CNNC
Rössing Uranium
Working for Namibia

MOVING **FORWARD** TO THE NEW ERA

Stakeholder Report 2020

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Youliang Li, Vice President, China National Uranium Corporation Limited

CNNC/CNUC MESSAGE

2020 was a tough challenge internationally as communities were severely disrupted by the COVID-19 virus. Thanks to the efforts and contributions from all employees and contractors, Rössing has successfully overcome all these difficulties and challenges and realised fruitful achievements.

With regards to safety, Rössing has succeeded in keeping a sustainable operation with high levels of safety and environmental management, and achieving the best safety performance since its establishment in the 1970s.

Benefitting from an efficient operation, the annual production of uranium oxide for the year 2020 was slightly higher than the production in 2019. Despite the spreading pandemic, it has been the highest annual production since 2013.

2021 will continue to be challenging, which will also witness a few obstacles such as fragile supply chain, weak price and possible relapses of the pandemic. On the bright side, it will be faced with more emerging opportunities. While insisting on the priority of safety, health and the environment, we shall work with Rössing to deliver sustainable growth for our employees and the company, pursuing excellence and achieving sound coordination with our internal and external stakeholders.

CNUC will firmly support Rössing to strive for a sustainable future, whilst benefitting the local economy, local communities and its stakeholders. In this regard, I hope we are able to achieve a deeper mutual understanding and co-operation and immediate action from everyone as a key element to achieving this goal.

> *“Knowing exactly where we are, with the support from all of you, with the action to where we desire to go, we will continue the legacy and create a new era for Rössing. With our joint efforts, Rössing will continue to benefit both Namibia and China, as well as their people as a whole.”*
>
> — Youliang Li, Vice President, China National Uranium Corporation Limited

ABOUT RÖSSING URANIUM

This report aims to give readers an overview of the activities of Rössing Uranium Limited (Rössing Uranium) from January to December 2020, including our interaction with society, the economy and the environment.

The report offers locally relevant information about our business and aspects raised during the year. We believe in open communication and transparency and simultaneously instil a culture of sustainable development throughout our company.

We would appreciate your feedback on the content of this report. You can send us a text message to Tel. +264 81 143 3627; send an e-mail to RUL.communications@rossing.com.na; contact us via our website at www.rossing.com, or phone the Communication section on Tel. +264 64 520 9111.

OUR HISTORY

THE EARLY YEARS

Uranium was discovered in the Namib Desert in 1928, but it was not until intensive exploration in the late 1950s that much interest was shown in the area. After discovering numerous uranium occurrences, mining company Rio Tinto secured the rights to the low-grade Rössing deposit in 1966. Ten years later, in 1976, Rössing Uranium, Namibia's first commercial uranium mine, started production and subsequently celebrate its 44th year of production in 2020.

TODAY

Today, Namibia has two significant uranium mines (Rössing Uranium and Swakop Uranium, after the Langer Heinrich Uranium mine was placed on care and maintenance during 2018), which together provide 11.1 per cent of the world's uranium oxide output; in 2020 Rössing Uranium produced 4.4 per cent of the world's output.

OUR CAPACITY

The mine has a nameplate capacity of 4,500 tonnes of uranium oxide per year and, by the end of 2020, had supplied a total of 140,026 tonnes of uranium oxide to the world.

OUR LOCATION

The mine is located 12 km from the town of Arandis, which lies 70 km inland from the coastal town of Swakopmund in Namibia's Erongo Region. Walvis Bay, Namibia's only deep-water harbour, is located 43 km south of Swakopmund.

The mine site encompasses a mining licence and accessory works areas of 129.79 km^2, of which 25 km^2 is used for mining, waste disposal and processing.

CURRENT OPERATIONS

Mining is done by blasting, loading and hauling from the open pit before the uranium-bearing rock is processed to produce uranium oxide.

The open pit currently measures 3 km by 1.5 km and is 390 m deep.

OUR STAKEHOLDERS

This report is aimed at all our partners and stakeholders who include private citizens and their communities, as well as non-governmental organisations, small-scale enterprises, and multinational corporations.

Thus, the benefits of our operations are felt locally, nationally, across the African continent and internationally.

MD'S REPORT

— JOHAN COETZEE

Dear stakeholders

Welcome to Rössing Uranium's Report to stakeholders 2020. This report explains our mining operations and the approach we take in what we do. It also outlines how we performed in 2020 as measured against our key drivers.

The year 2020 will go down in history as an unforgettable and challenging year due to the COVID-19 pandemic that impacted the whole world.

Rössing was not spared, as our mining operations slowed down between March and June as regulations to curtail the pandemic took effect. We fell short of achieving our production target, but could mitigate it by depleting run-of-mine stockpiles to meet tonnage requirements, even though it was at lower grades. As a result of using stockpiles, ore milled actually increased from 8.0 million the previous year to 8.7 million in 2020.

In total, we mined 19.4 million tonnes of rock (22.4 million tonnes in 2019) of which 9.2 million tonnes was economic uranium-bearing ore (8.6 million tonnes in 2019), and 10.2 million tonnes was waste (13.3 million tonnes in 2019); 0.2 million tonnes of waste was dumped in-pit.

Despite challenging circumstances, Rössing produced 2,489 metric tonnes of uranium oxide and had a turnover of N$4,421.1 million.

ACHIEVEMENT: SAFETY PERFORMANCE

Confirming our commitment to working safely and achieving zero harm, we are proud of our safety performance in 2020, as we achieved an All-Injury Frequency Rate (AIFR) of 0.34 against a target of 0.61. This is our best performance the mine has recorded since commencing operations in 1976. We had six reportable injuries, four of them being lost time injuries. This is a commendable performance and a significant improvement in our drive towards zero harm.

Our Critical Risk Management (CRM) tool has successfully been embedded and has become part of our safety culture. CRM is a fatality prevention tool that ensures critical risks are identified and relevant controls are put in place before a task is carried out.

In recognition of our safety performance, we won the Chamber of Mines of Namibia's best safety award in the operating mines category for the second consecutive year – a notable achievement.

COVID-19 RESPONSE

We developed a COVID-19 Emergency Response Plan (ERP) that was resourced at Exco level who shared the vision and set the direction onsite. The ERP was periodically reviewed as the pandemic developed and new guidelines and regulations were issued during the year.

A multitude of COVID-19-related controls were put in place. All employees had to complete a screening questionnaire to limit people on site with symptoms or potential exposures. Disinfection of areas were done routinely, while transport controls were in line with directives received from Government.

The impact was that for mass transport access, four additional buses had to be obtained to ensure compliance with the required 50 per cent capacity. Essential stock such as hand sanitisers, disinfectant and face masks were sourced and levels maintained throughout.

As in the rest of the world, face-to-face interaction was limited and remote working has become the norm, especially for non-essential staff. Social distancing was strictly applied, and measures put in place to ensure adherence. Numerous communications ensured that employees and contractors were kept up to date with any new measures or procedures.

As at the end of December, 144 positive cases were recorded with 127 cases resolved and 17 active cases in the process of recovery.

We also supported the Namibian Government's efforts to combat the effects of COVID-19. In addition to donating N$200,000 to the Ministry of Health and Social Services and protective gear to the Swakopmund state hospital, we procured and delivered an oxygen generating plant valued at close to N$3.8 million to the new COVID-19 isolation facility at Walvis Bay State Hospital.

We will continue to monitor and be vigilant in the fight against COVID-19.

LOOKING AHEAD

2021 will be an exciting year. Capital investment made in 2020 will support us in running a safer and more efficient operation. We will continue with the business integration process with CNUC, rolling out the purpose statement and integrated values early in 2021.

IN CONCLUSION

A word of appreciation to the Minister of Mines and Energy, Hon. Tom Alweendo, for his support to the mining industry during the course of the COVID-19 pandemic unfolding on behalf of the Government of Namibia. I would also like to thank our employees for their hard work, positivity and resilience during the year.

Thank you to all our stakeholders for their interest in our business. Please feel free to contact us for any comments or inputs to improve our annual report to you.

Johan Coetzee, Managing Director
30 April 2021

2020 AT A GLANCE

In 2020, revenue was significantly higher than 2019, attributed to a 38 per cent increase in sales volumes, combined with a significant deterioration in the USD/NAD exchange rate at the start of the COVID-19 global outbreak. The exchange rate remained extremely volatile throughout the year, before returning to pre-pandemic levels in December 2020.

SEVERAL MITIGATING ACTIONS TAKEN TO MAINTAIN OPERATIONS

Several mitigating actions were taken to maintain operations during the year, which included temporary scaled down operations and additional health and safety measures to ensure the health of our employees throughout.

PRODUCTION OF URANIUM OXIDE SLIGHTLY HIGHER THAN THE PREVIOUS YEAR

Production of uranium oxide for the year was 2,489 metric tonnes compared with 2,449 metric tonnes in 2019.

A total of 19.4 million metric tonnes (2019: 22.4 million metric tonnes) were mined from the open pit and 8.7 million metric tonnes (2019: 8 million metric tonnes) of ore were milled.

REDUCED NET PROFIT AFTER TAX FROM NORMAL OPERATIONS

The extreme and sudden devaluation of the Namibia Dollar resulted in significant exchange rate losses, both on prepayments for 2020 sales, as well as the foreign currency hedge derivative, which neutralised the exchange rate benefit from the revenue stream, ultimately resulting in a reduced net profit after tax from normal operations.

RÖSSING URANIUM IS CURRENTLY OPERATING ON AN APPROVED LIFE-OF-MINE PLAN TO 2026.

We developed a COVID-19 Emergency Response Plan, which was periodically reviewed as the pandemic developed. A multitude of COVID-19-related controls were put in place at the mine."

0.34

We achieved an All-Injury Frequency Rate of 0.34 against a target of 0.61, our best performance since commencing operations in 1976.

+60%

Revenue increased with 60 per cent, from N$2.8 billion to N$4.5 billion.

74%

In 2020, 74 per cent sales volume was delivered to Asia, of which 86 per cent has been sold to the majority shareholder CNUC/CNNC. The remaining 26 per cent sales volume was delivered under the long-term contract portfolio to North America (16 per cent) and Europe, the Middle East and Africa (10 per cent).

MANAGEMENT TEAM

Rössing Uranium's leadership team consists of the Managing Director and four General Managers in charge of the four focus areas of our business. They are all experienced in their respective fields.

OUR LEADERSHIP TEAM

From Left: Germano Musili, (Acting General Manager: Organisational Resources); Liezl Davies (General Manager: Operations); Johan Coetzee (Managing Director); Edwin Tjiriange (General Manager: Asset Management & Projects) and Shaan Van Schalkwyk (Chief Financial Officer).

OUR SUSTAINABLE DEVELOPMENT APPROACH

FOCUSING ON THE ISSUES THAT MATTER MOST

Sustainable development is the distinct, significant and characteristic centre of our overall approach to business. Driving the integration of sustainable development at Rössing Uranium are the six themes highlighted below. These themes form the framework on which our business is conducted.

Everything we do is in line with the generally accepted definition of sustainable development, namely development that meets the needs of the present without compromising the ability of future generations to meet their needs.

This suggests that meeting the needs of future generations depends on how well we balance social, economic and environmental needs when making decisions today.

The aim of sustainable development is therefore to seek out win–win situations that can achieve environmental quality and increase economic wealth and social well-being, today and tomorrow.

Our sustainability vision remains focused on:

- creating long-lasting positive effects for the people of the Erongo Region and Namibia;
- building capacity to ensure that we contribute to the future well-being of our employees;
- minimising negative impacts and optimising positive ones; and
- maintaining our reputation as a responsible corporate citizen of Namibia.

When conducting our business we ensure that we maintain a balance in the way we:

- use our assets — both our own resources and environmental resources — to reflect our integrated approach in terms of profit, people and planet;
- contribute positively to the needs of society by providing support to communities without creating dependency; and
- generate economic wealth.

ECONOMY

Economic viability

To provide the best returns on our shareholders' investment, we need to understand the long-term demand for our product, as well as the cost, resource availability and value creation associated with that demand. Economic viability also ensures that we continue to make significant contributions to Namibia's economy and her people in various ways.

ENVIRONMENT AND PRODUCT STEWARDSHIP

Product stewardship focuses on expanding our understanding of the impact of our product on society by working with all interested and affected parties.

Environmental and asset resource stewardship

We aim to be the leader in environmental stewardship in Namibia and to maintain our reputation as a responsible corporate citizen. This can be achieved by understanding and appreciating our natural resources, both biotic and abiotic, utilising them sustainably, and creating a net positive impact.

GOVERNANCE

Corporate governance and compliance

We strive to be transparent and proactive in all our business operations. To this end we have auditable business systems in place, which form the backbone of good corporate governance.

SOCIAL

People

Our workforce is central to our business. This means ensuring a safe and healthy workplace geared for human resource development in order to attract and retain employees, while maximising our contribution to their well-being.

Communities

We implement long-term community development plans to focus on improvement in quality of life, as operating within a sustainable community provides our business distinct benefits, and an important part of that is good community relations.

OUR PEOPLE

Our top three students of the Management Development Programme, pictured with our Managing Director Johan Coetzee (far left): Chris Magson (Specialist: Infrastructure, Information Technology), Yvette Mtolo Phiri (Specialist: Assets, Risk & Assurance) and Stefanus Potgieter (Specialist: Mine Monitoring & Control).

"We recognise the importance of attracting, developing and retaining people with diverse backgrounds."

Our people are the most important asset of our business. To sustain and expand our operations, we need a safe, healthy, and engaged workforce.

Aspiring to be an employer of choice, Rössing Uranium provides long-term and rewarding employment by investing in our people throughout their careers. We believe that through employment creation we are making significant contributions to society and the Namibian economy and contribute positively to our partnerships with local communities and other stakeholders.

We recognise the importance of attracting, developing, and retaining people with diverse backgrounds in our business and realise the benefits of developing the skills of others. It is the mandate of the Training and Development section to see that this commitment is demonstrated and aligned to Rössing's needs and objectives.

We understand that our operational environment may be hazardous, and for this reason the identification and management of material risks are crucial in our business approach. We consistently strive to create a zero harm working environment, regardless of where our people work or what type of work they are engaged in.

WORKFORCE AT A GLANCE

At the end of 2020, Rössing Uranium had a workforce totalling 955 compared with 1,000 at the end of the previous reporting year. The average number of contractors at the mine decreased from 1,029 to 645.

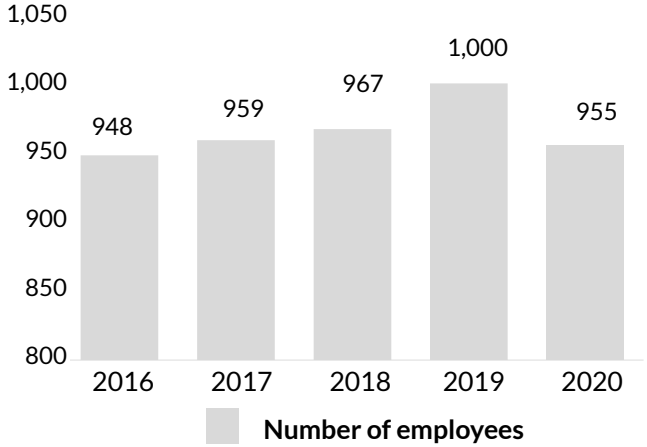
OUR MOST IMPORTANT ASSET

(Above) Sam Teofelus (Diesel Mechanic) working on the engine of a haul truck in the Maintenance workshop.

Statistical information on our workforce, 2020

- Namibians: 98.8 per cent (944)
- Non-Namibians: 1.2 per cent (11)
- Female representation: 18.8 per cent (180)
- Number of employees who left the mine's employment: 51
- Number of new employees recruited: 6

Figure 4: Employees, 2016-2019 (number)



EMPLOYEE RELATIONS

Employee relations continued to be an important focus area for our business during 2020, as Rössing strives to maintain and strengthen harmonious relations with its workforce. The mine experienced no industrial action in 2020 . The MUN and Rössing were able to agree on annual wage increases by June 2020 after the dispute in this regard was referred to conciliation.

Workforce profile	2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)
Historically disadvantaged Namibian men	78.2	77.0	78.0	77.6	77.1
Historically disadvantaged Namibian women	15.5	16.3	16.1	16.6	17.3
Previously advantaged Namibian women	1.5	1.4	1.2	1.2	1.2
Previously advantaged Namibian men	3.0	3.6	3.0	3.3	3.2
Non-Namibian men	1.5	1.4	1.4	1.2	1.0
Non-Namibian women	0.1	0.1	0.2	0.1	0.1
Persons with disabilities: men	0.2	0.2	0.1	0.0	0.1
Persons with disabilities: women	0.0	0.0	0.0	0.0	0.0

TRAINING AND DEVELOPMENT

Werner Erastus (Welder) welding a shovel bucket in the Maintenance Workshop.

Rössing's training and development strategy focuses on re-skilling, upskilling and building capabilities across the company to enable the workforce to deal with the increasing challenges in the business environment, as well as the complexity of the new technology and business improvement initiatives being introduced. To achieve our people-development objectives, we support a blended approach to learning, introducing an online learning platform.

People supported by Rössing Uranium — 2016 to 2020: Number of participants in training and development programmes					
Nature of participation	**December 2016**	**December 2017**	**December 2018**	**December 2019**	**December 2020**
Trade bursaries	0	0	0	0	0
Trade job attachments	10	30	30	30	10
Apprentice employees	0	0	0	0	0
College/university bursaries	11	10	8	8	3
College/university job attachments outside company bursary scheme	3	2	0	0	0
Employees enrolled at a technical college (full-time studies)	1	0	0	1	1
Employees enrolled at a college/university (full-time studies)	2	3	2	0	0
Employees involved in correspondence programmes	8	19	34	34	24
Employees enrolled in the leadership development programme (in-house)	64	0	58	25	25
Rössing Uranium dependant scholarships awarded	26	34	28	26	35
Employees in limited-contact studies in various fields	5	3	1	2	2
Total number of participants	**130**	**101**	**161**	126	100
Training programme costs — this figure includes all other training initiatives carried out as part of capability development	**N$7.6 million**	**N$8.5 million**	**N$6.9 million**	**N$5.8 million**	**N$5.0 million**

We initiated the first-ever online High Performer (HIPO) and Courageous Conversation training programmes. A total of 38 leaders attended this training, which created a platform to challenge their thinking around leading in times of uncertainty, assisted them to craft their personal leadership signature and discover approaches that drive business results.

These leadership programmes aimed to enhance leadership capabilities in managing their teams, particularly during these challenging times, and enable them to drive the right behaviour to achieve results.

In addition, more than 223 operators received refresher training in compliance with licenses-to-operate and safety requirements.

Whereas ten vocational trainees are reported at the end of December 2020, a total of 48 vocational trainees were taken through the Rössing job attachment programme ranging from 6 to 12 months.

Our learning and development strategy also focused on upskilling of our internal Skills Trainers who attended the Train-the-Trainer course that gave them practical tools to deliver effective training. A total of 264 Mining and Processing Operators attended various safety and compliance related training to support work practices.

Graduate development programme

To keep our talent pool growing, Rössing invested in seven graduates in the fields of mining, electrical, electronic, and mechanical engineering. They are currently on a 24-month training programme with the aim to develop their technical competencies and leadership skills with their sights set on becoming future engineers.

We also successfully appointed three graduates from our graduate pool as engineers, which showcases our commitment towards the development of Namibia's youth.

Educational support

Financial support was provided to four bursary recipients for undergraduate studies on a full-time basis. A total of 26 full-time employees were awarded financial assistance through the correspondence studies scheme to obtain a formal tertiary qualification.

A total of 35 dependents of the mine's employees received financial assistance through an educational assistance programme to provide the children of permanent Rössing employees and pensioners an opportunity to further their education at an accredited institution or at a vocational training centre.

In addition, Rössing collaborated with the Faculty of Engineering and Information Technology of the University of Namibia and accommodated two lecturers to enhance the quality of engineering education and the professional development of their academic staff through industrial-engaged internships.

We are proud to be the first employer that opened this opportunity to academic staff. The objective of the industrial-engaged internship is to equip the academic staff with valuable practical experience to enable them to better understand and link academic programmes to the real work environment.

Vocational education and training levy

Rössing has participated in the Vocational Education and Training Levy submission since inception and has paid N$7.4 million for the 2020 training-levy cycle.

A total of 48 vocational trainees completed their job attachment as part of their tertiary curriculum, whereby they were exposed to on-the-job learning within their various disciplines. Further opportunities to support vocational trainees will continue during 2021.

We further invested in technical training and our total training cost amounted to N$20.6 million for 2020, representing 2.6 per cent of the company's salary cost.

MARKETING OUR PRODUCT

MARKET OVERVIEW: 2020

2020 was an unforgettable year in terms of global events and their consequent impact on the uranium industry. With the COVID-19 pandemic hitting the world swiftly and badly during the year, it underlined the importance of electricity reliability and resilience during times of major disruption.

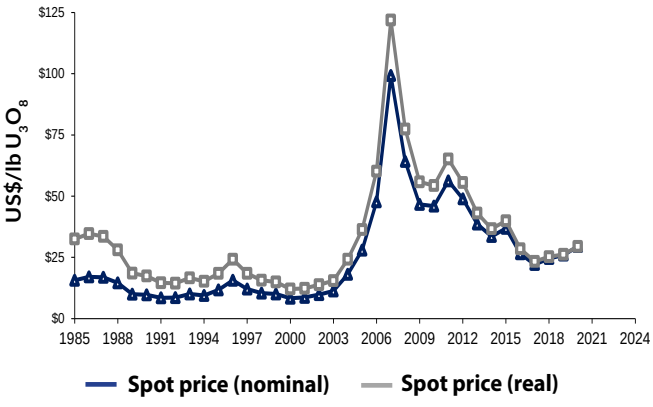
Throughout 2020, nuclear power has continued to generate electricity reliably and around the clock, ensuring the continuous resilient operation of critical services indispensable to cope with the global health crisis and maintain social stability. Nuclear power plants supplied 2,600 TWh of emissions-free electricity in 2020, which accounted for approximately 10 per cent of total global electricity generation and nearly one-third of the world's low-carbon electricity production.

Uranium has been one of the best performing commodities in 2020. Once the pandemic became global, operations at mines in Saskatchewan (i.e., Cigar Lake) and across Kazakhstan were either completely or partially suspended to deter the spread of the disease. The obvious result was the reduction of U_3O_8 output. According to industry consultancy UxC, the estimated total production in 2020 would be 123.6 million pounds U_3O_8, which is down 13 per cent from 2019. This figure has been the lowest since 2008 and would only represent roughly 68 per cent of total annual demand in 2020. The remainder of demand was covered by inventories and other secondary supplies.

During the first quarter of 2020, the uranium spot price remained at approximately USD25 per pound, the same level as the second half of 2019. However, it rose sharply following the Cigar Lake suspension in late March, peaking at USD34 per pound in late May, based primarily on heavy producer purchases for delivery of spot material at Cameco. Since then, prices have retreated to end the year closer to the USD30 per pound level.

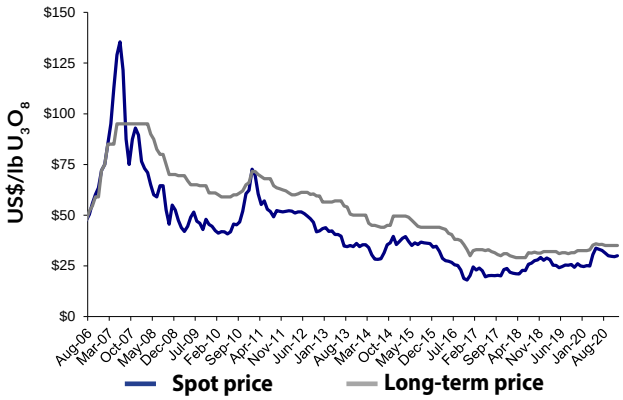
The increased producer activity in the spot market also gave rise to heightened activity from traders, financial funds, and others, ultimately pushing spot transaction volume to 92.3 million pounds U_3O_8 for the year, which is the highest in uranium history.

