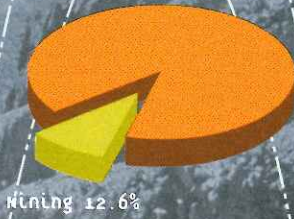


reviewing rössing 1999

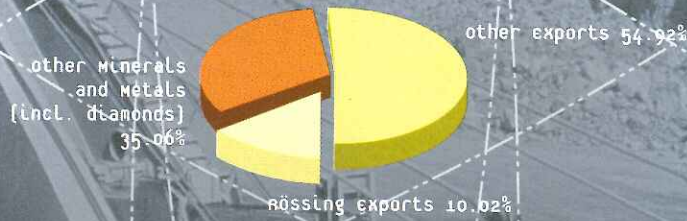


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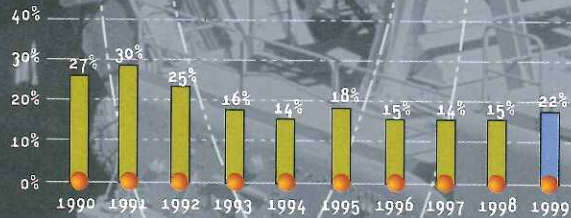
contribution of mining to GDP
source: central statistics office



contribution of Rössing's exports to total exports
source: central statistics office



Rössing's contributions to total Namibian mineral exports
(% at current prices)



I N T R O D U C T I O N

Rössing has made further significant progress during 1999 in responding to a challenging market environment.

The weak market conditions we saw in 1997 and 1998 continued in 1999 with prices remaining at historically low levels. In response, the Company's programmes to ensure the long-term cost competitiveness of the business were further strengthened.

Capital investment in the year totalled US\$12 million (N\$72 million*) with replacement haultrucks being the most significant item.

Chairman
Charles Kauraisa



Managing Director
Andrew Hope



General Manager
Werner Haymann



Financial Director
Mike Leech



Managing Director
Rio Tinto Mineral
Services Ltd
Mike Travis



Managing Director
Designate
David Smith



These capital projects, together with the continuing high level of pre-stripping, represent an important investment in the Company's future. In April a Business Improvement programme, Rössing Beyond 2000 (RB 2000), was launched. The programme was designed to deliver a significant improvement in business performance and cost efficiency. Encouraging progress can be reported to date giving the confidence that significant further progress will be made in 2000 and 2001.

Production for the year at 3 171 tonnes produced was 3% below last year, representing approximately 70% of capacity. As deliveries were above production levels, inventory levels were reduced during the course of the year. It remains Rössing's objective to keep production broadly in line with contract cover.

On site safety performance for the year was very good as a result of management effort and employee commitment to safety. The mine recorded nine lost time injuries for the year compared with 18 in 1998. Safety performance during the second half of the year was particularly good with no lost time incidents.

Managing Director, Andrew Hope, will be leaving Rössing and Rio Tinto in April 2000. David Smith, currently General Manager of Tarong Coal in Queensland, Australia, has been appointed Managing Director.

The Company's role in the development of Namibia through its contribution to the economy continued in 1999. The Company's sales represents 10% of total Namibian exports. Employee salaries and benefits, taxes paid and local goods and services purchased totalled over US\$105 million (N\$650 million*).

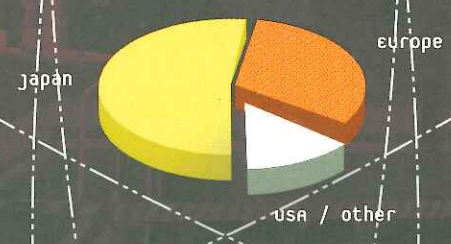
Social investment and contribution to Namibian society and the Company's host communities was supported through the work of the Rössing Foundation and mine programmes valued in excess of US\$1.4 million (N\$8.5 million). The work focused on social upliftment, training and skills improvement throughout the country, as well as donations and sponsorships.

Rössing's goal is to remain a reliable, competitive and responsible long-term supplier of uranium oxide to the nuclear power industry around the world, while offering good conditions of employment, a commitment to training and development and dedication to high standards in all areas of its operation. The Company is confident that 2000 will see further significant progress with the commitment, motivation and support of employees reinforcing RB 2000 and the other improvement programmes.

Beyond 2000, with lower costs and good contract coverage, Rössing will be well placed to win business in a uranium market in which secondary sources are likely to be playing a much reduced role, to the advantage of long-term competitive primary uranium producers.

(*Exchange rate: 6.11)

hessing's committed sales 1998 - 2000



1999 has been an eventful year for both the nuclear industry and the uranium market. The long-term market, which traditionally represents about 80% of concluded business, accounted for significantly less as utilities purchased more on the spot market.

The TradeTech restricted spot price began the year at US\$8.75 per lb U₃O₈, peaked at US\$10.85 in March before falling to finish the year at US\$9.60. The average price for the year was US\$10.30, the same as 1998. Apart from one US government related deal, long-term business concluded during the year totalled about 10 000 tonnes U₃O₈, which is low when compared to average long-term contracted volumes over the past five years (30 000 tonnes U₃O₈ p.a.). The spot volume recorded for the year was also about 10 000 tonnes U₃O₈. This represents double the volume traded in 1998, but is similar to levels recorded in 1997. The spot market tends to be volatile, both in price and volume, because it reflects inventory liquidation and bears little resemblance to either the long-term costs or operating plans of primary uranium producers.

spot price per lb. of U₃O₈
(source: NMA exchange value)

	31/12/97	31/12/98		31/12/99	
restricted	\$12.05	\$8.75	-27%	\$9.60	+10%
unrestricted	\$9.65	\$8.45	-12%	\$7.60	-10%

**Restricted price applies to those transactions in which the buyer/seller is restricted by either the Euratom Supply Agency, the US Department of Commerce or contractually from receiving/delivering CIS origin products and services.*

Most new demand came from the US and was largely a function of the low inventory levels held in the region. Given the low prices, this demand was predominantly satisfied by enrichers and traders, with producers only supplying about 20% of long-term contracts.

The first major news of the year was the result of the German election. The success of the SPD/Green coalition suggested that a policy of nuclear phase-out would follow. Negotiations continue between politicians and utilities, but as nuclear represents 30% of the country's electricity generation, it is likely that the phase-out will be gradual. One of the proposals being considered, is to retire the reactors as their respective operating licences expire. This scenario would yield total phase-out by 2030. Elsewhere, the anti-nuclear movement has been more successful, forcing the closure of the Swedish reactor, Barseback-1.

