

# SUMMARY ANNUAL FINANCIAL STATEMENTS



## Summary statement of financial position

as at 31 December 2023

	Notes	Audited 2023 N\$'000	Audited 2022 N\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	2,826,477	2,421,986
Intangible assets	7	761,909	515,539
Right-of-use asset	8	9,656	14,543
Defined benefit pension asset		48,010	39,154
Rössing environmental rehabilitation fund asset		383,620	390,542
		1,623,282	1,462,208
<b>Current assets</b>			
Inventories	9	5,458,729	4,770,410
Current tax asset		2,157,941	2,247,277
Trade and other receivables		21,601	–
Restricted cash equivalents	10	389,600	242,333
Cash and cash equivalents	10	851,878	754,875
		2,037,709	1,525,925
<b>Total assets</b>		<b>8,285,206</b>	<b>7,192,396</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		4,997,947	3,821,037
Retained earnings		223,020	223,020
		4,774,927	3,598,017
<b>Non-current liabilities</b>			
Deferred tax liabilities		2,130,052	1,821,205
Lease liabilities	8	456,209	–
Post-employment obligation		38,895	28,621
Provision for closure and restoration costs		4,462	13,299
		1,630,486	1,779,285
<b>Current liabilities</b>			
Trade and other payables		1,157,207	1,550,154
Lease liabilities	8	1,145,257	1,537,662
		11,950	12,492
<b>Total equity and liabilities</b>		<b>8,285,206</b>	<b>7,192,396</b>

## Summary statement of profit or loss and other comprehensive income and expenses for the year ended 31 December 2023

	Notes	Audited 2023 N\$'000	Audited 2022 N\$'000
<b>Continuing operations</b>			
Revenue		6,481,447	4,839,425
Other income		36,081	27,984
		<b>6,517,528</b>	4,867,409
Operating costs		(4,477,866)	(3,831,682)
Depreciation, amortisation charges		(104,615)	(127,889)
Other net gains		314,826	69,823
Royalties-mining		(192,612)	(138,102)
<b>Operating profit</b>		<b>2,057,261</b>	839,559
Finance income	4	207,825	135,599
Finance costs	4	(107,397)	(118,292)
<b>Profit before income tax</b>		<b>2,157,689</b>	856,866
Income tax	5	(773,570)	–
<b>Profit for the year</b>		<b>1,384,119</b>	856,866
<b>Other comprehensive income for the year</b>			
Actuarial (loss)/gains on defined benefit pension asset		(30,017)	158,386
<b>Total comprehensive income for the year attributable to equity holders of company</b>		<b>1,354,102</b>	1,015,252
<b>Reconciliation of total comprehensive income for the year to net profit after tax from normal operations</b>			
<b>Total comprehensive income for the year as above</b>		<b>1,354,102</b>	1,015,252
– Actuarial loss/(gains) on defined benefit asset		30,017	(158,386)
– Forex (gains) on Kalahari and Extract funds		(44,298)	(17,137)
<b>Net profit after tax from normal operations</b>		<b>1,339,821</b>	839,729

## Summary statement of cash flows

for the year ended 31 December 2023

	Notes	Audited 2023 N\$'000	Audited 2022 N\$'000
<b>Cash flows from operating activities</b>			
Cash generated by operations		1,202,432	706,174
Interest received	4	66,151	13,694
Interest paid	4	(3,335)	(5,984)
Tax paid	5	(338,962)	–
<b>Net cash generated by operating activities</b>		<b>926,286</b>	<b>713,884</b>
<b>Cash flows from investing activities</b>			
Intangible asset additions	7	(2,186)	(1,366)
Purchases of property, plant and equipment	6	(238,059)	(181,927)
Proceeds from sale of fixed assets		1,412	320
Contributions made to Rössing environmental rehabilitation fund		(79,400)	(88,747)
<b>Net cash (utilised) by investing activities</b>		<b>(318,233)</b>	<b>(271,720)</b>
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities		(12,108)	(6,925)
Interest accretion on leases		(3,278)	(2,165)
Disinvestment from Rössing environmental rehabilitation fund		60,000	–
Dividends paid		(177,192)	(49,680)
<b>Net cash (utilised) by financing activities</b>		<b>(132,578)</b>	<b>(58,770)</b>
<b>Increase in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year		2,280,800	1,796,011
Effects of exchange rate changes on cash and cash equivalents		133,312	101,395
<b>Cash and cash equivalents at end of year</b>	10	<b>2,889,587</b>	<b>2,280,800</b>

