

Rössing Uranium Limited  
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Swakopmund, Namibia  
*Registered in Namibia No. 70/1591*



# Rössing Uranium

A member of the Rio Tinto Group

WORKING FOR NAMIBIA

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## MEDIA RELEASE

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## LABOUR ISSUE

The Company and members of the Branch Executive Committee (BEC) of the MUN have started discussions on 23 October 2006 about the job grading of Equipment Operators working at the mine's Open Pit.

The Dayshift Equipment Operators arrived at work on 23 October but then proceeded to withhold their labour. The withholding of labour continued with the afternoon, night shift and today's dayshift.

The Pit Equipment Operators are employed at a Grade 6 Patterson job level and are remunerated accordingly. They, however, demand that they should be moved to a higher grade with an increase in salary.

The Company and the BEC held discussions to try and resolve this labour issue.

Both parties already agreed last week to come together on Wednesday this week to discuss proposals on the remuneration of Equipment Operators working in the Open Pit. The action to withhold labour was not preceded by the correct procedures and thus makes the work stoppage illegal.

Recently the Company had this group's job descriptions rewritten and then graded by a Job Evaluation specialist, and this confirmed that the grade allocated was correct.

The illegal work stoppage is compromising this year's production targets in the Open Pit.

In a spirit of co-operation Rössing's management is willing to continue the discussions to resolve the labour issue to the satisfaction of all parties but only after normalisation of the situation whereby all workers return to their normal duties.

### Issued by:

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## **Editor notes:**

Visit the Rössing website at [www.rossing.com](http://www.rossing.com) for more information about Rössing. An electronic copy of the 2004 Rössing Report to Stakeholders is also available on the website.

The mine currently employs 915 employees (of which 96% are Namibians) and around 500 contractors.

## **Key personnel**

§ Chairman: Charles Kauraisa

§ Managing Director: Michael Leech.

Michael Leech is the first Namibian national appointed to this position.

## **Rössing Mine in Namibia**

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 30mm per year.

Rössing is one of the largest open pit uranium mines in the world and through the production of uranium oxide ( $U_3O_8$ ) serves the world energy industry for the generation and supply of electricity.

Rössing is part of the Rio Tinto Group of Companies, which currently holds 68,6% of Rössing's equity.

Production started in 1976, which means that the mine is celebrating 30 years of production this year.

## **Recent milestones**

§ In July 2003, 100 000 short tonnes of  $U_3O_8$  was produced since production started in 1976.

§ In August 2003 the mark of 1 billion tonnes of rock hauled from the open pit was reached.

§ In December 2005 the Life-of-Mine Expansion (LoME) proposal to extend the mine's life through to approximately 2016 was approved by Rio Tinto. This follows nearly three years of work on the LoME project and ends a long period of uncertainty for Rössing and all its stakeholders. The LoME project involves a total capital expenditure of US\$112 million. About half of the cost will be for additional shovels, haul trucks and other support mining equipment. The remainder is for refurbishment of the processing plant to enable Rössing to return to full production capacity of 4 000 tonnes per year within the next two years. The LoME project is to be rolled out during 2006 and 2007 and will lead the employment of approximately another 150 additional employees.

## **$U_3O_8$ production**

2002: 2 751 tonnes

2003: 2 401 tonnes

2004: 3 582 tonnes

2005: 3 711 tonnes, the highest since 1990

As a primary producer of  $U_3O_8$  Rössing produces about 7.7% of the world's production.

## **Markets**

Current and potential customers: central Europe, North America, Asia and Japan.

## **Financial position**

Despite an upward trend in  $U_3O_8$  spot prices during 2003 and 2004, Rössing came under pressure due to the strong South African Rand (to which the Namibian Dollar is linked) against the US dollar – Rössing sells its  $U_3O_8$  in US Dollars. The company made a loss in 2003 of about N\$140 million and N\$75 million in 2004 and was again in a tax loss situation at the end of 2005. The outlook in 2006 has much improved with a weaker South African Rand against the US Dollar and further increases in the spot market price of uranium oxide, currently at US\$56.00 per pound.

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