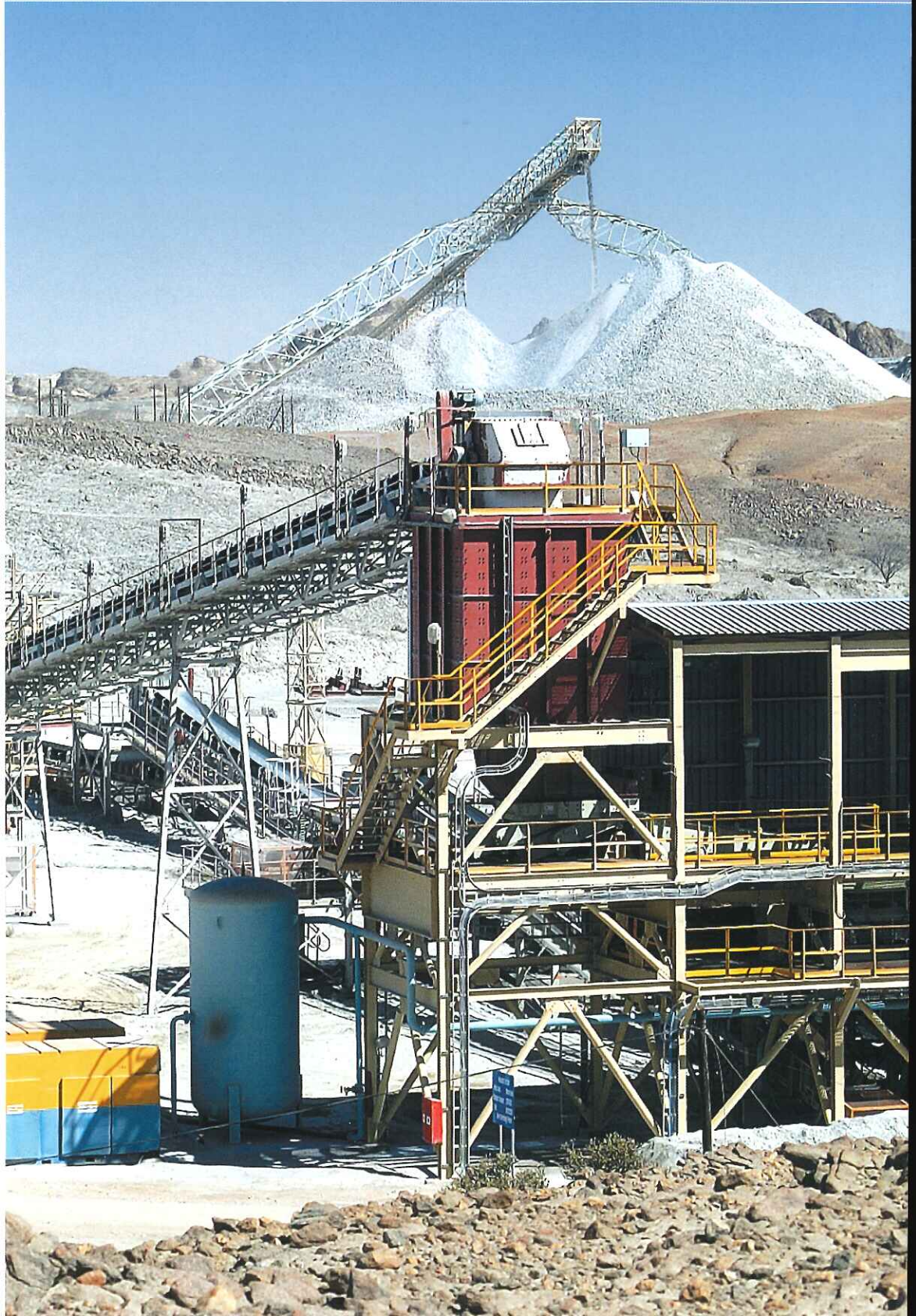




SOCIAL AND ENVIRONMENTAL REPORT 2002

SOCIAL AND ENVIRONMENTAL





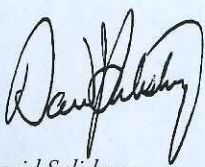
COMPANY INFORMATION

MESSAGE FROM DAVID SALISBURY, MANAGING DIRECTOR

2002 was a year of both positive accomplishments and disappointments. The retention of the ISO 14001 certification is an important achievement for Rössing. Continued reductions in energy consumption and freshwater usage clearly resulted from the collaborative efforts of the entire Rössing team.