Deregulation is placing increasing cost pressures on utilities world-wide, but the result is that companies are becoming more competitive. This is nowhere more evident than in the US where, through a series of mergers and acquisitions, the process of consolidation is well underway. Exemplifying this is the company Amergen. Formed as a joint venture between British Energy and PECO, it has embarked on a strategy of purchasing undervalued reactors. Other companies have also recognised that nuclear reactors are now valuable assets, and an environment of competitive bidding has been created. PECO has recently announced plans to merge with Commonwealth Edison creating the country's largest nuclear utility.

The result will be fewer but larger utilities functioning with increased efficiencies. Average capacity factors in the US have risen from 74% to 85% over the last five years. Increased efficiencies and capacity upgrades have yielded demand growth equivalent to 14 new reactors. This, combined with possible licence extensions, of which the NRC has been notified of 15, paints a brighter future for the world's largest nuclear market.

The last quarter of the year was dominated by the nuclear accident at the Tokaimura re-conversion plant in Japan. The incident was unfortunate for the industry as, though the process involved is only found in the manufacture of fuel for a fast breeder test reactor, it has damaged the public's opinion of the commercial industry. It is uncertain what effect this will have on Japan's new build programme.

On the supply side, western mined production continues to be dominated by two countries, Canada and Australia (56%); and two companies, Cameco and Cogema (61%). During the year the new Canadian mines at McClean Lake and McArthur River began production.

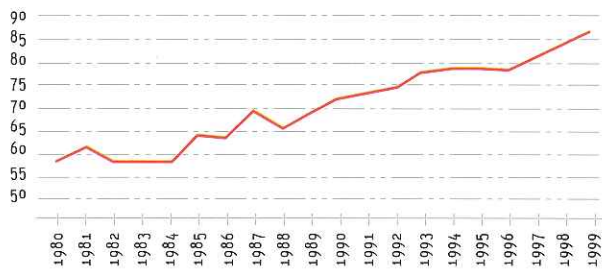
Operated by Cogema and Cameco, respectively, these mines represent replacement mines for the outgoing Key Lake and Rabbit Lake operations. In Australia, Western Mining Corporation's expansion of the Olympic Dam operation remains on track.

The Russian Highly Enriched Uranium (HEU) feed deal was finally signed in the first quarter of the year. It provides the western consortium of Cameco, Cogema and Nukem with the option to purchase material at a fixed price. However, the year end spot price was believed to be below this number, providing little incentive for the option over the material to be exercised. Any material not purchased will be stockpiled in Russia.

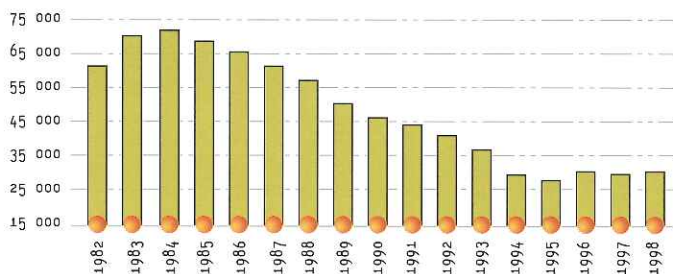
The market expected this development to stabilise prices, but additional secondary sources have put further pressure on prices.

One of the new secondary sources prevalent in the market has been inventory held by the United States Enrichment Corporation (USEC). When USEC privatised in 1998 the US Department of Energy (DOE) transferred a large inventory to the company. USEC has therefore been able to compete in sectors of the fuel cycle other than enrichment services, its normal business historically.

us nuclear industry capacity factors 1980 - 1999 (%)
(source: utility data institute (udi))



us utility inventory levels 1982 - 1998 (MT U₃₀₈)
(source: us eia)



On the whole, requirements will remain stable over the long-term. In the medium-term, with inventories reducing, uncovered demand should open up significantly, increasing the call on western mined supply.

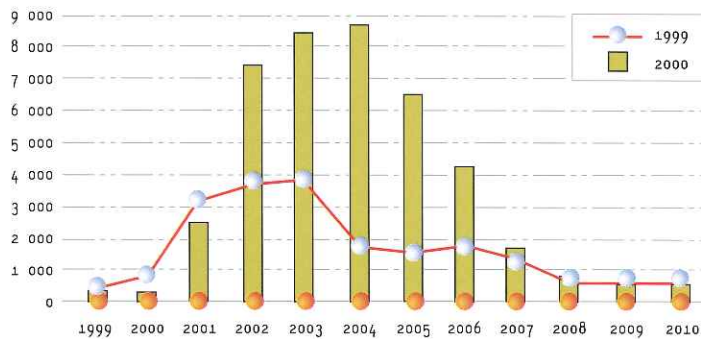
Restricted spot prices have primarily traded in the US\$10 to US\$12 range over the past two years. For primary production to rise, there would need to be some increase in prices above these levels over the next few years.

In this environment Rössing offers an established mine infrastructure with over 20 years of operational history. The Company maintains world-class environmental and technical standards with the backing of Rio Tinto, the world's largest mining company. It has substantial reserves and spare production capacity requiring no new permits and minimal capital expenditure to be brought on line.

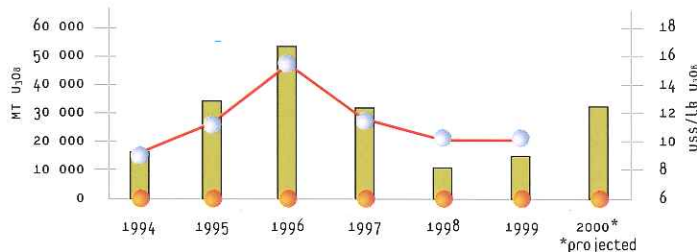
In the same manner that utilities often seek to diversify their supply sources, it is important for Rössing to maintain a diversified contract portfolio. Namibian uranium is sold under long-term contracts reaching well into the decade in all three major market regions – Europe, US and Asia.

The philosophy of developing and maintaining close commercial dialogue and relationships with existing and potential customers has been paramount in achieving Rössing's objectives. As a country, Namibia provides political and social stability and sound economic management. As a company, Rössing represents a secure source of supply and offers corporate and geographical diversity to the world-wide nuclear fuel industry.

