



**ENNE**

**Rössing Uranium**

Working for Namibia

SUSTAINABILITY AND PERFORMANCE REPORT



**2022**



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# MESSAGE FROM CNNC/CNUC

The year 2022 was a good harvest year for China National Uranium Corporation (CNUC). Its operational indicators soared for the third consecutive year and sales volume of natural uranium ranked second globally, with industry competition increasing and market rank advancing. Rössing Uranium Limited contributed a significant volume to this remarkable result.

Faced with the negative impacts of the COVID-19 pandemic and the Russia/Ukraine conflict on the supply chain of global natural uranium in 2022, Rössing team did a great job as they identified the risks to the full extent and responded in an appropriate manner. Rössing produced 2659 tons  $U_3O_8$ , realising an outstanding sales target with profit doubling year-on-year.

Rössing implemented the Life of Mine (LoM) Feasibility Study and completed the water reservoirs projects within the given timeline, thereby enhancing the continuity and stability of production and laying a more solid foundation for the sustainable development of the mine. The overall operational indicators have improved, not only because the uranium market condition improved, but also due to the positive results arising from the continuous improvement in optimisation implemented by the Rössing team.

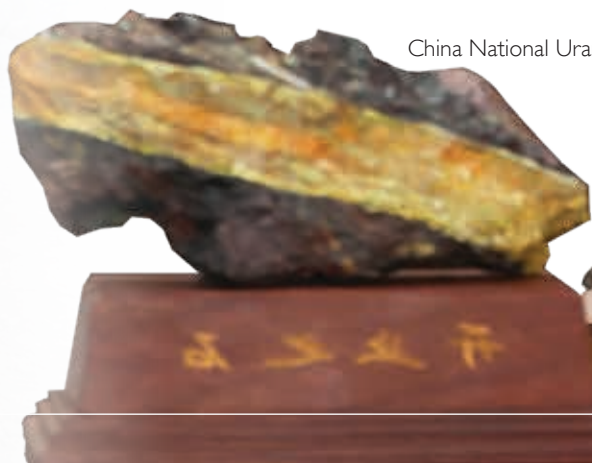
Despite the above-mentioned achievements, we still need to realise that external risks will continue to disturb/threaten the operation. As the major shareholder, we rely on Rössing management to identify risks to the maximum extent, and to pay high attention to risks from power and water shortages and the risks arising from underperforming equipment. Rössing management team need to take timely and effective measures to minimise the negative impact from these risks. Rössing should remain committed to optimising the operation, pursuing the expected production and cost targets in a safe and efficient manner and strive to create more value to its shareholders. Furthermore, Rössing needs to facilitate LOME as envisaged, by commencing stripping while concurrently mining Phase II and Phase III, implement processing improvements, and continue to be part of the global uranium providers while contributing to Namibia's social and economic development.

Rössing Uranium has been in operation for 46 years, and I am confident that with an excellent management team, a highly motivated workforce and support from all stakeholders, it will go on to embrace a brighter future!



**Junli Chen**  
Chairperson

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 2022, 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 contact us on:

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# OUR HISTORY

## History

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. In 2019, China National Uranium Corporation ("CNUC") acquired the majority shareholding in Rössing Uranium.

## Today

Today, Namibia has two operating uranium mines (Rössing Uranium and Swakop Uranium, after the Langer Heinrich Uranium mine was placed on care and maintenance during 2018), which together provide 12% per cent of the world's uranium oxide output.

In 2022, Rössing Uranium produced 4.4% per cent of the world's output. In 2022, Rössing Uranium celebrated 46 years of production.

## Our capacity

The mine has a nameplate capacity of 4,500 tonnes of uranium oxide per year and, by the end of 2022, had supplied a total of 145,567 tonnes of uranium oxide to the world.

## Our location

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

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

## Current operations

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

The open pit currently measures 3.5km by 1.5km and is 390m 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 multi-national corporations. Thus, the benefits of our operations are felt locally, nationally, across the African continent and internationally.





1976 – 2022





# MD'S REPORT

## Dear Stakeholders

Welcome to Rössing Uranium's report to stakeholders for 2022. This report explains our mining operations and the approach we take in what we do. It also outlines how we performed in 2022 as measured against our key drivers.

The year 2022 was indeed a busy one for Rössing Uranium, with focus being on finalising the Life-of-Mine Extension (LoME) feasibility study.

A highlight for Rössing in 2022 was the commissioning of the mine's new water reservoirs. These reservoirs provide an additional 60,000 cubic meters of storage capacity, which enables us to continue operating during periods of high sulphur bloom in the Atlantic ocean, resulting in fresh water supply interruptions due to the stoppage of the Orano desalination plant during these periods. This has happened on several occasions in 2022 and the project has already paid back the money spent on them, due to our ability to continue with production during these times.

Production in 2022 was lower when compared to 2021. A total of 16.6 million tonnes was mined, compared to 20.7 million tonnes in 2021, with waste and low grade ore totalling 7.4 million tonnes. The lower mining volume was due to the stripping ratio of waste to ore reducing as we move deeper into the pit. 9.0 million tonnes of ore was milled, compared to: 9.6 million tonnes milled in 2021. A total of 2 659 metric tonnes uranium oxide was produced, compared to 2,882 metric tonnes in 2021.

Total revenue earned amounted to N\$4.84 billion, compared to N\$4.26 billion in 2021, with net profit after tax from normal operations of N\$840 million, compared to N\$193 million in 2021. An interim dividend of N\$49.7 million was declared and paid.

Rössing contributed approximately 4.4% to world primary production during 2022, with Namibia now being the 3<sup>rd</sup> largest primary producer of U<sub>3</sub>O<sub>8</sub> globally, after Kazakhstan, (who continues to dominate the market from a supply side), and Canada.

## Life-of-mine extension

During 2022, Rössing has been operating on an approved LoM plan to 2026, but has now completed a bankable feasibility study for a Life of Mine extension to 2036. This can be achieved with a further pushback of the existing S<sub>J</sub> Pit (Phase 4), fully utilising the 15 year mining licence granted by the Ministry of Mines and Energy in 2021. The objective of the LoME Feasibility Study was to evaluate and document the technical, practical and economic feasibility to extend the LoM beyond 2026 and issue a Feasibility Study Report to inform an investment decision by the Rössing Board of Directors. In February 2023, the Board formally approved the Life of Mine Extension until 2036, inclusive of the recommended operating model going forward.







“2023 will be another important year for Rössing Uranium, as we look forward to the implementation of the LoME project.”

## Safety performance

No fatalities, permanent disability injuries or significant process safety incidents were recorded in 2022. The All Injury Frequency Rate (AIFR) of 0.43 was lower than the target of 0.48, underlining our commitment to achieving zero harm.

## In Conclusion

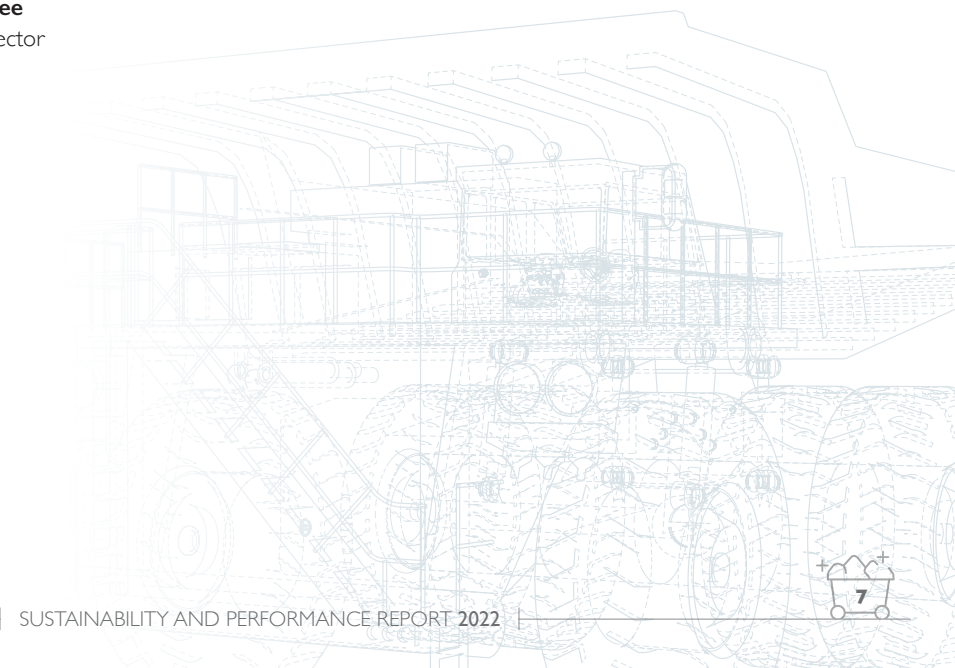
2023 will be another important year for Rössing Uranium, as we look forward to the implementation of the LoME project. A positive outlook in the uranium price supports the Board approval for the project, thereby securing our future until 2036.

In conclusion, I would want to take this opportunity to thank our employees for their hard work, resilience and positive contributions 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 2023





# EXECUTIVE MANAGEMENT TEAM

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

*From left to right:*

*Jingtao (Frank) Chang: General Manager: Commercial and Marketing; Shaan van Schalkwyk: Chief Financial Officer; Johan Coetzee: Managing Director; Edwin Tjiriange: General Manager Asset Management and Projects; Liezl Davies: General Manager: Organisational Services; Martin Tjipita: General Manager Operations.*





# MANAGEMENT TEAM



**Johan Coetzee**  
Managing Director



DIRECTORS: SS Galloway (Chairperson), DL Deckenbrock (Vice-Chairperson), JS Coetzee (Managing Director), J Chang\*, S Gao\*, Y Li\*, HP Louw\*\*, OS Netta, GN Simubali (alternate CWH Nghaamwa), Y Zhang\* \*Chinese \*\* South African

COMPANY SECRETARY: Melanie Buys

Registered in Namibia No.7011591. Registered office: 360 Sam Nujoma Drive, Klein Windhoek, Namibia



# OUR PURPOSE

## STATEMENT AND VALUES

### OUR PURPOSE STATEMENT

To be a safe, responsible and efficient producer and supplier of uranium to the global nuclear industry, creating maximum return for shareholders and benefits to stakeholders.

### OUR VALUES

#### Safety



##### We take care

We comply to the systems and standards in place that supports our priority to safety, health and the environment.

We strive to eliminate hazards to achieve zero harm at all cost.

We commit to provide products and services of high quality that are safe and reliable to our customers.

#### Responsibility



##### We create maximum value

We aim to deliver sustainable growth of our employees and the company together for a better future, while maintaining the highest level of integrity and governance in our actions and interactions.

We are committed to create maximum value for our shareholders through ethically sound and legally compliant business practices.

Our decisions are founded on the benefits to our communities and other key stakeholders.

#### Innovation



##### We seek excellence

We create an inclusive environment for our employees that advocates innovative ideas.

We have platforms that welcomes innovation across all levels of the organisation.

In pursuit of excellence, we aim to have world-class technologies and management systems in our operation.

#### Coordination



##### We achieve together

We closely coordinate with our internal and external stakeholders to work together effectively and ethically.

We truly respect and support each other to make the most of everyone's contribution.

We have the courage and the commitment to do what is right and not what is the easiest to achieve win-win results.



# 2022 AT A GLANCE

**2,659 tonnes**

## **Production of uranium oxide**

Production of uranium oxide for the year was 2,659 metric tonnes compared to 2,882 metric tonnes in 2021.

**16.6 million tonnes**

## **Tonnes mined and ore milled**

A total of 16,581,950 metric tonnes (2021: 20,721,716 metric tonnes) were mined from the open pit and 8,972,925 metric tonnes (2021: 9,622,798 metric tonnes) of ore were milled.

**14% higher revenue**

## **Revenue**

Revenue was higher than 2021 by 14%, despite sales volumes being 14% lower than the prior year. Total revenue amounted to N\$4.84 billion compared to N\$4.26 billion in 2021.

**N\$840 million profit**

## **Profit for the year**

Net profit after tax from normal operations of N\$840 million (2021: N\$193 million), which also resulted in the company declaring a total interim dividend of N\$49.7 million (2021: NIL).

**N\$49,680,000  
dividends paid out**

## **Dividends**

An interim dividend of 30 cents per share was approved by the Board of Directors on 18 August 2022 to the value of N\$49,680,000 (2021: NIL) and paid out during August 2022.

**0.43 AIFR**

## **All-injury Frequency Rate (“AIFR”)**

Confirming our commitment to zero harm, Rössing Uranium continued to improve its All-injury Frequency Rate (“AIFR”). The company achieved a performance of 0.43 against a target of 0.48 in 2022. Although we did have 3 Potential Fatal Incidents (“PFI”), we are fortunate to have had no fatalities, permanent disability injuries or significant process safety incidents in 2022.

**N\$6 million**

## **Investment in training and development**

In 2022, a total of N\$6 million was invested in internal training and development programmes. This figure includes all training initiatives carried out as part of capacity development.





# OUR SUSTAINABLE DEVELOPMENT APPROACH

## Focusing on 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 sub-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: 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, as well as increase economic wealth and social wellbeing, in the present and the future.

## Economy

To provide the best returns on our shareholders' investments, 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.

## Product and Environmental Stewardship

### Product Stewardship

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

### Environmental and Asset Resources 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 resources development to attract and retain employees, while maximising our contribution to their wellbeing.

### 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 with distinct benefits, and an important part of this is good community relations.



# CORPORATE GOVERNANCE AT RÖSSING URANIUM

## Corporate Governance

To ensure future success, Rössing must uphold its responsibility to its employees, host communities, government, business partners, suppliers, customers and investors.

The Company undertakes:

- To act in all matters in a manner that merits public trust and confidence
- To conduct business in an ethical, law-abiding and responsible manner
- To ensure that all employees and representatives are fully aware of what is expected of them, which includes full commitment to the highest ethical and legal standards
- To understand and interact constructively with the local community and to assist their development in ways that apply the principles of mutual respect, active partnership and long-term sustainability

## Business Integrity Standard

In carrying out our responsibilities, all Rössing employees, contractors, consultants, agents and suppliers will be faced with a variety of moral challenges. The Rössing Business Integrity Standard gives guidance on how to address such challenges.

Matters covered in the Business Integrity Standard include:

- Bribery and corruption
- Fraud
- Benefits – Gifts and Hospitality
- Sponsorships and Donations
- Conflicts of Interest
- Antitrust
- Reporting of violations of any awareness or suspicion of a contravention of the Standard

Conducting business with integrity is included under Rössing's core value of Responsibility. This protects Rössing's reputation and ensures a sustainable business that attracts external stakeholders who wish to partner with a company they can trust.

## The Board of Directors

The Board of Directors ("Board") executes the mandate it receives from the shareholders to ensure that Rössing is a world-class and responsible company by putting an executive team in place with targets to be achieved. The Board is furthermore responsible for ensuring that the company is run

in accordance with its 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 constitutes the appropriate mix of skills, experience and diversity to serve the interests of the company and its stakeholders.

The Board of Directors is currently constituted as follows:

| Member                                     | Role   |
|--|--|
| SS Galloway                                | <b>Chairperson</b><br>Independent non-executive director   |
| DL Deckenbrock                             | <b>Vice Chairperson</b><br>Independent non-executive director  |
| JS Coetzee                                 | <b>Managing Director</b><br>Executive director   |
| J Chang                                    | <b>CNUC Limited Shareholder Representative</b><br>Executive director                                   |
| S Gao                                      | <b>CNUC Limited Shareholder Representative</b><br>Non-executive director                               |
| Y Li                                       | <b>CNUC Limited Shareholder Representative</b><br>Non-executive director                               |
| HP Louw                                    | <b>Independent non-executive director</b>  |
| OS Netta                                   | <b>Independent non-executive director</b>  |
| GN Simubali                                | <b>Government of the Republic of Namibia's</b><br>Shareholder Representative<br>Non-executive director |
| CWH Nghaamwa<br>(Alternate to GN Simubali) | <b>Government of the Republic of Namibia's</b><br>Shareholder Representative<br>Non-executive director |
| Y Zhang                                    | <b>CNUC Limited Shareholder Representative</b><br>Non-executive director                               |



### Functions of the Board

A Board Charter governs the workings of the Board of Directors with its performance monitored by the Nominations and Remuneration Committee. The Board is responsible for adopting a corporate strategy, major plans of action, policies, as well as monitoring operational performance. This includes identifying risks that could impact on the company's sustainability and monitoring risk management and internal controls, compliance management, corporate governance, business plans, key performance indicators (including non-financial criteria), and annual budgets.

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

The Board meets at least three times per year, with additional meetings convened as and/or when required, with a number of the directors attending the meetings held in 2022 virtually.

### 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. It also assists the Board 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
- Rössing Uranium Limited's compliance with all the relevant laws and regulations
- Rössing Uranium Limited's compliance with the policies and procedures agreed upon
- The effective implementation of and compliance with Rössing Uranium Limited's risk management processes

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 provider(s) and shall be entitled to place reliance on the finding of any expert, which shall include the internal and external auditors.

### Nominations and Remuneration Committee

The Nominations and Remuneration Committee is appointed by the Board of Directors of the company 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 Nominations and Remuneration Committee shall determine a remuneration structure for the Board of Directors and members of the sub-committees. The remuneration rates shall be subject to an annual review in February and any increases submitted to the Board of Directors for presentation at the Annual General Meeting for shareholder approval.

The aim of the Nominations and Remuneration Committee is 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 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, Vice Chairperson, non-executive directors, executive directors, Board committees and the Board as a whole
- Review the policy for the remuneration and benefits of individual executive directors
- Review the succession plans for Board members
- Review reporting disclosures related to Nominations and Remuneration Committee activities to ensure these disclosures meet the Board's disclosure objectives and all relevant compliance requirements

The aims of the Committee shall remain flexible so 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 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 Rössing's 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 Limited 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 eventual rehabilitation of the mine site.



## The NamCode

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

### IDENTIFIED POINTS OF POTENTIAL NON-COMPLIANCE WITH THE NAMCODE (The Corporate Governance Code for Namibia)

|   |  |
|---|--|
| <p><b>NamCode 16.1</b><br/>The Chairman should be appointed by the Board every year after carefully monitoring his/her independence and factors that may impair his/her independence.</p> | <p><b>Rössing Articles of Association Art. 82</b><br/>The elected Chairman's period to hold office is determined by the directors.<br/><br/>If no period is determined, then the Chairman shall hold office until otherwise determined by the directors.</p> |
| <p><b>NamCode 18.12</b><br/>Companies should disclose the remuneration of each individual director and certain senior executives.</p>   | <p>The remuneration of directors and senior management is disclosed to the majority shareholder. Rössing does not propose to disclose this information to the public.</p>  |
| <p><b>NamCode 18.12</b><br/>Shareholders should approve the company's remuneration policy.</p>  | <p>Remuneration is reviewed in detail by the Nominations and Remuneration Committee and approved in principle by shareholders.</p>   |

## 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 supported by reasonable and prudent judgements and estimates.

## External Auditor Independence

The Group's annual financial statements have been audited by independent auditors, Ernst & Young, Namibia, who were appointed in 2020 for a three-year period and will continue in office for a further 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 has confirmed the independence of the external auditors for the reporting period.

## Company Secretary

The Company Secretary, Ms JM Buys, 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.

## 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 risk and assurance function determines the scope of internal audit activities on a risk-based approach, with the full co-operation of the Board and management. Internal audit assessments are done by utilising the services of an independent audit firm, PriceWaterhouseCoopers, appointed in 2020 for a three year period. Its objective is to assist executive management with the effective discharge of its responsibilities by examining and evaluating 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.

## Internal control

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

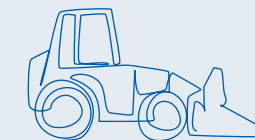
- Compliance with policies, procedures, laws and regulations
- Authorisation by the implementation of appropriate review and approval procedures
- Reliability and accuracy of data and information: Information used in the decision-making process at Rössing needs to be accurate, timely, useful, reliable 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. This is accomplished by the continuous monitoring of goals. "That which is measured is controlled!"
- 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.

# ESG COVERAGE AT RÖSSING URANIUM

| ESG  |  | Rössing Approach – Board  |                                 | Rössing Approach – Management  |                                 |
|--|--|---|---------------------------------|--|---------------------------------|
| A term that encompasses investments that aim to have positive returns and a long-term impact on business performance, people and the planet. |  | Forum where covered   | Frequency                       | Forum where covered  | Frequency                       |
| <b>Environmental Factors</b>   | Using Energy Efficiently   | Stakeholder Report  | Annual                          | Stakeholder Report   | Annual                          |
|  | Using Renewable Energies   | Project evaluation  | At least once every three years | Project evaluation   | At least once every three years |
|  | Managing Occupational Health   | BARC<br>Stakeholder report                                      | Quarterly<br>Annual             | HSE  | Monthly                         |
|  | Pollution Control  | Board Report<br>Stakeholder report                              | Quarterly<br>Annual             | HSE  | Monthly                         |
|  | Water Usage  | Board Report<br>Stakeholder report                              | Monthly<br>Annual               | HSE  | Monthly                         |
|  | Rehabilitation and Closure   | Rehab Fund SubCommittee<br>Closure Update<br>Stakeholder Report | Quarterly<br>Annual<br>Annual   | Working Rehab Committee<br>Closure Update                                    | Quarterly<br>Annual             |
|  | Disclose info on all Environmental Policies                          | Stakeholder Report<br>Rössing website                           | Annual<br>Ongoing               | Intranet   | Ongoing                         |
|  | Carbon emission management   | Stakeholder Report<br>Rössing website                           | Annual<br>Ongoing               | Intranet   | Ongoing                         |
| <b>Social Factors</b>  | Diversity and inclusion policies to ensure no type of discrimination | Board – MD report<br>Stakeholder Report<br>Rössing website      | Quarterly<br>Annual<br>Ongoing  | Recruitment Policy<br>Tender and Procurement Policy<br>AA Report<br>Intranet | Ongoing                         |
|  | Safe and healthy working conditions                                  | Stakeholder Report<br>Rössing website                           | Annual<br>Ongoing               | Internal Policies<br>3rd Party Contracts<br>Intranet                         | Ongoing                         |
|  | Labour standards that guarantee fair wages                           | Stakeholder Report<br>Rössing website                           | Annual<br>Ongoing               | RPA with MUN<br>Remuneration<br>Surveys/Benchmarking<br>Intranet             | Ongoing                         |





|                           |  |  |   |   |  |
|---------------------------|--|--|---|---|--|
| <b>Social Factors</b>     | <b>Good relations with local communities – social license to operate</b> | Stakeholder Report<br>Stakeholder Engagement Strategy<br>Rössing website | Annual<br>Ongoing   | Rössing Foundation<br>Intranet  | Ongoing  |
|                           | <b>Reporting on social factors</b>                                       | Stakeholder Report<br>Rössing website                                    | Annual<br>Ongoing   | Intranet  | Ongoing  |
|                           | <b>Data Protection</b>   | IS&T Report at BARC  | Quarterly   | Confidentiality terms in agreements<br>Cyber security framework                                 | Ongoing  |
| <b>Governance Factors</b> | <b>Tax Strategy</b>  | BARC<br>Stakeholder report   | Quarterly<br>Annual   | WARC<br>Transfer Pricing Review<br>Internal Audit   | Quarterly<br>Every 3 years<br>3 to 5 year cycle  |
|                           | <b>Corporate Risk Management</b>   | BARC<br>Annual Board Risk Review<br>Stakeholder report                   | Quarterly<br>Annual<br>Annual   | WARC<br>Annual Risk Review Cycle<br>Critical Risk Assessment                                    | Quarterly<br>Annual cycle – Bottom up approach<br>Frequency determined by insurers (normally 1 to 2 year cycles) |
|                           | <b>Executive Compensation</b>  | Nom and Rem  | Annual  | Board mandate   | Annual   |
|                           | <b>Donations and political lobbying</b>                                  | BARC   | Annual DOA Review   | Budget and MD discretion  | Monthly  |
|                           | <b>Corruption and bribery</b>  | BARC<br>Whistleblower facility   | Annual Business Integrity Standard review<br>Quarterly review at BARC | Education roll-out<br>Whistleblower investigation<br>Internal Audit                             | Ongoing  |
|                           | <b>Board structure and brand independence</b>                            | Nom and Rem<br>BARC  | Quarterly<br>Quarterly  | Trademarks registered   |  |
|                           | <b>Protecting shareholder interests</b>                                  | BARC<br>Board  | Quarterly<br>Annual strategic review                                  | WARC  | Quarterly  |
|                           | <b>Disclosing information on these topics</b>                            | Stakeholder Report   | Annually  | Stakeholder Report  | Annually   |
|                           | <b>Product Stewardship</b>   | Human Rights Policy<br>BARC overview of customers and risk management    | Quarterly   | Regulatory Approvals for contracts, shipments and exports<br>NRPA inspections<br>IAEA Standards | Ongoing  |
| <b>Other</b>              |  |  |   |   |  |



# OUR PEOPLE

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 its 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 division to see that this commitment is demonstrated and aligned with 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 2022, Rössing Uranium had a workforce totalling 901, consisting of 873 permanent employees and 28 employees with fixed term employment contracts as at 31 December 2022.