## Summary statement of changes in equity for the year ended 31 December 2023

	Share capital N\$'000	Retained Earnings N\$'000	Total N\$'000
<b>Balance at 1 January 2022</b>	223,020	2,632,445	2,855,465
Total comprehensive income		1,015,252	1,015,252
Profit for the year	–	856,866	856,866
Other comprehensive income and expenses	–	158,386	158,386
Dividend paid		(49,680)	(49,680)
<b>Balance at 31 December 2022</b>	223,020	3,598,017	3,821,037
<b>Balance at 1 January 2023</b>	<b>223,020</b>	<b>3,598,017</b>	<b>3,821,037</b>
Total comprehensive income		<b>1,354,102</b>	<b>1,354,102</b>
Profit for the year	–	<b>1,384,119</b>	<b>1,384,119</b>
Other comprehensive income and expenses	–	<b>(30,017)</b>	<b>(30,017)</b>
Dividend paid		<b>(177,192)</b>	<b>(177,192)</b>
<b>Balance at 31 December 2023</b>	<b>223,020</b>	<b>4,774,927</b>	<b>4,997,947</b>

## Notes to the summary annual financial statements for the year ended 31 December 2023

### 1. Reporting Entity

Rössing Uranium Limited is a company domiciled in the Republic of Namibia. These are the summary annual financial statements of the company as at and for the year ended 31 December 2023. The audited annual financial statements of the company as at and for the year ended 31 December 2023 are available upon request from the company's registered office.

### 2. Statement of compliance

These summary annual financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and disclosure requirements of IAS 34, Interim Financial Reporting and the requirements of the Company's Act of Namibia. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the company as at and for the year ended 31 December 2023.

### 3. Significant accounting policies

The accounting policies applied by the company in these summary annual financial statements are the same as those applied by the company in its annual financial statements as at and for the year ended 31 December 2023.

	2023 N\$'000	2022 N\$'000
<b>4. Finance income and costs</b>		
Finance income – Rehabilitation fund – Capital growth	141,674	121,905
Interest income – Bank balances	66,151	13,694
Finance income	207,825	135,599
Interest expense – Bank borrowings	(3,335)	(5,984)
Interest expense – Lease liabilities	(3,278)	(2,165)
Provisions – unwinding of discount – Non-cash item	(100,784)	(110,143)
Finance costs	(107,397)	(118,292)
<b>5. Taxation</b>		
Namibia – current taxation	318,320	–
Namibia – deferred taxation:		
– Current year	323,046	–
– Prior year	133,163	–
	774,529	–
US Federal tax (refund)/charge	(959)	–
Penalties and interest on US Federal tax charge	–	–
	(959)	–
<b>Total tax charge</b>	<b>773,570</b>	<b>–</b>

## Notes to the summary annual financial statements continued for the year ended 31 December 2023

	2023 N\$'000	2022 N\$'000
<b>6. Property, plant and equipment</b>		
Net book value at beginning of the year	515,539	464,508
Additions	238,059	181,927
Disposals	(3,285)	–
Transfers	(3,606)	(1,886)
Depreciation charge	(80,952)	(103,616)
Closure cost adjustment	96,154	(25,394)
Net book value at end of the year	761,909	515,539
<b>7. Intangible Assets</b>		
Net book value at beginning of the year	14,543	27,951
Additions	2,186	1,366
Disposals	–	–
Transfers	3,606	1,886
Amortisation charge	(10,679)	(16,660)
Net book value at end of the year	9,656	14,543

The value in use was used as the recoverable amount for the cash generating unit, which comprise the business as a whole, to determine the impairment. The net present value of future cash flows was used to determine the value in use, which in 2023 is estimated at a value of N\$3,937,000,000 (2022: N\$2,323,000,000) at a year-end exchange rate of USD/NAD 18.30 (2022: USD/NAD 16.95) using a discount rate of 10.0% (2022: 10.0%) and a closure discount rate of 2% (2022: 2%). No impairment was required.

## 8. Leases

The company has lease contracts for land and buildings (including office space) and various items of mining equipment used in its operations. Leases of buildings, office space and mining equipment generally have lease terms between three and six years, while land generally have a lease term of between three and fifteen years. The company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the company is restricted from assigning and subleasing the leased assets.

The company also has certain leases of assets with lease terms of 12 months or less and leases of office equipment with low value. The company applies the short-term lease and lease of low-value assets recognition exemptions for these leases.