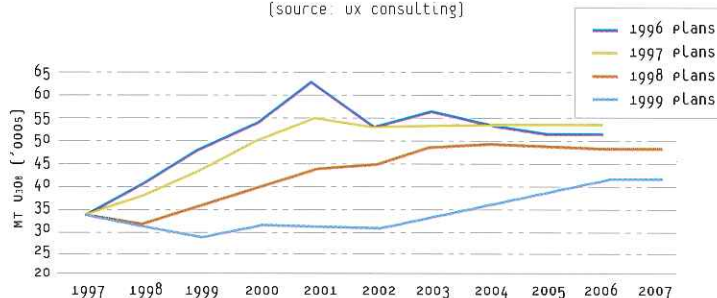
actual and forecast Long-term contracting 1999 and 2000 (MT U₃O₈)
[source: ux consulting]



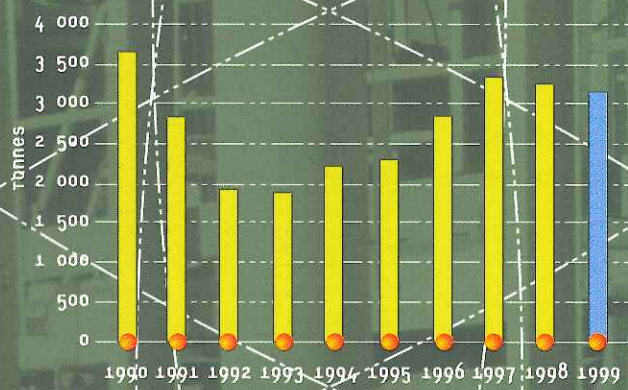
Average Annual spot price vs Long-term contracting volume
[source: ux consulting]



comparison of planned western production forecasts
[source: ux consulting]



uranium oxide production at Rössing 1990 - 1999
(mt per annum)



With the main focus on business improvement across the operation, the year was extremely busy with the commissioning of new equipment, approval of projects, introduction of programmes, signing of agreements, creation of awareness and maintaining and improving on standards.

PRODUCTION

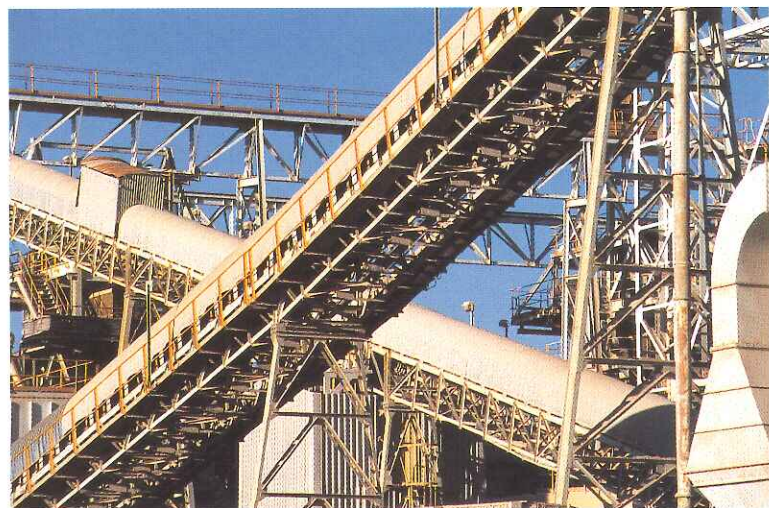
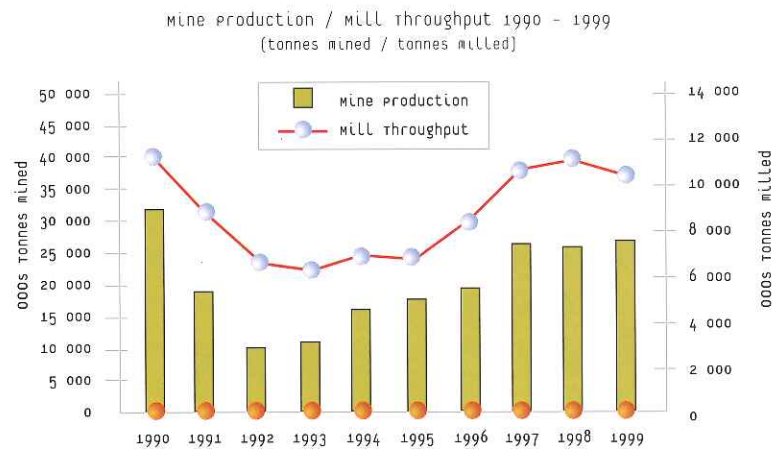
During the year 3 171 tonnes of U₃O₈ were produced, which was 3% less than in 1998. Mined tonnage was slightly more than in 1998 totalling 26.0 million tonnes and milled tonnage slightly less at 10.5 million tonnes. Ore grade was in line with plan and overall recovery improved from the 1998 levels.

Five new 180 tonne haultrucks with a higher load capacity were commissioned early in the year. The trucks arrived in Namibia from the USA at the end of 1998 and brought the total of Haulpak 730E trucks in the Rössing fleet to 11.

In 1999 good progress was made with the diamond drilling programme, launched in 1998, with the completion of a total of 29 boreholes comprising approximately 7 400 metres. The programme is designed to further increase the confidence levels of resources and reserves within the Rössing orebody.

In addition to the diamond drilling programme, a new reverse circulation dustdrill was ordered which will be commissioned early in 2000. The dustdrill will be used for medium-term reserve sampling in the pit to further fine-tune the ore reserve model.