## Employee relations

The Industrial climate and our relationship with the union has improved significantly and remained stable for constructive engagement. No strikes or demonstrations were experienced in 2022. Communication structures and platforms remain in place and are effective. Our two-year agreement for 2022 to 2023 will require further wage negotiations during 2023. No disputes between the Mineworkers Union of Namibia (Rössing branch) and Rössing were declared during 2022.

### Number of employees 2018 – 2022

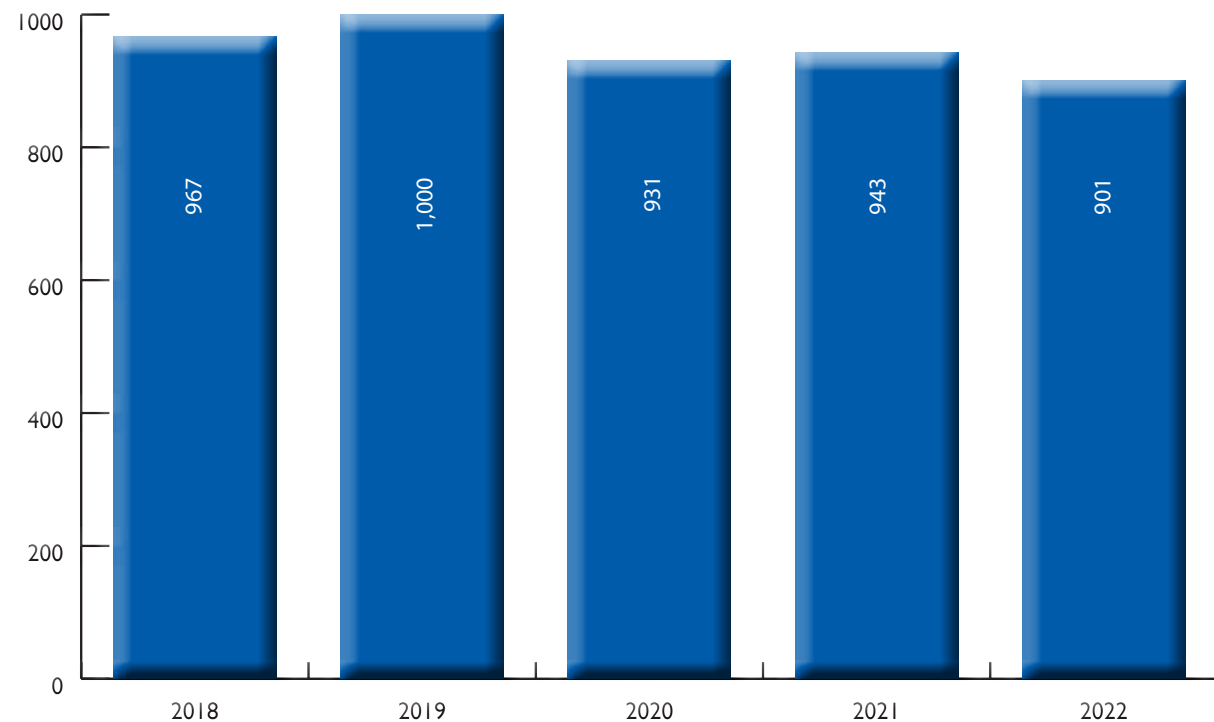


Figure 1

## Workforce Profile (2018 – 2022)

| Workforce profile                         | 2018<br>% | 2019<br>% | 2020<br>% | 2021<br>% | 2022<br>%   |
|---|-----------|-----------|-----------|-----------|-------------|
| Historically disadvantaged Namibian men   | 78.0      | 77.6      | 77.1      | 76.0      | <b>76.9</b> |
| Historically disadvantaged Namibian women | 16.1      | 16.6      | 17.3      | 18.6      | <b>18.2</b> |
| Previously advantaged women               | 1.2       | 1.2       | 1.2       | 1.4       | <b>1.0</b>  |
| Previously advantaged men                 | 3.0       | 3.3       | 3.2       | 2.5       | <b>2.4</b>  |
| Non-Namibian men                          | 1.4       | 1.2       | 1.0       | 1.1       | <b>1.1</b>  |
| Non-Namibian women                        | 0.2       | 0.1       | 0.1       | 0.1       | <b>0.1</b>  |
| Person with disability – men              | 0.1       | 0.0       | 0.1       | 0.3       | <b>0.3</b>  |
| Person with disability – women            | 0.0       | 0.0       | 0.0       | 0.0       | <b>0.0</b>  |

## Statistical information on our workforce profile, 2022

### Local and foreign employees:

- Namibians with permanent employment and fixed term employment contracts: 98.8% (890)
- Non-Namibians, including FTC: 1.2% (11)
- Female representation, including expats and FTC: 19% (174)
- Number of employees who left the mine's employment: 68
- Number of new employees recruited: 26

## Training and Development

A new norm has been created in the training and development space as an aftermath of the pandemic. It focuses on a blended training approach to deal with the unforeseen changes in the business. Rössing changed its training and development landscape by redesigning its training strategy to ensure it has an agile workforce, keeping employees' skills current, and focusing on re-skilling and upskilling.

Our upskilling and re-skilling initiatives have yielded excellent results by achieving a good safety record and reaching our production targets. Four hundred and fifty-two employees attended various safety and support equipment and compliance training, and 392 employees attended various functional technical training. Our technical training initiatives focus on value-adding skills and knowledge that contribute to innovation and business improvement.

Fourteen operators (permanent employees) who were in possession of a National Vocational Trade Diploma were provided an opportunity to participate in the trainee-artisans internal development programme. All 14 employees successfully completed their first year. The training programme is tailored to Rössing's operation, allowing the employees an opportunity to gain valuable practical experience to enhance competencies to enable them to become skilled artisans.

The focus for 2022 was on enhancing our talent and succession management processes and building capacity to lead more effectively, explore uncharted leadership qualities, improve self-awareness, and refresh leadership competencies to improve team and company performance. One hundred and ninety-three frontline leaders and managers underwent the leadership assessments and embarked on formal group and individual coaching.

The pandemic has fast-tracked the demand for eLearning and Rössing Uranium rose to the challenge by developing and implementing 42 structured interactive online courses, which are available to employees through the Rössing Learners Management System ("LMS"). The eLearning strategy was implemented to improve efficiencies, reduce training time and costs, and increase productivity. A total of 1,274 employee online courses were completed.

## Educational support

Part of the training and development strategy is to create opportunities for employees to invest in personal development through our correspondence study scheme. Thirty-one permanent employees were awarded interest-free loans to pursue their studies and obtain formal undergraduate qualifications, and fifteen permanent employees were awarded financial assistance for postgraduate qualifications. Rössing further provided none-refundable financial contributions towards the tuition fees of 24 children of both permanent employees and pensioners who were furthering their studies at various universities.

## Vocational Education and Training Levy

Rössing has been participating in the Vocational Education and Training Levy submission since inception and has paid N\$8,360,028.08 for the 2022 Training Levy cycle.

Twenty trainees from the Namibia Institute of Mining and Technology vocational training centre were provided an opportunity to work alongside skilled artisans to gain valuable technical skills and knowledge.

Rössing Uranium further provided opportunities to six interns in the geology, water management and human resources fields from various Namibian universities. This saw them participate in various projects while gaining valuable on-the-job experience.









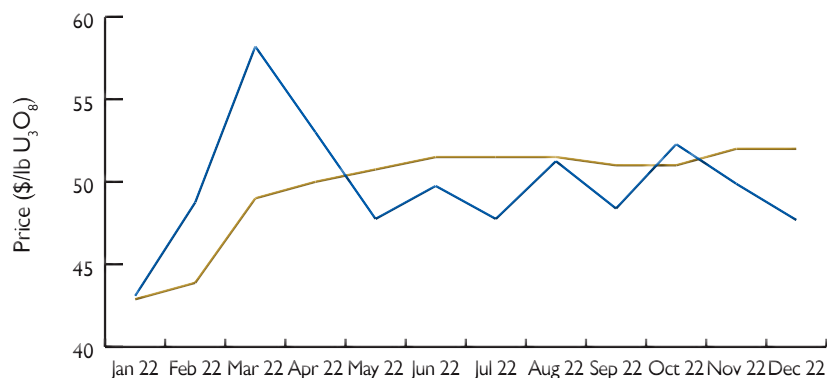


# MARKETING OUR PRODUCT

## Market Overview: 2022

Significant impacts on the uranium market during 2022 came from geopolitical uncertainty. The unrest in Kazakhstan in January, and conflict between Russia and Ukraine from late February pushed the spot market price to a new height, with the daily spot price peaking at \$63.75. However, as equity markets fell in late April, and some buyers shied away from purchases because of the high price, both spot volumes and prices fell dramatically in early May. Amid sustained lower activity, the spot price has been bound in a tighter trading range, oscillating around \$50 throughout the second half of the year.

### Uranium prices 2022



|                 |       |       |       |       |       |       |       |       |       |       |       |       |
|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Spot price      | 43.08 | 48.75 | 58.20 | 53.00 | 47.75 | 49.75 | 47.75 | 51.25 | 48.38 | 52.28 | 49.88 | 47.68 |
| Long-term price | 42.88 | 43.88 | 49.00 | 50.00 | 50.75 | 51.50 | 51.50 | 51.50 | 51.00 | 51.00 | 52.00 | 52.00 |

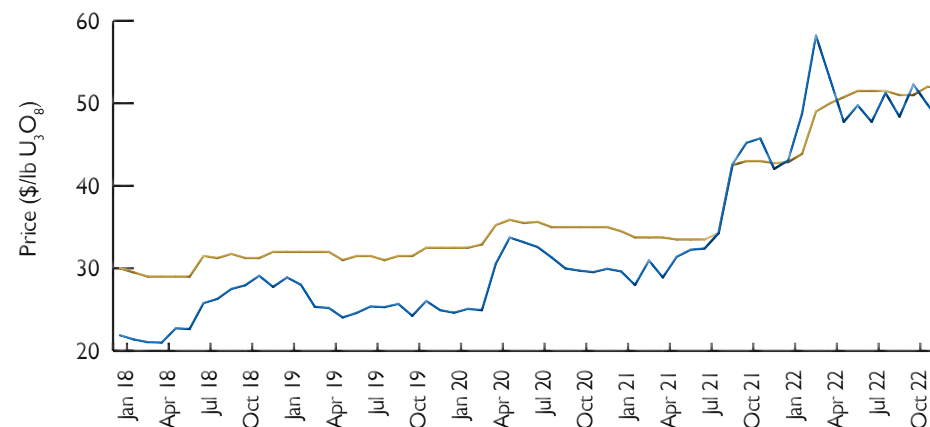
**Figure 2**

Source: Prices are the average of UxC and TradeTech prices

In 2022, total annual spot volumes reported by UxC were around 60.8 million pounds  $U_3O_8$ , down 40% from last year. The spot market remains better balanced and generally thinner than compared with previous years.

With the sustained new higher spot price range, the term indicators finally started to improve as well towards the \$50 per pound mark in April, achieving their highest level since 2014 and then holding firm at this level throughout 2022. The overall long-term contracting volume increased by 62% from 2021's 70.5 million  $U_3O_8$  to 2022's 114 million, according to industry consultants UxC.

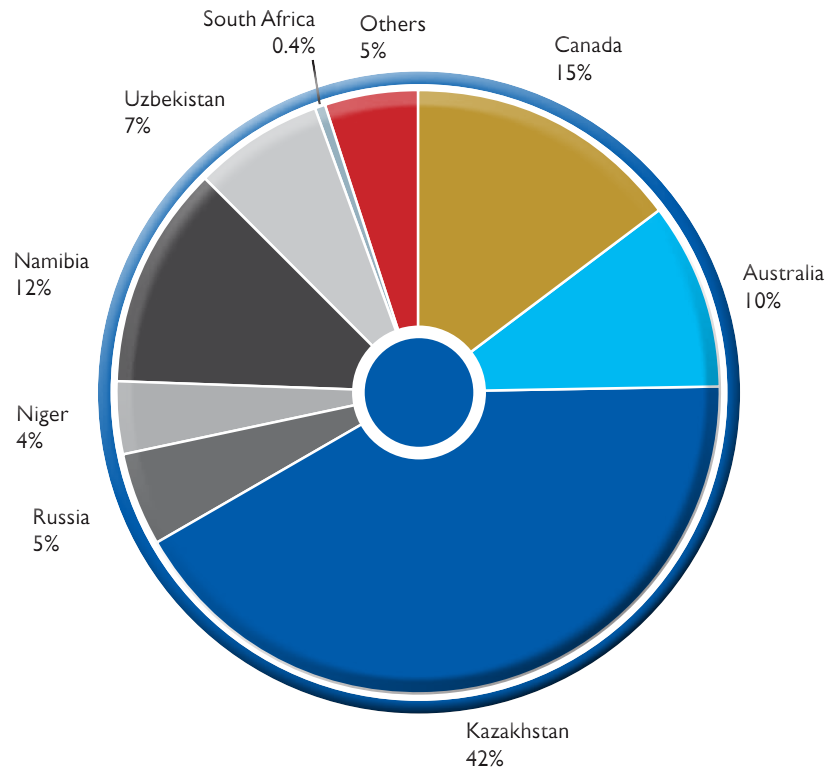
### Uranium prices 2018 – 2022



**Figure 3**

Namibia is now the third largest primary producer of  $U_3O_8$  globally, after Kazakhstan, which continues to dominate the market from a supply side, and Canada. Rössing contributed approximately 4.4% to world primary production during 2022.

### World primary production of uranium oxide 2022



**Figure 4**

Source: Ux Consulting

## Market outlook

We remain optimistic about the role uranium will play in the future energy mix, with nuclear energy being able to provide a consistent baseload, as opposed to many other renewable energy sources.

According to UxC, there are now 432 operable units with roughly 389 GWe in capacity in 33 countries as of early December 2022. Under UxC's base case scenario, it is anticipated that global nuclear energy will reach 34 countries with 441 reactors (~402 GWe net) in 2030, and 35 countries with 512 reactors (~489 GWe net) in 2035. In the forecast scenario, most of the growth by 2035 is anticipated to come from Asia (especially China); however, sizeable nuclear gains are also envisioned in Eastern Europe and Africa and the Middle East.

With the ongoing geopolitical conflict between Russia and Ukraine, secondary demand from investors will remain a key factor in shaping the near-term market outlook. Over the long run, the status of Japan's reactor restart and the growth of China's nuclear programme will continue to affect the global nuclear fuel markets. On the supply side, as primary production and secondary supplies rebalance with market demand, improved market conditions will contribute to sustainable upward price momentum in the mid-2020s.

## Marketing our product

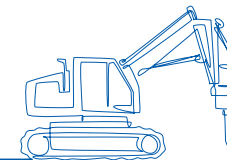
In 2022, Rössing produced 5.9 million pounds  $U_3O_8$ , but only sold 5.7 million pounds  $U_3O_8$ . A total of 2.6 million pounds were shipped to western converters and sold to customers in North America, Asia (excluding China) and Europe, Middle East and Africa ("EMEA"). A total of 1.3 million pounds were shipped and sold to China. An additional 1.8 million pounds were sold to non-utility customers (traders and funds) on the spot market, capitalising on the sudden price spike during the year. Rössing continued to benefit from the contractual sales prices in its contract portfolio.

While the operation has boosted its resilience through various capital projects to ensure its ability to deliver on contractual obligations, our marketing approach has also adopted an appropriate allocation between future contractual and spot exposure to cover at least until 2026. The marketing team will further strengthen the communication with potential buyers of uranium and try to commit more sales on the market, adding to the longer-term sustainability of the operation, beyond 2026.



# OUR OPERATIONS





Rössing Uranium's operations consist of two distinct activities: the first is mining uranium-bearing rock, and the second is processing this ore into uranium oxide for the world's nuclear energy market, which fuels the generation of electricity.

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 2022, we mined 16.6 million tonnes of material, which is 20 per cent less than 2021. 9.0 million tonnes was ore (10 per cent less than 2021), with waste and low-grade material being 7.4 million tonnes, equating to a strip ratio of 0.81. A further 0.2 million tonnes of waste was dumped in-pit. Optimistically, we anticipate the strip ratio to be below 1.0 going forward, as the pit gets deeper.

A lower-than-expected crushed production of 9.0 million tonnes (6 per cent less than 2021) and a 3 per cent improvement in plant feed grade led the mine to achieve 8 per cent lower uranium production for the year.

The Mining Operations department remained with the previous year's staff complement as lower-mined tonnes are expected for the remaining life-of-mine. Forty-two operators and technical employees have been incorporated into other departments where their skills are needed. Some have continued with attaining practical experience to complement their Namibian qualifications.

The envisaged lower mined tonnes resulted in reduced fleet impacting forty two operators.

We had a few significant incidents (no injuries) that once again highlighted the need for our teams to always be vigilant and to escalate concerns in a timely manner.

Continuous training and control measures need to be frequently updated and explained for pit equipment to uphold the highest safety and integrity.

The availability of the fatigue systems has improved drastically over the course of the year.

Haulroad 19 ramp was decommissioned in the early part of 2022. This is a landmark change that shows that the open pit is transitioning into the bottom benches. All open pit ramps are now on the north side of the pit.

There was great success from our radar monitoring system with four potentially catastrophic falls of ground properly managed without risking people or equipment. The geotechnical team was head-on with guidance and was able to forewarn the operations teams about the impending rockfalls. We were able to block access to and carefully stabilise the affected areas. The ability to use radar-monitoring technology to track movement and carry out trend analyses is a key ingredient of this control measure.

Also notable was the introduction of electronic blasting technology for pit-limit blasting. This change allows the mine to decrease the amount of energy going into the final pit walls, which helps maintain the long-term stability of our open pit. The technology has since been adopted for all limit blasting at Rössing Uranium Limited.

The Modular System was upgraded to the latest technology during the year. This was accompanied by an upgrade to the reporting system and a new survey database development.

The pit dewatering programme was supported by the addition of a diesel pump to cater for periods when the electrical units are disconnected due to activities such as blasting and repairs.

## Processing operations

The Processing Operations is responsible for safe and efficient processing of a blend of uranium ore through multi-unit operations and processes for optimum uranium liberation, dissolution, concentration, and purification to produce a quality calcined uranium oxide ( $U_3O_8$ ) product. This product is securely packed and shipped to our customers for further conversion.

During 2022, we milled and crushed 9.0Mt (which is 7% below what we achieved in 2021), and produced 2,659t of uranium oxide which was also 8% below drummed tonnes achieved for 2021. The main challenges we experienced during 2022, which resulted in low production, were the fire incident we had earlier in the year on one of our critical conveyors that resulted in significant plant downtime, and the unmitigated 15-day fresh water supply interruption we had in December due to a sulphur outbreak in the sea resulting in the shutting down of the Orano desalination plant. 10 days were mitigated through our increased reservoir capacity.

Technological advancement remains a key focus and has resulted in improvements in certain areas across the department in 2022. CIX throughput has improved by 12% from 2021, and soluble loss reduced by 0.4%. The replacement of LM2 pulverising milling machines with HP-MA semi-automated grinding machines has resulted in significant improvement in quality control, dust management, health, and safety within the laboratory. The implementation of the Rotating Disc Electrode-Optical Emission Spectroscopy (RDE-OES) for analysis of condition-monitoring oil samples significantly improved turnaround time and accuracy, which in turn improved the response time for maintenance intervention to avoid catastrophic failure of our critical equipment. Technological advancement will remain a key focus area for 2023 – to further improve on efficiencies, costs, major consumable consumption rates, health, and safety.



# ENGINEERING PROJECTS

During the year 2022, Rössing executed 42 engineering projects across the mine.

## 1. Replacement of the CAT994 Loader

The project to replace one CAT994 Loader was approved for execution in 2022. The CAT994 is replaced with a Komatsu WA1200-6 and is aimed at loading, re-handling ore from stockpiles to feed the primary crusher, etc.

Rössing Uranium employs two CAT994 Front-End Loaders (FE15 and FE16) which can load the 180 tonne Komatsu 730E trucks. These machines supplement the loading fleet of four Komatsu PC5500 face shovels and are primarily used to re-handle ore from the run-of-mine ("RoM") stockpiles to feed the primary crushers with sufficient material of the correct blend.

Two loading units are required to achieve the re-handle tonnes and at times of poor FEL availability, one of the face shovels is moved to the RoM stockpiles to secure the crusher feed.

