FOR ATTENTION: ENVIRONMENTAL COMMISSIONER (MR T. NGHITILA)

Dear Mr Nghitila and Ms. Mwaka Lushetile

RE: ENVIRONMENTAL IMPACT ASSESSMENT FOR THE PROPOSED RÖSSING URANIUM DESALINATION PLANT NEAR SWAKOPMUND, ERONGO REGION

With reference to your letter dated 9 January 2015, (as received by e-mail on the 20th of January 2015) regarding the above mentioned project, the following:

Thank you for your letter and comments. We have conducted the full Environmental Assessment and recently completed the process after the I&AP comment period on the Draft Social and Environmental Impacts Assessment Report (SEIA Report) with all appendices, including the Social and Environmental Management Plan (SEMP), ended and the reports were finalised, considering the comments received.

Your comment in the above mentioned letter, regarding “whether the discharging of brine from the proposed desalination plant will have an impact on the quality of the proposed Mile 6 NamWater desalination plant and the quality of the sea water to be abstracted by the NamWater plant” was also addressed (amongst others) in the above mentioned process and SEIA Report and a response provided in the Comments and Response Report (appended to the SEIA Report).
Herewith please find the Final SEIA Report, with all appendices, including the (SEMP), for your review and decision.

Attached to this letter is a copy of both the Application Form (that was previously submitted to your Directorate) as well as the letter received from you (dated 9 January 2015) – for quick reference.

Please take note of the following (only for information purposes):
Some of the costs (i.e. capital expenditure, operations costs, etc.) that are reflected in the SEIA Report and the Socio-economic Report had to be amended from the Draft version to the Final version that is now being submitted to you. These changes are a result of, amongst others, the following:

- To align the data to Rössing Uranium’s stakeholder reports.
- The bankable feasibility study was recently completed (after the Draft version was distributed) and the detailed costing could be refined.
- The new unit cost calculations now also incorporate the impact of the mine’s lower production rates planned for the next three years.
- The enhanced detail to the capital project has increased the capital cost, and combined with the lower consumption rate, also increased the unit cost of producing own desalinated water, and ultimately resulting in a slower payback period.

These cost changes, however, had no implications on the project description or original impact assessment findings as was presented in the Draft version of the report.

Please contact me if you need anything else to enable you to make an informed decision regarding this project.

Kind regards,

Werner Petrick