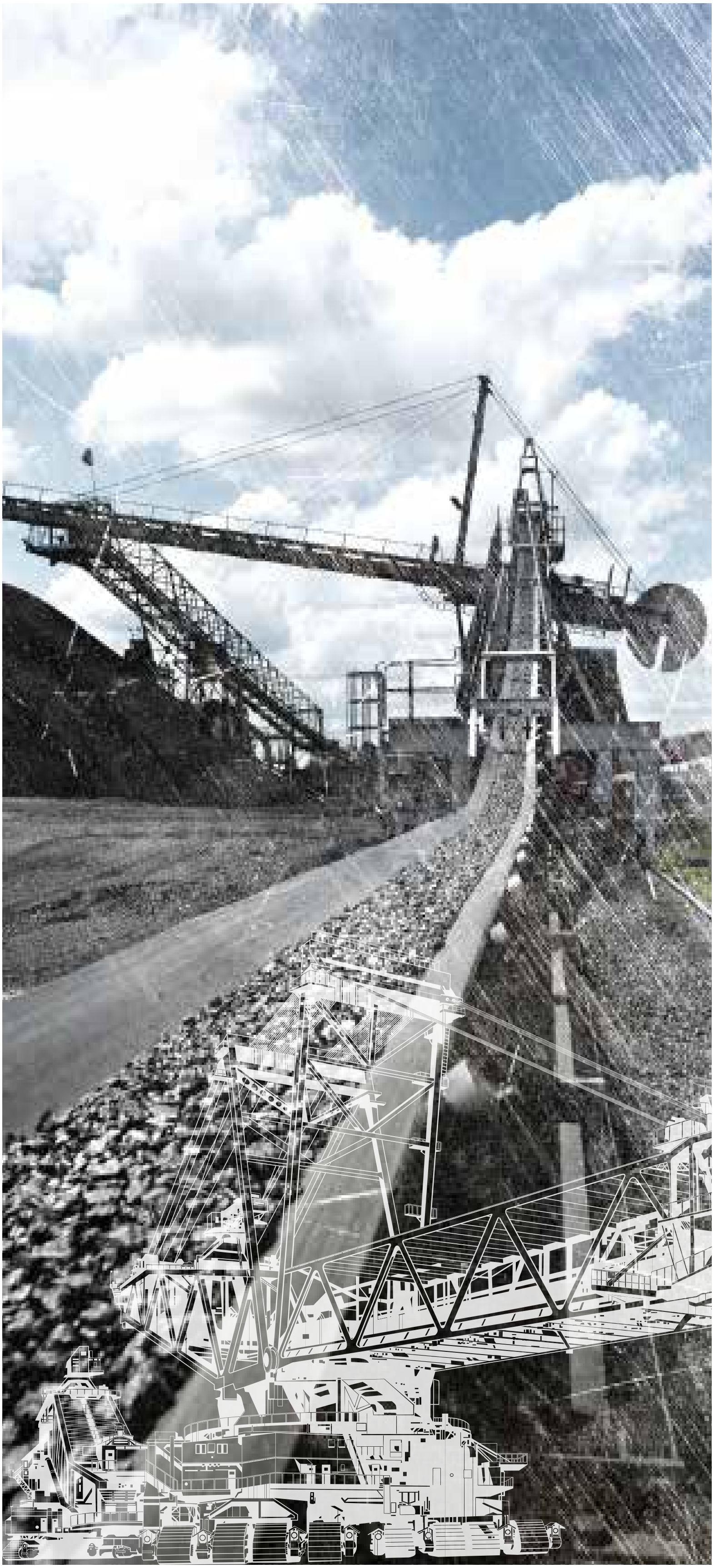
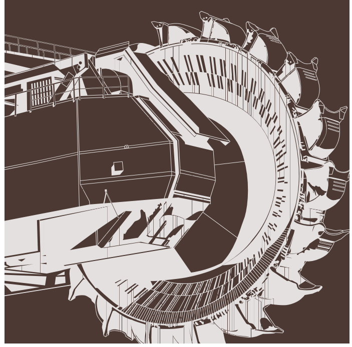


2014 SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS AND NOTICE OF ANNUAL GENERAL MEETING

FOR THE YEAR ENDED
31 DECEMBER 2014



exxaro

POWERING POSSIBILITY

CONTENTS

BOARD RESPONSIBILITY

The board acknowledges its responsibility for the integrity of Exxaro Resources Limited's (Exxaro) summarised group annual financial statements and annual general meeting notice.

The board reviewed and approved the issue of this publication.

Len Konar
Chairman

Sipho Nkosi
Chief executive officer

9 April 2015

CERTIFICATE BY GROUP COMPANY SECRETARY

for the year ended 31 December 2014

In terms of section 88(2)(e) of the Companies Act 71 of 2008, as amended (Companies Act), I, CH Wessels, in my capacity as group company secretary, confirm that, to the best of my knowledge, for the year ended 31 December 2014, Exxaro has filed with the Companies and Intellectual Property Commission all such returns and notices as required of a public company in terms of the Companies Act and that all such returns and notices appear to be true, correct and up to date.

Carina Wessels
Group company secretary

Pretoria

9 April 2015

This publication only includes statutory information and all other reports are available on the website.
The information contained in this document is also available on Exxaro's investor relations website at www.exxaro.com.

SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS

PREPARER AND SUPERVISION

These summarised group annual financial statements have been prepared under the supervision of the group's finance director, Mr WA de Klerk, CA(SA).

INDEPENDENT EXTERNAL AUDIT CONCLUSION

These summarised group annual financial statements for the year ended 31 December 2014 (from page 1 to page 20) have been audited by the external auditors, PricewaterhouseCoopers Incorporated, who expressed an unmodified audit opinion thereon. The auditor also expressed an unmodified opinion on the group annual financial statements from which these summarised group annual financial statements were derived. The individual auditor assigned to the audit is Mr TD Shango.

The full auditors' report is included in the group annual financial statements on the website www.exxaro.com.

Both copies of the auditor's audit reports are available for inspection at the company's registered office, together with the audited group annual financial statements which have been summarised in this report.

AUDITED GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December

	Notes	2014 Rm	2013 Rm
Revenue		16 401	13 568
Operating expenses	4	(15 197)	(12 576)
Operating profit		1 204	992
Other income	5	1 466	1 594
Impairment charges of non-current assets	6	(5 962)	(143)
Net operating (loss)/profit		(3 292)	2 443
Finance income		80	81
Finance costs		(183)	(367)
Income from financial assets		9	12
Share of income from equity-accounted investments		2 515	3 631
(Loss)/profit before tax		(871)	5 800
Income tax expense		(13)	(645)
(Loss)/profit for the year from continuing operations		(884)	5 155
Profit for the year from discontinued operations			1 049
(Loss)/profit for the year		(884)	6 204
Other comprehensive income (OCI), net of tax		1 190	2 640
Items that will not be reclassified to profit or loss:		(316)	150
Share of comprehensive (loss)/income of equity-accounted investments		(316)	150
Items that may be subsequently reclassified to profit or loss:		1 506	2 490
Unrealised gains on translating foreign operations		224	537
Revaluation of available-for-sale financial assets		345	100
Share of comprehensive income of equity-accounted investments		937	1 853
Total comprehensive income for the year		306	8 844
(Loss)/profit attributable to:			
Owners of the parent		(883)	6 217
– Continuing operations		(883)	5 168
– Discontinued operations			1 049
Non-controlling interests (continuing operations)		(1)	(13)
(Loss)/profit for the year		(884)	6 204
Total comprehensive income/(loss) attributable to:			
Owners of the parent		307	8 854
– Continuing operations		307	7 805
– Discontinued operations			1 049
Non-controlling interests (continuing operations)		(1)	(10)
Total comprehensive income for the year		306	8 844
Attributable (losses)/earnings per share: aggregate			
– Basic		(249)	1 751
– Diluted		(249)	1 746
Attributable (losses)/earnings per share: continuing operations			
– Basic		(249)	1 456
– Diluted		(249)	1 452
Attributable earnings per share: discontinued operations			
– Basic			295
– Diluted			294

AUDITED RECONCILIATION OF GROUP HEADLINE EARNINGS

for the year ended 31 December

	Gross Rm	Tax Rm	Net Rm
2014			
Loss attributable to owners of the parent			(883)
Adjusted for:	6 328	(576)	5 752
– IFRS 10 *Loss on Disposal of Subsidiary*	28		28
– IAS 16 *Net Losses on Disposal of Property, Plant and Equipment*	27	(6)	21
– IAS 2 *Gains on Translation Differences Recycled to Profit or Loss on the Liquidation of a Foreign Subsidiary*	(47)		(47)
– IAS 28 *Loss on Dilution of Investment in Associates*	58		58
– IAS 28 *Share of Associates' Separate Identifiable Remeasurements*	296	(18)	278
– IAS 36 *Impairment of Property, Plant and Equipment*	4 740	(552)	4 188
– IAS 36 *Impairment of Intangible Asset*	202		202
– IAS 36 *Impairment of Goodwill Acquired in a Business Combination* in terms of IFRS 3	1 020		1 020
– IAS 38 *Loss on the Write-off of Intangible Assets*	4		4
Headline earnings (continuing operations)			4 869
2013			
Profit attributable to owners of the parent			6 217
Adjusted for:	(1 010)	(13)	(1 023)
– IFRS 10 *Gain on Disposal of Subsidiary*	(964)		(964)
– IAS 16 *Net Losses on Disposal of Property, Plant and Equipment*	9	(4)	5
– IAS 28 *Loss on Dilution of Investment in Associates*	12		12
– IAS 28 *Share of Associates' Separate Identifiable Remeasurements*	(114)	2	(112)
– IAS 36 *Impairment of Property, Plant and Equipment*	292	(11)	281
– IAS 36 *Reversal of Impairment of Property, Plant and Equipment*	(247)		(247)
– IAS 38 *Loss on the Write-off of Intangible Assets*	2		2
Headline earnings			5 194
– Continuing operations			5 218
– Discontinued operations			(24)