The Komatsu WA1200-6 has been procured and was delivered to site at the end of December 2022. Assembly to be done in 2023.



Delivery of Komatsu WA1200-6

The project is in the execution phase and the following has been done so far:

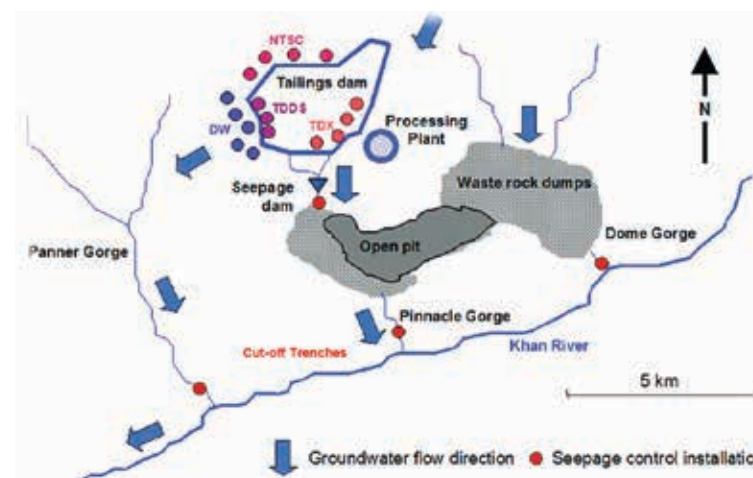
Assembly WA1200-6

- Rear/front axle
- Main body
- Power units
- Cab and
- Continue with boom assembly

Commissioning and full operation of the WA1200-6 is expected to be completed in Q1 of 2023.

## 2. Western Dewatering Wellfield Upgrade

The westerly dewatering wellfield ("WDW") forms part of the Rössing Uranium near source seepage control systems ("SCS"). The dewatering wellfield's function is to intercept the fractured rock aquifers and recover water used in our extraction process and deposited on our tailings storage facility ("TSF"), referred to as seepage, as it infiltrates the TSF and is transmitted along these rock fractures.



Legend

- NTSC – Northern Tailings Seepage Control system
- DW – Dewatering Wellfield (This Project)
- TDX – Tailings Dam Extraction system
- Trenches – Large diameter boreholes
- TDDS – Tailing Dam Dewatering System

## The Rössing Seepage Control System (“SCS”)

Abstraction boreholes in the western dewatering wellfield were drilled decades ago, although pumping infrastructure is maintained, borehole yields from some holes reduced over time, mostly as precipitates clogged the fracture zones.

Due to the ageing of these boreholes, a project was approved in 2021 to drill and equip additional boreholes. The objective of the project is to support the existing ageing borehole network used to intercept and recover seepage.

In 2022, nine newly drilled boreholes were equipped with pumping infrastructure to support seepage recovery in the wellfield. A new reservoir was also constructed to support the existing reservoir with seepage collection before it is transferred to the processing plant for reuse.

Quick facts about the project:

- Seven AC-powered boreholes installed
- Two solar-powered boreholes installed
- Boreholes’ pump rate range between 2.5 – 30m<sup>3</sup>/hr
- A circular reinforced concrete reservoir with a 56m<sup>3</sup> capacity constructed
- Two transfer pumps installed to return seepage to the processing plant

## 3. HME Tyre Press

In August 2022, the EDMO 250-tonne tyre press was replaced with a power press 3557E. The EDMO press was used for stripping and assembling solid tires for HME haul trucks, but there were safety concerns as operators were exposed to tensioned tire components during tire assembling and stripping.



The new 3557E power press is designed with safety, ease, and efficiency in mind. One major improvement is the incorporation of a remote control, which allows the operator to control the machine from a safe distance. Additionally, the machine is equipped with warning strobe lights and horns, which alert others in the vicinity when the machine is in operation. To further enhance safety, the machine also features a 2.5-meter-high safety gate.

## 4. Slope Stability Radar

A slope stability radar (“SSR”) is deployed in the open pit to manage slope failure hazards and is therefore a key control for the slope failure critical risk. SSRs are the only monitoring equipment that can provide near-real time warning of imminent slope failures and therefore provide an added benefit of minimising delays when production activities are taking place near hazardous areas.



Rössing acquired SSR I 14 in 2010 and SSR226 in 2014. The two radars have operated beyond the seven-year lifespan of radar units. These radars are part of the series 1 generation technology of the supplier as compared to the series 3 the supplier has recently released. This meant the SSRs the company was using had aged and the relevant software has gone beyond the support of these radars. Some of the critical spare parts on the radar units have become obsolete and unavailable in the market, which made it economically challenging.

Mining Operations, supported by the Projects department, embarked on a project to replace the outdated SSRs. This is important to ensure undisrupted monitoring of the south slope and ensure that there is redundancy monitoring to the critical areas (south slope) should one radar become faulty. In addition, the replacement was necessary to ensure adequate management of slope stabilities around the pit.



## Engineering projects continued

SSR114 was fully replaced and commissioned in July 2022 and this was just before the grace period of software support for this specific radar unit could expire, on 30 August 2022. The SSR226's support is set to expire on August 30 2023, and this radar is currently placed on order and expected to be commissioned in June 2023.

### The success of the project

With the new Series Radar commissioned in July 2022, it was able to detect isolated rockfall experienced on 20 August 2022.

## 5. Visitor Centre

The Visitor Centre building was improved to host visitors from all walks of life with the aim of creating a positive image for Rössing. The upgrade addressed the outdated IT infrastructure, non-functioning air conditioners, and insufficient conference facilities and office space. The refurbishment included re-painting the exterior and interior; upgrading air conditioning, electrical cabling, lights, and IT setup. The renovation also improved hygiene in the toilets and kitchens.



Point John Viewpoint

The addition of shaded structures and a safe platform at Point John, Hage and Hill Jim Viewpoints improves the visitor experience. These upgrades will enhance visitor satisfaction and increase business opportunities, creating a strong return on investment for Rössing in the future. The Visitor Centre was completed and inaugurated in November 2022.

## 6. Mining Excavator Replacement

The project to replace one PC800 was approved for execution in 2022.

Mining operations had two excavators, of which one is on major breakdown and currently not in operation since September 2021. The excavator on breakdown is a Komatsu PC800 (BA07), which was acquired for operations in 2007. BA07 is used to support the drilling and blasting operations with the following tasks:

- Toe clean-ups to enable drilling of both pre-splits and blast shots
- Piling up of material in different areas for picking up with front-end loaders
- Digging trenches and sumps for support work
- Blast shot toe clean-ups to unconfine the shot/create free face



Commissioning and full operation of the PC850-R1 are expected in Q1 of 2023

The project is in execution phase and the following has been done so far:

- PC850 assembled
- Fire suppression system
- Automated grease lubrication system
- Additional handrails are underway

## 7. Water Storage Capacity Increase

The project to increase water storage capacity was approved for execution in 2020. This project is aimed at minimising production outages which are a result of the unavailability of fresh water. A total of six glass-fused-to-steel bolted tanks were constructed; each tank size is 41.27m in diameter and 8.4m in height, with a capacity of 10,000m<sup>3</sup>. The project resulted in a total increase of 60,000m<sup>3</sup> to compliment the storage capacity that is provided by NamWater's reservoirs.

Construction work was performed by a local contractor that was responsible for all the onsite construction activities. The construction work started in May 2021. A lot of earthwork preparations were needed. This includes the tanks area, pipeline route, as well as the pump station. The concrete foundation for the first tank (i.e., Tank 1) was completed in early July 2021, which was an important milestone for the project, as it paved the way for tank shell construction to start. The assembly of the tanks started in early August 2021 and took six months to complete.



### The way the tanks are assembled

The tank body is installed from top to bottom by layers, each layer is lifted by the elevator until the installation of the tank is completed. The roof is installed once the tank body is completed. The procurement of glass-fused-to-steel bolted tanks on this project highlights one of our values, innovation.

### Some interesting facts about the project:

- Total number of contractor employees for the duration of the project: 100
- Total concrete used: 4,423m<sup>3</sup>
- Reinforcement: 508 tonnes of steel
- Tanks (glass-fused-to-steel sheets): 903 tonnes of steel

- First water into Tanks 1 and 2: 29 October 2021
- New tanks supplied the mine with fresh water during a planned Orano desalination plant shutdown, where NamWater's water supply to the mine was interrupted

## 8. Roaster 2 Replacement

The Rössing processing plant makes use of roasters in the final processing of uranium. There are two roasters (multiple heart furnaces or MHF) that are used to roast the yellow cake uranium product. These units have been operational for over 45 years and because of wear and tear, they have reached their end of life and therefore need to be replaced. A structural integrity assessment was done on both roasters, a result of which guided the short- and long-term asset management strategy on the roasters. The replacement of Roaster 2 was prioritised, after which Roaster 1 will be the next one to be replaced. Mitigation measures were also put in place to ensure that the business is not at risk while the replacement strategy is being executed. Roaster 2 replacement project was approved for execution. The replacement includes installation of a new roaster, which includes a roaster structure with refractory, burners and control system.



The new roaster has been procured and was delivered to site in November 2021.

The project is in execution phase and the following has been done so far:

- Procurement and supply of MHF, burners, refractory and control system
- Civil works for the new roaster structure and Motor Control Centre (MCC) in progress
- Steel works for the roaster structure in progress for the placement of the new roaster
- Control system design and hardware supply nearing completion

Commissioning and full operation of the new roaster is expected to be completed in Q2 of 2023.



## Engineering projects continued

### Outlook for 2023:

- Completion of critical projects (Roaster 2, Sewer System Reinstatement, Mine Wide CCTV Surveillance, Replace Steel Cord Belt Vulcanising Press, Mining Excavator Replacement)
- Roaster 1 Replacement
- Drumfilter 1 Replacement

## 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.

The four process safety hazards managed at Rössing are:

- Anhydrous ammonia gas
- Concentrated sulphuric acid
- Fire in the solvent extraction and final product recovery plant
- Engulfment due to large processing tank failures

In 2022, the Rössing specific process safety code of practice was implemented. This code of practice was developed using the Centre for Chemical Process Safety risk-based process safety ("RBPS") management approach. The RBPS management approach at Rössing includes four pillars and 12 elements. The four pillars are:

1. Commitment to process safety
2. Understanding hazards and risks
3. Systems to manage risk
4. Learning from experience

A first and third party audit was conducted in 2022, with specific focus on all concentrated sulphuric acid reticulations at Rössing mine and Walvis Bay. This is to ensure sustainable application of process safety standards as per our process safety code of practice. The findings from the audits were converted into an action plan, which will be part of continuous improvement of process safety at Rössing in 2023.

Also in 2022, the process safety section functioned actively in the design and execution of the first final product recovery roaster replacement project. This is to ensure compliance with all process safety and other engineering standards and protocols to prevent any catastrophic events during commissioning. In 2023, a control strategy will be implemented to prevent any catastrophic events during operation of the roasters in final product recovery.



# INFORMATION TECHNOLOGY

Technology trends supporting the 4th Industrial Revolution (4IR) continued to emerge during 2022 and influenced technology decisions and activities at Rössing.

Overall system and network infrastructure availability during 2022 was above acceptable standards, with minimum disruptions. The availability of the mine's core enterprise resource planning application was well within availability targets, supporting the business's operations.

Information and cyber security importance is increasing worldwide to protect the digital assets of companies. Rössing's cyber security strategy embraces the NIST Framework that covers the functions "Identify, Protect, Detect, Respond and Recover". During the year, a security operation centre ("SOC") was introduced to actively monitor the internet protocol ("IP") and operational technology ("OT") areas of the mine. In addition, endpoint encryption of enterprise devices such as laptops was introduced.

Several projects were completed during 2022 delivering on agreed investment to future proof our environment. The following is worth mentioning regarding projects:

- The SAP S4/Hana upgrade project started in the second half of 2022 and is on track to be completed in March 2023.
- To support a robust Disaster Recovery Plan, a new 10-gigabyte local area network fibre connection was established between the mine site and the office in Swakopmund. This will present enhanced failover capabilities for business-critical systems to support the disaster recovery plan.
- A new Rössing tender portal was introduced to support our supply chain activities. This solution will make it easier for our Supply Chain Management department to manage the activities supporting tenders.
- CCTV Project – Substantial progress was made during 2022 to deliver the core platform as well as the surveillance portion of the project. The solution provides a single integrated observation and monitoring platform with advanced analytical capabilities to protect the assets of the mine.
- An Enterprise Information Management ("EIM") roadmap was established in 2022. A Data Management Community of Practice was established and aims to establish a core set of data and analytics users in the respective business areas to transform data into information, knowledge and ultimately, wisdom.

## Looking forward

Good progress was made during 2022 to establish the core pillars of a technology strategy that supports a connected available enterprise architecture for the mine. This will be the foundation for introducing technology for the life-of-mine extension to support an efficient mining operation.

An enterprise architecture assessment of all technology applications at the mine is in progress. The outcome will be incorporated into the information technology strategy to seek opportunities to consolidate and minimise the number of applications and related costs to support business efficiency.

In addition, closer collaboration between business and IS&T departments will ensure that our technology enterprise continues to support our business areas in a digital era, embracing 4th Industrial Revolution topics.













# LIFE OF MINE EXTENSION

## PROJECT FEASIBILITY STUDY

The Rössing Uranium life-of-mine extension (“LoME”) from 2027 to 2036 was the focus of a feasibility study undertaken from June 2021. The Ministry of Mines and Energy (“MME”) approved the extension of the RUL Mining License (ML28) by 15 years to July 2036, which covers the timeline required for the execution of LoME.

The Phase 4 mining pushback is the lowest cost extension option available to RUL and will benefit from leveraging off the existing processing and infrastructure facilities. In May 2021, Rössing’s Exco commissioned a dedicated project team to complete a feasibility study for a broader LoME project by the end of 2022. A total budget of N\$100 million was made available for diamond drilling, engineering and commercial studies, covering an expanded scope that included mining; processing; tailings; closure and the organisational structure.

LoME requires deeper mining of the same S1 ore-body through a north-eastern extension of the current pit (Phase 4 pushback) to supply the existing process plant with sufficient ore until the end of 2036 at current throughput rates of 9.2 Million Tonnes Per Annum (Mtpa). There is a need to proceed with this pre-strip as soon as possible (2024) to gain access to the ore in Phase 4 before the current ore supply from Phase 2/3 is depleted. An extension of the tailings storage facility footprint is also required to accommodate the additional 92 million tonnes of tailings, which must be dewatered to a higher density (thickened tailings).

All LoME scenarios considered, have a positive NPV at a long-run price of US\$51.36/lb  $U_3O_8$  (Real 2023\$) and exchange rate of N\$15.95/US\$ (Real 2023\$). Only the contract mining scenarios provide NPVs equal to, or better than the base case (LoM to 2026), however, with the benefit that this approach will not require capital for a new HME fleet that makes it easier to fund other projects that increase the value of LoME. Of these, solar PV power is the most assured, while the value of horizontal belt filters is still to be confirmed. Better recoveries from Phase 4 ore are an upside, which will only be realised with the approval of LoME. The same is true of opportunities beyond LoME, such as the development of Heap Leach and future exploitation of the Z20 orebody.

LoME also offers several macro-economic benefits including:

- Similar employment numbers as base case, for an extended period to 2036
- Similar multiplier effect for Erongo and Namibian economy to 2036
- Extended Government of the Republic of Namibia (GRN) income from royalties, corporate and payroll tax
- Continued social contributions for the extended period to 2036





# HEALTH, SAFETY AND ENVIRONMENT

## Our People

The health, safety and wellbeing of our employees come first. We understand that our operational environment may be hazardous. 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.

We are committed to zero harm and have put in place rigorous processes to ensure that every employee and contractor ends his or her workday as safely and as healthy as they were when they reported for work. Every day we strive to eliminate fatalities while reducing the number and severity of injuries.

Utilising a formalised and integrated HSE management system is essential in enabling Rössing Uranium to optimise, co-ordinate and manage its operations, personnel, plant and equipment. This management system also ensures that our interactions with communities and the environment demonstrate the company's consistent application of best practices.

The structure of the HSE management system generally follows the layout of common international standards such as the International Organisation for Standardisation ("ISO") 14001 (Environment) and ISO 45001 (Health and Safety). The HSE management system is designed to assist in the achievement of our HSEC goals, which include our legal obligations and how we support the communities within the area in which we operate.

An auditing programme periodically evaluates the effectiveness of our HSE management system. All potential impacts are listed on a risk register with related mitigating and operational controls.

However, our approach to the health and safety of our employees goes beyond compliance and we seek to achieve year-on-year improvement.





## 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.
- Manage process safety hazards by ensuring critical controls are in place and functional to prevent any catastrophic event
- 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

31 January 2023

# OCCUPATIONAL HEALTH MANAGEMENT

We are committed to zero harm and the maintenance of employee health and wellbeing is a high priority. Given the hazardous nature of our operational environment and the various health risks inherent with mining activities, the identification and management of material risks is a crucial principle in our business. If these risks are properly eliminated, managed and controlled occupational disease and illness can be prevented.

The occupational health, hygiene and wellness programmes identify and quantify health hazards to enable us to mitigate and reduce adverse risk to the health and wellbeing of employees, contractors and visitors.

To ensure compliance with legislative requirements and the occupational health standards of Rössing, several risk-based programmes have been established, which include, but are not limited to:

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

Exposure monitoring and control are key components of risk management. 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.

Occupational hygiene monitoring is conducted to evaluate the following: legal compliance; risks to the health and wellbeing of our workforce; effectiveness of risk mitigating controls; as well as the tracking of progress against our objectives and targets which are aligned with Rössing's management system and health performance standards.

During 2022, we monitored 14 of the 17 SEGs. The occupational hygiene monitoring programme included measurements of noise and vibration levels, respirable dust (including crystalline silica quartz), welding fumes and metals in dust, hydration testing and water-borne bacterium (legionella) in potable water.

## Dust

In an open-pit mine such as ours, the removal of the soil and rock on top of the ore body and the transport of this material, along with the crushing of ore, are typically the major sources of dust emissions.

Dust sources may be:

- localised, e.g., from blasting, loading trucks, crushing ore, or transfer by conveyor
- diffused, e.g., from waste rock dumps or areas of disturbed ground or
- linear, e.g., from haul roads

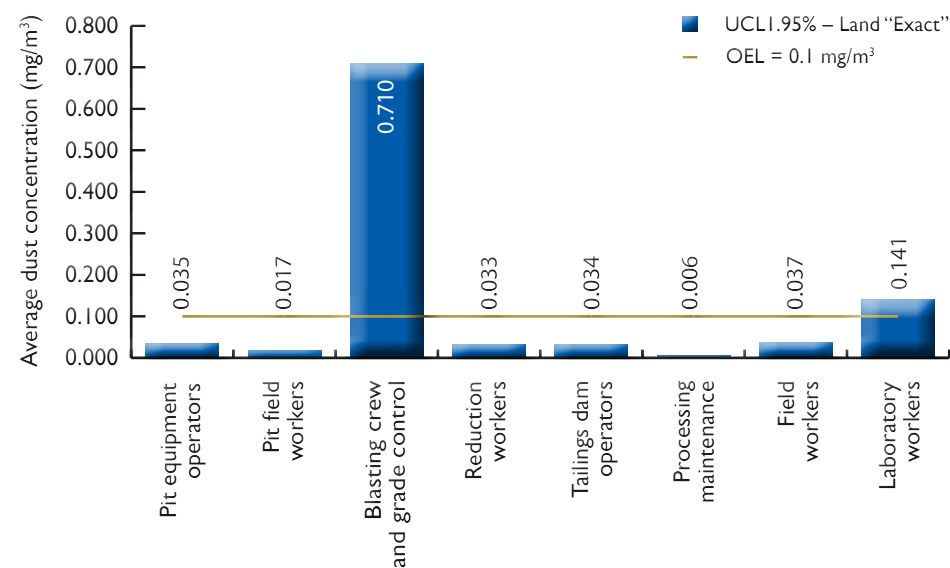
Mining operations predominantly produce "fugitive dust", that is, dust derived from a combination of sources. The respirable fraction of the mineral dusts, such as rock, stone, and concrete, which in most cases are not visible to the naked eye, may reach the alveolar region of the lungs (respirable), causing the most damage.

Chronic exposure to excessive dust concentrations may negatively impact workers' health and may result in, among other things, skin irritations 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 known to be highly detrimental to the human body and may result in permanently debilitating (and even fatal) diseases.

The primary purpose of airborne dust sampling is the protection of workers' health by measuring personal exposure to dust to ensure that it is within occupational exposure limits.

Respirable crystalline silica ("RCS") samples were taken from SEGs with expected silica exposure. The occupational exposure limit of 0.1 mg/m<sup>3</sup> for RCS has been applied. Two of the SEGs monitored exceeded the OEL for silica (see the graph below). These exceedances were addressed through our incident management process and corrective actions were put in place.

**Average personal respirable silica dust 2022**



**Figure 5**



## Occupational health management continued

### Noise

Noise constantly emanating from large pieces of equipment, machinery maintenance activities and processes associated in mining, may put workers at risk of developing temporary (temporary threshold shift) or permanent hearing loss (noise-induced hearing loss).

Human hearing is most sensitive to sounds at or near the centre of the frequency range of speech. To assess the impact of noise on people, a scale of frequency weighting is used.

The 'A weighting' is a frequency filter that has a response similar to the response of the human ear. It therefore provides a good indication of the subjective reaction to sound and of the potential for hearing damage. Exposure to noise should be below the stipulated occupational exposure limit ("OEL") of 85 dBA.

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

The graph on the right depicts the average annual personal noise exposures measured for the different SEGs in 2022, without taking into consideration the protection factor provided by the hearing protection devices in use. These exceedances were addressed through our internal incident management and education programs.



Environmental noise monitoring – measures natural background noise against noise generated by the operation.