The aggressive approach to improving safety implemented last year continued, but the results fell short of expectations. The number of lost time incidents was one more than the previous year's level and unfortunately included a fatality. This failure to meet our goal of a 50% reduction in lost time accidents is not acceptable. A renewed focus on establishing a safe working culture actively involves employees in the improvement process.

Rössing's activities continued to focus on improving the quality of life for our employees and the communities that support every aspect of our business. This report reflects Rössing's ongoing commitment to improve our performance in Health and Safety, fulfil our stewardship of the environment and carry out our role as a responsible corporate citizen.



David Salisbury
Managing Director Rössing

Rössing, a large open pit uranium mine, is situated in Namibia, south western Africa. It lies 65 kilometres inland from the coastal town of Swakopmund in the Namib Desert. The region is characterised by sparse vegetation, rocky outcrops and gravel plains with an average rainfall of approximately 30 mm per year. Today Rössing mine is the fifth largest uranium producer in the world and accounts for 6.3% of total world production. Rio Tinto currently holds 68,58% of Rössing's equity.

MINING AND PROCESSING OPERATIONS

The ore body is mined by blasting and loading the rock onto 180 tonne haultrucks with electric shovels. The uranium-bearing ore is then delivered to the primary crushers and waste rock taken to dumping sites outside the pit area.

The primary crushers initially reduce the uranium-bearing rock to an average size of 16 cm. It is further reduced to sand grain size in three additional crushing stages and milling. Sulphuric acid is added as a leaching agent to extract the uranium from the rock. The solution is separated from the ground rock and the solid material is pumped as a slurry to the tailings dam for disposal.

In the first stage of recovery, resin beads adsorb uranium from the solution, which is then stripped

from the beads to form a more concentrated solution. This is pumped to a solvent extraction plant where it is further concentrated and the remaining impurities removed. In the next step, gaseous ammonia is added to the solution, causing a precipitate of ammonium diuranate, or yellow cake. This is dried and roasted at temperatures in excess of 600°C to produce Rössing's final product, uranium oxide (U₃O₈), in a powder form. The uranium oxide is safely and securely packed into steel drums ready for delivery to the Company's customers.

OTHER FACTS

Rössing is committed to a workforce that is representative of the local population. Of the 793 employees at the end of 2002, 95.8% are Namibian citizens. The Company offers attractive conditions of employment including housing, transportation to the workplace, membership of a pension and medical scheme together with free 24-hour life and accident insurance. More than half of the workforce has in excess of 15 years service.

In 1987 the Company signed a recognition agreement with the Mineworkers Union of Namibia of which over 80% of employees are members. Union officials and mine management meet on a regular basis to discuss matters of mutual interest.

Rössing's stated and practised policy is to develop all employees by providing extensive training

in mining and related skills and helping to develop a proper understanding of the responsibilities and opportunities each job offers. Rössing is also committed to training Namibians progressively to assume positions of greater responsibility within the Company. Promotions and new appointments are made in line with the Company's equity policy and the Namibian legislation.

The Company plays an important role in the development of Namibia by its contribution to the economy and the generation of approximately 10% of total Namibian exports. In 2002 employee salaries and benefits, taxes paid and local goods and services purchased totalled about N\$914 million.

KEY ENVIRONMENTAL ASPECTS AND IMPACTS

The various processes at Rössing have potential to impact the environment. All aspects are listed in Rössing's environmental management system database.

These aspects include:

- Water management
- Radiation exposure
- Dust generation
- Hydrocarbon management
- Noise generation
- Hazardous chemical control
- Seepage of process solutions
- Waste management
- Energy usage
- Greenhouse gas emissions

KEY HEALTH, SAFETY AND ENVIRONMENTAL PERFORMANCE



2002 PLAN

At the Fine Crushing Plant, no personal dust sample should exceed the dust concentration standard of 0.5 mg/m³.