**See Mining and Processing operations flowcharts overleaf.*



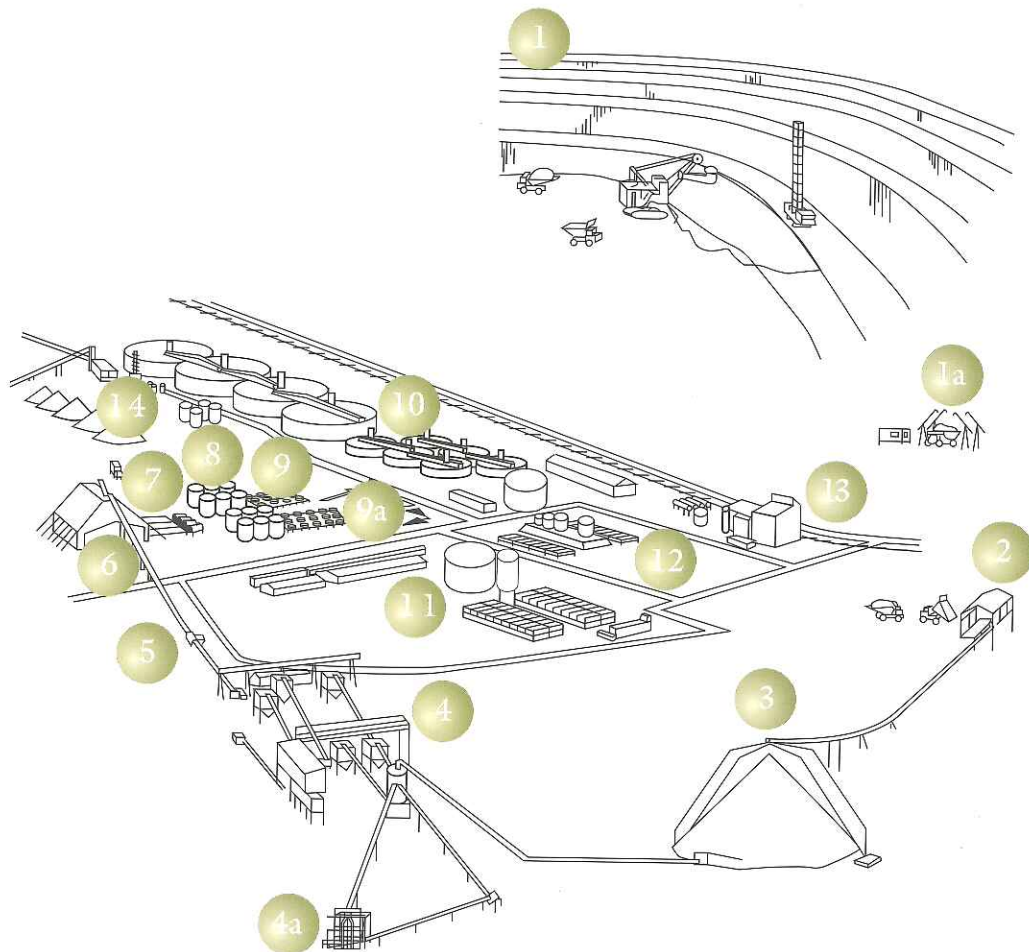
the fine crushing plant

In the Processing area the pre-screening plant was commissioned in January. The plant is tied into the fine crushing circuit to improve the throughput capacity of the circuit, by removing under-size material from the bulk.

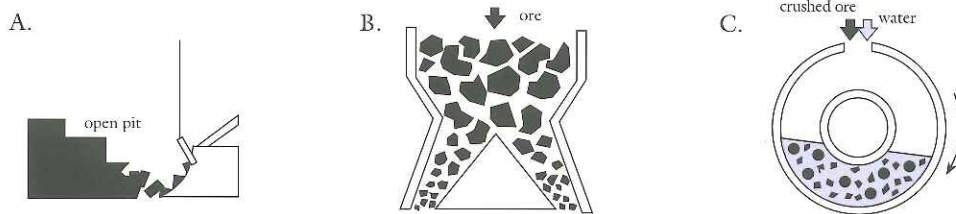
Plans for the ore sorting plant were approved by the Board of Directors and construction of the pilot plant will start in 2000. Radiometric ore sorting is a feasible method of increasing uranium production and improving site cost performance by upgrading the mine feed grade for the processing plant. The method entails the measuring of radiation of individual rocks to calculate the quantity of uranium in the rock and the grade. Rocks of a grade below a set cut point are removed from the main feed stream to a waste stream. There is potential to remove about 25% of the total rock mass by separating high grade and low grade rocks.

It was another year of challenge for the acid plant. With no prospect of the Otjihase pyrite supply resuming in the short-term, the Company continued to rely on imported sulphur and acid. An explosion in May in the B roaster, while pre-heating the roaster for start-up, significantly increased the difficulties. The incident did not result in any injuries.

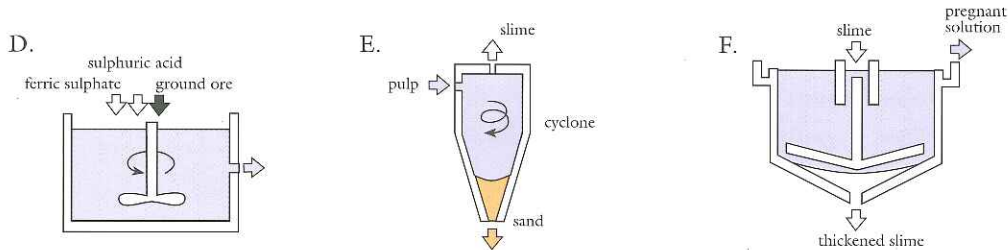
m i n i n g a n d p r o c e s s i n g o p e r a t i o n s



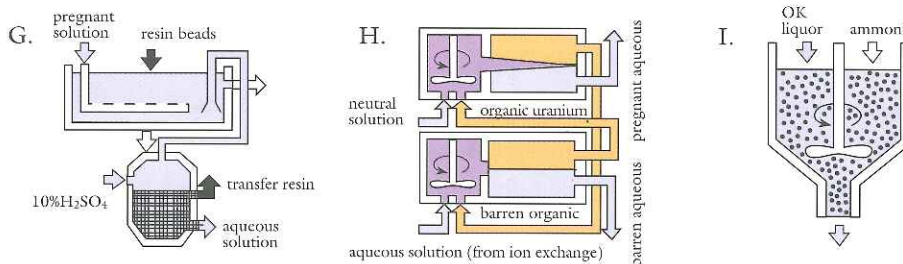
mining and processing operations



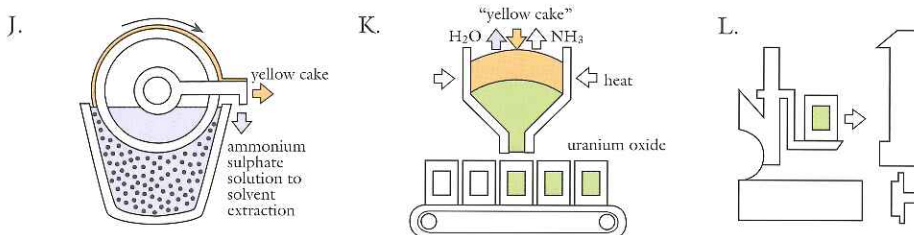
A. Mining: (1) The uranium ore at Rössing is recovered by drilling, blasting, loading and haulage. Due to erratic distribution of minerals in the ground, waste and ore are often mixed together. Radiometric scanners measure the radioactivity level of each truckload (1a). This determines whether the material is sent to the primary crushers (2) or to low-grade stockpile. Waste is transported to a separate dump.
 B. CRUSHING: Ore is delivered to the primary crushers (2) by haultruck and then by conveyor to the coarse ore stockpile (3). It passes through a pre-screening plant (4a) and a further series of crushers and screens (4) until the particles are smaller than 19mm. After weighing (5) this fine ore is stored on another stockpile (6).
 C. GRINDING: Wet grinding of the crushed ore by means of steel rods reduces it further to a slurry with the consistency of mud. The four rod mills (7), which are 4.3m in diameter, are utilised as required by production levels and operate in parallel.



