

EXXARO RESOURCES LIMITED

Incorporated in the Republic of South Africa

(Registration Number: 2000/011076/06)

JSE share code: EXX

ISIN: ZAE000084992

Bond Code: EXX04

ISIN No: ZAG000160326

Bond Code: EXX05

ISIN No: ZAG000160334

ADR code: EXXAY

(“**Exxaro**” or the “**Company**”)

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EXXARO’S DISPOSAL OF 19,108,970 SHARES IN TRONOX AND WITHDRAWAL OF CAUTIONARY

Exxaro Resources Limited (**JSE:EXX**) shareholders are referred to the announcement regarding Exxaro’s sales of Tronox Holdings plc (**NYSE:TROX**) (“**Tronox**”) ordinary shares (“**Tronox shares**”) released by the Company on 24 February 2021. Tronox is the world’s leading integrated manufacturer of titanium dioxide pigment, globally engaged in the mining, production and marketing of inorganic minerals and chemicals.

Exxaro today announces the pricing of its upsized offering of 19,108,970 Tronox shares in an underwritten public offering in the United States at a public offering price of USD18.25 per share (the “**Disposal**”), for a total net proceeds of approximately USD332 million (approximately ZAR4.81 billion), after deducting underwriting discounts and commissions. In addition, Exxaro granted the underwriters a 30-day option to purchase up to an additional 2,866,345 Tronox shares (the “**Option Shares**”). Settlement is expected to occur on 1 March 2021.

J.P. Morgan, BofA Securities, Deutsche Bank Securities and Morgan Stanley are acting as joint book-running managers and underwriters for the offering.

The Disposal represents a Category 2 transaction in terms of the JSE Limited Listings Requirements (“**JSE Listings Requirements**”).

Following the Disposal, Exxaro ownership in Tronox has been reduced to the Option Shares, which represent approximately 1.9% of Tronox’s outstanding shares. This transaction follows Exxaro’s previous announcements of its intention to monetise its stake in Tronox.

Shareholders are reminded that as part of the 2012 transaction in which Exxaro contributed part of its mineral sands operations to Tronox in exchange for Tronox shares, Exxaro and Tronox granted each other a “flip in” right such that, following the occurrence of certain events, Tronox or Exxaro could exercise its option to exchange Exxaro’s 26% shareholding in Tronox’s South African operating subsidiaries for an additional 7.2 million Tronox shares. After exercising the “flip in” option, prior to the Disposal, Exxaro owned approximately 22 million Tronox shares, which represented approximately 14.6% of Tronox’s total outstanding voting shares.

The net proceeds from the Disposal will be used by Exxaro to repay debt, invest in renewable energy projects and to return capital to its shareholders, which it believes is in its shareholders’ best interests.

Further information required in terms of the JSE Listings Requirements is set out below:

- Exxaro expects to receive the net cash proceeds from the offering on 26 February 2021.
- The net asset value of the Disposal is USD 245 million or approximately ZAR 4,235 million, based on Exxaro’s results for the interim period to 30 June 2020.
- Exxaro’s profits/(loss) attributable to the Disposal for the interim period to 30 June 2020 were USD (8) million or approximately ZAR (131) million.



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As the Disposal is expected to complete on 1 March 2021, shareholders are no longer required to exercise caution when dealing in Exxaro shares.

By order of the board
Pretoria
25 February 2021

This Category 2 transaction announcement shall not constitute an offer to sell or the solicitation of an offer to buy these securities or any Exxaro securities, nor shall there be any sale of these securities or any Exxaro securities in any state or other jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

Editor's note

Exxaro is a resources group with business interests in South Africa, Europe, the United States of America and Australia. Exxaro's asset portfolio includes coal operations and investments in iron ore, pigment manufacturing, renewable energy (wind) and residual base metals.

Forward-Looking Statements

This Category 2 transaction announcement contains "forward-looking statements", which are statements that are not historical facts and that are based upon Exxaro management's current beliefs and expectations. These statements are subject to uncertainty and changes in circumstances and contain words such as "believe", "intended", "expect", and "anticipate", and include statements about expectations for future results and actions, such as statements concerning the application of proceeds resulting from the public offering and any future public offering. Any statement in this announcement that expresses or implies Exxaro's intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. Forward-looking statements involve inherent risks, uncertainties and assumptions that may be beyond Exxaro's control. If such risks or uncertainties materialise or such assumptions prove incorrect, actual results or actions could differ materially from those expressed or implied by such forward-looking statements and assumptions. The forward-looking statements contained in this Category 2 transaction announcement are made as at the date hereof, and Exxaro expressly disclaims any obligation to update or correct any forward-looking statements made herein due to the occurrence of events after the issuance of this Category 2 transaction announcement.

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