

## Background Information Document - Rössing Uranium Mine Expansion

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This Background Information Document discusses the proposed expansion of Rössing Uranium's current operations.

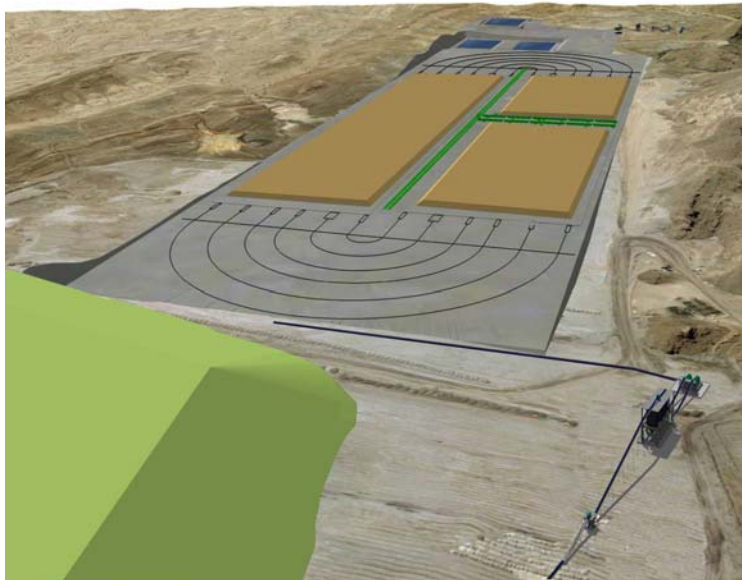
The last five years have seen a rapid increase in uranium exploration and development in Namibia. Much of this has been driven by the increased world demand for uranium oxide. Although the spot price for uranium has remained volatile due to the effects of the global financial crisis, the long term outlook for this industry remains bright.

Rössing Uranium has been mining and processing uranium in Namibia for the past 34 years. It is the third largest uranium mine in the world. In 2009 Rössing mined 54.5 million tonnes of rock and produced 4,150 tonnes of uranium oxide, one of the most productive years in recent times. The number of permanent staff is currently 1,415.

Rössing has focused on extending and expanding its current operations to enable the mine to continue to operate profitably for the long term. One such expansion activity has involved a study on heap leaching.

Heap leaching can be conducted at a lower cost than tank leaching, mainly due to a less intensive crushing stage. The Heap Leach Project, once approved, will supplement the existing tank leach process and increase overall uranium production levels. The new process will include leach pads, a dedicated crushing and processing plant and a waste ore disposal facility.

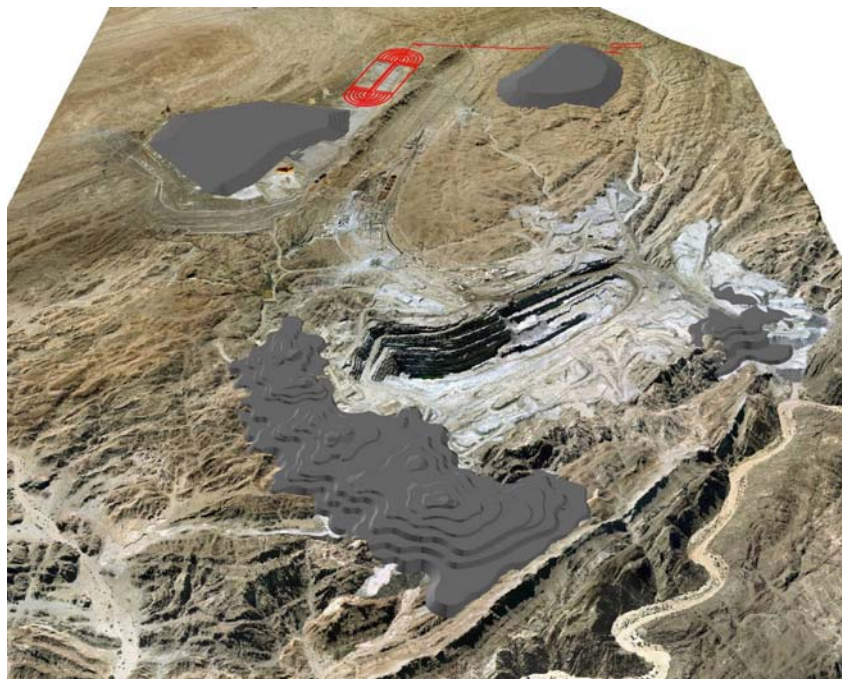
The image below shows a model of the proposed heap leach pads (brown rectangles) and associated processing plan, which are planned on top of the current Rössing tailings facility.



In addition, drilling of existing and new areas surrounding the current open pit has been undertaken to investigate the extent of the uranium ore available within the Rössing mining licence area. The expansion will result in an increase in size and depth of the current open pit, which in turn will require larger waste rock dumps and tailings facility.

The image below shows models (in grey and red) of the proposed facilities which were investigated, namely the

extended waste rock dumps to accommodate additional mining waste (in the foreground), the increased capacity on the current tailings facility to accommodate additional tailings, the proposed heap leach facility (in red) and the associated disposal area for heap leach waste (top right).



The technical and environmental studies for the expansion were initiated in early 2008. However, due to the world financial crisis, Rio Tinto took a decision to limit all new projects within the Rio Tinto Group. In 2009 it was decided to proceed with the feasibility study given continued world demand for uranium oxide and a commitment by Rössing to continue to strengthen and improve its business and ensure its long term viability. A Social and Environmental Impact Assessment (SEIA) was commissioned in 2008, stakeholder meetings were held and a scoping report was finalised and published in April 2008.

Since then, the socio-economic, environmental and technical studies have progressed throughout 2009 and 2010 and are now nearing completion. These studies have included comprehensive air quality and ground water modelling, public radiation dose assessment, social and economic, traffic, noise, blast vibration, visual, archaeological, fauna and flora studies. Some of the studies have built on previous data; however, much is based on new information and sampling data, thus providing new and significant findings. The lead SEIA consultant, Aurecon (previously Ninham Shand) has subcontracted specialists from Namibia and internationally to carry out the studies.

Rössing Uranium, together with Aurecon and various specialists, would like to present the findings of these studies and the preliminary outcomes of the SEIA to the public. Instead of having only public town hall meetings, it has been decided to hold a number of focus group meetings, road shows and one public meeting in Arandis. The aim is to talk to and share information with a range of interested and affected parties (I&APs). It is hoped that this new approach will reach a broader audience than before and result in I&APs with a better and more detailed understanding of the project which in turn will lead to a more comprehensive input into the impact assessment.

The draft SEIA document will be made available for public review following the meetings and the input and concerns received from stakeholders and I&APs will be included in the document. Upon completion and submission of the final SEIA Report, Rössing will apply to the Ministry of Environment and Tourism's Directorate of Environmental Affairs for an environmental clearance certificate. Should such an application be successful, Rössing will approach Rio Tinto for approval to proceed with the design phase of the expansion project.

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