Design and implement awareness strategies that reflect Rössing's policies and practices on employee health including HIV/AIDS.

Expand the peer counselling programme both at Rössing and in the community with the aim of reaching 20% more people.

2002 PERFORMANCE

During 2002, 27% of the employees monitored were found to have worked at dust concentrations slightly above 0.5 mg/m³. All these employees were wearing respirators during those periods and were thus not exposed to levels exceeding the standard. Area monitoring at dust generating sources showed good improvement with the annual average being 0.80 mg/m³ and the target 0.90 mg/m³.

A Wellness Strategy Workshop took place in November where various stakeholders within Rössing and the Community were present. Here experts provided information on the health profile within Rössing. Key issues were identified during the workshop, which will be incorporated in a Wellness Strategy to be drawn up and implemented during 2003.

Thirteen new peer educators were trained in November 2002 including 7 Rössing employees, 2 contractors, 3 community members and 1 employee from another mine. An average of 450 people per month were reached through peer educator talks which was a 88% improvement from the previous year (average 240).



2002 PLAN

Twelve monthly training modules will be developed and all employees will be trained on all modules.

50% Reduction in *all* injuries compared to 2001.

Be 95% compliant to safety standards as verified by the external biannual safety audit in December.

2002 PERFORMANCE

Eight modules were completed and training given to all employees on site.

50% reduction in all injuries compared to 2001 not achieved. (35 against target of 20 for all injuries).

Based on the audit carried out by Rio Tinto, a compliance of 88.94% was achieved.



LOST TIME INCIDENTS



2002 PLAN

Provide refresher training on emergency preparedness.

To conduct a full Disaster Management and Recovery mock drill.

2002 PERFORMANCE

Refresher training on emergency preparedness was completed during the year.

A full Disaster Management and Recovery mock drill was conducted in November 2002.

KEY HEALTH, SAFETY AND ENVIRONMENTAL PERFORMANCE

ENVIRONMENT



2002 PLAN

Maintain ISO 14001 certification.

Develop a process for the compilation of an EIA for the final elevation and extent of the tailings dam.

2002 PERFORMANCE

Rössing retained its ISO 14001 certification in 2002.

The process has been developed and a full Environmental Impact Assessment with public input will be conducted in the first half of 2003. Specialist work is already continuing to identify the best alternatives to extend the tailings facility.

WATER MANAGEMENT



2002 PLAN

Reduce the freshwater demand by at least 1 500 m³/day from July 2002 by supplying water for industrial use from the new boreholes on the tailings dam.

Design a cost-effective water recycling system for the dust collectors at the pre-screening plant to reduce water loss.

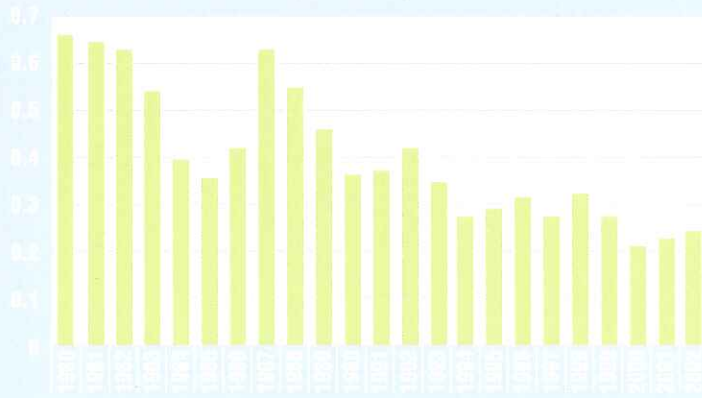
Investigate the possibility of replacing freshwater with industrial water at Fine Crushing.

2002 PERFORMANCE

The target in freshwater use was not achieved. Water recovery from the new boreholes on the tailings dam was not as good as expected. While the initial yields were as expected, clogging of the pumps by salts contained in the water reduced the output. Testing is in progress to see if the boreholes can be treated to restore the original yield.