D. LEACHING: A combined leaching and oxidation process takes place in large mechanically agitated tanks (8). The uranium content of the pulped ore is oxidised by ferric sulphate and dissolved in a sulphuric acid solution. Sulphuric acid is produced through a pyrite/sulphur-roasting process on site (14).
 E. SAND/SLIME SEPARATION: The product of leaching is a pulp containing suspended sand and slime. Cyclones separate these components and, after washing in Rotoscops (9) to remove traces of uranium-bearing solution, the sand is pumped through a pipe (9a) to a tailings disposal area.
 F. THICKENING: Counter-current decantation thickeners (10) wash the slimes from previous stages. A clear uranium-bearing solution ('pregnant solution') overflows from No. 1 thickener, while the washed slime is mixed with the sands and pumped to the tailings area (9a).



G. CONTINUOUS ION EXCHANGE: CIX(11) The clear pregnant solution now comes into contact with beads of specially-formulated resin. Uranium ions are absorbed onto the resin and are preferentially extracted from the solution. Beads are removed periodically to elution columns where a strong acid wash removes the uranium from the beads. The resulting eluate is a purified and more concentrated uranium solution.
 H. SOLVENT EXTRACTION: SX(12) The acidic eluate from the ion exchange plant is mixed with an organic solvent which takes up the uranium bearing component. In a second stage, the organic solution is mixed with a neutral aqueous ammonium sulphate solution which takes up the uranium-rich 'OK liquor'. The acidic 'barren aqueous' solution is returned to the elution columns.
 I. PRECIPITATION: (13) 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.



J. FILTRATION (13) The ammonium diuranate is recovered on rotating drum filters as yellow paste-'yellow cake'.
 K. DRYING AND ROASTING (13) Final calcining drives off the ammonia, leaving uranium oxide. The product is then packed into metal drums. Neither ammonium diuranate nor uranium oxide are explosive substances.
 L. LOADING AND DESPATCH (13) The drums of uranium oxide are loaded and exported to overseas customers for further processing. At full capacity, the plant can produce 5 000 short tons of uranium oxide each year.

The line was taken out of action and the acid plant operated on the remaining line for the balance of the year. As a result acid production at 135 000 tons was 36% below plan. The balance of the year's requirement was met by importing acid.

A detailed review of the international sulphuric acid market identified the opportunity to purchase acid at a cost lower than that of producing acid on site for at least the next two years. Subject to the completion of an Environmental Impact Assessment and risk assessment, this approach will be adopted in 2000 and the acid plant mothballed.

The Company's structured approach to the Y2K issue ensured that the rollover occurred without incident at the mine, as also the case for Namibia. Essential and non-essential services continued without interruption. No malfunctions were reported and no adjustments required on the start up of the mine's mobile and fixed mining equipment as a result of the successful completion of the Y2K test procedures.

RÖSSING BEYOND 2000

Following on from the major capital investment projects in 1997/8, the Company launched a business improvement programme, Rössing Beyond 2000 or RB 2000 in April. The target is to reduce costs by in excess of N\$100 million. The programme is scheduled for completion by the end of 2000 with full benefits realised by the end of 2001.

RB 2000 runs in three waves. A total of 104 improvement ideas were earmarked in Wave 1 for implementation. Wave 2 will be running until February 2000 and Wave 3 starts in April. The overall saving achieved by the end of 1999 was over N\$20 million.

Part of the RB 2000 process is the detailed review of all support functions. As a result the marketing team was restructured and the Corporate office in Windhoek has made a number of significant adjustments. The outsourcing of a number of services, including curative medical services, mine medical centre, horticulture and parts of the housing operation is being implemented. Functions discontinued include Rössing Air.

Employees have demonstrated their support for the programme as a result of the effective communication process. This major programme is another indication of the strong drive to ensure the long-term sustainable low-cost operation of Rössing.



The RB2000 barometer at the main gate indicates progress made with the cost reduction target.

HUMAN RESOURCES

Rössing employed 1 006 people at the end of 1999 compared with the plan of 1 109 and the 1998 year-end total of 1 182. As a result productivity levels again reached record levels at 3.15 tonnes per employee. Towards year-end overtime, labour hire and contractor totals also began to reduce as a result of the RB 2000 programme.

During the year 147 employees exercised the option to accept the offer of voluntary early retirement or departure packages.

This reduction of 15% in employee totals brings the 1999 number to nearly 20% below 1997 year-end levels.

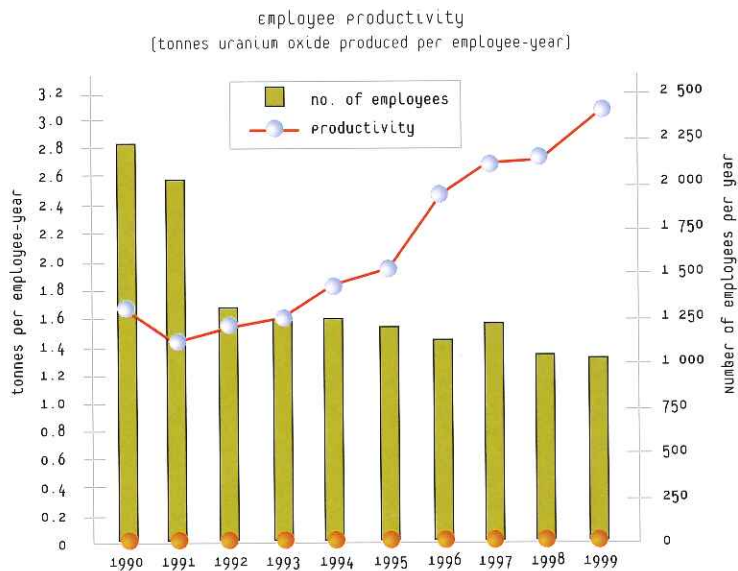
Employee relations were generally sound during the year as a result of the extensive communication initiatives, which enabled employees to understand the business challenge and to contribute effectively to the Company's response. The Mineworkers Union of Namibia (MUN) executive was regularly informed about the Company's plans through information-sharing meetings. The Performance Management and the very effective Business Understanding workshops played a major role in the process. These workshops were also the training and development focus of the year.