	2014 cents	2013 cents
Headline earnings per share: aggregate		
– Basic	1 372	1 463
– Diluted	1 372	1 459
Headline earnings per share: continuing operations		
– Basic	1 372	1 470
– Diluted	1 372	1 466
Headline losses per share: discontinued operations		
– Basic		(7)
– Diluted		(7)

	2014 number	2013 number
Issued share capital as at 31 December	358 115 505	358 115 505
Ordinary shares (million)		
– Weighted average number of shares	355	355
– Diluted weighted average number of shares	355	356

AUDITED GROUP STATEMENT OF FINANCIAL POSITION
at 31 December

	Notes	2014 Rm	2013 Rm
ASSETS			
Non-current assets		41 408	44 681
Property, plant and equipment		18 344	20 342
Biological assets		84	72
Intangible assets		34	1 176
Investments in associates		18 588	19 207
Investments in joint ventures		966	861
Financial assets	8	2 853	2 657
Deferred tax		539	366
Current assets		5 693	4 483
Inventories		998	938
Trade and other receivables		2 611	2 434
Current tax receivable		78	82
Cash and cash equivalents		2 006	1 029
Non-current assets held-for-sale		328	342
Total assets		47 429	49 506
EQUITY AND LIABILITIES			
Capital and other components of equity			
Share capital		2 409	2 396
Other components of equity		6 031	4 234
Retained earnings		25 985	29 668
Equity attributable to owners of the parent		34 425	36 298
Non-controlling interests			(26)
Total equity		34 425	36 272
Non-current liabilities		9 182	9 157
Interest-bearing borrowings		2 976	3 569
Non-current provisions		2 219	1 863
Post-retirement employee obligations		167	149
Financial liabilities		88	95
Deferred tax		3 732	3 481
Current liabilities		3 590	3 852
Trade and other payables		3 208	2 867
Interest-bearing borrowings		34	31
Current tax payable		27	131
Current provisions		254	17
Overdraft		67	806
Non-current liabilities held-for-sale		232	225
Total equity and liabilities		47 429	49 506

AUDITED GROUP STATEMENT OF CHANGES IN EQUITY

at 31 December

		Other components of equity									
	Share capital Rm	Foreign currency translations Rm	Financial instruments revaluations Rm	Equity-settled Rm	Retirement benefit obligation Rm	Available-for-sale revaluations Rm	Other Rm	Retained earnings Rm	Attributable to owners of the parent Rm	Non-controlling interests Rm	Total equity Rm
At 1 January 2013	2 374	1 211	21	1 300	(163)		(733)	24 784	28 794	12	28 806
Profit/(loss) for the year								6 217	6 217	(13)	6 204
Other comprehensive income		534				100			634	3	637
Share of comprehensive income/(losses) of equity-accounted investments		1 401	289	110	150		(1)	54	2 003		2 003
Issue of share capital[1]	22								22		22
Share-based payments movement				83					83		83
Dividends paid								(1 387)	(1 387)		(1 387)
Acquisition of non-controlling interest							(68)		(68)	(28)	(96)
At 31 December 2013	2 396	3 146	310	1 493	(13)	100	(802)	29 668	36 298	(26)	36 272
Loss for the year								(883)	(883)	(1)	(884)
Other comprehensive income		224				345			569		569
Share of comprehensive income/(loss) of equity-accounted investments		827	(194)	310	(316)	(63)	(6)	63	621		621
Issue of share capital[1]	13								13		13
Share-based payments movement				(108)					(108)		(108)
Dividends paid								(2 055)	(2 055)		(2 055)
Reclassification of equity[2]							808	(808)			
Disposal and liquidation of subsidiaries[3]		(30)							(30)	27	(3)
At 31 December 2014	2 409	4 167	116	1 695	(329)	382		25 985	34 425		34 425

1 *Vesting of Mpower 2012 treasury shares to good leavers amounted to R13 million (2013: R8 million). A good leaver is a participant to a share-based payment scheme whose employment has been terminated due to retrenchment, retirement, death, serious disability, serious incapacity or promotion out of the relevant qualification category as defined internally by the remuneration and nomination committee. An amount of R14 million in 2013 relates to shares issued to the Kumba Resources Management Share Trust due to options exercised.*

2 *Reclassification of reserves created for transactions with non-controlling interests.*

3 *Included in foreign currency translations is R17 million in respect of loss on translation difference on disposal of subsidiary and R47 million gain on translation difference on the liquidation of a foreign subsidiary.*

Final dividend paid per share (cents) in respect of the 2013 financial year	315
Dividend paid per share (cents) in respect of the 2014 interim period	260
Final dividend payable per share (cents) in respect of the 2014 financial year	210

Foreign currency translations

Arise from the translation of the financial statements of foreign operations within the group.

Financial instruments revaluations

Comprise the effective portion of the cumulative net change in the fair value of cash flow hedging instruments where the hedged transaction has not yet occurred.

Equity-settled

Represents the fair value of services received and settled by equity instruments granted.

Retirement benefit obligation

Comprise remeasurements on the post-retirement obligation.

Available-for-sale revaluations

Comprise the fair value adjustments net of tax on the investments in Richards Bay Coal Terminal (RBCT) R344 million (2013: R54 million) and Chifeng Kumba Hongye Corporation Limited (Chifeng) R1 million (2013: R46 million) (refer to note 8).

AUDITED GROUP STATEMENT OF CASH FLOWS

for the year ended 31 December

	2014 Rm	2013[1] Rm
Cash flows from operating activities	1 660	436
Cash generated by operations	4 083	2 173
Interest paid	(307)	(262)
Interest received	59	70
Tax paid	(120)	(158)
Dividends paid	(2 055)	(1 387)
Cash flows from investing activities	620	(1 480)
Property, plant and equipment to maintain operations	(1 460)	(1 257)
Property, plant and equipment to expand operations	(1 737)	(3 507)
Increase in investment in intangible assets	(25)	(201)
Proceeds from disposal of property, plant and equipment	8	17
Decrease in investment in other non-current assets	214	222
Proceeds from disposal of subsidiaries		87
Increase in investment in joint ventures	(108)	(82)
Income from investments in associates	3 719	3 229
Dividend income from financial assets	9	12
Cash flows from financing activities	(604)	715
Interest-bearing borrowings raised	1 000	800
Interest-bearing borrowings repaid	(1 604)	
Consideration paid to non-controlling interests		(96)
Proceeds from issuance of share capital		14
Other financing activities		(3)
Net increase/(decrease) in cash and cash equivalents	1 676	(329)
Cash and cash equivalents at beginning of year	223	553
Translation differences on movement in cash and cash equivalents	40	(1)
Cash and cash equivalents at end of year	1 939	223
Cash and cash equivalents	2 006	1 029
Overdraft	(67)	(806)

1 *Represented between cash generated by operations and translation differences on movement in cash and cash equivalents due to a reclassification of foreign currency differences not related to cash and cash equivalents.*

1. Basis of preparation

The summarised group annual financial statements for the year ended 31 December 2014 have been derived from the audited group annual financial statements of Exxaro Resources Limited, which are available on Exxaro's website at www.exxaro.com. These summarised group annual financial statements do not contain sufficient information to allow for a complete understanding of the financial results and state of affairs of the group, which is provided by the detailed audited group annual financial statements. The summarised group annual financial statements do not include all the disclosure required for a complete set of annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS). Selected summarised notes have been included in the integrated report 2014 for a better understanding of the significant transactions during the year.

The summarised group annual financial statements for the year ended 31 December 2014 have been prepared under the supervision of the finance director, WA de Klerk (CA)SA, in accordance with the JSE Limited Listings Requirements (Listings Requirements) for abridged and/or summarised reports and the requirements of the Companies Act. The Listings Requirements require abridged reports to be prepared in accordance with the conceptual framework and the measurement and recognition requirements of IFRS and the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. The summarised group annual financial statements have been prepared on the historical cost basis, excluding financial instruments and biological assets, which are fairly valued, and conform, in this regard, to IFRS as issued by the International Accounting Standards Board (IASB). The preparation and presentation of the summarised group annual financial statements included in the integrated report 2014 is the responsibility of Exxaro's directors. The directors take full responsibility that the financial information has been correctly extracted from the underlying audited group annual financial statements.

The summarised group annual financial statements do not include the directors' report, which forms part of the full group annual financial statements.

2. Significant accounting policies

The accounting policies adopted in the preparation of the summarised group annual financial statements are in line with IFRS and are consistent with those followed in the preparation of the group's annual financial statements for the year ended 31 December 2013, except for the adoption of new standards and interpretations effective 1 January 2014 (where applicable).

The accounting standards and amendments issued to accounting standards and interpretations which are relevant to the group, but not yet effective at 31 December 2014, have not been adopted. It is expected that, where applicable, these standards and amendments will be adopted on each respective effective date, except where specifically identified. The group continuously evaluates the impact of these standards and amendments.

The nature and the impact of each new standard or amendment, effective on 31 December 2014, are described below:

Investment entities (amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interest in Other Entities* and IAS 27 *Separate Financial Statements*)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the group, since none of the entities in the group qualify to be classified as investment entities under IFRS 10.

Offsetting financial assets and financial liabilities (amendments to IAS 32 *Financial instruments: Presentation*)

These amendments clarify the meaning of "currently has a legally enforceable right to offset" as well as the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no impact on the group as the group does not offset financial assets and financial liabilities.