**Notes to the summary annual financial statements** continued  
for the year ended 31 December 2023

**8. Leases** continued

Set out below are the carrying amounts of right-of-use assets and lease liabilities recognised and the movements during the period:

	2023 N\$'000	2022 N\$'000
<b>Right-of-use assets</b>		
<b>Opening balance at beginning of the year</b>	39,154	19,069
Additions/Remeasurement	21,840	27,698
Depreciation	(12,984)	(7,613)
<b>Closing balance at end of the year</b>	48,010	39,154
<b>Lease liabilities</b>		
<b>Opening balance at beginning of the year</b>	41,113	20,340
Additions	21,840	27,698
Accretion of interest	3,278	2,165
Payments	(15,386)	(9,090)
<b>Closing balance at end of the year</b>	50,845	41,113
Lease liabilities – current	11,950	12,492
Lease liabilities – non-current	38,895	28,621
	50,845	41,113
<b>Amounts recognised in profit or loss as expenses:</b>		
Depreciation expense for right-of-use assets	12,984	7,613
Interest expense on lease liabilities	3,278	2,165
Expenses relating to variable lease payments, low value assets and short term leases	50,625	40,023
	66,887	49,801
<b>9. Inventories</b>		
Finished goods	1,389,947	1,532,996
Work-in-progress	213,385	204,415
Raw materials and consumables	554,609	509,866
	2,157,941	2,247,277
Inventories are stated after		
– Providing for obsolescence and impairment		
– raw materials obsolescence	28,649	28,272
– long term work-in-progress impairment	36,583	36,583
	65,232	64,855



## Notes to the summary annual financial statements continued for the year ended 31 December 2023

	2023 N\$'000	2022 N\$'000
<b>10. Cash and cash equivalents</b>		
Cash at bank and in hand (refer to note 10.1)	1,395,655	931,107
Short term fixed deposit (refer to note 10.2)	642,054	594,818
Restricted cash equivalent – Rio Tinto sales agreement guarantee (refer to note 13)	457,457	423,801
Restricted cash equivalent – Iran Foreign Investment Company (refer to note 10.3)	394,421	331,074
	<b>2,889,587</b>	2,280,800
For the purpose of the statement of cash flows the year-end cash and cash equivalents comprise the above.		
<b>10.1 Cash at bank and overdraft</b>		
The company deposits cash surpluses only with major banks of high-quality credit standing. The overdraft is unsecured.		
<b>10.2 Short term fixed deposit</b>		
Investment in short-term fixed deposit	594,818	651,785
Replenishment of funds/(drawdown)	2,938	(74,104)
Forex gains on funds	44,298	17,137
<b>Closing balance</b>	<b>642,054</b>	594,818
<b>10.3 Restricted cash equivalent – Iran Foreign Investment Company</b>		
The restricted cash equivalent relates to historic dividends that are payable to the Iran Foreign Investment Company (“IFIC”) shareholder. The transfer of the funds was initially restricted in terms of UN Security Council Resolution (“UNSCR”) 1929, which has subsequently been repealed by UNSCR 2231. However, certain restrictions in terms of UNSCR 2231 remain in place. Additionally, the United States of America, through its Treasury’s Office of Foreign Assets Controls (“OFAC”) has identified IFIC as an entity controlled by the Iranian Government and added IFIC to its Specifically Designated Nationals and Blocked Persons List (“SDN List”). Under U.S. Executive Order (E.O. 13846), the release of these dividends to IFIC could expose Rössing Uranium Limited to secondary sanctions. The board has critically assessed this risk and resolved to continue to keep these dividends under escrow, until a viable and legally acceptable pathway for the release thereof, without Rössing Uranium Limited attracting sanctions, can be found. The board will continue to consider this approach within the legal ambit of the remaining sanctions on the restriction. In the interim, at the request of the shareholder, the funds have been invested in a EURO denominated fixed deposit account. The EURO deposit remains under the control of Rössing Uranium Limited.		
	<b>394,421</b>	331,074
<b>11. Capital commitments</b>		
Capital expenditure contracted but not yet incurred as at 31 December	<b>87,075</b>	22,626
<b>12. Unconditional purchase obligations</b>		
The company has entered into minimum off-take agreements with the suppliers of sulphuric acid for the next year as well as commitments with regard to imports of manganese, tyres, grinding rods and other major consumables within one year.		
	<b>518,457</b>	483,726
<b>13. Guarantees</b>		
In 2017 the company entered into an amended marketing arrangement with Rio Tinto Marketing Singapore Pte Ltd (RTU). The arrangement allows for more flexibility regarding the delivery on sales commitments through a margin scrape mechanism whereby RTU could be instructed to buy and sell material on behalf of the company and only remitting the margin scrape differential on the transaction to the company. In accordance with the conditions of this arrangement, the company had to increase the financial guarantee to RTU from USD 5,000,000 to USD 25,000,000 during 2022 as a result of the increase in the uranium market prices. The RTU sales agreement guarantee is classified as a restricted cash equivalent.		
	<b>457,457</b>	423,801