### Average personal noise exposure 2022

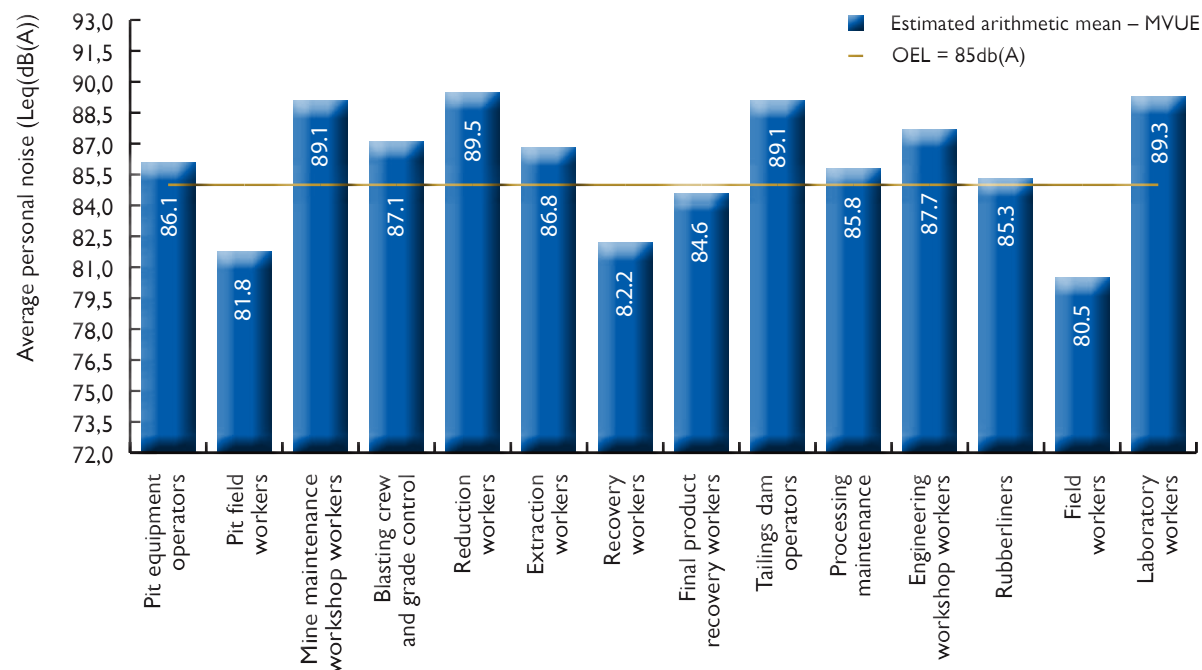


Figure 6

### Occupational medical surveillance

Medical screening and surveillance allow for early identification of exposure-related health effects in individual employees and groups of employees, so that actions can be taken to avoid further exposure, and prevent or address adverse health outcomes.

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 medical examinations.

Other medical examinations during employment include transfer medicals, return-to-work fitness medicals and impairment assessments. 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 illnesses.

### Wellness

Our workplace wellness programme focuses on employee wellbeing and encompasses physical, emotional and mental health. A wellness calendar with monthly themes is developed annually. These include commemorating important international health days, monthly health topics shared among the workforce by the company's peer educators, and specific campaigns, among others.

During 2022, the main activities included:

- The mental health programme that was launched on 15 June 2022 under the theme "Dare to Care".
- Financial wellness awareness shared with Mining Operations employees.
- The annual Wellness Week in collaboration with the company's medical aid service provider where employees had the opportunity to participate in health screenings on site. Mental health was also incorporated by bringing a professional on site during this week to offer psychological screening sessions and support to employees and contractor employees.
- Blood donation clinics held at the mine and a total of 187 units of blood were collected.
- Cancer awareness sessions that included breast cancer, cervical cancer and prostate cancer screening clinics at the mine.
- Alcohol and drug awareness, with a focus on responsible drinking versus problem drinking.

## Radiation safety

In Namibia, the protection of employees, members of the public and the environment against the harmful effects of radiation is governed by:

- The Atomic Energy and Radiation Protection Act 5 of 2005, Radiation Protection
- Waste Disposal Regulations GN 221, GG4835 of 11 November 2011 legislation

Managing radiation risks associated with our operations is prioritised at Rössing Uranium and a comprehensive summary on how we achieve compliance with the Act and Regulations is provided in the Radiation Management Plan ("RMP"). The RMP is approved and our compliance thereto audited on an annual basis by the National Radiation Protection Authority.

The assessment, quantification, and control of radiation exposure risks in the workplace are key aspects of the occupational hygiene monitoring programme at Rössing, with the risk-based monitoring approach applied for similar exposure group ("SEG") monitoring.

Other monitoring activities include Final Product Recovery ("FPR"), surface contamination and airborne long-lived radioactive dust ("LLRD"), thermoluminescent dosimetry ("TLD") for radiation workers, and urine sampling. Public monitoring, as well as the monitoring of shipments, form part of radiation safety exposure control.

## Monitoring

Personal and area monitoring for SEGs measures the three exposure pathways, namely internal exposures to LLRD, radon decay products, as well as external (gamma) radiation exposure.

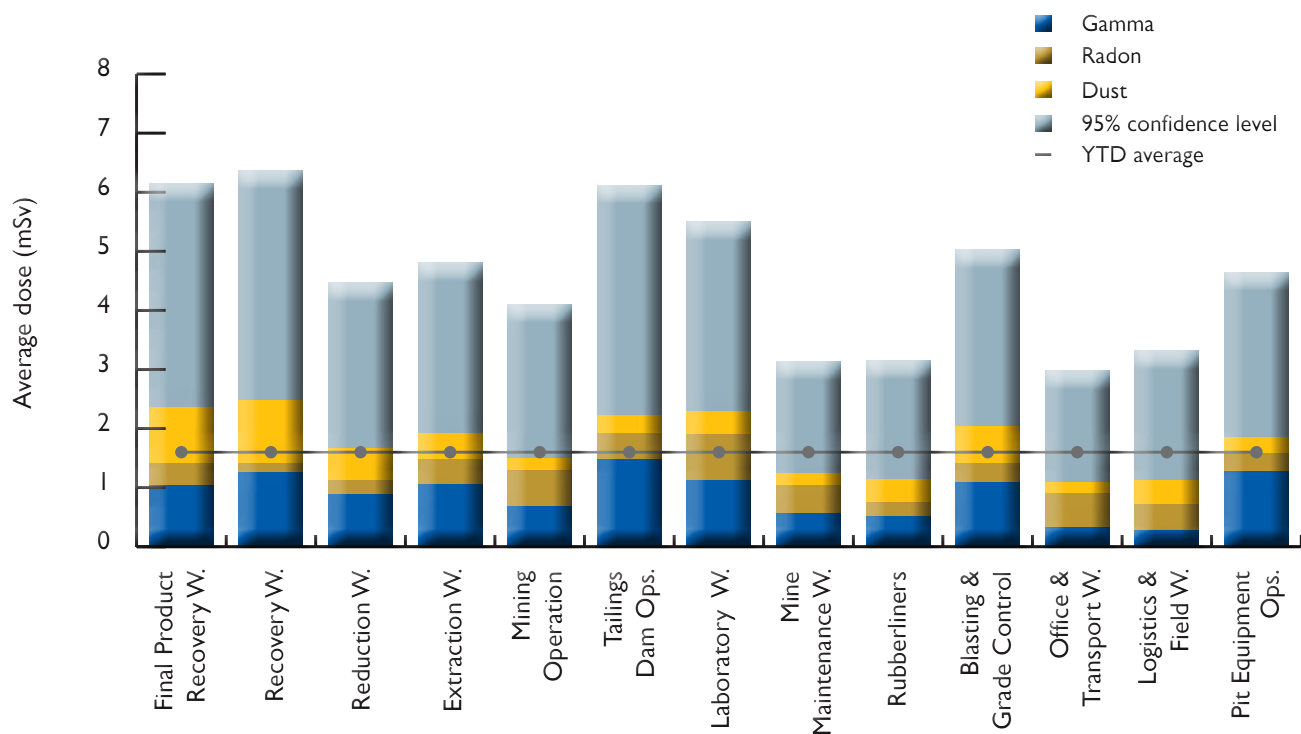
Assuming a working year of 2,000 hours, the annualised and average dose by SEG is displayed in the graph below. The average dose ranged between 1.08 and 3.73 millisievert per annum (mSv/a) against the occupational legal limit of 20 mSv/a. The overall average radiation dose was 1.60mSv/a.

In the FPR area that is considered to exhibit the highest risk in terms of radiation exposure, we perform regular monitoring of surface contamination, inhalation dose rates for radioactive dust and area gamma dose rates. For surface contamination, we set a target of a maximum average surface contamination of 1 becquerel per square centimetre ("Bq/cm<sup>2</sup>") for the area, and a maximum average dust inhalation dose rate of 10 micro-sieverts per hour ("µSv/h"). None of these limits were exceeded.





## 2022 Radiation dose, annual average per person in mSv, by SEG



**Figure 7**

All workers belonging to the FPR and the Recovery SEGs are classified as radiation workers and they receive continuous gamma monitoring in the form of thermoluminescent dosimeters, which are replaced at intervals of three months. They also undergo monthly urine testing to check for accidental ingestion of uranium. Female radiation workers undergo monthly pregnancy testing to enable prompt removal of pregnant employees from this working area.

In 2022, we performed over 2,000 urine sample tests with one exceedance of the action level (40 micro-grammes per litre (“µg/L”)) and two exceedances of the warning level (20µg/L) for uranium in urine. Exceedances were mainly due to PPE compliance and increased maintenance activities in FPR. These incidents were reported to the NRPA and investigated. Corrective actions were identified and implemented.

## ALARA campaign

ALARA stands for “As Low As Reasonably Achievable”, taking economic and social factors into account, with regards to radiation protection. It is regarded as the gold standard for radiation protection.

In 2022, the Radiation Safety division continued to run an ALARA campaign that started in 2021, with the objective of:

- Sensitising employees on radiation safety protection and awareness
- Helping the workforce identify the actions taken in work areas that have the potential to cause unnecessary radiation exposures
- Reminding employees of what to do in the event of spills and incidents



Quantitative Respirator Fit Testing with Porta Count in Progress

# SAFE OPERATIONS

Rössing Uranium continued its good safety performance in 2022 with an AIFR of 0.43 against the target of 0.48. This is however lower than the milestone performance achieved in 2021 of 0.34. The mine had three All Injuries in the first quarter of 2022, with a very good safety performance until August 2022 after which five more All Injuries were experienced. The mine also recorded a significant number of Significant and Potential Fatal incidents ("PFI"). However, despite the deteriorated safety performance, Rössing recorded a good score of 4.2 against a target of 4.2 for its Critical Risk Management ("CRM") programme. 2022 was also a year free of fatalities, permanent disabling injuries and significant process safety incidents. Rössing Uranium strongly believes that all incidents, injuries and occupational illnesses are preventable and continues to strive towards its goal of zero harm.

Below is a summary of Rössing's safety performance for 2022:



## HSSE document control and communication

The SAP incident management system was upgraded.

Various code of practices and procedures were reviewed during deep dives, audits, incident management and risk assessments to incorporate changed procedures and improved controls. All health, safety and environmental ("HSE") management system documents were reviewed and uploaded to the SharePoint site.

All Rössing risk registers were updated in 2022.

Communications framework in place was maintained with MD quarterly OHSE Committee Meetings, monthly GM HSE management meeting, Health, safety, security, and Environment ("HSSE") Committee meetings at departmental level, as well as the managers monthly communications.



# HIGHLIGHTS

1

ISO 14001 certification audit carried out successfully in January 2022 with one major and six minor non-conformances reported (“NCRs”). All NCRs were closed out within the allocated timeframe.

2

ISO 45001 first surveillance audit carried out in January 2022 with one major and five minor NCRs reported. Rössing maintained its certification.

3

First Party Assurance Dashboard successfully implemented and sustained.

4

Near misses recording target was exceeded with an overall rating of outstanding performance in 2022. Housekeeping competitions delivered good results and all findings together with the Critical Risk Management (“CRM”) Fixed in the Field actions were logged as near misses contributing to the overall outstanding performance.

5

Crew projects target was also exceeded in 2022 with notable improvements made.

6

Monthly tracking of due diligence (“DD”) inspections resulted in improved compliance. The overall quality of DD inspections showed very good improvements which reflected in the Crew Projects logged.

7

Lifting Operations deep dive actions implemented and target exceeded. More actions were identified with the implementation of the base plan. These actions were added to the base plan and are being closed out. Statutory inspection on lifting equipment tracked monthly and reported on. A new Approved Inspection Authority was appointed for Lifting Operations management and maintenance.

8

Railway Code Of Practice and external audit was completed and new actions were identified to close out the gaps.

9

Rössing Uranium has successfully installed bottom discharge on three of its acid pump stations.

10

Clean shaven policy rolled out and enforced successfully.

11

Vehicles and Driving Campaign and patrols continued. #safe@Rössing safety tips on safe driving were shared and the Trailer upgrade project was completed successfully.

12

The National Radiation Protection Authority (“NRPA”) did their annual inspection and no findings were picked up.

# PROTECTING THE ENVIRONMENT

Rössing Uranium is committed to protecting the environment in which we operate. With cognisance on how our mining operations impact natural resources and the environment, we drive 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 and 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 14001:2015 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 on the pages that follow.

## Water management

Water management at Rössing Uranium 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 intention of the standard is to ensure efficient, safe, and sustainable use and protection of water resources and ecosystems.

In addition, Rössing Uranium adheres to all aspects pertaining to water in the Constitution of the Republic of Namibia. To that effect, we operate with a Wastewater and Effluent Disposal Exemption Permit 674, as well as a 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 effect to 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 tailings storage facility ("TSF") and numerous monitoring locations across the mine site, extending to the Khan and Swakop Rivers.
- 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.

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 employed 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, 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.

## Freshwater use

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. Freshwater 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.

### Freshwater use per month – 2022 (cubic metre)

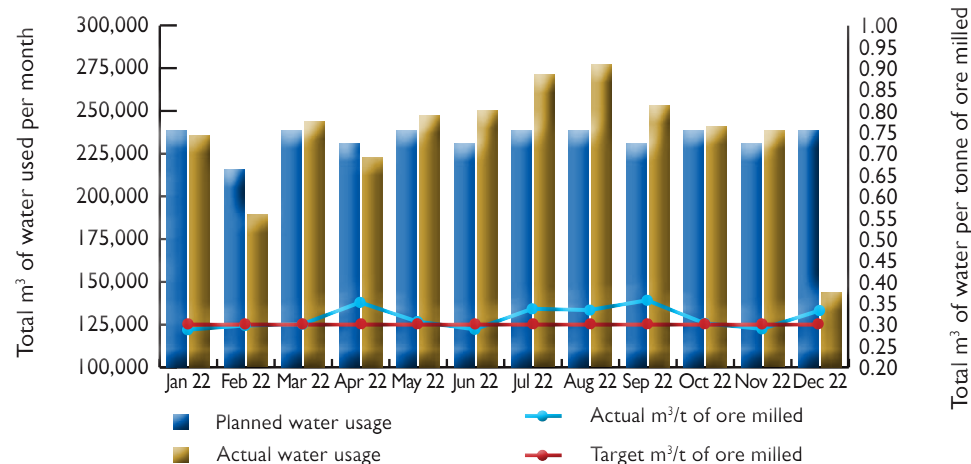


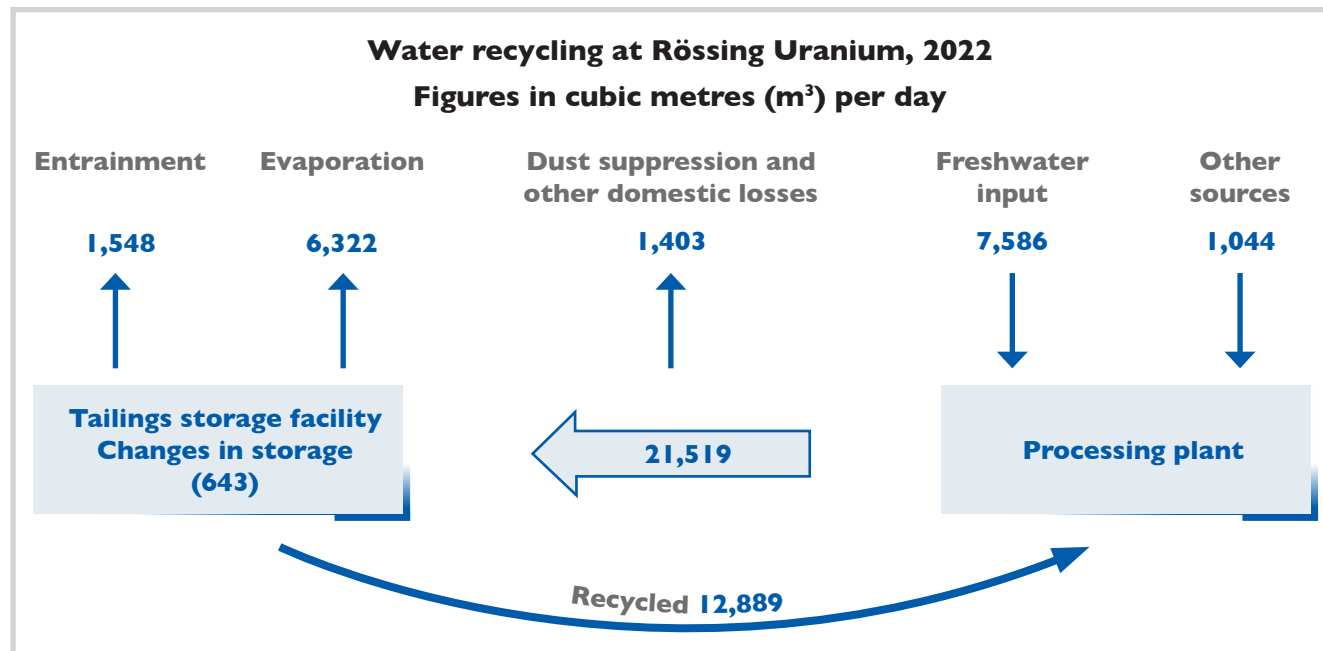
Figure 8: Freshwater use per month, 2022 (cubic metre)



## Protecting the environment continued

For 2022, we kept our freshwater usage target which was set in 2021 unchanged at 2,814,150m<sup>3</sup> of freshwater for all operations. Our actual freshwater consumption for 2022 was 2,768,768m<sup>3</sup> which, although higher than what was used in 2021 (2,723,508m<sup>3</sup>), remains below the planned target of 2.0 per cent.

Monthly freshwater usage, as depicted in **Figure 10**, was above plan for most of 2022. This is attributed to low return dam solution recovery from the active paddocks, for which the deficit had to be supplemented with fresh water. Similarly on the same figure, water usage per tonne of ore milled records correlate to freshwater usage, with ratios above the set target for some months.



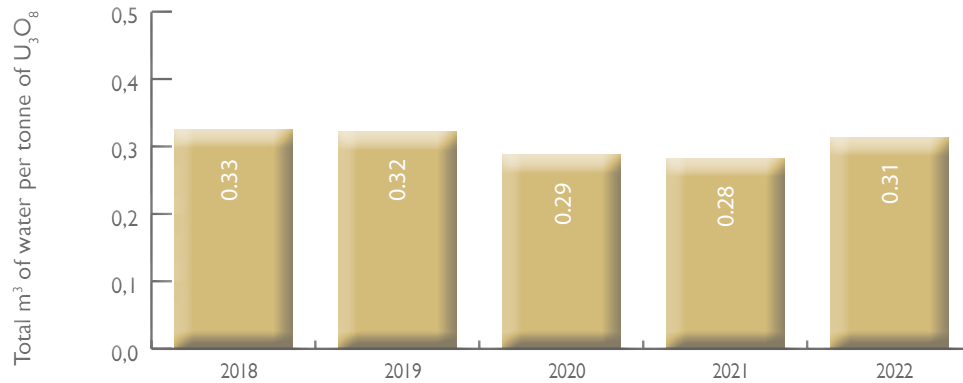
**Figure 9: Overview of Rössing Uranium's water balance, 2022**

Credits from our continuous improvements and sustained infrastructure maintenance remain visible in our total recycled volumes, with 59.9 per cent of the total water usage (see **Figure 9**) accredited to recycling.



Our freshwater consumption performance from 2018 until 2022 is depicted in **Figure 10**.

### Freshwater use per tonne of uranium oxide



**Figure 10: Volume of freshwater consumed per tonne of ore milled, 2018 – 2022**

### Khan River water use

Saline groundwater from the Khan River aquifer, in conjunction with biodegradable dust suppressant polymers, is used for the purpose of haul-road dust suppression in the open pit. A total of 4,780m<sup>3</sup> of water was abstracted from the aquifer during 2022, which is 0.55 per cent of the permitted 870,000m<sup>3</sup> per year (5.4% in 2021). Although our abstraction from the river remains minimal, we continue our monitoring obligations. 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.

### 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 30km/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, 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 mining operations including blasting, 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. 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.

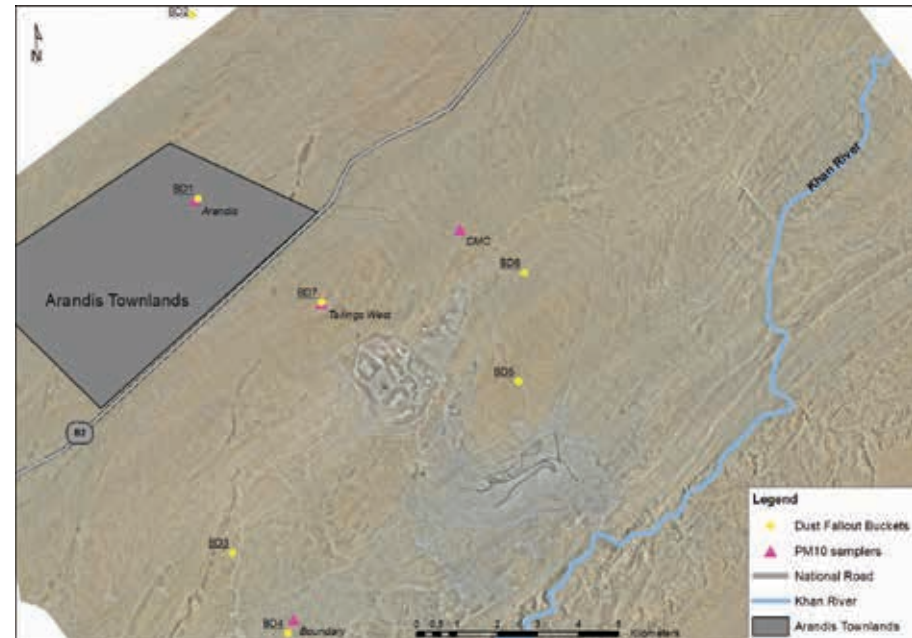
### Environmental dust

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

To quantify the dust fallout generated by our mining activities 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<sub>10</sub>); and secondly, fallout dust, which is visible to the naked eye and is comprised of larger particles, but also includes PM<sub>10</sub>.

The measure of PM<sub>10</sub> is the concentration of particles less than, or equal to, ten micrometres in diameter in one cubic metre of air. We continuously monitor PM<sub>10</sub> dust levels at four monitor stations: three onsite and one in the nearby town of Arandis (see **Figure 11**, denoted by pink triangles).



**Figure 11: The map shows the PM<sub>10</sub> dust monitoring network samplers and dust fall-out buckets**

The levels measured in 2022 showed that the PM<sub>10</sub> dust concentrations at the available stations were below the adopted World Health Organization standard of 75µg/m<sup>3</sup> (see **Figure 12**).