One highlight was the conclusion in September of the long-standing Job Evaluation dispute declared in 1990. The milestone agreement enables the Company and the union to move forward to develop an overall remuneration strategy that responds to the needs of the changing Company.

During the year the Affirmative Action/Employment Equity Policy was compiled and a panel formed to monitor the implementation of the Company's Affirmative Action Plan.

In terms of the Affirmative Action/Employment Equity Act no. 29 of 1998, the Company is required to submit a three-year plan to the Ministry of Labour.

A total of 82 employees received 20 year service awards and nine received 25 year awards in 1999. The average length of service is now 14 years.



HEALTH, SAFETY AND THE ENVIRONMENT

Rössing is committed to providing a climate in which the interest of health, safety and the environment are of prime consideration at all times. Performance excellence and continuous improvement in Health, Safety and Environmental (HSE) management is achieved by continually assessing the Company's HSE performance against set objectives and regularly reviewed targets.

Effective safety management is achieved by the systematic application of incident and loss prevention practices, by employing safe technologies and operating procedures and through active participation of all employees and contractors. Strategies to ensure environmental sustainability relate to the reduction of use of natural resources, the efficient use of resources and materials, pollution prevention and control, waste management and closure planning.

Safety

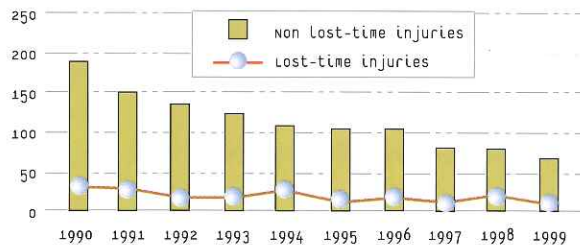
The mine recorded 9 lost time injuries during the year, which is a 50% reduction on the 18 recorded in 1998. The overall disabling injury incidence rate was 0.49.

This is a significant improvement on 1998 and can be attributed to an increased awareness by employees of safe working practices and the recognition that each individual is responsible for his or her own safety. Other factors are the visibility and commitment of managers, supervisors and OHSE representatives who encourage employees to conduct risk assessments of every task, to regularly conduct pre-incident investigations and to work safely at all times.

Tragically, however, an employee died in a road accident on his return from a business meeting. As a mark of respect to his memory, the Company decided to relinquish the NOSCAR safety award for the year which it has consistently attained for the past 13 years. The Company has every confidence that its standards of performance will enable it to resume its NOSCAR status at the end of 2000.

The seven site contractors demonstrated their full commitment to Rössing's safety programme by achieving NOSA ratings for the third consecutive year. Five of the seven achieved 5 star ratings, while the other two received 4 star ratings.

History of injury rate at Rössing
(number of injuries per year, by type)



Environment

The implementation of the Environmental Management System (EMS) progressed satisfactorily during 1999. The objective of the system is to establish a systematic approach towards environmental control, based on continuous improvement. An internal verification audit was conducted by Rio Tinto and arrangements for external auditing and international certification have been initiated with the target of ISO 14001 certification in 2000.

A water awareness campaign was successfully launched in 1999, resulting in a more conscious use of water in areas where application is dependent on operator decision. Domestic consumption on the mine was reduced by 50%. Although only 3% is used for domestic purposes, it was a start and efforts are underway to achieve similar savings in other areas of the operation. On the production side, fresh water used per tonne of ore was 16% lower than in 1998 due to the favourable deposition conditions on the tailings paddocks and the acid plant running on one line from June 1999.

A programme to achieve compliance with all seven Rio Tinto water management principles is in place and planned to be completed by end 2000. Emphasis is placed on setting key performance targets on water saving, upgrading of the site water balance and risk assessments, and inspections of storage and reticulation facilities.

Discussions are progressing with NamWater, the Namibian water corporation, and other major users at the coast on the construction of a desalination plant to supplement aquifer resources in the region.

Following on from the initiatives in 1998, a comprehensive recycling programme was completed in 1999. A contract was signed with a local scrap dealer for the removal of all recyclable items from the mine. These include wood, metal, cardboard, paper and metal drums. The result of this initiative is an estimated reduction of up to 70% of all waste disposed of to the landfill site.

Health

1999 was an eventful year on the health side. The year saw the introduction of random testing for alcohol and drug abuse, the outsourcing of curative services in Swakopmund and Arandis in October and of the medical aid scheme, Rössing Medical Benefit Society (RMBS), in May.

All employees and their dependants are covered by a private scheme with the benefit that employees who leave the Company can remain in the scheme. All may consult the doctor of their choice rather than being restricted to the Company doctors as in the past.

The health promotion programme continued with the HIV/AIDS awareness presentations through

the peer educator programme, the distribution of condoms on the mine and surrounding communities and representation on the District AIDS Committee. The peer educators also reached approximately 3000 people during the year with talks on healthy lifestyle, tuberculosis, sexually transmitted diseases, smoking, cancer and financial budgeting.

The low dose radiation study commissioned by the Company and the Mine Workers Union of Namibia (MUN) to verify, confirm or refute the findings of Reinard Zaire on the effects of radiation on chromosomal aberrations among employees, is close to completion. The results of the report compiled by two experts in the radiation field will be released during the first quarter of 2000.

Rössing's policy statement on health, safety and the environment

Excellence in Health, Safety and the Environment is one of the foundations of our vision to remain a low-cost, long-term sustainable and world-class producer of uranium. Rössing is committed to managing health, safety, environment and community (HSEC) matters as an integral part of the business.

Human Values and Safety – The health and wellbeing of our employees and host communities are of prime importance. We believe that all workplace injuries, occupational illnesses and environmental incidents are preventable and will therefore never compromise HSE standards and procedures in the quest for other business priorities.