A new design and cost estimate for the proposed water recycling system at Fine Crushing was completed this year. However, the implementation of the project depends on the outcome of a study on an entirely different crushing system. In the meantime, the current method of water recycling from the pump sumps to the plant will be maintained.

The option of replacing freshwater with poor quality water was investigated, but found to be impractical at this stage. A water use study was carried out to identify options for the water supply to the plant and open pit. Some changes were made to the freshwater and seepage reticulation system. The supply of seepage to the open pit was not feasible and the pit will continue to use brackish water from the Khan River.



FRESHWATER CONSUMPTION

The graph shows monthly freshwater consumption in million litres per annum (MLA).

LAND



2002 PLAN

No objectives set for 2002.

2002 PERFORMANCE

The impact of mining and dumping activities on undisturbed land was minimal during 2002. A total of 3 ha have been affected, mostly by excavating sand behind the waste dumps to the north-east of the open pit. A study on sand mining was completed and recommendations made.



2002 PLAN

Assessing and upgrading the hydrocarbon management systems on site.

Establish an area (Land Farm) to biodegrade oily sludge and oil contaminated soils.

Introduction of a new tailings transport system

2002 PERFORMANCE

The area used for the storage of used oil was found to be inappropriate and a new area developed. The new area was fenced off with access being controlled.

The Land Farm established to biodegrade the hydrocarbon in contaminated soil is still in the experimental stage. Small amounts of contaminated soil have been successfully treated but this project will remain an experiment for 2003.

The construction of an 840 metre long overland conveyor from the processing plant to the tailings dam started in 2002 and will be completed in March 2003. The purpose of the conveyor is to transport the coarse sand fraction of the tailings slurry, while the fine slimes fraction will be pumped onto the tailings dam. Both streams will be mixed at a new pumping station and transferred for disposal. The new system is expected to improve the reliability of the tailings disposal system and reduce operating costs.

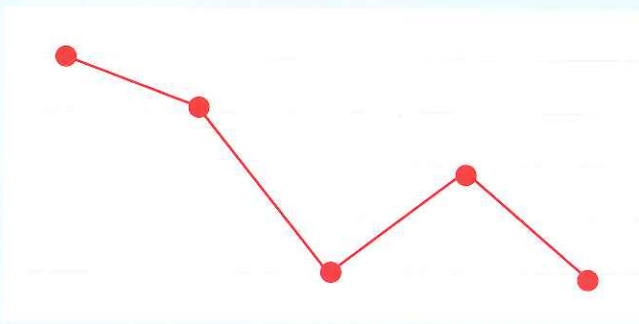


2002 PLAN

Energy reduction initiatives.

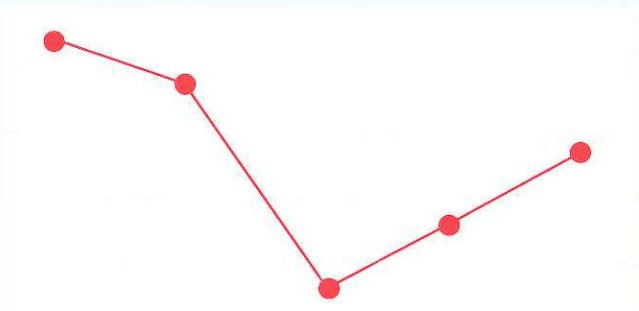
2002 PERFORMANCE

Although no energy reduction initiatives were planned, Rössing had an energy efficiency study carried out by a team of consultants towards the end of 2002. A report received from this study identified a list of action plans for improved efficiency and energy reduction and a number of these will be pursued during 2003.



CARBON DIOXIDE EMISSIONS
tonnes per hour uranium oxide produced

Although there seems to be a reduction in CO₂ emissions in 2002, the total is the same as that recorded in 2001. However, a slightly more uranium oxide was produced in 2002.