**Notes to the summary annual financial statements** continued  
for the year ended 31 December 2023

**14. Related parties**

The company is controlled by CNUC Namibia Mining Limited which owns 68,6% of the Company's issued shares. The remaining 31,4% of the shares are widely held and includes a 3.4% shareholding by the Government of Namibia. The ultimate holding company is China National Nuclear Corporation Limited, a company registered in China. All other subsidiaries of China National Nuclear Corporation Limited are regarded as related parties. The following transactions were carried out with related parties:

	2023 N\$'000	2022 N\$'000
<b>Summary of related party transactions</b>		
Sales to Related Parties	4,511,804	2,377,088
Other income from Related Parties	2,186	2,361
Purchase of Product and Services	109,742	75,629
Receivables from Related Parties	119,640	39,626
Payables to Related Parties	–	502,249
Transactions with Government, State-owned and Semi-State-owned enterprises	1,084,993	642,983

**15. Fair Value of Financial Instruments**

At 31 December 2023, the carrying amounts of cash and short-term fixed deposits, trade accounts receivable, trade accounts payable, accrued expenses and current interest-bearing borrowings approximated fair values due to the short-term maturities of these assets and liabilities.

**16. Market risk – foreign exchange risk**

The company is exposed to foreign exchange risk arising from various currency exposures, primarily to the US dollar. Foreign exchange risks arise when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. Derivatives are only used for economic hedging purposes to hedge the foreign exchange risk against the functional currency and not as speculative instruments. Where derivatives do not meet the hedge accounting criteria, it is classified as "held for trading" and for accounting purposes and are accounted for at fair value through profit or loss. Derivative financial instruments are presented as current assets or liabilities to the extent that they are expected to be settled within 12 months after yearend.

At 31 December 2023, there was no derivative asset or liability. At 31 December 2023, if the currency had weakened/strengthened by 10% against the US dollar with all other variables held constant, post-tax profit for the year would have been N\$95,290,367 (2022: N\$57,070,345) higher/lower, mainly as a result of foreign gains or losses on translation of the US denominated intercompany receivables, trade receivables and cash equivalents.

## Company operational and financial review

### Financial performance

Revenue was higher than 2022 by 34%, attributed to sales volumes being 20% higher and an average USD/NAD exchange rate being 13% higher than the prior year. Consistent production performance throughout the year and utilisation of prior year inventory, resulted in the higher sales volumes. While a weaker local currency negatively impacted cost, inflation and commodity price pressures subsided from the previous year. Overall, the good production performance, combined with the favourable macro-economic parameters, resulted in an exceptional financial performance, generating the start-up cash required for our expansion project, paying corporate tax, while also distributing increased dividends to shareholders. The company achieved an increased net profit after tax from normal operations of N\$1,340 million (2022: N\$840 million), which also resulted in the company making corporate tax payments of N\$339 million (2022: NIL). Further details of the company's financial performance are set out in the summary statement of profit or loss and other comprehensive income.

### Operations

Production of uranium oxide for the year was 2,920 metric tons compared to 2,659 metric tons in 2022. A total of 16,683,199 metric tons (2022: 16,581,950 metric tons) were mined from the open pit and 9,301,890 metric tons (2022: 8,972,925 metric tons) of ore were milled. The approval of the Phase 4 expansion occurred in early 2023, extending the Life of Mine to 2036 (2022: 2026).

### Dividends

A final dividend in respect of the 2022 financial year of 47 cents per share was approved by the Shareholders at the Annual General Meeting on 07 June 2023 to the value of N\$ 77,832,000 (2021: NIL) and paid out during June 2023.

An interim dividend of 60 cents per share for 2023 was approved by the board of directors on 20 October 2023 to the value of N\$99,360,000 (2022: N\$49,680,000) and paid out during November 2023.

### Holding Company and Ultimate Holding Company

The company's immediate holding company is CNUC Namibia Mining Limited, a company registered in Namibia. China National Nuclear Corporation Limited, registered in China, is the company's ultimate holding company.

### Going Concern

The annual financial statements were prepared on a going concern basis. The directors have no reason to believe that the company will not be a going concern in the foreseeable future based on forecasts and available cash resources. The viability of the company is supported by the annual financial statements.

### Subsequent Events

Other than the dividend of 64.0 cents per share that was recommended by the board of directors on 06 March 2024 to the value of N\$105,984,000, the directors are not aware of any other material events which occurred after the reporting date and up to the date of this report.

### Auditors opinion

The summary results for the year ended 31 December 2023 have been audited by Ernst & Young Namibia. The auditor's unqualified opinion is available for inspection at the company's registered office.

### Directors

S S Galloway (Chairman), D Sauls-Deckenbrock (Vice Chairperson), J S Coetzee (Managing)\*, J Chang\*\* (Executive), S Gao\*\*, Y Li\*\*, H P Louw, O S Netta, G N Simubali (alternate C W H Nghaamwa), Y Zhang\*\*.

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