Novation of derivatives and continuation of hedge accounting (amendments to IAS 39 *Financial instruments: Recognition and Measurement*)

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments have no impact on the group as the group has not novated its derivatives during the current or prior periods.

Recoverable amount disclosures for non-financial assets (amendments to IAS 36 *Impairment of Assets*)

These amendments remove the unintended consequences of IFRS 13 *Fair Value Measurement* on the disclosure required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. The group adopted these disclosure requirements on 1 January 2014.

3. Segmental information

Operating segments are reported on in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the reportable operating segments, has been identified as the group executive committee. Operating segments reported are based on the group's different products and operations.

Total operating segment revenue, which excludes value added tax, represents the gross value of goods and services invoiced and includes operating revenues directly and reasonably allocable to the segments. Export revenue is recorded according to the relevant sales terms, when the risks and rewards of ownership are transferred.

Segment revenue includes sales made between segments. These sales are made on a commercial basis.

Segment net operating profit/(loss), assets and liabilities represent direct or reasonably allocable net operating profit/(loss), assets and liabilities.

Segment net operating profit equals segment revenue less operating segment expenses, less impairment charges, plus impairment reversals.

The group has four reportable operating segments, as described below, based on the group's strategic production and operational divisions. The strategic divisions offer different products and services and are managed separately. For each of the strategic divisions, the group executive committee reviews internal management reports on a monthly basis. The summary below describes the activities and location of each of the group's reportable operating segments:

Coal

The coal operations are mainly situated in the Waterberg and Mpumalanga regions and are split between commercial and tied coal operations as well as a 50% joint venture interest in Mafube Coal Proprietary Limited (Mafube), a joint venture with Anglo South Africa Capital Proprietary Limited. The operations produce thermal and metallurgical coal, as well as other small scale products.

Ferrous

The ferrous operations include the Mayoko iron ore project in the Republic of the Congo (RoC) (Iron ore reportable operating segment), a 19,98% equity interest in Sishen Iron Ore Company Proprietary Limited (SIOC) reported within the other ferrous reportable operating segment as well as the FerroAlloys and Alloystream™ operations (collectively referred to as Alloys).

TiO_2

Exxaro holds a 43,98% (2013: 44,40%) equity interest in Tronox Limited (Tronox), a 26% equity interest in each of the South African-based operations, Tronox KZN Sands Proprietary Limited and Tronox Mineral Sands Proprietary Limited (collectively referred to as Tronox SA) as well as a 26% members' interest in Tronox Sands Limited Liability Partnership in the United Kingdom (Tronox UK).

Other

The other operating segment includes the 50% investment in Cennergi Proprietary Limited (Cennergi) (a joint venture with Tata Power), a 26% equity interest in Black Mountain Mining Proprietary Limited (Black Mountain), an effective investment of 11,7% in the Chifeng operations as well as the results of Exxaro Base Metals Proprietary Limited (Base Metals) which was sold during 2013, as well as the corporate office which renders services to external parties as well.

	For the year ended 31 December				At 31 December			
	Revenue		Net operating profit/(loss)		Assets		Liabilities	
	2014 Rm	2013 Rm	2014 Rm	2013 Rm	2014 Rm	2013 Rm	2014 Rm	2013 Rm
Coal	16 176	13 362	3 297	2 769	25 124	22 386	9 140	7 552
– Tied[1]	4 577	3 917	319	215	1 887	1 543	1 462	1 391
– Commercial[2]	11 599	9 445	2 978	2 554	23 237	20 843	7 678	6 161
Ferrous	159	120	(6 238)	(141)	5 951	11 095	328	814
– Iron ore[3]			(6 100)	(27)	138	5 114	201	729
– Alloys	159	120	(97)	(61)	247	189	54	33
– Other			(41)	(53)	5 566	5 792	73	52
TiO_2					12 809	13 325		
Other	66	86	(351)	938	3 545	2 700	3 536	4 868
– Base metals[4]			(1)	145	624	611		
– Other[5]	66	86	(350)	793	2 921	2 089	3 536	4 868
Total	16 401	13 568	(3 292)	3 566	47 429	49 506	13 004	13 234

1 *Mines that are managed on behalf of and supply their entire production to either Eskom or ArcelorMittal South Africa Limited (AMSA) in terms of contractual agreements.*

2 *Net operating profit includes the New Clydesdale Colliery (NCC) net pre-tax impairment of R143 million in 2013.*

3 *Net operating loss includes the pre-tax impairment of the original investment including goodwill, carrying value of property, plant and equipment and qualifying project costs capitalised to the Mayoko iron ore project of R5 760 million as well as the impairment and write-off of financial assets totalling R43 million recorded in 2014.*

4 *Net operating profit includes a Zincor refinery partial impairment reversal of R98 million recorded in 2013.*

5 *Net operating (loss)/profit includes a pre-tax impairment loss of other non-core assets of R202 million in 2014 as well as profit on the sale of subsidiaries of R964 million on the sale of Exxaro Base Metals (which held the Zincor refinery) recorded in 2013.*

	Year ended 31 December	
	2014 Rm	2013 Rm
4. Significant items included in operating expenses		
Depreciation and amortisation	889	856
Net realised foreign currency exchange gains	(97)	(56)
Net unrealised foreign currency exchange (gains)/losses	(7)	20
Net (gains)/losses on derivative instruments held-for-trading	(28)	81
Write-offs and impairment of trade and other receivables[1]	40	25
Royalties[2]	125	8
Net loss on disposal of property, plant and equipment	27	21
Loss on dilution of investment in associate	58	12
Impairment charges of non-current financial assets[3]	21	
Loss on disposal of subsidiary	28	
Termination benefits[4]	138	19

1 *Include trade and other receivables relating to the Mayoko iron ore project (R22 million).*

2 *The amount paid in 2013 for royalties includes an adjustment for the prior period calculations based on final SARS assessments.*

3 *Non-current financial assets relating to the Mayoko iron ore project.*

4 *Include voluntary severance package costs incurred and accrued for.*

5. Other income

	2014 Rm	2013 Rm
Other income	1 466	1 594

Other income relates to shortfall income received from Eskom as a result of delays in agreed upon production offtake plans.

	Year ended 31 December 2014 Rm	Year ended 31 December 2013 Rm
6. Impairment charges/(reversals) of non-current assets		
Mayoko iron ore project	5 208	
Impairment charges	5 760	
– Property, plant and equipment	4 740	
– Goodwill	1 020	
Net tax effect	(552)	
Intellectual property	202	
Impairment of intangible asset (pre- and post-tax)	202	
New Clydesdale Colliery (NCC) operation		132
Net impairment charges		143
– Impairment of property, plant and equipment		292
– Reversal of impairment of property, plant and equipment		(149)
– Net tax effect		(11)
Zincor		(98)
Reversal of impairment of property, plant and equipment		(98)
Net impairment charges per statement of comprehensive income (including discontinued operations)	5 962	45
Net tax effect	(552)	(11)
Net effect on attributable earnings	5 410	34
– Continuing operations	5 410	132
– Discontinued operations		(98)

6.1 Mayoko iron ore project

The Mayoko iron ore project is located in the Republic of the Congo (RoC) and was acquired in February 2012 through the acquisition of AKI. The project is reported within the iron ore operating segment which forms part of the ferrous reporting segment.

After the acquisition, Exxaro aimed to secure a mining convention agreement, as well as port and rail access agreements (project agreements). This included a company mining tax regime with the government of the RoC. These negotiations were done simultaneously with ongoing work for:

- Confirmation of inferred and proven resources
- Clearing and construction of the infrastructure required to mine the resource.

Based on the conceptual positive business case, a decision was taken to start the project in phases (ramping up to 2 million tonnes per annum (Mtpa)) as soon as the mining convention and project agreements had been finalised.

Based on the assumption that project agreements would be finalised in a reasonable timeframe, Exxaro began acquiring assets (such as rolling stock, beneficiation plant, harbour cranes, etc.) and appointing people to permit fast-track initiation. However, the mining convention was not signed until January 2014 (effectively 10 months after the original submission) and there has since been slow progress on other required project agreements, which are still outstanding.

With the time lapse, the financial models (on a 12 million tonnes concept study level) were updated with the latest assumptions on capital, operational costs, resources and long-term iron ore prices which indicated that the project may not achieve Exxaro's required hurdle rates. The major driver of the change in the returns since acquisition was attributed to higher capital expenditure. At the time of finalising the revised concept study, Exxaro had not yet been successful in concluding the definitive project agreements.

As a result of the delays in finalising these agreements, as well as higher future project development costs following the outcome of the concept study, a pre-tax impairment loss of R5 803 million (R5 760 million excluding the impairment of financial assets and write off of trade and other receivables), was raised consisting of an impairment of goodwill acquired in the business combination with AKI in 2012 of R1 020 million, impairment of property, plant and equipment of R4 740 million (including the mineral resource of R1 877 million recognised on acquisition of the project and project-related costs capitalised of R1 696 million) as well as impairment and write-off of financial assets amounting to R43 million in terms of IAS 39 *Financial Instruments: Recognition and Measurement*.

The recoverable amount, being the fair value less costs of disposal (level 3 as per IFRS 13 *Fair Value Measurement*), was considered to be immaterial and the project was impaired to a recoverable amount of Rnil. This was derived using a discounted cash flow valuation technique (consistent with the valuation technique used on 31 December 2013) where cash flow projections and a post-tax discount rate of 17% (31 December 2013: 14%) were used. The increase in the discount rate is as a result of the market assumptions on risk inherent in the implementation of the project.

	31 December	
Key assumptions made in the valuation included the following:	2014	2013
Life of mine (LoM): estimated at	25 years	35 years
Iron ore price: range per tonne	US$78 and US$117	US$88 and US$169
Post-tax discount rate	17,0%	14,0%

The values assigned to the key assumptions represented management's best estimates with respect to its LoM and operating projections, as well as pricing forecasts. The iron ore price ranges were based on the current known industry trends and analysis.