ENERGY CONSUMPTION
megajoules per tonne uranium oxide produced

The total energy usage for 2002 was similar to that of 2001, although a higher energy consumption per tonne of uranium oxide produced was recorded. This was due to more being produced and more power being consumed. In 2000, there was a reduction in energy due to the ROSSING

KEY HEALTH, SAFETY AND ENVIRONMENTAL PERFORMANCE

COMMUNITIES & ONGOING WORK

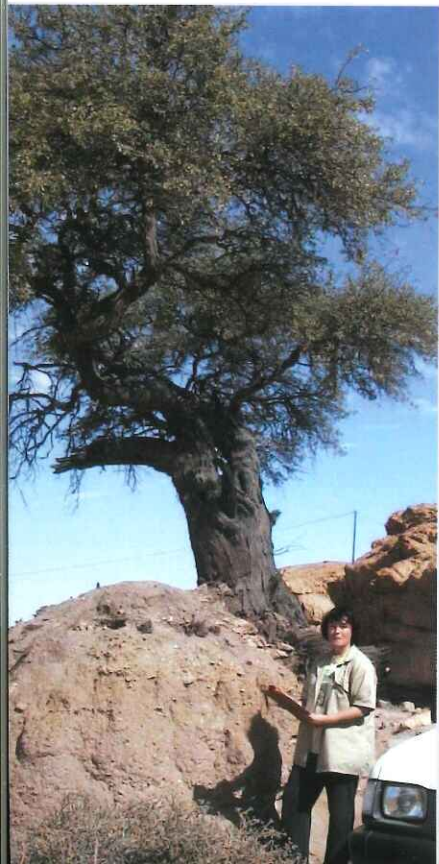
2002 PLAN

Build lasting relationships, which are of mutual benefit to Rössing and its communities through ongoing communication and active participation.



The Rössing Birdwatching Day was hosted for the second year.

An example of the Company sharing expertise. The Company Hydrogeologist assisting in tree identification in the Erongo region.



Provide co-operation in areas of community needs, such as welfare, education and the environment.

Invest resources into development programmes through selected sponsorship activities.

2002 PERFORMANCE

Company shared expertise and knowledge through employee representation on various community projects and organisations such as Chamber of Commerce, NamWater, Association for Resource Management against Alcohol and Drug Abuse (ARMADA), Namibia Institute of Mining and Technology (NIMT) and the Erongo Development Foundation (EDF). Further development of dialogue with representative groups and opinion leaders in the communities, such as the Arandis Town Council and the small scale miners near Uis, increased the Company's understanding of community needs.

Visitors to the Mine totalled more than 2 000, including government representatives, members of the diplomatic corps, schools and technical groups. Proceeds from the general public tour hosted twice per month were to the benefit of the Swakopmund Museum. A number of employee spouses visited the Mine on a familiarisation tour.

The Company hosted a number of conservation trails by inviting local business and community leaders to learn more about communities in the Erongo Region.

The Rössing Birdwatching Day was hosted for the second year by inviting school children from Arandis, Swakopmund and Walvis Bay to participate.

Information briefings on challenges facing the Mine were held with government, businesses, community leaders and the media.

Cash and in-kind donations to institutions and organisations mostly in the Erongo Region but also nationally were made to support educational, environmental and cultural activities, such as for independence celebrations in Arandis and Swakopmund. Twenty two schools in Arandis, Walvis Bay and Swakopmund received donations for book prizes in the environment, science and mathematics fields for their annual prize giving ceremonies. Rössing employees presented the prizes on behalf of the Company. The National Immunisation Day and SOS International Safe Driving Campaign were supported.

Rössing donated N\$20 000 towards the Damara Tern fencing project for the second year and with a participatory approach a number of other businesses joined and made contributions to the total of N\$68 500. The Ministry of Environment and Tourism and the Namibia Nature Foundation manage the project.

The Company supported the GEOCONGRESS 2002 with international participants in Windhoek and also hosted mine tours for the delegates.

Upkeep of the permanent exhibitions on Rössing at the Swakopmund Museum and the Geological Museum in Windhoek.

The annual Rössing Namibia Marathon Championship in Swakopmund was sponsored for the eleventh year with many participants from neighbouring countries. The marathon is organised by a local athletics club, Swakop Striders.

