.

SALE OF SECURITIES

On September 20, 1993, Atlas completed a transaction with Phoenix Financial Holdings Inc., involving the sale of certain securities for \$8,375,000. The transaction provided the Company with the necessary working capital for both continued operations and an expanded exploration program at the Gold Bar claim block. The securities sold were:

- 1) 1.5 million shares of Atlas Common Stock.
- 2) a Redeemable Convertible Debenture due in 1998 in the principal amount of \$3.5 million, which is convertible at principal into Atlas Common Stock at a price of \$4 per share and bears interest at the rate of 9% per annum payable in cash or Common Stock at the rate of \$4 per share.
- 3) and Warrants to purchase, for three years, 2 million shares of Atlas Common Stock at \$3.625 per share.

As a part of the transaction, Atlas reconstituted the Board of Directors to include four Phoenix designees. Please see back inside cover for current Board members. In addition, Phoenix designees now hold the Company's top executive positions including David Birkenshaw as Chairman of the Board and Chief Executive Officer, Steve Manz as President and Chief Financial Officer, and Michael Gross as Senior Vice President and Chief Operating Officer. The new management team has proposed plans to reduce costs at both the corporate office and mine operations. The plans also call for significant exploration expenditures on the Gold Bar claim block in order to develop the property to its full production potential. In addition, new management plans to seek acquisitions which could increase both short and long term cash flow.

OUTLOOK FOR 1994

Ore production during fiscal 1994 will come primarily from the Gold Canyon deposit, which began production in September. Both average grade and recovery are expected to be higher than other recently mined deposits, resulting in lower production costs and increased gold production. Cost reductions and alternative mining methods and milling techniques are also being evaluated.

The Gold Bar claim block, located on the Battle Mountain/Eureka Trend in Nevada and consisting of approximately 90 square miles, is one of the largest property positions on the trend. Due primarily to past management decisions, the Gold Bar claim block remains largely unexplored. New management intends to commit significant financial resources towards an accelerated exploration program on the site in order to develop the full production potential of the claim block.

At the corporate level, Atlas' new management is examining all existing business relationships and associations and is reviewing Company policies and procedures. The goal is to reduce corporate overhead and to create a business environment that both utilizes the skills and knowledge of the Company's employees and streamlines the decision making process for maximum results. The Company will also renew its efforts in evaluating possible acquisitions and new business opportunities as well as developing and/or selling a number of currently under-utilized assets.

FINANCIALS

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEAR ENDED JUNE 30	1993	1992	1991
Mining revenue	\$ 19,280,000	\$ 29,624,000	\$ 30,625,000
<i>Costs and expenses:</i>			
Production costs	17,792,000	18,204,000	16,730,000
Depreciation, depletion and amortization	9,005,000	11,837,000	8,061,000
Impairment of mineral properties (Note 4)	28,716,000	-	-
Income (loss) from operations	(36,233,000)	(417,000)	5,834,000
<i>Other (income) and expense:</i>			
Exploration and prospecting costs	1,783,000	2,318,000	2,516,000
General and administrative expenses	4,149,000	4,296,000	5,439,000
Interest expense, net of \$428,000, \$1,415,000 and \$1,763,000 interest capitalized in 1993, 1992 and 1991, respectively	79,000	331,000	214,000
Gain on lease transaction (Note 17)	(17,803,000)	-	-
Impairment of nonproducing mineral properties (Note 4)	2,796,000	-	-
Interest income	(227,000)	(185,000)	(527,000)
Litigation settlement (Note 13)	-	-	675,000
Other expense (Note 4)	579,000	-	-
Loss from continuing operations before income taxes	(27,589,000)	(7,177,000)	(2,483,000)
Provision for income taxes (Note 7)	477,000	-	-
Loss from continuing operations	(28,066,000)	(7,177,000)	(2,483,000)
Loss from discontinued operations (net of tax) (Note 8)	(875,000)	(76,000)	(3,880,000)
Loss before cumulative effect on prior years of postretirement benefit obligations	(28,941,000)	(7,253,000)	(6,363,000)
Cumulative effect on prior years of postretirement benefit obligations (Note 12)	(968,000)	-	-
Net loss	\$ (29,909,000)	\$ (7,253,000)	\$ (6,363,000)
<i>Loss per share of common stock:</i>			
Loss from continuing operations	\$ (4.43)	\$ (1.17)	\$ (.41)
Loss from discontinued operations	(.14)	(.01)	(.65)
Cumulative effect on prior years of postretirement benefit obligations	(.15)	-	-
Net loss	\$ (4.72)	\$ (1.18)	\$ (1.06)
Weighted average of common shares outstanding	6,336,000	6,171,000	5,992,000

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

JUNE 30	1993	1992
<i>Assets</i>		
Current assets:		
Cash and short-term investments	\$ 1,734,000	\$ 552,000
Accounts receivable	529,000	163,000
Inventories (Note 3)	3,839,000	4,517,000
Prepaid expenses and other current assets	231,000	408,000
Total current assets	6,333,000	5,640,000
Property, plant and equipment (Note 4)	45,177,000	89,243,000
Less: Accumulated depreciation, depletion, amortization and impairment	39,801,000	37,658,000
	5,376,000	51,585,000
Other assets (Note 9)	7,840,000	1,469,000
Net assets of discontinued operations	-	518,000
	\$ 19,549,000	\$59,212,000
<i>Liabilities</i>		
Current liabilities:		
Trade accounts payable	\$ 1,835,000	\$ 2,283,000
Short-term debt (Note 10)	3,524,000	-
Current portion of long-term debt (Note 2)	-	13,999,000
Other accrued liabilities (Note 9)	3,303,000	3,655,000
Income taxes payable	487,000	47,000
Total current liabilities	9,149,000	19,984,000
Other liabilities, long-term (Note 9)	14,807,000	13,726,000
<i>Stockholders' Equity (Deficit) (Notes 5, 6 and 18)</i>		
Common stock, par value \$1 per share; authorized 25,000,000 shares, issued and outstanding 6,336,454 at June 30, 1993 and 1992	6,336,000	6,336,000
Capital in excess of par value	22,832,000	22,832,000
Retained deficit	(33,575,000)	(3,666,000)
Total stockholders' equity (deficit)	(4,407,000)	25,502,000
	\$ 19,549,000	\$59,212,000

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

FOR THE THREE YEARS ENDED JUNE 30, 1993

	Common Stock		Capital in Excess of Par Value	Retained Earnings (Deficit)	Total
	Shares	Amount			
Balance at June 30, 1990	5,960,000	\$ 5,960,000	\$20,834,000	\$ 9,950,000	\$36,744,000
Exercise of share options	15,000	15,000	186,000	-	201,000
Mineral property acquisition	119,000	119,000	608,000	-	727,000
Current year loss	-	-	-	(6,363,000)	(6,363,000)
Balance at June 30, 1991	6,094,000	6,094,000	21,628,000	3,587,000	31,309,000
Payment of fee to bank	60,000	60,000	285,000	-	345,000
Exercise of share options	3,000	3,000	24,000	-	27,000
Mineral property acquisition	179,000	179,000	895,000	-	1,074,000
Current year loss	-	-	-	(7,253,000)	(7,253,000)
Balance at June 30, 1992	6,336,000	6,336,000	22,832,000	(3,666,000)	25,502,000
Current year loss	-	-	-	(29,909,000)	(29,909,000)
Balance at June 30, 1993	6,336,000	\$ 6,336,000	\$22,832,000	\$(33,575,000)	\$(4,407,000)

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30	1993	1992	1991
<i>Operating activities</i>			
Net loss	\$ (29,909,000)	\$ (7,253,000)	\$ (6,363,000)
Loss from discontinued operations (net of tax)	875,000	76,000	3,880,000
Cumulative effect on prior years of postretirement benefit obligations	968,000	-	-
From continuing operations:			
Adjustments to reconcile income to net cash provided from operating activities:			
Depreciation, depletion and amortization	9,005,000	11,837,000	8,061,000
Loss on sale of equipment	615,000	-	-
Write-down of mineral properties — producing	28,716,000	-	-
Write-down of mineral properties — nonproducing	2,796,000	-	-
Gain on lease transaction	(17,803,000)	-	-
Changes in operating assets and liabilities:			
Decrease in trade and other accounts receivable	68,000	132,000	136,000
Decrease in inventories	614,000	2,621,000	2,423,000
Decrease (increase) in prepaid expenses and other current assets	160,000	459,000	(328,000)
(Increase) decrease in other assets	(390,000)	3,000	1,633,000
Increase (decrease) in trade accounts payable	(1,110,000)	228,000	(1,706,000)
Decrease in other accrued liabilities	(1,015,000)	(152,000)	(594,000)
Increase (decrease) in income taxes payable	477,000	-	(67,000)
Increase (decrease) in other liabilities, long-term	588,000	(68,000)	(303,000)
	(5,345,000)	7,883,000	6,772,000
<i>Discontinued operations</i>			
Disposal of assets	-	-	185,000
Operating loss (net of tax)	(875,000)	(76,000)	(3,880,000)
Adjustments to reconcile income to net cash provided from operations:			
Decrease in taxes payable	(37,000)	-	-
Increase in other liabilities, long-term	877,000	-	3,880,000
Decrease in net discontinued assets	-	76,000	-
Net change in estimated reclamation costs	(623,000)	(898,000)	(1,019,000)
	(658,000)	(898,000)	(834,000)
<i>Net cash provided by (used in) operations</i>	(6,003,000)	6,985,000	5,938,000
<i>Investing activities</i>			
Additions to property, plant and equipment	(3,795,000)	(6,787,000)	(16,989,000)
Proceeds from lease transaction	30,000,000	-	-
Proceeds from sale of equipment and reduction in other assets	1,479,000	12,000	4,543,000
Collateral for letter of credit	(6,500,000)	-	-
<i>Net cash provided by (used in) investing activities</i>	21,184,000	(6,775,000)	(12,446,000)
<i>Financing activities</i>			
Proceeds from revolving line of credit and borrowings	750,000	6,419,000	26,291,000
Principal payments on revolving line of credit and long-term debt	(14,749,000)	(6,570,000)	(20,055,000)
Proceeds from issuance of stock and warrants due to exercise	-	28,000	201,000
<i>Net cash provided by (used in) financing activities</i>	(13,999,000)	(123,000)	6,437,000
<i>Increase (decrease) in cash and cash equivalents</i>	1,182,000	87,000	(71,000)
Cash and cash equivalents at beginning of year	552,000	465,000	536,000
<i>Cash and cash equivalents at end of year</i>	\$ 1,734,000	\$ 552,000	\$ 465,000

See notes to consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

I. ACCOUNTING POLICIES

Principles of Consolidation — The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are in the business of exploring for and mining gold.

Inventories — Ores, work in process and materials and supplies are stated at the lower of cost, principally average, or market. Finished product gold inventory is carried at market value and forward sales contract prices.

Mining Costs — During production periods, costs attributable to waste are charged to operations based on the average ratio of waste tonnage to ore tonnage.

Property, Plant and Equipment — Stated at cost, less accumulated depreciation, depletion and amortization. Depreciation of milling facilities and depletion and amortization of mining properties are determined by the units of production method. The Company regularly assesses its ability to recover fully the carrying value of its assets and recognizes an impairment when it is determined that the remaining unamortized costs cannot be recovered from undiscounted cash flows over the remaining mine life. See Note 4. Leasehold improvements are amortized on the straight-line basis over the terms of related leases or estimated useful life, whichever is shorter.

Expenditures for maintenance and repairs are charged to income as incurred. Expenditures for additions, improvements, replacements, betterments and major renewals are added to the property, plant and equipment accounts. The cost of assets retired, or otherwise disposed of, and related accumulated depreciation are eliminated from the accounts, and any related gain or loss is reflected in the consolidated statements of operations.

Interest expense allocable to the acquisition or construction of capital assets and deferred mine development is capitalized until operations commence.

The investment tax credit available to the Company is applied against the current tax provision under the flow-through method.

Employee Incentive Plans — Market value increases and decreases above the option price of stock appreciation rights under the 1979 Key Employee Stock Incentive Plan are charged or credited to earnings in the period of increase or decrease. See Note 6.

Exploration and Mine Development —

Exploration costs incurred in the search for new mining operations are charged to income as incurred. Properties with development potential are those that indicate the presence of a mineral resource with the potential of being developed into an economically feasible mine. When it is determined that a property has development potential, the subsequent costs of exploration and costs incurred to delineate the orebody and prepare economic feasibility studies are capitalized. Upon the commencement of production, the capitalized costs are amortized utilizing the units of production method.

Mining Revenue — Revenues are recorded when the finished product is poured, based upon estimated weights and assays, at current market prices and forward sales contract commitments.

Revenue from significant customers of the Company is as follows:

	1993	1992	1991
J. Aron & Company	\$ -	\$ 11,418,000	\$ 19,174,000
Mas& Westpac Limited	\$ 8,997,000	\$ 5,496,000	\$ 3,824,000
Shearson Lehman Brothers Inc.	\$ 10,283,000	\$ 12,602,000	\$ 7,627,000

Reclamation Expense — The Company is obligated to decommission and reclaim its uranium millsite located near Moab, Utah. Since the Company has discontinued its uranium operations and permanently shut down its uranium mill and mines, estimated shutdown expenses, including reclamation costs, of \$17,406,000 were accrued at June 30, 1987. Shutdown costs of \$623,000, \$898,000 and \$1,019,000 in fiscal years 1993, 1992 and 1991 have been charged against this accrual. The balance in this accrual at June 30, 1993 was \$8,278,000 and the reclamation plan extends over the next six to eight years. "The Comprehensive National Energy Policy Act," which was enacted in October 1992, provides for the reimbursement of reclamation expenses related to uranium sites with tailings generated by Atomic Energy Commission contracts. With respect to the Company's discontinued uranium operations, a significant portion of the tailings was generated under such contracts. The Company's liability for discontinued uranium operations will be reduced by this government cost sharing program. The benefit of this government cost sharing program has not been determined. The Company believes the accrual is sufficient to cover its share of future costs.

Estimated reclamation costs relating to the Gold Bar Resource Area are amortized by the units of production method and are calculated using a rate based on total estimated reclamation costs and estimates of mineable reserves. Reclamation costs charged to expense in fiscal years 1993, 1992 and 1991 were \$313,000, \$407,000 and \$446,000, respectively.

Statement of Cash Flows — The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Net cash provided by operating activities reflects cash payments for interest and income taxes as follows:

	Year ended June 30,		
	1993	1992	1991
Interest (net of amounts capitalized)	\$ 61,000	\$ 509,000	\$ 136,000
Income taxes	\$ -	\$ -	\$ 96,000

Earnings per Share — Earnings per share have been calculated based on the weighted average number of common shares outstanding during the year. The weighted average number of shares outstanding was 6,336,000, 6,171,000 and 5,992,000 in 1993, 1992 and 1991, respectively. Shares issuable under options and warrants are excluded from the computation because they are not dilutive.

Reclassifications — Certain of the comparative figures have been reclassified to conform with the current year's presentation.

2. NOTE PAYABLE TO BANK

The Company and its subsidiaries, Atlas Gold Mining Inc. and Atlas Precious Metals Inc., were parties to a Revolving Credit Agreement with Bank of America National Trust and Savings Association (the "Bank") which, prior to the modification described below, provided up to \$14,000,000 of borrowing capacity with interest rates 1% over the Bank's published reference rate, 1¼% above LIBOR or 2% above the CD Rate and a \$6,500,000 letter of credit to secure the performance of the Company's reclamation obligations with respect to its discontinued uranium operations. The Bank also had a 3% net profits participation in the first 271,000 ounces of gold produced and sold from the Company's Gold Bar properties which was paid in full during fiscal year 1991.

The Bank extended the maturity date for borrowings under the Revolving Credit Agreement to the earlier of October 31, 1992, or the date of completion of the lease transaction described in Note 17 and increased the borrowing capacity to \$14,750,000 for

that period. The Bank also extended the date as of which it may terminate the letter of credit to December 31, 1993. On October 13, 1992, the lease transaction described in Note 17 was completed, and the Company repaid the balance of the borrowings under the Revolving Credit Agreement and provided \$6,500,000 of cash collateral for the letter of credit from the proceeds of that transaction. Concurrently, the Bank released its liens on the Company's assets, other than the cash collateral for the letter of credit (Note 9). The balance of the borrowings at June 30, 1992 was \$13,999,000.

There were no notes payable by the Company to banks during fiscal 1993 or 1992 other than the note evidencing the borrowings from the Bank.

3. INVENTORIES

Inventories consisted of the following:

	1993	1992
Stockpile ore	\$ 1,157,000	\$ 728,000
Work in process	832,000	459,000
Finished product	662,000	1,779,000
Materials and supplies	1,188,000	1,551,000
	<u>\$ 3,839,000</u>	<u>\$ 4,517,000</u>

4. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consisted of the following:

June 30, 1992	Acquisition Costs	Accumulated Depreciation, Depletion and Amortization	Net Book Value
Property and leaseholds	\$ 2,256,000	\$ 179,000	\$ 2,077,000
Land improvements	4,824,000	1,264,000	3,560,000
Deferred exploration and development costs:			
Producing	24,777,000	13,790,000	10,987,000
Nonproducing	14,260,000	-	14,260,000
Buildings and equipment	43,126,000	22,425,000	20,701,000
Total	\$89,243,000	\$37,658,000	\$51,585,000

June 30, 1993	Acquisition Costs	Accumulated Depreciation, Depletion, Amortization and Impairment	Net Book Value
Property and leaseholds	\$ 2,256,000	\$ 2,256,000	\$ -
Land improvements	5,433,000	5,433,000	-
Deferred exploration and development costs:			
Producing	-	-	-
Nonproducing	288,000	-	288,000
Buildings and equipment	37,200,000	32,112,000	5,088,000
Total	\$45,177,000	\$39,801,000	\$ 5,376,000

During the third quarter of fiscal year 1993, the Company experienced operational problems at certain of its Gold Bar properties. As a result, the Company and outside independent consultants began evaluating the Company's mine plans and remaining known ore reserves, which resulted in a determination that remaining unamortized costs could not be recovered from undiscounted cash flows over the remaining mine life. Accordingly, the Company recognized an impairment of \$28,716,000 to adjust the carrying value of its producing properties in the fourth quarter of fiscal year 1993.

The Company also adjusted the carrying value of its nonproducing properties by \$2,796,000 in the fourth quarter of fiscal 1993.

Other expense for the period ended June 30, 1993 consists primarily of a loss on the sale of mining equipment which was sold as required by the contract mining agreement referred to in Note 10.

5. STOCKHOLDERS' EQUITY

The total number of shares of capital stock which may be issued by the Company is 26,000,000, of which 25,000,000 shares are Common Stock, par value \$1 per share, and 1,000,000 shares are Series Preferred Stock, par value \$1 per share. The Series Preferred Stock is issuable in series, with designations, rights and preferences to be fixed by the Board of Directors. The Board of Directors has created a series of 150,000 shares of Series Preferred Stock designated Series A Junior Participating Preferred Stock ("Series A Preferred Stock"), no shares of which have been issued.

At June 30, 1993, there were 2,032,111 shares of the Company's Common Stock reserved for Option Warrants outstanding. These Option Warrants, traded on the American Stock Exchange, are exercisable at a price of \$15.625 per share and have no expiration date.

The Company has an Amended and Restated Rights Agreement under which a holder of Preferred Stock Purchase Rights ("Rights") is entitled to purchase from the Company 1/200th of a share of Series A Preferred Stock at a price of \$45 per 1/200th of a share. The Rights become exercisable upon the occurrence of certain events, including acquisition by a person or group of 15% or more of the outstanding Common Stock of the Company. Upon any such acquisition, the amended Plan provides that

upon exercise of Rights and payment of the purchase price, the exercising Rights holder is entitled to receive, in lieu of Series A Preferred Stock, shares of Common Stock having a market value equal to twice the purchase price. The Amended and Restated Rights Agreement was amended as of September 15, 1993 to provide that the transaction with Phoenix Financial Holdings Inc. ("Phoenix") referred to in Note 18 would not cause the Rights to become exercisable.

6. EMPLOYEE INCENTIVE PLANS

Under the Company's 1979 Key Employee Stock Incentive Plan (the "1979 Plan"), key employees could be granted options to purchase an aggregate of 290,000 shares of Common Stock at the fair value of the shares on the date of grant. At June 30, 1989, all of these options had been granted on the basis of becoming exercisable beginning one year after the date of grant or within sixty days of a change of control event and remaining exercisable for a maximum term of ten years from the date of grant. No options could be granted after December 31, 1989.

Under the terms of the 1979 Plan, options granted could include stock appreciation rights which allow the holder to receive the value of the difference between the exercise price and the fair market value of the stock at the date of exercise. In these cases, options and appreciation rights were granted in tandem form whereby the exercise of one cancels the other. The value of the appreciation rights may be received, at the optionee's election, either in shares of Common Stock or up to 50% in cash and the remainder in shares of Common Stock. The prices are equal to the market value of the Common Stock on the date of grant.

In connection with the 1979 Plan, in fiscal year 1992, \$5,000 was charged to expense and in fiscal year 1991, \$159,000 was credited to income. At June 30, 1993, options to purchase 12,000 shares were unexercised under the 1979 Plan.

The Company's Long Term Incentive Plan (the "Long Term Plan") provides that key employees may be granted options to purchase an aggregate of 295,000 shares of Common Stock at the fair value of the shares on the date of grant. At June 30, 1993, 168,450 options had been granted. Options may become exercisable beginning one year after the date of the grant or within sixty days of a change of control event and are exercisable for a maximum

of ten years from the date of grant. No options may be granted after July 31, 1999. The following table summarizes the activity under the 1979 Plan and the Long Term Plan:

STOCK OPTIONS UNDER PLANS

Date Granted	Option Price	Number Granted (a)	Options Exercised					Outstanding June 30, 1993
			Prior to 1990	1990	1991	1992	1993	
GRANTED WITH STOCK APPRECIATION RIGHTS:								
01/03/80	\$ 8.750 (b)	88,000	(80,000)	(8,000)				-
10/15/80	\$ 8.563 (b)	14,000			(14,000)			-
09/28/81	\$ 5.500 (b)	73,000	(58,000)	(2,000)		(13,000)		-
01/05/83	\$ 9.750 (b)	14,000	(14,000)					-
10/01/86	\$ 6.750 (b)	22,000	(6,668)		(9,332)			6,000
Total with rights		211,000	(158,668)	(10,000)	(23,332)	(13,000)		6,000
GRANTED WITHOUT STOCK APPRECIATION RIGHTS:								
01/06/88	\$16.125 (b)	6,000						6,000
08/02/89	\$16.750 (c)	10,000						10,000
11/13/89	\$17.250 (c)	2,000						2,000
04/14/90	\$14.625 (c)	21,500						21,500
07/23/90	\$12.125 (c)	8,000						8,000
09/12/90	\$13.125 (c)	47,000						47,000
03/06/91	\$ 7.375 (c)	6,450						6,450
01/06/93	\$ 5.125 (c)	43,500						43,500
03/11/93	\$ 2.750 (c)	30,000						30,000
Total		385,450	(158,668)	(10,000)	(23,332)	(13,000)	-	180,450

(a) Options granted shown net of cancellations, of which 178,400 were cancelled in fiscal year 1993

(b) 1979 Plan

(c) Long Term Plan

7. INCOME TAXES

The Company files a consolidated federal income tax return. Income taxes are provided on earnings at the appropriate statutory rates applicable to such earnings. At June 30, 1993, the Company had net operating loss carryforwards of approximately \$110,327,000 for financial reporting purposes and \$68,970,000 for tax purposes which expire in 1999 through 2006, if not previously utilized. The differences between net operating losses result primarily from the impairment of assets which require differing book and tax treatment and from the treatment of deferred development expense.

The years the net operating losses will expire for tax purposes follow:

Year	Amount
1999	\$ 6,904,000
2000	10,930,000
2001	4,772,000
2002	29,782,000
2003	4,127,000
2004	2,050,000
2005	5,368,000
2006	5,037,000
	<u>\$ 68,970,000</u>

At June 30, 1993, the Company had investment tax credit carryforwards of approximately \$1,500,000 for financial and tax reporting purposes after adjusting for the reductions required by the 1986 Tax Reform Act. These investment tax credit carryforwards expire from 1994 through 2002.

The current provision for income tax expense results primarily from the statutory limitation on the utilization of net operating loss carryforwards against Alternative Minimum Taxable Income ("AMTI"). The AMTI resulted primarily from the treatment afforded the impairment of the Company's assets referred to in Note 4 and the recognition of income from the disposition of assets with different book and tax basis.

The Financial Accounting Standards Board has issued Financial Accounting Standard No. 109, "Accounting for Income Taxes," which requires the computation of deferred income taxes on a liability method instead of the deferred method presently used and is effective for years beginning after December 15, 1992. The Company has determined that it will not restate prior years as permitted by the Standard. The Company has determined that the adoption of this Standard will not have a significant effect on its financial position and results of operations.

8. DISCONTINUED OPERATIONS

During fiscal year 1993, the Company charged \$912,000 (\$875,000 net of tax) to discontinued operations. Of this, \$600,000 related to further estimated cleanup costs incident to the presence of asbestos and other materials at the Company's former asbestos mine and mill site near Coalinga, California, and \$312,000 related to litigation which arose from the sale of the Company's Atlas Building Systems Division in a prior fiscal year. These charges, as well as those in fiscal year 1991, could not have been anticipated when the Company's operations were discontinued and were therefore not provided for at that time.

During fiscal year 1991, the Company charged \$3,880,000 to discontinued operations, of which \$3,000,000 related to estimated cleanup costs incident to the presence of asbestos and other materials at the Company's former asbestos mine and mill site near Coalinga, California and \$775,000 related to coinsurance experience with respect to the operations of the Company's Atlas Building Systems Division, which was sold in prior fiscal years.

The results of operations of the discontinued businesses are included in the consolidated statements of operations under the heading "Loss from discontinued operations (net of tax)."

OPERATING RESULTS OF DISCONTINUED BUSINESSES

	Uranium	Brockton Sole & Plastics	Building Products & Ready-Mix Concrete	Service & Other	Total
Year ended June 30, 1993					
Loss from operations	\$ -	\$ -	\$ (312,000)	\$ (600,000)	\$ (912,000)
Year ended June 30, 1992					
Loss from operations	\$ -	\$ (76,000)	\$ -	\$ -	\$ (76,000)
Net Assets	518,000	-	-	-	518,000
Year ended June 30, 1991					
Loss from operations	\$ -	\$ -	\$ (775,000)	\$ (3,105,000)	\$ (3,880,000)
Net Assets	518,000	76,000	-	-	594,000

9. DETAILS OF CERTAIN BALANCE SHEET CAPTIONS

Other assets consisted of the following:

	June 30	
	1993	1992
Restricted cash:		
Collateral for a \$6,500,000 letter of credit (a)	\$ 6,617,000	\$ -
Collateral for a \$750,000 reclamation bond (b)	765,000	785,000
Benefit trust account (c)	-	519,000
Other restricted cash (b)	453,000	-
Other	5,000	165,000
	<u>\$ 7,840,000</u>	<u>\$ 1,469,000</u>

- (a) Securing the performance of the Company's uranium reclamation obligation.
 (b) Securing the performance of the Company's Gold Bar reclamation obligation.
 (c) Available for payment of various compensation and employee benefit obligations of the Company.

Other accrued liabilities consisted of the following:

	June 30	
	1993	1992
Accrued compensation	\$ 822,000	\$ 716,000
Reclamation and uranium shutdown cost, short-term (Note 1)	880,000	1,006,000
Other	1,601,000	1,933,000
	<u>\$ 3,303,000</u>	<u>\$ 3,655,000</u>

Other liabilities, long-term, consisted of the following:

	June 30	
	1993	1992
Reclamation and uranium shutdown cost, long-term (Note 1)	\$ 7,398,000	\$ 8,412,000
Pension, and deferred compensation obligations	1,708,000	1,448,000
Mine reclamation accrual	1,539,000	1,226,000
Accrued asbestos reclamation costs (Note 8)	2,074,000	2,539,000
Atlas Building Systems Division litigation obligation (Note 16)	1,000,000	-
Accrued postretirement benefit obligation (Note 12)	1,068,000	-
Other	20,000	101,000
	<u>\$ 14,807,000</u>	<u>\$ 13,726,000</u>

10. SHORT-TERM DEBT

On April 23, 1993, the Company entered into an agreement with an independent contractor which provided for a \$3,524,000 financing arrangement to cover the costs of developing the Goldstone North ore deposit, mining the Goldstone North deposit and developing and mining the Gold Canyon ore deposit. Pursuant to a subsequent agreement with the contractor, Atlas Gold Mining Inc. issued to the contractor a promissory note in the principal amount of \$3,524,000 payable in three equal installments on December 1, 1993, January 1, 1994 and February 1, 1994, together with interest at the rate of 9% per year. This note, which was guaranteed by the Company, is secured by a deed of trust encumbering certain patented mining claims situated in Eureka County, Nevada, and a security agreement encumbering certain milling equipment. The contractor was also granted a security interest in the unpatented claims which include the Goldstone North and Gold Canyon ore deposits and the proceeds from the sale of gold derived from those deposits.

11. EMPLOYEE RETIREMENT PLANS

The Company has several trustee and insured retirement plans covering substantially all salaried employees. These plans provide pension benefits that are based on final average compensation minus certain adjustments for primary social security benefits. The Company's funding policy for these plans is to make at least the minimum annual contributions required by applicable government regulations. Plan assets are invested primarily in United States Government obligations, commercial paper and investment funds.

The following items are the components of net periodic pension cost:

	1993	1992	1991
Service costs-benefits earned during the year	\$ 195,000	\$ 178,000	\$ 137,000
Interest cost on projected benefit obligation	500,000	512,000	478,000
Actual return on plan assets	(252,000)	(758,000)	(367,000)
Net amortization and deferral	(262,000)	250,000	(18,000)
Net periodic pension cost for the year	<u>\$ 181,000</u>	<u>\$ 182,000</u>	<u>\$ 230,000</u>
Assumed long-term rate of return on plan assets	8.0%	8.5%	8.5%

The following table sets forth the plans' funded status and amounts recognized in the Company's financial statements at June 30, 1993 and 1992:

	1993	1992
Accumulated benefit obligation based on salaries to date, including vested benefit obligation of \$5,901,000 for 1993 and \$5,869,000 for 1992	\$(5,953,000)	\$(6,081,000)
Additional benefit obligation based on estimated future salary levels	(199,000)	(443,000)
Projected benefit obligation	(6,152,000)	(6,524,000)
Fair value of plan assets	5,961,000	6,189,000
Funded status	(249,000)	(335,000)
Unrecognized net obligation at July 1, 1989 and 1988 being recognized over approximately 15.88 years	84,000	98,000
Unrecognized net loss (gain)	(188,000)	65,000
Accrued pension cost	\$ (353,000)	\$ (172,000)
Assumed discount rate	8.0%	8.5%
Assumed rate of increase in future compensation	6.0%	6.0%

The Company has an Investment and Savings Plan to assist eligible employees in providing for retirement or other future financial needs. Employee contributions (up to 10% of their earnings) are matched by the Company at a rate of 100% up to a maximum of 6% of the employee earnings. In addition, the Company provides a 4% contribution for all eligible employees compensated on an hourly scale. The Company's contributions to this Plan in fiscal years 1993, 1992 and 1991 were \$284,000, \$388,000 and \$343,000, respectively.

12. OTHER POSTRETIREMENT BENEFIT PLANS

In addition to the Company's defined benefit pension plan (Note 11), the Company has two defined benefit postretirement plans covering most salaried employees. One plan provides medical benefits and the other provides life insurance benefits. The postretirement health care plans are contributory, with retiree contributions adjusted annually, and contain other cost-sharing features such as deductibles and coinsurance. The accounting for the health care plans anticipates future cost-sharing changes to the written plan that are consistent with the Company's expressed intent to increase the retiree contribution rate annually for the expected general inflation rate for that year. The life insurance plan is non-contributory. The Company's policy is to

fund the cost of the postretirement health care benefits in amounts determined at the discretion of management and to make annual contributions to the life insurance plan in level amounts over the plan participant's expected service period.

In fiscal year 1993, the Company adopted FASB Statement No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." The effect was a one-time charge to operations of \$968,000. This cumulative catchup adjustment as of July 1, 1992 represents the discounted present value of expected future retiree health and insurance benefits attributed to employees' service rendered prior to that date. Also, the new standard results in additional annual expense, which in fiscal year 1993 totaled \$138,000. Postretirement benefit cost for fiscal 1992, which was recorded on a cash basis, has not been restated.

The following table shows the plans' combined funded status reconciled with the amounts recognized in the Company's statement of financial position:

	June 30, 1993		
	Medical Plans	Life Insurance Plans	Total
Accumulated post-retirement benefit obligation:			
Retirees	\$ (178,000)	\$ (559,000)	\$ (737,000)
Fully eligible active plan participants	-	-	-
Other active plan participants	(259,000)	(72,000)	(331,000)
Accrued postretirement benefit cost	\$ (437,000)	\$ (631,000)	\$ (1,068,000)

Net periodic postretirement benefit cost included the following components:

	June 30, 1993		
	Medical Plans	Life Insurance Plans	Total
Service cost	\$ 48,000	\$ 13,000	\$ 61,000
Interest cost	32,000	45,000	77,000
Net periodic post-retirement benefit cost	\$ 80,000	\$ 58,000	\$ 138,000

The weighted-average annual assumed rate of increase per capita cost of covered benefits (i.e., health care cost trend rate) for the medical plan is 14% for fiscal year 1994 and is assumed to decrease gradually to 6% in 2002 and remain at that level thereafter. The health care cost trend rate assumption has a significant effect on the amounts

15. ACQUISITION OF MINERAL PROPERTIES

During fiscal year 1992, the Company acquired interests in a number of unpatented lode claims in Nevada adjacent to the Gold Bar Resource Area in exchange for 178,949 shares of Common Stock, which were valued at \$6.00 per share for a total value of \$1,073,694 assigned the Common Stock, and a cash payment of \$500,000. The \$6.00 was the closing price of the Common Stock on April 22, 1992, the date the transaction was consummated. The acquisition agreement provides for a minimum 3% net smelter return royalty.

During fiscal year 1991, the Company acquired interests in a number of unpatented lode claims in Nevada and Oregon in exchange for 118,644 shares of Common Stock, which were valued at \$6.125 per share for a total value of \$727,000 assigned the Common Stock. The \$6.125 was the closing price of the Common Stock on May 17, 1991, the date the transaction was consummated. The acquisition agreement provides that after 50,000 ounces of gold have been produced and sold from certain of these claims the seller will receive a 4% net smelter return royalty on the next 100,000 ounces of gold produced and sold from the claims and that the seller will also receive a 1% net smelter return royalty on all minerals produced and sold from the other claims.

In fiscal year 1993, these properties were included in the analysis of impairment discussed in Note 4.

16. COMMITMENTS AND CONTINGENCIES

The Company has entered into a series of forward sales contracts covering 12,500 ounces of gold at an average price of \$343 per ounce and 10,000 ounces of gold at an average price of \$360 per ounce.

During fiscal year 1988, the United States Environmental Protection Agency (the "EPA") notified the Company that it was one of several potentially responsible parties ("PRPs") for cleanup costs incident to the presence of asbestos and other materials ("Contaminants") at the Company's former asbestos mine and mill site (the "Mine and Mill Site") near Coalinga, California, and in the City of Coalinga (the "City of Coalinga Site"). A prolonged period of inquiry and administrative process concerning this matter followed.

The Company and another PRP (the "other private PRP") have negotiated a settlement with the EPA in which the Company and the other private

PRP have agreed, among other things, to reimburse approximately 60% of the EPA's administrative costs and perform various remediation and/or cleanup activities at the Mine and Mill Site. The settlement has been formalized in a consent decree which was entered by the United States District Court for the Central District of California on August 13, 1992.

The Company understands that another PRP has completed a cleanup of Contaminants and installation of a waste management unit at the City of Coalinga Site.

The Company and the other private PRP commenced a lawsuit against the Bureau of Land Management, Department of the Interior ("BLM"), which is also a PRP, in the United States District Court for the District of Columbia seeking, among other things, contribution from BLM with respect to the Mine and Mill Site for reimbursement of the EPA's administrative costs and the costs of performing the remediation and/or cleanup. BLM asserted a counterclaim against the Company and the other private PRP seeking contribution for costs BLM claims it incurred. This lawsuit was dismissed without prejudice to allow the parties time to consummate an agreement-in-principle to settle the case but it was reinstated at the request of the Company and the other PRP. An agreement to settle the case has now been reached with the BLM pursuant to which the BLM will participate at its expense in the remediation and/or cleanup.

In fiscal years 1993 and 1991, the Company established a reserve of, and recorded as an expense, \$600,000 and \$3,000,000, respectively, to cover the Company's share of costs that may be incurred in connection with the foregoing matters. This accrual reflects participation by the BLM. The Company believes that this reserve is adequate, but it is subject to further adjustment to reflect the actual costs incurred. The Company has also instituted legal action against thirteen insurance carriers which had issued insurance policies over a period of more than 25 years, with respect to the Mine and Mill Site and the City of Coalinga Site. No amounts have been recorded for recovery that may result from this action.

During fiscal year 1988, the Company sold the ready-mix business of its Atlas Building Systems Division. In that connection, the purchaser assumed certain liabilities of the purchased business. However, the Company remained obligated with respect to those assumed liabilities to the extent that the purchaser failed to satisfy them. The purchaser

is now in bankruptcy, as a result of which the Company may be obligated with respect to those assumed liabilities which are still unsatisfied. During fiscal year 1990, another party entered into an agreement (the "New Agreement") to purchase the ready-mix business from the bankrupt, to assume a significant portion of the assumed liabilities which the bankrupt had failed to satisfy and to release the Company from certain of its obligations under an agreement between that party and the Company pursuant to which that party purchased the pre-cast concrete business of the Atlas Building Systems Division in fiscal year 1989. That party has advised the bankruptcy court that in its view it was no longer obligated under the New Agreement. In November 1991, the bankruptcy court ordered that the New Agreement be performed. That decision was reversed on appeal. As a result of this decision, the Company regained ownership of a parcel of land involved in the original transaction. After reviewing the aforementioned obligations and the retention of the land, the Company established a reserve of, and recorded as an expense, \$700,000 in the third quarter of fiscal year 1993 which it believed to be an adequate provision to reflect the effect of the foregoing court decision. In the fourth quarter, after further review of the aforementioned obligations and the sale of the parcel of land, the accrual was reduced by \$388,000, resulting in a net charge to discontinued operations of \$312,000 for fiscal year 1993.

In connection with the sale of the pre-cast concrete business of the Atlas Building Systems Division, the Company agreed with the purchaser to share equally in any environmental reclamation costs in excess of \$350,000 and less than \$1,500,000 relating to the real property sold. Any costs in excess of \$1,500,000 were to be the responsibility of the Company. On February 26, 1993, a compliance letter was issued by the New Jersey Department of Environmental Protection and Energy. No costs were incurred by the Company as a result of this cost sharing arrangement.

Minimum future rental commitments under the Company's non-cancelable operating leases having a remaining term in excess of one year at June 30, 1993 are as follows:

Year ending June 30,	
1994	\$ 847,000
1995	863,000
1996	381,000
1997	283,000
1998	283,000
Later years	377,000
Total minimum payments required	\$3,034,000

Amounts charged to rent expense in fiscal years 1993, 1992 and 1991 were \$1,263,000, \$887,000 and \$737,000, respectively.

17. LEASE TRANSACTION

In October 1992, the Company leased, to another gold mining company, a gold resource property in Oregon and a gold prospect property in Idaho for a period of 35 years with options for three additional 10 year extensions. The total minimum consideration was \$30 million, consisting of a \$22.5 million initial payment and a \$7.5 million advance royalty payment. The Company has retained a 5% royalty on each of the properties which will first be applied against the advance royalty and interest thereon. Pursuant to the lease agreement, the Company has been relieved of any and all responsibility and has no continuing obligation relating to these properties. The Company used a substantial portion of the proceeds from this transaction to repay the entire balance of the Company's bank borrowings and to provide cash collateral for its bank letter of credit and used the balance of the proceeds for working capital and exploration. This transaction resulted in a gain of approximately \$17.8 million in the second quarter of fiscal year 1993.

18. SUBSEQUENT EVENTS

On September 20, 1993, the Company closed under the Securities Purchase Agreement with Phoenix, which provides for the sale by the Company for an aggregate of \$8,375,000 of (i)

1,500,000 shares of the Company's Common Stock, (ii) a Redeemable Convertible Debenture due 1998 of the Company in the principal amount of \$3,500,000, which is convertible as to principal into Common Stock at the rate of \$4.00 per share and bears interest at the rate of 9% per annum payable in cash or Common Stock at the rate of \$4.00 per share, and (iii) Warrants to purchase for three years, 2,000,000 shares of Common Stock at \$3.625 per share. Of such securities, the 1,500,000 shares of the Company's Common Stock and 750,000 of the Warrants to Purchase Common Stock were sold to various investors in a private placement underwritten by First Marathon Securities Limited.

The following shows the the changes in assets and the capitilization of the Company giving effect to the above transaction:

	June 30, 1993	
	Actual	Pro Forma (Unaudited)
Cash and cash equivalents	\$ 1,734,000	\$ 9,484,000
Other assets	\$ 7,840,000	\$ 8,127,000
Long-term debt	\$ -	\$ 3,500,000
Stockholders' Equity (Deficit):		
Common stock	\$ 6,336,000	\$ 7,836,000
Capital in excess of par value	22,832,000	25,869,000
Retained earnings	(33,575,000)	(33,575,000)
Total Stockholders' Equity (Deficit)	(4,407,000)	130,000
Total long-term capitalization	\$ (4,407,000)	\$ 3,630,000

REPORT OF INDEPENDENT AUDITORS

THE BOARD OF DIRECTORS AND STOCKHOLDERS OF ATLAS CORPORATION

We have audited the accompanying consolidated balance sheets of Atlas Corporation and subsidiaries as of June 30, 1993 and 1992, and the related consolidated statements of operations, stockholders' equity (deficit) and cash flows for each of the three years in the period ended June 30, 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating

the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Atlas Corporation and subsidiaries at June 30, 1993 and 1992, and the consolidated results of their operations and their cash flows for each of the three years in the period ended June 30, 1993, in conformity with generally accepted accounting principles.

As discussed in Note 12 to the financial statements, in 1993 the Company changed its method of accounting for postretirement benefits other than pensions.

Ernst + Young

Denver, Colorado
September 20, 1993

MARKET FOR THE COMPANY'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

COMMON STOCK (LISTED ON THE NEW YORK STOCK EXCHANGE, SYMBOL AZ)

Quarter Ended	Fiscal Year 1993		Fiscal Year 1992	
	High	Low	High	Low
September 30	6	3%	8%	6%
December 31	5%	3%	7%	5%
March 31	5%	2%	7	5%
June 30	4%	3	6%	5%

No dividends were declared in fiscal years 1993 or 1992. At June 30, 1993, there were approximately 22,000 holders of record of the Common Stock.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following comments should be read in conjunction with the Letter to Shareholders from the President and Chief Executive Officer on pages 2 to 3 and the Consolidated Financial Statements and accompanying notes on pages 14 to 24.

REVENUES

Revenues from mining operations were \$10,344,000 lower in fiscal year 1993 primarily due to a decrease in ounces of gold produced and sold of approximately 26,700 ounces and because of an average gold price realized of \$350 per ounce during the fiscal year that was \$12 less per ounce than during the prior fiscal year. The significant decrease in production from the Gold Pick East Phase I pit resulted from the presence of less ore reserves than indicated by development drilling and because of encountering unanticipated geologically controlled structures and a temporary suspension of mining operations in the Goldstone pit which resulted from a partial collapse of a pit highwall.

Revenues from mining operations were \$1,001,000 lower in fiscal year 1992 primarily because of an average gold price realized during the fiscal year that was \$17 less per ounce than the \$379 per ounce realized during the prior fiscal year.

PRODUCTION COSTS

Production costs in fiscal year 1993 decreased \$412,000 or 2%, from fiscal year 1992's production costs of \$18,204,000. However, because of decreased production during the current year resulting from the ore inconsistencies and delays encountered during mining, the production cost per ounce increased to \$323 per ounce, compared to \$223 per ounce experienced in fiscal year 1992. Production costs as a percentage of mining revenue increased to 92% in fiscal year 1993 from 61% in fiscal year 1992.

During the fourth quarter of fiscal year 1993, the Company and its outside independent consultant began evaluating the Company's mine plan and remaining known ore reserves. As a result, the Company determined that its remaining unamortized costs could not be recovered from undiscounted cash flows over the remaining mine life, and accordingly, the Company recognized an impairment to adjust the carrying value of its assets. This adjustment resulted in a charge to operations of \$2,870,000 in the fourth quarter of fiscal 1993.

The Company also adjusted the carrying value of its nonproducing properties by \$2,796,000 in the fourth quarter of fiscal year 1993.

Production costs in fiscal year 1992 increased \$1,474,000, or 9%, over fiscal year 1991's production costs of \$16,730,000 because of increased mining and maintenance costs combined with lower than anticipated ore grades and recovery rates. These factors, in addition to significant fourth quarter adjustments to record inventory at the lower of cost or market and to adjust for higher costs incurred for preproduction stripping, resulted in a higher than anticipated cost per ounce of gold produced and sold of \$223 per ounce in fiscal year 1992 versus \$207 per ounce in fiscal year 1991. Production costs as a percentage of mining revenue increased to 61% in fiscal year 1992 from 55% in fiscal year 1991.

DEPRECIATION, DEPLETION AND AMORTIZATION

Depreciation, depletion and amortization in fiscal years 1993 and 1992 increased on a per ounce basis primarily because of amortization of deferred development costs relating to the Gold Bar satellite deposits, higher than anticipated stripping ratios and lower head grades of ore fed to the Gold Bar Mill. These costs increased to \$162 per ounce in fiscal year

1993 from \$143 per ounce in fiscal year 1992 and \$98 per ounce in fiscal year 1991.

GENERAL AND ADMINISTRATIVE

General and administrative expenses in fiscal year 1992 decreased by approximately \$1,100,000, or 21%, from fiscal year 1991 as a result of reductions in personnel and expense control efforts. The difference between general and administrative expenses between fiscal years 1993 and 1992 were insignificant because expense reductions were offset by expenses accrued in connection with the termination of certain executives.

OTHER

In October 1992, the Company leased, to another gold mining company, a gold resource property in Oregon ("Grassy Mountain") and a gold prospect property in Idaho ("Musgrove Creek") for a period of 35 years with options for three additional 10 year extensions. The total minimum consideration was \$30 million, consisting of a \$22.5 million initial payment and a \$7.5 million advance royalty payment. The Company has retained a 5% royalty on each of the properties which will first be applied against the advance royalty and interest thereon. Pursuant to the lease agreement, the Company has been relieved of any and all responsibility and has no continuing obligation relating to these properties. The Company used a substantial portion of the proceeds from this transaction to repay the entire balance of the Company's bank borrowings and to provide cash collateral for its bank letter of credit. The balance of the proceeds were used for working capital and exploration. This transaction resulted in a gain of approximately \$17.8 million in the second quarter of fiscal year 1993.

Other expense in fiscal year 1993 consisted primarily of a loss on the sale of mining equipment which was sold as a condition of entering into the contract mining agreement referred to in Note 10 to the Financial Statements.

Note 8 to the Financial Statements provides details of discontinued operations for the past three fiscal years. During fiscal year 1993 charges of \$912,000 (\$875,000 net of tax) were made to discontinued operations, of which \$600,000 related to further estimated cleanup costs incident to the presence of asbestos and other materials at the

Company's former asbestos mine and mill site near Coalinga, California and a \$312,000 charge related to litigation which arose from the sale of the Company's Atlas Building Systems Division, which was sold in a prior fiscal year. These charges, as well as those recorded in fiscal 1991, could not have been anticipated when the Company's operations were discontinued and were therefore not provided for at that time.

During fiscal year 1991, the Company charged \$3,880,000 to discontinued operations, of which \$3,000,000 related to estimated cleanup costs incident to the presence of asbestos and other materials at the Company's former asbestos mine and mill site near Coalinga, California and \$775,000 related to coinsurance experience with respect to the operations of the Company's Atlas Building Systems Division.

Non-recurring costs incurred by the Company in connection with the settlement of litigation relating to the performance by and payment of a contractor with respect to a construction project at the Gold Bar Mill resulted in a charge to operations of \$675,000 in fiscal year 1991.

The Company's revenues and operating results for the periods set forth are not necessarily indicative of the results for any future period because revenues and profits from sales of gold may vary significantly between periods depending on the amount of gold produced, production costs and gold prices.

WORKING CAPITAL

On September 20, 1993, the Company closed under the Securities Purchase Agreement with Phoenix which provided for the sale by the Company for an aggregate of \$8,375,000 of (i) 1,500,000 shares of the Company's Common Stock, (ii) a Redeemable Convertible Debenture due 1998 of the Company in the principal amount of \$3,500,000, which is convertible as to principal into Common Stock at the rate of \$4.00 per share and bears interest at the rate of 9% per annum payable in cash or Common Stock at the rate of \$4.00 per share, and (iii) Warrants to purchase for three years 2,000,000 shares of Common Stock at \$3.625 per share.

Working capital (deficit) was \$(2,816,000) at June 30, 1993, \$(14,344,000) at June 30, 1992 and \$2,293,000 at June 30, 1991. The Company's current ratio was .69 to 1 at June 30, 1993, .28 to 1 at June 30, 1992

and 1.36 to 1 at June 30, 1991. The adverse change in working capital at June 30, 1992 was primarily attributable to the Company's bank debt being classified as a current liability. The Company repaid its bank borrowings from the proceeds of the lease of the Company's Grassy Mountain and Musgrove Creek properties which was completed in October 1992. The proceeds from the securities Purchase Agreement with Phoenix provided relief from the liquidity difficulties the Company was experiencing at June 30, 1993. The Company expects that the funds provided by this transaction will allow the Company to repay its short-term debt mentioned in Note 10 to the Financial Statements and will provide working capital that, combined with operational cash flow, will be sufficient to meet the Company's fiscal 1994 financial requirements.

The Company's capital expenditures in fiscal year 1993 were \$7,918,000 compared to \$8,807,000 in fiscal year 1992 and \$17,126,000 in fiscal year 1991. In the last three fiscal years, substantially all of these capital expenditures were for the development of gold mining properties and for the completion and expansion of the Gold Bar Mill.

The Company believes that it can meet the estimated closing and reclamation cost of its uranium and gold mining operations from internally generated funds and from the \$7,835,000 cash collateral for a letter of credit and reclamation bonds relating to these costs and from the proceeds of reimbursements made as described under "Reclamation Expense" in Note 1 to the Financial Statements without a significant impact on its working capital position.

The Company currently estimates that additional capital expenditures to develop and mine its Gold Bar Resource Area will be approximately \$16 million, of which approximately \$12 million will be required during the next two fiscal years. At present, funds required for these capital expenditures are expected to be obtained from gold production and from the proceeds of the recently completed transaction with Phoenix.

While inflation does not necessarily have an impact on mining revenues because the sale of gold is determined by supply and demand, the cost of materials and labor is subject to inflationary pressures.

FIVE YEAR SELECTED FINANCIAL DATA

For the Year Ended June 30,	1993	1992	1991	1990	1989
Mining Revenue	\$ 19,280,000	\$ 29,624,000	\$ 30,625,000	\$ 33,299,000	\$ 28,314,000
Income (loss) from continuing operations	\$ (28,066,000)	\$ (7,177,000)	\$ (2,483,000)	\$ 4,258,000	\$ 3,166,000
Income (loss) from discontinued operations	(875,000)	(76,000)	(3,880,000)	(140,000)	461,000
Gain from disposal of discontinued operations	-	-	-	113,000	-
Extraordinary credit — utilization of tax loss carryforwards	-	-	-	1,021,000	845,000
Cumulative effect of accounting change	(968,000)	-	-	-	-
Net income (loss)	\$ (29,909,000)	\$ (7,253,000)	\$ (6,363,000)	\$ 5,252,000	\$ 4,472,000
Per share of Common Stock:					
Income (loss) from continuing operations	\$ (4.43)	\$ (1.17)	\$ (.41)	\$.71	\$.53
Income (loss) from discontinued operations	(.14)	(.01)	(.65)	(.02)	.08
Gain from disposal of discontinued operations	-	-	-	.02	-
Extraordinary credit — utilization of tax loss carryforwards	-	-	-	.17	.14
Cumulative effect of accounting change	(.15)	-	-	-	-
Net income (loss)	\$ (4.72)	\$ (1.18)	\$ (1.06)	\$.88	\$.75
Total assets	\$ 19,549,000	\$ 59,212,000	\$ 66,060,000	\$ 65,172,000	\$ 55,945,000
Long-term obligations	\$ 14,807,000	\$ 13,726,000	\$ 28,442,000	\$ 20,476,000	\$ 17,582,000
Book value per share of Common Stock	\$ (.70)	\$ 4.02	\$ 5.14	\$ 6.17	\$ 5.27
Cash dividends declared per share of Common Stock	-	-	-	-	-

ATLAS CORPORATION

BOARD OF DIRECTORS

David J. Birkenshaw, Chairman

Chairman of Birkenshaw & Company, Ltd., and Phoenix Financial Holdings Inc., investment holding companies.

James D. Beatty

President of Trinity Capital Corporation, an investment banking firm. Director of Campbell Resources, Inc. and Spectral Diagnostics Inc.

David P. Hall

President of Hughes Lang Corporation and Aurizon Mines Ltd., mineral exploration and development companies.

David A. Knight

Partner in Lang Michener, a law firm.

Douglas R. Cook

President of Cook Ventures Inc., a geological consulting firm.

C. Thomas Ogryzlo

President and Chief Operating Officer of Kilborn Engineering and Construction Ltd.

OFFICERS

David J. Birkenshaw

Chairman and Chief Executive Officer

Steve Manz

President and Chief Financial Officer

Michael P. Gross

Senior Vice President and Chief Operating Officer

Richard E. Blubaugh

Vice President - Environmental and Governmental Affairs

Gerald E. Davis

Vice President - Corporate Development

James R. Jensen

Controller

David W. Potratz

Treasurer and Secretary

TRANSFER AGENT AND REGISTRAR

Chemical Bank

P.O. Box 24935

Church Street Station

New York, NY 10249

Telephone (800) 854-9677

Common Stock, Option Warrants
and Preferred Stock

COUNSEL

Coudert Brothers

1114 Avenue of the Americas

New York, NY 10036-7794

AUDITORS

Ernst & Young

Republic Plaza

370 Seventeenth St., Suite 4300

Denver, CO 80202-9971

10-K REPORT

A copy of the Company's Annual Report on Form 10-K as filed with the Securities and Exchange Commission will be provided to shareholders without charge upon written request to Investor Relations at the corporate address below.

ATLAS CORPORATION

Republic Plaza

370 Seventeenth St., Suite 3150

Denver, CO 80202-5631

(303) 825-1200

ATLAS CORPORATION

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ATLAS CORPORATION | X

370 17TH STREET, SUITE 3150
DENVER, COLORADO 80202-5631



ATLAS
CORPORATION

FIRST
QUARTER
REPORT

SEPTEMBER 30, 1993

1

TO OUR SHAREHOLDERS

For the first quarter ended September 30, 1993, Atlas Corporation reported a net loss of \$913,000, or \$.13 per share, compared to a net loss in the same quarter last year of \$2,394,000, or \$.38 per share. Included in the loss for the current quarter were expenses of \$385,000 for the period July 1, 1993 to August 31, 1994 which relate to the recently imposed annual \$100 federal holding fee for each claim held by the Company on public land and \$490,000 related to severance expenses associated with the September 20, 1993 change of control.

Despite operational difficulties which occurred late in the quarter, Atlas was still able to produce 18,928 ounces of gold, which represents a 42% increase from the same quarter of the previous year. In addition, total minesite production costs per ounce decreased by \$106, to \$318, between the two quarters. This increase in production, in addition to a \$23 higher average gold price, led to a 51% increase in mining revenue over the same quarter the previous year. See the table below for production details.

Three Months Ended 9/30	Ounces Sold	Production Costs Per Ounce		Average Price Per Ounce Sold	Mining Revenue
		Cash	Non-cash		
1993	18,928	\$238	\$80	\$368	\$6,979,000
1992	13,375	\$256	\$168	\$345	\$4,618,000

Production during the quarter was negatively affected by a six week interruption in ore flow. This gap occurred between the completion of mining the Goldstone North deposit and the accessing of sustainable ore at the newly developed Gold Canyon deposit. Stockpiled ores milled during this period consisted of lower grade oxide plus higher grade,

low recovery, refractory ores. Ore flow to the mill from the higher grade Gold Canyon deposit is expected to continue through the second and third fiscal quarters.

Capital expenditures during the quarter were higher than anticipated due to a redesign of the Gold Canyon pit. This modification, which resulted in the movement of additional pre-stripping waste material, was necessary in order to push back the pit wall to avoid a major shear zone encountered at the top of the pit.

On August 31, 1993, Atlas made a \$660,000 payment to the federal government to hold its claim block in good standing. This payment was designated as part of last year's appropriation bill and represents a \$100 payment per year for each claim held on public lands for the years 1993 and 1994. By making this payment, Atlas retained its rights to explore for and develop mineral potential on 3,251 claims located in Nevada, Colorado and Oregon. Since the payment included the period September 1, 1992 through August 31, 1993, a pro-rated portion of the payment was accounted for in the fiscal year ended June 30, 1993. Legislation is currently being debated in Congress that would make a \$100 claim holding fee an annual event.

During the quarter, Atlas completed the sale of certain securities for \$8,375,000 to Phoenix Financial Holdings Inc., a Toronto based firm. In exchange for the cash infusion, Phoenix received:

- 1) 1.5 million shares of Atlas Common Stock,
- 2) a Redeemable Convertible Debenture due in 1998 in the principal amount of \$3.5 million, which is convertible as to principal into Atlas Common Stock at the rate of \$4 per share and bears interest at the rate of 9% per annum payable

in cash or Common Stock at the rate of \$4 per share, and

- 3) Warrants to purchase, for three years, 2 million shares of Atlas Common Stock at \$3.625 per share.

All of the common stock and 750,000 of the warrants were subsequently resold, on a private placement basis, to Canadian and European institutions.

As part of this transaction, Phoenix designees were appointed to four of the six positions on the Board of Directors and to the top three executive positions within the Company. New management as of September 21, 1993, includes myself, David Birkenshaw as Atlas' new Chairman and Chief Executive Officer, Steve Manz as the Company's new President and Chief Financial Officer, and Michael Gross as its Senior Vice President and Chief Operating Officer. Mr. Manz and Mr. Gross were executives with Royal Oak Mines Inc., a Canadian gold mining firm, and were actively involved in that company's acquisition and profitable turnaround of three, high cost, 100,000 ounce per year gold mines. As a result of the change of control and the resulting change in management, the Company incurred \$490,000 in non-recurring severance charges during the quarter.

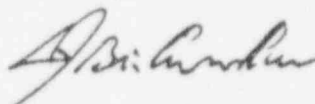
Despite the interruption in higher grade ore flow, the Gold Bar Project was able to generate both positive income and cash flow during the quarter. Had the Company not incurred the claim holding cost and non-recurring severance expenses during the quarter, it would have operated near breakeven for the period. After three years of continuous losses, this quarter is a positive first step towards the turnaround we envision. Since taking over, we as new management, have been aggressively pursuing programs to cut costs at both the corporate and minesite

levels. Recent operational changes include raising the cutoff grade at the satellite deposits and instituting a screening program to simultaneously improve the grade of ore milled and reduce hauling costs. We are also examining various underground mining options which could access higher grade ore pods that are currently inaccessible and/or uneconomical using open pit mining methods.

In addition, we have instituted an aggressive exploration program at the 90 square mile Gold Bar claim block. This claim block, located in the heart of the prolific Battle Mountain/Eureka Trend, represents an asset whose potential has only been partially investigated. The Company intends to spend \$3 million over the next seven months to further investigate the potential of several identified targets as well as a large geochemical anomaly located on the northern end of the claim block. One of the drill targets has already shown promising assay results but insufficient information exists at this time to determine its economic potential.

We believe these plans collectively represent a strong program which will reduce costs and increase reserves, thus improving shareholder value.

Sincerely,



David Birkenshaw
Chief Executive Officer

Please note: Atlas' Annual Meeting of Shareholders is being held at 9:30 a.m. on December 22, 1993. Please see the enclosed proxy statement for details. We would like to encourage all of the Company's shareholders to attend, either in person or by proxy. Because of the date of the meeting, the results of the voting at this meeting will be carried in the next communication between the Company and its shareholders.

FINANCIAL STATEMENTS
OPERATING RESULTS (Unaudited)

	THREE MONTHS ENDED SEPTEMBER 30,	
	1993	1992
Mining revenue	\$ 6,979,000	\$ 4,618,000
Production costs	6,036,000	5,671,000
Exploration costs	850,000	407,000
General and administrative	1,097,000	884,000
	(1,004,000)	(2,344,000)
Other income (expense)	(11,000)	(50,000)
Gain from discontinued operations	102,000	-
Net loss	\$ (913,000)	\$ (2,394,000)
Per share of common stock		
Net loss	\$ (.13)	\$ (.38)
Average number of common shares outstanding	6,836,000	6,336,000

COMPARATIVE BALANCE SHEETS (Unaudited)

	SEPTEMBER 30, 1993	JUNE 30, 1993
<i>Assets:</i>		
Current assets	\$10,192,000	\$ 6,333,000
Property, plant and equipment, net	6,674,000	5,376,000
Other assets	8,158,000	7,840,000
	\$25,024,000	\$19,549,000
<i>Liabilities and Shareholders' Deficit:</i>		
Current liabilities	\$ 7,688,000	\$ 9,149,000
Long-term liabilities	18,119,000	14,807,000
Shareholders' deficit	(783,000)	(4,407,000)
	\$25,024,000	\$19,549,000



ATLAS
CORPORATION

SECOND
QUARTER
REPORT

DECEMBER 31, 1993

2



ATLAS CORPORATION | X

370 17TH STREET, SUITE 3150
DENVER, COLORADO 80202-5631

TO OUR SHAREHOLDERS

For the quarter ended December 31, 1993, Atlas Corporation reported net income of \$593,000, or \$.08 per share, which included a gain from discontinued operations of \$1,300,000. This compares to net income of \$13,609,000, or \$2.15 per share, for the second quarter of fiscal 1993 which included a gain of \$17,803,000 from the lease of the Grassy Mountain and Musgrove Creek properties and a loss of \$3,641,000 from operations. For the six months ended December 31, 1993, Atlas had a net loss of \$320,000, or \$.04 per share, compared to net income of \$11,214,000, or \$1.77 per share, for the comparable six months in fiscal 1993.

During the quarter ended December 31, 1993, Atlas reached settlement with a number of insurance carriers for recovery of a portion of the expenses associated with the remediation of the Coalinga, California asbestos site. The site was owned and operated by the Company from 1962 to 1967. A \$1,300,000 gain from discontinued operations relating to this settlement was recorded during the period. Atlas is continuing to negotiate with the remaining carriers while proceeding with reclamation of the site.

Mining revenue for the second quarter of fiscal 1994 was \$7,192,000, compared to \$4,232,000 for the comparable quarter in fiscal 1993. Mining revenue was positively affected by a 10% increase in the average gold price realized as well as a 54% increase in the number of ounces produced during the period from Atlas' Gold Bar Project, located near Eureka, Nevada. See the table below for production details.

Three Months Ended 12/31	Ounces Sold	Production Costs		Average Price Per Ounce Sold	Mining Revenue
		Cash	Non-cash		
1993	18,700	\$285	\$74	\$385	\$ 7,192,000
1992	12,100	\$367	\$163	\$350	\$ 4,232,000
Six Months Ended 12/31					
1993	37,600	\$261	\$77	\$377	\$14,171,000
1992	25,500	\$308	\$165	\$347	\$ 8,850,000

Since the September 21, 1993 change in control of the corporation, Atlas' new management team has instigated a full operational review of the Gold Bar Project. One of the main concerns was the recent overestimation of reserves in deposits that were found to have strong structural ore controls. In order to address this problem, a program was initiated to confirm the reserves of the Gold Canyon deposit which was in the process of being mined. The results of a 23 hole drill program, conducted during the quarter, led to the determination that mining to the originally designed pit bottom would be uneconomical. As a result, mineable ounces at this deposit were reduced by 35% from the previously stated 61,400 ounces, and milling of Gold Canyon ore ceased at the end of January 1994 instead of April 1994 as previously planned.

As part of its review, management has developed a new operating plan for Gold Bar which is expected to increase future production levels and lower operating costs. A key element of this plan is the construction of a heap leach pad on the permitted site located beside the main haul road, halfway between the mill and the satellite deposits. The Company has begun the process of obtaining its state operating permits and has retained a firm for the design and engineering of the site. The Company is also investigating various mining equipment scenarios designed to further decrease costs and is conducting a series of metallurgical tests designed to improve the recovery of refractory mineralization which occurs within a number of the deposits.

A re-evaluation of the remaining reserves is currently underway, and preliminary indications are that the addition of a heap leach operation in combination with the results of recent development drilling will improve the stripping ratio and economics of the Gold Pick and Gold Ridge deposits. Mill feed during the next few months will be comprised of a mix of low-grade stockpiled material plus higher grade ore generated from underground mining which commenced early in March 1994. Pre-stripping

and mining of the Gold Pick and Gold Ridge deposits will recommence after final confirmation of the reserves and redesign of the expanded pits.

During the second quarter, Atlas implemented a 34 hole exploration drilling program on three geochemical targets located on the Gold Bar claim block. Drilling on two of the targets, Pot Canyon and South French Trail, encountered gold mineralization greater than 0.01 oz/ton in 53% of the holes. A second phase of drilling is planned on both targets during the Company's third quarter.

In late January, Atlas announced that it had made the decision to drop the Amitsoq concession in Greenland and is seeking outside funding for the continued exploration of targets identified by the Company's summer program in Greenland. This decision was made based on the desire of management to refocus the Company's exploration efforts on its 90 square mile Gold Bar claim block situated on the Battle Mountain/Eureka Trend.

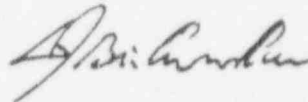
With the recent discovery of several major gold deposits located on the southern portion of the Trend, interest in the area and in Atlas' claim block is growing. The Company is currently investigating joint venture proposals to accelerate the development of the Cabin Creek and Hunter mineralized deposits and for participation in a deep drilling exploration program, similar to those programs which led to the discovery of Placer Dome's Pipeline deposit to the north and Homestake's Eureka discovery to the south.

Atlas also announced in January that it was beginning feasibility work on its Tucker Hill perlite deposit, located in south-central Oregon. Perlite is an industrial volcanic mineral which can be expanded to produce a lightweight aggregate commonly used in the manufacturing of acoustic ceiling tile, insulation products, filter material and horticultural soil additives. Bulk sampling and expansion testing indicates a high quality deposit with an estimated minimum of

50 million tons of mineralization.

On January 4, 1994, the Company repaid its short-term debt, and the collateral relating to the note was released. On January 14, 1994, Atlas announced that it had placed 1.5 million shares of its common stock with a number of institutions in Canada and Europe for gross proceeds of \$7.5 million. Other than the \$3.5 million convertible debenture which was issued as part of the change in control on September 21, 1993 and expenses incurred in the ordinary course of business, Atlas is debt-free with approximately \$10 million cash.

Sincerely,



David J. Birkenshaw
Chief Executive Officer

SUMMARY OF THE 1993 ANNUAL MEETING

Stockholders holding at least 5,157,854 shares of Common Stock, which represents approximately 65.8% of the shares outstanding, were present in person or by proxy at Atlas Corporation's 1993 Annual Meeting held in New York, on December 22. The stockholders were presented with three matters to act upon at the meeting. The results of the voting were as follows:

Douglas R. Cook and David A. Knight were elected to hold office for a term of three years as Class III Directors. Each of these directors received the votes of holders of more than 5,048,731 shares of Common Stock.

Selection of Ernst & Young as auditors for the fiscal year ending June 30, 1994 was approved by holders of 4,976,007 shares of Common Stock.

An amendment to the Long Term Incentive Plan of Atlas Corporation was approved by the holders of 2,498,769 shares of Common Stock, the holders of 416,823 shares voted against the amendment, and the holders of 192,250 shares abstained.

FINANCIAL STATEMENTS (IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED)
OPERATING RESULTS

	THREE MONTHS ENDED DECEMBER 31,		SIX MONTHS ENDED DECEMBER 31,	
	1993	1992	1993	1992
Mining revenue	\$ 7,192	\$ 4,232	\$ 14,171	\$ 8,850
Loss from operations	\$ (676)	\$ (3,641)	\$ (1,680)	\$ (5,985)
Gain on disposition of property	—	17,803	—	17,803
Other revenue (expense)	(31)	47	(42)	(4)
Gain from discontinued operations	1,300	—	1,402	—
Income (loss) before income taxes	593	14,209	(320)	11,814
Income tax expense net of extraordinary credit	—	600	—	600
Net income (loss)	\$ 593	\$ 13,609	\$ (320)	\$ 11,214
Per share of common stock:				
Income (loss) from continuing operations	\$ (.09)	\$ 1.66	\$ (.23)	\$ 1.28
Gain from discontinued operations	.17	—	.19	—
Extraordinary credit - utilization of tax loss carryforwards	—	.49	—	.49
Net income (loss)	\$.08	\$ 2.15	\$ (.04)	\$ 1.77
Average number of common shares outstanding	7,836	6,336	7,336	6,336

COMPARATIVE BALANCE SHEETS

	DECEMBER 31, 1993	JUNE 30, 1993
<i>Assets:</i>		
Current assets	\$ 9,722	\$ 6,333
Property, plant and equipment (net)	5,573	5,376
Other assets	8,395	7,840
	\$ 23,690	\$ 19,549
<i>Liabilities and Shareholder Deficit:</i>		
Current liabilities	\$ 6,368	\$ 9,149
Convertible debenture	3,500	—
Long-term liabilities	14,012	14,807
Shareholders' deficit	(190)	(4,407)
	\$ 23,690	\$ 19,549

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

COMMISSION FILE NO. 1-2714
(Mark One)

- (x) Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Fiscal Year Ended June 30, 1993.

or

- () Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____
to _____

ATLAS CORPORATION
(Exact name of Registrant as specified in its charter)

DELAWARE 13-5503312
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

370 Seventeenth Street, Suite 3150, Denver, CO 80202
(Address of principal executive offices)
(Zip Code)

303-825-1200
(Registrant's telephone number)
(including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title Of Each Class</u>	<u>Name Of Each Exchange On Which Registered</u>
Common Stock, par value \$1 per share	New York Stock Exchange
Option Warrants to Purchase Common Stock	American Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.

Yes X

No _____

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Aggregate market value of the voting stock held by non-affiliates of the Registrant at September 24, 1993: Approximately \$25,468,000.

Number of shares outstanding of each of the Registrant's classes of common stock as of September 24, 1993: Common Stock, par value \$1 per share -- 7,836,454 shares.

DOCUMENTS INCORPORATED BY REFERENCE

- (1) Atlas Corporation Proxy Statement expected to be filed pursuant to Regulation 14A under the Securities Exchange Act of 1934 in connection with the annual meeting of shareholders intended to be held on December 10, 1993 - Part III*

* Only those sections of the Proxy Statement which are specifically incorporated by reference herein are deemed "filed" with the Securities and Exchange Commission as part of this annual report on Form 10-K.

PART I

Item 1. Business

Atlas Corporation ("Atlas" or the "Company") is a mining company which is principally engaged in the business of exploring for, producing and selling gold.

During the fiscal year ended June 30, 1990, the Company completed a restructuring commenced in 1987 designed to enable the Company to focus almost entirely on the precious metals business. In the course of the restructuring, the Company sold the businesses of its Western Sky Industries Division, Brockton Sole and Plastics Division, Atlas Building Systems Division and the 55% interest in Global Associates owned by its International Atlas Services Division and ceased its uranium operations of the Atlas Minerals Division. Information with respect to charges to discontinued operations for the fiscal years ended June 30, 1993, 1992 and 1991 is set forth in Note 8 to the Financial Statements. That Note is incorporated herein by reference.

All of the Company's gold production currently comes from its Gold Bar Resource Area. The Gold Bar Resource Area is located in and adjacent to the Roberts Mountains in Eureka County, Nevada, at elevations exceeding 6,000 feet above sea level. The area currently encompasses 90 square miles on the Battle Mountain mineral trend. The Company's right to the Gold Bar Resource Area is derived mainly through unpatented and patented lode mining claims and mill site claims located on public domain lands. Access to the area is reached by traveling 17 miles northeast along the Eureka County Three Bars Road, which is 22 miles west of Eureka, Nevada, on U.S. Highway No. 50. The Gold Bar mill is located in the area on property adjacent to the original Gold Bar deposit.

Regional exploration brought Atlas to the area in 1983. Detailed geological work led to the development of specific targets which resulted in the acquisition of most of the Gold Bar Resource Area. A drill program in late 1983 and 1984 was successful in outlining the original Gold Bar deposit. The orebody was a limestone-hosted predominantly oxidized orebody containing 315,000 mineable ounces of finely disseminated gold.

After completion of a positive feasibility study, a 1,500 ton per day carbon in leach mill was constructed at a cost of \$12 million, and open pit gold production at the original Gold Bar deposit began in January 1987. Because the Gold Bar deposit lay very near the surface, had uniform mineralization and required a small stripping ratio of 3:1, the mine was profitable, with minesite costs in the \$150 per ounce level for the first four years of operations.

Facing a rapid depletion of the Gold Bar Mine reserves, the Company conducted additional regional exploration which resulted in the discovery of three new gold bearing deposits, Goldstone, Gold Ridge and Gold Pick, clustered together in the Roberts Mountains approximately six miles northeast of the Gold Bar mine and mill. These deposits, located in bedded limestone sediments, contain ore which is largely oxidized, although portions are unoxidized and contain fine-grained pyrite and carbon.

With the success of mining the Gold Bar deposit and the discovery of additional reserves in 1987 and 1988, the Company completed an expansion of the capacity of the mill from 1,500 to 3,000 tons of ore per day at a cost of \$5 million in the third quarter of fiscal 1989.

As mining progressed at the Gold Bar mine, a large stockpile of higher grade refractory ore was created. A refractory circuit designed to process the stockpiled material at the mill was completed in the first quarter of fiscal 1991 at a cost of \$3.4 million. This circuit was built so that the mill could process the stockpiled refractory material for a six month period while the mining fleet completed a 12 mile haul road to and the prestripping of the new but smaller satellite deposits.

Mining costs began escalating during this transition period in fiscal 1991. Although more than 80,000 ounces of gold were produced in fiscal year 1991, metallurgical problems with the new refractory ore circuit resulted in a 10% loss in gold recovery at the mill. This, in conjunction with a dramatic increase in the stripping ratio, the lower ore grade of the new satellite deposits and additional costs for the longer haul to the mill, resulted in direct minesite costs rising approximately \$50 per ounce to \$207 per ounce.

Although the stripping ratios of the satellite deposits were much improved in fiscal 1992, the continued lower grade of the satellite ores resulted in costs again rising to \$223 per ounce. While still below the North American average direct production cost, the amortization of increasing capital costs resulted in an additional \$150 per ounce in non-cash charges. Although the operations were still generating positive cash flow, the effect of the high non-cash costs was to generate operating losses for fiscal 1991 and 1992.

A number of unanticipated operational and permitting problems during fiscal 1993 resulted in a liquidity crisis for the Company. Among the problems were:

- A delay in the permitting of the recently acquired higher grade Gold Canyon satellite deposit resulted in the accelerated alternative development of the smaller Goldstone North deposit. The Gold Canyon permit was obtained in March 1993, and mining of ore began in September 1993.

- A significant decrease in production from the Gold Pick East Phase I pit resulted from the presence of less ore reserves than indicated by development drilling and because of encountering unanticipated geologically controlled structures.
- A temporary suspension of mining operations which resulted from a partial collapse of the Goldstone North pit highwall in May 1993.

As a result of these problems, as well as ore control and equipment availability problems, Atlas was unable to maintain payments to its mining contractor and instead gave a note to the contractor for the \$3.5 million owed to it.

Since the Company commenced commercial production and sales of gold in January 1987 it has produced and sold 426,000 ounces of gold. Revenues from the sale of gold during the fiscal years ended June 30, 1993, 1992 and 1991 were \$19,280,000, \$29,624,000 and \$30,625,000, respectively, from the sale of 55,100, 81,800 and 80,700 ounces of gold.

The Company is actively exploring for gold, principally in the Gold Bar Resource Area. During fiscal year 1993, the Company employed 7 full-time professionals and spent a total of \$1,783,000 in connection with its exploration activities.

The Company anticipates that additional capital expenditures to develop and mine the currently outlined reserves in the Gold Bar Resource Area will be approximately \$16,000,000, of which approximately \$12,000,000 will be required over the next two years. The funds required for these capital expenditures will be obtained principally from sales of gold and from the proceeds from the recent transaction with Phoenix Financial Holdings Inc. describe below.

In May 1991, the Company acquired for 118,644 shares of the Company's Common Stock valued at \$726,000 or \$6.25 per share, 751 unpatented lode mining claims, 427 of which are adjacent to, and therefore have enabled the Company to expand and consolidate, the Gold Bar claim block. Limited exploration of these claims has identified a mineralized deposit. This near surface deposit is favorably located about 3,000 feet east of the Gold Pick deposit and has potential for increasing the Company's gold reserves.

In April 1992, the Company acquired for \$500,000 in cash and 178,949 shares of the Company's Common Stock, valued at \$1,073,694 or \$6.00 per share, 99 unpatented lode mining claims located close to the Gold Ridge deposit in Eureka County, Nevada. Confirmation drilling has identified the Gold Canyon deposit which consists of estimated reserves of approximately 61,000 ounces of gold. This near surface deposit is located about 3,000 feet northwest of the Gold Ridge deposit, and mining of this deposit commenced in September 1993.

Reserves for the Gold Bar Resource Area were recently reviewed by Mine Reserve Associates, Inc. based on a \$400 gold price. A summary of mineable reserves for the Gold Bar Resource Area and each deposit in the area as of June 30, 1993 follows.

GOLD BAR RESOURCE AREA MINEABLE RESERVES
(\$400 Per Ounce)

	<u>TOTAL TONS OF ORE</u>	<u>GRADE (Ounces Per Ton)</u>	<u>TOTAL CONTAINED OUNCES OF GOLD</u>
Proven	2,524,000	.077	195,200
Probable	<u>312,000</u>	.081	<u>25,000</u>
Total	<u>2,836,000</u>	.078	<u>220,000</u>

	<u>STOCKPILE</u>			<u>GOLDSTONE</u>		
	<u>Tons</u>	<u>Grade</u>	<u>Ounces Of Gold</u>	<u>Tons</u>	<u>Grade</u>	<u>Ounces Of Gold</u>
Total Ore						
Proven	127,000	0.084	11,000	118,000	0.104	12,000
Probable				<u>13,000</u>	0.014	<u>2,000</u>
Total	<u>127,000</u>	0.084	<u>11,000</u>	<u>131,000</u>	0.104	<u>14,000</u>

	<u>GOLD RIDGE</u>			<u>GOLD PICK</u>		
	<u>Tons</u>	<u>Grade</u>	<u>Ounces Of Gold</u>	<u>Tons</u>	<u>Grade</u>	<u>Ounces Of Gold</u>
Total Ore						
Proven	426,000	0.059	25,000	1,174,000	0.079	93,000
Probable				<u>207,000</u>	0.079	<u>16,000</u>
Total	<u>426,000</u>	0.059	<u>25,000</u>	<u>1,381,000</u>	0.079	<u>109,000</u>

	<u>GOLD CANYON</u>		
	<u>Tons</u>	<u>Grade</u>	<u>Ounces Of Gold</u>
Total Ore			
Proven	679,000	0.080	54,000
Probable	<u>92,000</u>	0.080	<u>7,000</u>
Total	<u>771,000</u>	0.080	<u>61,000</u>

The above reserves, in ounces, do not include any allowance for mining dilution, which is estimated at 10%, nor mill recovery, which is estimated at 90%.

Of the above reserves, only production from the Gold Canyon deposit is subject to an outstanding royalty.

In October 1992, the Company entered into an agreement to lease certain of its non-operating gold properties for the purpose of strengthening the Company's financial condition and, in turn, improving its business prospects and opportunities. That transaction, which was completed in October 1992, is described below and in Note 17 to the Consolidated Financial Statements of the Company and its subsidiaries, set forth under "Item 8. Financial Statements and Supplementary Data" (the "Financial Statements"). Also, see Note 2 to the Financial Statements for information concerning the relationship of that transaction to the Company's borrowings from and letter of credit provided by a bank.

On September 20, 1993, the Company closed under a Securities Purchase Agreement with Phoenix Financial Holdings Inc. ("Phoenix"), which provided for the sale by the Company for an aggregate of \$8,375,000 of (i) 1,500,000 shares of the Company's Common Stock, (ii) a Redeemable Convertible Debenture due 1998 of the Company in the principal amount of \$3,500,000, which is convertible as to principal into Common Stock at the rate of \$4.00 per share and bears interest at the rate of 9% per annum payable in cash or Common Stock at the rate of \$4.00 per share, and (iii) Warrants to purchase for three years 2,000,000 shares of Common Stock at \$3.625 per share. Of such securities, the 1,500,000 shares of the Company's Common Stock and 750,000 of the Warrants to purchase shares of Common Stock were sold to various investors in a private placement underwritten by First Marathon Securities Limited. This cash infusion relieved the serious liquidity problems the Company had been experiencing and resulted in a change in control of the Board of Directors of the Company (pursuant to which four members of the Board were replaced by Phoenix designees) and in a change in the senior management of the Company.

The Company's profitability is significantly affected by the price of gold. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control, including expectations for inflation, the strength of the United States dollar, global and regional demand, political and economic conditions and production costs in major gold producing regions, including Australia, Canada, South Africa and the former Soviet Union. The aggregate effects of these factors are impossible to predict.

Gold is a commercially acceptable product which can be rapidly sold on numerous markets throughout the world. It is not difficult to ascertain the market price for gold at any particular time, and gold can be sold to a large number of refiners or precious metals dealers on a competitive basis. The Company currently sells its gold through major precious metals dealers, in some cases using certain hedging programs, and it is free to sell uncommitted gold to others. Gold is produced at the mine site in the form of gold dorè, which is further refined by an independent refiner into commercially saleable gold.

In connection with its mining operations, the Company is required to comply with various federal, state and local regulations and requirements relating to environmental matters. In addition, the Company is required to obtain permits from various governmental agencies in order to mine and mill. The Company has obtained all of the necessary permits relating to its present operations. The Company cannot anticipate whether the increasing costs of environmental compliance for its gold operations will have a material adverse impact on its earnings or competitive position.

The Company competes with substantially larger companies in the production and sale of gold. The Company does not believe that it or any other competitor is a material factor in these markets, and the price it receives for its production depends almost entirely upon market conditions over which it has no control. The Company believes that it can promptly sell at current market prices all of the gold that it can produce for either present or future delivery.

With respect to the acquisition of mineral interests and exploration activities, the Company competes with numerous persons and companies, many of which are substantially larger and have considerably greater resources than the Company.

The Company currently employs approximately 100 people in its operations and considers its relations with those employees satisfactory.

Item 2. Properties

The Company's materially important properties consist of the gold ore-bearing properties and mill sites described under "Item 1. Business" and approximately 14,000 square feet of leased headquarters office space in Denver, Colorado.

Item 3. Legal Proceedings

The information called for by this Item is set forth in the second through the seventh paragraphs of Note 16 to the Financial Statements and is incorporated herein by reference.

Item 4. Submission Of Matters To A Vote Of Security Holders

No matter was submitted during the fourth quarter of the 1993 fiscal year to a vote of the security holders.

Item 4a. Executive Officers of the Company

Subsequent to the closing of the Securities Purchase Agreement with Phoenix on September 20, 1993, the Executive Officers of the Company consist of:

David J. Birkenshaw, age 38, serves as Chairman of the Board and Chief Executive Officer of the Company. He is the Chairman of Birkenshaw & Company, Ltd., a merchant bank, and Phoenix, a holding company. From January 1988 to September 1989 he was employed as an associate by Lancaster Financial, an investment bank.

Steve Manz, age 30, serves as President and Chief Financial Officer. He was previously the Vice President - Corporate Development of Phoenix. From October 1992 to July 1993, he was a financial consultant. From September 1989 to September 1992 he was employed by Royal Oak Mines Inc. and Royal Oak Resources, as the Treasurer and Manager of Corporate Finance. Prior to September 1989, he was employed by Neptune Resources as Assistant to the President.

Michael P. Cross, age 53, serves as Senior Vice President and Chief Operating Officer. He was previously a mining consultant in Vancouver, British Columbia. From June 1990 to May 1992 he was the Vice President - Operations of Royal Oak Mines Inc. Prior to June 1990, he was a mining consultant.

PART II

Item 5. Market for the Company's Common
Stock and Related Stockholders Matters

Common Stock (Listed on the New York Stock Exchange, Symbol AZ)

<u>Quarter Ended</u>	<u>Fiscal Year 1993</u>		<u>Fiscal Year 1992</u>	
	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>
September 30	6	3 1/2	8 3/8	6 3/4
December 31	5 1/4	3 3/4	7 3/4	5 5/8
March 31	5 1/4	2 1/2	7	5 5/8
June 30	4 5/8	3	6 3/8	5 3/8

No dividends were declared in fiscal years 1993 or 1992. At June 30, 1993, there were approximately 22,000 holders of record of the Common Stock.

Item 6. Selected Financial Data

For the Year Ended June 30,

	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>
Mining Revenue	\$ 19,280,000	\$ 29,624,000	\$ 30,625,000	\$ 33,299,000	\$ 28,314,000
Income (loss) from continuing operations	(28,066,000)	(7,177,000)	(2,483,000)	4,258,000	3,166,000
Income (loss) from discontinued operations	(875,000)	(76,000)	(3,880,000)	(140,000)	461,000
Gain from disposal of discontinued operations	-	-	-	113,000	-
Extraordinary credit-utilization of tax loss carryforwards	-	-	-	1,021,000	845,000
Cumulative effect of accounting change	(968,000)	-	-	-	-
Net income (loss)	(29,909,000)	(7,253,000)	(6,363,000)	5,252,000	4,472,000
Per share of Common Stock:					
Income (loss) from continuing operations	(4.43)	(1.17)	(.41)	.71	.53
Income (loss) from discontinued operations	(.14)	(.01)	(.65)	(.02)	.08
Gain from disposal of discontinued operations	-	-	-	.02	-
Extraordinary credit-utilization of tax loss carryforwards	-	-	-	.17	.14
Cumulative effect of accounting change	(.15)	-	-	-	-
Net income (loss)	(4.72)	(1.18)	(1.06)	.88	.75
Total Assets	19,549,000	59,212,000	66,060,000	65,172,000	55,945,000
Long-term obligations	14,807,000	13,726,000	28,442,000	20,476,000	17,582,000
Book value per share of Common Stock	(.70)	4.02	5.14	6.17	5.27
Cash dividends declared per share of Common Stock	-	-	-	-	-

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following comments should be read in conjunction with the Financial Statements and accompanying notes.

Revenues

Revenues from mining operations were \$10,344,000 lower in fiscal year 1993 primarily due to a decrease in ounces of gold produced and sold of approximately 26,700 ounces and because of an average gold price realized of \$350 per ounce during the fiscal year that was \$12 less per ounce than during the prior fiscal year. The significant decrease in production from the Gold Pick East Phase

I pit resulted from the presence of less ore reserves than indicated by development drilling and because of encountering unanticipated geologically controlled structures and a temporary suspension of mining operations in the Goldstone pit which resulted from a partial collapse of a pit highwall.

Revenues from mining operations were \$1,001,000 lower in fiscal year 1992 primarily because of an average gold price realized during the fiscal year that was \$17 less per ounce than the \$379 per ounce realized during the prior fiscal year.

Production Costs

Production costs in fiscal year 1993 decreased \$412,000, or 2%, from fiscal year 1992's production costs of \$18,204,000. However, because of decreased production during the current year resulting from the ore inconsistencies and delays encountered during mining, the production cost per ounce increased to \$323 per ounce, compared to \$223 per ounce experienced in fiscal year 1992. Production costs as a percentage of mining revenue increased to 92% in fiscal year 1993 from 61% in fiscal year 1992.

During the fourth quarter of fiscal year 1993, the Company and its outside independent consultant began evaluating the Company's mine plan and remaining known ore reserves. As a result, the Company determined that its remaining unamortized costs could not be recovered from undiscounted cash flows over the remaining mine life, and accordingly, the Company recognized an impairment to adjust the carrying value of its assets. This adjustment resulted in a charge to operations of \$28,716,000 in the fourth quarter of fiscal 1993.

The Company also adjusted the carrying value of its nonproducing properties by \$2,796,000 in the fourth quarter of fiscal year 1993.

Production costs in fiscal year 1992 increased \$1,474,000, or 9%, over fiscal year 1991's production costs of \$16,730,000 because of increased mining and maintenance costs combined with lower than anticipated ore grades and recovery rates. These factors, in addition to significant fourth quarter adjustments to record inventory at the lower of cost or market and to adjust for higher costs incurred for preproduction stripping, resulted in a higher than anticipated cost per ounce of gold produced and sold of \$223 per ounce in fiscal year 1992 versus \$207 per ounce in fiscal year 1991. Production costs as a percentage of mining revenue increased to 61% in fiscal year 1992 from 55% in fiscal year 1991.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization in fiscal years 1993 and 1992 increased on a per ounce basis primarily because of

amortization of deferred development costs relating to the Gold Bar satellite deposits, higher than anticipated stripping ratios and lower head grades of ore fed to the Gold Bar Mill. These costs increased to \$162 per ounce in fiscal year 1993 from \$143 per ounce in fiscal year 1992 and \$98 per ounce in fiscal year 1991.

General and Administrative

General and administrative expenses in fiscal year 1992 decreased by approximately \$1,100,000, or 21%, from fiscal year 1991 as a result of reductions in personnel and expense control efforts. The difference between general and administrative expenses between fiscal years 1993 and 1992 were insignificant because expense reductions were offset by expenses accrued in connection with the termination of certain executives.

Other

In October 1992, the Company leased, to another gold mining company, a gold resource property in Oregon ("Grassy Mountain") and a gold prospect property in Idaho ("Musgrove Creek") for a period of 35 years with options for three additional 10 year extensions. The total minimum consideration was \$30 million, consisting of a \$22.5 million initial payment and a \$7.5 million advance royalty payment. The Company has retained a 5% royalty on each of the properties which will first be applied against the advance royalty and interest thereon. Pursuant to the lease agreement, the Company has been relieved of any and all responsibility and has no continuing obligation relating to these properties. The Company used a substantial portion of the proceeds from this transaction to repay the entire balance of the Company's bank borrowings and to provide cash collateral for its bank letter of credit. The balance of the proceeds were used for working capital and exploration. This transaction resulted in a gain of approximately \$17.8 million in the second quarter of fiscal year 1993.

Other expense in fiscal year 1993 consisted primarily of a loss on the sale of mining equipment which was sold as a condition of entering into the contract mining agreement referred to in Note 10 to the Financial Statements.

Note 8 to the Financial Statements provides details of discontinued operations for the past three fiscal years. During fiscal year 1993 charges of \$912,000 (\$875,000 net of tax) were made to discontinued operations, of which \$600,000 related to further estimated cleanup costs incident to the presence of asbestos and other materials at the Company's former asbestos mine and mill site near Coalinga, California and \$312,000 related to litigation which arose from the sale of the Company's Atlas Building Systems Division, which was sold in a prior fiscal year. These charges, as well as those recorded in fiscal 1991, could not have been anticipated when the Company's operations were

discontinued and were therefore not provided for at that time.

During fiscal year 1991, the Company charged \$3,880,000 to discontinued operations, of which \$3,000,000 related to estimated cleanup costs incident to the presence of asbestos and other materials at the Company's former asbestos mine and mill site near Coalinga, California and \$775,000 related to coinsurance experience with respect to the operations of the Company's Atlas Building Systems Division.

Non-recurring costs incurred by the Company in connection with the settlement of litigation relating to the performance by and payment of a contractor with respect to a construction project at the Gold Bar Mill resulted in a charge to operations of \$675,000 in fiscal year 1991.

The Company's revenues and operating results for the periods set forth are not necessarily indicative of the results for any future period because revenues and profits from sales of gold may vary significantly between periods depending on the amount of gold produced, production costs and gold prices.

Working Capital

On September 20, 1993, the Company closed under the Securities Purchase Agreement with Phoenix which provided for the sale by the Company for an aggregate of \$8,375,000 of (i) 1,500,000 shares of the Company's Common Stock, (ii) a Redeemable Convertible Debenture due 1998 of the Company in the principal amount of \$3,500,000, which is convertible as to principal into Common Stock at the rate of \$4.00 per share and bears interest at the rate of 9% per annum payable in cash or Common Stock at the rate of \$4.00 per share, and (iii) Warrants to purchase for three years 2,000,000 shares of Common Stock at \$3.625 per share.

Working capital (deficit) was \$(2,816,000) at June 30, 1993, \$(14,344,000) at June 30, 1992 and \$2,293,000 at June 30, 1991. The Company's current ratio was .69 to 1 at June 30, 1993, .28 to 1 at June 30, 1992 and 1.36 to 1 at June 30, 1991. The adverse change in working capital at June 30, 1992 was primarily attributable to the Company's bank debt being classified as a current liability. The Company repaid its bank borrowings from the proceeds of the lease of the Company's Grassy Mountain and Musgrove Creek properties which was completed in October 1992. The proceeds from the Securities Purchase Agreement with Phoenix provided relief from the liquidity difficulties the Company was experiencing at June 30, 1993. The Company expects that the funds provided by this transaction will allow the Company to repay its short-term debt mentioned in Note 10 to the Financial Statements and will provide working capital that, combined with operational cash flow, will be sufficient to meet the Company's fiscal 1994 financial requirements.

The Company's capital expenditures in fiscal year 1993 were

\$7,918,000, compared to \$8,807,000 in fiscal year 1992 and \$17,126,000 in fiscal year 1991. In the last three fiscal years, substantially all of these capital expenditures were for the development of gold mining properties and for the completion and expansion of the Gold Bar Mill.

The Company believes that it can meet the estimated closing and reclamation costs of its uranium and gold mining operations from internally generated funds and from the \$7,835,000 cash collateral for a letter of credit and reclamation bonds relating to these costs and from the proceeds of reimbursements made as described under "Reclamation Expense" in Note 1 to the Financial Statements without a significant impact on its working capital position.

The Company currently estimates that additional capital expenditures to develop and mine its Gold Bar Resource Area will be approximately \$16 million, of which approximately \$12 million will be required during the next two fiscal years. At present, funds required for these capital expenditures are expected to be obtained from gold production and from the proceeds of the recently completed transaction with Phoenix.

While inflation does not necessarily have an impact on mining revenues because the sale of gold is determined by supply and demand, the cost of materials and labor is subject to inflationary pressures.

Item 8. Financial Statements and Supplementary Data

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CONSOLIDATED STATEMENTS OF OPERATIONS

For the year ended June 30	1993	1992	1991
Mining revenue	\$ 19,280,000	\$ 29,624,000	\$ 30,625,000
<i>Costs and expenses:</i>			
Production costs	17,792,000	18,204,000	16,730,000
Depreciation, depletion and amortization	9,005,000	11,837,000	8,061,000
Impairment of mineral properties (Note 4)	28,716,000	-	-
Income (loss) from operations	(36,233,000)	(417,000)	5,834,000
<i>Other (income) and expense:</i>			
Exploration and prospecting costs	1,783,000	2,318,000	2,516,000
General and administrative expenses	4,149,000	4,296,000	5,439,000
Interest expense net of \$428,000, \$1,415,000 and \$1,763,000 interest capitalized in 1993, 1992 and 1991, respectively	79,000	331,000	214,000
Gain on lease transaction (Note 17)	(17,803,000)	-	-
Impairment of nonproducing mineral properties (Note 4)	2,796,000	-	-
Interest income	(227,000)	(185,000)	(527,000)
Litigation settlement (Note 13)	-	-	675,000
Other expense (Note 4)	579,000	-	-
Loss from continuing operations before income taxes	(27,589,000)	(7,177,000)	(2,483,000)
Provision for income taxes (Note 7)	477,000	-	-
Loss from continuing operations	(28,066,000)	(7,177,000)	(2,483,000)
Loss from discontinued operations (net of tax) (Note 8)	(875,000)	(76,000)	(3,880,000)
Loss before cumulative effect on prior years of postretirement benefit obligations	(28,941,000)	(7,253,000)	(6,363,000)
Cumulative effect on prior years of postretirement benefit obligations (Note 12)	(968,000)	-	-
Net loss	\$ (29,909,000)	\$ (7,253,000)	\$ (6,363,000)
<i>Loss per share of common stock:</i>			
Loss from continuing operations	\$ (4.43)	\$ (1.17)	(0.41)
Loss from discontinued operations	(0.14)	(0.01)	(0.65)
Cumulative effect on prior years of postretirement benefit obligations	(0.15)	-	-
Net loss	\$ (4.72)	\$ (1.18)	(1.06)
Weighted average of common shares outstanding	6,336,000	6,171,000	5,992,000

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

June 30	1993	1992
<i>Assets</i>		
Current assets:		
Cash and short-term investments	\$ 1,734,000	\$ 552,000
Accounts receivable	529,000	163,000
Inventories (Note 3)	3,839,000	4,517,000
Prepaid expenses and other current assets	231,000	408,000
Total current assets	6,333,000	5,640,000
Property, plant and equipment (Note 4)	45,177,000	89,243,000
Less: Accumulated depreciation, depletion, amortization and impairment	39,801,000	37,658,000
	5,376,000	51,585,000
Other assets (Note 9)	7,840,000	1,469,000
Net assets of discontinued operations	—	518,000
	\$ 19,549,000	\$ 59,212,000
<i>Liabilities</i>		
Current liabilities:		
Trade accounts payable	\$ 1,835,000	\$ 2,283,000
Short-term debt (Note 10)	3,524,000	—
Current portion of long-term debt (Note 2)	—	13,999,000
Other accrued liabilities (Note 9)	3,303,000	3,655,000
Income taxes payable	487,000	47,000
Total current liabilities	9,149,000	19,984,000
Other liabilities, long-term (Note 9)	14,807,000	13,726,000
<i>Stockholders' Equity (Deficit) (Notes 5, 6 and 18)</i>		
Common stock, par value \$1 per share; authorized 25,000,000 shares, issued and outstanding 6,336,454 at June 30, 1993 and 1992	6,336,000	6,336,000
Capital in excess of par value	22,832,000	22,832,000
Retained deficit	(33,575,000)	(3,666,000)
Total stockholders' equity (deficit)	(4,407,000)	25,502,000
	\$ 19,549,000	\$ 59,212,000

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

For the three years ended June 30, 1993

	Common Stock		Capital in Excess of Par Value	Retained Earnings (Deficit)	Total
	Shares	Amount			
Balance at June 30, 1990	5,960,000	\$ 5,960,000	\$ 20,834,000	\$ 9,950,000	\$ 36,744,000
Exercise of share options	15,000	15,000	186,000	-	201,000
Mineral property aquisition	119,000	119,000	608,000	-	727,000
Current year loss	-	-	-	(6,363,000)	(6,363,000)
Balance at June 30, 1991	6,094,000	6,094,000	21,628,000	3,587,000	31,309,000
Payment of fee to bank	60,000	60,000	285,000	-	345,000
Exercise of share options	3,000	3,000	24,000	-	27,000
Mineral property aquisition	179,000	179,000	895,000	-	1,074,000
Current year loss	-	-	-	(7,253,000)	(7,253,000)
Balance at June 30, 1992	6,336,000	6,336,000	22,832,000	(3,666,000)	25,502,000
Current year loss	-	-	-	(29,909,000)	(29,909,000)
Balance at June 30, 1993	6,336,000	\$ 6,336,000	\$ 22,832,000	\$ (33,575,000)	\$ (4,407,000)

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended June 30	1993	1992	1991
<i>Operating activities</i>			
Net loss	\$ (29,909,000)	\$ (7,253,000)	\$ (6,363,000)
Loss from discontinued operations (net of tax)	875,000	76,000	3,880,000
Cumulative effect on prior years of postretirement benefit obligations	968,000	-	-
From continuing operations:			
Adjustments to reconcile income to net cash provided from operating activities:			
Depreciation, depletion and amortization	9,005,000	11,837,000	8,061,000
Loss on sale of equipment	615,000	-	-
Write-down of mineral properties - producing	28,716,000	-	-
Write-down of mineral properties - nonproducing	2,796,000	-	-
Gain on lease transaction	(17,803,000)	-	-
Changes in operating assets and liabilities:			
Decrease in trade and other accounts receivable	68,000	132,000	136,000
Decrease in inventories	614,000	2,621,000	2,423,000
Decrease (increase) in prepaid expenses and other current assets	160,000	459,000	(328,000)
(Increase) decrease in other assets	(390,000)	3,000	1,633,000
(Increase) decrease in trade accounts payable	(1,110,000)	228,000	(1,706,000)
Decrease in other accrued liabilities	(1,015,000)	(152,000)	(594,000)
Increase (decrease) in income tax payable	477,000	-	(67,000)
Increase (decrease) in other liabilities, long-term	588,000	(68,000)	(303,000)
	(5,345,000)	7,883,000	6,772,000
<i>Discontinued operations</i>			
Disposal of assets	-	-	185,000
Operating loss (net of tax)	(875,000)	(76,000)	(3,880,000)
Adjustments to reconcile income to net cash provided from operations:			
Decrease in taxes payable	(37,000)	-	-
Increase in other liabilities, long-term	877,000	-	3,880,000
Decrease in net discontinued assets	-	76,000	-
Net change in estimated reclamation costs	(623,000)	(898,000)	(1,019,000)
	(658,000)	(898,000)	(834,000)
<i>Net cash provided by (used in) operations</i>	(6,003,000)	6,985,000	5,938,000
<i>Investing activities</i>			
Additions to property, plant and equipment	(3,795,000)	(6,787,000)	(16,989,000)
Proceeds from lease transaction	30,000,000	-	-
Proceeds from sale of equipment and reduction in other assets	1,479,000	12,000	4,543,000
Collateral for letter of credit	(6,500,000)	-	-
<i>Net cash provided by (used in) investing activities</i>	21,184,000	(6,775,000)	(12,446,000)
<i>Financing activities</i>			
Proceeds from revolving line of credit and borrowings	750,000	6,419,000	26,291,000
Principal payments on revolving line of credit and long-term debt	(14,749,000)	(6,570,000)	(20,055,000)
Proceeds from issuance of stock and warrants due to exercise	-	28,000	201,000
<i>Net cash provided by (used in) financing activities</i>	(13,999,000)	(123,000)	6,437,000
<i>Increase (decrease) in cash and cash equivalents</i>	1,182,000	87,000	(71,000)
Cash and cash equivalents at beginning of year	552,000	465,000	536,000
Cash and cash equivalents at end of year	\$ 1,734,000	\$ 552,000	\$ 465,000

See notes to consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Principles of Consolidation -- The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are in the business of exploring for and mining gold.

Inventories -- Ores, work in process and materials and supplies are stated at the lower of cost, principally average, or market. Finished product gold inventory is carried at market value and forward sales contract prices.

Mining Costs -- During production periods, costs attributable to waste are charged to operations based on the average ratio of waste tonnage to ore tonnage.

Property, Plant and Equipment -- Stated at cost, less accumulated depreciation, depletion and amortization. Depreciation of milling facilities and depletion and amortization of mining properties are determined by the units of production method. The Company regularly assesses its ability to recover fully the carrying value of its assets and recognizes an impairment when it is determined that the remaining unamortized costs cannot be recovered from undiscounted cash flows over the remaining mine life. See Note 4. Leasehold improvements are amortized on the straight-line basis over the terms of related leases or estimated useful life, whichever is shorter.

Expenditures for maintenance and repairs are charged to income as incurred. Expenditures for additions, improvements, replacements, betterments and major renewals are added to the property, plant and equipment accounts. The cost of assets retired, or otherwise disposed of, and related accumulated depreciation are eliminated from the accounts, and any related gain or loss is reflected in the consolidated statements of operations.

Interest expense allocable to the acquisition or construction of capital assets and deferred mine development is capitalized until operations commence.

The investment tax credit available to the Company is applied against the current tax provision under the flow-through method.

Employee Incentive Plans -- Market value increases and decreases above the option price of stock appreciation rights under the 1979 Key Employee Stock Incentive Plan are charged or credited to earnings in the period of increase or decrease. See Note 6.

Exploration and Mine Development -- Exploration costs incurred in the search for new mining operations are charged to income as incurred. Properties with development potential are those that indicate the presence of a mineral resource with the potential of being developed into an economically feasible mine. When it is determined that a property has development potential, the subsequent costs of exploration and costs incurred to delineate the orebody and prepare economic feasibility studies are capitalized. Upon the commencement of

production, the capitalized costs are amortized utilizing the units of production method.

Mining Revenue -- Revenues are recorded when the finished product is poured, based upon estimated weights and assays, at current market prices and forward sales contract commitments.

Revenue from significant customers of the Company is as follows:

	<u>1993</u>	<u>1992</u>	<u>1991</u>
J. Aron & Company	\$ -	\$11,418,000	\$19,174,000
Mase Westpac Limited	\$ 8,997,000	\$ 5,496,000	\$ 3,824,000
Shearson Lehman Brothers Inc.	\$10,283,000	\$12,602,000	\$ 7,627,000

Reclamation Expense -- The Company is obligated to decommission and reclaim its uranium mill site located near Moab, Utah. Since the Company has discontinued its uranium operations and permanently shut down its uranium mill and mines, estimated shutdown expenses, including reclamation costs, of \$17,406,000 were accrued at June 30, 1987. Shutdown costs of \$623,000, \$898,000 and \$1,019,000 in fiscal years 1993, 1992 and 1991 have been charged against this accrual. The balance in this accrual at June 30, 1993 was \$8,278,000 and the reclamation plan extends over the next six to eight years. "The Comprehensive National Energy Policy Act," which was enacted in October 1992, provides for the reimbursement of reclamation expenses related to uranium sites with tailings generated by Atomic Energy Commission contracts. With respect to the Company's discontinued uranium operations, a significant portion of the tailings was generated under such contracts. The Company's liability for discontinued uranium operations will be reduced by this Government cost sharing program. The benefit of this Government cost sharing program has not been determined. The Company believes the accrual is sufficient to cover its share of future costs.

Estimated reclamation costs relating to the Gold Bar Resource Area are amortized by the units of production method and are calculated using a rate based on total estimated reclamation costs and estimates of minable reserves. Reclamation costs charged to expense in fiscal years 1993, 1992 and 1991 were \$313,000, \$407,000 and \$446,000, respectively.

Statement of Cash Flows -- The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Net cash provided by operating activities reflects cash payments for interest and income taxes as follows:

	Year ended June 30,		
	<u>1993</u>	<u>1992</u>	<u>1991</u>
Interest (net of amounts capitalized)	\$ 61,000	\$509,000	\$136,000
Income taxes	\$ -	\$ -	\$ 96,000

Earnings per Share -- Earnings per share have been calculated based on the weighted average number of common shares outstanding during the year. The weighted average number of shares outstanding was 6,336,000, 6,171,000 and 5,992,000 in 1993, 1992 and 1991, respectively. Shares

issuable under options and warrants are excluded from the computation because they are not dilutive.

Reclassifications -- Certain of the comparative figures have been reclassified to conform with the current year's presentation.

2. NOTE PAYABLE TO BANK

The Company and its subsidiaries, Atlas Gold Mining Inc. and Atlas Precious Metals Inc., were parties to a Revolving Credit Agreement with Bank of America National Trust and Savings Association (the "Bank") which, prior to the modification described below, provided up to \$14,000,000 of borrowing capacity with interest rates 1% over the Bank's published reference rate, 1-3/4% above LIBOR or 2% above the CD Rate and a \$6,500,000 letter of credit to secure the performance of the Company's reclamation obligations with respect to its discontinued uranium operations. The Bank also had a 3% net profits participation in the first 271,000 ounces of gold produced and sold from the Company's Gold Bar properties which was paid in full during fiscal year 1991.

The Bank extended the maturity date for borrowings under the Revolving Credit Agreement to the earlier of October 31, 1992, or the date of completion of the lease transaction described in Note 17 and increased the borrowing capacity to \$14,750,000 for that period. The Bank also extended the date as of which it may terminate the letter of credit to December 31, 1993. On October 13, 1992, the lease transaction described in Note 17 was completed, and the Company repaid the balance of the borrowings under the Revolving Credit Agreement and provided \$6,500,000 of cash collateral for the letter of credit from the proceeds of that transaction. Concurrently, the Bank released its liens on the Company's assets, other than the cash collateral for the letter of credit (Note 9). The balance of the borrowings at June 30, 1992 was \$13,999,000.

There were no notes payable by the Company to banks during fiscal 1993 or 1992 other than the note evidencing the borrowings from the Bank.

3. INVENTORIES

Inventories consisted of the following:

	<u>1993</u>	<u>1992</u>
Stockpile ore.	\$ 1,157,000	\$ 728,000
Work in process.	832,000	459,000
Finished product.	662,000	1,779,000
Materials and supplies	<u>1,188,000</u>	<u>1,551,000</u>
	<u>\$ 3,839,000</u>	<u>\$ 4,517,000</u>

4. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consisted of the following:

<u>June 30, 1992</u>	<u>Acquisition Costs</u>	<u>Accumulated Depreciation, Depletion and Amortization</u>	<u>Net Book Value</u>
Property and leaseholds	\$ 2,256,000	\$ 179,000	\$ 2,077,000
Land improvements	4,824,000	1,264,000	3,560,000
Deferred exploration and development costs:			
Producing	24,777,000	13,790,000	10,987,000
Nonproducing	14,260,000	-	14,260,000
Buildings and equipment	43,126,000	22,425,000	20,701,000
Total	<u>\$89,243,000</u>	<u>\$37,658,000</u>	<u>\$51,585,000</u>

<u>June 30, 1993</u>	<u>Acquisition Costs</u>	<u>Accumulated Depreciation, Depletion, Amortization and Impairment</u>	<u>Net Book Value</u>
Property and leaseholds	\$ 2,256,000	\$ 2,256,000	\$ -
Land improvements	5,433,000	5,433,000	-
Deferred exploration and development costs:			
Producing	-	-	-
Nonproducing	288,000	-	288,000
Buildings and equipment	37,200,000	32,112,000	5,088,000
Total	<u>\$45,177,000</u>	<u>\$39,801,000</u>	<u>\$ 5,376,000</u>

During the third quarter of fiscal year 1993, the Company experienced operational problems at certain of its Gold Bar properties. As a result, the Company and outside independent consultants began evaluating the Company's mine plans and remaining known ore reserves, which resulted in a determination that remaining unamortized costs could not be recovered from undiscounted cash flows over the remaining mine life. Accordingly, the Company recognized an impairment of \$28,716,000 to adjust the carrying value of its producing properties in the fourth quarter of fiscal year 1993.

The Company also adjusted the carrying value of its nonproducing properties by \$2,796,000 in the fourth quarter of fiscal 1993.

Other expense for the period ended June 30, 1993 consists primarily of a loss on the sale of mining equipment which was sold as required by the contract mining agreement referred to in Note 10.

5. STOCKHOLDERS' EQUITY

The total number of shares of capital stock which may be issued by the Company is 26,000,000, of which 25,000,000 shares are Common Stock,

par value \$1 per share, and 1,000,000 shares are Series Preferred Stock, par value \$1 per share. The Series Preferred Stock is issuable in series, with designations, rights and preferences to be fixed by the Board of Directors. The Board of Directors has created a series of 150,000 shares of Series Preferred Stock designated Series A Junior Participating Preferred Stock ("Series A Preferred Stock"), no shares of which have been issued.

At June 30, 1993, there were 2,032,111 shares of the Company's Common Stock reserved for Option Warrants outstanding. These Option Warrants, traded on the American Stock Exchange, are exercisable at a price of \$15.625 per share and have no expiration date.

The Company has an Amended and Restated Rights Agreement under which a holder of Preferred Stock Purchase Rights ("Rights") is entitled to purchase from the Company 1/200th of a share of Series A Preferred Stock at a price of \$45 per 1/200th of a share. The Rights become exercisable upon the occurrence of certain events, including acquisition by a person or group of 15% or more of the outstanding Common Stock of the Company. Upon any such acquisition, the amended Plan provides that upon exercise of Rights and payment of the purchase price, the exercising Rights holder is entitled to receive, in lieu of Series A Preferred Stock, shares of Common Stock having a market value equal to twice the purchase price. The Amended and Restated Rights Agreement was amended as of September 15, 1993 to provide that the transaction with Phoenix referred to in Note 18 would not cause the Rights to become exercisable.

6. EMPLOYEE INCENTIVE PLANS

Under the Company's 1979 Key Employee Stock Incentive Plan (the "1979 Plan"), key employees could be granted options to purchase an aggregate of 290,000 shares of Common Stock at the fair value of the shares on the date of grant. At June 30, 1989, all of these options had been granted on the basis of becoming exercisable beginning one year after the date of grant or within sixty days of a change of control event and remaining exercisable for a maximum term of ten years from the date of grant. No options could be granted after December 31, 1989.

Under the terms of the 1979 Plan, options granted could include stock appreciation rights which allow the holder to receive the value of the difference between the exercise price and the fair market value of the stock at the date of exercise. In these cases, options and appreciation rights were granted in tandem form whereby the exercise of one cancels the other. The value of the appreciation rights may be received, at the optionee's election, either in shares of Common Stock or up to 50% in cash and the remainder in shares of Common Stock. The prices are equal to the market value of the Common Stock on the date of grant.

In connection with the 1979 Plan, in fiscal year 1992, \$5,000 was charged to expense and in fiscal year 1991, \$159,000 was credited to income. At June 30, 1993, options to purchase 12,000 shares were unexercised under the 1979 Plan.

The Company's Long Term Incentive Plan (the "Long Term Plan") provides that key employees may be granted options to purchase an aggregate of 295,000 shares of Common Stock at the fair value of the

shares on the date of grant. At June 30, 1993, 168,450 options had been granted. Options may become exercisable beginning one year after the date of the grant or within sixty days of a change of control event and are exercisable for a maximum of ten years from the date of grant. No options may be granted after July 31, 1999. The following table summarizes the activity under the 1979 Plan and the Long Term Plan:

Stock Options Under Plans:

Date Granted	Option Price	Number Granted (a)	Options Exercised					Outstanding June 30, 1993
			Prior to 1990	1990	1991	1992	1993	
<i>Granted with stock appreciation rights:</i>								
01/03/80	\$ 8.750	(b) 88,000	(80,000)	(8,000)				-
10/15/80	\$ 8.563	(b) 14,000			(14,000)			-
09/28/81	\$ 5.500	(b) 73,000	(58,000)	(2,000)		(13,000)		-
01/05/83	\$ 9.750	(b) 14,000	(14,000)					-
10/01/86	\$ 6.750	(b) 22,000	(6,668)		(9,332)			6,000
Total with rights		211,000	(158,668)	(10,000)	(23,332)	(13,000)		6,000
<i>Granted without stock appreciation rights:</i>								
01/06/88	\$ 16.125	(b) 6,000						6,000
08/02/89	\$ 16.750	(c) 10,000						10,000
11/13/89	\$ 17.250	(c) 2,000						2,000
04/14/90	\$ 14.625	(c) 21,500						21,500
07/23/90	\$ 12.125	(c) 8,000						8,000
09/12/90	\$ 13.125	(c) 47,000						47,000
03/06/91	\$ 7.375	(c) 6,450						6,450
01/06/93	\$ 5.125	(c) 43,500						43,500
03/11/93	\$ 2.750	(c) 30,000						30,000
Total		385,450	(158,668)	(10,000)	(23,332)	(13,000)	-	180,450

(a) Options granted shown net of cancellations, of which 178,400 were cancelled in fiscal year 1993

(b) 1979 Plan

(c) Long Term Plan

7. INCOME TAXES

The Company files a consolidated federal income tax return. Income taxes are provided on earnings at the appropriate statutory rates applicable to such earnings. At June 30, 1993, the Company had net operating loss carryforwards of approximately \$110,327,000 for financial reporting purposes and \$68,970,000 for tax purposes which expire in 1999 through 2006, if not previously utilized. The differences between net operating losses result primarily from the impairment of assets which require differing book and tax treatment and from the treatment of deferred development expense.

The years the net operating losses will expire for tax purposes follow:

<u>Year</u>	<u>Amount</u>
1999	\$ 6,904,000
2000	10,930,000
2001	4,772,000
2002	29,782,000
2003	4,127,000
2004	2,050,000
2005	5,368,000
2006	5,037,000
	<u>\$68,970,000</u>

At June 30, 1993, the Company had investment tax credit carryforwards of approximately \$1,500,000 for financial and tax reporting purposes, after adjusting for the reductions required by the 1986 Tax Reform Act. These investment tax credit carryforwards expire from 1994 through 2002.

The current provision for income tax expense results primarily from the statutory limitation on the utilization of net operating loss carryforwards against Alternative Minimum Taxable Income ("AMTI"). The AMTI resulted primarily from the treatment afforded the impairment of the Company's assets referred to in Note 4 and the recognition of income from the disposition of assets with different book and tax basis.

The Financial Accounting Standards Board has issued Financial Accounting Standard No. 109, "Accounting for Income Taxes," which requires the computation of deferred income taxes on a liability method instead of the deferred method presently used and is effective for years beginning after December 15, 1992. The Company has determined that it will not restate prior years as permitted by the Standard. The Company has determined that the adoption of this Standard will not have a significant effect on its financial position and results of operations.

8. DISCONTINUED OPERATIONS

During fiscal year 1993, the Company charged \$912,000 (\$875,000 net of tax) to discontinued operations. Of this, \$600,000 related to further estimated cleanup costs incident to the presence of asbestos and other materials at the Company's former asbestos mine and mill site near Coalinga, California, and \$312,000 related to litigation which arose from the sale of the Company's Atlas Building Systems Division in a prior fiscal year. These charges, as well as those in fiscal year 1991, could not have been anticipated when the Company's operations were discontinued and were therefore not provided for at that time.

During fiscal year 1991, the Company charged \$3,880,000 to discontinued operations, of which \$3,000,000 related to estimated cleanup costs incident to the presence of asbestos and other materials at the Company's former asbestos mine and mill site near Coalinga, California and \$775,000 related to coinsurance experience with respect to the operations of the Company's Atlas Building Systems Division, which were sold in prior fiscal years.

The results of operations of the discontinued businesses are included in the consolidated statements of operations under the heading "Loss from discontinued operations (net of tax)."

The following table shows the operating results of the discontinued businesses:

	Uranium	Brockton Sole & Plastics	Building Products and Ready-Mix Concrete	Service & Other	Total
Year ended June 30, 1993					
Loss from operations	\$ -	\$ -	\$(312,000)	\$(600,000)	\$(912,000)
Year ended June 30, 1992					
Loss from operations	\$ -	\$(75,000)	\$ -	\$ -	\$(75,000)
Net Assets	518,000	-	-	-	518,000
Year ended June 30, 1991					
Loss from operations	\$ -	\$ -	\$(775,000)	\$(3,105,000)	\$(3,880,000)
Net Assets	518,000	75,000	-	-	593,000

9. DETAILS OF CERTAIN BALANCE SHEET CAPTIONS

Other assets consisted of the following:

	June 30,	
	<u>1993</u>	<u>1992</u>
Restricted cash:		
Collateral for a \$6,500,000 letter of credit (a)	\$6,617,000	\$ -
Collateral for a \$750,000 reclamation bond (b)	765,000	785,000
Benefit trust account (c)	-	519,000
Other restricted cash (b)	453,000	-
Other	5,000	165,000
	<u>\$7,840,000</u>	<u>\$1,469,000</u>

- (a) Securing the performance of the Company's uranium reclamation obligation.
- (b) Securing the performance of the Company's Gold Bar reclamation obligation.
- (c) Available for payment of various compensation and employee benefit obligations of the Company.

Other accrued liabilities consisted of the following:

	June 30,	
	<u>1993</u>	<u>1992</u>
Accrued compensation	\$ 822,000	\$ 71 000
Reclamation and uranium shut down cost, short-term (Note 1)	880,000	1,006,000
Other	1,601,000	1,933,000
	<u>\$3,303,000</u>	<u>\$3,655,000</u>

Other liabilities, long-term consisted of the following:

	June 30,	
	<u>1993</u>	<u>1992</u>
Reclamation and uranium shut down cost, long-term (Note 1)	\$ 7,398,000	\$ 8,412,000
Pension and deferred compensation obligations	1,708,000	1,448,000
Mine reclamation accrual	1,539,000	1,226,000
Accrued asbestos reclamation costs (Note 8)	2,074,000	2,539,000
Atlas Building Systems Division litigation obligation (Note 16)	1,000,000	-
Accrued postretirement benefit obligation (Note 12)	1,068,000	-
Other	20,000	101,000
	<u>\$14,807,000</u>	<u>\$13,726,000</u>

10. SHORT-TERM DEBT

On April 23, 1993, the Company entered into an agreement with an independent contractor which provided for a \$3,524,000 financing arrangement to cover the costs of developing the Goldstone North ore deposit, mining the Goldstone North deposit and developing and mining the Gold Canyon ore deposit. Pursuant to a subsequent agreement with the contractor, Atlas Gold Mining Inc. issued to the contractor a promissory note in the principal amount of \$3,524,000 payable in three equal installments on December 1, 1993, January 1, 1994 and February 1, 1994, together with interest at the rate of 9% per year. This note, which was guaranteed by the Company, is secured by a deed of trust encumbering certain patented mining claims situated in Eureka County, Nevada, and a security agreement encumbering certain milling equipment. The contractor was also granted a security interest in the unpatented claims which include the Goldstone North and Gold Canyon ore deposits and the proceeds from the sale of gold derived from those deposits.

11. EMPLOYEE RETIREMENT PLANS

The Company has several trustee and insured retirement plans covering substantially all salaried employees. These plans provide pension benefits that are based on final average compensation minus certain adjustments for primary social security benefits. The Company's funding policy for these plans is to make at least the minimum annual contributions required by applicable government regulations. Plan assets are invested primarily in United States Government obligations, commercial paper and investment funds.

The following items are the components of net periodic pension cost:

	<u>1993</u>	<u>1992</u>	<u>1991</u>
Service costs-benefits earned during the year	\$195,000	\$178,000	\$137,000
Interest cost on projected benefit obligation	500,000	512,000	478,000
Actual return on plan assets	(252,000)	(758,000)	(367,000)
Net amortization and deferral	<u>(262,000)</u>	<u>250,000</u>	<u>(18,000)</u>
Net periodic pension cost for the year	<u>\$181,000</u>	<u>\$182,000</u>	<u>\$230,000</u>
Assumed long-term rate of return on plan assets	8.0%	8.5%	8.5%

The following table sets forth the plans' funded status and amounts recognized in the Company's financial statements at June 30, 1993 and 1992:

	<u>1993</u>	<u>1992</u>
Accumulated benefit obligation based on salaries to date, including vested benefit obligation of \$5,901,000 for 1993 and \$5,869,000 for 1992	\$ (5,953,000)	\$ (6,081,000)

Additional benefit obligation based on estimated future salary levels	<u>(199,000)</u>	<u>(443,000)</u>
Projected benefit obligation	(6,152,000)	(6,524,000)
Fair value of plan assets	<u>5,903,000</u>	<u>6,189,000</u>
Funded status	(249,000)	(335,000)
Unrecognized net obligation at July 1, 1989 and 1988 being recognized over approximately 15.88 years	84,000	98,000
Unrecognized net loss (gain)	(188,000)	65,000
Accrued pension cost	<u>\$ (353,000)</u>	<u>\$ (172,000)</u>
Assumed discount rate	8.0%	8.5%
Assumed rate of increase in future compensation	6.0%	6.0%

The Company has an Investment and Savings Plan to assist eligible employees in providing for retirement or other future financial needs. Employee contributions (up to 10% of their earnings) are matched by the Company at a rate of 100% up to a maximum of 6% of the employee earnings. In addition, the Company provides a 4% contribution for all eligible employees compensated on an hourly scale. The Company's contributions to this Plan in fiscal years 1993, 1992 and 1991 were \$284,000, \$388,000 and \$343,000, respectively.

12. OTHER POSTRETIREMENT BENEFIT PLANS

In addition to the Company's defined benefit pension plan (Note 11), the Company has two defined benefit postretirement plans covering most salaried employees. One plan provides medical benefits and the other provides life insurance benefits. The postretirement health care plans are contributory, with retiree contributions adjusted annually, and contain other cost-sharing features such as deductibles and coinsurance. The accounting for the health care plans anticipates future cost-sharing changes to the written plan that are consistent with the Company's expressed intent to increase the retiree contribution rate annually for the expected general inflation rate for that year. The life insurance plan is non-contributory. The Company's policy is to fund the cost of the postretirement health care benefits in amounts determined at the discretion of management and to make annual contributions to the life insurance plan in level amounts over the plan participant's expected service period.

In fiscal year 1993, the Company adopted FASB Statement No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." The effect was a one-time charge to operations of \$968,000. This cumulative catchup adjustment as of July 1, 1992 represents the discounted present value of expected future retiree health and insurance benefits attributed to employees' service rendered prior to that date. Also, the new standard results in additional annual expense, which in fiscal year 1993 totaled \$138,000. Postretirement benefit cost for fiscal 1992, which was recorded on a cash basis, has not been restated.

The following table shows the plan's combined funded status reconciled with the amounts recognized in the Company's statement of financial position:

	June 30, 1993		
	Medical Plans	Life Insurance Plans	Total
Accumulated postretirement benefit obligation:			
Retirees	\$ (178,000)	\$ (559,000)	\$ (737,000)
Fully eligible active plan participants	—	—	—
Other active plan participants	(259,000)	(72,000)	(331,000)
Accrued postretirement benefit cost	\$ (437,000)	\$ (631,000)	\$ (1,068,000)
Net periodic postretirement benefit cost included the following components:			
	June 30, 1993		
	Medical Plans	Life Insurance Plans	Total
Service cost	\$ 48,000	\$ 13,000	\$ 61,000
Interest cost	32,000	45,000	77,000
Net periodic postretirement benefit cost	\$ 80,000	\$ 58,000	\$ 138,000

The weighted-average annual assumed rate of increase per capita cost of covered benefits (i.e. health care cost trend rate) for the medical plan is 14% for fiscal year 1994 and is assumed to decrease gradually to 6% in 2002 and remain at that level thereafter. The health care cost trend rate assumption has a significant effect on the amounts reported. For example, increasing the assumed health care cost trend rates by one percentage point in each year would increase the accumulated postretirement benefit obligation for the medical plans as of June 30, 1993 by \$137,000 and the aggregate of the service cost and interest cost components of net periodic postretirement benefit cost for June 30, 1993 by \$29,000.

The weighted-average discount rate used in determining the accumulated postretirement benefit obligation was 7.5% at June 30, 1993.

13. LITIGATION SETTLEMENT

Litigation relating to the performance by and payment of a contractor with respect to a construction project at the Gold Bar Mill was settled on May 1, 1991. The Company's portion of that settlement plus related legal expenses was \$675,000, which was recorded as an expense during fiscal year 1991.

14. QUARTERLY FINANCIAL DATA (UNAUDITED)

THREE MONTHS ENDED	1992		1993		Total
	September 30	December 31	March 31	June 30	
Mining revenue	\$ 4,518,000	\$ 4,232,000	\$ 4,695,000	\$ 5,535,000	\$ 19,280,000
Operating loss	\$ (1,253,000)	\$ (2,177,000)	\$ (2,645,000)	\$ (3,358,000)	\$ (9,433,000)
Income (loss) before extraordinary credits and cumulative effect of change in accounting method	\$ (2,394,000)	\$ (1,479,000)	\$ (4,654,000)	\$ (3,362,000)	\$ (28,941,000)
Extraordinary credits (charges) - utilization of tax loss carryforwards	—	3,130,000	(353,000)	(2,777,000)	—
Cumulative effect of change in accounting method	(968,000)	—	—	—	(968,000)
Net income (loss)	\$ (3,362,000)	\$ 13,809,000	\$ (5,017,000)	\$ (35,139,000)	\$ (29,809,000)
Per share of common stock:					
Income (loss) before extraordinary credits and cumulative effect of change in accounting method	\$ (0.38)	\$ 1.66	\$ (0.74)	\$ (5.11)	\$ (4.57)
Extraordinary credits (charges) - utilization of tax loss carryforwards	—	0.49	(0.05)	(0.44)	(0.00)
Cumulative effect of change in accounting method	(0.15)	—	—	—	(0.15)
Net income (loss)	\$ (0.53)	\$ 2.15	\$ (0.79)	\$ (5.55)	\$ (4.72)

THREE MONTHS ENDED	1991		1992		Total
	September 30	December 31	March 31	June 30	
Mining revenue	\$ 7,397,000	\$ 8,400,000	\$ 8,068,000	\$ 5,759,000	\$ 29,624,000
Operating income (loss)	\$ 1,455,000	\$ 1,391,000	\$ 870,000	\$ (4,133,000)	\$ (417,000)
Net loss	\$ (256,000)	\$ (407,000)	\$ (900,000)	\$ (5,680,000)	\$ (7,253,000)
Per share of common stock					
Net loss	\$ (0.04)	\$ (0.07)	\$ (0.15)	\$ (0.91)	\$ (1.18)

(1) The fourth quarter of fiscal year 1993 reflects nonrecurring charges to operations that significantly affected the results of operations. These charges which are detailed in Note 4 resulted from the impairment of producing and nonproducing mineral properties of the Company in the amount of \$31,512,000.

(2) The first quarter of fiscal year 1993 has been restated to reflect the cumulative effect of a change in accounting method which resulted from the adoption FASB Statement No. 106, Employers' Accounting For Postretirement Benefits Other Than Pensions (Note 12).

(3) The fourth quarter of fiscal year 1992 reflects nonrecurring charges to continuing operations that significantly affected the results of operations. These charges include a \$1,100,000 inventory adjustment to lower of cost or market resulting from the mining of lower grade ore in the fourth quarter, \$500,000 to adjust for increased preproduction costs and \$200,000 to bring amortization expense in line with the declining gold price.

(4) There would be no dilution of income per share as a result of assumed exercise of Option Warrants or employee stock options for any quarter or year-to-date periods. Continuing operations for the four quarters ended June 30, 1992, were affected adversely (positively) by \$20,000, \$(15,000), \$-0- and \$-0-, respectively, as a result of provisions and reversals required in connection with stock appreciation rights under the 1979 Key Employee Stock Incentive Plan.

15. ACQUISITION OF MINERAL PROPERTIES

During fiscal year 1992, the Company acquired interests in a number of unpatented lode claims in Nevada adjacent to the Gold Bar Resource Area in exchange for 178,949 shares of Common Stock, which were valued at \$6.00 per share for a total value of \$1,073,694 assigned the Common Stock, and a cash payment of \$500,000. The \$6.00 was the closing price of the Common Stock on April 22, 1992, the date the transaction was consummated. The acquisition agreement provides for a minimum 3% net smelter return royalty.

During fiscal year 1991, the Company acquired interests in a number of unpatented lode claims in Nevada and Oregon in exchange for 118,644 shares of Common Stock, which were valued at \$6.125 per share for a total value of \$727,000 assigned the Common Stock. The \$6.125 was the closing price of the Common Stock on May 17, 1991, the date the transaction was consummated. The acquisition agreement provides that after 50,000 ounces of gold have been produced and sold from certain of these claims the seller will receive a 4% net smelter return royalty on the next 100,000 ounces of gold produced and sold from the claims and that the seller will also receive a 1% net smelter return royalty on all minerals produced and sold from the other claims.

In fiscal year 1993, these properties were included in the analysis of impairment discussed in Note 4.

16. COMMITMENTS AND CONTINGENCIES

The Company has entered into a series of forward sales contracts covering 12,500 ounces of gold at an average price of \$343 per ounce and 10,000 ounces of gold at an average price of \$360 per ounce.

During fiscal year 1988, the United States Environmental Protection Agency (the "EPA") notified the Company that it was one of several potentially responsible parties ("PRPs") for cleanup costs incident to the presence of asbestos and other materials ("Contaminants") at the Company's former asbestos mine and mill site (the "Mine and Mill Site")

near Coalinga, California, and in the City of Coalinga (the "City of Coalinga Site"). A prolonged period of inquiry and administrative process concerning this matter followed.

The Company and another PRP (the "other private PRP") have negotiated a settlement with the EPA in which the Company and the other private PRP have agreed, among other things, to reimburse approximately 60% of the EPA's administrative costs and perform various remediation and/or cleanup activities at the Mine and Mill Site. The settlement has been formalized in a consent decree which was entered by the United States District Court for the Central District of California on August 13, 1992.

The Company understands that another PRP has completed a cleanup of Contaminants and installation of a waste management unit at the City of Coalinga Site.

The Company and the other private PRP commenced a lawsuit against the Bureau of Land Management, Department of the Interior ("BLM"), which is also a PRP, in the United States District Court for the District of Columbia seeking, among other things, contribution from BLM with respect to the Mine and Mill Site for reimbursement of the EPA's administrative costs and the costs of performing the remediation and/or cleanup. BLM asserted a counterclaim against the Company and the other private PRP seeking contribution for costs BLM claims it incurred. This lawsuit was dismissed without prejudice to allow the parties time to consummate an agreement-in-principle to settle the case but it was reinstated at the request of the Company and the other PRP. An agreement to settle the case has now been reached with the BLM pursuant to which the BLM will participate at its expense in the remediation and/or cleanup.

In fiscal years 1993 and 1991, the Company established a reserve of, and recorded as an expense, \$600,000 and \$3,000,000, respectively, to cover the Company's share of costs that may be incurred in connection with the foregoing matters. This accrual reflects participation by the BLM. The Company believes that this reserve is adequate, but it is subject to further adjustment to reflect the actual costs incurred. The Company has also instituted legal action against thirteen insurance carriers which had issued insurance policies over a period of more than 25 years, with respect to the Mine and Mill Site and the City of Coalinga Site. No amounts have been recorded for any recovery that may result from this action.

During fiscal year 1988, the Company sold the ready-mix business of its Atlas Building Systems Division. In that connection, the purchaser assumed certain liabilities of the purchased business. However, the Company remained obligated with respect to those assumed liabilities to the extent that the purchaser failed to satisfy them. The purchaser is now in bankruptcy, as a result of which the Company may be obligated with respect to those assumed liabilities which are still unsatisfied. During fiscal year 1990, another party entered into an agreement (the "New Agreement") to purchase the ready-mix business from the bankrupt, to assume a significant portion of the assumed liabilities which the bankrupt had failed to satisfy and to release the Company from certain of its obligations under an agreement between that party and the Company pursuant to which that party purchased the pre-cast concrete business of the Atlas Building Systems Division in fiscal year 1989. That party had advised the bankruptcy court that in its view it was no longer obligated under the New Agreement. In November 1991, the bankruptcy court ordered that the New Agreement be performed. That decision was

reversed on appeal. As a result of this decision, the Company regained ownership of a parcel of land involved in the original transaction. After reviewing the aforementioned obligations and the retention of the land, the Company established a reserve of, and recorded as an expense, \$700,000 in the third quarter of fiscal year 1993 which it believed to be an adequate provision to reflect the effect of the foregoing court decision. In the fourth quarter, after further review of the aforementioned obligations and the sale of the parcel of land, the accrual was reduced by \$388,000, resulting in a net charge to discontinued operations of \$312,000 for fiscal year 1993.

In connection with the sale of the pre-cast concrete business of the Atlas Building Systems Division, the Company agreed with the purchaser to share equally in any environmental reclamation costs in excess of \$350,000 and less than \$1,500,000 relating to the real property sold. Any costs in excess of \$1,500,000 were to be the responsibility of the Company. On February 26, 1993, a compliance letter was issued by the New Jersey Department of Environmental Protection and Energy. No costs were incurred by the Company as a result of this cost sharing arrangement.

Minimum future rental commitments under the Company's non-cancellable operating leases having a remaining term in excess of one year at June 30, 1993 are as follows:

	Year ended June 30,	
1994		\$ 847,000
1995		863,000
1996		381,000
1997		283,000
1998		283,000
Later years		<u>377,000</u>
Total minimum payments required		<u>\$3,034,000</u>

Amounts charged to rent expense in fiscal years 1993, 1992 and 1991 were \$1,263,000, \$887,000 and \$737,000, respectively.

17. LEASE TRANSACTION

In October 1992, the Company leased, to another gold mining company, a gold resource property in Oregon and a gold prospect property in Idaho for a period of 35 years with options for three additional 10 year extensions. The total minimum consideration was \$30 million, consisting of a \$22.5 million initial payment and a \$7.5 million advance royalty payment. The Company has retained a 5% royalty on each of the properties which will first be applied against the advance royalty and interest thereon. Pursuant to the lease agreement, the Company has been relieved of any and all responsibility and has no continuing obligation relating to these properties. The Company used a substantial portion of the proceeds from this transaction to repay the entire balance of the Company's bank borrowings and to provide cash collateral for its bank letter of credit and used the balance of the proceeds for working capital and exploration. This transaction resulted in a gain of approximately \$17.8 million in the second quarter of fiscal year 1993.

18. SUBSEQUENT EVENTS

On September 20, 1993, the Company closed under the Securities

Purchase Agreement with Phoenix which provides for the sale by the Company for an aggregate of \$8,375,000 of (i) 1,500,000 shares of the Company's Common Stock, (ii) a Redeemable Convertible Debenture due 1998 of the Company in the principal amount of \$3,500,000, which is convertible as to principal into Common Stock at the rate of \$4.00 per share and bears interest at the rate of 9% per annum payable in cash or Common Stock at the rate of \$4.00 per share, and (iii) Warrants to purchase for three years 2,000,000 shares of Common Stock at \$3.625 per share. Of such securities, the 1,500,000 shares of the Company's Common Stock and 750,000 of the Warrants to Purchase Common Stock were sold to various investors in a private placement underwritten by First Marathon Securities Limited.

The following shows the changes in assets and the capitalization of the Company giving effect to the above transaction:

	<u>June 30, 1993</u>	
	<u>Actual</u>	<u>Proforma (Unaudited)</u>
Cash and cash equivalents	<u>\$ 1,734,000</u>	<u>\$ 9,484,000</u>
Other assets	<u>\$ 7,840,000</u>	<u>\$ 8,127,000</u>
Long-term debt	<u>\$ -</u>	<u>\$ 3,500,000</u>
Stockholders' Equity (Deficit):		
Common stock	\$ 6,336,000	\$ 7,836,000
Capital in excess of par value	22,832,000	25,869,000
Retained deficit	<u>(33,575,000)</u>	<u>(33,575,000)</u>
Total Stockholders' Equity (Deficit)	<u>(4,407,000)</u>	<u>130,000</u>
Total long-term capitalization	<u>\$ (4,407,000)</u>	<u>\$ 3,630,000</u>

REPORT OF INDEPENDENT AUDITORS
THE BOARD OF DIRECTORS AND STOCKHOLDERS OF
ATLAS CORPORATION

We have audited the accompanying consolidated balance sheets of Atlas Corporation and subsidiaries as of June 30, 1993 and 1992, and the related consolidated statements of operations, stockholders' equity (deficit) and cash flows for each of the three years in the period ended June 30, 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Atlas Corporation and subsidiaries at June 30, 1993 and 1992, and the consolidated results of their operations and their cash flows for each of the three years in the period ended June 30, 1993, in conformity with generally accepted accounting principles.

As discussed in Note 12 to the financial statements, in 1993 the Company changed its method of accounting for postretirement benefits other than pensions.

Ernst & Young

Denver, Colorado
September 20, 1993

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Inapplicable

PART III

Item 10. Directors and Executive Officers of the Company

The information called for by Item 401 of Regulation S-K with respect to the Company's directors is to be set forth under the caption "Election of Directors" in the Company's Proxy Statement for its 1993 annual meeting of stockholders. That information is incorporated herein by reference.

The information called for by Item 401 of Regulation S-K with respect to the Company's executive officers is included under Item 4a in Part I of this annual report on Form 10-K.

The information called for by Item 405 of Regulation S-K is to be set forth under the caption "Compliance with Section 16 of the Securities Exchange Act of 1934" in the Company's Proxy Statement for its 1993 annual meeting of the stockholders. That information is incorporated herein by reference.

Item 11. Executive Compensation

The information called for by this Item is to be set forth under the caption "Election of Directors" in the Company's Proxy Statement for its 1993 annual meeting of stockholders. That information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information called for by this Item is to be set forth under the captions "Principal Holders of Voting Stock" and "Election of Directors" in the Company's Proxy Statement for its 1993 annual meeting of stockholders. That information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

David J. Birkenshaw, the Company's Chairman of the Board and Chief Executive Officer, is a director and the Chairman of the Board of Phoenix and the Vice-Chairman and Chief Executive Officer of Equity Reserve Corp, a controlled affiliate of Phoenix which acquired the Redeemable Convertible Debenture due 1998 of the Company from Phoenix. David P. Hall, a Director of the Company, is the President of Equity Reserve Corp. David A. Knight, a Director of the Company, is a director of Phoenix and

a partner of Lang Michener, Toronto, Canada, a law firm which is expected to perform services for the Company. See Item 1. Business and Note 18 to the Financial Statements.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) (1) Financial Statements:

See Index to Financial Statements and Schedules on page F-1.

(2) Financial Statement Schedules:

See Index to Financial Statements and Schedules on page F-1.

(3) Exhibits:

- 3.1 Restated Certificate of Incorporation of the Company, dated January 3, 1990 (filed as Exhibit 3.2 to the Company's quarterly report on Form 10-Q for the quarter ended December 31, 1989 and incorporated herein by reference).
- 3.2 By-laws of the Company, as amended (filed as Exhibit 3.3 to the Company's quarterly report on Form 10-Q for the quarter ended December 31, 1989 and incorporated herein by reference).
4. Revolving Credit Agreement dated October 1, 1990 among Atlas Gold Mining Inc. (a wholly-owned subsidiary), Atlas Precious Metals, Inc. (a wholly-owned subsidiary), the Company and Bank of America National Trust and Savings Association (filed as Exhibit 10.1 to the Company's quarterly report on Form 10-Q for the quarter ended September 30, 1990 and incorporated herein by reference).
- 4.1 First Amendment dated as of December 18, 1991 to the Revolving Credit Agreement dated October 1, 1990 among Atlas Gold Mining Inc. (a wholly-owned subsidiary), Atlas Precious Metals, Inc. (a wholly-owned subsidiary), the Company and Bank of America National Trust and Savings Association (filed as Exhibit 19 to the Company's quarterly report on Form 10-Q for the quarter ended March 31, 1992 and incorporated herein by reference).

- 4.2 Second Amendment dated as of June 30, 1992 to the Revolving Credit Agreement dated October 1, 1990 among Atlas Gold Mining Inc. (a wholly-owned subsidiary), Atlas Precious Metals, Inc. (a wholly-owned subsidiary), the Company and Bank of America National Trust and Savings Association.
- 4.3 Letter dated September 23, 1992 from Bank of America National Trust and Savings Association to the Company, Atlas Gold Mining Inc. (a wholly-owned subsidiary) and Atlas Precious Metals, Inc. (a wholly-owned subsidiary).
- 10.1 Atlas Corporation Management Incentive Compensation Plan (filed as Exhibit 10.2 to the Company's annual report on Form 10-K (file no. 1-2714) for the fiscal year ended June 30, 1981 and incorporated herein by reference).
- 10.2 Supplemental Pension Agreement dated as of January 1, 1983 between the Company and Edward R. Farley, Jr. (filed as Exhibit 10.10 to the Company's annual report on Form 10-K (file no. 1-2714) for the fiscal year ended June 30, 1983 and incorporated herein by reference).
- 10.3 Amendment dated as of October 1, 1985 to the Supplemental Pension Agreement dated January 1, 1983 between the Company and Edward R. Farley, Jr. (filed as Exhibit 10.9 to the Company's annual report on Form 10-K for the fiscal year ended June 30, 1986 and incorporated herein by reference).
- 10.4 Form of Indemnity Agreement entered into between the Company and certain of its directors (filed as Exhibit 10.14 to the Company's annual report on Form 10-K for the fiscal year ended June 30, 1987 and incorporated herein by reference).
- 10.5 Agreement dated as of March 2, 1988 between the Company and Edward R. Farley, Jr. (filed as Exhibit 10.3 to the Company's quarterly report on Form 10-Q for the quarter ended March 31, 1988 and incorporated herein by reference).

- 10.6 Agreement dated as of March 2, 1988 between the Company and Walter G. Clinchy (filed as Exhibit 10.4 to the Company's quarterly report on Form 10-Q for the quarter ended March 31, 1988 and incorporated herein by reference).
- 10.7 Trust Agreement dated as of March 3, 1988 between the Company and Manufacturers Hanover Trust Company (filed as Exhibit 10.5 to the Company's quarterly report on Form 10-Q for the quarter ended March 31, 1988 and incorporated herein by reference).
- 10.8 Amendment dated August 2, 1989 to the Agreement dated as of March 2, 1988 between the Company and Edward R. Farley, Jr. (filed as Exhibit 10.23 to the Company's annual report on Form 10-K for the fiscal year ended June 30, 1989 and incorporated herein by reference).
- 10.9 Amendment dated August 2, 1989 to the Agreement dated as of March 2, 1988 between the Company and Walter G. Clinchy (filed as Exhibit 10.24 to the Company's annual report on Form 10-K for the fiscal year ended June 30, 1989 and incorporated herein by reference).
- 10.10 Amendments dated August 2, 1989 and August 21, 1989 to the Trust Agreement dated as of March 3, 1988 between the Company and Manufacturers Hanover Trust Company (filed as Exhibit 10.25 to the Company's annual report on Form 10-K for the fiscal year ended June 30, 1989 and incorporated herein by reference).
- 10.11 Amended and Restated Rights Agreement dated as of August 2, 1989 between the Company and Manufacturers Hanover Trust Company (filed as Exhibit 1 to the Company's current report on Form 8-K dated August 2, 1989 and incorporated herein by reference).
- 10.12 Long Term Incentive Plan of the Company dated November 1, 1989 (filed as Exhibit 10.28 to the Company's annual report on Form 10-K for the fiscal year ended June 30, 1989 and incorporated herein by reference).
- 10.13 Atlas Corporation Supplemental Executive Retirement Plan dated as of January 3, 1990 (filed as Exhibit 10.2 to the Company's quarterly report on Form 10-Q for the quarter ended March 31, 1990 and incorporated herein by reference).

- 10.14 Atlas Corporation Retirement Plan for Outside Directors dated April 4, 1990 (filed as Exhibit 10.3 to the Company's quarterly report on Form 10-Q for the quarter ended March 31, 1990 and incorporated herein by reference).
- 10.15 Amendment dated April 4, 1990 to the Trust Agreement dated as of March 3, 1988 between the Company and Chemical Bank, as successor by merger with Manufacturers Hanover Trust Company (filed as Exhibit 10.21 to the annual report on Form 10-K for the fiscal year ended June 30, 1990 and incorporated herein by reference).
- 10.16 Restated Employment Agreement dated as of September 12, 1990 between the Company and Richard R. Weaver (filed as Exhibit 10.22 to the annual report on Form 10-K for the fiscal year ended June 30, 1990 and incorporated herein by reference).
- 10.17 Amendment No. 1, dated as of March 6, 1991, to the Amended and Restated Employment Agreement, dated as of September 12, 1990, between the Company and Richard R. Weaver (filed as Exhibit 10.1 to the Company's quarterly report on Form 10-Q for the quarter ended March 31, 1991 and incorporated herein by reference).
- 10.18 Employment Agreement, dated as of July 23, 1990, between the Company and Robert A. Sherman (filed as Exhibit 10.2 to the Company's quarterly report on Form 10-Q for the quarter ended March 31, 1991 and incorporated herein by reference).
- 10.19 Atlas Corporation Annual Incentive Plan adopted by the Board of Directors of the Company on March 6, 1991 (filed as Exhibit 10.20 to the Company's annual report on Form 10-K for the year ended June 30, 1991 and incorporated herein by reference).
- 10.20 Amendments dated November 7, 1990 and January 9, 1991 to the Trust Agreement dated as of March 3, 1988 between the Company and Manufacturers Hanover Trust Company (filed as Exhibit 10.21 to the Company's annual report on Form 10-K for the year ended June 30, 1991 and incorporated herein by reference).

- 10.21 Amendment dated July 1, 1992 to the Trust Agreement dated as of March 3, 1988 between the Company and Chemical Bank, as successor by merger with Manufacturers Hanover Trust Company (filed as Exhibit 10.21 to the Company's annual report on Form 10-K for the year ended June 30, 1992 and incorporated herein by reference).
- 10.22 Agreement dated September 10, 1992 among Atlas Precious Metals, Inc., the Company and Newmont Mining Corporation (filed as Exhibit 10.22 to the Company's annual report on Form 10-K for the year ended June 30, 1992 and incorporated herein by reference).
- 10.23 Amendment dated September 10, 1992 to the Agreement dated September 10, 1992 among Atlas Precious Metals, Inc., the Company and Newmont Mining Corporation (filed as Exhibit 10.23 to the Company's annual report on Form 10-K for the year ended June 30, 1992 and incorporated herein by reference).
- 10.24 Securities Purchase Agreement dated September 3, 1993 between the Company and Phoenix Financial Holdings Inc. (filed as Exhibit 2 to Company's Report on Form 8-K filed on September 9, 1993 and incorporated herein by reference).
- 10.25 Contract for Mining dated as of April 5, 1993 between Atlas Gold Mining Inc. and Brown and Root, Inc. and the Master Restructuring Agreement dated as of April 23, 1993 among the Company, Atlas Gold Mining Inc., Atlas Precious Metals Inc. and Brown and Root, Inc.
- 10.26 Amendment dated as of September 15, 1993 to the Amended and Restated Rights Agreement dated as of August 2, 1989 between the Company and Chemical Bank, as successor by merger with Manufacturers Hanover Trust Company.

22 Subsidiaries of the Company

24 Consent of Independent Auditors

(b) Reports on Form 8-K

No reports on Form 8-K were filed by the Company during the last quarter of the fiscal year ended June 30, 1993.

For purposes of complying with the amendments to the rules governing Form S-8 (effective July 13, 1980) under the Securities Act of 1933, the undersigned hereby undertakes as follows, which undertaking shall be incorporated by reference into the Company's Registration Statement on Form S-8 No. 33-18316 (filed on November 3, 1987, as amended by Post Effective Amendment No. 1 filed on December 15, 1987):

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by the director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Note concerning Exhibits: The Company will furnish copies of Exhibits to security holders of the Company upon request. The Company may charge a fee in connection with such a request, which will be limited to the Company's reasonable expenses in furnishing any such Exhibit.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ATLAS CORPORATION

By: /s/ David J. Birkenshaw
David J. Birkenshaw
Chief Executive officer

Date: October 5, 1993

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated.

/s/ David J. Birkenshaw Chief Executive
David J. Birkenshaw Officer and Director October 5, 1993

/s/ Steve Manz President and Chief
Steve Manz Financial Officer (Principal
Financial and Accounting
Officer) October 5, 1993

/s/ James D. Beatty Director October 8, 1993
James D. Beatty

/s/ Douglas R. Cook Director October 9, 1993
Douglas R. Cook

/s/ David P. Hall Director October 8, 1993
David P. Hall

/s/ David A. Knight Director October 8, 1993
David A. Knight

/s/ Edgar M. Masinter Director October 12, 1993
Edgar M. Masinter

ATLAS CORPORATION AND ITS SUBSIDIARIES
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JUNE 30, 1993, 1992 AND 1991

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The foregoing additional financial data and supporting schedules should be read in conjunction with the Financial Statements and notes thereto.

Schedules other than those listed above are omitted for the reason that they are not required or are not applicable or the required information is shown in the Financial Statements or notes thereto.

CONSENT OF INDEPENDENT AUDITORS

We consent to the addition of the financial statement schedules, listed in the accompanying index to financial statements, to the financial statements covered by our report dated September 20, 1993, included herein.

We also consent to the incorporation by reference in Post Effective Amendment Number 19 to Registration Statement Number 2-8439 on Form S-3 dated November 10, 1983 and Post Effective Amendment Number 1 to Registration Statement Number 33-18316 on Form S-8 dated December 14, 1987 and in the Related Prospectuses of our report on the financial statements and schedules included in this Annual Report on Form 10-K of Atlas Corporation for the year ended June 30, 1993.

Ernst + Young

Denver, Colorado
October 12, 1993

ATLAS CORPORATION AND SUBSIDIARIES
SCHEDULE V - PROPERTY, PLANT AND EQUIPMENT (A)
For the Years Ended June 30, 1993, 1992 and 1991

Column A	Column B	Column C	Column D	Column E	Column F
Classification	Balance at Beginning of Period	(B) Additions at Cost	Retirements or Sales	(C) Other Changes Add (Deduct)	Balance at End of Period
Year ended June 30, 1993:					
Property and leaseholds	\$ 2,256,000	\$ -	\$ -	\$ -	\$ 2,256,000
Land improvements	4,824,000	609,000	-	-	5,433,000
Deferred exploration and development costs:					
Producing	24,777,000	6,190,000	-	(30,967,000)	-
Nonproducing	14,260,000	865,000	(11,439,000)	(3,398,000)	288,000
Buildings and equipment	43,126,000	254,000	(6,180,000)	-	37,200,000
Total	<u>\$ 89,243,000</u>	<u>\$ 7,918,000</u>	<u>\$ (17,619,000)</u>	<u>\$ (34,365,000)</u>	<u>\$ 45,177,000</u>
Year ended June 30, 1992:					
Property and leaseholds	\$ 59,000	\$ 2,197,000	\$ -	\$ -	\$ 2,256,000
Land improvements	4,799,000	25,000	-	-	4,824,000
Deferred exploration and development costs:					
Producing	20,810,000	3,967,000	-	-	24,777,000
Nonproducing	12,259,000	2,001,000	-	-	14,260,000
Buildings and equipment	42,522,000	617,000	(13,000)	-	43,126,000
Total	<u>\$ 80,449,000</u>	<u>\$ 8,807,000</u>	<u>\$ (13,000)</u>	<u>\$ -</u>	<u>\$ 89,243,000</u>
Year ended June 30, 1991:					
Property and leaseholds	\$ 59,000	\$ -	\$ -	\$ -	\$ 59,000
Land Improvements	646,000	4,153,000	-	-	4,799,000
Deferred Exploration and development costs:					
Producing	14,503,000	6,307,000	-	-	20,810,000
Nonproducing	8,615,000	3,054,000	-	590,000	12,259,000
Buildings and equipment	38,988,000	3,612,000	(78,000)	-	42,522,000
Total	<u>\$ 62,811,000</u>	<u>\$ 17,126,000</u>	<u>\$ (78,000)</u>	<u>\$ 590,000</u>	<u>\$ 80,449,000</u>

Note: (A) Depreciation method for property, plant and equipment is set forth in Note 1 to the Company's Financial Statements.

(B) The principal reason for the asset additions in fiscal years 1993, 1992 and 1991 was the expansion and modification of the Gold Bar mill, development of the Gold Bar Resource Area properties and development expenses at Grassy Mountain.

(C) See Note 4 to the Company's Financial Statements as it relates to the impairment of assets recorded in fiscal year 1993.

ATLAS CORPORATION AND SUBSIDIARIES
SCHEDULE VI – ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION
OF PROPERTY, PLANT AND EQUIPMENT (A)
For the Years Ended June 30, 1993, 1992 and 1991

Column A	Column B	Column C	Column D	Column E	Column F
Classification	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Retirements or Sales	(B) Other Changes Add (Deduct)	Balance at End of Period
Year ended June 30, 1993:					
Property and leaseholds	\$ 179,000	\$ 310,000	\$ -	\$ 1,767,000	\$ 2,256,000
Land improvements	1,264,000	541,000	-	3,628,000	5,433,000
Deferred exploration and development costs:					
Producing	13,790,000	3,210,000		(17,000,000)	-
Nonproducing	-	-	-		-
Buildings and equipment	22,425,000	4,944,000	(4,295,000)	9,038,000	32,112,000
Total	<u>\$ 37,658,000</u>	<u>\$ 9,005,000</u>	<u>\$ (4,295,000)</u>	<u>\$ (2,567,000)</u>	<u>\$ 39,801,000</u>
Year ended June 30, 1992:					
Property and leaseholds	\$ 28,000	\$ 151,000	\$ -	\$ -	\$ 179,000
Land improvements	427,000	837,000	-	-	1,264,000
Deferred exploration and development costs:					
Producing	6,673,000	7,117,000		-	13,790,000
Nonproducing	-	-	-		-
Buildings and equipment	17,860,000	3,732,000	-	833,000	22,425,000
Total	<u>\$ 24,988,000</u>	<u>\$ 11,837,000</u>	<u>\$ -</u>	<u>\$ 833,000</u>	<u>\$ 37,658,000</u>
Year ended June 30, 1991:					
Property and leaseholds	\$ 22,000	\$ 6,000	\$ -	\$ -	\$ 28,000
Land Improvements	-	427,000	-	-	427,000
Deferred Exploration and development costs:					
Producing	2,620,000	4,053,000	-	-	6,673,000
Nonproducing	-	-	-	-	-
Buildings and equipment	13,781,000	3,575,000	(63,000)	567,000	17,860,000
Total	<u>\$ 16,423,000</u>	<u>\$ 8,061,000</u>	<u>\$ (63,000)</u>	<u>\$ 567,000</u>	<u>\$ 24,988,000</u>

Note: (A) Depreciation method for property, plant and equipment is set forth in Note 1 to the Company's Financial Statements included herein.

(B) See Note 4 to the Company's Financial Statements as it relates to the impairment of assets recorded in fiscal year 1993.

ATLAS CORPORATION AND SUBSIDIARIES
 SCHEDULE VIII – VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
 For the Years Ended June 30, 1993, 1992 and 1991

Column A	Column B	Column C Additions		Column E	Column F
Classification	Balance at Beginning of Period	Charged to Costs and Expenses	(C) Charged to Other Accounts	(B) Deductions	Balance at End of Period
Year ended June 30, 1993:					
Provision for loss from disposal of discontinued operations	\$ 11,958,000	\$ 912,000	\$ 170,000	\$ (1,351,000)	\$ 11,689,000
Year ended June 30, 1992:					
Provision for loss from disposal of discontinued operations	\$ 13,317,000	\$ -	\$ -	\$ (1,359,000)	\$ 11,958,000
Year ended June 30, 1991:					
Provision for loss from disposal of discontinued operations (A)	\$ 11,336,000	\$ 3,000,000	\$ -	\$ (1,019,000)	\$ 13,317,000

Note: (A) Restated from prior year to reflect the balance at June 30, 1991 of the accrued liability for reclamation and uranium shutdown costs. The balance at June 30, 1993 consists of \$880,000 in Accrued liabilities and \$7,398,000 in Other liabilities, long-term.

(B) Represents costs incurred.

(C) Represents net proceeds from the disposition of assets

ATLAS CORPORATION AND SUBSIDIARIES
 SCHEDULE X – SUPPLEMENTARY INCOME STATEMENT INFORMATION
 For the Years Ended June 30, 1993, 1992 and 1991

Year ended June 30, 1993:

1. Maintenance and repairs	\$	16,000
2. Taxes, other than payroll and income taxes	\$	322,000

Year ended June 30, 1992:

1. Maintenance and repairs	\$	8,000
2. Taxes, other than payroll and income taxes	\$	587,000

Year ended June 30, 1991:

1. Maintenance and repairs	\$	12,000
2. Taxes, other than payroll and income taxes	\$	746,000

Notes:

	<u>1993</u>	<u>1992</u>	<u>1991</u>
Detail of taxes:			
Property and production taxes	\$ 234,000	\$ 746,000	\$ 830,000
Other taxes	<u>88,000</u>	<u>—</u>	<u>—</u>
	<u>\$ 322,000</u>	<u>\$ 746,000</u>	<u>\$ 830,000</u>

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

COMMISSION FILE NO. 1-2714

(Mark One)

(X) Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the quarterly period ended March 31, 1994

or

() Transition Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the transition period from _____
to _____

ATLAS CORPORATION

(Exact name of registrant as specified
in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

13-5503312

(I. R. S. Employer
Identification No.)

370 Seventeenth Street, Suite 3150, Denver, CO 80202

(Address of principal executive offices)
(Zip Code)

(303) 825-1200

(Registrant's telephone number)
(including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No _____

As of May 13, 1994, 9,348,954 shares of Common Stock, par value \$1 per share, were issued and outstanding.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

ATLAS CORPORATION AND ITS SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS
 (In Thousands)
 (Unaudited)

	March 31, <u>1994</u>	June 30, <u>1993</u>
<u>ASSETS</u>		
Current assets:		
Cash and short-term investments	\$ 8,064	\$ 1,734
Trade accounts and other receivables	900	529
Inventories (Note 3)	2,732	3,839
Prepaid expenses and other current assets	<u>148</u>	<u>231</u>
Total current assets	11,844	6,333
Property, plant and equipment	49,082	45,177
Less, accumulated depreciation, depletion, amortization and impairment	<u>(43,335)</u>	<u>(39,601)</u>
	5,747	5,376
Other assets (Note 6)	<u>7,994</u>	<u>7,840</u>
	<u>\$ 25,585</u>	<u>\$ 19,549</u>
<u>LIABILITIES</u>		
Current liabilities:		
Short-term debt	\$ -	\$ 3,524
Trade accounts payable	1,155	1,835
Accrued liabilities (Note 6)	2,653	3,303
Income taxes payable	<u>272</u>	<u>487</u>
Total current liabilities	4,080	9,149
Convertible debenture (Note 7)	3,500	-
Other long-term liabilities (Note 6)	13,801	14,807
<u>STOCKHOLDERS' EQUITY (DEFICIT)</u>		
Common stock	9,349	6,336
Capital in excess of par value	31,227	22,832
Retained deficit	<u>(36,372)</u>	<u>(33,575)</u>
Total stockholders' equity (deficit)	<u>4,204</u>	<u>(4,407)</u>
	<u>\$ 25,585</u>	<u>\$ 19,549</u>

See notes to consolidated financial statements.

ATLAS CORPORATION AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, Except Per Share Data)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
Mining revenue	\$ 3,252	\$ 4,895	\$17,423	\$13,745
Production costs	5,177	7,540	17,920	19,620
Exploration costs	313	285	1,586	1,150
General and administrative	<u>644</u>	<u>1,300</u>	<u>2,479</u>	<u>3,190</u>
Loss from operations	<u>(2,882)</u>	<u>(4,230)</u>	<u>(4,562)</u>	<u>(10,215)</u>
Gain on disposition of property	-	-	-	17,803
Interest income	108	68	235	179
Other income (expense)	110	(155)	173	(196)
Interest expense	<u>(92)</u>	<u>-</u>	<u>(324)</u>	<u>(74)</u>
Income (loss) from continuing operations	(2,756)	(4,317)	(4,478)	7,497
Gain (loss) from discontinued operations (Note 8)	<u>279</u>	<u>(670)</u>	<u>1,681</u>	<u>(670)</u>
Income (loss) before income taxes	(2,477)	(4,987)	(2,797)	6,827
Income tax (expense) credit	<u>-</u>	<u>323</u>	<u>-</u>	<u>(3,407)</u>
Income (loss) before extra- ordinary credit	(2,477)	(4,664)	(2,797)	3,420
Extraordinary credit (expense)- utilization of tax loss carryforwards	<u>-</u>	<u>(353)</u>	<u>-</u>	<u>2,777</u>
Net income (loss)	<u>\$ (2,477)</u>	<u>\$ (5,017)</u>	<u>\$ (2,797)</u>	<u>\$ 6,197</u>
Per share of common stock and common stock equivalents:				
Income (loss) from continuing operations	\$ (.30)	\$ (.63)	\$ (.57)	\$.65
Gain (loss) from discontinued operations	<u>.03</u>	<u>(.11)</u>	<u>.22</u>	<u>(.11)</u>
Income (loss) before extra- ordinary credit	(.27)	(.74)	(.35)	.54
Extraordinary credit (expense)- utilization of tax loss carryforwards	<u>-</u>	<u>(.05)</u>	<u>-</u>	<u>.44</u>
Net income (loss)	<u>\$ (.27)</u>	<u>\$ (.79)</u>	<u>\$ (.35)</u>	<u>\$.98</u>
Average number of common and common equivalent shares outstanding during each period	<u>9,031</u>	<u>6,336</u>	<u>7,901</u>	<u>6,336</u>

See notes to consolidated financial statements.

ATLAS CORPORATION AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	Nine Months Ended	
	March 31,	
	<u>1994</u>	<u>1993</u>
Operating activities:		
Net income (loss)	\$(2,797)	\$ 6,197
Loss (gain) from discontinued operations	(1,459)	670
Add (deduct) non-cash items:		
Depreciation, depletion, amortization	4,061	6,742
Loss on sale of equipment	-	147
Gain on lease transaction	-	(17,803)
Net change in non-cash items		
related to operations (Note 4)	(827)	1,211
Cash used in continuing operations	<u>(1,022)</u>	<u>(2,836)</u>
From discontinued operations:		
Gain (loss) from discontinued operations	1,459	(670)
Change in accounts receivables	(800)	-
Change in long-term liabilities	(102)	670
Change in estimated uranium		
reclamation costs	<u>(433)</u>	<u>(431)</u>
Cash provided by (used in)		
discontinued operations	<u>124</u>	<u>(431)</u>
Cash used in operating activities	<u>(898)</u>	<u>(3,267)</u>
Investing activities:		
Additions to property, plant and		
equipment	(4,303)	(6,404)
Collateralized letter of credit	-	(6,500)
Proceeds from lease transaction	-	30,000
Proceeds from the sale of equipment	<u>434</u>	<u>210</u>
Cash provided by (used in)		
investing activities	<u>(3,869)</u>	<u>17,306</u>
Financing activities:		
Changes in bank borrowings	-	(13,999)
Repayment of short-term note	(3,524)	-
Proceeds from the issuance of		
convertible debenture	3,500	-
Proceeds from the issuance of		
common stock	12,421	-
Costs associated with the issuance		
of debenture and stock	<u>(1,300)</u>	<u>-</u>
Cash provided by (used in)		
financing activities	<u>11,097</u>	<u>(13,999)</u>
Increase in cash		
and cash equivalents	6,330	40
Cash and cash equivalents:		
Beginning of period	<u>1,734</u>	<u>552</u>
End of period	<u>\$ 8,064</u>	<u>\$ 592</u>

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Effective July 1, 1993 the Registrant adopted the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS 109). SFAS 109 requires the Registrant to recognize deferred tax liabilities and assets for the expected future tax consequences of events that have been recognized in a company's financial statements and tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement carrying amounts and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. The Registrant has not recognized the benefit of any net operating loss carryforwards as the result of adopting SFAS 109. The change had no material cumulative effect on the financial statements upon adoption of the new method.

A majority of the Registrant's operating loss carryovers are restricted by U.S. tax laws which limit the utilization of net operating loss carryovers after a change in ownership.

Due to the net loss for the nine month period ended March 31, 1994, no provision for income tax was recorded.

2. The financial information contained in this report reflects all adjustments which are of a normal recurring nature that the Registrant considers necessary for a fair presentation of the results of operations for the periods indicated.
3. Inventories consisted of the following:

	March 31, 1994	June 30, 1993
Raw materials	\$ 572	\$ 1,157
Work in process	613	832
Finished goods	520	662
Supplies	<u>1,027</u>	<u>1,188</u>
	<u>\$ 2,732</u>	<u>\$ 3,839</u>

4. The components of the net change in items other than cash related to operating activities as reflected in the Consolidated Statements of Cash Flows are as follows:

	Nine Months Ended March 31,	
	<u>1994</u>	<u>1993</u>
Add (deduct) items other than cash:		
Trade accounts and other receivables	\$ (6)	\$ (172)
Inventories	383	(722)
Prepaid expenses and other current assets	367	(579)
Other assets	133	139
Trade accounts payable	(17)	1,907
Accrued liabilities	(1,224)	844
Other long-term liabilities	<u>(463)</u>	<u>(206)</u>
	<u>\$ (827)</u>	<u>\$ 1,211</u>

5. The Registrant regularly assesses its ability to recover the carrying value of its assets and recognizes an impairment when it is determined that the remaining unamortized costs cannot be recovered from undiscounted cash flows over the remaining mine life.
6. Other assets consisted of the following:

	March 31, 1994	June 30, 1993
Restricted cash:		
Collateral for a \$6,500,000 letter of credit (a)	\$6,506,000	\$6,617,000
Collateral for a \$750,000 reclamation bond (b)	765,000	765,000
Other restricted cash (b)	453,000	453,000
Capitalized financing costs	270,000	-
Other	-	5,000
	<u>\$7,994,000</u>	<u>\$7,840,000</u>

- (a) Securing the performance of the Registrant's uranium reclamation obligation.
- (b) Securing the performance of the Registrant's Gold Bar reclamation obligation.

Other accrued liabilities consisted of the following:

	March 31, 1994	June 30, 1993
Accrued compensation	\$ 608,000	\$ 822,000
Reclamation and uranium shut down cost, short-term	880,000	880,000
Other	1,165,000	1,601,000
	<u>\$2,653,000</u>	<u>\$3,303,000</u>

Other liabilities, long-term consisted of the following:

	March 31, 1994	June 30, 1993
Reclamation and uranium shut down cost, long-term	\$ 6,965,000	\$ 7,398,000
Pension and deferred compensation arrangements	1,318,000	1,708,000
Mine reclamation accrual	2,081,000	1,539,000
Accrued asbestos reclamation costs (Note 8)	1,572,000	2,074,000
Atlas Building Systems Div. litigation obligation	680,000	1,000,000
Accrued postretirement benefit obligation	1,185,000	1,068,000
Other	-	20,000
	<u>\$13,801,000</u>	<u>\$14,807,000</u>

The Registrant believes that all accruals related to estimated shutdown expenses, reclamation and litigation obligations are adequate, but are subject to adjustment to reflect actual costs incurred.

7. On September 20, 1993, the Registrant closed under a Securities Purchase Agreement with Phoenix Financial Holdings, Inc. which provided for the sale by the Registrant for an aggregate of \$8,375,000 of (i) 1,500,000 shares of the Registrant's Common Stock, (ii) a Redeemable Convertible Debenture due 1998 of the Registrant in the principal amount of \$3,500,000, which is convertible as to principal into Common Stock at the rate of \$4.00 per share and bears interest at the rate of 3% per annum payable in cash or Common Stock at the rate of \$4.00 per share, and (iii) Warrants to purchase for three years 2,000,000 shares of Common Stock at \$3.625 per share. Of such securities, the 1,500,000 shares of the Registrant's Common Stock and 750,000 of the Warrants to Purchase Common Stock were sold to various investors in a private placement underwritten by First Marathon Securities Limited.

On January 18, 1994, the Registrant sold for \$7,500,000 in gross proceeds, 1,500,000 shares of Common Stock for \$5.00 per share in a private placement arranged by IBK Capital Corp. of Toronto, Canada. The shares were placed outside the United States with a number of gold funds in Canada and European institutional investors.

8. During fiscal year 1988, the United States Environmental Protection Agency (the "EPA") notified the Registrant that it was one of several potentially responsible parties ("PRPs") for cleanup costs incident to the presence of asbestos and other materials ("Contaminants") at the Registrant's former asbestos mine and mill site (the "Mine and Mill Site") near Coalinga, California and in the City of Coalinga (the "City of Coalinga Site"). A prolonged period of inquiry and administrative process concerning this matter followed.

In fiscal years 1993 and 1991, the Registrant established a reserve of, and recorded as an expense, \$600,000 and \$3,000,000, respectively, to cover the Registrant's share of costs that may be incurred in connection with the foregoing matters. This accrual reflects participation by the BLM. The Registrant has also instituted legal action against thirteen insurance carriers which had issued insurance policies over a period of more than 25 years, with respect to the Mine and Mill Site and the City of Coalinga Site. During the second and third quarters of fiscal year 1994, the Registrant reached settlement with a number of these carriers and recorded, respectively, a gain from discontinued operations of \$1,300,000 and \$279,000. The Registrant continues to negotiate and believes that the remaining reserve is adequate, but is still subject to further adjustment to reflect the actual costs incurred.

9. The Registrant is obligated to decommission and reclaim its uranium mill site located near Moab, Utah. Since the Registrant has discontinued its uranium operations and permanently shut down its uranium mill and mines, estimated shut-down expenses, including reclamation costs, of \$17,406,000 were accrued at June 30, 1987. The balance in this accrual at March 31, 1994 was \$7,845,000 and the reclamation plan extends over the next six to eight years. "The Comprehensive National Energy Policy Act", which was enacted in October 1992, provides for the reimbursement of reclamation expenses related to uranium sites with tailings generated by Atomic Energy Commission contracts. With respect to the Registrant's discontinued uranium operations a significant portion of the tailings were generated under such contracts. The Registrant's liability for discontinued uranium operations will be reduced by this Government cost sharing program.

The amount of this Government cost sharing program has not been determined. The Registrant believes the accrual is sufficient to cover its share of future costs.

10. On April 28, 1994, the Registrant entered into a private agreement to purchase 12,694,200 shares, or 37%, of Granges, Inc. at a cash price of Cdn. \$4.00 per share for aggregate consideration of approximately Cdn. \$50,000,000. In order to finance the acquisition the Registrant will seek to effect an equity financing which will be conditional on due diligence and regulatory and shareholder approval. Granges, Inc. is a Canadian base and precious metals mining company. Its principal mining operations and sources of earnings are its 29% joint venture interest in the Trout Lake mine in Manitoba, Canada and the Crofoot/Lewis gold mine in Nevada, operated through its 50.5% owned subsidiary, Hycroft Resources & Development Corp. Granges has recently announced that it has accepted an offer to sell its interest in the Trout Lake mine to Hudson Bay Mining and Smelting Co., Limited for a total consideration of Cdn. \$33,000,000 plus return of working capital, payable in cash. Completion of that sale is subject to completion of a definitive agreement of purchase and sale and to the election of Manitoba Mineral Resources Ltd., the owner a 27% interest in the Trout Lake mine, not to exercise its right to purchase Granges, interest under its right of first refusal.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Mining revenue for the nine months ended March 31, 1994 was \$17,423,000, compared to \$13,745,000 for the nine months ended March 31, 1993. Mining revenue for the three months ended March 31, 1994 was \$3,252,000, compared to mining revenue of \$4,895,000 for the three months ended March 31, 1993. The increase in mining revenue for the nine months ended March 31, 1994 was attributable to increased production during the first six months of the fiscal year combined with a higher average gold price realized. The increase in production of approximately 16% for the nine months is attributable primarily to the Registrant mining the higher grade ore from the Goldstone North and Gold Canyon deposits during the first six months of the fiscal year and increased emphasis on ore control procedures. Revenue and production during the three months ended March 31, 1994 decreased primarily as a result of the suspension of mining operations in January and due to the processing of lower grade and refractory stockpile ore. During the nine months ended March 31, 1994, 46,200 ounces of gold were produced and mining revenue was recognized at an average of \$377 per ounce, compared to 39,900 ounces produced and mining revenue recognized at an average of \$346 per ounce for the comparable nine months of the prior fiscal year. During the three months ended March 31, 1994, 8,500 ounces of gold were produced and mining revenue was recognized at an average of \$381 per ounce, compared to 14,400 ounces produced and mining revenue recognized at an average of \$339 per ounce for the comparable three months of the prior fiscal year.

Production costs for the nine and three months ended March 31, 1994 decreased \$1,700,000, or 9%, and \$2,363,000, or 31%, respectively, versus the comparable periods in fiscal 1993. The per ounce cost of gold produced during the nine months ended March

31, 1994 decreased \$104 per ounce, or 21% compared to that period in fiscal 1993. This decrease resulted because of the higher ore grades mined during the first six months of the fiscal year. The per ounce cost of gold produced during the three month period ended March 31, 1994 increased \$85 per ounce, or 16%, versus the three month period ended March 31, 1993. This increase was the result of processing lower grade and refractory stockpile ore. Lower noncash costs resulted from the impairment of the Registrant's mining assets recognized in fiscal 1993.

The Registrant had a net loss of \$2,797,000 for the nine months ended March 31, 1994, compared to net income of \$6,197,000 for the comparable period in fiscal 1993. The net loss for the three months ended March 31, 1994 was \$2,477,000, compared to a net loss of \$5,017,000 for the comparable period in fiscal 1993. The gain from the lease of the Grassy Mountain and Musgrove Creek properties accounted for \$17,203,000, net of a \$600,000 tax expense, of the net income for the nine month period ended March 31, 1994.

The Registrant's general and administrative expense for the nine and three months ended March 31, 1994 decreased \$711,000, or 22%, and \$656,000, or 50%, respectively, as they relate to the comparable periods in fiscal 1993. The nine month period ended March 31, 1994 includes \$490,000 in payments to former officers that were made in satisfaction of employment agreements and severance packages. The decrease for the nine and three month periods ended March 31, 1994 were a result of further cost cutting measures. The nine month period ended March 31, 1994 also includes a \$1,681,000 gain from discontinued operations referred to in Note 8 to the financial statements.

The Registrant's revenue and income for the periods set forth are not necessarily indicative of the results in any future period because revenue and income from the production of gold may vary significantly between periods depending on the Registrant's ability to produce gold and the future market price of gold. Subsequent to the change in management which resulted from the transaction referred to in Note 7 to the Financial Statements, the Registrant initiated a confirmation drilling program at its Gold Canyon deposit. This program indicated that continued mining to the bottom of the original pit design would prove to be uneconomic. As a result, mineable ounces in this pit were reduced by 35% from the previously stated 61,400 contained ounces and milling of Gold Canyon ore ceased at the end of January 1994 rather than in April 1994 as previously planned. As mentioned previously, mining at the satellite deposits has been halted since the completion of mining at the Gold Canyon deposit in January. The Registrant is currently in the process of completing numerous studies aimed at determining the ultimate feasibility of resuming mining at the Gold Pick, Gold Ridge and Goldstone deposits. Results from a recent 235 hole development drilling program, in addition to information which is currently being generated from an underground exploration program at the Gold Pick deposit, are currently being used in the development of mine plans. Numerous metallurgical tests are also nearing completion regarding possible cost improvements in processing lower grade material in a new heap leach operation, and processing refractory material in a modified refractory circuit.

A plan of operations has been submitted to the State of Nevada for the construction of a heap leach pad at the Registrant's permitted site, and preliminary recovery figures from column leach tests show recoveries averaging in excess of 80%. The generation of detailed capital and operating costs for a leach pad operation is still in progress. A pilot plant test is also currently being conducted at an independent research facility to finalize anticipated recoveries and costs associated with modifying the Registrant's existing refractory circuit. It is anticipated that completion of the feasibility study for the continued mining of the satellite deposits will be completed in June.

The Registrant has hired a contract mining firm to conduct underground exploration at the Gold Pick deposit and the underground mining at the Goldstone deposit, and has expended \$170,000 through March 31, 1994. Stockpiled material, in conjunction with higher grade feed generated from the underground mining at Goldstone, will be the main sources of mill feed until the completion of the satellite feasibility study. Mining of this material will be suspended should the grades or recoveries fall below such a point as the operation is no longer able to achieve a cash flow break-even.

Working capital was \$7,764,000 at March 31, 1994 and \$(2,816,000) at June 30, 1993. The Registrant's current ratio was 2.90 to 1 at March 31, 1994, compared to .69 to 1 at June 30, 1993. The improved working capital condition resulted primarily from the Securities Purchase Agreements referred to in Note 7. The working capital infusion received from the private placements referred to in Note 7 will enable the Registrant to continue its \$3,000,000 exploration program, fund the construction of the heap leach pad discussed below and the underground mining program. The Registrant has repaid all of its short term debt as of January 4, 1994 and the security interest granted relative to that debt has been removed.