The discount rate was a post-tax US-based weighted average cost of capital adjusted for various risk factors, based on historical data from both external and internal sources.

The decrease in the LoM to 25 years (31 December 2013: 35 years) is mainly due to the increase in annual production costs, acceleration in ramp-up, lower plant yield and different ore mix, based on the most recent information available.

Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount.

The following table shows the amounts by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount prior to the impairment:

Key assumptions	Unit	Change required
Post-tax discount rate	%	(8)
Iron ore price: range	US$/tonne	17 and 26

6.2 Intellectual property

Exxaro has taken the decision not to develop the underground coal gasification project in 2015. The decision is based on the current economic environment and the expected capital expenditure required for the project. The licence relating to this technology is not transferable and non-income generating. The licence (intangible asset) has been fully impaired with a value of R202 million following the revised management intention.

6.3 NCC operation

The carrying value of property, plant and equipment of the NCC coal operation, reported within the commercial operating segment contained in the coal reporting segment, was impaired with R292 million to the recoverable amount based on impairment tests performed in June 2013. The recoverable amount was revised following the classification of the NCC operation as held-for-sale at 31 December 2013 due to the signing of the sales agreement of the NCC operation, which was concluded with Universal Coal Development VII Proprietary Limited (Universal) in January 2014. As a result of the revision to the recoverable amount, a partial impairment reversal to the amount of R149 million was recorded on 31 December 2013, bringing the net pre-tax impairment loss recorded to R143 million.

6. Impairment charges/(reversals) of non-current assets (continued)

6.4 Zincor

The impairment reversal of the carrying value of property, plant and equipment at the Zincor operation was based on the revised recoverable amount of the operation. The recoverable amount was revised following the sale of Exxaro Base Metals, which included the Zincor assets.

	At 31 December	
	2014 Rm	2013[1] Rm
7. Net debt		
Net debt is presented by the following items on the face of the statement of financial position (excluding assets and liabilities held-for-sale):	(1 071)	(3 377)
– Cash and cash equivalents	2 006	1 029
– Non-current interest-bearing borrowings	(2 976)	(3 569)
– Current interest-bearing borrowings	(34)	(31)
– Overdraft	(67)	(806)
Calculation of movement in net debt:		
Cash inflow/(outflow) from operating and investing activities:	2 280	(1 044)
Add:		
– Shares issued		14
– Share-based payments		(2)
– Non-cash flow movement for interest accrued not yet paid	(4)	(40)
– Non-cash flow amortisation of transaction costs	(10)	(9)
– Consideration paid to non-controlling interests		(96)
– Translation differences on movements in cash and cash equivalents	40	(1)
Decrease/(increase) in net debt	2 306	(1 178)

1 *Represented between cash generated from operations and translation differences on movements in cash and cash equivalents due to a reclassification of foreign currency difference not related to cash and cash equivalents.*

8. Financial instruments

(a) Carrying amounts and fair values

The carrying amounts and fair values of financial assets and financial liabilities in the condensed group statement of financial position are as follows:

	At 31 December			
	2014		2013	
	Carrying amount Rm	Fair value Rm	Carrying amount Rm	Fair value Rm
ASSETS				
Non-current assets				
Financial assets, consisting of:	2 693	2 693	2 469	2 469
– Environmental rehabilitation funds	826	826	618	618
– Loans to joint ventures	83	83	255	255
– Kumba Iron Ore Limited	22	22	40	40
– Chifeng	267	267	253	253
– RBCT	973	973	551	551
– New Age Exploration Limited			1	1
– Non-current receivables	522	522	751	751
Current assets[1]	4 104	4 104	2 875	2 875
Trade and other receivables	2 090	2 090	1 845	1 845
Derivative financial assets	8	8	1	1
Cash and cash equivalents	2 006	2 006	1 029	1 029
Non-current assets held-for-sale	76	76	67	67
Total financial instrument assets	6 873	6 873	5 411	5 411
LIABILITIES				
Non-current liabilities	2 976	2 976	3 569	3 569
Interest-bearing borrowings[2]	2 976	2 976	3 569	3 569
Current liabilities[1]	2 603	2 603	2 907	2 907
Trade and other payables	2 502	2 502	2 056	2 056
Derivative financial liabilities			14	14
Interest-bearing borrowings[2]	34	34	31	31
Overdraft	67	67	806	806
Non-current liabilities held-for-sale	14	14	36	36
Total financial instrument liabilities	5 593	5 593	6 512	6 512

1 *Carrying amounts approximate the fair values due to the short-term nature of the maturities of these financial assets and liabilities.*
2 *Carried at amortised cost representing fair value in terms of IAS 39 Financial Instruments: Recognition and Measurement.*

8. Financial instruments (continued)

(b) Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation techniques used. The different levels are defined as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the group can access at the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – unobservable inputs for the asset and liability.

At 31 December 2014	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Financial assets held-for-trading at fair value through profit or loss				
– Current derivative financial assets		8		8
Financial assets designated at fair value through profit or loss				
– Environmental rehabilitation funds	826			826
– Environmental rehabilitation fund held-for-sale	73			73
– Kumba Iron Ore Limited	22			22
Available-for-sale financial assets				
– Chifeng			267	267
– RBCT			973	973
Net financial assets carried at fair value	921	8	1 240	2 169

At 31 December 2013	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Financial assets held-for-trading at fair value through profit or loss				
– Current derivative financial assets		1		1
Financial assets designated at fair value through profit or loss				
– Environmental rehabilitation funds	618			618
– Environmental rehabilitation fund held-for-sale	67			67
– Kumba Iron Ore Limited	40			40
Available-for-sale financial assets				
– Chifeng			253	253
– New Age Exploration Limited	1			1
– RBCT			551	551
Financial liabilities held-for-trading at fair value through profit or loss				
– Current derivative financial liabilities		(14)		(14)
– Current derivative financial liabilities held-for-sale		(9)		(9)
Net financial assets/(liabilities) carried at fair value	726	(22)	804	1 508

(c) Level 3 fair values

Reconciliation of assets within Level 3 of the hierarchy:	Chifeng Rm	RBCT Rm
At 1 January 2013	174	467
Movement during the year		
Gains recognised for the period in OCI (pre-tax effect)	46	82
Settlements		2
Exchange gains for the period recognised in OCI	33	
At 31 December 2013	253	551
Movement during the year		
Gains recognised for the period in OCI (pre-tax effect)	1	422
Exchange gains for the period recognised in OCI	13	
At 31 December 2014	267	973

Transfers

The group recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the transfer has occurred.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the years ended 31 December 2014 and 31 December 2013.

There were no transfers between Level 2 and Level 3, as shown in the reconciliations above.

Valuation process applied by the group

The fair value computations of the investments are performed by the group's corporate finance department, reporting to the financial director, on a six-monthly basis.

The valuation reports are discussed with the audit committee in accordance with the group's reporting governance.

Current derivative financial instruments

Level 2 fair values for simple over-the-counter derivative financial instruments are based on market quotes. These quotes are tested for reasonableness by discounting estimated future cash flows using the market rate for similar instruments at measurement date.

Valuation techniques used in the determination of fair values within Level 3 of the hierarchy, as well as significant inputs used in the valuation models

Chifeng

Chifeng is classified within Level 3 of the fair value hierarchy as there is no quoted market price or observable price available for this investment. This unlisted investment is valued as the present value of the estimated future cash flows, using a discounted cash flow model. The valuation technique is consistent to that used in previous reporting periods.

The significant observable and unobservable inputs used in the fair value measurement of the investment in Chifeng are rand/renmimbi (RMB) exchange rate, RMB/US$ exchange rate, Zinc London Metal Exchange (LME) price, production volumes, operational costs and the discount rate.

8. Financial instruments (continued)

(c) Level 3 fair values (continued)

At 31 December 2014	Inputs	Sensitivity of inputs and fair value measurement[1]	Sensitivity analysis of a 10% increase in the inputs is demonstrated below[2] Rm
Observable inputs			
Rand/RMB exchange rate	R1,86/RMB1	Strengthening of the rand to the RMB	26
RMB/US$ exchange rate	RMB6,13 to RMB6,75/US$1	Strengthening of the RMB to the US$	152
Zinc LME price (US$ per tonne in real terms)	US$2 311 to US$2 226	Increase in price of zinc concentrate	152
Unobservable inputs			
Production volumes (tonnes)	85 000 tonnes	Increase in production volumes	37
Operational costs (US$ million per annum in real terms)	US$63 to US$76	Decrease in operations costs	(133)
Discount rate (%)	9,94%	Decrease in the discount rate	(20)
At 31 December 2013			
Observable inputs			
Rand/RMB exchange rate	R1,72/RMB1	Strengthening of the rand to the RMB	25
RMB/US$ exchange rate	RMB6,02 to RMB5,95/US$1	Strengthening of the RMB to the US$	161
Zinc LME price (US$ per tonne in real terms)	US$2 039 to US$2 027	Increase in price of zinc concentrate	161
Unobservable inputs			
Production volumes (tonnes)	208 750 tonnes	Increase in production volumes	177
Operational costs (US$ million per annum in real terms)	US$74 to US$88	Decrease in operations costs	(143)
Discount rate (%)	10%	Decrease in the discount rate	(21)

1 *Change in observable/unobservable input which will result in an increase in the fair value measurement.*
2 *A 10% decrease in the respective inputs would have an equal but opposite effect on the above, on the basis that all other variables remain constant.*

Interrelationships

Any interrelationships between unobservable inputs is not considered to have a significant impact within the range of reasonably possible alternative assumptions for both reporting periods.

