

EXXARO GROUP

Exxaro is one of the largest South Africa-based diversified resources groups, with interests in the coal, titanium dioxide, ferrous and energy markets and current business interests in South Africa, Botswana, Republic of the Congo, Inner Mongolia and Australia. The company is the second-largest coal producer in South Africa with current production of almost 40 million tonnes per annum (Mtpa), and is listed on the JSE Limited, where it is a constituent of both the Top 40 and Socially Responsible Investment (SRI) indices.

At 31 December 2013, Exxaro had assets of R49,5 billion and a market capitalisation of R52 billion (US\$5,02 billion).

Although our company is just seven years old, our pedigree and wealth of skills stretch back over decades as a company rooted in South Africa and respected among its peers for its innovation, ethics and integrity.

Based on a well-executed strategy, solid returns, access to funds and quality resources, Exxaro is a unique listed investment opportunity into its chosen commodities. Exxaro was one of the top 10 mining companies globally in terms of total shareholder returns in 2012*, and remains on track to add significant value to all stakeholders in the longer term.

COAL

Through seven managed coal mines, Exxaro produces almost 40Mtpa of power station, steam and coking coal. All power station coal is supplied to the national power utility, Eskom, and municipal power stations. Grootegeluk is one of the most efficient mining operations in the world, and operates the world's largest coal beneficiation complex. It is the only producing mine in the coal-rich Waterberg, adjacent to Eskom's existing Matimba and new Medupi power stations.

A robust pipeline of greenfield and expansion projects will keep Exxaro among the top coal producers in South Africa. Exxaro also produces semi-coke and related products for the rapidly growing ferroalloys industry.

* Boston Consulting Group

MANAGED OPERATIONS



FERROUS

Our 2012 acquisition of African Iron Limited gave substance to our strategy of expanding into the ferrous metals sector. This operation and related exploration opportunities in the Republic of the Congo, an iron ore development frontier, are an attractive platform for further growth in a key commodity. We believe the fundamentals of iron ore are positive in the medium to long term and we are drawing on in-house expertise and experience in mining bulk commodities to unlock this potential. The board made a strategic decision not to commit further capital funds until the mining convention and rail and port agreements have been finalised, which is expected to occur by mid-2014.

Exxaro FerroAlloys produces gas-atomised ferrosilicon for use in dense medium separation plants. An expansion programme has been approved, with commissioning expected late in 2014.

AlloyStream™, a proprietary technology development in cooperation with Assmang to produce high-carbon ferromanganese, is running a second campaign to validate demonstration facility performance.

TITANIUM DIOXIDE

Exxaro's mineral sands operations consist of a 26% direct equity interest in KZN Sands and the Western Cape operations of Namakwa Sands as well as a 44,4% equity interest in US-listed Tronox Limited (Tronox) which owns the remaining 74% in KZN Sands and Namakwa Sands in addition to other mineral sands interests outside of South Africa. Tronox is the world's largest fully integrated producer of titanium ore and titanium dioxide (TiO₂).

OTHER

Energy

In terms of our strategy, we are actively participating in renewable energy initiatives, both to ensure security of supply for our own operations and to reduce our carbon footprint.

Cennergi Proprietary Limited, our joint venture with Tata Power, launched in 2012, achieved financial closure on two wind projects in the Eastern Cape with commissioning planned for 2016:

- Amakhala Emoyeni wind farm near Bedford (139MW)
- Tsitsikamma Community wind farm on Mfengu community land (95MW).

As part of each wind farm, Cennergi and its partners have developed detailed and consultative plans for community development.

During the review period, Exxaro announced a coal supply and offtake agreement for a 600MW coal-fired power plant in Limpopo with France's GDF SUEZ, a global leader in independent power production. This marks Exxaro's entry to the independent power producer market.

Exxaro has also partnered with Linc Energy Limited to develop energy solutions through underground coal gasification in sub-Saharan Africa, with a prefeasibility study to begin in 2015.

Construction of the co-generation plant at Namakwa Sands, on South Africa's west coast, has been completed and is managed by Tronox Limited. We believe co-generation is an important alternative energy supply in our country.