Protecting the environment continued

Monthly average PM<sub>10</sub> dust concentration (µg/m<sup>3</sup>) – 2022

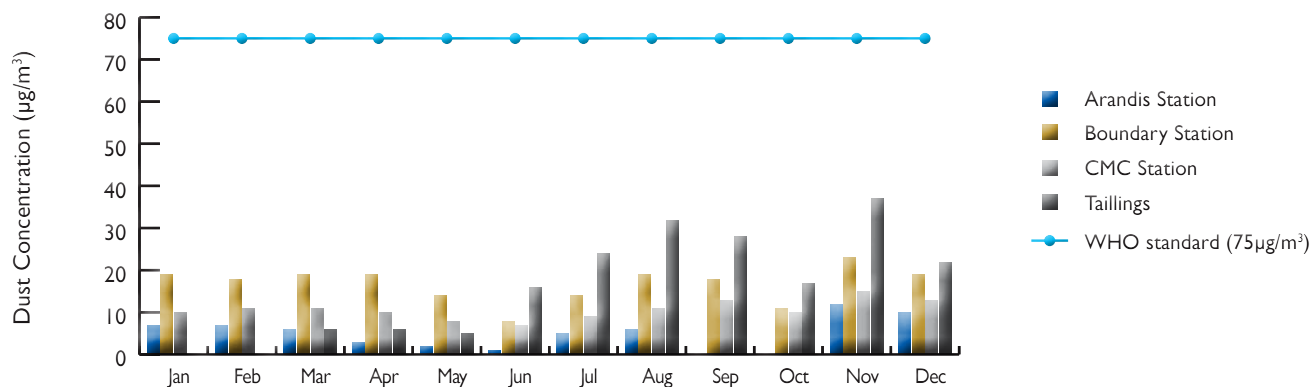


Figure 12: Monthly average PM<sub>10</sub> dust concentration, 2022

Fall-out dust is measured at six stations at different locations along the mine boundary (see the yellow dots on the map, **Figure 11**). The dust-fallout limit is 600mg/m<sup>2</sup> per day with an annual average target of 300mg/m<sup>2</sup> per day, as required by the adopted South African National Dust-Control Regulation (“SA NDCR”) standard.

During 2022, values measured at the six stations ranged between 0 and 291 mg/m<sup>2</sup> per day with an annual average of 18mg/m<sup>2</sup> per day (see **Figure 12**).

Monthly averages of daily boundary dust-deposition rates January to December 2022

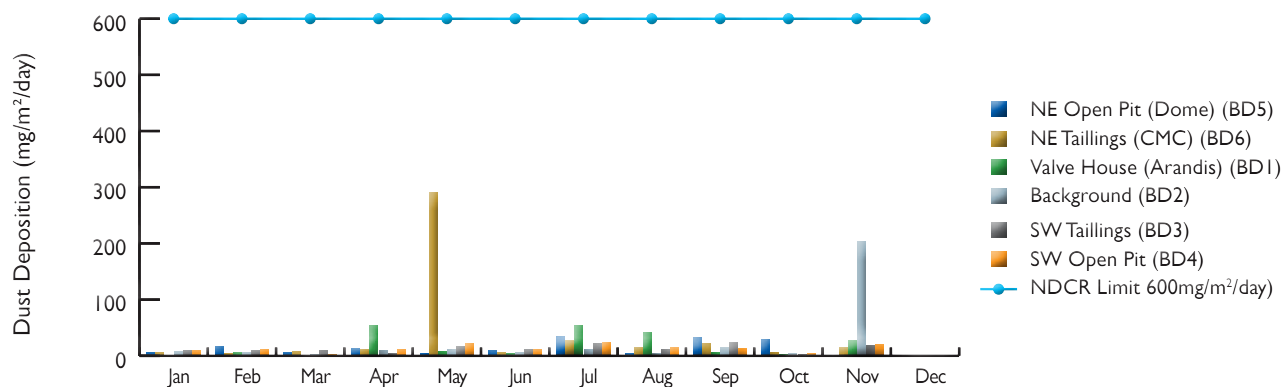


Figure 13: Monthly average of daily dust deposition rates at the mine boundary, Jan-Dec 2022 (milligrams per square metre per day)

All measured deposition rates were well below the selected or adopted SA NDCR standard.



## 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 RI 8507 criteria for safe blasting, and
- the relevant South African National Standards Code of Practice, SANS 10103:2008 (SANS, 1992) for operational noise,

as internal reference limits.

Or

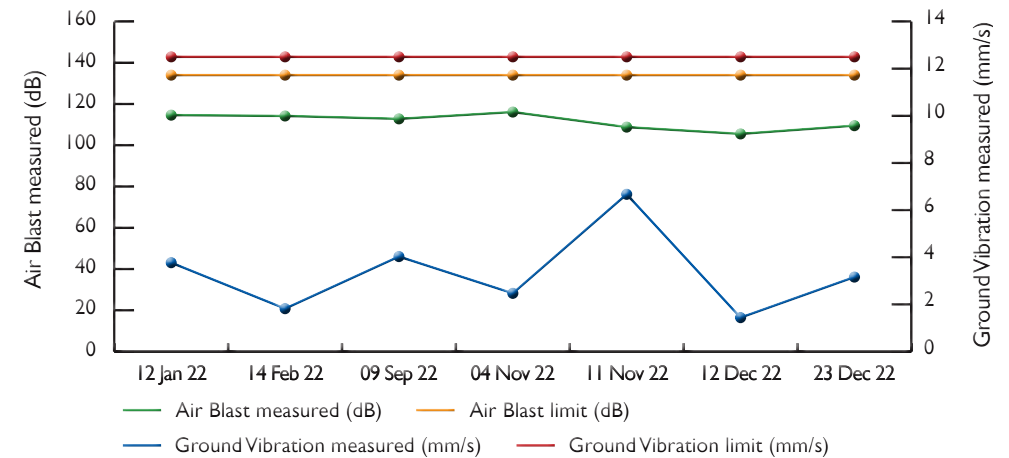
In the absence of Namibian legislation on environmental noise and vibration, Rössing has adopted/referred as internal reference limits:

- the United States Bureau of Mines RI 8507 criteria for safe blasting, and
- the relevant South African National Standards Code of Practice, SANS 10103:2008 (SANS, 1992) for operational noise.

Noise and vibration are monitored at various points on and off site. Environmental noise is monitored according to a specific procedure and reported monthly to help identify events when these levels have been exceeded.

In 2022, both air-blast and ground vibration levels were consistently below the limits of 134 dB and 12.5 mm/s, respectively, see **Figure 14**. Blasting is only carried out in the open pit, and monitored at two places, on site and in Arandis.

**Air Blast (dB) and Ground Vibration (mm/s) – 2022**



**Figure 14: Air blast and ground vibration, 2022**

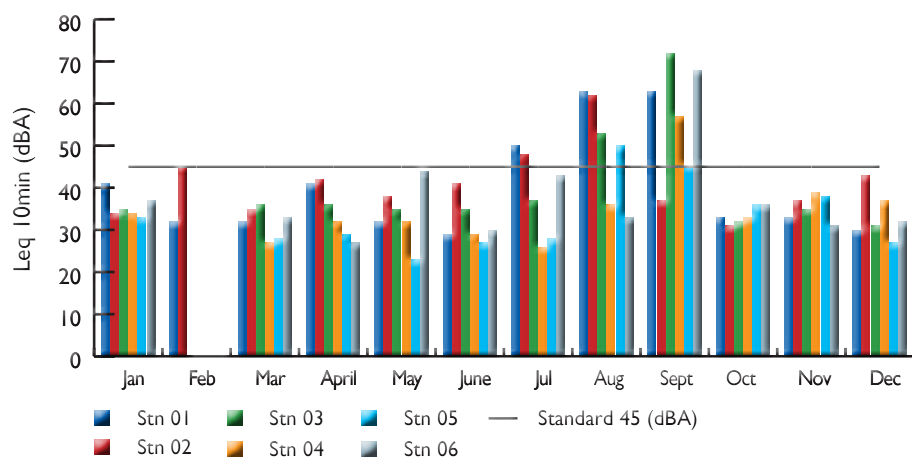




## Protecting the environment continued

Environmental noise is measured over snapshots of 10 minutes at six different sampling points or stations, namely Station 1 – Rössing Main Mine Access Road; Station 2 – Arandis Airport Gate; Station 3 – Khan River Valley; Station 4 – Khan River Rock Island; Station 5 – Khan Riverbed and Station 6 – Khan Riverbed. There were a few occasions during which environmental noise readings exceeded the Rössing internal noise level of 45 dBA (Figure 15). These exceedances were attributed to natural background windy conditions (bergwinds) experienced at the time of monitoring rather than to excessive noise generated during mining activities.

### Environmental noise over a period of 10 minutes – 2022



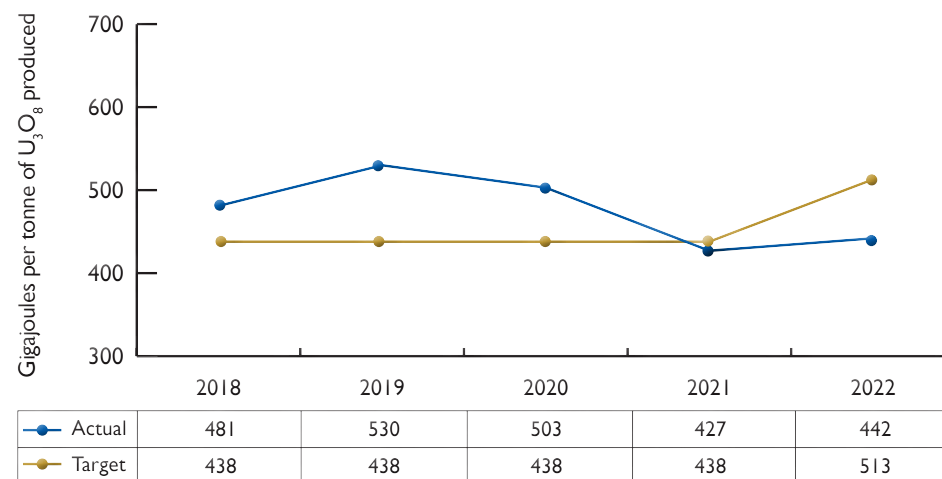
**Figure 15: Environmental noise over a period of 10 minutes, 2022 (Leq I (equivalent continuous A-weighted sound pressure level, Leq I using the 'I' (Impulse) 10 min (dBA))**

## 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 2022, the total energy consumption of the mine was 1,186,094GJ for 2,681 tonnes of uranium oxide drummed. This converts to an annual energy consumption of 442GJ per tonne (GJ/t) of uranium oxide produced, which is 14 per cent below the projected internal target of 513GJ/t uranium oxide produced (see Figure 16).

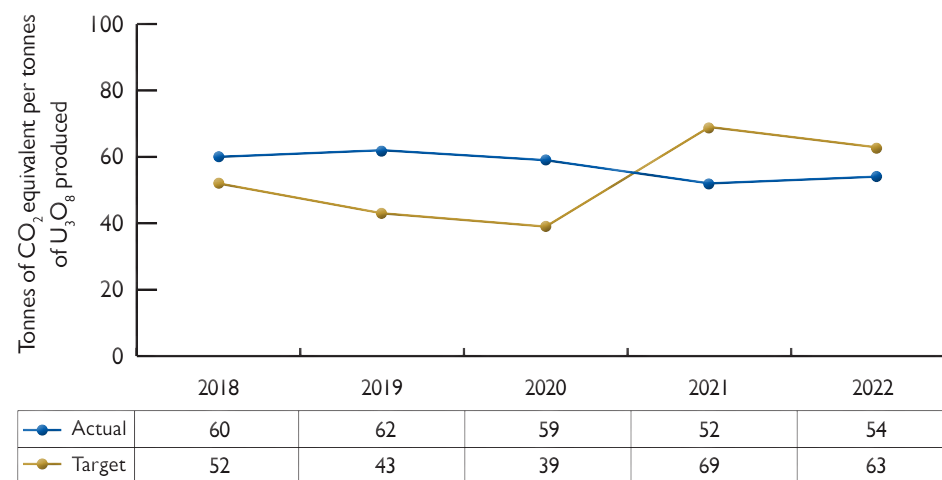
### Energy consumption from 2018 to 2022



**Figure 16: Energy consumption (gigajoules per tonne of U<sub>3</sub>O<sub>8</sub> produced), 2018 – 2022**

In the reporting year, emissions of carbon dioxide (CO<sub>2</sub>) per unit of production amounted to 54 tonnes of CO<sub>2</sub> equivalent per tonne (CO<sub>2</sub>-e/t) of uranium oxide, which is below the internal of 63 tonnes CO<sub>2</sub>-e/t of uranium oxide for the year (see Figure 17).

### Carbon dioxide emissions, 2018 to 2022



**Figure 17: Carbon dioxide emissions, 2018 – 2022 (tonnes of CO<sub>2</sub> equivalent per tonne of U<sub>3</sub>O<sub>8</sub> 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. Ecosystems and associated biodiversity at Rössing are managed through our Biodiversity Action Plan ("BAP") that follows the mitigation hierarchy, which aims to prevent, minimise, rehabilitate, and restore Rössing's footprint and impact on the ecosystem. Rössing continued to be involved in various biodiversity awareness campaigns and projects that aimed to create awareness and strengthen the understanding of biodiversity among the workforce, communities, and the Namibian population.



World Environmental Day commemorated on 4 June 2022 and learners with donated water cans

### Environmental Day commemoration

In support of the Environmental Day celebrations on 4 June 2022, Rössing collaborated with Arandis Town Council, Rent A Drum and WesBank to commemorate the day under the theme "#OnlyOneEarth". Donations of 20 trees and 10 water cans per school were donated to three schools in Arandis (Arandis Primary School, Kolin Foundation High and UB Dax Primary School). With these donations, Rössing aimed to encourage the youth to plant more trees in their local environments for the benefit of everyone.



Annual Bird watching event, 2022

### Birdwatching day

In 2022, Rössing successfully hosted its 21<sup>st</sup> Annual Birdwatching Day. The event aims to give participants an experience to view the unique birdlife, and to promote a long-term interest in birds, linked to conserving local and wilderness biodiversity. For the past two years, the event was hosted virtually with immense success, however, in 2022 we reverted to visiting the mesmerising Walvis Bay Lagoon. Fifty three learners from nine schools participated in the event. With the aid of provisional birdwatching guides, participants could identify different bird species and get insight on associated facts (physical features and reasons for their evolutionary adaptations, diets, migration routes etc.).

### Rössing's commitment to Project Shine

As part of our social responsibility, Rössing continues to support the Project Shine clean-up campaign. Rössing was a founding member of the Project Shine initiative 15 years ago. With input from various stakeholders, the mine has sustained this project successfully over the years.

Project Shine, which is a clean-up campaign driven by the Swakopmund Municipality, aims to maintain the national road between Arandis and Swakopmund, with the focus having now been extended to include clean-ups along the coast as well. The project is also involved in educational and environmental awareness in the community, and more co-sponsors are being sought to contribute to the continuation of the project in the future.

Project Shine is also aimed at minimising the effects of waste on the environment and promoting environmental conservation – this objective has been successfully achieved for the past 11 years.

In 2022, Rössing donated N\$100,000 to the continuation of the project; the funds were earmarked for supporting Project Shine to execute its mandate of cleaning up the roads and rolling out an awareness/ education campaign. Rössing also supports the project with an evaluator and a 4x4 vehicle on monthly evaluation sessions. By supporting such initiatives, Rössing aims to be the leader in environmental stewardship in Namibia.



### Progressive rehabilitation

Progressive rehabilitation has been recognised as a key strategy for minimising mine closure liability or obligation and environmental risks. Mining activities disturb land through land clearance and infrastructures that support mining activities. The open pit, waste rock dumps, TSF, infrastructure, and the processing plant account for most of the footprint (land disturbed) at Rössing. Ninety per cent of the disturbed area at Rössing is in operational use; therefore, rehabilitation interventions are limited to demolishing redundant infrastructure and clean-up activities.

To leave all rehabilitation until mine closure is not best practise, therefore progressive rehabilitation is applied. Particular effort is made to land demolition and clean-up of redundant and decommissioned facilities and infrastructure. Since this happens throughout the life-of-mine, mining activities are not interrupted and continue as normal.

The proactive and progressive rehabilitation campaign which Rössing has embarked upon in 2022 was based on clean-up projects and rehabilitation work. Clean-up projects focus mostly on clearing land from waste which has accumulated at identified areas over the years without necessarily rehabilitating the land, and at this stage, the land remains within the operational footprint of the business. Rehabilitation, on the other hand, takes place outside operational areas.

The approach taken in 2022 was to proactively transport this waste to the final disposal areas and, in doing so, reduce the liability and associated cost at closure. Successful implementation of these projects requires thorough disposal strategies for future waste similarly generated through operations to avoid such waste from accumulating. Of the nine projects that were planned in 2022, five were successfully completed, one was deferred to 2023 and three are pending regulatory approval.



Upper Dome Gorge: Rehabilitated legacy sand mine pit

### Upper Dome Gorge rehabilitation and slope stability

The Dome Gorge of Rössing Uranium is an ephemeral tributary of the Khan River, running along the eastern boundary of the Rössing's mining licence and accessory works areas. During the early inception of the mine, river sand from this gorge was used for various purposes, which resulted in excavated holes and open edged trenches. In 2022, Rössing rehabilitated these pits by levelling the slopes and aligning them to merge background topography within the gorge.

### Land-use management

Rössing is committed to limiting our impacts on land and biodiversity as much as possible. To achieve this, we use the "mitigation hierarchy", which involves a combination of three factors:

- Avoidance: Wherever possible, prevent mining operations from encroaching onto undisturbed areas
- Mitigation: Where such areas have been disturbed, try to reduce the impact of the disturbance
- Rehabilitation: Following inevitable disturbance, rehabilitate the land

Guided by the above principles, particularly avoidance for 2022, Rössing's footprint remains unchanged at 2,579.58ha since 2021. The open pit, waste rock dumps, tailings facility, infrastructure, and processing plant account for about 90 per cent of this disturbance.

### 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 2022, a total of 16.33 million tonnes of mineral waste were generated by the mine. This includes 8.97 million tonnes of tailings and 7.36 million tonnes of waste rock. By the end of December 2022, the total cumulative mineral waste stored onsite was 1,009.16 million tonnes of waste rock and 492.77 million tonnes of tailings.

Deposition of both tailings and waste rock generated in 2022 took place within our existing footprint and therefore our footprint remained the same for these facilities.

The footprints of the two mineral waste storage facilities have remained approximately the same since 2016. They cover an estimated area of 1,488ha northwest 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 the employees.

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

Waste on site is being managed by an integrated waste management contractor that was appointed in December 2019. The waste contractor handles both hazardous and non-hazardous waste streams and ensures proper treatment and disposal. As part of good corporate governance, Rössing monitors all recyclable waste streams (such as used oil, scrap metal, wooden pallets, and packaging materials) sent off site for treatment, recycling, or disposal by performing a verification assessment of contractors and facilities to confirm that the wastes are being managed correctly.

During 2022, a total of 4,636 tonnes of both hazardous (158 tonnes) and non-hazardous (4,478 tonnes) recyclable waste materials (mainly wooden pallets, scrap metal, paper and used oil) were taken off site for recycling purposes. Rössing continuously promoted the 3Rs (reduce, reuse, recycle) by supporting community projects through the donation of wooden pallets (267 tonnes) to vocational training centres (COSDEF, NIMT), Erongo Constituency Offices, Sonstraaltjie Kindergarten, Arandis Town Council, and the Urban Agricultural Project under the management of Swakopmund Municipality.

Recycling was also promoted through donations of 25 litre plastic containers (0.4 tonnes) to NIMT to be utilised at the campus nursery. There is a commendable increase in the amount of recycled scrap metal which left site in 2022 (4,079.7 tonnes) compared to 2021 (2,247.3 tonnes) due to ongoing progressive rehabilitation clean-up projects.

Among the hazardous recyclable waste, a total of 155 tonnes of used oil were taken off site for recycling in Windhoek. Used oil is stored in 210 litre drums and in bulk holding tanks which the oil recycler collects directly from site.

The rest of the recyclable and reusable waste is transported from the mine site to the Rent-A-Drum sorting facility in Swakopmund and further dispatched to the contractor's refuse-derived fuel plant in Windhoek, while the non-recyclable waste, including domestic waste, is disposed of at the municipal landfill site in Swakopmund.

Contaminated solid waste includes both radioactive and non-radioactive contaminated waste materials (such as air filters, building rubble and processed mineral waste) that are generated from mining, workshops, as well as from processing plant areas. This waste stream is not permitted to leave the mine site under any circumstances.

In 2022, 2,388.7 tonnes of contaminated solid waste were disposed of on site, and 1,778 tonnes of both radioactive and mining-contaminated waste was disposed of at the tailings storage facility ("TSF"). The air filters (12.3 tonnes) and concrete rubble (571.0 tonnes) were also disposed of at the TSF while 27.2 tonnes of garden refuse generated was disposed of at the dormant landfill site.

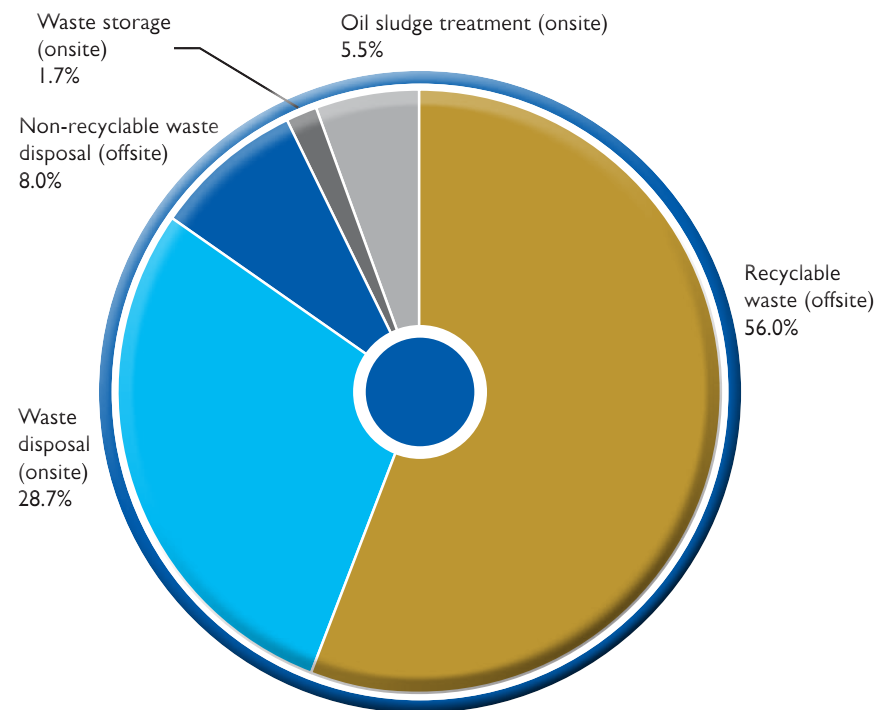
In an effort to improve the treatment of hydrocarbon contaminated soil, the integrated waste management contractor commissioned a trommel machine at the bioremediation facility. Efforts are underway to ensure that treated oil sludge meets the acceptable TPH clearance levels before it can be reused in the operational areas. In 2022, 456.4 tonnes of oil sludge soil were disposed at the bioremediation facility for treatment.