RBCT

RBCT is classified within Level 3 of the fair value hierarchy as there is no quoted market price or observable price available for this investment. This unlisted investment is valued as the present value of the estimated future cash flows, using a discounted cash flow model. It is not anticipated that the RBCT investment will be disposed of in the near future. The valuation technique is consistent to that used in previous reporting periods.

The significant observable and unobservable inputs used in the fair value measurement of the investment in RBCT are rand/US$ exchange rate, API4 export price, Transnet market demand strategy, discount rate and annual utilisation factor.

At 31 December 2014	Inputs	Sensitivity of inputs and fair value measurement[1]	Sensitivity analysis of a 10% increase in the inputs is demonstrated below[2] Rm
Observable inputs			
Rand/US$ exchange rate	R10,94 to R18,80/US$1	Strengthening of the rand to the US$	257
API4 export price (US$ steam coal A-grade price per tonne in real terms)	US$62 to US$93	Increase in API4 export price per tonne	154
Unobservable inputs			
Transnet Market Demand Strategy for the terminal	74Mtpa to 81Mtpa	Acceleration of Transnet Freight Rail (TFR) performance, ie: reach full capacity sooner	97
Discount rate (%)	13% to 17%	Decrease in the discount rate	(120)
Annual utilisation factor (safety and rail delay factor) (%)	90%	Increase in annual utilisation factor	123

1 Change in observable/unobservable input which will result in an increase in the fair value measurement.

2 A 10% decrease or increase in the respective inputs would have an equal but opposite effect on the above, on the basis that all other variables remain constant.

At 31 December 2013	Inputs	Sensitivity of inputs and fair value measurement[1]	Sensitivity analysis of a 10% increase in the inputs is demonstrated below[2] Rm
Observable inputs			
Rand/US$ exchange rate	R9,85 to R10,15/US$1	Strengthening of the rand to the US$	119
API4 export price (US$ steam coal A-grade price per tonne in real terms)	US$75,50 to US$97	Increase in API4 export price per tonne	119
Unobservable inputs			
Transnet Market Demand Strategy for the terminal	77Mtpa to 81Mtpa	Acceleration of TFR performance, ie: reach full capacity sooner	127
Discount rate (%)	13% to 17%	Decrease in the discount rate	(109)
Annual utilisation factor (safety and rail delay factor) (%)	90%	Increase in annual utilisation factor	119

1 Change in observable/unobservable input which will result in an increase in the fair value measurement.

2 A 10% decrease in the respective inputs would have an equal but opposite effect on the above, on the basis that all other variables remain constant.

Interrelationships

Any interrelationships between unobservable inputs is not considered to have a significant impact within the range of reasonably possible alternative assumptions for both reporting periods.

	At 31 December	
	2014 Rm	2013 Rm
9. Contingent liabilities		
Total contingent liabilities	2 609	2 066
– DMC Iron Congo South Africa		84
– Pending litigation claims[1]	445	328
– Operational guarantees	1 263	977
– Group's share of contingent liabilities of equity-accounted investments[2]	901	677

1 *Pending litigation claims consist of legal cases with Exxaro as defendant. The outcome of these claims is uncertain and the amount of possible legal obligations that may be incurred can only be estimated at this stage.*

2 *Mainly relates to rehabilitation guarantees.*

Operational guarantees include guarantees to banks and other institutions in the normal course of business from which it is anticipated that no material liabilities will arise.

The timing and occurrence of any possible outflows of the contingent liabilities above are uncertain.

	At 31 December	
	2014 Rm	2013 Rm
10. Contingent assets		
Total contingent assets	256	108
– Surrender fee on prospecting rights, exploration rights and mining rights[1]		81
– Guarantee on sale of NCC[2]	170	
– Group's share of contingent assets of equity-accounted investments[3]	86	27

1 *In 2013 a surrender fee in exchange for the exclusive right to prospect, explore, investigate and mine for coal within a designated area of central Queensland and Moranbah, Australia, conditional to the grant of a mining lease, was included as contingent asset. However, in 2014, circumstances changed to the extent that the possibility for this surrender fee does not exist anymore, hence no amount relating to this matter is included in the current year.*

2 *Exxaro has received a guarantee from Universal as part of the sales transaction of NCC.*

3 *Bank guarantees in favour of SIOC relating to environmental rehabilitation.*

11. Related party transactions

During the year the group, in the ordinary course of business, entered into various sale and purchase transactions with associates and joint ventures. These transactions were subject to terms that are no less, nor more favourable than those arranged with third parties.

12. Going concern

Taking into account the group's liquidity position as well as internal budgets for the short to medium term, it is expected that the group will continue to trade as a going concern within the next 12 months.

13. JSE Limited Listings Requirements

The summarised group annual financial results have been prepared in accordance with the Listings Requirements of the JSE Limited.

14. Events after the reporting period

Details of the final dividend proposed are given in note 16.

The following non-adjusting events occurred after the reporting date and are disclosed for information purposes:

- On 28 January 2015, the Pegasus South Environmental Management Programme amended licence was approved
- On 30 January 2015, the financial guarantees provided by Universal for the sale of NCC were extended to 31 July 2015
- During February 2015, R2,3 billion on the revolving facility, as well as R2 billion on the term loan, was drawn down
- Exxaro entered into a binding sale and purchase agreement on 25 July 2014 with Total S.A. (Total), subject to certain conditions precedent, whereby Exxaro will acquire 100% of the issued share capital of Total Coal South Africa Proprietary Limited (TCSA) and its related export marketing rights under primary RBCT allocation. Exxaro will pay a total purchase consideration of US$472 million (US$386,5 million to acquire 100% of the issued share capital of TCSA and US$85,5 million to settle outstanding loan claims of Total Finance against TCSA). Three of the conditions precedent have been fulfilled. The condition precedent regarding the consent by the Department of Mineral Resources (DMR) of South Africa for the acquisition being granted in terms of section 11 of the Mineral and Petroleum Resources Development Act (MPRDA), is still outstanding.

The directors are not aware of any other significant matter or circumstance arising after the reporting period up to the date of this report, not otherwise dealt with in this report.

15. Final dividend

Exxaro remains committed to returning regular income through dividends to its shareholders, as well as ensuring long-term capital growth on shares held.

Notice was given that a gross final cash dividend, number 24 of 210 cents (2013: 315 cents) per share, for the year ended 31 December 2014 had been declared, payable to shareholders of ordinary shares. No secondary tax on companies (STC) credits are available for offsetting against the dividend withholding tax, while total STC credits available for final dividend number 22 amounted to R195 million, representing 54,51893 cents per share. The gross local dividend is 210 cents per share for shareholders exempt from dividend withholding tax. The dividend declared is subject to a dividend withholding tax of 15% for all shareholders who are not exempt from or do not qualify for a reduced rate of dividend withholding tax. The net local dividend payable to shareholders who are subject to dividend withholding tax at a rate of 15% is 178,50000 cents per share. The dividend withholding tax amounts to 31,50000 cents per share (2013: zero cents per share). The number of ordinary shares in issue at the date of this declaration is 358 115 505 (2013: 358 115 505). Exxaro's tax reference number is 9218/098/14/4.

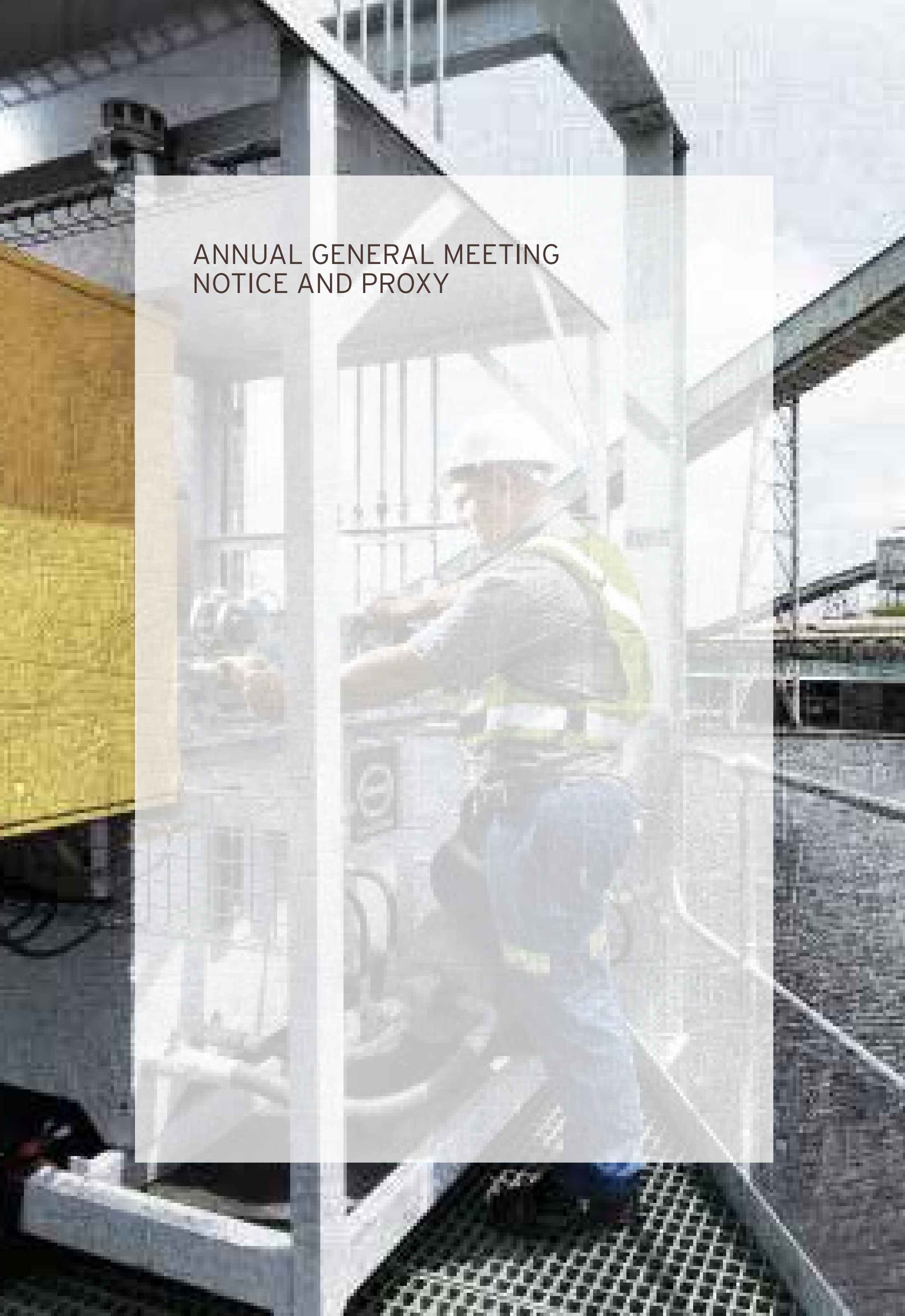
The salient dates of payment of the annual dividend are:	
Last day to trade cum dividend on the JSE	Friday, 10 April 2015
First trading day ex dividend on the JSE	Monday, 13 April 2015
Record date	Friday, 17 April 2015
Payment date	Monday, 20 April 2015