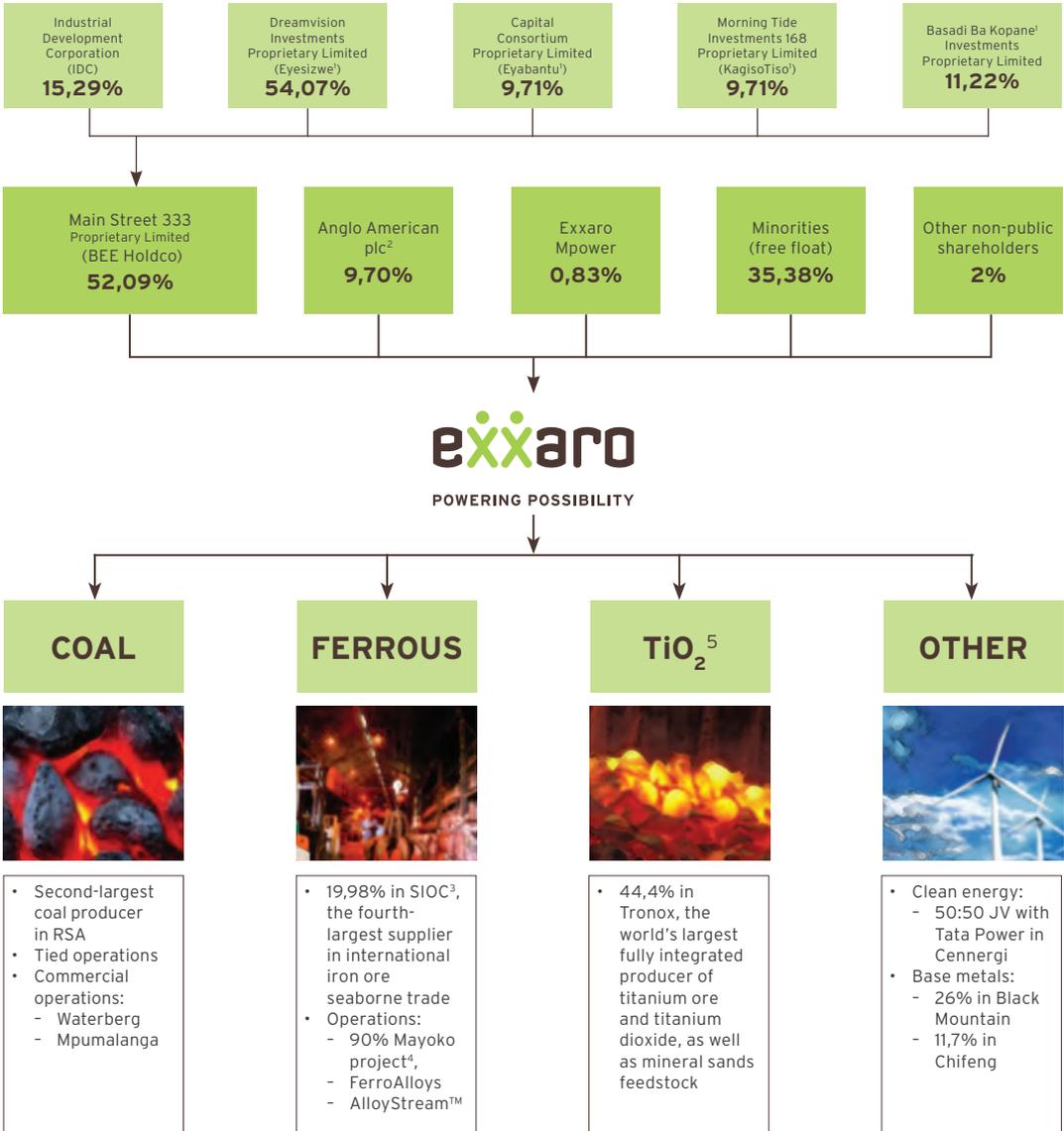
Base metals

Exxaro's remaining base metals portfolio includes only our effective 11,7% and 26% interests in Chifeng zinc refinery in Inner Mongolia and Black Mountain in South Africa, respectively. We will maintain the investment in Black Mountain, while considering divesting from Chifeng in 2016, when we reach the end of a 10-year tax regime.



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EXXARO OWNERSHIP



1 Special purpose vehicles for shareholders in Main Street 333 Proprietary Limited.

2 Held through Anglo South Africa Capital Proprietary Limited.

3 Sishen Iron Ore Company Limited.

4 Republic of the Congo government 10% free-carry.

5 Titanium dioxide.