Safe and environmentally friendly reuse and/or disposal of used tyres remains a challenge for the business, due to a lack of recycling facilities in the country. A total 141.3 tonnes of tyres generated were collected and stored at the designated areas on site. The radioactive contaminated grease and diesel drums generated from Final Product Recovery ("FPR") are also stored on site (at the Rodmill yard).

The different types of hazardous waste streams generated on site include PPE, filters, grease, redundant chemicals, batteries, used oil and other items, such as fluorescent tubes and e-waste.

We continuously ensure that our hazardous waste is managed correctly and disposed at a legally registered facility. A total of 666.9 tonnes of non-recyclable waste was disposed off at the Swakopmund landfill site, while 21.19 tonnes of hazardous waste was disposed off at the Hazardous landfill site in Walvis Bay.

The medical waste stream is managed by the medical personnel on site and is transported to Medixx in Arandis before it is dispatched to Walvis Bay for incineration. A total of 0.03 tonnes of medical waste were generated, which is less than the 0.06 tonnes generated in 2021. Disposal certificates for all waste streams taken off site for recycling and disposal have been submitted by the recyclers and are accounted. All waste generated and disposed in 2022 is categorised and depicted in **Figure 18**.



**Figure 18: Waste generated and disposed of, 2022 (percentage)**



## Protecting the environment continued

### Closure planning

The current Rössing mining plan foresees cessation of production at the end of 2026. 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. The closure planning and management addresses the major socio-economic considerations, both internally and externally. The proactive strategies are put in place and implemented in a progressive manner to limit future liabilities and prevent actual risk at closure.

Various infrastructure and features are classified as per the different domains and 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 which will be reworked to prevent access for humans and wild animals.

Other prominent domains needing to be considered in terms of closure, are site infrastructure and the TSF, which also have dedicated closure intervention plans. 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 in the open pit. The processing plant and the mine's infrastructure will be demolished as per the demolition strategy and cost estimate. Materials not leaving the mine site will be disposed of safely in the open pit and sufficiently covered with waste rock so that they cannot cause future harm.

Closure planning has always been part of the business's 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.

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 the mine closure. The contributions are made to ensure sufficient funds are available at the time of closure.

At the end of December 2022, the fund had a cash balance of N\$1,462 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 2022 stands at N\$1,799 million, including retrenchment costs. This is based on the life-of-mine ending in 2026; if this is extended, different figures will be calculated.



# COMMUNITY RELATIONS – INVESTING IN OUR COMMUNITIES

As a proudly Namibian company, Rössing Uranium accepts its corporate citizenship duties and recognises that its continuing operations are based on its ability to maintain its mining permits and licenses and to secure access to land, people and capital. It uses a combination of economic, social, environmental and technical expertise to harness these resources and create reciprocated prosperity for its stakeholders.

The objective of Rössing's social investment programme is to:

- Maintain and enhance Rössing's social license to operate
- Promote its community and social investment projects
- Collaborate with The Rössing Foundation on identified community projects
- Identify smart partnerships to enable long-term benefits
- Clearly define mutual community interest that enhances Rössing's business case

The company recognises that it has social, cultural, and environmental responsibilities to the community in which it operates, as well as at regional and national levels. This recognition works in tandem with an appreciation for our economic responsibility towards our stakeholders and shareholders in order to establish and maintain sustainable success for the organisation. Rössing accepts that its standing in the mining industry and local and international business communities is dependent upon its exercising of these responsibilities and maintaining the standards thereof.

Rössing's social investment focuses on the following priority areas, which are reviewed and updated annually:

- a) Health, safety and environment
- b) Education
- c) Economic support
- d) Youth and sport

## Community initiatives supported during 2022

Rössing Uranium supported The Rössing Foundation and other community initiatives with an investment of **N\$29.4 million** in 2022 compared to N\$14 million during 2021. Of this amount, N\$25 million was donated to The Rössing Foundation, and over N\$4 million was in-kind and cash contributions to worthy community initiatives.

Our Communities and Social Performance division focused on "The Bigger-Than-Me-Project", which is Rössing's three-year community-based initiative, with identified schools in the Erongo region.

This programme supports the following Sustainable Development Goals ("SDGs"):

|   |  |
|---|--|
|    | Zero poverty: Support to the vegetable garden at Willem Borchard Primary School  |
|    | Quality education: IT equipment support and training to the teachers and community members at Willem Borchard Primary School   |
|    | Gender equality: The AnnPad initiative; the SHE programme; <i>Ann's Journey</i> book   |
|    | Affordable and clean energy: Education for Sustainable Development with Namibia Desert Environmental Education Centre Trust  |
|    | Industry, innovation and infrastructure: Donation of redundant, but still usable items to Willem Borchard Primary School   |
|   | Reduced inequalities: Support on STEM at identified schools Roll out of Protective Behaviours programme to the entire school population at WBPS  |
|  | Sustainable cities and communities. Supporting clean-up campaigns and WED activities in two of our host communities (Swakopmund, Arandis)  |
|  | Responsible consumption and production   |
|  | Life on land. Rössing annually support sustainable resource use through the provision of redundant pallets to identified beneficiaries whom uses the wood from the pallets to make furniture, build playgrounds and use pallets as a training resource in carpentry lecture halls                                      |
|  | Partnerships for the goals. Every project Rössing embarks on is evaluated to ensure that zero dependencies are created, skills transfer on key outputs and components are embedded and that communities are able to maintain whatever infrastructure support we provide with the oversight and input of the recipients |



## Community relations – Investing in our communities continued

Nationally, it augments government support under the National Development Plan and the Harambee Prosperity Plan, specifically the Social Progression Pillar on the blocks:

- *Zero deaths from hunger and poverty:* support to the infrastructure at the school feeding scheme to be fit-for-purpose.
- *Improved access to quality education:* support to building the social and mental resilience of the teachers through the mentorship programme.
- *Arresting gender-based violence and violence against children:* support to learners and identified community members on protective behaviours, with support from Rapha Consulting and Counselling services.

The main activities for 2022 were held at Willem Borchard Primary School in Okombahe – Daures constituency:

1. *Mentorship programme* – With Rössing employees supporting selected learners with lifestyle and academic choices and challenges. The 2022 programme also included support to a cultural awareness and embedding of cultural values and norms.
2. *Girl Child programme* – Provision of reusable AnnPads; provision of the book Ann’s Journey to raise awareness on puberty for both girls and boys. Our initiative at the school saw Lotus Foundation coming on board. We do not have a defined collaboration in place with them to make disposable pads available to the learners (water is not always readily available in Okombahe to sanitise the AnnPads).
3. *STEM Support* – Support provided on accommodation, transport and learning tools for a week-long excursion to the NamibRand Environmental Centre where a minimum of fifty learners are taught and experience the value of living an environmentally aware and sensitised life. Here, focus is on responsible living on land, alternative energy sources, awareness of finite resources and training on using solar-powered stoves and geysers.



4. *Redundant equipment donations* – The items made available were steel racks for their storage and classrooms, laptop with installed MS programmes, flatscreen TV for online training sessions, lever arch files and document pockets, shredded paper for use in their alternative source Tjo-tjo stoves (this is aimed at minimising the cutting down of trees for firewood).
5. *Infrastructure support* – Provision of waste separation bins, repainting the library and selected classrooms, construction of cement tables and chairs to accommodate 490 learners, teachers and parents (meetings and during the Government-supported feeding scheme roll-out)



6. *Protective Behaviours programme* – In collaboration with Rapha Counselling, a programme focused on raising awareness about keeping children safe from physical and mental abuse was rolled out among Rössing mentors, learners, teachers, parents and other community members. This programme established trainers in the community and at the school with the needed resource materials so that the programme can continue beyond the direct involvement of Rössing and Rapha Counselling.

## Rössing Uranium also participated in other educational, community and environmental projects and initiatives:



*Rössing Uranium donated 50 redundant radios to various neighbourhood watches in Swakopmund.*

- Swakopmund Neighbourhood Watch – by providing analogue radios
- Assisted Swakopmund NamPol Reservist team to purchase a car to perform their duties in fighting crime
- Sponsorship towards the Erongo Governor's Cup
- Sponsorship towards the Kunene Governor's Cup
- Donation of redundant vehicles for African Institutional Management Services trainees to assist with practical lessons
- Covid support: Stretcher trollies and other medical supplies - for various Erongo health facilities
- Sponsorship towards the Fourth Industrial Revolution Conference
- Support towards the Erongo Namibia Police Force's vehicles repairs
- Purchase of *Pew's Ocean Adventure* books for distribution at school annual prize giving ceremonies
- Úiba-Ôas Co-operative (Crystal Market) borehole installation



*A playground constructed by Rössing employees and contractor company employees at the Sonstraaltjie Kindergarten in Arandis.*

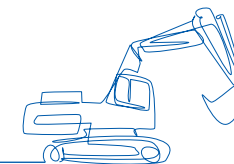
- Rössing Employee Community Project – Sonstraaltjie Playground setup in the town of Arandis
- Swakopmund Municipality – sponsorship towards the Project Shine clean-up campaign
- Sponsorship toward the Arandis Mayoral Fund Christmas party for pensioners
- Support towards the Erongo Road Safety campaign
- Support towards the MVA Fund Festive Season Road Safety campaign
- Rössing planted 60 trees in honour of World Environment Day at three schools in Arandis to promote environmental awareness



# STAKEHOLDER ENGAGEMENT







The social expectations from mining companies are continuously changing with the license to operate becoming more complex. Corporate communication 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 various communication channels.

Rössing has been considered a flagship operation and employer of choice in Namibia since it started operations in 1976. Its communication programmes to date have included extensive print, audio-visual, display and personal communication activities, underlined by the slogan *Working for Namibia*.

## Our stakeholders

Rössing has a broad group of stakeholders such as customers, government, vendors, contractors, employees and shareholders, Board directors, media, business community, community organisations, community leaders and environmental lobby groups.

## Our communication approach is focused on:

- Identifying stakeholders and interested parties and mapping them according to their importance and influence
- Being proactive, transparent, and genuinely keen to engage with all company stakeholders
- Identifying "win-win" strategies
- Tailoring communications to discreet audiences according to their need for information
- Ensuring communications contain consistent core messages
- Designing communications using fact-based information and delivering messages openly and regularly
- Consistently asking for feedback and involvement
- Establishing, developing and maintaining good relationships with identified strategic stakeholders

The communication activities are handled by a core communications team in line with the corporate strategic objectives (focusing on internal relations, external relationships, community relationships, and corporate brand and identity). These are reviewed annually.

## Employing appropriate communication tools

Communications include all written, display, spoken, and electronic tools, among others. Rössing utilises the following communication tools to interact with its stakeholders:

## Internal engagements

Employees are one of the key stakeholders of any organisation, as such in 2022, the mine launched the Rössing Employee App and bulk Short Message Service ("SMS") line. Employees can voluntarily join the platforms, aimed at enhancing communication among the workforce and also supplements the following existing communication channels:

- Rössing e-Bulletin, newsflashes, employee briefs
- MD Monthly Report
- MD roadshows
- Departmental meetings
- TV information screens
- Intranet/SharePoint
- Family mine tours

## External engagement

- Rössing website and Facebook pages
- Report to stakeholders
- Stakeholder mine visits
- Expo's and career fairs
- Rössing National Marathon
- Inter-mines sports
- Outreach programmes
- A key event that was hosted during 2022 was the launch of the *Rössing – a Lived Legacy* book which highlights the socio-economic impact of Rössing over 45 years.



## Stakeholder engagement continued

- The mine also hosted the following stakeholders on site where they received overviews of our mining and operation activities:
  - Finnish Embassy
  - NAMRA
  - Ernst & Young Auditors
  - FNB/RMB
  - IPC political party
  - IDC shareholders
  - Deputy Minister of Health and Social Services who held a COVID-19 vaccination talk on site
  - Mine Workers Union of Namibia (MUN)
  - Medical Professionals from Walvis Bay and Swakopmund
- The public tours under the mine's visitors programme remained closed since 2020 due to COVID-19. Following the lifting of the restrictions, a business decision was made to rather host family tours for Rössing employees and their families to see and learn more about the mine.



## Media engagement

In our continued effort of maintaining an open and transparent relationship with the media, the mine issued 18 media releases during the year on key developments at the mine and provided timeous responses to media queries to create balanced coverage of our business operations.

## Social media

As a business, social media offers the opportunity to build relationships with key stakeholders, humanise our brand and participate in dialogue to further our strategy. It also allows us to be more responsive to a constantly changing world. The recently launched Rössing Uranium Facebook page continues to grow, with over 15,000 followers.

## Awards and recognition

Rössing Uranium proudly emerged as the winner of the Best Stand: Mining companies at the 2022 Chamber of Mines of Namibia's Mining Expo and Conference.



## Complaints management

Rössing has a guidance note under its Community and Social Performance division that directs how complaints are dealt with. To enable the public to access the mine with concerns and/or complaints, we have a dedicated email link on our website, a contact number and an email address on our annual stakeholder report for all our offices in Namibia, inclusive of the contact details of The Rössing Foundation.

When a complaint is received, it is channelled to the area supervisor to investigate and revert back to the communications team with a response which is then sent out to the complainant as the company's official response.

# RÖSSING FOUNDATION

The Rössing Foundation was established in 1978 by Rössing Uranium Limited through a Deed of Trust to implement and facilitate corporate social responsibility activities within the communities of Namibia. The Foundation is registered in Namibia as a welfare organisation, and it is governed by a Board of Trustees. During 2022, the Foundation functioned with 17 employees stationed in four locations in Namibia, namely Windhoek (Khomas), Ondangwa (Oshana), Arandis (Erongo), and Swakopmund (Erongo region).

The Foundation continues to deliver on its mandate to Namibian communities in collaboration with different stakeholders. The highlights of 2022 are described below:

## 1. The new journey for 2023-2027

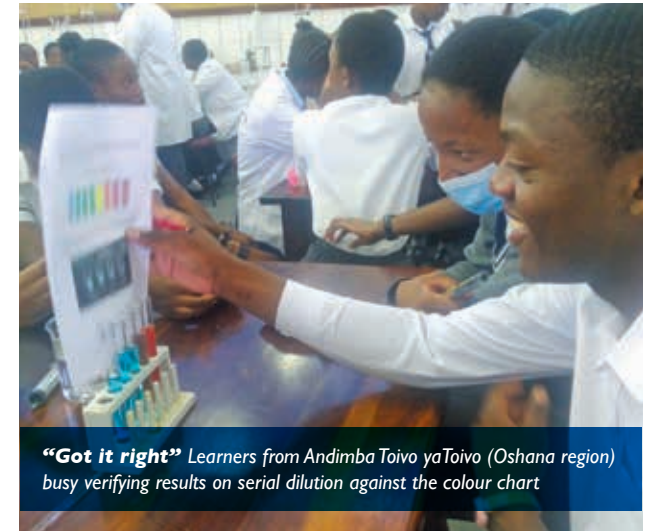
The Rössing Foundation is evolving as it is currently going through transformation; a new five-year developmental strategy was formulated, approved by the Board, and is ready for implementation in the year 2023. The strategy is well aligned with the national developmental goals, such as the Harambee Prosperity Plan and the National Development Plan, as well as the UN Sustainable Development Goals. The Foundation strategy, "Transforming lives through community empowerment and innovation", aims to complement the national effort to achieve the desired results such as inclusive education, poverty reduction, job creation, climate change, women and youth empowerment. The Rössing Foundation's new strategy provides an analysis of the challenges facing youth, women, children, and communities, the public sector's response to these, and the remaining gaps. The Foundation commits to working with both the Namibian Government as well as private and non-state actors in the implementation of the new journey in order to meaningfully transform the lives of the communities we serve.

## 2. Imparting knowledge among future scientists

The Rössing Foundation has three science laboratories in Namibia and they are based in Arandis, Swakopmund and Ondangwa. In our science labs, both practicals and experiments are critical as they enhance the learners' understanding of the subject content. The schools in Erongo, Oshana, and elsewhere in the country are generally faced with the challenges of conducting practicals and experiments at the school level due to limited resources such as physical laboratories and the necessary equipment and apparatus needed for both practicals and experiments. The Rössing Foundation education centres currently close that gap and serve as a source of complementary education in Mathematics, Physics, Chemistry, Biology, and English as schools bring their learners to the centres to conduct experiments as they are unable to do them at their respective schools due to the absence of labs and apparatus.

During the year under review, education officers from The Rössing Foundation, in collaboration with teachers, offered face-to-face lessons to over 2,701 learners from various schools in the Erongo, Oshana, Oshikoto, Ohangwena, Otjozondjupa, and Kunene regions. Learners were supported with examination readiness and problem-solving skills, which are increasingly important as Namibia strives to become an industrialised nation.

At the end of intensive tutoring at the Foundation's centres, learners reach competencies and subject matter understanding and experimentation. Furthermore, learners who participate in practical learning at the Foundation's facilities have shown significant academic improvement over time. This is evidenced by the testimony from the beneficiaries on the right.



**"Got it right!"** Learners from Andimba Toivo yaToivo (Oshana region) busy verifying results on serial dilution against the colour chart



Advance Subsidiary Level learners from Oshigambo High School busy with practicals at The Rössing Foundation centre



### 3. Education support during school holidays

During the year 2022, the Foundation hosted holiday classes at Ondangwa, Tamariskia, and Omaruru clusters for grades 10, 11, and AS level to sharpen their academic skills in English, Mathematics, and Sciences, with the aim of preparing them for the final examination. The holiday classes intervention has proven to yield positive results, as revealed by an evaluation conducted with learners at the end of the engagement. Students who attended The Rössing Foundation's winter holiday school had the opportunity to consolidate science subject content and understand what they had learned at school during the academic term, as well as improve their ability to maintain a positive attitude. It is therefore safe to mention that the holiday school at the Foundation does contribute to the enhancement of quality education in Namibia.

Messages from participating learners and teachers are encouraging to the value of the RF and its partners as annotated below:

#### Learner 1:

I always thought being taught by more than one teacher brings confusion in learners, however after attending Chemistry lessons with Rev. Noah Shikongo for three consecutive days, I realise that what I believed was wrong. I am glad that I had the opportunity through the Rössing Foundation, to attend the lessons. Not only did I gain knowledge but also gained a better understanding of the level I am doing. The Rössing Foundation is making the Advanced Subsidiary level so much easy and I wish all AS learners get taught here.

#### Learner 2:

It was a great honour and privilege to attend the holiday classes in July, as the classes were effective. It is also a pleasure that I managed to do some experiments. We got exposed to a lot of educational and inspired by young and experienced teacher.

Thanks to Rev. Noah Shikongo, Mr Mushelenga and the Rössing Foundation. God bless you all and continue doing all this impressive work.

**To Rössing Foundation: We would like to thank you for the assistance and support that you offered to our grade 12 AS learners in Advanced Practicals (Paper 3) in Biology, Chemistry, and Physics last year (2022). Our learners performed well in all three subjects, and we will forever be grateful for that. Ms. SN. Uusiku. Principal of Shaanika Nashilongo Secondary School**

### 4. Library services

The Foundation operates six libraries in Namibia: two in Arandis, two in Tamariskia, and two in Ondangwa. The learners and communities from Arandis, Swakopmund and Ondangwa continue to utilise the Foundation's libraries to enhance a reading culture and knowledge-based society.

The libraries in the three host communities serve as sources of academic and career information, as they offer a quiet study and research space for adults and children. The library's clients, mainly students, out-of-school youth, teachers, and the public at large, borrow books, surf the internet, and access periodicals such as magazines. During the year under review, the libraries recorded 24,115 users. Because the libraries are in close proximity to the communities, they are easily accessible.



Learners at The Rössing Foundation libraries

Another notable activity that featured on our library services calendar is the Readathon Programme, which is a national annual activity under the Ministry of Education, Arts and Culture. Learners from different schools chose books from the Foundation's libraries and read them during the Readathon week. The aim is to promote a culture of reading among school-going children. The 2022 National Readathon Week was celebrated under the theme "Read Namibia, understand the impacts of climate change on key economic sectors and livelihoods in Namibia". The Readathon was attended by 27 learners from six different schools.

The learners were guided and monitored throughout, and by the end of the week, they summarised and presented what they had read to the large audiences. The learners who performed well were rewarded with promotional materials such as rulers, erasers, sharpeners, and pencils, while all learners who participated received a certificate of participation. The learners demonstrated strong reading skills, confidence, and enthusiasm for performing dramas and role plays.

## 5. Hardworking achievers recognised

The above-mentioned school, based in Ondangwa town, Oluno circuit, in the Oshana region, is one of the key stakeholders of The Rössing Foundation in education development. In addition to the Rössing Uranium sponsorships at award ceremonies of various schools, the Foundation donated workbooks as prizes for the best academic performers in Mathematics, Physics, and Entrepreneurship, and offered floating trophies for the best sportsmen and women. The prize giving boosted the morale of teachers and students, inspiring them to work even harder in the future. The occasion also served as a source of encouragement to other teachers and learners to put in extra effort to improve their work.



Emma Tshivolo, flanked by her mother, was the best performer in Business Studies Advance Subsidiary Level and was awarded a floating trophy and N\$500.00 in cash, sponsored by Rössing Uranium and The Rössing Foundation

## 6. Textbooks sponsorship

Following the National Conference on Education in August 2022 the Foundation conducted an internal review to assist in mobilising external resources to fund critical education needs. In collaboration with ENAEX Africa, the Foundation will donate 1,426 textbooks worth N\$250,000 to five schools in the Erongo region to improve learning and examination results. With the help of the Erongo Directorate of Education, five schools that will benefit from the textbook sponsorship in subjects such as Mathematics, English, Life Science, Entrepreneurship, and Physics were identified.

The Rössing Foundation recognises the importance of libraries and their role in providing children with a solid foundation for literacy skills. And, true to our value of "a culture of caring", we donated 170 library books to Andimba Toivo ya Toivo Secondary School in Oshana region, 200 books to JB Brandt Primary School and 170 books to Katora Primary School in Erongo region during their respective annual prize giving ceremonies in October 2022. Approximately 3,000 additional books are to be

donated in early 2023 to various school libraries across the country. Access to prescribed textbooks and learning materials enhances teaching and learning at schools as the syllabus is completed in time for exams, with the potential for improved pass rates in Mathematics, Sciences, and Business Studies.