No share certificates may be dematerialised or rematerialised between Monday, 13 April 2015 and Friday, 17 April 2015, both days inclusive. Dividends for certificated shareholders will be transferred electronically to their bank accounts on payment date. Shareholders who hold dematerialised shares will have their accounts at their central securities depository participant (CSDP) or broker credited on Monday, 20 April 2015.

	At 31 December	
	2014	2013
16. Other*		
Net asset value per share (rand/share)	96	101
Capital expenditure contracted relating to tied mines, Tshikondeni, Arnot and Matla, which will be financed by ArcelorMittal SA Limited and Eskom (Rm)	159	317
Operating lease commitments (Rm)	135	212
Closing share price (rand/share)	103,50	146,46
Market capitalisation (Rb)	37,06	52,45
Average rand/US$ exchange rate (spot rate)	10,83	9,62
Closing rand/US$ exchange rate (spot rate)	11,56	10,44

* *Non-IFRS numbers.*

ANNUAL GENERAL MEETING NOTICE AND PROXY



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)

Notice is hereby given that the 14th (fourteenth) annual general meeting of shareholders of Exxaro will be held (subject to any adjournment, postponement or cancellation) at the Exxaro Corporate Centre, Roger Dyason Road, Pretoria West, South Africa, at 11:00 on Tuesday, 26 May 2015 to consider, and if deemed fit, pass with or without modification, the resolutions as set out in this notice.

The board of directors of the company has determined, in accordance with section 59(1)(a) and (b) of the Companies Act 71 of 2008, as amended (Companies Act), that the record date for shareholders to receive the notice of the annual general meeting (the notice record date) is Friday, 17 April 2015 and the record date for shareholders to be recorded as such in the shareholders' register, maintained by the transfer secretaries of the company, to be able to attend, participate in and vote at the annual general meeting (the voting record date) is Friday, 15 May 2015. Therefore the last day to trade in the company's shares on the JSE Limited (JSE) to be recorded in the share register on the voting record date is Friday, 8 May 2015.

PRESENTATION OF AUDITED ANNUAL FINANCIAL STATEMENTS

The annual financial statements of the company and the group, including the reports of the directors, group audit committee and the independent external auditors, for the year ended 31 December 2014, will be presented to shareholders as required in terms of section 30(3)(d) of the Companies Act (abbreviated versions have been included in this publication, with the full annual financial statements available on the company's website).

PRESENTATION OF GROUP SOCIAL AND ETHICS COMMITTEE REPORT

A report of the members of the group social and ethics committee for the year ended 31 December 2014, as included in the integrated report 2014, will be presented to shareholders as required in terms of regulation 43 of the Companies Regulations 2011.

RESOLUTIONS FOR CONSIDERATION AND ADOPTION

1. Ordinary resolution number 1: election and re-election of directors

To elect or re-elect, as the case may be, by separate resolutions the following directors: Mr V Nkonyeni, Mrs S Dakile-Hlongwane, Dr D Konar and Mr J van Rooyen. Brief résumés for these directors appear in the integrated report 2014.

The board has assessed the performance of directors standing for election/re-election, and has found them suitable for appointment/reappointment.

Mr V Nkonyeni, appointed by the board of directors since the last annual general meeting of the company, is, in accordance with the provisions of clause 6.2 of the company's memorandum of incorporation, obliged to retire at this annual general meeting and, being eligible, offers himself for election.

Ordinary resolution number 1.1

"RESOLVED that Mr V Nkonyeni be and is hereby elected as a director of the company with effect from 26 May 2015."

Mrs S Dakile-Hlongwane, Dr D Konar and Mr J van Rooyen are obliged to retire by rotation at this annual general meeting in accordance with the provisions of clause 6.2 of the company's memorandum of incorporation.

Having so retired and being eligible, Mrs Dakile-Hlongwane, Dr Konar and Mr Van Rooyen offer themselves for re-election.

Ordinary resolution number 1.2

"RESOLVED that Mrs S Dakile-Hlongwane be and is hereby re-elected as a director of the company with effect from 26 May 2015."

Ordinary resolution number 1.3

"RESOLVED that Dr D Konar be and is hereby re-elected as a director of the company with effect from 26 May 2015."

Ordinary resolution number 1.4

"RESOLVED that Mr J van Rooyen be and is hereby re-elected as a director of the company with effect from 26 May 2015."

For each of these resolutions to be passed, votes in favour must represent at least 50% +1 (fifty percent plus one) of all votes cast and/or exercised at the meeting in respect of each of these resolutions.

2. Ordinary resolution number 2: election of group audit committee members

To elect by separate resolutions a group audit committee comprising independent non-executive directors, as provided in section 94(4) of the Companies Act and appointed in terms of section 94(2) of that act to hold office until the next annual general meeting to perform the duties and responsibilities stipulated in section 94(7) of the Companies Act and the King III Report on Governance for South Africa 2009 and to perform such other duties and responsibilities as may from time to time be delegated by the board of directors for the company, all subsidiary companies and controlled trusts.

The board of directors has assessed the performance of the group audit committee members standing for election and has found them suitable for appointment. Brief résumés for these directors appear in the integrated report 2014.

Ordinary resolution number 2.1

"RESOLVED that Dr CJ Fauconnier be and is hereby elected as a member of the group audit committee with effect from 26 May 2015."

Ordinary resolution number 2.2

"RESOLVED that Mr RP Mohring be and is hereby elected as a member of the group audit committee with effect from 26 May 2015."

Ordinary resolution number 2.3

"RESOLVED that Mr V Nkonyeni be and is hereby elected as a member of the group audit committee with effect from 26 May 2015."

Ordinary resolution number 2.4

"RESOLVED that Mr J van Rooyen be and is hereby elected as a member of the group audit committee with effect from 26 May 2015."

The election of Messrs V Nkonyeni and J van Rooyen are subject to their election and re-election, as the case may be, as directors.

For each of these resolutions to be passed, votes in favour must represent at least 50% +1 (fifty percent plus one) of all votes cast and/or exercised at the meeting in respect of each of these resolutions.

3. Ordinary resolution number 3: election of group social and ethics committee members

To elect by separate resolutions a group social and ethics committee, as provided in section 72(4) of the Companies Act and regulation 43 of the Companies Regulations 2011 (Regulations), appointed in terms of regulation 43(2) of the Regulations to hold office until the next annual general meeting and to perform the duties and responsibilities stipulated in regulation 43(5) of the Regulations and to perform such other duties and responsibilities as may from time to time be delegated by the board of directors for the company and all subsidiary companies.

The board of directors has assessed the performance of the group social and ethics committee members standing for election and has found them suitable for appointment. Brief résumés for these directors appear in the integrated report 2014.

Ordinary resolution number 3.1

"RESOLVED that Dr CJ Fauconnier be and is hereby elected as a member of the group social and ethics committee with effect from 26 May 2015."

Ordinary resolution number 3.2

"RESOLVED that Mr RP Mohring be and is hereby elected as a member of the group social and ethics committee with effect from 26 May 2015."

RESOLUTIONS FOR CONSIDERATION AND ADOPTION (continued)

3. Ordinary resolution number 3: election of group social and ethics committee members (continued)

Ordinary resolution number 3.3

"RESOLVED that Dr MF Randera be and is hereby elected as a member of the group social and ethics committee with effect from 26 May 2015."

For each of these resolutions to be passed, votes in favour must represent at least 50% +1 (fifty percent plus one) of all votes cast and/or exercised at the meeting in respect of each of these resolutions.

4. Ordinary resolution number 4: approval of the remuneration policy

"RESOLVED, through a non-binding advisory vote, that the company's remuneration policy and its implementation, as set out in the remuneration and nomination committee report of the integrated report 2014, be and is hereby approved."

This ordinary resolution is of an advisory nature only and although the board will consider the outcome of the vote when determining the remuneration policy, failure to pass this resolution will not legally preclude the company from implementing the remuneration policy as contained in the integrated report.

5. Ordinary resolution number 5: reappointment of independent external auditors

As set out in the group audit committee report of the integrated report 2014, the group audit committee has assessed PricewaterhouseCoopers Incorporated's performance, independence and suitability and has nominated them for reappointment as independent external auditors of the group, to hold office until the next annual general meeting.