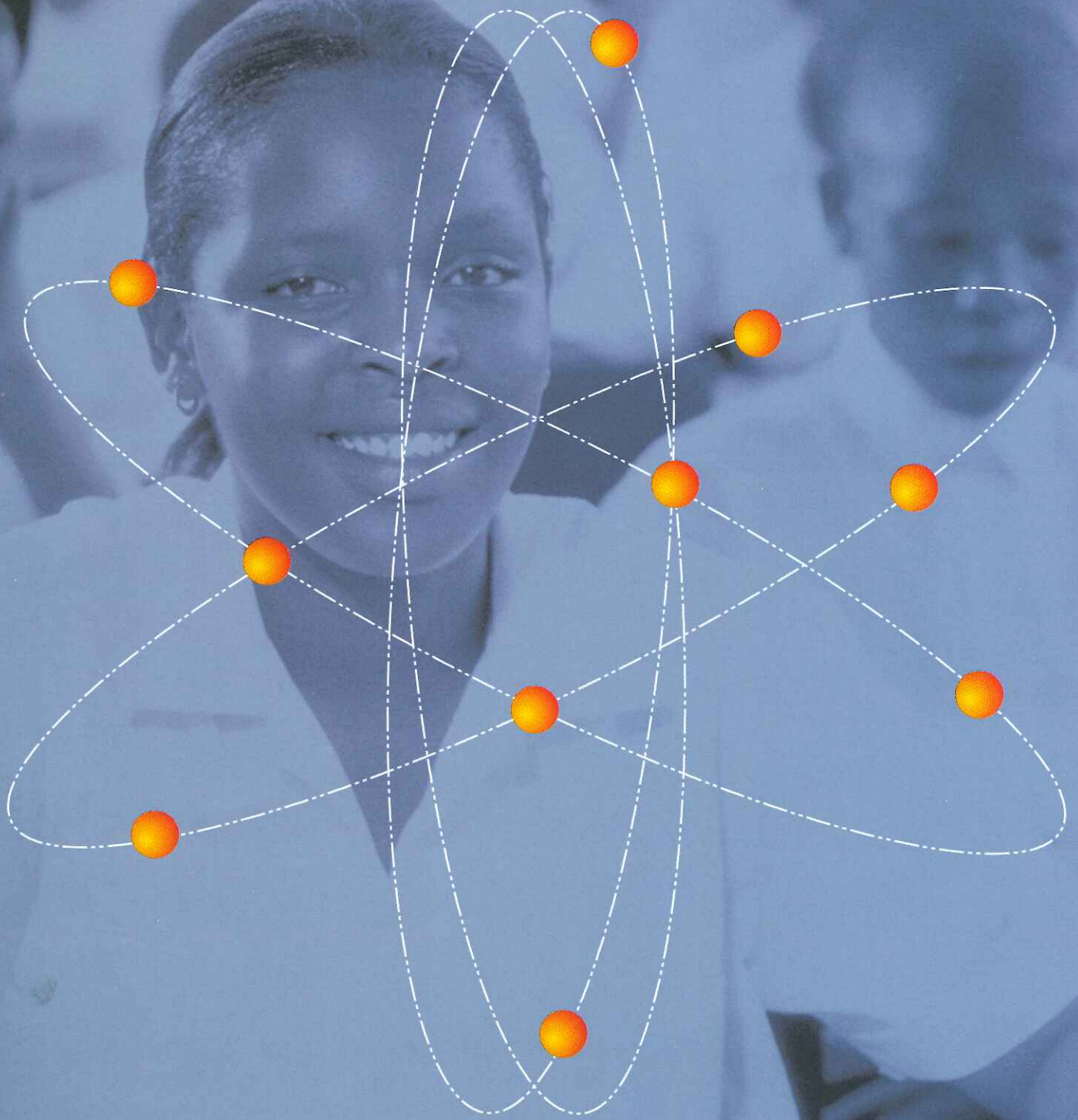
Risk Management – We will employ management systems specifically designed to prevent pollution, activities and / or conditions that pose a threat to human health, safety or the environment. We will minimise risk and protect our employees and the communities in which we operate, by employing safe technologies and operating procedures, as well as being prepared for emergencies. We will ensure that the HSE issues are integrated into the design, construction, operation and decommissioning phases of new developments.

Continuous Improvement – We will seek improvement by continually assessing the Company's HSE performance against set objectives and regularly reviewed targets. To implement these commitments we will use the ISO 14001 framework.

Environmental Sustainability – We will conserve natural resources by ensuring reduced resource consumption, effective usage and safe disposal. We will prevent and mitigate residual pollution by the development and implementation of a relevant and well-researched closure plan. We will provide adequate resources to ensure the successful implementation of this closure plan.

Compliance – We will comply with applicable laws and regulations in Namibia, international standards, Group policies and guidelines, as well as our own objectives and targets. Where national laws and regulations are silent in catering for our specific needs, international best practice, appropriate to the local situation, will be applied while assistance will be given to the formulation of new legislation.

Communication – We will engage in constructive dialogue with all our stakeholders to share information and listen to their concerns and expectations with respect to HSE issues of our new projects, ongoing operations and closure. Further to this, we will continue in our efforts to raise the awareness of HSE issues of interest to our host communities.



Rössing's overall philosophy and approach to communities relations, which is in line with Rio Tinto's policy, sets out a business goal for the excellent management of community issues based upon three principles – mutual respect, active partnership and long-term commitment.

RÖSSING PROGRAMMES

Rössing's communities policy and five year plan were finalised, increasing the focus on the Erongo region and immediate communities in the vicinity of the mine.

The visitors' programme assisted in maintaining good relations and communications and created a better understanding of Rössing's business challenges. Visitors to the mine totalled over 2 500. In addition a number of business briefing meetings were held with government, business and community leaders, regional and municipal leaders, suppliers, employees' spouses and the media. These were well received and contributed to an overall positive response to the Company's business improvement programme.

In 1999 the Company formed a partnership with the Erongo Development Foundation, which was set up by the Governor of the Erongo Region. The Foundation's aim is to support entrepreneurial initiatives in the region. Rössing donated N\$100 000 to the Foundation from which 34 loans were approved to assist entrepreneurs from Swakopmund, Walvis Bay, Henties Bay, Arandis and Omaruru to start up or further develop their informal or small businesses.

Other initiatives and projects included support for the car guard project at the coast to help them purchase radios in the quest to fight crime in the area. Twenty two schools each received a donation for book prizes for the annual prize giving ceremonies and literacy training continued with classes presented on site and in Arandis. Rössing initiated the establishment of the regional branch of the Association for Resource Management against Alcohol and Drug Abuse (ARMADA) involving nine other companies at the coast.

RÖSSING FOUNDATION

The Rössing Foundation, which was established in 1978, is administered by a full time Director who is responsible to an independent Board of Trustees. The organisation is funded by donations received from Rössing, but also manages a number of projects on behalf of non-governmental organisations and foreign aid institutions.

The Foundation developed a strategic plan to address its long-term sustainability. The plan provides for three broad areas of operation, namely adult basic education and training, natural resource management and enterprise development.