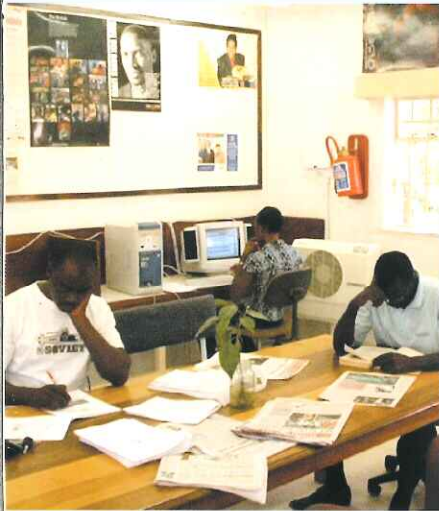
The mine contributed towards the establishment of an internet



2002 PLAN

Social Investment

Namibian communities and citizens, especially in the Erongo Region, are empowered to improve their quality of life.



A Rössing Foundation training centre.

2002 PERFORMANCE

Forty two Namibian students assisted through the Kolin Bursary Fund to attend local tertiary studies.

2 432 Adults successfully completed skills training programmes that included English language competency, computer literacy, needlework, accounting, typing, secretarial studies and early childhood development.

Ninety two teachers enrolled in post-graduate programmes through a partnership with the Rössing Foundation and Rhodes University.

Twenty seven grants awarded to School Boards of lower primary schools to enhance education. Total value of the grants is N\$662 000. The teacher support programme worked with 162 schools and 352 teachers.

Plan for the improvement of school management of the three schools in Arandis was completed and will be implemented in 2003.

Career Exhibition in Windhoek attracted twenty seven exhibitors and 4 200 learners. Coastal Career Exhibition planned for 2003.

All Namibian secondary schools provided with a careers supplement that appeared in the "The Namibian" newspaper.

112 026 Users visited the community libraries managed by the Rössing Foundation in 2002. Four of the libraries now have internet access for public use.

Four natural resource management areas established in north central regions with functioning committees. Uukwaluudhi Core Wildlife management area fenced (5 000ha) and wildlife reintroduced into the area. Community members in King Nehale resource management area jointly earned N\$100 000 income through sales of harvested veld products.

Mud Hut Trading, the marketing arm of the Rössing Foundation craft programme, achieved a turnover of N\$1.1 million in 2002.

Ten new craft enterprises established in north central regions of Namibia. 1 200 Craft producers countrywide supported through the craft programme (95% women).

The total expenditure for the Rössing Foundation in 2002 was about N\$19 million.

Partnership

Rössing aims to maintain and further develop partnerships with identified stakeholders to promote sustainable development initiatives in the Erongo Region and national programmes.

Three Leadership Training Courses completed for Twelve local municipalities, including the town of Arandis, in partnership with GTZ.

Increased number of partner institutions making use of Rössing Foundation facilities on a lease basis for 2002.

Corporate Social Responsibility

Support the CSR processes in Namibia by promoting a deeper understanding of CSR practice, further improvements to reporting mechanisms and explore

CSR workshop with thirty participants completed. Facilitation provided by the Synergos Institute with workshop leaders from corporate programmes in South Africa, Brazil and Colombia. 'University for a Night' function hosted with local business, government and NGO leaders.

OBJECTIVES FOR 2003

HEALTH

- A long-term objective for the Fine Crushing Plant is to have area dust levels below 0.3 mg/m^3 . This is to be achieved by 2005.
- To draw up and implement a Wellness Strategy.
- Reviewed Alcohol and Drug Policy to be signed on 31/01/2003 and training sessions to be completed by 28/02/2003.
- To compile and implement a Fitness for Work Procedure.
- HIV Prevalence Survey to be introduced and completed at Rössing.

SAFETY

- 50% Reduction in all injuries compared to 2002.
- Complete the remaining four safety training modules not completed in 2002 and to translate all the training modules to indigenous languages.
- To be 100% compliant to safety standards as verified by the external annual safety audit, due in July 2003.

ENVIRONMENT

- Maintain ISO 14001 certification.
- A sustainability assessment of the proposed mine life extension including environmental impacts of new waste sites will be conducted in the first half of 2003.
- Set up a bio-diversity strategy during 2003.