Figure 1: Uranium spot prices (US$/lb U_3O_8), 1985 to 2020
(US dollar per pound of uranium oxide, annual averages)



[Source: Ux Consulting/US CPI]

Figure 2: Uranium prices (US$/lb U_3O_8), 2006 to 2020
(US dollar per pound of uranium oxide)



Source: UX Consulting and Trade Tech

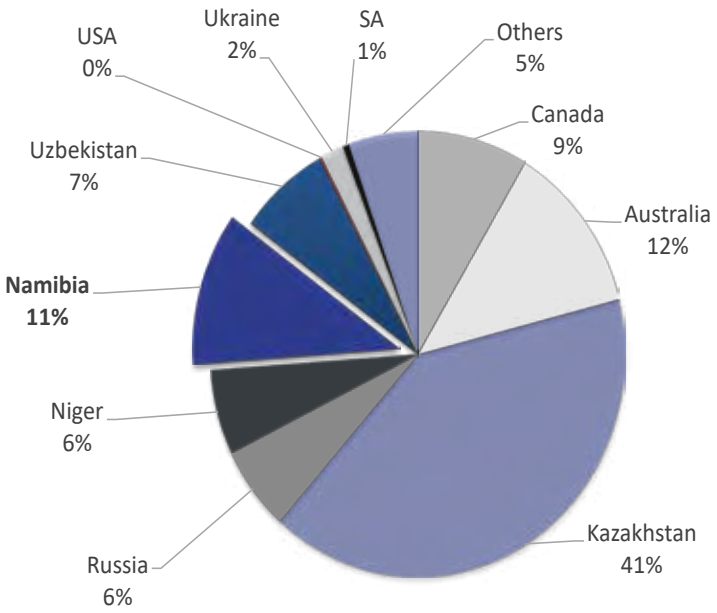
The overall long-term contracting volume fell by over 40 per cent from 2019's 96.2 million pounds U_3O_8 to 2020's 56 million, but the number of contract awards increased by about 23 per cent.

A portion of the year's contracting activity took place during the first quarter of the year before the impacts of the COVID-19 pandemic had spread globally. Term activity then paused until about August, and thereafter picked up through to the end of the year.

After holding flat throughout 2019, the UxC long-term indicator increased USD2 to USD33.

Source: UX Consulting

Figure 3: World primary production of uranium oxide, 2020 (%)



MARKET OUTLOOK

In 2020, the OECD Nuclear Energy Agency (NEA) and the International Atomic Energy Agency (IAEA) released its latest Uranium 2020: Resources, Production, and Demand, known as the 'Red Book'. The Red Book states that uranium requirements by 2040 could range from between 147 million pounds U_3O_8 in the low case to 261 million pounds in the high case. This compares against world uranium requirements of 154 million pounds at the end of 2018.

Further, the Red Book notes that sufficient resources exist to support the continued use of nuclear power. Identified recoverable resources are sufficient to cover potential future demand for the next 135 years. However, the report notes that considerable exploration, innovative mining techniques, and timely investment will be required to turn these resources into refined uranium, ready for nuclear fuel production and to facilitate the deployment of promising nuclear reactor technologies.

In 2021, world production level will still be the most important factor driving the market. Though some mining companies could choose to suspend their mining activities and buy spot material to fulfil sales commitments, this may not be a long-term sustainable approach, given its implications on cash flow and capacity maintenance.

Another factor is utilities' unfilled demand and procurement strategy. Utility procurement has been slowed down due to 2019's various international political issues and 2020's COVID-19 pandemic. It is widely believed in the industry that utilities will need to reconsider their mid-term and long-term procurement as they enter the new decade, and their historical contracts taper off. However, the exact timing remains debatable.

MARKETING OUR PRODUCT

In 2020, Rössing produced 5.5 million pounds U_3O_8. A total of 2.0 million pounds were shipped to western converters and sold to customers in North America, Asia (excluding China) and Europe, Middle East and Africa (EMEA). A total of 4.0 million pounds, including some production from the 2019 year, were shipped to China and sold to CNNC. Rössing continued to benefit from the contractual sales prices in its historical contract portfolio, as well as the beneficial CNNC off-take agreement, with an average sales price across the entire portfolio, well above the average spot price for the year.

In 2021, in order to maintain our perfect delivery record on our historical contract portfolio, Rössing management will put extra focus on raw material supply, production and uranium product logistics to mitigate the impacts from the pandemic. The marketing team will further strengthen the communication with potential buyers of uranium and try to commit more sales during this on-going decade.

OUR OPERATIONS

Rössing Uranium's operations consist of two distinct activities: the first is mining uranium-bearing rock, while the second is processing this ore into uranium oxide for the world's nuclear energy market, which fuels the generation of electricity. Our attention is directed towards creating shareholder value and maintaining a secure and viable business, as well as ensuring that we remain a long-term contributor to Namibia's economy.

The uranium located in our mining licence area is embedded in very hard and abrasive granitic rock, known as alaskite. To mine the necessary volume of ore and waste, the mine must conduct blasting operations regularly.

Electric and diesel-powered shovels load uranium-bearing rock onto haul trucks, which transport the ore to the primary crushers for the first stage in the crushing process.

From there the crushed ore is conveyed to the coarse ore stockpile, where it is reclaimed and put through additional crushing stages in the Fine Crushing Plant, before the processing stage of operations begins.

MINING OPERATIONS

In 2020, we mined 19.4 million tonnes of rock (13 per cent less than in 2019) of which 9.2 million tonnes was economic uranium-bearing ore (7 per cent more than in 2019), and 10.0 million tonnes were waste and low-grade ore (including 0.2 million tonnes dumped in-pit). This equates to a waste-to-ore strip ratio of 1.09, which is significantly lower than 2019 (1.60). The waste-to-ore ratio will continue to decrease as the open pit gets deeper.

Mining operations were forced to slow down between March and June while controls were implemented to combat the spread of COVID-19 on-site. This had an impact on ore supply, which was mitigated by depleting run-of-mine stockpiles and reducing cut-off grades to meet tonnage requirements, albeit at lower grade.

As a result of this, ore milled increased from 8.0 million tonnes in 2019 to 8.7 million tonnes in 2020.

Milled uranium grade of 334 parts per million (ppm) was 12 per cent lower than 2019, while ore blending was tightly controlled to support higher plant recoveries. Higher tonnes and recovery offset the lower grades to deliver 1.6 per cent more metal in 2020 relative to 2019.

While COVID-19 controls dominated the health and safety effort across the mine, the mining operation recorded zero 'all injuries' for 2020. Progress was made with regards to several health, safety and environmental (HSE) initiatives, including geotechnical meshing to mitigate rock-fall risk; trialling of a fatigue management system on the haul trucks; construction of a ramp to access water at the bottom of the open pit for dust control; and to dewater the pit ahead of mining the lower benches.

Improvements in other areas included the upgrading of the radiometric truck scanners for grade control; trialling of down-hole logging tools and progressing

Blasting preparations underway in the open pit.

a geo-metallurgical test work programme to optimise process recoveries.

At a strategic level, an updated view of the Phase 4 pushback was completed that will support a more detailed study in 2021 and 2022.

Looking ahead, productivity and cost improvement initiatives will focus on blasting efficiencies and optimising the mining sequence, together with anticipated reductions in the mining fleet.

PROCESSING OPERATIONS

The Processing Plant is responsible for the extraction of uranium from mined ore through several stages to produce uranium oxide (U_3O_8). This product is securely packed and shipped to our customers for further conversion.

The aim of the plant is to produce targeted quantities of uranium oxide in the most efficient and safe manner possible.

We produced a total of 2,489 tonnes of uranium oxide in 2020, which is marginally higher compared with production in 2019 of 2,449 tonnes.

ENGINEERING PROJECTS

Hileni Kapunda (Electrical Engineer) and Hennie Lacock (Superintendent Projects) inspecting the variable speed drive (VSD) housing.

The project was successfully commissioned in December 2020. To enhance safety, the start/stop panels were fitted with protective covers against spillage."

Nearly 20 engineering projects were undertaken during 2020, of which four are discussed here.

01

Project Name:

VARIABLE SPEED DRIVES FOR CCD FEED PUMPS AND SMALL THICKENERS

Rössing Uranium have been using hydraulic variable speed couplings (VSC) to vary pump speed for flow control processes on the CCD feed pumps. A VSC makes use of old technology: mechanical devices are coupled directly to a motor and then hydraulic fluid is used to perform speed control on pumps. Historically, Rössing has experienced frequent failure on the VSCs.

In addition, the installation and alignment of hydraulic VSCs is labour intensive and contributes directly to extended plant downtime, resulting in significant production losses. The small thickeners underflow pumps were also being run on fixed speed, which is not appropriate for flow control and can be very inefficient in terms of power consumption.

It was on this basis that an alternative technical solution was proposed involving the installation of 3.3kV medium voltage (MV) variable speed drives (VSDs) to replace the VSCs, and to also install 525V low voltage (LV) VSDs to replace the fixed speed on flow control.

The VSDs were installed on CCD's feed pumps line 1 and line 2, as well as on four small thickener underflow pumps. The project was successfully commissioned in December 2020. To enhance safety, the start/stop panels were fitted with protective covers against spillage. A housing was constructed for the MV VSDs, with adequate air conditioning installed. The newly-installed motors were directly aligned to the V-belts on each pump.

SOME OF THE ENGINEERING PROJECTS

(From left to right) Members of the engineering team: Nestor Hamalwa (Mechanical engineer), Eliaser Silvanus (Mechanical engineer), Hanna Uunona (Mechanical engineer) and Wilhelmina Kamati (Electrical engineer graduate) at a planning session.

02

Project Name:

WATER STORAGE CAPACITY INCREASE

Historically Rössing Uranium has suffered many water shortages for operations. The trend over the years shows regular sulphur outbreak events in the ocean, resulting in the shutting down of the Orano desalination plant, with reduced inflow to NamWater reservoirs at its Swakopmund base and therefore reduced inflow to the Arandis reservoirs from which Rössing's fresh water is being supplied.

These incidents resulted in production outages directly related to the unavailability of fresh water supply to the mine. Several options were considered and evaluated to increase the reliability in fresh water supply to the mine.

After a due diligence investigation on various options, the Board approved a capital project in 2020 to increase the water storage capacity to complement the storage capacity of NamWater's reservoirs.

A suitable tank supplier was identified that will deliver six tanks to the mine. Each tank will be able to contain 10,000m^3 of potable water. The tanks will be delivered on site in containers in mid-2021: the six tanks will be installed adjacent to the existing NamWater reservoirs.

The total increase in water storage capacity will thus be 60,000m^3, providing Rössing Uranium with approximately seven to eight days of additional fresh water supply for operations. In the second quarter of 2021, the earthwork preparation and base construction on which the tanks are to be installed, will commence.

03

04

Project Name:

CIX & SX STRUCTURAL UPGRADE

Severe structural deterioration has been noticed at the mine, specifically at the Continuous Ion Exchange (CIX) and Solvent Extraction (SX) Plants. Acid spillage over the years has undermined the interface between column supports and the structural concrete founding slab supporting the vessels. Structural integrity assessments were done in 2016 and again in 2019 to determine the condition of the existing structures and to recommend repair methodologies to sustain the existing structures.

Following these assessments, two projects were approved to restore the structural integrity of the areas of these plants most affected by the deterioration. Both projects were completed successfully with restored concrete flooring, steel structures and acid proofing, which ensured the structural integrity of both sections where the work was implemented.

Project Name:

Y3 PADDOCK BUTTRESS AND E2/Z2 ADDITIONAL PADDOCKS

The availability of deposition areas has decreased at the Tailings Storage Facility (TSF). As such, a geotechnical site investigation was carried out in 2018 on the TSF. Part of the findings of the site investigation was that the mine would no longer be able to safely deposit on two of the major paddocks. This implied that there is a need to identify and develop additional deposition areas, and to also bring back a previously abandoned paddock.

The reinstatement of the previous paddock was on condition that the Y3 Paddock also be buttressed before any form of commissioning for deposition is done. Additionally, two new paddock areas have been identified as Z2 and E2 with Y3 being scheduled for buttressing. This decision to continue with the above project was also endorsed by the TSF Review Board.

GOING FORWARD

Going forward, major projects for 2021 include:

- Increase in water storage capacity
- New FPR roaster
- Pipe re-routing at the CIX trench
- Major refurbishment of leach tank 4/1
- Upgrading of crusher mainframe
- Upgrading of scrubber leaching, and
- Rehabilitation of the westerly dewatering wellfield.

PROCESS SAFETY MANAGEMENT

Process safety management (PSM) is a systematic approach of controlling the unwanted release of hazardous substances, process solutions or fires and explosions that have the potential to significantly impact the health and safety of employees, the environment or the business.

During the previous year, Rössing Uranium's PSM steering committee decided on four main process safety hazards. These four process safety hazards are managed with strict engineering and administrative control strategies. The four hazards identified were:

- anhydrous ammonia gas,
- concentrated sulphuric acid,
- fire in the solvent extraction and final product recovery plant, and
- engulfment due to large processing tank failures.

In the latter part of 2019, it was identified that the engineering standards and manuals currently being used, are outdated. The PSM team was tasked to identify the shortcomings and embark upon updating of these standards and manuals as an improvement project in 2020, together with the normal day-to-day control strategies of the mine's four main process safety hazards.

Due to the COVID-19 pandemic, an external audit could not be conducted in 2020 because of travel restrictions. However, the mine contracted consultants with over 15 years experience in process safety management in different processing plants all over the world to assist in the process safety improvement project. The assistance was started remotely due to travel restrictions.

The process safety management improvement project focusses on evolving it more specific to Rössing Uranium but still complying to international standards. From 2020 onwards, the PSM team reports to a newly-created engineering governance department, namely Asset Management. The project will assist the asset management planning, training, HSE, operations and maintenance departments to ensure continuous management of process safety hazards at the mine.

(Right) Martin Amukwaya (Radiation Advisor), Abigail Shidute (Radiation Advisor) and Charlton Goseb (Foreman Extraction) at the Ion Exchange Plant.

BUSINESS IMPROVEMENT OPPORTUNITIES UNDER CNUC

Phase 4 pre-feasibility study update

The Phase 4 mining pushback is the lowest cost-expansion option available to Rössing Uranium and will benefit from leveraging off the existing processing and infrastructure facilities.

The mine conducted a Pre-Feasibility Study (PFS) in 2015/16 on the development of Phase 4, which indicated the potential to extend the life-of-mine (LOM) by six years, from 2025 to 2031 at a mill throughput rate of 12 Mtpa to recover an additional 18,000 tonnes U_3O_8. This proved value destructive and the project was deferred to allow the market to recover to the project break-even uranium price of USD60/lb.

Following the 2019 sale of Rio Tinto's majority shareholding in Rössing to China National Uranium Corporation (CNUC), who have an interest in a longer supply of uranium from Rössing, an updated options review of Phase 4 was carried out that built on the work done in the PFS, as well as a care and maintenance study done in 2017/18.

By introducing new macro-economic parameters (exchange rate, inflation, long-term prices, among others), and adjusting pit shells, haul truck design, and start time, a total of 19 different mining options have been compared and studied. Some options can achieve a lower stripping ratio and generate positive net present value. A pre-feasibility study and a feasibility study will be conducted from 2021 to 2023.

The conclusion is highly sensitive to macro-economic parameters, and a decision to mine Phase 4 could therefore be made at a later stage (to be re-assessed in 2023), which would also allow more relevant and up-to-date macro-economic parameters to be considered in the evaluation.

New CIX and SX Plants pre-feasibility study

The current Continuous Ion Exchange (CIX) and Solvent Extraction (SX) plants at Rössing Uranium have been in operation for nearly 45 years. Due to the inevitable long-term aging effects and accelerated and enhanced wear and tear on the plant infrastructure, as well as the unavoidable effects of the prolonged exposure to highly corrosive acidic and alkaline process solutions, some of the civil structures, storage and containment process vessels and concrete floors are increasingly failing at a higher rate.

In view of the current studies to extend the life of the mine to 2035, this has prompted the need to consider investigating opportunities to upgrade the CIX and SX plants to ensure that the infrastructure in the Processing Plant areas will be in a condition to sustain safe, efficient, and effective operations for the next 15 years and beyond.

To this end, the mine requested CNUC's technical team to undertake a preliminary feasibility study to upgrade the CIX and SX plants at Rössing. This work is intended to cover aspects pertaining to engineering designs for the equipment required in the two plants, as well as the installation and integration of the new equipment into the rest of the Processing Plant.

This study is intended to investigate the different options for upgrading the ion exchange (IX) and SX processes to bring about continuous improvement aspects during the operation and maintenance of these purification plants for the remainder of the life of mine. The study should ensure that the purification plants are designed, engineered, operated, and maintained in a way that ensures the safety and health of all employees and stakeholders, as well as protecting the environment. The study is intended to investigate and evaluate the different options of the IX and SX processes and technologies for the current and the potential extended life-of-mine.

This study is still in progress and is expected to be completed in the first half of 2021.

TSF footprint extension study

The current Tailings Storage Facility (TSF) at Rössing Uranium does not have capacity to accommodate life-of-mine expansion beyond 2026. Design engineering firm, Knight Piésold, was contracted to evaluate the available capacity of the TSF under the current footprint.

It was established and confirmed that the TSF will reach its capacity (end of deposition) by 2027. An additional 93Mt is required for the life-of-mine expansion to 2035.

A further study was undertaken by Knight Piésold, with the involvement of Rössing, to consider the options available in terms of expanding the current TSF. Nine options were considered in the assessment for potential tailings deposition sites.

This study is still in progress, and the pre-feasibility study will be completed in 2021.

INFORMATION TECHNOLOGY

In 2020 primary focus was placed on the implementation of the SAP Time and Attendance system. Rössing Uranium had a requirement to implement a SAP Time Management solution whereby employee and contractor work attendance is captured via an external clocking system into SAP. This will enable line managers to greatly improve the management and control of employee and contractor working time.

Rössing Uranium has been using the SAP S4Hana since April 2019. Currently time payment data is manually advised from time sheets with only the SAP modules of Leave Management, Payroll, Personnel Administration and Organisational Management being used.

Primarily, the implementation of the SAP Time Management module supports businesses in paying employees according to the exact number of hours worked. SAP's "Combination Method of Time recording" will be used where an employee's basic salary is guaranteed and is only affected by approved overtime and unpaid absences. The enhanced control of overtime fraud, incorrect capture and overpayments will lead to significant financial savings.

The solution also provides the tools to control excessive work hours and assist in complying with legislation in respect of allowable maximum working hours and non-compliance to the company fatigue management policies. In this regard, the project will provide significant efficiency improvement, which eliminates chances of legislators taking the company to court for failing to comply with prescribed laws, translating into financial savings, increased productivity and improved safety compliance.

Other completed projects that made a significant impact on the ability to communicate and expanded existing systems, included:

- Improved communication through the installation of 42-inch TV monitors around the mine with media player capabilities which enable Rössing to present informative videos on COVID-19 and interesting news to employees throughout the mine, while
- Fibre expansion through the plant area opens new opportunities for more systems requiring wireless or wired network connections.

From the information that is now visible from the SAP Time and Attendance system, business process improvements can be identified to reduce labour costs, improve productivity through better resource planning and absenteeism management, while simultaneously mitigating compliance risks from fatigue management.

Looking ahead, focus will also be placed on improving the CCTV surveillance coverage by the installation and upgrading of the CCTV surveillance system.

OUR RESPONSE TO COVID-19

'Business unusual' was the order of the day during 2020, especially in the early part of the year when the COVID-19 pandemic was first felt.

The mine was in minimal operational mode when mining operations were forced to slow down between March and June, while controls were implemented to combat the spread of COVID-19 on-site.

As can be expected, this had an impact on ore supply, which was mitigated by depleting run-of-mine stockpiles and reducing cut-off grades to meet tonnage requirements, albeit at lower grades.

Introducing the COVID-19 Emergency Response Plan

In addition to implementing control measures as prescribed by the World Health Organisation, later further enhancing these measures by complying with the State of Emergency and other Government directives, Rössing introduced a COVID-19 Emergency Response Plan (ERP).

The ERP followed a four-phased approach towards managing the pandemic and remains dynamic as we adapt to changing circumstances.

Enos Somongula (front) and Mwawedange Ndaudanawa (back) from the contracting company, disinfecting one of Rössing's buses.

As a public health issue, the mine's health management team were key role players in the establishment of processes and controls for the management of the pandemic on site to limit its impact on the workforce.

In addition to all legally prescribed COVID-19 controls, Rössing and contractor employees all received fabric reusable masks, employee tool-kit booklets, individual thermometers, fridge magnets with key messages and individual hand sanitisers to enhance and support the controls against COVID-19.

A wide range of measures were also put in place to prevent the spread of the virus, such as temperature checks, thermal cameras for employee screening, hand sanitisers, and employee support for those that were affected by COVID-19, among others.

Extensive awareness was done by communicating to the mine's workforce, as well as its contractor workforce, through the issuing of 52 Coronavirus newsletters and the distribution and display of posters which addressed key and relevant aspects about the pandemic. Television monitors were placed throughout the mine with media player capabilities, which enable Rössing to present informative videos on COVID-19.

A link on the mine's intranet provided ongoing updates on control measures at the workplace to combat the spread of the virus. The wearing of respiratory protection has become compulsory on-site, while social distancing measures were implemented in offices, buses, vehicles, and all other facilities.

Support Government initiatives

As a responsible business, Rössing supported the Namibian Government's initiatives to contain the spread of COVID-19 in Namibia. An oxygen generator plant, manufactured in Windhoek, was donated, and delivered to the new COVID-19 isolation facility at Walvis Bay State Hospital.

The plant was purchased at a cost of nearly N$3.8 million and will be made available to supply oxygen to about 75 to 80 of the 150 beds in the isolation facility.

The hand-over event was attended by the Governor of the Erongo Region and various members of the regional and local governments, as well as private sector representatives. The isolation facility will serve the communities of Walvis Bay, Swakopmund, Henties Bay and Arandis.

Rössing further supported Government efforts by donating N$200,000 to the Ministry of Health and Social Services.

We also supported Swakopmund State Hospital with a donation of personal protective clothing (PPC) that would safeguard personnel involved in dealing with the impact of the pandemic.

The donation, valued at N$10,000, included PPC such as goggles, shoes, gum boots, overalls and chemical overalls for personnel operating the hospital's incinerator, as well as important items for infection control. Dispensers and sanitisers were also donated to support the hospital's medical wards.

Community and social involvement

In late August and early September, Tippy Taps, funded by Rössing, were installed at various sites in Swakopmund and Arandis. The Tippy Tap is a simple device for hand washing with running water. A 5-litre container with a small hole near the cap is filled with water and tipped with a stick and rope tied through a hole in the cap. As only the soap is touched with the hands, the device is very hygienic.

Tippy Taps were installed at COSDEC, the Rössing Foundation office in Swakopmund and at identified public gathering areas in the DRC township and at the Airport Strip, as well as in Arandis at the Rössing Foundation Maths and Science Centre, NIMT, ACDC and AIMS.

(Above) Rössing Uranium's MD, Johan Coetzee (far right in photo) with Erongo regional governor, Neville André Itope, Rössing Uranium's Partnership, Communication and External Affairs manager Daylight Ekandjo and Acting GM: Organisational Resources Germano Musili, at the hand-over event of the oxygen generator plant to the new COVID-19 isolation facility in Walvis Bay.

(Above) A 4-year-old resident of the DRC informal settlement in Swakopmund, washing her hands by making use of a tippy tap.

With these activities Rössing demonstrated our support for the United Nation's Sustainable Development Goal 3.

Impacting on procurement of major consumables

The procurement of major consumables was substantially impacted by the lockdowns imposed in Namibia and South Africa early in 2020 and depletion of our stocks of these consumable products has the potential to halt our operations.

During the initial lockdown there were total border closures and long delays at ports, and our suppliers' factories closed for unplanned periods.

However, we took various steps to avoid product outages:

- We immediately provided all our suppliers with essential service letters as the mining industry in Namibia received permission to continue mining under some strict conditions.
- We engaged with authorities in South Africa to allow Arcelor Mittal to continue delivering grinding rods, and also to produce coil sheets for Greif to manufacture final product drums. The rest of the industry were unable to get steel products. Namibian steel consumers are still not receiving required volumes.
- To avoid mandatory quarantining, we engaged with the Walvis Bay Port Authority to ensure our vessels were off-loaded if they had sailed for more than fourteen days since the last stop.
- Our suppliers were asked to stock up on products and we provided them with regular forecasts and increased our own inventory on selected products.
- Transnet experienced long delays due to not having sufficient wagons available to move between rail stations, and this meant that our ammonia would get stuck in South Africa. We engaged with third party chemical suppliers and transport companies and were able to secure road transport for ammonia gas that required a number of changes onsite to ensure the safe off-loading of the gas.
- Saldanha Steel, our major supplier of hematite, closed down at the start of the pandemic and we had to hastily find alternative suppliers. With a combination of actions we sourced ferrous as a temporary replacement product from South Africa, China and our neighbours, Swakop Uranium. We eventually went back to hematite that was sourced from South Africa and China.
- Due to face-to-face meeting restrictions and expected delays due to the international time zones, we started our sulphuric acid contract negotiations six months ahead of the current expiry date and successfully concluded them before the commencement date of 1 February 2021.