The Registrants' capital expenditures in the nine months ended March 31, 1994 were \$4,303,000, all of which were for the Registrant's gold operations and the further development of its Gold Bar project deposits. The Registrant anticipates near term capital expenditures for the engineering and construction of a heap leach pad, underground mining, the possible purchase of additional mining equipment and further development drilling. Funds required for the further development and mining of its gold deposits will, to the extent possible, be obtained from the sale of gold and proceeds from the financing transactions described above. In addition to the Registrant's Gold Bar property the Registrant is proceeding with the permitting and development of its Tucker Hill perlite deposit in south-central Oregon. Perlite is an industrial volcanic mineral which can be expanded to produce a light weight aggregate commonly used in the manufacturing of acoustic ceiling tile, insulation products, filter material and horticultural soil additives. A formal feasibility study and additional drilling will be performed to confirm the economics of the project.

The Registrant believes that it can meet the estimated closing and reclamation costs of its uranium and gold mining operations from internally generated funds, from the aggregate \$7,724,000 cash

collateral for a letter of credit and reclamation bonds relating to these costs and from the proceeds of reimbursements made under a government cost sharing program mentioned below without a significant impact on its working capital condition.

A government cost sharing program was enacted with the "The Comprehensive National Energy Policy Act" which provides for the partial reimbursement of reclamation expenses related to uranium sites with tailings generated by Atomic Energy Commission contracts.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Matters to be included in this Item are referred to in Note 8 to the Financial Statements and are incorporated herein by reference.

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

a. Exhibits

10.1 Employment Agreement made as of September 22, 1993, between the Registrant and David J. Birkenshaw.

10.2 Employment Agreement made as of September 22, 1993, between the Registrant and Steve Manz.

10.3 Employment Agreement made as of September 22, 1993, between the Registrant and Michael P. Gross.

b. Form 8-K filed January 14, 1994, reporting the private placement of 1,500,000 shares of Common Stock.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ATLAS CORPORATION
(Registrant)

Date May 13, 1994

/s/ Steve Manz
Steve Manz
President and Chief Financial
Officer



ATLAS CORPORATION

370 17th St., Suite 3150
Denver, CO 80202

NEWS

For Immediate Release

Contact: Robbin A. Lee
Atlas Corporation
(303) 825-1260

ATLAS CORPORATION ANNOUNCES NEW CAPITAL INVESTMENT AND REPORTS LARGE OPERATING LOSS AND SUBSTANTIAL CHARGE FOR REDUCTIONS IN ORE RESERVES

Denver, CO, September 3, 1993 -- Atlas Corporation (NYSE:AZ) announced today that it has entered into an agreement with Phoenix Financial Holdings Inc. providing for the sale by Atlas for an aggregate of \$8,375,000 of (i) 1,500,000 shares of Atlas Common Stock, (ii) an Atlas Redeemable Convertible Debenture due 1998 in the principal amount of \$3,500,000, which is convertible as to principal into Atlas Common Stock at the rate of \$4 per share and bears interest at the rate of 9% per annum payable in cash or Common Stock at the rate of \$4 per share, and (iii) Warrants to purchase for three years 2,000,000 shares of Atlas Common Stock at \$3.625 per share. Phoenix has arranged for the private sale through a Canadian underwriting firm to a group of individual and institutional investors of the 1,500,000 shares of Common Stock and Warrants to purchase 750,000 shares of Common Stock. Phoenix expects that one of its controlled affiliates will purchase the Debenture. Phoenix is a Toronto based Canadian corporation which has several gold mining investments and affiliations.

The sale of Atlas securities to Phoenix would normally require approval of the Company's stockholders under the Shareholder Approval Policy of the New York Stock Exchange. However, the Audit Committee of the Atlas Board of Directors has determined that the delay associated with obtaining stockholder approval prior to completing the transaction would seriously jeopardize the financial viability of Atlas. Because of that determination, the Audit Committee, pursuant to an exception provided in the Exchange's Shareholder Approval Policy for this kind of situation, expressly approved not seeking the stockholder approval that would otherwise have been required under the policy. The Atlas Board of Directors concurred in that decision.

As the Company has previously reported, its financial condition has been deteriorating. For the fiscal year ended June 30, 1993, the Company expects to report an operating loss of

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approximately \$13 million before a charge which is expected to be in the range of \$24 million to \$29 million to reflect reductions in the Company's estimated ore reserves and the impact of those reductions on the values of other assets and liabilities. The Company has been seeking for some time to raise equity and debt capital or find a merger partner or potential acquirer. The transaction with Phoenix has resulted from these efforts. If the Phoenix transaction is not completed and another capital infusion is not immediately arranged, the Company will not have sufficient funds to continue operations.

Douglas R. Cook, the Company's Chairman, stated, "The transaction with Phoenix presents a positive opportunity for the Company's stockholders. Upon its completion, the financial condition of Atlas will be much improved. It will have needed working capital and be able to engage in a meaningful gold exploration program and consider property acquisition and business combination opportunities. The Company's Board of Directors is convinced that the transaction is in the best interests of Atlas and its stockholders." Endeavour Financial Inc., the Company's financial advisor for the transaction, has delivered to the Board its opinion that the terms of the transaction are fair.

When the transaction closes, the Atlas Board of Directors will be reconstituted to consist of Douglas R. Cook and Edgar M. Masinter, who are currently serving as Directors, and David J. Birkenshaw, James D. Beatty, David P. Hall and David A. Knight, who have been designated by Phoenix. Mr. Birkenshaw is the President of Phoenix, which he founded, and is actively involved in a number of other business and financial interests. Mr. Beatty is the President of Trinity Capital Corp., a Toronto based investment banking firm. Mr. Hall is the President of Hughes Lang Corporation, a Canadian mineral exploration, development and management company which is an affiliate of Phoenix. Mr. Knight is a partner of Lang Michener, a firm of barristers and solicitors in Toronto. Mr. Birkenshaw will also become the Company's Chairman of the Board and Chief Executive Officer, and Steven Manz and Michael Gross, Phoenix designees, will become President and Chief Financial Officer and Vice President-Operations, respectively. Accordingly, Phoenix designees will constitute a majority of the Atlas Board of Directors and will be the principal executive officers of Atlas. Phoenix will own Warrants to purchase 1,250,000 shares of Atlas Common Stock. Phoenix and its affiliate which is expected to purchase the Debenture will be in a position to acquire shares of Atlas Common Stock upon exercise of Warrants and as interest on and upon conversion of the Debenture. Consequently, Phoenix may be deemed to control Atlas upon completion of the proposed transaction.

In reliance on the New York Stock Exchange exception for stockholder approval, the Company is mailing to stockholders a letter which advises them of the proposed transaction and of the Company's intention to conclude the transaction on or about September 20, 1993 without seeking approval of the stockholders.

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ATLAS CORPORATION

370 17th St., Suite 3150
Denver, CO 80202

NEWS

For Immediate Release

Contact: Robbin A. Lee
Atlas Corporation
(303) 825-1200

ATLAS CORPORATION ANNOUNCES CLOSING OF NEW CAPITAL INVESTMENT

Denver, CO, September 20, 1993 -- Atlas Corporation (NYSE:AZ) announced today the closing of the sale by Atlas to Phoenix Financial Holdings Inc., for an aggregate of \$8,375,000, of (i) 1,500,000 shares of Atlas Common Stock, (ii) an Atlas Redeemable Convertible Debenture due 1998 in the principal amount of \$3,500,000, which is convertible as to principal into Atlas Common Stock at the rate of \$4 per share and bears interest at the rate of 9% per annum payable in cash or in Common Stock valued at \$4 per share, and (iii) Warrants, exercisable for three years, to purchase 2,000,000 shares of Atlas Common Stock at \$3.625 per share. The closing of the sale took place pursuant to the agreement between Atlas and Phoenix which was entered into and announced on September 3, 1993. The 1,500,000 shares of Common Stock and Warrants to purchase 750,000 shares of Common Stock have been sold by Phoenix to a group of individual and institutional investors in a private sale arranged through a Canadian underwriting firm. Equity Reserve Corp., a controlled affiliate of Phoenix, has purchased the Debenture. Phoenix will own directly Warrants to purchase 1,250,000 shares. Phoenix is a Toronto based Canadian Corporation which has several gold mining investments and affiliations.

Immediately following the closing of the transaction with Phoenix, the Atlas Board of Directors was reconstituted to consist of Douglas R. Cook and Edgar M. Masinter, who were serving as Directors previously, and David J. Birkenshaw, James D. Beatty, David P. Hall and David A. Knight, who have been designated by Phoenix. Mr. Birkenshaw will also become Atlas' Chairman of the Board and Chief Executive Officer, and Steven Manz and Michael Gross, Phoenix designees, will become President and Chief Financial Officer and Senior Vice President and Chief Operating Officer, respectively.

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ATLAS CORPORATION

370 17th St., Suite 3150
Denver, CO 80202

NEWS

For Immediate Release

ATLAS CORPORATION AND M.I.M. (CANADA) INC.

Denver, CO, April 28, 1994 -- ATLAS CORPORATION (NYSE:AZ) and M.I.M. (CANADA) INC. announced today that they have entered into a private agreement pursuant to which Atlas will purchase 12,694,200 common shares of Granges Inc. (TSE and AMEX:GXL) owned by M.I.M. (Canada) at a cash price of Cdn. \$4.00 per share for aggregate consideration of approximately Cdn. \$50 million. On signing of the purchase agreement, Atlas paid M.I.M. (Canada) a deposit of approximately Cdn. \$2.5 million which is non-refundable except in certain circumstances. The closing of the transaction is subject to the right of Granges to locate another purchaser who is willing to purchase the shares of Granges owned by M.I.M. (Canada) on terms acceptable to M.I.M. (Canada) and not less favourable than the terms of the Atlas agreement and on M.I.M. (Canada) entering into a definitive agreement with such purchaser within the next 30 days. The common shares of Granges to be acquired by Atlas constitute approximately 37% of the outstanding common shares of Granges.

In order to finance the acquisition of the Granges shares from M.I.M. (Canada) Atlas will seek to effect an equity financing which will be conditional on due diligence and regulatory and shareholder approvals. The Atlas agreement provides for a closing on June 28, 1994, which may be extended up to an additional 30 days to accommodate this financing.

Atlas is purchasing the Granges shares for investment purposes. Atlas has no present intention of purchasing additional shares of Granges, but reserves the right to do so depending on the price and availability of such shares, future developments in Granges' business and prospects, and general and industry-specific economic conditions.

Granges is a Canadian base and precious metals mining company. Its principal mining operations and sources of earnings are its 29% joint venture interest in the Trout Lake mine in Manitoba, Canada and the Crofoot/Lewis gold mine in Nevada, operated through its 50.5% owned subsidiary, Hycroft Resources & Development Corp. Granges has recently announced that it has accepted an offer to sell its interest in the Trout Lake mine to Hudson Bay Mining and Smelting Co., Limited for a total consideration of Cdn. \$33 million plus return of working capital, payable in cash. Completion of the sale is subject to completion of a definitive agreement of purchase and sale and to the election by Manitoba Mineral Resources Ltd., the owner of a 27% interest in the Trout Lake mine, not to exercise its right to purchase Granges' interest under its right of first refusal.

Atlas Corporation is a Denver based precious metals mining company that has been producing gold from its Gold Bar Project, near Eureka, Nevada since 1987.

M.I.M. (Canada) Inc. is a wholly-owned subsidiary of M.I.M. Holdings Limited of Brisbane, Australia.

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For Further Information Contact: Robbin Lee
Atlas Corporation
303-825-1200

Stephen Dennis
M.I.M. Holdings Limited
61-7-833-8000



ATLAS CORPORATION

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Denver, CO 80202

NEWS

For Immediate Release

ATLAS CORPORATION ANNOUNCES THIRD QUARTER RESULTS & APPROVAL BY GRANGES INC. OF THE SALE OF ITS CONTROL BLOCK TO ATLAS

Denver, CO, May 16, 1994 -- Atlas Corporation (NYSE:AZ) today reported a net loss of \$2,477,000, or \$.27 per share, for the third quarter ended March 31, 1994. This compares to a net loss of \$5,017,000, or \$.79 per share, for the third quarter of the previous year. For the nine months ended March 31, 1994, Atlas had a net loss of \$2,797,000, or \$.35 per share, which includes a gain from discontinued operations of \$1,681,000. This compares to net income in the comparable nine months of the previous year of \$6,197,000, or \$.98 per share, which included a second quarter gain of \$17,803,000 from the lease of the Grassy Mountain and Musgrove Creek properties

Gold production and revenue for the third quarter ended March 31, 1994 of 8,500 ounces and \$3,252,000 were down from the 14,400 ounces and \$4,895,000 recorded for the third quarter of the previous year. Production for the nine months ended March 31, 1994 of 46,200 ounces exceeded the 39,900 ounces produced during the comparable nine months of the previous year. The lower production levels and higher costs for the quarter were a direct result of the treatment of low-grade oxide and refractory stockpiled ores at the Company's Gold Bar Project, near Eureka, Nevada. Processing of these ores began in January 1994, following the completion of mining at the Gold Canyon deposit and the temporary suspension of open pit mining at its other satellite deposits. The continued processing of these lower grade and lower recovery ores has allowed the mine to maintain its staff and continue mill operations while the Company finalizes its numerous metallurgical, geotechnical, engineering and reserves studies, aimed at re-evaluating the economics of continued mining at three of the Company's permitted satellite deposits.

Results from a recent 235 hole development drilling program, in addition to information which is currently being generated from an underground exploration program at the Gold Pick deposit, are currently being used in the development of mine plans. Numerous metallurgical tests are also nearing completion regarding possible cost improvements in processing lower grade material in a new heap leach operation, and processing refractory material in a modified refractory circuit.

A plan of operations has been submitted to the State of Nevada for the construction of a heap leach pad at the Company's permitted site, and preliminary figures from column leach tests show recoveries averaging in excess of 80%. The generation of detailed capital and operating costs for a leach pad operation is still in progress. A pilot plant test is also currently

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being conducted at an independent research facility to finalize anticipated recoveries and costs associated with modifying the Company's existing refractory circuit. It is anticipated that the feasibility study for the continued mining of the satellite deposits will be completed in June.

The Company has also hired a contract mining firm to conduct underground exploration at the Gold Pick deposit and underground mining at the Goldstone deposit, and has expended \$170,000 through March 31, 1994. Stockpiled material, in conjunction with higher grade feed generated from the underground mining at Goldstone, will be the main sources of mill feed until the completion of the satellite feasibility study. Mining of this material will be suspended should the grades or recoveries fall below such a point as the operation is no longer able to achieve a cash flow break-even.

Operations at the mine generated positive cash flow of \$450,000 during the third quarter. In addition to depreciation, head office and expensed exploration charges, the net loss figure for the quarter includes approximately \$1.4 million in inventory and deferred stripping write-downs. The Company continues to implement numerous cost cutting measures, and was successful in reducing corporate administrative expenses during the quarter from \$1,300,000 the previous year to \$644,000.

On January 14, 1994, Atlas announced the private placement of 1.5 million shares of common stock for gross proceeds of \$7.5 million. The funds generated by this placement allowed Atlas to repay the balance of its short-term note payable, and maintain its strong cash position of \$8.1 million as of March 31, 1994.

The Company also announced that it has completed a claim staking program, which has resulted in the securing of an additional 477 claims (14 square miles), both contiguous to and in the vicinity of the 95 square mile Gold Bar property. Certain of these additional claims were staked as a result of information from a recent geophysics program conducted at the edge of the previous claim boundary. The others were a result of the identification of new areas which exhibit similar host rocks and surface mineralization as present in the existing Gold Bar deposits.

On April 28, 1994, Atlas announced that it had entered into an agreement with M.I.M. (Canada) for the purchase of 12,694,200, or 37%, of the outstanding shares of Granges Inc. and has paid to M.I.M. (Canada) a deposit of Cdn. \$2.5 million which is nonrefundable except in certain circumstances. Granges has announced today that it is waiving its 30 day right to locate another purchaser for the shares on the same terms. Upon completion of the sale, Atlas will be granted board representation in proportion to its share interest. David J. Birkenshaw, Atlas' Chairman and CEO, will become Vice-Chairman of Granges, and Atlas has agreed not to purchase more than 40% of the Granges shares outstanding from time to time without making the same offer to all other Granges' shareholders. Atlas will seek to obtain financing for the acquisition by way of an upcoming equity offering and will also seek shareholder approval for the transaction.

ATLAS CORPORATION AND ITS SUBSIDIARIES

Condensed Statement of Operations

(In Thousands, Except Per Share Data)(Unaudited)

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	1994	1993	1994	1993
Mining revenue	<u>\$ 3,252</u>	<u>\$ 4,895</u>	<u>\$17,423</u>	<u>\$ 13,745</u>
Loss from operations	\$(2,882)	\$(4,230)	\$(4,562)	\$(10,215)
Gain on disposition of property	--	--	--	17,803
Other revenue (expense)	126	(87)	84	(91)
Gain (loss) from discontinued operations	<u>279</u>	<u>(670)</u>	<u>1,681</u>	<u>(670)</u>
Income (loss) before income taxes	\$(2,477)	\$(4,987)	\$(2,797)	\$ 6,827
Income tax expense net of extraordinary credit	<u>--</u>	<u>30</u>	<u>--</u>	<u>630</u>
Net income (loss)	<u>\$(2,477)</u>	<u>\$(5,017)</u>	<u>\$(2,797)</u>	<u>\$ 6,197</u>
Per share of common stock:				
Income (loss) from continuing operations	\$(.30)	\$(.63)	\$(.57)	\$.65
Gain (loss) from discontinued operations	.03	(.11)	.22	(.11)
Extraordinary credit - utilization of tax loss carryforwards	<u>--</u>	<u>(.05)</u>	<u>--</u>	<u>.44</u>
Net income (loss)	<u>\$(.27)</u>	<u>\$(.79)</u>	<u>\$(.35)</u>	<u>\$.98</u>
Average number of common shares outstanding	<u>9,031</u>	<u>6,336</u>	<u>7,901</u>	<u>6,336</u>

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ATLAS CORPORATION

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Denver, CO 80202

DAKOTA MINING CORPORATION

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News

For Immediate Release

ATLAS CORPORATION ANNOUNCES AGREEMENT WITH DAKOTA MINING CORPORATION TO PURCHASE EQUITY INTEREST IN DAKOTA. ATLAS ALSO ANNOUNCES ITS INTENTION TO SEEK A BUSINESS COMBINATION OF ATLAS, DAKOTA, GRANGES INC. AND HYCROFT RESOURCES AND DEVELOPMENT CORPORATION

Denver, CO, June 1, 1994 -- Atlas Corporation (NYSE:AZ) and Dakota Mining Corporation (TSE, AMEX:DKT) announced today that Atlas has entered into a letter of intent to purchase 1,500,000 common shares of Dakota from Ventures Trident, L.P. and Ventures Trident II, L.P. for US \$6 million.

Atlas and Dakota also announced that they have entered into a letter of intent for the subscription by Atlas of 3,100,000 convertible preferred shares of Dakota. These preferred shares are callable by the holder after 6 years and are redeemable by Dakota after 4 years. They will carry a cumulative semi-annual dividend at a rate of 6% per annum (payable in common shares of Dakota), will carry one vote per share, and will be convertible at any time into common shares of Dakota on a one-for-one basis. The issue price of each convertible preferred share will be equal to 120% of the simple average of the closing prices of the common shares of Dakota on the American Stock Exchange for the 20 trading days immediately following the closing of the purchase of shares from the Dakota shareholders, subject to a minimum price of US \$3 per share and a maximum price of US \$4 per share. This preferred share sale will result in an investment of between US \$9.3 million and US \$12.4 million into Dakota.

Conversion of the preferred shares, in addition to the direct shareholding in Dakota, will give Atlas a 19.94% direct ownership in Dakota. Upon issuance of the preferred shares, Atlas will have the right to appoint two representatives to the Dakota board. Atlas will pay approximately US \$500,000 to the group of Dakota shareholders as a deposit and will seek to finance the balance of the purchase price of the shares, as well as the full amount for the convertible preferred shares with an upcoming equity offering. This deposit is non-refundable in the event that Atlas is unable to close the transaction.

As previously announced on April 28, 1994, Atlas has also entered into an agreement with M.I.M. (Canada) Inc. to acquire a 37.2% stake in Granges Inc. for total proceeds of Cdn. \$50.8 million. Granges is a Canadian based precious metals mining company which operates the Crofoot/Lewis Mine in Nevada through its 50.5% owned subsidiary, Hycroft Resources and Development Corporation. As previously announced by Granges, the Crofoot/Lewis Mine is projected to produce in excess of 100,000 ounces of gold in 1994 and hosts proven and probable reserves containing in excess of 1 million ounces of gold. Dakota is a publicly held, Denver based precious metals mining company. Its principal mining operations are the 100% Stibnite Mine in Idaho, a 100% interest in the Gilt Edge Mine in South Dakota, and a 40% non-operating interest in the Golden Reward Mine, also in South Dakota.

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Both the Dakota and the Granges transactions are conditional upon all necessary regulatory and shareholder approvals. The Dakota transactions are also subject to execution of formal agreements, board approval by both Atlas and Dakota, the exercise of 6,000,000 previously issued special warrants of Dakota with respect to which a prospectus is in the process of being cleared, the approval by the underwriters of the special warrants for the issuance of the preferred shares, and also the completion of the purchase of the Granges shares from M.I.M. (Canada).

Following completion of the equity financing and the closing of the above transactions, Atlas will seek to initiate the process of combining Dakota, Granges, Hycroft and Atlas in order to create a new, widely held, intermediate-sized North American gold producer. No terms for such a business combination have been determined and no formal discussions have been held between these companies. Accordingly, there can be no assurance that such a business combination will ultimately be agreed upon amongst the companies.

Atlas considers that the consolidation of these four companies and their five operating properties would result in a larger, well financed company with total proven and probable gold reserves in excess of 3 million ounces, and anticipated production levels averaging between 200,000 to 300,000 ounces per year. Such a company would also control a large portfolio of exploration properties including Atlas' 115 square mile Gold Bar property, located immediately north of Homestake Mining Company's Eureka, Nevada claim block which hosts a recently discovered major gold deposit.

David J. Birkenshaw, Chairman and CEO of Atlas, stated, " We are very pleased with these three transactions and with the ability they will provide us to effect the creation of a new, mid-sized, North American gold company. Apart from the synergies in the anticipated business combination, we believe that the strong and diversified existing management groups are capable of expanding the combined company through the continued development of its current properties, while the strong balance sheet to be created through this business combination will allow the company to quickly take advantage of new opportunities. We are anticipating completion of Atlas' financing and the approval from its shareholders by the end of July and look forward thereafter to immediately beginning work on the combination."

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ATLAS CORPORATION

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NEWS

For Immediate Release

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ATLAS SECURES FUNDING FOR US \$50 MILLION EQUITY FINANCING

July 19, 1994 -- Atlas Corporation (NYSE:AZ) announced today that it will be closing its previously announced equity financing for US \$50 million on revised pricing. The issue has been conducted through a Canadian underwriting syndicate comprised of First Marathon Securities Limited, Burns Fry Limited, ScotiaMcLeod Inc., Wood Gundy Inc., Goepel Shields & Partners Inc., and Loewen, Ondaatje, McCutcheon Limited. This financing will result in the issuance of approximately 9 million units of Atlas at US \$5.50 per unit. Each unit consists of one common share and one half purchase warrant, of which one whole purchase warrant entitles the holder to acquire one common share of Atlas at a price of US \$7.00 for a period of five years. The purpose of this financing is to allow Atlas to complete the acquisitions of its strategic investments in Granges Inc. and Dakota Mining Corporation. The above transaction will be submitted to Atlas shareholders for the appropriate regulatory approval.

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ATLAS CORPORATION

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NEWS

For Immediate Release

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ATLAS CORPORATION'S U.S. \$50 MILLION EQUITY OFFERING TO CLOSE IN TWO TRANCHES

Denver, CO, July 22, 1994 -- Atlas Corporation (NYSE:AZ) announced today that it intends to close the first U.S. \$35.75 million of its previously announced equity offering without seeking shareholder approval. The funds from this first portion of the offering will be used primarily to complete the purchase of a 37.2% interest in Granges Inc.

The sale of these Atlas securities would normally require approval of the Company's stockholders under the Shareholder Approval Policy of the New York Stock Exchange. However, the Audit Committee of the Atlas Board of Directors has determined that the approximate three month delay associated with obtaining shareholder approval would seriously jeopardize the financial viability of Atlas given the immediate capital requirements of the Gold Bar Mine and the need to post additional cash reclamation bonds for its mining activities. Closing of the first portion prior to receipt of shareholder approval will allow the Company to generate additional working capital through the release of collateralized accounts.

Because of this determination, the Audit Committee, pursuant to an exception provided in the Exchange's Shareholder Approval Policy for this kind of situation, expressly approved not seeking the stockholder approval that would otherwise have been required under the policy. In reliance on this exception, the Company is mailing to stockholders a letter which advises them of the proposed transaction and of the Company's intention to conclude the first portion of its equity offering without seeking approval of the stockholders.

After completion of the first portion of the offering, the remaining U.S. \$14.75 million subscribed to in the offering will be held in escrow and Atlas will solicit shareholder approval to amend its Certificate of Incorporation to increase its authorized capital in order to have shares available to complete the second portion of the financing. If the proposal to increase the authorized capital is approved, the proceeds of the second portion of the offering will be used to fund the previously announced purchase of 1.5 million common shares and 3.1 million convertible preferred shares of Dakota Mining Corporation as well as provide Atlas with additional working capital. With the purchase of these Dakota securities, Atlas would hold approximately 19.9% of the current outstanding shares of Dakota, if all of the preferred shares were converted.

Following the receipt of shareholder approval and the closing of both acquisitions, Atlas will seek to initiate the process of combining Granges, Hycroft Resources and Development Corporation (a 50.5% subsidiary of Granges), Dakota and Atlas into a single company. Such an amalgamation would result in a well-financed and widely held, intermediate-sized North American gold producer. To date, only informal discussions have been held regarding the amalgamation concept and no formal business terms have been set or agreed upon between the companies. Accordingly, there can be no assurance of such an ultimate amalgamation.

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