"RESOLVED that PricewaterhouseCoopers Incorporated, with the designated audit partner being Mr TD Shango, be and is hereby reappointed as independent external auditors of the group for the ensuing year."

For this resolution to be passed, votes in favour must represent at least 50% +1 (fifty percent plus one) of all votes cast and/or exercised at the meeting in respect of this resolution.

6. Ordinary resolution number 6: authorise director and/or group company secretary

"RESOLVED that any one director and/or group company secretary of the company or equivalent be and are hereby authorised to do all such tasks and sign all such documents deemed necessary to implement the resolutions set out in the notice convening the annual general meeting at which these resolutions will be considered."

For this resolution to be passed, votes in favour of the resolution must represent at least 50% +1 (fifty percent plus one) of all votes cast and/or exercised at the meeting in respect of this resolution.

7. Special resolution number 1: non-executive directors' fees

Approval in terms of section 66 of the Companies Act is required to authorise the company to remunerate non-executive directors for services as directors. Furthermore, in terms of the King Report on Governance for South Africa 2009 and as read with the JSE Listings Requirements, remuneration payable to non-executive directors should be approved by shareholders in advance or within the previous two years.

"RESOLVED as a special resolution in terms of the Companies Act 71 of 2008, as amended (Companies Act), that the remuneration of non-executive directors for the period 1 June 2015 until the end of the month in which the next annual general meeting is held, be and is hereby approved on the basis set out below:

	Current R	Jun 2015 — 2016 AGM Proposed R
Chairman of the board	1 353 413	1 400 777
Members of the board	319 770	330 968
Audit committee chairman	270 380	279 847
Audit committee members	142 808	147 810
Chairmen of other board committees	209 458	216 791
Members of other board committees	99 950	103 446
Social and ethics committee chairman	104 729	108 389
Social and ethics committee member	49 975	51 729
Ad hoc meeting fees		
Board meeting	13 542	14 016
Committee meeting	10 160	10 516

The proposed fees equate to a 3,5% increase, and is aligned with the 2015 increases for the management and specialist category employees.

For this resolution to be passed, votes in favour must represent at least 75% (seventy five percent) of all votes cast and/or exercised at the meeting in respect of this resolution.

8. Special resolution number 2: general authority to repurchase shares

"RESOLVED as a special resolution in terms of the Companies Act 71 of 2008, as amended (Companies Act), that, subject to compliance with the JSE Listings Requirements, the Companies Act, and clause 3.1(12) of the memorandum of incorporation of the company, the directors be and are hereby authorised, at their discretion, to instruct that the company or subsidiaries of the company acquire or repurchase ordinary shares issued by the company, provided that:

- The number of ordinary shares acquired in any one financial year will not exceed 5% (five percent) of the ordinary shares in issue at the date on which this resolution is passed
- This must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty
- This authority will lapse on the earlier of the date of the next annual general meeting of the company or 15 (fifteen) months after the date on which this resolution is passed
- The price paid per ordinary share may not be greater than 10% (ten percent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which a purchase is made."

The reason for and effect of this special resolution is to authorise the directors, if they deem it appropriate in the interests of the company, to instruct that the company or its subsidiaries acquire or repurchase ordinary shares issued by the company subject to the restrictions contained in the above resolution.

At present, the directors have no specific intention to use this authority which will only be used if circumstances are appropriate.

RESOLUTIONS FOR CONSIDERATION AND ADOPTION (continued)

8. Special resolution number 2: general authority to repurchase shares (continued)

The directors undertake that they will not implement the repurchase as contemplated in this special resolution while this general authority is valid, unless:

- After such repurchases, the company passes the solvency and liquidity test as contained in section 4 of the Companies Act and that, from the time the solvency and liquidity test is done, there will be no material changes to the financial position of the group
- The consolidated assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards and in accordance with accounting policies used in the company and group annual financial statements for the year ended 31 December 2014, will exceed the consolidated liabilities of the company and the group immediately following such purchase or 12 (twelve) months after the date of the notice of annual general meeting, whichever is the later
- The company and group will be able to pay their debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date of the notice of the annual general meeting or a period of 12 (twelve) months after the date on which the board considers that the purchase will satisfy the immediately preceding requirement and this requirement, whichever is the later
- The issued share capital and reserves of the company and group will be adequate for the purposes of the business of the company and group for a period of 12 (twelve) months after the date of the notice of the annual general meeting of the company
- The company and group will have adequate working capital for ordinary business purposes for a period of 12 (twelve) months after the date of this notice
- A resolution is passed by the board of directors that it has authorised the repurchase, that the company and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the group
- The company or its subsidiaries will not repurchase securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless the company has a repurchase programme in place where the dates and quantities of securities to be traded during the relevant prohibited period are fixed (not subject to any variation) and has been submitted to the JSE in writing. The company will instruct an independent third party, which makes its investment decisions on the company's securities independently of, and uninfluenced by, the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE
- When the company or its subsidiaries have cumulatively repurchased 3% (three percent) of the initial number of the relevant class of securities, and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter, an announcement will be made
- The company at any time only appoints one agent to effect any repurchase(s) on its behalf.

For this resolution to be passed, votes in favour must represent at least 75% (seventy five percent) of all votes cast and/or exercised at the meeting in respect of this resolution.

9. Special resolution number 3: financial assistance for subscription of securities

"RESOLVED as a special resolution in terms of the Companies Act 71 of 2008, as amended (Companies Act), that the provision by the company of any direct or indirect financial assistance as contemplated in section 44 of the Companies Act to any 1 (one) or more related or inter-related persons of the company for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company, be and is hereby approved, provided that:

1. i) The specific recipient/s of such financial assistance
   ii) The form, nature and extent of such financial assistance
   iii) The terms and conditions under which such financial assistance is provided are determined by the board of directors of the company from time to time
2. The board has satisfied the requirements of section 44 of the Companies Act on the provision of any financial assistance
3. Such financial assistance to a recipient is, in the opinion of the board of directors of the company, required for a purpose, which in the opinion of the board, is directly or indirectly in the interests of the company
4. The authority granted in terms of this special resolution will remain valid until a new similar resolution is passed at the next annual general meeting or after the expiry of a period of 24 (twenty four) months, whichever is the latter."

For this resolution to be passed, votes in favour must represent at least 75% (seventy five percent) of all votes cast and/or exercised at the meeting in respect of this resolution.

10. Special resolution number 4: financial assistance to related or inter-related companies

"RESOLVED as a special resolution in terms of the Companies Act 71 of 2008, as amended (Companies Act), that the provision by the company of any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any 1 (one) or more related or inter-related companies of the company and/or to any 1 (one) or more juristic persons who are members of, or are related to, any such related or inter-related company, be and is hereby approved, provided that:

1. i) The specific recipient/s of such financial assistance
   ii) The form, nature and extent of such financial assistance
   iii) The terms and conditions under which such financial assistance is provided are determined by the board of directors of the company from time to time
2. The board has satisfied the requirements of section 45 of the Companies Act in relation to the provision of any financial assistance
3. Such financial assistance to a recipient is, in the opinion of the board of directors of the company, required for a purpose which, in the opinion of the board, is directly or indirectly in the interests of the company
4. The authority granted in terms of this special resolution will remain valid until a new similar resolution is passed at the next annual general meeting or after the expiry of a period of 24 (twenty four) months, whichever is the latter."

For this resolution to be passed, votes in favour must represent at least 75% (seventy five percent) of all votes cast and/or exercised at the meeting in respect of this resolution.

11. To transact such other business as may be transacted at an annual general meeting

Disclosures required in terms of the JSE Listings Requirements

The following information is provided in accordance with paragraph 11.26 of the JSE Listings Requirements and relates to special resolution number 2:

Directors' responsibility statement

The directors, whose names appear in the integrated report 2014, collectively and individually accept full responsibility for the accuracy of the information given in special resolution number 2, and certify that to the best of their knowledge and belief no facts have been omitted that would make any statements false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this resolution and additional disclosure in terms of paragraph 11.26 of the JSE Listings Requirements contain all information required by law and the JSE Listings Requirements.

Material changes

Other than the facts and developments reported in the group and company annual financial statements, and integrated report 2014, there have been no material changes in the affairs, financial or trading position of the group since publication of the summarised group annual financial statements for the year ended 31 December 2014.

The following further disclosures required in terms of the JSE Listings Requirements are set out in:
- The integrated report 2014 — major shareholders of the company
- This publication page 3 — share capital of the company.

Identification, voting and proxies

In terms of section 63(1) of the Companies Act, any person attending or participating in the annual general meeting must present reasonable satisfactory identification and the person presiding at the annual general meeting must be reasonably satisfied that the right of any person to participate in and vote (as shareholder or as proxy for a shareholder) has been reasonably verified. Suitable forms of identification will include valid identity documentation, driver's licences and passports.

The votes of shares held by share trusts classified as schedule 14 trusts in terms of the JSE Listings Requirements will not be taken into account at the annual general meeting for approval of any resolution proposed in terms of the JSE Listings Requirements.

A form of proxy is attached for the convenience of any certificated or dematerialised Exxaro shareholders with own-name registrations who cannot attend the annual general meeting, but wish to be represented.

To be valid, completed forms of proxy must be received by the transfer secretaries of the company, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 11:00 on Friday, 22 May 2015.

All beneficial owners of Exxaro shares who have dematerialised their shares through a central securities depository participant (CSDP) or broker, other than those with own-name registration, and all beneficial owners of shares who hold certificated shares through a nominee, must provide their CSDP, broker or nominee with their voting instructions, in accordance with the agreement between the beneficial owner and the CSDP, broker or nominee. Should such beneficial owners wish to attend the meeting in person, they must request their CSDP, broker or nominee to issue them with the appropriate letter of representation.

