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Head: Environmental Impact Assessment Unit
Directorate: Environmental Affairs
Ministry of Environment and Tourism
Private Bag 13346
Windhoek
NAMIBIA

For attention: Dr F Sikabongo

Email : freddy@dea.met.gov.na

Dear Dr Sikabongo,

**SOCIAL AND ENVIRONMENTAL IMPACT ASSESSMENT FOR RÖSSING URANIUM'S
PROPOSED EXPANSION PROJECT: ADDITIONAL ITEM FOR ASSESSMENT**

Thank you for your attention to this matter to date. As you know, the Scoping Report for Phase 1 of Rössing's proposed expansion project was released in November 2007 and a copy was provided to you at that time. Phase 1 of the assessment deals with an acid production plant and related sulphur handling, a radiometric ore sorter and the mining of a small ore body known as SK4.

More recently, you received a draft version of the Social and Environmental Impact Assessment (SEIA) Report for Phase 1 that followed the Scoping Report mentioned previously. We understand that the draft SEIA Report will provide a case study for an EIA review training workshop for relevant government officials to be held between 13 and 15 February 2008.

As described in the Phase 1 documentation, the Phase 2 assessment will deal with the expansion of the Rössing open pit, further mining of the larger SK area, a heap leaching facility and additional space for tailings and waste rock disposal. The Phase 2 SEIA process is being launched by the release of a draft Scoping Report early in February 2008.

With regard to Namibia's newly gazetted Environmental Management Act (No. 7 of 2007), you informed us during consultations in August 2007 that it would not be applied retrospectively and therefore would not be applicable to this SEIA. Unless we hear from you to the contrary, we will assume that this is still the case and will continue to meet the requirements of the Environmental Assessment Policy of 1994. However, the standards and procedures applied by us would comply with global best practice, as well as Rio Tinto's own internal standards, and would thus result in a robust product of international standard.

While undertaking the assessment for the acid plant and related sulphur handling during the Phase 1 SEIA process, it was necessary to exclude from the assessment the activities related to sulphur handling in the Port of Walvis Bay. This was due to Rössing identifying alternative sites for sulphur storage in the port that may be more beneficial than the area originally under consideration and managed by Grindrod, the operators of the bulk handling terminal. As stated in the Phase 1 draft SEIA Report, Rössing would initiate another assessment process for their own sulphur handling and storage facility in the port, if a different location was to be selected. This situation has indeed come to pass and Rössing consequently intend assessing an alternative location.

Grindrod, the bulk handling operators, have commissioned an assessment for a similar facility in the Port of Walvis Bay and Alexandra Speiser Environmental Consultants are presently undertaking the required EIA process. Rössing's assessment of an alternative location for sulphur handling will be a parallel process to Grindrod's, since these are two different proponents.

We therefore intend to subject the sulphur handling in the Port of Walvis Bay to an assessment process of its own. The project is described in the Phase 2 draft Scoping Report mentioned earlier and meetings with the public are scheduled for 7 February 2008 in Walvis Bay. A Public Information Document is also being distributed to the relevant interested and affected parties and a copy will be provided to you. Once input from the public has been received, we will then compile and submit an SEIA Report for the sulphur handling in the port as an individual component of Rössing's expansion project. We are confident that we can produce such an SEIA Report in time for its consideration to occur together with the finalised Phase 1 SEIA Report due for submission by 22 February 2008.

We trust that the approach described here will be acceptable to you. Please do not hesitate to contact us should you wish to discuss the matter further, or require any additional information. We look forward to continue working with you on this project and your attention to the matter is much appreciated.

Yours faithfully
NINHAM SHAND



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