WATER MANAGEMENT

- Regional and national co-ordination:** Continue co-operation with other water users in the region by representation on the coastal bulk users forum and basin management committee(s). Obtain and evaluate information on the status of the water resources from NamWater. Continue liaison with government on new water legislation.
- Water use:** To achieve a freshwater consumption of 0.20 m^3 per tonne ore processed.
- Water quality:** Minimise impact of the mine on local groundwater occurrences and

aquifers by effective seepage control. Use water quality studies from the closure plan to define present and future impacts of the mine.

- Water balance:** Establish and maintain an accurate water balance. On this basis develop salt balances for relevant parameters to optimise the uranium recovery process and match the quality of recycled solution to user requirements.
- Communication and Awareness:** Communicate the water management plan to all stakeholders and report on progress with last year's plan. Publish monthly feedback on water targets in the in-house newsletter and conduct water awareness training for employees and contractors.

WASTE MANAGEMENT

- Ensure a reduction in the total number of waste management related environmental non-conformances reported every quarter.

ENERGY

- From the list of action plans identified in the report received on the energy efficiency study, complete those actions that can be pursued during 2003.
- An Energy Committee to be set up to drive Rössing's energy efficiency programme.

PLANNING FOR FUTURE CLOSURE

- Although the mine is not to close in the near future, the closure plan has been updated as part of a periodic planning exercise. Measures to maximise rehabilitation have been reviewed and the cost estimation updated. In early 2003 the required funds will be invested in a trust fund and the results of the study will be presented to the public for comment.

COMMUNITIES

RÖSSING FOUNDATION
2003 will be a year of preparing for significant changes in the organisation, and implementing some of the new programmes and partnerships developed in the past year. It will be a very challenging period, and key priority areas identified for the Foundation include:

- Significantly strengthening the activities of the Foundation in the Erongo Region.
- Managing the change processes within the Rössing Foundation and seeking new areas of improvement.
- Implementing the targets the Foundation has set in the annual plan.

RÖSSING MINE

- Continue with the long established community programmes.
- Contribute significantly to the co-ordination and development of the Rössing Foundation programmes in the Erongo Region.

PERFORMANCE DATA TABLE	1998	1999	2000	2001	2002	Range Jan-2002	Range Jan-2003
Number of employees	1182	1006	800	791	793	849	895
Production data							
Ore processed (000 tonnes)	10 958	10 463	11 039	9 084	8 769	9 719	9 315
Waste rock removed (000 tonnes)	14 637	15 607	13 124	12 033	13 015	15 965	9 759
Ratio ore processed : waste rock removed	0.75	0.67	0.84	0.75	0.67	0.61	0.95
U ₃ O ₈ produced (tonnes)	3 260	3 171	3 201	2 643	2 751	2 778	2 701
Freshwater Consumption (000 m ³)	3 542	2 779	2 312	2 053	2 175	1 866	1 863
Freshwater per tonne ore processed (m ³ /t)	0.32	0.27	0.21	0.23	0.25	0.21	0.20
Ratio of freshwater : total water	0.35	0.27	0.22	0.22	0.25	0.20	0.21
Seepage water collected (000 m ³)	1 821	2 102	2 709	1 609	2 001	2 024	2 040
Emissions to air *							
CO ₂ (Kt CO ₂ equivalent)	179.7	171.6	162.9	139.7	139.9	130.8	137.0
CO ₂ per unit of production (t/t U ₃ O ₈)	55.1	54.1	50.9	52.9	50.9	47.1	50.7
Energy use on site (GJ x 1000)	1 339	1 248	1 133	979	999	987	921
Energy use per tonne ore processed (MJ/t)	122	119	103	109	114	109	99
Source dust levels at							
Fine Crushing Plant (mg/m ³)	0.88	1.32	2.80	1.45	0.80	0.90	0.75
No. of personal annual radiation exposure above 20 mSv	0	0	0	0	0	0	0
Lost Time Injury Incident Rate (LTIIR)	0.93	0.49	0.85	0.45	0.51	0.23	0.25
No. of Lost Time Injuries	18	9	9	5	6	2	3

Rössing Uranium Limited
Private Bag 5005,
Swakopmund, Namibia
Tel: +264 64 520 2329,
Fax: +264 64 520 2297
Email: enquiries@rossing.com.na