Conclusion

The current regulations and safety measures in place to contain the spread of COVID-19 are expected to remain in place for the foreseeable future, as the pandemic has not yet run its full course.

Rössing will remain diligent in the implementation of safety measures to protect our employees and contractors, as well as their families and friends.

OCCUPATIONAL HEALTH MANAGEMENT

We firmly believe that occupational disease and illness can be prevented, if risks are properly eliminated, or managed and controlled. Our occupational health, hygiene and wellness programmes are aimed at preventing ill health, as well as promoting good health and well-being.

We identify and quantify health hazards to enable us to minimise exposure and prevent injury and illness that may otherwise develop.

In adherence to legislative requirements, as well as the risk-based occupational health standards of Rössing, some of our key programmes included, but were not limited to:

- Noise exposure control
- Workplace ergonomics management
- Health and medical monitoring
- Hazardous substances exposure control
- Fitness for work, wellness and fatigue management
- Occupational medical surveillance, and
- Occupational hygiene.

The mining industry and its activities are associated with various health risks to which the workforce might be exposed. Health programmes remain a focus area, of which exposure monitoring and risk management and control are key components. All workers are grouped into similar exposure groups (SEGs) based on the areas they work in, similarity and frequency of the tasks they perform and the associated exposures of these.

At Rössing we follow a risk-based monitoring strategy for the respective SEGs, determined by annual reviews of the site risk register. During 2020, we monitored 16 of the 20 SEGs.

Occupational hygiene monitoring is conducted to evaluate legal compliance, risks to the health and well-being of our workforce, effectiveness of risk mitigating controls, as well as to track progress against objectives and targets which are aligned with the Rössing management system and health performance standards.

Geraldine Morkel (E-MED paramedic), attending to a patient in an onsite ambulance before sending patient to Swakopmund for further treatment.

To ensure that collected data is accurate, comparable, and representative, statistical analysis and validation is conducted. Internal criteria are established to protect the health of the workforce, including contractors, and they are defined as occupational exposure limits (OELs). Non-conforming monitoring results are investigated through the incident-management process and appropriate actions are developed and implemented.

Some of the harmful health risks and agents at our workplace include exposure to noise, dust (silica), musculoskeletal stressors, and microbiological agents found in the water system.

During 2020, our occupational hygiene monitoring programme included measurements of respirable dust (including crystalline silica quartz), noise levels, hydration testing and water-borne bacterium (Legionella and potable water).

CNNC
Rössing Uranium
Working for Namibia

HSSEC Policy

Health, Safety, Environment and Communities

Excellence in Health, Safety, Security, Environment and Communities (HSSEC) management is one of the foundations of Rössing Uranium's vision to be the safest and most efficient, long-life uranium producer in the world. This is in line with our commitment to Zero Harm, corporate citizenship, social responsibility and sustainability.

- The protection of the health and safety of our employees, contractors, stakeholders and neighbouring communities.
- Operating our business with respect and care for both the local and global environment in order to prevent and mitigate residual pollution.
- Understand and manage the effects of our product through its entire life cycle.
- Work with integrity and be in full compliance with applicable legislation and industry best practice.
- Seek continual and sustained improvement in HSSEC performance to create a Zero Harm work environment.








- Identify and assess hazards arising from our activities and manage associated risks to the lowest practical level.
- Enhance biodiversity protection by assessing and considering ecological values and land-use aspects in investment, operational and closure activities.
- Continue in our efforts to raise the awareness of HSSEC issues in our neighbouring communities.
- Regularly review our performance and publicly report our progress.
- Communicate our commitment to this HSSEC policy to all interested and affected parties.

In implementing this policy we will engage in constructive dialogue with our employees, contractors, neighbouring communities and all other stakeholders in sharing relevant information and responsibilities for meeting our requirements.

Johan Coetzee
Managing director
6 February 2020

DUST

Mining activities are synonymous with dust generation. Primary dust generating operations include drilling, blasting, crushing, and the milling of mined ore, amongst others. The respirable fraction of the mineral dusts such as rock, stone, and concrete, which in most cases is not visible to the naked eye, may reach the alveolar region of the lung (respirable), causing the most damage.

Chronic exposure to excessive dust concentrations may negatively impact on workers' health and may result in, but is not limited to, skin irritation and/or dermatitis, respiratory problems, and inflammatory lung diseases. The inhalation of dusts with specific elemental compositions, such as crystalline silica in the form of quartz, is well known to be detrimental to the human body and may result in permanent debility and even fatal disease.

During 2020, our dust monitoring for the crystalline silica quartz focused mainly on high risk areas due to limited operations.

We took respirable crystalline silica (RCS) samples from SEGs with expected silica exposure. The occupational exposure limit of 0.1 mg/m3 for RCS has been applied. None of the SEGs monitored exceeded the OEL for silica (Figure 5), whilst Reduction workers and Laboratory workers were exposed to RCS at 50 per cent of the OEL based on the Land's "Exact" 95 per cent Upper Confidence Limit (UCL), analysed utilising the Occupational Hygiene Statistic tool, IHStats.

NOISE

Noise from machinery, maintenance activities, and operational activities may put workers at risk of developing hearing impairment. Workers exposed to noise levels greater than the regulated occupational exposure limit of 85 dBA have an increased risk for

Figure 5: Average personal respirable silica dust exposures, 2020 (UCL1, 95% - Land's "Exact")

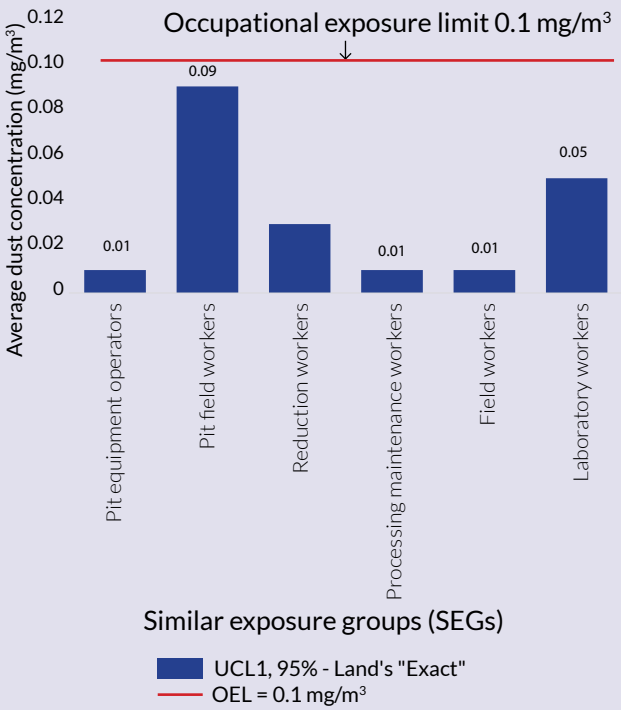
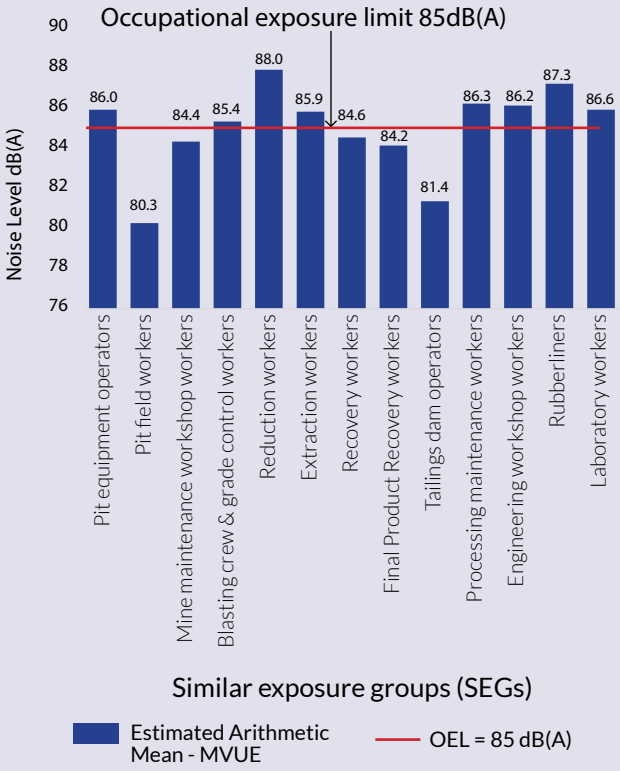


Figure 6: Average personal noise exposures, 2020 (Estimated Arithmetic Mean - MVUE)



Geraldine Morkel (E-MED paramedic) taking an employee's temperature in the COVID-19 emergency room on site.

developing noise-induced hearing loss (NIHL), which is irreversible.

The use of impact tools, maintenance activities, general plant and equipment noise are the main sources of over exposure to noise at Rössing Uranium.

Noise zoning is applied in high-risk areas, together with the application of customised hearing-protection devices. In other areas, disposable ear plugs are used.

During 2020, eight of the 13 SEGs that were monitored for noise exceeded the occupational exposure limit of 85 dB(A). **The measured exposures do not consider the protection factor provided by hearing protection devices in use.** We make use of customised hearing protection devices for persons working in areas with high noise levels. These are permanently calibrated to filter out all noise levels above 82 dB(A). Figure 6 depicts the average annual personal noise exposures measured for the different SEGs in 2020.

OCCUPATIONAL MEDICAL SURVEILLANCE

Occupational medical surveillance examinations provide baseline and periodic measurements to detect abnormalities in workers exposed to work-related health hazards early enough to prevent or limit disease progression by exposure modification or medical intervention.

A risk-based periodic medical programme is followed with consideration of the exposures of employees and contractor employees in different SEGs. These require employees and contractors to undergo pre-employment, periodical, and exit medicals.

Other medical examinations during employment include transfer medicals and return-to-work fitness medicals. Through the mine's workplace wellness programmes, employees are encouraged to undergo additional medical screening tests to manage their own health and as a means of detecting chronic and/or life threatening illness.

Clerence Ndinda (Foremen Protection Services) doing an alcohol and drug test before entering the mine site.

This programme was impacted by the COVID-19 restrictions and lockdowns in the regions. Also, certain tests, such as lung function tests, among others, had to be put on hold due to specific restrictions on the possible COVID-19 exposure risk when performing these tests. Despite all the challenges it was possible to successfully complete the occupational medical surveillance programme for employees and contractors by year-end.

WELLNESS

Our workplace wellness programmes are designed to help the mine in creating a work environment that is healthy for employees. Encouraging employees to look after their health and well-being is a critical component of our overall approach to health and safety. The programmes also involve increasing knowledge and awareness through campaigns and education sessions and introducing policies that help employees make healthier choices.

During 2020, we were limited in terms of the onsite activities that could be held due to the COVID-19 impacts and restrictions. Specific activities that had to be put on hold were our annual Wellness Week, quarterly blood donation clinics and the voluntary counselling and testing drive during World AIDS Day.

Two rounds of alcohol and drug awareness sessions were held onsite by an external specialist to raise awareness around alcohol and drug abuse. These were done with strict adherence to COVID-19 controls.

Our annual awareness for Breast Cancer and World AIDS Day was done by selling cupcakes to Rössing employees and contractors and donating the funds raised to the Cancer Association of Namibia and the Catholic AIDS Action, respectively.

HEALTH STUDY

In 2015, the University of Manchester was appointed by Rio Tinto, (the majority shareholder in Rössing Uranium Limited until 16 July 2019), to conduct an independent study to investigate the potential link between radiation and other occupational exposures and developing cancer in the workforce at the Rössing Uranium mine.

Researchers from the University of Manchester conducted a comprehensive case-cohort study, covering a representative sample of all employees who had worked at least one year at the mine between 1976 and 2010. The research team carried out statistical analyses to determine whether there are any relationships between occupational exposures (radiation, silica, acid mist, diesel engine exhaust) and the selected cancers of interest.

The study has been completed and the required permission granted by the Ministry of Health and Social Services to provide feedback to key stakeholders. The study does not provide strong evidence that radiation or other exposures at the Rössing mine cause an increased risk of cancers in the workforce.

Martin Amukwaya (Radiation Advisor) at one of the notice boards on site.

SAFE OPERATIONS

Rössing strongly believes that all incidents, injuries, and occupational accidents are preventable, and is striving towards the goal of zero harm.

During 2020, our operations made significant improvements across all key safety metrics. Rössing Uranium achieved a significant milestone with its All Injury Frequency Rate which has reduced to 0.34 against a target of 0.61, the best performance the mine has recorded since inception.

This was the result of increased rigour and focused implementation of our safety programmes across our operation, made possible by the leadership and engagement of our employees. 2020 was also a year free of fatalities, permanent disability injuries and significant process safety incidents.

For the second consecutive year, Rössing won the Chamber of Mines' Best Safety Award in the Operating Mines Category. Jacklyn Mwenze, Rössing Uranium's Manager HSE and Protection Services, received the prize from the Minister of Mines and Energy.

Safety initiatives

Excellence in health, safety, security, environment, and communities' management is one of the foundations of Rössing Uranium's vision to be the safest and most-efficient, long-life uranium producer in the world. The mine's Protection Services team plays an active role in the protection of the health and safety of our employees, contractors, stakeholders, and neighbouring communities.

During 2020, the following ongoing initiatives took place to further our goal of zero harm:

- Focus was put on vehicles and a drive to streamline the mine site licences to have the same validity period as the Roads Authority and national licences.
- The Critical Risk Management (CRM) fatality prevention tool was sustained with focus on leaders verifying that critical controls are in place in the field, coaching teams and planning verifications for safety critical jobs.

Clerence Ndinda (Foremen Protection Services) and Enrico Kharigub (Security Officer) having their temperatures taken before entering the mine site.

- The HSE Refresher induction was made web-based, to enable those with access to computers to complete their induction online rather than classroom-based, reducing gatherings as a control in the fight against COVID-19.
- The different types of permits used onsite were integrated into one system. This includes the permit-to-work, confined space and working-at-heights permits. This system will be trialled in early 2021.
- A 'deep-dive' (an in-depth examination or analysis of a topic) was done on process safety management since April 2020, and improvements identified were implemented during 2020 as part of a preventative management initiative.
- HSE training was provided to employees, which focused on developing and enhancing their HSE knowledge and skills.

Highlights in safety management

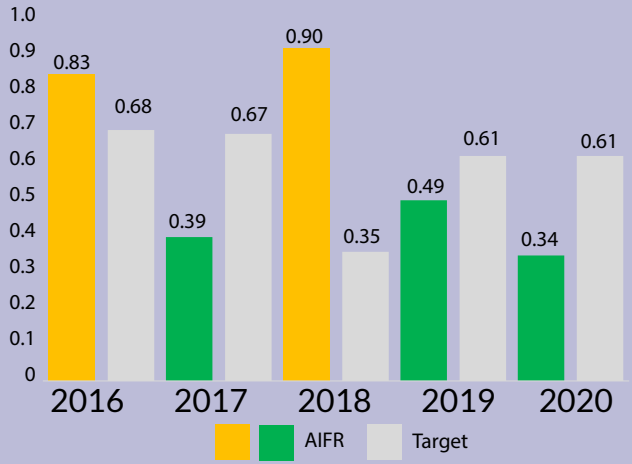
Highlights of our safety management initiative in 2020 include the following:

- The housekeeping competition audits continued. The purpose of the housekeeping competition is to improve general housekeeping at the mine, as well as to instil a sense of pride in individual workshops. This competition is driven by the occupational health, safety, and environment (OHSE) representative, and will continue in 2021.
- To improve and strengthen its safety management system Rössing Uranium had its first gap analysis audit on ISO 45001:2018 in an attempt to achieve certification early next year in this international standard.
- The mine had successfully completed its first surveillance ISO 14001:2018 audit in April 2020 after it was recertified in 2019.
- Recognising Rössing's safety efforts and achievement, we won the Chamber of Mines' 2020 Best Safety Award in the Operating Mine category for the second consecutive year.

The graph below depicts the AIFR for the past 5 years, from 2016 to 2020.

Achieving zero harm requires absolute adherence to policies, standards, and procedures intended to protect employees from injury and illness and minimise significant negative impacts on their lives.

Figure 7: All-injury frequency rate, 2016 to 2020



PROTECTION SERVICES

The Protection Services unit is key to safe and secure operations at Rössing. Its functions are embedded in the national fire safety requirements, the National Fire Protection Association guidelines, clear sets of corporate security standards, and the security protocols governing the uranium industry.

The function consists of Security (asset and employee) and Emergency Responses (medical, fire emergencies), whilst partnering with key stakeholders such as the police, other uranium mines and the local municipalities.

The unit has continued to cement its position by providing essential security and emergencies services, thereby boosting investor confidence. In line with the International Atomic Energy Agency, we are proud producers and exporters of uranium and can confirm that all Rössing exports met the set security standards for the year under review, while our employees safely return home after work.

Medical service

The biggest medical challenge for 2020 was and remains COVID-19. The Section adjusted timeously to the changing needs brought about by the pandemic. Our strategic, decisive, and timeous intervention in the face of the COVID-19 threat ensured that many of our employees and contractor workforce were spared the impacts associated with the pandemic.

Extensive education, site evacuations and emergency drills, which included the medical fraternity, ensured that Rössing was able to respond effectively to the threats posed by the virus. Our contact-tracing programme yielded the required results, and stakeholders expressed confidence in the way we are handling our pandemic mitigation measures.

Fire and emergency responses

Fire safety is key to Rössing's survival. The Section demonstrated maturity by continuing to identify shortcomings and implementing corrective measures, whilst deploying modern fire detection and suppression systems. Our relations extend beyond the mine's boundaries and we have responded timeously and efficiently to fire incidents and two motor vehicle accidents in Arandis and on the B2 national road towards Swakopmund, respectively.

Technology infusion

In line with its mandate to provide safe and secure operations, the Section has invested in new CCTV, access control and thermal body temperature cameras. Alcohol testing is now automated and has proven to be much more effective in reducing and removing the human error factor.

Martin Amukwaya (Radiation Advisor) placing on a dosimeter on Thomas Jonas (Drum filling operator)

RADIATION SAFETY

It is a well-known fact that uranium is weakly radioactive because all isotopes of uranium are unstable. However, the uranium ore mined and processed at Rössing has a low uranium content of around 0.03 per cent. Most areas of the mine have a radiation level between 0.0002 to 0.0004 millisieverts (mSv) per hour, which is slightly above the background level measured in the nearby town of Arandis. Higher radiation levels are present in areas of the Processing Plant, where the uranium product is concentrated. These areas are controlled such that access to such areas is restricted.

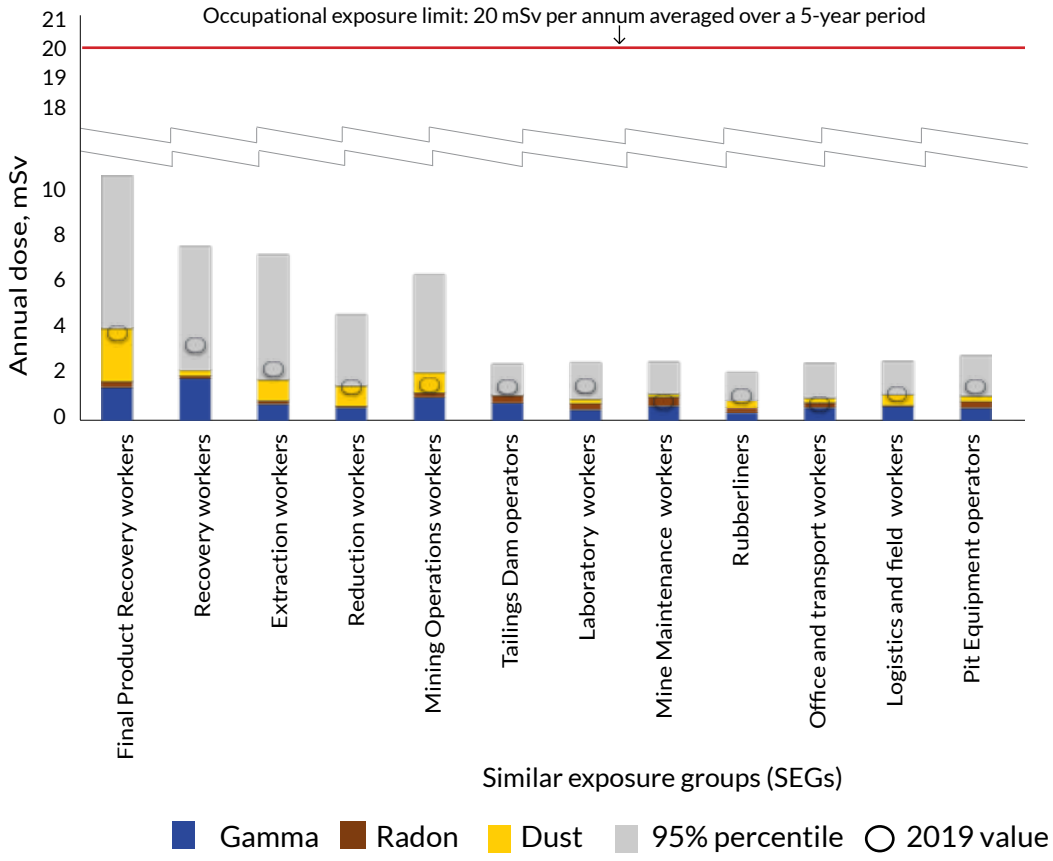
Radiation exposure control is one of the key aspects of occupational hygiene monitoring at the mine.

The programme includes the monitoring of similar exposure groups (SEGs) in which employees are categorised according to the areas they work in and on similar tasks they are occupied with. Other monitoring activities include final product recovery surface contamination and airborne long-lived radioactive dust, thermoluminescent dosimetry (TLD) for radiation workers, and urine sampling. Public monitoring and the monitoring of shipments form part of radiation safety exposure control.

Monitoring

We continued to apply the risk-based monitoring approach for SEG monitoring, which was initiated in 2019. Personal and area monitoring for SEGs measure the three exposure pathways, namely internal exposures to long-lived radioactive dust

Figure 8: Personal radiation exposure dose by similar exposure group (SEG), 2020
Regulatory annual dose limit: 20 mSv

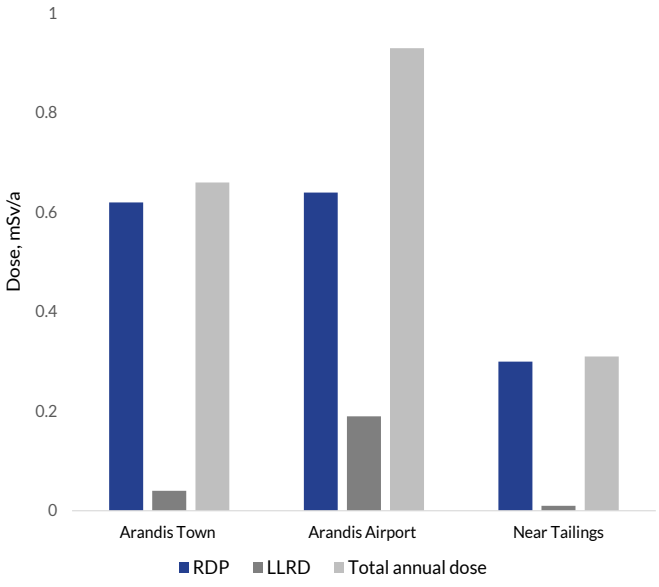


(LLRD) and radon decay products, as well as external (gamma) radiation exposure. Personal monitoring requires interactions between people, which was limited due to the pandemic, therefore our monitoring programme had to be adjusted to do more area sampling.

In 2020, the average dose ranged between 0.93 and 3.98 mSv/a against the occupational legal limit of 20 mSv/a. The overall average radiation dose was 1.36 mSv/a. Figure 8 shows a summary of all SEGs monitored.

In addition to our regular public monitoring with the PM_{10} and water sampling, monitoring was performed at the Arandis airport, Arandis

Figure 9: Annual exposure doses for public, 2020



town and near the TSF. The two exposure pathways under consideration were airborne LLRD and radon progeny, with the background levels included in the final dose. The public exposure legal limit is 1 mSv/a above background. The results are shown in Figure 9.

Radiation safety awareness and capacity building

Radiation safety induction refresher courses and area-specific inductions for Final Product Recovery and the Recovery areas continued in 2020.

A total of 290 employees and contractors were trained in various courses during the year. In addition, we embarked on a quest to re-introduce online radiation refresher training, which is currently in its infancy and will be an ongoing project for 2021.

Rössing continued to support the Namibian Uranium Institute (NUI) and its Radiation Safety Working Group (RSWG), where current topics related to radiation safety are regularly discussed.

We are also pleased to share that in 2020 one of Rössing's employees, Nelao Endjala, was nominated as Chairperson of the NUI RSWG.

Sadly, one of our staff members — who was also the legally-appointed Radiation Safety Officer for Rössing — Dr Bertram Schleicher, passed away in October 2020.

All Radiation Safety team members participated in a two-week online IAEA International Conference on radiation safety, titled "Improving Radiation Protection in Practice", held in November 2020.

Martin Amukwaya (Radiation Advisor) doing radiation scanning on scrap material onsite.

Martin Amukwaya (Radiation Advisor) and Abigail Shidute (Radiation Advisor) at the rod mill tunnel.

Radon in rod mill tunnels

Radon (radon-222) is part of the uranium decay chain and, being a noble gas, can escape the matrix of the rock and soil in which it is formed. When radon reaches open air, it disperses quickly. However, when radon enters an enclosed space or confined atmosphere, such as a tunnel, cave or building, it cannot disperse as easily. Therefore, it is usually found at higher levels than outdoors, resulting in exposure to workers working in those areas. The reference level or limit for radon concentrations for workers is 1000 Bq/m^3.

In 2020, an average of above 1,000 Bq/m^3 was measured between the four rod mill tunnels. This was caused by poor ventilation in the tunnels, resulting from ore build-up that has blocked the openings at the end of the tunnels.

A project was initiated to open all the ends of the rod mill tunnels to increase the ventilation of the indoor spaces with outdoor air to reduce radon levels, thereby drastically reducing the radon exposure to personnel doing work in the tunnels.

The level of radon concentration dropped to below 1,000 Bq/m^3 after the cleaning exercise.

To optimise worker protection for employees intending to carry out work in the tunnels and to keep exposure as low as reasonably achievable, work in the tunnels has been restricted to six hours per day. The tunnels are signposted to provide awareness to those entering the area.

COMMUNITY RELATIONS

Rössing acknowledges that operating within a sustainable community provides our business distinct benefits, such as skilled and locally available employees, capable local suppliers of goods and services, access to sustainably managed natural resources, and healthy and safe environments for our employees and their families.

An important part of that is good community relations, which is as necessary for our business success as the effective management of our operations. With this in mind, we implement long-term community development plans that focus on improvements in quality of life. In 2020, we continued successful efforts to maintain these mutually-beneficial relationships.

Despite facing production and market challenges during 2020, Rössing Uranium remains committed to long-term stakeholder relationships that are mutually beneficial and executed in a respectful manner for both the beneficiaries and the mine.

Honouring our corporate social responsibilities, we accomplished this through continued investment under the United Nations Sustainable Development Goals (SDGs). Our activities are also aligned with the Chamber of Mines of Namibia's Mining Charter, Namibia's Fifth National Development Plan (NDP5) and the Harambee Prosperity Plan.

In 2020, Rössing Uranium supported the Rössing Foundation and other community initiatives with just over N$25.8 million, of which N$16.8 million went to the Rössing Foundation, N$4.7 million to the Arandis asbestos-roof replacement project, N$3.9 million to COVID-19-related donations and N$400,000 was in-kind and cash contributions to worthy community initiatives. This is over and above the direct and indirect economic benefits we created through local employment and the procurement of goods and services from local businesses.

STIMSONITE ROAD STUDS INSTALLED TO IMPROVE ROAD SAFETY

Rössing Uranium and Swakop Uranium, in partnership with the Roads Authority, have installed Stimsonite road studs on the B2 road between Swakopmund and Arandis as part of the mines' continued efforts to support the communities in which they operate. This project is geared to improve road safety on this stretch of road.

Stimsonite studs are embedded type of reflective road studs for use on highways and other roads to improve delineating road markings on the surface of a road and increase a driver's 'preview' time before taking certain actions, particularly under wet or misty conditions and at night.

The road studs were installed on the B2 road, covering the area from the roadblock outside Swakopmund to the turn-off at Arandis, a distance of just over 40 kilometres. In addition to the heavy flow of traffic on the B2, the employees of both mines also travel to and from work daily, using this stretch of the B2 road. Safety is a key priority for the mines and therefore this initiative received the mines' support as poor visibility brought on by low-lying mist on the B2 road has been identified as a hazard in the continued efforts to ensure safe driving.

The project was handed over to the Roads Authority Namibia in August 2020, and was a joint venture undertaken by the Rössing Uranium and Swakop Uranium mines. The total cost of the project was N$200,000.

A wide range of community activities were initiated or supported, some of which are reported below, linked to the specific Sustainable Development Goals (SDGs) relevant to the activity.

SDG 3 Good health and well-being – ensure healthy lives and promote well-being for all at all ages

- Ministry of Health and Social Services - COVID-19 and Hepatitis E support
- Oxygen generation plant
- Financial support to Disaster Management Unit
- Swakopmund Hospital — ward support and PPE for incinerator staff

SDG 3 Good health and well-being – ensure healthy lives and promote well-being for all at all ages and SDG 11 Sustainable cities and communities – make cities and human settlements inclusive, safe, resilient and sustainable

- Roads Authority and Swakop Uranium — Stimsonite studs on the B2 road from Swakopmund to Arandis turn-off

SDG 4 Quality Education – ensure inclusive and equitable education and promote lifelong learning opportunities for all

- Willem Borchard Primary School STEM support — redundant paint donated to paint the school
- Ann pads made available as part of the annual "Keeping the Girl Child in School" initiative
- Kunene Regional Council — support with school prize-giving ceremony
- Women-in-Mining — mentorship programme
- Coastal High School — redundant vehicle for mechanical workshop

SDG 11 Sustainable cities and communities – make cities and human settlements inclusive, safe, resilient and sustainable

- Arandis roofing project – 465 structures done; internal and external stakeholder relationships in tact
- Support to places of safety – active membership of Erongo Development Fund maintained; donations of various items made to places of safety in Swakopmund and Walvis Bay

SDG 12 Responsible consumption and production – ensure sustainable consumption and production patterns

- COVID-19 and Hepatitus E response project with Development Workshop — tippy taps installed in Walvis Bay, Swakopmund and Arandis

SDG 12 Responsible consumption and production – ensure sustainable consumption and production patterns & 15 Life on land – protect, restore and promote sustainable use of terrestrial ecosytems, sustainably manage forests, combat desertification, reverse land degradation and halt biodiversity loss

- Karee Investment and COSDEC — pallets for carpentry shop trainees
- Karee Investment and Erongo Constituency Council — pallets for vulnerable communities
- HSSE and PCEA — waste separation bins to schools in Swakopmund
- World Environment Day
- Online bird-watching event
- Provision of seedlings to the Hospitality training section of AIMS in Arandis
- Safety suggestion boxes
- Donation of branded hard hats covering seven sites of the national centres of COSDEF

SDG 17 Partnership for goals – strengthen the means of implementing and revitalise the global partnership for sustainable development

- PCEA and Rössing Foundation — ASDP agricultural project; TV screens donation to the Foundation's e-learning initiatives
- Annual support to the Rössing Foundation

(Above and right) Motor mechanic learners from Coastal High School, Swakopmund, doing practicals as guided by their teacher on a redundant vehicle donated by Rössing Uranium.

TRAINING VEHICLE TO HELP ASPIRING MECHANICS

In June 2020, Rössing Uranium donated a redundant vehicle to Coastal High School to help auto mechanic learners with practical experience. The Toyota Avensis serviced the mine's Procurement department for 12 years and covered more than 400,000 km. Now it serves as a skills training tool for the auto mechanic learners.

At the hand-over event, school principal, Calvin Martin, said: "This car may be redundant for Rössing, but for us it is a much-needed tool for the learners to achieve better competencies in their field. As the only school in the region offering this technical subject, we want to do the training to the best of our ability and ensure that our learners become the best auto mechanics in Namibia. This donation came at the right time, as finally the learners will be able to take the engine apart and learn how to put it back again".

"I can finally practice what I learn in class," were the words of a joyful Trevor Cloete, an auto mechanic learner at the school.

Another learner at the school, Romeo Hangula, said that he is now able to attain practical skills as this vehicle will help him to practice what he is learning in class. Also, these skills will help him in future to start up his own vehicle workshop and earn an income for himself.

Rössing's manager for Partnerships, Communication and External Affairs, Daylight Ekandjo, said at the event that the donation of the vehicle to Coastal High School forms part of the mine's sustainable development and community relationships approach, which is to seek out win-win situations that can increase economic wealth and social well-being for Namibia, today and tomorrow. The donation of the vehicle is seen as a long term investment in the education of our youth.

Mine hosted outreach programme in Okombahe

As part of Rössing's outreach projects, we donated reusable sanitary pads to girl children of the Willem Borchard Primary School in Okombahe to keep the girls in school, as they tend to stay out of school during their menstrual cycle if they do not have the required sanitary pads available.

Okombahe is a settlement in the Dâures constituency of the Erongo Region.

Rössing Uranium partnered with AnnPads Namibia to provide the girl children from the school with the reusable pads. The partnership includes training for five girls on how to make their own sanitary pads, and then have them train their peers. The school has 104 girls in grades 5 to 7, the pubescent group the Rössing initiative focused on.

The initiative supports the Government's efforts to help girl children to stay in school and ultimately complete their education.

Staff from Rössing, with learners and teachers from Willem Borchard primary school in Okombahe during an outreach visit by Rössing Uranium.

INTERNAL AND EXTERNAL COMMUNICATIONS

The social expectations from mining companies are continuously changing with the license to operate becoming more complex. Corporate communications plays a key role in how investors, government, communities, media and the general public perceive the company.

Rössing's broad and complex stakeholder groupings require to be kept abreast about company developments and the mine's strategic direction through the identification of the best possible communication channels to interact with them.

Albeit the COVID-19 challenges experienced in 2020, especially in terms of the restriction on face-to-face gatherings, a number of strategic communication activities were implemented during 2020 to disseminate information about Rössing Uranium to key stakeholders via a variety of channels in the print and electronic media.

A key communication activity during this period was the dissemination of COVID-19 related information to employees and other key stakeholders such as the Ministry of Health and Social Services, Ministry of Mines and Energy and the Chamber of Mines.

We also kept the Namibian Government informed about our corporate business strategy through the mine's senior management engaging with politicians and senior officials on a number of matters of mutual interest, as well as working closely on information campaigns with the Chamber of Mines of Namibia and the Namibian Uranium Association.

Due to the restriction on the number of people allowed to gather in public, our external communication efforts were limited due to the cancellation of trade and career exhibitions.

However, we used the opportunity to keep our stakeholders updated on key developmental activities at the mine via regular updates on Rössing's website and the frequent sharing of media releases through both local and international media.

Our 2019 Report to Stakeholders was also launched virtually for the first time as we needed to explore innovative ways of disseminating information.

Media relations were facilitated through the management of various media enquiries, which give opportunities to create balanced coverage of our operations and business activities.

Our visitors' programme, which is a key means of engaging guests locally and from around the world, was unfortunately also impacted by the pandemic.

However, we managed to accommodate a few government officials after the easing of the lockdown period.

In line with our drive to promote healthy habits and support positive lifestyles in the community, we sponsored the 29th Rössing National Marathon Championship in 2020, with Swakop Striders Athletics Club hosting the event.

The 29th marathon took place on 8 February 2021 with a record number of over 700 entries received. The competitors participated in a 42.2 km marathon, the Frank Slabbert half-marathon over 21.1 km and a 10 km race.

A 5 km fun walk was held in support of the Cancer Association of Namibia and attracted more than 300 walkers. This major event on our corporate calendar also serves as a platform to engage a variety of stakeholders.

DONATED PALLETS TO COSDEC

We donated redundant pallets to the Namibia Community Skills Development Foundation for use in the carpentry workshop. The courses they offer are for youth from less priviledged backgrounds. This assistance is a planned on-going project.

THE RÖSSING FOUNDATION

The Rössing Foundation

The Rössing Foundation was established in 1978 through a Deed of Trust as a vehicle to oversee and implement many of Rössing Uranium's corporate social responsibility activities in Namibia.

The Rössing Foundation implements programmes and projects under the following mandates:

Education

To further the education of all Namibians in order to achieve greater national productivity and to enhance lifelong learning.

Education Benefaction

To encourage the creation and/or to create opportunities for people to use their education.

Livelihood and Enterprise Development

To promote the advancement of the living standards of all the people in Namibia.

General Directives

To do any act or thing, which in the opinion of the Trustees, shall benefit Namibia or any or all of its inhabitants.

Report by Job Tjiho, Executive Director, the Rössing Foundation

Overall, the year 2020 will go down in history as a year full of challenges that were aggravated by the outbreak of COVID-19 pandemic.

The COVID-19 pandemic caught everyone in Namibia unawares and the Erongo Region was hard hit by ongoing lockdowns as it became an epicentre of the COVID-19 pandemic in Namibia. However, the Rössing Foundation was able to navigate the crisis successfully and introduced alternative modes of reaching out to the communities it serves.

After the relaxation of Covid-19 regulations during July 2020, face-to-face programmes and project activities resumed, while everyone using the Foundation's facilities were required to adhere to precautionary measures that have been put in place through World Health Organization (WHO) and the Ministry of Health and Social Services (MoHSS).

Those community members who were unable to attend face-to-face sessions had to be assisted through virtual teaching.

The task force that was appointed by the Executive Director of the Rössing Foundation has worked painstakingly to mitigate the effects of the pandemic and explored other means of teaching by capitalising on other media platforms such as WhatsApp and e-learning, radio, online resources, and the sharing of materials and uploading material on to the Rössing Foundation website.

LIVELIHOOD AND ENTERPRISE-DEVELOPMENT PROGRAMMES

Contractor Augusto Somombura, one of the Arandis-based SMEs that received support and training from the Rössing Foundation.

SUPPORT TO ARANDIS SMALL- AND MEDIUM ENTERPRISES (SMES)

During the year under review, six Arandis-based enterprises were given coaching and guidance on how to mitigate the impact of the COVID-19 pandemic on their businesses. Two of the SMEs were able to adjust from their usual business operations and started producing washable masks. The wearing of face masks in public places became mandatory in the fight against the spread of COVID-19 and the entrepreneurs saw a business opportunity, which they grabbed.

One such beneficiary of the training was Augusto Somombura who owns a construction business in Arandis. He completed his bricklaying and plastering course at the Namibia Institute of Mining and Technology with funding assistance from the Rössing Foundation. After completing his training, he commented: "The training gave me the knowledge to build my business and employ more people." He currently has a team of 16 employees.

Furthermore, the six SMEs who have been supported by the Foundation and are beneficiaries of Erongo Development Foundation Micro-Finance Scheme are current with their loan repayments. Lockdown, however, impacted their sales and therefore their cash flow. As a result, some have approached the financier to restructure their loan agreements as part of the mitigation measures designed to help these businesses survive.

OKOMBAHE COMMUNITY DEBUSHING ENTERPRISE

The Okombahe Community Debushing Enterprise aims at eradicating two invasive tree species, namely the *Prosopis* and *A. Marrifera* trees from the Omaruru river basin in the Daures constituency, Erongo Region.

The invader tree species are harvested for an environmental benefit to avoid continuous bush encroachment in the Omaruru River, to conserve underground water, to restore grazing areas and for rural socio-economic benefits. To date, the enterprise has employed five people who are now able to make a living through the project and support their families. The project is producing firewood, fodder, and fencing poles, which are sold in the informal and formal markets at the coastal towns.

SUPPORT TO ÛIBA ÔAS CRYSTAL MARKET

The long-standing institutional development and business relations between Ûiba Ôas Co-operative and Rössing Foundation has yielded favourable fruits as the co-operative continued to gain strength in terms of business leadership.

Despite the growth and sustainability potential, this enterprise was heavily affected by the lockdown, as most of its income is derived from tourism activities. The Foundation liaised with Government institutions and assisted the co-operative to apply for COVID-19 economic stimulus packages to mitigate the adverse impact of lockdown on their businesses.

At the request of the Rössing Foundation, the Ministry of Trade, Industrialisation and SMEs Support approved training on value addition for co-operative members. However, the training was cancelled due to the ongoing lockdown in Erongo Region. The training is of paramount importance and will be put on the agenda in 2021.

To increase visibility of the Crystals Market to passers-by and tourists, three information sign boards were erected along the B2 road. The Foundation has also assisted the co-operative to explore the possibility of exporting their products to United States of America. The negotiations and logistics around this initiative are yet to be finalised.

MITIGATING HUMAN WILDLIFE CONFLICT IN OMATJETE DISTRICT

The Rössing Foundation, through the financial support from the Game Product Trust Fund of the Ministry of Environment and Tourism, is currently working with the Omatjete community to mitigate human-elephant conflicts by building protection walls around community water points and building separate drinking points for the wild animals.

The interventions were initiated from a broader-based consultation with the affected communities and stakeholders after water points that supply water to the villages were damaged by elephants. Three water points were completed by the end of year 2020 and two separate elephant drinking water points will be constructed in 2021.

Community members of the Oshikuku Gardening Project received support from the Rössing Foundation.

THE PROJECT HAS SO FAR EMPLOYED ELEVEN COMMUNITY MEMBERS ON A FULL-TIME BASIS, AND ONE CASUAL WORKER.

The project supplies fresh vegetables to the local community and the surrounding villages.

SUPPORT TO OSHIKUKU GARDENING PROJECT

Through the grant from the Social Security Commission, the Rössing Foundation continued supporting the agribusiness development in Oshikuku, Omusati Region in 2020. The purpose of this development is to create employment opportunities, strengthen the local economy, contribute towards local food production, and general rural development.

The project has so far employed eleven community members on a full-time basis, and one casual worker. During the year under review, the project managed to cultivate various vegetables on 1.8 hectares of land. The project supplies fresh vegetables to the local community and the surrounding villages.

Despite good progress being made, the project faced a decrease in water supply towards the end of the year and that limited the project's ability to put more land under cultivation for optimal production. The two water pumps constantly experienced mechanical problems and this required a different intervention to ensure a sustainable water supply. A solar water pumping system was recommended and a decision was taken to install a solar system to ensure a long-lasting solution regarding water supply.

TEACHER AND LEARNER SUPPORT PROGRAMMES

Deputy Director of Programme Quality Assurance of the Ohangwena Region, Mrs Ngulu (far right), was among the trainees.

TEACHER SUPPORT PROGRAMMES

As much as Covid-19 has affected face-to-face teaching and learning, the lifting of the lockdown has resulted in a total of 104 teachers being supported in different subjects during 2020 at the Rössing Foundation Centres in Arandis, Ondangwa and Tamariskia.

In addition, 12 teachers were assisted with teaching and learning materials in Physics topics such as electrolysis, chemical reactions, nuclear physics, and chemical bonds, among others. Two Mathematics teachers were supported with worksheets and topic specific materials for grades 8, 11 and 12, with a total of 58 learners benefitting from these materials. A total of 17 teachers were supported with teaching and learning materials through emailing and a WhatsApp group platform. Question papers for grades 10, 11, 12 and Grammar videos were also shared with the teachers.

NATIONAL OUTREACH SCHOOL SUPPORT PROGRAMME

The National Outreach School Support Project focuses on capacity strengthening for teachers and providing learning support to learners in the subjects English, Mathematics, and the Sciences (Biology, Life Science, Natural Science and Health Education, Chemistry, Physics and Physical Science).

The mobile laboratory and allied equipment are funded by Nedbank Namibia to support schools in Namibia. Total Namibia has sponsored the fuel of the laboratory, while Hollard Insurance Company funds the insurance cover of the vehicle and its contents.

It was planned that six schools in the Omaheke Region would receive support during the first and second school trimesters of 2020. The support of the first trimester took place between February and March 2020, but due to COVID-19 restrictions, activities planned for the second trimester were halted. However, after the restrictions were scaled down, the support that was planned for the second term was provided towards the end of the year, in September to November 2020.

During the period under review, 2,593 learners and 136 teachers from six schools from the Omaheke Education Directorate were supported through the National Outreach School Support programme.

JUNIOR PRIMARY PHASE

During the first quarter of 2020, 70 learners from Arandis and Tamariskia in grades 1 to 3 benefitted from the support provided by the Foundation and covered topics such as sub-titled stories, followed by questions and answers to enhance listening skills.

This phase of the education sector was not spared the impact of the lockdown, as adherence to the COVID-19 protocols came into effect. However, to continue providing services to this important phase of education, worksheets were prepared for Junior Primary grades 2-3 non-readers.

ENGLISH

The three Rössing Foundation Centres supported 309 learners during the first quarter of 2020. The second quarter commenced with COVID-19 challenges and innovative teaching and learning approaches were used to assist the teachers and learners.

The Ondangwa Centre also supported 82 learners and 12 community members who wanted to improve English communication skills. The community members consisted mainly of marginalised community members from Opuwo who enrolled to improve English fluency.

The fourth quarter of 2020 saw relaxation of pandemic-related regulations and some learners could attend face-to-face sessions, while others benefitted from virtual teaching and learning.

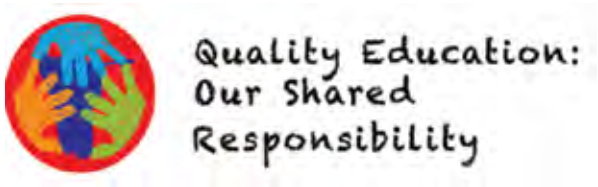
The face-to-face sessions resulted in 168 grade 12 learners being supported in English tutorials and materials in Grammar.

PHYSICAL SCIENCE, PHYSICS AND CHEMISTRY

The Arandis Centre supported 98 learners, while the Tamariskia Centre supported 132 learners. The Ondangwa Centre supported 218 grade 10 and 12 learners. In total, 448 learners benefitted from the Foundation programmes during the first quarter of 2020.

During the second quarter of 2020, the operation of all three Rössing Foundation centres slowed down due to pandemic-related regulations. At the Erongo Centre special measures were resorted to and a total of 431 learners were assisted through WhatsApp group platforms.

At the Ondangwa Centre, 49 learners who registered at the Science centre took matters into their own hands by posting questions with their solutions on the WhatsApp platform, while another 37 learners were registered on the Physical Science WhatsApp group.



The frequency of the library usage increased during the fourth quarter of 2020 due to the relaxation of COVID-19 restrictions."

NATURAL SCIENCE AND HEALTH EDUCATION (NSHE)

A total of 397 Senior Primary of grade 4 learners from Arandis and Tamariskia and 14 grade 7 learners from Ondangwa Centre benefitted from the Rössing Foundation's programmes at this level. The Foundation team continued with virtual support via WhatsApp during the third and fourth quarters, and a total of 95 learners were registered and supported on WhatsApp groups that were created for 40 grade 4, and 55 grade 7 learners from U.B. Dax Primary School, and Arandis Primary School.

MATHEMATICS

The Master Maths programme is a computer-based, interactive programme geared towards equipping learners with mathematical problem-solving skills, critical thinking skills, numeracy, and mathematical competencies in real life situations. The Master Maths Centres in Erongo Region supported 230 learners from grades 4 to 12. The Ondangwa Centre supported 278 learners thought the Master Maths Programme. The COVID-19 interventions adversely affected learners' attendance.

LIFE SCIENCE AND BIOLOGY

A total of 149 grade 4, 7 and 12 learners were supported at all the Rössing Foundation Centres during the year. Of the 149 registered learners, only 34 were able to access information on to the WhatsApp group.

LIBRARY SERVICES

During the second and third quarter of 2020, as was expected, library services were adversely affected by the lockdowns, especially the two centres in the Erongo Region. The Ondangwa library operated normally, as the Oshona Region did not experience lockdowns. The third quarter saw the Arandis and Tamariskia libraries functioning again with 195 learners of the planned 1,150 utilising the services.

The frequency of the libraries usage increased during the fourth quarter of 2020 due to the relaxation of COVID-19 restrictions. A frequency of 2,610 of learners' library usage was experienced, with 29 new members for the libraries. Twenty teachers benefitted from the library services, while 417 community members utilised the library services.

SPECIAL COMMUNITY SUPPORT INITIATIVES

Seven community members were trained in the introduction to computers, Microsoft Word, PowerPoint, Excel, and Publisher. Five of them completed the training and were awarded certificates after their successful completion of all modules.

SOCIAL ACCOUNTABILITY AND SCHOOL GOVERNANCE

The Social Accountability and School Governance Project is a programme of the Ministry of Education, Arts and Culture.

The overall objective of the project is to empower school communities to understand and be able to use social accountability tools and model systems to support and monitor school performance, and inform the education sector monitoring at local, regional, and national level.

The project is implemented through the support of UNICEF as a funding agency and the Rössing Foundation was contracted as an implementing partner to roll out the activities associated with the capacity building of school boards in the regions.

During the period under review, the Rössing Foundation planned to conduct the training of 100 trainers of school boards of the Ohangwena Region and provide backstopping support to regional trainers during the training of school boards from schools in northern Kunene, Oshana, and Ohangwena Regions.

However, due to the outbreak of the COVID-19 pandemic, the training of school boards itself was not done, but the training of the Ohangwena school board trainers was conducted in February and March 2020.

The objective of the training was to enable school board trainers to roll out the actual school board training in the entire region. In total, 111 school board trainers were trained, representing 111 per cent participation in the training.

PROTECTING THE ENVIRONMENT

Loide Hausiku (Environmental Advisor) observing an elephant foot plant that was transplanted from the Tailings Storage Facility.

Rössing Uranium is committed to protecting the environment in which we operate. Measures include a wide range of preventative monitoring activities.

We have a particular focus on water management and monitoring, especially considering the extreme rainfall conditions associated with the Erongo Region's water-scarce, hyper-arid climate. We have a strong history of engagement and co-operation with our regulators and other stakeholders to ensure that the environment remains protected.

We manage impacts on the environment with guidance from, among others, Namibian legislation, the ISO 14001 Environmental Management System, Rössing Uranium's performance standards, and international best practices.

Through transparent reporting we provide our stakeholders with the assurance that our environmental impacts are monitored, and the necessary mitigation measures are in place to keep our environmental impacts minimal.

Our environmental management performance, measured against set objectives and plans, is discussed in the following pages.

Through transparent reporting we provide our stakeholders with the assurance that our environmental impacts are monitored and the necessary mitigation measures are in place to keep our environmental impacts minimal."

WATER MANAGEMENT

Water management at Rössing is guided by a formal water strategy, a water management plan and a Rössing-specific environmental standard on water usage and quality management.

These management tools cover all activities related to water abstraction, transport, storage, and usage (potable and process), as well as impounded water and groundwater. The intent of the standard is to ensure efficient, safe, and sustainable use and protection of water resources and ecosystems.

In addition, Rössing adheres to all aspects pertaining to water in the Constitution of the Republic of Namibia. To that effect, we operate with a Waste Water and Effluent Disposal Exemption Permit 674 and Water Abstraction Permit 10200.

Knowing that our water requirements are substantial, our focus is on the sustainable and accountable use of this scarce and valuable resource, with minimal adverse effects on the environment.

We carry out various continuous monitoring activities, which include:

- taking frequent flow-meter readings at various points in the Processing Plant to provide a continuous overview of our water balance data,
- taking frequent water level measurements on our TSF and numerous monitoring locations across the mine site, extending to the Khan and Swakop Rivers, and
- conducting water-quality sampling at various locations (starting at the source, the TSF) which we use to understand changes in water chemistry due to chemical reactions in the heterogeneous environment.

All spillages in the Processing Plant are captured and channelled to a large recycle sump for reuse. Effluents from the workshops are treated to remove oils and sewage is processed in the onsite sewage plant. These semi-purified effluents are used in the open pit for dust suppression.

Joseph Shaningwa (Senior Water Control Officer) taking a water sample from a pond at the Tailings Storage Facility.

At the deposition pool (active paddy) of the TSF, water is recycled and reused on a continuous basis in the Processing Plant, minimising surface evaporation and infiltration into the tailings pile. Water that infiltrates the TSF is recovered by pumping boreholes and open trenches installed on the facility itself to reduce the volume of underground water within the tailings pile.

Seepage control systems are also deployed outside the TSF. They include a surface seepage collection dam to capture water from the engineered tailings toe drains, cut-off trenches in sand-filled river channels and dewatering boreholes (situated on geological faults and fracture systems on the downstream, western side of the facility). All systems are designed to lower the water table to the extent that flow towards the Khan River is interrupted. The recovered water is reused in the Processing Plant.

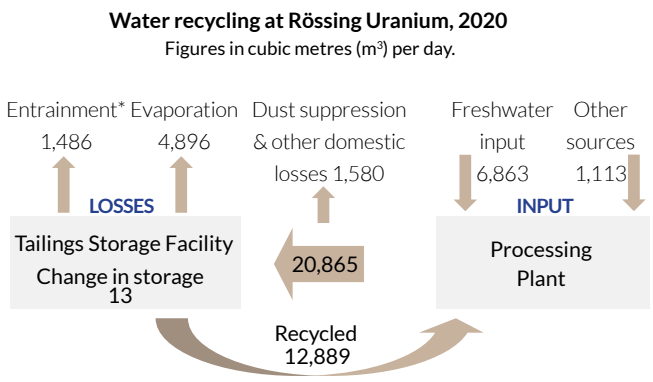
Herbert Clarke (Operator) and Joseph Shaningwa (Senior Water Control Officer) sampling for water quality monitoring.

Freshwater usage

Our water demand is met by the local bulk water supplier, NamWater, via a pipeline from the base reservoirs in Swakopmund and is sourced from the Orano desalination plant near Wlotzkasbaken. Fresh water supply continues to be a challenge for our operation, as our demands are not always met due to engineered or otherwise natural challenges experienced by the suppliers.

In 2020, the total freshwater usage target was set at 2,883,500 m³ of freshwater for all operations.

Figure 10: Overview of Rössing Uranium's water balance, 2020



* Water entrainment is the permanent loss of water to the pore spaces of the tailings material and is not recoverable anymore.

The actual consumption of fresh water came to 2,511,966 m³, which is 13.1 per cent below the planned target. The savings were made possible through continuous improvement efforts on our recycling methods, which comprised 61.8 per cent of the total water usage (see Figure 10).

Monthly freshwater usage, as depicted in Figure 11, was below plan for most of the months. Worth noting, is the actual water usage for February, which was severely affected by interruptions in water supply. Also, we had our annual maintenance shutdown of the plant in November, after which production was interrupted by several unprecedented pipe bursts, resulting in lower water usage against the planned target.

On average, we met the target on freshwater usage per tonne of ore, which was set at 0.3 m³/t with 0.288 m³/t recorded.

Figure 11: Freshwater use per month, 2020 (cubic metre)

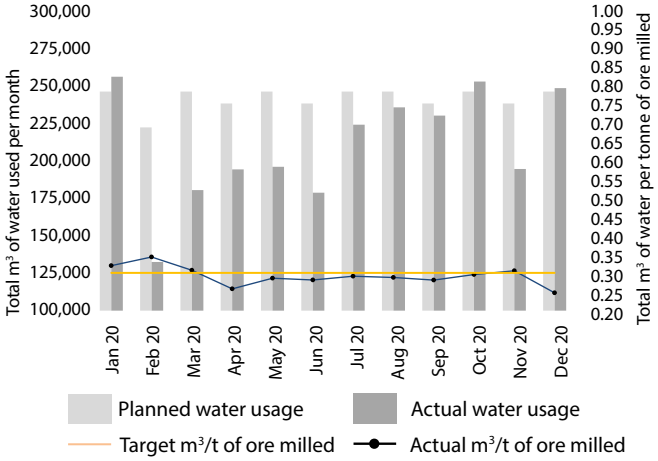
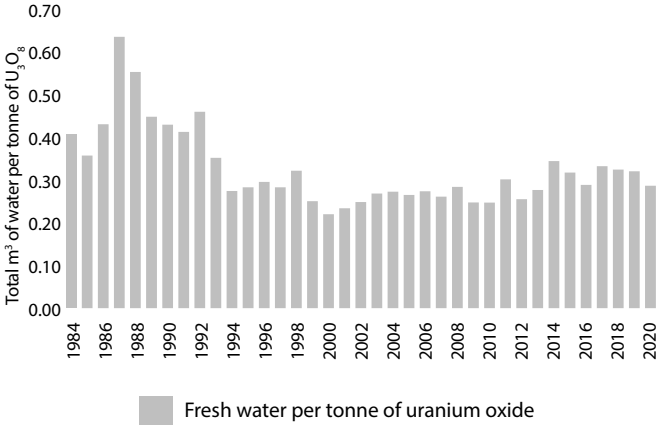


Figure 12: Volume of fresh water consumed per tonne of U_3O_8 produced, 1984-2020 (cubic metre)



Khan River water use

Saline groundwater from the Khan River aquifer, in conjunction with biodegradable dust suppressant polymers, is used to suppress haul-road dust in the open pit. A total of 169,458 m^3 of water was abstracted from the aquifer during 2020, which is 19.5 per cent of the permitted 870,000 m^3 per year.

Although we abstract a low portion of the permitted volume, we continue to monitor the vegetation and water levels in the Khan River to prevent over-abstraction, based on the ecosystem response. In compliance with the abstraction permit conditions, annual reports derived from the water-level and vegetation-monitoring programmes are sent to the Ministry of Agriculture, Water and Land Reform.

We continue to monitor the vegetation and water levels in the Khan River to prevent over-abstraction, based on ecosystem response.

AIR QUALITY MANAGEMENT

Rössing Uranium is committed to protecting the environment from the harmful effects of air pollution caused by its mining activities.

Dust is generated during blasting, the loading and dumping of ore and waste, as well as during the crushing and conveying of ore. Winds at speeds above 30 km/h potentially mobilise fine particles from rock dumps and the TSF and disperse them into the environment.

Dust particles can be so small that they become airborne, easily causing environmental effects such as reduced visibility, stain and damage to buildings, increased acidity in water bodies, and lessening of the soil with the resultant damage to plants.

In addition, noise and ground vibrations are created during blasting which is conducted when required, while the machinery deployed in the open pit and the Processing Plant generates noise continuously.

Therefore, dust emissions, noise and ground vibrations created during mining activities require an understanding of the impact they have on the people and the environment most affected. Hence, an air-quality monitoring programme (AQMP) is in place to measure and monitor air pollutants in the mining and surrounding areas. This guides us in implementing programmes to help reduce these impacts.

Environmental dust

Rössing is located in an arid environment and the climatic conditions make dust an inevitable reality in mining operations such as ours. Dust emissions are of concern to the residents of Arandis and Swakopmund, especially when high-velocity winds occur during the winter months.

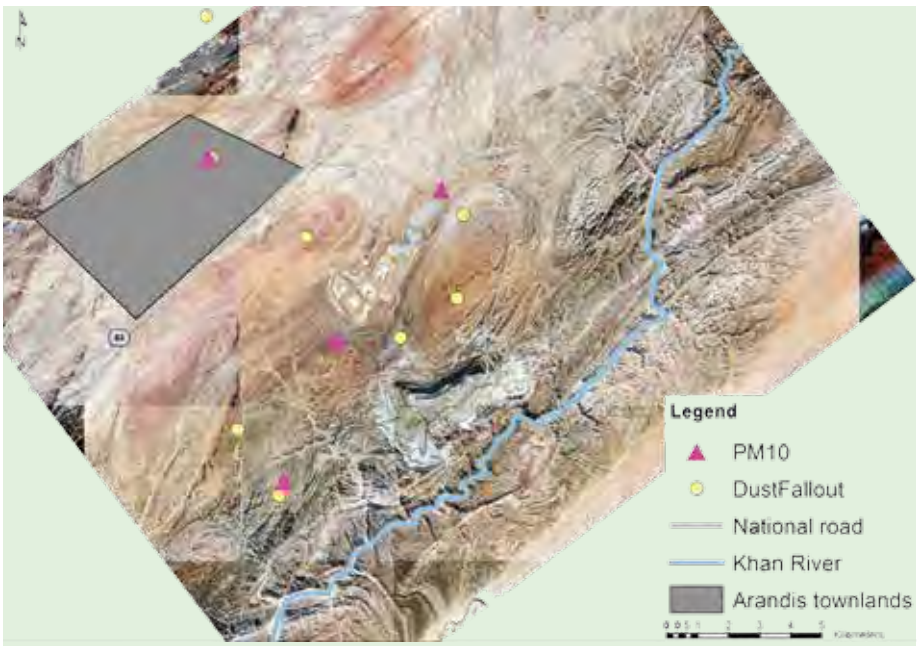


Figure 13: The map shows the PM_{10} dust monitoring network samplers and dust fall-out buckets.

To quantify dust fallout and allow mitigation when necessary, the AQMP is in place. Measures are taken to ensure that exposure levels do not exceed the adopted occupational limits and that the controls efficiently detect differentiations resulting from process changes.

Two types of dust are measured: firstly, a very fine dust invisible to the naked eye that is comprised of particulate matter less than 10 micron (known as PM_{10}), and secondly, fallout dust, which is visible to the naked eye and comprised of lager particles, including PM_{10}.

The measure of PM_{10} is the concentration of particles less than, or equal to, ten micrometres in diameter in one cubic metre of air. We continuously monitor PM_{10} dust levels at four monitor stations: three onsite and one in the nearby town of Arandis (see Figure 13, denoted by pink triangles).

The levels measured in 2020 showed that PM_{10} dust concentrations at all stations were below the adopted

Loide Hausiku (Environmental Advisor) taking rainfall figures on site.

Figure 14: Monthly average PM_{10} dust concentration, 2020 (milligramme per cubic metre)

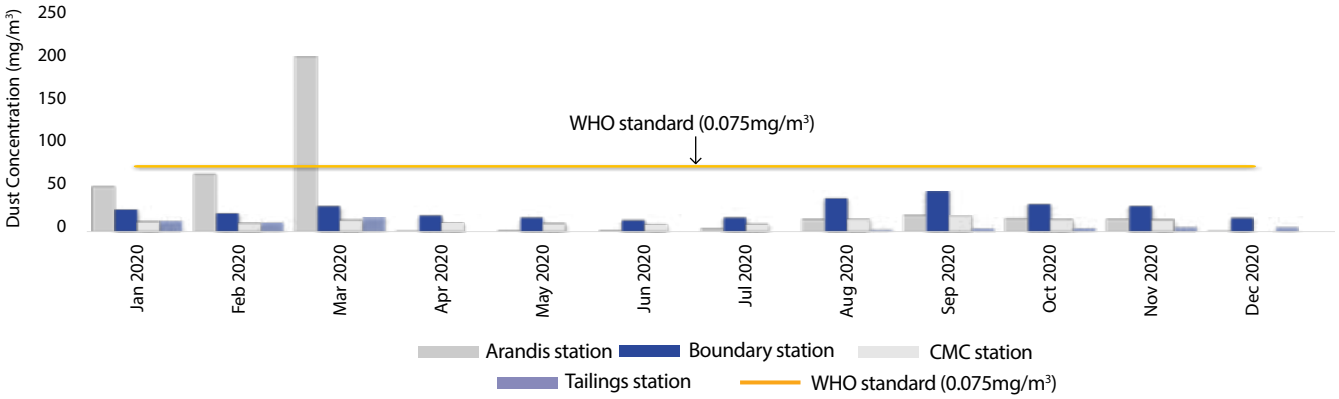
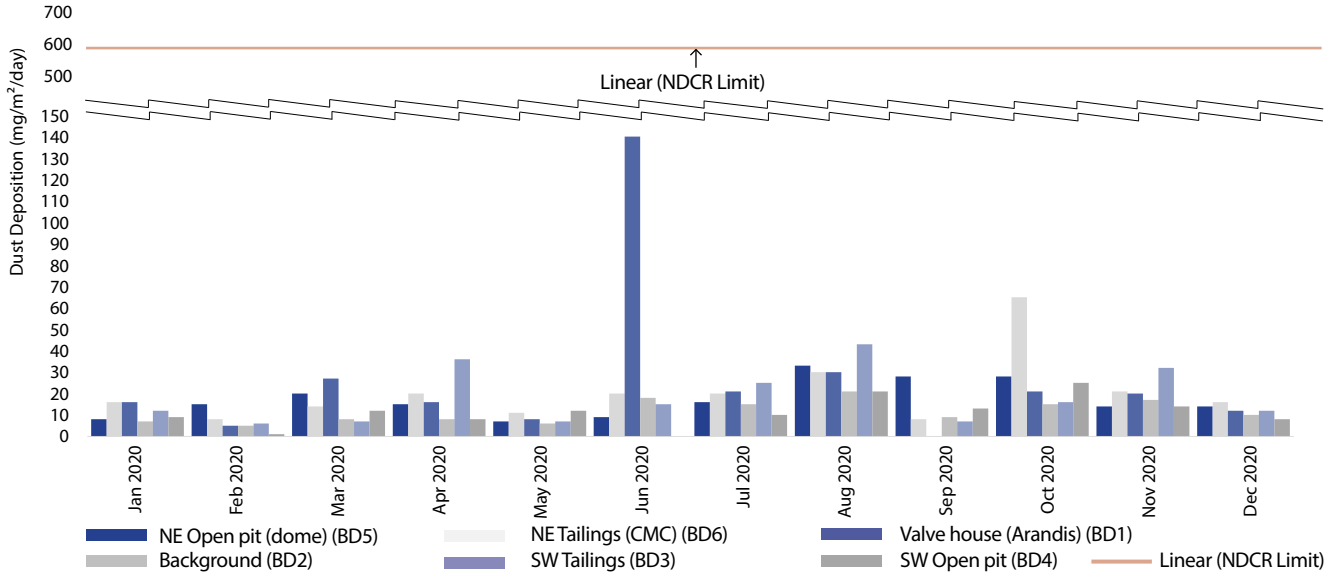


Figure 15: Monthly average of daily dust deposition rates at the mine boundary, Jan-Dec 2020 (milligramme per square metre per day)



World Health Organization (WHO) standard of 0.075 mg/m^3 (see Figure 14). There were no records for Arandis and CMC stations for the month of December, as it was faulty. For the same reason, there were no records from April to July for the Tailings section as well.

Fallout dust is measured at six stations at different locations along the mine boundary (see the yellow dots on the map, Figure 13). The dust-fallout limit is 600 mg/m^2 per day with an annual average target of 300 mg/m^2 per day, as required by the adopted WHO standard.

During 2020, values measured at the six stations ranged between 1 and 140 mg/m^2 per day with an year-to-date average of 18.3 mg/m^2 per day (see Figure 15).

All measured deposition rates were well below the adopted South African dust-control regulations.

Loide Hausiku (Environmental Advisor) monitoring environmental noise.

Noise and vibration

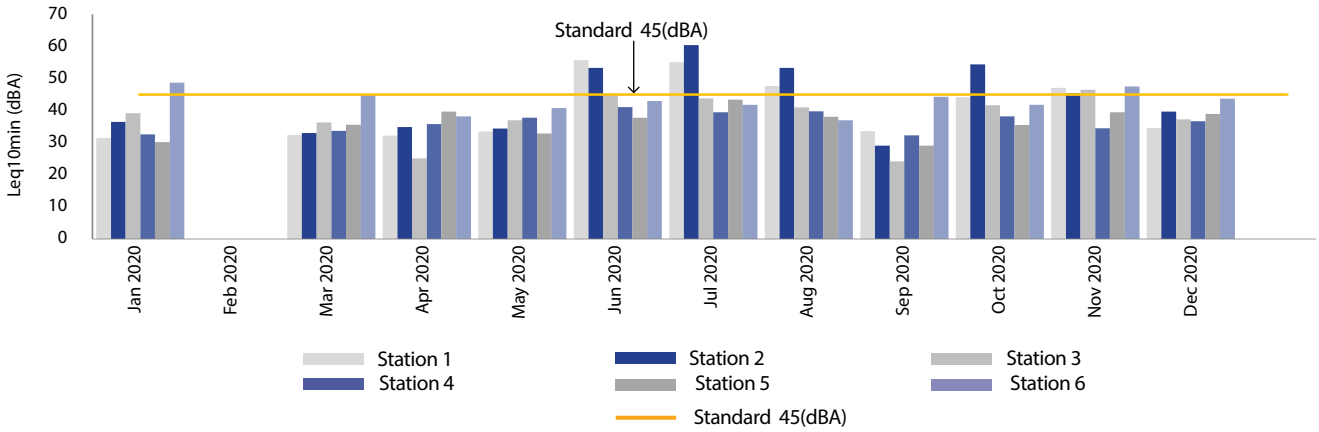
In the absence of Namibian legislation on environmental noise and vibration, Rössing has adopted or referred to the United States Bureau of Mines (USBM) RI 8507 criteria for safe blasting, and for operational noise to the relevant South African National Standards Code of Practice, SANS 10103:2008 (SANS, 1992).

Noise and vibration are monitored through a network of various points and studies. Environmental noise is monitored according to a specific procedure and reported monthly to help identify events when these levels have been exceeded.

In 2020, both air-blast and ground vibration levels were consistently below the limits of 134 dB and 12.5 mm/s, respectively. Blasting is only carried out in the open pit, and monitored at two places, namely onsite and in Arandis.

Environmental noise is measured over snapshots of ten minutes at six different sampling points or stations, namely Station 1 - Rössing Main Mine Access Road, Station 2 - Arandis Airport Gate, Station

Figure 16: Environmental noise over a period of 10 minutes, 2020 (Leq I (equivalent continuous A-weighted sound pressure level, Leq I using the 'I' (Impulse)) 10 min (dBA))



3 - Khan River Valley, Station 4 - Khan River Rock Island, Station 5 - Khan Riverbed and Station 6 - Khan Riverbed.

Eleven noise measurement campaigns were conducted throughout 2020 (Figure 16), with no measurement in February due to the instrument being sent away for calibration.

There were exceedances against the Rössing internal noise level of 45 dBA, in January, June, July, August, October, and November. These exceedances were due to strong winds, aeroplanes overhead and cars driving to the airport, all of which are not be associated with the mining activities.

ENERGY EFFICIENCY AND GREENHOUSE GAS EMISSIONS

As part of the environmental commitment and priority given to protecting the environment, Rössing measures and manages its greenhouse gas (GHG) emissions and energy intensities. This assists in improving energy efficiencies and reduce GHG emissions.

The sources of GHG emissions at Rössing include electricity and fuel consumption, the transporting of reagents and uranium oxide, blasting (use of explosives), waste management areas (the sewage plant, rubbish disposal and landfill site), and the extraction and processing of ore. The intensity of emissions is reported per unit of uranium oxide produced.

In 2020, the total energy consumption of the mine was 1,251,283.42 GJ for 2,489.03 tonnes of uranium oxide drummed. This converts to an annual energy consumption of 503 GJ per tonne (GJ/t) of uranium oxide produced, which is 15 per cent above the projection target of 438 GJ per tonne uranium oxide produced. Energy consumption decreased in 2020 compared with 2019, which could be linked to the ore grade that decreased from 0.371kg/t in 2019 to 0.343kg/t in 2020, as well as to the decreased total mined tonnage, from 22.4 million tonnes in 2019 to 19.3 million tonnes in 2020 (see Figure 17).

In 2020, emissions of carbon dioxide (CO_2) per unit of production amounted to 59.1 tonnes of CO_2 equivalent per tonne (CO_2- e/t) of uranium oxide, which is above the target of 39 tonnes CO_2-e/t of uranium oxide for the year (see Figure 18). This could also be attributed to the decrease in ore grade.

Figure 17: Energy consumption, 2016-2020
(gigajoules per tonne of U_3O_8 produced)

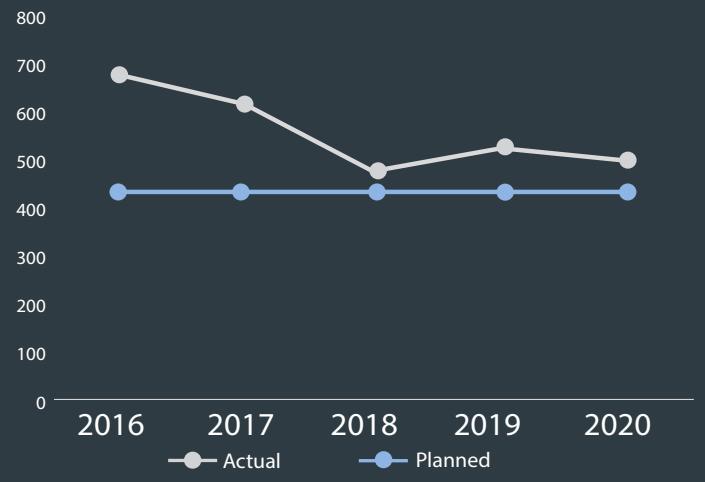
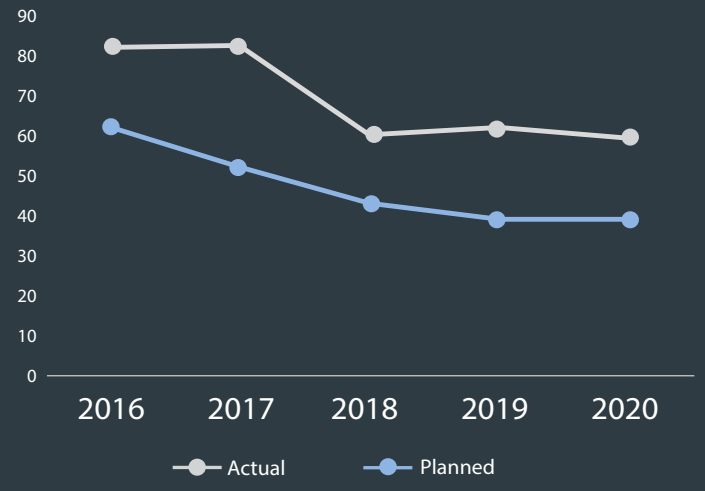
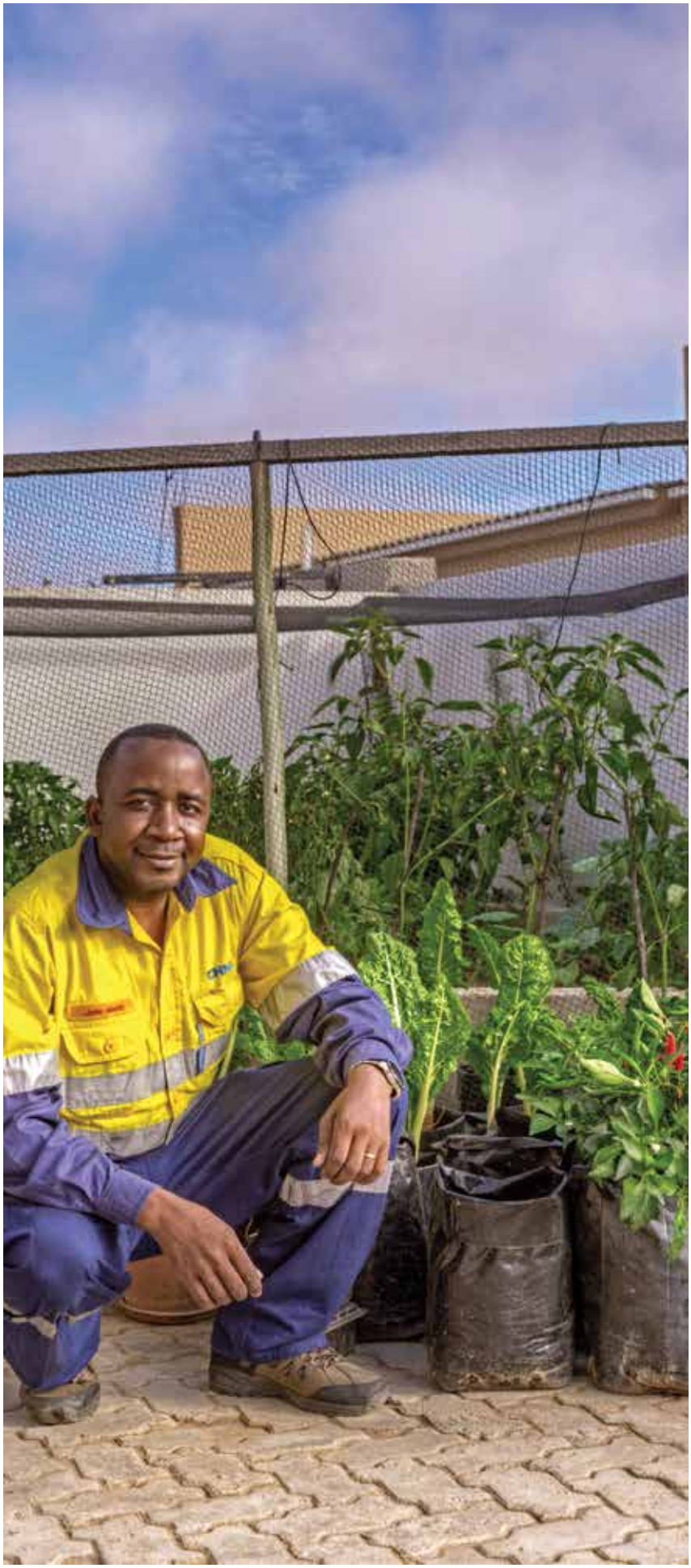


Figure 18: Carbon dioxide emissions, 2016-2020
(tonnes of CO_2 equivalent per tonne of U_3O_8 produced)





BIODIVERSITY MANAGEMENT

The protection of environmental quality, including biodiversity, is important at Rössing. We take pride in the conservation of biodiversity within the ambit of the Rössing mining licence, in the surrounding communities, as well as in Namibia at large. Biodiversity management is a practice of protecting and preserving the wealth and variety of species, habitats, ecosystems, and genetic diversity on the planet, which is important for our health, wealth, food, and the services we depend on.

In 2020, Rössing continued to enshrine biodiversity protection in the Health, Safety, Environment and Communities (HSSEC) policy by assessing and considering ecological values and land-use aspects in investment, operational and closure activities.

We continued to be proud members of the Namibia Environmental and Wildlife Society (NEWS), which gave us an opportunity to publish an article on waste management and the promotion of the reduce, reuse, and recycle tenets (3Rs) at Rössing. Our goal remains to create a positive impact on biodiversity and contribute to conservation in Namibia at large.

Rössing was involved in various biodiversity awareness campaigns, surveys, and assessments aimed at creating awareness and strengthening understanding about the importance of biodiversity amongst the workforce, communities and the Namibian population.

(Left) John Moody (Manager Projects) showing off growth of his seedlings donated by Rössing Uranium.

Environmental Day commemorations

In support of the Environmental Day celebrations on 5 June 2020, the mine promoted an initiative that aimed to strengthen food security in Namibia. The day was commemorated under the theme Biodiversity, with a slogan of 'The Mighty Earth'.

Each employee was given a vegetable seedling to encourage them to start a backyard garden at their homes in towns, villages and farms. Backyard gardening has been identified as a means of providing year-round access to food for households with short paths to consumers.

Crop production is one key initiative, and small-scale gardening has huge potential to enhance food security, especially during the challenging times of the COVID-19 pandemic.

Considering that Namibia imports most of its food produce, employees were encouraged to get into the habit of growing their own food, as well as supporting or encouraging their communities to do so.

In support of this initiative, the first thirty employees to transplant their seedlings successfully received prizes.

'Animals have right-of-way' campaign

Due to human-wildlife conflicts on the Rössing access road over the years, we introduced the 'Animals have right-of-way' campaign. The aim of the initiative was to reduce human-wildlife incidents on our roads and to remind all employees, contractors, and visitors to be responsible on the road. Wildlife having right-of-way means that employees should be prepared to stop for the animal to cross the road. An 'Animals have right-of-way' billboard was erected as an awareness reminder for employees and the public. The campaign is intended to create a healthy respect for wildlife on our roads, and to keep us safe as the road users.

An accident zone was mapped, based on the vehicle-wildlife incidents on our road, to create an awareness for all road users to be cautious and to avoid collisions with wild animals.

An 'Animals have right-of-way' billboard was erected on the road to the mine as an awareness reminder for employees and the public.

The speed limit on the Rössing access road was also changed from 100 km/h to 80 km/h. The reduction of the speed limit will help to minimise the chances of colliding with animals by being able to stop the vehicle at ease.

The awareness campaign is a result of our continuous effort to manage vehicle-wildlife incidents on the Rössing access road, by acknowledging the responsibility of Rössing to ensure all wildlife in our mining license and accessory work areas is protected. The responsibility to protect all wildlife is linked to our license-to-mine, and it is also endorsed by our commitment as a company to the Environmental Management Plan and our HSSEC policy.

Birdwatching Day

Rössing successfully hosted its first-ever virtual birdwatching day for Namibian school learners on 20 October 2020. More than 600 learners participated in the virtual event.

The 2020 birdwatching day also marked the 19th year that Rössing has hosted this event (although previously they were 'in-person' and not virtual). The local schools in Arandis, Swakopmund and Walvis Bay have always formed the nucleus of Rössing's environmental education activities over the past 18 years.

However, due to COVID-19 regulations, the mine's management decided to offer a virtual bird watching experience through the Rössing website, thus creating an opportunity for schools from all regions to participate in our environmental awareness initiative.

Participating schools watched a video on birdwatching prepared by Rössing and learners and then had to complete a questionnaire to participate in a competition. The video was narrated by well-known birdwatching guide, Peter Bridgeford.

The aim of hosting a birdwatching event was to give participants an opportunity to view Namibia's unique birdlife and to instil a long-term interest in birds, linked to conserving our local and wilderness biodiversity. For Rössing, the bird watching event is a valuable Additional Conservation Action (ACA), contributing to the company's Biodiversity Action Plan that strives for the protection of environmental quality, mostly in terms of biodiversity.

Progressive rehabilitation

Fifteen progressive rehabilitation projects were identified for execution in 2020. These projects are in various departments and owned by respective managers who report on their progress in quarterly progressive rehabilitation and closure steering committee meetings.

Despite various challenges imposed by the COVID-19 pandemic, most of the projects were completed, with some slated for completion in 2021. The projects comprise various clean-up campaigns, the decommissioning of redundant equipment, as well as pilot trials aimed at informing mine-closure planning.

LAND-USE MANAGEMENT

Rössing's total footprint increased from 2,552.59 ha in 2019 to 2,558.45 ha in 2020.

The rock dumps' footprint increased in both the western and eastern areas of the open pit, with waste dump 2 increasing to 1.4 ha and waste dump 7 to 3.0 ha. This is due to the improvement in the method used to obtain the data. Previously, conventional survey methods were used with the rock contact being projected down onto a surface.

Presently, a drone is used to survey the rock dumps. Therefore, the new method used shows an increase, but there has been no increase in the footprint of the waste dumps. However, the Rössing footprint was amended to reflect the correct size of the waste dumps.

The footprint of the TSF has shown a slight increase with 1.4 ha due to starter walls being built for the future deposition in the Y3 Paddy. Various plant species of conservation value were rescued and replanted at the mine site.

WASTE MANAGEMENT

Mining operations are resource-intensive, consuming land, water, power, fuel, chemicals and construction materials to extract the metal held by the ore body. During the ore mining and metal refining processes, waste materials are produced, which consist of mineral wastes in the form of rock and process tailings, and other waste products generated by the services that support the mining process.

Mineral waste

During 2020, a total of 18.7 million tonnes of mineral waste were generated by the mine. This includes 8.7 million tonnes of tailings and 10.0 million tonnes of waste rock. At the end of December 2020, the total cumulative mineral waste stored onsite was 991.7 million tonnes of waste rock and 474.2 million tonnes of tailings.

Tailings were deposited on the existing Tailings Storage Facility. The tailings footprint has shown a slight increase of 1.4 ha due to starter walls being built for the future deposition in the Y3 Paddy. The rock waste was deposited on top of the existing rock dumps close to the open pit without the footprint being extended.

The footprint of the two mineral waste storage facilities has remained approximately the same since 2016. They cover an estimated area of 1,488 ha north-west of the Khan River and are approximately the same size as the town of Swakopmund.

Non-mineral waste

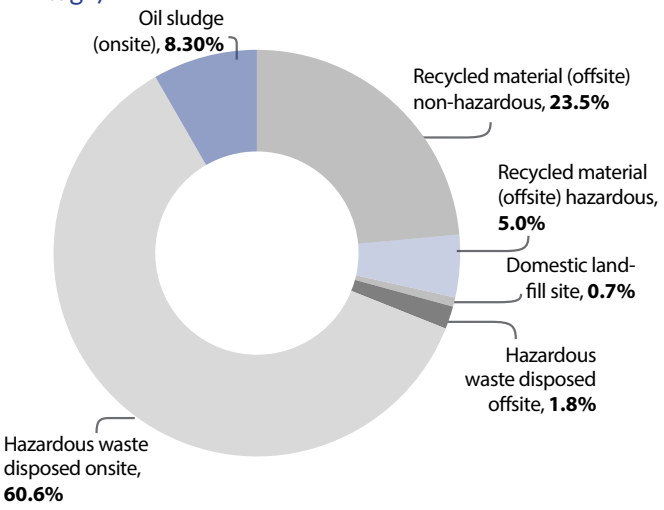
Non-mineral waste is waste material that is not generated from the mineral ore, for example redundant chemicals, conveyor belts, domestic waste, wood pallets, building rubble, scrap materials, used oils, and lubricants from maintenance activities. If waste is not stored and treated properly, it has a negative impact on the environment, as well as the health and safety of our employees.

Therefore, the aim of waste management at the mine is to promote the 3Rs to ensure that waste generated onsite is reduced, reused, or recycled and disposed of in accordance with Rössing's standards, and all applicable laws, regulations, best practices, and permit conditions.

Waste onsite is being managed by an integrated waste management contractor that was appointed in December 2019. The waste management key performance indicators (KPIs) were aligned, and the variation agreement was signed in July 2020. The waste contractor will handle both hazardous and non-hazardous waste streams and ensure proper treatment and disposal. As part of good corporate governance, Rössing monitors all recyclable types of waste streams (such as used oil, scrap metal, wooden pallets, and packaging materials) sent offsite for treatment, recycling, or disposal by performing a verification assessment of contractors and facilities to confirm that the wastes are being managed appropriately.

During 2020, a total of 732.5 tonnes of recyclable waste material (mainly used oil and scrap metal) were removed from site by the contractor to the offsite recyclers. Domestic waste is transported from the mine site to the Rent-A-Drum sorting facility in Swakopmund. The recyclable and reusable waste is dispatched to Windhoek at the contractor's refuse-derived fuel plant, while the non-recyclable waste is disposed at the municipal landfill site in Swakopmund.

Figure 19: Waste generated and disposed of, 2020 (percentage)



Contaminated waste includes both radioactive and non-radioactive contaminated waste materials (such as empty paint containers, air filters and processed mineral waste) that is generated from mining, workshops and as well as from the Processing Plant areas.

In 2020, 1,557.7 tonnes of contaminated solid waste was disposed of on the Tailings Storage Facility, while 213.7 tonnes of oil sludge soil were disposed of at the bioremediation facility for treatment. No soil was successfully treated during 2020. Garden waste (18.8 tonnes) was disposed of at a dormant landfill site, while non-contaminated building rubble (382.1 tonnes) was disposed of at Waste 5 at the open pit.

The medical waste stream is managed by the medical personnel onsite and is transported to Medixx in Arandis before it is dispatched to Walvis Bay for incineration. During 2020, a total of 0.34 tonnes of medical waste was generated, which is less compared with 0.45 tonnes in 2019.

The different types of hazardous waste streams generated onsite include used oils, filters, grease, redundant chemicals, batteries, and other items such as fluorescent tubes and e-waste. A total of 127.8 tonnes of hazardous waste was recycled with the offsite approved waste handlers, while 46.5 tonnes of the non-recyclable waste was disposed of at the Walvis Bay hazardous landfill site.

Loide Hausiku (Enviromental Advisor) at the waste bin donated to Westside High School in Swakopmund.

Training and awareness

Rössing supported the Community Skills Development Centre (COSDEC) by donating 10.3 tonnes of redundant wood pallets towards the joinery and cabinet-making workshop in Swakopmund.

To ensure compliance on waste management, regular inspections are carried out in workshops, storage, and disposal areas.

Employees and contractors who are involved with hazardous materials handling and waste handling are trained so that they understand the environmental hazards and risks for routine activities and emergency actions.

An estimate of 300 employees, including contractors, attended the hazardous material and waste management training.

A waste sorting stand was donated to West Side High School to promote the 3Rs.

The stand was fabricated by using offcuts from the plate shop and covered with redundant wood pallets collected from site.

CLOSURE PLANNING

The current Rössing mining plan foresees cessation of production at the end of 2026, which is six years from now. The mine closure plan is in place and is reviewed and updated from time to time. The plan guides and consolidates the information on closure planning, and as such it functions as a tool to gather developing knowledge on a continuous basis.

Various infrastructures and features are classified as per different domains and therefore, a plan exists for each domain. For example, in terms of the Open Pit domain: the main feature is an open pit, which will not be backfilled and is envisaged to remain a mining void but will be reworked to prevent access for humans and wild animals.

In another domain, the Tailings Storage Facility domain, the tailings will be managed in a manner that will prevent aeolian and fluvial soil erosion, while seepage will be recovered and allowed to evaporate. The Processing Plant and the mine's infrastructure will be demolished. Recyclable materials will be decontaminated before selling them. Materials not leaving the mine site will be disposed of safely and sufficiently covered so that they cannot cause harm.

Closure planning has always been part of the business strategic planning over the years. However, with recent changes in majority shareholder and current life-of-mine approaching, extensive closure plan reviews were held to ensure practical and achievable targets/objectives.

Rössing developed implementation plans for mitigation measures and calculated the associated closure costs, which were, to a high degree of certainty, confirmed to be sufficient. A detailed closure plan at pre-feasibility level, containing more technical detail and higher cost-estimation accuracy than the current plan, will be developed in 2020/2021 alongside some key studies, as well as other scientific investigations.

The Rössing Environmental Rehabilitation Fund remains well in place, with annual contributions to the fund calculated according to the current total projected costs associated with mine closure. The contributions are made to ensure sufficient funds being available at the time of closure.

At the end of December 2020, the fund had a cash balance of N$1,120 million and the net present value of the present closure obligation (referring to the full amount of close-down and restoration costs) to which Rössing is committed to at the balance sheet date of 31 December 2020 stands at N$1,601 million. This is based on the life-of-mine ending in 2026; if this is extended, different figures will be calculated.

Closure planning has always been part of the business strategic planning over the years."

CORPORATE GOVERNANCE AT RÖSSING URANIUM

BUSINESS INTEGRITY STANDARD

In September 2019, the Rössing Board approved the Business Integrity Standard as key in meeting the following day-to-day business integrity commitments by all employees, contractors and consultants to:

- Prohibit bribery and corruption in all its forms,
- Avoid, disclose and manage conflicts of interest, and
- Prohibit fraud in all its forms.

Conducting business with integrity is one of Rössing's core values. This ensures that the mine's reputation is protected and ensures a sustainable business with external stakeholders wanting to partner with a company that they can trust to do the right thing.

The Board of Directors is currently constituted as follows:

THE BOARD OF DIRECTORS

The Board of Directors executes the mandate they received from the shareholders to ensure that Rössing is a world class and responsible company by putting an executive team in place who have set targets that are to be achieved. They are furthermore responsible for ensuring that the company is run in accordance with their mandate as described in Rössing's Articles of Association, and that the various stakeholder interests are balanced and receive the required attention.

The company has a unitary board. The roles of the Chairperson and Managing Director are separate and distinct, and the stature of the independent directors serving on the Board ensures that enough independence is applied when making significant decisions. The Board of Directors is constituted with the appropriate mix of skills, experience, and diversity to serve the interests of the company and its stakeholders.

BOARD OF DIRECTORS AS AT 20 MARCH 2021

MEMBER'S NAME	ROLE
F L Namene	Chairperson, Independent Non-executive Director
Y Li *	CNUC Limited Shareholder Representative; Non-executive Director
J S Coetzee	Managing Director (Executive Director)
F Li *	CNUC Limited Shareholder Representative; Non-executive Director
Z Fang (alternate to Y Li) *	CNUC Limited Shareholder Representative; Non-executive Director
H P Louw **	Independent Non-Executive Director
G N Simubali	Government of the Republic of Namibia's Shareholder Representative; Non-executive Director
C W H Nghaamwa (alternate to G N Simubali)	Government of the Republic of Namibia's Shareholder Representative; Non-executive Director

* Chinese ** South African

FUNCTIONS OF THE BOARD

The Board Charter governs the working of the Board of Directors with their performance being monitored by the Nomination and Remuneration Committee.

The Board is responsible for adopting a corporate strategy, major plans of action, major policies, as well as monitoring operational performance. This includes identifying risks which impact on the company's sustainability and monitoring risk management and internal controls, compliance management, corporate governance, business plans and key performance indicators, including non-financial criteria and annual budgets.

The Board is also responsible for managing successful and productive stakeholder relationships. All directors carry full fiduciary responsibility and owe a duty of care and skill to the company.

The board meets quarterly, with additional meetings convened as required with most of the meetings held virtually in 2020.

BOARD AUDIT AND RISK COMMITTEE

The Board Audit and Risk Committee is established as a sub-committee of the Board of Directors and acts in accordance with an approved mandate and terms of reference to assist the Board of Directors in fulfilling its oversight responsibilities that relate to:

- The safeguarding of assets
- The operation of adequate systems and control processes
- The preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards
- The preparation of accurate and reliable operational reporting and statements, which are in compliance with all applicable legal requirements and operational standards
- Rössing Uranium's compliance to all the relevant laws and regulations
- Rössing Uranium's compliance to agreed-upon policies and procedure, and
- The effective implementation and compliance to the Rössing Uranium's risk management process.

In performing its duties, the Board Audit and Risk Committee will maintain effective working relationships with the Board of Directors, management, the internal auditor(s), external auditor(s) and the other assurance providers and shall be entitled to place reliance on the findings of any expert, which shall include the internal and external auditors.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is appointed by the Board to assist in fulfilling its responsibility to the company's shareholders relating to the company's selection, nomination, performance, remuneration and succession of directors.

The Nomination and Remuneration Committee determines a remuneration structure for the Board of Directors and members of the sub-committees. The remuneration rates are subject to an annual review in February, and any increases are submitted to the Board for presentation to the Annual General Meeting for shareholder approval.

The primary purposes of the Nomination and Remuneration Committee are to:

- Identify individuals who are qualified to become members of the Board of Directors
- Make recommendations to the Board of Directors relating to the company's selection and nomination of Directors
- Review the results of performance assessments of Board members
- Ensure that the appropriate procedures exist to assess the remuneration levels of the Chairperson, Non-Executive Directors, Executive Directors, Board Committees and the Board as a whole.

- Review the policy for executive remuneration and for the remuneration and benefits of individual Executive Directors
- Review the succession plans for Board members, and
- Review reporting disclosures related to Nomination and Remuneration Committee activities to ensure these disclosures meet the Board's disclosure objectives and all relevant compliance requirements.

The purpose of the Committee shall remain flexible to ensure that the Committee is in the best position to react to changing conditions and to assure the Board of Directors and shareholders that the company is best able to attract, remunerate and retain directors of the highest quality.

SPECIAL-PURPOSE VEHICLES

The company has established two special purpose vehicles, which are managed independently from Rössing by their own set of trustees on which Board members are represented. These are The Rössing Foundation and the Rössing Environmental Rehabilitation Fund.

The Rössing Foundation was established in 1978 by Rössing Uranium through a Deed of Trust to implement and facilitate its corporate social responsibility activities within the communities of Namibia.

The trustees of the Rössing Environmental Rehabilitation Fund review the closure plans and funds put aside for the eventual rehabilitation of the mine site.

The trustees' responsibilities have increased with the trustees now also forming the steering committee that oversees the closure preparation through its various phases, thereby forming the governance Board/steering committee for the study process.

FINANCIAL STATEMENTS

The directors are responsible for monitoring and approving the financial statements to ensure that they fairly present the company's affairs and the profit or loss at the end of the financial year. The independent auditors are responsible for expressing an opinion on the fairness with which these financial statements represent the financial position of the company.

The financial statements are prepared by management in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Namibian Companies' Act. They are based on appropriate accounting policies that have been consistently applied and which are supported by reasonable and prudent judgements and estimates.

EXTERNAL AUDITOR INDEPENDENCE

The group's annual financial statements have been audited by the independent auditors, Ernst & Young Namibia, appointed in June 2020, for a three-year period. The company believes that the auditors have observed the highest level of professional ethics and has no reason to suspect that they have not acted independently from the company. The Board Audit and Risk Committee have confirmed the independence of the external auditors for the reporting period.

COMPANY SECRETARY

The company secretary, Ms GD Labuschagne, is suitably qualified and has access to the company's resources to effectively execute her duties. She provides support and guidance to the Board in matters relating to governance and compliance practices across the company. All directors have unrestricted access to the company secretary.

THE NAMCODE

Rössing Uranium has adopted the NamCode, effective from 1 January 2014, and bases its corporate governance on international best practices and the King Code of Governance for South Africa 2009. Deviations from the NamCode are listed in the table below:

Deviations from the NamCode	
NamCode 16.1: The Chairperson should be appointed by the Board every year after carefully monitoring his or her independence and factors that may impair their independence.	Rössing Uranium Articles of Association Art. 82: The Chairperson is elected to hold office for a period determined by the Directors. If no period is determined, the Chairperson shall hold office until otherwise determined by the Directors.
NamCode 16.10: There should be a succession plan for the position of the Chairperson.	Nomination and Remuneration Committee: The need to appoint a Deputy Chairperson has been identified, but no appointment has been made to date.
NamCode 18.3: The Board should comprise of a majority of Non-executive Directors, who should be independent as this reduces the possibility of conflicts of interest and promotes objectivity.	The current Board of Directors is composed of six directors of which five are Non-executive Directors. Only two of these are independent with three being shareholder representatives. Following resignations received from independent directors and in line with the Board decision to reduce the size of the Board, no replacements of independent directors were appointed.
NamCode 18.12: As a minimum two executive directors should be appointed to the board, the Chief Executive Officer (CEO) and a director responsible for the finance function (CFO). This will ensure that there is more than one point of contact between the board and management.	In line with a board decision to reduce its size, the Chief Financial Officer (CFO) is available at all meetings to answer questions and make representations to the Board.
NamCode 26: Companies should disclose the remuneration of each individual director and certain senior executives.	The remuneration of Directors and senior management is disclosed to shareholders. Rössing Uranium does not propose to disclose this information to the public.
NamCode 27: Shareholders should approve the company's remuneration policy.	Remuneration is reviewed in detail by the Nomination and Remuneration Committee and approved in principle by shareholders.

RISK REPORT

Risk management is a fundamental part of the company's business. This is achieved by keeping risk management at the centre of the company's activities and by introducing a culture in which risk management is embedded in the everyday management of the business.

The Board acknowledges its overall responsibility for the process of risk management, as well as for reviewing its effectiveness. Executive management is accountable to the Board for designing, implementing and monitoring the process of risk management, as well as integrating it with the day-to-day activities.

INTERNAL AUDIT

The company's internal audit function performs an independent appraisal activity with the full co-operation of the Board and management. It has the authority to independently determine the scope and extent of work to be performed.

Its objective is to assist executive management with the effective discharge of their responsibilities by examining and evaluating of the company's activities, resultant business risks and systems of internal control. Its mandate requires it to bring any significant control weaknesses to the attention

of management and the Board Audit and Risk Committee for remedial action.

The internal audit function was awarded to PricewaterhouseCoopers Namibia in 2020, for a three-year period. Internal audit reports functionally to the company's Board Audit and Risk Committee and administratively to the company secretary.

INTERNAL CONTROL

Internal control comprises methods and procedures implemented by management to ensure:

- Compliance to policies, procedures, laws and regulations
- Authorisation by the implementing the appropriate review and approval procedures
- Reliability and accuracy of data and information: information used in the decision-making process at Rössing needs to be accurate, timely, useful, reliable and relevant
- Effectiveness and efficiency: all operations at Rössing need to be effective and efficient, with the most economical use of resources, and add value, which is accomplished by the continuous monitoring of goals along the principle of 'that which is measured, is controlled', and
- Safeguarding of assets: assets are protected from theft, misuse, use for fraudulent purposes and/or destruction.

The directors are responsible for maintaining an adequate system of internal control. Such a system reduces, but cannot eliminate, the possibility of fraud and error.

ASSURANCE AND REFERENCE

Assurance

Our vision is to conduct our business with integrity, honesty and fairness at all times. We build from a foundation of compliance with relevant laws, regulations and international standards, and are in line with various Rössing Uranium guidelines on leading business practices.

Much of our work is subjected to various, external-assurance and verification processes throughout the year. For example, external auditors audit our financial statements, while an external, environmental-auditing company audits our environmental figures each year. The following auditing companies, Government bodies and other institutions reviewed the company's practices in 2020:

- Ernst & Young (external audit)
- Deloitte Namibia (analytical review, Tip Offs Anonymous);
- Bureau Veritas (ISO 14001:2004 certification and Rössing Uranium HSEQ management system business conformance);
- International Atomic Energy Agency (industry control);
- AECOM and KnightPiesold (third party review of Tailings Storage Facility stability and design);
- Ministry of Labour and Social Welfare: Affirmative Action (Employment) Act, 1998 (No. 29 of 1998) (compliance verification in respect of labour-related Acts);
- Ministry of Health and Social Services (compliance verification in respect of health and related Acts);
- Ministry of Agriculture, Water and Land Reform (compliance verification in respect of effluent management and water-related Acts);
- Ministry of Mines and Energy (compliance verification in respect of mining operation-related Acts); and
- Ministry of Finance (compliance verification in respect of income tax and finance-related Acts).

List of references

Rössing Uranium procurement principles

Business integrity standard

Data privacy standard

HSSEC policy

Communities and social performance standard

Human rights policy

Risk management policy

Treasury policy

OUR VALUE ADDITION AND SUMMARY ANNUAL FINANCIAL STATEMENTS

The motivation to do value-added reporting is linked to the overall process of disclosure regarding financial information. By sharing information about the value Rössing adds through its operations and business activities, the mine aims to bring into focus all aspects of the impact the company makes on the economy of the region in which it operates, as well as on Namibia's economy as a whole.

HOW RÖSSING URANIUM ADDS VALUE

Our value-added statement (page 76) reflects the wealth created through the sale of our uranium oxide production, payments for services to suppliers, taxes to the Namibian Government, payments to employees and the investments made in Namibian communities.

Sustainable development is underpinned by sustainable economies. Our continuing operations are based on our ability to secure access to land, people and capital. We use our economic, social, environmental and technical expertise to harness these resources and create prosperity for our stakeholders.

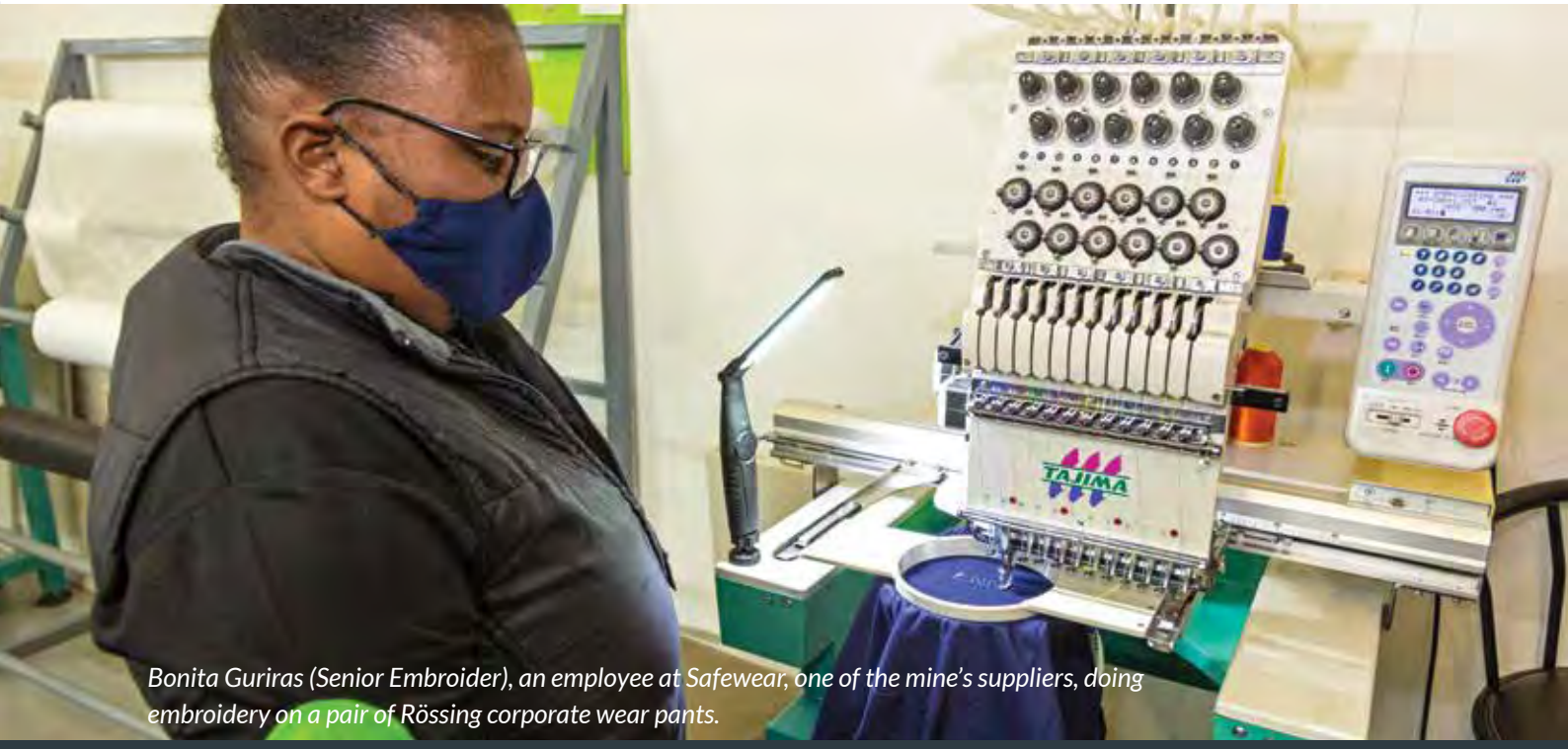
As a major employer and purchaser of goods and services, we make a significant annual contribution to economic development in the Erongo Region in particular, and to Namibia at large. Rössing Uranium gives rise to a significant 'multiplier effect' — the phenomenon whereby spending by one company creates income for and further spending by others. Given the prevailing market conditions, our primary focus was to procure goods and services as cost-effectively and efficiently as possible and to focus on maximising our contribution to the local economy.

Despite the global economic challenges posed by COVID-19, Rössing's total spend for goods and services for our operations was N$2.77 billion during 2020 (2019: N$2.72 billion).

As during the previous reporting years, most of the procurement expenditure was on Namibian-registered suppliers. Rössing's spend with local suppliers amounted to N$2.17 billion (2019: N$2.03 billion), accounting for 78 per cent of our total procurement expenditure.

The continued increase in local spend reflects on the company's confidence to procure locally, also resulting in the securing of new long-term supply agreements of goods and services with some of our major suppliers, such as Dundee Precious Metals Tsumeb and Namport.

N$370 million was spent with South African suppliers, representing 14 per cent of our procurement expenditure, while we spent N$227 million with international suppliers, representing 8 per cent of our total expenditure.



Bonita Guriras (Senior Embroider), an employee at Safewear, one of the mine's suppliers, doing embroidery on a pair of Rössing corporate wear pants.

Rössing remains committed to support local suppliers, including spend on developing SMEs. The bulk of the Namibian spend remains in the Erongo Region (38 per cent) and Khomas Region (50 per cent). Spend within the Erongo Region reduced significantly due to COVID-19 and the lockdown measures imposed on the region, which negatively impacted suppliers' operations.

During 2020, we invested N$25.8 million in Namibian communities, directly as well as through the Rössing Foundation.

The review period also saw us continue to demonstrate our value to Namibia through contributions to the fiscal authorities. Rössing Uranium paid the Government N$128.6 million in royalty tax, and N$161 million in pay-as-you-earn tax on behalf of employees. No corporate tax or dividends were paid in 2020.

Payments to public enterprises, such as NamWater and NamPower, amounted to N$446.5 million (2019: N$450.1 million), which includes the Vocational and Education Training levy of N$7.3. million paid to the Namibia Training Authority. We also spent N643.9 million in net salaries and wages.

PREFERENTIAL PROCUREMENT AND ENTERPRISE DEVELOPMENT

We remain committed to supporting Government development initiatives and the New Equitable Economic Empowerment policy framework (NEEEF) through preferential procurement. As such, we support local suppliers and significantly enhanced our data regarding supplier ownership and employment statistics during 2020 in compliance with the directives imposed by the Namibia Competition Commission.

During the reporting year, we spent N$2.77 billion on procurement, of which N$2.17 billion was with Namibian registered businesses. Of our Namibian spend, 43 per cent came from suppliers that confirmed majority Namibian ownership, while 71 per cent of the total Namibian spend came from suppliers that employ 75 per cent or more Namibians in their workforce.

In the below N$250,000-spend category, N$481 million (80 per cent of the total spend in this category) was local, of which 71 per cent came from suppliers with majority Namibian ownership. A total of 89 per cent were from suppliers that employ 75 per cent or more Namibians in their workforce.

Our value addition

Stakeholders' Value Added Statement [1]	Notes	N$'000	N$'000	N$'000	N$'000	N$'000
For the year ended		**2020**	**2019**	**2018**	**2017**	**2016**
Turnover		4,421,108	2,684,574	2,835,698	2,695,803	3,070,853
Other income - sale of substitute concentrate / contract settlements		96,032	138,849	-	325,023	-
Stock movement of semi-finished and finished goods		(190,995)	919,397	211,000	(123,537)	(173,833)
Less: Purchased material and services from non-stakeholders		2,478,474	2,054,191	1,758,543	1,587,048	1,656,342
Total value added		**1,847,671**	**1,688,629**	**1,288,155**	**1,310,241**	**1,240,678**
Investment income		73,354	96,585	82,402	61,903	46,050
Release of foreign denominated cash		-	69,023	101,702	-	1,487,750
Total wealth created		**1,921,025**	**1,854,237**	**1,472,259**	**1,372,144**	**2,774,478**
Employees	1	804,969	767,289	733,504	693,259	613,842
Providers of equity capital		-	-	-	-	1,436,906
Providers of loan capital		-	-	-	-	-
Government	2	575,166	534,238	551,762	506,466	523,900
The Rössing Foundation		15,218	12,000	12,000	12,000	12,000
Reinvested in the Group	3	525,672	540,710	174,993	160,419	187,830
Total wealth distributed		**1,921,025**	**1,854,237**	**1,472,259**	**1,372,144**	**2,774,478**

[1] Stakeholders in this context: Shareholders, Government, lenders, employees and the Rössing Foundation

Notes to the Stakeholders' Value Added Statement

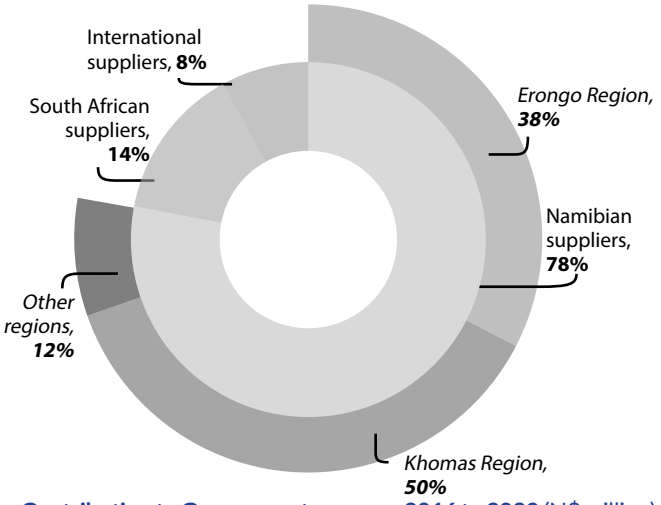
1. Employees	**804,969**	**767,289**	**733,504**	**693,259**	**613,842**
- Net salaries and wages	643,963	612,749	591,925	574,911	506,684
- Pay-as-you-earn (PAYE) taxes	161,006	154,540	141,579	118,348	107,158
2. Government	**575,166**	**534,238**	**551,762**	**506,466**	**523,900**
- Dividend	-	-	-	-	50,844
- Erongo Regional Electricity Distributor	796	949	1,262	1,701	2,008
- Mining royalty tax	128,639	77,590	87,511	77,833	80,352
- NamWater	151,944	148,147	145,890	136,887	128,680
- NamPost	-	-	-	-	-
- NamPort	5,513	2,828	2,731	2,551	2,740
- NamPower	256,828	265,211	277,560	257,389	232,043
- Rates, taxes and licences	215	224	320	231	1,388
- Namibia Training Authority	7,365	7,680	7,017	6,432	5,594
- Receiver of Revenue	-	-	-	-	-
Current tax	-	-	-	-	-
Export Levy	10,162	6,336	7,887	3,592	-
- Road Fund Administration	1,861	1,765	1,610	1,454	1,383
- Telecom Namibia	2,377	2,903	3,067	2,853	4,375
- TransNamib	9,466	20,605	16,907	15,543	14,493
3. Reinvested in the Group	**525,672**	**540,710**	**174,993**	**160,419**	**187,830**
- Depreciation	82,452	37,747	8,501	418,004	333,697
- Retained earnings	443,220	502,963	166,492	1,949	107,099
- Deferred stripping capitalised	-	-	-	(114,501)	(282,538)
- Deferred tax	-	-	-	(145,033)	29,572

SUMMARY OF RÖSSING URANIUM'S VALUE ADDITION

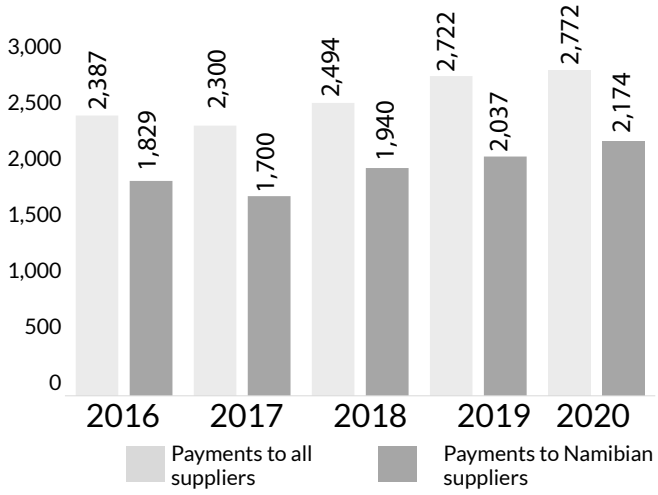
As a major player in the procurement of goods and services, Rössing makes a significant contribution to economic development and the creation of prosperity for communities. Our business provides a strong base for economic growth in communities located in the Erongo Region and in Namibia as a whole. Our economic contribution comprises the value we add by paying wages, employee benefits and Government taxes and royalties, as well as by making dividend and interest payments and by retaining capital to invest in the growth of the mine.

In addition, we make significant payments to our suppliers for goods and services, both locally and nationally. The graphs below highlight some of the key socioeconomic contributions we have made to Namibia over the last five years, from 2016 to 2020.

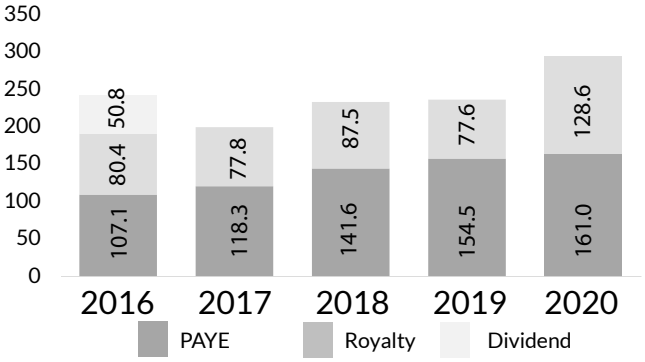
Distribution of Rössing Uranium's procurement expenditure, 2020 (percentage)



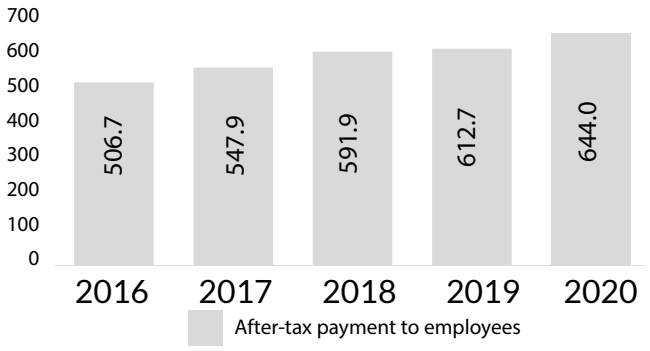
Payments to suppliers, 2016 to 2020 (N$ million)



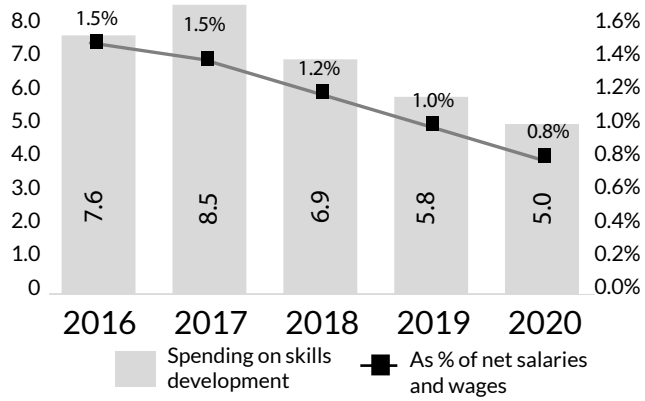
Contribution to Government revenue, 2016 to 2020 (N$ million)



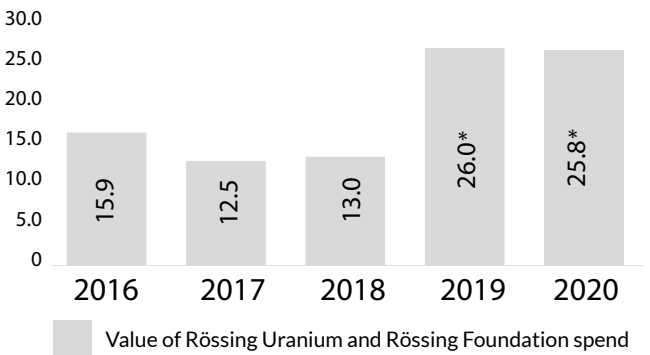
After-tax payments to employees, 2016 to 2019 (N$ million)



Contribution to skills development, 2016 to 2020
(N$ million and percentage)



Contribution to Namibian communities, 2016 to 2020
(N$ million)



** Includes N$4.7 million (2019: N$13 million) for the Arandis Roofing Project*

Summary annual financial statements

COMPANY OPERATIONAL AND FINANCIAL REVIEW

Financial performance

Revenue was significantly higher than in 2019 which can be attributed to a 38% increase in sales volumes combined with a significant deterioration in the USD/NAD exchange rate at the start of the COVID-19 global outbreak. The exchange rate remained extremely volatile throughout the year, before returning to pre-pandemic levels in December 2020. Several mitigating actions were taken to maintain operations during the year, which included temporary scaled down operations and additional health and safety measures to ensure the health of our employees throughout. The weaker exchange rate and mitigation steps however impacted cost efficiency. In addition, the extreme and sudden devaluation of the Namibia Dollar, resulted in significant exchange rate losses, both on prepayments for 2020 sales, as well as the foreign currency hedge derivative, which neutralised the exchange rate benefit from the revenue stream, ultimately resulting in a reduced net profit after tax from normal operations of N$443 million (2019: N$ 503 million). Further details of the company's financial performance are set out in the summary statement of comprehensive income.

Operations

Production of uranium oxide for the year was 2 489 metric tonnes compared to 2 449 metric tonnes in 2019. A total of 19 370 510 metric tonnes (2019: 22 411 993 metric tonnes) were mined from the open pit and 8 718 593 metric tonnes (2019: 8 006 058 metric tonnes) of ore were milled. The mine is currently operating on an approved Life of Mine Plan to 2026 (2019: 2026).

Dividends

No dividends were declared during the year (2019: No dividends declared).

Holding Company and Ultimate Holding Company

The company's immediate holding company is CNUC Namibia Mining Limited (previously Skeleton Coast Diamonds Limited, name changed effective 15 August 2019), a company registered in Namibia. China National Nuclear Corporation Limited (CNNC), registered in China, is the company's ultimate holding company.

In November 2018, the preceding ultimate holding company, Rio Tinto plc, announced that a binding agreement was signed with China National Uranium Corporation Limited (CNUC China) for the sale of its entire 68.6% stake in Rössing Uranium Limited. China National Uranium Corporation Limited is an affiliate of China National Nuclear Corporation Limited. On the 16th of July 2019, the sale process was concluded and ownership transferred to the new ultimate majority shareholder, China National Nuclear Corporation Limited (CNNC).

Subsequent events

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases being confirmed. Measures taken by various governments to contain the virus have affected economic activity and the company's business in various ways:

- Short-term interruptions in the supply of ammonia imported from South Africa affected production, with four days of production lost during Q2 of 2020.

Summary annual financial statements (continued)

- Due to government measures taken, we had to scale down our mining operations temporarily during Q2 of 2020. This did, however, not negatively impact our milled or final product production and we were able to still meet production targets during that period.
- The re-prioritised mining sequence did, however, impact the second half of the year in terms of grade and blending sequence, resulting in lower than planned production, and the production plan had to be amended to accommodate this change.

The COVID-19 pandemic did not adversely impact the company's revenue or liquidity during 2020. The business resilience and ability to adapt the operations at short notice meant the company could still deliver on sales contracts and due to reduced operations in certain aspects, managed to save costs. The measure taken by the government to alleviate liquidity with a focus on more efficient refunds of VAT also assisted the company's liquidity position in 2020.

In the period since 31 December 2019, the significant exchange rate weakening of the NAD against the USD during 2020 had the most significant impact on our financial results. The company realised losses on the monthly hedge transactions to a total of N$ 152 241 786, against a planned realised gain for the year on the hedge of N$163 601 250 at a planned average exchange rate of USD/NAD 14.40. By the 2020 year-end, the exchange rate finally returned to a rate of USD/NAD 14.68, but the impact from the extreme volatility in the exchange rate was significant during the course of 2020 and featured in various aspects of the financial results.

Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity, the company might experience further interruptions of supply in 2021. The exact impact on our activities in the remainder of 2021 and thereafter cannot be predicted. We also refer to the Director's report note on going concern in the annual financial statements. The directors have no reason to believe that the company will not be a going concern in the foreseeable future based on forecasts and available cash resources. The viability of the company is supported by the annual financial statements.

Auditors opinion

The summary results for the year ended 31 December 2020 have been audited by Ernst & Young Namibia. The auditor's unqualified opinion is available for inspection at the company's registered office.

Directors

F L Namene (Chairman), J S Coetzee (Managing), F Li**, Y Li** (alternate Z Fang**), H P Louw*, G N Simubali (alternate C W H Nghaamwa).

*South African **Chinese

Company Secretary

G D Labuschagne

P O Box 22391

Windhoek

Auditors

Ernst & Young Namibia

P O Box 1857

Windhoek

Summary annual financial statements (continued)

Summary Statement of Financial Position as at 31 December 2020

	Notes	**Audited 2020 N$'000**	Audited 2019 N$'000
ASSETS			
Non-current assets		**1 719 219**	1 540 801
Intangible assets	6	**37 732**	54 478
Property, plant and equipment	7	**360 301**	261 488
Defined benefit pension asset		**177 074**	236 411
Right-of-use asset	8	**24 450**	-
Rössing Environmental Rehabilitation Fund asset		**1 119 662**	988 424
Current assets		**3 697 165**	3 653 073
Inventories	9	**1 758 405**	1 875 371
Trade and other receivables		**300 674**	179 546
Derivative	10	**-**	167 786
Cash and cash equivalents	11	**1 239 392**	1 078 708
Restricted cash	11	**398 694**	351 662
Total assets		**5 416 384**	5 193 874
EQUITY AND LIABILITIES			
Equity		**2 447 330**	2 199 777
Share capital		**223 020**	223 020
Retained earnings		**2 224 310**	1 976 757
Non-current liabilities		**1 637 298**	1 521 085
Deferred tax liabilities		**-**	-
Lease liability	8	**19 714**	-
Provision for closure and restoration costs		**1 600 673**	1 502 919
Post-employment obligation		**16 911**	18 166
Current liabilities		**1 331 756**	1 473 012
Bank overdraft	11	**342 432**	262 439
Lease liability	8	**5 533**	-
Trade and other payables		**983 791**	1 210 573
Total equity and liabilities		**5 416 384**	5 193 874

Summary annual financial statements (continued)

Summary Statement of Comprehensive Income and Expenses for the year ended 31 December 2020

	Notes	**Audited 2020 N$'000**	Audited 2019 N$'000
Continuing operations			
Revenue		**4 517 140**	2 823 423
Other income		**18 297**	18 310
		4 535 437	2 841 733
Operating costs		**(3 482 004)**	(2 243 354)
Depreciation, amortisation and impairment charges		**(82 452)**	(37 747)
Other net (losses) / gains		**(478 711)**	168 517
Royalties-mining		**(128 639)**	(77 590)
Operating profit		**363 631**	651 559
Finance income	4	**73 354**	96 585
Finance costs	4	**(109 215)**	(103 727)
Profit before income tax		**327 770**	644 417
Income tax	5	**(14 313)**	(211)
Other comprehensive income for the year			
Actuarial (losses) / gains on defined benefit pension asset		**(65 904)**	24 631
Total comprehensive income for the year attributable to equity holders of company		**247 553**	668 837
Reconciliation of total comprehensive income for the year to net profit after tax from normal operations			
Total comprehensive income for the year as above		**247 553**	668 837
- Actuarial losses/(gains) on defined benefit asset		**65 904**	(24 631)
- Forex (gain)/loss on Kalahari and Extract funds		**(38 023)**	11 273
- Fair value loss/(gain) on Derivative Financial asset		**167 786**	(152 516)
Net profit after tax from normal operations		**443 220**	502 963

Summary Statement of Cash Flows for the year ended 31 December 2020

	Notes	Audited 2020 N$'000	Audited 2019 N$'000
Cash flows from operating activities			
Cash generated / (utilised) by operations		**324 398**	(141 263)
Interest received	4	**13 696**	29 261
Interest paid	4	**(9 380)**	(14 696)
Tax paid	5	**(14 313)**	(211)
Net cash generated / (utilised) by operating activities		**314 401**	(126 909)
Cash flows from investing activities			
Intangible asset additions	6	**(6 010)**	(68 979)
Purchases of property, plant and equipment	7	**(146 898)**	(124 317)
Proceeds from sale of fixed assets		**3 413**	1 646
Contributions made to Rössing Environmental Rehabilitation Fund		**(71 580)**	(75 915)
Net cash (utilised) by investing activities		**(221 075)**	(267 565)
Cash flows from financing activities			
Payment of principal portion of lease liabilities		**(11 644)**	-
Interest accretion on leases		**(2 145)**	-
Dividends paid		**-**	-
Net cash (utilised) by financing activities		**(13 789)**	-
Increase / (decrease) in cash and cash equivalents		**79 537**	(394 474)
Cash and cash equivalents at beginning of year		**1 167 931**	1 584 702
Effects of exchange rate changes on cash and cash equivalents		**48 186**	(22 297)
Cash and cash equivalents at end of year	11	**1 295 654**	1 167 931

Summary Statement of Changes in Equity for the year ended 31 December 2020

	Share capital N$'000	Retained earnings N$'000	Total N$'000
Balance at 1 January 2020	**223 020**	**1 976 757**	**2 199 777**
Total comprehensive income and expenses	**-**	**247 553**	**247 553**
Dividends paid	**-**	**-**	**-**
Balance at 31 December 2020	**223 020**	**2 224 310**	**2 447 330**
Balance at 1 January 2019	223 020	1 307 920	1 530 940
Total comprehensive income and expenses	-	668 837	668 837
Dividends paid	-	-	-
Balance at 31 December 2019	223 020	1 976 757	2 199 777

Notes to the Summary Annual Financial Statements for the year ended 31 December 2020

1. Reporting Entity

Rössing Uranium Limited is a company domiciled in the Republic of Namibia. These are the summary annual financial statements of the company as at and for the year ended 31 December 2020. The audited annual financial statements of the company as at and for the year ended 31 December 2020 are available upon request from the Company's registered office.

2. Statement of compliance

These summary annual financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and disclosure requirements of IAS 34, Interim Financial Reporting and the requirements of the Company's Act of Namibia. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the company as at and for the year ended 31 December 2020.

3. Significant accounting policies

The accounting policies applied by the company in these summary annual financial statements are the same as those applied by the company in its annual financial statements as at and for the year ended 31 December 2020. The company has adopted IFRS 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. In applying IFRS 16 for the first time, the company has used the practical expedient permitted by the standard for accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019, as short-term leases. In all other aspects, the accounting policies and methods of computation applied in the preparation of the summary consolidated financial report are consistent with those applied for the period ended 31 December 2019.

	2020	2019
	N$'000	N$'000
4. Finance income and costs		
Finance income - Rehabilitation fund - Capital growth	**59 658**	67 324
Interest income - Bank balances	**13 696**	29 261
Finance income	**73 354**	96 585
Interest expense - Bank borrowings	**(9 380)**	(14 696)
Interest expense - Lease liability	**(2 145)**	-
Provisions - unwinding of discount - Non-cash item	**(97 690)**	(89 031)
Finance costs	**(109 215)**	(103 727)
5. Taxation		
Namibia - current taxation	**-**	-
Namibia - deferred taxation	**-**	-
	-	-
US Federal tax charge	**14 313**	-
Penalties and interest on US Federal tax charge	**-**	211
	14 313	211
6. Intangible Assets		
Net book value at beginning of the year	**54 478**	2 083
Additions	**6 010**	68 979
Disposals	**(121)**	-
Transfers	**2 054**	425
Amortisation charge	**(24 689)**	(17 009)
Net book value at end of the year	**37 732**	54 478

Summary annual financial statements (continued)

Notes to the Summary Annual Financial Statements for the year ended 31 December 2020 (continued)

	2020 N$'000	2019 N$'000
7. Property, plant and equipment		
Net book value at beginning of the year	**261 488**	114 153
Additions	**146 898**	124 317
Disposals	**(773)**	-
Transfers	**(2 054)**	(425)
Depreciation charge	**(45 322)**	(20 738)
Closure cost adjustment	**64**	44 181
Net book value at end of the year	**360 301**	261 488

No impairment charge was incurred during 2020, nor was there sufficient evidence to indicate a reversal of previous impairments. In 2017, the continued decline in the uranium spot price, combined with the increasing exposure of the production to the spot market and a strengthening local currency against the US Dollar, indicated the carrying value of property, plant and equipment unsupported by future cash flows and the asset's value in use. This resulted in an impairment loss amounting to N$ 3 267 542 564 recognised in 2017 against the property, plant, equipment and intangible assets as well as a further N$ 36 583 353 against long-term inventory (refer to Note 9).

The Value in Use was used as the recoverable amount for the cash generating unit, which comprise the business as a whole, to determine the impairment. The net present value of future cash flows was used to determine the value in use, which in 2020 is estimated at a value of N$734 000 000 (2019: negative value of N$ 280 800 000) at a year-end exchange rate of USD/NAD 14.68 (2019: USD/NAD 14.04) using a discount rate of 10.0% (2019: 10.0%) and a closure discount rate of 2% (2019: 2%).

8. Leases

The company has lease contracts for land and buildings (including office space) and various items of mining equipment used in its operations. Leases of buildings, office space and mining equipment generally have lease terms between three and six years, while land generally have a lease term of between three and fifteen years. The company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the company is restricted from assigning and subleasing the leased assets. The company also has certain leases of assets with lease terms of 12 months or less and leases of office equipment with low value. The company applies the short-term lease and lease of low-value assets recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets and lease liabilities recognised and the movements during the period:

Right-of-use assets		
Opening balance at beginning of the year	**-**	-
Additions	**36 891**	-
Depreciation	**(12 441)**	-
Closing balance at beginning of the year	**24 450**	-
Lease liabilities		
Opening balance at beginning of the year	**-**	-
Additions	**36 891**	-
Accretion of interest	**2 145**	
Payments	**(13 789)**	-
Closing balance at beginning of the year	**25 247**	-

Summary annual financial statements (continued)

Notes to the Summary Annual Financial Statements for the year ended 31 December 2020 (continued)

	2020	2019
8. Leases (continued)	**N$'000**	N$'000
Lease liabilities – current	**5 533**	-
Lease liabilities – non-current	**19 714**	-
	25 247	-
Amounts recognised in profit or loss:		
Depreciation expense for right-of-use assets	**12 441**	-
Interest expense on lease liabilities	**2 145**	-
Expenses relating to variable lease payments, low value assets and short-term leases	**22 710**	35 694
	37 296	35 694
9. Inventories		
Inventories are stated after		
- Providing for obsolescence and impairment		
- raw materials obsolescence	**34 759**	29 236
- long term work-in-progress impairment	**36 583**	36 583
10. Derivative		
Opening balance at beginning of the year	**167 786**	15 270
Fair value (losses) / gains through profit or loss - after initial recognition	**(167 786)**	152 516
Closing balance at beginning of the year	**-**	167 786
Forward exchange contract – non-current	**-**	-
Forward exchange contract – current	**-**	167 786
	-	167 786
Amounts recognised in profit or loss:		
Fair value (losses) / gains	**(167 786)**	152 516
Realised foreign exchange (losses) / gains	**(152 242)**	51 767
	(320 028)	204 283

On 15 November 2018 the company concluded hedging contracts in line with the proposed strategy as approved by the Board. Monthly lots of USD 12 500 000 were converted during 2019 and 2020 at increasing rates up to the last trade on the 1st of December 2020. An average rate of USD/NAD 15.4907 was achieved in 2020 (2019: USD/NAD 14.7998). The hedge transaction was secured against USD 30 000 000 collateral on short term call deposits up until the 1st of December 2020.

Summary annual financial statements (continued)

Notes to the Summary Annual Financial Statements for the year ended 31 December 2020 (continued)

	2020 N$'000	2019 N$'000
11. Cash and cash equivalents		
Cash at bank and in hand (Note 11.1)	**268 590**	501 430
Bank overdraft (Note 11.1)	**(342 432)**	(262 439)
Short term call deposit (Note 11.2)	**970 802**	577 278
Restricted cash – Rio Tinto sales agreement guarantee (Note 14)	**73 400**	70 175
Restricted cash – Iran Foreign Investment Company (Note 11.3)	**325 294**	281 487
	1 295 654	1 167 931

For the purpose of the statement of cash flows the year-end cash and cash equivalents comprise the above.

11.1 Cash at bank and overdraft

The company deposits cash surpluses only with major banks of high-quality credit standing. The overdraft is unsecured.

11.2 Short term call deposit

Investment in call deposit	**577 278**	1026 422
Replenishment / (drawdown) of funds	**355 501**	(437 871)
Forex gains / (loss) on funds	**38 023**	(11 273)
Closing balance	**970 802**	577 278

11.3 Restricted cash – Iran Foreign Investment Company

The restricted cash relates to historic dividends that are payable to the Iran Foreign Investment Company shareholder. The transfer of the funds was restricted in terms of UN Security Council Resolution 1929. The board is actively investigating the potential payment of these dividends within the legal ambit of the remaining sanctions on the restriction. In November 2019 the funds were converted to a deposit denominated in Euro at the request of the shareholder and was valued at EUR 18 004 351 on date of conversion. The initial investment matured on 18 November 2020 and the maturity value of EUR 18 031 808 was reinvested in 2020. The EURO deposit remains under control of the company, has a maturity date of 18 November 2021 and earns interest at -0.28% (2019: 0.15%) per annum. This interest accrues to the shareholder.

12. Capital commitments

Capital expenditure contracted but not yet incurred as at 31 December 2020	**4 178**	42 083

13. Unconditional purchase obligations

During 2019 the company entered into a new desalinated water off-take agreement with Namwater. The agreement included the provision of a bank guarantee of N$ 12 551 181. The updated off-take agreement was valid until 25 December 2020. As at year end 2020, the new agreement was not yet finalised and no guarantee was in place.

14. Guarantees

In 2017 the Company entered into an amended marketing arrangement with Rio Tinto Marketing Singapore Pte (RTU). The arrangement allows for more flexibility regarding the delivery on sales commitments through a margin scrape mechanism whereby RTU could be instructed to buy and sell material on behalf of the Company and only remitting the margin scrape differential on the transaction to the Company. In order to facilitate this arrangement, the Company issued a financial guarantee to RTU of USD 5 000 000 with a value at year end of N$ 73 399 883 (2019: N$ 70 175 439) in terms of the requirements of the amended agreement. The hedge transaction was secured against USD 30 000 000 collateral on short term call deposits (refer Notes 10 and 11).

Summary annual financial statements (continued)

Notes to the Summary Annual Financial Statements for the year ended 31 December 2020 (continued)

15. Related parties

The company is controlled by CNUC Namibia Mining Limited (previously known as Skeleton Coast Diamonds Limited, name change effective 15 August 2019) which owns 68,6% of the Company's issued shares. The remaining 31,4% of the shares are widely held and includes a 3.4% shareholding by the Government of Namibia. The ultimate holding company is China National Nuclear Corporation Limited, a company registered in China. All other subsidiaries of China National Nuclear Corporation Limited are regarded as related parties. Transactions with Rio Tinto group companies are shown up to the divestment date of 16 July 2019. The following transactions were carried out with related parties:

	2020	2019
	N$'000	N$'000
Summary of related party transactions		
Sales to Related Parties	**2 620 184**	556 572
Other income from Related Parties	**2 086**	131 377
Purchase of Product and Services	**58 102**	65 164
Receivables from Related Parties	**53 146**	27
Payables to Related Parties	**1 356**	364 271
Transactions with Government, State-owned and Semi-State-owned enterprises	**575 166**	534 238

16. Fair Value of Financial Instruments

At 31 December 2020, the carrying amounts of cash and short-term deposits, trade accounts receivable, trade accounts payable, accrued expenses and current interest-bearing borrowings approximated fair values due to the short-term maturities of these assets and liabilities. The carrying value of the non-current and current derivative approximates fair value as foreign currency forward contracts are valued using the present value of future cash flows based on forward exchange rates obtained from financial institutions at the balance sheet date. The derivative (refer to Note 10) is categorised as level 2. All other financial instruments are categorised as level 3.

17. Market risk - foreign exchange risk

The company is exposed to foreign exchange risk arising from various currency exposures, primarily to the US dollar and British Pound. Foreign exchange risks arise when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. Derivatives are only used for economic hedging purposes to hedge the foreign exchange risk against the functional currency and not as speculative instruments. Where derivatives do not meet the hedge accounting criteria, it is classified as "held for trading" for accounting purposes and are accounted for at fair value through profit or loss. Derivative financial instruments are presented as current assets or liabilities to the extent that they are expected to be settled within 12 months after year-end. At 31 December 2020, there was no derivative asset or liability, the hedge closed out on 1 December 2020. At 31 December 2019, if the currency had weakened by 10% against the US dollar with all other variables held constant, post-tax profit for the year would have been N$ 128 785 893 lower as a result of unrealised foreign currency losses on the valuation of the derivative and the derivative would have been a liability of N$ 38 271 318.

At 31 December 2020, if the currency had weakened /strengthened by 10 % against the US dollar with all other variables held constant, post-tax profit for the year would have been N$ 75 687 457 (2019: N$ 52 190 109) higher/ lower, mainly as a result of foreign gains or losses on translation of the US denominated intercompany receivables, trade receivables and cash equivalents.

Performance data table

	2020	2019	2018	2017	2016
Employees					
Number of employees	955	1,000	967	956	949
Production					
Uranium oxide produced (tonnes)	2,489	2,449	2,479	2,110	1,850
Ore processed ('000 tonnes)	8,718	8,006	8,851	9,000	9,194
Waste rock removed ('000 tonnes)	9,979	13,300	11,459	15,110	16,467
Ratio of ore milled to waste rock removed	0.87	0.60	0.77	0.63	0.56
Health, safety and environment					
New cases of pneumoconiosis	0	0	0	0	0
New cases of dermatitis	0	0	0	0	0
New cases of hearing loss	0	0	0	1	0
New cases of chronic bronchitis	0	0	0	0	0
All-injury Frequency Rate (AIFR)	0.34	0.49	0.83	0.39	0.82
All-injury Frequency Rate (AIFR) target	0.61	0.61	0.35	0.67	0.68
Number of Lost-day injuries	2	2	7	3	5
Source dust levels at Fine Crushing Plant (mg/m^3)	0.44	0.30	0.05*	2.37	1.81
Freshwater consumption ('000 m^3)	2,512	2,578	2,883	2,998	2,654
Freshwater usage per tonne of ore milled (m^3/t)	0.29	0.32	0.33	0.33	0.29
Ratio of fresh water:total water	0.33	0.33	0.36	0.40	0.38
Seepage water collected ('000 m^3)	2,084	2,097	2,703	2,083	2,407
Energy use onsite (GJ x 1,000)	1,251	1,297	1,193	1,321	2,528
Energy use per tonne of ore processed (MJ/t)	143.52	162.0	134.7	147.46	137.03
CO_2 total emission (kt CO_2 equivalent)	147.2	151.4	148.7	157.44	150.06
CO_2 equivalent emission per tonne of production (e/t uranium oxide)	59.14	61.86	60.04	74.20	81.81
Product and customers					
Uranium spot market price (US$/lb) (average)	29.60	25.91	24.59	22.16	25.64

* These measurements were done with PM_{10} (real-time) instruments which differs from the gravimetric sampling instruments that were used in previous years.

Rössing Uranium's production of uranium oxide and the nuclear fuel cycle

Uranium is a relatively common element that is found in the earth all over the world, mined in many countries and processed into yellow cake, that is, uranium oxide (U_3O_8). Uranium oxide has to be processed before it can be used as fuel for a nuclear reactor, where electricity is generated to produce heat and steam in order to drive a turbine connected to a generator.

Rössing Uranium's operations

1. Drilling and blasting
Through drilling, blasting, loading and hauling, the uranium ore at Rössing Uranium is mined. Due to the erratic distribution of minerals in the ground, waste and ore are often mixed. Radiometric scanners measure the radioactivity level of each truckload, determining whether the material is sent to the primary crushers or to the stockpiles. Waste is transported to a separate storage area.

2. Crushing
Ore is delivered to the Primary crushers by haul trucks and then taken by conveyor to the coarse ore stockpile. It passes through a further series of crushers and screens until the particles are smaller than 19 mm. After weighing, the fine ore is stored.

3. Grinding
Wet grinding of the crushed ore by means of steel rods reduces it further to slurry with the consistency of mud. The four rod mills, which are 4.3 m in diameter, are utilised as required by production levels and operate in parallel.

4. Leaching
A combined leaching and oxidation process takes place in large mechanically agitated tanks. The uranium content of the pulped ore is oxidised by ferric sulphate and dissolved in a sulphuric acid solution.

5. Slime separation
The product of leaching is a pulp containing suspended sand and slime. Cyclones separate these components and, after washing in roto scoops to remove traces of uranium-bearing solution, the sand is transported via a sand conveyor to the Tailings Storage Facility.

6. Thickening
Counter-current decantation thickeners wash the slimes from previous stages. A clear uranium-bearing solution ('pregnant' solution) overflows from the thickeners, while the washed slime is mixed with the sands and pumped to the tailings area.

7. Continuous ion exchange
The clear 'pregnant' solution now comes into contact with beads of specially formulated resin. Uranium ions are adsorbed onto the resin and are preferentially extracted from the solution. Beads are removed periodically to elution columns. There the acid wash removes the uranium from the beads. The resulting eluate is a purified and more concentrated uranium solution.

8. Solvent extraction
The acidic eluate from the Ion exchange plant is mixed with an organic solvent which takes up the uranium-bearing component. In a second stage, the organic solution is mixed with a neutral aqueous ammonium sulphate solution which takes up the uranium-rich 'OK liquor'. The acidic 'barren aqueous' solution is returned to the elution columns.

9. Precipitation
The addition of gaseous ammonia to the 'OK liquor' raises the solution pH, resulting in precipitation of ammonium diuranate, which is then thickened to a yellow slurry.

10. Filtration
The ammonium diuranate is recovered on rotating drum filters as yellow paste, known as 'yellow cake'.

11. Drying and roasting
Final roasting drives off the ammonia, leaving uranium oxide. The final product is then deposited in metal drums. Neither ammonium diuranate nor uranium oxide are explosive substances.

12. Loading and dispatch
The drums of uranium oxide are dispatched and exported to overseas converters for further processing. At full capacity, the Processing Plant can produce 4,500 tonnes of uranium oxide each year. **This step completes the Rössing Uranium production process.**

Our customers' operations

13. Conversion
The uranium oxide is converted to uranium hexafluoride crystals. Conversion plants operate commercially in Canada, China, France, the UK, and the US. *

14. Enrichment
This step increases the concentration of the isotope uranium-235 (^{235}U) from its naturally occurring level of 0.7 per cent to higher levels required for nuclear reactors — about 3 per cent. *

15. Fabrication
Enriched uranium is converted into uranium dioxide, formed into solid cylindrical pellets, sealed in metal fuel rods, and bundled into fuel assemblies. *

16. Power generation
Fuel assemblies are loaded into nuclear reactors where the ^{235}U fissions, producing heat and steam used to generate electricity.
(*Photos: www.areva.com)

CNNC
Rössing Uranium
Working for Namibia

Rössing Uranum Limited
(Incorporated in the Republic of Namibia)
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