

EXXARO RESOURCES LIMITED

Incorporated in the Republic of South Africa

(Registration Number: 2000/011076/06)

JSE share code: EXX

ISIN: ZAE000084992

ADR code: EXXAY

("Exxaro" or the "Company")

UPDATE ON EXXARO'S DISPOSAL OF ITS 24.4% STAKE IN BLACK MOUNTAIN MINING

Exxaro, the diversified South African-based resources group, previously concluded that zinc mining was not strategically aligned to the group's long-term objectives based on a review of its portfolio of assets. Exxaro therefore initiated a sales process for the disposal of its 24.4% interest in Black Mountain Mining Proprietary Limited ("**BMM**") to the Industrial Development Corporation ("**IDC**").

Regrettably, the sale will no longer proceed as envisaged due to a change in the strategic priorities of the IDC, given the prevailing global and domestic economic conditions. The conditions within which the IDC originally considered the purchase of the shares have changed and informed a review of the transaction. These include the immediate development impact of the proposed transaction and the fact that the IDC's funding proceeds will not be directly utilised to yield the developmental objectives in the target company.

In addition, given the shifting dynamics in the local economic landscape, the IDC is reprioritising its capital allocation to ensure that it is geared to actively support downstream opportunities to maximise potential job creation and retention opportunities.

Exxaro will continue to evaluate its options in relation to the BMM investment as part of its strategic review.

Editor's Note:

Exxaro is one of the largest South African-based diversified resources groups, with interests in coal, mineral sands, iron ore and energy markets. www.exxaro.com

28 December 2020

SE Van Loggerenberg

Group Company Secretary & Legal
Pretoria

Lead Sponsor to Exxaro Resources Limited

Absa Corporate and Investment Bank, a division of Absa Bank Limited



Joint Sponsor to Exxaro Resources Limited

Tamela Holdings Proprietary Limited



POWERING POSSIBILITY