Rössing Foundation donated 200 library books to the JP Brandt School library, while Rössing Uranium donated N\$1,500 towards the school's prize giving ceremony

## 7. Social accountability and school governance project

The Rössing Foundation, in collaboration with the Ministry of Education, Arts and Culture and UNICEF, provided school board trainer workshops to regional government officials. Since its inception in 2015, the programme has trained 227 regional school board trainers in ten different regions: Ohangwena, Hardap, //Kharas, Zambezi, Kavango West, Kavango East, Zambezi, Oshikoto, Kunene, and Omaheke. During the year under review, 89 school board trainers from Kavango West and Oshikoto regions were trained on school governance. The regional trainers are then deployed to further train and guide school board members (parents, teachers, and learners) to understand and implement their roles and responsibilities in accordance with the Education Act 16 of 2001. The programme's goal is to equip school boards with the knowledge and skills necessary to provide oversight and governance to the schools.

The above-mentioned project came to an end and the Foundation was required to carry out the Rapid Assessment (RA) under the Partnership Cooperation Agreement of 2021 – 2022 after the implementation of the agreed activities. Therefore, an assessment was conducted in three regions where the programme has been implemented: Oshana, Ohangwena and Kunene. The assessment examined social accountability and school governance as well as the co-ordination of school boards' operations following the training. The outcomes from the study revealed that school communities, as represented by the school boards, now better understand their rights to education, roles and responsibilities towards education and can support and monitor education performance at their respective schools after being empowered through training.



## 8. Support towards teacher’s professional development

Teacher assistance is an essential component of our programmes. Teachers who are well trained and equipped are not only confident in front of their students, but they also produce the best results. As a result, in collaboration with our key stakeholder, MoEAC, a total of 182 teachers in the Erongo, Oshana and Omusati regions were supported during the second and final quarters of the year through centre-based support, workshops, and holiday classes. This excludes the vast majority of teachers who received assistance via WhatsApp teachers’ groups, email, or phone calls. Teachers were given access to teaching and learning materials, examination papers were assigned, and lab practicals were conducted.

The Rössing Foundation has supported a senior education officer (responsible for Science) from the Ministry of Education to attend the Southern Africa sub-regional forum conference on artificial intelligence organised by the United Nations Educational, Scientific, and Cultural Organization (UNESCO) in collaboration with the Ministry of Higher Education, Technology, and Innovation. Among the participants and delegates were eminent local and international educationists, researchers, scholars, academics, scientists, engineers, administrators, diplomats, lawmakers, and heads of various ICT and higher education institutions. The conference established a forum for the exchange of scientific research findings, as well as functions of artificial intelligence and how they can be integrated into daily life.

## 9. Integrity is the “KEY” to business success

Ten Rössing Foundation employees, together with staff from immediate stakeholders such as schools, the Ministry of Rural and Urban Development, and the Ministry of Agriculture, Water and Land Reform, completed the Business Integrity Training presented by Rössing Uranium. The total number of stakeholders that participated in the training is as follows:

| Stakeholder                                    | Number of representatives |
|--|---------------------------|
| Ministry of Education, Arts and Culture        | 6                         |
| Ministry of Agriculture, Water and Land Reform | 1                         |
| Ministry of Rural and Urban Development        | 1                         |
| Meo Cleaning Services CC                       | 2                         |
| KAYEC Trust                                    | 3                         |
| The Rössing Foundation                         | 10                        |
| <b>Total participants</b>                      | <b>23</b>                 |

Business integrity is of paramount importance to the Foundation’s operation and its stakeholders; hence, training was organised to raise awareness about integrity standards, promote transparency, and cultivate a culture of doing the “right thing”. After the training, participants expressed a sense of empowerment and have indicated that they would promote and uphold strong moral and ethical principles.

## 10. Strategic partnerships and investing in our human capital

In respect to continuous growth, learning, and partnership as per our operational values, the Foundation continues to collaborate with local and international stakeholders for common ground. Through a joint collaborative effort, six Foundation staff have completed a series of project training workshops in order to strengthen internal capacity, increase productivity, and jointly grow the institution, especially during the transformation process.

There were two Climate Finance Training workshops by the Ministry of Environment, Forestry and Tourism. The staff members were equipped with skills for developing project proposals on climate financing. As a result, The Rössing Foundation has, to date, composed 12 project concept notes and submitted them to potential financiers. The responses from potential donors are quite positive, and these engagements will be concluded in 2023.

In addition, the Foundation continues to strengthen the developmental partnership with international organisations such as UNICEF. Two Foundation officials completed Prevention of Sexual Exploitation and Abuse (“PSEA”) training that was sponsored by UNICEF. The training’s goals included learning about the PSEA protocol process, its purpose, and the desired outcomes. The Foundation has developed and adopted an internal policy on PSEA.

## 11. Governance, accountability and compliance

The Board of Trustees has adopted and approved the following policies:

- Rössing Foundation Code of Ethics
- Rössing Foundation Fraud Prevention Framework
- Rössing Foundation Whistle Blower Protection Policy

We have taken the necessary steps to ensure that the Foundation is in good legal and financial standing. We are proudly compliant with, among others, the following regulatory bodies:

- National Welfare Board (National Welfare Act, Act 74 of 1965)
- Social Security Commission (Social Security Act, Act 34 of 1994)
- Employment Equity Commission (Affirmative Action – Employment – Act, Act 29 of 1998)
- Namibia Revenue Agency (Namibia Revenue Agency Act, Act 12 of 2017, Value Added Tax Act, Act 10 of 2000, Customs and Excise Act, Act 20 of 1978, Income Tax Act, Act 24 of 1981)

# OUR VALUE ADDITION

## Our value addition

As a major employer and purchaser of goods and services, Rössing makes a significant annual contribution to economic development in the Erongo region and to Namibia as a whole.

Rössing's total spend for goods and services for operations was N\$3.42 billion during 2022 (2021: N\$3.01 billion).

As with previous reporting years, most of the procurement expenditure was on Namibian-registered suppliers. Rössing's spend on local suppliers amounted to N\$2.54 billion during 2022 (2021: N\$2.25 billion), accounting for 74 per cent of our total procurement expenditure. The continued high percentage local spend reflects the company's confidence to procure locally. N\$386 million was spent on South African suppliers, representing 11 per cent of our procurement expenditure, while N\$501 million was spent on international suppliers, representing 15 per cent of our total expenditure.

Rössing remains committed to supporting local suppliers, including spending on developing SMEs. The bulk of the Namibian spend remains in the Erongo (35 per cent) and Khomas (52 per cent) regions. Spend in other regions of Namibia amounted to 13 per cent, with the highest spend in the northern region due to the current Supply of Sulphuric Acid agreement with Dundee Precious Metals in Tsumeb.

## Preferential procurement and enterprise development

We remain committed to supporting government development initiatives and the New Equitable Economic Empowerment Framework ("NEEEF") through preferential procurement. As such, we support local suppliers and continue to enhance our data regarding supplier ownership and employment statistics, which we also report on a quarterly basis to the Namibia Competition Commission.

Of our Namibian spend, 60% (2021: 62%) came from suppliers that confirmed majority Namibian ownership, while 88% (2021: 90%) of the total Namibian spend came from suppliers that employ 75% or more Namibians in their workforce.

In the below-N\$250,000 spend category, N\$518 million (2021: N\$474 million) was generated in Namibia, of which 68% came from suppliers with majority Namibian ownership, while 83% was from suppliers that employ 75% or more Namibians in their workforce.

During the reporting period, we purchased N\$110 million (2021: N\$86 million) worth of goods and services from previously disadvantaged Namibians and local small and medium-sized enterprises.

## Summary of Rössing Uranium's value addition

Rössing's activities in Namibia lead to a long chain of value addition throughout the economy. 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 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 socio-economic contributions we have made to Namibia over the last five years (2018 to 2022).

Distribution of Rössing Uranium's procurement expenditure, 2022 (percentage)

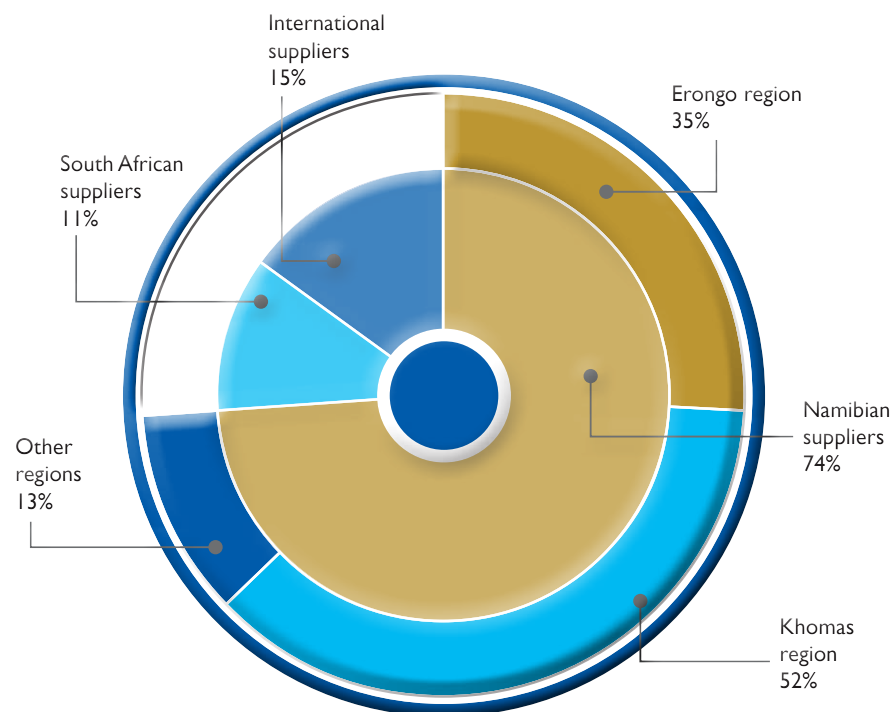


Figure 19



## Our value addition continued

### Stakeholders' Value Added Statement<sup>1</sup> for the year ended

|  | Notes | 2022<br>N\$'000  | 2021<br>N\$'000 | 2020<br>N\$'000 | 2019<br>N\$'000 | 2018<br>N\$'000 |
|--|-------|------------------|-----------------|-----------------|-----------------|-----------------|
| Turnover   |       | 4,806,409        | 4,209,937       | 4,421,108       | 2,684,574       | 2,835,698       |
| Other income – sale of substitute concentrate/contract settlements |       | 33,016           | 47,973          | 96,032          | 138,849         | –               |
| ± Stock movement of Semi-finished and Finished goods               |       | 238,121          | (136,594)       | (190,995)       | 919,397         | 211,000         |
| Less: Purchased material and services from non-stakeholders        |       | 2,703,957        | 2,349,062       | 2,478,474       | 2,054,191       | 1,758,543       |
| <b>Total value added</b>   |       | <b>2,373,589</b> | 1,772,254       | 1,847,671       | 1,688,629       | 1,288,155       |
| Investment income  |       | 135,599          | 54,555          | 73,354          | 96,585          | 82,402          |
| Release of foreign denominated cash                                |       | –                | –               | –               | 69,023          | 101,702         |
| <b>Total wealth created</b>  |       | <b>2,509,188</b> | 1,826,809       | 1,921,025       | 1,854,237       | 1,472,259       |
| Employees  | 1     | 822,273          | 930,459         | 804,969         | 767,289         | 733,504         |
| Providers of equity capital  |       | 47,982           | –               | –               | –               | –               |
| Providers of loan capital  |       | –                | –               | –               | –               | –               |
| Government   | 2     | 644,680          | 587,126         | 575,166         | 534,238         | 551,762         |
| The Rössing Foundation   |       | 26,635           | 11,945          | 15,218          | 12,000          | 12,000          |
| Reinvested in the Group  | 3     | 967,618          | 297,279         | 525,672         | 540,710         | 174,993         |
| <b>Total wealth distributed</b>                                    |       | <b>2,509,188</b> | 1,826,809       | 1,921,025       | 1,854,237       | 1,472,259       |

<sup>1</sup> Stakeholders in this context: Shareholders, Government, lenders, employees and the Rössing Foundation.

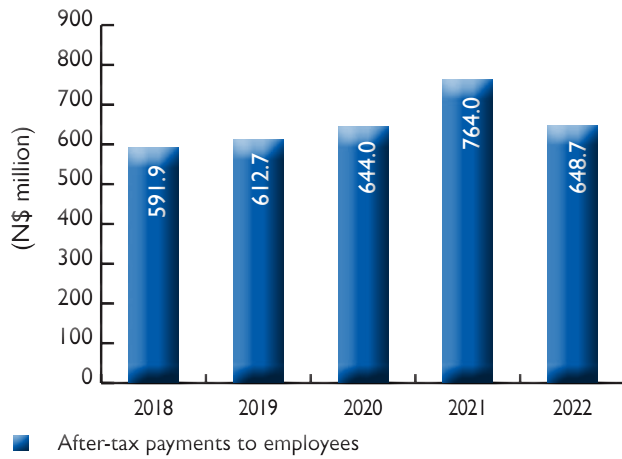
## Notes to the Stakeholders' Value Added Statement

|   | Notes | 2022<br>N\$'000 | 2021<br>N\$'000 | 2020<br>N\$'000 | 2019<br>N\$'000 | 2018<br>N\$'000 |
|---|-------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>1. Employees</b>                       |       | <b>822,273</b>  | <b>930,459</b>  | <b>804,969</b>  | <b>767,289</b>  | <b>733,504</b>  |
| – Net salaries and wages                  |       | 648,715         | 763,950         | 643,963         | 612,749         | 591,925         |
| – Pay-as-you-earn (PAYE) taxes            |       | 173,558         | 166,509         | 161,006         | 154,540         | 141,579         |
| <b>2. Government</b>                      |       | <b>644,680</b>  | <b>587,126</b>  | <b>575,166</b>  | <b>534,238</b>  | <b>551,762</b>  |
| – Dividend                                |       | 1,698           | –               | –               | –               | –               |
| – Erongo Regional Electricity Distributor |       | 754             | 602             | 796             | 949             | 1,262           |
| – Mining royalty tax                      |       | 138,102         | 111,150         | 128,639         | 77,590          | 87,511          |
| – NamWater                                |       | 163,512         | 156,373         | 151,944         | 148,147         | 145,890         |
| – NamPost                                 |       | 1               | 1               | –               | –               | –               |
| – NamPort                                 |       | 4,638           | 4,487           | 5,513           | 2,828           | 2,731           |
| – NamPower                                |       | 287,715         | 278,875         | 256,828         | 265,211         | 277,560         |
| – Rates, taxes and licences               |       | 2,076           | 1,784           | 215             | 224             | 320             |
| – Namibia Training Authority              |       | 8,360           | 8,081           | 7,365           | 7,680           | 7,017           |
| – Receiver of Revenue                     |       | –               | –               | –               | –               | –               |
| Current tax                               |       | –               | –               | –               | –               | –               |
| Export Levy                               |       | 13,061          | 9,910           | 10,162          | 6,336           | 7,887           |
| – Road Fund Administration                |       | 2,206           | 1,998           | 1,861           | 1,765           | 1,610           |
| – Telecom Namibia                         |       | 2,213           | 3,151           | 2,377           | 2,903           | 3,067           |
| – TransNamib                              |       | 20,344          | 10,714          | 9,466           | 20,605          | 16,907          |
| <b>3. Reinvested in the Group</b>         |       | <b>967,618</b>  | <b>297,279</b>  | <b>525,672</b>  | <b>540,710</b>  | <b>174,993</b>  |
| – Depreciation                            |       | 127,889         | 104,426         | 82,452          | 37,747          | 8,501           |
| – Retained earnings                       |       | 839,729         | 192,853         | 443,220         | 502,963         | 166,492         |
| – Deferred stripping capitalised          |       | –               | –               | –               | –               | –               |
| – Deferred tax                            |       | –               | –               | –               | –               | –               |



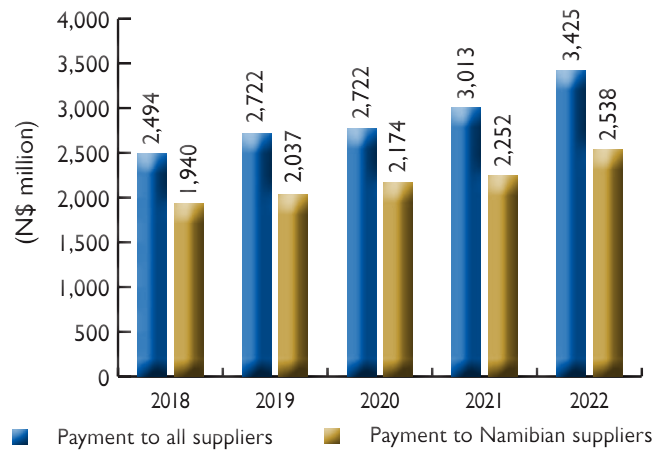
**Our value addition** continued

**After-tax payments to employees – 2018 to 2022**



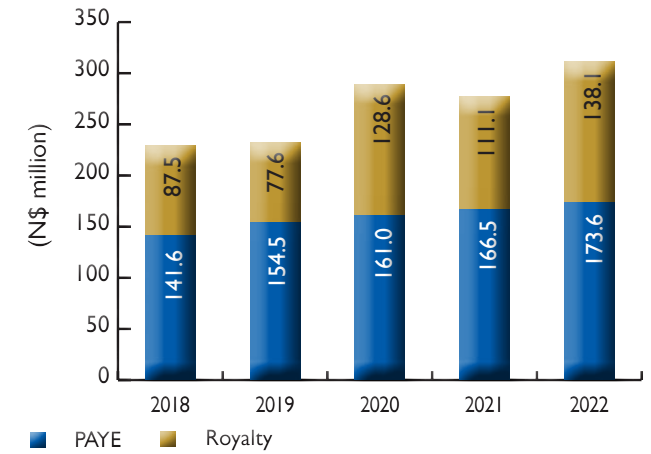
**Figure 20**

**Payment to suppliers – 2018 to 2022**



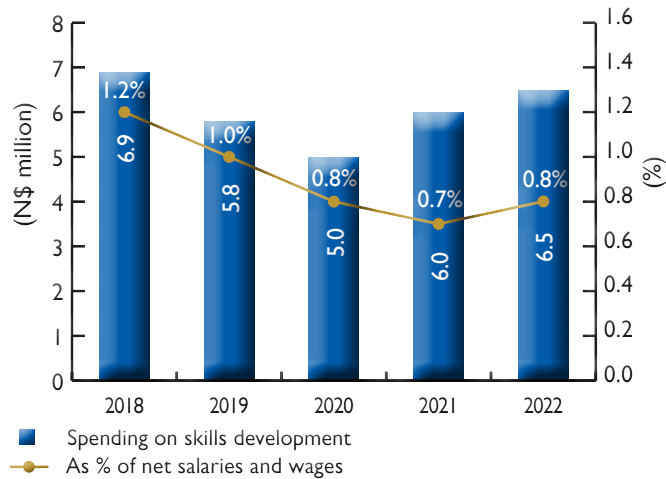
**Figure 21**

**Contribution to Government revenue – 2018 to 2022**



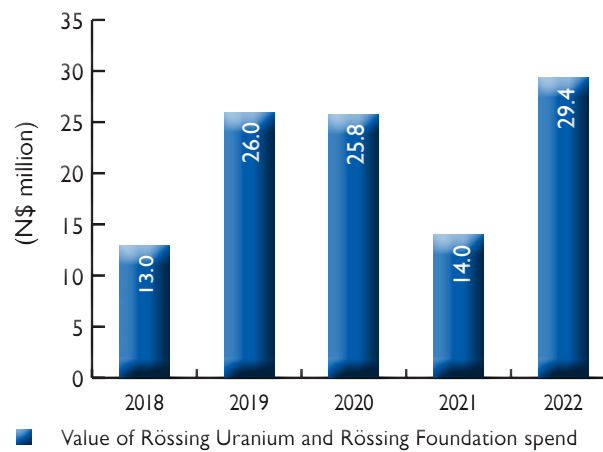
**Figure 22**

**Contribution on skills development**



**Figure 23**

**Contribution to Namibian communities – 2018 to 2022**



**Figure 24**

# ANNUAL FINANCIAL STATEMENTS





## Summary annual financial statements

Summary statement of profit or loss and other comprehensive income and expenses for the year ended 31 December 2022

|   | Notes | Audited<br>2022<br>N\$'000 | Audited<br>2021<br>N\$'000 |
|---|-------|----------------------------|----------------------------|
| <b>Continuing operations</b>  |       |                            |                            |
| Revenue   |       | 4,839,425                  | 4,257,910                  |
| Other income  |       | 27,984                     | 20,230                     |
|   |       | <b>4,867,409</b>           | 4,278,140                  |
| Operating costs   |       | (3,831,682)                | (3,862,689)                |
| Depreciation, amortisation charges  |       | (127,889)                  | (104,426)                  |
| Other net gains   |       | 69,823                     | 112,458                    |
| Royalties-mining  |       | (138,102)                  | (111,150)                  |
| <b>Operating profit</b>   |       | <b>839,559</b>             | 312,333                    |
| Finance income  | 4     | 135,599                    | 54,555                     |
| Finance costs   | 4     | (118,292)                  | (117,225)                  |
| <b>Profit before income tax</b>   |       | <b>856,866</b>             | 249,663                    |
| Income tax  | 5     | –                          | 12,790                     |
| <b>Profit for the year</b>  |       | <b>856,866</b>             | 262,453                    |
| <b>Other comprehensive income for the year</b>  |       |                            |                            |
| Actuarial gains on defined benefit pension asset  |       | 158,386                    | 145,682                    |
| <b>Total comprehensive income for the year attributable to equity holders of company</b>                        |       | <b>1,015,252</b>           | 408,135                    |
| <b>Reconciliation of total comprehensive income for the year to net profit after tax from normal operations</b> |       |                            |                            |
| <b>Total comprehensive income for the year as above</b>   |       | <b>1,015,252</b>           | 408,135                    |
| – Actuarial (gains) on defined benefit asset  |       | (158,386)                  | (145,682)                  |
| – Forex (gains) on Kalahari and Extract funds   |       | (17,137)                   | (69,600)                   |
| <b>Net profit after tax from normal operations</b>  |       | <b>839,729</b>             | 192,853                    |