The Foundation now offers a broad range of training activities for adult education through the development and strengthening of partnerships, which have ensured increased levels of activity at its three training centres – Ondangwa, Tamariskia and Khomasdal.

Natural resource management is run through training programmes serving as an outreach activity targeting rural communities with the aim to increase local capacity, both for local management structures and/or individuals. The aim is to improve the possibilities of promoting the sustainable development of rural livelihoods in Namibia. The activity has worked closely with WWF-US and WWF-UK, typifying the form of partnerships the Foundation has developed with international non-governmental organisations.

Enterprise development has remained the focus of the craft sector, with about 1000 women benefitting from this programme. The two craft showpieces, Mud Hut Trading and the Namibia Craft Centre have both performed very well in 1999. Mud Hut Trading showed a healthy turnover with demand surpassing supply at this stage, while the Craft Centre was extended and now holds a prominent place on the tourist map of Windhoek.

The world's largest known deposit of uranium occurring in granite is situated in the oldest desert on earth, the Namib.

HISTORICAL INFORMATION

Rössing, the largest open pit uranium mine in the world, is situated in Namibia. It lies 65 kilometres inland from the coastal town of Swakopmund, in the Namib Desert. This region is characterised by limited vegetation, rocky outcrops and gravel plains. The average rainfall around the mine is about 30 mm per year.

Captain Peter Louw, a mineral prospector working in the Namib Desert, discovered radioactive pitchblende in the late 1920's.

It was only in 1966, however, that Rio Tinto South Africa Ltd, a subsidiary of the RTZ Corporation (now Rio Tinto plc), negotiated an option on the 1 000 square kilometre concession.

A team from RTZ then established an exploration camp in the Namib Desert. An extensive programme of geophysical and geological surveys commenced, followed by a detailed feasibility study. The ore body was found to be an economical high tonnage deposit of low-grade uranium occurring in granitic rocks termed as alaskite.

A decision to go ahead with the mining project was made in August 1973. The plant and mine were designed to produce 4 500 tonnes of uranium oxide per year and began operating in March 1976. It reached full-scale production for the first time in 1979.

GEOLOGY OF THE RÖSSING DEPOSIT

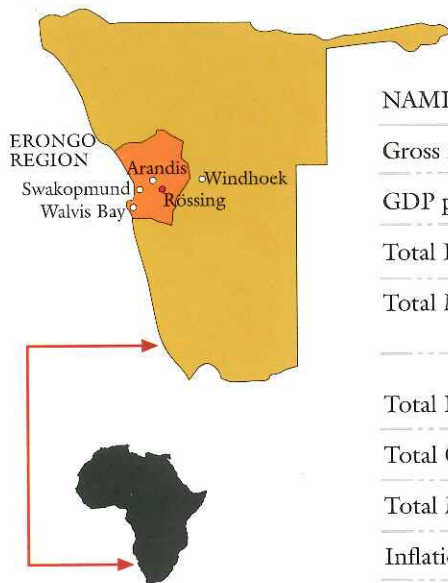
Rössing is the largest known uranium ore deposit of its kind and has a geological history dating back 700 million years to when the Namib Desert formed part of the sea. Very slowly, a thick succession of sediments began to accumulate on the floor of this ancient ocean. With time, geological processes led to the burial and hardening of these sediments deep within the earth's crust. At these depths extremely high pressures and temperatures caused complex folding of the sedimentary rocks. Underlying molten granite was forced upwards and became embedded in the sedimentary rocks. This intrusive granite, known locally as alaskite, contains the uranium minerals that are either microscopically small crystals of uraninite or easily seen yellow crystals of beta-uranophane. Subsequent erosion has removed much of the covering rock and exposed the Rössing deposit.



The open pit is 3km long, 1km wide and 300m deep.

statistical information

Namibia's surface area is 824 000 square kilometres with a population of 1.8 million and a population growth rate estimated at 3.1%.



NAMIBIA	UNITS	1998
Gross Domestic Product (current prices)	N\$ millions	16 826
GDP per capita	N\$	9 615
Total Exports of goods	N\$ millions	7 067
Total Mineral Exports (incl. diamonds)	N\$ millions	3 186
Total Public Debt as % of GDP	%	3.2
Total Government Revenue (incl. grants)	N\$ millions	7 089
Total Mining Taxes (incl. diamonds)	N\$ millions	not available
Inflation Rate	%	6.2
Total Water Consumed	million m ³	not available
Total Electricity Produced	million kWh	not available
GDP Growth Rate (constant prices)	%	2.4

Rössing Uranium Mine	UNITS	1998	1999
Uranium Production	tonnes	3 257	3 171
Contribution to World Production	%	8	8.5
Rank Amongst Principal Producers		4	5
Contribution to Mineral Exports	% by value	22.2	not available
Total Tonnes Mined	million t	25.60	26.07
Total Tonnes Milled	million t	10.95	10.46
Number of Employees		1 182	1 006
Productivity per Employee-year		2.75	3.15
Fresh Water Purchased	million m ³	3.45	2.78
Electricity Purchased	million kWh	210.7	216.9

REVIEWING RÖSSING 1999 • REPLY CARD

Dear Reader,

The aim of this survey is to find out whether the Reviewing Rössing is meeting your communication and information needs.

Please complete the questions below. You can either mail (details below), fax (+264 64 522032) or e-mail (this questionnaire is also on our website at www.rossing.com on the Bulletin Board) your response to reach us no later than 31 May 2000.

Please tick the appropriate circle(s).

1. Gender: Male Female
2. What is your relationship with Rössing?
 - Government Diplomatic Corps Client
 - Rio Tinto Community Leader
 - Other (specify) _____
3. Have you ever visited the mine? Yes No
4. Do you find the content of the Reviewing Rössing:
 - Useful in getting information about the Company?
 - Useful in understanding the business performance?
 - Other, (specify) _____
5. Do you find the content:
 - Easy to read? Difficult to read?
 - Too technical? Just right?
6. Please evaluate the different sections in the Reviewing Rössing:

	Needs more detail	Less detail	Just right
<i>Introduction</i>			
<i>Market Review</i>			
<i>Operations Overview</i>			
<i>Communities Relations</i>			
<i>History and Geology</i>			
<i>Statistical Information</i>			
7. Do you think the new design and layout, compared to the previous years:
 - Makes it more attractive to read? Enhances the image of the publication?
 - Is not fitting for Rössing? Other, (specify) _____
8. Do you have additional comments you wish to make about the Reviewing Rössing 1999 or ideas you want to suggest?

9. In case your address has changed, please indicate new address below:
