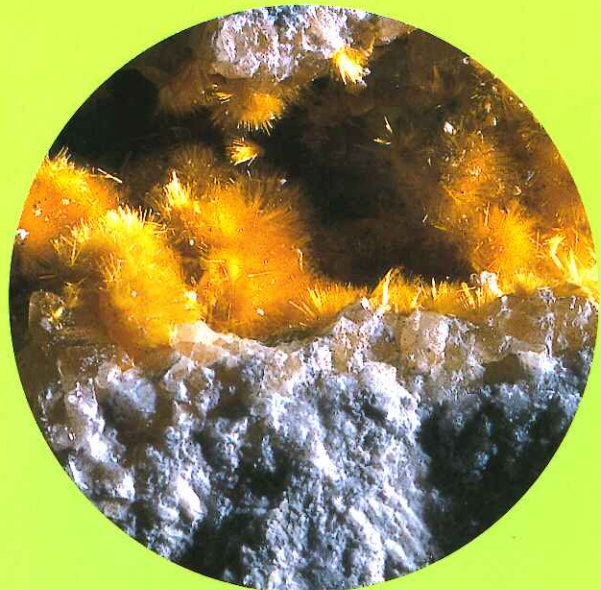


REVIEWING

 **Rössing**

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BETA-URANOPHANE (Secondary Uranium Mineralisation)



# INTRODUCTION

This is the inaugural edition of a company review in which we look at our business performance on an annual basis.

This transformation has not, of course, been achieved without great effort and we would like to take this opportunity

to thank all employees and their families, together with our customers and suppliers and all those who contributed directly or indirectly to the company's operations.

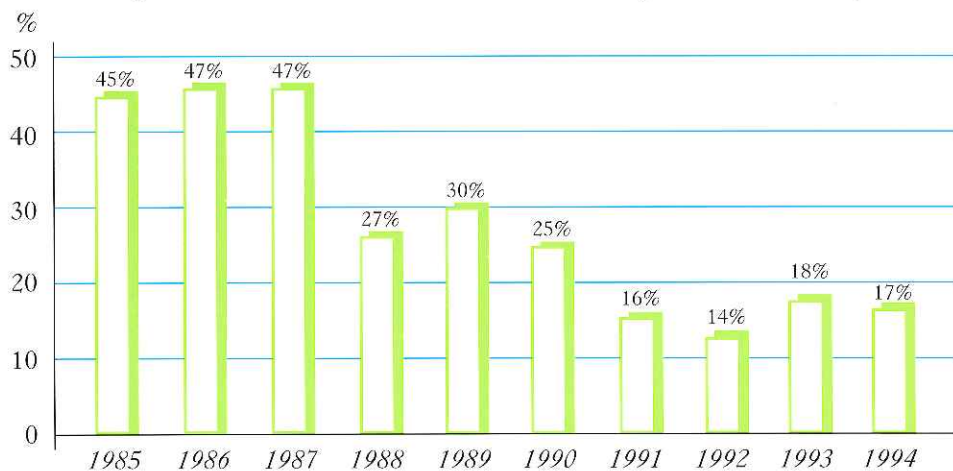


*left:* Chairman, Mr Charles Kauraisa  
*right:* Managing Director, Mr Sean James

It is now three years since very difficult market conditions made it necessary to reduce production levels to 50% of capacity and to introduce a number of cost reduction measures. These programmes have successfully met their objective, the company generated modest profits in 1994 and is prepared for an expected improvement in market conditions.

RTZ has further demonstrated its confidence in Rössing by increasing its shareholding to 56.3%. Significant improvements have been achieved in productivity, operational performance and cost efficiency, leaving Rössing well positioned to continue to meet its mission of being a world class, low cost and sustainable operation in the years ahead.

*Rössing's Contribution to Total Namibian Mineral Exports (% at current prices)*

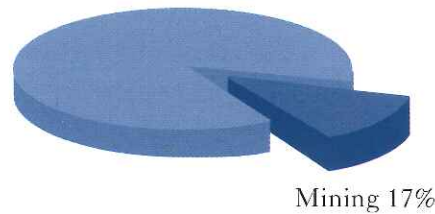


This edition covers the period in which Namibia reached its fifth year of independence. The Namibian Government, under the leadership of President Sam Nujoma, has been successful in providing an environment of political stability. The commitment to democratic policies and the achievement of a free market economy has instilled a sense of security and confidence in the future prospects for the country. The company generates approximately 17% of total mineral exports. During the year local businesses were awarded contracts valued at approximately N\$30 million and over N\$2 million was donated to the Rössing Foundation, helping it to continue its important work of social upliftment.

Despite the difficulties of adjusting to a weak market, Rössing is well positioned to enter its next phase of development. With the continued support of our workforce, suppliers and customers, Rössing confidently looks forward to a long term future and the challenges ahead.

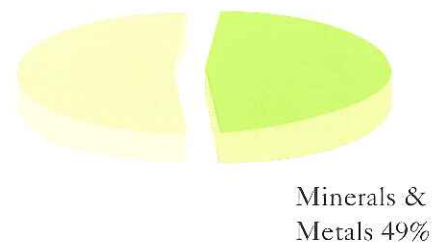
*Contribution of Mining to GDP*

*Source: Namibia Yearbook 1994/5*



*Contribution of Minerals & Metals to Exports*

*Source: Namibia Yearbook 1994/5*



*Charles Kauraisa*  
Chairman, Mr Charles Kauraisa

*S. James*  
Managing Director, Mr Sean James

*Pit operations*



**THE MARKET**

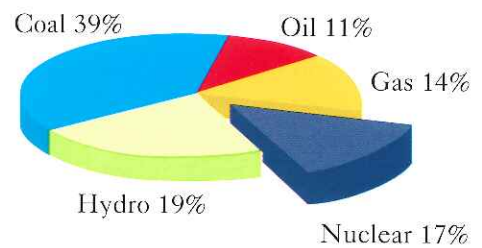
The world uranium market continued to be depressed during 1994. However, there was a small but encouraging recovery

in spot prices at the end of the year. As a result of a steady increase in demand of about 2% per annum and the cutbacks made by producers in the last 5 years, demand now exceeds supply by a significant margin. Substantial sales of uranium at low prices from former Soviet Union countries continue but stock levels worldwide are steadily being reduced. With increasingly sound fundamentals, some improvement in market conditions can be expected in the years ahead.

*Counter Current Decantation Thickeners*



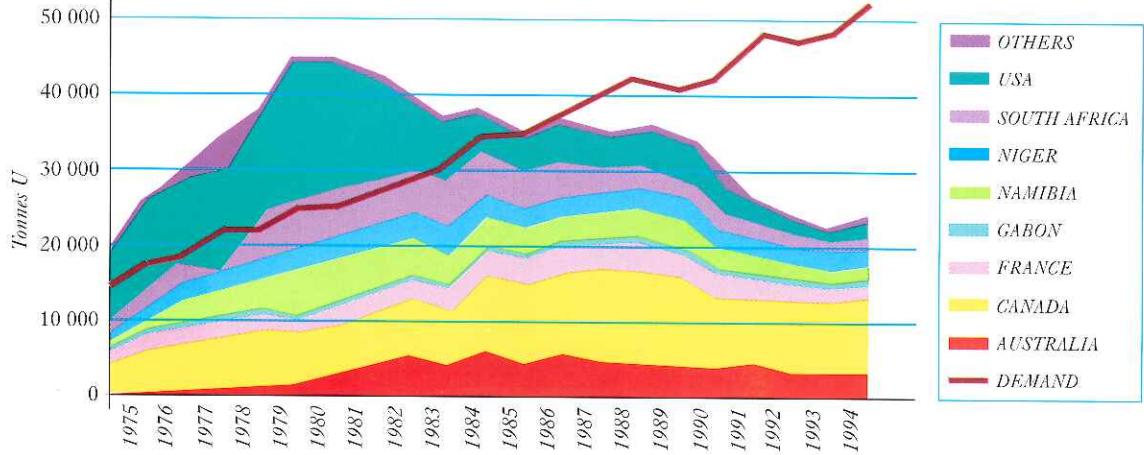
*World Electricity Generation by Source in 1994*



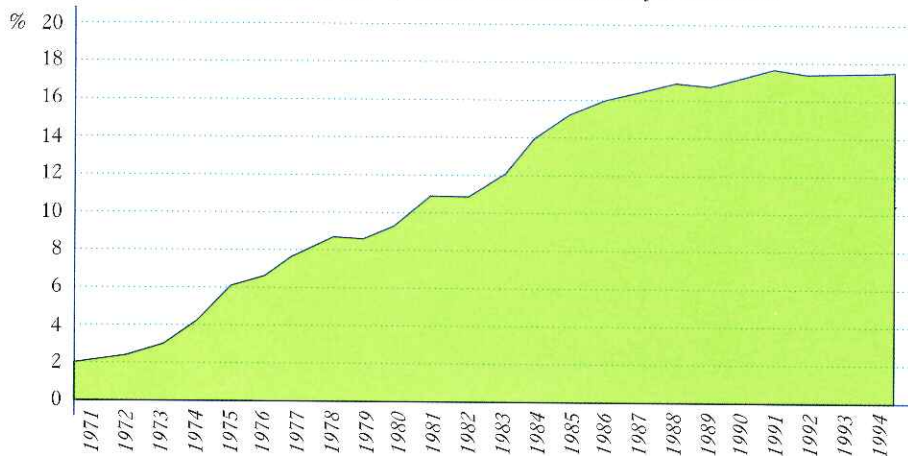
Historic Spot Market Prices – Nuexco Exchange Value



Western World Historic Uranium Production and Demand



Share of Nuclear Power of Total World Electricity Production



PRODUCTION OVERVIEW

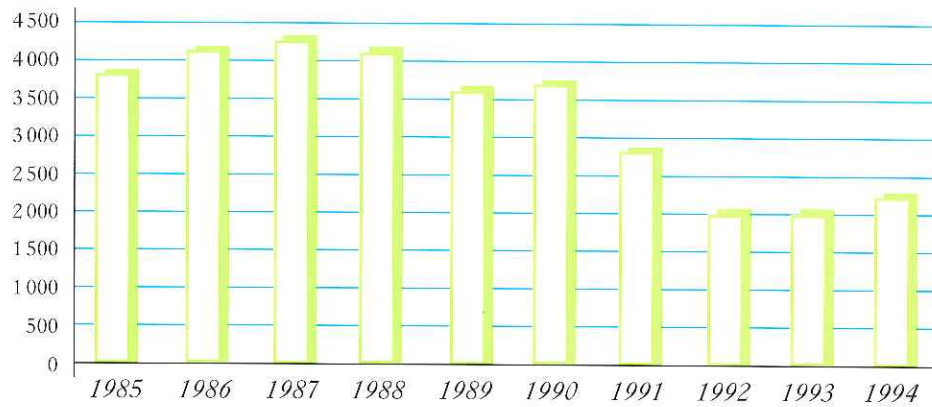


**OPERATIONS**

Production at Rössing in 1994, at 2,254 tonnes U<sub>3</sub>O<sub>8</sub>, was 15% higher than in 1993, in line with delivery requirements. This increased production

was accommodated without difficulty, despite the continued disruption to operations that results from the extensive refurbishment of the metallurgical plant.

*Uranium Oxide Production by Rössing (metric tonnes per annum)*



*Pit operations, watersprays for dust suppression*



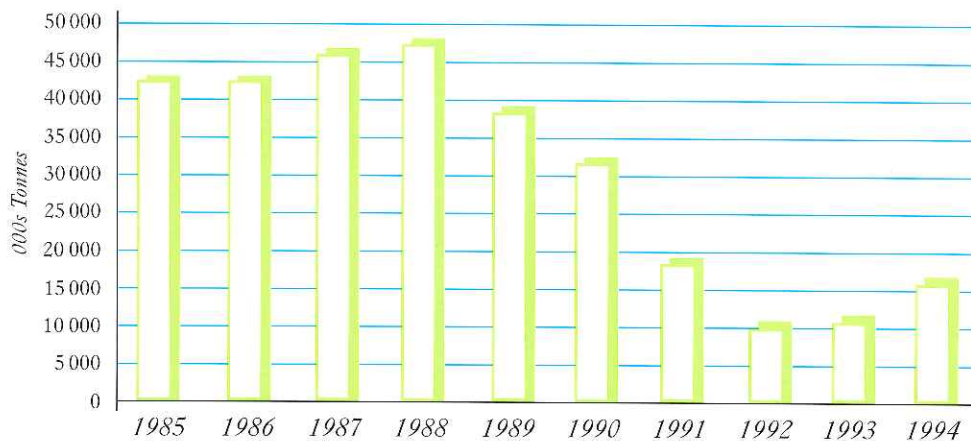


## MINING

The quantity of material mined increased significantly in 1994 to 15.6 million tonnes, 47% higher than in 1993. This increase reflected both the higher uranium requirement and the need to mine higher quantities of waste in order to expose ore for future production. In particular, development focused on the

South Side of the open pit where mining will be concentrated in the next few years. Productivity, measured by tonnes mined per day, returned to the highest levels since 1991. Efficient maintenance programmes ensured that equipment availabilities and utilisation remained at acceptable levels.

*Rössing Mine Production 1985 – 1994 (Total tonnes mined)*



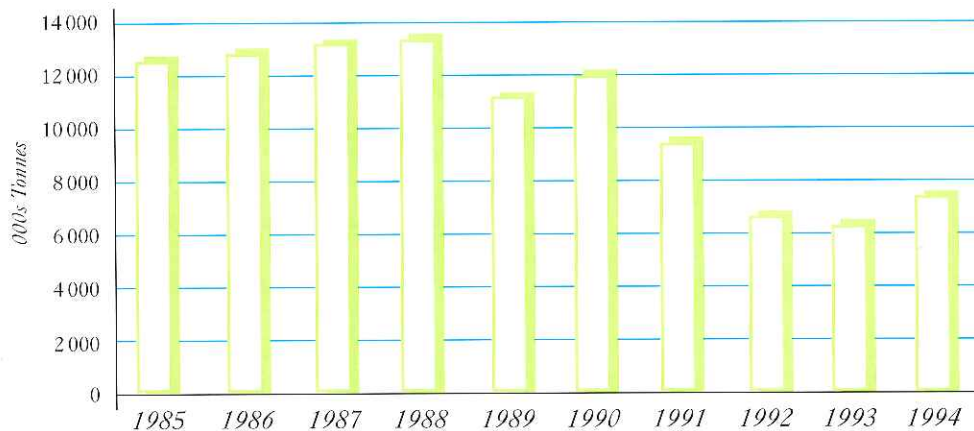
Other highlights of the year within mining operations included good progress in the establishment of a new trolley assist line on the North Side of the open pit, using almost exclusively in-house resources, the upgrading of the production control system and the purchase of an advanced mine planning and scheduling system.

**METALLURGY**

Mill throughput, at 7.5 million tonnes, represented a 23% increase on 1993 levels. This increase was greater than the overall

increase in uranium production because of lower ore grade, a trend that is expected to reverse in 1995.

*Rössing Mill Throughput 1985 – 1994 (total tonnes milled)*



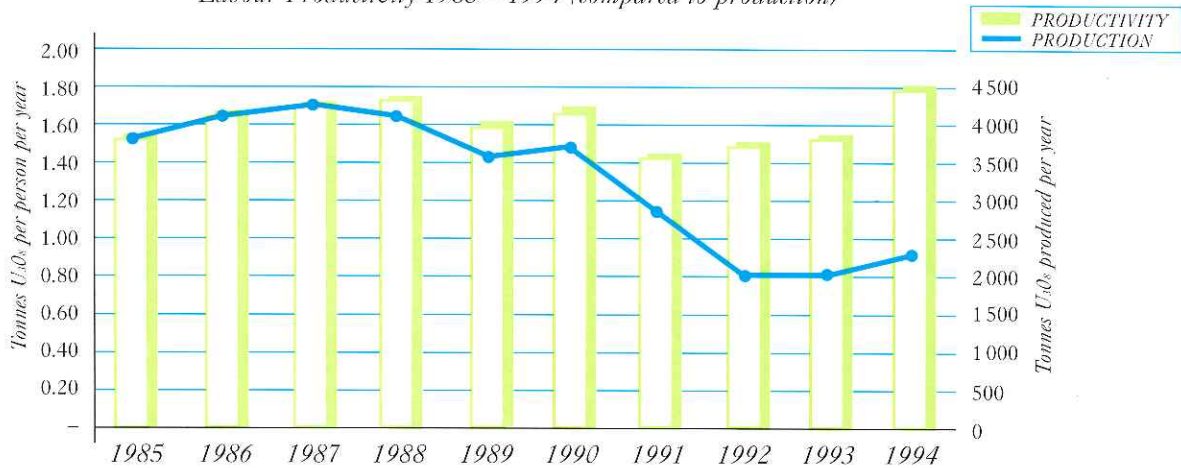
*Multivertical Dust Samplers at tailings dam area*



Key performance measures such as extraction and acid consumption showed improvements on those of 1993. This reflected the benefits of using PC based software which provided additional control information direct to operators, enabling them to improve their individual performance.

The major refurbishment programme, begun in 1991, progressed well in 1994. The programme, which will be largely complete by the end of 1995, will in total have cost about N\$35 million. This investment in the future will ensure long term efficient operation of the metallurgical plant and guarantees the ability of the company to increase production when market conditions improve.

Labour Productivity 1985 – 1994 (compared to production)



### HUMAN RESOURCES

At the end of 1994, there were 1249 employees at the Rössing Mine and 38 employees in the Company's corporate office in Windhoek. It is Company policy to give preference to Namibian citizens in respect of recruitment and promotion, with the ultimate aim of having the company staffed by Namibian citizens at all levels of the organisation. At present over 90% of Rössing's employees are Namibian citizens.

Despite the need to minimise costs, Rössing continues to invest, through teaching programmes, in the development of employee skills. A total of 44 Rössing sponsored apprentices are currently attending the Namibian Institute of Mining and Technology in Arandis whilst in-house training courses during the year were provided to a significant part of the workforce.

The relationship between the company and the Mineworkers Union of Namibia continues to be constructive, mature and businesslike. Two important agreements were reached during the year. The first was on job grading procedures. The second, which is covered in greater detail in a subsequent section, was the Occupational Health, Safety and Environment Agreement.

To encourage home ownership, Rössing introduced a house purchase scheme in 1993 for employees living in Swakopmund. This has proved very popular and by the end of 1994, 312 employees had purchased their houses. The sale of houses in Arandis, where over a third of Rössing employees live, was not possible in 1994, as legislation permitting the freehold ownership of property had not been passed. Sales should begin here in 1995.

PRODUCTION OVERVIEW  
  
*continued*

**WORLD CLASS, LOW COST,  
SUSTAINABLE**

In 1994, the company focused on further improving the international competitiveness of the business, without in any way compromising the world class standards of the operation or the sustainable nature of the business.

Unit costs, expressed in 1994 US dollar terms, improved by 16% compared with 1993. This progress reflects the success of programmes introduced in the last few years and in particular, the actions taken by employees, at all levels in the organisation, to contribute to the company's future.

*Aerial view of the plant*



## HEALTH, SAFETY AND THE ENVIRONMENT

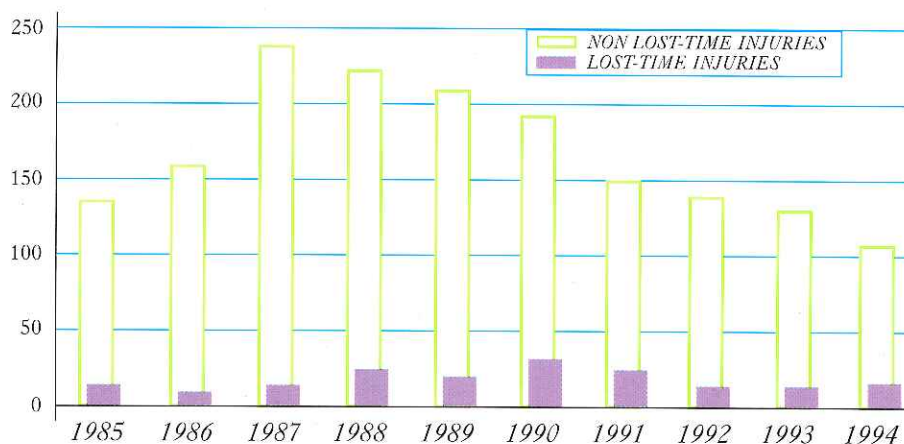
The health and safety of employees continues to be given the highest priority at Rössing with emphasis being placed on the prevention of accidents and diseases. The company is a member of the National Occupational Safety Association (NOSA) of South Africa and has held its top 5 star rating since 1982. The mine won its ninth consecutive NOSCAR, the award given to the very best performing companies, during the course of the year.

The total radiation level received by all employees was well below both Rössing's monthly limit and the internationally accepted ICRP (International Commission on Radiological Protection) annual dose limit. This can be attributed to increased awareness campaigns, thorough radiation safety training, the use of radiation monitors by key operations and maintenance

personnel and good house-keeping. In Final Product Recovery, all surveys of surface contamination and beta /gamma radiation were within the set standards.

Employees and contractors who suffered lost time injuries in carrying out their duties numbered 14 in 1994, the same level as in 1993. Expressed differently, this equates to a rate of 0.70 injuries per 200 000 manhours worked, an exceptionally low level by world standards.

*History of Injury Rate at Rössing (Number of Injuries per Year, by Type)*



**HEALTH, SAFETY AND THE ENVIRONMENT (continued)**

As mentioned in an earlier section, in December 1994 the Company and the Union signed an agreement on Occupational Health, Safety and the Environment, which provided for the establishment of a safety representative system. A total of 44 representatives were elected by employees and were appointed by the General Manager after undergoing a training course.

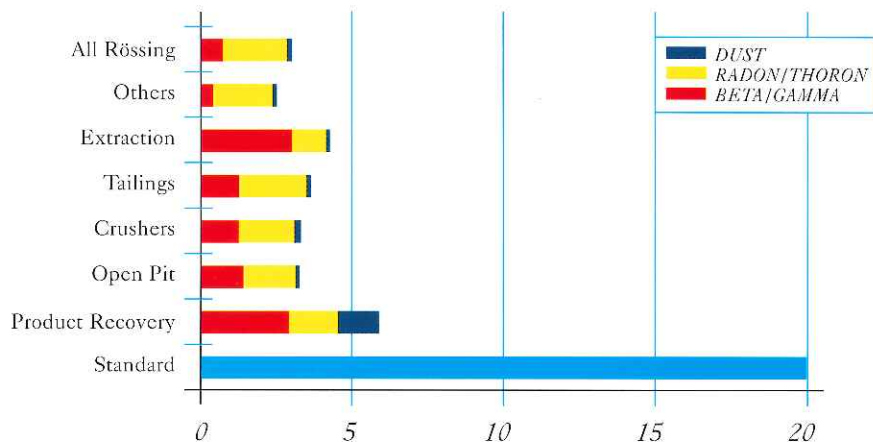
The agreement was publicly acknowledged as an historical first for the mining industry in Namibia.

As part of the occupational medical care programme, full medical examinations were conducted on 1052 employees. Physical examinations, blood tests, lung function tests and electro-cardiograms are

routinely completed. Other tests performed were sputum cytology, X-Rays (when required), urine, kidney, eyesight and audio-metric examinations. These programmes facilitate early detection of health problems and immediate corrective action where appropriate.

Environmental radiation monitoring continued throughout the year, with the assistance of the Atomic Energy Corporation of South Africa and other consultants. This monitoring quantified internal (radon, radio-nuclides in dust) and external doses to employees, radon exhalation at identified critical/target sources, and radiation levels both on and off the mine property. None of the various radiological assessment and monitoring programmes raised any concerns.

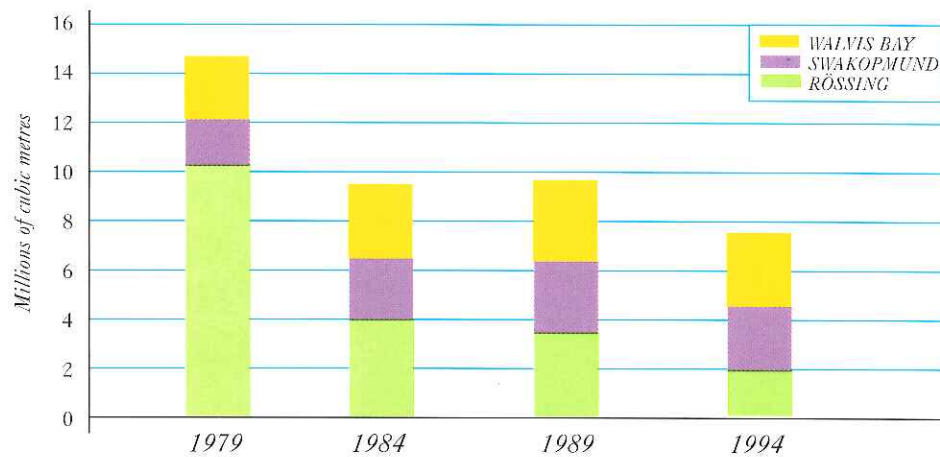
*Average Annual Exposure Levels (mSv per annum)*



The programme to reduce water consumption continued during the year. This has been based on recycling, wherever feasible, and minimising evaporation by reducing the area of surface water in the tailings dam. The specific fresh water requirement in 1994 of 0.26 m<sup>3</sup>/tonne

milled was the lowest ever and 60% less than the comparable value in 1979. As a result, fresh water usage at Rössing was below 2 million cubic metres, compared to 10.2 million cubic metres in 1979. Rössing now consumes less fresh water than either of the two major coastal towns.

*Water Demand in Namibia's Central Coastal Region*



*Water from various areas of the plant is collected for re-use*





The Rössing Foundation was established to assist the development of the people of Namibia. Particular need was identified in the field of education, one of Namibia's most vital and urgent challenges.

*Rössing Foundation Education Centre*



Over the years Rössing Uranium Limited has donated considerable funds to the Foundation with a cumulative total of N\$80 million in 1994 terms. At the outset, in 1979, the Foundation identified the need for numerous education centres across the country. It has built up a reputation as a successful agent for socio-economic development in the country and is entrusted with funds from many outside development agencies. These agencies see the Foundation as an efficient and reliable partner for the development of

new projects which will benefit thousands of disadvantaged Namibians.

Several new and significant relationships have recently developed which have led to an amount of N\$11 million of outside funds being handled by the Foundation on behalf of foreign development agencies. The most significant of these was the agreement between the Dutch and Namibian Governments for the construction of an adult trainers training centre. This is to be established on Foundation land adjacent to and linked with the Khomasdal Centre in Windhoek. Buildings to the value of N\$5 million will be erected on this site in 1995 and are due to be completed in May 1996.

The Foundation continues to act as adviser, consultant and friend to many development organisations and NGO's. During 1994, use of the centres by other developmental organisations and NGO's has increased, with 5 000 people passing through the doors of the centres on non-Foundation courses, seminars and workshops. It is estimated that a further 5 000 people have made use of the expanded library facilities which now include embryo community libraries in the Omaruru, Tamariskia, Ondangwa and Lüderitz centres.



## ADULT EDUCATION

### *KHOMASDAL ADULT EDUCATION CENTRE AND THE KATUTURA LIBRARY*

The main thrust of activities of these centres was once again to provide education and instruction to adult learners in the spheres of English, commercial subjects and various practical skills.

The English department covered instruction at various levels ranging from basic literacy to advanced language skills, each level following the relevant syllabus prescribed by the Pitman's Institute of London. The latter half of the year saw some students being referred to the centre through the Namibian National Chamber of Commerce and Industry.

The Commercial department again prepared for the Pitman's examinations in

typing, word processing, accounting and business English. Word processing courses were a new innovation and proved very popular. The 83% pass rate is proof of the success of these courses.

The Practical Skills department, which consists of needlework, motor vehicle maintenance and welding, followed much the same pattern as that of previous years, with some upgrading in the motor vehicle maintenance workshops.

Libraries have again provided an invaluable service, not only to learners registered at the centre, but also to the general public.

*Students in the Practical Skills department learning motor vehicle maintenance*



*ONDANGWA EDUCATION CENTRE*

This centre in the Oshana region continues to provide a valuable service to the Ovambo-speaking people who live in the area. Courses that are offered include needlework, secretarial instruction, English upgrading for teachers and Communicative English at various levels.

*OMARURU EDUCATION CENTRE*

In the Erongo region of Namibia, the Omaruru Education Centre changed its aim slightly by placing the focus more on teaching schoolchildren rather than on teaching adults. As in the past, English courses remain the main attraction at this centre.

*TAMARISKIA ADULT  
EDUCATION CENTRE*

This centre, in Swakopmund, functions as an adult education centre and includes the Erongo Pro-Child Initiative Project and two small self-funded sewing projects. Adjacent to the centre is an Early Learning Centre funded by parents in the area and a programme for handicapped children, funded by the German group, Lebenshilfe, as well as the Swakopmund community. This provides support to all handicapped pre-school children in the community.

*Rössing Foundation English Literacy Classes*



### NAMIBIA YOUNG SCIENTISTS

Before 1992, programmes designed to stimulate high school students in the fields of mathematics and all scientific subjects were locally dependent on the private sector for both finance and expertise. As a result, Rössing Uranium Ltd initiated, organised and financed the first Young Scientists' Exhibition which has subsequently become an annual event held in Windhoek. From its inception in 1984, the Exhibition proved to be a highlight in the country's academic programme.

After Independence in 1990, the science and mathematics teachers formed the Namibian Association for Science and Mathematics teachers (NAMSTA) which was in operation and functional by the end of 1992. Apart from finance, this association harbours all the skills and resources required to give positive input into the Young Scientists' programme.

In 1993 the Rössing Foundation, in partnership with NAMSTA, initiated an eighteen month cycle for the programme where regional NAMSTA committees would be formed and encouraged to run the regional exhibitions incorporating all

branches of science, mathematics and computer studies.

During the first six months of 1994, regional exhibitions were held in Ondangwa, Katima Mulilo, Rundu, Keetmanshoop, Swakopmund and Windhoek. The prizewinners went forward to represent their regions at the National Namibian Science and Mathematics Fair and Exhibition in Windhoek.

*Namibia Young Scientists*





### NAMIBIA YOUTH AWARD SCHEME

Based on the international Duke of Edinburgh's Award scheme, the Namibia Youth Award scheme was initiated in 1988. The aim of this programme is to develop the qualities of maturity and responsibility in young people and covers four key areas;

expeditions, skills, community service and physical recreation. It has expanded slowly over the years and is now receiving support from the private sector. In 1994 the first 7 gold, 9 silver and 39 bronze awards were presented to participants.

### Lüderitz Maritime Centre (Rössing Foundation)



### MARITIME TRAINING

The Maritime Training Centre at Lüderitz offers instruction in a wide variety of maritime skills to some 250 people each year. With the assistance of donor agencies and other funding, the Centre will continue to develop and expand its activities to meet the growing demands for maritime training in Namibia.

In 1994 the Centre embarked upon the first official cadetship training for both patrol vessels and the fishing industry.

The Centre is fast gaining recognition from both fishing companies and Government departments.

The Ministry of Fisheries and Marine Resources is presently in the process of purchasing this centre. This will be advantageous to both Government and the Rössing Foundation, and a management contract will ensure continued Foundation input.



*Fishermen at work*

### **RURAL PROJECTS**

#### **SHANKARA COMMUNITY CENTRE**

The Shankara Centre in the Kavango Region of Northern Namibia is an agricultural and community development project. Previous commercial agricultural aspects of the project have now been scaled down and the community development aspects have been widened.

Current activities include mahangu seed multiplication, fruit trees in developing community garden plots, thatching grass for commercial sale, handicrafts and community food gardening.