## Summary annual financial statements continued

Summary statement of financial position  
as at 31 December 2022

|   | Notes | Audited<br>2022<br>N\$'000 | Audited<br>2021<br>N\$'000 |
|---|-------|----------------------------|----------------------------|
| <b>ASSETS</b>                                   |       |                            |                            |
| <b>Non-current assets</b>                       |       |                            |                            |
| Property, plant and equipment                   | 6     | 515,539                    | 464,508                    |
| Intangible assets                               | 7     | 14,543                     | 27,951                     |
| Right-of-use asset                              | 8     | 39,154                     | 19,069                     |
| Defined benefit pension asset                   |       | 390,542                    | 226,155                    |
| Rössing Environmental Rehabilitation Fund asset |       | 1,462,208                  | 1,251,556                  |
| <b>Current assets</b>                           |       |                            |                            |
| Inventories                                     | 9     | 2,247,277                  | 1,948,686                  |
| Trade and other receivables                     |       | 242,333                    | 208,846                    |
| Restricted cash equivalents                     | 10    | 754,875                    | 406,069                    |
| Cash and cash equivalents                       | 10    | 1,525,925                  | 1,389,942                  |
| <b>Total assets</b>                             |       | <b>7,192,396</b>           | <b>5,942,782</b>           |
| <b>EQUITY AND LIABILITIES</b>                   |       |                            |                            |
| <b>Equity</b>                                   |       |                            |                            |
| Share capital                                   |       | 223,020                    | 223,020                    |
| Retained earnings                               |       | 3,598,017                  | 2,632,445                  |
| <b>Non-current liabilities</b>                  |       |                            |                            |
| Deferred tax liabilities                        |       | –                          | –                          |
| Lease liabilities                               | 8     | 28,621                     | 16,823                     |
| Post-employment obligation                      |       | 13,299                     | 13,929                     |
| Provision for closure and restoration costs     |       | 1,779,285                  | 1,694,536                  |
| <b>Current liabilities</b>                      |       |                            |                            |
| Trade and other payables                        |       | 1,537,662                  | 1,358,512                  |
| Lease liabilities                               | 8     | 12,492                     | 3,517                      |
| <b>Total equity and liabilities</b>             |       | <b>7,192,396</b>           | <b>5,942,782</b>           |



## Summary annual financial statements continued

Summary statement of cash flows  
for the year ended 31 December 2022

|   | Notes | Audited<br>2022<br>N\$'000 | Audited<br>2021<br>N\$'000 |
|---|-------|----------------------------|----------------------------|
| <b>Cash flows from operating activities</b>                     |       |                            |                            |
| Cash generated by operations                                    |       | 706,174                    | 706,162                    |
| Interest received   | 4     | 13,694                     | 1,848                      |
| Interest paid   | 4     | (5,984)                    | (11,579)                   |
| Tax (paid)/received   | 5     | –                          | 12,790                     |
| <b>Net cash generated by operating activities</b>               |       | <b>713,884</b>             | 709,221                    |
| <b>Cash flows from investing activities</b>                     |       |                            |                            |
| Intangible asset additions                                      | 7     | (1,366)                    | (8,176)                    |
| Purchases of property, plant and equipment                      | 6     | (181,927)                  | (195,670)                  |
| Proceeds from sale of fixed assets                              |       | 320                        | 1,332                      |
| Contributions made to Rössing Environmental Rehabilitation Fund |       | (88,747)                   | (79,187)                   |
| <b>Net cash (utilised) by investing activities</b>              |       | <b>(271,720)</b>           | (281,701)                  |
| <b>Cash flows from financing activities</b>                     |       |                            |                            |
| Payment of principal portion of lease liabilities               |       | (6,925)                    | (5,549)                    |
| Interest accretion on leases                                    |       | (2,165)                    | (1,602)                    |
| Dividends paid  |       | (49,680)                   | –                          |
| <b>Net cash (utilised) by financing activities</b>              |       | <b>(58,770)</b>            | (7,151)                    |
| <b>Increase in cash and cash equivalents</b>                    |       |                            |                            |
| Cash and cash equivalents at beginning of year                  |       | 1,796,011                  | 1,295,654                  |
| Effects of exchange rate changes on cash and cash equivalents   |       | 101,395                    | 79,988                     |
| <b>Cash and cash equivalents at end of year</b>                 | 10    | <b>2,280,800</b>           | 1,796,011                  |

## Summary annual financial statements continued

Summary statement of changes in equity  
for the year ended 31 December 2022

|   | Share<br>capital<br>N\$'000 | Retained<br>earnings<br>N\$'000 | Total<br>N\$'000 |
|---|-----------------------------|---------------------------------|------------------|
| <b>Balance at 1 January 2021</b>        | 223,020                     | 2,224,310                       | 2,447,330        |
| Profit for the year                     | –                           | 262,453                         | 262,453          |
| Other comprehensive income and expenses | –                           | 145,682                         | 145,682          |
| Total comprehensive income              |                             | 408,135                         | 408,135          |
| <b>Balance at 31 December 2021</b>      | 223,020                     | 2,632,445                       | 2,855,465        |
| <b>Balance at 1 January 2022</b>        | <b>223,020</b>              | <b>2,632,445</b>                | <b>2,855,465</b> |
| Profit for the year                     | –                           | <b>856,866</b>                  | <b>856,866</b>   |
| Other comprehensive income and expenses | –                           | <b>158,386</b>                  | <b>158,386</b>   |
| Total comprehensive income              | –                           | <b>1,015,252</b>                | <b>1,015,252</b> |
| Dividend paid                           |                             | <b>(49,680)</b>                 | <b>(49,680)</b>  |
| <b>Balance at 31 December 2022</b>      | <b>223,020</b>              | <b>3,598,017</b>                | <b>3,821,037</b> |



## Notes to the summary annual financial statements

For the year ended 31 December 2022

### 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 2022. The audited annual financial statements of the company as at and for the year ended 31 December 2022 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 2022.

### 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 2022.

### 4. Finance income and costs

Finance income – Rehabilitation fund – Capital growth  
Interest income – Bank balances  
Finance income

Interest expense – Bank borrowings  
Interest expense – Lease liabilities  
Provisions – unwinding of discount – Non-cash item  
Finance costs

### 5. Taxation

Namibia – current taxation  
Namibia – deferred taxation

US Federal tax charge  
Penalties and interest on US Federal tax charge

|  | 2022<br>N\$'000  | 2021<br>N\$'000 |
|--|------------------|-----------------|
|  | <b>121,905</b>   | 52,707          |
|  | <b>13,694</b>    | 1,848           |
|  | <b>135,599</b>   | 54,555          |
|  | <b>(5,984)</b>   | (11,579)        |
|  | <b>(2,165)</b>   | (1,602)         |
|  | <b>(110,143)</b> | (104,044)       |
|  | <b>(118,292)</b> | (117,225)       |
|  | –                | –               |
|  | –                | –               |
|  | –                | –               |
|  | –                | (14,313)        |
|  | –                | 1,523           |
|  | –                | (12,790)        |

## Notes to the summary annual financial statements continued

For the year ended 31 December 2022

|   | 2022<br>N\$'000 | 2021<br>N\$'000 |
|---|-----------------|-----------------|
| <b>6. Property, plant and equipment</b> |                 |                 |
| Net book value at beginning of the year | 464,508         | 360,301         |
| Additions                               | 181,927         | 195,670         |
| Disposals                               | –               | (836)           |
| Transfers                               | (1,886)         | (11,425)        |
| Depreciation charge                     | (103,616)       | (69,021)        |
| Closure cost adjustment                 | (25,394)        | (10,181)        |
| Net book value at end of the year       | <b>515,539</b>  | 464,508         |
| <b>7. Intangible Assets</b>             |                 |                 |
| Net book value at beginning of the year | 27,951          | 37,732          |
| Additions                               | 1,366           | 8,176           |
| Disposals                               | –               | –               |
| Transfers                               | 1,886           | 11,425          |
| Amortisation charge                     | (16,660)        | (29,382)        |
| Net book value at end of the year       | <b>14,543</b>   | 27,951          |

No impairment charge was incurred during 2022, 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 and 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 2022 is estimated at a value of N\$2,323,000,000 (2021: N\$1,020,000,000) at a year-end exchange rate of USD/NAD 16.95 (2021: USD/NAD 15.94) using a discount rate of 10.0% (2021: 10.0%) and a closure discount rate of 2% (2021: 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 15 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 sub-leasing 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.



## Notes to the summary annual financial statements continued

For the year ended 31 December 2022

### 8. Leases continued

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

|  | 2022<br>N\$'000 | 2021<br>N\$'000 |
|--|-----------------|-----------------|
| <b>Right-of-use assets</b>   |                 |                 |
| Opening balance at beginning of the year   | 19,069          | 24,450          |
| Additions/Remeasurement  | 27,698          | 642             |
| Depreciation   | (7,613)         | (6,023)         |
| <b>Closing balance at beginning of the year</b>                                      | <b>39,154</b>   | 19,069          |
| <b>Lease liabilities</b>   |                 |                 |
| Opening balance at beginning of the year   | 20,340          | 25,247          |
| Additions  | 27,698          | 642             |
| Accretion of interest  | 2,165           | 1,602           |
| Payments   | (9,090)         | (7,151)         |
| <b>Closing balance at beginning of the year</b>                                      | <b>41,113</b>   | 20,340          |
| Lease liabilities – current  | 12,492          | 3,517           |
| Lease liabilities – non-current  | 28,621          | 16,823          |
|  | <b>41,113</b>   | 20,340          |
| <b>Amounts recognised in profit or loss as expenses:</b>                             |                 |                 |
| Depreciation expense for right-of-use assets   | 7,613           | 6,023           |
| Interest expense on lease liabilities  | 2,165           | 1,602           |
| Expenses relating to variable lease payments, low-value assets and short-term leases | 40,023          | 29,362          |
|  | <b>49,801</b>   | 36,987          |
| <b>9. Inventories</b>  |                 |                 |
| Inventories are stated after   |                 |                 |
| – Providing for obsolescence and impairment  |                 |                 |
| – raw materials obsolescence   | 28,272          | 33,801          |
| – long-term work-in-progress impairment  | 36,583          | 36,583          |

## Notes to the summary annual financial statements continued

For the year ended 31 December 2022

### 10. Cash and cash equivalents

|   | 2022<br>N\$'000  | 2021<br>N\$'000 |
|---|------------------|-----------------|
| Cash at bank and in hand (refer to note 10.1)                                       | 931,107          | 738,157         |
| Short-term fixed deposit (refer to note 10.2)                                       | 594,818          | 651,785         |
| Restricted cash equivalent – Rio Tinto sales agreement guarantee (refer to note 14) | 423,801          | 79,719          |
| Restricted cash equivalent – Iran Foreign Investment Company (refer to note 10.3)   | 331,074          | 326,350         |
|   | <b>2,280,800</b> | 1,796,011       |

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

#### 10.1 Cash at bank and overdraft

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

#### 10.2 Short-term fixed deposit

Investment in short-term fixed deposit

(Drawdown)/replenishment of funds

Forex gains on funds

Closing balance

|                |           |
|----------------|-----------|
| 651,785        | 970,802   |
| (74,104)       | (388,617) |
| 17,137         | 69,600    |
| <b>594,818</b> | 651,785   |

#### 10.3 Restricted cash equivalent – Iran Foreign Investment Company

The restricted cash equivalent relates to historic dividends that are payable to the Iran Foreign Investment Company ("IFIC") shareholder. The transfer of the funds was initially restricted in terms of UN Security Council Resolution ("UNSCR") 1929, which has subsequently been repealed by UNSCR 2231. However, certain restrictions in terms of UNSCR 2231 remain in place. Additionally, the US through its Treasury's Office of Foreign Assets Controls ("OFAC") has identified IFIC as an entity controlled by the Iranian Government and added IFIC to its Specifically Designated Nationals and Blocked Persons List ("SDN List"). Under US Executive Order (E.O. 13846), the release of these dividends to IFIC could expose Rössing Uranium Limited to secondary sanctions. The Board has critically assessed this risk and resolved to continue to keep these dividends under escrow, until a viable and legally acceptable pathway for the release thereof, without Rössing Uranium Limited attracting sanctions, can be found.

The Board will continue to consider this approach within the legal ambit of the remaining sanctions on the restriction. In the interim, at the request of the shareholder, the funds have been invested in a euro-denominated fixed deposit account. The euro deposit remains under the control of Rössing Uranium Limited.

### 11. Capital commitments

|   | 2022<br>N\$'000 | 2021<br>N\$'000 |
|---|-----------------|-----------------|
| Capital expenditure contracted but not yet incurred as at 31 December | 22,626          | 18,873          |



## Notes to the summary annual financial statements continued

For the year ended 31 December 2022

### 12. Unconditional purchase obligations

The company has entered into minimum off-take agreements with the suppliers of sulphuric acid for the next year as well as commitments with regard to imports of manganese, tyres, grinding rods and other major consumables within one year. The total undiscounted amount at the year-end amounted to N\$483,726,015 (2021: N\$337,841,101).

### 13. Guarantees

In 2017 the company entered into an amended marketing arrangement with Rio Tinto Marketing Singapore Pte Ltd ("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 accordance with the conditions of this arrangement, the company had to increase the financial guarantee to RTU from US\$5,000,000 to US\$25,000,000 during 2022 as a result of the increase in the uranium market prices, with a value at year end of N\$423,800,644 (2021: N\$79,719,388). The RTU sales agreement guarantee is classified as a restricted cash equivalent.

During 2021 the company entered in an arrangement with IHC South Africa (Pty) Ltd ("IHC") whereby Standard Bank Namibia issued a letter of credit in favour of IHC. The letter of credit ("LC") related to the Roaster 1 replacement project and included predetermined milestones upon which payments would be issued to IHC directly by the bank following the required stage of completion and approval by the company. The total value of the LC was N\$26,984,764, which has been fully executed and paid to IHC before the year-end, based on the milestones achieved. The remaining value of the LC as at year-end amounted to N\$ Nil (2021: N\$10,119,286).

### 14. Related parties

The company is controlled by CNUC Namibia Mining Limited 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. The following transactions were carried out with related parties:

| Summary of related party transactions                                      | 2022<br>N\$'000 | 2021<br>N\$'000 |
|--|-----------------|-----------------|
| Sales to Related Parties   | 2,377,088       | 2,635,578       |
| Other income from Related Parties  | 2,361           | 2,272           |
| Purchase of Product and Services   | 75,629          | 74,183          |
| Receivables from Related Parties   | 39,626          | 90,205          |
| Payables to Related Parties  | 502,249         | 6,827           |
| Transactions with Government, State-owned and Semi-State-owned enterprises | 642,983         | 587,126         |

### 15. Fair Value of Financial Instruments

At 31 December 2022, the carrying amounts of cash and short-term fixed 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.

### 16. Market risk - foreign exchange risk

The company is exposed to foreign exchange risk arising from various currency exposures, primarily to the US dollar. 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 and 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 yearend.

At 31 December 2022, there was no derivative asset or liability. At 31 December 2022, 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\$57,070,345 (2021: N\$63,052,724) higher/lower, mainly as a result of foreign gains or losses on translation of the US-denominated inter-company receivables, trade receivables and cash equivalents.

# Notes to the summary annual financial statements continued

For the year ended 31 December 2022

## Company operational and financial review

### Financial performance

Revenue was higher than 2021 by 14%, despite sales volumes being 14% lower than prior year. The lower sales volumes resulted from lower production in the current year, significantly impacted by the prolonged unplanned desalination water outage during December, despite being partially mitigated by the additional Rössing water reservoirs capacity. However, the macro-economic parameters assisted to achieve an exceptional financial performance. While a weaker local currency, high inflation and commodity price spikes had a significant negative impact on costs, the uranium price also increased and the combination of being able to capitalise on the higher spot price, combined with a strong US dollar, resulted in a strong revenue stream, ultimately mitigating the negative cost challenges. This enabled the company to achieve an increased net profit after tax from normal operations of N\$840 million (2021: N\$193 million), which also resulted in the company declaring a total interim dividend of N\$49.7 million (2021: NIL). Further details of the company's financial performance are set out in the summary statement of profit or loss and other comprehensive income.

### Operations

Production of uranium oxide for the year was 2,659 metric tonnes compared to 2,882 metric tonnes in 2021. A total of 16,581,950 metric tonnes (2021: 20,721,716 metric tonnes) were mined from the open pit and 8,972,925 metric tonnes (2021: 9,622,798 metric tonnes) of ore were milled. The mine is currently operating on an approved Life-of-Mine Plan to 2026 (2021: 2026).

### Dividends

An interim dividend of 30 cents per share was approved by the Board of Directors on 18 August 2022 to the value of N\$49,680,000 (2021: NIL) and paid out during August 2022.

### Holding Company and Ultimate Holding Company

The company's immediate holding company is CNUC Namibia Mining Limited, a company registered in Namibia. China National Nuclear Corporation Limited, registered in China, is the company's ultimate holding company.

### Going Concern

The annual financial statements were prepared on a going concern basis. 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.

### Subsequent Events

Other than the dividend of 47.0 cents per share that was recommended by the Board of Directors on 22 February 2023 to the value of N\$77,832,000, the directors are not aware of any other material events which occurred after the reporting date and up to the date of this report.

22 February 2023

## Notes to the summary annual financial statements continued

For the year ended 31 December 2022

### Auditors opinion

The summary results for the year ended 31 December 2022 have been audited by Ernst & Young Namibia. The auditor's unqualified opinion is available for inspection at the company's registered office.

### Directors

S S Galloway (Chairman), D Sauls-Deckenbrock (Vice Chairperson), J S Coetzee (Managing Director)\*, J Chang\*\* (Executive), S Gao\*\*, Y Li\*\*, H P Louw, O S Netta, G N Simubali (alternate C W H Nghaamwa), Y Zhang\*\*

\* South African

\*\* Chinese

### Appointments

|  |                  |
|--|------------------|
| S S Galloway (Chairman)                | 16 February 2022 |
| D Sauls-Deckenbrock (Vice Chairperson) | 16 February 2022 |
| O S Netta                              | 16 February 2022 |
| S Gao                                  | 16 February 2022 |
| J Chang                                | 8 June 2022      |
| Y Zhang                                | 8 June 2022      |

### Resignations

|                    |                 |
|--------------------|-----------------|
| Z Fang (alternate) | 14 January 2022 |
| F Li               | 31 May 2022     |

### Company Secretary

J M Buys  
P O Box 22391  
Windhoek

### Appointments

|                      |             |
|----------------------|-------------|
| J M Buys (Secretary) | 1 July 2022 |
|----------------------|-------------|

### Resignations

|                             |              |
|-----------------------------|--------------|
| G D Labuschagne (Secretary) | 30 June 2022 |
|-----------------------------|--------------|

### Auditors

Ernst & Young Namibia  
P O Box 1857  
Windhoek



# PERFORMANCE DATA

## Performance data table

### Employees

Number of employees

### Production

Uranium oxide produced (tonnes)

Ore processed ('000 tonnes)

Waste rock removed ('000 tonnes)

Ratio of ore milled to waste rock removed

### Health, safety and environment

Musculoskeletal illnesses

Respiratory illnesses

Dermatological illnesses

Noise-induced hearing loss ("NIHL")

All-injury Frequency Rate ("AIFR")

All-injury Frequency Rate ("AIFR") target

Number of lost-day injuries

Source dust levels at fine crushing plant (mg/)

Freshwater consumption ('000 m<sup>3</sup>)

Freshwater usage per tonne of ore milled (m<sup>3</sup>/t)

Ratio of freshwater: total water

Seepage water collected ('000 m<sup>3</sup>)

Energy use onsite (GJ x 1,000)

Energy use per tonne of ore processed (MJ/t)

CO<sub>2</sub> total emission (kt CO<sub>2</sub> equivalent)

CO<sub>2</sub> equivalent emission per tonne of production (e/t uranium oxide)

### Product and customers

Uranium spot market price (US\$/lb) (average)

|   | 2022  | 2021   | 2020  | 2019   | 2018   |
|---|-------|--------|-------|--------|--------|
| Number of employees   | 901   | 943    | 955   | 1,000  | 967    |
| Uranium oxide produced (tonnes)   | 2,659 | 2,882  | 2,489 | 2,449  | 2,479  |
| Ore processed ('000 tonnes)   | 8,973 | 9,623  | 8,718 | 8,006  | 8,851  |
| Waste rock removed ('000 tonnes)  | 7,539 | 10,702 | 9,979 | 13,300 | 11,459 |
| Ratio of ore milled to waste rock removed                                       | 1.19  | 0.90   | 0.87  | 0.60   | 0.77   |
| Musculoskeletal illnesses   | –     | 1      | –     | –      | –      |
| Respiratory illnesses   | –     | –      | –     | –      | –      |
| Dermatological illnesses  | –     | –      | –     | –      | –      |
| Noise-induced hearing loss ("NIHL")   | –     | –      | –     | –      | –      |
| All-injury Frequency Rate ("AIFR")  | 0.43  | 0.29   | 0.34  | 0.49   | 0.83   |
| All-injury Frequency Rate ("AIFR") target                                       | 0.48  | 0.51   | 0.61  | 0.61   | 0.35   |
| Number of lost-day injuries   | 3     | 4      | 2     | 2      | 7      |
| Source dust levels at fine crushing plant (mg/)                                 | 0.08  | 0.18   | 0.44  | 0.30   | 0.05*  |
| Freshwater consumption ('000 m <sup>3</sup> )                                   | 2,769 | 2,724  | 2,512 | 2,578  | 2,883  |
| Freshwater usage per tonne of ore milled (m <sup>3</sup> /t)                    | 0.31  | 0.28   | 0.29  | 0.32   | 0.33   |
| Ratio of freshwater: total water  | 0.35  | 0.35   | 0.33  | 0.33   | 0.36   |
| Seepage water collected ('000 m <sup>3</sup> )                                  | 2,085 | 2,005  | 2,084 | 2,097  | 2,703  |
| Energy use onsite (GJ x 1,000)  | 1,186 | 1,230  | 1,251 | 1,297  | 1,193  |
| Energy use per tonne of ore processed (MJ/t)                                    | 132   | 127    | 143   | 162    | 135    |
| CO <sub>2</sub> total emission (kt CO <sub>2</sub> equivalent)                  | 146.0 | 149.0  | 147.2 | 151.4  | 148.7  |
| CO <sub>2</sub> equivalent emission per tonne of production (e/t uranium oxide) | 54.5  | 51.7   | 59.1  | 61.9   | 60.0   |
| Uranium spot market price (US\$/lb) (average)                                   | 49.81 | 34.92  | 29.60 | 25.91  | 24.59  |

# NUCLEAR FUEL CYCLE

## 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 a fuel for a nuclear reactor, where electricity is generated to produce heat and steam in order to drive a turbine connected to a generator.



### 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 19mm. 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 4.3m 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.



### 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'.



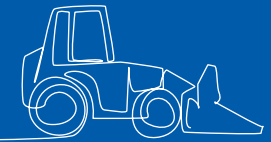
### 11 Drying and roasting

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.**



### 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 solution. 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.



### 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 ( $^{235}\text{U}$ ) 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  $^{235}\text{U}$  fissions, producing heat and steam used to generate electricity.







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