Exxaro does not accept responsibility and will not be held liable for any failure on the part of a CSDP or broker to notify such Exxaro shareholder of the annual general meeting.

Electronic participation by shareholders

Should any shareholder (or representative or proxy for a shareholder) wish to participate in the annual general meeting electronically, that shareholder should apply in writing (including details on how the shareholder or representative (including proxy) can be contacted) to the transfer secretaries, at the address above, to be received by the transfer secretaries at least 7 (seven) business days prior to the annual general meeting (thus Friday, 15 May 2015) for the transfer secretaries to arrange for the shareholder (or representative or proxy) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Companies Act and for the transfer secretaries to provide the shareholder (or representative or proxy) with details on how to access the annual general meeting by means of electronic participation. The company reserves the right not to provide for electronic participation at the annual general meeting if it determines that it is not practical to do so, or an insufficient number of shareholders (or their representatives or proxies) request to participate in this manner.

By order of the board

Carina Wessels
Group company secretary

Pretoria
9 April 2015

FORM OF PROXY

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)

To be completed by certificated shareholders and dematerialised shareholders with 'own-name' registration only

For completion by registered shareholders of Exxaro unable to attend the 14th (fourteenth) annual general meeting of shareholders of the company to be held at 11:00 on Tuesday, 26 May 2015, at the Exxaro Corporate Centre, Roger Dyason Road, Pretoria West, South Africa or at any adjournment or postponement of that meeting.

A shareholder is entitled to appoint one or more proxies (none of whom need to be a shareholder of the company) to attend, participate in, speak and vote or abstain from voting in the place of that shareholder at the annual general meeting.

I/We (please print names in full) ____________________

of (address) ____________________

being the holder/s of ____________ shares in the company, do hereby appoint:

1 ____________________ or, failing him/her

2 ____________________ or, failing him/her

the chairman of the annual general meeting, as my/our proxy to attend, participate in, speak and, on a poll, vote on my/our behalf at the annual general meeting of shareholders to be held at 11:00 on Tuesday, 26 May 2015 at the Exxaro Corporate Centre, Roger Dyason Road, Pretoria West, South Africa or at any adjournment or postponement of that meeting, and to vote or abstain from voting as follows on the ordinary and special resolutions to be proposed at such meeting:

			For	Against	Abstain
Ordinary resolutions					
1.	Resolution to elect/re-elect directors				
	1.1	Election of Mr V Nkonyeni as a director			
	1.2	Re-election of Mrs S Dakile-Hlongwane as a director			
	1.3	Re-election of Dr D Konar as a director			
	1.4	Re-election of Mr J van Rooyen as a director			
2.	Resolution to elect group audit committee members				
	2.1	Election of Dr CJ Fauconnier as a member of the group audit committee			
	2.2	Election of Mr RP Mohring as a member of the group audit committee			
	2.3	Election of Mr V Nkonyeni as a member of the group audit committee			
	2.4	Election of Mr J van Rooyen as a member of the group audit committee			

FORM OF PROXY (continued)

			For	Against	Abstain
3.	Resolution to elect group social and ethics committee members				
	3.1	Election of Dr CJ Fauconnier as a member of the group social and ethics committee			
	3.2	Election of Mr RP Mohring as a member of the group social and ethics committee			
	3.3	Election of Dr MF Randera as a member of the group social and ethics committee			
4.	Resolution to approve, through a non-binding advisory vote, the company's remuneration policy				
5.	Resolution to reappoint PricewaterhouseCoopers Incorporated as independent external auditors				
6.	Resolution to authorise a director and/or the group company secretary to implement the resolutions set out in the notice convening the annual general meeting				
Special resolutions					
1.	Special resolution to approve non-executive directors' fees for the period 1 June 2015 until the next annual general meeting				
2.	Special resolution to authorise directors to repurchase company shares in terms of a general authority				
3.	Special resolution to authorise financial assistance for the subscription of securities				
4.	Special resolution to authorise financial assistance to related or inter-related companies				

Please indicate with an 'X' in the appropriate spaces provided above how you wish your vote to be cast. If no indication is given, the proxy may vote or abstain as he/she sees fit.

Signed at this ______________________ day of ______________________ 2015

Signature ______________________

Assisted by me, where applicable (name and signature) ______________________

Please read the notes that follow.

NOTES OF THE FORM OF PROXY

(Which include a summary of the rights established by section 58 of the Companies Act 71 of 2008, as amended (Companies Act))

1. A form of proxy is only to be completed by those ordinary shareholders who are:
   - Holding ordinary shares in certificated form or
   - Recorded on the subregister in electronic form in own-name.
2. If you have already dematerialised your ordinary shares through a central securities depository participant (CSDP) or broker and wish to attend the annual general meeting, you must request your CSDP or broker to provide you with a letter of representation or instruct your CSDP or broker to vote by proxy on your behalf in terms of the agreement between yourself and your CSDP or broker.
3. A shareholder may insert the name of a proxy or the names of two or more persons as alternative or concurrent proxies in the space. The person whose name stands first on the form of proxy and who is present at the annual general meeting of shareholders will be entitled to act to the exclusion of those whose names follow. A proxy may not delegate his/her authority to act on behalf of the shareholder to another person.
4. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the instrument appointing the proxy provides otherwise.
5. On a show of hands, a shareholder of the company present in person or by proxy will have one vote, irrespective of the number of shares he/she holds or represents, provided that a proxy will, irrespective of the number of shareholders he/she represents, have only one vote. On a poll, a shareholder who is present or represented by proxy will be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of shares held by him/her bears to the aggregate amount of the nominal value of all shares issued by the company.
6. A shareholder's instructions to the proxy must be indicated by inserting the relevant numbers of votes exercisable by the shareholder in the box provided. Failure to comply with this will be deemed to authorise the proxy to vote or abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's exercisable votes. A shareholder or proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by the proxy.
7. The proxy appointment is:
   - Suspended at any time and to the extent that the shareholder chooses to act directly and in person in exercising any rights as a shareholder, and
   - Revocable unless the proxy appointment expressly states otherwise; and if the appointment is revocable, a shareholder may revoke the proxy appointment by:
     - Cancelling it in writing, or making a later inconsistent appointment of a proxy, and
     - Delivering a copy of the revocation instrument to the proxy, and to the transfer secretaries of the company.
8. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:
   - The date stated in the revocation instrument, if any, or
   - The date on which the revocation instrument was delivered.
9. If the instrument appointing a proxy or proxies has been delivered, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's memorandum of incorporation to be delivered by the company to the shareholder must be delivered to:
   - The shareholder, or
   - The proxy or proxies, if the shareholder has directed the company to do so, in writing, and paid any reasonable fee charged by the company for doing so.
10. The proxy appointment remains valid only until the end of the annual general meeting or any adjournment or postponement of the meeting, unless it is revoked in accordance with paragraph 7 prior to the meeting.

11. Forms of proxy must be lodged at or posted to Computershare Investor Services Proprietary Limited, to be received not later than 48 hours before the time fixed for the meeting (excluding Saturdays, Sundays and public holidays), thus by 11:00 on Friday, 22 May 2015.

    For shareholders on the South African register:
    Computershare Investor Services Proprietary Limited
    Ground Floor
    70 Marshall Street
    Johannesburg
    2001
    PO Box 61051
    Marshalltown
    2107
    www.computershare.com
    Tel: +27 11 370 5000

    Over-the-counter American depository receipt (ADR) holders:
    Exxaro has an ADR facility with The Bank of New York (BoNY) under a deposit agreement. ADR holders may instruct BoNY how the shares represented by their ADRs should be voted.

    American Depository Receipt Facility (ADR)
    Bank of New York
    101 Barclay Street
    New York, NY 10286
    www.adrbny.com
    shareowners@bankofny.com
    Tel: +(00-1) 888 815 5133

12. Completing and lodging this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person to the exclusion of any appointed proxy.
13. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity or other legal capacity must be attached to this form of proxy, unless previously recorded by the transfer secretaries or waived by the chairman of the annual general meeting.
14. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
15. Despite the aforegoing, the chairman of the annual general meeting may, if deemed reasonable, waive any formalities that would otherwise be a prerequisite for a valid proxy.
16. If any shares are jointly held, all joint shareholders must sign this form of proxy. If more than one of those shareholders is present at the annual general meeting, either in person or by proxy, the person whose name first appears in the register will be entitled to vote.

ADMINISTRATION

Group company secretary and registered office
CH Wessels
Exxaro Resources Limited
Roger Dyason Road
Pretoria West, 0183
(PO Box 9229, Pretoria, 0001)
South Africa
Telephone +27 12 307 5000

Company registration number: **2000/011076/06**
JSE share code: EXX
ISIN: ZAE000084992

Independent external auditors
PricewaterhouseCoopers Incorporated
2 Eglin Road
Sunninghill, 2157

Commercial bankers
Absa Bank Limited

Corporate law advisers
EOH Legal Services Proprietary Limited
Roger Dyason Road
Pretoria West
0183

United States ADR Depository
The Bank of New York
101 Barclay Street
New York NY 10286
United States of America

Sponsor
Deutsche Securities (SA) Proprietary Limited
3 Exchange Square
87 Maude Street
Sandton, 2196

Registrars
Computershare Investor Services Proprietary Limited
Ground floor, 70 Marshall Street
Johannesburg
2001
(PO Box 61051, Marshalltown, 2107)

SHAREHOLDER DIARY

Financial year end	31 December
Annual general meeting	May
Reports and accounts published	
Announcement of annual results	March
Integrated report and other statutory reports	April
Interim report for the half-year ending 30 June	August
Distributions	
Final dividend declaration	March
Payment	April
Interim dividend declaration	August
Payment	September/October

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