*Agricultural developments*

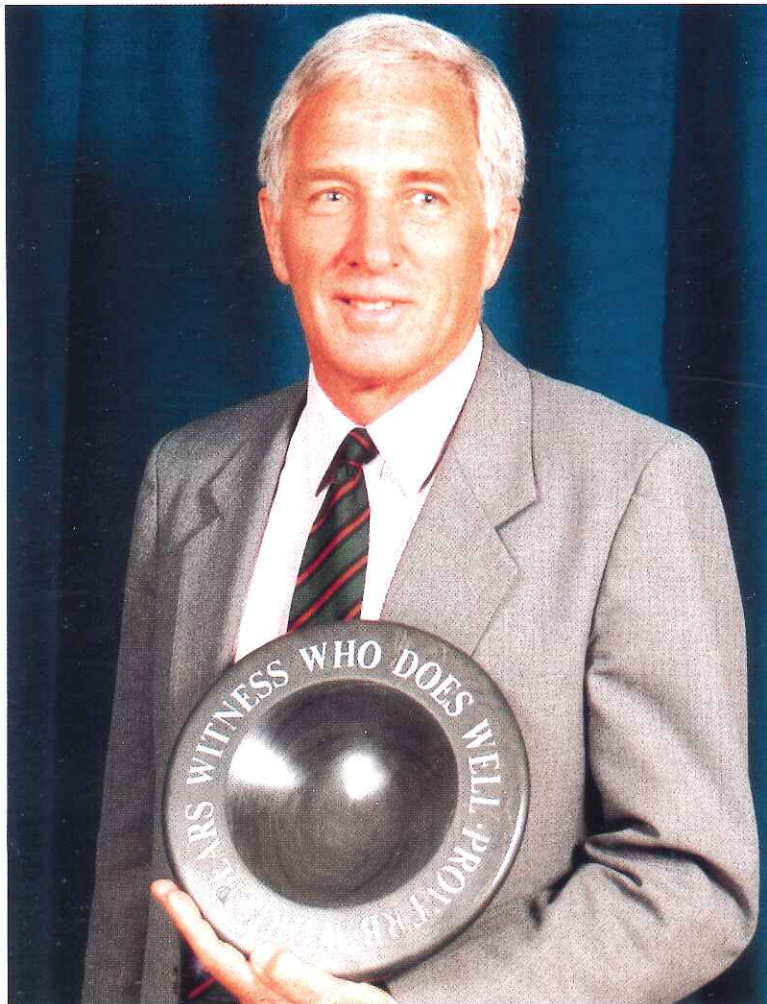




### WORLD AWARE AWARDS FOR BUSINESS 1994

The Rössing Foundation was presented with the "World Aware Award for Social Progress" for two of its development programmes, by the Centre for World Development Education.

*Executive Director, Rössing Foundation, Mr David Godfrey, with the "World Aware Award for Social Progress"*



### FUND RAISING

The Foundation has applied for registration as a non-profit making organisation in the United States and

The judges said that:

*"The Crafts Development Programme is exemplary in concept and implementation. Women in rural areas have traditionally been left to survive and to raise their families while the men seek work in urban areas. The crafts projects are starting to empower such women and to raise living standards in the communities. Exhibitions of Namibian crafts have already begun to create interest where they have been shown in Europe and this will help to sustain demand for them."*

The other programme at the Foundation's Maritime Training Centre in Lüderitz, offers Namibians a variety of courses in seamanship which are vital to developing the fishing industry of Namibia.

The judges commented that:

*"The Maritime Training Centre addresses a crucial area of the need for a country whose offshore fishing grounds are among the richest in the world but have been exploited up to now largely by foreign fishing fleets. A trained marine workforce will help Namibia to take increasing advantage of this important export-earning industry."*

intends to undertake a fund-raising campaign in that country in late 1995.

DIRECTORATE



There have been a number of changes in senior personnel in the last year. Jonathan Leslie, previously Managing Director, was promoted to the RTZ Board as an Executive Director. The company would like to take this opportunity to thank him for his major contribution to the transformation of the business. Sean James, previously General Manager, has succeeded him as Managing Director, Michael Travis was promoted to the position of Managing Director, RTZ Mineral Services Ltd and has also joined the Rössing Board as Marketing Director, whilst Andrew Hope, previously Commercial Manager at RTZ's Anglesey Aluminium in Wales, took over as the new General Manager of the Mine in August 1994.

Early in 1995, after 5 years as Chairman of Rössing, John Kirkpatrick retired. His hard work, solid leadership and vision helped to secure Rössing's long term future and the company will still benefit from his services in future, as he remains a member of the Board. Charles Kauraisa, previously Rössing's Governmental Affairs Manager succeeds John Kirkpatrick as Chairman. He brings to his new position 14 years of experience at Rössing and maintains close relationships with the nation's leaders as well as Namibia's key labour groups and their main players.



*Mr Jonathan Leslie*



*Mr Michael Travis*



*Mr Andrew Hope*



*Mr John Kirkpatrick*